

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

### REGULAR COUNCIL MEETING

August 27, 2013  
7:00 p.m.

### CALL TO ORDER

The Regular Council meeting was held Tuesday, August 27, 2013, in the City Council Chambers at City Hall, 17 S. 8<sup>th</sup> Street, Miles City, Montana. Mayor C. A. Grenz called the meeting to order. Council Members present were Mark Ahner, Dwayne Andrews, Roxanna Brush, Sue Galbraith, John Hollowell, Jerry Partridge, John Uden and Bill Melnik.

Also present were City Attorney Dan Rice, Fire Chief Dale Berg, Flood Plain Administrator Samantha Malenovsky, Public Utilities Director Al Kelm, Police Chief Doug Colombik, Public Works Director Scott Gray, City Clerk Lorrie Pearce, Grant Administrator Dawn Colton, Animal Control Officer Brian Certain, Payroll/HR Officer Billie Burkhalter, Dispatch Director Heather Roos, Utility Billing Clerk Patti Bishop, Library Director Sonja Woods, Library Employee Hannah Nash, Police Department Secretary Karen Hathaway, Deputy City Court Clerk Gail Krezelak, Utility Billing Assistant Linda McDowell, City Court Clerk Sandy Percy, Historical Preservation Officer Connie Muggli, numerous police officers and Council Recorder/Deputy City Clerk Connie Watts.

### PLEDGE OF ALLEGIANCE

Mayor Grenz led the Council in the Pledge of Allegiance.

### APPROVAL OF COUNCIL & COMMITTEE MINUTES

#### Regular Council Minutes – 8/13/2013

**\*\*** *Councilperson Brush moved to approve the minutes of the Regular Council Meeting of August 13, 2013, seconded by Councilperson Melnik and passed unanimously, 8-0.*

#### Finance Committee Meeting: 8/8/2013

Finance Committee Meeting  
August 8, 2013

The Finance Committee met Thursday, August 8, 2013, at 6:00 p.m. in the City Hall Conference Room. Present were Chairperson Mark Ahner and Committee Members John Uden, Roxanna Brush and Bill Melnik.

Also present were Mayor C. A. Grenz, Public Utilities Director Al Kelm, Fire Chief Dale Berg, Utility Billing Clerk Patti Bishop, Historical Preservation Officer Connie Muggli and Deputy City Clerk/Recorder Connie Watts.

#### Water and Sewer Debts to Collection

Billing Clerk Bishop reported there was \$7,403.07 in unpaid utility bills to be sent to the collection agency. Since printing the report received in the packets, she has reduced the original amount by \$276.71. Two have paid their bills and one is deceased.

It was suggested to browse the obituaries and/or legal notices in the paper to try to collect from estates. Also, the City Court Judge has offered to help collect unpaid bills rather than sending them to a collection agency. The Committee felt this should be tried before sending the next batch to the collection agency.

**\*\*** *Committee Member Uden moved to recommend forwarding \$7,403.07 in unpaid utility bills to the City's collection agency, seconded by Committee Member Melnik and passed unanimously, 4-0.*

#### Request to Adjust/Waive Ambulance Bill

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Fire Chief Dale Berg reported that Solestone has a copy of our payment policy, and will work with debtors just as the City had previously. Chairperson Ahner mentioned we have never adjusted or waived an ambulance bill since he has been on the Finance Committee. The Committee also felt the individual has sufficient resources to make minimal payments of at least \$20/month. **The request to adjust or waive the ambulance bill was denied.**

### Resolution to Create and Fund a School Resource Officer for the 2013-2014 School Year

Chairperson Ahner explained this would be a mutually beneficial situation for the three entities of Custer County, the School District and the City. The amount of \$52,215 (funding for the 9 months of the school year) would be reduced by about \$5400 in grant proceeds. The remaining \$46,814 would be split three ways for a net responsibility of \$15,605 each.

The School board will discuss this at their meeting next Tuesday, and the County has placed it on their agenda for Tuesday, also. It will be placed on the City Council's August 13<sup>th</sup> agenda and has already been accounted for in the FY 13-14 budget.

**\*\*** *Committee Member Brush moved to recommend approval of the resolution to the Council, seconded by Committee Member Melnik and passed unanimously, 4-0.*

### Discussion of Tax Increment Finance Districts (TIF)

Historical Preservation Officer Connie Muggli gave a presentation on the Tax Increment Finance Districts. TIF, she explained, is a state authorized, locally driven funding mechanism that allows cities and counties to direct property tax dollars that accrue from new development, *within a specifically designated district*, to community and economic development activities within that district.

A pamphlet outlining how the TIF works, how to create a district, allowable uses of TIF funds and how to manage a TIF district was distributed to the Committee members.

The maximum length of time for a TIF is 15 years. During that time the difference between the Base Tax Value for Distribution and the Tax Value for Distribution (Base + Increment) - money accrued from new development - is placed in a special fund to be used for economic development activities within the district. Meanwhile, the properties in the district are exempt from increased property tax rates during the life of the TIF.

Taxpayers located within a TIF district pay the same amount as they would if the property were located outside the district. TIF does not increase property taxes; rather, it only affects the way that taxes, once collected, are distributed.

Some allowable uses of TIF funds are: land acquisition, rehabilitation and renovation, demolition and removal of structures, planning, marketing and analysis, general redevelopment activities and constructing, improving and connecting to infrastructure.

A TIF can be used to leverage other funding sources, both public and private. A district may establish a revolving loan fund to provide financing to property owners within the district to make improvements to private infrastructure. The revolving fund may continue in perpetuity, even after the district has "sunsetted." Funds may also be used to pay for program administration and associated development activities.

A TIF is managed by the local governing body or a separate "Urban Renewal Agency" established by the local governing body.

She explained that a consultant would need to be retained at the approximate cost of \$25,000 to \$30,000. This would include travel, community meetings, review of zoning regulations, in-depth review and updating of the City Growth Policy, work with the City Planning Board, public notices and legal documents and review processes.

Some grants may be available for the consultant, including Montana Main Street Program (1:1/2 match), Dept of Commerce Technical Assistance Program (1:1 match), SEMDC Planning Grants, as well as others.

Committee Member Melnik felt it might be a good thing to pursue in the future, but wanted to get the water and sewer projects done first.

Committee Member Uden felt the City needs to do something to revitalize Main Street, and was in favor of trying this method.

Committee Member Brush wanted to wait, as she would like to get together with the Economic Development group for discussion.

Mayor Grenz said he would like to wait until after budget season, then come back together to revisit it.

### Request of Citizens

None

### Adjournment

Having no more business to come before the Committee,

**\*\*** *Committee Member Uden moved to adjourn the meeting, seconded by Committee Member Melnik and passed unanimously, 4-0.*

The meeting was adjourned at 7:35 p.m.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

**\*\*** *Councilperson Ahner moved to approve the minutes of the Finance Committee Meeting of August 8, 2013. The motion was seconded by Councilperson Uden and passed unanimously, 8-0.*

### SCHEDULE MEETINGS

**Public Safety Committee:** Thursday, August 29, 2013 @ 6:00 pm

**Flood Control Committee:** Tuesday, September 3, 2013 @ 6:00 pm

### REQUEST OF CITIZENS & PUBLIC COMMENT

*Dorothy Armstrong*, real estate broker for W.A. Mitchell Agency, presented the Council with a handout regarding the dike feasibility study. In it, she noted that a home valued at \$75,000 with a Base Flood Elevation of 1 (with no basement) could be charged as much as \$1,952.50 per year for loan-required flood insurance. She encouraged the Council to initiate the study as soon as possible and not wait for "possible" grants. She also asked if any grants have been applied for and/or received.

Grant Administrator Colton responded on the grant questions. She said we have received \$5,000 from DNRC. The CDBG grants, which will be \$30,000 each from the City and the County for a total of \$60,000, and with a 3:1 match, have not yet opened up and we will apply for those as soon as they begin to receive applications. Finally, there is a potential FEMA grant of \$25,000 with a 25% match, for which we are waiting for an eligibility determination.

### APPOINTMENTS

None

### PROCLAMATIONS

None

### STAFF REPORTS

None

### CITY COUNCIL COMMENTS

#### **Roxanna Brush**

- Noted that an individual graduates from the **Community Service Program** tonight
- Asked the Mayor if there will be another **public hearing on the budget**. He responded that tonight will be the last opportunity for public comment before the Council votes on the budget later at this meeting.
- Mentioned the **476 signatures on the petition to retain the Animal Control Officer's full-time position**. She said that 53 signatures are from the County, which is over 11%, and they did address the library as well as animal control.
- Said the **County contributes \$38,645**, or about 15% of the City's budget, all of which is for the Library, and nothing to animal control
- **Thanked Linda Wildman** for providing budget education and recommendations to one or more councilpersons who were not able to make it to the seven scheduled budget meetings.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

- **Expressed disappointment** that one or more of the councilpersons feel the council cannot work together. She encouraged them to reconsider their thoughts, as she feels they would function more efficiently as a team.
- **Asked the Mayor to schedule an intermission** prior to New Business.

### Sue Galbraith

- **Responded to Councilperson Brush's comments.** She said she was one of the councilpersons unable to go to all the meetings, as she had a family wedding to attend that week. She said Ms. Wildman graciously helped her to understand the budget, as well as pointed out many corrections in the preliminary budget which needed to be made.

### Mark Ahner

- Informed the Council and the public that the SRO (**School Resource Officer**) **agreement** between the City, County and the School District, was approved and is in effect. The SRO will begin tomorrow, August 28<sup>th</sup>.

### Bill Melnik

- Said that at 3:00 tomorrow he will be in Colstrip representing the City at the **Regional Economic Development Council** meeting.

## MAYOR COMMENTS

- Said that he would like to correct a comment from the *Miles City Star* in which it was reported that the former mayor had not been offered health insurance. Mayor Grenz said that he had been offered insurance but said he would rather have the additional money instead. The Council did not accept that alternative.

## COMMITTEE RECOMMENDATIONS

### **Finance Committee: 8/8/13: Water/Sewer Debts to Collection**

- \*\*** *Councilperson Ahner moved to approve sending the Water/Sewer Debts, in the amount of \$7,403.70, to collection. The motion was seconded by Councilperson Brush and passed unanimously, 8-0.*

## PUBLIC HEARINGS

**RESOLUTION 3621:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 204 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 204 For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3622:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 205 To Defray The Cost Of Maintaining The Improvements In The Said

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Maintenance District No. 205 For Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3623:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 207 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 207 For Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3624:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 165 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3625:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 167 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3626:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 171 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2012

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3627:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 172 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3628:** A Resolution Levying And Assessing A Tax

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Upon All Property In Special Improvement Lighting District No. 173 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3629:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 195 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3630:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 202 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3631:** A Resolution Pursuant To §2-9-212 Of The Montana Code Annotated, Authorizing A Permissive Medical Levy For FY 2013-2014 To Fund Group Health Insurance Premium Contributions By The City And Providing For Hearing Thereon

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION 3632:** A Resolution Pursuant To §15-10-203 Of The Montana Code Annotated, Authorizing The Budgeting Of An Increased Amount Of Ad Valorem Tax Revenues In FY 2013-2014 In Excess Of The Property Tax Revenues For The Prior Fiscal Year And Providing For Hearing Thereon

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**RESOLUTION NO. 3616:** A Resolution Approving And Adopting A Final Budget For The City Of Miles City For FY 2013-2014; Authorizing Procedure For Adjustments To Appropriations For Certain Fee Based Budgets; Authorizing Procedure For Transferring Appropriations Between Items Within The Same Fund

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

**RESOLUTION NO. 3617:** A Resolution Electing To Operate Under The All-Purpose Mill Levy And Fixing The Tax Levy For The General Fund, Ambulance Fund And Airport Fund To Be Levied And Assessed On All The Taxable Property In The City Of Miles City For Fiscal Year 2013-2014

Mayor Grenz called for comments from proponents three times, then called for comments from opponents three times. Hearing none, the hearing was closed.

**Councilperson Galbraith** expressed concern that the public may not have been aware that their chance to comment on the budget was during the public hearing on Resolution 3616. **Mayor Grenz said he will allow comments** during the adoption of Resolution 3616 during New Business.

### OLD BUSINESS

**RESOLUTION 3621:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 204 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 204 For The Fiscal Year 2013-2014

**\*\*** *Councilperson Uden moved that Resolutions A through L be included into a consent agenda with opportunity for individual councilpersons to withdraw the ones they would wish to discuss.*

Councilperson Ahner said each resolution needs to be decided individually, as changes need to be made to each one. **Councilperson Uden then withdrew his motion.**

**\*\*** *Councilperson Ahner moved to adopt Resolution 3621, read by title only, and to be amended as follows: In the third Whereas, the last line of that paragraph should read \$1,400,826 instead of \$1,456,826. In Section 1, the sq. ft. assessment should read \$.030893 instead of \$.032976, and the "For Example" should read \$216.28 instead of \$230.10. The motion was seconded by Councilperson Brush and, after brief discussion and on roll call vote, passed unanimously, 8-0.*

**RESOLUTION 3622:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 205 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 205 For Fiscal Year 2013-2014

**\*\*** *Councilperson Ahner moved to adopt Resolution 3622, read by title only, and to be amended as follows: In the third Whereas, the last line of that paragraph should read \$430,621 instead of \$292,983. In Section 1, the sq. ft. assessment should read \$.030776 instead of \$.037274, and the "For Example" should read \$215.43 instead of 244.22. The motion was seconded by Councilperson Uden and, after brief discussion and on roll call vote, passed unanimously, 8-0.*

**RESOLUTION 3623:** A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 207 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 207 For Fiscal Year 2013-2014

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

**\*\*** Councilperson Ahner moved to adopt Resolution 3623, read by title only, and **to be amended** as follows: In the third Whereas, the last line of that paragraph should read **\$4,878** instead of \$4,216. In Section 1, the sq. ft. assessment should read **.009660** instead of \$.009999, and the "For Example" should read **"approximately 7,000" square feet** instead of 10,000. The motion was seconded by Councilperson Brush.

Councilperson Andrews asked why the resolution talks about the replacement of sidewalks, where the others do not. The reason was not clear; however, it was noted that this is Milestown, the new subdivision, and there may be no sidewalks there right now.

*\* On roll call vote, the motion passed unanimously, 8-0.*

**RESOLUTION 3624:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 165 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

**\*\*** Councilperson Ahner moved to adopt Resolution 3624, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$158,000** instead of \$149,555. In Section 1, the sq. ft. assessment should read **\$.004976** instead of \$.005727. The motion was seconded by Councilperson Melnik and, on roll call vote, passed unanimously, 8-0.

**RESOLUTION 3625:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 167 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

**\*\*** Councilperson Ahner moved to adopt Resolution 3625, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$29,900** instead of \$27,236. In Section 1, the sq. ft. assessment should read **\$.010957** instead of \$.010916. The motion was seconded by Councilperson Uden and, on roll call vote, passed unanimously, 8-0.

**RESOLUTION 3626:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 171 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2012

**\*\*** Councilperson Ahner moved to adopt Resolution 3626, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$3,200** instead of \$2,605. In Section 1, the sq. ft. assessment should read **\$.003285** instead of \$.003217. The motion was seconded by Councilperson Brush and, on roll call vote, passed unanimously, 8-0.

**RESOLUTION 3627:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 172 To Defray The Cost Of Maintenance And Electrical Current In Said



# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

- \*\*** Councilperson Ahner moved to adopt Resolution 3627, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$21,400** instead of \$13,315. In Section 1, the sq. ft. assessment should read **\$.011009** instead of \$.011770. The motion was seconded by Councilperson Galbraith.

Councilperson Ahner explained that this Lighting District is in the business district and includes the alleys on either side of Main Street. The Public Works director intends to replace the lights in those alleys. The project was slated for last fiscal year and, because of time constraints, was not able to get done. Since there was a large cash carryover, only a 10% reserve will be required, which is why the assessment is reduced. On roll call vote, the motion passed unanimously, 8-0.

**RESOLUTION 3628:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 173 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

- \*\*** Councilperson Ahner moved to adopt Resolution 3628, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$1,410** instead of \$794. In Section 1, the sq. ft. assessment should read **\$.001819** instead of \$.003597. The motion was seconded by Councilperson Brush and, on roll call vote, passed unanimously, 8-0.

**RESOLUTION 3629:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 195 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

- \*\*** Councilperson Ahner moved to adopt Resolution 3629, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$6,000** instead of \$6,114. In Section 1, the sq. ft. assessment should read **\$.008321** instead of \$.006475. The motion was seconded by Councilperson Uden and, on roll call vote, passed unanimously, 8-0.

**RESOLUTION 3630:** A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 202 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2013-2014

- \*\*** Councilperson Ahner moved to adopt Resolution 3630, read by title only, and **to be amended** as follows: In the second Whereas, the last line of that paragraph should read **\$7,850** instead of \$7,614. In Section 1, the sq. ft. assessment should read **\$.008903** instead of \$.008805. The motion was seconded by Councilperson Melnik and, on roll call vote, passed unanimously, 8-0.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

**RESOLUTION 3631:** A Resolution Pursuant To §2-9-212 Of The Montana Code Annotated, Authorizing A Permissive Medical Levy For FY 2013-2014 To Fund Group Health Insurance Premium Contributions By The City And Providing For Hearing Thereon

**\*\*** *Councilperson Brush moved to adopt Resolution 3631, read by title only, and seconded by Councilperson Melnik.*

Councilperson Ahner explained that, because of I-105 that was passed in the State of Montana some years ago, property taxes cannot be increased. The legislature, however, allows local governments to levy for the increase in group health insurance premiums at an amount over a set base contribution. The Council is allowed to levy 20.41 mills this year, which would generate \$145,053 for the general fund. The Council can levy all, part or none of the 20.41 mills.

Councilperson Brush recommending levying the entire 20.41 mills, as the Affordable Care Act, which may go into effect in January, will require the City to provide health insurance to any employee working over 30 hours per week.

**\*** *On roll call vote, the motion passed unanimously, 8-0.*

**RESOLUTION 3632:** A Resolution Pursuant To §15-10-203 Of The Montana Code Annotated, Authorizing The Budgeting Of An Increased Amount Of Ad Valorem Tax Revenues In FY 2013-2014 In Excess Of The Property Tax Revenues For The Prior Fiscal Year And Providing For Hearing Thereon

**\*\*** *Councilperson Uden moved to adopt Resolution 3632, read by title only, and seconded by Councilperson Galbraith.*

Councilperson Ahner explained this is an inflationary increase in property taxes that is provided by the legislature. The inflationary factor this year is 1.03%.

**\*\*** *On roll call vote, the motion passed unanimously, 8-1.*

### **BID AWARDS**

None

### **BID OPENING**

None

**\*\*** *Councilperson Brush then moved for a 15 minute recess. The motion was seconded by Councilperson Uden and passed unanimously, 8-0.*

The Council took a 15 minute recess from 8:00 p.m. to 8:15 p.m.

### **NEW BUSINESS**

**RESOLUTION NO. 3634:** A Resolution Authorizing The Removal Of All Handicapped Parking Signs Located Along The North Half Of The East Side Of North 11th Street Between Pleasant And Main Street.

**\*\*** *Councilperson Galbraith moved to adopt Resolution 3634, read by title only and seconded by Councilperson Hollowell. After brief discussion*

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

*and on roll call vote, the motion passed by unanimous consent, 8-0.*  
**Resolution 3634 was adopted.**

**RESOLUTION 3616: A RESOLUTION APPROVING AND ADOPTING A Final Budget For The City Of Miles City For FY 2013-2014; Authorizing Procedure For Adjustments To Appropriations For Certain Fee Based Budgets; Authorizing Procedure For Transferring Appropriations Between Items Within The Same Fund**

### **Public Discussion on Adopting the Final Budget for FY 13-14**

Mayor Grenz announced that public discussion on Resolution 3616 will be had prior to the Council's discussion. Each member of the public will be allowed to speak for two minutes and only once.

*Mary Partridge, 1716 Pearl*, who is a certified public accountant, asked for clarification that this budget can be changed by any councilperson by an amendment to any part of the budget, and the amendment is not required to be in writing. She was assured this was correct.

She asserted that the cash reserve of \$850,000, after June 30 and before the new budget is adopted, is "free" money, and can be used to balance the new budget.

*Jean Lindley, 2719 Main*, requested the Animal Control Officer position remain a full-time position. She said the public's desire to keep the position as it is was the reason for the large number of people attending this meeting.

*Janet Young, 186 Ottoy Road*, also spoke in favor of the full-time ACO position, stating the animal problems are much too great to be handled by a half-time position.

*Allison Campbell, 914 S. Lake*, spoke in favor of the full-time ACO position. She stated that the police officers are not trained and do not have the rabies inoculations.

*Gail Krezelak, 3425 Stower*, felt the officers on call will not be able to adequately handle their regular calls and those of an off-duty part-time ACO also.

*Dr. Williams, of Holy Rosary Health Care*, was concerned about the removal of rattlesnakes, as the hospital does not have adequate supplies of anti-venom to deal with more than one incident.

*Bruce Silva*, who had been the ACO previously, also spoke in favor of a full-time ACO, stressing that the police officers are not trained, nor do they have time to respond to animal calls and their own calls.

*Police Chief Doug Colombik* concurred that he has no money in his budget to train police officers or to provide them with rabies inoculations.

Many others spoke in favor of retaining the Animal Control Officer at full time, and felt it was wrong to cut him back when he has less than four years until retirement and would lose his retirement, as well as his insurance benefits.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Several people also spoke in favor of keeping the Library fully funded, as well as retaining the Police Department's part-time secretary.

*Linda Wildman, former Deputy City Clerk for the City of Miles City,* said that, not only does the preliminary budget cut back the ACO and eliminate the Police Department secretary, it also eliminates the City Planner position, a half-time Finance Clerk position, and the Grant Writer. She encouraged Council members to present amendments to this budget to fund these positions.

*Joe Whalen, former Mayor of the City of Miles City,* encouraged the Council members to think carefully about their decisions on the budget tonight, as he feels that the budget, as presented, represents a distinct decrease in public safety.

He questioned whether the City Council has the authorization to cut staff. **Mayor Grenz** said the City's Personnel Policy allows him to RIF employees because of low funds, and possible other reasons. Mr. Whalen felt that the directors have control of their budgets, the Council has authority to direct how much money should go to each department, and he feels there is a violation of separation of powers if the Council directs department heads to cut staff. He asked for an opinion from the City Attorney regarding the Council cutting staff by adoption of the budget. **Attorney Rice** will provide that at a later date, after he has time to conduct research.

**Councilperson Galbraith**, as a point of clarification, noted that the preliminary budget cuts a half-time finance clerk, an in-house planner, the police secretary, the grant writer, eliminates a full-time dispatcher in favor of two part-time dispatchers, and cuts the animal control position to half-time.

**Mayor Grenz** noted that the citizens of Miles City will soon be dealing with a number of increases, including construction of a new jail, the flood study, flood insurance increases and increased sewer rates because of the construction of Phase II of the wastewater project.

**Councilperson Ahner** mentioned the ordinance passed earlier this year which restricts using cash reserves to balance the general fund.

**Councilperson Uden** spoke on behalf of the Animal Control Officer. During his years as a police officer for the City, there were times when the ACO position was eliminated. The result was always disastrous. The police officers were then inundated with animals-at-large calls.

**Councilperson Hollowell** asked about the changes proposed for the dispatch. **HR/Payroll Officer Burkhalter** was asked to respond. She noted that last year Dispatch Supervisor Roos approached the Human Resources Committee about, and received authorization, to have all full-time staffing for dispatchers. She had explained that hiring and keeping part-time dispatchers was very difficult, as most leave for full-time jobs with insurance and other benefits. In this preliminary budget, one full-time dispatcher has been eliminated and replaced with two part-time dispatchers.

**Councilperson Andrews** noted that the City is required by State law to have a balanced budget. He also said that, by implementing amendments that will be suggested by Council members, he feels all positions can be retained and the needs of the people can be met, while still balancing the general fund budget. He referred to Exhibit A, which all council members had received some days ago, as the suggested amendments he and other Council members have come up with, that he feels will accomplish that goal.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Councilperson Andrews reviewed the points in Exhibit A, saying he feels these reductions and additions result in a positive balance in the general fund, while maintaining the services that the people have said they want. He also mentioned \$46,000 that was slated to be moved into the CIP fund. As there is already \$192,000 in that fund, they felt it was not prudent, because of tight budgets this year, to move that money out of the General Fund.

### Budget Amendments on the Final Budget for FY 13-14

\*\* [Item #8, Exhibit A] *Councilperson Uden moved to continue the Animal Control position full time by a budget amendment for \$32,150 in Department 1000-021-440600—111 with the funds to be derived from the cash reserves. The motion was seconded by Councilperson Brush.*

Mayor Grenz expressed concern that this action would “unbalance” the budget.

Councilperson Galbraith noted that \$46,000 had been slated in the preliminary budget to be moved from the General Fund to the Capital Improvement Fund. That transfer, however, was not made a part of the General Fund budget, so the \$46,000 is still in the General Fund, resulting in a positive balance in that fund.

\*\* After additional discussion, *Councilperson Ahner called for the question. The motion was seconded by Councilperson Brush and, on roll call vote, the motion failed 5-3, with Councilperson Galbraith, Andrews and Hollowell voting no. (A motion to end discussion requires a 2/3 majority to pass.)*

\* *Councilperson Uden’s motion **then passed** with a two-thirds majority, (6-2) with Councilpersons Melnik and Ahner voting no.*

\*\* [Item #1, Exhibit A] *Councilperson Andrews moved to amend the preliminary budget by deleting the Mayor’s health insurance as follows: reduce 1000-001-410200-143 by \$7,422, seconded by Councilperson Galbraith.*

Councilperson Brush noted that the mayor has already reduced his salary by \$3,000. After some discussion,

\* *On roll call vote, Councilperson Andrews’ motion resulted in a tie vote, 4-4, with Councilpersons Melnik, Uden, Ahner and Brush voting no. The Mayor broke the tie with a “yes” vote. **Motion passed.***

\*\* [Item #2, Exhibit A] *Councilperson Andrews moved to amend the preliminary budget by reducing the Historic Preservation budget by \$2,000. After brief discussion the **motion failed**, 5-3, with Councilpersons Galbraith, Partridge and Andrews voting no.*

\*\* [Item #3, Exhibit A] *Councilperson Andrews moved to amend the preliminary budget by reducing 1000-013-460433-111 by \$27,304, seconded by Councilperson Galbraith.*

Councilperson Andrews said that this proposal is to move two full-time employees from the Parks budget and place them into the Maintenance

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

Districts 204 and 205 for 3 winter months, but leaving the Parks foreman in the Parks budget all 12 months. The rationale for this is that during those winter months the Parks employees are basically working on maintenance districts projects, as nothing is able to be done in the Parks in the winter, and, therefore, the maintenance districts should be paying for that instead of the General Fund.

Some councilpersons felt this would cause more taxes to be paid by the citizens who pay into the maintenance districts.

\* *On roll call vote, the motion resulted in a tie vote, 4-4, with Councilpersons Melnik, Uden, Ahner and Brush voting no. Mayor Grenz broke the tie by voting no. **Motion failed.***

\*\* [Item #4, Exhibit A] *Councilperson Andrews moved to amend the preliminary budget by reducing the transfer from the General Fund to the Health Fund by \$15,000. (1000-37-521000-820 to 2270-38-3000.*

Councilperson Andrews explained that the Health Fund currently has \$14,147 cash on hand as of June 30, 2013. As the previous budget was for \$30,000 last year, reducing the transfer from \$30,000 to \$15,000 would still fully fund this item.

Councilperson Ahner stated the budget for this fund is \$35,200. The contract for the City Sanitarian in the amount of \$33,000 ends in December. The additional \$2,200 was added because there are things he is qualified to do that he might charge extra for, such as subdivision reviews. He noted that we get reimbursed from the state for \$12,000 to \$15,000 per year.

\* *On roll call vote, Councilperson Andrews' motion resulted in a tie vote, 4-4, with Councilpersons Melnik, Uden, Ahner and Brush voting no. Mayor Grenz broke the tie with a no vote. **Motion failed.***

\*\* [Items #9-#18, Exhibit A] *Councilperson Andrews moved to amend the preliminary budget to retain the Planner/ Grant Writer position, to be funded by MD 204, MD 205, Water and Sewer, seconded by Councilperson Galbraith.*

Councilperson Ahner assumed the intent was to combine the two positions of Planner and Grant Writer. If so, a position description would be needed, and would it have to, then, go through the advertising process? Councilperson Andrews replied that half of the combined position is already filled. HR/Payroll Officer Burkhalter said this exact scenario has occurred in the City before, her position included. She said she has had several different positions combined in her position, and never had to apply for the "new" position. She asked for clarification from Attorney Rice. He said he would be very comfortable with a motion for two half-time positions, even though one person may fill both positions. He would have to do further research to determine whether the two positions could just be combined into one without a new job description and going through the hiring process.

Director Kelm noted that the Grant Writer writes grants for the Fire, Police, Water and Sewer Departments – basically for any department of the City. He said the Planner also handles all the leases and administering the grants. Mayor Grenz said he needs to have a person to send people to when a planning question arises. He has talked to the current Grant Administrator, who has agreed to accept the combined position, should the Council approve it.

Attorney Rice suggested an amendment to Councilperson Andrews' motion to include the General Fund.

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

\* Councilperson Andrews then amended his motion to include the General Fund, for a total of \$49,132 for the Grant Writer/Planner's salary and roll-ups. The second was renewed by Councilperson Galbraith.

Councilperson Ahner was concerned that transfers from enterprise funds to the General Fund would jeopardize our audit, which would, in turn, jeopardize the City's ability to acquire grants and loans. Councilperson Galbraith said she visited with Olness and Associates, our auditors, who said they have never written up the City for the transfers into the General Fund from the enterprise funds to fund the Planning Department.

- Councilperson Partridge called for the question, which motion died for lack of a second.

\* On roll call vote, Councilperson Andrews' motion resulted in a tie vote, 4-4, with Councilpersons Melnik, Uden, Ahner and Brush voting no. Mayor Grenz broke the tie with a yes vote. **Motion passed.**

\*\* Councilperson Brush moved to amend the preliminary budget to increase the contribution to the Library from 1.03% to 2.0%. This will bring the Library's final budget to \$284,791, (corrected during the Sept. 10, 2013 meeting to read \$283,487) plus the \$16,000 from the CIP, for a total of \$300,791 (corrected during the Sept. 10, 2013 meeting to read \$299,487.) The motion was seconded by Councilperson Uden. On roll call vote, the **motion passed** 7-1, with Councilperson Andrews voting no.

\*\* [Item #5, Exhibit A] Councilperson Galbraith moved to amend the preliminary budget to reduce Department 10, Line Item 5510-10-490500-602 by \$25,318; from \$51,515 to \$26,197. This was an entry mistake in the preliminary budget. The motion was seconded by Councilperson Ahner and, on roll call vote, **passed** unanimously, 8-0.

\*\* [Item #7, Exhibit A] Councilperson Galbraith moved to amend the preliminary budget to increase Department 5, Line Item 1000-005-420140-111 by \$13,345 to maintain the part-time secretary at the Police Department. After discussion and on roll call vote, the motion **passed** 6-2, with Councilpersons Ahner and Brush voting no.

Councilperson Galbraith noted that Federal law prohibits an RSVP volunteer to hold a position that could be performed by an employee or which would cause an employee to become displaced.

\*\* Councilperson Ahner moved, seconded by Councilperson Uden, to amend the preliminary budget for Maintenance District 204, as follows:

Line 430233, roadway resurfacing, from \$798,088 to \$630,990

Line 430234, curb & gutter, from \$657,100 to \$142,000

Line 430235, storm drains, from \$130,885 to \$68,235

The organization total at the bottom would be \$1,400,826

Councilperson Ahner explained that Public Utility Director Kelm and Public Works Director Gray informed him that these line items were incorrect, and needed to be changed. Councilperson Hollowell pointed out that the curb & gutter figures should be "from \$72,000 to \$142,000."

# PROCEEDINGS OF CITY COUNCIL

## MILES CITY, MONTANA

- *Councilperson then amended his motion for Line 430234 to read "from 72,000 to \$142,000" and Councilperson Uden renewed his second.*

Councilperson Ahner noted that these changes would conform to Resolution 3621 that was just passed.

\* After brief discussion, the motion **passed** unanimously, 8-0

\*\* *Councilperson Ahner moved to amend the preliminary budget for Maintenance District 205 to reduce Line 430233, roadway resurfacing , from \$59,300 to \$12,400, for a total organization total at the bottom to \$430,621. This would to Resolution 3622 passed earlier at this meeting. The motion was seconded by Councilperson Galbraith.*

Councilperson Ahner explained this was also a recommendation from Directors Kelm and Gray.

\* *On roll call vote, the motion **passed** unanimously, 8-0.*

\*\* *Councilperson Ahner moved to amend the non-General Fund budgets for FY13-14 in accordance with Exhibit B. The motion was seconded by Councilperson Brush.*

City Clerk Pearce explained these were mostly revenues that had inadvertently been left out of these budgets, as well as some other errors that need correcting.

\* *On roll call vote, the motion **passed** unanimously, 8-0.*

### **Adoption of Final Budget for FY 13-14**

\*\* *Councilperson Ahner moved to adopt **Resolution 3616**, read by title only and seconded by Councilperson Melnik. On roll call vote, the motion **passed** 7-1, with Councilperson Ahner voting no. **Resolution 3616 was adopted.***

**RESOLUTION 3617:** A Resolution Electing To Operate Under The All-Purpose Mill Levy And Fixing The Tax Levy For The General Fund, Ambulance Fund And Airport Fund To Be Levied And Assessed On All The Taxable Property In The City Of Miles City For Fiscal Year 2013-2014

\*\* *Councilperson Galbraith moved to adopt Resolution 3617, read by title only and seconded by Councilperson Andrews. On roll call vote, the motion **passed** by unanimous consent. **Resolution 3617 was adopted.***

### **ADJOURNMENT**


\*\* *Councilperson Uden moved to adjourn the meeting, seconded by Councilperson Melnik and passed unanimously, 8-0.*

The meeting was adjourned at 11:15 p.m.



**PROCEEDINGS OF CITY COUNCIL  
MILES CITY, MONTANA**

  
C.A. GRENZ, Mayor

  
Lorrie Pearce  
City Clerk