

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

REGULAR COUNCIL MEETING

**January 28, 2014
7:00 p.m.**

CALL TO ORDER

The Regular Council meeting was held Tuesday, January 28, 2014, in the City Council Conference room at City Hall, 17 S. 8th Street, Miles City, Montana. Mayor C.A. Grenz called the meeting to order. Council Members present were Roxanna Brush, Sue Galbraith, Sheena Martin, Ken Gardner, Jerry Partridge, John Hollowell and Dwayne Andrews. Councilperson Mark Ahner was excused.

Also present were City Attorney Dan Rice, Public Utilities Director Al Kelm, Public Works Director Scott Gray, Fire Chief Dale Berg, Planner-in-Training/Grant Administrator Dawn Colton, Historical Preservation Officer Connie Muggli, City Clerk Lorrie Pearce and Deputy City Clerk/Minute Recorder Connie Watts. Two uniformed police officers, as well as numerous Fire Department personnel, were also present.

PLEDGE OF ALLEGIANCE

Mayor Grenz led the Council in the Pledge of Allegiance.

APPROVAL OF COUNCIL & COMMITTEE MINUTES

Regular Council Minutes – 1/14/2014

** *Councilperson Brush moved to approve the minutes of the Regular Council Meeting of January 14, 2014, seconded by Councilperson Gardner and passed unanimously, 7-0*

Finance Committee Minutes – 1/17/2014

Finance Committee Meeting January 17, 2014

The **Finance Committee** met Friday, January 17, 2014, at 5:00 p.m. in the City Hall Conference Room. Present were Committee members Sue Galbraith, Dwayne Andrews, and Sheena Martin. John Hollowell was absent. Also present were Councilperson Ken Gardner, Utility Billing Clerk Patti Bishop, Police Captain Mark Reddick and Recorder/City Clerk Lorrie Pearce.

Selection of Committee Chairperson

** *Committee Member Andrews moved to nominate Committee Member Sue Galbraith as Chairperson to the Finance Committee, seconded by Committee Member Martin.*

** *Committee Member Galbraith moved to nominate Committee Member Dwayne Andrews. There was no second.*

** *Committee Member Andrews' motion carried 3-0. Committee Member Galbraith was elected Chairperson of the Finance Committee.*

Approval to initiate a credit card/debit card payment system

Chairperson Galbraith explained that the credit/debit card payment system is to pay utility bills and other city fees. The program would charge 3% of the total amount, or \$2.00 if less than \$67.00. She added that it may also help to mitigate write offs.

Committee Member Andrews asked if we would have to hook anything up to our computers. Clerk Pearce explained that the system is already programmed in the water counter computer. There's very little that the City will have to do to get the system up and running. She explained the contract is month to month to protect both

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

the City and Paygov in case there is a problem with the system, or the system is not working for the City, etc. She added that the payment system is at no charge to the City.

Committee Member Martin asked if the public will be notified of the charges. Clerk Pearce explained that a laminated poster will be posted at the Water counter, and a public notice (provided by PayGov) will be published in the Miles City Star explaining the cost to the customers.

Billing Clerk Bishop explained that the customer can make a payment at the water counter, pay on line, or call Paygov. The City of Miles City will not take payments over the phone because of liability reasons.

* * *Committee Member Andrews moved to recommend to Council approval of implementing the credit card/debit card payment system. The motion was seconded by Committee Member Martin; the motion carried unanimously, 3-0.*

Water and Sewer Debts to Collection

Billing Clerk Bishop explained that the total of \$ 7,548.43 will be less, because a payment of \$196.35 has been received. The new total will be \$7,352.08. She explained this is a process that is completed every 6 months, and it's mostly from renters who moved out of town. Committee Member Andrews asked if the \$7,000.00 amount is normal; Billing Clerk Bishop answered "yes".

* * *Committee Member Martin moved to recommend to Council approval of sending the water and sewer debts to collection. The motion was seconded by Chairperson Galbraith; the motion carried unanimously, 3-0.*

Review of Collection Professionals, Inc. (CPI) Contract

Clerk Pearce explained the City has used CPI since 2002. The last contract renewal was 2011, but it should be renewed every year. The old contract shows the fee schedule on assigned balances at 30% and legal action at 40%. The new contract would change to 33 1/3% for assigned balances and 50% for legal. She talked to Chris from CPI and he told her that if we wanted to stay at the 30% for assigned balances, the legal would raise to 50%. Staying with the 33 1/3 and 40% would save the City money because 75% of the claims end up as a legal action.

Chairperson Galbraith asked if it has gone out to bid. Clerk Pearce replied that it has not, and she explained the collection agency the Ambulance uses is 50% for assigned balances. She also said that CPI might change their charges if the City asked. Chairperson Galbraith asked what the success rate is with CPI, Billing Clerk Bishop replied that she gets approximately \$200 a month back from CPI.

It was decided to call Mainstreet Business Services and DCI credit service for quotes.

* * *Committee Member Andrews moved to postpone the review of the CPI contract until additional information is collected. The motion was seconded by Committee Member Martin; the motion carried unanimously, 3-0.*

Review of Interlocal Agreement

After a brief discussion, the Committee decided to pass the Interlocal Agreement because it would take too much time to change it now.

* * *Committee Member Galbraith moved to recommend to Council approval of the Interlocal agreement. The motion was seconded by Committee Member Andrews; the motion carried unanimously, 3-0.*

Discussion of Finance Committee to Review Journal Vouchers

Clerk Pearce stated the auditors informed her that JV's should be approved by the Finance Committee. She explained what JV's are, and that most of them are reoccurring every month. The others are usually correcting entries that were miscoded.

It was decided that JV's will be reviewed at the same time as claims are.

Discussion on Resolution 3658. A Resolution of the City Council of the City of Miles City, Montana, Calling For An Election On The Question of Conducting A Local Government Review And Establishing A Study Commission To Do So

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

Chairperson Galbraith handed out the budget for the 1995 Study Commission. She explained that Clerk Pearce compared prices for 2014 to it and she felt that an expense of \$14,000 for 2 years would be sufficient .

Clerk Pearce stated that a decision is needed as to how the City will finance the Study .It can be in a dollar amount or mills. The mill for Miles City this fiscal year is \$ 7071. Committee Member Martin felt charging a mill would be the best way for the City get it's money back. She felt if the City voters approved the study, then it should be paid by taxes. Chairperson Galbraith felt the same way. Committee Member Andrews felt that the money should come from the General Fund. After a short discussion, it was decided to charge 2 mills.

It was decided that five is an adequate number of people to be on the Study Commission.

- * * *Chairperson Galbraith moved to recommend that the City Council approve Resolution 3658 with the addition of a five person board and a cost of two mills (\$1,4142) for two fiscal years. The motion was seconded by Committee Member Andrews; the motion carried unanimously, 3-0.*

Discussion of Purchasing Police Vehicles with City Court Funds

Captain Reddick reported that in 20 years the fleet has been inflated by quite a bit. The reason is to provide the older vehicles for administrative usage and for Patrol Sergeants and Senior Officer to respond to critical calls. Also, he felt that having the patrol cars sitting in the neighborhood has dropped crime. The two oldest vehicles being used are the 1996 Jeep Cherokee and the 2004 Envoy. They are being used because they are capable of being moved around the streets this time of the year. The rear wheel cars are not safe. Reddick stated that Chief Colombik has called around for six cylinders SUV's that are fuel efficient and at a price of around \$20,000 each. He added that it will cost an additional \$10,000 to outfit each vehicle, for a total cost of \$60,000.

Chairperson Galbraith asked if the police are looking at replacing the vehicles immediately or waiting for next fiscal year. Captain Reddick said that Chief Colombik would like to follow through on this as soon as possible. Chairperson Galbraith expressed concern of the Court fund already paying for the insurance and wages of the Police.

Committee Member Martin asked if the vehicles would be traded in or kept. Captain Reddick said they may trade in, but the City wouldn't get much for them. Chairperson Galbraith mentioned, that if the vehicles are kept, the City would have to pay insurance on all of them.

Committee Member Andrews stated that the City is not in a good place as far as the Budget is concerned. The money is getting thinner and thinner for mid-year, and the City has some serious economic issues.

Chairperson Galbraith stated that she would like to see where the spending is after December 2013. Andrews agreed.

- * * *Chairperson Galbraith moved to table the request to purchase police vehicles with City Court funds. The motion was seconded by Committee Member Martin; the motion carried unanimously 3-0.*

Request of Citizens

-None

Adjournment

There being no further business, Committee Member Martin moved to adjourn the meeting, seconded by Committee Member Andrews. The meeting was adjourned at 6:00 p.m.

- ** *Councilperson Andrews moved to approve the minutes of the Finance Committee Meeting of January 17, 2014, seconded by Councilperson Galbraith and passed unanimously, 7-0*

Flood Control Committee Minutes – 1/23/2014

No minutes were presented for this meeting, as there was no quorum.

SCHEDULE MEETINGS

Human Resources Committee: Thursday, Feb. 6, @ 6:00

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

REQUEST OF CITIZENS & PUBLIC COMMENT

Jim Atchison of the Southeastern Montana Development Corporation addressed the Council to give a summary of the 2013 CEDS community meetings. He distributed a handout with assessments of community strengths, concerns, economic projects and needs, housing, quality of life and services and infrastructure.

Tod Kasten, Local Government Center, briefly spoke to the Council and invited the mayor, council members, directors and anyone else interested to attend a budget training session he will be conducting tomorrow at City Hall from 9:00 to 12:00. He said he would also be around in the afternoon if anyone had issues or questions that could not be addressed during the training session.

APPOINTMENTS

Planning Board: Carol Hardesty & Dawn Leidholt (*Reappointments*)

Zoning Commission: Muriel Rost & Amber Trenka (*Reappointments*)

Economic Development Board & Committee: John Hollowell

** *Councilperson Andrews moved to approve the appointments for the Planning Board, Zoning Commission and Economic Development Board and Committee, seconded by Councilperson Galbraith and passed unanimously, 7-0.*

PROCLAMATIONS

None

STAFF REPORTS

City Clerk Pearce announced a Budget Training Session scheduled for tomorrow, January 29th, from 9:00 to 12:00. Tod Kasten of the Local Government Services will be conducting the training. He will also be around after lunch to answer questions from councilmembers and directors.

Clerk Pearce also reminded the Council of a free municipal training on Basics of Government in Glendive on Wednesday, February 5th. She noted this would be an excellent workshop for all councilpersons, especially those who are new or have never attended one of these workshops before.

Historical Preservation Officer Connie Muggli gave a report on progress of the Depot. In November of 2012 a counterproposal drafted by the City Attorney was submitted to BNSF. She has since been working on drafting a lease. An agreement in principle has been reached on the components of the lease, but not on the final terms of those components. They have assigned an outside council to deal directly with the City's attorneys on the lease. As soon as negotiations have begun, she will come back to update the Council.

CITY COUNCIL COMMENTS

Roxanna Brush

- Read from a Facebook post from the night before that encouraged those people who wanted to support the Fire Department in opposing the ambulance privatization to attend tonight's Council meeting. She said she was quite upset about this, as that issue was not on the agenda and the Council would not be addressing that at this Council meeting.

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

Ken Gardner

- Was contacted by a citizen inquiring why the Honda Trail road is closed, and why there is no sign posted on the west end. He explained that there have been signs put up but they are constantly vandalized and taken down. He would like to be able to come up with a plan to utilize this area in the future.

Public Works Director Gray responded that, because of the history of illegal activity and people dumping trash, the City tries to keep people out of that area.

Councilperson Hollowell mentioned that he has heard that BNSF may possibly be interested in that area for future railroad development.

MAYOR COMMENTS

None

COMMITTEE RECOMMENDATIONS

Finance Committee: 1/17/14: Approval of Water/Sewer Charge-offs

- ** *Councilperson Galbraith moved to accept the Finance Committee's recommendation to approve the water/sewer charge-offs.*

In response to the Council's frustration with the charge-offs, Public Utilities Director Kelm said the Utility Billing Department is currently working on a policy to reduce these considerably. Eighty to ninety percent of the charge-offs are renters who have left town and left behind an unpaid bill. The new policy that is currently being drafted would make the landlord responsible for these bills. If the landlord does not pay, then the amount can be added to his property tax bill.

- * *The motion was then seconded by Councilperson Hollowell and, on roll call vote, passed unanimously, 7-0.*

PUBLIC HEARINGS

ORDINANCE NO. 1261: An Ordinance Amending Ordinance No. 796 To Change The Zoning Of Lot F-1, Also Referenced As Tract 1-F, Of The Horizon Park Subdivision, An Addition To The City Of Miles City, Custer County, Montana, From Heavy Commercial (HC) To General Commercial (GC), And Providing An Effective Date, And A Hearing Thereon. *(Bobcat Property)*

Mayor Grenz called three times for comments from opponents, then three times for comments from proponents. Hearing no comments either for or against, the hearing was closed.

BID AWARDS

None

BID OPENING

None

OLD BUSINESS

None

PROCEEDINGS OF CITY COUNCIL MILES CITY, MONTANA

NEW BUSINESS

John Ungaretti: Solestone Reimbursement Services

Mr. Ungaretti's company has been doing the ambulance billing for the City of Miles City since January 1, 2013. His company first started with three customers fifteen years ago and they now have fifty customers. He attributes the growth to increasingly numerous and complex compliance regulations. He assured the Council that his staff routinely attends conferences and training to keep up with the newest changes and regulations.

One of the most important aspects of making sure the ambulance provider receives all the revenue to which it is entitled is documentation –of medical necessity, all the paperwork and signatures, etc. and forwarding that documentation to Solestone. Then the company's billing agents can accurately prepare the claims, attach the required documentation and file the claims in a timely manner with the appropriate insurance entities. He complimented the Miles City Fire Department, saying that it is one of the best of all of their customers in supplying this information.

Mr. Ungaretti distributed a handout to the Council that summarized charges and revenues collected through Solestone as of December, 2013. He noted that the collection rate was 61% for the entire year. He said that will increase this next year because the first two months of 2013 were zero in January and only about \$4,400 in February. This was a result of his company getting set up with the payers (Medicare, Medicaid, insurance companies, etc.) He said the collection rate was actually more like 80%.

He then answered a few questions from the Council. Also in response to a question, Fire Chief Berg said he is very happy with the billing service.

Resolution No. 3658: A Resolution Of The City Council Of The City Of Miles City, Montana, Calling For An Election On The Question Of Conducting A Local Government Review And Establishing A Study Commission To Do So *(Recommended by Finance Committee to be passed)*

** *Councilperson Hollowell moved to remove Resolution No. 3658 from the table, seconded by Councilperson Brush and, on roll call vote, passed unanimously, 7-0.*

** *After some discussion, Councilperson Hollowell moved to adopt Resolution No. 3658 by title only, seconded by Councilperson Brush and, on roll call vote, passed unanimously, 7-0. Resolution N. 3658 was adopted.*

Resolution No. 3659: A Joint Resolution Of The Board Of Commissioners Of Custer County, Montana And The City Council Of Miles City, Montana, Approving An Interlocal Agreement For Fiscal Year 2013-2014 And A Letter Of Agreement Pertaining Thereto *(Recommended by Finance Committee to be passed)*

** *Councilperson Galbraith moved to adopt Resolution No. 3659 by title only, seconded by Councilperson Gardner. After some discussion and on roll call vote, the motion passed by unanimous consent. Resolution No. 3659 was adopted.*

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

Resolution No. 3660: A Resolution Authorizing The Miles City To Enter Into An Extension Agreement With Tumblewood Development, Inc. For Sanitation Inspection Services For Calendar Year 2014 *(Recommended by Finance Committee to be passed)*

****** *Councilperson Gardner moved to adopt Resolution No. 3660 by title only, seconded by Councilperson Andrews. After brief discussion and on roll call vote, the resolution passed unanimously. Resolution No. 3660 was adopted.*

Resolution No. 3661: A Resolution Authorizing The City of Miles City To Enter Into An Agency Service Agreement with PayGOV.US, LLC, An Indiana Limited Liability Company, For Payment Processing Services *(Recommended by Finance Committee to be passed)*

****** *Councilperson Galbraith moved to adopt the resolution by title only, seconded by Councilperson Andrews. After some discussion and on roll call vote, the motion passed 5 to 2, with Councilpersons Brush and Partridge voting no. Resolution No. 3661 was adopted.*

Resolution No. 3662: *(First Reading)* A Resolution Pursuant To §7-6-4006 Of The Montana Code Annotated, Authorizing Amendment Of Final Budget For Fy2013-2014 For Allocation Of Personnel And Associated Costs Between The Fire Department And Ambulance Funds And Providing For Hearing Thereon

****** *Councilperson Brush moved to approve Resolution No. 3662 on first reading, seconded by Councilperson Hollowell.*

During discussion, some Council members felt that they would rather wait to do this in a few months, closer to budget time.

Fire Chief Dale Berg informed the council that this action would go a long way toward bringing the ambulance fund out of the red. He said right now there is an equivalent of 7.5 employees in the fire budget and 6.5 in the ambulance budget. This resolution would reduce the number of employees in the ambulance budget to 4. He said that when this enterprise fund was set up, it was designed to support no more than four employees. More were added later, which has proven to be too heavy for the fund to support.

***** *Councilperson Brush's motion then passed unanimously, 7-0. Resolution 3662 passed on first reading.*

****** *Councilperson Galbraith then moved to send the resolution to the Finance Committee, seconded by Councilperson Brush and passed unanimously, 7-0.*

Ordinance No. 1258: *(First Reading)* An Ordinance Enacting A New Section 24-96 Of The Code Of Ordinances Of The City Of Miles City, Montana To Provide For A Process For Site Plan Review.

****** *Councilperson Brush moved to approve Ordinance No. 1258 on first reading by title only, seconded by Councilperson Hollowell. On roll call vote the motion passed by unanimous consent, 7-0.*

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

Final Plat Approval for Southgate Subdivision Phase I

****** *Councilperson Galbraith moved to approve the Final Plat for Southgate Subdivision, seconded by Councilperson Andrews.*

Grant Administrator/Planner-in-Training Colton distributed a handout that explained the parkland dedication for Southgate Meadows. She said the Council would need to make a decision on this issue before it approves the Final Plat. The handout is set out below:

PARKLAND DEDICATION FOR THE SOUTHGATE SUBDIVISION, PHASE I
To be addressed during Final Plat approval discussion

In addition to final plat approval, a separate motion is necessary to approve a cash-in-lieu payment for the required parkland dedication for subdivisions.

Staff recommends acceptance of the cash-in-lieu payment. The cash payment has been calculated as follows:

Based on the Montana Cadastral program, the land value is \$126,480 for tax year 2013 **based on the 26.6-acre tract** of record that exists, which includes the 7 lots. That gives a value of \$4,754.89 per acre. The required dedication amount for Southgate Phase 1 is equal to 9,449 square feet (0.21692-acre). Then, 0.21692 (11%) x \$4,754.89 = \$1,031.43.

Applicable MCA:

76-3-621. Park dedication requirement.

{1} Except as provided in 76-3-509 or subsections {2}, {3}, and {6} through {9} of this section, a subdivider shall dedicate to the governing body a cash or land donation equal to:

(a) 11% of the area of the land proposed to be subdivided into parcels of one-half acre or smaller;

(5) (a) In accordance with the provisions of subsections (S)(b) and (S)(c), the governing body shall use the dedicated money or land for development, acquisition, or maintenance of parks to serve the subdivision.

(b) *The governing body may use the dedicated money to acquire, develop, or maintain, within its jurisdiction, parks or recreational areas or for the purchase of public open space or conservation easements only if:*

(i) *the park, recreational area, open space, or conservation easement is within a reasonably close proximity to the proposed subdivision; and*

(ii) *the governing body has formally adopted a park plan that establishes the needs and procedures for use of the money.*

(c) *The governing body may not use more than 50% of the dedicated money for park maintenance.*

.....

Administrator Colton recommended accepting the cash-in-lieu payment instead of the land. If the Council chooses that option, it would have to then decide whether it desired fair market value or assessed value. The value would be determined based upon unimproved, unsubsidized land.

Public Works Director Gray noted that the Park Department is overburdened now with park property to maintain, and if the Council accepts the land, the Department has no resources to develop and/or maintain it.

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

- **** *Councilperson Brush moved to approve the cash-in-lieu payment, such payment to be determined by fair market value. The motion was seconded by Councilperson Martin.*

Administrator Colton noted that the developer would be responsible for obtaining someone to determine the fair market value.

City Attorney Rice then suggested the motion be amended to include that the developer may select a local licensed realtor to provide current market analysis or opinion of value for the 9449 square feet of park land required in MCA 76-3-621, with the requirement that the chosen realtor must not have a conflict of interest with the interests of the City or this project.

- **** *Councilperson Brush then amended her motion as suggested by Attorney Rice, seconded by Councilperson Hollowell. On roll call vote, the **motion to amend passed** by unanimous consent, 7-0.*
- *** *Councilperson Brush's motion to accept the cash-in-lieu payment, as amended, was then approved on roll call vote by unanimous consent, 7-0.*
- *** *Councilperson Galbraith's original motion to approve the final plat, on roll call vote, then passed by unanimous consent, 7-0. **The Final Plat for Southgate Subdivision Phase I was approved.***

ADJOURNMENT


Justin Russell, of the Miles City Fire Department, addressed Councilperson Brush's comment regarding the posting on Facebook last night regarding the privatizing of the ambulance service. He said the agenda was not specific as to why Mr. Ungaretti from Solestone was addressing the Council, there were numerous sources reporting privatization was being explored, and that is why so many people attended this meeting to support the MCFD.

- **** *Councilperson Galbraith moved to adjourn the meeting, seconded by Councilperson Brush and passed unanimously, 7-0.*

The meeting was adjourned at 8:35 p.m.



C.A. Grenz, Mayor



Lorrie Pearce
City Clerk