

Finance Committee Meeting August 30, 2012

The **Finance Committee** met August 30, 2012, at 12:00 p.m. in the City Hall Conference Room. Present were Chairperson Mark Ahner and Committee Members Bill Melnik, Roxanna Brush and Jerry Partridge. Also present were Council Member John Uden, Mayor Chris Grenz, City Planner Dianna Broadie, Deputy Clerk Linda Wildman, and Recorder City Clerk Becky Stanton. Also present were County Commissioners Vicki Hamilton, Keith Holmlund and Jack Nesbit.

Request to purchase City property by Barrie Matthews: Purchase of land adjacent to the Big Sky Smile Center office.

Chairperson Ahner requested that Barrie Matthews explain what land he would like to purchase, and he explained that it is the land adjacent to his dental center. He has maintained that parcel since he purchased the adjacent land and building. He would like to plant grass and install a sprinkler system on it. It is approximately 35 feet wide by the whole length of the block and has a ditch running through it. It is about 10,000 square feet which includes part of the City's street. City Attorney Huss had asked him to try to get comparable values on buildable lots in the area. The values ranged from \$1.80 to \$3.25 per square foot.

Chairperson Ahner referred to Resolution 3364 which establishes procedures for the sale of City lands. He referred to Section 2, which refers to appraisals that are necessary if the land has a fair market value over \$25,000. He then referred to Section 6, which notes that the purchaser will pay all charges incidental to the conveyance and transfer of the lands.

Chairperson Ahner referred to Section 3, which requires a published notice for submission of written proposals. He asked that the notice be published and that Mr. Matthews submit a written proposal.

Lease Proposal for Duane and Jane Bundy for grazing of City Property on perimeter of Sewer Treatment Plant.

Chairperson Ahner explained the lease agreement to the Committee. He stated that the contract was for one year for grazing on 16.5 acres. Mr. Bundy has previously used this land for grazing. City Planner Broadie explained how the lease rate was determined. She researched the grazing prices and since the City does not provide fencing and water, a low end price of \$4.60 per acre was determined to be fair.

* * *Committee Member Partridge moved to recommend to the Council to approve the lease agreement. The motion was seconded by Committee Member Brush, and the motion carried unanimously, 4-0.*

Request for contribution to fund County Jail Assessment - \$10,000.

Chairperson Ahner requested Director of Miles City Area Economic Development Council (MCAEDC) Mike Coryell to explain the request to the Committee. It is a request of \$10,000 from the City for matching funds for grant applications for an assessment to be completed to determine the needs of the County Jail. The City's \$10,000 and the County's \$10,000 will be used to match a grant of \$35,000, which has been applied for from the Coal Board. He explained that Custer County has received a letter from the ACLU requesting that the jail be evacuated within 45 days. This will have significant financial effects on both the City and the County.

MCAEDC Grant Writer Julie Kurkow explained that an assessment would include a preliminary design; voters will need to know what the costs are for the County to transport prisoners, which jails will house the prisoners and what the needs of the community will look like over a period of time.

County Commissioner Holmlund shared that the estimated costs Custer County Sheriff Tony Harbaugh had calculated was \$235,000 per year. It could be up to four years before the new jail would be completed.

Mayor Grenz asked if Stevenson's Design had given an estimate for the cost of a new jail. County Commissioner Holmlund stated that if it was a new jail, it would possibly cost approximately \$5,000,000. If a law and justice center was incorporated, then it would cost approximately \$25,000,000. This is very preliminary and the assessment will determine what the needs are.

Chairperson Ahner stated that he felt there was a simple solution to this matter. The County had levied for the cost of operating a City/County Planning Board. The County had collected about \$22,000 in taxes. Then the County decided they wanted a County Planning Board instead of the combined Board. The County used about \$3,000 in attorney fees to set up the County Planning Board. The County needs to turn over the remaining money over to the City or refund it to the taxpayers. The City continues to provide for planning purposes, the zoning outside the city limits within the two miles radius. The City has continued to provide zoning services to the County and has not billed them for these services. It would be mutually beneficial to the County and the City to receive the grant funds for the assessment, but there needs to be a transfer of the levied funds for the City/County Planning Board to the City.

County Commissioner Nesbit stated that everything Chairperson Ahner said was correct and that the zoning has been provided for everything on the Baker Highway. County Commissioner Hamilton stated that State statute needs to be followed in order to repay the money back to the City. It will be on the County Commissioner's agenda in the near future.

MCAEDC Grant Writer Julie Kurkow asked if the Committee could make a statement of a financial commitment for the \$10,000 in order to meet the grant deadline of September 4, 2012.

* * *Chairperson Ahner moved to recommend to the Council to approve that the City provide \$10,000 out of the Planning and Community Budget for an assessment to be conducted for a jail in Custer County. The motion was seconded by Committee Member Melnik and the motion carried unanimously, 4-0.*

Request of Citizens

-None

There being no further business, the meeting was adjourned at 1:18 p.m.

Finance Committee:

Chairperson Mark Ahner

Respectfully Submitted:

City Clerk Becky Stanton