

**MINUTES  
CITY OF LAUREL  
CITY COUNCIL WORKSHOP  
TUESDAY, AUGUST 20, 2024**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:33 p.m. on August 20, 2024.

**COUNCIL MEMBERS PRESENT:**

<input checked="" type="checkbox"/> Tom Canape	<input checked="" type="checkbox"/> Heidi Sparks
<input checked="" type="checkbox"/> Michelle Mize	<input checked="" type="checkbox"/> Jessica Banks
<input checked="" type="checkbox"/> Casey Wheeler	<input checked="" type="checkbox"/> Irv Wilke
<input checked="" type="checkbox"/> Richard Klose	<input checked="" type="checkbox"/> Jodi Mackay

**OTHERS PRESENT:**

Brittney Harakal, Council Administrative Assistant  
Kurt Markegard, Planning Director  
Kelly Strecker, Clerk/Treasurer  
Stan Langve, Police Chief  
Lyndy Gurchiek, Ambulance Chief  
Nancy Schmidt, Library Director  
Matt Wheeler, Public Works Director

**Public Input:**

There were none.

**General Items**

Mayor Waggoner stated that Lyndy has had a title change from Ambulance Director to Ambulance Chief.

**Executive Review**

1. Resolution - A resolution approving and adopting the Final Budget for the City of Laurel for the fiscal year 2024-2025.

Kelly Strecker, Clerk/Treasurer, briefly reviewed the attached budget message.

It was questioned if the street maintenance could be sent over for six months and then increased. It was clarified that assessments are sent over once a year.

Council noted that the \$250k is still included for the land use management plan. Council noted they would like a resolution passed before actually moving forward on this plan. They noted they would like a legal opinion from the attorney on the matter as well.

2. Resolution - A resolution levying taxes for general and specific purposes for the City of Laurel, Montana, for the fiscal year beginning July 1, 2024.

Discussed during previous agenda item.

3. Resolution - A resolution levying and assessing all of the property embraced within Special Improvement Lighting District No. 2 of the City of Laurel, Montana, for the entire cost of maintenance and electrical current for the fiscal year 2024-2025.

Discussed during previous agenda item.

4. Resolution - A resolution levying and assessing all of the property embraced within Special Improvement Lighting District No. 3 of the City of Laurel, Montana, for the entire cost of maintenance and electrical current for the fiscal year 2024-2025.

Discussed during previous agenda item.

5. Resolution - A resolution levying and assessing all of the property embraced within Street Sweeping District No. 1 of the City of Laurel, Montana, for the purpose of the sweeping of streets in the downtown or Business District for the fiscal year 2024-2025.

Discussed during previous agenda item.

6. Resolution - A resolution levying and assessing the cost of street maintenance and/or improvements for Street Maintenance District No. 1 that constitutes all streets and alleys embraced within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

7. Resolution - A resolution levying and assessing the cost of street improvements for Special Improvement District No. 113 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

8. Resolution - A resolution levying and assessing the cost of sidewalk improvements for Special Improvement District No. 115 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

9. Resolution - A resolution levying and assessing the cost of sidewalk improvements for Special Improvement District No. 116 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

10. Resolution - A resolution levying and assessing the cost of sidewalk improvements for Special Improvement District No. 117 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

11. Resolution - A resolution levying and assessing the cost of sidewalk improvements for Special Improvement District No. 118 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

12. Resolution - A resolution levying and assessing the cost of sidewalk improvements for Special Improvement District No. 119 within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

13. Resolution - A resolution levying and assessing the annual cost of sidewalk improvements for residential properties pursuant to the City's Residential Sidewalk Replacement Program within the City of Laurel, Montana, for fiscal year 2024-2025.

Discussed during previous agenda item.

14. Resolution - A resolution levying and assessing a special tax against certain property in the City of Laurel for delinquent water charges.

Discussed during previous agenda item.

15. Resolution - A resolution levying and assessing a special tax against certain property in the City of Laurel for delinquent sewer charges.

Discussed during previous agenda item.

16. Resolution - A resolution levying and assessing a special tax against certain property designated as garbage districts in the City of Laurel, Montana, for the removal of garbage and refuse.

Discussed during previous agenda item.

17. Resolution - A Resolution Of The City Council Approving And Accepting Quote From Morrison-Maierle Systems Technology Consultants For Managed Network Services. Cover IT.

This resolution is for our managed services for IT. They have done an excellent job for the last five years.

17. Resolution - A Resolution Of The City Council Approving And Accepting Possible Nomination Of Riverside Park To The National Register Of Historic Places.

Council asked if putting Riverside Park on the National Register of Historic Places would limit the ability to do things in Riverside Park.

It was clarified that there would be limitations, but what those limitations will be would need to be clarified. The designation does help to preserve history. Receiving this designation would also open the City up to grant funding as well. Council noted they would like more information on the program before they make a decision.

Those buildings were built in the 1930s by the WPA. They were used for housing POWs during WWII.

**Council Issues**

18. Follow Up on Planning Changes

Civil Attorney Braukmann was unable to be here this evening. This item will be discussed at a future Workshop.

**Other Items**

**Attendance at Upcoming Council Meeting**

Council Member Klose will not be at next week's meeting. All other Council Members will be present next week.

**Announcements**

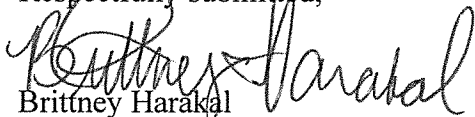
The next Emergency Services Committee meeting will be Monday, August 26, 2024, at 6:00 p.m. in Council Chambers.

The Laurel Chamber of Commerce is holding a Leadership Laurel Course. On November 21<sup>st</sup> there will be a roundtable discussion with the students and Council Members. If any members are interested, respond to Cami at the Chamber.

There will be another CPR class at 1:00 p.m. at the station.

The council workshop adjourned at 7:07 p.m.

Respectfully submitted,

  
Brittney Harakal  
Administrative Assistant

**NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.**

# Budget Transmittal Letter

August 27, 2024

Dear City of Laurel Governing Body:

Transmitted herewith is the annual operating and capital budget recommendations for the City of Laurel for the fiscal year ending June 30, 2025. This year's budget was a difficult one, as you know. Hard decisions have already been made, and I anticipate additional ones will have to be made. However, wonderful things have come to fruition this past fiscal year, and I am incredibly proud of the City of Laurel staff, Council, and community for coming together to get these projects completed.

The mill value came in at \$9,956.451/mill this year, which is a decrease of \$195.937/mill over last year. The mill value in 2023-2024 was \$10,152.388/mill. Last year, the City's total mill levy was 138.13, and this year it is 145.44. The city had unused mills from last year of 6.22 which helped cover the costs for this fiscal year. Overall, the City will receive an increase of \$45,716.74 in taxable revenue.

The following are the changes in apportionment of the levies from 2023-2024 to 2024-2025:

<b>Fund:</b>	<b>24-25 Levy</b>	<b>23-24 Levy</b>	<b>Difference</b>
General Fund	77.53	64	+13.53
Library	31.00	31.00	-0.00
Comprehensive Liability	9.00	9.00	-0.00
PERS	8.00	8.00	-0.00
Group Health	22.13	22.13	-0.00
Fire Disability	4.00	4.00	-0.00
Total	151.66	138.13	+13.53

The Comprehensive Liability Fund premiums have increased by \$11,693.00. This is due to the increase in liability and workers' compensation claims against the City. The last fiscal period (in which our Montana Municipal Interlocal ("MMIA") claims are adjusted saw a slight increase in both liability and workers' compensation claims. Claims against the City are on a three-year rolling calendar. The City of Laurel received an \$11,859.00 retro adjustment, due to excess reserves MMIA had at the end of the 2023 Fiscal Year. This was an increase on last year's adjustment of \$1635.00. With the passage of the Safety Plan, the city reduced the amount of Worker's Compensation claims, and safety is improving. We are actively working on increased safety and informative measures for all City employees. This year, the Comprehensive Liability Fund should have 27% reserves in preparation for next year. At this time last year, there were 13.43% reserves in this fund. So, we have seen a significant improvement in reserves for the City's liability fund.

PERS rates did not increase this year due to the contract statewide expiring. Per PERS, this amount would only increase on the City's side 0.1% per year through 2024. Please note that this fund only covers the General Fund employees. All other funds must budget for their employees' PERS. As wages increase in the General Fund, so does PERS. With the lack of additional tax revenues to support the General Fund, and other non-voted levied funds, the reserves in the PERS fund are at up to 29% this year. At this time last year, they were at 39%. This is not an amount controllable by the City, as it is set based solely upon wages. While we

are cognizant of increased wages, various factors have impacted those wages the last fiscal time period, and PERS automatically accounts for these changes. Of course, we will make it a focus to be very cognizant of General Fund employee wages for the City, while also ensuring we have a safe and functional employee pool.

Group Health, along with the Permissive Health Levy Fund, will provide insurance payments to the General Fund.

The Fire Disability Fund remains at 4.00 mills this year. The City has an obligation to fund the Fire Pension for volunteers. These 4.00 mills amount to \$38,825.80 and will be given to the Firemen's Relief Association for pension payments. The total pension that is expected to approximately be distributed in the year 2024-2025 is \$38,825.80. The cash balance at the end of June 2024 was \$0. The 4.00 mills are to supplement the balance of the Pension Fund.

<b>Fund:</b>	<b>24-25 Levy</b>	<b>23-24 Levy</b>	<b>Difference</b>
Airport Authority	2.61	2.78	-0.17

The Airport Authority Board has its own taxing authority. This year, the fund will receive 0.17 mills less than last fiscal year.

<b>Fund:</b>	<b>24-25 Levy</b>	<b>23-24 Levy</b>	<b>Difference</b>
Permissive Levy for Health Ins. (HB409)	20.50	23.17	-2.67

The permissive mill value was \$256,655.78 in 2022-2023, \$235,231.85 in 2023-2024 and valued at \$166,497.80 this fiscal year.

Employee Wages and Benefits

Unemployment insurance has remained the same from last year with a contribution rate of .0025%, on gross wages. This is set by the Montana Department of Labor, and the City does not control these contributions, except to the extent that we address UID claims. We have taken an active role, this past year, in working to reduce UID claims, by way of responding with reasons for discharge and other factors that may affect whether an employee receives UID benefits.

Workers' compensation rates overall went up this year. The City's mod factor, however, decreased from .9561 in 2023-2024 to .9300 in 2024-2025. Workers' compensation rates have increased for all municipalities in Montana, the past year, so this overall increased was not unexpected.

The Public Works Union was budgeted a 4% wage increase, as per their Collective Bargaining Agreement. The Police Union was budgeted a \$3.00 increase for police officers and \$1.50 for dispatch and animal control, according to the terms of their Collective Bargaining Agreement.

I am recommending a 4% increase in wages for non-union employees. This is consistent with market wages, and it will allow the City to remain somewhat-competitive in hiring and retaining non-bargaining employees. It is, in fact, less than the COLA recommended increase, but I feel like it is a fair increase, considering the budget constraints the City is facing, while still acknowledging inflationary COLA for non-bargaining employees.

**Fund 1000 - General Fund:**

The General Fund appropriations are budgeted at \$6,172,686.00, with revenues coming in at \$6,172,969.00 We should not be using cash reserves this year. The General Fund should have 36% reserves at the end of the Fiscal Year.

Notable changes to the General Fund this year include:

**Revenues:**

- General Fund tax revenue increased slightly this year.

**Expenditures:**

- Department Heads were asked to keep Expenditures fair and reasonable while we address budget concerns.

**Fund 2220 – Library**

**Revenues:**

- The projected tax revenues are \$308,649.98 for this fiscal year.

**Expenditures:**

- The Library Board has submitted their budget to the governing body for approval.

**Fund 2250 – Planning**

**Revenues:**

- The projected revenues from the County are \$126,000 for this fiscal year, and is slightly higher than last year.

**Expenditures:**

- The City is using current staff, Kurt Markegard, as the planning director. The City is also contracting with KLJ Engineering when needed. The City is currently cross training with the building department as well

**Fund 2260 – Emergency Disaster**

**Revenues:**

- The City will not levy 2 mills this fiscal year.

**Fund 2310 - Tax Increment Financing**

**Revenues:**

- Revenues are calculated at \$1,487,900.00 for this fiscal year

**Expenditures:**

- Zoning, Subdivision and growth expenditures should be expected.

**Fund 2400 & 2401 – Light Districts #2 & 3**

**Revenues:**

- Light District #2 will be assessed at a rate of \$39,791.60, and Light District #3 will be assessed at a rate of \$23,191.35.

**Expenditures:**

- Expenditures have increased slightly due to an increase in utility costs.

**Fund 2500 – Street Maintenance**

**Revenues:**

- The State is still responsible for street cleaning on Main Street and South 1<sup>st</sup> Avenue.
- The Street Maintenance assessment to the citizens of Laurel will be \$930,250.33 for street maintenance and \$18,006.90 for the sweeping district.
- The Street Maintenance Fund will continue to receive the R-O-W fees.

**Expenditures:**

- Currently there are no projects scheduled.

## **Fund 2600 – Elena Park Maintenance District**

### ***Revenues:***

- Elena Park Maintenance District will not be assessed this fiscal year due to excess cash reserves.

### ***Expenditures:***

- \$9,500 has been budgeted for Elena Maintenance District.

## **Fund 2702 – Expendable Grant**

- Amount available for reconstruction on the North Shore of the Yellowstone River is \$134,000.

## **Fund 2820 – Gas Tax**

### ***Revenues:***

- The total revenue for the gas tax allotment this year is \$304,983.80, which is down from last year.

### ***Expenditures:***

- The 5<sup>th</sup> Avenue through 7<sup>th</sup> Avenue Sewer and Street project will be partially funded from gas tax.

## **Fund 2821 – HB 473-Gas Tax**

### ***Revenues:***

- The revenues budgeted from the State this fiscal year are \$233,000.

### ***Expenditures:***

- \$250,000 was budgeted for Street Maintenance project this fiscal year.

## **Fund 2917 – Crime Victims Assistance**

- This fund has \$105,194.00 budgeted for a Crime Victims' Program. The City Prosecutor and the Civil City Attorney are working on defining the necessity of this program for Laurel, how funds can be used, and what would best serve the community, moving forward. If these funds cannot be used towards a Victim/Witness Advocate program, they will be returned to the State, by State law.

## **Fund 2928 – Transit Bus Grant**

### ***Revenues:***

- The City's \$43,936.00 grant to manage the bus transit system has been renewed for this fiscal year.
- General Fund will be transferring the City's match to the Transit Fund.

### ***Expenditures:***

- \$39,523.00 has been budgeted for the bus drivers that are employed by the Adult Resource Alliance of Yellowstone County.

## **Fund 2952 – Federal Equitable Sharing**

### ***Revenues:***

- These revenues come from property confiscated by the Department of Justice during drug seizures. The property is sold, and the revenues are distributed to those agencies that are part of the DEA program. The use of the revenues received by the City is left to the discretion of the Police Chief.



- The revenues can no longer be budgeted per the Department of Justice Standard Operating Procedure for this fund.

***Expenditures:***

- The expenditures for this fund can no longer be budgeted per the Department of Justice Standard Operating Procedure for this fund.

**Fund 3400 – SID Revolving**

***Expenditures:***

- The cash in this fund is held for purposes of possible defaults on SID property payments. If, for some reason, there is not enough cash in the SID Funds when debt service payments are due, the cash in this fund may be transferred to the Debt Service Fund (3500 funds) to make the payment.

**Fund 3401 – SID 118 Reserve**

***Expenditures:***

- The cash in this fund is held for purposes of possible defaults on SID No. 118 property payments. If, for some reason, a property owner defaults on their payment, the cash in this fund may be transferred to the Debt Service Fund 3508 to make the payment. SID No. 118 Reserve Fund may only be used for this purpose, and monies may not be transferred to any other SID Fund.

**Funds 3503 – 3508 – SID Debt Service Funds**

- These funds will handle the debt service for SID's. Money is collected through the tax rolls as assessments to pay the SID bond payments.

**Fund 4000 – Capital Improvement Fund /CIP**

***Revenues:***

- The General Fund will not be transferring any funds to the CIP Fund this year.

**Fund 4001 – Capital Improvement, Streets, Sidewalks and Parks**

***Revenues:***

- The Sidewalk Assessments will be received in this revenue. The amount this year is \$456.75.

***Expenditures:***

- The sidewalk program will be expended out of this fund up to the available amount of \$88,090.49.

**Fund 5210 – Water Fund**

***Revenues:***

- The total anticipated revenue to be received is \$4,037,940.

***Expenses:***

- A new water tank project is in the works. This project will extend to 2026 and will cost about \$20,000,000.00. The City will be applying for several grants to help fund this project.

**Fund 5310 – Sewer Fund**

***Revenues:***

- The total anticipated revenue to be received is \$2,301,700.00.

***Expenses:***

- Anticipated for this year is the replacement of a new sewer main, which is located between 5<sup>th</sup> and 7<sup>th</sup> Ave, on 1<sup>st</sup> and Main Street.

**Fund 5410 – Solid Waste**

***Revenues:***

- The total anticipated revenue to be received is \$1,346,500.00.

***Expenses:***

- Dumping Fees increased by about \$20,000 this year.

**7000 Funds – Trust and Agency Funds**

These funds are considered pass-through accounts. The City collects the revenues and disperses the revenue to other entities (agencies).

The FY 2025 budget, as presented, will continue to support the City's endeavor to provide exceptional service to our community, adjust to growth and demand, and improve our facilities all while considering the impacts on the City's property taxpayers.

Should you have any further questions about this year's budget, feel free to contact Myself or Clerk/Treasurer Kelly Strecker. We have provided a responsible and balanced budget that meets all the needs of the Department Heads through this fiscal year, 2024-2025. We strive every year to utilize the public funds in the best interest of the citizens, and I hope that you feel we have succeeded.

With Appreciation,

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Dave Waggoner  
Mayor