

**MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, JANUARY 16, 2024**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:30 p.m. on January 2, 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:

Michele Braukmann, Civil City Attorney
Brittney Harakal, Council Administrative Assistant
Matt Wheeler, Public Works Director (left at 6:50 p.m.)
Ryan Welsh, KLLJ

Public Input:

There were none.

General Items

1. MTD Presentation - W. Railroad.

Thaddeus Lesnik, with MDOT, and Katie Kay, with Sanderson Stewart, presented the attached information.

It was questioned if the County would pay for part of this project. It was clarified that this project is not a State or County route. This is an Urban Route and, therefore, using the Urban Route Funds. Those funds available are 5.2 million.

It was questioned if the gas line would be under the roadway. It was clarified that was not known at this time, and a full design of the project has not been completed.

It was questioned if any grants could be applied to help pay for this project. It was clarified that they could apply for the RAISE grant.

It was noted that the attached memo notes of truncating the project. It was questioned what part of the project would not be completed. It was clarified that many of the unnecessary items have already been removed from the estimate. The only item left to reduce is the length of the road included in the project. Council noted that the entire section of road needs to be redone.

It was noted that inflation is estimated to be \$850k. It was questioned if that was for each year or both years. It was clarified that the inflation estimate is based on the two years needed before the start of the project.

It was questioned to the two Council Members representing Ward 1 how important this project is. It was stated that this project is a very big priority. In 2017, the City did the Pacer study to rank the road conditions. The City addressed the 5s, 6s, and 7s first not to have additional deterioration while working on the larger projects.

It was noted that at one point in time, there was discussion about using TIF funds for the portion within the TIF District.

It was questioned if the refinery would be willing to partner with the City to replace this road. It was clarified that this option could be explored.

2. Appointment of Emelie Eaton to the Public Works Committee.

There was no discussion on the item.

Executive Review

3. Resolution - A Resolution Of The City Council To Adopt An Official Schedule Of Fees And Charges For The City Of Laurel And Repealing All Previous Resolutions That Set Fees Or Charges That Conflict With The Schedule Attached Hereto Upon Its Effective Date.

There was no discussion on the item.

4. Resolution - Resolution Of The City Council Calling For An Election On The Question Of Conducting A Local Government Review And Establishing A Study Commission.

Council questioned what kind of education would be done so the public would know what this ballot measure pertains to. They noted that the last time this was before the voters, there seemed to be a lot of confusion about what was being asked. It was clarified that there would be an educational piece. The state is also working on education opportunities as well.

It was questioned if the City of Laurel was the only one doing this. It was clarified that this is Statewide.

Council Issues

Council Member Mackay stated that she does things for the Outlook on occasion. This week, she had the opportunity to photograph a house fire. The Fire Department did an amazing job.

Mayor Waggoner added that Public Works also came out to help with that fire as well. They needed to drain the hydrants so they would not freeze. They also loaded up frozen hoses and transported them to the City Shop to thaw.

Council Member Klose thanked the Public Works Director and his crew for assisting with picking up wreaths at the Cemetery. They were able to have all the wreaths picked up within an hour.

Other Items

Attendance at Upcoming Council Meeting

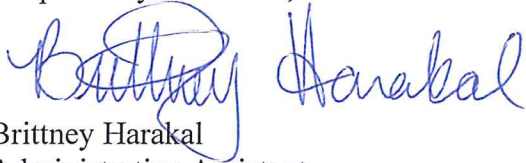
All Council Members present will be in attendance at the next scheduled meeting.

Announcements

Monday, there will be an Emergency Services Committee meeting at 5:30 p.m. in Council Chambers. The Public Works Committee will directly follow the Emergency Services Committee meeting at approximately 6:30 p.m.

The council workshop adjourned at 7:00 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.



Memorandum

To: Laurel City Council Members

From: Thaddeus Lesnik, P.E.
Consultant Design Project Engineer

Date: January 16, 2024

Subject: STPU 6902(5)
West Railroad Street - Laurel
UPN 10121000

Introduction

Thank you for placing the West Railroad Street project on the agenda for funding discussion. This project is partially funded through Montana's Surface Transportation Program-Urban (STPU). The STPU program provides funding to the state's 20 urban areas (population of 5,000 or greater) through a statutory formula based on each area's population compared to the total population in all urban areas. STPU funds are primarily used for resurfacing, rehabilitation or reconstruction of existing facilities; operational improvements; bicycle facilities; pedestrian walkways and carpool projects on Montana's Urban Highway System. If STPU funding is insufficient to complete an urban area's priority project, local funds can be contributed to achieve the desired project scope.

This project was nominated by the City of Laurel in 2018 and conceptual design began in the spring of 2023, following execution of a project funding in which the City agreed to a local funding contribution of \$2,500,000. The cost estimate currently prepared exceeds the budget originally forecast when the project was nominated due to uncertainty in the initial estimate, escalating cost of construction, and inflation. STPU allocations will continue to be less than sufficient to reconstruct this roadway even if project elements remain the same and STPU funds accumulate.

Proposed Scope of Work

The proposed scope of work for this project is to reconstruct W. Railroad St. (U-6902) in Laurel from S. 8th Ave. to S. 1st Ave. The work is anticipated to include new curb and gutter, ADA installations, storm drain installation, and utility relocations. This project is intended to address poor pavement condition and substandard curb and gutter on W. Railroad St.

Sanderson Stewart has been selected as the consultant for this project. Sanderson Stewart will be responsible for developing the design and contract documents. MDT staff will provide direct assistance and overall coordination of the work.

Preliminary Cost Estimate

| Costs | | Funding | |
|---|---------------------|----------------------|--------------------|
| Project Engineering & Design ** | \$1,400,000 | STPU Funds FFY 2026 | \$5,200,000 |
| Construction Cost | \$5,846,000 | Laurel Funding | \$2,500,000 |
| Administration during construction (CE) | \$672,000 | | |
| Utility Relocation Costs (IC) | \$375,000 | | |
| Right of Way (Temp, Easement, etc.) *** | \$50,000 | | |
| Total of costs above: | \$8,343,000 | | |
| Inflation (~10.2%) | \$848,017 | | |
| MDT IDC (13.56%) | \$1,246,302 | | |
| Total Costs | \$10,437,318 | Total Funding | \$7,700,000 |

** The costs above noted with are estimated due to the current (early) development. Future funds may need to add effort for plan development currently not scoped between MDT and Sanderson Stewart.

*** The R/W phase cost may be unnecessary if no R/W, easements, or construction permit are required.

Each year \$217,402 is added to the Laurel urban area's STPU fund balance. The shortfall of funds in Federal Fiscal Year (FFY) 2026 is calculated as Total Costs subtract Total Funding, or \$10,437,318

Laurel City Council Funding Discussion

STPU 6902(5), West Railroad Street - Laurel, UPN 10121000
EPS Project Manager: Thaddeus Lesnik

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subtract \$7,700,000 which equals a **\$2,737,318 shortfall** for the 2026 FFY. The Laurel Urban Area has the opportunity to borrow up to five years of their STPU allocation, approximately \$1,000,000, to contribute to offsetting the shortfall of this project. Utilization of the STPU borrow would result in a negative STPU balance and potentially delay future STPU projects.

Requested Action

Several options will be presented to you tonight. One option is to fund the deficit with additional funds from the City of Laurel to continue development for the full project length. A second option is to truncate the project length to ensure the project scope aligns within available funding. During the council meeting, I hope you have enough facts to consider and provide direction. The decision on this matter will influence the scope of design services between MDT and Sanderson Stewart. Acting without delay is important to continue project development and bring reconstruction of this roadway into reality and minimize cost of inflation.

Site Map

