

MINUTES OF THE CITY COUNCIL OF LAUREL

August 26, 2025

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Mayor Dave Waggoner at 6:33 p.m. on August 26, 2025.

COUNCIL MEMBERS PRESENT: Thomas Canape Heidi Sparks

Michelle Mize

Casey Wheeler Irv Wilke

Richard Klose(via Zoom) Jodi Mackay

COUNCIL MEMBERS ABSENT: Jessica Banks

OTHER STAFF PRESENT:

Kelly Strecker, Clerk/Treasurer

Britney Harakal, Administrative Assistant

Kurt Markegard, CAO

Jarred Anglin, Interim Police Chiefs

Kelly Gauslow, Accounts Payable

Nick Owens, City Prosecutor

Jean Kerr, Judge

Nancy Schmidt, Library Director

Mayor Waggoner led the Pledge of Allegiance to the American flag.

MINUTES:

Motion by Council Member Wilke to approve the minutes of the regular meeting of August 12, 2025, as presented, seconded by Council Member Sparks. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

CORRESPONDENCE: None.

COUNCIL DISCLOSURE OF EX PARTE COMMUNICATIONS: None.

PUBLIC HEARING:

- Fiscal Year 24-25 Budget Amendments.

Mayor Waggoner opened the public hearing and asked Staff to present the item.

Mayor Waggoner opened the floor for public comment and stated that copies of the rules governing the public hearing were posted in the Council chambers.

The Clerk/Treasurer reviewed the attached budget amendments.

Mayor Waggoner asked three (3) times if there were any proponents. There were none.

Mayor Waggoner asked three (3) times if there were any opponents. There were none.

Mayor Waggoner stated that he would not have Staff respond to questions as there were none.

- Budget and Tax Resolutions Fiscal Year 25-26

Mayor Waggoner opened the public hearing and asked Staff to present the item.

Mayor Waggoner opened the floor for public comment and stated that copies of the rules governing the public hearing were posted in the Council chambers.

The Clerk/Treasurer reviewed the attached budget memo.

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Mayor Waggoner asked three (3) times if there were any proponents. There were none.

Mayor Waggoner asked three (3) times if there were any opponents. There were none.

Mayor Waggoner stated that he would not have Staff respond to questions as there were none.

CONSENT ITEMS:

- **Claims entered through August 22, 2025.**
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.
- **Approval of Payroll Register for PPE 8/17/2025 totaling \$255,886.52.**

The Mayor asked if there was any separation of consent items. There was none.

Motion by Council Member Mize to approve the consent items as presented, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS:

- Budget/Finance Committee Minutes of August 12, 2025.
- Emergency Services Committee Minutes of June 23, 2025.
- Emergency Services Committee Minutes of July 28, 2025.
- Public Works Committee Minutes of July 21, 2025.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Resolution No. R25-55: A Resolution Of The City Council Approving Amendments To Appropriations And Revenues For The City Of Laurel's Fiscal Year 2024-2025 Budget.**

Motion by Council Member Canage to approve Resolution No. R25-55, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-58: A Resolution Approving And Adopting The Final Budget For The City Of Laurel For The Fiscal Year 2025-2026.**

Motion by Council Member Sparks to approve Resolution No. R25-58, seconded by Council Member Wilke. There was no public comment.

A Council Member expressed concern regarding taking mills from the Library. They questioned what the plan would be for next year. It was clarified that the funds taken from the Library were from their cash reserves. No other department has reserves. They further questioned the Library Director about the potential impact on the Library if its budget were cut by 40% next year, as it was this year. The Library Director stated she did not know what the impacts would be. Wages cannot be cut. She did note, however, that this is not the first time the Library has been used to balance the budget.

Motion by Council Mize to table this item for the next Council cycle. There was no second.

Council questioned how Department Heads receive communications regarding reserves. It was clarified that department heads receive monthly reports. It was also noted that the Library has always received enough funding to support the submitted budget. If the Library does not spend all of its budgeted funds, it has money that has been allocated to a cash reserve. The City has never taken that money back at the end of the fiscal year. It was further questioned what percentage of their budget the Library uses. It was clarified that they had 20k remaining from the previous fiscal year.

Council noted in the budget message that there are no projects scheduled. They noted the Southside Paving Project, the W. 7th Street Project, and questioned whether this was accurate. It was clarified

that the Southside Paving Project will be paid out of Gas Tax funds and not Street Maintenance funds. The Street Maintenance fund has been saving for the W. Railroad Project. As of right now, there is no task order in place for the W. 7th Street Project, but those funds are budgeted for.

Council noted in the budget message that the new water reservoir cost is expected to be 20 million instead of 20k.

Council questioned the Planning Department and the contracted Planner. It was stated that the County assesses approximately 136k annually for planning purposes. As the City begins working on the Land Use Planning Act requirements, it will need to contract with a Planner. Currently, the City has contracted for Planning services on an as-needed basis. It was noted that the City will receive grant funds to help fund the Land Use Plan Act requirements.

Council questioned the Emergency Disaster fund and why there were no mills set aside for it. It was clarified that the City can only use those funds if there is a disaster. Currently, there is a good cash balance in that fund, and the City does not need to mill for that fund. The City only needs to mill two mills, and then the County and State provide additional funding.

A roll call vote was taken on the motion. Council Members Sparks, Wilke, Mackay, Klose, Wheeler, and Canape voted aye. Council Member Mize voted no. Motion carried 6-1.

- **Resolution No. R25-59: A Resolution Levying Taxes For General And Specific Purposes For The City Of Laurel, Montana, For The Fiscal Year Beginning July 1, 2025.**

Motion by Council Member Mackay to approve Resolution No. R25-59, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-60: 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 2025-2026.**

Motion by Council Member Wheeler to approve Resolution No. R25-60, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-61: 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 2025-2026.**

Motion by Council Member Wilke to approve Resolution No. R25-61, seconded by Council Member Sparks. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-62: 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 2025-2026.**

Motion by Council Member Canape to approve Resolution No. R25-62, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-63: 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 2025-2026.**

Motion by Council Member Mackay to approve Resolution No. R25-63, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-64: 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 2025-2026.**

Motion by Council Member Sparks to approve Resolution No. R25-64, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-65: 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 2025-2026.**

Motion by Council Member Mize to approve Resolution No. R25-65, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-66: 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 2025-2026.**

Motion by Council Member Wheeler to approve Resolution No. R25-66, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-67: 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 2025-2026.**

Motion by Council Member Sparks to approve Resolution No. R25-67, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-68: 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 2025-2026.**

Motion by Council Member Canape to approve Resolution No. R25-68, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-69: 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 2025-2026.**

Motion by Council Member Mackay to approve Resolution No. R25-69, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-70: A Resolution Levying And Assessing A Special Tax Against Certain Property In The City Of Laurel For Delinquent Water Charges.**

Motion by Council Member Wheeler to approve Resolution No. R25-70, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-71: A Resolution Levying And Assessing A Special Tax Against Certain Property In The City Of Laurel For Delinquent Sewer Charges.**

Motion by Council Member Wilke to approve Resolution No. R25-71, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-72: 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.**

Motion by Council Member Mize to approve Resolution No. R25-72, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-73: A Resolution Of The City Council Establishing The Method Of Levying Voted Mills As Required By Laws 2025, Chapters 674 And 767 Passed In The 69th Montana Legislative Session**

Motion by Council Member Wheeler to approve Resolution No. R25-73, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-74: A Resolution Of The City Council Approving Agreement Regarding School Resource Officer Program By And Between The City Of Laurel And Laurel Public Schools, District 7 & 7-70.**

Motion by Council Member Sparks to approve Resolution No. R25-74, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-75: A Resolution Authorizing The Mayor To Execute An Agreement With Morrison-Maierle Systems Technology Consultants For Managed Network Services.**

Motion by Council Member Mackay to approve Resolution No. R25-75, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

- **Resolution No. R25-76: A Resolution Of The City Council Approving Conversion Of The Laurel City Court To A Court Of Record.**

Motion by Council Member Canape to approve Resolution No. R25-76, seconded by Council Member Wilke. There was no public comment.

It was questioned if moving to a Court of Record would add a burden on the Court Clerk.

Judge Kerr stated that converting to a Court of Record will take additional work. There will be additional recordkeeping. There is currently one Court Clerk. The City has attempted to hire an additional Court Clerk; however, they have not yet found a suitable candidate. The Judge has been waiting for the Council to move forward with establishing a Court of Record, as the Council is responsible for setting up the Court. Microphones and the recording software have been purchased. These were order without a presentation to the Council from the Judge. She was not concerned with getting trained on how to use the software until the Court official transitioned to a Court of Record.

It was questioned whether there would be hard copies or digital copies of documents. It was clarified that the Judge was unsure, as different Courts have different procedures.

It was questioned what kind of overtime would be required by the Court Clerk to complete these additional duties, and whether staff burnout is a concern. It was stated that at this time, it is unknown what the additional workload will entail.

It was questioned what the expected implementation timeframe would be. It was clarified that there have been discussions with the Judge and City Prosecutor to discuss the timeline. The goal is to implement it in 2026 once Judge Kerr retires. Judge He Does It out of Red Lodge has a Court of Record, so Laurel can go and see how their Court is structured.

It was questioned if an addition Clerk is looking to be hired. It was clarified that the last discussion the Staff had on this matter was that there was no rush. Whenever the Judge is ready to hire for this position, the City can post the job.

It was questioned whether two Court Clerks were budgeted for. It was clarified that both positions have been budgeted.

The City Prosecutor stated he is a proponent of this Resolution. It is the right decision for Laurel over the long term. There will be some burdens moving to a Court of Record. Records can be kept in both paper and digital copies. He added that if this Resolution passes tonight does not mean it becomes effective tomorrow. There does have to be a notice period published prior to moving forward.

Council Member Mize stated that because she is running for City Judge, she is recusing herself from this matter.

A vote was taken on the motion. Six Council Members present voted aye. Council Member Mize abstained from voting. Motion carried 6-0.

- **Resolution No. R25-77: A Resolution Of The City Council Approving The Execution Of The Authorization To Represent And Class Action Disclosure Agreement Related To The Fire Truck Antitrust Litigation.**

Motion by Council Member Wilke to approve Resolution No. R25-77, seconded by Council Member Mize. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):

On September 2nd, there will be a registration event at the High School for Hunter's Education. Class will begin September 8th.

COUNCIL DISCUSSION:

Council questioned: Since the budget has passed, will the sidewalk project at Nutting Park be completed soon? It was clarified that the small service contract for that project will be on the next Council cycle.

MAYOR UPDATES:

The overlay on the Southside will begin in September.

UNSCHEDULED MATTERS: None.


ADJOURNMENT:

Motion by Council Member Mize to adjourn the Council meeting, seconded by Council Member Canape. There was no public comment or Council discussion. A vote was taken on the motion. All seven Council Members present voted aye. Motion carried 7-0.

There being no further business to come before the Council at this time, the meeting was adjourned at 7:48 p.m.


Britney Harakei, Administrative Assistant

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 9th day of September 2025.


Dave Waggoner, Mayor

Attest:


Kelly Strecker, Clerk/Treasurer



EXHIBIT A

Budget Amendment
Fiscal Year 2024-2025

Fund 2952 – Federal Equitable Sharing

| | | |
|----------------------------|----|------------------|
| Original Revenues | \$ | 0.00 |
| Amended Revenues | | <u>63,783.02</u> |
| Increase in Revenue: | \$ | 63,783.02 |
| Original Appropriation | | 0.00 |
| Amended Appropriation | \$ | <u>52,445.08</u> |
| Increase in Appropriation: | \$ | 52,445.08 |

Per the Department of Justice Standard Operating Procedures, appropriations and revenues for the Federal Equitable Sharing Fund may not be budgeted using the fiscal year budgeting process. All appropriations and revenues must be budgeted after the end of the fiscal year, using the budget amendment process.

Fund 1000 – General Fund- Ambulance

| | |
|----------------------------|-------------------|
| Original Appropriation | 1500.00 |
| Amended Appropriation | <u>\$ 1766.00</u> |
| Increase in Appropriation: | \$ 266.00 |

Increase Appropriations, due to Ambulance staff reimbursing the city for the purchase of more uniform T-shirts.

Fund 2928 – Transit Grant

| | |
|----------------------------|---------------------|
| Original Appropriation | \$.00 |
| Amended Appropriation | <u>\$ 16,268.00</u> |
| Increase in Appropriation: | \$ 16,268.00 |

Unanticipated Expenditure for Local Share payment, for the purchase of the Transit Van from 2020. The overage is funded by the cash reserve for the Transit Grand fund.

Fund 1000 – General Fund- Fire Department

| | |
|------------------------|---|
| Original Appropriation | \$ 55,000.00 |
| Amended Appropriation | <u>\$ 67,500.00</u> |
| | Increase in Appropriation: \$ 12,500.00 |
| Original Revenues | \$ 3,000.00 |
| Amended Revenues | <u>\$ 12,500.00</u> |
| | Increase in Revenue: \$ 9,500.00 |

Increase Appropriations and Revenues, due to receiving a DNRC grant for the 2024 Volunteer Fire capacity for wildland clothing. This was a reimbursable grant.

Fund 2370 – Employer Contribution P.E.R.S

| | |
|------------------------|---|
| Original Appropriation | \$ 138308.00 |
| Amended Appropriation | <u>\$ 143408.00</u> |
| | Increase in Appropriation : \$ 5,100.00 |

Unanticipated OT for the Ambulance Department. The overage is funded by the cash reserve for the Employer Contributions to P.E.R.S.

Fund 7850 – Airport Authority

| | |
|------------------------|--------------------------------------|
| Original Appropriation | \$ 31,609.00 |
| Amended Appropriation | <u>\$ 32,021.00</u> |
| | Increase in Appropriation: \$ 412.00 |

Revenues for this fund were greater than anticipated so there were more transfers to the Airport Authority than budgeted.

Fund 7120 – Fire Disability

| | |
|------------------------|---|
| Original Appropriation | \$ 39,826.00 |
| Amended Appropriation | <u>\$ 69,616.00</u> |
| | Increase in Appropriation: \$ 29,790.00 |

Revenues for this fund were greater than anticipated so there were more transfers to the Firemen's Relief Association than budgeted.

CITY HALL
115 W. 1st. St.
PUB WORKS: 628-4796
PWD FAX: 628-2241
WATER OFFICE: 628-7431
WTR FAX: 628-2289
MAYOR: 628-8456

City of Laurel

P.O. Box 10
Laurel, Montana 59044



MAYOR
DEPARTMENT



August 26, 2025

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, 2026. 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 \$8,014.730/mill this year, which is a decrease of \$1941.72/mill over last year. The mill value in 2024-2025 was \$9,956.451/mill. Last year, the City's total mill levy was 151.66, and this year it is 195.70. Overall, the City will receive an increase of \$58,487.30 in taxable revenue.

The following are the changes in apportionment of the levies from 2024-2025 to 2025-2026:

| Fund: | 25-26 Levy | 24-25 Levy | Difference |
|-------------------------|-------------------|-------------------|-------------------|
| General Fund | 100.00 | 70.53 | +29.47 |
| Library | 25.00 | 35.00 | -10.00 |
| Comprehensive Liability | 14.70 | 11.00 | +3.70 |
| PERS | 25.00 | 9.00 | +16.00 |
| Group Health | 27.00 | 22.13 | +4.87 |
| Fire Disability | 4.00 | 4.00 | -0.00 |
| Total | 195.70 | 151.66 | +44.04 |

The Comprehensive Liability Fund premiums have increased by \$7,221.00. This is due to the increase in liability and workers' compensation claims against the City. The last fiscal period (by 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 a \$19,629.00 retro adjustment, due to excess reserves MMIA had at the end of the 2025 Fiscal Year. This was an increase in last year's adjustment of \$7,770.00. 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 17% reserves in preparation for next year. At this time last year, there were 18% 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 16% this year. At this time last year, they were at 11%. 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 in the last fiscal 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 \$32,058.92 and will be given to the Firemen's Relief Association for pension payments. The total pension that is expected to be distributed this year is \$32,058.92. The cash balance at the end of June 2025 was \$0. The 4.00 mills are to supplement the balance of the Pension Fund.

| <u>Fund:</u> | <u>25-26 Levy</u> | <u>24-25 Levy</u> | <u>Difference</u> |
|-------------------|-------------------|-------------------|-------------------|
| Airport Authority | 3.37 | 2.61 | +0.76 |

The Airport Authority Board has its own taxing authority. This year, the fund will receive 0.76 mills more than last fiscal year.

| <u>Fund:</u> | <u>25-26 Levy</u> | <u>24-25 Levy</u> | <u>Difference</u> |
|--------------|-------------------|-------------------|-------------------|
| Ambulance | 57.34 | 46.14 | +11.20 |

The Ambulance Department received their own mill levy this year to help cover some of the costs for their department. They are still in the General Fund but will receive 57.34 mills this year to help fund their budget or that number converted into dollars is \$459,585.00.

| <u>Fund:</u> | <u>25-26 Levy</u> | <u>24-25 Levy</u> | <u>Difference</u> |
|---|-------------------|-------------------|-------------------|
| Permissive Levy for Health Ins. (HB409) | 25.42 | 20.50 | +4.92 |

The permissive mill value was \$235,231.85 in 2023-2024, \$166,497.80 in 2024-2025 and valued at \$204,764.53 this fiscal year.

Employee Wages and Benefits

Unemployment insurance increased this year. This year's contribution rate is .0035%, 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 down this year by 10.68%. The City's mod factor, also, decreased from .9300 in 2024-2025 to .8400 in 2025-2026. Workers' compensation rates have decreased for all municipalities in Montana this past year, so this overall decrease was expected.

The Public Works Union budgeted a 3% wage increase, as per their Collective Bargaining Agreement. The Police Union was budgeted a 1.5% increase for police officers and 6% increase for dispatch and 4% increase for 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 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 \$6,776,461.00, with revenues coming in at \$6,776,461.00. A small percent of cash reserves were used this year. The General Fund should have 32% in 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 \$200,368.25 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, which is the same amount as last year.

Expenditures:

- The City is using current staff, Kurt Markegard, as the planning director.
- The City is also contracting with Peaks Planning 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 \$1,607,244.00 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 \$39,663.59, 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 1st Avenue.
- The Street Maintenance assessment to the citizens of Laurel will be \$1,160,965.84 for street maintenance and \$18,116.02 for the sweeping districts.
- 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 \$150,000.

Fund 2820 – Gas Tax

Revenues:

- The total revenue for the gas tax allotment this year is \$305,234.28, which is a slight increase from last year.

Expenditures:

- The Southside Paving project will be funded through gas tax.
- No other projects are scheduled currently.

Fund 2821 – HB 473-Gas Tax

Revenues:

- There is no revenue budgeted from the state this fiscal year as they have combined this account with Gas Tax.

Expenditures:

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

Fund 2917 – Crime Victims Assistance

- This fund has \$110,211.00 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:

- \$40,369.00 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 expenditure 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 be transferring \$180,074.00 to the cash operating account.

Expenditures:

- \$794,383.00 was budget for capital improvement projects. \$427,883.00 was budgeted for the new fire truck. There are also several parks improvement projects budgeted this year.

Fund 4001 – Capital Improvement, Streets, Sidewalks and Parks

Revenues:

- There will be no revenues received this year. Sidewalk Assessments assessed to this fund were paid in full last year.

Expenditures:

The sidewalk program will be expended out of this fund up to the available amount of \$43,984.00.

Enterprise

Funds



Fund 5210 – Water Fund

Revenues:

- The total anticipated revenue to be received is \$4,472,940.00.

Expenditures:

- A new Water Tank project is in the works. This project will extend to 2028 and will cost about \$20,000.00. 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 \$2,459,007.00.

Expenditures:

- Currently no projects are scheduled.

Fund 5410 – Solid Waste

Revenues:

- The total anticipated revenue to be received is \$1,607,244.00.

Expenditures:

- 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, 2025-2026. 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,



Dave Waggoner
Mayor