

# MINUTES OF THE CITY COUNCIL OF LAUREL

July 22, 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 6:30 p.m. on July 22, 2025.

**COUNCIL MEMBERS PRESENT:**

Thomas Canape	Jessica Banks
Michelle Mize	Irv Wilke
Casey Wheeler	Jodi Mackay
Richard Klose	

**COUNCIL MEMBERS ABSENT:**

Heidi Sparks

**OTHER STAFF PRESENT:**

Brittney Harakal, Administrative Assistant  
Kelly Streeker, Clerk/Treasurer  
Kurt Markegard, CAO  
Kelly Gauslow, Accounts Payable  
JW Hopper, Fire Chief  
Shane Willis, Battalion Chief

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 July 8, 2025, as presented, 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.

**CORRESPONDENCE:**

- Beartooth RC&D July 2025
- Fire Monthly Report - June 30, 2025.

**COUNCIL DISCLOSURE OF EX PARTE COMMUNICATIONS:** None.

**PUBLIC HEARING:**

- Ordinance Amending Chapter 12.28 (Park Rules And Regulations) And Repealing Chapter 12.32 (Trees And Boulevards) Of The Laurel Municipal Code.

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 Chief Administrative Officer stated that this ordinance is merging the Tree and Park Board.

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 July 18, 2025.**  
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.
- **Clerk/Treasurer Financial Statements for the month of June 2025.**
- **Approval of Payroll Register for PPE 7/6/2025 totaling \$313,250.22.**

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- **Council Workshop Minutes of July 1, 2025.**
- **Council Workshop Minutes of July 15, 2025.**

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

Motion by Council Member Klose 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 July 8, 2025.
- Park Board Minutes of May 1, 2025.
- Park Board Minutes of June 5, 2025.
- Laurel Urban Renewal Agency Minutes of January 6, 2025.
- Laurel Urban Renewal Agency Minutes of January 21, 2025.
- Laurel Urban Renewal Agency Minutes of February 3, 2025.
- Laurel Urban Renewal Agency Minutes of March 17, 2025.
- Laurel Urban Renewal Agency Minutes of March 24, 2025.
- Laurel Urban Renewal Agency Minutes of April 7, 2025.
- Laurel Urban Renewal Agency Minutes of April 28, 2025.
- Laurel Urban Renewal Agency Minutes of May 27, 2025.
- Laurel Urban Renewal Agency Minutes of June 9, 2025.
- Laurel Urban Renewal Agency Minutes of June 23, 2025.
- Cemetery Committee Minutes of May 20, 2025.
- Public Works Committee Minutes of June 16, 2025.
- Park Board Minutes of July 3, 2025.
- Laurel Urban Renewal Agency Minutes of July 14, 2025.

**AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):** None.

**SCHEDULED MATTERS:**

- **Appointment of David Gauslow to the Cemetery Commission for a two-year term ending June 30, 2027.**

Motion by Council Member Canape to approve the Mayor's appointment of David Gauslow to the Cemetery Commission for a two-year term ending June 30, 2027, 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.

- **Ordinance No. O25-01: An Ordinance Amending Chapter 12.28 (Park Rules And Regulations) And Repealing Chapter 12.32 (Trees And Boulevards) Of The Laurel Municipal Code. (Second Reading)**

Motion by Council Member Mize to adopt Ordinance No. O25-01, seconded by Council Member Canape. There was no public comment or Council discussion. A roll call vote was taken on the motion. Council Members Banks, Wilke, Mackay, Klose, Wheeler, Mize, and Canape voted aye. Motion carried 7-0.

- **Resolution No. R25-50: A Resolution Of The City Council Authorizing The Mayor To Apply For A Loan On Behalf Of The City Of Laurel For Payment Towards The Purchase Of A Fire Truck.**

Motion by Council Member Mackay to approve Resolution No. R25-50, seconded by Council Member Wilke.

See the attached memo from the Chief Administrative Officer and Clerk/Treasurer outlining the financial options for the City regarding the loan for the fire truck. The truck is finished, and firemen are going down next week for the final inspection. The loan through Yellowstone Bank does give the option to pay off the loan early with no penalty. The State legislature convenes every two years. During these years' sessions, changes were made to the property tax; however, it is not yet clear how these changes will impact the City. The recommendation is to hold onto as many reserves as possible and take out the higher loan amount.

Council questioned whether Yellowstone Bank would match the interest rate offered by the Intercap program. It was clarified that Yellowstone Bank will match the annual interest rate of the Intercap program.

Council questioned why this item was not Workshopped prior to being brought forward to a vote. It was clarified that there were many moving parts. The Finance Office needed to balance out June to be able to utilize the higher revenue amount in calculating the maximum loan payment amount for the General Fund. The City received the loan terms at the end of last week. The truck will be done next week. July is a five-Tuesday month; the next available Workshop is August 5<sup>th</sup>. That holds this payment up by three weeks. The other option would be to present the information this evening and call a special meeting later this week for a vote. Council was reminded that they did vote to approve the purchase of the fire truck last June by a vote of 7-0. The City is obligated to pay for the truck. The brush truck will be paid off within the next five years, and the City will be able to use those funds for additional things in the future. Council was reminded that the City needs to utilize the CIP and identify how the City will be paying for large purchases prior to agreeing to a contract. In the future, Staff will need to explore grants, donations, and other funding sources to support large purchases.

There was no public comment or Council discussion. A roll call vote was taken on the motion. Council Members Banks, Wilke, Mize, Klose, Wheeler, Mize, Canape voted aye. Motion carried 7-0.

**ITEMS REMOVED FROM THE CONSENT AGENDA:** None.

**COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):** None.

**COUNCIL DISCUSSION:** None.

**MAYOR UPDATES:**

There will be a bid opening next Wednesday at 9:00 a.m. in the Council Conference Room for the Southside Paving Project.

**UNSCHEDULED MATTERS:** None.

**ADJOURNMENT:**

Motion by Council Member Banks to adjourn the Council meeting, 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.

There being no further business to come before the Council at this time, the meeting was adjourned at 7:13 p.m.

  
Britney Harakal, Administrative Assistant

  
Dave Waggoner, Mayor

Attest:

  
Kelly Strecker, Clerk/Treasurer





**Fire Truck Purchase/ Loan Report**

TO: Mayor Waggoner  
FROM: Kurt Markegard, CAO  
Kelly Strecker, City Clerk Treasurer  
DATE: July 22, 2025

**DESCRIPTION OF REQUEST**

The Fire Department requested the purchase of a new fire truck in 2024. The City Council authorized the purchase of the fire truck and awarded the bid for delivery of the new truck in 2025.

**Financial Impact of this request**

The State of Montana allows political subdivisions of the state to borrow money for purchases when they do not have the cash reserves to fund such purchases. The State set standards on how much debt a municipality may incur to make sure the municipality does not borrow more money than they can pay back. The restrictions are put in place for the financial health of the city and to provide guidance to local elected leaders. The debt limit laws are the same for every city in Montana and this limit is entirely based on our past financial reports. If the city had the ability to pay for a million-dollar fire truck this report would look entirely different. Today, the city has adequate cash reserve to make the purchase but would jeopardize the rest of the general fund. The reserve account is where the city holds the money for the payroll of the Police, Fire, EMS, Parks, Cemetery and City Shop employees. This reserve account also is drawn down every month for purchases from those departments. The reserve balance is high when we receive the tax collections and then starts to decline every month until the next infusion of tax revenue. Tax revenue comes in every month but only twice a year do we receive most of the tax revenue. The reserve account is our checking account. What the total balance is today will change with the next payroll or the next purchases claim cycle. Removing one million dollars from our checking account would put the city at risk of meeting our obligations with the employees in the general fund for their paychecks as well as general fund expenditures.

## STAFF FINDINGS

The City Clerk/Treasurer and I have investigated loans with State of Montana and Yellowstone Bank to fund the purchase of the new fire truck. We have worked with the State of Montana and our auditors to understand our debt limits and realized that our maximum debt service limit for 2025 is \$86,559.00. This figure is the annual payments on any combined loans. The city already has a current loan for another fire truck with a debt balance in August of this year at \$143,266.70 and an annual payment of \$32,361.00. If you subtract the current loan payment from the max annual loan payments allowed by state law, you end up with \$54,198 that could be used to take on additional debt of \$558,896.00. If the city would take out a loan for \$550,000.00 and add the current loan debt of \$143,266.70, the city general fund will be in debt of \$693,266.70. The current interest rate is 5% and with both loans the interest payments will exceed \$450,000.00 if the interest rate is locked at 5%. These loans have and will have a variable interest rate so the total interest payments could change.

It is our recommendation that the city should take out a new loan with Yellowstone Bank in the amount of \$550,000.00 with a maximum annual loan payment of \$54,000.00. Both loans have no advance payment penalties so the city could decide in the future to pay off the loans and thus reduce the interest payment obligations. The rest of the obligation for the fire truck would come from the Capital Improvement Reserve account of \$ 427,883.00 and the general fund reserve account of \$80,360.00.



City of Laurel  
Borrowing Limit Calculation

Purpose: The City wants to borrow funds to buy a firetruck. This will be an installment purchase through Yellowstone Bank (as opposed to a general obligation debt).

MCA-7-7-4104 (3) states: An obligation may be issued only if:

(a) the principal amount of the obligation does not exceed 10% of the general fund budget of the municipality in each of the two immediately preceding fiscal years.

General fund budget FY24	\$ 5,588,956	
10%	\$ 558,896	Based on this requirement: New debt limited to \$558,896
General fund budget FY25	\$ 6,185,452	
10%	\$ 618,545	

(b) at the time the obligation is to be incurred, the debt services in the current or in any future fiscal year on the obligation and any other outstanding obligation issued pursuant to the section do not exceed 2% of the revenue deposited in the general fund of the municipality in each of the two immediately preceding fiscal years.

General fund deposits FY24	\$ 4,327,941	
2%	\$ 86,559	Based on this requirement: New debt limited to \$558,896
General fund deposits FY25	\$ 4,811,530	
2%	\$ 96,231	
FY 25 Govt Debt Service	32,361	Does not include Enterprise Debt
	\$ 86,559	Based on this requirement:
	(32,361)	New debt service limited to
	\$ 54,198	Approximately \$54,000 (annually).

( c ) the term of the obligation does not exceed 20 years.



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