



**AGENDA  
CITY OF LAUREL  
CITY COUNCIL MEETING  
TUESDAY, MARCH 26, 2024  
6:30 PM  
COUNCIL CHAMBERS**

**WELCOME . . .** By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified times for citizen comments on its agenda -- once following the Consent Agenda, at which time citizens may address the Council concerning any brief community announcement not to exceed one minute in duration for any speaker; and again following Items Removed from the Consent Agenda, at which time citizens may address the Council on any matter of City business that is not on tonight's agenda. Each speaker will be limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. Citizens may also comment on any item removed from the consent agenda prior to council action, with each speaker limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. If a citizen would like to comment on an agenda item, we ask that you wait until the agenda item is presented to the Council by the Mayor and the public is asked to comment by the Mayor.

Any person who has any question concerning any agenda item may call the City Clerk-Treasurer's office to make an inquiry concerning the nature of the item described on the agenda. Your City government welcomes your interest and hopes you will attend the Laurel City Council meetings often.

**Pledge of Allegiance**

**Roll Call of the Council**

**Approval of Minutes**

1. Approval of Minutes of March 12, 2024.

**Correspondence**

2. Fire Monthly Report - February 2024.
3. Beartooth RC&D March Correspondence

**Council Disclosure of Ex Parte Communications**

**Public Hearing**

**Consent Items**

**NOTICE TO THE PUBLIC**

*The Consent Calendar adopting the printed Recommended Council Action will be enacted with one vote. **The Mayor will first ask the Council members if any Council member wishes to remove any item from the Consent Calendar for discussion and consideration.** The matters removed from the Consent Calendar will be considered individually at the end of this Agenda under "Items Removed from the Consent Calendar." (See Section 12.) The entire Consent Calendar, with the exception of items removed to be discussed under "Items Removed from the Consent Calendar," is then voted upon by roll call under one motion.*

4. Claims entered through March 22, 2024.
5. Approval of Payroll Register for PPE 3/17/2024 totaling \$226,698.51.
6. Council Workshop Minutes of March 19, 2024.

**Ceremonial Calendar**

**Reports of Boards and Commissions**

7. Budget/Finance Committee Minutes of March 12, 2024.
8. Public Works Committee Minutes of February 26, 2024.
9. Park Board Minutes of March 7, 2024.

**Audience Participation (Three-Minute Limit)**

*Citizens may address the Council regarding any item of City business that is not on tonight's agenda. Comments regarding tonight's agenda items will be accepted under Scheduled Matters. The duration for an individual speaking under Audience Participation is limited to three minutes. While all comments are welcome, the Council will not take action on any item not on the agenda.*

### **Scheduled Matters**

10. Resolution No. R24-16: A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Water Rate Study.
11. Resolution R24-17: A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Wastewater Rate Study.
12. Resolution R24-18: A Resolution Of The City Council Authorizing The Additional Extension Of Approval Of Application For Special Review For J. Johnson Properties Pursuant To Resolution Nos. R22-07, R23-05, And R23-75.
13. Resolution R24-19: A Resolution Of The City Council Approving A Memorandum Of Understanding By And Between The City Of Laurel And Yellowstone County For The Golf Course Road Paving Project.
14. Resolution R24-20: A Resolution Of The City Council Approving Accrued Vacation Pay-Out For City Clerk-Treasurer.
15. Resolution No. R24-21: A Resolution Of The City Council Approving A Commitment Of Funding For The Completion Of The West Railroad Street Project.

### **Items Removed From the Consent Agenda**

#### **Community Announcements (One-Minute Limit)**

*This portion of the meeting is to provide an opportunity for citizens to address the Council regarding community announcements. The duration for an individual speaking under Community Announcements is limited to one minute. While all comments are welcome, the Council will not take action on any item not on the agenda.*

#### **Council Discussion**

*Council members may give the City Council a brief report regarding committees or groups in which they are involved.*

### **Mayor Updates**

#### **Unscheduled Matters**

16. Closed Executive Session: Litigation Strategy.

#### **Adjournment**

*The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, Ext. 2, or write to City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.*

**File Attachments for Item:**

1. Approval of Minutes of March 12, 2024.

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# MINUTES OF THE CITY COUNCIL OF LAUREL

March 12, 2024

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 6:28 p.m. on March 12, 2024.

COUNCIL MEMBERS PRESENT:      Thomas Canape      Heidi Sparks  
    Michelle Mize      Jessica Banks  
    Casey Wheeler      Irv Wilke  
    Richard Klose      Jodi Mackay

COUNCIL MEMBERS ABSENT:      None

OTHER STAFF PRESENT:      Brittney Harakal, Administrative Assistant  
    Kelly Strecker, Clerk/Treasurer  
    Kurt Markegard, Planning 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 February 27, 2024, as presented, seconded by Council Member Sparks. There was no public comment or Council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

**CORRESPONDENCE:**

- Police Monthly Report – February 2024
- Fire Monthly Report – January 2024
- Laurel Emergency Medical Services Monthly Report – January 2024

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

**PUBLIC HEARING:**

- Schedule of Fees and Charges

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

Kurt Markegard, Planning Director, stated there was a slight change to the Ambulance fees listed in the Schedule of Fees.

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.

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.

Mayor Waggoner closed the public hearing.

- MoCones

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

Kurt Markegard, Planning Director, read the attached staff report and added it to the record.

DRAFT

Council Minutes of March 12, 2024

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.

Mayor Waggoner asked if there were any proponents.

Matt Torix, Laurel Public School Superintendent, stated that when he heard that MoCones did not have a location for this season, the school district offered to use the unused property located north of the house as you enter the high school parking lot. This is at no cost to the School District.

Mayor Waggoner asked if there were any proponents.

Dale Henman, owner of MoCones, introduced himself to the Council. He is paying to have electricity to his building. He has arranged for two porta-potties to be on site. They will be cleaned three times a week. There should be no smell. He has spoken with one of the neighbors and made arrangements for water usage. He will be as courteous of a neighbor as possible. He offered to cover the cost of the advertising for tonight's public hearing so there is no cost to the City.

Mayor Waggoner asked 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.

Mayor Waggoner closed the public hearing.

- HB 355

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

Kelly Strecker, Clerk/Treasurer, briefly reviewed the projects identified for this grant program; see attached.

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.

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.

Mayor Waggoner closed the public hearing.

- Budget Amendment

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

Kelly Strecker, Clerk/Treasurer, briefly introduced this 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.

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.

Mayor Waggoner closed the public hearing.

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**CONSENT ITEMS:**

- **Claims entered through March 8, 2024.**  
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.
- **Approval of Payroll Register for PPE 3/3/2024 totaling \$249,900.05.**
- **Closed Executive Session Minutes of February 20, 2024.**
- **Council Workshop Minutes of March 5, 2024.**

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 eight Council Members present voted aye. Motion carried 8-0.

**CEREMONIAL CALENDAR:** None.

**REPORTS OF BOARDS AND COMMISSIONS:**

- Budget/Finance Committee Minutes of February 27, 2024.
- Laurel Urban Renewal Agency Minutes of February 26, 2024.
- Laurel Urban Renewal Agency Minutes of March 4, 2024.
- Revised Emergency Services Committee Minutes of January 22, 2024.

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

**SCHEDULED MATTERS:**

- **Resolution No. R24-14: 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.**

Motion by Council Member Mize to approve Resolution No. R24-14, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

- **Resolution No. R24-15: A Resolution Of The City Council Affirming And Approving Previous Resolution No. R24-12 And Approving Amendments To Appropriations And Revenues For The City Of Laurel's Fiscal Year 2023-2024 Budget.**

Motion by Council Member Mackay to approve Resolution No. R24-15, seconded by Council Member Wilke. There was no public comment or Council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

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

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

**COUNCIL DISCUSSION:**

The Public Works Committee's next meeting is Monday at 6:00 p.m. in the Council Chambers.

**MAYOR UPDATES:**

Tomorrow, all property owners who receive water services will receive a letter. The City is tasked with identifying all lead and copper service lines within the City. There is a link to the survey on the City's website. The City will need to respond to DEQ by October 16, 2024.

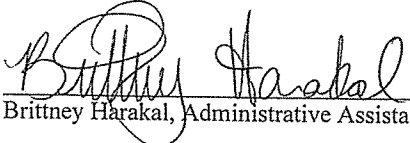
**UNSCHEDULED MATTERS:** None.

**ADJOURNMENT:**

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Motion by Council Member Wheeler 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 eight Council Members present voted aye. Motion carried 8-0.

There being no further business to come before the Council at this time, the meeting was adjourned at 7:00 p.m.

  
\_\_\_\_\_  
Brittney Harakal, Administrative Assistant

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 26<sup>th</sup> day of March 2024.

\_\_\_\_\_  
Dave Waggoner, Mayor

Attest:

\_\_\_\_\_  
Kelly Strecker, Clerk/Treasurer

Public Hearing:

Topic: MoCones

Date: March 12, 2024

No HENMAN  
Matt Torix

—



RESOLUTION CALLING FOR THE SCHOOL TO ALLOW A PLACE FOR MO'S CONES

Whereas, the Laurel School Board is aware that Del Henman, owner of Mo's Cones, has been displaced from his approved zoned location for the remodel of the Town Pump Store; and

Whereas, the Laurel School Board would like to allow Del Henman a location to operate his business "Mo's Cones" on the school's property located at 203 East 8<sup>th</sup> Street as identified in exhibit "A"; and

Whereas, the Laurel School Board hereby gives notice to the City of Laurel as per by MCA 76-2-402, titled Local Zoning Regulations- application to agencies, of its intent to use public land contrary to local zoning regulations; and

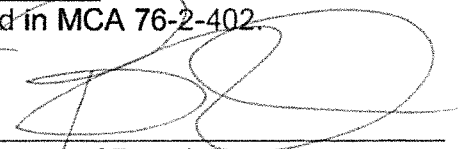
Whereas, the Laurel School Board hereby affirms of its intent to allow Del Heman owner of "Mo's Cones" to operate his business on school property for a period of February 1, 2024 – May 31, 2025, and

Whereas, the Laurel School Board shall give notice to the City of Laurel on February 13, 2024, of its approval to allow Del Henman to operate his business contrary to local zoning regulations; and

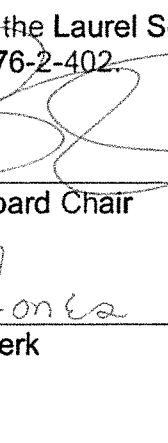
Whereas, adoption of this school board resolution shall serve as notice to the City of Laurel to set a public hearing within 30 days of February 13, 2024; and

Whereas, the school board shall require a (representative) of the Laurel School District to attend the City of Laurel public hearing as required in MCA 76-2-402.

BRITANI HUNTER  
Printed Name of Board Chair

  
Signature of Board Chair

Julie Jones  
Printed Name of Clerk

  
Signature of Clerk

Dated this day February 12, 2024.



## LAUREL CITY-COUNTY PLANNING DEPARTMENT

### STAFF REPORT

TO: Laurel City Council  
FROM: Kurt Markegard Planning Director  
RE: Laurel School Board's decision to let MoCones operate on public lands  
DATE: March 16, 2024

#### INTRODUCTION:

Del Henman investigated operating his ice cream business on school property. Mr. Henman was advised to inform the Laurel School District that they needed to inform the City of their intentions to use public lands contrary to City of Laurel's zoning regulations as allowed per MCA 76-2-402. The Planning Director requested a review of state law with the City Attorney and the conclusion was made that the Laurel School District can use their land for this purpose if the City Council holds a Public Hearing, and the School District sends a representative to the hearing.

City Council is given no authority in state law to approve or deny the Laurel School District intentions to use public land contrary to local zoning regulations.

#### FINDINGS OF FACT:

The Laurel City Council is given no authority in state law to approve or deny the Laurel School District intentions to use public land contrary to local zoning regulations.

Montana Code Annotated 2023

TITLE 76. LAND RESOURCES AND USE

CHAPTER 2. PLANNING AND ZONING

Part 4. Application to Governmental Agencies Group and Foster Homes

Local Zoning Regulations -- Application To Agencies

76-2-402. Local zoning regulations -- application to agencies. (1) Whenever an agency proposes to use public land contrary to local zoning regulations, a public hearing must be held and the agency shall attend the public hearing.

(2) The local governing body shall hold a hearing within 30 days of the date the agency gives notice to the local governing body of its intent to develop land contrary to local zoning regulations.

**History:** En. Sec. 2, Ch. 397, L. 1981; amd. Sec. 1, Ch. 362, L. 2021.

Exhibit "A" Location for MoCones



## NOTICE OF PUBLIC HEARING

WHEREAS, the State of Montana passed House Bill 355. The City of Laurel has identified the following projects:

1. Sewer Line Replacement (5<sup>th</sup> St. to 7<sup>th</sup> St.)
2. W. 12<sup>th</sup> Street Overlay Project
3. Finish Brick on back side of City Hall
4. Replace Electrical Pannels in Clerk's Office and Judge's Office
5. New Large Window in Council Chambers
6. Replace Air Conditioner on West Half of City Hall
7. Library Soffit/Fascia Replacement
8. Pavement Maintenance per Pacer Study

The public is encouraged to comment on the proposal for the use of funds for water system infrastructure needs or other uses allowed under House Bill 355 infrastructure program. Funding priority is given to projects that maintain or repair publicly-owned drinking water systems, publicly-owned wastewater treatment systems, and municipal fire suppression systems that are independent of a water system.

OFFICIAL NOTICE IS HEREBY GIVEN that the Laurel City Council will hold a public hearing on March 12, 2024, at 6:30 p.m. in the Council Chambers at City Hall. The Clerk/Treasurer will receive protests or objections, if any, in writing or in person before the Council meeting up to and including the City Council meeting of March 12, 2024.

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Kelly Strecker, Clerk/Treasurer

Publish: *Outlook* – 3.1.2024; 3.8.2024

**File Attachments for Item:**

2. Fire Monthly Report - February 2024.



# Laurel Fire Department

Report for the Month of Feb-24

Structure Fires
Wildland Fires
Extrications
Other Rescues
Alarms
Public Assist
Medical Assist.
Other calls
Fire Prevention
Total Training
Total Maintenance
Community Service

No of Calls	No of Hours
1	
5	
4	
14	
6	
6	
6	
14	
<b>56</b>	<b>0</b>
<b>Totals</b>	
535-YTD	

**Severity Staffing**  
**Total Hours Staffed**  
 N/A

**Major Calls**

Structure Fires
MVAs

<b>Total-YTD Responses</b>	<b>645</b>
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Announcements: Starting to prepare for the 2024 Wildland Season

**Structure Firefighting**

Conduct all levels of Structure Firefighting to include entry and attack, ventilation, salvage, overhaul, and investigation. A structure fire is a fire involving the structural components of various types of residential, commercial or industrial buildings.

**Wildland Firefighting**

Wildfire, brush fire, bush fire, desert fire, forest fire, grass fire, hill fire, peat fire, vegetation fire.

**Extrications**

Rescue victims entrapped in automobiles, machinery, farm equipment, buildings, and trenches.

**Other Rescues**

Rope Rescue, Water Rescue, Ice Rescue

**Alarms**

Any false alarms or malfunctions.

**Other Calls**

EMS assist, Industrial or Aircraft firefighting, Vehicle Fire, Hazmat, Spills, Public safety, Investigations, gas leaks, Carbon Monoxide problems, etc.

**Severity Staffing-** Montana DNRC pays up to 8 firefighters to staff the station each day and respond as a Task Force to wildland fires within Yellowstone, Stillwater and Carbon Counties. They can also be called up to respond to fires anywhere in the Southern Zone areas. The 2 State owned type 5 wildland engines assigned to Laurel is used. This as proved to be beneficial to Laurel as means for quick responses to all incidents.

**File Attachments for Item:**

3. Beartooth RC&D March Correspondence

**Beartooth RC&D Area, Inc.**  
**Board of Director's Meeting Agenda**  
 Meeting 1:00 P.M. Thursday, March, 2024  
 Big Horn County Conference Room  
 1<sup>st</sup> Floor 121 3<sup>rd</sup> Street- Hardin, MT



<p>1:00 pm</p>	<p><b><u>Meeting Called to Order</u></b></p> <p><b>Pledge of Allegiance, Introduction of Members and Guests</b></p> <p><b>Review Board Minutes</b></p> <p><b><u>Congressional Updates</u></b>          Josiah Porcel (Sen. Tester)          Tory Kolkhorst (Sen. Daines)          Emily Schneller (Rep. Rosendale)</p> <p><b><u>Treasurer/Financial Reports</u></b></p> <ol style="list-style-type: none"> <li>1. Treasurer Update</li> <li>2. RC&amp;D Financials</li> <li>3. RLF Financials</li> </ol> <p><b>Adding Danny Choiriki to Board as Special Appointment/Clarify SBDC Approval Of USDA Signature Authority for Myrna</b></p> <p><b><u>Staff Reports – Program/Project updates</u></b></p> <ol style="list-style-type: none"> <li>1. Food/Ag Program – Joel Bertolino</li> <li>2. Revolving Loan Fund – Nan Knight</li> <li>3. Economic Development/ CRDC – Jacy Head</li> <li>4. Operations Support- Myrna Lastusky</li> </ol> <p><b><u>Regional Roundup</u></b> – <i>News and updates from regional members on projects and activities in key CEDS categories....</i>  <i>(see topics on next page)</i></p> <p><b><u>Next Beartooth RC&amp;D Area, Inc. Board of Directors Meeting</u></b>  <b>May 16, 2024- Big Timber Sweet Grass County, MT</b></p>	<p>Chair</p> <p>Chair, All</p> <p>Chair, All</p> <p>Hauge/Knight</p> <p>Chairman</p> <p>Bertolino Knight Head Lastusky</p> <p>Roe et al</p>	<p>Action</p> <p>Information</p> <p>Information Action Action</p> <p>Action</p> <p>Information Information Information Information</p> <p>Information</p> <p>Information</p>
<p>2:30 PM</p>	<p><b>Adjourn</b></p>		



## **Regional Roundup**

### CEDS SWOT

Our goals for the Roundup are to find out what’s happening in the area, keep the conversations focused, inform the others attending the meeting, and to tie it all back to and reinforce the importance of the CEDS. Please help us identify the projects in their area that fit into our CEDS categories:

**Be thinking about strengths and weaknesses of your community or our region**

- Infrastructure
  - Housing
  - Transportation
  - Broadband
- Economy
  - Upturns or downturns in industry sectors
  - New business openings (or closures)
- Communication
  - Marketing and outreach
- Services
  - Health care
- Natural Resources
  - Agriculture
  - Energy
- Human Capital
  - Workforce
  - Education

**NOTES:**

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<p>1:00 pm</p> <p>2:30 PM</p>	<p><b><u>BRC D Meeting January 18th</u></b></p> <p><b><u>Meeting Called to Order</u></b></p> <p><b>Pledge of Allegiance, Introduction of Members and Guests</b></p> <p><b>Review Board Minutes</b></p> <p><b><u>Congressional Updates</u></b>          Josiah Porcel (Sen. Tester)          Tory Kolkhorst (Sen. Daines)          Emily Schneller (Rep. Rosendale)</p> <p><b><u>Treasurer/Financial Reports</u></b>          4. Treasurer Update          5. RC&amp;D Financials          6. RLF Financials</p> <p><b>Executive Committee Nominations</b>  <b>Staff COLA</b></p> <p><b><u>Staff Reports – Program/Project updates</u></b>          5. Food/Ag Program – Joel Bertolino          6. Revolving Loan Fund – Nan Knight          7. Economic Development/ CRDC – Jacy Head          8. Operations Support- Myrna Lastusky</p> <p><b><u>Regional Roundup</u></b> – <i>News and updates from regional members on projects and activities in key CEDS categories... (see topics on next page)</i></p> <p><b><u>Next Beartooth RC&amp;D Area, Inc. Board of Directors Meeting</u></b>  <b>March 21, 2024- Big Horn County, MT</b></p> <p><b>Adjourn</b></p>	<p>Chair</p> <p>Chair, All</p> <p>Chair, All</p> <p>Hauge/Knight</p> <p>Chair Chair</p> <p>Bertolino Knight Head Lastusky</p> <p>Roe et al</p>	<p>Action</p> <p>Information</p> <p>Information Action Action</p> <p>Information Action</p> <p>Information Information Information Information</p> <p>Information</p> <p>Information</p>
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**Beartooth RC&D  
Board Meeting Minutes  
January 18, 2024 – 1:00 pm  
Big Sky Economic Development Conference Room**

**Members Present:**

Joel Bertolino, BRCD  
Nan Knight, BRCD  
Jacy Head, BRCD  
Myrna Lastusky, BRCD  
Lorene Hintz, SBDC  
Kayla Vokral, SBDC  
Commissioner Don Jones, Yellowstone County  
Ryan Van Ballegooyen, Billings Job Service  
Commissioner Steve Riveland, Stillwater County  
Commissioner Scott Miller, Carbon County  
Holly Higgins, First Interstate Bank of Hardin  
Emily Schneller, Congressman Rosendale's Office  
Josiah Porcel, Sen. Tester's Office  
Danny Choriki, City of Billings  
Commissioner Don Jones, Yellowstone County  
Rep. Kerri Seekins-Crowe, Montana Dept. of Labor & Industry

**Guests:** J.B. Farley, AgriOrganics  
Andy Rahn, Montana Land Source

**Present on Zoom:** Thank you, Sibanye-Stillwater Mine, for the grant to help us purchase our Meeting Owls!  
Tina Toyne, Big Horn County/City of Hardin EDD  
Stephanie Ray, Stillwater County Planner  
Heidi Sparks, Laurel City Council  
Brent Moore, City of Red Lodge  
Commissioner Melanie Roe, Sweet Grass County

**Meeting Called to Order:** Ryan Van Ballegooyen called the meeting to order.

**Pledge of Allegiance, Introduction of Members and Guests**

**Review November Board Minutes (Action):** Holly Higgins motioned to approve; Commissioner Miller seconded. Motion carried.

**Congressional Updates:**

**Josiah Porcel (Sen. Tester)**

- Fentanyl Act – Sen. Tester unwavering efforts to address border crisis and fentanyl. Some crazy stuff has been happening with it on the Crow Reservation. Senator calls it a national emergency, wants to hold China accountable, and support law enforcement with necessary tools. He wants

Congress to support his bi-partisan Fentanyl Act to impose economic sanctions on those involved in international fentanyl trafficking. Montana law enforcement are supportive of this legislation.

- Colstrip: Senator is working to lower costs by urging Biden admin to reconsider a proposed rule that would increase energy prices and negatively impact grid reliability. Letter signed by Senators Sinema and Mannchen. Called on EPA for final rules for emissions that won't raise costs for Montanans and keep Colstrip up and running.
- Urging congressional leaders to pass his bi-partisan bill to address the acquisition of agricultural land from foreign adversaries. China has tried to purchase land near US military bases and other sensitive areas. We need to stop China, Iran, N. Korea, Russia from acquiring U.S. farmland.

### **Emily Schneller (Rep. Rosendale)**

- Big news: 20 weeks pregnant – baby boy coming in June!
- Budget: Funding for 4 bills was extended until tomorrow.
- Congress working to pass a continuing resolution. Senate passed and House will vote tonight. Government shutdown unlikely now.
  - Congressman Rosendale thinks the Senate should be funded by separate appropriation bills and the budget crisis needs to be addressed – can't keep kicking the can down the road. He's also been outspoken about shutting down the government if the southern border is not addressed and shut down. He will not be voting for the continuing resolution. Reach out to Emily with any questions.
- Congressman's Land Act was recently introduced to protect American farmland – similar to what Josiah was saying.

Ryan commented on how valuable it is to have our congressional reps at Beartooth Board meetings, hearing what is going on in their world and having them take our concerns back to congressional leaders.

Myrna seconded this – said we've never had 3 reps who have been so diligent in attending meetings and also offering their support for any of our needs.

### **Treasurer/Financial Reports: Nan Knight**

#### **RLF Financials (ACTION)**

- Page 10: Dec 2023 financials for RLF. Between Beartooth and the RLF, we are sitting at 11 bank accounts right now.
- In December one Yellowstone County loan was paid off.
- We submitted an application for a new \$750,000 IRP revolving loan fund in December. We will possibly hear by end of February if we'll be awarded.
- 3 potential RMAP loans – 1 in Stillwater, 1 in Yellowstone, 1 in Big Horn County.

#### **RC&D Financials (ACTION)**

- When Nan started at Beartooth, we went to a 4-year comparison for Beartooth books.
- 2024 budget is already a little different than what is shown on page 11. CRDC contract just came in at \$82,000, so our numbers will be a little higher than shown.
  - 1 CRDC dropped out this year, so the money was spread out a bit. We went from \$71,000 in the past to \$82,000.

**Holly Higgins motioned to approve the RLF financials. Kayla Vokral seconded. Motion passed.**

**Holly Higgins motioned to approve the RC&D financials. Kayla Vokral seconded. Motion passed.**

### **Executive Committee Nominations**

- Ryan, Melanie, and Marissa are willing to keep doing – Ryan as Chair, Melanie as Vice-Chair, & Marissa as Treasurer. Anyone want to be an alternate? We could sure use 1 or 2.
- Zoom is an option for meetings
- Scott Miller and Holly Higgins volunteered to be alternates.

**ACTION: Kayla Vokral motioned to keep the current members and approve the 2 new appointees. Lorene Hintz seconded. Motion carried.**

### **Staff COLA**

- Looked at the budget and are trying to keep up with inflation; we have Myrna doing some more difficult tasks than originally intended. Ryan applied his Job Service knowledge with pay scales. Executive Committee reviewed the numbers and recommended approval for an 8% increase. We have been adding programs and funding, so are able to do that with no problem.
- Nan: Included in that discussion was to move Myrna to salary of 30 hours/week and prorate her benefits. Her increase will be \$2 flat to get her a little closer to where she should be.

**ACTION: Commissioner Miller motioned to approve these increases. Holly Higgins seconded. Motion carried.**

### **Staff Reports – Program/Project Updates**

#### **Food and Ag Program – Joel Bertolino**

Page 12:

- Growth Through Ag (GTA) grants preliminary applications were due in October. Joel has been working with 3 that made it to the second round and were asked for full applications.
- GTA full apps were due on Jan. 8<sup>th</sup> and all got them in. Interviews will be on Feb. 14<sup>th</sup>.
- RFSI was new funding that Dept of Ag received for increasing food chain stability, and we had 2 applicants for sure.

Growth Through Ag (GTA) and USDA Projects:

- Yellowstone Pasta – GTA applicant to expand biz
- Oswald Farms – received VAPG last year, still working through.
- Speedy & Flo’s Sweet Corn – Tina Toyne, Lorene, & Kayla helped them get their full application in for a greenhouse and a retail front in Hardin.
- Greycliff Mill – applied to RFSI for funding to expand their food processing and increase equipment.
- Yellowstone Valley Farms – Reuben Stahl put in RFSI application; also interested in a REAP application.
- Rodi Farms – Carah Ronan referred to us to assist in her RFSI applications to expand fresh flowers/fresh vegetables business near Laurel.
- J&D Meats – Hardin
- Undammed Distilling – Billings

#### Ongoing Projects:

- Montana Prime Meats
- Primitive Meats
- Becky's Berries

#### FADC Outreach:

- Alaskan Seafood Guys – did a visit with Lane Gobbs from MMEC.
- Ranch House Meats – visited their new location in Lockwood.

#### Initial Contact:

- Monette Farms – Big Horn County. Reference from Danny Choriki.
- Stovall Ranch – Yellowstone County. Referral from Dept. of Ag.

#### **Economic Development / CRDC – Jacy Head**

- BSTF – will change to Montana Growth Fund. There will be planning grants and low-interest loans under the MGF.
  - Stillwater County Industrial/Business Park Feasibility Study was completed and closed on Jan. 10, 2024.
- USDA RCDI grants in Carbon and Big Horn: training continues with Angela Getchell and Tina Toyne. We transitioned those over to Myrna in the last quarter.
- CRDC should be set until it sunsets.
- Helping Hands Food Bank – waiting on DEQ for release status and next steps in qualifying them for the PetroFund.
- Rocky Fork Inn site in Red Lodge: Waiting on FEMA to complete buyout process so we can move forward with the disposal and demo of the building.
- Lodge Grass Lumberyard site: Priority site identified in our Brownfields grant. Pursued with DEQ's assessment funds instead our Beartooth's. Working with them on that.
- Community-wide Brownfields Assessment Grant – RFP released for hiring contractors/Qualified Environmental Professionals (QEPs); need to create a Brownfields Steering Committee. If anyone is willing to be involved in that, please reach out to Jacy. Our Brownfields region is the 5-county region excluding Billings (BSED also has a Brownfields program).
- DEQ Brownfields Collaboration – Beartooth is 1 of 3 selected to be a sub-recipient to one of DEQ's new capacity-building grants. The scope of work will align with our Community-wide Brownfields Assessment grant. Will provide more funding to get boots on the ground.
- RCAC Building Rural Economies (BRE) Program – recently awarded this 3-year grant as a sub-recipient. Target communities are Columbus and other communities in Stillwater and entire region. RCAC is a nationwide organization, and Amity Rembold with them is a great trainer and will be working with us to roll this out. Contracts will happen in February.
  - Identify and implement comprehensive community economic development activities.
  - Bridge project planning and implementation to create momentum needed for success.
  - Train and support local entrepreneurs working to start or expand businesses
  - Access capital for economic development and entrepreneurship
- DOC-Business Attraction: still working on Project Quartz and Black Diamond, who are both looking at the Hardin Industrial Park for their business.
- MEDA Spring conference in Red Lodge – April 24-25 at Roosevelt Center.

- Trainings in upcoming year – work with SBDC on training collaborations. Lorene and Kayla are setting up some trainings throughout our area.
- Additional clients assisted (Nov 2023-Jan 2024):
  - Roman Theater
  - City of Red Lodge
  - Sandstone School

### **Operations Support – Myrna Lastusky**

- Beartooth Annual Impact Report for 2023 – pass out copies
- Montana Disaster Recovery Grant program through Montana Community Foundation – 2 copies of our final report if anyone wants to see all the good that money did throughout our region.
- RCDI-RL: Working on housing in Carbon County – lots of changes and will update another time.
- RCDI-BHC: Tina is doing great work. Submitted a CDBG grant for a housing needs study, working on a wayfinding project, and lots more.

### **Regional Roundup:**

#### **Commissioner Melanie Roe, Sweet Grass County:**

- A lot of property on the west end of town where we could do housing has been sold. No one seems to know who bought it, but they bought several large parcels – some is zoned residential, some business. Not sure what will happen with that.
- To the northeast of town, the Heritage folks were going to put in a subdivision. That should happen in March and will help ease the burden on our housing market. We all have a housing shortage with no place for workers to live.
- Lot of things moving under the surface.

#### **Brent Moore, City of Red Lodge:**

- Red Lodge Mountain finally getting some snow.
- New mayor and several new councilmembers, new PW Director, looking for a new Planning Director – lots of change in terms of leadership, and we'll see where that takes us.

#### **Tina Toyne, Big Horn County/City of Hardin Economic Development:**

- 3 Brothers is now The Outlaw Café, and Allen (owner) has the theater up and running. Great for the community to have an option for entertainment.
- J&D Meats decided to stop their lunch. They were providing a one-option lunch each day and stopped for now. Hope it comes back.
- CDBG Planning Grant for a county-wide housing needs assessment – waiting to hear back.
- Wayfinding Grant was received awhile back – but Drew and Tina are working on a RFP.
- Business Attraction work that Jacy mentioned.
- Had a site visit from HUD-LISC to interview 15 stakeholders regarding their needs. Will be meeting with them in early February to hear their thoughts.

#### **Commissioner Steve Riveland, Stillwater County:**

- Working to finish up some major road projects with an EDA grant.

- New Stillwater County Pavilion is open and doing a lot of events – had a winter festival there before Christmas. Have an ice skating rink there.
- Steph is kicking off an ADA-compliant courthouse project to put in an elevator.
- 80 megawatt wind farm will be starting in April.

**Holly Higgins, First Interstate Bank of Hardin:**

- Lady wants to put some mobile homes in a tract of land to bring some more homes in if that goes through.
- Big Horn River is flooding due to ice jams, so quite a few fields are flooded out.
- Bear’s Truck Stop closed. Neither Holly nor Tina know what is happening.
- Love’s Truck Stop has the RV spots just about finished; includes a basketball court, etc.

**Kayla Vokral / Lorene Hintz, Small Business Development Center:**

- Rocky Mountain Vista College is opening a vet school; partnering with the zoo. Rocky Mountain College has a pre-vet program and this will help funnel those kids locally.
- Doing trainings, partnering with Beartooth to do some financial trainings.
- Just got board approval for True Space Academy. Headquartered out of Denver, but the CEO is from Helena, Montana. Notable exits from Xerox and Travelocity. He studied 3000 businesses for 10 years to find formula for productive business growth. His data is backed by Gallup (to have it backed by Gallup, you have to go to court to get it approved). Working with him and learning about his program, we feel very confident in bringing it here.
  - Costs \$5500 per business - 6 month academy, assessment of team, and working through the formula for their business.
  - Any existing businesses of 3+ years, \$500K+ revenue in growth mindset – pass on to Kayla
  - Launch date is Feb. 22<sup>nd</sup>
- Launching our Founders Meeting. Next Thursday is a presenter who created an AI platform that will go through applications and different tasks. The AI will read questions out loud, then the applicant responds verbally to it, and it gets phone screenings out of the way.
- Ag Appreciation Banquet next Friday (per Ryan V).

**Danny Choriki, City of Billings:**

- Major focus in City is around public safety – several hearings on the issue. Focus last Monday was on Prevention. Danny’s biggest takeaway is there are a whole bunch of programs out there that are disconnected and may not even know the other exists. Pre-Covid people had a “rolodex” of contacts to reach out to, but that is no more. The City is looking at options for updating technology and communications between entities.
- Talk about asking County Commissioners to increase the mill levy for mental health. \$300 million the State needs to do something with. Huge gap. And having mental health issues just taken to the county jail is not a good long-term solution.
- School District – new superintendent has many new ideas to broaden opportunities for high school students in terms of careers. One option is to take Washington School (downtown/midtown area) and turn from elementary into high school and have it focus on Information Technology and Communications Technology. Kind of like having more specialized career centers.
- County put out an architect to look at a plan for what the City Council asked for, which was a municipal holding center at the County Jail. Architect said it will cost 3.3 million. We need to find the money if we are going to do it. City and County are actively working together on this project.



**Commissioner Don Jones, Yellowstone County:**

- Picking up where Danny left off on the County Jail project . . .
- Looking at 72-hour hold and must see a judge before you are released.
- County has to pay all medical expenses when we put someone in jail.
- Hope this will be a deterrent.
- Will have 30-40 beds for these short-term holds to slow criminals down a little bit. Quick release times are very dispiriting to the police when the crooks beat them out the door.
- Probably 12-18 months before we do it. Cost will be close to \$5 million with architectural fees and everything else put together.
- Also looking at expanding long-term beds in the County Jail – will hire a consultant to look at what we need. Short-term beds will always be a need, and the arraignment court will process those people out and figure out what to do with them.
- Building will go up quickly. Not cheap but well worth it. Will be connected on one of current jail facilities.
- Will be located as part of the County Jail.
- Might make it 2 stories – add a second floor now and then build it out later on.
- Commissioner Miller offered any help Carbon County can give.
- Our biggest liability is our jail – there are a lot more mental health issues that end up in the jails.

**Rep. Kerri Seekins-Crowe, Department of Labor:**

- As an engagement specialist for Dept of Labor, Kerri is very focused on the re-entry side for prisoners.
- Have become grant manager for the Proud To federal grant – hoping the processes on the federal side will also help on State side.
- Will help Dept of Labor, Dept of Corrections, Parole, Dept of Education . . . helping with pre-release, continuum of care, education. Our community colleges are doing a great job in helping not just re-entry but the general public.
- Have stackable credits or shorter-term training to get people in the workforce more quickly – CAN, welding construction.
- Proud To grant – apprenticeship is the big focus. Goal is to put into place processes that we can also use in the State as they come out of Dept of Corr. Recidivism rate is 34%, but some of that stat is people going in and out with pre-release, Beta program, etc.
- Housing and Mental Health are big issues, but not dealing with at this moment – just focusing on training and jobs right now.
- What she is asking is to find businesses who will be sponsors for apprenticeships from the justice system. Many employers are reluctant to hire someone from justice system. Understand that, but we are also struggling with workforce, community stability, family stability, especially in Billings and Great Falls.
- Will help businesses to understand education-wise how we can help and support them.
- When someone is preparing for release, there will be a process for accountability. When someone is done with DOC, they are dropped, no longer their problem. So how can DOL provide wraparound services? Education – continuum of care as we deal with housing, mental health, social services, etc.
- Please send Kerri names of companies that might be willing to speak with her about this. Even ones that are NOT willing to participate, Kerri would like to speak with them to see what part of it won't work for them or what didn't work well in the past.
- Trying to provide possibilities for people who are just getting out of prison.

- Give businesses Kerri's number: 406-208-6587 Kerri Seekins-Crowe – any company who is willing to talk about the program with Kerri.
- Several minutes of discussion in the room – what has worked in other states, what has been tried before, other needs that can't be addressed with this particular program, etc.
- Ryan: These programs have been shown to work for a long time – just have to figure out a system that can work. It definitely takes a community. One of Montana's challenges is we have a lack of Economies of Scale, so it's a real challenge here. But there are some great jobs with short-term training (like CNAs now).

**Scott Miller, Carbon County Commission:**

- Red Lodge airport has 6, possibly 7, new hangars coming in. Airport is growing. There is now fuel available at the airport.
- Good relationship with the newly elected officials in Red Lodge. Airport Board and Fair Board and City and County all now get along.
- Red Lodge Rodeo Committee – of 700 rodeos in the PRCA, Red Lodge is the #1 rodeo. Millions of dollars and more cowboys coming, stands will get bigger.
- Bridges: Brent's firm really helped us and we have people driving across bridges again. Cost \$7 million, and FEMA should be reimbursing us. Pretty much recovered from the floods.
- Bridger: New truck stop coming in and will hire more people. Will have a restaurant, convenience store, and semi parking.
- Oswald Meats and Carbon County Meats are both killing it – nothing but good news coming out of them. Beartooth has really helped both of them.
- Fromberg: County is helping the Fromberg City Council put in a \$700,000 project on the river to help protect the bridge and the water pumps that are down there, which in turn will protect the town. We are putting in about 50-80 feet of riprap in the river to protect it. Project will kick off soon.
- Tomahawk Bar in Fromberg: 2 guys from the mine bought it and it's opened up and the restaurant is packed every night.
- 3 bars/restaurants – Roberts, Joliet, and Edgar Bar – all changed hands recently or are being sold and bought. Business is good.
- Lot of housing and subdivisions going in, going from 80 acres to 20 acres to 10 acres and planting houses – so a lot of people moving in; sanitarian is very busy. County is growing.
- If you know any nurses, our County Health Dept is hiring.
- The Health Department, schools, senior centers are all doing great in Carbon County.

**Next Beartooth RC&D Area, Inc. Board of Directors Meeting: March 21, 2024 – Big Horn County**

**Meeting adjourned at 2:27 pm.**

## Revolving Loan Fund Books- December 2023

### Loan Client Review

<u>County</u>	<u># of loans</u>	<u>\$ Loaned out</u>	
Big Horn	2	\$199,558.92	
Stillwater	1	\$143,209.43	
Yellowstone	11	\$755,236.48	
Carbon	3	\$366,769.68	
<u>Sweet Grass</u>	<u>2</u>	<u>\$143,544.47</u>	Total:
	18	\$1,608,318.98	

- One Yellowstone county loan paid off this month.
- New IRP Loan fund application submitted to USDA
- Two potential RMAP loan

### Bank Balances as of December 31, 2023 Total available for lending

Bank of Joliet- RMAP waiting to be drawn down)	\$ 158,737.65	\$ 153,671.64	\$300,000 (still
Bank of Joliet – RMAP LOAN LOSS	\$ 2,500.94	\$ 0.00	
Bank of Joliet EDA	\$ 9,608.29	\$ 9,608.29	
Bank of Joliet-CDBG	\$ 96,985.09	\$ 96,985.09	
Bank of Joliet- IRP	\$ 163,347.04	\$ 163,347.04	
Bank of Joliet-Fromberg	\$ 31,477.49	\$ 31,477.49	
		Available: \$ 455,089.55	

Restricted Accounts		Principal amounts paid back	
FIB – SSBCI 2.0	\$ 148,621.00	\$ 2015.59	BOJ-
SSBCI 2.0	\$ 79,651.50	\$ 1,906.06	

**Beartooth RC&D Budget Comparison**

INCOME	2021		2022		2023 Income	2023		2024 Income	2024	
	Budget	Actual	Budget	Actual		Budget	Actual		Budget	Actual
AG-FOOD AND AG C	85,007	73,538	45,000	70,057	AG-FOOD AND AG C	45,000	48,706	AG-FOOD AND AG CENTER	60,000	60,000
AG-MCDC	1,000		500	0	Specialty Crop Bloc	35,000	31,286	Specialty Crop Block	58,166	58,166
BOARD - EDA SPON	55,907	54,614	56,979	56,844	BOARD - EDA SPONS	56,979	55,711	FARM TO SCHOOL	1,200	1,200
BOARD-INTEREST IN	400	300	400	845	BOARD-INTEREST IN	400	736	REAP	5,000	5,000
BOARD-FOUNDATIO	3,700	3,373	3,300	3,830	BOARD-FOUNDATION	3,300	3,641	BOARD - EDA SPONSOR DUE	56,979	56,210
RLF-STAFF REIMBUR	18,000		18,000	0	RLF-STAFF REIMBUR	15,000	5,066	BOARD-INTEREST INCOME	750	750
RLF-ORIG FEES	5,000		7,500	6,152	RLF-ORIG FEES	5,000	2,764	BOARD-FOUNDATION MONE	3,300	3,300
CRDC	71,907	71,844	71,000	71,844	CRDC	71,000	71,844	RLF-STAFF REIMBURSE	15,000	15,000
CGWG/ fuels		6,147			EDA - GRANT	70,000	70,000	RLF-ORIG FEES	5,000	5,000
MISC GRANT ADMIN	10,750		12,750		BSTF ADMIN \$	4,000		RLF- RMAP	12,500	12,500
EDA - GRANT	70,000	70,000	70,000	70,000	EDA ( Big Horn)	2,500	2,444	BROWNFIELD	19,250	19,250
SW-GRANT		224,357			RCDI (Red Lodge)	4,000	1,592	CRDC	50,000	71,000
BSTF		44,220			Pass- Through		115,634	EDA - GRANT	70,000	70,000
EDA-CARES ACT		200,000		100,000	other Admin		2,500	BSTF ADMIN \$	1,950	1,950
Pass- Through				73,102				RCAC	25,000	25,000
Total Income	321,671	748,393	285,429	452,674		312,179	411,921	RCDI ( Big Horn)	2,800	2,800
								RCDI (Red Lodge)	2,800	2,800
								Pass- Through		
									389,695	0
										409,926
<b>EXPENSES</b>					<b>Expenses for 2023</b>			<b>Expenses for 2024</b>		
TOTAL STAFF EXPEN	256,044	245,234	231,429	233,496	TOTAL STAFF EXPEN	244,441	241,301	TOTAL STAFF EXPENSE	245,441	
COMMUNICATIONS	6,000	7,194	4,500	7,167	COMMUNICATIONS	7,000	7,300	COMMUNICATIONS	9,000	
EQUIPMENT & VEH	8,520	4,970	4,500	9,581	EQUIPMENT & VEHIC	6,000	5,370	EQUIPMENT & VEHICLE	7,000	
CONTRACTUAL	21,220	442,632	21,100	195,509	CONTRACTUAL	25,000	126,784	CONTRACTUAL	30,000	
SUPPLIES	9,800	10,908	5,000	10,559	SUPPLIES	7,000	14,853	SUPPLIES	8,000	
TRAVEL	10,140	1,534	7,800	3,756	TRAVEL	5,500	9,838	TRAVEL	15,500	
OTHER	8,430	10,618	10,000	12,515	OTHER	11,500	9,265	OTHER	13,500	
Total Expense for th	320,154	723,091	284,329	472,583	EXPENSE TOTAL	306,441	414,711	EXPENSE TOTAL	328,441	0
<b>Net Income</b>	<b>1,517</b>	<b>25,302</b>	<b>1,100</b>	<b>-19,910</b>		<b>5,738</b>	<b>-2,789</b>		<b>61,254</b>	<b>0</b>

The above income figures currently include both "net income" and "pass-through" funds. We are working on the ability to state these amounts independently to provide a more accurate picture of the budget.

Statement Ending: **12/31/2023**  
 Checking Account: **\$79,322.56**  
 Savings Account: **\$65,316.89**  
 Building Account: **\$4,494.13**

## Revolving Loan Fund Books- February 2024

### Loan Client Review

<u>County</u>	<u># of loans</u>	<u>\$ Loaned out</u>	
Big Horn	2	\$197,586.53	
Stillwater	2	\$191,424.62	
Yellowstone	12	\$814,755.15	
Carbon	3	\$364,957.38	
<u>Sweet Grass</u>	<u>2</u>	<u>\$141,215.25</u>	Total:
	21	\$1,709,938.93	

- Closed one new RMAP loan in February.
- One potential new RMAP loan and two others in the pipeline.
- Due to funding availability with USDA, BRCD IRP application wasn't selected this cycle. BRCD will resubmit next cycle.

### Bank Balances as of February 29, 2024 Total available for lending

Bank of Joliet- RMAP waiting to be drawn down)	\$ 105,010.27	\$ 105,010.27	\$300,000 (still
Bank of Joliet – RMAP LOAN LOSS	\$ 2,500.94	\$ 0.00	
Bank of Joliet EDA	\$ 9,849.22	\$ 9,849.22	
Bank of Joliet-CDBG	\$ 108,297.26	\$ 108,297.26	
Bank of Joliet- IRP	\$ 170,805.13	\$ 135,805.13	
Bank of Joliet-Fromberg	\$ 31,477.49	\$ 31,477.49	
		Available: \$ 390,439.37	
Restricted Accounts		Principal amounts paid back	
FIB – SSBCI 2.0	\$ 148,621.00	\$ 2,714.66	BOJ-
SSBCI 2.0	\$ 79,651.50	\$ 4,025.24	

## February 2024 Beartooth Books

2024 Income	2024	
	Budget	Actual
AG-FOOD AND AG CENTER	60,000	15,000
SPECIALTY CROP BLOCK	58,166	14,542
FARM -TO- SCHOOLS	1,200	3,751
REAP	5,000	
BOARD - EDA SPONSOR DUES	56,979	43,521
BOARD-INTEREST INCOME	750	
BOARD-FOUNDATION MONEY	3,300	
RLF-STAFF REIMBURSE	15,000	
RLF-ORIG FEES	5,000	500
RLF-RMAP TA	12,500	
BROWNFIELD	19,250	1,377
CRDC	71,000	17,961
EDA - GRANT	70,000	17,500
BSTF ADMIN \$	1,950	1,950
RCAC	25,000	
RCDI ( Big Horn)	2,800	448
RCDI (Red Lodge)	2,800	460
Pass- Through		24,377
Restricted SSBCI		1,223
	<b>410,695</b>	<b>142,609</b>
<b>Expenses for 2024</b>		
TOTAL STAFF EXPENSE	261,534	42,120
COMMUNICATIONS	8,000	5,916
EQUIPMENT & VEHICLE	6,000	798
CONTRACTUAL	25,000	12,119
INSURANCES	7,000	666
RENT/ UTILITIES	10,000	500
SUPPLIES	10,000	3,400
TRAVEL	15,000	942
OTHER	10,000	42
<b>EXPENSE TOTAL</b>	<b>352,534</b>	<b>66,502</b>
		<b>76,107</b>
<b>Statement Ending: 02/29/2024</b>		
Checking Account:	\$110,005.75	
Savings Account:	\$65,316.89	
Building Account:	\$4,488.53	

# Beartooth RC&D Staff Project Update

March 2024

## **FOOD AND AG DEVELOPMENT CENTER PROJECTS**

### **Beartooth FADC**

Beartooth FADC staff assisted businesses with the GTA and Resilient Food Systems Infrastructure (RFSI) applications that were due January 8th. Beartooth FADC staff has been on regular meetings and trainings on becoming a technical assistance provider for USDA Rural Energy for America. An in person training will be held in April for all Food and Ag Centers in Livingston. Beartooth FADC has begun work on reaching out to local school leaders with information on Farm to School programs and is planning on developing a pilot harvest of the month with a local school.

### **Growth Through Ag Projects and USDA Projects**

Beartooth FADC has worked with several businesses on Growth Through Ag other grants some of these will have an opportunity to be granted funding and we will continue to assist them in completing their business expansion projects. –

#### **Yellowstone Pasta**

Location- Billings, MT

Contact-Henry Kennah

Henry is a former chef for Jakes in Billings that started making fresh pasta using Montana hard red durum wheat. He was referred to us by our partners Kayla and Lorene at SBDC who are assisting him with business planning. Beartooth FADC worked with Henry to develop a Growth Through Ag grant and loan application to expand, their application was successful and they will receive \$50,000.00 for this project

#### **Speedy and Flo's Sweet Corn**

Location- Hardin, MT

Contact-Flo Ramirez

Beartooth FADC worked with Tina Toyne of Big Horn County Economic Development to assist Flo Ramirez and his wife. They started growing fresh produce and sweet corn for local sales over ten years ago on a one-and-a-half-acre garden plot. Their business has grown and they now raise 25 acres of sweet corn and have a 4-acre garden, they sell all of their fresh produce at locations in Hardin, several in Billings, Joliet, Miles City and Absarokee as well as in northern Wyoming. Beartooth FADC assisted Flo in developing his application for the GTA program for the development of their greenhouse, they were successful and will receive \$50,000.00 for this project.

### **Greycliff Mill**

Location- Big Timber MT

Contact- Daniel Seylor

Beartooth staff has been in communication with Greycliff mill in Big Timber to discuss funding sources for their value added ag operation. The value added business mills local grains used in the breads that are served at their restaurant and coffee shop, they plan to use local milk to make a line of cheeses and grow sweet corn, beans, apples and berries which will be utilized to be sold fresh and in jams. Beartooth visited with the business about using the RFSI funding to expand their food processing through purchasing equipment for their food processing business.

### **Yellowstone Valley Farm**

Contact-Reuben Stahl

Location-Laurel

Reuben Stahl has a family greenhouse business growing basil and selling to FSA and Sysco, he would like to add another greenhouse to keep up with increased demand this last year. Beartooth staff visited Yellowstone Valley Farms and discussed the Rural Energy for America Program for funding to improve the energy efficiency of his greenhouse operations to lower the businesses energy bills. Beartooth RC&D assisted Reuben with developing RFSI application and will assist when he is interested in a USDA REAP application for his greenhouse expansion.

### **Rodi Farms**

Location- Laurel, MT

Contact-Carah Ronan

Carah was referred to us to assist her in applying for RSFI funding to expand her business of fresh cut flowers and some fresh vegetables she operates on her families grain farm near Laurel, MT. Their business was not successful in with their application but we have assisted them in developing an Impact Grant for Women owned businesses.

### **Grindy's Cheese Balls**

Location- Billings, MT

Contact- Jacob and Cindy

This business began in 2021 based on a family recipe Jacob and Cindy have grown the business using their own recipes and local ingredients when available. They are now needing more funding for larger equipment to build their capacity for larger orders and have worked with Beartooth FADC and MMEC on their plans they are now working with Beartooth RLF on financing.

### **Stovall Ranch and Yellowstone Feeders**

Location- Yellowstone County

Contact- Turk Stovall

The Stovall family are generational beef producers in Yellowstone County they have grown their operation to include two sizeable Feedlots and sell Certified Angus Beef as well as having their own branded beef



products sold direct to consumer. Beartooth FADC talked with the business about the potential use of the REAP program for their expansion plans as well as USDA VAPG for their direct beef sales business. They are also looking at the USDA Supply Chain Guaranteed Loans.

### **Georgette's Galettes**

Location- Billings, MT

Contact- Marc Leberger

Marc has a business making Belgian style treats called Galettes he is looking to expand his business and purchase equipment, we looked at a couple of grant options he is most interested in applying for the GTA Business and Marketing grant.

### **On Going Projects**

#### **Oswald Farms**

Location- Joliet, MT

Contact- Melissa Oswald

Oswald Farms operates a generational ag operation that raises cattle feeds them, has them processed at a local USDA plant and sells their own branded beef products to local restaurants and locally through Facebook. They have developed their own retail location to sell their meat products and other local foods and it is located near the intersection of highway 310 and 312 both heavily traveled roads. Beartooth FADC has been working with USDA personnel with the business to apply for a Value Added Producer Grant for \$250,000.00 to expand their direct to consumer beef business. Oswald Farms application has been selected for funding these operating funds will help them grow their direct beef sales business and their new retail store

#### **Becky's Berries- Absarokee, MT**

Contact- Becky Stahl

Location-Absarokee

Beartooth FADC has been assisting Becky with locating specialized assistance in recipe development for a new line of products she is currently working on. They have now completed their recipes for a line of mustards and we are now helping them on developing a process for filling and packaging the products. Beartooth FADC has worked with MMEC to get resources to visit Becky to talk about the equipment and design for implementing this new process. On March 18<sup>th</sup> MMEC and Beartooth FADC set up a tour of Kings Cupboard Chocolates in Red Lodge with Becky to look at their process and equipment to see how it could work for her operation.

#### **Beartooth FADC Outreach**

**Kings Cubboard Chocolates- Red Lodge, MT**

**Grindy's Cheese Balls- Billings,, MT**

#### **Initial Contact**

Stovall Ranch- Yellowstone County

Marc Leberger/ Georgette's Galettes

- Economic Development: CRDC / EDA PPG / EPA Brownfields
  - Next reporting period will include:
    - USDA RCDI Quarter reports (2)- will be submitted in April 2024
    - CRDC Quarter report- will be submitted in April 2024
    - EDA Partnership Planning Grant report- summer 2024
    - EPA Brownfields ACRES Quarter report- will be submitted in April 2024
  - Helping Hands Food Bank in Hardin- the board decided to move forward with Tetra Tech as they move forward with more testing and cleanup
  - Former Rocky Fork Inn site in Red Lodge- awaiting the FEMA buyout to be completed; may require another assessment depending on timing
  - Lodge Grass Lumberyard- the Phase II assessment and cost estimate draft has been distributed for comment
  - Community-Wide Brownfield Assessment Grant- 3 Qualified Environmental Professionals have been chosen for the program; task assignments will soon be assigned
  - DEQ Brownfields Collaboration- BRCD has been selected to be a sub recipient to one of DEQ's new capacity building grants; it offers funding (salary of ½ a position), training, and support to enable them to engage the communities they work in on environmental topics; the grant lasts for three years with initial funds being received in spring 2024
  - RCAC Building Rural Economies (BRE) Program- recently awarded this three-year grant as a sub recipient; doing onboarding meetings with RCAC staff
  - DOC-Business Attraction – still working on Project Quartz and Black Diamond; new Project Sentinel
  - MEDA Spring Conference in Red Lodge- April 24-25<sup>th</sup> at the Roosevelt Center; assisting Allison Corbyn with trainings and tours
  - Trainings in the upcoming year- work with SBDC on training collaborations
  - Additional Clients that were worked with (Jan. 15-Mar. 13 2024):
    - City of Red Lodge/Mayor Westwood
    - RL Pea Cannery
    - Tom Fischer/ Old Hospital
    - Quincy Dabney/Town of Lodge Grass
    - Ford Hedge property in Edgar
    - Town of Roberts
    - Beau Simone
    - Bill Foisy/BRTA
    - Crazy Mountain Music

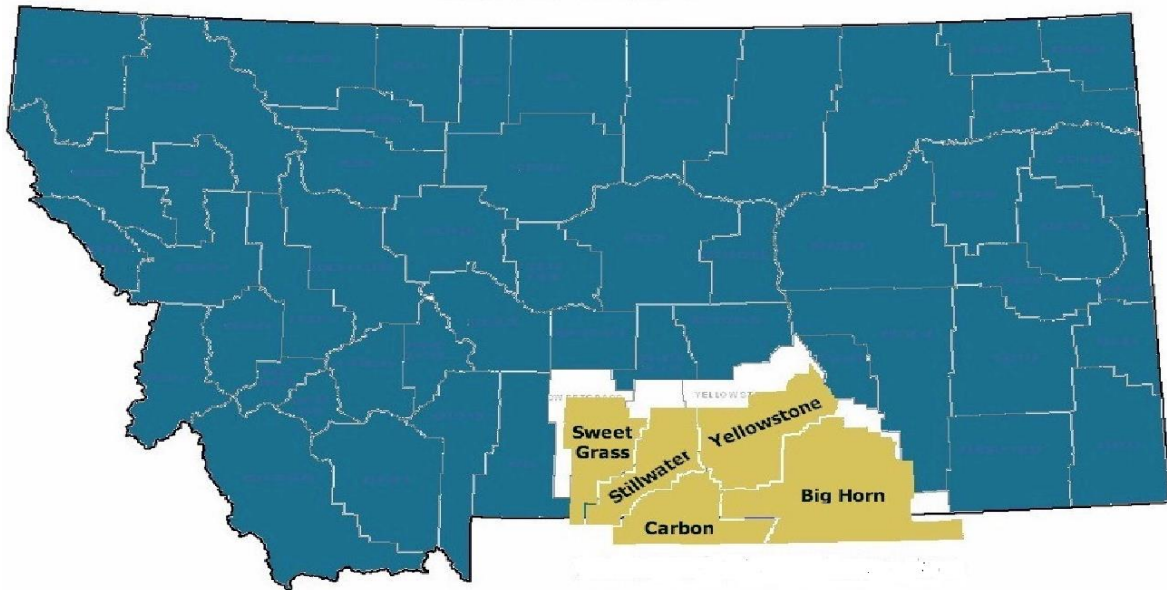
Monte Koch

### Frequently Used Acronyms

BIA – Bureau of Indian Affairs  
BLM – Bureau of Land Management  
BRCD – Beartooth RC&D  
BSEDA – Big Sky Economic Development Association  
BSTF – Big Sky Trust Fund  
CDBG – Community Development Block Grant  
CRDC – Certified Regional Development Corporation  
CEDS – Comprehensive Economic Development Strategy  
CTEP – Community Transportation Endowment Program  
EDA – Economic Development Administration  
EDD – Economic Development District  
FADC- Food and Ag Development Center  
GIS – Geographic Information Systems  
GPS – Global Positioning System  
GTA- Growth Through Ag Grant and Loan  
HOME – Montana Home Investment Partnerships Program  
HUD – US Department of Housing and Urban Development  
IRP – Intermediary Relending Program  
LESA – Land Evaluation Site Assessment  
MBOI – Montana Board of Investments  
MDOA- Montana Department of Agriculture  
MDOC – Montana Department of Commerce  
MDOL – Montana Dept. of Labor  
MDOT – Montana Dept. of Transportation  
MDFWP – Montana Dept. of Fish, Wildlife and Parks  
MEDA – Montana Economic Developers Association  
MMEC- Montana Manufacturing Extension Center  
NADO – National Association of Development Organizations  
NHS – Neighborhood Housing Services  
NRCS – Natural Resource Conservation Service  
RBDG – Rural Business Development Grant  
RC&D – Resource Conservation & Development  
RCDI – Rural Community Development Initiative  
RD – Rural Development (a division of USDA)  
RCPP- Regional Conservation Partnership Program  
REAP- Rural Energy for America Program  
RLF – Revolving Loan Fund  
RMAP- Rural Micro entrepreneur Assistance Program  
SBA – Small Business Administration  
SBDC – Small business Development Center  
SSBCI- State Small Business Credit Initiative  
TIFD – Tax Increment Finance District  
TSEP - Treasure State Endowment Program  
USDA – United States Department of Agriculture  
USFS – United States Forest Service  
LSL- Lead Service Lines

# ***Beartooth***

***Resource, Conservation and Development Area, Inc.***



*Citizens Building Stronger Communities*

## **Business Plan 2013**



## What is an RC&D?

Established in 1969, the *Beartooth* Resource Conservation & Development Area, Inc. (RC&D) serves as a regional entity for the cooperative efforts of 5 counties in south central Montana in rural and economic development. The leadership of this non-profit corporation is comprised of elected officials and community leaders from the counties, incorporated towns and cities, conservation districts and tribal governments. The RC&D began as a unique partnership with the USDA Natural Resource Conservation Service (NRCS). *Beartooth* RC&D was initially formed to serve Stillwater and Carbon Counties. During the years *Beartooth* RC&D has expanded to include Yellowstone, Sweet Grass and Big Horn Counties. In February of 1996 the Economic Development Administration of the US Department of Commerce designated *Beartooth* RC&D as the Economic Development District for the region.

RC&D's take on a variety of forms, each with its own set of programs and services tailored to the needs of the region served. *Beartooth* RC&D provides programs and services in three distinct areas: Economic Development (Business), Resource Management (Conservation), and Public Infrastructure/Housing Services (Community). This is accomplished through complex network of partnership and funding sources, allowing us to create custom solutions for citizens and businesses in our area.

## Our Recent Evolution

In 2011, the NRCS experienced significant funding reductions. One consequence of this was the elimination of funding and administrative support for RC&D offices nationwide. For *Beartooth*, this change required a rapid adjustment to its staffing levels, program scope and operating model in order to remain viable as a stand alone organization. Quickly we found new office space in Joliet, Montana; critical duties were re-distributed among remaining staff to ensure continuation of service levels and support for existing projects; and with the support of our Board of Directors, *Beartooth* staff has successfully transitioned away from NRCS support. A year after this separation we continue to carry a full (and growing) portfolio of projects across our five county region.

This transition, while challenging, brings new opportunities for *Beartooth*. Our transformation to a private non-profit organization opens doors for lines of service that were not previously possible, including some fee-for-service activities which may be essential to compensating for the loss of some federal funding and administrative support.

This planning document describes our current organizational status, and identifies *Beartooth's* future direction as an RC&D. In it we re-commit to many vital objectives that have been our core business for years. We also account for opportunities to approach our work differently, offer new services, and expand the value we deliver to the *Beartooth* region as we move forward. This vision of our future will guide our decisions over the next five years.

### ***Beartooth* RC&D Area, Inc. -- Business Plan 2013**

**Mission Statement:** *Our mission is to serve as a regional vehicle to improve the economic and social condition through the conservation, utilization and development of the natural and human resources of the area.*

**Business Philosophy:** Beartooth Resource Conservation and Development Area, Inc. serves Big Horn, Carbon, Stillwater, Sweet Grass and Yellowstone Counties. Our vision is for a strong, healthy economy for the area that offers opportunities for growth, while protecting unique resources in the region. We partner with other local and neighboring resource providers in economic development, workforce, community planning, higher education, and others to provide comprehensive service delivery to the citizens of south central Montana. The region's Comprehensive Economic Development Strategy (CEDS) first published in 2000 provides a summary of the demographics, conditions, economic drivers, and goals and objectives for moving the entire region forward. One of Beartooth RC&D's primary purposes is to keep this document current to the needs and issues that must be addressed to maintain a vibrant, diverse economy. The Board also approves an annual work plan to guide the staff and help prioritize workload which includes specific objectives, each with benchmarks and deliverables.

**Organizational Plan:** Beartooth RC&D is a 501(c)(3) non-profit organization governed by a Board of Directors representing local government officials, other planning organizations, higher education, workforce development, and business interests in the region. The Board makes decisions related to mission, policy, budget, and projects requiring material commitment of staff time and resources. An Executive Committee oversees operations, staffing decisions, and short term financial issues. The staff consists of an Office Manager/Economic Development Director, Bookkeeper/RLF Manager, Ag Program Manager, Housing Program Coordinator, Forester, and Special Projects Coordinator.

**Location:** Our office is currently located at 110 South Main Street in Joliet, MT which is centrally located in the region. We have also remained in Joliet with respect to our existing staff members as well as to remain grounded in a small, rural community which well represents our service priority.



Recently we have been exploring an opportunity to transition to office space in Joliet that would improve the working environment for staff and make it possible to expand services to our clients by hosting projects, meetings, training or other specialized services.

**Business Hours:** The office is open typically between 8am and 5pm weekdays, though the staff often works away from the office. Very little client business is handled from the office location.

## Regional Service Provider

We serve the region as the federally recognized **Economic Development District**, state recognized **Certified Regional Development District**, state **Food and Ag Development Center**, and **Montana Cooperative Development Center**, and the region's **Neighborworks Montana** homeownership counseling provider.

**Product & Services:** Our primary services include planning and development of business, community, and conservation related projects. The major programs we deliver within these focus areas are shown in the diagram at the right.

This service mix and areas of emphasis have evolved over time based upon funding sources and local needs. Due to similar program delivery in our larger municipality by a partner organization, we tend to focus on projects in rural and underserved areas.

**Strengths:** The Beartooth RC&D Board and staff are strategically experienced and positioned to facilitate discussion and

implementation of economic development issues and objectives for the communities scattered across our broad, diverse five county region. The Board meetings, held in different communities every other month of the year, provide opportunity to tour recent projects and share current issues and experiences as well as provide a forum for discussion and strategic planning. Between meetings the Board and staff work hard in the various cities and towns to generate additional discussion and promote forward thinking and progress toward the guiding principles and objectives listed in the CEDS.

RC&D SERVICES (What We Do)	
Business Services	Client Base
Financial /Planning (loans & grants) Business Plan Counseling Resource Network Referrals Strategic/Expansion Planning Administration/Facilitation	Individual Businesses (existing or potential)
Community Services	Client Base
Financial Planning/Expansion (loans & grants) Homebuyer Education/ Credit Counseling Business Recruitment/Retention Infrastructure Projects Administration/Facilitation	Town Councils Chambers of Commerce State/Local/Tribal Legislators County Commissions Local Ec. Dev. Partners Non Profit Organizations Interest Groups / Taxpayers First Time Homebuyers Banks
Conservation Services	Client Base
Landowner Education Fire Mitigation/Planning Food/AG Counseling Water Quality/Quantity Administration/Facilitation	Local Govt.. Conservation Districts Service Providers/Contractors Landowners/Producers Individual Businesses Wildfire Mgmt. Entities



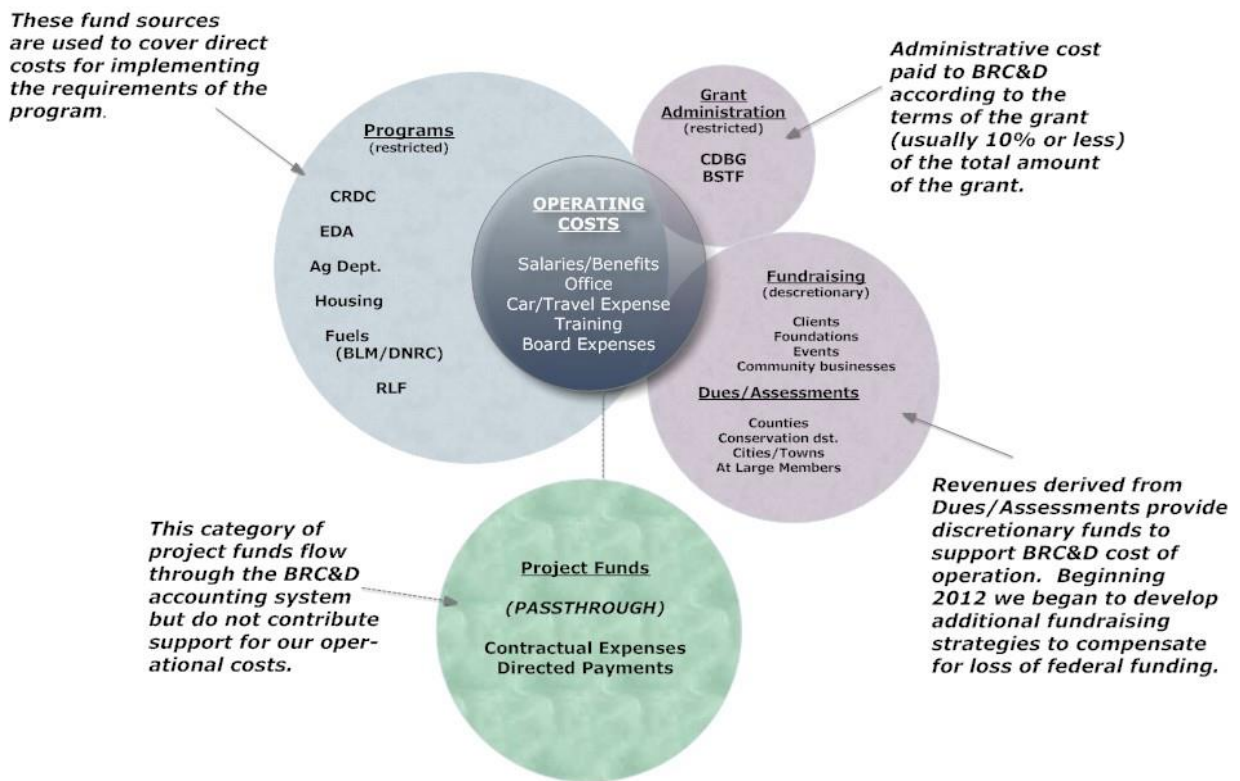
**Income and Expenses:** Our operations are funded primarily by state and federal grant programs that aim to provide economic and community development to local served communities, as well as conservation projects such as our fuels mitigation and wildfire education programs. Each county provides matching funds either directly from county government or through shared arrangements with municipalities. The RLF also generates limited income in the form of fees and interest. We have recently targeted specialized services to local businesses and government that can be provided on a fee-for-service basis to diversify income opportunities. Additionally we would like to take advantage of fundraising efforts.

Organizational expenses are primarily for staff salaries to deliver critical services required by state and federal grant programs as prioritized by the Board of Directors. Additional expense areas include office rent, utilities, insurance, vehicle/travel, and training.

The chart below illustrates the relationship and approximate proportion of funding sources and expense types in the organization budget. It is important to note the significant amount of funds illustrated at the bottom that are “pass-through”, which do not contribute support for our operating costs.

**Beartooth RC&D Financial Construct**

*Bubble overlap reflects the relative amount of funding support for operations from each family of activity.*



**Economics:** At present we are quite dependent on state and federal grant programs to fund the organization. Many of these sources are relatively long-standing programs that appear to be stable

within the current political environment, but may be subject to change depending on the level of austerity adopted at the federal level in future years. Local matching funds are also somewhat dependent on budgeting cycles and availability of local government funding. Although the RLF is an income source, it does involve high-risk loans which introduce some uncertainty on fund performance. Consequently we regard this program primarily as a service rather than an income-generating activity. In 2012 we began to investigate opportunities to diversify our income stream through fee-for-service arrangements that do not compete with private consulting and business service-related firms.

**Financial Management:** Beartooth RC&D continues to refine its fiscal policies in order to maintain adequate checks and balances in its management of incoming and outgoing funds. The organization undergoes an A-133 audit each year and has maintained high standards of fiscal responsibility.

**Customer Targets:** Our primary customers are small businesses and individuals located in or looking to locate in our region. We also provide limited grant writing and administration services to local governments for facilities and infrastructure projects. Our Housing Program Coordinator serves potential first time homebuyers as well as individuals needing credit counseling or personal financial planning. The Forester assists landowners with fuels mitigation planning and implementation as well as timber management planning.

**Information/Outreach:** The organization has printed and distributed regular newsletters in the past, but found this a less than effective way to communicate our activities. We report to our counties, cities, and towns with a highlighted project format annually at local government meetings. We also provide progress reports at Board meetings in spreadsheet and narrative formats. Numerous reports are also required by funding agencies for projects and work plans. We put significant effort into face meetings with constituents and local government officials. Our web presence today is basic, with general organizational and event content maintained by our own administrative staff.

**Liability and Insurances:** Beartooth RC&D carries or provides a number of insurance, investment or liability coverage as a part of its corporate model, as follows:

- **Liability coverage for Directors and Officers** – this coverage applies to all staff, directors and the Board against any legal actions or lawsuits arising from business conducted on behalf of the RC&D (\$2 million per incident, \$5 million per year cap)
- **Vehicle coverage** – for the company vehicle (full coverage, \$500 deductible)
- **Commercial Business Owners Insurance** – provides property loss protection on contents from fire, flood, theft, etc. Also covers accidental injuries (i.e. falls) for people not covered by workers compensation
- **Health Insurance** – offered for all full time employees (up to \$450 per month for self acquired insurance plans)
- **Fidelity Bond** – RLF Loan Fund bond for fund manager/bookkeeper (\$40,000) – Required by EDA RLF rules
- **401k Bond** – bonds Marvin Carter as the Administrator of our 401k plan (up to \$200,000) - Required under IRS rules

## Where are we headed?

The preceding information explains the origin, structure and role of Beartooth as an organization, and our current scope of operations and capacity for work. This section defines the opportunities and direction that the Board of Directors and staff believe are possible and in the best interest of the region that we serve.

Our goals for the next five years at Beartooth fall into three categories: Funding, Facilities, and Services.

### **Funding**

Our longstanding reliance on state and federal grant programs for income presents a risk that needs to be addressed. Beartooth survived the discontinuation of NRCS support in 2010, however this is a harbinger of future changes that we need to anticipate. Augmentation of these revenue streams will improve our stability and create contingencies in the event some of these programs are no longer funded. In addition, to implement expanded service goals, we may need additional discretionary funding that is not directly tied to grant administration.

***New fundraising strategies:*** most non-profit organizations employ fund-raising methods involving direct donation, annual or semi-annual events, charitable promotions and peer partnering to generate income for operations. Beartooth needs to include these strategies in its funding model. In 2012 we took a first step by soliciting donations from past clients we have helped. The yield was modest but encouraging, and suggests that some effort to develop a more formal and sophisticated campaign would be worth the effort and well-received in certain quarters of client base.

*Target: identify donation levels and mechanisms for 2013 and 2014?*

***Fee for service opportunities:*** in concert with a facility expansion discussed below, incorporation of new services provided on a fee basis has the potential to augment Beartooth's income while broadening its appeal to the business and conservation communities in the region. Concepts include thematic seminars, training and facilitation for interest groups in the area.

*Target: fee incomes for 2013 and 2014?*

***Organizational Cost review:*** while the RC&D budget is already lean, an objective review of all costs with an eye toward elimination of services or activities that no longer make sense might be in order. The Staff and Executive Committee will perform expense reviews in conjunction with budget preparation to insure cost-effectiveness.

*Target: semi-annual cost reviews.*

## **Facilities**

In 2011, the discontinuation of NRCS funding forced the relocation of Beartooth's operation to rented space. We were fortunate to find affordable and functional space in Joliet, however the existing facility lacks infrastructure for meetings and private counseling space. Recently Carbon County began work on a new building in Joliet to consolidate services, and when complete it will leave vacant an office on Main Street which Beartooth can obtain through a rental agreement at little or no direct cost. This space offers many advantages over current facility, including dedicated office space for staff, a large meeting room, improved phone and network wiring, and additional space to support business incubation. We intend to pursue this opportunity to transition to new office space, which will open doors for expansion of our services.

*Target: relocation to new office space by Summer, 2013 coupled with specific facilities plan for 2013/2014.*

## **Services**

In conjunction with relocation to improved office space in Joliet is a key feature of our 2013 business plan is creation of additional services designed to generate income for Beartooth. The facility we are considering will be more suitable for our business with private office space for client meetings, and a large meeting room for staff and board activities. It appears we can obtain the space without significant financial burden, allowing us to continue our focus on service delivery at current budgeted levels. In addition, we will have the opportunity to leverage the new office environment to expand our offerings. Here are a few possibilities we have discussed:

***Business incubation*** – by providing low cost or grant-subsidized start-up office space and infrastructure (computer, telephone, print/fax/email) to newly formed area businesses.

***Training/Counseling services*** – targeting needs for new or existing small businesses in the area with specialized, short duration training or counseling to fill knowledge gaps and enhance critical skills. Our goal: aid in the survival and expansion of our local small businesses, especially new enterprises.

***First Time Homebuyer and Credit counseling services:*** providing individual counseling for first-time homebuyers, credit repair and budgeting assistance.

***Partnership support*** – by becoming a satellite location for key RC&D partner organizations that need temporary workspace or meeting room facilities in our area, thus tightening our network of providers resources to benefit all RC&D clients.

***Target: detailed proposals for additional service levels - revised income projection by fall, 2013, or sooner. This deliverable should include a skill bank analysis to determine staffing adjustments needed for implementation.***



**File Attachments for Item:**

6. Council Workshop Minutes of March 19, 2024.

**MINUTES  
CITY OF LAUREL  
CITY COUNCIL WORKSHOP  
TUESDAY, MARCH 19, 2024**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:28 p.m. on March 19, 2024.

**COUNCIL MEMBERS PRESENT:**

<input checked="" type="checkbox"/> Tom Canape	<input checked="" type="checkbox"/> Heidi Sparks
<input checked="" type="checkbox"/> Michelle Mize	<input 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  
Kelly Strecker, Clerk/Treasurer  
Matt Wheeler, Public Works Director  
Ryan Welsh, KLJ

**Public Input:**

There were none.

**General Items**

**Executive Review**

1. Resolution - A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Water Rate Study.

There was no discussion on the item.

2. Resolution - A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Wastewater Rate Study.

The sewer fund needs to be evaluated for a rate increase, which was the catalyst for moving this project forward.

It was questioned if the \$39k was for both studies or if it was just for the wastewater rate study. It was clarified that the cost is just for the wastewater rate study.

It was questioned if this needed to be bid, and it was clarified that it did not need to be bid because these are two separate rate studies.

Raftelis was chosen because they had recently done a rate study for Lockwood, and they had an excellent experience using them. There are limited companies that do rate studies. Engineering firms are no longer doing rate studies. Rate studies merge engineering and accounting.

3. Resolution - A Resolution Of The City Council Authorizing The Additional Extension Of Approval Of Application For Special Review For J. Johnson Properties Pursuant To Resolution Nos. R22-07, R23-05, And R23-75.

Black Chip Casino is approximately one month from being completed. There was some specialized equipment that was delayed in getting shipped out. They are asking for a 60-day extension to finish the work that is needed.

The Mayor stated that he had toured the location, and it looked very nice. Once Lucky Louis's has moved over to the new location, they have a buyer lined up to turn the space back into a storefront.

4. Resolution - A Resolution Of The City Council Approving A Memorandum Of Understanding By And Between The City Of Laurel And Yellowstone County For The Golf Course Road Paving Project.

The Public Works Director recently received a call from the County Public Works Department stating that the County planned on overlaying Golf Course Road from Old Highway 10 to the Saddleback subdivision. The City annexed a portion of Golf Course Road last year and the County is asking that the City pay for that portion of the road. The cost is approximately 100k for the City's portion.

The City was asked if it has the money to cover the cost of the overlay. It was clarified that the City does have the funds to cover the cost. It would cost more if we chose to do the project ourselves. It was also noted that this road is receiving high traffic volumes, and the overlay will help preserve the road. It is wise for the City to move forward with this overlay.

It was questioned if the road was in bad shape. It was clarified that there is cracking on the road, and there is a higher speed limit on that road. Golf Course Road provides access to the Elena subdivision as well, so this impacts Laurel residents.

5. Resolution - A Resolution Of The City Council Approving Accrued Vacation Payout For City Clerk-Treasurer.

The Clerk/Treasurer has accrued a lot of vacation. She has found it hard to be gone, given the demands of the position. She is requesting a payout of 100 hours. That puts her at her cap for the next year.

It was questioned how payouts work. It was clarified that if she did not ask for a payout, then she would not accrue any more vacation time until she was under the hours cap.

## **Council Issues**



## 6. West Railroad Funding Discussion

A while ago, MDT came to the Council and proposed the project. At that time the ask of the City was 2.5 million. Now, the estimated cost has increased, and the City is being asked to cover the additional 2.7 million shortfall.

The Public Works Committee asked for a breakdown of costs between the blocks the TIF District can help pay for and the blocks not included in the TIF District. The TIF District included blocks 1 through 5.

The total amount of funding requested from the City is 5.2 million. The estimate does include a 30% contingency. That contingency is appropriate given the stage they are in for this project; as they progress through the design process, that contingency will decrease to approximately 5% to 10%.

It was questioned if these are two separate projects or if they are both part of the same project. It was clarified that both parts are part of the same project.

It was questioned how much of the 5.2 million will come out of the enterprise funds. It was clarified that there is not much infrastructure under W. Railroad Street; however, any infrastructure will be paid for out of the enterprise funds.

It was questioned how the 100k for the overlay on Golf Course Road would be funded and if those funds should be used for this project instead. It was clarified that the Golf Course Road overlay will be using BAARSA or Gas Tax funds and will not be paid out of the Street Maintenance fund. W. Railroad is the next big project for street maintenance. The City will be saving the Street Maintenance assessments for this project.

It was questioned what the City has available in Street Maintenance currently and if we have these funds on hand. It was clarified that, as of right now, the City does not have those funds on hand. The estimated construction date is 2026. The City will be using street maintenance from FY24 and FY25, as well as gas tax and BAARSA funds, to fund this project. The City is also looking at a RAISE grant to help with this project as well. HB 255 has helped out tremendously in assisting with covering other projects, which will free up funds for this project.

Right now, they have completed the project analysis phase. The project is on hold until the City agrees to fund the remainder of the project. The City will have a better understanding of the final cost as they begin the design process.

It was questioned what the rate of inflation is each year. It was clarified that the estimate for inflation is 5% to 9% each year. The longer we wait, the more expensive this project will become. The State can also borrow up to five years ahead of the STIP funds.

The County did agree to pay for half of the overlay costs with W. 12<sup>th</sup> Street. There will be an MOU coming before the Council at some point.

Council noted that LURA has big plans for the money that is sitting there. It was questioned who gets to decide how those funds are spent. It was clarified that LURA is an advisory entity, and the Council decides how to spend those funds.

It was questioned if the railroad paid for the railroad crossings. It was clarified that they do not pay for the crossings.

### **Other Items**

#### **Attendance at Upcoming Council Meeting**

#### **Announcements**

Emergency Services Committee's next meeting is Monday at 6:00 p.m. in Council Chambers.

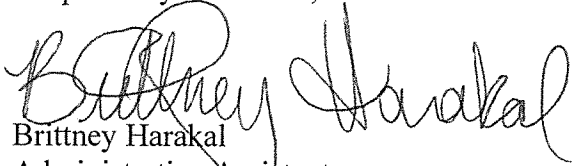
Hunter's Safety has wrapped up for this spring. They graduated 50 students this year.

License plates are available in the Laurel DMV office.

Mayor Waggoner reminded everyone to fill out and return their Lead and Copper survey.

The council workshop adjourned at 7:08 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.**

**File Attachments for Item:**

7. Budget/Finance Committee Minutes of March 12, 2024.

**Minutes of City of Laurel  
Budget/Finance Committee  
Tuesday, March 12, 2024**

**Members Present:** Michelle Mize, Casey Wheeler, Richard Klose, Heidi Sparks

**Others Present:** Kelly Strecker, Mayor David Waggoner

The meeting was called to order by the Committee Chair at 5:30 pm.

**Public Input:** There was no public comment.

**General Items –**

1. Review and approve February 27, 2024, Budget and Finance Committee meeting minutes. Heidi Sparks moved to approve the minutes of February 27, 2024. Casey Wheeler seconded the motion, all in favor, motion passed 4-0.
2. Review and approve purchase requisitions. There were none.
3. Review and recommend approval to Council; claims entered through March 8, 2024. Richard Klose moved to approve the claims and check the register for claims entered through March 8, 2024. Heidi Sparks seconded the motion, all in favor, motion passed 4-0.
4. Review and approve Payroll Register for the pay period ending March 3, 2024, totaling \$249,900.05. Heidi Sparks motioned to approve the payroll register for the pay period ending March 3, 2024, totaling \$249,900.05. Casey Wheeler seconded the motion, all in favor, motion passed 3-0.
5. Review and approve the 2024 February Utility Billing Adjustments, Michelle Mize moved to approve the 2024 February Utility Billing Adjustments. Casey Wheeler seconded the motion, all in favor, motion passed 4-0.

**New Business –**None

**Old Business –**None

**Other Items –**

1. Review Comp/OT reports for the pay period ending March 3, 2024.
2. Mayor Update – The Mayor stated that the license plates for both parks and library are in at motor vehicle.
3. Clerk/Treasurer Financial Update-Kelly said that she has been very busy. She has been working on FY 24/25 budget, HB 355 grant applications and has been working with Nancy regarding her mill levy that she is thinking about proposing to council.

**Announcements –**

4. The next Budget and Finance Committee meeting will be held on March 26, 2024, at 5:30 pm.
5. Heidi Sparks is scheduled to review claims for the next meeting.

Meeting Adjourned at 6:15 p.m.

Respectfully submitted,

  
Kelly Strecker  
Clerk Treasurer

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

**File Attachments for Item:**

8. Public Works Committee Minutes of February 26, 2024.



**MINUTES  
CITY OF LAUREL  
PUBLIC WORKS COMMITTEE  
MONDAY, FEBRUARY 26, 2024**

The Public Works Committee meeting was called to order at 6:40pm on Monday, February 26, 2024, by Committee Chair, Heidi Sparks.

**Members Present:** Heidi Sparks- Chair, Irv Wilke- Vice-Chair, Jodi Mackay, Jessica Banks, Emelie Eaton

**Others Present:** Matt Wheeler- Public Works Director, Ryan Welsh- KLJ

**Public Input:**

**General Items**

1. Approval of Minutes from January 22, 2024. Irv Wilke made a motion to approve the minutes. Motion was seconded by Jodi Mackay. Motion carried 5-0 to approve the minutes.

**New Business**

2. Emergency Call Out Report- Report attached
  - i. More calls this month than all year and mostly water related- 13-hour overtime situation with a water main break
3. KLJ Report- Report attached
  - i. 5<sup>th</sup> to 7<sup>th</sup> Sewer Line replacement will be funded by a grant being applied for
  - ii. Splash Park- contractor will be here on March 10<sup>th</sup> to start construction completion
  - iii. Public Works rules/regulations updates- KLJ have completed the review and updates

**Old Business:**

**Other Items**

4. Matt stated the new school is going in without infrastructure being considered but wants to be annexed into the city, with the city paying for the infrastructure needed for annexation. Annexation application should be coming before the council within the next month.
5. West Railroad- Matt stated that the state has reached out to the city to determine how the city would like to proceed, based on the increase of the cost involved. Project has been put on hold until the state hears back from the city. Ryan mentioned that the city could go after a federal RAYS grant, which is for transportation and infrastructure.
6. Becky at KLJ is working on a \$2.5 million planning and design grant for the water tank funding. This grant would be through EDA.

**Announcements**

Next Meeting will be Monday, March 18, 2024, at 6:00pm in Council Chambers

Meeting adjourned at 7:40pm



# Emergency Overtime Callout List

1/1/2024

TO

6/30/2024

Maintenance Shop 406-628-4773

City Dispatch 406-628-8737

Response Code	X In Column Not accepting Overtime /NA = Not Available /Y = Responding /B=Phone Busy												
Employee Name	Telephone												
<b>Shop Callout</b>		1-6	1-6	1-7	1-13	1-13	1-14	1-15	1-16	28-Jan			
Brian Kline	406-██████████	NA1	NA1						NA1	NA-1			
Kevin Budge	406-██████████								9	8			
Jay Hatton	406-██████████	NA2	2						NA2	NA2			
Keith Guy	406-██████████	NA3	3						NA3	Y9			
Wade Spalinger	406-██████████	NA4	4						NA4	3			
Brandon Gonzales	406-██████████	NA5	5						NA5	4			
Aaron Fox	406-██████████	NA6	6						NA6	5			
Troy Clifton	406-██████████	NA7	7						NA7	6			
Joel Barnhardt	406-██████████	Y8	8						Y8	7			
<b>Water and Sewer Callout</b>		1-6	1-6	1-7	1-13	1-13	1-14	1-15	1-16	1-28	1-28	2-4	2-4
Justin Baker	406-██████████	Y4	3	na3	y4	3			3	Y3	2	NA2	1
Kevin Hoffman	406-██████████	y3	2	na2	na2	na2			NA2	Y2	1	NA1	Y4
Daniel Nauman	406-██████████	1	na1	na1	na1	na1			NA1	NA-1	Y4	Y4	3
Tom Burwell	406-██████████	2	y4	y4	3	y4			Y4	Y4	3	NA3	2

Elm Lift Station 628-7773 Village Lift Station 628-5918 Dial 9 after tone to acknowledge alarm

## Wastewater Treatment Plant-628-6474

Autodailer- 628-4866

Response Code	NO= In 1st Column Not accepting Overtime / NA = Not Available / Y = Responding												
Employee	Telephone												
Thomas Henry	406-██████████												
Cindy Caswell	406-██████████												
Corey Nicholson	406-██████████												
Norman Stamper	406-██████████												

## Water Treatment Plant 628-4410

Response Code	NO= In 1st Column Not accepting Overtime / NA = Not Available / Y = Responding												
Employee	Telephone												
HP Nuernberger	406-██████████												
Dylan Ceaser	406-██████████												
Josh Sawyer	406-██████████												
Sam Waggoner	406-██████████												
Joe Waggoner	406-██████████												
TJ Worbel	406-██████████												
Daniel Waggoner	406-██████████												

CABLE TV down Tim Johnson 698-6254

<b>Matt Wheeler</b> Cell# 208-1885	One Call Locate - 1-800-424-5555 (City Job # 25663)
<b>Kurt Markegard</b> Cell# 860-5785 Hm 208-2356	SCHessler 628-4221 HESTON 281-0811
	<b>NW ENERGY 1-800-896-7862 LUMPY 406-860-7890</b>
Advanced Pump 406-586-1700	Century Link 1-800-573-1311 Shop 628-7707 Jeff 694-9097
GORDAN ACE ELECTRIC 406-860-5464	NorthwestPipe 252-0142 - Larry E. 656-2856
MDU 1-800-638-3278 / MDT 252-4138	Pace Construction 252-5559 (sewer backups)

MDT Supervisor Tom 655-7903/Kyle 446-2622 **Sanitary System Overflows call DEQ withing 24 hours at 406-444-3080**

## Call Out - Date and Incident Location

1-7 Sanding Streets	1-6 Water leak	1-23 Water Break more help
1-28 Water Break Main Street	1-6 Emergency Locate	2-4 NO WATER RUSSEL
	1-13 Structure Fire	2-4 MORE HELP
	1-13 Elm Lift Station Alarm	
	1-14 H2O shut off	
	1-15 H2O shut off	
	1-16 Emergency Locate	
	1-28 Water Break Main Street	



### **Laurel Water Tank Funding Project**

**(KLJ # 2304-01608)**

Reason for Project: Existing City water Tank needs to be recoated on the inside and can't happen until City has a backup storage supply. They also have needs for upgrades to their upper pressure zones. See previously approved Water System PER and City of Laurel CIP. This project looks at funding opportunities and provides grant writing services from multiple sources

Project Scope: To research funding alternatives, create packages for submittal, and assist City in finding monies for completing the future water tank and upper pressure zone improvements for the City of Laurel

*Current Status:*

- Task Order Signed by City on 12/13/23
- Met with EDA to discuss Funding on 1/9/24
- Letter of Support from CHS Received
- Wood's Manufacturing and Love's to Provide LOS's.

### **5<sup>th</sup> to 7<sup>th</sup> Sewer Line Replacement**

**(KLJ # 2304-01231)**

Reason for Project: Refurbishment of an 8" sewer line between 7<sup>th</sup> Avenue and 6<sup>th</sup> Avenue and a 10" sewer line between 6<sup>th</sup> Avenue and 5<sup>th</sup> Avenue in the alley way between 1<sup>st</sup> Street and Main Street in Laurel, Montana. The existing sewer line experienced several collapses last year.

Project Scope: To replace approximately 363 lineal feet of 8" and 383 lineal feet of 10" and will include the update of 3 manholes and associated surface replacement.

*Current Status:*

- Work Order Signed by City in September 2023
- Survey scheduled for week of October 16<sup>th</sup>, 2023
- Base Drawing created and Working on preliminary design
- Preliminary Plans and EEOC sent to City on 12.14.23
- DEQ Submittal package sent to City on 2.9.24

### **Splash Park Installation**

**(KLJ #2204-01898)**

Reason for Project: To Replace the existing pool with a splash pad recreation area.



*City of Laurel Project Status Update*  
*February 14<sup>th</sup>, 2024*



Project Scope: To Construct a splash Pad at the site of the existing City pool.

*Current Status:*

- Work Order Signed by City in January 2023
- DPHHS Approved Permit on 5.25.2023
- Preconstruction Meeting held on 9.15.2023
- Construction to start on Monday 9.18.2023
- Change order sent to Contractor on 10.30.2023
- Change Order Executed on 1.02.2024
- Construction to restart 3.10.2024
- Ultimate completion date of 4.28.2024

***Laurel Planning Services (KLJ #1804-00554)***

Reason for Project: KLJ has been retained to provide City of Laurel planning services as needed.

Project Scope: Planning services may include; subdivision, zoning, development, floodplain hazard management, miscellaneous reviews and other related work. KLJ will prepare staff reports, recommendations, and attend meetings upon request.

*Current Status:*

- Zoning Regulations Update.
  - Draft regulations sent to City April 11<sup>th</sup>, 2023
  - Zoning Map approved by Commission on August 16<sup>th</sup>, 2023
  - Staff Recommendation to Zoning Commission to occur on December 20<sup>th</sup>, 2023
  - Back to Planning Board Meeting on 1/17/23
  - City to publish advertisement for Public Hearing
  - Public Hearing to occur 3.12.24
- Downtown Parking Study. – On hold per City Instructions
- City-County Grown Policy Update was requested at the August 16<sup>th</sup> meeting
  - Weekly meetings occurring in October.
  - KLJ updating maps as requested by City Planner
  - Back to Planning board meeting on 1.17.24
  - Work Session occurred on 1.31.24
  - Public Hearing at Planning Board 2.21.24



*City of Laurel Project Status Update*  
*February 14<sup>th</sup>, 2024*



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***Other Notes and Information***

Other potential projects have been identified during recent conversations between City staff and KLJ. City Public Works staff and KLJ task leaders meet monthly to discuss current and future projects. As these are tentative, the timing and extent of KLJ's services are TBD, unless noted otherwise.

Anticipated FY24 Projects

1. 7<sup>th</sup> Street reconstruction – On hold until Town Pump completes renovations
2. Riverfront Park walking trail – On Hold Until further notice
3. Downtown Parking Study – To progress following zoning completion
4. Overlay of 12<sup>th</sup> Street between Valley Drive and 1<sup>st</sup> Ave. Task Order sent to City.
  - a. Hardrives is under contract to complete.
5. Bulk Water Sales Station – pushed back to 2025

**File Attachments for Item:**

9. Park Board Minutes of March 7, 2024.



**AGENDA  
CITY OF LAUREL  
PARK BOARD  
THURSDAY, MARCH 07, 2024  
5:30 PM  
CITY COUNCIL CONFERENCE ROOM**

**Public Input:** *Citizens may address the committee regarding any item of business that is not on the agenda. The duration for an individual speaking under Public Input is limited to three minutes. While all comments are welcome, the committee will not take action on any item not on the agenda.*

Meeting called to order at 5:30 with Richard Klose, Phyllis Bromgard, Tom Canape, Paul Kober and Irv Wilke. Matt Wheeler was also in attendance.

**General Items**

1. LPB Minutes February 1, 2024 - Richard Klose moved to approve and Phyllis Bromgard seconded. Motion passed.

**New Business**

2. Kiwanis Park Irrigation – This project has been approved by City Council and is moving forward.

**Old Business**

3. Other parks in Laurel – Arbor Day is May 7<sup>th</sup> at Kiwanis Park. Starts at noon. 140 kids are scheduled to participate. 3 trees will be planted at a cost of \$510 each. The Tree Board has a good plan.
4. American Legion Building at Riverside Park – Nothing new.
5. Riverside Park - Lead Cleanup – Phil Lewallen of P&R Shot Recovery met with Richard K. and Irv W. to assess the feasibility of recovering lead at Riverside Park. A report will follow, but initially it appears not to be needed.
6. Riverside Park - New Building – Nothing new.
7. Lions Club agreement for the old Jaycee Hall – This is complete and in place.
8. Concrete Social Activities for Parks – City Council is still discussing.
9. Lighting at Russell Park – Still in progress by Ace Electric.
10. Tennis Court uses and status – The old courts have been covered with dirt and will be graded and grass will be planted. Some discussion of how tennis courts could be installed at Kiwanis Park per the USTA area representative Andrea Johanson.

**Other Items**

Next meeting April 4<sup>th</sup>.

**Announcements**

The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, Ext. 5100, or write to City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.

Meeting adjourned that night?

Tom Canape took notes and Jon Rutt submitted.

**File Attachments for Item:**

10. Resolution No. R24-16: A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Water Rate Study.

**RESOLUTION NO. R24-16**

**A RESOLUTION OF THE CITY COUNCIL APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAUREL AND RAFTELIS FINANCIAL CONSULTANTS, INC. FOR A WATER RATE STUDY.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana,

Section 1: Approval. The Professional Services Agreement with Raftelis Financial Consultants, Inc. (hereinafter “the Professional Services Agreement) for a Water Rate Study (hereinafter “Water Rate Study”), a copy attached hereto and incorporated herein, is hereby approved.

Section 2: Execution. The Mayor is hereby given authority to execute the Professional Services Agreement on behalf of the City.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March, 2024, by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March, 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March, 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Michele L. Braukmann, Civil City Attorney



**PROFESSIONAL SERVICES AGREEMENT BETWEEN**  
**CITY OF LAUREL, MT**  
**AND**  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**

This Consulting Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 (hereinafter referred to as the effective date of the agreement) by and between, City of Laurel, MT (the “Client”) and Raftelis Financial Consultants, Inc., 383 North Carona, Suite 244, Denver, CO 80218 (“Raftelis”).

**Witnesseth**

WHEREAS, Raftelis is engaged and experienced in public finance, management, and pricing, and service delivery, and WHEREAS, The Client desires to hire Raftelis and Raftelis agrees to provide services to the Client, NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

**Article 1 – Statement of Work**

Raftelis shall provide professional consulting services to prepare Water Rate Study for Client. Raftelis will perform the services as set forth in its proposal sent to Client dated March 7, 2024 and included herein as Attachment A, the “Scope.”

**Article 2 – Time for Completion**

This Agreement will commence upon approval by the Client and remain in effect for a period of one year. Further renewals of this Agreement are at the option of and shall be mutually agreed to by the Parties.

**Article 3 – Compensation**

Client shall pay to Raftelis the sum not to exceed \$39,560, which includes professional fees and direct expenses incurred in performing the scope of services, as well as an hourly technology expense reimbursement, outlined in Attachment B. The parties understand that this sum is based upon the scope of work contained herein at Raftelis’ current standard hourly rate schedule included in Attachment B. Any expansion of the scope of work by the Client shall involve discussion of and agreement about additional fees and time by both parties.

Raftelis shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice

will contain all hours and expenses from Raftelis for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to Raftelis within 30 days.

#### **Article 4 – Additional Services**

At the Client's request, Raftelis may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to Raftelis prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

#### **Article 5 – Place of Performance**

Raftelis shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

#### **Article 6 – Indemnification**

Raftelis hereby agrees to indemnify and defend the Client, its officers, directors, managers and employees ("Indemnified Party or Parties") and to hold the Indemnified Parties harmless against third party claims, costs and expenses, including reasonable attorney's fees, action, or demands against the Indemnified Parties and against damages for injury to or death of any person and for loss of or damage to all property caused by the negligent acts, errors or omissions of Raftelis in performing this Agreement, except to the extent the claims, demands, liabilities, cost and expenses are caused by the negligent acts, errors or omission of an Indemnified Party.

#### **Article 7 – Insurance**

Raftelis shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on Raftelis' Certificates of Insurance and Raftelis will provide the Client with these Certificates of Insurance.

Commercial General Liability Insurance – \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive Automobile Liability Insurance – \$1,000,000 combined single limit each occurrence- hired and non-owned only

Workers Compensation Insurance – Statutory limits

Professional Liability Insurance – \$5,000,000 occurrence and \$5,000,000 in the aggregate

Excess or Umbrella Liability – \$5,000,000 occurrence and \$5,000,000 in the aggregate

### **Article 8 – Confidential Information**

Raftelis acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, Raftelis may be given access to, or come into possession of, confidential information from the Client, of which information may contain privileged material or other confidential information. Raftelis acknowledges and agrees, except as required by judicial or administrative order, trial, or other governmental proceeding, that it will not use, duplicate, or divulge to others any such information marked as "confidential" disclosed to Raftelis by the Client ("Confidential Information") without first obtaining written permission from the Client. All tangible embodiments of such information shall be delivered to the Client or the destination of such information by Raftelis requested by the Client. The Client acknowledges Raftelis has the right to maintain its own set of work papers which may contain Confidential Information.

### **Article 9 – Independent Contractor Status**

It is understood and agreed that Raftelis will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, Raftelis' employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker's compensation, industrial accident, labor, or taxes of any kind. Raftelis' employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker's compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of Raftelis' employees. Raftelis shall be fully responsible for any such withholding or paying of taxes or social security.

### **Article 10 – Reliance on Data**

In performance of the services, it is understood that the Client and/or others may supply Raftelis with certain information and/or data, and that Raftelis will rely on such information. It is agreed that the accuracy of such information is not within Raftelis' control and Raftelis shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of Raftelis' Scope of services.

### **Article 11 – Standard of Performance**

Raftelis will perform the services under this Agreement in accordance with the standard of professionals in its industry prevailing at the time and place the services are performed. Raftelis' opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events and estimates of cost-justified system development fees shall be made on the basis of available information and Raftelis' expertise and qualifications as a professional. Raftelis will perform the Scope of services in

conformance with the professional standards in its field of expertise prevailing at the time and place the Scope of services are performed. Raftelis does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Clients' estimates or forecasts or from actual outcomes. Raftelis identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

### **Article 12 – No Consequential Damages**

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non- performance of this Agreement notwithstanding the fault, tort (including negligence), strict liability or other basis of legal liability of the party so released or whose liability is so limited and shall extend to the officers, directors, employees, licensors, agents, subcontractors, vendors and related entities of such party

### **Article 13 – Termination of Work**

This Agreement may be terminated as follows:

1. **By Client.** (a) for its convenience on 30 days' notice to Raftelis, or (b) for cause, if Raftelis materially breaches this Agreement through no fault of Client and Raftelis neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Raftelis.
2. **By Raftelis.** (a) for cause, if Client materially breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client, or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 30 days.
3. **Payment upon Termination.** In the event of termination, Raftelis shall be compensated for all work properly performed prior to the effective date of termination.

**Article 14 – Notices**

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

If for Raftelis:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Raftelis Financial Consultants, Inc.

383 North Carona

Suite 244

\_\_\_\_\_  
Title

Denver, CO 80218

\_\_\_\_\_  
Address

**Article 15 – Ownership of Work Product**

All documents, data, compilations reports and studies prepared by Raftelis in performing the Scope of services shall be the property of the Client; provided that any use other than as contemplated in this Agreement or any alteration or modification of the Work Product shall be at the sole risk of Client, and Client shall indemnify, defend and hold Raftelis harmless from any claim, demand, liability, cost or expenses incurred by Raftelis from such use or modification. Nothing contained herein shall be deemed an assignment, transfer, or divestiture its use by Raftelis of any of its trade secrets, know-how or intellectual property.

**Article 16 – Compliance with Applicable Laws**

Raftelis is an equal opportunity employer and complies with all federal, state, and local fair employment practices laws. Raftelis strictly prohibits and does not tolerate discrimination against employees, applicants, or any other covered persons because of race, color, religion, national origin or ancestry, gender identity, sexual orientation, marital status, sex, pregnancy, age, disability, past, current, or prospective service in the uniformed services, or any other characteristic protected under applicable federal, state, or local law. All Raftelis employees, other workers, and representatives are prohibited from engaging in unlawful discrimination. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, training, promotion, corrective action, compensation, benefits, and termination of employment.

Any act of discrimination committed by Raftelis in the course of its performance under this Agreement, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

## Article 17 – General Provisions

- A. Entire Agreement: This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. Waiver: The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. Relationship: Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Raftelis and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. Assignment and Delegation: Neither Party shall assign this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.
- H. Third Party Rights: Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third-party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Title

\_\_\_\_\_

Date

Raftelis Financial Consultants, Inc.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Vice President

\_\_\_\_\_

Date

This is to certify that an appropriation in the amount of this contract is available therefore and that \_\_\_\_\_ has been authorized to execute the contract and approve all requisitions and change orders.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Title

# ATTACHMENT A

## STATEMENT OF WORK/ENGAGEMENT LETTER

### Water Rate Study

#### Scope of Work

##### Task 1.0 – Project Management and Project Initiation

We will facilitate an on-site kick-off meeting, potentially over the course of one and one-half days, with staff to review and validate data, and gather any outstanding items or questions. We will also use this meeting to discuss study objectives and other project management items. We anticipate covering the following:

- **Data Request:** Prior to the meeting we will submit a data request list for the information needed for this study. Gathering this information prior to the kick-off meeting will allow us to review and aggregate our list of questions and clarifications. We will also be able to show how this data will be used in the models.
- **Project Management:** Finalize scope, milestones, and deliverables, set up regular project conference calls, and determine primary points of contact. Finalize project goals and objectives to establish guiding principles for the study against which we will measure results.
- **Rate Structure Pricing Objectives:** Review pricing objectives identified in the RFP and rank them in order of importance. Determine how well the existing rate structure meets those objectives and identify potential rate structure changes that align with those objectives. Typical pricing objectives are listed to the right. Many of these are ‘standard’ or ‘must haves’ such as defensibility and revenue sufficiency however others can be ranked in order of importance. We will also develop measurable criteria to benchmark the objectives against the alternatives

#### Common Pricing Objectives



#### Task 0 Deliverables:

- On-site Project Kickoff meeting
- Revised data request list (if needed)
- Memo summarizing project management items
- Listing of ranked pricing objectives by staff

##### Task 2.0 – Financial Plan

#### Task 2.1 – Customer Demand and Revenue Projections

Raftelis will develop customer characteristic profiles for the customer classes. The analysis will include:



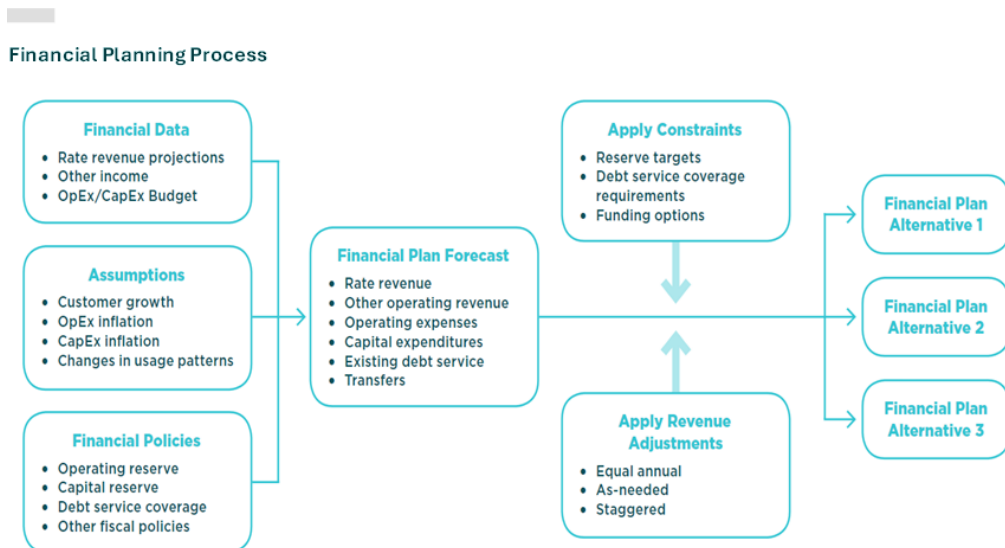
- Analysis of annual and monthly billed water consumption of each customer class for the past three fiscal years
- Development of bill frequencies for each class. For the classes with tiered structures, we will calculate the amount of volume billed in each tier and use that as the basis for demand projections. Volumes by tier will be adjusted if it is anticipated that demand will continue to decrease.
- Development of a use per account based on historical data and a projected use per account based on planning data from the City.

### Task 2.2 – Financial Planning Projections

The financial planning task will include the development of forecasted revenues, O&M, debt service, and capital expenditures along with project bond or loan issues with any rate increases required to meet these requirements and financial metrics.

A primary consideration in developing an ‘optimal’ financial plan is minimizing annual revenue increases through balancing the use of reserves, existing rate revenue, revenue bonds, grants, etc. This balance is subject to the constraints of meeting the City’s target reserve policies, debt service coverage, and other financial policies requirements on any proposed debt.

This approach is an iterative process. For example, issuing debt to fund a capital project may keep revenue increases low however, new debt payments may decrease the coverage below the target level. As a result, a revenue increase may be needed to meet to maintain compliance with the target. The revenue generated from the increase now may meet debt service coverage and produce an ending balance more than the target reserve. This excess can be used to partially fund the capital project which, in turn, could reduce the proposed loan amount. through the study period. The graphic below illustrates the requirements needed to build a sound financial plan.



The financial plan activities will include:

- A forecast revenue under existing rates using the demands projections in Task 2.1, and other operating and non-rate revenues for each utility.
- Review existing financial plans, budgets, actuals data, and capital improvement plan programs
- Review and discuss with City staff growth assumptions and type of growth anticipated
- Develop historical billing analysis to validate water revenue projections
- Forecast operations and maintenance (O&M), repair and replacement (R&R) capital, expansion capital (based on master plan results or other engineering reports), and existing and proposed debt service
- Incorporate new positions, changes in operating efficiencies, inflation, etc.
- Identify the projects eligible for bond or state loans based on timing, duration, and the amount of the project. Raftelis can present financial plan alternatives considering specific projects financed through revenue bonds, state loans, etc.

### **Task 2 Deliverables:**

- Two (2) virtual meetings to present draft and draft-final results to all internal stakeholders and develop various scenarios to meet revenue requirements
- Technical memorandum summarizing the results of the water financial planning analysis

### **Task 3.0 – Cost of Service Analysis**

Raftelis will start with industry-accepted cost-of-service principles and customize our analysis to account for the specific requirements of this study. The cost-of-service analysis will provide the City with a defensible justification explaining the reason why the costs are assigned in the manner they are. Raftelis will need this information to evaluate the level of the current and proposed rates.

The cost-of-service analysis is a multi-step process. It includes determining the revenue requirement, assigning the revenue requirement to various facilities (functional areas), and further allocating those costs based on their design criteria or function in the system. Those costs are then distributed to customer classes based on their water demands as well as accounts or equivalent meters. Raftelis will use the cost allocation process based on the industry standard methodologies published in the AWWA's *Manual M1, Principles of Water Rates, Fees*. The figure below illustrates the four primary steps we will use to complete the cost-of-service analysis for each utility.

### **Task 3.1 – Test Year Revenue Requirement**

Raftelis will develop a separate test-year revenue requirement as the basis for our cost of service analysis. The test year revenue requirement will be based on the City's forecasted financial plans. The revenue requirement is the amount of revenue required from rates to meet annual expenditures such as operating, capital, debt service, and changes in reserves, and is net of other operating and non-operating revenue. Raftelis will develop a revenue requirement and a cost of service analysis for each utility.

### **Task 3.2 – Functionalize Revenue Requirements**

As a first step in the water cost of service process, Raftelis will allocate the test-year revenue requirement to the appropriate functional cost categories. O&M expenses are often listed functionally in the budget and capital expenditures are typically organized based on the type of facility. Debt service can be functionalized based on the project the proceeds are intended to fund. During the initial phases of the study, Raftelis will work with City staff to determine the appropriate functional categories and factors to use in the analysis.

### **Task 3.3 – Allocate Functionalized Costs to Cost Components**

After assigning the water utility revenue requirement to functional categories, Raftelis will allocate the costs according to the type of service they are incurred to provide. Cost allocation involves assigning the functionalized costs from Task 3.2 to the design parameter used to size and construct that facility.

For example, distribution mains are typically designed to meet maximum hour demands. Under the base extra-capacity methodology, those costs would be allocated to the base, maximum day, and maximum hour. This allocation is based on water production ratios of maximum day and hour demands to average day demands. Conversely, source of supply costs are associated with annual water supply requirements. Those costs would be allocated to the base or average day component. Some costs can be directly assigned such as billing or meter costs.

### **Task 3.4 – Customer Class Water Demand Factors, System Demand Factors**

Raftelis will develop customer characteristic profiles for the customer classes within each utility. Building on the analysis in Task 2.1, this analysis will include:

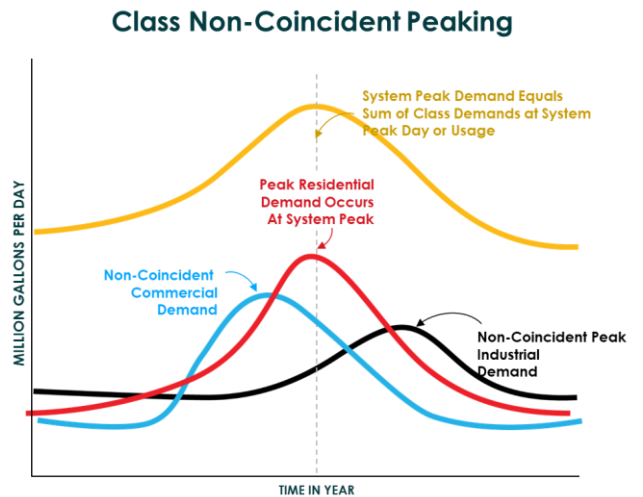
- Development of peaking factors for each customer class. To the extent that the City had AMI meters, we can use a statistical sample to estimate peaking factors. We will examine multiple years to ensure the values used are representative of a typical year.
- We will use the data from Task 4.1 to project the number of accounts, equivalent meters, and bills.

We will also evaluate system historical water production which is used to allocate the functionalized costs in Task 3.3. We will develop a test-year value for peak day demand and peak hour ratios.

Raftelis will use the base-extra capacity method with non-coincidental class peaking factors for cost allocation. This is the preferred method used in industry. This ensures that all classes are paying their proportionate share of peaking costs regardless of when peaking occurs. Changes in class peaking factors can have a profound effect on the distribution of costs to customer classes.

**Task 3.5 – Distribute Costs to Customer Classes**

The distribution of allocated costs to customer classes is the final step in determining class cost of service. This essentially distributes the costs associated with average day, peak day and customer costs based on each classes proportionate contribution based on their specific demands.



Raftelis will allocate costs from Tasks 3.3 and 3.4 to each customer class based on their proportionate share of demand characteristics or units of service. For example, if the residential class’ maximum day demands represent 50% of the total demand, we would allocate 50% of the maximum day costs to the residential class. In a similar manner, if the commercial class represents 10% of total bill, Raftelis would allocate 10% of the billing costs to the commercial class.

**Task 3 Deliverables:**

- Three (3) virtual meetings to present draft and draft-final results to all internal stakeholders
- Technical memorandum summarizing the results of the water cost of service analysis

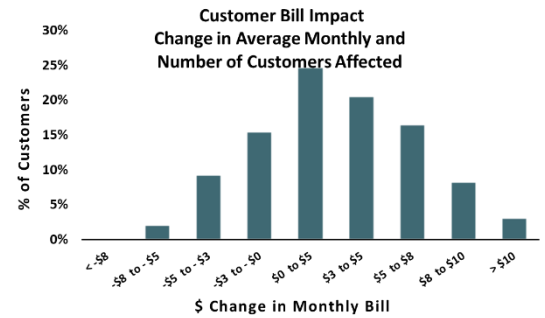
**Task 4.0 – Rate Design**

The rate design task will identify the volume- (variable) and customer-related (fixed) costs to be recovered through rates. Water rates recover the costs to treat, store, and distribute water to customers. Customer-related costs typically include meter reading and maintenance and administrative costs.

Raftelis will calculate the test-year rates under the current structure for each utility. Raftelis will also develop test-year rates for any rate structure alternatives. Rate structure alternatives will be based on the results of the pricing objectives identified in Task 1. We will complete the following tasks:

- Calculate the cost of service rates under the current rate structure.
- Evaluate the current rate structures’ ability to meet the pricing objectives from Task 1. This will serve as the baseline for comparing other rate structure alternatives.

- Create alternative rate structures based on the pricing objectives identified in Task 1. This may include adjusting the tier thresholds, pricing ratios, or the addition of new tiers.
- Evaluate and rank these alternatives against the rate structure objectives. Rate structure alternatives include:
  - Drought pricing
  - Seasonal rates
  - Changes to the existing customer class rate structures
- Develop monthly bill impacts and customer bill impacts. Customer bill impacts will evaluate each customer's 12 months of bills under existing rates and the proposed rate structure. This will show the average monthly change for customers and will provide a realistic picture of how the entire class of customers will be affected.
- Develop a water utility bill comparison under the City's existing and proposed rate alternatives compared against up to 7 peer utilities



**task 4 Deliverables:**

- Two virtual meetings to present draft and draft-final results to all internal stakeholders.
- On-site meeting to review cost of service results
- Technical memorandum summarizing the results of the rate design alternatives

Task 5.0 – City Council Meetings and Reports

**Task 5.1 – Draft and Final Reports**

Raftelis will prepare a report documenting the Rate Study to serve as a part of the City's administrative record. The purpose of this report is to document the methodology used to calculate the City's water and wastewater rates. The report will include an executive summary highlighting decisions reached during the development of rates. The main body of the report will summarize the underlying model assumptions, the long-term financial plans, the cost of service analyses, proposed revisions to rate structures, proposed rate derivation, and customer impacts.

Raftelis will provide a draft report to City staff and the City's attorney for review and comment. We will then incorporate any revisions into the final report.

**Task 4.2 – Council Presentations**

Raftelis will attend up to two City Council meetings to present initial and final results of the study.

**Task 4 Deliverables:**

- Two virtual meetings to review comments and edits to the draft reports.
- Draft and final reports
- Attendance at up to two (2) City Council meetings

## Proposed Fee

The table below lists the tasks and hours by Raftelis consultant to complete the efforts in this scope of work. This fee assumes this study will proceed concurrently with the wastewater rate study to save on meeting costs and other overlapping, similar tasks. The fee will require adjustment should the studies be completed at separate times.

Tasks	Web Meetings	In-person Project Meetings	Hours				Total Expenses	Total Fees & Expenses
			TC	AR	NB	Total Labor		
1. Project Management and Project Initiation		1	12		12	24	\$1,130	\$7,730
2. Financial Plan	2		5	2	28	35	\$0	\$8,680
3. Cost of Service	2		5	2	28	35	\$0	\$8,680
4. Rate Design	2		5	2	26	33	\$0	\$8,220
5. Council Meetings and Reports	2	2	8		12	20	\$930	\$6,250
<b>Total Meetings / Hours</b>	<b>8</b>	<b>3</b>	<b>35</b>	<b>6</b>	<b>106</b>	<b>147</b>		
<b>Hourly Billing Rate</b>			<b>\$320</b>	<b>\$320</b>	<b>\$230</b>			
<b>Total Professional Fees</b>			<b>\$11,200</b>	<b>\$1,920</b>	<b>\$24,380</b>	<b>\$37,500</b>		
							<b>Total Fees</b>	<b>\$37,500</b>
							<b>Total Expenses</b>	<b>\$2,060</b>
							<b>Total Fees &amp; Expenses</b>	<b>\$39,560</b>

TC - Todd Cristiano  
 AR - Andrew Rheem  
 NB - Nicki Bartak  
 -  
 -  
 -

**Raftelis' 2024 Standard Hourly Billing Rates**

<b><u>Position</u></b>	<b><u>Hourly Billing Rate*</u></b>
Chair/Chair Emeritus	\$500
Chief Executive Officer/President	\$450
Executive Vice President	\$400
Vice President	\$360
Senior Manager	\$320
Recruiter	\$295
Principal/Senior Advisor	\$295
Manager	\$285
Senior Consultant	\$250
Executive Coach	\$250
Consultant	\$220
Creative Director	\$220
Associate Consultant	\$185
Graphic Designer	\$160
Analyst	\$135
Administration	\$100
Technology/Communications Charge**	\$10
PRMG – Executive Vice President	\$375
PRMG – Vice President	\$340
PRMG – Senior Manager	\$305
PRMG – Manager	\$270
PRMG – Senior Consultant	\$240
PRMG – Consultant	\$210
PRMG – Associate	\$175
PRMG – Administration	\$100
Technology/Communication Charge**	\$10

\* These rates will be in effect for calendar year 2024 and will then increase annually by 3% unless specified otherwise by contract.

\*\* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

\*\*\* For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by an amount up to 50%.

**File Attachments for Item:**

11. Resolution R24-17: A Resolution Of The City Council Approving A Professional Services Agreement Between The City Of Laurel And Raftelis Financial Consultants, Inc. For A Wastewater Rate Study.



**RESOLUTION NO. R24-17**

**A RESOLUTION OF THE CITY COUNCIL APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAUREL AND RAFTELIS FINANCIAL CONSULTANTS, INC. FOR A WASTEWATER RATE STUDY.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana,

Section 1: Approval. The Professional Services Agreement with Raftelis Financial Consultants, Inc. (hereinafter “the Professional Services Agreement) for a Wastewater Rate Study (hereinafter “Wastewater Rate Study”), a copy attached hereto and incorporated herein, is hereby approved.

Section 2: Execution. The Mayor is hereby given authority to execute the Professional Services Agreement on behalf of the City.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March, 2024, by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March, 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March, 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Michele L. Braukmann, Civil City Attorney

**PROFESSIONAL SERVICES AGREEMENT BETWEEN**  
**CITY OF LAUREL, MT**  
**AND**  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**

This Consulting Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 (hereinafter referred to as the effective date of the agreement) by and between, City of Laurel, MT (the “Client”) and Raftelis Financial Consultants, Inc., 383 North Carona, Suite 244, Denver, CO 80218 (“Raftelis”).

**Witnesseth**

WHEREAS, Raftelis is engaged and experienced in public finance, management, and pricing, and service delivery, and WHEREAS, The Client desires to hire Raftelis and Raftelis agrees to provide services to the Client, NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

**Article 1 – Statement of Work**

Raftelis shall provide professional consulting services to prepare Water Rate Study for Client. Raftelis will perform the services as set forth in its proposal sent to Client dated March 7, 2024 and included herein as Attachment A, the “Scope.”

**Article 2 – Time for Completion**

This Agreement will commence upon approval by the Client and remain in effect for a period of one year. Further renewals of this Agreement are at the option of and shall be mutually agreed to by the Parties.

**Article 3 – Compensation**

Client shall pay to Raftelis the sum not to exceed \$39,795, which includes professional fees and direct expenses incurred in performing the scope of services, as well as an hourly technology expense reimbursement, outlined in Attachment B. The parties understand that this sum is based upon the scope of work contained herein at Raftelis’ current standard hourly rate schedule included in Attachment B. Any expansion of the scope of work by the Client shall involve discussion of and agreement about additional fees and time by both parties.

Raftelis shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice

will contain all hours and expenses from Raftelis for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to Raftelis within 30 days.

#### **Article 4 – Additional Services**

At the Client's request, Raftelis may submit proposals for additional professional services. Each proposal submitted shall detail: (1) scope of work for the additional services, (2) period of services to be performed, and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to Raftelis prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

#### **Article 5 – Place of Performance**

Raftelis shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

#### **Article 6 – Indemnification**

Raftelis hereby agrees to indemnify and defend the Client, its officers, directors, managers and employees ("Indemnified Party or Parties") and to hold the Indemnified Parties harmless against third party claims, costs and expenses, including reasonable attorney's fees, action, or demands against the Indemnified Parties and against damages for injury to or death of any person and for loss of or damage to all property caused by the negligent acts, errors or omissions of Raftelis in performing this Agreement, except to the extent the claims, demands, liabilities, cost and expenses are caused by the negligent acts, errors or omission of an Indemnified Party.

#### **Article 7 – Insurance**

Raftelis shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on Raftelis' Certificates of Insurance and Raftelis will provide the Client with these Certificates of Insurance.

Commercial General Liability Insurance – \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive Automobile Liability Insurance – \$1,000,000 combined single limit each occurrence- hired and non-owned only

Workers Compensation Insurance – Statutory limits

Professional Liability Insurance – \$5,000,000 occurrence and \$5,000,000 in the aggregate

Excess or Umbrella Liability – \$5,000,000 occurrence and \$5,000,000 in the aggregate

### **Article 8 – Confidential Information**

Raftelis acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, Raftelis may be given access to, or come into possession of, confidential information from the Client, of which information may contain privileged material or other confidential information. Raftelis acknowledges and agrees, except as required by judicial or administrative order, trial, or other governmental proceeding, that it will not use, duplicate, or divulge to others any such information marked as "confidential" disclosed to Raftelis by the Client ("Confidential Information") without first obtaining written permission from the Client. All tangible embodiments of such information shall be delivered to the Client or the destination of such information by Raftelis requested by the Client. The Client acknowledges Raftelis has the right to maintain its own set of work papers which may contain Confidential Information.

### **Article 9 – Independent Contractor Status**

It is understood and agreed that Raftelis will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, Raftelis' employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker's compensation, industrial accident, labor, or taxes of any kind. Raftelis' employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker's compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of Raftelis' employees. Raftelis shall be fully responsible for any such withholding or paying of taxes or social security.

### **Article 10 – Reliance on Data**

In performance of the services, it is understood that the Client and/or others may supply Raftelis with certain information and/or data, and that Raftelis will rely on such information. It is agreed that the accuracy of such information is not within Raftelis' control and Raftelis shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of Raftelis' Scope of services.

### **Article 11 – Standard of Performance**

Raftelis will perform the services under this Agreement in accordance with the standard of professionals in its industry prevailing at the time and place the services are performed. Raftelis' opinions, estimates, projections, and forecasts of current and future costs, revenues, other levels of any sort, and events and estimates of cost-justified system development fees shall be made on the basis of available information and Raftelis' expertise and qualifications as a professional. Raftelis will perform the Scope of services in

conformance with the professional standards in its field of expertise prevailing at the time and place the Scope of services are performed. Raftelis does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Clients' estimates or forecasts or from actual outcomes. Raftelis identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

### **Article 12 – No Consequential Damages**

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non- performance of this Agreement notwithstanding the fault, tort (including negligence), strict liability or other basis of legal liability of the party so released or whose liability is so limited and shall extend to the officers, directors, employees, licensors, agents, subcontractors, vendors and related entities of such party

### **Article 13 – Termination of Work**

This Agreement may be terminated as follows:

1. **By Client.** (a) for its convenience on 30 days' notice to Raftelis, or (b) for cause, if Raftelis materially breaches this Agreement through no fault of Client and Raftelis neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Raftelis.
2. **By Raftelis.** (a) for cause, if Client materially breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client, or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 30 days.
3. **Payment upon Termination.** In the event of termination, Raftelis shall be compensated for all work properly performed prior to the effective date of termination.

**Article 14 – Notices**

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

If for Raftelis:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Raftelis Financial Consultants, Inc.

383 North Carona

Suite 244

\_\_\_\_\_  
Title

Denver, CO 80218

\_\_\_\_\_  
Address

**Article 15 – Ownership of Work Product**

All documents, data, compilations reports and studies prepared by Raftelis in performing the Scope of services shall be the property of the Client; provided that any use other than as contemplated in this Agreement or any alteration or modification of the Work Product shall be at the sole risk of Client, and Client shall indemnify, defend and hold Raftelis harmless from any claim, demand, liability, cost or expenses incurred by Raftelis from such use or modification. Nothing contained herein shall be deemed an assignment, transfer, or divestiture its use by Raftelis of any of its trade secrets, know-how or intellectual property.

**Article 16 – Compliance with Applicable Laws**

Raftelis is an equal opportunity employer and complies with all federal, state, and local fair employment practices laws. Raftelis strictly prohibits and does not tolerate discrimination against employees, applicants, or any other covered persons because of race, color, religion, national origin or ancestry, gender identity, sexual orientation, marital status, sex, pregnancy, age, disability, past, current, or prospective service in the uniformed services, or any other characteristic protected under applicable federal, state, or local law. All Raftelis employees, other workers, and representatives are prohibited from engaging in unlawful discrimination. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, training, promotion, corrective action, compensation, benefits, and termination of employment.

Any act of discrimination committed by Raftelis in the course of its performance under this Agreement, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

## Article 17 – General Provisions

- A. Entire Agreement: This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. Waiver: The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. Relationship: Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Raftelis and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. Assignment and Delegation: Neither Party shall assign this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. Severability: If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.
- G. Paragraph Headings: The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.
- H. Third Party Rights: Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third-party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Title

\_\_\_\_\_

Date

Raftelis Financial Consultants, Inc.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Vice President

\_\_\_\_\_

Date

This is to certify that an appropriation in the amount of this contract is available therefore and that \_\_\_\_\_ has been authorized to execute the contract and approve all requisitions and change orders.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_

Title



# ATTACHMENT A

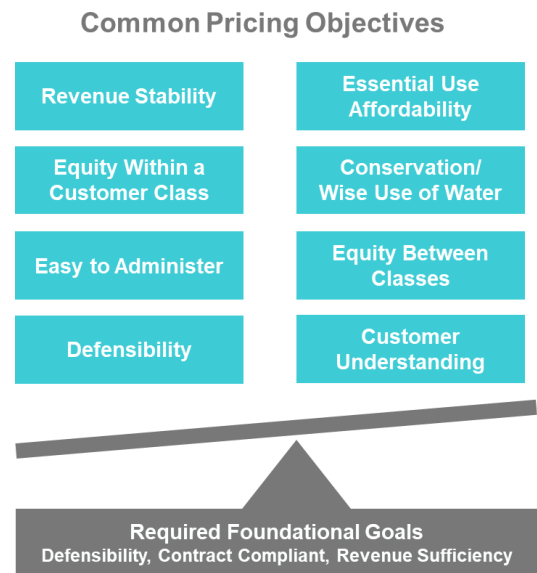
## STATEMENT OF WORK/ENGAGEMENT LETTER

<b>Wastewater</b>	<b>Rate</b>	<b>Study</b>
<b>Scope of Work</b>		

**Task 1.0 – Project Management and Project Initiation<sup>1</sup>**

We will facilitate an on-site kick-off meeting, potentially over the course of one and one-half days, with staff to review and validate data, and gather any outstanding items or questions. We will also use this meeting to discuss study objectives and other project management items. We anticipate covering the following:

- **Data Request:** Prior to the meeting we will submit a data request list for the information needed for this study. Gathering this information prior to the kick-off meeting will allow us to review and aggregate our list of questions and clarifications. We will also be able to show how this data will be used in the models.
- **Project Management:** Finalize scope, milestones, and deliverables, set up regular project conference calls, and determine primary points of contact. Finalize project goals and objectives to establish guiding principles for the study against which we will measure results.
- **Rate Structure Pricing Objectives:** Review pricing objectives identified in the RFP and rank them in order of importance. Determine how well the existing rate structure meets those objectives and identify potential rate structure changes that align with those objectives. Typical pricing objectives are listed to the right. Many of these are ‘standard’ or ‘must haves’ such as defensibility and revenue sufficiency however others can be ranked in order of importance. We will also develop measurable criteria to benchmark the objectives against the alternatives



**Task 0 Deliverables:**

- On-site Project Kickoff meeting
- Revised data request list (if needed)
- Memo summarizing project management items
- Listing of ranked pricing objectives by staff

**Task 2.0 – Financial Plan**

**Task 2.1 – Customer Demand and Revenue Projections**

<sup>1</sup> Hours and expenses for this task split equally between water and wastewater project fee.

Raftelis will develop customer characteristic profiles for the customer classes. The analysis will include:

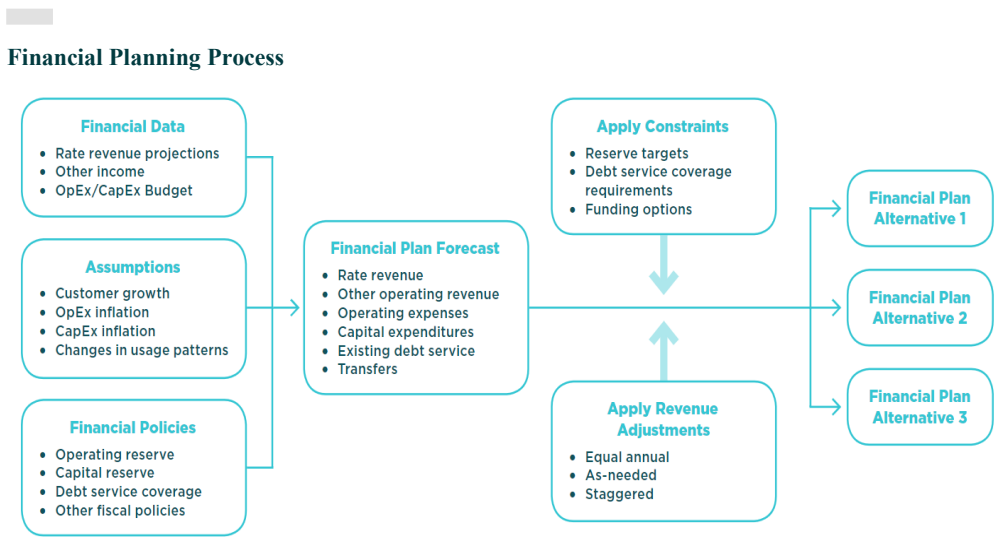
- Analysis of annual and monthly billed water consumption of each customer class for the past three fiscal years
- Development billed volume per account based on historical data and a projected use per account based on planning data from the City.

**Task 2.2 – Financial Planning Projections**

The financial planning task will include the development of forecasted revenues, O&M, debt service, and capital expenditures along with project bond or loan issues with any rate increases required to meet these requirements and financial metrics.

A primary consideration in developing an ‘optimal’ financial plan is minimizing annual revenue increases through balancing the use of reserves, existing rate revenue, revenue bonds, grants, etc. This balance is subject to the constraints of meeting the City’s target reserve policies, debt service coverage, and other financial policies requirements on any proposed debt.

This approach is an iterative process. For example, issuing debt to fund a capital project may keep revenue increases low however, new debt payments may decrease the coverage below the target level. As a result, a revenue increase may be needed to meet to maintain compliance with the target. The revenue generated from the increase now may meet debt service coverage and produce an ending balance more than the target reserve. This excess can be used to partially fund the capital project which, in turn, could reduce the proposed loan amount. The graphic below illustrates the requirements needed to build a sound financial plan.



The financial plan activities will include:

- A forecast revenue under existing rates using the demands projections in Task 2.1, and other operating and non-rate revenues for each utility.

- Review existing financial plans, budgets, actuals data, and capital improvement plan programs
- Review and discuss with City staff growth assumptions and type of growth anticipated
- Develop historical billing analysis to validate wastewater revenue projections
- Forecast operations and maintenance (O&M), repair and replacement (R&R) capital, expansion capital (based on master plan results or other engineering reports), and existing and proposed debt service
- Incorporate new positions, changes in operating efficiencies, inflation, etc.
- Identify the projects eligible for bond or state loans based on timing, duration, and the amount of the project. Raftelis can present financial plan alternatives considering specific projects financed through revenue bonds, state loans, etc.

### **Task 2 Deliverables:**

- Two (2) virtual meetings to present draft and draft-final results to all internal stakeholders and develop various scenarios to meet revenue requirements
- Technical memorandum summarizing the results of the wastewater financial planning analysis

### **Task 3.0 – Cost of Service Analysis**

Raftelis will start with industry-accepted cost-of-service principles and customize our analysis to account for the specific requirements of this study. The cost-of-service analysis will provide the City with a defensible justification explaining the reason why the costs are assigned in the manner they are. Raftelis will need this information to evaluate the level of the current and proposed rates.

The cost-of-service analysis is a multi-step process. It includes determining the revenue requirement, assigning the revenue requirement to various facilities (functional areas), and further allocating those costs based on their design criteria or function in the system. Those costs are then distributed to customer classes based on their wastewater flow and strength characteristics as well as accounts or equivalent meters. Raftelis will use the cost allocation process based on the industry standard methodologies published in the Water Environment Federation (WEF) *Manual of Practice No. 27, Financing and Charges for Wastewater Systems*.

### **Task 3.1 – Test Year Revenue Requirement**

Raftelis will develop a separate test-year revenue requirement as the basis for our cost of service analysis. The test year revenue requirement will be based on the City’s forecasted financial plans. The revenue requirement is the amount of revenue required from rates to meet annual expenditures such as operating, capital, debt service, and changes in reserves, and is net of other operating and non-operating revenue. Raftelis will develop a revenue requirement and a cost of service analysis for each utility.

### **Task 3.2 – Functionalize Revenue Requirements**

As a first step in the wastewater cost of service process, Raftelis will allocate the test-year revenue requirement to the appropriate functional cost categories. O&M expenses are often listed functionally in

the budget and capital expenditures are typically organized based on the type of facility. Debt service can be functionalized based on the project the proceeds are intended to fund. During the initial phases of the study, Raftelis will work with City staff to determine the appropriate functional categories and factors to use in the analysis.

### **Task 3.3 – Allocate Functionalized Costs to Cost Components**

After assigning the wastewater utility revenue requirement to functional categories, Raftelis will allocate the costs according to the type of service they are incurred to provide. Cost allocation involves assigning the functionalized costs from Task 3.2 to the design parameter used to size and construct that facility.

Raftelis will allocate the functionalized costs based on the type of service they provide. Some costs the utility incurs are a function of the water quantity discharged by a customer, while other costs are associated with addressing wastewater strengths. Customer service, billing, and metering costs are generally a function of the number of customers served and the size and type of meter or service. As with the functionalization process, Raftelis will work with City staff to determine the specific allocation factors that best represent wastewater utility system cost drivers.

### **Task 3.4 – Customer Class Wastewater Flow and Loading Characteristics and System Flow Characteristics**

Raftelis will develop customer characteristic profiles for the customer classes. Building on the analysis in Task 2.1, this analysis will include:

- Raftelis will determine billable flow volume, BOD, TSS, equivalent meter, and bills by customer class
- We will use the data from Task 2.1 to project the number of accounts, equivalent meters, and bills.

We will analyze treated influent data for the last three years to estimate projected flows and strength discharged to the treatment plant. These units serve as the denominator in developing the unit costs of service for each cost component (Flow, BOD, and TSS)

### **Task 3.5 – Distribute Costs to Customer Classes**

The distribution of allocated costs to customer classes is the final step in determining class cost of service. This essentially distributes the costs associated with flow, BOD, TSS, and customer costs based on each classes proportionate contribution based on their flow and strength requirements.

Raftelis will allocate costs in Task 3.3 and 3.4 to each customer class based on their proportionate share of service characteristics or units of service calculated in Task 3.3. For example, if the residential class' billable flow represents 50% of the total contributed flow, Raftelis would allocate 50% of the flow costs to the residential class. In a similar manner, if the commercial class represents 10% of total BOD, Raftelis would allocate 10% of the BOD costs to the commercial class. Using the BOD and TSS cost allocations developed

in Task 3.4, Raftelis will calculate the unit cost of BOD and TSS on a dollar per pound basis for extra strength customers.

**Task 3 Deliverables:**

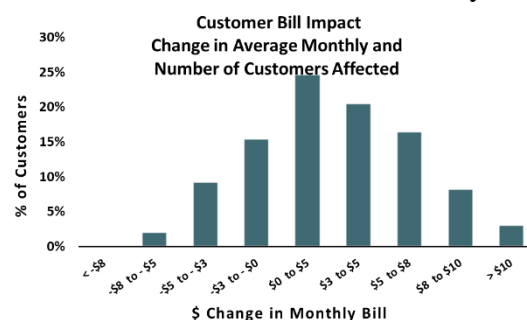
- Three (3) virtual meetings to present draft and draft-final results to all internal stakeholders
- Technical memorandum summarizing the results of the wastewater cost of service analysis

**Task 4.0 – Rate Design**

The rate design task will identify the volume- (variable) and customer-related (fixed) costs to be recovered through rates. Wastewater-related costs recover the costs to collect, treat, and discharge wastewater. Customer-related costs typically include meter reading and maintenance and administrative costs.

Raftelis will calculate the test-year rates under the current structure for each class. Raftelis will also develop test-year rates for any rate structure alternatives. Rate structure alternatives will be based on the results of the pricing objectives identified in Task 1. We will complete the following tasks:

- Calculate the cost of service rates under the current rate structure.
- Evaluate the current rate structures’ ability to meet the pricing objectives from Task 1. This will serve as the baseline for comparing other rate structure alternatives.
- Create alternative rate structures based on the pricing objectives identified in Task 1. This may include adjusting the tier thresholds, pricing ratios, or the addition of new tiers.
- Evaluate and rank these alternatives against the rate structure objectives.
- Develop monthly bill impacts and customer bill impacts. Customer bill impacts will evaluate each customer’s 12 months of bills under existing rates and the proposed rate structure. This will show the average monthly change for customers and will provide a realistic picture of how the entire class of customers will be affected.
- Develop a wastewater utility bill comparison under the City’s existing and proposed rate alternatives compared against up to 7 peer utilities



**task 4 Deliverables:**

- Two virtual meetings to present draft and draft-final results to all internal stakeholders.
- On-site meeting to review cost of service results
- Technical memorandum summarizing the results of the rate design alternatives

**Task 5.0 – City Council Meetings and Reports**

**Task 5.1 – Draft and Final Reports**

Raftelis will prepare a report documenting the Rate Study to serve as a part of the City’s administrative record. The purpose of this report is to document the methodology used to calculate the City’s wastewater rates. The report will include an executive summary highlighting decisions reached during the development of rates. The main body of the report will summarize the underlying model assumptions, the long-term financial plans, the cost of service analyses, proposed revisions to rate structures, proposed rate derivation, and customer impacts.

Raftelis will provide a draft report to City staff and the City’s attorney for review and comment. We will then incorporate any revisions into the final report.

**Task 5.2 – Council Presentations**

Raftelis will attend up to two City Council meetings to present initial and final results of the study.

**Task 5 Deliverables:**

- Two virtual meetings to review comments and edits to the draft reports.
- Draft and final reports
- Attendance at up to two (2) City Council meetings

## Proposed Fee

The table below lists the tasks and hours by Raftelis consultant to complete the efforts in this scope of work. This fee assumes this study will proceed concurrently with the water rate study to save on meeting costs and other overlapping, similar tasks. The fee will require adjustment should the studies be completed at separate times.

Tasks	Web Meetings	In-person Project Meetings	Hours				Total Expenses	Total Fees & Expenses
			TC	AR	NB	Total Labor		
1. Project Management and Project Initiation		1	12		12	24	\$865	\$7,465
2. Financial Plan	2		6	2	28	36	\$0	\$9,000
3. Cost of Service	2		6	2	28	36	\$0	\$9,000
4. Rate Design	2		6	2	24	32	\$0	\$8,080
5. Council Meetings and Reports	2	2	8		12	20	\$930	\$6,250
<b>Total Meetings / Hours</b>	<b>8</b>	<b>3</b>	<b>38</b>	<b>6</b>	<b>104</b>	<b>148</b>		
<b>Hourly Billing Rate</b>			<b>\$320</b>	<b>\$320</b>	<b>\$230</b>			
<b>Total Professional Fees</b>			<b>\$12,160</b>	<b>\$1,920</b>	<b>\$23,920</b>	<b>\$38,000</b>		
							<b>Total Fees</b>	<b>\$38,000</b>
							<b>Total Expenses</b>	<b>\$1,795</b>
							<b>Total Fees &amp; Expenses</b>	<b>\$39,795</b>

*TC - Todd Cristiano*  
*AR - Andrew Rheem*  
*NB - Nicki Bartak*  
 -  
 -  
 -

**Raftelis' 2024 Standard Hourly Billing Rates**

<u><b>Position</b></u>	<u><b>Hourly Billing Rate*</b></u>
Chair/Chair Emeritus	\$500
Chief Executive Officer/President	\$450
Executive Vice President	\$400
Vice President	\$360
Senior Manager	\$320
Recruiter	\$295
Principal/Senior Advisor	\$295
Manager	\$285
Senior Consultant	\$250
Executive Coach	\$250
Consultant	\$220
Creative Director	\$220
Associate Consultant	\$185
Graphic Designer	\$160
Analyst	\$135
Administration	\$100
Technology/Communications Charge**	\$10
PRMG – Executive Vice President	\$375
PRMG – Vice President	\$340
PRMG – Senior Manager	\$305
PRMG – Manager	\$270
PRMG – Senior Consultant	\$240
PRMG – Consultant	\$210
PRMG – Associate	\$175
PRMG – Administration	\$100
Technology/Communication Charge**	\$10

\* These rates will be in effect for calendar year 2024 and will then increase annually by 3% unless specified otherwise by contract.

\*\* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

\*\*\* For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by an amount up to 50%.



**File Attachments for Item:**

12. Resolution R24-18: A Resolution Of The City Council Authorizing The Additional Extension Of Approval Of Application For Special Review For J. Johnson Properties Pursuant To Resolution Nos. R22-07, R23-05, And R23-75.

**RESOLUTION NO. R24-18**

**A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE ADDITIONAL EXTENSION OF APPROVAL OF APPLICATION FOR SPECIAL REVIEW FOR J. JOHNSON PROPERTIES PURSUANT TO RESOLUTION NOS. R22-07, R23-05, AND R23-75.**

WHEREAS, the City of Laurel (hereinafter “the City”) previously approved the Application for Special Review (hereinafter “the Application”) for J. Johnson Properties (hereinafter “the Applicant”), pursuant to Resolution No. R22-07, on February 8, 2022;

WHEREAS, the City thereafter approved an extension of approval of the Application, pursuant to Resolution No. R23-05, on January 24, 2023;

WHEREAS, the City thereafter approved an extension of approval of the Application, pursuant to Resolution No. R23-75, on September 12, 2023;

WHEREAS, the approval of the Application was subject to conditions that have not yet been completed by the Applicant;

WHEREAS, the conditions included that “[c]onstruction of any improvements to the site and building must be completed within twelve (12) months of special review approval”;

WHEREAS, the conditions also specified that the Applicant could request an extension, if necessary;

WHEREAS, the Applicant needs additional time to complete the conditions, and the Applicant has requested an additional six (6) month extension from the City; and

WHEREAS, the City is agreeable to the Applicant’s request, by way of formally extending the provisions of Resolution Nos. R22-07 and R23-05 and R23-75 for an additional six (6) months from the date of this Resolution.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Laurel, Montana that the terms and conditions of Resolution Nos. R22-07 and R23-05 and R23-75 are hereby extended by six (6) months from the date of this Resolution to allow the Applicant time to meet the conditions for approval of the Application for Special Review.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March 2024 by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel, Montana on the 26<sup>th</sup> day of March 2024.

APPROVED by the Mayor on the 26<sup>th</sup> day of March 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Michele L. Braukmann, Civil City Attorney



## JOHNSON RESTAURANT GROUP, INC

229 East 2nd St. Suite 200 (82601) | PO Box 50630 | Casper, WY 82605

PHONE 307.265.3029 | FAX 307.473.2909

March 7, 2024

City Council  
115 W. 1<sup>st</sup> Street  
Laurel, MT 59044

Re: Resolution No. R22-07  
Request for Extension

Dear City Council.

We are requesting a 60 Day extension to Resolution No. R22-07 per Condition 3 to complete the remodel of 305 South 1<sup>st</sup> Avenue.

We are almost complete and anticipate opening in mid-April 2024.

We respectfully request this sixty day extension. Please contact us if you need more information or have further questions.

Sincerely,

John Johnson  
J Johnson Properties





# Alcoholic Beverage/Gambling Operator Short Form



## Checklists and Instructions

**Transfer of Location for On Premise (ONP) / Gambling Operator (GOA) / Wholesaler & Distributor (WSL) / Brewery (DBR) / Winery (DWR) / Distillery (DSM)** The documents listed below verify the licensee has possessory interest in the building where the business is operated. The need for these documents will depend on whether you own or lease the new location.

- \$200 Processing Fee** *The fee applies to alcoholic beverage licenses only. These transactions require Department of Revenue to publish a notice in the local newspaper.*
- Copies of mortgage loan documents (if a purchase) OR **new lease agreement.**
- Certified Survey Affidavit (On-Premises (ONP) licenses only).
- Floor plan (including business name, alcoholic beverage license number, physical address, outer dimensions, seating, service bar, alcoholic beverage storage, etc.). Please do not send the original blue prints, only a **copy of the floor plan (8 1/2 x 11, one page).**
- ~~Updated TTB Notice/Permit (WSL/DBR/DWR/DSM)~~ Not Applicable

**Note:** The Gambling Control or Alcoholic Beverage Control Division may require the applicant to send additional documents or information. This application and the documents and information provided will be reviewed under an amended license process and final approval will correspond with those procedures. If you have any questions, contact the Gambling Control Division at (406) 444-1971.

**Mail application, required documents listed above, and fees to:**

Gambling Control Division  
PO Box 201424  
Helena, MT 59620

**\*If Wholesaler & Distributor (WSL), Brewery (DBR), Distillery (DSM) mail application, required documents listed above, and fees to**

Montana Department of Revenue  
PO Box 1712  
Helena, MT 59624-1712

## REAL ESTATE LEASE

This Lease Agreement (this "Lease") effective as of April 1, 2022, between J Johnson Properties, LLC ("Landlord") and Tavern Partners, Inc. dba Lucky Louie's Tavern & Casino (Tenant") agree as follows:

**PREMISES.** Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant beginning April 1, 2022 all of the property (the "Premises") located at 305 S. 1<sup>st</sup> Ave., Laurel, Montana 59044.

**FURNISHINGS.** The lease of the Premises includes the furnishings listed on the attached exhibit. Tenant shall return all such items at the end of the lease term in a condition as good as the condition at the beginning of the lease term, except for such deterioration that might result from normal use of the furnishings.

**TERM.** The lease term will begin on April 1, 2022, and will terminate on March 31, 2023. The lease shall automatically renew annually for a period of one year unless cancelled by either party by giving notice (60) days prior to the expiration of the lease. The terms and conditions of the renewal shall be the same as the original lease and any written modifications.

**LEASE PAYMENTS.** Tenant shall pay to Landlord monthly payments of \$4,000.00 per month, payable in advance on the 1<sup>st</sup> day of each month. Lease payments shall be made to the Landlord at Landlord's designated address.

**NON-SUFFICIENT FUNDS.** Tenant shall be charged \$35.00 for each check that is returned to Landlord for lack of sufficient funds.

**POSSESSION.** Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing or automatically renewed.

**USE OF PREMISES.** Tenant may use the Premises only for the purposes of a Bar and Casino. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

- a. Landlord hereby consents to the Tenant obtaining a liquor license and serving alcoholic beverages in the leased Premises.
- b. Landlord hereby consents to the Tenant obtaining a gambling license and operating a gambling casino in the leased Premises.

**REMODELING OR STRUCTURAL IMPROVEMENTS.** Tenant shall have the permission of Landlord to do the construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such

fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction or remodeling shall be undertaken and such fixtures may be erected only with the prior consent of the Landlord, which shall not be unreasonably withheld. At the end of the lease term, Tenant shall be entitled to remove (or at the request of the Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

**MAINTENANCE.** Tenant shall have the responsibility to maintain the Premises in good repair at all times.

**ACCESS BY LANDLORD TO PREMISES.** Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary service, or show the unit to prospective buyers, mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

**UTILITIES AND SERVICES.** Tenant shall be responsible for all utilities and services in connection with the Premises.

**PROPERTY INSURANCE.** Tenant shall maintain casualty insurance on the Premises in an amount equal to 100% of the full replacement value. Landlord shall be named as insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force. Landlord shall have the right to require that the Landlord receive notice of any termination of such insurance Policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises.

**LIABILITY INSURANCE.** Tenant shall maintain liability insurance in a total aggregate sum of at least \$500,000.00. Tenant shall deliver appropriate evidence to landlord as proof that adequate insurance is in force. Landlord shall have the right to require that the Landlord receive notice of any termination of such insurance policies.

**INDEMNITY REGARDING USE OF PREMISES.** Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's use or misuse of the Premises.

**DANGEROUS MATERIALS.** Tenant shall not keep or have on the Premises any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

**TAXES.** Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes. Tenant shall pay all property taxes and assessments for the Premises.

Personal Property Taxes. Tenant shall pay all personal property taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises.

**MECHANICS LIENS.** Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the Premises free of all liens resulting from construction done by or for the Tenant.

**NOTICE.** Notices under this lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD: J Johnson Properties, LLC  
PO Box 50630  
Casper, Wyoming 82605

TENANT: Tavern Partners, Inc.  
dba Lucky Louie's Tavern & Casino  
P.O. Box 50630  
Casper, Wyoming 82605

Such addresses may be changed from time to time by either party by providing notice in writing.

**ENTIRE AGREEMENT / AMENDMENT.** This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

**SEVERABILITY.** If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would be valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**WAIVER.** The failure of either party to enforce any provisions of the Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

**CUMULATIVE RIGHTS.** The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.



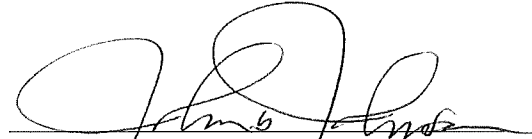
**GOVERNING LAW.** This Lease shall be construed in accordance with the laws of the State of Wyoming.

**ADDITIONAL PROVISIONS.** Any and all interior repairs will be the sole responsibility of the Tenant.

LANDLORD:

  
J Johnson Properties, LLC

TENANT:

  
Tavern Partners, Inc  
dba Lucky Louie's Tavern & Casino



### Certified Survey Affidavit

Street Address of Proposed Premises 305 S. 1st Street  
City Laurel County Yellowstone

In the case of a location outside the corporate boundary, include the following:

I, \_\_\_\_\_, am a  County Surveyor  City Surveyor  Private Licensed Land Surveyor and have the knowledge and the authority to attest that the distance was measured by radial survey method from the nearest corporate city boundary to the nearest entrance of the proposed premises known as \_\_\_\_\_ (Business Name). Plat(s)/map(s) verifying the location that indicate the points between which the measurement was made and the distance can be provided upon request.

In the case of a location inside the corporate boundary, include the following:

I, Douglas W. Pezoldt, am a  County Surveyor  City Surveyor  Private Licensed Land Surveyor and have the knowledge and the authority to attest to the location of the premises known as J Johnson Properties, LLC (Business Name) was determined by examination of corporate plats or other official records.

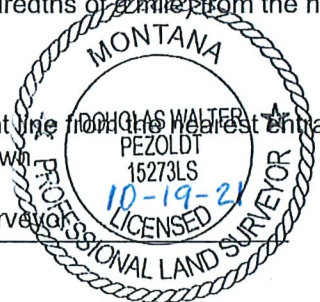
Location of Premises (check one)

- Within the incorporated boundaries of Laurel, Montana (Name of City)
- Less than five miles from the nearest corporate boundary of \_\_\_\_\_ (Name of City)
- More than five miles from any incorporated city within \_\_\_\_\_ (Name of County)

If the premises is outside an incorporated city, please provide the exact distance (in hundredths of a mile) from the nearest corporate boundary to the nearest entrance of the premises.   .

By signing this form, I recognize state law requires the distance be measured in a straight line from the nearest entrance of the premises proposed for licensing to the nearest corporate boundary of the city or town.

Douglas W. Pezoldt Signature Professional Land Surveyor Title



Surveyor License or Registration Number 15273LS

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

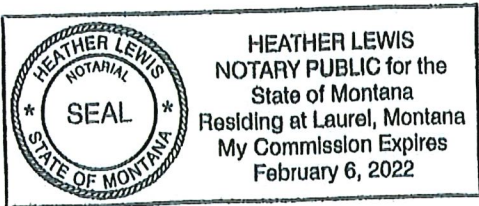
On this 19 day of October 2021.

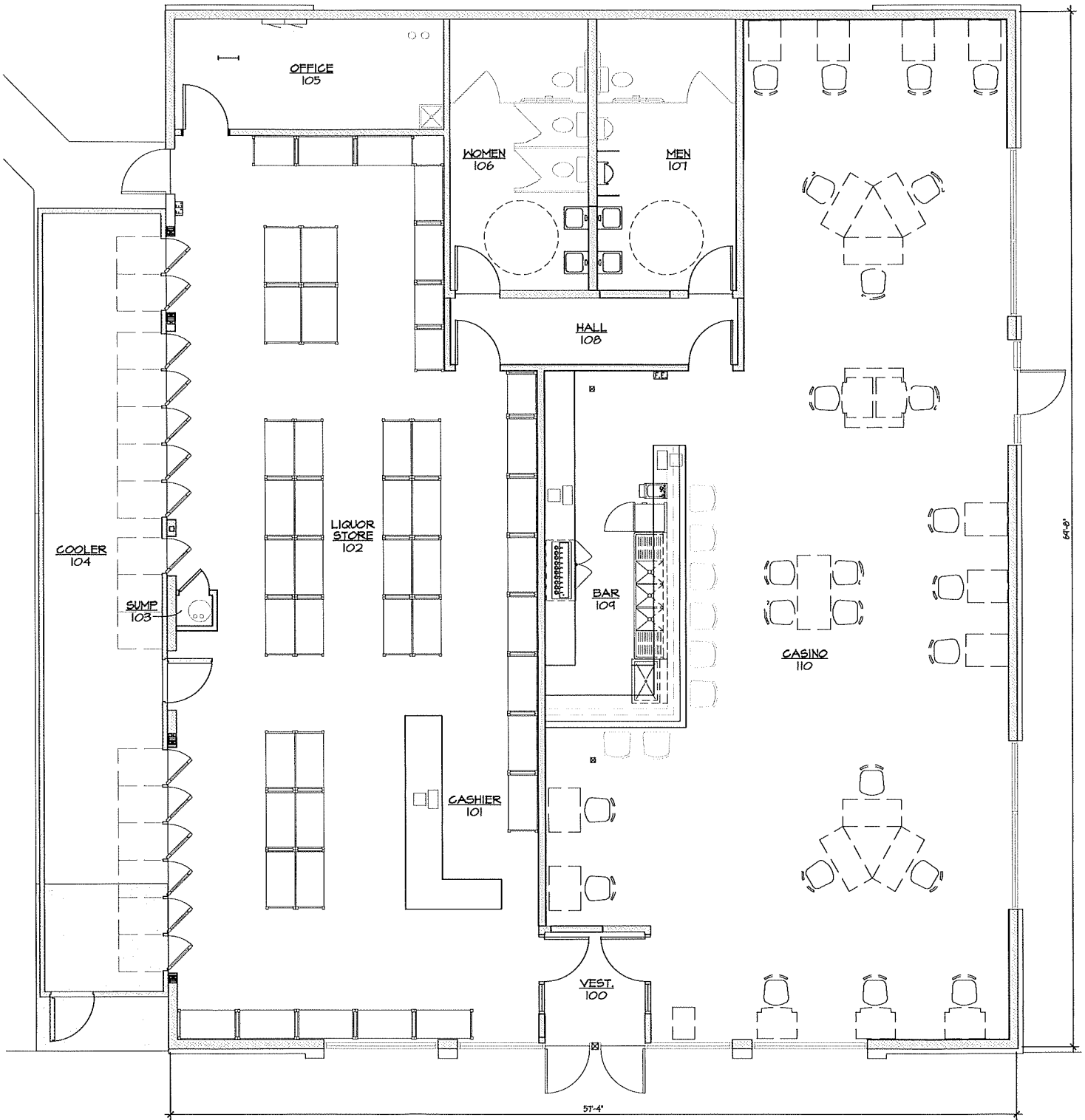
Personally appeared Douglas W. Pezoldt before me a Notary Public for the State of Montana

Heather Lewis Notary Signature  
Heather Lewis Print Name of Notary

My Commission Expires Feb 6, 2022 Month, Day and Fourth digit of Year

### Notary Seal





1 REMODEL FLOOR PLAN  
 ASJ Scales: No Scale

**File Attachments for Item:**

13. Resolution R24-19: A Resolution Of The City Council Approving A Memorandum Of Understanding By And Between The City Of Laurel And Yellowstone County For The Golf Course Road Paving Project.

**RESOLUTION NO. R24-19**

**A RESOLUTION OF THE CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF LAUREL AND YELLOWSTONE COUNTY FOR THE GOLF COURSE ROAD PAVING PROJECT.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana,

Section 1: Approval. The Memorandum of Understanding by and between the City of Laurel and Yellowstone County for the Golf Course Road Paving Project (hereinafter “the MOU for the Golf Course Road Paving Project”), a copy attached hereto and incorporated herein, is hereby approved.

Section 2: Execution. The Mayor is hereby given authority to execute the MOU for the Golf Course Road Paving Project on behalf of the City.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March, 2024, by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March, 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March, 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Michele L. Braukmann, Civil City Attorney

2024

**Golf Course Road Paving PROJECT**

**MEMORANDUM OF UNDERSTANDING (MOU)**

**Between Yellowstone County and the City of Laurel**

**SECTION I: PARTIES**

This Memorandum of Understanding (MOU), has been made and entered into by Yellowstone County, (County), and the City of Laurel, (City).

**SECTION II: PURPOSE**

The county is asphalt overlaying a portion of Golf Course Road, a portion of Golf Course Road is in the city limits. The city would like to have their portion of Golf Course Road overlayed as well. The county will send out an invitation for bid for the paving project. The project will include the county's portion and the city's portion of Golf Course Road. The city has agreed to pay the county for the portion of Golf Course Road that is in the city.

A general map of the project is shown as Exhibit A. The City and the County agree via this MOU to pay their proportionate share of this Project.

**SECTION III: RESPONSIBILITIES**

County Responsibilities:

The County shall solicit invitations for bid, award the project to the lowest responsible bidder, enter into a contract with the contractor for the project. Once the project is completed the county will pay the contractor for the entire project.

Developer Responsibilities:

Upon successful completion of the Project, the city shall reimburse the County for the cost of their portion of the project.

**SECTION IV: INDEMNIFICATION**

The County agrees to hold harmless and indemnify the City from and against all claims, losses damages, or liability, resulting from the negligence of the County or its employees and agents in the performance of this MOU.

The City agrees to hold harmless and indemnify the County from and against all claims, losses damages, or liability, resulting from the negligence of the Developer or its employees and agents in the performance of this MOU.

**SECTION V: MISCELLANEOUS**

Any claims or disputes arising out of this MOU, its performance that is not disposed of by agreement of the parties, shall be submitted to mediation for resolution of the disagreement. If mediation fails the dispute shall be submitted to arbitration before a single arbitrator according to the rules and practices of the American Arbitration Association and the findings of the arbitrator shall be binding on all parties to this MOU. Any costs associated with medication and arbitration shall be born equally by both parties.

**SECTION VI: TERMINATION AND DURATION**

Both parties are bound by the terms of this MOU until the Project is completed and the Project has been closed out. The Project will end when the Project has been closed out.

\_\_\_\_\_  
John Ostlund  
Chairman  
Yellowstone Board of County Commissioner

\_\_\_\_\_  
Authorized representative  
City of Laurel

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**File Attachments for Item:**

14. Resolution R24-20: A Resolution Of The City Council Approving Accrued Vacation Pay-Out For City Clerk-Treasurer.



**RESOLUTION NO. R24-20**

**A RESOLUTION OF THE CITY COUNCIL APPROVING ACCRUED VACATION  
PAY-OUT FOR CITY CLERK-TREASURER.**

WHEREAS, the City of Laurel (hereinafter “the City”) has utilized the services of employee Kelly Strecker, the City’s Clerk-Treasurer, this previous year;

WHEREAS, the Clerk-Treasurer has not been able to, because of the demands of the Clerk-Treasurer position, utilize her accrued vacation time;

WHEREAS, the Clerk-Treasurer will lose her accrued vacation time, if not paid out by the City of Laurel;

WHEREAS, because of the demands upon her position the previous year, and the needs of the Clerk-Treasurer Department, the City believes it is justified to pay out the accrued vacation time for the Clerk-Treasurer; and

WHEREAS, the total amount of accrued vacation time to be paid out to the Clerk-Treasurer is one-hundred (100) hours of accrued vacation time.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana, that the Mayor is authorized to pay-out accrued vacation time for the City Clerk-Treasurer of one-hundred (100) hours.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March 2024 by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

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Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

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Michele L. Braukmann, Civil City Attorney

**File Attachments for Item:**

15. Resolution No. R24-21: A Resolution Of The City Council Approving A Commitment Of Funding For The Completion Of The West Railroad Street Project.

**RESOLUTION NO. R24-21**

**A RESOLUTION OF THE CITY COUNCIL APPROVING A COMMITMENT OF FUNDING FOR THE COMPLETION OF THE WEST RAILROAD STREET PROJECT.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana,

Section 1: Approval. The Montana Department of Transportation Memorandum regarding estimated costs of completion for the West Railroad Street Project (hereinafter “the MDT Memorandum”), a copy attached hereto and incorporated herein, is hereby approved.

Section 2: Execution. The Mayor is hereby given authority to execute the MDT Memorandum on behalf of the City.

Section 3: City Obligations. The City hereby agrees that it will commit to a funding addition up to and including the amount of \$2,737,319.00 for the completion of this project. The City further understands and agrees that payment is not required until an estimated sixty days before bid letting.

Introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of March, 2024, by Council Member \_\_\_\_\_.

PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March, 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March, 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

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Michele L. Braukmann, Civil City Attorney



**Memorandum**

To: Laurel City Council Members

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

Date: February 29, 2024

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

**Summary**

The estimated cost for the completion of this project including design, utility involvement, R/W involvement, construction, and construction administration is \$10,437,319. The project is currently funded to an estimated amount of \$7,700,000. A \$2,737,319 funding addition is necessary for the completion of this project. An agreement to show commitment to this amount is required, but payment is not required until an estimated sixty days before bid letting.

**Preliminary Cost Estimate**

Please see January 16, 2024 memo and January 25, 2024 update for original project cost table totaling \$10,437,319.

Sanderson Stewart prepared an estimate of project cost by dividing the project area into two regions: S. 8th Ave to S. 5th Ave. (west segment) and S. 5th Ave to S. 1st Ave. (east segment). To provide a cost of project splits for comparison, I am going to proportion cost of IC, and R/W based on the CN cost. These proportions are academic only, splits of MDT's urban funding are not actually anticipated and have not been explored.

**Total Project Construction Cost:**

West Railroad Street - S. 8th Ave. to S. 1st Ave. (0.5 miles) = \$5,846,000 (from January 16 memo)

**Split Construction Costs (from Sanderson Stewart spreadsheet):**

West Railroad Street - S. 8th Ave. to S. 5th Ave. (0.2 miles) = \$2,396,000

West Railroad Street - S. 5th Ave. to S. 1st Ave. (0.3 miles) = \$3,450,000

Calculating proportion, \$2,396,000 (west segment) divided by \$5,846,000 (total) equals 41% (rounded).

**Preliminary Cost Estimate (with estimated division)**

	Costs		
	Complete	8th to 5 <sup>th</sup> (west)	5th to 1st (east)
Project Engineering & Design (PE) **	\$1,400,000	\$574,000	\$826,000
Construction Cost (CN)	\$5,846,000	\$2,396,000	\$3,450,000
Administration during construction (CE)	\$672,000	\$275,000	\$397,000
Utility Relocation Costs (IC)	\$375,000	\$154,000	\$221,000
Right of Way (Temp, Easement, etc.) ***	\$50,000	\$21,000	\$29,000
<b>Total of costs above:</b>	<b>\$8,343,000</b>	<b>\$3,420,000</b>	<b>\$4,923,000</b>
Inflation (~10.2%)	\$848,017	\$347,687	\$500,330
MDT IDC (13.56%)	\$1,246,302	\$510,898	\$735,404
<b>Total Costs</b>	<b>\$10,437,319</b>	<b>\$4,278,585</b>	<b>\$6,158,734</b>

\*\* 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.

## Laurel City Council Funding Discussion

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

Page 2 of 2

The estimated 2026 STPU funds used for calculation will be \$5,200,000 (per January 16 memo). PE costs are being spent and reducing STPU so balance at time of letting will be reduced by the cost of PE; the available funds will cover CN, CE, IC, R/W, etc. because PE will not remain.

To spend money on paper and estimate the deficit, assume the project from S. 8th Ave. to S. 5th Ave. is funded using the currently committed Laurel funds of \$2,500,000 and STPU funds. Continuing the exercise, (west segment cost) subtract (current Laurel funds) equals (the amount of STPU fund to be used). The remaining STPU funds will be used for the east segment. Putting numbers to this, \$4,278,585 subtract \$2,500,000 = \$1,778,585 of STPU funds for the west segment. (Remaining STPU funds) equals (2026 STPU) subtract (used funds) = \$5,200,000 subtract \$1,778,585 = \$3,421,415

An amount of funding shortfall for the S. 5th Ave. to S. 1st Ave cost can be calculated as (east segment cost) subtract (Remaining STPU funds). Putting values to this, \$6,158,734 subtract \$3,421,415 = \$2,737,319 shortfall of completing the project.

STPU funds (up to five years of current allocation) can be borrowed against at time of letting, but not included to justify less than sufficient funding at time of planning/designing a project. Rounding up of the funding is suggested so borrowing against the STPU funds can be used for a stop-gap without exploring a funding amendment if contractor bids exceed this currently estimated value. Per the current funding and maintenance agreement local dollars are not expected until billed by MDT approximately sixty days before bid letting.

DRAFT

**RESOLUTION NO. R24-21**

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PASSED and APPROVED by the City Council of the City of Laurel the 26<sup>th</sup> day of March, 2024.

APPROVED by the Mayor the 26<sup>th</sup> day of March, 2024.

CITY OF LAUREL

\_\_\_\_\_  
Dave Waggoner, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Strecker, Clerk-Treasurer



APPROVED AS TO FORM:

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Michele L. Braukmann, Civil City Attorney