



**AGENDA
CITY OF LAUREL
BUDGET/FINANCE COMMITTEE
TUESDAY, OCTOBER 13, 2020
5:30 PM
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.*

General Items

1. Review and approve the September 22, 2020 Budget and Finance Committee minutes.
2. Approve and recommend approval to Council, Claims entered through 10/09/2020.
3. Review and approve the Payroll Register for Pay Period Ending September 13, 2020 Totaling \$913.64.
4. Review and approve the Payroll Register for Pay Period Ending 09/13/2020 totaling \$184,819.75.

New Business

Old Business

5. Conflict of Interest Discussion.

Other Items

6. Mayor Update.

Announcements

7. The next Budget and Finance Committee meeting will be held on October 27, 2020 at 5:30pm.
8. Emelie Eaton will be reviewing the claims for the next meeting.

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:

Review and approve the September 22, 2020 Budget and Finance Committee minutes.

**Minutes of City of Laurel
Budget/Finance Committee
Tuesday, September 22, 2020**

Members Present: **Emelie Eaton**

Richard Klose

Others Present: **Mayor Nelson**

Bethany Langve

The Meeting was called to order by Chair Eaton at 5:30 pm.

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.*

General Items

- Review and approve the minutes of the August 11, 2020 meeting. Richard Klose made a motion to approve the minutes of the August 11, 2020 Budget and Finance Committee meeting. Emelie Eaton seconded the motion to approve the August 11, 2020 Budget and Finance Committee meeting minutes, all in favor, motion passed.
- Review and approve the minutes of the August 25, 2020 meeting. Richard Klose made a motion to approve the minutes of the August 25, 2020 Budget and Finance Committee meeting. Emelie Eaton seconded the motion to approve the August 25, 2020 Budget and Finance Committee meeting minutes, all in favor, motion passed.
- Review and approve the minutes of the September 8, 2020 meeting. Richard Klose made a motion to approve the minutes of the September 8, 2020 Budget and Finance Committee meeting. Emelie Eaton seconded the motion to approve the September 8, 2020 Budget and Finance Committee meeting minutes, all in favor, motion passed.
- Review and approve the August 2020 Utility Billing Adjustments. The Committee reviewed the August 2020 Utility Billing Adjustments. There were no comments or questions regarding the August 2020 Utility Billing Adjustments. Mayor Nelson made a motion to approve the August 2020 Utility Billing Adjustments. Emelie Eaton seconded the motion to approve the August 2020 Utility Billing Adjustments, all in favor, motion passed.
- Review and recommend approval to Council Claims entered through 09/18/2020. The Claims Detail reports and the Check Registers were reviewed for accuracy prior to the meeting, by the Committee. There were no questions or comments regarding the claims or check registers. Richard Klose made a motion to recommend approval to Council the claims entered through 09/18/2020. Mayor Nelson seconded the motion to recommend approval to Council the claims entered through 09/18/2020, all in favor, motion passed.
- Review and approve Payroll Register for pay period ending 09/06/2020 totaling \$235,936.18. Emelie Eaton made a motion to approve the payroll register for pay period ending 09/06/2020 totaling \$235,936.18. Richard Klose seconded the motion, all in favor, motion passed.
- Review and approve Payroll Register for pay period ending 09/06/2020 totaling \$3,392.86. Richard Klose made a motion to approve the payroll register for pay period ending 09/06/2020 totaling \$3,392.86. Emelie Eaton seconded the motion, all in favor, motion passed.

New Business

- The Committee wanted to discuss Conflict of Interest as it pertains to not only the Budget and Finance Committee but City Council as a whole. What warrants a possible conflict of interest and how should it be handled were the two biggest questions the Committee had. The Mayor stated he would ask his City Attorney to weigh in on the subject and he would get information to the Committee. The Committee stated they would like to have this topic discussed at the October 6th Council Workshop meeting as it is a very important one. The Mayor stated he would make sure information was ready to be distributed prior to that meeting.
- The Committee wanted to know, after last meetings CIP discussion, how and when the Fire CIP came to be. The Clerk/Treasurer stated she did some research and she found it began during the 2007-2008 Budget. She stated she could not find anything regarding CIP funds in any of the current Fire District Contacts. She stated she didn't see anything about the new transfer of funds in the 2007-2008 Budget Memo so she was unsure of how it actually got started. She stated that transfers this large, and brand new, should be talked about in the Budget Memo. The Clerk/Treasurer stated the transfers are legal because they are approved in the budget resolution. She stated the transfers have continued annually thereafter. She stated she will keep researching to see if she can find anything else on the topic.

Old Business

- The Committee asked where the City was at with the enterprise equipment lease. The Clerk/Treasurer stated a discussion with the Public Works Director needed to take place regarding increasing the solid waste fees. As it is his department, he needs to be a part of the discussion. Once the revenue for solid waste is fixed, then this lease program can be entered.
- The Committee asked about a resolution regarding the meal pay/drill pay for the Fire Department. The Mayor stated this would be up to Council and a discussion regarding this would need to happen with full Council prior to a resolution being drafted. The Committee feels a resolution would be good for future Council Members and City Staff.
- The Committee reviewed additional information provided by Fire Chief Peters for the Fire Department's F-550 Brush Truck purchase requisition. The Committee stated they wanted to see a quote for a fully built vehicle. They stated they also wanted to see information regarding possible grant opportunities for Fire Department vehicles. The Committee stated if the Fire Department could get grant funds to pay for most or all the vehicle it would be less expensive than what they were presenting now. This would leave CIP funds open for other needed equipment. The Committee asked if the Chief would need to get multiple quotes for each piece of equipment should the truck be built by the department. The Mayor stated the Chief would be expected to follow the purchasing policy for each piece of equipment he would purchase.
- The Committee requested the same for the Command Vehicle as they did for the Brush Truck. They requested a quote for a fully built Command Vehicle and information regarding grant opportunities.

Other Items -

- Review the Comp/OT report for pay period ending 09/06/2020. The Committee reviewed the reports and had no questions or comments.
- Clerk/Treasurer Update – The Clerk/Treasurer stated the City can shutoff water again for non-payment. She stated all of City Hall staff, with the exception of Courts is working from home and it is going very well. She stated she is going to submit a CARES ACT reimbursement Friday the 25th and it should be funded within 30 days.

- Update from the Mayor – The Mayor stated the septic hauls for summer are above average and it is doing very well. July was \$10,621.48 and August was \$6,183.88.

Announcements –

- The next Budget and Finance Meeting will be held on Tuesday October 13, 2020 at 5:30pm
- Scot Stokes will be reviewing claims for the next meeting
- The meeting was adjourned at 6:25pm

Respectfully submitted,

Bethany Langve
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:

5. Conflict of Interest Discussion.

MONTANA CODE OF ETHICS

CONSTITUTION OF MONTANA -- ARTICLE XIII -- GENERAL PROVISIONS

Section 4. Code of ethics. The legislature shall provide a code of ethics prohibiting conflict between public duty and private interest for members of the legislature and all state and local officers and employees.

Montana Code Annotated (2019)

TITLE 2. GOVERNMENT STRUCTURE AND ADMINISTRATION CHAPTER 2. STANDARDS OF CONDUCT

Part 1. Code of Ethics

2-2-101. Statement of purpose. The purpose of this part is to set forth a code of ethics prohibiting conflict between public duty and private interest as required by the constitution of Montana. This code recognizes distinctions between legislators, other officers and employees of state government, and officers and employees of local government and prescribes some standards of conduct common to all categories and some standards of conduct adapted to each category. The provisions of this part recognize that some actions are conflicts per se between public duty and private interest while other actions may or may not pose such conflicts depending upon the surrounding circumstances.

2-2-102. Definitions. As used in this part, the following definitions apply:

- (1) "Business" includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.
- (2) "Compensation" means any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.
- (3) (a) "Gift of substantial value" means a gift with a value of \$50 or more for an individual.
(b) The term does not include:
 - (i) a gift that is not used and that, within 30 days after receipt, is returned to the donor or delivered to a charitable organization or the state and that is not claimed as a charitable contribution for federal income tax purposes;
 - (ii) food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity;
 - (iii) educational material directly related to official governmental duties;
 - (iv) an award publicly presented in recognition of public service; or
 - (v) educational activity that:
 - (A) does not place or appear to place the recipient under obligation;
 - (B) clearly serves the public good; and
 - (C) is not lavish or extravagant.
- (4) "Local government" means a county, a consolidated government, an incorporated city or town, a school district, or a special district.
- (5) "Official act" or "official action" means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority.
- (6) "Private interest" means an interest held by an individual that is:
 - (a) an ownership interest in a business;
 - (b) a creditor interest in an insolvent business;
 - (c) an employment or prospective employment for which negotiations have begun;
 - (d) an ownership interest in real property;
 - (e) a loan or other debtor interest; or

- (f) a directorship or officership in a business.
- (7) "Public employee" means:
 - (a) any temporary or permanent employee of the state;
 - (b) any temporary or permanent employee of a local government;
 - (c) a member of a quasi-judicial board or commission or of a board, commission, or committee with rulemaking authority; and
 - (d) a person under contract to the state.
- (8) (a) "Public officer" includes any state officer and any elected officer of a local government.
 - (b) For the purposes of 67-11-104, the term also includes a commissioner of an airport authority.
- (9) (a) "Public officer" includes any state officer and any elected officer of a local government.
 - (b) For the purposes of 67-11-104, the term also includes a commissioner of an airport authority.
- (10) "Special district" means a unit of local government, authorized by law to perform a single function or a limited number of functions. The term includes but is not limited to conservation districts, water districts, weed management districts, irrigation districts, fire districts, community college districts, hospital districts, sewer districts, and transportation districts. The term also includes any district or other entity formed by interlocal agreement.
- (11) (a) "State agency" includes:
 - (i) the state;
 - (ii) the legislature and its committees;
 - (iii) all executive departments, boards, commissions, committees, bureaus, and offices;
 - (iv) the university system; and
 - (v) all independent commissions and other establishments of the state government.
 - (b) The term does not include the judicial branch.
- (12) "State officer" includes all elected officers and directors of the executive branch of state government as defined in 2-15-102.

2-2-103. Public trust -- public duty. (1) The holding of public office or employment is a public trust, created by the confidence that the electorate reposes in the integrity of public officers, legislators, and public employees. A public officer, legislator, or public employee shall carry out the individual's duties for the benefit of the people of the state.

(2) A public officer, legislator, or public employee whose conduct departs from the person's public duty is liable to the people of the state and is subject to the penalties provided in this part for abuse of the public's trust.

(3) This part sets forth various rules of conduct, the transgression of any of which is a violation of public duty, and various ethical principles, the transgression of any of which must be avoided.

(4) (a) The enforcement of this part for:

(i) state officers, legislators, and state employees is provided for in 2-2-136;

(ii) legislators, involving legislative acts, is provided for in 2-2-135 and for all other acts is provided for in 2-2-136;

(iii) local government officers and employees is provided for in 2-2-144.

(b) Any money collected in the civil actions that is not reimbursement for the cost of the action must be deposited in the general fund of the unit of government.

2-2-104. Rules of conduct for public officers, legislators, and public employees. (1) Proof of commission of any act enumerated in this section is proof that the actor has breached the actor's public duty. A public officer, legislator, or public employee may not:

(a) disclose or use confidential information acquired in the course of official duties in order to further substantially the individual's personal economic interests; or

- (b) accept a gift of substantial value or a substantial economic benefit tantamount to a gift:
 - (i) that would tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties; or
 - (ii) that the person knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the person for official action taken.
- (2) An economic benefit tantamount to a gift includes without limitation a loan at a rate of interest substantially lower than the commercial rate then currently prevalent for similar loans and compensation received for private services rendered at a rate substantially exceeding the fair market value of the services. Campaign contributions reported as required by statute are not gifts or economic benefits tantamount to gifts.
- (3) (a) Except as provided in subsection (3)(b), a public officer, legislator, or public employee may not receive salaries from two separate public employment positions that overlap for the hours being compensated, unless:
 - (i) the public officer, legislator, or public employee reimburses the public entity from which the employee is absent for the salary paid for performing the function from which the officer, legislator, or employee is absent; or
 - (ii) the public officer's, legislator's, or public employee's salary from one employer is reduced by the amount of salary received from the other public employer in order to avoid duplicate compensation for the overlapping hours.
- (b) Subsection (3)(a) does not prohibit:
 - (i) a public officer, legislator, or public employee from receiving income from the use of accrued leave or compensatory time during the period of overlapping employment; or
 - (ii) a public school teacher from receiving payment from a college or university for the supervision of student teachers who are enrolled in a teacher education program at the college or university if the supervision is performed concurrently with the school teacher's duties for a public school district.
- (c) In order to determine compliance with this subsection (3), a public officer, legislator, or public employee subject to this subsection (3) shall disclose the amounts received from the two separate public employment positions to the commissioner of political practices.

2-2-105. Ethical requirements for public officers and public employees. (1) The requirements in this section are intended as rules of conduct, and violations constitute a breach of the public trust and public duty of office or employment in state or local government.

- (2) Except as provided in subsection (4), a public officer or public employee may not acquire an interest in any business or undertaking that the officer or employee has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the officer's or employee's agency.
- (3) A public officer or public employee may not, within 12 months following the voluntary termination of office or employment, obtain employment in which the officer or employee will take direct advantage, unavailable to others, of matters with which the officer or employee was directly involved during a term of office or during employment. These matters are rules, other than rules of general application, that the officer or employee actively helped to formulate and applications, claims, or contested cases in the consideration of which the officer or employee was an active participant.
- (4) When a public employee who is a member of a quasi-judicial board or commission or of a board, commission, or committee with rulemaking authority is required to take official action on a matter as to which the public employee has a conflict created by a personal or private interest that would directly give rise to an appearance of impropriety as to the public employee's influence, benefit, or detriment in regard to the matter, the public employee shall disclose the interest creating the conflict prior to participating in the official action.
- (5) A public officer or public employee may not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when the officer or employee has a substantial personal interest in a competing firm or undertaking.

2-2-121. Rules of conduct for public officers and public employees. (1) Proof of commission of any act enumerated in subsection (2) is proof that the actor has breached a public duty.

(2) A public officer or a public employee may not:

(a) subject to subsection (7), use public time, facilities, equipment, supplies, personnel, or funds for the officer's or employee's private business purposes;

(b) engage in a substantial financial transaction for the officer's or employee's private business purposes with a person whom the officer or employee inspects or supervises in the course of official duties;

(c) assist any person for a fee or other compensation in obtaining a contract, claim, license, or other economic benefit from the officer's or employee's agency;

(d) assist any person for a contingent fee in obtaining a contract, claim, license, or other economic benefit from any agency;

(e) perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which the officer or employee either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent; or

(f) solicit or accept employment, or engage in negotiations or meetings to consider employment, with a person whom the officer or employee regulates in the course of official duties without first giving written notification to the officer's or employee's supervisor and department director.

(3) (a) Except as provided in subsection (3)(b), a public officer or public employee may not use or permit the use of public time, facilities, equipment, supplies, personnel, or funds to solicit support for or opposition to any political committee, the nomination or election of any person to public office, or the passage of a ballot issue unless the use is:

(i) authorized by law; or

(ii) properly incidental to another activity required or authorized by law, such as the function of an elected public officer, the officer's staff, or the legislative staff in the normal course of duties.

(b) As used in this subsection (3), "properly incidental to another activity required or authorized by law" does not include any activities related to solicitation of support for or opposition to the nomination or election of a person to public office or political committees organized to support or oppose a candidate or candidates for public office. With respect to ballot issues, properly incidental activities are restricted to:

(i) the activities of a public officer, the public officer's staff, or legislative staff related to determining the impact of passage or failure of a ballot issue on state or local government operations;

(ii) in the case of a school district, as defined in Title 20, chapter 6, compliance with the requirements of law governing public meetings of the local board of trustees, including the resulting dissemination of information by a board of trustees or a school superintendent or a designated employee in a district with no superintendent in support of or opposition to a bond issue or levy submitted to the electors. Public funds may not be expended for any form of commercial advertising in support of or opposition to a bond issue or levy submitted to the electors.

(c) This subsection (3) is not intended to restrict the right of a public officer or public employee to express personal political views.

(d) (i) If the public officer or public employee is a Montana highway patrol chief or highway patrol officer appointed under Title 44, chapter 1, the term "equipment" as used in this subsection (3) includes the chief's or officer's official highway patrol uniform.

(ii) A Montana highway patrol chief's or highway patrol officer's title may not be referred to in the solicitation of support for or opposition to any political committee, the nomination or election of any person to public office, or the passage of a ballot issue.

(4) (a) A candidate, as defined in 13-1-101(8)(a), may not use or permit the use of state funds for any advertisement or public service announcement in a newspaper, on radio, or on television that contains the candidate's name, picture, or voice except in the case of a state or national emergency and then only if the announcement is reasonably necessary to the candidate's official functions.

(b) A state officer may not use or permit the use of public time, facilities, equipment, supplies, personnel, or funds to produce, print, or broadcast any advertisement or public service announcement in a newspaper, on radio, or on television that contains the state officer's name, picture, or voice except in the case of a state or national emergency if the announcement is reasonably necessary to the state officer's official functions or in the case of an announcement directly related to a program or activity under the jurisdiction of the office or position to which the state officer was elected or appointed.

(5) A public officer or public employee may not participate in a proceeding when an organization, other than an organization or association of local government officials, of which the public officer or public employee is an officer or director is:

(a) involved in a proceeding before the employing agency that is within the scope of the public officer's or public employee's job duties; or

(b) attempting to influence a local, state, or federal proceeding in which the public officer or public employee represents the state or local government.

(6) A public officer or public employee may not engage in any activity, including lobbying, as defined in 5-7-102, on behalf of an organization, other than an organization or association of local government officials, of which the public officer or public employee is a member while performing the public officer's or public employee's job duties. The provisions of this subsection do not prohibit a public officer or public employee from performing charitable fundraising activities if approved by the public officer's or public employee's supervisor or authorized by law.

(7) A listing by a public officer or a public employee in the electronic directory provided for in 30-17-101 of any product created outside of work in a public agency is not in violation of subsection (2)(a) of this section. The public officer or public employee may not make arrangements for the listing in the electronic directory during work hours.

(8) A department head or a member of a quasi-judicial or rulemaking board may perform an official act notwithstanding the provisions of subsection (2)(e) if participation is necessary to the administration of a statute and if the person complies with the disclosure procedures under 2-2-131.

(9) Subsection (2)(d) does not apply to a member of a board, commission, council, or committee unless the member is also a full-time public employee.

(10) Subsections (2)(b) and (2)(e) do not prevent a member of the governing body of a local government from performing an official act when the member's participation is necessary to obtain a quorum or to otherwise enable the body to act. The member shall disclose the interest creating the appearance of impropriety prior to performing the official act.

2-2-131. Disclosure. A public officer or public employee shall, prior to acting in a manner that may impinge on public duty, including the award of a permit, contract, or license, disclose the nature of the private interest that creates the conflict. The public officer or public employee shall make the disclosure in writing to the commissioner of political practices, listing the amount of private interest, if any, the purpose and duration of the person's services rendered, if any, and the compensation received for the services or other information that is necessary to describe the interest. If the public officer or public employee then performs the official act involved, the officer or employee shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act.

2-2-144. Enforcement for local government. (1) Except as provided in subsections (5) and (6), a person alleging a violation of this part by a local government officer or local government employee shall notify the county attorney of the county where the local government is located. The county attorney shall request from the complainant or the person who is the subject of the complaint any information necessary to make a determination concerning the validity of the complaint.

(2) If the county attorney determines that the complaint is justified, the county attorney may bring an action in district court seeking a civil fine of not less than \$50 or more than \$1,000. If the county attorney determines that the complaint alleges a criminal violation, the county attorney shall bring criminal charges against the officer or employee.

(3) If the county attorney declines to bring an action under this section, the person alleging a violation of this part may file a civil action in district court seeking a civil fine of not less than \$50 or more than \$1,000. In an action filed under this subsection, the court may assess the costs and attorney fees against the person bringing the charges if the court determines that a violation did not occur or against the officer or employee if the court determines that a violation did occur. The court may impose sanctions if the court determines that the action was frivolous or intended for harassment.

(4) The employing entity of a local government employee may take disciplinary action against an employee for a violation of this part.

(5) (a) A local government may establish a three-member panel to review complaints alleging violations of this part by officers or employees of the local government. The local government shall establish procedures and rules for the panel. The members of the panel may not be officers or employees of the local government. The panel shall review complaints and may refer to the county attorney complaints that appear to be substantiated. If the complaint is against the county attorney, the panel shall refer the matter to the commissioner of political practices and the complaint must then be processed by the commissioner pursuant to 2-2-136.

(b) In a local government that establishes a panel under this subsection (5), a complaint must be referred to the panel prior to making a complaint to the county attorney.

(6) If a local government review panel has not been established pursuant to subsection (5), a person alleging a violation of this part by a county attorney shall file the complaint with the commissioner of political practices pursuant to 2-2-136.

COMMISSIONER OF POLITICAL PRACTICES

The Commissioner has jurisdiction over laws and rules pertaining to: Ethics (Title 2, chapter 2, part 1), Lobbying (Title 5, chapter 7) and Campaign finance and practices (Title 13, chapters 35 and 37).

Our Mission

We fairly and impartially carry out our assigned responsibilities monitoring and enforcing campaign finance and practices and government ethics standards. We serve the public and interested parties in a helpful and responsive way.

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