



City of Sidney, MT
Budget and Finance Committee Meeting 6-28-23
June 28, 2023 5:00 PM
115 2nd Street SE | Sidney, MT 59270

The City Council meetings are open to the public attending in person, with masks encouraged when social distancing cannot be accomplished. If the public does not wish to participate in person, they are also invited to participate via a Zoom meeting. You can participate via phone:

Meeting ID: 713 080 5898 Passcode: 4332809

Call: 1-346-248-7799

1. New Business

- [a.](#) Library Service Cooperation Agreement with Richland County
- [b.](#) Marijuana Tax MOU
- c. Pickleball Court
- [d.](#) FY23-24 Budget-Donations/Oil & Gas Fund
- [e.](#) FY23-24 Budget & Meetings Plan

LIBRARY SERVICE COOPERATION AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2023, between RICHLAND COUNTY, MONTANA, a political subdivision and body politic and corporate of the State of Montana, 201 West Main Street, Sidney, Montana 59270, as County, and CITY OF SIDNEY, MONTANA, a municipal corporation and a political subdivision of the State of Montana, 115 Second Street SE, Sidney, Montana 59270, as City;

WITNESSETH :

Recitals

1. By resolution adopted on June 21, 1960,¹ the Board of County Commissioners created a county free library.

2. The library is situated upon Block 9, Original Townsite of Sidney, § 33, Township 23 North, Range 59 East, M.P.M, Richland County, Montana.

3. The County is the owner in fee simple of all of Block 9 and the owner of all land, buildings, and real estate of the library.

4. Once created, five options were and are open to the County for providing library services in the future.²

5. One option is to contract with an incorporated city for the city to “assume the functions of a county free library.”³ Under that type of arrangement, “the board of county commissioners may agree to pay out of the county free library fund into the library fund of such incorporated city such sum as may be agreed upon.”⁴

6. Shortly after the creation of the county free library, such an arrangement was entered into by the County and the City, and the agreement is spread verbatim upon the minutes of the Board of County Commissioners.⁵

7. For many years, that option was maintained by successive contracts.⁶

8. After those years of City administration of the county free library, administration was returned to the County.⁷

9. The last contract between the County and the City is dated December 7, 2009. That

¹ 09 CP 116. The citation format signifies volume 9 of the *Commissioners’ Proceedings*, page 116.

² 46 Op. Atty. Gen. Mont. No. 19. §§ 22-1-312, 22-1-315, 22-1-316, 7-11-1102(2)(C), and Title 7, Chapter 11, Part 1, M.C.A.

³ § 22-1-415(2), M.C.A.

⁴ *Ibid.*

⁵ 09 CP 1960-07, 11-12.

⁶ 14 CP 1985-09, 8; 18 CP 2002-05 240 (10); 18 CP 2002-05 241 (11); 18 CP 2002-06 242 (1); 9 C 2003-12, 11; 19 CP 2004-08, 12; 19 CP 2004-09, 1; 20 CP 2008-07, 13. The form in which the books containing the Commissioners’ Proceedings changed so that the citation format now signifies, for the first citation in this note, volume 14, the 9th month of 1985, page 8.

⁷ 19 CP 2004-04, 2; 19 CP 2004-04, 13; 19 CP 2004-06, 1; 19 CP 2004-06, 19; 19 CP 2004-07, 3; 19 CP 2004-08, 1; 19 CP 2004-10, 11

contract was authorized by § 22-1-316, M.C.A. for joint city-county libraries.⁸

10. Because the contract was for a joint city-county library without the City assuming the functions of a county free library, it entailed the requirement that the library be governed by a board of trustees composed of five members chosen as specified in the contract, and the board of trustees has the same powers and duties as the board of trustees of a city library or a county library. § 22-1-317(1) and (5), M.C.A.

11. Joint city-county libraries exist by contract⁹ and may be dissolved.¹⁰

12. As mandated by § 22-1-316(5), M.C.A., paragraph 8 of the contract provides for the disposition of property upon dissolution of the joint city-county library.

13. Both parties have contributed substantial resources toward the acquisition and maintenance of library assets.

14. By virtue of § 22-1-312, M.C.A. local political subdivisions such as the County and the City are empowered to cooperate in providing library service.

15. The City has an interest in (A) being relieved of governance and administrative aspects of the provision of library services to its residents, citizens, and taxpayers, and (B) the holdings and services of the county free library being available to residents, citizens, and taxpayers of the City on a basis equal to other patrons of the library.

16. Upon the considerations exchanged in this agreement the County is willing to (A) relieve the City of governance and administrative aspects of the provision of library services to its residents, citizens, and taxpayers, and (B) make the holdings and services of the county free library being available to residents, citizens, and taxpayers of the City on a basis equal to other patrons of the library.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and agreements hereinafter set forth, the parties recite their agreement as follows:

1. Dissolution of Joint City-County Library

The parties hereby mutually terminate all prior agreements for library services and dissolve the joint city-county library.

In compliance with paragraph 8 of the agreement dated December 7, 2009, “the building and all other library assets [are] distributed to the County.”

2. County Administration of Library Services

The County resumes administration of library services through its county free library. The Board of County Commissioners will take such actions as may be mandated by law or as may

⁸ It could not be an agreement under § 22-1-315 because the City did not assume the functions. It could not be an agreement under the general interlocal agreement statutes of Title 7, Chapter 11, Part 1 because it lacks many provisions mandated for such agreements by § 7-11-105, M.C.A. It could not be an agreement under 7-11-1102(2)(c), M.C.A. because no multijurisdictional service district existed or was created.

⁹ § 22-1-316(1), M.C.A.

¹⁰ § 22-1-316(5), M.C.A.

be authorized by law in the Board's discretion deemed advisable to provide for the management and functions of the county free library.

3. Contribution by City

The City shall make an annual contribution of money to the County in consideration of the holdings and services of the county free library being available to residents, citizens, and taxpayers of the City on a basis equal to other patrons of the library.

The amount of the annual contribution shall be \$_____.

4. County Support of County Free Library

A. Building. The County provide the building in which the library is situated for the provision of library services through the county free library.

B. Building Costs. The County shall pay costs normally associated with the maintenance, occupation, and use of the building including heating, air conditioning, electricity, fire alarm systems, insurance on the building and its contents, maintenance, and repairs.

C. Operating Budget. Through its budgetary authority and process, the Board of County Commissioners will establish the budgetary resources to be devoted to the operation of the county free library. All budgetary requirements that are above and beyond the monetary contribution by the City shall be the responsibility of the County.

5. Relief from Governance and Administration

With the dissolution of the joint city-county library, the board of trustees of the joint city-county library no longer will exist the City shall not have any responsibility for the appointment of trustees, the governance of the library, nor for the administration of library services through the county free library.

6. Equality of City Patrons

During the primary term and any renewal or extension of this agreement, the holdings and services of the county free library shall be available to residents, citizens, and taxpayers of the City on a basis equal to other patrons of the library.

7. Term

A. Term.

This agreement is for a term of ten (10) years from July 1, 2023 through June 30, 2033, unless sooner terminated in accordance with the provisions of this agreement.

B. Extension.

Because of the length of the primary term, which is somewhat lengthy, there is no provision in this agreement about extensions beyond the term. Any arrangement for after the expiration of the term must be made by a new agreement.

C. Termination for Convenience.

Notwithstanding the term, this agreement may be terminated for convenience and without cause by either party to take effect at the end of a fiscal year (June 30) upon a

written notice of at least three (3) months prior to the date termination is to take effect. During the three (3) months, both parties shall be obligated to continue to perform their respective duties.

8. Miscellaneous Provisions

A. Notices. Any notice or communication with respect to this Agreement shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid and properly addressed as follows:

COUNTY: County Commissioners
201 West Main Street
Sidney, MT 59270

CITY: Mayor of the City of Sidney
115 Second Street SE
Sidney, MT 59270

and shall be deemed to have been delivered as of four (4) days following the date so mailed. Either party may change its address for the purposes of this Paragraph by giving notice of the change to the other party in the above-described manner for giving notice.

B. Merger and Entire Agreement. The results of all negotiations between the parties leading to the execution of this agreement to the extent that agreement was reached between the parties are expressed in this agreement. This agreement embraces and includes the entire transaction between the parties. There have been no representations, covenants, conditions, warranties, promises, undertakings, or agreements except those expressed in this agreement.

C. Modifications. No modification of this agreement may be effective for any purpose unless the modification shall be memorialized in a signed and notarized written agreement entered by all of the parties.

C. Counterpart Execution. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement. The counterparts of this agreement may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

9. Execution and Acknowledgment

IN WITNESS WHEREOF, the parties have executed this instrument this _____ day of _____, 2023.

RICHLAND COUNTY, MONTANA

(s e a l)

By _____
LOREN H. YOUNG, Chairman
Board of County Commissioners

Memorandum of Understanding

Local-Option Marijuana Excise Tax

AGREEMENT between the City of Sidney, Montana and the Town of Fairview, Montana, this _____ day of June, 2023.

RECITALS

1. HB 701 (2021) authorized imposition of a local-option marijuana excise tax.
2. The question of a local-option marijuana excise tax was presented to the qualified electors of Richland County.
3. The electors voted to impose a local-option marijuana excise tax.
4. As an excise tax, the revenue is raised at the point of sale in licensed marijuana dispensaries.
5. By statute, a fraction of the revenues, which are paid to the Montana Department of Revenue, is retained by the State, a fraction is to be distributed to the County, and a fraction is to be distributed to qualified municipalities within a county.
6. All of the fractions for the County and incorporated municipalities is paid by the Department of Revenue to the County Treasurer.
7. There are two incorporated municipalities in Richland County: the City of Sidney and the Town of Fairview.
8. Thus, the Treasurer and the County of Richland are placed by the Department of Revenue in the middle between potentially competing claims of the City of Sidney and the Town of Fairview.
9. The purpose of this agreement is to relieve the Treasurer and the County of the hazards of that potential conflict in case of misdistribution of the incorporated municipality fraction.
10. There are licensed dispensaries in the Town of Fairview. Local-option excise tax revenue is raised at the point of sale in those dispensaries.
11. Under current zoning regulations of the City of Sidney, there are at present no licensed dispensaries in the City of Sidney. No local-option excise tax revenue is raised at any point of sale in dispensaries in the City of Sidney.
12. The City of Sidney acknowledges, therefore, that at present it is not entitled to any of the local-option marijuana excise tax revenues.
13. The Town of Fairview acknowledges, however, that if zoning regulation changes or other changes occur and result in the siting of licensed marijuana dispensaries within the boundaries of the City of Sidney where, at those points of sale, excise tax revenue is raised, the matter of an entitlement of the City of Sidney to a share of the revenues would have to be revisited.

NOW, THEREFORE, the parties agree:

1. The City of Sidney acknowledges that at present it is not entitled to any of the local-

option marijuana excise tax revenues, and the Treasurer of Richland County may distribute the entire fraction designated for incorporated municipalities to the Town of Fairview.

- 2. The Town of Fairview acknowledges, however, that if zoning regulation changes or other changes occur and result in the siting of licensed marijuana dispensaries within the boundaries of the City of Sidney where, at those points of sale, excise tax revenue is raised, the matter of an entitlement of the City of Sidney to a share of the revenues would have to be revisited.
- 3. The City of Sidney undertakes an obligation to give notice to the Treasurer of Richland County and to the Town of Fairview if and when zoning regulation changes or other changes occur and result in the siting of licensed marijuana dispensaries within the boundaries of the City of Sidney where, at those points of sale, excise tax revenue is raised. Until any such notice is given, the Treasury may continue to distribute all of the fraction designated to incorporated municipalities to the Town of Fairview. After the giving of such a notice, the Treasurer may suspend distribution of the incorporated municipalities fraction until either a new written agreement is made between the City of Sidney and the Town of Fairview or an order, judgment, or decree of a court of competent jurisdiction determines the distribution to be made.

IN WITNESS WHEREOF the parties have executed this agreement on its date set forth at the head of this agreement.

City of Sidney

Town of Fairview

By: _____
Rick Norby, Mayor

By: _____
Brian Bieber, Mayor

**CITY OF SIDNEY
ESTIMATED EXPENDITURES 2022-23**

Item d.

		Actual Expenditures	Budgeted Expenditures	2022-23 Object Totals	Budget Notes	Actual Expenditures	Budgeted Expenditures	2023-24 Object Totals	Budget Notes	Expenditures Differences	Differences
2890 OIL/GAS SEVERANCE											
410000	500										\$0
											\$0
411850	Facilities Administration										\$0
	300	\$11,782	\$150,000		(Architect-City Hall)		\$150,000		(Architect-City Hall)		\$0
	700	\$28,500									\$0
											\$0
	Account Total	\$40,282	\$150,000	\$0		\$0	\$150,000	\$0		\$0	\$0
411850	Special Projects										\$0
	700		\$2,000				\$2,000				\$0
	700		\$2,000				\$2,000				\$0
	700		\$3,000				\$3,000				\$0
	700										\$0
	700		\$500				\$500				\$0
	700		\$8,000				\$8,000				\$0
	700										\$0
	700		\$10,000				\$10,000				\$0
	700										\$0
	300										\$0
	200										\$0
	700		\$0				\$0				\$0
	700		\$0				\$0				\$0
	700										\$0
	700		\$0				\$0				\$0
	700										\$0
	200			\$25,500				\$25,500			\$0
	940			\$0				\$0			\$0
	Account Total	\$0	\$25,500	\$25,500		\$0	\$25,500	\$25,500		\$0	\$0
430000	Public Works										\$0
430500	200										\$0
	300			\$0				\$0			\$0
	940			\$0				\$0			\$0
	Account Total	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0
521000	Interfund Operating Transfers Out										\$0
521000	820		\$100,000				\$100,000				\$0
	820										\$0
	820										\$0
	820		\$10,500								-\$10,500
	820		\$13,500								-\$13,500
	820		\$46,000				\$120,000				\$74,000
	820										\$0
	820										\$0
	820										\$0
	820		\$2,279		(cover negative cash)				(cover negative cash)		-\$2,279
	820										\$0
	820										\$0
	820										\$0
	820		\$8,500				\$8,500				\$0
	820										\$0
	820		\$13,000				\$13,000				\$0
	820										\$0
	820		\$20,000	\$213,779				\$241,500			-\$20,000
	Account Total	\$0	\$213,779	\$213,779		\$0	\$241,500	\$241,500		\$0	\$0
	FUND TOTAL	\$40,282	\$389,279	\$239,279		\$0	\$417,000	\$267,000		\$0	\$27,721

Fiscal Year 2023-24 Budget Plan

June 28th, 2023:

- Donations/Oil & Gas Fund

July 10th-12th, 2023 Budget and Finance Committee Meeting:

- Police Budget
- Building/Fire Department Budgets
- Public Works Budget
 - Parks
 - Pool
 - CIPS
- CIP Accounts
- Overall Budget Review

August 1st-4th, 2023:

- Receive Taxable Valuation
- Call for Budget and Finance Committee Meeting to set Preliminary Budget