

July 10, 2007

The Red Lodge City Council met in regular session on July 10, 2007 at 7:00 p.m. The meeting was called to order by Mayor Roat followed by the Pledge of Allegiance to the Flag.

ROLL CALL OF OFFICERS Present: Mayor Roat, Aldermen Kampfe, Mahan, Lockman, Stauffer and Scanlin. Absent: Alderman Reynolds.

MINUTES OF JUNE 12 Motion by Scanlin, second by Mahan to approve the minutes of June 12 as corrected. On roll call vote all Aldermen present voted "Aye." Motion carried.

Scanlin felt the following correction would make the sentence consistent with the other dollar amounts reported: "Some of the larger claims for the month were to HKM, \$60,000 for the upcoming project, CTA for \$5,270, \$8000 from the EDA grant, MSU-Billings, \$12,854 from the EDA grant and EDC, \$9100 from the EDA grant."

CLAIMS AGAINST THE CITY Scanlin said the claims totaled \$127,781.00. The committee recommended payment of all submitted claims.

Motion by Scanlin, second by Kampfe that claims against the City approved by the Auditing Committee be paid and warrants drawn on their respective funds in payment. On roll call vote all Aldermen present voted "Aye." Motion carried.

Some of the larger claims for the month were to Elk River Law Office for \$2600, Kent Young received \$2500 for his retainer with additional work being done for \$4500, CTA for \$5300 on the planner contract, \$2700 spent from the RTP grant for picnic tables and \$61,000 was spent for paving streets.

OFFICERS REPORTS The officer reports were approved by the Council as submitted.

SPECIAL COMMITTEE None

STANDING COMMITTEE – Administration Scanlin reported to the Council that the committee met with the department heads who presented their request for raises for the upcoming fiscal year. This request will be looked at by the Council at the upcoming budget meeting. This raise is across the board for department heads asking for an additional \$10,000 per year per department head. During this meeting it was discussed the need for a salary survey and job descriptions being done for employees. There was also a request for the full time seasonal pool manager to be raised from \$9.00 to \$12.00 per hour. The librarian also requested a raise for her library aide from \$9.54 to \$11.00 per hour. These raises will be discussed by the Council at the next budget work session.

Police and Emergency Services None

Land Use and Planning None

Public Works Mahan reported that nothing has been done on the request presented by Jeff Wise regarding streets and sidewalks as the committee has not been able to have a meeting with the PWD as he has been too busy. Mayor Roat said the area in front of the public restroom has been paved with a sign put up stating it is a public restroom.

CITIZEN REPORT Barbara Miller said she heard many good comments on the Fourth of July parade this year. She thought this was very nice. She also said the flowers on the light poles are very beautiful and she likes them very much.

Beth Hutchinson, Chamber and Main Street Program Director, commented that the Chamber of Commerce would be willing to work with the public works department for trash containers at the public restroom. She has hopes that the City would be willing to pay two thirds of the cost with the Chamber paying one third. The containers would need to be put out during the three summer months. This is something that will be worked on to see what can be done. Hutchinson said that Lindsay Johnson has been invited to join the Board of the Chamber of Commerce to further provide a means of liaison between the City and the Chamber.

OLDS BUSINESS None

NEW BUSINESS – Water Rate Hearing Continuation Mayor Roat opened the continued public hearing regarding the water rate increase proposal. Barbara Miller asked if any thought has been given to low income housing renters. She said a lot of them are on subsidies and Miller is afraid rents will increase if the water rates are increased. She was told the minimum base rate was kept as low as possible. The City however has no control on what landlords charge for rents.

John Toler stated that he is delighted and supportive of the upcoming increase in water rates as he feels it is long over due.

Mayor Roat closed the public hearing.

Lockman said she feels the City has been subsidizing water bills for the past several years. She said she feels the City will now be charging what it actually costs to use the water. Scanlin explained to the audience where the funds will be coming from to do the upcoming water project. The project is \$5,000,000 with four sources of revenue and the only way to go is by raising user fees to help pay for the debt the City will incur with this project. The proposed fees have been well thought out. Stauffer said that he agrees with what other Council members have said. With the new rates he said that business will pay for what they use and residents will pay for what they use. He said the loan from Rural Development is not available to the City without increasing user fees.

Resolution No. 3239 – Water Rate Increase

RESOLUTION NO. 3239

RESOLUTION OF THE CITY COUNCIL OF RED LODGE, MONTANA TO INCREASE THE RATES AND CHARGES FOR THE USERS OF THE MUNICIPAL WATER SYSTEM

WHEREAS, the City of Red Lodge, Montana (the “City”) has determined the current water rates and charges in effect at the present time are not adequate to provide revenues with which to defray the increased costs of operation, maintenance, and capital of the City’s water distribution facilities and systems (the “System”); and

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to pay costs associated with the operation and maintenance of the System; and

WHEREAS, current budgetary requirements with respect to the operation of said facilities and as well as on-going and future projects contemplate the proposed rates becoming effective by August 1, to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited; and

WHEREAS, the provision of the water systems and facilities is essential to the preservation of the public’s health and welfare; and

WHEREAS, the new rates were approved by the governing body of the City in accordance with the Rules and Regulations governing Water and Waste Water Service for the City of Red Lodge, Chapter 8, Section 1, as previously adopted by City Council Ordinance 835; and

WHEREAS, under MCA § 69-7-101 the City has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the municipal systems. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, a notice of public hearing was mailed to all users of the City’s System notifying them that pursuant to Resolution No. 3237, adopted June 12, 2007, it was the intention of the City to increase the rates and charges for water service and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on July 2, 2007 at 6:00 p.m. in the City Council Chambers at City Hall, Red Lodge, Montana, for the purpose of hearing comments from the public on the water rate increase; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing, and the City Council is prepared to issue its decision pursuant to MCA § 69-7-112.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RED LODGE, MONTANA:

Section 1. Water User Charges. The City shall implement the Monthly Service Charge increases and the Water Quantity Charge increases for fiscal years 2007 through 2011 for users of the System effective as of August 1, 2007 as set forth herein Exhibit A.

Section 2. Effective Date of Resolution. This resolution shall be immediately filed with the City Clerk-Treasurer and shall become final and effective 10 days after such filing upon passage. A copy of this resolution including the revised rate schedule shall be filed with the Public Service Commission when such decision is final.

EXHIBIT A

1. MONTHLY SERVICE CHARGE

The basic service charge applies to all metered water services and includes 3,000 gallons of water usage per month.

Meter Size	Current Rate	FY07 Rate	FY08 Rate	FY09 Rate	FY10 Rate	FY11 Rate
0.75-inch	\$14.34	\$21.00	\$21.63	\$22.06	\$22.50	\$22.95
1.0-inch	\$15.50	\$30.00	\$30.90	\$31.52	\$32.15	\$32.79
1.5-inch	\$19.94	\$36.00	\$37.08	\$37.82	\$38.58	\$39.35
2.0-inch	\$50.28	\$65.00	\$66.95	\$68.29	\$69.65	\$71.05
3.0-inch	None	\$150.00	\$154.50	\$157.59	\$160.74	\$163.96
4.0-inch	None	\$300.00	\$309.00	\$315.18	\$321.48	\$327.91

2. WATER QUANTITY CHARGE

All customers will be charged the following rates per 1,000 gallons:

Gallons per Month	Current Rate	FY07 Rate	FY08 Rate	FY09 Rate	FY10 Rate	FY11 Rate
0 to 3,000						
3,001 to 8,000	\$1.88	\$3.77	\$3.88	\$3.96	\$4.04	\$4.12
8,001 to 20,000	\$1.88	\$4.95	\$5.10	\$5.20	\$5.30	\$5.41
Greater than 20,000	\$1.88	\$6.25	\$6.44	\$6.57	\$6.70	\$6.83

Motion by Mahan, second by Scanlin to approve Resolution No. 3239. On roll call vote all Aldermen present voted "Aye." Motion carried.

Management Plan – Public Facilities Project – TSEP Motion by Scanlin, second by Mahan to approve the Management Plan with TSEP with the change of four to six members on the Council and having Project Administrator used throughout the plan. On roll call vote all Aldermen present voted "Aye." Motion carried.

Mahan said that page one of the plan states a four member Council with a Mayor for administrators and she said this needs to be corrected to state a six member Council. Scanlin said in one place it speaks to Single Tree being the Project Administrator and in another place it says Project Manager. She feels it should say Project Administrator throughout the plan. These TSEP funds are being used to help with the 2007 Water Project and helped to keep the rate increase from being any higher. The TSEP grant funds are for \$750,000.

Use of City Property – Red Lodge Baptist Church The Baptist Church is asking the Council permission to put up a 20' by 40' tent from July 18th through July 22nd. The tent would be located by the Tennis Court Park located on the corner of 10th and Word Street. This is to serve a free pancake breakfast to the entire community including the motorcycle riders who will be in for the Iron Horse Rodeo. This is a ministry outreach for the church and all clean up will be done by them. The Church was asked to also let the neighbors around the park know what will be happening.

Motion by Mahan, second by Kampfe to approve the request from the Red Lodge Baptist Church to use the park for a free pancake breakfast from July 18th through the 22nd. On roll call vote all Aldermen present voted "Aye." Motion carried.

Street Closure – Annual State Criterion Bike Race Motion by Mahan, second by Lockman to approve the request for the street closure for the annual criterion bike race to be held August 12, 2007. On roll call vote all Aldermen present voted "Aye." Motion carried.

Resolution No. 3240 – HOME Pilot Program – Approval Certifications
RESOLUTION 3240

RESOLUTION TO AUTHORIZE SUBMISSION OF APPLICATION

and

AGREEMENT TO CERTIFICATIONS FOR APPLICATION

for

MONTANA DEPARTMENT OF COMMERCE
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

This resolution authorizes the submission of the Uniform Housing Application to the Montana Department of Commerce for a HOME Investment Partnership Program Grant by the City of Red Lodge for the purpose of receiving funds to assist 7 first time homebuyers that are area median income families with down payment/closing costs;

The City of Red Lodge certifies that it has disclosed all forms of governmental assistance requested or provided for this project in the Sources of Funds Statement. If additional governmental assistance is sought in the future, the HOME Program shall be notified promptly.

If selected for funding, the City of Red Lodge agrees to comply with the HOME Program requirements, regulations, statutes, terms and conditions described in the HOME Certifications for Application found within the FFY 2006 HOME Application Guidelines; and

That Brian Roat, (*Mayor*) is authorized to submit this application to the Montana Department of Commerce, on behalf of the *City of Red Lodge* to act on behalf of the applicant and to provide such additional information as may be required.

Motion by Scanlin, second by Stauffer to approve Resolution No. 3240. On roll call vote all Aldermen present voted "Aye." Motion carried.

Scanlin said this is a program that comes through the Department of Commerce which helps with down payments and closing costs which will further help our Cooper Street project which has had a little need to make it more affordable. This program can help people with these costs up to \$40,000. The amount is put on the end of the loan so in time it will be paid off.

Humane Alliance Memorandum of Understanding Motion by Mahan, second by Kampfe to approve the Memorandum of Understanding between the City and the Beartooth Humane Alliance. On roll call vote all Aldermen present voted "Aye." Motion carried.

The Beartooth Humane Alliance is trying to put together a program where there will be a place to put animals to be safely harbored and cared for. The workers in this alliance have worked very hard to get something going in Red Lodge. The City will be obligated to participate by spelling out what they will do along with stating what the Alliance will have to do.

Scanlin asked if the City would be able to find the two acres of land they are obligating. The locations being looked at now are next to the City Shop, by the Recycling Center, down at the sewer ponds and the airport & Highway 78 area. Lockman said she thought the City of Red Lodge taxpayers are being asked to contribute quite a lot considering the value of land. She asked what the County would be doing for their part in this project. She was told that Red Lodge is the only community in the county that has seemed favorable to helping the Humane Alliance. Lockman stated that she is more comfortable with the idea of leasing City land rather than selling it.

Stauffer commented that the infrastructure does not exist outside the City limits. He also feels this goes toward the health, safety and welfare of the community to have an animal shelter. He feels police time could be saved with tasks that the Humane Alliance could take care of with the proper facility.

Update on North Cooper Affordable Housing Project Mayor Roat said that Beartooth RC&D has taken on a role in regard to affordable housing that they did not formally do. The Mayor said he was informed there are three very viable candidates to purchase and build on the Cooper Avenue lots. These people can be assisted by Beartooth RC&D. Jody Ronning said the cost of buildings has become more than originally thought. She said the deed restrictions have been completed for these lots. The affordable housing group would like to stay with single-family homes but are willing to look at other ideas to see what can work. RC&D said they are willing to put on the first time homebuyer classes in Red Lodge to help. They can also look into a multifamily housing program if necessary to help get affordable housing on these lots.

Jody Ronning said that Montana Board of Housing would extend the loan date from January 31, 2007 to January 31, 2008 as long as it can be shown there is a substantial plan of action for these lots. It is felt this can be done so the extension is pretty well assured. Scanlin said she believes this extension has been granted. Land trusts were again discussed. Scanlin feels this idea needs to be discussed and pursued further so the land remains in affordable housing.

CORRESPONDENCE None

MISCELLANEOUS Mayor Roat told the Council that five reserve police officers have been trained and sworn in and can now be used when needed.

A budget work session was set for July 17, 2007 from 8:00 a.m. to 10:00 a.m.

Meeting adjourned at 8:20 p.m.

Mayor

ATTEST:

City Clerk