

May 28, 2024

The Red Lodge City Council met in regular session on May 28, 2024 at 6:00 p.m. The meeting was called to order by Mayor Westwood, followed by the Pledge of Allegiance to the Flag.

ROLL CALL OF OFFICERS: Present: Mayor Westwood, Aldermen Conlee, Daniels, Miller, Ronning and Toupin. Absent: Alderman Keys.

DEPARTMENT HEAD ATTENDANCE: City Clerk – Loni Hanson and Public Works Director – Mike Maples

ADOPTION OF THE AGENDA- Motion by Conlee, second by Daniels to adopt the agenda as presented. On roll call vote all Aldermen present voted “Aye.” Motion carried.

MAYOR’S BUSINESS- Mayor’s Reports- Mayor Westwood said the department heads received three different versions of the draft budget that include salaries set at a 3% increase, 4% increase (which was included in the Council packet), and a 4% plus \$1.00 increase. He said the department heads will give their feedback on those versions.

Mayor Westwood said the spring cleanup days are May 31st and June 1st, at the Recycling Center from 8:00 a.m. until full.

Mayor Westwood said there is a Planning Board vacancy. This appointment will be made at the June 11 Council meeting.

Mayor Westwood said they should be moving forth with the Rocky Fork property and should have a closing date within the next month.

Mayor Westwood said the crosswalk signs should be going up on Broadway this week.

PUBLIC COMMENTS ON THE AGENDA- Renee Tafoya, Red Lodge, said she was against the increase to the stormwater charge. She said the cost of owning a home in Red Lodge is getting expensive and protesting the charge.

Theresa Tafoya, Red Lodge, said she also had concerns with the increase for the stormwater charge. She asked if maybe there were grants available that could fund this and is protesting the charge.

Lee Hauge, Red Lodge, said he has three lots in town that he will have to pay the stormwater charges on and is concerned with the amounts.

ACTION ITEMS- Resolution No. 3653, Increase Stormwater Charge by Establishing a Capital Improvements Charge (Public Hearing/Action)

Mike Maples, Public Works Director, addressed some of the concerns that were brought up during the public comments.

Mayor Westwood opened the Public Hearing.

Comments regarding the stormwater charges were also given during the Public Comments section on the Agenda.

Mayor Westwood closed the Public Hearing.

Motion by Toupin, second by Conlee to approve Resolution No. 3653, a resolution of the City Council of the City of Red Lodge, Montana to increase the Storm Water charge by establishing a Capital Improvements Charge for the storm water system as presented. On roll call vote all Aldermen present voted "Aye." Motion carried.

There was discussion among Council members and the Mayor regarding Resolution No. 3653.

RESOLUTION NO. 3653

RESOLUTION OF THE CITY OF RED LODGE, MONTANA TO INCREASE THE STORM WATER CHARGE BY ESTABLISHING A CAPITAL IMPROVEMENTS CHARGE FOR THE STORM WATER SYSTEM

RECITALS

WHEREAS, the City of Red Lodge, Montana (the "City") has established a separate and distinct storm water system as a municipal utility (the "System"); and

WHEREAS, pursuant to Montana Code Annotated, Title 7, Chapter 13, Parts 42 and 43, and Title 7, Chapter 7, Part 44, M.C.A., the City is authorized to construct, better, improve and extend a storm water drainage system and issue revenue bonds to finance in whole or part the costs thereof; and

WHEREAS, the City Council (the "Council") of the City is further authorized and required by Title 7, Chapter 13, Parts 42 and 43, Title 7, Chapter 7, Part 44, and Title 69, Chapter 7, Part 1, M.C.A., to establish just and equitable rates, fees and charges and rentals for the services and facilities provided by a storm and surface water drainage system so as to make a storm water drainage system self-supporting; and

WHEREAS, following a public hearing held on November 24, 2020, the Council adopted Resolution No. 3573 on May 11, 2021 that approved imposing a storm and surface water drainage charge (the "Storm Water Charge") with two components: the maintenance charge (the "Maintenance Charge") and a capital improvement charge (the "Capital Improvement Charge"); and

WHEREAS, in Resolution No. 3573, the City established the Maintenance Charge component of the Storm Water Charge and provided that, as the City determines to move forward with improvements to the System, it will determine the amount and applicability of the Capital Improvement Charge by determining (1) those properties that are benefited by or burden the System as improved by the applicable phase of improvements, and (2) the costs of constructing and or financing construction of the particular phase of improvements; and

WHEREAS, the City is undertaking improvements to the System in three phases (collectively, the "Project"), at a total cost of approximately \$6,732,000, of which approximately \$3,807,000 is expected to be paid from proceeds of storm water system revenue bonds, approximately \$245,000 has been or is expected to be paid from resort tax revenues, and approximately \$2,680,000 has been or is expected to be paid from ARPA and Montana Coal Endowment Program grant funds; and

WHEREAS, the City will need to establish, impose and collect Capital Improvement Charges sufficient to pay debt service on the proposed storm water revenue bonds and to meet required revenue bond coverage requirements; and

WHEREAS, under Section 69-7-101, Montana Code Annotated, 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, pursuant to Section 69-7-111, M.C.A., the City Council shall order a public hearing prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for services or facilities; and

WHEREAS, a notice of public hearing was mailed to all persons who own property in the City and to all customers of the System, notifying them that pursuant to Resolution No. 3652, adopted by the City Council of the City on April 23, 2024, it was the intention of the City to establish a Capital Improvement Charge Component of the Storm Water Charge sufficient to pay debt service on the proposed storm water revenue bonds and to meet required revenue bond coverage requirements, and notice of public hearing was published as required by Section 69-7-111, Montana Code Annotated; and

WHEREAS, a public hearing was held on May 28, 2024, commencing at 6:00 p.m. at the City Hall, 1 Platt Avenue North, in Red Lodge, Montana, for the purpose of hearing comments from the public on the establishment of the proposed Capital Improvement Charge Component of the Storm Water Charge for the System and all persons appearing were given an opportunity to speak at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City as follows:

Section 1. Increase in Storm Water Charge; Establishment of Capital Improvement Charge.

1.1. Benefit and Applicability

(a) Benefit. The City ratifies its determines that each lot, tract and parcel located within the Service Area (as defined in Ordinance No. 953) is benefitted by the Project.

(b) Applicability. Based on its determination that all lots, tracts and parcels within the Service Area are benefitted by the Project, the City ratifies its determination that it is reasonable and just to spread the Capital Improvement Charge across all lots, tracts and parcels within the Service Area.

1.2. Increase in Storm Water Charge; Amount of the Capital Improvement Charge. The Storm Water Charge consists of the sum of the Maintenance Charge and the Capital Improvement Charge. Commencing in July 2024, the Capital Improvement Charge will be \$10.40 per month for each lot, tract or parcel within the Service Area. The Maintenance Charge will continue in effect at \$3.39 per month for each lot, tract or parcel within the Service Area. Commencing in July 2024, as a result of establishing the Capital Improvement Charge, the Storm Water Charge will be \$13.79 per month for each lot, tract or parcel within the Service Area.

Section 2. Billing. For administrative convenience only, the City places the Storm Water Charge on the property tax statements applicable to the properties being charged. Approximately one-half of the Storm

Water Charge is collected with the November 30 property tax payments and approximately one-half of the Storm Water Charge is collected with the May 31 property tax payments. The Capital Improvement Charge will commence July 2024 and first appear on property tax bills due November 30, 2024.

Section 3. Determination of Annual Budget for System. Each year the Council of the City shall determine the amount of money needed to pay the costs of the System including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the System; (b) administration of the System; (c) the payment of principal and interest on any bonded or other indebtedness of the System; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the System. Based on the annual needs of the System, the Council will establish monthly or semi-annual rates and charges for the use or availability of the System.

Section 5. Further Rate Increases. Subsequent adjustments to the Storm Water Charge or adoption of a new charge, may be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 6. Effective Date of Resolution. This resolution shall become effective within 10 days after being filed with the City Clerk-Treasurer. Upon approval of the City Council, the City Clerk-Treasurer is directed to immediately file this resolution in the office of the City Clerk-Treasurer.

Passed and approved this 28th day of May, 2024

Mayor: _____

ATTEST: _____

City Clerk-Treasurer

Resolution No. 3654, Stormwater Bond Resolution- Motion by Conlee, second by Daniels to approve Resolution No. 3654, a resolution relating to \$3,807,000 Storm Water system revenue bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2024; authorizing the issuance and fixing the terms and conditions thereof. On roll call vote all Aldermen present voted "Aye." Motion carried.

To see full resolution please visit the City's website:

https://www.cityofredlodge.net/sites/default/files/fileattachments/ordinance/12204/r3654-stormwater_bond.pdf

Resolution No. 3632-4th Amendment, Delay the Disposition of all Airport Assets- Motion by Daniels, second by Ronning to approve Resolution No. 3632-4th Amendment, a resolution of the Red Lodge City Council to conditionally delay the disposition of all airport assets as amended. On roll call vote all Aldermen present voted "Aye." Motion carried.

Motion by Ronning, second by Conlee to amend Resolution No. 3632 and change the date to August 31, 2024. On roll call vote all Aldermen present voted "Aye." Motion carried.

There was discussion among Council and the Mayor regarding Resolution No. 3632 (4th Amendment).

Motion by Ronning, second by Daniels to authorize the Mayor to seek outside Counsel to review the updated Airport agreement. On roll call vote all Aldermen present voted "Aye." Motion carried.

RESOLUTION NO. 3632 (4th Amendment)

A RESOLUTION OF THE CITY COUNCIL TO CONDITIONALLY DELAY THE DISPOSITION OF ALL AIRPORT ASSETS

WHEREAS Carbon County has requested additional time to discuss a New Interlocal Agreement, and to discuss the finalize of disposition of Assets called for in the Airport Interlocal Agreement; and

WHEREAS the City Council for the City of Red Lodge is willing to provide additional time to discuss a new Interlocal Agreement and to assist in the disposition of Assets; and

WHEREAS the City Council is in need of all information concerning the Assets of the Airport Board.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Red Lodge, Montana, as follows:

The disposition of Assets called for in the Interlocal Agreement by August 13, 2023, is hereby stayed until August 31, 2024, with the current Airport Board continuing in authority to maintain the Airport in its current state.

PASSED and APPROVED by a majority of the City Council for the City of Red Lodge on this the 28th day of May 2024. ~~20th day of December 2023.~~

City of Red Lodge _____

Mayor

ATTEST: _____

Loni Hanson, City Clerk

CORRESPONDENCE- Any correspondence was included in Council packets.

OTHER COUNCIL BUSINESS:

PUBLIC HEALTH AND SAFETY- Alderman Conlee said they talked about the Police budget, a school resource officer and grants available for police departments. She said they talked about the possibility of budgeting an extra \$20,000 to pay for a grant writer. She said they also talked about the addressing project and that the house numbers would not be changing, just the street names would be changing.

ADMINISTRATION AND FINANCE- 2024-2025 Draft Budget- Alderman Ronning said the Admin and Finance Committee went through the draft budget that was included in the packet. The Mayor gave some updates on the budget process.

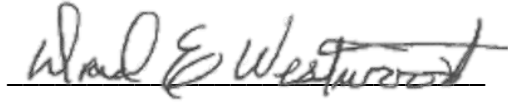
TBID Budget- Alderman Toupin said the TBID budget will be up for approval at the next meeting. She explained what TBID was and how they benefit the community. She said it is their budget, it just has to be approved by the City Council every year.

LAND USE AND PLANNING- Alderman Conlee said the Land Use and Planning Committee discussed RV parks, including the one at Alpine Lodge. She said they discussed workforce housing and the camping ordinance.

PUBLIC WORKS- The Public Works Committee meeting was cancelled for today.

PUBLIC COMMENT ON ANY PUBLIC MATTER NOT ON THE AGENDA- No one spoke.

Meeting adjourned at 7:30 p.m.



Mayor

ATTEST:



City Clerk

Disclaimer: These minutes conform to the requirements of MCA Code 2-3-212. A full recording of the meeting and discussion may be found at www.cityofredlodge.net/meetings.