

BELGRADE CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
January 20, 2009
7:00 P.M.

Mayor Russell C. Nelson called the meeting to order. Mayor and Council Members in attendance were: Russell C. Nelson, Tudor Gee, Brad Cooper, Anne Koentopp, Bob Retterath, and Mark Criner and John Youngberg. Others in attendance were: City Manager Joe Menicucci, Director of Finance Marilyn Foltz, City Attorney Rick Ramler, Police Chief E.J. Clark, Les Anderson, Lue Anderson, Sheila & John Stenzel, Hayden Mikkelson, Shelley Morrow, Theresa Flanagan, Lyn Stowers, J.D. Engle, Jeffrey Schroeder, Heidi Hauck, Steve Hauck, Scott Bell, Bryan Connelley, Jenny Connelley, Gene Spranget, Gil Moore, Linda Criner, Guy Miller, Andy Malby, Debe Youngberg, Shannon Holmes, Matt McGee, Bill Schmitz, Ty Elliot, Kaitlin Connelley, Scott Weber and Kevin Mattson.

PUBLIC FORUM

PUBLIC COMMENTS REGARDING OPTIONS FOR CITY MUNICIPAL FIRE AND EMERGENCY MEDICAL SERVICES – Mayor Nelson stated with the next census in 2010 Belgrade's population will be over 5,000. That means Belgrade will be a Class II city and per state law we will be required to have our own Fire Department. The current contract with Central Valley Fire expires on June 30, 2009 at midnight. We have requested to renew the contract but the City does not have the necessary funding available that Central Valley Fire has requested.

Sheila Stenzel, 905 Silverbow asked the Council to explain the Fire Service options. Council Member Youngberg stated the consultant reviewed hiring employees with the same wages and staffing levels. We can look at other communities and compare needs and levels of service. If we have our own fire department we have some control over the costs. Ms. Stenzel asked if we would we comprise the level of service. Council Member Youngberg said that we still have the same agreements, same fire hall, same auto response. We would not see any change in service. Ms. Stenzel asked if we have less equipment. Council Member Youngberg said yes, and we also have less area to cover. Ms. Stenzel asked if we would have less EMT service. Council Member Youngberg said we are anticipating that a company in Bozeman may be interested in working with us to provide EMT service. There are EMTs in the fire department. We should not see a reduction of that service. Ms. Stenzel said she has a concern. Council Member Youngberg said he does also. We are negotiating. Ms. Stenzel said Central Valley Fire Department has given very good service. Council Member Youngberg said the city already has passed the point where we will have to become a Class II city with the next census. The question is whether we invest the money in developing our own fire department now or do we wait for the near future. Mayor Nelson said we put some numbers together from the proposals from Central Valley Fire District and other similar size communities and our consultants report. Bozeman just received a grant for

assistance. There are grants available and it is our intent to apply for a grant for new fire truck. Council Member Youngberg said it is not a forgone conclusion that we are going with Central Valley Fire District or going elsewhere.

Steve Hauck, 1201 Cruiser stated he supports Belgrade having a separate Fire Department. He believes there has been rumors and mutual aid fear. He does not agree that Belgrade is in need of a ladder truck. He asked the Council to be mindful of the taxpayer since we are in an economic crisis. Belgrade is a wonderful city to live in and we should be trying to reduce taxes.

J.D. Engle, 7007 Jackrabbit Lane stated he was concerned with the south side of Belgrade receiving fire service. He has used Central Valley Fire and received good service. The two Boards should meet and he thought the rising costs could be met. We know what the ISO rating is and what our insurance rates are. He suggested having a short term agreement and no raise in taxes. He would like to see the fire service remain with Central Valley Fire.

Bill Schmitz, Taco Time stated we all agree that the level of service received from Central Valley Fire District is great. No one knows if service will be better with a separate fire department. He thought taxes would increase and asked how much that amount would be. Belgrade and Central Valley Fire District have worked well together for many years.

Council Member Criner asked City Manager Menicucci to review the total costs. City Manager Menicucci reviewed the expenditures on the spreadsheet. We know that we are going to have to replace a pumper. In addition we need to continue to assess 15 mills for the city fire department retirees. We currently pay workers compensation on up to 50 volunteers. These numbers are only estimates. We looked at the potential of what it would cost the city.

Ty Elliot, 403 Farmers Ave., has been in business in the area for years. He can't confirm insurance amounts either with a new Fire Department. There are a lot of unknowns currently. He was not sure if this was the right time for a new fire department. He recommended signing a short term agreement with Central Valley Fire Department, until we receive the Attorney General's opinion. If the mill levy fails to pass then what is the solution. Mayor Nelson stated that a one year renewal was requested from Central Valley Fire and they rejected the offer. Maybe Central Valley Fire would consider a one year agreement with a higher funding amount.

Gil Moore, Trustee Central Valley Fire District said he negotiated the current contract with the City Attorney and City Manager Menicucci and we have been working under that contract for 10 years. The Board has come to the conclusion that we can no longer provide the services under that contract amount. This has been in discussion for two years. Central Valley Fire is providing life support services throughout the City and District. A home with a current selling price of \$200,000 will have an increase in taxes of about \$70.00/year. They feel that would be a fair share of the operating costs of the fire department. The current agreement stated that when they are responding to a call within

the City that is a City call and is paid for by the City. When Central Valley Fire responds to a call outside of the City they handle their own costs. Mayor Nelson stated that they would like to have a new contract but want to be able to give one year notice so that either party may get out of the contract. We feel that a second class city will be required to have a standalone fire department. Gil Moore stated it has been many years since there has been a city representative at any of our meetings. They have continued to do the best job they can. Council Member Youngberg asked Mr. Moore in regards to equitability and the cost to City residents of \$170.00/year for fire protection and emergency medical. He asked what the cost was to a rural resident within the fire district. Mr. Moore replied he does not have an exact figure of what the exact cost is for rural residents. Council Member Youngberg asked for an approximation of what rural residents are paying. Mr. Moore stated they spent almost \$2,500,000 on capital equipment in addition to the operating budget for the fire district. City Manager Menicucci asked if the 57.76 mills levied for the district includes payments on the new equipment. Mr. Moore replied that does include the payment for the new equipment. City Manager Menicucci asked if the City pays 57.76 mills are payments for new equipment included. Mr. Moore stated that the district mill and City mill are not the same. City Manager Menicucci stated we have been discussing equitable service and the same value homes should be paying the same amount for fire services. The City pays to buy turnouts, payments on vehicles, workman's compensation and we pay an additional 14 mills for the volunteer's retirement. The City would be paying close to 71 mills including the additional items we are responsible for. He said a City resident would be paying more than the same value home in the fire district. Gil Moore replied the consultants stated to provide an equitable cost of service their recommendation was an additional \$500,000 was needed. City Manager Menicucci stated the consultant recommended the best option was for the City to join the District and both the Rural and City tax payers would be paying less. That action would remove the cities requirement to buy any trucks and additional equipment. Gil Moore stated the state law does allow municipalities to be annexed into the fire district if they are Class III cities. City Manager Menicucci stated during the last census we choose to remain a Class III city having a population under 7,500. That decision was made due to the agreement and service received from Central Valley Fire. Gil Moore stated the concern regarding mutual aid they cannot answer because we do not know what type of service that Belgrade will be providing.

Gene Spranget, Trustee Central Valley Fire District, stated he wanted to address the equitability issues which have been discussed. The City residents are currently paying for 9% of the cost for fire protection which was stated in the Fire Study completed by the consultants the City hired. This is for their operating budget and does not include any equipment payments. The City accounts for 36% of the Fire calls. The calls for the rural fire district are greater but they are also paying for 91% of the operating costs. The District feels there needs to be equitability in the payments. The private consultants stated the operational costs which should be charged based on population are \$452,233. If you figure the costs based on responses at 42.81% the City's cost is \$815,841. The property values in the City are 21.31% of the fire district's budget which equals \$412,120. If you average all those amounts that is how we arrived at the figure of \$560,065. He said as Trustees of Central Valley Fire District they did not know what the fair share was for Belgrade

residents to be paying. The consultants averaged the amounts and that is how we arrived at the amount which has been requested. The fire district has agreed to accept a lesser amount for the first year of service and the next year they would like \$513,000. This amount is only for the operating budget and does not include any additional costs to the City. The Board of Trustees feels the amounts paid should be fair and equitable to what district residents are paying. The City has options of merging into the district and continuing with the interlocal agreement. In the proposed interlocal agreement the City has an option out of the agreement if State law determines the fire department cannot operate with an interlocal agreement. The reason the district has asked for a ten year agreement is because they need to know how long they will be operating with the City. They would like to continue working with the City and feel it has been beneficial to everyone. He has been asked by citizens if Central Valley Fire will respond to a fire call after July 1, 2009, the Board cannot answer that question at this time. Mayor Nelson stated he was told by Chief Waters that Central Valley Fire would not respond to a fire call. Gene Spranget stated he felt the Board of Trustees would have to make a determination after a decision has been made regarding a future agreement. Council Member Cooper stated that they do not want Belgrade in the district at the current rate we have been paying. Gene Spranget replied that we cannot afford to continue subsidizing the City of Belgrade for fire protection. They would like Belgrade to pay their fair share. Council Member Criner asked if the amount the District paid was more equitable prior to the mill levy being passed. Gene Spranget replied the mill levy has nothing to do with these amounts we are only dealing with operating costs not equipment. City Manager Menicucci asked if any of the operating capital pays for the debt retirement on the new fire trucks. Gene Spranget replied that is a totally separate fund and the requested funding from the trucks are not paid for out of the operating budget. He said the consultants went by 2007 figures and they did not have the truck obligation in 2007. He said they bought seven brand new fire trucks which the voters approved. He said the 57 mills being requested from the City equals \$513,000. He said the 57 mills requested from the City is equivalent to the funding which is needed. Council Member Youngberg asked if the \$300,000 of additional funding from the City of Belgrade will reduce the amount which District residents are paying. Gene Spranget replied the Board of Trustees has not made a determination regarding that because we do not know the outcome of this issue. The Board is making contingency plans with and without the City. He thought the additional funding would go towards reducing the overall operating costs of the District. They may be able to return some monies to all of the tax payers.

Council Member Gee asked if an equitable share is a City resident paying the same amount for service as a rural resident who lives 30 miles away. Gene Spranget replied that Central Valley Fire District has stations all over their fire district with stations at the furthest ends. Council Member Gee stated he understands that you will use as many vehicles as needed. He asked again if the same amount would be charged. Gene Spranget replied that mutual aid is being mixed with local service. He understands that Council Member Gee is trying to determine if charges are equitable but that is determined by the number of calls. They have not tried to micro determine the cost of each individual call. We know that "X" amount is spent each month for fuel and labor costs. Those costs are proportioned out amongst the number of calls. Council Member Youngberg asked if the

operation of the other district stations is included in their operation budget. Gene Spranget replied, yes. Council Member Youngberg stated when we discuss an operational budget why would the citizens of Belgrade be subsidizing a station at Riverside Country Club or Four-Corners. Gene Spranget replied that the operational costs of their sub-stations are considerably less. There is a metal building at four corners with trucks inside. Reese Creek Station is an old wood shed with a truck inside. They have volunteer responders which are close to those facilities. Gene Spranget stated the Reese Creek Station is not heated. The Springhill Station is heated and there are full-time volunteers who sleep there also. The equipment is available to respond anywhere in the district. We manage our facilities and manpower in the most efficient way we can. If there is a major structure fire then they request mutual fire aid. Council Member Youngberg asked how many of the calls are for fire and emergency medical service. Gene Spranget stated the total calls for EMS were 302 in the City of Belgrade and 378 in the District. The Fire calls in 2007 were 76 and were 295 in the district. The rescue calls for 2007 were 50 for the City of Belgrade and 190 calls in the district. Hazardous Material calls for 2007 were 27 for the City of Belgrade and 43 calls in the district. Other calls there were 90 in the City and 80 in the district.

Kaitlin Connelley, 500 N. Weaver asked if the City has their own fire department will they be able to handle multiple calls. Council Member Criner responded that is an unknown. Council Member Cooper stated that the City of Belgrade has always had a City Fire Department and we are contracting the personnel to run the department.

Jeff Schroeder, 1203 Cruiser Lane stated there are a bunch of facts and figures which should be gone over. He would like to see the City pursue having their own fire department. This will be a tough decision and the time line is short. He would like to see the City more involved in running the fire department.

Kevin Mattson, 308 N. Quaw asked how the consultants arrived at the costs for Belgrade to have a separate fire department. City Manager Menicucci stated the consultants met with the City Finance Department and met with Chief Waters of Central Valley Fire. Kevin Mattson stated that Central Valley Fire has done a wonderful job supporting the entire fire district. The volunteers are great. If the consultant based all the facts and figures on the current budget at Central Valley Fire; he asked who is comparing that budget to comparable cities the size of Belgrade. Someone should be reviewing those budgets to determine how much it actually costs to run a City Department. He said everyone is making their decisions based on what the consultant determined but is anyone asking the question if the numbers equal other operating departments in the State. Mayor Nelson stated it is reasonable for the City to review what it costs other cities to have a fire department. Kevin Mattson stated his largest concern is how much it will cost for Belgrade to go on its own. He has spoken to other fire departments who state that Central Valley Fire has the best of everything and they lack for nothing.

Jenny Connelley, 500 N. Weaver stated that several Montana cities were used as comparables. She thought most questions asked here tonight could be answered by

reading through the report. The numbers being used by both sides are in the report. The consultants reviewed ISO ratings, equipment and every aspect of a fire department.

Heidi Hauck, 1201 Cruiser Lane stated if there is a mill levy vote the information needs to get out to the public. Citizens need more information than what they hear on the street or read in the paper. Most people do not know what an ISO rating is or how it affects their insurance costs. She wants all the tax payers to make their decision based on fact not rumor. Mayor Nelson stated their will be informational meetings held and a mailing will be sent out. Debe Youngberg, Chamber of Commerce stated there will be public information meeting held at the Chamber. Central Valley Fire and the City Council will be present to answer questions and provide more information.

Scott Weber resides outside of City limits. He is a district resident and a Central Valley Fire volunteer. He feels the mill levy amounts are pretty similar. He asked what the City would be receiving for their money. If the City remains with Central Valley Fire they will receive 7 engines and 40 well trained volunteers. With a separate fire department their would be only three to four staff members. He was worried about what will happen if the mill levy fails.

Les Anderson, 202 Cascade has been a volunteer for Belgrade for almost 19 years. He knows that the City receives excellent service and he serves as a volunteer Chaplin. He goes on emergency calls and does not believe that a new Fire Department will be ready in 30-60 days. He asked the Council to not forget the safety of the citizens which is more important than the cost factor.

Gil Moore stated that Les Anderson is the Chaplin and serves many other departments within the County. He also thanked the volunteer firefighters for all of the hard work that they put in. They are required to sleep overnight at the fire station for quicker response time.

Mayor Nelson called three times for any members of the public to comment regarding options for City municipal fire and emergency medical services. Hearing none the public forum was closed.

REPORTS

Mayor Nelson had nothing to report. Mayor Nelson proclaimed April 20, 2009 as Arbor Day in the City of Belgrade.

City Attorney had nothing to report.

City Manager Menicucci asked if the proposal from TD&H could be moved up on the Agenda.

DISCUSSION AGENDA

TD&H PROPOSAL FOR ENGINEERING SERVICES FOR SEWER, STREET AND WATER SYSTEM IMPROVEMENTS – City Manager Menicucci stated that City Engineer Daniels and Public Works Director, Steve Klotz have both review the proposal. There will be a lot of 4 in. main that will be replaced with 6 in. main. A 12 in. main will also be installed to equalize flows between the two tanks.

Shannon Holmes stated the main project will be the installation of the 12 in. main between the two tanks. There is also an option in the proposal for 4 in. main replacement on Nevada and Idaho which is a large area of leakage. Mayor Nelson asked if the 4 in. main replacement was already in the budget. City Manger Menicucci replied it could be added to the budget with recommendation. The 4 in. main replacement will also improve fire flows. They would like to get the project started in April.

Council Member Youngberg motioned to approve the TD&H proposal for Engineering Services for Sewer, Street and Water System Improvements. Council Member Cooper seconded the motion. Council Member Cooper asked if there is any grant funding available. City Manager Menicucci replied that he hoped there would be some available. Shannon Holmes stated that they would like to be shovel ready in 90 days. All voted aye, motion carried unanimously.

RES. 2009-1 TO PLACE CITY MUNICIPAL FIRE AND EMERGENCY MEDICAL SERVICES MILL LEVY ON MAIL OUT BALLOT – Mayor Nelson stated that we may ask questions but we will not entertain any public comment. Council Member Youngberg stated if we start our own fire department that service does matter. There would be three to four employees hired. After speaking with Central Valley Fire they do not want to share the fire station. Council Member Cooper asked why we need to buy out their share of the fire station. Mayor Nelson stated that they are not interested in sharing and Chief Waters did not feel co-habitation was a good idea. If they bought out the city's share of the station they may put the facility up for sale. He said the two options are to buy out their share or sell the facility and split the proceeds. Council Member Youngberg stated we would have a 15 year period to make payments if we purchase their share of the fire station. Mayor Nelson stated that the fire station would have to be appraised. City Manager Menicucci stated if we proceed with our own fire department the tax payers will be asked for an additional 52 mills. To proceed with the proposal from Central Valley Fire an additional 33 mills is required. Mayor Nelson asked if the retirement provided to Central Valley Fire is similar to what the City has now. Les Anderson replied that the Belgrade volunteers are one of the few who receive two retirements one from the Rural district and retirement from the City. Council Member Criner stated that if we are going to have a retirement system that it needs to be properly funded.

City Manager Menicucci stated that we currently pay Central Valley Fire for improvements to the station, insurance and workman's compensation for 50 firemen. Council Member Youngberg stated to have our own fire department is an additional 20

mills. Mayor Nelson stated that he would like to receive input from the Council. Council Member Gee stated that his position is to have Belgrade start a separate fire department now. Is it possible to postpone for two years for safety and training or do we have to go now. After listening to the public he feels they would rather continue with Central Valley Fire.

Mayor Nelson asked Council Member Cooper if his opinion was different after listening to the public. Council Member Cooper stated that he feels there is a fear factor. He said the time factor is a problem for him and thinks it will take time to get the position covered and ready to go. He thought they should get started with sending this to a vote of the people. Mayor Nelson asked what happens if the public is not willing to pay. He would like to go back to Central Valley Fire to see if there is a middle ground. He feels we are still in the negotiation process there was a high offer and a low offer and something can be agreed upon with Central Valley Fire.

Council Member Koentopp stated a Fire Chief should be hired before we go to the public. He could get the budget in line before going to the public for a vote. She was leaning towards forming a separate department but was not prepared to send a dollar amount to the public.

Council Member Retterath stated his concern was the lack of time to set things up. He did not feel it could be done and give the citizens what they deserve for fire and emergency services.

Council Member Criner asked if we do continue with Central Valley Fire and then State law mandates that we have to form a separate department how will that work. He questioned how the necessary funding will be obtained. He does not want to ask the voters for funding now and then ask again in two years. He would rather wait two years to ask for additional funding if possible.

Council Member Cooper motioned to approve Res. 2009-1 to Place City Municipal Fire and Emergency Medical Services Mill Levy on Mail out Ballot. City Attorney Ramler stated that a sunset limit could be added so the mills will expire. Council Member Criner seconded the motion. Council Member Youngberg stated in 15 years when the Fire Station is paid off we hope that taxes will expand to pay for the service. Council Member Criner stated he would like to see a sunset clause added. Council Member Youngberg stated this has been an extremely hard decision for all of us. He felt that within the next two years we will be required to have a separate fire department. He will support Belgrade starting its own department. Council Member Retterath stated he would like to see a 15 year sunset clause added. Council Member Cooper would like to sunset in 10 years.

Council Member Cooper amended his motion to include a 10 year sunset limit. Council Member Criner seconded the motion. City Manager Menicucci and City Attorney Ramler discussed when the County Clerk and Recorder needs the information and when the election can be held. City Attorney Ramler state the return ballot date would be April 10th. Council Member Cooper amended his motion to include April 10th as the ballot

return date. Council Member Criner seconded the motion. Council Member Koentopp asked if there will further discussion before a final decision is made. Council Member Youngberg stated if this does not pass we are limited to a \$300,000 Fire Department and the community will have to pay for it. Council Member Criner asked about the January 28th Chamber Meeting. Debe Youngberg stated the meeting will be an open forum for both sides to discuss the bond issue.

Mayor Nelson called for a roll call vote:

Brad Cooper voted aye.
Anne Koentopp voted aye.
Bob Retterath voted nay.
Tudor Gee voted nay.
Mark Criner voted aye.
John Youngberg voted aye.

Motion passed on a vote of 4 to 2.

CONSENT AGENDA

APPROVE WARRANTS PAYABLE DECEMBER 2008 - Council Member Youngberg motioned to approve Warrants Payable for December 2008. Council Member Retterath seconded the motion. All voted aye, motion carried unanimously.

APPROVE PLEDGED SECURITIES FROM VALLEY BANK OF BELGRADE FOR QUARTER ENDING 12/31/2008 – Council Member Youngberg motioned to approve Pledged Securities from Valley Bank of Belgrade for Quarter Ending 12/31/2008. Council Member Retterath seconded the motion. All voted aye, motion carried unanimously.

FOR YOUR INFORMATION

Council Member Cooper had no new information.

Council Member Koentopp had no new information.

Council Member Retterath stated he has received complaints because there is no turn signal when turning left at Jackrabbit and Madison headed north.

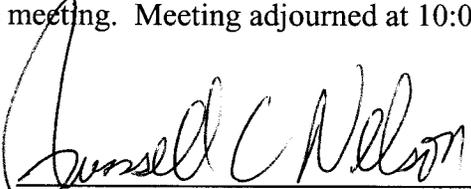
Council Member Gee had no new information.

Council Member Criner stated that there are rumors that his decisions are made because he wants to be Fire Chief. He would love to serve in that capacity but it would not be in his best interest if he did.

Council Member Youngberg stated that he would like to see a unanimous vote on the resolution. He felt there would be a better impact with the citizens. He asked if there was a revote if any votes would differ. Council Member Gee stated that he is in full support but he had to vote for the community. The people who elected him count on him to vote against the issue, although he is in full support. Council Member Retterath stated that he is in full agreement also but he had to vote for the people.

ADJOURN

Council Member Gee moved to adjourn the meeting. Meeting adjourned at 10:00 p.m.



Russell C. Nelson, Mayor



Michelle Clark, Administrative Secretary