

**BELGRADE CITY COUNCIL MEETING MINUTES**  
**COUNCIL CHAMBERS**  
**December 16, 2013**  
**7:00 PM**

Mayor Nelson called the meeting to order. Members of the Council in Attendance: Mayor Russell C. Nelson, Council Member Brad Cooper, Council Member Anne Koentopp, Council Member Ken Smith, Council Member Kristine Menicucci, Council Member Mark Criner, Council Member John Youngberg, and Retired Council Member Tudor Gee. Others in Attendance were: Hannah Tudor, Colter Tudor, Kristi Tudor, Debe Youngberg, Brad Bean, Michael Tucker, City Planner Jason Karp, City Attorney Rick Ramler, Finance Director Phyllis Wernikowski and Public Works Director Steve Klotz.

Mayor Nelson stated that the Council would like to honor Council Member Gee. He is retiring from the Council. We want to thank Council Member Gee for his eight years of service with the City of Belgrade. Council Member Gee was presented with a plaque for his service.

**APPROVE MINUTES OF THE SEPTEMBER 16, 2013 COUNCIL MEETING –** Council Member Youngberg made a motion to approve the minutes of the September 16, 2013 minutes.

Council Member Menicucci seconded the motion.

All voted aye, motion carried unanimously

**PUBLIC FORUM**

Mayor Nelson called three times for any public comment. Hearing none, the public forum was closed.

**REPORTS**

Mayor Nelson had nothing to report.

City Attorney Ramler had nothing to report.

Acting City Manager Clark had nothing to report.

**DISCUSSION AGENDA**

**PRESENTATION BY BRAD BEAN AND DISCUSSION REGARDING ACQUIRING WATER RIGHTS –** Brad Bean stated he owns the property off of Amsterdam Road along the east side of the river down toward Cameron Bridge Road. Mr. Bean presented a plan for Belgrade Water, Latest DNRC Requirements, Mitigation, Loss of Ground Water and the Directional Flow Zone.

Mr. Bean stated about two years ago, I met with former City Manager Menicucci and City Planner Karp and we discussed the future needs of the City. I have had a few questions and answer meetings with Acting City Manager Clark, Public Works Director Klotz and the DNRC. We have left the time when the City could just put a well in and not have any mitigation of that

water being taken out of the ground water system. DNRC now requires municipalities to be more like a subdivision in the sense that if you are going to take water you have to replace the water you are taking. Fortunately, Belgrade is in a wonderful place in that the Gallatin River loses water. The water coming in comes under Belgrade versus going the other way as it does at Four Corners. The big problem at Four Corners is that the water comes from the southeast, goes under Four Corners and goes into the river. One of the DNRC requirements is directional flow of water. The underwater flume comes from the West Gallatin under Belgrade so acquiring water in that zone is something the DNRC looks favorably on.

There was a study for the City done by Thompson Dean Hoskins in 2006. Part of that was the water planning. In water planning, the study was based on population growth being more than what has actually happened. We have had a recession with very little growth in Belgrade. I received an active spreadsheet from Public Works Director Klotz where he keeps track of Belgrade's water. The volume of water used every year, what it is used for, and so on. I applied that to a more reasonable set of figures for growth for Belgrade. Currently, you have approximately 7,500 people and you use about 600,000,000 gallons of water. Out of those 600,000,000 gallons of water, there is some being used for businesses, airport, schools and this is total meter use. We did a projection based on a 3% growth. The volume of that water is going up as the population is only growing by 3%, which is reasonable.

Regarding the current pumped and unused water, it is important to understand that the City's six wells are permitted to have a certain amount of water that you can pump. If you look at the usage figures, the City pumped 577,000,000 gallons of 1,771-acre feet. You have allowable by the DNRC 3,190 acre-feet. These are important numbers because that is all they will allow you to have even if you have more water they will not allow you to have it. You have to maintain a fire presence so you cannot pump all of your wells at maximum all of the time. It is a DNRC requirement that you can only pump so much even though you have a right to that water you cannot use it.

Regarding projected volumes of water with the same estimates of population growth and the same number of acre-feet if you look about 15 years out the City could be out of water. In Texas, they just passed a bill and put two billion dollars into a water account to buy water for the municipalities in Texas. The other states, Colorado, Utah, Arizona and Washington are all currently rewriting their water plans. Montana has begun this and it began a few months ago. Our local Agriculture person on the State Water Board is Walt Sales. The water guy from Bozeman is on the Board so there are twenty board members representing agricultural, industry, realtors and everybody on this board. They have been given a State task as required by State law to write a plan for water appropriation for the State that will go to the next State legislature, which is next year. They meet next year and it will be presented by the DNRC to figure out how to mitigate water usage and how to handle a situation where all of water is over appropriated. Over appropriated means farmer A has a bunch of old water rights that allow him to have so many gallons but that ends up being half of the Gallatin River, but farmer B has as many and farmer C has as many. They are going to tackle this problem of even though you have the rights there is not enough water. Everybody has a placeholder in that event. They have had meetings in Bozeman and Helena and all over the basin so that is coming down.

Trout Unlimited did a study in 2010 all over the state. They looked at agriculture, ranch, municipalities and residential type use of water. They looked at water sales all over the state. Bozeman acquired water a few years ago from Bozeman Creek and they were able to buy water from that creek and put that into a water bank. So in the future, they can use that water as

needed. Missoula is in the process of completing a water deal, which is a little different. A private company owns Missoula's water. Missoula is buying the company. From those different transactions that have taken place, I was able to put together by getting with some water right people and a couple of water attorneys and put together what water has been selling for recently. The value of water is based on its location. If someone wanted to sell Belgrade water that lives out in Miles City that would not work because it is not in the Madison Basin. It also is not in a location that the DNRC would agree to. To say that the effect of putting two more wells in is not going to affect Three Forks the water has to be in your area.

The priority date of water you are buying has to be old water it cannot be what is called new water. Old water falls into two classes. The State changed all of the water laws in 1973 so nothing that happened after 1973 are considered deed-able water even your wells if you had a new well put it. You have to get enough volume of water because you do not want to go and find the perfect water, buy the perfect water and it is only 10 gallons. The City wells run about 500 gallons a minute.

I have a deed to a well that sits on the south of the old Barnes property, which is in your area of concern for the DNRC and it is 2,000 gallons per minute deeded. We have met with the DNRC about this and so far, they look at this very favorably that this could be transferred, not the water, but just to retire that water in order for the City to put in a couple new wells and/or apply that water across your existing wells. The DNRC seems very agreeable to which would be the ideal situation. Then the City would not have to put in two wells until you want to, but you can apply that water across the existing wells. In addition, in this same zone out toward Amsterdam road, I could supply another 6,000 to 8,000 acre-feet of water and the reason that they use acre-feet is because that is a standard measurement of how water is measured. The City is more interested in gallons per minute for the wells but it equivalents back to acre-feet.

As this has evolved, I was purposing a way that Belgrade could acquire water and be able to put it within a reasonable plan that would not require a bond. Belgrade could purchase the water under a contract over 15-20 years. The contract could initially be set up to say we are interesting in doing this if we get to point A fine, B C all the way down to the end the final DNRC approval and you actually have a deed then the contract would come into play. Otherwise, it does not come into play because there is not water transfer.

In the spreadsheet I have, we were going to apply the costs across the current and future users in a small amount of charge per month over time and against the new uses both as the new users come aboard in a meter fee and a hook up fee. If you purchased 2-4 thousand acre feet of water, it could last the City 20-40 years. The last sheet is a spreadsheet that takes all the figures I have talked about and if anyone is interested I can show them and it is a live spreadsheet. One spreadsheet shows a growth rate of 3% that could be changed as needed and that would change all the figures on the spreadsheet. Currently, Belgrade's population per water meter is 2.1 people per meter. Since we are basing everything on people that determines what you charge for a meter. Currently the City is charging \$18.19 per month per meter. You have different size meters and different things but once again, we are using just the residential population to justify. In the spreadsheet, I show raising the monthly meter fee by \$3.90, which is changeable, and these different figures are all variable that you see below and if you change them and look up the spreadsheet, you show the revenue that paid for the purchased water. In the first five years, the revenue that comes in is 1.3 million dollars in additional revenue and that is just from that \$3.90 and some hookup fees. Over to the right you see a cumulative total. If we come down to where it says Brad Bean, it shows me putting into the water system 3,228 acre-feet of water at \$2,000

an acre-foot of water. That \$2,000 an acre-foot is very reasonable. Bozeman paid \$6,000 for their water. Missoula is about \$4,000 per acre-foot.

Why do I want to do all of this? I have been working for years with Trout Unlimited, DNRC, and everybody else because I have the amount of water I have to put a lot of it back into in-stream flow and that is a beneficial use change in the water right. When I do that it does not come down the head gate anymore, it stays in the river. It stays in the river for ten years and then I have to extend it again for another ten years. Therefore, I can keep that going on and on. I am about to turn 70 and it is time for me to get rid of many of these things. We have sold the big house on the river and are downsizing and we have a huge amount of surface water out there. We are going to sell water. I talked with former City Manager Menicucci two years ago so I want to follow this all the way through with the Council to see if it works. I have been contacted by a big water-banking outfit that wants to do most of it and I said I have to see where Belgrade is going first. That is what the DNRC knows and that is why I am here.

Council Member Youngberg stated when you talk about your water right out there are these historic use volumes.

Mr. Bean stated I probably have at least 36 water rights. The oldest is 1866; most of them are 1883 they are all decreed.

Council Member Youngberg asked if Mr. Bean had historic use on all of those 36 over the past 10 years.

Mr. Bean stated they are all active. The DNRC has everything active now. When we visited with them, they looked up each of the "things" that would be part of the process. Here is how it works now when you try to change the use of a water right. First, you hire a water engineer and he draws up all the documents that the DNRC requires and that takes a few months. The DNRC requires the water engineer in the case of surface water that is flowing down a canal to show historic use affidavits volumes of loss everything. All this goes to the DNRC and then they go through their thing and they come back and go okay it is all fine and dandy and we will transfer it but we will only allow 75% of it transferred based on their models or whatever. I have transferred water with them so I know the process. They now have changed their whole policy and their methods and now they can do a transfer in nine months. The DNRC says you come in the door with your engineer and your submittal and your \$300 it is going to take nine months. You have a year from the time you start the process until the time they say you are approved.

All along the way, every 60 days or so the DNRC sends questions or something back to the engineer saying you have to give me this other thing. Or we need this, this is not right, fix this. That way you know where you are going.

The reason we went to the DNRC before, is because I have worked with them before, you can sit down and go through everything with them. The DNRC cannot tell you if they are going to approve everything but they can say that this will work or not work and that is what we have already done. They say this will work. What we found out was even though that one big well has 3,190 acre-feet they have said wait a minute part of Belgrade is not in that zone. Part of the zone goes past the old Barnes subdivision and all that. The City may want to annex that sometime in the next 20 years. The only criterion required by DNRC is a report that says sometime in the next 20 years that the City might annex that property. That is intent. Once you

have the intent they build that into their model and they still only give you 3,000 of that. That is how the process works.

The reason I am concerned about the timelines in the process is what I said earlier we are going to have changes in the water laws in two years. They are not going to change it in one year. If a person gets there documents and plans in to the DNRC you are grandfathered even if you are slipping into the Helena session. The legislature is going to change it. The process is not going to get any easier. It is also not going to get any better as far as finding water to transfer. Belgrade is eventually going to need some water, I can put my arms out and point down I-90 and down toward Jackrabbit, and that is where your water has to come from. It has to come from that zone. It has to have an old enough priority deeded water date and it has to be a big enough volume to be of interest to do it.

Water rights that provide 500 gallons per minute are not going to do meet the City's needs. It needs to be 2,000 to 4,000 gallons per minute for Belgrade to have water for 20 years after you start running out of water. We tried to build into this spreadsheet showing meter fees, meter hook ups and impact fees and just playing with those numbers how growth would affect water needs and rates over the next 20-40 years. By the time you get to 2033, someone is paying an extra \$45.00 a month for water in Belgrade.

Go pay for water down in Elk Grove they are already paying \$100.00 a month. The water thing is happening everywhere. I saw this coming so I transferred much of the Barnes water that I bought originally up to the place on Amsterdam Road with the subdivision put in next-door and the smaller farm. They will eventually come to me and say you cannot use all of the water you have to sell it or do something with it.

They have always understood that I am going to take many of the volumes of water and put into in-stream flow and with some of it we are going to do a deal with Trout Unlimited. I have over 30 CSF of water and if you know about water volumes that is a lot of water.

Council Member Koentopp stated for us to anticipate two wells what you do is give up your water rights to have us have so many gallons per minute. Our intent down the road would cover that.

Mr. Bean stated we would have a contract. DNRC says Brad Bean is selling the City of Belgrade water it is just like a deed. We transfer ownership, but then they say the City of Belgrade does not want that water out there so what they do is remove that water usage from out there and they change the use of that water from agricultural to municipal. What they are agreeable to do now is to take that volume of water and apply it immediately across the wells you have. Right now, you cannot use all of the capacity of the wells, but by applying these water right across the wells then you could use more capacity and then also it would be in reserve for the new wells, but they would not have to be put in immediately. There would be no cost involved here. There would only be fees involved. Mr. Bean asked City Attorney Ramler if we would do this legally.

City Attorney Ramler stated I think that we can. I have a question, is ground water over-appropriated in this valley?

Council Member Youngberg stated at the Supreme Court Ruling with Trout Unlimited and Smith River all ground water and surface water has hydrological connection so a drop out of the ground is a drop out of the river.

Mr. Bean stated they are tied together now. Therefore, you cannot appropriate any more ground water except under that 35 gallon per minute rule. That will fall in this next session. Everybody wants that to stop that. They now want a developer to have to connect all of those little straws in that subdivision and all of sudden he is up to 1,000 gallons of water. Now he has to go mitigate it. That is called an exempt well when you put your house in and then your well is exempt. They are saying that one little well does not affect anything but when the developer puts in 500 homes that is a big effect.

City Attorney Ramler stated under that case do you have a chance to go in and show that it is not affecting.

Council Member Youngberg stated you could go in if you can prove you drilled into a confined aquifer, but this is a closed basin. All the water is appropriated. Over-appropriated does not mean much when people are using the water at different times. In a closed basin, in essence, there is no more water available.

Mr. Bean stated that the basin is closed so there is no more ability for anyone to go out and buy water rights except for these little 30-gallon per minute wells and they are going to shut that down and put that all into this big mix. I read a great report from 1953 when they did a state water study. Our basin was not closed at that time but the Gallatin River was 10 times over-appropriated for annual water that goes down it. They will go after Brad Bean and say you cannot have 30 CSF of water you can only have 10 CSF. That is not going to change the price of the water. In fact, the water is going to go up because it will become a scarce commodity at that point. We have an opportunity to make something work here and I am very flexible on any of this however, Belgrade wants to do it. I mentioned to the "guys" some sort of contract for deed or whatever you want to call it that allows us to go down the road and until the right is acquired and approved and done correctly at no interest for 20 years.

Council Member Cooper asked Mr. Bean if the State wanted to buy his water rights now.

Mr. Bean stated that would be nice if they had money like Texas and had money, but our state does not have any money.

Council Member Cooper stated the State is always telling us we have water rights in Townsend, but they also tell us they have first rights to the water and first rights to water in the whole state of Montana.

Mr. Bean stated that 97% of the water rights of that river are owned by farmers, not by the state, not by fish and game. That battle is going to come and the feds are going to engage and Missouri is going to say we have these boats out there gambling and they have to have water you have heard all of this stuff.

Council Member Cooper stated it is a matter of getting a lawyer and fighting, because the State tells you quit using your water because we are too low on water.

Mr. Bean stated that the key to Belgrade whether it is me, or someone else is it has to be in your basin, it has to be in your zone, it has to be a priority date that is old enough and deed-able and transferrable and it has to be a big enough volume for you to even mess with. All of those factors have to come into play. I have a bunch of 1883 water rights and 1875 and so on that are perfect, because they will fly right past. They are not contestable by not being an old water right. A new water right starts at 1890 to now so it has to be older than that otherwise the DNRC feels that it is only runoff water because of the over-appropriation. It is a little different with wells. The well that was put in before 1973 is considered independent even though it is connected it is still hanging out there has an independent situation. We have that well sitting down there that has a deed for 2,000 gallons per minute and that is what I would go after first as two separate applications if you were interested. I would do that as a separate application and then some surface water as the other one, all contingent on something positive happening. The only cost everybody would be out is that we have to hire a qualified water engineer that DNRC will respect and accept.

Mayor Nelson asked are there other "Brad Bean's" in our area out there that have a scenario like this, or are you the only one.

Mr. Bean stated that he did not know. I know everyone who is on every one of these ditches out here. Unfortunately it is not where the water is diverted from it is where it is used. For instance going out to the old Prescott place that is the wrong end of town for you water is not going to flow uphill as far as the DNRC says. By buying water out there you are not mitigating the fact you are going to take water out over on the new Alaska Road. You are going to put a new well in out there. It has to be water that would flow in that direction. You are talking about some of the other smaller people on the old ditches such as the Hoffman those are all small water rights and that happened because everything got broken up over time. I would help you if I knew somebody, but do not right now.

Council Member Youngberg stated the problem is that most of those are not retired they are still utilizing that water for agriculture so they would not market their water until such time that they either subdivide it or did something similar so you are not going to market that water. It is rare that you would find water that would fit the City's needs this well and it seems like a lot of money but I guarantee that in 20 years they would thank us.

Mr. Bean stated that in 20 years this is going to be nothing. The water is probably worth more than the land is right now. That is where it is going now.

Council Member Youngberg asked Mr. Bean what his timeline was for looking at this.

Mr. Bean stated that we should wait until the new City Manager starts. I think in talking with Kerri Strasheim who is the head of our local DNRC if something hits their desk this year we have to be in a place that we have filed with them to do something. Once we have filed with them, we are active. It is not as if they are going to come and roll through Helena in February and March the next year and say here is a new law. That is not going to happen because we were already working on it. I would say if you wait longer than a year, you would be in trouble.

Mayor Nelson asked Mr. Bean when you say this year do you mean 2014.

Mr. Bean stated yes, I mean to say 2014.

Acting City Manager Clark stated we are looking for direction from the Council that you want us to spend time on this and research to find an engineer and talk with City Attorney Ramler and Mr. Bean with an agreement. It would show we have an agreement and we are working together. DNRC sees the agreement then we can be very organized by the time Mr. Barkley takes over as City Manager. Once he does take over and it is all explained to him then we can move forward right away. Otherwise, if you are not interested then there is no sense in the rest of us spending time and Mr. Bean can go talk with other people.

Council Member Cooper stated I would like to see what an engineer and the study is going to cost us.

Mr. Bean stated that the person he hired used to be part of the local DNRC here then he went on to be PBS and JA and now he owns his own firm in Missoula. His name is Carl Ulig. He was one of the senior people here. He is the one that transferred the Barnes water rights that I have transferred. All of the water was transferred south of Amsterdam road to my alfalfa fields down towards Cameron Bridge. That water was transferred down there. Now it is coming right at you flow wise. Mr. Ulig did a great job. Mr. Ulig would cost \$10,000 to \$15,000 and that is from start to end. That is what a good engineer is going to cost you. You want to get a good engineer otherwise they are going to throw him out and go back and every 60 days this thing will go back and forth.

Council Member Criner asked how long the project would be from start to finish.

Mr. Bean stated that the engineer work will take anywhere from 30-90 days. Then he turns it in. During that time, he should be calling back and forth all along with the DNRC to make sure everything is going smoothly. When he turns the project in the DNRC stamp it and they guarantee you, they will have everything done for you in nine months. During those nine months, he is still in the game because they come back with questions and will need additional documents. This does not happen on a well. A well is a well. A well is simple compared to water going down a ditch for two miles and trying to justify that you had that usable water. That is why I recommend starting with a well and doing some surface water at the same time. The cost is not going to be that much more as long as you have done your homework and we have done a lot of homework already with the DNRC. We have put in quite a bit of time already to make sure we are not flying off on some tangent and we were assured that we were not.

Mayor Nelson asked Council Member Youngberg when the City became involved with Ryen-Glen were there any water rights that came with that annexation.

Council Member Youngberg stated that yes, there were some water rights, but it is surface water and it is minimal. It is also on the wrong side of town.

Mr. Bean stated you have an entire year to work on this. I think that it would be better to have it done by December 2014 than into the legislature year. Not that it will make any difference they are not going to set back anything that you have been working on for a year. There will be more controversy about wells and transferring water.

Council Member Cooper stated that I preferred that it would come back to us than go to Trout Unlimited. They want all the water they can back in that river.

Council Member Youngberg stated if we do something like this, in 20 years we will be heroes. It may not look like much today, but as the City grows it is going to require water and we have so much reserved and so much available and when that runs out the cost only goes up. Those who paid \$1,000 per acre-foot for water will find that a bargain in the future because there is only so much to sell.

Mr. Bean stated that the City just annexed some property over here. You are going to grow whether you want to or not because it is too expensive to live in Bozeman. You are going to push businesses down here and you are going to have stuff happen. With the losses you have over 15 years in your lines and more restrictions from the DNRC of your water use you will be out of water.

Council Member Cooper stated we picked up some water from Tom Davis but it is only surface water.

Council Member Youngberg stated that there are five wells and five water rights associated with Knife River property the problem we have is that there is no historic use. You can only transfer the historic use. If those wells have not been used it is just like Jerry Swenson had all those wells that he said was such an asset but none of them had been used so they are not worth anything because there is no historic use tied to them.

Council Member Koentopp stated that if there is no historic use you could not transfer the water right.

Mr. Bean stated that they give you a little slap on all of this kind of stuff. They are reasonable. When we were at DNRC, they said you are thinking about in 20 years annexing out there right. There is some latitude I think that they are more open. The DNRC that had a hard time with water right problems a few years ago but the new group seems to be more reasonable.

Council Member Youngberg stated that this is something we should look at with the new City Manager.

Council Member Cooper stated I would like to find out whom we can get for engineers and what that looks like.

Acting City Manager Clark stated we could do that we just needed to know if you want the City to continue spending time on it.

Mayor Nelson stated it is the Council consensus to move forward in looking at this.

Mr. Bean stated we wanted to get there because we put a lot of time in on ways to make this happen. I think that the water transfer would happen. There is just no guarantee on how much they are going agree too volume wise whatever that is, but there is enough water that it does not matter.

Acting City Manager Clark stated if they cut the well volume down we can pick it up on the surface water side. If we know what the well is first we can increase the surface water on the other side.

Mr. Bean stated he did not want to sell something that does not go all the way to the end.

Council Member Menicucci stated I do not think that very often you find something dropped into your lap like this either. I think it is unusual.

Finance Director Wernikowski stated that one of things we will have to research is the Department of Administration procurement rules. If the value of the contract is over \$80,000, will we have to put out an RFP and advertise looking for other people who have water rights out there. I am not sure if there is some exception but that is something we will have to look at.

Acting City Manager Clark stated that City Attorney Ramler has already checked into that and we are okay on that matter.

City Attorney Ramler stated he would look into it again but I think we are okay on water.

Mr. Bean asked if this falls under the same category?

City Attorney Ramler stated that statute deals with equipment etc.

Mr. Bean stated water is a commodity.

Council Member Youngberg stated that the legislature four years ago passed a law that says cities do not have to prove historic use. We could buy water rights and have water rights and do not have to prove historical use of the water. If an individual bought water rights or a well they would have to prove historical use of that water and put it to a beneficial use within a certain amount of time. Understanding the situation that cities are lobbying in the legislature so that they can get water and bank that water and do not have to prove historical use or use on it for a certain period.

Mr. Bean stated that is the other way to go. Kerri Strasheim of DNRC brought up that the City could just water bank and that is very simple. There is two ways to get the water transferred. One is into the water bank and the other is to put is across the existing wells and have it be a done deal so that water banking is not hanging out there as low fruit for Helena to say you cannot do that. That is probably the easiest, quickest, and cheapest way to do it.

Mayor Nelson stated that Mr. Bean would be hearing from City Attorney Ramler in the near future.

**DISCUSSION OF PERSONAL SERVICES CONTRACT FOR CITY MANAGER DESIGNATE TED BARKLEY** – City Attorney Ramler stated this is a personal services agreement for Mr. Barkley. The salary is \$99,000 for the first year, payable monthly the same as everyone else. It is a three-year contract. The contract can be terminated at any time. If it is terminated or not renewed the City is required to pay a six-month severance at the rate of the current salary. If there is termination for cause, there is no severance.

The City is doing the same retirement benefits and the same match for deferred compensation plan as other department heads. This year it is at 3.5%, in the past it has been at 7%. There is health insurance the same as all the other employees. Vacation time is credited with 40 hours of vacation leave and he will begin accruing vacation leave at the rate of 20 days annually. He is being credited with 40 hours of sick leave and he will accrue sick leave at the same rate as other department heads. There is an auto allowance of \$350 a month to help defray transportation costs. If there is travel outside a radius of 50 miles of Belgrade then he is

Finance Director Wernikowski stated the Fire Department funds fall under the same regulations as do the City funds. There are rules that if STIP is doing one-percent better than what we are doing then we have to invest in STIP.

Acting City Manager Clark stated we are still investigating this issue.

Council Member Youngberg stated we are dealing with a local business and we are getting better on the sweep, but I think that we should investigate taking a portion of those monies and invest them that something with a better rate of return.

Council Member Cooper asked if the City uses a broker currently.

Finance Director Wernikowski stated she spoke to MMIA because they have to invest a large amount of money and they are using four different brokers. People and agencies do use brokers to help invest the funds.

Mayor Nelson recommend to call a few brokers investigate the possibility of investing elsewhere.

Council Member Youngberg stated that they have to be federally guaranteed.

Mayor Nelson stated with that you are going to have a lesser rate than other investments.

Finance Director Wernikowski stated that investment advisors have different tools such as laddering investments so you always have money coming due, but you always have a good chunk invested.

Mayor Nelson stated he looked forward to a report on that subject from Finance Director Wernikowski.

**QUARTERLY STATE OF THE LIBRARY REPORT OT THE COUNCIL BY GALE BACON, LIBRARY DIRECTOR** – Gale Bacon stated it was a big year for the library. Two staff members retired with a total of 23 years of library experience. We have a very new staff that is eager to learn and morale is at an all-time high. There are also five new trustees.

The grand total for grants, fundraisers, and contributions was over \$35,000. Three to four years ago, the Library had a \$90,000 debt. Since then we passed a levy, and received a matching grant from the Gilhousen Foundation. We now have over \$70,000 in reserves. We have filled our commitment. We were given six years to overcome the debt and we accomplished that in three years.

The Library is very active on Facebook and Twitter. Our website is getting a large number of hits. Our Montana Library to Go program is sponsored by the Zoot Corporation and is continuing to grow. We have a program called Book-A-Tech, where anyone in the

reimbursed at the IRS rate or else the City can provide him with a City vehicle to use for those longer trips.

The City will pay for membership dues to ICMA and GOSCMA so that he can attend those conferences. Mr. Barkley has looked over the contract and I have gone through it with him. Mr. Barkley is amenable to this personal services contract with the City of Belgrade.

Council Member Youngberg made a motion to enter into an agreement with Ted Barkley for terms of the Personal Service Agreement.

Council Member Criner seconded the motion.

All voted aye, motion carried unanimously.

**DISCUSSION OF RESOLUTION 2013-25 RENAMING BELGRADE YOUTH SPORTS COMPLEX TO BELGRADE YOUTH SPORTS COMPLEX AT JOE MENICUCCI FIELD** – Acting City Manager Clark stated we talked about this at our committee meeting that specifically deals with that park. The committee approved the renaming and the school board agreed with and passed the renaming. They have been working on the signs already. Now it comes before the Council. As you know former, City Manager Menicucci had worked on that park for years before it came through. He and Scott Bell spent four to five years before it actually happened to get it done, Mr. Menicucci was a big sports fan, and I think it goes a long way to honor him. Peter Morgan brought the name before the school board. There was no negative comment from the public at that meeting.

Council Member Cooper made a motion to approve Resolution 2013-25 Renaming Belgrade Youth Sports Complex to Belgrade Youth Sports Complex at Joe Menicucci Field.

Council Member Menicucci seconded the motion.

All voted aye, motion carried unanimously

**BOARD RE-APPOINTMENT TO THE BELGRADE CITY-COUNTY PLANNING BOARD KEVIN LUCAS, SANDY LEE, ELIZABETH MARUM, and BILL DRYER TERM TO EXPIRE DECEMBER 31, 2015** – Council Member Youngberg stated that these are all good people on the Planning Board. I move to reappoint Kevin Lucas, Sandy Lee, Elizabeth Marum and Bill Dryer to the Belgrade City-County Planning Board Term to Expire December 31, 2015

Council Member Koentopp seconded the motion.

All voted aye, motion carried unanimously.

**DISCUSS AND APPOINT BELGRADE COUNCIL REPRESENTATIVE, TO THE BELGRADE CITY-COUNTY PLANNING BOARD, 2 YEAR TERM TO EXPIRE DECEMBER 31, 2015** – Council Member Youngberg made a motion to Appoint Council Member Anne Koentopp to the Belgrade City-County Planning Board for a 2 year term to expire December 31, 2015.

Council Member Criner seconded the motion.

All voted aye, motion carried unanimously

**DISCUSS AND APPOINT COUNCIL MEMBER TO SERVE ON THE BELGRADE LIBRARY BOARD, FOR 5 YEAR TERM TO EXPIRE DECEMBER 31, 2018** – Council Member Koentopp made a motion to Appoint Council Member Kristine Menicucci to Serve on the Belgrade Library Board for a 5-year term to expire December 31, 2018.

Council Member Cooper seconded the motion.

All voted aye, motion carried unanimously.

**DISCUSS AND APPOINT COUNCIL MEMBER TO SERVE ON THE PARK AND RECREATION BOARD FOR 2 YEAR TERM TO EXPIRE DECEMBER 31, 2015** – Council Member Cooper made a motion to Appoint Council Member John Youngberg to serve on the Park and Recreation Board for a 2-year term to expire December 31, 2015.

Council Member Criner seconded the motion.

All voted aye, motion carried unanimously.

**DISCUSS AND APPOINT COUNCIL MEMBER TO SERVE ON THE GALLATIN LOCAL WATER QUALITY DISTRICT, FOR THE REMAINDER OF TERM TO EXPIRE SEPTEMBER 2014** – Council Member Koentopp made a motion to Appoint Council Member Ken Smith to serve on the Gallatin Local Water Quality District for the remainder of the term to expire September 2014.

Council Member Menicucci seconded the motion.

All voted aye, motion carried unanimously.

**ASSIGN COUNCIL MEMBERS TO CENTRAL VALLEY FIRE BOARD MEETINGS FOR 2014** –

Council Member Smith is assigned to attend the January 2014 Meeting.  
Council Member Youngberg is assigned to attend the February 2014 Meeting.  
Council Member Nelson is assigned to attend the March 2014 Meeting.  
Council Member Koentopp is assigned to attend the May 2014 Meeting.  
Council Member Menicucci is assigned to attend the June 2014 Meeting.  
Council Member Criner is assigned to attend the July 2014 Meeting.  
Council Member Cooper is assigned to attend the August 2014 Meeting.  
Council Member Nelson is assigned to attend the September 2014 Meeting.  
Council Member Menicucci is assigned to attend the October 2014 Meeting.  
Council Member Criner is assigned to attend the November 2014 Meeting.  
Council Member Smith is assigned to attend the December 2014 Meeting.

**DISCUSS AND APPOINT DEPUTY MAYOR FOR CALENDAR YEAR 2014** – Council Member Cooper made a motion to Appoint Council Member Koentopp Deputy Mayor for Calendar Year 2014.

Council Member Youngberg seconded the motion.

Council Member Criner seconded the motion.

All voted aye, motion carried unanimously.

**FOR YOUR INFORMATION**

Belgrade Community Library Holiday Closure Schedule for 2014

Council Member Cooper had nothing to report.

Council Member Koentopp had nothing to report.

Council Member Smith had nothing to report.

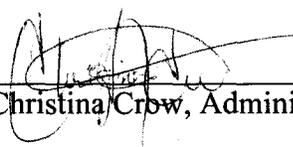
Council Member Menicucci stated she wanted to thank the street department for cleaning the street so well after driving in Bozeman and clearing them off the way you do so they melt off properly when the weather is nice. I appreciate that. Thank you for the sports complex for Joe Menicucci it is a great thing and we can go touch the sign.

Council Member Criner had nothing to report.

Council Member Youngberg had nothing to report.

**ADJOURN** – Council Member Gee made a motion to adjourn at 8:17 PM

  
\_\_\_\_\_  
Anne Koentopp, Deputy Mayor

  
\_\_\_\_\_  
Christina Crow, Administrative Secretary