

**BELGRADE CITY COUNCIL MEETING MINUTES**  
**COUNCIL CHAMBERS**  
**January 5, 2015**  
**7:00 PM**

Mayor Russell Nelson called the meeting to order. Council Members in attendance were: Brad Cooper, Anne Koentopp, Ken Smith, Kristine Menicucci, Mark Criner and John Youngberg. Others in attendance were: City Manager Ted Barkley, Planning Director Jason Karp, City Attorney Rick Ramler, Wade Pehl, Virjeana Brown, Tom Henesh, Tim Thomas, Cristina Thomas, Elizabeth Marom, Ed Roe, John Owens, Jesse Stovall, EJ Clark, Michael Tucker, Eve Parrow, and Matt Sample.

**APPROVED MINUTES OF THE December 15, 2014 MEETING**

Council Member Smith moved to approve the minutes of the December 15, 2014 meeting. Council Member Menicucci seconded the motion

All voted aye, motion carried unanimously.

**OATH OF OFFICE**

Clerk Caldwell administered the Oath of Office to newly appointed Deputy Mayor Menicucci, term expiring on December 31, 2015.

**PUBLIC FORUM**

Mayor Nelson called for public comment.

Virjeana Brown, residing at 720 Northern Pacific in Belgrade, asked the Council Members to speak up so she could better hear their comments.

Mayor Nelson called two more times for public comment. There being none, the public forum was closed.

**PUBLIC HEARING**

**Proposed Ordinance 2014-4 Rezone Application of West Ridge Property**

Planning Director Karp reviewed the application details related to the property located at 19601 Frontage Road on the corner of Jackrabbit and Main. Karp commented on the affect this rezone would have upon the water/sewer rates charged per unit. It would also affect street maintenance fees. First reading occurred on December 1, 2014. The Planning Board has voted unanimously to recommend approval of this zoning change as requested.

Mayor Nelson opened up the public hearing on this subject.

Tom Henesh, Big Sky Land Consulting, spoke on behalf of the applicant and invited questions from the council and the public.

Mayor Nelson again called for public comment. There being none, the public forum was closed.

Mr. Henesh spoke again on behalf of the applicant, requesting this rezoning application be tabled at this time.

Council expressed concerns against amending water rates specifically for this situation. Karp reviewed the current practice of how charges are applied to apartment units. It was clarified that if the zoning is not changed on this property, the rates would remain unchanged. Karp clarified that the applicant is not in violation of any zoning rules because they are currently operating under a monthly lease which qualifies them as an extended stay facility. The applicant was requesting this item to be tabled because they would like to see the outcome of the City's planned rate review and rate structure review to be done sometime in the near future. This would give the applicant more information to make their final decision on what direction to take on this zoning question. Council agreed that the zoning adjustment would be a positive change, but the water/sewer rates and street maintenance rates were a concern.

**ACTION:** Council Member Menicucci moved to table Ordinance 2014-4 Westridge Property Rezone from B2 to R4. Council Member Criner seconded the motion.

All voted aye, motion carried unanimously.

For further clarification, Barkley stated now that the Public Hearing has been conducted, and when further information is available, this item may come back off the table in front of the Council. They will then be able to consider the new information from the water/sewer rate study and recommendations. Future request for action or withdrawal of the rezone application will now be left up to the property owner.

### **Proposed Resolution 2015-1 Municipal Services Mill Levy Ballot**

City Manager Barkley reviewed the proposed Resolution 2015-1 seeking input on the mail ballot question asking for up to 37 mills for a period of 7 years and requiring an annual report to taxpayers. Funds would be used toward Police, Library and Fire services and equipment. The decision before the Council at this meeting was whether to put the question on the ballot. The prescribed time schedule sets an election date of March 30, 2015, which would allow the mail ballot to stand alone and not compete with others. It also allows time for discussions to inform the citizens about the question and the needs. Barkley referred to a printed Question and Answer packet available for public information.

Barkley summarized the reasons behind the city's need within the General Fund and core services. He referenced 56 separate budget funds, each with a specific purpose. The General Fund is not like the utility-related funds in that the utility funds have dedicated revenue sources. General Fund provides the core services for Police, Fire and Library and Parks. These do not have dedicated revenue sources. He also explained how the chronic deficiencies in the General

Fund were dealt with over the past few years. Barkley reviewed how the number of mills was calculated to keep the current level of services running. Asking for a mill levy that would be dedicated to core services would free up other funds for things like grant matching.

Barkley explained that the proposed tax is for a period of seven years, and that an annual report to taxpayers regarding the use of the funds is required. The main services affected by this issue are Police, Library and Fire. If there is no increase in revenue, the level of services must be cut back. If the Mill Levy is not passed by the voters, two key areas of services will require cuts. Barkley explained this will amount to about \$200,000 being cut from the budget immediately, with a \$145,000 cut affecting the Police services and the remaining \$45,000 coming out of the Library services. The Fire service is under contract at this time so the brunt of the cuts would fall on Police and Library.

Barkley reported that both the Police and Library departments would be making a presentation to the Council at the next January Council Meeting to discuss the level of service they are currently providing and how the cuts will affect those services.

Barkley noted the economy is improving, however, there is a delay as to how this affects tax revenue levels coming into the City. Residential property produces less revenue than Commercial, and Belgrade is made up mostly of Residential. He also referred to Impact Fees that are collected in relation to new building permits. Impact Fees cannot be used toward maintenance of existing infrastructure. They can only be used for expansion and building new infrastructure.

Mayor Nelson called for public comment on the proposed Resolution 2015-1.

Virjeana Brown, residing at 720 Northern Pacific Avenue, asked how this would affect Belgrade if we grow to a Class 1 size City. Barkley stated that Class 1 status would change requirements in regard to maintaining a full time Fire department of our own. Also when Belgrade hits 10,000 in population, we will likely have additional requirements for water/wastewater treatment. Our classification is tied to the census in 2020, and Ms. Brown asked if that would mean even more taxes being levied before the seven year period was over. Barkley confirmed that this was a possibility, but he referenced upcoming legislative proposals to help alleviate the requirements related to Fire services so it may not be an issue.

Mayor Nelson called a second time for public comment.

Elizabeth Marom, residing at 814 E Missoula in Belgrade, stated she felt the timeline was too ambitious and she thought it might not succeed. She also asked if there was a place online where she could review the 56 fund accounts that the City Manager had referred to earlier. City Manager Barkley agreed to email the information to Ms. Marom.

Barkley agreed that it would be a challenge to adequately educate the public on this issue. Council Member Menicucci noted several forums were planned. Barkley confirmed the members that made up the working committee on this Ballot Question for the proposed Mill

Levy, including Council Members Smith, Criner and Menicucci, along with City Manager Barkley, Finance Director Wernikowski, Library Director Bacon and Police Chief Clark. This committee will remain active in terms of educating people about the choice that will be put before them. Ms. Mavom stated her concern that it is difficult to get people to come out to the forums. She saw the need and value of these core services, but getting people to pay attention to the value of these services would be a huge educational effort. She encouraged broad outreach in any way possible.

Council agreed with the need for broad outreach. It was also pointed out that the proposed election date fell at such a time as not to compete with other ballot issues being sought by other entities such as the School District so it stands out on its own. Public information will also include what cuts will come if the mill levy does not pass. Plans included having designated speakers to be available at any time to speak to any group as the opportunity comes up.

Council expressed their wish to see more citizens attending Council meetings for these type of Public Hearings so that more viewpoints could be heard.

Virjeana Brown spoke again and complimented Barkley on the way he explained the proposal in simple terms that were easy to understand. She suggested he also write an explanation to be published in the newspaper.

Council Member Criner commented on the intent to use both the newspaper and the radio for public information to get public investment. He appealed to those in the audience to share their thoughts on any other venues they could think of.

Mayor Nelson called a third and final time for public comment.

Barkley reported on three specific questions that have come up since the recent newspaper article appeared on this subject. Question #1: Why can't we use impact fees to pay for core services? Answer: We can only use impact fees for new infrastructure or maintenance related to the new growth, not existing or old items already in place and no salaries. Question #2: Why would we spend so much money on Belgrade Youth Sports Complex (BYSC), when we need the money for Police, Fire and Library? Answer: The construction, operation and maintenance of the BYSC facilities are the School District's responsibility. The only thing the City provides is supplying water and some help in managing open areas for weed control and some mowing. \$60,000 was expended some time ago when the area was first acquired, which represents about half the value of the perpetual grant of right-of-way. Question #3: Why can we buy a skidsteer for Public Works, but not pay for Police? Answer: The money for this piece of equipment is drawn from a completely different source. It can only be used for street maintenance related costs, and the street fund has its own dedicated source of revenue.

Mayor Nelson gave the final call for public comment. There being none, the public forum was closed.

Council Member Cooper asked exactly what the impact fees are used for. Barkley explained they were purpose specific and he confirmed that they are collected each time a person buys a building permit. However, these funds can only be used toward new capital improvements with more than a 10 year life. Because of this requirement, the funds are collected and held until they can be used for building additional capacity to meet the needs produced by the growth. Cooper felt there was a substantial misconception from the public's point of view on how these funds were or were not being used. Barkley confirmed plans for use of these funds is underway. This would include updating the City's Capital Facilities Plan which is partly funded by impact fees.

Barkley confirmed that if the Council chose to move ahead with placing the question on the ballot, the working committee would reconvene and set-up a web address and phone number for citizens to be able to ask questions. Barkley noted that the wording used in the sample ballot has had legal review and matches what was advertised in the Public Hearing notice. The annual review will be a numerical report from the City Finance Department, a narrative report from the City Manager and it will include both the allocation of the new funds in addition to the positive affect and relief to other fund as a result of its application.

Council Member Youngberg commented that this measure was not to be taken lightly. He commented that most of this council body had been present for many, many years, and they have done so much to keep the costs to the citizens of Belgrade down. He noted that perhaps more incremental increases should have been implemented over the years, however, with the facts now being presented, this action seemed to be a good solution.

**ACTION:** Council Member Youngberg moved to approve 2015-1 placing a Municipal Services Tax Levy question on a Mail-Out Ballot. Council Member Menicucci seconded the motion.

All voted aye, motion carried unanimously.

## **REPORTS**

Mayor Nelson had nothing to report.

City Attorney Ramler had nothing to report.

City Manager Barkley reported the City Court Judge Snowberger has given notice of her resignation. She has accepted employment with the Department of Justice as a Bureau Chief at the Driver's License Division in Helena, beginning in February. Recruiting efforts to fill this position have been started. This position is nominated by the City Manager and appointed by the Council. The initial hire will be replacing Judge Snowberger for the remainder of the current term which runs through December 31, 2015. The normal contract period is 4 years.

Barkley reported that Finance Director Wernikowski has also given notice of resignation. She has accepted employment as Finance Officer for KC Harvey Environmental Consulting in

Bozeman. She will begin her new job in February. Efforts have begun toward filling this position as well. Barkley noted that both of these employees have worked hard for the City of Belgrade. Now they were accepting fine opportunities at this point in their careers and he wished them the best.

Barkley reported his intent to start a new series of employee luncheons to be held at the Fire Training Center around the third week each month, on a Wednesday after the second Council meeting each month. Barkley realized that many of the City employees do not have timely information about what the Council is currently considering, the policy issues that are being discussed. Barkley planned a short dialogue and a question and answer session to help keep all city employees up to date on things happening with the Council and the City in general. Council Members are invited to drop by at any time and be included in the informal setting.

Barkley reported having a discussion with Representative Tom Burnett related to the requirement to have a full time paid fire department and how to prepare for the legislative proposals. Burnette had a positive response in terms of carrying the City's interests to the legislature. Barkley noted the strategy of preparing for this issue during this year's session and then go for change at the next session, but this idea will unfold within the next few weeks.

Barkley reported that our Building Code Enforcement fund is now flush so we need to use it or lower our fees. The Planning Department currently employees one full time employee. Perhaps more help could be considered.

Barkley reported receiving notification from Montana Department of Environmental Quality regarding the violation notice from November 2014. The City has a clean report and has met all requirements. This was never a boil order. This type of precursor alert appeared once before, during the same time of year. It seems to be related to a seasonal change when the irrigation demand levels drop. Less water is moving through the new tank, which is causing the water to be still which could allow more room for bacteria in test results.

## **DISCUSSION AGENDA**

### **CONSIDER Recommendation regarding Skid Steer Loader Bid Proposals**

City Manager Barkley explained that the street maintenance funds would be used for this equipment purchase. The Bobcat equipment came in at a significantly lower cost than the other equipment. Barkley reviewed the various attachments that came with the base unit. Attachments would be used for snow removal, forklift capacity, dirt bucket, angle broom, a wheel saw to enable cutting pavement, and a tree chipper. Barkley recommended the purchase the full package including the base unit and attachments for \$60,309. He stated there were adequate funds to cover this purchase.

**ACTION:** Council Member Koentopp moved to accept the Bid from Kamp Implement for the Bobcat Skidsteer Loader including attachments for a price of \$60,309. Council Member Criner seconded the motion.

Council Member Smith inquired on the lifting capacity of weight on the forklift. Barkley referred to the bid specifications that were published and felt confident this would be adequate to meet the needs of our Public Works projects.

All voted aye, motion carried unanimously.

## **CONSENT AGENDA**

### **Payroll for December 2014**

Council Member Criner moved to approve the Payroll for December 2014. Council Member Youngberg seconded the motion.

All voted aye, motion carried unanimously.

## **FOR YOUR INFORMATION**

Mayor Nelson had nothing to report.

Council Member Cooper had nothing to report.

Council Member Koentopp inquired about the 200 Block of Weaver and the addition being built on a house on the corner, but it is so close to house next door. Planning Director Karp explained the owner's planned height was shown too high and it was taken to the Board of Adjustment. Their request for variance was denied. Karp was unsure what the owner planned to do at this point. They were required to build a fire resistant One-Hour wall because the existing house had been built in such close proximity. This was a fire-rating requirement to protect both properties. The plans showed compliance, however, when it was built and it was measured, it was confirmed to be 5 feet too tall. This was reported to the Board of Adjustment. The owner now must take the structure down or come up with a plan of compliance. Karp comment that this may include implementing a steeper pitch, however, no new plans have been submitted yet.

Council Member Smith had nothing to report.

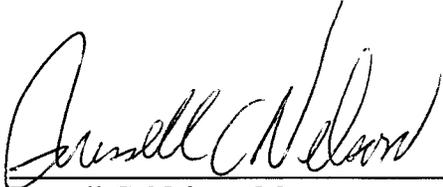
Council Member Menicucci reported that the Library Board is meeting with the City Manager and Finance Director on the Special Mill Levy to determine a plan of action. She also asked about a row of cars and trucks parked between the lounge and the bakery on Main Street. She inquired if this was being used as a car lot. Barkley said he would make inquiries. She also asked about the sidewalks on Cameron and who clears them of snow. Barkley confirmed that since the project is not complete, the contractor is still responsible for clearing those sidewalks.

Council Member Criner had nothing to report.

Council Member Youngberg commented on the shoveling of snow and it being piled up in front of the offices in and around Main Street. It made it difficult to park and/or get in or out of a vehicle when trying to reach these places of business.

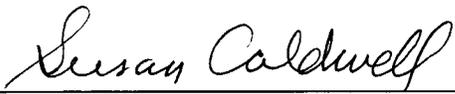
**ADJOURN**

Council Member Criner moved to adjourn the meeting at 8:32 p.m.



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Russell C. Nelson, Mayor



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Susan Caldwell,  
Administrative Assistant to the City Manager