



**MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF CONRAD, COUNTY OF PONDERA, STATE OF MONTANA
HELD AT CONRAD CITY HALL ON NOVEMBER 7, 2023**

The City Council of the City of Conrad, County of Pondera, State of Montana, met in regular session at the Conrad City Hall on November 7, 2023, at 6:00 p.m.

Present: Mayor Jamie Miller, Alderman Nathan Hunsucker, Alderman David Cates, Alderman Scott Mycke, Finance Office Joani Mink, and Public Works Director Dave Zimbelman

Absent: Alderman Amber Schoenrock absent with permission.

The meeting was called to order by Mayor Miller at 6:00 p.m.

Read & Approve Minutes of October 17, 2023, Regular Meeting

- Motion by Alderman Dave Cates, second by Alderman Scott Mycke to approve October 17, 2023 Meeting Minutes.
 - Motion Carried Unanimously

Action on Claims

Claims #27598 through #27641(refer to the claims register/claims approval list)

- Motion by Alderman Nathan Hunsucker, seconded by Alderman Dave Cates to approve the claims, as presented.
 - Motion Carried Unanimously

Water Contracts: None

Correspondence: None

Public Comment: None

City of Conrad Department Reports: Finance Department, Public Works Department

Finance Officer Report, Finance Officer Joani Mink

The finance officer reported on her experience of learning the duties of the billing clerk and payroll administrator through an entire billing and payroll cycle and some of the finance officer duties they have assumed. Part of that cycle included billing, notices, shut offs, accounts receiving, credit card payments and reports, entering claims, and taking over the Tri-City Interlocal secretary/treasurer responsibilities. The payroll administrator has started year end reconciling and double checking 1099's. Agnus Fowler and Jodi Rogers, who work for the MT League, have contracted with the city of Conrad to help balance the budget. They have worked diligently with the payroll administrator and are getting closer to getting balanced.

Public Works Director Report, Works Director Dave Zimbelman

The public works director reported that his department has completed winterization on city property. They have also started replacing hydrants. Dave reported that cones had been set out for trunk or treat and it ended up being a great turnout. The works department completed alley cleanup and picked up a lot of yard bags. Dave reported the new e-coli testing machine has been put into the lab work so no more e-coli testing from energy labs. Dave noted that the e-coli testing machine also tests for coliform. It was also reported that the Department of L&I

gave a surprise inspection on the water/wastewater plants. Dave said the only serious infraction was an unregulated air wand that needs a pressure reducer. The works department is almost done with putting up snow fence for the coming season. Dave also mentioned the Tri-City Interlocal meeting he attended November 2nd. Also, Dave is looking into reducing the energy bills and will give more information on that in the future. Lastly, Dave has been working with the city engineer on upcoming projects including the splash park and storm and sewer projects which will be going out for bid soon.

6:10 Public Comment /No action

Discussion took place on the status of the IRS proposed penalty. Mayor Miller told the public that a letter had been sent to the IRS explaining the City's situation and asking that the city not be fined.

Questions arose concerning Blue Sky Villa board's decision on extending the lease. Note: it was to be discussed later in the meeting.

Ava Krings had a meeting agenda request concerning the Conrad FCCLA request for police patrol on the streets, additional traffic cones and use of the streets for the annual turkey trot race (glow run) on November 17, 2023, at 6:00 pm and starting at Meadowlark. This is a fundraising event for the food pantry.

- Motion by Alderman Hunsucker and seconded by Alderman Cates to approve the Conrad FCCLA annual turkey trot scheduled for November 17, 2023, pending police input.
 - Motion carried Unanimously.

Discussion/Action on Employee Vacation: Discussion on taking Black Friday off. Garbage Workers with the Works Department will be working on November 24, 2023. It was noted that last year it was a paid holiday.

- Motion by Alderman Hunsucker, seconded by Alderman Cates to approve holiday closure for November 24, 2023, clarification being taking used time off for it.
 - Motion carried Unanimously.

Discussion/Action: Discussion took place on the opening of a cleaning bid for the city of Conrad Town Hall. A bid from Amanda Brown Cleaning, LLC was opened and read. The bid pricing was \$75/visit, 4-5 days per month, and or \$375/month. It is an annual contract. There was discussion on liability and bonding.

- Motion by Alderman Hunsucker, seconded by Mycke to approve Amber Brown Cleaning, LLC at the rate of \$75.00/per visit depending on the approval of Daniel.
 - Motion carried Unanimously.

Discussion: Discussion took place about the updated project budget meeting with the DNRC, DEQ, and Triple Tree that discussed the Conrad Sewer/Water Project and developments. The LFR fund from ARPA increased from \$450,000 to \$463,720.00. This is a borrowing fund. The SRF forgiveness amount was raised to \$227,025.00 used only for water/sewer. The project estimated an over \$200,000 increase in cost. It is the goal of the City of Conrad to keep the City's costs for these projects as low as possible. This discussion will continue later.

Discussion/Action: Sewer System Revenue Bond Counsel Agreement

The Dorsey Bond Council is looking to Bond the City of Conrad for over \$1.1 million for the sewer/water project at a fee of \$15-\$18K. The city may not have to borrow that full amount, but it does have to bond for the estimated cost of the water/sewer project.

- Motion by Alderman Hunsucker, seconded by Alderman Cates to approve the Sewer System Revenue Bond Council Agreement with Dorsey.
 - Motion carried Unanimously.

6:30 P.M. OPEN PUBLIC HEARING

- Motion by Alderman Hunsucker, seconded by Alderman Mycke to close the public hearing for the reading of Ordinance #427.
 - Motion Carried Unanimously

Discussion/Action: Second Reading of Ordinance #427 -Repeal of Conrad City Code Title 2, Chapter 5 “Parks and Recreation Board”

No comment

- Motion by Alderman Hunsucker, second by Alderman Cates to approve the second reading of Ordinance #427- Repeal of Conrad City Code Title 2, Chapter 5 “Parks and Recreation Board”.
 - Motion Carried Unanimously

Discussion/Action: Blue Sky Villa Lease Agreement

Discussion on the Blue Sky Villa Board’s agreement to extend the lease agreement with the City of Conrad for three months. It was also brought up at the meeting that HI Mark properties is interested in leasing Blue Sky Villa.

- Motion by Alderman Hunsucker second by Alderman Mycke to approve the lease extension with Horizon Lodge Garden Apartments, Inc. until March 1, 2024 pending Daniel’s approval.
 - Motion Carried Unanimously

Discussion took place about the city moving forward negotiating with Blue Sky Villa. Mayor Miller made it clear to the public that the city has not solicited or contacted property managers or anyone offering to lease Blue sky Villa since Blue Sky Villa agreed to extend the lease. The Mayor and City Council members told the public that the City of Conrad is looking towards the best interest of Blue Sky Villa and will negotiate in good faith.

Alderman Hunsucker expressed concern that the property be maintained, that revenue goes into capital improvements, and that a managing company “for profit” might not be in the best interest of the city. Mayor Miller expressed the same goals but said that the city should add a line item in its budget for Blue Sky Villa and that adequate savings should be added to protect the City’s assets. Adequate savings and financial protection are very important to the City and Council and Mayor in the event something major needs repaired. Additional questions arose over Triple Net Leases. Public comments included an interest in keeping lease agreements local and not out of state. The mayor clarified that the city is focused and committed to negotiating with Blue Sky Villa over the next three months and not entertaining other management offers at this time. Questions arose about using a Mediator in negotiations. The city has not entertained this yet. Mayor Miller agreed with public comments that Blue Sky Villa should not be a “Cash Cow” for the city. Alderman Cates explained that the City’s request for a higher lease with Blue Sky Villa was aimed at putting more money aside for capital improvements. Mayor Miller also justified the increase to bring the unit rents up to date with current market rates and stressed that the increase was intended to support BSV capital improvements. Alderman Cates said that it isn’t taking anything away from Blue Sky Villa but trying to add to it. Public support for a local board and or manager was highly expressed. The Council noted that they will do their best to negotiate what they deem best for Blue Sky Villa over the next three months.

Discussion/Action: City Court Toy’s for Fines

Mayor Miller spoke with the City Attorney for counsel on this matter. She said Daniel said this was ok but suggested this be brought before council.

- Motion by Alderman Hunsucker, seconded by Alderman Cates to approve the Toys for Fines program \$2.00 per fine and that going to Toys for Fines.
 - Motion Carried Unanimously

Other Items of Business

The League and MMIA confirmed the training date November 28, 2023 at 5:30 PM meeting for question/answer session and training.

HB 355: Explanation and Project Selections

IRS letter

Strom and Associates letter cancelling the current contract audit due to staff shortage.

Items to Appear on Next/Future Agenda:

Boards and Commission Appointments

The Power Water Share Request

Training provided by MMIA

Boards and Commission meetings further discussion on Blue Sky Villa

Alderman Cates requested permission to be gone November 21, 2023.

Further discussion on Power/Teton Water

Meeting Adjourned:

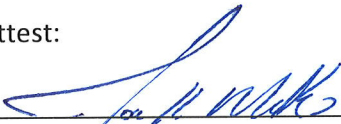
There being no further business to come before the council, motion by Alderman Cates second by Alderman Hunsucker, to adjourn the meeting at 7:10 p.m.

- Motion Carried Unanimously



Nathan Hunsucker, Mayor Interim

Attest:



*Finance Officer

