

**A REGULAR COMMISSION MEETING OF THE LEWISTOWN CITY COMMISSION ON
DECEMBER 19, 2022 WHICH WAS HELD AT THE CENTRAL MONTANA COMMUNITY
CENTER AND STARTED AT 7:00 P.M.**

CALL TO ORDER

Chairman Doney called the meeting to order.

PLEDGE OF ALLEGIANCE

Chairman Doney asked everyone to stand and say the Pledge to the Flag.

ROLL CALL

Present were Commissioners: Day, Doney, Hewitt, Hrubes, Scotten, and Terry. Commissioner Spika participated virtually.

APPROVAL OF MINUTES

Chairman Doney stated that without objection and based on the corrections the December 5, 2022 minutes are approved.

COURTESIES

There were none.

PROCLAMATIONS

There were none.

BOARD AND COMMISSION REPORTS

Commissioner Scotten reported that Snowy Mountain Development Corporation (SMDC) will meet on December 21, 2022.

Commissioner Hrubes reported that the Board of Health will meet on January 23, 2023.

Commissioner Terry reported that the Central Montana Foundation will meet on January 24, 2023.

Commissioner Day reported that the next Park and Recreation Board meeting will be January 4, 2023 and there was not a quorum at the last meeting.

Commissioner Doney reported that the Library Board met on December 15, 2022. The board spent two hours reviewing the Library Strategic Plan and working on a five year plan. The Friends of the Library made \$3,000 on the Santa Second sale and \$700 on the December book sale. A grant in the amount of \$3,300 was received for media literacy from Humanities Montana. The Chili Bowl will be held January 20th.

CITY MANAGER REPORT

City Manager Holly Phelps reported on the following issues:

The next Commission meeting will be held on January 3, 2023. There will be no Committee of the Whole for the first meeting of the year. Elections for Commission Chairman and Vice Chairman will be held, as well as, board appointments. Please think about your current board appointments and schedules.

The City Office will be closed December 26th for the Christmas holiday. The Library will be closing at 3 pm on December 23rd and 30th.

Creekside pass through account will be closed soon we recently did the last planned draw request and will move the remaining funds to the permanent endowment account at the Central Montana Foundation. The goal for the permanent endowment was \$200,000 and with this transfer we will have met the goal.

The Police Department has been issuing citations for vehicles parked on Main Street overnight, but has continued to receive complaints on downtown parking. The City Manager would like to get the parking committee to meet and work to get a proposed ordinance change to the Commission in January for review.

Just a reminder to everyone fireworks are allowed on New Year's Eve from 10 pm on December 31st to 12:30 am on January 1st.

The Friends of the Library will be holding its annual Chili Bowl event on January 20, 2023 at Jacks Hangar. It is always a fun time.

PUBLIC COMMENT – non agenda items

There were none.

CONSENT AGENDA

Commissioner Terry made the motion to approve the consent agenda and Commissioner Hrubes seconded the motion. The motion passed unanimously. The consent agenda was the acknowledgement of the claims that have been paid from December 1, 2022 to December 15, 2022 for a total of \$241,768.77

***REGULAR AGENDA – Resolutions, Ordinances & Other Action Items:**

1. Discussion and action on awarding the 2023 snow hauling bids

City Manager Phelps explained that included in the Commissioner's packet is the information that is mailed to contractors that may be interested in snow hauling for the City of Lewistown. The information mailed outlines the requirements of the City, which is up to three trucks, tandem axel, and short notice availability. City Manager Phelps reported that the City did not receive any bids through the bid process. The Public Works Director solicited contractors and did get one bid from Casino Creek Concrete. City Manager Phelps stated that the per hour per truck rate is \$135 which is a slight increase from the prior year. Commissioner Terry asked what the hourly rate was last year. City Manager Phelps answered it was \$105 per hour per truck, so the rate is slightly higher, but not unreasonable. Commissioner Hewitt made the motion to approve awarding the 2023 snow hauling bid to Casino Creek Concrete and Commissioner Scotten seconded the motion. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and a roll call vote was taken with all being in favor of the motion.

2. Discussion and action on approving Resolution No. 4109, a resolution adopting fees and charges for the Lewistown City Cemetery

Commissioner Terry made the motion to table Resolution No. 4109, a resolution adopting fees and charges for the Lewistown City Cemetery and Commissioner Day seconded the motion. City Clerk Nikki Brummond asked why the item was being tabled. Commissioner Terry answered that she wanted more time for item number 4 and she had requested additional information from the City Manager. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and a roll call vote was taken with all being in favor of the motion.

3. Discussion and action on approving Resolution No. 4110, a resolution setting rates for sewer services for persons or entities not connected to municipal sewer services

City Manager Phelps explained this item is setting rates for sewer services not connected to municipal sewer services. City Manager Phelps further explained that over the past several months while discussing sewer rates, these sewer services were discussed also. City Manager Phelps stated that these rates are for septic haulers and porta potties. City Manager reported that the rates proposed are a 50% increase. Commissioner Terry made the motion to approve Resolution No. 4110, a resolution setting rates for sewer services for persons or entities not connected to municipal sewer services and Commissioner Hrubes seconded the motion. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and a roll call vote was taken with all being in favor of the motion.

4. Discussion on letter from the Department of Administration and the FY 2022 audit.

City Manager Phelps reported that the Commission along with herself received a letter from the Department of Administration regarding the possibility of withholding state funding. City Manager Phelps summarized the letter stating that based on the 2021 audit, which was received in 2022, there were a couple of items that needed to be addressed. These were repeat violations on cash balancing and payroll clearing fund not being reconciled. City Manager Phelps commented that the letter states the Local Government Services Bureau (LGSB) reached out in September of 2021 and City Manager Phelps explained that her first contact was in February of 2022. As a result of the conversation in February the LGSB asked for a few months of cash balancing and the progress on sewer rates. City Manager Phelps explained that the City continues to submitted cash balancing and updates on the increase in sewer rates. City Manager Phelps explained that in order to prevent state funding from being withheld the following needs to be provided to them: cash balancing for October, November and December 2022 and payroll clearing fund reconciled by January 20, 2023. City Manager Phelps stated that the auditors were here last week and completed the annual audit. The report is in its draft form and the exceptions have been given to the Commission for their review. The City Manager reviewed the exceptions with the Commission noting that compensated absence, account receivable management and budget tax levies are new exceptions. The sewer rates remain on the audit, the new sewer rates will go into effect, however by starting the increase mid-year it still may take some time see the necessary revenue and cash reconciling has been removed from the exceptions list. City Manager Phelps explained that recently a legislative committee was formed and an audit was done on the LGSB processes. As a result, the LGSB has changed procedures, processes and they are to help the communities. The LGSB is no longer providing some of the necessary documents to be able to complete the state documents. City Manager Phelps commented that herself and Commissioner Doney did speak last week and did have an opportunity to talk with the auditors while here. Commissioner Doney commented that the cash reconciliation is a repeat exception, she confirmed that a plan is in place to keep this from being an issue in the future. City Manager Phelps stated that we have met the satisfaction of the auditors, so it won't be a finding, but will provide the documents that are being requested by the department of administration. City Manager Phelps explained that there is a plan to get the payroll clearing funds zeroed out and keeping up moving forward. Commissioner Doney commented that she understands that a plan is in place so that the City does not get in this situation again. City Manager Phelps answered yes. City Manager Phelps further explained that the account receivable management covers a lot of areas which includes the City invoicing and receiving funds from other entities. Commissioner Doney commented that the receivable audit exception suggests putting a policy and procedure, does the City Manager have a plan to put together written policy and procedures to prevent it from happening again. City Manager Phelps answered that she is working on getting policy and procedures in place. Commissioner Terry asked if something of the exceptions need to be addressed, which included OPEB, hiring a CPA for financial statements. City Manager Phelps answered that these exceptions are not concerns of the department of administration so it would be the Commissions decision is they would like to spend the money for these exceptions. Commissioner Terry asked how the Commission could help with the segregation of duties. City

Manager Phelps answered that she is thankful we have these discussions in a public forum and being transparent. City Manager Phelps commented that she has asked the auditors if the City has enough staff to fulfill the necessary duties, and they answered yes. There was some discussion regarding the budget exception. Commissioner Doney asked if it would be prudent to send a response to DOA, acknowledging receipt of the letter and where we are at in the process of addressing the issues. City Manager Phelps answered that she will do that.

CITIZENS' REQUESTS

There were none.

COMMISSIONER'S MINUTE

Commissioner Hrubes stated he thought the encroachment issue for 909 W Erie would be on the agenda. City Manager explained that she handed out a draft lease and once a lease agreement is in place it will come to the Commission for approval. Commissioner Doney asked if they do not respond to the lease does it come back before the Commission. City Manager Phelps answered yes, and if there was a deadline. It was agreed the deadline would be March 1st.

Commissioner Scotten asked if he was correct in understanding that board reappointments would be next meeting. Commissioner Doney answered yes, this is when you can move to a different board.

Commissioner Terry reported that she has been discussing with the City Manager the concern to get the annual historic preservation grant completed and submitted.

Commissioner Terry commented that even though the Commission and City Manager have had a lot of discussions this past year, a formal performance review was not completed.

ADJOURNMENT

Chairman Doney adjourned the meeting.

Dated this 19th day of December, 2022.

Gayle Doney, Commission Chairman

ATTEST:

Nikki Brummond, City Clerk