MCA 2-3-212. Minutes of meetings. Minutes must include without limitation: (a) the date, time, and place of the meeting; (b) a list of the individual members of the public body, agency, or organization who were in attendance; (c) the substance of all matters proposed, discussed, or decided; and (d) at the request of any member, a record of votes by individual members for any votes taken.

APPROVED MINUTES

The Libby City Council held regular meeting #1683 on Monday, August 18, 2025, in the Council Chamber at Libby City Hall.

Call to Order:

The meeting was called to order at 7:00 pm by Mayor Williams.

Present were Mayor Williams, Councilors Melissa Berke, Gail Burger, Ethan Kolp, Kristin Smith, Hugh Taylor, Brian Zimmerman, Administrator Sam Sikes, Clerk/Treasurer Leann Monigold, and (via Zoom) City Attorney Dean Chisholm.

Announcements: Mayor Williams announced the next meeting would be Tuesday, September 2nd because of Labor Day.

Approve Approve minutes for Regular Council meetings #1682 held August 4, 2025:

Councilor Zimmerman **MADE A MOTION** to approve City Council meeting minutes 1682, Councilor Burger **SECONDED**.

Public Comment:

DC Orr read his public comment written in the meeting minutes, expressed his concern about the IP Settlement money, and accused Council of not answering public questions.

Councilors Burke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR.**

MOTION PASSED.

Administrator Report: Administrator Sikes clarified the misreport in the newspaper regarding Mary Wages, who is alive and well. Mr. Sikes will close out the SLIPA Grant when he returns from vacation and announced Phase 2 of the project on Spruce Steet has started and should be done in 30-40 days. There was a meeting with WWC Engineering regarding the hydrology study and spoils pile, once they finish the plan it will be brought to council for acceptance and consideration of the project moving forward. Building permits: 3 sold for the month of July, 2 major house remodels and 1 new roof for a total of $724.

Committee Reports:

Cemetery/Parks: Councilor Berke reported the Parks Committee met on August 13th to discuss ideas about the placement of the wings that are currently lying on their side in Peace Officer Park. Another meeting is scheduled next week to discuss the options.

Public Comment Non-Agenda:

Jennifer McCulley, 49 Hope Drive. representing the Kootenai River Development Council (KRDC) board of directors spoke about KRDC's role in supporting local economic projects and expressed their interest in partnering with the city on administration of the community and economic development.

DC Orr requested more transparency from KDRC by giving reports at Council meetings.

Public Hearing Community Development Block Grant (CDBG):

Mayor Williams opened the Public Hearing at 7:13pm.

Mike Fraser explained back in 2018 the city did an amendment to the Preliminary Engineering Report (PER) for the wastewater system. The city spent $30,000 on the amendment, which $15,000 was a grant, $15,000 was city contribution. In 2020 the PER identified needs within the wastewater system, collection, transmission and treatment. In 2020 Montana Department of Commerce had a Delivering Local Assistance Grant, a one-time effort. The city submitted a $475,000 application to replace the bar screen at the wastewater plant, that was successful. Other options were looked at, rather than having the large screen and the headworks, decided to put it in the infield pump station, because that took all the solids out of the infill to the pumps, which are 50 years old and had a tremendous history of clogging. Went ahead with the design, and because the change in location, the project cost went from $475,000 to about $800,000 This was at the time American Recovery Plan act came out, the city was able to get a $573,000 grant to pay the difference. The bar screen is completed and doing exactly what it was intended to do, reducing maintenance. Next item was the control system installed initially with the system. The city was unable to get boards and computer components to keep running unless they went to eBay. In 2021 the city submitted applications to the Community Development Block Grant (CDBG) program, the Montana Coal Endowment Program (MCEP), and the Renewable Resource Grant and Loan Program (RRGL) totaling $1,225,000, which, combined with remaining ARPA funds, brought the total to $1.4 million. This funding also covered completion of three main replacement projects. In sum, between the bar screen and control system projects, the city has successfully leveraged approximately $2.2 million in grant funding, with the only direct City contribution being the initial $15,000 from the 2018 PER., emphasizing the importance of maintaining an updated PER, which positions the city competitively for grant opportunities. By keeping wastewater rates relatively high and working the plan, the city can plan to do a $1.5 million project every two years with grant money.

The last component in the 2018 PER, is the Montana/1St Street lift station, unsure when the first one was installed, but now is the third version that has sort of been cobbled together, explaining the problems. Applications for the lift station project were submitted in 2023 and 2024, resulting in $500,000 from the Montana Coal Endowment Program and $125,000 from the Renewable Resource Grant and Loan Program. The city now seeks to supplement these awards with a Community Development Block Grant (CDBG), for which applications are due in October. CDBG funds are intended to benefit low- to moderate-income households, and the City qualifies, with 67% of residents meeting income eligibility thresholds.

Nicole Radiski, TD&H Engineering, confirmed the critical need to replace the lift station, reiterating that the facility's condition significantly increases maintenance burdens and poses operational risks.

Councilor Smith agreed it had been a headache for a number of years and inquired about the City's success rate with CDBG applications and if successful, when the announcement will be made. Mr. Fraser stated that since 2020 the city has not failed and would know after the first of the year if the grant has been secured.

Public Comment: None.

Mayor Williams adjourned the Public Hearing at 7:24pm.

Public Hearing 2025-2025 Budget:

Mayor Williams opened the Public Hearing at 7:24.

Mayor Williams presented a PowerPoint for the proposed FY2025–26 budget. The General Fund revenue is projected at $1,563,254, with property taxes contributing $493,047, based on 137.14 mills valued at $3,913 per mill. With 123.17 mills supporting the General Fund and 13.97 mills the Fire Relief Fund. HB124 revenues, redistributed state-collected fees, is the largest income source, slightly above property taxes. Additional revenues include local option tax, cannabis licensing, permits, and cemetery service fees. Mayor Williams highlighted the non-construction grants that were received in FY 25.

Expenditures are balanced at $1,563,254, with law enforcement accounting for the largest portion, followed by fire protection and public works. Payroll totals $2,053,414 for 36 employees, reflecting a 1.5% collective bargaining increase and a 1% longevity step. Major cost increases include rising fuel, electricity, garbage disposal, and sludge disposal.

Identified future street projects, including 8th Street between Dakota and Boulevard, 6th Street by the courthouse, and 10th Street near McDonald's, following completion of Spruce Street Phases I and II.

Designated fund balances as of June 30, 2025, included $127,534 in the Lighting Fund, $133,585 in the Street Maintenance Fund, $1,643,942 in the Community Development Fund, $503,810 in ARPA funds (being closed out), $1,968,217 in the International Paper Fund (IP) $60,000 annual irrigation subsidy), and $171,093 in the Fire Relief Fund. The Mineral Avenue SID remains active until 2027 to repay improvements. Utility projects include the Libby Creek water line upgrade with a $460,000 grant, future reservoir and main replacements, and replacement of filtration tanks estimated at $14–15 million. Sewer system reserves are now at recommended levels, though deferred maintenance includes a press room roof, grit chamber effectiveness, and replacement of oxygen circulators.

The City's Capital Improvement Plan (CIP) was highlighted as a major success; funding equipment purchases and infrastructure repairs without loans. Investments have included Fire Department SCBAs, patrol cars, a Kubota mower, cemetery tractor, sidewalks, and building roof repairs. Upcoming needs include a new fire engine (2029) and replacement of the City Hall heating system. Enterprise accounts show progress, with $460,000 secured for water line upgrades and a long-term goal of replacing deteriorating filtration tanks estimated at $14–15 million. Sewer operations, while stabilized, still require oxygen circulation upgrades and improved grit removal.

As of June 30, 2025, designated fund balances included $1,643,942 in the Community Development Fund, $1,968,217 in the International Paper Fund (covering $60,000 in annual irrigation subsidies), $171,093 in the Fire Relief Fund, $127,534 in the Lighting Fund, and $133,585 in the Street Maintenance Fund.

Councilor Smith commended Mr. Sike and the City staff, stating that while elected officials come and go, the caliber of staff currently in place is what allows the city to move forward efficiently and is beneficial. Emphasizing everyone needs to contact their legislatures and hammer them about releasing the handcuffs on municipalities to be able to govern themselves, because a lot is being done and it's a huge testament to quality of staff, because the budget people look at, they think, Oh, $10 million but when you think about the level of effort and work and services provided, the conservation that the staff actually takes into consideration when managing their budget is really huge, everybody should be very proud of the work being accomplished.

Public Comment:

D.C. Orr thanked Clerk/Treasurer Monigold for her assistance in processing late-submitted materials and praised Council bringing back the Capital Improvement Plan, which he called a "genius" move. Mr. Orr expressed concern about transparency regarding International Paper funds (IP), citing historic issues with legal representation and grant mismanagement, and asked for more transparency for the accounting of the IP money.

Mayor Williams adjourned the Public Hearing at 7:55

New Business:

Approve Resolution # 2059, fixing annual appropriations for the City of Libby for 2025-2026 budgets:

Councilor Zimmerman **MADE A MOTION** to approve Resolution 2059, Councilor Smith **SECONDED.**

Public Comment: None

Councilors Berke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR.**

MOTION PASSED.

Approve Resolution # 2060, setting tax levy for the year 2026 upon all real property in the City of Libby for General and Special Purposes:

Councilor Zimmerman **MADE A MOTION** to approve Resolution 2060, Councilor Smith **SECONDED.**

Public Comment: None

Councilors Berke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR.**

MOTION PASSED.

Kootenai Heritage Council request for Community Development Funds-introduction:

Gary Huntsberger, president of the Kootenai Heritage Council, requested Community Development funds to help replace the automatic burner in the heating system at the Memorial Center. Mr. Huntsberger described the background and maintenance that has been done to the heating system and provided an estimate from McKinstry to replace the burner, describing it as reasonable.

Councilor Smith inquired if they have reached out to Lincoln County Community Foundation. Mr. Huntsberger said they have reached out to many foundations for different projects and felt this project aligned with the Community Development Funds application requirements. Ms. Smith commented that the Memorial Center is a critical community element for Libby and beyond, and because of the board of volunteers that adds to its crucial role for the events held there. Mr. Hunsberger explained 50 events were held there last year and described what the facility can offer to accommodate the events.

Public Comment:

DC Orr inquired what the dollar was for the estimate. Mayor Williams pointed out the estimate was included with the supporting docs.

Bri Hilliard commented on what the Memorial Center provides when the Veterans Stand-down was hosted there and spoke in favor of the request.

Mayor Williams announced the item will be added to the September 2nd agenda for decision.

Approve RFQ advertising for grant writer using approximately $200,000 as a startup money:

Mayor Williams asked Council, regarding Jen McCully's comment about seeing if the city can partner with KRDC, if they want to hold off on the decision of a grant writer to see if the two can meld together or if they would like to move forward with the grant writer.

Councilor Berger would like everything to remain in house.

Councilor Zimmerman supports partnering, to have somebody out there able to reach out to community members and different organizations, working together on who needs what, whether it is the park and rec, downtown, highway, business, etc., whatever can be done and have it come together after staring. Believing the wage would eventually be paid through the grants and the $200,000 could go towards the start of having someone full-time for the community and for the City of Libby.

Councilor Smith agrees with Mr. Zimmerman and believes the city needs more than just a grant writer and feels it would be more comprehensive to have conversations with the KRDC board about what that relationship would look like.

Councilor Burger **MADE A MOTION** to proceed forward with looking for a grant writer, Councilor Berke **SECONDED**.

Councilor Berke suggested looking for a grant writer now while waiting to have discussions with KDRC, so somebody is looking for grants.

Council continued discussions about a full-time grant writer or working with a group like KDRC that would offer more than just writing grants.

Public Comment:

Gary Huntsberger inquired whether KRDC was still active and suggested the Council consider a different approach by consulting a grant writer or an organization that writes grants to ask if they are going in the right direction before hiring a full-time grant writer. Feeling grant writers do better if they have specific projects, they are trying to get funding for.

DC Orr inquired if KRDC was still solvent and in business.

Council continued discussions about how a grant writer would get paid and approximately what the current hourly rate was for that service, some Council members had concerns about the $200,000 as a starting expenditure to hire a grant writer. Councilors Smith, Taylor, and Zimmerman felt there needed to be more discussion before a decision could be made on hiring a grant writer.

Councilor Burger **WITHDREW THE MOTION**. Mayor Williams said they would continue the discussion on a later date to try to get some more clarity and inquiring if Council would like to form a committee or group to look at that and would take volunteers.

Approve all claims received to date:

Councilor Zimmerman **MADE A MOTION** to approve all business claims received to date, Councilor Smith **SECONDED**.

Mayor Williams reminded the public that if anyone is interested in viewing the claims they are available during the day of the meeting.

Public Comment: None

Councilors Berke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR**.

MOTION PASSED.

Approve all business license applications received to date:

Apex Landscaping & Contracting LLC, BB Composites Inc, DJ' Hauling Services, Food 4 Thought, Gel-ous Nails, Honey Do's, and Valkyre Coatings.

Councilor Zimmerman **MADE A MOTION** to approve all business license applications received to date, Councilor Burger **SECONDED**.

Public Comment: None

Councilors Berke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR**.

MOTION PASSED.

Unfinished Business: None

General Comments from Council:

Councilor Smith stated, for the record, KRDC does still exist, meet very rarely, and have tried to reestablish a relationship with Lincoln County Port Authority (LCPA), but now that will not an option, KRDC has approximately $50,000 in the account.

Councilor Kolp informed Council the sod has been installed around the Skate Park. Councilor Zimmerman inquired about the benches that were requested. Councilor Kolp volunteered to help with the sod and was uncertain about the status.

ADJOURNMENT:

Councilor Zimmerman **MADE A MOTION** to adjourn, Councilor Smith **SECONDED**.

Councilors Berke, Burger, Kolp, Smith, Taylor, and Zimmerman voted **FOR**.

MOTION PASSED.

Mayor Williams adjourned the meeting at 8:31 pm.

Peggy Williams

Mayor Peggy Williams

Attest: Leann Monigold

Clerk/Treasurer Leann Monigold