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**STUDY COMMISSION'S FINAL REPORT
FOR THE CITY OF CONRAD, MONTANA**

TABLE OF CONTENTS

- I. LETTER TO THE CITIZENS OF THE CITY OF CONRAD**
- II. REPORT SUMMARY**
 - A. Findings of the Study Commission
 - B. Key changes/provisions of the Proposed Form
 - 1. Self-government Powers
 - 2. Council Members Elected on Non-Partisan Basis*
 - 3. Appointed Chief Financial Officer*

*These two provisions are currently in practice, but are not stated in the General Powers Statutes, MCA.

- III. COMPARISON OF EXISTING AND PROPOSED FORMS OF GOVERNMENT**
 - A. Existing Form – Description of General Characteristics
 - B. Proposed Form – Description of General Characteristics
 - C. Comparison of Specific Characteristics
 - D. Recommendations and Reasons
- IV. APPENDIX**
 - Exhibit A: Certificate of plan of existing form of government
 - Exhibit B: Certificate of plan of proposed form of government (City Charter)
 - Exhibit C: Certificate establishing election date
 - Exhibit D: Certificate establishing form of ballot

I. LETTER TO THE CITIZENS OF THE CITY OF CONRAD

To the Citizens of the City of Conrad:

The City of Conrad Study Commission, elected by the voters on November 2, 2004, or thereafter appointed, present this final report to you, the citizens of the City of Conrad.

The purpose of the study commission, as defined in state law, is "to study the existing form and powers of local government and procedures for delivery of local government services and to compare them with other forms available under the laws of the state." After completing these two phases of the study, it is the responsibility of the study commission to submit a final report recommending no change, propose an amendment to the existing form of government, or offer an alternative form of government to the qualified electors.

In every phase of this review, this study commission sought advice and information from as many people in the City as possible. Opinions and recommendations were solicited from local government officials, and citizens. All meetings of the study commission were advertised and open to the public. Commission members visited with various members of the public to explain the work of the commission and also to hear the viewpoints, ideas, and concerns of community members. A public hearing was held and a survey of citizen's attitudes was made.


Our recommendations reflect the thoughts and opinions of those who participated in public hearings, those who attended our regular meetings, and those who responded to a survey, in addition to the independent efforts of this study commission.

In this report we present our recommendations for an alternative form of government that we feel will provide the governmental services expected by the people both today and in the future. Our concern has been to provide a form of government that will be responsive to local citizens and provide the opportunity for devising solutions to local problems. We feel the citizens of the City of Conrad can achieve these goals by adopting the Charter form with self-government powers. Additionally, this proposed form would clear up conflicting statutes and clarify an Existing Plan of Government for the City of Conrad.

The question of adopting this alternative form of government will be placed on the ballot June 6, 2006.

Respectfully submitted,
Local Government Review Study Commissioners of the City of Conrad


Elaina Zempel, Chairperson


Karla Breeding


Eugene Underdahl


Richard Murack, Member until 10/15/05


Gary Dent


Joe Russell


Gary Brown, Member until 12/31/05

I. REPORT SUMMARY

The City of Conrad Study Commission, having thoroughly studied our present form of government and the alternative forms of government available to cities under state law, and having studied the future governmental needs of the city, recommends the following:

1. The City of Conrad should adopt, effective January 1, 2007, the Charter form of government with "self-government powers".

A. Findings of the Study Commission

After a thorough study of the present form of government of the City of Conrad, it is the decision of the study commission to recommend a change in the form of government to a Charter form with self-governing powers for the following reasons:

Finding #1:

A Charter form of government would allow City of Conrad elected officials the ability to respond to opportunities in a more timely manner created by today's economic environment.

The current general government powers are set forth by legislative intent and may not be able to react quickly to the changing economic climate of Montana.

Finding #2:

The proposal would offer clarity and definition in regard to:

1. Non-partisan elections for City of Conrad officials. (MCA 7-3-219)
2. Appointment of the Chief Financial Officer (MCA 7-3-217)

The Existing Plan of Government for the City of Conrad could not be located at the start of the Study Commission Process. A Existing Form was adopted that reflected the current practices, however, the provisions did not match the statutes set forth by the State of Montana in their General Powers definition for a city with a mayor/council form (MCA 7-3-113).

To remedy and/or clarify the issues presented above, the Study Commission recommends a change to a charter form of city government that would resolve all of these issues.

B. Key Provisions of the Proposal

1. Self-government Powers. Under the 1972 State Constitution, the potential power and authority of local government has been changed. Traditionally, the power over governmental concerns of the city has been the prerogative of the state legislature. The legislature decided what city government should do and how it should do it. Self governing powers give a municipality the power to perform an act not specifically denied by state law, federal law, the Montana Constitution or the Charter itself.

The new constitution provides that “self-government powers” can be adopted by cities along with an alternative form of government. The adoption of self-government powers would mean greater flexibility in shaping governmental structure, greater power to solve our own problems, and more responsibility to recognize and deal with these problems.

A Charter form of government with self-governing powers could allow City of Conrad elected officials the ability to respond to opportunities in a more timely manner that are created by today's economic environment.

2. Because of the lack of an Existing Plan of Government, City of Conrad officials created a plan based upon current practices. The plan created by the city officials conflicts in two areas from the numerical listing on page 1 and the definition on page 3. The adoption of the Charter would clarify the plan.

a. Non-partisan elections. Election of the City Council and Mayor will continue to be conducted on a nonpartisan basis.

b. Appointment of Chief Financial Officer. Treasurer/Financial Officer will continue to be appointed by the City Council/Mayor.

III. COMPARISON OF THE EXISTING AND PROPOSED PLANS OF CITY GOVERNMENT FOR CONRAD, MONTANA

A. Existing Form

The existing form of government of the City of Conrad is a typical Mayor-Council form of government with general powers. The City is divided into two wards and two council members are elected from each ward. Elections are conducted on a nonpartisan basis. Terms are overlapping and are for four-years. City staff, including the financial officer (city clerk-treasurer), are appointed by the Mayor with the consent of the council.

B. Proposed Form

The proposed plan of city government is set forth in a city charter which, if approved by the voters, would give the City self-governing powers. Self-governing powers provides the City government greater flexibility in dealing with unforeseen problems and opportunities.

The proposed plan also continues the present practice of electing our City officials on a nonpartisan ballot and the appointment of the financial officer (city clerk-treasurer).

C. Comparison of Specific Characteristics of the Existing and Proposed Forms of Government

The chart on the following page compares characteristics of the existing form of city government with the proposed charter form of city government.

2006

CITY OF CONRAD

COMPARISON OF SPECIFIC CHARACTERISTICS OF THE COUNCIL-MAYOR
FORM OF GOVERNMENT WITH THE CHARTER FORM OF GOVERNMENT
WITH MAYOR AND COUNCIL

CHARACTERISTIC	PRESENT FORM OF GOVERNMENT	PROPOSED FROM OF GOVERNMENT	COMMENTS
FORM OF GOVERNMENT	<u>MAYOR-COUNCIL</u> Elected council performs policy making functions. Elected mayor administers government with the advice and consent of council.	<u>CHARTER</u> Elected council performs policy making functions. Elected mayor administers government with the advice and consent of council.	No change in the basic plan of government, but the charter clarifies the governing roles of the mayor and council.
POWERS	General government powers	Self-government powers	The charter limits the city's taxing authority to that of a general powers government and requires public hearings be held for any increase in fees and utility rates. Provides greater flexibility to city council to address unforeseen problems or opportunities.
GOVERNING BODY	Council and mayor responsible for all legislative, executive and administrative functions.	Council and mayor responsible for all legislative, executive and administrative functions.	No Change.
Size	Four council members elected from districts in non-partisan elections.	Four council members elected from districts in non-partisan elections.	No Change.
Term	Four-year overlapping terms.	Four-year overlapping terms.	No Change.
Presiding Officer	Mayor	Mayor	No Change.
CHIEF EXECUTIVE AND ADMINISTRATIVE OFFICER	The elected mayor administers the government on a part time basis.	The elected mayor administers the government on a part time basis.	No Change.
Powers and Duties	The mayor carries out the policies of the council, advises the council, executed the budget, and enforces laws, ordinances and resolutions	The mayor carries out the policies of the council, advises the council, executed the budget, and enforces laws, ordinances and resolutions	No Change.
Appointment Powers	The mayor appoints department heads and member of board and commissions with the consent of the council.	The mayor appoints department heads and member of board and commissions with the consent of the council.	No Change.
Budget Preparation	Mayor prepares budget in cooperation with department heads. Budget is then modified and approved by the city council.	Mayor prepares budget in cooperation with department heads. Budget is then modified and approved by the city council.	No Change.

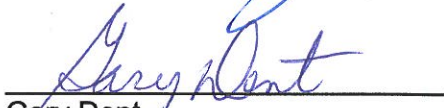
D. Recommendations and Reasons

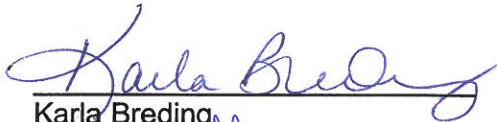
1. Self-governing powers would allow the city government to exercise any power not prohibited by the state. Although the study commission sees no immediate need for self-governing powers, they are automatically acquired with a charter and would give our city leaders the flexibility for future needs and may add to the efficiency of our government.

2. Nonpartisan election of the city council and mayor is the method we have used in Conrad for many years and the study commission can find no valid reason to change to partisan elections. Therefore, the charter will clarify the intent of the City to continue to elect our local officials on a nonpartisan ballot.

CITY OF CONRAD STUDY COMMISSIONERS



Elaina Zempel, Chairperson


Gary Dent


Karla Breeding


Joe Russell


Eugene Underdahl


Gary Brown, Member until 12/31/05


Richard Murack, Member until 10/15/05

CERTIFICATE A

ESTABLISHING THE EXISTING PLAN OF GOVERNMENT FOR THE CITY OF CONRAD, MONTANA

If retained by the voters, the government of the City of Conrad shall remain organized under the following provisions of § 7-3-113, M.C.A. which authorizes the municipal council-mayor form of government, § 7-4-4102, M.C.A. and the City Code of Conrad, Montana.

§ 7-3-113 MCA (2003). Statutory basis for municipal council-mayor government.

(1) For the purpose of determining the statutory basis of existing units of local government, each unit of local government organized under the general statutes authorizing the municipal council-mayor form of government, which does not adopt a new form, shall be governed after May 2, 1977 by the following sections:

- (a) 7-3-201;
- (b) 7-3-202(1);
- (c) 7-3-203;
- (d) 7-3-212(2);
- (e) 7-3-213(3);
- (f) 7-3-214(2);
- (g) 7-3-215(2);
- (h) 7-3-216(2);
- (i) 7-3-217(1);
- (j) 7-3-218(2);
- (k) 7-3-219(1);
- (l) 7-3-220(1);
- (m) 7-3-221(3);
- (n) 7-3-222(2);
- (o) 7-3-223(2).

(2) This form has terms of 4 years for all elected officials. The size of the commission shall be established by ordinance, but it may not exceed 20 members.

These sections establish the following form of government which shall be called the **COUNCIL-MAYOR FORM**.

§ 7-3-201 MCA (2003). Commission executive form. The commission-executive form (which may be called the council-executive, the council-mayor, or the commission-mayor form) consists of an elected commission (which may be referred to as the council) and one elected executive (who may be referred to as the mayor) who is elected at large.

§ 7-3-202(1) MCA (2003). Nature of government. The plan of government submitted to the qualified electors shall determine the powers of the local government unit by authorizing general government powers.

§ 7-3-203 MCA (2003). Duties of the executive. The executive shall:

- (1) enforce laws, ordinances, and resolutions;
- (2) perform duties required of him by law, ordinance, or resolution;
- (3) administer affairs of the local government;
- (4) carry out policies established by the commission;
- (5) recommend measures to the commission;

- (6) report to the commission on the affairs and financial condition of the local government;
- (7) execute bonds, notes, contracts, and written obligations of the commission, subject to the approval of the commission;
- (8) report to the commission as the commission may require;
- (9) attend commission meetings and may take part in discussions;
- (10) execute the budget adopted by the commission
- (11) appoint, with the consent of the commission, all members of boards; except the executive may appoint without the consent of the commission temporary advisory committees established by the executive.

§ 7-3-212(2) MCA (2003). Administrative assistants. The executive may appoint one or more administrative assistants to assist him in the supervision and operation of the local government, and such administrative assistants shall be answerable solely to the executive.

§ 7-3-213(3) MCA (2003). Supervision of personnel. The executive may appoint, with the consent of a majority of the commission, all department heads and remove department heads and may appoint and remove all other department employees.

§ 7-3-214(2) MCA (2003). Veto power. The executive may veto ordinances and resolutions, subject to override by a two-thirds vote of the commission.

§ 7-3-215(2) MCA (2003). Preparation of a budget. The executive may prepare the budget in consultation with the commission and department heads.

§ 7-3-216(2) MCA (2003). Administrative supervision and control. The executive may exercise control and supervision of all departments and boards to the degree authorized by ordinance of the commission.

§ 7-3-217(3) MCA (2003). Financial officer. A financial officer (who may be called the treasurer shall be selected as provided by ordinance.

§ 7-3-218(2) MCA (2003). Selection of commission members. The commission shall be elected by districts in which candidates must reside and which are apportioned by population.

§ 7-3-219(2) MCA (2003). Type of election. Local government elections shall be conducted on a nonpartisan basis.

§ 7-3-220(1) MCA (2003). Chairman of commission. The commission shall have a chairman who shall be elected by the members of the commission from their own number for a term established by ordinance.

§ 7-3-221(3) MCA (2003). Presiding officer of commission. The presiding officer of the commission shall be the executive, who shall decide all tie votes of the commission but shall have no other vote (the chairman of the commission shall preside if the executive is absent.

§ 7-3-222(2) MCA (2003). Terms of commission members. Commission members shall be elected for overlapping terms of office.

§ 7-3-223(2) MCA (2003). Size of commission and community councils. The size of the commission, which shall be a number not less than three, shall be established when the form is adopted by the voters, and community councils to advise commissioners may be authorized by ordinance.

§ 7-4-4102 MCA (2003). Officers of city of second or third class. (1) The officers of a city of the second or third class consist of:

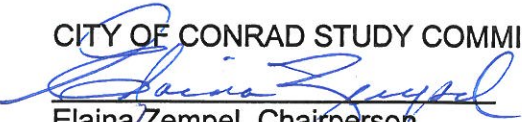
- (a) one mayor;
 - (b) two aldermen from each ward;
 - (c) one city judge.
- (2) The officers listed in subsection (1), except the city judge for a city of the third class, must be elected by the qualified electors of the city as hereinafter provided.
- (3) The governing body of a city of the third class may by ordinance determine whether the office of city judge shall be filled by appointment by the governing body or by election or may appoint a justice of the peace or the city judge of another city as judge of the city court as provided in 3-11-205.
- (4) There may also be appointed by the mayor, with the advice and consent of the council:
- (a) one city attorney;
 - (b) one city clerk, who is ex officio city assessor;
 - (c) one city treasurer or one city clerk-treasurer;
 - (d) one chief of police; and
 - (e) any other officers necessary to carry out the provisions of this title.
- (5) The city council may prescribe the duties of all city officers and fix their compensation.

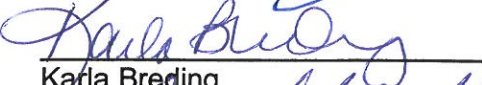
§ 1-6-1 Conrad City Code (1997) Appointment of Officers. The Mayor shall, at the first regular meeting of the City Council after the election of its members or as soon as practicable, appoint, with the advice and consent of the majority of the members of City Council, the following executive municipal officers: A City Clerk-Treasurer, who is ex-officio Finance Officer-City Assessor, a Chief of the Police Department, a City Attorney, and any other officers or assistants necessary to conduct the business of the City.

We, the Study Commissioners of the City of Conrad, do hereby certify that this is the existing Plan of Government as recorded on March 28, 2005 in Book 96 of Miscellaneous, page 67 and Re-recorded August 1, 2005 in Book 96 of Miscellaneous, page 175, Pondera County Records.

In testimony whereof, we set our hands. Done at Conrad, Montana this 16th day of March, 2006.

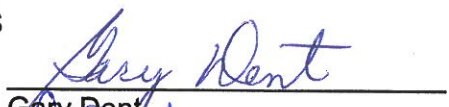
CITY OF CONRAD STUDY COMMISSIONERS


Elaina Zempel, Chairperson


Karla Breeding


Eugene Underdahl


Richard Murack, Member until 10/15/05


Gary Dent


Joe Russell


Gary Brown, Member until 12/31/05

CHARTER OF THE CITY OF CONRAD

PONDERA COUNTY, MONTANA

PREAMBLE

WE, THE PEOPLE OF THE CITY OF CONRAD, COUNTY OF PONDERA, STATE OF MONTANA, in accordance with Article XI, Section 5 of the Constitution of Montana, do hereby adopt this Charter.

ARTICLE I POWERS OF THE CITY

Section 1.01 Powers of the City

The City of Conrad shall have all powers not prohibited by the Constitution of Montana, the laws of Montana, or this Charter.

Section 1.02 Interpretation of Powers

The powers and authority of this self-government city shall be liberally construed. Every reasonable doubt as to the existence of a city power or authority shall be resolved in favor of the existence of that power or authority.

Section 1.03 Restrictions

1. The mill levy shall be limited to that of Montana municipal governments with general government powers, except with the prior approval of the electors voting on the question in a general or special municipal election.
2. No change in any city license fee, user fee, permit fee or utility charge shall be made without prior public notice, as prescribed by law.

Section 1.04 Charter Supremacy

As provided by Article XI, Section 5 of the Constitution of Montana, charter provisions herein establishing executive, legislative and administrative structure and organization are superior to statutory provisions.

Section 1.05 Oath of Office

Before entering upon the duties of office, all elected city officials shall take and subscribe to the oath of office as prescribed in Article III, Section 3 of the Constitution of Montana.

ARTICLE II CITY COUNCIL

Section 2.01 Legislative Branch

The legislative branch and governing body shall be the city council.

Section 2.02 Composition

The City of Conrad shall have a city council of four (4) elected members.

Section 2.03 Qualifications for Office

Every resident of the City of Conrad who is 18 years of age or older, a citizen of Montana and a qualified elector pursuant to Article IV, Section 2 of the Montana Constitution is eligible to hold the office of council member.

Section 2.04 Powers and Duties

The council shall be the legislative and policy determining body of the city. All powers of the City shall be vested in the city council except as otherwise provided by law or this Charter.

Section 2.05 Term of Office

Members of the council shall be elected for a four (4) year term of office.

Section 2.06 Election

1. The election of council members shall be conducted on a non-partisan basis.
2. There shall be two wards apportioned by population following every federal decennial census, each of which shall be represented by two council members.
3. Candidates for the city council must reside in the ward they seek to represent at the time of their election and during their entire term of office.
4. One council member from each of the two wards shall be elected every two years.

Section 2.07 President of the Council

The council shall have a president who shall be elected by the members of the council from their own number for a term established by resolution. The president of the council shall preside at council meetings when the mayor is absent.

Section 2.08 Council Procedures

The council shall, by resolution, adopt its own rules of procedure.

Section 2.09 Absence of a Council Member

A council member must receive the consent of the council for an absence from the city for ten (10) or more consecutive days.

Section 2.10 Vacancy In Office

The office of council member becomes vacant as prescribed by law.

Section 2.11 Removal from Office

A council member may be removed from office by a finding, adopted by the affirmative vote of three (3) council members, that the office has become vacant as prescribed by law, or by recall by the electors of Conrad, as prescribed by law.

Section 2.12 Compensation

The compensation of council members shall be set by council resolution.

Section 2.13 Override of Veto

The entire council may override the mayor's veto with a two-thirds vote of the council.

Section 2.14 Filling Vacancy on Council

1. When a vacancy occurs in the office of council member, the position shall be considered open and subject to nomination and election at the next general municipal election, except the term of office shall be limited to the unexpired term of the person who originally created the vacancy. Pending such election and qualification the council shall appoint, by the affirmative vote of three (3) council members, a person possessing the qualifications for office required by law and this Charter, within 30 days of the vacancy to hold the office until the successor is elected and qualified.
2. If there are fewer than three (3) council members serving in office at the time an appointment to fill council vacancies is required, the mayor shall appoint with the written consent of each of the incumbent council members, a person possessing the qualifications for office required by law and this charter within 30 days of the vacancy to hold the office until the successor is elected and qualified.

ARTICLE III MAYOR

Section 3.01 The Executive Branch

The mayor shall be the chief executive and chief administrative officer of the City.

Section 3.02 Qualifications for Office

Every resident elector in the City of Conrad who is 21 years of age or older and a citizen of Montana and a resident of Conrad for at least two (2) years preceding the election to office is eligible to hold the office of mayor.

Section 3.03 Term of Office

The mayor shall be elected for a four (4) year term of office.

Section 3.04 Election

The mayor, who must reside within the city limits of Conrad at the time of his or her election and throughout the term of office, shall be nominated and elected at large on a non-partisan basis.

Section 3.05 Powers and Duties

The mayor shall:

1. Enforce laws, ordinances, resolutions, and this Charter;
2. Perform duties required of him/her by law, charter, ordinance, or resolution;
3. Administer affairs of the local government;
4. Carry out policies established by the council;
5. Recommend measures to the council;
6. Report to the council on the affairs and financial condition of the city government;
7. Execute bonds, notes, contracts, and written obligations of the council, subject to the approval of the council;

8. Report to the council as the council may require;
9. Chair council meetings, approve agendas, and may take part in discussion;
10. Execute the budget adopted by the council;
11. Appoint, with the consent of the council, all members of boards and committees.

Section 3.06 Administrative Duties

The mayor may:

1. Prepare the budget in consultation with the council and department heads;
2. Appoint one or more administrative assistants, with the consent of the council, to assist him/her in the supervision and operation of the city government;
3. Appoint and remove, with the consent of two-thirds majority of the entire council, all department heads, the city attorney, the finance officer and all other city employees.
4. Exercise control and supervision of all departments and boards to the degree authorized by resolution of the council.

Section 3.07 Legislative Authority

1. The mayor shall decide all tie votes of the council, but shall have no other vote.
2. The mayor may veto ordinances and resolutions, subject to override of said veto by a two-thirds vote of the entire council.

Section 3.08 Compensation

The compensation of the mayor shall be set by council resolution.

Section 3.09 Absence of the Mayor

The mayor must receive the consent of the council for an absence from the city for ten (10) or more consecutive days.

Section 3.10 Vacancy in Office

The office of mayor becomes vacant as prescribed by law.

Section 3.11 Removal from Office

The mayor may be removed from office by a finding, adopted by the affirmative majority vote of the entire council that the office has become vacant as prescribed by law, or by recall by the electors of the City of Conrad, as prescribed by law.

Section 3.12 Filling the Vacancy in the Office of Mayor

When a vacancy occurs in the office of mayor the position shall be considered open and subject to nomination and election at the next general municipal election, except the term of office shall be limited to the unexpired term of the person originally creating the vacancy. Pending such election and qualification the council shall appoint, by the affirmative vote of the majority of the entire council, a person possessing the qualification for office required by law and this Charter within 30 days of the vacancy to hold the office until the successor is elected and qualified.

Section 3.13 City Attorney

1. There shall be a legal officer of the city, appointed by the mayor, with the approval of the council, who shall serve as chief legal advisor to the council, mayor, and all city departments, offices, and agencies. The chief legal advisor shall represent the city in all legal proceedings unless otherwise determined by the council, and shall perform any other duties prescribed by ordinance or resolution. The chief legal advisor may be called the city attorney.
2. Nothing in the Charter shall be construed as preventing the city council from employing in special cases on a contract basis additional or other counsel.

**ARTICLE IV
JUDICIAL**

Section 4.01 City Court

There shall be a city court as provided by law and ordinance.

**ARTICLE V
DEPARTMENT STRUCTURE**

Section 5.01 Organization of Departments

The organization of city departments shall be prescribed by ordinance or resolution.

**ARTICLE VI
GENERAL PROVISIONS**

Section 6.01 Amendment of Charter

This Charter may be amended only with the approval of the voters of the City of Conrad, as prescribed by state law.

Section 6.02 Effective Date

This Charter shall become effective on January 1, 2007.

Section 6.03 Severability

If any provision of this Charter is held invalid, the other provisions of this Charter shall not be affected thereby. If the application of the Charter or any part of its provisions, to any person or circumstance is held invalid, the application of the Charter and its provisions to other persons or circumstances shall not be affected thereby.

Section 6.04 Public Access

1. All meetings of the city council must be open to the public unless otherwise provided by law.
2. Citizens are entitled to inspect and copy public writings of the City of Conrad unless otherwise provided by law.

**ARTICLE VII
TRANSITION PROVISION**

Section 7.01 General Transition

Transition to this Charter form of government shall be as prescribed by state law. The council may provide for such transition by ordinance, rule, or resolution not inconsistent with state law. The provisions of this transition article shall not be published as part of the Charter after July 1, 2007.

Section 7.02 Continuation in Office

No city employee or elected official currently holding a city office will lose employment or elected position solely because of the adoption of this Charter. Existing elected officials may continue in office until the end of the term for which they were elected.

Section 7.03 Review of Existing Ordinances

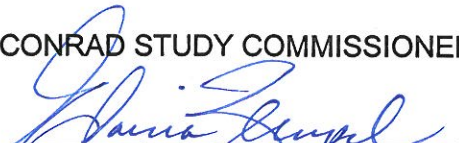
All city ordinances, resolutions, and rules of the City of Conrad shall remain in effect until reviewed, revised, or repealed by the city council. The city council shall review, and where necessary, revise or repeal all city ordinances to provide for compliance and consistency with this Charter and with state law, no later than July 1, 2008.


We, the Study Commissioners of the City of Conrad, do hereby certify that this is the proposed Plan of Government to be submitted to the voters of the City of Conrad for possible adoption

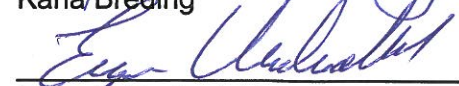
In testimony whereof, we set our hands. Done at Conrad, Montana this 16th day of March, 2006.

CITY OF CONRAD STUDY COMMISSIONERS


ATTEST:


Elaine Zempel, Chairperson


Karla Breeding


Eugene Underdahl


Richard Murack, Member until 10/15/05


Gary Dent


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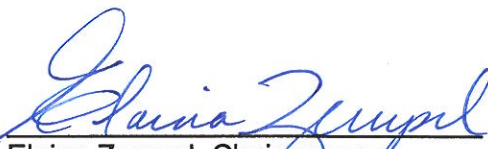
CERTIFICATE C
ESTABLISHING THE DATE OF THE ELECTION AT WHICH THE ALTERNATIVE
FORM OF GOVERNMENT SHALL BE PRESENTED TO THE ELECTORS OF THE
CITY OF CONRAD

The alternative form of government proposed by the Local Government Study Commission shall be submitted to the voters of Conrad at a special election to be held with the primary election on June 6, 2006.

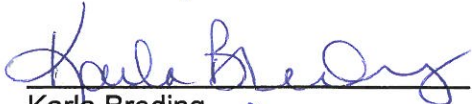
We, the Study Commissioners of the City of Conrad, do hereby certify that this is the date of the election approved by the Study Commissioners of the City of Conrad.

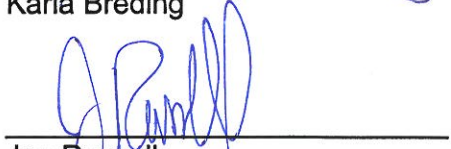
In testimony whereof, we set our hands. Done at Conrad, Montana this 16th day of March, 2006.

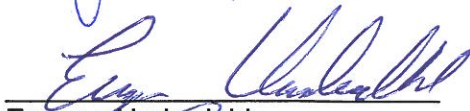
CITY OF CONRAD STUDY COMMISSIONERS

ATTEST: 
Elaina Zempel, Chairperson


Gary Dent


Karla Breeding


Joe Russell


Eugene Underdahl


Gary Brown, Member until 12/31/05


Richard Murack, Member until 10/15/05

**CERTIFICATE D
ESTABLISHING THE OFFICIAL BALLOT FOR
THE JUNE 6, 2006 PRIMARY ELECTION**

Instruction to Voter: Place an "X" in the box which expresses your preference.

**OFFICIAL BALLOT
BALLOT ON THE ALTERNATIVE FORM OF LOCAL GOVERNMENT**

Vote for One.

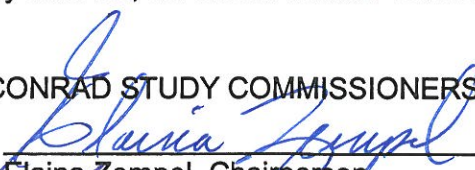
- For adoption of the self-government charter proposed for the City of Conrad by the City of Conrad Local Government Study Commission.
- For the existing form of government.

We, the Study Commissioners of the City of Conrad, do hereby certify that this is the official ballot approved by the Study Commissioners of the City of Conrad.

In testimony whereof, we set our hands. Done at Conrad, Montana this 16th day of March, 2006.

CITY OF CONRAD STUDY COMMISSIONERS

ATTEST:



Elaina Zempel, Chairperson



Gary Dent




Karla Breeding



Joe Russell



Eugene Underdahl



Gary Brown, Member until 12/31/05



Richard Murack, Member until 10/15/05

SUPPLEMENTARY REPORT 2005 CITY OF CONRAD STUDY COMMISSION LAW ENFORCEMENT CONSOLIDATION

In the primary election of June 1, 2004, the citizens of the City of Conrad voted to conduct a City Study Commission Review, along with 48% of the other communities in the State of Montana. In the general election of November 2, 2004, five members were elected to the Conrad Study Commission. These Conrad residents are: Karla Breeding, Gary Brown, Gary Dent, Richard Murack, and Elaina Zempel. An ex-officio member was appointed by the City of Conrad to represent the City during the process. That member is Shannen Rossmiller. The purpose of the Commission is to study the existing form and powers of local government and procedures for delivery of local government services and to compare them with other available forms under the laws of the State of Montana. (MCA: 7-3-172).

The following is offered as a Supplemental Report of the local law enforcement service to the City of Conrad. The Conrad Study Commission spent two months studying the consolidation of the City of Conrad Police Department with the Pondera County Sheriff's Department. The City of Conrad Study Commission is unable to present the consolidation/contract issue, as it pertains to local law enforcement, to the general electorate. Subsequently, the Conrad Study Commission is presenting a Supplemental Report with their findings and any proposals. The following is an outline of those findings.

INTRODUCTION

In the fall of 2004, the Conrad Study Commission conducted an informal survey of the citizens of the City of Conrad for issues or topics for the Commission to review. One of the services that garnered significant feedback was that of law enforcement. The specific issues mentioned relating to law enforcement were:

1. The demands on the local taxpayer supporting two law enforcement budgets for two separate agencies.
2. Duplication of services.
3. Duplication of management responsibilities and salaries (i.e. Sheriff and Police Chief).
4. The need for twenty-four (24) hour coverage.
5. The number of patrolling officers.

Often cited for an example was the comparable community of Shelby and Toole County. They have a consolidated City Police Department and County Sheriff's Office.

PROCEDURES FOR STUDY

The City of Conrad budget was examined and line items for the police department were segregated. Phone interviews were conducted with the communities of Wolf Point/Roosevelt County, Forsyth/Colstrip/Rosebud County, Circle/McCone County, Ekalaka/Carter County, Choteau/Teton County, and Joliet/Bridger/Carbon County. A face-to-face interview was conducted with the City of Shelby Mayor Larry Bonderud representing Shelby and Toole County. Included with that interview was the Shelby budget with segregated line items for the contract with the Toole County Sheriff's Department for law enforcement services. Interviews were also conducted with Pondera County Sheriff Tom Kuka and City of Conrad Chief of Police Gary Dent. Further discussions were held with City of Conrad Mayor Byron Grubb, Conrad City Superintendent Steve Ruhd, and Conrad City Councilmen Pete Hauer and Brian Jones.

CURRENT LOCAL LAW ENFORCEMENT AGENCIES

The City of Conrad employs a five member Police Department. That number includes the Chief of Police. The department staff shares two vehicles for the purpose of patrol and enforcement duties. The department budgets for one half a car per year and purchases one new vehicle every other year. That time frame is at times stretched to every three years depending upon budget and vehicle condition. Each vehicle is kept for 4-5 years by the department before it is traded in on a new vehicle.

The Pondera County Sheriff's Department employs eight officers including the Sheriff. Each officer is assigned and operates a county vehicle. The police officer's starting wage is currently \$12.40 per hour while a starting deputy earns \$14.41 per hour.

The City of Conrad Police Department staff works rotating shifts covering twenty-four hours per day, seven days per week. The Pondera County Sheriff's Department has officers on call anywhere from 12:00 AM to 3:00 AM until 7:00 AM to 8:00 AM depending on the day of the week and officers are not out twenty-four hours per day.

Duties vary between the two departments with the emphasis of the Police Department on patrol, business checks, and enforcement of local City Ordinances, while the Sheriff's Department is responsible for Civil Process service, operation of the County Jail, and brand inspection. Other duties such as traffic enforcement and response to service calls are similar.

The total City of Conrad Police Department budget is \$236, 125.00. That includes salaries, employer paid benefits, vehicle maintenance, equipment, and training. The training funds are supplied by the State of Montana on an annual basis and can only be

used for law enforcement training. This budget amount also includes \$11,250.00 that is paid to the Pondera County Sheriff's Department each fiscal year for dispatch services.

DATA COMPARISON

It is the Commission's finding that the communities of Wolf Point/Roosevelt County and Colstrip/Rosebud County although similar, had less in common with the City of Conrad's set of circumstances. Wolf Point/Roosevelt County and Colstrip/Rosebud County communities are significantly impacted by the presence of the Fort Peck Indian Reservation and the Northern Cheyenne Indian Reservation respectively and the subsequent law enforcement jurisdictional issues. Wolf Point had consolidated law enforcement in the past but has returned to manning their own Police Department. Officials there commented that the issue was service and cost. The Mayor of Wolf Point felt they saved considerable funds, \$180,000.00 the first year, by having their own Police Department. The recently incorporated City of Colstrip formed and hired their first Police Department this past year. The main issues for them were coverage (service) and control in determining their decision for starting their own Police Department.

Circle/McCone County, Ekalaka/Carter County, Valier/Pondera County, and Joliet/Bridger/Carbon County are significantly smaller communities that have consolidated or contracted law enforcement services with their respective County Sheriff's Departments. Bridger and Joliet have contracted with the Carbon County Sheriff's Department in the past but have returned to manning their own small police forces citing coverage (service), control, and cost as the deciding factors.

The City of Shelby/Toole County and the City of Choteau/Teton County have comparable populations, cultures, and government structures to that of the City of Conrad and subsequently will be used as comparison communities.

The City of Choteau dissolved a 3-member Police Department to contract with the Teton County Sheriff's Department for law enforcement services. Their 2004-2005 budget was \$100,292.00. Interviewees stated that they were saving some money but were sacrificing some service with an officer on-duty 84 hours per week and an officer on call for 84 hours per week.

The City of Shelby paid Toole County \$385,790.00 for law enforcement services for the fiscal year 2004-2005.

Community	Law Enforcement Budget 2004-2005	Coverage Description	Population
City of Conrad	\$236,125.00	City Police Department: 24-hour coverage.	2,753
Choteau	\$100,292.00	Contracts with Teton County: Officer on duty 84 hrs per week; Officer on call 84 hrs per week.	1,781
Shelby	\$385,790.00	Contracts with Toole County	3,216

The salary for a starting officer with the Conrad Police Department is currently \$12.40 per hour. The starting salary for a deputy sheriff with the Pondera County Sheriff's Department is currently \$14.41 per hour.

Conrad Police Officer \$12.40 x 2080 hrs. (FTE) = \$25,792.00 + employer paid wage benefits of approximately 24% = \$25,792.00 + \$6190.08 = \$31,982.08 per officer
Five officers x \$31,982.08 = \$159,910.40

Pondera County Deputy Sheriff \$14.41 x 2080 hrs. (FTE) = \$29,972.80 + employer paid wage benefits of approximately 24% = \$29,972.80 + 7,193.47 = \$37,166.27 per officer
Five officers x \$37,166.27 = 185,831.35

According to the interview with Pondera County Sheriff Tom Kuka, he stated that he thought he would need five additional officers in order to pick up the duties of the Conrad Police Department in the event of consolidation or contract for law enforcement services.

Increased wage costs transferring officers from the police department to the sheriff's department. \$185,831.35 - \$159,910.40 = \$25,920.95 increase.

One issue that has been brought up is the potential savings of eliminating one administrative position with consolidation or contract, namely the Chief of Police position. The Chief of Police currently receives the salary of \$42,245.00 + employer paid wage benefits of approximately 24% = \$42,245.00 + \$10,138.80 = \$52,383.80. The difference between a starting police officer and the Chief of Police is \$52,383.80 - \$31,982.08 = \$20,401.72. If consolidation took place, the difference between the salary for the Chief of Police and a starting deputy sheriff is approximately \$15,217.53. With this savings, the increase in wages for officers transferring to the sheriff's department would still be \$25,920.95 - \$15,217.53 = \$10,703.42 increase just in wages.

Additional vehicle expense would also be likely. During Sheriff Kuka's interview, he stated that each of his eight officers drove their own county vehicle and that policy would carry over to any new or additional officers. Four or five more vehicles at \$25,000.00 per vehicle would increase the law enforcement budget by \$100,000.00 to \$125,000.00.

CONCLUSION

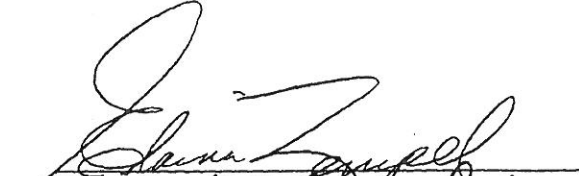
The City of Conrad Study Commission recommends that the Conrad City Police Department and the Pondera County Sheriff's Department remain separate and no consolidation or contract take place for the following reasons:

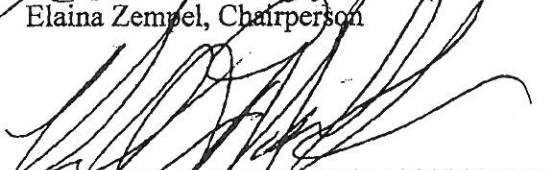
- Significant tax savings would not be realized with the elimination of the Conrad Police Department and could likely result in increased costs. Interviews with the Pondera County Sheriff indicated that the current officer force of five would be continued with the Sheriff's Department. Any reduction in force would result in a reduction in services. This is consistent with the interviewed communities who have consolidated, indicating that they sacrificed 24-hour police coverage.
- Citizen voter opinions about the need for 24-hour police protection are hard to assess. Without a professional survey addressing this specific question and its importance to the community, the proposal to consolidate is premature.
- The Pondera County Sheriff indicated that the practice of providing each deputy sheriff with their own patrol vehicle would most likely carry over to the new officers in a consolidation/contract situation. Additional vehicles would have to be purchased. Instead of the two vehicles that the Conrad Police Department currently uses, 3 more vehicles would be added at considerable expense to the taxpayer.
- The Conrad Police Department and the Pondera County Sheriff's Department are cooperating now more than they have in the past, which has been an issue of concern with some citizens.
- Consolidation and/or contract services would be a very divisive issue for the residents of the City of Conrad. A significant set of circumstances (i.e. Police Force mass resignation) led the City of Shelby to consolidate with the Toole County Sheriff's Department. Because a compelling need was not identified, the collateral damage to the community is more than is acceptable.
- Pondera County is currently in a methamphetamine-use epidemic. Dual forces would help further protect the community.
- The current Pondera County Sheriff is not interested in consolidation at this time.

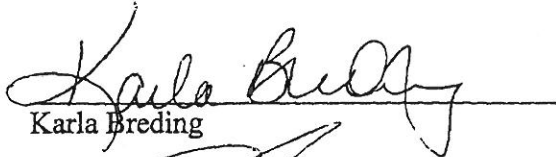
RECOMMENDATIONS


The City of Conrad Study Commission would encourage the Conrad City Police Department and the Pondera County Sheriff's Department to continue to build their relationship through cooperative investigative efforts, meetings, co-trainings, and communication.

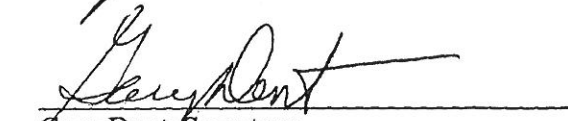
Attested to this 24th day of October, 2005 by the members of the
Conrad City Study Commission.

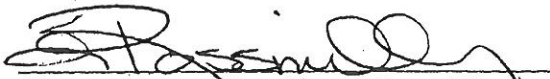

Elaina Zempel, Chairperson


Rich Murack


Karla Breeding


Gary Brown


Gary Dent, Secretary


Shannen Rossmiller, City of Conrad Representative