

The Poplar Local Government Study Commission, consisting of Monty Cranston, Ida Norgaard and Pat Beck, present this final report to the citizens of Poplar.

We have studied our present form of government in detail. Information was sought various ways; department heads were interviewed, council meetings and workshops were attended, a public hearing was held, and a public opinion survey was conducted. Study commissioners made every effort to be available for citizens input and comment, even to the point of "talking to the man on the street", to assure public awareness of the commission's purpose.

We heartily recommend changes in the present structure and power of city government that will meet the changing needs of Poplar. We feel we can have more effective city government in a city-manager form of government.

The submission of this alternative form of government is in no way to be considered a condemnation of the present form of government. The present form functioned quite successfully for 60 years. The first meeting was held August 3, 1916, at 8:30 p.m. with Mayor H. M. Cosier presiding. Aldermen J. M. Larson, G. A. Lundeen, James Helmer, and Chris Jensen were present, as was clerk W.E. Inglehart. Poplar was then in Sheridan County.

Problems then were as follows: One of the first ordinances passed was #23. "Prohibiting the running at large in the town of Poplar; chickens, geese, ducks, turkeys and other domestic fowl", ... the chief of police made \$75.00 a month... council problems included pouring concrete for the first sidewalks along our dirt streets... and a juror received \$1.64 to sit in court.

That council was faced with the task of laying the first water mains---today, with the expansion of our housing, we have two water towers to service the community... and we need a third tower badly. The lagoon is inadequate, one water well is not functioning and we need underground street drainage. Gone are the days when one worries about the neighbor's chickens running across the flowers.. our problems are much more complex.

The budget of Poplar's initial government was non-existent. The city budget for 1975 was \$416,027.00. City employees now number 13 full time and 6 part time.

Demands on city government have increased. In addition to law enforcement and fire protection, the city services include; streets and sidewalks, water supply, purification and delivery; sewer maintenance; building and electrical codes, permits and inspections; special improvement districts; health and safety regulations; parks and recreation; library; airport; insurance; bids; records; maintenance of equipment; garbage collection, disposal and sanitary landfill. In short, city government for Poplar has become complex enough to warrant professional experience and background of a full time administrator. Our school system has a superintendent, our hospital has an administrator, and we feel that our city needs a manager.

#### FINDINGS OF THE STUDY COMMISSION

The City Commission found problems areas that were identified during the course of the study which were:

1. A city government lacking in business leadership, direction and efficiency needed for the modern times in which we live.
2. No clear lines of authority; principles of separation of powers and checks and balances are absent.
3. An increasing demand for services (i.e., sewer, water, garbage, police, streets and recreation) due to population growth.
4. A small and limited tax base that has not been nor will it in the future be, able to meet the rising demands for service.
5. A lack of interest and citizen participation in city government.
6. No fundamental law of the city.. a constitution or city charter.. necessary if the city officials are to know the scope and limit of their authority and power.
7. An outmoded city government, (originally incorporated in the state in 1917), out of step with the 1972 Montana Constitutional provisions for local home rule.

To meet these problems the Poplar Study Commission identified six basic goals. The plan they settled on would provide:

1. Business leadership, direction and efficiency.
2. A government structure with adequate checks and balances.
3. A government having more potential to meet the rising demand for more services despite the limited tax base.
4. A government that would revitalize citizen interest and participation in city politics.
5. A city charter spelling out the function and powers of each branch of government.
6. A government that gives local control over local problems, in keeping with the opportunity provided by the 1972 Constitution.

In an attempt to achieve these goals, the study commission has recommended a council-manager form of government with self government powers.

## A. SELF GOVERNMENT POWERS: KEY PROVISION OF THE PROPOSED FORM

The 1972 Constitution greatly changed the potential powers of local government. Poplar can now legally have "self government" powers. That is, the city can take any action or engage in any activity unless specifically prohibited by state or federal law. Essentially, this is a complete reversal of old rules regarding local government powers. Prior to the adoption of the 1972 Constitution, cities had only those powers specifically granted them by the state legislature.

If the people of Poplar agree with the commission's report, and vote for the alternative form on November 2, 1976, Poplar will have the freedom to determine its own internal structure, and decide the type, level and method of providing services such as roads, sewer, water, garbage disposal, fire and police protection, libraries and parks. With few exceptions, Poplar will have the power to determine their rate of taxation, and the type of taxes to be levied. In short, the commission believes the above mentioned problems can be more adequately met under this new alternative.

## B. COMPARISON OF EXISTING FORM OF GOVERNMENT AND PROPOSE FORM

The traditional form of city government has existed in Poplar since 1916. It is basically the same government as described in the 1889 Constitution; it reflects its role as merely an administrative arm of state government. It is a collection of eight departments. These are: Police Department, Fire Department, Health Department, Garbage Department, Cemetery, Library, Airport, Sewage and Water Departments.

The four council members and the mayor oversee approximately two of these departments each, depending on their areas of interest. A man who is very much depended upon to execute council policy is the city engineer, Howard Smith. The mayor presides as a "part time employee" without much more power of authority than a council member. He, like the council members, works hard and diligently for a minimal wage.

Under the existing form, two councilors represent roughly half the city, two represent the other half. The mayor is elected at large. The councilors are elected to four year, overlapping terms; the terms of two councilors expire every two years.

### POWER AND AUTHORITY OF CITY GOVERNMENT

Presently Poplar operates with very limited powers which are restricted by the so called "Dillon Rule". This judicial interpretation states that local governments have only those powers specifically granted them by the state legislature. It further provides that if there is any doubt as to the existence of local government power, the power is to be denied.

## C. RECOMMENDATIONS AND REASONS

The decision of the Poplar Study Commission to recommend a council-manager form with self government powers is made in the belief that such a government can best meet the needs of Poplar as identified in the course of this study.

The study commission proposed the form of government which would fulfill the following goals:

### CITY GOVERNMENT WITH DIRECTION, BUSINESS LEADERSHIP, EFFICIENCY

The study commission found problems in city government directly attributable to poor management practices. This year's state examiner's report bears out several undisciplined actions taken by the city.

They were:

#### \*\* EXCEPTIONS AND RECOMMENDATIONS

##### General

Our review of the books and records of the City of Poplar revealed numerous errors and deficiencies. Statutory provisions governing the operation of cities had been largely ignored. Time and financial considerations prevented a complete, detailed review of all transactions to positively identify each and every error that occurred during the audit period; however, general areas in which problems occurred were as follows: warrants had been paid from funds other than those against which they were drawn, warrants had been issued against funds other than those indicated in the claims and/or supporting documents, the Clerk's and the Treasurer's fund balances did not agree nor had they attempted to reconcile any differences, and no analysis of receipts by source or disbursements by function had been maintained.

The accounting records of the City were both inaccurate and inadequate. Lease purchase agreements had been negotiated and major purchases had been made without formal calls for bids. City-owned equipment had been sold without apparent Council action. Contracts had been signed

which called for excessive payment for the equipment purchased. The recorded minutes were not complete nor were they all signed or attested. No action had been taken to implement the requests and recommendations of the prior report of examination, nor had the City Attorney replied to this department's request regarding the matters set forth in that examination, as required by Section 82-1002 (7).

In light of the foregoing, and to correct other errors discovered, we request:

City Treasurer

1. That official receipts be issued only when receiving money from sources outside the City.
2. That transfers of cash funds be made by accounting entries only, after being approved and ordered by the Council.
3. That a detail of warrants paid, showing warrant number, fund and amount, be prepared at least once each month and be made a permanent part of the City records.
4. That the record of the Treasurer's expenditures include a detail indicating:
  - a. Amount of warrants redeemed by fund.
  - b. Remittances to other governmental units.
  - c. Payments on bonds.
  - d. Payments on Coupons.
  - e. Treasurer's payments on contracted debt.
5. That the balances shown on the Treasurer's monthly report be reconciled with those of the Clerk each month.
6. That the Treasurer's monthly report be submitted to the Council for their information and approval each month.
7. That the Treasurer request from the Council specific approval for any investment transactions, particularly regarding registry of warrants.
8. That the bond register be maintained in a current condition and that bond and coupon payments be timely made.
9. That loans from the Special Improvement District revolving fund be immediately requested for Special Improvement District debt service funds which have cash overdrafts. Further, that sufficient records be maintained on such loans to enable them to be properly repaid. These loans should be handled according to the provisions of Sections 11-2271 and 11-2272.

City Clerk

1. That all claims presented for payment be fully documented as to:
  - a. Fund to be charged.
  - b. Function to be charged.
  - c. Reason for payment.
  - d. Date of approval.
  - e. Date of payment.
  - f. Warrant number issued.
2. That all warrants issued indicate the fund or funds to be charged and that such notation be in agreement with all supporting documentation.
3. That the register of warrants issued agree in all detail with the warrants actually issued.
4. That a monthly report be prepared which shall indicate:
  - a. Cash receipts for the month and the year to date.

- b. Cash balances by fund.
  - c. Outstanding warrants by fund.
  - d. Budget expenditures for the month and the year to date.
  - e. Budget balances.
  - f. Treasurer's disbursements in detail.
5. That this report be reconciled with the Treasurer's monthly report and that it be submitted to the Council for approval and information.
  6. That the minutes of each Council meeting be recorded as soon as possible following each such meeting, that they be attested as soon as they are written and inserted in the official minute book immediately.
  7. That the Council be appraised of all old outstanding warrants which are eligible for cancellation, and that such cancellation be accomplished only after Council action ordering the same.
  8. That there be established and maintained an analysis of receipts by source and an analysis of expenditures by function, and that:
    - a. All Treasurer's receipts be entered in the receipts analysis showing the source of each receipt.
    - b. All warrants issued be entered in the analysis of disbursements according to the function accomplished by the disbursement.
    - c. All Treasurer's disbursements also be entered in the analysis of disbursements showing the function accomplished.

City Council

1. That the minutes of Council meetings not be accepted for approval until they are formally recorded and made a part of the official minute book.
2. That the minutes not be approved until they reveal all pertinent discussions and decisions.
3. That the minutes be signed by the Mayor, or the presiding officer, as soon as they are approved.
4. That they examine and officially approve or disapprove each month all reports submitted by the various City officers and employees.
5. That any unusual financial activity be specifically approved and fully disclosed in the minutes.
6. That the specifications for all purchases, especially those to be made by call for bids, be approved prior to the purchase or to the issuance of a call for bids.
7. That all bids received pursuant to a call for bids be recorded in the minutes along with the name of the successful bidder. In the event that other than the low bid is accepted, all reasons for such action must be fully recorded.
8. That they assure themselves that all warrants to be issued are in payment of legal and just City obligations and that the funds charged are those which benefit from the disbursements.
9. That budget balances be examined each month, both in total and in detail, to assure themselves that no budget overdraft exists or will be caused to exist by reason of current disbursements.
10. That they provide themselves with a current set of Montana statutes and that they avail themselves of legal advice by reference to those statutes or requests to legal council on all matters not familiar to them.
11. That they order all warrants drawn against funds which have cash overdrafts to be registered.

12. That an itemized inventory be ordered taken for all City-owned land, buildings, property and equipment, and that a card file be established individually listing each item.
13. That the utility change fund and the petty cash fund be operated on a strict imprest basis and that monthly reports be required and examined to assure themselves that such is being done.
14. That all payments of bonds, coupons or contracted debts be examined for timeliness and propriety.
15. That, after necessary Special Improvement District loans are made, steps be taken to reduce the balance in the Special Improvement District revolving fund to 5% of the outstanding Special Improvement District bonds as prescribed in Section 11-2270.

#### Water/Sewer/Garbage Utility Collector

Virtually no control had been exercised over the operation of the utility accounts receivable. The controlling account did not accurately reflect the balance due from customers. Adjustments to individual accounts had been made at the point of collection. There were errors in addition and erroneous charges included. A major effort should be devoted toward upgrading utility receivable operations. Thus we request:

1. That a controlling account be established and maintained for all utility receivables.
2. That the controlling account be balanced each month with the total of the individual accounts.
3. That the change fund be reconciled weekly and any gains or losses fully explained.
4. That a report of receivables activity be prepared and submitted to the Council each month.
5. That any adjustments to be made to any individual accounts be presented to the Council for approval prior to making the adjustments.
6. That all entries to the individual and to the controlling accounts be made timely.
7. That a special effort be made to collect all old and excessive accounts.

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#### PROPOSED FORM

Under the council manager form, five councilors are elected at large in non-partisan elections. Terms of office are to remain the same, i.e., overlapping, four year terms, thus at least two councilors will be up for election every two years.

The council would make policy, pass ordinances, and resolutions, review, modify, and approve the budget, determine the department structure of city government, appoint boards and commissions, placing them under the executive direction of the manager. The council would also appoint the city manager and could replace him at any time. (And by a specific provision of the city charter, the firing of the city manager is not subject to outside judicial review. This protects the city from being sued by a disenfranchised manager.)

The manager would be responsible for carrying out the policies that are set by the council. He would prepare the budget, hire and fire employees and supervise all departments. The job of the manager is comparable to the job of a school superintendent. Just as a superintendent of schools carries out the administrative details for the board of trustees, so would the city manager execute council policies.

The manager has no vote on the council and no veto power over council ordinances and resolutions. The manager is responsible to the council and may be replaced at any time by the council.

The charter spells out in more detail the policy-making and administrative structure of the proposed form. This is a positive aspect of the plan because the charter provides for clear lines of legislative-executive authority, and thus, a clear division of powers.

The study commission wants to ease the burdens on city officials who are doing the best job possible. However, a new structure with the expertise of a manager is necessary to meet the present demands.

DEMAND FOR SERVICES DESPITE A LIMITED TAX BASE

The main complaint of the council manager critics is that Poplar can't afford a city manager. The study commission feels that Poplar can't afford to bypass this opportunity. The adoption of a self-government powers of a city manager and the charter would give officials the authority and ability to act. City government under the present form has been limited to respond to local problems.

In terms of Poplar's fiscal difficulties, if taxes become too high and demands for services continue unabated, then new plans to save and prevent waste must be made. A city manager can accomplish these ends. With responsibility clearly fixed, citizens will know who to hold accountable.

REVITALIZE PUBLIC INTEREST AND PARTICIPATION

The study commission believes that this change in structure would free the councilors to develop overall policy for the city, and specialize in areas of personal concern. With the complex administrative details being done by a full time manager, the council positions would appear more appealing.

The study commission is recommending that all five councilors be elected at large, rather than by wards, as they are now. The candidates who run must be willing to be representative of the whole city, not just part of the city. The candidates receiving the five highest votes become councilors; they would select a leader from among themselves to become the mayor.

The mayor would be the chief legislator and perform ceremonial duties of the city. The executive duties would belong to the manager.

A CHARTER PROVIDING EXPRESSED POWERS AND THE LIMITS

Poplar now has no fundamental law for governing the city; no basic framework which specifies duties of city officials. Because the state government is allowing towns and cities "self governing" powers, the study commission feels this charter to be vitally important.

Because the council-manager form alters the duties of the council and provides a clear division of powers, a charter is absolutely necessary.

By voting for a council-manager form on November 2, people will know exactly the extent of the city official's powers.

We solicit your support for its adoption.

Respectfully submitted,  
Poplar Study Commission

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