

# CITY OF POLSON COMMISSION MEETING AGENDA

COMMISSION CHAMBERS

June 6, 2016

7:00 P.M.

**1. CALL TO ORDER**

Mayor Knutson

**2. PLEDGE OF ALLEGIANCE**

Mayor Knutson

**3. APPROVAL OF PROPOSED AGENDA**

Mayor Knutson

**4. PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA (address items to the Chair. Commission takes no action on items discussed)**

**5. CONSENT AGENDA**

- a. May 13-31, 2016 claims
- b. City Commission Written Summary Meeting Minutes May 16, 2016
- c. City Commission Electronic Meeting Minutes May 16, 2016
- d. City Attorney Contract

**6. CITY MANAGER COMMENTS**

City Manager Mark Shrives

**NEW BUSINESS**

**7. JOURNEY B-STREET CLOSURE 1<sup>ST</sup> ST WEST FROM 7<sup>TH</sup> AVE. TO 8<sup>TH</sup> AVE.**

Danette Nistler

**8. FISCAL YEAR 2016 IMPACT FEE REPORT**

City Finance Officer Cindy Dooley

**9. APPROVE RESOLUTION NO.2016-# \_\_\_\_ SETTING IMPACT FEE COLLECTION LEVELS**

City Finance Officer Cindy Dooley

**9. REIMBURSEMENT REQUEST**

Mike Maddy

**10. ADJOURN**

The City of Polson encourages public participation in its public meetings and hearings. In doing so the City holds its meetings in handicapped accessible facilities. Any persons desiring accommodations for a handicapping condition should call the City Clerk at 883-8203 for more information.

For doc #s from 124216 to 124352

5a.

Fund	Department Name (Account)	Vendor #/Name	Description	Amount
1000 General All-Purpose Fund	214550 Deposits Payable -	999999 REBECCA BROWN	FACL-CLEAN UP REUND	100.00
1000 General All-Purpose Fund	410360 Municipal Court	000010 CENTURYLINK	CORT-SHARED FAX SERV	23.41
1000 General All-Purpose Fund	410400 Administrative Services	4458 SHARI A. JOHNSON, PE	ADMN-ENGINEER SERVIC	594.00
1000 General All-Purpose Fund	410500 Financial Services	4605 THIRD EYE TECHNOLOGIES,	FINC-CITY CLRK COMP	37.50
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	4159 REXEL INC, d/b/a PLATT	FACL-FLUO LIGHT BULB	94.50
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	4458 SHARI A. JOHNSON, PE	FACL-BAYVIEW DR ROAD	126.09
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000317 MONTANA LEAGUE OF CITIES	FACL-MEMBERSHP DUES 2	1,481.04
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000011 MISSION VALLEY POWER	FACL-CITY HALL	258.05
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000011 MISSION VALLEY POWER	FACL-FIRE HALL	141.85
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000011 MISSION VALLEY POWER	FACL-HVAC SYSTEM	308.22
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	4831 COTE AND ASSOCIATES, CPAs	FACL-AUDIT FY 2015	6,192.50
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000046 BEACON TIRE CENTER	FACL-BLUE SUBARU OIL	46.95
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	000010 CENTURYLINK	FACL-FAX SERVICE	43.99
1000 General All-Purpose Fund	411200 Facilities (Shared Costs)	2943 CLICK HERE DESIGNS	FACL-WEB HOSTING, EM	95.00
1000 General All-Purpose Fund	420140 Crime Control and	000282 QUILL CORPORATION	POLC-LEGAL SIZE FILE	741.69
1000 General All-Purpose Fund	420140 Crime Control and	3025 FIRST BANKCARD	POLC-K9 OD KIT	107.58
1000 General All-Purpose Fund	420140 Crime Control and	3025 FIRST BANKCARD	POLC-BUSINESS MEAL	22.75
1000 General All-Purpose Fund	420140 Crime Control and	4974 RED LION	POLC-MEETING ROOM/BE	178.00
1000 General All-Purpose Fund	420140 Crime Control and	4156 DEVON MCCREA	POLC-LODGING REIMBUR	137.28
1000 General All-Purpose Fund	420140 Crime Control and	000011 MISSION VALLEY POWER	POLC-STORAGE SHED	69.53
1000 General All-Purpose Fund	420140 Crime Control and	000011 MISSION VALLEY POWER	POLC-1ST ST E SHORAG	12.00
1000 General All-Purpose Fund	420140 Crime Control and	000759 DRAGGIN' WAGON TOWING,	POLC-POLICE VEH TOWE	98.00
1000 General All-Purpose Fund	420140 Crime Control and	000759 DRAGGIN' WAGON TOWING,	POLC-POLICE VEH TOWE	98.00
1000 General All-Purpose Fund	420140 Crime Control and	4684 WASH N' GO, LLC	POLC-VEH WASH APRIL	129.76
1000 General All-Purpose Fund	420140 Crime Control and	2074 VERIZON WIRELESS	POLC-CELL PHONE SERV	328.11
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #4 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #5 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #10 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #12 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #14 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #15 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000046 BEACON TIRE CENTER	POLC-VEH #7 4 TIRES	60.00
1000 General All-Purpose Fund	420140 Crime Control and	000010 CENTURYLINK	POLC-SHARED FAX SERV	23.41
1000 General All-Purpose Fund	420140 Crime Control and	2255 GALLS, LLC-D.B.A.	POLC-CUSTOM COLLAR B	89.94
1000 General All-Purpose Fund	420230 Care and Custody of	000552 LAKE COUNTY SHERIFF'S	POLC-PRISONER BOARD	42.00
1000 General All-Purpose Fund	420400 Fire Protection and	000011 MISSION VALLEY POWER	FIRE-705 1ST ST E SI	12.00
1000 General All-Purpose Fund	420400 Fire Protection and	000026 POLSON AUTO PARTS, INC.	FIRE-LIC PLATE BRKT,	9.84
1000 General All-Purpose Fund	420400 Fire Protection and	000026 POLSON AUTO PARTS, INC.	FIRE-RING TERM, BATT	15.18
1000 General All-Purpose Fund	420400 Fire Protection and	000026 POLSON AUTO PARTS, INC.	FIRE-ASSORTED PRODUC	53.40
1000 General All-Purpose Fund	420400 Fire Protection and	000026 POLSON AUTO PARTS, INC.	FIRE-1 M PIPE	17.19
1000 General All-Purpose Fund	420400 Fire Protection and	000026 POLSON AUTO PARTS, INC.	FIRE-BUG-B-GONE, TIR	12.62
1000 General All-Purpose Fund	420540 Land Use	4458 SHARI A. JOHNSON, PE	ADMN-ENGINEER SERVIC	252.17
1000 General All-Purpose Fund	420540 Land Use	4458 SHARI A. JOHNSON, PE	PLAN-DCI SITE VISIT;	378.27
1000 General All-Purpose Fund	420540 Land Use	4458 SHARI A. JOHNSON, PE	PLAN-ASBUILT APPROVA	63.05
1000 General All-Purpose Fund	420540 Land Use	4458 SHARI A. JOHNSON, PE	PLAN-TACO BELL COMME	66.00
1000 General All-Purpose Fund	420540 Land Use	4458 SHARI A. JOHNSON, PE	PLAN-DIALYSIS CLINIC	66.00
1000 General All-Purpose Fund	430240 Road and Street	000011 MISSION VALLEY POWER	STRT-CITY SHOP	155.12
1000 General All-Purpose Fund	430240 Road and Street	4849 JOHN DEERE FINANCIAL	STRT-20 V MAX BATTER	139.99
1000 General All-Purpose Fund	430240 Road and Street	000034 WESTERN BUILDING CENTER	STRT-CREDIT PRODUCT	-10.20
1000 General All-Purpose Fund	460430 Parks	3025 FIRST BANKCARD	PARK-BIOMETRIC TIMEC	385.37
1000 General All-Purpose Fund	460430 Parks	4909 BCN2WEB	PRKS-SEW DEPT LOGO	16.00
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-SACAJAWEA WLK P	45.35

For doc #s from 124216 to 124352

Fund	Department Name (Account)	Vendor #/Name	Description	Amount
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-J CAMPBELL PARK	12.00
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-CITY PARKS	298.74
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-KERR DAM/BB FIE	2.18
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-SACAJAWEA PARK	9.57
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-1ST ST E WTR SH	56.57
1000 General All-Purpose Fund	460430 Parks	000011 MISSION VALLEY POWER	PRKS-BOETTCHER PARK	15.99
1000 General All-Purpose Fund	460430 Parks	000916 WHEALON CONSTRUCTION	PRKS-CONCRT PADS FOR	1,595.00
1000 General All-Purpose Fund	460430 Parks	4159 REXEL INC, d/b/a PLATT	PRKS-PLUG, CONNECTOR	36.55
1000 General All-Purpose Fund	460430 Parks	000046 BEACON TIRE CENTER	PRKS-CREDIT DBL PYMN	-60.00
1000 General All-Purpose Fund	460430 Parks	000026 POLSON AUTO PARTS, INC.	PRKS-ADAPTER	11.44
1000 General All-Purpose Fund	460430 Parks	000832 DELANEY'S LANDSCAPE CTR.	PRKS-PUMP START UP D	101.12
1000 General All-Purpose Fund	460430 Parks	000034 WESTERN BUILDING CENTER	PRKS-BRAID FLEX	12.58
Total for Fund:				15,810.24
2001 Fire Impact Fees	420400 Fire Protection and	4208 MAHUGH FIRE & SAFETY, LLC	FIRE-PARTS FOR BRUSH	4,497.95
Total for Fund:				4,497.95
2020 Police Municipal Services	420140 Crime Control and	3025 FIRST BANKCARD	POLC-USDM PRO DVD-R	204.00
2020 Police Municipal Services	420140 Crime Control and	3025 FIRST BANKCARD	POLC-LAPTOP OFFICE S	149.99
2020 Police Municipal Services	420140 Crime Control and	3025 FIRST BANKCARD	POLC-CD/DVD SLEEVE W	79.37
2020 Police Municipal Services	420140 Crime Control and	3857 STANFORD POLICE &	POLC-UNIFORM- OFFICE	122.00
2020 Police Municipal Services	420140 Crime Control and	4909 BCN2WEB	POLC-PPD BADGE, HEM	67.00
2020 Police Municipal Services	420140 Crime Control and	2255 GALLS, LLC-D.B.A.	POLC-BADGE	113.15
2020 Police Municipal Services	420140 Crime Control and	999999 JUST BEA'S FLORAL & GIFTS	POLC-FLWRS FOR 5/18/	145.00
2020 Police Municipal Services	420140 Crime Control and	000750 JOHN A. STEVENS	POLC-PARTS FOR 3 VEH	146.00
Total for Fund:				1,026.51
2394 Building Code Enforcement	420500 Protective Inspections	2074 VERIZON WIRELESS	BLDG-CELL PHONE SERV	32.48
Total for Fund:				32.48
2395 Tree Fund	480150 Tree Conservation	000011 MISSION VALLEY POWER	PRKS-WEST SHORE PARK	13.52
Total for Fund:				13.52
2401 Light Maintenance	430263 Street Lighting	000011 MISSION VALLEY POWER	FACL-STREET LGHTS-03	1,442.19
Total for Fund:				1,442.19
2402 Light Maintenance	430263 Street Lighting	000011 MISSION VALLEY POWER	FACL-N END MAIN ST L	184.25
2402 Light Maintenance	430263 Street Lighting	000011 MISSION VALLEY POWER	FACL-STREET LGHTS-03	796.22
Total for Fund:				980.47
2810 Police Training Fund	420140 Crime Control and	4968 MATHIEU GFROERER	POLICE-MG TRAVEL MEA	184.00
2810 Police Training Fund	420140 Crime Control and	4188 CORY ANDERSON	POLICE-CA TRAVEL MEA	184.00
2810 Police Training Fund	420140 Crime Control and	3025 FIRST BANKCARD	POLC-CA TRAVEL LODGI	99.44
2810 Police Training Fund	420140 Crime Control and	3025 FIRST BANKCARD	POLC-JH TRAVEL LODGI	298.32
2810 Police Training Fund	420140 Crime Control and	3025 FIRST BANKCARD	POLC-MS TRAVEL LODGI	349.68

For doc #s from 124216 to 124352

Fund	Department Name (Account)	Vendor #/Name	Description	Amount
2810 Police Training Fund	420140 Crime Control and	4914 MONTANA POLICE PROTECTIVE	POLC-WN - CONF REGIS	200.00
2810 Police Training Fund	420140 Crime Control and	4914 MONTANA POLICE PROTECTIVE	POLC-AB - CONF REGIS	200.00
2810 Police Training Fund	420140 Crime Control and	4973 KAMINSKY, SULLENBERGER &	POLC-5 DAY FIELD TRA	8,655.00
2810 Police Training Fund	420140 Crime Control and	4078 KWATAQNUK BEST WESTERN	POLC-POLICE OFFICER	660.80
Total for Fund:				10,831.24
2820 Gas Apportionment Tax	430240 Road and Street	4329 BISHOP SIGNWORKS	STRT-ROUND FLEET DEC	90.00
2820 Gas Apportionment Tax	430240 Road and Street	3367 THE TRACTOR SHOP, INC.	STRT-REPAIR FRGHTLNR	297.00
2820 Gas Apportionment Tax	430240 Road and Street	2665 MERCER WELDING & REPAIR	STRT-1 HOUR WELDING	75.00
2820 Gas Apportionment Tax	430240 Road and Street	000241 NORMONT EQUIPMENT CO.	STRT-SPRAY NOZZLE	271.32
2820 Gas Apportionment Tax	430240 Road and Street	000241 NORMONT EQUIPMENT CO.	STRT-PENETRATOR ANCH	376.13
2820 Gas Apportionment Tax	430240 Road and Street	000241 NORMONT EQUIPMENT CO.	STRT-MOIL POINT BIT	-40.80
2820 Gas Apportionment Tax	430240 Road and Street	000026 POLSON AUTO PARTS, INC.	STRT-FLEX TUB, U-BOL	16.50
2820 Gas Apportionment Tax	430240 Road and Street	000026 POLSON AUTO PARTS, INC.	STRT-FUEL FILTER	5.81
2820 Gas Apportionment Tax	430240 Road and Street	000026 POLSON AUTO PARTS, INC.	STRT-ALT. BELT	16.00
Total for Fund:				1,106.96
5010 Golf Fund	460446 Golf Course -	2094 WILBUR ELLIS COMPANY	GLFM-ASST. FERTILIZE	4,598.98
5010 Golf Fund	460446 Golf Course -	000048 MIDLAND IMPLEMENT CO.	GLFM-COURSE FLAGS, R	226.94
5010 Golf Fund	460446 Golf Course -	3025 FIRST BANKCARD	GLFM-FLANGE GASKET,	19.99
5010 Golf Fund	460446 Golf Course -	3025 FIRST BANKCARD	GLFM-HTC GLASS SCREE	7.99
5010 Golf Fund	460446 Golf Course -	3025 FIRST BANKCARD	GLFM-PLANT WATERING	25.83
5010 Golf Fund	460446 Golf Course -	3025 FIRST BANKCARD	GLFM-HTC COMBAT CASE	8.97
5010 Golf Fund	460446 Golf Course -	1864 CHS/MOUNTAIN WEST	GLFM-FUEL	327.12
5010 Golf Fund	460446 Golf Course -	2094 WILBUR ELLIS COMPANY	GLFM-ADMIRAL LIQ DYE	41.48
5010 Golf Fund	460446 Golf Course -	2094 WILBUR ELLIS COMPANY	GLFM-CLEARCAST 6-1 Q	12.44
5010 Golf Fund	460446 Golf Course -	000011 MISSION VALLEY POWER	GLFM-GOLF SHED	196.77
5010 Golf Fund	460446 Golf Course -	000011 MISSION VALLEY POWER	GLFM-25 HP PUMP	0.00
5010 Golf Fund	460446 Golf Course -	000011 MISSION VALLEY POWER	GLFM-60 HP PUMP	120.55
5010 Golf Fund	460446 Golf Course -	000011 MISSION VALLEY POWER	GLFM-155 HP PUMP	44.86
5010 Golf Fund	460446 Golf Course -	000011 MISSION VALLEY POWER	GLFM-BAYVIEW PUMP ST	1,351.10
5010 Golf Fund	460446 Golf Course -	000048 MIDLAND IMPLEMENT CO.	GLFM-TORO DRIVE ASSY	397.19
5010 Golf Fund	460446 Golf Course -	000048 MIDLAND IMPLEMENT CO.	GLFM-TORO V BELT	37.26
5010 Golf Fund	460446 Golf Course -	000048 MIDLAND IMPLEMENT CO.	GLFM-ASST TORO PRODU	288.32
5010 Golf Fund	460446 Golf Course -	2323 R & R PRODUCTS, INC.	GLFM-ASST PARTS	401.75
5010 Golf Fund	460446 Golf Course -	4595 T2 GREEN	GLFM-ROPE, POWER COR	186.71
5010 Golf Fund	460446 Golf Course -	1864 CHS/MOUNTAIN WEST	GLFM-FUEL	442.69
5010 Golf Fund	460446 Golf Course -	2778 SPORTSTURF IRRIGATION	GLFM-ASST IRRIGANTIO	3,099.84
5010 Golf Fund	460446 Golf Course -	000010 CENTURYLINK	GLFM-TELEPHONE SERVI	37.81
5010 Golf Fund	460446 Golf Course -	000026 POLSON AUTO PARTS, INC.	GLFM-15W40 55 GAL OI	499.99
5010 Golf Fund	460446 Golf Course -	000026 POLSON AUTO PARTS, INC.	GLFM-TRANS FILTER	6.20
5010 Golf Fund	460446 Golf Course -	000026 POLSON AUTO PARTS, INC.	GLFM-SNAP RING	2.10
5010 Golf Fund	460446 Golf Course -	000048 MIDLAND IMPLEMENT CO.	GLFM-TORO V BELT	37.26
5010 Golf Fund	460446 Golf Course -	000644 CITY OF POLSON WATER	GLFM-COURSE RESTROOM	42.13
5010 Golf Fund	460446 Golf Course -	000644 CITY OF POLSON WATER	GLFM-COURSE RESTROOM	49.07
5010 Golf Fund	460446 Golf Course -	000644 CITY OF POLSON WATER	GLFM-COURSE RESTROOM	1,505.60
5010 Golf Fund	460446 Golf Course -	000644 CITY OF POLSON WATER	GLFM-COURSE RESTROOM	968.00
5010 Golf Fund	460446 Golf Course -	2547 TREASURE STATE CONCRETE	GLFM-BUNKER SAND	1,020.00
5010 Golf Fund	460446 Golf Course -	2074 VERIZON WIRELESS	GLFM-CELL PHONE SERV	147.42
5010 Golf Fund	460446 Golf Course -	000034 WESTERN BUILDING CENTER	GLFM-GLULAM BEAMS	496.26

For doc #s from 124216 to 124352

Fund	Department Name (Account)	Vendor #/Name	Description	Amount
5010 Golf Fund	460446 Golf Course -	000034 WESTERN BUILDING CENTER	GLFM-RENTAL SEWER SN	123.20
5010 Golf Fund	460446 Golf Course -	4849 JOHN DEERE FINANCIAL	GLFM-COMB LOCK	55.98
5010 Golf Fund	460447 Golf Course - Pro Shop	000010 CENTURYLINK	GLFP-INTERNET	22.95
5010 Golf Fund	460447 Golf Course - Pro Shop	001518 INSTY PRINTS	GLFP-CART RENTAL PUN	39.50
5010 Golf Fund	460447 Golf Course - Pro Shop	4912 CAMERON MILTON, PGA	GLFP-NEW PASSHLDR FR	210.00
5010 Golf Fund	460447 Golf Course - Pro Shop	3025 FIRST BANKCARD	GLFP-ADVERTISING	40.00
5010 Golf Fund	460447 Golf Course - Pro Shop	4026 PACIFIC NORTHWEST SECTION	GLFP-ANNUAL BOOK AD	200.00
5010 Golf Fund	460447 Golf Course - Pro Shop	000011 MISSION VALLEY POWER	GLFP-DWNSTAIRS METER	93.86
5010 Golf Fund	460447 Golf Course - Pro Shop	000011 MISSION VALLEY POWER	GLFP-GOLF CAR STORAG	68.24
5010 Golf Fund	460447 Golf Course - Pro Shop	4329 BISHOP SIGNWORKS	GLFP-WHT VINYL GLF C	120.00
5010 Golf Fund	460447 Golf Course - Pro Shop	000011 MISSION VALLEY POWER	GLFP-PRO SHOP/STREET	163.19
5010 Golf Fund	460447 Golf Course - Pro Shop	1864 CHS/MOUNTAIN WEST	GLFP-FUEL	263.41
5010 Golf Fund	460447 Golf Course - Pro Shop	000010 CENTURYLINK	GLFP-TELEPHONE, INTER	160.16
5010 Golf Fund	460447 Golf Course - Pro Shop	4915 MSGA	GLFP-2016 MEMBERSHIP	200.00
5010 Golf Fund	460447 Golf Course - Pro Shop	000316 WALLACES GOLF SHOP	GLFP-APRIL 16 CC CIT	681.95
5010 Golf Fund	460447 Golf Course - Pro Shop	3866 OFFICE MAX CONTRACT INC.	GLFP-OFFICE SUPPLIES	91.90
5010 Golf Fund	460447 Golf Course - Pro Shop	000644 CITY OF POLSON WATER	GLFP-PRO SHOP	115.20
5010 Golf Fund	460448 Golf Course - Carts	000046 BEACON TIRE CENTER	GLFM-TIRE REPAIR	12.00
5010 Golf Fund	460450 Golf Course Restaurant	000316 WALLACES GOLF SHOP	GLFR-SNACKS	194.48
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-ASST BEER	392.75
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-ASST BEER	139.00
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-PRODUCT RETURNE	-90.00
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-BEER	64.95
5010 Golf Fund	460450 Golf Course Restaurant	4754 PEPSI-COLA BOTTLING OF	GLFR-ASST BEVERAGES	292.81
5010 Golf Fund	460450 Golf Course Restaurant	3233 FOOD SERVICES OF AMERICA	GLFR-FOOD SUPPLY	504.09
5010 Golf Fund	460450 Golf Course Restaurant	3233 FOOD SERVICES OF AMERICA	GLFR-FOOD SUPPLY	432.68
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-RETURN EMPTY KE	-90.00
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-ASST BEERS	475.02
5010 Golf Fund	460450 Golf Course Restaurant	4754 PEPSI-COLA BOTTLING OF	GLFR-ASST BEVERAGES	138.45
5010 Golf Fund	460450 Golf Course Restaurant	4480 SYSCO MONTANA, INC.	GLFR-FOOD SUPPLY	79.60
5010 Golf Fund	460450 Golf Course Restaurant	4480 SYSCO MONTANA, INC.	GLFR-KITCHEN SUPPLY	132.19
5010 Golf Fund	460450 Golf Course Restaurant	4480 SYSCO MONTANA, INC.	GLFR-FOOD SUPPLY	800.03
5010 Golf Fund	460450 Golf Course Restaurant	000316 WALLACES GOLF SHOP	GLFR-SNACKS	204.46
5010 Golf Fund	460450 Golf Course Restaurant	3447 SUMMIT BEVERAGE	GLFR-ASST BEER	281.00
5010 Golf Fund	460450 Golf Course Restaurant	3427 ZIP BEVERAGE	GLFR-ASST BEERS	214.05
5010 Golf Fund	460450 Golf Course Restaurant	3233 FOOD SERVICES OF AMERICA	GLFR-FOOD SUPPLY	547.92
5010 Golf Fund	460450 Golf Course Restaurant	3233 FOOD SERVICES OF AMERICA	GLFR-FOOD SUPPLY	274.25
5010 Golf Fund	460460 G. C. Restaurant O & M	4664 CHARTER COMMUNICATIONS	GLFR-INTERNET/TV	96.05
5010 Golf Fund	460460 G. C. Restaurant O & M	000011 MISSION VALLEY POWER	GLFR-REST. T10204 ME	280.81
5010 Golf Fund	460460 G. C. Restaurant O & M	999999 TOBY'S ELECTRIC	GLFR-2 WATER HEATERS	392.50
5010 Golf Fund	460460 G. C. Restaurant O & M	000010 CENTURYLINK	GLFR-TELEPHONE, INTER	123.63
5010 Golf Fund	460460 G. C. Restaurant O & M	3306 POLSON PROPANE	GLFR-FUEL FOR REST	204.79
5010 Golf Fund	460460 G. C. Restaurant O & M	000644 CITY OF POLSON WATER	GLFR-RESTAURANT	115.20
Total for Fund:				25,510.87
5210 Water Fund	430500 Water Utilities	2434 MISSION VALLEY AUTO, INC.	WATR-'07 CHEVY TRIM	20.08
5210 Water Fund	430530 Source of Supply and	4008 CROSS DIAMOND BOOM	WATR-GENERATOR UNLOA	175.00
5210 Water Fund	430530 Source of Supply and	4458 SHARI A. JOHNSON, PE	WATR-TSEP; WELL CALL	264.00
5210 Water Fund	430530 Source of Supply and	000011 MISSION VALLEY POWER	WATR-715 7TH AVE W	134.94
5210 Water Fund	430530 Source of Supply and	000011 MISSION VALLEY POWER	WATR-WELLS, BOOSTER	2,485.86
5210 Water Fund	430530 Source of Supply and	000011 MISSION VALLEY POWER	WATR-RIVERSIDE RESTR	69.38

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Fund	Department Name (Account)	Vendor #/Name	Description	Amount
5210 Water Fund	430530 Source of Supply and	000011 MISSION VALLEY POWER	WATR-RVRSDE LIFT/SEC	12.81
5210 Water Fund	430530 Source of Supply and	3103 JIM MORELLI ELECTRIC LLC	WATR-RVERSIDE GENRAT	1,366.39
5210 Water Fund	430530 Source of Supply and	000011 MISSION VALLEY POWER	WATR-WELLS 6 & 7	492.27
5210 Water Fund	430550 Transmission and	4458 SHARI A. JOHNSON, PE	WATR-CENTER ADD DESI	1,513.08
5210 Water Fund	430550 Transmission and	4458 SHARI A. JOHNSON, PE	WATR-CENTER ADDN DES	1,848.00
5210 Water Fund	430550 Transmission and	4458 SHARI A. JOHNSON, PE	WATR-DOWNTOWN LOOPIN	198.00
5210 Water Fund	430550 Transmission and	3306 POLSON PROPANE	WATR-FUEL SHOP 7TH A	43.62
5210 Water Fund	430550 Transmission and	4006 HD SUPPLY WATERWORKS,	WATR-2" CAMLOCKS	11.48
5210 Water Fund	430550 Transmission and	4006 HD SUPPLY WATERWORKS,	WATR-ASST PARTS REST	220.28
5210 Water Fund	430550 Transmission and	000046 BEACON TIRE CENTER	WATR-4 NEW TIRES, MT	380.00
5210 Water Fund	430550 Transmission and	000046 BEACON TIRE CENTER	WATR-4 NEW TIRES, MT	576.40
5210 Water Fund	430550 Transmission and	000046 BEACON TIRE CENTER	WATR-4 TIRES MT/BAL	60.00
5210 Water Fund	430550 Transmission and	000010 CENTURYLINK	WATR-TELEPHONE SERVI	231.35
5210 Water Fund	430550 Transmission and	000026 POLSON AUTO PARTS, INC.	WATR-LATEX GLOVES	78.09
5210 Water Fund	430550 Transmission and	000026 POLSON AUTO PARTS, INC.	WATR-INFARED THERMOM	53.02
5210 Water Fund	430550 Transmission and	000026 POLSON AUTO PARTS, INC.	WATR-09 FORD TRK OIL	4.27
5210 Water Fund	430550 Transmission and	3306 POLSON PROPANE	WATR-FUEL	155.93
5210 Water Fund	430550 Transmission and	3411 WESTERN STATES EQUIPMENT	WATR-GENERATOR	36,075.01
5210 Water Fund	430550 Transmission and	2547 TREASURE STATE CONCRETE	WATR-3/4 CLAY CRUSH	174.80
5210 Water Fund	430570 Customer Accounting and	4006 HD SUPPLY WATERWORKS,	WATR-MAY METERS	1,050.48
Total for Fund:				47,694.54
5310 Sewer Fund	430600 Sewer Utilities	2434 MISSION VALLEY AUTO, INC.	SEWR-'07 CHEVY TRIM	20.07
5310 Sewer Fund	430630 Collection and	4008 CROSS DIAMOND BOOM	SEWR-GENERATOR UNLOA	175.00
5310 Sewer Fund	430630 Collection and	4458 SHARI A. JOHNSON, PE	SEWR-SEWER BACKUPS;	126.09
5310 Sewer Fund	430630 Collection and	4458 SHARI A. JOHNSON, PE	SEWR-CENTER ADD DESI	1,513.08
5310 Sewer Fund	430630 Collection and	4458 SHARI A. JOHNSON, PE	SEWR-CENTER ADDN DES	1,188.00
5310 Sewer Fund	430630 Collection and	2310 INDUSTRIAL CHEMICAL LABS	SEWR-ROOT BEGONE	510.11
5310 Sewer Fund	430630 Collection and	000011 MISSION VALLEY POWER	SEWR-715 7TH AVE W	134.93
5310 Sewer Fund	430630 Collection and	000011 MISSION VALLEY POWER	SEWR-PUMP/LIFE STATI	3,342.12
5310 Sewer Fund	430630 Collection and	3306 POLSON PROPANE	SEWR-FUEL SHOP 7TH A	43.62
5310 Sewer Fund	430630 Collection and	3103 JIM MORELLI ELECTRIC LLC	SEWR-RVERSIDE GENRAT	1,366.38
5310 Sewer Fund	430630 Collection and	000046 BEACON TIRE CENTER	SEWR-4 NEW TIRES, MT	380.00
5310 Sewer Fund	430630 Collection and	000010 CENTURYLINK	SEWR-TELEPHONE SERVI	120.94
5310 Sewer Fund	430630 Collection and	000010 CENTURYLINK	SEWR-TELEPHONE SERVI	203.82
5310 Sewer Fund	430630 Collection and	000026 POLSON AUTO PARTS, INC.	SEWR-MICRO-LITE BOD	16.29
5310 Sewer Fund	430630 Collection and	000026 POLSON AUTO PARTS, INC.	SEWR-BLK CT	46.40
5310 Sewer Fund	430630 Collection and	000026 POLSON AUTO PARTS, INC.	SEWR-VACUUM CAP KIT	3.65
5310 Sewer Fund	430630 Collection and	000026 POLSON AUTO PARTS, INC.	SEWR-ASST FILTERS, B	25.54
5310 Sewer Fund	430630 Collection and	3306 POLSON PROPANE	SEWR-FUEL	155.93
5310 Sewer Fund	430630 Collection and	3411 WESTERN STATES EQUIPMENT	SEWR-GENERATOR	36,075.01
5310 Sewer Fund	430630 Collection and	999999 WESTERN SYSTEMS	SEWR-CAMERA 1 PIN M	119.52
5310 Sewer Fund	430630 Collection and	000011 MISSION VALLEY POWER	SEWR-WEST SHORE	113.98
5310 Sewer Fund	430630 Collection and	000034 WESTERN BUILDING CENTER	SEWR-HYDRL WATER STO	11.49
5310 Sewer Fund	430630 Collection and	000034 WESTERN BUILDING CENTER	SEWR-HYDRL WATER STO	11.49
5310 Sewer Fund	430640 Treatment and Disposal	4458 SHARI A. JOHNSON, PE	SEWR-WWTP CDBG; CONF	252.17
5310 Sewer Fund	430640 Treatment and Disposal	2547 TREASURE STATE CONCRETE	SEWR-3/4 CLAY CRUSH	174.79
5310 Sewer Fund	430640 Treatment and Disposal	2183 DOWL HKM ENGINEERING	SEWR-TASK #4 INV #8	160,182.00
5310 Sewer Fund	430670 Customer Accounting and	4006 HD SUPPLY WATERWORKS,	SEWR-MAY METERS	1,050.48

06/02/16  
10:25:27

City of Polson  
Claim Details by Fund, Account  
For the Accounting Period: 5/16

Page: 6 of 7  
Report ID: AP100Z

For doc #s from 124216 to 124352

Fund	Department Name (Account)	Vendor #/Name	Description	Amount
			Total for Fund:	207,362.90
			Total:	316,309.87

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Fund/Account	Amount
1000 General All-Purpose Fund	
101000	\$15,810.24
2001 Fire Impact Fees	
101000	\$4,497.95
2020 Police Municipal Services Levy	
101000	\$1,026.51
2394 Building Code Enforcement	
101000	\$32.48
2395 Tree Fund	
101000	\$13.52
2401 Light Maintenance District #19	
101000	\$1,442.19
2402 Light Maintenance District #20	
101000	\$980.47
2810 Police Training Fund	
101000	\$10,831.24
2820 Gas Apportionment Tax Fund	
101000	\$1,106.96
5010 Golf Fund	
101000	\$25,510.87
5210 Water Fund	
101000	\$47,694.54
5310 Sewer Fund	
101000	\$207,362.90
Total:	\$316,309.87

# CITY OF POLSON COMMISSION MEETING

56.

Commission Chambers

May 16, 2016

7:00 p.m.

**ATTENDANCE:** Mayor Knutson, Commissioners Coutts, Erickson, Siler, Southerland and Turner, City Manager Mark Shrives, and City Clerk Cora Pritt

**ABSENT:** Commissioner Donovan

**OTHERS PRESENT** (who voluntarily signed in): Kevin Avison, Garth Cox, Linda Cox, Jane Dickson, Elsa Duford, Shari Johnson, Sherry Jones, Keryl Lozar, Bonnie Manicke, Lee Manicke, Steven Pickel and Tony Porrazzo

**CALL TO ORDER: (00:01)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (00:47) - Commissioner Turner motion to approve the proposed agenda. Commissioner Erickson second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA (01:19)**-Craig Rayle Ward II-commented about the Shrives cabins project. This is a follow up due to more information located regarding the noise decibel level. The City of Polson permits 70 decibel. As stated in the April 21, 2016 meeting Mr. Rayle's bedroom is located 5 feet from the proposed road. The average vehicle traveling 10 miles per hour on fresh asphalt generates a decibel level of 70. On a slope of 10% the decibel level will be higher. There was a discussion between Mr. Rayle and the Commission about the noise level on the west side of the home. Mr. Rayle commented that the kitchen and garage are on that side. The noise level is minimal. Mr. Rayle also pointed out that a person yelling creates a decibel level of 100. Mr. Rayle requested the Commission to require an additional Special Use Permit if the project gets built larger than proposed. Mark Johnston-Ward II-commented that he was confused by the process that the City of Polson goes through in preparing the agenda. In Mr. Johnston's opinion the discussion among Commission is lip service the decision has already been made. On this evenings agenda the wording reads approve not discuss. The public is permitted to comment but the decision has been made before the meeting. Mr. Johnston would like to have the process in writing. The survey on the City website is confusing to the average person.

**CONSENT AGENDA (18:40)**-(a). April 29, 2016 claims, (b). May 1-12, 2016 claims, (c). City Commission meeting Minutes May 2, 2016 **Commissioner Coutts motion to approve the Consent Agenda. Commissioner Southerland second.** Commission discussion: none Public comment: Elsa Duford, Ward III commented on the importance of having the minutes from previous meetings, City County Planning Board April 18, 2016, available to the Commission and the public. The minutes are still not posted to the website. Minutes are very important. The minutes from the City County Planning Board meeting April 18, 2016 was about the Shrives Cabins. The comments from the neighbors was important and the Commission didn't have those minutes. Elsa commented that the Commission should have not voted on the subject unless all the information was available. Elsa also commented that she has a problem with the action minutes. The written minutes and the audio should be the same. One set of minutes would be less confusing. City Manager Shrives reminded the Mayor and Commission that when the motion is made to adopt the minutes there needs to be verbiage adopting the electronic recording as the official minutes. **Mayor Knutson asked Commissioners Coutts & Southerland if it was okay with them to amend the motion to include the City Commission electronic meeting minutes of May**

**2nd. The Commissioners were okay with amending their motion. VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (25:16)**-City Manager Shrives commented on the following: a draft of the next chapter in the recodification was handed out to the Commission to begin reviewing. This was Chapter 9; Streets and Sidewalks. Any corrections or comments should be sent to the City Manager. City Streets Superintendent Terry Gembala stated that the city-wide clean up generated 8 dump truck loads of debris. Also, the Fallen Police Officer Memorial Parade & Ceremony will be Wednesday, May 18<sup>th</sup>. The parade will begin at 11:30 and the ceremony will begin at 12:30 in Linderman Elementary. There will be a huge presents from Montana and Canada.

**APPROVE BID FOR CENTER ADDITION SEWER & WATER REPLACEMENT (27:24)**-This agenda item was presented by City Civil Engineer Shari Johnson. Shari began by giving some history of the project. The plans show detail between 4<sup>th</sup> and 5<sup>th</sup> Streets and 9<sup>th</sup> and 12<sup>th</sup>. This area has experienced sewage back up into basements and claims have been filed against the City. In an effort to clean up this area and prevent the numerous claims being filed, the Sewer department has been jetting the lines and cleaning debris out of the lines. Some of the pipes are the original pipes and the pipes are breaking down. More time and effort on maintenance is being spent so it is time to replace the lines. This is the first phase of many more areas to be cleaned up and lines replaced. There will be 3 ½ blocks of sewer main that will be replaced. The pipe will be replaced at a lower grade. There are a lot of homes with basements that the sewer hook-up is level with the basement. This situation permits sewage to back-up into the homes very easily. In order to replace the sewer line, the water lines have to be moved as well. The alleys are very narrow, the buildings are right up against the right-of-way, and the water and sewer mains have to be 10 feet apart. The conditions of the water mains were 2 inch galvanized, rusting, pitting lines. There weren't a lot of options with DEQ (Department of Environmental Quality). There just was not a 10 foot separation in the alleys. During one of the previous water upgrades the City was already working on putting water mains into the roads and connecting the services back to the homes. None of the services were connected to the mains but the mains are there. While this is a small area, the City sees the potential situation from where the back-up claims have happened from the age and condition of the pipes this is happening in a broad area of the older parts of the City and it is happening in multiple parts of the City. The City was able to get a Preliminary Engineering Grant through the TSEP program to help study this. Perhaps the City will apply for additional grants for the additional phases. The City advertised for bids on this project. The bid tabulations show that Sandry Construction was the lowest responsive bid. The approval of Sandry is contingent upon reference checks. The City has worked with Sandry before and like all contractors there's good and bad. The bid was \$141,000.00 for the sewer project and \$103,000.00 for the water side of the project. Shari comments that her engineers estimate was slightly lower, for sewer \$120,000.00 and water was \$103,000.00. Bidding climate is starting to be more competitive and the contractors are getting busy. Material prices are also high. Commissioner Siler asked if check valves had been considered on this sewer project. Shari answered that check valves on sewers don't exist within the DEQ regulations. The valves are flappers are similar to a dryer vent. The flappers allow the sewage to pass through and theoretically if the sewage pressure in the main is high because it is backed up it will help close that flap thus preventing the sewage from backing up into the home. DEQ does not recognize them as a design preventative device because toilet paper, and other things can cause the flap to remain open that don't allow it to close when the pressure comes in. The City does not have that in the standards as an approvable means of preventing a back flow. DEQ does not recognize it as a means. What the City wants to do is rely on elevation control to get the sewage flowing. Commissioner Turner asked why the engineer estimate was quite a bit lower than the bids. Shari replied that it came down to three different categories more or less. The pipe, if you noticed is about \$10.00 a lineal foot difference in both the 10 inch and the 12 inch. The next lowest bidder had the same price as Shari on the pipe. That accounts for about \$10,000.00 difference. The other place of difference is on the connect to, the re-connection of services. The difference between \$500.00 to re-connect houses versus

their \$755.00 made about a \$5,000.00 difference. Shari commented that she is very rarely the low bid. Shari is often at the high because of trying to provide the planning abilities for projects. All of the bidders expressed that they were busy and no one selected the alternate start date that was made available in the packets. The hard spot for the City is that there have been recent back-up claims. To get a better bid, the City would have to wait until late fall, potentially bidding in the winter, and coming back into spring again. The development is picking up and prices are getting high. Commissioner Turner asked that when Shari is putting together estimates she isn't calling to get current prices. Shari commented no, she is pulling from previous bid numbers in the last two years. If you want to wait, it will be late fall coming into winter because the climate in Polson is a little more mild. That is a balance game of will there be another back-up. Commissioner Southerland asked how frequently are there back-ups. City Manager Shrives answered the City has had four or five claims. The sewer crews have been focusing on the lines while this project has been put together. The crews are spending a lot of their time on this to try and avoid any more back-ups. The entire maintenance program has been looked at. There is a plan put in place that the crews will try and jet one of the 4 quadrants once a year so one quadrant per year so in four years the entire system will be jetted. The longer this project is delayed the longer the rest of the maintenance will be. There is a risk of more back-ups. Now that the City is aware of it, if we don't do something, the liability will increase substantially. Shari comments that some of the sewer lines are at a 90 degree turn thus creating additional sewage flow problems. These types of issues need to be resolved. Commissioner Turner commented that with more hook-ups that is not the greatest idea with the existing pipe. Shari commented that the four or five back-ups that have occurred have been in the last year. Mayor Knutson commented that recognizing that it would be better to have the problem fixed but trying to understand what the disruption would be for the folks that live there. Shari answered that the disruption will be hopefully fairly minor when it comes to the water. The contractor has been told he can't have anybody out of water for more than four hours without providing them temporary water service. The contractor plans to do directional drill through some of the yards from the new main so that he doesn't have to disturb some of the landscaping and fencing. The sewer will be more disruptive. The contractor is responsible for providing a by-pass sewage line which means that everybody needs to be in service with their sewage. The contractor may be able to take a block out at a time for a small amount of time while actual hook-ups with the houses. Other than that the contractor has to pump and by-pass from one man-hole to the next in order to keep people in service. A lot of the disruption will be from the excavators coming down the alley and working if you are a resident in those areas. There will be disturbance but it will be short-term. The construction period itself is 45 days for both the water and the sewer. Mayor Knutson asked if there is a communication plan in place between the City and the residents. Shari answered that it will be some of both. This will be discussed at the pre-construction meeting should the Commission award the bid. If the Commission chooses to award, there will be a construction meeting this week those are the kind of things that would be outlined with the contractor. The City's responsibility to give prior notice to the residents that this is why the City is doing the project and it is the contractor's job to door knock within 48 hours of when he is going to be disrupting service to a resident. The contractor is required to maintain access for both emergency and residential use while working in any of these areas. If there are concerns or complaints the residents are asked to come to the City, file a complaint notice so that the contractor can keep at his work as diligently and efficiently as possible. Commissioner Siler asked if there was a cost on the litigation that the City has had on the back-ups. City Manager Shrives answered there is one claim active right now, the rest have all been settled. It is not necessarily litigation but insurance claims. Mayor Knutson commented that the claims can get pretty significant when it's back up in basements. City Manager Shrives replied it can. There's been a couple. Mayor Knutson commented that she has received telephone calls from a couple of the residents who experienced back-ups and it was a very, very unpleasant experience. **Commissioner Turner commented that he wanted it noted that he owns a piece of property with this so he will not be voting.** Mayor Knutson asked the City Water/Sewer Superintendent Tony Porrazzo if he had any additional comment. Mr. Porrazzo did not have any comment. Commissioner Coutts asked what the typical claim amount was on the claims that had been paid. City Manager Shrives replied one claim was in the \$20,000.00 range. The claims will be houses, furniture, carpet, so they're running in the \$20,000.00 range. Mayor Knutson asked for a motion. **Commissioner Southerland moved to award**

the bid for the Center Addition Sewer & Water Replacement to Sandry Construction in the bid amount of \$243,965.00 for Schedules one & two. Award is contingent pending final approval of bonding and insurance and completion of reference check. Authorization is given to the City manager to execute all necessary contracts. Commissioner Siler second. Commission discussion: Commissioner Siler asked where the Contractor is from. Shari answered Kalispell. Commissioner Southerland asked how soon the project will start. Shari answered in the next couple of weeks. The contractor will need to get insurance and bonds together. The first part of June is the target start date. Commissioner Turner asked when the contractor comes down thru the alley way will the landscaping that the resident has done be disturbed? Shari answered that the contract allow the contractor the alley right-of-way as the construction zone. The contractor has to re-gravel the alleys when completed. The land owners need to know that landscaping and vegetation in the right-of-way is in the right-of-way and that will be needed for construction. Landscaping and trees are not conducive to sewer so it is time to clean up the edges of the right-of-ways within the City's jurisdiction. There won't purposely be things taken down but they will need all that room for construction. Commissioner Coutts commented that it seems like one or two more claims, or try and whittle down the bid but if one more claim comes in there's that difference and it could cost us more in the long run if we don't get it going. Mayor Knutson commented that materials could continue to go up too. Public comment: none **VOTE: 5 ayes 1 abstain Motion carried.**

**APPROVE RESOLUTION OF INTENT FOR WATER/SEWER RATE INCREASE (52:58)**-City Manager Shrives introduced the agenda item. This ties in with the City Wastewater project. After the Resolution of Intent then a Public Hearing will be scheduled for June 6<sup>th</sup>. The presentation was then turned over to City Finance Officer Cindy Dooley. This Resolution of Intent is notification to the public that there is going to be a rate increase. The schedule is outlined by the Montana Code. The approval occurs tonight, then 3 publications of the notice; May 19<sup>th</sup>, May 26<sup>th</sup> and June 2<sup>nd</sup>. Letters will be mailed out to all of the utility billing owners of the accounts. The Public Hearing will be June 6, 2016 at 5:30 p.m. The Commission meeting on June 20<sup>th</sup> will be the actual Rate Increase Resolution. That Resolution would go into effect and the new rates would go into effect July 1<sup>st</sup> and August 31<sup>st</sup> would be the first bill with the new rate. Presently the budget is at \$17,210,503.00 that is up \$420,000.00 from the December 2015 budget mainly due to construction cost of a building that the City is going to utilize to store chemicals in due to new OSHA regulations. The budget splits out; \$1,200,000.00 local funds, \$125,000.00 RRGL Grant, \$750,000.00 TSEP Grant, \$450,000.00 CDBG Grant, \$400,000.00 SRF Loan 1 (similar to a grant), \$14,285,503.00 SRF Loan 2 (2.5% interest rate, 30 year term, semi-annual payments) The payment will be approximately \$680,000.00 with a coverage ratio of 10% above that to make certain the City can make the net payments out of our gross. Once construction starts, the City will be paying out \$600-800,000.00 per month. To stay ahead of the game, a rate structure will be implemented in 2 steps: the first step will take effect July 1<sup>st</sup> and the second step would be a To Be Determined when that would start. The first step will raise a little over 1.5 million per year. We should be able to carry that increase all the way through construction. Step 2 would come in right before the project ends in 2 years. This fall when the City goes out to bid, the numbers will be available on the actual construction. The City has 1.8 million sitting in a contingency and so if the City doesn't have to use that monies that lowers the amount of debt we would have to take out. City Manager Shrives commented that the WRDA Grant has yet to be awarded so there may be additional monies. It will be awarded January 2017. Mayor Knutson comments that the recommendation is to do the Resolution of Intent. City Finance Officer Dooley clarifies that this is the intent of the City by passing this resolution. The majority of the residential customers will fall into the 2,000 to 5,000 gallon range so on the Step 1 increase that would mean an increase of \$10.64 to \$14.09 in their sewer. That takes care of a little over 1900 of the City residential customers. There are only 2200 hook-ups all together. The combined bill with water & sewer and stormwater would be \$63.71 to \$77.57. The Exhibit attached to the Resolution is the actual rate structure. On the sewer, usage is paid on the first gallon of use whereas the water the City includes 5,000 gallons in the base rate. Commissioner Turner asked if it was common to adjust the usage rate when the base rate goes up. City Finance Officer Dooley answered that what will happen is the City is working off of a percentage of what Carl Brown's figures were. We are raising both at the same time.

The final one will be slanted more towards the base rate because that is where the debt service. The base is the overhead and the usage is the operations and maintenance of the system. Commissioner Turner asked if the final step is set in stone or are we waiting to see what the final cost will be. City Finance Officer Dooley answered that it will be the final costs. Commissioner Turner then commented that it would be adjusted accordingly. City Finance Officer Dooley commented that the City will have an idea after the construction bids come in if we are already lower than the engineer, Kevin Johnson. Hopefully there won't be very many change orders as the project proceeds. There are still a lot of variables. Mayor Knutson commented that when we started this the City was looking at a \$60.00 increase and now we are looking at \$46.00. City Manager Shrives commented that this will get the timeline started. The City does have signed contracts and commitments for the grant monies and funding. The next thing will be the bids. Commissioner Turner asked what the date would be for the bids. City Finance Officer Dooley commented the next step will be the final design has to go to DEQ and then the bids. Mayor Knutson commented that the Commission knew this time would come again. **Commissioner Turner motion to approve Resolution of Intent No. 2016-#\_\_\_ to change rates for users of the City of Polson municipal sewer system and to call for a Public Hearing on the proposed rate changes.**

**Commissioner Coutts second.** Commission discussion: Commissioner Turner asked what the final rate would be. Mayor Knutson answered that this is Step 1. Commissioner Turner commented what the prediction would be. Mayor Knutson commented that the total would be \$77.57. Commissioner Turner commented that he knew Cindy mentioned the number but he didn't write it down. Public comment: none. **VOTE: Unanimous Motion carried**

**APPROVE THE WAIVER OF OPEN CONTAINER ORDINANCE FOR THE COVE DELI & PIZZA CONCERT (01:09:50)**-City Manager Mark Shrives presented the agenda item along with Kevin Avison of The Cove Deli & Pizza. City Manager Shrives commented that this is the 2<sup>nd</sup> annual concert and the Cove is requesting that 3<sup>rd</sup> Avenue West be closed from the alley to 1<sup>st</sup> Street West. This is the area directly in front of The Cove Deli. The band will set up in front of The Cove Deli and the crowd will sit out in the street to watch. There will be orange fencing with 5 people acting security to make certain that the customers stay within the perimeters with any alcoholic beverage they may have. Kevin Avison commented that last year there were approximately 200 people in attendance. *The Wench* will be the band, same as last year. Commissioner Turner asked if the Police Chief had reviewed the request. City Manager Shrives answered that the City Department heads had reviewed the application and signed off on it. **Commissioner Southerland motion to approve the road closure of 3<sup>rd</sup> Ave. West from the alley to First Street West. in front of The Cove Deli & Pizza and a Waiver of the Open Container Ordinance within the boundaries. Commissioner Erickson second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE USE OF SALISH POINT PARK FOR 6<sup>TH</sup> ANNUAL FLATHEAD LAKE BLUES FESTIVAL & SANDPIPER ART GALLERY FLATHEAD LAKE FESTIVAL OF ART AUGUST 19-21<sup>ST</sup>. (01:09:53)** This agenda item was presented by Steven Pickel and Keryl Lozar. The organizers are requesting the same closures as the previous 5 years. The Art Gallery show at Sacajawea Park was fantastic and bolstered attendance to the Blues Festival and vice versa. City Manager Shrives commented that the biggest change this year is that there will be no recreational vehicle parking on 2<sup>nd</sup> Street East, 1<sup>st</sup> Street East and Kootenai Avenue. The Polson Police Department will be enforcing this new change. Steve Pickel commented that he is working with Pat Nowlen to allow camping at the softball field and that there would be a shuttle service from the area to the concert area. Commissioner Turner asked if there would be orange fencing to contain the customers with alcoholic beverage. Steve Pickel replied that as in years past, the concert patrons who purchase alcohol are given a wrist band to wear. There has not been any issues in the past. Mayor Knutson commented that the concert has gotten really great reviews. Commissioner Turner requested advertisement letting the public know that there will be shuttle service available. Steve Pickel commented that there will be ads and KPAX will advertise the event as well. Commissioner Coutts asked about attendance. Steve Pickel answered that the numbers depend on the weather. Last year just under 1,000. In previous years attendance has been 400-800 people.

Mayor Knutson stated the suggested motion; approving the suggested motion that includes all of the items as identified. Commissioner Southerland motioned so moved Commissioner Siler second. Waiver of PDC noise level ordinance to 12:15 am. Saturday morning August 19, and 12:15 a.m. Sunday morning August 20. Extension of Park hours until 12:15 am. Saturday morning August 20, and 12:15 a.m. Sunday morning August 21. Waiver of Park open container ordinance for August 19 & 20. Road Closures and use of barricades to block two streets during festival. Parks Department cooperation to prepare park grounds for festival use. NO Recreational Vehicles to be parked on 2<sup>nd</sup> Street East, 1<sup>st</sup> Street East, and Kootenai Avenue. CC discussion: none Public Comment: Mark Johnston Ward I commented that he lives in the neighborhood where this festival is held. Mr. Johnston commented that he is quite amazed that it isn't a bigger disturbance with all of the music. Mr. Johnston appreciated that Chief Nash included the no recreational vehicle parking. Fencing and piers take several days to get the fencing removed. It would be nice to have it removed quicker than a week. Mr. Johnston requested that the neighbors who live there be given some kind of a wrist band identifying them so that they may drive to their own homes. Once the barricades go up it takes an act of Congress just to get to your own home. Also the time ordinance extension it has crept into later and later. If the concert ends at 12:15, then the people walk around trying to find their vehicles. 11:00 p.m. would be a good cut-off time. Further Commission discussion: Steve Pickel answered that the fence issue last year was due to a fire call the fence company was called away on. As far as the time, it doesn't get dark until 10:00 p.m. The time extension is so that the closing band can have a light show. The identification for the people living in the neighborhood is a great idea and the organizers will work with the neighbors to come up with something for this year. Clean up tries to occur as the show is going on and looking at a different company for the fencing this year. The concert ends at Midnight and there will be a shuttle service so hopefully that will get the crowd out of the area quicker. **VOTE: Unanimous Motion carried**

**APPROVE USE OF SECAJAWEA PARK FOR THE 2<sup>ND</sup> ANNUAL FLATHEAD LAKE FESTIVAL OF ART AUGUST 20 & 21, 2016 (01:33:04)** This agenda item was presented by Steven Pickel and Keryl Lozar. Mayor Knutson read the suggested motion: Allow Sandpiper Art Gallery and Flathead Lake Festival of Art use of Sacajawea Park the following dates and times: Setup day Friday, August 19 (park open to public) 4 to 8 p.m. for Vendor Tent setup. Festival Saturday, August 20, Set up 6 to 9 a.m. Festival 10 a.m. to 6 p.m. Festival Sunday, August 21, 10 a.m. to 5 p.m. Cleanup to follow. Close Kootenai Avenue from 3pm August 19 to 5 p.m. August 21. **Commissioner Siler motioned so moved. Commissioner Southerland second.** CC discussion: none Public comment: none **VOTE: Unanimous motion carried**

**ACCEPT RICK LAPIANA RESIGNATION FROM THE POLSON REDEVELOPMENT AGENCY AND THE ECONOMIC DEVELOPMENT COUNCIL (01:34:40)** City Manager Mark Shrives reads Mr. LaPiana's letter of resignation. The resignation is due to health problems. **Commissioner Siler motion to approve Rick LaPiana's resignation from the Polson Redevelopment Agency and the Economic Development Council. Commissioner Southerland second.** CC discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPEAL DECISION OF CITY MANAGER TO REFUND OR MODIFY GOLF DUES FOR 2016 SEASON (01:35:51)** Garth Cox presented this agenda item. The Golf Course Season Pass was purchased in January 2016. Due to an injury in March 2016 Mr. Cox is unable to play golf. The purchased golf pass was in the amount of \$619.00. A request for a refund was sent to the Golf Board. The Golf Board did not have a quorum so no vote was taken on his request. The Golf Board did respond that they could not override the decision of the City Manager for no refunds. A telephone call to the City Manager was not returned by the City Manager. A week later another telephone call was made to the City Manager and then received a letter of refusal in the mail from the City Manager. There were a couple of issues with the letter; the date is June 18, 2015. Not a very personal letter. In the letter it states that the Golf Board's decision not to give refunds. It was not the Golf Board's decision. In the letter it mentions a letter mailed out to previous season pass holders, when Mr. Cox spoke with Roger Wallace, Director of the Golf Course, Roger commented that he did not mail those letters this year.

When Mr. Cox spoke with Roger about purchasing his pass, Roger never mentioned the no refund policy so there was no verbal notification as stated in the letter. Mr. Cox is requesting a refund to his credit card which was used to purchase the pass. If a refund is not possible, maybe carry over dues to next year. Mr. Cox has purchased a pass for 40 years. City Manager Shrives commented that in 2013 the City refunded \$10,000.00 in refunds. This impacts the golf course budget so the policy was put in place. This is the third request this year, the previous two were denied. Roger Wallace, Director of Golf at Polson Bay Golf Course commented that when the policy was implemented it was with the knowledge there would be some painful decisions. As an Enterprise Fund, the golf budget holds off on capital and replacement/depreciation expenditure until the season passes come in in February so that the amount of revenue is known. The refund requests also put the Golf Board in a situation of trying to decide who's injury was serious enough to give a refund and who's wasn't. Doctors were willing to write letters for their patients to get them refunds. This policy really cleaned things up and took the Golf Board out of having to make this decision. The roll over sounds palatable enough but you run into the same situation. How do we define it? What warrants a refund and what doesn't. Mayor Knutson called for a motion before Commission discussion. **Commissioner Erickson motion to appeal decision of City Manager to refund or modify golf dues for 2016 Season for Mr. Garth Cox. Commissioner Southerland second.** Commission discussion: Commissioner Turner commented that the Commission needs to take a better look at this. There should be some tolerance if someone is hurt before the season starts. There shouldn't be any tolerance if that individual has gone out and played say 6 rounds. There are certain instances that should be able to make exceptions. Commissioner Coutts commented that not playing any golf there's no interpretation. If he hasn't played any golf, he hasn't played any golf. Commissioner Turner commented that he likes the idea of rolling it over to the next year. If there's an increase, then the pass holder pays the difference. Commissioner Siler commented that a 40 year member should carry some weight. Mayor Knutson commented that she called 6 golf courses in the area and all 6 either transfer or refund. This policy needs to be given another look and find a more common ground. We owe the Mr. Coxes to look at this and fine tune the policy. Commissioner Southerland requested that this be tabled for further study. Mayor Knutson asked that Mr. Cox be patient and allow the Commission to work through this. Mr. Cox commented that he encourages review of the policy but does not understand why his situation needs to be tabled. Mayor Knutson commented that under the current policy, it is a no refund policy. Mr. Cox commented that even though the letter states he was notified three times he did not receive the notification. **Commissioner Southerland withdrew her second. Commission Erickson withdrew his motion, and motioned to table Agenda Item #13, request that the Golf Board review the policy and then bring it back to the table. Commissioner Southerland second this motion to table Agenda Item #13.** Commission discussion: none. Mayor Knutson has requested that the item be brought back the second meeting in June which will be June 20<sup>th</sup>. Public Comment: Linda Cox commented that she appreciates the problem with refunds. It is great to hold up a policy, but it needs to be in black and white. There needs to be some way of knowing that the pass holders were told. Mr. Shrives said that this has to be run like a business. There needs to be considerations. In the Commission Code it states that we seek creative solutions. The purchase price of \$619.00 is a lot of money and golf participation is dropping off. If you alienate the folks that have been golfing for 40 years, that's not going to help you. Businesses want to make their customers happy. If you have a no refund policy, you just need to be able to have some ability to take some reasonable steps and it shouldn't be up to one person. It should be up to a board. Mark Johnston-Ward I appreciate Mr. & Mrs. Cox. At the golf course in Columbus, OH if you bought a membership then had to leave, you could sell your membership. That might be another option, they could transfer it to someone else during the season. Mr. Johnston suggested that Mayor Knutson participate in the discussion about the policy. Commission discussion: Commissioner Southerland commented that this is the right procedure to follow. We shouldn't just overrule it at this point without looking into the parameters for making the change. We will come back to Mr. Cox. Commissioner Siler asked if the Commission would be brought into the discussion. Mayor Knutson commented it will be brought back to the Commission in June 20<sup>th</sup>. At that point the Commission will have the opportunity to weigh in on. If any of the Commission has any thoughts or comments, get them to the City Manager. Commissioner Turner commented to Mr. Cox that as a Commission we are trying to look forward and not just favoritism to

him. We want to change the policy for everybody. We are asking that you be patient until next month so that we can create a better policy. It will possibly help Mr. Cox and others. **VOTE: Unanimous Motion carried**

**(02:15:55)** Mayor Knutson asked if the Commission wanted full minutes or action minutes. Commissioner Turner requested full minutes on Agenda Items #7 and #8. Action minutes would suffice on the other agenda items.

**Adjourn. (02:16:54) Commissioner Coutts motion to adjourn. Commissioner Donovan second. Commission discussion: none Public Comment: none VOTE: Unanimous Motion carried.**

**ADJOURN: 9:17 p.m.**

\_\_\_\_\_

**Mayor Heather Knutson**

**ATTEST:** \_\_\_\_\_

**Cora E. Pritt, City Clerk**

50.

**INDEPENDENT ATTORNEY AGREEMENT**

This Agreement is made and entered into this 1<sup>st</sup> day of July, 2016, by and between the CITY OF POLSON, by and through its City Manager, herein referred to as CLIENT, and M. Richard Gebhardt, herein referred to as ATTORNEY.

**PURPOSE**

Both parties mutually agree that the purpose of this Agreement is for CLIENT to obtain the benefit of the expertise and efforts, hereinafter specified, of ATTORNEY in return for compensation specified.

**DUTIES**

The duties stated are intended to be minimal job requirements and duties; it is not meant to be all-inclusive or restrictive.

CLIENT hires ATTORNEY to provide of advice and representation of the CLIENT in law matters. ATTORNEY will provide such services subject to the direction of the City Manager. ATTORNEY shall take reasonable steps to keep the City Manager fully informed of opinions and advice given and, where appropriate, to review findings with the City Manager.

CLIENT affirmatively states that it is aware that ATTORNEY is engaged in employment outside the employment described herein and maintains a separate office therefor. ATTORNEY will not engage in any employment that conflicts with the interests of the CLIENT.

**COMPENSATION**

CLIENT agrees to pay ATTORNEY for services, the annual sum of \$24,000.00 payable in monthly installments. In addition, the annual sum of \$24,000 shall be payable for criminal prosecution and representation directly to the designee of ATTORNEY. Such payments will be attributed for tax purposes directly to the designee. It is anticipated that ATTORNEY will provide consultation with CLIENT and entities represented by CLIENT on an "as needed" basis. Hours may be scheduled, as needed, and may be given to ATTORNEY away from City Hall. Additional representation and compensation may be requested for projects outside of the normal scope of work for CLIENT, e.g. water or sewer projects, major litigation.

**TERM**

The term of this contract shall extend for a period of one year from the date of its execution.

## **TERMINATION**

This Agreement may be terminated at any time by mutual written and signed consent of the parties. This Agreement may be terminated by either party, unilaterally, by giving notice of the termination in writing at least ten (10) days prior to the date of intended termination. All materials and work product shall be returned to CLIENT upon request at termination. It is understood by ATTORNEY that he is an "at will" contractor and subject to this provision for notice, may be terminated without cause or condition.

## **BENEFITS**

No benefits for health insurance or for retirement will be paid ATTORNEY.

## **WORK HOURS**

It is understood by both parties specified herein that ATTORNEY is a professional hired to perform the duties specified and such other duties consistent with his status as an attorney, licensed to practice law in the State of Montana. The performance of those duties will at times require abnormal hours of employment. ATTORNEY shall have the ultimate authority to determine the hours of work, the length of workdays, and the means and methods of performance of the work.

## **FUNCTIONAL AND REPORTING RELATIONSHIPS**

It is hereby understood and agreed by ATTORNEY that the following reporting and functional relationships are required as conditions of this agreement:

ATTORNEY shall report directly to the City Manager and will consult with him on projects and for direction.

## **MALPRACTICE COVERAGE**

The CLIENT will provide any necessary malpractice coverage for ATTORNEY for occurrences that arise within the course and scope of this Contract.

## **CONFIDENTIALITY**

Total confidentiality of CLIENT's records and those it represents, including identity, reports and data, shall be maintained by ATTORNEY.

## **PROPERTY RIGHTS**

All reports, data, and materials submitted by ATTORNEY shall be the sole and exclusive property of CLIENT. ATTORNEY may use any materials developed for CLIENT

for other consultations where such use will not infringe upon the rights or identity of CLIENT.

**TOOLS OF TRADE**

The parties acknowledge that ATTORNEY will provide all of the material, tools, and equipment necessary to complete the tasks described herein. While on the premises of CLIENT, the CLIENT will provide office space for consultation.

**INDEPENDENT CONTRACTOR**

It is understood that the ATTORNEY is an independent contractor as defined by Montana law. ATTORNEY shall not be considered an agent or partner in the conduct of business of the CLIENT.

**TOTAL AGREEMENT**

It is agreed by the parties named herein that this contract sets forth the entire agreement between CLIENT and ATTORNEY and there shall be no verbal agreement between the parties in violation or contravention of this contract. This Agreement may only be changed by mutual written agreement between CLIENT and ATTORNEY.

CLIENT:

ATTORNEY:

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MARK SHRIVES  
City Manager,  
City of Polson

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M. RICHARD GEBHARDT  
Attorney at Law

# CITY OF POLSON

## CITY COMMISSION AGENDA ITEM SUMMARY

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Agenda Item Number: 8  
Meeting Date: June 6, 2016  
Staff Contact: Cindy Dooley, Finance Officer

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**AGENDA ITEM SUMMARY:** Presentation of Impact Fee Report for FY 2007 – FY 2016 through May 31, 2016

**BACKGROUND:** Ordinance No. 663 requires the city to submit an annual report of the impact fee transactions for the current fiscal year. The report includes information on the transactions of the four impact fee departments (fire, parks, water and sewer) since the inception of impact fees in FY2007.

**ANALYSIS:** Please see the report for a detailed history and analysis of impact fees for the City of Polson.

**FINANCIAL CONSIDERATIONS:** The TischlerBise Impact Fee study estimated that the City would generate approximately \$3.5 million in impact fee revenue over the first five years of implementation. This study was prepared prior to the downturn in the economy. Over the last ten fiscal years, impact fee revenue has generated \$1,400,476, which is about 40% of the estimated revenue that was for five years. The reduction in fees has created a revenue loss of \$370,705. The City is currently experiencing a growth spurt in non-residential development, and residential development is starting to pickup but at the same time the City is faced with large capital improvements in the water and sewer fund and potential capital improvements for the fire, police and administrative departments.

**STAFF RECOMMENDATION:** N/A.

**SUGGESTED MOTION:** None – information only

**ATTACHMENTS:** Impact Fees Generated and Expended Report with attachments

**IMPACT FEES GENERATED AND EXPENDED REPORT  
CITY OF POLSON  
FOR FY 2007-2016 AS OF 05/31/2016**

INTRODUCTION: As required by Sec 6.10 (g) of Polson Ordinance 663 dated June 18, 2012, the following report is submitted to the Polson City Commission.

ENABLING LEGISLATION: MCA 7-6-16. Definitions from this law, 7-6-1601 (Please see [http://leg.mt.gov/bills/mca\\_toc/index.htm](http://leg.mt.gov/bills/mca_toc/index.htm))

LOCAL ORDINANCE: Polson City Ordinance 624 dated 4/18/2007, repealed and replaced by Ordinance 663 dated June 18, 2012. (Please see <http://www.cityofpolson.com/pdf/ord/663.pdf>)

SUPPORTING DOCUMENTATION: Assumptions and calculations were provided to the city by TischlerBise, Fiscal, Economic & Planning Consultants, in a report to the City of Polson dated February 5, 2007. The TischlerBise study cost \$62,240 and was paid with funds from the Water and Sewer departments.

USE OF FUNDS COLLECTED: "Impact fees shall be expended only on System Improvements needed to accommodate the demand generated by new development. Impact fees shall not be expended to eliminate any deficiencies in facilities, land or equipment related to existing development or that may result from adoption of an increased level of service. The funds collected by reason of this chapter shall be used exclusively for the purpose of undertaking System Improvements or for financing directly, or as a pledge against bonds, revenue certificates and other obligations of indebtedness, the costs of System Improvements." Polson Ordinance 663 Section 6.10(f)

Capital Improvement Projects are defined as "all projects for which funds are appropriated in the CIP (capital improvement program). Capital improvement projects, including, but not limited to, capital equipment, land, facilities and site improvements, that are funded in whole or in part with Impact Fee funds must have a useful life of ten (10) years or more and increase or improve the service capacity of a public facility." Polson Ordinance 663 Section 6.5

System improvements are defined as "capital improvements that provide additional capacity and that serve multiple development projects, multiple neighborhoods or the entire City. System improvements may include, but are not limited to, land, facilities, site improvements, furnishings, capital equipment,

and vehicles. System improvements shall not include property, capital facilities or capital equipment needed solely to serve a specific development. System improvements shall not include replacement, rehabilitation, operations or maintenance of land, facilities or equipment.” Polson Ordinance No. 663 Section 6.5

#### ANALYSIS:

Impact Fees were enacted by Polson Ordinance No. 624 and the first fees were collected in June of 2007. Impact Fees are required to be paid when water and/or sewer is connected to an individual pre-existing City lot or parcel; when a building permit is issued for any existing City lot or parcel; or for new development including any major or minor subdivision, and including such cases as will require annexation within the corporate boundaries of the City. Subdivision new development is required to pay only 50% of the total calculated fees with the remaining 50% being paid at the time of issuance of a building permit on a particular parcel or lot. For those subdivisions which were required to pay the then-existing capital improvement fees (\$100 - \$250 for fire capital improvement and \$1,000 - \$1,250 for Sewer lift station capital improvement) as part of their preliminary plat approval prior to the enactment of the impact fee ordinance on April 18, 2007, the parcel or lot has a credit that is to be netted against the full impact fee calculation when a building permit is obtained.

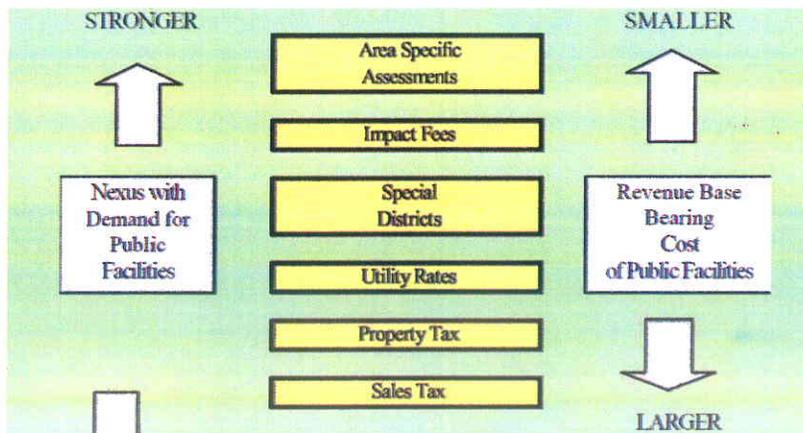
On June 18, 2012, Polson Ordinance No. 663 was passed which effectively repealed Ordinance 624 and changed the impact fee language to update it to current conditions regarding impact fee administration and collection. One of the provisions of Ordinance 663 was to allow the City Commission to change, by Resolution, the percentage of the total impact fee to be collected. See attachment A for the schedule of the maximum impact fee that can be assessed for each department. Resolution 1027 was passed on June 18, 2012 retroactively adjusting the amount of impact fees collected since January 1, 2012 to 20% of the calculated amount. Resolution 1059 was passed on May 19, 2014 with an effective date of July 1, 2014 to adjust the impact fees to 50% of the total calculated amount. On June 22, 2015 Resolution No. 2015-017 was passed with an effective date of July 22, 2015. This resolution returned the water and sewer impact fees back to 100% of the full fee and fire and parks impact fees were set at 60% of their full fee. This Resolution remains in effect.

Impact Fees must be spent on a first-in, first-out basis by the calendar quarter ending 8 years after the funds were receipted. Funds not expended are to be

refunded to the current property owner. Through the quarter ending March 31, 2016, impact fee revenues received through March 31, 2008 have been expended so there are no refunds due to property owners.

WHY HAVE IMPACT FEES? The decision to impose impact fees is basically a policy decision to increase revenues that have a stronger nexus to the demand for public facilities. Sales tax, property tax, and utility rates all have a broader base of revenue that supports the operations, maintenance and purchase of infrastructure but the demand and thus the strain on the City's budget comes from new development and the need for new infrastructure that it creates. This is depicted in the Figure 1 taken from the TishclerBise Impact Fee study.

*Figure 1 – Infrastructure Funding Alternatives*



Source: Paul Tischler, Dwayne Guthrie and Nadejda Mishkovsky. 1999. Introduction to Infrastructure Financing. IQ Service Report, Vol. 31, No. 3. Washington, DC: International City/City Management Association.

Impact fees reduce the burden on existing taxpayers/ratepayers that are supporting the current level of services and infrastructure by not asking them to pay for increased demand that they may not need.

### CITY OF POLSON IMPACT FEE STRUCTURE

There are basically three methods to determine how to structure impact fee amounts. The first method called Cost Recovery provides for a payment to reimburse past improvements where the facilities are already adequate to support the new growth. The second method called Incremental Expansion looks at the present level of service need created by the new development and provides for a payment to fund new infrastructure as it is needed. The third method is a plan-based method where engineering/planning standards evolve

and change with increased demand. Figure 2 taken from the TischlerBise Impact Fee Study depicts the methods used to structure the City's current impact fees.

**Figure 2 – Fee Methods and Cost Components**

Type of Fee	Cost Recovery (past)	Incremental Expansion (present)	Plan-Based (future)
<i>Parks</i>	Not applicable	Citywide Park Improvements	Trails
<i>Potable Water</i>	Not applicable	Not applicable	Wells, Tanks and Major Lines
<i>Sanitary Sewer</i>	Not applicable	Not applicable	Lift Stations, Major Lines and Treatment Plant
<i>Fire-Rescue</i>	Not applicable	Fire Stations and Apparatus	Not applicable

Attachment B provides a summary of impact fees collected since inception in FY2007 along with detailed information by fiscal year for each department receiving impact fees. A total of \$1,400,475.87 in impact fees has been collected as of May 31, 2016. Revenue lost during the time period when the percentage reductions have been in force is \$370,704.83.

Attachment C provides information on the collection of taxes for a typical residential 3 bedroom, 2 bath home and average retail commercial building to provide a comparison between the two types of revenue.

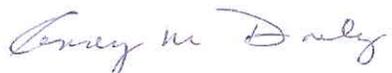
The City is now experiencing a growth spurt in non-residential development and at the same time is facing large capital improvement costs in the sewer fund and potential capital improvements for fire, police and administration. The City Commission needs to weigh the factors of keeping the impact fees for fire and parks at a reduced rate while trying to find funds to pay for capital improvements.

Impact fees are designed to help pay for increased impact to the City's infrastructure and services it must provide. Increasing the impact fees for water and sewer back to 100% has certainly not deterred growth. Raising the fire and parks impact fees back to 100% should be implemented at this time. Growth is

much more about having the opportunity and the right circumstances to build and develop than the cost of impact fees.

Questions regarding this report can be directed to Cindy M Dooley, CPA, Finance Officer for the City of Polson at 883-8204 or [finance@cityofpolson.com](mailto:finance@cityofpolson.com).

Respectfully submitted,



Cindy M Dooley, CPA  
Finance Officer

**IMPACT FEE SCHEDULE AS ADOPTED BY  
ORDINANCE 663**

<b>Residential</b>	<b>PARKS</b>	<b>WATER</b>	<b>SEWER</b>	<b>FIRE</b>	<b>5% ADMIN*</b>	<b>TOTAL</b>
Detached Housing	\$1,020	\$3,310	\$1,531	\$971	\$342	\$7,174
All Other Housing Types	\$806	\$2,617	\$1,210	\$768	\$270	\$5,671

<b>Non-Residential for Fire</b>	<b>Per sq ft of floor area</b>		
Commercial/shop ctr 50,000 sq ft or less	\$1.69	\$0.08	\$1.77
Commercial/shop ctr 50,001-100,000 sq ft	\$1.41	\$0.07	\$1.48
Commercial/shop ctr 100,001-200,000 sq ft	\$1.20	\$0.06	\$1.26
Business Park	\$0.26	\$0.01	\$0.27
Medical/Dental Office	\$1.13	\$0.05	\$1.18
General Office 25,000 sq ft or less	\$0.57	\$0.02	\$0.59
General Office 25,001-50,000 sq ft	\$0.49	\$0.02	\$0.51
General Office 50,001-200,000 sq ft	\$0.35	\$0.01	\$0.36
Hospital	\$0.55	\$0.02	\$0.57
Mini-Warehouse	\$0.07	0	\$0.07
Warehousing	\$0.15	0	\$0.15
Manufacturing	\$0.12	0	\$0.12
Light Industrial	\$0.21	\$0.01	\$0.22

<b>Other Non-Residential for Fire</b>	<b>Per unique development unit</b>		
Nursing Home (per bed)	\$74	\$3	\$77
Day Care (per student)	\$67	\$3	\$70
Secondary School (per student)	\$38	\$1	\$39
Elementary School (per student)	\$26	\$1	\$27
Lodging (per room)	\$177	\$8	\$185

**Water and Sewer fees for non-residential development are based on water meter size. A building requiring a meter larger than 2" will be based on annualized average day demand and net capital cost per gallon of capacity.**

<b>Capacity</b>	<b>Ratio</b>	<b>Per Meter Size:</b>	<b>Water</b>	<b>Sewer</b>	<b>5% Admin*</b>	<b>Total</b>
.75"	1		\$3,313	\$1,533	\$242	\$5,088
1"	1.7		\$5,633	\$2,607	\$412	\$8,652
1.5"	3.3		\$10,935	\$5,061	\$799	\$16,795
2"	5.3		\$17,563	\$8,129	\$1,284	\$26,976

\*Rounded for display purposes

**City of Polson  
Summary of Impact Fees Generated and Expended  
FY 2007 - FY 2016 at 05/31/2016**

Prepared by Cindy M Dooley, CPA Finance Officer

Department	Impact Fees Earned	Interest Earned	Other Revenues	Total Earned	Expenditures
Fire	\$ 439,438.44	\$ 8,207.61	\$ 2,700.00	\$ 450,346.05	\$ (408,697.39)
Parks	\$ 117,484.80	\$ 5,690.55	\$ -	\$ 123,175.35	\$ (111,618.90)
Water	\$ 553,354.75	\$ 23,442.34	\$ -	\$ 576,797.09	\$ (220,935.21)
Sewer	\$ 223,508.55	\$ 7,745.84	\$ -	\$ 231,254.39	\$ (94,014.91)
Admin Fee (5%)	\$ 66,689.33	pooled with other revenues	\$ -	\$ 66,689.33	supports G.F. expenditures
<b>Totals</b>	<b>1,400,475.87</b>	<b>45,086.34</b>	<b>2,700.00</b>	<b>1,448,262.21</b>	<b>(835,266.41)</b>

**Total Revenue Lost due to percentage reduction:**

**\$370,704.83**

New Development Detached Housing Building Permits per Fiscal Year:

FY2008	19
FY2009	6
FY2010	3
FY2011	7
FY2012 before 01/01/12	1
FY2012 after 12/31/11	1
FY2013	5
FY2014	8
FY2015	5
FY2016 thru 05/31/2016	7

New Development Attached Housing Building Permits per Fiscal Year:

FY2008	46	dwelling units
FY2009	4	dwelling units
FY2010	6	dwelling units
FY2011	0	dwelling units
FY2012 before 01/01/12	0	dwelling units
FY2012 after 12/31/11	0	dwelling units
FY2013	0	dwelling units
FY2014	0	dwelling units
FY2015	0	dwelling units
FY2016 thru 05/31/2016	12	dwelling units

**City of Polson  
Fire Impact Fee Report  
Cash flow Transactions  
thru May 31, 2016**

Prepared by: Cindy M Dooley, CPA Finance Officer

	FY2007 - FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 thru 05/31/2016	Totals
<b>Beginning Cash Balance</b>	\$ -	\$ 302,132.11	\$ 28,518.34	\$ 6,455.73	\$ 16,598.43	\$ 58,331.28	\$ -
<b>Revenues In:</b>							
Impact Fees - Residential - Detached	53,774.00	1,692.00	1,075.20	2,016.20	1,911.20	3,481.10	63,949.70
Impact Fees - Residential - Other (includes KOA)	51,292.00	2,880.00	345.60	1,305.60	1,536.00	15,360.00	72,719.20
Impact Fees - Non-Residential	230,261.00	160.00	3,379.69	7,802.00	38,160.98	24,025.87	303,789.54
Interest Revenue	7,152.80	466.26	424.98	38.90	124.67	-	8,207.61
Sale of old equipment	-	2,700.00	-	-	-	-	2,700.00
Prior Year Correction	-	-	-	(1,020.00)	-	-	(1,020.00)
<b>Total Revenues</b>	<b>342,479.80</b>	<b>7,898.26</b>	<b>5,225.47</b>	<b>10,142.70</b>	<b>41,732.85</b>	<b>42,866.97</b>	<b>450,346.05</b>
<b>Expenditures Out:</b>							
Impact Fee Refunds - Residential	(7,398.60)	(2,582.83)	(1,561.98)	-	-	(485.50)	(12,028.91)
Impact Fee Refunds - Non-Residential	-	-	-	-	-	-	-
Purchase - 2006 Chevy 4 Door Truck	(24,359.09)	-	-	-	-	-	(24,359.09)
Purchase - FIT Test Equipment	(8,590.00)	-	-	-	-	-	(8,590.00)
Purchase - 97 Smeal Ladder Truck	-	(249,644.05)	273.90	-	-	-	(249,370.15)
Upgrade Fire Hall to accommodate Ladder Truck	-	(29,285.15)	-	-	-	-	(29,285.15)
Purchase - 2013 Chevy Silverado	-	-	(26,000.00)	-	-	-	(26,000.00)
Purchase - 2012 Ford F550 Brush Truck	-	-	-	-	-	(59,064.09)	(59,064.09)
<b>Total Expenditures</b>	<b>(40,347.69)</b>	<b>(281,512.03)</b>	<b>(27,288.08)</b>	<b>-</b>	<b>-</b>	<b>(59,549.59)</b>	<b>(408,697.39)</b>
<b>Ending Cash Balance</b>	<b>\$ 302,132.11</b>	<b>\$ 28,518.34</b>	<b>\$ 6,455.73</b>	<b>\$ 16,598.43</b>	<b>\$ 58,331.28</b>	<b>\$ 41,648.66</b>	<b>\$ 41,648.66</b>

<b>Loss of Impact Fee Revenue due to 80% reduction</b>	\$ -	\$ 776.80	\$ 19,201.96	\$ 44,264.95	\$ 721.00	\$ -	\$ 64,964.71
<b>Loss of Impact Fee Revenue due to 50% reduction</b>	\$ -	-	-	-	\$ 41,563.98	\$ 17,197.09	\$ 58,761.07
<b>Loss of Impact Fee Revenue due to 40% reduction</b>	\$ -	-	-	-	-	\$ 17,418.75	\$ 17,418.75
<b>Total Lost Impact Fee Revenue</b>	\$ -	\$ 776.80	\$ 19,201.96	\$ 44,264.95	\$ 42,284.98	\$ 34,615.84	\$ 141,144.53

**City of Polson  
Parks Impact Fee Report  
Cash flow Transactions  
thru May 31, 2016**

Prepared by: Cindy M Dooley, CPA Finance Officer

	FY2007 - FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 thru 05/31/2016	Totals
<b>Beginning Cash Balance</b>	\$ -	\$ 15,470.60	\$ 15,921.14	\$ 16,362.15	\$ 20,447.35	\$ 13,267.10	\$ -
<b>Revenues In:</b>							
Impact Fees - Residential - Detached	42,330.00	2,040.00	816.00	2,040.00	2,244.00	3,440.00	52,910.00
Impact Fees - Residential - Other (includes KOA)	60,242.00	1,300.00	156.00	956.80	520.00	380.00	63,554.80
Impact Fees - Non-Residential	-	-	-	-	-	-	-
Interest Revenue	4,956.16	323.83	286.41	68.40	55.75	-	5,690.55
Prior Year Correction	-	-	-	1,020.00	-	-	1,020.00
<b>Total Revenues</b>	<b>107,528.16</b>	<b>3,663.83</b>	<b>1,258.41</b>	<b>4,085.20</b>	<b>2,819.75</b>	<b>3,820.00</b>	<b>123,175.35</b>
<b>Expenditures Out:</b>							
Impact Fee Refunds - Residential	(33,690.80)	(3,213.29)	(817.40)	-	-	(510.00)	(38,231.49)
Impact Fee Refunds - Non-Residential	-	-	-	-	-	-	-
Construction - Walk Path Paving & Ladders	(27,070.24)	-	-	-	-	-	(27,070.24)
Construction - Building Upgrades	(13,524.28)	-	-	-	-	-	(13,524.28)
Purchase - GIS System & Training	(4,728.43)	-	-	-	-	-	(4,728.43)
Purchase - 2000 Ford Ranger	(6,493.81)	-	-	-	-	-	(6,493.81)
Purchase - Leaf Vacuum Apparatus	(6,550.00)	-	-	-	-	-	(6,550.00)
Purchase - Shared cost of Polaris Brutis and attachments	-	-	-	-	(10,000.00)	-	(10,000.00)
Purchase - GIS Trimble Receiver & Tablet	-	-	-	-	-	(5,020.65)	(5,020.65)
<b>Total Expenditures</b>	<b>(92,057.56)</b>	<b>(3,213.29)</b>	<b>(817.40)</b>	<b>-</b>	<b>(10,000.00)</b>	<b>(5,530.65)</b>	<b>(111,618.90)</b>
<b>Ending Cash Balance</b>	<b>\$ 15,470.60</b>	<b>\$ 15,921.14</b>	<b>\$ 16,362.15</b>	<b>\$ 20,447.35</b>	<b>\$ 13,267.10</b>	<b>\$ 11,556.45</b>	<b>\$ 11,556.45</b>

Loss of Impact Fee Revenue due to 80% reduction	\$ -	\$ 816.00	\$ 3,888.00	\$ 7,907.20	\$ 1,020.00	\$ -	\$ 13,631.20
Loss of Impact Fee Revenue due to 50% reduction	\$ -	-	-	-	\$ 2,560.00	\$ 640.00	\$ 2,560.00
Loss of Impact Fee Revenue due to 40% reduction	\$ -	-	-	-	-	\$ 2,240.00	\$ 2,240.00
<b>Total Lost Impact Fee Revenue</b>	<b>\$ -</b>	<b>\$ 816.00</b>	<b>\$ 3,888.00</b>	<b>\$ 7,907.20</b>	<b>\$ 3,580.00</b>	<b>\$ 2,880.00</b>	<b>\$ 19,071.20</b>

City of Polson  
 Water Impact Fee Report  
 Cash flow Transactions  
 thru May 31, 2016

Prepared by: Cindy M Dooley, CPA Finance Officer

	FY2007 - FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 thru 05/31/2016	Totals
<b>Beginning Cash Balance</b>	\$ -	\$ 334,197.51	\$ 336,421.48	\$ 241,602.60	\$ 254,645.68	\$ 278,707.01	\$ -
<b>Revenues In:</b>							
Impact Fees - Residential - Detached	154,916.00	6,620.00	3,972.60	5,296.00	7,282.00	21,515.00	199,601.60
Impact Fees - Residential - Other (includes KOA)	93,940.00	2,735.00	328.20	4,169.00	1,094.00	26,344.50	128,610.70
Impact Fees - Non-Residential	107,262.00	1,094.00	-	7,398.00	43,490.70	65,897.75	225,142.45
Interest Revenue	18,572.17	2,202.40	552.96	1,050.08	1,064.73	-	23,442.34
<b>Total Revenues</b>	<b>374,690.17</b>	<b>12,651.40</b>	<b>4,853.76</b>	<b>17,913.08</b>	<b>52,931.43</b>	<b>113,757.25</b>	<b>576,797.09</b>
<b>Expenditures Out:</b>							
Impact Fee Refunds - Residential	(18,353.34)	(10,427.43)	(6,256.04)	-	-	-	(35,036.81)
Impact Fee Refunds - Non-Residential	(6,626.00)	-	-	-	-	-	(6,626.00)
Cougar Ridge Reimbursement Agreement	-	-	-	(4,870.00)	(28,870.10)	(36,602.38)	(70,342.48)
Construction - Grandview Water Line Upgrade	(13,155.32)	-	-	-	-	-	(13,155.32)
Construction - Mission View Drive Hydrants	(2,358.00)	-	-	-	-	-	(2,358.00)
Purchase - 1/2 of 2012 Ford F650 Dump Truck	-	-	(35,451.50)	-	-	-	(35,451.50)
Construction - Bayshore Dr Line Upgrade	-	-	(57,965.10)	-	-	-	(57,965.10)
<b>Total Expenditures</b>	<b>(40,492.66)</b>	<b>(10,427.43)</b>	<b>(99,672.64)</b>	<b>(4,870.00)</b>	<b>(28,870.10)</b>	<b>(36,602.38)</b>	<b>(220,935.21)</b>
<b>Ending Cash Balance</b>	\$ 334,197.51	\$ 336,421.48	\$ 241,602.60	\$ 254,645.68	\$ 278,707.01	\$ 355,861.88	\$ 355,861.88

Loss of Impact Fee Revenue due to 80% reduction	\$ -	\$ 2,648.00	\$ 17,203.20	\$ 78,543.60	\$ 2,648.00	\$ -	\$ 101,042.80
Loss of Impact Fee Revenue due to 50% reduction	\$ -	\$ -	\$ -	\$ -	\$ 51,204.70	\$ 41,250.00	\$ 51,204.70
<b>Total Lost Impact Fee Revenue</b>	\$ -	\$ 2,648.00	\$ 17,203.20	\$ 78,543.60	\$ 53,852.70	\$ 41,250.00	<b>\$ 152,247.50</b>

City of Polson  
 Sewer Impact Fee Report  
 Cash flow Transactions  
 thru May 31, 2016

Prepared by: Cindy M Dooley, CPA Finance Officer

	FY2007 - FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 thru 05/31/2016	Totals
<b>Beginning Cash Balance</b>	\$ -	\$ 86,683.03	\$ 90,340.56	\$ 55,258.35	\$ 63,838.90	\$ 83,102.23	\$ -
<b>Revenues In:</b>							
Impact Fees - Residential - Detached	46,440.00	1,812.00	881.00	2,975.00	1,868.20	12,044.50	66,020.70
Impact Fees - Residential - Other (includes KOA)	48,386.00	1,720.00	206.40	2,038.40	688.00	12,193.50	65,232.30
Impact Fees - Non-Residential	40,816.00	688.00	306.60	3,339.00	16,441.20	30,664.75	92,255.55
Interest Revenue	6,420.89	322.76	508.11	228.15	265.93	-	7,745.84
<b>Total Revenues</b>	<b>142,062.89</b>	<b>4,542.76</b>	<b>1,902.11</b>	<b>8,580.55</b>	<b>19,263.33</b>	<b>54,902.75</b>	<b>231,254.39</b>
<b>Expenditures Out:</b>							
Impact Fee Refunds - Residential	(8,494.80)	(885.23)	(1,532.82)	-	-	(765.50)	(11,678.35)
Impact Fee Refunds - Non-Residential	-	-	-	-	-	-	-
Construction - Sewer Main Golf Course	(40,805.06)	-	-	-	-	-	(40,805.06)
Purchase - Equipment	(6,080.00)	-	-	-	-	-	(6,080.00)
Purchase - 1/2 of 2012 Ford F650 Dump Truck	-	-	(35,451.50)	-	-	-	(35,451.50)
<b>Total Expenditures</b>	<b>(55,379.86)</b>	<b>(885.23)</b>	<b>(36,984.32)</b>	<b>-</b>	<b>-</b>	<b>(765.50)</b>	<b>(94,014.91)</b>
<b>Ending Cash Balance</b>	\$ 86,683.03	\$ 90,340.56	\$ 55,258.35	\$ 63,838.90	\$ 83,102.23	\$ 137,239.48	\$ 137,239.48

Loss of Impact Fee Revenue due to 80% reduction \$ - \$ 1,224.80 \$ 5,576.00 \$ 30,760.80 \$ 576.80 \$ - \$ 38,138.40

Loss of Impact Fee Revenue due to 50% reduction \$ - \$ - \$ - \$ - \$ 20,103.20 \$ 16,256.00 \$ 20,103.20

**Total Lost Impact Fee Revenue \$ - \$ 1,224.80 \$ 5,576.00 \$ 30,760.80 \$ 20,680.00 \$ 16,256.00 \$ 58,241.60**

City of Polson  
 Residential Impact Fees at Various Percentage Points  
 Prepared by: Cindy M Dooley CPA, Finance Officer

Residential Detached Housing

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 971.00	\$ 873.90	\$ 776.80	\$ 679.70	\$ 582.60	\$ 485.50	\$ 388.40	\$ 291.30	\$ 194.20	\$ 97.10
Parks	1,020.00	918.00	816.00	714.00	612.00	510.00	408.00	306.00	204.00	102.00
Water	3,310.00	2,979.00	2,648.00	2,317.00	1,986.00	1,655.00	1,324.00	993.00	662.00	331.00
Sewer	1,531.00	1,377.90	1,224.80	1,071.70	918.60	765.50	612.40	459.30	306.20	153.10
Administrative Fee	341.60	307.44	273.28	239.12	204.96	170.80	136.64	102.48	68.32	34.16
<b>Total Impact Fees</b>	<b>\$ 7,173.60</b>	<b>\$ 6,456.24</b>	<b>\$ 5,738.88</b>	<b>\$ 5,021.52</b>	<b>\$ 4,304.16</b>	<b>\$ 3,586.80</b>	<b>\$ 2,869.44</b>	<b>\$ 2,152.08</b>	<b>\$ 1,434.72</b>	<b>\$ 717.36</b>

Residential Attached Housing per Dwelling Unit

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 768.00	\$ 691.20	\$ 614.40	\$ 537.60	\$ 460.80	\$ 384.00	\$ 307.20	\$ 230.40	\$ 153.60	\$ 76.80
Parks	806.00	725.40	644.80	564.20	483.60	403.00	322.40	241.80	161.20	80.60
Water	2,617.00	2,355.30	2,093.60	1,831.90	1,570.20	1,308.50	1,046.80	785.10	523.40	261.70
Sewer	1,210.00	1,089.00	968.00	847.00	726.00	605.00	484.00	363.00	242.00	121.00
Administrative Fee	270.05	243.05	216.04	189.04	162.03	135.03	108.02	81.02	54.01	27.01
<b>Total Impact Fees</b>	<b>\$ 5,671.05</b>	<b>\$ 5,103.95</b>	<b>\$ 4,536.84</b>	<b>\$ 3,969.74</b>	<b>\$ 3,402.63</b>	<b>\$ 2,835.53</b>	<b>\$ 2,268.42</b>	<b>\$ 1,701.32</b>	<b>\$ 1,134.21</b>	<b>\$ 567.11</b>

City of Polson  
 Commercial Impact Fees at Various Percentage Points  
 Based on Valley Glass Building Permit with 3/4" meter  
 Prepared by: Cindy M Dooley CPA, Finance Officer

Commercial Retail Building

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 13,151.58	\$ 11,836.42	\$ 10,521.26	\$ 9,206.11	\$ 7,890.95	\$ 6,575.79	\$ 5,260.63	\$ 3,945.47	\$ 2,630.32	\$ 1,315.16
Parks	-	-	-	-	-	-	-	-	-	-
Water	3,313.00	2,981.70	2,650.40	2,319.10	1,987.80	1,656.50	1,325.20	993.90	662.60	331.30
Sewer	1,533.00	1,379.70	1,226.40	1,073.10	919.80	766.50	613.20	459.90	306.60	153.30
Administrative Fee	899.88	809.89	719.90	629.92	539.93	449.94	359.95	269.96	179.98	89.99
<b>Total Impact Fees</b>	<b>\$ 18,897.46</b>	<b>\$ 17,007.71</b>	<b>\$ 15,117.97</b>	<b>\$ 13,228.22</b>	<b>\$ 11,338.48</b>	<b>\$ 9,448.73</b>	<b>\$ 7,558.98</b>	<b>\$ 5,669.24</b>	<b>\$ 3,779.49</b>	<b>\$ 1,889.75</b>

City of Polson  
 Tax Revenue generated by new development\*  
 Assumes 1.03% inflation per year  
 Prepared by: Cindy M Dooley CPA, Finance Officer

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Residential 3 Bedroom, 2 Bath Home</b>											
City tax revenue	\$ 658.00	\$ 677.74	\$ 698.07	\$ 719.01	\$ 740.58	\$ 762.80	\$ 785.69	\$ 809.26	\$ 833.53	\$ 858.54	\$ 7,543.23
<b>Average Retail Commercial Building</b>											
City tax revenue	\$ 2,136.12	\$ 2,200.20	\$ 2,266.21	\$ 2,334.20	\$ 2,404.22	\$ 2,476.35	\$ 2,550.64	\$ 2,627.16	\$ 2,705.97	\$ 2,787.15	\$ 24,488.22
<b>Combined Revenue</b>											
Total City tax revenue	\$ 2,794.12	\$ 2,877.94	\$ 2,964.28	\$ 3,053.21	\$ 3,144.81	\$ 3,239.15	\$ 3,336.33	\$ 3,436.42	\$ 3,539.51	\$ 3,645.69	\$ 32,031.45

\*Property tax revenues do not provide revenue for the Water and Sewer Enterprise Funds  
 Estimate of revenue that would be used for infrastructure = 10%

**Estimate of City tax revenue for general government infrastructure:**

\$ 279.41	\$ 287.79	\$ 296.43	\$ 305.32	\$ 314.48	\$ 323.92	\$ 333.63	\$ 343.64	\$ 353.95	\$ 364.57	\$ 3,203.15
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# CITY OF POLSON

## CITY COMMISSION AGENDA ITEM SUMMARY

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Agenda Item Number: 9  
Meeting Date: June 6, 2016  
Staff Contact: Cindy Dooley, Finance Officer

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**AGENDA ITEM SUMMARY:** Approve Resolution No. 2016-#\_\_\_\_ setting impact fee collection levels

**BACKGROUND:** Resolution No. 2015-17 was approved on June 22, 2015 setting the impact fee collection level at 60% of the total calculated fee for fire and parks and 100% of the total calculated fee for water and sewer effective July 22, 2015.

**ANALYSIS:** A schedule of impact fees for Residential Detached Housing and Residential Attached Housing per dwelling unit is attached and a sample commercial structure which shows how much each benefit district (fire, parks, water and sewer) would receive at various percentages. Currently, the City is collecting 100% of the water and sewer calculated impact fees and 60% of the calculated impact fees for fire and parks. The percentage rates for non-residential have been based on the building permit for Valley Glass and represents an average retail commercial establishment. Impact Fees for residential development are a set amount, whereas commercial development can be based on a number of different criteria that determines the fees.

**FINANCIAL CONSIDERATIONS:** The current reduction in fees has created a revenue loss of \$370,705. The City is currently experiencing a growth spurt in non-residential development and residential development has started to pickup, but at the same time the City is faced with large capital improvements in the sewer funds and potential capital improvements for the fire, police and administrative departments. The impact fees have generated over \$1.4 million dollars since FY2007 to help ease the burden of new development.

**STAFF RECOMMENDATION:** Pass Resolution No. 2016-#\_\_\_\_ to reinstate all impact fees to 100% of the calculated amount.

**SUGGESTED MOTION:** *I move to approve Resolution No. 2016-#\_\_\_\_ to reinstate all impact fees to 100% of the calculated amount effective July 1, 2016.*

**ATTACHMENTS:** Percentage Report for Residential & Commercial Impact Fees  
Resolution No. 2016 - #\_\_\_\_

City of Polson  
 Residential Impact Fees at Various Percentage Points  
 Prepared by: Cindy M Dooley CPA, Finance Officer

Residential Detached Housing

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 971.00	\$ 873.90	\$ 776.80	\$ 679.70	\$ 582.60	\$ 485.50	\$ 388.40	\$ 291.30	\$ 194.20	\$ 97.10
Parks	1,020.00	918.00	816.00	714.00	612.00	510.00	408.00	306.00	204.00	102.00
Water	3,310.00	2,979.00	2,648.00	2,317.00	1,986.00	1,655.00	1,324.00	993.00	662.00	331.00
Sewer	1,531.00	1,377.90	1,224.80	1,071.70	918.60	765.50	612.40	459.30	306.20	153.10
Administrative Fee	341.60	307.44	273.28	239.12	204.96	170.80	136.64	102.48	68.32	34.16
<b>Total Impact Fees</b>	<b>\$ 7,173.60</b>	<b>\$ 6,456.24</b>	<b>\$ 5,738.88</b>	<b>\$ 5,021.52</b>	<b>\$ 4,304.16</b>	<b>\$ 3,586.80</b>	<b>\$ 2,869.44</b>	<b>\$ 2,152.08</b>	<b>\$ 1,434.72</b>	<b>\$ 717.36</b>

Residential Attached Housing per Dwelling Unit

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 768.00	\$ 691.20	\$ 614.40	\$ 537.60	\$ 460.80	\$ 384.00	\$ 307.20	\$ 230.40	\$ 153.60	\$ 76.80
Parks	806.00	725.40	644.80	564.20	483.60	403.00	322.40	241.80	161.20	80.60
Water	2,617.00	2,355.30	2,093.60	1,831.90	1,570.20	1,308.50	1,046.80	785.10	523.40	261.70
Sewer	1,210.00	1,089.00	968.00	847.00	726.00	605.00	484.00	363.00	242.00	121.00
Administrative Fee	270.05	243.05	216.04	189.04	162.03	135.03	108.02	81.02	54.01	27.01
<b>Total Impact Fees</b>	<b>\$ 5,671.05</b>	<b>\$ 5,103.95</b>	<b>\$ 4,536.84</b>	<b>\$ 3,969.74</b>	<b>\$ 3,402.63</b>	<b>\$ 2,835.53</b>	<b>\$ 2,268.42</b>	<b>\$ 1,701.32</b>	<b>\$ 1,134.21</b>	<b>\$ 567.11</b>

City of Polson  
 Commercial Impact Fees at Various Percentage Points  
 Based on Valley Glass Building Permit with 3/4" meter  
 Prepared by: Cindy M Dooley CPA, Finance Officer

Commercial Retail Building

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Fire	\$ 13,151.58	\$ 11,836.42	\$ 10,521.26	\$ 9,206.11	\$ 7,890.95	\$ 6,575.79	\$ 5,260.63	\$ 3,945.47	\$ 2,630.32	\$ 1,315.16
Parks	-	-	-	-	-	-	-	-	-	-
Water	3,313.00	2,981.70	2,650.40	2,319.10	1,987.80	1,656.50	1,325.20	993.90	662.60	331.30
Sewer	1,533.00	1,379.70	1,226.40	1,073.10	919.80	766.50	613.20	459.90	306.60	153.30
Administrative Fee	899.88	809.89	719.90	629.92	539.93	449.94	359.95	269.96	179.98	89.99
<b>Total Impact Fees</b>	<b>\$ 18,897.46</b>	<b>\$ 17,007.71</b>	<b>\$ 15,117.97</b>	<b>\$ 13,228.22</b>	<b>\$ 11,338.48</b>	<b>\$ 9,448.73</b>	<b>\$ 7,558.98</b>	<b>\$ 5,669.24</b>	<b>\$ 3,779.49</b>	<b>\$ 1,889.75</b>

RESOLUTION NO. 2016-# \_\_\_\_\_

**A RESOLUTION SETTING IMPACT FEE COLLECTION LEVELS**

WHEREAS, the City Council of the City of Polson, has adopted Ordinance 663, providing for the collection of impact fees together with administration and service charges; and,

WHEREAS, pursuant to paragraph 6.9 (c) of Ordinance 663, the City Council reserved the right to adjust by separate resolution, from time to time, the actual percentage of impact fee to be imposed; and

WHEREAS, the Council desires to adjust the impact fees to be imposed under Ordinance 663; and,

WHEREAS, the Council desires that this Resolution take effect as of July 1, 2016:

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF POLSON, MONTANA:**

1. The Building and Planning Department is instructed to impose and collect one hundred percent (100%) of the full impact fees assessable under Ordinance 663 found at Paragraph 6.9 therefore, net of any credits due the Applicant. If credits exceed the impact fee under this assessment, then no impact fee shall be due.
2. Only Building permits that have been actually applied for or issued by June 30, 2016 will be allowed to receive the 40% reduction in fire and park impact fees approved by Resolution No. 2015-17.
3. The five percent Administration Fee provided at 6.10 (c) of Ordinance 663 shall be assessed against the total amount of Impact Fee resulting from implementation of this Resolution.
4. This Resolution shall be effective as of July 1, 2016.
5. All Resolutions or part of resolutions in conflict herewith are hereby amended to the extent of any such conflict.

**PASSED AND APPROVED this 6th day of June, 2016**

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Mayor, Heather Knutson

ATTEST:

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Cora E. Pritt, City Clerk