

# CITY OF POLSON

## CITY COMMISSION MEETING

Commission Chambers

June 15, 2015

7:00 p.m.

**ATTENDANCE:** Mayor Heather Knutson, Commissioners Campbell, Erickson, Siler, Turner, and Southerland. City Manager Shrives, City Clerk Cora Pritt

**OTHERS PRESENT** (who voluntarily signed in): Karol Bird, Marc Carsten, Lita Fonda, Rick La Piana, Gil Mangels, Bonnie Manicke, Lee Manicke, and Anges Rinehart.

**CALL TO ORDER: (00:02)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (00:43)** Prior to the approval, the City Manager requested Agenda Item No. 12 be pulled from the agenda. **Commissioner Turner motion to approve the proposed agenda with minus Agenda Item No. 12. Commissioner Southerland second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA ( 1:34)-Gil Mangels** commented about the necessity to enforce the use of Compression Brakes on the hill coming in to Polson. Mr. Mangels read the Montana Code Annotated 61-9-321 with regards to the Compression Brakes. Mr. Mangels requested that the Polson Police Chief be authorized to begin enforcing this law. Mayor Knutson commented that she will look into this matter. **Margie Hendricks-Ward 2**, distributed information to the City Commission regarding the Norman Subdivision, which was on the agenda May 18, 2015. The City Commission was given erroneous information. Mrs. Hendricks believed the failure to discuss the errors addressed in the meeting flawed the subdivision process and the resulting decision. **Ken Avison-Ward 3**, Thanked the Commission for approving the function that was held at The Cove Deli & Pizza, May 29, 2015. Thanked the Parks Department for their help at the Rock Skipping event May 30, 2015. Mike and his co-worker did a terrific job in helping with signage, cones, or whatever was asked. Mr. Avison also commented on a recent article in the *Missoulian*. It was a well written article. **Commissioner Southerland** extended thanks to Streets Superintendent Terry Gembala and his crew on behalf of Mission Bay for all of their recent work in assisting to prepare Hawk Dr. for chip sealing. Mission Bay has collected an assessment to pay for the road. The City was assisting with the work.

**CONSENT AGENDA (14:24)-(a).** Claims June 1-11, 2015 (b). City Commission Meeting Minutes May 18, 2015, (c). City Commission Meeting Minutes June 1, 2015 (d). Resolution of Annexation Lots 2, 3, 4, & 5 Nob Hill D&S Rentals, LLP (e) Resolution of Annexation Tari Shaw, 400 JB Drive (f) Resolution of Annexation 1605 1<sup>st</sup> St East-Jensen Addition No. 2. **Commissioner Southerland motion to approve the consent agenda. Commissioner Siler second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (15:49) :** City Manager Mark Shrives commented on an email that was forwarded to the Commission from Dave De Grandpre regarding the Polson Development Code. The email included an Executive Summary. The City is about a month out from hearing. June 22<sup>nd</sup> at 6:30 p.m. there will be a Special Meeting to appoint a new Commissioner. The workshop following is tentative. City Manager Shrives asked the Commission if they wanted to move the July 6 meeting to July 8<sup>th</sup> due to the 4<sup>th</sup> of July holiday. The Commission commented that keeping the meeting on the 6<sup>th</sup> was

fine. City Manager Shrives commented that he will be gone and that Karen Sargeant will be sitting in on that Commission Meeting. City Manager Shrives then distributed an email that he received from Michael Maddy regarding the potential exchange of the land that he currently leases from the City. Mr. Maddy owns the building on the property and would like to purchase the land. There would be an exchange of property in the Ridgewater Subdivision in exchange for this land. There would be no decision made tonight only an approval to go ahead and begin a discussion with Mr. Maddy. This property is currently leased for \$1,500.00 per month. Commissioner Siler commented that it is worth looking at. Commissioner Turner asked if City Manager Shrives would find out what the taxes would be on the land. Mayor Knutson commented that it is definitely worth looking into.

**APPROVE A RESOLUTION SETTING IMPACT FEE COLLECTION LEVELS (tabled at the May 18, 2015 & June 1, 2015 meetings) (25:13)-** Mayor Knutson, “We need to first remove it from the table. So if I could get a motion to remove this agenda item from the table that would be great.”

**Commissioner Turner, “I’ll make a motion to remove it from the table.” Commissioner Erickson, “Second it.”** Mayor Knutson, “Motion from Commissioner Turner with a second from Commissioner Erickson. Any Commission discussion on removing? Any public comment? This is just on removing from the table and then we will okay, I just want, I’m sorry I’ll be clear on that. Any public comment on removing this agenda item from the table so we can discuss it? Okay. We’ll vote then beginning with Commissioner Erickson.” Commissioner Erickson, “For.” Commissioner Southerland, “For” Commissioner Siler, “For.” Commissioner Campbell, “For.” Commissioner Turner, “For.” Mayor Knutson, “For. Motion Carries.” Mayor Knutson, “Before we make a motion do you have any additional information that you want to share with us or anything new?” City Manager Shrives, “I don’t think so. We are trying to check, you mentioned about possibly doing a new study. We’re trying to get some costs both for maybe an update or a complete new study. So, I don’t have those costs for you yet.” Mayor Knutson, “Okay. The more I looked at it the more inclined I was and I’m hopeful that we can do that at an affordable cost as you looked at compared to some of the other ones and what they have impact fees for versus what we have them for. I feel like maybe we can have something that makes a little bit more sense as to where we’re at right now and what the needs are within the City. So, I’m definitely glad to hear that we’re still working on that. Any other questions or any comments before we do a motion? I do have one other comment that I wanted to consider and that was I feel like you should give 30 day notice on this. I know that when developers or builders are putting their bids together their factoring these in and I feel like having a little bit more time so that they can appropriately build their bid for the customer would be helpful. Stephen do you have any other comments on this? Do you feel that it would be helpful to know this in advance?” Commissioner Turner, “Yes. For sure.” Mayor Knutson, “Okay. Any other comments before we ...” Commissioner Erickson, “Why do you say yes for sure? I’m just curious.” Mayor Knutson, “That’s just talking about 30 day notice.” Commissioner Erickson, “Right. Yes.” Commissioner Turner, “I just think simply so that everybody can plan.” Commissioner Erickson, “Okay.” Commissioner Turner, “If there’s people on the fence, you know it will probably push them. If anybody has a bid out, usually within that bid package you would include permit fees. Pretty heavy for somebody to just swallow.” Commissioner Erickson, “Okay. Thank you.” Mayor Knutson, “Any other discussion? We’ve left it, gotten a lot of information from Cindy on this. We’ve gotten comparison information to some other communities. We’ve received information about percentages and the ability to adjust each of the individual fees separately based on percentages. You do some comment that has been given to us, by citizen comment. I assume you are going to share that with us later Mr. Rolfsen. We’ll wait on that.” Commissioner Turner, “So did we find out that yes we can adjust...” Mayor Knutson, “We can adjust each one of them individually yes.” Commissioner Siler, “Now are we within Commercial and Residential?” Mayor Knutson, “That I don’t know. Yes. Yes. Okay. Thank you.” Mayor Knutson, “Okay. You can discuss it too.” Commissioner Siler, “There’s been so much talk about it. I’m worried that if we go 100% that...” City Manager Shrives, “Can I ask, you should make a motion first.” Commissioner Siler, “Oh.” Mayor Knutson, “Do we need to make a motion first?” City Manager Shrives, “Even if it’s a motion to pass it. Then you can have discussion and always amend it but you

should have a motion before you do discussion.” Mayor Knutson, “Alright. So we’re going to do a motion then. This is the part that I would prefer to have discussion but we’ll do a motion first and knowing that as we do the motion, it went through discussion, we can come up with a different amount set we can do that. So with that can I ask for someone to make a motion to approve?” **Commissioner Turner, “I’ll make a motion to approve Agenda Item No. 7 Impact Fees to remain at 50%.”** Mayor Knutson, “Okay. Do I have a second?” Commissioner Southerland, **“To get it on the table I will say second.”** Mayor Knutson, “Okay.” Commissioner Siler, “That will get us started anyhow.” Mayor Knutson, “Alright. I’ve got a motion from Commissioner Turner to keep Impact Fees set at 50% and a second from Commissioner Southerland. And now we are on to Commission Discussion.” City Manager Shrives, “You need a vote.” (NOTE: On the audio there are several persons speaking at one time and it is inaudible). Mayor Knutson, “Okay. I’m sorry. Okay. That threw me. Thank you for keeping me on my toes. Okay. Commission Discussion.” Commissioner Campbell, “I’m going to say that I’m kind of leaning with Stephen a lot just because I’m going to take his experience in this business because I have very little. But one thing we have already done is and committed to is the Sewer Department. We’ve already agreed to spend 14 million dollars or 15 million dollars on the Sewer plant. I think every nickel we can pull in to that we need to. If we could do this tonight that might be a good compromise is we can give maybe give them a little bit of both. We can give 50% because we do feel that you have maybe brought in some commercial development but at the same time realize that we made huge commitments’ in the Sewer Department and we need to raise every dime that we can. Which we can bring the Sewer Department back up to 100%.” Commissioner Southerland, “I would agree with that. I think that the Water & Sewer ought to go up to 100% but leave the rest.” Mayor Knutson, “You think Water & Sewer? Okay.” Commissioner Campbell, “Spent a lot of money on Water and we’re not done with that.” Commissioner Turner, “What would you guys think about doing it in a, ‘cause I’m actually not opposed to that but do it in a two-step process. Maybe take it up to 80% and then…” Commissioner Southerland, “For six months or something like that?” Commissioner Turner, “Six months or a year. Whatever. And then go ahead and go to 100 just like we’re doing kind of in the Water.” Commissioner Southerland, “I would prefer to go with increments as well but I am concerned about the Water and the Sewer.” Commissioner Turner, “When is the next rate increase set?” Mayor Knutson, “We haven’t put that in place yet exactly. Likely we’ll start discussing that around then.” (NOTE: Someone on the audio can be heard stating November) Commissioner Campbell, “If we could (inaudible) at this the first of the year that might be a good. Take this for six months and then re-look at it again in six months.” Mayor Knutson, “So what the process right now is raise 80% for six months for the Water & Sewer? And then re-access in six months for the (inaudible)? Is that what I’m hearing?” Commissioner Erickson, “So my question is why can’t we do it all to 80% right now and then later on see.” Mayor Knutson, “We can if, that is an option that we can certainly do. I think…” Commissioner Campbell, “I guess I’m still leaning on the fact that we have seen some stuff happening in the last nine or twelve months with Commercial. I don’t know about residential but hopefully that will follow. I’m not totally convinced that this hasn’t helped somewhat. So I guess thinking about it, which I’ve thought about it a lot, for some kind of a compromise to where we try to meet our commitments. I haven’t heard anything come to us on the other departments yet as strong as the Water & Sewer. We actually see the needs. We actually see numbers.” Mayor Knutson, “Yeah.” Commissioner Campbell, “I guess that’s why I’d be a little bit more comfortable keeping them down and putting the others up.” Commissioner Erickson, “Do you think by, with Commercial aspect of tax increment, I mean would we be able to encourage the residential development by keeping it low or I mean has that been the big drag to residential development?” City Manager Shrives, “I don’t think residential is as far down as you think. Dave could I ask you how many residential permits you’ve had in the last maybe six months?” David Simons Jr., “I am the Building Official for the City of Polson. Right now we’re doing about probably 50/50 with permits. I’ve got, I think, five single family permits that have come in along with the same time of the commercial projects that are coming in. So I don’t know that you could say that really lowered fees are bringing in this. All the years that I’ve been doing this there’s nothing that shows that lowered Impact Fees actually helped the development. I don’t think you can say it hurts it but as far as right now here residential and commercial

are about on a 50/50. We've got several homes in Mission Bay, one up in the upper part of Ridgewater, the house on the lot next to the one that you had built has come in. Yours was finished over there. So right now it's about 50/50. I just think the economy is what's helping everything right now."

Commissioner Southerland, "Would you say Dave that it has increased since last year? Do you see a change at all?" David Simons Jr. "I think since I got here last year, when I started July 28<sup>th</sup> or like really only projects that were already, KRMC had already started. There was one residential home that I did a final on but right now everything has been since that time since I've been here. It's been about 50/50. I'm not including like remodels, things that don't apply to the Impact Fees already hooked up. But right now what I'm seeing is across the board about a 50/50 between the commercial and the residential with what we've got coming in here. It seems to be really good actually. It seems to be a pretty steady amount every month it's been coming in." Commissioner Siler, "Do you think if we raise it it will stop it? David Simons Jr., "I'm not a professional on that but I've never been in a community where you could ever prove that Impact Fees have stopped development. Most developers realize that it's a cost of it. I don't know about the fees. I don't know how the fees were brought up so I don't know if at 100% is that really a fee that is what needs to be here. I don't know if hypothetically 75% is what it should be to meet what's required here. That was way before my time." Commissioner Siler, "There was a study done." David Simons Jr., "Right. So I don't know that much about the study. I do know that in a study like that I was surprised that Police and Streets weren't a part of it. Again, I've never been in a community where Water & Sewer, Fire, Police and Streets, you can pretty much say that every one of those departments will be impacted when you build. But as far as the actual is 100% the answer, I don't know because I don't know how they came up with those numbers. I don't know if 100% is the right number or if 75 or 50 is. Any other questions or questions from any individuals out here?" City Manager Shrives, "(inaudible). Mayor Knutson, "Okay. Thank you Well in light to of that and wanting to do another study, or an update to our study, I do like the six months reviewing this again. In six months we'll have more information on that potentially so, that's good." Commissioner Campbell, "Tony's got something to say." Mayor Knutson, "We have our Water & Sewer Superintendent here who would like to share some stuff." Tony Porrazzo, "We've got a sewer line that needs to be upgraded. That's going to run in the wild numbers of about \$450,000.00. If we don't do this we're going to start buying houses. It's starting to surcharge on us. These are things that are coming up. We talked about you know the transmission and the fees and everything but these are costs that we need help with. I mean these are occurring costs. It's the oldest part of town and it's surcharging. We're getting more back-ups and more back-ups. It doesn't take anything anymore to back the whole system up. A lot of those houses are built below the street. They have problems that are level that the sewer backs right up into them. We're seeing a large number of these happen. I've got a reservoir on top of the hill, not on top of the hill, but on the side of the hill by the Polson "P" that's already failed. I mean it's failed its inspection. That's a project that I have to get going on and get done. This, it's all cost. And we're sitting here denying getting more money? I think that Water & Sewer need to be paid attention to and dealt with. We need that money coming in. All you gotta do is ask Cindy. The numbers are, you know, not good when you look at the distribution and transmission side of Water & Sewer. There's a lot of costs in there. Who's gonna pay for this? I mean, and you know John is there and he's saying it. You know, you made large commitments to the City to take care of this stuff. And we're going to sit here and say well no we shouldn't bring that up. That just kinda seems wrong to me." Commissioner Turner, "Speaking of bring things up Tony. It's kind of funny this is the first time we heard about this." Tony Porrazzo, "No. The tank is part of the project. Part of the rate structure already. It's not the first time it's been brought up." Commissioner Turner, "Oh, so it is part of the rate structure." Tony Porrazzo, "It's part of the rate structure that's in there but you know, we're going to wait. I mean if we don't have the Impact Fees, it's an upgrade. Impact Fees pay for that stuff. That is, that's what these things are for. The same, the same with the tank. It's an upgrade. So, I mean these Impact Fees will extremely help the Water & Sewer Department. So, that's just something to think about when you're doing this. Somebody's going to pay for it somewhere. Thank you." Mayor Knutson, "Thank you. Other discussion from the Commission before we open it up? We'll do final discussion after the Public Comment on this. Just so you are prepared for what the process will be.

Okay. Then we will go ahead and move onto **Public Comment**. And again, please come to the podium, state your name and your address or ward and share your comment.” **Cindy Dooley**, “I just wanted to say that we’ve already talked a little bit this evening about Fire and how we may need to build a Public Safety Building in the next three or four years. So, those Fire Impact Fees would go towards financing that project. And so if you keep those low, in the long run you’re going to hurt yourself because you are going to come back to the constituents and have to ask for more from them. So just think about weighing that out.” **Terry Gembala**, “I guess I would like to see in a revised study that the Street Department be included in these fees, because we are to the point where we need to start doing something to our streets. We have a number of good streets in town that we need to start repairing and doing some maintenance on them or we’re going to lose them and then we’ll be paying bigger money in the future to take care of them. We were not included in the last study and as everybody has said there’s several things in town that you use; water, sewer, streets and fire and police. At the top of that priority is the streets. I think that’s an item that is always forgot about because everybody always looks at it and it’s a big ticket item. But that is an item that is used every day by everybody. So thank you.” Mayor Knutson, “Thank you. Do I have additional Public Comment? Yes. Please.” **Rolf Harmsen**, “I have the Harmsen Insurance Agency in town. I live on Rocky Point Road. I don’t think we realize it but this is a defining moment in our City’s history. Tony & I have been butting heads for 20 years and we finally found a topic that we’re in agreement. Who would have think? I’m kind of triggered by this topic. As a kid I grew up in southern California. In the early 60’s when we saw all the orange groves all the avocado trees, just these huge tracts would come down. The developer would say hey man all these new tax payers are going to be bringing in money and it’s going to be cool. We don’t have to worry about the Impact Fees because all these new tax payers are going to take care of everything. And in fact it wasn’t true. That’s what lead to all that congestion which they’re failed for. After you bring in all those homes. You have fire departments, you have schools, you have off-ramps, you have new highways that are jammed up. So that ship kind of sailed 20 or 30 years ago where virtually all large cities collect the Impact Fees. They have fallen for that thing that hey man you’ll pick it up on the back end. You don’t and then the tax payers move into these areas, a couple of year’s later traumatic tax increases. I sent an email to all of our Commissioners on the third. Three of you managed to respond to me and three of you didn’t. So I thought maybe I’d read my email into the record if that’s okay. Mayor Knutson, “That’s fine.” Rolf Harmsen, “Commissioners I just spoke with Cindy Dooley about the Impact Fee issue. She explained to me that the issue was tabled by City Commissioners. I responded by asking why such a straight forward issue would need further discussion; i.e.- the City lost a quarter of a million dollars facilitating new construction hook ups for private businesses and corporations. What reason can there be for the City to not break even for performing these valuable services for the benefit of these private enterprise businesses? Especially in consideration of the huge increases tax payers are burdened with for a new sewage plant. These are normal costs of construction that would not prevent any of the projects from being built. If these projects are viable nobody will object to the profit the developer, contractor, and business owner will naturally make. Why can’t the tax payers just break even? I followed up with a letter to the editor and so I would just like to enter that into the record. I have another question. Is it a conflict of interest for a contractor, whose business, Stephen you’ve already stated that your business is impacted by these fees, is it a conflict of interest interest for you to be voting or talking on this issue?” Commissioner Turner, “First, I think it would be a conflict of interest for anybody. It effects all of us in different ways. Whether you own a business, work in a business, where you live. So, I don’t see it.” Rolf Harmsen, “Okay. Thank you for your time.” Mayor Knutson, “Thank you Mr. Harmsen. Any additional Public Comment this evening? **Margie Hendricks**, “I became interested in what was going on at City Hall ten years ago. I was as mad ten years ago about our sewer and water situation as Tony is now. He wasn’t mad then. There were people that did studies that showed we would essentially be out of water in 1996. We’re not, but that doesn’t mean the study, because they built new reservoirs and things like that, we didn’t run out of water, but we did run out of water in 1997 when a house burnt down in Mission Bay. It is true. I think it is. There was two wells that went down and up on Hillcrest our pressure was terrible that day. It was the hottest July that we’d seen for a long time. Yeah, I was as mad

as Tony is now, ten years ago. I think there's a real problem here, that we should be addressing those issues that we're addressing now. Long before now we had sewer problem issues. We were contaminating the river ten years ago. Which meant that storm water overflow, when you have storm water overflow you would have river contamination. We knew that. We had huge water problems that the people in the City has no idea about. So yeah, I've been mad for ten years and it started with the City and water situation." Mayor Knutson, "Thank you. Any additional Public Comment? Okay, we will return back to the Commission for final discussion, final comment. I guess one question that I have that I've been thinking about too, it's been on my mind, is these were at 100% at one point. And they ran at 100% and everything was fine at that time. It has taken us several years now to get it back to that rate. Now again, relying again on the fact that I think we should have a rate study, I look at these and I look at where our needs are, and I identify them also as Water & Sewer. I feel comfortable moving it back to 100% for those two. Number one it was that before and number two I think that that is where our needs are. I like the idea of going to six months and taking another look at it at that point. But I guess I would toss that out. I know I haven't mentioned that yet that I would toss that out as another consideration. Is going to 100% on those two, leaving the remainder, the other two at 50%." Commissioner Erickson, "I'm more inclined to see it go up to 80 and then finish out." Mayor Knutson, "Okay." Commissioner Erickson, "80 across the board." Mayor Knutson, "Eighty across the board. So you're saying move Fire and Parks back up as well." Commissioner Erickson, "Yes." Mayor Knutson, "Okay." Commissioner Erickson, "I just think it's something important." Mayor Knutson, "Okay." Commissioner Siler, "I'm wondering if we're confusing Impact Fees funds with rate funds. Are we..." Mayor Knutson, "Jumbling those together you mean?" Commissioner Siler, "The Impact Fees, in my opinion, is where the new people that are coming in are paying for what was already here. But if we've already got a broken system, then we're kind of asking the Impact Fees to fix that system. We're looking at them the wrong way. But we've got to get the money from somewhere." Mayor Knutson, "So are you more inclined then to go with the 80% across the board?" Commissioner Siler, "I think so. Yeah." Mayor Knutson, "Okay. Okay." Commissioner Campbell, "What is our motion?" Mayor Knutson, "Our motion right now is to remain at 50%. But I think, I know for sure Turner is probably open to adjusting but that is where we started." Commissioner Siler, "I think that I would be inclined to have the Water & Sewer be at 100% and the others less." Mayor Knutson, "Okay." Commissioner Southerland, "But to go up or stay at 50% where we are at?" Commissioner Siler, "I think they all have to go up. You can choose." Mayor Knutson, "Okay. Sorry. That's okay." Commissioner Siler, "I think the Residential has a less of an impact than what the Commercial does. I think we need to get Commercial here, not what Rolf says, I think that they will bring in more user rates. More money from users. That hotel is going to use a lot of water, and they're going to have to pay for every gallon of it. If we didn't have that hotel here we wouldn't have the added impact. So it's damned if you do and damned if you don't situation." Mayor Knutson, "Definitely not an easy topic for sure." Commissioner Southerland, "I guess I would be inclined to go Water & Sewer 100% and maybe up the others a little. Whether it be to, let's see, we're at 50, up to 70 or 80. And then revisit." Mayor Knutson, "Okay. Alright. Current on the table remain at 50%. Another option that we've been talking about is moving Water & Sewer up to 100% and the others leaving the same, adding, increasing Water & Sewer to 100% with increasing Parks and Fire to 70 or 80%. I think all of us agree, maybe we should start, do we all agree that in six months we want to review this?" All Commissioner, "Yes." Mayor Knutson, "Let's start with that. Okay. We've made some headway." Mayor Knutson, "Okay. So.." City Manager Shrives, "Not to throw you up here but six months starting from when to when? Because that's going to be important to be able to try..." Mayor Knutson, "I would say let's start it, what I would maybe suggest is actually review it in February meeting. January we're going to have a couple new, potentially a couple new people on the Commission. And I guess I would suggest maybe put it in February where we might be a little more comfortable." City Manager Shrives, "So from what I've heard so far, whatever potentially passes tonight, would be a thirty day cooling off period and then a February, reviewing it in the first meeting in February." Mayor Knutson, "I just say review in February, whichever meeting it works for. Does that sound okay? Especially because we're giving a thirty days on there. I think that makes sense." City Manager Shrives,

“Okay.” Mayor Knutson, “Thanks for clarifying. That’s great. Okay. So I’ve heard a lot from, we’ve got a couple of things from this side. You guys started the conversation but I’m going to jump back to you now. You have any additional comments after hearing from the citizens and also from hearing some additional thoughts that have been tossed out?” Commissioner Turner, “I think one worry is that within Impact Fees for a very long time but never gets brought to the light is that that money is supposed to be used for certain items, certain things. I’m not totally sure that the City has paid much attention to that. I do have probably a little hesitation that somebody could come in and sue us and probably win. So I think that some of that needs to be paid attention to.” Mayor Knutson, “I agree. We need to make sure that we’re utilizing the funds in the appropriate way. I have had conversation with, so, but we do need to make sure that. I think that there’s reasonable guarantee that we have used those appropriately but certainly it’s a good red light to throw up into the air. I’m sure that we are following.... I believe that we are audited every year and I believe that they check that as well.” Commissioner Turner, “I hope they do.” Mayor Knutson, “Yeah. They check that. Okay. So.” Commissioner Turner, “If we took, I’m just using the residential, up then I went to 80% and added that on to what’s already what we are at now, we’d be at \$5,000.00 I’m just throwing out some numbers. If we went to 100%...” Mayor Knutson, “It’s \$7,173.00” Commissioner Turner, “I was just kind of rounding everything.” Mayor Knutson, “Oh. Sorry.” Commissioner Turner, “Just rough numbers to start.” Mayor Knutson, “That’s fine.” Commissioner Turner, “Then we’re adding sewer at, let’s just say \$500.00. There’s another 12, that’s 62. At this point really, I’d probably be fine with 100% on Water & Sewer. If there’s some give on the other. Just to try and keep a little bit of balance. I think Water & Sewer I’m not, nor have I ever said that we don’t need to pay attention to what’s going on. But we are trying to make up for lost ground. I think that’s where the hard part of this is.” Mayor Knutson, “Sure.” Commissioner Turner, “Over the last twenty years or whatever, I mean, we should have been putting some money in the piggy bank and we didn’t. So, if there’s a balance I’d be happy with it.” Mayor Knutson, “Okay.” Commissioner Turner, “I think that is fair to everybody.” Commissioner Erickson, “What are your thoughts about the Roads Department?” Mayor Knutson, “I don’t...we can’t get into that.” (NOTE: There are multiple persons speaking at once making the conversations inaudible). Commissioner Turner, “My thoughts on the Roads, I think we looked at a Gas Tax at one time but it had to be a County wide.” Mayor Knutson, “Yes, has to be run by County.” Commissioner Turner, “Until we can re-do.” Mayor Knutson, “So. Okay. So I think, are you at 100% Water & Sewer and remaining at 50% for Fire and Parks right now?” Commissioner Turner, “I’d even go to 60% on those.” Mayor Knutson, “You’d go to 60?” Commissioner Turner, “Yes. I just think there needs to be a little give.” Mayor Knutson, “Okay. I think it’s good that we got, talked about, Cindy talking about the emergency services and what we’re looking at doing. We definitely want to be planning for that. Again, I think that a lot of our confusion, not confusion, a lot of our discussion here would be cleared up a lot too by having another study to understand where we’re at, and what those options are, and so we got a lot of great information. But I think that there’s a lot of additional information that could be found and discovered and help with this conversation by updating that study.” Commissioner Campbell, “This new study, if we take on a new study, I think the next time it needs to be paid for by everybody who actually receives money from it. I’m pretty sure this last study was paid 100% by Water & Sewer.” Tony Porrazzo, “Yeah. Very much so.” Mayor Knutson, “Yeah. I agree.” Commissioner Campbell, “Spread that around.” Mayor Knutson, “I agree. Yeah.” Commissioner Campbell, “So Stephen is that a...” Mayor Knutson, “Revised motion.” Commissioner Campbell, “Motion.? 100% Water & Sewer and 60% for the others?” **Commissioner Turner, “I will make that my amended.” Commissioner Campbell, “I’ll second.”** Mayor Knutson, “So we already had a second on this. Sorry. Thank you.” Commissioner Southerland, “I seconded it before. I’ll second it again.” Commissioner Erickson, “So why not more than 60?” Commissioner Turner, “100% on Water and Sewer.” Commissioner Erickson, “So that’s either math that evens out to the overall increase because we’re catering to the special needs so to speak of those two departments.” Commissioner Turner, “Debts. Actually. Pretty good way to put it. Yeah.” Commissioner Siler, “This is residential?” Commissioner Turner, “and Commercial. I’m just trying to find some sort of balance. So it’s just not 100%. I have a hard time with that. I don’t think it’s me as a contractor. I think it’s anybody that’s building a house or is

looking at building a house. It's going to affect anybody anyway." Commissioner Southerland, "That's the only place where my information has come from is new builders. Potential new builders and the thought of doubling that may have stopped them from deciding to build right now." Commissioner Campbell, "Maybe this will move them forward." Commissioner Southerland, "Yes." Mayor Knutson, "Okay. So." City Manager Shrives, "I'll just throw out one more thing for you to consider. Fire receives Impact Fees from Commercial and Residential. Parks receives Impact Fees only from Residential not Commercial. Just as you're looking at the numbers." Mayor Knutson, "Okay." Commissioner Turner, "What was that again that Commercial doesn't pay Parks" City Manager Shrives, "It's a State law. If I remember correctly because there isn't an impact from the Commercial that he can relay to Parks. You can't show impact from a commercial facility to the Parks. So it's literally part of the Residential. If you do the review of impacts, you can't relate that as an impact." Commissioner Campbell, "I can see that." Commissioner Turner, "So if somebody walks into a commercial building, buys a sandwich, and then goes and eats it in the Park,..." (NOTE: several persons speaking at once, making transcription not possible) Mayor Knutson, "So that's a State regulation." City Manager Shrives, "There is a, when we looked across the board at Impact Fees, there is nobody that charges Commercial for Parks. If I can confirm it, if I remember correctly that's in the State law that you cannot collect Commercial Fees on the Parks." Commissioner Campbell, "That would make sense." Commissioner Erickson, "How so? How can that make sense?" Commissioner Campbell, "The building itself, that's what we're doing the Impact Fee on the building and the use of the building. I guess I'll compare my use of the parks compared to where you used to work. You know. I like two kids, and we used the parks up. But a commercial building, the residents who work there, they use it but I can say that would kind of flow home with them." Mayor Knutson, "Its double digging. Is that what you're saying? Residential and Commercial." Commissioner Campbell, "But on all of the others, the Commercial building would be sort of identical. They're going to need fire and police services. They're going to need the roads services. They all have water and sewer in there for the restrooms and so forth." Commissioner Erickson, "Thank you. I just wanted to see what your thoughts were." Mayor Knutson, "Okay. So on the table right now I have a motion from Commissioner Turner with a second from Commissioner Southerland. The motion is to **Increase Impact Fees or to set Impact Fees at 100% for Water and Sewer. Set Impact Fees at 60% for Fire and Parks. Provide a 30 day notice for the rate adjustments to go into place, and review this again in February 2016 at one of the meeting there. Did I capture that all correctly?**" Commissioner Turner, "That is correct." Mayor Knutson, "Okay. Motion, second and we are going to vote then beginning with Commissioner Turner." Commissioner Turner, "For." Commissioner Campbell, "For." Commissioner Siler, "For." Commissioner Southerland, "For." Commissioner Erickson, "For." Mayor Knutson, "For. Motion carries. Thank you all for working through that and thank you for the comments that we received today. They're helpful to help out on these decisions. So appreciate your time. Appreciate your input. Thank you again Cindy Dooley for the information and to Mark Shrives for helping work through that." Cindy Dooley, "You actually have to approve the change by Resolution. So what are you doing with that Resolution?" Mayor Knutson, "So.." Cindy Dooley, "You actually have to approve the Resolution." Mayor Knutson, "Do I have a Resolution?" Cindy Dooley, "You might have to..." Mayor Knutson, "Okay. So we need the correct wording needs to be approving a Resolution number 2015." Cindy Dooley, "Right. So you need to pull it back onto the table and..." City Manager Shrives, "Why don't we do this so we don't try to wordsmith this thing. We've got a meeting on May 22<sup>nd</sup>, June 22<sup>nd</sup> and it's already a Special meeting. So we can add, we can re-work this Resolution to read what you just read through. That way we can bring it back." Mayor Knutson, "Okay." City Manager Shrives, "At the Special Meeting." Mayor Knutson, "Okay. That works for me. Is that alright with everyone?" Commissioner collectively affirmed that was okay with them. Mayor Knutson, "Great. Thank you."

**APPROVE SECOND READING OF ORDINANCE #2015-007 ADOPT CLOSURE HOURS FOR CITY PARKS (01:05:07)**-City Manager Shrives presented this agenda item. This is the second reading. It was an emergency Ordinance that went into effect immediately, but it is an Ordinance and requires a

second reading. **Commissioner Siler motion to approve Ordinance #2015-007 to adopt closure hours for City parks. Commissioner Southerland second.** City Commission discussion: none Public Comment: Ken Avison asked what the hours are. City Manager Shrives answered that the closure hours are from 11:00 p.m. to 5:00 a.m. **VOTE: Unanimous Motion carries.**

**CITY JUDGE RETIREMENT/COMMITTEE TO ASSIST IN SEARCH FOR NEW CITY JUDGE (01:06:38)**-City Manager Shrives presented this agenda item. Judge A. Douglas Olson has announced his retirement effective July 31, 2015 after 12 years of serving the City of Polson. There was a meeting with the City Attorneys, Chief of Police, Assistant Chief of Police to discuss the needs. Currently the position is a quarter time. This currently will work. Where there is going to have to be a hard look is the Police/Court Clerk. We will need to take a hard look at splitting that position. The judge is appointed by the City Commission. The City Managers recommendation is to put together a committee of: Deputy City Attorney, Assistant Police Chief, and one City Commissioner. We will advertise for applications. Go through a process to review the applications, and conduct interviews. Then bring information back to the City Commission. There is no motion required. The City Charter permits the City Manager to appoint a committee and move forward with this. Mayor Knutson commented that yes, move forward. City Commission discussion: none Public comment: none.

**APPROVE TACO BELL RESTAURANT SPECIAL USE PERMIT (01:10:03)**-Due to a scheduling conflict, Planner Erica Wirtala could not attend tonight's meeting. City Manager Shrives presented this agenda item. Taco Bell is a new development located in the Ridgewater Subdivision Highway Commercial Zoning District, Lot 3C, 105 Ridgewater Dr. There will be 26 parking spaces as well as a drive thru. There will be 3 shifts, with a staff of 30-40 total employees. The hours of operation will be 7:00 a.m. to 1:00 a.m. and 7:00 a.m to 2:00 a.m Friday and Saturday. Taco Bell will pay the Impact Fees. This has gone before the City County Planning Board and the Planning Staff and the City County Planning Board recommend approval of this project. Commissioner Campbell asked about headlight buffers. City Building Official David Simons Jr. explained that the headlight buffers would not be required for this project. Commissioner Siler commented that on page 7, Item No. 13 change "preferred" to "shall be" regarding the lighting. City Manager Shrives commented that the Polson Development Code does not have that requirement. **Commissioner Turner motion to approve the Findings of Fact regarding the Special Use Permit request on behalf of the MTB Management for their 0.57 acre parcel as described above. Commissioner Erickson second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried** **Commissioner Erickson motion to approve the Special Use Permit request and its associated Conditions of Approval on behalf of MTB Management for their 0.57 acre parcel as described above. Commissioner Turner second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**APPOINT CITY MANAGER CONTRACT COMMITTEE (01:22:50)**-Mayor Knutson presented this agenda item. The City Manager contract will be renewed in October. The committee will consist of the Mayor and two Commissioners. There will be review of the current contract, have a conversation with the City Manager, do additional research that may be needed, and then bring a recommendation will be made to the Commission. Mayor Knutson asked for any volunteers. Commissioner Erickson and Commissioner Siler volunteered to be on the committee.

**(01: 24:21)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. Commissioner Turner requested full minutes on Agenda Item No. 7.

**Adjourn. (01:24:47) Commissioner Campbell motion to adjourn. Commissioner Erickson second.**  
Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

**ADJOURN: 8:27 p.m.**

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**Heather Knutson, Mayor**

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

**Cora E. Pritt, City Clerk**