

# CITY OF POLSON COMMISSION MEETING

Commission Chambers

August 1, 2016

7:00 p.m.

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

**OTHERS PRESENT** (who voluntarily signed in): Bill & Tali Barron, Dave Brown, R. Chester, Clint Cottle, Jackie Cripe, Mike Cripe, Heather Davies, Elsa Duford, Jim Duford, Lita Fonda, Marilyn Frame, Nancy Gluekert, Mark Johnston, Chip Kurzenbaum, J. Malejonesky, Bonnie Manicke, Lee Manicke, Mathew Morris, Matt O'Neill, Evonne O'Niell, Karen Peterson, Colleen Pinkney, Mike Pollem, and Marc Robitaille

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

**APPROVAL OF PROPOSED AGENDA (00:45)** –Commissioner Erickson motion to approve the proposed agenda. Commissioner Southerland second. Commission discussion: Commissioner Coutts commented that the on Agenda item 7 & 8 it would look better and sound better if we removed the word Approve at the beginning. This looks like the vote has been determined. Mayor Knutson commented that would be a good recommendation moving forward. This current agenda was changed by Mayor Knutson on Agenda 7 & 8 to read Approve/Disapprove. Public comment: none. **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA (03:28)** - Elsa Duford, Ward III asked if the letter from the Tribe if the changes had been made. City Manager Shrives replied that the City is still waiting on the letter.

**CONSENT AGENDA (04:27)** a. Additional June 2016 claims, b. July 14-28, 2016 Claims, c. City Commission Written Summary Meeting Minutes July 18, 2016, d. City Commission Electronic Meeting Minutes July 18, 2016, e. City Commission Written Summary Workshop Meeting Minutes July 20, 2016, f. City Commission Electronic Workshop Meeting Minutes July 20, 2016 – **Commissioner Coutts motion to approve the Consent Agenda. Commissioner Donovan second.** Commission discussion: Commissioner Southerland noted a date correction on e-Commission Workshop Meeting Minutes about 2/3 way down, Mayor Knutson stated the next Commission meeting date as August 6<sup>th</sup>. It should be changed to read August 1<sup>st</sup>. Public Comment: none **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (06:31)**-City Manager Shrives requested that Jesse Vargas give the Commission an update on the Skate Park Expansion project. Jesse Vargas commented that the Skate Park recently hosted the annual Bike Jam. This event was very successful and there were t-shirts sold to raise funds for the expansion. The website Polsonskatepark.com is up and running. On August 20<sup>th</sup> there will be a Skate Jam held at the Skate Park. There will be approximately 60 people in attendance at this event. Again the t-shirts will be for sale. At the Bike Jam there was \$2,800.00 raised in the t-shirt sale.

**APPROVE/DISAPPROVE RESOLUTION NO 2016-TBD PRESENTING THE QUESTION OF A RESORT TAX TO THE ELECTORS OF THE CITY OF POLSON (10:38)** – This agenda item was presented by City Manager Shrives. The topic has been discussed for some time now. There have been workshops with the Economic Development Council where this topic was discussed at length including the Luxury Item list. This list still has items in questions and will be finalized next month. The

discussion and vote this evening is whether or not to place the measure on the November 2016 General Election Ballot. Mayor Knutson requested a motion so that the discussion could be opened. Commissioner Donovan asked about Exhibit A ballot. City Manager Shrives commented that the language had been amended, the Property Tax was removed from the beginning. **Commissioner Southerland motion to approve Resolution No 2016-TBD to present the question of a resort tax to the electors of the City of Polson at the November 8, 2016 General Election. Commissioner Siler Second.** Commission discussion: Commissioner Southerland commented that tonight's vote would be whether or not to place this on the ballot. Commissioner Siler commented that it is up to the voters. Commissioner Erickson commented that he has reservations about placing this on the ballot. This will cause more diversification among the citizens in Polson. The City of Polson is not a resort. Commissioner Coutts commented that he agreed with Commissioner Siler to a degree. With each workshop there were more questions than answers. This would be a wing and a prayer. How do we expect the citizens to get their heads around this when the Commission is struggling with the subject. Commissioner Turner commented that he has been back and forth with regards to the matter. There are a couple of points; #1 it would be beneficial but without a strong base how would the City grow the businesses? #2 The City needs the growth. We're not White Fish. At first I was for it, now I'm leaning towards no. We need a stronger foundation. Commissioner Southerland commented on behalf of the liaison for the Economic Development Council, their concern was for the citizens. The resort tax would spread the taxation to the tourists whereas the street levy would be on the citizens. Commissioner Donovan commented he agreed fiscally but it would behoove the City to try a different way. The negatives outweigh the positives. Commissioner Coutts commented that there are other alternatives. Different ways to approach the funds needed for the streets. Mayor Knutson commented that everyone has made very good points. Mayor Knutson relayed an email she received from a citizen thanking the Commission for looking into the matter. Mayor Knutson then commented that she did not see retail listed in the Resolution. City Finance Officer Cindy Dooley explained that the first four items listed are found in the Montana Code Annotated (MCA) and that all retail items, by law are considered luxury items. There will be a list of taxable and non-taxable items published. Should the vote be for placing this on the ballot, there will be numerous educational workshops given to educate the public. Public Comment: Lita Fonda, Ward I commented that she would not alter her support of the local business and would continue to shop downtown. The 3% tax would not alter her shopping pattern. Mark Johnston- Ward I commented that he was impressed by the discussion. There is a lot of confusion and the 15% property tax needs to be spelled out in dollars. Doing something as a wing and a prayer is a disservice to the public. As a tax payer Mr. Johnston commented he is having a hard time supporting this. Matt O'Neill – commented that the Commission is nowhere near ready to release this to the public. This is way too vague. As the Commission you need to weed out stuff that is not good. You need to figure out what it is you don't know. Your job is to say we're not there yet, we're not going to do this. Bill Barron – commented that Matt O'Neill hit the nail on the head, you're not ready to do this so don't. Highway 93 and Highway 35 have been completed those are the main roads that tourists use. The roads in front of the residence home need to be paid for by the resident. The City could look at implementing a Road Improvement District (RID). This will also wedge bad feelings between tribal members and non-tribal members. Heather Davies- commented that she is not for the resort tax. While we don't have all the information, we need a plan of where we want to go as a City. Don't pigeon hole the town. Think outside the box and make a plan to grow economically so that we can grow and support our businesses. Tali Barron- commented that the Cherry Festival will not return in 2017 if the resort tax passes. The tribal and county businesses would not pay the 3% and this is just not fair. Cindy Dooley – commented that the vendors that attend the Cherry Festival are probably more familiar with the tax than anyone else. They have to pay the tax in other cities and towns. Mayor Knutson asked if there were any more public comment. Seeing no more public comment the Mayor then asked for a vote. **VOTE: Commissioner Erickson, "No." Commissioner Southerland, "abstain." Commissioner Siler, "No." Commissioner Coutts, "No." Commissioner Turner, "No." Commissioner Donovan, "No." Mayor Knutson, "For." Motion failed.**

**APPROVE/DISAPPROVE RESOLUTION OF THE CITY COMMISSION SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF POLSON, MONTANA, THE QUESTION OF AUTHORIZING THE CITY OF POLSON TO EXCEED THE STATUTORY MILL LEVY LIMIT PROVIDED FOR IN MCA 15-10-420, TO FUND THE COST OF RECONSTRUCTING THE STREETS OF THE CITY (01:21:36)**- City Manager Shrives presented this agenda item. City Finance Officer Cindy Dooley presented the certified values that were just received by the City. One mill will have a value of \$9,004.46. The City will need 55.53 mills to raise the \$500,000.00 needed to do reconstruction of the streets. A tax payer with a home value of \$100,000.00 will pay \$74.96 and a home value of \$200,000.00 will pay \$149.93. The tax payer will spend more on the mill levy than the resort tax. Mayor Knutson asked about the ballot language. City Manager Shrives replied that the language covers everything. **Commissioner Southerland motion to approve Resolution number 2016-TBD a resolution to submit the qualified electors of the City of Polson, the question of authorizing the City of Polson to exceed the statutory mill levy limit provided for in MCA 15-10-420, to fund the cost of reconstructing the streets of the City. Commissioner Donovan second.** Commission discussion: Commissioner Turner commented that this is a viable option. Commissioner Erickson questioned if there were any other options. At a previous meeting there was a Tribal Representative that spoke regarding Tribal funds available to assist in roadway maintenance on the Reservation. City Manager Shrives commented that there have been discussion about different roadways and those are 2 – 3 years down the road. Gas tax would be another option but again that is in the future. Commissioner Southerland commented that the Economic Development Council had researched and discovered there are no grants for repairing roadways. Mayor Knutson questioned if the mill levy was increase to 55.53 is this something that would need to be voted on each year. City Manager Shrives replied yes. The number of mills could always be lowered. The monies raised by the additional mill levies would go into a restricted fund not the general fund. This fund would be for streets only. Public Comment: Bill Barron- commented that the businesses would still rather see this than pay the 3% resort tax. Lee Manicke-Ward II commented that the MCA 7-6-4431 states that a resolution must include (a) the specific purpose for which the additional money will be used (b) the specific dollar amount to be raised, and (c) the approximate number of mills required. MCA 15-110-425 Provides another option: (b) (iii) the specific number of mills & the approximate amount to be raised and (c) whether the levy is permanent or the durational limit on the levy. Thus either a fixed dollar amount or a fixed number of mills. Not both. In the proposed resolution the second WHEREAS (fixed dollar) is in direct conflict with Sections 1, 3, and 4 (fixed mills). Section 3 clearly states – approximately \$500,000. The concept is to have the option to reduce the total amount collected if desired. This provision to reduce the total amount collected if desired is presently provided for at 15-10-425 (5) MCA. This does not need to be included in the resolution or the ballot language. 7-6-4421 (3) MCA An election is not required for a governing body to impose less than the maximum number of mills. City government needs to be totally transparent and include all facets of this proposed mill levy increase. There needs to be an explanation to the voters that in addition to the \$500,000.00 for street improvement Polson’s TID will also be funded annually with an approximate \$7,200.00 Bill Barron – commented that we’re still in 1 mill 300 range. Maybe look at applying for a TIGR Grant. Mark Johnston- Ward I – commented that he would be against this option if it is put on a ballot. Bonnie Manicke Ward II commented that in accordance with what Bill Barron said, there needs to be a little bit more homework on how we can accomplish reconstruction and maintenance of the streets. The second part of Bonnie’s comment was the consideration of the street construction projects with a bonifide contractor. Is there a plan in place? Where does the project start? Are there priorities on the streets? If you get a pocket of money, what are you going to do with it? Elsa Duford Ward III – commented that she is puzzled by the letter from the Tribe. According to the letter, there is sufficient funds to meet the responsibilities yet we don’t have the money. If there is sufficient funds, we don’t need the mill levy. Mayor Knutson asked the Commission is there was any final discussion prior to the vote being taken. City Finance Officer Cindy Dooley requested to clarify the mill levy. The City’s intent with this Resolution is to put the mills the 55.53 mills not the \$500,000.00. That figure was used to determine the number of mills required. If the language needs to be changed to make that clear then the City will change the Resolution. The 55.53 mills would be the maximum that would be each year.

As the taxable value goes up, that fund would collect more money because the value of a mill would be worth more.

Mayor Knutson called for the vote seeing no more comments. **VOTE: Commissioner Erickson, "Abstain." Commissioner Southerland, "Against." Commissioner Siler, "For." Commissioner Coutts, "Against." Commissioner Turner, "Against." Commissioner Donovan, "Against." Mayor Knutson, "Against." Motion failed.**

**(02:08:41)** Mayor Knutson asked if the Commission wanted full minutes or action minutes. The Commission determined that action minutes would suffice.

**Adjourn. (02:09:02) Commissioner Donovan motion to adjourn. Commissioner Erickson second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

**ADJOURN: 9:09 p.m.**

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

**Mayor Heather Knutson**

**Cora E. Pritt, City Clerk**