

# CITY OF POLSON COMMISSION MEETING

Commission Chambers

December 7, 2015

7:00 p.m.

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

**ABSENT:** Commissioner Turner

**OTHERS PRESENT** (who voluntarily signed in): Elsa Duford, Dennis Duty, Lita Fonda, Bonnie Manicke, Lee Manicke, and Tony Porrazzo

**CALL TO ORDER: (00:03)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

Mayor Knutson thanked the City Staff for decorating the Commission Chambers. Mayor Knutson commented that the Chambers looked very festive.

**APPROVAL OF PROPOSED AGENDA (01:02) - Commissioner Southerland motion to approve the proposed agenda. Commissioner Erickson second.** City Commission discussion: none  
Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA (01:33)-none**

**CONSENT AGENDA (01:55)**-(a). November 13-30, 2015 claims, (b). City Commission Special Meeting Minutes October 26, 2015, (c.) City Commission meeting Minutes November 16, 2015.  
**Commissioner Campbell motion to approve the consent agenda. Commissioner Donovan second.**  
City Commission discussion: none Public Comment: **Elsa Duford** commented that she was the speaker who did not identify herself at the November 16, 2015 Commission meeting. **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (03:06)** City Manager Shrives thanked City staff Beth Smith and Karen Sargeant for decorating City Hall inside and outside. City Manager Shrives commented about the new Christmas Tree lights. City Finance Officer Cindy Dooley had requested the new lights for the tree. City Manager Shrives thanked the City of Polson Volunteer Fire Department, and Street Department for all of their assistance in putting the new Christmas lights on the City tree. Also a thank you to the following for donating either monies or food for the Christmas Tree Project: Providence St. Joseph Medical Center, Kalispell Reginal Healthcare, The Cove Deli & Pizza, Polson Chamber of Commerce, Downtown Business Association, Western Building Center, Glacier Bank, and Mrs. Wonderful's Marmalade Café. The City of Polson Water/Sewer Department has a new staff member, Lenora Walter.

**APPROVE RESOLUTION FOR DESIGNATING ENVIRONMENTAL CERTIFYING OFFICIAL (05:10).** City Manager Mark Shrives presented this agenda item. This is a requirement of the Community Development Block Grant (CDBG) that the City of Polson received. Originally City Engineer Shari Johnson was going to be named the Certifying Official but the CDBG grant requires a City employee not a contracted employee. So, the employee named is the City Manager Mark Shrives.  
**Commissioner Southerland motion to approve Resolution for Designating Environmental Certifying Official to be Mark Shrives. Commissioner Erickson second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE PROPOSAL FOR NITTANY GRANTWORKS LLC TO PROVIDE CDBG GRANT MANAGEMENT SERVICES. (07:29)**- City Manager Mark Shrives presented this agenda item. The City of Polson placed a Request for Qualification (RFQ) for CDBG Grant management services. The City received only one response: Nittany Grantworks LLC. The City of Polson has worked with Nittany Grantworks in the past. Lori Brenner, Nittany Grantworks will be the CDBG Federal Grant Administrator. The contract will be in the amount of \$65.00 per hour and not to exceed \$5,525.00. This will be paid from the CDBG grant. The City of Polson will work with Nittany Grantworks in choosing which parts of the grant Nittany Grantworks will write. Mayor Knutson inquired the end date for this contract. City Manager Shrives answered that the contract will end February 1, 2016. **Commissioner Erickson motion to approve the proposal from Nittany Grantworks in an amount not to exceed \$5,525.00 for CDBG Grant Management Services and authorize the City Manager to sign all contracts as prepared by the City Attorney.** Commission discussion: none Public Comment: **Elsa Duford** asked what the Resolution number would be. Mayor Knutson responded that the Resolution will be assigned a number once approved. **VOTE: Unanimous Motion carried**

**APPROVE RESOLUTION NO. 2015 \_\_\_ AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO FOR THE FINANCING OF A VEHICLE FOR THE STREET DEPARTMENT**

**(11:01)**- City Finance Officer Cindy Dooley and Streets Superintendent Terry Gembala presented this agenda item. The Fiscal Year 2016 budget included the monies to purchase a new vehicle for the Streets Department. Streets Superintendent Terry Gembala found a 2011 Dodge Ram truck in Lewistown, MT. The amount budgeted for the vehicle was \$65,000.00. The vehicle located is priced at \$46,889.00 plus a plow will need to be added for a cost of \$8,490.00 bringing the total cost of the truck to \$55,379.00. The City has decided to go to INTERCAP for financing due to the historical low interest rate. This will be a variable rate. The rates change in February 2016. This will be a five year loan to be paid in full in 2021 with a total of \$2,100.00 in interest. **Commissioner Siler motion to approve Resolution No. 2015 \_\_\_ authorizing the City's participation in the Board of Investments of the State of Montana annual adjustable rate tender option municipal finance consolidation act bonds (INTERCAP Revolving Program), approving the form and terms of the loan agreement and authorizing the execution and delivery of documents related thereto for the financing of a street department vehicle.**

**Commissioner Southerland second.** Commission discussion: Commissioner Erickson asked if any other department could use this vehicle. Finance Officer Dooley answered that yes, other departments could use the truck if they needed to. Commissioner Campbell asked how many miles are on the vehicle, if it were a diesel and what the vehicle had been used for. Streets Superintendent Terry Gembala answered that it has 32,000 miles, it is a diesel, and the truck had been used to haul hay out to the cattle on a ranch. Superintendent Gembala went on to explain that the truck has been through two tests, engine oil and transmission oil. Both came back clean. There were a couple of minor things that had to be repaired. The repairs were made before purchased. There are six new tires and a new key fob. Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE REQUEST FROM MISSION VALLEY ELKS AND POLSON ROTARY REQUEST FOR 2 SEASON PASSES EACH (19:04)**-City Manager Mark Shrives presented this agenda item. There were letters from each organization to the Golf Board requesting these passes. The request for passes is a standard request. The Golf Board voted unanimously to provide the passes. **Commissioner Southerland motion to approve the golf passes for Mission Valley Elks Lodge and Polson Rotary for two golf passes each. Commissioner Campbell second.** Commission discussion: Commissioner Siler asked if he should recuse himself from voting because he is a member of the Polson Rotary. City Manager Shrives commented that unless Commissioner Siler was going to personally benefit from the passes he does not need to recuse himself. Commissioner Campbell commented that these organizations really use these passes well. Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE THE AWARDED OF DREAMLAND SKATEPARKS AS THE CONTRACTOR FOR THE 7<sup>TH</sup> AVENUE SKATEPARK EXPANSION PROJECT (21:07)**-City Parks Director Karen Sargeant. There was a for Request For Proposal (RFP) and the City received two proposals. Dreamland built the current skate park. City Engineer Shari Johnson, Karen Sargeant, and a Skate park committee reviewed and scored each proposal. Both companies had excellent proposals but the one selected is Dreamland. There will be a large fund raising before any construction will begin. This is how the current skate park was built. Commissioner Campbell asked how much the project will cost. Parks Director Sargeant answered that the project will cost \$222,000.00. This will be a 12,600 sq. foot addition. The fund currently has \$800.00 toward this project. Dreamland is aware that construction will not begin right away. There will need to be fund raising occur. This expansion will be used to assist those who are just beginning in the sport whether it is skateboarding or bikes. Both use this skate park. Several of the Committee members addressed the Commission on the importance of the skate park and what this expansion will mean to the community, and the athletes that use this facility. **Commissioner Erickson motion to approve Dreamland Skateparks to be awarded the skatepark expansion project. Commissioner Southerland second.** Commission discussion: none Public comment: none  
**VOTE: Unanimous Motion carried**

**APPROVE PLEDGED SECURITY FOR JUNE 30, 2015 INVESTMENTS (44:12)**-City Finance Officer Cindy Dooley presented this agenda item. As of June 30, 2015 the City had deposits in an overnight repurchase agreement with an APY (annual percentage yield) of .25%; a time deposit (certificate of deposit) with an APY of .80% and two small money market accounts. The City requires the financial institution to pledge security for the investments. As of June 30, 2015 the pledged security for the Glacier Bank overnight repurchase agreement exceeds 50% of the deposit amount and the pledged security for the First Citizens Bank money market and time deposit exceeds 100% of the deposit amount so the State Statute requirements have been met.

**SECURITIES PLEDGED FOR PUBLIC FUNDS ON DEPOSIT**

**June 30, 2015**

<b>FINANCIAL INSTITUTION</b>	<b>AMOUNT ON DEPOSIT*</b>	<b>AMOUNT OF SECURITIES PLEDGED</b>
<b><u>Glacier Bank</u></b>		
Glacier Bank tri-party repurchase agmt **	\$ 4,877,971.36	
<b>TOTAL DEPOSITS</b>	<b>\$ 4,877,971.36</b>	\$ 2,600,000.00
PLUS FDIC Insurance		\$ 250,000.00
<b>TOTAL PLEDGES</b>		<b>\$ 2,850,000.00</b>
Amounts unpledged		\$ 2,027,971.36
**Self-collaterized pool		
<b><u>1ST CITIZENS BANK</u></b>		
1st Citizens Bank-Certificates of Deposit \$1,000,000 @ 0.80% Maturity 11/18/15	\$ 1,003,971.06	
1st Citizens Bank-Money Market Savings	\$ 481.56	
<b>TOTAL DEPOSITS</b>	<b>\$ 1,004,452.62</b>	\$ 1,848,223.28
PLUS FDIC Insurance		\$ 250,000.00
<b>TOTAL PLEDGES</b>		<b>\$ 2,098,223.28</b>

Amounts unpledged

\$

-

NOTE: The first \$250,000 of public funds on deposit is insured by FDIC. Effective July 1, 2010 FDIC issued a permanent deposit insurance coverage of \$250,000. Deposits in excess of the amount insured by the FDIC are secured by pledged securities held by a third party in the name of the City of Polson. The pledged securities must have a market value of at least 50% of the amount of deposits in excess of the amount insured. The loan pledges are held within the financial institution with periodic review of the principal amount outstanding.

**Section 7-6-207-MCA Deposit security** - The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to the unguaranteed or uninsured portion, to the extent of (a) 50% of the deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or (b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of less than 6%.

The amount of collateral held for the City of Polson deposits at June 30, 2015 exceeds or is at par the amount required by statute.

DETAILED LISTING OF PLEDGED SECURITIES  
June 30, 2015

GLACIER BANK	AMOUNT PLEDGED
Municipal/School Bonds	
Grove City Ohio/Municipal 399532KH2 Rate: 5.00% Maturity: 12/01/2033 Moody's: Aa1	\$500,000.00
Hoffman Estates, Illinois/Municipal 434462MA2 Rate: 5.00% Maturity: 12/01/2025 Moody's: Aa2	\$500,000.00
Middletown California Unified School District 596877BY5 Rate: 5.50% Maturity: 08/01/2033 Moody's: Not rated ; S & P: AA	\$500,000.00
Western Reserve Ohio School 959404BV5 Rate: 4.75% Maturity: 01/15/2033 Moody's: Aa2	\$1,000,000.00
Wyoming State Municipal Power Agency 983366CZ6 Rate: 3.875% Maturity: 01/01/2017 Moody's: A2 ; S & P: A-	\$ 100,000.00
<b>Glacier Bank Pledge Total:</b>	<b>\$2,600,000.00</b>
1st CITIZENS BANK	AMOUNT PLEDGED
Municipal/US Gov't Agency Bonds	
Federal Home Loan Bank 313379DT3 Maturity: 06/08/2018	\$ 150,000.00
City of Shelby GO BNI 821787BD9	\$ 165,000.00

Maturity: 07/01/2019

Loan Securities Confirmed 06/18/2013

Real Estate Loan #3017135 Maturity 12-01-2028	\$ 53,955.03
Real Estate Loan #3017395 Maturity 12-05-2030	\$147,089.66
Real Estate Loan #3013508 Maturity 08-01-2019	\$8,656.52
Real Estate Loan #23001310 Maturity 10-18-2027	\$45,331.76
Real Estate Loan #1134487 Maturity 12-04-2016	\$164,453.81
Real Estate Loan #3017330 Maturity 04-29-2040	\$185,195.51
Real Estate Loan #3013014 Maturity 02-01-2026	\$37,112.93
Real Estate Loan #3016849 Maturity 04-01-2013	\$181,162.67
Real Estate Loan #3012104 Maturity 09-15-2023	\$49,628.35
Real Estate Loan #23001476 Maturity 11-01-2038	\$105,999.28
Real Estate Loan #3017408 Maturity 02-10-2026	\$51,445.43
USDA Loan #1137776 Maturity 11/01/2036	\$ 503,192.33

**1st Citizens Bank Pledge Total: \$1,848,223.28**

**Commissioner Donovan motion to approve the listing of pledged securities for the City's deposits at June 30, 2015. Commissioner Campbell second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE PLEDGED SECURITY FOR DECEMBER 9, 2015 NEW INVESTMENT (48:34)-** City Finance Officer Cindy Dooley presented this agenda item. The City's only time deposit certificate of deposit matures on November 18, 2015. Bids were solicited to the various local area banks with a bid closing date and time of December 2, 2015. The high bid was First Citizens Bank of Polson.

City of Polson - Public Funds Investment Bid  
QUOTES FOR SETTLEMENT DECEMBER 9, 2015

Term	Maturity	Amount	1st Citizens	Eagle	First Interstate	Glacier Valley
	Whitefish	Bank Bank	Bank Bank	Bank	Credit Un.	
1 Year	12/9/2016	\$1,000,000.00	0.951% APY	No quote	0.15% APY	0.20% APY
	No quote	No quote				

Purchase certificate of deposit at 1st Citizens Bank per quote 0.951%

Interest rate analysis: 1st Citizens board rate: 1 year certificate of deposit 0.40%

COMPARABLE RATES:

1-year online bank jumbo certificate of deposit {Out of state} 1.15% (average)

1-year Treasury Bill 0.54%

State of Montana Short-term Investment Program (STIP)

Average yield November, 2015	0.29%
Average yield October, 2015	0.28%
Average yield FY 2015	0.13%
Repurchase Agreement w/Glacier Bank {overnight investment pool}	0.25%

DETAILED LISTING OF PLEDGED SECURITIES  
December 9, 2015

1st CITIZENS BANK	AMOUNT
Municipal/US Gov't Agency Bonds	
Federal Home Loan Bank 313379DT3	\$ 150,000.00
Maturity: 06/08/2018	
City of Shelby GO BNI 821787BD9	\$ 165,000.00
Maturity: 07/01/2019	
Loan Securities Confirmed 12/03/2015	
USDA Loan #1137776	\$498,591.29
100% Guaranteed Maturity 11/01/2036	
<b>1st Citizens Bank Pledge Total:</b>	<b>\$ 813,591.29</b>
Total CD amount - December 9, 2015	\$1,000,000.00
Total savings account amount	\$ 481.62
Less FDIC insured amount	<u>\$ (250,000.00)</u>
<b>Net uninsured amount</b>	<b>\$ 750,481.62</b>
<b>Excess Pledging</b>	<b>\$ 63,109.67</b>

**Commissioner Southerland motion to approve the listing of pledged securities for the City's deposits at First Citizens Bank, N.A. as of December 9, 2015. Commissioner Donovan second. Commission discussion: none Public comment: none VOTE: Unanimous Motion carried**

(52:27) Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. The Commission commented that action minutes would suffice.

**Adjourn. (52:45) Commissioner Siler motion to adjourn. Commissioner Southerland second. Commission discussion: none Public Comment: none VOTE: Unanimous Motion carried.**

**ADJOURN: 7:53 p.m.**

\_\_\_\_\_

**Heather Knutson, Mayor**

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

**Cora E. Pritt, City Clerk**