

# CITY OF POLSON

## CITY COMMISSION MEETING

Commission Chambers

May 18, 2015

7:00 p.m.

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

**OTHERS PRESENT** (who voluntarily signed in): Dennis Duty, Elsa Duford, Lita Fonda, Rick LaPiana, Bonnie Manicke, Lee Manicke, Joyce Norman, Richard Norman, Alysha Valentine, and Steven Valentine

**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 (00:44)** Mayor Knutson asks City Manager Shrives for his change to the Agenda. City Manager Shrives adds the acceptance of the Community Development Block Grant for the Growth Policy in the amount of \$7, 150.00 to the Consent Agenda. **Commissioner Turner motion to approve the proposed agenda with the changes. Commissioner Morrison second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA ( 2:01)-none**

**CONSENT AGENDA(2:29)-(a).** Claims May 1-13, 2015 (b). City Commission Meeting Minutes May 4, 2015, (c). Walgreen Final Plat (d). Finance Officer Bank Reconciliation February 28, 2014 (e). Finance Officer Bank Reconciliation March 31, 2014 (f) CDBG-\$7,150.00 for Growth Policy Re-write.

**Commissioner Southerland motion to approve the consent agenda. Commissioner Erickson second.** Commission discussion: none Public Comment: **Elsa Duford** questioned the claim from Commissioner Southerland's trip to Helena. Elsa would like the public be given a copy of Commissioner Southerland's testimony. Commissioner Southerland explained that her testimony was approximately 15 seconds. She was permitted to state her name, representation, and that was all due to the amount of testimony regarding the Water Compact Agreement hearing. **City Manager Mark Shrives** made a correction to the Commission Meeting Minutes of May 4, 2015 for clarification in the Discuss/Direction agenda item. **Elsa Duford** commented on the confusion on the Walgreens Final Plat and Norman 2 Lot Minor Subdivision application. The Walgreen packet has 9 pages on the City website. The first 6 pages deal with Walgreens and the following 3 pages deal with the Norman 2 Lot Minor Subdivision. City Manager Shrives answered that the error was due to cut/paste. Mayor Knutson clarified that the Walgreens project ends at page 6. **Mayor Knutson then notes that the changes made to the City Commission Meeting minutes of May 4, 2015 as well as the correction in the 5 c material. The motion is amended to include these changes. VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (10:27)**-City Manager Mark Shrives reported on the following: The City of Polson is in receipt of DNRC & TSEP Grant approval notice from Governor Bullock's office. The City also was award a CDBG Grant in the amount of \$7,150.00 for the Growth Policy update. Polson Fire Department Membership President Julie Sisler and Lt. Kevin Straub have requested, on behalf of the Membership, the opportunity to comment on the new policies. City Manager Shrives answered that comments from the Membership would be welcomed. Senator Steve Daines sent a Congratulatory note to the Polson Volunteer Fire Department for participating in the recent Stair Climb competition in Seattle, WA two months ago. Currently there are bid packets out for the Golf Course New

Cart Storage Building. The bids will be opened May 29<sup>th</sup> at 1:00 p.m. Also, any discussion or questions regarding the recent Utility Billing changes. Commissioner Southerland commented about a question she had from a renter. The renter currently gets the bill. This was worked out in their rental agreement. If the owner faults on the water bill how will that impact the renter? What recourse will the renter have? City Manager Shrives answered that it would go back to whatever the rental contract states. The City is not going to try and answer what the renter can do to the landlord. The way the City looked at it is: it has always been in the landlord's name. So if there was a water bill due, it always fell to the owner to pay. Once the City starts the process, it is a 60-90 day process. The first notice the renter gets, they are going to know that the water bill has not been paid. Commissioner Turner asks if this is State law. Mayor Knutson answers that yes, it is State law that the owner is responsible for the water bill. Commissioner Turner asks about an update on the Downtown Water Looping Project. City Manager Shrives answers that the paving on Main St. and 1<sup>st</sup> St East will happen this week, then the project will begin working 4<sup>th</sup> Ave. Still a little bit ahead of schedule with a completion date of early June. Commissioner Turner asks Water Sewer Superintendent Tony Porrazzo if the streets are going to be cleaned once the project is completed. Tony answers yes once everything is done, LHC will come thru and sweep the streets. Commissioner Campbell asked if the lights installed in the park are working. City Manager Shrives answered that he knew the electrician was going finish the installation.

#### **APPROVE NORMAN TWO LOT MINOR SUBDIVISION PRELIMINARY PLAT**

**(19:35)**-Contracted Planner Erica Wirtala presented this agenda item. Erica-"Good evening Mayor and Commissioners. Tonight before you is a request for a preliminary plat approval for a minor two lot subdivision. The applicants are Joyce and Richard Norman and they are here in the audience as is their technical rep. Jack Duffy. This is application number SD15-02 and I'm just going to skip to page two of our Staff Report and the proposal is asking for Preliminary Plat approval of a two lot minor subdivision which will split property that has two existing homes on it. So that each home can be situated on its own lot. Typically this is a non-conforming use if you were in the zone area and you have one lot, you should have one house per lot. So this is correcting a non-conforming use. And this did not come about because of the owners. The properties were built out and zoning came along on top of it. So this was nothing that they created intentionally. This subdivision proposal will actually bring the property into zoning compliance. The original home was constructed in the 1920's and the second home was constructed later but still pre zoning and is being rented out. The applicant lives in the second home and rents out the original. They are just looking to divide the property so that they can perhaps get out of the landlord situation. It is 1.89 acres in size and it will create lot 1A which is .86 gross acres and lot A2 which is 1.03 gross acres. This is within the Medium Density Zoning District which has a minimum lot size of 7,000 square feet. So this creates two lots that are within conformance with that zoning. Lot A1 does not front on a public road but as you can see by the attached aerial photograph that they have an existing driveway situation which they will continue to use the private easement agreement. On page four, The Review Process, this goes straight to you guys as a minor subdivision. It does not have a review through the City County Planning Board. There's some analysis there and the first item on that is whether or not it is a major or a minor subdivision. That's not my responsibility to look up just because it puts the City in a position of liability should I be wrong. In that analysis of that responsibility falls on the Technical Rep which is Mr. Duffy as a PLS. What I asked for was just a certification that that property had not been split more than five times since 1973. 1973 is that magic number of Montana Subdivision and Planning Act. There was a certified stamped letter that he included in the application to that effect thereof. The second item which is on page five under my analysis is setbacks. Within the application packet, the applicant had noted that the detached garage on the property is a little too close to the proposed split line and they asked for a

variance. Well, there's two separate things going on here. He's requesting a zoning variance because setbacks are a zoning issue and this is a subdivision. So I looked through the zoning code on that and actually there was some language written into the specific zone, Medium Density Zoning District. It does require a nine foot or excuse me a 15 foot rear yard setback and there's 9.5 feet of setback from that detached garage to the proposed line. But item C within that chapter suggests an intent to relax the strict interpretation of setbacks where there are existing structures. It does read, "Where previous development has resulted in setbacks less than those specified by this table, the administrator may permit building in conformance with the existing pattern 1. If Covenants recorded prior to the effective date, and there were no covenants on this but A the subdivision was not vacant on the effective date of these regulations, so that suggests to me that because the structures were there prior to zoning and we are correcting a non-conforming use and it still has a portion of it being non-conforming that we are correcting the greater non-conforming. I could rationalize that out. I looked at this with six criteria that are required by State law. There are six of those and it met all of those different effects and standards that we have to meet. It met the criteria laid out in the Montana Subdivision and Planning Act. On page eight I note that it conforms to the Growth Policy and it conforms to the zoning. Legal and physical address is provided by Hillcrest Drive which is a public City street. That would be via a 12' shared access easement to the Hillcrest Drive. There is a third party that also uses that driveway, however since it is on a property that does not co-join with the subdivision, we could not force them to become party to the Road Maintenance Agreement. They will just have to maybe make a good will effort to join them on that. There are three parties using that one access. So I have 19 Conditions of Preliminary Plat Approval should you decide to go ahead and approve this. I would just like to point out Condition #3-which is that agreement which provides access to both of the lots and the shared responsibility of that driveway, which would be snowplowing and maintenance, perhaps some landscaping should a tree fall on it or it needs something to keep that in good serviceable use. Condition #5 pertains to the irrigation ditch that runs along the north end of that property. The applicants will need to sort of if to sever the water rights to Lot A2 or if they would like to split the existing right and share it. That is something that they will have to work out with that Irrigation District and place the applicable easements on the Final Plat when that time comes. Additionally on Condition #14 the applicant will waive the rights to protest an RSID, that's my error. It should just read SID. That is a Special Improvement District for sidewalk installation and/or road, sewer or water improvements should this ever come to fruition. Apparently those waivers are good for 20 years. That would just go on the face of the Final Plat that the applicant would then sign. So, that's my report. The applicant's, as I've mentioned, are here tonight and are available for questions if you have any or they may enjoy a moment to speak at the podium as well as their Technical Rep Mr. Duffy. Thank you." Mayor Knutson, "Do any of you have anything to add to the report?" Joyce Norman, "This is my husband Richard Norman. We're the ones that are requesting the subdivision. We have been trying to downsize. We're over 45 years old at this point and we have a lot of house. We have two houses as a matter of fact. So we've decided we're going to sell and downsize. But when you have two houses and on a large piece of property, it's very difficult to sell. By subdividing we have a better chance of being able to handle the property as one piece instead of the big piece. You mentioned something about the ditch. Well I talked to Michelle Littleboy today and she said there's no problems but she would highly recommend that we put an easement all the way down the side of the property so that the persons on the front portion will have total access to the pump and everything else and that there be a total shared with two tax numbers and of course that comes with the subdivision. That's about it. If you have any questions we're here and happy to answer."

Mayor Knutson, "Thank you. Will that be on the Final Plat then?" Joyce Norman, "Yes." Mayor Knutson, "Any questions, comments or discussion?" Commissioner Siler, "I have a question on #14 on the sidewalks. They are the applicants now but if they sell the property does that waiver go forward with both lots?" Erica Wirtala, "The waiver runs with the land." Commissioner Siler, "And it's split up so that whichever one so they will be responsible for the sidewalks?" Erica Wirtala, "That's correct." Mayor Knutson, "Any other discussion? Okay. Then I would look for a motion to approve." **Commissioner Turner, "I'll make a motion to approve the Preliminary Plat request and its associated conditions of approval on behalf of Richard and Joyce Norman for their 1.89 acre parcel as described above." Commissioner Campbell, "Second."** Mayor Knutson, "I have a motion from Commissioner Turner and a second from Commissioner Campbell. Do I have any additional Commission discussion? Do I have any Public Comment on Agenda Item No. 7?" **Margie Hendricks**, "Madame Mayor, I am going to read a comment because I just have a hard time remembering what it is I want to say when I get up here. Joyce and Richard Norman, have applied for subdivision approval. Their application claims a road access for the subdivision that runs through our property. My husband and I were not notified such proceeding were taking place and only became aware over the week-end the subdivision was on the City Commission agenda for approval tonight. Information in the packet submitted to the City Commission shows a 12" wide access easement on our property running 150.96 feet along our west property line. The existing unrecorded chip sealed road was not surveyed to show its exact location but the width and length were arbitrarily chosen to identify the general location of the access. For 60 years the current and historic owners of the property directly west of our property line now owned by Joyce and Richard Norman has had an unrecorded road access along our west property line. For sixty years my husband and I, and the previous owner of our property has had a road access through what is now the Norman property which accesses areas of our property west and north of our residence. I see no evidences that our rights pertaining to the two unrecorded road accesses were disclosed to the Planner or Planning Board. The findings of fact in the staff report provided the Planning Board for review indicates Lot 1 will access Hillcrest Drive via an existing 12" shared access easement. Staff recommendations No. 3 says both lots A1 and A2 shall construct an agreement providing for the maintenance and shared responsibility of the driveway that provides access to both lots. My husband and I have a legal interest in any decisions made regarding the proposed road access, whether it is recorded or not, yet, we have been totally unaware of the deliberations that have been taking place regarding this issue. I believe state and local codes require that those with an interest in property to be subdivided be notified so they have an opportunity to represent their interest. My husband and I did not receive notification a subdivision application was being reviewed. My husband and I are asking that the Norman subdivision application be denied because the planning staff and planning board were not sufficiently informed regarding our interest and because of other undisclosed information which I notice in the packet information provided the Commission. I notice that the Normans claims two single family resident units to be subdivided, a house with a garage built in the 1920's and a newer residences built in 1996. However the newer residence is actually a tri-plex. There are 4 mail boxes on Hillcrest, one for the owner of the property and three for renters. The original home is rented. The newer residence is occupied by the owner and one of the units in the tri-plex is rented at the present time. This 4 unit arrangement does not jive with the Norman's claim they are asking to subdivide two single residence. If the newer residence is an approved multi housing unit this subdivision actually involves 4 units which would require the Planning Board to assess issues not addressed in the application such as possible additional water and sewer hook-up, adequate parking for the subdivided lot with 3 units,

and extra traffic on the roads. A subdivision very near-by was approved in 2006. It had 5 housing units. A 24 foot road access was required for that minor subdivision, curbs, gutters, paving and a sidewalk were also required. These are some issues that need to be addressed and I don't believe were disclosed. I question whether the newer house built in 1996 was pre zoning. Sincerely, Margie Hendricks." Mayor Knutson, "Do I have any additional public comment?" **Lee Manicke**, "Ward 2. I first have a question for Erica if I may. That's concerning the non-compliance with two houses on one lot. What is the bases for that? Where is that in the zoning?" Erica Wirtala, "In zoning code you can have one primary use and then an accessory use. So your one primary use would be a single family dwelling and then the accessory use would be a garage. You cannot have two primary uses on a single lot." Lee Manicke, "Where does it say that in the Development Code specifically?" Erica Wirtala, "Specifically? Well I would have to look." Lee Manicke, "It's not in the MRZD. To expand on that, we can have a duplex, single family residence, a duplex you can have up to a four unit, even more than one four unit. The Special Use you can have a mobile home park. It's just not logical that you can't have two whole houses on one lot considering all the other things you can do on that. I bring that up because essentially the same language is in the re-write of the Development Code. So I would like to know specifically if it's in there where it is but I can't find it. If it's there, we ought to clarify the new Development Code when it comes up." Erica Wirtala, "Okay, so it's probably not written into the Medium Residential Density Zoning District code itself. But in the zoning book overall you are allowed a primary use and a secondary use or an accessory use. You cannot have multiple primary uses on one piece of zoned property." Lee Manicke, "Why can't you rent both units out and have a primary unit?" Erica Wirtala, "That's still non-conforming use. I mean, I understand your point about you can have different uses and you can even have a mobile home park, but that would be your primary use would be a mobile home park." Lee Manicke, "What if our primary use was rental units and we had two units to rent, two separate units to rent?" Erica Wirtala, "No. These are functioning as single family dwelling units and that is how it was presented to me. Two single family dwelling units." Lee Manicke, "I think it needs to be clarified specifically where it is so that we don't have this carry over into the new Development Code." Erica Wirtala, "Sure." Lee Manicke, "I think Mrs. Norman understands the problems with irrigation ditch but for clarification, the irrigation company will not sever that land. There will be two properties that are presently paying \$75.00 for water and \$15.00 for administration total and when they subdivide that there will be two \$90.00 fees rather than a single fee. I think in your Condition 5 you should have mandatory easement suggest than what the irrigation company did because otherwise if you don't do that Lot 2 may still have to pay water on that but never be able to have access to it. The first house, this is a technical report. It's not real estate peddler puffing its latest listing. It's a technical report. The first house was built in 1925 and that information is available on the Cadastral system in the Department of Revenue. The second house was built in 1996 and that was three years after the last zoning. So it was done after the zoning contrary to what it says here. There was some justification supporting making the subdivision based on the fact that it was done prior to the zoning code. It was actually after the zoning code by three years. I'm being a little picky, you said the property is just off of the lake. I can't measure "just". Again, it is a technical report, it's a quarter of a mile or 1490 feet. Let's say that. The information is available on the scale of the map. You can get that fairly close. That RSID shows up again someplace in here, there's two places. I don't know the other place off hand. My copy of the map was small and I can't read it but it looks to me like there is a 20' easement going into that on the map." Erica Wirtala, "Along the western boundary? Are you looking about that one?" Lee Manicke, "No. On the eastern boundary is that a 20' easement?"

Commissioner Campbell, "There's one on both sides." Lee Manicke, "This discusses the 12' easement on the access for lots 1A and A2." Erica Wirtala, "There's an existing 12' and then there is a proposed 20' on the Final Plat. It would be a 20' easement that would serve both tracts." Lee Manicke, "That's not stated in here that I can find that there was that 20' easement was there. The coding was MRZD not MDZ, Medium Residential Zoning District. That's all through this. You're asking for a variance to add five feet to a 9.5, you are still a half a foot short if you do that. You are only up to 14.5 feet. You are still not in compliance. So if we are going to add this and make this dogleg, let's do it (inaudible) after the 15 feet. On page 8 it says that the legal and physical access provided by Hillcrest Drive a public City street. Lot A1 will access Hillcrest Drive through an existing 12' easement. There's actually going to be a 20' easement there apparently, that needs to be corrected. I know I'm a little picky but I think we gotta again for technical report let's do it as accurate as it can be done, the information is available." Mayor Knutson, "Thank you. Do I have any additional public comment on Agenda Item No. 7? Do I have additional Commission discussion on this?" **Commission Siler**, "Was there a reason the neighbor wasn't notified?" Erica Wirtala, "This is a minor subdivision and it meets the criteria as a minor subdivision. It hasn't been split more than five times since. The parent tract wasn't split more than five times since 1973. So the definition does not require adjoining land owner's notification. Had this been a major subdivision, everyone within 150' would have received a certified letter saying that that subdivision was under way. That's also part of the process why it comes directly to you because it's a minor subdivision. Major subdivisions would come before the City County Planning Board and then on to you with their recommendation. So there's a little bit difference in process in both of those arenas there. Would you like for me to address some of the access issue?" Commissioner Siler, "I just wondered if that satisfies Marg Hendrick's comment on why she wasn't notified." Margie Hendricks, "Excuse me. I was reading and I wasn't listening." Mayor Knutson, "I think yeah. I think that is one element of the concerns that were brought forth. I think the access easement is another concern that was brought forth that should be addressed and the multiply unit housing option as well." Erica Wirtala, "Mr. Duffy do you want to address this or Joyce?" Mayor Knutson, "Please I have to ask you if you do speak, please come up to the podium." **Joyce Norman**, "We are also going to propose an easement from our property line to the west, a 14' easement there as well." Erica Wirtala, "Well it shows 20' on the parcel, so that..." Joyce Norman, "So that should cover it right? We have to mention our road?" Erica Wirtala, "Yeah. So, the applicants have dedicated an additional 20' access easement that is fully contained on their property. They show an existing 12' easement as part of the survey because that's what's on the ground and that's the driveway that they've been using. Apparently if this agreement between the neighbors is not working out, there's adequate room and legal access shown on this plat to address that issue. That they can just make their own road and then have a separate ingress/egress from the neighbor and not adjoining the historic driveway that they have had for years." Mayor Knutson, "So they can add another driveway effectively?" Erica Wirtala, "Fully contained and its 20' " Mayor Knutson, "It reaches the two properties?" Erica Wirtala, "Yes and that's what shows on your copy of the plat." Commissioner Campbell, "Provided on the plat, an easement." Mayor Knutson, "Sorry." Commissioner Campbell, "Plus the other concerns about the 20' easement for irrigation has been provided too. Correct?" Erica Wirtala, "Pardon me?" Commissioner Campbell, "The other concerns about the irrigation easements been provided too." Erica Wirtala, "That is correct." Commissioner Campbell, "On the other side of the property." Erica Wirtala, "Ahu." Commissioner Campbell, "I see the concerns that Margie Hendricks had on the right-of-way have been taken care of with this 20' easement entirely on their property now for the purpose of access." **Margie Hendricks**, "So you specified your

approval will be there?" Commissioner Campbell, "It's on the plat that we provided." Margie Hendricks, "It's not in the information provided here. It reads lot 1 and 2 will use the 12' access so it's not specified" Mayor Knutson, "Where does that need to be specified on there to make sure that there's clarity that there is that option should they not come to an agreement?" Margie Hendricks, "May I read it?" Mayor Knutson, "Sorry." Margie Hendricks, "Could I read where it states that?" Mayor Knutson, "Certainly if you could direct us to where that's at." Margie Hendricks, "I don't know exactly where it's at. It's from the Facts of Finding. Would you like for me to come up and read it?" Mayor Knutson, "Yes please. We're going to have to identify the location as well. That certainly share with us where you are referring to." Margie Hendricks, "From Finding of Fact, in the Staff Report, Lot 1 will access Hillcrest Drive via an existing 12" shared access easement. Staff recommendation number 3 says Lots A1 and A2 shall construct an easement providing for the maintenance and shared responsibilities of the driveway that provides access to both lots. But they don't specify what access they are talking about. The 12" or the 12' access. So that needs to be specified that Lot 1 and 2 where that 20' access is then and not relate to the 12' access. Not related to the 12' access." Mayor Knutson, "So we're on page 8, number 3 correct? Do I have that correct? That says owners of lots A1 and A2 shall construct an Agreement providing for the maintenance and shared responsibility of the driveway that provides access to both of their lots. I just want to make sure that that is on record so that we can refer back to this if we need to. That is the one that we are referring to. Okay. And then can you confirm for the recommendation would be to make the change there indicating the....." Commissioner Campbell, "The 20' easement." Mayor Knutson, "The 20' easement access, yes. That she's referring to, that we're referring to the 20' easement." Ericka Wirtala, "Okay, so we could just add, it could just read: providing for maintenance and shared responsibility of the existing driveway or a newly constructed driveway that provides access to both their lots. I guess if you feel that you can't work it out then the property...." Margie Hendricks, "Well, I was never asked to work it out. That's the point." Erica Wirtala, "Okay." Margie Hendricks, "I was never notified of this subdivision." Commissioner Siler, "And there's a reason for that. Because it's a minor subdivision. The one that you're talking about across the road is a major." Margie Hendricks, "No it was a minor subdivision. 5 lots." Erica Wirtala, "That's a major. 5 lots is a major." Margie Hendricks, "Oh. Okay. Sorry." Commissioner Siler, "5 lots is a major." Margie Hendricks, "Okay. Okay. But, in the documents provided it doesn't say anything about a road access, the 20' road access. It doesn't say that that's what is, that there's to be a maintenance agreement on. It sounds as if, in the document, that they're referring to the 12' easement." Erica Wirtala, "Well I think if we make the change that says: shared responsibility of either the existing driveway or the newly created driveway fully contained on the Norman's property. We could put language in like that." Margie Hendricks, "But you're saying that even though I have legal interest not only in the Norman's, a road access in the Norman's property, and a road access that's being deliberated on my property I had no right to be noticed?" Mayor Knutson, "Well, I guess I am referring to the regulations." Commissioner Turner, "That comes in to play with the property owners. That's not an agreement (inaudible) or anything else" Erica Wirtala, "I don't think we have any responsibility towards that." City Manager Shrives, "The City followed our notice requirements, which is there isn't a notice requirement for a minor subdivision. Now there's separate agreements that are being provided or information is being provided to us, that's what we go off of. We don't go research everything and that's why the information that we were provided is why you've gotten the staff report you have. It sounds like we've dealt with the agreement and/or the easement because the easement is actually shown on this property. Sounds like we've dealt with that if we change that condition. The other thing that was brought up that I'm clear up is

again we were told as part of this but in the MRZD permitted uses, it was mentioned this multi-family dwelling, actually a multiple family dwelling IS permitted in the MRZD. So if there is one there then that still would be a permitted use. Now what we did not do by not knowing that is we didn't consider that there's any additional traffic volume. If there's a large impact on that. That may be an... " Margie Hendricks, "However, it isn't permitted. They do not have a permit. It's permitted for a single family residence." City Manager Shrives, "So if the applicant wanted to address that all I know is we were presented as two single family dwellings. If there are there. If you look at what's permitted in MRZD, there is multiple family dwelling permitted. It's allowed, maybe allowed is a better word, so I don't have any answers to that because we weren't aware that there was a potential, more than two homes on that property." Margie Hendricks, "And you weren't aware that the easement was unrecorded." Mayor Knutson, "Thank you very much for your information. I guess I feel like there's enough confusion on this that my preference would be to have it get corrected first and then come back to us for approval. That's how I feel on it. Anyone else have any?" Commissioner Siler, "I move that we table it." City Manager Shrives, "You've already got a motion." Mayor Knutson, "I'm sorry. We've got a motion on the table. So can you, can we adjust the motion on the table then? At this point?" City Manager Shrives, "I would recommend that you withdraw that motion, whoever made the motion and whoever seconded it." Mayor Knutson, "Okay." Commissioner Turner, "Well let's make this very clear. The road easement is not our issue. Okay. Does everybody understand that is not a City issue. That is the land owners that need to get together. Okay. I completely think and feel that they have taken care of their 20' easement for a road on the plat so." Commissioner Campbell, "I agree. I think whether the two property owners can agree on this 12' road or whether they can't, this property owner has prepared their property to do exactly what they asked us to do." Mayor Knutson, "Do you think the multiple unit dwelling with everything, I was very surprised by that. That was a continual mention as a single family dwelling and I guess I'm a little concerned about going through." Commissioner Turner, "I think that was a surprise but it's still covered under MRZD." Mayor Knutson, "Are there any other alterations you would have made to this recommendation based on that information?" Erica Wirtala, "I think I might have changed some of the language. I would have looked at maybe additional traffic volumes. I know that Tony was under the impression that this was a single family dwelling and so he was looking at that with one additional sewer hook-up. Maybe I could visit with him about what that might entail. Water hook-ups. Maybe he would ask that each unit maybe metered individually." Mayor Knutson, "That would have been addressed?" Erica Wirtala, "I don't like to speak on his behalf." Mayor Knutson, "I guess I'm not saying that we would not approve this but I'm saying maybe get it clarified and cleaned up before we would approve it. I don't feel comfortable approving it as it is right now. But it is up to you to go ahead to either withdraw, you are the one who made the motion Commissioner Turner so if you don't withdraw it then we (inaudible)." Commissioner Turner, "I think they've taken a correct action to get this done. So yeah, I guess I have a little hard time with it, not approving it, or at least putting it to the vote." Mayor Knutson, "Okay." Commissioner Turner, "But if Tony wants to say something about what we have done up, I'm more than happy to listen." Tony Porrazzo, City of Polson Water/Sewer Superintendent, "No I've approved this." Mayor Knutson, "Okay." "Jack Duffy, "May I speak?" Mayor Knutson, "Just one second. Yes Ken. You were going to let me know that you had a comment. Do I have any other Commission comments at this point? No?" Commissioner Campbell, "I'm with Stephen at this point. I think they've done their job." Commissioner Morrison, "I agree too." Mayor Knutson, "Okay. And it doesn't make you uncomfortable having the data not be correct on it? On the information." Commissioner Campbell, "I'm not sure (inaudible)." Mayor Knutson,

“Okay. So if there’s more sewer hook-ups that are needed or something to that effect.” Commissioner Campbell, “I’m not convinced that even if there are two people living there or three people living in there, they still could live with one 4” sewer line. A four plex or a six-plex, that’s not going to change. One sewer line to that building will be just fine.” Mayor Knutson, “Okay. I guess I can rely on the fact that our Planner is saying that they would have done additional or different type of information so that’s what I am falling on. Certainly if we’re not withdrawing the votes, or withdrawing the motion then we can go ahead and put that forward and go ahead and vote on it. So with that then, actually I am going to pause one moment. This is complicated. I will go ahead and allow another point on this. If you would like to come to the podium. State your name, address or ward number and share your comment” Jack Duffy, Duffy Land Surveying, “308 1<sup>st</sup> St West is my business address. I believe the Normans are taxed for single family. They didn’t build that residence. It was built by others. It may have been set up with a mother-in-law’s set-up with a kitchen in the lower level. That I think may explain that use.” Mayor Knutson, “Okay. Then we will go ahead. I’ve got a motion Commissioner Turner with a second from Commissioner Campbell. This is for approval of the two lot minor subdivision preliminary plat for the Normans subdivision. We will vote then beginning with Commissioner Erickson.” Commissioner Erickson, “Nay.” Commissioner Southerland, “For”, Commissioner Siler, “Against”, Commissioner Campbell, “For”. Commissioner Turner, “For”, Commissioner Morrison, “For.” Mayor Knutson, “Against.” Mayor Knutson, “That 4-3 so Motion carries and we move on to the next item. Thank you, thank you all for the information.”

**ANNUAL IMPACT FEE REPORT FY2014-15( 01:00:21)**-Finance Officer Cindy Dooley presented this agenda item. Cindy Dooley, “This is the annual report of our Impact Fee Funds, which we have four, Fire, we have Parks, we have Water and Sewer that we collect Impact Fees for. Ordinance 663 is our support for the Impact Fees. Just a little bit on the summary. I did reference the TischlerBise Impact Fee Study a little bit more this year. One of the things that was in that report was that over the first five years the Impact Fees were supposed to raise about 3.5 million dollars. So far, over the last nine fiscal years that we’ve had it we generated \$1,144,736.00 which is about one third of the estimated revenue that we were supposed to collect over five years. The down turn in the economy had a significant impact on our Impact Fee revenue, but in addition the reduction in the fee; first reducing them 80% and then reducing them 50% has cost a revenue loss of \$299, 730;00. So we’re having a little bit of a growth spurt now so the Impact Fee revenue has been pretty good this past year. We collected \$86,971.00 so far in FY2015. So I hope you had a chance to read the report and go over it. I don’t think I want to read the entire report. I would entertain any questions you might have regarding the report. One part that I did add this year was a section on why we have Impact Fees. So basically having Impact Fees is a policy decision to try and increase revenues that have an access to the demand for the public facilities. So you will notice in that figure that I included as the revenue basis is smaller you have a stronger need for those public facilities. So the Impact Fees are trying to increase that smaller bit of revenue to help impact that larger development. So basically you’re trying to reduce the burden on your existing tax payers and rate payers that are supporting the current level of services and infrastructure by not asking them to pay for the increase demand that they may not need. And so then the other item that I included this year that’s new was how our Impact Fees structure came about. So basically there are three methods; you have a cost recovery method that looks at past cost, an incremental expansion method that looks at the present and then a planned based or a future. And so basically our Parks, we looked at kind of an incremental expansion so we’re going to keep saving up money and using it as we need it to create improvements in the Parks and also then enhance our trail system. The Water basically that’s driven by State laws, by having to add additional wells, tanks, and the major lines. And then of course the sanitary Sewer, we’re looking at the new treatment plant, so that’s more of a plan based future. It’s based on, you know, what we need to keep the system in line with rules and regulations. And then the Fire was based also on the

incremental expansion looking to save up money as we need it for projects. So I added those two items to that report. Then if you go through and look this is the schedule of our full Impact Fees based for residential and for the non-residential in attachment A. And then in attachment B this is a breakdown by each one of the departments. The first page is a summary of all of the departments and then I've got a breakdown by each one of the funds. And you will notice this year there was not very much money spent out of the Impact Fee funds. The Parks Department did purchase a Polaris Brutis that's used to clean the trails in the winter time and also I think it can be brushed, swept in the summer time. And then other than that the Cougar Ridge Reimbursement agreement there was so far this year \$28,870.00 that we've reimbursed the Cougar Ridge Development folks. And that is about it on that. And then I've also included a schedule on attachment B6 that shows the residential detached housing and the residential attached housing at the different percentage points. So currently we're at the 50%. And then this year I did add a commercial percentage and we took this off of the Valley Glass building permit. And then I also did include a Tax Revenue Summary of what a typical residential three bedroom, two bath home would bring in revenue over a 10 year period which is about \$7,543.00. A commercial building average about \$24,488.00. So we'd get a combined revenue of about \$32,031.00. And if you figure about 10% of that would go towards infrastructure over that 10 year period, you'd get about \$3,203.00 which probably wouldn't even make one payment on debt service." Mayor Knutson, "And where would the rest of it go?" Cindy Dooley, "Probably to operations and maintenance." City Manager Shrives, "Because that would be the Tax Revenue would go into the General Fund." Cindy Dooley, "The General Fund." Mayor Knutson, "And so you can't earmark that for anything?" City Manager Shrives, "Well, you've got to put it in the General Fund and fund the Operations out of the General Fund. So when we looked at this we just said if we were estimating tax revenue probably 10% of the tax revenue would go into infrastructure and 90% would go into the rest of the General Fund to fund the rest of the operations." Cindy Dooley, "Right. You cannot earmark the General Fund," Mayor Knutson, "Okay. Or the tax base." Cindy Dooley, "Right." Commissioner Turner, "So Cindy where do you think they should be at?" Cindy Dooley, "Well obviously I think they should be at 100%. When we did the study, they told us based on our needs, our future needs, this is where we need to be." Commissioner Turner, "So if we shut down new construction over all because we're at 100% what's that going to do for us?" Cindy Dooley, "Well, I just don't think that would happen because Impact Fees and growth and development are not really tied together in my mind." Commissioner Turner, "Do you think people are paying attention when they are building a new house?" Cindy Dooley, "No." Commissioner Turner, "Really." Cindy Dooley, "No I really don't." Commissioner Turner, "I would greatly disagree with you especially on a first time home buyer." Cindy Dooley, "That's fine." Mayor Knutson, "Okay. Do we have questions?" Cindy Dooley, "Are there any other questions?" Mayor Knutson, "I did have a question that got partially answered but I would like to share with the rest of the Commission that I asked the question, can we, we are currently at 50% right now. Can we adjust the percentage based on the account? Can we change say Fire, leave it where it is and adjust Sewer and Water up 100% or up to 70% or something to that effect. I think that is unknown at this point. The actual, I think the feeling is that no we can't. We have to adjust them all at the same rate but there's that question out there. It's not clear whether or not we can do that." Cindy Dooley, "Right. We'd probably have to get an opinion from our City Attorney." Mayor Knutson, "But that is one thing that as we think about maybe making adjustments, I thought maybe a way to actually look at that prospective as well. Does anyone else have any other questions? I just wanted to share that with everyone at this point. Any other questions for Cindy?" Commissioner Siler, "Well I wonder about the fairness to our rate users when we hit them with this 14 million dollar sewer plant. We dropped them by 50% and we didn't see any increase so I'm wondering if we increase are we going to see any decrease in building? Somebody's got to pay for that new sewer plant and I hate to see us have to go, we're going to have to go back to the rate, to the users again and it would be nice to not have to get quite as much." Commissioner Turner, "I would agree with that. I think everybody that uses it needs to have to pay their share. So, I don't see that as an issue." Commissioner Siler, "The Impact Fees are for people that are not here now. So that they get to pay their share, the way that I understand it." Commissioner Campbell, "It's buying into a system that the rest of us paid for." Commissioner Turner, "But if we raise them to a

certain point then people don't want to buy into them and we haven't done any good." Mayor Knutson, "That is the question, finding that rate that is more fixed versus variable. Find the appropriate amount to have for our Impact Fee." Commissioner Turner, "I agree there needs to be a balance. But I don't agree with 100%. And I truly don't think people care whether they're a first time home buyer or building a multi-million dollar house, they're still going to look at it. They're going to pay attention. Everybody is." City Manager Shrives, "So let me ask a question, are we questioning the report as far as how the report was done and is that something that you want to at possibly at another report or is it just that based on the report, the numbers that the report present initially 100% was adopted and it was taken down to 20 and now back up to 50?" Commissioner Turner, "I don't think we need another report." City Manager Shrives, "Okay, so it's not the report." Commissioner Turner, "But we do need to pay attention to the fact that somebody wants to build a house here, they look at the Impact Fees in the City and well, they can go out to the County and build. It's a business and we just need to be aware and understand why we raise them or leave them alone. When the study was done the Impact Fees were put in at 100% but they're made to be reviewed and adjusted. So, I'm not against them, I just don't think we need to price ourselves out of the market." Commissioner Morrison, "I agree with you totally as a business person." Commissioner Turner, "I mean construction has picked up. We've all seen that. But remember that helps everybody in this town. I mean, from the City to the stores here. You can shake your head if you like. You seem a little greedy to me." Cindy Dooley, "No. Here's an example. So let's take Wal-mart and the ladder truck. So, the current citizenry, the buildings in the area, they really didn't require the ladder truck. So why, just because Wal-mart needs something like that or the Fire Department needs that to handle that building, why should the existing tax payers have had to either fund it with debt or something like that?" Commissioner Turner, "What are you saying the existing taxpayers are funding it?" Cindy Dooley, "Yeah, we would have, the existing tax payers that didn't need that ladder truck would have had to fund that. Because if something that in order to fight a fire at Wal-mart, we needed a ladder truck." Commissioner Turner, "And Wal-mart paid for the ladder truck." Cindy Dooley, "Through Impact Fees they paid ...." Mayor Knutson, "They paid Impact Fees, and through the Impact Fees we purchased...." Cindy Dooley, "The ladder truck." Mayor Knutson, "I guess I would think we would, in the evaluation process, if we had a building coming in that we didn't have the equipment to service, I would hope we wouldn't allow it based just on that, or before have an agreement with them that they would purchase something to service. I'm a little confused at that, that example because I would hope that we wouldn't allow a skyscraper in here that we can't service." Cindy Dooley, "Well, you may have made some kind of an agreement with them. Since the Impact Fees were in place, it worked out perfectly." Mayor Knutson, "Yeah." Commissioner Turner, "What does Wal-mart pay in taxes per year?" Cindy Dooley, "They're paying about \$44,000.00 a year right now." Mayor Knutson, "So that amount would have been lost too if they had made the decision not to come because of Impact Fees is what your point is Stephen. Correct?" Commissioner Turner, "Right. They're here and they're paying taxes. Pretty good deal." Cindy Dooley, "But I highly doubt they would have chosen not to come just because of the Impact Fees." Mayor Knutson, "And I think..." Cindy Dooley, "I can't quite wrap my head around that one." Mayor Knutson, "Yeah and I think that's a perspective." Commissioner Turner, "I think Wal-mart is a poor example. You are dealing with a company that, they don't care about Impact Fees. I will agree with you on that. They've got more money than they know what to do with. So, if they want to be somewhere, they're gonna come. It's a poor example." Cindy Dooley, "I don't think so. I mean, I think from the discussions we've had in our department head meetings and things that you know Wal-mart creates an impetuses for a lot of other retail and that type of construction to come into the area. And so, I'm thinking that a lot of that is, our construction, is a result of that." Mayor Knutson, "And I think....." Cindy Dooley, "So...." Mayor Knutson, "We've asked Cindy...." Cindy Dooley, "This is the report." Mayor Knutson, "To put the report together and has shared her opinion with us. I think that we have the opportunity to discuss too and make some recommendations and vote on what we discuss here. But she's answered the information that we've asked of her to do that. And there might be different perspectives on the same information which is fine. I guess I would open it to....Are there any other questions for Cindy at this point?" City Manager Shrives, "This is just the report." Cindy Dooley, "Right. Because we've

separated the agenda items. They're not together." Mayor Knutson, "I'm actually going to open it up for additional comments on it. Why not. So that's where I was going with that. Not to a vote but do you have any other questions for Cindy at this point? Okay. Then I will go ahead and open it for additional comment on this agenda item. We'd like to hear if anyone else would like to share on the Impact Fees discussion and again we're not going to vote on this until the next agenda item. So we're just sharing information now." Unknown speaker, "You're only requesting on the report not on the second item." Mayor Knutson, "I'm requesting information on the report. Yes." **Tony Porrazzo, City Water/Sewer Superintendent**, "Hi. Although I'm very happy to hear that Wal-mart pays \$44,000.00 a year in taxes but I don't get a penny of that. So I just want you to remember that we're separate. So Impact Fees and taxes are two different things in my book. Not in Parks and not in Fire but as far as Water, Sewer, and Storm and everything else, that money doesn't faze me. The Impact Fee is all that I get, and my portion ends there. You know, everyone else, they keep getting it in taxes. I don't. So I look at Impact Fees a little harder. And I know that maybe we can't separate it, you know, and say well we're only going to raise it or we're not going to do this. I don't know if that'd work or not. But for my book I think they need to go back to full monty because we need it. We need it badly for the public. Because it is a buy in for new construction. It's a buy in for people that came in that they have all of this going on. So they should put their money in. That's the way that I see it. So, I just wanted to get that out. Although I agree with a lot of what Stephen was saying but when you look at it from my perspective it's a little different. Okay. Thanks." Mayor Knutson, "Additional comments please." **Dennis Duty**, "33425 Hellroaring Road. Well Tony, you get, you don't get Impact Fees but you get a monthly payment from everybody as they go along, for their use in that sewer and water. So the rest of the place gets paid on property taxes so I think there's just a different whole way that operates. First of all, I do believe that you can separate and increase one without the other but you should obviously get a legal opinion. I know in other areas that are doing that. So, we should find out and I agree with you. I think there are some areas that do need it more than others. I think you gotta be really careful about saying that Wal-mart paid for a truck, a new fire truck. Let me read to you what Impact Fees, it says about Impact Fees legally. 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 the adoption of increase level of service. You can't use Impact Fees for increase service. You can't use Impact Fees for a vehicle for the Parks if it's not in, being utilized by those people who are paying those Impact Fees. They have to be directly related to who's paying those Impact Fees. And I look at what's being presented here. I don't see that. I see it's going in and being used for multiple uses not strictly for where those Impact Fees were generated. I think you're going to get yourself in hot water if you aren't careful. That's State law. Ah, for example, we paid quite a bit of Impact Fees at Mission Bay so what specifically are we seeing going into Mission Bay? The new sewer plant is coming in because, not because of new development necessarily. It's coming in because the rules changed. We can't dump, we can't use the same way we're putting it in. It's not because of all new construction. Am I right John?" Commissioner Campbell, "No. It's pretty much it's old. It's wore out and it's old and wore out and over done because of new construction." Dennis Duty, "But you could use the same technology that you're using now if that had not changed, and that would have been a whole substantially different cost." Commissioner Campbell, "I doubt it." Dennis Duty, "Well, my point is that the rules changed. It isn't just because of and so should new development coming in pay for new sewer plant because the old plant was wore out because of existing users. I agree that they should contribute. Should they pay all of it? Or should we try to go out and get the new people coming in to town to help pay for everything that's happening here? I don't agree with that. And they also say that when, I was very much in support of Impact Fees when the original plan was written. The original plan was written, ahhh, by TischlerBisch, I guess how you say it. They recommended several levels or offered several levels. This could, the Commission at the time took the highest possible Impact Fees allowed by law. You don't have to take the highest. They decided they wanted the highest. We were in the biggest boom we've ever been in. Things were booming. People weren't paying as much attention as they are now. I can tell you there's some people trying to build a

house right now in Mission Bay who are trying to get it done before the Impact Fees go up. So people are paying attention to it. I don't know if they'd build if it was 100%. I don't know." Unknown Speaker, "They would not. I've already talked with them." Dennis Duty, "So again I think you are mistaken when you saying people aren't paying attention and they'll do it anyway. They won't. I have experience. They won't." Unknown Speaker, "They're a retired couple on a fixed income." Dennis Duty, "And same with these first time home buyers. We don't have to go to the max just because it's there. I will agree that we really need to see if, I think the sewer plant should have some higher rate if we can do it because it is an impact. And the new people coming in should pay it but I don't think you can go into and take these monies that you are getting from these impacts and basically start using them for fixing things. They have to go into what those places are paying those impacts are impact. Period. Thank you." **Lita Fonda**, "Hi. I live in Ward 1. I don't know a lot about Impact Fees but it seems like when things are going along kind of normal they should be, it seems like they should be at 100%. So I would be mystified otherwise. The one adjustment to that may be if they set during the bubble. The bubble was sort of extreme. So I don't know, maybe they were set a little high if that was the time. I don't know. I'm just speculating. But again it just seems like if things are going along as normal, when I talk to people, and from what I hear and see, things feel pretty normal. Pretty good. It seems like the Impact Fees should be at the normal rate. I'm also a little mystified when people mention first time home buyers. I usually imagine someone out there buying their first home, but it seems like would Impact Fees apply to first time home builders or just anybody buying a first time home? Because those are two different scenarios. Anyway, so I guess I'm in favor of having a little higher Impact Fee or you know, a higher percentage. Thank you." Mayor Knutson, "Any additional comment? No. Okay. Additional discussion here at the Commission? We can move on to the next item on the agenda as well if we are ready to move on to that. Move on to the next? Okay. Okay, thank you everyone for the input. Actually I do have one question. I'm sorry. I had asked about comparisons for our City vs. other cities and I haven't seen that yet. So I was curious about what the status of that was." Cindy Dooley, "So, unfortunately it's not too easy to get things off of the web. I've looked at Hamilton's, and I've looked at Livingston's, and so Hamilton's for residential is a couple thousand dollars more than us altogether for all of their fees. Livingston is about \$2,000.00 less than our 100%. Some of these other places do include like transportation fees which we don't have. So, we're still in the process of getting a table put together for you. So we're going to have to make some phone calls and things. And so we could, as soon as we get that put together we can get that out to you." Mayor Knutson, "Okay. Thank you. I guess the comparison for me was to just to share with you guys. It's always good to have a base line and see where we fall within. We do that with our pasta business. Where we fall within the pasta category. And I think as I look at this I would be curious as to where we fall within the Impact Fees as well. We can use that as a position factor as well. I just thought it would be interesting information to have in evaluating the decision too." Commissioner Turner, "It would also be interesting to see what other cities what percentage they are at." Mayor Knutson, "I agree." Commissioner Turner, "Whether they're at 100 or where (inaudible)." Mayor Knutson, "And maybe when they've made some changes like we have. See if we're kind of tracking the same or (inaudible)." Commissioner Campbell, "See if they've had the same results." Mayor Knutson, "I agree." Commissioner Turner, "So looking down at number 9, we should just table that because it would also be that, if we could just raise Water and Sewer." Mayor Knutson, "I'm very curious about that as well." Commissioner Turner, "I think that we get everything figured out we should just table it." Mayor Knutson, "Is that a motion?" **Commissioner Turner, "I will make a motion to table No.9."** **Commissioner Southerland, "I'll second."** **Mayor Knutson, "Alright I have a motion to table the Resolution on the Impact Fees from Commissioner Turner with a second from Commissioner Southerland."** Do I have any Commission discussion on this?" Commissioner Erickson, "I have a question for Mark. Does this need to be done quickly?" City Manager Shrives, "No. Even the Resolution won't take effect until July 1<sup>st</sup>, which would be the start of the Fiscal Year. The report, the financial report that is required to be provided so you got that report. This basically kind of goes back to, I think Cindy said it's a policy decision on Impact Fees. They were adopted. Since that time there's been two changes; dropped it by 80 and now it's at 50. So no. There's no requirement. I did want to double

check one thing. I want to make sure that I've got all of the questions so that when we bring this back. So I'm looking for a legal opinion, can you split the Impact Fees and then the other one that came up was the comparison table which would include not only the raw comparison but are they at 100%, or what their percentages are at. And try to compare the results that way. So that's the two things I took away from the conversation." Mayor Knutson, "Yeah, and I think when they've made changes if that's possible to find where they've made some adjustment to their rates." Unidentified Speaker, "Would it be also to add to what the Impact Fees of other communities encompass?" Mayor Knutson, "Yeah I think that would be on the full table right? I mean you've included if they have transportation? City Manager Shrives, "Yeah." Mayor Knutson, "Thank you for that clarification." Unidentified Speaker, "Sorry I didn't mean to interrupt." Mayor Knutson, "I agree with that. Does anybody else have anything to add? Okay. So I've got a motion from Commissioner Turner with a second from Commissioner Southerland. Any additional Commission discussion? Do I have any public comment? Okay. We will vote beginning with Commissioner Morrison." Commissioner Morrison, "For." Commissioner Turner, "For." Commissioner Campbell, "For." Commissioner Siler, "For." Commissioner Southerland, "For." Commissioner Erickson, "For." Mayor Knutson, "For." Mayor Knutson, "Okay. Motion carries."

**APPOINTMENT OF SEVENTH MEMBER TO THE ECONOMIC DEVELOPMENT COUNCIL & APPOINTMENT OF THE CITY STAFF REPRESENTATIVE (01:31:22)**-City Manager Shrives presented this agenda item. There was a tie between Paul Briney and Lou Marchello at the last Commission meeting. Also, there is to be a Staff representative appointed to this Council to assist with taking the meeting minutes, posting the agenda, etc. City Manager Shrives recommended that Finance Officer Cindy Dooley be appointed as the Staff Representative. There was a vote taken with the names of Paul Briney and Lou Marchello on the ballots. City Clerk Cora Pritt calculated the votes. Mr. Paul Briney won the vote 4-3. **Commissioner Campbell motion to appoint Paul Briney to the Economic Development Council as the seventh member. Commissioner Erickson second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**  
**Commissioner Southerland motion to approve Cindy Dooley as the appointed City Staff Representative for the Economic Development Council. Commissioner Siler second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried.**

**REQUEST FOR BOND WAIVER AND FIRE SUPPRESSION FOR 4<sup>TH</sup> OF JULY FIREWORKS DISPLAY (01:36:19)**-Ken Avison, Polson Chamber of Commerce presented this agenda item. Mr. Avison explained that this request occurs each year. The City Commission waives the requirement of a Bond. Steve DuPuis will be in charge of the 4<sup>th</sup> of July Fireworks and he will be bringing proof of insurance to the City office. Mayor Knutson asked if Chief Fairchild was aware of this. City Manager Shrives answered that he is aware of it. This is standard. **Commissioner Morrison motion to approve the Bond waiver and fire suppression for the 4<sup>th</sup> of July Fireworks contingent upon receipt of the Certificate of Insurance. Commissioner Turner second.** Commission discussion: Commissioner Siler asked for clarification on what is the bond. City Manager Shrives explained that the bond requirement is the same as Certificate of Insurance. Commissioner Turner asked if the fireworks would be shot off of a barge on the river. Mayor Knutson explained that it is actually on the ground at the fairgrounds. Public comment: none **VOTE: Unanimous Motion carried**

**PROPOSAL OF AN URBAN CHICKEN ORDINANCE (01:42:29)**- Tracy Nash presented this agenda item. There was an ordinance brought before the Council in 2009 and it failed by a vote of 3 to 4. There are a lot of people trying to go organic because of the hormones that the chickens are being fed. Missoula, Kalispell, White Fish and Hamilton have ordinances permitting chickens. There are restrictions such as the number of hens that are permitted. There are no roosters allowed. These ordinances include such things as predator proof enclosure, no slaughter within public view, a set distance from neighbor, and rodent proof feeders. A permit fee is collected. A few of the benefits are help with bugs, provide great fertilizer, great pets for children. Tracy asked the Commission to consider bringing back the

ordinance. Mayor Knutson asked Tracy to email to her the previous ordinance. Commissioner Turner asked if it is illegal to have chickens in Polson. Police Chief Wade Nash answered that yes it currently is illegal. Chief Nash commented that the cities listed that have the ordinances charge of \$20.00 to \$50.00 annually. City Manager Shrives commented that this would need to be an amendment to the Polson Development Code. Commissioner Turner commented that the subject should move forward. Mayor Knutson agreed that the subject needs to go to the City County Planning Board. Public Comment:

**Lee Manicke**, “Ward 2. Some of us get a little nervous up here and (Lee demonstrates by tapping on the podium with his finger), and I think we ought to put some carpet on here so that Dennis won’t have to, he can use his right hand and (inaudible) so Ken can save his finger nails. I think I’ve done a little research on chickens also. I grew up on a farm where they had up to 1500 laying hens. I was in 4-H & FFA (Future Farmers of America). I’ve got an Ag degree in Animal Science. I was in the Veterinary Corp in the Army and I’ve got about 45 years of Ag related career. I want to address some of the things that was said tonight. There is an ordinance on chickens right now and it’s surprisingly enough called the Development Code. Chickens are permitted in the Productive Lands area. They’re permitted in the Rural Residential area with some restrictions. They are permitted in the Low Residential district outside of the City limits of Polson with some restrictions. One of those restrictions is that they can’t be in the Wellhead Protection Overlay district. Sorry to say but I think Mr. & Mrs. Nash live in a Wellhead Protection Overlay district. The organic thing, there’s people around that raise chickens organic and there’s no economic sense in raise two or six hens, absolutely none. It’s not an economic process. If you want to prove it, do it as a 4-H project. Keep good records of what it cost to build the chicken house and advertise it out and all of the fees and costs of the chickens. Heat and all of the other things and it won’t pay. Other towns have done it, why can’t Polson be like Polson? Why do we have to be like Hamilton and White Fish and Missoula? Go back to that it’s an ordinance. I think Wade’s going to be awful busy tomorrow morning because there is an ordinance that says chickens aren’t permitted in LRZD, and MRZD in town. They’re not permitted in the business district, Highway Commercial / Central Business district, Industrial Business. They don’t want any roosters because they are noisy. Well I can tell you that an old hen is kind of proud of laying an egg and there’s a lot of noise when she lays an egg. So they’re (inaudible) in the daytime but they do make some noise. And they want enclosures and distance. The one in Productive zone, Rural Residential is 50 feet from the lot line in County. That would be awful impractical to do that in town. They want to make it rodent proof. I can tell you how careful anybody is in raising chickens they’re going to spill a little bit of feed. The chickens are going to scatter the feed and it will attract rodents. That’s rats and mice, ‘coons, skunks. There’s a lot of skunks around as well as raccoons. The old ordinance that’s existing had the administrator monitoring chickens, checking for cleanliness that the manure is removed twice a year and flight control. That was taken out in the re-write. We discussed it at the re-write, with quite a discussion for a rather lengthy time. So it’s already been discussed. It’s going to come up in the re-write if that ever happens. Maybe now it’s better it don’t happen. One of the support for the amendment was to help with bugs but I can contest that chickens attract a lot of flies and they don’t catch them. Mentioned the fertilizer, it does make a fertilizer but a rather high nitrogen content and it’s not a well balanced fertilizer. It’s generally not recommended for gardens because it burns. Other than that I don’t think chicken poop has any redeeming factors other than it’s not a very nice commodity. I’ve cleaned out enough chicken coups with a scoop shovel and a wheel barrow to know that rats and mice are not a bit bashful about making their home in a pile of chicken manure. I don’t think that’s something that we want to have around here. Maybe not something that you want to hear but it’s a fact. They’re not a clean animal. The thing that concerns me the most that some people like farm animals, I like farm animals, all of them, but I like them on the farm where they belong. Not in town where they don’t belong. There are some people that don’t like farm animals. Some people have allergies to animals, in particularly feathers. They ought to have some reasonable expectation that they have an environment where they are not associated proximity to chickens and feathers. The sacrifice for not having chickens in town, they’re real small compared to an acute allergy attack because of that. I think the present ordinance that we have addresses this just fine. I think we ought to leave it the same. Let’s let it go ahead through the Development Code re-write as programmed, and it’s in there, and let’s

have the public discussion, and let's see what happens at that time. Not take a look at it now. Thank you." Mayor Knutson, "Thank you. Do I have any additional comments?" **Lita Fonda**, "Ward 1. I have a different take on the Polson Development Code re-write. My feeling was that we didn't really talk, I mean we had the message from the City that they didn't want chickens in the City. I think that if you would like to look into chickens, it would be important to send a message to the City County Planning Board or you know the groups involved with the re-write to let them know that you are interested, or open minded to chickens. Personally I don't think I want any chickens myself but I am open to them being elsewhere in the City given proper ordinance to monitoring and maintain that. But again I think that would be helpful if you would like to look into this to send some sort of inclination to the groups looking at the Polson Development Code because when I was in the re-write I thought you did not want them in the City. I think other people felt the same way. Thank You." Mayor Knutson, "Do I have additional comment? Okay. So I think where we were is making a recommendation to the Development Code committee to take a look at that and see if they want to, I guess I would open up the door again saying make a recommendation. Do you want to stick with this, with what's written or would you like to revise it knowing that the Commission is open minded to hearing your views on it. Is that accurate? Yes. Is that clear?" City Manager Shrives, "You've got it."

**(02:01:17)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. Mayor Knutson suggested full minutes on Agenda Item No. 7. Commissioner Turner requested full minutes on Agenda Item No. 8.

**(02:02:07)** Mayor Knutson thanked Finance Officer Cindy Dooley for the full report that was put together on the Impact Fee. It was helpful to have all of that information together.

**Adjourn. (02:02:29) Commissioner Southerland motion to adjourn. Commissioner Campbell second. VOTE: Unanimous Motion carried.**

**ADJOURN: 9:02 p.m.**

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

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**Heather Knutson, Mayor**

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**Cora E. Pritt, City Clerk**