

# CITY OF POLSON

## CITY COMMISSION MEETING

Commission Chambers

June 1, 2015

7:00 p.m.

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

**OTHERS PRESENT** (who voluntarily signed in): Elsa Duford, Lita Fonda, Bonnie Manicke, Lee Manicke, and Ric Smith.

**CALL TO ORDER: (00:02)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Mayor Knutson, "It is with a very heavy heart that I ask you to join me in a moment of silence to honor Commissioner Dan Morrison. Dan served our City for over 15 years as a Commissioner and we have appreciated his dedication and his contributions to our City. We are going to greatly miss Dan's contributions as well as his enormous smile, his warm heart, and his positive nature. Our most heartfelt condolences go out to his family. We will greatly miss our fellow citizen, business leader, Commissioner, and friend. Please join me and recognize a moment of silence to honor Commissioner Morrison. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (02:57)** Commissioner Campbell 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 ( 3:33)-none**

**CONSENT AGENDA (3:54)**-(a). Claims May 14-28, 2015 (b). City Commission Workshop Minutes May 18, 2015, (c). Finance Officer Bank Reconciliation April 30, 2014 (e). Finance Officer Bank Reconciliation May 31, 2014. **Commissioner Southerland motion to approve the consent agenda. Commissioner Siler second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (4:51)**-City Manager Mark Shrives reported on the following: The Economic Development Council has had two meetings to date. Vice Chair Becky DuPuis was asked to address the Commission and give a brief update on the meetings thus far. Vice Chair Beck DuPuis reported that the Economic Development Council (EDC) has discussed whether or not there is an interest in a Resort Tax, Research has been conducted into other communities that already have a Resort Tax in place, Crafting the language of the Resort Tax for a proposed June 24, 2015 Public Hearing. The current proposal will be a taxation that will be in effect the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of the year. Commissioner Erickson asked which communities the EDC has looked at. VC Becky DuPuis answered that White Fish, and Red Lodge. Items being considered for the Resort Tax will be: restaurants, bars, hotels. This list is still being discussed. Commissioner Southerland commented that there will be a guest speaker from White Fish at the EDC meeting of June 3, 2015. Commissioner Siler asked if there had been any comment from the Confederated Salish & Kootenai Tribe. City Manager Shrives answered that he has spoken with Rob McDonald, CSKT Community Director, and Rob had given the Tribal Council a brief update. The Mayor and City manager will be meeting with Tribal Council in the next few weeks and the Resort Tax will be a topic of conversation. Commissioner Turner asked if there was anyone that would be exempt. Vice Chair DuPuis answered that Tribal members would be exempt from paying a Resort

Tax. Commissioner Southerland commented that there will be a rebate given to property owners within the City of Polson city limits. Vice Chair DuPuis commented that the highest tax percentage will be 3%. Commissioner Turner commented that this may drive away business. Vice Chair DuPuis answered that is why it will only be for six months. Mayor Knutson commented that it sounded like the EDC was off to a good start. City Manager Shrives then read a letter from the Polson Dollars for Scholars that the Polson Bay Golf Course received. The letter thanked Roger Wallace and the Polson Bay Golf Course for Co-sponsoring the Lake City Open golf tournament. The tournament raised \$7,750.00 for scholarships for Polson High School graduates. City Manager Shrives then commented on the Golf Course New Cart Storage facility bids that were opened on May 29<sup>th</sup>. The lowest bid was \$181,000.00. Also the Old 9 Irrigation project will be getting underway soon. Bids will be taken in the near future. Also, the Golf Department is looking at replacing the fleet of golf carts. City Manager Shrives asked the Commission if they would like to move forward with planting a tree in one of the City parks with a plaque as a memorial to late Commissioner Dan Morrison. The Commission unanimously agreed to move forward with this project.

**APPROVE ORDINANCE #2015-006 AN ORDINANCE TO ADOPT CHAPTER 3, ARTICLE 4. STORMWATER, ARTICLE 5. UTILITY POLES, ARTICLE 6, PUBLIC WORKS STANDARDS AND ARTICLE 7. INFRASTRUCTURE REBATE TO THE CITY OF POLSON BOOK OF ORDINANCES (28:52)**-City Manager Shrives commented on two questions that had been asked at the previous meeting. Handbills on utility poles-this ordinance will not address that issue. That will be addressed in a future law enforcement ordinance. The other question was on 3.04.090-co-ordination with the County/State. Does there need to be Tribal co-ordination. City Manager Shrives answered that is not a requirement. There isn't anything in the storm water to be coordinated with the Tribe. There was also some confusion on Article. 6 Public Works Standards. City Manager Shrives explained that basically the City would adopt the State's Public Work Standard. Mayor Knutson clarified about adopting modifications and that there is a separate file kept in the City Clerk's office and one in the Water/Sewer Superintendent's office if there are modifications. City Manager Shrives answered that basically the modifications are made by the State and the City just adopts the modifications. If for some reason the City would decide not to adopt the modifications, then there is a separate process the City would have to go through. Commissioner Siler pointed out an error in section 3.04.120-line 9 the word "glitters" should be changed to "gutters". Mayor Knutson commented that in section 3.04.070-second line, last word "Limes" should read "Lines". **Commissioner Campbell motion to approve the 2<sup>nd</sup> reading of the Ordinance #2015-006 adopting Chapter 3, Article 4. Stormwater, Article 5. Utility Poles, Article 6. Public Works Standards and Article 7. Infrastructure Rebate to the City of Polson Book of Ordinances. Commissioner Southerland second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE A RESOLUTION SETTING IMPACT FEE COLLECTION LEVELS (tabled at the May 18, 2015 meeting) (33:56)** -Mayor Knutson asked for a motion to remove the Resolution from the Table. **Commissioner Siler, "So moved." Commissioner Southerland second.** Commission discussion: none public comment: none **VOTE: Unanimous Motion carried.** City Manager Shrives presented this agenda item. City Manager Shrives presented additional information regarding the Impact Fee Resolution. Previously the Commission had asked if the percentages could be different for each fund. The answer is yes, each fund can be set at a different percentage. The second question that was asked was to get some comparisons from other communities. City Finance Officer Cindy Dooley presented her report on the communities of Polson, Whitefish, Hamilton, Columbia Falls, Livingston, Lewistown, and Conrad. Some of these cities are Class 2 and Class 3. The report includes Residential and Commercial. Columbia Falls does not have Impact Fee. Lewistown does not have Impact Fees. Livingston started in 2006. Conrad has a System Development Fee for Water/Sewer only. Whitefish is the most detailed in money division. They are currently at 95% and a 5% administration fee. Compared to Polson, Whitefish is \$1,000.00 lower than Polson. At Polson's current 50% rate, we are several thousand dollars lower.

Hamilton also has a Transportation Fee. Hamilton is currently at 100% of their fees. Livingston also is at 100%. City Manager Shrives pointed out that with the new information received it would be good to have a decision made in the month of June regarding the Impact Fees. The agenda item could be tabled until the next meeting. There does not have to be a decision made at this meeting. Commissioner Southerland asked if the percentages between Residential and Commercial could be different. City Manager Shrives answered yes. Commissioner Campbell commented that raising the Sewer department percentage made more sense. Commissioner Turner commented that 100% still seems high. Mayor Knutson asked if anyone had a suggested motion or did the Commission want to take some time? Commissioner Turner commented he would like to take some time. **Commissioner Turner motioned to table the Resolution setting Impact Fee levels. Commissioner Siler second.** Commission discussion: Commissioner Turner, "Out of curiosity, why does commercial not pay Parks?" Finance Officer Cindy Dooley, "Because I think they feel that there's no impact." City Manager Shrives, "Versus a residential area that would impact the market." Public comment: none **VOTE: Unanimous Motion carried**

**EMERGENCY ORDINANCE AND ORDINANCE TO ADOPT CLOSURE HOURS FOR CITY PARKS (48:03)**-City Manager Shrives presented this agenda item. This is basically an ordinance to set hours for the Parks. There was an assumption that the City had Park hours but we don't. The hours selected was coordinated between the Police Department and the Parks Department. This will allow the Police to enforce the Park hours and the hours will be posted at all of the Parks. **Commissioner Southerland motion to approve an Emergency Ordinance to adopt closure hours for City Parks. Commissioner Erickson second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried.**

**AWARD THE BID FOR THE POLSON PUBLIC WATER SUPPLY WELL NO. 8 PROJECT TO THE APPARENT LOW BIDDER, O'KEEF DRILLING COMPANY IN AN AMOUNT OF \$89,810.00 PENDING FINAL APPROVAL OF FUNDING AGENCIES AND COMPLETION OF REFERENCE CHECKS AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE ALL NECESSARY CONTRACTS.(52:00)**—City Manager Mark Shrives, "This is part of the overall water project that we've been talking about. This particular bid is to drill a test well and then if the test well were to come in meeting municipal standards then we would move forward. The purchase of the property we've already got tied up in escrow. If it does not come in then we would not move forward to actually develop the well. We received one bid and that was O'Keefe Drilling and so that's kind of where we're at. It's within the acceptable standard of the engineer estimate and so we recommend you approve it. We still have to go to the funding agency but this will keep this project moving and again this is only for a test well. We will move forward if the test well comes in meeting municipal standards." Commissioner Turner, "So we only got one bid?" City Manager Shrives, "We only got one bid." Commissioner Erickson, "Two local bids but only one (inaudible). Isn't that what it is?" (Commissioner Erickson and City Manager Shrives are speaking at the same time making transcription too difficult). Unidentified speaker-"Is this the Gauthier property?" City Manager Shrives, "Is it? Yes." Commissioner Turner, "Do we have a depth that we gave them that they're punching down to?" City Manager Shrives, "I don't remember what the technical specs were as far as depth." Commissioner Campbell, "The bid shows 250 feet." City Manager Shrives, "I don't recall. I'm sure we must have said in the specs. Yeah, 250." Water/Sewer Superintendent Tony Porrazzo, "It will depend on what we find on the way down." Mayor Knutson, "Any other questions?" Commissioner Siler, "The motion isn't real clear to me that we're only going to do the test well. Where does it spell out that?" Commissioner Campbell, "Look at the Background above. It describes the process." Commissioner Siler, "Okay. Just so it's covered." Commissioner Campbell, "I believe so. The bids got unit cost." Commissioner Siler, "Yeah. It looks good on that page but the motion doesn't say anything about stopping if the first one fails." Commissioner Campbell, "I guess the motion doesn't say that. No." City Manager Shrives, "If it meets the standards then we will move forward and finish the project. It's all a part of that." Commissioner Turner, "The test well really is only costing \$10,000.00." City Manager Shrives, "Right. (Note there are

several person speaking at once making transcription difficult). City Manager Shrives, "With the whole project with the caveat the test well does not come in then we won't finish the project." Commissioner Campbell, "If the test well don't come in then we go back to the unit cost here and pay them for that." City Manager Shrives, "Yes. That's why we did the unit costs." Mayor Knutson, "Is that good Ken? That work for you?" Commissioner Siler, "Yes that works for me." Mayor Knutson, "Any other questions?" Commissioner Turner, "How are we going to power that site?" City Manager Shrives, "Mission Valley Power. We're getting power from..." Tony Porrazzo, "No. Actually the driller will provide the power." City Manager Shrives, "If it comes in it will be Mission Valley Power. They'll provide their own power for drilling. Then we'll get power from Mission Valley Power for the final well." Mayor Knutson, "Okay. I would look for a motion then." **Commissioner Campbell, "I move to award the bid for the Polson Public Water Supply Well No. 8 project to the apparent low bidder, O'Keefe Drilling Company in an amount of \$89,810.00, pending final approval of funding agencies and completion of reference checks and to authorize the City Manager to execute all necessary contracts. Commissioner Turner second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**AWARD THE BID FOR THE POLSON NEW GOLF CART STORAGE BUILDING PROJECT TO THE APPARENT LOW BIDDER, PENDING FINAL APPROVAL OF FUNDING AGENCIES AND COMPLETION OF REFERENCE CHECKS AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE ALL NECESSARY CONTRACTS.(57:43)** –City Manager Mark Shrives presented this agenda item. The Golf Cart Storage Building will provide garage bays for 60 golf carts, 30 electric and 30 gas. There were two bids opened on May 29<sup>th</sup>. Bjorn Johnson Construction of Missoula, MT submitted the lowest bid at \$181,000.00. Golf Maintenance Superintendent Pat Nowlen described the structures as metal buildings, wood frame construction, OSB sheeting and a 2 hour firewall. The individual storage areas will be rented out. **Commissioner Siler motion to award the bid for the Golf Cart Storage Project to the Bjorn Johnson Construction in an amount of \$181,000.00 pending final completion of reference checks and to authorize the City Manager to execute all necessary contracts. Commissioner Southerland second.** Commission discussion: Commissioner Campbell inquired about the golf course not be able to contribute more funding to the General Fund because of the former bonds. City Finance Officer Cindy Dooley answered the current bond resolution sets a maximum of \$30,000.00 a year. There will be a new indirect cost study done for the upcoming Fiscal Year budget. This will more than likely be revisited. Commissioner Campbell then asked if it would need to be done thru a new Resolution. City Manager Shrives commented that yes, it would need a new resolution. Finance Officer Dooley commented that so far the Golf Course has been able to handle their debt. Commissioner Siler asked if the City was getting a better interest rate on the refinance. Finance Officer Dooley explained the reason that both projects aren't being done under one loan because the cart storage isn't a tax exempt loan. It is a taxable loan. So the bank gets charged on the interest that the loan earns. That is why the two projects are being separated. Information from Glacier Bank states that the taxable loan may be in the 5% range and the \$1,000,090.00 hopefully will come in lower because that will be a tax exempt bank qualified loan. The spaces are already reserved with a waiting list. Public comment: none. **VOTE: Unanimous Motion carried**

**APPROVE A RESOLUTION TO ADOPT FEE FOR STORM WATER UTILITY SYSTEM. (01:07:18)** City Manager Shrives presented this agenda item. This Resolution goes along with Ordinance 2015-006 that was just passed. There is no change in the current charge. This just goes along with the new Ordinance. **Commissioner Turner motion to approve a Resolution to adopt a monthly service and support fee of \$4.00 for the Storm Water Utility System. Commissioner Erickson second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**APPROVE A RESOLUTION ADOPTING STATE PROCUREMENT POLICY (01:08:26)**-City Manager Mark Shrives presented this agenda item. This ties back into the Golf Cart Fleet that will allow

the City to follow the State Procurement Policy. It will allow a Procurement Bid. A Procurement Bid is for a gooder service not necessarily the lowest responsible bidder. This will permit warranties to be set, and other criteria. When evaluating the bid, it doesn't always have to be the lowest responsible bidder. The specifications have to be outlined in advance. The bid price, warranty value, those would be spelled out. **Commissioner Southerland motion to approve a resolution adopting the Montana Procurement Policy in order to take advantage of the streamline process. Commissioner Turner second. Commission discussion: none Public comment: none VOTE: Unanimous Motion carried**

**(01:11:14)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. Commissioner Turner requested full minutes on Agenda Item No. 10. Commissioner Campbell requested corrections to Agenda Item No. 7.

**Adjourn. (01:12:13) Commissioner Southerland motion to adjourn. Commissioner Campbell second. VOTE: Unanimous Motion carried.**

**ADJOURN: 8:13 p.m.**

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**Heather Knutson, Mayor**

**ATTEST:** \_\_\_\_\_  
**Cora E. Pritt, City Clerk**