

CITY OF POLSON COMMISSION MEETING

Commission Chambers

September 7, 2016

7:00 p.m.

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

ABSENT: Commissioner Donovan

OTHERS PRESENT (who voluntarily signed in): Alex Burkhalter, Elsa Duford, Lita Fonda,
Margie Hendricks, and Lee Manicke

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

APPROVAL OF PROPOSED AGENDA (00:50) –Commissioner Erickson motion to approve the
proposed agenda. Commissioner Southerland second. Commission discussion: none Public
comment: none. **VOTE: Unanimous Motion carried**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT ON THE AGENDA
(01:24)** – Mark Johnston, Ward I-commented regarding the Flathead Lake Blues Festival. During the
May 16, 2016 Commission meeting the Mayor instructed the organizers of the festival to get with the
neighbors and put together some form of identification for the neighbors to be able to access the street
that was closed. This was not done. Also there was garbage left behind in Mr. Johnston’s yard; 130
cigarette butts, beer cans, candy wrappers, etc. This is an emotional issue and Mr. Johnston wanted the
Commission to be aware of what wasn’t done. Lita Fonda, Ward I-commented that there were people
camping in the park that has the children’s playground equipment in it. This is just a For Your
Information only.

CONSENT AGENDA (07:14) (a). Additional June 2016 claims, (b). August 12-31, 2016 Claims,
(c). City Commission Written Summary Public Hearing Meeting Minutes August 15, 2016,
(d). City Commission Electronic Meeting Public Hearing Minutes August 15, 2016, (e). City Commission
Written Summary Meeting Minutes August 15, 2016, (f). City Commission Electronic Meeting Minutes
August 15, 2016, **Commissioner Coutts motion to approve the Consent Agenda. Commissioner
Southerland second.** Commission discussion: Commissioner Coutts asked about the MMIA claim. City
Manager Shrives answered that is the insurance premium payment. It is paid annually.
Public Comment: Elsa Duford, Ward III-commented about the written Public Hearing minutes where she
read the statement that the individuals on fixed income received from the Social Security Office. The
Social Security Administration will not be giving a Cost of Living allowance in the coming year. This is
based on the C.P.I. that states there was no increase in the cost of living. Elsa reminded the Commission
that the public has spoken in the past about increases and people on fixed income have no place to go for
extra funds to pay for the increases. Think about the people who are stuck. This is not a good time for
wage increase for the City Employees. Senior citizens bite the bullet and City Employees should too.
Lee Manicke-Ward II, commented that at the previous Public Hearing, page 4, 4th line from the bottom it
reads that Mr. Manicke said the Tribe paid zero dollars. The Tribe does pay S.I.D. Mr. Manicke
requested that the written minutes be changed to reflect this correction. Mayor Knutson commented that
the minutes should be changed to reflect this reference to CTEP dollars. **VOTE: Unanimous Motion
carried**

CITY MANAGER COMMENTS (16:04)-City Manager Shrives commented that there were three letters recently received; Golf Department received a thank you letter from Montana State Golf Association for the recent 2016 Men's Mid-Amateur State Tournament host. The Golf staff were gracious and accommodating. The Staff was positive and friendly towards the players. The G.I.S. Department has completed 40 error free mapping tickets. This means that the City will not have to send their locates to the center for verification, they will go directly to the utility companies. The Court Department; Montana Department of Justice did their audit and the Court was given a clean audit Mayor Knutson asked if there were going to be a workshop with the Economic Development Council and the Commission prior to the Commission meeting on the 19th of September. City Manager Shrives answered he would get back to the Commission. There will be a Public Hearing on that night before the Commission meeting.

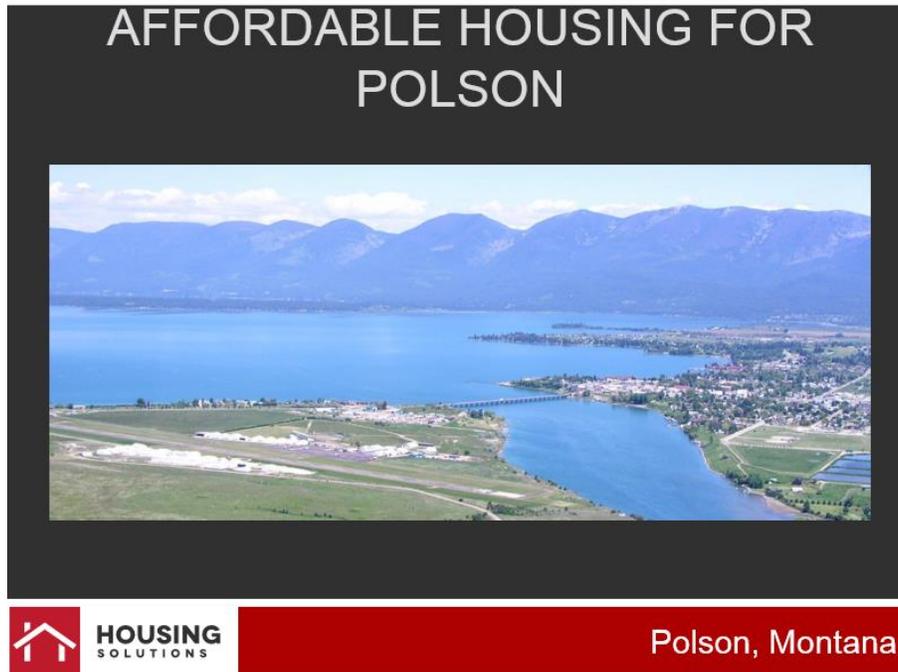
GOLF COURSE MOWERS-LEASE PURCHASE, GOLF COURSE HEAVY DUTY UTILITY VEHICLES BID AWARD (20:50)-City Manager Shrives, and Parks and Recreational Director Pat Nowlen presented this agenda item. City Manager Shrives commented that there is one correction the Agenda Item Summary the total should read \$153,600.00 not the \$159,600.00, it was a typo. Parks and Recreational Director Pat Nowlen commented that these bids were for equipment replacement according the Replacement Schedule that the Golf Maintenance Department has in place. There were two responses; Midland Implement representing Toro and Pacific Golf representing John Deere. The bids were for 3 new fairway mowers and 2 utility vehicles. Midland Implement had the lowest bid for the mowers but did not submit a bid for the utility vehicles. Pacific Golf submitted a bid for each. There was a score sheet used to determine which bid to award. Commissioner Southerland asked where the funds to purchase the new equipment was coming from. Mr. Nowlen answered there had been capital funds set aside to purchase this equipment. Commissioner Coutts questioned the 10 year life span. Mr. Nowlen commented yes, there is a 10 year life span and a 2 year warranty for parts/labor for the John Deere equipment. **Commissioner Southerland motioned to award the procurement of three fairway mowers, two heavy duty utility vehicles, and a bunker rake in an amount of \$153,600.00 to Pacific Golf and Turf. Commissioner Siler second.** Commission discussion: none Public Comment: Tony Porrazzo, Water/Sewer Superintendent questioned when the Water/Sewer Department would be paid back their loan they made to the Golf Department. City Manager Shrives answered that the loan would be paid April 2017. **VOTE: Unanimous Motion carried.**

FISCAL YEAR 2016 DELINQUENT TAX REPORT (29:53)-City Finance Officer Cindy Dooley presented this agenda item. This is a semi-annual Report of Tax and Assessments Receivable at June 30, 2016. This includes 2015 Real Estate and 2016 Personal Tax. There has been a really good collection rate. The citizens have done a good job and Lake County has done a good job sending notifications. Mayor Knutson asked when the next report would be. Finance Officer Dooley answered January. The City estimates based on the certified value amount. This is a concern due to the fact that the certified value changes after the amounts are published. There needs to be some legislation put in place that would prevent the Department of Revenue from making the changes until after the notifications have been sent out.

RESOLUTION TO APPROVE FINAL BUDGET FISCAL YEAR 2017 (36:17)-City Finance Officer Cindy Dooley presented this agenda item. There was a Continuance of the Public Hearing this evening prior to the regular Commission meeting. The Revenue versus Expenditure is attached. The Resolution will set the mil levy. Also, the Resolution gives the City Manager and the Finance Officer the authority to move money from one line item to another within a fund. **Commissioner Southerland motion to approve Resolution No. 2016-010 to adopt a budget for the City of Polson, Montana for the fiscal year 2016-2017. Commissioner Erickson second.** Commission discussion: none Public comment: David Simons Jr, Building Official requested clarification on the statement to be change funds. Finance Officer Dooley explained that it would mean changing the budget funds around within a fund. **VOTE: Unanimous Motion carried** Mayor Knutson thanked the staff for making this year's budget easier to sort through. It was a good process.

HUBER TECHNOLOGY CONTRACT AMENDMENT NO. 1 (41:40)-City Manager Shrives and Water/Sewer Superintendent Tony Porrazzo presented this agenda item. The City received a letter from HKM Engineer Kevin Johnson advising the hydrogen sulfide levels in the influent force main convergence manhole at the wastewater plant are significantly higher than expected. This will mean a change order in the design on the new wastewater treatment facility headworks. The upgrade will go from stainless steel to a high grade concrete that will be lined with a protective coating. This is a preservative upgrade. **Commissioner Siler motion to approve Huber Technology Contract Amendment #1 for modifications to the Headworks Facility equipment. Commissioner Southerland second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

POLSON LANDING PRESENTATION (47:33)-This agenda item was presented by Alex Burkhalter, Housing Solutions, LLC. This is the second proposal of the Polson Landing Affordable Housing Project. Last year the City of Polson was not selected by the Montana Board of Housing. The projects are funded by utilizing Housing Tax Credits, a Federal Government subsidy for affordable housing. Mr. Burkhalter submitted a letter of interest in August of this year and the City of Polson along with 7 other cities were invited to submit an application by October 3, 2016. The projects awarded will be announced in January 2017. Mr. Burkhalter gave the following power point presentation:



Introduction

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- Alex Burkhalter
 - ▣ 12 Years Experience with HTC
 - 15 Properties
 - 597 Apartment Homes
 - Montana, North Dakota, Wyoming
- Housing Solutions LLC
 - ▣ Formed in 2012
 - 4 Properties
 - Montana - Kalispell, Missoula, Glendive
 - North Dakota - Dickinson



HOUSING
SOLUTIONS

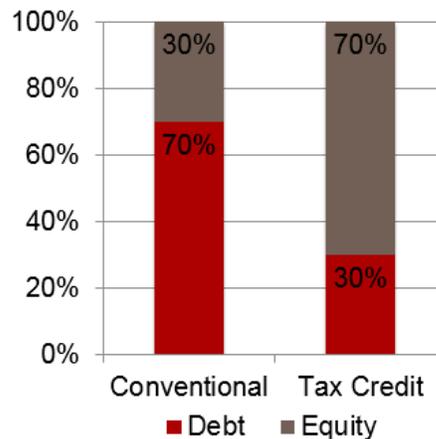
Contact Info:
Tel: (406) 203 1558
Email: alex@housing-solutions.org

Housing Tax Credits

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- Federal Program, enacted 1986
- 90% of New Affordable Rental Housing created with HTCs
- Administered by Individual States
- Success comes from Public/Private Partnership
- Assistance with Development Costs, no rental assistance
- By creating tax incentive for Investors, equity is increased and debt is lowered.
- Lower debt servicing allows lower rents.

**Debt/Equity Structure
Conventional vs. Tax Credit**

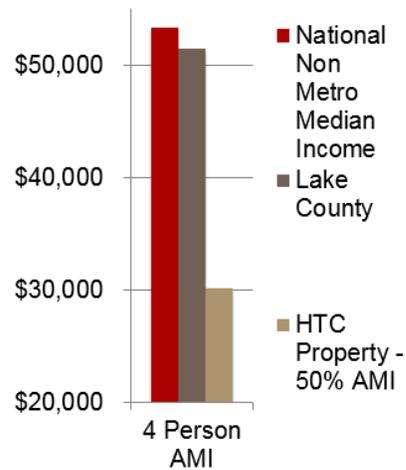


HOUSING
SOLUTIONS

HTC's – Who do they serve

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- For Households at or below 60% AMI (Area Median Income)
 - Lake County Income Limit 50% AMI 4 people - \$30,150
 - Lake County Income 100% AMI 4 People \$51,500
- ¾ of Units target 50% AMI and below
- Typical tenant is single parent working entry level position
- Elderly on fixed income



POLSON LANDING



Polson, Montana

Project Location



Polson Landing

Unit Features

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- 35 Apartment Homes
 - 3 One Bedroom, One Bath
 - 20 Two Bedroom, Two Bath
 - 12 Three Bedroom, Two Bath
- Individual Amenities
 - all standard appliances
 - dishwasher, microwave/hood combo, garbage disposal, double sink, hardwood cabinets
 - **In unit washer/dryer, machines included!**
 - Patio or Balcony
 - Forced air heating, air conditioning, programmable thermostats, blinds and ceiling fans



HOUSING
SOLUTIONS

Building & Amenities

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- Community Room with Kitchen
- Onsite Manager's Office
- Covered Parking
- Children's Play Area
- Covered Parking
- Energy & Green Items
 - ▣ Photovoltaic Panels
 - ▣ LED Exterior Lighting
 - ▣ Motion sensing, dimmable switches
 - ▣ Smoke Free Policy
 - ▣ Project Location, walk able!



HOUSING SOLUTIONS

Affordability

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Rental Rates

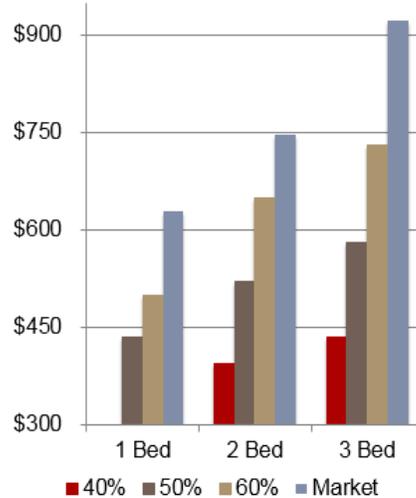
AMI	40%	50%	60%	Market
1 Bed		\$435	\$500	\$630
2 Bed	\$395	\$520	\$650	\$747
3 Bed	\$435	\$580	\$730	\$922

% of this units are here

Resident Income Limits

Size	40%	50%	60%
2 Person	\$19,320	\$21,150	\$28,980
3 Person	\$21,720	\$27,150	\$32,580
4 Person	\$21,120	\$30,150	\$36,180

Monthly Rental Rates



HOUSING SOLUTIONS

Development Timeline

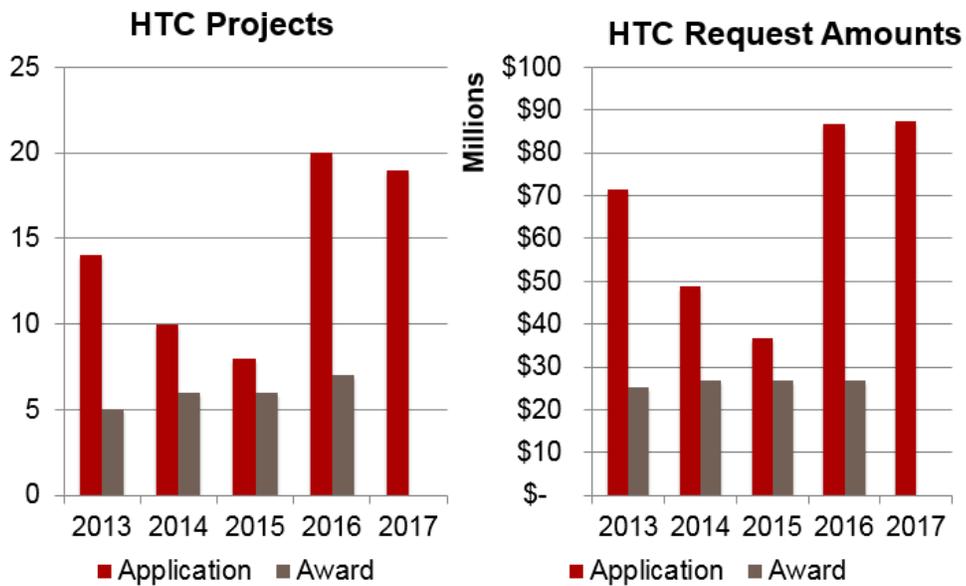
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- Application and Award
 - ▣ Complete Application Due – October 3rd
 - ▣ Projects Selected for Awards – January 23rd, 2017
- Development
 - ▣ Complete Plans & Construction Start – June 2017
 - ▣ Construction Complete – March 2018



Housing Tax Credits in Montana

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Applications Invited

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Name	City	Units	Credits Request
Yellowstone Villas	Culbertson	16	\$ 2,680,000
Aspen III	Butte	32	\$ 4,667,180
Polson Landing	Polson	35	\$ 5,700,000
Blackfeet VI	Browning	30	\$ 6,623,400
Meadows Senior	Lewiston	35	\$ 3,506,510
Gateway Vista	Billings	24	\$ 3,817,890
Rockcross Commons	Great Falls	124	\$
	6,682,500		
Livingston Memorial	Livingston	32	\$ 5,840,000
	Total	328	\$ 39,594,080



Polson and Housing Tax Credits

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- “Geographical Distribution”
- Last Award was 2002
 - Sunny Slope Vista ~ 20 Elderly
 - Before Current Era
- Last Award in Lake County ~ 2004, Pablo
- Polson expected to be very competitive
 - Low Vacancy Rates
 - No Vacancy at existing affordable properties



Polson and Housing Tax Credits

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- Ways the City of Polson can help position the project to compete successfully
 - ▣ Letter of Support
 - ▣ Attending the January Award meeting
 - ▣ Sending a representative
 - ▣ Water Impact Fee?



There will be a Public Hearing on the Polson Landing project September 19, 2016 at 6:30 p.m. Then a final decision on whether or not to proceed with the application will be decided during the regular Commission meeting on September 19th. The benefits of this project for the City of Polson would be a housing option that wouldn't otherwise be affordable. It will help out employees and people just getting started.

COMMISSIONER ERICKSON WARD 1 SEAT (01:32:07)-Mayor Knutson presented this agenda item. Commissioner Erickson recently sold his home in Ward 1. Mayor Knutson and Commissioner Erickson have had a discussion on this matter. He is currently assisting in the care of his parents. Mayor Knutson asked Commissioner Erickson what direction he was heading either in or out of Ward I. City Manager Shrives read from the City of Polson Charter Article II Legislative Branch, Section 2.08 regarding a Vacancy of the Legislative Branch. City Manager Shrives recommended that Commissioner Erickson give the Mayor & Commission his final decision at the September 19th meeting. There will be a 30 day grace period per the City Attorney. There must first be a vacancy declared. Mayor Knutson requested that Commissioner Erickson go ahead and step down from the City Manager Contract Committee. Commissioner Erickson complied with the request and Commissioner Southerland volunteered to be on the Committee. Commissioner Erickson commented that it has been a pleasure serving and it is difficult to vote your conscience.

(01:40:01) Mayor Knutson asked if the Commission wanted full minutes or action minutes. The Commission determined that action minutes would suffice.

Adjourn. (01:40:23) Commissioner Southerland motion to adjourn. Commissioner Coutts second. Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

ADJOURN: 8:40p.m.

Mayor Heather Knutson

ATTEST:_____

Cora E. Pritt, City Clerk