

# CITY OF POLSON COMMISSION MEETING

Commission Chambers

September 9, 2015

7:00 p.m.

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

**OTHERS PRESENT** (who voluntarily signed in): Ken Avison, Alex Burkhalter, R. Jack Clapp, Jennifer Cote, Elsa Duford, Bruce Gerlach, Jack Konitz, Paul Laisy, Rick LaPiana, Mike Lies, Hans Lund, Bonnie Manicke, Lee Manicke, Sherlee Santorno, Dave Sheesley, and Tracy Sherich

**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 (00:55) - Commissioner Southerland motion to approve the proposed agenda. Commissioner Erickson second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA ( 01:38)-Paul Laisy**-Retired Fire Chief 30 years of service and a member of the State of Montana Board commented on the fire service in the valley. Mr. Laisy commented about the two studies that were conducted regarding the City of Polson Fire Department and the Polson Rural Fire District. Both studies concluded there should be one fire service in the valley. The example of other areas that have developed a fire district was presented; Belgrade, West Yellowstone, Red Lodge were a few examples that Mr. Laisy commented were now fire districts. This system would serve the citizens of the valley well. **Jack Clapp** commented that he echoed much of what Mr. Laisy said. The Rural Fire Board stands ready to step back, take another look at the situation, to discuss forming a fire district. The second study also recommended a facilitator be brought in to assist in the options for the City of Polson Fire Department and the Polson Rural Fire District.

**CONSENT AGENDA (10:55)**-(a). Additional June 2015 claims, (b). August 14-31, 2015 claims, (c) September 1-3, 2015 claims, (d). City Commission Meeting Minutes August 17, 2015, (e), City Commission Preliminary Budget Workshop Meeting Minutes August 224, 2015 (f). City Commission Preliminary Budget Public Hearing Minutes August 26, 2015, (g). City Commission special Meeting September 1, 2015, (h). Law Enforcement Memorandum of Agreement, (i) 13<sup>th</sup> Ave. Properties Petition for Annexation, (j). Semi-Annual Report of Tax and Special Assessments Receivable. **Commissioner Siler motion to approve the consent agenda. Commissioner Southerland second.** City Commission discussion: Commissioner Campbell requested that item 5I-13<sup>th</sup> Ave. Properties Petition for Annexation be removed from the Consent Agenda and to be moved into the agenda to be discussed. **Mayor Knutson amended the motion; Approve the consent agenda including all except for 5i.** Public comment: none **VOTE: Unanimous Motion carried**

City Manager Shrives requested that agenda item No. 7 & 8 be moved up before Old Business so that the Police officers present could return to their duties. Mayor Knutson agreed and moved the agenda items.

**APPROVE RESOLUTION NO 2015-020 PROCLAMATION POLSON DEPARTMENT APPRECIATION OF SERVICE SEASON(14:43)**-Mayor Knutson reads the Proclamation Appreciation of Police Department Blue Ribbon Season September 9, 2015 – October 17, 2015. This is

in appreciation of the Polson Police Department and to recognize all that the Polson Police Department does along with the other local law enforcement agencies in Lake County and Polson. This time period will also be to recognize Polson Police Corporal William Cleveland as he battles stage 4 cancer. The proceeds from the sale of the blue ribbons will be donated to Corporal Cleveland to assist in offsetting medical expenses for his cancer treatment. The Polson Chamber of Commerce will also be conducting their own campaign to aid in this endeavor as well. There has been 100% support of this from the community. The support has been overwhelming. Mayor Knutson thanked the Polson Police Department for all of their service to the community and a special thank you to the families of the Police officers. A copy of the Resolution was presented to Corporal William Cleveland, who was present at the meeting.

**Commissioner Turner motion to approve RESOLUTION No. 2015-020 PROCLAMATION POLSON DEPARTMENT APPRECIATION OF SERVICE SEASON. Commissioner Donovan second. City Commission discussion: none Public comment: none VOTE: Unanimous Motion carried**

**OATH OF OFFICE FOR POLSON POLICE OFFICER MATHIEU GFROERER(22:53)**-Mayor Knutson administered the Oath of Office for the City of Polson Police Department's newest officer, Mathieu Gfroerer.

**CONSENT AGENDA ITEM 5I-13<sup>th</sup> AVENUE PROPERTIES PETITION FOR**

**ANNEXATION(27:23)** -City Manager Shrives, "So let me address some of your questions. This has been, needless to say, confusing. There properties have been paying city taxes for several years. So, we assumed they were annexed. Apparently in 2010 or 11 the County's computer crashed. They no longer were showing these properties being annexed. Mr. Lund, who owns these properties, had a document that said they were annexed. So we were very confused as to whether they were annexed or not. And so, what I asked him to do, I said let's just clean this up, if you can, file an annexation, an application for an annexation, and he has done that as the owner. Filed it by petition and so that's why we're bringing this in tonight. It's unclear, one way or the other, if it's been annexed. So to clean it up, that's why I asked him to do that. He is the owner of the properties. It's an annexation by petition. You mentioned the development. That really isn't an issue regarding annexation. If he had not been in to do his development previously, and wanted to annex this property, it's zoned MRZD. So, if he'd brought the development in later it would be allowed. It's allowed now. But that shouldn't effect annexation, because that's what we're really dealing with tonight, is annexation not any kind of development. So that's why he was in on Friday." Commissioner Campbell, "With that type of development though, I think the confusion with the public was that there would be no review. That we said that a development like that could just be built. A building permit and then you could..." City Manager Shrives, "That's essentially right under MRZD. Regarding the development, when we looked at it, we did ask him to come in and we did have a meeting with all of the department heads and we covered a lot of the issues that we might normally cover under an SUP process. Based on those suggestions, on the design that he showed us, he did make some changes for the Police and particularly for the Fire for turn around and things like that. So he's working with us. But when you look at what the current Development Code talks about MRZD there is no process like the SUP process." Commissioner Campbell, "Will there be a requirement for on-site drainage, storm drainage?" City Manager Shrives, "Correct. It's required. You cannot, it has to drain onto the property it cannot drain onto City streets. That's just part of the Code anyway. That's not even a requirement that we have to put into place. That's there." Commissioner Campbell, "Then there will be no review, no requirements on traffic study, none of that on 11<sup>th</sup> St.? Has 11<sup>th</sup> St annexed? Are we going to go through..." City Manager Shrives, "No. 11<sup>th</sup> St. is annexed." Mayor Knutson, "11<sup>th</sup> street is in the City? I thought that was in the County." City Manager, "No. 11<sup>th</sup> St. is. The other street, Shasta is not in the City." Commissioner Turner, "Shasta is private?" City Manager Shrives, "Yes." Tony Porrazzo, Water & Sewer, "Just a clarification. It says 13<sup>th</sup> on here." City Manager Shrives, "Well that the property..." Mayor Knutson, "13<sup>th</sup> Avenue Properties is the name of the business." City Manager Shrives, "13<sup>th</sup> Avenue Properties is the company." Tony Porrazzo, "Oh. Okay.

I was looking at that going what?" Mayor Knutson, "Thank you. I had that same concern. Okay. So do we have additional questions Commissioner Campbell?" Commissioner Campbell, "No." Commissioner Turner, "Personally I think the big confusion is nothing Mr. Lund has done is incorrect. I've reviewed all the paperwork on my own time. There's nothing that's incorrect with what he's done. I think the citizens that live on 11<sup>th</sup> want some help from the City because there's no sidewalks. The street is, I believe, a little narrow and there is a Montessori type at the end of 11<sup>th</sup>. So there is quite a bit of traffic with vehicles and kids and so I think the citizens that live on that street are asking more help from the City with some concern with Mr. Lund is building there because of the additional traffic. So I don't think there should be confusion in this. I don't think anybody should pick on Mr. Lund (inaudible). It is all correct but I think the City might want to take a look at what we can do to help." Commissioner Campbell, "I think another item that was brought up last time was I see it myself, a designated school bus stop right there on the corner of 7<sup>th</sup> and 11<sup>th</sup> Avenue. (inaudible) clear up Boettcher tracts and no sidewalk for them to walk on. I always hope with multi-family housing they would like across the street from Cherry Hills, they would build a sidewalk all the way down and connect it to 8<sup>th</sup> Street I believe." City Manager Shrives, "I will note that Mr. Lund signed a waiver, S.I.D. So that is something we could look at to piece things together. That might be a way to look at some sort of S.I.D. that would take in all the properties on there. We'd have to take a look at that. I don't know how the waivers thru the years have been signed. But he did sign that as part of the annexation process." Commissioner Turner, "I think as a City we just need to be aware, I'm not saying this is the only street that we have that is kind of bad in a stretch." Mayor Knutson, "That's what I thinking." Commissioner Turner, "As our growth continues I do think we need to put something in place that somehow helps out some of these situations." Commissioner Campbell, "I think every citizen that took City Water signed one of those (inaudible)." City Manager Shrives, "I haven't looked at that but I certainly can take a look at that." Mayor Knutson, "I can see the concerns as far as having the foot traffic and having the children walking there. I agree that there are many areas within our town that all share that same challenge. I know that we're working on opportunities to try and help solve that problem and help work towards that as well. So we have to continue doing that. But as part of the annexation, I agree with you Stephen, that there is nothing that is outside of the boundaries of what we would be looking for." Commissioner Campbell, "I just felt that all these questions that were asked at the previous meeting needed to be asked again. This was just kind of slid in here." Mayor Knutson, "I think that it was good to make sure that we had clarification on it. Thank you. Okay. Any other comments or questions? I would look for a motion to approve the annexation." **Commissioner Turner, "I will make a motion to approve the annexation for 13<sup>th</sup> Avenue Properties." Commissioner Donovan, "I'll second."** Mayor Knutson, "Okay. I've got a motion from Commissioner Turner with a second from Commissioner Donovan. Do I have any additional Commission discussion? Do I have any public comment?" **Lee Manicke**, "I looked at this on line and I note there's an error in the legal description under Resolution. I emailed that to the attention to your staff and I think you should be real sure that it's correct." Mayor Knutson, "Thank you. I'm sorry. Thank you for pointing that out Mr. Manicke. We did receive that update and I apologize for not mentioning it." Lee Manicke, "If I could copy over the entire, can I see that Todd? One thing I didn't mention it shows one geocode and I don't really know if geocodes should be a part of a legal description but actually there are two geocodes. There's two separate geocodes so you do include the geocode, you should include both of them. The second one is exactly the same as the first one except the 4 is a 3 at the end of that. The rest of it is exactly the same." Mayor Knutson, "Thank you. And I would thank you for sending the information to us in advance as well. Do I have any additional public comment on Agenda Item No. 51? Okay. With that I've got a motion. I've got a correction on the Resolution and I've got a motion from Commissioner Turner with a second from Commissioner Donovan. **We'll go ahead and vote beginning with Commissioner Erickson." Commissioner Erickson, "For." Commissioner Siler, "For." Commissioner Southerland, "For." Commissioner Campbell, "For." Commissioner Turner, "For." Commissioner Donovan, "For." Mayor Knutson, "For." Motion carried.**

**CITY MANAGER COMMENTS (36:43):** City Manager Shrives commented on the following: Introduced City Planner Kyle Roberts. Kyle will have an agenda item to present later this evening. Earlier today David Simons, Karen Sargeant, John Campbell, and Mike Johnson with help from John Campbell Jr. and Delaney's Nursery, planted a Honey Locas tree in Ducharme Park in memory of Dan Morrison. There will be a dedication and plaque ceremony in the spring of 2016. Dan's wife Johnna commented that the Honey Locas was one of Dan's favorite trees.

**POLSON DEVELOPMENT CODE UPDATE (38:34)-** City Manager Shrives presented this agenda item. Following the previous meeting, an email was sent to the County Commissioners asking where they were at in the review of the Polson Development Code. Funding was also discussed. The County responded that they are still reviewing the document with the County Planning Department. Also, there will be no funding available to assist with the document. At the last meeting there were two options; 1). Wait on the County to complete their review, 2). The City would move forward without the County. Tonight there is a third option: the City would move forward, get the document adopted, keep the City/County Planning Board in place, the County has adopted the current 1993 Polson Development Code. This option would give the County time to continue their review but keep some standards in place. There were some additional funds put into the new budget. The City Manager recommended option No. 3. Commissioner Campbell agreed that Option No. 3 seemed like a better option. Mayor Knutson asked if this would need to be voted on. City Manager Shrives commented no, just to see where the Commission is at with Option No. 3. City Manager Shrives commented that he would meet with the County Commission and present this option. This item will be brought back on September 21<sup>st</sup> for a decision. Commissioner Turner commented that he wants to see a time-line and budget from Dave DeGrandpre. Until then, Commissioner Turner will not sign off. There needs to be a definite time line and a dollar amount assigned to it. Public Comment: **Lee Manicke** commented on 3 concerns; Dave DeGrandpre's letter favored a combined City County Planning Board and the County wants to do that. If separated, there will be costs. If the City and County come back together at a later time, who will cover the costs that will be associated with that? From Mr. Decker's email the concern that the Development Code may not align with Montana Code. The MACO attorney and County attorney say there are some things that do not align. We should know what those concerns are before we move forward. There seems to be a widening rift between the City and the County. Seems that this began when the City changed to a Charter form of Government. There seems to be tension in the communication between the City and the County.

**BRIEF OVERVIEW OF THE SERVICES PROVIDED BY RSVP (RETIRED SENIOR VOLUNTEER PROGRAM) AND MONTANA AREA VI AGENCY ON AGING(54:00)-**This agenda item was presented by Sherlee Santorno, and Tammy Watson. The RSVP program is citizens over the age of 55 volunteering their time to help others in the community. There are a number of programs that are assisted by this. This is a nationwide service. There are 44 non-profits that depend on 188 staffing needs in addition to payed staff. There are agencies that assist in allowing older citizens to age in place. Office Manager Tammy Watson presented some of the programs that the Area 6 Agency on Aging operates in. There are long-term care advocates that assist families and seniors. There's the Commodity Food program for seniors over 60. There is an Aging & Disability Resource Center, home food delivery, home health care, care-givers class, medicare class, B E C Program (Benefits enrollment center), Supplemental insurance assistance, free counseling for medicare, foster grandparent. The foster grandparent program pays \$2.65 an hour and the hours are approximately 15-40 hours a week. This is a nice stipend to seniors on a limited budget.

**ANNUAL AUDIT REPORT FY2014 (01:03:53)-**Jennifer Cote, CPA Cote & Associates presented this agenda item. The City of Polson Annual Audit for Fiscal Year 2014 has been completed. This is the second year that Cote & Associates has done the audit. The Mayor and Commissioners were each given a bound copy of the audit report. There were two Findings in the audit; Internal Control Deficiency with

Potential Material Financial effect on City, and Polson Redevelopment Agency Implementation Document and Actual Functioning of Polson Redevelopment Agency are not aligned. City Manager Shives commented that the condition of the Internal Control finding were errors that occurred in payroll and would be corrected with the implementation of checks and balance procedure to be put in place. With regard to the Polson Redevelopment Agency (PRA) the City will determine if the agency will function as a Component unit or as a departmental PRA.

City of Polson  
Lake County, Montana

Government-Wide Statement of Net Position  
As of June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,230,092	\$ 589,294	\$ 1,819,386
Petty cash	300	947	1,247
Taxes/assessments receivable-current	151,683	-	151,683
Accounts receivable	4,848	173,252	178,100
Due from other governments	157,117	15,000	172,117
Inventories	-	138,267	138,267
Assessments receivable-noncurrent	592,031	-	592,031
Restricted assets:			
Cash, cash equivalents and investments	141,152	2,851,676	2,992,828
Capital assets not being depreciated:			
Land	86,915	2,238,751	2,325,666
Construction in progress	498,754	657,465	1,156,219
Capital assets being depreciated (net of accumulated depreciation)	<u>3,975,021</u>	<u>12,549,861</u>	<u>16,524,882</u>
Total assets	<u>\$ 6,837,913</u>	<u>\$ 19,214,513</u>	<u>\$ 26,052,426</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources	\$ -	\$ 12,300	\$ 12,300
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 12,300</u>	<u>\$ 12,300</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 79,991	\$ 57,908	\$ 137,899
Accrued interest payable	9,268	2,573	11,841
Deposits/retainage payable	15,400	32,905	48,305
Due to other governments	49,240	-	49,240
Contracts/loans/notes payable	8,062	-	8,062
Current portions of long term debt	256,968	184,153	441,121
Noncurrent liabilities:			
Long term portions of long term debt	1,318,861	481,872	1,800,733
Total liabilities	<u>\$ 1,737,790</u>	<u>\$ 759,411</u>	<u>\$ 2,497,201</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 3,170,840	\$ 14,846,620	\$ 18,017,460
Restricted for:			
Debt service	705,241	44,139	749,380
Bond indenture requirement	77,500	18,979	96,479
General government	10,787	-	10,787
Public safety	138,397	-	138,397
Public works	151,339	-	151,339
Culture/recreation	214,083	-	214,083
Housing and community development	271,762	-	271,762
Conservation of natural resources	3,550	-	3,550
Non-spendable (other than permanent fund)	-	138,267	138,267
Unrestricted	<u>356,624</u>	<u>3,419,397</u>	<u>3,776,021</u>
Total net position	<u>\$ 5,100,123</u>	<u>\$ 18,467,402</u>	<u>\$ 23,567,525</u>

City of Polson  
Lake County, Montana

Government-Wide Statement of Activities  
For the Fiscal Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Charges for Services, Fines, Forfeitures, etc.	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Primary Government		Total
				Governmental Activities	Business-type Activities		
<b>Governmental activities:</b>							
General government	\$ 741,989	\$ 118,685	\$ 5,874	\$ -	\$ (617,430)	\$ -	\$ (617,430)
Public safety	1,596,549	152,297	82,486	2,275	(1,359,491)	-	(1,359,491)
Public works	449,719	137,298	1,146	70,708	(240,567)	-	(240,567)
Culture & recreation	231,311	5,654	30,443	7,615	(187,599)	-	(187,599)
Housing & community development	11,463	-	-	-	(11,463)	-	(11,463)
Conservation on natural resources	628	-	-	-	(628)	-	(628)
Interest on long-term debt	45,568	-	-	-	(45,568)	-	(45,568)
<b>Total governmental activities</b>	<b>\$ 3,077,227</b>	<b>\$ 413,934</b>	<b>\$ 119,949</b>	<b>\$ 80,598</b>	<b>\$ (2,462,746)</b>	<b>\$ -</b>	<b>\$ (2,462,746)</b>
<b>Business-type activities:</b>							
Golf	\$ 1,011,174	\$ 1,024,988	\$ -	\$ -	\$ -	\$ 13,814	\$ 13,814
Water	795,291	942,981	-	-	-	147,690	147,690
Sewer (& Stormwater)	562,731	683,712	-	15,000	-	135,981	135,981
<b>Total business-type activities</b>	<b>\$ 2,369,196</b>	<b>\$ 2,651,681</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 297,485</b>	<b>\$ 297,485</b>
	<b>\$ 5,446,423</b>	<b>\$ 3,065,615</b>	<b>\$ 119,949</b>	<b>\$ 95,598</b>	<b>\$ (2,462,746)</b>	<b>\$ 297,485</b>	<b>\$ (2,165,261)</b>
<b>General revenues</b>							
Property taxes				\$ 1,591,610	\$ -	\$ 1,591,610	
Local option tax				100,714	-	100,714	
Impact fees				14,121	25,215	39,336	
Unrestricted federal/state shared revenues				662,939	-	662,939	
Unrestricted grants and contributions				-	600	600	
Unrestricted investment earnings				4,668	14,149	18,817	
Miscellaneous				62,218	7,426	69,644	
Gain/(loss) on sale of capital assets				3,736	2,500	6,236	
<b>Total general revenues and transfers</b>				<b>\$ 2,440,006</b>	<b>\$ 49,890</b>	<b>\$ 2,489,896</b>	
Change in net position				(22,740)	347,375	324,635	
<b>Total net position reported July 1, 2013</b>				<b>\$ 5,122,863</b>	<b>\$ 18,120,027</b>	<b>\$ 23,242,890</b>	
<b>Total net position-June 30, 2014</b>				<b>\$ 5,100,123</b>	<b>\$ 18,467,402</b>	<b>\$ 23,567,525</b>	

**AFFORDABLE HOUSING PROJECT (01:36:26)**-This agenda item was presented by City Planner Kyle Roberts and Housing Solutions Developer Alex Burkhalter. This project would utilize the Housing Tax Credit, a Federal Government subsidy for affordable housing. The proposed housing project, Polson Landing, would be constructed in Ridgewater Subdivision. Mr. Burkhalter gave a proposal during the July 20, 2015 Commission meeting. This project would consist of a 35 unit development. The Montana HDC approves only four or five applications for these projects a year. The application deadline is October 5, 2015. The City is being asked to write a letter of support, send a representative to Helena, MT on November 9, 2015 to address the MT HDC Board in support of the project, a reduction in the parking requirements, provide a soft loan to pay the Impact Fees with. The City would grant the loan and then payment in full would be completed in 17 years. The projects are awarded in January 2016. The Commissioners and Mayor had questions and concerns on; the federal tax credit being requested, the

property tax exemption, the soft loan request, and the P.I.L.T. (Payment in lieu of taxes). The price to build per unit is \$177,000.00. Public Comment: **Hans Lund** commented that for \$180,000.00 a home could be built and would contribute property tax to the City. **Tracy Scherick** commented that she manages a 20 unit/2 bedroom apartment and that the proposed project would be in direct competition with her apartments for tenants. Tracy also had concern about the property taxes. **Dave Sheesley** commented that in his experience with this type of development, the apartments fill up with out of state tenants. If the taxes are deferred who will pay for the schools, the new sewer treatment plant, streets repair. **Lee Manicke** commented that he agreed with Mr. Lund. A single family home would be a better build. The soft loan would put the City in a position of essentially a second mortgage. Lakeview Village and Cherry Hill apartments, low income housing, pay property taxes. Mr. Manicke commented that if the City writes a letter of support he will write a letter of opposition. **Dennis Duty** commented that he understands this is a real dilemma. The real question is the need. What is the need of the community? Mr. Duty would like to see another development in Ridgewater Subdivision it is a good location for this development. Hopefully a negotiation can be made. There are benefits to this development too. Mayor Knutson thanked everyone for their comments. Commissioner Turner commented that he is opposed to this project. Mayor Knutson asked Mr. Burkhalter if he would return to the September 21, 2015 meeting with additional information on the need of affordable housing in Polson. Mayor Knutson also asked if there would still be time to send an application if the decision was made at the September 21<sup>st</sup> meeting. Mr. Burkhalter answered yes, there would be time. Mayor Knutson summarized the discussion; the vote would be tabled, Mr. Burkhalter would have a mini-market study, Kyle would research availability comparison, a letter of support, send a representative, no soft loan, P.I.L.T. or the property stays on the tax roll. **Commissioner Southerland motion to table the item until September 21<sup>st</sup> meeting.** **Commisisoner Erickson second.** City Commission discussion: none Public comment: none **VOTE: 6 ayes 1 nay. Motion Carried**

**APPROVE AN ORDINANCE TO AMEND SECTION 2.05.510 TO CLARIFY THAT NO SEPARATE AGENCY IS CREATED FOR POLSON URBAN RENEWAL (02:47:52)**-City Manager Shrives presented this agenda item. During the Fiscal Year 2014, auditor Jennifer Cote was asked to audit the Polson Redevelopment Agency. This ordinance is to amend the Municipal Code to clarify that no separate agency is created for the Polson Redevelopment Agency. **Commissioner Erickson motion to approve the first reading of an ordinance to amend Section 2.05.510 of the Municipal Code to clarify that no separate agency is created for Polson Urban Renewal.** **Commissioner Southerland second.** City Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**POLSON REDEVELOPMENT AGENCY PROJECT RECOMMENDATION (02:50:00)**-this agenda item was presented by Polson Redevelopment Agency President Ken Avison. This agenda item was to seek permission to move ahead with the pavement of the gravel area at Salish Point in front of the new dock. If approval to proceed is given, then the next step will be to obtain bids for the pavement. **Commissioner Turner motion to approve direction to begin the research project. Commissioner Southerland second.** City Commission discussion: Commissioner Siler questioned whether the funds were available to do the project. Public Comment: **City Finance Officer Cindy Dooley** commented that there was enough money to do this project but this would be the only project that will be able to be completed. **VOTE: Unanimous Motion carried**

**APPROVE TSEP INFRASTRUCTURE PLANNING GRANT APPLICATION (02:59:22)**-City Manager Mark Shrives presented this agenda item. This application is for grant monies to put toward future Water projects. There is \$15,000.00 from TSEP and \$10,000.00 from DNRC. The City would be required to a \$30,000.00 match to these two. **Commissioner Southerland motion to approve a Resolution authorizing submission of a TSEP Planning Grant application. Commissioner Erickson**

**second.** City Commission discussion: none Public comment: none **VOTE: Unanimous motion carried**

**AWARD OF WASTEWATER TREATMENT LAGOON CELL #1 BIO-SOLIDS REMOVAL PROJECT (03:01:56)**-City Manager Shrives presented this agenda item. There were two bids submitted for this project. The bid from Sandry Construction came in at \$88,500.00. Bjorn Johnson Construction bid was \$148,000.00 Pending a final review the staff is recommending Sandry Construction be awarded the bid. **Commissioner Turner motion to award the bid for the Wastewater Treatment Lagoon Cell #1 Bio-solids Removal Project to Sandry Construction. Amount of Bid is \$88,500.00 Award is contingent pending final approval of funding agencies and completion of reference check. Authorization is given to the City Manager to execute all necessary contracts. Commissioner Campbell second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**(03:04:46) Mayor Knutson,** “Next we are on to recess for a personnel Executive Session. This matter concerns the City Manager Contract. A committee was formed to review the contract and we are now prepared to discuss this with full Commission discussion with the City Manager. I have determined that the interest of the public and the knowledge of this contract clearly outweighs the interest of the employee’s privacy. However, the City Manager has the right to request that the discussion of the contract be closed as a matter of personnel privacy and if he exercises that right, the discussion will be closed. However, I also want to note that prior to the signing of a contract a proposed contract will be presented as an agenda item at a City Commission meeting in order for the public to have an opportunity to comment. A contract agreement will be voted on by the full Commission in a public Commission meeting. If the discussion is closed, upon its completion the Commission will reconvene into open session only to determine the action versus full minutes and to adjourn. I expect that the discussion will take approximately 30 minutes. I would like to now turn to our City Manager and ask if he would wish for the session to be closed.” City Manager Shrives, “I do.” Mayor Knutson, “Okay. Thank you. With that then we will go ahead and recess.”

**Recess (03:05:53)** 10:06 p.m.

**Reconvene (03:05:59)** 11:08 p.m.

**(03:06:03)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. Commissioner Turner requested that Agenda Item 5I be full minutes.

**Adjourn. (03:07:05) Commissioner Southerland motion to adjourn. Commissioner Erickson second.** Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

**ADJOURN: 11:08 p.m.**

\_\_\_\_\_  
**Heather Knutson, Mayor**

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