

# CITY OF POLSON COMMISSION MEETING

Commission Chambers

September 21, 2015

7:00 p.m.

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

**ABSENT:** Commissioners Campbell, Turner

**OTHERS PRESENT** (who voluntarily signed in): Kara Bishop, Pete Bishop, Alex Burkhalter, Trip Burns, R. Jack Clapp, Elsa Duford, Leanna Fillmer, Una Rose Graham, Tim Howard Sr., Scott Kiser, Jack Konitz, Mike Lies, Bonnie Manicke, Fred Nelson, Jerry Peterson, Tony Porrazzo, Stephen Stanley, Jeff Walla.

**CALL TO ORDER: (00:05)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (01:00) - 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 (01:32)-Bob Martin**-Mission Bay Road Committee thanked the City of Polson and the City Streets Department for their assistance with the Hawk Dr. repair. The Mission Bay Home Owners Association purchased the materials and the City provided the labor. The repairs and chip sealing were completed in a professional and timely manner. Mr. Martin did request that the City enforce the weight limit on that road so that the repairs might last longer. Commissioner Siler recognized Mr. Doug Wold and the boy scouts that were present. The scouts are working toward a Community Merit badge. One requirement was that the scouts attend a Commission meeting. The scouts are; Ethan McCauley, Brogan Nice, Michael Smith, and Trey Wyman.

**CONSENT AGENDA (05:59)**-(a). Additional August claim, (b). September 4-16, 2015 claims, (d). City Commission Meeting Minutes September 9, 2015, **Commissioner Siler motion to approve the consent agenda. Commissioner Southerland second.** City Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (06:42):** City Manager Shrives commented on the Polson Police Department Season of Service Blue Ribbon-numerous downtown businesses have reported to the Polson Chamber that they will be participating in this project. The Bull-a-Rama event that was held on September 19, 2015 to help Polson Police Officer William Cleveland, raised \$35,000.00. This money will be used toward William's medical expenses as well as family expenses. There will be a Spaghetti Dinner on Saturday, October 17, 2015 to benefit Officer Cleveland. City Manager Shrives then asked Polson Fire Chief Clint Cottle to give a brief update on the Fire Department. **Fire Chief Clint Cottle** commented on the transition that is occurring. The goal has not had service disrupted in any way. So far, this goal has been accomplished. The City Fire Department and the Rural Fire Department are working together under the County Wide Inter-Local agreement. Rural Board member Drew Hoel is working with Chief Cottle to inventory all of the equipment. New pager tones have been obtained from Steve Stanley. The pagers are being re-programmed and soon dispatch will be able to call out each department separately. The volunteers that were with the department when the decision was made were given three

options; be a City only firefighter, a Rural only firefighter or be on staff for both. Currently 21 firefighters decided to be

City only. The remaining members decided to remain on both departments. Rural Board Chairman Jack Clapp and Drew Hoel are working with Chief Cottle on how best to move forward with the training schedule, meeting schedules, etc. In a nutshell, progress is being made. Morale has been improving.

**POLSON DEVELOPMENT CODE UPDATE (12:30)**-City Manager Shrives presented this agenda item. City Manager Shrives met with the County Commissioners to discuss the options. The County is still going through a legal review of the document. There is still no list of concerns. The County wants more time and the City wishes to move forward. The County would operate under the current Development Code while the City moves forward in adopting the new Development Code. The City County Planning Board would remain intact. The County Commissioners were comfortable with this direction. Mayor Knutson commented that while this is not a perfect solution, it is a direction that she could support. Commissioners Donovan, Erickson, Siler, and Southerland commented their support to move forward. Public comment: **Lee Manicke** commented that there are a wide range of costs that need to be pin downed. Should there be a time when the County merge's back into the Development Code who will pay for this cost? The County has commented that they are not going to pay for the cost. There should be something in writing as to who will pay for that service.

**APPROVE SECOND READING OF ORDINANCE NO. 2015-009 TO AMEND SECTION 2.05.510 TO CLARIFY THAT NO SEPARATE AGENCY IS CREATED FOR POLSON URBAN RENEWAL (17:33)**-City Manager Shrives presented this agenda item. This is the second reading of the Ordinance. This Ordinance is to clarify the concerns from the audit report. The City Attorney has stated that the policy needs to be amended. There are no changes required to the Ordinance. Mayor Knutson asked when the updated policy would presented to the Commission. City Manager Shrives commented that possibly by the next meeting on October 5<sup>th</sup>. **Commissioner Southerland motion to approve the second reading of Ordinance No. 2015-009 of the Municipal Code to clarify that no separate agency is created for Polson Urban Renewal. Commissioner Erickson second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE THE FIRST READING OF AN ORDINANCE TO ADOPT CHAPTER 14, FIRE PREVENTION AND PROTECTION ARTICLES 1. IN GENERAL, ARTICLE 2 FIRE CODE, ARTICLE 3 OFFENSES CONCERNING FIREFIGHTING OPERATIONS, ARTICLE 4. OPEN BURNING, ARTICLE 5. FIREWORKS, AND ARTICLE 6. RESERVED TO THE CITY OF POLSON BOOK OF ORDINANCES (19:58)**-City Manager Shrives presented this agenda item. This is the next chapter in the re-codification of the Municipal Code. This is the first reading. Any questions or comments should be emailed to the City Manager. This will keep the process moving forward. **Commissioner Siler motion to approve the first reading of the Ordinance Chapter 14, Fire Prevention and Protection Articles 1. In General, Article 2. Fire Code, Article 3. Offenses concerning Firefighting Operations, Article 4. Open Burning, Article 5. Fireworks, and Article 6. Reserved to the City of Polson Book of Ordinances. Commissioner Donovan second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**APPROVE THE FIRST READING OF AN ORDINANCE TO ADOPT CHAPTER 15, PARKS. ARTICLE 1. GENERAL-RESERVED ARTICLE 2. PARK REGULATIONS TO THE CITY OF POLSON BOOK OF ORDINANCES (23:03)** -City Manager Shrives presented this agenda item. This is the next chapter in the re-codification of the Municipal Code. This is the first reading. Any questions or comments should be emailed to the City Manager. This will keep the process moving forward. **Commissioner Erickson motion to approve the first reading of an Ordinance to adopt Chapter 15, Parks, Article 1. General-Reserved, Article 2. Park Regulations to the City of Polson Book of Ordinances. Commissioner Siler second.** Commission discussion: none Public comment: none

**VOTE: Unanimous Motion carried**

**POLSON RURAL FIRE BOARD DISCUSSION: HOW WE MIGHT BEST SERVE THE COMMUNITY WITH REGARD TO THE POLSON RURAL FIRE DISTRICT AND CITY OF POLSON WORKING TOGETHER TO PROVIDE FIRE PROTECTION (24:30)**-Polson Rural Fire Board Chairman Jack R. Clapp presented this agenda item. The ESCI study completed 18 months ago concluded that to proceed, there needed to be only one organization. City Manager Shrives had Curt Belts do a study and the conclusion was the same. July 1, 2015 the City of Polson hired Clint Cottle as Interim Fire Chief. The Rural retained Chief Fairchild thru the fire season. John Fairchild's last day will be September 30<sup>th</sup>. The Rural Department will then advertise for a new chief. In the interim, the Rural will appoint a chief until one is hired. There was a proposal set forth to the City Manager and the Commission to form one fire district and implement the recommendations made by both studies. The Rural Department is open to discussion on moving forward and coming together. Mayor Knutson thanked Mr. Clapp for coming to the Commission meeting and discussing this subject matter. Currently at this time the organization is working in a positive direction and we are okay for a while. Mr. Clapp commented that if or when the Commission wanted to have a discussion on this subject the Rural Department would have an open door to any further conversation.

**AWARD CONTRACT FOR POLSON AIRPORT PAVEMENT MAINTENANCE PROGRAM (38:37)** -City Manager Shrives presented this agenda item. The City is part of an agreement with the County, Ronan, St. Ignatius, and Joint Airport Board. Recently the Airport Board completed negotiation with the Tribe over an easement that put in place the entire runway area at the Polson Airport. This also permitted the Airport Board to request grant funding to the FAA as a part of the Airport Improvement Program funding. The first project they put in for was to do the pavement of the runway. The City was asked to sign the contract since the City is a sponsor of the airport. This contract needed to come before the Commission before City Manager Shrives could sign off. Jeff Walla, the engineer for the project was asked to come to speak to the Commission regarding this project. **Jeff Walla**, KLMJ Engineering Kalispell, put out the bid to do maintenance and pavement of the runway. The FAA had cut off all funding until the land issue was dealt with. Now that that has been taken care of, the FAA is putting pressure on to complete this project. There were 3 bids received for this work; \$216,162.39, \$263,401.17, and \$295,478.16. The engineer's estimate was \$357,323.50. The Airport Board has made a recommendation to award the contract to Road Products Inc., Spokane, WA. **Commissioner Southerland motion to award the Polson Airport Pavement Maintenance Project to Road Products Inc. in an amount of \$216,162.39. In addition "The City of Polson has not had experience in DoT assisted contracts and therefore has been unable to create a listing of firms doing business with the City that are DBE or non-DBE qualified. Based upon the recommendation of the Lake County Joint Airport Board and the Project Engineer a Race Neutral Goal of 2.5% and a Race Conscious goal of 0% is established for the DBE requirements of the Contract. The Polson City Commission relies upon the representatives and the Project Contract statement that the Joint Airport Board has established a DBE Program in accordance with 49 CFR Part 26." I also motion to authorize the City Manager to sign all required documents after Project Engineer review and City Attorney concurrence. Commissioner Donovan second.** Commission discussion: none Public comment: none  
**VOTE: Unanimous Motion carried**

**APPROVE RESOLUTION ADOPTING CITY OF POLSON BUDGET FY2016 (45:47)**-City Finance Officer Cindy Dooley presented this agenda item. Department of Revenue changed the values. This increased the newly taxable property \$57,945.00. Now the newly taxable is \$75,016.00. This allowed a decrease in the mills to 139.04. The total appropriations will be \$10, 528,781.00. The budget is

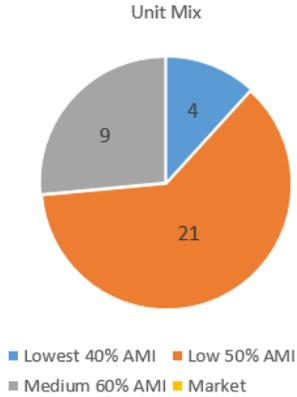
considered balanced because the appropriations do not exceed the beginning cash, plus the proposed revenues and the accounts receivables or accounts payable that are outstanding. The \$160,000.00 cash savings from last year General Fund due to lower expenditures than budgeted expenditures and \$150,000.00 has been re-appropriated into Fiscal Year 2016 budget. **Commissioner Erickson motion to approved Resolution to adopt a budget for the City of Polson, Montana for the fiscal year 2015-2016. Commissioner Southerland second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**POLSON LANDING AFFORDABLE HOUSING PROJECT (52:03)** -This agenda item was presented by City Planner Kyle Roberts and Alex Burkhalter. Mayor Knutson asked for a motion to remove the agenda item from the tabled status. **Commissioner Siler motion to remove the Polson Landing Affordable Housing Project from being tabled. Commissioner Donovan second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried.** City Planner Kyle Roberts reminded the Commission and citizens that this project was presented at the September 9, 2015 Commission meeting. This is a 35 unit proposed housing project. The request for a soft loan to pay Impact Fees is not a viable option. The City of Polson Growth Policy does recommend affordable housing. A letter of support of the project and a representative to go to Helena to speak in favor of the project. Alex Burkhalter presented the following power point presentation:

## Housing Tax Credits

- The Housing Credit was created in 1986 by congress; administered by Montana Board of Housing
  - Approximately 26 Million into Montana each year
  - Trying to bring those dollars to Polson for affordable housing
  - 2016 has over \$100 Million in requests for Housing Credits, very competitive
- Nationally, since 1986
  - Responsible for 90% of affordable housing
  - Provided 2.5 Million rental units
  - Produces approximately 100,000 jobs each year

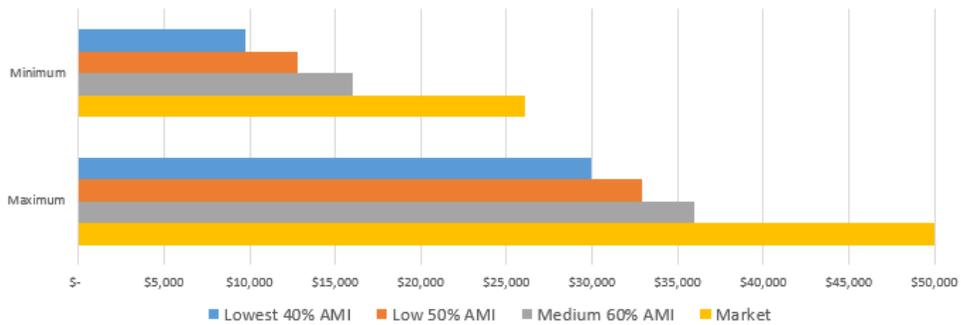
## Polson Landing – Unit Mix



**70% of the Units**  
are targeted at  
**Lowest 40% AMI Families**  
And  
**Low 50% AMI Families**  
Households.

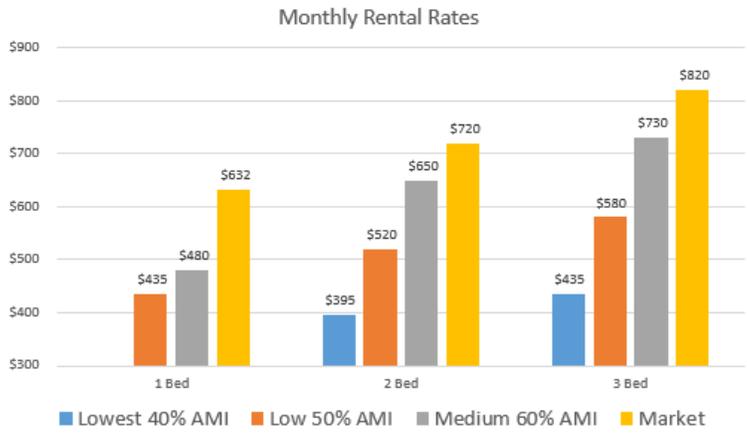
AMI = "Area Median Income"

## Polson Landing – Income Ranges



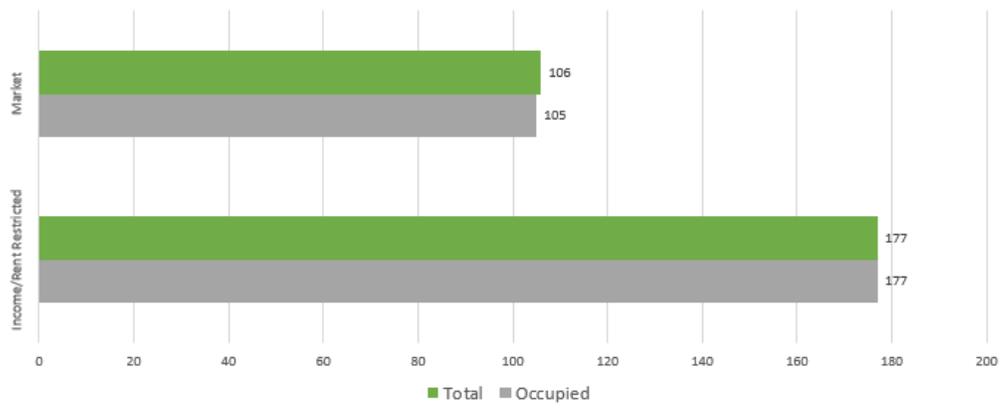
Polson Landing will serve those who can not afford market rate rents.

# Polson Landing – Rental Rates



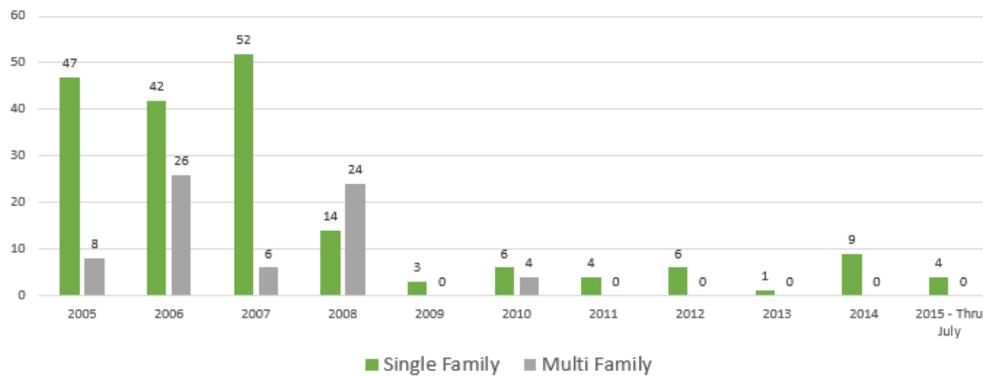
**Lowest 40% AMI**  
**And**  
**Low 50% AMI**  
 rents are significantly below Market.

# Existing Rental Units



All Income/Rent Restricted units are occupied with waiting lists

## City of Polson Residential Building Permits 2005 - 2015



Source: U.S. Census Bureau – Censtats/Property Dynamics Market Study September 2015

### MARKET STUDY SUMMARY - LOCATION OF ITEMS IN MARKET STUDY

Average (comparable) Market Rent in Immediate Area: Reference Page: A-37 & C-1

	Average Rent*	Net Adjusted Market Rent (not rents)	Proposed Average Market Rent	Percent Below Average Market
One bedroom one bath	\$ 600.00	\$ 660.00	\$ 435 & 480	18-24 % 27 -34 %
Two bedroom two bath	\$ 650.00	\$ 780.00	\$ 391,520 & 650	0 -39 % 17 -49 %
Three bed two bath	\$ 800.00	\$ 880.00	\$ 431,580 & 730	9 -46 % 17 -51 %

\* From our Property Dynamics survey taken on September 2015

# of New Units Needed: 104 Reference Page: A-26

Vacancy Rate: Reference Page: A-24,27 & C-1

	July 2015
Conventional Vacancy Rate	0.9 %
Senior Tax Credit Vacancy Rate	NA
Family Tax Credit Vacancy Rate	NA
Low Income Vacancy Rate	0.0 %
Family	0.0 %
Senior	0.0 %
Overall Vacancy Rate	0.4 %
Total Units Surveyed	272

Capture Rate: 32.7 % Reference Page: A-33  
(projected income eligible tenants who will move in next year/proposed units)

Units Needed in Market Area: 104 Reference Page: A-26

Absorption Rate: 32.7 % Two months Reference Page: A-33  
(proposed units existing LIH, market area units required)

Penetration Rate: 2.6 % Reference page: A-33  
(existing LIH units total eligible households)

Number of LIH renter senior households that can afford rest of proposed project: 324 Reference page: A-32

Mayor Knutson commented that with the City of Polson having grown 13% since 2000 and that we are currently at capacity with the apartment complexes the City has, there is a need for additional affordable housing. **Commissioner Erickson motion to provide a letter of support for Polson Landing, and send a representative to Helena to speak in favor of Polson Landing to Montana Board of Housing. Commissioner Donovan second.** Commission discussion: none Public Comment: **Cindy Dooley, City Finance Officer** asked Alex Burkhalter if an application had been submitted. Mr. Burkhalter commented he had not. Cindy then asked Mr. Burkhalter to disclose the investors. Mr. Burkhalter commented that the investors are a nationwide syndication firms in example: U S Bank, Community Development Corporation, a division of US Bank, Boston Financial. **Lee Manicke** commented he is not opposed to affordable housing. Bozeman has an Ordinance on their City agenda that is creative for paying Impact Fees for single family residence. There are other ways of doing this type of project. Single Family Residence creates a sense of independence. Mr. Manicke also asked about the P.I.L.T. (Payment in lieu

of taxes) is that just for the City or does that include the county, schools, etc. This needs to be defined. Mayor Knutson commented that that discussion has not occurred yet. **Una Rose Graham** questioned the size of the units. Mr. Burkhalter answered that the units will be 1 bed-700 sq. ft., 2 bedroom-950 sq. ft., and the 3 bedroom will be 12-1250 sq. feet. Una commented that the cost per unit seemed like a lot of money for a 1250 sq. ft. unit. **VOTE: Unanimous Motion carried**

**(01:40:55)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. The Commission commented that action minutes would suffice.

**Adjourn. (01:41:29) Commissioner Southerland motion to adjourn. Commissioner Erickson second.** Commission discussion: none Public Comment: **Una Rose Graham** questioned why Mayor Knutson didn't ask for public comment on Agenda Item #11. Mayor Knutson replied that there was no vote being taken. Mayor Knutson further commented that at the next regularly scheduled Commission Meeting should anyone wish to comment on that agenda item, there will be opportunity made for public comment. **VOTE: Unanimous Motion carried.**

**ADJOURN: 8:44 p.m.**

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**Heather Knutson, Mayor**

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

**Cora E. Pritt, City Clerk**