

**POLSON CITY COUNCIL MEETING MINUTES
CITY HALL COUNCIL CHAMBERS
MONDAY, AUGUST 15, 2005, 6:30 P.M**

ATTENDANCE: Councilmen: Lou Marchello, Jules Clavadetscher, Mike Maddy, Tom Corse, Dan Morrison present. Mark MacDonald absent. Mayor Randy Ingram presiding. City Attorney James Raymond present. **OTHERS PRESENT:** Tony Porrazzo, Hub Dykstra, Julie Smith, Elsa Duford, Elsa Duford, Ethan Smith, Sam Williams, Jean Lajoie, Robert Lajoie, Ken Siler, Allen J. Orr, Rick Johnson, Traci Williams, Margie Hendricks, Rory Horning, Doug Chase, Cindy Willis, Tom Maloney, Bonnie Manicke.

PUBLIC HEARING: PROPOSED RESIDENTIAL WATER RATE INCREASE OF TWENTY-FIVE CENTS PER 1,000 GALLONS AND ANNUAL INCREASES BASED ON JULY CONSUMER PRICE INDEX: Mayor Ingram noted that this public hearing was advertised to solicit public comments on the City's proposed residential water rate increase of twenty-five cents per each 1,000 gallons, with automatic annual increases based on the July consumer price index, mainly to keep up with inflation. The minimum billing of 5,000 gallons would increase from \$11.14 to \$12.39; 6,000 to 11,999 gallons would increase from \$2.23 to \$2.48 for each 1,000 gallons; 12,000 gallons to 18,999 gallons would increase from \$3.00 to \$3.25 for each 1,000 gallons, and 19,000 gallons and over would increase from \$5.00 to \$5.25 for each 1,000 gallons. Mayor Ingram asked for comments from proponents followed by opponents to the proposed residential water rate increase.

Elsa Duford spoke in opposition of this water rate increase because the City already implemented an increase a little over a year ago. She stated that the City can't water the parks and people can't afford to water their lawns, along with restrictions on watering with the idea of conserving water. And yet there is enough water to add on more hook ups for other developers. Therefore, she is opposed to increasing water rates for people who live in this town. She felt it is unnecessary and if there is an actual water shortage then the City should not allow new hook ups to the existing water system.

Hub Dykstra asked if this increase is going to be used to make the large amount of improvements mentioned in the recent water report. Mayor Ingram replied that the primary reason for the increase is to reach the State's target rate for water and sewer billing, which would make the City eligible for grants to make those improvements. Councilman Maddy stated that the cost of fuel alone has almost doubled in the next year and a half and the cost of steel has quadrupled. This increase isn't caused by development but is caused by rising maintenance costs and the water bill needs to be increased along with the inflation. As the expenses go up the water rates should go up as it does with everything else. Water and Sewer Superintendent Tony Porrazzo clarified that the last water rate increase was seven years ago. He explained that last year's increase was for high water usage only and increased the rate for usage over 12,000 gallons. Councilman Maddy explained that the cost for 1,000 gallons of water for the average user would be \$2.48. Comparing it to a gallon of gas, which is also \$2.48, is competitive with other natural resources.

Elsa Duford said she understands that but asked Council to consider the medium and lower income population of Polson's ability to pay the increased cost. Mayor Ingram explained that the State of Montana sets the target rate using the census data to generate a median household income for the City of Polson population, and estimated that the water rate should be at 2.9% of the median household income. Elsa Duford asked where the Consumer Price Index could be found. Mayor Ingram replied that it is published in the Wall Street Journal each day and typically runs at the inflation rate, which was at 3% and historically has not been significantly more or less. Generally speaking, he estimated that the City would take a 3% annual water rate increase. Elsa Duford asked that Council provide the public with reference material to look at rather than referring them to the internet or newspaper. Mayor Ingram replied that he would provide the information she requested. Councilman Maddy explained that they tried to find a fair way to cover expenses and other businesses use the consumer price index to determine increases in their products. He doesn't feel that one rate increase in seven years is a lot. The Montana League of Cities and Towns recommends that cities raise their rates every year according to the rate of inflation, so they don't have a problem with not enough capital when expenses come up. The City should have been doing that all along and now is the time to start. Elsa Duford questioned if they are anticipating that people's income is going to keep going up with inflation. Councilman Morrison noted that it is a recommendation for every city in the State.

The public hearing was adjourned at 6:40 p.m.

CITY COUNCIL MEETING

CONSENT AGENDA:

- A. CITY COUNCIL MEETING MINUTES OF AUGUST 1, 2005.
- B. JOYCE WEAVER TO ATTEND MAP CONFERENCE IN HELENA, OCTOBER 25-28, PLANNING DEPARTMENT.

Motion made by Councilman Corse, seconded by Councilman Maddy, to approve the consent agenda item A. the City Council Meeting Minutes of August 1, 2005, and item B. Joyce Weaver's attendance at the MAP Conference in Helena, October 25 through 28, for the Planning Department. Motion carried unanimously.

FINAL PLAT APPROVAL FOR BAYLEY PARK MINOR SUBDIVISION, OWNERS ALLEN AND PEGGY ORR: City Planning and Zoning Official, Joyce Weaver noted that Al Orr is the owner and is present tonight. The final plat approval is for a two lot minor subdivision, lots 2 and 3 of Boyce Subdivision, located at 37 Rung Lane. This proposal is to subdivide lot 3 of Boyce Subdivision into two separate lots to develop multi-family dwellings. All the conditions of approval have been met and the plat has been signed off by Water and Sewer Superintendent Tony Porrizzo and Fire Chief Tom Maloney. The checks for the capital improvement fees have also been received. City Engineer Bob Fulton reviewed and approved the site plan. A \$15,300 quote was provided from Treasure State Concrete for paving that has not been completed. A letter of credit for \$15,300 was provided for paving improvements to be completed. Joyce Weaver verified that the owner is providing additional easements as designated on the preliminary plat, to extend road and utilities thru the subdivision for future development. Motion made by Councilman Morrison, seconded by Councilman Maddy, to grant final plat approval for Bayley Park Minor Subdivision subject to the City County Planning Board recommendations and the conditions of approval as presented. Motion carried unanimously.

CITY COUNTY PLANNING BOARD MEMBER APPOINTMENT APPLICANTS – BOB WILLIAMS, BOB FULTON, ROBERT LAJOIE: Councilman Maddy thanked the applicants for their letters of interest but noted that with Bob Fulton's application they have tough competition. Bob Fulton is well versed in the building codes and has a history with the City's building and planning department. It is a rare opportunity for the City County Planning Board to have a member with his qualifications. He encouraged the applicants to reapply for future openings. Motion made by Councilman Maddy, seconded by Councilman Marchello, to approve the appointment of Bob Fulton to the City County Planning Board to fill Pat DeVries' term, which expires December 31, 2005. Motion carried unanimously.

RESOLUTION #901 – INCREASE RESIDENTIAL WATER RATES BY TWENTY-FIVE CENTS PER 1,000 GALLONS AND ANNUAL INCREASES BASED ON JULY 1 CONSUMER PRICE INDEX: Motion made by Councilman Morrison, seconded by Councilman Corse, to approve Resolution #901 to increase the residential water rates by twenty-five cents per 1,000 gallons and annual increases based on July 1, consumer price index. Elsa Duford asked if the consumer price index would ever go down. Council replied that it would if we were in a depression. Murat Kalinyaprak asked how the water rates are tied to the consumer price index. Councilman Morrison replied that it was years ago that the League of Cities and Towns recommended that cities should increase rates annually using the consumer price index. Councilman Maddy clarified that maintenance costs have risen and in particular the price of steel and fuel have increased but the City's water rates have not increased for seven years. Mayor Ingram explained that as costs go up the Department needs to recover the increased expenses. Councilman Marchello noted that the City is planning to drill new wells. Mayor Ingram clarified that the City would be using the consumer price index to determine the percentage of increase in the water rates because the percentage indicates the rate of inflation of the increased costs. Margie Hendricks asked how they are progressing on the new well. Mayor Ingram replied that the City is moving forward but he has no details at this time. Motion carried unanimously.

ORDINANCE #613 – SECOND READING - ENCOURAGE PUBLIC PARTICIPATION IN MEETINGS - AMENDING CHAPTER 2.06.060 OF THE POLSON MUNICIPAL CODES: Motion made by Councilman Corse, seconded by Councilman Maddy, to approve the second reading of Ordinance #613 encouraging public participation in meetings and amending chapter 2.06.060 of the Polson Municipal Codes. Rory Horning stated that there aren't many government agencies in the U.S. that limit public participation by law. He wants to go on record and hopes to dissuade the Council to change their motion to approve this ordinance. He doesn't see that the public was monopolizing the meetings or squelching others' participation in discussions at the numerous City Council Meetings that he attended. He asked what brought about the need for this ordinance, which makes it a law rather than a rule. He felt that the City of Polson is small compared to the State of Montana and the City of Missoula government agencies, which have this rule in place and he doesn't see the need to limit individual public comment. He asked that Council change the ordinance to apply only when there is a

large crowd. He questioned if it would be applied when there are contentious issue brought before Council. Mayor Ingram clarified that the ordinance allows the Council to waive the three minute rule.

Margie Hendricks addressed Council stating that she raised six children, four are boys who have been involved in the military, who care deeply about people and have a strong dedication to defending the freedoms that we have in the United States. In January the Polson Citizens for Better Government questioned the City government about conflicts of interest relating to the City codes. She believes that it is part of democracy to be able to blow off steam and discuss contentious issues. The comments from the City that were published in the newspaper relayed a tone that the Polson Citizens for Better Government were reckless and others shouldn't believe what they say. There were humiliating remarks made by several Councilmen, which keeps her from expressing herself. She gets nervous like most people when speaking in front of a group. When she asked for the March water report she was told that it was not available to her because of homeland security and she felt she was treated as trivial, in a punishing way and a nuisance. It appears to her that Council and City staff is not comfortable when the public wants to participate and give their views on issues.

Murat Kalinyaprak stated that he knows that in larger cities people have time limits and are asked to sign up prior to the council meetings if they wish to speak but in his opinion it should apply to larger cities only. Mayor Ingram replied that this ordinance is setting rules and procedures but also allows the Council to give people more time to speak. He assured that Council will try to accommodate and give more time if requested.

Elsa Duford asked and City Attorney James Raymond replied that a resolution of intent is not necessary for this ordinance but applies to issues such as street abandonment and creation of special improvement districts. Elsa Duford questioned the Council's use of Roberts Rules of Order, which is used in the military and originally came from England, and felt it should not be used by the City government. Mayor Ingram replied that the Roberts Rules of Order is used by most government agencies and was adopted for use by the City of Polson many years ago. The motion to approve the second reading of Ordinance #613 was carried unanimously.

JULY 2005 CASH REPORT: City Treasurer Bonnie Manicke presented the July 2005 Cash Report attached to Council's agenda. She noted that the Golf Course land purchase payment is reflected on this month's report and there is nothing unusual on it. Motion made by Councilman Marchello, seconded by Councilman Clavadetscher, to approve the July 2005 Cash Report as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.

SCHEDULE PUBLIC HEARING ON FISCAL YEAR 2005-2006 PRELIMINARY BUDGET FOR MONDAY, AUGUST 29, 2005: Mayor Ingram noted that the required public hearing for the fiscal year 2005-2006 preliminary budget is proposed to be held on Monday, August 29th at 6:30 p.m. Also, the public hearing for sidewalk related projects using the City's allocated Community Transportation Enhancement Program funds would be held at 6:00 p.m. Motion made by Councilman Maddy, seconded by Councilman Marchello, to hold public hearings on Monday, August 29 at 6:00 p.m. for the CTEP sidewalk projects and at 6:30 for the fiscal year 2005-2006 preliminary budget. Motion carried unanimously.

RESOLUTION #902 – AUTHORIZE MAYOR AND TREASURER TO OBTAIN A LOAN OF \$58,800 TO FINANCE 20 GOLF CARTS: Motion made by Councilman Corse, seconded by Councilman Maddy, to approve Resolution #902 authorizing the Mayor and City Treasurer to obtain a loan of \$58,800 to finance 20 golf carts. Motion carried unanimously.

Mayor Ingram asked Council president Dan Morrison to chair the meeting for the following agenda item, and removed himself from his chair.

COMMITTEE RECOMMENDATION FOR THE CITY'S BANKING SERVICES: Councilman Clavadetscher informed Council that the appointed review committee consisting of himself, City Treasurer Bonnie Manicke, Councilmen Marchello and MacDonald have reviewed the proposals submitted by the local banks; First Interstate Bank, Community Bank and Glacier Bank. They were unanimously in recommending that Council approve Glacier Bank's proposal. Motion made by Councilman Clavadetscher, seconded by Councilman Maddy, to approve Glacier Bank's proposal to provide banking services for the City of Polson. Motion carried unanimously.

OTHER PUBLIC COMMENTS NOT ON THE AGENDA: Rick Johnson thanked the Mayor and Council for their support and willingness to work with the residents on Hillside Court on their road improvement project. Everyone, maybe with the exception of one, is very happy with the street improvement and he thanked the Street crew for their hard work. He realizes that in a democracy the solutions are not always perfect but the compromise between the County, the City and property owners

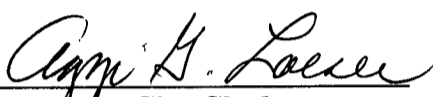
have resulted in a road that is better than it was before. Robert Lajoie also thanked the Mayor and Council for their efforts and especially thanked the Street Department crew for doing a good job.

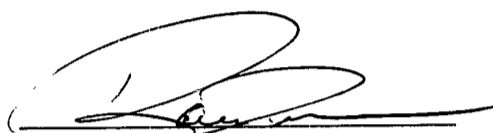
Water and Sewer Superintendent Tony Porrazzo informed Council that the Department of Environmental Quality recommended that the City of Polson's water system be used as part of a training film about water works for small water systems. The film will be produced by the Bozeman University and they will be on site taking pictures of the City's water facility.

Councilman Maddy asked that the Mayor be authorized to write a letter of appreciation to the Mission Valley Cruisers' organizers for putting on an event in Polson, which brought record numbers of people into the City. Police Chief Chase noted that the planning must have been phenomenal. Councilman Maddy noted that Hoop Fest is another event requiring a lot of organization and has been advantageous to the City. Councilman Marchello noted that a follow up meeting is scheduled for Thursday night.

Mayor Ingram noted that the next City Council Meeting will be held on Wednesday, September 7, 2005, because of the Labor Day Holiday.

Meeting adjourned at 7:40 p.m.

ATTEST: 
Aggi G. Loeser, City Clerk


Randolph B. Ingram, Mayor