

**POLSON CITY COUNCIL MEETING MINUTES
CITY HALL COUNCIL CHAMBERS
MONDAY, OCTOBER 17, 2005, 7:00 P.M.**

ATTENDANCE: Councilmen: Lou Marchello, Jules Clavadetscher, Mike Maddy, Dan Morrison present. Mark MacDonald and Tom Corse absent. Mayor Randy Ingram presiding. City Attorney James Raymond present. Others Present: Doug Chase, Irene Marchello, Mike Cripe, Gerry Browning, Lee Manicke, Dave Tolley, Tim McGinnis, Dale Gillespie, Virginia Hertz, Sam Williams, Robert LaJoie, Greg Hertz, Kate Hertz, Bonnie Manicke, Steve Jensen, Ethan Smith, Jalynn Baird, Jan Tusick, Wanda Robinson, Mary Gertson, Will Tusick, Steve Jensen, Bill Wilkins.

CONSENT AGENDA:

- A. CITY COUNCIL MEETING MINUTES, OCTOBER 3, 2005**
- B. RESOLUTION #911, ADOPT REVISED INTERLOCAL AGREEMENT WITH MONTANA MUNICIPAL INSURANCE AUTHORITY**
- C. ALL BEVERAGE ALCOHOL LICENSE TRANSFER
A-Z BEER, WINE, LIQUOR, 202 2ND STREET EAST, JAMES GLANTZ**
- D. MONTANA LAW ENFORCEMENT ACADEMY – DOMESTIC VIOLENCE WORKSHOP, OCTOBER 25,26, BOZEMAN, JOHN FAIRCHILD**
- E. FIRE SPRINKLER PLAN REVIEW AND INSPECTION SEMINAR,
NOVEMBER 1,2, MISSOULA, TOM MALONEY AND KAREN SARGEANT**

Joyce Weaver asked that the Council Meeting Minutes of October 3rd be corrected regarding Jerome and Margaret Hanson's preliminary plat approval for a two lot minor subdivision. The condition for payment in lieu of installing sidewalks, was amended by Council to include the cost of curb and gutter. **Motion made by Councilman Marchello, seconded by Councilman Clavadetscher, to approve the Consent Agenda items A through E, with a correction to item A, the October 3, 2005 City Council Meeting Minutes. Jerome and Margaret Hanson's preliminary plat approval should include that the payment in lieu of installing a sidewalk will include the cost of installing sidewalk, curb and gutter. Motion carried unanimously.**

REQUEST APPROVAL TO BORROW FUNDS FROM THE SIDEWALK LOAN FUND BY DALE GILLESPIE, JDG VENTURES, LLP: City Treasurer Bonnie Manicke informed Council that she discussed a \$5,500 loan with Dale Gillespie to replace the sidewalk in front of his building on Highway 93, utilizing the sidewalk loan fund. There is approximately \$60,000 available in the Sidewalk Loan Fund and the interest would be 5% for a three year period. **Motion made by Councilman Morrison, seconded by Councilman Marchello, to approve Dale Gillespie's request for a \$5,500 loan from the Sidewalk Fund at 5% for a three year period. Motion carried unanimously.**

REQUEST TO PAVE ALLEY BETWEEN 1ST STREET EAST AND MAIN STREET AND HIGHWAY 93 AND 1ST AVENUE EAST – MATERIAL COSTS REIMBURSED BY JDG VENTURES, LLC AND CORNERSTONE FINANCIAL: Mayor Ingram clarified that the City Street Department previously paved other alleys in the City on the condition that the adjacent property owners pay for the cost of materials. Water and Sewer Superintendent Tony Porrazzo noted that before they also plan to improve the storm water drainage before they pave the alley. Mayor Ingram noted that the City would also participate in the cost of materials, because City Hall is adjacent to that alley. **Motion made by Councilman Morrison, seconded by Councilman Marchello, to approve the City's participation in paving the alley behind City Hall, between Highway 93 and 1st Avenue East, with the Street Department doing the labor and the cost of materials to be reimbursed by the adjacent property owners. Motion carried. Councilman Maddy abstained.**

PETITION FOR ANNEXATION, BILL WILKINS AND STEVE JENSEN, PROPERTIES ADJACENT TO SKYLINE #3, CONDITIONED UPON A NEW MUNICIPAL WATER SOURCE: Steve Jensen explained that he and Bill Wilkins are asking for annexation of their adjacent properties in order to move forward with their subdivisions. They feel their proposed development would be good for the City and a better alternative to developing larger lots, which they would develop if their subdivision is processed through the County. Steve Jensen gave his word that he wouldn't proceed until a new water source was found. Mayor Ingram replied that the statutes don't allow conditions placed on annexations. The resolution could not be processed until a new municipal water source is found, which is the proposed condition of annexation. It was clarified that there is an agreement with Jensen for just the City's water tank and water line and an easement for access. This property is a portion of the proposed subdivision that they

propose to donate to the City. Steve Jensen confirmed that they plan to donate 2.4 acres to the City, which includes the existing tank location and enough land for an additional tank and maintenance of the tanks. Mayor Ingram noted that the developers can proceed with the subdivision process without annexation at this time. He felt that a conditional approval of the annexation would be effective in the same time frame as waiting to annex until the City has developed a new water source. Steve Jensen said he wanted a vote from this Council before the new year because this Council is familiar with their development plans. James Raymond suggested tabling the annexation and he would review the options available by law to draw up a contract with the annexation. Mayor Ingram suggested that Steve Jensen and Bill Wilkins meet with himself and City Attorney James Raymond to review the legal options available for annexation. **Motion made by Councilman Marchello, seconded by Councilman Maddy, to table the conditional annexation request by Steve Jensen and Bill Wilkins for their property adjacent to Skyline #3, for further review by City Attorney James Raymond. Motion carried unanimously.**

GOLF BOARD MEMBER APPOINTMENT, JON FISHER TO REPLACE CARSON CORYELL WHO RESIGNED: Councilman Clavadetscher noted that he and Councilman Corse were present when the Golf Board members voted to recommend the appointment of John Fisher to replace Carson Coryell who resigned. **Motion made by Councilman Maddy, seconded by Councilman Marchello, to approve the appointment of Jon Fisher as a member of the Golf Board to replace Carson Coryell who resigned. Motion carried unanimously.** Murat Kalinyaprak commented that he felt the vote at the Golf Board meeting was done so fast that there was no opportunity to comment on the motion.

ANNUAL GOLF FEE RECOMMENDATIONS FOR 2006 SEASON: Councilman Morrison referred to the proposed golf fee schedule provided to Council with their agenda packets. He was disappointed that this fee schedule does not reflect a higher out of City rate, which was discussed previously on several occasions that it should be significantly higher. Mayor Ingram replied that the rates stayed the same except for increase in late buy memberships and junior membership and implementation of a new 9 hole golf pass. Councilman Clavadetscher said he was present at the meeting where they debated the increased rates for out of City and out of State but the outcome after discussion was that it was not approved by the Golf Board. They also discussed a greater penalty for late purchase of memberships but did not approve that recommendation either. **Motion made by Councilman Clavadetscher, seconded by Councilman Marchello, to approve the revised golf rates for the 2006 golf season as proposed and recommended by the Golf Board.** Murat Kanlinyaprak said he understood that Roger Wallace was researching a twilight pass fee and that it would be included in this year's fee schedule. He asked that the cost of the nine-hole pass be reviewed and updated. Also that with a 9 hole membership he felt that he should be allowed to play nine holes on the new nine hole course. Councilman Clavadetscher called for a vote on the motion. **Motion carried unanimously.**

EPA GRANT \$28,000, NO MATCH REQUIRED, SALISH POINT IMPROVEMENT: Mayor Ingram informed Council that the City received approval of a \$28,000 EPA Storm water Management Grant approximately three years ago for the Salish Point shoreline buffer project. The project has not progressed as fast as expected and the funds need to be used or they would be lost. He asked that Council approve a modification of the project for the EPA grant. **Motion made by Councilman Marchello, seconded by Councilman Clavadetscher, to approve the modification of the project description for the \$28,000 EPA Grant for Salish Point. Motion carried unanimously.**

SEPTEMBER 2005 CASH REPORT: City Treasurer Bonnie Manicke presented the September 2005 Cash Report. She noted that the report reflects payments made on the Fire Engine and the Golf Bond. The closeout of the TSEP grant for the water main line river crossing project was completed and the grant funds were received, bringing the Water Fund out of a negative balance on this month's report. The Hochmark Fund 2750 shows a negative balance, but \$6,000 was receipted into that fund early this month. Fund 2943, an RCDI Grant for the Growth Policy has a negative balance and will be reimbursed in full by the time the project is completed in early January 2006. **Motion made by Councilman Maddy, seconded by Councilman Marchello, to approve the September 2005 Cash Report as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.**

IMPACT STUDY FOR LARGE SCALE DEVELOPMENTS: Joyce Weaver, City Planning and Zoning Official, stated that per the City County Planning Board's pre-application hearing on October 11, 2005, Wal-Mart with their agent CLC, was instructed to present a Community Impact Report along with a Traffic Impact Report, before submitting for Preliminary Review of their proposed Super Wal-Mart store in Polson. The PDC does not specify what standards trigger an impact study and what fees should be charged. She noted that this would apply to all large scale developments and the City administration may obtain professional engineering services, to be paid by the applicant in addition to the planning department's services. She referred to Bob Fulton's letter in which he interprets the PDC's requirement for an impact study. He states that the facilities need to be defined, and the impacts which must be evaluated are limited to sewer, water, runoff and street improvements. Mayor Ingram noted that although there is no mention of an economic impact study, the CCPB could make that a requirement. Joyce Weaver noted that an economic impact report was presented by Wal-Mart as part of their pre-application. She asked Council to give their opinions on the timing of the impact study and how to determine the fees applied to this project. Council agreed that the impact report should be done independently and suggested that they charge 10% above the cost for administrative fees. Council asked that City Attorney James Raymond prepare a resolution for the next Council meeting if he determines that it is necessary to implement that fee.

Gerry Browning asked if the economic impact could be considered by the Council when voting on this proposal. Councilman Maddy said he believes that the Council reviews all information presented to them but they cannot add more requirements of the developer once an application for a subdivision is presented. He believes that the PDC should be updated every ten years. The process requires passage of an ordinance, which takes sixty days before it is effective. It was suggested by the public that the issue be put on the ballot for a vote of the public.

Greg Hertz asked that the economic impact study be done on the whole City because he felt that a large scale development not only affects the immediate area but the whole city, relating to housing and existing businesses and the whole community.

Billie Lee, Executive Director of Lake County Community Development Corporation, felt the major concern is not just Wal Mart but that the City follows their vision as outlined in the Master Plan which is part of the Polson Development Code. The economic impact study would be a tool for the City Council to show how it would affect the City overall. She questioned if Council could use the results of the study as a reason to deny the development if it is not part of the Polson Development Code requirements. Mayor Ingram replied that it would be part of the deliberation. Councilman Morrison stated that their decision has to be based on the PDC requirements they were initially provided with. The importance of having an independent study was expressed. Dale Gillespie noted that Wal Mart has paid for independent impact studies in other locations. Concern was expressed that the sub-stores in a super Wal Mart would have a greater economic impact on many of the downtown stores and services.

It was confirmed that the property proposed for a super Wal-Mart is currently outside the City limits and would have to be annexed, and would also require a zone change, both of which the City Council could deny. The current zoning is for housing and would be greater impact on the City's water and sewer services.

Mayor Ingram said the City would ask Wal Mart to provide the cost of an independent economic report and they might be willing to do it without it being a requirement. It was questioned whether the City Council could use the results of the economic survey in their decision to approve the proposed development since it is not part of the existing PDC requirements. Mayor Ingram asked City Attorney James Raymond to follow up on what steps need to be taken to charge for the cost of the impact study.

Jan Tusick stated that the impact study could be broader to include the effects on the business economy and be based on effects of the water, sewer, streets and traffic as defined by the Polson Development Code. Mayor Ingram stated that this issue will not be resolved tonight but the comments made by the public will be taken into consideration. Jan Tusick informed Council that the CSKT Tribes has been analyzing the impact on water over the years on the reservation and asked if Council will consider the information in that report. Billie Lee explained that only certain reasons can be used to deny or approve a development. Councilman Maddy assured her that the Council does, and will consider any and all information provided to them. Greg Hertz asked that Council consider more than the water, sewer and street impact of the Super Wal-Mart proposal because he feels it will have a deep impact on the whole city.

OTHER PUBLIC COMMENTS NOT ON THE AGENDA: Joyce Weaver asked Council to clarify if they consider bed and breakfast businesses the same as hotels and if they would allow them in all the various zoning districts. She noted that an application for a bed and breakfast facility was recently submitted for the historic Mahugh house on 3rd Avenue. Councilman Maddy replied that it would be allowed in MRZD like an apartment. Mayor Ingram stated that the number of units should be considered. Joyce Weaver noted that parking is an issue and there are many variables with each application. She felt it makes sense to present them to Council the same as the guidelines in the Polson Development Code for motels. Council agreed.

Greg Hertz asked what the next step is for Wal Mart's pre-application. Mayor Ingram replied that Joyce Weaver will request that Wal Mart voluntarily pay for a third party economic impact study. Joyce Weaver noted that Wal Mart did provide an economic impact report along with their pre-application. City Attorney James Raymond clarified that the Polson Development Code process has to be followed by the City staff and they can't make new rules after the pre-application has been submitted. Joyce Weaver stated that the zone change will be voted on by the City County Planning as a recommendation to the City Council for final approval of the development. Greg Hertz asked that a broader scope of the impact study be required to include water, sewer streets and effects on existing businesses. Mayor Ingram replied that the City will request Wal Mart to provide payment for an independent full scope impact study and then they will look at other measures but they may not have the ability to demand it.

Murat Kalinyaprak asked Council to approve that the results of the July opinion survey be posted on the City's website. He felt it would be of public interest and be more convenient for the general public but Mayor Ingram did not agree to post it on the internet without Council approval. Mayor Ingram explained that he felt some of the remarks were derogatory and contained untrue statements and attacked certain individuals, some border on slander and some are unsigned. The newspaper also refused to publish the comments. The opinion survey was sent by the Local Government Review Committee and he felt they should be contacted for their permission. Ethan Smith, Editor of the Lake County Leader, informed Council that the questionnaire comments were dropped off at his office anonymously. After reading the comments he decided not to publish it because of the potential liability.

Joyce Weaver, City Planning and Zoning Official, informed Council that Westana Subdivision's letter of credit for improvements that they extended for a six month period will expire in October. The Polson Development Code allows for an option to renegotiate a 90 day extension. Council asked City Attorney James Raymond to review that option.

Meeting adjourned at 8:40 p.m.

Randolph B. Ingram, Mayor

ATTEST: _____
Aggi G. Loeser, City Clerk