

# CITY OF POLSON

## COUNCIL MEETING

Commission Chambers

January 22, 2014

7:00 p.m.

**ATTENDANCE:** City Commissioners: John Campbell, Todd Erickson, Fred Funke, Mike Lies, Dan Morrison, Ken Siler, Jill Southerland, Stephen Turner, City Manager, Mark Shrives, and City Clerk Cora Pritt.

**ABSENT:** Mayor Heather Knutson

**Others present (that voluntarily signed in):** Elsa Duford, Dennis Duty, Mark Evertz, Lita Fonda, City Streets Superintendent Terry Gembala, Margie Hendricks, City Building Inspector Mike Howke, Sam Jacobson, Penny Jarecki, Murat Kalinyaprak, Bonnie Manicke, City Police Chief Wade Nash, Andrew Speer, Gordon Zimmerman.

### 1. CALL TO ORDER

Chairman Commissioner Campbell called the meeting to order. The pledge of allegiance was recited.

### 2. APPROVAL OF PROPOSED AGENDA

Commissioner Erickson motioned to approve the Proposed Agenda. Commissioner Siler seconded. Commission Discussion: none Public Discussion: None **VOTE-Unanimous Motion passed.**

### 3. APPROVAL OF CITY COMMISSION MEETING MINUTES JANUARY 6, 2014-

Commissioner Siler asked for clarification on the numbers presented for the Golf Course Restaurant. City Manager Shrives stated that he would have the clarification at the next Council meeting.

**Commissioner Siler motioned to approve the City Commission Meeting Minutes January 6, 2014 with the understanding of clarification. Commissioner Turner second.** Commission Discussion: None Public Discussion: Murat Kalinyaprak commented on the confusion of the Golf Restaurant numbers that were given during the January 6, 2014 meeting. Mr. Kalinyaprak asked what the numbers were. City Manager Shrives replied that he will bring the numbers for the Golf Restaurant with him at the next council meeting. **VOTE-Unanimous Motion passed.**

### 4. CONSENT AGENDA-JANUARY 1-14 CLAIMS-Commissioner Turner motion to approve the Consent Agenda. Commissioner Erickson second. Commission Discussion: None Public Discussion: None **VOTE: Unanimous motion carried**

**5. CITY MANAGER COMMENTS-**City Manager Mark Shrives gave an update on the two litigation cases that the City is currently involved in. The Papa Don's case, which went to trial in December 2013, has no decision as of today. The Citizens for Open Government vs. the City of Polson- the Plaintiffs were not at the hearing, so a telephone conference was rescheduled with Judge Manley. This was to listen to the City's Motion to Dismiss. The results that the City has back from Judge Manley regarding the five (5) original counts; Count 1-Motion to Dismiss-denied, Count 2-motion granted, Count 3-motion granted, Count 4-motion denied, Count 5-motion denied with exceptions. 2.5 counts will go to trial. Rory Horning asked to be heard regarding this case. Mr. Horning made the following clarification that the five (5) counts that Judge Manley ruled on were from Montana Municipal Insurance Authority (MMIA) not the original petition, which contains twenty (20) different things. The original petition is

now in play, and all of the counts originally put in will be answered. MMIA council tried to get the original thrown out, and didn't succeed.

## NEW BUSINESS

**6. REPORT ON THE STATUS OF THE GREATER POLSON COMMUNITY FOUNDATION- Greater Polson Community Foundation President** Penny Jarecki presented the update. In the past the Commissioners have been pleased to have the updates. It has been a really good year. The foundation, formed in 2008, with the advice of the Montana Community Foundation, spent three quarters of that first year getting totally organized, getting the 5013(C) designation, the by-laws written, officers picked, Board selected, job descriptions, and so on. The purpose of any community foundation is to collect a permanent endowment, to give grants from the earnings of that endowment, and to serve as a community convener. The endowment is permanent and managed by the Montana Community Endowment Foundation in Helena, MT. The office in Helena manages about 44 community foundations in Montana. They oversee about 65million in investments. The endowment for the Greater Polson Community Foundation (GPCF) is approximately \$320,000.00. Four percent of the earnings on that amount are allowed for grants, any excess goes back into the endowment. The endowment grows two ways, donation or excess earnings above the grants that are given. In September of 2008, when the foundation was formed, the community supported the idea and by the end of that year there was \$50,000.00 in the endowment. During this past year, we have received more donations from new donors than ever before. In addition to the endowment fund there are directed gifts & donor advised funds. The directed gifts allow people to give to GPCF and direct how that monies will be used. A donor advise fund is money that the foundation receives and manages. Currently we have \$110,000.00 in those accounts. Those monies are held separately from Helena Montana Community Foundation and the earnings are spent as directed by the donor. An example of how the donor advised gift works, recently \$2,000.00 was spent to purchase state of the art football helmets for the Polson High School Football team. Penny mentions that she has placed a copy of the GPCF newsletter on the desk at each Commissioners seat. This newsletter has a list of the recent grants given. The grand total of grants given back to the community from 2009-2013 is \$71, 177.00. Also, the Polson Boys/Girls Club was given \$800.00 after the newsletter was published. On average \$11,000 to 18,000 is allocated annually to qualifying non-profit organizations. In 2010 representatives of the community were asked how and the GPCF make a real difference in Polson's future? What are the needs, the strengths that should be enhanced and supported? As the endowment grows, how can we make a real difference with the grants? As a result, Envision Polson was established. This is a cross-section of the community representatives who serve as a network building group so that common goals can be identified and duplication can be avoided. This was expanded to include the Heart & Soul project whereby everyone in the community was invited to share thoughts about Polson's future. The values identified through Heart & Soul will become the goals of Envision Polson. Envision Polson is composed of eight action committees in example: The Beautification Committee, Year-Round Recreation Committee, Flathead Lake International Cinema fest (FLIC), and Youth Committee with Polson School District Superintendent Dr. Linda Reksten, the Health and Wellbeing committee. There are currently 12 board members; Penny Jarecki, President, Vice President, Liz Marchi, Secretary, Toni Young; Treasurer, Dorothy Ashcraft. George Barce, Jules Clavadetscher, John Cowan, Lou Marchello, John Mercer, Garry Pitts, DDS, Jarrod Shew, Darlis Smith. Each director has a professional background as well as deep roots in Polson. Since the beginning the organization has been run on volunteer time, but this fall the decision was made to hire a part-time communications director. Ally Bronston, former editor of the *Lake County Leader* accepted the position. She will be putting out the newsletter, writing press releases, and keeping the website up to date. Another change is affordable office space being provided in the Salish building. We plan to be in that office after the first of March. The annual fund raising event is held the third Saturday of August, the place is to be determined. We hope to see you on August 16<sup>th</sup>. Thank you.

**7. REQUEST FOR IMPACT FEE REVIEW/MODIFICATION-SUBMITTED BY COUGAR RIDGE DEVELOPMENT, LLC.**

–City Manager Mark Shrives presented this item. Recently a building permit application was submitted by Mr. Mike Maddy for construction at 145 Southlake Dr. When the Building Inspector began reviewing, he came across a motion that was made in January 2012 that read any future work would assess impact fees in the amount of \$14,327.00. The City contacted the owner and advised him of this finding. Mr. Maddy met with the Building Inspector Mike Howke and City Manager Mark Shrives. As a result of this meeting, City Manager Shrives advised Mr. Maddy the best way to resolve this would be to file an Impact Fee Review/Modification petition. The Impact Fee Review board did meet and consisted of: Commissioners Stephen Turner, Jill Southerland, City Building/Planning Official Joyce T-Weaver, Building Inspector Mike Howke, and City Manager Mark Shrives. The packet was reviewed. In June of 2012 there was a resolution to reduce the impact fee by 80%, Resolution #1027 which had the effective date moved back to January 1, 2012. So, in essence the motion to pay \$14,327.00 was moot because it was super-ceded by the rollback of the resolution. We used 25,000 square feet as the size of the building when figuring the impact fees. Fire Chief Fairchild waived a portion of the Fire Impact Fees in trade for a sprinkler system. This was done in error, the City Commission is the only persons who can waive impact fees. So, the board started at the beginning. All the fees were calculated, the 80% reduction was figured in, and that brought the amount to \$5, 589.71. This number includes the impact fees on the building, it includes the original connection fees for water & sewer, and it includes the cost of the current building permit. The Impact Fee Review Board has recommended that the modified amount of \$5,589.71 be paid to deal with the impact fees. This does not change the fact that any future work would require a building permit this is just putting to rest this impact fee issue that has gone on since 2009. Commissioner Campbell commented that the positive things the City has going for it is that there is a building inspector reviewing all the work that will go on in the future. We have a Fire Chief involved as far as fire protection and sprinkling in the future. We have the Planner involved if any businesses goes in that will require any special use permits or whatever. This is a great step forward and a lot of work went in to this. We lose a few dollars in the process but we gain a lot of control over this. There are businesses in there that provide 33 jobs, they are on the tax roll and on the City water/sewer system. Commissioner Southerland commented that it was good for her to participate on the committee. To hear and read all the history of the impact fees for this project. Commissioner Southerland commended the City Manager and Staff for all research that was put in to this, gathering all the pertinent information, resolutions, and ordinances that define the impact fees. Commissioner Erickson asked if there would be any other properties affected by this. City Manager Shrives answered this was only dealing with this issue due to the petition that was filed to bring it forward. **Commissioner Turner motion to assess a total of \$5,589.71 as payment for impact fees, building permit fees, and administration fees and connection fees for the property located at 145 Southlake Drive. Commissioner Morrison second.**

Commissioner discussion: none Public Discussion: **Margie Hendricks**-The City of Polson does not have a valid Impact Fee ordinance in compliance with state law. Impact Fee Ordinance #624, adopted in March 2007 and revised Impact Fee Ordinance #661 adopted in June 2012 make no reference to an Impact Fee Advisory Committee required Montana Code Annotated(MCA) 7-6-1604. This code states the committee shall review and monitor the process of calculating, assessing, and spending impact fees. Other Montana cities contacted do include such a committee in their ordinance or have a separate ordinance regarding the advisory committee. Polson’s ordinance provides for an Impact Fee Review Board. In state statutes this board is optional and not included in state statutes. A Review Board is generally thought to review impact fee reduction request. In June 2006 Polson did appoint an Impact Fee Advisory Committee appointed by the City Council. It was made up of all citizens. At that time the City was going through a process of studying the Charter Form of Government. In 2008 the City voted to transition in only citizens on boards and committees. Six months after Ord. No. 624 was adopted in March 2007, in September 2007, the Commission voted that a review board appointed by the city manager advised the council that it did not need an Impact Fee Advisory Committee. So the Commission at that

time voted to do away with the Impact Fee Advisory Committee, but state statute 7-6-1604 states it is required. Thank you. **Murat Kalinyaprak** commented that he was impressed with the agenda item, the time-line, the completeness. Makes him optimistic about the future. The new council, new city manager, even the new temporary city attorney. Hopefully will mean the end of anything goes form of government. The Impact Fee Reimbursement agreement signed last year with the Cougar Ridge Development needs to be reviewed. Murat questioned whether that was legally done. The receipts were never produced for the public after many requests. Margie's comments, what she was trying to explain, there is an Impact Fee Review Board and an Impact Fee Commission. These are two different things. One is a standing commission required by the state law and the other one is a temporary reviewing applications. Thank you. **Rory Horning**-had one question for clarification. The 25,000 square foot building and the amount is down to five thousand and some dollars for impact fees and hook-up fees are included. How much were the hook-up fees that were included? City Manager Mark Shrives answered \$300 for water and \$316.00 for Sewer. Rory replied that the Impact Fee is pretty slim that should be pretty good for the rest of the developers. **Elsa Duford**-requested that due to the changes that have occurred over these impact fees not to take a vote on this matter. Elsa pointed out that the Committee meeting was not noticed and there was no agenda or public participation. There are times when the public has information that would be beneficial to everyone. Chairman Campbell asked for any further comments. Seeing none Chairman Campbell notes that there has been a motion and a second. **VOTE: Unanimous Motion carried.**

**8. PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA-** **Murat Kalinyaprak** commented that the Council Chairman Campbell has been acknowledging public speakers by thanking them. This is new and refreshing and appreciated. It is pretty promising. The City Attorney position is critical for proper City government, that makes Murat hopeful and he appreciates the City Manager making the right move in the right direction with that. Hopefully this will be a nice, friendly government with public participation. Thank You. **Rory Horning** commented about the December 23, 2013 Special Meeting with regards to the City Attorney's contract. Rory hadn't seen the minutes. There were quite a group of legal minds gathered together that day. There were terms discussed for resignation, and Rory hoped that the resignation proposal public. When both Jay Henry and Todd Crossett left, the amounts paid to them were made public. There should be no difference with this contract. The food for thought is "Fidelity".

ADJOURN: 7:48 P.M.

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Chairman Commissioner John Campbell

ATTEST:

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Cora E. Pritt, City Clerk