

**POLSON CITY COUNCIL MEETING MINUTES
CITY HALL COUNCIL CHAMBERS
WEDNESDAY, FEBRUARY 20, 2008 7:00 P.M.**

ATTENDANCE: Council Present: Bruce Agrella, Jim Sohm, Tom Jones, Mike Lies, Elsa Duford, Mayor Lou Marchello presiding. City Attorney James Raymond present. City Manager Jay Henry absent.

Pledge of Allegiance and meeting brought to order at 7:00 p.m. Mayor Marchello asked for a moment of silence in sympathy for City Manager Jay Henry and his family due to his son's tragic and untimely death.

APPROVAL OF PROPOSED AGENDA: Motion made by Councilman Funke, seconded by Councilman Agrella, to approve the proposed agenda. The motion passed unanimously. Mayor Marchello noted that although the Council voted not to have an attendance sheet at the door, he asked that those who speak would sign the sheet, which is provided on the podium.

**CONSENT AGENDA: A. CITY COUNCIL MEETING MINUTES FEBRUARY 4, 2008
B. FEBRUARY 1 – 15 CLAIMS: Motion made by Councilman Lies, seconded by Councilman Funke, to approve the consent agenda, A. City Council Meeting Minutes of February 4, 2008 and B. Claims for February 1 through February 15 as presented. Motion carried unanimously.**

REQUEST FOR 15 MINUTE PARKING SPACE IN FRONT OF CITY HALL: Police Chief Doug Chase informed Council that the office staff requested that one parking space in front of City Hall be dedicated as a 15 minute parking space for the convenience of the customers who usually have a short order of business to conduct at City Hall. The sign would indicate a parking limit of 15 minutes from 8:00 a.m. to 5:00 p.m. Monday thru Friday, allowing for extended parking time in the evenings and weekends. Mayor Marchello asked and Chief Chase replied that the limited parking sign at the Courthouse Bean coffee shop has worked well and he hasn't received any complaints so far. **Motion made by Councilman Lies, seconded by Councilman Agrella, to approve designation of a fifteen (15) minute parking space in front of City Hall as proposed. Motion carried unanimously.**

REQUEST FOR APPROVAL OF NEW SIGNS WITH GOLF COURSE'S NEW NAME: POLSON BAY GOLF COURSE: Laura Hone, Golf Board Member, addressed the Council and explained the Golf Board's proposal to place three new signs on the golf course. One lighted sign would be placed at the first tee of the nine-hole course and would have a space for advertising current events. The second sign is proposed on the first tee of the eighteen-hole course, replacing the sign that is currently there. A third sign would be placed over the golf shop door. The total cost of the signs is estimated at \$3,667. Councilman Sohm referred to the message proposed for the sign at the first tee of the eighteen-hole course, which says "We want you to have a great day of golf. If we can be of assistance let us know. Have a great round!". He felt the message is redundant and that the golfers should get that message from the pro shop counter staff. He suggested it be placed on another sign at the end of the course and could ask players for feedback on their golf experience. Laura Hone replied that they felt it was nice reading at the beginning of play, but they could look into placing another sign at the end of the course. Councilman Lies asked if the cost of the signs was budgeted. Laura Hone replied that \$10,000 was budgeted. **Motion made by Councilman Jones, seconded by Councilman Agrella, to approve the Golf Board recommendation to place three new signs at the golf course for an estimated cost of \$3,667 as proposed. Councilman Jones amended his motion to include waiving the cost of the sign permit required by the Building Department. Councilman Agrella seconded the amended motion. Murat Kalinyaprak suggested that the public welcome sign on the pro shop be removed, because it sounds like its not public but the public is**

allowed to play golf. Laura Hone replied that the sign will be replaced and it will say Polson Bay Pro Shop. **The amended motion carried unanimously. The original motion carried unanimously.**

RESOLUTION #959 – ANNEXATION OF LOTS 7, 8, 9, 10 & 11 BLOCK 3 EAST SIDE ADDITION TO GRANDVIEW (901 13TH AVENUE EAST) HANS LUND: Hans Lund, stated that he is the owner and of the property he is requesting to annex which is wholly surrounded by City property. He plans to aggregate all the lots into one lot and build three four-plex units and leave the existing home on the property. **Motion made by Councilman Jones, seconded by Councilman Funke, to approve Resolution #959 annexing lots 7, 8, 9, 10 and 11 Block 3 of East Side Addition to Grandview Townsite. Motion carried unanimously.**

PUBLIC FUNDS INVESTMENT BID – PURCHASED CERTIFICATE OF DEPOSIT AT 1ST INTERSTATE BANK - \$400,000 @3.87% APY MATURING ON 10/16/08 AND \$600,000 @3.87% APY MATURING ON 11/19/08: City Treasurer Bonnie Manicke noted that the investments are in separate blocks and were purchased at 1st Interstate Bank. The bids she received for the \$400,000, 260 day investment maturing on 10/16/2008 were; Valley Bank 4.58% APY, 1st Interstate 3.87% APY, 1st Citizens Bank 3.60% APY, Community Bank 3.32% APY, and Glacier Bank 2.53% APY. The bids for the \$600,000, 294 day investment maturing on 11/19/2008 were; Valley Bank 4.58% APY, 1st Interstate Bank 3.87% APY, 1st Citizens Bank 3.65% APY, Community Bank 3.32% APY and Glacier Bank 2.53% APY. She explained that Valley Bank had the highest bid quote but withdrew their bid on the same day the feds dropped the interest rate one-half percent, making 1st Interstate Bank's the high bid. The comparisons were, Treasury Bill Yield maturing on 10/08 at 2.29%; Agency of U.S. Government maturing on 10/08 at 3.30%; Treasury Bill Yield maturing on 11/08 at 2.54%; Agency of U.S. Government maturing on 11/08 at 3.00%. She noted that a \$400,000 certificate of deposit matured, and a \$300,000 callable U.S. Government Agency Federal Home Loan Bank Term Notes was called, therefore, the investment pool bid is a million dollars. The FHLB term notes were purchased at par a few years ago. She recognized that with the federal rate going down it would be wise to take money out of the overnight repurchase account and put it into a higher interest earning investment. The repurchase agreement went down 1.36% overnight, and starting February 1, 2008 the interest rate is 2.50%. **Motion made by Councilman Lies, seconded by Councilman Sohm, to approve the investments at 1st Interstate Bank of \$400,000 at 3.87% APY maturing on 10/16/2008 and \$600,000 at 3.87% APY maturing on 11/19/2008, as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.** Bonnie Manicke noted that Mountain West Bank established a real estate loan services office in Polson and has advertised in the Lake County Leader, therefore she will contact Mountain West Bank for the next public funds investment, which would be negotiated in Helena, Missoula or Kalispell. With the City having a cash flow balance of approximately five million dollars it is to the City's advantage to branch out for bids and get as many banks involved in the bidding process as possible, particularly with the rates going down. Councilman Funke thanked her for a job well done.

JANUARY 2008 CASH REPORT: City Treasurer Bonnie Manicke noted that the total cash value on the January 2008 Cash Report is \$5, 092,773.99 with no negative balances and it is a normal report with nothing exceptional. The impact fee collections from June 2007 through January 2008, for eight months totals \$253,000. Those monies provide revenue to the General Fund, Fire, Parks, Water and Sewer departments. She reminded Council that if building activity declines the impact revenues will decrease, which is the negative side. The 2007 Real Property Tax collections, which is a large part of the general fund revenue, are at 54% of the collections as of December 2007. The remaining taxes will be receipted by Lake County in May 2008 and receipted in the City records, a month later, on the June 2008 cash report. Even with the interest rate decline, the investment interest earnings from July 2007 to January 2008 were at 71% of the projections and she feels the City can reach the projected \$196,000 she projected last July. She is confident that the investments she made are laddered so they will yield the projected

interest earnings through June 2008. **Motion made by Councilman Agrella, seconded by Councilman Lies, to approve the January 2008 Cash Report as presented. Motion carried unanimously.**

PUBLIC COMMENTS: Mayor Marchello thanked Councilman Lies for his work on completing the census documents. The Council applauded him for completing the tedious job.

Mayor Marchello noted that the Annual Firefighter's Ball will be held March 1 and tickets are still available for \$35 per person from the fire department.

Water and Sewer Superintendent Tony Porrazzo informed Council that the test well was being drilled today and they plan to install the casing tomorrow. Next week they hope to start the pump testing. He asked the Council to contact him if they wanted to visit the site.

Murat Kalinyaprak stated that at the last meeting he suggested that the City start to use the sign in sheet again and the motion failed. It was stated that the people who wanted their names in the minutes could go to the podium and speak. He and a few citizens talked among themselves and to make it easier to have their names in the minutes without having to go to the podium, they decided to circulate a sign in sheet and have one person read the names to have their attendance on record. He volunteered to do it tonight and read the names. Murat Kalinyaprak, Bonnie Manicke, Hans Lund, Tony Porrazzo, Rory Horning, Dick Blumberg, Berl Tiskus, Linda Sappington, Doug Chase. He stated that any repressive or secretive policies of the City will be opposed and will not succeed.

Tom Corse stated that Mr. Kalinyaprak did not offer to let him sign the sign in sheet although he was sitting beside him. He suggested that perhaps having a citizen circulate a sign in sheet is inappropriate in order to find out who is present at council meetings. He suggested that the Council stick to the decision they made at the last meeting.

Murat Kalinyaprak replied that it was nothing intentional, he just handed it to a person to circulate and it didn't get to him, so it wasn't his fault.

Elsa Duford noted that she was at two meetings recently, one for the Streetscape and another for Community Development and they both had sign in sheets. For their information, at one meeting a sign in sheet was passed around the room and at the other meeting a sign in sheet was on a table for people to sign.

Mayor Marchello noted that at the request of the City Attorney, Council will hold an Executive Session after this Council Meeting is adjourned.

Meeting adjourned at 7:28 p.m.

7:33 P.M. EXECUTIVE SESSION: City Attorney James Raymond discussed the progress of the litigation between Westana, Inc. and the City of Polson and asked Council for direction. Council voted unanimously to give the City Attorney direction to proceed in the litigation.

Meeting adjourned at 7:55 p.m.