

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY MARCH 4, 2013, 7:00 PM**

ATTENDANCE: City Commissioners: Todd Erickson, John Campbell, Mike Lies, Stephen Turner, Dan Morrison, Fred Funke and Mayor Pat DeVries presiding. City Manager Todd Crossett, City Attorney James Raymond, City Treasurer Bonnie Manicke, City Clerk Cindy Dooley, Chief of Police Wade Nash, Building Inspector Mike Howke, Water & Sewer Superintendent Tony Porrazzo, Parks Superintendent Karen Sargeant and Streets Superintendent Terry Gembala present. Others present (that signed in): Jerry Raunig, Mike Gale, Bob Murdo, Jules Clavadetscher, Ann Clavadetscher, Ken Cameron, Pat Hopkins, Rory Horning, Rick LaPiana, Alice Oechsli, Joslyn C Shackelford, Mark Shackelford, Pat Cook-Hutchin, Gil Mangels, Elsa Duford, Gordon Zimmerman, Diane Speer, Jack Hane, Ryan Avison, Jill Southerland, Liz Marchi, Irene Marchello, Lou Marchello, Paul London, Andrew Speer, and Gerry Browning.

Mayor Pat DeVries called the meeting to order. The pledge of allegiance was recited.

APPROVAL OF PROPOSED AGENDA: Commissioner Turner moved to approve the proposed agenda seconded by Commissioner Morrison. Commission discussion: None. Public discussion: None. Motion carried unanimously.

CONSENT AGENDA:

A. FEBRUARY 15 – FEBRUARY 28 CLAIMS

Commissioner Campbell moved to approve the consent agenda, seconded by Commissioner Funke. Commission discussion: None. Public discussion: None. Motion carried unanimously.

COMMISSION WORKSHOP MINUTES JANUARY 25, 2013: Commissioner Lies moved to approve the City Commission workshop minutes of January 25, 2013 as printed, seconded by Commissioner Campbell. Commission discussion: None. Public discussion: None. Commissioners Erickson, Campbell, Lies, Morrison and Funke voted aye. Commissioner Turner abstained. Motion carried.

COMMISSION WORKSHOP MINUTES FEBRUARY 15, 2013: Commissioner Campbell moved to approve the City Commission workshop minutes of February 15, 2013, seconded by Commissioner Lies. Commission discussion: None. Public discussion: None. Commissioners Erickson, Campbell, Lies, Turner and Funke voted aye. Commissioner Morrison abstained. Motion carried.

COMMISSION MEETING MINUTES FEBRUARY 20, 2013: Commissioner Lies moved to approve the City Commission meeting minutes of February 20, 2013 as printed, seconded by Commissioner Funke. Commission discussion: None. Public discussion: None. Commissioners Erickson, Lies, Turner, Morrison and Funke voted aye. Commissioner Campbell abstained. Motion carried.

COMMISSION SPECIAL MEETING MINUTES FEBRUARY 22, 2013: Commissioner Lies moved to approve the City Commission special meeting minutes of February 22, 2013 as printed, seconded by Commissioner Funke. Commission discussion: None. Public discussion: None. Commissioners Erickson, Lies, Turner, Morrison and Funke voted aye. Commissioner Campbell abstained. Motion carried.

CITY MANAGER COMMENTS: City Manager Crossett said the golf course reported a very good day for revenue on Saturday, March 2nd and the first two days of the month have brought in almost half of the budgeted revenue for the entire month of March. He, City Attorney Raymond and Director of Golf Wallace are finalizing the Addendum to the Golf Pro contract with Links Management, Inc. for management services at the restaurant and will present that at the next City Commission meeting. He said there is beverage service available through the Pro shop and the restaurant will have a soft opening with limited hours starting April 20th for food service. The restaurant will be open for full service starting approximately May 1st.

City Manager Crossett reported that at the special meeting on February 22nd at 7:30 am, Glacier Bank was awarded the bid on the \$400,000 Municipal Golf Revenue Refunding Bonds, Series 2013 at an interest rate of 2.1%. He commented this was a very good rate.

City Manager Crossett said the Envision Polson! year-round recreation committee is already working on the triathlon scheduled for this summer. He commented that it should be a big event.

The next Strategic Planning Workshop will be held this Friday, March 8th from 4:00 – 6:00 pm.

City Manager Crossett and Chief Nash have been working with DOVES (Domestic Violence Education & Services) to schedule some related training classes and they are looking into funding for that from DOVES.

City Manager Crossett said Parks Superintendent Sargeant has been working with one of his boy scouts, Dillon McCrumb, on another Eagle Scout project at the Dog Park on Kerr Dam Road. He said the project would most likely involve shoreline stabilization or another improvement along the shore.

NEW BUSINESS

CITY TREASURER REPORT OF OUTSTANDING DEBT AS OF MARCH 1, 2013: City Treasurer Manicke reported that the City currently has 5 debt service obligations – three are with local banks, one is with the Montana Intercap Loan program and one is with the State DNRC (Department of Natural Resources & Conservation) Revolving Loan program. City Treasurer Manicke reported that by department, Golf has \$422,269.04 in outstanding debt; the street department has \$23,946.88; the water department has \$279,000.00 and the Special Improvement District #42 has \$646,159.22. The Golf department debt consists of a note for purchase of golf carts, and the new refunding bonds of \$400,000. She reported that the total debt is \$1,371,375.14.

APPROVE WAIVER OF BUILDING PERMIT FEES FOR LAKE COUNTY AND POLSON FAIRGROUNDS, INC. (PFI): City Manager Crossett said that PFI is rebuilding the bleachers at the fairgrounds through a grant that was received. He said that it has been customary, but is not a rule, for the City to waive building permit fees for other governmental entities and public service non-profit groups. City Manager Crossett recommended that the Commission waive the fees based on the contribution to the community that the fairgrounds brings through the rodeo events held each year. The total amount to be waived is \$1,106.00. Mayor DeVries welcomed City of Polson Building Inspector Mike Howke and asked if anyone had questions for him. **Commissioner Morrison moved to approve the waiver of building permit fees for Lake County and Polson Fairgrounds, Inc., seconded by Commissioner Turner.** Commission discussion: None. Public discussion: David Graham, a member of

PFI, said that concrete was poured recently and that the renovated bleachers will be a vast improvement for the fairgrounds. The completion date is scheduled for April 19th. **Motion carried unanimously.**

APPROVE RESOLUTION NO. 1040 APPROVING THE WALKWAY FROM RIVERSIDE PARK TO SALISH POINT AND THE WEST PIER REPLACEMENT AS TAX INCREMENT FINANCING (TIF) PROJECTS AND AUTHORIZING THE FINAL DESIGN AND ADVERTISEMENT FOR CONSTRUCTION BIDS AND DIRECTING THE CITY MANAGER TO DETERMINE THE TERMS FOR PROPOSED TIF BONDS: Polson Redevelopment Agency (PRA) chairman Ken Avison thanked the Commission for the opportunity to appear before them. He introduced the other members of the PRA: Jules Clavadetscher, Rick LaPiana, Lou Marchello and Alice Oeschli. He also introduced Bond Attorney Bob Murdo from Helena and Tom McDonald who works in resource development for the Confederated Salish & Kootenai Tribes (CSKT). Ken Avison read the letter to the Commission that was included in the agenda packet. This letter states that the PRA voted unanimously to recommend that the City adopt two projects that would be paid from TIF bonds. The first project (Project #1) is a walkway under the bridge which would connect Riverside Park and Sacajawea Park and the second project (Project #2) is a complete rehab and refurbishment of the City dock at Salish Point which is being referred to as the West Pier project. Ken Avison presented an artist's rendering of the West Pier. Project #1 has a cost estimate of \$389,314 and Project #2 has a cost estimate of \$252,148. The letter states there are contingency funds available in the Salish Point fund held by the City of Polson. The letter states the rationale for the projects comes in part from the document "Tax Increment Financing in Montana, A Manual for Local Governments and Economic and Community Development Agencies" prepared by the Governor's Office of Economic Development: "These efforts should focus on demonstrating how TIF can, in the long run, benefit everyone through the elimination of blight and the development of necessary infrastructure to attract new investment. This new investment can, in turn, create jobs, improve the tax base, and improve the overall health of the community." The agenda packet also includes excerpts from the Urban Renewal Plan and the City of Polson Growth Policy which outlines objectives that fit with the proposed projects. PRA Chairman Avison asked the Commission to approve the resolution and authorize the City Manager to secure a TIF bond of approximately \$641,000 to pay for the projects. He said the City still needs to obtain written approval from the Montana Department of Transportation (MDT) to build the walkway under the Highway 93 bridge. Mr. Avison asked for questions for himself or the others present. City Manager Crossett said that the City has been working with MDT for several months and that, at this point, the City just needs to provide assurances to MDT that the bridge will not be damaged as a result of the construction of the walkway and written approval will be provided by MDOT. Commissioner Campbell asked if the City will need to acquire an easement from the CSKT to place the structure on the lake bottom. City Manager Crossett said the projects required CSKT Shoreline Protection approval and the City received unanimous support.

Commissioner Campbell said that in several of the documents presented in the packet it mentions preliminary designs and he asked if any of the other council members had seen these designs as he has not seen them. City Manager Crossett said they should be in the packet. Commissioner Campbell said the packet contained only a pencil drawing of the dock and no details on the walkway. He further commented that the project is a good project and the resolution is a good resolution except that the PRA is asking the Commission to authorize bonds of \$641,000 based on no detailed information, construction plans or public input. He said that it would be nice if the public could see pictures of the construction and other detailed information. City Manager Crossett apologized for the preliminary plans not being in the packet. He said he would make sure copies from the engineer were provided to the council. Commissioner Campbell said that he would like the PRA to move forward and put together an actual job with construction plans because at this point he feels it is just a concept. Then at that time the

Commission can authorize the financing. City Manager Crossett said that the projects would need to be put out for bids and that would come back to the Commission for approval. Commissioner Campbell said that would be great, but that it would be important to know true construction costs and any changes that would occur from the original design plans that could raise the costs before approving the financing. Commissioner Campbell said it would be important to get public comment on the design regarding such things as future boat slips, tie-downs, more lighting, etc. but at this point there are no designs to have public comment on. Commissioner Campbell suggested removing Section 2 from Resolution No. 1040 and only authorizing Section 1 at this time. He said this would allow the PRA to move forward with final designs and get construction bids and to bring an actual job to the Commission. City Manager Crossett asked if the Commission wanted to see bid documents. Commissioner Campbell said the Commission should see final design documents that show how much the City will pay. Commissioner Campbell said that the agenda packet documents indicate preliminary designs exist and he would like to see those first. City Manager Crossett said they do exist they will be provided to the Commission. PRA member Jules Clavadetscher said that he agrees that the resolution should be approved without section 2. He said that it is important to have final designs and costs in order to address other variables such as the interest rate and the terms of the bonds. Ken Avison said he concurred with Mr. Clavadetscher and that speaking for the PRA he felt that they would agree that it is important to have the final design and cost information before proceeding to the financing in the interest of transparency. Commissioner Campbell said that this has been a project in the mind of the townspeople for thirty years and he wants to see a clear project design that can be shared with the public prior to spending taxpayer money.

Commissioner Turner asked what the timeline is for the projects. Ken Avison said he spoke to the engineer today and she said that it would be approximately 90 days to complete the design phase and the construction bidding process. He said that in discussions with City Manager Crossett and the PRA that the projects could be completed by the middle of July. He said that high water could be advantageous to the barge for putting in pilings. Ken Avison said that safety would be improved as people would not need to cross Highway 93. He said that thanks to Tom McDonald and his department at CSKT there would be an extension off of the walkway that would be a fishing pier. **Commissioner Morrison moved to approve project 1 and 2, there was no second.** Mayor DeVries said that she would prefer to hear from Bond Counsel and allow the public to ask questions of the presenters, similar to what happens at a public hearing before a motion is made.

Bob Murdo said that he is an attorney in Helena and has experience working with tax-exempt bonds. He has served as Bond Counsel for the City of Polson in the past. He said he is related to the wife of PRA member Jules Clavadetscher, he is her brother. He said there is no conflict of interest, but maybe some influence as he convinced them to move to Polson. Mr. Murdo said he was contacted by City Manager Crossett and City Attorney Raymond along with Tom McDonald and Jules Clavadetscher to do research on the projects, the TIF district and TIF financing for the projects. Mr. Murdo referred the Commission to his Memorandum included in the packet and summarized the information presented. He said the TIF district was formed by City Ordinance 591 on October 20, 2003 with an effective date of November 20, 2003. The 2002 tax year was set as the base year for calculating increments. He said the increase in the taxable value over the base year (the increment) is then calculated and the resulting tax is placed in the City's tax increment fund. Some of the TIF funds were used in the Streetscape project several years ago. He said his research indicates that the district was formed properly and state law allows TIF districts to be in existence for 15 years. He said TIF bonds can extend the life of the TIF district to allow for repayment of the bonds up to 25 years, but no additional bonds can be issued after October of 2018 which is the 15th year of this TIF district unless they are refunding bonds. He said based on the amount of funds

that are coming into the TIF fund there would be sufficient revenue to pay off bonds in the 15 – 20 year maturity range. He said these are the types of variables to look at once the Commission has all the details and costs. Mr. Murdo said the Resolution presented this evening asks for approval of the project concepts, gives the authorization to get final designs and construction bids and to go forward from there with the bond issue. He commented that there would need to be a separate bond resolution that would spell out the terms and the rates and would be a thirty to forty page document. The other item that Mr. Murdo researched was whether these projects fit within the TIF laws of Montana. He said the law authorizes infrastructure improvements that include walkways, park improvements and improvements to recreation areas. He said the projects are similar to those that are authorized under a City special improvement district, so these projects would be authorized for a TIF district. He further commented that the projects are within the City limits and within the TIF district since they start from City property within the City limits. He said a case was tried in the federal court system and in 1982 (Confederated Salish and Kootenai Tribes v. Namen, City of Polson and the State of Montana) it ruled that the US government owns the Lake bed to the high water mark and holds it in trust for the CSKT who then has the right to regulate the south half of Flathead Lake for the protection of the Lake bed. Mr. Murdo said that the case also granted a property owner with Lake frontage the right to build out into the Lake to provide a place for a boat to anchor which are called riparian rights. However, Mr. Murdo said the CSKT has the right to regulate the dock structure and property owners must comply with CSKT Ordinance 64A. He said the PRA received the necessary permits from the CSKT Shoreline Protection Board to proceed with the projects based on the preliminary design. He outlined the procedure that the City needs to follow: 1) Consideration and Passage of the Resolution; 2) Complete design and bid documents; 3) Advertise for and open bids and award contracts; 4) Negotiate sale of TIF bonds to local bank or banks; 5) Passage of Bond Resolution by City Commission and 6) Close on sale of TIF bonds and commence project construction. He agreed that the Commission is the one that needs to have the final decision as it is the City of Polson issuing the bonds and not the PRA. He said the process of authorizing the bonds and starting the project should take about one month. He said the law now allows a municipality to negotiate with any financial institution that they desire to work with.

Commissioner Campbell said he felt there would have to be some leeway for delinquent taxes and not set the bond payment that would require all of the tax money and asked Mr. Murdo if there is a set percentage of the revenue that should be used to make the bond payments. Bob Murdo said that the City knows what the delinquency history has been for the TIF district and can use that information in figuring debt capacity. He said the law says you cannot exceed the amount of revenue that you can already show for debt service payments. Commissioner Campbell commented that the walkway project will end on private property which is owned by Glacier Bank and he wondered if that is a problem for the project. Mr. Murdo said that any owner of waterfront property has the right to put a structure into the Lake through riparian rights. City Manager Crossett said that the project has been discussed with Glacier Bank and they are in favor of granting the City access to the waterfront for the project. They will dedicate the waterfront for public use similar to the agreement with BenEricka LLC for the use of their property below the Salish building.

Tom McDonald said this is a great project. He said the CSKT has contributed over \$1 million dollars to the Salish Point project. He said the West Pier project will be a handicapped fishing pier that will benefit our aging population. He said when the project is complete it will look very similar to the East Pier but with better access for handicapped people. Mr. McDonald said that the walkway will include a fishing deck to take advantage of the lighting and structural elements of the bridge. He said the CSKT has funds from the Hungry Horse Mitigation project and the City Parks Salish Point Fund to add late enhancements to the project such as additional lighting. Commissioner Campbell asked if discussions about this project

include adding boat slips and tie-downs. Tom McDonald said that the Salish Point area is water rich and land poor but an area on the western sea wall near the new interpretive center has been designed to handle large barges. He said there has been discussion about adding slips along that entire seawall going towards the Polson Bridge. He said there has been objection to putting in a boat ramp near the West Pier area because people like to fish there. Mr. McDonald said it would be important to get the core project finished and then look at additional boat slips at a later time.

Commissioner Morrison moved to approve both projects and Resolution No. 1040 with the exception (removal) of Section 2 from the Resolution, seconded by Commissioner Erickson.

Commission discussion: None. Public discussion: Mayor DeVries reminded everyone of the three minute rule and that there were a lot of people present that may want to speak. Pat Cook-Hutchin said she was County Treasurer for twenty-four years and was in office when Ordinance 591 was passed and she worked with it for a number of years. She said she is not opposed to the projects but she has questions on the financing of the projects. Pat Cook-Hutchins said she has a condominium in the TIF district that was built after the 2002 base year so \$826 of her taxes goes to the TIF district and only \$106 goes to the other taxing jurisdictions such as the School District. She handed out copies of her tax bill showing how the taxes are now distributed and how they would be distributed without the TIF district. She said that the School District will not get funds to pay for the roof bond issue from taxpayers in the TIF district. She also suggested that the Commission should postpone approval of this pending the outcome of HB443 which is going through the legislature. If passed, this bill would require the City to notify all taxpayers in the district about the proposed projects and financing and would require public meetings to be held. Ken Avison said that as part of his research he spoke to the Business Manager for the School District and she said that the District carefully reviewed the implications of the TIF district on the bond issue and the revenue in general and they have no problem with the TIF district financing.

Gerry Browning said she owns two properties in the TIF district. She gave an example of an instance where the tax to the City is \$100 from the two buildings and as a result of improvements made to the buildings the tax goes up to \$125. She said that the \$25 goes to the TIF district. She said she understands that her taxes are increased because of the improvements but she is not opposed to the TIF district receiving the \$25 from the improvements. As a building owner in the TIF district she said having the money go into the TIF for use by the City makes her buildings more valuable and that the projects are wonderful for everyone to enjoy.

Mayor DeVries asked Mr. Murdo if the legislature could do something that would not allow the City to sell the bonds. Bob Murdo said the legislature could not do anything retroactive so if the bonds were issued on June 1st and a law was passed that went into effect on October 1st it could not retroactively affect what was already done.

Paul London said he and his wife strongly support the resolution. He said that guests to his RV resort ask about trails along the Lake each summer. He said guests expect a path to walk along the Lake that connects them to the downtown. He said this project provides boat slips to park the boat and walk into downtown for eating and shopping. He said the path under the bridge is a safer crossing between the two City parks. He said many people do not use the stop light at the corner of Highway 93 and Main Street and instead cross at First Street near the bridge. He said that as a community that is dependent on tourists it is imperative to spend this money on projects that will continue to bring tourists to our small town on a big lake. He said this is a win-win – let's connect the community.

Diane Speer commented on the TIF mechanism in general. She explained that TIFs are used by local governments or economic development organizations to generate revenues for blighted properties targeted for improvement. Diane Speer said the keyword here is blighted. She said TIFs have been used in every state but some states such as California have stopped using TIF districts. She said the TIF is often sold to local governments as a way to fix blighted properties but then it is abused. She said the money gets used for purposes way beyond the original purposes and blighted becomes a stretch of the imagination. Diane Speer said that when a local government takes on a TIF district they are taking on a financial risk in that the properties may not increase in value or that values won't increase fast enough and it becomes a burden. She said TIF districts can have problems when they succumb to local politics or favoritism. She said that no one should be able to come to the economic development organization and say "do I have an idea for you" just because there is a pot of money. It is not a pot of money – it is a debt according to Diane Speer. She said she looked at City of Polson Resolution No. 739 which established the areas in Polson where blight exists. She said the Resolution describes the rehabilitation and redevelopment that is necessary to fix the blighted areas. She said there was a windshield survey that identified 147 structures that were substandard and 50 of those were severely substandard. She said the words rehabilitation and redevelopment are used over and over in the Resolution. She said that TIF districts are a risk and the City should err on the side of caution, but if proceeding, blighted areas and projects in the TIF should be prioritized.

Liz Marchi said she is a business owner in Polson. She is excited to see this project come up for a vote. Liz Marchi said that the City cannot completely mitigate risk because there is no crystal ball and we need to make a reasonable judgment about the future. She said this would add to the business and tourist opportunities in Polson. She said the pier is presently not safe. She expressed confidence in the City to make a good decision on design and financing. She said this is a great time to finance projects and she feels this project will return great dividends.

Joe Browning said that when his family moved to the Polson area there were about 10 structures in the area and the Klondike was traveling down from Kalispell. The family homesteaded in the area where the New Life Christian Center is now. He said his family came to the area for a better life. He said Polson is a jewel of a community and a project like the trail system adds sparkle. He said this is an exceptional project and he encouraged everyone to work hard to make it succeed.

Lee Manicke said this resolution is not yet ready for the Commission's consideration because it needs to go before the City County Planning Board (CCPB). He said the City adopted Ordinance No. 551 which was mandated by 75-7-207 MCA. Ordinance No. 551 adopted regulations established by Lake County for regulation of construction in Flathead Lake which is named the Lake County Lakeshore Protection Regulations. Mr. Manicke said that both 75-7-211 MCA and the Lakeshore Protection Regulations require consultation with the local planning board. He quoted from 75-7-211 MCA which says "Consultation with local planning board. (1) Where a planning board has been created under 76-1-104 for the area containing the lake in question, the governing body shall seek the recommendation of the planning board as to the compliance of the proposed work with the criteria for issuance of a permit." Lee Manicke said that the prior work by the City in Sacajawea Park for the asphalt walking path, the rip-rap and walkway along the Lakeshore should have been reviewed by the CCPB. Also the walkway below the Salish Hotel should have been reviewed by the CCPB. He further commented that a permit by CSKT is insufficient as it is a permit from the high-water mark out into the Lake. Under 75-7-202 (2) the definition for lakeshore is, "Lakeshore is the perimeter of the lake when the lake is at mean annual high-water elevation, including the land within 20 horizontal feet from that high-water elevation." He asked the Commission to comply with City Ordinance No. 551. He said the information presented tonight does not provide

sufficient information for the Commission to make a fully informed decision. He asked if the intent is to extend the TIF bonds out for the full 25 years. If so, he said this should be stated up front and not left to negotiations as stated in the proposed Resolution. He said if the TIF district is extended for 25 years it could burden property owners for well over \$1 million dollars in taxes. He said City of Polson property owners would share the majority of this tax burden as they pay City, School, County and State taxes to offset the tax money that is diverted to the TIF district to pay the long term bond. Mr. Manicke said there are other TIF proposals being considered that could double the amount of the bond and the tax burden on Polson property owners. He said he wants to hear the rest of the story. Ken Avison said this was a concern of the PRA about seeking CCPB approval and they asked for an opinion from the City Attorney. He said the City Attorney's response is in the packet and he read the first line which says "I find no authority for the proposition that 'urban renewal projects' are subject to a presentation, first to the Planning Board.

Andrew Speer said the statement has been made that we are coming out of recession and he is not so sure of that statement. He said there has been a 2% increase in taxes for wage earners, gas prices are going up and we don't know when that will stop, and expenses and costs are going up. He said with Polson's many vacancies on Main Street and a \$2.4 million dollar bond for the School District and the potential loss of \$1 million per year in tax revenue from Kerr Dam that there should not be talk of a TIF bond to pay for a walkway under the bridge. He said the City has a responsibility to the taxpayers to maintain streets, sewage plants and infrastructure. He said TIF dollars can be used on streets, roads, utility plants and water and sewer lines. He said the City should spend the money on the real, existing problems that the City has rather than a frivolous project. He said the Commissioners should lower the tax burden on the taxpayers that they have been entrusted to and they should make wise decisions on their behalf. Andrew Speer also asked how much revenue the walkway will generate. He asked if it would generate \$400,000 and he felt that it would not. He said to look at the roads and other problems and spend the money responsibly in these tough times.

Lee Manicke asked where it is stated that TIF projects do not need to comply with City ordinances. Mayor DeVries responded that the City has the opinion from City Attorney Raymond.

Susan Evans said she has seen children run across the highway and she said this walkway could protect the City from a lawsuit by providing a safe access for kids. She said that even though this is a little money up front, it could potentially save the City millions.

Gil Mangels said he used to fish off the City dock as a child. He has taken his children and grandchildren there but has not been able to take his great grandchildren to fish there because the docks have been decimated. He is not against the project, just the funding. He said that people could contribute money for some type of recognition on the project. He said there are probably folks that could fund the whole project. He said that the project should be put out to the public for this type of fundraising. He said instead of immediately raising taxes to fund projects we should look at alternatives. Gil Mangels said he has a rental in the City limits and every time the taxes go up it becomes more difficult to keep up with the small rent he receives. He also indicated that he is going to "throw his hat in the ring" for the City Manager position and said he will do the job for half the wages which will be more money than he has made in his life. Commissioner Campbell said it is his understanding that there will be no increase in taxes on people in the TIF district it will only be based on money that is already being collected. Mr. Mangels replied that there is no free money – that it is coming out of taxes somewhere. Mayor DeVries also stated that it is not an increase in taxes; it is just the ability to spend the taxes that are being raised.

Parks Superintendent Karen Sargeant said the Parks department and the Park Board are 100% behind the projects. She said the Parks department has plans to connect the walkway at the Riverside Park side with the trail coming up out of the Park. She said this will allow the City to create bike boulevards along 2nd Street West all the way to the schools which will extend the safe route to schools program. She said that if you look at other cities that have a lot of trail systems with access for their businesses and public – if you build it they will come. She said it is a lure for businesses and light industry and that is how you will get the money back as they shop, eat and stay in Polson. She said that when she came to Polson in 2004 she could not think of a more blighted area than the area where Salish Point and Sacajawea Park are located. She said the return may not be visible right away but it will become visible quickly.

Elsa Duford says she has some safety concerns about the project. She said that the project will create an access for small children at Riverside Park to get over to the deep water at Sacajawea Park. She asked if there are any drawings that show what the walkway under the bridge will look like. Elsa Duford said it is hard to envision it. She is wondering how far it will project out into the water. She said it is difficult to comment on it without having something to look at. Elsa Duford said that people are anxious to do something or nothing but she feels it should not be decided this evening and that more information should be presented. She said that if you have a fishing pier and then a walkway that butts up against it what prevents a fisherman from snagging a pedestrian walking on the path. She said the Commission does not need to be so hasty and should review additional information to be sure the project is a good idea and doesn't break the taxpayers.

City Clerk Dooley said that this TIF district may be unique because it is one of the few that is sitting on an Indian reservation in the State of Montana. This creates the possibility for changes that would adversely affect the revenue that the TIF would need to generate for debt service. She gave an example of land that is put into Tribal Trust. This would have the effect of keeping the base value in the TIF but the increment would go away which would create a negative increment as the current value would drop below the base value. A negative increment takes money away from the TIF district. She said that having to predict this revenue stream could be very difficult over such a long period of time.

Commissioners Erickson, Campbell, Turner, Lies, Morrison and Funke voted aye. Mayor DeVries voted aye. Motion carried.

City Attorney Raymond asked and was granted his request to be excused.

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA:

None.

The meeting adjourned at 8:33 p.m.

Mayor Pat DeVries

Attest: Cindy Dooley, City Clerk