

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, MARCH 19, 2012**

ATTENDANCE: City Commissioners: Todd Erickson, John Campbell, Stephen Turner, Mike Lies, Dan Morrison, Fred Funke and Mayor Pat DeVries presiding. City Manager Todd Crossett, City Treasurer Bonnie Manicke, City Clerk Cindy Dooley, Building Inspector Ron Melvin, Streets Superintendent Terry Gembala and Water & Sewer Superintendent Tony Porrazzo present. City Attorney James Raymond absent. Others present (that signed in) Rory Horning, Ken Siler, Agnes Rinehart, Merle Parise, Joslyn Shackelford, Mark Shackelford, Paul London, Dennis Duty, Chad Newman, Murat Kalinyaprak, Gordon Zimmerman and Elsa Duford.

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

APPROVAL OF PROPOSED AGENDA: Mayor DeVries noted that an outline of the discussion on the Impact Fees was inadvertently left out of the agenda packet and has been distributed to the Commissioners this evening. **Commissioner Lies moved to accept the proposed agenda with the additional item, seconded by Commissioner Funke.** Commission discussion: None. Public discussion: None. **Motion carried unanimously.**

CONSENT AGENDA:

A. MARCH 1 – 14 CLAIMS

Commissioner Funke moved to approve the consent agenda for March 1 - 14 claims, seconded by Commissioner Morrison. Commission discussion: Commissioner Lies questioned the claim for Mission Valley Security on page 1 for \$4,413.79. Building Inspector Melvin responded that this was for recharging the fire extinguishers and installing fire alarms throughout the City Hall building. Public discussion: None. **Motion carried unanimously.**

COMMISSION MEETING MINUTES MARCH 5, 2012: **Commissioner Campbell moved to approve the commission meeting minutes of March 5, 2012, seconded by Commissioner Lies.** Commission discussion: None. Public discussion: None. **Motion carried unanimously.**

CITY MANAGER COMMENTS:

City Manager Crossett commented that the Fireman's Ball was held on Saturday March 17th and he would like to add his thank-you to the volunteer firefighters. He said that the firefighters devote many hours to the job, putting in over 100 hours in training alone. The department is on par with many professional departments in the State and saves the City of Polson millions of dollars by being a volunteer department.

There are four refunds for impact fees and they will be processed soon.

City Attorney Raymond has submitted a draft of the personnel policy changes to City Manager Crossett for review. It will need to be reviewed by the City's insurance carrier MMIA and may be ready for the next commission meeting agenda.

City Attorney Raymond and City Manager Crossett along with Commissioner Turner are working on a purchasing policy that addresses how the City selects vendors for work that does not require an RFP (Clerk note: Request for Proposal).

The City's project team for the Skyline construction spent all day Thursday March 15th going over the near-final plans with the engineers from Stelling, Inc. The bid process will start soon. Construction is projected to start in early July and will be completed over two seasons. The project will be somewhat inconvenient but there will be one-way traffic allowed during the construction. As soon as the weather improves, the sidewalk and trails project that was started last season will be finished.

City Manager Crossett said that the Parks department is considering doing a 9' wide walking/bike path at Riverside Park. It would be used by the triathlon competitors this summer and would be a nice addition to that park. There is already road bed where the path would be so it can be done within this year's budget in-house by the Street Department for about \$3,500.00.

City Manager Crossett thanked the Street department staff for designing and installing the magnetic boards in the council chambers that will be used for hanging maps and other exhibits during meetings.

The Envision Polson! office will be opening in the Library atrium in the next week. Commissioner Erickson asked if the City could have a link on their website to the Envision Polson! and Heart and Soul project website. City Manager Crossett responded that the Steering Committee of Envision Polson! met with an Orton Foundation official from Colorado last week to start outlining the projects. It will take about three to four months to get the projects going and then there will be a lot of activity in the community.

Parks Superintendent Karen Sargeant will be advertising for a trails committee. This committee will work with the Development Code committee to formulate the trails system and then will continue to look for opportunities to enhance the system. Anyone with an interest in the City's trail system should apply.

NEW BUSINESS

APPOINTMENT OF BOARD OF ADJUSTMENT 1 VACANCY- KAREN SARGEANT & MARK EVERTZ APPLICANTS: Mayor DeVries commented there was one vacancy on the Board of Adjustments (BOA) and asked the candidates to introduce themselves. Karen Sargeant would like to be a member of the BOA as a citizen of Polson. She is currently serving on the Development Code Re-write committee and has learned a lot about zoning and variances that she would apply to the BOA position. Mark Evertz was not in attendance. **Commissioner Erickson moved to appoint Karen Sargeant to the Board of Adjustments, seconded by Commissioner Funke.** Commission discussion: Commissioner Erickson said that Karen would be an asset to the BOA and he was happy to see her come forward. Commissioner Morrison agreed with that comment. Public discussion: Sharon Fulton said that since Karen Sargeant was already in the government and serving on the Development Code Re-write committee that the Commission should consider someone else for the position. **Motion carried on a 5-1 vote. Commissioners Funke, Morrison, Turner, Campbell and Erickson voted aye. Commissioner Lies voted nay.**

APPOINTMENT OF CITY COUNTY PLANNING BOARD (CCPB) 1 CITIZEN VACANCY-JOSLYN SHACKELFORD & MARK EVERTZ APPLICANTS: Mayor DeVries commented that there was one vacancy on the City County Planning Board (CCPB) and asked the candidates to introduce themselves.

Joslyn Shackelford is currently serving on the Development Code Re-write committee and several other City of Polson related committees. She owns a landscape business with her husband. She is excited about the opportunities for Polson and would like the opportunity to be on a board that will shape the community for many years to come. Mark Evertz was not in attendance. **Commissioner Morrison moved to appoint Joslyn Shackelford to the City County Planning Board, seconded by Commissioner Erickson.** Commission discussion: None. Public discussion: Paul London offered his support for Joslyn Shackelford. He commented that she is a hard worker, involved in many activities and she would be a great addition to the CCPB. **Motion carried unanimously.**

APPOINTMENT OF GOLF BOARD MEMBERS: City Manager Crossett gave an overview of the appointment process for golf board members. There are currently three open positions – two are at-large positions which are recommended by the City Manager and one is a Ward 2 position which is recommended by the Commissioners in that Ward. The appointments are all voted on by the Commission. Appointees for the at-large positions can reside in or outside Polson and the Ward appointees must reside in that Ward. There are four candidates – Chad Newman, Mike Lies, Murat Kalinyaprak and Bill Boettcher. City Manager Crossett recommended Chad Newman and Mike Lies for the at-large positions and said the Ward 2 commissioners recommended Bill Boettcher for the Ward 2 position. Commissioners Turner and Lies confirmed that they are recommending Bill Boettcher for the Ward 2 position. City Manager Crossett stated that Mr. Boettcher, Mr. Lies and Mr. Kalinyaprak all reside in Ward 2 and would be eligible for either the at-large or Ward 2 positions. **Commissioner Campbell moved to appointment Chad Newman and Mike Lies to the at-large positions recommended by the City Manager, seconded by Commissioner Funke.** Commission discussion: None. Public discussion: Murat Kalinyaprak said that there were three golf board vacancies advertised in December and that he and Commissioner Lies submitted letters by the December 30, 2011 deadline. His understanding is that when there are fewer applicants than positions open that the applicants are automatically appointed. The two other applicants' letters were received on March 5, 2012 and March 13, 2012. He questioned what the procedure was for selecting the appointments and how the two additional applicants were found. Elsa Duford commented that for the BOA and CCPB appointments there were updated vacancy notices posted, but she did not see an updated notice for the golf board appointments and questioned if there was one. Mayor DeVries responded that she did not know if there was one. Rory Horning asked that the Commission be more courteous to its constituents by answering their questions. **Motion carried on a 5-0 vote. Commissioners Funke, Morrison, Turner, Campbell and Erickson voted aye. Commissioner Lies abstained. Commissioner Lies moved to appoint Bill Boettcher to the Ward 2 position, seconded by Commissioner Turner.** Commission discussion: None. Public discussion: Murat Kalinyaprak questioned how the City government found the two applicants that applied after December 30, 2011 and why the initial two applicants, which included him, were not appointed to the Board at that time. **Motion carried unanimously.**

IMPACT FEE DISCUSSION: Mayor DeVries commented that this discussion forum will be facilitated by City Manager Crossett. Commissioner Campbell stated that this has been a long process coming to this point tonight. There have been many problems pointed out with the Impact Fee Ordinance (no. 624) over the last eight or nine months and he does not want to rehash that for this discussion tonight. He would like to take constructive comments from the Commission and the public and develop a draft for amending this Ordinance that can then be reviewed by everyone to come up with an Ordinance that can be used uniformly throughout Polson. City Manager Crossett prefaced the discussion by saying that the Ordinance requires that the impact fees be reviewed every two years to see what is and is not working. His goal of this discussion is to point out the areas that need changing – to provide a sense of direction for the Commission to develop a better Ordinance. There have been changes in State law since the

Ordinance was adopted in 2007 and those changes will need to be incorporated into the draft. The discussion will start with an overview of the major areas of change as proposed by the Commission and the public and then go back and have a detailed discussion on each of those major areas of change. City Manager Crossett started the discussion by pointing out administrative changes that need to be made to the Ordinance. City Manager Crossett mentioned that Ken Siler had pointed out typographical errors, and reference errors in Ordinance 624. These types of problems with the Ordinance will be dealt with at an administrative level and do not need to be part of the evening's discussion. He asked the public to send in these types of changes. City Manager Crossett then began writing out the major points of discussion on the whiteboard. **The first discussion point is an elimination of the exemption on properties that have not been built on in the subdivisions that were in preliminary plat during the transition phase of the Ordinance.** Those subdivisions that were in preliminary plat during the transition phase, paid the capital improvement fees that were the precursor to the impact fees and the subsequent builders/homeowners paid the impact fees. Refunds are being issued to those builder/homeowners that should not have paid the impact fees. **The second discussion point is a possible holiday on fees.** City Manager Crossett explained that this has been done in other cities and towns to encourage building during tough economic times. Bob Fulton questioned who owned the four properties that are receiving refunds. City Manager Crossett responded that he did not have that information with him and that it was not salient to this discussion point. **Commissioner Campbell added a discussion point on creating a new or better definition of the Review Committee.** Mayor DeVries and Commissioner Lies voiced agreement with this point. Commissioner Campbell is also concerned about the definition of the boundaries of the impact fee districts. The Ordinance states that each district is the boundaries of the City, but the water system services an area much larger than the city limits. **A discussion point was added regarding expanding the boundaries of the Water Impact Fee district.** Commissioner Lies clarified that this would allow properties outside of the City limits that are using City water to be charged impact fees. Commissioner Campbell responded that the property owner would pay water impact fees but not park fees. Mayor DeVries questioned whether they would pay fire impact fees. Commissioner Campbell explained that there is a Rural Fire district that services residents outside the city limits so they would not be subject to fire impact fees – only the water impact fee. Water & Sewer Superintendent Porrazzo agreed that any property connected to the main water line all the way to Hellroaring should be included in the water impact fee. He also said that the stormwater system should be a part of the impact fees and that it will service the same area as the water system. **Commissioner Campbell added a discussion point on clarifying the definition and the process of the collecting agency.** Rory Horning asked if there could be an impact fee credit available for property owners that have held a piece of property in the City for a long period of time (vacant city lots) and have paid property taxes on that lot prior to building. **A discussion point was added on giving an impact fee credit against property taxes paid.** Water & Sewer Superintendent Porrazzo said that on vacant city lots that already have a service connection no water impact fees are assessed. **Mayor DeVries added a discussion point on what impact fees are assessed on vacant city lots as she is not clear about this.** City Manager Crossett then asked for more detailed discussion on each of the major topics.

Discussion on elimination of exemption on “transition properties”: City Manager Crossett explained that there are three or four subdivisions in the transition phase and they have a significant number of lots. Currently those lots would be exempt from paying impact fees when built on. City Manager Crossett asked if the exemption should be eliminated. Commissioner Campbell said that he has listened to the tape of the Commission meeting when Councilman Tom Corse made the motion for the exemption and Councilman Corse had said it would eliminate confusion surrounding the old fees and the new fees until the new fees could be instituted. Commissioner Campbell stated that we are well past March of 2007 when the impact fees were established and that the confusion no longer exists, therefore the exemption

should be eliminated. He had questioned whether this Board could change this exemption and he has been told that this Board can undo or change anything this Board has done in the past as long as it stays within the law. Commissioner Campbell's feeling is that we should refund those properties that we are currently aware of and any that the City may become aware of in the future that should have the exemption, all other properties that have not paid impact fees should live under the current Impact Fee Ordinance with no exceptions. Commissioner Lies said that the exemption that is currently being given is in direct conflict with the wording in the Ordinance, so he feels the exemption should be eliminated before it causes too much problems. Mayor DeVries agreed that the exemption should be eliminated but feels that developers should be given credit for any capital improvement fees that they paid under the old system. Commissioner Campbell explained that subdivisions had to pay the capital improvement fee which was \$1,000.00 per lot as part of the preliminary plat approval process. The builder/homeowner then paid a \$1,000.00 fee for the water and sewer hookup. City Manager Crossett clarified that the subdivisions that are part of the transition properties all have a requirement to pay the capital improvement fee of \$1,000.00 per lot as part of the conditions of final plat approval so at this point the exemption only affects the builder/homeowners. Commissioner Campbell pointed out that we need to find out if any subdivisions that have not gone through final plat are paying capital improvement fees or impact fees and give a credit if necessary for those lots that paid capital improvement fees. Building Inspector Melvin commented that we are currently giving the builder/homeowner a partial credit for impact fees paid by the developer as outlined in section 6.10 (b) of Ordinance 624 when they pull the building permit – so this has not changed. Commissioner Campbell asked if this is always researched at the time that the building permit is applied for to determine if capital improvement fees or impact fees were previously paid. Building Inspector Melvin said that yes this is reviewed and gave City Attorney Raymond's subdivision as an example. City Attorney Raymond paid \$750 for the capital improvement fee and \$250 for fire on each lot and then the builder/homeowner receives that \$1,000.00 credit when the building permit is pulled. City Manager Crossett concluded that there is general support for elimination of the impact fee exemption on lots in the transition subdivisions.

Discussion of holiday on Impact Fees: City Manager Crossett said that the impact fee is to be reviewed periodically and can be reduced or eliminated for a period of time or indefinitely. Commissioner Campbell said the Ordinance states that we have an annual review and a comprehensive review every two years. He feels that due to the economic conditions, now is the time to review this for a temporary reduction in fees. Also the review should be done annually in conjunction with the budget process. Commissioner Lies has looked at several methods and concluded that cutting the impact fees by 50% would make a big difference. Commissioner Campbell said that it would be important to consult with the department heads, knowing what their projects are for the future. The money has to be spent in a time frame (Clerk note: within eight years after the date of payment) so this is crucial as well. Water & Sewer Superintendent Porrazzo said that he would like to see the review done as part of the budget workshop this spring. Building Inspector Melvin commented that currently a single family residence pays the same amount of impact fees regardless of whether the residence is in Mission Bay with six bathrooms or a City lot with one bathroom and the City should consider a fee schedule based on a graduated impact. Commissioner Turner said that many Mission Bay residences are only occupied for part of the year and he would rather see a reduction across the board so all subdivisions and areas of the City can grow. Paul London said that reasonable impact fees have a benefit during strong economic times but impact fees are a deterrent to growth during tough economic times. He would like the Commission to be proactive and implement a two year freeze on impact fees. He feels a freeze would benefit contractors, spur new building, and provide jobs for our workers that have left the State to seek work elsewhere. He feels the increased new building would have a domino effect; the tax base would increase, purchase of big ticket items would increase, spending money downtown would increase, and

new jobs would further this spending cycle. He would like the community to think outside the box instead of being stuck in the box. He further commented that a community that doesn't grow – dies. Water & Sewer Superintendent Porrazzo said that he disagrees with eliminating the impact fees. He commented that it cost a lot of money to get the impact fee ordinance in place and it costs a lot of money to put the infrastructure in place in the City. He understands the hard economic times that we have all had to endure, but the City is a business just like any other business and it needs revenue to sustain itself. The City's infrastructure is 100 years old in places, with sewer lines collapsing and water mains under pressurized. He would support a reduction in impact fees to a level that would be the same over a period of time but not an elimination of the fees. Rory Horning commented that the department heads should look at how long a property will be producing tax revenue and budget based off of that instead of asking for more money such as impact fees and SIDs (special improvement district fees). He said that a house generates 75% more in tax revenue than a vacant lot. He would support eliminating the impact fee during this economic time, but that it could be reviewed later and reinstated. Building Inspector Melvin asked if we would return to the prior fee structure of \$1,000 for water and \$1,000 for sewer lift stations if the impact fee was eliminated. He stated that since the water and sewer is not funded by tax revenue, this was the mechanism that was used to provide funding for water/sewer projects. Along with the hookup fees, this generated approximately \$2,500.00 to \$3,750.00 per unit which would be on par with a reduction of 50% on the impact fees. Mayor DeVries commented that we have no impact fee for streets and wondered if we are allowed to have this. Water and Sewer Superintendent Porrazzo said that at the time that the impact fees were developed there was no mechanism to assess streets but there is now. City Manager Crossett added this as a discussion point – **to add streets to the impact fees**. He stated that the fee could not be split off from one of the other fees; it would need its own study and fee structure. Commissioner Campbell said that the current impact fee structure was set at the highest amount allowed by law which was probably beneficial at the time, because we can always decrease the fee and then come back up to the current fee at a later date. Commissioner Turner said that we should not get stuck on the 50% reduction that a smaller reduction may work. He feels the Commission should discuss this with the department heads and see where the balance can be struck to provide for City projects and spur growth. Mayor DeVries asked Commissioner Turner, as a contractor, how building in the County versus the City compares. She said that in the County you need a well and a septic system – how does this compare cost-wise. Commissioner Turner responded that you are dealing with two different types of people – those that enjoy the rural life with a larger piece of land and those that want to live in the City and enjoy the amenities that the City offers so this is difficult to compare. Mayor DeVries would like the City to be competitive cost-wise with the County. Rory Horning commented that when you drill a well and put in a septic system in the country that you own those – you are not paying monthly dues to someone every time you take water from the tap. Commissioner Campbell responded that you do pay to maintain that infrastructure through repairs, the electricity to run the pumps and other expenses. City Manager Crossett asked for a straw poll on assessment of impact fees. The poll indicated that a 50% or some other percentage reduction would be most favored versus an elimination of impact fees for a period of time or indefinitely.

Discussion on definition of Review Committee: City Manager Crossett said that in the original ordinance the Review Committee was a standing committee consisting of a member from the original advisory committee and 2 commissioners. This was later amended by Ordinance (643) to be a committee organized as needed by the City Manager. Commissioner Lies presented an idea for a review committee consisting of any two commission members which could include the Mayor, along with the City Manager, Building Inspector and the Planning Department head. He feels that the building inspector and planning department should be involved because they are working directly with assessing the impact fees. Commissioner Campbell concurred that he was considering the same group but without the planning

department. Elsa Duford commented about the fluctuation in fees; if the fees would be reviewed each year during the budget process. She wondered about the fairness of the fees if neighbors in the same subdivision would pay different fees depending on how the economy was fairing. City Manager Crossett said that would be how it would work if the fees were reviewed yearly, and acknowledged that it could be a downside of changing the fees. Paul London commented that this would be akin to a sale where we are promoting an opportunity for growth by reducing the fees. Andrew Speer commented that he would like the meetings of the Review Committee noticed and open to the public. He said there is a lack of trust that has developed and opening the committee meetings to the public could alleviate some of the mistrust. Building Inspector Melvin commented that the Review Committee does not make any decisions and brings their recommendation and full report to the City Commission so two public meetings would not be necessary. Commissioner Lies agreed that the Commission is making the decision and can modify or deny the Review Committee's request. Lita Fonda asked for a clarification of the role of the Review Committee. City Manager Crossett responded that the Review Committee is there to review appeals of impact fees previously paid or special consideration for not paying impact fees. The committee meets with the applicant in a nonpublic setting for a free exchange of ideas on the appeal. The committee reviews the request and drafts a report for the City Commission. This is then put on the agenda for discussion by the Commission and the public and a decision is made by vote of the Commission. Murat Kalinyaprak agreed with Elsa Duford on the fairness of impact fees that fluctuate. He used the sale idea presented by Paul London to say that people will wait for the sale and try to predict whether the impact fee will go up or down before developing or building. He said it will complicate things and create some sort of mistrust. City Clerk Dooley questioned whether the original Advisory Committee that helped formulate the Ordinance should remain in existence to periodically review the process of fee collection. The Ordinance does not address this but the MCA (7-6-1604) seems to indicate that this committee should continue to monitor the processes involved with the impact fee. Commissioner Lies commented that the Advisory Committee was disbanded shortly after the Ordinance was passed. City Manager Crossett noted that this would be looked into.

Discussion on adding streets to the impact fee structure: Building Inspector Melvin said that the City should look into the cost of the study to add the street impact fee as it may not be cost effective. Commissioner Campbell said that the original analysis for the existing impact fees cost around \$70,000.00. It is his understanding that the City would have to prove the fee. Commissioner Lies would like to postpone adding this fee until the economy improves sufficiently that we can look at raising the impact fees. Streets Superintendent Gembala agreed with Commissioner Lies that it can be put aside for now and revisited when the economy improves. Mayor DeVries pointed out that the subdivisions that are paying impact fees all have new streets that are up to City code. Dennis Duty commented that the impact fees are supposed to be paid by property owners that will be directly impacted. A street impact fee could not be used to generally upgrade all the streets; it would have to be used to upgrade that property owner's street. Commissioner Lies commented that it could be used for creating a feeder street that would benefit the property owner. Water & Sewer Superintendent Porrazzo commented that his department's impact fees can be used for general upgrades to the water/sewer system. Lee Manicke said that the legislation states that the impact fees can't be used to cure existing problems it must be used for new projects. City Manager Crossett said that the impact fee legislation has changed slightly over the years but concurred that there are definite parameters for spending the impact fee money. Lita Fonda commented that even though there are parameters, the street impact fee should be considered because the streets and right-of-ways in some areas are in need of attention. Commissioner Campbell questioned Water & Sewer Superintendent Porrazzo about how a street repair is funded when water and sewer upgrades are done – does the impact fee cover repairing the street. Water & Sewer Superintendent Porrazzo responded that his department pays a portion of the cost and depending on how big the job is,

such as the main street project, it can be substantial. Commissioner Campbell proposed that when the major water and sewer upgrades are done that an SID could be established to pay the portion of the street repair that is not paid by the water and sewer departments. City Manager Crossett said that the City of Belgrade passed a city-wide street maintenance district to fund street upgrades. The straw poll on this discussion topic favored looking at a street impact fee at a later date. Rory Horning commented that he hoped the City would capitalize on the existing study and not start over on a brand new study that would cost another \$50,000.00. He said that there are streets that have not been improved for 100 years, but taxes have been paid and an SID should not be imposed on those properties.

Discussion on definition of impact fee districts: Commissioner Turner said that it would be fair to charge owners the water impact fees if they are using the City's water mains but don't reside within the City limits. Building Inspector Melvin said that owners are being charged impact fees if they hook up to the water mains along Highway 35. Commissioner Campbell said that the Ordinance needs to be changed to reflect that. Dennis Duty said that you would probably need to call this fee something other than an impact fee because as he stated before the spending from the impact fee has to have an impact on the owner. Commissioner Campbell said that with water and sewer, improvements in one area can affect an entire zone. Dennis Duty said that it may be more appropriate to call it a tap fee. Merle Parise commented that in 2005 he paid a \$1,000.00 capital improvement fee to hook up to city water at his home on Highway 35 and he said if each lot pays this fee it should be enough to cover the system improvements. Water & Sewer Superintendent Porrazzo said there are four miles of water line with fire hydrants, pressure valves and blow-out valves that require maintenance. The straw poll indicated that the general consensus is to include properties outside the city limits for water impact fees if they hook up to City water.

Discussion on definition of collecting agency: Commissioner Campbell said that he has a general idea of how the process is working but it needs to be better defined, possibly with a flow chart that shows who is responsible at various stages of the collection process. Water & Sewer Superintendent Porrazzo said that currently Building Inspector Melvin prepares the impact fee worksheet and presents it to the department heads for them to sign off on, and then Water Clerk Beth Smith records the payment. Mayor DeVries commented that we need to be sure the fee is paid before services are provided. City Manager Crossett said the checks and balances part of the process needs to be defined better. Commissioner Erickson asked if there is a check-off list that is used. City Manager Crossett said there is a check-off list but because of holes in the process in the past we need to more clearly define this. Dennis Duty said that he would like to see better clarification of what the money can be spent on and if it is being spent properly. Commissioner Campbell said that the annual review process does address how the money is being spent. The annual report shows what money has been collected, what money was spent and what projects are projected. Building Inspector Melvin said that he is doing a yearly analysis of revenue and costs. Commissioner Campbell said that the Commission needs to start reviewing this report each year.

Discussion of impact fees on vacant city lots: City Manager Crossett asked Water & Sewer Superintendent Porrazzo to clarify what the process is now on the vacant city lots that have been vacant for a number of years. Water & Sewer Superintendent Porrazzo said that tax money is not used to fund the water and sewer departments so impact fees are a way to fund water and sewer improvements. Currently if the water and sewer service lines exist to the property, the owner is not charged a water/sewer impact fee, but an undeveloped property with no service lines would be charged an impact fee. Mayor DeVries gave an example of a vacant city lot that she owns on 7th Avenue that previously had a house that was torn down. Building Inspector Melvin said there would be no water/sewer impact fee for that property. Water & Sewer Superintendent Porrazzo further clarified that if the lines are in

existence but don't exactly match up with the property, that the City moves the line and does not charge an impact fee. Commissioner Campbell said that property owners would probably have a case that could be brought to the Review Committee for not paying impact fees for fire and parks on vacant city lots since their taxes have been supporting those programs but this would not be the case for water and sewer impact fees since tax dollars do not support those programs. Building Inspector Melvin said that there is currently an appeal that the Review Committee will be looking at in regards to impact fees paid on a city lot that has been paying taxes. City Manager Crossett asked if the Review Committee should have consistency so that customers get the same answer in five years that they received this year. Commissioner Campbell said that advisory committees and boards change and that can't be controlled. Building Inspector Melvin said that appeal applicants and the Review Committee are apprised of what has been done in the past so that there is consistency in the process. City Manager Crossett asked for a straw poll on whether the current system of assessing impact fees on undeveloped city lots should continue or whether those impact fees should be discontinued because taxes have been paid on the property. The general consensus was to leave it as is. Mayor DeVries said she did not see much difference between the vacant property that she owns that has service lines and the undeveloped parcel that does not have service lines since the property has not been used for a number of years. Building Inspector Melvin said that the Ordinance does provide for a payment of full impact fees (Clerk note: no credit for amounts paid by the developer) if there is more than ten years between when the improvements were made and the building permit is pulled.

City Manager Crossett said that a draft will be developed from this evening's comments and he thanked everyone for their participation.

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC:

Lee Manicke said that at the City County Planning Board meeting that a written ballot vote was taken to elect their officers. He said that a ballot vote should be used by the Commission for voting on board and committee members particularly when there are more applicants than positions. He said that applicants that apply by a deadline should be voted on in a timely manner as a courtesy to those applicants and that just because someone applies doesn't mean they will be voted in. He said that extending the deadline gives the appearance of manipulating the vote whether that was intended or not.

Andrew Speer said that he filed a request for a copy of the Orton Foundation partnership agreement with attachments A, B & C on February 28th. On March 5th he came to City Hall to inquire about his request and was told that the request had been forwarded to City Manager Crossett and that Mr. Crossett was waiting for the signed copy to be returned from the Orton Foundation. On March 7th Andrew Speer stopped at City Hall again and was told to contact City Manager Crossett to personally inquire about the request. On March 9th he called City Manager Crossett and left a message asking Mr. Crossett to return his call. He has not heard from City Manager Crossett to date. On March 13th Mr. Speer filed a second request for the same information. He voiced his displeasure that he had not yet received the desired documents. City Manager Crossett replied that the document and attachments will be available as soon as they are signed by, and returned from, the Orton Foundation.

Diane Speer commented that Darlis Smith, at the City Commission meeting on February 6th, said that she had researched the Orton website and did not see that the Orton Foundation is affiliated with Agenda 21 or ICLEI (International Council for Local Environmental Initiatives). Diane Speer said that Darlis Smith missed the red flags that she found while looking at the website. She reviewed the bio of each of the Orton Foundation board of trustees that are on the website and said that they are involved in activist

organizations that promote smart growth. She further commented that for those that are not familiar with Agenda 21 and ICLEI this may not have much impact, but for those that are, she said the trustees are activists that are dedicated to Agenda 21 and ICLEI initiatives.

Murat Kalinyaprak commented that the three minute rule does not work because there is no visual sign to show when the minutes are up. He asked for response to information requests made last fall (forwarded to the City Attorney). He commented on the opinion from the Envision Polson! survey that the government is a good old boys club and he wanted to add that it was corrupt. Commissioner Campbell commented that he did not need to sit here and listen to someone call him corrupt. Murat Kalinyaprak also questioned a rumor that the City Manager had applied for a job with another city. Mayor DeVries responded that if he did it was not Mr. Kalinyaprak's business.

Rory Horning, speaking directly to Commissioner Turner, said that he is an elected official that swore to represent all of the people and now you want to single people out. Mayor DeVries reminded Mr. Horning to address his comments to the chair. Rory Horning said that he is addressing his comments the way he feels he is being addressed. He said that you may not like certain people or ideas but this is America and we disagree in a democracy.

Lita Fonda said she knows individuals who have chosen to put conservation easements on their property, and others that are concerned about climate change and sustainability issues. She feels that it should be a red flag if a group is against those things.

The meeting adjourned at 8:55 p.m.

Mayor Pat DeVries

Attest: Cindy Dooley, City Clerk