

**CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, APRIL 6, 2009, 6:30 P.M.**

ATTENDANCE: Polson City Commission: Bruce Agrella, Jim Sohm, Jules Clavadetscher, Mike Lies, Elsa Duford, Fred Funke present. Mayor Lou Marchello presiding. City Attorney and Acting City Manager James Raymond present.

Mayor Marchello called the meeting to order and the Pledge of Allegiance was recited.

PUBLIC HEARING – ZONE CHANGE OF 24.74 ACRES IN COUGAR RIDGE DEVELOPMENT FROM RURAL RESIDENTIAL ZONING DISTRICT - 4.74 ACRES TO TRANSITIONAL ZONING DISTRICT AND 20 ACRES TO LOW DENSITY RESIDENTIAL ZONING DISTRICT: Mayor Marchello referred to Planning & Zoning Official Joyce Weaver's Staff Report provided to the City Commission with their agenda packets. He asked for comments from proponents of the zone change. Dennis Duty representing the owner stated that the house on the 4.74 acres has been on the market for a year and a half. Since it didn't sell they considered tearing it down. A local business needing a larger facility to rent expressed interest in a long-term lease. They discussed their options with Joyce Weaver and they proceeded with a zone change process for mixed use in residential areas through transitional zoning. They received support from the neighboring property owners to the north, west and east who were all in agreement with the zone change proposal. A lot of time and money was spent on the Ridgewater development to make sure it was done right, and they all agreed that renting the building for office space would be a good solution to the unfinished building and would eliminate the eyesore. He distributed copies of the covenants that they developed through the owner to help protect the residents in the area. The covenants would continue a limited low impact blend in the community and asked the commission for their approval of the zone change. City Planning and Zoning Official Joyce Weaver clarified that the zone change includes 24.74 acres of which only 4.74 acres including the building would be changed to Transitional Zoning District and the remainder 20 acres would be changed to Low Density Residential Zoning District, after it is annexed. Jack Liebschutz, owner of Black Mountain Software, stated that they have been in three locations since 1995. They started out in his garage, then moved to a mobile home on the corner of Main Street and 11th Avenue East and then moved to the Diamond Horseshoe building where they are now. The City of Polson was their first client after they moved their software provider business from Chicago. Lake County was their first county client and the Polson School District was their first school district client and they have created deep roots in the community. They currently provide accounting software programs and support services to cities, counties and schools across the United States and have 21 employees. They have been looking for a larger facility for three years and a number of his employees are present to show their support to approve the zone change and are excited to be able to use this building for their new office. He clarified that they are planning to sign a ten-year lease. Water & Sewer Superintendent Tony Porrazzo stated that it is an advantage for this property to be annexed since it is located in the Wellhead Protection Area for the future wells that will be developed in the mill site area. Joe Hovenkotter said he and his wife purchased their property in 1998 and built their house in 2003. They are the closest neighbors and have watched that house being constructed since 2003 and it has turned into an eyesore. They support this proposal and consider Ridgewater to be a responsible developer and advocate approval of the zone change. They have worked with Cougar Ridge representatives to decide on vegetative buffers, location of parking accommodations and lights, and provided them an easement to use their parking lot for access through Ridgewater. Their current access to Skyline Drive through Viewpoint Drive would be gated and blocked off for emergency use only. The property will be covered by two

sets of covenants, the other is the Glacier Sand and Gravel nine lot county subdivision and both have shown they are responsible developers. Commissioner Clavadetscher clarified that their main access will be through Ridgewater and Skyline Drive will be for emergency access only. Joe Hovenkotter stated that the road they currently use is platted as a private road and not dedicated to the public. Donna Hislop stated she works for Black Mountain Software, which has been a local business since 1995. BMS has outgrown their current location and this building would be desirable because it would provide the space they need now and additional space to grow. She clarified that the vehicle traffic would be employees going to and coming from work since their contacts with clients are primarily by phone and they rarely have customers come on site for training. Commissioner Sohm asked how many tenants are being proposed. Donna Hislop replied that she didn't know but they are planning on leasing 7,000 square feet of the available 10,000 square feet. Mayor Marchello asked if there were any comments from opponents. Lita Fonda read the definition of transitional zoning and questioned what this zone is transitioning to. As a City resident she is concerned that this zone change is not appropriate and is setting a precedent. No further comments were made.

Mayor Marchello adjourned the Public Hearing at 6:47 p.m.

7:00 P.M. CITY COMMISSION MEETING

Mayor Marchello called the City Commission Meeting to order.

APPROVAL OF PROPOSED AGENDA: Motion made by City Commissioner Clavadetscher, seconded by Commissioner Sohm, to approve the proposed agenda and to delete agenda item 10. Ordinance #644 First Reading Amending Ordinance #613 and 2.06.060 of Municipal Codes. Motion carried. Commissioner Duford opposed.

CONSENT AGENDA - A. CITY COMMISSION WORK SESSION MINUTES MARCH 11, 2009; B. CITY COMMISSION MEETING MINUTES MARCH 16, 2009: C. AUTHORIZE CITY MANAGER TO EXECUTE A 1 YEAR EXTENSION OF CITY ENGINEER'S CONTRACT WITH THOMAS DEAN & HOSKINS, INC.; D. MARCH 2009 CLAIMS: Motion made by Commissioner Lies, seconded by Commissioner Agrella to remove item C. from the consent agenda and place it on the agenda for discussion and vote. Commissioner Clavadetscher opposed. Motion carried. Motion made by Commissioner Agrella, seconded by Commissioner Funke, to approve the Consent Agenda items A, B and D. Commissioner Duford requested an addition to item B. the March 16, 2009 City Commission Meeting Minutes. She asked to include her statement in the East Hillside Addition discussion that the minutes of November 21, 2005 state that the buy sell purchase price of the property was \$52,500 which refers to the price offered at the time. Motion to approve the consent agenda items A. City Commission Work Session Minutes March 11, 2009; B. City Commission Meeting Minutes March 16, 2009 as corrected and D. March 2009 Claims. Motion carried unanimously.

FINAL PLAT APPROVAL OF PHASE I OF JENSEN'S SKYVIEW SUBDIVISION – 27 LOT MAJOR SUBDIVISION – STEVE JENSEN: Planning and Zoning Official Joyce Weaver stated that Steve Jensen received preliminary plat approval for Skyview Subdivision in October 2007 with conditions which he has met for Phase 1 which has 27 lots. Motion made by Commissioner Lies, seconded by Commissioner Funke, to approve the final plat for Phase I of Steve Jensen's Skyview Subdivision, having met the conditions of preliminary plat approval for 27 lots. Motion carried unanimously.

RESOLUTION #982 – RESTRICT CITY COMMISSIONERS SERVING IN OTHER VOLUNTARY APPOINTMENTS: Commissioner Sohm referred to a discussion by the City Commissioners last Fall when they agreed to vacate voting positions on advisory boards by December 2009. He noted that the City Commissioners could serve as non-voting ex officio members on any of the boards. **Motion made by Commissioner Sohm, seconded by Commissioner Agrella, to approve Resolution #982, restricting the City Commissioners from serving in other voluntary appointments.** Commissioner Clavadetscher noted that this eliminates double voting on issues by the commissioners. Commissioner Lies felt that it is not necessary to pass this resolution because the City Commission votes to approve the members on the advisory boards. Commissioner Sohm explained that when a commissioner serves on advisory boards they vote twice and the intent of the transition to the charter form of government is to have more citizen participation. Passing this resolution would make it clear but there would be no opportunity to vote if they served in a different role on the advisory boards. Commissioner Duford felt that currently the City Commission is lacking in getting information from the advisory boards. Commissioner Sohm explained that the intent of the transition plan is that the city commissioners do not have two votes on one issue but as ex-officio members could make recommendations to the advisory boards. Commissioner Agrella stated that he and Commissioner Lies are on the City County Planning Board and feels they have a lot of experience over the years which would be lost if they no longer served on that board. Commissioner Sohm argued that the new form of government requires the change be implemented. Councilman Lies said there is no need to create more resolutions and they can vote not to appoint commissioners to advisory boards from now on. Commissioner Clavadetscher noted that the CCPB has two Commissioner members and Mike Lies' term will expire in December. Joyce Weaver stated that it is extremely difficult to get qualified members to volunteer for these advisory board positions and it has taken up to four months to find replacements. Commissioner Sohm explained that they have time until December 31st to find qualified replacements if they take a proactive approach. Under the charter form of government the emphasis is on citizen participation. Commissioner Lies stated that there are no ex-officio members on these boards and the council members' terms will eventually phase out so there is no need for another resolution. Commissioner Sohm explained that the resolution would make it more permanent and clarify it for future commissioners. Commissioner Lies replied that they have the charter to follow. Commissioner Duford felt that the board members' city residency requirement is not applied consistently. Some people apply repeatedly but are never chosen and lose interest in applying. She feels there is too much bias on who can and cannot be on the boards and she doesn't agree with the restriction. She also feels they have not been well informed by the advisory boards. Commissioner Sohm explained that it is necessary to transition to the charter form of government, which is in effect for a ten year period. This resolution would put teeth into what is required and would violate the charter if not followed. They can't abandon the vote of the people to have a charter form of government. Don McMillan stated that as a member of the public he favors the citizen participation and the city manager form of government. While he understands that some boards will be losing institutional knowledge, those members could be phased out as voting members and could provide their expertise by serving as ex-officio members. He would personally like to have the city commission commit to the charter and city manager form of government by passing this resolution. Dick Blumberg questioned how many board members this would involve and noted that if it is 50 he would have a concern about filling them from the community but 11 is not as much of a concern but three would be more easily filled. **Mayor Marchello, Commissioner Clavadetscher and Commissioner Sohm voted in favor. Commissioner Agrella, Commissioner Lies, Commissioner Duford and Commissioner Funke voted against. Motion to approve Resolution #982 failed.**

APPROVE INSTALLATION OF COOLER IN THE GOLF COURSE RESTAURANT NOT TO EXCEED \$10,000, AND APPROVE DECK REPAIR AND MAINTENANCE NOT TO EXCEED \$4,000: Acting City Manager James Raymond explained that the bid from Food Services of America did not include the installation cost as they previously thought and he asked for direction on how to proceed with the walk in cooler installation and the deck improvement. Commissioner Clavadetscher questioned the City's legal obligation to provide the cooler and if Papa Don's agreed to share in the cost. James Raymond stated that the indoor cooler is a more reasonable cost and if installed by City staff it seems like the best option at \$10,000 or less. Commissioner Sohm explained that there was a verbal agreement to put in a walk in cooler during the management contract negotiation meeting, after their discussion about the City providing refrigeration rather than the existing freezer. Some refrigeration was removed because of that discussion and now they are renting a restaurant facility without refrigeration. The facility opened on April 1 and on a temporary basis and Papa Don's have set up and are renting a walk in cooler trailer at their expense. James Raymond recommended the Rhino liner for the deck resurfacing, which lasts a long time and would cost under \$4,000. **Motion made by Commissioner Lies, seconded by Commissioner Sohm, to authorize Acting City Manager James Raymond to have an indoor walk in cooler installed at a cost up to \$10,000 and have rhino lining installed on the deck at a cost of up to \$4,000, at the golf course restaurant. Motion carried unanimously.** Commissioner Sohm said he felt the City had an obligation to pay for the cost of installing and renting a temporary refrigeration system since the City removed the freezer and Don Clemment he had to come up with a plan. Don Clemment stated that the cost of installation is \$400 and \$150 per week to rent. He emphasized that having a cooler is a safety factor in handling food.

SCHEDULE A PUBLIC HEARING ON APRIL 20TH AT 6:30 P.M. FOR CITY COMMISSION TO GET PUBLIC INPUT ON COMMUNITY PRIORITIES FOR EXPENDITURES OF THE FEDERAL STIMULUS MONEY IF RECEIVED: Acting City Manager James Raymond informed the city commission that stimulus money is being channeled through the State Revolving Fund where there are grants and loans available. He proposed scheduling a public hearing to identify potential City projects. Prioritizing these projects is a housekeeping measure required to apply for these funds. **Motion made by Commissioner Clavadetscher, seconded by Commissioner Agrella, to approve scheduling a public hearing on April 20th at 6:30 p.m. for the City Commission to get public input on community projects using the federal stimulus money if received.** Commissioner Duford asked if the meeting should be scheduled earlier to allow more time for public comment. Mayor Marchello replied that the public hearing can be extended past 7:00 p.m if needed. **Motion carried unanimously.**

SCHEDULE A WORK SESSION WITH THE POLSON VOLUNTEER FIRE DEPARTMENT: Acting City Manager James Raymond noted that this meeting between the City Commission and the firemen was proposed as a way to get to know each other. Commissioner Clavadetscher wanted to be sure that all the volunteers be present including the rural fire department volunteers. It was agreed that the meeting be scheduled at 7:00p.m.on the second Tuesday either in April or May, which is the firemen's regularly scheduled business meeting.

ORDINANCE #644 – FIRST READING – AMENDING ORDINANCE # 613 AND 2.06.060 OF MUNICIPAL CODES: This agenda item was deleted when agenda was approved.

RESOLUTION #983 ANNEXATION – 24.74 ACRES – MIKE MADDY OWNER - COUGAR RIDGE DEVELOPMENT – AND ZONE CHANGE FROM COUNTY RURAL RESIDENTIAL ZONING TO TRANSITIONAL ZONING DISTRICT OF 4.74 ACRES AND LOW DENSITY RESIDENTIAL ZONING DISTRICT OF 20 ACRES: Motion made by Commissioner Clavadetscher, seconded by Commissioner Funke, to approve Resolution #983, annexation of 24.74 acres as petitioned by Cougar Ridge Development owner Mike Maddy. Motion carried unanimously. Motion made by Commissioner Clavadetscher, seconded by Commissioner Lies, to approve a zone change from Rural Residential Zoning for the 24.74 acres petitioned by Cougar Ridge Development owner Mike Maddy; to Transitional Zoning District for 4.74 acres and Low Density Residential Zoning District for 20 acres. Motion carried unanimously.

AUTHORIZE CITY STAFF TO NEGOTIATE BINDING BARGAINS WITH ANNEXABLE PROPERTIES INCLUDING EXCEPTIONS TO OTHERWISE APPLICABLE RULES: Acting City Manager James Raymond explained that there are a number of roadways and properties that are wholly surrounded by the city limits. Some roadways do not meet city standards and will need to be annexed without being upgraded to city standards. Some of these properties have their own septic systems, which were allowed under a grandfather clause until they failed, then are required to hook up to city sewer and failure of existing wells requires hook up to city water. The city needs right of way for roads, cul de sacs and easements for water and sewer mains and could use these as bargaining tools when the owners annex their property. It would be useful for the city staff, when the City needs a right of way, to have the authority to make a deal with the property owner. It would do a lot to ameliorate the property owner and provide infrastructure when annexing property. **Motion made by Commissioner Funke, seconded by Commissioner Clavadetscher, to authorize the City Manager with the City Attorney review, to negotiate binding bargains with owners of annexable properties, including exceptions to otherwise applicable rules, with final approval by the City Commission.** Commissioner Lies stated that there is an ordinance against drilling a well in the city limits but there is no requirement to hook up to city utilities. Commissioner Duford clarified that the deal needs to be presented to the City Commission for final approval. Dick Blumberg expressed his concern that any deals made by the city staff should be subject to the final approval of the City Commission, otherwise it transfers too much authority. Tom Lipko stated that his property is five feet from the City boundary and he and Water and Sewer Superintendent Tony Porrazzo have struggled over the years to come to agreement on how to annex his property without imposing undue financial burden on him although he is willing to hook into city sewer when his existing septic system fails. He felt the City should avoid deal making and didn't consider this proposal well thought out. He recommended that a set of guidelines be established which would be a list of items to discuss with property owners. Water and Sewer Superintendent Tony Porrazzo emphasized the importance of the city staff being able to negotiate with the property owners and then present a preliminary agreement to the city commission for final approval. Rory Horning advised the city to be careful not to negotiate people's assets away, such as producing wells and septic systems that are on their property. Commissioner Duford and Dick Blumberg both stated that the city commission needs to give final approval. Commissioner Funke clarified that was his intent when making the motion. James Raymond agreed that the City Manager and City Attorney would present any proposal to the City Commission for their final approval. **Motion carried unanimously.**

PROPOSAL TO HIRE ONE POLICE OFFICER THROUGH THE FEDERAL STIMULUS GRANT: Police Chief Chase stated that the stimulus bill authorized funds to hire extra police officers to cover their salary and benefits for a three year period and starting the

fourth year the City would be required to pick up the cost making it a permanent position. He explained that the history of officer turnover has been high so absorbing one extra position would not be a problem, although they wanted to apply for two positions. He replied to Commissioner Clavadetscher's question and stated that some additional costs associated with the position that are not covered by this grant would be training at the academy if the officer is not certified and equipment.

Motion made by Commissioner Agrella, seconded by Commissioner Clavadetscher, to approve the proposal to hire one full time police officer through the federal stimulus grant. Commissioner Funke questioned if the job would be guaranteed after three years. Police Chief Chase explained that the turnover in the past seven years he has been police chief would assure that the position would be absorbed by a vacancy. Commissioner Lies asked if the overtime could be reduced with hiring this additional officer. Police Chief Chase explained that depending if the new officer is certified because training takes six months to a year before the officer is on his own. Currently there are three officers who are not on shift one is on light duty because of pregnancy, another has gout and is on sick leave and another is on a twelve week training to be certified at the police academy. With the twelve weeks of training on the job, it could take up to one year to be on their own. It is a constant struggle with turnover. The cost for clothing allowance is \$1,000 for the first eighteen months and \$600 per year thereafter. Bulletproof vests are \$800 and need replacement each year. The officers also need guns and the academy certification training costs \$1200. Commissioner Clavadetscher suggested a work session with the police department staff, the same as they have scheduled with the volunteer fire department. Police Chief Chase agreed that would be a good idea. Dick Blumberg expressed his concern that after three years the City might not be able to afford to keep the officer and suggested they sign a contract. Police Chief Chase stated that the Montana Supreme Court ruled that those types of contract are unlawful. James Raymond clarified that continued employment is a condition of this grant. **Motion carried unanimously.**

AUTHORIZE CITY MANAGER TO EXECUTE A 1 YEAR EXTENSION OF CITY ENGINEER'S CONTRACT WITH THOMAS DEAN & HOSKINS, INC.: Motion made by Commissioner Lies, seconded by Commissioner Funke, to approve the engineer contract with Thomas Dean & Hoskins, Inc. for a six month period. Acting City Manager James Raymond informed the City Commission that the city entered into a two year contract with TD&H two years ago through a bid process, and it has a one year renewal option. He clarified that the contract can be extended or the city can go through another procurement process, and in light of the economy, there are engineers looking for work and we could get some competitive bids. Based on the existing contract we can propose a six-month renewal. Water & Sewer Superintendent Tony Porrazzo stated that with TD&H he works with Senior Engineer Sherry Johnson, and has a good working relationship with her. He had problems with other engineer firms in the past, who would put junior engineers on the city's projects. Mayor Marchello stated that Shari Johnson was very helpful with the Salish Point Project concept and that TD&H is a good firm. Planning & Zoning Official Joyce Weaver agreed and stated that TD&H is an excellent firm to work with and Senior Engineer Sherry Johnson has worked well with her on the projects over the past two years. The commission discussed that the reason for a six-month renewal was due to the current economy, there being more competition for work and the rates could be reduced for the city and the developers who are required to use their services. Acting City Manager James Raymond stated that the City of Ronan also uses TD&H for their engineering services and their rate is similar to the \$120 per hour rate. He noted that TD&H did not increase their rates in 2008 and he agreed that a six-month renewal could result in a cost savings. Joyce Weaver expressed her concern that contracting with a new firm would result in additional time to transition a new engineer firm for current projects and billing procedures. He explained that the rates TD&H charges are not always at the highest rate, depending on who is assigned the project. Rory Horning congratulated the city commission for trying to cut costs that

pass thru to the developers and then to the clients and their constituents. **Motion to extend the Thomas Dean & Hoskins engineering contract for a six-month period carried unanimously.**

Mayor Marchello reminded the commission of upcoming meetings. City Manager Evaluation Workshop on Wednesday, April 22 at 6:30 p.m.; the Local Government Services Annual Conference in Billings, May 6 thru 8; and the Department of Administration is conducting a Legislative Update information meeting in Missoula on June 10th, 10 a.m. to 4 p.m. at the Holiday Inn Parkside.

CITY MANAGER COMMENTS: Acting City Manager James Raymond said those are good meetings and recommended that the city commission should attend them if they can. He contacted the County Commissioners to participate in the cost of an engineering study to straighten and upgrade Skyline Drive to make it a safer road. They agreed to pay half of the cost quoted by TD&H at \$3,000, only if the result can't support a Rural Special Improvement District. The City was recently notified that it was approved to apply for \$95,000 of the stimulus money that would be used for utility improvements. He also recently learned that Lake County was approved for \$250,000 of the stimulus money for a 50 ton 35 foot bridge reconstruction over the irrigation ditch on Skyline Drive. Commissioner Clavadetscher noted that the estimated cost would be high for Skyline Drive, considering that the engineer's estimate to improve 15th Avenue East was \$275,000. James Raymond replied that there are several hundred acres of future access that can divide the cost to make the RSID reasonable. Commissioner Agrella said he knows of past discussions with the Lake County Commissioners on improving Skyline Drive but each time it became deadlocked when the cost for improvements was determined. He felt the City should go ahead with getting an engineer's estimate and support the RSID because Skyline Drive is important for City residents and emergency vehicles. Commissioner Funke agreed that Skyline Drive serves a large part of the community and badly needs improvement. James Raymond noted that another solution would be to restrict traffic. Commissioner Clavadetscher was surprised that \$3,000 would cover the cost to do an engineer's estimate, and if so we should definitely proceed. James Raymond assured him that was the quote from Shari Johnson, of TD&H. The commissioners agreed that the engineer's estimate should be done for \$3,000 per the quote from TD&H. Acting City Manager James Raymond asked to be excused and left the meeting.

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA: Commissioner Funke and Commissioner Sohm stated their opinion that the City should pay for the temporary walk in cooler installation and rental fee through April or until the permanent walk in cooler is installed by the City. The commissioners agreed that the cost for the temporary cooler be paid by the City since it had not acted to replace the freezer that was removed by the time their contract started.

Meeting adjourned at 8:40 p.m.

Lou Marchello, Mayor

ATTEST: _____
Aggi G. Loeser, City Clerk