

# CITY OF POLSON

## COUNCIL MEETING

Commission Chambers

April 7, 2014

7:25 p.m.

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

**ABSENT:** Mayor Heather Knutson

**Others present (that voluntarily signed in):** Dennis Duty, Lita Fonda, Streets Superintendent Terry Gembala, Rory Horning, Bonnie Manicke, Police Chief Wade Nash, Andrew Speer, and Diane Speer.

### 1. CALL TO ORDER

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

### 2. APPROVAL OF PROPOSED AGENDA

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

### 3. APPROVAL OF CITY COMMISSION WORKSHOP MINUTES MARCH 27, 2014-

**Commissioner Southerland motioned to approve the City Commission minutes of March 27<sup>th</sup>.**

**Commissioner Siler second.** Commission Discussion: Commissioner Campbell asked that the spelling of Commissioner Erickson's name be made. There is no "c" in Erickson. Commissioner Southerland asked for clarification regarding City Manager Shrides comments, page 2 paragraph 4 third sentence where it says about snow removal on Main Street and 1<sup>st</sup> Street West. Then a couple of sentences down it says, "so we would take responsibility for Main Street and MDoT. City Manager Shrides explains that there are two parts to this. One part is a hand shake agreement that the City takes care of Main Street and MDoT takes care of 1<sup>st</sup> Street West. We are trying to go, actually a long process, to change ownership of those streets. The City would have Main Street and MDoT would own 1<sup>st</sup> Street West, not only for snow plowing but for maintenance as well. We've been doing it for snow plowing and in essence the City rebuilt Main Street. What we are trying to do is a formal agreement where we keep Main Street and they take 1<sup>st</sup> Street West forever. PUBLIC DISCUSSION: Elsa Duford, " It's on page 1 of the minutes. It says, On Public Discussion Elsa Duford commented on the minutes from February 9, 2014 meeting. In the *Valley Journal* it was reported that the Local Government Study Commission of \$14,500.0 will be budgeted for the study. That is not correct as to what I quoted from the *Valley Journal*. I am reading from the *Valley Journal* again. It said in other business commission also approved Resolution 1053 for the election on the question of conducting a Local Government review. Establishing a study commission to complete the review and setting aside \$14,500.00 to fund the study. So, the *Valley Journal* actually said setting aside. So, I just wanted to make that correction so we didn't run into conflict with the *Valley Journal* had said because that was what I was quoting. The idea of funding it, I think I discussed that at the last time. It gave the impression that that money was already set aside and was in the budget according to this article. So I just wanted to clarify that. Thank you. **VOTE: Unanimous Motion Carried.**

**4. CONSENT AGENDA**-Claims from March 12 to 31, 1014. **Commissioner Siler motioned to approve. Commission Turner second.** Commission Discussion: none Public Discussion: none  
**VOTE: Unanimous Motion carried.**

**5. CITY MANAGER COMMENTS:**  
**2013 Bill Strausbaugh Award Winner**

On Sunday March 16th, Roger Wallace was recognized at an awards ceremony in Vancouver Washington as the 2013 Bill Strausbaugh Award recipient. The Pacific Northwest Section is made up of over 1100 professionals and to be recognized as one of the best is a great honor.  
***The Bill Strausbaugh Award is designed to recognize PGA Professionals who, by their day-to-day efforts have distinguished themselves by mentoring their fellow PGA Professionals and improving their employment situations. These efforts include:***  
***\*Demonstration of record of service to the Section and Association***  
***\*Proven leadership ability***  
***\*Involvement in civic activities and local charitable causes within the community.***

**WMCPGA GOLF PROFESSIONAL OF THE YEAR**  
***CAMERON MILTON, PGA***

Cameron Milton is the PGA Head Golf Professional at Polson Bay Golf. Cameron was selected for his outstanding contributions in PGA governance, for a highly decorated and innovative junior golf program, for involvement and promotion of growth of the game initiatives and Patriot Golf Day, for his support of Chapter and Section tournament programs and most importantly for his leadership at Polson Bay Golf course. His passion for the game of golf and his fellow PGA Professionals is unparalleled and he personifies the phrase “play the game, teach the game and promote the game”.

The selection committee also pointed out that Cameron literally finished in a “dead heat” as choice 1A for two other awards, Junior Golf Leader and Patriot Award. It would be hard for the committee to believe that any PNWPGA Professional accomplished more in 2013 than Cameron Milton, PGA.

**WMCPGA PLAYER DEVELOPMENT AWARD**  
***CAMERON MILTON, PGA***

Cameron’s passion for golf and golfers is demonstrated in his philosophy for player development: “...have something for everyone at Polson Bay Golf Course with an emphasis on juniors and women...no matter what the program is, fun should be the most important factor. I want every single person in every program to leave Polson Bay Golf Course with a smile on his or her face...My responsibility in player development is to find a way for people to enjoy the game of golf and become a better player along the way”.

**Mike Howke – Retirement**

**6. PUBLIC HEARING:** City Finance Officer Cindy Dooley stated that this is an official Public Hearing. Finance Officer Dooley gave a summary that at the end of each year a review of each fund is completed. At the end of the year, if a fund is over budget then an amendment to that particular year's budget must be done to fix the fund balance so that the funds are in compliance. So at the end of FY2013 there were five (5) funds that were over budget. Exhibit "A" attached to the Resolution outlines the funds. In each fund there is additional revenue that will cover the funds. In a few of the funds, we will dip into the fund balance reserve, which is pretty much, the same as the cash balance reserve. This will drop our net position \$1,264.49. The majority of these budget amendments have revenue that off set them. There is one typo in the Resolution. The second to the last line, for the amount being added to the funds for Fund 5390 430235 354 that line item should be \$10,660.00. So the original Resolution will be corrected before a final Resolution is signed. Commission Discussion: Commissioner Southerland commented that there are six (6) funds not five (5). City Finance Officer Dooley reminded Chairman Commissioner Campbell that he does need to ask for Public Comment. Public Comment: Elsa Duford asked if there still was a storm water fund by itself, and how much revenue does that bring in. Finance Officer Dooley replied that the tracking of the storm water fund has been kept separated for internal purposes since the \$4.00 storm water fee was put in place. For external purposes the last three or four years, we've combined that with the Sewer fund but it's now kind of back on its feet after the major project downtown. We are going to start showing it externally as its own separate fund too. It's generating about \$60,000.00-\$70,000.00 per year in revenue. Elsa Duford further commented that she had come across the minutes of the meeting where they had said it was to be kept separate in 2009. It used to be listed as separate and then it just disappeared. I was wondering how that was working because it was hard to follow it that way. Finance Officer Dooley answered that that was a decision made by the auditor that externally it would be combined with the Sewer Fund. Water/Sewer Superintendent Tony Porrazzo commented that it was majorly in debt. Finance Officer Dooley agreed that it was majorly in debt. It has taken a while for the fund to get back. Finance Officer Dooley reminded Chairman Commissioner Campbell that he needed to close the Public Hearing. Chairman Commissioner Campbell closed the Public Hearing.

**7. APPROVE RESOLUTION NO. 1058 TO APPROPRIATE MONEY AND PROVIDE FOR THE PAYMENT OF DEBTS AND EXPENSES FOR THE CITY OF POLSON IN FISCAL YEAR 2012-2013 AS ALLOWED BY MCA 7-6-4006.** Finance Officer Cindy Dooley presented this agenda item. This is basically the same information that was presented during the Public Hearing. Finance Officer Dooley requested a vote on Resolution No. 1058. Commissioner Siler motioned to approve Resolution No. 1058 to appropriate money and provide for the payment of debts and expenses for the City of Polson in fiscal year 2012-2013. Commissioner Turner second. Commission Discussion: none Public Discussion: none  
**VOTE: Unanimous Motion carried**

**8. FLATHEAD BASIN AQUATIC INVASIVE SPECIES (AIC) PREVENTION PROGRAM.** No one was in attendance at the meeting to present the item.

**9. PRESENTATION REGARDING ATTENDANCE AT RESOURCE MANAGEMENT SCHOOL-Water/Sewer Assistant Superintendent Ashley Walker gave the following power point presentation:**

City of Polson 2014



**Presenter:**  
Water and Sewer Dept.  
Super Intendant

*Ashley Walker*

**1<sup>st</sup> year**

- The first year program offers an introduction to methods of developing maintenance programs, philosophies and procedures to create an RMP.
- Students who complete the first year will then complete a real-life resource management plan prior to returning for the second year program.
- Major group project
- Class from 7 to 11 with project focus
- Final exam



6 & 7 West Shore Treatment Plant

**2<sup>nd</sup> year**

- The second year builds on first-year material, covers budget development, employee management, and management of maintenance information systems. Sessions include class exercises and a team project.
- Customer service, contract management, communication, planning and performance management, grant opportunities.
- Group project consisted of hypothetical city budget of \$2,800,000.
- Budget included a mandatory 8% cut of funds.



Present your case to city council.

**3<sup>rd</sup> year**

???????

Skills



Into the unknown.



**The Picture Show**



**Familiar Faces**



Click to add text

Ashley thanked the Council for the opportunity to have attended this school the last two years. He has had the opportunity study hard, work hard, and learn a lot about budgeting, running a department, and running a City. Ashley also thanked Water/Sewer Clerk Forrest Niemeyer for his assistance in putting together the power point presentation.

**10. APPROVE RESOLUTION NO. 1059 RESETTING IMPACT FEE COLLECTION**

**LEVELS.** City Manager Mark Shrives presented this item. When City Manager Shrives first began, one of the first tasks given was to look at bringing the Impact Fee back in April. Council lowered the Impact Fee level by Resolution so the levels may be brought back up, by Resolution, to the 100% level. There has also been some discussion about looking at Commercial vs. Residential. This cannot be done by Resolution. It must be another separate study. City Manager Shrives gave an example of Kalispell Medical Center if the 100% Impact Fee would have been in place. The applicant would have paid \$79,153.00. With the 80% reduced Impact Fee, they paid \$15,830.00 a difference of \$63,323.00. O'Reilly's 100% Impact Fee would have been \$19,831.00. What they paid was \$3,966.00 a difference of \$15,865.00. A single family residence will pay \$7,174.00 at 100% Impact Fee. What is currently being paid is \$1,434.52 a difference of \$5,739.48. Chairman Commissioner Campbell commented that the reason for the reduction was to boost building but it doesn't appear to have been the case. City Manager Shrives commented that the banks stopped lending money. Commissioner Turner asked if the amount had to be raised back to 100% or could it be anywhere in between. City Manager Shrives answered it could be set at any amount. Commissioner Erickson asked if it could be graduated over time. City Manager Shrives answered yes, the Resolution could be changed to graduate it or just change one number. As long as the Commission doesn't go over the 100% or change the formula that was originally adopted, you can change the resolution however you want to change it. Commissioner Erickson asked if there were any comparison numbers of builds that were accumulated over the time the Impact Fee has been reduced verses when the Impact Fee was at 100%. City Manager Shrives answered that a comparison could be done. Commissioner Turner stated he was not opposed to increasing the Impact Fee but he did not want to raise the fees straight to the top level. Commissioner Turner requested some past history be brought back. Commissioner Morrison & Commissioner Southerland agreed. City Manager Shrives reminded the Commission that they could table the Resolution and he could bring the additional information to them. Commissioner Turner commented that it would be worth taking the time to explore the numbers. Chairman Commissioner Campbell asked for a motion. **Commissioner Turner motioned to Table Resolution No. 1059 Resetting Impact Fees. Commissioner Southerland second.** Commission Discussion: none

**Public Discussion:** Lee Manicke commented that on the Public Hearing for the Sewer and Water expected population in 2036 was 9,079. It is approximately 5,000 now. That's about 55% for what our present population is anticipated, 45% for the additional population. Looking at it at that prospective, about 45% of that capacity is for additional population coming in the next 20 years. Based on that you really need to look at increasing that Sewer Impact Fee. There's an 18 million dollar project and a million three loans/grants that they are talking about where you've got the 16 million plus loan grant coming and that additional population ought to help pay for that. One of the ways they could do that would definitely be with an Impact Fee. Chairman Commissioner Campbell asked Mr. Manicke if his point was increasing it above what we have

now. Mr. Manicke replied it should be at 100%. It ought to be there just because of the total cost of the project.

Dennis Duty-First of all I agree that we should have some Impact Fees. I agree that the people coming in here should help share some of these costs. We've been in a recession up to now. To say that we didn't have any Impact Fee because we didn't raise the Impact Fee, we lowered and didn't have an impact, well nobody was building so it really didn't matter whether there was any Impact Fee now or not. But now that we kind of see things on the horizon and in the commercial especially right now, there are some marginal projects that are wavering if they are going to do this or not. To throw in a \$69, 70, or 100,000.00 or 200,000.00 new Impact Fee I think the timing would not be good. I agree that we should collect some, and probably more than the 20%, and I would support that. So, as we come back after this is tabled and study this a little more I think we should really take in to consideration what beyond the Impact Fee collects. If you put in a medical center that pays however much a year in property taxes, that also, if that goes, then you also have a hundred years or fifty years of collecting property taxes. If it doesn't go you don't get anything from it. So running them off is not going to necessarily help either. Trying to weigh the two here to try to make it. Residential, since it is a straight fee across the board, it does dramatically impact lower income housing. It makes it work or not work. I think we really need to take a look at going backwards and seeing what might be able to be done based on the size or the value of that home rather than strictly a set fee for everybody. It is going to be time to do a new study. Ultimately I hope we don't have to go back and do the same six month study to the tune of however many dollars it ways, but I do think we need to go back and re-evaluate where we are, where the real needs are. Certainly Sewer needs some shoring up here and I really believe we can collect those fees and people will see the new plant coming, that's positive for people coming in to the community. But, I think we just need to be careful how we do that. Take all of the things into consideration because we are considering this.

Chairman Commissioner Campbell asked Dennis if he felt when the fees were at 100% it ran people off. Did Dennis hear any discussion that the fees were too high? Dennis Duty responded that if you were paying them they were too high. Anyone that had to pay them would go, "geez I just had to pay for the building permit and that was so much and by the time you were done you had \$10,000.00 in it." I don't think a person building a million dollar home went "oh my God these Impact Fees are killing me." But if you have a \$100,000.00 home and you have a \$10,000.00 fee, you're not going to be able to do it. You're bank isn't going to let you. So I think we really need to look at how we are going to help some of these less wage earners that are coming in to a lot of these new jobs that are being created here. How are we going to house them? To come in and start making it relatively impossible to build homes that would fit that wage scale, I think it's important that we consider that as we start this process. Commissioner Erickson asked Mr. Duty if the waiver in some of the development is the Impact Fee. Mr. Duty answered that he was one who was supporting this hoping it would create some new enthusiasm but it really didn't create the enthusiasm too but Kalispell Regional Medical Center jumped on the chance when it had the chance to do it at the lower rates. If this were to come in, and you had changed the rates to 100% Dennis commented that he was not sure that the hotel they are dealing with would proceed if it were \$100 to \$150,000.00 Impact Fee. It's that close that's all he's saying. Dennis further stated that he couldn't say that they wouldn't but that it's right on the brink of whether it's going to work or not. Adding another fee like that may throw them over the edge not to do it. City Manager Shrives commented that the hotels, at 100%, would be

\$69,000.00. Dennis made the suggestion to at least think about with commercial, if a building is sprinkling, we had talked about reducing the fire fees based on that. It would have a less impact on the Fire Department if in fact those commercial buildings were sprinkled. So if they could use some of that money to sprinkle, some have to but not all too necessarily meet code.

Finance Officer Cindy Dooley commented to clarify that residential, those folks who will be building in our subdivisions, they do get a credit for Capital Improvement fees or Impact fees that have been paid by the developer. So the Impact Fees are shared 50/50. So the person that ultimately builds pays 50% and the developer pays 50%. Most everything where people are building now, there's either been Capital Improvement fees paid, so those were the pre-cursor to the Impact Fee, so they will get a credit for Sewer and Fire fees. Those are the Capital Improvement fees. Those subdivisions that had full Impact Fees, then it will be a 50% credit to the ultimate homeowner on each of those. So we're clear on that.

Commissioner Erickson asked Water/Sewer Superintendent Tony Porrazzo if there were different criteria for water/sewer at a medical facility to comply with than residential or commercial. Tony answered not a clinic. A clinic will not produce the same waste as a hospital.

Chairman Commissioner Campbell asked Tony if any of the Impact Fee could be used on the wastewater treatment project. Tony answered that yes, it could be put toward the project to offset the expense.

**VOTE: Unanimous Motion carried.**

**11. PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA-**Bonnie Manicke commented that due to the lateness the skit that had been prepared would be presented at the next Commission meeting. Rory Horning commented that according to the minutes of last meeting City Manager Mark Shrives was going to give Mr. Horning information on when the \$21,000.00 check that was written. City Manager Shrives answered that the \$21,000.00 check actually was written but it was not delivered until after the agreement was returned to the City. It hit the claims but it was not actually delivered. Mr. Horning asked when was it written. City Manager Shrives answered whatever the date on the claim that you had mentioned before.

**Chairman Commissioner Campbell asked for a motion to adjourn. Commissioner Erickson motioned to adjourn. Commissioner Morrison second. VOTE: Unanimous Motion carried.**

**ADJOURN: 8:14 P.M.**

\_\_\_\_\_  
Commissioner Chairman John Campbell

ATTEST:

\_\_\_\_\_  
Cora E. Pritt, City Clerk