

**POLSON CITY COMMISSION MEETING MINUTES  
CITY HALL – CITY COMMISSION CHAMBERS  
APRIL 19, 2010, 7:00 P.M.**

**ATTENDANCE: Commissioners: Ron Boyce, Judy Preston, Mike Lies, Elsa Duford, Fred Funke and Mayor DeVries presiding. Commissioner John Campbell absent. City Attorney James Raymond and City Manager Todd Crossett present.**

**CALL TO ORDER: Mayor DeVries called the meeting to order and the Pledge of Allegiance was recited.**

**APPROVAL OF PROPOSED AGENDA: Commissioner Lies moved to approve the agenda as proposed, seconded by Commissioner Funke. The motion carried unanimously.**

**CONSENT AGENDA**

**A. CITY COMMISSION MEETING MINUTES APRIL 5, 2010**

**B. APRIL 1-15 CLAIMS**

Commissioner Duford mentioned that during the April 5<sup>th</sup> Commission meeting the Boys and Girls Club price negotiated for the Meridian building could be found on the July 16, 2007 City Council meeting minutes. **Commissioner Lies moved to approve the consent agenda items A and B, with grammatical corrections to item A. Commissioner Funke seconded the motion.** Commissioner Duford noted she was surprised by the amount of engineering costs in the April claims. City Manager Crossett explained that several projects were being undertaken simultaneously, noting grant application fees, streetscape, and several water and sewer projects. He added that the billing had gotten condensed due to many projects being lined up at once. Commissioner Duford expressed that the response from Anderson Montgomery Engineering to the April 5<sup>th</sup> public hearing was not clear. **The motion carried unanimously.**

**CITY MANAGER COMMENTS:** City Manager Crossett expressed appreciation to Commissioner Lies for the work he had undertaken at the golf course restaurant, saving the City thousands of dollars, and for working with the food and beverage manager.

Medical marijuana zoning process was moving ahead quickly. The first public meeting would be held Tuesday, April 27<sup>th</sup> at 6:00 p.m. at the Courthouse. The second meeting would be held Friday, May 7<sup>th</sup> at the same time and place. City Planner Joyce Weaver would be running the meetings. She had put together an advisory committee comprised of Wade Nash, Paul Bonelli, Sue Shannon, Ken Avison, David Whitesell, Ken Siler, and Margie Hendricks. He felt this was a well-rounded group, and encouraged any interested members of the public to attend. They would be taking public input to write a draft zoning ordinance, which would go before the City/County Planning Board and Zoning Commission. It would then be brought before the Commission.

The Street Department had completed a detailed street inventory of the City of Polson, a useful tool that would be incorporated into a community development plan. They had finished accepting resumes for the street department positions and would be interviewing

the following week. He added that two of the three street department employees were retiring.

DEQ had awarded the City an energy efficiency grant worth nearly \$200,000. The building would be assessed the following day for asbestos. The project would include organizational improvements to the front office, adding a separate entrance for the court and police departments. The front counter would be opened up, and a place would be created for a more comfortable waiting area. Energy efficient lighting in the parks would also be included.

James Raymond and himself were working with the Library Board and Marilyn Troesper to work out the details of transitioning to a library district if such district was passed by voters in the coming election.

He and Karen Sargeant had been working with the Farmer's Market to move to a safer, larger area. They were considering placing the Farmers Market on 3<sup>rd</sup> Avenue West between Main Street and Riverside Park. He felt this could create synergy between the farmer's market and the businesses, drawing people to the downtown area. He added that the surrounding businesses were in favor of the new location.

The TIGR grant committee was finalizing the RFQ for a contract project consultant for the Skyline project. They would be holding weekly meetings as a steering committee for the project. The steering committee was made up of the City, County, Tribes and Lake County Community Development. The following day they would be giving a presentation to the Tribal Council at 3:00 p.m.

The golf course painting was ongoing. The new floor surface would be applied to the deck after the painting was complete. He anticipated May 1<sup>st</sup> as the approximate date the restaurant would officially be open. Suzanne Tommer had been hired as the food and beverage manager, and he felt she would do a great job. They were currently advertising for the other restaurant positions. There would be a supplemental policy for restaurant employees to be included in the employee manual.

He would be creating a master list of City projects along with their progress. He would be sending the list out so the Commissioners could track the projects.

There would be a fire stakeholders' meeting April 21<sup>st</sup> at 7:00 p.m. at the Fairgrounds Fire Station. Rory Horning requested up to date information prior to the stakeholders' meeting. City Manager Crossett relayed that the meetings at this time were creating effective productivity on the groups working together, generating a great deal of discussion. There were brief minutes of discussion points, but no binding decisions had been made. As they moved forward more specific issues would be discussed. Any decision by the Stakeholders' group would only be a recommendation. Rory Horning expressed that he saw problems between the City and the Rural Fireboard, adding for example the gentleman sitting next to the City Manager on the City's negotiating team who was backing a Rural Fireboard candidate and could not vote in that election. He asked for all the information the City Manager was putting out so that he can get up to speed prior to attending the meeting.

**RECOMMENDATION TO AWARD CITY ENGINEER CONTRACT:** City Manager Crossett went over the current cost of the engineering services specific to the "City Engineer" work contracted through TD & H - about \$100,000/year. The price was not fixed; it was determined hourly depending on the employee required for the service.

Request for proposals would still be required for specific projects. Shari A. Johnson and Associates had scored highest out of the 13 bid packets, due to her familiarity with the area and the City's projects. This firm would also provide the City with a predictable cost for City engineer services, at a reduced cost to the City. The majority of the contract would be paid through water and sewer, as those departments currently uses the services the most. As projects came about the bill would be adjusted accordingly between the departments. The contract would be for three years, with an annual 30-day notice of cancellation. **Commissioner Preston moved to approve the City Engineer contract with Shari A. Johnson and Associates for three years, seconded by Commissioner Funke.** Rory Horning advocated that if the City was getting a deal on engineering services, they pass it down onto the public to help get the local economy going. Murat Kalinyaprak commented that the City had been very generous with engineering studies and wondered how the cost has changed since Bob Fulton was the City Engineer. He felt the City had not negotiated enough with the engineering firms if they only know the cost of the first candidate. He questioned who, when and how the firm was chosen. He commented that it was too much money given to easily. City Manager Crossett explained that, as directed by the Charter, he had put together a committee comprised of Planning Official Joyce Weaver, Water and Sewer Superintendent Tony Porrazzo, and himself. They individually rated all of the packets submitted based on the criteria laid out in the RFQ. He also explained that the selection process for hiring professionals was governed by Montana State Law. Ken Siler commented that the City needed an engineer on hand, noting that Westana had almost no supervision and had ended up costing the City more than enough to pay for an engineer. **The motion carried with 5 in favor and one abstention. Mayor DeVries abstained.**

**MARCH 2010 CASH REPORT:** City Treasurer Bonnie Manicke advised that there had been a debt service payment from the general fund, payment number 14 for the 2003 Pierce Class A Fire Engine. Two payments remained with an interest rate of 3.72%. The building code enforcement balance remained negative at \$37,537. She did not see that fund coming into the black by the end of the fiscal year. Mayor DeVries inquired what they must do about the building code enforcement fund. City Manager Crossett informed the Commission that when they had put the budget together they had anticipated this. The Walmart project remained, which would put the fund back into the black, however there was no way to tell when and if that would be completed. He expressed that keeping the building inspector was beneficial for the City. If they did not, they could not deal with upcoming projects when they occurred. The building inspector had also been heavily involved in the grants the City had received this year, including the Energy Efficiency Grant and the TIGR Grant. The money would be reimbursed to the general fund, as fees would begin to come through the building department. City Treasurer Manicke advised that the police federal grant fund had been closed. The total grant expenditures were \$23,954, which they had spent in about one and a half years, mainly on ammunition and firearms. The water operating fund had an expenditure of \$186,475, which included the Main Street water project at about \$106,000. The total cash value of the City of Polson was \$6,358,986.41. Rory Horning thought that perhaps the building inspector position should be put out for an RFQ. Murat Kalinyaprak inquired about City policy regarding personnel doing personal projects on City time. City Manager Crossett

replied that it is not allowed. **Commissioner Lies moved to approve the March 2010 cash report as given, seconded by Commissioner Funke. The motion carried unanimously.**

**APPROVE INVESTMENTS:** City Treasurer Bonnie Manicke advised the Commission that five local institutions were provided the investment bid information for two maturities. One bid was for a 148 day term maturing on August 20, 2010 for \$200,000, and the other was for 216 day term maturing on December 27, 2010 for \$825,000. 1<sup>st</sup> Interstate Bank had bid on both at 1.50% APY and Glacier Bank had bid on both at .75% APY. 1<sup>st</sup> Citizens, Community, and Valley Banks had submitted no quotes on either investment bid. The comparative treasury rate for 6 months was .24% and for 12 months was .40%. The 3 year daily treasury yield curve rate was 1.54%, and the state investment pool was .28%. **Commissioner Funke moved to approve the public funds investment bids as presented, seconded by Commissioner Lies. The motion carried unanimously.** City Treasurer Manicke advised the Commissioners that Community Bank carried 10.42% of the City's portfolio with \$550,000. 1<sup>st</sup> Citizens Bank carried 58.71% with \$3,100,000. 1<sup>st</sup> Interstate carried 30.78% with \$1,625,000. And Edward Jones carried .09% with \$4,691.83. The overnight funds earned interest at 1.00%. The current interest rates range from 2.07%-1.31%. The interest earnings from July 1, 2009 through March 31, 2010 were \$93,070.55. The average rate of return was 1.55% on an average fund balance of \$6,000,000.

**PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA:** Mayor DeVries congratulated Jason Delaney, a former runner for the PHS cross country team, had placed 20<sup>th</sup> in the 2010 Boston Marathon which included 26,000 runners.

Margie Hendricks commented that the response letter from Anderson Montgomery still did not contain accurate numbers. She presented a chart to the Commissioners, which comprised of several reports of maximum gallons per minute well capacity along with 2009's summer usage. She quoted minutes from May 16, 2005 in which Mike Corcoran had done a PER of the water system but stated that the citizens had done a better job researching the water system than the report had. She was very concerned that Anderson Montgomery was using the same numbers Water & Sewer Superintendent Porrazzo had provided and not going in and looking at the actually records themselves. She expressed concern over the accuracy of the water system analysis and the danger for the public. Commissioner Preston mentioned that she had helped Mrs. Hendricks put the chart together, and shared some of her concerns about accuracy in the water system report. Commissioner Lies pointed out that the wells' usage is not their capacity. Margie Hendricks disagreed and felt that their summer usage was at capacity. She expressed concern about fire protection, the ability to get water to all parts of the City, and water rights. Mayor DeVries noted that the water department was currently working on distribution and had done many improvements to the system since the report from 2002. Commissioner Boyce concurred that there were serious concerns, but felt a workshop would be a better place to address the information. Commissioner Preston agreed that she would like a workshop. Margie Hendricks commented that as a citizen she would have been more prepared for the Anderson Montgomery presentation if she'd had the

study's information prior to the meeting. Commissioner Duford commented that there were differences in the numbers Roger Noble, a private citizen, had included in an independent report in years previous. City Manager Crossett advised that the water department was working on fire looping and working to better the system. Margie Hendricks commented that they were playing "Russian Roulette" with public health and safety if Scott Anderson was not independently researching his report. Mayor DeVries pointed out the City could hire an engineer to test the capacity of the wells. Commissioner Preston questioned if they were getting their moneys worth on the engineering reports. She felt they may need to make a decision on how much growth they allow within the City utilizing the water system.

Murat Kalinyaprak inquired what litigation would be covered in the executive session. He added that he did not think it was adequate for the agenda to only say litigation. City Attorney James Raymond replied that it was in regards to the current litigation involving Karl Seifert.

Commissioner Duford expressed that she would like to see the agenda item deadline upheld so the Commissioners and public would have access to the packets on the Wednesday prior to the meeting. City Manager Crossett replied that they would make the deadline firm, and push back until the next meeting items that come in late or incomplete. Murat Kalinyaprak suggested they allow the presenters to determine priority, as he himself has had items that could have been put off for a couple weeks but instead were placed on a very full agenda. Rory Horning commented that taking agenda items late has a liability factor, he pointed out that anything not provided in time for the City/County planning board would not be addressed at that meeting. He added they should respect the time of the Commission and the public, and if they could not follow the direction of the Commission there was a problem with management.

**The regular meeting adjourned at 9:05 p.m.**

**EXECUTIVE SESSION – LITIGATION:** The executive session was called to order at 9:12 p.m. Litigation with Karl Seifert was discussed. Commissioner Preston moved to approve full and final settlement of Karl Seifert lawsuit by approving payment of \$2,500 and by expanding the developer's payback agreement for an additional five years. Commission Lies seconded the motion. The motion carried unanimously.

**The meeting adjourned at 9:20 p.m.**

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**Mayor Pat DeVries**

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**Attest: Kala Parker, Assistant City Clerk**