

**POLSON CITY COUNCIL MEETING MINUTES
CITY HALL COUNCIL CHAMBERS
MONDAY, APRIL 21, 2008, 7:00 P.M.**

ATTENDANCE: Council Present: Bruce Agrella, Jim Sohm, Tom Jones, Mike Lies, Elsa Duford, Fred Funke. Council President Mike Lies presiding. Mayor Lou Marchello absent. City Manager Jay Henry absent. City Attorney James Raymond present.

Pledge of Allegiance and meeting brought to order at 7:00 p.m.

APPROVAL OF PROPOSED AGENDA: Motion made by Councilman Funke, seconded by Councilman Agrella, to approve the proposed agenda as presented. Motion passed unanimously.

CONSENT AGENDA: Motion made by Councilman Agrella, seconded by Councilman Sohm, to approve the consent agenda, A. City Council Meeting Minutes of April 7, 2008 and B. April 1 through 15 Claims to be paid. Councilwoman Duford asked what the City is paying Phillips law firm for. It was clarified that Jack Jenks of Phillips law firm is representing the City regarding Smith Paving's contract on the Westana subdivision improvements. Motion carried unanimously.

PUBLIC FUNDS INVESTMENT BID APRIL 8, 2008: City Treasurer Bonnie Manicke noted that a \$600,000 Certificate of Deposit was sold recently and therefore she was able to bid out and invest \$700,000 for 134 days, with an 8/20/2008 maturity. The bids received were from 1st Citizens Bank 3.75% APY; 1st Interstate Bank 3.40% APY; Glacier Bank 2.75% APY, with no quotes received from Community Bank and Mountain West Bank. For comparison, the Treasury Bill Yield was 2.330% and Agency of U.S. Government paper was 2.813%. She noted that the repurchase agreement interest rate was down to 2.38%; making the CD a better investment. Motion made by Councilman Jones, seconded by Councilman Sohm, to approve the purchase of \$700,000 in Certificates of Deposit through 1st Citizens Bank for 134 days with a maturity date of 8/20/2008 at 3.75% interest APY. Motion carried unanimously.

MARCH 2008 CASH REPORT: City Treasurer Bonnie Manicke presented the March 2008 Cash Report noting the total cash balance for all City funds was \$5,297,529.68. The General Fund administrative transfers from other funds for the second half of the fiscal year are reflected on this month's cash report at \$68,550, and covers from January 1, 2008 through June 30, 2008. The Golf Bond interest was paid on April 1, 2008 in the amount of \$25,670 and will be reflected on the April 2008 Cash Report. Motion made by Councilman Jones, seconded by Councilman Funke, to approve the March 2008 Cash Report as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.

CITY MANAGER COMMENTS: None. City Manager absent.

PUBLIC COMMENTS: Nick Holien, representing the Grizzly Scholarship Association, thanked the City for making their third annual scrimmage fund raising event a success. They had

good weather and the event was well attended. However, there were complaints over the confusion created by the change of the event location to Boettcher Park, after it had been advertised to be at the golf restaurant. The change of location was caused by Bryan Seidita when he backed out of his commitment to provide restaurant service for the event. Council President Mike Lies apologized for the inconvenience.

The meeting was adjourned at 7:10 p.m.

EXECUTIVE SESSION: City Attorney James Raymond explained that in addition to the problems mentioned by Nick Holien, there have been other concerns expressed with Bryan Seidita, WOPSQUAW, LLC, not providing services as outlined in the management agreement, including hours of operation, providing breakfast and operating the golf beverage carts. He has found it difficult to negotiate any management contract issues directly with Bryan Seidita. The Council approved a sub lease option for breakfast service, as Bryan Seidita requested, but he now says he will not do that and has retained Attorney Greg Ingraham as his legal counsel. James Raymond explained that although the Department of Revenue approved the management agreement, the City was recently notified that the agreement needs to be revised. He replied to DOR and requested a written rule regarding the reason for the revision. Thirty days ago the City gave a notice to Bryan Seidita to rectify certain non-compliant issues. Since he has not complied, the City can terminate his contract. The City also received a letter from Lake County Health Department, giving notice of certain health issues that need to be rectified, some of which were to install a mop sink, provide an operable fan in the bathroom and removal of the carpeted surfaces downstairs in the bar area. **Councilman Jim Sohm**, expressed his frustration over the same issues raised by Nick Holien regarding Bryan Seidita not providing restaurant and bar service for the Grizzly scrimmage event as he promised earlier. They had about one week to make alternate plans adding about \$1,000 to their cost to put on the event. On several other occasions he found that Bryan Seidita did not provide the service that is required by his contract and he felt that the City will continue to have problems with him. **Councilman Jones** stated that he also experienced lack of adequate service when he put on an event, both for breakfast and bar service. With his experience in the restaurant business he knows they can make a profit if they are open for more hours as required by the management contract. **City Attorney James Raymond** provided options for Council to consider. Council discussed their options. **Councilman Lies** stated that he would be able to cook breakfast for this weekend's event and the City could hire people to provide bar service and others have offered to help operate the restaurant. **Motion made by Councilman Jones, seconded by Councilman Sohm to terminate the contract with WOPSQUAW, LLC and authorize Council President Mike Lies to sign paperwork to file a restraining order against Bryan Seidita to vacate the golf restaurant premises. Motion carried unanimously.**

Meeting adjourned at 8:22 p.m.

Council President, Mayor Mike Lies

ATTEST: _____
Aggi G. Loeser, City Clerk