

**CITY COMMISSION – SPECIAL MEETING AGENDA
CITY MANAGER INTERVIEWS
CITY HALL – CITY COMMISSION CHAMBERS
FRIDAY, MAY 1, 2009, 9:00 A.M., 11:00 A.M.**

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

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

APPROVAL OF PROPOSED AGENDA: Motion made by Commissioner Sohm, seconded by Commissioner Agrella, to approve the proposed agenda. Motion carried unanimously.

CITY MANAGER INTERVIEW- TODD CROSSETT: Mayor Marchello welcomed Todd Crossett and explained that Jim Sohm, who is a member of the City Manager Search Committee will be asking the interview questions. He told Todd Crossett to feel free to ask questions at any time during the interview. Commissioner Sohm welcomed Mr. Crossett, a finalist candidate and thanked him for his interest and application for the Polson City Manager position and officially welcome him and any family members traveling with him into our community. He described the interview process making his acquaintance with the Polson community yesterday and today. There will be an Open House tonight at Papa Don's Restaurant at the golf course from 5:30-7:00 p.m. for the candidate to meet with the city staff and community in general. This will allow the candidates and community in general to share thoughts and ideas and determine if the job fit is right for the candidate and community. During the interview each candidate will be asked the same questions from a predetermined list. These questions were generated from the search committee members, city staff and city council members. Commissioner Sohm proceeded with the questions.

QUESTIONS

--What prompted you to apply for the Polson City Manager position when you learned of the opening?

*Two things. It's an interesting position and a chance to use my skills that I have and also it's a nice place to live. Our family's goal after raising kids is to live in a small town and be able to be home with them. You've seen in my resume that I've traveled a lot in my life. My goal in these last few years is to anchor myself in a small town and use the skills that I have and this seemed like a good fit.

--Please summarize for us your background and qualifications for this position. * I have a Masters Degree in International Management which is basically a Masters in Business and has extra emphasis on dealing with diverse populations and diverse work forces intercultural work and it has a lot of emphasis on strategic planning and entrepreneurship. That is what attracted

me to that degree. I received a Bachelors Degree in Business Management from Whitworth University in Spokane, Washington and a Bachelor of Arts in English and Business from Washington State University in Pullman, Washington. I also speak Russian which is not relevant to this job and studied that at the University of Washington in Seattle. Professionally I worked for the U.S. Department of Commerce and ran a trade development program in the Russian Far East. I started out working for a program which is on the Russian mainland near China and later when major oil and gas contracts were signed and I was asked to set up an office for a major trade mission and was made director of that for one year, advising U. S. and Russian companies on their efforts to develop business connections. Also during that time I participated in an entrepreneurship for a sister program at the University of Alaska funded by USAID teaching business skills to aspiring Russian businessmen and Russian government officials. I moved on from that to start and run my own consulting firm for twelve years, prompted by a lot more demand for much deeper work than he provided to the U.S. government. We took on clients from Europe, Asia, South Korea, Japan, all over Europe and the Americas. They started out developing joint ventures, and did due diligence on companies to help identify companies that were fiscally sound and did analysis on their organizational culture, to find companies that were able to adapt in standard capabilities. We did the legal analysis, all the incorporation, planning set up, logistics plans, writing business plans, permitting and certification and Russian Government relations work. As that progressed involved in actually managing projects, and did a major health care project and did a pro bono work for a Russian clinic and helped them set up a western style business structure and they won a major contract with Shell Oil which was a big deal for the clinic and Shell. We wound up on a strategic planning team with Exxon Mobile providing health care to their employees. The health care was in a downward spiral and we helped developed some new models on how they could partner with government and the medical practitioners and private industry were off on their own and found some solutions to make some major changes there. I managed logistics government information for major sea lift project, prefabricated an entire gas processing plant in South Korea. In my private connection experience I was the managing partner for our company another project we did was to help develop Exxon Mobile's procurement system. They needed to have a certain amount of Russian content so they partnered with a procuring company out of Anchorage and developed an online system with an electronic database where they could access Russian companies from across the country and Russian companies could pre qualify themselves through this process. Since Russia is a big place it was a good tool for them to be able to select and conduct due diligence on a massive scale. I did a lot of business development work for clients in Europe, Asia, Japan and the Americas. Our company revenue was around \$3 million dollars a year and developed a great reputation for being able to bring people together for managing our employees, and we were a company that people wanted to work for. As my kids began to get older our goal was to settle back until they grow up. My wife is from Sandpoint, Idaho and I grew up south of Spokane. We settled in Sandpoint and I was traveling from there for my business and running the business from there. I became concerned about the politics and ran for and became a County Commissioner serving for two years. While I was in that position I focused on what I felt was the part of the government that gets missed sometimes. I think a lot of people run for public office because of the legislative piece of it, the quasi judicial piece. Probably 80% of the job is executive management and I focused a lot on that part of the job. A huge wave of development came thru in 2004-2006 and a lot of things needed to happen that weren't in place, land use planning, aquatic invasive species were big issues, which you are taking a look at in Flathead

Lake which is good. They were real contentious issues and I dove into those and I chose to bring diverse points to the table, I have a lot of background in facilitation. I worked with an ad hoc working group to work through our conflicts, issues they have been battling over for thirty years, planning zones and a zoning map. To get those passed he facilitated the group for nine months and the first couple meetings it looked like we may not get out of there without blood being spilled. He insisted that everybody that was willing to show up and stick with the program got to be in the group. The commissioners said if you are willing to do it then knock yourself out. I was real proud of the results in nine months they went through the program, we ended up with one side showing up with A and the other side with B and they ended up with option C that was actually better in many cases than what we had in the past, and was successfully passed in December. We also formulated a task force for aquatic invasive species, got all the diverse groups to the table and was funded by the state which was dropping rapidly. I led the effort and facilitated the plan and wrote our first strategic plan, the first of its kind in Clark County. We also had pledging to provide EMS and the private provider pulled out and there was a lot of controversy because a lot of the county residents didn't think the county had any business running the EMS program. With the economy there was no choice, nobody wanted to do it. I put together a diverse group of shareholders, a lot of old baggage between the fire districts and the hospital and the EMS that all went back years and years. The relationship with the hospital was poor so I negotiated a contract with the hospital so we could have their expectations, pulled people together and restructured the management system. I think everyone involved did the very best job they could putting the organization together on the fly. Before forming a company you should spend a lot of time preparing the foundation so that when you start operating it works. They put it together inside of a month. They put together a management system and recruited managers through a country wide search, and put that in place, did a lot of mentoring, helped recharge the culture of that organization. I was proud that when I left the organization was working very well. That's a pretty good summary of what I'm about. I bring business skills, I'm very good at collaboration and communication.

--How would you describe your management style? What most influences your management style and why? *My management style is very collaborative and at the same time it doesn't mean that I'm short or soft on accountability. I am a big believer on being open and I'm very direct and very transparent. So in people that work with me I look for that as well. I find that I get that in return if I take people seriously and really try to engage people especially the people that don't necessarily agree with me or maybe in opposition, I think that's really powerful when you do that. I really am serious about respect, I think it's important to understand what people's motivations are and hear what people are all about. It sounds kind of soft but I find that's really the key. When you have that people want to stick around and people want to work as part of a team, I like teams. I like to find situations where everybody wins. Someone mentioned to me early in my career that nobody ever works for you, you might think they work for you but they work for themselves, everybody has a reason for coming to work. They are supporting their families and all the other things they want to do and so you have to make it worth their while. A lot of that doesn't mean forking over huge amounts of money, it means making them part of the team so they want to apply their skills that is meaningful and they want to grow. I'm very strong on mentoring and helping people become successful. I'm also again when you have that, very strong on accountability, when we say we're going to do something we do it. I'm very strong on tracking, details are important. Fiscal management is very important particularly in government.

I understand that there's a lot of skills that you bring from business into government but business and government are not the same things. In business if you want something you just make more money. In government the revenue is controlled and you don't want to increase taxes, you want to keep taxes low and provide as best services as you possibly can.

--How do you motivate others around you to achieve maximum success? * I keep coming back to a common theme here. Again I think it really comes down to creating a team. In my cross culture work I have done a lot of team building. You need to show people that there's a place for them and they are using the skills they have, that there's something in it that they can grow. I think most people want to show up and want to build their capability and as a manager I always try to create a space for that. Treating people with respect and being honest and open with them, I think is very motivating for people. I like to create an atmosphere that's fun to come to work. We spend a lot of our lives working, I think if we create a space where people want to show up they'd be better workers and in return people that show up for services give better service. I think that's the same for government and business alike.

--If selected as the new Polson City Manger how would you approach the first 30 days to get up to speed? *First thing I would do is start telling everybody what to do. (Laughter) Actually quite the opposite, I have a lot to learn. I've been through City Hall, and had a great discussion with James Raymond yesterday and talking to the people in the community and had some discussion with City staff, but again, not nearly enough. James filled me in on all the projects he has been watching over the past several months. We are also in a major transition phase with what's going on with the economy, the stimulus opportunities that are out there. So what I really need to do in my first thirty days is to have a lot of conversations and really understand what the priorities are and understand where things are at. What I don't want to do is have projects that are underway lose momentum because of the transition. I would be hounding James' doorstep a lot and will be spending a lot of time with the City Commission and making connections locally and at the state level, developing relationships with them.

--Describe an instance where you demonstrated leadership, what you did and what were the results. *I gave you a little bit of that earlier but I'll give you another example. When I worked on the health care issue, one of the first things we did, we wandered into this, the hospital that we were working for had been involved with tele medicine that is available in Alaska where you connect the doctor and the patient for someone who is out in the bush, to give medical consultation through the internet. At that time it was pretty groundbreaking stuff. We really needed to get a good handle on why the situation was as it was. To really understanding the inner workings of the Health Care System. So the first thing we did was to get the stakeholders together and have a round table discussion. As soon as we got to the table we realized that although it seemed they all had the same interest, they were all pretty much in the same boat, they all hated each other. They lived in the same small town of 180,000 people which in Russia is pretty small and it was absolute animosity. That was one of the most terrifying things that I have done, I was in charge of facilitating that process. I stepped in and used a lot of the techniques that I was talking about earlier such as facilitation that I have learned. I was able to take that and find areas where people agreed, where there was common cause and I was able to guide that into a discussion about what we may be able to do that would benefit everybody and what are possibilities and get people to come together and focus on not so much the differences

or all the thousands of different trails people would like to take to derail the process. Focus in and actually transform that, not just to have agreement. Sometimes we talk about facilitating people who disagree and everybody holds hands and sing a song, it's great but in reality it usually doesn't happen like that. With the goal to get people together and then transform that into creating a vision in an actual strategy and then get moving. Then when people see you have movement people start coming back . What people don't like to do is come back and put their time into something that just spins, geez I've been on this committee for eight years and nothing every happens. So we were able to get some action and movement and create some partnerships and get some information together and brought in the opposition as partners and started making things happen.

--Describe an instance when you were either responsible for economic development or supervised this function. *When I worked for the U.S. Department of Commerce, I did that for a year, and after we developed our consulting business, the U.S. Department of Commerce asked us to run the program and take the place of a Russian nationalist who was running the program at that time, a program called BIS, a business program. That was my mandate, at that time there was about four Americans within that island and our job was to really start developing those ties and a big piece of that was really helping the Russian companies to understand what they could gain and that was important to support our American companies because that would be creating eligible partners and doing a lot of work with U.S. companies to give advice and information, tools and use in their business and I taught entrepreneurship for two different groups, the USAID and at the University of Alaska.

--Polson has a volunteer fire department. What is your experience, if any, working with a volunteer fire department, maintaining a budget to satisfy needs and recruiting volunteers to keep this department staffed? * We have a big mixture of fire departments with members, some are paid a lot of them are volunteer and some are in transition. One of the problems they face there is keeping volunteers, I don't know where you're at here but that was a constant effort to keep volunteers. Those fire districts were run by commissioners that were elected so I didn't develop those specific budgets, however I did oversee and develop the county budget which was a \$48 million dollar budget and there were components of that relating directly to the fire stations. We had contracts and a couple had EMS contracts as well. So I have some understanding of what's involved with that, I have worked pretty closely with the fire chiefs in Bonner County. So I think I am in a position that I can get up to speed pretty quickly on that, I understand the budgeting process.

--What do you believe is the most serious need in any small community and how have you addressed this need in your past experience? *I think there are several needs that are pretty common in small communities, creating that vision and getting involvment. In a small town a lot of times the resources aren't available. They tend to not have tremendous amounts of money, which is always an issue. They are always trying to figure out how to do a lot with a little. The population tends to be small. Out here in the west we deal with resource issues are very important and are so much more vulnerable to big economic shifts. On the upside it takes a little bit longer for some of those effects to get here. Those things can have significant impact. What we can do as small communities to try to put ourselves in a proactive mode rather than a reactive mode. I think a lot of times it doesn't solve every problem but it sure makes us more prepared.

A good example is what is going on with the stimulus package. Communities that are able to pull projects off the shelf are toward the front of the line and are in a good position. Communities that really haven't created a lot of vision and are not proactive are in the back of the line and are not in a good position that they can jump on the opportunity. I think it's really important to take a long view, and that comes back to engaging the community. It's not about me taking a long view or James or Larry or any one else. It's us as the leadership of the community, and that is bringing other people up into positions of leadership. Empowering leaders and getting together so that we are making decisions for the future.

--Please describe any grant writing experience you possess. * I have been involved with grant writing starting with the health care initiative program in Alaska. I have also been involved with grants for the county and served over the last few years on numerous boards all of which are organizations that rely on a certain degree of grant writing. So I assisted in that as a board member. I served for a time on a grant review committee for USAID and that was an international partnership grant process. That was interesting for me because I got to see it from the other side. We went thru huge stacks of grant applications. We split them up so not everybody read all the grants. So we came together around a table for a week and gave everyone a chance to ask questions. It was interesting for me to see the grants and was very helpful because I knew what it took to get the reviewers attention in those grants and you understood how important brevity is and clarity. You look through thousands of pages per day and if you can't say it pretty quick then it doesn't happen. We were very successful in our grant application for a program in Bonner County GE and received significant amount of grants and got more than 50% of the total required for the program although it was based on need, we did a good job writing the grants, although I didn't write them all by myself but I supervised the process.

-If we polled employees who are currently working for you and those individuals you currently report to; how would they describe your efforts to streamline public government to make it more effective? How would they describe your planning and organization skills? * There were always people that I had to say things to that they didn't want to hear. I think that's part of being a manager. I think what you would hear, and what I hope you would hear, is that I took a lot of care for the organization. My philosophy was that if we ran the organization well we would develop polarity in the organization that we give a better service and we can do it with less. A lot of times what happens is the workings of the organization are not efficient and the culture of the organization is not optimum what happens is it takes a lot of hands to do the same amount of work. So we put on more people, and don't have as much budget so we don't pay people very well and so you have a whole lot of people not really making much money doing the work that if we were able to hold onto people who are really competent best people, it could be done very easily. So one of the things I did there is our human resources department was created when we were a much smaller county and I took the lead in rewrote the job description and went out for a nationwide search to hire an HR Professional to restructure how it was working. We were spending an incredible amount of time working through HR functions that didn't need to take as long as it took. There was very much a lack of clarity. It wasn't fair to the employees and it wasn't fair to the public. So I put a lot of effort into the Human Resources and the EMS program I mentioned earlier. All those efforts were to streamline, to be able to do more and do it better with less and have people glad to be part of the system and provide better service.

Lastly how would they describe your skills to hold those reporting to you accountable? I think you would find that people who paid attention saw that I held people accountable to a pretty high level. I am very level headed. I don't blow my top. I don't discipline people when I am angry at them. With most people if you chart a path to success they will embrace that. That said, the more clear you get in your management, the more clearly the organization is, the more people make a pretty good choice. I think the people that want to be part of a team will be part of the team, and people who chose not to be part of the team will make that choice. That happened in Bonner County. Unfortunately we did have people that chose not to be part of the program and left on their own, but there weren't many times that happened. I don't like to get to the point where I have to let someone go, but when it gets to that point that's what has to happen. It comes back to that accountability. I have a high standard of accountability for myself and for the people I am working for, I expect that for anyone in the organization, we tow those lines, they are clear and I take them seriously.

--What is your fiscal policy approach? * This is not a political position. But I will tell you that I am very fiscally conservative. I don't know of very many people who have made their living running a small business that have done very well that is not fiscally conservative. I am very fiscally conservative and I do believe in investment, I think there are sometimes when you save money by making wise investments looking down the road. All spending is not bad but I believe in investing money. It comes back to how you manage. I think its possible to do a lot for less if you manage well. I think it's very important to live within the budget. You need to be looking down the road, looking where your budget is. In small towns, that means being creative, finding ways to partner on projects you want to complete. A lot of the time the money is out there if you take the time to develop partnerships.

--What internal controls have you used to ensure fiscal responsibility? * When I left the county commissioner position I was trying to develop more controls. I won't go deep into but if you are interested I can answer that question and talk about that. The systems that I have put in place have been tied to regular reporting, have been tied to transparency and those budget reports are reviewed regularly. When I was running the company I was not the financial manager but the financial manager reported to me as the CEO of the company and we would sit down regularly and review the regular financial reports monthly. At the county level we had a computer system where every year we would create enhancements. I believed that we needed to go back and review how that money was being spent and what would be the best way to spend the money. That is a big deal with a zero based budget, to see if we can find a way to adapt that to our needs. It requires a lot of management and I am not sure I would be proposing that here but in that system there was not enough financial accountability going on. I think everyone was trying to do the best they can but as commissioners we weren't really seeing enough of the picture to make the strategic decision. I think we need to constantly analyze what is working so we are looking at how that money is being spent. When we go back and do that review, where are we getting the biggest bang for our buck and where are we spending money that is not really bringing us in terms of gain.

--Please describe your level of expertise in completing a county government budget. I came into the commission with budgeting experience both as manager overseeing budgets and working with projects I would have budget responsibility. I was involved particularly with is very

structured and has a very high level of accountability. I would be responsible for parts of the budget as part of a project team. The county's budget was the largest single budget that I was directly responsible but I have worked on projects with bigger budgets. The County Commissioners developed the budget in cooperation with the clerk, we would spend considerable time working through the budget and I was always a proponent that we are highly accountable so not to just sit back but really take an active role and spend a significant time with the department heads. I'm not a CPA but I would say that I have very significant budgeting experience. \$48 million dollars is a good amount of change for a rural county and we would typically have challenges, with six to eight million dollars in requested enhancements, only half of which were really important and would work within the range of about \$400,000. It took a bit of effort to work through those requests and manage the budget throughout the year, in Idaho you are not permitted to operate in the red.

--What creative methods have you used to stay within the budget in tight situations while still accomplishing the job? * The first thing is to make sure you don't get out of it. As county commissioners we had direct responsibility over most of the county departments. We did not have direct control however over the other elected officials. We as commissioners had a responsibility to make sure they were living within their budget and if they are providing the services, but we have no direct authority outside after we approve their budget. But if they show up one day and say oh golly, we're a million dollars in the hole, well then we as commissioners are responsible for that. So that took a lot of oversight, a lot of tracking, really keeping track by having regular financial reporting, paying attention. Particularly because we didn't have direct control over their daily activities, working directly with them to make sure they didn't get into that position. We would have to become creative. We always wanted to make sure we had enough contingency to take care of unexpected expenses. The police department was one of the departments that had the least ability to predict their expenses. Their business goes up counter cyclically, when the economy goes down they get busier, more people are getting into trouble. We would do creative things, finding the best way to provide the vehicles. The juvenile facility no longer met state specs and was going to cost a million dollars and the roof finally gave out. They are still working on this but they would create partnerships and create business models. They were working on a 30 year use to own business model, and did research on how to rent the facility, there was a high need that we be active within a certain period of time and we could make our payments by leasing those pens out and be able to pay for the building without raising taxes, because the citizens wouldn't go for that and in light of the economic situation didn't want to do that. So we did a lot of things of that nature trying to figure out how to pay for the building. The Sheriff's facility had some infrastructure needs, we developed a partnership with the National Guard, they needed a facility. So we put together a deal by granting them the land and they invested in the facilities and shared them with us. So they got what we needed and they got what they needed and it didn't cost the county anything.

--What is the financial status of Bonner County you currently work in or most recently worked in? * The County is in the black and although I can't take credit for this, the county commissioners have done a good job for a lot of years. We have healthy contingency funds so that when we have two really hard years in a row, like we recently had with the snow this winter, We put aside funds that wouldn't put us in a really bad position and would have had to pull services soon after the winter was over. We're healthy and have in the neighborhood of \$16 to

\$18 million dollars in reserve funds, we continue to build those. I would say it's healthy like every other small community. We were pretty aggressive with going after grants and going after partnerships, looking for creative ways to solve our ideas.

--What is the toughest situation you have ever had to deal with and how did you handle it? *I always ask that question when I interview. I guess the most difficult management situation was while working on the sea lift project where I was in charge of making sure that all the government approvals were able to come through and it actually required setting up a new port facility. It's a pretty high security zone. So we created a new temporary port, which really hadn't been done and was a big deal. My job was to be out there and deal with the government officials for the port, customs people, the port captain. They would be on the job for a month at a time making on an average \$400 a month, while the Exxon oil workers were making \$1,000 a day but they got that. There was no real upside for them to be where they were at. So there was really a good reason for them to be grumpy and they would shut things down. Russian culture is definitely different than our national culture, so there is no greasing the skids in any shape or form. So my job was to make sure that the numerous international contractors on the job followed the rules. Some contractors were really good about staying with the rules and some didn't think the rules applied to them. They would come on shore illegally and didn't clear customs. My job was to manage this and make sure any shutdown or delay would cause millions of dollars a day, and I had no authority over the Russian workers whatsoever, absolutely none. I also had to make sure they lived by the camp safety rules, which were high standards and to make sure these guys got what they needed. To manage numerous contractors so they were living within the Russian government guidelines and make them feel like there was something in it for them without exchange of money but find other ways to manage those relationships. So it really came down to communication and accountability. We had a few rounds with a weather window of six hours, and the customs guy is not sure he wants to let the barge in and the storm is coming up and you have a 14,000 ton load of equipment waiting to be unloaded. So a lot of diplomacy skills were developed over that summer.

--Describe for us what you believe to be your strongest personal characteristic. Please explain this answer. * I would say my strongest characteristics are to bring people to bring people together. That includes my ability to listen and communicate so that we can find a common ground.

--In which area of county government do you possess your strongest background and skills? *In a general sense I would say that personal management and strategy planning.

--Describe your greatest achievement while working in county government. * I would say my greatest achievement was getting the county's legislative codes passed as I described earlier. I will add that the codes that we had before were very antiquated and were actually more restrictive and we had a great need for development. We also needed to better protect our natural resources so we put things into those codes to better protect those resources. We provided many more options for affordable housing for people to do different things with their land, to run small businesses. So in all the codes actually created a lot more opportunities for people and we started to see that it was real positive. I think a lot of that came from actually working directly with business people and developers and resource managers. There's a lot of things that didn't

seem like a good idea in the first draft and after review by planners and developers incentives were included to encourage certain types of development in different locations.

--What process would you use to keep the city council informed on a regular basis based on need? * Everything possible. I don't think it's possible to over communicate. I believe it's important to have your city manager be present and report to you at your meetings, regular electronic communication, then in the confines of your legal parameters as your employee, when you are coming up on a decision, it's important for me to give you any information and support from me so you understand what's working well, what's working not so well, what I am not sure. And to provide you with options and advise you as to what I think are the best options. Help you to understand the variables. If you have the information you can make your decisions. I believe you can rely on myself to provide you that information. I believe that is what this position is for. When you make your decision I will go do it. I am also very open to communicate with you individually as long as we are being really clear and open. One thing I don't do is triangulate. For example I would not take Lou, Jim and Bruce and see if I can turn them against Fred. I don't play that game. I certainly will walk in and talk with any of you individually to help provide information as long as I am transparent and giving everybody the same information.

--Situation: Polson is a small community with limited resources. Our streets are in need of attention. Due to budget constraints our history of street maintenance has been one of a band-aid approach of patchwork repair and we are losing ground. How would you as Polson City Manager address this problem? * I would just write a personal check. (Laughter) No not really, I wish I could. It comes back and I see you folks doing this, looking forward and planning for a wastewater treatment plant, I think that's smart. I was talking to James about looking down the road and he was talking about what would happen in nine years. If you can be ready and get in front of the game, that's always positive but it's sometimes hard to do but it's always worth the effort. Then the next thing is you really have to prioritize. Being ready and aggressive in going after grant opportunities and the ability to partner. James was talking about partnering with Lake County on improving Skyline Drive. When possible I tend to favor an investment approach. I would rather go step by step, if you are going to spend money on something, spend it and do it right so it lasts. Band aid approach is all that it will be but sometimes that's all you can do. But a better solution is to do it using the best approach. If you can't generate the money to do it right then you'll have to seek other ways to get resources.

--What are your future plans and goals? *My future plans and goals right now are to live in a small town, use my management skills that I have so that I can continue to build those skills and to be with my family. Have a quality of life and time with my kids is a big deal although I could make more money overseas definitely but I have ten years with my kids and that's the highest priority. At the same time I want to do something interesting and build my skills.

--Are you currently involved in any other job application process and, if so what is the status of that process? * I have done some consulting work and I have also had other discussions, but I have no other job offers, but I have been in conversation with people who are looking for an employee relationship or other relationship or consulting relationship. Got to feed the kids.

--If selected as Polson City Manager what would be your expectations for salary and benefit levels? I was looking at your range it was \$65,000 to \$80,000 and I would say that I haven't been a City Manager but I think I have done most of those functions and I would be looking for something in the mid \$70,000 to \$80,000 range. I understand the benefit package, it makes sense.

--If selected for the Polson City Manager position how soon would you be available to start work? * I could start work pretty quickly, to bring my family it would probably take some time to do all those logistical things. I could be over here to work in probably inside a month.

--What questions do you have of us? * The ones I would ask directly of you are what are your expectations and the second question is where are you looking to go as a city. I know probably unless you are extraordinarily different than any other council that I have ever worked with you would probably come up with the same answer. I am interested to hear from you individually. It was very helpful to read the priority list that you prepared recently. What do you see as your expectations of me if I do this job. Where do you want the city to go? Commissioner Sohm – I would tell you that the thing I look at is obviously bedding down our new form of government with the City Manager which we have been struggling with for some time in the past year, just going thru the process of losing people as we went thru the process. Also looking at developing a strong planning and searching for additional revenue sources to address things like streets, water and sewer on a five, ten or twenty year planning basis. Mayor Marchello – I would reiterate what Jim said, it was voted by the public to have a city manager and for the city manager to oversee all the department heads, and we had a city manager, and James has done a good job in the interim. To make this process evolve properly the way it was. We had a city manager for awhile but lost him and he was in the process of getting that done. So I think it is real important for all the staff to understand what's going on, for the commission to know what's going on and the public and that's real clear. I would like to see the communication level be very important to the City Manager and of course everybody says revenue, we need revenue but we are working towards that. Commissioner Duford – Have you experienced and are you a proponent of the city manager and charter form of government. *Todd Crossett – No actually I have not been a city manager but I am a proponent of it. What I mentioned earlier, the experience I had with the County Commissioners and I see that with the City Councils is that people tend to get involved with government with the legislative piece and the quasi-judicial piece. The executive management is 80% of the job and it's harder to do that as a community. You can oversee the wards as an executive manager, that's good. That's your accountability to your public or your shareholders of your corporation. But I think it's a good thing to have an executive that is able to really focus all their attention on the actual day to day management, which is hard to do by the council, it takes a lot of attention. So I am a proponent, I think it's a great idea. But the places I have worked at had not taken that step to have a city manager. Commissioner Funke- Communications are the big thing for me, good communications with employees, the commission and looking into the future, planning projects and overseeing day to day operations. Commissioner Clavadetscheer- I would echo what Jim said obviously is important to mention that the City Manager's position provides long range opportunity for planning, that's one of the strengths of that position which is why I am a proponent of that position. We need to have a chart or map if you will, for the future. For a number of years we enjoyed substantial growth and with the economy it slowed if not stopped over the last couple of years, but chances are it will

recover. We need a plan to improve our infrastructure, we need to plan our policies, all kinds of things including the City Hall which is what James is working on. We have to anticipate that we will grow as an organization and that the community will grow and the city would respond to those needs and that is what I think is a primary function of a good city manager would be to engage that planning that takes us out, as Fred said more than day to day but a year to year, and five years into the future and so on and so forth. That's part of how the streets would be resolved is a long range that incorporates things like wastewater treatment and so forth. That would be my focus. Commissioner Agrella-I concur with Lou about what we need to do, first off we have bring the city out of the dark ages, the City of Polson is stunted and we are trying to come up. So I think as a City Manager would have to look to the future. You have to step back into the past a little bit and get a hold of her and give her direction. We have a lot of things we have to address and straighten up and move on more swiftly. Todd Crossett – Thank you for answering my questions, it is helpful. What is your timeline. Mayor Marchello – We want to get this resolved as quickly as possible. We have the offer letter to give you before you leave Friday night. We have a meeting on Monday evening but we are giving you a week to decide and ask to have your answer back by the 4th. Then we are going to Billings to a special City Commission and Mayor meeting next week and right after that we will make a decision probably in a special meeting within a week or so we will make a decision. Todd Crossett-Just so you folks know I was asked to do a last minute deal to go down to Tucson next week to work on a diversity training, so I am going to take off on Sunday and I will be down there thru Thursday. Commissioner Clavadetscher- we will be in Billings during that time. Commissioner Sohm- I would clarify, I don't know if you know that the form we are referring to is our offering of salary. It's an acceptance letter and basically what it says I followed by your name, if selected by the Polson City Commission would accept the job at the salary level. So what we would look at is all the candidates over the weekend, what was their experience here, their interaction with the people, the tours they had, their interviews, everything about this process, and then you're formulating that as a candidate you are proceeding, we know that those would be faxed in to us next week. So we will know who we are dealing with once we have the letters back. One of the finalists may say I'm just not interested in pursuing that job, based on my visit to Polson and what I have seen. Todd Corssett- Great, that's very helpful. I guess one thing I should mention is I think that, this is a goal that I would have, relating to my position as city manager is to, the thing that is important for the communities is to grow leadership to grow leaders. That is something that I would personally do, if I could take on that I could take on to affect to the greatest degree that I can. I am not somebody, I think part of the issue is not being the leader, just being the guy, it's to empower other people around it and I think that is really a sign of a good healthy community and I see a lot of that in meeting members of the community. I see it in the Tribes and the schools and I like that and that is something I would like to perpetuate and grow on. I am extremely encouraged the effort that has gone into the relationship with the Tribes, the County Commission, I'll tell you that is not always the normal deal out here in the west, and I think that is a good thing. The other thing I would look at, another one of my goals would be to commit to doing this for a period of time, one day I will go, so when that happens the next guy or woman that comes in, that they would walk into something that was well set up. This program is put in place and so things are in order, it's clear what is going on and the organization is working, the position is developed out and all the contacts are in good working order so the person needs to step in and go. I want to give James a lot of credit, he has worked really hard for the extraordinary salary he's working for. He has gotten a lot of things in the pipeline, which is very

helpful to myself or Larry, whoever is hired. I appreciate your time. City Commission-Thank you.

Meeting recessed at 10:22 a.m.

11:00 CITY MANAGER INTERVIEW – LARRY ANDERSON: Mayor Marchello welcomed Larry Anderson and explained that Jim Sohm, who is a member of the City Manager Search Committee will be asking the interview questions. He told Mr. Anderson to feel free to ask questions at any time during the interview. Commissioner Sohm explained that he will be asked a standard set of questions which have been developed by members of this commission, by the general public and search committee members who were involved with the process. There will be an Open House scheduled for 5:30 this afternoon at Papa Don's Restaurant for you to meet the public and the public gets a chance to meet you and talk to you and learn more about you. You have already received copies of the contract, the duties and responsibilities of the City Manager. We will determine the salary that the commission is going to offer when we go into executive session following the interviews. The offer will be presented to you on a form which we ask that you return by May 4th, once you had a chance to think about your experience in Polson and the job and the interviews and everything pertaining to it, if it is all agreeable to you, we are asking that you return the acceptance agreement signed. The Commission will make a selection of those who are finalists. Because a number of the Commission members will be out of town next week, a special meeting will be held and a decision will be made the week after Mother's Day weekend. Commissioner Sohm proceeded with asking the interview questions.

QUESTIONS

--What prompted you to apply for the Polson City Manager position when you learned of the opening? *First of all before I answer the question I would like to thank Lois Hart and the folks here for their hospitality and to say I had a great day yesterday and when we get thru this it will be a better day and enjoy looking forward to meeting the residents of Polson tonight. I just want to thank you and the City of Polson for their hospitality, everybody has been very open and willing to answer questions that we had and I am sure that Todd shares the same feelings as well. To get to your first question, I was a candidate for County Commissioner when your first search processes were going on, it was during my campaign for my seat on the Missoula County Commission. So I was not aware of this until I read an article in the paper after I had been defeated in the election that you folks were engaged in a search committee that dealt with the second go around. I saw from the article that you were going thru a list of candidates who were folks who had very little municipal experience and with my municipal experience this looked like an opportunity for me to continue my involvement in local government. So I contacted City Hall and found out that you were still engaged in the process so I just submitted my resume and a cover letter in case you did open it up. During that time I was offered a job at Congressman Rehberg's office and accepted that. So when this opportunity came up I talked to the Congressman about that and he said well, go ahead and apply for it, I don't want you to miss out on an opportunity. So I did submit my application and am very happy to be one of the final candidates here.

--Please summarize for us your background and qualifications for this position. *First off I have served in the military, I was an executive officer in a machine gun unit in Viet Nam where there were two officers assigned to preside over approximately 120 enlisted men. I was the Executive Officer and Battery Commander so basically I had responsibility for serving and carrying out the mission of the 120 people in a combat situation. That was my first leadership experience in guiding people and carrying out a mission. After that I came back to school and a friend of mine that I had gone to college with at the University of Montana was elected Mayor of Missoula in 1986, we kept in touch over the years and I came back to congratulate him and he said well, we are looking for someone to be an administrative officer for the City of Missoula. I had no involvement in local politics at that time but was working in Boise and here was an opportunity to come back to Missoula where I certainly enjoyed my time in undergraduate school. So I applied for the position and was selected. That was my first experience. We had about 250 to 350 employees and a budget of about \$36 million dollars. I was what they called the Administrative Assistant but in fact I was the Chief Administrative Officer and I served under Mayor Hargrove for four years and one year under Mayor Kemmis, when Mayor Hargrove chose not to run for office. After working one year under Mayor Kemmis I decided to start my own business but I still had a yen to remain in politics and rather than sit there and complain about how government was going downhill since I left that I would be involved so I ran and was elected to fill one of the ward seats on the City Council. I served one term there and still continued to run my business. Following one year I was letting my business go so I decided not to run for a second term. Following that I sold my business in 2002 and went to work for Senator Burns as a Field Representative and with my background in forestry I covered most of the State on Natural Resource issues and spent a lot of time meeting with County Commissioners and local officials working with them. So I kind of kept my hand in that area of being involved in local politics. Following Senator Burns failed election in 2006 Congressman Rehberg was good enough to pick me up on his staff so I was again contacting local governments, county commissioners and working with them on issues and appropriations and trying to deal with things. In June of 2007 the current County Commissioner then, Barbara Evans, decided she was going to retire and hoping to keep a republican in that seat she decided to retire early and fill that seat with a representative from a republican party to try to get on the job training and hopefully retain that seat for a republican. I went thru a search process in which the local Missoula republican party did a search and selected three people and I was selected out of that to be the replacement for Commissioner Evans after she retired. I served in that capacity for about fourteen months. I tell people that I enjoyed that job, it was probably one of the best jobs I have had in spite of all the abuse you take from time to time. So here is another opportunity to stay involved with local government. I find it's where the rubber meets the road and where the demands of the citizens and the ability of the government to provide those services, so that's kind of my involvement there. During that time I served on a number of local commissions and wards. I served on the Airport Authority, on the planning for the local development park there, and other issues. I have been a member of the Chamber of Commerce for my business and continue to be involved in chamber activities. I think it's our being good citizens to stay involved in groups in the community.

--How would you describe your management style? What most influences your management style and why? * I guess my management style would technically be a coach. With any team

you have folks you can tell to do something and they'll take the ball and run with it and get it done. Others need a little pat on the shoulder and a little encouragement to do a job and get up to speed and learn their position and what they need to do and so you have to spend a little more time in laying out a plan for them and have them stick to the plan. Then you have the others who you need to kick in the rear end to get them motivated and move them on. And hopefully I don't have to. I have never had to do that much in my career but that option is always out there. It would certainly be the last approach. Using that analogy I try to form a team and use a team approach, because individuals can contribute to a team and I think the product you get out of a team approach is much better than a bunch of individuals who don't know what the other group is doing so that would be what I would try to foster is a team approach within the organization. Make sure people understand what their duties are and help them achieve, not only the duties here but what their life goals might be as well. Because if you can help people in their life goals as well as the job here that means better employees and helps them accomplish the job too. As well in a position of working with elected officials I would try and help you to accomplish your goals as well as the employees.

--How do you motivate others around you to achieve maximum success? * I think as I said earlier, making sure people understand what their duties and responsibilities are and showing them what is needed to accomplish those goals and identifying those goals, maybe breaking those down into once a year or a monthly plan or whatever you would do in a work season to accomplish things so they can see their overall goal. Hopefully that helps identify what people need to do to get a good job done. The other thing I do is try to lead by example. When I had my business, which is an equipment rental store, my wife and I started that in 1991. So whether it was cleaning a bathroom or cleaning off rototillers or those sorts of things, I had done just about every job there before we built our business up to where we could hire employees and help share that burden around. I never asked employees to do anything that I hadn't done. I realize in this situation that I don't certainly have the technical expertise to do that but I want to get out and show people that I am interested in what they are doing, taking an interest in their job and what they do and recognizing that that's important and help them achieve their goals and I think that has a lot to do with motivating employees. One of the big motivators for me is recognizing when that job is done well. Recognizing those employees whether its for their longevity and service to this community or whether it's accomplishing a job well done, that doesn't necessarily make the newspapers but it certainly helps the city accomplish its goals. So that is very important to me is recognizing those accomplishments.

--If selected as the new Polson City Manger how would you approach the first 30 days to et up to speed? *I think in the first thirty days I would try to schedule meetings with the commission, find out what your goals are for the city. Where you think the City needs to be going in the next year or next few years and what you would like to see accomplished. I would also like to schedule meetings with the employees both individually and as a group. I know in the county with over 700 employees in Missoula County we found a team approach worked very well. IF we were meeting with the various department heads, we would try to get a team so that those folks in those various departments knew what the other one was doing and could provide input before we made a decision. In doing that we felt that we worked together as a team better and avoided a lot of miscommunications between departments, because those departments knew what the other one was planning and had some input into that. If we were coordinating different

activities that was then left to the department heads to coordinate that and hopefully we got a better product that didn't disrupt the public when we were doing that and they can see a better job on that. That would be the first thirty days as well as sitting down and finding out with a new budget year coming up, I would want to find out what the issues are there, what we need to look for in the next budget cycle, where we need to tighten our belts and what we need to go forward to accomplish the goals that you folks on the commission want to see carried out.

--Describe an instance where you demonstrated leadership, what you did and what were the results. * I think going back to 1986 when I came on board with the City of Missoula and had no local government experience but having a Masters Degree in Business and some practical experience out in the real world, I tried to apply the principles in my new job as City Administrator. To tell you how naïve I was, I thought SID meant subdivision in default, because at that time in 1986 the City of Missoula had just experienced something similar to now and saw a big downturn in the economy, the real estate market was in the toilet. The City had spent millions of dollars in extending infrastructure services, sidewalks, city sewer, water lines into these subdivisions and suddenly the market went to heck and developers took off and left the City holding the bag to try and recover those costs. So we had implemented stringent cost cutting measure. At that time the City of Missoula was issuing warrants because we didn't have enough cash reserves to carry over from the cash receipts in May and October and so the Mayor and I set down a pretty ambitious agenda to try to cut costs and try to get the budget back in line with the amount of revenue that came in. It took a long time and over that next two to three years we finally were able to work closer with the council and were able to achieve not only getting the City back in the black. I think at the end of the mayor's term we had a cash balance carryover of about \$2 million dollars tied us thru, where we were going over the revenue in the previous administration. We also started to get projects done as far as road maintenance, we were having fines with our sewer treatment plant, we were finally able to get that back into compliance with State DEQ and our relations with the Council improved over that time. I think the Mayor and the Council would not get along so my job was kind of to work between the two and try to iron out the differences and accomplish things. Over that period of time I think we developed a level of trust with one another, we still disagreed on some issues but at least we respected each others opinions and were able to turn the City's finances around take care of those real estate issues, and started to carry on and left the City in a much better place then when we started. A little more currently when I was on the City Council, one of twelve, I was known as Mr. No because I was more conservative in spending money so I didn't have a lot of initiative in the spending area. There was one area where we have a Farmers Market down there that has been held at the north end of Higgins for a number of years. As folks wanted to display their crafts and wares they started encroaching on the north end of Missoula during the Framers Market and started to get crosswise with the folks who ran it. They wanted to just ban this group from trying to get together and have their craft market and sell their goods. So we called the group together, got the Police Department involved and the folks from the Farmers Market and what is called the Peoples Market out there and over the course of several months we were able to work out an agreement where the folks in the Peoples Market would move a couple blocks south and the City agreed to close off some roads during that time and the Farmers Market was able to sell their produce and their flowers and separate themselves from the crafts people and that agreement has continued to this day. If you go down to the Saturday Market you can start at the north end of the river and find the market down there and go half way up the area and find

another craft and go on out to the north end to the Farmers Market. We achieved that making it a positive rather than a negative relationship that it was before.

--Describe an instance when you were either responsible for economic development or supervised this function. *When I was City Administrator we worked with a new group called the Missoula area Economic Development Group and we tried to attract new businesses in Missoula. That was met with limited success. I think the philosophy was that we were trying to hit the home run and get the new Microsoft, the new Hewitt Packard or somebody like that to come in and find a home in Missoula. So those efforts were not all that great. I think recently with the new development park at the airport we have been very successful and I take very little credit for that because that was the vision of the County Commissioners at the time in the late 1980's to acquire that park and start to develop it. We were able to get the Direct TV folks in there which created 1,100 good paying jobs with benefits and just about the time I went out of office we signed a buy sell agreement with a developer of photo voltaic material for solar panels. It was scheduled to come in there use about eight acres of the industrial park tech industry to build that. They had at the time fifty to seventy employees and wanted to add fifty more employees at the time. Their average payroll was about \$80,000 a year, for engineers and high tech folks but they also employed a lot of other people in warehousing functions, development and manufacturing functions. That is still yet to be determined with this economic downturn they backed off a little bit from that but that is one of those things if you develop the seed which was Direct TV that attracts more of those businesses into an area. I think that will help the economy and the regional economy in the west to create more opportunities for good paying jobs, keep folks here that have graduated from University in Montana and I think that will spread into areas like Polson as well.

--Polson has a volunteer fire department. What is your experience, if any, working with a volunteer fire department, maintaining a budget to satisfy needs and recruiting volunteers to keep this department staffed? *My experience with volunteer fire departments is pretty limited. My experience with Missoula we were engaged in Supreme Court battles over annexation with the Rural Fire Department at the time in the mid to late 80's and finally won a court case and were able to start annexing areas that were held by the Missoula Rural Fire Department into the City of Missoula and expand our tax base. Since that time we have had much better relations with the Missoula Rural Fire Department and with my position as County Commissioner the Rural Fire Department was a separate entity, they had their own board, set their own budget and did pretty much their own operation. My desire would be to work with the volunteers. I realize those are a critical part of maintaining your fire and medical service in trying to give them the opportunities to be volunteers and to participate and getting them equipment that they need and get a budget that allows for that. Training opportunities and good pay for the paid folks and good opportunities for the volunteers. That's a critical service that I think the City needs to maintain those types of services.

--What do you believe is the most serious need in any small community and how have you addressed this need in your past experience? I am a firm believer that the local government needs to provide the infrastructure necessary to maintain roads, sewer, water and basic fire protection, those basic services, and we should do everything we can to provide those in the most cost effective manner that we can. That's not always easy and you see in Missoula County with

the road projects we have there. The amount of money we receive from the State through the gas tax was flat if not declining and the costs of the projects were going up and we were very far in the hole as far as having money to do those. So relying on trying to secure grants or other types of cooperative funding to try to make those projects happen, maintain our water quality and good drinking water for our citizens. Maintain the roads in good condition and provide for good safe sewage disposal that meets the requirements of not only DEQ but EPA as well. So I think if you have those basic infrastructure needs, my philosophy is in private business and enterprise we see that and flush out that skeleton of infrastructure to provide what the market needs and I would try to make sure that those services are maintained within the budget to provide those.

--Please describe any grant writing experience you possess. *My previous positions we had grant writers to do that work and so I had very limited experience with writing grants other than reviewing the grant applications and deciding which ones to go after. I would be more than willing to learn whatever it takes.

--If we polled employees who are currently working for you and those individuals you currently report to; how would they describe your efforts to streamline public government to make it more effective? *I think if you polled the employees you would find that I was a listener and when projects were brought forward I would generally sit back and listen to what people had to say and I tend to look at the big picture and try to keep in mind what we were trying to accomplish and a lot of times you can get so bogged down in the details that you forget what you were there for in the first place. I think asking questions and getting people to think about what we are trying to accomplish helped to cut through a lot of the bureaucracy and helped try to streamline operations and again I think the team approach that the County of Missoula had worked a lot with trying to streamline those things so that the employees got the work done and when I met with the people I reported to, that was the citizens of Missoula County and the majority of the time they were satisfied with the work. Nobody got too many kudos, but if your not having someone chewing on you that's probably pretty good deal too. I think just trying to keep in mind the big picture of what you are trying to accomplish out there and trying to ask questions and get people to think about that so that they can accomplish the objectives and do so in the most efficient manner possible. One thing we did do, recognizing that we were going into a downturn in the economy was to ask the department heads at mid year budget review, where can you find ways to cut and how can you maintain the level of services but start looking at ways to cut that budget. So having that and avoiding getting to the end of the budget cycle and suddenly figure out you are three to four hundred thousand dollars in the hole is not the way to run the government. So trying to anticipate those things and getting the employees to do that as well, and getting feedback. If employees feel they have a say on what's going on they are much more willing to carry out those plans. They may not always agree with them but recognize that the big picture out there and what needs to be done.

How would they describe your planning and organization skills? *Planning, I had someone lay out my schedule, so that was very helpful in trying to keep track of the daily meetings, because we were in meetings just about every day. Organizational skills, I tried to involve people that had a hand in those projects so that the right people were at the meeting and get something accomplished at those meetings. I hate to go to meetings and just spend time and not accomplish anything. So trying to do that is very important to me. I don't want to waste other people's time

or my time. So if we call a meeting let's try and get something positive out of that and I think listening to everybody's opinion and taking suggestions from the staff is important. Because I think if you are doing the work you may find a way to do it better than the folks at the top want to see it done, so getting their input helps quite a bit. With the staff as big as we had, the organization is pretty much set in place, so it's had to put other things in place. But looking at ways to maybe if you had to tighten your budget how could you accomplish the jobs better. I know the Treasurer's office and the City Clerk's office, they cross trained everybody so that if you went down to Missoula County and tried to do your license eight or nine years ago you would see the County Treasurer out there trying to keep people in lines and making sure they knew which window to go to. Now if you go into that office you take a number and within a few minutes you get your number called and go up and pay your taxes or if you have a vehicle to license or property tax questions, any of those clerks can handle those questions. I think that's one place where the improvement in getting people to not only know their job but know other people's job is very helpful.

Lastly how would they describe your skills to hold those reporting to you accountable? *I think it goes back to understanding the mission that they are supposed to carry out. Reminding those folks that if there is a question what their job is and making sure they are seeing that and trying to do that with a little bit of humor. Recognizing that we are not all going to get it correct the first time and understand that maybe we need to explain something to them correctly, taking the responsibility to clarify that but making sure they know that it's their job and they should be held accountable for that. A lot of situations we got into was because the employee did not do their job correctly and when that comes to fighting a claim or something like that you look at the legal ramifications and say geez we don't have much of a basis to stand on because our employee didn't follow the rules. So that 's very important to make sure they are aware of what they need to do to carry out their duties.

--What is your fiscal policy approach? * Since we are working with other people's money I realize we all pay taxes, but you ever hear a complaint it's usually, I'm a taxpayer and I want these services with my tax dollars. I tend to look at that and take that issue very responsibly, that it's the taxpayer's dollar and they should get the best value for their dollar so I am fiscally very responsible in that vein. I know when I was working for the City of Missoula and we were dealing with these tight budget cases, we had to negotiate with five different labor unions and we negotiated a wage freeze. And it was a very difficult thing to do because when the economy is going down folks don't want to have their wages frozen. The Mayor and I took a wage freeze and my wages were frozen for two years during that time which put a personal bind on me but at the same time if you don't walk the walk you aren't going to get other people to go along with it. That's the taxpayer's dollar we are using and so I am willing to step up to the plate and take our lumps with everybody else. I think that demonstrates that we were trying to be as fiscally responsible as possible.

--What internal controls have you used to ensure fiscal responsibility? * As I mentioned earlier when we started seeing a downturn in the economy we met with our department heads and the chief financial officer and the chief administrative officer and started to look very closely at what the projections were going to be for the next six months. Trying to identify where to cut and if that was done internally and we could get ahead of the game that was one thing we wanted to do.

So if a position came up thru a retirement or someone was leaving a position, we asked them if they would carry that position open, could they find other ways to get the job done without hiring additional people. The average age of the workforce was above mid 40's so we were looking at a large volume of people retiring. One of the ways we tried to deal with that was to offer people that had retired, the opportunity to come back at a part time position and still receive full benefits but take advantage of that knowledge and skill those folks could still come in and work part time or half time and still receive benefits and still take advantage of that skill where needed. Otherwise they would have to fill that position with a full time person but still not have to train new staff. I think looking at the budget reviews that if the situation becomes drastic you start looking at those budget items on a monthly basis rather than a quarterly basis to make sure and try to forestall any major disaster at the end of a budget cycle.

--Please describe your level of expertise in completing a city budget. *I was responsible for completing five different budgets when working for the City of Missoula. We would put together the mayor's budget in June and then that would involve meeting with all the department heads. Having them bring forward their programs and we would make cuts or acceptance of their proposals during that time. Once that was done we would develop what we called the Mayor's budget which was a preliminary budget and then that would go to the Council and they would have the time until the budget was required to be adopted in August to review that budget, meet with the department heads and develop a final city budget. With the County budget I was involved in one budget adoption and that was pretty much an elected official so we had those things brought forward. They would start last year's budget at zero and then would add enhancements, whether they were ongoing programs or one time programs. They had what they called a one time bucket and another was ongoing funds. So you could buy some equipment with the one time budget but if you were proposing an ongoing program that would require the ability to sustain that program and that would usually require a tax levy so we looked very closely at those things and made a total list of what we would not accept and what the cut off was. With the elected official and City Council I participated in four budget adoptions but that was primarily as an elected official and reviewing what the mayor brought forward at the time.

--What creative methods have you used to stay within the budget in tight situations while still accomplishing the job? *As I referred to before, recognizing the problem number two, soliciting input from those folks that are working closely with the budget, the department heads and the staff to find out what ideas they have. That generally gives you some buy in from those folks and it also gives their leaders some idea of where they can make cuts and do those successfully without a loss in services and maintaining services. Sometimes you have to look at programs. There's a philosophical difference between do you do a five percent cut or a ten percent cut across the board and cut everybody's budget or do you take a program that may be marginal that is not a basic service that you can eliminate or suspend for awhile to achieve those budget goals. That's another way of looking at it, rather than getting a program that does work, because you don't have the adequate funding, maybe it's better to suspend that and try to find other ways to do that. Then look at grants. Participation and cooperative efforts with other levels of government or a community group may be able to come in and help. If you have an issue with the Parks maybe there is a group that would come in and help work on those parks to maintain them or do something like that. So there are a number of ways you can be creative to try and achieve those goals.

--What is the financial status of the city you currently work in or most recently worked in? * We had just under one million dollar budget., That was comprised of the general fund of around \$40 million and the rest of that was pass thru grants. You have to realize that we were responsible for the health department and loans and a lot of other things that were funded. Our health department was funded primarily by grants from the state and federal government. That was something that we just passed the funds through the department and they knew up front if we lost that grant they would either have to do away with that program or lay off the people that were involved with that or find another way to come up with those funds. It was a very big budget, very complex and a lot of that was either grant funding or other types of cooperative agreements. At the time I was there it was in the black and we passed a mill levy increase on the substance abuse program and levied for that and to make the budget balance I think we levies another one and one half or maybe two percent but at that time it was less than five percent increase in taxes.

--What is the toughest situation you have ever had to deal with and how did you handle it? *Probably the toughest situation was when I first came on board with the City of Missoula as a Administrative Officer the Mayor had a PhD in Economics and the Council was made up a lot of average citizens and the majority were what I call Archie Bunker Democrats they were blue collar folks that worked hard. They valued their social services most of them worked in a mill or a labor position but they were conservative in the way they spent money. So the Mayor came in and told them that they didn't know how to make decisions and that with his degree he was going to teach them how. There were a retired fire chief and a bunch of other folks on there that had been around the political block a little bit longer than he had so when it came time to set the budget the former fire chief said well, if you're so smart Mr. Mayor maybe you can do without your chief administrative officer and your finance officer and you can run the place yourself. So they cut us both out of the budget and I had been there about three or four months and hadn't even moved my family up here and so suddenly I was faced with having to tell my wife that the job isn't going to be here in the next budget cycle and I don't know what we are going to do. So that was one of the most devastating things I had to do and it was in a public meeting like this and the picture was plastered all over the paper. But luckily there was a fellow on the council by the name of Jack Reeley that said, you know these guys are working for the Mayor but they don't necessarily hold his views and so let's give them another chance. So we were put back in the budget. So I decided then and there that I had better start developing a relationship with the members of the Council and the Mayor as well. We started going out for a beer after the meetings and started talking one on one and by the end of the four years that I was there, we got along pretty well with the folks and they realized the situation and were able to accomplish a lot and supported and continued my position.

--Describe for us what you believe to be your strongest personal characteristic. Please explain this answer. * I think two things, honesty and loyalty. Having been involved in over twenty contract negotiations, those can be pretty tough. You come in with a set of demands from the other side and a set of expectations that you want to achieve and I think over the course of those negotiations I think you need to develop a level of trust with the other side so that when you say something you can go back and talk to your elected officials and convince them that this is the best way to go and the other side can go back to their membership and say yep, this is what they are offering and they don't have a pile of money sitting back there under the table to give them. That was one of the things we developed over the years with corporate business agents and

members of the negotiating team. There was a level of trust and to maintain that level of trust once the contract was negotiated you had to administer that over the course and term of the contract. The most important was that if the work wasn't done when the contract was signed it was how to administer that in a fair manner, settling grievances, determining wage increases, and other benefits and things that weren't in the contract, to specify, that you had to figure out as the situations came up. The other issue is loyalty, I felt that I have always been loyal to my employers and the citizens I represent and I think that has caused me to stick with jobs when the time is tough because I felt loyalty to the folks that brought me into a position. I think that is something you really need to have is not just jumping ship when times get tough but sticking with the people who brought you on board and backing them up.

--In which area of city government do you possess your strongest background and skills? *I enjoy working with public works and the street department. Owning a rental store and rented equipment and that sort of thing, I am kind of fascinated by equipment and love to see people dig holes in the ground and lay pipe and that sort of thing. In my previous jobs I worked with my father in law as a consulting engineer and we put some of the first water and sewer projects in places like Virginia City and Phillipsburg and so I was a construction inspector at the time making sure things were done right. In fact I appreciate the skills that those folks have and digging holes, laying pipe and making sure when you hook it up it's going to work right, I appreciate that. A lot of times those folks are not at City Hall so I think touching base with those folks and letting them know you appreciate what they do and willing to listen to them and being able to satisfy their needs and letting them know they are doing a good job. That doesn't mean I don't involve the staff here at City Hall, but I think that's important to make sure that those folks are supported and get the motivation they need to do a good job. Those are generally what you see, if the sewer isn't working or the water isn't working or if you have pot holes are the things you find out about real quick.

--Describe your greatest achievement while working in city government. * I talked about the City of Missoula, turning that situation around, both from the budget standpoint being able to take a city that was in the red and turning it around to a positive balance. Being able to work ourselves out of a situation of a lot of failed subdivisions and turn those around to where they were actually purchased and we could recover some of our costs is probably a good thing. Just recently as County Commissioner we had a very contentious subdivision come in which a developer wanted to develop an area along the Clark Fork River west of town and the neighbors were upset. It was a large ranch with about close to 400 acres and so the proposal was made and the local Feed and Agricultural Coalition wanted to see that maintained in agricultural land so they could grow their crops and not see the land covered up with houses and asphalt. So he decided to put 300 acres of that land into a conservation easement. He was forced to do that by some of the members in the planning office. I didn't feel that he should be forced to put his land into a conservation easement as a private landowner. We were able to work with some friends I knew in the Audobon Society and also some folks I knew who respected me in the Food and Agricultural Coalition and after our initial hearing I asked those three to get together to see if they could work something out. Being able to work behind the scenes at the lowest level possible and bring people together we were able to achieve a compromise that satisfied the developers rights to not require him to put a conservation easement on his property without that

being a voluntary thing, while addressing the issues of wildlife and water quality is an example of how I accomplished those things behind scenes and still get the job done.

--What process would you use to keep the city council informed on a regular basis based on need? *Initially as I said, I would want to meet with each of you individually and find out what your goals are and what you would like to see accomplished. Have regular meetings or briefings to find out if there is anything going on that may have come up recently, phone calls and e-mail to find out if there's anything you would want us to address would be one way of doing that. I know you folks are busy and instead of having to attend another meeting, a phone call to visit with me about something would be a way of communicating. Unless there are some other you would see would be more effective, that is what I would do.

--Situation: Polson is a small community with limited resources. Our streets are in need of attention. Due to budget constraints our history of street maintenance has been one of a band-aid approach of patchwork repair and we are losing ground. How would you as Polson City Manager address this problem? * I went down this morning to talk to the folks at the City Street Department, they did mention that situation that they were patching things and there was a lot of deferred maintenance on these roads. I guess what I would do is talk with the State and find out if there is any way to, if we have some projects that we can make shovel ready that are high priority. Try to look at some of the stimulus money. If you look at the stimulus money coming down and the fact that a lot of the shovel ready projects will take up the stimulus money, that should free some appropriated money in the State budget that is already being devoted to highway projects that might be able to go into the second or third tier of projects on their project list. I know I worked with Duane Kalley a lot when he was the area supervisor for the Department of Transportation and find out where some of these projects are on their list. If there is anybody we can cooperate with or apply for grants, I would like to pursue that to see if there are high priority projects we can do, whether it is support from the Tribes and the County or partner with the County on some of those roads if we can to find a way to put a funding package together and get those high priority projects done. And then try to see if we can work into our budget a maintenance schedule so we can have, given the number of miles of streets you have here, if we can devote so many blocks or so many miles a year, to the lowest cost maintenance whether that's chip and seal or an old layer. I understand from a lot of these roads don't have a good base so that may involve a total reconstruction of the street. If there are areas where we can get by in the interim with a less expensive way of doing that, I would look at that with the idea of having a longer term objective down the road to try to get those onto a schedule.

--What are your future plans and goals? *When I sat down with the financial planner to plan out our modest retirement, I come to find out here lately, that it developed a great inferiority complex. It dropped off substantially, from the time we originally set our goals I wanted to work until I was 70 years old and I am 65 right now and will be 66 in the next couple weeks. I would look at four years out and I don't have any plans to work beyond that. Hopefully my health will be good enough that I can continue to have the energy to do the job and enjoy it. Beyond that I have a philosophy that coming to a position like this you come in with an idea a plan that you want to accomplish and if you can't get those on the road to accomplish within four or five years then it's time for somebody else to come in and do the job. I know folks also want to see continuity and longevity but I think in this position we want to put the City in the best position

possible and I guess in the long term you folks have just adopted the charter form of government with the City Manager, I would hope that when the local government commission review comes up again, I would hope folks in the community would say well, we got off to a bumpy start but I think we want to stick with this type of government because it's working and I would consider that my accomplishment.

--Are you currently involved in any other job application process and, if so what is the status of that process? * I am currently employed by Congressman Rehberg, and other than that there is no other than I am on Social Security I guess.

--If selected as Polson City Manager what would be your expectations for salary and benefit levels? * Probably somewhere mid range, somewhere around \$75,000 a year would be my expectations, I have extensive experience which would translate into coming into the job and being able to get involved and hopefully be a quick study.

--If selected for the Polson City Manager position how soon would you be available to start work? * I would have to give my current employer two or three weeks, and I have some other things I have to wrap up so I would say probably sometime in the second week of June I would be available and that depends of course when you make your decision.

--What questions do you have of us? * You folks are dealing with the budget every day, what do you see as the big issues coming forward in the next year's budget and how would you like to see this position go forward as far as communicating with you and trying to develop some goals. Commissioner Sohm-First of all you are aware that we have struggled with filling the City Manager position over the last year. We have gotten off to a rocky start. One of the things I am looking at is that we have a need obviously revenue shortfall, so we need to look for more revenue sources, whether it be resort tax, specialty tax, or grants or whatever. I think we need to really take a serious look at our infrastructure, roads is a prime example, city water and sewer, etc. because we are a growing community, we need to plan for right now and look at the short range, long range and mid range planning and get a process locked in place. We are treading water is the best way I can describe it right now. I am looking for a more focused planning goal to go forward. Mayor Marchello-That's really critical, as Jim said we have struggled with this. The public voted to have a City Manager and a Charter form of government and I feel the City is at that point and it's very important for the City Manager to give good communication and budgeting and planning down the road with where we are going and we are looking for those questions. It's involvement with the people, the staff and community is very, very important. That's critical as the City is sometimes perceived as citizens over here and the City is over here and I think we have bridged that gap now. Also working very diligently with the Tribal Council and the County Commissioners that we have and the City. Three different governments but as one entity trying to get together, that's what I see. Commissioner Duford-You talked a lot about working with the staff and the department heads, how do you feel about input from the community, concerns and questions that would affect your position and how you would deal with the community members. * Larry Anderson-I would have an open door policy for that. I would think that my position now would field calls from the public all the time and as County Commissioner I was listed in the phone book and took every call and made sure I got back to people right away and if I didn't know the answer I would make sure I would put them in contact

with the person who could give them the answer so they understood a little more about from the County perspective what the issues were and what the issues were and why the situation was the way it was. I would try as best I could to see if those things were resolved. Working at the lowest level possible to resolve those things. I would address any problem whether it's something about streets then I would talk to the Street Superintendent or talking to a property owner about some issue they have, that in my way of thinking is the best way to resolve it. If it comes to a problem when the commission needs to get involved it should be a policy issue, but if you folks get calls forward them on to me if I am the person in this position and I will see that they get addressed. Jules Clavadetscher-Larry if I could answer your question from my perspective. I am a big proponent of the City Manager because I think we need someone to chart a strategic plan for the City, which takes us off beyond day to day tactical issues but into the future. As Jim said the sewage treatment plans we need, someday we the water treatment plans, stormwater runoff plans, these are major issues that have to be done but our future problems that we have to deal with as we grow and as the state changes regulations. I would think that from your perspective as you develop plans, ideas, concepts that you bring to the Council to approve the strategies, strategic plans for all these. And then you have the department managers who have the tactical view, who you supervise. And then communication of course is essential in terms of having the Council know what is going on, what is the strategic plan, where we are needing to go and if there are any tactical issues because those are the things that the citizens are going to see. There's a pothole here or a water main break there or what have you, to keep us advised. So communication and strategic vision are important. Mayor Marchello- Thank you. We will recess and meet in executive session at one o'clock. Then we will give you an offer letter, which we ask that you return to us by May 4th so you have over the weekend to look at it. Larry Anderson * I have a request that I have a vacation scheduled the end of July through the first part of August which I have reservations made. If that could be included as part of my two weeks. Thank you very much for your time.

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA : No public comments were made.

1:00 P.M. EXECUTIVE SESSION: The City Commission met in Executive Session to determine the salary offers they would offer to the candidates. **Motion made by Commissioner Clavadetscher, to offer an annual salary of \$75,000 to both candidates. Seconded by Commissioner Funke. Motion carried unanimously.**

Meeting adjourned at 1:25 p.m.

Lou Marchello, Mayor

ATTEST: _____
Aggi G. Loeser, City Clerk