

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, MAY 18, 2009, 6:00 P.M.**

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

Mayor Marchello called the public hearing to order, and the Pledge of Allegiance was recited.

Commissioner Sohm moved to approve the agenda as proposed, seconded by Commissioner Agrella. The motion carried unanimously.

PUBLIC HEARING – INTENT TO ESTABLISH STORMWATER UTILITY AND RATE STRUCTURE: Interim City Manager Raymond informed the Commission that in the next 5-10 years the City would be expecting a change in discharge regulations that would require a storm water system. From an economic standpoint, it would make more sense to begin now, with gradual rate increases, rather than a huge tax load when the regulations come into affect. He noted that the City had received written comment from several citizens who could not be present. He expected that within the next 2-4 years more stimulus money would become available, however the closer you are to moving dirt the more likely you are to receive funds. He stressed the need for an engineer to evaluate the City's needs and to make an equitable rate structure and storm water impact fee assessment. He noted that the issue was not up for decision at tonight's meeting because he expected relevant comments from the public, which could be part of the decision at a later Commission meeting. Commissioner Clavadetscher felt the City had an obligation to inquire on how the public would be informed. City Manager Raymond replied that information would be provided primarily through the website and city manager comment updates at regular Commission Meetings, he added that there would be more specific methods if the utility was established. Commissioner Clavadetscher asked if Mr. Raymond agreed with the need for a storm water utility. City Manager Raymond replied that absolutely did. **Mayor Marchello called for proponents of the storm water utility.** Walter Berard expressed that he was not against the utility, but he did need more information. He also noted that many citizens might be opposed to the utility because they were ignorant of the issue. Water and Sewer Superintendent Tony Porrazzo explained that the requirements were coming through Montana legislation, and the City needed to be prepared. One of the first steps they needed to establish was the service area. They had used the billing service to send all property owners notice of the public hearing, but that would need to be modified. He stressed that the City must take the responsibility to protect the lake and river. Currently all water from Skyline down flows directly into the lake, with no treatment. Joe Arnold commented that he thought it was good start, but the public would need to be educated along with the City. Geri Browning commented that she didn't disagree with the idea, but would like the rate structure closely examined. Roger McClure felt that establishing the utility was commendable, and thought perhaps grants and stimulus monies could be looked at for funding. **Mayor Marchello called for opponents of the storm water utility.** Dick Schultz felt that increasing rates would be too much of a burden during this economic time. He stressed that he was not opposed to the utility, but felt the timing was not right. Rex Davis commented that the money for the utility could be better spent on existing infrastructure problems. Roger McClure agreed that perhaps the time was not right to increase rates and would also like to see the need substantiated by a study of what the City contributes to the lake pollution. Rory Horning commented that everyone agreed the water needed

to be kept cleaned, but now was not the time to spend \$180,000 for the first year. He pointed out that new properties have storm swells, and wondered how that would be differentiated from people that did not. He commented that the Montana Consumer Council has nothing to do with establishing a storm water utility. **Mayor Marchello ruled they would postpone the public hearing until the next Commission meeting to allow for further public comment. The public hearing adjourned at 6:29 p.m.**

Mayor Marchello called the public hearing to order at 6:32

PUBLIC HEARING – ANNEXATION - BROWN’S LAKEVIEW TRACTS – WHOLLY SURROUNDED LAND: Mayor Marchello called for proponents of the annexation. There were no proponents. Mayor Marchello called for opponents of the annexation. Brett McCrumb asked that the economic times be taken into consideration. He commented that he was not against progress, but if they were forced to hook-up it would be a significant financial burden. Gertrude Miller commented that she did not want to be in the City and she wished to stay on her own septic system. She expressed that she did not want her land dug up or pay \$4,000 to hook-up. Ken Soward commented that he would like to stay on his own well and septic system. He suggested that when the lots to the south of his were hook-ed up to City water, it might be cheaper to hook-up his lots at that time. **There were no further comments. The public hearing adjourned at 6:37 p.m.**

Mayor Marchello called the City Commission meeting to order at 7:00 p.m. He congratulated Assistant City Clerk Kala Parker for graduating from the Montana Institute of Municipal Clerks on May 7, 2009, and receiving a certificate of achievement for successfully completing the three-year professional education program conducted by MSU Local Government Center for the MMCT & FOA.

CONSENT AGENDA

- A. POLSON CITY COMMISSION SPECIAL MEETING MINUTES MAY 1, 2009**
- B. POLSON CITY COMMISSION MEETING MINUTES MAY 4, 2009**
- C. POLSON CITY COMMISSION SPECIAL MEETING MINUTES MAY 11, 2009**
- D. MAY 1-15 CLAIMS**

Commissioner Agrella moved to approve the consent agenda, seconded by Commissioner Funke. The motion carried unanimously.

RESOLUTION #991 – ANNEXATION OF BROWN’S LAKEVIEW TRACTS – WHOLLY SURROUNDED LAND: Commission Clavadetscher moved to approve Resolution 991, seconded by Commissioner Sohm. Commissioner Duford pointed out that no one had spoken in favor of the annexation, and those who were opposed were present. Commissioner Clavadetscher noted that the City Attorney James Raymond had written a resolution providing for possible costs, at least as they affect impact fees. He recognized that it was an individual hardship for some, however the services available to the wholly surrounded properties, other than water and sewer, were paid for by the taxpayers of Polson. Commissioner Funke felt that it needed done but agreed the cost was high. City Manager Raymond noted that the Commission had authorized the city manager and staff to negotiate with folks who might be affected by these policy decisions for that reason. Rory Horning noted that he hadn’t heard anything about a grandfather clause. He commented that different people, negotiating individually makes things look unethical. He advised the Commission avoid that. Commissioner Duford asked if special provisions had been made in

the past for individuals in similar situations. City Manager Raymond replied that this was the first time they were annexing wholly surrounded property and they had no previous examples. Commissioner Duford asked if there was a formula. City Manager Raymond replied that some properties have vastly different and complicated hook-up needs, and some would be much simpler. Commissioner Clavadetscher asked if all final negotiations would be approved by the Commission. City Manager Raymond noted that they would be. **The motion to approve resolution 991 carried with 6 in favor, Commissioner Duford opposed.**

ORDINANCE #645 – SECOND READING – AMENDING ORDINANCE #523 TO INCLUDE ALL UTILITIES AT DEVELOPERS REQUEST FOR LATECOMERS: City Manager Raymond informed the Commission that he had received a letter asking that streets be included. He asked if the Commission wished to include the streets. Commissioner Lies replied that streets were not a utility. **Commissioner Lies moved to approve Ordinance 645, for utilities only, seconded by Commissioner Agrella.** Dale Nelson asked what was the nature of the ordinance, as he thought it was for landowners to recoup costs of their improvements to an area, including street access for fire protection. Commissioner Lies replied that roads could be improved by SID, with the support of the majority of residents. **The motion carried unanimously.**

REQUEST FOR ONE-YEAR EXTENSION OF PRELIMINARY PLAT FOR MISSION BAY PRESERVE PHASE 3: Commissioner Funke moved to approve the one-year extension of preliminary plat for Mission Bay Preserve phase 3, seconded by Commissioner Sohm. **The motion carried unanimously.**

RESOLUTION #990 – MONTANA MUNICIPAL INTERLOCAL AUTHORITY 2009-2010 EMPLOYEE BENEFITS PROGRAM AGREEMENT: Commissioner Clavadetscher moved to approve Resolution 990, seconded by Commissioner Agrella. **The motion carried unanimously.**

APPROVE CONTRACT FOR BILLING FIRE RESPONSE SERVICES: City Manager Raymond informed the Commission that the contract was for a private business, which would bill out the cost of response calls to the insurance companies involved. He noted that the City of Ronan has been using that system for a while and it did make some money. The City of Polson currently receives nothing for response services. **Commissioner Sohm moved to approve the contract for billing fire response services, seconded by Commissioner Funke.** Rory Horning asked what would happen if the motorist was uninsured. City Manager Raymond replied that the City would get nothing, as it does now from all motorists. **The motion carried unanimously.**

ORDINANCE #646 – FIRST READING – AMEND PERSONNEL MANUAL TO PROVIDE EQUITY FOR CALLED-OUT PERSONNEL: Assistant Water and Sewer Superintendent Ashley Walker explained how the current payroll works with called-out personnel, and noted how in certain situations they are actually penalized for being called out. He noted that the police department already has an unwritten policy to provide equitable pay for their overtime; he wished to extend it to all departments with called out personnel. Commissioner Clavadetscher asked what other cities did in those situations. Assistant Water and Sewer Superintendent Walker replied that various cities he had contacted had higher pay rates for overtime and call outs. Commissioner Lies commented that the call-out policy was already place. Mayor Marchello noted that they wished to amend the personnel policy to reflect that. **Commissioner Funke moved to approve Ordinance 646, seconded by Commissioner Agrella. The motion carried unanimously.**

RENEWAL OF 2 YEAR CITY ATTORNEY CONTRACT – RAYMOND LAW OFFICE, PLLC: Commissioner Funke moved to approve the renewal of a 2-year city attorney contract, seconded by Commissioner Sohm. Rory Horning asked how much the rate would increase. City Manager Raymond replied that it would not increase. Rory Horning asked if it would stay that way, or would they slip a raise in during the budget process. **The motion carried unanimously.**

APRIL 2009 CASH REPORT: City Treasurer Bonnie Manicke called the Commission's attention to a \$58,200 transfer in to the general fund from the golf, water, and sewer operating funds. The building code enforcement line did not have sufficient funds to complete the obligation; the transfer to general would be made when sufficient funds were available. She expected a positive balance after the spring construction got underway. She noted that the City had received a letter from US Bank, which provides the corporate trust services for the golf revenue bond, and it had passed the Federal Reserve's stress test. **Commissioner Clavadetscher moved to approve the April 2009 cash report, seconded by Commissioner Agrella. The motion carried unanimously.**

PUBLIC FUNDS INVESTMENT BID: City Treasurer Bonnie Manicke informed the Commissioner that on April 29, she had provided \$700,000 for 9 months in public funds investment bids to the local banks. 1st Citizens Bank had bid 2.35% APY, Community Bank 2.03% APY, 1st Interstate Bank 2.00% APY, and Glacier Bank bid 1.20% APY. She compared those to the 6 month US Government Agency & US Treasury at .31%, 1 year US government agency & US Treasury at .49%, 12 month national average CD rate at 1.52%, STIP Montana Board of Investments at .7721%, and the April 2009 STIP average at .9566%. **Commissioner Funke moved to approve the Public Funds Investment Bid from 1st Citizens Bank at 2.35% APY to mature on 1/29/2010. Commissioner Agrella seconded the motion. The motion carried unanimously.**

CITY MANAGER COMMENTS: City Manager Raymond informed the Commission that the Polson Development Code rewrite was right on track and progress could be tracked on the City's website. Papa Don's Grill's liquor license application had been turned in. He had attended a very cooperative meeting with the Tribe and County, the subject of which was re-opening the route through of Highway 93 through Polson. He mentioned that one of the fire alarms that Chief Fairchild had purchased through a grant to donate to the public had been used and the alarm had saved a house. The department had also received two grateful letters from citizens they had helped. The Fire Department had been donated a 2007 Kodiak brush truck, paid for by the Volunteer Firefighters. The Tribe had also donated the bedworks for the brush truck. He mentioned the letter they had received from B & I Holdings and asked if the Commissioner wished to proceed with the Meridian building purchase. Commissioner Duford asked what use the building would be. City Manager Raymond replied that it could be used for storing equipment and leasing to other departments, along with office space. Commissioner Clavadetscher expressed reservations about the purchase. Mayor Marchello agreed, but asked that they be kept informed on the status of the building. Commissioner Duford felt that the City did not need another building at this time. Commissioner Clavadetscher felt the asking price was too high.

Commissioner Clavadetscher thanked the Fire Department for their presentation on May 12, and felt they did an excellent job. City Manager Raymond noted that the membership purchases a lot of equipment that the City uses.

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA: Rory Horning commented that the filing for elections was currently open.

CITY OF POLSON PROCLAMATION – PAINT POLSON PURPLE DAY ON MAY 30, 2009: Mayor Marchello commented that the Polson Business Association would be organizing it to raise funds for cancer research.

The meeting adjourned at 7:55 p.m.

Mayor Lou Marchello

Attest: Kala Parker, Assistant City Clerk