

CITY OF POLSON COUNCIL WORKSHOP AGENDA

Council Chambers

June 23, 2014

6:00 p.m.

ATTENDANCE: Mayor Heather Knutson, City Commissioners: John Campbell, Todd Erickson, Dan Morrison, Stephen Turner, City Manager Mark Shrives, City Attorney Rich Gebhardt, and City Clerk Cora Pritt.

ABSENT: Commissioners Ken Siler, and Jill Southerland

Others present (that voluntarily signed in): Elsa Duford, City Streets Superintendent Terry Gembala, Rory Horning, City Contract Engineer Shari Johnson, Bonnie Manicke, Tom McDonald, Polson Police Chief Wade Nash, Andrew Speer, and Diane Speer

CALL TO ORDER - Mayor Knutson called the meeting to order. The pledge of allegiance was recited.

APPROVAL OF PROPOSED AGENDA-Commissioner Turner motion to approve the proposed agenda. Commissioner Campbell second. Commission Discussion: none Public Comment-none

City Manager Mark Shrives mentioned the list of the previous Workshop Objectives from 2013. In this evenings power point presentations by Parks Director Karen Sargeant and Contracted City Engineer Shari Johnson they would be including several of the objectives that were written. City Attorney Rich Gebhardt will be discussing the Ordinance Codification as well as the sale of the City Liquor license.

SAFE STREETS PROGRESS UPDATE-Parks Director Karen Sargeant

Safe & Accessible Streets (SAS)

Making the Case for Active Communities & Developing Sustainable Transportation Choices

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Strategic Plan Goal

One of the strategic plan goals:

"Develop and maintain **sustainable** practices/principles and systems."

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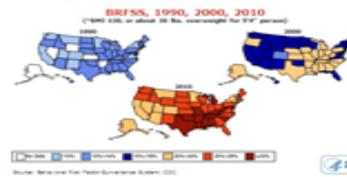
The Goal of **Sustainable** Growth

Sustainable growth = building our community with **housing and transportation choices near jobs, shops and schools.**

Sustainable Growth strategies are proven to support thriving local economies, increase accessibility while protecting the environment.

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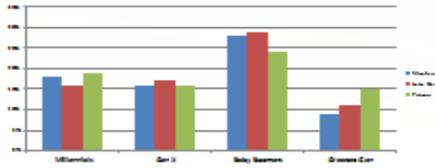
Some interesting health trends



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Comparison Demographics

Population % by Age Generations



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Demographic Trends

- Baby Boomers (age 50-70)
 - The largest demographic workforce population
 - Want more active & less isolated lifestyle
 - Live closer to amenities, services & health facilities
- Millennials (age 20-35)
 - 2nd largest demographic workforce population
 - See cars as a burden not necessarily a ticket to freedom.
 - Choose where they want to live before finding a job

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Housing Trends

- Affordable housing choices are under-built
- Trade house/lot size for proximity to key destinations & services



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What are our responsibilities as stewards of our city resources?

- Respond to a continually changing market
- Provide housing and transportation choices
- Make more efficient use of current infrastructure
- Preserve open space
- Protect critical environmental areas and sensitive land
- Reduce/mitigate storm water runoff
- Reduce vehicle miles traveled



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Economic Trends

- Across the country, corporations & light industry are responding to their company's employee preferences and are **moving where the facilities & services are present.**



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How can our community take advantage of the **changing nature of the economy** in order to create **jobs and fiscal stability?**

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Municipal Budget Trends

Municipal budgets are feeling the pressure:

- state and federal funds are disappearing
- costs are escalating, especially fixed costs; fuel, utilities, etc.
- tax bases have shrunk



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Municipal Budget Trends

A large portion of budgets go to infrastructure & services:

- building and maintaining streets, bridges, sewer and water lines, etc
- providing fire and police services, parks & recreation facilities, etc.



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Municipal Budget Trends (cont.)

- Costs are not just infrastructure related:
 - operations
 - maintenance
 - desired service levels
- Burden usually falls on taxpayers.
- Sustainably spending funds
 - effectively
 - efficiently

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We can no longer afford to use tax money to subsidize inefficiency & unsustainable development & practices!

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We know how to build right



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Yet too many of our roads/pathways turn out like this



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Safe & Accessible Streets (SAS)

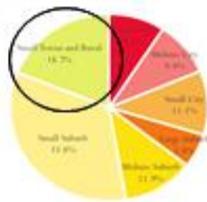
A Safe & Accessible Streets (SAS) policy ensures entire right of way is planned, designed, operated and maintained to provide safe access for all users.



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Policies adopted in all types of communities



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Community Benefits of SAS

- Improve safety for all users
- Provide transportation choices
- Better health through more physical activity
- Support economic dev
- Reduce overall costs
- Smarter growth & planning
- Conserve resources



SAS means:

- A policy "big picture" approach
- A change to staffs planning & decision-making processes & procedures
- Long-term changes to built/development environment



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SAS doesn't mean:

- One "special" street project
- A design prescription
- A mandate for immediate retrofit
- A silver bullet; other issues must be addressed:
 - Land use (proximity, mixed-use)
 - Environmental concerns
 - Transportation Demand Management

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What about funding?

- SAS is about using existing resources differently.
- Incorporate SAS into street improvement program with **local option tax**.
- Pursue retrofit funding through grants, (ADA accessibility, Bikeable Communities)
- Develop partnerships with other stakeholders, (Tribes, County, Non-Profits)

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Property Tax Relief & Street Improvement Program

- AKA – Local Option Tax
 - Tax collected on visitor/luxury items
 - Certain % to go to street improvements, property tax relief & others
- Possible % Breakdown:
- 65% - street improvements with SAS standards
 - 25% - property owners
 - 5% - parks
 - 4% - emergency services
 - 1% - back to merchants collecting tax

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EXAMPLE OF RETROFITTING

- "Sharrows": Stenciled symbols to inform vehicle drivers that the roadway is being shared with bicyclists. Completed with paint & stencils.



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Think Ahead, Think Smart

- SAS can save money
- Narrower travel lanes require less land, less pavement
- Provide more options – reduce need for widening some intersections
- Do it right the first time, not when forced to later – at a higher price

"If we think we don't have the time and money to do it right, what makes you think we have the time and money to do it over?"

– Dr. Mark Nordinson

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SAS Standards Already in Place

- Growth Policy
- Sidewalk Program
- Design & Construction Standards
- Polson Development Code
- Polson Area Transportation Plan
- Joint-Use Agreements

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Why do we need a SAS policy in Polson?

- Make streets safer & more accessible to all ages and abilities.
- Make Polson more aesthetically & economically appealing
- Changes in the Commission
- Provides clear direction for city staff & planners, architects & developers
- Allows for retrofitting over time & partnering projects

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What's Next?

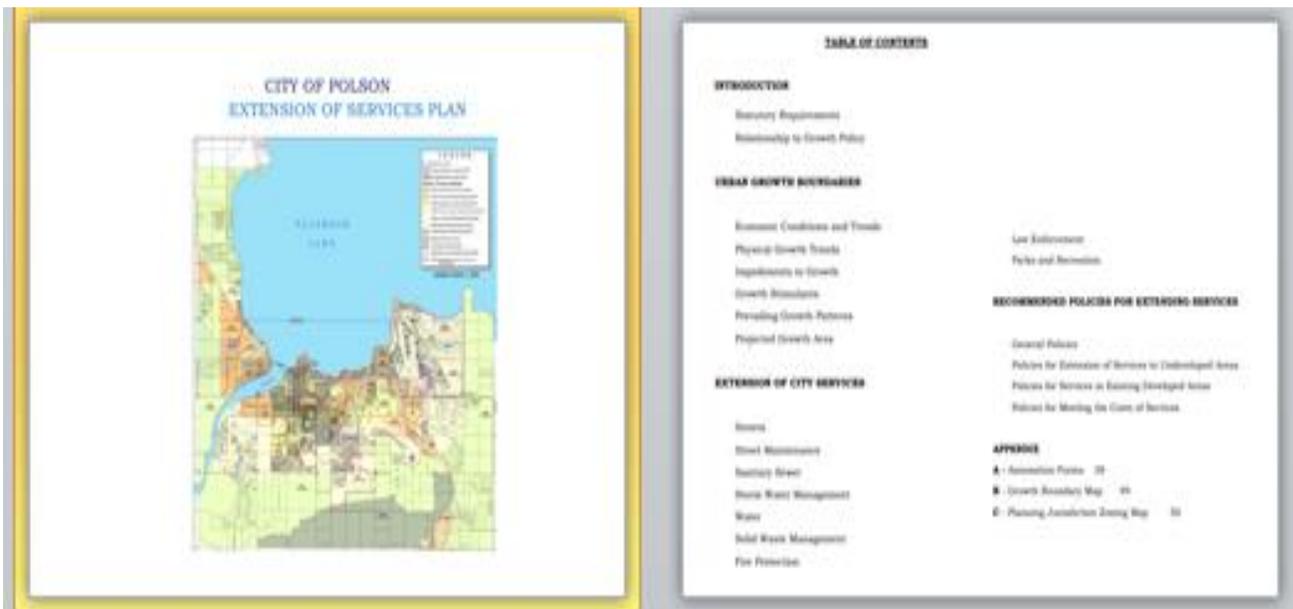
- Enlarge the established action team
 - Attend BACI workshop in Whitefish
- Draft resolution to adopt a SAS Policy
 - Complete sidewalk/pedestrian pathways inventory
- Bring resolution before Commission for adoption
- Complete Trails & Pathways Master Plan

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Mayor Knutson thanked Karen for her presentation. This was a good follow up to her initial presentation. Commission Comments: none Public Comments: **Diane Speer**-“I’m asking Karen though, right, the question. I didn’t see on the slides any of the sources of where this information

came from. Could you share that with us?” Karen Sargeant-“Various agencies and organizations; the Center for Disease Control, Lake County Health Department, The Montana Walk/Bike Community, Bike Communities of Montana, city information from Local Montana Cities, and national stuff from different organizations. Walk/Bike is a U.S. thing.” Diane Speer-“Is it from the B.A.C.I.?” Karen Sargeant-“Building Active Communities Initiative that was the workshop that we went to.” Diane Speer-“Is any of this information from them?” Karen-“No. It’s from other organizations that they got information from as well.” Diane Speer-“Is any of this from SMART Growth?” Karen-“Some of it, yes.” Diane Speer-“I think I am just speechless because I could use the same power point presentation to show you what is wrong with this plan. I don’t know if anybody else in here can see it.” **Andrew Speer**-“You were saying the funding is going to come from grants and also a tax.” Karen-“I said the funding can come from those sources. I was just trying to throw out some sources that potentially could find funding.” Andrew Speer-“Okay.” Mayor Knutson made a point of clarification on the subject. This is a guiding policy so if we find some grants that could be used then maybe some of the main thorough fairs could be retrofitted. This is not something that we have to go through and do all at once. It would be as funding becomes available. Karen Sargeant commented that that is why she listed those examples, they were potential funding that could be pursued. It is thinking outside the box to make streets safer and accessible for everyone. This is a guiding policy. Andrew Speer-“She was saying that there is something about the Streets Department.” Karen-“A street inventory.” Andrew Speer-“A street inventory. Is that available to the public?” Mayor Knutson advised Mr. Speer to submit a request to the City to view the document. Andrew Speer-“That would be available for free?” Mayor Knutson advised Mr. Speer that there would be a charge for any copies he might request. It is the same for any other information that you request from the City.

PROVISION OF SERVICES UPDATE-Civil Engineer Shari Johnson





ANTICIPATED REQUIREMENTS MAP
 The Resource Map is intended to give a general idea of the type of additional resources needed before a property or area starts annexing into the city. [Click here for more information on the Resource Map.](#)
 The associated resource requirements for infrastructure to be provided in an annexation request:

| Area Code Label | Color | Capacity | Fire | Police | Notes |
|-----------------|-------|---|---|--|-------------------------------------|
| 101 | None | See the Center on north end of zone | See the Center (Note: if Energy Center Center is already built) | Existing Police for area of 7-10 & 1-6 | Location of Existing Fire Equipment |
| 102 | None | Identify & acquire large open space for future park | | | |
| 103 | None | 2 PTE Officers and equipment* | 2 PTE Officers and equipment* | 2 PTE Officers and equipment* | 2 PTE Officers and equipment* |
| 104 | None | 2 PTE employees & equipment | 2 PTE employees & equipment | 2 PTE employees & equipment | 2 PTE employees & equipment |
| 105 | None | Provided by Impact Fees | Provided by Impact Fees | Provided by Impact Fees | Provided by Impact Fees |
| 106 | None | Provided by Impact Fees | Provided by Impact Fees | Provided by Impact Fees | Provided by Impact Fees |

PTE = Full Time Equivalent
 *based on current available staffing levels

- CURRENT LEVEL OF SERVICE**
- Fire**
 - ISO Rating 5
 - Response time of 8 minutes
 - Parks**
 - Average of 3 acres per 1000 residents
 - Ball fields, skate park, waterfront, picnic, playground & dog park
 - Facilities with restrooms
 - Police**
 - 24 hour coverage
 - Response time dependent upon patrol location
 - Summer event coverage
 - Streets**
 - Continual maintenance of roads in poor condition
 - Flowing of Main Street by Dam
 - Water**
 - Domestic, Irrigation, & fire
 - Compliant with DEQ
 - Wastewater**
 - Residential & commercial
 - Compliant with EPA

- Ongoing Questions**
- Type of growth affects resources needed. Development Code and Growth Policy Interrelated.
 - How will the growth take place?
 - 1 lot at a time or entire zone?
 - Over how long a period of time?
 - Impact Fees?
 - Fire, Water, Sewer, Parks (residential only)
 - Police & Transportation (Streets) NOT covered

Mayor Knutson thanked Shari for her informative presentation and clarification of the Extended Services Plan (ESP). Shari explained that this is a draft and that the document is being created with the assistance of the City Department staff. This document will be used as a tool for annexation. Mayor Knutson asked about the status of the document. Shari answered that once the document is completed, it will need to go to legal for review. Once completed, it will continue to be a work in progress. This will be a document that will be reviewed and modified from time to time. City Manager Shrives commented that the one thing that is important to

remember is that the City will not be doing any annexation until this document is adopted. This is a key document before an annexation can occur. Commission Discussion: none Public Comment-**Polson Police Chief Wade Nash**-“ When you were looking at that, from my perspective and my department, that’s going to be completely an estimate on what I think at a minimum it would take. This project has been kind of hard to do because we’re asking to look into the future and annexation but I don’t know what’s going in there. That greatly varies on my department how I handle those services and provide those services. Because, if I have a single dwelling home compared to a commercial big chain store, there’s a huge difference there. Or if I have a high density housing complex go in someplace then that really affects it as well. So it is really hard to say. I am using two guys as a minimum, but until I know actually what goes on that piece of property I can’t give you an honest opinion of what I need to provide services. So the zoning to me and my department greatly affects how I can provide services for what goes on to that piece of property. These are estimates, completely estimates from me.” **Andrew Speer**-“ Kind of a simple question. The water system, we’ve already addressed the sewage system. I assumed that would have a pretty potential road to capacity down the road. What about the water system? Do we have enough wells right now? Do we have enough water capacity for even what we have right now? The new Walmart and all the other stuff.” **Shari Johnson**, “Yeah, I can answer that for everybody. We are in a position that we can support what we have for water and the foreseeable future.” Andrew Speer-“Even with the hotel?” Shari Johnson-“Even with the hotel. Even with the Walmart. We have additional capacity in the water system.” Andrew Speer-“But if you did annex anything then.....” Shari Johnson-“We would have to count the numbers and the same kind of comment that Wade has making that depending on what it is, how many, and where. We certainly wouldn’t want to run the bank down to zero and then try to chase because we can’t annex them in until the capacity is available.” Andrew Speer-“But as we stand right now.” Shari Johnson-“We have, everything is good.” **Rory Horning**-“I’d like to help you out, and help him out. If you have an eighty room hotel, then you ask those people to provide security for that 80 room hotel. That minimizes his need to be there for every call. But, those are things that you need to start to look at when you are analyzing all this. So I hope all things like that are in the report to help that gentleman figure out what budget he needs and the people down the road. That’s just an example.”

DISCUSSION ITEMS: City Manager Mark Shrives presented the Ordinance Codification and the Sale of the City Liquor License for discussion. City Attorney Rich Gebhardt discussed the Ordinance Codification process with the Commission. The first two chapters, General Provision and Administration were distributed to the Commission for their review. These two chapters have the highest priority. The current edition of the Municipal Code book was codified in 1999 and is antiquated and needs to be updated. The Ordinances will be number differently and there will be a title listed on the City website with each Ordinance. This will aid the public when researching the Ordinances. Mr. Gebhardt asked the Commission for direction. Is the font type and size okay? Is the print out okay? This will be done one chapter at a time. Mr. Gebhardt suggested dividing the effort among the Commission. The suggestion was to give each Commissioner a different chapter then it would become that particular Commissioner’s responsibility to bring the chapter to the Commission for discussion and review. Prior to being given to the Commission, the department head would have already reviewed the chapter. The City can operate off each chapter as it is codified. Mr. Gebhardt also asked what kind of procedure did the Commission want to adopt to get the Ordinance into law. Mayor Knutson

commented that the font and size looked fine to her. As far as the procedure, the Mayor commented that it is important that each Commissioner read the same chapter one chapter at a time. Commissioner Campbell agreed that one piece at a time for everyone would be the easiest way for everyone and the Commission would have a working knowledge of the document. City Manager Mark Shrives commented that he would like the City Clerk, Cora Pritt, to spearhead the communication between the City Attorney and the Commission. Mayor Knutson agreed that the process needs to get started and if need be, it can be adjusted. Mayor Knutson asked if there were more than one chapter that tied together. City Attorney Rich Gebhardt answered that as far as he knew, that was not the case. Commissioner Turner asked about the time-line. Mr. Gebhardt answered approximately 3-5 months however it can't be done without the Commission. Commissioner Campbell asked if the Municipal Code Book couldn't just be re-written. Mr. Gebhardt answered that no, the Code is too outdated for the City of Polson. The Code will be updated to what State law is today. Mr. Gebhardt advised the Commission that the two chapters given to them were for review and adoption at a later meeting. City Manager Shrives asked for any comments or changes to these two chapters and begin the process of adopting the new chapters at a later meeting. Mayor Knutson asked the City Manager to let the Commission know when the revisions would need to be completed by. City Manager Shrives answered he would meet with the City Attorney and the City Clerk to get the procedure in place and let the Commission know. **Elsa Duford**-“If there is a conflict between State law and an Ordinance, which one governs?” City Attorney Gebhardt answered that it would depend on which one that it is. Most of the time it will be the State law, but there are some things that the local government has the power to do. There are some self-governing powers in the Charter Form of Government. **Cindy Dooley**-“One, question that popped into my mind. So, what is the actual process? Do we approve the chapter or does it have to be an Ordinance? A Resolution? What is it?” Mr. Gebhardt answered that it will be an Ordinance. It will be separate Ordinance for each one of the chapters or a number of chapters can be adopted at one time by an Ordinance. Then when we are through with all of those, we will recodify and adopt one final Ordinance. Cindy Dooley-“Do you have to make a list of all of the Ordinances that you are appealing?” City Attorney Gebhardt answered no.

Sale of City Liquor License-City Attorney Gebhardt informed the City Commission that the golf course liquor license have cost the City \$20,000.00 in lawsuits over the last 8-10 years. There is a long history of the liquor license. The City does not need a liquor license at the golf course. There are other avenues and there doesn't need to be the kind of management required when there is beer/wine license. Most of what is sold at the golf course is the beer and wine. The All Liquor License was purchased when gaming was permitted. Now that gaming has been removed the City does not need an All Liquor License. So, the recommendation is to sell to the highest bidder and apply for a beer/wine license or a Resort License. The Golf Board has discussed this issue. Golf Pro Roger Wallace-“This has been before the Golf Board a couple of times. They have supported selling it both at the last meeting, which was approximately a week ago, and last year. So it has been before the Commission before. In my opinion there is no way for us to operate that All Beverage License in a profitable manner for the City of Polson. That's really what it boils down to. Right now I am doing it for a percentage of profit should there be profit. That's about a good of a deal as we're going to get. From the Municipality standpoint, from your standpoint, and it doesn't pass the test from the Department of Revenue. Yes, it is an asset. What we paid for it, right around 1999 or 2000, it was \$55,000.00. In my business, in retail, you have to identify your buying mistakes. You have to get out from underneath those buying

mistakes and turn that money into something you can make money with. We have historically lost money hand over fist with that liquor license. It is a buying mistake. I was part of that buying mistake. It's time to be out from under it. It truly is time to be out from under it. If there's ever a point where the City wants to be out of the food/beverage business, you can't be out of the food/beverage business with that All Beverage License. You have to get rid of it. As long as you own it, you have to employ somebody to operate it for you. It's just my opinion that it's just not possible for the operation as it exists today, short of being a supper club type situation which we've gone through three or four of those, and they don't work either, I don't know how else to phrase it. It's time to be rid of it. It's time to sell it for what the market will bear. We paid \$55,000.00 I can tell you it's worth \$12,000.00. We did get a deal when we bought it. In counties our size, and I did the homework when I made an offer on it last year, counties our size, I took 12-18, in our county, with no gaming, there's been two sales in the last five years. It was \$12,000.00. So, who knows? If a franchise place comes through and the free market system we have, with our liquor licenses in Montana, they may be willing to pay some more for it, who knows? It was a bad buying decision and it's time to put it behind it and move forward and that's my opinion." Commissioner Campbell asked about owning both an All Liquor License and a Beer/Wine License. Can we own the Beer/Wine while waiting for the All Liquor License to sell. City Attorney Gebhardt answered no. There is a 30 day time limit for a Municipality. The City would just apply. City Manager Shrives commented that the All Liquor License would be sold during a time when there isn't any liquor being sold. Mr. Gebhardt also commented that a transfer could take place at the time that the new license would go into effect. Commissioner Turner asked how the restaurant has done this year. Golf Pro Roger Wallace commented that revenues are down 10%. from last year. Commissioner Turner commented that he sees two issues with the restaurant: first, no one knows that it's there. There's no signage. Second is the overall atmosphere. The food has come a long way but the chairs and tables maybe could be upgraded. Part of the issue of selling this is that we would be taking tax payers money, taking a big loss. City Manager Shrives commented that there are two issues; the management agreement is a problem. Secondly, the golf course purchased the liquor license with enterprise funds not tax dollars so that is a difference. Mayor Knutson asked if there were a way to structure the golf course so that there are not law suits in the future. Mr. Gebhardt answered the City would need to employ Mr. Wallace, pay his social security, and wages on all. The Management Agreement was signed into agreement for two years. Commissioner Morrison asked for the sales amounts. Mr. Wallace answered \$76,000.00 in beer/wine/alcohol sales. Which is about 52% of all sales. One third of that is hard alcohol and two thirds is beer/wine. With just a beer/wine there may be a 5-10% loss. There are incremental savings going with the beer/wine. City Attorney Gebhardt commented that there isn't a request for a decision tonight, just a request to think about it, take it into consideration. Mayor Knutson asked if the golfers were aware of this. Mr. Wallace answered yes. Commissioner Turner asked if the restaurant focus was the golfers or the public. Mr. Wallace commented that the golfers were first. Secondly is the public not specifically using the golf course. There has not been much advertising. There will be music beginning July 3rd, every Thursday evening. There has been advertising for the concerts. City Manager Shrives commented that the Golf Board is working with Montana Department of Transportation regarding the small triangle piece of property to be able to put a sign up advertising the restaurant. MDoT has commented that they would be willing to transfer that small piece of property and the City would then be able to put up a sign.

Public Comment: Bonnie Manicke-"First of all I would like to thank attorney Rich Gebhardt

and Mark Shrives for the background information on the liquor license. I would also like to compliment Golf Pro Roger Wallace and the Maintenance Superintendent. They all work together as teamwork to make the golf course very nice for the residents and also a destination for tourist travel. I do have an issue with the liquor license. The liquor license was purchased on 03/17/2003 for \$55,000.00. I'm offering this information so that the Commission and Rich and Mark can do some research on it. On February 20th of 2013 the golf course entertained a sale of the liquor license. Those are the minute dates for you to look at. There was quite lengthy discussion at both of those. My concern is, it was bought for \$55,000.00 I feel like it is really worth more than the \$12,000.00. I don't know if there are different levels of liquor license but I am aware of a liquor license that was sold in this local community in 2013, about the same time period as we were offering the liquor license for the golf course, and it sold for a shade less than \$100,000.00. I will have to look through my research papers to come up with an exact dollar amount. So, at the meeting on February 20th 2013 Mayor DeVries said that it was a public asset and it needed to be put out for public sale. There's growth in the commercial area. In the Wal-Mart area, Ridgewater, Cougar Ridge, whatever you want to call it, I think that that liquor license could be a little bit more valuable than what is stated. Roger, I really appreciate the fact that you commented that it was a bad business decision. Back in 2003 when it was purchased I specifically told the people on the PGA and on the Golf Board at that time, to move with caution. Even though the price was right at \$55,000.00 I didn't think that it was something that the golf course should get involved in. I also kept tabs as City Treasurer on the liquor sales, hard liquor sales, and the beer and wine. I can tell you that we do not sell a lot of hard liquor. I don't know what those figures are right now. But I have my data here. There is quite a large file in the Clerk's office that shows what the percentages were. I mainly remember what Roger said and I think that he's right on target."

Karen Sargeant-"Just a quick comment. Can I make the suggestion that we call Olive Garden, Red Lobster and Applebee's and offer it to them for \$55,000.00"

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA-there were no comments.

Mayor Knutson asked for a motion to adjourn. Commissioner Turner motioned to adjourn. Commissioner Campbell second. Vote: Unanimous Motion carried

ADJOURN 7:44 p.m.

Mayor Knutson

Mayor Knutson

ATTEST:

Cora E. Pritt, City Clerk

