

**POLSON CITY COUNCIL SPECIAL MEETING
CITY HALL COUNCIL CHAMBERS
WEDNESDAY, JULY 2, 2008, 5:30 P.M.**

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

Meeting brought to order at 5:30 p.m.

APPROVAL OF THE PROPOSED AGENDA: Councilman Agrella moved to approve the agenda as proposed, seconded by Councilman Lies. The motion passed unanimously.

APPROVAL OF GOLF RESTAURANT CONTRACT: Mayor Marchello informed the Council that James Raymond, Jay Henry, Roger Wallace and himself had set down with Abigail Dooley and had a very good meeting. He added that they had incorporated both Abigail Dooley and the City's wishes into the contract. He proposed that in lieu of the letter of credit on page 4 of the contract, the City use the labor, materials, and money spent by Abigail already on the restaurant. **Councilwoman Duford** asked what guarantee the City would have if the lessee would not leave the restaurant in the same condition. **Mayor Marchello** replied that there would still be a \$1,000 security deposit. **Councilman Sohm** voiced that his biggest concern was that there was no reference to the liquor license in the contract. He pointed out that it was a huge issue. He added that there were several other issues that seemed like a burden on the lessee. **Mayor Marchello** informed the Council that Abigail Dooley had put in a bid for the City's liquor license at \$55,000 at 5% interest over 20 years. **City Attorney Raymond** informed the Council that the City's liquor license had been open for bid until 5:00 p.m. that day. He mentioned that they did not receive any other bids, but that was the reason for the way the contract was written. **Councilman Sohm** stressed that the restaurant did not have a good history and felt that they needed to make the contract good for the lessee. He asked what they should do while waiting for Department of Revenue's approval. **City Attorney Raymond** replied that Abigail Dooley could operate the City's license for a minimum of 30 days as her own while waiting for approval. He added that another reason for the license not being in the contract is that the Department of Revenue had requested the management agreement and the license agreement be separated. He pointed out that if it was the Council's wish he could add it. **Councilmen Sohm** expressed that there should be something written. **City Manager Jay Henry** mentioned that the City Attorney had been caught between the Council and the vendor to be done as quickly as possible. **Councilwoman Duford** asked if the Department of Revenue approved of the license payment plan. **City Attorney Raymond** replied that it was fine for a non-institution to sell the license as a contract. **Councilman Sohm** pointed out that in the contract the lessee is allowed to use the downstairs for functions, but the City reserves the right to use it. **City Attorney James Raymond** expressed that stipulation had been added because of other vendors not allowing golf events. **Councilman Sohm** moved to approve the golf restaurant contract w/amendments clarifying the language regarding the management agreement in regards to the liquor license being the same as for previous vendors, seconded by Mayor Marchello. Mayor Marchello moved to amend the motion to amend the letter of credit to coincide with the labor, painting, and various work already done by Abigail Dooley. Councilman Sohm seconded the amendment. Tom Corse stressed that it

was very important for Abigail Dooley to be able to open this weekend. **Dick Blumberg** commented that the City should table the issue and resolve the contract fully. **The amendment passed unanimously.** **Councilwoman Duford** expressed that the contract did not seem complete and mentioned she was apprehensive. **Councilman Sohm** asked Abigail Dooley if she understood all of the issues they were discussing. **Abigail Dooley** responded that she did. **The motion passed with 6 in favor and 1 abstention. Councilman Jones abstained.**

APPROVAL OF SALE OF LIQUOR LICENSE: Councilman Lies moved to approve the proposed bid on the liquor license and proceed posthaste. Councilman Sohm seconded the motion. Councilman Agrella asked if there would be a down payment. **Mayor Marchello** replied that they were still negotiating. **Councilman Sohm** asked if there was a minimum required down payment. **City Attorney Raymond** replied that the Department of Revenue has no rule in regards to down payments. He expressed that the Council may want to include a pre-payment penalty. **Mayor Marchello** added that most end after a period of time. **Tom Corse** recommended against pre-payment penalty, since she was the one taking the risk now, and the City was not. **The motion to approve the sale of the liquor license passed unanimously.**

The meeting adjourned at 6:15 p.m.

Mayor Lou Marchello

Attest: Kala Parker, Assistant City Clerk