

**POLSON CITY COUNCIL MEETING MINUTES  
CITY COUNCIL CHAMBERS  
MONDAY, JULY 16, 2007 6:30 P.M.**

**ATTENDANCE: City Council: Bruce Agrella, Mark MacDonald, Tom Jones, Mike Lies, Tom Corse, Fred Funke, Mayor Jules Clavadetscher presiding. City Attorney James Raymond and City Manager Jay Henry present. Others Present: Ken Siler, Agnes Rinehart, Francis Kis, John Laimbeer, Bill Peterson, Hub Dykstra, Tony Porrazzo, Kelli Becker, Karen Sargeant Elsa Duford, Jack Riekema, Murat Kalinyaprak, Mark Evertz, Lee Manicke, Bob Williams, Linda Sappington, John Schnase, Ron Hone, Laura Hone, Mark Nunlist, Nathan Pierce, Arleen Long, Wade Nash.**

The meeting was called to order by Mayor Clavadetscher.

**PUBLIC HEARING - INTENT TO ABANDON PUBLIC RIGHT OF WAY, PLATTED AS PORTION OF 1ST STREET WEST BETWEEN 11TH AVENUE WEST AND 12TH AVENUE WEST – WILLIAM INGRAM: Dwane Ingram spoke on William Ingram’s behalf, stating that they provided the required documentation for this abandonment request. They maintained the public right of way for many years since the City did not maintain it. Because of the steep grade of the undeveloped right of way, they feel it is unlikely that it would be developed as a road. They plan to build another structure on the adjacent lot and use the right of way property for parking or entrance and parking for a new building. The City’s easement for the existing water main line will be reserved. Lee Manicke spoke in opposition of the abandonment stating that access is an ongoing problem in the city and they should be cautious before abandoning any right of way because it will be costly to get the land back, if sometime in the future it becomes feasible to develop that road. The right of way is an asset and should not be abandoned without compensation to the City. The 680 square foot area has a value of \$150,000 to \$250,000 and should be sold or traded for another piece of land suitable for access. John Laimbeer asked and Karen Sargeant clarified that this right of way does not affect the parking for the softball field, which is to the south.**

The public hearing was closed at 6:40 p.m.

**CITY COUNCIL MEETING**

**APPROVAL OF PROPOSED AGENDA: Motion made by Councilman Funke, seconded by Councilman Agrella, to approve the proposed agenda with the following change. Removal of item 4. E. which will be brought before the Park Board to make a recommendation to Council. Motion carried unanimously.**

**CONSENT AGENDA**

- A. CITY COUNCIL WORK SESSION MINUTES JUNE 29, 2007**
  - B. CITY COUNCIL MEETING MINUTES JULY 2, 2007**
  - C. REQUEST PAY RAISE FOR CITY JUDGE FROM \$1,275 PER MONTH TO \$1,440, AN INCREASE OF \$165 PER MONTH EFFECTIVE JULY 1, 2007**
  - D. REVISE MAYOR'S SALARY REFLECTING CHANGE IN DUTIES EFFECTIVE JULY 2007**
  - E. NAME CHANGE FROM RIVERSIDE PARK TO ARMED FORCES MEMORIAL PARK**
  - F. POLICE TRAINING-WINNING EXTREME ENCOUNTERS FROM STREET TO COURT-MISSOULA, JULY 17, 2007-\$111-DOUG CHASE**
  - G. POLICE TRAINING-CHEMICAL MUNITIONS TRAINING-BILLINGS, AUGUST 1-3, 2007-\$729.60 - ALAN BOOTH**
  - H. STREET CLOSURE-CHAUTAUQUA PARADE JULY 30, 2007-11:00A.M.-12:00 P.M.- FROM LINDERMAN TO CHERRY VALLEY SCHOOL THROUGH MAINSTREET-KELLI BECKER**
- Motion made by Councilman Funke, seconded by Councilman Agrella, to approve the Consent Agenda items A, B, C, F, G, H and remove item D for discussion under new business. Motion carried unanimously.

## NEW BUSINESS

**REVISE MAYOR'S SALARY REFLECTING CHANGE IN DUTIES EFFECTIVE JULY 2007:** Mayor Clavadetscher stated that the job description under the charter form of government includes attending council meetings, voting and officiating at ceremonies. The department superintendents now report to the city manager. The mayor is still responsible for signing checks. He estimated that he would spend one to two hours a day at City Hall. Motion made by Councilman Jones, seconded by Councilman Funke to approve a revised salary of \$500 for the Mayor position effective July 2007. Murat Kalinyaprak stated that the information from the Government Review Commission suggested that the Mayor's salary be one and one half times the councilmen's salary. Bill Ingram agreed with paying \$500. Mayor Clavadetscher abstained. Motion carried unanimously.

**REQUEST FOR LONG TERM LEASE FOR MERIDIAN BUILDING LAND - BOYS & GIRLS CLUB OF FLATHEAD RESERVATION & LAKE COUNTY:** John Schnase, Executive Director of the Boys and Girls Club of Flathead Reservation and Lake County, referred to his letter informing Council that they are attempting to purchase the Meridian Building. They appreciate the City's previous offer of designated land but purchasing this building would be more fiscally responsible for their club. They are asking the city to gift the property or arrange a charitable long-term lease to the Boys and Girls Club. The payback in youth development and services is an invaluable asset for the community. They are currently providing programs for 100+ members who pay \$5 per year to join. They are bused from Ronan, Pablo and Polson to their facility in Ronan. Linda Greenwood stated that they have had tremendous support from the community for their fund raising and would share the facility to be used as a community center, which Polson does not currently have. Their first choice would be for the City to give the land to the Boys and Girls Club, which would aid their ability to borrow money to pay down the outstanding cost and for remodeling. If that is not possible, then they are requesting a long-term lease from the City. She noted that they are applying for a HUD grant and will do fundraising activities for the remainder of the cost. They are excited about the location and expect to have walking trails that connect the different activities at the Sports Complex park area. Mark Nunlist said he is a volunteer representing the Builders Association to help with this project. He feels if they purchase the building it would offer the opportunity to share a common parking area with the soccer field. He envisions that the Sports Complex would be a good location for the proposed swimming pool and with the soccer field and skatepark in the same general area it would provide a community center for Polson which is badly needed. He asked the Council to approve their request and make a difference in people's lives and in their future. Mayor Clavadetscher stated that he discussed dedication of land with them and stated a willingness to consider a charitable lease, but not a gift of five acres. Motion made by Councilman MacDonald, seconded by Councilman Lies, to approve a committee to prepare a proposal for a long-term charitable lease for Council approval for the next meeting with City Attorney and City Manager to assist the committee. Mark Nunlist asked if they could have a ninety-nine year term lease, the same as KwaTaqNuk. Fred Innerbichler stated that the selling price of the building is \$750,000 with an initial payment of \$450,000 and \$350,000 balance due. B&I Holdings donated \$9,000 of equipment in the building. They currently have a 50- year lease with the City and he knows the owners of the building want to sell their assets in Montana. Karen Sargeant, Parks Superintendent, stated her support for a charitable long-term lease. She felt this proposal goes along with the theme of the sports complex and will free up the designated land the Boys and Girls Club were originally offered. Tony Porrazzo, Sewer & Water Superintendent, clarified that the land is dedicated for expansion of the City's sewer facility and a storm drain system. The five acre property is an ideal location for developing a storm water retention pond. DEQ and EPA have notified the City that it needs to work on compliance with storm water system regulations and if the five acres of land is needed for that purpose then the lease would have to be broken before the fifty year lease expires. TD& H will be applying for a grant on the City's behalf for a storm drain system study. John Schnase informed Council that other entities have been generous to the Boys and Girls Club and the Tribes have donated the building space they are using in Ronan, valued at \$1,500 /month, and the Tribes have made \$64,000 in improvements to the building in the past year.

Motion carried unanimously. Councilmen MacDonald, Corse, and Lies volunteered to be on the committee and make a recommendation at the next council meeting.

**RESOLUTION #946-ABANDON PUBLIC RIGHT OF WAY, PLATTED AS PORTION OF 1<sup>ST</sup> STREET BETWEEN 11TH AVENUE AND 12TH AVENUE WEST: Motion made by Councilman Lies, seconded by Councilman Funke, that the City retain all property rights to the platted right of way, as a portion of 1<sup>st</sup> Street West between 11<sup>th</sup> Avenue West and 12<sup>th</sup> Avenue West. Councilman Jones stated that the City needs to retain all the property it owns and require the departments to maintain them, the same as property owners are required to do. Mayor Clavadetscher noted that historically the Council had approved road abandonment requests. If the property is not useful to the City for a street then the City should get an appraisal value and sell it at a fair price. Motion carried. Mayor Clavadetscher opposed.**

**RESOLUTION #948-ANNEXATION OF 4 RUNG LANE - ROBIN DOTSON: Mayor Clavadetscher stated that there is urgency for annexation of this property because the septic system has failed. He also noted that State laws seemed to allow annexation under the circumstances of this request. Motion made by Councilman Corse, seconded by Councilman Agrella, to approve Resolution #948 Annexation of 4 Rung Lane Addition petitioned by owner Robin Dotson. Councilman Jones asked why the City is not proceeding with annexing all of Rung Addition as they had previously discussed. The reasons were that the area is wholly surrounded by City property and the majority of property owners have septic systems that are failing. Mayor Clavadetscher replied that the annexation results not only in increased taxes for the property owners but the recent implementation of the City's impact fees would also cause financial hardship. It eases the burden on the property owner if the City allows time for them to save up for all the costs involved. Tony Porrazzo, Water and Sewer Superintendent, clarified that this annexation will make other properties in that area contiguous to the city limits and allow for their annexation. Five lots out of 13 have indicated their interest in annexation when they become contiguous to the city limits, which can be done if the road is annexed. Motion carried unanimously.**

**RESOLUTION #947-ANNEXATION OF RIGHT-OF-WAY OFF OF 16TH AVENUE EAST: Mayor Clavadetscher stated that the City's ownership of this right of way has been questioned and laws regarding rights-of-way are vague. The Lake County Commissioners have now signed the annexation petition. Annexation will clarify ownership and give the city flexibility if the traffic study indicates that any part of that right-of-way can be useful. Motion made by Councilman Corse, seconded by Councilman Lies, to approve Resolution #947 – annexation of the right-of-way off of 16<sup>th</sup> Avenue East as proposed. Councilman Corse noted that the ownership issue has come up several times during previous council meetings and this will clear up the question in the future. Bob Williams stated that his letter to the Council regarding this issue dated June 25, 2007, was not included with this agenda item. It stated his legal concerns of damage to his property. He plans to sell both of his properties. The County has not legally notified him of any vacation or abandonment. He questioned why the City did not annex other property by the S turn, owned by Lake County, that no one maintains and will be an island of county property within the city. He stated he has tendered an offer to Lake County to purchase the alley being annexed and they refused to consider his offer. He is proceeding to litigation. He polled his neighbors and they are forming a homeowners association and are also considering a lawsuit if the City develops any of the subject property. When the City paved a private road he petitioned to abandon the right of way and finds it absurd that now ownership is being claimed. He believes that the improvement of 15<sup>th</sup> Avenue being proposed is an end run for connecting to the Ridge Water Subdivision and not for safety issues. There is no off street parking available and vehicles are being parked on City property. His points of concern are that he received no legal notice as the adjacent property owner. The alley is not used and there are runoff issues. His letter of June 25, 2007 states that Hillside Court was paved without engineered plans. A Homeowners Association will be formed in his subdivision and his neighbors will join him in litigation against the City. Mayor Clavadetscher clarified that although it was not an agenda item, his letter of June 25, 2007 was provided to the City Council at the last meeting. Elsa Duford stated that as of 3:30 this afternoon there was no actual resolution attached to the agenda and the public should**

be able to see the actual resolution document before Council takes action. There is no room for street improvement with the canal, which is not shown on the map. The public has not seen any information on a proposed road improvement from TD&H and asked that the public have an opportunity to review the proposal because it affects those who live there. Motion carried. Councilman Funke opposed.

**GOLF COURSE CART PATH CONSTRUCTION ON 93 - JACK RIEKENA:** Jack Riekena clarified that the proposed cart path location is at the 18<sup>th</sup> hole not on Highway 93. Mayor Clavadetscher asked that more information be provided to Council since the location was incorrectly stated.

**RELOCATION OF HWY 93 FENCE ALONG BAYVIEW DRIVE - JACK RIEKENA:** Jack Riekena stated that the Golf Board is now asking Council approval to leave the Highway 93 golf course boundary without a fence and to place the white fence, that was already purchased, along Bayview Drive starting at Hole #3 from tee box to green. That section of fence also needs replacement. They are asking to change the location because comments were made about the white fence being too stark for the Highway 93 location and comments were made after the fence was removed that it looked better without a fence. Council expressed concerns that the fence gives some control and without some type of a barrier along Highway 93 vandalism would be more likely to occur. Jack Riekena said they the Golf Board would look at options for a barrier to reduce potential vandalism problems. Motion made by Councilman Jones, seconded by Councilman Funke, to approve construction of a white, vinyl fence along Bayview Drive at Hole #3 and to delay placing a fence along Highway 93. Motion carried unanimously.

**UPDATE ON GOLF RESTAURANT CONTRACT – JOHN SEMMENS:** John Semmens stated that he is aware that he is in violation of his contract because he is not serving breakfast Monday through Friday and his hours are not consistent with those of the golf course. He is short of staff with only four cooks for three meals a day, seven days a week. He is losing \$1,200 to \$1,400 serving breakfast 7 a.m to 11 a.m., and it is not working for him. He believed he would be successful but didn't do his homework regarding the profit from the City owned liquor license. The staffing to serve the alcohol is costing more than the sale of the alcohol. Mayor Clavadetscher asked if he received the letter from the Golf Board regarding the restaurant service they expect him to provide. John Semmens replied that he did receive the letter and that he cannot comply with the requested services since he is short of staff. Mayor Clavadetscher stated that he then is in violation of his contract. Jack Riekena stated that the Golf Board members were as amenable as possible and understood his staff issues; but they want breakfast served. They softened up the part of the contract that requires the 19<sup>th</sup> hole be open and made allowance that instead, the bar be open. They want a restaurant to serve the public which can't happen if it's only open 3 evenings a week which gives the appearance of a trend to shut down. The sales are suffering because the restaurant isn't open to make the sales.

**REQUEST TO PURCHASE ALL BEVERAGE LIQUOR LICENSE TO JAM CORPORATION CURRENT GOLF RESTAURANT LESSEE JOHN SEMMENS:** Mayor Clavadetscher stated that this request cannot be considered until the contract issue is resolved. He also stated that the state Department of Revenue prohibits the sale of liquor licenses with a right of first refusal, and the City requires a competitive bid process open to the public. John Semmens stated that if he owned the alcohol beverage license it would make a big difference in the success of the restaurant. Councilman Jones stated that the current contract with John Semmens includes 25% of gross alcohol sales and his ownership of the license would not increase sales. His experience in the restaurant business is that training staff is the key issue. He believes this restaurant is a good opportunity but it takes time and hard work and he hasn't seen John Semmens make that effort. Councilman Corse stated that he was in favor of the City purchasing the all beverage liquor license but now he isn't sure that was a good idea. He believes that a beer and wine license is all they need. He heard recently that Regatta is also selling their alcohol license and have sold their business to a restaurant that doesn't serve alcohol. Jack Riekena clarified that the current contract provides \$2,000 each month for twelve months plus a 25% share of alcohol sales revenue. Motion made by Councilman Lies, seconded by Councilman Agrella, to table the request by John Semmens to purchase the City's all beverage liquor license. Motion carried unanimously.

City Attorney, Mr. Raymond, asked for clarification of the Council's direction to Mr. Henry regarding Mr. Semmens' contract. Motion made by Councilman Jones, seconded by Councilman Funke to direct the City Manager to serve formal notice on John Semmens since he is in violation of the golf course restaurant contract and that he has 30 days to rectify the deficiencies. Motion carried. Councilman Corse opposed. City Manager Jay Henry provided Council with a copy of the letter he prepared giving notice of violation of the contract and gave John Semmens the letter. Mayor Clavadetscher clarified that the thirty day period would start from today, July 16, 2007.

**APPROVAL OF PUBLIC FUNDS INVESTMENT BID - PURCHASED CERTIFICATES OF DEPOSIT AT 1ST CITIZENS BANK - \$200,000 - 74 DAYS - 5.37% APY; OTHER BIDS; GLACIER BANK 5.32%; 1ST INTERSTATE BANK 5.08%; COMMUNITY BANK 4.5%-\$400,000 -214 DAYS-5.51% APY; OTHER BIDS; GLACIER BANK 5.32%; 1ST INTERSTATE BANK 5.24%; COMMUNITY BANK 5.32%:** City Treasurer, Bonnie Manicke asked Council approval of public funds investment bid purchase of certificates of deposit at 1<sup>st</sup> Citizens Bank, \$200,000, 74 days at 5.37% APY. Other bids were as listed above. Comparisons for three month investments were, a Treasury Bill Yield at 4.54%, an Agency of U.S. Government Yield at 5.37%, a Nationwide Jumbo C/D Rate 4.75%. Comparisons for seven month investments were, a Treasury Bill Yield at 5.049%, an Agency of U.S. Government Yield at 5.293%, a Nationwide Jumbo C/D Rate at 5%. The investment was purchased at four basis points above the going market rate. Motion made by Councilman Lies, seconded by Councilman Agrella, to approve a \$200,000 public funds investment purchase of certificates of deposit at 1<sup>st</sup> Citizens Bank for 74 days at 5.37% APY as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.

**JUNE 2007 CASH REPORT:** City Treasurer Bonnie Manicke, presented the June 2007 Cash Report. She noted that the new impact fee fund revenues are on this month's cash report for the first time. The general all-purpose fund balance as of the end of June is \$531,006. Tax revenue collected for the year was at 97%, which is \$20,808 in outstanding revenue, and not a high dollar amount for delinquent accounts. There were no negative balances on the June Cash Report and the fund totals balance to the cash investments detail report she provided. There was a payment of \$2,946.27 made on the SID#38 Bond which is reflected on this cash report. The bond matures in the year 2011. The Golf Revenue Bond Payment of \$34,6097.42 was transferred from the Golf Cash Operating fund (5010-101000) into the Revenue Bond '98 Sinking & Interest line (5010 102215). The Bond has a balance of \$980,000 with the final payment due in 2018. Motion made by Councilman Lies, seconded by Councilman MacDonald, to approve the June 2007 Cash Report as presented by City Treasurer Bonnie Manicke. Motion carried unanimously.

**SECURITIES PLEDGED FOR PUBLIC FUNDS ON DEPOSIT-GLACIER BANK \$1,982,398.73; 1<sup>ST</sup>CITIZENS BANK \$2,633,840.63; 1ST INTERSTATE BANK \$600,000; COMMUNITY BANK \$747,220:** City Treasurer Bonnie Manicke presented the quarterly pledged securities report for council approval. The report indicates securities pledged and all banks are in excess of the amount required by state statute. Motion made by Councilman Lies, seconded by Councilman Corse, to approve the quarterly pledged securities report for public funds on deposit as follows; Glacier Bank \$1,982,398.73, 1<sup>st</sup> Citizens Bank \$2,633,840.63, 1<sup>st</sup> Interstate Bank \$600,000, Community Bank \$747,220. Motion carried unanimously.

**PUBLIC COMMENTS:** Mayor Clavadetscher thanked Water and Sewer Superintendent Tony Porrazzo for his department personnel's timely response to an emergency situation that required him to come back from vacation and work through the weekend.

Meeting adjourned at 8:50 p.m.

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Jules Clavadetscher, Mayor

ATTEST: \_\_\_\_\_

Aggi G. Loeser, City Clerk

City Council Meeting July 16, 2007

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