

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

**ATTENDANCE: Commissioners Present: Bruce Agrella, Jim Sohm, Tom Jones, Elsa Duford, Fred Funke. Mayor Lou Marchello presiding. Acting City Manager Mike Lies present. City Attorney James Raymond present.**

**Mayor Marchello brought the meeting to order.**

**APPROVAL OF PROPOSED AGENDA: Motion made by Commissioner Funke, Seconded by Commissioner Sohm, to approve the proposed agenda. Motion carried unanimously.**

**ACCEPT COMMISSIONER LIES' REQUEST FOR LEAVE OF ABSENCE AND APPOINT PRESIDENT PRO TEM: Motion made by Commissioner Sohm, seconded by Commissioner Agrella to approve Commissioner Lies' request for leave of absence. Motion carried unanimously. Motion made by Commissioner Funke, seconded by Commissioner Duford to appoint Commissioner Agrella as the president pro tem of the commission. Commissioner Agrella abstained. Motion carried.**

**CITY MANAGER SEARCH COMMITTEE LETTERS OF INTEREST: City Manager Lies noted there were seven applicants for the search committee and he suggested approval of Lois Hart, Jeff Smith, Mick Holien and Liz Marchi to serve on the committee as the citizen members. Motion made by Commissioner Agrella, seconded by Commissioner Funke, to approve the appointment of Lois Hart, Jeff Smith, Mick Holien and Liz Marchi as the citizen members of the search committee. Motion carried unanimously. City Manager Lies also recommended approval to appoint Jim Sohm, Tom Jones and Aggi Loeser to the search committee to represent the city. Motion made by Commissioner Funke, seconded by Commissioner Agrella to approve the appointment of Commissioner Jim Sohm, Commissioner Tom Jones and City Clerk Aggi Loeser to the search committee to represent the city. Motion carried unanimously. Mayor Marchello noted that twenty applications were received so far and the deadline is August 6.**

**TRANSITION PLAN TO HIRE NEW CITY MANAGER: City Attorney James Raymond referred to page 52 of the Transition Plan, which gives a timeline for different steps to be taken by the search committee. He suggested Council adopt the timeline with adjustments as needed. Motion made by Commissioner Jones, seconded by Commissioner Funke, to approve the transition plan timeline with a deadline of August 10, 2008, for applications and the interview process completed by the end of September. Commissioner Duford asked why the base wage for City Manager was set at \$65,000 to \$85,000 in addition to salary plus benefits without discussion. She felt the citizens should know the details of the contract. Mayor Marchello explained that the contract was negotiated from a base wage of \$50,000. City Attorney James Raymond explained that he revised the city manager contract. Commissioner Jones felt that offering a lower wage would not get the best person for the job. Motion carried unanimously.**

**WAL MART - OFF PREMISES CONSUMPTION BEER/WINE LICENSE APPLICATION TO DEPARTMENT OF REVENUE:** City Clerk Aggi Loeser explained that a vote is needed at this meeting because the application was mailed to Lake County and the comment period ends tomorrow. Wal Mart is applying to sell alcohol beverages at their current location address but under the Wal Mart Supercenter name. **Motion made by Commissioner Sohm, seconded by Commissioner Funke, to approve the Wal Mart Supercenter off premises consumption beer/wine license application to the Department of Revenue. Motion carried. Commissioner Jones opposed.**

**PRELIMINARY BUDGET - PROPOSALS BY DEPARTMENT HEADS:** City Manager Lies asked the department heads to present their budget proposals. **Ron Melvin**, Building Inspector, explained that the most significant item is the building permit revenue of \$40,000 from the Wal Mart Supercenter, which they budgeted for last year but did not receive and that revenue will be budgeted this year. For capital purchases they plan to purchase a new vehicle. Commissioner Jones asked if the number of building permit applications have slowed down. Ron Melvin replied that the number of permits have decreased from five permits a week to one and one half a week but the amount of the projects are higher so the revenues are about the same. City Manager Lies informed Council that the estimates for the Polson Development Code update are reasonable and \$100,000 is being budgeted. **Tony Porrazzo, Water and Sewer Superintendent**, explained that they are in the process of building a new water reservoir partly financed by TSEP grant funds. He budgeted high on the expenditure lines to take care of unexpected emergencies. Purchasing meters for replacement is a six to seven year project and has been budgeted annually. The funds are budgeted to purchase land for one of the reservoirs that is sitting on a footprint of land to avoid being grid locked. The parcel is larger than is needed for the reservoir and the owner is willing to divide the lot. Under contract with hydrologist Roger Noble, they are in the process of drilling a new well and will budget for two new reservoirs in the next budget. He asked that Council do what they can to increase the wages of the clerks in the front office, now that we finally have some good people, we don't want to lose them. Sewer Department has a small lift station replacement at Boettcher Park that needs replacement that the City crew will install. They are continually upsizing sewer lines and the study for future expansion is ongoing. He asked that council do what they can to increase wages for his operators to be competitive with the wages paid in the area. Commissioner Jones asked about the plans for water line replacement relating to the Streetscape project. Tony Porrazzo explained that he would replace any part of the line in that area if a break occurred but he would not replace all the water lines unless the business owners come to an agreement. He is ready to do the project when they make their decision about the timing of the project. The water dispenser, coin op, will be moved next to the Skate Park on 7<sup>th</sup> Avenue West and the access will be paved. The sewer lagoon access will be moved to Highland Drive. **Karen Sargeant** stated that her number one priority is to get Mike Johnson on full time in the Parks where he is presently employed for 9 months. The three months would help prepare for the season, which starts in April with baseball season and other park maintenance requiring all their time and effort. She is working on a master plan and a resource management plan for the parks. Mike Johnson is one of the hardest workers in the city and has been employed by the water department for three months to give him full time status with the city. He is working on getting his commercial driver's license so he can help out with the street department plowing snow in the winter. A team effort is needed between all departments to be more efficient and make Polson the best place to

work, play and visit. The parks department does many things to help other departments such as mowing weeds on lots more than one acre in size related to the weed ordinance compliance. The payment for this service is assessed on the property owner's taxes and generates additional revenue for the general fund. The parks department is willing and has the equipment and manpower to help out other departments. Mike Johnson is more than a laborer, he is a mechanic, a carpenter, and is ready to lend a hand when needed. He enables her to attend meetings and do the administration for the parks department. He is a very valuable employee who is willing to work and she doesn't want to lose him. He has worked on joint projects for the water and sewer departments under Tony Porrazzo's supervision. Compliance with safety standards is required and she wants to send Mike Johnson to school to be a certified playground inspector. If full time, Mike Johnson would maintain the parks in the summer and get his CDL to help the street department and he would be a great worker in other departments as he has been working for Tony Porrazzo in the water and sewer department. Mayor Marchello agreed that Mike Johnson is very helpful and a good employee. Commissioner Duford asked if the dock recently damaged would be replaced. Karen Sargeant replied that she will ask the Salish Point Committee for a donation and try to design the replacement according to the old design more appropriate for fishermen. The Tribes agreed to charge restitution for the damage done recently. They will be looking for donations and grants for the repair. Another project is to pave the bike path from South Bayshore to 7<sup>th</sup> Avenue, which is budgeted under a capital improvement project. The restroom at the 7<sup>th</sup> Avenue Sprots Complex ballfield, were considered to be rebuilt but she realized it would be better to build it after the new facilities are in place. She would use the \$100,000 to work toward creating a maintenance free facility. **Rod Hanson**, Street Department, noted that the gas tax revenue is approximately \$100,000 and has not increased significantly for a number of years. The street department's general fund budget line for electricity needs to be increased to \$4,000. For the past five years they heated the city shop with a heater that was fueled by used oil, which they have not been able to get recently. He suggested that an ad in the paper requesting used oil be dropped off at the city shop might work. A capital purchase is budgeted for the purchase of a 10,000 gallon tank for deicer storage and a concrete pad to put it on. They would like to replace a 1989 Chevy pickup, which has a lot of miles on it. With limited funds they are only able to maintain and repair streets. Commissioner Jones suggested they look for grants to fund rebuilding roads. Rod Hanson suggested that the city might look a two cent gas tax like Missoula proposed for their street department. He noted that there are many streets that are in such bad shape and have been repaired over the years and now need to be totally reconstructed from the base up. He mentioned that Mike Johnson would be a great benefit for the winter and noted that years ago there were four members of the street crew in the winter time and that worked out very well for scheduling. **Marilyn Trospen**, Library Director, noted that last year was busy. The Library District is proceeding forward with a County Commissioner meeting scheduled for August 14, at 10 a.m. to convince the commissioners to put the issue on the ballot. She is hopeful that despite the economy the donations and memorials which are a major part of the funding for the library will continue. She thanked the commissioners who attended the architect presentation in July. The recent report from the architect was good news that the building was in good shape and the roof might not have to be totally replaced. She felt that her investment for building maintenance over the past 20 years was a good investment and is now paying off. She asked that the student worker position be moved from the Memorial Fund into the general fund. Brooke Wegner will be leaving for university this year and a new student will be hired to take her place. She also asked to fund another position

for the summer months since Brooke Wegner will be returning from university and a new summer position would be helpful to the staff. **John Fairchild**, Fire Chief, expressed his concern at the high cost of fighting fires and the need for new materials and replacement of equipment that is required. His capital outlay requests are to replace his computer, which is slowly dying, to seal the fire station parking lot, install a shower in the fire hall to eliminate poisons from being transported to the firemen's homes. Another increase is the fuel and freight costs. He asked for consideration of an extra person for inspections. He currently has citizens volunteering their time to help out with the workload, which is needed and he greatly appreciates. He clarified that the roof saw with metal blade and case is needed for the new metals and the cost is \$400 to \$500. **Doug Chase**, Police Chief, stated his support for Karen Sargeant's request to hire Mike Johnson full time in the Parks. Mike Johnson can do a lot to assist other departments and commended Karen Sargeant for her excellent work in the city parks. He explained that the police department's overtime will not go away and needs to be funded. The budget includes purchase of three vehicles on a lease purchase plan. They fell behind in the past years by purchasing only one car per year. The mileage on the vehicles increases the repairs required. They have used older vehicles for parts and have saved a fair amount of money doing that. Training budget is important for liability issues. There is an increase in purchase services, which includes rape kits at \$1,500 each and they used three last month. The vehicle maintenance line is increasing with the age of the vehicles. Several officers on different shifts use bicycles and four wheeler is used day and night to access places that are not easily reached by car. The animal control officer uses it in the daytime in the parks and has personal contact with the public. His concerns are salary issues, to remain even with the Sheriff's Department, which was \$2.30 less before the municipal levy and was the reason they lost officers in the first five years. He asked for a fifty cent adjustment to John Stevens wage to have more separation between the Assistant Chief's wage and the Senior Sargeant's wage. John Stevens performs many tasks and since 2002 he has been the best teammate and has been given additional responsibilities. The animal control officer job description for Brian Kunz is not complete for all the additional duties that have been added. Other duties besides evidence technician that were added since Chancey Anderson had the position. He asked for a wage increase to \$13.50 per hour for alleviating the pressure on the day shift by taking certain calls. The overtime issues are unavoidable but were \$8,000 lower than last year. Bill Barron is the only officer who might leave if elected as Lake County Commissioner. He emphasized the importance of keeping competitive with the sheriff's department wages and noted that when officers Miller and Lobdell quit the City lost \$100,000 to \$120,000 that was invested in their employment. Mayor Marchello asked and Doug Chase replied that the Lake County Sheriff's levy was for added staff, overtime and to purchase a boat. He explained that the overtime for all the police officers averages ten hours a week. Hiring a new officer would cost \$34,000. They don't currently have a true, dedicated traffic officer. They still need a minimum of \$10,000 to \$15,000 for overtime. Detective Alan Booth's handling of blood pathogens and evidence collection is vital that he doesn't fowl up the evidence. If a post certified officer is hired then it takes only eight weeks he/she can be on the street. Several years ago they had \$39,000 of overtime and this year was \$30,000. They need additional training funds and new cars. The cost for the Police Academy to certify an officer is \$2,000. The police insurance and training fund has \$4,000 available annually for training and is not sufficient to provide all the training needed for all the officers. It was clarified that the lease purchase program for three vehicles is set up to pay the full price of one vehicle and make payments for the other two in the next two years. They currently have eleven cars. The equipment for a new

vehicle is about \$4,000. Commissioner Jones felt that it is more economical to purchase new cars than make repairs on vehicles with high miles. City Treasurer Bonnie Manicke said she worked out the amortization schedule for a three year lease purchase at 10% interest. There would be a \$4,000 savings if the three cars were purchased through a private loan at 4% for three years. She encouraged the use of a private sector loan to keep the transaction local and they could use the \$4,000 to equip the vehicles. Doug Chase stated that the city is well served by the department heads and the city gets more bang for their buck and work as they do as a cohesive group. He stated that James Raymond is the best City Attorney he ever worked with and is a jewel.

**Mayor Marchello asked Council to meet in executive session following this meeting.**

**CITY MANAGER COMMENTS:** Mike Lies thanked the staff for preparing the budget report. He noted that the total expenditures for all the funds are eight million plus a few dollars. The preliminary estimate of increase in mills is \$473 over last year. The increase of projected income from anticipated tax revenue is \$92,607, and the projected municipal levy increase is \$9,000, and the permissive medical mills increase is estimated at \$4,000. A total of seven million dollars of revenue is anticipated.

**PUBLIC COMMENTS:** There were no public comments.

**Meeting adjourned at 7:00 p.m.**

**Executive Session 7:05 p.m.**

**Mayor Marchello** brought the meeting to order.

**Acting City Manager Lies** expressed his belief that salaries should be increased at a flat rate and not by percentage. He noted that Lake County is giving fifty cents per hour. Evaluations should be considered and wage increases for individuals with poor evaluations should be adjusted. Adding fifty cents per hour increases the total city expenditure to \$8,361,617, leaving a cash reserve of 40% with 30% being an ideal reserve. Wage increases for certain positions were discussed. The majority felt that the library student worker expenditure should remain in the Library Memorial fund. Discussion followed on creating a comp time policy, using comp time within 30 days and used on Tuesday, Wednesday or Thursday. Discussion followed for setting a timeline for the City's downtown water main line replacement and inform the Streetscape committee. Discussion of the interim city manager contract and amount of compensation was proposed at \$4,000 with no benefits.

**Meeting adjourned at 8:17 p.m.**

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**Lou Marchello, Mayor**

**ATTEST:** \_\_\_\_\_  
**Aggi G. Loeser, City Clerk**