

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, AUGUST 2, 2010, 7:00 P.M.**

ATTENDANCE: City Commissioners: Ron Boyce, John Campbell, Judy Preston, Mike Lies, Elsa Duford, Fred Funke, and Mayor Pat DeVries presiding. City Manager Todd Crossett and City Attorney James Raymond. Others present: Becky Dupuis, Street Superintendent Terry Gembala, Parks Superintendent Karen Sargeant, Rory Horning, Murat Kalinyaprak, Peter Stone,

CALL TO ORDER: Mayor Devries called the meeting to order, and the Pledge of Allegiance was recited.

APPROVAL OF PROPOSED AGENDA: Commissioner Lies moved to approve the agenda as proposed, seconded by Commissioner Funke. The motion carried unanimously.

CONSENT AGENDA:

- A. CITY COMMISSION MEETING MINUTES – JULY 19, 2010**
- B. ADDITIONAL JUNE 2010 CLAIMS**
- C. JULY 15-30 CLAIMS**
- D. ORDINANCE #656 – SECOND READING – AUTOMATIC ALTERNATIVE REGULAR MEETING DAY**
- E. ORDINANCE #657 – SECOND READING – REGULATION OF THE PUBLIC USE OF MEDICAL MARIJUANA**

Commissioner Lies moved to approve the consent agenda, items A-E, with corrections to a name spelling and the replacement of the word “pave” on page four with “replace”, seconded by Commissioner Preston. Commissioner Duford wished to express that she should have voted against the motion to remove the well property agenda item from the previous agenda. She opined that that information brought to the Commission by members of the public, Murat Kalinyaprak and Margie Hendricks, was the reason for the removal of the item, and expressed her appreciation for their efforts. She explained that she was hesitant to remove items from the agenda when there was information to be discussed in regards to the item. Murat Kalinyaprak asked if that agenda item would be brought back before the Commission. City Manager Crossett advised that because there were a number of questions and the distrust of the professionals involved, Hydrologist Roger Noble would be presenting to the Commission at a future meeting. He was unable to attend tonight’s meeting. **The motion to approve the consent agenda carried unanimously.**

CITY MANAGER COMMENTS: City Manager Crossett noted that the TIF District preliminary values had been calculated at \$90,000. The accounting was still subject to State audit, however it was significantly more than they had anticipated. The PRA had held a meeting and had voted to use the TIF funds for this year for the Streetscape project, rather than attain a bond.

Profit and loss reports had been calculated for the restaurant. Due to the amount of rain in June the staffing of the restaurant had ran high, but was much more in line in July. The inventory cost was coming in at the anticipated 30%. Restaurant Manager Susanne Tommer had also made adjustments to the menu,

eliminating some items that were not popular. They had adjusted the time the carts ran to 9:00 a.m., and the grill would be shut down at 6:00 p.m. except on league nights. He apologized for the miscommunication, which had led to the grill being shut down on a women's league night after the change had been decided. Other businesses had inquired about catering in the downstairs portion of the golf course, however it had never been the policy to allow outside catering unless they had been contracted through the golf course.

There would be a Streetscape meeting August 3rd at 7:30 a.m. in the Commission Chambers for the downtown businesses to go over basic information and timelines. The contracting company hoped to begin construction on August 16th. He explained that clear lines of communication and direction would need to be followed in order for the project to keep to the timeline and save the cost of extra expenses. All direction would need to be routed through City Engineer Shari Johnson to keep the project in line. They planned to rent a pulverizer to remove the concrete, and in order to save money do all of Main Street in one day. It would leave a smooth, drivable surface behind, and each block would only be closed off for 2-3 hours. The chip sealing would not be able to be done until spring 2011 due to the time constraints. The steering committee, which included himself, Becky Dupuis, Engineer Shari Johnson, the project inspector, Water and Sewer Superintendent Tony Porrazzo, Street Superintendent Terry Gembala, and the contractor, would be meeting twice a week on Tuesdays and Thursdays. He encouraged the Commissioners to attend.

The Skyline/TIGER Grant committee had met the previous day with representatives from Stelling, The Tribes, the County, and the City. The first public meeting had been held the previous week at the Courthouse. They were working with an extremely accelerated timeline, and they were hoping to have the preliminary engineering completed in the next couple months. Water and Sewer Superintendent Tony Porrazzo was working closely with the engineers to ensure the stormwater system placement was sufficient.

There had been a retirement picnic for City Clerk Aggi Loeser who will be leaving her position at the City on August 31st. He expressed appreciation for her hard work and diligence in the office. Assistant City Clerk Kala Parker will be assuming the City Clerk position on September 1st.

Rory Horning wondered if the Commission understood that the TIF funds were accumulated by the entire downtown district, not just Main Street, for low interest loans to improve their property, not just a single project. He didn't realize the PRA had changed that mandate. Mayor DeVries noted that PRA had voted to use this years' money on the Streetscape project. Rory Horning asked if she understood that was not what the PRA was for. He commented that she was proving Resolution #1006, hanging on the wall, was a joke.

REPORT OF BUILDING CONDITION NEXT TO CITY HALL FOR POTENTIAL LEASE OR PURCHASE: City Manager Crossett asked the Commission for direction on whether or not proceed further on researching the purchase or lease of the building. He added that the keys were still at City Hall for those members of the Commission that had not yet done a walkthrough of the building. Building Inspector Ron Melvin had done an evaluation of the building, and found the Main floor to be structurally solid and the building had no signs of mold or dry rot. The main floor was newly remodeled with a new

HVAC system, is handicap accessible, and ready for office use. It is a customer service oriented space. The upstairs apartments are structurally solid, but would need to be remodeled depending on what use was decided and upright supports would be beneficial. It would not require ADA accessibility as long as the same customer service functions were available on the lower floor. The downstairs showed no signs of leaks, but the stairs would need to be renovated. The police department is in dire need of evidence storage space. City Hall is also in need of more space, but they would be able to make due for some time. He stressed that it was a difficult time to expend the funds, however the need is there and real estate prices are low right now. Commissioner Campbell inquired about leasing the main floor. City Manager Crossett advised that they may be interested in that option and he would look into it. Commissioner Lies inquired about the asking price of the property. City Manager Crossett advised that the last appraisal was around \$280,000. Commissioner Preston inquired if the building was in foreclosure. City Manager Crossett advised that the building was in bankruptcy and had been in receivership for some time. He understood that in no longer was, and that due diligence and comparative cost analyses would be their next step if they chose to proceed. Building Inspector Melvin had checked with Kyle Carstens at the title company, and the property was unencumbered and had no liens. Commissioner Duford inquired about the ceiling, which had suffered a fire roughly 20 years ago. Peter Stone, owner of the building, commented that a new roof had been installed eight years ago. He advised that his partner had the building in receivership; however on June 15th he had taken care of the foreclosure. There are no liens or judgments against the property at this time. Mayor DeVries expressed that she had mixed feelings about the building, particularly because they were in the midst of many projects and the budget process was just beginning. She noted they could always use more space, but they would need to include the increased cost of upkeep in addition to the cost of the purchase. She asked the City Manager for his guidance on the matter. City Manager Crossett advised that he felt it was worth taking a better look at. There was a lot on their plates, but this is an opportunity and eventually there will be a more urgent need for space. Commissioner Boyce suggested they delay further research until the budget process was complete.

STREETSCAPE SIDEWALK DESIGN – FINAL DECISION: City Manager Crossett noted that the City Commission had done a walkthrough of Main Street on July 28th led by Becky Dupuis. He asked the Commissioners to give their preference on the issues discussed and to grant the committee the ability to best keep the cost in line with the contractors. Becky Dupuis advised that first location was behind Edgewater Realty between 5th Avenue West and the alley. There was an existing driveway to a residential home. Commissioner Lies felt the sidewalk was not in good shape and needed replaced in that location. Mayor DeVries suggested they replace it as long it was cost effective. Becky Dupuis advised that replacing the sidewalk would be preferable, but it may not be able to be 10' wide. She asked that the committee be given the latitude to make those changes when reasonable. Commission Preston asked if a retaining wall would be necessary. Becky Dupuis advised that in order to avoid the retaining wall the sidewalk would be 8' wide in front of the residence. They had not spoken to the landowner yet, as the building was unoccupied most of the time. Commissioner Lies felt that an 8' wide sidewalk would be adequate. **Commissioner Campbell moved to replace the existing sidewalk in front 504 Main Street, giving the design committee the ability to change the width for cost effectiveness, with a minimum of an 8' wide sidewalk. Commissioner Lies seconded the motion.** Edgewater Realty business but not land owner Rory Horning discourteously commented that he wanted assurances that his business's landscaping in public right of way would not be changed. He then discourteously expressed his opposition to giving authority to unelected officials to make changes to property, and further

discourteously slandered several City officials. The Mayor indicated that the speaker was not on topic, and gavelled the speaker twice to restore order. Becky Dupuis pointed out that there was no proposal to change anything on Edgewater Realty property. **The motion carried unanimously.** Becky Dupuis advised that the next location was in front of the Elks Lodge, where the northern section of the sidewalk extended further than 10' to the side of the building and the southern section was 5' wide with landscaping. The landscaping was bordered by a railroad tie. She suggested replacing the sidewalk and putting in a cement curb to border the landscaping. She added that she was not sure of the Elks Club opinion. Commissioner Lies expressed that he would like to see a minimum width of 6' on all the sidewalks. **Commissioner Lies moved to leave the current sidewalk from the alley to 2' past the main entrance, and to replace the remaining sidewalk with a minimum of 6' width at the discretion of the committee based on cost. Commissioner Funke seconded the motion.** Commissioner Boyce expressed apprehension about making a decision without knowing the Elks Club preference. Rory Horning expressed congratulations to Commissioner Boyce for giving the Elks what he had asked for his property. Becky Dupuis advised that the Elks Club had no representative on the taskforce, however when they had talked previously they had indicated that they wanted to keep their costs down as much as possible. She added that during excavating they may find that it's not feasible to keep part of the sidewalk or that it may be cheaper to replace it all. They would seek the most cost effective solution. City Treasurer Bonnie Manicke advised that she was in the process of submitting the bond for the Main Street SID and needed to know the exact number of included linear feet for the project in order to complete the SID. City Attorney James Raymond advised that the linear footage of the project would not be altered by the decisions made on this agenda item. **The motion carried unanimously.** Becky Dupuis advised that the sidewalk along Gayle Siemers' Dentist Office and the adjacent residence had a sidewalk of 5' wide, and there were trees, which would have to be removed for a 10' wide sidewalk. Mayor DeVries asked for the Streetscape Committee's recommendation. Becky Dupuis advised that their goal was to keep the trees, and she felt that they could design something very nice to accommodate them. Commissioner Lies felt the sidewalk should be replaced, with a minimum of 6' width. Commissioner Preston agreed the sidewalk should be changed as it did not match the rest of Main Street. **Commissioner Lies moved to replace the sidewalk along the Gayle Siemers' Dentist office and the neighboring residence with a minimum of 6' width to accommodate the trees. Commissioner Funke seconded the motion. The motion carried unanimously.** Becky Dupuis advised that the alignment of the sidewalk along Health Care Plus was 5' into the road compared to the rest of Main Street north. The current design left the current sidewalk and curb in place. She noted that there was documentation that the owner of the property had agreed to replace their landscaping at their expense if a downtown street renovation took place. Commissioner Preston inquired if any of the landscaping would remain if they chose to align the sidewalk. Commissioner Lies expressed that the majority of the landscaping would remain with a minimum of 6' sidewalk. **Commissioner Lies moved to replace the sidewalk to match up with Main Street North with a minimum width of 6' for the sidewalk. Commissioner Boyce seconded the motion.** Water and Sewer Superintendent Tony Porrazzo noted that the north end of the sidewalk along the alley had been washed out and separated from the curb and would need to be replaced even if the entire sidewalk was not. **The motion carried unanimously.** Commissioner Boyce felt that since they had discussed the Edgewater Realty on the walkthrough they should make a motion in regards to the property. Commissioner Preston noted that they had felt the property's landscaping would not be changed. **Commissioner Boyce moved to leave the existing**

landscaping in place at Edgewater Realty, with an 8' wide sidewalk, seconded by Commissioner Preston. The motion carried unanimously.

RESOLUTION #1012 – STREETScape – CALLING FOR THE NEGOTIATED SALE OF SPECIAL IMPROVEMENT DISTRICT NO. 42 BONDS IN THE PRINCIPLE AMOUNT OF UP TO \$750,000 – EXHIBIT “A” NOTICE OF BOND SALE AND STREETScape PROJECT FUNDING AND PROJECT COSTS: City Treasurer Bonnie Manicke advised that Bond Attorney Robert Murdo had prepared the Resolution. She asked the Commission to approve the resolution to provide the final financing of the project. Mayor DeVries was concerned that with the PRA’s decision to allocate the TIF funds to the project, the word “bond”, related to the TIF funding, should be removed from the resolution. City Treasurer Manicke noted that they had not known the value of the TIF district when the resolution had been submitted for the agenda. **Commissioner Funke moved to approve Resolution #1012 calling for the negotiated sale of SID #42 with bonds in the principle amount of \$750,000, with TIF bond funds to be used or TIF funds in the alternative. Commissioner Boyce seconded the motion. The motion carried unanimously.**

PRELIMINARY BUDGET FY 2010-2011: City Manager Crossett reviewed the preliminary budget, noting that taxable values for the upcoming fiscal year had not yet been received. He anticipated that after the tax revenues for FY 2009-2010 had been received they would have roughly \$60,000 in delinquent taxes. He stressed that they would be working to build back the general fund reserve that had been depleted over the last several years. The cash balance of the general fund as of June 30th was about \$360,000. He noted that he would have more information at the following Commission meeting. He encouraged any Commissioners to come see him if they had any questions in regard to the budget. He gave an overview of the revenue, including real property taxes, the municipal services levy, HB124 entitlement share which had increase \$28,404 from the previous year. The County allocation to the library had been removed due to the library district levy passing. They were trying to budget conservatively since they City would be carrying the library until revenues were received from the district in November. The revenue from the TIGER grant administrative services were based on two years and will be around \$32,000. The building department’s administrative transfer payment to the general fund had been removed due to the lack of revenue and the building fund’s (2394) negative cash balance. The library collection would need to be determined once they figure out how to implement the district. The permissive medical mill levy revenue line had been moved from the general fund to a separate fund as required by the MCA, and would be transferred to the general fund through another revenue account number. He noted that about \$125,000 from the general fund FY 09-10 budget had not been spent, however revenue from Westana had not been received as they had anticipated. Commissioner Duford noted that Bresnan Cable’s rates had increased, but their franchise agreement had not. City Manager Crossett gave an overview of the preliminary expenditure budget, noting that he had asked all general fund departments to decrease their expenditures 5% from the previous year. Expenditure lines that had increased included the medical insurance expenditures, which could be offset by the permissive medical mill levy, which had a base year established in 2006 and allows for increases per MCA 2-9-212. He gave an overview of the insurance plan changes that occurred on July 1st, including an 80/20 or high deductible HSA plan for employees. He noted that they had worked very hard to evaluate health insurance options prior to moving to Western States Insurance. Due to the timing of establishing coverage the new plans were already in place, but they had options if the Commission was not in favor of the change. The

medical insurance changeover was discussed. Mayor DeVries expressed that the July 1st transfer allowed for employees with preexisting conditions to remain covered, however if they chose to opt out after July 1st, they would not. She was opposed to taking coverage away from the employees. City Manager Crossett noted that it was a complicated and difficult issue. He encouraged any Commissioners with questions about the health coverage to see Administrative Assistant Ardrene Sarracino or himself. Mayor DeVries inquired if they could provide a handout and perhaps schedule a work session. Commissioner Boyce felt the work session should be held prior to the budgetary public hearing. City Manager Crossett advised the Mayor that she could call a meeting for a work session and they would put out the notice. Commissioner Duford inquired about the total cost of the insurance. City Manager Crossett advised that FY 09-10's total had been about \$277,000 and FY 10-11's total would be approximately \$291,000. He did not have the numbers breaking it up between funds before him, but they could be provided in the handout for the work session. The expenditures in the payroll lines of the facilities account reflected the planning clerk's wages being transferred from the building fund, as it reflected the majority of her time supporting other departments. Aggi Loeser's position as City Clerk would be filled by Kala Parker, however no additional employee would be hired at this time to replace the Assistant Clerk vacancy. The MDOT corridor study had not begun during the 09-10 fiscal year, so the \$8,000 budgeted would carry over and in additional \$8,000 is needed for the current year. The facilities account also had a capital outlay for FY 10-11, which would be to install a computer server system. The City's current system was not secure or reliable, causing a lot of IT expenses and employee time. They would be going out to bid for the server and estimated the cost of the whole City's system to be about \$23,000. The expenditure had not been split up between departments, but they would all contribute to the upgrade. The police levy had a new expenditure line, which accounted for the remainder of their previous year's levy that had not been expended. The general fund land use and inspection account is increased due to the majority of Planning Official Joyce Weaver's wages being removed from the building department. The library general fund expenditures would likely be cut in half once the district was implemented, but they had budgeted for the full year just in case. They created a transfer from the water and sewer departments to the building department to more accurately reflect the building inspector's workload. The TIGER grant administrative fees would also recoup part of his wages that are budgeted in the facilities general fund, as he had been integral in that project. He noted there would still be changes, as this was a very preliminary budget, but he encouraged any Commissioner to visit himself or the administrative staff with questions.

SCHEDULE PUBLIC HEARINGS – MONDAY AUGUST 16, 2010

6:00 P.M. – FISCAL YEAR 2010-2011 PRELIMINARY BUDGET AND NOTICE OF AN INCREASE IN PERMISSIVE MEDICAL MILLS

6:30 P.M. – EXTEND MORITORIUM ON MEDICAL MARIJUANA

Commissioner Preston moved to schedule the public hearings for August 16, 2010, seconded by Commissioner Campbell. The motion carried unanimously.

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA: Murat Kalinyaprak commented that he put in an agenda request for this meeting, but it had not been placed on the agenda. He felt that even if an item was declined for the agenda, it should still be handed out to the Commissioners. He felt that not giving his request out was creating an obstacle between himself and the Commission. He had met with the Mayor and she had agreed that the item should not be placed on the agenda, but he didn't feel she had anything to do with the decision. He

had been advised if he wanted the Commissioners to each receive a copy of his declined agenda request he could provide the copies himself and they would be distributed. The cost of the copies had been \$5.75 which he considered asking to be reimbursed for, but he did not want to stoop to the City's level. His request was to inform the Commissioners of how he felt the City Attorney had violated the code of ethics and an ethics committee should be formed. He had gone to the County and State attorneys, but had been turned down, leaving him nowhere to go. He added that it had nothing to do with the current claim he has against the City, which was still ongoing despite the initial ruling being in favor of the City. He was surprised the Commissioners weren't aware of where the case was at even though MMIA was handling the bench hearing, which will be September 14th and 15th. He commented that he would see how he did against MMIA's lawyers and suggested the Commission be more proactive.

Rory Horning commented that a year ago health insurance rates had been increased, and here they were again not discussing reducing rates, but packing taxes onto their neighbors. He commented that the TIF funds were designed to develop blighted downtowns, giving low interest loans to property owners in the district to develop their property. He expressed disagreement in giving control to a committee on a single project, was robbing Peter to pay Paul and was hurting the community. He felt that by doing things the easy way rather than the hard way, was at the expense of the community. He commented that Resolution #1006 was not adhered to, and he saw it four separate times and that resolution was a sad commentary on the new group of Commissioners. He expressed gratitude to Commissioner Boyce for making a motion on something a member of the public had asked for, rather than banging the gavel during a discussion instead of listening. He added that it was not a personal issue. Changes that had been asked for in the minutes had not been approved by the Mayor, despite her asking for changes in the past. He congratulated the City for paving the Main Street, even though when he had asked them to pave it the Mayor had refused. He felt that certain members of the community were treated according to Resolution #1006, while others were not. He felt that giving committees decisions on how to spend public money was dangerous and unacceptable. He thought they were losing the ability to allow the public to questions, and were beginning to act like the old guard. He commented that the Charter for the City of Polson had never been ratified by the Commission, previous or otherwise. He pointed to the City Attorney who had written it, and the Commission not approving the Charter. He felt that as long as they let them do what they do and bang the gavel, one day they may get to court. And they would have to explain why they did things without ratifying the Charter. He added that this wasn't personal, it was his government, but God help us if it does get personal. Commissioner Boyce pointed out that Mayor DeVries had been unable to attend the walkthrough and the Edgewater Realty property had not been mentioned in the attachment to that agenda, so she had not been aware it was a location they discussed.

The meeting adjourned at 9:35 p.m.

Mayor Pat DeVries

Attest: Assistant City Clerk Kala Parker