

**POLSON CITY COMMISSION MEETING MINUTES  
CITY HALL – CITY COMMISSION CHAMBERS  
MONDAY AUGUST 5, 2013, 7:00 PM**

**ATTENDANCE:** City Commissioners: John Campbell, Fred Funke, Mike Lies, and Mayor Pat DeVries presiding. Interim City Manager, Karen Sargeant, City Attorney James Raymond, City Clerk, Cora Pritt. Others present (that voluntarily signed in): Rory Horning, Ken Siler, Jill Southerland, Gordon Zimmerman, Elsa Dufford, Andrew Speer, David Venters, Heather Knutson, Bonnie Manicke, and Michael Brandt. The following person(s) were absent: Commissioner Erickson, Commissioner Morrison, and Commissioner Turner.

Mayor Pat DeVries called the meeting to order. The pledge of allegiance was recited.

**APPROVAL OF PROPOSED AGENDA:** Commissioner Funke moved to approve the proposed agenda, seconded by Commissioner Lies Commission discussion: None Public Discussion: Elsa Dufford brought to the commissioners attention that agenda request forms #7 & #8 were not signed by the interim City Manager. **Vote: Unanimous. Motion carried.** Mayor DeVries explains that since there are only three commissioners present she will be voting as well.

**CITY COMMISSION MEETING MINUTES JULY 1, 2013:** Commissioner Lies moved to approve with grammatical corrections. Commissioner Campbell seconds. Commission discussion: none Public Discussion: Bob Fulton points out the grammatical error. The heading reads June 1 instead of July 1. **Vote: Unanimous. Motion carried.**

**CITY COMMISSION MEETING MINUTES JULY 15, 2013:** Commissioner Lies moved to approve the minutes, seconded by Commissioner Funke. Commission discussion: none. Public discussion: none **Vote: Unanimous. Motion carried**

**CONSENT AGENDA: ADDITIONAL JUNE CLAIMS & JULY 11-31 CLAIMS.** Commissioner Funke motions to approve consent agenda, Commissioner Lies seconds. Commission discussion: none Public Discussion: Bob Fulton stated that he trying was trying to understand the process in the matter of the CORE building there was an expressed conflict from City Attorney James Raymond because Mike Maddy is a client. In James Raymond's contract it is stated that he shall contract for a replacement. In the list of claims Bob said he could not find a claim that indicated Bob Long had been paid. Bob Fulton was wondering does a contract for a replacement city attorney come through the city manager. Mayor DeVries answered that the City pays it. Interim City Manager Karen Sargeant commented that the invoice had not been received in office. Bob's question, since the contract reads that the city attorney shall contract for, which suggests to Bob the city attorney shall pay for the replacement in the event of a conflict, is that the way that the commissioners and city manager interpret this statement? Mayor DeVries answered no. Bob Fulton clarifies that the statement "shall contract for" means that James shall contract and the City pay for it. Mayor DeVries stated that 20 years ago this was the practice. Bob Fulton

recalled that when Phil Graineey was city attorney, when he declared a conflict, he paid for it. It was deducted from what the city paid him.

**VOTE: Unanimous. Motion Carried**

**CITY MANAGER COMMENTS:** Interim City Manager Karen Sargeant read from her prepared statement

#### Skyline Dr. Update

Lots of action going on up on Skyline: Curbs and gutters are being poured and formed. The railing on the bike path is going up. There will be a storm water drain test sometime this week or next. I personally am looking forward to the day when we can't remember what the old Skyline Dr. looked like. Still looking at a completion date of sometime late September with an official opening in early October.

#### City Manager Search

Well, the process is moving along nicely. Spoke with Prothman Co. today and the initial closing date for applications was yesterday, Aug. 4th. As of the closing date, they have received 31 applications. Greg Prothman will go through all of these apps and choose the ones that qualify and will select approximately 8 to 12 semifinalists. On August 20, in executive session via teleconference, the Commissioners with recommendations of the selection committee will select 4 to 6 finalists. The week of September 9- 13, the Commissioners with recommendations of both staff and selection committee will choose a finalist. Also in the week of September 9 -13, there will be a public open house to meet and greet the finalists at the golf course restaurant. Details will be forthcoming.

#### Assistant Planner/Clerk

We received 14 resumes and letters of interest for the Assistant Planner/Clerk position. We advertised for 2 weeks both at the job service and on the Montana Association of Planners website. The interview panel met with 9 applicants last Wednesday and Thursday. We will be making a decision on this position by the middle of this week. We have several good applicants and it was not an easy decision narrowing down the top 3 applicants.

#### Main St. Warranty Work

The contractor for Main St., LHC have completed all concrete replacement warranty work. LHC still needs to complete the concrete crack sealing and fix any cracked curbing to complete all warranty work for the Main St. Project. Our engineer, Shari Johnson will check to see about as firm schedule for completing this work.

### .Ice Skating Rink

The Rink Committee continues to meet to address the possibility of an ice skating rink for Lake County and the Reservation. It appears that there is some misinformation out and about. First, the committee is in the very preliminary phases of this project. There are no plans to use any tax money for this rink, rather they are looking for alternative funding such as donations and grant monies. The committee is looking for some land where the rink can be built as an outside refrigerated rink to be later converted to an enclosed facility for an extended season. On the committee are representatives from hockey, figure skating and curling interests. Additionally, the committee is looking into the potential for the rink to be a year round facility that could have activities: such as roller skating and roller derby, This is simply a possible recreational opportunity for not just Polson but the entire Flathead Indian Reservation and-all of Lake County

Karen further congratulated Mike Johnson and the Street Department for their assistance with the mock Dragon Boat races that were held at Riverside Park. Mike worked with four teams to provide parking area so that the boats could be on display until the mock races were held. The Polson Business Community and several movers and shakers in Polson would like to bring the Dragon Races to Polson. This would be an off-shoot of the races that are held in Big Fork. It would bring a lot of people to the area to eat in our restaurants and stay in our hotels.

**APPROVE CLOSURE OF SALISH KOOTENAI PEND OREILLIS LOOP FROM 3 P.M. TO MIDNIGHT ON AUGUST 16, 2013 AND 10 A.M. TO MIDNIGHT ON AUGUST 17, 2013. WAIVER OF PDC NOISE LEVEL AND CLOSE KOOTENAI AVENUE.** David Venters addressed the commissioners about closing the loop. It would be open for handicap access with handicap parking provided. The noise level is not expected to be any louder than last year. So, the waiver of the noise level should not pose any issues. David suggested to the City that there be a public service announcement published in the newspaper about the road closing and the park closing for a private event. Fencing will begin to go up on Thursday afternoon as well as the stage will be going up. The sponsors of the Blues Festival will be placing their own news release but would welcome a release by the City as well. Commissioner Campbell suggested leaving the park closed and leave the barricades in place. David Venters agreed that would be a good idea. Commissioner Campbell suggested that the loop and park be closed from 3:00 p.m. on August 16<sup>th</sup> to Midnight August 17<sup>th</sup>. David informed the council that there are 42 business sponsors for the festival and he passed along kudos to the Lentz family for allowing visitors to camp on their property. There is a brief discussion about the new barricade signs. The signs will go out Thursday evening alerting the public to the road closure. The signs have the date and time of the closure on the signs. **Commissioner John Campbell moved to approve the closure of the Salish Kootenai Pend O'Reills Loop 3:00 p.m. on August 16<sup>th</sup> until midnight on August 17<sup>th</sup>, waiver of the PDC noise level and closure of Kootenai Avenue. Commission discussion: none Public discussion: none Vote: Unanimous. Motion carried**

Police Chief Wade Nash asked for clarification on the range of decibel level for the noise waiver. Mayor DeVries noted that there was no specification as to the top number. There will be no noise measurement. Chief Nash stated that for the past two years that the event has occurred there hasn't been any complaint about the noise level.

**APPROVAL OF RESOLUTION NO. 1046 RELATING TO \$800,000 TAX INCREMENT URBAN RENEWAL BONDS (CITY PIER REPLACEMENT AND WALKWAY PROJECT) SERIES 2013 AUTHORIZING THE ISSUANCE AND SALE THEREOF TO FINANCE THE PROJECT AND PRESCRIBING THE FORM AND TERMS THEREOF AND THE SECURITY THEREOF.** City Finance

Officer Cindy Dooley informed the commissioners that Bond Attorney Bob Murdo had a conflict and asked Cindy to present the Resolution to council. The sale was negotiated with proposals due by July 24<sup>th</sup>. Initial proposals received were 15 year and 20 year terms from a group of 5 (five) banks which Cindy refers to as the Bank Consortium that includes Community Bank, Eagle Bank, First Citizens Bank, First Interstate Bank and Valley Bank. A second proposal was received from Glacier Bank. Initial rates from the Bank Consortium are 4.79%, with a 15 year term at 4.33% with no cost. Glacier Bank had a 20 year term with 4.59%, with a 15 year term of 4.25% with \$9,000.00 in cost. Cindy then went back and negotiated independently with the 2 that presented proposals. The final proposals were presented on July 29<sup>th</sup> and the Bank Consortium proposal was accepted. That interest rate is 2.97% fixed for a rate of 12 years. This will give a substantial savings. The loan amount will be dropped from \$900,000.00 to \$800,000.00. Payments will still be able to be paid and any additional costs using the cash that is on hand. Page 6 of the Bond Resolution details the payment schedule and estimated costs with the changes. The total cost will be \$891,500.00. The Series 2013 bonds would be a total of \$800,000.00 which would be the \$715,000.00 contract with Mc Crumb Construction and there would be a contingency of \$85,000.00. That would be paid from the proceeds. The resolution also outlines the collateral which would be the tax increment finances that come in every year. That will be the collateral for the bonds. The closing date and corrections will be able to be inserted in place of the pages currently in the resolution on a page-for-page basis. (Note: Cindy has distributed the corrected pages and goes over each corrected page noting the changes made). Cindy explains that each payment date there will be 5 checks written, one to each of the 5 banks. Mayor DeVries asked for a motion to approve Bond Resolution No. 1046 with the changes that were presented. **Commissioner Fred Funke motions to approve Resolution No. 1046 with changes presented, Commissioner Lies seconds.** Commissioner Discussion: None Public Discussion: Ken Avison thanked Cindy Dooley for the tremendous job she has done with this project. Also, a big thank you to the consortium of banks for the effort they made to put this together. Lee Manicke questioned whether this should have been an ordinance rather than a resolution. Lee quotes "The 4215 Urban Renewal District". Lee also pointed out the following inconsistencies; page 13, paragraph 2 the MCA section stated, 7-15-4292(4) has to do with terms. Page 14, second paragraph; ii, second sentence reads Section 4.02(ii)(B), there is no such section in this resolution. Page 16, paragraph 5.04 (a) refers back to section 3.08 on page 12. If you go back it makes no sense. That refers as to how money is to be deposited for construction. The bottom of that paragraph reads "specified in clause A, Section 5.02". There is no such section. Page 20-Section 7.03, last sentence; under state law anyone can look at that, it doesn't have to be that restrictive. Lee also thanked Cindy for cutting the bond term down from 15-20 years to 12 years. Lee also thanked Cindy for cutting the amount down to \$800,000.00. Given the cash-on-hand and the money received it easily could have been cut down to \$750,000.00 over a 10 year term and still been within the restrictions of money on hand to make the payments. If that had been done there would have been a savings of

\$30,000.00 in interest. Cindy saved a lot of money but she could have saved more if she had cut it down to \$750,000.00

Cindy states that there will be a closer review of the references Mr. Murdo has made. There will be corrections made as needed. It shouldn't affect the over-all Resolution but where Mr. Murdo sites things it will be checked that it is indeed in the Resolution.

James Raymond requests an opportunity to be heard. James recommends that the motion on the floor be amended to include; **"together with any fixes necessary by bond council and the finance officer."**  
**Commissioner Funke amends his motion to include the sentence together with any fixes necessary by bond council and the finance officer.**

Elsa Dufford asked whether the financing will include all of Polson School District #23 or just the city limits. Mayor DeVries explains that this is only a small portion of the city limits. It is just the Urban Renewal District affected. Elsa further stated that there was a reference to the elementary and high school district. Mayor DeVries answered that the funds will stay in the TIF District.

**VOTE: Unanimous. Motion carried**

Mayor DeVries thanked Lee for his hard work reading through the document and pointing out the issues.

James Raymond requested to be excused from the remainder of the meeting.

**COMMISSION TO VOTE ON NOVEMBER CITY ELECTION BEING A WALK-IN VOTE POLLING PLACE OR DOING A MAIL-IN BALLOT.** Mayor DeVries asked if there was a letter from the Election Board regarding this matter. Interim City Manager Karen Sargeant explained it was sent via email to the City Clerk. Cindy Dooley explained that the email is currently being shared between herself and Cora Pritt. The Mayor asked if there was a dollar amount given as to the cost of a mail-in vs. a walk-in. Cindy answered there was not. Several of the candidates were in the audience, so Mayor DeVries asked those present which they preferred. Bob Fulton, Heather Knutson, Michael Brandt, Ken Siler, and Jill Southerland all agreed they preferred a mail-in ballot. **Commissioner Campbell motioned that the City election be conducted with a mail-in ballot, Commissioner Funke seconded.** Commissioner Discussion: None. Public Discussion: Bonnie Manicke presented a little bit of history on the mail-in ballot. First off Bonnie thanked Karen for putting it on the agenda. This gives the public an opportunity to have a comment. The vote by mail was defeated in the Montana State Legislature the past two terms. Absentee ballots are available as a substitute for a mail ballot. The mail ballot provides an avenue for fraud. Actually who is the vote of the mail ballot? Getting rid of the precinct vote is what the mail-in vote is actually about. It is privatization. It is a problem not a solution. The U.S. Postal system is not the same as the U.S. Precinct system. Where you change this, you will change democracy at large. Vote mail ballots do not increase the number of votes cast. Bonnie encouraged the commission to provide a walk-in ballot. Rory Horning commented that a walk-in ballot gives a chance for community to get together and know they are voting. Mail in ballots, which may be cheaper, are not community based. At some point it is going to matter. **Vote: Unanimous. Motion carried.**

**RENEW ACTING CITY MANAGER AGREEMENT WITH KAREN SARGEANT.** Acting City Manager Karen Sargeant stated that the 90 day agreement is up, so there will need to be a renewal if the council so wishes. One of the goals Karen has tried to show the citizens is that the City Manager form of government can work. Karen has tried to do research and follow up on questions when asked by the public. Primary goal has been to keep things moving. Secondary goal has been to try and let the citizens of Polson know that the City Manager form of government can and does work. Mayor DeVries stated that it has been a pleasure working with Karen. Commissioner Campbell commented that Karen has done a great job. (Note: there was a round of applause from everyone in the room). **Commissioner Campbell motions to renew Karen Sargeant's contract for 90 days or until a permanent City Manager is hired. Commissioner Lies seconds.** Commission Discussion: None. Public Discussion: Bob Fulton endorsed everything that Karen said. Bob further commented that it has been a pleasure to have her and he only hopes that the permanent replacement will be as respectful of the public and as responsive of the public. If you call Karen and leave a message, she will call you back. Karen will answer a question honestly or direct you to someone who can apparently answer it better. It has been a pleasure working with her as an interim. Polson Police Chief Wade Nash asked why not approve the agreement until the new City Manager is hired. Mayor DeVries explained that the Charter requires the 90 days. Journalist Berl Tiskus asked if the agreement could read until the new City Manager is hired. Mayor DeVries explained the contract with Karen is pretty wide open. Interim City Manager Karen Sargeant explained that it will probably be October before the new City Manager is in place. Karen would like to assist in the transition period. Commissioner Campbell commented that that would be an opportunity for Karen to pass the attitude on to the new person. **VOTE: Unanimous. Motion carried.**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC *NOT* ON THE AGENDA.  
(Address items to the Chair. Commission takes no action on items discussed).

Bob Fulton-Last time Murat went to some much trouble to discuss the Mike Maddy issue with the City. Two things come to mind; Karen's comment about the \$24,000.00 was pretty much the amount due according to the letter sent out by former City Manager Todd Crossett. There was an article that Berl put in that in her discussions with Mike Maddy the City and Mike were still discussing the amount due. There are 2 questions; is that final the \$24, 161.00? Mayor DeVries answered no. Since this problem took 2 years to come about, are the lease payments on that building current to the end of July? Finance Officer Cindy Dooley responded that based on what the City has right now, it's not a done deal. Your definition of current may be different. Mayor DeVries answered that it's not that simple due to the issue of the tax payments. That is what is still on the table. The council, Bob Long, is still working on that. Second comment is about a cordial conversation with Karen where she informed Bob that despite the conflict of interest that James Raymond has with Mike Maddy being a client, that he was somehow not in conflict by giving a decision on the annexation of the 160+ starting with Knife River, Mike Maddy, and the others. Bob Fulton stated that he finds that incomprehensible simply because Mike is not 100% of the ownership that the City Attorney could conclude that he still doesn't have a conflict. Whether it is 1% or 99%, he is still representing the City and Mike Maddy is coming before the City for an opinion. If James Raymond can conclude that he doesn't have a conflict in that situation, Bob Fulton asked the commission to think seriously about that judgment on his part.

Polson Police Chief Wade Nash stated that he was approached by a couple commissioners about giving an update on the drug task force. Chief Nash is currently working through the Montana Board Crime Control to tally up all the statistics that are gathered. Overall, with Hoop Fest last week-end, it was probably the best Hoop Fest the City has ever had. There was not one bar fight. Patrols were stepped up. Regarding the recent break-ins, we have a suspect in custody. The department got a confession out of him. The person will be charged with 3 different felonies. There will be a press release given. There was several drugs with the person as well as stolen property. This is the busiest part of the year, the department is down 4 officers; 2 are at Guard duty for a couple of weeks, 1 out on medical, 1 taking time off. Police Chief asked the commission how often they want the updates. Commissioner Campbell answered whenever Chief Nash feels it is necessary.

Elsa Dufford asked if the City website could be updated. The last Resolution listed is 1016. Mayor DeVries informed Elsa that the City is working on updating the lists.

Dennis Duty thanked the Polson Fire Department on the fantastic job on fighting the fire at Ridge Water last week. The department was there promptly and had the fire under control in one heck of a hurry. Dennis feels that the department should be congratulated on a job well done. We do appreciate the effort and how quickly they extinguished the fire. The Mayor commented on the phenomenal job the department did and Commissioner Campbell agreed.

Interim City Manager Karen Sargeant asked the commission if they wanted Fire Department stats as well. Mayor DeVries commented that Fire Chief John Fairchild does provide a monthly report.

**Meeting adjourned at 8:02 p.m.**

---

**Mayor Pat DeVries**

---

**Attest: Cora E. Pritt, City Clerk**