

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, AUGUST 6, 2012, 7:00 PM**

ATTENDANCE: City Commissioners: Todd Erickson, John Campbell, Stephen Turner, Mike Lies, Dan Morrison, Fred Funke and Mayor Pat DeVries presiding. City Manager Todd Crossett, City Treasurer Bonnie Manicke, City Clerk Cindy Dooley, Police Chief Wade Nash and Water and Sewer Superintendent Tony Porrazzo present. Others present (that signed in): Rory Horning, Mike Gale, Elsa Duford, Dennis Duty and Murat Kalinyaprak. City Attorney James Raymond absent.

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

APPROVAL OF PROPOSED AGENDA: Commissioner Lies moved to accept the proposed agenda, seconded by Commissioner Funke. Commission discussion: None. Public discussion: None. **Motion carried unanimously.**

CONSENT AGENDA:

A. ADDITIONAL JUNE CLAIMS

B. JULY 13 – 31 CLAIMS

Commissioner Funke moved to approve the consent agenda, seconded by Commissioner Campbell. Commission discussion: None. Public discussion: Murat Kalinyaprak questioned a claim for \$160 in the General Fund for payment to the Polson Rotary Club and a claim for \$85 in the Golf Fund to Smith Septic Pumping. Mayor DeVries responded that the Polson Rotary Club claim is for Rotary dues for City Manager Crossett and Police Chief Nash. City Clerk Dooley said she would look into the other claim. (Clerk note: This claim is for portable toilets on the old nine.) **Motion carried unanimously.**

COMMISSION PUBLIC HEARING MINUTES JUNE 18, 2012: Commissioner Lies moved to approve the public hearing meeting minutes of June 18, 2012, seconded by Commissioner Campbell. Commission discussion: None. Public discussion: Murat Kalinyaprak asked why the Mayor was not voting on agenda items. He said the Charter states that the Mayor is a regular member of the commission. Mayor DeVries responded that the comments did not pertain to this agenda item. Elsa Duford said her comments were inaccurate on page 6 of the minutes. She had told Mr. Montgomery that the site on the north side of highway 35 was found to contain heavy iron and manganese and the lot was too small to accommodate the well head protection zone. She did not ask a question but only made a statement. She asked that the minutes be corrected to reflect this. **Commissioners Funke, Morrison, Lies, Turner and Campbell voted aye. Commissioner Erickson abstained. Motion carried.**

COMMISSION BUDGET WORKSHOP MINUTES JUNE 28, 2012: Commissioner Lies moved to approve the budget workshop minutes of June 28, 2012, seconded by Commissioner Morrison. Commission discussion: None. Public discussion: None. **Motion carried unanimously.**

COMMISSION MEETING MINUTES JULY 16, 2012: Commissioner Lies moved to approve the City Commission meeting minutes of July 16, 2012, seconded by Commissioner Campbell. Commission discussion: None. Public discussion: Bob Fulton commented that on page 3 of the minutes the word requested is used when referring to the motion that was made by Commissioner Campbell regarding payment of impact fees on the Black Mountain Software building. Mr. Fulton said the motion did not contain the word requested but instead an additional \$14,327 would be paid if any improvements were started on the building. He would like the minutes changed to reflect this. Elsa Duford said there was

confusion on where the property was located regarding Resolution #1030 that was passed at the last meeting. The minutes reflect that City Attorney Raymond had the property at 1st St East and 4th Ave which would be the Tribal Health Center, but the Mayor said the property was on 1st St East and 3rd Ave which was the old Mission Valley Power building and is now a vacant lot. She asked for clarification on the location of the property. She asked that maps be included in future agenda packets involving public property. Commissioner Campbell clarified that 1st St E and 3rd Ave is the correct address and further commented that maps have been provided to the Commissioners. **Commissioners Erickson, Campbell, Turner, Lies and Funke voted aye. Commissioner Morrison abstained. Motion carried.**

CITY MANAGER COMMENTS: City Manager Crossett explained that the budget hearing was scheduled for August 8th in anticipation of having taxable valuation numbers from the Department of Revenue by the week of July 23rd. The numbers were received on August 2nd which will require more time for analysis and work by the City Clerk and City Treasurer. City Manager Crossett requested to reschedule the meeting to Wednesday, August 22nd. Mayor DeVries asked if a draft budget would be available in advance for the Commission and public to review. City Manager Crossett said this would allow for getting the budget out in advance and this would give us time to re-advertise. Alternatively we could have the meeting on August 8th and then continue it until the 22nd. Mayor DeVries asked the Commission if there were conflicts with August 22nd. Commissioner Campbell said he would be on vacation and Police Chief Nash said he would be gone all week as-well. Mayor DeVries asked if August 27th would work for the Commission. This would eliminate having two meetings in one week. City Clerk Dooley said this would still allow plenty of time to get the budget approved. It was decided to hold the preliminary budget hearing on August 27, 2012 at 7:00 pm. City Clerk Dooley said that she would notice the change in the meeting date on the website. Elsa Duford asked if the meeting on the 8th is cancelled and if the meeting on the 27th is for the preliminary budget. Mayor DeVries verified that is the correct information.

City Manager Crossett said that on Sunday (August 5th) there were 356 bicyclists that stayed overnight in Boettcher Park. Parks Superintendent Karen Sargeant had worked with the organizers of the event over the last several months to make this successful. They also donated \$600 to the Parks department. The bicyclists rented the Trolley and shopped downtown so it was a good event for the community as-well. They left the park "spotless" on Monday (August 6th) according to Parks Superintendent Sargeant. Commissioner Campbell asked if the group was from Seattle. City Manager Crossett said this is a bike tour with cyclists from all over the area that lasts about a week and that they would be staying in Kalispell this evening. Commissioner Campbell said he understood that they have their own showers, restrooms and eating facilities.

City Manager Crossett thanked Wes Delaney, the Envision Polson! beautification committee and the Parks department for cleaning up and landscaping the island at the intersection of Highway 35 and 93. There is now irrigation to the island and Delaney's and Joslyn Shackelford from the beautification committee donated various plants. He also thanked Commissioner John Campbell for working with them to get it done. They will see which plants do the best and then next year, permanent plantings will be done.

The recycling program is picking up according to Parks Superintendent Sargeant. There is increased activity at the bins on 7th Avenue and the Parks department is picking up fewer recyclables off the ground at the Parks.

The Polson Triathlon has approximately 100 registrants at this time. It will be on August 18th starting at Riverside Park and finishing on 3rd Avenue at Main St. This is the first triathlon event for Polson and first in Flathead Lake. The City is assisting with fencing, cones, traffic control and coordination. Hopefully this will draw people to downtown to watch the event.

The Farmer's Market Tuesday evening event is doing fairly well. They are looking for more food vendors.

The Heart and Soul project of the Greater Polson Community Foundation has received their video kiosk. This will be available at events and at the Heart and Soul office for people to record their comments about what they like about Polson.

Seventh Avenue is mostly complete. There is some striping that needs to be done which includes fog lines and crosswalks. There will be a new crosswalk at the intersection of 6th Street and 7th Avenue.

Restaurant numbers are not available yet for July, but May and June were fairly close to breakeven months.

Skyline has taken a little longer than anticipated to get mobilized but traffic restrictions are in place now. Mail boxes for those residents on Claffey, JB and Mission View Drives are being relocated to 1st Street East in front of the City Shop during the construction. City Manager Crossett said he did not yet know if the boxes would be relocated back to their regular locations during winter shut down, but that this was the plan for now.

City Manager Crossett said that he checked into the possibility of new construction at the Black Mountain Software building (the mansion) as the concern was voiced by Bob Fulton at the last City Commission meeting. He said he can see no evidence of new construction going on in the basement.

Rory Horning asked if the meeting on the warranty issues for the Streetscape project was coming up. City Manager Crossett said that he has not scheduled that meeting but will get it set up and noticed.

NEW BUSINESS

APPROVAL OF PUBLIC FUNDS INVESTMENT: City Treasurer Bonnie Manicke said that as part of the housekeeping issues for the auditor the Commission needs to approve the investment of funds. The current investment is \$750,000 for a term of 373 days at 0.5% annual percentage yield (APY) to be held at First Citizens Bank. City Treasurer Manicke said that comparative rates are not as good (State of Montana investment pool at 0.3032%, 1 year US Treasury bill at 0.19% and our Glacier Bank repurchase agreement at 0.35%) and that these are turbulent economic times for investors. She said in February she was able to invest \$1.2 million at 1.26% APY (Clerk note: will mature in February 2013) which was icing on the cake - this is not nearly that good, but was all she could get with the local brokers. **Commissioner Morrison moved to approve the investment of \$750,000 with First Citizens Bank for 373 days, seconded by Commissioner Turner.** Commission discussion: Mayor DeVries commented that City Treasurer Manicke always goes to all of the local institutions when any money is available for investment and that this was the best available rate. Public discussion: None. **Motion carried unanimously.**

APPROVAL OF PLEDGED SECURITIES FOR PUBLIC FUNDS DEPOSITS: City Treasurer Manicke said that this is also housekeeping for the auditor. The pledged securities are held by third parties in the

name of the City of Polson. The total is \$2,046,556.46 at Glacier Bank including the \$250,000 of FDIC insurance. At First Citizens Bank the total is \$2,749,897.79 including the \$250,000 of FDIC insurance. City Treasurer Manicke said this meets the requirements of Section 7-6-207 of the MCA. Mayor DeVries said that there is a list of the securities in the agenda packet and if anyone has questions this would be the time to ask them. Commissioner Campbell asked if the real estate loans are all current. City Treasurer Manicke said she has a typo on the list – the confirmed date of 05/31/10 should be 07/13/12 and reported that all of the loans are current. She said the real estate loans have interest rates that range from 9% down to 5% so all of the pledged securities have good interest rates. **Commissioner Campbell moved to approve the pledged securities for public funds deposits, seconded by Commissioner Lies.** Commission discussion: None. Public discussion: None. **Motion carried unanimously.**

APPROVAL OF FINAL PLAT OF TIMBERWOLF, A 38 LOT, MAJOR, PRELIMINARY SUBDIVISION: Building and Planning Official Joyce Weaver stated that this subject property came before the Commission on April 16, 2012 for a zone change from LRZD with RROD to XRZD with RROD which was approved. The property is located across from the Safeway Store on the north side of Highway 35 and is south of the golf course. The property is currently a condominium project and is now a preliminary subdivision which was also approved on April 16, 2012. Building and Planning Official Weaver said there were a total of 17 conditions that needed to be met. Many of the conditions were conditions of understanding that the applicant needed to agree to. All 17 conditions have been met. Building and Planning Official Weaver said that without final approval of the preliminary subdivision, the zone change to XRZD is not valid since it is not compatible with condominium projects. Building and Planning Official Weaver referred the Commission to her staff report included in the agenda packet and noted that all department heads have given approval to the applicant's final application. Commissioner Campbell asked Dennis Duty if he has seen any recent interest in the property since the zone change and the switch from a condominium project (townhouses) to a subdivision. Dennis Duty responded that at this point it is still a condominium project, but if the final plat is approved this evening, then bank financing can be arranged differently as it would no longer be a condominium project. In the process of this change, Mr. Duty said that one unit was sold, but he said the zoning change will probably help. Dennis Duty said that 100% of the owners are in favor of this change to a subdivision. **Commissioner Campbell moved to approve the final plat of Timberwolf, a 38 lot, major, subdivision with the 17 conditions, seconded by Commissioner Turner.** Commission discussion: Mayor DeVries asked if all 17 conditions have been met. Building and Planning Official Weaver said that all 17 conditions have been met. Public discussion: None. **Motion carried unanimously.**

APPROVAL OF TRANSFER OF OWNERSHIP AND LOCATION FOR MONTANA ON PREMISES CONSUMPTION BEER LICENSE NO. 15-860-3700-101: Mayor DeVries presented this item in the absence of City Attorney Raymond. This beer license is being purchased by the Driftwood Family Restaurant. City Clerk Dooley said that Fire Chief Fairchild contacted the state for more information and found out that the license was being purchased from Magic Diamond Casino which is owned by Propane Services, Inc. which is part of the Town Pump family. Commissioner Campbell asked if this was a beer and wine license or just beer since the box checked shows restaurant beer/wine. City Clerk Dooley said it was her understanding that the license is only for beer, but that it may change since it is being transferred to a restaurant. Mayor DeVries said it is her understanding that the DOR liquor division watches this carefully and does not transfer more license authority than is available. Commissioner Campbell asked if the City staff should get clarification on whether this will be a beer license or a beer/wine license before proceeding. Mayor DeVries responded that the Commission needs to approve the transfer of location and ownership of the license and she feels that can be done at this meeting. (Clerk note: A follow up call to the DOR indicated that at final application the applicant can pay for a wine amendment so that they

could serve both beer and wine.) **Commissioner Campbell moved to approve the transfer of ownership and location of beer license no. 15-860-3700-101 to the Driftwood Family Restaurant, seconded by Commissioner Erickson.** Commission discussion: None. Public discussion: Murat Kalinyaprak said that the agenda item was to be presented by City Attorney Raymond and he is not present to answer the Commission's questions. **Motion carried unanimously.**

APPROVAL OF DIANE ALDERDICE AS A MEMBER OF THE GOLF BOARD: City Manager Crossett said there are currently two golf board member positions open, one at large vacancy and one Ward 1 vacancy. He has received a letter from Diane Alderdice to fill the at large vacancy which expires on December 31, 2014. He asked the Ward 1 Commissioners to see if anyone in their district would be interested in filling the Ward 1 position. City Manager Crossett is recommending approval of Diane Alderdice to fill the at large vacancy. **Commissioner Erickson moved to approve Diane Alderdice to the at large golf board position, seconded by Commissioner Funke.** Commission discussion: None. Public discussion: None. **Commissioners Funke, Morrison, Turner, Campbell and Erickson voted aye. Commissioner Lies abstained. Motion carried.**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA:

Murat Kalinyaprak made a comment about Snow White and the Seven Dwarfs..

Bob Fulton insisted that there was construction going on in the basement of the Black Mountain Software Building. On another subject, Mr. Fulton read an email from City Attorney James Raymond to City Manager Crossett and City Clerk Dooley regarding the privacy of water utility bills. The email opined that the status of individual utility accounts was not in the public domain. Mr. Fulton said that utility bills should be public information.

City Treasurer Bonnie Manicke gave an update on the Main Street Beautification project. She talked with a couple last week that was visiting for the first time. They were impressed with the main street and thought the hanging baskets were gorgeous. She would like the citizenry, commission and city manager to be aware that visitors are very appreciative of what has been done with Main Street. Mayor DeVries commented that she has seen visitors taking pictures of the hanging baskets and that this is a project that the City can be proud of.

Rory Horning asked if the Commission was going into executive session to discuss litigation and personnel issues without their City Attorney. Mayor DeVries said they would be doing that.

Pat Hopkins asked what the \$2 water surcharge is. Commissioner Campbell said this fee is charged by the Department of Environmental Quality (DEQ) for each tap that the City has. The City collects the fee and then remits it to DEQ. The fee is charged once per year. Mr. Hopkins also asked about the \$4 stormwater fee and whether it just being collected or has the money been used. Mayor DeVries responded that at this point the money that has been collected has been spent and additional money has been spent that is now owed to the Sewer department to put in storm drainage for Main Street. Mayor DeVries said that she was paying water and sewer fees in Shelby, Montana and the fees here are about one-third of the amount of their fees. She said that a survey would probably show that we have some of the lowest utility rates in the State of Montana.

Mayor DeVries closed the public meeting at 7:50 pm.

EXECUTIVE SESSION

PERSONNEL/LITIGATION: Mayor DeVries brought the executive session to order. Personnel and litigation matters were discussed. Mayor DeVries re-opened the meeting and adjourned.

The meeting adjourned at 9:20 p.m.

Mayor Pat DeVries

Attest: Cindy Dooley, City Clerk

Attest: Todd Crossett, City Manager