

**POLSON CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
WEDNESDAY, SEPTEMBER 6, 2006, 6:00 P.M.**

ATTENDANCE: City Council: Bruce Agrella, Mark MacDonald, Jules Clavadetscher, Mike Lies, Tom Corse, Fred Funke. Mayor Randy Ingram presiding. City Attorney James Raymond present. Others Present: Ken Siler, Nathan Pierce, Elsa Duford, Rory Horning, Tom Maloney, Karen Sargeant, Rod Hanson, Mike Donohue, Marilyn Trosper, Mary O'Brien, Trude' Hunsucker, Kassandra Smith, Sarah Phankot, Lee Manicke, Rory Horning, Tony Porrazzo, Doug Chase, Tim McGinnis, Robert Lajoie, Bonnie Manicke.

PUBLIC HEARING – FISCAL YEAR 2006-2007 PRELIMINARY BUDGET: Lee Manicke addressed the Council regarding the Police Budget for the Special Municipal mill levy, which was on the ballot for 19.95 mills and proposed to generate a revenue of \$130,000 and that the levy is budgeted at a \$131,000 expenditure. Mayor Ingram noted that the wording on the ballot was approximate as to the amount the 19.95 mills would generate and explained that the collections are not usually 100%. Lee Manicke asked that they not do that but to levy and budget only for \$130,000. He also asked that the Council not budget the \$7,500 that the PCDA asked for to help with the Main Street façade project. He reminded Council that Ms. Taylor asked for approval of Resolution 934 on August 21st and told the Council that there would be no cost to the City and now they are asking for \$5,000 plus last year's carry-over of \$2,500. He estimated that the tax revenue from the City is 60% from residential properties and 31% is from businesses and the PRA area brings in 20% of the tax revenue. The Main street project collects 10% and spends \$7,500. He suggested they paint fifty residential houses with that money and use the tax dollars for improving private property because he doesn't feel it is a function of City government to be concerned about the welfare of downtown redevelopment. He felt that when the residential parts of town are well maintained then the businesses will follow. He asked to take this expenditure out of last year's budget and feels that Main Street would be doing quite well without the Urban Renewal Agency.

Nathan Pierce said he is the Chairman of the Polson Redevelopment Agency and feels that the agency is doing important work to attract people and making it a better place for citizens of Polson. He feels the main street project is a good program and there are others like it throughout Montana. He asked that Council keep the \$7,500 in the budget.

Elsa Duford asked what the overall increase in the budget is. Mayor Ingram replied that it is \$200,000 over last year and includes the \$130,000 municipal mill levy and approximately \$80,000 for the Westana infrastructure completion project which is being sought for repayment through their surety bond.

Lee Manicke asked that the Council improve the residential parts of town that need it and strong residential areas would make good businesses. He mentioned a number of businesses that have been improved over the years and with each sale have been improved and refurbished. He doesn't see the problem or the need for grants and welfare programs.

Councilman Lies asked what salary increases are being proposed. It was confirmed that a seventy five cent per hour raise is being proposed. Councilman Lies asked about the 4% water rate increase and if it is on the base rate of each level or the whole amount. Mayor Ingram replied that the percentage is the inflationary index as the Council voted as an annual increase last year, to put in place at this time and it is calculated on each base rate. Councilman Lies said he had several calls asking if the Mayor's position will be returned to part time with half the current salary, as it was in the past and as defined as weak Mayor and strong Council form of government. Mayor Ingram asked if Council would like to

make a motion on that issue. Councilman Clavadetscher explained that there is no reference to part time or full time Mayor or weak or strong Council in the Montana Codes Annotated. There is no designation as to how long a Mayor works and it does not define it as being a strong Mayor. The City of Polson has a Mayor Council form of government with no mention of hours and it is a misnomer to say part time Mayor per the constitution. Councilman Lies noted that the original form of government was different than the present. Councilman Clavadetscher explained that the State Constitution defines the form of government and nowhere does it speak to the number of hours a Mayor works. Councilman Lies said there is mention of part time. Councilman Corse asked to see a copy of that. Councilman Clavadetscher said he personally got confirmation from the Local Government Services Bureau, Ken Weaver, who provided him with written documentation that there is no part time or full time Mayor designation in the Mayor and Council form of government as defined in the Montana Codes Annotated. Elsa Duford mentioned that the books they received for the government review give two options. Councilman Clavadetscher replied that it does not refer to weak or part time mayor, which is not a form of government. Councilman MacDonald clarified that the Mayor is a weak Mayor because he does not vote unless to break a tie and the Council votes to approve hiring, firing and budget issues.

The fiscal year 2006-2007 preliminary budget hearing was adjourned at 6:25 p.m.

PUBLIC HEARING – PERMISSIVE MEDICAL MILL LEVY – INCREASE IN HEALTH INSURANCE PREMIUMS FROM PRIOR FISCAL YEAR: Mayor Ingram explained that this additional mill levy is being used by Cities and Counties throughout the State of Montana and the City of Polson is proceeding with implementing the option allowed by Montana Codes Annotated 2-9-212. The increased cost is approximately \$9,000 per year.

Bob Lajoie asked if the cost is \$16,843.66 as advertised. Mayor Ingram replied that it is approximately half of that with the proposal that the City pays only the single premium for its employees starting in this fiscal year.

Kassandra Smith, Library Worker, said it is devastating to her personally not to be able to provide health care to her child as the City has done in the past. Mayor Ingram explained that the employees will still be able to get family coverage but the City would only pay the single premium for the employee. The seventy five cent per hour raise will cover the \$100 premium the City previously paid toward additional family coverage. Kassandra Smith said there was no notification of the change and she was only on the plan for two months. It will have drastic consequences for her and it will cost her more. Mayor Ingram replied that the City is looking into a flex plan to eliminate the tax from the insurance premiums but it was felt that the equity across the board was necessary to achieve and they tried to accomplish that with as little financial burden as possible.

Trude' Hunsucker, also a Polson City Library Worker, said she stands behind KC on the importance of the family plan, that it was an incentive when they were hired. They work long hard hours and without full raises in the past, getting paid for 114 hours on a 160 hour work week. The employees throughout the City are worth more.

Sarah Phankot, Library Worker, said she understood that the reason is because of rising health care costs which keep on rising but she is concerned for her fellow employees who are affected by this change in policy.

Mayor Ingram replied that the City was able to give the raises to make up for the \$100 in premiums it paid out previously, partly because of the permissive mills allowed to be levied. The rising cost of

health insurance is a serious issue and making the benefit equitable to the family and individual was the City's long term goal.

Elsa Duford stated that everyone's costs are rising and there is no escaping it. It was discussed one year ago that the City's benefit package is 35% above the employee per hour wages, which changes the hourly rate considerably. She felt that since not everyone in the private sector gets these types of benefits the City should not provide them with health insurance because of the high cost.

The public hearing on the permissive medical mill levy was adjourned at 6:43 p.m.

CITY COUNCIL MEETING

CONSENT AGENDA

- A. CITY COUNCIL MEETING MINUTES AUGUST 23, AND AUGUST 21, 2006**
- B. WATER/WASTEWATER SCHOOL & TESTING – OCT. 2-5 BOZEMAN RAY CASTILLO AND TONY PORRAZZO**
- C. PROPERTY MANAGEMENT TRAINING SEMINAR – SEPT. 20-21 CHANCE ANDERSEN – ANIMAL CONTROL OFFICER**
- D. POWERFUL TEAM BUILDING MENTORING AND COACHING SKILLS NOV. 6 MISSOULA ALAN BOOTH - POLICE**
- E. LIBRARY FALL WORKSHOP SEPT 22-23 LEWISTOWN TRUDE' HUNSUCKER LIBRARY**
- F. RIGHT OF WAY ENCROACHMENT BENCH & TRASH RECEPTACLE - LIBRARY**
- G. RESOLUTION #935 ANNEXATION 316 SKYLINE LANE – DEBRA AND SCOTT STUART**
- H. CJIN AGENCY AGREEMENT FOR MDT SYSTEMS – ALLOWS POLICE ACCESS TO RECORDS \$275/1ST YEAR CITY ATTORNEY APPROVED AS TO FORM**
- I. GOLF BOARD MEMBER APPOINTMENT MAURICE BROWN**
- J. APPOINT IMPACT FEE ADVISORY COMMITTEE MARK EVERTZ, KIM MALONEY, GREG HERTZ, PETER DANIELS, NATHAN PIERCE**
- K. AUGUST 2006 CLAIMS #92629 to #92874 TOTAL OF \$326,518.24**

Council removed item J. from the consent agenda for further discussion. **Motion made by Councilman Lies, seconded by Councilman Funke, to approve the consent agenda items A through K without item J, which is to be removed for further discussion.** Elsa Duford asked to make a correction on the minutes of August 21st page 4 where she stated in the last paragraph that there should be a reasonable opportunity to participate in the governing agency's decision prior to action by that governing agency. Councilman MacDonald asked that the month of August also be added to the heading of those minutes. **Motion carried unanimously.**

APPOINT IMPACT FEE ADVISORY COMMITTEE MARK EVERTZ, KIM MALONEY, GREG HERTZ, PETER DANIELS, NATHAN PIERCE: Council discussed if there is a conflict of interest with appointing the Fire Chief Tom Maloney's wife to this board. It was agreed that since the fire department was not a candidate for the impact fee according to the consultant Tischler & Bise, that it would not be a conflict. It was clarified that the requirements by law were that there be one member from the business community and one certified public accountant. Council appreciated the interest by those applying to be on the board. It was mentioned that one applicant recently filed a lawsuit against the City but since it was not related they didn't consider it a conflict. **Motion made by Councilman Corse, seconded by Councilman Funke, to approve the appointment of the Impact Fee Advisory Committee, as proposed, Mark Evertz, Kim Maloney, Greg Hertz, Peter Daniels, Nathan Pierce. Motion carried unanimously.**

RESOLUTION #937 – LEVY PERMISSIVE MEDICAL MILLS TO COVER INCREASED HEALTH INSURANCE PREMIUMS FOR EMPLOYEES MCA 2-9-212: Councilman Corse explained that levying for the Permissive Medical Mills are a way of keeping up with the inflationary increased cost of health insurance which has increase by \$25 per employee for individual coverage. If there is no additional levy the City will have to reduce services to pay the cost because there is only so much money available to operate. **Motion made by Councilman Funke, seconded by Councilman Agrella, to approve Resolution #937 – which includes the levy for permissive medical mills to cover the increased health insurance premiums from prior fiscal year which are approximately \$9,000. Motion carried. Councilman Clavadetscher abstained due to his absence during the public hearing.**

RESOLUTION #937 – ADOPT FISCAL YEAR 2006-2007 BUDGET: Motion made by Councilman Clavadetscher, seconded by Councilman Agrella, to approve Resolution #937 as presented which includes the fiscal year 2006-2007 budget as proposed with a seventy five cent per hour wage increase and to levy 115.76 mills based on the taxable valuation, 1.24 mills for the permissive medical mills and 19.95 mills for the public safety operations with each mill having a value of \$6,794. Motion carried unanimously.

CITY COUNTY PLANNING BOARD APPOINTMENT TO REPLACE MARK MACDONALD – APPLICANTS MARK EVERTZ OR TODD ERICKSON: Motion made by Councilman Lies, seconded by Councilman Corse to approve Todd Erickson as the replacement for Mark MacDonald on the City County Planning Board. Motion carried unanimously.

BUILDING AND PLANNING FEE PROPOSAL INCREASES AND ADDITIONS – JOYCE WEAVER: City Attorney James Raymond recommended and Council agreed to schedule a public hearing on this topic as soon as it can be properly advertised. **Motion made by Councilman Lies, seconded by Councilman Funke, to table the Building and Planning Departments’ fee increase proposal and additional fees as proposed by Joyce Weaver and to schedule a public hearing as soon as possible. Motion carried unanimously.**

AWARD WASTEWATER IMPROVEMENTS PROJECT BID TO LOW BIDDER JENSEN BACKHOE, INC. \$780,686: Motion made by councilman Lies, seconded by Councilman Funke, to approve awarding the Wastewater Improvements Project bid to the low bidder Jensen Backhoe, Inc. for \$780,686 as proposed. Motion carried unanimously.

AWARD CONTRACT FOR WESTANA SUBDIVISION INFRASTRUCTURE COMPLETION PROJECT: City Engineer Bob Fulton informed Council that there was \$25,000 difference in the two bids received from Treasure State and Smith Excavating. Smith Excavating was the low bid at \$88,022 and is able to start on the project soon. He noted that the road will require additional gravel in order to bring it to City specifications which was originally part of Maddy’s subdivision improvement. The additional gravel cost will be billed by the contractor as needed, in addition to this bid amount. **Motion made by Councilman MacDonald, seconded by Councilman Funke, to approve awarding the contract for Westana Subdivision Infrastructure Completion Project to Smith Excavating for \$88,022 plus additional gravel as billed. Motion carried unanimously.**

DO RENTERS OF REAL PROPERTY IN THE CITY OF POLSON HAVE THE SAME RIGHTS AS REAL PROPERTY OWNERS? – RORY HORNING: Rory Horning said he heard from the Mayor during a recent meeting in his office that he doesn’t have the same rights as real property owners and for the benefit of the number of renters in Polson, he wanted to hear Council’s answer loud and clear, and that their constitutional rights are upheld. Council replied that certain rights relating to the City government apply to them depending on whether they reside in the City limits or

not and those rights are defined in the Constitution of Montana. Rory Horning replied that they shouldn't forget about their constitutional rights as United States citizens. He stated that Council is doing a fine job and he will leave them to do their job.

OTHER PUBLIC COMMENTS: Water and Sewer Superintendent Tony Porrazzo informed Council that he is proceeding with the planning stages of the sewer lagoon system improvements, which is scheduled for the 2008 grant cycle, and will allow more capacity for the treatment facility.

Councilman Lies said that since the Golf course well has not been functioning, a well in the Bayshore Drive area that was drilled in the 1960's now has water, which for years it didn't. In the past the owner was told by the previous Golf Maintenance Superintendent Larry Newlin, that the Golf course had priority for water use which he didn't think was right. He asked that the golf course be required to go back to monitoring the water levels in the wells. Councilman Clavadetscher said that Pat Nowlan, the new Golf Maintenance Superintendent, should be updated on this issue. Councilman Corse suggested that the property should be connecting to City water service. Councilman Lies replied that there is no easement to do that.

Elsa Duford asked why the water bill increased. Mayor Ingram replied that a public hearing was held a year ago on increasing the rates annually based on inflation costs. The decision was made because the City's rates are lower than the required minimum billing to qualify for certain grants and loans and by making annual adjustments would be an easier transition for water users than a large increase at one time. The Council can reverse that decision by another ordinance at any time.

Rory Horning asked if item five was settled or did he miss something. It was clarified that the Council voted to approve item five.

The City Council Meeting was adjourned at 7:30 p.m.

EXECUTIVE SESSION – PENDING LITIGATION: City Attorney James Raymond discussed recent information regarding his communications with Westana's bonding company about the completion of the Westana Subdivision infrastructure improvements. He noted that Crocketts had not been paid approximately \$10,000 for work they had done but they can't place a mechanical lien on a City street. He clarified that the bond was required to be 150% of the estimated cost. He also informed Council about the lawsuit filed against the City regarding the zone change approved by Council for the proposed Super Wal Mart and the status of that court proceedings.

The Excecutive Session adjourned at 7:50 p.m.

ATTEST: _____
Aggi G. Loeser, City Clerk

Randy Ingram, Mayor

