

**POLSON CITY COMMISSION MEETING AGENDA
CITY HALL COMMISSION CHAMBERS
WEDNESDAY, SEPTEMBER 8, 2010, 7:00 P.M.**

ATTENDANCE: City Commissioners: Ron Boyce, John Campbell, Judy Preston, Mike Lies, Elsa Duford, and Fred Funke present. Mayor DeVries present. City Manager Todd Crossett and City Attorney James Raymond present. Others present: Police Chief Doug Chase, Parks Superintendent Karen Sargeant, Building Inspector Ron Melvin, Streets Superintendent Terry Gembala, Murat Kalinyaprak, and Rory Horning.

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

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

CONSENT AGENDA:

- A. CITY COMMISSION SPECIAL MEETING MINUTES AUGUST 9, 2010**
- B. CITY COMMISSION MEETING MINUTES AUGUST 16, 2010**
- C. AUG 15-30 CLAIMS**

Commissioner Lies moved to approve agenda items A-C as proposed, seconded by Commissioner Funke. Commissioner Duford asked for clarification on the total cost of the MMIA health insurance increase. City Manager Crossett advised that their initial figure in 2009 had been an 11% increase, however in July MMIA opted for an actual increase of 5%. **The motion carried unanimously.**

CITY MANAGER COMMENTS: City Manager Crossett advised that the fire department was pleased to welcome 6 new volunteers. He noted that this was a rare occurrence and was pleased that the department was doing so well at a time when other volunteer departments were in a decline.

Streetscape was progressing well and remained on budget. The leadership team continues to hold meetings twice a week to ensure effective project communications. Building Inspector Melvin and Parks Superintendent Sargeant had been regularly and walking up and down Main St. checking in with the businesses. The sidewalk was torn up down to 5th Avenue and they were advancing onto the fourth block. Groundwater had been hit a couple of times, which led to a need for further excavation and import of material. They had been taking care to make sure businesses were accessible to their employees and customers. The safety plan was working very well for the most part. The street department had been going out at about 3 am on a regular basis to set up road blocks and flagging. He expressed appreciation to the street department for their help with the project.

The Skyline project was ahead of schedule in the engineering. They were going through and getting some final decision points such as slopes, trail routing and intersection design. Stelling Engineering had been working to find creative solutions. The environmental (NEPA) process appeared to be on schedule as well. They needed to commit the funds in 11 months, and he felt they would be able to so, possibly well ahead of schedule, if they stayed on this track.

The highway transportation study would be holding a meeting the following evening in the library meeting room at 6:30 p.m. and an open house from 4:00-6:00 p.m. The study should be complete by the end of July 2011. He is on the Technical Oversight Committee (TOC) and planned to stay involved in the study. Mayor DeVries encouraged all to attend the meeting, especially those with property along highway 93.

Denny Rehburg would be holding a meeting at the Library meeting room at noon on Thursday, September 9th.

City Manager Crossett and Mayor DeVries would both be attending an economic development summit in Butte September 13th and 14th, hosted by Montana State and organized by Senator Max Baucus and staff. City Manager Crossett would also be attending a free healthcare seminar in Butte the following day.

He had been working with the airport board, and all parties had passed resolutions in favor of adding a Tribal member position to the board. He was currently working with Teresa Wal-McDonald from the Tribes. They were waiting for approval from the FAA on the proposed contract language. Commissioner Duford inquired about the land swap for the airport land. Commissioner Crossett said that the land swap would be pursued after the contract was signed. He added that the land would be purchased by the FAA and traded with the Tribes for the Tribally owned land under half of the airport. Mayor DeVries noted that the swapped property would not be land currently owned by the City but would be land purchased by the FAA.

Mayor DeVries noted that City Manager Crossett's weekly streetscape update in the Chambergram was good communication. City Manager Crossett noted that he would be giving the update to the radio station and newspapers as well. He would also be working with Superintendent Sargeant on creating a general City update article to send out to the papers.

SECOND READING ORDINANCE #658 – RENEW INTERIM MEDICAL MARIJUANA ZONING ORDINANCE #654 – EXPIRES 9/15/10: Commissioner Funke moved to approve the second reading of ordinance #658, renewing the interim medical marijuana zoning ordinance #654, seconded by Commissioner Boyce. Commissioner Campbell noted James Raymond had researched and they could expand the ordinance for up to a year. City Attorney agreed, noting that they could pass it for less time, but not more. The way the ordinance was written had the length at a year. He noted that the interim legislative committee was drafting several bills concerning the issue. **The motion carried unanimously.**

RESOLUTION #1016 – ADOPT FY 2010-2011 FINAL BUDGET – GENERAL FUND MILL LEVY AT 126.95, PERMISSIVE MILLS AT 4.77, AND MUNICIPAL SERVICES SPECIAL MILL LEVY AT 19.95 – VALUED AT \$8,679 PER MILL: Commissioner Lies moved for the approval of Resolution #1016 with the following amendments or conditions, 1 – that all wages and salaries be frozen at the 2009-2010 budget year, with the exception of the two employees that moving into new positions. They are to receive one-half of their projected wage increase during the probation period of six months. After an acceptable evaluation they will receive the second half of their wage increase. Also the two individuals of the water/sewer department will receive, when they pass their test and become certified, the usual \$1.50 per hour raise or any fraction thereof if they did not get the total amount that is usually given upon completion. That the insurance package be approved for this year with a new package negotiated for next year in time for approval before the anniversary date and that the individuals that already had insurance from another source

receive the amount of \$430 for this year due to many misunderstandings that occurred during negotiations. 2 – All overtime to be eliminated except in case of emergency, such as water or sewer problems that need immediate attention or any other emergency that has an effect on the safety of the general public. 3 – The money saved from the library be put in a capital improvement fund for the repair and replacement of the streets in Polson. 4 – The employee advancement fund of \$5,000 be removed from the budget and this amount be placed in the reserve fund. 5 – Being the library and parks department overspent their budgets by \$22,389.00 during the 2009-10 budget year for salaries, the salary budgets are to be returned to 2009-2010 amounts. The extra money is to go to the reserve fund. Commissioner Funke seconded the motion. Commissioner Preston felt the motion was complicated and they should go over one point at a time. Mayor DeVries pointed out that the medical insurance payback was already in the budget. She also wondered how emergency overtime would be determined because that was typically the only time overtime that was used. City Manager Crossett pointed out that overtime was typically only used in the water, sewer, streets and police departments. Other employees did not typically take payout of overtime, they utilized comp time. Mayor DeVries commented that some of the motion struck her as decisions that should part of the Manager's duty. If they did not find the Manager serving in the position to their satisfaction that should come up at the time of his evaluation. She felt it was outside of the Commission's scope to implement such constraints - especially the overtime issue. She noted that there were not many raises included in the proposal, and she had found them acceptable. Commissioner Boyce did not agree with all of the City Manager decisions, but he probably wouldn't agree with every decision. He felt that most of the proposed raises were warranted, and he wouldn't feel good about taking them away. He felt that the library district needed to be addressed, and how it would be handled over the next year with the transition. Commissioner Lies commented if one employee was given a raise, they all should. Commissioner Boyce felt that some employees' wages were not what they should be, and wondered if that was a raise or an adjustment. City Manager Crossett pointed out that the raises were either pay scale adjustments to move toward internal pay scale equity or new pay rates for employees taking new jobs and expanded job descriptions and that an across the board COLA raise on its own would result in further inequity in the pay scale. He noted that work load had dramatically increased while the number of staff had been reduced. He noted that one duty he had been charged with was coming up with an equitable pay scale, and he had tried to take intermediary steps in toward that goal internally, rather than externally due to economic constraints. Commissioner Preston inquired how much would be saved with Commissioner Lies's amendments. Commissioner Lies replied \$54,000. City Manager Crossett noted that he had not been approached about any of the amendments or conditions and so he had no analysis of their impacts on the budget. Commissioner Preston questioned if they were micromanaging and if they were crossing the line was between the Commission setting policy and the City Manager implementing the policy. Mayor DeVries felt that they were crossing the line when they begin to change the individual raises and those sorts of calls. She believed that the individual raises could be given, even though they were not across the board raises for cost of living increases. She commented that she agreed with most, if not all of the raises. And she noted that the raises had been discussed at length at previous meetings and individually with the City Manager and none of these issues had been raised. She advised that she had talked to City Manager Crossett and Treasurer Manicke at length about how to go about the library district, and she thought the funds would be entering the reserve fund, not the capital improvement fund. Ron

Boyce expressed that the public needed to be kept informed of the library district. He felt that the street improvements should be considered with the money. Commissioner Campbell wondered if they could add to a reserve fund for the streets and add to it annually. Mayor DeVries noted that she would also like to see the \$5,000 employee advancement line left in the budget, she felt that it was a small amount to allow flexibility. City Manager Crossett noted that they were anticipating withholding about \$60,000 of budgetary authority due to the pattern of unreceived taxes. He added that it was helpful to have those sorts of lines because in the event revenue was lessened, they could opt not to spend it – which is what the City did last year. He advised that the City would be carrying the library for the first half of the year, until the district receives its first tax revenue in November. He noted that after that period, it was the Commissions decision to ask for reimbursement. He had been working with the library to help set up an organizational plan and administrative systems, and they were researching the requirements for the pay back. Commissioner Boyce commented that he felt the library should pay the City back, since City residents were already paying on the library districts tax monies, as well as the City's general fund which was currently carrying the library. Commissioner Campbell noted that they would probably have to accept payments because they would not have the revenue to operate and pay the City back in one lump sum. Mayor DeVries agreed that as of July 1st the City taxpayers would be paying twice, however it was a new system and they would work through it. Commissioner Boyce pointed out that the County would not be giving additional funding to the library. Commissioner Duford commented that they needed to look at the situation of all the City residents, including the unemployment levels. She felt that it was not a question of whether the employees deserved raises, and not that their performance was lacking, but that they needed to understand the residents were unable to afford to pay more. She commented that they needed to face reality, see how it was going all across the country, and it was not realistic to keep increasing spending. Commissioner Funke commented that no one had been promised a raise, and he opposed to any increases aside from those moving up in positions. City Manager Crossett noted that they had moved people up from within the City, but they had not replaced all of the positions they had vacated and that the open positions replaced had been at significantly lower rates than were paid the outgoing employees. Commissioner Boyce pointed out that the vacancy left after Ms. Loeser's retirement would cover the raises. Commissioner Preston opined that the City Manager had the authority to replace a position at the rate he decided if it was within the range of the previous budgeted employee. She felt that it was outside of the Commissioners authority to decide individual raises, and Mayor DeVries agreed. Commissioners Funke and Lies expressed their disagreement. Commissioner Lies commented that it was a bad year to start giving individual raises, given the status of the cash report. Adding that next year they should plan for a good salary sweep of the system. Commissioner Duford commented that other towns were cutting back significantly, and they were at a time where everyone was in a situation to cut back. She added that it didn't mean someone was worth less. Commissioner Boyce noted that there are ways within the budget to adjust and save money without the measures proposed. He added that there was always turn over, and not filling the position at that time was a good way to save money. Commissioner Lies noted the gargantuan cuts in the Whitefish budget. Commissioner Preston felt they were not in the same position as Whitefish, they did not have near as much to cut. Mayor DeVries also noted that many of the Cities cut with huge cuts were also facing massively expensive lawsuits with developers. These are also cities with large numbers of employees, of which Polson has very small departments. Commissioner Crossett commented that he did not believe the parks department had overspent

their budget and questioned that analysis.. He added that it may appear over budget due to grants received and spent that were not originally budgeted for. He pointed out that the City had fortunately received millions of dollars in grants the past year, due in no small part to the work of Building Inspector Melvin, Parks Superintendent Sargeant, and Administrative Manager Sarracino. He pointed out that the street crew had worked without replacing one retiree for 3 months before filling the position. He noted that all the departments have been very lean and that this was made possible by individual employees taking on increased responsibilities. Commissioner Lies commented that the parks had overspent their payroll. City Manager Crossett expressed that through multiple workshops, public hearings, and meetings these issues had not been discussed, and he had not been contacted about them, not even by phone or email. Parks Superintendent Karen Sargeant advised that DNRC grants, which was funding the tree inventory and GIS programming, did not reimburse the cost of the grant until after the completion of the grant. So that payment may not be reflected for the forestry intern that had worked for the summer. She added that she was not over budget in payroll, and even her assistant superintendent had been out on worker's comp for three months and they had not had to pay out those wages. She added that she had 4 part time employees, all of whom were paid less than McDonald's workers. They subsisted on food stamps and substandard housing because of their low wages. She noted that one was homeless. She felt it was a travesty that she could not give them hepatitis B and other vaccinations when the work with human waste at all of the parks. She commended all of her employees work performance, and the work they did for the citizens of Polson. She added that the parks looked great and she received compliments all season on them. She pointed out that every year had been the superintendent she never spent the total of general fund budget authority, and that money was always given back to the general fund. Mayor DeVries pointed out that the property tax payers, whom Commissioner Duford was concerned for, were able to apply for aid on the taxes. They were lucky in Montana, relief was available, and they only needed to fill out the forms every year. Rory Horning commented that for the first time in America there were two separate real estate markets; one market where people were paying their mortgages and their equity lowered so much that they it was upside down and many people were in foreclosure situation. He commented that there was no relief for the public in those foreclosure situations. He commented that they continued to increase taxes from different departments, and the people were suffering. He pointed out that Mission Valley Power had lost Plum Creek and they would be increasing rates for the rest of the customers to cover that loss. He commented that tax payers were stuck with the taxes they levied upon them, and felt they should look on the whole picture and work with the community. He added that just because they could raise taxes, doesn't mean they should, and this was the wrong time to start asking for money with how bad the market was. Murat Kalinyaprak commented that what Parks Superintendent Sargeant said had affected him, and he suggested that if the most high paid employees took a 5% cut, they would be able to give small raises to more people. He felt that the small raise would mean more to the low paid employee than the cut would mean from the higher paid. Commissioner Preston commented that the living wage in Montana was about \$12/hour, and when she looked at the City's wages she did not feel they were very high. She understood why people thought that it was not a good time to give raises, but she felt that the budget was balanced and noted that taxes had not been increased. She did not feel the raises were unreasonable, and Montana was not in the same position as California, and Polson was not in the same position as Whitefish. Commissioner Boyce commented that they had put the budget together in a small window, and if they had began in January and worked over it with a longer

process they would have a better result. **The motion carried, Commissioners Funke, Duford, Lies, and Campbell in favor. Commissioners Boyce, Preston, and Mayor DeVries opposed.** City Manager Crossett advised that motion included overtime that was from the police department, and they would have to staff accordingly. This would also limit the special events the City was able to approve, because they could not be held without additional police staff. Commissioner Lies disagreed that special events could not be held. Police Chief Chase commented that the police department could not function in such a way, and if it were up to him to decide what was an emergency only to be second guessed. He pointed out that they had returned \$24,000 from the previous year's budget, and had cut their FY 10-11 non-payroll budget 5% from the previous year as well. He stated that he could not and would not assume the responsibility of Police Chief if he could not operate the department professionally. He questioned how they were to determine an emergency. He commented that with the conditions he heard tonight, he could not be the police chief as they do not make sense. Commissioner Preston commented that she felt the motion should have been broken apart into individual items. **Commissioner Duford motioned for the City Manager wages and benefits and the City Engineer's wages (and fees) be listed as separate line items in the claim approval list approved at each meeting. The motion died for lack of a second.**

MONTANA DEPARTMENT OF REVENUE – ALL ALCOHOLIC BEVERAGE LICENSE #15-999-3895-009 – TRANSFER OF OWNERSHIP KWATAQNUK RESORT – S & K GAMING, LLC – ERNEST T. MORAN: City Manager Crossett advised that this was an internal name change. **Commissioner Campbell moved to approve the transfer of ownership for the KwaTaqNuk Resort S & K Gaming, LLC all alcoholic beverage license #15-999-3895-009, seconded by Commissioner Lies. The motion carried unanimously.**

FIRST READING ORDINANCE #659 – REPEAL ORDINANCES #622 & #344 STREET BOND REQUIREMENT \$2,500 CD FOR 3 YEARS – REPLACE WITH PERMIT FOR STREET & ALLEY ENCROACHMENT: City Attorney James Raymond advised that City currently requires a \$2,500 CD for cutting into pavement that is held in the contractor or residents name for 3 years. If after 3 years the repairs to the cut are sufficient the CD is released back to them with interest. However, the City had been approached to have a similar process to the County, who issues permits for every road and street cut. The money from the permit goes into a street repair fund, and is kept until it is needed on that or another location for repairs. They were proposing a \$200 permit fee on gravel, \$400 on older asphalt, and \$1,500 on new development cuts. Street Superintendent Gembala felt that a permit system was beneficial. Building Inspector Melvin expressed that these fees were a starting point, and the Commission could adjust them. Commissioner Campbell suggested using the proposed fees for a year, and then adjusting if needed adjusting them accordingly. **Commissioner Funke moved to table the first reading of Ordinance #659, seconded by Commissioner Preston.** Rory Horning asked the Commission to keep in mind that any permit fee they passed was passed on by the contractors. **The motion carried unanimously.**

ESTABLISH BUILDING EASEMENT ON EXISTING HOUSE 907 16TH AVENUE EAST – DALE GILLESPIE: Building Inspector Melvin advised that the house on the property had been built decades ago, and was on the property line. The applicant was requesting a 5' wide easement, 200' total, to conform to the Polson Development Code. Commissioner Duford

commented that the house was probably built in the 1960's. Commissioner Campbell inquired if they rebuilt on that property. Building Inspector Melvin clarified that any future development would not be subject to the easement. City Attorney Raymond added that the easement would only exist as long as the existing encroachment remained. Commissioner Duford expressed concern about fire safety and whether fire trucks would be able to maneuver through the alley. Building Inspector Melvin noted that the easement only applied to 16th Avenue not the alley, and that they would have to meet with the property owner about getting set back in the alley. **Commissioner Campbell moved to approve the establishment of the building easement on the existing house at 907 16th Avenue East, seconded by Commissioner Boyce. The motion carried unanimously.**

JUNE 2010 CASH REPORT: Mayor DeVries advised that Treasurer Bonnie Manicke was unable to attend the meeting due to the Rural Fire Board meeting being scheduled at the same time. **Commissioner Boyce moved to table the June 2010 cash report, seconded by Commissioner Preston. The motion carried unanimously.**

JULY 2010 CASH REPORT: Commissioner Preston moved to table the July 2010 cash report, seconded by Commissioner Lies. The motion carried unanimously.

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA: Rory Horning commented that after 30 years of negotiation the first draft of the water compact agreement was proposed, and not a single media presence was there. He advised the Commissioners to take a look at the document on CSKT's website. He commented that budgetary constraints with overtime might be an opportunity. He suggested enlisting citizens for neighborhood watch programs. He expressed displeasure for the construction situation in front of Edgewater Realty, claiming that the front parking spaces were only suppose to be unavailable for one day, were still being occupied by construction material. He felt the businesses would appreciate more time and consideration when they are trying to run their businesses. He also cited an altercation between himself and the construction manager in which the police had been called, claiming that he had been polite while the crew member had been rude and vulgar. He claimed that he was told not to come out on the construction area without a hard hat, but claimed other members of the public had been seen walking through it without being told to leave the area. He accused the police department of having an incomplete report of the incident. He asked that people be treated fairly. He expressed displeasure at the parking lot area across from the VFW being used as a staging area for the construction crews, and felt that materials could be kept off site until they were needed. He asked for more consideration in regards to the Main Street Construction.

Murat Kalinyaprak noted that he had mentioned at a previous meeting that his human rights hearing would be September 14th, however the date had been changed to October 17th.

Commissioner Duford expressed interest in the sound system being fixed.

Mayor Pat DeVries

Attest: City Clerk Kala Parker