

**CITY COUNCIL MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
WEDNESDAY, SEPTEMBER 24, 2008, 7:00 P.M.**

ATTENDANCE: City Commissioners: Bruce Agrella, Jim Sohm, Elsa Duford, Fred Funke. Interim City Manager Mike Lies present. City Attorney James Raymond present.

CALL TO ORDER: Mayor Lou Marchello called the meeting to order. The pledge of allegiance was recited.

APPROVAL OF PROPOSED AGENDA: Mayor Marchello noted that an executive session will be held following this council meeting. **Motion made by Councilman Sohm, seconded by Councilman Funke to approve the proposed agenda. Motion carried unanimously.**

CONSENT AGENDA - A. POLSON CITY COUNCIL MEETING MINUTES SEPTEMBER 3, 2008; B. SEPTEMBER 1-15 CLAIMS: Commissioner Duford clarified that the new signs on Main Street refer to parking and are not meant to close the street to traffic. **Motion made by Commissioner Agrella, seconded by Commissioner Sohm to approve the Consent Agenda A. Polson City Council Meeting Minutes of September 3, 2008 and B. September 1 through 15 Claims, as presented. Motion carried unanimously.**

APPOINT NEW CITY COMMISSIONER FOR WARD 2: Mayor Marchello noted that two letters of interest were received; one from Jules Clavadetscher and one from Daye-Lyn D. Randle. **Motion made by Commissioner Sohm, seconded by Councilman Funke, to approve Jules Clavadetscher to fill the Commission vacancy in Ward 2, for a term ending January 2010.** Commissioner Duford asked to delay the vote on this item until the October 6th meeting, to allow Daye-Lynn Randle to attend a meeting and give him an opportunity to introduce himself in person. She felt that the meeting tonight was not noticed properly since it was not held on the third Monday of the month and he was not available to attend the meeting. Mayor Marchello replied that the meeting date along with the agenda was posted and on the website and mentioned at the September 3rd meeting. Councilman Sohm explained that the position is required to be filled within a time frame that does not allow the decision to be postponed. Ken Avison endorsed Jules Clavadetscher, stating his prior experience as councilman and mayor is especially important for the City at this time. Rick Lapiana spoke in favor of Jules Clavadetscher and felt that it is unfair that Ward 2 has not been represented at all for one month. Dennis Duty asked the commissioners to vote for Jules Clavadetscher because he has proven himself as a fair representative of the City. His prior experience as commissioner and mayor is very beneficial to the City at this time especially in hiring a new city manager. J. R. Raunig asked the city commissioners to vote for Jules Clavadetscher who he knows is a resident of Polson for 61/2 years and has known since he moved to Polson. His management experience with a multi million dollar company is very helpful to the City in its growth stages. Rory Horning commented that two councilmen didn't mention this vacancy to anyone at a dinner they attended recently. He stated that, as councilman and mayor Jules Clavadetscher openly opposed open government in a letter to the editor directed against a member of the currently seated council, the budget under his term as mayor was over spent and the City had to raise taxes, the city manager's contract he negotiated cost the city quite a bit of extra money resulting in removal of some items, he negotiated the present city attorney's contract to include a two months severance pay if let go without cause, a cost of approximately \$7,000, he is neither fiscally or ethically responsible. He heard today about his corporate background and we are today in a corporate crisis because of corporate leaders who were not considerate of their shareholders interests. He asked that the commissioners vote their conscience and vote to favor the citizens of Polson and noted that the taxes were raised without notice to the public. **Motion carried. Commissioner Duford opposed. Mayor Marchello, Commissioners Agrella, Sohm, and Funke voted in favor.** Jules Clavadetscher took the oath of office administered by Mayor Marchello and he took his seat on the commission.

BRAD & DEBBIE MARENGO – SKYLINE DRIVE – ANNEXATION OF 2 LOTS APPROVED JULY 7, 2008 PENDING ZONE CHANGE – WATER AND SEWER CONNECTION OPTIONS A, B, C, D: City Manager Mike Lies stated that Joyce Weaver recommends plan B to enable the Marengos to install a septic system on lot 2. They may construct a waterline this fall or winter and will also have existing septic systems on both lots, which makes their lot 2 saleable and the City gets its tax revenues after the

annexation recording. They will be required to hook up to City sewer within six months of the sewer being available. **Motion made by Commissioner Agrella, seconded by Commissioner Sohm, to approve Plan B for Debbie and Brad Marengo's annexation of 2 lots on Skyline Drive. To construct a waterline this fall or winter and have existing septic systems on both lots, making lot 2 more saleable, and the annexation will be recorded after a variance is approved.** Commissioner Funke asked what option they would prefer. Debbie Marengo replied they would prefer option A because the owners could choose where the septic would be placed but she realizes that she and the City will both benefit with option B. Commissioner Duford asked if this is setting a precedent. Debbie Marengo replied that she feels Bill Wilkins has already set the precedent in his subdivision across the road. **Motion carried. Commissioner Funke and Duford opposed. Mayor Marchello, Commissioners Agrella, Sohm and Clavadetscher in favor.**

APPROVAL OF SIGNS TO BE PLACED ON SKYLINE OFF OF MISSION VIEW DRIVE AND HILL CUTBACK AT INTERSECTION OF SKYLINE FOR SAFETY AND BETTER VISIBILITY:

Mayor Marchello referred to the petition signed by the Mission View Drive Subdivision property owners, requesting stop signs to be installed and the hillside be cut at the Mission View Drive intersection to Skyline Drive, in order to provide better visibility and safety concerns. **Motion made by Commissioner Funke, seconded by Commissioner Agrella to approve placing signs on Mission View Drive and Skyline Drive and to cut the hill on the west side of the Mission View Drive intersection with Skyline Drive.** Dick Scott asked to have a stop sign placed on Claffey Drive and J B Drive. City Manager Lies agreed with that request. Dick Scott stated that pedestrian access to the mail box is also dangerous and asked for added police patrol of speeders. Police Chief Doug Chase explained that the City police is not responsible for most of Skyline Drive except for a small section between Claffey Drive and Mission View Drive. Dick Scott stated that Skyline Drive is the bar route at 2 a.m. and the weight limit sign should be made of metal and should be enforced. Mayor Marchello noted that this will be a start to improving their concerns. Libby Barrett stated that Paddy Trusler agreed to install slow signs and a stop sign on Claffey Drive, also a deer crossing sign. Dick Scott suggested a second artery to Highway 93 and installing slow signs under merging traffic signs. Chris Moran said these are good ideas and asked that the signs be installed before winter. Dale Ingstrom reinforced what has been said about the safety hazard of the Mission View Drive intersection with Skyline and asked that another 25 mph sign be placed near the top of the hill. Karen McMullen stated that the slow and stop signs will not help unless the police are there to enforce it. She asked that the police stop the speeders who go 50 to 60 mph and have them pay a fine. Police Chief Chase stated that there is a jurisdictional issue and only a small area of Skyline Drive is the City's responsibility. He will try to put additional patrol in the small area of Skyline that is the City's jurisdiction. Libby Barrett said they need to know who to talk to about the problems if not the City. City Manager Lies said he will call County Commissioner Paddy Trusler to express their concerns. Dick Scott asked that someone take the responsibility. Dr. Bob Garry expressed his concern about the dangerous intersections of Mission View and Claffey Drive with Skyline Drive especially in the wintertime. Mr. Barrett expressed his concern with the speed limit and the addition of cars from the Jensen subdivision. He asked if the water station across from Mission View Drive which is not being used could be converted to create a turnaround and used for emergency vehicles. Mayor Marchello encouraged the residents to bring their concerns to the City Manager. George Hess asked that the double yellow line on Skyline be repainted to clarify that there is no passing allowed. Rory Horning asked that the commissioners respond to the requests being made tonight which will be recorded in the minutes. Police Officer Barron stated that he patrols Skyline Drive at least two times on day shift and up to four times on night shift. Dr. Bob Garry expressed his concern that the police cruisers are flying blind past the intersection and it is very dangerous and the double yellow line is not visible. City Police Chief Chase stated that they would do their best to patrol Claffey Dr. J B Drive and Mission View Drive, along with the Skyline Drive portion in between these roads, which is the City's jurisdiction. He explained that it is a rare exception that they deal with other agencies' jurisdiction areas. Carlene Ingstrom asked when the City can take responsibility for Skyline Drive, considering the number of annexed properties along the road. City Manager Lies agreed that he would talk to County Commissioner Trusler about their concerns.

Commissioner Agrella stated that the problem is that Skyline Drive is not built to City specifications and the cost to reconstruct the road would be six to eight million dollars. So the City is waiting for the County to fix the road before taking it over. **Motion carried unanimously.**

ORDINANCE #638 – FIRST READING - MUNICIPAL CODE REVISE GOLF BOARD MEMBERSHIP - 2.38.010 TO CHANGE PGA MEMBER TO ‘MEMBER AT LARGE SINCE THE PGA BECOMES INACTIVE 10/1/08 - ADVERTISE FOR A MEMBER FOR THE AT LARGE SEAT AND ALSO FOR A MEMBER TO REPLACE SHARON LINK WHO RESIGNED 8/26/08 FROM WARD I : Golf Board Member Tom Corse asked Council to approve the first reading of Ordinance #638 to change the Polson Municipal Code section 2.38.010 that the PGA member of the golf board be changed to an at large member because the PGA became inactive. Also that Council advertise for the vacancies of one member from Ward 1 and three members at large one to replace a council person. **Motion made and amended by Commissioner Sohm, motion and amendment seconded by Commissioner Funke, to approve the first reading of Ordinance #638, to replace the PGA member on the golf board with a member at large and the council representative with another member at large and to advertise for the vacancies of three members at large and one member from Ward 1.** Commissioner Duford disagreed with phasing out the council representation on the boards, not feeling that it is in the best interest of the City. Commissioner Agrella stated that he believes it provides some continuity to have council members on boards. Mayor Marchello clarified that the chairman of the boards will report to the council and they have agreed to phase out council members on all boards within twelve months. Councilman Corse stated that he feels that is a drawback for the boards not to have council representation but they will do their best to communicate information to the council and comply with the new form of government. Elsa Duford stated that she disagrees with some of the contents of that transition document. She feels it is important to have council representation on the boards. Just because the document comes up with some of these ideas, if it is not in the best interest of the public they should not be bound by the things that are written in the document if it isn't beneficial. Murat Kalinyaprak suggested that they increase the ward representation by having two members from each ward and one at large member. **Motion carried. Commissioner Duford opposed. Mayor Marchello, Commissioners Agrella, Sohm, Funke and Clavadetscher in favor.**

RESOLUTION #967 - PETITION FOR ANNEXATION – LEE LODGE PROPERTIES 515 BAYSHORE DRIVE: Kristin Smith of WGM Group representing Lee Lodge, explained that this property was assumed annexed years ago but was not recorded as annexed. This request is to follow through with the process since it is wholly surrounded by city limits and could be annexed by the city at any time. **Motion made by Commissioner Funke, seconded by Commissioner Agrella, to approve Resolution #967 annexation of Parcel 1, Tract in lot 3, Tax ID #3584 4.25 acres owned by Lee Lodge, located at 515 Bayshore Drive. Motion carried unanimously.**

REQUEST TO EXTEND THE 15 YEAR TIME FRAME FOR PRIVATELY FINANCED MAIN LINE EXTENSIONS PAYBACK TO DEVELOPERS - ORDINANCE #523: City Manager Mike Lies stated that Will Mavis asked to extend the payback time frame of fifteen years for privately finances water and sewer lines as stated in ordinance #523. The minutes of 9/6/93 stated that the council considered a ten year limit but agreed to a 15 year time frame. If this request is approved it applies to everyone, requiring the City to continue tracking the payback amounts for thirty years and he did not recommend a change. He suggested that the developers can add the cost of their extensions to the sale price of the property after the City's fifteen year time frame has passed.. **No motion was made, the motion to extend the time frame died for lack of motion. Ordinance #523 will stay at 15 years.**

PROPOSED PLAN FOR CURB REPLACEMENT ON 15TH AVE EAST: City Manager Mike Lies explained the city engineer Shari Johnson's recommendation for repairing the curb on 15th Avenue East and noted that Smith Paving is responsible for the cost. It was clarified that the drainage will go to a dry well. Other options were discussed. **Motion made by Commissioner Agrella, seconded by Commissioner Funke to cut the concrete back and tie in with rebar and pour a new curb.** Bill Barron said he worked with concrete for many years and suggested they go down the seam and don't cut into the sidewalk. **Motion made by Commissioner Agrella, seconded by Commissioner Funke, to amend the motion, to have the city engineer approve other options for repairing the curb. Motion carried unanimously.** City Manager Lies said he would advise the commissioners of the engineer's recommendation.

METHOD OF TRANSFER OF LIBRARY PROPERTY: City Manager Lies explained that if the voters pass the new North Shore Library District levy in November the library would have tax revenue of 10 mills available to them by January 2010. The attached memorandum of understanding between the City of Polson and the Polson City Library Board of Trustees includes the City's participation in the procedures they would follow to make the transition. He made some changes to the draft document. Library Board Chairman Jackie Gran said that although the document is a rough draft, she anticipated a vote. Commissioner Duford asked what amounts were in the funds that would be transferred to the new library district. City Treasurer Bonnie Manicke stated that the August 2008 cash report shows that the various library funds total approximately \$163,942. Library Board Chairman Jackie Gran noted that the reversion of the land to the city is a major change to the document. Mike Lies stated that there will need to be further discussions. Library Board Chairman Jackie Gran stated that her understanding is that the land is being held in trust by the city for the use of the library. City Clerk Aggi Loeser stated that in a recent discussion with the auditor about donated funds relating to the fire department he commented that the donor's intentions are key in determining ownership of any donation. Commissioner Duford asked if there needed to be further discussion in order to have the Library District on the ballot. Library Board Chairman Jackie Gran replied that this issue will not affect placing the initiative on the ballot for the November elections, which was finalized.

AUGUST 2008 CASH REPORT: City Treasurer Bonnie Manicke presented the cash report stating that the Golf Course revenue for the month of August was \$149,692 and the City's total cash balance is \$5.4 million dollars. Page 3 of the cash report show investments which are insured and all of the City's investments are in Polson banks and none are in out of state banks. She believes that all the banks in Polson are secure. **Motion made by Commissioner Funke, seconded by Commissioner Sohm, to approve the August 2008 Cash Report as presented. Motion carried unanimously.**

AUGUST 2008 PUBLIC FUNDS INVESTMENT BIDS : City Treasurer Bonnie Manicke asked Council approval of a \$750,000 Certificate of Deposit investment at Community Bank with an interest rate of 3.43% APY for 9 months with a maturity of May 20, 2009. Other bids were 1st Interstate Bank at 3.35% APY, Glacier Bank at 3.31% APY, 1st Citizens Bank at 3.25% APY. **Motion made by Commissioner Clavadetscher, seconded by Commissioner Funke, to approve public funds investment of \$750,000 in a Certificate of Deposit at Community Bank at an interest rate of 3.43% APY for 9 months maturing on May 20, 2009. Motion carried unanimously.**

CITY MANAGER COMMENTS: City Manager Mike Lies stated that he attended the local option sales tax meeting. Representatives from cities throughout Montana were present to draft a bill to raise tax revenue through implementation of a sales tax. The sales tax would be applied to the same items throughout the State of Montana with 50% of the revenues reserved for property tax relief. The bill was drafted by the group and will be voted on in the next legislative session. The skins for the street signs for Main Street were ordered and will be shipped within twenty one days. Four new signs will be placed in the middle of the block between 5th and 6th Avenue and 6th and 7th Avenue. There is a problem with residential parking for several houses in that area which he will work out with the owners.

PUBLIC COMMENTS: Margie Hendricks asked who or which group requested extra police officers to be present at this meeting. Rory Horning stated that council is doing business as usual and hopes they had a good vacation.

EXECUTIVE SESSION: City Manager Mike Lies discussed the details of the city manager interview process with Council. Lois Hart, Chairman of the Search Committee and Commissioner Sohm agreed to meet with City Manager Mike Lies to prepare interview questions. Mayor Marchello suggested that Commissioner Sohm would ask the questions of the candidates during the interview meeting. City Manager Mike Lies asked the City Commissioners for a pay increase for an employee. The consensus of the commissioners was that there be no changes to the budget and the budget should remain as passed.

Meeting adjourned at 9:00 p.m.

Lou Marchello, Mayor

ATTEST: _____
Aggi G. Loeser, City Clerk