

**POLSON CITY COMMISSION MEETING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, OCTOBER 3, 2011, 7:00 P.M.**

ATTENDANCE: City Commissioners: Todd Erickson, John Campbell, Judy Preston, Mike Lies, Elsa Duford, Fred Funke, and Mayor Pat DeVries presiding. City Manager Todd Crossett and City Attorney James Raymond present. Others Present: Hu Beaver, Tana Seeley, Cheryl Wolfe, Joslyn Shackelford, Mickey Rosa, Ric Smith, Mike Roberts, Pete McGowan, Water & Sewer Superintendent Tony Porrazzo, Street Department Employee Bill Smith, Ali Bronsdon, Lucinda Willis, Murat Kalinyaprak, Jan Tusick, Wendy Sitter, Raina Stene, Co Carew, Melinda Weiss, Billie Lee, Dan Gabig, and Kate Hertz.

Mayor DeVries called the meeting to order and the Pledge of Allegiance was recited.

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

CONSENT AGENDA:

A. SEPTEMBER 16-30 CLAIMS

Commissioner Campbell moved to approve the consent agenda, item A, seconded by Commissioner Funke. The motion carried unanimously.

CITY COMMISSION MEETING MINUTES SEPTEMBER 19, 2011: Commissioner Lies moved to approve the Commission meeting minutes of September 19, 2011 with one typographical correction to page 4, line 2, seconded by Commissioner Preston. The motion carried unanimously.

CITY MANAGER COMMENTS: City Manager Crossett advised that he had attended the annual ICMA conference, and there had been good session regarding budgeting, the economy and labor hiring.

The police chief position would be opened internally prior to being opened externally. He felt there was a lot of good leadership in the department. The interview committee would include the Police Commission, a citizen appointee, and himself. They were finalizing the job description prior to posting it for 2 weeks internally. Before the position was appointed he would bring the candidate before the City Commission.

Skyline construction was ongoing. There was roughly a month left for the current phase.

Mayor DeVries noted that the Boy Scouts had finished their project at the dog park, and the playground resurfacing at Riverside also been completed. City Manager Crossett agreed that they looked very nice. Commissioner Campbell noted that the kids loved it.

City Manager Crossett advised that the golf course restaurant would be shut down earlier this year, as the spring and fall seemed to be the biggest profit losses. He pointed out that the spring and early summer had done poorly due to weather, but midsummer on had gone well. Commissioner Preston inquired about financial info for the restaurant. City Manager Crossett advised that he would be providing them with an updated financial report to include the whole season.

RESOLUTION #1022 – ADOPT FY 2011-2012 FINAL BUDGET – GENERAL FUND MILL LEVY AT 124.88, PERMISSIVE MILLS AT 4.6, AND MUNICIPAL SERVICES SPECIAL MILL LEVY AT 19.95 – VALUED AT \$8,997 PER MILL: Commissioner Preston moved to approve Resolution #1022, seconded by Commissioner Erickson.

Commissioner Lies expressed that he would like to see “with the approval of the City Commission” added to section 8 of the resolution. Commissioner Preston inquired if that would make things more difficult to manager. Commissioner Lies replied that it would not. City Manager Crossett advised that it depended on the item. Such as overtime pay for unexpected situations. He noted that expenditures beyond the budgeted amounts in an account would be brought before the Commission, but typically they could leverage one line item against another if unexpected expenses arose. Commissioner Duford expressed that she did not feel the public hearing for the budget was adequate because information was not available for long enough time. She commented that she had a real problem with the public not being informed, and having changes made to the budget after the public hearing. Commissioner Campbell pointed out that a lot of information had come in late that prevented the budget process and that revenue numbers from the department of revenue had changed. Commissioner Preston noted that the budget was always an estimate, the best guess. Commissioner Duford inquired how long the police levy would be in place. City Attorney Raymond advised that the police levy was in effect until it was voted out by the public, which would be brought by resolution before the City Commission. Mayor DeVries pointed out that there were no major changes to the budget since the public hearing, and most of those had been found at the public hearing. She noted that they had held a public workshop in July on the budget and felt the public had been able to participate. Commissioner Duford commented that there was no revenue included. Mayor DeVries advised that they could not control when the revenue numbers were received. Commissioner Duford commented that it seemed that they were spending more than they were receiving and she was uncomfortable with that. She felt that reporting back to the Commission was good. City Manager Crossett advised that they had not spent more than they had received in the last two years, they had spent less. **Commissioner Lies moved to amend the motion to include “with the approval of the City Commission” to section 8 of Resolution #1022, seconded by Commissioner Funke.** Commissioner Erickson inquired if this amendment would make it a more arduous process or delay funding. City Manager Crossett advised that it may, without a specific vision he was not sure. He advised that he was unsure of what level that approval would require. Commissioner Lies expressed that they were responsible for the cash flow, and it was good for them to know. Commissioner Preston expressed disagreement and did not feel the amendment was necessary. Commissioner Campbell pointed out that he did not often disagree with Commissioner Lies, but he felt that as long as the expenditures were not exceeding the budgeted amount they did not need to approve them. **The motion died for lack of a majority, Commissioners Funke, Duford, and Lies in favor. Commissioners Preston, Campbell, Erickson and Mayor DeVries opposed.** Commissioner Lies inquired why the medical

paybacks were not the exact same in all departments. City Manager Crossett advised that he would inquire with the payroll clerk and ensure that the numbers are correct. Commissioner Lies expressed that another change he would like to request was an increase of \$1/hour plus the COLA raise for City Treasurer Manicke, adding that she more than stepped up to the plate and did extra work. City Manager Crossett agreed that she was a very valuable employee. **Commissioner Lies moved to amend the raise for Bonnie Manicke to \$1/hour plus the COLA raise, seconded by Commissioner Campbell. The motion to amend carried unanimously. The motion to approve Resolution #1022 with one amendment carried unanimously.**

REQUEST FOR WAIVER OF IMPACT FEES – MISSION VALLEY AQUATICS CENTER: City Manager Crossett apologized that the recommendation letter had not been included in the packets. He advised that impact fee waivers were generally granted to public entities for the public good. The Impact Fee Review Committee had voted unanimously to grant the waiver of Mission Valley Aquatics fees of \$66,688. The committee had not discussed waiving the building permit or water and sewer connection fees. The MVA was a 501C-3 non-profit organization and the center was being built from donations. The center would be funded by a maintenance district. They would have affordable community rates. Commissioner Funke felt that it was important for City government to show support. **Commissioner Funke moved to approve the waiver of impact fees for the Mission Valley Aquatics Center, seconded by Commissioner Campbell.** City Attorney pointed out that MVA had paid the impact fees, they were requesting a refund. Mayor DeVries clarified that motion would only include waiving the impact fees of \$66,688, and not the building permit or water and sewer hookup fees. Commissioner Preston asked for examples of waived impact fees in the past. City Manager Crossett advised that examples were the schools, Loaves and Fishes, the Rural Fire Hall, and the Office of Emergency Management. Commissioner Campbell pointed out that waiving of impact fees was different from waiving usage fees, which they typically denied, even to non-profit organizations. He expressed his agreement with Commissioner Funke on the MVA Center's waiver of impact fees. Commissioner Duford commented that it would have been nice to have the handout before the meeting and questioned the calculation for which the impact fees had been reached comparing the pool to the same impact as two single family residences. City Attorney Raymond advised that was straight out of the impact fee guidelines. Commissioner Lies felt that there would be a much greater number of showers and toilet flushes used. City Attorney Raymond agreed that it was inexact, but that they tried to equate it as close as possible. Commissioner Campbell noted that the facility would be metered and they would pay for usage. Commissioner Duford inquired about which phase of the center construction the impact fees included. Hu Beaver advised that it was up through phase II, and all III phases would be encompassed within the acreage. Tana Seeley noted that phase III was a long way off, but it would be possible on that piece of property. Mayor DeVries noted that phase I included the pool and shower facilities. Hu Beaver noted that Phase II would require no impact fees because the service would already be in the building. Ric Smith commented that he supported the motion. He pointed out that there were a lot of people who wished to speak, and asked that they enforce the time limit rule in an effort that one would dominate the time and allow everyone to speak. Mayor DeVries expressed that she would like to open the discussion to the public with the idea that keeping it short would be appreciated. City Manager Crossett asked if she wanted to use a specific time limit. Mayor DeVries advised that if they were timing exactly she would like the

timer, she inquired if they wished for three minutes or two minutes. The Commissioners agreed on two minutes. Hu Beaver commented that this was a great opportunity for the City to show their support for the aquatic center and the committee very much appreciated their support. He advised that public/private partnerships were there only way this would work, Jan Tusick commented that she had been driving the high line a lot and even the small town of Rudyard, Montana had a pool, and felt the Polson community should be able to have a pool. Wendy Sitter commented that she supported the impact fee waiver and felt the aquatic center was a great asset to the community. Mickey Rosa commented that she had an interest in finding opportunities for older and younger recreation. She felt that they would be thanked in the future if they have a big part and help the aquatic center to succeed. Lucinda Willis expressed she was a part of the Red Cross, and the Red Cross was in favor of the aquatic center. She advised that lake swimming was something available during the summer months; however it was not as safe as learning to swim in. She commented that a pool swim lessons were learned better, and they would lessen the possibility of drowning with swim lessons offered all year round. Murat Kalinyaprak commented that he thought the pool was funded by donation, but more would be coming from the tax payers. He commented that waiving the fees for the aquatic center was different because it did not provide a free service like the library, fire or schools. He had asked that they give discounts or free admission to families with lower income, and he'd been told no. He felt that it was not like the other services. He commented that the mill levy passed for the special district was beyond the city limits, and so those who were inside of the city limits and paid their taxes were actually double taxed when the City gave more of their taxes to the project and that was illegal. Commissioner Erickson asked that Mr. Kalinyaprak keep to the agenda topic. Murat Kalinyaprak replied that he was. He commented that the letter provided by City Manager Crossett was a curve ball thrown at the Commission and public at the last minute. He commented that he did not believe the impact was just water and sewer, but was also traffic impact and fire protection. Mayor DeVries noted that two minutes had passed and thanked Mr. Kalinyaprak for speaking. Raina Stene commented that the building of the facility was funded by donations, and getting more from community was a donation and not a tax. She felt that the waiver of the fees would be a donation of sorts, not taking tax payer money, minimizing what the facility had to pay. She commented that if they saved \$66,688 in impact fees that was \$66,688 that they could use towards the facility to service the community. She commented that there would be immense programming to allow for lower income families to use the facility, and that had nothing to do with the taxes or facility operations. She commented that everyone would be able to use the facility, rich or poor. Melinda Weiss advised that the admission cost MVA would have would be at a discount compared to private indoor facilities. She commented that it was discounted for all those that love the community and have donated to the facility. She felt that it was important to the health of the community and a sense of community pride. Cheryl Wolfe inquired if all 501C-3 organizations would be considered for impact fee waiver. She expressed her agreement with Mr. Kalinyaprak that a pool was not the same as waiving fees for public services like fire protection, schools, or fishes and loaves. Mayor DeVries advised that all impact fee waivers were on a case by case basis. City Manager Crossett advised that 501C-3 non-profit organizations were a factor in waiving impact fees, but it was not a blanket rule that all 501C-3's automatically met the criteria to waive the fees. Mayor DeVries noted that Fishes & Loaves was tax exempt under the same tax code as Mission Valley Aquatics. Cheryl Wolfe questioned why the library would be charged fees as decided at the last meeting. Mayor DeVries clarified that at the previous meeting they had voted against waiving the water and sewer usage

fees. The aquatic center would also for those usage fees. She commented that she did not think usage fees were ever waived. Cheryl Wolfe asked how the cost of the impact of the aquatic center could be less than a regular commercial connection fee. Mayor DeVries advised that the connection fees were not being waived. The impact fees were calculated separately. City Attorney Raymond advised that impact fees were for new developments that would cause a need for additional infrastructure. He advised that a study had been commissioned to measure demand units, and those basic units were how impact fees were assessed and they varied from place to place. In the case of single family unit was approximately \$7,000 and one demand unit. Co Carew commented that the pool would be built, they had strong leadership. It had been a grassroots effort with many people involved over many years. She commented that this was a beautiful time for the City to show support for the pool and they wanted the City to be a part of the effort. Connie Placy advised that Mission Valley Aquatics, the 501C-3 organization, was spending \$3,800,000 to build the facility, and that facility would be given to the recreational district. He commented that MVA would not be making money from the project; all revenue would be the recreational district's. **The motion carried unanimously.**

APPROVE SUBLET OF B & I HOLDINGS, LLC LEASE PURSUANT TO THE TERMS OF THE EXISTING LEASE: City Attorney Raymond advised that owners of the Meridian building, which was leased by B & I Holdings, LLC on property owned by the City of Polson, had found potential subtenant. The lease held with the City allows for the sublease with the Commission's consent. The lease included that terms that said the lease could not be unreasonably withheld. Dan Gabig, represent Core Outdoor Power Equipment (OPE), advised that they were an employer which manufactured gasless power tools, working to move forward non-chemical based power. Commissioner Campbell inquired how many jobs they expected to bring. Dan Gabig advised that a conservative estimate was 25-30 employees by the end of 2012, and they expected to expand as more demand grew. Mayor DeVries inquired about the type of equipment. Dan Gabig advised that the first product they had available was a weed eater. Commissioner Campbell expressed that Meridian building's original lease's intention was to bring jobs to the area. City Manager Crossett noted that the lease clearly allowed for a sublease unless it was harmful or illegal. And this new agreement would foster job creation. Mayor DeVries noted that the lease payments would go down the more jobs the tenant provided. Commissioner Erickson inquired how long the building had been vacant. City Attorney Raymond advised that the building had never been vacant, but used for warehousing purposes. Commissioner Duford expressed that she would like to see the proposed lease change in writing. City Attorney Raymond advised that the terms of the lease would not change with a sublease. Commissioner Duford expressed that she would have like to know who the new tenant was and what they produced prior to the meeting. Commissioner Campbell advised that he would like to see the lease payments current on the building. City Manager Crossett advised that the lease payments were current with the exception of two months' rent that was in dispute. Commissioner Duford inquired about the taxes on the building being delinquent. City Attorney Raymond advised that he did not know, the taxes were collected by the County. Mayor DeVries advised they could contact the County in regards to the taxes. **Commissioner Campbell moved to approve the sublet of B & I Holdings, LLC lease pursuant to the terms of the existing lease, seconded by Commissioner Erickson.** Billie Lee of Lake County Community Development advised that Ronan had sponsored a CDBG loan to get the company started and they were under obligation to hire a certain number of employees. She advised that there was

strong support behind getting them up and running. She commented that it was exciting and revolutionary technologies being produced by this company. Murat Kalinyaprak commented that as of the last meeting the last payment on the lease had been in 2010. He commented that if citizens that don't pay their water bill on time they are fined, and if they don't pay they are shut off for \$25-\$50. He commented that this lease was not paid for a year and the government did not enforce that. He commented that he wanted to underline what kind of government they are. **The motion carried unanimously.**

PUBLIC COMMENT ON MATTERS OF SIGNIFICANT INTEREST TO THE PUBLIC NOT ON THE AGENDA: Murat Kalinyaprak commented that Bob Fulton's concerns were not on the agenda again. He commented that it was apparent the Commission was emasculated and they had no citizen representation anymore. He commented that they were unable to put anything on their own agenda and it was sad for the citizens of the City. He commented that he bet they wouldn't be able to, even if they were to prove that they could put it on the agenda, they would not be able to put it on the agenda forever.

The meeting adjourned at 8:11 p.m.

Mayor Pat DeVries

Attest: Kala Parker, City Clerk