

CITY OF POLSON COMMISSION MEETING

Commission Chambers

November 3, 2014

7:00 p.m.

ATTENDANCE: Mayor Heather Knutson, City Commissioners: John Campbell, Todd Erickson, Dan Morrison, Ken Siler, Jill Southerland, City Manager Mark Shrives, City Attorney Rich Gebhardt, and City Clerk Cora Pritt.

ABSENT: Commissioner Stephen Turner

Others present (that voluntarily signed in): Elsa Duford, Kevin Johnson DOWL/HKM, Shari Johnson City Engineer, Lisa Kinyon, Rick LaPiana, City Water/Sewer Superintendent Tony Porrazzo, Andrew Speer, and Diane Speer

CALL TO ORDER - Mayor Knutson called the meeting to order. The pledge of allegiance was recited. Roll call was taken.

APPROVAL OF PROPOSED AGENDA- Commissioner Southerland motion to approve the proposed agenda. Commissioner Erickson second. Commission Discussion: none Public Comment: none. **VOTE: Unanimous Motion carried**

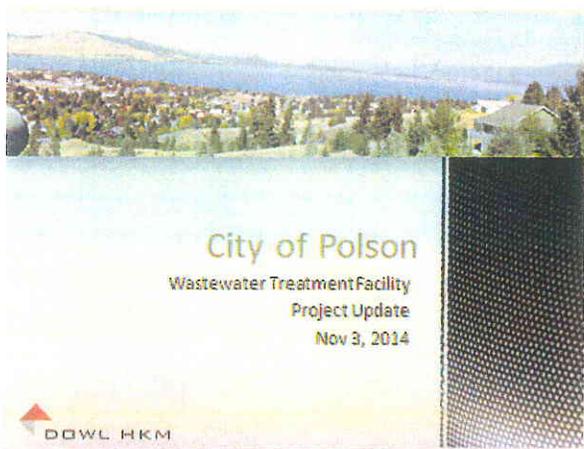
APPROVAL OF CITY COMMISSION MEETING MINUTES OCTOBER 20, 2014- Commissioner Southerland motion to approve City Commission Meeting Minutes October 20, 2014. Commissioner Campbell second. City Commission discussion: none Public Comment: none. **VOTE: Unanimous Motion carried**

APPROVAL OF CITY COMMISSION SPECIAL MEETING MINUTES OCTOBER 27, 2014- Commissioner Erickson motion to approve City Commission Special Meeting Minutes October 27, 2014. Commissioner Southerland second. City Commission discussion: none Public Comment: none. **VOTE: 5 ayes Commissioner Morrison abstained Motion carried**

CONSENT AGENDA-Claims October 16-30, 2014 Commissioner Campbell motion to approve the Consent Agenda. Commissioner Siler second. Commission Discussion: none Public comment: none **VOTE: Unanimous Motion carried**

CITY MANAGER COMMENTS-City Manager Shrives commented that Chapters 1 & 2, that were discussed at the workshop, have been updated and posted on the City website. The email set up for this project is: www.codification@cityofpolson.com and the email has been posted on the website as well. The first reading of the Ordinance will be on November 17th. The Public Hearing held by the Lake County Commissioners regarding the City County Planning Board will be November 12th at 10:30 a.m. This will be the hearing for the County Resolution of Intent to disband the City County Planning Board. The issues with Access Montana have been resolved. What came out of this discussion with them is the need for an Excavation Ordinance, which will have a first reading on November 17th also. In conclusion, November 4, 2014 City Hall will be closed.

WASTE WATER PRESENTATION – City Manager Shrivs invited City Engineer Shari Johnson and DOWL/HKM Engineer Kevin Johnson to present an update on the Waste Water Treatment project. The following is the power point presentation that was given:



City of Polson
Wastewater Treatment Facility
Project Update
Nov 3, 2014

DOWL HKM

PROJECT OVERVIEW/ INFORMATION UPDATE

- ◆ May 2014: MBR was selected as preferred alternative for grant applications
- ◆ August 14th: Joint Meeting with City, CSKT, and EPA
- ◆ August 29th: EPA letter in response to the joint meeting
 - Compliance Schedule Extension
 - Variance due to economic hardship
- ◆ September 26th: Flathead Regional Wastewater meeting in Kalispell
 - EPA, DEQ, and City Officials presented status of the Flathead Watershed
- ◆ Other Information
 - Alternative Systems
 - Current Conditions

EPA MEETING & LETTER
Joint City, CSKT, and EPA meeting led to a response letter addressing the following.

- ◆ Compliance Schedule for Disinfection in 2017
Can an extension be achieved? YES
BUT
 - A list of communities were given as examples
 - Helena for example got an extension after several years of negotiating.
 - There was staff turnover on both sides
 - End result was additional permit requirements but extension of time was granted
 - Progress toward compliance must be shown at all times
- ◆ Variance due to economic hardship
A variance is a change to a water quality standard.
 - Must demonstrate substantial and widespread economic and social impacts
 - ◆ PHD economist suggested
 - Request for changing the standard must be submitted to the Tribe for rulemaking
 - ◆ Significant effort by all parties and unknown time frame
 - Then it must be reviewed and approved by the EPA
 - Variances are for limited periods of time and rates must be raised to maximum

**** EPA stated this has not been done before, would take time and the odds of being granted are low... but that it is available to Polson to pursue.**

FLATHEAD REGIONAL WASTEWATER MEETING
Presentations were made by Flathead and Lake Counties, Regional Cities, EPA, & DEQ.

- ◆ PURPOSE: Awareness of what is happening within the Flathead Watershed Basin
 - Nutrient loading to the lake is from Point and Non-Point Sources
 - ◆ Area Wastewater Treatment Plants (Point Sources) have spent nearly \$100 Million dollars in upgrades over the last 10 - 15 years.
 - Counties are looking for ways to manage Septic Systems (Non-Point Sources) in a way that fairly targets failing systems or areas with vulnerable site conditions
 - Storm water (Point and Non-Point) is a large contributor of nutrients and other pollutants. Regulations are becoming more stringent.
- ◆ EPA & DEQ presented information on the new DEQ 12 and the TMDL
 - DEQ 12 is the document for nutrient regulation in the state (only for point sources with permits)
 - ◆ Nutrient Limits for Flathead Lake that were part of proposed rulemaking early summer 2014 were removed prior to rule adoption.
 - TMDL (Total Maximum Daily Load)
 - ◆ This has become an iterative process looking at impairments
 - ◆ Since the process began Flathead Lake has undergone numerous changes
 - ◆ The lake portion of the TMDL will be *rewritten from scratch* with new modeling tools and current conditions

ALTERNATIVE SYSTEMS

Further information was gathered on alternative systems

❖ DILLON: Dillon project engineer has stated they have a proprietary treatment process that may be applicable to Polson for less cost

- DEQ Review fell under the standard rule regulations. No alternative system review was required
 - The technology reviewed was the same as a Biolac system
 - The Biolac system uses aerated treatment ponds & clarifiers
 - Old walls would need to be reconfigured and lined
 - Concrete clarifiers follow pond treatment
- Polson 2014 PER evaluated the Biolac system option and it was eliminated
 - Good treatment results achievable, but
 - Operations similar to lagoon system
 - Challenging maintenance requirements
 - Limited longevity of lined lagoons compared to other alternatives providing better treatment



CURRENT CONDITIONS

A refresher/update on conditions of the Polson Wastewater Lagoons

❖ CAPACITY

- System has 1-3 medium sized developments left in hydraulic capacity
 - But, hydraulic capacity cannot be fully utilized if regulations aren't being met

❖ COMPLIANCE

- Lagoons have been out of compliance since January 2014
 - Flow = 5 times BOD5 = 4 times TSS = 4 times

❖ MAINTENANCE

- Aeration system lines are floating again and cannot provide proper air & mixing
- Efforts are underway to sink the lines and anchor
 - Pipes may separate at joints if overstressed
- Compliance violations likely without proper aeration



WHAT DOES IT ALL MEAN ?

CITY ENGINEER'S PERSPECTIVE

- EPA meeting and letter
 - An open dialogue was achieved, but no new tools were gained
- Regulations: DEQ 12 and TMDL
 - The future stringency of regulations are less certain than they were
- Alternative and Other Treatment Technologies
 - Yes, they are out there, but most are for smaller system flows. Spending money on them would be at risk since they are not well proven for larger municipal systems.
 - The PER already addressed the DEQ accepted/conventional technologies
 - SBR and MBR are still the best viable technologies for Polson
- Current Conditions
 - We are operating on borrowed time
 - Current & future violations may lead to additional fines

WHAT DOES IT ALL MEAN ?

CITY ENGINEER'S PERSPECTIVE

❖ Engineer's Recommendation

- Time is critical for moving forward with upgrading the Wastewater Treatment Plant due to capacity, deterioration, and compliance
- If cost was not a factor, MBR is still the best technology to meet Polson's goals
- Given cost is always a factor and the future stringency of regulations is less certain, the SBR option without filtration could be reconsidered.

Summary from previous presentations

	Sequenced Batch Reactor	Sequenced Batch Reactor w/ Filtration	Membrane Bioreactor
Capital Cost	\$14.8 Million	\$16.2 Million	\$18.8 Million
Annual O&M	\$340,000	\$410,000	\$430,000
Rate Comparison	less \$14.58/mb	less \$8.00/mb	---
Criterion Ranking (out of 100)	75.5	79.5	85

Criterion	Selection Weight	S&B		S&B w/ P Division		MSB	
		Score	Points	Score	Points	Score	Points
Treatment Process Performance (Stability)	20	3.0	14.0	4.0	20.0	1.0	12.0
Regulatory Needs (Current/Future)	20	4.0	18.0	4.5	20.0	1.0	12.0
Overall Facility, Features & Final Unit Processes	20	3.0	14.0	3.0	14.0	3.0	12.0
Financial/Compliance (Equipment, Instrumentation)	20	3.0	14.0	4.5	20.0	4.0	12.0
Operations & Maintenance (Operator Attention/Shift)	20	3.0	14.0	4.0	18.0	1.0	12.0
Construction Risking Opportunity	20	3.0	14.0	3.0	14.0	4.0	12.0
Totalscore	100		78.0		79.5		88.0

Contractor	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Contractor 1																								
Contractor 2																								
Contractor 3																								
Contractor 4																								
Contractor 5																								

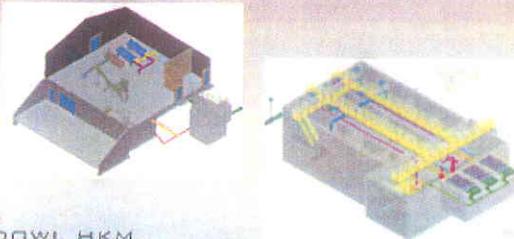
DOWL HKM

DOWL HKM

Project Schedule (Short Term)

Equipment Procurement

- Develop RFP for Equipment Procurement – Jan – March 2015
- Headworks Screens and Grit Removal Systems
- Membrane Bioreactor Manufacturer/System
- Aggressive/Optimistic Schedule



DOWL HKM

Project Schedule (Short Term)

- Empty Existing Lagoon Cell #1 – July '14 – Mar '15
- Drain Cell 1 – In Process
- Equipment & Sludge Removal – Feb – March '15
- Complete Additional Geotechnical Investigation – April '15

DOWL HKM

Project Schedule (Long Term)

- Initiate Design WWTP; April 2015
- Manuf. Submittals – April - May 2015
- Preliminary Design
 - Preliminary Drawing Development – June – Oct '15
 - Site/Civil, Process Mechanical, Concept Architectural
- Final Design
 - Nov '15 – Mar '16
 - Structural, Building Mechanical, Electrical, Instrumentation & Control
- Regulatory Review
 - April – May '16

DOWL HKM

Project Schedule (Long Term)

- Bid WWTP
 - Advertise for Bids – June '16
 - Award/Contracts – July '16
- Construct WWTP – 18 months (min)
 - Notice to Proceed – General Contractor – Aug/Sept 2016
 - Notice to Proceed – "Fabrication & Delivery of Equipment"
 - Completion of Construction – Jan 2018
 - Full Compliance – April 2018
- Compliance Schedule – July 2017
 - Completion of Construction (UV System) – July 1, 2017
 - Compliance with Final Permit Limits – Jan 1, 2018

DOWL HKM



City Manager Shrives reminded Commission that something needs to be started with this project. Mayor Knutson thanked Shari and Kevin for all of their work and for the valuable presentation. During the time when the project was first presented to present, there has been a meeting with the EPA(Environmental Protection Agency) and a clearer expectation about what is needed. Mayor Knutson explained that with the information that was given this evening, there needs to be time to absorb it all. City Manager Shrives commented that there needs to be some decision made that gives a definite direction. The presentation will be emailed to the Commission for their review and posted to the City website. Mayor Knutson commented that there will be a decision given during the November 17th Commission meeting.

THE APPOINTMENT OF MS. LISA KINYON, CITIZEN AT LARGE TO THE POLSON REDEVELOPMENT AGENCY-1 YEAR TERM, TO FULFILL A VACANCY DUE TO A VOLUNTEER RESIGNATION-This agenda item was presented by PRA President Ken Avison. The PRA is pleased to have the opportunity to put forth Lisa Kinyon as a new member of the PRA. Mr. Avison has had the opportunity to serve on several boards with Lisa. Lisa has a business downtown within the TIF District. Mayor Knutson clarified there were two applications for the position. The PRA recommendation is Lisa Kinyon. **Commissioner Southerland motion to approve the appointment of Ms. Lisa Kinyon to the Polson Redevelopment Agency. Commission Morrison second.** Commission Discussion: none Public Comment: none. **VOTE: Unanimous Motion carried**

APPROVE CONTRACT WITH McCRUMB CONSTRUCTION FOR NEW LIGHTS ON WALKING PATH IN SACAJAWEA PARK-City Manager Mark Shrives presented this agenda item. The City recently completed the City Dock and Pier Path project. There was funding available and there was a discussion about possibly putting lights along the path in Sacajawea Park and finishing up in Riverside. There is a section of three (3) lights that were not part of the original project. The area is in front of the Salish Building which was not part of the City's project that could be funded with the TIF dollars. BenErika LLC is going to donate the funds to finish the three lights in front of their building. They are donating \$10,600.00 and then there are other Park donations that will be used to put the lights in place. This is being done as a separate part of this project. It was not part of the TIF project. This contract is for those three lights. The rest of the lights were done as a Change Order. This is an add on contract that needs Commission approval. Commissioner Erickson asked if it would be the same lights. City Manager Shrives answered it will be the same lights it's just that these lights will be installed with donated money. Commissioner Campbell commented that this is a good idea. Mayor Knutson asked for a motion to approve. **Commissioner Campbell motion to approve the contract with McCrumb**

Construction for new lights on the walking path in Sacajawea Park. Commissioner Erickson second. Commission Discussion: none Public Comment: none. **VOTE: Unanimous Motion carried**

DISCUSS GOLF COURSE RESTAURANT LIQUOR LICENSE-City Manager Mark Shrives commented that this item was going to be discussed during the recent workshop. Golf Director Roger Wallace, Golf Board President Dave Cottington, and Golf Maintenance Superintendent Pat Nowlen have been invited to address the Commission about this item. It is not as time sensitive as the Waste Water project but it is a time sensitive matter. City Attorney Rich Gebhardt has also been asked to address this matter and get the discussion started. City Manager Shrives commented that he would be asking for a decision during the November 17th City Commission meeting. **Rich Gebhardt**, "Madame Mayor I think you are aware that we've had a couple of lawsuits over the past, over the management of the operation of the All Beverage license. The way that we're attempting to manage it, and we've attempted in the past to manage it, was by not having an employee manager of the All Beverage license. Our Golf Pro was on contract for the management of it. Previously it was a little bit like that but it was more toward the end that the Department of Revenue, Liquor Control Division would not approve it. So, based upon my conversations with the person from the Department of Revenue this spring, they were willing to go ahead and let us have no actual employee of the City manage the operation through the summer. What we're looking at is I got a question from this person that said, "why do you have an All Beverage liquor license in the first place?" I couldn't answer that question because I wasn't around when it was purchased. I think it has something to do with the fact that there would have been gambling associated with it at that time. We can accomplish the same thing out at the golf course and allowing for alcoholic beverages with a Wine/Beer license. We don't have to have the same management criteria it doesn't have to be managed like the All Beverage license. The cost is nominal to us because we have the right to have it as a municipality running our own golf course. So, I guess, whether it is surplus property to you is your question to be answered, and then what you do with it when you declare it surplus property and can we continue to operate the golf course and provide alcohol beverages to the restaurant and to the premises without having an All Beverage. My recommendation is that you move away from competition from downtown with All Beverage licenses and you provide service to the people that patronize you golf course and you see if you can recoup some of your investment by selling." City Manager Shrives, "I will ask Roger and Dave and Pat, to speak." **Roger Wallace**, "I feel like we've been here before maybe. I'm just going to give a little history and what's been discussed with the Golf Board. What my recommendation would be. First of all, last time I was here and we talked about this there was some confusion both here with where the funds came from. Let's be clear, everything that we're talking about tonight is Golf Fund. It has no, no effect at all on General Fund. As a matter of fact, the Golf Fund sends about \$30,000.00 a year to the General Fund. So, let's me clear, whatever we talk about, whatever decision you make as a Golf Fund issue and not a General Fund issue. Back in 2004 or 2005 we paid \$55,000.00 for that license. At the time there was Gaming. At that time it was a pretty good buy for us to be honest. We did well. Today, with no Gaming and through the research I've done, I was asked by the previous City Manager to make a proposal to purchase it. I had access to all the liquor license sells in Montana over the last five years. So looking at those and talking with bankers up and down the valley, some of whose banks owned licenses at the time, those licenses were worth, with no gaming, about \$10,000.00 in counties our size. For \$12,000.00 it was a little too painful for Council to accept that and I had a hunch that was going to be the case. So, \$10-12,000.00 is what that license was worth with no gaming, last year. With food and beverage being a part of the new hotel coming in. Food and beverage rumored franchise food and beverage, that license is going to be integral to somebodies business model. In an open bid process who knows, my hunch would be somewhere in between the \$12 that we know it was worth last year and the \$55,000.00 that we paid for it. That would be my guess. Currently about 1/3 of our total alcohol sales are hard alcohol. We do roughly \$75,000.00 in alcohol sales. The two years that the I have operated that license and I know what the deposits have been and from last year to this year it has been either \$23,500.00 or \$25,000.00 in the hard alcohol sales. So, almost exactly it's 32.6% has been the hard alcohol sales. Clearly there will be an effect on gross sales. I doubt it will be as large as

that, \$25,000.00. It might be \$10,000.00 issue but there probably will be some loss in gross sales. My experience is when we operated under Beer/Wine license prior, 2000 and before, that when you tell somebody we don't have a gin and tonic, they want to know what kind of beer you have. So, some will decide not to but most will decide to have a beer or a glass of wine. During the life of that license, I don't have the numbers in front of me, but it would be safe to say it has cost the Golf Fund in excess of \$100,000.00 whether it has been actual losses for the restaurant or moving from vendor to vendor to vendor. Anybody with food and beverage experience, going from vendor to vendor, one vendor leaves, the next vendor comes in and says the guy before was an idiot. I need this, this, this, and this. We're buying equipment and the lessor. At any rate, it has cost us more money than we can afford long term to continue to lose to accomplish our capital needs as well. The All Beverage license is very restrictive and some of the homework that we didn't do when we purchased it, you cannot sublet an All Beverage license. You can a Beer/Wine. So, in our experience trying to get contracts, essentially through the Department of Revenue, they will let us structure a contract that gave the lessee about 50% of those liquor sales that's essentially that person is flushing 25% of their gross sales down the toilet but they're still expected to incur 100% of the operational cost. So, Dan you would know what that might look like in your business. It's not a rosy picture. So, the benefit, if you did decide to sell is you can sublet it. It gets you out of the payroll liability. It gets you out of the liquor liability. If we choose to go down the road with an All Beverage license, the City of Polson is always, always, always in the food and beverage business. No choice. You are in it. Also, it is kind of, I've been in retail all my life. One of the important rules in retail is that, and I think I've covered this before, identify your buying mistakes. Everybody make buying mistakes. We made a buying mistake. Identify your buying mistakes, get out from under them, and turn that capital into something that makes you money instead of continuing to lose you money. We are continuing to lose money with this license at a much less extent today than we did three, four, five, six, seven years ago but none the less it's upside down annually. So my recommendation, personally, is to sell it and know that when you do sell it you cannot tie a location to sales contract. You cannot require that it stays at the golf course. You can't, like in my proposal I said, "Look I will buy it for \$12,000.00 if I'm done in ten years, I'll sell it back to you for \$12,000.00." That can't be part of a contract. I guess for me it is a little bit of short term pain possibly versus the long term gain. Even if there is some short term pain, there's a multitude of things we could do with \$20-30,000.00 that that liquor license would generate. I'm sure Pat would be able to speak a little bit better to that than I would be so. So at any rate, clearly you are not going to make a decision tonight. Time is a little bit of essence in that we have a business model to consider for next year. If you decide to sell it, we have to liquidate inventory, and possibly go out and see if somebody wants to advertise for a lessee or something like that and we get going probably April. It is a time consuming process to go through that. The sooner the better the decision is made for us." Commissioner Campbell, "How do you put something like that up for sale?" Roger Wallace, "We advertise for bid. We purchased it in a bid process. I'm assuming we would put it out for bid again." City Manager Shrives, "We'd put it out for bid potentially set a minimum acceptable price and then we do sealed bids. I haven't thought threw all that process but as I was thinking the best way to do it would be bids. We'd set a minimum price that we'd be willing to accept and then take sealed bids kind of like we do contracts." Commissioner Campbell, "How long did you get to run that with gambling?" Roger Wallace, "We ran that business under gambling for eight years, nine seasons, no six years." Commissioner Campbell, "Probably got their money back out of it too." Roger Wallace, "We didn't. People in generality, people that gamble typically don't want to be seen gambling. So, that upstairs room was light, it was well lite. People would stick their 25 cents or 75 cents change they got from their cheeseburger in the machine. Every now and then somebody would tip us over for a couple of grand and just ruin the summer. We were on a profit sharing deal with the City and it was 50/50. I think the most we ever made from a gaming standpoint was \$250-300.00. It was a non-issue from a revenue standpoint." City Manager Shrives, "Last time we talked, it kind of came back that it was unclear where the Golf Board stood, so I've asked the Golf Board to weigh in." David Cottingham, "The Golf Board has discussed this probably, I don't know, half a dozen times at various meetings with Roger. We have never really made a formal recommendation. I think I can confidently say that our recommendation

would be to sell it. We're going to hear some grumbling, or somebody is going to hear it, probably Roger. The few people that want a hard drink but like he said they will just buy a beer and that will be the end of it for the first couple of months of the golf season. We've talked about everything that Roger has explained to us in the same way. We had a discussion around this time last year. We said we should sell it. We had a discussion about it being an asset and I asked Roger this morning about what the percentage of hard liquor sales was and it was more than I thought it would be, but if half of that comes back in beer sales then it's probably no big deal. We are aware of all of the points that Roger made and that would be our recommendation." Commissioner Campbell, "Is it possible that we sell this, take that money to put toward the new cart shed?" City Manager Shrives, "That would be something that I would let Roger and Pat figure out. I suppose it could be used toward a lot of things. Before Pat says anything, it's kind of interesting, I talked to Cameron today. I stopped by the Pro Shop and was talking to him for a little bit. I said so you gotten any big push back on the fact that there is not refunds for the golf passes this next year? He said initially there was a couple of people but then when they talked about the fact that there had been \$8-10,000.00 in refunds last year and that \$8-10,000.00 and I think there's a misunderstanding as to where that money goes. Well, that money goes to potentially to buy another mower. It goes to maintenance, so when Cameron explained that he said that everybody went, "Oh. Okay. I understand now." So, we made that change, there hasn't been a whole lot of push back. So I just thought that was interesting. The liquor license maybe is in that same vein, I don't know." Pat Nowlen, "I just need you to know that I do support the sale of the liquor license. I see it as a piece of equipment that we bought, we used for a while, and then it broke down when the gaming left. If we took the opportunity to get rid of it, to get out from underneath it, we can operate the restaurant the way that we need to, we have the ability to get a portion of that money back and spend it on probably maintenance. Get out from maintaining this piece of equipment that's been broken for a long time." City Manager Shrives, "We're here for discussion, questions." Rich Gebhardt, "One thing. What you would do is make a motion to declare it surplus property and instruct the staff to go ahead and sell it. They would place the lowest acceptable bid and then you can determine how the sale will be conducted. You don't necessarily have to do it sealed. You could do it open if you thought you could get more money that way. That would be the Manager's determination." Mayor Knutson, "We are not the only municipal golf course out there. Are we the only ones that have this issue or do we know of any others and how they're working? Are they just flying under the radar? How are they managing this whole thing?" Roger Wallace, "There's really only, in western Montana, there's really only two other truly municipally owned and operated golf courses, Bill Roberts in Helena and I can't remember the name of the golf course in Great Falls. Both of them operate under Municipal Beer/Wine license. I believe we're the only municipality in Montana to have all All Beverage license." Rick LaPiana, "I'm going to give you a little bit of history about the liquor license. When I was on the Golf Board that was one of the things that Roger brought up, and I was on the Golf Board 2006 and 2007, was to get rid of the liquor license because of the problems of operating that bar with outside help and to keep the inventory safe. If the liquor room is still in the same spot downstairs, it's an accident waiting to happen. Why it hasn't happened I can't tell you. We wanted to in 2006 and 2007 to sell it. Roger was right, the City Council looked at \$50,000.00 and said, "Oh my God we can't take the hit". Well, we've taken the hit. You gotta get rid of it. I've told Mark already I know of two people that are ready to bid on it, that want to use it locally." Mayor Knutson, "Well we certainly have a unified front from the Golf Course. I've heard, I guess, informally from people that there's going to be some flare ups of course if this does go through. My inclination, I wanted to hear from all of you to get your perspectives as the leaders out there. I wanted to have the pulse on our golfers, our customers. I think that we want to make sure that we are providing a good service but we also have to make sure that we are doing things legally and within the right perimeters as well. So, I appreciate all of the perspectives that were shared tonight. There is definitely talk and it may be a short term pain. I would fully expect that." Roger Wallace, "When you consider what effect on the corporate groups or outside groups that come to us, we really are just replacing revenue from that day. Make no mistake that it's a good day for us, but a Saturday, end of August or July 1st to the first week of August, we're going to make the same money just being open on regular business day that Saturday as we are hosting that event.

There is some P.R. to be gained, absolutely. But from a pure business money in, money out standpoint bottom line for that day it really doesn't have an effect." **Elsa Duford**, "I have golfed a long time ago so I am not going to argue the golf thing, but I wanted to bring to your attention is this article in the *Flathead Beacon*. It's about Whitefish and it sounds like they would be delighted to get a liquor license for the price you mentioned tonight. It's quite a long article and it talks about how much it costs them to buy a liquor license on the open market. These figures are just astounding to me. It said in July a beer/wine license sold in Kalispell for \$500,000.00 according to the State Department of Revenue statistics. The cheapest Cabaret license sold in recent years went for \$100,000.00 All Beverage license went for \$585,000.00 in April which could be considered a bargain compared to the 2007 price of \$950,000.00. I mean this is just up the road. I would like you to read this article. It's kind of long but it's about a woman who wanted to try and open a business in Kalispell." Mayor Knutson, "I saw that article. It's also on line so you could google it." Elsa Duford, "It's the October 15th issue of the *Flathead Beacon*. That's all I wanted was to bring this article to your attention. Thank you."

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA-there was no public comment given.

Mayor Knutson asked for a motion to adjourn. Commissioner Erickson motioned to adjourn. Commissioner Southerland second. Vote: Unanimous Motion carried

ADJOURN 8:38 p.m.

Mayor Knutson

ATTEST:

Cora E. Pritt, City Clerk