

**POLSON CITY COMMISSION MEETING AGENDA  
CITY HALL – CITY COMMISSION CHAMBERS  
MONDAY, NOVEMBER 17, 2008, 7:00 P.M.**

**ATTENDANCE:** City Commissioners: Bruce Agrella, Jim Sohm, Jules Clavadetscher, Mike Lies, Elsa Duford, Fred Funke, Mayor Lou Marchello presiding. Interim City Manager/City Attorney James Raymond present.

Mayor Marchello called the meeting to order. The Pledge of Allegiance was recited.

**APPROVAL OF THE PROPOSED AGENDA:** Commissioner Sohm moved to approve the agenda as proposed, seconded by Commissioner Agrella. The motion carried unanimously.

**CONSENT AGENDA:**

- A. CITY COMMISSION MEETING MINUTES NOVEMBER 3, 2008**
- B. CITY COMMISSION MEETING MINUTES NOVEMBER 5, 2008**
- C. NOVEMBER 1-15 CLAIMS**

Commissioner Lies moved to approve the consent agenda, seconded by Commissioner Funke. Commissioner Duford felt that on page 2 of the November 3<sup>rd</sup> minutes it should be clear that Rory Horning was not allowed to speak and the Constitution and right to free speech were violated. She also questioned the cost of the new Dog Park sign. Mayor Marchello replied that he was not sure about the cost and they would have to talk to the parks superintendent. Murat Kalinyaprak asked who enforces the City Charter. Mayor Marchello replied that the Commission enforces the charter and suggested that Mr. Kalinyaprak meet with the City Manager if he has further questions in regard to the Charter. **The motion carried unanimously.**

**MDOT PROPOSED BERM ON MEMORY LANE:** Commissioner Lies informed the Commission that the City had talked to the residents who would be affected by the berm and Duane Keely from the Highway Department and they had mostly thought the berm would be a waste of time and money. **Commissioner Lies moved to have the Commission write a letter stating that the City is not in favor of the berm, seconded by Commissioner Agrella.** Gil Mangels told the Commission that the current berm looked unnatural and was covered with noxious weeds that were not from the area. The mowing had not been maintained and it looks terrible. He mentioned that he had written a letter asking that the berm be lowered, and offered to do the mowing himself. He thanked the Commissioners for the chance to discuss the issue with them. **The motion carried unanimously.**

**RESOLUTION #971 – ANNEXATION – 1413 HILLCREST DRIVE – CAROLYN HEINZ:** Commissioner Lies moved to approve Resolution 971, the annexation of 1413 Hillcrest Drive, seconded by Commissioner Funke. The motion carried unanimously.

**RESOLUTION #972 – MDOT CONSTRUCTION AGREEMENT – LEFT TURN SIGNAL AT INTERSECTION OF US-93 AND 4<sup>TH</sup> AVENUE EAST:** Commissioner Agrella moved to approve Resolution 972, the MDOT construction agreement to put a left turn signal at the intersection of Highway 93 and 4<sup>th</sup> Avenue East. Commissioner Sohm

**seconded the motion.** Commissioner Lies suggested the motion include repairing the walk signals at the intersection as well. **Commissioner Agrella moved to amend the motion to include the repair of the walking lights at the intersection, seconded by Commissioner Sohm. The motion to amend passed unanimously. The motion to approve Resolution 972, including repairing the walking signals carried unanimously.**

**FINAL PLAT APPROVAL – RIDGEWATER PHASE II – 17 LOT MAJOR SUBDIVISION:** Dennis Duty explained that each condition for final plat approval had been met and the 17 lots would be using the existing infrastructure. Commissioner Duford felt there was some confusion in regards to the maps. **Commissioner Clavadetscher moved to approve the final plat for Ridgewater phase II, seconded by Commissioner Sohm. The motion carried unanimously.**

**FINAL PLAT APPROVAL – SCHNEIDER – 2 LOT MINOR SUBDIVISION:** Marc Carstens explained that it was only one additional lot and he had been coordinating with the City's building and planning departments. There was one issue with the plat wording, which needed slightly different verbiage, which Joyce T-Weaver had advised him that it could be resolved with starting with a new plat. Planning Department Head Joyce T-Weaver advised that Council that she was in agreement with Mr. Carstens. **Commissioner Funke moved to approve the final plat of Schneider's 2 lot minor subdivision, seconded by Commissioner Clavadetscher. The motion carried unanimously.**

**CLARIFY THE VALUE OF CITY'S HALF INTEREST IN THE “.61 ACRES” AND THE PROPER WAY OF SELLING IT:** Murat Kalinyaprak expressed concern over how the interest in the .61 acres could be sold legally, adding that he had talked to Commissioner Lies when he was serving as the interim city manager. He suggested the City might take a partition action to sell the property. Commissioner Lies replied that the City owns a half interest in the .61 acres, not an amount of the property. The intent of the motion from the previous meeting was to sell the lot if the party who owns the other half interest agrees. He added that they did not know the exact value of the property in the current economy, but it would be on the market available for people to make offers.

**CITY MANAGER CANDIDATE PRIORITY LIST:** Mayor Marchello thanked the Search Committee for their time and the outstanding job they did. Commissioner Sohm thanked Lois Hart for her strong leadership and the many hours she put in going through the process twice. He expressed that no finalist would be contacted or released before the new contract was in place. The contract would hopefully be negotiated and signed by November 30<sup>th</sup> with the new City Manager in place by January 1, 2009. We would hope to hire the best candidate with the understanding that we are a new form of government. He compared the candidates' education, work experience, and also their desired salaries. Teresa Wall-McDonald and Joe Kerby both had grant writing experience. He noted that Mr. Kerby had achieved his life's goals and was now looking to balance his life and his career. He felt that Don Seten provided a lot of doubt as to his intention to take the job, and he did not believe that Michael Cramer would stay in Polson because his wife would not be able to find comparable employment and his daughter would have to drive to Missoula or Kalispell to be able to practice her gymnastics. He had no doubt that Mrs. Wall-McDonald would be a long-term employee. He informed the Commission that the

Search Committee had chosen Mr. Kerby as the first choice in the first round of interviews that he had been unable to attend. He felt that Mr. Kerby distanced himself as the best candidate because had been an absolute success with his other City and County employment, he was more concerned with acclimating to a community than the salary, and he was the only applicant with city manager experience. He stressed that as a community we need to look for stability in our new form of city manager government, and Joe Kerby was the only guarantee to ensure success based on his background. Mr. Kerby is the only finalist we should consider paying the top advertised salary based on his experience and passed success. He urged the Commissioners to vote on the strongest candidate that can stabilize Polson's government. Michael Cramer and Teresa Wall-McDonald were closely placed as the 2<sup>nd</sup> and 3<sup>rd</sup> choices, Don Seten would be the 4<sup>th</sup> choice as he did not seem committed to the position. He felt that Mrs. McDonald was personable and had many fine qualities, however she had no municipal government experience. And Mr. Cramer would handle the job well, but he feared he would be only a short-term city manager. **Commissioner Sohm motioned to choose Joe Kerby as the #1 finalist for the position of City Manager, seconded by Commissioner Duford.** Commissioner Clavadetscher asked to hear all the Commissioners choices. Commissioner Funke thought they were all good candidates and the Search Committee did an excellent job. It's a toss up between Mrs. Wall-McDonald and Mr. Kerby. He expressed that he may lean towards Mrs. Wall-McDonald because she knows the area and situations. He also felt she would be here longer. Commissioner Duford found Mr. Kerby knowledgeable and liked that he wanted to involve the public. She questioned Mrs. Wall-McDonald's experience in city government. She felt Mr. Cramer was good, but he couldn't guarantee longevity. She expressed that Mr. Seten was very personable and qualified, but uncertain. She stated that her first choice would be Mr. Kerby followed by Mr. Cramer. Commissioner Lies mentioned that he had put a lot of thought into the candidates. He felt that Mr. Seten didn't seem interested, Mr. Cramer was brilliant and could do a good job, but was concerned about the length of time. He expressed that Mrs. Wall-McDonald or Mr. Kerby would be his first choices, having someone local would be good but Mr. Kerby has experience. Mayor Marchello commented that Mr. Kerby was his top candidate, when he was asked his goals, balancing his family with his career in a small town. And he would be taking a pay cut. He felt that Mrs. Wall-McDonald was capable, but she did not have the experience of Mr. Kerby. He thought Mr. Cramer was a good individual, but felt the issues with his wife and daughter would make his stay short. He mentioned that Mr. Seten did not know for sure if he wanted the position. He expressed that his list for the finalist would be Mr. Kerby, Mrs. Wall-McDonald, Mr. Cramer, and Mr. Seten as the fourth candidate. Commissioner Clavadetscher admitted that he had struggled with choosing a top candidate. He thanked Don McMillan for the benefit of the review he had provided of the interviewees. He expressed that he was leaning toward Mrs. Wall-McDonald as the first choice, followed by Mr. Kerby, then Mr. Cramer, and Mr. Seten. Commissioner Agrella felt that Mrs. Wall-McDonald shined and would be an asset to the City. He mentioned that residents in his ward had phoned him asking him to choose her. His second choice would be Mr. Kerby followed by Mr. Cramer and then Mr. Seten. Nancy Glueckert commented that Teresa Wall-McDonald had the energy, knowledge and infectious enthusiasm Polson needed. Dick Blumberg commented that the City was at a crossroads and pushed the City to vote towards the more experienced candidate, Joe Kerby. Cindy Willis commented that she admires Teresa Wall-McDonald, but she felt although her enthusiasm was a wonderful advantage, the experience weighed more. Commissioner Sohm felt that since Mr. Kerby had accomplished all his goals and historically was always a success in his past endeavors

he would be the best candidate. He worried that the City would be taking a risk with Mrs. Wall-McDonald. Commissioner Duford expressed that she agreed with Commissioner Sohm, that Polson needs the city manager to be hired based on experience rather than personality. **The motion failed 3-4 with Commissioners Sohm, Duford and Mayor Marchello in favor. Commissioner Agrella, Clavadetscher, Lies, and Funke opposed. Commissioner Clavadetscher moved to choose Teresa Wall-McDonald as the #1 finalist candidate for city manager. Commissioner Funke seconded the motion. The motion passed 4-3 with Commissioners Agrella, Clavadetscher, Lies and Funke in favor. Mayor Marchello, Commissioners Sohm, and Duford opposed. Commissioner Lies moved to choose Joe Kerby as the #2 finalist for the city manager position, seconded by Commissioner Agrella. The motion passed unanimously. Commissioner Lies moved to choose Mike Cramer as the #3 finalist for the City manager position, seconded by Commissioner Funke. The motion passed unanimously.** Mayor Marchello pointed out that Don Seten would then automatically be the fourth candidate. **Commissioner Clavadetscher moved to vote again on Teresa Wall-McDonald being chosen as the #1 candidate, seconded by Commissioner Agrella. The motion passed unanimously.**

**RESOLUTION #973 – AUTHORIZE NEGOTIATION OF CITY MANAGER CONTRACT:** City Attorney Raymond explained that proposed resolution would give the Mayor the authority to negotiate the contract. **Commissioner Clavadetscher moved to approve Resolution 973 to authorize the negotiation of the City Manager contract, seconded by Commissioner Agrella. The motion carried unanimously.**

**REQUEST COMMISSION ASK CITY ATTORNEY TO WRITE A RESOLUTION FOR ADOPTION THAT DEFINES PROCEDURE FOR FILLING OPEN CITY MANAGER POSITION:** Commissioner Clavadetscher explained that the looking at other communities, the City should anticipate having to go through this process again. **Commissioner Lies moved to request the City Attorney to write a resolution for adoption that defines procedure for filling open City Manager position, seconded by Commissioner Funke.** Commissioner Duford asked if Montana State law included that procedure. City Attorney Raymond replied that it did not. **The motion carried unanimously.**

**REVIEW OF 08-09 BUDGET:** Commissioner Clavadetscher expressed concern over a lack of reserve funds and how that could impact the incoming City Manager. The projected expenditures exceed the projected revenue, despite the last 5 years in which the revenue exceeded the expenditure. The money would come from the general fund, which has a cash reserve of \$575,000. His major concern was how the next year's budget would be affected. He suggested the City's budget be posted on the website ([www.cityofpolson.com](http://www.cityofpolson.com)), so any citizen in the community could easily see the budget. Commissioner Duford wondered if the enterprise funds were used to help pay for the city manager salary. Commissioner Clavadetscher replied that all of the enterprise funds are allowed to transfer some money to the general fund for those services. Commissioner Lies stated that \$66,000 for the city manager's salary. He pointed out that 90% of Montana towns and cities went into their reserves in the last year, many for the first time. There were also several big purchases budgeted this year, including new police cars.

**OCTOBER 2008 CASH REPORT:** City Treasurer Bonnie Manicke advised the Council that actual revenue was always more than what is expected at budget time. The general all-purpose fund had a semi annual administrative transfer from the enterprise funds. The first transfer was from July 1-December 31, 2008 with \$10,350 from the building fund, \$15,000 from the golf operating fund, \$21,950 from the water operating fund, and \$21,250 from the sewer operating fund. The tax receivables trial balance for the 2008 real estate taxes from the Lake County Treasurer was \$1,104,529.86. As of October \$20,726 of that revenue had been received. She reminded that the budget figures were a tool for spending, if you don't have the cash you must cut back on capital expenditures. Fund # 2941 Housing Rehab Payments sunset with the October 2008 cash report. The final loan was paid in full. A \$400,000 Community Development Block Grant was awarded to the City in 1998 for community rehabilitation and revitalization housing projects. Applications were minimal with 15 projects completed, therefore all the grant funds were not utilized. Loan payment to the City from the 15 projects was approximately \$134,000. A sidewalk rehab project was completed in 2004. By resolution # 908 program income was transferred to the sidewalk loan fund. The golf revenue bond principal payment had been made on October 1, 2008. The outstanding debt is \$905,000 with the final payment due in 2017. She advised the Commissioners that the report account for overnight fund's interest rate was down to 1%. The current investments have interest rates at 3.43% to 4.3%. **Commissioner Lies motioned to accept the October 2008 cash report as presented, seconded by Commissioner Clavadetscher. The motion passed unanimously.**

Mayor Marchello noted that on November 19<sup>th</sup> MDOT would be meeting with the City Commission at 4:00 p.m., and they would be holding a public meeting at KwaTuqNuk Resort at 6:00 p.m.

**CITY MANAGER COMMENTS:** City Attorney Raymond informed the Council that the City had received a letter of resignation from Officer Bill Barron, as he had been elected to the Lake County Commission on November 4<sup>th</sup>. A citizen had sent a letter commending Officer Chris Wright for the help and guidance he had provided her son. Abigail Dooley, manager of the Tee Box Café, had sent a letter stating that she no longer wished to purchase the liquor license or renew her management contract on January 1, 2009. He mentioned that the water and sewer department was looking for an expert to analyze their rate structure. They had received a bid for the project with a total cost from \$7,000-9,000 with more details to follow.

**PUBLIC COMMENT:** Dick Blumberg expressed appreciation for the spirit of cooperation during the City Manager selection. Murat Kalinyaprak commented that Mayor Marchello had lied when he stated that he times all the public comments. He added that he had skimmed the recordings of the last 22 meetings and found 12 instances where comments were allowed to go over 3 minutes, including himself once. He asked if the Commissioners were aware of the 3-minute ordinance being invoked for any other speaker than himself.

**The meeting adjourned at 8:45 p.m.**

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**Mayor Lou Marchello**

**Attest:** \_\_\_\_\_  
**Kala Parker, Assistant City Clerk**