

CITY OF POLSON

CITY COMMISSION MEETING

Commission Chambers

December 15, 2014

7:00 p.m.

ATTENDANCE: Mayor Heather Knutson, Commissioners Campbell, Erickson, Morrison, Siler, Southerland, and Turner, City Manager Shrives, City Clerk Cora Pritt

Others Present (that voluntarily signed in): Elsa Duford, Lita Fonda, Michael Gale, Travis Hayes, David W. King, Rick LaPiana, Billie Lee, Paul London, Marie Hirsch-Mahugh, Bonnie Manicke, City Police Chief Wade Nash, John Peregoy, Isak Petersen, Ric Smith, Andrew Speer, Gordon Zimmerman

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 Turner motion to approve the proposed agenda. Commissioner Campbell second. City Commission discussion: none Public comment: none. **VOTE: Unanimous Motion carried**

APPROVAL OF CITY COMMISSION MEETING MINUTES NOVEMBER 17, 2014.-
Commissioner Southerland motion to approve City Commission Meeting Minutes November 17, 2014. Commissioner Morrison second. City Commission discussion: none Public comment: none.
VOTE: Commissioners Erickson & Turner Abstained 5 ayes Motion Carried

CONSENT AGENDA: (a) Claims November 15-30, 2014, (b) Claims December 1-10, 2014
Commissioner Turner motion to approve the Consent Agenda. Commissioner Campbell second. City Commission discussion: none Public comment: none **VOTE: Commissioner Erickson abstained 6 ayes Motion carried**

CITY MANAGER COMMENTS; City Manager Shrives gave the following comments:

Cameras are up and running to record the audio and visual of the Commission meetings. Currently the system is being tested. There are two cameras positioned in the Commission Chambers. One view is the Commission, the other view is the podium.

The efforts of the Community to raise funds for K-9 Officer Brody's bullet proof vest/stab proof vest have been overwhelming. There was a fund raiser at Glacier Brewery which raised \$592.25, Polson Downtown Business' donated \$1,000.00 from Stacy & Steve Dykman. There has also been raffle tickets sold by a local quilting group. The ladies created a special quilt and the drawing of the raffle tickets will be December 31st.

The City of Polson now accepts credit cards for payment. The City accepts Visa, Master Card, and Discover card over the counter only. On-line payment will be coming soon with the new website. Commissioner Turner asked if there was a fee involved. City Manager Shrives answered yes, a 3% fee.

City Manager Shrives invited David King to show the video "*I Love Polson*" that Mr. King produced.

John Peregoy inquired into the amount that the protective vest for K-9 Officer Brody would cost. Chief Nash answered that the vest would cost \$1,000.00

APPROVE THE SECOND READING OF ORDINANCE 2014-004 TO AMEND THE CITY OF POLSON BUILDING CODES. Building Official David Simons Jr. presented this agenda item. This is an amendment to the new building codes adopted by the State of Montana. This amendment would keep the City of Polson current with the State's recommendations and requirements as they adopt them. There will be a meeting set up January 7, 2015 at 6:00 p.m. in the Commission Chambers to go over the changes with contractors and any member of the public that wished to attend. **Commissioner Turner motioned to approve the second reading of Ordinance 2014-004 to amend the City of Polson Building Codes. Commissioner Campbell second.** Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

APPROVE THE SECOND READING OF ORDINANCE 2014-005 ADOPTING CHAPTER 1, ARTICLE 1 AND CHAPTER 2, ARTICLES 1,2, AND 3 OF THE CITY OF POLSON BOOK OF ORDINANCES. City Manager Mark Shrives presented this item. There were no changes received until this morning. The following changes are made to Chapter 2: page 3, Section "D" call for public comment-Members of the audience or their agents shall be invited to present testimony or evidence. To be recognized, each person desiring to give testimony or evidence shall step to the podium and, after being recognized, give their name and address or ward for the record. The audience presentation/testimony is limited to three minutes per speaker. The presiding officer may lengthen or shorten the time allotted for public testimony. Page 6-D added language from the Commission, page 9-"B" the last sentence was removed. Page 10 "B" the word Clerk has been changed to Manager. Mayor Knutson, "The only other question I had, Stephen we were kind of waiting for you to get back. On page 4, we have the Commission meeting beginning at 6:30 p.m. We would be moving it up from 7:00 p.m. to 6:30 p.m. We wanted to make that that was okay with everyone or we should stick to 7:00. Do you have any thought on that since you haven't been here." Commissioner Turner, "I like 7:00." Mayor Knutson, "You prefer 7:00?" Commissioner Turner, "I think it has always worked in the past." Mayor Knutson, "I honestly don't have a problem with 7:00. It doesn't matter to me either way. I don't know that anyone else felt strongly. I think there was kind of different ideas on getting to bed a little bit earlier." Commissioner Campbell, "In Stephen's case, he's a younger man with a younger family. If it works better for him, the rest of us can take it or leave it. I say keep it at 7:00. He's got a little bit of time to spend with his kids after work, have dinner, then get here." Mayor Knutson, "I'm just fine with that. Does anybody, does it not work for anybody to stay with that? I hope it does. It's been going on for quite a few years now. Make that change back to 7:00 p.m." **Commissioner Siler motion to approve the second reading of Ordinance 2014-005 adopting Chapter 1 Article 1, and Chapter 2, Articles 1, 2 and 3 of the City of Polson Book of Ordinances with changes as discussed. Commissioner Erickson second.** Commission discussion: none Public comment: **Elsa Duford**, "I didn't have all of the pages that you were referring to. I did have a question on the hours that you were talking for notice. At one time it had been 96, then it was 72. What I'm wondering are you counting those hours to include Saturdays and Sundays?" Mayor Knutson, "Yes. So it would be 72 hours would be starting Friday." Elsa Duford, "Okay, because of City Hall not being open on the week-ends, if people wanted any information they would be hindered in being able to get it at those times. I think it would be better if the 72 hours was, did not include Saturdays and Sundays. That's how I look at it. Also, to me it isn't clear what you're doing with these Action Minutes. Are you going to do those abbreviated minutes? What are Action Minutes going to consist of?" Mayor Knutson, "We are going to, at the end of every meeting, we are going to discuss as a Commission which minutes we want as full verbatim minutes, included in the written report. So we will discuss that as a Commission and make that decision on which ones will be full verbatim and which ones will be Action Minutes." Elsa Duford, "At the end of the meeting?" Mayor Knutson, "At the end of that specific meeting. For example, like at the end of this meeting we would go through and select which agenda items we want as verbatim minutes." Elsa Duford, "Okay. There was another thing that is not clear. On page 12, it is under "C" Administrative Duties. I've seen this State Statute before and I'm wondering why the words had been changed for this particular section here because the full title is, this is actually from the Montana Code, Title 7, Chapter 3-305. It is verbatim

until it gets to the section under Administrative Duties. It says, except for the purpose of inquiry or investigation under the City Charter. The Montana Code says purpose of inquiry or investigation under this title.” Mayor Knutson, “I’m sorry. I’m not tracking where you are at. Can you get me on the page that you are at? I’m not with you right now.” Elsa Duford, “I’m on page 12.” Mayor Knutson, “Page 12, what number?” Elsa Duford, “C”. Mayor Knutson, “C”. Okay thank you.” Elsa Duford, “At the end there are additional words that have been added to the Montana Code. I’m wondering if the City Manager or the City Council has the authority to add words to the Montana Code that are not in it. I thought the Legislature was the only one that could change the wording of the Montana Codes.” Mayor Knutson, “So can you explain how it’s different for me?” Elsa Duford, “Okay. If you read about in the middle of that paragraph under “C”.” Mayor Knutson, “What does it end, starting with?” Elsa Duford, “Except for the purpose of inquiry or investigation.” Mayor Knutson, “Okay.” Elsa Duford, “Under the City Charter, City Charter is not in the Montana Code. The Montana Code says *under this title*. My question is can the City Manager and Council revise and amend the State Statute.” Mayor Knutson, “I don’t know the answer to that. Do you know?” City Manager Shrives, “Well we’re really not revising, we have a City Charter which is another form of government, City Manager form of government. Which is different from probably Mayor/Council form of government which may be the Title 7 that you are reading. So, by adopting a Charter that gives the City additional powers. The Charter spells out that authority. So I guess the answer to your question is yes that can be done. It was done by the Charter.” Elsa Duford, “I guess I don’t agree with you. To me when you get into making changes like that then to me that is a legislative act not a local City act. So that is what I wanted to comment on. Thank you.”

VOTE: Unanimous Motion carried

CITY OF POLSON GOLF COURSE RESTAURANT LIQUOR LICENSE SALE-City Manager Mark Shrives presented this item. City Manager Shrives advises the Commissioners that what has been included for the item is the minutes from the November 3, 2014 Commission meeting where this subject was discussed. It was tabled until this meeting. From the discussion that was had there are two things to address: 1. Make a decision on the sale of the license. 2. If that decision is made then the recommendation is that the City staff would move forward and work up numbers and values and bring that back at a future meeting to go over how we would sell it and what the values are that we are looking at. **Commissioner Southerland motion to approve the sale of the City All Beverage Liquor License. The staff is directed, prior to an offering, to prepare an estimate of value and method of sale for submittal and approval by the Commission. Commissioner Siler second.** Commission discussion: Commissioner Turner, “I would like to see it listed within that sale that we do have a starting price, base price. In all my research I don’t think anybody has a true value of what it’s worth at this point because too many haven’t been sold at this point. My big concern is that the City did pay \$55,000.00 for it. I’d love to see most of that get back to them.” Commissioner Morrison, “I agree with Stephen’s comments. We’re kind of still at the bottom of the market. I’d like to see a minimum set price.” Commissioner Campbell, “If we were to approve the sale, or to sell it and the staff came up with an estimated value and did what this suggested motion states, we could still set a minimum acceptable amount that we would take. If it didn’t get met...” City Manager Shrives, “Right. That’s what I understood that. To bring back information with some research. We haven’t done the research yet.” Commissioner Campbell, “Tonight is just to start the process by agreeing to sell it. Then you will come back to us with information.” City Manager Shrives, “Correct.” Commissioner Turner, “Do we know if there’s any rules/regulations on selling it as far as can we place it out for bid?” City Manager Shrives, “I’ll confirm all of that. We can either put it out for bid, we can hold a live auction, and there are several ways to do it.” Mayor Knutson, “I do have a few comments as well. I think I have been one that has tried to find a way to be able to make it work for us to maintain and retain the liquor license. I am someone who appreciates customer service and one of the things that we do is offer that. It’s hard for me to take that away from our customers and our golfers. Through my research process, which as I thought we were going to vote on this at the last meeting in the middle of November, I researched all Sunday. What I did was found any municipal owned golf courses. Of all of the 18 that I came up with, on the specific

resource I was looking at, only three of those city municipal owned golf courses had a liquor license. That was a red flag to me right there that it is a small amount. I dug into it a little bit further, contacted all of those, not one of them was structured the way our city is structured with the golf course and the management structure. They have board authority. So the city itself did not own the liquor license. It was a board authority who owned the liquor license. So it was structured completely different way than what Polson is. I continued to look through this and I think I looked at several options. I think the number one thing we need to do is keep in mind, is what is best for the City as a whole. I think that hanging onto the liquor license actually exposes us to a great risk. I would say thanks to the Commission in 2013 for not selling it for \$15,000.00. I think we have a better opportunity now to be able to recoup as you were saying Stephen, some of the money that was spent on it before. I've searched up and down and tried to find a way that it would work for us and I have been met with opposition and have not been successful at finding something that I can see is in the best for our community. I agree with what all of you have said so far that I agree that that is the direction that we go as much as it pains me to say that. I do think for our City, when I look at it that's the best for our City. Does anyone else have any comments on that or discussion?" City Manager Shriver, "The motion needs to declare it as surplus property. **Commissioner Southerland amended the motion to include to approve the sale of the City All Beverage Liquor License, which is surplus property.** **Commissioner Siler second the amendment.** Public comment: John Perego, "I have two comments. The first comment is the Commissioners should recoup whatever monies has been invested in it. So the City doesn't take a loss. The second is kind of a comment/question. What is the liability for the City holding a liquor license?" Mayor Knutson, "We have structurally some challenges with the way it is structured right now and the e Department of Revenue and some of the rules that we are needing to fall within. So we have some challenges with the way it is currently structured with that." John Perego, "Wouldn't an option be making it a separate entity with a separate board like those other three that you researched?" Mayor, "With the board authority? Potentially that could be an option but I think the timeframe to do that would take an amount of time." John Perego, "Okay. Thanks." **VOTE: Unanimous Motion carried**

APPROVE SPECIAL USE PERMIT SINGLE STORY 4 UNIT OFFICE BUILDING-LOT 15C, RIDGEWATER SUBDIVISION PHASE 4.-Contracted Planner Erica Wirtala presented this agenda item. The applicant, Mr. Nate Modderman, applied for a Special Use Permit in October 2014. November 6, 2014 a Site Review meeting was held with City department heads. December 9, 2014 the City County Planning Board met to review the application. The Board has unanimously forwarded a recommendation of approval on to the Commission. This project is unique in the fact that Ridgewater has been final platting in phases. Phase 4 has been finalized with a Subdivision Improvement Agreement (SIA) that is set to expire in three weeks. A Subdivision Improvement Agreement is a bond that has been posted by that developer promising that the work will be done and done to a specific standard or the City has the option to cash the bond and do the work themselves. The road in front of Lot 15-C is complete and the engineer is currently working on the certification. Phase 5 has also been final platted for that short stretch of road which encompasses the second side of Lot 15-C. The SIA that is in place for Phase 5 is set to expire in September 2015. The construction of this application project should be completed at the same time the Phase 5 SIA expires. This will be a 4 unit single story office building. At this time there may possibly be a physical therapy office, or a compound pharmacy that will occupy the offices. The only question for the developer has been the average vehicle trips per day. There was an addendum added to the packet. The traffic report anticipates 141 average vehicle trips per day for a similar type of structure. Fire Chief Fairchild brought forth a concern during the Site Review meeting on November 6th. Due to the nature of the development of the Ridgewater Subdivision, there is not access to properly turn around the fire vehicles. Chief Fairchild asked that there would be two ingress/egress site locations. Condition #6 of the Staff Report reflects this request. The applicant will purchase the adjoining lot and supply the secondary access. Condition #6 will read, " For this specific project, in order to address concerns of the Polson Fire Chief, the applicant shall develop the parking lot with two ingress/egress locations." There are three fire hydrants that touch the property. Commissioner Campbell, "Looks like a good fit." **Commissioner**

Turner motion to approve Special Use Permit for the four-unit, single-story “Whitewater Office building” on behalf of Nate Modderman as per Special Use Permit14-05. Commissioner Campbell second. Commission discussion: none Public comment: none VOTE: Unanimous Motion carried

ANNUAL REPORT ON GREATER POLSON COMMUNITY FOUNDATION-Foundation President Penny Jarecki presented this agenda item. President Jarecki thanked the Commission for what they stand for by running for election, preparing for the meetings, listening to all of the comments that are brought forth and then making the tough decisions. The Greater Polson Community Foundation (GPCF) was founded in 2008. This has been a milestone year. In 2009 the Foundation began making grants to the community. The Foundation was recently named the Outstanding Non-Profit Organization of the Year by the Polson Chamber of Commerce. This is the fifth year that grants have been given to non-profit organizations in the community. The grants come from the permanent endowment fund. As the fund grows so do the grants grow that are awarded. In 2009 the award total was \$11,000.00 to qualifying non-profits. This year \$21,500.00 was awarded to non-profits. At the present time the permanent foundation fund balance is \$452,445.00. In addition, the foundation is managing funds such as scholarship, directed gifts, donor advise fund. The total of those funds is \$121, 850.00. Another hallmark is that for the first time the Foundation has a permanent office in the Salish Building. Donors have begun naming GPCF in their wills. The best highlight of the year has been the \$50,000.00 challenge grant. Donors will give the Foundation \$50,000.00 to add to the endowment permanent foundation if the donors collectively can collect or give \$50,000.00 Together that would increase the endowment by \$100,000.00. Currently they have received \$24,920.00 in cash. In pledges, there has been \$8,200.00 payable in 2015. Goal is to raise the \$50,000.00 by August 2015. 2014 was the first year that funds to specifically support the City of Polson were available. Two directed gifts paid for the improvement/up-grade of the extension of Ducharme Park. That amounted to \$7,200.00 The Foundation and the Polson Chamber of Commerce are sharing the cost of 3 9x12 foot Welcome to Polson signs. The total approximate cost will be \$35-40,000.00 The Chambers portion will be \$10,000.00. The third gift was \$15,000.00 to help pay for the three interpretive signs along the new Salish Point Trail. City Manager Shrives attended the annual Passion for Polson celebration in August and was personally presented with the check. All together the GPCF has directed almost \$60,000.00 to the City of Polson this year. Penny thanked Daniel & Darlis Smith for all of their hard work and dedication in the Polson Heart & Soul project. The Foundation worked with the Heart & Soul project. Mayor Knutson thanked Penny for all of her hard work and dedication and passion that Penny has for this community.

FINAL REPORT ON HEART AND SOUL PROJECT. Daniel Smith presented this agenda item. On behalf of the Heart & Soul project, Daniel thanked the Orton Family Foundation, Greater Polson Community Foundation, and the City, Community Advisory team, and the volunteers for the 2 year job well done. Without everyone coming together this would not have happened. There was a Heart & Soul video produced by David W. King that was shown that summarized the project. Daniel commented that this is just the beginning. There were 99 action items and Daniel read the top 12; Community facility for gathering events and youth activities, downtown vacancies and opportunities, infrastructure trails & boardwalks, tribal education and events, attitude shifts, tolerance and change, support of locally grown foods, youth lead school improvement identification and action, employment opportunity for college graduates, teach job skills for local employment after high school graduation, preservation of lifestyle and natural environment, visitor center. Daniel then presented a plaque to the Commission that states the 8 themes & value statements of the Heart & Soul project. Mayor Knutson congratulated Daniel & Darlis Smith on a job well done.

COMPACT INFORMATION-Ric Smith presented. Melissa Hornbein was ill and unable to attend. Ric Smith, “Madame Mayor and Councilman. First I’d just like to say this community is a better place because of the Smith’s and the Jarecki’s. They are phenomenal and I would like to thank you. They see the light in the world and that’s pretty cool to have people like that around here and your impact has been

phenomenal so thank you. Last Wednesday the State of Montana and the Tribes reached principle, an agreement in principle on the Water Compact. There's a lot of questions about it. I can't think of a more important issue that will have direct impacts on the City of Polson whether it passes or whether it doesn't. I spent some time with the Compact, talking with them. What we'd like to suggest is that the City Council have a workshop with a member or two of the Compact Commission. That would give the Council plenty of time to ask questions, get feed-back. It's nothing that you can really pick up on in the presentation to the Council. Hopefully, if you had an afternoon you could learn a lot. I've been involved with the Compact for ten years and still am learning a lot of things every day. I think this is probably the biggest issue facing our community and facing the City. With due respect, I would think the Council has an obligation to learn about it as much as they can. So the Compact Commission would be prepared to come over here, put on a workshop, and give a presentation and the Council would be free to ask and learn as much as they can." Mayor Knutson, "Okay. So we can talk about this a little bit about how we may or may not want to proceed with this. Does anyone have any initial discussion?" Commissioner Southerland, "I would certainly think it is a good idea. I would like to learn more." Commissioner Morrison, "I would too." Mayor Knutson, "So with that then I've been discussing this a little bit and what I think we would like to see is how this initially comes out in legislature. So how the Bill comes to the floor. Does that work for what we are talking about? If we wait until that comes to the floor and then having them come and present to us at that time." Commissioner Campbell, "Seeing what exactly it says right now. How many pages is this bill Ric?" Ric Smith, "You know John I honestly don't know. What the Compact Commission suggested to me, they have an Agreement of Principle that is being reduced to writing. That will be done soon. The Commission suggested to me that it would be early January. You will know exactly what is in the agreement. When they meant early January they suggested the first or second week of January. They also suggested Tuesday or Thursday. Looks like it is going to be a Natural Resources group that meets on Monday, Wednesday, and Fridays. So they would need to be in Helena for those days." Mayor Knutson, "So Tuesdays or Thursdays." Ric Smith, "Yes. I'd be happy Madame Mayor to make introductions. I don't know if that's something that the Manager coordinates or I'd be happy to help with that process." Mayor Knutson, "Okay. I'm getting a sense that everyone is interested in hearing more. So I think that we will stay in tune to the date that that agreement get released and then we will continue to talk on the appropriate next steps for us to evaluate that information and be presented. Does that work okay?" Ric Smith, "Yep. That sounds good." Mayor Knutson, "We can be a little flexible and move with that." Ric Smith, "Yep and thank you. Thank you for your time."

APPROVE THE FIRST READING OF THE ORDINANCE ADOPTING CHAPTER 2, ARTICLES 4 AND 5 OF THE CITY OF POLSON BOOK OF ORDINANCES.-City Manager Mark Shrives presented this item. City Manager Shrives, "This is the first reading. The second reading will be at the next meeting. If there are any additional questions, or comments get those to the city email that has been set up on the City website. The City Clerk then works between myself and the City Attorney to get the information. That email for the public is also available on the City website. This is two changes. If you go to page 4, we just made one correction and one change. The previous, under City Engineer, previously said, such officer shall be a licensed engineer and shall be hired by independent contract. We changed "shall" to "may" just in case that we want to potentially someday have an engineer on staff. So, we just left that as an option. There was a question about the City Judge. If the City Judge could serve for more than one term. It wasn't clear. So if you go to page 6, it says the Commission may determine by ordinance the number of judges required to operate the City Court and shall appoint the same. The appointed City Judge shall hold office for a term of four years. The addition was "and may be reappointed for additional terms and shall serve until the qualification of a successor." So that's the addition there. We just added that he could serve for additional terms. So, that's the only comments that we got from the first reading unless you have any comments." Commissioner Campbell, "Mark on page 2, Finance Officer. On the number four it talks about water grants, other monies and things that the Finance Officer should be involved with. Shouldn't she handle all of the money, bonds. The Finance Officer shall be responsible for the safekeeping of all funds on account of the City waterworks and sewer

works systems. It goes on.” City Manager Shrives, “What are you looking for? Additional wording?” Commissioner Campbell, “Golf Department. Isn’t the Finance Officer responsible for the public funds and monies and so forth from the Golf Department?” City Manager Shrives, “Yeah. I guess I’m looking to see if maybe it is captured in here somewhere kind of as a general.” Commissioner Campbell, “Yeah. Maybe. If it is I missed it.” City Manager Shrives, “Okay. I can put that as a note. I will try and see where that can be expanded to include that.” Commissioner Campbell, “Back in the back on the Parks & Recreation. Right now we appoint members of the Park Board according to ward. Did you change that?” City Manager Shrives, “That was the recommended change mainly because sometimes it is hard to get representation from a ward so we just changed it to an at large representation.” Commissioner Campbell, “How are we going to find those members? Just advertising?” City Manager Shrives, “Exactly. Just like we do for the other boards.” Mayor Knutson, “Any other questions?” Commissioner Southerland, “Do you want to go into the typos?” City Manager Shrives, “If you could just email those to me that would be great.” Mayor Knutson, “I pointed this out but I will say it again, I like the red line version so you can see from time to time what has changed.” **Commissioner Southerland motion to approve the first reading of the Ordinance adopting Chapter 2, Articles 4 and 5 of the City of Polson Book of Ordinances. Commissioner Erickson second.** Commission discussion: none Public comment: **Lee Manicke**, “My page numbers don’t quite coincide with all of yours but possibly on page 2, Sec. 2.04.210 City Manager additional duties. In addition to the duties as prescribed in 2.03.160, in the second reading, just past that section is reserved so I think there’s a miss quote as to what section is referred to. It goes on, in addition to the supervisor of the department of administration services, do we have that department? I couldn’t find it. City Manager Shrives, “That was created, in here somewhere.” Mayor Knutson, “It’s underneath Division 1 Generally on that first page. We talked about Administrative Departments. Is that what you are looking for?” City Manager Shrives, “Right.” Lee Manicke, “I just didn’t find it. If you have it.” City Manager Shrives, “It was created by the previous one.” Lee Manicke, “If you have it that’s fine.” On possibly page 7, Sec.2.05.510 on “B” is says, A Board created pursuant to this division shall consist of at least five and not more than seven members. If you go to Montana Statute 7-15-42341, it says the local government body shall appoint a Board commission for the Urban Renewal Agency consisting of five commissioners. My question, why are we expanding beyond what the State Statute says we shall do? If you go on down in the same section to “F” it describes what the, where the commission can be made. The last sentence says the majority of members must reside or own real property within the City. Again to the same State Statute 7-14-42345 it says, any person may be appointed as commissioner if they reside within the municipality. So I think they have to be within the City rather than have them giving preference to people that reside in that. It indicates that people can be outside of the City. On to 205.540 Annual Reports; a board created pursuant to this division shall file with the City Commission, on a date as determined by the Director of Administrative Services, again do we have a Director of Administrative Services?” City Manager Shrives, “That would be me, yeah.” Lee Manicke, “Why don’t you just say that then? It would be a lot easier. The State Statute is rather simple on that and I think just go ahead and follow the State Statute that says the Redevelopment Agency shall file with the Local Government body on or before September 30th of each year and report for the preceding fiscal year, it says annual report must be available to the public. The report shall include a complete financial statement setting forth assets, liabilities, income, operating expenses in the amount of tax increment. I think with the City County Planning Board, and The Zoning Board, and the Police Commission you pretty well just give that to State Statutes and it seems like in the PRA it goes beyond the State Statutes. It would be a lot simpler if you just get back to State Statutes.” Mayor Knutson, “All good points. I just want to make sure that we are cross-referring and that those are aligning well. I think that as we move through this process I guess that I suggest that we go ahead and approve this draft with the changes that we’ve included and then making sure that those get red lined if there are changes and make sure we are double checking those. Does that work? Do I have any other additional public comment? Okay, I’ve got a motion from Commissioner Southerland, a second from Commissioner Erickson. We will go ahead and vote.” **VOTE: Unanimous Motion carried**

APPROVE AMENDMENT NO. 1 TO TASK ORDER NO. 2 WASTEWATER SYSTEM

IMPROVEMENTS-City Manager Shrives presented agenda item. City Manager Shrives, "So when we started our wastewater project Task Order No. 2, our engineer with Dowl/HKM was to prepare a preliminary engineering report and provide that information for selection of a type of system we wanted to go forward with. We went through that and selected an MBR and then you all remember as well as I do, that we went on for several months, looked at other options, we looked at rates, and we had some additional public hearings, a lot of extra meetings, and so I had asked Kevin, at the start of that, to keep track of his time because he was involved heavily in all of that as our engineer. We would do an amendment to Task Order No. 2 when we had made it through that process. So that's what this amendment is. This is the amendment to cover the additional expense that we incurred with Dowl/HKM providing those services. Which was \$24,500.00. So I guess the bright spot of that is because we did that and because we were looking it all over the different issues, and our various meetings, we saved about 4 million dollars because we went from the MBR to the SBR. That was the additional expense that we do owe Dowl/HKM. I wanted to get this cleaned up before we move on to Task Order No. 3, which will be the beginning of design for the SBR part of it. That's the next Task Order that we will be executing with Dowl/HKM. So this will close out Task Order No. 2. Commissioner Campbell, "Well you documented it pretty well. We did ask him to do a lot more work. This goes back to August, July, April."

Commissioner Campbell motion to approve Dowl/HKM Engineering Amendment #1 to Task Order No. 2 in the amount of \$24,500.00, which revises the overall value of Task Order No. 2 to \$74,313.00. Commissioner Turner second.

City Commission comment: Commissioner Turner, "The only thing I have to say is this is just getting started. So, make sure these numbers are kind of held to after this." City Manager Shrives, "I had a good number until we had to add the extra time."

Commissioner Turner, "It's a big project and sometimes it can get carried away. So, make sure that everybody's paying attention." Mayor Knutson, "Yeah. I agree. I'm sure there's accountability system set up to make sure that they're falling within that and to give us the heads up and as much advance as possible if it looks like we are falling outside of the scope of that." Public comment: none

VOTE: Unanimous Motion carried

APPROVE TASK ORDER TO PROVIDE GRANT DEVELOPMENT SERVICES FOR THE CITY OF POLSON.

City Manager Mark Shrives presented this agenda item. City Manager Shrives, "Kind of going back to watching the numbers, I'll say that a little bit, when we started looking at the project and started talking about grants. Originally our engineer was actually going to write the grant. As we looked at it, we talked about the fact that we might be better if we went out and found a grant writer that does that and get away from the engineer side of it. So we found Nittany Grantworks who are out of Livingston. So, Lori from Nittany Grantworks actually worked with us and wrote our Treasure State Endowment Grant (TSEP) and our RRGL Grant which is Renewal Resource Grant. She worked particularly with Kevin and with Shari and Tony in putting those grant applications together. The reason I am back here tonight is because I think based on success and we have some other grants we want to apply for, the Treasure State Endowment Grant, we ranked number two out of over forty grant applications that were provided. When I looked at the scoring, we were very close to number one and then between two and number three with about a thousand points difference. So we did really well in that. Then in the RRGL we ranked number four out of, I'm not sure of those numbers, but quite a few applicants. What that means is that we have been put in the budget for both TSEP and RRGL and with those rankings, unless they don't fund anything, the City should receive for TSEP \$750,000.00 and for the RRGL \$125,000.00. So we are now moving on to the next round of grants. The next big one is the CDBG grant application. The nice thing about that is the score from TSEP is automatically put into the CDBG application. Again, hopefully we will have good success. That's why I am recommending that we once again enter into a contract with Nittany Grantworks to work on our next grant application. The current task order that she is proposing to do, the next grant would be \$8,776.00. Commissioner Campbell, "That's the best money that we've spent without a doubt." **Commissioner Campbell motion to approve Task Order from Nittany Grantworks in an amount not to exceed \$8,776.00 for the**

preparation of a CDBG Grant Application in support of the City Wastewater Project.

Commissioner Southerland second. Commission discussion: none Public Comment: none

VOTE: Unanimous Motion carried

APPROVE REQUEST FROM MISSION VALLEY ELKS LODGE REQUEST FOR 2 SEASON

PASSES. Golf Board President David Cottingham was not present, so City Manager Mark Shrives read the letter from the Elks Lodge requesting the two season passes. Commissioner Campbell, "Mark, we have so many a year that we give out? Eight or something like that." City Manager Shrives, "I think it was 6. So basically it's two per." Commissioner Campbell, "We still in there? We still got two?" City Manager Shrives, "Right. This is actually the first two that have been requested for this year."

Commissioner Turner motion to approve the request from Mission Valley Elks Lodge requesting for two season passes. Commissioner Campbell second. Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE

AGENDA- Tony Porrazzo, "Two things, one with Kevin at Dowl/HKM. He used to be my size before he got a hold of us. So he's been carved and twisted and cut. His budget was quite a bit bigger before between Mark and Shari and myself and all involved hacked away at him. We are cutting through this very closely and very tightly. I enjoy watching him squirm myself. That's good. Second thing is I want to clear up a little rumor mill that's been going around that I've heard, and that is that I am not happy with the decision that you all made. That is completely wrong. I think you guys did a fantastic job. I think that the SBR is the best decision for what we have going. MBR was what I wanted but that was a different time. The TMDL's were a big issue and they went away. EPA has the power to do that. They have the power to bring it back but the decision made was an excellent decision. John Steele was spot on. So I mean there was no argument I know by any of us. We had already felt that this was what was going to happen and knew there was no way to fight it. It just wasn't there once the TMDL's went away, so did all of the things that we were fighting for. So I think you guys all did a great job and a lot of homework done that I've never seen happen before. So you guys did a great job on that. Thank you." **Rick LaPiana,** "I just wanted to thank you and wish you a very Merry Christmas and a Happy New Year. We will see you in January." **Andrew Speer,** "In regards to the Compact. You were offered an opportunity tonight to hear the pros regarding the Compact. I think that if you do step into that area, I think that you should also be obligated to hear the opposition. Many of the things regarding the Water Compact and I would be more than happy, if you do accept the proponents for it, to introduce you to some people who are very knowledgeable and can tell you why it violates the law. What a detriment to the community it would actually be in the long run. So I would appreciate the opportunity should you go ahead and listen to the proponents, to also listen to the opponents. Thank you." **Gene Irv,** "I am kind of your neighbor to the south in a little town called St. Ignatius. I am going to leave this with you, this is revised codes of 1935 in the State of Montana. This has a lot to do with our water rights. They are very valuable to every one of us. It also talks in here of people that want to steal water rights, they might lose their own. So I'd be very cautious. Now the City of Polson was allotted 80 acres for a town site here. Under that you were appropriated from Congress, one miner's inch per acre. That's quite a little bit of water. In that 80 acres it's 471,000,000 gallons and 365 days. Everybody that lives on this reservation, that had a patent, could have been appropriated water from Congress. They were. They were given a patent, they were to be supplied water. That hasn't happened. I've got a couple of concerns for you folks. Pass this Compact and this is what could happen to you. In the issuant of patents for all tracts of land boarding upon Flathead Lake Montana it shall be incorporated into the patent that this convenience is subject to an easement of 100 linear feet back from a contour of an elevation of nine feet above the high water mark of the year 1909 of Flathead Lake. To remain in the government for the purposes connected of water power. This book right here was compiled in 1972 at Mission, Montana. The people that put this together had to be lawyers. There's two court cases in here, three court cases actually. One from 1931 that decreed water rights on five streams. One of them, North Crow, the other one is Post Creek. The Jocko River, Agency

Creek, and Finley Creek. Why is that important to all of us? Because every source of water that runs into each one of those streams and goes into the Flathead River, we have the right to follow those nine cases and ask for our water rights decreed by the 9th Circuit, I believe it is, Federal Court. That's where this court case went through. In 1941 there was a court case that firmed up if you bought -allotted land, every right that went with that allotment was transferred to you. The water went with it. There's a little problem with the mountains of getting enough water storage to all of us. There's up to 380,000 acres of water appropriations on this Flathead River. Each one of you owns a share of that. I don't know how big your properties are, but if you have an acre of land, you have enough water for 18 feet deep, 365 days later. Our fine Compact Commission, DNRC, has amended our water right claims. We have irrigation, power, municipalities, and other purposes. Why is that important to a city of this town right here? Because everybody that has water appropriated to you flowing down that river can be sold and you are to have a share of it. I've been concerned and wanted to come and speak to you people for quite a while and tell you a little something. Maybe I've spent two and half years learning myself. There's a lot of people who are starting to wake up in the west right now. The United States government, through the Bonneville Power, BLM, the State of Montana, and the Tribal Council is taken millions of our dollars and helped themselves. That's what the big cover up here is. So, be aware. That's my version, but I will leave this with you and I can get a little cheaper copy of this. It's highlighted a little bit, but the Cities and towns were appropriated water. I'm sure you knew that already. Those water rights. They actually bought the water right from an Allered family out here, I think it was in 1913. The water rights were not moved up here to this fine City of Polson, Montana until 1986. Something's wrong. They didn't even bring book "J" and that was the appropriations. Congress in 1905 said, well we're gonna have x amount of water but they had to do an appropriation and there's Book "J" sitting in Missoula, Montana. There's also some in Flathead County. There's one dam that I haven't found." Mayor Knutson, "Excuse me Mr. Irv. We do appreciate you coming. Clearly you have a very broad information. We are not making a decision today. I was just going to let you know that we certainly will come back to this and we welcome you back when we have it." Gene Irv, "I didn't ask you to make a decision. I'm just trying to get you..." Mayor Knutson, "No and I'm just letting you know. Okay. Thank you." **Elsa Duford**, "I just wanted to know if you would be willing to comment on the speech you made to the Chamber of Commerce where you are talking about the threats and challenges that the City faces. If you could expand on that a little bit for people who didn't get to hear your speech." Mayor Knutson, "Do you have a specific question that you're asking?" Elsa Duford, "Well on the two things were your challenges and the threats. What those would consist of." Mayor Knutson, "Challenges and threats. I honestly don't specifically remember identifying challenges and threats in that manner. Certainly we do have challenges." Elsa Duford, "This is from the newspaper. In the *Leader*. That's where I got the information before I raised the question." Mayor Knutson, "Well we could certainly talk about a lot of challenges as we move forward. I'm not sure what specific one you are referring to. Certainly we have challenges of growth. We have challenges of traffic challenges in the future. I believe I touched on that a little bit. I'm trying to recall the different roads, water, yeah those are all going to be challenges as we move forward as we continue to grow. If there's anything specific that you have, Elsa that you'd like to discuss, I'm happy to." Elsa Duford, "Well all I had in information is what the paper said. It just says, we do have to address challenges and threats. So I'm wondering what the threats are." Mayor Knutson, "I honestly don't recall talking about threats at all. So, I don't feel threatened myself." Elsa Duford, "This is all the information that I based my question on." Mayor Knutson, "I'm sorry. I don't recall saying threats at all in my presentation. So maybe there was a misprint, or a misunderstanding. I can't respond to that. I don't know the specific threat that it's referring to." Elsa Duford, "Well that's all I have to go on." Mayor Knutson, "Okay."

Mayor Knutson, "I would like to say thank you to the City Staff for decorating and making it festive in here. I appreciate the efforts for that. Thank you very much."

Mayor Knutson asks for a Motion to Adjourn. Commissioner Morrison motion to adjourn. Commissioner Southerland second. VOTE: Unanimous Motion carried.

ADJOURN: 8:45 p.m.