

WHITEFISH CITY COUNCIL MINUTES
JUNE 17, 2013
SPECIAL SESSION, 6:30 TO 7:00 PM

1. Call to Order

Mayor Muhlfeld called the meeting to order. Councilors present were Anderson, Hildner, Sweeney, Hyatt and Kahle. Councilor Mitchell came at 6:48 pm. City Staff present were City Manager Stearns, City Clerk Lorang, and City Attorney VanBuskirk.

2. Interviews

The Mayor and Council conducted interviews with John Middleton, applicant to fill a vacancy on the Whitefish Housing Authority Board, and Joe Malletta and Dave Spangler (Spangler was via a phone call), both applicants to fill a vacancy on the Whitefish Lake & Lakeshore Protection Committee.

3. Public Comment

None

4. Appointments

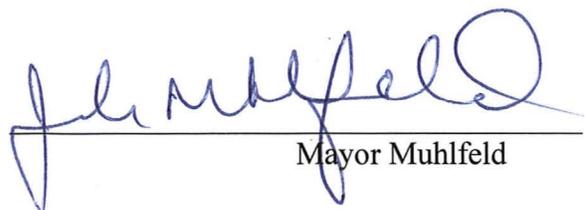
Mayor Muhlfeld noted that the application period to fill the vacancy on the Whitefish Housing Authority Board does not close until Tuesday, June 25th at noon, and if additional applications come in by that time they will be scheduled for interviews at a session to be held on July 1st. Additionally, the city just received a notice of another board member stepping down so there are now two vacancies on that board. No appointments were made to that board at this time.

The Council discussed the Lakeshore Committee's vacancy and all agreed both applicants are equally qualified and would be good members on the committee, but there is only one vacancy.

Councilor Mitchell offered a motion, seconded by Councilor Anderson, to appoint Joe Malletta to fill the remainder of a term expiring 12-31-2013 on the Whitefish Lake and Lakeshore Committee. The motion was approved unanimously.

5. Adjournment

Mayor Muhlfeld adjourned the Special Session at 7:05 p.m.



Mayor Muhlfeld

Attest:



Necile Lorang, City Clerk

WHITEFISH CITY COUNCIL MINUTES

June 17, 2013

7:10 P.M.

1. CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Mitchell, Sweeney, Anderson, Hildner, Kahle and Hyatt. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney VanBuskirk, Assistant City Manager/Finance Director Knapp, Planning and Building Director Taylor, Public Works Director Wilson, Parks and Recreation Director Cozad, Police Chief Dial, and Fire Chief Kennelly. Approximately 10 people were in attendance.

2. PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Bob Denning to lead the audience in the Pledge of Allegiance.

3. PRESENTATION

3a. Presentation and acceptance of FY12 Financial Audit – Bob Denning (p. 21)

Bob Denning from Denning, Downey and Associates presented the FY12 Financial Audit. He said the City once again got an unqualified opinion. It is their highest opinion and means the City received a clean report. The financial statements presented to the public are fairly stated. He commended the staff for their good work. He introduced John Paul Holman, who performed the bulk of the audit.

John Paul Holman said the City Court finding deals with the outstanding bonds debts and internal controls at the City Court. He said the outstanding bonds are decreasing and getting better every year. Councilor Sweeney said they've heard this concern before. He asked and Mr. Holman said the internal control issue relates to segregation of duties. The court is set up with two clerks who both receive the money and handle the collections. Bob Denning said they use the State's Full Court software system which is a good system but it is on its way out. A new system which is starting to be used by some courts and by the Montana Highway Patrol will allow the transactions to automatically go into the court's bank account, so when the State has that system set up for the courts it should handle the checks and balances. Councilor Sweeney said he wanted to be sure there wasn't anything else the City should be doing. Bob Denning said the City Court is doing much better at handling the outstanding balances. Councilor Hyatt asked about the slow collections of fees and Mr. Holman said that is because there are outstanding bonds in the City Court and the money doesn't come quickly to the City. Mr. Holman continued with the 6 conditions found in financial reporting; all 6 have been corrected or addressed. Councilor Mitchell asked about page 60 which says a deficiency in internal controls exists; and Mr. Holman explained that pages 60 and 61 are definitions. Councilor Mitchell asked and Mr. Holman said the auditee responses are found at the end of each listing. Mr. Holman discussed the Schedule of Expenditures of Federal Awards (SEFA) that were not properly reported with the required governmental names for pass-through funds. But again, all of the findings have been addressed.

Councilor Kahle offered a motion, seconded by Councilor Hildner, to approve the FY12 Financial Audit.

Councilor Hildner thanked Finance Director Knapp and the staff for the fine job they did on this.

Councilor Hyatt asked about the pre-purchase of power from Flathead Electric Coop and Finance Director Knapp said they will probably hit that power production level well before the eight years are up. Public Works Director Wilson said the production is way ahead of schedule and City Manager Stearns said that was part of the agreement that was approved by Council.

The motion passed unanimously.

- 4. COMMUNICATIONS FROM THE PUBLIC**—(This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)

Kellie Danielson, 12 Wheatgrass Lane, said she works at Montana West Economic Development. She said they appreciate working with City Manager Stearns and all of the staff. She said they wanted to express their support of the Hurraw! project.

5. COMMUNICATIONS FROM VOLUNTEER BOARDS

Councilor Hyatt said the Park Board finished up the Master Plan review and it will come before the Park Board on July 9th and before the Council in August. Parks and Recreation Director Cozad said 12-15 people stopped by the office to give comments at the last Farmer's Market.

- 6. CONSENT AGENDA**—(The consent agenda is a means of expediting routine matters that require the Council's action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

6a. Minutes from the June 3, 2013 Council special session (p. 96)

6b. Minutes from the June 3, 2013 Council regular session (p. 97)

6c. Consideration of approving request from Whitefish Credit Union for a 2 year extension of the Preliminary Plat for Lookout Ridge subdivision (p. 104)

Councilor Hildner asked to remove Item 6c from the Consent Agenda.

Councilor Hildner said the request for an extension from Lookout Ridge presents them with an opportunity to exam the benefits of this project and to look at it again. He said a project of this size and scope should be re-examined. Instead of making a decision tonight about extending this plat, he would like to extend the period of the current plat for 90 days which will allow Senior Planner Compton-Ring and the loan officer from the Credit Union to be present and comment on this issue. They could then just extend the plat for 21 months to equal the normal 2-year extension. Councilor Hyatt said the Council has been working with every bank and landowner so far on similar requests, so he is disappointed in Councilor Hildner's actions. Councilor Hildner said one of his main concerns about Lookout Ridge is that this is where there was a major landside a couple of years ago. This gives the holder of the plat a chance to propose changes and perhaps improve this plat. Councilor Mitchell said they have been extending plats through difficult times. He feels there have been precedents set that indicate that they should approve this request. He thinks Councilor Hildner is asking for a different treatment of this particular plat and he didn't think it was fair to hold them up. He thought it would be good to have a work session on this whole issue and not pick out one plat.

Councilor Sweeney said this is a request to extend a plat where they know there have been problems with movement of ground. He said it is a reasonable thing to ask the current owner of the plat to look at it in detail. The extension is a last minute request, so giving them 90 days is reasonable. He thinks the Council will ultimately extend it, but it gives them a mechanism to address problems. He hopes the Credit Union will agree. Councilor Hyatt said this is different than the Big Mountain request they saw last month. Big Mountain was the owner when the original plat was approved and they still own the land. He said that in this case the Credit Union had the loan and now owns the land and this would create a hardship for them. He has a problem with treating them differently.

Councilor Kahle asked what their options were and Attorney VanBuskirk said the City's review criteria provides for extensions where good faith is shown in working toward final plat. Councilor Kahle said if they extend it for 90 days and have a discussion regarding the preliminary plat with the Credit Union, and then the City decides they don't like the current layout of the plat, do they have the discretion to make any changes? Attorney VanBuskirk said they cannot impose additional conditions or make any changes to the plat, but they can entertain a request for changes from the applicant. Manager Stearns said they cannot change the conditions of the plat, but they can force it by rejecting the plat. Obviously, the applicants have an interest in maintaining as much of the plat as they can. He said the Council can't be arbitrary or capricious and they must state their reasons and findings. Manager Stearns said the 90 days would give each party time to review it.

Councilor Anderson asked and Manager Stearns said a motion to take some action would be appropriate. Councilor Kahle said there was some instability in the soil and a landside. He only wants to see them address that issue, not the lot sizes or details of the plat. He said no one wants this to work well more than the Credit Union. Councilor Hildner said 90 days gives them time to make sure that the interests of the Credit Union and the City are considered and that is his goal. He wants to protect water quality. He said Ryan Purdy is in the audience to answer questions. He said he also talked with the CEO from the Credit Union and they are willing to have the 90 day delay.

Ryan Purdy said he wanted to clarify that the Credit Union does not own the property. They are going through the foreclosure process now, which may take a long time. He said they would be more than happy to have a conversation, but 90 days doesn't get them anywhere. They can't touch it until they own it which could be for many months. He asked if this would be the first extension or just a postponement of the first extension. Purdy said the 2nd extension is more onerous on the applicant and the City. City Attorney VanBuskirk said City law allows more than one extension and the Council's discussion included a possible extension for a period of months with a possible additional extension up to 24 months. He said in his notes the 2nd extension is \$750 and they have to notify all landowners who are adjacent. City Attorney VanBuskirk said the discussion was about a 90-day extension, which may be later extended up to 2 years. Purdy said he did a site review two weeks ago and saw the landslide issue. He said if a plat expires and there aren't any changes to the original plat or City regulations then it is usually approved. He said if they can't add new conditions why have a 90-day discussion. He said the Whitefish Credit Union (WCU) will want to turn this property over and sell it. Councilor Anderson said they have a letter from WCU and a representative from WCU, but no representation from Lookout Ridge. Purdy said the Credit Union has been appointed as the agent to apply for the extension of this preliminary plat. Councilor Mitchell said he looked at the property and he thinks some best management practices weren't adhered to and then there was a really wet year. He doesn't think it is going to happen again. He thinks a 90-day delay is a hardship for the WCU and he thinks they would be treating this application differently.

Councilor Sweeney said if WCU is an agent for the current owner, they could perhaps come in and discuss the issues along with the existing owners during this time period. He asked and Attorney VanBuskirk city code provides that if the developer lets the plat expire then the City would review the resubmitted plat and whether there have been substantial change from the previous preliminary plat, the conditions of the previous approval, city regulations or standards. Director Taylor said there have been several changes in regulations and standards but he didn't know which ones would apply. Purdy said he didn't know if they could go back to Mr. Cossett on behalf of Lookout Ridge. Councilor Anderson said he thinks Mr. Cossett gave him that authority in the letter. Purdy said he hasn't had that conversation and doesn't feel they have the authority to get an engineer up there. Councilor Kahle said he thinks they need to be really careful what they do here. They don't know why the land slid. If they don't extend this plat they will leave the WCU with a property that has no value. They are aware of the problem, so he would like to grant the extension. The subsequent owners will realize there will be potential problems and the Council will get to see this again when they come for the final plat.

Mayor Muhlfeld said when this landslide occurred he went up there when Iron Horse had Carver Engineering do a geotechnical study. The road was not built to standards and was built after the preliminary plat was approved. There is an engineer's report on record that indicates why it slid. He cautioned them that it is in their interest to protect the interests of the adjacent property owners, including Iron Horse, who are concerned that this not happen again. Councilor Kahle asked if it was fixed and Mayor Muhlfeld said the City cleared the slide from the road giving emergency and other access to adjacent properties because the owner had been unresponsive. Councilor Kahle said they need to keep people engaged so that they don't unplug the whole situation. He asked and Director Taylor said there are conditions on the plat to deal with the drainage issues and road conditions. If they get to final plat then the problem will be permanently fixed. Director Wilson said it would be logical for the problem to be fixed. He said the place where it failed, everyone will watch. He said the problem is that the road was only partially constructed and they can definitely watch that spot. Councilor Hildner said he is merely asking them to consider a 90-day extension of this preliminary plat. He said there are new regulations and one of the reasons for allowing plats to expire is to deal with the upgraded standards.

Councilor Hildner offered a motion, seconded by Councilor Anderson, to extend the Lookout Ridge Plat Second Amended Preliminary Plat/PUD from 2010 for a period not to exceed 90-days at which point the Council will make a decision on whether to extend the Preliminary Plat/PUD further.

Councilor Anderson said there are a lot of issues here that need to be addressed. He wondered whether 90 days would be enough because the court moves slowly. He wondered if they should give them 6 months.

Councilor Anderson offered an amendment, seconded by Councilor Sweeney, the extend for 6 months.

Councilor Hildner wondered if that would make any follow-up requests be a 2nd request and would kick-in the \$750 fee? Purdy asked and Attorney VanBuskirk said the possible two-step extension was the first extension and the amount of the fee would be negotiable. Purdy asked them to give them as much time as possible. Manager Stearns agreed the next request for extension is \$750, but there is some discretion on the Council's part to say this 6-month extension is part of an extension of anytime up

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to two years for a \$50 fee; that is up to the Council. Councilor Hildner said he was okay with the amendment.

The amendment passed 5-1 with Kahle voting in opposition.

Councilor Sweeney said, to clarify, he would like the Council to consider including Manager Stearns' comment that any extension up to two years is part and parcel of the first extension giving the applicant sufficient time to address these issues. He doesn't want to see an additional \$750 fee when they come back in 6 months, it would just be part of this extension. Councilor Hildner and the rest of the Councilors agreed.

Councilor Hyatt asked and Purdy said the WCU is okay with 6 months, but he can't be sure they'll have this resolved. Ryan Purdy said once the property is under the Credit Union's ownership they will meet with the City to address these issues. Councilor Hyatt said he will vote for this because Purdy said it is okay, but he is disappointed that this ever came up; and Councilor Mitchell agreed.

Councilor Mitchell suggested that the motion state that there is a one-time \$50 fee for extensions for up to 2 years. The other Councilors said it was already implied.

Councilor Kahle said he thinks the 6-month extension is a waste of time, so he will vote against it. He would like to have a policy discussion about preliminary plats and what they look at when they come before them. He thinks they need a work session. He said they could nit-pick any preliminary plat and that is a dangerous process. Councilor Anderson said he doesn't think they're singling anyone out because they worked out a water quality issue with Big Mountain when they came back for a plat extension. They are trying to deal with commonsense concerns before they approve a long extension of a subdivision. Mayor Muhlfeld agreed with Councilor Anderson's comments. He reassured the Credit Union that they won't have to bring the project under current standards, but to address the issues that have been brought to their attention.

The original motion, as amended, passed 4-2 with Councilors Kahle and Mitchell voting in opposition.

Councilor Anderson offered a motion, seconded by Councilor Sweeney, to approve Agenda Items 6a and 6b on the Consent Agenda. The motion passed unanimously.

7. PUBLIC HEARINGS (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

7a. FY14 Budget - Consideration of approving City Manager's proposed budget as the FY14 preliminary budget and setting final public hearing on the FY14 budget for August 19, 2013 (p. 114)

City Manager Stearns said the proposed budget for FY14 was enclosed with the packet. He said that the City Council held two work sessions on the budget so far, on May 28th and June 10th. There will be another work session scheduled in July or August prior to adoption of the budget on August 19th. In the past the City Council has been comfortable adopting the City Manager's proposed budget as the preliminary budget which the Council is required by state law to adopt by June 30th. After adoption of the Preliminary budget, the City Council then makes changes to the budget in July and August prior to final adoption which is scheduled for August 19th.

He said they will maintain the same property tax mill levy rate. The year end cash balance is \$197,932 which is still above 10%, which was the Council's goal. It should be at 10.5% for FY14. They anticipate the mill value base to grow by 4% and there is a 2.5% increase in premiums for medical insurance. The proposed budget provides funding for a 3.7% pay increase. The budget includes funding for additional staff for the Parks and Recreation Department and for hiring an additional planner for the Planning and Building Department. He said they believe that this upcoming year will be a good year financially as the City is continuing to grow. Councilor Hyatt thanked staff and said the City has come a long way financially.

Mayor Muhlfeld opened the public hearing. No one wished to speak and the public hearing was closed.

Councilor Mitchell asked about the \$71,000 subsidy at the Ice Den. Director Cozad said to address this problem, the rule now is that if someone wants to extend the season they have to pay for it up front. Manager Stearns said the Council will receive a list of the changes that have been made during the budget work sessions. One more work session will be scheduled after July 1st when we will have the final numbers for FY13 along with that list. Councilor Mitchell asked if they could have that list as soon as possible and Manager Stearns said yes, he would get that to them.

Councilor Hyatt offered a motion, seconded by Councilor Sweeney, to adopt the FY14 proposed budget as the FY14 Preliminary Budget and set a public hearing on August 19th on the final budget. The motion passed unanimously.

8. COMMUNICATIONS FROM CITY MANAGER

8a. Written report enclosed with the packet. Questions from Mayor or Council? (p. 230)

Councilor Mitchell said the new way finding sign is tilted a bit toward the cemetery and needs to be straightened. Councilor Hyatt said there is one on Second Street and it is hidden behind a tree. Manager Stearns said they decided to use an existing street light pole and it is a bit hidden; the tree has been trimmed but they can look at it again.

8b. Other items arising between June 12th and June 17th

Manager Stearns said he sent the Council an email stating that they received an increasing number of calls on the painting of streets and curbs by a business called the Kalispell Youth Project. He said the City required and issued a business license. He said he received a lot of phone calls that they were being too aggressive in their approach. He has the right to revoke their license if the concerns continued. Mayor Muhlfeld asked about the right to paint on public property by a private entity. Public Works Director Wilson said he remembers one other time when they allowed the school to paint the paw prints on the right-of-way. Councilor Hildner said he received a call that it was an aggressive, unpleasant situation. The property owner felt bullied, brow beaten and was accused of being non-patriotic if he didn't get his curb painted. He said the \$40 donation was expected. Council Hildner said someone is making a lot of money on this project and he was concerned that someone was making money on minimum wage labor.

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Councilor Hyatt said they came to his house and they present it as if you've bought it before you've even paid for it. Councilor Mitchell asked and Manager Stearns said they are out of Kalispell, but he didn't know if they were a profit or a non-profit. Councilor Mitchell asked and Manager Stearns said anyone, even from out of town, is required to get a business license to conduct their business in Whitefish. Councilor Hyatt said they use the term "donation," but if it's not a 501-c-3 corporation then it is not a donation. Councilor Sweeney asked if they have any way to control the situation and Manager Stearns said he talked to the owner of the business and he said he would tone it down and lessen his enthusiasm. Mayor Muhlfeld said if there is an emergency response and the street number they paint is incorrect then what is the City's liability? He wondered if they were offering a service or a disservice. He also wondered if they wanted to burden staff with 10-15 calls a day. Councilor Hildner asked and Chief Kennelly said it has no net positive effect in their emergency response times. He objects to the fact that people felt intimidated and he said the emergency services departments felt like they were being used as part of the sales pitch. Councilor Mitchell said he'd like to see the license revoked. Manager Stearns said the City Manager has the right to cancel the license for fraud or mismanagement. He said before he could consider revoking it he would have to find cause.

Councilor Hyatt said there was an article in 2011 in the Daily Interlake that said this applicant charged \$20 to paint the address on the street and now it is \$40. Councilor Anderson asked and Manager Stearns said the applicant did not mark this as a non-profit corporation. Councilor Anderson said he agrees with Councilor Hildner that this man is making a good profit at the expense of youth and using the public right-of-way. Councilor Hildner said he worries about the vulnerability of the elderly. The Councilors agreed that staff should look into revoking this license.

Councilor Mitchell said he wanted to address the Kimley-Horn issue for the rest of the City Hall project. Manager Stearns said that question came up at the City Hall Committee meeting and he said they spent \$100,000 on conceptual designs from Kimley-Horn. To hire a new design team would cost more money. In the original Request for Qualifications it states, "The City may choose to expand an engineering project for this design..." so they aren't tied to Kimley-Horn, but he thinks they should keep them. Councilor Mitchell said the City Hall Committee needs to know whether to ask for just an architect or an architect/engineering firm. Mayor Muhlfeld asked if there were any concerns with retaining Kimley-Horn for the next step of the engineering process. Councilor Sweeney said he wants to see City Hall with a parking structure. He asked if they will incur extra expenses if they change the design compared to the pictures Kimley-Horn originally offered. Manager Stearns said the original designs were very conceptual. The next step will be based on their specific requests so the design will be more suited to what they are requesting. He said he assumes the final design will be much different than the conceptual design. Mayor Muhlfeld said the designer said the designs were very preliminary drawings to indicate if the building could be built on this property. The Councilors agreed that they supported the idea of keeping Kimley-Horn for the next step of the project.

8c. Consideration of a request from Neil Stuber and Corrie Colbert representing Hurraw! Balm, LLC for commitment of Tax Increment Financing Funds for water line and sewer line costs and payment of impact fees, and discussion of property tax incentives for new and expanding industry with their proposed new manufacturing facility at 267 Flathead Avenue (p. 232)

Manager Stearns said that Corrie Colbert and Neil Stuber, owners of Hurraw! Balm, LLC (hereinafter Hurraw) contacted him a couple of years ago during their search for a light manufacturing building in Whitefish to accommodate their expanding lip balm manufacturing business. While their

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search for an existing building did not yield a viable building, he also mentioned to them at that time that, if they chose to build a new building, the City might be able to assist with infrastructure related costs from Tax Increment Funds and that state law had some tax incentives for new and expanding industries.

After a couple of years of work and business expansion, they have been planning to build a new manufacturing building in Baker Commons subdivision, south of the Food Bank building currently under construction and north of our Emergency Services Center. He met with them again last fall and then talked with them again recently because their plans had progressed to the point of consideration by the City’s Architectural Review Committee. At that point, Neil Stuber sent him information on costs for their planned building and an application for property tax incentives starting on page 238 in the Council Packet. Somewhat similar, but on a different scale to what the City Council recently considered and tentatively approved for the proposed boutique hotel on Block 46, Hurraw would like the City Council to consider one or both types of incentives and assistance for their building project.

The first type of assistance would be reimbursement of eligible costs for infrastructure development associated with their project as allowed by Section 7-15-4288 (4) MCA (packet page 237). This type of assistance is also contemplated in the 1987 Urban Renewal Plan. The direct assistance that Hurraw is requesting would entail:

1.	Payment of impact fees for the project, estimated at	\$ 9,296
2.	Payment of costs to excavate and connect the water and sanitary sewer services from the main to the building estimated at	<u>\$10,165</u>
	Total	\$19,461

The second type of incentive that Hurraw is requesting is consideration of the property tax incentives allowed in state law for new and expanding industries. Again, this incentive was discussed and reviewed during the Block 46 boutique hotel presentation, although that project is not going to ask the City for such tax incentives, they only plan to go to Flathead County for the incentives the County can grant. Hurraw would like the City Council to consider approving such property tax incentives. The incentives requested would reduce their property taxes on the building by 50% for the first five years and that incentive would reduce to 40% in year six, 30% in year seven and so on until full taxes were paid in year ten after construction.

As shown in a spreadsheet on packet page 254, the City could grant incentives totaling an estimated \$13,229.20 for the ten years of tax reductions. If Hurraw were to apply to Flathead County for the same tax incentives, they could possibly obtain an additional \$5,857.95 of property tax reductions as shown on the spreadsheet:

Direct financial assistance from a TIF reimbursement for impact fees and water and sewer line connections – estimated at	\$ 19,461
Property tax incentives for new and expanding industry over ten years	\$ 13,229.20

The process for granting the property tax incentives requires a public hearing and approval of a Resolution, so staff is not asking for that at tonight’s meeting. Rather than present a resolution at this time, he wanted to present the topic and get direction from the City Council on whether they would want

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to approve either form of assistance or both. Based on the direction staff receives from the City Council, they would come back for approval of resolutions at the appropriate time.

Councilor Kahle asked and Manager Stearns said staff always argues that the building permit fees are there to offset the cost of inspection so they never recommend that they waive those.

Corrie Colbert and Neil Stuber said they moved here in 2009 and started a cosmetic business. They wanted to find a building to buy in Whitefish. He said Kellie at Montana West has been very helpful to them, too. They passed out the building design and samples to the Councilors. He said the current building design has not gone through ARC review yet. Mayor Muhlfeld asked and Stuber said they have 7 employees and have been in the international market for 4 years. They have 22 products and they are in 43 states. He said they look at locations and the quality of the locations for placing their products. Mayor Muhlfeld asked and Neil Stuber said all of the manufacturing will be done here. Councilor Hildner asked how the brand of the company pairs with the branding of Whitefish and Stuber said Whitefish and Montana are very special and they go well together. Councilor Hyatt asked and Stuber said they are limiting their growth as they like to reinvest in research and development, but they hope to expand to 12-15 employees within 3 years.

Mayor Muhlfeld said they have two options—the TIF funding and the property tax incentives.

Councilor Kahle said this is exciting and he applauded them for what they've done. He said he thinks it is important that the City throw their support behind this project. Councilor Mitchell said the numbers come to over \$19,000 and he wondered if they'd be paid from the TIF funds. Manager Stearns said the applicant would pay it up front and the City would reimburse them from TIF. Councilor Mitchell asked and Manager Stearns said it wouldn't take any funding from projects that are already established; Mayor Muhlfeld said there is a line item for miscellaneous urban renewal projects with \$15,000 in the budget.

Councilor Hyatt offered a motion, seconded by Councilor Sweeney to approve up to \$19,461 to reimburse for water and sewer infrastructure and impact fees but not the building permit.

Councilor Anderson said he would abstain because his wife is an employee of Hurraw.

The motion passed unanimously with 5 (five) aye votes, with Councilor Anderson abstaining.

Councilor Hyatt asked if they've approached the County and Stuber said they haven't done that yet. Stuber said he doesn't want their company to be a burden on the City, so they'd like to talk to the County. The other Councilors agreed. Manager Stearns said the applicant can approach both the City and the County. He said staff would work with the applicants as they go through this process with the County.

9. COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

9a. Standing budget item - None.

9b. Appointments to Committees and Boards that were not made at tonight's Special Session before the meeting.

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Mayor Muhlfeld said all appointments were made during the Special Session, but they are holding off on the Housing Authority position because there is an additional position on the Housing Authority that must be filled. He encouraged the public to send in letters of interest as those can be accepted until Tuesday, June 25th at noon. There are now 2 (two) positions to fill on that Board.

Councilor's comments:

Councilor Sweeney said the Whitefish Credit Union would do what was right for that property. He said what they did this evening was appropriate to investigate and make sure that those issues are addressed.

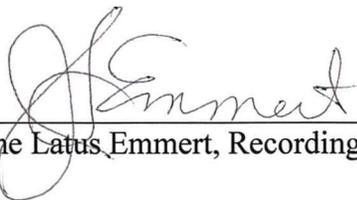
Councilor Hyatt said the new bike racks don't work without a kickstand.

Councilor Hildner said the barrier by the Craggy Range is a cable. He doesn't think it enhances the look of that parking lot and he hopes they can change it. He also got a call about the house at 345 O'Brien because it smells and they are worried that mold is coming out of it. He didn't know if it could be listed as a blighted property.

Mayor Muhlfeld asked if they could get the list of the budget items to the Council and Manager Stearns said he would try to get it out as soon as possible. Mayor Muhlfeld said there are cottonwood trees that need to be trimmed on the bike trail on Wisconsin Avenue. He said he has been getting a few comments on the way finding signs. Manager Stearns said they could send the comments to him. He said most of the comments have been positive. He said there is some concern that the decimal points are too small and he is looking at the cost of replacing them. One person felt there were too many signs and they were getting sign pollution. Mayor Muhlfeld said Manager Stearns took the time to go pick up the signs in Billings and he thanked him for this effort. The project came in on budget. He thanked Public Works for their help installing the signs. He said he was happy to see a unanimous vote on the budget and he thanked the Council for the hard work they've put into the budget over the years, along with staff. He said he will be out of town until the next meeting.

10. ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)

Mayor Muhlfeld adjourned the meeting at 9:30 p.m.

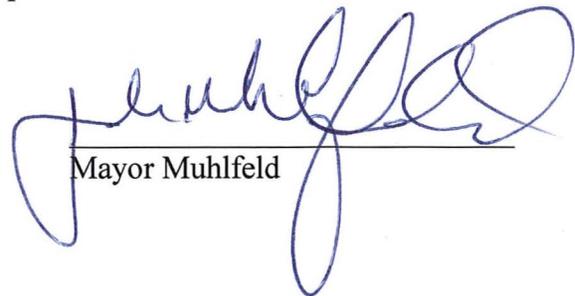


Jane Latus Emmert, Recording Secretary

Attest:



Necile Lorang, City Clerk



Mayor Muhlfeld