

# WHITEFISH CITY COUNCIL MINUTES

January 22, 2013

7:10 P.M.

## **1. CALL TO ORDER**

Mayor Muhlfeld called the meeting to order. Councilors present were Mitchell, Anderson, Hildner, Kahle and Hyatt. Councilor Sweeney was absent. 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 Lizzie English to lead the audience in the Pledge of Allegiance.

**3. 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)

Jan Metzmaker, 915 Dakota Avenue, said her office is in the Railway District and she heard that BNSF will be increasing the number of trains into Whitefish because of the oil boom. She said BNSF only recently got the old oil spill taken care of and she asked them to request that BNSF have emergency supplies available and on hand in case of future spills. She said she also represents the Whitefish Convention and Visitors Bureau on the way finding sign issue. They are in support of the signs and hope the Council will fund this project and make it easier for guests to find their way around town.

Rebecca Norton, 530 Scott Avenue, said she likes the idea of hiring another planner. She said that is one of the ideas for the Corridor Study and she supports that concept.

## **4. COMMUNICATIONS FROM VOLUNTEER BOARDS**

Councilor Kahle said the Resort Tax Monitoring committee met and the underground power lines are an issue. He said that from Second Street East out to the dog park the committee voted to have the power lines above ground. He said that is an issue for him.

Councilor Hyatt said the Park Board met and discussed the Depot Park Master Plan and the pricing structure. Director Cozad said they had members of the public in attendance that had comments and questions and it was a very informative meeting for those folks.

**5. 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)

**5a. Minutes from the January 7, 2013 Council special session (p. 43)**

**5b. Minutes from the January 7, 2013 Council regular session (p. 44)**

**5c. Ordinance No. 13-01; An Ordinance amending Zoning Regulations in Whitefish City Code Section 11-3-11 regarding retaining walls (2<sup>nd</sup> Reading) (p. 61)**

Councilor Hildner offered a correction on page 11 of the Minutes, (packet page 54), top paragraph, which should read “He said Farmer’s Market is a boon...”

**Councilor Anderson offered a motion, seconded by Councilor Hyatt, to approve the consent agenda as amended. The motion passed unanimously.**

**6. 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)

**6a. Recommendation from Impact Fee Advisory Committee to eliminate three Impact Fees established for city buildings – ESC, Park Maintenance Building, and future City Hall (p. 66)**

Manager Stearns said this has been before the Council quite a bit, but the staff was available for questions.

Mayor Muhlfeld opened the public hearing.

Myra Appel from the Impact Fee Advisory Committee said she didn’t know this was going to be on the agenda. She said her committee would have loved to be here, but others are out of town. She would love to see this deferred so her committee could be here to address the Council.

Rebecca Scott, 530 Scott Avenue, said she is not in favor of this—she doesn’t think the premise works. She said as a taxpayer she doesn’t think that the taxpayers should have to pay more. The expense should rest on the development, not the taxpayers.

Myra Appel, 61 Hummingbird Lane, said she has clients who build in Whitefish and \$1600 is quite an expense for them. She said she feels like she is here to represent the public on this issue and to reduce these fees would encourage growth in Whitefish. Councilor Mitchell said page 71 of the packet said ESC is \$813 and Kalispell as \$483 for Fire. Chief Kennelly said the fee in Kalispell is for the infrastructure to expand their service area. Finance Director Knapp said the ESC fees go to retire the debt on the Emergency Services Building. Councilor Kahle asked and Finance Director Knapp said the debt will be paid in 2020.

Mayor Muhlfeld said that Myra has asked for a continuance of this public hearing and turned it over to the Council.

**Councilor Hildner offered a motion, seconded by Councilor Hyatt, to continue the hearing on this item to February 4, 2013. The motion passed unanimously.**

**7. COMMUNICATIONS FROM PLANNING AND BUILDING DIRECTOR**

**7a. Review and discuss options for proceeding with a Hwy 93 North (Whitefish West) corridor study (p. 89)**

Planning and Building Director Taylor said at the City Council meeting of December 3, 2012, the Council asked staff to put together a memo regarding options and a scope of work for a corridor plan for Highway 93 West. The recent Zinke B&B/Microbrewery project put the spotlight on the need for a corridor plan for that area, although it was previously identified in the 2007 Growth Policy long range

planning priority list along with the Highway 93 South corridor plan and a Wisconsin Avenue corridor plan.

From Director Taylor's Staff Report: The Fiscal Year 2012/13 Budget set aside approximately 25K to pursue a Highway 93 South Corridor Plan. Although there is a strong interest from a number of property owners along Highway 93 south of Highway 40 for a plan, the area is bogged down with jurisdictional issues with Flathead County. With a Highway 93 South plan on hold and some major transportation improvements scheduled to begin on Highway 93 West, that area is a high priority for a land use and future development plan. The corridor plan boundary would likely all be inside City Limits, so there are no jurisdictional issues. The infrastructure and highway improvement/streetscape planning was done by MDOT for the Highway 93 West Improvement Project and can be incorporated into the plan. A timeline for such a plan is greatly dependent on whether the plan is done in house or using primarily outside consultants.

Using an outside consultant to complete the plan would likely get it done the fastest, however it would cost the most and probably require using another 25k in TIF or other funds in addition to the 25K set aside in the Community Development budget for contract services. The two planners the City has on staff are both experienced long range planners who were originally hired to use their expertise to focus on such tasks. They could easily do the plan in house, however they would not have the time to devote to such a plan unless an additional staff person or contract person was added to take some of the "current planning" and permitting workload, such as Lakeshore, Floodplain, variances, CUP's, etc. Staff is currently stretched thin and needs additional help regardless, as project development and building permit numbers continue to exceed previous years. From the preliminary meetings we have had with developers and contractors, we see this growth trend continuing, including two or three major PUD/Growth Policy amendment type projects in the works that will be very time consuming to review and process on top of other duties.

At one time, there was some discussion about hiring a contract person just to handle the Lakeshore permits, and while that would provide some relief, the ability of the other staff to complete a corridor plan in a timely manner would be dependent upon the workload of the "paying" development project approvals such as subdivisions, PUD's, CUP's, variances, and other permits which have state time mandates on board approvals. A full time or a renewable one-year contract "current planner" that could do Lakeshore, Floodplain permits, CUP's, variances, and answer zoning questions over the counter and the phone would provide substantially more relief, and would be his preference. Depending on how quickly such a person could get up to speed on Whitefish's zoning rules and processes, a corridor plan could then be completed in 6-12 months. An outside consultant would likely take 4-6 months, depending on the size of the firm and how smoothly the process proceeds. Pros and cons and cost estimates are provided below for each option.

## **OPTIONS**

### **A. Hiring a planning consultant for the Corridor Plan**

Estimated Total Cost: \$50,000

Pros:

- Consultant typically utilizes a team of professionals, so work may be done more quickly and efficiently depending on other projects consultant is working on
- After the deliverables, no further expenditure by the city is required
- Outside firm may seem more impartial to stakeholders than the city

- 25K in consultant money is available in budget

Cons:

- Outside consultant may not be local and may not understand all issues/conflicts
- Engagement/collaboration with consulting firm more difficult for stakeholders or than with city staff
- City staff will still need to spend time assisting consultants and guiding process
- City planning office is still understaffed and will remain so after project
- Limited control over consultants
- Consultant cost can “run up” due to unforeseen issues, travel expenses, inability to get consensus from steering committee, etc
- TIF resources or a budget appropriate may need to be used to offset costs

**B. Corridor Plan done in-house by planning staff after hiring one additional planner**

Estimated Cost to hire Planner I position: \$60-80K (includes benefits)

Pros:

- Staff with existing expertise/training in long range planning can utilize skills
- New Planner I can assume permitting duties such as Lakeshore and Floodplain, freeing up Director to focus more on management/long range planning/economic development/code amendments, etc
- Newly hired support staff can help with time consuming administrative work of surveys/mailings/meeting coordination for plan
- Local expertise and knowledge of area and stakeholders
- New Planner could be GIS proficient and eliminate need/costs (5K/yr) for mapping consultant
- Provides better customer service and long term solution to increasing development workload

Cons:

- Plan will take a bit longer to develop (estimate 6-12 months), depending on experience of new planner (typically takes 8-12 months to get fully up to speed unless familiar with local codes and regulations) and when they can get on board.
- Commitment required for new staff hire, although it could be done on 1 yr. renewable contract
- Cost will be carried beyond project, however that will be necessary for staff to continue to provide an acceptable level of service to the public
- Staff working on long range planning projects could get diverted to processing applications within state law guidelines, delaying long range planning projects

**C. Contract for Lakeshore/Floodplain only, Corridor Plan done in house**

Estimated Cost for one year contract: 180-240 hours (\$35/hr estimate), \$6-9K

Pros:

- Frees existing staff to work on long range planning projects
- Contractor can focus on Lakeshore/Floodplain issues and permits

- Would not require budget appropriation or TIF funds
- Could be contracted for rest of FY 12/13, then look at expanding role for FY 13/14

## Cons:

- Corridor Plan may take longer to develop (estimate 8-14 months) than if the person was full time, depending on development workload of long range planners
- Contractor would be part time, so depending on whether they had another job during the day staff may still have to review Lakeshore applications, field questions
- This would be highly dependent on contracting with an experienced former Lakeshore Committee liaison planner.

Staff prefers B as an option. Option C could work until end of FY 12/13 then Option B could be considered during the budget cycle, depending on availability of an experienced Lakeshore/Floodplain planner.

Councilor Kahle asked if Option C would work and Director Taylor said anything would help. He said for a long term solution they need something permanent. He said they need someone who has experience. He would hope it would free him up to do the long range planning. Councilor Kahle asked about timing and Director Taylor said they hope to have an outsider complete it in 4-6 months. If they hire someone, Option B, would probably take 6-8 months, and Option C is 8-14 months, depending on how experienced the new hire is with City regulations. Councilor Kahle asked if they could re-hire someone they've already had in that position and Director Taylor said it would help if they could.

City Manager Stearns said the mid-year financial report shows that charges for services (which is approximately 95% from planning department) is at 79% revenue already this year. He said Director Taylor alluded to some large subdivision projects coming in February and March. He said another option, if they found the right person, was to start them out at half-time until July 1<sup>st</sup>. He said he wouldn't feel comfortable doing that unless the Council felt comfortable doing that because it has an impact on next year's budget. The fact that they have the possibility of 1-3 major subdivisions projects coming in the next year will have a large impact. If they don't do something, then the Planning Department will be rationing what they can do.

Mayor Muhlfeld said he read in the mid-year report that the zone plan review fees are 95% and Finance Director Knapp agreed, but said if you take all the fees together the revenue is 79%. Councilor Hyatt asked if they normally see all of the planning fees paid this time of year and then see it taper off. Finance Director Knapp said he thought he remembered September as being the biggest month. Manager Stearns said in order for people to build in the summer they have to get things lined up in the winter. Councilor Hyatt said he liked looking at a part-time individual and then look further into hiring full-time, if needed, during the budget review. Councilor Mitchell asked what they do when Planning doesn't meet their budget and Director Knapp said Planning is part of the General Fund, so it gets absorbed. Councilor Mitchell asked what projects are coming and Director Taylor said there is a large Monterra type project, some re-development on Wisconsin Avenue, and a huge project on Big Mountain Road and E. Lakeshore. Councilor Mitchell asked about the limitations in the Growth Policy about building on lots in town first and Director Taylor said that means they can't change the underlying land use map on AG property. Councilor Mitchell said he would rather hire an outside consultant for the Corridor Plan because it will be \$20,000-30,000 less and the staff could continue doing what they do. An outside firm may seem more impartial to the stakeholders than the City. He said it isn't fair to keep people waiting. Mayor Muhlfeld said the message is that there are major projects coming in the door

WHITEFISH CITY COUNCIL MINUTES

January 22, 2013

and the Planning Office had three positions eliminated in 2008 and the staff can't handle the workload. He said when Director Taylor and Planner Compton-Ring were hired they were hired to do long term planning and now they are tied down with office and administrative duties. He said the option Councilor Mitchell recommended will leave Director Taylor still tied up with Lakeshore and Flood Plain issues. Councilor Mitchell said he liked the idea of Options A and C, but he wasn't willing to take on a Planner for \$60,000-80,000.

Councilor Anderson asked and Manager Stearns said they are only half way through the year so it is hard to make budget assumptions. If the Council liked the possibility of hiring someone next year they could try to hire someone part time during this fiscal year. It is hard to go out and hire a full time person right now, but he thinks he would be inclined to recommend it for the next fiscal year. Councilor Anderson said it sounds like Director Taylor is worried about the work load. He asked and Finance Director Knapp said Planning Fees are sporadic, but February, June and August are the highest months. For zoning fees, the biggest month is June, followed by October. Councilor Anderson said he would hate to pay \$50,000 for a consultant this year and then hire a full time employee next year. He thought they should do one or the other. Regarding the Corridor Study, he wondered if they wanted to hire a contractor to do the Corridor Study and then maybe work into another position. Director Taylor said that contractor would have other jobs, likely, so that is debatable. He said code amendments and long range planning get set aside for mandated tasks like subdivisions. Councilor Anderson asked if Option C would be limited to just Lakeshore projects and Director Taylor said it is dependent upon the person. If they have GIS skills they could use them for that, too.

Mayor Muhlfeld said the bulk of the lakeshore permits come in during April and May. Councilor Anderson said the work load is ramping up in the Planning Department. He said it is important that they plan for the growth. He would be inclined to hire a contractor as mentioned in Option C based on the budget. Councilor Hildner said the best thing for the Corridor Study is to get it done by the time the highway construction is done. He said work load has the potential to increase significantly in the Planning Department so he would hate to see staff tied up with the Corridor Study. He said there is enough work for staff without taking this on. He would like to see them hire sufficient help for the Planning Department for the tasks they have coming. Councilor Mitchell said he likes Option A and getting the Corridor Study done in 6 months. He said they could ask Director Taylor to take Option C to \$30,000 for half a year. He wants to see the Corridor Study get done. He is not in favor of Option B. Councilor Anderson said Option C needs to be bigger to take more pressure off of Director Taylor. Mayor Muhlfeld said he thinks there is consensus to increase Option C funding. Manager Stearns said they would hire that person for more than the Lakeshore tasks. They could hire a contractor to relieve Director Taylor from flood plain and lakeshore issues. Then they could re-evaluate the budget in July. Councilor Hyatt said he would like someone part time instead of as a consultant. Manager Stearns said it will be hard to find someone to be that part-time employee without a chance that they'll continue after July. He said that would give them better continuity than a contractor. He said a contractor could work as a place holder to the next budget. Mayor Muhlfeld said he would advocate for a contractor position. Councilor Hyatt said it looks like they'll need at least a part time individual. Mayor Muhlfeld said they should leave it to staff to come up with a recommendation. Manager Stearns said he thinks the Council should decide contract versus employee so they can move forward.

Councilor Anderson recommended a contractor at \$25,000 to carry them through July 1, 2013 to get them through the Corridor Study.

Director Taylor said most of the planners are already employed so it is questionable whether they'll leave a full time job for something like this short term opportunity. Councilor Mitchell said he

January 22, 2013

would be willing to spend \$25,000-\$30,000 for this. Councilor Hildner said an outside firm would have parameters and a time frame and they would have to get it done in a timely manner. Councilor Kahle said if they proceed with a part-time employee they'd like to see a limit closer to the 6 month deadline; otherwise he'd like to see Option A. Councilor Hildner said they could end up with still needing someone for the Corridor Study. Councilor Kahle said it depends on how much work load can be taken from Director Taylor and Senior Planner Compton-Ring. Councilor Anderson said if Director Taylor can't find someone to get the study done then they need to know. That means they'd have to choose another option. Councilor Kahle said he'd like a time frame. Director Taylor said if they're doing it in-house and they get a lot of projects then they'll have to put the Corridor Study aside. Councilor Kahle asked if the process was the same in-house as out-of-house. Could they hand it off if they got some of it done? Director Taylor said it would depend on what stage they were in. Councilor Mitchell asked and Councilor Hildner said he wants to see the Corridor Study done in a timely manner. He knows it is an opportunity to allow the planners to do their job. He liked the idea of a hand-off, but he was worried about the timing.

Mayor Muhlfeld said there is the need and demand for the Corridor Study to be done in a timely manner with the Highway 93 project. He said on the other hand you have the Planning Department stating they are under-staffed. These issues are not necessarily interlinked. Maybe they need to look at Option A and C together. Councilor Kahle said he likes that option. Councilor Hyatt said he heard Director Taylor say staff may be too busy to do the Corridor Study. Mayor Muhlfeld said TIF funds would be eligible for a corridor study out to Karrow Avenue and Manager Stearns agreed. He said they could start on the \$25,000 and get someone to work on the lakeshore projects and then hire someone if the new applications come in. Manager Stearns said it is a 6-week process to hire someone so Option A will end up partially in this fiscal year and partially in the next year. Councilor Hyatt asked and Director Wilson said the consultant fee RFP trigger is \$20,000. Councilor Anderson said he would like to allocate \$25,000 on a contract basis to free up staff. If other plan and/or zoning applications come in then they can change their plan. He isn't worried about the Corridor Study taking more than a few months. He is confident that Director Taylor will keep them in the loop. Councilor Mitchell said he would like Option A and C.

**Councilor Anderson offered a motion to approve a \$25,000 budget for a contractor with an expiration date of June 30<sup>th</sup> for the Planning Department. The motion died for lack of second.**

**Councilor Mitchell offered a motion, seconded by Councilor Hildner, to approve Option A as recommended by staff and to approve Option C for \$10,000 through June 30<sup>th</sup> for the Planning Department and the Hwy 93 North (Whitefish West) corridor study .**

**Councilor Hildner offered an amendment to raise Option C to \$15,000, if needed, and the maker of the motion agreed.**

Councilor Taylor said there are other developers anxious to see the Corridor Study completed soon. Mayor Muhlfeld said in the 2007 Growth Policy the number one project was to complete the 93 W. Corridor Study. He thinks Councilor Anderson's option would have worked, too.

**The amended motion passed 4-1 with Councilor Anderson voting in opposition.**

**8. COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR****8a. Consideration of an amendment to the engineering contract with Robert Peccia Associates for final design and construction inspection of the East 2<sup>nd</sup> Street road and trail project (p. 95)**

Public Works Director Wilson said in May 2012, the City Council approved an engineering design contract with Robert Peccia and Associates for the East 2<sup>nd</sup> Street Reconstruction Project. This memo is to recommend Amendment No. 1 to that contract in an amount not to exceed \$341,500 for engineering design, construction management and related services through project completion in August 2014.

The scope of work for our initial contract included preliminary engineering, field surveys, public involvement, preparation of easements, design and coordination for the relocation of private utilities, and related tasks for a fee not to exceed \$86,500. That work is essentially complete and they're now ready to move on to final design. Our current construction cost estimate is \$2,273,540 for the reconstruction of East 2<sup>nd</sup> Street from the alley west of Cow Creek to the railroad crossing with new street lighting; private utility relocations; water, sewer and storm drainage improvements; a new bicycle/pedestrian path; and related work.

The proposed contract amendment provides for engineering and other professional services including:

- Project management
- Wetland delineation and permitting
- Final design for roadway, water, sanitary sewer, storm drainage, wetland mitigation, bicycle/pedestrian path and street lighting improvements,
- Preparation of construction plans, specifications and bid documents,
- Design and coordination to relocate private utilities,
- Public involvement and
- Construction management and engineering services

The Public Works Department has negotiated a cost not to exceed \$341,500 for this amendment, bringing the total amount of our East 2<sup>nd</sup> Street engineering contact to \$428,000. This overall total includes an engineering fee of \$360,560 plus \$67,440 for landscape architect, environmental and geotechnical services. The engineering fee falls within generally accepted guidelines at 16% of estimated construction costs.

The financial package for this project will include local Resort Tax funds and CTEP trail grant funds provided by the State. Approximately \$160,000 in CTEP funds will be used for construction. All other costs for project management, design and construction will be paid out of the Resort Tax fund over the next two construction seasons. The \$341,500 cost for the proposed contract amendment will be paid out of the Resort Tax Fund.

Councilor Mitchell asked and Director Wilson said 16% is a comfortable percentage for the engineering fee. Councilor Mitchell said when they did the parking garage study they didn't have the engineering fee figured into it. Director Wilson said that is a very complex project and he isn't sure what the range would be. Councilor Kahle said he has an issue about the design of the 2<sup>nd</sup> Street project. He sits on the Resort Tax Monitoring Committee and they discussed the policy of underground electrical

January 22, 2013

wires. He was the only negative vote, opposed to above-ground wires. He said the City should have to abide by the same rules as a private contractor. Director Wilson said a portion of the subdivision regulations calls for undergrounding of power in new subdivisions. He said it is a significant issue that deserves its own work session. He said they went through this 8-10 years ago and it is a very expensive option. He thought it would be more practical for staff to come to the Council with each project and discuss it on a project-specific basis. Mayor Muhlfeld said he read Code 12-4-29 and Manager Stearns said that section applies to new private development. Manager Stearns said development on raw land is different than re-construction. It is expensive to put power underground and everyone has to be content that they will get less new projects done because of cost. He asked and Director Wilson said they estimate \$270,000 - \$275,000 to put the main lines underground and services to the building. He thinks it was \$330,000 if they take it into each building. He is open to the policy the Council comes up with and if the Council wants something different they can work it into the project. It is best, however, if things like this are clear at the beginning of a project.

Councilor Kahle said when he built on O'Brien Avenue he had to provide underground power onsite, but also off-site for others to connect to in the future. He said there was a litany of reasons why they were supposed to do that and it was a lot more expensive, but it also looks better. Councilor Kahle said he agrees that is worth a separate discussion about whether this is a policy they have as a City or not. Director Wilson said in his perspective the decision has been made for this project, but there is plenty of time to schedule a work session to discuss the policy before any planning starts on new projects. Councilor Mitchell said it is a philosophical question—the City should have the same requirements as private developers. Director Wilson said if the Council wants to stop now they can change the scope of the design, but it will delay things. Councilor Kahle said this is a decision that will last for 50 years or more.

**Councilor Anderson offered a motion, seconded by Councilor Kahle, to approve Amendment No. 1 to the engineering design contract for the East 2<sup>nd</sup> Street Reconstruction Project in an amount not to exceed \$341,500, which would be paid using Resort Tax funds. The motion passed unanimously.**

**8b. Resolution No. 13-01; A Resolution amending Rule X and Rule XV of the Rules and Regulations for the City of Whitefish Water, Wastewater and Garbage Utility to provide for an exemption from the monthly base rate billing for water or sewer services when properties have no foreseeable intent or capacity to use water or sewer services (p. 101)**

Director Wilson said staff recommended this resolution to provide for an inspection fee and flexibility as to the means of abandoning service. They've also added an explicit statement that monthly billing will resume if staff finds evidence of water use on an abandoned account.

**Councilor Hildner offered a motion, seconded by Councilor Hyatt, to approve Resolution No. 13-01; A Resolution amending Rule X and Rule XV of the Rules and Regulations for the City of Whitefish Water, Wastewater and Garbage Utility to provide for an exemption from the monthly base rate billing for water or sewer services when properties have no foreseeable intent or capacity to use water or sewer services.**

Councilor Mitchell asked and Director Wilson said the option to remove fixtures from the house will be least expensive. If they want to disconnect from the outside then the City will want it disconnected from the main. The intent is that they can't turn a faucet on and use water again.

January 22, 2013

Councilor Hildner asked about the fees for doing the inspection. Director Wilson said there is a \$20 inspection fee for water meters and they intend to use the same fee for this inspection.

**The motion passed unanimously.**

Director Wilson said he had a new item that will be coming to the Council and he wanted to give them some background; it is related to the E. 2nd Street Re-Construction Project. There will be a lot of disruption during construction when they close the intersection at 2<sup>nd</sup> Street and Armory; but there is a concept to extend Dodger Lane that might be possible for this project that provides access for property owners and emergency services. Councilor Mitchell asked and Director Wilson said part of the road is completed to rural standards. Manager Stearns said it is not eligible for Resort Tax because it is a new road, so part of the discussion they will need to have is how they will pay for this cost.

**9. COMMUNICATIONS FROM CITY MANAGER**

**9a. Written report enclosed with the packet. Questions from Mayor or Council? (p. 108)**

Councilor Mitchell said he would like to know more about the parking structure feasibility study. He would like to see the work session delayed until they have all of the information and they still need the traffic study. Manager Stearns said he just got a report from Dennis Burns, from Kimley-Horn who said WGM told him they hope to have the traffic volumes by the end of January, but they won't have the preliminary report in for the February 4<sup>th</sup> work session. He said they could move the work session for the parking study to March 4<sup>th</sup>.

Councilor Mitchell said he's glad they have the new fire bay doors, but it is too bad the engineering wasn't done right the first time and cost the City more money. He asked about the final numbers for the Emergency Services Center and Director Wilson said he thinks there are one or two small items left. Councilor Mitchell told Public Works Director Wilson kudos for replacing the snow blower engine.

**9b. Other items arising between January 16<sup>th</sup> and January 22<sup>nd</sup>**

Manager Stearns asked and they agreed to a meeting on March 4<sup>th</sup> for the Parking Structure/Deck Feasibility Study.

**9c. Consideration of awarding a contract for the Way finding Sign Project (p. 115)**

Mayor Muhlfeld said in November the Council authorized the City for this project and the bid was about \$210,000 which was about \$50,000 over the engineer's estimate. They re-advertised and expanded the list of contractors and broke it into two segments. Staff opened bids on the re-bidding of the Wayfinding Sign Project on January 15<sup>th</sup>. There were four bids submitted. There were also two bids which arrived in the afternoon of January 15<sup>th</sup> after the bid opening which were submitted too late to consider (one from Ohio and one from Virginia).

The bid tabulation is attached to this report in the packet.

The four bids were:

	Total Bid without installation	Total bid w/ installation
Mild Fence Company, Kalispell	\$163,883.50	\$198,038.50
Montana Lines, Great Falls	\$170,490.00	\$244,660.00
Sign Products, Inc., Billings	\$146,144.00	\$293,750.00
Epcon Sign Co., Billings & Missoula	\$110,946.23	\$267,662.29

Additionally, Mild Fence Company’s installation cost was only \$34,155.00 compared to the range of installation costs for the other three vendors of \$75,000 - \$157,000.

Manager Stearns said he thinks it is in the City’s best interest to award the Wayfinding Sign contract, without installation, to Epcon Sign Company in the amount of \$110,946.23 and authorize him to negotiate the installation of the signs with Mild Fence Company. Any cost under \$50,000 does not have to be bid, so he could see what Mild Fence Company will charge for installation only. That would put the total cost of the project in the \$145,000 range. The Tax Increment Fund will provide funding for this project. The cash balance in the TIF fund at December 31<sup>st</sup> was \$2,552,913 and there is plenty of budget authority to award the contract.

Manager Stearns said he got a call from the owner of Mild Fence who said the installation bid was dependent upon him creating the signs. If he just installed the signs he would charge \$56,000. Manager Stearns said he would like to contract out the installation, but the jump from \$34,000 to \$56,000 is a big jump. Mayor Muhlfeld said it would only be \$7000 more than the Council was advocating last fall. Councilor Hyatt asked and Manager Stearns said the bids are firm.

**Councilor Hildner offered a motion to award the Wayfinding Sign Project contract to Epcon Sign Co. without installation in the amount of \$110,946.23, and authorize the City Manager to negotiate for installation of the signs so that the total cost for the project does not exceed \$167,000, which would be paid using TIF funds. The motion died for lack of a second.**

**Councilor Kahle offered a motion, seconded by Councilor Anderson, to award the contract to Epcon Sign Co. for construction of the signs for the Wayfinding Sign Project for \$110,946.23; and authorize the City Manager to use the balance of the funds to negotiate for installation; total cost of the project not to exceed \$150,000 from the TIF fund. It is understood with this motion that some City Labor may be needed to assist with installation to keep the cost down.**

Councilor Mitchell asked and Director Wilson said he tries to be cautious about saying “we’ll help” because they have to manage new tasks along with the many other demands. Manager Stearns said it is his preference that they contract out the installation. Councilor Hyatt said he agreed. Councilor Mitchell said this is a good change. He is opposed to the way finding signs—he tends to see it as urban blight to add 50 signs, but he commended staff for getting this re-bid. Councilor Anderson asked and Mayor Muhlfeld said about 19 signs will be taken down and replaced. Councilor Kahle called for the vote. Mayor Muhlfeld said this project has lasted for 3 years. The Council wanted the project limited to \$160,000 and this project comes in at \$167,000. He thinks they should give the same courtesy to this project that they gave to the Highway 93 project. He said shorting the project \$17,000 is not a very wise decision. Councilor Kahle asked and Manager Stearns said they will work with whatever budget the Council gives them. He said he would rather use Mild Fence because they are used to installing signs on the MDT right-of-ways. He said \$167,000 gets the job done faster and with one contractor. Councilor Mitchell suggested they give Manager Stearns the \$167,000 to work with. Councilor Anderson said he has been willing to spend \$150,000 from the start and that is where he

January 22, 2013

stands. Mayor Muhlfeld said the concept that there is no additional cost when you are using City staff is a misconception. Councilor Hildner asked if the motion maker would be willing to raise the amount and he was not willing.

**The motion passed 4-1 with Councilor Mitchell voting in opposition.**

**9d. Mid-year financial report – Assistant City Manager/Finance Director (p. 118)**

Assistant City Manager/Finance Director Knapp said the financial situation continues to improve significantly and there are no major expenditure issues on the horizon. Cash balance in the General Fund was \$1,019,903 on December 31<sup>st</sup> which is up significantly from the City's low point of \$105,630 two years ago. He said the Parks Department spends most of its major money in the first six months. These amounts do not include pending salary increases for police and fire. He said building license and permits were the highest since 2007. Zoning and planning revenues have exceeded budget predictions. The City's interest earnings are about 1/5 lower than even two years ago. Impact fees are more than double. The big outlay of \$1 million to the school is not in the budget yet.

Councilor Anderson wondered about budget reserves for the year and Finance Director Knapp said property funds tax, on page 123, line 51 shows they are at \$1.4 million. They budgeted to spend down the reserves as in column M, but they are actually ahead of budget. Manager Stearns said cash balances in property tax supported funds are higher. Departments typically don't spend 100% of their budget, but the calculations assume that they will spend 100%. He said he believes the reserves will be higher than what they've projected in the budget. Councilor Mitchell said he wanted to thank staff for the General Fund Cash balance increase. It is \$900,000 more than when he started and he thanked Manager Stearns and staff for that reserve and all of their hard work. Councilor Hyatt thanked Finance Director Knapp for his time explaining the budget to him today. It is a great report. Manager Stearns said the reserves have increased 10 xs in the cash balance since 2010; however he stressed that they will continue to be vigilant. Councilor Mitchell said they need about one million five to be comfortable.

**10. COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS**

**10a. Standing budget item - None.**

Councilor Mitchell asked if they are moving along with Fire and Police negotiations. Manager Stearns said they are in the middle of mediation with Police. He said Chief Dial came up with another proposal, but the officers haven't agreed to it, so this will probably go to arbitration. He said the Fire Department is still negotiating. Councilor Mitchell said he hopes both sides try to move on and get this done. Councilor Mitchell asked about computers and Manager Stearns said everyone has different desires so Finance Director Knapp will have to work with each individually.

Councilor Anderson said he thinks the vote for the Planning Department was a mistake. He knows the budget has improved, but he doesn't think it is a reason to spend the money they spent tonight. He thinks money was wasted tonight.

Councilor Hyatt asked about the Special Olympics. Mayor Muhlfeld reminded them to get the performance reviews to him by the Feb. 19<sup>th</sup> meeting. He said he has corresponded with Don Deboe about meeting with him about the North Valley Hospital site. He asked if they are available on Feb. 6<sup>th</sup> for a meeting. Councilor Anderson said he didn't want to meet with Don DuBeau if there would be a quasi-judicial decision in the future. Councilor Kahle asked if they would be in hot water for meeting

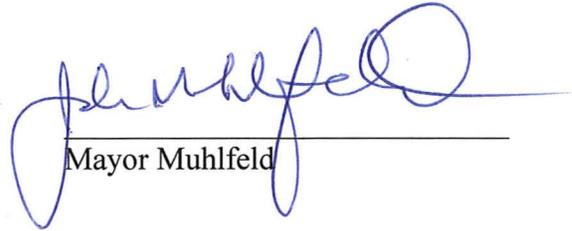
WHITEFISH CITY COUNCIL MINUTES

January 22, 2013

with him. City Attorney VanBuskirk said it might be more appropriate for the City to announce that the Council will possibly be attending the public meetings and to announce that there might be a quorum present. Attorney VanBuskirk said it would be better for the public process. Councilor Anderson said he didn't think Don DuBeau wanted to skirt the public process.

**11. 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 9:25 p.m.



Mayor Muhlfeld



Jane Latus Emmert, Recording Secretary

Attest:



Necile Lorang, City Clerk