

WHITEFISH CITY COUNCIL MINUTES

JUNE 16, 2014

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Barberis, Frandsen, Anderson, Feury, Hildner and Sweeney. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney VanBuskirk, Planning and Building Director Taylor, Senior Planner Compton-Ring, Planner II Minnich, Parks and Recreation Director Butts, Fire Marshall Page, and Police Chief Dial. Approximately 25 people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Charlie Abell 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) (CD 0:47)

Don Kaltschmidt, 230 JP Road, spoke in favor of using Tax Increment Funds (TIF) for the renovation project at Mountain Mall (Mall) for a ShopKo. He said it would be a good investment and show good will towards the Hwy 93 South business district. He said TIF had been spent wisely in the downtown improvements, and this would be a good start for improvements along Hwy 93 South.

Erica Wirtala, Government Affairs Director, Northwest Montana Association of Realtors, 110 Cooperative Way in Kalispell, spoke in favor of using TIF for the Mall renovation project. She had attended the four Chamber of Commerce Open Houses that were held in the first two weeks of June and heard about business issues in Whitefish. She felt that an updated façade at the mall will be a boon to that highway corridor, to better attract shoppers and other businesses. The addition of a ShopKo will offer small household needs to shoppers.

Janet Collins lives at 7th and Karrow; and said it would be nice to have a ShopKo here and good to have the Mall updated. She said she agreed with the others who have spoken in support of it.

David Boye, 1040 E. 2nd Street, and a member of the Whitefish Chamber Board of Directors, thanked Councilors Hildner, Sweeney and Frandsen and Mayor Muhlfeld for attending the Chamber's open houses. He said speaking for himself personally, he disagrees with those who say that adding a ShopKo would be adding another box store in town; because this will be a store in the Mall, which already exists. He said the renovation project will improve the Mall's appearance.

SueAnn Grogan, North Valley Food Bank, thanked the Council on their request of the street name change to June's Way. She gave an open invitation to the Grand Opening to be held on Monday, June 23rd from 4:30 to 6:30 p.m.

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Mayre Flowers, Citizens for a Better Flathead, 35 4th Street West in Kalispell, thanked City Manager Stearns for emailing out the Agenda on Wednesdays before the meeting, giving early public notice of items on the agenda, and she appreciates the Planning Department's updates on the City website. She appreciated the community meeting with the BNSF on safety issues and asked if there was any followup or minutes of that meeting. She mentioned the gating of Mountainside Drive in Grouse Mountain Estates and hoped there would be a better way to address their problem. Mayre addressed the updated Hwy 93 West Corridor Plan and that it did not get proper public or steering committee review. The update is confusing and the consultants included several items that are not in the best interest of the community, she felt. More work sessions are needed and the process should slow down to address all the issues. Mayor Muhlfeld said he took notes at the Community/BNSF meeting and he would get those out for those who are interested.

Rhonda Fitzgerald, 412 Lupfer Avenue, said she wanted to give her compliments to the City for Rose Elliott's (Utility Services Supervisor) effort in fixing a problem she has had for sometime; Rose called her back with the answer and the resolution and she really appreciated it. Rhonda said she also had read the updated Hwy 93 W Corridor Plan, all 138 pages, and the strip sprawl it calls out for is not what the community wants. She said if the city is going to give out TIF to private businesses, she'd like some for exterior improvements on her business that is located in the Hwy 93 South Corridor.

4) COMMUNICATIONS FROM VOLUNTEER BOARDS (CD 18:30)

Ron Brunk, 130 E. 4th Street, said he is the Park Board Vice-President and had a comment on the proposed FY15 Budget being discussed in a public hearing tonight. The Mayor asked him to reserve his comments for that agenda item.

Councilor Barberi reported from the last Tree Committee meeting; the committee is working with Parks and Recreation Director Butts and Engineer Hilding, and hoping to work with MDT to address street plants in Phase II of the Hwy 93 West project.

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) (CD 20:20)

- a) **Minutes from the June 2, 2014 Council special meeting (p. 19)**
- b) **Minutes from the June 2, 2014 Council regular meeting (p. 20)**
- c) **Ordinance No. 14-05; An Ordinance approving a zoning change and amendment of the Whitefish Zoning Jurisdiction Map to rezone Tracts 1D and 1DA, located at 1500 E. 2nd Street, Section 32, Township 31 North, Range 21 West, Whitefish, Montana, from WA (Agricultural District) to WER (Estate Residential District) (Second Reading) (p.27)**
- d) **Ordinance No. 14-06; An Ordinance approving the Second Street Residences Preliminary Plat and Planned Unit Development for 62 lots located at 100 Wild Rose Lane and 1500 E. 2nd Street, Whitefish (Second Reading) (p.29)**
- e) **Consideration of approval of a final plat application from Colin and Teri Sellwood for the Sellwood Subdivision, a 2-lot subdivision located at 3930 Highway 40 (p.)**
- f) **Resolution No. 14-17; A Resolution of the City Council of the City of Whitefish, Montana, indicating its intent to change the name of the portion of West 15th Street between Baker Avenue and Flathead Avenue to June's Way (p. 91)**

Councilor Feury offered a motion, second by Councilor Anderson, to approve the Consent Agenda as presented. 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))
- a) **FY15 Budget - Consideration of approving City Manager's proposed budget as the FY15 preliminary budget and setting final public hearing on the FY15 budget for August 18, 2014 (p. 96) (CD 20:40)**

City Manager Stearns presented the proposed FY15 Preliminary Budget. In summary of his complete report in the packet, Manager Stearns said this budget does not propose an increase in the mill rate, but some information is still lacking; like the year-end cash balances that won't be posted until June 30th, and the mill value is not issued from the State until after the first of August. The preliminary budget projects a conservative growth in the city's mill value at 2%. Existing cash balances are being drawn down for equipment and infrastructure projects in many funds including the Fire Department, Water, Wastewater and Stormwater. The cash balances in the Police and Park funds are already quite low. The draw down on those cash balances are reflected in the overall spending which increased over last year; however it does include some projects that were planned for last year but didn't get done. Three new positions are included in the budget; a Human Resources Director, a new Police Officer (funded by a COPS grant and matching contribution by the School District #44 for three years, thereafter paid for by equal shares of the City's and the School's.), and a full-time GIS/IT person; all described in detail within the budget. The proposed budget totals \$41,049,828 of transfers and expenditures for all funds as compared to \$36,253,097 in FY 14, a 13.23% or \$4,796,731 increase. Again, most of these increased expenditures are for spending down accumulated and saved cash balances for infrastructure project in the Resort Tax, Street, Stormwater, Water and Wastewater Funds. A pay increase for non-union employees is built-in at 3.8%, and the multi-year Collective Bargaining Agreements with three unions is matching but dependant upon our tax base growth. The City Council decides on any increases for the City Manager and Municipal Court Judge, and it has been determined for the City Attorney per a two-year contract from last year. The Montana Municipal Interlocal Authority (MMIA), our provider for insurance programs, is actually decreasing our medical insurance premiums this year by 0.7% and has no increases for vision or dental programs. Depending on the final outcome of the following budget work sessions held by the Council, there may be mill rate increases, and/or increases to the Parkland/Boulevard Maintenance Fee, the lighting districts and/or the Stormwater Maintenance Fee. The Council has already held two budget work sessions in May and June, and will have at least one more before the final adoption. 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 to adopt by state law. 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 18th.

Mayor Muhlfield opened the public hearing.

Ron Brunk, 130 E. 4th Street, said he is the Park Board Vice-President, and hoped that he could persuade the Council to add \$35,000 back into the budget to finish the roof repair at the Ice Rink; the north half was repaired this last year. He said they are making good strides towards the rink being self-supporting. Just last week installation was completed on the new evaporating cooling system, a \$100,000 value, all of which was paid by users. Also in those upgrade plans was a low e-ceiling, but that cannot be installed until the roof leaks are fixed. He said he is bringing forth a unanimous recommendation from the Park Board to include the roof repair in the new budget. He said there are a lot of other great things happening in Parks, but his purpose tonight was to request funds to repair the ice rink roof.

Rebecca Norton, 530 Scott Avenue, thanked City Manager Stearns for a good budget. She supported pay raises for employees. She would like a program created wherein the public could call a centralized

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information number. She also said the City needed a neighborhood resource person to replace Dru Dennison who was so great to visit with the neighborhoods on issues and complaints. She said she had to call the Police last week when construction started up in her neighborhood at 5:45 a.m. She thanked the Council.

There being no further public comment, Mayor Muhlfeld closed the public hearing and turned it over to the Council for their consideration.

Councilor Feury offered a motion, second by Council Hildner, to adopt the FY15 proposed budget as the FY15 Preliminary Budget and set a public hearing on August 18th on the final budget.

Several of the Council, and the Mayor, thanked and complimented Manager Stearns on this proposed budget since he had to jump in late due to the absence of the Finance Director. Councilor Anderson agreed with his thanks, and said he thinks there will be discussions at the next workshops regarding reductions on the expenditure side as they work towards the final adoption.

The motion passed unanimously.

(CD 37:03)

- b) Consideration of an application for a Major Lakeshore Variance for The Lodge at Whitefish Lake at 1380 Wisconsin Avenue to increase the number of marina slips by nine slips for a total of 103 slips, extend the existing gangway an additional 19.46 feet, and increase the amount of constructed area below the high water mark to 12,381 square feet (WLV-14-W10) (p. 214)**
- c) Ordinance No. 14-___; An Ordinance amending Condition of Approval No. 17 to Ordinance No. 90-6, approving a Planned Unit Development for the Whitefish Lake Lodge Project, to increase the number of marina boat slips from 85 to 95 subject to the original Conditions of Approval and new Condition of Approval No. 17 (First Reading) (WPUD 14-03) (p. 308)**

Planner II Minnich said items 6b and 6c are closely related and she would be combining the staff reports. The Lodge at Whitefish Lake (at 1380 Wisconsin Avenue) and the Averill Family Trust are proposing a major lakeshore variance to expand an existing public marina originally approved with a Planned Unit Development (PUD) in May 1990. The major variance request increases the number of slips from 85 to 103, extends the existing gangway an additional 19.46 feet, and increases the amount of constructed area below the high water mark to 12,381 square feet. The applicants recently purchased additional lakeshore frontage (87.34 feet) which increases their constructed area allowance (up to 1,047.94 square feet) and the number of slips (additional 9) permitted for a public marina. Planner Minnich reviewed the history of this project going back to the PUD approved in May, 1990, which was subject to a condition that the public marina not exceed 85 boat slips, of which 50% shall be used by homeowners, 25% for use by day/weekly rentals by resort guests (public lottery), and 25% for use as day/rental use. The original dock was approved in 1991, and in 2004 an after-the-fact permit was approved for the construction of Phase 2 of the marina, and additional 27-foot of gangway over what was originally approved in 1991, giving it a final length of 87 feet; and approval to construct the remaining 35 boat slips of Phase 3 of the marina. In that same action in 2004, a request for a variance for an extended gangway of an additional 20 feet out into the lake was denied. Finally, in 2006, a minor variance was granted for an 86th boat slip for the exclusive use for the City of Whitefish's Fire Rescue boat; with a clause that when the Fire Department no longer occupies that slip, the total marina reverts back to 85 slips. For a public marina and with the size of the property, they are allowed 11,283.84 square feet of constructed areal below the mean annual high water line. With 9 new boat slips; their total comes in at 11,268.10 square feet, but if they are allowed the extra gangway length of 19.46 feet, it increases the proposed

construction area to 12,381 square feet which is 1,097.16 square feet over the allowance. The 12,381 square feet is based on their original request to have 18 new boat slips, however both Staff and the Planning Board recommend a variance for only 9 new slips. At the Planning Board hearing on May 15, 2014, the applicant withdrew their request for 18 and reduced their request to only 9 new boat slips, bringing their total to 94 (95 with the Fire Rescue boat).

The Lakeshore Protection Committee met on April 9, 2014 and recommended approval of the full variance request (all 18 boat slips, the dock extension and allowable constructed area), with two additional conditions now included in the staff report as Conditions 11 & 12:

11. Per the lakeshore regulations, the applicant shall install a no wake zone 100 feet into Whitefish Lake from the end of the dock.
12. The applicant shall contact Fish, Wildlife, and Parks and the Department of Natural Resources and Conservation to apply for an additional 100 feet no wake zone, for a total no wake zone of 200 feet from the end of the marina dock.

The Planning Board held a public hearing on May 15, 2014 and voted to recommend approval of the additional 9 slips, the 19.46 feet of additional gangway, and the constructed area allowance subject to the twelve (12) conditions. Staff recommends the approval of the additional 9 slips based on lakeshore frontage with twelve (12) conditions as set out in the staff report; but recommends denial of the Major Variance for the additional 9 slips, the additional constructed area allowance, and the extension into Whitefish Lake.

Council asked for some clarification regarding total gangway length into the lake, new dock configuration and water depth, and if docks are currently used according to the required allotments. Planner Minnich answered those questions and said the lodge reports their lottery annually and Exhibit 7 on page 277 of the packet shows the allotments are being used as required; 50% are As (homeowners), 25% are Bs (seasonal lottery) and 25% are Cs (daily use). She said their plans were that if they got an additional 18 – they would all be public; but with only the additional 9 they will be split up as the original 85 were (50%, 25%, and 25%).

Planner Minnich continued with her staff report – a request for a PUD to increase the number of marina boat slips from 85 to 95; amending Condition of Approval No. 17 to Ordinance No. 90-6 which approved the PUD in May 1990. The Lodge property is zoned WRB-2/PUD (General Resort Business District with a PUD overlay) and the recently acquired property to the south is zoned WR-3 (Low Density Multi-Family Residential District). The zoning is in compliance with the Growth Policy which designates the area Resort Residential and Urban. Minnich explained that lakeshore protection standards may not be deviated from through a PUD overlay, however, the PUD as approved in May 1990 included specific conditions related to the associated marina; so this application is proposing to amend Conditions 17 and 18:

17. That the marina shall not exceed 85 boat slips
18. That the marina may be extended lakeward to a point where four (4) feet of water is reached generally by a majority of the slips.

Regarding Condition #18; the applicant is not proposing to amend the specific language, but utilize the condition in order to grant an extension of the dock further out into Whitefish Lake. The applicant is providing the following benefit: All of the 18 proposed boat slips will be for public use (14 for seasonal public lottery “B” and 4 for day use only “C”). This is where the two staff reports tie-in together with the same findings that the additional new land purchased by The Lodge increases their lakeshore allotments, as reported above. The PUD request was reviewed in accordance with the Whitefish City-County Growth Policy, the City of Whitefish Zoning Regulations, and the City of Whitefish Lake and Lakeshore Protection Regulations. At the Planning Board’s May 15, 2014 meeting they voted to recommend approval of the PUD request subject to the original 35 conditions with the new Condition 17 as recommended by staff in the Staff Report; which reads:

“That the marina shall not exceed 94 boat slips, not including the slip utilized by the City of Whitefish Fire Department rescue boat (total 95).” Planner Minnich noted that if it was the Council’s intent to allow 18 additional boat slips, they would need to include action striking Finding 13 in the Staff Report, found on packet page 348. Letters from the public have been included in the packet as well as distributed to Council tonight if they came in after the packet was printed.

Mayor Muhlfield opened the public hearing.

Sean Averill, applicant, said when they got the extra land they planned to build 18 new boat slips to meet the outcry for more public use; but after the Planning Board hearing they have scaled that down to 9. He explained the layout according to copies that had been distributed to the Council, and said they needed to push the gangway out into the lake more to help with water quality; and to meet the four (4) feet of water depth for the majority of the slips. They submit their report of dock use each year after their annual lottery.

Bruce Tate, 1800 W. Lakeshore Drive, thanked Planner Minnich for her report and said he understands the additional 9 boat slips with the new and additional land, but he opposes the 9 over that for a total of 18. He also opposed the gangway extension; Monk’s Bay is a medium size bay and the extension out into the lake impacts both the bay and the lake. He suggested reconfiguring the docks, relocating where certain types of boats were docked depending on the depth they needed.

Judy Pettinato, 440 Parkway Drive, said their family has had that home site since 1957. She thanked the Council for authorizing the new oil/water separator at City Beach to mitigate those problems at City Beach. She agreed with Bruce Tate that Monk’s Bay is a medium size bay, access from homes along the shore is minimal because of the sandbar and rocks, and if the gangway extension is allowed it would be more to circumnavigate. Her dad was killed in a boating accident in the bay in 1970; for safety she asked that all owners on the lake should be treated fairly and the same.

Charlie Abell, 5 Woodland Place, said he has lived there for 48 years. He said in 1975 the State of Montana enacted regulations regarding Aquatic Ecosystem Protections, and gave the power to local governments to protect their natural waters; he said these waters are everybody’s lakes – they aren’t just commercial. He served on our local Whitefish Lake Protection Committee for the first nine years it existed. He noted that in Section 75-7-213, M.C.A., variances require an Environmental Impact Statement.

Koel Abell, 355 Lost Coon Trail, said he currently serves on the Whitefish Lake and Lakeshore Protection Committee. He said Whitefish Lake is one of this community’s greatest asset, and The Lodge serves a useful service to this community; but he wonders if they will just keep buying more land and keep asking for more boat slips. He said residents along the lakeshore are allowed docks out to 60’, up to 100’ with a variance. The Lodge’s docks already go out over 260 feet and now they want almost 20 feet more? He didn’t think that extension would help water quality, he felt that would be more effectively addressed by the No Wake Zone requirement. He commended the Council and City Staff in their efforts to improve water quality by supporting study of the lake and work done by the Whitefish Lake Institute (WLI) and acting on those studies by installing the new oil/water separator at City Beach. He said Whitefish Lake is the City’s drinking water source. WLI test results showed high gas content at both City Beach and at the Lodge; and the Lodge’s marina is more privately owned than for public use. He couldn’t see how the Council, after having just passed action to mitigate problems at City Beach, could support this request.

Dewey Hartman, 1320 Wisconsin Avenue, addressed the turbidity in the bay – it is a big problem in this very busy, congested area. He counted and totaled up 232 boat slips, 70 buoys, and a couple jet-skis, he

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said that is a tremendous stress on the lake and fragile bays. He said we have to consider the future of the lake and he didn't feel that the want for additional boat slips could ever be attained to everybody's satisfaction. He felt the extended gangway impedes boat traffic and safety. He requested the Council consider the well-being of the lake; it is part of our history, part of our culture, and it needs to be considered in terms of the long term.

John Marshall, lives in Hot Springs now but lived in Whitefish from 1973 to 1979, and still visits with friends on the lake. He played a recording of loud music being played on the lake that can be heard from 11:00 p.m. into the wee hours of the morning. It is after curfew and he felt most of this comes from boats from the Averill's docks. He said the Averill's have a big investment on the lake but the Council must also consider and protect the individual families that have investments on the lake.

Marcia Sheffels, 450 Parkway Drive, gave her letter to the Council and read it. She opposed the proposal for three reasons. (1) Bigger is better is not always true. (2) Play by the rules – follow the regulations in place, for everyone; they are in place for a reason. (3) Safety first, it is being overlooked.

Rebecca Norton, 530 Scott Avenue, asked the Council not to do anything that jeopardizes the lake.

There being no further public comment, Mayor Muhlfeld closed the public hearing, and called for a 5 minute recess at 9:05 p.m.

(CD 1:49:03) When the Council reconvened, Mayor Muhlfeld asked Planner Minnich for a clarification of the variances required tonight in light of the reduced request for only 9 additional boat slips. Planner Minnich said if the variance for an extended gangway is approved, then the variance for the allowable constructed area would also have to be granted, but the 9 slips all by themselves do not require a variance, not even a minor variance. Mayor Muhlfeld turned the matter over to the Council for their consideration. Councilor Anderson asked for clarification for the criteria allowing 9 slips. Planner Minnich said the Lakeshore Regulations §13-3-1(L)(7)(g) provides that a public marina shall not exceed 1 boat slip per 10 linear feet of lakeshore frontage; and 9 equates to their now 940.32 feet of lakeshore frontage with their new land purchase. Councilor Feury requested clarification on Condition 18 of the original PUD that states: "That the marina may be extended lakeward to a point where four (4) feet of water is reached generally by a majority of the slips." He asked if that continues in perpetuity or only a condition at the time of the construction allowed by the original PUD, or is it something that is renewed anytime there is a change in the docks. Attorney VanBuskirk advised it is specific to the original PUD granted. Those conditions were prepared for the construction that was going on at that time, which is complete; and does not mean that any new construction would be granted the same condition of approval. Plus, the condition specifically reads "...reached generally by a majority of the slips." Councilor Feury said based on that he would offer a motion.

Councilor Feury offered a motion, second by Council Hildner, to deny the portion of the variance requested to extend the existing gangway an additional 19.46 feet. Councilor Feury spoke to his motion. He said Sean Averill had provided a photograph showing that an additional 20 feet of length doesn't push it out much more into the lake, but when you consider the overall length of something that is 380' wide – that is using up a lot of space, taking a lot of space away from usable water. He remembers that in 1990, upon the original approval of the project, one of the main concerns discussed was the overall size and mass of the project and he felt like that was one of the reasons it was limited at the time. More discussion among the Council followed. **The motion passed unanimously.**

Councilor Sweeney offered a motion to approve an ordinance amending Condition of Approval No. 17 to Ordinance No. 90-6, approving a Planned Unit Development for the Whitefish Lake Lodge Project, to increase the number of marina boat slips from 85 to 95 subject to the original Conditions of Approval and new Condition of Approval No. 17 at first reading. The motion died for a lack of a second. Discussion followed on next steps; Planner Minnich explained that for the applicant to get a permit for the 9 new slips that are now allowed with their additional lakeshore footage, they will also have to receive an amendment to their 1990 PUD, amending the limit of the 85 slips.

7) COMMUNICATIONS FROM PLANNING AND BUILDING DIRECTOR (CD 2:07:46)

- a) Discussion and direction on which Corridor Plan to pursue next and when to initiate work on it (p. 404)**

Planning & Building Director Taylor referred the Council to his staff report that includes outlines of action plans for proceeding on long range planning corridor plans for Highway 93 South and Wisconsin Avenue. The schedules and costs are estimates that can't be more specific until current major projects that are underway are completed and input from consultants is factored in. He said with his current level of staffing, only one major long range planning project can be done at a time. Regarding the public comments that the current Hwy 93 W Corridor Plan is not coming in as some expected; Director Taylor said it is still a work in progress, but it will be presented to the Planning Board in their next workshop just so the Board can be introduced to the process. He is working with the consultants on needed changes, and following a public hearing at the Planning Board level it will be coming to the Council in September.

Members of the Council offered their preferences on which corridor plan to proceed with, each plan got some support. Budgeting was discussed; Manager Stearns said each plan could probably be covered 50-50 between the General Fund and the TIF. Mayor Muhlfeld pointed out that any Downtown Master Plan changes pending in the current update should be in place before continuing additional corridor plans as there may be elements therein that will drive future projects. Council consensus was to review this again in September.

8) COMMUNICATIONS FROM CITY MANAGER (CD 2:24:00)

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 411) – None.**
b) Other items arising between June 11th and June 16th

Manager Stearns reported that he and Mayor Muhlfeld and Councilor Hildner went to Helena on June 12th for the Fish and Wildlife Commission final comment period and decision on the City's petition limiting the 3-mile stretch of the Whitefish River to manual powered craft and electric motors. The Commission tied 2-2 on the motion to approve the petition. Following that action the Commission considered a FWP Region 1 staff proposal for an alternative of a seasonal closure from July 5th through September 30th and some minor modifications to the no wake rule; which was approved 4-0. Now there will be a new public comment and process in the future on that proposal. Mayor Muhlfeld added that he heard from Commissioner Vermillion today who said the alternative proposal does not preclude the City's continuing efforts for the year-round closure as petitioned; that can be kept alive during the next public process. Councilor Hildner pointed out, to clarify possible misconceptions, that the City's petition does allow electric motors.

Manager Stearns said that Public Works Director Wilson would like an elected official to serve on the Selection Committee for Design Engineering of the 3rd Street Sewer and Street Reconstruction project, related to infrastructure at Block 46 for a Botique Hotel. Councilor Frandsen offered to serve on that committee and the rest of the Council agreed.

c) Consideration of approving request from Whitefish Theatre Company (WTC) to proceed with an addition to the I.A. O'Shaughnessy Cultural Arts Center (p. 416)

Manager Stearns said there are members from the Whitefish Theatre Company here in the audience tonight that could answer questions from Council if needed. Their request that is in the packet explains their renovation and expansion plans of the O'Shaughnessy Center (Center). They are requesting Council approval, that would be subject to ARC review, building plan review and approval of and payment for all necessary permits, for an addition to the northwest side of the Center. The lease that the WTC has with the City requires City approval of all expansion plans. The site plans start on page 420 of the packet.

Councilor Anderson offered a motion, second by Councilor Frandsen, to approve the proposed addition to the northwest side of the O'Shaughnessy Center subject to ARC review, building plan review, and approval of and payment for all necessary permits.

Councilor Hilder clarified some design details with Architect Ross Anderson who explained the elevations on packet page 421 are conceptual only; final design follows Council's approval of the concept.

The motion passed unanimously.

d) Consideration of a revised request for \$200,000 of Tax Increment Funds to assist an exterior façade renovation at the Mountain Mall, 6475 Hwy 93 South (p. 430)

Mountain Mall Manager Tom Kraus said he and the owners of the Mountain Mall have reworked their previous request in hopes to received \$200,000 of Tax Increment Funds for the exterior façade renovation; their team reworked the plan, going through it piece by piece to scale down their request. Their brick façade has fallen into disrepair, has been described as "blighted" and fits the definition of blighted in the Montana Code Annotated. In an answer to a question from Council they reworked the plans, saving rather than replacing where they could, trying to save on materials and systems where they could; and between that and some kick-in from the owners, they think this reduced request will let them accomplish their goal. There still is the guarantee from the owner, the Carrington Company, that if the Tax Increment revenues do not equal the \$200,000 by 2020, they will pay a check back to the City for the balance. Mr. Kraus said that it will also all be subject to the full execution of a lease agreement with the ShopKo Stores, subject to ARC Review, the bidding process, and details worked out in a future development agreement. The Council conducted more discussion with Mr. Kraus regarding the project.

Councilor Barberis offered a motion, second by Councilor Sweeney, to approve the request of \$200,000 of Tax Increment Funds towards the exterior improvements at the Mountain Mall and direct staff to work with the applicant on a development agreement. The motion passed on a vote of four (4) to two (2), Councilors Anderson and Frandsen voting in the negative.

e) Resolution No. 14-16; A Resolution authorizing participation in the Board of Investments of the State of Montana annual adjustable rate tender option municipal finance consolidation act bonds (InterCap Revolving Program), approving the form and terms of the loan agreement and authorizing the execution and delivery of documents related thereto (Fire Engine) (p. 444)

Manager Stearns said this was a standard INTERCAP (Board of Investments of the State of Montana, financing program) loan that is for short term financing with a current interest rate of 1.00% for the purchase

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of a new Fire Engine/Pumper from General Fire Apparatus of Spokane, WA. In May, 2013, the Council awarded this purchase for up to \$495,112. General Fire is applying discounts to our purchase price for letting them show the Fire pumper to other fire departments plus paying for the chassis at time of delivery to the pumper manufacturing plant, so the loan amount is set at \$485,112. For the next ten years, each year's budget will include \$50,000 to \$55,000 to repay this loan; first payment will be due out of the FY15 budget.

Councilor Feury offered a motion, second by Councilor Hildner, to approve Resolution No. 14-16; A Resolution authorizing participation in the Board of Investments of the State of Montana annual adjustable rate tender option municipal finance consolidation act bonds (InterCap Revolving Program), approving the form and terms of the loan agreement and authorizing the execution and delivery of documents related thereto (Fire Engine). The motion passed unanimously.

9) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS (CD 2:47:47)

Councilor Hildner said he would continue to comment on the bridge monuments that are out of plumb until the problem is fixed. He said he hated to hear about the gates going up at Mountainside Drive (City Manager report, packet page 411) and wished an alternate solution could be found.

Councilor Frandsen said she attended all of the Chamber's neighborhood meetings; she thought they were good meetings, good discussions, and the attendees offered good suggestions. She attended the City/BNSF Public Open House on railroad safety and thought it was a good start on community emergency planning to be continued later this year.

Councilor Anderson congratulated local Youth Sports teams, they did well this past weekend.

Mayor Muhlfeld gave a status report on AIS after meeting with Fish, Wildlife & Parks in an effort to establish regulations regarding mandatory quarantine, and establishing protocol in coordination with recommendations from the Whitefish Lake Institute. In followup after tonight's work session on commercial activities on Whitefish Lake, he asked Attorney VanBuskirk about the timeframe. Attorney VanBuskirk said at a minimum, ordinances take two readings and go into effect after the 2nd reading so that is a minimum of month and of half. The Mayor said even if they got it started at the first meeting in July, it takes us past the height of the summer season. He suggested it be revisited this fall so it would be ready to put in place before next season, it is a topic that needs more discussion. Councilor Frandsen said if done in the fall it will be right after the season and public input at that time will be relevant, plus the related business owners and operators would be available to be included in the discussions. Mayor Muhlfeld asked for clarification regarding a comment made during public comment tonight on whether or not the Hungry Horse News was our newspaper of legal record; Manager Stearns and Planner Minnich said no. Legal notices that go into the Whitefish Pilot are submitted to a person with an email address for the Hungry Horse News, but all the papers are owned by the same company; our legal notices go into the Whitefish Pilot. The Mayor commented that the open house on railroad safety was a good meeting and thanked Fire Marshal Page for attending and giving his input. He said he thought the Council should have a work session with the Police and Fire Departments sometime to learn more about local emergency plans. The Mayor asked if the Ice Rink roof repair could be added back into the new budget and Manager Stearns said it certainly could be reconsidered during the next budget work session. Mayor Muhlfeld reminded everyone of the Open House regarding open space in Haskill Basin at the O'Shaughnessy Center Tuesday night, June 17th, and 7:00 p.m.

Chief Dial said the call for mutual aid from the 911 Dispatch Center last week when the fire broke out at the Fiber Board Plant showed how effective the Dispatch Center is; it worked perfectly regarding getting

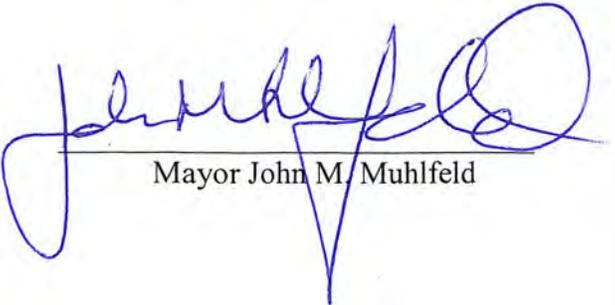
WHITEFISH CITY COUNCIL MINUTES

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the word out to emergency responders that showed up immediately on the scene. When it comes time to vote for its funding we need to highlight the effectiveness of the Dispatch Center that day.

10) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority) (CD 2:57:50)

Mayor Muhlfield adjourned the meeting at 10:20 p.m.



Mayor John M. Muhlfield

Attest:



Necile Lorang, Whitefish City Clerk

Please return to Necile

PUBLIC HEARINGS

PLEASE SIGN IN TO SPEAK ON A SPECIFIC PUBLIC HEARING 6/16/14

PLEASE PRINT NAME and ADDRESS

FY15 PROPOSED
PRELIMINARY BUDGET
& SET HEARING FOR FINAL

APPLICATION FOR A MAJOR
LAKESHORE VARIANCE
LODGE AT WHITEFISH LAKE

APPLICATION TO AMEND PUD
TO INCREASE BOAT SLIPS
LODGE AT WHITEFISH LAKE

1.	Jama R. Moore 120 Washington Ave			
2.	BJ & Laci SEA ME PADDLE KAYAKING TOURS			
3.	Sonny Schierl / Paddlefish Sports			
4.	T.J. ANDREWS / FlyBOARD OF MONTANA			
5.	Bruce TATE / 1800 West Lakeshore -		✓	
6.	JUDY Pettinate / 440 PARKWAY		✓	
7.	Janet Collins / ^{support male} use of river			
8.	Kael Abell / 355 Lost Coon Trl.		✓	✓
9.	Marcia Shuffels 450 Parkway Dr.		✓	
10.	Charlie R. Abell 5 Woodland Pl		✓	✓
15.	GJ Hensen 6078 Hwy 93			
16.	Dewey Hartman 1320 Wisconsin		✓	
17.	John Marshall Box 731 59845		✓	✓
18.	Row BLUNK	X		
19.	Rebecca NORDON	X	X	
20.	Scott Wurster public comment			

Please return to Necile

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	FY15 PROPOSED PRELIMINARY BUDGET & SET HEARING FOR FINAL	APPLICATION FOR A MAJOR LAKESHORE VARIANCE LODGE AT WHITEFISH LAKE	APPLICATION TO AMEND PUD TO INCREASE BOAT SLIPS LODGE AT WHITEFISH LAKE
1. Erica Wirtala 110 Cooperative Way Kalispell, MT 59901	Mall Improvements		
2. JANEY COLLINS	MALL		
3. SUE ANN GROUGEN-KING	MAJL		
4. DAVE BOYE	MALL		
5. MARY FLOWERS			
6. RYONDA FITZGERALD			
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