

## WHITEFISH CITY COUNCIL

July 20, 2015

7:10 P.M.

### 1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Barberis, Frandsen, Feury, Sweeney, ~~Anderson~~ Fitzgerald (corrected 8-17-2015) and Hildner. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney Jacobs, Finance Director Smith, Planning Director Taylor, Interim Public Works Director Hilding, Parks and Recreation Director Butts, Police Chief Dial, and Interim Fire Chief Page. Assistant City Clerk Woodbeck was in the audience. Approximately 30 people were in the audience.

### 2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Ross Pickert to lead the audience in the Pledge of Allegiance.

### ADMINISTRATION OF OATH

Mayor Muhlfeld said at this time he will administer the Oath to newly contracted City Attorney Angela Jacobs. Following her Oath, City Attorney Jacobs was welcomed to the staff.

### 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)

Rebecca Norton, 530 Scott Avenue, thanked City Manager Stearns for the brief chronology of the City Hall and Parking Structure projects that he included in his Council Memo (packet page 162), and said she is against the effort that is second guessing decisions already made.

Tom Wright, 835 O'Brien Avenue, spoke to the Council regarding the narrow right-of-way for O'Brien Avenue and said it is a safety concern and needs addressing. He said it should be added to the planning for the 7th Street Reconstruction Project.

### 4) COMMUNICATIONS FROM VOLUNTEER BOARDS

Rebecca Norton, Government Review Study Commission, reported there was a public meeting held at the O'Shaughnessy Center, it had good attendance and they felt it was a success. Their committee is gathering suggestions from the public for possible items to be brought forth in an election on proposed changes for the City's Charter and/or suggestions to bring back for Council's consideration. During the meeting compliments were voiced for the City's new Finance Director Smith. The Committee will be holding another public meeting, hoping to gather more public input, this week on Wednesday at City Hall.

Councilor Feury had attended the last Resort Tax Monitoring Committee. He said one of the agenda items was to discuss issues regarding the 1% increase that went into effect July 1<sup>st</sup>. He said it was a short discussion because no issues were brought up. He reported resort tax revenue was up in June. The Committee held a discussion regarding shortage of service employees for local businesses, some businesses are even having to close a day each week because of lack of employees. He said lack of a workforce is a community issue and may be connected to lack of workforce housing.

Councilor Hildner reported he had attended the Planning Board Meeting, and items from that meeting are scheduled to come before the Council in upcoming meetings.

Mayor Muhlfeld said he has been appointed to the Whitefish Legacy Partners Board and will be giving Council regular updates on the meetings he attends.

- 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)
- a) Minutes from the July 1, 2015 City Council special session (p. 38)**
  - b) Minutes from the July 6, 2015 City Council regular session (p. 40)**

**Councilor Hildner made a motion, second by Councilor Frandsen, 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) Resolution No. 15-22; A Resolution to establish public usage fees for the Stumptown Ice Den (p. 54) (CD 11:42)**

Parks and Recreation Director Butts said the resolution before the Council provides proposed fees for ice rentals by private groups, public skate admissions and stick and puck season passes. In addition to the information in the staff report, Director Butts said when she was first hired as Parks and Recreation Director, she was asked to review operations at the ice rink because it had historically been operating at a deficit. After review she put in place new operating and managing procedures and this year, for the first time, the rink is operating in the black. In addition, she was asked to review operations for both 6 month and year-round ice; and staff along with the Park Board and the user groups have spent a lot of time over the last few months considering those options. One of the larger considerations in ice rink operations is the deferred maintenance, and the best management practices and budget to properly care for the rink and rink equipment. Historically the rink operated for 6 months, this last year for 8 months, and there is some interest for camps in the off-season. Also, historically in the off months, the rink has housed Summer Parks Programs, trade shows, and private rentals for other activities. Regarding maintenance; it used to be that her staff had the time but not the funds for maintenance, and now they are faced with having the funds but not the time. She reviewed the current and proposed fees from the staff report and discussed the challenges of year-round operations, also as listed in the staff report.

City Manager Stearns added that over the past three to four years he has been pointing out to the Council the deficits in this fund during the budget process, up to \$100,000 one year; and the Council's decision has been not to make it up with a loan, but continue to subsidize the operations with General Fund Cash Balance. The deficit over 8 or 9 years is close to \$600,000. It is now again before the Council to make the decision if a subsidy is appropriate, and if so, how much. He said overall, municipal rinks are usually partially subsidized; he said that typically youth programs are subsidized but not adult programs. He said the trouble with subsidies, as the Council is now experiencing, is that once they are given it is difficult to make any changes because of the demands of the user groups. Another difficulty is governmental accounting, which is complicated and the Parks Department covers a wide and complex range in the City's budget. He said in the future the Council could consider setting up the rink in an Enterprise Fund, which means it has its own cash balance but has to be self-sufficient from fees and charges, it cannot use additional tax dollars. Or

it could be set up as a special revenue fund. The difficulty is that the rink budget is an integral and large part of the Park and Recreation Department's budget. Staff recently had the opportunity to meet with the consultant and contractor from Arena Products installing the low-e ceiling, along with representatives from the user groups, the Ice Rink Advisory Committee, and some Park Board and Council were present, and he (Gary Smith) said, among other things, that he felt it a great reach for the City to consider 11-month ice; that the facility and equipment is better for a 6 to 8 month ice operation and use the off-ice time for other activities, which does take time to market. Lastly, Manager Stearns reminded the Council that as Director Butts said; State Law provides the Park Board the authority to determine facilities operations; the Council's authority is to set fees and provide the budget for operations. So whatever the Council decides on fees tonight; it will still be up to the Park Board to decide the months of operation. The Council will have to balance tax-payer interests and user-group interests, and staff is here to help them with information for their decisions.

The Mayor and Council had some follow-up questions for Director Butts and staff.

Mayor Muhlfeld opened the public hearing.

Carol Anderson, 1330 Wisconsin Avenue, said her comments would address the facility and the programs; she said when Chad Goodwin arrived on the scene his goal was to have year-round programs for ice – and that has been reached. The Ice Den is a World Class Training Center and has people coming from all over the States and Canada, it is a facility for all users and a place Whitefish can be proud of. The Whitefish Chamber of Commerce and local businesses support and profit from activities at the rink year-round, and she wondered what they would think if they found out it was not supported by the Park Board. Summer camps are set up with good pre-registrations. In August there will be 3 professional ice shows, the hockey groups have teamed up with NHL programs, and there are many other very special events planned. Volunteers have given their time and services to improve the facility, and the classes held for young skaters are taught by the hockey team – on time that they volunteer. The Community Foundation awarded the Big Fish Award to the Ice Den for program growth and facility updates. To continue a World Class Training Center there needs to be ice for 11 months, otherwise the users are not able to stay with Whitefish. She has volunteered at the ice rink for 20 years, working with youth and teaching skating. She, along with all the other volunteers, have worked tirelessly in support of successful ice programs, and feel let down by the Park Board decision to only have a 6-month season. Regarding the restriction in the City's deed to the property requiring a park for public use, she talked to a member of the group that originally donated the land and said the City could provide a kid's park elsewhere that would fill the requirement.

Tanya Gersh, 166 Shooting Star Circle, said this is the first year the rink is in the black, and it can stay in the black as long as it has year-round ice, the user groups will help to keep it in the black. The parents, volunteers, and skaters are committed to having a successful operation. Over the last few years Glacier Skate has donated \$130,000 and were told that with that donation the rink could operate in an extended season; and that an effort would be made to accommodate an extended season. She said if they are told tonight that they need to come up with more money in fees, they will pay; because they are committed to the success of these programs. The programs will be lost without user support.

Kaitlin Daniels, 1053 Creekview Court, is a youth hockey player and part of the girl's hockey team that won the State Championship last year. She said she has played hockey for two years and it has been a great experience, and ice time is so important. She has met many new friends

on the ice, and she has many other friends who are interested in learning to skate because they see her passion and commitment. They will need the ice time to go forward.

Mireille Bierens, 553 Park Avenue, represents Glacier Hockey Association (GHA) and serves as Vice Chairman of the Ice Rink Advisory Committee. GHA is a non-profit that provides for youth hockey. It is increasingly difficult to raise the needed funds, but made more possible with an extended season; summer camps is one of their fund raisers. Their youth teams continually grow and they do well in regional tournaments including one in Canada – however they would be kicked out of that one if they miss a year; she said that opportunity is so important to their program as it introduces them to higher levels of play. GHA wants their program to continue to be successful, and growth is part of that; in cooperation with the other user groups they will do what they need to keep these programs at home in Whitefish. She said they need the extended season to support both the youth that have only recreational interest as well with those who have higher aspirations. She also spoke to the positive economic impact in Whitefish that comes from participants in rink activities. She said the people in the user groups are public too, which goes toward fulfilling the requirement of the deed restriction related to public use.

Donna Maddux, 99 Olney Loop Road, said she is a member of the Saddle Club and spoke to the deed restriction when the land was donated to the City of Whitefish. She said she understands the pain of having a subsidy removed. The land under the rink was donated from Whitefish citizens to citizens of Whitefish, especially for the citizens of that neighborhood; and what was once a gazebo has now, through the efforts of many, been developed to nearly a World Class Training Center. But to be true to the citizens of Whitefish, it still needs to provide skating instruction to our youth and developmental hockey programs – those are essential. She sees the value of the professional user groups only having the value of what they give back to the community, but if that is happening at the expense to the citizens of this town – on an ongoing subsidy of donated land in addition to the subsidy of taxpayer dollars - then that subsidy should be reciprocated in some fashion.

Colby Shaw, 89 Tronstad Road, the current acting president of GHA, said to Mrs. Maddux, thank you for the Saddle Club donation. He reviewed the history; in 1984 land was donated to the City to be used as a public playground and recreation area, in 1990 an outdoor ice rink was built with grants and local donated dollars (he knew of no opposition to an ice rink being built at that time), in 2003 the pavilion was built with \$1.5M raised by the Whitefish Sports Foundation, community citizens and use of City and TIF dollars towards capital improvements. Last year volunteers and \$100,000 donated dollars provided for the needed addition of locker rooms. He didn't know of any opposition to this progress over all these years. Lately, there has been a lot of change and with it, growing pains. He said since 2006, their rates have gone from \$78/hour up to last year's rate of \$115/hour; and at that rate they were told there wouldn't be any more rate increases. Their number one priority has been to keep their programs affordable. Their hours were just under 400 in 2005, now they are over 500, but back in early 2000 there wasn't the demand for ice as there is now with all programs expanding; in addition the Kalispell group who only have outdoor ice, are looking for more ice time in Whitefish. GHA has an 8 month season, but believes that to create the best and highest use of the rink – it should be a rink for at least 11 months. The user groups are probably about 90% of the annual income, their members and families are committed to this rink and endorse local recreational use and learn to skate programs; it all leads to the success of the facility. If this facility isn't available – the 15-year olds in the hockey programs will have to go somewhere else. They can utilize the ice in what used to be the down time. With the additional ice they have been able to form teams that are competitive in regional tournaments. All current programs have been successful and they are getting better all the time. The skaters and

all their families are a family group, supporting each other, committed to their skating, and there to make their programs grow. He asked the Council to work with the Park Board, working towards the best and highest use of this facility. Regarding rate increases; they are willing to pay their fair share, but the proposed rate increases are high and hard to be affordable for their kids in the programs.

Shawn Baker, 2268 Mission Trial Road, an adult hockey player, a coach, his kids play hockey in Whitefish, and he is a member of the Flathead Valley Hockey Association Board in Kalispell. He said they not only come up to use the facility but spend their dollars in Whitefish. They love it up here – they are your neighbors and enjoy time with their Whitefish friends. He said yes, the City has subsidized the ice rink, but in looking at the budget, the City has subsidized the City Beach and other programs as well, but he felt those City dollars were an investment into the community amenities that brings people into Whitefish. He said last year adult hockey tournaments brought in over \$1.5M into the community. Other programs brought in millions of dollars as well, based on user numbers from the tourist's bureau. So the City's dollars of investment is bringing in revenue to the community he said. He is impressed that operations ran in the black last year even picking up some deferred maintenance, and he encouraged support for the extended season; he said that is the only way we'll keep those large user groups.

Chad Waite plays hockey and serves on the Adult Hockey Association Board. The board represents over 200 adults who play hockey from October until March or April, from 9:15 to midnight four nights a week, and he thought the revenue collected should easily cover costs to keep the rink open for those hours and covers the single person who is there to cover that shift and operations costs. The numbers are in the black this year and he said that is due to many of their members stepping up to help with operations; and he said their organization's numbers were in the black this year as well. He said in the past 5 years that he has been involved, he has been very impressed with the comradery and community spirit of this adult group and it should be preserved.

Joakim Fålh, Wolverine Coach, explained the importance of an extended season for a junior hockey team. They can bring in 25 kids from all over the world, and it is their job to prepare them for college. If the season is shortened, the kids won't come, they need 11 months. Last year they sent four kids from their program to college, however one backed out; and one got on a pro team; and that is just from the first year. He said he has been a coach for 17 years and have sent players to college and pro teams, and a requirement to reach those goals is ice for 10 to 11 months, not less.

Nick Thiel, 116 E. Bluegrass Drive in Kalispell, gave the Council his view of the budget and accounting. He said he picked up hockey four or five years ago and it has been enjoyable exercise, enjoys the comradery in Whitefish and spends his dollars here as well. He spoke to the deficit over the last couple years and noted this year's numbers are in the black and felt that under new city management the numbers are being more carefully kept; which is a positive thing. He said since it went so well this last year – it should be repeated again for this year and see how the numbers come out. The positive trend is looking good for ice rink operations, and according to his analysis it is one of the three programs in the Park's Department that is running in the black while several others are not. He said it made him curious about the other operations, and he had questions regarding the proposed increase in budget for the ice rink for next year, and why the big increase in budget, what does it cover? He thought the numbers should be reviewed.

Doug Wise, 1000 Birch Point Drive, is the Chair of the Park Board (Board), said he was here tonight to give the Council information regarding the decision they made at their meeting last Tuesday when they approved operations for a six month season, with an optional 2-month

extension; a maximum of 8 months ice time. After four years of consideration between the Board, the staff, the user groups and City Council, they have determined the length of ice time based on the facts given to them. There have been numerous public hearings, and the Board finds it phenomenal what the user groups have done with their programs at this facility; so the Board has listened with open minds to the user groups' input. In addition the building and equipment has to be considered; and from one of the Board's membership in a letter to the Council she has written: "We have been told repeatedly by the ice arena experts who install the equipment that this particular installation of equipment was put in using retail application equipment, not arena equipment, and as such, cannot support year round ice." Mr. Wise said this statement has the Board's support. He referred to the meeting Manager Stearns talked about earlier when some of them met with Gary Smith from Arena Products; and Gary Smith told them at that meeting that he would not run this particular facility for year round ice. Gary Smith has 30 years of experience and works with most of the arenas in the region, including other city facilities and some for NHL. Additionally, the Board was told from local legal counsel that if the facility was to go to year round ice, they stand to lose the facility based on the deed restriction. Based on this information, the Board made the decision to have ice for 8 months and have 4 months for maintenance and other City programs, summer programs. He said it has been a long and drawn out, emotional and stressful process for all those involved, and the Board made their decision based on facts and he commended his Board for making that hard decision. The Board supports and respects Director Butts and her staff 100%; and he asked all those involved to treat this process with their respect; that the uses and users are respected and the decisions are respected. He said the Board would like nothing more than to provide for year round ice, but based on the facts, they made their decision for 8-month ice. He suggested that if someone wants to come forth with something different – please let it rest for six to nine months – a cooling off period is needed.

Josh Steele, 239 Dakota Avenue, is the GM and owner of the Whitefish Wolverines, has served on the Ice Rink Advisory Committee and serves as a representative of the GHA to the State of Montana. He agreed with Doug Wise, this is a charged an emotional subject. He felt a key factor was that there are a number of different ways to look at the information that has been provided. He said some professionals have said the facility could have year round ice, other professionals have said no. Historical finance records reflect a deficit but as Manager Stearns said, it is complicated, and the budget is an integral part of Parks Department and all their programs and he felt that sometimes there were accounting errors. But this facility, also historically, has survived on partially private and donated funds, and every year, users and programs grow into the capacity that was provided; it certainly is not a stagnant facility. This year ice was allowed for ten months, and the programs continue to grow; and this year the operations are in the black. And he feels that, for the first time, accounting is really dialed in and accurate this year and that it is reasonable to assume operations will continue in the black. Equipment maintenance is an issue, but some of those factors and best practices are unknowns; in his experience, maintenance is done with ice in. At the most a facility would have to be closed down for a day or two, with a few exceptions. He said he appreciates all the support from the other user groups, and it is his goal to provide a facility for users year round. He said up to this point, the community has lost some valuable users because the ice has not been available. There are plans developing within each of the user groups that will use more time, as long as the ice is available. He thought if ice time is reduced, some of the groups will leave, and then rates will have to be increased again to cover the shortfall. He said we have a model in place that is demonstrating operations in the black and deserves the City's support. He thanked the Council for their time and consideration.

Chris Hyatt, on behalf of the Chamber of Commerce, said the Chamber knows the importance of this ice rink an economic driver in the community with their training programs,

tournaments and shows provided by the user groups. He asked the Council to support the user groups.

There being no further public comment, Mayor Muhlfield closed the public hearing and turned it over to the Council for their consideration, and called for a short recess. The Council reconvened at 9:13 p.m. (CD 1:47:46)

Before the motion was made there was considerable discussion among Council and some consideration of tabling and meeting again with the Park Board or to move ahead with the new rates.

**Councilor Feury made a motion, second by Councilor Fitzgerald, to approve rates as shown in Option 1 for a 6 month regular season with an option of up to a 5 month extension as set out in the staff report.**

Councilor Feury said this solves budgetary issues and allows the option for the user groups to see if they can fill and fund the additional ice time and then the Park Board can make the decision if they will allow the operations for the additional months with the added budget authority; and it also allows some time for the Council to meet again with the Park Board if it is needed. Clarification was discussed that this allows budget authority for operations but it still will be the Park Board's decision regarding length of the season. An amendment to the motion was considered but then dropped whether or not to require further meetings at this time with staff, Council, Park Board and user groups on an extended season. Further discussion followed between Council and Staff regarding added costs during a longer season.

**The motion passed unanimously.**

- b) Ordinance No. 15-12; An Ordinance setting forth the formula to be used in determining assessments for properties in a proposed Special Assessment District to finance a portion of the costs of a downtown parking structure and calling a public hearing thereon (First Reading) (p. 122) (CD 2:28:28)**

Manager Stearns said from his staff report that starts on page 128 in the packet, that this goes back to a decision Council made in 2013 approving a motion for structured parking with a city hall, including direction to study the feasibility of an improvement district to assist in financing the parking structure. That research has been ongoing for the last two years, as shown in the staff report, and a Special Assessment District is now ready for consideration. This Ordinance and the Resolution of Intention that follows later in the meeting sets up the official public hearing on August 17<sup>th</sup> for the creation of the district and the assessments; both documents have been prepared by our Bond Counsel, Dorsey and Whitney of Missoula. Upon passage of both the Ordinance and Resolution of Intention, staff will be mailing nearly 500 notices to property owners in the proposed district, giving them the notice of the August 17<sup>th</sup> Public Hearing. State Law provides for both the Ordinance and Resolution when intending to create an off-street parking district, and also provides for options and factors considered and used in the assessment method which have been selected over the past couple of years by the Mayor and Council, and are included in the documents being considered tonight. Manager Stearns said he has distributed a revised resolution that was updated just today following staff finding some changes as they were reviewing the spreadsheet for the notices that are going to be mailed. The necessary changes were made and they did not make any difference to any specific amount to be assessed, but there were some corrections on the total number of properties in the district and the total number of assessed and/or exempt properties. The revisions reflect there are 491 total properties in the proposed district, and at this time currently 194

properties will be assessed and 297 are exempt from assessment, and the revised average annual assessment was reduced from \$356.06 to \$348.72. The complex 41-page spreadsheet supporting the assessment information includes over 1700 lines of data and Manager Stearns explained the process of preparing the notices for mailing. The financial details of the total SID Bond for \$880,000 are described in detail on page 131 of the packet; including the dollars for the SID, \$750,000.00, plus related costs. The actual assessments for this district will probably go on the 2017 tax roll, the year the structure is nearly completed and ready for use. The current Parking Lots SID only has one more year of assessments, it will last be assessed on the 2015 Tax Notice. Manager Stearns reviewed the different sections of the Ordinance, as seen in the packet starting on page 122, which includes the history of the project and assessment methods – factors considered, findings, public hearing, and effect of the Ordinance and effective date of the Ordinance. Commercially used properties including properties with valid short-term rental operations are assessed based on square footage of floorspace; residential and vacant properties are exempt unless they undergo a status change for assessed properties. There are two assessment tiers, determined by their relative distance from the parking structure. Credit is given for existing parking provided on a property. A map of the district and the assessment tiers is attached to the Ordinance.

Councilor Fitzgerald said to prevent any perceived conflict of interest she would be stepping down and recusing herself from discussions and decisions on the Ordinance and the Resolution as the firm she works for has been an underwriter for City bonds.

Mayor Muhlfeld opened the public hearing.

Sean Frampton, 341 Spokane Avenue, spoke to the Council regarding his own building at that location that is included in the proposed district. His building provides 31 parking spaces, and in comparison other businesses included in the district provide an average of 4 ½ spaces, the median is 2. His business regularly uses 7 spaces, leaving a net provision of 24 spaces. When the general format of the tiers were circles his business was in Tier 2, but with the decision to go to rectangular tiers, he now sits in Tier 1. Regarding the formula, he disagreed that all the factors were properly considered and he does not believe the formula is correct. He said according to the Code, upon consideration of the square footage of a building, the use must also be considered, and the City's formula fails to do that. Also, the formula's consideration of the need to too broad. He compared his assessment which is nearly double the one for the Great Northern Bar, to the need for parking. The need for the number of bar patrons way outnumbers his need to provide parking for his small staff and customers, so the formula doesn't work. His answer to that is to be placed back into Tier 2 but that hasn't been accepted so he is speaking in opposition.

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

Manager Stearns said he could address some of Sean's points. Regarding use, it was considered that each year staff would go door to door asking to be let in so all of a business's square footage could be inspected; but it was felt that there would be some businesses that would meet that with resistance. It could be perceived as an intrusion on property and it would be a very time consuming process, but it could be done. Both our Bond Counsel and our City Attorney were consulted whether 'use' had to be used, or just considered, and both legal sources gave the same answer that use had to be considered, as provided for in state law, but it doesn't have to be included in the methodology. He said Sean's property assessment is on line 411 in the spreadsheet and you will see that credit is given for 31 parking spaces; that is the number that we came up with when we did our inventory. We may get other inquiries from other property owners questioning the number of spaces they are getting credit for, sometimes during the inventory is was hard to determine which

parking went with which businesses, so that can always be corrected if errors are found. He discussed the amount given for credit (\$51.46 per parking space); that was determined with the decision point in mind that each commercial property should have some skin in this game; and after working with different variables the \$51.46 credit for each parking space balanced with all properties being assessed. A minimum assessment on every property and crediting onsite parking was suggested and considered, but instead the formula includes a price per square foot of floorspace (column AG on the spreadsheet). That meets the legal requirement of treating all properties the same, and as it says in Section 1(e) of the Ordinance "...square footage of floorspace in improvements on parcels in the District...are significant factors in determining the proportional benefit of the Parking Structure to each benefited parcel in the District." Manager Stearns said Sean probably won't be the only property owner with large onsite parking lots who come in to protest, and their concerns should be listened to but they can probably be addressed. The proposed methodology is a fair and equitable one by treating all properties the same based on the tier they fall in. As shown on the map, Tier 1 includes the downtown core and properties that will enjoy a greater direct benefit from the Parking Structure, and Tier 2 are commercial properties that will enjoy a lesser direct benefit from the Parking Structure based on their relative distance from the Parking Structure. The downtown consultants Crandall and Arambula were proponents of one tier only, but this two tier system seemed more fair and was also similar to the assessment method of the earlier parking SID 155. SID 155 had 5 tiers, and they were in circles; and at the beginning of working on this assessment method we started with circles, but they present a problem as circles split properties – so then it has to be determined if half, or just over half or just under half, of a lot, is in. That is avoided by the rectangles, there is much less subjectivity. All properties within the District will either have a direct benefit, or a derivative benefit, from the Parking Structure that will relieve the pressure of onstreet parking. Opposition and supporting comments will be considered at the August 17<sup>th</sup> public hearing.

**Councilor Hildner made a motion, second by Councilor Barberis, to approve Ordinance 15-12; An Ordinance setting forth the formula to be used in determining assessments for properties in a proposed Special Assessment District to finance a portion of the costs of a downtown parking structure and calling for a public hearing thereon, on its first reading. The motion passed with five votes and one abstention (Councilor Fitzgerald abstained).**

## **7. COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR**

### **a) Consideration of awarding a construction contract for the Monegan Road Storm Drainage project (p. 139) (CD 3:04:43)**

Interim Public Works Director Hilding reported her staff report presents the bid tab and describes the project. The installation of this storm drainage will alleviate the ponding that occurs each year at the south end of Monegan Road, which sometimes gets so bad that it overflows and the road has to be closed. The low bidder was Downing Construction at \$225,398.40. \$300,000 for this project is included the FY16 Budget, funded by the stormwater fund and impact fees.

**Councilor Feury made a motion, second by Councilor Frandsen, to award the construction contract for the Monegan Road Storm Drainage Project to Downing Construction in the amount of \$225,398.40. The motion passed unanimously.**

### **b) Consideration of approving Amendment #5 to the Wastewater Treatment Plant Improvements project contract with Anderson-Montgomery Consulting Engineers for**

**design and construction management services for the Inflow and Infiltration (I&I) project for which the City has received grant awards for partial funding from the State of Montana (p. 143) (CD 03:07:20)**

Interim Director Hilding said the recommendation is for approval of the Amendment #5 to the contract with Anderson-Montgomery Consulting Engineers; this is an ongoing contract that started in 2012 for the City's Wastewater System Improvements Project (the Infiltration Inflow – I & I – Mitigation Project). It has many components as described in the staff report; this particular amendment will provide design engineering, grant administration and construction management engineering services required to implement the I & I Mitigation Project. Funds for this project are set aside in the Wastewater Budget for FY16. When asked if this project addresses ice-melt from the ice rink Hilding said she was not aware of that issue and would have to look into it.

**Councilor Frandsen made a motion, second by Councilor Feury, to approve Amendment No. 5 for the Wastewater System Improvement Project consultant contract with Anderson-Montgomery Consulting Engineers in the amount of \$180,300.00 providing for design engineering, grant administration and construction management engineering services required to implement the I & I Mitigation Project. The motion passed unanimously.**

**c) Consideration of approving a construction management contract for the Skye Park Bridge project (p. 146) (CD 03:11:57)**

Interim Director Hilding said at the July 6<sup>th</sup> Council meeting when the construction contract for this project was awarded to Dick Anderson Construction, the construction management contract with TD&H Engineering, the consulting engineering firm on this project, was discussed. Council requested staff look into other possibilities for construction management. The staff report sets out the process in detail and Hilding summarized that when the design contract was awarded to TD&H it was envisioned that they would also provide construction management. To start that process over now with the competitive bidding process that is required, would delay the project by a year. The current 90 day project schedule has the project extending until the end of October. Staff is recommending approval of awarding the construction management contract to TD&H. Hilding said since the scope was reduced within the Dick Anderson Construction contract, the construction management cost will also be reduced to \$43,670.00.

Manager Stearns added that staff understands the Council's reluctance to accept construction management from TD&H, but the options are not great. This contract provides for 4 hours of inspections/day. If Council directed it be done by staff, only ½ or 1 hour could be scheduled for inspections and that doesn't include reviewing the shop drawings; the other choice is to postpone the project to next spring to allow to re-advertise for bids. When asked, Finance Director Smith said she and Interim Director Hilding reviewed the revised contract numbers and for this project there will be \$165,000 from Trail Impact Fees, and \$143,000 from TIF in the FY16 budget.

**Councilor Hildner made a motion, second by Councilor Barberis, to approve an engineering contract amendment with TD&H Engineering for the Skye Park Bridge construction management in an amount not to exceed \$43,670.00. The motion passed on a vote of 4 to 2, Councilors Fitzgerald and Sweeney voted in the negative.**

**8) COMMUNICATIONS FROM CITY MANAGER (CD 03:21:45)**

- a) **Written report enclosed with the packet. Questions from Mayor or Council? (p. 161)**  
None.
- b) **Other items arising between July 15<sup>th</sup> and July 20<sup>th</sup>**

Manager Stearns said last Wednesday he attended the Whitefish Fire Service Area Board meeting, they did not have a quorum, but he discussed with them the ongoing issue of the City subsidizing fire protection for those county properties in the service area. State Law provides for a flat fee for the service area outside the city, and Manager Stearns said it would be fairer if they tried to get an amendment to the law so they could charge based on taxable valuation as done inside the city. Those negotiations will continue; he also advised the Board that state law will require changes for the city's protection of outside properties when the city reaches a 10,000 population.

- c) **Resolution No. 15-23; A Resolution approving a Commercial Lease Agreement with Stampede Square Office Bldg., LLC, for the lease of a portion of the Stampede Square Office Building at 1005 Baker Avenue for use as an interim City Hall while a new City Hall is constructed (p. 169)**

Manager Stearns said this property should serve the city well for interim offices during construction of the new city hall. The full basement below the offices will serve as ample interim storage; the basement is over 5,000 square feet. Also, since this building formerly housed our Planning & Building Department before they moved to the corner of Central and Railway, we know this location works well with our wireless and microwave communication system. Manager Stearns said he believes it is a fair deal. It is an annual lease with a 90-day termination clause, but if we had to shorten the lease and it is subleased, the City would receive a prorated distribution back, so it would benefit the City if we could help with a sublease.

**Councilor Frandsen made a motion, second by Councilor Feury, to approve Resolution 15-23. The motion passed unanimously.**

- d) **Resolution No. 15-21; A Resolution relating to Special Improvement District No. 167; Declaring it to be the intention of the City Council to create The District for the purpose of undertaking certain local improvements and financing the costs thereof and incidental thereto through the issuance of Special Improvement District Bonds secured by the City's Special Improvement District Revolving Fund (p. 184) (CD 3:28:15)**

Manager Stearns reminded the Council he had given them a revised resolution (appended to the packet) as he described earlier tonight during the discussion of Ordinance 15-12; with the revised number of properties and the average assessment. The revised resolution also added tier numbers in the body of the resolution, other than that the resolution did not change from what was presented in the packet. The ordinance covered assessment methodology as does the resolution, and the resolution states the City's intent to create the district, the district boundaries, the benefits of the district and assessments thereof, and the issuance of bonds relating thereto, and sets a Public Hearing for August 17, 2015, where the Council will consider adopting the Resolution creating the special improvement district.

**Councilor Barberis made a motion, second by Councilor Frandsen, to approve Resolution 15-21 as presented. The motion passed with five votes and one abstention (Councilor Fitzgerald abstained).**

**9. COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS** (CD 3:32:18)

- a) **Letter from Mayor Muhlfeld to law firm of Trieweiler, Hedman, Hileman, and LaCosta thanking them for over 20 years of service as prosecuting attorney (p. 239)**

No additional comments.

**Council Comments:**

Councilor Sweeney acknowledged receipt of a letter from Susan Schnee that was received after the packet. Susan sits on the Park Board and her letter addressed particulars related to issues between user groups at the ice rink, the Park Board, and City Staff. Councilor Sweeney said he sees merit in Susan's recommendation to seek mediation to solve some of the issues. (Susan Schnee's letter will be appended to the packet).

Councilor Frandsen asked if staff would look into public comments made by Tom Wright regarding the narrow right-of-way at O'Brien Avenue. Interim Director Hilding said staff is aware of that and is looking into it.

Councilor Fitzgerald thanked everyone for the really good work done tonight.

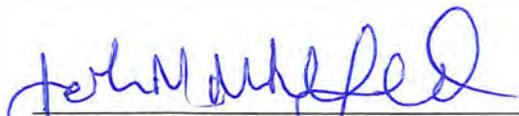
Mayor Muhlfeld thanked Directors Butts and Smith for working on numbers related to the Parks and Recreation budget; and thanks to all city staff and especially to Manager Stearns for managing all the demands of the various ongoing projects, his hard work is not unnoticed and the Mayor expressed his appreciation on behalf of he and the Council.

**10. ADJOURNMENT** (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority) (CD 03:35:35)

Mayor Muhlfeld adjourned the meeting at 11:00 p.m.

Attest:

  
\_\_\_\_\_  
Neelle Lorang, Whitefish City Clerk

  
\_\_\_\_\_  
Mayor John M. Muhlfeld

Please return to Necile

**PUBLIC HEARINGS**

**PLEASE SIGN IN TO SPEAK ON A SPECIFIC PUBLIC HEARING 7/20/15**

PLEASE PRINT NAME and ADDRESS	Proposal to Increase Ice Rink Rates	Setting the Formula/Parking Lot SID Assessments
1. <u>Doug WISE</u>	✓	
2. <u>Earl Anderson</u>	✓	
3. <u>Mireille Bureau</u>	✓	
4. <u>Josh Steel</u>	✓	
5. <u>Donna Maddux</u>	✓	
6. <u>Nick Thiel</u>	✓	
7. <u>Colby Shaw</u>	✓	
8. <u>Ross PICKERT &amp; SONS</u>	✓	
10. <del><u>Angela Wallace</u></del>	<del>✓</del>	
11. <u>Cody McCAY</u>	✓	
12. <u>SHAWN BAKER</u>	✓	
13. <u>Tanya GERSH</u>	✓	
14. <u>Mikaela Daniels</u>	✓	
15.		
16.		
17.		

Please return to Necile

**PUBLIC HEARINGS**

**PLEASE SIGN IN TO SPEAK ON A SPECIFIC PUBLIC HEARING 7/20/15**

**PLEASE PRINT NAME and ADDRESS**

**Proposal to Increase Ice Rink Rates**

**Setting the Formula/Parking Lot SID Assessments**

	Proposal to Increase Ice Rink Rates	Setting the Formula/Parking Lot SID Assessments
1. <i>Chad White</i>	<i>✓</i>	
2. <i><del>Leslie</del> Eddie Love</i>	<i>✓</i>	
3. <i>Joakim Tgilt</i>	<i>✓</i>	
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