

WHITEFISH CITY COUNCIL

August 17, 2015

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Barberis, Frandsen, Feury, Sweeney, Fitzgerald and Hildner. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney Jacobs, Finance Director Smith, Planning and Building Director Taylor, and Police Chief Dial. Senior Planner Compton-Ring and Attorney's Office Intern Maresa Jenson were in the audience. Approximately 15 people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Ben Cavin 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)

David Boye, 1040 E. 2nd Street, said he was representing the Board of Directors of the Whitefish Chamber of Commerce and here to observe the Council for actions on business matters and economic development within the community.

Joan Vetter Ehrenberg, 744 Hidden Valley Drive, thanked the Mayor and Council for their service. She spoke to the dog feces and other litter that makes the streets of Whitefish such a mess and encouraged them to discuss better enforcement as an agenda item sooner than later.

4) COMMUNICATIONS FROM VOLUNTEER BOARDS

Rebecca Norton, 530 Scott Avenue, gave a report as a member of the Whitefish Local Government Study Commission, and distributed some of her notes and research to the Council which has been appended to the packet. She said the Committee is wrapping up their work, another Public Meeting is scheduled for this Wednesday at 7:00 p.m. in the City Hall Council Chambers. She said pay for the Mayor and Council was an item discussed, but it is not an item the Committee has approved for a ballot measure this time and she urged the Council to carry that Charter Amendment forward if that is their desire. The Committee also had discussions of proposing neighborhood councils on the ballot, or bringing wards back; but in the end they decided not to place either of those on the ballot at this time. They will be putting together their ballot language following their next public hearing.

a) **Ordinance No. 15-15; An Ordinance amending Whitefish City Code Title 2, Chapter 12, regarding the membership qualifications for the Convention and Visitor Bureau Committee (First Reading) (p. 23) (CD 6:04)**

Rhonda Fitzgerald, 412 Lupfer Avenue, serves on the Convention and Visitor Bureau Committee (WCVB). She thanked the Mayor and Council for their volunteer service to the community and said she wasn't sure about a change to the Charter for making their positions paid; she didn't think the community could afford to pay them enough for all their time and effort. The WCVB Committee has reviewed the amendments proposed in the subject ordinance. Following the City's loss of the extra-territorial zoning jurisdiction, which was the WCVB's membership

boundary, the WCVB Committee considered other boundaries including Whitefish City Limits, Whitefish School District #44, and the 59937 Zip Code. She had a map prepared by the City's GIS Technician showing those three different boundaries and distributed them to the Council. That map has been appended to the packet. After consideration, it is the WCVB Committee's recommendation to have the 59937 Zip Code as the membership boundary; of all the options it is the best match that will include their current members. The change will affect only a handful of their current members. Upon adoption of this amended ordinance, the WCVB Committee will change their By-Laws accordingly.

Councilor Frandsen recused herself on any discussion and decision on this ordinance. She owns Old Town Creative, the agency of record for the Whitefish CVB.

Councilor Feury made a motion, second by Councilor Sweeney, to approve the first reading of Ordinance No. 15-15; An Ordinance amending Whitefish City Code Title 2, Chapter 12, regarding the membership qualifications for the Convention and Visitor Bureau Committee. The motion passed with five (5) ayes and Councilor Frandsen abstaining.

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 August 3, 2015 City Council regular session (p. 32)**
- b) **Ordinance No. 15-13; An Ordinance rezoning approximately 3.6 acres of land located adjacent to Reservoir Road and Wheeler Lane, to become a part of 1735 East Lakeshore Drive, Section 24, Township 31 North, Range 22 West, Whitefish, Montana, from County RR-1 (Low Density Resort Residential) to City WRR-1 (Low Density Resort Residential District) and adopting Findings with respect to such rezone. Staff Report WZC 15-02. (Second Reading) (p. 38)**
- c) **Ordinance No. 15-14; An Ordinance rezoning approximately 9.99 acres of land located at 325 Monegan Road, Section 5, Township 30 North, Range 21 West, Whitefish, Montana, from County SAG-10 (Suburban Agriculture) to City WA (Agricultural District) and adopting Findings with respect to such rezone. Staff Report WZC 15-01. (Second Reading) (p. 41)**
- d) **Consideration of approving an application from Steven and Stacie Gorder for Whitefish Lake Lakeshore Permit (#WLP-15-W25A) at 1716 West Lakeshore Drive for removal of 285 Square feet of boathouse with hand tools and restoration of removal area with gravel fill, install new façade and stacked rock foundation under front of boathouse subject to 20 conditions (p. 44)**
- e) **Consideration of approving application from J. Richard Bevill for a final plat for the 407 Colorado Avenue subdivision located at 407 Colorado Avenue (p. 62)**
- f) **Consideration of approving a boundary line adjustment (exempt from subdivision review) for Dear Tracs subdivision at 6438 Hwy 93 South to provide the required right-of-way for Baker Avenue that was a condition of the Hampton Inn and Suites project approval (p. 96)**
- g) **Resolution No. 15-24; A Resolution indicating its intent to change the name of Third Street west of State Park Road in Patton's Subdivision to Salmon Run (p. 98)**
- h) **Consideration of City Clerk's request to correct City Council minutes from July 20, 2015 meeting (p. 101)**

Councilor Sweeney made a motion, second by Councilor Barberis, 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) **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 (Second Reading) (p. 105) (CD 12:20)**

Mayor Muhlfeld explained that separate public hearings will be conducted for each of items 6a and 6b, but they both relate to the proposed creation of a special assessment district that will pay part of the costs of the downtown parking structure; so Council's actions on either one or both of these items will follow those public hearings.

City Manager Stearns started his report from his staff report in the packet that starts on page 118. Subsequent to the Council's decision on May 20, 2013, approving structured parking with a city hall; the Council asked staff to bring back a report on the feasibility and information for the creation of a BID. His staff report includes details on the creation of the BID/Assessment District working group that was formed and met a number of times and held work sessions with the Council on possible BID/SID options. Part of the work done by that group was reviewing the City's past Parking SID that ran with subject properties from 1995 through the 2015 taxes for three downtown surface parking lots. The working group considered the assessment method of that SID while determining the best way to approach a new BID or SID. At a work session on March 17, 2014, the Council gave direction to pursue the SID instead of a BID; and after considering all the variables for assessments as allowed by State Law, gave direction for using four of the variables for assessment. Those variables to be included in the methodology are:

- 1) Distance from Parking Structure
- 2) Square footage of floorspace in any improvement on the parcel
- 3) Credit for on-site parking provided for business
- 4) Commercial use of the property

At a work session on September 2, 2014 the Council gave direction to establish two rectangular tiers, Tier 1 and Tier 2, for the basis of the assessment related to a property's distance from the parking structure. A final work session with the Council was held on March 2, 2015, for Council's review of the working group and staff's proposal where they could see the assessment spreadsheet framework and calculations, the nearly final assessment levels, a map of the district with the two tiers; and it was a time that the Mayor and Council to issue final directions to proceed with the process to create the SID. Upon Council's approval of the creation of this special improvement district on the parking structure; assessments do not go onto the property taxes until the structure is available for use, which could be in 2017.

Tonight's Council Agenda items follow their action on July 20, 2015 when they approved Resolution 15-21, the Intent to create Special Improvement District 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. That resolution also called for this official public hearing tonight, August 17, 2015, and required that mailed notice of tonight's public hearing is given to property owners in the district and that a legal notice is published. Resolution 15-21 included a map of the district with two tiers of assessments, legal descriptions of each tier and the district, and the 41-page assessments spreadsheet with each property listed and whether it is assessed or exempt, along with the assessment information. On July 21st, staff followed up mailing the notices as required above, along with a cover letter of explanation, to a total of 491 properties in the district. The assessment spreadsheet showed assessments for 194 properties; and 297 properties are exempt from assessments at this

time. Manager Stearns explained that the status of properties could change – as vacant properties are developed for commercial use they can be changed from exempt properties to assessed properties. In addition, if a property’s use changes: i.e. from residential to commercial, it will change from exempt to assessed. The status of each property in the district will be reviewed by staff each year. The cover letter explained that properties had the right to submit written protest and deliver to the City Clerk not later than 5:00 p.m. M.D.T., on Thursday, August 13, 2015. Copies of the published notices and a sample of letters sent out are included in the packet. The City Clerk has a tally on those written protests that she will report on later in this report. The Council can also hear protests from the public during the public hearings tonight. During the protest period the city learned of a couple errors in assessment calculation which can be corrected, but it won’t change the overall methodology of assessments; a list of those errors are included in the packet. After discussion with the Bond Counsel and our City Attorney, it was decided that, because we expect everyone’s assessments will go down from what is proposed in the Resolution when it is first assessed in two years because of new developments adding square footage and being assessed (City Hall, the hotel on Block 46, the Galleries building, etc.) no additional notification will be required. Also, on July 20, 2015, the Council approved the first reading of Ordinance 15-12 which set 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 called a public hearing thereon.....said public hearing to be held on August 17, 2015. The financial requirement, the basic sizing and debt service calculation is itemized on page 121 in the packet. The total SID Bond is \$880,000 and the annual Debt Service is \$67,651 over a 20-year period if assessed at 4.5%. Agenda Item 6a is the second reading of said ordinance.

City Clerk Lorang reported the City received seven (7) letters of protest by the 5:00 p.m. deadline on Thursday, August 13, 2015, representing a principal amount of 6% of the total principal to be assessed.

Mayor Muhlfeld opened the public hearing on the second reading of Ordinance 15-12.

Joan Vetter Ehrenberg, 744 Hidden Valley Drive, spoke in support of constructing a City Hall and Parking Structure on this same block that City Hall now occupies; and expressed her appreciation for all the hard work over long hours spent by staff and council to bring this project to fruition. She supported approval of all the necessary resolutions and ordinances, she supported the SID and the assessment methodology, and she encouraged the use of recycled materials. She said brick is expensive, maybe we should consider wood. And save the tree in the park behind City Hall.

There being no further public comment, Mayor Muhlfeld closed the public hearing and asked the Council if they have any questions before moving onto the next public hearing for the resolution to create the special improvement district. Hearing none, Mayor Muhlfeld requested the staff report for the next item.

- b) Resolution No. 15-25; A Resolution relating to Special Improvement District No. 167; Creating 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. 131) (CD 38:55)**

Manager Stearns said the report he had just given for the Public Hearing Agenda No. 6a is appurtenant to both of these public hearings. The Resolution is different from Ordinance 15-12 in that it creates the special improvement district and will assess properties per the methodology as set out in the Ordinance. The Resolution creates the district, its boundaries, records the number of

protests received, and provides for issuance of bonds with the security of the revolving fund; and completes the process of creation of the special improvement district as prescribed by law.

Mayor Muhlfeld opened the public hearing on Resolution 15-25; and there being no public comment, Mayor Muhlfeld closed the public hearing and turned Agenda Items 6a and 6b over to the Council for their consideration.

Discussion followed regarding uses of property and determination of commercial uses and the requirement of annual review of those uses each year by staff. In addition to the limited information included on City Business Licenses, staff has utilized information from the Department of Revenue on tax records to assist in figuring the level of commercial use.

Councilor Hildner made a motion, second by Councilor Frandsen, to approve 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, Second Reading. The motion passed unanimously.

Councilor Hildner made a motion, second by Councilor Frandsen, to approve Resolution 15-25; A Resolution relating to Special Improvement District No. 167; Creating 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. The motion passed unanimously.

- c) **FY16 Budget, Tax Levy, and Assessments Public Hearing: (CD 46:10)**
 - i) **Resolution No. 15-26; A Resolution accepting and approving the Municipal Budget for the City of Whitefish for the 2016 Fiscal Year Commencing July 1, 2015, in its final form (p. 193)**
 - ii) **Resolution No. 15-27; A Resolution (1) budgeting additional property tax revenue, (2) determining the property tax mills to be levied on all taxable property within the corporate limits of the City of Whitefish, and (3) levying and assessing all special improvement assessments and other assessments on real estate within the Districts for the 2016 fiscal year (p. 316)**
 - iii) **Resolution No. 15-28; A Resolution levying and assessing a tax on each lot or parcel of land in the City lying within the boundaries of the City's Street Maintenance District to defray the costs of street improvements (p. 319)**
 - iv) **Resolution No. 15-29; A Resolution levying and assessing a tax on all real estate in Special Improvement Lighting District No. 1 in the City of Whitefish, Montana, to defray the cost of improvements in said Special Improvement Lighting District (p. 321)**
 - v) **Resolution No. 15-30; A Resolution levying and assessing a tax on all real estate in Special Improvement Lighting District No. 4 in the City of Whitefish, Montana, to defray the cost of improvements in said Special Improvement Lighting District (p. 323)**
 - vi) **Resolution No. 15-31; A Resolution levying and assessing a tax on each lot or parcel of land in the City lying within the boundaries of the City's Parkland and Greenway Maintenance District (p. 325)**

- vii) **Resolution No. 15-32; A Resolution levying and assessing a tax on each lot or parcel of land in the City lying within the boundaries of the City's Stormwater Improvement and Maintenance District (p. 327)**
- viii) **Resolution No. 15-33; A Resolution levying and assessing a tax on each lot or parcel of land in the City lying within the boundaries of Special Improvement Parking District No. 155 to defray the cost of creation of said District and of the improvements therein (p. 329)**
- ix) **Resolution No. 15-34; A Resolution levying and assessing a tax on each lot or parcel of land lying within the boundaries of Special Improvement District No. 166 (JP Road) to defray the cost of creation of said District and of the improvements therein (p. 330)**
- x) **Resolution No. 15-35; A Resolution levying and assessing costs from certain properties within the City for the extermination and removal of noxious weeds pursuant to Title 4, Chapter 3, of the Whitefish City Code; and for the removal of ice, snow, slush or other impediments pursuant to Title 7, Chapter 2, of the Whitefish City Code (p. 331)**
- xi) **Resolution No. 15-36; A Resolution levying and assessing costs from certain properties within the City for the collection of utility service charges pursuant to Title 8, Chapter 1, of the Whitefish City Code (p. 333)**

Mayor Muhlfeld said, as in past years, we will hold one public hearing on the FY16 Budget and related resolutions listed under Public Hearing 6c; and requested the staff report.

Manager Stearns said starting on packet page 190 are copies of the required public notices that were published according to state law and he reviewed the list of tonight's resolutions as listed in items i through xi above. Page 210 in the packet includes a graph of mills taxed from 2006 to 2015, and the proposed mills for 2016. The City's mill rate this year is a reflection of the State's reappraisal process which lowered the City's taxable value. The City's total mills are going up 13.64 from last year, an 11.31% increase; that doesn't mean that each person's property taxes goes up 11.31% because it depends on what happened to each property during reappraisal. Some property values were increased, some were decreased; so some properties could be paying the same or less taxes to the City this year, even with our mill increase. It is different for each property so it is difficult to monitor, but overall, the City is only collecting 3.85% more this year in property tax revenue, because of the reappraisal. The 3.85% increase is not extraordinary, but within the standards of normal growth from new development and increased valuations. He said the extraordinary factor this year is the State's reappraisal. He advised property owners, when they get their tax notice, instead of looking at mills taxed, look at the bottom line for the total taxes paid to the City in 2015 and compare to that total on their 2014 tax notice, or the totals for their School District, or to the County, to see if the reappraisal affected their property. We do anticipate that property owners will see a small tax increase, but it should be in line with a typical annual 4% growth. Manager Stearns continued with his report on the list of resolutions and explained the increases in the Lighting District in the business area and in the assessments for the Parkland and Greenway Maintenance District.

A short discussion followed regarding a typical increase on the Parkland/Greenway District.

Mayor Muhlfeld opened the public hearing. There being no public comment, Mayor Muhlfeld closed the public hearing and turned the FY16 Budget Resolution along with related resolutions for the property tax and assessments levies over to the Council for their consideration.

Councilor Feury made a motion, second by Councilor Fitzgerald, to approve Resolutions No. 15-26 through and including Resolution No. 15-36, the eleven (11) Resolutions approving the FY16 budget and the property tax and assessments levies.

Prior to action on the motion Councilor's Hildner and Feury complimented the staff on their hard work; there were tough challenges they had to face and conquer to build a balanced budget this year, meeting demands from the public and the Council without a high impact on property taxes this year and their hard work is appreciated. What looked to be almost insurmountable turned out better than it appeared at first. On a question regarding total tax increase to a property owner, Manager Stearns explained it is all dependent on the property's reappraisal, as shown in an example on page 201 in the packet; a 3.85% increase could result in an approximate \$50 increase, but all properties will be different.

The motion passed unanimously.

7. COMMUNICATIONS FROM PLANNING AND BUILDING DIRECTOR

- a) Consideration of an application from Jeff Swenson of Dear Tract Residences for a preliminary plat of a minor subdivision at 6348 Hwy 93 South.
(Staff Report WPP 15-05 (p. 336) (CD 1:04:06)**

Senior Planner Compton-Ring reported this is a 2-lot minor subdivision which requires a public meeting, not a public hearing; and it does not require review by the Planning Board so the report and recommendation is coming from the Planning Department directly to the Council. The subject property is included on the land that received PUD approval from the Council last March for the Montana Development Group to construct a 60-unit apartment project, but the PUD did not include the dry cleaner building located on the eastern portion of the property. This request for the preliminary plat approval splits off the dry cleaner building to its own individual lot, Lot 2 of this new plat. Eventual access to both the dry cleaner and the apartments will be the new east-west public road that the Development Group will build with their project. Currently there is a drive-up coffee stand that sits on the larger Lot 1 that will be the apartments, and it will remain on Lot 1 until removed or relocated when the road construction commences and the apartments are developed. The required public notice was posted on the property and mailed to adjacent land owners as required, and no public comments have been received. Staff found the preliminary plat to be in compliance with all required review as listed in the staff report. Staff recommends approval subject to seven (7) conditions of approval which Planner Compton-Ring said are basic and standard conditions.

Councilor Frandsen made a motion, second by Councilor Barberis, to approve the Preliminary Plat of Whitefish Crossing, subject to the seven (7) conditions of approval, according to the Staff Report WPP 15-05 that is included in the packet. The motion passed unanimously.

8) COMMUNICATIONS FROM CITY MANAGER (CD 1:07:55)

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 364)**

Councilor Sweeney asked Manager Stearns about the Resort Tax Collections in his report, and why he thought they were down in June by 4.1%; and Manager Stearns said there are some delinquencies, which he tracks, but said Finance Director Smith meets with the Committee and asked if she had other analysis. She agreed that for the Bar/Restaurants and Lodging the reduction is probably due to delinquencies. But in the Resort Tax Monitoring Committee meetings they are hearing from Retail that their business is down, especially from their Canadian market. Her feeling is that Retail is strong and we should see it come back. Manager Stearns referred to the chart on page 365 and said it shows collections this year seem to be more variable, going up and down, than historic collections; he is not sure why, but agrees with Director Smith – it is a busy time of the year and some businesses don't get their reports and payments in on time. There is a penalty for late reports and payments. Councilor Frandsen added that these same numbers were reviewed at a WCVB meeting; and they took into consideration that June was one of our hottest months on record. When the weather is hot, retail tends to go down while Bar/Restaurants and Lodging businesses get increased activity.

Mayor Muhlfeld commented on the Manager's report. He expressed his appreciation for the Police Union approving a three-year collective bargaining agreement; and a reminder the City Hall Steering Committee will be meeting this Friday (August 21st) at 8:30 am in the Council's Conference, which is open to the public and the entire Council.

b) Other items arising between August 12th and August 17th

Manager Stearns noted the Mayor and Council's appreciation to all staff as they were involved in the budget process, and he wanted to again thank Finance Director Smith for her work during preparation of the FY16 Budget. This is her second year with this process, however this year she got in on the whole process. She dove right in and undertook the project and with her finance expertise she was invaluable to him, as he had his attention split by so many other ongoing projects. He pointed out this is the last Council meeting at this site; the next Council meeting on September 8th will be at 1005 Baker Avenue in the City's temporary offices. Council meetings have been held at this location for 97 years, and will again be at this site in 18 to 24 months at the completion of a new city hall building.

c) Consideration of approving a contract with Martel Construction for the construction of the City Hall and Parking Structure project (p. 366) (CD 1:16:10)

Manager Stearns said Steve Conway from Martel Construction is in the audience if there are questions for him, as well as our owner's representative, Mike Cronquist, if there are any questions for him. The staff report covers the history and background that led up to the Council selecting Martel Construction as the City's General Contractor/Construction Manager (GC/CM) at their January 20, 2015 meeting. A contract was drawn up and reviewed by our City Attorney and sent to Martel Construction for their review. Martel Construction proposed some changes which have been reviewed by himself and the City Attorney, and all parties have agreed to the contract that is included in tonight's packet. The main aspects of the contract are listed on page 367 in the packet, and the contract follows the staff report. The Guaranteed Maximum Price (GMP) will be determined once construction drawings are finished. There are initially three financial components to this contract; the City Hall and Parking Structure Construction Fund will pay these costs. Most of that fund comes from the Tax Increment Funds that have been set aside historically or from the upcoming TIF revenue bond which First Interstate Bank and Glacier Bank have agreed to underwrite. The SID 167 that was just approved by the Council tonight will provide \$750,000

toward the cost of the Parking Structure. Property taxes are not raised for or increased for this construction of a City Hall with a Parking Structure.

Councilor Frandsen made a motion, second by Councilor Sweeney, to approve a construction contract with Martel Construction as the GC/GM for the future City Hall/Parking Structure project and authorize the City Manager to sign the contract. (Councilor Feury said the future is now and this can now be called the City Hall/Parking Structure project). The motion passed unanimously.

- d) Consideration of approving an amendment to the contract with Martel Construction for the first three guaranteed maximum price contracts for abatement of hazardous materials (asbestos), demolition of the five buildings on the City Hall half block, and construction of the rammed aggregate piers foundation system (p. 441)**

Manager Stearns said the history and background in the staff report for Item 6d is very similar to the one for Item 6c; the Martel Construction contract just approved by Council is a boiler-plate overall construction contract, and there will be a number of amendments along the way. This 1st Amendment includes Martel Construction's General Conditions, and they will proceed with the asbestos abatement of existing buildings (beginning September 8th), demolition of existing buildings (beginning in October), and will begin the foundation with rammed aggregate piers (following demolition and cleanup). 388 piers; 3' wide holes and 14' deep. A diagram of this structural system is in the packet on page 443. Martel Construction has taken and opened bids, bids will be awarded to the lowest responsible bid. In addition to cost of these services, Martel Construction is entitled to indirect costs of liability insurance and the 1% Gross Receipts Tax, their 4.5% construction fee and contingency. Martel's submittal for Amendment #1 is included in the packet starting on page 445 and has been reviewed and found proper by our architect Ben Tintinger and our Owner's Representative Mike Construction for \$1,401,565.00 GMP for Amendment #1.

Councilor Frandsen made a motion, second by Councilor Feury, to approve Amendment #1 to the construction contract with Martel Construction as the GC/CM for the City Hall/Parking Structure project, in the amount of \$1,401,560.00 GMP for asbestos abatement and demolition of the five existing buildings on the City Hall half block, and construction of the rammed aggregate piers foundation system and Martel's General Conditions part of their proposal; and authorize the City Manager to sign the Amendment.

Council had some questions for Steve Conway, Martel Construction, which he answered. Many of the Council's questions related to and would fall under Martel Construction's General Conditions and Requirements, including fencing off the construction site and providing pedestrian walkways. Manager Stearns said he and Owner's Representative Mike Cronquist have already starting visiting downtown business with information regarding how the site will be closed off with commencement of this project. E. 1st Street will be closed for a half block from Baker Avenue to the alley, with only the sidewalk open on the north side of E. 1st Street, then there will be the pedestrian tunnel on E. 2nd Street. Baker Avenue will not have a pedestrian walkway next to the construction site, pedestrians will have to use the sidewalk on the west side.

The motion passed unanimously.

- e) Resolution No. 15-37; A resolution declaring certain property to be unneeded and obsolete, and authorizing the disposal of such property (p. 471)**

Manager Stearns said this resolution includes an itemized list of all items that will be up for sale at an auction to be held Saturday, September 5th, starting at 9:00 a.m. In addition to those items listed, there is a “catch all” phrase..... “Any other furniture, fixtures, equipment, and supplies left over after City Hall is vacated”, as some of those items may not be determined until moving day. Items purchased at the option must be removed by the following Monday by 5:00 p.m., unless special arrangements are made. On Tuesday, September 8th, Martel Construction takes over the site. The City has put an ad in The Pilot and produced a flyer, and the auctioneer is doing some advertising of his own.

Councilor Feury made a motion, second by Councilor Frandsen, to approve Resolution No. 15-37; A resolution declaring certain property to be unneeded and obsolete, and authorizing the disposal of such property. The motion passed unanimously.

9. COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS (CD 1:40:13)

- a) Letter from Montana West Economic Development Corporation requesting partnering or co-sponsoring a “Summit” meeting on affordable workforce housing on September 24th (p. 428)**

Manager Stearns said they are looking for participatory support as well as any financial support that is possible, up to a maximum of \$250. He thought this was a kick-off and renewed focus on affordable housing issues. Mayor Muhlfeld said he would support a financial contribution in support of this summit from the City if the Council agreed; and the Council showed consensus.

- b) Consideration of approving a letter to submit as comments on the Environmental Impact Statement for the Tongue River Railroad project in eastern Montana (p. 483)**

Councilor Hildner made a motion, second by Councilor Fitzgerald, to approve the letter for submission as comments on the Environmental Impact Statement for the Tongue River Railroad project in eastern Montana. The motion passed unanimously.

Council Comments:

Councilor Sweeney said probably one of the most important job for the Council, and least known publically because of low turnout at the Council meeting, is the annual budget which was particularly difficult this year because of the reappraisal and reduction in property values and he said Manager Stearns did such a good job of dissecting it for Council and working with them toward solutions. He agreed with Councilor Feury’s comment that it turned out that we were in a little better shape than we thought initially.

Councilor Feury noted his surprise that we get so little public participation during the annual budget hearings; so he wanted to give special recognition to two people who are not with us any longer but always showed up for budget hearings. Ben Cohen, who always came to talk about SID 132 which is now known as our street maintenance assessment; and Jack Garrity, who always showed up complaining about someone leaning on a shovel and thought we paid city employees too much. He also commented about this being the last meeting in this city hall; he has been present at almost 16% of the 97 years of meetings here, both upstairs and down, and part of him will miss it. He said the downstairs Council Chambers was very cramped, but we had some great meetings down there and over the 97 years some very good and positive work has been done by all the Councils who volunteered a lot of their time, and bore the brunt of a beating once in a while. But for all those volunteers, elected officials and staff who have dedicated their time and efforts for the community

– he takes his hat off to all of them because they have made this a better place.

Councilor Hildner agreed and thanked Andy, and said we are witnessing history in the making, it is pretty exciting to see it all come together. He thanked Heidi Desch for her article in the paper encouraging property owners to water their trees; and he reiterated his comments about those trees in the boulevards needing water.

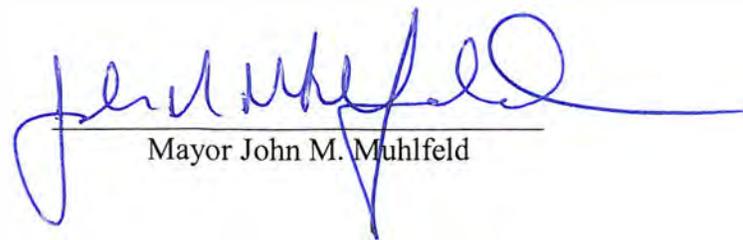
Councilor Frandsen thanked the staff for their hard work on the budget, it is much appreciated. She asked about the progress on our Water Rate Study and Director Smith said the consultants have gathered a lot of information from staff and it looks like they are on track to give their first report to Council in November and wrapping up before January. Lastly, acknowledging that this is the last Council meeting in this facility, she said after spending more time here and realizing the condition of this facility, she is looking forward to providing a better place for staff to work in. She thanked staff for hanging in there through this long process.

Mayor Muhlfeld asked Manager Stearns what the Study Commission is considering taking to the voters. Manager Stearns said they are still formulating their ballot language, but based on earlier conversations he thinks they are proposing a municipal ombudsperson which would serve at the will of the council, and some housekeeping items; one for instance, that the city administrator may delegate a designee to attend Planning Board meetings in his, (or her) stead. Those are the only two he and City Clerk Lorang were aware of.

Mayor Muhlfeld said the city would be welcoming new Public Works Director Workman on his first day of work, August 24th. Also next week, the first edition of the revived City Newsletter will be circulated in the mail with utility bills. He thanked those who contributed to articles for this first test run.

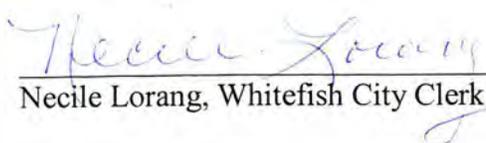
10. ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)
(CD 1:50:26)

Mayor Muhlfeld adjourned the meeting at 9:03 p.m.



Mayor John M. Muhlfeld

Attest:



Necile Lorang, Whitefish City Clerk

Please return to Necile

PUBLIC HEARINGS

PLEASE SIGN IN TO SPEAK ON A SPECIFIC PUBLIC HEARING 8/17/15

PLEASE PRINT NAME and ADDRESS

**2nd Reading of Ordinance No 15-12, Setting forth
the Assessment Formula/Parking Structure SID**

**Resolution Creating Parking Structure
Special Improvement District No. 167**

**FY 16 Budget, Tax Levy
& Assessment Resolutions**

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