

CALL TO ORDER:

Mayor Tim Wilson called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

Present: Mayor Tim Wilson; Councilmembers: Ken Caylor, Dan Dever, Genna Dorow, Charles Garcia, Kenneth Johnson, Mark Snyder, and Marc Spohr.
Also Present: City Administrator Ehman Sheldon; Department Heads: Finance Officer Mike Bailey, Assistant Police Chief David Inks, City Clerk Debbie Kudrna, Municipal Services Coordinator Jay Van Ness; and City Attorney James Whitaker.

CITIZEN INPUT

Othello Chamber of Commerce President Janelle Anderson stated that they had sent a letter to the Council requesting funding of \$6,000 for the 4th of July fireworks display. The Chamber has severely cut their budget to help with the budget issues that they inherited. She advised that if they cannot get financial support, they will not have a fireworks display this year. Mike Beardsley, Treasurer for the Othello Chamber of Commerce advised that they do not have any cash reserves and they have decided to not continue running in the deficit. They recognize that the Chamber is the largest benefactor of the Hotel/Motel tax funding (\$14,173). He advised that they use that funding to operate year-round. Mr. Beardsley asked the Council for financial support for the fireworks and to give the Chamber one year to get their budget turned around. Financial Officer Mike Bailey advised that the Council budgeted \$2500 towards the fireworks out of the general fund. Mr. Beardsley said they were not aware that the City had already appropriated that funding. Mayor Wilson asked if they would put out jars in the stores for our citizens to help fund the fireworks. Councilmember Spohr asked if they get audited. Mr. Beardsley advised they do not get audited and the Chamber gets little support. Mrs. Anderson stated that they were handed the financial records in January and they will get their budget out of the deficit and will not spend money that they do not have.

Council carried a motion to appropriate an extra \$3500 from the tourism fund, for a total of \$6,000 funding for the Chamber's 4th of July fireworks display. M/S Caylor/Snyder. Councilmember Spohr cast an opposing vote.

APPROVAL OF AGENDA

Council carried a motion to approve the agenda. M/S Dorow/Dever.

CONSENT AGENDA:

- A. Approval of City Council Minutes of March 8, 2010
- B. Approval of Accounts Payable Checks

Accounts Payable was audited and certified by the Auditing Officer, as required by RCW 42.24.080; and those expense reimbursement claims certified and as required by RCW 42.24.090, have been recorded on a listing that has been reviewed by the Council audit committee and is available to the Council.

Expense Claim Check No. 38024 to No. 38081 in the amount of \$141,437.92.

Council carried a motion to approve the Consent Agenda as presented. M/S Snyder/Johnson.

PORT DISTRICT REQUEST FOR REIMBURSEMENT – SR 26/REYNOLDS WATER CROSSING

Municipal Services Coordinator Jay Van Ness stated that the Port of Othello is requesting reimbursement of \$11,235 for some of the water line work done at the SR 26- Reynolds Road crossing. Port Director Mike Beardsley explained that early in 2009 they planned to install the waterline under SR 26 for the business park, and have invested \$210,000 into the waterline project. They expected to connect to the existing 12" water line without any problems; however, when they performed test holes they found the 12" line was buried in concrete and other issues. Their engineers advised that they had to install a tee and extra valves, as required by the City. They elected to proceed with construction. They believe the fees should be paid by the City or

future connections and asked the City to pay for the \$11,235 costs because they feel that the extra costs will not directly benefit the Port project. Councilmember Caylor asked if their engineers had reviewed the as-builts to see what infrastructure was already there and if they had approval from the City beforehand. Mr. Van Ness noted that the City did not have as-builts. Mr. Beardsley stated that their engineer's did not do an adequate job preparing for the project and were late on the project. Councilmember Johnson asked how a latecomer agreement would work. Mr. Van Ness explained that the water line had an existing tee for service to the north and west, and a stub out to the east. At the time, the logical solution was to install a new cross tee and new valves at the site. He explained that there was nothing accomplished to require a latecomer fee, it was necessary to make the connection. Mr. Van Ness noted that the 12" water line meets the needs for fire flow and it has not been determined if the 12" line is an oversized line. Councilmember Caylor stated that they made the right decision for future development. He recommended paying the cost. He noted that the City has paid for upsizing water lines for other developments and since the Port District is installing a 12" water line, the City won't need to consider upsizing the water line. Councilmember Spohr stated that all future developers in the business park should pay for the additional costs.

Council carried a motion to table this to be discussed at the next workshop M/S Garcia/Johnson. Councilmember Spohr cast an opposing vote.

WELL #6 REHABILITATION PROJECT UPDATE

Municipal Services Coordinator Jay Van Ness advised that a \$312,000 CDBG grant was obtained for the rehabilitation of Well #6. There have been discussions about whether we can keep the screen in the bottom of the hole and perform the work that we want to do to the well. The Department of Ecology (DOE) has advised that the screen cannot remain in and we must make an attempt to pull the screen out of the hole. The City will call for bids and the contractor will attempt to pull the screen. If the screen cannot be pulled, we will ask DOE for a variance to leave the screen in the hole. The bids will be opened on April 29th and the project completed by May 10th.

EXTENSION OF WATER AGREEMENT – DON GENTRY

Municipal Services Coordinator Jay Van Ness advised that Mr. Don Gentry entered into a water agreement with the City in 2008 for development outside city limits. He had a 2-year deadline to complete the water connection. Mr. Gentry is requesting a one year extension to the original agreement because he has not begun construction. Mr. Don Gentry explained that when the water agreement was approved by the City he had delays with purchasing the land. He asked for a one year extension to allow him to finish the development project. Mr. Van Ness advised they have reviewed the plans and there will be an upsize request for Council to consider at a later date.

Council carried a motion to grant Mr. Don Gentry a one year extension to the deadline contained in paragraph 3.18 of the Extra Territorial Utility Extension Agreement with the City. M/S Johnson/Caylor.

CATHOLIC CHARITIES TAX REQUEST

Finance Officer Mike Bailey explained that we got a letter from the Othello Housing Associates, written on Othello Housing Authority of the City of Othello letterhead. He explained there are two separate Othello Housing groups: the Othello Housing Associates, whose general partner is the Catholic Housing Services of Eastern Washington and there is the Othello Housing Authority, funded by the federal government. In 2003, the City entered into an agreement with the Othello Housing Associates to make volunteer financial contributions in lieu of taxes to the City. This is a good will gesture to the City and the annual payments are \$3500. The Othello Housing Authority pays a payment in lieu of taxes (PILOT). The federal housing organizations pay a PILOT to mitigate the loss of property taxes to cities.

When the letter was written to the City, it inadvertently referred to the PILOT program, which was in error. What they intended to do was ask for relief from the \$3500 contribution. After thorough investigation, Mr. Bailey found that as the Othello Housing Associates housing residents' income

increase, they can remain in the housing. After their income increases over a certain percentage, Washington State requires them to pay property taxes. Many of the residents have met that threshold and in 2009 Catholic Housing Services paid \$11,365.64 in property taxes. Due to the fact that they are paying property taxes, Mr. Hanks believes they shouldn't have to pay the additional \$3,500 to the City. Mr. Bailey found that the City's share of the \$11,365.64 was 22.85%, equaling \$2,597.04. He recommended that if we want to receive the original \$3500, we net the City's portion of the property taxes against the \$3500 and require them to pay the difference. This would be \$902.96. If their property taxes increase and the City receives more than \$3500, then we wouldn't require payment of any more. Another option would be to not make any changes, and we continue to receive the \$3500 and a share of the property taxes.

Council carried a motion to table the discussion to the workshop M/S Spohr/Dever.

RESOLUTION TO AUTHORIZE USE OF CITY PARK AND CITY RIGHT-OF-WAY FOR OTHELLO CENTENNIAL EVENT

Councilmember Ken Caylor stated the committee is still working on the two-day centennial event scheduled for May 22nd and 23rd. Most of the events will focus in and around Pioneer Park and he reviewed their preliminary schedule. He asked that Council approve use of Pioneer Park and closure of Main Street, 3rd Avenue and 4th Avenue, adjacent to the park for the centennial event.

Council carried a motion to adopt A RESOLUTION AUTHORIZING USE OF CITY PROPERTY FOR THE OTHELLO CENTENNIAL EVENT SCHEDULED FOR MAY 22ND AND 23RD, 2010. M/S Dever/Dorow. This shall be known as Resolution No. 2010-05.

UNFINISHED BUSINESS

Councilmember Spohr asked about the status on Well #5. Mr. Sheldon advised the shaft has been pulled and our engineers are investigating the issue. They found the threads came undone and the last 20' section dropped into the hole. Mr. Sheldon advised that the Centennial brick project will be complete by the end of this week.

NEW BUSINESS

Councilmember Spohr asked if it might be helpful to have a permanent white board in the chambers. Mr. Sheldon advised that we have an overhead projector that will allow us to write on.

Mayor Wilson made the following announcements:

- The Sandhill Crane Festival is this weekend.
- The Beautification committee has invited the Chamber members to a luncheon this Wednesday at the Senior Center to discuss the Main Street beautification.
- City Hall will be decorated with centennial flare, funded by the Centennial Committee.
- There is not a council meeting next Monday.
- At the April workshop, the Council will have a selection of laptops to choose from.

ADJOURNMENT

With no further items to discuss, Mayor Wilson adjourned the Council meeting at 8:36 p.m.

By: _____
TIM WILSON, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk