

CALL TO ORDER:

Mayor Jeannie L. Sanders called the workshop to order at 7:00 p.m.

Present: Mayor Jeannie Sanders, Councilmembers Larry Bray, Eleanor Brodahl, Everett Cole, Kenneth Johnson, Shannon McKay, and Tim Wilson.

Absent: Councilmember Marc Spohr.

Also Present: Department Heads: Curt Andrews, Police Chief Ron Axtman, Debbie Kudrna, Dick Lee Rhonda Miller; and City Administrator Ehman Sheldon.

Mayor Sanders welcomed back Mr. Sheldon, who had been on leave for the past 6-months, working in Iraq.

ADAMS COUNTY FIRE DISTRICT #5 QUARTERLY REPORT

Adams County Fire District #5 Chief Clyde Fought provided the first quarter report. He invited the City Council to a night demonstration of the thermal-imaging camera.

AWC WORKER'S COMPENSATION GROUP RETRO PROGRAM

City Clerk, Debbie Kudrna gave a report about the Workers' Compensation Group Retrospective Rating Program. She explained that a retro program is a group program of participants who have contracted with a third party administrator for administration of Labor & Industries (L & I) claims. She explained that the city is currently a customer of Sedgwick CMS, which is not a retro pool, and recommended that we discontinue that service agreement and enter into a short-term agreement with CompManagement Inc. up to July. At that time, we would enter into an agreement with the Association of Washington Cities (AWC), effective July 1st for their new group retro program. The Clerk reported on the advantages of the AWC's retro pool, which includes: possibility of receiving refunds of the service fee paid and a portion of the L & I premiums; risk, health and safety education; safety training; follow-through with the on-the-job injury claims and return to work programs; risk management; assistance to employees who have questions about their claims; and access to an internet claims and document program.

Mr. Joe Brown, Senior Consultant of CompManagement explained that the new AWC retro program currently has \$3 million in assets, and an additional eight cities have recently joined. Mr. Brown reviewed a four-year retro rating timeline, identifying the dates that members may receive refunds. Mr. Brown explained further what services CompManagement will provide, the benefits to the pool members, and how they work with pool members to track employee's injury claims. Council's consensus was to cancel the service agreement with Sedgwick and enter into a short-term agreement with CompManagement up to July 1st and proceed with the application process with AWC for the new worker's compensation group retrospective rating program.

COST ALLOCATION PLAN

Finance Officer, Rhonda Miller provided the Council with copies of the proposal from Jeanette Hahn of Financial Consulting Solutions Group, Inc. to complete an indirect cost allocation study. Ms. Hahn explained that the purpose of an indirect cost allocation plan is to have a tool to equitably allocate costs that are a benefit to enterprise funds that are currently borne in the General Fund. Ms. Hahn explained that Financial Consulting would work with the staff to determine what costs are being paid by the General Fund and will provide a mechanism for the City to allocate certain costs to the utility and enterprise funds. She noted that they would also propose strategies for transitioning expenses being moved into enterprise funds. She explained that this would streamline the budget and make it easier to present the budget and justify costs. They will provide a model that the City will use to update the spreadsheets for future budgets. Ms. Hahn also explained that their proposal includes a substantial discount in return to use the Othello project as a case study. Mayor Sanders mentioned that Bob Noland had explained that the State Auditors were advising cities to implement direct and indirect cost allocations and he had recommended this type of a tool to help Othello with justifying costs. Ms. Miller explained that the management letter from the Auditor's specifically addressed our methods of allocation.

Councilmember Cole mentioned that we probably won't see any difference in the bottom line budgets, and stated that if the Auditors are questioning appropriation of indirect costs then the City should accept the offer from the Financial Consulting Solutions Group. Ms. Hahn noted that if the City is fortunate to obtain federal grants, they may be required to have a direct and indirect cost analysis plan, consistent with OMB Circular 87 guidelines, and she noted that this plan may also provide information to help the city set certain service fees. Ms. Miller noted that the allocations that are determined from this study will be justifiable for 4-5 years, and the Finance Department will be able to use the model for upcoming budget.

Mayor Sanders reported that the State Auditors will not be able to audit the City this year, which may save approximately \$5-\$7,000, and noted that it's unfortunate that they cannot fit us into their schedule. Ms. Miller noted that this study might streamline the audit.

2004 CITY SIDEWALK AND RAMP PROJECT

Public Works Director, Dick Lee presented the 2004 sidewalk projects, which includes only city sidewalks:

1. City Hall (replace damaged sidewalks)
2. Pioneer Park (gazebo to airplane)
3. Slab between the County and City fire stations
4. Lions Park sidewalk from 7th to 10th Avenue
5. Two roll downs at Main and 6th Avenue

The Council agreed with the proposal. Councilmember Bray mentioned that we should finish the sidewalk in Pioneer Park between the airplane and the sidewalk adjacent to Main Street. Mr. Lee noted that they haven't called for proposals yet, so he doesn't have costs for the projects.

Councilmember Cole mentioned that there is still a sidewalk patch needed at the new fire hydrant at 7th and Main Street.

ORDINANCE ENTITLED "RIGHT OF WAY PERMIT"

Mr. Lee provided an ordinance that would provide regulation of work performed in the City's right-of-way. The ordinance and use of the permit process will advise the Public Works Department of any work being done in the City right-of-ways. Mr. Lee also recommended that only licensed, bonded contractors be permitted to work in the city streets. Mr. Lee provided a revised permit application and excavation permit. He suggested that he meet with the local development contractors to review the ordinance provisions. Councilmember McKay requested that the permit process be timely and Council's consensus was to set a minimal, affordable fee of \$25 for the inspections.

BALLFIELD LIGHTING PROJECT FUNDING

Ms. Miller presented the PowerPoint presentation for the grant application with the Interagency Committee for Outdoor Recreation (IAC) for funding for additional lighting at the Lions Park Ballfields. She explained that the City is eligible to receive \$75,000 grant funding from IAC or \$100,000 federal funding for the project. Both of these funding opportunities require a City's match (either \$100,000 or \$125,000), and she provided possible funding sources to fund the required match. Ms. Miller reported that she has received over \$11,000 in cash donations and approximately \$7,400 in donated labor and equipment. She stated that once the City is notified of which grant was awarded to the City, she will again request donations from the community for the project. Council's consensus was to use 50% of the needed match out of the General Fund Reserve fund and 50% of the needed match out of the Utility Tax Fund.

Ms. Miller explained that this will be a fast-track project and completed quickly. Mr. Lee stated that this project would not interfere with Public Works completing the traffic signal light project at 14th Avenue and Main Street.

**City of Othello
Council Workshop
April 5, 2004**

UNFINISHED BUSINESS

Councilmember McKay requested the project timeline for the traffic signal light project at 14th and Main Street from Public Works.

ADJOURNMENT

With no further items to discuss, Mayor Jeannie L. Sanders adjourned the workshop at 8:45 p.m.

By: _____
JEANNIE L. SANDERS, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk