

CALL TO ORDER:

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

Present: Councilmembers Larry Bray, Eleanor Brodahl, Everett Cole, Kenneth Johnson, Shannon McKay, Marc Spohr, and Tim Wilson.

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

Mayor Sanders advised that J. R. Simplot had an emergency with their clarifier and asked that the City allow them to transfer their potato sludge to the sewer lagoons while they repaired their equipment. She advised that the Council's rules provide that no action be taken at a workshop meeting and asked the Council to suspend their rules to consider the agreement with J.R. Simplot Company, and a resolution regarding the Public Works Trust Fund (PWTF) loan applications. Councilmember Spohr voiced concerns of taking action of the PWTF loan applications at this time.

Council carried a motion to suspend the Council's rules regarding the workshop format to allow them to take action on only the agreement with J. R. Simplot. M/S Cole/Bray.

PROCLAMATION DECLARING NATIONAL PRAYER DAY

Mayor Sanders declared May 5, 2005 as "National Day of Prayer".

CONSIDERATION OF AGREEMENT (TEMPORARY) WITH J.R. SIMPLOT

City Administrator Ehman Sheldon advised that a representative from J.R. Simplot approached the City on Friday reporting that their clarifier was not working and asked if the City would accept their potato sludge for approximately 1-7 days. The City received two truckloads in one day from them and their clarifier was repaired and working by Saturday. The agreement provides: a charge of .10 cents per gallon, and the reports indicate 8,000 gallons were dumped into the lagoons.

Councilmember Bray questioned if this was acceptable with the Department of Ecology. Mr. Sheldon explained that he had discussed the issue with our City Engineers and they predicted there would be no impact to our ponds to receive 80,000 gallons and then in fact they hauled a significant amount less.

Council carried a motion to approve the emergency agreement with J.R. Simplot Company regarding use of the City sewer lagoon facilities. M/S Cole/Brodahl.

PROPOSED POLICY ON THE GENERAL FUND RESERVE BALANCE

Finance Officer Rhonda Miller explained that she has reviewed other city policies and various methods regarding setting a reserve or minimum balance for the General Fund, and she provided a matrix showing several options. She recommended establishing two levels of reserves: an emergency reserve and an operating reserve, with a combined balance of \$500,000 (\$250,000 in each). Councilmember Brodahl questioned why the City would set minimum balances in the General Fund and recommended keeping it as it is. Councilmember Cole cautioned setting a minimum balance using a percentage explaining that with revenues dwindling, eventually the minimum balance would be too low and suggested setting a dollar figure as the reserve amounts. Mr. Sheldon explained that the staff was informed during the budget workshops that Council wanted to review the fund reserve policies and advised that if minimum reserves were established in the General Fund, that fund could not go below that figure unless Council authorized it.

PROPOSED REVISIONS TO O.M.C. 5.08.180 REGARDING SOLID WASTE BILLING PERIOD AND METHOD

City Clerk Debbie Kudrna recommended two minor changes in the solid waste billing process. The first recommendation was that when a user discontinues garbage service prior to the 15th of

the month, and if they have a one cubic yard container or larger, the City should bill for the actual service provided. She also recommended that when a user increases or decreases their established monthly service, that the City should bill for the degree of actual garbage service provided. Councilmember Spohr was concerned with the proposed language and the Clerk will make changes to the ordinance verbiage to clearly indicate that this is for increasing or decreasing monthly service and not for extra dumps of containers.

REVIEW OF PUBLIC WORKS TRUST FUND APPLICATION

Mr. Sheldon advised that staff and the Council committee have been discussing applying for Public Works Trust Fund (PWTF) loans, with loan rates established at 1-3 percent interest, for two separate projects: the water line replacement project and South Broadway reconstruction project. Mr. Sheldon explained that the City was paving 44 street blocks a year at a cost of \$200,000; and with the escalating fuel prices, we now only pave 17 blocks a year for the same amount of funding. The past projects were completed in areas that did not involve replacement of water lines and the remaining street overlay projects are mainly in the S.E. quadrant of the City.

Public Works Director Dick Lee reviewed the proposed water line project, which consists of replacing 14,000 lineal feet of steel water lines. He explained that they do not want to overlay streets until old steel water lines are replaced, noting that the water line replacement project has caught up to the street overlay project. The committee identified all of the substandard steel lines that should be replaced. The water line improvements will also improve the fire hydrant flow requirements and will reduce the annual water loss. The PWTF application indicates the total project cost at \$1,600,000 with the PWTF loan request for \$1,440,000. Mr. Lee reported that the water comprehensive plan identified the substandard lines and fire flow requirements.

Mr. Lee explained that he is pleased with the current sewer study and has been advised that overall the sewer lines look fine. Mr. Sheldon explained that the sewer comprehensive plan will be completed in the next few months and will include a report on the sewer rates.

Finance Officer Miller provided an overview of the water fund and advised that the current water debt payment would be paid in full in 2007. If the PWTF loan is received, the first payment for the new debt will also be due in 2007. She based expenditures on a 2% inflation rate and water rate increases at 1%, noting that the last adjustment of the 3-year incremental 6% water rate increase will be imposed in December 2005. Councilmember McKay stated that if the water line projects are not completed, the City maybe paying substantial water maintenance costs.

Mr. Lee explained that the second PWTF loan application is to cover a portion of the costs to reconstruct 1850 lineal feet of arterial truck route on Broadway Avenue from north Elm Street to Main Street. Truck traffic has been routed to the outside lanes of the road due to deterioration of the base. The remaining portions of Broadway have already been reconstructed. He reviewed other options to repair the portion of Broadway and recommended reconstruction of this portion of the road due to many factors. Mayor Sanders explained that there is a clay layer in the South Broadway Avenue area that stops the underground water flow and creates a water table problem, noting the road will be reconstructed to accommodate that issue. Mr. Lee explained that when the City reconstructed the lower section of South Broadway they installed a subsurface drain to carry ground water that will eventually flow to the second phase of the storm sewer line project.

Finance Officer Miller provided an overview of the road reconstruction project, estimated at \$700,000, with the PWTF loan request of \$630,000. She advised that the current Broadway Local Improvement District (LID) will be paid in full in 2009 and payment for the new phase would begin in 2007. She explained that another LID could be formed to assess adjacent property owners for a portion of the road expense. Ms. Miller advised that the street fund receives half of the sales tax revenue. Mr. Sheldon stated that the staff is researching all funding avenues. Mr. Lee stated that the City would be applying for Transportation Improvement Board (TIB) grant funding.

The Finance Officer explained that when the water revenue bond is paid off that reserve could be accountable for the City's 10% match. Councilmember Spohr mentioned that the amount 10% local revenue for the street project will include a transfer of \$35,000 from the water fund because there will be water improvements along with the street improvements and an additional \$35,000 in the current street fund. Spohr commented that both projects are examples of what a City should provide to their citizens. McKay noted that the interest paid for the projects could easily be spent on maintenance if the projects are not done.

UNFINISHED BUSINESS

The City Clerk announced that La Kaliente has cancelled the Mother's Day Celebration that was to be held on May 8th in Lions Park.

Council Spohr asked if Columbia Basin Health Association's (CBHA) parking concerns have been taken care of. Mr. Sheldon advised that CBHA filed a request to reduce the required parking requirements and this will be discussed with the Planning Commission. Mr. Sheldon advised that CBHA would still have an obligation for impact fees of alley improvements behind their, north Main Street, parking lot.

Finance Officer Miller explained that if a reserve is established in the General Fund that reserve amount could be a portion of the ending fund balance.

NEW BUSINESS

Councilmember Spohr stated that he has been questioned by citizens to why the City is getting involved in day care licensing of providers. The City Clerk advised that home day care providers are required to obtain business licenses and the Deputy Clerk has been communicating with them with a letter and application form, and follow-up correspondence. The business license applications are routed to various City departments for review. Our application requests a copy of the State license. Spohr noted that people are complaining that they will have to raise their rates to cover the City's license fee, which is \$50.00 per year.

Spohr asked if there would be new lights at the tennis courts. Mr. Lee advised that two new lights will be replaced on the west side and six of the court lights have already been replaced.

Councilmember McKay asked where Coyote Ridge personnel are practicing shooting. Mr. Sheldon explained that they practice at the Police Department's firing range. Chief Axtman explained that they have reconstructed the configuration of the range to make it a safer environment; a shooting bench has been built, and a portable building has been rehabilitated for classes. The retrieval system is still being engineered and Jim Casey from McCains has assisted with this project. Mayor Sanders offered to hold the June workshop at the range and tours will be given of the range and wastewater treatment plant. Chief Axtman offered demonstrations of the Mobile Data System in the K-9 vehicle before and after the workshop meeting. He also noted they are still working on an issue with e-mail and connectivity throughout the city. Police Officers Black and Lamens stated that they appreciate the system, noting they are able to complete reports and still be seen as being on patrol.

DOT/INTERSECTION 26 AND 1ST AVENUE

Mayor Sanders explained that she and staff had met with representatives of the Washington State Department of Transportation (WSDOT) and she has requested that they not consider their plans to close off the 1st Avenue access off of Highway 26. She has concerns of the economic impact to the entire City and businesses at that location, as well as reducing access into the community. DOT has offered possible solutions and they are conducting additional traffic studies for traffic speeds on Highway 26 from the railroad overpass east to Reynolds Road. She has requested that Mr. Lee attend the meetings being conducted by DOT in the next couple days to interject the City's objection to close off the 1st Avenue access.

**City of Othello
Council Workshop
May 2, 2005**

ADJOURNMENT

With no further items to discuss, Mayor Jeannie L. Sanders adjourned the workshop at 8:37 p.m.

By: _____
JEANNIE L. SANDERS, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk