

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, Police Chief Steven Dunnagan, City Clerk Debbie Kudrna, and City Attorney James Whitaker.

APPROVAL OF AGENDA

Council carried a motion to approve the agenda. M/S Johnson/Snyder.

CONSENT AGENDA:

- A. Approval of City Council Minutes of November 22, 2010
- B. Approval of City Council Workshop Minutes of December 6, 2010
- C. Approval of Accounts Payable Checks
- D. Approval of Payroll for November 2010
- E. Resolution to Establish Fund 103 – Park & Recreation Reserve Fund
- F. Resolution to Establish Fund 223 – SR 24 PWTF Debt Service Fund
- G. Resolution to Surplus Property
- H. Resolution to Accept a Donation – Shop with a Cop
- I. Ogden, Murphy, Wallace Payment
- J. Renewal of Xpress Bill Pay Agreement
- K. Renewal of Badger Connect Software Contract
- L. Renewal of ALSCO Service Contract – Public Works
- M. 2nd Amendment to 2006 City Attorney Contract

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. 39086 to No. 39156 in the amount of \$661,845.76.

Payroll Check No. 26959 to No. 26995 in the amount of \$ 250,118.17.

Councilmember Spohr advised that he will vote no because he disapproves of paying the Main Street Contractor.

Council carried a motion to approve the Consent Agenda as presented. M/S Dever/Caylor. Councilmember Spohr cast an opposing vote.

City Attorney Jim Whitaker introduced his partner Attorney Katherine Kenison.

VOLUNTEER RECOGNITIONS

Mayor Wilson read into the record appreciation for the following volunteers: Janelle Andersen, Councilmember Ken Caylor and Councilmember Dan Dever. He presented certificates of appreciation and lapel pins to each of them.

PUBLIC HEARING - WATER RATE INCREASE – ADAMS COUNTY WATER DISTRICT #1

Mayor Wilson opened the public hearing at 7:10 p.m. Finance Officer Mike Bailey gave a presentation on the proposed 4% water rate increase to the Adams County Water District #1 for the next three years. Mayor Wilson asked for public comments. There was none. Mayor Wilson asked for comments from the representatives from Adams County Water District #1. Mr. Roberto Martinez, 2181 May Street, noted that their rates have increased over the past couple years a lot and he believes that they don't have very good water. Mayor Wilson asked for Council comments.

Councilmember Garcia noted that we should look into the quality of water and do the right thing. Mayor Wilson stated that we will look into that issue. Mayor Wilson closed the public hearing at 7:17 p.m.

RESOLUTION ESTABLISHING A NEW WATER RATE FOR ADAMS COUNTY WATER DISTRICT #1

Finance Officer Mike Bailey advised that the initial contract with the Adams County Water District did not include the 150% water rate surcharge. However the 150% rate surcharge was adopted in 2004, as an amendment to the contract. He advised that the proposed 4% incremental increase to the Water District would be approximately \$1,901 in 2011, \$1,977 in 2012, and \$2,056 in 2013. He recommended that the recent water rate increase be applied to all rate payers, including those with water contracts to cover the expenses of operations, indebtedness and infrastructure improvements.

Council carried a motion to approve A RESOLUTION ESTABLISHING AN AMENDMENT TO THE RATE SECTION OF THE AGREEMENT BETWEEN THE CITY OF OTHELLO AND ADAMS COUNTY WATER DISTRICT NO. 1 FOR WATER SUPPLY. M/S Johnson/Dorow. This shall be known as Resolution No. 2010-33. Councilmember Spohr cast an opposing vote.

RESOLUTION REGARDING UTILITIES AND ANNEXATION POLICY

City Attorney Jim Whitaker advised that in 1996, the Council adopted a resolution setting forth a policy regarding the extension of water and sewer utilities outside of the city limits. One of the conditions was compliance with the city comprehensive land use plan. He explained that Washington Cities Insurance Authority (WCIA) has directed the City to make certain modifications to our current rezoning and annexation process. This includes removing the reference to require a property owner who wants city utilities to comply with the city land use standard. The changes are included in the proposed resolution. Mr. Whitaker advised that as a result, the extra territorial agreement will also need to be changed.

Council carried a motion to approve A RESOLUTION AMENDING RESOLUTION 1996-06 SETTING FORTH A POLICY WITH REGARD TO THE PROVISION OF WATER AND/OR SEWER UTILITIES OUTSIDE THE CORPORATE LIMITS OF THE CITY AND SETTING FORTH AN ANNEXATION POLICY FOR THE CITY OF OTHELLO, WASHINGTON. M/S Garcia/Caylor. This shall be known as Resolution No. 2010-34.

ORDINANCE CREATING O.M.C. CHAPTER 16.52 ENTITLED "REIMBURSEMENT AGREEMENTS"

City Attorney Jim Whitaker advised that Washington Cities Insurance Authority (WCIA) has directed the City to make certain modifications to our latecomer's agreement process. WCIA has directed all of their members to have a local ordinance governing the reimbursement to developers for utility extensions for street improvements. This change is necessary to become compliant with the direction of the City's insurance carrier.

Council carried a motion to adopt AN ORDINANCE CREATING OTHELLO MUNICIPAL CODE CHAPTER 16.52 ENTITLED "REIMBURSEMENT AGREEMENTS". M/S Caylor/Dorow. This shall be known as Ordinance No. 1332.

AD VALOREM TAX ORDINANCE

Finance Officer Mike Bailey explained that as part of the budget process, Council must pass an ordinance fixing the amount provided by property taxes for collection in the following year. The proposed ordinance will allow the City to collect 101% of the highest of the three previous annual levies, plus an increase equal to the amount allowed under the new construction and annexation provisions. The budget amount is \$1,368,592.

Council carried a motion to adopt AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OTHELLO WASHINGTON FIXING THE AMOUNT TO BE PROVIDED BY AD VALOREM TAXES UPON PROPERTY IN 2011. M/S Dever/Garcia. This shall be known as Ordinance No. 1333.

ORDINANCE TO AMEND THE 2010 BUDGET

Finance Officer Mike Bailey reported that the yearend estimates are that the general fund will come in under budget. However, as a precaution, in the event that an emergency would arise, he recommended a budget amendment to the general fund. The ordinance also included amendments to the Main Street debt fund and the utility tax fund. Councilmember Spohr asked if we have the Main Street bond proceeds in an account. Mr. Bailey advised that we have the \$3.122 million in the Main Street fund 310 and it is earning interest. He explained that the budget amendment to the general fund is for emergency preparedness only and he does not anticipate having to use it. Councilmember Spohr voiced his concern of appropriating an additional \$100,000 in the general fund. Mr. Bailey explained that staff could not spend that money unless it was absolutely necessary and any changes to contracts would need Council approval.

Council carried a motion to adopt AN ORDINANCE AMENDING THE 2010 BUDGET FOR THE CITY OF OTHELLO AND AMENDING ORDINANCE 1312. M/S Snyder/Dever. This shall be known as Ordinance No. 1334.

ORDINANCE AMENDING O. M. C. CHAPTER 3.02 ENTITLED "UTILITY – OCCUPATION TAX AND LICENSING" AND POLICY AND PROCEDURE

Finance Officer Mike Bailey explained that in 2009 the State Supreme Court required fire hydrant costs to be paid from the general fund because fire hydrants are for general government purposes. The proposed ordinance levies a 2% utility tax against the water utility as a means of recouping the costs to the general fund associated with fire hydrant replacement and maintenance. He also presented a policy and procedure, which establishes a policy for collecting the 2% utility tax on a monthly basis. The budget is estimated to be \$36,000 per year. City Attorney Jim Whitaker explained that if Council approves the ordinance, the administrative policy provides payment of the first 2% of any utility tax imposed administratively and then it never becomes a part of the water bill. If the Council did not adopt the policy, it would become a tax to the water accounts.

Council carried a motion to adopt AN ORDINANCE AMENDING OTHELLO MUNICIPAL CODE SECTIONS 3.02.050 AND .060 OF CHAPTER 3.02 ENTITLED "UTILITY-OCCUPATION TAX AND LICENSING". M/S Snyder/Johnson. This shall be known as Ordinance No. 1335.

Council carried a motion to approve City of Othello Policy and Procedure Number 2010-05 entitled "Water System Utility Tax Recovery to General Fund". M/S Caylor/Dorow.

UNFINISHED BUSINESS

Mayor Wilson advised that our Main Street contractor will be in town tomorrow patching holes. Dr. Dorow has advised that the alleyway enforcement is working and the cameras are helping.

Councilmember Spohr asked if our businesses on Main Street have had an update since November 11th. Mr. Sheldon advised that the inspector for Gray & Osborne will be passing out new information tomorrow to Main Street businesses. Councilmember Caylor asked that the contractor provide better access for our citizens at the handicap ramps.

NEW BUSINESS

Council made a motion to cancel the December 27th council meeting. M/S Caylor/Garcia. Councilmember Spohr encouraged staff and council to keep the enforcement efforts on illegally parked junked vehicles. It was noted that junked vehicles can be parked on private property, if the vehicle meets certain criteria. Councilmember Johnson advised that the Sandhill Crane Festival has cancelled their 2011 activities. He asked that a letter from the City be sent to the Fish & Wildlife about the impact to the community, if we loose this event. Mr. Sheldon explained that their core committee has decreased and they feel that they can rejuvenate the festival in 2011 and will have a festival in 2012. Councilmember Caylor explained that Fish & Wildlife was very

instrumental in the past and they have had a decrease in their staff and they haven't been as active as they originally were. He suggested that the festival committee have a smaller scale event and not cancel it entirely. It was suggested that a couple Councilmembers meet with the Sandhill Crane Festival to discuss their concerns. Councilmember Caylor, Johnson and the Mayor will meet with them. Mr. Sheldon noted that Pet Rescue is looking for a new piece of property for their facility. Councilmember Spohr suggested that the Council look at options for them.

ADJOURNMENT

With no further items to discuss, Mayor Wilson adjourned the Council meeting at 7:54 p.m.

By: _____
TIM WILSON, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk