

## **REGULAR CITY COUNCIL MEETING**

**March 25, 2008**

**A. Call to Order – Pledge of Allegiance** Mayor Gainer called the Regular City Council meeting to order at 6:00 p.m.

**B. Roll Call – Excused Absences** Councilmembers present included Councilmember Mather, Councilmember Nixon, Councilmember Overhauser, Councilmember Huff, Councilmember Trulove, and Councilmember McKeehan. Staff members present included Ms. Fisher, Ms. Niemeier, Mr. Schwartz, Mr. MacDonald, Ms. MacDonald, Mr. Sale, Mr. Richardson, Mr. Simmons, Mr. Mather, Mr. Ableman, Mr. Noland, Mr. Winters, Mr. Wahl, and Ms. Showalter. Councilmember Stockton was excused.

**C. Minutes** of the Regular City Council meeting of March 11, 2008 were approved as distributed.

**D. Claims and Vouchers** nos. 93669 through 93788 and 93789 in the amount of \$273,915.01 were approved as read.

**E. Claims for Damages** None

**F. Small Contracts** Ms. Niemeier stated that there are contracts for Mayfest and the summer concerts. They are with Honeybuckets for \$400, Los Vigiles for \$600, Eric E for \$400, Bobby Wayne for \$350, Honeybuckets for \$350, 6 Foot Swing for \$400, and Big Red Barn for \$400. There are also contracts with Spokane Youth Sports Association and West Plains Little League for use of city property at no cost and Ernest Robeson for architectural services for \$8,000. Councilmember Overhauser stated that the City received a grant for the architectural services for the Moorman house so there will be no cost to the city. Councilmember Overhauser moved for approval of the small contracts. Councilmember Trulove seconded. Carried unanimously.

**G. Information Items** Phil Tyler, Spokane County Sheriff's Office, stated that Lt. Sparber is ill and could not attend. Spokane County is in need of replacing Geiger Corrections Center. The jail downtown is also overcrowded. Overcrowding has changed their philosophy in managing. They began with direct supervision but have had to move to indirect supervision. Geiger is leased and the lease will not be renewed when it expires in 2013. A new facility will need to absorb 600 Geiger inmates. They will need an additional 1,300 beds by 2027. The Airport Board has determined that Geiger is not compatible with their long term facility plan. Spokane County will follow the process to build a new facility. They began with ten sites and have narrowed that down to three. Those three are Tschirley, the Medical Lake interchange, and the County campus. Those sites will be referred to the County Commissioners and there will be a public hearing on April 15. Councilmember Huff asked if this will be a percentage sales tax vote. Mr. Tyler stated that it will be a sales tax increase vote on the November ballot and requires a super majority to pass. Councilmember Overhauser asked if this is separate from the communication sales tax percentage in May. Mr. Tyler stated that it is.

Councilmember Overhauser moved to move Item 3 to first on the agenda. Councilmember Mather seconded. Carried unanimously.

**H. Appointments** None

**I. Citizen Comments** Bob Evans, 12623 Broadway Ave, stated that he is the Vice President of Sunshine Disposal. They would like to improve recycling in Cheney. He spoke with Councilmember Mather yesterday. They are hoping to take on this project with the city. Dustin Bender, their general manager, contacted Mr. MacDonald this afternoon. He has been through the process on the west side of the state where recycling is extremely successful. There were a lot of mistakes made there that can be learned from. They can bring that experience to this region. They consider themselves partners with the cities they work with. Their goal is a regional solution with public and private working together. Councilmember McKeehan stated that he would like to be involved with that. Mr. MacDonald stated that he received a call this afternoon from Doug Bender. He requested that this be referred to the Public Works and Utilities committee for further discussion. Councilmember Mather stated that this needs to happen.

## **J. Action Items**

**1. 08-025 – Resolution D-403 – Interlocal Agreement with EWU for Law Enforcement** Mr. Sale stated that the Council asked for this to be brought back for action. This authorizes him to give EWU law enforcement authority in the city. It changes the current agreement dramatically. The EWU Police Chief has mandated that his officers stay on campus, but there will be things that come up. This agreement was done by WCIA legal staff. Councilmember Huff stated that he would like to make sure that the chiefs follow up. Citizens that have issues with EWU Police should contact the Cheney Police. Councilmember McKeegan moved for passage of Resolution D-403. Councilmember Mather seconded. Carried unanimously. Councilmember Trulove stated that Mr. Sale did a great job and addressed all the issues.

**2. 08-036 – Ordinance U-34 – Wastewater Connection Charge Amendment: Ordinance U-34** Mr. MacDonald requested the third reading. Councilmember Huff stated that the only concerns that have been expressed are from the builders themselves. The residents do not have a problem with it. Councilmember Huff moved for the third reading of Ordinance U-34 in title and summary form only and placed before Council for final passage. Councilmember Trulove seconded. Carried unanimously. Yes votes: Councilmember Mather, Councilmember Nixon, Councilmember Overhauser, Councilmember Huff, Councilmember Trulove, Councilmember McKeegan. Ordinance U-34 passed.

**3. 08-037 – Ordinance U-75 – Wastewater Rate Amendment: Ordinance U-75** Mr. MacDonald stated that he brought back the ordinance with EWU at a 6% increase this year and 4% thereafter and commercial at a 3% increase. Mr. Schwartz stated that he researched this following the last Council meeting. He provided RCW 35.67.020 and stated that there are certain rules that need to be followed for establishing rates. Whenever you establish rates they must reasonably relate to services. The court will be guided by what the legislature has set forth. The legislature said cost and service must relate. They must be roughly proportional. He thought he heard that one of the reasons for raising rates to EWU was for an economic stimulus. He urged the Council to rely upon the results from the consultant. There are costs that are out of proportion and those will be adjusted in the future. He stated that if we elect not to follow the cost of service study, then we need to put the reason why into the motion. We are treading on ground outside of the statute if we do not. It makes the rates arbitrary and not based upon the cost of service analysis. He did not do the angle of research on economic stimulus. He recommended just a three percent increase for EWU. Councilmember Huff stated that they increased student population and it must be a justification for higher rates. They have an additional 3,000 people. Mr. Schwartz stated that sewer rates have to be based on the cost of the service not the number of students. Councilmember Trulove stated that it sounds like we have to accept the consultant's decision on the rates. He thinks we need to balance that with other matters. EWU helped build the original sewage treatment lagoons. Mr. Schwartz stated that you can take contributions into the system into account. We just need to make sure we are operating within the statute. Councilmember Overhauser stated that we asked staff to look at what was out of whack and do an analysis of how we can break businesses into categories later. Maybe we should use that same concept with EWU. We need to equitably charge people for things. We did not seem to be following the same principals at the last meeting. She thinks we need to go back to three percent and look at this further. Household rates would only increase about eighty cents per month. Councilmember McKeegan agrees with Councilmember Overhauser. Councilmember Huff stated that they built the townhouses. Councilmember Nixon asked if we reduced their rate before. Mr. MacDonald stated that we reduced their rate when the enrollment went down. We have meter reads now. The cost of service analysis has looked at the flow from the University. They are approximately thirty percent of the flow. We have looked at their usage in conjunction with everyone else. There has also been growth in the city. We have been given a framework. They will give us meter readings every year. We will be adding in the Recreation Center when it is completed. We are going to peel away the State Archives and the Crime Lab and put that into our rates. This will be an ongoing process. We will propose something else for commercial rates. Councilmember Huff stated that twenty-seven percent of capacity comes from EWU, but we do not charge them twenty-seven percent. Mr. MacDonald stated that you do not charge a flat twenty-seven percent of total cost. Pollutant loading is there. The collection is less than half of what the total treatment is. Pollutant loading for treatment has other factors. They tend to offset each other. Councilmember Huff stated that if not for EWU we would not be expanding the wastewater treatment plant. Mr. MacDonald stated that there has been growth in the city. We have added two hundred single family homes in addition to multi-family homes. Councilmember Huff stated that he does not see how we can put them in the same category as a house. Councilmember Trulove stated that there may be issues with EWU. Councilmember Overhauser's argument is that we are going to have to address these things. Mr. MacDonald stated that we will go back and review

pollutant loading for 2009 rates. Councilmember Trulove stated that EWU got a good deal in the 1970s because they contributed a lot of money towards the system. Councilmember Huff stated that maybe we should request that they help with capital costs. Councilmember Huff moved to postpone this to the next meeting. Councilmember Nixon seconded. Discussion followed. Mr. MacDonald stated that we have made a tremendous effort to try to keep rates down. We should not create a false sense that there will be no rate increases to the citizens. We are taking on a \$12 million project. The 3% rate increase is pretty competitive with the rest of the County. This is not terribly onerous when compared with other communities. Councilmember Overhauser stated that we are not generating the good will that might be valuable later. Councilmember Trulove stated that he is not against the spirit of what Councilmember Huff is saying, but this cannot be resolved in two weeks time. Councilmember Mather stated that the only way to not create hard feelings with EWU is to do the three percent increase and look at EWU with commercial during the review for 2009. Councilmember Overhauser called the question. Councilmember McKeehan seconded. Carried unanimously. Original motion failed with Councilmember Mather, Councilmember Nixon, and Councilmember Huff voting aye. Mayor Gainer voted nay to break the tie. Councilmember Overhauser moved for the second reading of Ordinance U-75 in title and summary form only with a three percent increase across the board, as the original ordinance contained. Councilmember McKeehan seconded. Graeme Webster, 522 Cambridge Ln, asked who would challenge it if we pass the six percent increase. It is the Council's authority to set the rates. Mr. Schwartz stated that a challenge could come from a ratepayer such as EWU. His opinion is that it is good public policy to follow the rate guidelines set forth in state law. That is what he is recommending the Council to follow. We want a record and a rational basis for rates. Mr. Webster asked if we have a drop dead date when this rate increase has to be set. Mr. MacDonald stated that we need to get going with construction. Construction costs are increasing and this will not be advertised until the Council directs it. The longer we wait, the more construction costs go up. Mr. Webster stated that there is a perception in the community that with a blanket 3% increase we are giving EWU a break. He questioned if it can be changed later if we go with 3% as a trial figure. Mr. MacDonald stated that hopefully during budgeting we will have an actual cost of construction. We will look at EWU flow and review the criteria used for their strength. They are pretty close to what they should be. Councilmember Huff stated that a university brings in expenses to a town. He thinks we should get something since they do not pay property taxes. Councilmember Overhauser stated that they bring sales tax revenue to this community that we would not have otherwise. The EWU Bookstore is the single largest collector of sales tax in Cheney. Mr. Schwartz stated that he is still in a learning curve with the City, but this reminded him of another jurisdiction that had a tribe in town. That jurisdiction has entered into impact fee and mitigation type agreements. He will try to think of additional opportunities for the City. Councilmember Huff stated that he does not think you should hire a consultant and then have to follow exactly what he says. Mr. Schwartz stated that you do not have to follow it carte blanche. Mr. MacDonald stated that we have to look at the University, hotels, and other areas. Councilmember McKeehan stated that he thinks EWU is what makes Cheney what it is. We want the college to pay its fair share, but we need to go through a slower process to study it. Ms. Fisher stated that what we have learned throughout this process is that we have a beginning platform we can learn from. Once you have something to compare to you have somewhere to go again. We will be looking at commercial rates. EWU knows that we will be looking at their flow. There will be adjustments that need to be made. Councilmember Mather stated that we can always look at rates again. She asked if we will have to use reserves if we do not get this money. Mr. MacDonald stated that we are using more than a million dollars in reserves to help pay for this. Councilmember Trulove stated that these are long term programs and you have reserves to use. You replenish them in the future, but you have to use them carefully. Councilmember Huff moved for the question. Councilmember Overhauser seconded. Carried unanimously. Original motion carried with Councilmember Huff and Councilmember Nixon voting nay. Councilmember Huff moved to defer this to the next meeting. Councilmember Overhauser seconded. Carried unanimously.

**4. 08-047 – Resolution D-419 – State Fire Mobilization Reimbursement Agreement** Mr. Winters stated that this is with the State of Washington, Washington State Patrol, and the Cheney Fire Department. It is for reimbursement in case we participate in wildland fires. Councilmember Huff moved to approve Resolution D-419. Councilmember Mather seconded. Carried unanimously.

**5. 08-054 – Resolution D-428 – Recreation Department Copy Machine** Mr. Simmons stated that they have had their copy machine for three years. They would like color and PDF options. The rental fee is six dollars per month more. The per copy cost for black and white copies goes down. Councilmember Huff moved for passage of Resolution D-428. Councilmember Overhauser seconded. Carried unanimously.

**6. 08-058 – Resolution D-450 – Updating the Charges and Fees Resolution** Ms. Niemeier stated that this will come back again. There are four changes. This is necessary for all fees and charges in the city. It adds twenty-five dollars for Youth Court. They pay this fee to mitigate at Youth Court. It updates animal license fees, inserts refund language for building permits, and makes the fee for police reports fifteen cents per page. She will bring back additional fees. Councilmember Huff moved for approval of Resolution D-450. Councilmember Overhauser seconded. Councilmember Trulove asked if these animal license fees were suggested by the County. Ms. Niemeier stated that these are what are currently being charged. We have been collecting them for years. Carried unanimously.

**7. 08-056 – Resolution D-451 – Cheney WWTP Expansion Project – PWTF Closeout** Mr. MacDonald stated that this will authorize submittal of a closeout report and acceptance of the design documents. Councilmember Huff moved for passage of Resolution D-451. Councilmember Trulove seconded. Carried unanimously.

**8. 08-057 – Resolution D-452 – Vacation of Alley Right-of-Way for Block Two, Ranges Addition – Reschedule Hearing Date** Mr. MacDonald stated that they did not get notices out in advance of the twenty day timeline. Councilmember Huff moved for passage of Resolution D-452. Councilmember Trulove seconded. Carried unanimously.

**K. Council Reports** Councilmember Mather attended the Youth Commission meeting. They are working on Relay for Life and Mayfest. Councilmember Overhauser stated that Spokane Transit would like No Parking signs placed along Washington Street in the regular spot for Bloomsday. Councilmember Huff thanked Mr. Winters for the report.

**L. Staff Reports** Mr. MacDonald stated that we heard from DOE regarding Well 8. They are supposed to be issuing a report of examination. It requires a sixty day comment period. The final report will go out at the end of May. We will start drilling in May. Councilmember Mather stated that Mr. MacDonald did a good job and she thanked him. Mr. Richardson stated that there will be an open house for Planning on April 2 at 6 p.m. at the library. Planners from Liberty Lake and Pullman will be there. Mr. Simmons stated that there will be a public meeting on Thursday from 6-8 p.m. at the Wren Pierson Building to talk about the fifty acre park. Mr. Noland stated that he received an email from BPA. They have signed the contract for the rebate. We will get the money within the first two weeks of April. Ms. Fisher stated that the Hotel-Motel Tax committee met and gave funding to Mayfest. She participated in the firefighter interviews. There will be WCIA training for councilmembers on April 22. April 18 will be Cheney Pride Day where City employees will pick up litter during a healthy walk. Mr. Schwartz provided an update on the Douglass annexation. There has been a change of circumstances. Mr. Douglass is vested to build at the mini storage location. Mr. Douglass should be told what the proposal is. There is talk of possibly using beautification funds for the intersection at the Douglass property. Ms. Fisher stated that we have hired Jared Hutton as an IT person on contract. He starts April 1. There will be a budget amendment for that.

**M. Mayor's Report** Mayor Gainer stated that he received a request from the Industrial Development Council of Spokane County for someone from the City of Cheney to sit on the board. He asked councilmembers to let him know if they would like to be on that board.

**N. Executive Session** None

**O. Adjournment** Councilmember McKeehan moved to adjourn the meeting. Councilmember Mather seconded. Carried unanimously. The meeting was adjourned at 7:28 p.m.

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City Clerk

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Mayor