

REGULAR CITY COUNCIL MEETING

April 8, 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 Stockton, Councilmember Trulove, and Councilmember McKeehan. Staff members present included Ms. Fisher, Ms. Niemeier, Mr. Schwartz, Mr. Richardson, Mr. MacDonald, Ms. MacDonald, Mr. Sale, Mr. Simmons, Mr. Wahl, Ms. Cooper, and Mr. Ferguson.

C. Minutes of the Regular City Council meeting of March 25, 2008 were approved as distributed.

D. Claims and Vouchers nos. 93800 through 93802, 93835, and 93845 through 93930 in the amount of \$691,989.63; payroll warrants nos. 52944 through 52994 in the amount of \$28,947.69; direct deposits nos. 23228 through 23381 in the amount of \$236,412.52; claims warrants nos. 93803 through 93834 in the amount of \$283,607.86; and transfers to claims clearing fund for distribution in the amount of \$7,534.36 for a total payroll of \$556,502.43 were approved as read.

E. Claims for Damages None

F. Small Contracts Ms. Niemeier stated that the small contract is with The Two Dudes for a Mayfest performance in the amount of \$350. Councilmember Stockton moved for approval of the small contract. Councilmember Trulove seconded. Carried unanimously.

G. Information Items Susan Meyer, STA, stated that the May 20 ballot will include the reauthorization of the three tenths of one percent sales tax. It will sunset June 30, 2009 unless reauthorized. They carried 80,000 rides in February for the Eagle Pass. The Citizen Advisory Council meets monthly. She presented their accomplishments. STA has the lowest cost per revenue hour than any other transit in the state. Gordon Budke was hired to do a financial audit, and he said it is beneficial to the taxpayers for STA to continue using cash for purchasing. They are in the final stretch of a long range planning process. They are looking at future opportunities. If the sales tax reauthorization were to fail, their sales tax revenue would be reduced by fifty percent. They would lose approximately \$24 million in 2008. Reductions could include weekday evening, Saturday, holiday and special events, and Sunday service. They could release some of the money set aside for emergencies. The system would have to be reduced at some point. With continued funding, they will continue to focus on customer service, increasing ridership, and constraining operating costs to 94% or less. Councilmember Overhauser asked what other jurisdictions have done after this presentation. Ms. Meyer stated that they have drafted resolutions for consideration in support of the tax reauthorization. Mr. Simmons stated that in March the Council approved a contract with Sherry Pratt Van Voorhis. He introduced Ken Van Voorhis. Mr. Van Voorhis stated that this is a nice parcel of land. There were 60-70 attendees at the kick off meeting. They wanted to make sure that they did not just focus on an aquatic facility at the meeting. They wanted to take the information that Studio Cascade prepared and integrate it with everything else. The RCO grant application is due soon. They have received 20-30 emails since the meeting. There were some comments regarding drainage. There were eight citizen teams and ten categories and 71 subcomponents were identified. They will create three schematic designs. The overall consensus is that this is a regional park. They will prepare three regional style concept plans. The next workshop will be May 1 during a Park Board meeting. Information will be posted to the Recreation web page. Mr. Simmons stated that an aquatic study was done in 2002. At that time, the cost was estimated at \$4 million. With inflation, that amount will be quite a bit higher today. He has drafted a plan that coincides with the RCO grant application process. They will be discussing this at the next General Government Committee meeting. This was presented at the last Park Board meeting. We need local support. It seems like an aquatic park is one of the highest priorities. The County funded \$35,000 of the \$50,000 study in 2002. They were also part of the purchase of the park property. We will seek a three million dollar match from the County. If that is successful we will ask for three million dollars from the community. They are encouraging people to draft letters to the County Commissioners in support of the aquatics park. Councilmember Trulove questioned if we will be able to give swimming lessons. Mr. Simmons stated that we will. There is no design for an aquatics facility yet. The County will open a new

facility on the South Hill this summer. We will use that experience and information to go along with ours. They will take a road trip on April 16th to look at aquatics facilities in Ritzville, Moses Lake, and Ephrata. Ms. Fisher stated that they will take pictures and bring them back. Mayor Gainer stated that a covered pool was something that came up at the meeting. He sent letters to the County Commissioners about an aquatics facility. Commissioner Mager has been very supportive of this. Tyler Stockton, 1715 Second St, asked if the aquatics center in Moscow was considered for the tour. Mr. Simmons stated that it was not for this trip, but it could be for another trip. Renton and Othello also have facilities. Mr. MacDonald introduced Troy Bester from EWU. He is here to provide an update on the Elm Street crossing. EWU is in the process of getting a consultant to do a traffic study. Mr. Bester stated that they will perform a traffic study after the Recreation Center has opened. They have contracted with David Evans and Associates. The grand opening of the Recreation Center is May 8th. They will be opening the Tenth Street plaza prior to that. At that point, the signaling will be the same as it was. They will do a two to three week traffic study at that intersection. They will use a data collection that records the pedestrian and vehicle activity with video. They will try to bring the engineer doing the work to a Council meeting. This will move fairly quickly once the initial study is done. They hope to have this out to bid in the summer with construction at the end of August. Construction will wrap up around the time the students get back. Councilmember Trulove asked when the data collection will be done. Mr. Bester stated that it will be done as soon as the fence comes down. The real data collection has to start at the beginning of May when the Recreation Center is opened, but they will have it initialized before then. Discussion followed. Councilmember Overhauser stated that she hopes the analysis will include a recommendation to get the students to behave in whatever way the design wants them to. Mr. Bester stated that it is interesting just watching the pattern that has developed. Councilmember McKeehan asked about public access to the Recreation Center. Mr. Bester stated that he is not on the operations side, but his understanding is that this is a community project. There is a group that is developing a fee structure for public use. David Early is the Recreation Director and he will develop that.

Councilmember Overhauser moved to reverse Items 2 and 3, reverse Items 4 and 5, and add discussion of the County jail as the last item. Councilmember Stockton seconded. Carried unanimously.

H. Appointments None

I. Citizen Comments None

J. Action Items

1. 08-024 – Ordinance U-74 – CMC Chapter 7.20 Regarding Animal Control Mr. Sale stated that this has had the first reading. It adds a new chapter to the Cheney Municipal Code which outlines animal control issues for the city. There is also a resolution for dangerous dog appeals later on the agenda. He requested the second and third readings. Councilmember Overhauser moved for the second reading of Ordinance U-74 in title and summary form only, that reading considered the third, and placed before Council for final passage. Councilmember Huff seconded. Carried unanimously. Yes votes: Councilmember Mather, Councilmember Nixon, Councilmember Overhauser, Councilmember Huff, Councilmember Stockton, Councilmember McKeehan. No vote: Councilmember Trulove. Ordinance U-74 passed.

3. 08-037 – Ordinance U-75 – Wastewater Rate Amendment: Ordinance U-75 Mr. MacDonald requested the third reading. This is for a 3% across the board increase for all customer classifications. For a single family residence, that is approximately eighty-one cents per month. Wilcox Farms is shutting down their Cheney plant. For sewer, that is a loss of 10% of the total revenue. Dr. Larry Esvelt is here to tell us about the loss of Wilcox and the needs of the plant. Joe Tortorelli is here to talk about the marketability of the site. Dr. Esvelt stated that this has been in the planning process for some time. The planning process was initiated several years ago when we decided to look at water reuse. The plant has exceeded the trigger for expansion. It is required by the permit. The trigger was due in part to Wilcox Farms contributions to the plant. Dr. Esvelt stated that he looked at the impact of removing Wilcox. Graphs were provided to the Council. Solids have to be removed from wastewater. Currently they are being processed into compost. Wilcox only contributed about 1% of the wastewater flow. The BOD they contributed was between 10-30%. Without Wilcox that trigger has been lowered significantly. The suspended solids trigger has been exceeded every year for the past eight years. Without Wilcox, it still would have been triggered four of those years. Joe Tortorelli stated that he works on economic development. We had some indication of the closing of Wilcox even though it was somewhat of a surprise. It is a state of the art facility. Other milk processors in Spokane are at capacity.

There is also chilling capacity there. There is one client that is looking in the West Plains area for storage. There are already three prospects for the research and industrial park. None are large water users. He encouraged expansion of the wastewater treatment plant. Mr. MacDonald stated that he thinks it is too premature to address revenue because it is possible for the facility to be occupied. Councilmember Huff stated that Mr. Tortorelli says the building has potential. He questioned if that will increase revenues. Mr. Tortorelli stated that it will. Councilmember Huff stated that The Grove and the Lanzce Douglass development are 300 units. That is \$94,900 per year. If we take in half that, it is still over \$40,000 in rates. Hookup fees will bring in \$600,000. He does not see how we can adjust rates to the citizens. It is risk free. Councilmember Trulove stated that the two issues are if we should expand the wastewater treatment plant and whether to change the monthly rates given the fact that we have not considered the new facilities. Mr. MacDonald stated that we just lost \$195,000 and we will not have the three percent that was factored in. If we do not have the revenue, we are looking at an even larger increase later. The \$195,000 and the three percent total approximately \$240,000. That is more than a 3% increase. Councilmember Overhauser stated that factoring in The Grove and Lanzce Douglass assumes everything is online tomorrow and that everyone is hooked up immediately. Councilmember Mather stated that there was a lot of concern about the connection charges. She questioned why we are not making the small jumps that everyone wanted last time. Councilmember McKeehan stated that he does not think we should raise rates if we do not have to. We can always raise them at a later date. Ms. Fisher stated that twelve million dollars is a lot of money. We have to build the plant. We have been prudent in the utilities. The total utility loss from Wilcox is \$189,000. She contacted the Community Development Department and asked what is anticipated. It is all market driven. The Grove could bring in 500 residents, but nothing is guaranteed. Staff brings information to the Council as factually as possible. If Terra Vista decides not to build, it is lost revenue. If The Grove only fills to half capacity, that is less revenue. We have to expand the plant. Councilmember Huff stated that The Grove is 192 units and utilities will be paid on all of the units. Ms. Niemeier stated that this is incorrect. They only pay if they are occupied. Councilmember Huff stated that he made two trips to the site and that is what he was told. Councilmember Overhauser stated that if you go around town this year, you see a lot more vacancies now than the last year. We no longer have a housing shortage. There are vacancies. Mr. MacDonald stated that this was a very balanced approach. Paying \$32 per month after six years is better than the other jurisdictions around here. That is based on the assumption that we are bringing in the connection charges. The closure of Wilcox is a loss. If it is filled with something other than a mile processor, it may still be a loss. This is a fairly reasonable approach. There may be a fairly hefty rate increase later. Councilmember Huff stated that The Grove was not included in the study. Mr. MacDonald stated that it was included to the point that 1.6% growth was included. Councilmember Nixon asked if we will know more in five or six months. Mr. MacDonald stated that we are not in dire straits. We have been able to build up reserves. If another dairy does not come in, we will lose money. We want to ensure that there is an adequate stream of revenue that comes in to pay builds. We can wait six months to see what happens. Councilmember Mather moved for third reading and final passage of Ordinance U-75. Councilmember Overhauser seconded. Carried with Councilmember Nixon voting nay. Yes votes: Councilmember Mather, Councilmember Overhauser, Councilmember Stockton. No votes: Councilmember Nixon, Councilmember Huff, Councilmember Trulove, Councilmember McKeehan. Councilmember Huff moved to do an evaluation and bring this back during the budget process. Councilmember Overhauser seconded. Carried unanimously. Councilmember Overhauser stated that she would like to have a monthly update on the status of the Wilcox building and our financial status. Mr. MacDonald stated that the closure of Wilcox will be a loss of \$16,000 per month revenue. He will try to report the total net loss monthly.

2. 08-064 – Ordinance U-80 – 2008 Budget Amendment Ms. Niemeier stated that this is the third budget amendment of the year. It adds funding in the Information Technology fund to pay for a seasonal IT person. The Light fund did not budget conservation so this adds that. Part of that is for the light bulbs which are available tomorrow. Councilmember Huff moved for the first reading of Ordinance U-80 in title and summary form only, that reading considered the second and third, and placed before Council for final passage. Councilmember McKeehan seconded. Carried unanimously. Yes votes: Councilmember Mather, Councilmember Nixon, Councilmember Overhauser, Councilmember Huff, Councilmember Stockton, Councilmember Trulove, Councilmember McKeehan. Ordinance U-80 passed.

4. 08-059 – Resolution D-453 – Spokane County Cooperation Agreement for Community Development Block Grant Funds Mr. Richardson stated that this allows us to apply for grants over the next three years. If we want to stay in the consortium, we need to sign this. Councilmember Huff moved for approval of Resolution D-453. Councilmember Stockton seconded. Carried unanimously.

5. 08-060 – Resolution D-454 – Cheney WWTP: Authorization to Bid Mr. MacDonald stated that this authorizes the bid for the Wastewater Treatment Plant expansion. We have an \$11.6 million loan at zero percent interest. We tried to get grant money several times. We were recommended for funding, but did not receive it. Councilmember Huff moved to approve Resolution D-454. Councilmember Trulove seconded. Carried unanimously.

6. 08-061 – Resolution D-455 – Cheney Research and Industrial Park: Development Agreement Mr. MacDonald stated that the draft agreement has been finalized. This is needed in order to close on the property, which is scheduled for April 25. Councilmember Huff moved for approval of Resolution D-455. Councilmember Trulove seconded. Councilmember Trulove commended the parties for coming together after long and hard work. Carried unanimously.

7. 08-062 – Resolution D-456 – STA Cooperative Funding Agreement – Presley Drive Preservation Project Mr. MacDonald stated that this is money from the .3% sales tax Susan Meyer was speaking about. Councilmember Huff stated that of the \$184,100 estimated cost, this will cost us \$39,100. Mr. MacDonald stated that we received \$145,000 in grant funding. Councilmember Huff moved for passage of Resolution D-456. Councilmember McKeehan seconded. Mayor Gainer stated that this is something we have fought for. Mr. MacDonald stated that we were able to get these funds because of issues with STA and SRTC. He commended the Mayor for his work. Carried with Councilmember Overhauser abstaining.

8. 08-063 – Resolution D-457 – Well Six Replacement Project: Bid Rejection Mr. MacDonald stated that we bid well 6 so that we would have an option if well 8 was not approved. Mr. Schwartz felt that this could not be transferred to well 8 because it is at a different location. He has spoken with the low bidder and they understand the situation. The draft Report of Examination should be posted to the DOE website soon. We would like to go out to bid and award in May. Councilmember Huff moved to approve Resolution D-457. Councilmember Mather seconded. Carried unanimously.

9. 08-065 – Resolution D-458 – Interlocal Agreement with Spokane County for Hearing Examiner Services Related to Dangerous Dogs Mr. Sale stated that this will allow the Mayor to contract with Spokane County for hearing examiner services. We have had one appeal in the last three years. Councilmember Huff moved for approval of Resolution D-458. Councilmember Trulove seconded. Councilmember Overhauser asked if there would be any reason to have this say dangerous animal instead of dangerous dogs. People have all kinds of animals. Mr. Sale stated that the ordinance is written this way. Other animals would probably be considered exotic animals. Carried unanimously.

10. Spokane County Jail Councilmember Overhauser stated that she was shocked that Spokane County was considering the Medical Lake interchange as a possible location for a jail. There is a lot of traffic there and that is a main entrance to our region. We may want to endorse the recommendation to put the new facility where the current jail site is. Councilmember Overhauser stated that the mayors of Medical Lake and Airway Heights have already prepared a letter to that effect. She would like our mayor to do that also. Councilmember Overhauser moved to have the Mayor join the other mayors in recommending the current jail site. Councilmember Huff seconded. Carried unanimously.

K. Council Reports Councilmember Overhauser stated that she would like someone to attend the WSU extension discussion of issues regarding children. She would also like staff to participate in the regional water management dialog if possible. Councilmember Huff thanked staff for the reports.

L. Staff Reports Mr. MacDonald stated that there will be a Public Works and Utilities Committee meeting on Thursday at 5:15 p.m. The committee will discuss curbside recycling. Councilmember Trulove stated that he cannot attend that meeting due to a conflict. Councilmember Nixon will attend as the alternate. Ms. Fisher stated that the IT Department is in full motion with two people. She participated in two Rotary cleanups. She visited a business park in Hayden Lake with Joe Tortorelli. We received the facility study submittals. The department heads will meet on Friday at 10 a.m. to go over the CIP. She will meet with Wilcox on Thursday. City staff was going to have Cheney Pride Day on April 18. Mr. Sale took over and it has been changed to May 31. Mr. Sale stated that the Police Department will try to get all of the neighborhoods to participate and clean up their areas. It will be followed up with a citywide barbecue that evening. We will try to get this to be

a major cleanup issue. They are working with disposal sites. Ms. Fisher stated that she wholeheartedly supports this effort.

M. Mayor's Report Mayor Gainer stated that registration for the AWC Annual Conference in June begins soon.

N. Executive Session Mayor Gainer recessed the meeting for executive session at 7:44 p.m. for 2 minutes with no action to follow. They will discuss potential litigation involving the city. Mayor Gainer reconvened the meeting at 7:51 p.m.

O. Adjournment Councilmember Huff moved to adjourn the meeting. Councilmember Stockton seconded. Carried unanimously. The meeting was adjourned at 7:51 p.m.

City Clerk

Mayor