

REGULAR COUNCIL MEETING

December 2, 2015

Officials in Attendance: Mayor Dorothy Knauss; Councilmen John May, Payton Norvell and John Wight; Councilwomen Sharon Ludwig, Carra Nupp, and Roberta McMillin.

Vacancy: Council Seat #2

Staff Present: City Administrator Mike Frizzell, City Attorney Charles Schuerman, Clerk/Treasurer Pamela McCart

The Mayor called the meeting to order at 6:30 PM.

Audience Comments: None.

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Announcements/Appointments, including:

- Mayor's Youth Award to Robbie Thompson.
- Closing date of December 15th with regard to applications for Council Seat vacancy.
- The Mayor stated that it has been alluded to that perhaps the Council is not aware of what administration is doing. She reviewed the "Separation of Duties Doctrine" with regard to the judicial (court system), legislative (Council) and executive (Mayor) branches -- statutes are clear that they are not to interfere with each other.

It is never my intent to interfere with duties of the Council. When it comes to things that are administrative such as working out agreements – these are always presented to Council for final approval and you have the right to vote for or against. But the process starts with development by administration. If you feel I've treaded on your territory, tell me -- and I will certainly tell you if you've treaded on mine. The system is designed for us to complement each other. If there is something that you do not understand you are always welcome to come in and discuss it with Mike or myself.

Presentations: None.

Consent Agenda:

Motion by Councilwoman Ludwig to approve Consent Agenda consisting of:

- >November 4th and 18th Regular Minutes
- >November Payroll and Claim Vouchers

Seconded by Councilwoman Nupp. Roll call vote taken with all votes in favor. Motion carried.

Public Hearing on Budget for Fiscal Year 2016:

The Mayor opened the public hearing and set forth the format that would be followed. There were no objections to the Mayor participating as chairman. There were no objections to any Councilperson's participating in the proceedings. No Councilperson acknowledged any communications outside of this hearing and no Councilperson acknowledged any gain or interest with regard to this matter.

STAFF REPORT: CITY ADMINISTRATOR MIKE FRIZZELL stated that the major differences include:

- \$1 increase in electric base rate and \$.0042 increase in per KWH charge. These rate changes are our best guess for offsetting the 6.1% increase imposed by Bonneville Power.
- \$1 increase in sewer base rates for the next four years starting in 2016. We noticed a decrease in the sewer beginning fund balance during the last budget cycle and it appeared to be the case for next year. This is our best estimate that this will be flush by 2019 at which time it will be re-evaluated.
- Garbage is increased \$.50 per toter, as per a previously adopted resolution. Initiated \$1 mandatory recycling fee – hope to get this program underway in early spring, maybe sooner.

- Have set aside more reserves than in the past, such as for police car replacement. Need to still work on ways to bring in revenue to support maintaining reserve funds.
- Repayment plan set up for interfund loan taken out for the construction of the shop building. Payment via sale of surplus properties as recommended by Facilities Committee.

PUBLIC TESTIMONY:

There was no written or oral public testimony.

THE MAYOR CLOSED THE PUBLIC HEARING.

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Committee/Commission Reports:

- The clerk read Annual Report from Chamber regarding use of 2015 Hotel/Motel Tax funds.

City Administrator Report:

- The municipal leases under New Business are formatted the same except for the square footage. NEW Alliance is calculated at the government rate of \$.55/sf without leasehold excise taxes. The rest are calculated at \$.75/sqft plus leasehold excise taxes. The only change is the increase of the per square foot utility charge from \$.09/sqft to \$.12/sqft due to the resolution you adopted in November that implemented secondary base rates. The Airport Manager Agreement is the same. The agreement for attorney services reflects a \$150/month increase. The Studio Cascade agreement is not ready – I found out a few days ago that Chaz Bates has discontinued employment there. I believe that Bill Grimes will take over his duties but I have not discussed that with him yet. Fire District #4 has been renting 3 truck spaces from us at a rate of \$7,000/year for the past ten years. I've spoken with a few of the commissioners and they will be getting back to me.

City Attorney Report:

- I have been in contact with Attorney Rowland regarding the Kaiser issue – we are working on that matter and have made progress.
- With the sale of the library to the library district, we are at the point in time where we have all the bullet points in order to put together an agreement and then try to finish that. The dollar amount is okay. It's just nibbling around the edges to make sure certain points are included (for example, the library district wants to make sure that they will be able to get in if we ever sell the building; cost share for repairs; etc.) -- things that would be unique to a municipality, a library and a shared building.

Old Business:

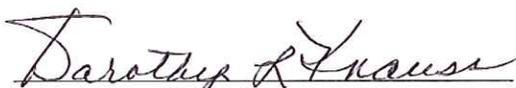
- Motion by Councilwoman Nupp to read Ordinance #895 by title, seconded by Councilman Norvell. Roll call vote taken with all in favor. Motion carried. The Clerk read Ordinance #895 by title. Motion by Councilman May to Adopt Ordinance #895 Granting Cable Television Franchise to Falcon Telecable, seconded by Councilwoman Nupp. Roll call vote taken with all in favor. Motion carried.
- The C/A stated that the federal cable act does not allow the combining of cable and broadband/internet contracts – the rules governing cable are completely separate from those governing internet use. The franchise fee continues to be set at 3%, as most of our revenue is generated from pole contact fees. The term is set 10 years. Motion by Councilman Norvell to Approve Franchise Agreement with Falcon Telecable, seconded by Councilman May. Roll call vote taken with all in favor. Motion carried.

New Business:

- The Clerk read introduction of Ordinance #896. Motion by Councilman May to Adopt Ordinance #896 Adopting 2016 Budget, seconded by Councilwoman McMillin. Roll call vote taken with all in favor. Motion carried.
- Motion by Councilman May to Approve 2016 Municipal Lease Contracts (NEW Alliance, Purple Flat Top, McGrane & Schuerman, Tara Dollar, Bellevue Contractors, Northshore Financial, Chewelah Family Chiropractic and Jessica Newbill), seconded by Councilwoman McMillin. Roll call vote taken with all in favor. Motion carried.
- Motion by Councilwoman Nupp to Approve 2016 Airport Manager Agreement, seconded by Councilwoman McMillin. Roll call vote taken with all in favor. Motion carried.
- Motion by Councilwoman Nupp to Approve 2016 Agreement for City Attorney Services (McGrane & Schuerman), seconded by Councilwoman McMillin. Roll call vote taken with all in favor. Motion carried.
- Motion by Councilwoman Ludwig electing Councilwoman Nupp to serve on Local Firefighter Board of Trustees, seconded by Councilman Norvell. Roll call vote taken with all in favor. Motion carried.
- The Mayor explained that the Council had approved an airport lease amendment some months back, after which the Attorney General did not like it. Our original lease for the 86+ acres at the airport 35 years ago said that when the lease ended all of the improvements would belong to DNR. This amendment says that if the City can buy the airport, all of the improvements will belong to the City. The City would have control over them and they wouldn't have to be removed. The other thing that is different is that as of the first draft, we said we were not going to sign because it included the water system up there. So we negotiated with them to separate that little water system that sits at the end of the airport that serves people. So they separated that out and whether we buy the airport, let the lease lapse or whatever we do, that is protected for the City either to lease or to purchase (that little footprint of property that contains that well and reservoir).

They say we can't go forward with even purchasing until we have this lease signed and the Attorney General signs it. Then the next step in the process would be the drafting of a letter of intent by DNR which will be brought to you. It will basically say this is the cost going forward in getting an appraisal – (they can just have any regular appraiser) -- so there's a cost there. There are also some administrative costs and other things and so they'll lay out the costs and who's going to pay for what. We'll bring that before Council for approval/disapproval. I've spoken with the County and there's an outside chance we could get a little help with our share. DNR started telling us the appraisal could cost around \$25,000 but now they're saying \$10,000. DNR is willing to pay a third of it. We had some conversations with WSDOT-Aviation Division that they might grant us some money to actually buy it. We want to explore it because we can't really do anymore improvements if we don't own it because we can't give grant assurances that we will operate it for twenty more years as an airport. Frankly, DNR has no intention of operating it as an airport if we let the lease run out. They would make us remove the runway and everything. The end term of the lease remains 2035. We have no idea what the appraised value will be. The amendment states that all of the improvements up there to date are authorized – any further improvements will have to be approved in writing. Motion by Councilwoman Nupp to Approve First Amendment to Lease No. 63721 with Department of Natural Resources, seconded by Councilwoman Ludwig. Roll call vote taken with all in favor. Motion carried.

The Mayor adjourned the meeting at 7:15 PM.


Mayor Dorothy L. Knauss


Clerk/Treasurer Pamela McCart