REGULAR COUNCIL MEETING

May 3, 2017

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

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

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

Audience Comments:

David Wantland and Christy Haines regarding proposed noise ordinance.

Announcements/Appointments, including:

- Mayor’s Youth Award – Zachary Bowman.
- The clerk read Mayor’s Proclamation of May 14–20th as National Police Week.

Presentation: None

Consent Agenda:

Motion by Councilwoman Ludwig approving Consent Agenda consisting of:
- April 5th and 19th Regular Minutes
- April Payroll and Claim Vouchers

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

Committee/Commission Reports:

- Park, Councilwoman Ludwig: Discussed written request from Cal Bellevue regarding allowance of bikes, scooters and skateboards at City Park. Would very much like to place paths in the park but funding does not currently exist – it has been placed on the list of things that we would like to be done some day. Discussed splash pads and asked Mike to look into funding for that.

City Administrator Report, including:

- Met with individuals who were interested in operating the museum/taking on more of a leadership role. One did not show up and the other has since gotten a full time job. Everyone is still willing to volunteer his/her time. So they decided to work as a group to make sure that it is operated/open as it has been the past couple of years. They are also going to work on putting together a 501(c)(3) application so it can get grants on its own for its operation and maybe even pay a curator through those grant funds.
- The Mayor and I attended the hearing yesterday in the matter of the City vs. Kaiser (substation property). The judge stated that she will render judgement on May 30th so we’ll go back then.
- Bids for 395 sidewalks will be opened on May 4th. An addendum was added bumping the start date to mid-summer. We had placed the call for bids out late enough that contractor’s schedules were already set so some of the local contractors requested to move the start date out. There was no reason not to – in fact it should bring bids down because then the project will be in cooperation with the Ehorn project (less mobilization costs).
- On Friday bids are due for the demolition of the pool. At this point, we’re just looking to see what it would cost to remove the pool for information purposes only.

City Attorney Report:

City Attorney Mike Waters: . . . a proposed easement over a portion of City property as well as a proposed potential declaration of surplus for that said property. Because both of those involve granting of property rights in City property, I recommend that it be considered by Council. As far as the detail of what’s going on with this particular piece, I’ll let the C/A describe the situation . . .
C/A: There’s a potential sale of a piece of property – it’s actually the old Holland place on Fourth Street West by the football field. This piece of property through a couple of different short plats ended up getting landlocked through the first short plat. Landlocked means that there isn’t a public right-of-way or easement to connect that property with the road system. So when the property next to it got short platted about 7 or 8 years ago, the City did catch it at that time and we had the person who was short platting that property dedicate (if you look on the second to the last page along this parcel it says “burdened parcel”) that to the City because it connects to Franklin Avenue’s easement, the roadway. So that gave them a legal access to their property. What you’re looking at tonight is an official easement so the sale can go through because that never got dedicated as a natural right-of-way -- it’s an easement to allow them to access their property with this sale. So, one, we’re asking you to vote to accept the easement so they can access their property and then I want you to consider declaring this surplus because the next step after the purchase is done is to sell that property (it’s 23’ x 148’) to them so they can combine it with their parcel so there’d be one parcel connected with the actual right-of-way. The easement itself is just the access across that parcel for now.

City Attorney: From a legal perspective the easement allows access to allow the sale of the main parcel to go through and then the new owners would then presumably, I believe, purchase the land if it’s declared surplus by the City.

Motion by Councilwoman Ludwig to grant easement to Holland Family Revocable Living Trust over Assessor’s Tax Parcel No. 0284726, seconded by Councilman May. Roll call vote taken with all in favor. Motion carried.

Motion by Councilman May to declare Assessor’s Tax Parcel No. 0284726 surplus, seconded by Councilwoman McMillin. Roll call vote taken with all in favor. Motion carried.

Old Business:
- The City Attorney explained that this ordinance was modeled upon portions of the WAC as well as other ordinances used by cities around the state. It does set noise limits that may seem low on first glance – they’re lined up with the WAC. What these noise limits do is allow for citation and cessation of noise that exceeds these limitations. The important thing to point out is that the ordinance specifically lists exceptions -- those exemptions mean that there are lots of noises that are not subject to these limitations such as sounds created by: fire alarms, emergency equipment/work, yard maintenance equipment during daylight hours, snow removal equipment, public entity as related to utility services, operation of motorized vehicles for purpose of ingress/egress, officially sanctioned events and parades, event/activity under special use permit. The ordinance includes a grandfather clause regarding sounds emitted within commercial/industrial zones. The C/A stated that it will serve as a tool to allow for enforcement by the police department/prosecutor (allows for measurable level of what is too loud). He also noted that since the ordinance’s introduction changes were made pertaining to snow removal, yard maintenance and the initial infraction fine. It is important to note that the decibel measure would be made at the point of complaint, not the point of origin. Motion by Councilman May to adopt Ordinance #910 Revising Chapter B.10 of the Chewelah Municipal Code and Establishing a Noise Ordinance Based upon Decibel Levels, seconded by Councilman Norvell. Roll call vote taken with Councilwoman Nupp voting against, remaining votes in favor. Motion carried.

New Business:
- The C/A explained that the last revision to the city code established a $25 late fee and removed the five day grace period so that payment was considered delinquent if not received by the end of working hours on the 15th (by 4:30pm). Since then we have had a number of complaints from customers who have dropped full payment in the drop box after 4:30 on the 15th and as a result were charged the late fee. After review, this ordinance was drafted to revise the city code so that instead of being due after working hours on the 15th payment is due on the 15th and
considered delinquent if not received by the City by the next working day following the 15th — this will also resolve the times when the 15th falls on a weekend or holiday. The draft ordinance also addresses the order in which payments will be applied to utility accounts (first to past due amount owed, then to late/service fees, then to deposit amount billed, then to current balance for utility service/usage, then any remainder as a credit to the account). Motion by Councilwoman Ludwig to introduce Ordinance 911 by title, seconded by Councilwoman Nupp. Roll call vote taken with all in favor. Motion carried. The Clerk read the introduction of Ordinance #911 by title. Motion by Councilwoman Ludwig to adopt Ordinance 911 Amending Chapter 13.04 (Utilities Generally) of the Chewelah Municipal Code, seconded by Councilman May. Roll call vote taken with all in favor. Motion carried.

- The C/A explained that this agreement increases the annual uniform allowance from $1,000 to $1,200 and incorporates a 3% cost of living allowance for 2017, 2018 and 2019. It also provides for a 7 day 45 hour work period for the K-9 officer so these additional 5 hours will be paid at regular wage, not overtime (for transporting dog back and forth and for care of the dog). Motion by Councilman May to approve Collective Bargaining Agreement with Teamsters Local Union No. 698 2017-2019, seconded by Councilman Norvell. Roll call vote taken with all in favor. Motion carried.

- The C/A explained that the McGrane lease reflects the addition of some square footage taken from the city storage room for a meeting area. The Arts Guild Lease was up for renewal. Motion by Councilwoman Ludwig to approve Municipal Leases with McGrane & Schwemmer (May 2017-Dec 2017) and Chewelah Arts Guild (May 2017 to April 2022), seconded by Councilwoman Nupp. Roll call vote taken with all in favor. Motion carried.

- The C/A stated that for the past few years budgets have been passed that were short of balancing the sewer fund. A couple of years ago we adopted a $1/year increase over four years and at that time we knew we’d be lucky to break even at the end of the fourth year. We realize now that we need to make a bigger attempt. The Mayor stated that when the City was required to construct the WWTP, it had obtained two 20-year loans from DOE totaling $1,887 million and a 40 year loan from USDA for $2.845 million. We’ve had a healthy beginning fund balance because in 2016 our operating income was $793,532 and our operating expenses were $612,065 so you can see that we had a surplus of $181,000 — but our annual debt service is $274,976 so the auditor and USDA view this as a deficit of $91,909. They’re saying that even though we’ve been handling that with a beginning fund balance, pretty soon we will run out of that beginning fund balance to draw on. So USDA is asking what the City plans on doing about it. The letter from the USDA Loan Specialist stated “The sewer operating fund was negative by approximately $91,909. Please advise how the City proposes to cash flow as the budget for 2017 also shows a negative balance of $102,841.’’ So we’re compounding the problem. This matter was referred to the Finance Committee. Councilwoman Ludwig said they reviewed the numbers and arrived at the $10 increase — it’s just something that needs to be addressed. The Clerk read Resolution 17-02. Motion by Councilwoman Ludwig to adopt Resolution 17-02 Revising Utility Service Rate Schedules (increases sewer base rates by $10 effective with billing for June 2017 services), seconded by Councilman May. During discussion, the Mayor stated that rates were compared with other Class III systems — Colville is $77, Kettle Falls is $65 — our rate will be $68.50. When we built this plant our rates were ridiculously low. When I was C/A and we were planning, both funding agencies came back and said "you’re not even trying to help yourself — you’ve got to find a way to pay for the system" — we thought we jumped them up a lot at that time but not enough. We’re not the only city facing this problem. Councilwoman Nupp expressed concern for seniors on a fixed income. The Mayor said that she felt sorry for senior citizens — I’m one and I’m on a fixed income — but it’s the overall health of the City — we have to progress. It wouldn’t cost them any less to live in Colville or Kettle Falls. I don’t know what the answer is — I feel sorry yet I know that to run the City in a responsible manner, we need to do what we need to do. Councilman Wight asked if there was anything else in the near
future that could get us with this sewer plant in the future. The C/A replied that some of the reasons costs have increased over the past couple of years... the plant was new in 2001. I was hired on and trained to operate that plant and when I was doing that by 2005 it was still brand new, it was a shiny penny. Since then the equipment that runs round the clock has started to fail. A primary component, and it's a small one, failed on us and we had to operate manually by raking stuff up. That piece of equipment cost us $20,000 for our guys to repair it -- to buy it new would have been $80,000 and that piece of equipment was half the size of this counter top. Over the last couple of years we've had motors fail that cost $25,000 and there was no redundant motor. We didn't have an extra motor so we were operating on the verge of non-compliance for a 4 month period while we were waiting for this to be built in Germany and shipped to us. Since then we're trying to operate smarter -- right now we're working on ordering a spare so we don't have to worry about being out of compliance but everything in that plant is going to get harder to fix over time. We knew those costs were going to increase, especially after the first 10 years. Another thing to keep in mind is that for cities our size it's very difficult to run a Group III system like that. It's a very intricate system and we're able to do it with 1 to 2 people. There are only 2600 people in town -- that's 1200 sewer accounts to share the cost of operating the same system as Cheney which is 8 or 9 times our size. They're paying the same amount to operate the same system but they're sharing that cost over a much larger customer base. The Mayor said the downside is that the Department of Ecology can come in and tell us what we must do. Regulations drive me insane because we can't afford to do it and by the time we get this paid for -- before we get it paid for -- we're going to need to upgrade it. That's one of the things I try to fight at the legislative level -- stopping the regulations that tell us we have to do all this stuff that cost our citizens so much money. So far I haven't made any progress. The C/A stated that sewer costs are not just for the treatment plant -- they also include the collection system -- a system we're still using, some of which was originally placed circa 1910. It's a very old system and we've placed band aids on it for years. Some of what you see in the budget is also required by Department of Ecology -- to fix our I&I (inflow and infiltration) issues. Basically, old sewer pipes collect water from the ground -- the reason they tell us we have to fix that is because our plant was designed to treat 2.5 million gallons/day. During the winter time when there's no irrigation we pump 250,000 gallons/day to flush toilets and brush your teeth -- that's what we should be treating at the plant every day. In the spring those leaky pipes -- we reached 3.5 million gallons in one day from the water pumping into our system. So Ecology says if you're not going to fix your system under the ground, we're not going to issue a permit -- so that is part of our permit. If we move forward with I&I reduction -- we've done the study, we started to put some funds away for that. We need to continue that -- when we actually start fixing it, that's going to have to be a steady item we put in every annual budget -- to fix one block of leaky sewer pipe or whatever it will be. It's not just the new plant, and every city is facing this. Their infrastructure got put in at the turn of the century, including water pipes, and a lot of cities have not put enough funds aside to repair those as they went along. There are a lot of us out there trying to fix water systems that are 60 years old and we've just been putting band aids instead of replacing them. Our city has done a good job over the last 15 years of replacing old leaky lines. Some other cities haven't had that option. We're all facing the old infrastructure and trying to figure out how to modernize. Right now when that I&I floods our plant we're out of compliance. If we can get a handle on that -- our plant is designed for 2.5 million gallons/day -- our current population is only 250,000 gallons a day -- so we have a lot of room for growth if we maintain a maintenance schedule and stay on top of things that need to be replaced. Our plant was designed to last a very long time if we stay on top of it. Roll call vote taken with all in favor. Motion carried.
• The clerk read the introduction of Ordinance #912. Motion by Councilman Norvell to adopt Ordinance #912 Amending the 2017 Budget, seconded by Councilwoman Ludwig. Roll call vote taken with all in favor. Motion carried.

The Mayor adjourned the meeting at 7:50 PM.

Mayor Dorothy L. Knauss

Clerk/Treasurer Pamela McCarr