

WALLA WALLA CITY COUNCIL

Regular Meeting Minutes

November 28, 2012

1. CALL TO ORDER



Mayor Barrow called the meeting to order at 7:03 p.m.

Present: Councilmembers Conrado Cavazos, Jr., Barbara Clark, Jerry Cummins, Mary Lou Jenkins, Shane Laib, Chris Plucker and Mayor Jim Barrow.

Absent:None.

City staff in attendance: City Manager Nabel Shawa, City Attorney Tim Donaldson, Deputy City Manager Tim McCarty, Public Works Director Ki Bealey, Parks & Recreation Director Jim Dumont, Police Chief Scott Bieber, Public Library Director Beth Hudson, Fire Chief Bob Yancey, Public Works Manager Mori Struve, and City Clerk Kammy Hill.

2. PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Councilmember Cummins led the pledge of allegiance followed by a moment of silence.

3. PUBLIC COMMENTS

Jennifer Ostermann, 1032 Pomona, Walla Walla, asked if the City Council would be voting on whether to increase property taxes this evening. Mayor Barrow responded this is Item B on the Active Agenda and a vote will be taken.

4. CONSENT AGENDA

City Clerk Hill introduced the Consent Agenda, Items A through E, as follows:

A. Washington State Liquor Control Board: Application for added privilege for Big Kmart, 2200 Isaacs Avenue.

B. Washington State Liquor Control Board: Change of corporate officers/shareholders for La Ramada, 1708 Isaacs Avenue.

C. Resolution No. 2012-85 awarding the bid for a valve maintenance trailer and related apparatus and equipment to E.H. Wachs.

D. Resolution No. 2012-86 authorizing the City Manager to close out a 2010 justice assistance grant.

E. Approval of minutes of the Work Session held November 12, 2012.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on any of these items.

Councilmember Plucker moved to adopt Consent Agenda Items A through E. Councilmember Cummins seconded the motion. The motion unanimously carried with 7 yes votes and 0 no votes.

5. ACTIVE AGENDA

A. Discussion/direction on proposed 2013-2014 biennial budget.

City Manager Shawa reported the official public hearing on the preliminary 2013-2014 budget was held November 14. The final budget hearing will be held on December 5. City Manager Shawa reviewed:

- Total proposed expenditures for 2013 - \$75,030,350.
- Total proposed expenditures for 2014 - \$74,272,750.
- Major Funds.
- 2013-2014 cost increases:
 - Medical and dental insurance premiums (6 percent in 2013 and 10 percent in 2014).
 - Retirement contributions (PERS increase from 7.5 percent to 9.1 percent).
 - Salary step increases and reclassifications plus salary related benefits (average of 1.9 percent).
 - No cost of living adjustments are included; these are subject to labor negotiations.
 - Vehicle replacement full reinstatement.
 - General Fund - \$149,190 increase in 2013 and \$173,780 in 2014.
- Graphical representation of general fund expenses for 2012.
- Services provided under "general government."
- Salaries and benefits are 69 percent of general fund expenses.
- Graphical representation of general fund revenue sources.
- General fund budget assumptions include:
 - Property tax increase of one percent per year plus tax from new construction.
 - Use of one-half of the banked levy capacity - \$185,228.
 - Sales tax revenue forecasted to increase two percent.
 - City utility tax increase of one-half percent in 2013 and one-quarter percent in 2014 (internally absorbed) – estimated increase of \$130,000.
 - Property tax increase due to proposed annexation in 2014. (\$125,500 per year estimate, plus utility taxes estimated at \$86,000).
 - Transfer of investment income to General Fund - \$30,000.
 - Increase parking fines - \$19,000.
- Proposed library budget changes:
 - Loss of \$245,000 Rural Library District contract.

- Increase City support by \$120,000, resulting in a net budget reduction of \$125,000.
- Eliminate vacant Library Technician position.
- Eliminate Library Specialist position.
- Reduce hours for 3 Library Associates.
- Add one-half Library Associate position.
- Decrease budget for materials by ten percent in 2013 and twenty-eight percent in 2014.
- Reduce open days to 5 days per week (closed on Sunday & Monday), reducing operating hours from 47 hours to 37 hours.
- Decrease budget for Professional Services (such as programming) by forty-seven percent.
- Proposed park and recreation budget changes:
 - Close City Aviary – budget includes funding for 3 months in 2013 to relocate birds and additional funding for removal of pens and site restoration (savings \$55,000 per year after closure).
 - Suspend Endowment Care Fund contributions and use for Cemetery maintenance (savings of \$20,000 per year).
 - Parks & Recreation provides facilities maintenance – reduce janitorial at Police Department (from 5 to 4 days per week) and Library to 5 days per week. City Hall is currently at 4 days per week (savings of \$17,000 per year).
 - Increase various Recreation Program fees (\$7,000 additional revenue).
 - Increase Cemetery fees five percent in 2013 & three percent in 2014.
- Proposed fire budget changes:
 - Eliminate 1 fire prevention officer position (currently 2 positions), savings \$105,000.
 - Reduce WW Fire Technical Response Team from 17 members to 9 members & join Tri-County Team (Richland, Kennewick, Pasco, and Yakima). Net savings \$17,000.
 - Miscellaneous other reductions totaling approximately \$65,000 savings.
- Proposed police budget changes:
 - Leave current Police Officer opening vacant (currently there are 41 Commissioned Officers vs. 45 in 2010). \$80,000 savings.
 - Reduce sick leave payout due to no anticipated retirements in 2013. \$24,000 savings.
 - Increase parking fines from \$5 to \$10. Estimated revenue increase of \$19,000.

- Add \$25,000 for downtown seasonal patrol. Provides 2 Officers dedicated to downtown bicycle/foot patrol, Memorial Day through Labor Day, 3 to 4 days per week.
- Proposed Support Service changes:
 - Eliminate Support Services part-time secretarial position, currently vacant, \$48,000 savings.
 - GIS Cost recovery for enterprise fund work projects. \$97,000 increase to the general fund.
- Community Programs:
 - Community Center for Youth - \$15,000; external organization assisting with funding.
 - Downtown Foundation - \$15,000 moved to Lodging Tax Fund.
 - Commitment to Community - Continue contracting for service with public works. 2012 trial year worked well.
- Proposed general fund support for streets - \$419,690. Transfers to Streets Projects:
 - Myra Road - \$250,000 in 2013, one time action.
 - 13th Avenue at Rose Traffic Signal Phase 2 - \$100,000 in 2013, one time action.
 - Traffic signal upgrades \$69,690 in 2013 – 17 traffic detection cameras, 5 control cabinets, 1 controller, Roosevelt/Isaacs vehicle detection loops.
 - Future Streets projects funded by grants may require a cash match from the general fund.
- Projected ending fund budget for 2013 is \$2,451,540 (10.2 percent); and for 2014 it is \$2,863,720 (11.8 percent).
- Street fund budget for 2013 and 2014.
- General fund expense trend. 44 employee positions eliminated (2010-2013) or about 15 percent of the City workforce, representing 35.88 full time equivalents. Reduced costs by \$2,500,000.
- The 2013-2014 general fund budget is ugly and there is something in it for everyone to detest.

There was discussion on:

- Impact if the money for the vehicle replacement fund is not appropriated in the budget. Staff explained the difficulty of not funding vehicle replacement costs on an annual basis.
- How the vehicle replacement fund is used.
- How staff determines whether to repair or replace a vehicle.

- The current vehicle replacement fund is approximately \$4,000,000. This fund is made from contributions from not only the general fund but also the enterprise funds. All of these funds are not anticipated to be spent in 2013. Replacement depends on the specific piece of equipment and utilization.

Mayor Barrow invited public input.

Richard McFarland, Middle Waitsburg Road, Walla Walla, had questions regarding funding contained in the Rural Library Districts budget; and asked if the City has a transportation specialist available to review service records and has personal experience with the vehicles in the City's fleet. City Manager Shawa reported the City has a Fleet Services division and oversees the vehicle replacement fund and process. Councilmember Clark explained that no offer has been made by the Rural Library District and doesn't believe their budget contains funds for City library service in 2013.

Dominick Elia, 302 S. Roosevelt, Walla Walla, commented that over fifteen employees transferred to the Joint Community Development Agency and the figures shown by City Manager Shawa regarding the number of positions eliminated must have been an oversight. Mr. Elia also commended Council for their questions regarding funding for the vehicle replacement fund and suggested the City review their policies regarding purchasing replacement vehicles.

There was no action taken by the City Council.

- B. Ordinance No. 2012-22 fixing the amount of the regular ad valorem tax levy necessary to raise the additional amounts needed between estimated revenues from sources other than ad valorem taxes for certain funds and the estimated expenditures for said funds; levying the regular annual ad valorem taxes of the City for the year 2013 of the 2013-2014 fiscal biennium; and apportioning the same to certain funds for certain purposes.

Deputy City Manager McCarty reported a public hearing was held on November 14. The City Council adopted a resolution to approve a property tax increase consisting of: the one percent regular increase; a refund levy; an increase for new construction and annexation; and use of one-half of the banked levy amount. Ordinance 2012-22 imposes the one percent increase; use of one-half of the banked levy; and an increase due to new construction and annexation. Ordinance 2012-23 imposes the

tax refund levy. Ordinances 2012-24 and 2012-25 impose the amounts necessary for the police and fire station bonds.

Mayor Barrow invited public input.

The following spoke in support of the property tax levy increases proposed in Ordinance No. 2012-22:

- Mary Lou Yocum, 660 Pleasant Street, Walla Walla.
- Annie Capestany, 1333 Alvarado Terrace, Walla Walla.
- Norm Ostermann, 1032 Pomona, Walla Walla.
- Jennifer Ostermann, 1032 Pomona, Walla Walla.
- Dorothy Knudson, 250 Rancho Villa, Walla Walla.

The following spoke in opposition of the property tax levy increases proposed in Ordinance No. 2012-22:

- Dominick Elia, 302 S. Roosevelt, Walla Walla.

There was discussion on:

- Whether the City should reinstate payments from the general fund to the vehicle replacement fund due to the current economic situation.
- The budget is very slim and doesn't provide the same level of services or staff to provide those services. It is financially prudent to pay into the vehicle replacement fund so the City doesn't have to borrow money to replace necessary equipment.
- The services provided collectively to City residents are less expensive than if each resident were to pay for the same service individually.

Councilmember Clark moved to adopt Ordinance No. 2012-22. Councilmember Cummins seconded the motion.

There was further discussion on:

- This is a bad budget all the way around; business is not good; and now is not the time to raise taxes.
- Position of the Chamber of Commerce on imposition of a business license program versus property taxes.
- Concerns with funding vehicle replacement and using one-half of the banked levy capacity.

The motion to adopt Ordinance No. 2012-22 carried with 4 yes votes and 3 no votes by Councilmembers Cavazos, Laib, and Plucker.

C.Ordinance No. 2012-23 fixing the amount of a tax levy necessary to raise the amounts needed for funding tax refunds paid or to be paid.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Cummins moved to adopt Ordinance No. 2012-23. Councilmember Jenkins seconded the motion. The motion carried with 5 yes votes and 2 no votes by Councilmembers Cavazos and Laib.

D.Ordinance No. 2012-24 fixing the amount of the excess ad valorem property tax levy necessary to raise the amounts needed to meet the debt service obligation associated with improvements to police station facilities; levying the annual excess ad valorem taxes of the City for the fiscal year 2013 for that purpose; and apportioning the same to certain funds for certain purposes.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Cummins moved to adopt Ordinance No. 2012-24. Councilmember Plucker seconded the motion. The motion unanimously carried with 7 yes votes and 0 no votes.

E.Ordinance No. 2012-25 fixing the amount of the excess ad valorem property tax levy necessary to raise the amounts needed to meet the debt service obligation associated with improvements to fire station facilities; levying the annual excess ad valorem taxes of the City for the fiscal year 2013 for that purpose; and apportioning the same to certain funds for certain purposes.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Cummins moved to adopt Ordinance No. 2012-25. Councilmember Jenkins seconded the motion. The motion unanimously carried with 7 yes votes and 0 no votes.

F.Ordinance No. 2012-26 amending Section 8.20.195, and repealing Sections 3.101.010 and 8.20.100 of the Municipal Code.

City Manager Shawa reported this is a housekeeping ordinance to clean up the provisions in the Municipal Code. It separates out the state excise tax from the rates, removes the section regarding internal discounts, and eliminates the provisions regarding alley pick up since this service is no longer provided.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Clark moved to adopt Ordinance No. 2012-26. Councilmember Jenkins seconded the motion. The motion unanimously carried with 7 yes votes and 0 no votes.

G.Ordinance No. 2012-27 establishing various solid waste collection and disposal rates, charges, and penalties.

City Manager Shawa reported this ordinance creates a new service option for ten cubic-yard drop boxes for citizens; increases the curbside recycling rate; and increases the landfill tipping fees by 9.5 percent per year. Public Works Director Bealey reported this ordinance amends the solid waste rate ordinance and allows the City to change to every other week recycling pick up.

There was discussion on:

- Changing to bi-weekly recycling with a monthly rate increase of \$.75 per month.
- Outcome of negotiations with Basin Disposal over the proposed rate increase.
Public Works Director Bealey indicated staff had met with Basin Disposal. Derrick Dietrich, Basin Disposal, commented that Basin Disposal does not have a slush fund or fund balance to pay extra costs. These costs have come out of the pocket of Basin Disposal. Essentially, Basin Disposal has subsidized service

to the City of Walla Walla. More material and more participation are the main drivers of the increased costs.

- This contract amount is much smaller than the expenses in the City's enterprise funds so as a percentage increase it looks much larger.
- Basin Disposal is losing revenue and a rate increase is justified.

Mayor Barrow invited public input.

Mary Lou Yocum, 660 Pleasant Street, Walla Walla, asked for an explanation on the higher costs being experienced by Basin Disposal and felt these costs should be offset by increased revenue from the recyclable materials. Council responded the contractor does not get to keep the revenue from the sale of recyclable material. Mr. Dietrich commented on measuring the usage of the system.

Beth Call, 102 Otis, Walla Walla, commented that the rise in fuel costs were unpredictable. The citizens appreciate the service and are okay with changing to a bi-weekly pick up for recycling.

Councilmember Cummins moved to adopt Ordinance No. 2012-27. Councilmember Clark seconded the motion.

There was further discussion on:

- The increase in the landfill tipping fees does not completely recover the full cost of the service.
- Recycling is good stewardship but is an unfunded mandate as the City is required to reduce the waste stream going into the landfill.
- The recycling service is being reduced to bi-weekly but the rate will be increased.

Richard McFarland, Middle Waitsburg Road, Walla Walla, commented that the money from the sale of the recyclables comes back to the City. These funds can be used to pay for the freight.

The motion to adopt Ordinance No. 2012-27 unanimously carried with 7 yes votes and 0 no votes.

Council asked that adequate public notice be provided to residents. City Attorney Donaldson reported that flexibility with the commencement date for the change to every other week recycling service has been built into the ordinance.

H.Ordinance No. 2012-28 amending Section 2.76.070 of the Municipal Code pertaining to Mountain View Cemetery fees.

City Manager Shawa reported this ordinance will increase cemetery fees.

Parks & Recreation Director Dumont reported the proposed increase will generate an additional \$10,000 in 2013 and \$6,000-\$7,000 in 2014. There are no fee increases proposed for veterans, infants, or childrens graves. These increases are necessary because the endowment fund is not generating interest revenue for maintenance and operations.

There was discussion on:

- Impact to cemetery fees due to people choosing alternatives to traditional burial. Parks & Recreation Director Dumont responded that fifty percent of the business at Mountain View Cemetery is cremation. This business is static and the increase is not expected to impact the type of service.
- There are no increases proposed for veterans, infants, and childrens graves. Parks & Recreation Director Dumont clarified that the veterans fees only apply to the veterans section in the cemetery.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Laib moved to adopt Ordinance No. 2012-28. Councilmember Plucker seconded the motion. The motion unanimously carried with 7 yes votes and 0 no votes.

I.Ordinance No. 2012-29 amending fees and charges related to parks and recreation.

Parks & Recreation Director Dumont reported staff is proposing recreation program fee increases to fourteen fees out of 108. These fees are competitive within the marketplace.

There was discussion on the fees to be increased and comparable fees. Swim lessons are only provided to children.

Mayor Barrow invited public input. No one in the audience chose to address the City Council on this issue.

Councilmember Laib moved to adopt Ordinance No. 2012-29. Councilmember Cavazos seconded the motion.

Mayor Barrow commented that soccer is a very important program. He doesn't believe \$7,000 is a significant amount and asked the City Council to vote down this fee increase. There was discussion on only raising adult fees; the scholarship money is raised by staff contacting sponsors. Scholarships are awarded based on income with the household paying at least twenty-five percent of the program fee.

Council asked what would happen if the fees are not raised. Parks & Recreation Director Dumont reported that the Department of Revenue is requiring payment of sales taxes on programs except for instructional programs. The budget will have a shortfall if the fee increases are not approved.

The motion to adopt Ordinance No. 2012-29 carried with 6 yes votes and 1 no vote by Mayor Barrow.

J. Approval of minutes of the Work Session held November 5, 2012.

Councilmember Laib moved to approve the minutes of the Work Session held November 5, 2012. Councilmember Jenkins seconded the motion. The motion unanimously carried with 6 yes votes, 0 no votes, and 1 abstention by Councilmember Cavazos.

7.UNFINISHED AND NEW BUSINESS

Council agreed to take up unfinished and new business before giving their meeting reports.

Councilmember Laib asked if there was a policy or procedure regarding the use of the new ladder truck and expressed concerns with the cost of driving it around the City. City Manager Shawa reported the Fire Chief is putting the truck into use during the first year to determine if there is any warranty issues that need resolved. Council indicated they would like to see the new ladder truck driven less.

Councilmember Cummins reported the Finance Committee has wrestled with the provision of library services to non-city patrons and appropriate fees for service. The Finance Committee met with the City Manager and Library Director to discuss establishing a fair non-resident library card fee.

Councilmember Cummins moved to adopt Ordinance No. 2012-30 amending Section 2.96.020 of the Municipal Code pertaining to miscellaneous library fees and charges. Councilmember Laib seconded the motion.

Councilmember Cummins reported the non-resident library user fee of \$68 per year was determined by using the City's cost per capita and the average household size. Library staff will monitor the use of a single card by household.

Clarification was provided on the intent of the motion to adopt Ordinance No. 2012-30.

There were comments on whether it would be acceptable to have a non-resident youth fee. Councilmember Cummins indicated he did not want to see rates below what a citizen of Walla Walla pays for library services. Council indicated they were happy to be able to vote on this issue.

The motion to adopt Ordinance No. 2012-30 unanimously carried with 7 yes votes and 0 no votes.

6.COUNCIL MEMBER MEETING REPORTS

Councilmember Laib reported attendance at the Blue Mountain Humane Society Board meeting held October 19; the Aarons ribbon-cutting ceremony held November 2; the Hotel & Motel Commission meeting held November 12; the Work Session held November 12; the Chamber of Commerce legislative luncheon held November 14; the Tourism Walla Walla Board meeting held November 15; the Borleske Stadium Association Board meeting held November 19; meetings with a citizens group to save the aviary held November 20 and November 27; and the Chamber of Commerce Annual Recognition Banquet held November 28.

Councilmember Jenkins reported attendance at the Sustainability Committee meeting held October 2; the Work Session held October 8; the Solid Waste Advisory Committee meeting held October 10; the Senior Center waffle dinner held October 16; the Aarons ribbon-cutting ceremony held November 2; the Work Session held November 5; the Sustainability Committee meeting held November 6; the Solid Waste Advisory Committee meeting held November 7; the Work Session held November 12; and the Chamber of Commerce Annual Recognition Banquet held November 28.

Councilmember Cummins reported attendance at the Valley Transit Board meeting held October 18; the Finance Committee meeting held October 24; the Regional Transportation Planning Organization meeting held October 25; the Work Session held November 5; the Valley Transit budget committee meeting held November 6; the Metropolitan Planning Organization meeting held November 8; the Port of Walla Walla Economic Development Committee meeting held November 27; and the Chamber of Commerce Annual Recognition Banquet held November 28.

Councilmember Clark reported the entire City Council attended the Chamber of Commerce Annual Recognition Banquet held November 28 where Councilmember Cummins received the "Spirit of Community Excellence" award.

Councilmember Cavazos reported attendance at the Housing Authority Board meeting held October 22; the Work Session held November 12; the Housing Authority

Board meeting held November 26; and the Chamber of Commerce Annual Recognition Banquet held November 28.

Mayor Barrow reported attendance at the Work Session held November 5; the Metropolitan Planning Organization meeting held November 8; a meeting with the Board of the Farmers Market on November 8; the Work Session held November 12; the LEOFF 1 Disability Board meeting held November 13; the Fort Walla Walla Historical Society meeting held November 13; a presentation before Leadership Walla Walla held November 14; the Blue Mountain Action Council Board meeting held November 14; the Chamber of Commerce legislative luncheon held November 14; a meeting with David Woolson of the Chamber of Commerce held November 16; the Port of Walla Walla Economic Development Committee meeting held November 27; and the Chamber of Commerce Annual Recognition Banquet held November 28.

8.ADJOURNMENT

There being no further business, the meeting adjourned at 9:21 p.m.