

WALLA WALLA CITY COUNCIL

Work Session Minutes

August 13, 2012

1. CALL TO ORDER



Mayor Barrow called the meeting to order at 4:00 p.m.

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

Absent: Councilmember Conrado Cavazos, Jr.

City staff in attendance: City Manager Nabil Shawa, City Attorney Donaldson, Deputy City Manager Tim McCarty, Public Works Director Ki Bealey, Public Library Director Beth Hudson, Assistant City Attorney Preston Frederickson, Finance Manager Jean Teasdale, Sustainability Coordinator Melissa Warner, and City Clerk Kammy Hill.

2. ACTIVE AGENDA

A. Library Users Coalition – Annexation Proposal.

Allen Kopf, 1221 Yellowhawk Place, Walla Walla, representing the Library Users Coalition, thanked the City Council for scheduling this item on the Work Session. The Library Users Coalition has filed a formal complaint with the Walla Walla County Commissioners to remove the Rural Library District Board of Trustees for violations of the law. The Library Users Coalition is asking for the following action:

1. Ask staff to prepare a draft ordinance expressing the City Council's intent that the City annex into the Rural Library District under an equitable and accountable governance structure.
2. Transmit the draft ordinance to the City Library Board for review and recommendation.
3. In consultation with the County Commissioners, draft an Interlocal agreement providing an equitable and accountable governance structure for the appointment of Rural Library District trustees.
4. At the City Council meeting following receipt of the recommendations of the City Library Board, consider those recommendations and adopt a final annexation ordinance, to be transmitted to the Rural Library District board for concurrence.
5. At the same Council meeting, adopt a resolution making a formal commitment that in the event city voters approve annexation, the property tax levy of the City will be reduced by an amount at least equal to the City's current general fund expenditures for library services.
6. Propose to the Rural Library District Board that the current contract for library services be extended for one year while the annexation process is under consideration by all parties, in order to provide continuity of services during this period.

The Library Users Coalition has many declarations of support from City and County residents and community leaders. Council asked these declarations be filed with the City Clerk.

City Attorney Donaldson reviewed the following options for combined/cooperative library services:

- Annexation:
 - o A rural library district is an independent public corporation.
 - o Governed by a five member trustee board appointed by the County Commissioners for five-year terms.
 - o Trustees may be removed only for "just cause" after a public hearing upon a written complaint.
 - o Trustees have "exclusive control of the finances of the library."
 - o Upon annexation, a city becomes part of the rural library district.

- Responsibility for the provision and administration of library services in the city is then transferred from the City Council/Manager to the rural library district trustee board.
- The city is added to the rural library district tax base (maximum tax rate of \$0.50 per \$1,000 of assessed property valuation).
- After annexation, the rural library district tax levy would apply in the City:
 - Current rural library district tax rate \$0.486 per \$1,000 assessed value.
 - Annexation would add approximately \$971,486 per year to rural library district property tax revenue.
- Annexation would reduce maximum unrestricted City levy rate from \$3.375 per \$1,000 to approximately \$3.11 per \$1,000 (variable depending on amount of rural library district levy). (City may also be able to levy \$0.225 devoted to fire pension fund.)
- Annexation would not automatically reduce City taxes.
- Current City tax levy rate is approximately \$2.39 per \$1,000; well under reduced maximum rate of \$3.11 per \$1,000.
- The City Council could voluntarily reduce taxes due to expense savings; current library expense paid by general fund is \$760,870 (approximately \$0.38/1,000).
- Any other reductions to offset the \$0.486/\$1,000 rural library district rate would have to be taken from other programs.
- The City Council may initiate annexation by ordinance stating intent to annex.
- The annexation process can only proceed if the rural library district "concur in the annexation".
- Annexation can take place only by city election and approval by 50 percent plus one favorable votes.
- Once annexed, the City cannot seek to withdraw from rural library district for three years.
- Withdrawal requires voter approval.

Randy Snider, no address given, indicated he does not understand how the Rural Library District Board has all this power and is not responsible to the voters. City Attorney Donaldson explained the structure of governance chosen by the County voters in 1972.

- Regional Library:
 - Two or more governmental units, typically a city or cities, a library district and a county, may form a regional library by contract (Interlocal agreement). This could include the County Rural Library District, cities of Walla Walla and College Place, and other interested cities.
 - Expenses may be apportioned as agreed in contract.
 - Withdrawal is allowed with a division of the property based on proportion of contributions.
 - A regional library merges governance administration and operations, but retains separate funding sources.
 - The rural library district would have to be party to agreement to utilize its tax authority/revenues.
 - The City share of regional library expenses would be funded by the City general fund.
 - Custody of funds is assigned to the treasurer of one of the joining units.
 - A regional library is governed by a five or seven member trustee board as agreed by the parties.
 - Trustees are appointed by "joint action" of the legislative bodies of the joining parties (i.e. as agreed to in the regional library Interlocal agreement).
 - Trustees of a regional library have same powers as trustees of a rural library district.
 - All units of government that are a party to a single Interlocal agreement meet, confer and agree on:
 - Regional library board of trustees composition and appointment by the City Council and County Commissioners.
 - Initial appointment of the regional library board.
 - Apportionment of expenses.
 - Designation of treasurer.
 - Library building and real estate.
 - Access to library services.
 - Personnel.
 - Timing and schedule.
 - Other issues as identified.
 - All units: cities, county, and library district approve the same Interlocal agreement by resolution.
 - A ballot proposition is not required.

- All parties must agree to the terms of the Interlocal agreement.

There was brief discussion on whether the Rural Library District Board would continue to exist if a regional library district was formed. City Attorney Donaldson indicated it is likely they would continue to exist for taxation purposes.

- Long-term cooperative contract – 10 or 20-year cooperative contract:
 - Currently:
 - City responsible for library services to its citizens.
 - Rural library district responsible for library services for rural residents.
 - Parties could agree to a long term cooperative contract. Expenses could be apportioned as agreed between the parties as long as the party receiving service pays for "its true and full value."
 - Each existing governing structure would remain.
 - College Place and Waitsburg could enter into a service contract with the City and would also have to pay for "true and full value" of services provided.
 - Cooperative agreement would be in the form of Interlocal agreement approved by governing bodies by resolution.
 - A ballot proposition is not required.
 - Parties must however agree to the terms of the Interlocal agreement.

The Rural Library District has indicated they are not willing to continue to contract with the City. Staff is suggesting the fee for non-resident library cards be adjusted to \$75 per year based on comparables and proportional maintenance and operations costs. The City can continue to provide services to non-residents if no change is made to the Municipal Code. Non-residents will still have to pay taxes to the Rural Library District even if they purchase library services from the City. The City may also choose to implement resident-only borrowing practices, although this is a departure of sixty-plus years of open library policy. Councilmember Clark provided copies of the long-term contract option.

Mayor Barrow invited public input.

Dick Swenson, 606 Craig Street, Walla Walla, commented the only two options available to the City are the last two without the agreement of the Rural Library District. Mr. Swenson indicates he supports forgoing services to non-City residents.

Dan Clark, 717 N. Main Street, Walla Walla, felt the options are limited with the current Rural Library District Board. The County-wide study performed by Ruth Metz recommended annexation for the highest quality library services. A regional library system and two-party contracts still involve painful negotiations with no guaranteed funding base.

Norm Osterman, 1032 Pomona, Walla Walla, suggested library users are fed up and leaning towards a "just cause" removal of the current Rural Library District Board of Trustees and establishment of a new Board.

Jim Johnson, County Commissioner, 985 Reser Road, Walla Walla, clarified the position of the Board of County Commissioners. The County Commissioners have requested the Rural Library District look at formation of a regional library and to keep options open. The County Commissioners received a formal complaint to remove the Rural Library District Board for just cause and have turned the matter over to the County's legal counsel.

Penny Hawkins, 624 Hobson Street, Walla Walla, suggested the current system with the Rural Library District Board is taxation without representation and wondered how they can tax the people of College Place without representation. Council clarified that College Place is not a part of the Rural Library District and is not taxed. Other parts of the County did vote to establish the Rural Library District. The Board is indirectly responsible to the County Commissioners and can be removed for just cause.

Mayor Barrow distributed copies of a draft letter urging the Rural Library District to reconsider their actions and options.

There was discussion on:

- The need for the City Council to act expeditiously since the Rural Library District is scheduled to meet tonight to take action on a second urban area library. It is important to use public money effectively and efficiently and move towards a consolidated system of library services.
- Annexation is an option that should be pursued. Many cities are lacking funds and are seeking new sources of money and ways to provide services.

- The percentage of citizens seeking library services within a building and how library services are changing.
- An election is an opportunity for the public to consider the issues and provide their viewpoints.
- Difficulty in judging public sentiment. Staff has contacted the State Auditors office regarding performing a performance and satisfaction survey within the next month with results expected in the fall.
- The draft letter to the Rural Library District strongly encourages further discussion of options. It was the consensus of a majority of Council to send the draft letter to attempt to keep communications open.
- Whether staff should prepare documents necessary to pursue annexation to reflect the City Councils commitment to the creation of a single unified library system. It was the consensus of a majority of the Council to delay any work on annexation documents to see if there are any further developments with the current Rural Library District Board.

B.Rebuild the Dream Walla Walla: Request for City Council consideration of a non-binding resolution supporting efforts to overturn the Supreme Court ruling, Citizens United v. F.E.C. by an amendment to the U.S. Constitution. Corporations and wealthy individuals must not be able to use their great wealth to effectively overpower the democratic election process to gain their ends and markedly diminish the will of real people, the citizens of the United States of America.

Norm Osterman, 1032 Pomona, Walla Walla, explained the historical legislation and recent Supreme Court decision in Citizens United versus Federal Elections Commission allowing unlimited corporate contributions. A number of court cases have lead to the birth of super political action committees and states now have no rights to limit corporate campaign spending. With increased campaign spending, negative ads are more prevalent which disenfranchises the voters. The side that spends the most money wins. Mr. Osterman asked the City Council to consider passing a non-binding resolution to support efforts to overturn Citizens United v. Federal Elections Commission.

Mary Lou Yocum, 660 Pleasant Street, Walla Walla, reported they are asking for the same resolution passed by hundreds of cities and seven states. Ms. Yocum outlined the impact of this case on elections with special interest money. This creates bad policy and bad law. It has impacted the election of representatives in the judicial system and compromises fair elections because of the amount of money being spent

by large corporations. Rebuild the Dream Walla Walla is asking to go back to a reasonable regulation of campaign finance. This resolution is appropriate for the City Council to consider because of the impacts on national, state, and local elections.

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

There was brief discussion by Council on whether to proceed with the requested resolution. There was no clear consensus to move forward with a resolution at this time.

Mr. Osterman asked if they could bring forth the issue at a future date. Council indicated that public comment is always welcome at their meetings.

Councilmember Laib left the meeting at 5:35 p.m. The Council recessed for a break and reconvened at 5:43 p.m.

C. Review of draft Solid Waste Management Plan Interlocal Agreement.

Public Works Director Bealey introduced Melissa Warner, Sustainability Coordinator, who introduced the members of the Solid Waste Advisory Committee in attendance: David Jepsen, Dr. Harvey Crowder, Sandy Shelin, Steve Wheatley, and Randy Hinchcliffe.

Public Works Director Bealey reviewed:

- Statutory requirement for solid waste planning.
- History of solid waste planning.
- Current status of the solid waste management plan.
- Next steps.
- Policy decision options for the City Council include:
 - a. The City fund and manage a city-specific comprehensive solid waste management plan at an estimated cost of \$150,000. Choosing this option will require amendment to the existing Interlocal agreement with the County to coordinate the update of the 1994 plan. This option may nullify the grant funding offered by the Department of Ecology for a joint city/county planning effort.
 - b. The City actively participate in the plan update discussion as a member of the Solid Waste Advisory Committee, in addition to its role of lead agency

per the 2008 Interlocal agreement with the County for coordination of the waste reduction programming for Walla Walla County. The City's interests in solid waste planning are represented by a Council liaison to the Solid Waste Advisory Committee, as well as staff who administer and attend the Solid Waste Advisory Committee meetings and will act as project manager. While the City will act as lead agency, all jurisdictions included in the plan will have equal opportunity to provide input and direction into the final draft of the plan.

c. The City default all planning authority to the County to prepare the plan. This may result in the City losing its ability to have input into any interim amendments or challenges by other jurisdictions or outside parties.

- The City has historically chosen to participate in the County's solid waste management plan (Option b).
- A \$150,000 planning grant was received in May, 2012 requiring completion of an updated plan by June 30, 2013.
- A consultant has been selected and the scope of work nearly finalized.
- A draft Interlocal agreement has been prepared for cost sharing of this planning effort.
- Next steps include:
 - Approval of the Interlocal agreement for the planning effort with other jurisdictions.
 - Finalizing scope of work and preparation of a contract with HDR Engineers for approval by Council.
 - Formal acceptance of funding from Department of Ecology.

There was discussion on:

- Impact to the Interlocal agreement if the City makes a major change in policy, such as: closing the landfill; privatizing sanitation collection; or discontinuing sustainability program. Staff indicated the final form and content would have to be included in the solid waste management plan to affect proposals or options. The focus of this item is giving the City a voice in preparation of the plan. The Interlocal agreement would allow the City to pursue Option b, which sets the framework for development of the solid waste management plan. The solid waste management plan then determines how solid waste is managed.

- Council indicated they would like to ensure the City is not boxed into any specific direction as was the case with mandatory curbside recycling.
- Clarification was provided on the process going forward.

Mayor Barrow invited public input.

Dick Swenson, 606 Craig Street, Walla Walla, questioned the apparent interchangeable use of the words "Interlocal" and "Intergovernmental." City Attorney Donaldson explained the statute refers to intergovernmental agreements but the terms are used interchangeably.

Dr. Harvey Crowder, Walla Walla County Public Health Officer and member of the Solid Waste Advisory Committee, commented they have worked to move forward with a comprehensive solid waste management plan and hope to keep the plan updated more frequently.

D.2013-2014 Biennium Budget Update.

Deputy City Manager McCarty reviewed the following:

- Library is funded at the current level but without any revenue from the Rural Library District.
- Aviary has been decreased by the reduction of the aviary position.
- Step increases are included but no cost of living or cost of labor adjustments have been budgeted.
- No increase in staffing – this is a status quo budget.
- Concessions from the unions for the last biennium are not continued in the projections.
- Revenue increases are based on 2012 projections and are mostly flat.
- Projected 2012 ending fund balance is \$2,760,104.
- Calculated net budget activity for 2013 would leave an ending fund balance of \$1,618,074. This is more than the required five percent but less than the desired ten percent ending fund balance. Staff is working to honor a commitment of not having expenses exceed revenues to maintain an adequate ending fund balance.
- Staff does not expect any improvement in the economic picture within the next two years.
- Revenue is coming in about \$3,000 more than what was budgeted. Program reductions are being reviewed and are likely, based on the projected deficit.

There were comments by Council on:

- Library is budgeted at current expense level but without any revenue from the Rural Library District. The Finance Committee provided direction to put it at par with other departments in relation to expenses instead of cutting library services because of the loss of Rural Library District revenue. Revenue sources will be reviewed separately.
- One large outstanding issue impacting the 2013-2014 budget is the ongoing labor negotiations with the City's three unions.

Mayor Barrow invited public input.

Dick Swenson, 606 Craig Street, Walla Walla, commented that the structure for managing the budget is not opaque and the City needs to clarify the budget structure and use consistent terminology. Mr. Swenson suggested citizen involvement on a budget committee to make the process more transparent. Budgets are simply plans and it is not clear how things are categorized and moved around. Mr. Swenson asked for citizen representation on the Finance Committee. Council suggested the Finance Committee and staff consider the suggestion for citizen representation.

3. Other Business

No other business was discussed.

4. ADJOURNMENT

There being no further business, the meeting adjourned at 6:18 p.m.