

WALLA WALLA CITY COUNCIL

Work Session Minutes

October 8, 2012

1. CALL TO ORDER



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

Present: Councilmembers Conrado Cavazos, Jr., Barbara Clark, Jerry Cummins, Mary Lou Jenkins, Shane Laib, Chris Plucker and Mayor Jim Barrow.
(Councilmember Plucker arrived at 4:11 p.m.)

Absent:None

City staff in attendance: City Manager Nabel Shawa, Deputy City Manager Tim McCarty, Public Works Director Ki Bealey, Parks & Recreation Director Jim Dumont, Finance Manager Jean Teasdale, City Engineer Neal Chavre, Utilities Engineer Frank Nicholson, and City Clerk Kammy Hill.

2. ACTIVE AGENDA

Jake Hollopeter, 1051 Boyer Avenue, Walla Walla, representing Anderson Perry & Associates, presented the City with the Infrastructure Assistance Coordinating Council (IACC) community facilities award for the Edith & Carrie Streets neighborhood revitalization projects. Mayor Barrow thanked Mr. Hollopeter and staff for the award and recognition.

A.IRRP Program Status – Required Sunset Review.

City Manager Shawa reported the infrastructure repair and replacement program (IRRP) included a sunset provision to ensure projects were delivered and the program was effective. This review is required to be completed by December 31, 2012. The City now has three years of projects completed with great success. IRRP funds were leveraged with a grant for the Edith/Carrie Streets IRRP. This program has also won three awards and staff is not aware of any downsides.

Public Works Director Bealey recognized Mike Laughery, Engineer and IRRP program manager. Director Bealey provided an overview of:

- Status review required by Ordinance No. 2010-11 and the expiration of the ad hoc infrastructure improvement committee formed by Ordinance No. 2010-12.
- Funds spent on the program and the number of feet of water, sewer, and street improvements. There was brief discussion on why the replacement sewer lines are slightly less than the water and street replacements.
- Before and after photos of the projects.
- Status of funding for IRRP projects.
- Accolades and awards garnered by the program:
 - Going Above and Beyond in Drinking Water award from the Washington State Department of Health.
 - Municipal Excellence in Public Works award from the Association of Washington Cities.
 - Community Facilities award from the Infrastructure Assistance Coordinating Council.
- Brief video produced by Association of Washington Cities on the success of the program.

Staff recommends continuance of the IRRP and the ad-hoc infrastructure improvement advisory committee.

Paul Wemhoener, member of the ad-hoc infrastructure improvement advisory committee, commented on the success of the program and encouraged its continuance.

There was brief discussion on the continuance of the utility rate increases.

It was the consensus of a majority of Council to move forward with items to approve the continuance of the IRRP and ad-hoc infrastructure improvement advisory committee on October 17.

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

Mayor Barrow also recognized and commended the efforts of the ad-hoc infrastructure improvement advisory committee members, Deputy City Manager McCarty, and Finance Manager Teasdale.

B. Recycling Rate Increase.

City Manager Shawa introduced Darrick Dietrich of Basin Disposal, Inc. and reported the contract with Basin Disposal allows the annual filing of a rate increase request. The City Council may approve or deny this rate increase request.

Mr. Dietrich reported there are three variables to providing recycling service:

1. Cost of providing service. This cost has remained fairly steady and not escalated much.
2. Participation rate. This rate was thirty-eight percent when proposals were submitted. Current participation rate is now forty-four percent and is the major driver of increased costs.
3. Tonnage rate – the amount of recyclables set out for collection.

Mr. Dietrich reviewed:

- Comparison of productivity information for curbside recycling program in 2008 versus current program participation (24.71% increase) and tonnage collected (120.99% increase).
- Increase in labor costs is 9 percent.
- Operations and maintenance cost increase is 3.10 percent.
- Increased program participation equals more route hours.
- Fuel expense has increased 45.39 percent.
- Processing costs have increased due to volume increase (tonnage). This should be a cost passed through to the City but is currently being absorbed by Basin Disposal.
- Fuel surcharge methodology and proposals.

There was discussion on:

- Term of current contract is seven years.
- Impact of selecting a fixed rate on the current contract. Mr. Dietrich explained the long term nature of solid waste collection agreements due to the need to recoup capital costs to provide the service.
- Assumptions made about the participation rate, effect on the program, and future fuel costs.
- Impact on increased participation in labor costs and alternatives if an increase is not granted.
- Current economic climate and increasing rates.
- Feasibility and acceptability of changing to a bi-weekly collection system for recycling or offering smaller container sizes to reduce costs. City Manager Shawa indicated the biweekly recycling option is a question being asked of residents as part of the current citizen survey being conducted by the Elway Group on behalf of the State Auditors office and City.
- Alternating pickup weeks for trash and recycling to reduce trip costs; improving efficiency of service; and postponing a decision to review other options. Two separate entities provide refuse and recycling pickup which make efficient program changes very difficult. Either party can terminate the recycling contract based on one years notice to the other party. Walla Walla is mandated to provide recycling service by the solid waste management plan and is mandated to reduce the amount of solid waste going into the landfill.
- Raw survey data will likely be available this week and it may provide some information on how residents feel about moving to biweekly pickup service for recycling to reduce the amount of a rate increase.

- Service to multi-family dwellings and complaints from tenants about overfull containers. Staff will look into the issue.
- If a rate increase is delayed to November, then the increase will not be effective until February 2013.

The three options for consideration are:

- 1.Changing to biweekly recycling service.
- 2.Implementing a fuel surcharge.
- 3.Deny a rate increase.

There was brief discussion on how often a fuel surcharge would fluctuate. Mr. Dietrich said this is open to negotiation but felt every two months would be appropriate due to the administrative work and consumer frustration with the change.

It was the consensus of a majority of Council to delay consideration of a change in recycling rates to the first meeting in November.

Mayor Barrow invited public input.

Jackie George, 1842 Parkview Place, Walla Walla, asked if there was any possibility of including glass in recycling and how citizens can access the survey. Mayor Barrow responded that it actually costs the City to recycle glass due to lack of a market so that is why service was discontinued. The survey is being conducted by random selection of telephone numbers so it is statistically valid.

Doug Simmons, Walla Walla, indicated citizens are trying to help by not putting containers out in poor weather and commented that if the tonnage goes up for recycling then there should be an associated savings on the sanitation side. Staff explained that the landfill has fixed costs for operations and these costs must be recouped so there is no associated cost savings for sanitation service, and the costs actually increase.

C.Capital improvement plan update and discussion.

Public Works Director Bealey reported staff is trying to compile the ratings of the City Council to provide a composite rating for general fund projects. A distinction needs to be noted for cemetery projects as these are not requesting general fund dollars. The cemetery projects have their own source of funding from the Lamar bequest.

Public Works Director Bealey distributed revised copies of the capital improvement project summary sheets and reviewed the ratings. These ratings are based on information provided by four of the seven Councilmembers. There was discussion on how the ratings stack up against each other in competing for very limited general fund dollars. The City has many needs to address with very limited funds.

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

D.2013-2014 Preliminary Biennial Budget.

City Manager Shawa provided a budget development schedule update. Staff and the Finance Committee are still wrestling with the general fund with additional Finance Committee meetings scheduled on October 9 and October 10. Staff is proposing a special Work Session on November 5 dedicated to the 2013-2014 preliminary budget, with November 12 as a "reserved" date in case further discussion is necessary. Staff anticipates providing Council with a preliminary budget the week of October 29. Council asked for a printed copy of the line item budget along with a budget summary.

Mayor Barrow commended the Finance Committee for the amount of time and work they have dedicated to the budget.

Finance Manager Teasdale provided an update on:

- Revenue projections are up in some areas and down in others but appear to be trending at overall projections for 2012. There was brief discussion on actual receipt of sales tax revenues.
- The summary version of the preliminary biennium budget for 2013-2014.
- Concerns with the ambulance fund not meeting revenue projections which will require expense reductions or a subsidy from the general fund.
- The two-page budget summary shows the use of fund balance if there are no increases to revenue or reduction in expenses. Staff is continuing to closely monitor the streets fund due to declining motor vehicle excise taxes.

There was discussion on:

- Expenses will exceed revenues by approximately \$1.3 million in 2013 and \$1.4 million in 2014. This negatively affects the ending fund balance.
- Motor vehicle excise tax decrease is due, in part, to citizens reducing the number of miles driven and driving more fuel efficient vehicles. This impacts the funds available to fix streets.

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

3.Other Business

City Manager Shawa reported staff was attempting to schedule a special Work Session on October 22 for two items: Citizen survey results and LT2 water treatment. October 22 was being targeted because Liz Kelly with the City of Seattle Public Utilities manages their design, build, and operation program. Ms. Kelly was scheduled to be in Walla Walla on personal business on October 22 and was willing to share her expertise with design, build and operation programs.

There was discussion on possible alternative meeting dates because at least three Councilmembers are unable to attend on October 22. Staff was asked to contact Ms. Kelly to determine if October 19 was a possible alternative date. Staff indicated these subjects may be delayed for discussion until January if a meeting on October 19 is not feasible.

4.ADJOURNMENT

There being no further business, the meeting adjourned at 6:04 p.m.