

MINUTES OF THE CITY COUNCIL
OF THE CITY OF PULLMAN
FEBRUARY 28, 2012

Roll Call

A regular meeting of the City Council of the City of Pullman was held on February 28, 2012, at 7:30 p.m. in Council Chambers, City Hall, Pullman, Washington with the following present:

Glenn A. Johnson	Mayor
William F. Mulholland	Finance Director
Francis Benjamin	Councilmember
Keith Bloom	Councilmember
Jeff Hawbaker	Councilmember
Bill Paul	Councilmember
Nathan Weller	Councilmember
Pat Wright	Councilmember

Call to Order

Mayor Johnson called the regular meeting to order at 7:30 p.m.

Announcements

There were five announcements.

Confirmation of Appointment

Planning Commission

Mayor Johnson announced that he had appointed Marcus Crossler to a term on the Planning Commission expiring December 31, 2017. Councilmember Weller moved, Councilmember Benjamin seconded to confirm this appointment. The motion carried unanimously.

ORDER OF BUSINESS

Approval of Recommendations of Consent Agenda Items

CONSENT AGENDA

Mayor Johnson reviewed the items on the Consent Agenda with the Council and audience. He stated that items listed on the Consent Agenda are considered to be routine in nature and will be enacted by a single motion of the Council without separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by Council request. Councilmember Bloom moved, Councilmember Benjamin seconded to read the items on the Consent Agenda by title only.

Motion Carried.

City Attorney McAloon read the items on the Consent Agenda by title only. Mayor Johnson asked if there were any requests for removal of items from the Consent Agenda from the Council. Councilmember Weller requested that item No. 5, the purchase of one 14-passenger minibus for the Senior Center, be removed for separate discussion. Mayor Johnson so ordered. Councilmember Benjamin moved, Councilmember Wright seconded to adopt items 1 through 4 and 6 on the Consent Agenda.

Motion Carried.

Motions

Minutes - February 14, 2012

1. The Council dispensed with the reading of the minutes of the special meeting of February 14, 2012, and approved them as submitted.

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| Claim for Dam-
ages - Murray | 2. | The Council referred a Claim for Damages submitted by Roy Murray for the sum of \$1,376.74 to the Washington Cities Insurance Authority (WCIA). |
| Claim for Dam-
ages - Bell | 3. | The Council referred a Claim for Damages submitted by Progressive Director Insurance Company as subrogee for Dee Ana S. Bell for the sum of \$10,000 to the Washington State Transit Insurance Pool (WSTIP). |
| Lodging Tax
Grant | 4. | The Council approved a Lodging Tax Grant to Palouse Summer Series in the amount of \$27,700 for the Palouse Summer Series Baseball Tournaments. |

Resolution

- | | | |
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| Resolution No.
R-14-12 - SR
270/Airport Road
Corridor Sewer
Study | 6. | Resolution No. R-14-12

A RESOLUTION AUTHORIZING THE EXECUTION OF A COST-SHARING AGREEMENT BETWEEN WASHINGTON STATE UNIVERSITY AND THE CITY OF PULLMAN FOR THE SR 270/AIRPORT ROAD CORRIDOR SEWER STUDY. |
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Resolution No. R-14-12 was adopted unanimously.

REGULAR AGENDA

Motion

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| Purchase of
Bus for Pullman
Senior Citizens | 5. | Mayor Johnson announced that Councilmember Weller had removed this item from the Consent Agenda for separate discussion. Councilmember Weller thought that in these times that wrapping the Senior Center minibus was an unnecessary expense. City Supervisor Sherman mentioned that in a meeting that they had decided that they would just have the minibus painted with a different color to distinguish it from the Dial-A-Ride vans. |
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Councilmember Weller moved, Councilmember Bloom seconded to approve the purchase of one 14-passenger Goshen minibus for the Pullman Senior Center from EK Coaches. The motion carried unanimously.

Presentations

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| Pullman 2020
Presentations | 7. | Mayor Johnson announced that the Council had three Pullman 2020 presentations scheduled. |
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Washington State Department of Transportation	Keith Metcalf, Washington State Department of Transportation (WSDOT), is the regional administrator that encompasses seven counties and 3,600 lane miles. He noted some of the improvements that had been made. SR 270 between Pullman and Moscow, he noted, that between 2004 and 2007 there were 111 accidents and between 2007 and 2010 there had been 22. He said the major problem with the roads interstate is the fact that even though we have one of the highest gas taxes in the United States at 37.5 cents, there have not been any change in the rate for many years. 11 cents of that goes to cities and counties and of the remaining amount only .08 cents is used to maintain and improve roads. The remaining pays for bond indebtedness.
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Councilmember Benjamin asked who is responsible for tying so much money up on bonds. Mr. Metcalf indicated it was legislatively passed revenue

projects. Councilmember Benjamin also asked about the Highway 195 interchange. For safety concerns, he wanted to know where the bill was priority wise. Mr. Metcalf indicated it was not even on the radar scene. Mr. Metcalf also mentioned that WSDOT also maintains 300 miles of the Palouse City Railroad. Councilmember Paul noted that we need to keep that open because of the amount of grain that is hauled on the line.

Palouse Knowledge
Corridor/Southeast
Washington Economic
Development
Association (SEWEDA)

Dick Waters from SEWEDA and Palouse Knowledge Corridor gave a presentation. He noted that the PKC was founded in 2007 and its main purpose is to attract new businesses to the area.

Councilmember Weller noted that he had been selected the previous year for an award from the PKC for a startup company for paint balling. He said the result was that he already had three bookings for this year.

Councilmember Wright wanted to know about long-range planning and if they considered combining their efforts with other groups. Mr. Waters indicated yes, they are trying to build partnerships. He said SCORE was opening an office in Pullman and they wanted to thank Avista and Paul Kimmel for all the help in funding they have had over the years.

Councilmember Benjamin noted that future economic development was going from a City level perspective to a more regional outlook in nature.

Pullman Regional
Hospital

Scott Adams, the CEO of Pullman Regional Hospital, gave a presentation. They are looking at possible future expansions behind the hospital that might include an assisted living facilities, nursing homes and daycare centers. For planning considerations, we are looking at an aging population and its affect on services, increasing capabilities through technology, the climbing costs of health care, personnel shortages, physician shortages, government regulation, and decreased funding. As for the future we have a resilient community, resourceful community leadership, quality infrastructure to sustain continued growth, planning to keep pace with needs of the community, looking at how services and health care will be delivered in the future. And the hospital remaining an intricate part of the community fabric. Councilmember Wright noted they were glad to have them there. Councilmember Weller inquired about telemedicine. Mr. Adams noted that they were looking to expand in that area.

City Supervisor Sherman commented on and thanked the hospital for its support in the medic program.

**Findings of Fact,
Resolution, and
Ordinance**

Findings of 8.
Fact, Resolution No.
R-15-12, and
Ordinance No. 12-3,
Terre View Drive
and NE Eastgate
Boulevard

Mayor Johnson announced that findings of fact, a resolution and an ordinance have been prepared to change the zone classification for property located south of the intersection of NE Terre View Drive and NE Eastgate Boulevard on College Hill. Planning Director Dickinson presented the staff report and went through the background and the action requested. Councilmember Benjamin asked

if the property tax had been paid on the property. Planning Director Dickinson said that was not a question he knew, that is a County Assessor question.

Councilmember Bloom moved, Councilmember Benjamin seconded to adopt the Findings of Fact and Conclusions. The motion carried unanimously.

Resolution No. R-15-12 by title only reads as follows:

A RESOLUTION AMENDING THE OFFICIAL COMPREHENSIVE PLAN MAP OF THE CITY OF PULLMAN FROM WASHINGTON STATE UNIVERSITY TO HIGH DENSITY RESIDENTIAL FOR THE REAL ESTATE HEREIN DESCRIBED CONSISTING OF APPROXIMATELY 3.7 ACRES LOCATED SOUTH OF THE INTERSECTION OF NE TERRE VIEW DRIVE AND NE EASTGATE BOULEVARD ON COLLEGE HILL.

Councilmember Wright moved, Councilmember Bloom seconded to adopt Resolution No. R-15-12. The motion carried unanimously.

Ordinance No. 12-3 by title only reads as follows:

AN ORDINANCE AMENDING THE ZONE CLASSIFICATION FROM WSU TO R3 FOR THE REAL ESTATE HEREIN DESCRIBED CONSISTING OF APPROXIMATELY 3.7 ACRES LOCATED SOUTH OF THE INTERSECTION OF NE TERRE VIEW DRIVE AND NE EASTGATE BOULEVARD ON COLLEGE HILL.

Councilmember Paul moved, Councilmember Wright seconded to adopt Ordinance No. 12-3. The motion carried unanimously.

Ordinance

Ordinance No.
12-4 - Medical
Marijuana

9. Mayor Johnson announced that an ordinance had been prepared relating to medical marijuana. City Attorney McAloon requested that they adopt the ordinance requiring registration with the Pullman Police Department for all persons engaged in the production, processing, distribution or collective cultivation of marijuana for medical purposes as provided in Chapter 69.51A R.C.W. City Attorney McAloon went through the background on the collective gardens for cultivation of marijuana cannabis for medical use as discussed at the Council meeting of February 14. The City Attorney and Police Chief recommended the adoption of registration requirements for any person producing, processing, distributing or collective cultivating marijuana for medical use within the City of Pullman. In addition to registering, in order to register, applicants will need to provide the City with a document approving their operation from the U.S. Department of Justice as condition for issuance of the registration. Councilmember Bloom thought the solution tied to approval by the Department of Justice was a good solution.

Councilmember Paul said he had been skeptical of the problem with the State and Federal Government, but he thanked City Attorney McAloon for bringing a solution that he could live with.

Ordinance No. 12-4 by title only reads as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PULLMAN, WHITMAN COUNTY, WASHINGTON, RELATING TO LICENSES AND TAXATION, AMENDING PULLMAN CITY CODE

CHAPTER 6.95 AND PULLMAN CITY ORDINANCE 08-14, (2008), AND ADDING A NEW SECTION 6.95.100, REQUIRING REGISTRATION FOR ALL PERSONS ENGAGED IN THE PRODUCTION, PROCESSING, DISTRIBUTION OR COLLECTIVE CULTIVATION OF MARIJUANA FOR MEDICAL USE AS PROVIDED IN CHAPTER 69.51A R.C.W, ESTABLISHING CONDITIONS FOR SAID BUSINESS REGISTRATIONS AND OTHER MATTERS PROPERLY RELATED THERETO.

Councilmember Bloom moved, Councilmember Weller seconded to approve Ordinance No. 12-4. The motion carried unanimously.

Motion

SAFER Grant 10. Mayor Johnson announced that a motion is requested for an application for a federal SAFER grant for three new firefighter positions.

Fire Chief LaVielle went through his report. City Supervisor Sherman noted that he supported it. Councilmember Bloom asked what the fiscal impact was on it after the two years. Fire Chief LaVielle did not have that information, but he said they would get the information. Councilmember Paul noted that you still have to pay the fiddler and he needs to see the effect after the free period from the covered grant. Councilmember Benjamin was also in support of the other two Councilmembers.

Councilmember Bloom moved, Councilmember Benjamin seconded to authorize the application for the SAFER grant, but if they receive it prior to authorizing receipt they would have to see the fiscal impact to the City for taking the grant. The motion carried unanimously.

Discussions

Year-End 11. Mayor Johnson announced that a discussion is Report scheduled on the year-end report. Finance Director Mulholland presented the staff report. He noted the revenues collected were 98 percent of the original revenue budget and 98.7 percent of the 2012 preliminary budget estimate for 2011. On the expenditure side, it came in at 96.6 percent of the expenditure budget and 98.6 percent of the 2012 estimate of 2011 expenditures. It came in at \$541,256 under budget and \$235,022 under the October projection. He noted on the revenue side that in sales tax collection which represents 71 percent of revenues that they came within \$21,000 of the original 2011 preliminary budget figure. He noted that a good part of the savings and expenses were because of unfilled positions during the course of the year that amounted to \$192,000 in just the Library, Police, and Fire Departments. He noted that most of these positions had been filled and we would not be obtaining those savings this year. He said that the 2012 budget was adopted with three outstanding concerns addressing three key issues. The 13 percent reserve was not preserved, salary adjustments for the unsettled labor contracts are not included and the potential raiding of City revenues by the State. He said that a hard look needed to be taken as to what services the City can afford to provide. We do not have the cash to balance this on for future budgets.

In summary, he noted that his recommendation was that the City continue to move forward with the 2012 General Fund budget with extreme caution and anticipation of labor contract settlements, a flat local and state economy and any plundering by the State of the City shared revenue. He said that the House Democrats budget announced February 21 called for an 82 million cut in shared revenues and 65 million cuts in higher ed. If the proposal holds, this will reduce Pullman's revenues \$200,000 in budget year 2013. He noted there was a memorandum from City Supervisor Sherman with the current status of the State budget. City Supervisor Sherman briefly explained some of the options that had been put forward and stated we have no idea what is going on until they meet and pass a joint budget.

Finance Director Mulholland said that sales tax represents 29 percent of the revenues and property tax is 25 percent for Pullman while the State budget equals 49.5 percent for sales tax and 11.8 for property taxes. One of the major main budget problems with the State is over-reliance on sales taxes.

Staff advises that operational changes need to be made sooner rather than later to insure survivability. While we have some positives in the short term the long-term outlook does not present anything close to euphoria. He said that the biggest expenditure challenge the City faces will continue to be the cost of labor. This cost comprises 74 percent of our budget. The forecast continues to show large increases of medical insurance premiums. Premiums increased 10.7 in 2011 and 9 percent in 2012. He said in addition, it is important to remember that the 2012 budget was balanced with a \$760,627 drawdown in reserves. This means that expenditures are expected to exceed revenues by \$760,627. No matter the size of the deficit, the deficit needs to be addressed prior to our cash being depleted. He said he hoped that the deficit would not be that amount. The budget had been developed with a conservative approach, so the deficit represents a worse-case scenario. However, he said there is no revenue source had not been taken into consideration. He said that if unsettled contracts are settled with increases in salary levels, the deficit could be much higher than anticipated. This would deplete our cash further. Cuts would have to be made and since 74 percent of our costs are employee costs that is where the cuts will need to be made, absent closing down complete departments or activities. Councilmember Benjamin asked about the shortfall in ambulance billing which amounted to about \$266,000. Finance Director Mulholland explained part of it was operational problems and part was changes in HIPPA laws. The software was not able to get implemented for awhile so it did hold them up in processing. He did note that for the past several years, they had revenues over \$600,000 and it was hoped that they would return to that fund level.

Property Tax
Update

12. Mayor Johnson announced that a property tax update is scheduled. Finance Director Mulholland presented the staff report. He noted that in the 2012 budget estimate for general tax receipts, EMS Levy, and Metropolitan receipts and projection and the actual turn in within a dollar of each of those

particular areas and \$5.00 off on the bond receipts. He also said that in the request for the 1 percent increase in the levy that he had stated that the amount for 2012 for a 200K home would be \$791.17 and the change \$4.01. We actually came in at \$792.18 and \$4.99. There were no questions.

City Council
Vacancy

13. Mayor Johnson announced that a discussion is scheduled on the City Council vacancy created by Councilmember Bloom resigning. The schedule that he presented was approved by Council which would fill the position at the April 10 meeting.

**Ward II Council
Selection**

City Supervisor Sherman stated that four applications were received: Bridgette Brady, Fred "Fritz" Hughes, Julia Krauser, and Derrick Skaug. Mayor Johnson went through some of the processes that would need to be taken and the guidelines involved. A draw was made for the order of presentation by the candidates. The order turned out to be Julia Krauser, Derrick Skaug, Bridgette Brady, and Fritz Hughes.

Councilmembers each asked the same question of all four candidates. Councilmember Hawbaker's question was if they could improve one thing in the City what would it be. Councilmember Paul asked if budget cuts are necessary, would they be in favor of across the board cuts or by department analysis. Councilmember Wright wanted to know how do you plan to meet the needs of a diverse constituency in Ward II. Councilmember Benjamin said besides the budget, what do you believe is the most important change that needs to be made in the next five years. Councilmember Bloom said that there has been talk of the North Bypass and the South Bypass. He wanted to know which they believed would be the best and most beneficial for business. Councilmember Weller wanted to know what their knowledge and involvement with STEM was. The Execution Session started at 10:25 p.m. At that time, they broke for a 15-minute Executive Session. They came back to extend that another 15 minutes. At 10:54 they reconvened. Councilmember Paul moved, Councilmember Wright seconded to appoint Fritz Hughes as the replacement for Barney Waldrop. The motion carried unanimously. Finance Director/City Clerk Mulholland administered the oath of office.

NEW BUSINESS

Mayor Johnson asked if there was any new business from either the Council or audience. There was none.

ADJOURNMENT

Councilmember Bloom moved, Councilmember Wright seconded to adjourn the regular meeting of the City Council.

Motion Carried.

Mayor Johnson adjourned the regular meeting of the
City Council at 10:56 p.m.