MINUTES OF THE CITY COUNCIL
OF THE CITY OF PULLMAN
APRIL 12, 2011

Roll Call

A regular meeting of the City Council of the City of Pullman was held on April 12, 2011, 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
Barney Waldrop	Councilmember
Nathan Weller	Councilmember
Pat Wright	Councilmember

Call to Order

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

Announcements

Mayor Johnson made five announcements.

Reports

2010 Police Department Annual Report

Mayor Johnson announced that the 2010 Police Department annual report was scheduled. Police Chief Jenkins wanted to highlight a few items in his memo. The summer commercial burglaries, he indicated are all mostly solved. He indicated there are three new ordinances that affect his department. One was a residential rental and commercial business registration, the taxi licensing, and the downtown free parking zone. He emphasized they had received four grants this year that totaled $40,748.

The next item to highlight was training. Commissioned officers are required to obtain a minimum of 24 hours of in-service training per year. His officers averaged 95 hours this past year. He pointed out the crime statistics on page 9. It was noted by Councilmember Benjamin that there was no representative on Sunnyside Hill. Police Chief Jenkins indicated that was a mistake because they did have representatives from Sunnyside. Councilmember Waldrop asked about the launch of NIXLE. Councilmember Paul inquired about the composition of drug arrests compared to prior years. Chief Jenkins did not have a breakout for the previous years, but he said he could get them although he did not think it really had changed that much from the prior year.

Councilmember Weller asked if they were tracking cyber crime. Chief Jenkins mentioned that they have joined forces with WSU and other departments that had a lot more expertise than we have, to work on those items.

Fire Department 2010 Annual Report

Operations Officer Mike Heston gave the Fire Department annual report. He wanted to emphasize that they had obtained two grants this year for a total of $157,000. One was for $5,000 from the Fireman's Fund Insurance through participation from the local Denny's for a thermal imaging camera

and the other $152,000 was FEMA Assistance to Firefighters grant for a vehicle exhaust system for both Fire Station I and II, and an air compressor system for Station I to refill self-contained breathing apparatus. Both systems will be installed in 2011.

Councilmember Waldrop wanted to know about how often the fire hydrants were checked as part of the fire prevention. Fire Operations Officer Heston indicated that they test hydrants throughout the City on a monthly basis.

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 Weller 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. There were none. Councilmember Wright moved, Councilmember Bloom seconded to adopt the Consent Agenda as presented.

Motion Carried.

Motions

Minutes - March 29, 2011

1. The Council dispensed with the reading of the minutes of the regular meeting of March 29, 2011, and approved them as submitted.

Accounts Payable, Payroll, and Electronic Transfers - April, 2011

2. The Council approved disbursements represented by accounts payable checks numbered _____ through _____ totaling $_____ inclusive, payroll checks numbered _____ through _____ totaling $_____ inclusive, and electronic transfers totaling _____ and directed that they be paid upon approval of the Auditing Officer and Audit Committee.

Street Crackfill 2010 Complete

3. The Council accepted as complete Contract No. 10-06, Street Crackfill 2010.

Public Hearing Date

4. The Council set May 3, 2011, as the date for simultaneous public hearings to consider draft amendments to the Pullman Comprehensive Plan and Zoning Code related to a proposed expansion of the City's urban growth area.

Resolutions

Resolution No. R-20-11 - WWTP Disinfection Upgrades

5. Resolution No. R-20-11

A RESOLUTION REJECTING THE BIDS FOR CONTRACT NO. 08-17, WWTP DISINFECTION UPGRADES.

Resolution No. R-20-11 was adopted unanimously.

Resolution No. R-21-11 - Transit Public Hearing Date

6. Resolution No. R-21-11

A RESOLUTION SETTING A DATE FOR A PUBLIC HEARING FOR THE ADOPTION OF A SIX-YEAR TRANSIT DEVELOPMENT PLAN FOR 2011-2016 AND 2010 TRANSIT ANNUAL REPORT FOR THE CITY OF PULLMAN.

Resolution No. R-21-11 was adopted unanimously.

Resolution No. R-22-11 - WWTP Secondary Process Improvements

7. Resolution No. R-22-11

A RESOLUTION AUTHORIZING THE EXECUTION OF AN ENGINEERING SERVICES AGREEMENT BETWEEN THE CITY OF PULLMAN AND CH2M HILL FOR WWTP SECONDARY PROCESS IMPROVEMENTS SERVICES DURING CONSTRUCTION (SDC).

Resolution No. R-22-11 was adopted unanimously.

Discussions

Current Economic Conditions

8. Mayor Johnson announced that a discussion is scheduled on current economic conditions. City Supervisor Sherman was not present so Finance Director Mulholland presented the staff report. There were no questions on the report.

Financial Updates

9. Mayor Johnson announced that a discussion is scheduled for financial updates. Finance Director Mulholland presented the 2010 Year-End Financial Report. He had a PowerPoint presentation. He started off by indicating to the Council that, whereas these numbers were pretty solid, they were still subject to audit and he did indicate that there was an item on the expenditure side that had just changed that day. On revenues, he indicated that the City came in at 97.6 percent of budget which was $359,000 from the 2010 budget. It was $252,000 down from the 2009 actual and in the projections made for the 2011 budget they actually came in at 100.8 percent of what was projected. One of the leading factors was sales tax. When the 2011 budget was being put together sales tax was projecting at 92 percent collections. He felt we would collect 95 percent and we ended up at 96.7 percent. Overall the estimates were pretty good and the revenues were in-line.

He indicated that the property tax had gone up from 1 percent to 29 percent of total revenue source and user fees had gone down 1 percent. Fines had gone down 1 percent and other taxes had gone up 1 percent. On the expenditure side, he noted that the Library had shown an ending-year balance of $1,188,706 that should have been $1,170,197. That was the adjustment that was made that day which brought them about $10,000 under the 2010 budget. The expenditures were $223,000 less than budget and $341,000 more than the 2009 figure. Expenses came in at 98.6 percent of projection. The expenditure category capital had gone down 2 percent. Benefits and supplies each had gone up 1 percent. He indicated that the 2011 beginning cash would be $2,069.347 or 13 percent of the 2011 operating budget. The 2011 budget was approved assuming a beginning cash balance of $1,885,808 or 11.9 percent so at least for 2010 we ended up with a 13 percent Council goal amount. Councilmember Waldrop indicated that in the presentation on the economic factors, Finance Director Mulholland mentioned that WSU funding is back to the 1989-1991 level. He wanted to know

what type of percentage that was. Finance Director Mulholland indicated that it was around 52 percent decrease, which was agreed to by Councilmember Bloom.

Councilmember Bloom wanted clarification on a comment in the memo stating that the same challenge the City has faced with the recent budgets will continue to challenge future budgets. As forewarned, the most serious 2011 challenge is coming from the area that has been the source of good news for the past five years. The City has been able to address increasing expenses because strong construction has increased property, sales, and utility taxes faster than the rate of inflation. This is no longer the case. Councilmember Bloom wanted a little more clarification on that. Finance Director Mulholland thought that construction has flattened out and we've basically reached bottom. Last year we had eight construction permits for single-family housing for the first quarter which is the same as we had this year. Evaluations are up about $80,000. He also indicated that for the first three months the construction elements of sales tax were up a total of about 12 percent or $11,000 over the previous quarter. This was after a year-on-year decrease of 70 percent from 2008 to 2009 and the 30 percent decline from 2009 to 2010. With further cuts at WSU, housing starts will probably still remain low since there could be a glut on the housing market with individuals that put their homes up for sale. He indicated that the State has to address the 1 percent cap on increases in property tax. Property tax represents 29 percent of the revenues and is a major source of funding for the City, as it is for most of the other cities. You have the one percent cap on the revenue source and expenses increasing 2 to 3 percent. Without getting any relief from the cap, then hard looks will have to be taken at basic services. Most of the cities have gone through their reserves and now are having to cut "nice to have" services in order to keep the necessary ones. Last year we had a Walmart, and this year we have a dorm that will be remodeled, so there will be some sales tax generated from that.

He then went on to the 2011 First-Quarter Financial summary. Revenues were up $117,835. He indicated that this was in spite of the fact that last year we had $102,000 in EMS contracts as compared to $385 this year. This was due to contracts that have not been negotiated. Which, once again, shows the effect of timing issues. There are always timing issues involved with both revenues and expenses especially on the short-time frame that we have on the first quarter. Sales taxes were up $229,000 over the same period of the previous year and this is indicative of the fact that the January and February sales tax collection were for the November and December time period. The season saw increased purchasing from the consumer and gave retailers one of the best holiday seasons they have had in two or three years. It also helped that Walmart opened up at the end of October. So these factors did combine to increase the total. He indicated that the next tax receipt would be kind of a more telling sign on the effect of Walmart on our sales taxes.

On the expenditure side, we had $121,000 more in

expenses than we had the previous year and once again this could be a function of timing. If the departments are spending more of their budgets in the beginning of the year as compared to the last, obviously it will affect comparability. There is nothing that came to his attention that would be an area of concern. Expenses will be watched closely during this year as we have in the past years, but if anything changes drastically the Council would be the first to know. He indicated that we have to be cautiously optimistic due to the uncertainty of the environment. Most of the economists, in their projections, cite uncertainty. We are in an uncertain period and we just need to keep an eye on revenues and expenses through the course of the year. He also indicated that we still have one bargaining unit that had not settled and we still have not received word whether the increase in the employer PERS costs that is effective July 1, will be approved by the legislature. The projected cost of the increase would be about $55,000 for the remainder of the 2011 year.

He indicated we still have a tough year ahead of us. Constant vigilance of our finances is a must to ensure that if unexpected circumstances do occur that we can react in a timely fashion to mitigate the results.

Joint Comprehensive Emergency Management Plan

10. Mayor Johnson announced that a discussion is scheduled on a joint Comprehensive Emergency Management Plan. Police Chief Jenkins briefly went through the proposal of the plan with Whitman County and WSU. The State encourages to do more of a regional aspect than just the City by itself. Councilmember Waldrop was in favor of it and he also thought we might try to run some sort of coordination with the University of Idaho, City of Moscow, and Latah County to try to accomplish more of a global regional situation.

Councilmember Benjamin mentioned however that as part of their emergency plan for the University of Idaho they call for them to head down to Lewiston rather than over to WSU so obviously some work would have to be done for coordination purposes.

The Council agreed for Chief Jenkins to continue pursuing this particular matter.

NEW BUSINESS

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

EXECUTIVE SESSION

Mayor Johnson announced that the Council would adjourn to Executive Session after a five-minute break. The meeting would last approximately 30 minutes.

Mayor Johnson announced that the Council would adjourn to Executive Session for the purpose of:

To discuss the strategy or position to be taken by the City during the course of collective bargaining or grievance proceedings and to review the performance of a public employee.

Mayor Johnson adjourned the meeting at 8:30 p.m. There was one 15-minute extension. The meeting ended at 9:20 p.m.

ADJOURNMENT

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

Motion Carried.

Mayor Johnson adjourned the special meeting of the City Council at 9:20 p.m.