

1. CALL TO ORDER: The Regular Meeting of the Millwood City Council was called to order by Mayor Dan Mork at 7:00 p.m., on Monday, February 6, 2012 at the Millwood City Hall. Council members present were: Glenn Bailey, Shaun Culler, Brian Ellingson, Kevin Freeman and Richard Schoen. Also present: Attorney Brian Werst, Public Works Supervisor Cleve McCoul, and City Clerk/City Planner Tom Richardson.
2. FLAG SALUTE: The Flag Salute was led by Brian Ellingson.
3. INVOCATION: There was no invocation.
4. CONSENT AGENDA: Approval of Minutes of the Regular Meeting held January 2, 2012, January Payroll \$48,464.36; January Claims \$58,796.04. Council members received the January Claims Check Register, January Payroll Check Register, a list of Claims to be paid February 6, 2012, and the contract renewal with Washington State DES for the Cooperative Purchasing Agreement. Mr. Schoen moved to approve the Consent Agenda as presented; seconded by Mr. Bailey. Motion carried.

The mayor asked to delete Agenda Item No. 8 Award of Bid for the Lawn Mower. It will be put back on the agenda after the budget amendment has been approved.

5. PUBLIC COMMENTS: Eldonna Shaw, President and CEO of Spokane Valley Chamber, thanked the City for its long term membership in the chamber. She invited the mayor and council to attend their monthly Government Affairs and Business Connections meetings and the Innovation Trade Show on March 28th at the Mirabeau Park Hotel.

Bobble Beese, 3610 N. Sargent Rd., said access to the river at the end of Sargent Road should be addressed. She has talked to a lot of her neighbors and they agree that the City should improve access to the river, even if it is only a bench. Dan Hansen, 3305 N. Sargent Rd., agreed with Ms. Beese. He said he would not like to another summer go by without doing something about improving the access. Mr. Richardson said he has a meeting next week with Charlie Peterson who is the shoreline restoration specialist for the Spokane Conservation District to discuss this.

Shirene Young, Inland Empire Paper, said Millwood Daze will be held Saturday, August 25 this year. Their group may partner with a non-profit to sponsor the event.

6. ANDY O'NEILL, RCAC – REPORT ON WATER DEPARTMENT: Andy O'Neill, a consultant under contract with Department of Health, gave a presentation on his review of the City's water budget and rates. He said nearly 95% of our residential customers use less than 2,000 cu ft per month, half of the 4,000 cu ft allowance, which means that most of our customers are paying for water that they are not using. He said our overage rate is extremely low compared to what other similar utilities are charging. The fund has been losing money for several years. The 2012 budget shows a revenue/cost index of .73. Anything below 1.0 is a loss and anything over 1.0 is a profit. Lenders like

to see an index of about 1.2. He explained opportunities for grants and loans. He said a lot of communities will increase rates each year at the rate of inflation just to keep up with inflation.

As an example, he said our rates could be increased by

- a) reducing the amount of water included in the base rate from 4,000 cu. ft. to 2,000 cu. ft.,
- b) increasing the commodity rate by 25 cents per 100 cu. ft. for both residential and commercial use each year until it reaches \$1, and
- c) gradually increasing the base rate by approximately two dollars each year for the next several years.

This will bring the fund out of the red this year. He reviewed the possible loans that could be applied for. Millwood's median household income is high enough to make state grants unavailable. He said the council has a fiduciary responsibility to keep the rates as low as possible while providing safe, dependable and clean drinking water and meeting state and federal requirements.

7. 2012 BUDGET AMENDMENT – ORDINANCE NO. 427: Mr. Richardson explained that a budget amendment was needed: a) to allow the General Fund to purchase the new lawnmower this spring instead of in the fall when sufficient REET revenues had been received, and b) to provide for a new position of Maintenance Operator I in Public Works. Mr. Werst reminded council that it cannot adopt a budget amendment until at least five days after the first reading. Action was deferred to the next council meeting.

8. PURCHASING AND BIDDING POLICY – RESOLUTION No. 12-03: Mr. Richardson explained the need for a written policy on the purchase of materials, supplies and equipment not related to public works projects. The department head would be allowed to purchase items up to \$7,500 without mayor or council approval. The mayor would be allowed to purchase items up to \$15,000 without council approval. Council approval would be required to approve purchases over \$15,000 under the formal sealed bid process. All purchases would still be subject to the budget and the availability of funds. The city would publish a notice twice a year soliciting firms who wish to be added to the city's vendor list. Mr. Freeman moved to approve Resolution No. 12-03. The motion was seconded by Mr. Culler. Motion carried unanimously.

9. MEDICAL MARIJUANA ZONING MORATORIUM: Mr. Werst reported that the state legislature is considering legislation on medical marijuana which hopefully will clarify the legislation passed last year. Millwood's zoning moratorium on permitting of medical marijuana uses will expire on March 6 unless it is extended. Mr. Schoen moved that the city council should conduct a public hearing on the extension of the moratorium at the March 5 meeting, to allow the city time to see what comes out of the legislative session. The motion was seconded by Mr. Bailey. Motion carried unanimously.

10. FIRE DEPARTMENT REPORT – Chief Andy Hail reported that activity in January was double of the month before, mostly ALS calls, with one working fire. He said there will be an open house at Station 6 on E. Sprague on Saturday before the building is razed. A new station will be built there; the district is looking for the community to recommend a new name for the station. The district has ratified its labor agreement with no wage increase for the year. A maintenance and operation levy is scheduled for August.

11. TEEN ADVISORY COUNCIL: Austin Tressel said that the council has been very busy lately. They are working on a Youth Art Festival to be held in the summer.

12. MAINTENANCE REPORT: Cleve McCoul said water samples for the month were good. They plowed two times.. They also sanded and de-iced several times. The heater at the booster station was repaired. The crew painted the floor in the downstairs office at city hall and patched a couple of small pot holes on Buckeye. They cleaned dry well lids in various places. New energy efficient LED lights were installed outside on the front of city hall. Matt Erdahl attended flagger training. Fire extinguishers were recertified.

13. CLERK/PLANNING REPORT: Mr. Richardson said he is planning to submit a grant application to Spokane Parks Foundation for the renovation of the wading pool. He attended the WCIA full board meeting in Seattle on February 3 including a session on cyber security which is this year’s emphasis; Mayor Mork said he has worked up a draft Information Technology use policy. Mr. Richardson also discussed a change in the financial plan contained in the water system plan approved last month, to include capital projects listed in the plan. He said he is working with Varela & Associates on a Drinking Water State Revolving Fund loan application due March 1. He also mentioned several planning proposals that would be on the next council agenda. Mr. Bailey asked about the status of the sign ordinance; Mr. Richardson said I was revised in 2009 and is in effect.

14. LEGAL REPORT: Mr. Werst requested an executive session to discuss real estate acquisition. He has been working on the shoreline plan, the purchasing policy, and attended the Youth Advisory Council meeting to present legal issues. He plans to attend the Spokane River Forum in Coeur d’Alene on February 9.

15. CORRESPONDENCE: Mayor Mork reported on his discussion with a television program which promotes small towns. It sounded interesting until he was told that the city would have to pay \$24,800. He is planning to invite the Sheriff to have someone attend an upcoming council meeting as per our new law enforcement contract.

16. ANNOUNCEMENTS: Mr. Freeman asked that Varela & Associates attend the next meeting to present the Water System Plan.

17. COUNCIL COMMENTS: None.

18. PUBLIC COMMENTS: Bobbie Beese said their group is still collecting donations for the wading pool. Austin Tressel asked how to report street lights that are not working; Mr. McCoul said he would contact Avista Utilities.

The mayor called a brief recess at 8:27 p.m. before reconvening in executive session.

19. EXECUTIVE SESSION: The mayor reconvened the meeting in executive session at 8:30 p.m. for matters related to the acquisition of real estate, until 8:50 p.m. The executive session was extended for 10 minutes at 8:50 p.m.

The mayor opened the meeting in regular session at 8:58 p.m.

20. ADJOURNMENT: Mr. Bailey moved to adjourn. The motion was seconded by Mr. Freeman. Motion carried unanimously. Mayor Mork adjourned the meeting at 8:59 p.m.

Daniel N. Mork, Mayor

Attest:

Thomas G. Richardson, City Clerk