



MINUTES

RICHLAND CITY COUNCIL REGULAR MEETING

Richland City Hall ~ 505 Swift Boulevard

Tuesday, February 17, 2015

Special Meeting – 6:00 p.m. (Discussion Only – Annex Building)

Attendance: Mayor Rose, Mayor Pro Tem Lemley, Council Members Christensen, Kent and Jones were present.

Also present was Deputy City Manager King.

1. Richland Public Facilities District Board Interviews

Council interviewed three candidates for the Richland Public Facilities District Board vacant position.

Pre-Meeting – 7:00 p.m. (Discussion Only – Annex Building)

Attendance:

Mayor Rose, Mayor Pro Tem Lemley, Council Members, Christensen, Kent, Jones, and Thompson were present.

Also present were City Manager Johnson, Assistant City Manager Amundson, Deputy City Manager King, City Attorney Kintzley, Police Services Director Skinner, Public Works Director Rogalsky and City Clerk Hopkins.

Discussion of Meeting Agenda Items:

Council and staff briefly reviewed the proposed agenda scheduled for the regular meeting.

Council added an Item of Business to make an appointment to the Richland Public Facilities District Board.

Mr. Rogalsky said at this time, the Transportation Package includes the Duportail Bridge with full funding. Lobbyist Dave Arbaugh asked for a letter from the Council and for Council to procure letters from the community supporting the Transportation Package that he will pass on to the Senate. He said a resolution stating the City's support will be on the March 3 agenda for Council action and that letters of support templates are being prepared for community use. He explained how the City of Kennewick will be a partner on the Duportail Bridge.

Police Chief Skinner explained how the Richland Police Department (RPD) has been supporting the City of Pasco with the recent shooting incident. He also reviewed RPD's training procedures for this type of situation.

Ms. Johnson reviewed the letter from the Manhattan Project Chair Steve Young and confirmed that Council agreed to have Mayor Rose sign it.

Regular Meeting:

Mayor Rose called the Council meeting to order at 7:30 p.m. in the Council Chamber at City Hall.

Welcome and Roll Call:

Mayor Rose welcomed those in the audience and expressed appreciation for their attendance.

Mayor Rose, Mayor Pro Tem Lemley, Council Members Christensen, Jones, Kent and Thompson were present.

Also present were City Manager Johnson, Assistant City Manager Amundson, Deputy City Manager King, City Attorney Kintzley, Administrative Services Director Koch, Fire and Emergency Services Director Huntington, Police Services Director Skinner, Public Works Director Rogalsky, Energy Services Director Hammond, Parks and Public Facilities Director Schiessl, and City Clerk Hopkins.

MAYOR PRO TEM LEMLEY MOVED AND COUNCIL MEMBER JONES SECONDED A MOTION TO EXCUSE COUNCIL MEMBER ANDERSON. THE MOTION CARRIED 6-0.

Pledge of Allegiance:

Mayor Rose led the Council and audience in the recitation of the Pledge of Allegiance.

Approval of Agenda:

COUNCIL MEMBER KENT MOVED AND MAYOR PRO TEM LEMLEY SECONDED A MOTION TO APPROVE THE AGENDA AS AMENDED BY DELETING PRESENTATION NO. 5 AND ADDING AN ITEM OF BUSINESS FOR AN APPOINTMENT TO THE RICHLAND PUBLIC FACILITIES DISTRICT BOARD. THE MOTION CARRIED 6-0.

Presentations:

1. CityView Video: Imagination Playground
- Parks and Public Facilities Director Schiessl

Mr. Schiessl introduced the video on the versatile soft playground equipment the Parks and Public Facilities Department has entered to win by voting on behalf of the City of Richland.

2. Annual Report of the Planning Commission (5 minutes)
- Kent Madsen, Planning Commission Chair

Mr. Madsen gave details of the Planning Commission's highlights for 2014, development trends and the 2015 goals.

RESCHEDULED TO THE MARCH 17 COUNCIL AGENDA:

3. Richland Public Facilities District Quarterly Report (10 minutes)
- Fred Raab, RPF Board Chair

Public Hearing:

City Clerk Hopkins read the Public Hearing and Public Comments Procedures.

1. Proposed Amendments to RMC Section 14.24.060: Electricity, Relating to Electric Retail Rates - Ordinance No. 04-15
- Bob Hammond, Energy Services Director

Mr. Hammond gave the following report: The City's electric utility retail rates and the Cost of Service Analysis (COSA) model were discussed with Utility Advisory Committee (UAC) members throughout 2014. Energy Services Department (RES) staff projected revenue needs for the next year and a five-year forward rate program.

The following summarizes background information from the COSA analysis for test year 2015 and the proposed recommendations:

- the 2015 test year COSA shows a projected \$3 million total system – wide electric utility deficit for 2015;
- the RES rates proposal recommends covering the 2015 projected deficit using approximately \$2.5 million in cash reserves and \$500,000 from increased retail rates;
- the breakout of the proposed \$500,000 additional 2015 rate revenue is about \$350,000 electric rate revenue and \$150,000 additional City utility occupation tax paid to the City's General Fund;
- the recommendation addresses a customer class subsidization issue in four (4) of the twelve (12) electric utility customer classes by proposing a 10% increase in electric rate revenues for each of those 4 classes;
- the recommendation addresses a higher City utility tax, accurately applying existing tax rates to gross electric sales revenues, with the effect of the new City utility occupation tax expenses spread out to all electric utility customer classes.

The UAC passed a motion at its January 2015 meeting to endorse these proposed 2015 electric utility retail rate increases. RES staff recommends that City Council give first reading to Ordinance No. 04-15 and consider passage of the ordinance on March 3, 2015

Mayor Rose opened the public hearing at 7:50 p.m.

Public Comments:

Mark Kraft, 4171 Alder Road, Paso, WA, said he has property he irrigates in Richland and said the study does not include rural electric utilities comparisons. He said the last rate increase of 20%, this year's 10% and next year's almost 10% increase is more than he is able to pass on. He is opposed to the rate increase and recommends a flat rate.

Kevin McCue, 1209 Marshall, Richland, WA, said a 10% rate increase is a large amount and he wonders if he we were undercharged 8% for the past years and now we have to catch up. He said that a small business will have a hard time trying to pass that cost onto their customers.

Mark Kraft spoke again and said rate increases, based on kilowatts, has a compounding ripple effect over time.

Mayor Rose closed the public hearing at 7:55 p.m.

Council Member Thompson said the rates were increased by Bonneville Power where we buy our power from and the City has to pass the increased rates onto the citizens. He said other Public Utility Districts are more expensive than the City's rate.

Mr. Hammond said the last rate increase was January 2013 and prior to that, in 2004.

2. Proposed Amendments to the 2015-2020 Transportation Improvement Program
 - Resolution No. 24-15
 - Pete Rogalsky, Public Works Director

Mr. Rogalsky gave the following report: In November 2014, the City applied for federal grant money through the Benton Franklin Council of Governments (BFCOG) for several transportation projects. On January 9, 2015, the City was notified by the BFCOG that we had been awarded \$454,000 in federal Surface Transportation Program (STP-UL) funds for the Duportail Street Reconstruction project and \$204,739 in federal Transportation Alternative Program (TAP-UL) funds for the Vantage Highway Pathway Phase 1 project.

Adding federal STP funds to the Duportail Street Reconstruction project allows us to move some previously approved Transportation Improvement Board (TIB) grant money from that project to the Duportail Street Extension project. The TIB approved that adjustment on January 22, 2015.

These three projects were already included in the 2015-2020 Six Year Transportation Improvement Program (TIP) that Council approved on June 24, 2014, by Resolution No. 89-14. This TIP amendment is necessary to add the federal grant money to the indicated projects.

Mayor Rose opened the public hearing at 7:59 p.m.

Public Comments: None.

Mayor Rose closed the public hearing at 7:59:15 p.m.

3. Proposed Increases in Appropriation of Capital Improvement and Street Capital Construction Funds - Ordinance No. 05-15
- Pete Rogalsky, Public Works Director

Mr. Rogasky gave the following report: Washington State statutes require that a public hearing be held prior to consideration of an ordinance to increase the appropriation of existing fund balance. Ordinance No. 05-15, is on this evening's consent calendar agenda and proposes to appropriate existing fund balance from the Capital Improvement Fund to the Streets Capital Construction Fund.

State law requires that an ordinance be adopted to increase the budgeted appropriations. Ordinance No. 05-15 proposes to amend the 2015 - 2030 Capital Improvement Plan and increase appropriations in the Streets Capital Construction Fund by the amount of grant funds awarded for several street improvement projects and by the amount of required matching funds. The matching funds' source is proposed as the Capital Improvement Fund fund balance, which is derived from Real Estate Excise Tax.

The proposed budget increase will fully fund two projects: 1) The Duportail Street Reconstruction; and 2) The Vantage Highway Pathway Phase 1. Each project is expected to be complete in 2016. As required, a public hearing is being held at tonight's Council meeting to consider this proposal.

Mayor Rose opened the public hearing at 8:02 p.m.

Public Comments:

Lori Ness, 2235 Davison Avenue, Richland, WA, said the public hearing and the first reading for the amendments to the 2015-2020 TIP was just conducted and she wondered how the public would have had time to review it, as she did not see a public notice about it.

City Attorney Kintzley said the public hearing for the 2015-2020 Transportation Improvement Program - Resolution No. 24-15, was properly noticed in the newspaper and as it is a Resolution, it only has one reading.

Mayor Rose closed the public hearing at 8:03 p.m.

4. Declaring certain real property surplus to the City's needs - Resolution No. 27-15
- Brian Moore, Redevelopment Project Supervisor

Mr. Moore gave the following report: In early 2014, the City issued a Request for Proposals (RFP) for the development of a Restaurant at Columbia Point. The location identified is the parcels east of Anthony's Restaurant and south of the Columbia Marina Park. Florentyna's Inc. provided a proposal in response to the City's request that is aligned with the vision for the development of the City's waterfront and is competitive with other ground leases we have in the area.

The project proponent is committing to do substantial improvements to the park including the relocation of the sewer dump station, relocation of underground utilities, and extending the riverfront trail. The most visible site work is the redesign of the parking at Marina Park. Community Development and Parks and Public Facilities staff have reviewed the design and believe it to provide equal or better functional use of the boat launch.

The project will be developed in two phases, starting with the site work, park improvements and restaurant. The second phase will be the development of the Columbia Point Drive frontage with an additional commercial uses that complement the new restaurant and park. The investment for Phase I is more than \$2.5 million. Roughly \$400,000 is site work and improvements to the park. The second phase investment will be approximately \$2 million. Revenue from the project over the first five years is estimated at \$340,240. Phase II is expected to begin within two years of completing Phase I and is anticipated to generate an additional \$30,660 during the same period. Once fully operational, the project should generate approximately \$147,446 annually.

Mayor Rose opened the public hearing at 8:07 p.m.

Public Comments: None.

Mayor Rose closed the public hearing at 8:07:15 p.m.

Public Comments:

Ken Peterson, 1311 Haines, Richland, WA, said he saw City employees put up No Parking signs by his house and take them back down in the same day. He said he would like a No Parking zone at that location, but wondered why the signs were installed and removed in the same day.

Mayor Rose said the appropriate City staff will get back to him to answer his question.

Lori Ness, 2235 Davison Avenue, Richland, WA, apologized for her previous comments as she was looking at the wrong part of the agenda. Next, she said she believes the Ye Merry Greenwood Fair got a permit from the City to hold their event on the 40 acres at Columbia Point South. She said it was an undeveloped area with no infrastructure and was not suited for a large event as it would have impacts to the land. She said there was no public notice on the agreement and she wants more transparency in City government.

Consent Calendar:

City Clerk Hopkins read the Consent items.

Minutes:

1. Approve the Minutes of the Council Meeting Held February 3, 2015
- Marcia Hopkins, City Clerk

Ordinances - First Reading:

2. Ordinance No. 04-15, Amending RMC Section 14.24.060: Electricity, Relating to Retail Rates
 - Bob Hammond, Energy Services Director
3. Ordinance No. 05-15, Increasing Capital Improvement Fund and Streets Capital Construction Fund Budgets
 - Pete Rogalsky, Public Works Director
4. Ordinance No. 06-15, Amending the Effective Date of Ordinance No. 25-14, Related to Adopting a New Shoreline Master Program
 - Heather Kintzley, City Attorney
5. Ordinance No. 08-15, Rezoning of Property at 1788 and 1790 Fowler Street (Gauntt NW, LLC)
 - Bill King, Deputy City Manager
6. Ordinance No. 09-15, Amending the 2015 Budget and Providing for Additional Appropriations from Unanticipated Revenue in the Parks and Public Facilities Department and Parks Project Fund
 - Joe Schiessl, Parks and Public Facilities Director
7. Ordinance No. 10-15, Amending RMC Chapter 2.20, Code Enforcement Board
 - Heather Kintzley, City Attorney
8. Ordinance No. 11-15, Amending RMC Section 2.17.020, Arts Commission Created, Related to the Size and Structure of Membership
 - Joe Schiessl, Parks and Public Facilities Director

Resolutions – Adoption:

9. Resolution No. 02-15, Setting Public Hearing Date for Reata Road Area Utility Local Improvement District
 - Pete Rogalsky, Public Works Director
10. Resolution No. 22-15, Approving an Interlocal Agreement with Benton County for Solid Waste Program

- Pete Rogalsky, Public Works Director
- 11. Resolution No. 23-15, Approving 2015 Business License Reserve Funding Agreements
 - Brian Moore, Redevelopment Project Supervisor
- 12. Resolution No. 24-15, Amending the 2015-2020 Transportation Improvement Program
 - Pete Rogalsky, Public Works Director
- 13. Resolution No. 26-15, Authorizing Agreement with ELR Consulting, Inc. for SCADA Software Integration Support
 - Bob Hammond, Energy Services Director
- 14. Resolution No. 27-15, Declaring Certain Real Property Surplus and Authorizing Execution of a Ground Lease with G2E2, LLC
 - Bill King, Deputy City Manager
- 15. Resolution No. 28-15, Approving Expenditure from the Public Art Fund Reserves in Support of Cavalcade of Authors
 - Bill King, Deputy City Manager
- 16. Resolution No. 31-15, Expressing Appreciation to the Board Members and Ex-Officio Members Serving on the Wine Science Development Authority Board
 - Heather Kintzley, City Attorney
- 17. Resolution No. 30-15, Aligning the Term Expiration Dates for Certain Boards, Commissions and Committees Governed by RMC Title 2 and Title 23
 - Heather Kintzley, City Attorney

Expenditures – Approval:

- 18. Expenditures from January 26, 2015 - February 6, 2015 for \$3,911,390.24 including Check Nos. 219901-220246, Wire Nos. 5829-5833, Payroll Check Nos. 99860-99877, and Payroll Wire/ACH Nos. 8843-8855

COUNCIL MEMBER KENT MOVED AND COUNCIL MEMBER CHRISTENSEN SECONDED A MOTION TO APPROVE THE CONSENT CALENDAR AS AMENDED. THE MOTION CARRIED 6-0.

Items of Business:

1. Resolution No. 32-15, Appointment to the Richland Public Facility District

Council Member Jones said that based on the interviews, the candidate Shirley Long was his recommendation for the position.

Council Member Thompson said he was not able to participate with the interviews.

Council Member Kent said she was part of the interviews and she also recommended Ms. Long for the position. She thanked the candidates that applied for the positions.

COUNCIL MEMBER JONES MOVED AND MAYOR PRO TEM LEMLEY SECONDED A MOTION TO APPROVE RESOLUTION NO. 32-15, APPOINTING SHIRLEY LONG TO THE RICHLAND PUBLIC FACILITY DISTRICT BOARD. THE MOTION CARRIED 6-0.

Reports and Comments:

1. City Manager Johnson asked Mr. Schiessl to comment on the special events permit for Columbia Point South.

Mr. Schiessl said Howard Amon Park was undergoing extensive irrigation upgrades this summer and would not be able to host large events this year. The Ye Merry Greenwood Fair inquired about using Columbia Point South for their event this year. Although the City is exploring this idea and it has been determined that the event does not trigger a SEPA review, due to technical and other issues, this site is unlikely to be permitted for the fair at this time. Mr. Schiessl noted a master plan is in place to use this location for major events in the future.

2. Council Members:

Council Member Jones thanked Mr. Hammond, his staff and the members of the Utility Advisory Committee for their thoroughness of the rate structure model and of their public awareness efforts.

Council Member Christensen attended the grand opening ceremony for the Home Suite by Hilton on George Washington Way and commented on the luxurious accommodations.

Council Member Thompson reported on his trip to Washington DC with Mayor Rose to attend the Energy Community Alliance Peer Exchange including a report on the Hanford clean-up efforts and other issues.

Mayor Pro Tem Lemley complimented Mr. Hammond's work and requested clarification on the rate structures.

Adjournment:

Mayor Rose adjourned the meeting at 8:24 p.m.

Respectfully Submitted,

Marcia Hopkins
Marcia Hopkins, City Clerk

FORM APPROVED:

David W. Rose
David W. Rose, Mayor

DATE APPROVED:

MARCH 3, 2015