



MINUTES

CITY COUNCIL SPECIAL MEETING / WORKSHOP

Richland City Hall ~ 505 Swift Boulevard

Tuesday, March 25, 2014

SPECIAL MEETING:

Call to Order and Roll Call:

Mayor Rose called the Special Meeting to order at 6:00 p.m. in the Council Chamber.

Attendance:

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

COUNCIL MEMBER KENT MOVED AND COUNCIL MEMBER ANDERSON SECONDED A MOTION TO EXCUSE COUNCIL MEMBER CHRISTENSEN. THE MOTION CARRIED 6-0.

Also present were City Manager Johnson, Deputy City Manager King, City Attorney Kintzley, Accountant II Suchy, Public Works Director Rogalsky, Parks and Recreation Director Schiessl and City Clerk Hopkins.

Items of Business:

1. First Reading, By Title Only - Ordinance No. 08-14, Sale of Waterworks Utility Revenue Refunding Bonds
 - Brandon Suchy, Administrative Services Accountant II

COUNCIL MEMBER THOMPSON MOVED AND COUNCIL MEMBER JONES SECONDED A MOTION TO APPROVE FIRST READING, BY TITLE ONLY, ORDINANCE NO. 08-14, SALE OF WATERWORKS UTILITY REVENUE REFUNDING BONDS. THE MOTION CARRIED 6-0.

Mr. Suchy gave the following report: The Water Fund and Sewer Fund collectively have outstanding 2003 revenue bonds in the amount of \$12,105,000, with ten years of debt service remaining. Due to current economic conditions, interest rates are such that there is an opportunity to refund the bonds at significant savings to the City. Anticipated net present value savings from refunding are \$1,450,000, or approximately 12%, at current interest rates.

As noted in the proposed bond ordinance, the total anticipated bonds to be issued is not to exceed \$12,500,000, which takes into account financing costs and current interest rates. Depending on the economic climate on the day of the bond sale, the actual bonds sold may be some lower amount. The refunding bonds will not extend the term of the original debt.

This ordinance enables Council to appoint the Administrative Services Director as the City's designated representative to approve the final terms of the sale and issuance of the bonds within designated parameters approved by Council. This allows the pricing of the bonds to be timed to best meet market conditions. The parameters are outlined in Exhibit A of the ordinance.

2. First Reading, By Title Only - Ordinance No. 09-14, Sale of General Obligation Bonds for Fire Station No. 74 Construction
- Brandon Suchy, Administrative Services Accountant II

COUNCIL MEMBER THOMPSON MOVED AND COUNCIL MEMBER JONES SECONDED A MOTION TO APPROVE FIRST READING, BY TITLE ONLY, ORDINANCE NO. 09-14, SALE OF GENERAL OBLIGATION BONDS FOR FIRE STATION NO. 74 CONSTRUCTION. THE MOTION CARRIED 6-0.

Mr. Suchy gave the following report: The 2014-2030 Capital Improvement Plan includes a project to construct a new fire station in the City View area of Richland in 2014. The estimated cost of this project is approximately \$3.5 million. As noted in the proposed bond ordinance, the total anticipated bonds to be issued is not to exceed \$3,625,000, which takes into account financing costs and current interest rates. Depending on the economic climate on the day of the bond sale, the bond amount may be some lower amount. The term of the bonds and annual debt service are designed to be covered by the increase in Electric Utility tax that became effective January 1, 2014.

This ordinance enables Council to appoint the Administrative Services Director as the City's designated representative to approve the final terms of the sale and issuance of the bonds within designated parameters approved by Council. This allows the pricing of the bonds to be timed to best meet market conditions. The parameters are outlined in Exhibit A of the ordinance.

Adjournment:

Mayor Rose adjourned the Special Meeting at 6:04 p.m.

REGULAR WORKSHOP: (discussion only)

Agenda Items:

1. Storm water Outfall Retrofit Program (45 minutes)
- Pete Rogalsky, Public Works Director

Mr. Rogalsky introduced the URS Corp. Storm Water Consultant, John Knudson. Mr. Knudson gave his qualification and connection to the outfall retrofit program. He discussed the water quality treatment retrofit program.

Mr. Rogalsky gave the following report: The purpose of this workshop is to solicit Council direction on two issues:

1. Approach to grant funding opportunities for a stormwater water quality treatment retrofit program; and
2. Approach to the Leslie Groves Infiltration Facility project.

In the late 1990's, the federal government published the National Pollution Discharge Elimination System (NPDES) Phase II rule, which required many local governments with less than 100,000 population to manage water quality for stormwater. Richland was subject to this rule and formed its Stormwater Utility to provide a revenue stream to address the anticipated regulatory compliance burden.

The Washington State Department of Ecology (Ecology) accepted responsibility for implementing the NPDES Phase II permit program. In 2007, Ecology issued the first NPDES Phase II permit for eastern Washington cities. Richland is covered by that permit. The City's current NPDES permit requires the City to actively mitigate water quality impacts from stormwater through several programs. The permit requires that new construction include water quality mitigation features, which must be guided by technical guidance developed at a state, regional, or local level.

The City is currently using the Stormwater Management Manual for Eastern Washington to guide design of new private development and capital improvements. This manual was funded and developed by Ecology in collaboration with at least ten eastern Washington communities, including Richland, to support implementation of the NPDES permit. City staff considers use of this manual as a preferred method to compliance with NPDES permit requirements as it allows the City to avoid the cost and resource-consuming effort of preparing and routing a Richland-specific technical manual through Ecology's review process.

The NPDES permit program is intended to change through an adaptive management process. The first five-year permit required startup of several programs. The second

five-year permit requires monitoring and assessment of program effectiveness. Staff anticipates that Ecology will use reports of program effectiveness to guide future changes to the permit.

At present, Richland is in full compliance with our permit, including the provisions that require new construction to include water quality mitigating features. Staff believes that the City's largest exposures to future regulatory requirements are its numerous untreated outfalls that deliver untreated runoff to the Columbia and Yakima Rivers and the Amon Wasteway.

Through two engineering evaluations, City staff has identified opportunities to apply Ecology-recommended water quality mitigation features to a number of drainage systems. Staff used the first study to develop grant applications to Ecology for two such drainage system retrofits. Studies currently underway are preparing several new concepts that could be used to seek Ecology grant funds. Ecology has been designating federal and state water quality funding sources for stormwater water quality retrofit projects for the past five years, but there is no obligation for the federal or state governments to fund these projects. Staff believes leveraging these state funds to address the City's largest financial and regulatory exposure is a good idea.

The retrofit projects being developed involve changes to public spaces. Staff will present maps and drawings describing the retrofit projects. Staff will seek Council direction regarding further development of the retrofit projects, including participating in upcoming grant funding opportunities.

The first of the grant-funded retrofit projects to move to construction is the Leslie Groves Infiltration Facility. Through its public outreach process the City has learned about community concerns regarding this project. Staff and its planning consultant will present an overview of the project and a summary of the concerns received. Council guidance on the path forward is needed.

Council discussion included the public reaction to the infiltration facility, the locations options of the drainage systems, the possible effects of an infiltration facility may have on private wells and near-by basements, community out-reach efforts, what the grant money can be spent on and design options.

Mr. Rogalsky will summarize the information from the workshop and address the questions and concerns that have been discussed and create an educational out-reach program for the citizens. He said he will bring the item back to Council for consideration at one of the April Council meetings.

2. Duportail Bridge - TIGER Grant Application (15 minutes)
- Pete Rogalsky, Public Works Director

Mr. Rogalsky gave the following report: The purpose of the workshop is to solicit Council direction on the financial proposal to include in an upcoming grant application for the Duportail Bridge. The federal government has announced a competitive grant funding opportunity that could provide significant funding for the Duportail Bridge. The "Transportation Investment Generating Economic Recovery" (TIGER) program will distribute up to \$600 million for eligible projects and can cover up to eighty percent (80%) of project costs. Funding a project of this magnitude is a challenging and complex process because there are numerous funding sources and programs that can contribute, each with constraints and conditions.

The 2014 - 2030 Capital Improvement Plan (CIP) includes one possible funding package that includes a mixture of local, state and federal funds. This adopted plan does not include a TIGER grant because at the time of CIP preparation, it was not known if any more TIGER programs would be offered.

City staff is preparing three alternative funding scenarios that could be included in our application. Staff will share those alternatives at the workshop and seek Council direction on the financial approach to include in the upcoming grant application.

Council discussed the grant and Mr. Rogalsky said staff intends to propose a Council resolution at a regular Council meeting in April to authorize the grant application.

3. Criminal Justice Sales Tax (15 minutes)
- Chris Skinner, Police Services Director

Police Chief Skinner gave the following report: On March 4, 2014, Benton County Commissioners adopted a resolution that would place a 0.3% Criminal Justice Sales Tax on the ballot in August of 2014. The Benton County Criminal Justice Sales Tax Citizens Advisory Committee (Advisory Committee) was formed in September 2012. It was comprised of county residents approved by the Benton County Board of Commissioners.

Their stated purpose was to operate fully independent of the Benton County Law and Justice Council, and/or any government entities represented by that council, to analyze and review all aspects of the Benton County public safety system. They were to make a recommendation to county commissioners on whether or not a criminal justice sales tax should be submitted to voters. If their analysis identified the need for a sales tax,

they were asked to provide a recommendation on whether it should be 0.1%, 0.2%, or 0.3%.

In August 2013, the Advisory Committee recommended to county commissioners that a criminal justice sales tax in the amount of 0.3% is needed to meet the county's current and future criminal justice needs. They recommended a ballot measure in that amount be placed before the voters of Benton County. The committee identified that a sales tax at that rate would generate a total annual funding source from \$9 million to \$9.6 million. The City of Richland was projected to receive approximately \$1.2 million in revenue.

During the Advisory Committee's analysis, the Richland Police Department was asked to provide a proposed strategy on how they would utilize additional revenue. A gap analysis was conducted on existing police services as well as projected needs for future growth of the City. It was identified that comprehensive approach to police services to include both enforcement and crime prevention capabilities were in the best interest of public safety.

Council Members discussed the pros and cons of the Criminal Justice Sales Tax, how the City has planned to address the ballot and the Richland Police Department's proposed plan for the additional revenue, if the ballot passes.

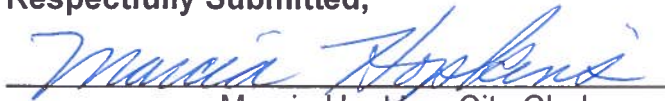
Other Business:

Cindy Johnson said the next Council meeting is scheduled for April 1 and read the agenda. She also noted the ELT Retreat was very productive and the results will be shared with Council at the Council/ELT joint retreat on April 22, 2014.

Adjournment:

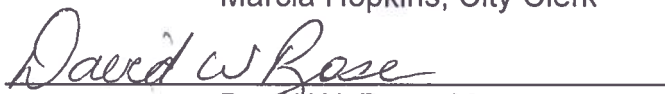
Mayor Rose adjourned the Workshop at 7:47 p.m.

Respectfully Submitted,



Marcia Hopkins, City Clerk

FORM APPROVED:



David W. Rose, Mayor

DATE APPROVED:

April 1, 2014