

UNION GAP CITY COUNCIL REGULAR MEETING
Council Chambers, City Hall
Union Gap, Washington
May 9, 2011

<u>Call to Order</u>	Mayor Lemon called the Regular Meeting of the Union Gap City Council to order at 7:03 p.m.
<u>Council Members Present</u>	Council Members David Butler, Dan Olson, Dan Vanover, Roger Wentz, Dave Matson, James Murr and Chad Lenz were present.
<u>Staff Present</u>	Robert Noe, City Attorney; Robert Almeida, Police Chief; Chris Jensen, Fire Chief; Dave Spurlock, Development Coordinator; Dennis Henne, Public Works Director, and Kathryn Thompson, City Clerk were present.
<u>Audience Present</u>	Debbie Matson, John Hodkinson, Tim Whitehurst, Jo Collier, and others were present.
<u>Pledge of Allegiance</u>	Council Member Wentz led the Pledge of Allegiance.
<u>Special Award Presentations</u>	The Mayor presented a certificate to the Police Chief for Chase Kellogg, Police Sergeant, for 15 years of service to the City and to the Public Works Director for Jo Linder, Public Works Administrative Secretary, for 20 years of service to the City.
<u>Consent Agenda</u>	Motion by Council Member Butler, seconded by Council Member Vanover to approve the consent agenda, as follows: Approve the Regular Council Meeting Minutes, dated April 25, 2011, as sent out on pages 5195 through 5197 of the Minute Book. Approve Claim Voucher Nos. 79604 through 79629, in the amount of \$247,200.98 dated April 28, 2011 and transfer from the operating funds to the Claims Fund. Approve Payroll Voucher Nos. 34405 through 34489, in the amount of \$196,483.20 dated April 28, 2011 and transfer from the operating funds to the Payroll Fund. Approve Claim Voucher Nos. 79630 through 79717, in the amount of \$501,094.55 dated May 9, 2011 and transfer from the operating funds to the Claims Fund. Motion carried unanimously.
<u>Resolution No. 934 – Agreement with Central WA Antique Farm Equip. Club for 2011 Central WA Antique Farm Exposition</u>	Motion by Council Member Wentz, seconded by Council Member Olson to adopt Resolution No. 934, A Resolution authorizing execution by the Mayor of the annual Agreement For Distributing Information For Purpose of Attracting Visitors And Encouraging Expansion Re: 2011 Central Washington Antique Farm Exposition. Motion carried unanimously.
<u>Resolution No. 935 – Alley Paving Improve. Consultant Agree. with Huibregtse Louman Assoc. for Construction Engineering Services</u>	Motion by Council Member Wentz, seconded by Council Member Vanover to adopt Resolution No. 935, A Resolution authorizing the Mayor to sign a Local Agency Standard Consultant Agreement with Huibregtse, Louman Associates, Inc. for engineering services related to Union Gap – Alley Paving Project. Motion carried unanimously.
<u>Resolution No. 936 – Intergovernmental Local Agreement – Extension for Stormwater Permit Compliance Activities</u>	Motion by Council Member Vanover, seconded by Council Member Wentz to adopt Resolution No. 936, A Resolution authorizing the Mayor to sign an extension to the 2009 Interlocal Agreement between Yakima County and the Cities of Yakima, Union Gap, and Sunnyside for Stormwater Permit Compliance Activities. Motion carried unanimously.

Resolution No. 937 –
Memorandum of
Understanding with Fire
Union

Motion by Council Member Vanover, seconded by Council Member Lenz to adopt Resolution No. 937, A Resolution authorizing the Mayor to sign a Memorandum of Understanding with the International Association of Firefighters Local 3680 and the City of Union Gap regarding cash out of accrued vacation time.

Council Member Matson questioned why the City would pay back vacation time.

Mayor Lemon informed by ordinance the City can buy back 80 hours of vacation so an employee does not have to use it or lose it and put the City in a position of paying overtime to cover for the employee's absence. He informed this Memorandum of Understanding is for 1 person who was led to believe there was no cap on the buy back, but there is an 80-hour cap in the ordinance.

After discussion, Mayor Lemon called for a vote on the motion by Council Member Vanover, seconded by Council Member Lenz to adopt Resolution No. 937, A Resolution authorizing the Mayor to sign a Memorandum of Understanding with the International Association of Firefighters Local 3680 and the City of Union Gap regarding cash out of accrued vacation time. Motion carried: Council Members Olson, Vanover, Matson, Murr and Lenz voting in favor; Council Members Butler and Wentz voting no.

Award of Bid – Alley
Paving Project

Motion by Council Member Olson, seconded by Council Member Vanover to accept the most qualified, lowest responsible bid from Granite Construction Company, and award Schedule B in the amount of \$187,700.00 for the Alley Paving Project – contingent on authorization from Yakima County Public Services (project certification acceptance agency) and Local Programs engineer, South Central Region, Washington State Department of Transportation.

The Public Works Director informed the low bid is below the engineer's estimate, saving about \$9,000 of match money leaving a little extra money to play with, if necessary. He informed this bid covers all the alleys, but there are a couple of small dead-end gravel streets that were not included. He informed we may be able to include those streets with funding agency approval.

Council Member Wentz stated he would appreciate having the financial budget information included on the cover sheet for this type of item.

After discussion, it was the consensus of the Council to have the Public Works Director look into adding the two small gravel streets to this project.

Mayor Lemon called for a vote on the motion by Council Member Olson, seconded by Council Member Vanover to accept the most qualified, lowest responsible bid from Granite Construction Company, and award Schedule B in the amount of \$187,700.00 for the Alley Paving Project – contingent on authorization from Yakima County Public Services (project certification acceptance agency) and Local Programs engineer, South Central Region, Washington State Department of Transportation. Motion carried unanimously.

Add to Agenda –
Discuss and Consider
Amendment to
Legislative Dept.
Budget

Motion by Council Member Vanover, seconded by Council Member Wentz to add to the agenda discussion and consideration of amendment to the legislative department budget. Motion carried unanimously.

Council Member Vanover stated the Finance Committee met with the department heads and the financial consultant to discuss the budget and the need to cut 10 percent from the overall budget.

Mayor Lemon questioned why the committee believes the budget needs to be

cut.

Council Member Vanover stated because of a shortfall in sales tax revenue.

Mayor Lemon stated he has been hearing this himself and questioned why the Council is not accounting for the new stores and the revenue they will bring. He stated we brought in \$3.3 million last year and this year we projected \$3.6 million. He stated we have new stores such as Rue 21, Bed, Bath, and Beyond, and Kohl's, which is an anchor store equivalent to Macy's that will add to our revenue. He stated he disagrees we will have a revenue shortfall and he wishes the stories would get straight because first he was told we have an expenditure problem and now he is told it is a revenue problem.

Council Member Vanover stated they are only bringing forth what staff is telling them, they did not make any of these forecasts.

Mayor Lemon questioned if the Council thinks it is reasonable to think that Kohl's will not give the City more revenue.

Council Member Vanover stated no one is saying that, but the projections so far this year are off by \$80,000.

Mayor Lemon stated our projections are off every year and we went over this last year when Council wanted to cut and do more layoffs and the Mayor said hold off and the Council held off and we ended up with \$550,000 ending fund balance. He stated he wants to hear more than this and informed the Council cannot cut 10 percent from the Police Department without cutting three or four officers.

Council Member Vanover stated nobody has proposed any such thing. The Finance Committee discussed cutting \$12,500 out of the Legislative budget because they believe they need to lead by example rather than dictate. It was made clear this morning that no layoffs are intended. He stated the target is 10 percent, but it may take three years to get this budget in line.

Mayor Lemon stated he does not agree with this but allowed the Finance Committee to meet with the department heads so the Council could not say he did not let them talk to department heads. He stated if the Council wants to make a proposal go ahead and make it tonight, he has talked with the Police Chief, Fire Chief, and Building Official and they all agreed there is nothing to cut except personnel. He stated the Council needs to make a decision if the Department Heads cannot find the money because the Department Heads can't find it.

The Police Chief stated they did not have a thick budget to start 2011 and to come up with 5 – 10 percent is not possible without eliminating people.

Council Member Vanover stated some departments may only come up with 1 percent or less than 1 percent to cut.

Mayor Lemon stated the Police Department is half of the general fund and informed if officers are proposed to be cut, he has directed the Police Chief to apply for a grant for four officers. The grant allows officers designated to be laid off to be funded with a grant. He also stated he found out today that the SAFER grant was never applied for by the Fire Department.

The Fire Chief informed he is looking into whether or not the SAFER grant was applied for.

The Police Chief stated the grant would pay for three years at entry level wages,

but since not all the officers are at entry level there would be some pay difference for the City to make up and the City would have to carry them the fourth year.

Council Member Vanover stated he is all for grants because that would improve the situation.

The Police Chief stated he has until May 25th to apply for the grant.

Council Member Wentz questioned if the Council would have to formally designate layoffs to qualify for the grant.

The Police Chief stated yes.

Council Member Vanover suggested the Police Chief bring information to the next Council meeting outlining what needs to be done.

Mayor Lemon stated he was told by the Department Heads that if they could not find the 10 percent to cut Council Member Vanover would find it.

Council Member Vanover stated nobody made such a statement. He then informed the Finance Committee's proposed cuts to the Legislative budget are cutting Miscellaneous from \$12,000 to \$3,000; cutting Professional Services – Youth Council from \$500 to zero; cutting Communication – Youth Council from \$1,200 to \$200; and cutting Miscellaneous – Youth Council from \$2,000 to zero. He stated the cuts are primarily because the Youth Council is no longer functioning as a Youth Council.

Mayor Lemon stated the Council needs to increase Travel for the rest of the events the Council plans to attend this year.

Council Member Vanover stated the Council needs to decide what is important to them.

Motion by Council Member Vanover, seconded by Council Member Olson to direct staff to prepare a budget amendment ordinance for the next Council meeting enacting the Finance Committee's proposal.

Mayor Lemon stated he would like to see this proposal in writing, and informed the \$12,000 in Miscellaneous is usually dedicated for something.

Council Member Vanover stated the newsletter is included in Miscellaneous.

Mayor Lemon stated he believes there is another line item with money for the newsletter.

Mayor Lemon called for a vote on the motion by Council Member Vanover, seconded by Council Member Olson to direct staff to prepare a budget amendment ordinance for the next Council meeting enacting the Finance Committee's proposal. Motion carried unanimously.

Mayor Lemon stated he is not promising he won't veto this, if passed. He then questioned if the Finance Committee directed departments to find cuts or the committee would make cuts.

Council Member Vanover stated the committee is just entering into discussions to see what is feasible.

Mayor Lemon stated if the City meets last year's sales tax revenue there will be a \$350,000 ending fund balance without including revenue from new stores.

Council Member Vanover stated that is not the figure they were given.

Mayor Lemon questioned how the Council can think we will not see half a year of revenue from Kohl's.

Council Member Wentz stated this report is through April and revenue is not up.

Mayor Lemon stated we haven't seen any revenue from Kohl's yet because it is two months delayed. He stated Kohl's is an anchor store like Macy's and we will see a revenue increase.

Council Member Vanover stated he is not advocating layoffs at all, he believes money can be found elsewhere.

Valley Mall Blvd.
Landscape Design

The Public Works Director distributed a memorandum with attached sketches of Valley Mall Boulevard landscape design. He explained the City needs to decide what will be located in the smaller roundabout at South Rudkin Road/Valley Mall Intersection. The sketch shows a Conestoga wagon based on previous discussions with Council regarding the landscaping.

Mayor Lemon stated he liked Council Member Wentz' idea of a water wheel and suggested all the Council members write down what they would like to see and then share their ideas.

The Public Works Director stated in 2009 the Council decided to put the pad in and decide what would be located there later, but now the Council needs to decide and whatever we put in will be at City expense.

Council Member Wentz suggested a windmill would be less cost and maintenance than a water wheel.

After discussion, four people wanted the water wheel, 3 people wanted the windmill, and 1 person wanted the covered wagon.

Council Member Wentz questioned if the grass medians on Valley Mall Boulevard could be changed to rocks or something else with less maintenance.

The Public Works Director stated the medians cost the City about \$20,000 for the water and the grass mowing. He informed he can get estimates, but even rock is expensive.

Main Street Project. Council Member Wentz questioned when the Main Street project will be complete.

The Public Works Director stated the paving should be done in about two weeks.

Rudkin Road. Council Member Wentz asked when Rudkin Road would be paved.

The Public Works Director informed Rudkin Road will be done if there is excess money left over.

Utility Drop Box. Council Member Matson stated he received a complaint about the utility drop box.

The Public Works Director stated the drop box will be back, staff is working on it to make it easier for the clerks to use.

Yakama Nation Grant. The Public Works Director stated the City received a

\$1,500 grant from Yakama Nation Legends Casino for supplies and materials for the summer youth program in the parks.

Development of 5/23/11
Council Agenda

Reservoir. The Public Works Director informed the City received a low interest loan of \$740,000 for the reservoir project. He stated he will look into the 404 Fund to see what the revenues will be.

There were no additional items for the May 23rd Council agenda.

Previous Council
Meeting

Mayor Lemon informed at the last Council meeting he was at a mandatory City compact training meeting with the Police Chief.

Items from the
Audience

Budget. Jo Collier, Fire Secretary/Accounts Payable, stated she is confused about the budget situation because two weeks ago the Council gave a 2 percent increase to non-union managers and employees and now the Council is talking about budget cuts. She questioned how the Council can unanimously give an increase in pay and now say they might have to cut when all of this is based on information from the Financial Consultant.

Council Member Olson stated the 2 percent comes out of the department's existing budget.

Ms Collier stated that should not matter because now the departments are being told to find ways to cut their budgets.

Council Member Wentz stated the Council was not clearly informed by the Financial Consultant until the day after the last Council meeting.

Ms Collier stated she remembers Council Member Olson wanting to wait until the Council met with the Financial Consultant, but nobody seemed to want to do that.

Council Member Wentz stated the Council did vote unanimously, but the department heads said they could find the money in their budgets and they know where their budgets are.

Ms Collier stated the department heads kind of said they could find the money, it was mentioned by one department head that the budget is really tight but they could find it and the other department head that spoke didn't actually speak until fuel cost was brought up and then they said they might need more money for fuel if costs go up, but they did not bring up the 2 percent.

Council Member Matson stated it was his understanding that department heads had not had raises since about 2005 and union employees have gotten raises all along.

Ms Collier stated typically when the unions received a raise the managers received a raise.

Mayor Lemon stated giving the managers a raise after the unions receive a raise is not a good way to do it because non-represented employees cannot be given a retroactive raise and unions can. He informed the managers' raise is not all the Council's fault, it came to his attention that some of the job description ordinances say he is supposed to negotiate salaries with the managers. He has not been involved with the Council members telephone meetings with Bruce Disend regarding union negotiations, but he got wind that a couple of the unions were offered 2 percent and some of the unions got zero, so he felt it appropriate to get department heads together and see how they felt. He stated there were issues of compression, subordinates were making more money than managers, and the managers are 24/7. Having the knowledge of the offer of 2 percent he

felt 2 percent was appropriate, the managers argued higher but agreed to 2 percent, but they do not receive that retroactively. The Council could have turned it down, but they didn't and the Financial Consultant argued that the department heads should find the money in their department budget. He stated he believes the department heads receive the raise even if they can't find the money in their budget, because he does not know how they will find it.

Ms Collier stated she did not intend to come up and discuss the union issue; the issue is how can the Council approve 2 percent increases and then say the budget needs cuts.

Mayor Lemon stated he is confused too because originally he was told this was due to a revenue shortfall and he helped form those projections and feels they are accurate, but today he found out that this is about over spending and how much more we spend than Toppenish or Selah. Now he is hearing that it does not hurt to have a million dollar reserve, but the problem with that is that this is a recession. He stated when the economy picks up and the recession is over we will have a lot of money again. He stated he is adamantly opposed to the cuts that are being proposed and he may exercise his second veto.

Ms Collier stated you can imagine how the union felt when they were told no raises after they lost several positions in October 2009, and they had to step up and do two and three positions at one time. They were overwhelmed and overworked, their increase was denied, and then the managers got 2 percent.

Mayor Lemon stated he originally felt 1.5 percent, the current national CPI, was fair for the Teamster union and was planning to negotiate without Bruce Disend, but the Council felt differently and he can't help that. He stated he knows the employees have taken on a lot and he has had a lot of pressure on him to hire front office coverage.

Ms Collier stated if the budget is bad and if they had information that it was still really critical there is no doubt they would have accepted no increase, but they were led to believe things were better and then they received no raise and the managers got 2 percent.

Council Member Wentz commented the managers' increase is equal to the increase agreed to with the Fire union.

Mayor Lemon stated he sees things getting better, Gen X is leaving, but The Gap is taking its place as soon as it goes out and Fred Bruning says he can attract all kinds of stores to this area because businesses are doing well here. He stated last year the projected ending fund balance was \$300,000 and we ended the year with \$550,000.

Council Member Wentz stated we can't spend money before we receive it and stated there is nothing left in the City Hall building fund and something has to be done about the building because it is not healthy and even had to be evacuated last week. He stated the Council needs to prepare for the future instead of living day by day.

Mayor Lemon stated the building fund was repaid and the evacuation was because employees were smelling acetone.

Council Member Wentz stated he was told at the previous Council meeting the employees were complaining about it being a sick building.

Mayor Lemon stated it would take a bond to build a new City Hall and it is unlikely the voters would pass a bond. He also stated it is premature to look at layoffs.

Council Member Wentz stated nobody mentioned layoffs; the Council just wants staff to bring some suggestions.

Council Member Matson stated the City needs a reserve fund that cannot be touched. He stated even if it starts with \$10 and then it is added to with the ending fund balance.

Mayor Lemon stated the City did not have a reserve fund in good times.

Departmental Reports

Council Member Wentz stated that is the problem.

Mayor Lemon informed the following reports are in the packet and questioned if the Council has any questions of the departments: Tax Revenue Reports – April 2011 and Tourism Promoter Status Report – April 2011.

Recess to 30-Minute
Executive Session

At 8:10 p.m., Mayor Lemon recessed the Regular Council meeting to a 30-Minute Executive Session to discuss collective bargaining. Attending the Executive Session were the Council and City Attorney.

Reconvene & Adjourn
Meeting

At 8:17 p.m., Mayor Lemon reconvened and adjourned the Regular Council meeting.

These minutes dated May 9, 2011 were approved at the Regular Council Meeting of May 23, 2011.

Jim Lemon, Mayor

ATTEST:

Kathryn Thompson, CMC, City Clerk