

**OPENING OF MEETING**

Mayor Gary Cook opened the Regular Council meeting at 7:02pm. Present were Council Members Debbie Chapman, Michelle Plumb, Mike Schrag, Scott Yaeger, Dennis Chamberlain, Mark Weigand and Dede Boyer. Staff members in attendance were Clerk-Treasurer Julie Flyckt, Deputy Clerk Treasurer Michelle Asmussen, Police Chief David McCormick and Interim Public Works Director Dave Breazeale. Also, in attendance were Brandon Cline from the Ritzville Adams County Journal, Karen Cady, Barry Boyer and Charles Jingling. City Fire Chief Joel Bell, City Attorney John Kragt and Public Works Director Larry Swift were excused.

**PLEDGE OF ALLEGIANCE**

Mayor Gary Cook led the council and audience in the recitation of the Pledge of Allegiance.

**ACCEPTANCE OF THE CONSENT AGENDA**

Mayor Gary Cook asked if there were any changes to the consent agenda. Council Member Dennis Chamberlain made a motion to accept the Consent Agenda. Council Member Dede Boyer seconded the motion. Motion passed 7-0.

**ACTION AGENDA**

- A. USDA-RD Grant /Loan Offer-**Clerk Treasurer Julie Flyckt reported that at the last meeting we talked about the USDA-RD Loan/Grant and what they were purposing. We have received the final offer. In the packets is a loan for \$3,465,000 and a grant for \$3,907,000. We will need a motion for approval for the mayor to sign the offer to move forward with the grant & loan. There is more information in your packet which is a letter of obligation. We are looking at an annual payment of \$128,900 and we have to set up a debt service reserve just like we did with the DWSRF loan. We have to put the total amount of one year's loan payment into the debt reserve. Julie stated that she has started updating this information into the 2020 budget and it is doable putting that amount in the debt reserve. As for a short-lived asset reserve, USDA is requiring we have \$78,750 transferred into that reserve every year. We already have our water reserve which can be used for this purpose. The representative is going to work with Julie on our current reserve to see if we will be required to do that full amount. We also need to bring on a bond attorney to set up the bond and the cost is built into the grant/loan. There is also an applicant contribution in the amount of \$32,000 and we will submit invoices for engineering that has already occurred to meet the \$32,000 contribution. This grant/loan is set up to draw down the loan portion first. Council Member Dennis Chamberlain asked for clarification stating the city isn't obligated to spend this amount but it just gives us the option. Mayor Cook stated that it obligates us to the contract, but the projects are going to drive the spending. Council Member Scott Yaeger asked if we still had to do the conflict of interest policy? Julie stated that we have already taken signed off on the conflict of interest form provided by USDA but Julie said she agrees with Scott that we should have one. Scott also asked if this was going to affect the water rates. Julie said that this won't affect the water rates. Council Member Michelle Plumb asked which projects that this is covering. It covers the replacement of well #8, rehabilitation of the Koch well pump station electrical, rehab of the golf course

well pump station, electrical pump motor and distribution main, the water storage of the standpipe reservoir, improvements to the park reservoir, and the distribution system which is replacing existing old undersized tubes. Council Member Dede Boyer made a motion to approve the mayor to sign the USDA-RD loan/grant offer. Council Member Dennis Chamberlain seconded the motion. Motion passed 7-0.

- B. Foster Pepper Bond Council Agreement-** Clerk-Treasurer Julie Flyckt stated that moving forward with accepting the USDA-RD loan/grant, we have to bring on a bond attorney to help us with the entire process. We have a meeting scheduled tomorrow with the bond attorney, representative from USDA and the bank lender, who will be holding the bond for us. This agreement outlines all the tasks that the bond attorney is going to be doing. Council Member Scott Yaeger asked if the grant/loan also covered the bond attorney fees and Julie stated that it did. On the project costs they have \$20,000 for bond council and \$10,000 for admin and legal fees. Council Member Dede Boyer made a motion to approve the mayor to sign the engagement letter for bond counsel services regarding USDA revenue bond financing. Council Member Scott Yaeger seconded the motion. Motion passed 6-0, with Council Member Mark Weigand abstaining.
- C. Standpipe Bids-** Mayor Gary Cook stated that we received two bids but we found out the project cannot be under the DWSRF funding which expires on December 31, 2019. Rather than try to do the inside of the tank, which has some logistic problems, heating and securing issues over the winter. It was discussed with Ben Varela that we would rebid it maybe in December or January, sometime around the first of the year and use the USDA funding. We are switching the funding because we couldn't get it completed without a whole bunch of extra cost or having curing issues. The decision was to reject both the bids with the idea of rebidding and taking a fresh look at it at the beginning of the year under the USDA for the work to be done in the spring. Mayor Cook stated that one of the bidders stated that if they had to bring heaters in the cost to cure it could be another \$100,000 just to keep it warm going into the winter. The mayor said he received an email today from Ben Varela where he had notified the bidders that their bids had been rejected and that we were going to rebid. Council Member Scott Yaeger made a motion to second Varela's recommendation to reject all bids. Council Member Dennis Chamberlain seconded the motion. Motion passed 7-0.
- D. Koch Well Agreement-** Mayor Cook stated that he reviewed the agreement this afternoon and City Attorney John Kragt has also looked it over. John found some things that needed to be corrected. This will go back to Varela and Shannon Industrial to get the items corrected and bring it back. Julie Flyckt asked if the council could do a motion to approve the mayor to sign the corrected documents when we get them back. Before the mayor signs it, the contract will go back to John Kragt to look it over. Council Member Dennis Chamberlain made a motion to approve the mayor to sign the contract once the language has been corrected to John's satisfaction. Council Member Dede Boyer seconded the motion. Motion passed 7-0.

## DISCUSSION AGENDA

- A. Quarterly Financial Reports (Jan-Sept)**-Clerk-Treasurer Julie Flyckt stated that in the packets is the quarterly report for cash & investment activity and the revenue & expenditure activity reports. Right now, we are about 75% to budget. The special funds won't fall into that 75% at this time as they may have expenses during a specific time of the year. For the current expense fund, we are at 70% towards budget on expenses and 64.2% towards budget on revenue, we are right on track as far as where we need to be at this point. There is a change to the 402 Proprietary reserve where it held water and sewer reserves. We have split that out, 402 is now the water reserve and 409 is now the sewer reserve. These funds numbers were established by Ordinance No. 703 but combined at some point.
- B. Draft 2020 Retreat Budget and Projected Revenues**- Clerk-Treasure Julie Flyckt stated in the packets is a tax revenue distribution document. On the first page are the taxes that we receive from the state. Below that it shows what time of year we receive those revenues. The document shows the actuals from 2017, 2018, and estimates for tax revenue at year end in 2019 and anticipated taxes in the 2020 budget. The next page is local taxes, real and personal property tax which is broken up into multiple funds. On the last page it shows overall 40% of our revenue is taxes, around 49% is charges for services, and intergovernmental is lower just because the bars manual at the state auditor's office took out an object code that helps us track intergovernmental. Council Member Michelle asked if the staff had looked into the housing assistance that has to be signed off on and Julie stated that we haven't had any further discussion on this. Michelle said this has to be done by the end of the year if we want to participate in it. Julie Flyckt reported that there is an action item in your packets which is the memo to council There are funds that need to be reclassified for our 2018 annual report because our audit is coming up and she needs to make some changes and we need to reclassify funds for 2019. The 600 agency funds are changing to a custodial fund and we need to update some of those funds to a 400 fund. The Sanitation Agency fund number 637 will be reclassified to 404 and retitled to the sanitation retainage fund. The Helping Others 636 (on going/recurring) fund will change to a 410 fund. In 2019, Julie is proposing to update some of our special funds. We also need to change the city beautification fund from a 302 fund to a 124 fund, because it should be a special revenue fund and not a capital fund. We have a 123 fund for the cemetery trust that is a capital fund that will need to be a 307 fund. Julie will be providing an ordinance at the end of the year with all of these changes that will need to be made. Council Member Michelle Plumb stated that when they updated the cemetery ordinance, she thinks they may have changed the name of the cemetery trust. Council Member Dennis Chamberlain stated that he believed that was the case and thought they should investigate that. Council Member Dennis Chamberlain made a motion to approve the reclassifying the Sanitation Agency Fund 637 to Sanitation Retainage Fund 404 and reclassify the Helping Others Fund 636 to 410, Cemetery Fund 102 to 004, City Memorial Fund 303 to 006, PDA Agency Fund 635 to 007, City Beautification Fund 302 to 124 and the Cemetery Trust Fund 123 to 307. Council Member Mike Schrag seconded the motion. Motion passed 7-0.

**CORRESPONDENCE****MAYOR**

**I. Downtown and Plaza Revitalization-** Mayor Cook stated that on September 25<sup>th</sup>, community leaders and people with businesses adjacent to the plaza attended a meeting with two instructors and 4 undergrad students from WSU. It was a brainstorming invitation only to those businesses to see what they saw as revitalization of downtown. They will come back in January or February with plans and options. They stayed overnight on Tuesday night and walked around downtown. This project started out with a focus on revitalizing the Plaza and ended up being huge as it will involve transportation, quiet zone and Amtrak. Council Member Dennis Chamberlain commented that there were a lot of businesses that attended that don't normally come. Their comments afterwards were very productive, and they were very happy they were invited. Council Member Dede Boyer asked if it was only Main Street businesses. Mayor Cook stated that it started out as a Plaza project, so it was those that were essentially affected. Julie Flyckt said they could only have 20 people because it was a brainstorming meeting. It was the Ritzville Partnership group and those business on Main Street. When they come back in January or February, there will be a public meeting for everyone to give their input.

**SCHEDULED ITEMS****DEPARTMENT UPDATES**

**Public Works Department-** Dave Breazeale reported that the park tank has been completed. We had a couple issues along the way with the discharge valve being completely seized. It had to be cut out and removed and a new one put in. We filled the tank, pulled a water sample, and the sample passed. Dave gave Clerk-Treasurer Julie Flyckt a list of surplus vehicles today so she can write a resolution but he doesn't have his full list complete yet. The railroad got the Adams Street crossings re-installed and will be paving it on Friday. Dave found a snowplow truck out of Salem Oregon. It is a 2008 Chevy 3500 HD with a 3-yard dump bed on it and 49,000 miles for \$24,995. They don't charge sales tax in Oregon so we will have to pay the Washington sales tax which is going to be around \$2,000. He also found a 9.5-foot Snow dog VFX V-plow with the mount and everything for the truck for \$6,249.96. We are roughly are into the plow and truck for \$33,000. This dump truck will replace the cemetery dump truck and will also serve the purpose of a plow truck in case we have a plow truck go down. Dave stated that conservatively he thinks we should get about \$10,000 back from the surplus to go back into the ER&R. The grader will be local bids as it will be too expensive to send it to Eltopia for the auction. Mayor Cook stated that he had spoken to Dan at the golf course this morning to see if he had anything that he would like to add to the surplus list and resolution. Council Member Scott Yaeger made a motion to authorize the public works department to purchase the vehicle that Dave mentioned, plow and to pay the sales tax out of the ER&R fund. Council Member Dede Boyer seconded the motion. Motion passed 7-0. Council Member Scott Yaeger stated that as far as the surplus stuff, ask him and he will get the electronic stuff to you on that, you may have to refer to different RCWs. Usually what the county does is they get the Resolution to surplus the items as sealed bids, that resolution will say when the sealed bids were due. The equipment

can be viewed a week before hand. The day the sealed bids are open, they have 24 hours to pay the clerk in cash or cashier's check. If it isn't paid within the 24 hours, it could revert to the next highest bid. You do need to know how you are going to sell it for the resolution. Dave also reported the statues were placed by Zips today. Work continues on the cemetery shed with half of the roof on the cemetery shed being torn off. Dave submitted some requests for the Wayfinding signs to sign vendors and still waiting to hear back from them. The City Hall sign has been ordered and it should be ready in about 3 weeks. It was a little more than anticipated due to the brand custom colors on it. The price went up to \$2,460 plus tax.

**Police Department-** Dave McCormick reported that the school is going to have a tabletop exercise on the 17<sup>th</sup> and then the actual semi live lockdown drill on the 29<sup>th</sup>. This is for the staff to plan on how they are going to react based on their policies in the event of an emergency that impacts the area of the schools or the schools themselves. The police department probably won't be a part of the tabletop, we were up there a few weeks ago and did a walk-through of the school with the staff and emergency personnel. This also coincides with a trial we have set that a prosecutor feels may go on for at least two weeks. This will have a major impact on the police departments personnel. Chief McCormick stated that he met with Council Members Michelle Plumb and Scott Yaeger to try and firm up the sign ordinance and some issues that needed to be addressed. Yesterday at 6:00am there was several DEA agents, ATF, INET task force, a couple Sheriffs Deputies and Mark and Dave, who served a warrant at a house on the 300 block of W. 3<sup>rd</sup> for narcotics.

**Clerk-Treasurer Department-**Clerk-Treasurer Julie Flyckt reported the auditor will be on site October 14<sup>th</sup> but the date keeps changing. Right now, she is still wrapping up edits to the 2018 annual report per our financial consultant's recommendations. A lot of the work right now is around the 2020 budget and preparing for the retreat this Friday. As a reminder the retreat is this Friday from 10-4 at the golf course. The department heads will present from 10:15 to 11:45 where they will have 15 minutes each to talk about accomplishments this year and what you would like to see for next year. We are also going to be working on budget goals.

## COUNCIL REPORTS

**Ritzville Golf Association-**Mark Weigand- Since we are going up on Friday for the retreat, Mark would like everyone to look at the new deck and the new bathroom. There is also a brand-new sign on the corner of the golf course that says Ritzville Golf Course.

**Tree Board-**Mike Schrag- He talked to Dave Breazeale before the meeting tonight and going to try and move the planters down to the city shop. He is having trouble getting a hold of Bill Sager so we are just going to paint the ones that are presentable for now and put them out.

**Gritman Senior Center-**Debbie Chapman- They had a meeting on September 10<sup>th</sup>. Their meal counts are up and they are pleased with that. They also set a new rental fee rate of \$30.

## COMMITTEE REPORTS

**License, Rules & Permits-**Scott Yaeger- Dave McCormick had a question on the sign ordinance and Scott hasn't had time to look at that portion of it, but it is getting close.

**Finance & Employee Benefits**-Mike Schrag-The finance committee met tonight and most of the things have been discussed already. We are going to discuss the clerk department staff analysis on Friday at the retreat.

**Health and Wellness**-Michelle Plumb asked if we have looked into suppliers for Wayfinding. Dave Breazeale stated that they haven't heard back on the costs yet. She did forward Julie Flyckt the DOT estimate for the I-90 signs which is a per square foot estimate. Council Member Michelle Plumb stated that we do have a deadline to spend the money and Dave Breazeale was unaware of the deadline. Clerk-Treasurer Julie Flyckt stated that the 110 projects need to have invoices in by the end of November. Dave Breazeale asked what the budget is on the Wayfinding. Michelle Plumb stated that they were awarded \$44,000. Council Member Dennis Chamberlain stated that if we react fast enough, the Chamber also has some funding they can help with the project. Dave Breazeale stated that he would get a hold of Intermountain signs tomorrow.

### **PUBLIC REQUESTS AND COMMENTS**

Council Member Michelle Plumb stated that they had a lot of great reviews for our annual Ice Age Floods meeting that was held in Ritzville this year. Council Member Dennis Chamberlain stated that he took a group of ladies on a tour of buildings in the downtown.

Julie Flyckt said that she knows we are all working on branding, but she would like to say thank you to the golf association for purchasing the new golf sign. They did get a sign permit just like any entity has to. It may not be specific to our branding, but the font is close enough. It is really about honoring volunteer associations that bring the effort forward to beautify our city.

Mayor Cook wanted to remind everyone that 110 applications are due next Friday.

With no further comments or business to come before the council, Mayor Gary Cook adjourned the regular meeting at 8:21pm.

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Michelle Asmussen, Deputy Clerk Treasurer