

**CITY OF RUSTON
REGULAR COUNCIL MEETING
Tuesday, December 7, 2021**

The City Council of the City of Ruston met on this date via Virtual Teleconference

MEETING CALLED TO ORDER

At 7:00PM Mayor Hopkins called the regular Council Meeting to order. Councilmembers present were Councilmember Hardin, Councilmember Kristovich, Councilmember Syler and Councilmember Huson. Councilmember Hedrick was excused. Following the flag salute, Councilmember Hardin moved to approve the agenda, with a second from Councilmember Kristovich, passed 4-0.

MINUTES

Councilmember Hardin moved to approve the minutes for the Regular Council meeting of November 16, 2021, with a second from Councilmember Kristovich, passed 4-0.

GENERAL PUBLIC COMMENTS –

John Linn – Wanted to know the logistics regarding Promontory Park as the Master Plan is unclear. Mr. Linn asked if the park would stay under private control. Mayor Hopkins responded to Mr. Linn’s inquiry noting the property is a dedicated open space. Once the property gets improved it will transfer into the city for ownership and maintenance of the parcel and then it will become a park.

BUSINESS –

ORD 1554 – FY2022 Budget (2nd reading) - In accordance with State law, the Mayor of the City of Ruston completed and placed on file with the City Clerk-Treasurer a proposed budget and estimate of the amount of monies required to meet the public expenses, interest, reserve funds, and expense of government of the city of Ruston for the fiscal year ending December 31, 2022. The Council is required to adopt its budget ordinance prior to January 1, 2022.

The City Council Budget consideration schedule for Fiscal Year 2021 is as follows:

Mayor’s Budget Message to Council:	November 2, 2021
Council discussion of revenue sources:	November 2, 2021
Public Hearing on Revenue Sources	November 16, 2021
Adoption of Tax Levy Ordinance No. 1552	November 16, 2021
Public Hearing on Proposed Budget:	November 16, 2021
Budget Discussion #1:	November 2, 2021
Budget Discussion #2:	November 16, 2021
Budget Discussion #3:	December 7, 2021
Adoption of Final Annual Budget for 2022:	December 7 or 21, 2021

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Prior to budget adoption, the City Clerk will have fully complied with state law by publishing notice of the availability of the budget for public review and publishing notice of the required public hearings on the City’s proposed tax levy and budget (November 16th).

The Final Budget’s beginning balance is \$3,473,000.00 plus taxes, license fees, service charges, fine, forfeitures and other revenues totaling \$4,495,897.00, including inter-fund transfer(s) of \$419,000.00 are combined in the Final Budget for total expenditures and ending balances amount of \$4,714,383.00. The Ending Balance is projected as \$3,254,514.00.

The totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are set forth below:

Fund Name	Resources	Uses	2022 Interfund Transfers In	2022 Interfund
Fund 001 – General Fund	\$ 1,879,347	\$ 2,029,684		
Fund 0005 – Surplus Fund	\$ 17,000	\$		
Fund 050 – Point Ruston Development	\$	\$ 14,000		
Fund 101 – City Street Fund	\$ 289,400	\$ 256,700		
Fund 301 – Capital Construction	\$ 40,000	\$ 101,000		
Fund 401 - Electric Utility	\$ 1,234,300	\$ 999,037		\$ 100,000
Fund 402 – Electric Utility Reserve	\$	\$ 375,000	\$ 100,000	
Fund 403 – Sewer Utility	\$ 675,500	\$ 594,050		\$ 207,000
Fund 404 – Sewer Reserve	\$	\$	\$ 25,000	\$ 112,000
Fund 407 – Storm Sewer Utility	\$ 57,000	\$ 56,053		
Fund 410 – Sewer Capital Projects	\$ 182,000	\$ 181,215	\$ 294,000	
Fund 411 – Electric Meter Deposit Fund	\$ 18,000	\$ 12,000		

Fund 622 – WR Rust Playfield	\$ 14,000	\$ 9,378		
Fund 624 – School Building Fund	\$ 89,000	\$ 86,066		
Fund 634 – Custodial Pass through Fund	\$ 350	\$ 200		
Total	\$ 4,495,897	\$ 4,714,383	\$ 419,000	\$ 419,000

The Public Hearing was held on November 16, 2021. The public hearing must take place prior to adoption. The City is required to pass the budget before the end of this calendar year.

ORD 1555 – Update Utility Tax on Solid Waste and Sewer Systems (2nd reading) - The City of Ruston has the authority to levy utility taxes under Washington law. Under Washington law the City may levy utility tax upon Cable TV, electricity, gas, sewer, storm water, solid waste, steam, telephone services, and water. The City first adopted its utility tax code (Chapter 5.20 RMC) was first enacted in 2010 and was significantly updated in 2018 by adoption of Ordinance No. 1501. Due to the COVID-19 pandemic City resources have been diminished while needs have increased. In order to maintain current city services, new revenue sources need to be found. There is no state law limitation on levying utility taxes on stormwater, sewer, or solid waste. Therefore, the Finance Department is recommending that the utility taxes on these services be increased. Note that Ruston combines storm water and sewer into a single definition of “sewer system business” which applies to both types of services. These are currently at 8 percent and are proposed to be increased to 10 percent. The Ordinance also contains a referendum clause for the portion that enacts the rate increase as required by law. If passed, these rate increases will take effect on January 1, 2022. Councilmember Hardin moved to approve Ordinance 1555, with a second from Councilmember Kristovich, passed 4-0.

ORD 1545 – Comcast Franchise (1st reading) - In accordance with State law, the City has the right to control its streets and rights of way, including the right to allow use of its rights of way by franchise agreement or other methods. On April 19, 2010, the City of Ruston granted a five-year cable television franchise to Comcast of Tacoma, Inc. (“Comcast”) by adoption of Resolution No. 469 which was accepted by Comcast on July 15, 2010. Under the Terms of the Franchise Agreement, the parties had the option to extend the Franchise Agreement for an additional five-years. The City granted the five-year extension via Ordinance No. 1480 which was passed on December 15, 2015. That extension expired on December 15, 2020, and the parties have been working to negotiate a new franchise agreement this year. The new proposed franchise will be for a ten (10) year period. The Franchise Agreement is based on the Franchise Model that was developed by RCC and a committee of local elected leaders. Councilmember Deb Kristovich serves on that committee. Ordinance No. 1545 and the franchise agreement attached to the ordinance effectuate a 10-year term subject to the acceptance by Comcast within 60 days of the adoption of the ordinance as well as continuation of the required insurance and performance bond. In addition, clarification on undergrounding has been added to this Franchise.

During the course of negotiating this Franchise, it was discovered that Comcast has never had a pole attachment lease with Ruston. Therefore, a pole attachment lease has been negotiated. That agreement will come forward for Action on December 21, 2021 and is very similar to the lease Ruston has with Century Link. This Franchise Ordinance is on for First Reading. It will return for Second Reading and Adoption on December 21, 2021. After that point, the City will need to publish the ordinance and Comcast will need to accept the Franchise Extension within sixty (60) days (no later than February 19, 2022). The expiration date for the extension will be set as December 31, 2031. A copy of the new franchise agreement was included in the materials. Approval of this Ordinance will result in continuation of the financial benefits of this Franchise Agreement, including any applicable tax revenue and franchise fees.

RES 736 – Update Master Fee Resolution - The City updates its Master Fee Resolution from time-to-time. This occurs generally once per year with an effort made to consider these fees contemporaneously with the budget. The last update was January 5, 2021 with the adoption of Resolution #722. Earlier this year, the City Council adopted rules on Street Racing and adopted changes to Chapter 16.10 RMC. This necessitated adoption of Resolution #728 adopting fines consistent with the changes to Chapter 16.10 RMC. These fines will be folded into the Master Fee Resolution with this update and Resolution #728 repealed. The fees contained in the resolution have also been updated consistent with CPI-U which has impacted the City's costs to administer the programs and services which are reimbursed by these fees. Finally, additional categories were added to the street excavation permit and right of way encroachment permits with lower than the standard fee deposits as these categories are much faster to process and do not require the full permit fee deposit. The updated fees will support the services provided and keeps up with the City's increased costs. Councilmember Hardin moved to approve Resolution 736, with a second from Councilmember Kristovich, passed 4-0.

RES 740 – TIB Grant Agreement Park Street - Earlier this year, Ruston applied to the Washington State Transportation Improvement Board (TIB) for two grants. TIB awarded Ruston both grants. Resolution No. 740 authorizes the City to accept the grant for the Park Street Improvement (End of road to Bennett Street) Project in the amount of \$628,502.00 which will cover 88.7086 percent of the project cost. Ruston needs to provide the \$80,000 in matching funds. This Project will preserve the existing street and help prevent roadway failure upon Park Street (End of road to Bennett Street). This project was included in Ruston's 6-year TIP and the matching funds are included in the proposed 2022 budget. Councilmember Hardin moved to approve Resolution 740, with a second from Councilmember Kristovich, passed 4-0.

RES 741 – TIB Grant Agreement Court Street - Earlier this year, Ruston applied to the Washington State Transportation Improvement Board (TIB) for two grants. TIB awarded Ruston both grants. Resolution No. 741 authorizes the City to accept the grant for the Court Street Improvement (Baltimore Street to Dead End) Project in the amount of \$54,523.00 which will cover 94.9994 percent of the project cost.

Ruston needs to provide the \$2,870 in matching funds.

This Project will provide a chip and seal in order to preserve the existing street and help prevent roadway failure upon Court Street (Baltimore Street to Dead End). This project is included in Ruston's 6-year TIP and the matching funds are included in the proposed 2022 budget. Councilmember Hardin moved to approve Resolution 741, with a second from Councilmember Kristovich, passed 4-0.

PAYROLL – Councilmember Hardin move to approve Accounts Payable of December 7, 2021 and Payroll of November 20, 2021, with a second from Councilmember Kristovich, passed 4-0.

MAYOR'S TIME – Per Councilmember Syler's request, at the council meeting of November 16, 2021, Mayor Hopkins forwarded a five-year budget comparison to all Councilmembers. From a cost standpoint over the years, Mayor Hopkins noted that the five-year budget comparison shows what a tremendous drain Point Ruston has had on the City. From supporting the development, waiver of fees and the outcome of state legislation action against the City, it reflected all those hard costs incurred to ward off those trying to take the development away from Ruston. Public records have also been a large cost to the City. With each public records request submission, the City incurs consultant costs for their support in research of responsive records and this is a significant drain on our resources. In further review, the five-year budget comparison reflected that the City received a Clean Water Act claim of \$100 million dollars. This claim required expert witnesses eroded some of the City's savings. Mayor Hopkins thanked Councilmember Hedrick for reaching out and working the EPA on the Clean Water Act claim. The City has also incurred significant costs in handling contaminate dirt as we complete improvements throughout the City. Mayor Hopkins will be meeting with Department of Ecology with the intention on recovering some of the Asarco settlement funds and will be asking that they establish a fund for the City of Ruston to eliminate having to request monies each time we do a project within the City. Mayor Hopkins shared there was an article in the Puget Sound Business Journal, related to Point Ruston starting up construction on Building 9 and Building A, B and C, which surrounds the Parking Garage to the east. These parcels have been in the permitting process for about three years and hopefully will soon come to fruition, as there is a timeline issue with EPA. Mayor Hopkins shared that Kevin Moser, City Project Manager, received a letter of interest from a company who is interested in leasing all available space at the Ruston School. More to come on this.

Councilmember Hedrick – Excused.

Councilmember Hardin – Wanted to thank Councilmember Syler for requesting the five-year budget comparison and thanked Mayor Hopkins for explaining his review of this report.

Councilmember Kristovich – Was pleased to see the Comcast Franchise on tonight's agenda.

Councilmember Syler – Thanked Mayor Hopkins for presenting the five-year budget comparison and will spend time reviewing prior to the next council meeting. Councilmember Syler wished everyone a happy holiday season and thanked Councilmember Hardin for all of his years of dedicated public service to the City of Ruston and for the love for his community.

Councilmember Huson – Nothing at this time.

MEETING AJOURNED – At 7:35PM Councilmember Hardin moved to adjourn, with a second from Councilmember Kristovich, passed 4-0.

Mayor Bruce Hopkins

ATTEST:

Judy Grams