

MINUTES OF THE CASHMERE CITY COUNCIL MEETING
MONDAY JULY 25, 2011 AT CASHMERE CITY HALL

OPENING

Mayor Gordon Irle opened the regular city council meeting at 7:02 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Gordon Irle	
Council:	Skip Moore Jim Fletcher Donna Wynne Debbie Knutsen Jeff Gomes	
Staff:	Bob Schmidt, Dir. of Operations Kay Jones, City Clerk-Treasurer Mark Botello, Dir. of Planning/Building	

FLAG SALUTE

ANNOUNCEMENTS & INFORMATION

APPROVAL OF AGENDA

MOVED by Councilor Gomes and seconded by Councilor Wynne to approve the agenda as submitted. Motion carried.

CONSENT AGENDA

Minutes of July 11, 2011 Regular Study Session Meeting

Minutes of July 11, 2011 Regular City Council Meeting

Payroll and Claims Packet Dated July 25, 2011

Claims Check Nos. 31103 through 31134 and EFT 06/2011 totaling \$161,901.20

MOVED by Councilor Moore and seconded by Councilor Knutsen to approve the items on the consent agenda. Motion carried.

RESOLUTION NO. 08-2011 ESTABLISHING POLICIES AND PROCEDURES FOR THE
INVESTMENT OF CITY FUNDS

MOVED by Councilor Fletcher and seconded by Councilor Moore to adopt Resolution No. 08-2011 establishing policies and procedures for the investment of city funds.

Councilor Knutsen voiced concern that the resolution did not address or restrict the amount of money that could be invested. Councilor Fletcher stated that the budget would dictate the amount of money needed for operations and how much surplus money could be invested.

The council discussed whether the resolution before them should be amended to include guidelines or whether to adopt the resolution authorizing the investment of city money and establish a policy regarding investment guidelines at a later date. There was also discussion on how much control should the council maintain regarding investments. The resolution before them stated that the City Clerk-Treasurer is authorized to invest City funds in the aforementioned investment program as deemed reasonable by the City Clerk-Treasurer. Councilor Fletcher stated that he would like the Clerk-Treasurer to keep the council informed. Councilor Knutsen was not comfortable with being informed after the fact.

Councilor Fletcher called for the question. The motion to adopt Resolution No. 08-2011 carried with four voting in favor and Councilor Knutsen voting no.

ORDINANCE NO. 1190 AMENDING PROVISIONS RELATING TO BUSINESS AND OCCUPATION TAXES

The proposed ordinance has the language recommended by Hugh Spitzer of Foster Pepper. Mr. Spitzer recommended the business and occupation tax ordinance be amended for clarification purposes.

MOVED by Councilor Gomes and seconded by Councilor Wynn to adopt Ordinance No. 1190 amending provisions relating to business and occupation taxes. Motion carried.

SUPPLEMENTAL AGREEMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR RIVERFRONT DRIVE WATER MAIN PROJECT

Director Schmidt introduced Ryan Peterson of RH2 Engineering; Ryan is the engineer for city water projects. He is currently working on the city's water comp plan and he will be designing this Riverfront Drive water main project, which is required for fireflow and domestic water to the new Wastewater Treatment Plant. The scope of work for design, bidding and project inspection is estimated at \$114,218, of which \$52,849 is estimated for on-site inspection. Director Schmidt informed the council that he will be providing a large portion of the on-site inspection services in an effort to cut costs. Ryan Peterson agreed that he would be working with city staff to keep the cost of inspection down.

MOVED by Councilor Moore and seconded by Councilor Gomes to authorize the mayor to sign Supplemental Agreement No. 1 to Professional Services Agreement for Riverfront Drive water main project. Motion carried.

TASK AUTHORIZATION NO. 4 – RH2 PROJECT NO CA 211.038.04 FOR A HYDRO GEOLOGIC OPINION

The proposed task authorization is for a hydro geologic opinion regarding hydraulic continuity for water rights transfer from the Cashmere Mill site (Port's property) to Riverside Park. This water right transfer will allow staff to place an irrigation well at Riverside Park so treated water will not have to be used for irrigating. This opinion is required by the Department of Ecology and Chelan County Water Conservancy Board before the City's water change application can be processed.

MOVED by Councilor Fletcher and seconded by Councilor Wynn to authorize the mayor to sign Task Authorization No. 4 for a hydro geologic opinion. Motion carried.

PROGRESS REPORTS

Reports were provided in the council packets. Director Schmidt informed the council that the City of Chelan offered to purchase the glass crusher for \$2,500 and he was going to accept the offer unless council had any objections, which there were none.

EXECUTIVE SESSION – To discuss union negotiations

At 7:45 p.m. Mayor Irle closed the regular session to enter into an executive session to discuss union negotiations for approximately 30 minutes. There will be no action take after the executive session.

There was no public present to inform the executive session was extended. Regular Session reconvened at 8:55 p.m.

ADJOURNMENT

MOVED by Councilor Moore and seconded by Councilor Wynne to adjourn. Motion carried.

The meeting was adjourned at 8:55 p.m.

Attest:

Kay Jones
Kay Jones, Clerk-Treasurer

Gordon Irle
Gordon Irle, Mayor

**CITY OF CASHMERE
MINUTES OF SPECIAL STUDY SESSION
MONDAY, JULY 25, 2011 AT CASHMERE CITY HALL**

OPENING

Mayor Irle opened the study session at 6:04 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Gordon Irle	
Council:	Skip Moore Jim Fletcher Donna Wynne Debbie Knutsen Jeff Gomes	
Staff:	Bob Schmidt, Dir. of Operations Kay Jones, Clerk-Treasurer Mark Botello, Dir. of Planning/Bldg	

DISCUSSION ON INVESTMENTS – PAUL JARVIS WITH TIME VALUE INVESTMENTS

Paul Jarvis of Time Value Investments summarized his professional history. Paul has assisted public funds investors in Washington and Alaska since 1988. His first account was a municipality and he has specialized in public funds investing ever since. He was the Managing Director at Piper Jaffray and left there a year ago to join Time Value Investments (TVI) in Seattle. Currently approximately 100 public entities in Washington and Alaska have investment accounts with TVI.

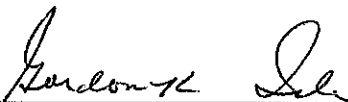
Paul gave a brief overview of how a bond is purchased and explained the responsibilities of the "Safekeeping Bank". Paul recommends US Bank as they provide an inexpensive yet highly competent safekeeping department. They charge about \$25 per month for monthly portfolio statements and to ensure that cities receive their interest and maturity payments on time.

Paul recommends investing in US Government Agency bonds. Paul explained the risk in purchasing Government Agency Bonds is no greater than investing in the Local Government Investment Pool (LGIP). The LGIP has approximately 52% of its holdings in US Government Agency bonds. Currently a 2-3 year US Government Agency bonds yields approximately 1.00%. The City's money in the LGIP is earning .18%

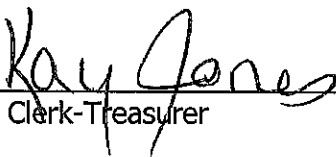
The money is never wired to the broker, but rather to the safekeeping bank. Once the bonds are purchased they are left alone until they mature. The goal is to have a diversified portfolio with terms ranging from 18 months to 3 years.

ADJOURNMENT

Mayor Irle closed the study session at 6:55 p.m.



Gordon K. Irle, Mayor

Attest: 

Kay Jones, Clerk-Treasurer