

**CLARKSTONCITY COUNCIL MINUTES**  
**Budget Workshop**  
**November 20, 2012**

CALL TO ORDER: Mayor Warren, 7:00 P.M.

COUNCIL:

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| <input checked="" type="checkbox"/> Beadles | <input checked="" type="checkbox"/> Manchester |
| <input checked="" type="checkbox"/> Provost | <input checked="" type="checkbox"/> Blackmon   |
| <input checked="" type="checkbox"/> Nash    | <input checked="" type="checkbox"/> Smith      |
| <input checked="" type="checkbox"/> Warren  |  |

STAFF:

- |  |  |
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| <input checked="" type="checkbox"/> Chief Cooper | <input checked="" type="checkbox"/> Chief Hastings |
| <input checked="" type="checkbox"/> PWD Martin   | <input checked="" type="checkbox"/> Clerk Storey   |

**BUDGET WORKSHOP:**

Mayor Warren called the meeting to order at 7:00 p.m.

Storey began the discussion saying that the Current Expense fund is in about the same condition as this year. The concerns are the Street Fund and Sanitation Fund. The Street fund, with the match for a TIB grant that was accepted earlier in the year and the annual street maintenance budgeted, is about \$270,000 in the red. Storey said the street fund has no viable source of funding to meet these expenses. There is about \$150,000 in the street reserve fund, which is all that is left of funds that were originally intended for future repairs to Southway Bridge. No transfer from reserves is included in the budget at this time. Sanitation is in the red due to a proposal to automate the residential service. That change would require a new truck and new totes for all residential accounts. If council wishes to move forward with the new program part of the expense would have to be financed. There is about \$155,000 in reserves for sanitation, but the budget is \$304,000 in the red.

Storey said there is a 1.7% rate increase planned, based on CPI. There is also a 10% rate increase planned in sewer rates, based on the 5-year plan. Storey stated that when the remainder of the financing is secured for the WWTP upgrade, rates will have to be adjusted to meet those payments.

PWD Martin explained the benefits of an automated collection system. He said interest rates from the state LOCAL program have been running between 1% and 2%. Martin said that the new totes would hold the equivalent of three regular garbage cans, so there would be fewer containers to handle. He hopes there would be some savings generated from the change. Rates would definitely need to be adjusted based on the size of the containers. Councilmember Baumberger asked if man hours would be saved. Martin said he thinks the only man hours saved would be in not needing a temporary summer employee. While the route can be done with one person, there will still be the commercial accounts, yard waste, recycling and roll-offs to service, as well as vacations, etc. Councilmember Nash asked if worker injury would be reduced. Martin said he expects it would improve our injury rates. Councilmember Beadles suggested we accumulate funds this year and consider the purchase of equipment in 2014. Baumberger said we could purchase the totes this year and wait until the following year to purchase the truck. Martin said storage of the totes would be an issue if they were purchased ahead of time. Council directed staff to leave the expenses in the budget and add offsetting revenues.

Discussion moved to the Street Fund. Martin said the only sources of revenue for the fund are fuel taxes and property taxes. Currently 40% of the property tax goes to Streets and 60% to Current Expense. Changing that split can create a problem for the Current Expense fund. Martin said that a possible funding source would be to form a Transportation Benefit District and add a fee to the vehicle license renewals. It is possible to add a fee of up to \$20 without going out for a vote. We have also been advised by MRSC that the formation of the district and the fee would not be subject to a referendum. Martin said it is unknown how much money would be generated because there is no way to determine how many vehicles are registered within the city. Nash asked if Martin has done more research on

charging a fee to Sanitation for use of the streets. Martin explained that in Lewiston, the sanitation service provider is charged a fee annually to compensate for wear and tear on the streets. He said that he checked with MRSC to see if cities in Washington do anything similar. The information indicated that the practice is not widely done in Washington and there is some question on whether you can charge just one user of the streets. Staff does not yet have a good idea of how the timing would work for actually beginning to collect the fees. Staff will do more research. Part of the requirement would be to adopt a transportation plan that the money would be used for. Council directed that the \$60,000 in the budget for alley maintenance be eliminated in order to provide the matching funds for the TIB grant for 12<sup>th</sup> Street improvements. Council also directed that the property tax split be changed to 50/50. That will reduce the shortfall to about \$120,000 which will be addressed at the next workshop. Storey pointed out that at least one-half an FTE from Streets is charged to Sanitation every year to cover vacation and sick leave. If Sanitation is automated they may not need to cover so much. That puts more expense back into the Street budget. Another potential impact will be if the stormwater Interlocal hires maintenance people to do sweeping and other stormwater related work. That will eliminate any reimbursement to the Street fund and further reduce revenue. Storey said that other options for transferring funds to the Street fund would be from Current Expense Reserve or Capital Improvement Fund.

Stormwater budget was discussed. It appears that even with the ERU rate reduced to \$4 we would still be contributing the same amount to the capital reserve. Baumberger suggested that the City leave its stormwater rate at \$3.50. The difference between the \$3.50 ERU and the \$4.00 ERU would be made up through an agreement with Asotin County and Asotin whereas the county stormwater budget would reflect a lower contribution by Clarkston by reducing our contribution to the Clarkston stormwater reserve fund. There was some discussion as to whether stormwater funds can be used for street maintenance. The general thought is that any work would have to be directly related to stormwater. Beadles commented that he thinks the city should increase the stormwater rate to \$4.00.

Storey directed council to the capital outlay requests. Storey requested \$7,500 for cash receipting software to make receipting compatible with the other Vision packages. It would eliminate some duplicate work for Marcie. The money would come from the Vehicle Replacement Fund. The three requests for Parks were left unchanged. A new patrol car is an annual purchase from Vehicle Replacement Fund. The digital cameras for patrol cars and the cell phone forensic software will be funded from the Drug Fund. Streets and Sanitation have already been addressed. The four items requested in Sewer were approved. Fire Dept. requests were discussed. Chief Cooper is waiting for a decision on a current grant request for a new fire truck. If not awarded he will apply again for 2013. The truck is not in the budget at this time, but will need to be addressed if grant funding is not obtained. The other items were left in the budget.

Lodging tax funds were discussed. The City is contributing more to HCVB and the Chamber than the tax revenue generates. Council decided to reduce the amount budgeted for the Chamber to the 2012 level.

Updates will be made to the preliminary budget. Another workshop will be scheduled after the council meeting on November 26.

**ADJOURNMENT:**

Meeting adjourned at 8:30 p.m.

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Vickie Storey, City Clerk

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Kathleen A. Warren, Mayor