

CLARKSTON CITY COUNCIL MINUTES
Budget Workshop
November 17, 2016

CALL TO ORDER: The meeting was called to order at 7:00 p.m. by Mayor Lawrence.

ROLL CALL: Terry Beadles, Monika Beauchamp, Kelly Blackmon, Belinda Campbell, John Murray, Skate Pierce

Excused: Brian Kolstad

STAFF: Clerk Storey, Chief Hastings, Chief Cooper, PWD Martin

Clerk Storey started with a list of items she needed direction on. She said property tax increase is one item. We have assessed valuation and new construction values from the assessor. The 1% increase plus new valuation would equal an increase of about \$25,000. We have banked capacity of about \$34,700 available. Storey estimated that the levy with the 1% increase is about \$2.12 per thousand. Assessing the banked capacity would increase the levy to about \$2.20. The tax on a property valued at \$200,000 would increase about \$15.00. Mayor Lawrence said we will need to give direction so that the levy can be set at the next meeting. Storey said the property taxes are currently split evenly between the general fund and the street fund. Murray asked about the transportation fund. Storey said we have a 2/10% sales tax that is dedicated to transportation improvements and can only be used on projects that are in an existing improvement plan. That plan is being developed. The Southway Bridge resurfacing project is going to require at least \$500,000. We expect to generate about \$500,000 per year from the sales tax. But the tax is only in effect for 10 years.

Storey said the cost of the insurance cost share in the Public Works contract will be about \$20,000. This change gives all the employees the same co-pay.

Storey said we need to have ordinances prepared for the next meeting to adopt sewer and sanitation rates. She has 3.5% in the budget for sewer and 2% for sanitation. Storey explained the bond covenants for the sewer loans and that we have to have a certain ratio of revenue to expenses. 3.5% is the minimum that will meet that requirement. Council did not direct any change to the rates suggestions.

Storey said we received a proposal from Neil Cox for public defender. He has asked for an increase of \$1,200 for the year. Council had no objection, so a contract will be brought forward for approval.

City Attorney Todd Richardson has proposed a reduction to his contract of about \$6,000.

Storey suggested a discussion of gambling tax rates since Mr. Rinard from Lancer Casino was in attendance. Card room rates are currently at 6%. Lancer has asked the council to consider eliminating or at least reducing the tax rate. Storey said the card room tax generates about \$60,000 per year. Council suggestion to increase the business license fee to make up for the gambling tax would require a large increase and could not be done for 2017 since renewals are due to go out in early December. Sales tax was discussed. The city has capacity to increase sales tax an additional 2/10%, but once that is done there is no further increases available. Murray said he was thinking that we could reduce the tax to 3% and increase business licenses by \$45.00.

Storey said Chief Cooper prepared two different budgets for the fire department. One is for 10 person staffing and the other is 12 person staffing. The 10 person is the one currently in the preliminary budget. The department is currently operating with 10, plus the chief and administrative assistant. Mayor Lawrence said one of the options being considered is 12 person staffing. She suggested the budget be left at 10 person staffing and if the final decision is to go back to 12, a budget amendment can be done next year. Councilmember Campbell asked if there are places in the budget where we can cut some fat. Councilmember Blackmon asked if there are areas in the entire budget that could be cut to fund emergency services. Storey reminded council that our budget is 75 – 80% wages and benefits, so the only way to cut significant expense is in people. Murray asked the difference between 10 and 12. Storey said it is about \$180,000.

There was some discussion of recycling. Staff is working on an RFP for curbside recycling. Storey said that if an enterprise department like sewer or sanitation were eliminated, current expense would be impacted because office staff and some other expenses are split out to those funds and another way would need to be found to cover those expenses.

Mayor Lawrence brought up the LEOFF I expense and said the city's exposure is significant. We currently have 11 retired LEOFF I employees and we are responsible for their health insurance and any medical expenses that are not covered by insurance. We currently pay about \$175,000. An additional exposure is that the city would be responsible for long term care if any of them should require such care. Mayor Lawrence said it is important to have council participation on the LEOFF board, because they make the decision on what is covered.

Mayor Lawrence referred to a recap of major categories for the budget. Campbell said she looked for any big changes from the prior year and didn't see anything that jumped out. A questions was asked about beginning fund balance. Storey said there is a guideline that there should be 3 months of expenses for carryover, which for Clarkston is about \$900,000. We have that now, but the anticipated ending balance for 2017 is down to \$400,000.

The supplemental budget requests were reviewed. There were no changes recommended.

Management wages were reviewed. Chief Cooper had prepared a memo that demonstrates that for the fire and police chief, some of the people they supervise make more than they do. Storey said there is 2 ½% in the budget for management increases now. Campbell commented that the council did add a sick leave cash out benefit for the management employees last year. Chief Cooper talked about the memo he prepared and the spread between some of the supervisory union employees and the employees they supervise in comparison to the management staff. Councilmember Pierce said it might take more than the current management wages to attract qualified applicants for some of the positions. Mayor Lawrence said that many cities our size have a larger office staff and a city manager.

Councilmember Beauchamp said she would like to see the city offer paid maternity leave for up to three months.

Storey shared a memo showing what it would take to bring the managers' wages above what the mid-level supervisors make. There were several options shown as examples of what it might cost. There is currently to salary range established for the management positions. Adopting pay ranges was discussed. Mayor Lawrence said she has been looking at options for adding a city manager. She said that the job of running a city is a complicated job and having a part time mayor is not the optimal solution. Storey said that even though the person who replaces her may not have the experience or the history knowledge, they will still be expected to do the same job.

Council directed the property tax levy be drafted to take the 1% allowed by law and all the banked capacity that is available.

Another budget workshop was set for November 30 at 6:30.

ADJOURN:

Meeting adjourned at 9:20 p.m.

Vickie Storey, City Clerk

Monika Lawrence, Mayor