

**CITY OF KALAMA
CITY COUNCIL
2009 BUDGET WORKSHOP
OCTOBER 27, 2008**

Mayor Pete Poulsen opened the workshop at 6pm. Councilmembers present were Adam Smee, Chuck Hutchinson, Don Purvis and Bud Gish. Councilmember Dominic Ciancibelli was absent. City staff present were Director of Public Works Carl McCrary, Police Chief Bruce Hall and Clerk/Treasurer Coni McMaster.

Clerk/Treasurer Coni McMaster explained to the Council that she, Carl and Bruce had met this afternoon and with the exception of the Community Building fund they believed they could bring the budget into balance. In order to balance the Community Building fund, the City will need to increase the rental fees from \$400 to \$500. Carl noted that he wants to see the heating monitored and the groups that use the facility to be held accountable for also turning the heat down when they leave. The other factor to balance the Community Building would be to accept the rental of the building on Sunday mornings by a local church. The balancing of this budget was not an easy task, and each department took painful cuts. There was some discussion that the City will be increasing the property taxes the allowable percentage for 2009. The 1% percent allowed by law does not meet the rate of inflation, and the City is having to pay the higher costs for goods and services just like the citizens.

The Capital Facilities Plan for each department were discussed.

City Hall/Library – The software contract and computer are for the new financial software conversion started this year. The City Hall/Library improvements are the maintenance items necessary for continued use of the building and will be funded from the Capital Improvement Fund.

Parks – The items for parks were all deleted as the work at Horizon Park has been completed.

Police – The vehicle replacement was only funded to \$10,000 instead of \$15,000. The additional equipment and furniture is listed high and other options are being looked at, but at this time this expense is not included in the budget.

Streets – The Kingwood Street Flood Pump Station landscaping will be moved to unfunded for 2009. Carl requested that due to safety concerns, the shoulder work on China Garden Road be left in the budget using a combination of Street and Street reserve funds if available to do the work.

Water – None of the projects are currently funded. The painting of the ceiling on the 2 million gallon reservoir will need to be completed this spring. Carl explained that much of the older Cloverdale system is in need of repairs. They are having some issues with the current Green Mountain Reservoir water storage being low which creates concerns with providing service to the residents. He would like to prepare the site the City has, including the electrical for the pump station in 2009. He also suggested that consideration be given to purchasing a used 20,000 gallon tank or several used tanks for the interim since the full funding is not available. Several of the large projects listed are in the industrial port areas, and it was asked why the City doesn't ask the Port to make these improvements. Mayor Poulsen assured the public that the Port does contribute and make these improvements. The City includes all the projects on the plan as it is used for grant applications which require inclusion on a plan to be considered for funding.

Sewer – The Somat problems may have been resolved, so it will be removed from the plan. The replacing of sewer lines can be funded from the reserves.

Carl noted that with all the capital items that are reverted to unfunded, the Council reduced the amount requested to be funded by \$400,000.

The discussion moved to the proposed water and sewer rate increases and how they would be used for capital improvements. It was explained that the water rate increase is being proposed for only the outside customers as the biggest portion of the improvements are needed to the outside facilities. The City is trying to make it more equitable. Sewer rate increases are being spread out over the next four years instead of three to help alleviate the hardships. The sewer rates will cover the operating costs and the loan payments only. Kalama resident Jim Dickey noted that it feels like the residents are taking a bigger hit than the industrial/port users.

It was asked if there had been a commitment from the new officer hired at the Police Department as to how long he would stay since the City is funding his training. The City cannot require a signed agreement, but Officer Traub has stated that he is looking to buy a house in Kalama and plans to be here awhile. Chief Hall noted that the City has taken steps to correct some deficiencies within the court and prosecuting areas. The City is looking at hiring a new prosecutor, and with that we hope to start collecting some of the fees that have been being neglected in the past. It is also hoped to use the community service program more as well. There is currently over \$200,000 in court collections that the City has a collection agency working on. These are difficult to collect as most of the people are not the type to be responsible for paying their debts.

The request for tourism money was briefly discussed, and it was agreed that the preference is to keep using the money for local events. The affordable housing money was also discussed. It can only be used toward low-income housing. Coni is contacting the local housing authorities for ideas or proposals.

The establishment of a stormwater fund and fees were also discussed. This is proposed at \$2.00 per month for all households and would be used for maintenance of the storm drainage systems throughout the City. Contributions would go toward fixing the existing problems in the older areas of town and maintaining the new systems provided to the City in the new developments. The State Department of Ecology will be mandating such a program in next few years, so the idea is to be proactive and get something in place before that. This was left for discussion at a later date.

There was discussion of adopting a monthly billing system for the utility bills. As the bills go up it becomes harder on some families to pay the total of a two-month bill. With the new financial system it is hoped that a program can be put in place very soon.

The Revenue and Budget Public Hearings have been scheduled for November 19, 2008. The revenue hearing will include the raising of the water and sewer rates, the property taxes and any fee increases.

Mayor Poulsen adjourned the meeting at 7:40 pm. These minutes are not verbatim. A copy of the tape can be made available for listening.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer