

**CITY OF KALAMA
CITY COUNCIL
OCTOBER 20, 2010**

2011 BUDGET WORKSHOP

Mayor Pete Poulsen opened the workshop of the Kalama City Council at 6:00 pm. Councilmembers present were Adam Smee, Dominic Ciancibelli (arrive 6:45 pm), Chuck Hutchinson, Don Purvis, and Bud Gish. City staff present were Director of Public Works Carl McCrary, Police Chief Bruce Hall, and Clerk/Treasurer Coni McMaster. Members in the audience are listed on the sign in sheet.

Kalama Community Building

Clerk/Treasurer Coni McMaster explained that projected 2011 revenues for the Community Building were \$20,000 and projected expenditures were at \$24,000. The City needs to find some ways to increase the revenues and/or decrease expenditures. She explained and provided pie charts showing the percentage of usage by the various groups that use the building and what revenues each one produces to cover the operating costs. The City has increased the rental fee for the Riverview Church beginning in 2011. They are considering increasing the per hour rental fee for contractual uses from \$10 to \$15 per hour. The projected revenues are also based on a change in policy to no longer waive the fees for some City non-profit users. All non-profit events would need to pay the current non-profit rate for the building. It was noted that when these events are scheduled, it ties up the building and full-paying rentals can be turned away. But there is no way to avoid this as events have to be planned in advance, but is something to be considered in what the non-profits pay.

Several of the non-profit groups that use the building were represented in the audience including the Amalak, Lions and Friends of the Library at Kalama. They noted that past meetings discussed doing some things to help cut the utility costs such as preset thermostats or motion sensor lights. The thermostats are being pursued by the City. All present are very aware of the value of the building to the Community and the value of the usage by the Community's organizations. With the economy as it is, raising the full rental fee any more would probably reduce the usage. One of the suggestions was that the building be marketed for more use including updating and reprinting the brochure or web advertising in some way. The brochures would be distributed to bridal shops and shows. It was also suggested that the brochures include some business card advertising for related services to help pay the costs. Ms. McMaster agreed marketing would help, but it could also add to the costs. Several audience members suggested doing fund raisers to bring in funds for the building. The groups are willing to work together to put on two fund raisers in the next year to help support the building. They will donate the proceeds to cover the operating expenses. There was some discussion about the current reserve which has been used to help supplement the operations of the building. Should there be any carryover in the operating funds would it go back to the building? Ms. McMaster explained that the reserve is funded by donations for the building, and it is only spent on

the building. It would be ideal if they could be spent only toward improvements, but that hasn't been the case this last year. The reserve is now low enough that funding for the building will have to come from other sources. If there were ever an excess of operating funds, it would be used for the building and could be transferred to the reserve fund. The local Community groups agreed to put on two fund raisers to donate the necessary funds toward bringing the building's budget into balance. Mayor Poulsen thanked them all for their continued support of the building and the community. A brief break was taken.

Water/Sewer Reserves

Clerk/Treasurer Coni McMaster provided the water/sewer reserve projections for 2011 to the Council. She noted that based upon the projections of no rate increases, the reserve balances will not be building over the next year. Water reserves will only dip a small amount, but the sewer reserves will be used to cover the outstanding loan payments. Director of Public Works Carl McCrary and Mayor Poulsen both noted that in order to prepare for the future there may need to be some increases. Kalama citizen Jim Dickey stated that with the rates as high now and the economy still so bad, it isn't right to raise the rates just to have funds for a possible problem. It was noted that the City has to be prepared for replacing its infrastructure in the future. Councilmember Smee asked about the average water usage for other areas and how Kalama compares, noting that his recent bill was very high. Staff would get this information together. Mayor Poulsen also noted that the City would not be doing capital projects in 2011. The City is cutting back by not doing as many improvements.

Mayor Poulsen adjourned the meeting at 7:00 pm. These minutes are not verbatim. A copy of the tape can be made available for listening.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer