

**CITY OF FIRCREST
SPECIAL CITY COUNCIL MEETING MINUTES**

**MONDAY, JULY 20, 2009
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDALL STREET**

CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Kathy L. McVay called the special meeting to order at 6:00 P.M. and led the Pledge of Allegiance. Councilmembers Matthew Jolibois, Robert Thaden and David M. Viafore were present. Councilmember Chris Gruver and Hans Hechtman were absent. Councilmember Mike Weinman was excused. Hechtman arrived at 6:02 P.M. and Gruver arrived at 6:05 P.M.

Senator Mike Carrell – Legislative Assistance and Funding Concerns

Senator Carrell stated reports that the State Budget would have an eight billion dollar shortfall were based on an assumption the State Budget would increase by 19% over the next biennium. In actuality the budget that passed for the next biennium was approximately the same size as the last biennium. Assuming a normal economic recovery, which would mean approximately a 5% increase in revenue, there would still be a four to five billion dollar shortfall. Almost every capital project was reduced and over seven hundred million dollars was transferred from the capital budget into General Fund. Unless there was a remarkable recovery Carrell did not feel there would be funding for the Fircrest Relocation of Backyard Sewer Mains Project in the near future. An alternate source of funding might be from the U.S. Department of Ecology (DOE). He stated Fircrest's project had been approved and ready for loan funding but all project funds were pulled.

Discussion included:

- Fircrest did not qualify for U.S. DOE funding
- Request that Legislators consider the impact on municipalities of not being able to roll over 5-year preconstruction loans into 20-year construction loans as planned
- Inquiry about constraints on General Fund taking funding from Capital projects or having to repay funding that was reallocated
- Repayment of the 5-year preconstruction loan went from \$50,000 to \$250,000 per year
- Designs for projects were complete or were being completed
- Suggestion that repayment funds could be applied to construction of projects
- The Public Works Trust Fund (PWTF) Board made the determination the preconstruction loans would have to be repaid on the 5-year schedule
- Request that the State not send municipalities any more unfunded mandates
- Request for a list of cities in a similar situation with 5-year preconstruction loans
- Mayors discussed these concerns at the Association of Washington Cities (AWC) conference
- Identifying PWTF payments are supposed to go back into the Trust Fund to be loaned again and are not intended to be part of the State Budget
- Consideration was being given to applying for stimulus loan funding through the USDA Rural Development Commission or to use bonding
- Meetings with Representatives Green and Kelly were scheduled

Carrell Comments:

- Suggestion to form a coalition with other municipalities and AWC to request legislators to review the repayment policy of 5-year pre-construction loans

- Options could include holding payments in abeyance and allowing municipalities to maintain their position in line for future PWTF loan funding
- Offer to work with a coalition of municipalities
- Budget constraints in the State Constitution can be changed by the Legislature
- Encouragement for Fircrest and other municipalities to lobby Legislators and testify in Olympia

Councilmembers expressed appreciation for Carrell's attendance and assistance. Carrell stated he would be happy to meet with Council or individual Councilmembers to discuss issues.

Mike Welch, Thompson Smitch Consulting, reviewed lobbying activity to date with U.S. Senators Cantwell and Murray and Representative Dicks. Welch explained efforts to obtain funding in 2010 include discretionary funds from State Department of Ecology and the U.S. Environmental Protection Agency.

Budget Discussion

City Manager Brandon stated through the impacts of several tax revenue cutting initiatives staff has been diligent about trying to maintain the level of service Fircrest residents have come to expect. A previous memo to Council identified 2009 revenues were not coming in as anticipated. Expenditures have been reduced but situations come up where unexpected expenditures need to be made. Without deep cuts in services there will be a 2009 Budget shortfall. Recreation and maintenance activities are heavily scheduled in the summer months and stopping these functions wouldn't be practical or efficient.

Brandon stated Department directors have made their 2010 Budget presentations and line items were reviewed for savings. At this time there is a shortfall projected for 2010. Brandon stated the City of Fircrest was on solid ground financially and in order to not lose dedicated, long term staff he hoped Council would consider options for weathering the current and hopefully short-term downturn in the economy. Without the use of Reserves to balance the 2010 Budget 3.5 full-time positions in General Fund would have to be eliminated.

Hechtman inquired about the unemployment expense if employees were laid off. Brandon stated in addition to unemployment benefit costs, vacation leave would have to be paid out. Finance Director Corcoran stated unemployment benefits currently went for 26 weeks plus extensions up to 33 weeks. After 33 weeks there were still possible additional extensions. Viafore stated the current maximum benefit was \$587 per week but Congress was considering raising that. Corcoran stated a \$70.00 per week increase had already been added to the maximum. She stated there was also a percentage of the COBRA medical benefit that was being paid. She was still researching who was responsible for that payment.

Viafore stated he was not against looking at furlough days that could be planned and that could be voluntary or mandatory. He wanted to bridge the gap and furloughs would provide significant savings without affecting benefits.

Brandon stated he had to bring a balanced budget to Council but wanted to give Council options to consider. If all employees, including IBEW and the Guild, took a furlough day that would equal a savings of approximately \$12,000. If only non-represented employees took a furlough day that would

equal approximately \$5,700 in savings. Balancing the 2009 Budget would require 15 furlough days for each non-represented employee.

Viafore stated he was not thinking that many days but perhaps six furloughs days. McVay stated 15 days equates to two days a month and those could be in conjunction with holidays. Hechtman stated furloughs could spread the burden out over everyone and noted Fircrest was one of the few cities that gave pay raises in 2009.

Discussion included:

- Cutting back services in 2010
- Considering a 32-hour work week with benefits
- Start voluntary furloughs tomorrow
- Deep cuts in expenditures would require looking at savings in salaries
- Small cuts would also add up (Some examples were to reduce landscape maintenance and combine Park events)
- Furloughs could work with both represented and non-represented employees
- Non-represented employees may consider organizing
- Suggestion for a city-wide employee meeting for input on cost saving suggestions
- If mandatory scheduled furloughs are part of the plan for balancing the 2009 Budget begin them in September (Labor Day weekend)
- Consider cafeteria style benefit packages
- Staff should be aware that Council appreciates their work and was trying to avoid lay offs
- Research offering early retirement

Brandon expressed appreciation to Council for their input and stated he would bring back additional information at the July 28, 2009 regular meeting.

Thaden and McVay noted the traffic islands and hanging baskets looked very good this year. Viafore stated this was a record year for beautification donations.

ADJOURNMENT

Moved by Viafore, Seconded by Thaden, to adjourn the meeting at 7:07 P.M. Ayes: Jolibois, Gruver, Thaden, McVay, Hechtman and Viafore. Noes: None. Excused: Weinman. Motion Carried.