

CITY OF FIRCREST
SPECIAL CITY COUNCIL MEETING MINUTES

MONDAY, OCTOBER 5, 2009 **COUNCIL CHAMBERS**
6:00 P.M. **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, Chris Gruver, Mike Weinman, Hans Hechtman and David M. Viafore were present. Councilmember Robert Thaden was excused.

2010 Preliminary Budget

Finance Director Corcoran distributed additional documents: Corrected Schedule of Presentations, Interfund Services Charges, ERR Changes, ERR Balances by Departments, Fee and Rate Schedule, Ordinance 1457 (Salaries) and Seasonal and Casual Labor 2010.

Interfund Charges

Corcoran explained an in depth review of Interfund Service Charges was done in 2007 and the method developed at that time continues to be used. She stated Interfund Services Charges are overhead costs charged to the General Fund that relate to all funds and need to be distributed. Interfund Service Charges are calculated using the following: 2010 budgeted operating costs, amounts to distribute exclude capital and transfers, Public Works Funds exclude capital and Sewer Fund includes sewage treatment cost less the capital portion. The total amount to distribute includes: Legislative, Administration, Finance, Non Departmental (less transfers), Legal, Personnel, Facilities (Less costs associated with Parks, Public Safety Building and Public Works Facility), Information Systems and Emergency Management. The total to distribute is based on a percentage for each fund. The Interfund Service Charge is charged back on a monthly basis.

Equipment Rental and Replacement (ERR)

Corcoran stated changes in ERR included distributing over-budgeted amounts for items within departments. She reviewed some of the distributions and explained the only distribution that included two departments was between Court and Legislative for the sound system.

Discussion included:

- Replacement funding for the Public Safety Building generator (Replacement funding for the Onan generator was moved to the 2009 generator purchased in cooperation with Tacoma)
- Inquiry about \$17,000 surplused vehicle
- 1992 Ford Taurus replacement funding was moved to Alarm, System, Telephone System and Cordless Phone
- Not all over budgeted amounts have been redistributed
- Accumulated Interest will be used to fund all 2010 contributions

Corcoran stated the Accumulated Interest in General Fund ERR was \$333,000. 2010 General Fund contributions to ERR equal \$144,000. Accrued Interest must also cover overhead costs including salaries and rent. She noted there was not enough accrued interest in Police and Facilities to cover the 2009 or 2010 contributions. There was enough accrued interest in General Fund ERR to cover those

contributions. Corcoran explained Police vehicles were replaced more often and therefore did not accrue as much interest.

Corcoran reviewed contribution and replacement information contained on the ERR departmental spreadsheets. Some departments and some items are fully funded so 2010 contributions would not be made for them.

Discussion included:

- Replacement contribution for floor buffer in Parks
- Replacement contribution for 1998 Ford Van in Facilities
- Evaluate retaining vehicles and equipment that are no longer used
- ERR contributions are ERR funds, historically City of Fircrest has always kept contributions separate by department
- General Fund contributions and interest do not have to remain within General Fund departments
- Financial software is in ERR
- Software funding has been budgeted in Recreation Capital in 2010

Corcoran reviewed ERR Capital Budget for 2010. Purchases include a vehicle and new server for police, a floor buffer and computer for Recreation and a computer for the Information Technology Manager. She explained the Police vehicle to be purchased was for the Police Chief. His vehicle was due for replacement two years ago.

Fee Schedule

Corcoran stated changes to the Fee Schedule included increasing resident youth baseball and basketball fees that had been reduced to \$20.00 in 2009. Recreation Director Grover stated there was not a large difference in the number of participants due to the reduction in fees. The proposed resident fee increase for youth baseball and basketball was from \$20.00 to \$34.00. There was also a proposal to increase non-resident gymnasium and room rental fees and increase the Holiday Bazaar/Fun Days table rental fee. Grover reviewed information on other jurisdiction's rental fees.

Discussion included:

- 2009 revenues were almost the same as 2008 so there had to be more participants in the baseball programs
- Request for information on resident and non-resident pavilion and gym rentals
- Request to bring back increase in pavilion and gym non-resident fees
- Request for information on the decrease in Soccer revenue and how lighted field usage is billed
- Identifying Non-resident Open gym period fees are: free for ages 12 and under, \$3.00 for 50 years old and under and \$1.00 for over 50
- Inquiry about fees not being identified in the Fircrest Municipal Code (FMC)
- Suggestion to reduce resident youth baseball and basketball fees to \$15.00 and increase non-resident fees by \$5.00
- Non-residents do not pay property taxes that go towards the maintenance of recreation facilities
- Support to keep 2009 \$20.00 resident youth baseball and basketball fees
- Concern about fielding teams for leagues if non-resident fees are too high

- Request for comprehensive analysis of fees vs. costs for programs and services and comparables with other jurisdictions
- Suggestion for additional staffing (possibly police presence) when Community Center is rented to large groups
- Suggestion to increase rental cleaning deposit
- Rentals have increased significantly so policies, fees and deposits are being reviewed

Salaries

Corcoran stated Salaries and Personnel Benefits included an anticipated 10% increase in Medical, 6% increase in Dental, a slight decrease in Retirement. A .00% COLA for non-represented and Police Guild employees. The International Brotherhood of Electrical Worker (IBEW) employees will receive a 1% COLA. The Pool Manager position was eliminated and the Head Lifeguard position was increased 25 hours. The Interim Public Works Director's hours were decreased from 80% Full Time Equivalent (FTE) to 70%. There would be no change to the current salary ordinance.

Discussion included:

- Suggestion to update the Salary Ordinance to reflect starting positions and current City positions
- Reorganization of Parks Department and position changes

General Fund Revenue

Corcoran stated there was a decrease of \$57 million in assessed valuation which increases the levy rate from 1.86% to 2.04%. A 1% increase new in construction was estimated at \$2.5 million which would bring in an additional \$4,684. The total increase from 2009 to 2010 would be approximately \$17,000 in General Property Taxes.

Corcoran reviewed other Taxes:

- EMS based, which is based on valuation, decreased to \$347,486. The total Fire/EMS contract amount remains the same so the City will have to pay more from General Fund for those services
- Retail Sales and Use Tax are budgeted at \$280,000 based on 2009 revenues (Streamlined Sales Tax has not affected revenues that much)
- Gas Utility Tax decreased to \$146,000 based on history of actual revenues
- No changes anticipated in other tax rates (Water Utility Tax may increase)

Discussion included:

- General Fund will have to pay \$27,000 towards Fire/EMS
- Property taxes will increase while valuation goes down
- Gas rates anticipated to go down 16% November 1, 2009
- Review additional decrease in anticipated Gas Utility Tax revenue due to rate decrease

Corcoran reviewed other revenues:

- Business Licenses increased \$5,000
- Building/Planning revenues based on Departmental projections

- Intergovernmental Revenue, based on Real Estate Excise Tax (REET), was reduced but may go up \$87,000 due to ESHB-1244 which allocates an additional \$5 million dollars to Cities and Counties
- MVET, Criminal Justice, Liquor Excise Tax and Liquor Board Profits revenue are based on per capita numbers provided by the State
- Charges for Goods and Services were down slightly in 2009
- Court revenues decreased

Court Administrator Olsen distributed information on 2010 projected Court Revenues. She stated the decrease was 2.5% to 3% overall. Through September 2009 Fines and Forfeitures are down 6%, Investigative Fund Assessments and DUI Recovery were on target. In 2009 there has been an historic number of delinquencies even for accounts that are set up for minimum monthly payments. The Court has a contract for collection of fines paid in installments.

Discussion included:

- Increase in Planning Permits due to anticipated development of 40th and Emerson properties and Village Square
- Concern about balancing budget on development assumptions during a tight financing market
- 2009 Planning/Building revenue were less than anticipated
- Request to review Planning/Building 2010 revenue projections
- Approximately \$400,000 to \$500,000 is in current (within the last five year) Court collections
- Amnesty collection programs
- Different types of fines and what the Municipal Court receives
- Explanation of Fines and Forfeitures, Investigative Fund Assessments and DUI Investigative Fund Assessment

Corcoran reviewed Investments:

- Investment Revenue were decreased from \$202,700 in 2009 to \$81,797 in 2010 due to low interest rates One Certificate of Deposit matures in 2010
- Future investment will be at approximately .5% interest rate
- Banks do not want government investments because of the requirement to be 100% collateralized

Discussion included:

- Formation of a Finance Committee to consider investment options
- \$7 million in Local Government Investment Pool (LGIP)
- Suggest that Finance Committee members could come from the community

Corcoran stated Land Rental was from the Public Works Facilities and other General Fund property being rented by other funds. There was no increase in rental revenue because there was no COLA to apply. Parks donations decreased \$10,000 due to AmeriCorp funding that did not materialize and decreased an additional \$2,000 based on decrease in donations. Police donations budgeted for \$12,000. Fireworks donations reduced to \$1,000. Fireworks Display expenditure was not reduced.

Discussion included:

- General Fund was subsidizing Parks more due to decrease in donations

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- Research if expenditure cuts in Parks were being made due to decrease in donations
- Request for information on the August 2009 General Update report of a \$90,000 2009 shortfall and the 2010 Undesignated Ending Fund Balance

Legislative

City Manager Brandon stated there were very minor changes from 2009. Rosenblatt noted Elections were reduced \$6,000 because no elections were anticipated in 2010. Travel was reduced because the 2010 Association of Washington Cities Conference was in Vancouver instead of Spokane.

Discussion included:

- Personnel Benefits includes Social Security, Medicare, and FICA
- Legislative Meals were unchanged
- Request to review language in Council Salaries portion of the Budget Narrative

Municipal Court

Olsen corrected Performance Measures figures. Passport Fees were reduced to \$13,500. Passports must be mailed with tracking capability and tracked daily. A minor decrease was budgeted for Miscellaneous and Personnel Benefits were reduced due to a decrease in the part-time Court Clerk hours.

Criminal Justice

Olsen stated Jail Services was increased 3% and Assigned Counsel was increased 5%. Contracts are due for both of those services later in the year.

Discussion included:

- Pierce County court case regarding booking fees did not relate to municipal courts costs
- Liability for inmate medical costs was still awaiting an opinion from the State Attorney General
- Fircrest has paid “under protest” one claim for medical costs

ADJOURNMENT

Moved by Viafore, Seconded by Hechtman, to adjourn the meeting at 8:05 P.M. Ayes: Jolibois, Gruver, McVay, Weinman, Hechtman and Viafore. Noes: None. Excused: Thaden. Motion Carried.