

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

**MONDAY, OCTOBER 12, 2009** **COUNCIL CHAMBERS**  
**6:00 P.M.** **FIRCREST CITY HALL, 115 RAMSDALL STREET**

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**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 Robert Thaden, Mike Weinman, Hans Hechtman and David M. Viafore were present. Councilmember Matthew Jolibois was excused. Councilmember Chris Gruver was absent. Gruver arrived at 7:03 P.M.

Corcoran stated the General Update noted presentations scheduled for October 19, 2009 would be heard this evening. No objections were noted.

**2010 Preliminary Budget**

**Street Fund**

Interim Public Works Director Larkin noted the \$119,000 Real Estate Excise Tax (REET) - Capital transfer does not include \$24,000 identified in the narrative for curb and gutter construction on Eldorado. That work was not anticipated to occur in 2010. The total estimated cost for the 19<sup>th</sup> Street grind and overlay is \$660,000 of which \$570,900 will come from Federal Grant funding. The required local match is \$89,100 which will be funded from Diverted County Road Tax and REET funds. Chip sealing traffic lanes on Emerson and Orchard has been budgeted at \$40,000.

Larkin stated funding was budgeted to update the Pavement Conditions Survey and to purchase a snowplow and deicing system for the 1-Ton Dump Truck. The snowplow was needed to clear streets in The Commons and the deicing system would be removable from the Dump Truck.

Discussion included:

- Chip sealing on Emerson would be from Alameda to 67<sup>th</sup> and on Orchard from Stanford to Princeton
- The patched portion of Emerson was found to be constructed properly
- Use of all remaining Diverted County Road Tax on the 19<sup>th</sup> Street grind and overlay project
- Concern about reduction in miles of roadway crack sealed
- Crack sealing costs were over-estimated in 2009
- Request for addition information on snowplow and deicing system
- Roadway Condition Update could be deferred one year due to economy

**Street Light and Street Beautification**

Larkin stated the Street Light and Street Beautification Budgets were fairly status quo with minor modifications based on past history.

Discussion included:

- Additional grass being planted and clean up of Columbia traffic circle
- Concern about increasing beautification and maintenance projects

- Suggestion to communicate with property owners about maintaining Columbia traffic circle
- Suggestion for an ongoing island maintenance program
- Unused Beautification donations should be rolled over to beautification the next year

Storm Fund

Larkin stated a \$50,000 Department of Ecology grant was received for implementation of the National Pollutant Discharge Elimination System (NPDES) Phase II Permit requirements. The grant does not allow for expenditures on capital improvements. Funding was budgeted for design (\$3,500) and construction (\$35,000) of a decant facility for draining liquid from materials cleaned from catch basins into the sanitary sewer system.

Discussion included:

- Decant facility would not create an environmental problem in the wellhead protection area
- Request for cost comparisons to contract out the decanting process
- No environmental impact from decanting facility on nearby neighborhoods
- Planning Commission approval needed to amend the Conditional Use Permit for Public Works yard
- Request for additional information regarding decanting facilities
- Storm drain cross-connections were corrected

Water Fund

Larkin stated last year it was determined supplemental water was being supplied to keep a Northend sewer line clear. The cost of that water was estimated to be \$11,100. A flow meter was installed and the actual cost of the water, based on one months reading, is now estimated to be \$6,650 per year. That figure will be used in 2009 and 2010. An adjustment has not been made yet to the three-year back accrual of water charges. This sewer line was on the first priority list for sewer main replacements in the Northend.

Larkin stated the Water Fund Capital Budget included \$150,000 for the construction of a 12-inch water main in conjunction with the 19<sup>th</sup> Street grind and overlay project. The Project Engineering line item includes \$15,000 for engineering services related to recoating the interior for the low tank and \$130,000 would be rolled over for the actual recoating.

Discussion included:

- Suggestion to leave flow meter on for actual readings
- Bids would be sought for the interior recoating

Sewer Fund

Larkin stated the Professional Services line item included \$94,000 for the update of the Sewer Comprehensive Plan. The State Public Works Trust Fund (PWTF) requires Comprehensive Plan Updates to be no more than six years old to be eligible for a PWTF loan. Due to the economic situation it was doubtful PWTF loans would be available in the 2011-2012 biennium but should funding become available applications would be accepted in May 2010 and updated Comprehensive Plans would be

required. Another objective of the Update was to determine how much sewers that were designated in “poor” condition in 2001 have deteriorated. The Update will also put the City in a better position to obtain a State Revolving Fund loan. The intent was to bring a professional services agreement before Council so work could begin on the Update right after the first of the year.

Larkin noted the supplemental water expenditure for the Northend sewer main would be reduced to \$6,650 to accurately represent water used.

Relocation of Backyard Sewer Mains Fund

Larkin stated the Capital Outlay amount would be reduced from \$561,000 to \$360,000 because the Eldorado sewer would not be constructed in 2010 with funding from the Sewer Fund. Budget Revenues do not include a sewer rate increase in 2010. A \$4.00 to \$6.00 rate increase would be necessary to provide for the debt service on a \$5.4 million construction loan if one was awarded.

The 2010 Sewer Budget was prepared with the assumption that none of the Relocation of Backyard Sewer Mains project would be constructed in 2010. That might change if a State Revolving Fund loan was awarded and a 2010 start date was required. In that case, project specifications would include a winter shut down for weather. A new sewer main would be constructed in conjunction with the 19<sup>th</sup> Street grind and overlay project.

Discussion included:

- Liaison discussion with staff to research alternate funding, including bonding, for the Alameda/Buena Vista sewers
- Staff was arranging a meeting with Bond Counsel to review the bonding process
- By February 2010 it should be known if State loan funding would be available in 2010 or 2011
- Any sewer construction in 2010 will require amending the Water, Street and Sewer Fund budgets

Water Fund Continued

Larkin noted a portion of the 19<sup>th</sup> Street water main project being constructed in conjunction with the grind and overlay project would have to be funded by General Fund. A 12-inch main will be constructed for fire flow protection instead of the 8-inch standard for residential. The cost difference in the two size mains, plus one hydrant, would be paid by General Fund. Larkin clarified that fire flow protection requirements have changed. He also reported the count of the number of Tacoma hydrants the City is being billed to maintain has been reduced to 10.

Utility Fund Comments

Viafore requested information about the funding budgeted for correcting cross connections and the actual expenditures. Viafore also inquired about a better method for reporting street sweeping to Council.

Larkin stated he would follow up on the snowplow and deicing system, the increase in the hanging basket line item, the decant facility, the Conditional Use Permit for the Public Works yard and a street sweeping program. McVay stated there was also a question about the flexibility of the deicing system. Viafore suggested developing a policy for use of the deicing system and inquired about the requirement for two employees to be in the truck for snowplowing or deicing after hours.

Real Estate Excise Tax (REET)

Corcoran explained REET was based on the sale of real estate. In 2010 REET was reduced to \$40,000 because sales and prices are down. REET expenditures are budgeted for \$119,000 to be transferred out of the 1<sup>st</sup> ¼ to Street Fund for capital improvements. 2<sup>nd</sup> ¼ REET was restricted to use for Utility Capital improvements so it could also be used for the Street Fund Capital improvements. Viafore explained that Council has previously used the 2<sup>nd</sup> ¼ for sewer improvements. Hechtman stated the 2<sup>nd</sup> ¼ would continue to be needed for sewer. He explained a previous debate had been about using REET funding instead of adopting a sewer rate increase. The magnitude of the anticipated sewer projects would require both. Viafore suggested updating the policy that 2<sup>nd</sup> ¼ REET be designated for sewer improvements. Responding to Gruver, Corcoran stated she was comfortable making the transfer to Street from 1<sup>st</sup> ¼.

Cumulative Reserves

Corcoran stated there were no changes in General Fund Cumulative Reserves. The Balances are: \$2.5 million in General Fund, \$150,000 in Street Fund and \$380,763 in Sewer Fund. Viafore noted the balance in Sewer Fund would be needed as Reserve if the City uses bond funding for the Relocation of Backyard Sewer Mains project.

October 5, 2009 Presentations Continued

Corcoran stated Council received a memo with changes to the 2010 Preliminary Budget that were discussed at the October 5, 2009 meeting. She stated the proposal was for 2010 Equipment Rental and Replacement Fund (ERR) contributions to be paid from accumulated interest in the General and Utility Funds. Only General Fund adjustment pages would be on the spreadsheet.

Responding to Viafore, Corcoran noted, at this point, Revenues exceed Expenditures by \$3,474. Corcoran stated Planning/Building figures were adjusted with an overall net decrease of approximately \$4,000.

Discussion included:

- Building permit revenue was adjusted based on telephone conversations this week with owners of the properties at Orchard and Emerson
- Legislative salaries were reduced because of a correction to the number of extra meetings budgeted per year (16 instead of 24)
- Updated language for the Legislative Narrative was sent out in Council packets
- Inquiry about expenditure increases that would be associated with the increase in Planning/Building revenues
- Request for review of Planning/Building Department revenues and expenditures

Administration

City Clerk Rosenblatt stated Salaries and Wages were decreased due to over-budgeting in 2009 and that Travel and Registration were reduced. McVay stated it was important for staff to monitor expenditures but it was also important to stay professionally updated and that attending conferences and training was a way to accomplish that.

Finance

Corcoran stated Overtime, Repairs and Maintenance, Miscellaneous, and Printing and Binding were reduced. The Dues, Memberships and Subscriptions line item was increased.

Non-Departmental

Corcoran stated budgeting for the Biennial Audit was deleted but funding may have to be budgeted later in 2010 if billings come in. Unemployment Compensation was budgeted for \$16,000. The City pays for the first period of Unemployment Compensation. Federal funding covers the remaining benefit periods but unemployment costs could come back to the City if compensation was still being paid in 2011. The Insurance Deductible line item was reduced to \$2,000. Printing and Binding was for the Fircrest calendar, a Transfer Out of \$10,000 was for Street Beautification, a 15% Transfer Out goes to Street Fund for General Operations and a \$60,000 Transfer Out goes for Street Light Maintenance.

Discussion included:

- The \$12,000 increase in Insurance includes the third of five years to buy-in (\$4,717) and all insurance was now budgeted in Non-Departmental
- Insurance costs increased approximately 5% which includes insuring additional Police equipment and adjustments in valuations
- Sewer Deductible was previously budgeted at \$20,000, in 2010 it is budgeted for \$5,000
- Postage was increased based on history and postal rate increases
- Receipt of multiple mailings of Town Topics, Park brochures and City calendars
- Consideration of providing Town Topics, Park brochures and City calendars online with print copies available at City buildings
- Request for information on the amount of calendar costs that are covered by advertisement sales
- Suggestion to put discussion of the Town Topics, Park brochures and City calendar on a study session

Legal Services

Brandon stated no changes were made to this budget. Responding to Viafore, Corcoran stated Special Legal Council for land use issues was budgeted for \$14,000. Rosenbladt stated Special Legal Counsel for labor issues would be budgeted in Administration or Personnel. Gilmore explained there were projects anticipated in 2010 that might require Special Legal Counsel. McVay suggest staff review this line item.

Personnel

Personnel Officer Rosenbladt stated line items reduced include: Professional Services, Travel, Miscellaneous, Employee Awards and Registration and Tuition. Viafore cautioned about missing the Labor Relations Conference two years in a row because staying updated was important to the City. Staff has always provided valuable information to Council from this conference. Responding to Gruver, Rosenbladt explained the Employee Awards line item was used for the annual Employee Appreciation Luncheon. That may be a no-host or potluck event this year.

Facilities

Corcoran stated changes in this budget were based on the history of the expenditures. The significant change was in Salaries and Benefits. Maintenance for all City facilities and property and the alarm system were paid from this budget.

Discussion included:

- Decrease in Maintenance and Repairs funding for the Community Center
- Support to maintain City facilities and property
- Concern about the condition of the City Hall break room floor

Information Systems

Corcoran stated there were no increases for 2010. The Salaries and Benefits were for the part-time Information Systems Manager.

Civil Services Commission

Chief Examiner Rosenblatt stated funding was transferred to the Travel line item for attendance at the 2010 Civil Service Conference. The City still has a valid eligibility list for Police Officer.

**ADJOURNMENT**

**Moved by Hechtman, Seconded by Hechtman, to adjourn the meeting at 8:07 P.M. Ayes: Gruver, Thaden, McVay, Weinman, Hechtman and Viafore. Noes: None. Excused: Jolibois. Motion Carried.**