

SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: Consent C 2

DATE: August 9, 2007

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, City Clerk/Deputy Finance Director

SUMMARY: Attached are the minutes of the July 26, 2007 Public Hearing on the 2007 Budget Amendments as on file in the office of the City Clerk.

RECOMMENDED ACTION: Approve as submitted.

MOTION: Move to accept the consent agenda as presented.

COUNCIL ACTION:

DATE:

CITY OF SULTAN PUBLIC HEARING – July 26, 2007

The Public Hearing on the 2007 Budget Amendments was called to order in the Sultan Community Center by Mayor Pro Tem Seehuus. Councilmembers present: Champeaux, Wiediger, Slawson, Flower, and Blair.

Staff Report:

Deborah Knight, City Administrator, advised that the Council Sub Committee met and reviewed the recommended revenue and expenditure reductions needed to balance the General and Street funds. After reductions, the fund is still \$168,000 out of balance. Staff recommended that the City reallocate and reduce staff paid by the General Fund; not filling the two vacant positions in the Police Department and reducing staff in the Police Department from 8 budgeted personnel to 4 officers, one chief and a part time administrative assistant. This will still leave a budgetary gap of \$117,610. Further review of revenue sources could increase the budget by \$66,177. This would require the reallocation of the rents received from the Post Office from the bond fund to the General fund. REET funds would be used to pay the General Obligation bonds. If the Civil Service tested for an interim Police Chief and did an internal appointment, the City would only need to lay off one officer. The Sub Committee requested that staff contact PUD regarding alternatives for street lighting, not hiring provisional police officers, review the Community Development Director's contract, reduce hours at City Hall, finalize the Redflex contract, advertise Passport services and initiate a campaign to license pets to support animal control services.

Council Comments:

Flower: Some choices are too hard to swallow but street lighting is crucial for safety and the City should not consider that option. Public safety must be the number one priority and the City should find a way to maintain the level of officers in the Police Department. Could eliminate take home vehicles for the officers. Cutting the council pay would be symbolic but this is a time for leadership and not symbolic actions.

Slawson: Asked if the council pay cuts were included? Recommended that cuts be made on travel expenses.

Blair: Noted that stormwater utility would eliminate expenditures in the Street fund and help with the street light issue. The non payment of the interfund loan is also a staff recommendation.

Deborah Knight: Advised that council wage cuts are included in the proposed reductions. The interfund loan payment will be made if funds are available.

Public Comments:

Traci Honestine: Asked if the City is still generating revenues from the commercial vehicle enforcement and how much revenue was received.

Dan Barmon: Asked how much the school district will be paying for the stormwater utility.

Bart Dalmasso: There are heavy decisions in front of the council. There was an Economic Development committee meeting today and they discussed the budget issues. The businesses are opposed to a B & O tax. Street lights are important to the City and the police service level should not be reduced. The City needs to look at other options instead of raising taxes and cutting taxes. There are funds in the trust fund to pay expenses. Could eliminate take home cars for the police, sell property or take out a loan. The lack of growth is a large part of the problem and the continued hearings have cost money and time. Library annexation is a good idea.

CITY OF SULTAN PUBLIC HEARING – July 26, 2007

Council Discussion:

Champeaux: Agrees the City is in a tough spot but they can make things better next year. Cutting street lights and the police force is not a good idea. Asked if the City could liquidate investments to get through the year?

Slawson: The dam has broken and they have a leaky boat and it is time for the Council to make tough decisions.

Blair: Agree the street lights need to stay on. Asked if the money from the sale of the property could be shifted to the General fund and if the City had the option not to complete the park improvements.

Flower: Need to keep the street lights on as public safety measure.

Staff advised that the problem will continue into 2008 and 2009 as the City does not have enough revenues to cover expenses. Decisions not turn of lights or reduce staff will create a deficit and the City can not continue to operate in the red. The situation was not created by the Council it is a result of tax cuts, reduced building and unanticipated expenses. Selling investments will not help the General Fund as the issue is not a cash flow problem. The City has funds invested however the moneys belong to other funds. The General Fund benefits from the interest earned on the invested funds. Failure to complete the park projects will jeopardize future grant funding from CDBG. Staff advised that an ordinance will be presented to the Council at the August 9, 2007 Council meeting.

On a motion by Councilmember Champeaux, seconded by Councilmember Slawson, the public hearing was closed. All ayes.

John Seehuus, Mayor Pro-tem

Laura J. Koenig, City Clerk