

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 4

DATE: November 13, 2008

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the October 23, 2008 Public Hearing on the 2009 Preliminary Budget as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

MOTION:

Move to accept the consent agenda as presented.

CITY OF SULTAN COUNCIL MEETING – October 23, 2008**PUBLIC HEARINGS:**

The Public Hearing on the 2009 Preliminary Budget was called to order by Mayor Eslick. Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Blair and Davenport-Smith.

There were no objections to the Council participation.

Staff:

The issue before the City Council is to review the 2009 Preliminary Budget and hold the budget hearing as required by state statute (35.33 RCW). In accordance with RCW 84.55.120, a taxing district with regular levies must hold a public hearing on the proposed increase and use of property tax funds. The ordinance must be adopted and filed with the County on or before November 30th.

2009 Tax Levy: Laura Koenig, Deputy Finance Director:

Ordinance 999-08 sets the regular property tax levy for 2009 and provides for a 1% increase (\$5,995) over the 2008 levy. Include in the total levy amount is \$15,510 for new construction and \$763 in refunded amounts. The total tax levy is \$665,156. We have not received the revised assessed valuation numbers from Snohomish County so we are not able to calculate the per thousand rate. Based on the 2008 assessed value, the amount is \$1.45 per thousand.

The funds will be used for General Fund and Street purposes (Attachment B). The budget provides for \$70,000 to be used for Street maintenance and operations and the balance of \$595,156 to be used for General Fund expenses which include administration, law enforcement, planning and park services.

2009 Budget: Deborah Knight provided a powerpoint presentation on the proposed budget.

The Council directed staff to prepare the budget based on the following Budget Themes:

1. Economic development
2. Community vision
3. Financial health
4. Succession planNing
5. Strategic partnerships.

The proposed General Fund budget is close to the 2008 budget; the Street Fund has a slight increase to cover maintenance; the Enterprise funds (water, sewer, garbage) have shrinking revenues and increasing costs; the Capital budget has been reduced from 2008 and proposal is to complete the projects in progress and those already funded. The funding sources for capital projects are REET funds and connecton fees. Those will be less next year due to limited building activity and the funds received will be used for debt service payments.

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Investments in Sultan – what do you get for your money:

1. Retain existing business and attract new businesses
2. Assist in improving the appearance of downtown Sultan
3. Conduct community sUrvey for 2011 Comprehensive Plan
4. Continue to improve public safety
5. Continue to maintain parks and streets
6. Intitiate stormwater utility program and clean catch basins
7. Fund animal control officer
8. Meet state requirements for water efficiency and water quality
9. Continued investment in upgrading the waste water treatment plant
10. Garbage collections services for commercial and residential customers
11. Burial and perpetual care services at the Sultan Cemetery
12. Roadway improvements at 2nd Street. Extend Sultan Basin Raod south
13. Complete Skate Park construction
14. Continue to improve long-term financial stability.

The revenue assumptions for the General Fund include a 1% increase in property tax, 5% increase in sales tax and the issuing of five new building permits.

The goals of each of the Departments were discussed. Public outreach, code updates, an economic development plan, comprehensive plan and development regulations will be projects in 2009. The police department would like to fill the vacant position and add a records specialists. The volunteer program needs to be better orgainized, an emergency response program is needed and customer service needs to be improved.

The Public Work funds are seeing a trend in revenues being stable and expense going up. Improvements to the Cemetery need to be added to the capital projects. Fee increase for cemetery and garbage services are needed. The last garbage rate increase was in 2004 and staff would recommend a 20% increase in 2009 and to move forward with a rate study. The state Excise tax is incorporated into the garbage rate and should be included in the water and sewer monthly rate as a pass through cost.

There are some items that need to be added to the budget such as a copy machine, lobbyist for the wastewater plant project, evidence technician for the police department and code update.

Public Input

Jeffrey Beeler: The percentage of property tax increase small. The people voiced concern about animal control and it was recommended to postpone hiring animal control but include it in next year's budget. The community wants an animal control officer and it is in the budget and they should fill the position. The dogs are out of control and the police do not have time to deal with the problem. He understands the concerns about revenue and that people should pay for the water and sewer service; however in 2009 the bill will increase by \$18.0l and that will be an impact. Should stay with the proposal and reevaluate increases when the costs are available.

Council Comments:

Slawson: The animal control position could be filled part time. They need to fund it and balance the budget.

Champeaux: Asked if a rate study was needed to justify a raise in water or sewer fees?

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Davenport-Smith: The City is being conservative with the capital budget. We the City need to reassess the Capital Improvement and Capital Facility plans?

Deborah Knight: The City is not raising water or sewer rates, only passing on the state excise to the customer. Under the RCW's, the sewer connection fees must be based on the investment made to accommodate growth. The capital budget are estimated costs. The Capital Improvement Plan will need to be adjusted in 2010.

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

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk