

2009 PRE-BUDGET MEETING

AUGUST 6, 2008

CITY COUNCIL CHAMBERS

The 2009 pre-budget meeting was called to order at 5:30 pm on August 6th, 2008 by Mayor Lee Webster. Those present included: Mayor Lee Webster, Council Members Jerry Tretwold, David Freels, Art Smyth, Kris Dawson and Bob Fateley. Also present were Public Works Director JD Smith, Finance Director Pamela Olsen, Chief of Police Ron Oules and Deputy City Clerk Desha Dawson.

Mayor Webster announced that the annual Budget Retreat is in the planning phase, with the location being the same as last year, Campbell's Resort in Lake Chelan, and September 17th or September 24th being the two possible dates. This could, however, change depending upon availability at Campbell's Resort and/or other date conflicts.

Onto budget discussions, Council Member Freels asked where the money comes from in the budget to cover the departments in the areas that have gone over on expenses. Finance Director Olsen stated that the department heads were then ones who could best answer this question.

Police Chief Oules stated that with respect to his department, he has dropped a couple of previously requested budget items for 2008. He did not purchase the storage shed he had previously budgeted for and has cut out some of the training courses. He has also not purchased some other "non-essential" items for the vehicles such as tires.

Public Works Director Smith has cut out the purchase of the backhoe and has not replaced the two hydrants that were figured into the previous budget. The vehicle reserve is at \$10K, but may need to dip into this to cover other areas if needed. He had budgeted \$12.5K for the PRV station repair, which has not been yet. It is now apparent that this needs to be done, as the Apple House fire confirmed the low pressure issues and the need for this repair to be done. Council Member Freels stated he would like to have the hydrant replacement left in the budget. Public Works Director Smith stated they are still on the list; however the replacement has just been delayed.

Public Works Director Smith also stated that there has been a significant savings noted at the pool with respect to the PUD bills. There was #13K budgeted for Public Utility Services for the pool in 2008, and with the updates at the pool and the installation of the solar panels, the savings have been significant.

Public Works Director Smith stated that the hydrant flushing was done this year and the issues with "black water" should continue to decrease. Reverse flow is what causes the "black water" issue, and with a continued, scheduled hydrant flushing program, this should help eliminate the "black water" issues over time.

Smith also stated that with respect to this past year's budget, equipment breakdown has been the biggest hit as far as his budget is concerned. Police Chief Oules stated that fuel has been an issue for his department, as did Public Works Director Smith. Oules stated that he may have his officers "double up" in vehicles for patrols to save on fuel, yet still

provide effective patrol methods. Smith stated that his crew has been using the more fuel efficient vehicles for parts runs, etc., as well as riding a bicycle to and from the parts stores.

Council Member Freels stated that the current City budget is tight enough and that we need to start cutting out what does not pay for itself. We should be replacing hydrants, repairing our PRV station, considering how to pay for jail fees, etc. We really need to start focusing on our “need to” items.

Council Member Tretwold stated that there is still the issue of jail fees. Police Chief Oules stated that we should budget for jail fees, but instead of budgeting only \$30K, we should be looking to budget \$45-50K or even the full amount at \$65K. Council Member Tretwold stated the County sends us a letter stating what we owe and if we send a payment of say, \$30K, and then never receive another letter stating that we still owe \$30-35K, how are we supposed to budget for a “bill” that may not show up? The billing for last year was \$64K, we have sent in \$30K thus far, and have not heard another word from them. If we are not receiving regular “billing”, how can we budget for that?

Council Member Fateley stated that we should not be putting money into the Airport if we are uncertain of where it is going. Mayor Webster stated that if the same problems continue at the airport, ie: arguing, blow-ups and no one basically being able to get along – he will abolish the Airport Commission and turn the operations back over to Public Works Director Smith, and the City will take it back. Council Member Tretwold stated that if leadership is an issue, then it should change. Council Member Tretwold also stated that Airport power and the well are big priorities at the Airport and these need to be budgeted for. If improvements are not made, how can we maintain a functional airport? Public Works Director Smith stated that there had been money budgeted out for the well and power last year, however, some of this money went to other expenses, such as lawyer fees.

Public Works Director Smith stated the Rec Center is currently in the red, but usually holds its own. The lack of the youth soccer league and public dances this year resulted in a huge cut in revenue. There was also money spent on training the previous Rec Center Director, who resigned, and that is money we can't get back.

Mayor Webster stated that Eddie Allen was hired as the new Rec Center Director. Mayor Webster stated he had worked for Epic for 11 years, going from a primary educator to director of personnel. Mr. Allen is very familiar with State and migrant programs. He is very enthusiastic about this job and has the belief that Mr. Allen can and will do great things for the Rec Center.

Mayor Webster stated that the goals he has in mind for the 2009 budget include:

- Budgeting at least \$50K for Jail fees.
- No more “wish lists”. He would like each Department Head to design a reasonable budget request that has the best interest of the citizens and the City in mind. For example, he would like to see something along the lines of a 1 year, 5 year and 10 year plan and where they would like to see their department in 5-10 years from now.