

2011 Council Retreat/Budget Meeting October 27, 2010 American Legion Hall, Brewster WA

The 2011 Budget meeting was called to order at 6:00 pm on October 27, 2010 by Mayor Lee Webster. Those present included: Mayor Lee Webster, Council Members Kris Dawson, Art Smyth, Dan Smith and Bob Fateley. Council Member John Scheller was absent (illness). Also present were Public Works Director JD Smith, Finance Director Pamela Olsen, Chief of Police Ron Oules, Deputy City Clerk Desha Dawson and Court Clerk Misty Ruiz.

No members of the media were present. Brewster citizen David Freels was present as an observer.

Mayor Webster stated that each department head would be given the opportunity to review their 2011 Budgets and requests. Public Works Director JD Smith, Chief of Police Ron Oules and Finance Director/Clerk Pamela Olsen would all be allowed to go over their requests/reviews individually.

Each Department Head reviewed their 2011 Budgets, as follows:

PUBLIC WORKS DEPARTMENT:

Public Works Director JD Smith reviewed his budget requests. They are as follows:

RATE INCREASES:

Public Works Director Smith reviewed his 2011 budget. He went on to review the projected rate changes. These are based upon a rate study performed by JUB Engineering. Based on these recommendations, the City of Brewster is charging much less than what is recommended. In order to qualify for loans from the DOE/DOH, we need to keep our rates at a certain level. Currently, we are below the recommended rates for our system and our area. Public Works Director Smith has proposed a 5% plus \$1.00 per customer, per year for water and sewer rates over the next three years. These incremental increases would then put us in line with the rates that have been recommended.

Mayor Webster stated that he feels this is something that Council should consider as we need to keep our rates reasonable yet be charging enough to cover the maintenance of the infrastructure as well as keeping up our qualifications for futures system improvement loans through the State. Council Member Smith stated he would much rather see this increase implemented completely based on a total percentage rather than the 5% (already approved by Council last year) and the addition of \$1.00, as some people may not see this as fair. Public Works Director Smith stated he understood and would work this into a total percentage based increase rather than a percent/dollar amount and have those numbers for the follow-up work shop.

STREETS:

Fuel is an area of the budget that has to be maintained. In 2009/2010 fuel savings were noted, however, this was due to below average snow fall. Public Works Director Smith stated that with respect to streets and repairs, he does not have enough money to budget in major street repairs at this time and believes there should be a reserve set up for this.

PARKS/ANGLE TRAILER COURT:

Public Works Director Smith stated there is some money in the parks fund that will be used for repairs or improvement. One thing that will be needed is signage for the RV Park, as well as finding a host, or a part-time host. The City was unable to find an on-site host for the RV Park, which resulted in an employee being paid overtime to take care of the RV Park and the reservations. We will be looking into this for 2011 as this is a full-time job during the peak season.

POOL and REC CENTER:

The pool is in the red for the operating expenses, despite having a relatively good season. It is uncertain if we can make this up by year end. The 2011 budget request for the pool has been submitted by manager Shan Miller. Although improvements are needed, some of these are not going to be feasible due to budget issues. We need to consider all costs associated with running it before we look at putting more money into it. The current solar heating is doing well, however there are three panels in the electric heating system that need to be replaced. Public Works Director Smith feels these replacements can be done within the current budget. Our PUD bills were higher for the pool this year due to the bad weather and the need to run the electric pool heater more.

The Rec Center has a lot of areas in the budget that are over the approved budget amounts – from the PUD to the operating supplies. Use of the facility has declined significantly. The Rec Center is an area in the budget that needs to be reviewed and a hard look needs to be taken at this with respect to what it costs the City to keep it open. Although it is not something that we would like to see happen, closing this facility is being considered. However, before any decisions are made, the Council needs to review all of the options that are available to keep it open. The Head Start programs do bring in money with the monthly rental fees; however it is not enough to cover all of the costs associated with operating the Rec Center alone. As well, the Summer Food Program offsets it's costs for the duration of that particular program, however, the money received from the State for this can only be used for certain things in that specific program. An increase in memberships, programs and community use are crucial to the vitality and future of this facility. Mayor Webster stated that this would be an area of the budget that will definitely need further discussion and review.

AIRPORT:

Grants have been applied for with respect to improvements. The major expenses in the Airport budget this year have been for professional services (Attorney fees).

SEWER:

Sewer fund will balance and is almost always within budget.

WATER:

The biggest impact to the water department has been Professional fees (Attorney). Public Works Director Smith stated that he needs to budget for the Water Comp Plan overhaul, which will require approximately 15K.

Public Works Director Smith stated he is not asking for any increases in his 2011 budget and understands the need to maintain within the Council recommendations for budgeting.

POLICE DEPARTMENT:

Police Chief Ron Oules reviewed his budget requests. They are as follows:

COURT:

One of the areas that he may need to increase is the operating supplies 2011. His reserves are used up for this year. Training is another area. The State has training for records retention/release that his administrative staff is required to attend. Building maintenance is major issue as they have been experiencing problems with leaking water from the roof, and crack repair is going to be a must. The carpet needs to be replaced as well. If the water issue is not dealt with soon, this will become a problem as the building is deteriorating and if it is not fixed, it will not be safe to use.

POLICE DEPT:

Overtime needs to be increased. The interpreters overtime budget and the Officers overtime budget both need to be increased. The current overtime (officers) budget is not sufficient. He states that if the OT budget were increased from the current amount, this would cover all gaps for sick days, holiday coverage, etc. He is requesting the same amount for the OT budget as he did in 2010, but would like Council to look at the numbers (if OT budget is increased) to show what it would take to provide coverage without gaps.

Operating supplies, mandatory officer training, repair and maintenance (vehicles) and fuel are other areas that the department needs to budget for and be prepared for increases.

VEHICLE RESERVE:

This fund has basically been empty for the past two years and he would like to have at least 15K in the vehicle reserve budget for 2011. He was able to obtain a new department vehicle (4x4 Tahoe) through grants, however, does foresee needing to replace vehicles in the future and would like this reserve to get back up as these grants are not always going to be available, or awarded to us if we apply.

BOOKING/MEDICAL FEES:

Police Chief Ron Oules stated that he only sees these fees going up. The City needs to be very focused on getting the jail fees paid down and keep them current. This fee has been accruing for many years, even prior to him being appointed Chief. He stated that the City needs to be making a consistent effort to pay these fees and properly budget for them.

Police Chief Ron Oules stated that he has no more reserve funds left for 2010. He has used them all. He noted to Council that he does not feel that he is asking for a lot for his department, only what he needs to effectively operate and maintain it.

FINANCE/CLERK:

Finance Director/Clerk Pam Olsen stated that she will be retiring in August of 2011. She understands that there is some concern with the proposed splitting of her job. She presented Council with a cost comparison and outlined savings if her job is split. Council Member Dawson stated the only concern she has is if these positions are still union members, and the potential for these employees requesting wage increases via the union.

DISCUSSION:

All Council Members were in agreement that each department should be asked to operate in 2011 with the same budget figures as agreed upon for the 2010 Operating Budget. They also concurred that while there should not be any cuts to any of the departments, we need to be cautious in 2011, and believe this can be achieved by by operating with the same numbers as the 2010 budget. (These numbers are the 2008 budget minus 5%, which has been the same for all departments for the past three years).

All Council present agreed that there needs to be further discussion with respect to the 2011 budget, where cuts can be made and need to be made, as well as how to maintain the services we have without compromising our financial future. These are hard times and we need to be very cautious with our spending. We have been operating very cautiously over the past three years, yet still continue to struggle. We are better off than some Cities; however, we still need to plan ahead.

Further discussion will resume at the follow-up Budget Workshop. That date and time will be announced once it has been set with proper notification sent out ahead of time.

ADJOURNMENT:

With there being no further business to discuss at the 2011 Budget Meeting, Mayor Webster announced the meeting adjourned at 9:45 p.m.

Mayor Lee Webster

ATTEST:

City Clerk/Finance Director Pamela Olsen