

# ***2011 Council Budget Follow-Up Meeting November 30, 2010 Brewster City Hall, Brewster WA***

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The 2011 Budget Follow-up Meeting was called to order at 6:00 pm on November 30, 2010 by Mayor Lee Webster. Those present included: Mayor Lee Webster, Council Members Kris Dawson, Art Smyth, Dan Smith, Bob Fateley and John Scheller. Also present were Finance Director Pamela Olsen, Deputy City Clerk Desha Dawson and Court Clerk Misty Ruiz.

One member of the media was present, Penny Hunter from the Quad City Herald. Brewster citizens David Freels and Scott Baker were present as observers.

Mayor Webster stated that this meeting is for discussion amongst Council and Staff about Budget issues only – no decisions, motions or actions will be made at this meeting. No input from the public or media will be solicited.

## **DISCUSSION:**

Mayor Webster turned the discussion over to Finance Director/Clerk Pam Olsen for narratives on the proposed 2011 Budget.

Finance Director Pamela Olsen stated that there is a \$33,671.00 General Fund deficit. This amount is better than previous, as we have received some of the property tax money from the County. However, the Council needs to figure out where we can make necessary cuts to balance this deficit. Finance Director Pamela Olsen stated that Public Works Director Smith has cut his budget, but has also figured in a 2.5% wage increase for his crew. Police Chief Ron Oules has submitted his budget and it is unchanged. Chief Oules is also requesting that a vacation fund be set up for his department, as well as budgeting in the jail fees the City owes to the County. Council Member Smyth asked about the City issued cell phones – are these necessary and should this service be cut as a way to save money as well. Mayor Webster stated that the Public Works Director has been doing well throughout the year, implementing spending freezes, and staying within his budget. He does not want to put any restraints on the department that aren't necessary.

Council Member Scheller asked about the PUD privilege tax – will the City be getting any of this money back, and if not – will we be paid from here on out? Mayor Webster stated that after two meetings with the County Commissioners, we are still waiting to hear what they have decided. Mayor Webster did say that we should not count on this money.

Mayor Webster stated he understands that there need to be some tough decisions made with respect to the 2011 budget. One of the hot topics is the Rec Center. One part time position has already been eliminated with one full-time employee on staff. Council Member Fateley stated that he has not had anyone from the community make any comments to him with respect to the Rec Center. He believes it may be in the best interest of the City to close the Rec Center and have it be available on a “fee for use” basis – ie: AAU Basketball, afterschool programs, private rental, etc. Mayor Webster stated that there will be a meeting held at the Rec Center on Monday December 13<sup>th</sup>, at which time the community can come and voice concerns, bring ideas and show support for its continued operation.

Council Member Scheller stated he would like to wait until after this meeting to see what kind of input we get from the public with respect to the Rec Center before any decisions are made.

Finance Director Pamela Olsen presented two different proposals for the Community Center, one with the Rec Center open and staffed; one without. If the Council decides to keep the Rec Center open in 2011, this will increase our budget deficit to 57K. This will occur through redistribution of the percentage of the property tax that is put into the Rec Center fund. The property tax monies are split by percentages into the General fund, Parks, Rec Center, Streets, etc. The percentage of the distribution is set by Council. These percentages can be changed. Olsen said that should Council decide to close the Rec Center, it would help balance the budget as stated, and keep things moving forward for future budgets as well as getting our reserves built back up.

Mayor Webster asked if, for example, the Council decided to close the Rec Center (no onsite staff), redistribute the property tax percentages, add utility tax percentage and do away with the PD vacation fund - would this balance the budget. Finance Director Pamela Olsen stated it would not balance, but it would definitely help.

Council Member Fateley stated that he believes our biggest areas of concern are budgeting for jail fees and street repairs. He also stated, as far as he is concerned, that the community pool is more of an asset to the City than the Rec Center. He would like to review the rates for the pool, RV park, etc. and see if these fees and other fees within the City are acceptable as set, or if we need to change them, as we may need to be charging more.

Council Member Fateley also asked about raising the sales tax within the City – 1/10 of 1%. What would this generate for the City and if we do raise the sales tax, can we disperse this into the funds that need it? Can Council implement this with or without voter approval? Finance Director Pamela Olsen stated she would check on this and also on a street utility tax.

Finance Director Olsen stated that with respect to the budget, our revenues have to match our expenditures – it *has* to balance. The budget sets “guidelines” for each department to follow. She stated that she tries to under budget, as a rule. Olsen also noted that once the budget for 2011 is approved, it can be amended should Council want to change anything. It does, however, need to be passed at the December Council meeting, with any requested amendments to be done at the January Council Meeting, if needed.

**ADJOURNMENT:**

With there being no further business to discuss at the 2011 Budget Follow-up Meeting, Mayor Webster announced the meeting adjourned at 7:15 p.m.

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Mayor Lee Webster

ATTEST:

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City Clerk/Finance Director Pamela Olsen