

EDMONDS CITY COUNCIL APPROVED MINUTES

Budget Workshop

Saturday, November 9, 2002

The Edmonds City Council meeting was called to order at 9:00 a.m. by Mayor Pro Tem Earling in the Council Chambers, 250 5th Avenue North, Edmonds, followed by the flag salute.

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor Pro Tem

Dave Orvis, Council President Pro Tem

Jeff Wilson, Councilmember

Michael Plunkett, Councilmember

Lora Petso, Councilmember (arrived 9:58 a.m.)

Richard Marin, Councilmember

Deanna Dawson, Councilmember

ELECTED OFFICIALS ABSENT

Gary Haakenson, Mayor

STAFF PRESENT

Tom Tomberg, Fire Chief

David Stern, Chief of Police

Duane Bowman, Development Serv. Director

Stephen Clifton, Community Services Director

Peggy Hetzler, Administrative Services Director

Arvilla Ohlde, Parks and Recreation Director

Noel Miller, Public Works Director

Brent Hunter, Human Resources Director

Joan Ferebee, Court Administrator

Sandy Chase, City Clerk

Jeannie Dines, Recorder

1. PRESENTATION BY ALL CITY DEPARTMENTS OF PROPOSED BUDGET

Mayor Pro Tem Earling explained today's meeting would be a report by the Directors regarding their proposed staff and budget cuts as well as staff or budget items they would restore if additional funding was available. Mayor Pro Tem Earling advised another Budget Workshop was scheduled at the November 12 Council meeting and requested four Directors be prepared to provide a line-by-line review of their budget. At the November 19 Council meeting, the remaining five Directors would do the same. He also announced public hearings were scheduled on November 19 and 26. He was hopeful the 2003 budget could be adopted by the December 3 Council meeting.

(A) POLICE DEPARTMENT

Chief of Police David Stern provided a summary of the cuts proposed for the Police Department budget which totals \$567,288:

- \$ 75,000 in vehicle cost reductions

- \$ 74,000 from transferring jail costs to the Criminal Justice Fund 007
- \$ 15,000 cut from the Travel/Training budget
- \$ 27,280 - three part-time Police Cadet positions
- \$ 19,243 - one part-time Administrative Assistant position
- \$ 6,936 - four Reserve Officer positions (currently vacant)
- \$108,808 - one full-time Staff Assistant and the Administrative Supervisor
- \$ 90,238 - the Crime Prevention Unit including two part-time and one full-time positions
- \$129,718 - two Police Officer positions (backfilled with the D.A.R.E. Officer and the Sergeant from the Youth Services Unit)
- \$ 21,065 - Animal Control Officer (thereby eliminating Parking Enforcement as well)

Police Chief Stern described the basis for the proposed cuts and the impact the cuts would have on the Police Department and the community. If funding were available to restore positions, his priority would be to restore the commissioned officers followed by the Crime Prevention and Youth Services Units.

(B) DEVELOPMENT SERVICES DEPARTMENT

Development Services Director Duane Bowman described the responsibilities of his department and the basis for the proposed cuts. He reviewed the cuts proposed which equate to five FTE:

- Elimination of one Building Administrative Assistant position
- Elimination of one Engineering Inspector position
- Elimination of the Receptionist/Administrative Assistant position (a job shared position)
- Elimination of the Accounting Coordinator position
- Elimination of the Assistant Planner position

If funding were available to restore positions, Mr. Bowman recommended the Receptionist/ Administrative Assistant position be restored. He briefly described the impact the proposed cuts would have on the department and the community. Mr. Bowman indicated he had some ideas for potential revenue sources.

Mayor Pro Tem Earling recommended any potential revenue sources be provided via memo to the Council prior to the November 12 Council meeting including the source and the funds that could be generated. Mr. Bowman clarified the cost of the Receptionist/Administrative Assistant position was approximately \$58,000.

Mr. Bowman was asked to provide further information regarding why plan checking fees in 2003 were projected to be down and the amount of revenue generated via permit fees compared to the amount of staff's costs that were covered.

(C) **MUNICIPAL COURT**

Court Administrator Joan Ferebee reviewed proposed reductions:

- \$2,080 reduction in Clerk overtime by providing comp time instead
- \$208 reduction in benefits as a result of reduced overtime
- \$1,920 reduction in supplies
- \$3,120 reduction in travel
- \$100 reduction in rental
- \$300 reduction in repairs and maintenance
- \$400 reduction in miscellaneous (manuals, booklets, etc.)
- \$1,000 reduction in jury costs
- \$25,000 reduction in hours of four part-time employees (two bailiffs and two file clerks)

Municipal Court Judge Jim White advised if funding were available, he recommended the part-time personnel budget be restored. He briefly described a funding request that had been transferred to the Criminal Justice Fund for a used laptop and increased interpreter costs.

(D) **HUMAN RESOURCES DEPARTMENT**

Human Resources Director Brent Hunter reviewed proposed cuts in his department:

- \$6,105 reduction in the Human Resources Receptionist hours (from 20 hours/week to 16 hours/week)
- \$1,250 reduction in civil service expenses (physical/psychological exams) for new Police and Fire hires
- \$2,550 reduction in recruitment costs – supplies printing and advertising
- \$1,640 reduction in repairs, travel and miscellaneous
- Total: \$12,345 in cuts

If funding were available to restore positions, Mr. Hunter recommended the Receptionist's hours be restored followed by funding for civil service expenses.

(E) **FIRE DEPARTMENT**

Fire Chief Tom Tomberg reviewed the proposed cuts to the Fire Department budget, explaining the following cuts totaled \$229,918:

- Eliminating Fire Reserves
- Eliminating a 20 hour Administrative Support position
- Eliminating the Fire Inspector/Investigator position
- Eliminating Three Firefighter positions (net loss of two as one position filled by the Fire Inspector)

When the Mayor made a further request for cuts, Chief Tomberg advised the position of Assistant Fire Chief Position was eliminated. Chief Tomberg described the basis for the proposed cuts and the consequences of eliminating these positions. If funding were available to restore positions, Chief Tomberg recommended the Assistant Fire Chief position be restored.

Chief Tomberg responded to Council questions including the cost of the Reserve Program versus the support they provide, the possibility of establishing a volunteer Reserve Program, and the actual cost of eliminating Firefighter positions due to overtime required to fill those shifts. Chief Tomberg estimated the cost of restoring the Fire Inspector and Firefighter positions at \$177,000.

(F) **PUBLIC WORKS DEPARTMENT**

Public Works Director Noel Miller described the services provided by the Facilities Maintenance Division within the Public Works Division and proposed the following:

- Elimination of one Worker I position
- Elimination of one Custodian position

Mr. Miller described the increase in square footage of City-owned buildings and the impact of the proposed reductions in building maintenance staff.

Next, Mr. Miller described current staffing levels of the Street/Drainage Division within the Public Works Department and proposed the following:

- Elimination of one Street Worker position

Mr. Miller commented there may be other opportunities for increased revenue for streets but it would require legislation to enact. He described the impact of the proposed reduction in street staff. If funding were available to restore positions, Mr. Miller recommended the custodial position be restored due to the versatility of that position. He estimated the cost at \$40,000. Mr. Miller was asked to determine how much of the custodial cost was recouped in rental fees.

(G) **PARKS AND RECREATION DEPARTMENT**

Parks & Recreation Director Arvilla Ohlde reviewed the public benefit provided via Parks & Recreation and the result of the budget cuts in the Parks & Recreation Department:

- Reduction in Yost Pool operation from 13 weeks to 9 weeks
- Elimination of the Beach Ranger patrols
- Reduction of part-time recreation support staff/supplies
- Elimination of part-time clerk and evening staff at Frances Anderson Center
- A one-third reduction in flower baskets

- Planting only half of corner parks with annual flowers
- Reduction in level of service in parks

Ms. Ohlde described the programming the Parks & Recreation Department endeavored to retain. If funding were available to restore positions/programs, Ms. Ohlde recommended restoring the environmental education program from which \$17,000 was cut followed by restoring the \$25,000 cut for part-time labor. Ms. Ohlde acknowledged the revenue from a potential implementation of a utility tax on stormwater could be used to fund this program. Discussion followed regarding donations to the flower program and the intent of the proposed reduction in the Yost pool hours to operate the pool during the highest revenue-generating period.

It was suggested consideration be given to increased pool fees. It was also requested staff research whether improvements to Frances Anderson Center and the Meadowdale Clubhouse could be funded from Fund 125.

(H) COMMUNITY SERVICES DEPARTMENT

Community Services Director Stephen Clifton explained there were two employees in the Department, a Director and one Executive Assistant, thus costs were somewhat fixed as 86% were represented by salary, benefits and overtime. He reviewed proposed cuts in the Community Services Department budget:

- \$600 reduction in supplies
- \$1,800 reduction in rental/lease
- \$1,120 for miscellaneous and travel
- Total: \$4,280

Mr. Clifton indicated these were reductions the Community Services Department could live with and would not need restoration if additional funds were identified.

(I) ADMINISTRATIVE SERVICES DEPARTMENT

Administrative Services Director Peggy Hetzler described the services provided by the Administrative Services Department and reviewed the cuts proposed:

- Elimination of one Staff Accountant position

- Reduction of the Accounts Payable position to 30 hours
- Elimination of the Software Specialist position in Information Technology
- Elimination of the Office Assistant position in the City Clerk's Office

Ms. Hetzler described the impacts of the proposed reductions. When asked regarding her priorities for restoration, she indicated the Administrative Services Department would live with the proposed cuts. She requested consideration be given to a temporary budget to hire consultants or temporary employees to assist with the financial system conversions and to complete the bond issues. When further inquiry was made regarding positions to be restored if funds became available, Ms. Hetzler recommended the IT (Software Specialist) position be restored, acknowledging there may be a preference to restore the Office Assistant (Receptionist) position, particularly as other departments have indicated their plans to transfer their receptionist duties to the first floor receptionist. Discussion followed regarding the possibility of retaining staff for 3-4 months to complete projects with the knowledge that layoffs would occur in 2003.

City Clerk Sandy Chase described the duties of the Office Assistant who provides reception on the first floor. The cost of this position was estimated at \$41,000.

Mayor Pro Tem Earling requested four Directors offer to make a more detailed presentation/answer questions at the November 12 Council meeting.

2. DISCUSSION OF POTENTIAL REVENUE INCREASES

Mayor Pro Tem Earling invited the Council to comment on the following revenue sources:

Property Tax Recapture

Mayor Pro Tem Earling explained the City had 5.3% banked capacity that may be authorized in 2003. This would generate approximately \$375,000 in additional revenue and the annual impact on the average residential user/business was \$28.

Council President Pro Tem Orvis indicated he would support an increase no higher than CPI or approximately 1.8%. Councilmember Plunkett expressed his support for recapturing the entire banked capacity. Councilmember Dawson preferred an election if there was a desire to increase the property tax higher than 1%. Ms. Hetzler indicated the cost of a special election was \$60,000 – \$70,000. She confirmed an election in 2003 would not allow the City to collect an increased property tax until 2004.

Councilmember Petso preferred the City stop inventing ways to tax citizens and determine whether property taxes were the appropriate way to generate revenue versus instituting other taxes. As she had to leave the meeting early, Councilmember Petso voiced her opposition to the Business License Fee and the utility tax on stormwater.

Councilmember Marin expressed his support for recapture of some portion of the banked capacity such as 1.8%. Mayor Pro Tem Earling commented recent initiatives have indicated taxpayers will accept property tax increases of 1%.

1% Allowable Property Tax Increase

This increase was acceptable to all Councilmembers.

Business License Fee Based on Number of Employees

Mayor Pro Tem Earling explained this new structure would generate \$200,000 – \$300,000 and the annual impact on an average business would be \$105 to \$200. Councilmembers Marin, Dawson, and Wilson indicated they were opposed to this proposal.

Utility Tax on Solid Waste – 6%

Mayor Pro Tem Earling explained a 6% utility tax on solid waste would generate approximately \$270,000 and the annual impact on an average residential user/business would be \$31 year. Councilmember Marin was supportive of a 2% utility tax. Council President Pro Tem Orvis commented the utility tax on solid waste, franchise fee on Olympic View Water District and utility tax on stormwater may allow restorations in the Police and Fire Departments.

Responding to questions, Ms. Hetzler confirmed most other cities collected a utility tax on solid waste.

Franchise Fee on Olympic View Water District

Mayor Pro Tem Earling explained a franchise fee on Olympic View Water District could generate \$100,000 - \$200,000. Ms. Hetzler advised only preliminary discussions have been held with Olympic View Water District. Staff was asked to determine how much of the district the City would assume if it assumed the Olympic View Water District so as to determine the potential revenue. Councilmember Marin favored beginning negotiations as soon as possible.

Utility Tax on Stormwater

Mayor Pro Tem Earling explained the potential revenue that could be generated from this source was \$80,000 and the annual impact to the average residential user/business was \$5.00. Councilmember Marin did not support this proposed revenue source as there had recently been a 43% increase in stormwater rates.

3. OTHER

Councilmember Dawson suggested consideration be given to reducing the balance in the Council Contingency Fund. Councilmember Marin agreed.

Councilmember Wilson recommended staff determine the true cost of providing services and ensure all costs were incorporated into fees.

With no further business, the Budget Workshop was adjourned at 11:23 a.m.