

1998 07 29 Budget Retreat

LAKESIDE CITY COUNCIL

BUDGET RETREAT

MINUTES

Wednesday, July 29, 1998

American Lake Club

Lakeside Room

NCO Beach Road

Ft. Lewis, WA 98433

CALL TO ORDER

Mayor Harrison called the meeting to order at 11:20 a.m.

ATTENDANCE

Councilmembers Present: 5 - Mayor Bill Harrison; Deputy Mayor Claudia Thomas; Councilmembers Ann Kirk Davis; JosÃ© Palmas and Sherri Thomas.

Councilmembers Excused: 1 - Councilmember Larry Humphrey.

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Councilmembers Absent: 1 - Councilmember Doug Richardson (arrived at 11:45 a.m.).

Staff Present: City Manager D. Scott Rohlfs; Administrative Analyst Jeff Brewster; City Attorney Dan Heid; Finance and Systems Director Galen Kidd; Community Development Director David Bugher; Engineering Manager Bill Larkin; Acting Police Chief Eileen Bisson; Human Resources & Services Director Debi Young and General Services Director/City Clerk Alice Bush.

Mayor Harrison referred to the July 24, 1998 informational bullets, and asked the Council if they desired to proceed with spending \$12,000 - \$15,000 to fill the ditch and install a drainage facility on Angle Lane. Councilmembers agreed to proceed with the project.

Mayor Harrison asked for the Council's input on reducing the traffic speed limit on Hipkins Road. Councilmembers agreed to further study the traffic situation on Hipkins Road.

Mayor Harrison asked if the Council desired to proceed with upgrading the Pacific Highway and Bridgeport Way entrance in the amount of \$40,000. The Council agreed to proceed. Engineering Manager Larkin indicated that water service is being installed at the entrance.

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The Council requested that staff look into seeking grant funding for installing a traffic signal at Bridgeport Way and San Francisco Avenue and study the creation of a Local Improvement District at 108th Street to the railroad. Mayor Harrison also asked for more police emphasis in the area.

City Manager Rohlfs briefly reviewed the changes to the resolution on the Council's commitments on the use of

proposed State revenues should the City annex the military bases into Lakewood's Urban Growth Area.

ITEMS FOR DISCUSSION:

1999 City of Lakewood Budget goals and objectives.

City Manager Rohlfs reviewed the nine goals set by the Council and provided an update on the progress of each goal. The nine goals are:

- 1) adopt and implement an Economic Development Plan
- 2) utilize the Regional Transit Authority station as an economic development catalyst
- 3) get a City Hall and build it
- 4) initiate improvement of I-5/Pacific Highway corridor
- 5) improve public safety
- 6) implement stricter development regulations
- 7) improve infrastructure and image
- 8) initiate redevelopment efforts
- 9) develop and adopt a Parks Plan.

Discussion ensued on the difference between economic develop and commercial redevelopment, and changing the goals to also address the human element of the City and to improve the quality of the life of Lakewood's citizens.

City Manager Rohlfs reviewed six-year cost projections (1999 - 2004) of capital projects in parks, economic development, information systems, public safety and City Hall.

Discussion ensued on the option of leasing computers versus purchasing; installing street video cameras as policing tools; and the possibility of leasing some City Hall space, when the new facility is built.

City Manager Rohlfs then reviewed six-year cost projections for the Surface Water Management Fund; Streets Fund; and the I-5 corridor. City Manager Rohlfs indicated that the projected six-year shortfall in City funds to implement capital projects is \$30,128,705 or \$5,021,451 each year for the next six years. He noted that annually \$870,000 of current revenues can be dedicated for capital projects. Current revenues include Real Estate Excise Tax, Tacoma Public Utilities light franchise fees; parks; and recurring capital revenues.

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Discussion ensued on transferring excess dollars from the General Fund to other funds.

Council recessed at 12:55 p.m. and reconvened at 2:05 p.m.

City Manager Rohlfs reviewed the six-year cost projections in the Streets Fund and Surface Water Management Fund. He indicated that in the year 2004, it is projected that the Streets Fund will be \$4.7 million in the deficit and the Surface Water Management Fund will be \$3.3 million in the deficit.

Discussion ensued on positioning the City in the best timing for issuing bonds; how sewer infrastructure can impact the Surface Water Management Fund; including depreciation funds when the Surface Water Management Fund becomes an enterprise; and increasing the \$40 Surface Water Management fees to help cover the deficit in the

Surface Water Management Fund.

City Manager Rohlfs reviewed new potential revenue sources as follows:

<u>Basis - Operational/Cap</u>	<u>Annual Amount</u>	<u>Funds Affected</u>
Base Annexation	\$1,300,000	General Fund
	\$ 300,000	Streets
Recurring Revenue Growth	-0-	All
Referendum 49	\$ 350,000	General Fund
Utility Tax	\$1,800,000	General Fund
Franchise Fees (TPU, sewer, water)	\$1,000,000	General Fund
Business & Occupation Tax	?	General Fund
Current Gen. Fund Spread	\$ 200,000	General Fund
Surface Water Management Fees	\$ 650,000 - 1,300,000	Surface Water Mgmt.
Voter-Approved Bonds	?	Gen. Fund/Parks
Councilmanic Bonds	\$3,000,000	Gen. Fund/City Hall
Tacoma Empowerment Consortium (10 years)	\$1,500,000 - 2,000,000	All
Local Improvement Districts	?	Streets/SWM

Discussion ensued on the political issue of imposing water franchise fees; and imposing a utility tax for cable and/or a two percent franchise fee.

City Manager Rohlfs pointed out that in State tax distribution, in comparison to other cities, Lakewood is lower at \$130.28 per capita with Tukwila at \$1,089.84 per capita.

Discussion ensued on the need to increase the City's economic base through economic development.

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City Manager Rohlfs reviewed the City's estimated revenues.

Discussion ensued on the need to have the necessary infrastructure, like sewers along Pacific Highway, in place before the City could entice developers to locate to Lakewood to help increase its economic base.

City Manager Rohlfs indicated that out of 275 Washington cities, 227 cities have a utility tax and 48 cities have no utility tax. He indicated that other revenue options are imposing a business and occupation tax; voter-approved bonds; councilmanic bonds; and Local Improvement District bonds.

Discussion ensued on proceeding with a Local Improvement District on Pacific Highway from 108th Street to Bridgeport Way thereby increasing the value of the Pacific Highway corridor; proceeding with voter-approved bonds for the parks in an amount of approximately \$5.2 million for 20 years; begin marketing for a voter bond; proceeding with increasing Surface Water Management fees; and considering a utility tax of telephone, cable, Lakeview Light and Power, Puget Sound Energy and natural gas.

Other related budget matters.

Each department highlighted their proposed 1999 departmental goals.

Engineering Manager Larkin reviewed the Engineering Department's areas of emphasis which included City Hall design, project management of streets, street trees and storm drainage; Lake Steilacoom lake management plan; comprehensive storm

water program; six-year transportation improvement program; work crew program; speed limit study on City arterials; and grant solicitation.

City Attorney Heid reported on the increase of civil matters in the Legal Department. He explained that he will be requesting a Civil Attorney and a half-time clerical position.

Finance and Systems Director Kidd reviewed the City's need for new computer capital infrastructure; business license software program interface with building permit software and GIS; and a computer replacement program.

Human Resources & Services Director Young reviewed the Human Services *Lakewood's Promise* goal; and funding for Human Services projects.

She then reviewed the goals for Human Resources in recruitment, training, and the continuing development of personnel and safety policies.

Administrative Analyst Jeff Brewster reviewed capital projects for Parks and Recreation which included the acquisition of McChord Gate Park; acquisition of the Wards Lake property; construction of a State park; and hiring a Recreation Coordinator.

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In the area of Economic Development, the department is requesting an Economic Development Officer position; implementing portions of the Economic Development Plan; and I-5 corridor improvement.

Community Development Director Bugher highlighted focus areas for Community Development over the next six years which included the completion of the Comprehensive Plan and Environmental Impact Statement; implementing zoning, subdivision and Shoreline Master Plan program regulations; beginning work on detailed sub-area planning redevelopment; developing a better dialogue on joint land use issues with the military bases; performing annual maintenance on the Comprehensive Plan map; determining the direction of the Community Development Block Grant Program; implementing international building code regulations; and implementing a historic preservation/cultural arts program.

General Services Director/City Clerk Bush highlighted four focus areas of the Court which included probation monitoring services, work crew program, electronic home monitoring and courtroom security. She also highlighted three significant goals of the City Clerk's Office which were records management, sister cities program and one percent for the arts.

Acting Police Chief Bisson indicated that the Police Department's requests for police staffing will be brought before the Council in the 1999 budget process.

ADJOURNMENT

There being no further business, the meeting adjourned at 6:45 p.m.

BILL HARRISON, MAYOR

ATTEST:

ALICE M. BUSH, CMC

CITY CLERK

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