

2002 10 23 Budget Workshop

LAKWOOD CITY COUNCIL BUDGET WORKSHOP MINUTES

Wednesday, October 23, 2002

Lakewood Sheriff's Precinct

Training Room

5504 112th Street SW

Lakewood, WA 98499

CALL TO ORDER

Mayor Harrison called the meeting to order at 5:12 p.m.

ROLL CALL

Councilmembers Present: 7 - Mayor Bill Harrison; Deputy Mayor Claudia Thomas; Councilmembers Pad Finnigan, Andie Gernon, Larry Humphrey, Helen McGovern and Doug Richardson.

ITEMS FOR DISCUSSION:

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City Hall Maintenance

Public Works Director Larkin reviewed the City Hall maintenance budget.

Discussion ensued on utility costs; janitorial services and specialty cleanings; providing for ongoing costs as a result of the City Hall construction; costs for emergency phone lines; and the discrepancy with the 2002 ending fund balance.

Non-Departmental

City Manager Rohlf reviewed the nondepartmental budget which cover city-wide expenses. He reviewed reductions in the Lakewood Chamber of Commerce contract, the elimination of the Tacoma-Pierce County Visitor and Convention Bureau (VCB) contract and the Tacoma Arts Museum funding.

Discussion ensued on the Tacoma-Pierce County Visitor and Convention Bureau's (VCB) position relative to the elimination of the VCB contract and concerns about eliminating the VCB contract entirely; use of hotel/motel tax funds for tourism contracts; honoring the pledge to fund the Tacoma Art Museum and possibly spreading the pledge over several years; and the cost for leasing the postage meter and machine.

Community Development Block Grant (CDBG)

General Services Director/City Clerk Bush reviewed the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) grant budgets.

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Discussion ensued on the ending fund balance from previous year grant awards; staffing levels; the ability to administer the grants within the 20 percent administration cap; rate of housing activities; and providing for 25 percent matching funds for HOME.

Municipal CIP

City Manager Rohlf reviewed the proposed capital improvement program expenditures.

Discussion ensued on the proposed expenditures.

Council recessed at 7:40 p.m. and reconvened at 7:50 p.m.

City Streets/Arterial Streets and Solid Waste

Public Works Director Larkin reviewed revenues, expenditures and ending fund balance in 2003-2004. He then reviewed the arterial streets fund; a decrease in utility tax and gas tax; an increase in vehicle license fees; and the street lighting program. He also reviewed the 2001-2002 street projects that have been bid; and projects that City staff has done in-house as a cost savings versus contracting for service.

Discussion ensued on staffing levels between City streets and arterial streets; the reason for the decrease in Federal Highway Administration (FHWA) and CDBG funds for street projects; the chip sealing program and expenditures; whether it would help with the overall General Fund budget if the City does not consummate a street project that has already been bid; considering bonding for street projects to help with capitalizing the budget; and funding for tree plantings.

Public Works Director Larkin reviewed the garbage service complaints on street rights-of-way; and the transfer of funds from arterial streets to the General Fund for a portion of a staff person to handle these complaints. He reviewed three Local Improvement Districts (LIDs) for improvements at (1) Steilacoom Boulevard and Lakewood Drive, (2) Lakewood Fire Station LID on Pacific Highway, and (3) Western State Hospital LID at 87th Avenue and Sentinel Boulevard.

Discussion ensued on revenue donations of \$215,000 and another \$215,000 for street improvements in 2003 and 2004, respectively; and the progress on Gravelly Lake Drive SW and Steilacoom Boulevard project.

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Surface Water Management

Public Works Director Larkin commented on decreasing Surface Water Management (SWM) fees by \$5 per parcel annually and increasing capital improvement charge by \$15. He indicated that the deferred \$1.2 million depreciation costs from previous years were added to the 2003 budget. He explained that no funds are budgeted for the treatment of lakes.

Discussion ensued on the timing for increasing a \$15 charge for capital improvement; the possibility of reducing the \$15 charge to \$10 and imposing it now versus later; the option of imposing a revenue bond versus imposing a charge and the timing of increasing rates for maintenance and operating costs to handle a capital improvement treatment plant; the definition of what the basic SWM service covers at a cost of \$400,000; and involving civic organizations and the youth to provide SWM stenciling.

Equipment Rental Fund

Finance and Systems Director Kidd reviewed the Equipment Rental Fund for 18 City vehicles.

Discussion ensued on the requirements for an Equipment Rental Fund.

Other Funds

Finance and Systems Director Kidd commented on the Weed and Seed grant; Law Enforcement grant; Rule 9 grants; and other grants. He then reviewed the Police narcotic funds and seizure funds.

2003-2004 Budget Overview

City Manager Rohlfs reviewed the adjustments to the budget since the last workshop relative to the Law Enforcement Block grant; property taxes and interest earnings. He reviewed the effect of the property tax proposals for a typical

residence.

Discussion ensued on the County's property tax rate of \$1.60; the garbage utility tax detail; and the difference in revenue using 1 percent property tax rate increase versus a cumulative implicit tax rate.

City Manager Rohlfs reviewed the staffing cost for administering business licenses and the current business license fee. He then reviewed fee comparisons for animal licensing.

Discussion ensued on parking/park fees; business license fees for specialty licenses; general business licenses; and home occupation fees.

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Community Development Director Bugher commented on partnering to share and access the Department of Revenue data to find businesses whose sales tax may not be coming to Lakewood.

It was the consensus of the Council to reinstate the \$35 general business license fee and proportionate increase for specialty licenses.

City Manager Rohlfs distributed a proposal for financing capital and operating costs of a treatment plant in Ponce de Leon Creek to remove phosphorus from creek waters, in response to a question of the Council.

Discussion ensued on the City assuming full liability; no guarantee that the Lake Steilacoom Improvement Club would fund some of the costs; how the present litigation issue affects this proposal; and obtaining the results of the SWM phosphorus study within a year in determining potential adjustments to a \$15 SWM fee.

City Manager Rohlfs reviewed potential jail cost savings for a second work crew. Discussion ensued on implementing a 7-day work crew from a 4-day work crew.

City Manager Rohlfs commented that, with the proposed closure of the Precinct front counter, a phone would be made available at the precinct and at City Hall to place nonemergency and 9-1-1 calls. Discussion ensued on concerns that having only a phone would create a non-friendly environment with the inability to provide the kinds of services walk-in citizens are requesting.

City Manager Rohlfs provided an update for police funding of 3 School Resource Officers for \$70,000, and funding for a Finance staff position, in the amount of \$60,000, to comply with GASB 34 requirements.

Discussion ensued on funding for the Finance staff position by transferring funds from the streets fund to the General Fund; and what impacts there will be on the street projects by losing matching leverage to secure grants.

City Manager Rohlfs indicated that the photo infraction program will breakeven during the first six months of 2003.

Discussion ensued on lowering the amount of monies into reserves; concerns of eliminating the front desk staff at the Police Precinct; reviewing employee medical costs and comparisons; and what the cost would be to apply the merit modifier and freeze merit increases.

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ADJOURNMENT

There being no further business, the meeting adjourned at 10:00 p.m.

BILL HARRISON, MAYOR

ATTEST:

ALICE M. BUSH, CMC

CITY CLERK