

**CITY OF SEQUIM
CITY COUNCIL MINUTES
SEQUIM TRANSIT CENTER
190 WEST CEDAR STREET
SEQUIM, WA**

AUGUST 31, 2009

5:00 P.M. STUDY SESSION

Mayor Dubois called the meeting to order.

PLEDGE OF ALLEGIANCE

ROLL CALL

Clerk Kuznek-Reese called roll. Council members present: Laura Dubois, Erik Erichsen, Ken Hays, Bill Huizinga, Susan Lorenzen, Paul McHugh and Walt Schubert.

City Staff present: Admin. Service Director Karen Goschen, Clerk Karen Kuznek-Reese, Planning Director Dennis Lefevre, Capital Projects Manager Frank Needham, Public Works Director Ben Rankin, City Attorney Craig Ritchie, Police Chief Robert Spinks and Interim City Manager Linda Herzog.

EXECUTIVE SESSION

Mayor Dubois announced an executive session which is expected to last 30 minutes. No action is anticipated. The meeting was recessed to executive session at 5:00 p.m. At 5:30 it was announced that the executive session would last an additional 10 minutes. The meeting was reconvened at 5:40 p.m.

Work Program

This will be included in the budget discussion.

Budget

Herzog explained how the City is looking at reducing and avoiding risk in preparing the 2010 budget. Fiscal sustainability is the focus for the 2010 budget.

Goschen explained that the budgeting is based on expenses matching resources. The projected ending fund balance is \$1.3 million because of operational changes and cost cutting measures already taken. How long will the fund balance last? The revenue decline will be offset by operational changes and one-time cuts. It is anticipated that there will be slow economic growth. Cities are looking at finding a new normal. An incremental approach can be taken to balance the budget.

Herzog reviewed budget assumptions which are based on previous Council meeting discussions.

McHugh suggested shifting beautification costs to property owners that have plantings on their properties. There still needs to be a beautification budget but some costs should be shifted.

Hays suggested the option that utility rates be based on peak time users and volume. Erichsen and Schubert indicated they are against raising any taxes. Goschen explained that the increase for water/sewer services would be \$3.50 if the full increased tax was passed on. Goschen will investigate a one-rate system and not having winter/summer rates. We need to demonstrate we are trying to conserve water. The rates also affect grant capabilities.

It was suggested to use electronic billing capabilities.

Herzog suggested shifting emphasis and resources in Public Works and Planning Departments. Options include shifting building service resources to closely monitor site work; use General Fund funded street crew to replace water meters; add revenue by providing citation authority for Code Enforcement; charge a fee to cover Design Review Board staff services; and manage water meter partnership to include other jurisdictions. If there is a need for additional one-time cuts, the salary/benefits of a City Engineer can be included. Some of those funds would be needed in the restructure. Another one-time cut could be furloughing certain positions if additional funds are needed.

Rankin explained proposed changes to the Planning/Public Works offices. Many positions are shared between each department. Building services will be shifted to other areas such as Design Review Board administration, customer service and site/building inspections. They want to utilize the current staff to identify certain criteria to meet ISO requirements which may reduce insurance costs to homeowners. Erichsen asked about the feasibility of shifting fire marshal capabilities to the fire district.

It was suggested to create two sub funds that include expenditures for contingencies and a "risk pool" to cover liabilities for one-time cuts. It would be the City Manager's discretion on how the money is spent. There is a proposal to establish a municipal court in Sequim. This would make it easier for code compliance issues to be brought to court. There is a possibility of moving Planning and Public Works from a rented facility to a City-owned facility. It is being proposed to provide more concentrated work time by reducing open hours for walk in customers, enabling staff to work uninterrupted and enabling staff to support a municipal court without adding an FTE.

Herzog indicated a revenue option is to update the permit and user fees for full cost reimbursement. Fees could be adjusted to cover actual costs. The brush pile is not paying for itself. The service is running out of money and will become a General Fund expense. The City may wish to establish fees for services used only by some such as spring clean up and the full cost of providing Police Department and Public Works services to support special events. She reviewed the proposed operational changes which were previously addressed.

Stop gaps and one-time fixes are not desirable. They may include furloughs, holding open FTE positions on resignations/retirements; cut further on travel, training and conferences; defer equipment and vehicle purchases; defer vehicle, equipment and building maintenance.

Erichsen feels the Police Department could conserve and asked if any soul searching is being addressed. There needs to be discussions about the Police Department. Herzog responded that the Police Department did come forward with program reductions. The Police Department had more reductions in services/costs than any other departments. Spinks indicated he has reduced 2.5 FTEs. He would be willing to listen to any suggestions offered by Councilors. Hays indicated the ratio of uniformed officers to residents on a typical basis is 1 to 1,000. It seems the department is designed for a City twice our size. How will it be maintained?

Mayor Dubois indicated she wants to see dispatch calls for service. Spinks directed her to the annual report.

City Manager

MOTION to adopt Resolution No. R-2009-12 appointing Craig Ritchie to the position of Interim City Manager effective September 3, 2009 until a permanent City Manager is hired made by Hays; second by Lorenzen. **Carried Unanimously.**

Festival Policy

Herzog indicated that Scott Nagel had provided comments, which were procedural. This policy does not include procedures.

MOTION to adopt Resolution R-2009-13 Establishing the Policy that festivals and special events reimburse the City's General Fund and other operating funds for expenditures specifically in support of their events and not for the benefit of the general Sequim residential and business taxpayers made by Hays; second by Erichsen. **Carried Unanimously.**

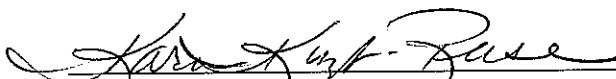
NEXT MEETING DATE

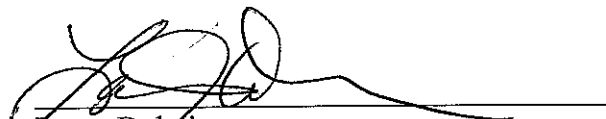
Mayor Dubois announced the next Special Council Meeting will be on September 1, 2009 at 5:00 p.m. in the Transit Center.

ADJOURNMENT

MOTION to adjourn at 8:15 p.m. made by Hays; second by Lorenzen. **Carried Unanimously.**

Respectfully submitted,


Karen Kuznek-Reese, MMC
City Clerk


Laura Dubois
Mayor

Minutes approved at a regular council meeting held on September 14, 2009.