UNION GAP CITY COUNCIL STUDY SESSION MEETING
Council Chambers, City Hall
Union Gap, Washington
November 14, 2011

Call to Order	Mayor Lemon called the Study Session Meeting of the Union Gap City Council to order at 6:00 p.m.
Council Members Present	Council Members David Butler, Dan Olson, Dan Vanover, Roger Wentz, Dave Matson, James Murr, and Chad Lenz were present.
Staff Present	David Spurlock, Development Coordinator; Dennis Henne, Public Works Director; Chris Jensen, Fire Chief; Robert Noe, City Attorney; Greg Cobb, Acting Police Chief; Karen Clifton, City Treasurer; and Kathryn Thompson, City Clerk were present.
Audience Present	Monte Scacco, Scott Steinloski, Stephanie, Michael, and Joshua Murr, Jo Collier, Jordan Turner, Mark Carney, Nathan Miller, Tim Whitehurst, Sylvia Sanchez, Lynette Bisconer, Levi Buttrey, and others were present.

2012 Budget Workshop

The City Treasurer explained the Current Expense Fund revenues and expenditures and stated after working with the departments, the preliminary budget is nearly balanced.

Monte Scacco, Financial Consultant, stated the first thing they did to get the budget balanced was increase the revenue by about $100,000 in utility taxes.

Mayor Lemon questioned if the person that collects building rental payments was counted as ¾ time in utilities.

Mr. Scacco stated no, that employee was less than ¾ time; they used the percentages recommended by the Mayor. Next, they added $19,000 for the 1 percent property tax increase, and then they went back through and increased the sales tax projections by $27,000 based on October of this year being 8 percent higher than October last year. These increases allowed them to make less cuts than they originally planned. He then stated the budget was rolled back to 2011, and reviewed the budget by department, as follows:

Legislative – $7,874 was cut, and part of that was reducing the Washington Cities Insurance Authority Premium.

Executive – The City Administrator position funding was cut from $135,000 to $80,000 and $20,000 was transferred to the debt service fund for utilities so that department increases by $45,000.

Legal - $13,000 was cut, if the secretary position is a part time position we save $13,000 in salaries and benefits.

Community Development – $5,000 was saved by leaving the secretary position at part time.

Clerk - $2,000 in operating expenses was cut.

Finance - $39,000 was cut, about $15,000 was in consulting fees that we probably won't have to have next year, but that is up to the Council; a consolidation of work was made out front hopefully saving another $25,000 in salaries and benefits.

Public Works – Approximately $51,000 was cut; $10,000 was cut from the Senior Citizen budget; $23,000 was cut from Parks part of that was because of the re-establishment of a well and part of that is because the Agricultural Museum expenditures will now be paid directly out of hotel/motel tax money rather than through Parks.

Fire - $25,000 was arbitrarily cut on a pro rata basis and $44,000 was taken out of the reserve fund and put into fire.

Police – The Acting Police Chief was able to identify $195,000 he was able to cut by freezing one position, shuffling the officers to keep overtime down, renegotiating some of the maintenance and repair contracts, keeping fuel down by turning off the vehicles when stopped, cutting about $5,000 out of supplies, and cutting capital expenditures. He stated that nets out to be about $49,000 after they added back in some money for capital expenditures.

Council Member Lenz questioned where the City Administrator is budgeted.

Mr. Scacco stated $80,000 for a part time administrator is in the Executive budget.

Council Member Wentz commented that is the only department with an increase.

The Fire Chief stated looking at the fire budget, with the capital expenditures added back in, it puts the budget at $1,281,834. He stated his concern is that the capital equipment that was transferred makes it look like the budget only dropped $25,022 but the issue is that staffing costs in the 2011 budget were $1,053,309 which leaves $65,582, which does not include the volunteer program. If you subtract that out that leaves an operating budget of $25,582.

Mayor Lemon questioned if the proposed budget leaves any room for volunteers.

The Fire Chief stated it leaves $25,582 but the concern is that the operating budget has compression with the personnel costs. He stated there are mandatory costs of the department relative to risk management, dispatching, fuel, repair and maintenance, utility costs, EMS supplies, and professional service costs for mandatory testing. This budget will mean a choice between self contained breathing apparatus or having an operating budget that can operate outside of the mandatory costs shown on his memorandum. The predominance in the budget is personnel costs, and he does not have much operating capacity. He originally had his budget at $1,206,856 as directed, but cutting his budget by $100,000 put him in the negative $32,753 or lose the volunteer program and cut training, fire prevention, supplies, uniforms, medical exams, etc. He stated the compression leaves him limited with operating costs.

Mayor Lemon questioned if the Fire Chief is saying the cuts the Council directed are going to be okay or not okay.

The Fire Chief stated the compression issue is a significant issue and he needs time to review the budget.

Mr. Scacco pointed out this is a departmental budget and the money can be spent however the department head determines is most important. He stated the projected budget is $1,281,000.

The Fire Chief stated he is aware of that, however, the $1,281,000 includes $44,200 that was partially in the 113 account. The end result is that without the $44,200 it forces him to decide between mandatory replacement of equipment or staffing.

Mayor Lemon stated there can be more budget meetings between tonight and the passage of the budget.

The Acting Police Chief informed he spent a lot of time trying to make his budget work and it needs to be understood that making this work right now is on paper. He stated he does not know if such a drastic cut will work for the entire year. This cuts the training budget by 50 percent and they will have to try to find local training to meet their needs because the State requires each officer to have a minimum of 24 hours of training each month just to maintain their certificate. He stated if the training is not local there will be out of town training costs. The only way possible to come close to the amount he was asked to cut was by freezing the officer position, which is a cut. He stated he was told over and over that the Council does not wish to cut the police department, but this budget does include a cut and has caused him to reorganize.

Mayor Lemon stated that is just because the Police Chief is out right now and the Student Resource Officer (SRO) position is half time SRO and half time patrol. That position was the former narcotics position that was pulled and the Police Chief is coming back.

The Acting Police Chief stated this proposal eliminates the part time SRO and puts them in a position to cover more patrol and the proposal does include the Police Chief. It includes the cut of not filling a vacancy, so before the final decision is made the Council needs to understand that cut will affect the level of service.

Mayor Lemon stated we did not receive a grant for the SRO so this will basically pull the SRO from the school. He stated the school does not have the money to fund the SRO.

Council Member Wentz questioned if the school would pay for part of the position if they knew it would be pulled in January.

The Acting Police Chief stated it may need to be pulled before January.

Mayor Lemon stated he wants the SRO to stay at the school until January.

Council Member Wentz pointed out that is only about another month because the school will be out for Christmas break part of December.

The Development Coordinator stated he would like more time to review the budget, but this proposed budget takes him back to 2.5 positions. He reminded the Council they just went back up to 3 positions this year and when they did the budget this year the professional services budget was reduced because they took a lot of the plan review work in house due to having 3 positions. He stated if they go back to 2.5 positions they are stepping back as a department and will have to have work done outside again. In the 2011 budget, they are saving about $38,000 but that ending fund balance is not being carried over. He stated he also noticed the savings on each department in City Hall adds up to roughly $61,000 and what is being budgeted for the City Administrator is $64,000. It appears funding that position is coming out of each department.

Council Member Wentz commented it may be, but maybe that is necessary because they will be overseeing and providing support to each of these departments.

Council Member Vanover questioned if the amount budgeted for 2011 fully funds the position and questioned where the $38,000 savings came from.

The Development Coordinator stated the $38,000 would not fully fund the position and the $38,000 saving is because they have been watching their budget; they have cut professional services and supplies, and been conservative.

Council Member Vanover questioned if the money for the half time position could come from somewhere else in the budget.

Mayor Lemon stated there are some very serious issues criminal wise that we are dealing with in this town and he does not want to cut Code Enforcement at all.

The Development Coordinator stated a lot of the code enforcement issues are going hand in hand with the criminal element in this town so unfortunately the days of dealing with weeds and junk vehicles is over.

Adjournment — At 6:35 p.m. Mayor Lemon adjourned the Study Session meeting.

These minutes dated November 14, 2011 were approved at the Regular Council Meeting of November 28, 2011.

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Jim Lemon, Mayor

ATTEST:

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Kathryn Thompson, CMC, City Clerk