

CALL TO ORDER:

Mayor Shannon McKay called the workshop to order at 7:00 p.m.

Present: Mayor Shannon McKay; Councilmembers: Eleanor Brodahl, Kathy Carlton, Kenneth Caylor, Everett Cole, Marc Spohr, Dale Wyman, and Tim Wilson

Also Present: Department Heads: Curt Andrews, Mike Bailey, Police Chief Steve Dunnagan, Debbie Kudrna, Jay Van Ness; and City Administrator Ehman Sheldon

ADAMS COUNTY ASSESSOR'S OFFICE REPORT ON LEVIES

Adams County Assessor, Dave Anderson provided an explanation of the County levy switch. He advised that property owners within the corporate limits pay a property levy tax and County property owners pay a road levy tax set at \$2.20 per \$1,000 of assessed valuation; all property owners within Adams County pay a County Current Expense set at \$1.80 per \$1,000 of assessed valuation. State law provides for a switch of levy taxes into the County Current Expense Fund. The levy switch contract sets the City's levy \$0.675 lower than the maximum allowed by statute. Adams County then assesses \$0.675 on all county properties, including those within the city limits. In January, the County reimburses the City its portion of the \$0.675. Mr. Anderson advised that if the County Current Expense Fund was reduced by the \$0.675 levy, it would be disastrous and the County could not function.

Mr. Anderson advised that the City's property taxation can only increase 1% annually, plus new construction or state assessed value. Councilmember Spohr questioned since many home owners experienced an increase to their property value, there must be property depreciating to balance the property tax increase by only 1%. Mr. Anderson explained that in Othello, home values increased an average of 18% in 2007. Those citizens with a higher property value increase will experience an increase in their property tax greater than 1%. Those citizens that received the average property value increase may see no change in their property taxes and those that received less than the average value increase may see a reduction in their property tax.

PRELIMINARY BUDGET DISCUSSIONS – GENERAL FUND

City Administrator Ehman Sheldon advised that staff will present a balanced operational general fund, excluding capital projects. He explained the review process, which will provide the Council opportunity to review all proposals. Finance Officer Mike Bailey provided a definition of the Bars Accounting and Budgeting System (BARS) and non-expenditure revenues and expenditures. Mr. Bailey reviewed projected revenue increases based upon the enactment of the new Streamlined Sales Tax; an increase of \$25,000 to the year end estimated balance; and a transfer of \$80,000 from the surplus sales tax in the street fund; street fund will still have \$460,000 after the transfer. He also advised that the increased year end estimate is from increased sales tax revenues. Mr. Bailey provided a detail review of the general fund revenues. Councilmember Spohr questioned whether to transfer the surplus tax from the street fund to the general fund or should it be used to benefit street repair.

Mr. Bailey advised that changes to the general fund expenditures include a corrected insurance premium fee from WCIA; a reported 14.2% power rate increase from Avista; a 3.5% CPI wage increase, and an increase to the medical cap paid by the City. Mr. Bailey provided a detail review of the general fund expenditures. Councilmember Brodahl voiced her concern of the increased insurance policy cost. Mr. Sheldon advised that there is a one year termination clause in the contract with WCIA. Councilmember Brodahl stated that WCIA should report to the Council the basis for the increase and suggested that the City should review carrier options. Councilmember Wyman offered that the City's assets have increased with the addition of the new fire truck and the new pool. Councilmember Spohr recommended that reductions in the expenditures be made to balance the budget. He explained his philosophy is to work with less now in order to not have to borrow more for future improvements, such as Main Street. It was Council's consensus to approve the capital requests in the general fund budget, which included the creation of a new IT/Evidence Room Technician. Mr. Bailey and Mr. Sheldon advised there is approximately \$22,000

City of Othello
City Council Workshop
November 5, 2007

from current costs that can be used towards the IT salary and explained that the new employee will support every department. Mr. Bailey advised that the general fund has a projected ending balance of approximately \$1,328,844 and the Council has set policy to maintain a minimum fund balance of \$500,000. Councilmember Cole recommended that the wage for the new IT employee be paid from the projected ending fund balance and the remainder of the capital expenditures paid from the utility tax. Councilmember Brodahl advised that by ordinance, the utility tax is to be used for capital expenditures that cost more than \$25,000.

Mr. Bailey reviewed the Police Department expenditures, which includes the Teamster's 3.5% CPI and medical cap increase. He advised that many of the police department salaries have been re-appropriated within the fund. Council's consensus was to approve the capital project requests in the Police Department fund.

Mr. Bailey provided a review of the Fire; Parks and Recreation; Planning and Building; and Library expenditure budgets. Councilmember Carlton asked what it costs to turn on the ballfield lights. Council's consensus was to approve the capital project requests in the Park and Recreation fund. This included the new Public Works field maintenance supervisor, non-union position. Mr. Sheldon advised they will discuss the details with the union. It was noted that there is not a Public Works Director and they have saved \$22,000 per year without that position. Council's consensus was to fund the proposed capital projects that cost more than \$25,000 from the utility tax fund and the other projects and salaries would be paid from the general fund.

Councilmember Caylor stated that the Senior Center is experiencing financial difficulties and asked if the City could appropriate funding to them. He is still concerned that the Boys and Girls Club has closed. He also believes that the City needs a community center. Mayor McKay advised that the Council will need to start planning for rebuilding Main Street. Mr. Sheldon advised that he will research funding the Senior Center. He also advised that the Columbia Basin Boys and Girls Club owns the building that they occupied. Councilmember Brodahl advised that both of the Senior Centers get funding from Adams County.

APPOINTMENT OF ANDERSON PERRY GRADUATION SCHOLARSHIP COMMITTEE

Mayor McKay appointed Councilmembers Spohr and Wilson to the Anderson Perry Scholarship committee.

WELL #6 EVALUATION UPDATE

Municipal Services Coordinator Jay Van Ness reported that when the consultant lowered tools and a video camera down into Well #6 they ran into difficulties could not complete the evaluation of the well. They have some partial results which will be presented to the Council at a later meeting. Councilmember Caylor suggested that we may need to pull out the pump and shaft to take samples. If they need to have a water flow, they could drop a submersible pump down.

COMMITTEE REPORTS – COUNCIL COMMITTEE MEMBERS SHARE INFORMATION

Councilmember Caylor reported that last week he attended a meeting that the Bureau of Reclamation reported on improvements to the East High Canal that would alleviate pumping from the Odessa Aquifer. Last week, he attended a tour with a group of State and County legislatures; DOE executives; GWMA representatives; geologists; and other elected officials. They toured the Crab Creek area to Odessa and Lake Pacifica, which has dried up and is now used for farming. They discussed the lava flows that now correspond to our water tables, the possibility of how Crab Creek and the water from Lake Pacifica could be feeders to the sub-irrigated water from the Odessa Aquifer. Councilmember Brodahl asked if Mr. Stoker from GWMA could attend another meeting.

City of Othello
City Council Workshop
November 5, 2007

NEW BUSINESS

Mayor McKay made the following announcements:

- The Sister City committee is hosting a forum on Tuesday, November 13th at 6:00 p.m. in the Police Department training room, just prior to the City Council meeting at 7:00 p.m. that night. They will recap their recent activities; discuss ongoing programs and begin planning for the Othello community trip to Africa in February next year. There will be information about costs for the trip; vaccinations; getting visa's, etc.
- Operating Engineers negotiations start Thursday at 10:15 a.m.
- ACDC meeting in Ritzville, Thursday, November 8th. Transportation will leave City Hall at 5:00 p.m.
- The next Council meeting is Tuesday November 13th.

ADJOURNMENT

With no further items to discuss, Mayor McKay adjourned the workshop at 9:58 p.m.

By: _____
SHANNON MCKAY, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk