



**CITY OF CAMAS
COUNCIL WORKSESSION
November 3, 2008
4:30 p.m.**

CALL TO ORDER: Mayor Paul Dennis presided.

COUNCIL MEMBERS:

Present: Anderson, Chaney, Dietzman, Gerde, Higgins, Hogan and Smith.

STAFF PRESENT: Acheson, Bourquin, Brachmann, Carothers, Durgin, Gorsuch, Halverson, Hodges, Lackey, Leon, Levison, Tuominen and Zavortink.

PRESS: Heather Acheson – Camas/Washougal Post Record.

PUBLIC: No comments.

ADMINISTRATION AND ALL DEPARTMENTS:

Review of the proposed 2009 Budget:

Lloyd Halverson, City Administrator introduced the proposed 2009 Budget. He explained the packets and the series of Council meetings regarding budget discussions which preceded the six major steps taken by Council towards the current draft of the 2009 Budget. Halverson gave details about the new data added since the budget was last discussed. Halverson asked Council to resolve the major policy question of whether to use the one percent tax allowable or to use further money from the General Fund reserves necessary to balance the budget.

Mayor asked if Council wanted to review the Budget Message page by page, then go on to the rest of the budget as questions arise. Council concurred. Mayor requested Council to resolve the one percent issue.

Gerde noted that the Budget Message is well written.

Halverson clarified that the full budget was available on October 28th to Council members, the Finance Department and at the Library. He related that the Budget Message containing much of the content has been added to the City's web site and copies are readily available.

Mayor commented that the Budget Message provides context for the budget construction.

Mayor thanked Halverson, Joan Durgin, Finance Director and Durgin's department for all their help in putting the budget together.

The proposed 2009 Budget was reviewed and questions were asked. Clarifications were made.

Halverson added a technical correction in that Benton Park will be completed in 2009, not 2008 as originally anticipated, and this schedule will cause a change in the 2009 budget.

Halverson commented that the budget was prepared with available facts and the issue of EMS (Emergency Medical Service) has not been resolved. When the City reaches an agreement with Washougal a supplemental budget will be prepared to reflect that action. Higgins asked and Halverson responded that the supplement may occur at any time.

Gerde queried and Halverson responded that any new fees from Washougal will be in the supplemental.

Halverson noted that the 1996 refunding bond will be paid off in 2009, relieving property taxes by about \$60,000. He asked Council to bear this in mind when considering the one percent question.

Mayor asked and Durgin answered that the 2000 Library Bond will be paid off in 2010 due to refunding at a lower interest rate. Halverson recapped the 2005 Library bond issue by stating rate relief will not be evident for a few years.

Mayor asked and Halverson reiterated that all current information regarding the 2009 budget will be readily available at City Hall, the Library and on the City's web site. He also stated that Staff is readily available to answer questions.

Mayor thanked staff for all their hard work and expressed his confidence in this budget.

Mayor explained that the budget is constructed assuming that the one percent property tax allowable will be used instead of withdrawing further money from the General Fund reserves and asked Council for direction on this issue.

Hogan expressed the opinion it would be better to go without the tax increase and use the reserves. Gerde asked and Hogan responded that if reserves go below minimum levels, then taxes would have to be raised or expenses cut. Gerde stated her hesitation in depleting the balance of the General Fund reserves when the City may be facing five percent increases from the level of service study.

Higgins commented that \$94,000 one way or the other will not solve the \$1,000,000 projected 2010 deficit problem.

Dietzman said that to be a good steward for the City she believes the one percent allowed by law is the correct way to go. Smith stated she was at first inclined towards the one percent, but with the economy in such turmoil she cannot advocate a raise in taxes. Anderson pointed out that while he would prefer to not raise taxes, he is unable to support the City going into a possible financial hole.

Chaney observed that Council must give regards to the impact of the one percent tax increase on the citizens of Camas. He asked and Durgin confirmed that the one percent tax increase would be approximately \$9 on a \$300,000 home. Chaney suggested that the City has the choice to reduce the budget as well as reduce the level of service provided to the community in the times that are tough, although he hopes that will not be necessary. Chaney stated that he does not support more taxing of the citizenry.

Mayor concluded that based on this discussion the majority of the Council does not support the one percent tax increase and prefers the use of the General Fund reserves. The budget will reflect this decision.

Halverson commented that the next steps will be the formalization in the budget schedule. The tax levy ordinance will come forward at the November 17th Council meeting for approval and Halverson requested direction on the content from Council.

Mayor thanked Halverson, staff and Council.

COMMUNITY DEVELOPMENT:

Hancock Springs Subdivision remand:

Phil Bourquin, Community Development Director explained the history on the Hancock Springs subdivision remand and stated that a hearing on this matter will be set for Council's consideration on November 17th. He further noted the Planning Commission held two nights of hearings and is forwarding their recommendation on to Council. The issues are relating to significant trees. Dietzman asked and Bourquin responded that the background information should be available by the end of the week.

PUBLIC WORKS:

Change Orders:

Monte Brachmann, Public Works Director said the following change orders will be on the November 17th agenda for Council consideration; Change order #1, Project S-513 NE 3rd Ave; Change order #3, Project S-509/WS-682 NE 3rd Ave; Change order #1, Project WS-660 Ostenson Canyon, and a Change order for Project WS-582A Washougal River Utility Bridge. Brachmann explained the need behind the change orders.

Miscellaneous:

Brachmann stated the Moose Lodge lease has been drafted by the City attorney and is being reviewed by the Moose Lodge. He hopes to have it on the November 17th Council meeting for Council's consideration.

The Verizon Cable Franchise Agreement is moving forward. Both sets of attorneys have worked on it and City Staff has reviewed it. The agreement will be on the November 17th Council meeting agenda.

Surplus City Vehicles:

Brachmann reported that city surplus vehicles will be on the November 17th agenda for Council's consideration.

Mayor asked and Brachmann responded that the Change order for Project WS-582A will be paid out of the Water Sewer construction fund to pay for the bridge.

ADMINISTRATION:

Staffing:

Halverson explained that Code Enforcement Officer Jon Love has accepted a position as a Police Officer with the City. Halverson recommended that the Code Enforcement position be refilled. He furnished the reasons for his recommendation and asked Council if there are any questions.

Miscellaneous and Scheduling:

Halverson discussed the replacement of the City's 20 year old phone system with the NEC 5000 system and noted this item will be on the November 17th agenda for Council's consideration. The system was budgeted for \$257,000, but came in at \$167,000, a substantial savings to the budget. It is estimated to save operating costs of approximately \$14,000-18,000 per year. Higgins asked to have information made available on how it will reduce operating costs. Jennifer Gorsuch, Human Resources Director responded to questions from Council and stated the current system is obsolete.

Halverson stated that the Land and Water Conservation Grant has been approved for the Fallen Leaf Lake property. Jerry Acheson, Parks and Recreation Director has arranged for a professional services agreement to be done by Normandeau Associates, Inc., as required by the Grant.

Halverson mentioned that the committee of Gerde, Anderson, Brachmann and himself met with the Washougal representatives to discuss the EMS situation. They were constructive talks and a draft of the understandings will be produced. This agreement is expected around the first of December.

Anderson asked and Halverson replied that the 2009 Planning Conference is expected to take place late January.

Kris Kralik, 631 NW 18th Loop, Camas:

Kralik asked and Durgin responded that computers are considered small tools.

Brachmann spoke about the Department of Ecology (DOE) Water Right Transfer celebration on October 29, 2008. The Transfer increases the water rights that will serve Camas over the next 20 years of growth. The City of Camas received kind words from Jeff Breckel, Lower Columbia Fisheries and Jay Manning, DOE at the celebration. Brachmann displayed the appreciation certificate the City received and explained the Water Rights Transfer benefits, which include 4.3 million gallons of water that are now available.

Higgins voiced appreciation for the energy and passion that went into this project by the Camas staff, noting in particular Eric Levison, Operations Manager.

Hogan recommended that everyone visit downtown businesses during First Friday.

Gerde commented that she was impressed with the downtown store fronts and Mayor noted the new game store.

Dietzman went to Japan with others from the Sister City organization and reported that our Sister Cities are very interested in continuing the relationship of exchange with Camas schools.

Ken Hadley, 4011 "F" Circle, Washougal, WA:

Hadley asked and Mayor answered that the rate increase would need to be adopted through an ordinance and that the General Fund reserves were set by Council.

ADJOURNMENT:

The meeting adjourned at 5:57 p.m.

Mayor

City Clerk