ROLL CALL was answered by Councilmembers Barry, Bassett, Lillquist, Niner, and Perrie.

Mayor O’Brien and Councilmember Carlson have excused absences.

Others present were City Manager Barkley; Community Development Director Witkowski; Energy Services Director Titus; Finance Director Ariwoola; Budget and Accounting Supervisor Snider; Deputy Clerk Keno; and two members of the audience.

The purpose of the special session is to review the 2007 preliminary budgets for the Community Development and Energy Services Departments.

COMMUNITY DEVELOPMENT

Community Development Director Witkowski presented an overview of the Department’s 2007 preliminary budget. Council received a handout detailing revised revenue projections for building, plumbing, mechanical, zoning and design review permits. The increased revenue projections are based on:

• a 20% increase in permit fees for structures valued at $500,000 or less and a 177% increase in permit fees for all structures valued at $500,001 or more. These projections assume a permit issuance for one commercial or institutional structure valued at $6,000,000.

• a 100% increase in the fee structure for signs, zoning and design review permits.

• fees collected for stand alone plumbing and mechanical work are separate from plumbing and mechanical work associated with new structures. Mechanical and plumbing for new construction will be folded into the overall building permit fee with no separate plumbing or mechanical fee charged in those instances.

The budget is basically a personnel budget—approximately $200,000 of the $822,061 total budget is not related to personnel. Staffing levels are the same as 2006; however, the building inspector assigned to university projects is out on an L & I disability which is severely impacting inspection duties in the Department.

A major expenditure in the 2007 budget is $100,000 for Professional Services under the Construction Permitting and Inspection account group. This expenditure would come into play only in the event of a
major construction project. In conjunction with the proposal to increase permit fees for large scale buildings, Director Witkowski would like to use the $100,000 to hire a contract building inspector for the major project for the duration of the project’s construction. The Department often has 8-9 months lead time once a major construction permit is received that would allow time for hiring a contract inspector.

Communications expense increases in 2007 due to increased costs for advertising, mailing and recording. Once Council approves the Comprehensive Plan there will be requests, needs and requirements to implement. Three major projects will require implementation by staff. These include an implementation strategy for Council’s selection of regional retail as well as changes to the Municipal Code. The other two projects are the new critical areas ordinance and work on completing an interlocal governmental agreement with Kittitas County on the unincorporated UGA. These commitments will be handled with current staffing levels.

Director Witkowski discussed staff’s proposal to implement a value per square foot calculation for determining building permit fees for structures valued at $500,000 or less or structures valued at $500,001 or more. Council reviewed examples of calculations using the 2002 ICBO and the 2003 International Construction Code construction value tables. In answer to Council inquiry, staff has not decided on the use of a specific table.

Additional increases would have to come from permit fees for residential construction. Staff can show what it would take to cover the costs. In answer to Council inquiry, grants may be available for straight development regulation but not for comprehensive plan implementation.

Council asked questions of staff. The Small Tools line item is new for 2007. This expense for equipment (collapsible ladders, etc.) carried in the building inspector’s vehicles was formerly absorbed in other areas. Staff anticipates an increase small tool items to be carried in the vehicles. In answer to Council inquiry, the Department provides tourism support through its staffing for design review and certified local government certification for the historic register. Council would like to see the Department’s mission statement reflect this support.

Council consensus was to make the interlocal agreement with the County for the unincorporated UGA a priority.

The 2007 C.H.I.P. Reserve Fund balance is $41,533. Council has the option of using these monies for another historic building grants program to provide façade rehabilitation, infrastructure work, etc. to qualified applicants.

**ENERGY SERVICES**

Energy Services Director Titus distributed an overview of the Funds in the Energy Services Department’s 2007 preliminary budget. The Department’s organization chart was reviewed.
Total light revenues are budgeted at 12.7 million dollars. Total expenditures are 12.1 million dollars. A 2007 expenditures analysis for City Light shows 53% of expenditures are attributable to purchased energy; 25% to operating costs; 1% to capital expenditures; 9% to taxes; 5% to customer service and 7% to debt service. Residential use is up 5% while electrical use by CWU and Twin City Foods is down 2% and 1%, respectively.

Significant budget changes for City Light from 2006 to 2007 were reviewed. These changes include: 1) a $128,000 revenue decrease in BPA conservation programs; 2) a $120,000 revenue decrease in Miscellaneous Revenues due to no further funding of Phase I of the Solar Project; 3) a $586,000 revenue increase in Residential Sales; 4) a $64,000 decrease in Warehouse Expense due to the one time expenditure for a vehicle in 2006; 5) a $198,000 expense increase in Interest On Debt for the new bond issue; 6) a $340,000 expense decrease in Admin Planning, Conservation and R& D due to completion of Phase I of the solar project; 7) a $110,000 expense decrease in Overhead Line Maintenance due to a shift in emphasis of using overhead lines; 8) a $79,000 expense increase in Maintenance of URD Lines; 9) a $42,000 expense increase in Maintenance of Transformers; 10) a $108,000 expense increase in Contracting Operational Functions; 11) a $478,000 expense decrease in Purchase Power due to new BPA rates that take affect the end of October, 2006; 12) a $114,000 expense increase in Transmission Costs; and 13) a $135,000 expense increase in Overall Distribution Operating Expenses due to the four additional employees that were added by the Department in mid-year 2006. Total 2007 expenses are decreased by $212,534 over 2006.

Additional budget issues for City Light include: 1) the adjustment of rates once accounting issues associated with customer count and reserves are resolved; 2) revised fee schedules and a line extension policy will result in additional income from developers when the Utility Title of the Municipal Code is revised; and 3) a proposal to start implementation of a geographic information system (GIS) in IT will result in additional costs to the utilities (the contribution will be $26,000 per utility).

Total Capital Outlay from the City Light Construction Fund is budgeted at $2,044,000 for 2007. Expenditures include a power transformer replacement at the Dolarway Substation, electrical system expansion and upgrades, and maintenance and replacement projects necessary to meet system growth.

Total gas revenues are budgeted at 11.7 million dollars. Total expenditures are 11.1 million dollars. Gas costs are up approximately 10% and average consumption per residence is increasing as well. A 2007 expenditures analysis for City Gas shows 68% of expenditures are attributable to purchased gas; 13% to operating costs; 10% to taxes; 4% to capital; 3% to customer service; and 2% to debt service. Significant budget changes for City Gas from 2006 to 2007 were reviewed. These changes include: 1) a $42,000 revenue decrease in Loan Principal due to the elimination of fuel switching loans; 2) a $37,000 revenue increase in Jobbing Income due to additional development; 3) a $1,868,000 revenue increase in Energy Sales due to higher gas prices and additional customer usage; 4) a $28,000 expense increase in Tools due to equipping a second truck and updated
reference materials; 5) a $12,000 expense increase in Training due to new apprentice and new federal requirements; 6) a $280,000 expense increase in Taxes due to increased tax sales and prices; 7) a $20,000 expense increase in Contracting due to removal and disposal of the old odorizer; and 8) a $1,150,000 expense increase in Purchased Energy due to increased gas sales and prices. Total 2007 expenses increase by $1,584,004 over 2006.

The Gas Department has the same additional budget issues as the Light Department.

Council reviewed statistics for the IT Fund. Total 2007 revenues are budgeted at $568,761 and total 2007 expenditures are budgeted at $489,179. The IT revenue analysis is subject to change due to the use of a different allocation formula for 2007. Sales Tax Fund support under the formula used is double that of 2006. Significant budget changes include: 1) a $37,000 expense increase for PC replacements; 2) an $11,000 expense increase for Software Maintenance; and 3) an $18,000 expense increase for Enterprise Capital for help desk software relative to the Attorney General’s ruling on e-mail retention. Total 2007 expenses increase by $72,259 over 2006. Additional budget issues for IT include the implementation of a GIS database system at a cost of approximately $105,000. Implementation of this system would be comparable to the finance/utility billing software implementation in complexity.

Council reviewed statistics for the I-Net Fund. The Fund has been relatively static. The Fund has $110,000 in reserve for upgrade, expansion or maintenance of the system.

The CATV Operating and Maintenance Fund receives 2% of the total gross revenues from the Charter Communications operation. Under an existing contract with CWU, the money in this fund supports the University’s operation of the Ellensburg Community Television station, KCWU Channel 2. The 2007 budget projects expenses in excess of revenues--$58,000 in expenses versus $48,000 in revenues. End of 2007 reserves are projected at $85,000. At some point in the future additional resources will be needed to support this Fund either in the way of grants, contributions from CWU or a sharing of costs.

The CATV Capital Outlay Fund receives 50 cents a month per customer from the Charter Communication operation. This money is directed by the City franchise agreement to be used for capital equipment purchases such as cameras, microphones, editing equipment and eventual replacement of the KCWU van.

Revenues are projected at $24,000 and end of 2007 reserves are projected at $116,000. A total of $15,000 is budgeted in the Cable TV Capital Outlay Fund for 2007.

The Electric Utility Rural Economic Development Revolving Fund is a pass through fund and came about as the result of a program put into law by the State Legislature in 1998 to support rural economic development. City Light contributes $50,000 through this Fund to the Ellensburg Business Development Authority in their efforts to achieve job creation and promote economic development. In exchange, the light utility can claim up to a $25,000 credit against State Utility Taxes with a credit of
$1 for every $2 contribution.

Council reviewed updated 2007 budget figures for the Lodging Tax Fund. Total revenues in 2007 are budgeted at $347,000 with expenditures budgeted at $395,667. Total expenses increase by $56,180 from 2006. Significant budget changes from 2006 to 2007 include: 1) a $5,000 increase in Event Seed Money to $25,000; 2) a $36,000 increase to the Chamber of Commerce for assistance in the promotion of conferences; 3) a $13,000 increase in Marketing/Advertising; and 4) a $12,000 increase in Collateral Materials.

Council requested background information and comparables on the proposed salary adjustments for non-represented employees.

**ADJOURN** Adjourn at 9:05 p.m. Lillquist

Affirmed

Mayor

ATTEST: _________________________________ City Clerk

CITY OF ELLENSBURG Minutes of Council Meeting, Special Session

Date of Meeting October 23, 2006

**Time of Meeting 7:00 p.m.**

Place of Meeting Council Chambers, 501 North Anderson Street

ROLL CALL was answered by Councilmembers Barry, Bassett, Carlson, Lillquist, Niner, Perrie, and Mayor O’Brien.

Others present were City Manager Barkley; Finance Director Ariwoola; Budget and Accounting Supervisor Snider; Parks & Recreation Director Case; Senior Center Coordinator LaCroix; Youth Center Coordinator Spence; Library Director DeSoer; Deputy Clerk Keno and approximately 16 members of the audience.

The purpose of the special session is to receive presentations from groups requesting funding for various community programs in 2007 as well as review the 2007 preliminary budgets for the Parks and Recreation Department and Library and Hal Holmes Center.

**CWU BANNER REQUEST FOR UNIVERSITY WAY**

Request to hang banner over University Way for CWU Homecoming - Student Union & Recreation Center Grand Opening from October 29-November 5, 2006.
Approve banner request. Perrie

Affirmed

COMMUNITY FUNDED PROGRAMS

Council heard from the following community groups requesting funding for programs in 2007:

Kittitas County Substance Abuse Program a/k/a Alcohol Dependency and Drug Services (ADDS) – Request for additional funding over and above the state-mandated 2% of liquor sales and profits returned to the City by the State. The 2007 preliminary budget proposes $5,564 of support.

Arts Commission – No representative present. The Arts Commission is requesting a total of $12,000 for their 2007 budget. The 2007 preliminary budget proposes $9,000 of support. Staff will provide Council with additional information on the Arts Commission budget.

Central Washington Disability Resources (CWDR) – Request for continued in kind support of its therapeutic and recreational swim program at Kittitas Valley Memorial Pool. The 2007 budgeted amount is $6,500—the same as 2007. The money is granted out and paid back.

Children's Activity Museum (CAM) - Request for $9,000 for continued support of the “First Friday Evening Free” program and a new “CAM Explorer's Club” program to replace the After School Adventures Program. This is a $900 increase over the 2006 budgeted amount due to an increase in operating and scholarship expenses. The “First Friday Evening Free” program continues to grow and the attendance numbers require additional staffing. The 2007 preliminary budget proposes $8,100 of support. In answer to Council inquiry, the Museum has not requested funding from the County. The only source of funding to the Museum are two annual fundraisers and the City funding. In answer to Council inquiry, the Museum does not track where program participants reside—i.e. city resident versus out of city resident.

Ellensburg Downtown Association (EDA) – Request for same level of support as 2006 ($50,000) as a partner to strengthen the business community through the Main Street philosophy. The 2007 preliminary budget proposes $50,000 of support. In answer to Council inquiry, the EDA hopes the City will continue to partner with the City into the future—the future funding level is unknown at this point. Council requested a copy of EDA’s budget.

Hope Source (formerly Kittitas County Action Council) – Request for continued funding of the Transit Program. The City’s support provides match money for monies received from the State. The agency is looking at providing over 60,000 rides in 2007. An additional $10,000 is requested to fill in one of the gaps in the Central Transit fixed route service. The 2007 preliminary budget proposes $13,500—the same level of funding as 2006.

Sexual Assault—Investigator Skills – No representative present. Request for continued partial funding
for the sexual assault interviewer position housed in the Kittitas County Prosecutor’s Office. The City’s contribution to this funding is $4,523.19. The 2007 preliminary budget includes $5,000 in funding for this position. The position is funded by State shared revenues.

Yakima River Clean-Up – Request for funding of $750 for the refreshments and a barbeque provided for the community volunteers that participate in the 35th annual Yakima River Clean-Up in 2007. The 2007 preliminary budget includes $500 in funding for this request.

Youth Services of Kittitas County – Request for funding in the amount of $4,000 for Work-Study and Mentor Program funding, and other programs and opportunities provided to youth and families. In 2006 the agency received a positive response to adding an after school program at the Rainier Street Housing Authority. The 2007 preliminary budget includes $4,000 in funding for this request which is the same as the 2006 budgeted amount.

Council will discuss these requests and make any adjustments at its December 4, 2007 meeting during the public hearing on the first reading of the budget.

PARKS AND RECREATION DEPARTMENT

Parks and Recreation Director Case distributed a handout detailing the 2007 Preliminary Budget for his Department. Department accomplishments in 2006 were reviewed including volunteer partnerships for 2007. The Daily Record will be sponsoring the 2007 4th of July fireworks show. The budget assumes continued operations at existing levels of service. Projected expenditures increase 8% to $1,717,286 and projected revenues increase 9% to $408,102.

The Adult Activity Center continues to experience a tremendous amount of growth in the trips and tours programs, as well as daily participation in Center activities. Average monthly attendance at the Center for 2006 was 2,227. Programs have increased threefold since 2004 with 30 programs per month. An additional 544 hours of programs and services outside of normal operating hours were held. Projected 2007 expenditures at the Adult Activity Center are $142,516. Rentals increase $6,172 to $19,860 (from $13,688 in 2006) due to adding another passenger van to the vehicle fleet. Office/Operating Supplies increase $5,000 to $20,000 (from $14,000 in 2006) due to additional programs. Senior Trips also increases $5,000 to $20,000 due to fuel costs.

The Administration account group contains the Salaries, Personnel Benefits and administrative costs for the Director and Parks & Recreation Secretary. Expenditures for 2007 are $173,010. Recreation expenditures are budgeted at $69,045—a $7,733 increase over 2006. This budget supports a variety of part-time staff and contracted professional services to support the programs and activities being offered.

Expenditures at the Youth & Community Center are budgeted at $96,293. This budget supports one full-time Youth Program Coordinator and agency match for two Americorp placements for program support. The Center utilizes significant volunteer staff for program and facility supervision. The
average monthly attendance at the Center in 2006 is 1,200 youth per month. Swimming Pool revenues continue to increase over previous years. Revenues for 2007 are budgeted at $219,050 with expenditures budgeted at $395,546. The Professional Services line item increases $17,000 to $27,300 due to a change in the way the City contracts with the aquatic instructors for classes. Salaries & Wages decrease from 2006 ($210,526 in 2007 vs. $243,654 in 2006) due to changes in pool staffing as the result of State law requiring the assignment of certified lifeguards to open sections of the facility.

Expenditures at the Tennis/Recreation Center are budgeted at $104,945—a $7,982 increase over 2006. Revenues are projected at $65,500. This budget supports 1 full-time center coordinator/teaching professional, plus 5-7 part-time positions. Utilization of this facility is very weather dependent with increased participation during the winter months. In 2006 the Racquet Center successfully implemented a reduction in operating hours resulting in a cost savings of $20,000. This facility is operating at a 63% rate of recovery.

The Park Maintenance Division has the biggest expenditure by division. Expenditures for 2007 are budgeted at $734,131—a $87,777 increase over 2006. This Division maintains 200+ acres of improved parks and playfields plus City right-of-way areas, irrigation and sprinkler maintenance for the same. The Division also maintains the Central Business District Beautification program, street tree maintenance, skate park, roller hockey court, building landscaping, snow removal, special event hauling, graffiti removal/vandalism, and picnic shelter rental clean up/preparation.

Projected revenues to the Park Acquisition & Development Fund are budgeted at $351,600. This is an estimate based on 2006 revenues of $275,000-$300,000. Total expenditures in the Fund are budgeted at $590,000. Proposed 2007 projects include: 1) $200,000.00 +/- for Alder Street Park property development; 2) $200,000 including reallocation of $50,000 in unexpended funds budgeted in 2006 for lighting of the two new softball fields at West Ellensburg Park; 3) $75,000 including carryover of $50,000 from the 2006 budget for West Ellensburg Park landscaping; 4) $75,000 for development of a third full-sized baseball field at West Ellensburg Park; 5) $75,000 for the acquisition of property and the development of the John Wayne Pioneer Trail Reconnection Route; and 6) $15,000 for Off Leash Dog Park development.

Council requested a park impact fee report in a format that allow citizens to track where the fees are going, where money came from and where it was spent.

Four capital projects totaling $51,000 are budgeted for 2007. These projects include: 1) an electrical panel upgrade at the Swimming Pool ($7,500); 2) a modular storage shed at West Ellensburg Park to store equipment ($20,000); 3) fencing repair at various City parks ($5,000); and 4) purchase of a 12-15 passenger van for recreation programs ($18,500). The Department is currently operating with only one serviceable van for out of town trips.

Personnel requests for the Department include: 1) $9,143 for a recreational leader III position (16 hours per week) that would be responsible for coordinating trips and tours at the Adult Activity Center; 2) $28,000-$32,000 for a full-time assistant coordinator position responsible for facility supervision,
program development and administrative management at the Adult Activity Center; and 3) $3,800 for a recreation leader II position (30 hour per week for 16 weeks) during the summer for the Youth Center to provide staff coverage.

Council briefly discussed the status of land acquisition for a park in the North End of the City.

LIBRARY

Library Director DeSoer reviewed 2007 goals for the Library, Hal Holmes Center and Library Parking at 2nd and Pine Streets.

The 2007 Library Materials budget is $77,000—a $500 increase over 2006. A substantial budget request for 2008 will be an upgrade of the Gates computer lab.

Council asked questions of staff.

A Library capital project request unfunded in the 2007 preliminary budget is $354,500 for development of the parking lot at 2nd and Pine Streets. In 2007 staff hopes to hire an architect to prepare a project plan for completing the parking lot and landscaping improvements.

Goals for the Library Trust Fund in 2007 were reviewed. Projects to be finished include the installation of the tops on the benches for Phase III of the Millennium Project and installation of the memorial stained glass windows. Expenditures for 2007 are budgeted at $6,950.

Another unfunded capital improvement request is for $6,000 for the addition of two computers with one year maintenance programs that would be used for: 1) a dedicated catalog machine; and 2) a dedicated e-mail machine. These computers would be stand up stations. The security requests for the Library will be postponed and done at the same time as City Hall security to ensure local IT support for both facilities.

COUNCIL DISCUSSION OF COMMUNICATION REGARDING COMPREHENSIVE PLAN

Council discussed a draft of a proposed communication for dissemination to the citizens regarding its selection of Alternative #4 (West Interchange) for the final draft comprehensive plan. Methods of dissemination were discussed. Council could not reach agreement on the substance of the document and directed the City Manager to revise it subject to review by Mayor O’Brien and Councilmember Lillquist.

ADJOURN Adjourn at 10:27 p.m. Carlson

Affirmed

Mayor
ATTEST: ________________________________

City Clerk