



NAPAVINE CITY COUNCIL WORKSHOP MINUTES
November 3, 2017 6:00 P.M.
Napavine City Hall, 407 Birch Ave SW, Napavine, WA

CALL TO ORDER:

The council workshop was started at 6:00 p.m.

ROLL CALL:

Council members present: Mike Wood, Position #1, Larry Stafford, Position #2, Shawn O'Neill Position #4, James Haslett, Position #5. Mayor John Sayers present. City Staff present: Police Chief Chris Salyers, Public Works Director Bryan Morris and Clerk-Treasurer Mary Wood.

WORKSHOP DISCUSSION:

Clerk-Treasurer Mary Wood explained the 2018 Preliminary Budget document presented to all in attendance and copies were provided for the public. The beginning of the document is the Revenue vs Expenditures for 2018 with the column showing in the red how out of balance the expenditures are supported by revenues as well as a quick summary of the preliminary budget by fund. There are funds in the reserves, however the city should not get in the habit to balance the city's operating budget with the reserve funds.

Clerk-Treasurer Wood explained the increase in revenues in sales tax, a 1% property tax increase as allowed per law which the city could recognize a little over \$4,000 in property tax levy. Based on the information that was received from the Lewis County Assessor's Office the anticipated tax rate should actually decrease based on the assessed value of the property in the city from \$2.12 per thousand to \$1.96 per thousand. Wood further explained all the revenues within the different funds and explained why some of the revenues are different from 2017 to 2018.

The General Fund budget is in the red by \$81,120 which expenditures is 9% over revenue forecasts. The Street Operating Fund is \$69,720 in the red which is 22% expenditures over revenue forecast. However, \$20,000 of reserves is earmarked for Capital Equipment from carry over from prior years. The Water Operating Budget is in the red by \$15,855 which is 3% expenditures over revenue forecast. Again \$20,000 of reserves is earmarked for Capital Equipment from carry over from prior years. The Wastewater (Sewer) Operating Budget is \$32,545 in the red, which is 4% expenditures over revenue forecasts. \$20,000 of reserves is earmarked for Capital Equipment from carry over prior years.

Discussion of the court's security equipment request from mandates that courts have security system in place for when folks attend court. Question about second hand security equipment and is there a need to have someone man the security system when court is in session.

Councilor Haslett asked Police Chief Salyers if his 1000 hours of comp time in the budget, reply no, Haslett asked should this not be in the budget. Further discussion on the comp time that needs reviewed the reporting of the back hours, etc. and the restricted funds for public safety in the amount of \$11,035 for payment of the comp time. Councilor O'Neill questioned the comp time on whether it is straight time or time and a half. The balance of hours is at the time and a half, the Chief stated he is trying to whittle that time down. The Chief explained the reason why he brought this forward is to show the amount of time that he and Noel are putting in for the city. Bryan Morris asked if we are doing this for all the departments. Further discussion on the past history of Mayors directing no overtime or no comp time and councilor's discussed whether job descriptions are salaried and exempt status from overtime and comp time. Clerk-Treasurer Wood stated we need to work on updating our personnel policies and council needs to start thinking now about changes that need to be made regarding the reporting of all hours worked.

Discussion of the need of water and sewer rates needs to support the operating and capital improvements budgets and the percentage of ownership of the regional wastewater treatment plant. Question about the water plan stating the city has four employees in public works that operates the city water system, however, there is only two people operating the water system and only one person is licensed to operate the system. Councilor Haslett stated he recalls what former councilor Jim Carroll told him that the important services are water and sewer.

The preliminary budget document consist of estimated cash flow for 2017 and 2018 as well as restricted funds and the RCW or Ordinance that restricts the funds for use followed by the schedule of transfers. Next are the individual fund summaries of revenues and expenditures. Following the fund summaries is a schedule of the city's debts by fund consisting of General Fund, Criminal Justice Fund, Water Fund and Wastewater Fund. The last section consists of the Mayor's Salary Schedule showing the hours for each employee, the salary and FTE, and lastly the cost allocation of each position within the city. Public Works have asked for a new employee, a third officer in police and an increase in overtime. The first staffing request consisted of 2.5 additional employees in public works, a third police officer, and an additional 16 hours in the Clerk-Treasurer's office at a cost of over \$1 million for salary and benefits. Councilor O'Neill stated he will support what the public wants, which is citizens have been coming to the council asking for additional police protection.

Citizens have questioned where the money went to fund police officers as in the past. The answer is the new city hall building which is \$70,000 per year and the Community Development did not exist as it is now. Discussion of the General Fund and how to balance the budget and need direction to balance, there is not enough money to support all the requests for those positions supported with the General Fund resources. Clerk-Treasurer Wood explained the former staffing in the old city hall of the hours and staffing of Community Development where there was a part-time Community Development Director, Building Inspector worked for public works once inspections were done.

Councilor Haslett reviewed the letter from Chief Salyers and stated it is the council's role to set the goals of the city. Some of the goals for the city is to grow to obtain additional revenue. Councilor Haslett stated that everyone needs to work together cohesively to balance the budget. Bryan Morris asked each individual councilor what is your priority for staffing, Councilor Haslett stated a police officer, Councilor O'Neill stated split between leadership and moral and the second thing is police officer, Councilor Stafford stated we have to have water and sewer and a police officer and Councilor Wood stated a police officer. Councilor Haslett stated the Clerk-Treasurer is the heart of any city and the Mayor is the head.

The Mayor and Clerk-Treasurer stated the department heads need to go back to sharpen their pencils to balance the budget. Mayor Sayers stated he will meet with department heads individually to balance the budget and Clerk-Treasurer explained the cost allocation for administration which we have to do a time study to determine the cost and the supporting documentation for the cost allocation between the funds and departments. Clerk-Treasurer also explained enterprise funds and the rates that support those activities. LaVerne Haslett stated it's important to know the history of Napavine so that we don't repeat those activities. The audit costs estimate for 2018 for the financial years of 2016 and 2017 will be about \$14,043 plus mileage which the Clerk-Treasurer budgeted \$15,000 in the preliminary budget.

ADJOURNMENT:

The council workshop was adjourned at 7:33 p.m.

Respectfully submitted,

Mary Wood, Clerk-Treasurer

John Sayers, Mayor

Councilor