

**CITY COUNCIL SPECIAL
MEETING**

**August 11, 2008
5:30 P.M.**

MINUTES

City of



"Where Dreams Can Soar"

The City of Bonney Lake's Mission is to protect the community's livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.
Website: www.ci.bonney-lake.wa.us

Audio Time
Stamp ↓

I. CALL TO ORDER – Deputy Mayor Dan Swatman called the meeting to order at 5:34 p.m.

A. Roll Call: [A 1.3]

City Clerk Edvalson called the roll. In addition to Deputy Mayor Swatman, elected officials attending were Councilmember David Bowen, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Dave King and Councilmember Jim Rackley. Mayor Neil Johnson was absent.

[Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Police Chief Mike Mitchell, Community Services Director Gary Leaf, Chief Financial Officer Al Juarez, Planning Manager Heather Stinson, Chief Building Official Jerry Hight, Senior Center Director Sue Hilberg, Court Administrator Kathy Seymour, and Administrative Services Director/City Clerk Harwood Edvalson.]

5:34:48

II. Recap of 2007-2008 Biennium Budget Activity

After a brief introduction and explanation of the proposed agenda, City Administrator Morrison called upon Public Works Director Grigsby to summarize the CIP projects completed and planned for the 2007-2008 biennium. Director Grigsby reviewed streets, water and storm water projects and their current status. Director Grigsby and City Administrator Morrison responded to questions from the City Council.

5:34:48

Community Services Director Leaf described some of the current park capital projects and the delays in some of the grant-funded projects. He also notified the City Council of the current installation of play equipment at Ken Simmons Park. Responding to questions from the Council, he described a potential joint grant application/partnership with Pierce County and the Land Conservancy to acquire view property at the top of Victor Falls. Some members of the City Council expressed a preference for City control of the property.

6:01:18

Chief Financial Officer Juarez next gave an overview of projected revenues and expenditures at the close of the 2007-2008 Biennium. He said current general fund projections show a small net decrease in the City's ending fund balance to \$4.27 million dollars. He explained that assistance from some anticipated grants, reductions in overall general expenditures and delays in the hiring of some employees will probably result in an increase in the projected ending fund balance.

Financial Officer Juarez reviewed the operational side of the water, sewer and storm water funds. He again noted that small currently projected shortfalls in these funds would probably be erased at the end of the year by closely managing expenditures.

By consent the City Council agreed to Councilmember Rackley's call for a break in the proceedings. The break started at 6:44 pm. Deputy Mayor Swatman called the meeting back to order at 7:02 pm.

7:02:40

III. Review Of Updated Financial Planning Model (Primary Focus On O&M)

City Administrator Morrison and Financial Officer Juarez discussed the City's financial planning model with the City Council. Financial Officer Juarez explained the model assumed a 3.4% increase in both operating revenues and expenditures. City Administrator Morrison helped explain the impact on ending fund balances over the next six years associated with the hiring of 6, 12 or 20 employees. Financial Officer Juarez explained that the beauty of the financial planning model is that as the year progresses, the model can be adjusted to incorporate the more refined data available towards the end of a budget year. He added that it can likewise be adjusted to predict the impacts of changes in the economy. The Council discussed a series of policy considerations presented by staff.

By the end of the discussion, there appeared to be an expressed verbal majority of the Council in favor of the following policy guidelines for the staff in further preparation of the next biennial budget:

1. Continue the approach of conservatively projecting revenues and expenditures;
2. Maintain a general fund ending fund balance equivalent to 90 days worth of operating expenses;
3. Use the "6 new employee" model as the basis for proposed budget expenditures;
4. Capital Improvement Plans for the Civic Center, Interim Justice Center and related projects should be pursued;
5. While programs may be scaled back to meet the budget demands, no single program should be completely eliminated. In addition, this is probably not the time to introduce new programs;
6. The City should not increase the taxation of its citizens. Staff should continue to explore the possibility of new revenues;
7. Now is probably not the time to explore a Transportation Benefit District

IV. ADJOURNMENT

**At 8:28 p.m. Councilmember Rackley moved to adjourn the meeting.
Councilmember King seconded the motion.**

Motion approved 7 – 0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson
Mayor

Items submitted to the special Council meeting of August 11, 2008:

- City of Bonney Lake – *Water Utility Fund 401 – Revenue/Expenditure Analysis for Year 2008* – Chief Financial Officer Al Juarez.
- City of Bonney Lake – *Sewer Utility Fund 402 – Revenue/Expenditure Analysis for Year 2008* – Chief Financial Officer Al Juarez.
- City of Bonney Lake – *StormWater Utility Fund 415 – Revenue/Expenditure Analysis for Year 2008* – Chief Financial Officer Al Juarez.