

City of

**SPECIAL COUNCIL
WORKSHOP**

November 30, 2004

MINUTES



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.

"Where Dreams Can Soar"

Roll Call

Mayor Robert Young called the workshop to order at 5:42 p.m.

Also in attendance were Deputy Mayor Dan Swatman, Councilmember Phil DeLeo, Councilmember Mark Hamilton, Councilmember Neil Johnson, Councilmember Dave King and Councilmember Cheryle Noble. Councilmember Jim Rackley was absent.

Staff members attending were Administrative Services Coordinator (ASC) Don Morrison, Finance Director John Weidenfeller, Planning and Community Development Director Bob Leedy, Public Works Director Daniel Grigsby, Building Official Jerry Hight, Information Technology Coordinator Chuck McEwen, Senior Accountant Barbara Barth, Judge James Helbling, Court Administrator Kathy Seymour and City Clerk Harwood Edvalson.

Mayor Young started the meeting with opening remarks. He said that the staff has done all that it can to direct the budget plan to meet the Council's priorities. They have responded to questions and concerns. He noted that the ending fund balance projections are a moving target during the budget process. Mayor Young also said that the departments were involved in a collaborative process that was used to balance and moderate the budget. He noted recent adjustments to meet Council's specific interests by allocating increased funding for sidewalks, street lighting and economic development. He concluded with a review of some of the anticipated capital facilities projects.

Agenda Items

1. Discussion: AB04-153 – Ordinance 1088 – Budget Transfer to Street Fund.

Director Weidenfeller explained that this ordinance transfers the \$251,000 of remaining funds from the Garbage Fund into the Street Fund as requested by the City Council. There was no discussion, and Mayor Young said it would be moved forward.

2. Discussion: AB04-155 - Ordinance 1045 - Year 2005 Non-union salary & benefits.

Director Weidenfeller said the revised ordinance incorporates changes discussed at the last Council meeting. He noted that Attachment "A" was missing from the ordinance in the packets and provided copies. He said that he emailed the City Council information and recommendations on the Consumer Price Index and its use to establish a cost-of-living adjustment (COLA) for the employees. Administrative Services Coordinator (ASC) Morrison said that he had placed in the Council's mail boxes copies of a salary survey he has done on ASC positions in the state. He said there are not too many of them, but those that exist he has shown. He also reviewed a memo from non-union staff requesting that the Council consider a 2.5% COLA this year and tie future COLAs to the change in the CPI.

Deputy Mayor Swatman said he remembered that Council had last given direction that they wanted to set the rate annually, and not tie it to the CPI. There was general consensus from the Council on this point.

There was general discussion about the salary grid distributed by Director Weidenfeller. Councilmember King noted that the proposed salary grid for most positions is arranged to reflect the higher salaries of the range of cities from 15,000 to 29,999 and that the staff is proposing a COLA on top of the salary grid change. Director Weidenfeller explained that the AWC salaries are those reported as of 2003 and are now a year old. He said to keep current with salaries as Council has desired, a COLA is appropriate to keep the salaries at current market rates. He added that the proposed salary grid would be implemented to move employees to the nearest step on the new grid. He said the effect of this would be to give employees who are already at the top step of their old range, more room to move up on the new grid.

Councilmember Johnson introduced the concept of a realignment of the City's upper management. He proposed a re-organization that would increase the responsibility of the Administrative Services Coordinator by having the Senior Center, City Clerk's Office, Finance Department, Information Services and Human Resources reporting to the Administrative Services Coordinator. He said this would make a department director out of the ASC, eliminate the need for additional managerial levels in the Information Services area, and eliminate the need for a Finance Director by reducing that position to a Finance Officer. He said the structure of the Finance area would otherwise be unaffected. He said he believes this will be a more efficient structure for the City. Councilmember Hamilton asked where the dollar savings are in this proposal. Councilmember Johnson said he feels they are in the reduced salary for the Finance Officer's position and in greater economies and efficiencies in the changed reporting relationships.

ASC Morrison said that most cities in the state have a stand-alone Finance Department, not part of an administrative services department. He added that while the proposed ASC salary is in line with what he's received in the past ten years, he does not believe his salary for the position as it is currently structured should be above the Director of Planning and Community Development. Councilmember Johnson said he believes the structure he has proposed is born out in the private sector. He added that the City now has the opportunity to create something that will work for it in the future.

There was general consensus to consider further Councilmember Johnson's proposal. The Council discussed the timing for study and implementation. Some advocated that it wait for discussion at the Council's annual retreat early in 2005. Others said they feel that the administration has not been fully responsive to the Council's desires coming out of the retreats and advocated for making the change during these budget deliberations. There was continued discussion about the salary grid and individual salary ranges. Director Weidenfeller distributed sheets showing where individual employees fall on the new grid based on their current salaries.

Discussion shifted to focus on the ASC position and range. There was general consensus that the ASC's position might be currently undervalued. Mayor Young said that the proposed range is commensurate with the ASC's current responsibilities. When asked if he would support a restructuring of the administrative services, Mayor Young responded that he needs more time to review the impacts. He suggested waiting until the review of the Finance Department is conducted. He said he is not necessarily adverse to the concept, but suggested that it be a topic for discussion at the retreat. He said the salaries can always be adjusted later.

Councilmember Johnson said he is also concerned about the dysfunctional state of some of the departments. He said the longer the Council waits to start reform, the longer it will take to make the appropriate changes. He said he is tired of seeing good people leave the City. Deputy Mayor Swatman agreed that the City cannot continue to sustain the impacts of continued attrition. He suggested the need for change at the top levels of administration.

There was general consensus to discuss the topic further at the next Council workshop. There was also consensus to set the one time COLA at 2%. Left to be resolved are the proposed changes to the salary grid, the organizational structure and the disposition of the ASC position and salary range.

At 7:05 p.m., Mayor Young declared a ten minute break in the meeting. The meeting resumed at 7:23 p.m.

3. Discussion: 2005 Preliminary Budget.

The City Council reviewed the budget with staff on a page-by-page basis, making corrections and discussing the justifications for positions and expenditures. At Director Weidenfeller's instruction, Senior Accountant Barth maintained a running list of requested changes and corrections.

The City Council asked about the reduction in projected revenues from the boat launch and asked that the estimate be increased. They also discussed adding more money to the legislative area of the budget to allow for more outreach activities. There was general consensus to leave it as is and appropriate more during the year as needed. The Council gave direction to fund the GIS Specialist position someplace other than under information services. Since the majority of funds for the position are coming from the utilities it was suggested that the position be funded under Public Works.

Information Technology Coordinator McEwen presented to Council the concept and justification for a city-wide wireless network. He said the major beneficiaries would be the City and Public Safety, Public Works and Utilities, business interests and economic development and the public. He described a subscription-based system to provide revenues to retire the initial debt to start the system and provide future revenues. He said the initial step would be to do a feasibility and market study. He anticipated that the City would contract with a service provider to provide the technical services for the system. There was a general consensus on the Council that they did not want a system to compete with private enterprise, but that there is sufficient merit for municipal purposes that it warrants further study and a demonstration project. There was agreement to retain the \$40,000 allocation in the Information Technology Department for this purpose. Direction was given to remove the \$220,000 loan from the utilities for wireless system implementation.

The City Council expressed frustration that they have not yet seen the independent review of the Police Department. They re-emphasized their desire to see the results before adopting the budget. The Council also briefly discussed the situation with the projected change in the animal control contract with the Human Society. Deputy Mayor Swatman noted that animal control services will be discontinued in 2006. Mayor Young recommended retaining the service offered in 2005 to give the City time to explore options for 2006.

As a conclusion for their final discussion for the evening, the City Council gave direction to maintain the level of the ending fund balance in the Parks Department. Director Weidenfeller

said he will provide a memo to the Council outlining the changes made to the budget in response to their directions. There was consensus to continue the budget discussions at the next Council Workshop.

4. Adjournment.

Mayor Young adjourned the meeting at 9:50 p.m.

Documents submitted at the Council Workshop of November 30, 2004:

- *City of Bonney Lake – Attachment A to Ordinance 1045* – John Weidenfeller, Finance Director.
- *City of Bonney Lake – Attachment “A” to Ordinance 1013* – John Weidenfeller, Finance Director.

Harwood T. Edvalson, CMC
City Clerk

Robert Young, Mayor