

# City of SeaTac

## 2011 Budget Workshop 3

### Minutes Synopsis

October 8, 2010  
9:00 AM

City Hall  
Council Chambers

**COUNCIL PRESENT:** Mayor Terry Anderson, Deputy Mayor (DM) Gene Fisher, Councilmembers (CMs) Rick Forschler, Anthony (Tony) Anderson (*left at 3:43 p.m.*), Ralph Shape, and Pam Fernald. Excused Absence: CM Mia Gregerson.

**STAFF PRESENT:** Interim City Manager (ICM) Todd Cutts, City Clerk Kristina Gregg, Finance Director Mike McCarty, Interim Assistant City Manager (IACM) Jeff Robinson, Human Resources (HR) Director Anh Hoang, Police Chief Jim Graddon, Police Administrative Captain Annette Louie, Municipal Court Judge Elizabeth Cordi-Bejarano, Municipal Court Administrator Mary Pederson, Parks & Recreation (P&R) Director Kit Ledbetter, Interim Planning Director Cindy Baker, Principal Planner Jack Dodge, Senior Planner Al Torrico, and Facilities Director Pat Patterson.

#### **DEPARTMENT PRESENTATIONS:**

**Police:** Police Chief Graddon presented 2007 – 2010 SeaTac Police Crime Statistics. Council discussion ensued regarding the various types of crimes – car prowls, car theft, fraud/forgery, mail theft, vandalism, residential burglary and prostitution. Most crimes have decreased since 2007.

Chief Graddon presented a listing of the public safety community outreach provided by the police department. Public safety community outreach is a Council goal.

Upon a question posed by DM Fisher, Chief Graddon agreed if patrol officers are cut in areas near the City, the Police Department should keep track of how much assistance is being provided to the cut areas.

Chief Graddon stated that Police Department budget costs are mostly staffing related. A majority of the increase is related to the guild contract increase.

He reviewed the decision cards: Police Explorer Program - \$5,000. SeaTac has never had its own program, but benefited from the County's Explorer Program. Staff is now requesting to have an explorer program for SeaTac. This is one community outreach piece being considered. There is an additional cost for the advisors.

Mr. Cutts explained that this decision card came from Council's goal for public safety outreach, however he did not recommend this as an ongoing cost.

Enhanced Animal Control Services - \$75,000. This idea was presented through a Council inquiry to staff. This decision card would allow for animal control services during the weekends. No complaints have been received about the current system, but it's still in the implementation phase.

Mr. Cutts explained that staff heard from Council that they'd like staff to research options. This decision card was not one recommended by him.

Council discussion ensued regarding the animal control decision card. Council concurred that there is no interest in funding this decision card at this time.

**Human Resources (HR):** HR Director Hoang highlighted the HR Department 2011 goals and summarized 2011 budget request increases and decreases.

She reviewed HR Department's proposed 5% budget reductions.

CM Fernald questioned why the employee banquet is being proposed to be eliminated for 2011. ICM Cutts stated that administration communicated with employees and the staff didn't feel right celebrating when the City was reducing positions. Administration will host the same type of function, but not on the City's dime.

Mr. Cutts introduced Inside Results Senior Partner Rosie Baker who would be discussing the Decision Card for Citywide Training Program for "Cultural Growth and Transformation Project (IIE)" – \$54,725. Mr. Cutts stated he is recommending this decision card be funded for 2011 out of the rainy day fund. However, this is a 3-year program.

Ms. R. Baker reviewed the benefits of this training and what it would entail.

Mr. Cutts stated that he believes in this process in order to move forward.

**DEPARTMENT PRESENTATIONS (Continued):**

**HR (Continued):** Council discussion ensued regarding the training with some CMs feeling this is important at this time and some feeling this should be postponed. Council consensus was to delay this decision card.

**Municipal Court:** Judge Bejarano reviewed the Municipal Court 2010 accomplishments and 2011 goals.

Upon a question posed by CM Shape, Ms. Bejarano stated that when the South Correctional Entity (SCORE) facility is operational, it will be a huge savings to the City.

She explained that a lot of the accomplishments the Municipal Court has made has placed more duties on the clerks. The extra work may increase errors if a position is let go.

Judge Bejarano reviewed the decision card: change Judge Bejarano's status from contract to a regular part-time employee (average hours per week – 32). ICM Cutts stated that he is not recommending this at this time.

Council discussion ensued regarding the decision card with consensus to approve.

**Recessed:** Mayor T. Anderson recessed the Budget Workshop at 11:37 a.m.

**Reconvened:** Mayor T. Anderson reconvened the workshop at 1:51 p.m.

**DEPARTMENT PRESENTATIONS (Continued):**

**City Clerk's Office:** City Clerk Gregg reviewed the 2011 Budget increases and decreases, and proposed 5% budget reductions. The proposed reduction total is \$19,878.

Mrs. Gregg reviewed the Decision Card: Part-Time Records Management Coordinator - \$51,151. ICM Cutts stated that while there is value in this position for the City, he is not recommending it for 2011 based on the fact that it requires a sustainable funding source while other personnel are being cut.

**Parks & Recreation (P&R):** P&R Director Ledbetter introduced Highline SeaTac Botanical Garden Past President Wendy Morgan who reviewed a decision card: Volunteer Coordinator for Highline SeaTac Botanical Garden - \$20,000.

Council gave consensus to take the entire amount (\$100,000 for five years) for the coordinator position out of the Port Interlocal Agreement (ILA) fund.

Mr. Ledbetter reviewed the P&R 2011 goals and remaining decision cards: (1) Welcome to City of SeaTac sign - \$18,766; (2) Radio Controlled (RC) Car Track - \$19,200. This will be partly, if not totally, funded by a grant; (3) Lounge Chairs for Senior Area - \$5,000; and (4) 6-month Seasonal Parks Operations Worker - \$14,866.

He explained that in 2007, the P&R Department generated \$479,346 in revenue. Revenue is projected to be \$743,311 in 2010. This is approximately \$300,000 more since the recession.

Mr. Ledetter detailed the budget requests, explaining increases and decreases.

Council discussion ensued regarding the decision cards. Mr. Ledbetter stated that if the City does not provide the \$19,200 for the RC Track, it will most likely not be built.

Mr. Ledbetter reviewed the proposed reductions and the method used to determine the cuts totaling \$46,405.

Council discussion ensued regarding the proposed cuts. Mr. Ledbetter stated that most of the \$10,000 proposed cuts to the seniors' budget won't even be noticeable.

Mr. Cutts asked the Council if there were any proposed cuts that Council did not want made. Council stated that the Tree Lighting should not be cut due to its high participation.

Mr. Ledbetter questioned Council's feelings about the RC Car Track. Council concurred with the expenditure.

**Planning:** ICM Cutts introduced Interim Planning Director Cindy Baker.

Principal Planner Dodge summarized the department's 2011 goals.

Senior Planner Torrico summarized the budget requests, revenues and proposed reductions.

Mr. Torrico detailed the requested decision card: Zoning Code Update Phase 1: Consultant Assistance for Mixed Use Standards - \$41,180.

**DEPARTMENT PRESENTATIONS (Continued):**

**Planning (Continued):** Council discussion ensued regarding the decision card. ICM Cutts clarified that if the reorganization is implemented, this work would carry over to the new Planning Division.

CM Shape, on behalf of the Zoning Code Update Ad Hoc Committee (AHC), stated that the decision card will be discussed by the AHC on Monday and may determine not to spend the money. If the Council doesn't think this is a good expense, then there is no need for the AHC to discuss.

Mr. Dodge clarified that the Land Use & Parks (LUP) Committee requested this issue be brought to the AHC for further review, discussion and recommendation.

Ms. C. Baker stated that staff will discuss the issue with the AHC and clarify the scope. It may not be as big as what's being requested.

**Facilities:** Facilities Director Patterson reviewed the 2011 goals, and proposed budget cuts totaling \$43,356.

Council discussion ensued regarding the proposed cuts. Mr. Patterson clarified the methodology used to determine some of the proposed cuts.

*CM A. Anderson left at this point in the meeting.*

**Transit Planning Fund:** IACM Robinson stated that the source of revenue for this fund is money from Sound Transit that the City received for station area planning and other activities around development of the two light rail stations in SeaTac. No additional money is expected from Sound Transit for the South 200<sup>th</sup> Street extension.

ICM Cutts stated that the discussion related to additional funds will continue with Sound Transit. Presently staff is engaging Sound Transit in a discussion as to what a development agreement (DA) will look like for this station.

He reviewed the 2011 budget requests.

**Hotel/Motel (H/M) Tax Fund:** IACM Robinson stated that this fund administers money that is received on an annual basis for H/M tourism development and economic development related to the lodging industry. Revenue is estimated at \$674,000 for 2011.

**Building Management Fund:** Finance Director McCarty stated that this fund is used to collect the rent from tenants. Funds are transferred to the General Fund (GF) from this account to cover maintenance costs. The only other expenditure would be tenant improvements.

He clarified that the transfer to the Municipal CIP Fund will require a budget amendment due to the City Hall reroof for 2010. It was originally in the CIP for 2011.

**Facility Repair & Replacement Fund:** Finance Director McCarty stated that as part of the effort to balance the GF budget, \$100,000 was transferred from this fund back to the GF. There are no expenses planned for this fund for 2011. The balance of this fund is approximately \$18,000.

**Debt Service Funds:** Finance Director McCarty reviewed the budget requests for the following funds: City Hall Limited Tax Bond Fund #201 (closed, activity moved to Fund #206), Transportation Tax Bond Fund #202 (paid off remaining amount of bonds), H/M Tax Bond Fund #203 (closed), Special Assessment (Local Improvement District [LID] #1) Debt Fund #204 (\$225,000 to be paid in 2011), LID Guarantee Fund #205 (amount set aside to protect bond holders from the City defaulting on the bonds), 2009 Limited Tax General Obligation (LTGO) Refunding Bond Fund #206 (same revenues as originally used for Funds 201 and 202), 2010 LTGO Bond Fund #207 (projected principal and interest on bonds issued on SeaTac Center purchase), and Transportation Bond Reserve Fund #210 (closed).

**GENERAL FUND (GF) STATUS UPDATE:** Mr. McCarty presented the following information:

	<b>Projected 2010 Year End (YE) Estimate</b>	<b>2011 Department Estimates</b>
<b>Revenues</b>	27,008,252	27,579,419
<b>Expenditures</b>	28,395,478	30,016,932
<b>YE Estimated Deficit</b>	(1,387,226)	(2,437,513)
<b>Beginning Fund Balance</b>	8,036,276	7,569,050
<b>Estimated YE Fund Balance</b>	6,649,050	5,131,537
<b>Projected Fund Balance Target</b>	7,098,870	7,504,233
<b>Projected Over (Under) Fund Balance Target</b>	(499,820)	(2,372,696)
<b>Add: 2010 Construction Sales tax</b>	920,000	
<b>Projected Over (Under) Fund Balance Target after addition of construction sales tax</b>	470,181	
<b>Add: Contingency Reserve Fund transfer for one- time Decision Cards</b>		95,905
<b>Add: 2011 Construction Sales Tax</b>		920,000
<b>Subtotal after transfers from other funds</b>		(1,356,791)
<b>Subtract: One-Time Expenditure Decision Cards Fund transfer</b>		(95,905)
<b>Subtract: Ongoing and Radio Controlled (RC) Car Track Decision Cards funded from GF</b>		(37,137)
<b>Total Funded Decision Cards</b>		(133,042)
<b>Subtotal after funded Decision Cards</b>		(1,489,833)
<b>Non Personnel-related reductions</b>		343,780
<b>Personnel-related reductions necessary to balance 2011 GF budget</b>		(1,146,053)

Upon a question posed by DM Fisher, Mr. McCarty clarified that Council agreed to reduce the reserve from four months to three months. The contingency fund was not reduced.

ICM Cutts stated that \$1.146 million is needed in order to balance the budget. Those are planned to be personnel related reductions. He presented to Council the proposed budget timeline:

- currently seeking feedback from non-represented employees regarding changes to the new health insurance and the cost of living adjustment (COLA) situation;
- October 26 – labor negotiation update to Council in a private meeting regarding the International Association of Fire Fighters (IAFF) contract;
- October 29 – tentative deadline for American Federation of State, County and Municipal Employees (AFSCME) to respond to new health insurance plan;
- November 2 – deadline to file the 2011 Preliminary Budget with the City Clerk;
- November 2 – General Election with the liquor initiatives 1100 and 1105 and King County (KC) Proposition 1. All of these would affect the City’s budget;
- November 6 – date for IAFF to ratify tentative agreement;
- November 9 – Council to vote on the IAFF contract;
- November 10 – open enrollment for new health insurance program if labor groups are in agreement;
- November 17 – AFSCME to respond to 2011 COLA;
- November 19 or 20 – Budget Workshop 4 to discuss personnel related cuts;
- November 23 – amended draft budget to be submitted;
- December 7 – tentative budget workshop if needed; and
- December 14 – Regular Council Meeting (RCM) with public hearing (PH) and adoption of the 2011 Budget.

Council 2011 Budget Workshop 3 was closed at 4:42 p.m.