



## **City Council Study Session Minutes – October 12, 2009**

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At 7:30 p.m. Mayor Maxwell called the regularly scheduled study session of October 12, 2009 to order. Kevin McKeown, Erica Pickett, Brad Adams, Bill Turner and Cynthia Richardson were present. Nick Petrish and Brian Geer were absent.

### **Presentation by Skagit Cool Community Campaign**

Eric Shen of Skagit Beat the Heat and WSU Climate Stewards presented an overview of the upcoming Skagit Cool Community campaign and invited the community to participate. The campaign's goal is for each household in Anacortes to reduce its annual carbon load by 5000 pounds or more. The recent carbon emissions study in Anacortes showed that 94% of our CO<sup>2</sup> emissions come from households, transportation and businesses. The campaign kicks off on October 24 as part of an international day of climate action. A Cool Climate Café will take place at the Senior Activity Center from 1:00 to 3:00 p.m. Teams will be formed to support each other's carbon reduction goals. Mr. Adams asked for a few examples of easy things citizens can do to reduce carbon emissions at home. Mr. Shen suggested turning hot water heaters down to 120 degrees and wrapping them with insulation blankets. Mayor Maxwell encouraged citizens to participate in the Cool Community Campaign as the vast majority of energy savings are to be found in households.

### **Budget Workshop**

Council proceeded with its review of the proposed budget for 2010 for all departments other than Public Works which was reviewed at the September 14 Study Session.

Human Resources Director Emily Schuh presented the budget for the Human Resources Department. Ms. Schuh explained that hiring costs should be lower in 2010 because the City does not expect to have as much hiring. The City's proactive wellness program and Well City status will save money in health insurance premiums in 2011.

Museum Director Steve Oakley presented the budget for the Museum. In 2009 the restoration of the Carnegie Building was completed in time for its centennial next year. The major goals for 2010 will be the feature exhibit on the schooner *Wawona* opening in May and the centennial exhibit for the building later in the year. Most of the work has been done in house to reduce costs. The only real increase in the Museum budget for next year is due to reallocation of IT costs. Mrs. Richardson praised the active volunteers who allow the Museum to offer wonderful programs with minimal resources and noted that our museum is a tourist attraction.

Library Directory Cynthia Harrison presented the budget for the Library. She thanked her staff and the many volunteers who completed the RFID project this year. Library programs have all been successful and growing. Most of the library's budget is staffing so to keep up with increased demand without increasing the budget the library will continue to recruit new volunteers. Mr. Turner asked about the increased IT budget. Mr. Hoglund confirmed that is due to a reallocation of costs between departments. Mrs. Harrison noted that the RFID project will allow the library to save staff time as well as costs for replacing lost materials.

Fire Chief Richard Curtis presented the budget for the Fire Department including ambulance. Service coverage in 2010 will be the same as in 2009. Contracted services will be reduced slightly. Approximately \$10K will be spent on necessary building shell repairs at the main station. Utility bills will be up slightly due to rate increases. Mrs. Richardson asked about changes in uniform laundry bills. Mr. McKeown pointed out that bunker gear is cleaned after structure fires and the number of those varies year to year. Salary increases are controlled by contract. More training will be handled locally to save on travel costs. Councilors inquired about the costs to train and equip volunteer firefighters. Mrs. Richardson praised the interlocal agreements that provide for cooperative fire fighting among local jurisdictions. Mr. McKeown asked what percentage of calls are fire vs. medical. Chief Curtis reported 85% medical and 15% fire. The Department will be attempting to recoup supply cost reimbursement from insurance carriers for some

types of calls. Mr. Adams asked about the condition of the rolling stock. Chief Curtis said one 21-year-old fire engine is scheduled for replacement in 2010 but it comes out of the Equipment Rental fund, not the Fire Department budget. The question of reimbursement for patient transfers remains under discussion.

Police Chief Bonnie Bowers presented the budget for the Police Department. The budget is slightly smaller than 2009. The rate for false arrest insurance is down substantially. Building repairs will be up slightly but as much as possible will be brought in house or using work release labor. The investigation budget will be reimbursed by \$40K from a federal Burns grant. The boating program has been taken over by the County. Volunteers contribute substantially to crime prevention efforts. Jail costs are budgeted at \$100K each year but it is never all used. Rates for prisoner medical treatment have been negotiated down but those costs continue to climb. One records staff person will be retiring this year and will not be replaced. Chief Bowers pointed out that the department does recoup some costs through grants and fees.

Parks Director Gary Robinson presented the budget for the Parks & Recreation Department. Capital expenditures have been largely eliminated and but level of service has been maintained. Highlights include construction of the Ship Harbor Interpretive trail and purchase of the Sewer Department property for the ACFL, both of which are funded through dedicated funds. The Minnesota Avenue park is not in the budget but may be added through a budget amendment later if the City can sell its property on West 5<sup>th</sup>. Cemetery improvements may be added via amendment if funding can be found. Volunteers, the Parks Foundation and service clubs all contribute significantly to the park and recreation opportunities enjoyed by the public. Mr. McKeown asked for the maintenance cost for Tursi Park. Mr. Robinson said the costs aren't tracked separately by park. Mr. Turner asked about the increased insurance cost. Mr. Hoglund explained that insurance costs, like IT costs, have been reallocated by department. Mrs. Pickett also asked about non-departmental insurance costs. Mr. Adams noted parks operations and maintenance seems down slightly; Mr. Robinson said that replacement equipment has been reduced slightly by postponing expenditures for a year. Mr. Robinson hopes and intends to add back one staff person when economic conditions improve.

Planning Director Ryan Larsen presented highlights from the budget for the Planning and Building Departments. The 30<sup>th</sup> Street boat ramp is completed but \$25K remains in the budget to investigate travelift options. The budget includes \$10K for way finding signs, \$25K for economic development, \$8K for building permit archiving, and \$5K for the fireworks display. The wildlife corridor fund has been underutilized so it has been reduced to \$5K. Mrs. Pickett observed that the wildlife corridor fund was set up in case a property purchase option arose but perhaps it could be used to purchase easements across privately owned property. Mr. McKeown asked the amount of the wildlife corridor fund. Mr. Larsen advised it has been reduced from \$25K to \$5K. Mrs. Richardson asked if the consultant for the Shoreline Master Program will be paid for in 2009 or in 2010 also. Mr. Larsen advised that the consultant is 100% grant funded. Mr. Adams asked if the 2010 budget has money for comprehensive plan updates. Mr. Larsen said the plan should be adopted in 2012 so the bulk of the spending could happen in 2011. Mr. McKeown asked if the Vancouver Olympics will impact Anacortes. Mr. Larsen did not expect them to.

Mayor Maxwell presented the legislative and executive budget which has not changed significantly from last year.

Mayor Maxwell presented the Legal Department budget which dropped slightly from 2009. The judge has asked for an additional half day at the court which is still being discussed. Mr. Turner asked how the City pays its outside counsel in Seattle. Mayor Maxwell explained the City has a prosecuting attorney position and a defense attorney position and they are each paid a flat fee each year. Both positions will be put out for proposals in December. Mr. Turner asked what happens if there should be sizable unexpected attorney fees. Mayor Maxwell explained it would come out of different funds depending on the cause. Mr. McKeown asked if the Mayor is satisfied with the current practice of contracting out for the City Attorney. The Mayor responded that the arrangement is working fine for now and is less expensive if somewhat less convenient.

Finance Director Steve Hoglund presented the Finance Department budget which is largely payroll and benefits. Memberships and subscriptions will be cut. Professional services would increase by \$5K to hire

a CPA to review the City's financial statements; that service was very helpful in 2009 as the auditing standards and reporting requirements grow more demanding every year. In the Information Services budget, significantly savings will be realized due to upgrading rather than replacing computers. Mrs. Pickett and Mr. McKeown inquired if the software maintenance costs are justifiable. Mr. Hoglund stated they are the standard in the area and emphasized that the software the City uses has to meet state auditing standards.

Mr. Hoglund reviewed the non-departmental budget which is largely unchanged from 2009.

Mrs. Pickett pointed out the City is spending over \$2M in medical insurance. Mayor Maxell stated this is for roughly 190 full time employees and their dependents and does not reflect reimbursements the City receives for some of those premiums. He stated the program the City is using is expensive but is well managed and better than other options.

Mr. Hoglund stated that REET funds will be used in 2010 for the Pennsylvania Avenue and Ship Harbor trail projects.

Mrs. Richardson praised the entire City staff for working so hard to keep the budget in the black and keep the City's service levels high.

All departments having been covered, Mayor Maxwell summarized that the proposed 2010 budget is balanced, has no reduction in service over 2009, and will come back before Council for public hearing on October 19, 2009.

There being no further business, at approximately 9:24 p.m. Mayor Maxwell adjourned the regularly scheduled study session of October 12, 2009.