

TOPIC OF DISCUSSION: 2013 - 2014 BIENNIAL BUDGET

Mayor Futch called the meeting to order.

Councilmembers in attendance were: Futch, Archer, Roberson, Schimmel, McDaniel, and Lefebvre.

Finance Director Brian Butterfield gave a power point presentation of the 2013/2014 Biennial Budget proposal. At the last budget workshop, Council gave staff direction to bring back information on the formation of a Transportation Benefit District for discussion and possible consideration. Staff's proposal was to enact a \$20 car tab fee through the formation of a TBD that would generate estimated revenue of \$85,000 in 2013 and \$170,000 in 2014 for street preservation projects.

Mr. Butterfield continued the presentation showing that due to expenses coming in lower than predicted, the City could have a balance of approximately \$250,000 surplus at the end of 2012. He also showed that due to the sales tax revenue not coming in as predicted, the General Fund revenues are estimated to come in \$50,000 under budget

The 2013/2014 Budget Proposal reads as follows:

- Maintain 2011 reserve levels
- Maintain existing program levels
- Retain part-time nuisance abatement officer
- Keep currently-authorized open police patrol FTE in the budget
- Hold off on the commencement of the comprehensive plan development
- Cover 2013/2014 gap with estimated 2012 General Fund savings
- General Fund reserve set at \$1.3mil or 17% of 2013 expenditures

Mr. Butterfield presented information regarding a levy lid lift. He mentioned that the assessed values in the City of Kelso have decreased by 8.3% since 2012 and the state law limits the increases for property tax to 1% plus new construction. He commented that the expenditures for things like the library and the airport have increased. Mr. Butterfield asked that Council consider a levy lid lift to be put on the ballot for voter approval. Lengthy discussion followed. No action was taken at this time.

City Manager Steve Taylor commented that the staff is looking into other opportunities to lessen general fund expenditures such as: A modification of employee health benefit plans; a realignment of various departments for efficiency opportunities, and the possibility of having fire inspections be funded rather than being supported by the general fund. Mr. Taylor said that these types of options need to be studied and this proposal allows staff more time to figure these out.

Mayor Futch adjourned the special meeting at 6:30 p.m.



MAYOR



CITY CLERK