

**CITY COUNCIL MEETING
TUESDAY, DECEMBER 2, 2008
CITY HALL
22710 E. COUNTRY VISTA DRIVE
7:00 P.M.**

INVOCATION

Given by Council Member Jenkins

PLEDGE OF ALLEGIANCE

Led by Mayor Van Orman, City Council, and Staff

CALL TO ORDER

Mayor Van Orman called the meeting to order at 7:03 P.M.

ROLL CALL

Council Member Jenkins
Mayor Pro Tem Sayrs
Council Members Owens
Council Member Crump
Council Member Schuler
Council Member Olander
Council Member Langford

Doug Smith, Director, Community Development
Ann Swenson, Executive Assistant
Brian Asmus, Chief of Police
Sean Boutz, City Attorney

Mayor Van Orman indicated that Council Member Owens would be late for tonight's meeting since she was en route from Tri-Cities.

AGENDA APPROVAL

Council Member Jenkins moved to approve the agenda, seconded by Council Member Crump. Motion passed unanimously.

APPROVAL OF CITY COUNCIL MINUTES

Council Member Crump moved to approve the November 18, 2008 City Council Meeting minutes, seconded by Council Member Jenkins. Motion passed. In favor: Council Members Crump, Jenkins, Schuler, Olander, and Langford. Mayor Pro Tem Sayrs abstained.

CITIZEN COMMENTS

None.

MAYOR AND CITY COUNCIL REPORTS

Council Member Jenkins reported that he, Council Member Schuler, and the Mayor, toured the Comcast facility. Comcast will be one of the primary cable line providers in our community and comes as an acquisition of Community Cable.

Council Member Crump provided a Finance Committee report. The committee reviewed vouchers, discussed Ordinance 165-E and the State Auditor's recommendation to present budget amendments on an "as-needed" basis, rather than once or twice yearly as has been the City's tradition. The committee also discussed the budget proposal, changes to the budget, especially the projected revenues and fund changes, and where budget amounts will come from.

Mayor Van Orman reported the City of Liberty Lake will host the NE Mayors Association Meeting at City Hall on Thursday morning and will be kicking off the City's Tree Lighting Ceremony and Winterfest Thursday evening. She thanked Comcast for sponsoring a portion of Winterfest.

The Mayor said, due to an increase in bus ridership, she would like to start selling bus passes at City Hall. A bus pass agreement, for implementation in February, will come before the City Council at its next meeting. She talked about the success of the recently-held financial literacy course conducted by STCU and reported that three more workshops will be held next year. The Mayor attended the Emergency Services Communications Board Meeting this morning and reported Crime Check will be re-implemented January 5, 2009 at 12:00 noon, with the phone number of 456-2233.

YOUTH COMMISSION QUARTERLY UPDATE

Danielle Mertens and Aleigha Rankin gave a Youth Commission report. The Commission decorated the library for the Halloween Party for the children. They will be helping with the Tree Lighting Ceremony and chestnut roasting with the children. The Commission is discussing participating in house building for Habitat for Humanity early next spring.

COMCAST UPDATE

Terry Davis, Director of Franchising & Government Affairs for Comcast, provided an overview of the plan to switch over from Community Cable and talked about what Liberty Lake citizens can expect. He distributed the Liberty Lake Cable System Connection Plan to the Mayor and City Council members. He discussed technical connection activities, including fiber splicing, optimizing the optical link, system audit, and installation and service calls. He said an event site with live services has been established at the Windermere building on Liberty Lake Road and customers can attend to learn what is now available. Mr. Davis then introduced other Comcast members: Walter Neary, Public Relations Director, Allan Clever, Sales & Marketing Manager, and Mark Nelson, Maintenance Manager.

Mr. Davis said Comcast serves the entire City of Liberty Lake plus some surrounding county sections by the lake. He reported that existing rates from Community Cable will remain the same for 90 days after the switch. Mr. Neary reported rate increases have ranged roughly between 3-5% during the last few years and that a lot of the rates are program driven.

ACTION ITEMS:

Council Member Crump moved to accept the Consent Agenda, which included vouchers totaling \$348,446.41, seconded by Mayor Pro Tem Sayrs. Motion passed unanimously.

Check number sequences: 10525 through 10555.

Payroll check sequences: 5041 through 5105.

ORDINANCE – FIRST READINGS

Ann Swenson, Executive Assistant, read Ordinance No. 172 into the record, levying the regular property taxes for the City of Liberty Lake, Washington in Spokane County for the year commencing January 1, 2009 to provide revenue for the provision of City services as set forth in the City budget.

Jessica Platt, Administrative Services Manager, said Ordinance 172 requests a 0% increase in property tax revenue over 2008, plus any additional revenue resulting from the addition of new construction and improvements to property, annexations, and any increase in the value of state-assessed property. She reminded the Mayor and City Council that the City is required to establish an ordinance in order to protect or bank the highest lawful figures for 2010 and thereafter. She explained that "banked" is a term for calculation, not revenue. Ms. Platt said by choosing not to pass an ordinance, future collections are restricted and the City would lose the benefit of the 2009 tax year's 1% growth for all future calculations. Discussion followed clarifying the banking term and what it means for future City Council's ability to exceed 1% of what was originally taxed.

Ms. Swenson then read Ordinance 165-E into the record, amending Ordinance No. 165 passed by the City Council on December 18, 2007, adopting a budget for the period of January 1, 2008 through December 31, 2008, appropriating funds, establishing a new fund, and establishing salary schedules for established positions.

Ms. Platt reiterated the budget is a living, breathing document and it continually needs to be updated to counter the unanticipated expenses that may occur after the budget has been adopted. She then explained each line item that needs to be amended.

ORDINANCE – SECOND READING

Ms. Swenson read Ordinance 171 into the record, adopting a budget for the period January 1, 2009, through December 31, 2009, appropriating funds and establishing salary schedules for established positions.

Council Member Crump moved to approve Ordinance 171, seconded by Council Member Jenkins.

Ms. Platt said due to the collection of new data and the ever-changing economy, changes have been made to the City's 2009 proposed budget, submitted November 18th, trimming it by \$805,067. Adjustments were necessary due to 2008 property taxes less than projected, a decline in sales tax revenue, a 0% property tax levy for 2009, and to ensure a healthy ending balance and cash flow for 2009. Measures were taken to safeguard the City's reserve and to maintain City services at current levels.

She then explained what was affected, including public art, capital and special capital funds, salaries, departmental operating budgets, and streets. Mayor Van Orman said that even though she and the City Council had wanted to review priorities, it was unnecessary now since the budget has been reduced and "there is not much as far as fluctuating for priorities".

Discussion then centered around the reduction in a decreased cost of living increase for non-union represented employees and separation of employees by creating two groups.

At 7:45 p.m., Mayor Van Orman recognized the arrival of Councilwoman Judi Owens.

Council Member Crump acknowledged the separation of employees is a change from days gone by, and emphasized further discussion and thought should be given to the topic of dividing the employees. He stated, "We now have created two groups, and are we happy with the two groups, are we happy with the gap in the two groups?" He also mentioned that cutting public art would give 1% back to the non-represented employees for their COLA.

Discussion was then held regarding merit increases. Council Member Langford asked if there were any tenured employees who are not getting merit raises. Doug Smith, Community Development Director, said 2008 employee evaluations are not finished, but noted there's only been one individual in the last seven years who has not received the full merit increase.

Council Member Olander thanked the Mayor and staff for making the difficult decisions they were faced with regarding budget cuts. He said he had many concerns regarding the budget that he wanted to discuss and they had all been addressed. Mayor Van Orman then asked to go around the table to see if all Council Members' concerns had been addressed.

Council Member Schuler said she had nothing to add, but thanked the employees for their sensitivity to the economy and the budget constraints.

Council Member Jenkins inquired about the two superintendent positions. A subsequent discussion regarding the two positions took place, including additional responsibilities for the current Assistant Superintendent, the addition of approximately \$8,000 to the City's budget to fund the position, debate about whether the split of responsibilities would provide better efficiencies, and division of the enterprise fund versus the General Fund.

PUBLIC HEARING:

Mayor Van Orman opened the floor for a Public Hearing regarding the City's budget at 8:02 p.m. No comments were received. Mayor Van Orman closed the public hearing at 8:03 p.m.

Mayor Van Orman asked for any further discussion prior to voting on the ordinance. The reduction in COLA for non-represented staff resurfaced. Council Member Owens personally thanked the employees for making the decision to accept a cost of living cut in light of the economy. For the record, she stated, "I, in general, do not like to split out our employees and treat them differently. I am very employee oriented, and I appreciate that."

Mayor Pro Tem Sayrs said that although he understands the significant budget changes, he is not comfortable passing an ordinance creating a budget that does not have line items to review. He said he would not vote on the ordinance, and asked the Council to consider postponing a vote until its next meeting. Council Member Olander agreed with Mayor Pro Tem Sayrs and said he would like to see the changes driven down in a little more detail. Council Member Crump also agreed, stating that the Council is not in a rush and welcomed a couple more weeks to review the budget. He said he'd like to look again at the issue of funding public art versus using the money towards COLA and stated, "I do not believe in balancing a budget on the backs of your employees". Council Member Langford requested the line item document be emailed to the Council for review prior to its next meeting.

After no further discussion, Mayor Pro Tem Sayrs moved to table the vote until the next meeting, seconded by Council Member Jenkins. Motion passed unanimously.

WORKSHOP DISCUSSION:

There were no workshop discussions.

UNFINISHED BUSINESS:

Council Member Crump said he spoke with the Administrator of the Spokane Regional Health District, who conveyed the Governor has requested cuts at the State level. He said the State Department of Health has to cut several million dollars for this current year, which translates directly to programs and people.

Council Member Owens said she receives emails from Governor Gregoire on regular basis, and agreed she has made numerous cuts. Councilwoman Owens added the Governor has changed work weeks for some state departments, where plausible, and staff is working four ten-hour shifts to cut costs.

Council Member Schuler reported she attended the County Commissioners' hearing yesterday, and they will cut 47-49 county positions. She said representatives from the Prosecuting Attorney's Office were there asking for reinstatement of funds which were cut from its budget, directly affecting the ability to provide their services.

NEW BUSINESS

Mayor Van Orman said Inland Northwest Blood Center will be holding its blood drive on Saturday, December 13th in front of the Greenstone Building.

Council Member Judi Owens informed the Mayor and City Council that as of November 8th, she became the State President of Public School Employees of Washington.

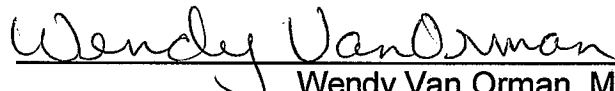
CITIZENS COMMENTS

None.


ADJOURNMENT

The meeting adjourned at 8:24 p.m.

These minutes are approved on December 16, 2008



Wendy Van Orman, Mayor
City of Liberty Lake



Notes and Transcription by Ann Swenson, Executive Assistant. This Council meeting was also audio taped. Anyone desiring to listen to the recording may contact the City Clerk