

**CITY COUNCIL MEETING / PUBLIC HEARING
TUESDAY, DECEMBER 7, 2010
CITY HALL
22710 E. COUNTRY VISTA DRIVE
7:00 P.M.**

INVOCATION

Given by Mayor Pro Tem Crump

PLEDGE OF ALLEGIANCE

Led by Mayor Van Orman, City Council and City Staff

CALL TO ORDER

Mayor Van Orman called the meeting to order at 7:08 p.m.

ROLL CALL

Mayor Pro Tem Crump
Council Member Kaminskis
Council Member Owens
Council Member Romney
Council Member Schuler
Council Member Beckett
Council Member Langford

Ann Swenson, City Clerk
Brian Asmus, Chief of Police
Sean Boutz, City Attorney

Mayor Van Orman reported Council Member Beckett asked to be excused until approximately 7:30 p.m. Mayor Pro Tem Crump moved to excuse Councilman Beckett's tardiness, seconded by Council Member Langford. Motion carried unanimously.

AGENDA APPROVAL

Mayor Pro Tem Crump moved to approve the agenda with the modification of calling a 5-10 minute Executive Session to discuss personnel issues. The addition would be added onto the agenda between Items 5 (Agenda Approval) and 6 (Citizen Comments). Council Member Owens seconded the motion, which carried unanimously.

EXECUTIVE SESSION

At 7:10 p.m., as per RCW 42.30.110(h), Mayor Van Orman called an Executive Session to discuss personnel. The Executive Session adjourned at 7:21 p.m. No action was taken. Mayor Van Orman then opened the floor to receive citizen comments.

CITIZEN COMMENTS

Steve Peterson, 719 No. Lancashire, Liberty Lake, WA: paid homage to his father and shared how his dad held high regard for the image of the city regarding fairness, truth, honesty, and integrity. Mr. Peterson stated in the last two months he has witnessed a hyperbole of talk regarding a \$700,000 budget deficit and a savings in expenses of \$1.3 million. He asserted he did not find those claims in the budget and had put together his own budget. He maintained the city is not broke, has a sustainability in the future with or without the utility tax, and can make a core commitment to people and services. Mr. Peterson then handed out tokens for a free small bucket of golf balls, which was used in the past to drive the business for the golf course.

Elaine Edwards, 22855 E. Country Vista Drive, #385, Liberty Lake, WA: stated she was surprised to see the posting of the Recreation Coordinator posting in the Sunday paper. She proposed not rehiring for the position and leaving the position vacant for now.

MAYOR AND CITY COUNCIL / COMMITTEE REPORTS

Mayor Van Orman emphasized the need to pass the city's budget by December 31st. She said when her budget was presented the first part of November, many revenue projections were unknown. Subsequent revenue sources now include the utility tax, failure of liquor tax initiatives, reduction of mayor and council salaries, and banked levy capacity, resulting in an approximate total of \$140,000. Mayor Van Orman also reported the city's tree-lighting event was a well-attended event.

Community Development Committee (CDC): There was no Community Development report.

Finance Committee: Mayor Pro Tem Crump reported the Finance Committee met twice in the last two weeks. The committee reviewed vouchers and the need for a more in-depth budget analysis. Members also talked about revenues on the tax initiatives that would be coming in and discussed the desire for specificity on certain portions from salaries to benefits to line items within the budget.

Public Safety Committee: There was no public safety report.

Council Member Schuler invited anyone interested to attend the placing of Christmas wreaths on the graves of 150 soldiers at the veteran's cemetery at Medical Lake on December 11th at 11:00 a.m.

Mayor Van Orman announced Mayor Pro Tem Crump was recently appointed to the Spokane Regional Health District Board of Directors by the Northeast Mayors Association. Mayor Pro Tem Crump will serve as Chairman of the Board in 2011.

ACTION ITEMS

Consent Agenda: Mayor Pro Tem Crump moved to approve the Consent Agenda, which included approval of the City Council Minutes, as modified, from November 16, 2010 and approval of checks through December 7, 2010 in the amount of \$382,463.53, seconded by Council Member Langford, Motion passed unanimously. Check sequences were 13405 through 13468. Payroll sequences were 6242 through 6247 and 13412 through 13420.

Agreement for Services – Rocking K Ranch: Rocking K Ranch will provide carriage rides for during city's winter festival. Council Member Owens moved to approve the Agreement for Services, seconded by Mayor Pro Tem Crump. Council Member Owens questioned whether fees would be covered and there would be no out-of-pocket expense to the city. Mayor Van Orman confirmed there have been enough reservations placed to cover the cost of the service. She then called for the vote. Motion carried unanimously.

Approval of Revocable License for Liberty Lake Internet Portal, LLC: Mayor Pro Tem Crump moved to allow Mayor Van Orman to accept the approval of the Revocable License for the Liberty Lake Internet Portal, which was modified to include a 30-day written notice to withdraw, to be signed by the City of Liberty Lake Mayor. Council Member Romney seconded the motion, which carried unanimously.

RESOLUTION

Ann Swenson, City Clerk, read Resolution No. 10-145 into the record, a Resolution of the City of Liberty Lake, Washington Designating the Official Newspaper. Council Member Owens moved to adopt Resolution 10-145, seconded by Mayor Pro Tem Crump.

The Spokesman Review and *The Liberty Lake Splash* submitted proposals to become the city's official newspaper for 2011. The Liberty Lake Splash provided the lowest bid at 90 cents per line, compared to the Spokesman Review's bid of \$1.18 per line.

Council Member Romney commented the *Splash* was an obvious choice both cost wise and for its presence throughout the city. Council Member Schuler expressed concern about the opinion section of the *Splash* as a solid news source. She requested the *Splash* include a disclaimer, in the form of a header, on the letters to the editor page, defining it is an opinion page. She said this would provide better fairness to the citizens as well as the City Council. After no further discussion, Mayor Van Orman called for the vote. Motion carried unanimously.

At 7:45 p.m., Councilman Beckett arrived to the meeting.

ORDINANCE FIRST READ

Ann Swenson, City Clerk, read Ordinance No. 181-B into the record, an Ordinance Amending Ordinance No. 181 Passed by the City Council on December 1, 2009, Entitled "An Ordinance of the City of Liberty Lake, Washington, Adopting a Budget for the Period January 1, 2010, Through December 31, 2010, Appropriating Funds and Establishing Salary Schedules for Established Positions".

Mayor Van Orman explained the budget was adopted in 2009 and periodically needs to be amended. This particular amendment deals with Governmental Accounting Standards Board (GASB) issued Statement 54, which requires cities to accurately designate monies within correct funds. The city funds affected are the special revenue funds for the Street Light Utility Fund and the Municipal Library Fund.

ORDINANCE SECOND READ / PUBLIC HEARING

City Clerk, Ann Swenson, read Ordinance No. 190 into the record, an Ordinance of the City of Liberty Lake, Washington Adopting a Budget for the Period of January 1, 2011 through December 31, 2011, Appropriating Funds and Establishing Salary Schedules for Established Positions.

Mayor Pro Tem Crump moved to discuss Ordinance No. 190, seconded by Council Member Romney. Mayor Van Orman stated this is the third public hearing regarding the city's budget. She then explained the public hearing rules of order procedures:

PUBLIC HEARING:

At 7:48 p.m., Mayor Van Orman opened the public hearing. She then invited citizen comment.

Elaine Edwards, 22855 E. Country Vista Drive, Liberty Lake, WA: again addressed the Parks and Recreation Coordinator position. She stated it seems odd to her that the city needs to compete with local sports facilities and pertinent local businesses. She said she does not see the need for the coordinator position, especially with the state of the city's current budget. She commented she would much rather see support for the golf course and library.

Steve Peterson, 719 N. Lancashire Lane, Liberty Lake, WA: spoke about the Revenue & Other Sources Summary affecting the General Fund on page 26 of the Mayor's proposed 2011 budget. He claimed that information did not reflect a \$700,000 shortfall. He then addressed operating expenses. He stated, "Again, going back to the hyperbola, the city is not broke."

John Mellick, 23304 E. Boone Avenue, Liberty Lake, WA: said he has been a Liberty Lake resident for over 40 years and asked to yield his allotted three-minute time for citizen comment to Mr. Peterson. Subsequently, many other residents expressed their

desire to their yield time to allow Mr. Peterson to speak on his or her behalf. Mayor Van Orman chose not to allow a streamline of residents' voluntarily-donated time to allow continual comment by one speaker. She then invited any other speaker who was willing to speak on his or her own behalf to provide citizen comment.

John Loucks, 908 N. Oakmont Lane, Liberty Lake, WA: commented he finds it interesting that when he informed the Council a couple of weeks ago the library staff was willing to take a 10% cut, he was told a few days later the staff could not morally or legally do it; yet, the Council has entertained the notion of cutting the staff from 46 hours to 24 hours. He stated the logic totally eluded him. He again declared if the LLPD would pay its 61% of utility and insurance costs, that would give the library \$350,000, which is a very fair budget. He pleaded with the Council to agree to that budget figure.

Council Member Schuler then expressed her frustration that people were not allowed to speak. She stated this is America and people should be allowed to be heard. She said the public hearing is the only opportunity people have to give their input. She said if someone has put in the effort to go through the city's budget and find alternatives or discrepancies, it is her responsibility to hear those comments and take them into consideration.

Pat Dockery, 22213 E. Henry Road, property owner of 325 Stimpson, Liberty Lake, WA: expressed his confusion as to the City Council's intent. He asked if the council members have taken the President of the Library Board's presentation into consideration and whether there is a budget alternative that will be presented to the public.

At 8:11 p.m., Mayor Van Orman closed the public hearing. She then opened the floor to entertain City Council discussion.

Council members addressed several matters affecting the proposed 2011 budget. They discussed the procedural defect that made the Salary Commission's decision to increase mayor and city council members' salaries void, and how those funds are now available to be reallocated in the budget.

At 8:28 p.m., Council Member Schuler respectfully asked to be excused from the meeting and abruptly departed.

Council Member Owens expressed her concern about the city's investment in animal control and contracting with Spokane County Regional Animal Protection Service (SCRAPS). She asked for an audit of what SCRAPS has done for the city and how effective their canvassing efforts have been. Liberty Lake Police Chief, Brian Asmus, provided some history on the city's dealings with animal control. The city originally contracted with Spokanimal, but received several complaints from residents who were not happy with that service. The LLPD ended up taking over animal control, but it turned out not to be a very effective service, and the city subsequently engaged in the contract with SCRAPS. Chief Asmus reported the LLPD has received a lot of positive feedback since SCRAPS has taken over this service.

Council Member Romney then posed several questions. He asked why there are discrepancies in state generated revenues, how the Community Development Director's position is split amongst several department budgets, and why capital has fluctuated within Administrative Services over the years. He also requested information regarding the recreation program, asking for final numbers for revenues versus expenditures. He talked about road maintenance. He asked which roads require maintenance, what is the cost of the maintenance, and what is our city using for dictating the maintenance schedules. He also inquired about whether the city offers severance for layoffs. He spoke in favor of offering a bare minimum severance, if not more, and requested information of typical severances offered by other cities of similar size.

Council Member Owens inquired about the plowing of the trails. She said she saw two employees on one plow and asked why. Mayor Van Orman responded partly because staff is being cross-trained in preparation for an employee's upcoming retirement. Council Member Owens asked if all council members' questions would be addressed by the next meeting. Mayor responded in the affirmative.

Mayor Pro Tem Crump reported the Finance Committee spoke about the library's proposed budget. The committee is recommending \$340,000 for the library budget, which is more than Library Board has proposed. He said the committee believes the proposal cut themselves too thin on supplies and services and the Finance Committee's recommended increase would provide some flexibility.

Council Member Beckett reported the Finance Committee also talked about Trailhead. The committee does not feel reinstating staff for winter makes any mathematical sense and could not justify the expense. Council Member Owens emphasized her need to see how the city is going to reconcile the care of the golf course. She wanted assurance it will be taken care of. She stressed that Trailhead is a resource and asset of the city. She questioned what all of the unintended consequences will be because of the golf course's closure. She said she is not comfortable just hearing it is under control without the knowing the details. She asked to see "the plan".

Council Member Romney inquired what kind of maintenance will be required at Trailhead during the off season, what will it cost, who will take care of it, and what the duration of the closure will be. He also expressed curiosity regarding the duration of the golf closure. He wanted to know how long the golf course would be closed and if there is an anticipated reopen date.

Council Member Owens asked to get a street pavement plan. She asked, "how desperate are we?" She wants to see an assessment, where we are in the pavement plan process, and the timeline.

Council Member Owens also asked how many rounds of golf the city has received revenue for, and what would an increase to the green fees of 10-15% do for the budget. She explained any increases would not be to assume the debt, but to take care of

maintenance and staff operations for the course. She then said previously the council specifically asked for a budget proposal from the Golf Pro, Mollie Thola, and Golf Superintendent, Ron Knudsen, and asked where it was. Mayor Van Orman responded she had contacted both Ms. Thola and Mr. Knudsen, invited them to attend and comment during this City Council meeting, however, both declined.

CITIZEN COMMENT

Linda Knudsen, 1124 S. Garry Road, Liberty Lake, WA: then approached the dais and addressed the mayor and council. She stated she is Ron's mom. She said Ron and Mollie are the first ones to say the golf course is the first consideration. She stated Ron spent between 8 and 10 hours in the last few weeks working on a budget proposal, but was told he could not present it because it was illegal and he could not come. Ms. Knudsen asked why Ron and Mollie could not have been called in to present "way back when we knew the economy was bad". She stated it is sad to her how this situation was handled. She said nobody has put in more than 200% of their time the way Ron and Mollie have. She commented, "If they would have been called in [to present a budget proposal], they would have been glad to have done that. Isn't that what departments do?" She asked that in the future, the council allow department representatives be able to have a say.

Council Member Owens then asked to revisit the Parks and Recreation Coordinator position. She asked for a full accounting of how much of the salary is covered by activities and whether an intern could be considered for that position.

Council Member Owens also questioned whether the city is still requiring the same level of activity for a city engineer, or whether the activity level is down enough to consider reverting to contract-based engineering. She asked what the specific duties the city engineer does on projects such as Legacy Ridge and the River District, and whether those type of functions can be performed by a city planner. During the discussion involving city staff, Council Member Kaminskaskas asked for a salary breakdown, which defines the current step for each city employee.

Council Member Langford again requested information on a levy LID lift.

Council Member Romney addressed the cost for printing the city's newsletter, indicating he doesn't feel that expense is necessary. A brief discussion about completely eliminating the newsletter versus switching to an electronic version with some hard copies to be available was held. Mayor Pro Tem Crump requested staff provide information on the cost of advertising in the Splash compared to the cost of printing the newsletter.

Mayor Pro Tem Crump then talked about the aging fleet of police officer vehicles. He said he is very much aware of need to purchase a new vehicle, and asked for a vehicle mileage and replacement plan to review. Police Chief Asmus has included funding for

the lease of one vehicle in the department's 2011 budget. Ideally, the LLPD needs two replacement cars.

Mayor Pro Tem Crump turned the discussion from replacement of police vehicles to installation of a safety fence behind the public safety building. He and other Finance Committee members agreed to discuss this further during a committee meeting.

Council members then discussed calling a special meeting. After brief deliberation, it was determined a special meeting to continue to work toward finalizing the 2011 budget will be scheduled December 14, 2010 at 6:00 p.m..

Council Member Romney requested the council discuss special capital projects and the use of REET funds during the special meeting. He suggested revisiting the use of funds for an arboretum, stating he does not feel that is a priority.

UNFINISHED / NEW BUSINESS

Councilman Beckett stated he personally found Council Member Schuler's departure this evening offensive to the other council members who came to go through the budget process.

CITIZEN COMMENTS

Charmaine Peterson, 719 N. Lancashire Lane, Liberty Lake, WA: stated she believed it would be hard for anyone to address the budget within the three-minute limitation for citizen comments. She said out of the 42 questions she heard asked tonight from various people, only five answers were returned. She stated it is frustrating.

At 9:59 p.m., Mayor Pro Tem Crump moved to extend the meeting up to 10:15 p.m. in order to allow for citizen comments, seconded by Council Member Owens. Motion carried unanimously.

Steve Peterson, 719 N. Lancashire Lane, Liberty Lake, WA: commented on the good budget discussion tonight. He requested a copy of the new budget information sheets that were distributed to the council members. He also said he would like to hear from the Council what their goal is for the golf course and who is going to run the course. He recited the Mission and Goals Statement from Trailhead's portion of the Mayor's Budget Narrative, and stated the golf course should have a mission. Mr. Peterson also commented he had spoken with the owner of Palenque, who indicated he lost \$7,000 in November. The restaurant owner stated decreased activity at Trailhead hurts his business. Mr. Peterson stressed Trailhead is a year-round opportunity for this community and the council needs to make a decision as to the golf course's fate.

Larry Loucks, 908 N. Oakmont Lane, Liberty Lake, WA: spoke on behalf of Liberty Lake Municipal Library Board of Trustees. He stated he appreciates the mayor and council's willingness to work with the Board. He clarified the new proposal for the \$340,000

library budget will save the two full-time staff members. Mayor Van Orman affirmed that it would. Mr. Loucks then asked how the part-time staff will be affected. Mayor Van Orman stated the Library Director will be making that determination.

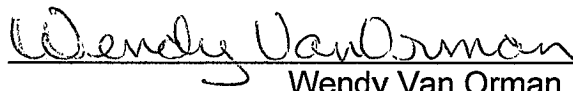
Dan Dunne, 501 Homestead, Liberty Lake, WA: thanked the members of council and the mayor for their participation in the budget process. He stated he heard several remarks that value the physical asset of the golf courses. He reminded everyone that, "great institutions are not just a physical property, but are people". He said he looks to emphasize the value of people who operate the facilities.

Mary Munger, 104 Lindeblad Lane, Liberty Lake, WA: questioned the process. She said, "You cut down library staff. You have just increased library staff, and you have never put it on budget". Ms. Munger asked why the strong mayor/city administrator form of government for Liberty Lake has changed. She submitted that it might be time to consider hiring a professional city administrator and asked the council to consider reverting back to the prior form of government.

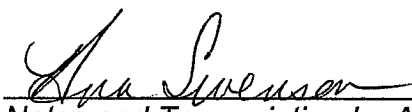
ADJOURNMENT

The meeting adjourned 10:12 p.m.

These minutes are approved on December 21, 2010.



Wendy Van Orman, Mayor
City of Liberty Lake



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