



Finance Committee Meeting Minutes
Tuesday November 10th, 2015
6:00 p.m.

Roll Call: all present

Continued Business: Budget Review

John Spencer provided the Council with updated budget documents. He said these budget briefings will continue until the budget is adopted, which could occur at the November 24th Council meeting. John noted that our revenue picture continues to improve. He said he had added a couple items to the wish list of possible funding consideration to include purchase of new doors for the main public works building. He also noted \$6500 has been inserted as a fire line item for possible consultation purposes.

John said the need for the sewer fund to help subsidize the general fund through an internal utility taxing arrangement has decreased. Therefore, he is recommending the tax rate be reduced, which will make the next year's sewer fund stronger but will also weaken the general fund's ability to help other funds should they be in distress. He noted that next year's water fund should be in good shape due to the acquisition of the RV Park as a water customer.

John said the considerable surplus in the tourism fund will draw down once the tourism committee convenes and recommends projects to the Council for funding purpose. He noted that 25 percent, or approximately \$20,000 of the tourism monies, will be set aside in a capital reserve fund for development of some future project. He said there was a large revenue place holder in the transportation fund in the event the City is a recipient of a road grant available through the Transportation Improvement Board.

He walked the Council through draft ordinance 1058, which is the budget document the council will approve. He advised that the council will adopt a specific fund level for each fund. He noted that two of this year's approved funding amounts are experiencing overages whereby more money has been spent than was budgeted and thus will need to be amended in the current budget through resolution process to reflect these cost increases. These overages have occurred in the sewer fund because of the many sewer issues arising as of late whereas the deposit fund overage relates to the accumulation of deposit retainer fees beyond what had been projected.

The remainder of the finance meeting was spent discussing the audit findings from the State auditor's biannual review of the City operation. The auditor's had two [2] findings that are repetitions of previous findings. One finding expresses concern about the City's financial condition and its capacity to meet its financial obligations. The other finding expresses concerns about adequate controls. Steve said these findings are hard to cure because of limited staff and marginal City income. None-the-less the City will continue to initiate new financial controls to limit the potential for revenue misappropriation. He said if the City's financial position continues to improve as it has this year the financial condition finding should go away in the next audit review.

Adjournment: 6:56 P.M.



**City Council Meeting Minutes
Tuesday November 10, 2015
7:00 p.m.**

Meeting Call to Order 7:03 PM

Roll Call: All present

Audience: 6 persons present

Pledge of Allegiance

Agenda Changes & Additions

Hearing on the adoption of the 2016 Budget and related matters

Cheryl Jermann inquired about the nature of the reported \$21,000 variation in financial measures noted in the audit report. Mayor Stevens responded to that inquiry. There being no other public comment the Mayor closed this hearing.

Hearing on setting the Ad-Valorem Tax

Mayor Stevens asked John Spencer to explain the nature of this tax. John said the City Council has the discretion to increase the City's total property tax valuation by 1 percent annually. That action will generate approximately \$2,000, which will be spread among the City's 350 households according to their assessed valuation with an average impact per household of .50 cents per month.

There being no public comment the Mayor closed this hearing.

Consent Agenda

Approval of October 27th Minutes

Councilor Baker made a motion to approve the minutes and seconded by Councilor Forster
Councilor Flanagan asked whether we could discuss the request to alter the utility policy that charged those who left North Bonneville a bi-monthly utility fee unless they were gone a minimum 180 days [it was agreed to look at this issue later in the meeting]. Councilor Flanagan said the Council should have responded to NB Fire Chief, JB Tennison's inquiry about who he reported by advising that according to the City's organization chart he answered to the City Administrator. Attorney Woodrich affirmed this was the circumstance [it should be noted, however, that the same organization chart identifies the City Administrator reports to the Mayor]. Councilor Flanagan asked whether City staff knew of the railroad's intent to install a railroad spur in this community before last week's notification. Steve and Mayor Stevens said they were not aware of this action until just prior to Cheryl Jermann calling this matter to the City's attention at the last Council meeting.

Yes Councilors Bianchi, Forster, Flanagan, Hamilton and Baker

No

Abstain

Passed 5-0-0

Guest Presentations: None

Public Comment:

Cheryl Jermann advised there was an effort to alert local citizens about the railroad's construction proposal for North Bonneville. She said she went door to door to invite citizens to a meeting for that purpose and noting 13 residents attended to strategize how to respond to BSNF's intended actions. Cheryl also noted that the Department of Energy is planning to replace an existing fiber optic cable attached to its transmission lines running through North Bonneville.

Councilor Comments

Councilor Baker said he would be interested in discussing the six month utility billing timeframe. He thanked Cheryl for her work to uncover the railroad's actions. He also thanked Councilor Bianchi for his wonderful letter addressing railroad related concerns.

Councilor Flanagan called attention to the audit report that suggests the City should embark on construction of a long term financial plan. He believes the City needs to invest in the construction of a long term economic development plan that would guide and direct the City's revenue streams.

Councilor Hamilton thanked the public for the opportunity to serve them in a Councilor role. He said he regretted how he dealt with formation of the Public Development Authority [PDA]. He said he tried to live up to his oath of office acknowledging he would support and defend the United States Constitution.

Councilor Forester said it has been a privilege to serve the community - he noted the City is in better shape than when he was elected to this role but more work is needed. He agreed with Councilor Flanagan that long term financial planning would be beneficial but observed the City has spent a lot of energy just assuring its survival.

Councilor Bianchi thanked Cheryl noting had she not called the railroad matter to the City's attention there would not have been an opportunity for the City or its citizens to respond to that action through public comment.

Mayor Stevens said we should take this time to address the issue about the utility billing time frame and noting this policy has been in place for a number of years. The question: is this a fair and equitable billing policy or would some other timeframe be more appropriate?

Councilor Flanagan felt the present system was an equitable one whereby everyone paid a fixed base utility fee to sustain the operation but did not charge those who left an additional consumption fee. He said - let's leave it alone and call it good.

Councilor Baker agreed that everyone should help contribute to paying the City's overhead utility costs to keep the system viable whether they were here or visiting elsewhere – but on the other hand it was fair not to charge those who were out of town a consumption fee.

Cheryl Jermann said she did not see why those who chose to leave should get any preferential treatment over those who stayed.

Council Forester said let's leave things the way they are.

The general consensus was to leave the current policy in place and revisit the matter from time to time.

Administrator's Report Steve noted that this Thursday, November 12th at 3:30 P.M. the City would open the bid station construction bids and encouraged the Council members to be present for that event. He also provided a copy of the language that the City is now using on its billing forms to advise citizens who are faced with a potential water shutoff for non-payment that there is now an informal appeal process available to them.

City Attorney's Report: Attorney Woodrich noted that White Salmon paid \$50k for a utility rate study and their base rate fee is twice that of North Bonneville and they give no break to Snowbirds. He also noted the City does have a comprehensive land use plan and that document can be updated yearly and it is possible to add certain economic development policies to it to provide for a long term economic development plan that could guide the City's financial picture.

Unfinished Business: None

New Business

Approval of Resolution 485 setting the Ad-Valorem tax for 2016

Councilor Baker made a motion to approve the Ad-Valorem Tax and seconded by Councilor Flanagan

Yes Councilors Bianchi, Forster, Flanagan and Baker

No Councilor Hamilton

Abstain

Approved 4-1-0

Approval of Ordinance 1059 – that continues the utility tax on all city water services at 15% and decreases the utility tax on all City owned sewer services from 25% to 10% effective January 1, 2016

Councilor Forster made a motion to approve the ordinance and seconded by Councilor Hamilton

Yes Councilors Bianchi, Forster, Flanagan, Hamilton and Baker

No

Abstain

Approved 5-0-0

One time water/sewer bill adjustment due to leakage – Don and Julie Stevens

Councilor Baker made a motion to approve the relief and seconded by Councilor Hamilton

Yes Councilors Bianchi, Forster, Flanagan, Hamilton and Baker

No

Abstain

Approved 5-0-0

Interlocal Agreement for Dispatch Services between Skamania County, Washington and North Bonneville Fire Department

Councilor Bianchi made a motion to approve the interlocal agreement and seconded by Councilor Forster.

Yes Councilors Bianchi, Forster, Flanagan, Hamilton and Baker

No

Abstain

Approved 5-0-0

Closing Public Comments

Cheryl noted that there was a large hole in their road and asked that it be fixed as soon as possible.

Closing Council Comments

Councilor Elect Brian Sabo wanted to thank the Councilor's for their public service and particularly those who are veterans.

Councilor Baker asked that information about the person available from Goodwill Services for interning purposes be placed in the Council packet for review at the next meeting.

Councilor Hamilton commented that he was not at a meeting where Councilor Pace had alluded to the fact that Councilor Hamilton was of the persuasion the Council [as a whole] acted in a deceptive fashion and he agreed that that was his viewpoint [of Council]. He also noted the Mayor was to receive a pay increase, approved by a majority of Council, January first and yet the Mayor denies saying he would not take this raise, yet the minutes of the July 28th meeting have him stating he would not benefit from a raise if one was enacted by the Council. Councilor Hamilton intimated that City staff was well aware of the Railroad's planned improvement prior to when they said they were first had knowledge.

Mayor Stevens responded to Councilor's Hamilton's comment about the salary increase by noting in July he was not aware that the Washington State Law has an exception to the prohibition of elected officials receiving a pay increase until they are reelected or appointed. That exception provides that a Mayor does not have to stand reelection in order for the Council to consider providing him/her a pay raise and the Council chose to take that action.

Adjournment

Councilor Forster made a motion to adjourn the meeting and seconded by Councilor Baker

Yes Councilors Bianchi, Baker, Hamilton, Flanagan and Forster

No

Abstain

Approved 5-0-0

Meeting was adjourned approximately 8:10 PM

Mayor

City Clerk