

TOPIC OF DISCUSSION: Budget Analysis and Utility Deposit

Mayor David Futcher opened the special meeting at 6:00 p.m. Councilmembers in attendance were: Futcher, Karnofski, McDaniel, Malella, Roberson, Von Rock, and Myers.

City Staff present: City Manager Dennis Richards, Public Works Director David Sypher, Community Development Director Michael Kerins, Finance Director/City Clerk Brian Butterfield, Chief of Police Andrew Hamilton, Library Manager Cindy Donaldson, and Deputy City Clerk Carol Bradbury.

BUDGET ANALYSIS

Finance Director/City Clerk Brian Butterfield handed Councilmembers a letter dated July 15, 2009, which was an update of the budget information provided to Council in April of 2009. The purpose for this workshop is to keep Council up to date on actual revenues in comparison with anticipated revenues for 2009.

The original budget, after modifications, committed going into reserves by approximately \$100,000 in both 2009 and 2010.

Revenue forecasts for 2009/2010 were made assuming the current economic downturn will continue through the 2010 fiscal year. After the first six months of 2009, the following areas of concerns were addressed by Brian: sales tax, gambling tax, real estate excise tax, building permits, investment interest, engineering fees and charges, and planning and zoning fees.

If the second half of 2009 continues on the same course as the first, the City may easily end up with an additional \$600,000 revenue shortfall. Brian reported the City has a healthy balance in reserves which gives Council many options. Lengthy discussion followed.

It was the consensus of the Council not to make any more spending cuts at this time. It was noted, if Initiative 1033 passes in November of this year, the Council will probably have to make more cuts.

UTILITY DEPOSIT

Finance Director/City Clerk Brian Butterfield spoke about some of the problems the Finance Department has encountered with people not paying their utility bills. Kelso has lots of rental properties. If the renter moves out and leaves an unpaid utility bill, the property owner is required to pay the bill. Brian noted the \$60 deposit no longer covers an average bill of \$160.

Discussion followed concerning several options such as requiring owners to have utility accounts put in their name, raise the amount of the deposit, bill in advance, or waive the deposit if an automatic payment is set up. Further discussion followed. It was the consensus of the Council to have Brian Butterfield and David Sypher do some research and present their suggestions to Council at a later date.

There being no further business, Mayor Fatcher adjourned the meeting at 6:55 p.m.



MAYOR



CITY CLERK