

# CITY OF STANWOOD

## City Council Special Meeting Budget Workshop

Monday, October 29, 2007 – 7:00 p.m. – Stanwood Fire Station

### MINUTES

#### Call to Order

Mayor Dianne White called the meeting to order at 7:00 p.m.

#### Roll Call

Councilmembers present: Timothy Loney, Andy Chappel, Arne Wennerberg, Shelley Klasse, Conrad Ryer and Bill Carlton. Councilmember Leonard Kelley's absence was excused.

Councilmember Klasse left the meeting at 9:00 p.m.

Staff present: City Administrator Bill Beckman; Public Works Director Andy Bullington; Finance Director Crystil Collins; City Clerk Melissa Collins; Human Resources Director Mathew Pruitt; Community Development Director Stephanie Hansen; Police Chief Tom Davis; Fire Chief Mike Ganz and Assistant Fire Chief Darin Reid.

#### Discussion Item

##### a. 2008 General Fund Expenditures & Revenues

Mayor White outlined the budget process for 2008:

*The budget for 2008 began in late August. Department heads were asked to study their current departments and forecast the needs for 2008. I have to thank the department heads for the work they did. Each request was well thought out and necessary for a vibrant 2008 in the City of Stanwood. When the requests were totaled, they amounted to \$6,957,022. Mr. Beckman and I met with each department head and listened to their reasoning for increased staffing and the accompanying equipment and supplies. The breakdown was a total of about six new hires. I, along with Mr. Beckman was in total agreement that these requests were justified and sorely needed.*

*When the revenue projection came in, I was just sick. We had a \$1,414,788 negative gap between the needs and the funding available. Mr. Beckman and I went back and met with each department head to see where 20% could be cut. That was an all day process that just destroyed my dream of increases in grant writers, parks, streets; police....the list goes on and on. All the new hires were gone except for one firefighter who is getting paid for by reduced overtime. By cutting people, their supplies and anything else that even hinted of new spending, we reduced the shortfall to \$214,788. Of that money, \$100,000 is a transfer to the municipal campus building fund, \$98,365 is one time capital spending, leaving us with a shortfall of \$16,423 in operating expense. You need to remember that it is projected that the City of Stanwood will have about \$900,000 in revenue left in the 2007 budget. That number pushes the reserves over \$2 million. The average reserve should be about 20% or*

*\$1.2 million. We do not have policy on the books now stating what our reserves should be, but we will write that policy in 2008. By budgeting to ignore that very high reserve, we are being fiscally conservative. I believe that REET money should be kept in the REET accounts for capital projects that come up where we need matching money.*

*The Street Fund has a \$57,792 deficit, but \$75,000 of that is for one time capital purchases. With the approval of the City Council, we have hired a team of skilled department heads to lead us into 2008. I believe that the investment in Joyce Papke will be rewarded many times over in funding opportunities that she will bring to the City. I suggest that we let her get started then look at revenues at the end of the first quarter and see where we are. By that time we should have the work done by Beck and Company on their assessment of Stanwood's niche in the market. Stanwood cannot be sustained without more retail opportunities. These will come with focused marketing.*

*In looking back at the Council retreat, I find that most of the action plan items defined have been realized. From the joint meeting with the Planning Commission to the June budget retreat, we as elected City officials have helped make 2007 truly quality year. The hurdles have been hiring both planned and unexpected, law suits defended, a huge public works project, launching our web-site and finally a college town dream yet unfulfilled. Stanwood has become known as the little town not afraid to try. We have a budget that I don't like, but at this juncture cannot justify increasing. There are many towns and cities that would love to have the reserves position that we have.*

Finance Director Crystil Collins handed out to Council new as well as replacement pages for their budget notebooks and explained the purpose of the additions/changes.

A discussion ensued regarding Economic Development, a Grant Writer and the Municipal Campus.

A concern over funds being appropriated for the Senior Center was brought up. Mayor White responded:

*The City of Stanwood has an obligation to support services for the elderly in our community. The Stanwood Community and Senior Center is currently providing wellness programs, support groups, and the newest program for after school child care and instruction. It sponsors social and recreational programs for all ages. Educational classes are offered at the Center. Social services such as income tax assistance, living at home programs, transportation assistance are all a part of the programs offer by the Stanwood Community and Senior Center. In 2005, the Stanwood Community and Senior Center provided 49,779 units of service, 9921 meals, and housing for 92 people.*

*Due to the severe budget restrictions, the City cannot fully fund the operation of the Stanwood Community and Senior Center, but the City can provide a dependable budget line item.*

*There is only one Stanwood Community and Senior Center in Stanwood. Other entities have senior housing, assisted living, and nursing home care, but the Stanwood Community and Senior Center is a provider of meals, programs, and activities. I propose an unrestricted grant of \$30,000 per year to the Stanwood Community and Senior Center for support of its programs for the community. This budget item will be part of the City of Stanwood's general fund and will be reviewed yearly for adjustment.*

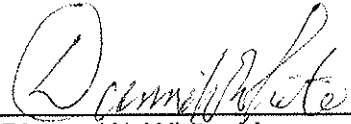
A lengthy discussion took place regarding non-profit organizations within Stanwood.

**Adjourn**

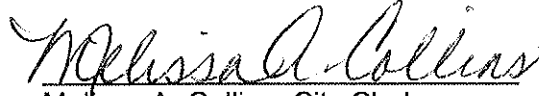
There being no further business before the Council, Mayor White declared the meeting adjourned at 9:45 p.m.

CITY OF STANWOOD

ATTEST:



Dianne W. White, Mayor



Melissa A. Collins, City Clerk