

006 Mayor Larsen opened the budget workshop at 7:00 p.m., with the following councilmembers attending: Greg Marcil, Ed Smith, Julie Bean, Public Works Director Dave Vorse and Clerk-Treasurer Ryana Covington.

0111 Library Fund

Covington reported that the estimated fund balance as of December 31, 2005 will be \$6000. The Library Board has directed that the city submit another Excess Levy for voter approval, which will provide the bulk of the 2006 revenues. The excess tax rate request will be unchanged from previous years.

Covington stated appropriations include a 2% cost of living increase for 2006. Library employees have not received any cost of living increases for at least three years and if an adjustment is not made, Washington State minimum wage may soon exceed library wage appropriations.

In answer to Councilmember Smith's question, Dave Vorse stated he has spoken with the librarian regarding participation in the PUD light replacement program, which may eventually save on electrical costs. Vorse noted that he is unaware of any structural problems with the building.

0343 Amy Thompson Library Trust Fund

Covington advised that \$80,583 has accumulated in this fund to be used for capital repairs for the library. This fund initially was placed in trust for construction of a new swimming pool facility and when that was not possible, trust fund heirs re-appropriated these funds to benefit the library.

0459 CDBG Home Rehab

These are revolving funds used to rehabilitate owner occupied low-moderate income housing to eliminate hazards and reduce structural decline. In 2005, two homes were remodeled. Covington estimates there will be approximately \$30,000 remaining in the fund for future projects.

0546 Low Income Housing Fund

Covington stated the mayor still needs to appoint a board to oversee use of these funds. Revenue originates from document recording surcharge fees and are distributed annually by Cowlitz County. The estimated 2006 distribution will be \$3000. Covington stated that the cities of Kalama and Woodland have both worked with Longview Housing Authority to develop parameters for use of these funds to benefit the local community.

0637 Swimming Pool Construction Fund

The fund balance is \$144,014. Revenues originated from a voter approved bond to construct a new swimming pool. When efforts to obtain grant funding was

unsuccessful, the city asked for voter approval to re-appropriate the funds. Voters denied council's request and the funds have remained untouched.

In answer to Councilmember Smith's question, Vorse stated he did not know the cost of the Kelso water park. Councilmember Bean stated she has heard negative comments regarding the park. Councilmember Smith stated he visited such as park in Molalla, Oregon, which was located within a city park and was well used by residents. He added that if construction of a swimming pool is not possible, then possibly this could be an option for voters to consider.

- 0859 Covington advised that data from the regional treatment plants that is necessary for utility revenue projections was not available until today. She also explained the impacts from the Regional Utility Board and how they affect city water and sewer rate structures. Vorse stated he will be outlining capital outlay projects relating the utility funds and requested councilmembers rank them by preference so that staff can present a completed budget at a subsequent meeting.

Water Department Fund

Capital projects include:

\$12,000 meter reading system. The cost will be shared 50% between city water and city sewer funds. Vorse stated the city still hand writes meter readings for over 900 customers. This system allows the meter reader to punch in readings into a pad and then the readings are automatically filed into the computer, which would reduce the billing time. The system can also be upgraded to allow for a reading wand. However this would involve upgrading the meters.

\$800 Shop compressor. This replaces the existing one which is over 23 years old.

\$875 5,000 watt portable generator. This is used to run various hand equipment items (such as small pumps and drills) in the field. It will be a replacement for an existing older generator.

\$375 Drill press. The city currently does not have this equipment available to them.

- 1176 Councilmember Skeie arrived at 7:50 p.m.

- 1259 \$5000 Bond Reservoir inspection and cleaning. The city can save funds if combined with inspection of the Spirit Lake reservoir. Vorse stated it is recommended this maintenance is done every five years to avoid additional, more costly problems.

\$13,500 'C' Street SW (300 block area) water main replacement. Vorse stated this year there have been at least five leaks in the main at this location. This repair will help to reduce the city's unaccounted water losses, which has been as high as 30% this year. In addition, it takes approximately four man hours to

repair each leak.

\$200,000 Carpenter Road pump station. Vorse stated he has not devised a funding package for this repair. However it is listed in the draft Water Facility Plan, which will be sent to Washington State Department of Health for review. Vorse does not anticipate the project to be funded in 2006, however he suggested that the engineering could be completed.

- 1569 Councilmember Marcil priority listing included: meter reading system, water main replacement, Bond Reservoir inspection and then funding for the smaller items.

Vorse stated the estimate for the meter reading system includes upgrading the billing system and purchase of the hand held equipment.

Councilmember Smith and Skeie supported preventative maintenance measures for utility equipment and mains to avoid higher operation costs.

- 1994 Sewer Department Fund

Capital project: \$150,000 replacement of main sewer trunk line (includes Hibbard Street SW from Second Avenue to Front Street SW) Vorse stated this is funded by a ½% loan from Public Works Trust Fund.

- 2083 Regional Water Fund

Capital projects:

\$5000 to lower the water main at the intersection of Powell Road/Buland Drive. This project is contingent upon the county completing a resurfacing project at the intersection.

\$5000 Spirit Lake Reservoir – clean and inspect. If this project is completed at the same time as the Bond Road Reservoir, both projects will cost less due to decrease in mobilization costs.

Additional full-time personnel request; Control/Electrician Technician – cost of \$3800/month, funded 50% Regional Sewer Fund and 50% Regional Water Fund. Vorse distributed an outline of the proposed job description. He noted that 2005 year to date costs to maintain electrical components at the Regional Water Plant is \$22,000. While some of these costs are for parts, the majority is for labor costs. Vorse noted that the new treatment plant also includes various components which will require attention. If the city were to hire a person with this expertise, it would save the city money and that employee could be used for upcoming projects such as rewiring City Hall to accommodate the new police offices, telecommunications wiring, and installation or repair of the city phone system. This employee would also be expected to respond to other public works related projects, which would allow flexibility for completion of projects.

Councilmember Smith questioned if Vorse would be able to fill the position as outlined in the job description, at the proposed pay scale. He also questioned if it would not be more cost effective to contract with a company to meet the city's electrical work needs.

Side - B

2456 Vorse stated adding this position would increase the work force for his department, allowing the city to complete more projects 'in-house'. Vorse stated he would get more information for councilmembers. Councilmember Smith stated he also needs to see how the added employee affects consumer rates.

3010 Regional Water Capital Improvement Fund

\$50,000 Replace backwash pump. As a result of the performance based training that Vorse and Kruse are attending, they have been able to ascertain that the backwash filters are only expanding 7% to 9%, which requires backwash to be conducted more often and increasing operational costs for the Water Treatment Plant. The filters should be expanding at 30% to allow for the backwash water to adequately filter. The city engineer recommends obtaining a pump, sized adequately to meet current backwash needs to see if expansion capabilities can be improved.

\$15,000 Installation of a streaming current monitor. This will automatically adjust the alum with changes in water quality from the river. This will reduce costs for chemicals and personnel overtime.

Revenues for this capital improvement fund are derived from an interfund transfer from the Regional Water Fund. Covington stated completion of both of these projects would leave a fund balance of approximately \$4000.

3525 Regional Sewer Fund

Capital Projects:

\$5000 for development of a biosolids land application site. The proposed site will be located behind the dredge spoil area on the east side of the river. Currently it costs the city between \$10,000 - \$12,000 to have the biosolids shipped out of the area. Development of the site would eliminate this cost.

Vorse stated the proposed site had been used by the city a few years ago and as the biosolids are applied, topsoil or dredge spoils are placed on top to cover the area.

\$450,000 - replacement of the main trunk line. This is funded by a ½% loan from Public Works Trust Fund.

Personnel addition – see above discussion relating to the proposed new position:
Control/Electrician Technician

3748 Regional Sewer Capital Improvement Fund

There will be not anticipated expenditures in 2006. The revenue source is from an annual interfund transfer from the Regional Sewer Fund.

3783 Public Works Vehicle Replacement Fund

Vorse stated each year he allocates interfund transfers of approximately \$3000 from each of the public works funds (Street Fund, Water Fund, Sewer Fund, Regional Water Fund and Regional Sewer Fund), for replacement of public works vehicles. The current fund balance is approximately \$47,000. Vorse anticipates funding for additional transfers in 2006.

Vorse stated he has requested a 2006 allocation to expend \$40,000 for the purchase of two ¾ ton pickups, on State bid. He distributed copies of a requisition form outlining vehicle specifications. The purchase of these vehicles would replace two vehicles which the city purchased as used in the 1980's.

4026 Meeting adjourned at 8:50 p.m.

Mayor Barbara Larsen

Clerk-Treasurer