

KETTLE FALLS CITY COUNCIL MEETING
BUDGET WORKSHOP
OCTOBER 25, 2022

CALL TO ORDER

Mayor Jesse Garrett called the meeting to order at 6:00 p.m.

ROLL CALL

Dale Drake, John Ridlington, Jesse Garrett, Chris Shurru and Wayne Wardlow. Michael Weatherman was absent.

STAFF

Staff - Raena Hallam, Michael Gettys, Dave Willey and Larry Kulesza.

Guests - No Guests were present.

ANNOUNCEMENTS AND MAIL RECEIVED

As there were no Announcements and Mail Received, City Council moved on to Public Comment.

PUBLIC COMMENT

As there were no Announcements and Mail Received, City Council moved on to Public Comment.

CONSENT AGENDA

As there was no Consent Agenda, City Council moved on to Committee Reports.

COMMITTEE REPORTS

As there were no Committee Reports, City Council moved on to Staff Reports

STAFF REPORTS

As there were no Staff Reports, City Council moved on to New Business.

NEW BUSINESS

As there was no New Business, City Council moved on to Old Business.

OLD BUSINESS

2023 BUDGET

Clerk/Treasurer Raena Hallam presented a draft 2023 balanced budget. Raena reviewed her memo and draft budget (copy on file)with City Council:

City of Kettle
Falls

Memo

To: City Council Members

From: Mayor Jesse Garrett and Clerk/Treasurer Raena Hallam

Date: January 6, 2023

Re: 2023 Draft Budget Highlights

Please find attached a balanced **DRAFT** 2023 budget. The following is a brief explanation of increases, decreases and projects funded and not funded. Operational expenses and revenues (supplies, communications, etc.) were increased or decreased based on historical trends. It is important to note that beginning fund balances, revenues and expenditures will need to be updated as we get closer to the end of the year. Any grants received or large purchases between now and the end of the year will also require the draft to be updated accordingly.

All Funds

- Salary increases for employees. The September CPI is 8.2%, which is included in this draft budget. The following contract positions were adjusted as follows Fire Chief - 8.2% increase, Janitorial - 8.2% and Planning Assistant - changed from \$25 to \$27 per hour. It should be noted the resolution specifically uses the October CPI so this number will change accordingly. There are no salary adjustments

based on the AWC salary survey. (Salaries & Wages line item for all funds)

- Employee Medical/Dental Benefits will increase by 4.5%. (Personnel Benefits line item for all funds)
- This budget keeps in mind the same priorities set by City Council during the August 11, 2020 Budget Workshop:
 - a. Public Safety & Security
 - b. Savings in Reserve Funds
 - c. Infrastructure Maintenance and Replacement

The 2023 draft budget includes interfund transfers for savings in the General Fund, Police, Fire, Streets, Water, Sewer and Garbage. These interfund transfers are identified as 397 and 597 line item numbers in all appropriate funds.

Public Safety and Infrastructure needs have been addressed in the appropriate funds which are explained in more detail below:

001 – GENERAL FUND, Pages 1 – 11

Sales Tax revenues in 2022 are higher than anticipated considering the economy. The sales tax revenues were increased to balance the 2023 budget. Pg 1, 001.313.11.00 and 001.313.11.01

Included:

\$42,500 is included for planning services. This will be used for contracting with SCJ Alliance (25 hours per month) and Larry Kulesza (15 hours per month).

The city entered into a contract with SAFEbuilt for building inspection services.. Increasing/updating the building fees should cover their costs. \$10,000 was budget for their services Pg 8, 001.558.60.41 The building permit revenues are also \$10,000.

Funding is included for a police reserve program Pg 7, 001.521.10.49.10

A Summer Parks position is included. Minimum wage will increase to \$15.74 per hour Pg 10, 001.576.80.10

\$25,000 is provided for City Hall for the insurance claim. Pg 10, 001.594.14.60.00 (Money for the roof is accounted for in the 109 Fund and ARPA Fund)

\$2,500 is included for document shredding and cleaning of storage areas.
Pg 10, 001.594.14.60.00

\$5,000 for police department ammo, body cameras, light sights/holsters. Pg, 10, 001.594.21.60.00 and 001.594.21.60.10

\$5,500 for the Planning Commission projects. (\$2,500 is carryover from 2022). Pg 10, 001.594.58.60.00

\$12,500 for parks capital outlay. This includes security cameras, motion lights and fencing. Pg 10, 001.594.76.60.00

\$2,500 for two benches to be placed at the swimming pool area after completion. Pg 10, 001.594.79.60.20

The General Fund is transferring \$5,000 to the Current Expense Cumulative Reserve. Pg 11 001.597.10.00

The General Fund is transferring \$3,000 to the Police Department Cumulative Reserve.
Pg 11, 001.597.21.00

The General Fund is transferring \$7,000 to the Fire Department Cumulative Reserve. Pg 11 001.597.22.00

\$20,000 is budgeted for the swimming pool. Money has also been budgeted in the operating line items to allow for Public Works Department expenses that may be required during the construction phase. Pg 11, 001.597.30.00

Does NOT Include:

No funding was included for an additional police officer. Pg 7, 001.521.10.11

101 - LIBRARY FUND, Page 12

The library budget is balanced with no significant purchases planned. The 2023 draft budget includes the amount to be paid to the Library District. Pg 12, 101.572.10.41

The Library Fund will be transferring \$1,000 to the Library Reserve Fund. Pg 12, 101.597.10.00

The library budget is very tight but the ability to rent the community room again is helping.

102 - LIBRARY CUMULATIVE RESERVE Page 13

There are no significant changes in the Library Reserve Fund

103 - STREET FUND - Pages 14 - 17

The Street Fund is transferring \$10,000 to the Street Reserve Fund. Pg 17, 103.597.10.00

There are no significant changes in the Street Fund

108 - STREET CUMULATIVE RESERVE, Pages 18 - 19

Includes: Pg 19, 108.595.30.60.00

\$16,000 for dry wells.

\$10,000 for portion of machine shed

\$2,000 for misc. tools

\$15,000 crack sealing for non arterial streets

\$25,000 High School Connector Sidewalk Project (Matching Funds)

Does NOT Include:

\$20,000 for misc. paving projects - The funding for this line item is included in the 109 Current Expense Reserve Fund. Pg 22, 109.594.22.60.10

106 - CRIMINAL SEIZURE FUND, Page 20

There are no significant changes in the Criminal Seizure Fund

107 - POLICE DEPARTMENT RESERVE, Page 21

The General Fund is transferring \$5,000 to the Police Reserve Fund.. Pg 21, 107.397.00.00

109 - GENERAL FUND (CURRENT EXPENSE) CUMULATIVE RESERVE, Page 22

The ¼ cent Excise Tax is governed by RCW to only be spent on arterial streets. The draft budget includes:

\$50,000 for City Hall roof. The remaining cost will be discussed as an ARPA Fund project. Pg 22, 109.594.14.61.00

\$20,000 for misc. paving projects, Pg 22, 109.594.22.60.10

\$15,000 for misc. arterial crack sealing projects, Pg 22,
109.594.22.60.10

110 - FIRE DEPARTMENT CUMULATIVE RESERVE, Page 23

Chief Adams has requested the budget include funding for roof repair to the City station. Money is not included in the fire reserve budget for the repair at this time. It can be discussed later as we obtain quotes. This could also be a discussion for ARPA Funds.

140 - TOURISM, Page 24

With COVID 19 the tourism industry seen significant losses throughout the state. Tourism funds primarily pay for the utilities at the Information Center and assist local groups with festivities and local events. In 2022 we saw an increase in tourism funding but it is a slow recovery. For 2023, the General Fund will continue to pay for the utilities allowing this fund to recover.

Utilities for the Information Center was moved to the General Fund. Pg 24, 140.557.33.47

Includes \$1,000 for park improvements, which is a carryover from 2022. Pg 24, 140.594.33.60.00

200 - LTGO BOND FUND, Pages 25

The LTGO Bond Fund is used to repay the Banner Bank Loan. The General Fund, Water and Library Funds all transfer money into this fund for loan repayment. There are no significant changes in this fund. Pg, 25 200.376.10.00 and pg 25, 200.397.25.00.00

300 - CONSTRUCTION FUND, Page 26

There are no significant changes in this fund. Pg, 26

401 - WATER FUND, Pages 27 - 28

It is anticipated the water rate will be increased. There are no significant changes in the Water Fund.

402 - WATER CONNECTION FUND, Page 29

The Water Connection Fund is transferring \$75,000 to the Water Cumulative Reserve Fund. Pg 29, 402.597.10.00

There are no significant changes in the Water Connection Fund

403 - WATER CUMULATIVE RESERVE, Pages 30 - 31

Page 31, 403.594.34.60.10

Includes:

\$12,000 for the lower Boise Loop
\$28,000 for valve replacement
\$140,000 to line the Gray Eagle Water Tank
\$5,000 for new radio meters study only (in progress)
\$160,000 New Radio Readers and Software
\$10,000 for new SCADA/computers
\$7,000 for tires and Misc. tools
\$110,000 for paint and maintenance on blue water
\$18,000 for new well meters
\$23,000 for new machine shed
\$10,000 for used water truck

Does NOT Include:

Everything requested is included.

410 - SEWER FUND, Pages 32 - 33

In 2021, the City stopped transferring \$5.00 of each sewer bill into the Sewer Reserve to build up the Sewer Fund. The 2022 budget included a \$5.00 increase to the base rate but it was never officially adopted. Pg 35, 412.343.50.00

It is anticipated the sewer base rate will be increased by \$5.00. There is concern due to not implementing the rate increase earlier and based on inflation that \$5.00 may not be enough. It will greatly help, but the cost of goods and repairs continue to rise.

If the Utilities Committee reviews the rates and determine it needs another increase or decrease after the first of the year the City Council can adopt another ordinance making those changes.

411 - SEWER CONNECTION, Page 34

The Sewer Connection Fund includes:

\$50,000 New manholes and repair or replace existing

412 - SEWER CUMULATIVE RESERVE, Pages 35 - 36

The Sewer Cumulative Reserve Includes: Pg 36,
412.594.35.60.10

\$20,000 Replace controls/deck at Juniper lift station

\$15,000 for computer replacement

\$30,000 CIPP sewer lines - reduced from \$55,000

\$5,000 for used water truck

\$7,000 for tires, miscellaneous tools

\$15,000 work deck at 8th street lift station

\$13,000 for new machine shed - reduced from \$23,000

\$8,000 Replace floats in lift stations

\$7,000 Aeration Diffusers

\$9,000 GIS mapping

Does not include:

\$40,000 New pickup

150 - ARPA FUND, Page 37

The ARPA Fund was created for the specific purpose of receiving and expending the 2021 American Rescue Plan Act Funding. As mentioned earlier there are items that would qualify for the use of ARPA Funds.

PUBLIC COMMENT

As there was no Public Comment, City Council moved on to Adjournment.

ADJOURNMENT

Mayor John Ridlington adjourned the meeting at 7:40 p.m.

Approved:

Jesse Garrett, Mayor

Attest: _____
Raena Hallam, Clerk/Treasurer