

**CITY OF BLACK DIAMOND  
CITY COUNCIL  
WORKSTUDY NOTES  
December 13, 2010**

Council Chamber, 25510 Lawson Street, Black Diamond, Washington

Mayor Olness called the meeting to order at 4:01 p.m.

**PRESENT:** Councilmembers Hanson, Goodwin, Boston, Mulvihill and Saas.

**ABSENT: None**

Staff present: Andrew Williamson, Economic Development Director; Steve Pilcher, Community Development Director; Jamey Kiblinger, Police Chief; Seth Boettcher, Public Works Director and Brenda L. Martinez, City Clerk.

**Proposed Utility Rate Increases**

Mayor Olness announced this Workstudy is at the request of Council to review and go over the information concerning proposed rates increases.

Finance Director Miller referred to the packet material and explained the changes in the Wastewater Fund.

Councilmember Goodwin asked in regards to the Public Works Director and the Administrative Assistant being paid a portion by the utility rates and not all by YarrowBay. He noted he would not have supported the addition of the Administrative Assistant if he would have known this would not have been funded fully by the funding agreement in the future years. Feels the only reason we are faced with a water rate increase is because of prior debt.

Councilmember Boston asked what is best to do for this budget, fund those positions out of this budget or not.

Councilmember Saas does not feel we should start having the utility funds pay for any portion of those positions.

Councilmember Hanson wants to see where Council is with the \$3.87 for sewer.

Councilmember Goodwin asked in regards to cost allocations have we always had this.

Finance Director Miller replied yes.

Councilmember Goodwin stated if we have an agreement that fully funds these positions, why we would change this.

Councilmember Boston stated he is wavering on the \$5,000 from each fund to pay a portion of those two positions and if we aren't doing it now, why?

Councilmember Saas stated he was not in agreement with having the utility funds pick up a portion of the two positions.

Finance Director Miller reviewed the spreadsheet regarding Water Fund Analysis and the proposed increase. She referred to pages 16 and 17 of the handouts regarding the examples of how the increases would affect a customer's bill.

Public Works Director Boettcher distributed a handout with options for raising all customers base rates and discussed those options.

Councilmember Goodwin asked how many of these units are low-income.

Finance Director Miller replied not many.

Mayor Olness recommended having the Public Works Committee put this on one of their immediate agendas.

Councilmember Goodwin asked about the three water funds; agrees there is a crisis in the water funds but would like to see the debt for the water replacement program moved to the Capital Fund and not raise rates and take the time next year to analyze this; he stated with rates when you have a crisis you can provide for temporary surcharges and one option is to make this a temporary surcharge for this year until there is sufficient time to analyze all option available.

Councilmember Hanson felt that the City cannot let our reserves get any lower and we need to figure out a way.

Councilmember Boston stated each fund needs to be solvent.

Councilmember Goodwin stated we need to keep in mind we have an operating surplus of at least \$65,000 a year and it is our debt that is causing this crisis.

There was Council consensus on rate increase for water.

There was Council consensus to leave the \$5,000 in.

Councilmember Boston stated that Council trusts staff to find ways to cut costs through the year and anything staff can do they will and he applauds them for their efforts.

## **General Budget**


Councilmember Boston stated that one thing he learned in a meeting last week was that step increases are not automatic, asked that the City be cautious when handing them out.

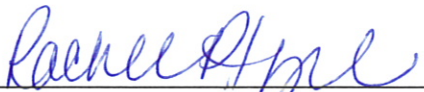
Finance Director Miller reported to Councilmember Goodwin that she was not able to tie his worksheet back to any numbers; she distributed the financials for October that showed the estimated actuals.

**ADJOURNMENT:**

The Workstudy ended at 5:34 p.m.

ATTEST:

  
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Rebecca Olness, Mayor

  
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Rachel Pitzel, Deputy City Clerk