

City of Selah  
Council Minutes  
October 22, 2014

Special Meeting  
Selah Civic Center  
216 South First Street  
Selah, WA 98942

A. Call to Order Mayor Gawlik called the meeting to order at 6:30pm.

B. Roll Call

Members Present: Paul Overby; John Tierney; Dave Smeback; Allen Schmid ; Roy Sample;  
Jane Williams

Members Excused: Brooke Finch

Staff Present: David Kelly, City Administrator; Gary Hanna, Fire Chief; Rick Hayes,  
Police Chief; Eric Steen, Deputy Police Chief; Dale Novobielski,  
Clerk/Treasurer; Andrew Potter, Assistant to the City Administrator;  
Monica Lake, Executive Assistant

C. Pledge of Allegiance

Mayor Gawlik led the Pledge of Allegiance.

D. Public Hearings

1. Utility Tax Increase

Mayor Gawlik stated that the purpose of the meeting is to discuss the proposed increase in utility taxes, adding that there will be an opportunity for public input after the presentation has been made. He requested that all comments, questions, and statements be held to the topic on the agenda.

City Administrator Kelly talked about the joint budget for the Fire Department, noting that the City paying forty percent while Fire District No. 2 pays sixty percent. He stated that the City doesn't have the ability in the current budget to meet the demands of the department, especially as pertains to the reserves and equipment replacement, and that they need to implement an amortization schedule for vehicle replacement, as well as a replacement schedule for turnout gear. He discussed the need for the Police Department to have an amortization schedule and consistent funding for vehicle replacement, adding that Police Chief Hayes has reinstated the Deputy Chief position and also requested funding for a Community Service Specialist position for office calls and the evidence room. He said that those two

positions will cost the City approximately one hundred sixty thousand dollars, of which eighty-five to ninety thousand is included in the current proposal.

Mayor asked the Council Members if they wished to make a statement.

Council Member Tierney had a question regarding the calculations, saying that it shows a seven percent increase but the proposed rate increase is eight point five percent.

City Administrator Kelly responded that it's a formula; he's done the math and it works out. He said that the eight point five percent increase is on rates, not the entire bill; the utility tax already there will not have an increase.

Clerk/Treasurer Novobielski noted that it is an eight point five percent increase on the components.

Council Member Williams commented that the utility tax is staying the same, and it is simply the rates themselves that are increasing.

Council Member Smeback asked if the eight point five percent applied to the utility tax .

City Administrator Kelly replied that it is an eight point five percent increase on the entire bill.

Council Member Sample wondered what the total tax would be on the utility bill.

City Administrator Kelly responded that it will go from twenty-one percent to twenty-nine point five percent. He remarked that when utility taxes were increased last time they lowered the water and sewer rates by ten percent, and the solid waste rate by seventeen percent, then increased the utility taxes from six percent to twenty-one percent, the net effect being a four point two percent increase.

Mayor Gawlik opened the meeting.

John Knott approached the podium and addressed the Council. He asked for confirmation of the seven percent projected increase in the total bill when it looks to him as if it's a forty percent increase for water consumption.

David replied that it is a seven percent increase, approximately six dollars and ten cents.

Mr. Knott wondered if the City served on the Fire District.

Mayor Gawlik responded that we have a representative that serves on the board.

Mr. Knott inquired as to why the Commissioners aren't responsible for Fire District apparatus replacement.

Mayor Gawlik replied that it is a shared responsibility.

City Administrator Kelly added that those within the City have an EMS levy and property tax, while those outside the City but within the Fire District have their own levy for services. He noted that the City contributes forty percent and the Fire Commissioners contribute sixty percent, and that the City has a great working relationship with the Fire Commissioners.

Mr. Knott asked if the Commissioners make the decisions.

City Administrator Kelly responded that it is a joint decision.

Mr. Knott commented that the Fire Commissioners have taxing authority.

City Administrator Kelly remarked that, if the City opts to raise taxes, the Fire District will contribute an additional four hundred thousand to the joint budget. He noted that they are in a much better financial position currently, and wouldn't need to raise taxes as they have enough resources in their current budget. to cover the difference.

Mr. Knott inquired if City residents would see a tax increase if the Fire District passes another levy, and if City residents would have double taxation.

City Administrator Kelly replied that each entity has its own responsibility, and that the City residents would not be affected by a new Fire District levy.

Carol Bonnett approached the podium and addressed the Council. She said that this will impact a lot of folks who are on fixed incomes. She asked about the bond on the Marudo property and the fine to the IRS.

City Administrator Kelly responded that the City used a loan to purchase the Marudo property in 2002 with the intent to subdivide and sell the lots to develop a larger tax base within the City; the monies received from selling a portion of the lots was used to develop the Carlon Park complex, which is what resulted in a twelve thousand dollar fine to the IRS. He remarked that the money being paid on loan was only covering the interest, not the principal, and that the 2012 budget had designated monies from the enterprise funds for payment on the loan, which by law cannot be used for that purpose, and that they had to find an alternate revenue stream for payments by either raising taxes, cutting City government by elimination of something akin to the Parks Department, or a combination of both. He noted that today's discussion is in regards to operating funds for the Fire Department and the Police Department, as well as implementing an amortization schedule for equipment, which requires that the City either raise taxes or reduce the size of the government and services.

Ms. Bonnett felt that it was very unfortunate that decisions were made to play shell games with taxpayers' money. She inquired about the average per capita position support for law enforcement.

City Administrator Kelly replied that it is somewhere around 3.76 per thousand.

Police Chief Hayes said that the National average is 2.3 officers per thousand.

Ms. Bonnett asked if that number included support staff.

Police Chief Hayes stated that it was just officers on the road, which included himself and the Deputy Chief. He noted that the evidence technician/office help position would be considered support staff.

Ms. Bonnett encouraged the Council to vote no, suggesting that they look at other venues.

City Administrator Kelly wondered what she would suggest.

Ms. Bonnett remarked that she would need additional information to see what could be cut back, saying that she would be interested in seeing what options are available aside from a tax increase.

David Zanatelli approached the podium and addressed the Council. He commented that, at a 2012 meeting, Council had stated that staff would be laid off if taxes weren't raised, yet the Deputy Chief position has been added.

Mayor Gawlik responded that the position was always there, but had been vacant for the last eight years.

Mr. Zanatelli asked where the money for that position went.

Mayor Gawlik replied that it went into the General Fund to pay bills.

Mr. Zanatelli commented that there was a lot of money unaccounted for.

City Administrator Kelly observed that money is reallocated when a position isn't funded.

Mr. Zanatelli remarked that the City can't always come to the people and say they need to raise taxes; there needs to be other ways within the City budget to deal with financial matters that aren't the fault of the citizenry.

Bob Jones approached the podium and addressed the Council. He said that he had no problem with the needs of the Fire Department, but he felt that the City needed to realize the impact that an increase in water rates had on the look of the City and whether people water their lawns. He took exception to the Police Department adding two positions, as he felt they have adequate staffing for the size of the City.

Wayne Worby approached the podium and addressed the Council. He stated that he is not a City resident, and wondered if those in the County were supporting the City's share currently.

City Administrator Kelly commented that the City has a good relationship with the Fire Commissioners, and that they are willing to contribute more to the joint Fire budget if the City contributes more. He noted that they have the resources to increase their contribution without effecting the tax burden for County residents.

Mr. Worby wondered what the County residents were paying that was generating surplus funds beyond what they need.

City Administrator Kelly responded that they have excess taxing capacity to take care of that.

Mr. Worby asked why the County residents, like himself, are paying more than what is being consumed.

City Administrator Kelly replied that they have a reserve fund of two point seven million dollars.

Mayor Gawlik observed that the City will never be equal with the County, as their tax base is larger and they have a larger area to draw from.

Commissioner Brad Helms approached the podium. He explained that they use a calculation based on population percentage, and that while the Fire District has excess funds at present, the City would need to contribute an additional amount to raise the joint budget.

Mr. Worby asked if they rotated equipment in and out.

Commissioner Helms responded that the Fire Chief rotates the equipment and makes suggestions on what needs to be done. He noted that this is one department with two taxing districts supporting it.

Mr. Worby wondered what would happen to County residents if the City didn't increase rates.

Commissioner Helms replied that there would be no change.

Seeing no one else rise to speak, Mayor Gawlik closed the hearing.

Council Member Williams inquired about the division of money and what was needed for each department.

City Administrator Kelly responded that the Police Department would receive fifty-six thousand for vehicles and ninety thousand for operating expenses, while the Fire Department would receive one hundred twenty-three thousand for operating expenses and ninety-three thousand for apparatus replacement.

Council Member Williams asked if the increase from two years ago would still be sunsetted.

City Administrator Kelly replied in the affirmative, adding that he doesn't see a sunset on the proposed eight point five percent increase as needs won't change.

Council Member Overby remarked that Council discussed the matter for quite some time, and that the only ways to increase the amount of their contribution are cutting services or increasing taxes. He noted that there is more than one way to do a tax increase; Council could alter utility taxes, raise the sales tax rate, or increase property taxes. He said that the Council would have to go to the voters for an increase in either sales tax or property tax.

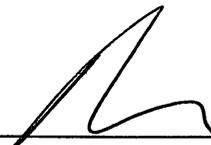
City Administrator Kelly commented that he recalled someone at the retreat pointing out that the citizens elected those on the Council to make financial decisions for the City, and they can either opt to put the matter off for a vote or do what they were elected to do regarding financial decisions for the City.

Council Member Overby observed that, if they opted not to pass the increase, that would put them back in the position of either cutting services or putting the matter to a vote.

E. Adjournment

**Council Member Overby moved, and Council Member Schmid seconded, that the meeting be adjourned. By voice vote, approval was unanimous.**

The meeting adjourned at 7:23pm.

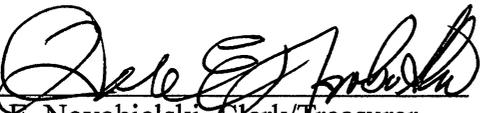
  
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Paul Overby, Council Member

  
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Dave Smeback, Council Member

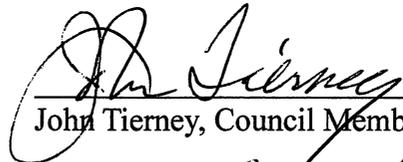
EXCUSED  
\_\_\_\_\_  
Brooke Finch, Council Member

  
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Jane Williams, Council Member

ATTEST:

  
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Dale E. Novobielski, Clerk/Treasurer

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John Gawlik, Mayor

  
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John Tierney, Council Member

  
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Allen Schmid, Council Member

  
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Roy Sample, Council Member