

7:00 p.m.
Fife City Hall
Council Chambers

**FIFE CITY COUNCIL
AGENDA**

Date: October 20, 2009

**Special Meeting
Study Session**

- 6:00 EXECUTIVE SESSION
For the purpose of Real Estate RCW 42.30.140 for approximately 20 minutes.
- 7:00 1. CALL TO ORDER AND ROLL CALL
Godwin____Johnson____Hull____Brooks____Cerqui____de Booy____Roscoe____
2. PLEDGE OF ALLEGIANCE
3. CHANGES, ADDITIONS OR DELETIONS TO AGENDA
4. STUDY SESSION
- 7:05 a. Master Business License Program (Marcotte)
- 7:20 b. Puyallup River Levee Interim Solutions (Blount)
- 7:45 c. 2010 Washington State Legislation Agenda (Worthington)
- 8:00 d. 3rd Quarter Financial Report (Marcotte)
- 8:30 e. Police Officer Funding Options (Marcotte)
5. REVIEW OF UPCOMING COUNCIL AGENDAS
6. ADJOURNMENT

MEMORANDUM
For Study Session on October 20, 2009

TO: Mayor and Councilmembers
THROUGH: Steve Worthington, City Manager
FROM: Steve Marcotte, Finance Director
SUBJECT: **Master Business License Program**

REPORT IN BRIEF: The Washington Department of Licensing operates a Master Business License Program which may be a beneficial alternative to administering business licenses with in-house staff. Participating in the State program would likely require a restructuring of Fife's business licenses.

BACKGROUND: Fife requires an annual business license for any business which is either located in Fife or is doing business within the City limits. Fife's business license fees are based upon the number of employees at the business and Fife administers its program with City staff. The Washington Department of Licensing has created a Master Business License Program to assist cities in the administration of their programs and to facilitate the needs of businesses to easily obtain their licenses. This program enables businesses to obtain business licenses from all participating cities through a single business license application form. Currently about 30 cities participate in the program, including Sumner and Gig Harbor, and the number is growing.

DISCUSSION: Fife structures its business license fees based upon the number of employee at the business. The fee structure has six fee levels ranging from \$50 to \$750. Fife also has several specialty business licenses for peddlers, cabarets, pawnbrokers, taxicab drivers, amusement devices, refuse collectors and businesses headquartered outside of Fife. Each of these specialty licenses has its own fee structure which range from \$50 to \$3,500. Business licenses are renewed annually in January of each year. Revenues from business license fees are deposited to the General Fund and are budgeted for 2009 at \$175,000.

Fife's employee-based business license structure is somewhat unusual. It is more common to simply have a flat fee of some amount. The average business license fee in Washington is about \$40 but this factors in very small cities with small business license fees and doesn't reflect that about 40 cities also impose a B&O tax in addition to their business license fee. Fife's business license structure has the advantage of imposing higher costs on those businesses with more employees who create larger impacts to the City. The employee-based structure has the disadvantage of being somewhat cumbersome to administer and very reliant upon businesses self-reporting their number of employees.

The Washington Department of Licensing has created a Master Business License Program in an effort to assist cities in getting their businesses to be properly licensed and to aid businesses by providing a "one stop shop" for businesses that operate in multiple cities. The program is only a couple of years old but has grown to about 30 cities. **However, the program, as it is currently set up, cannot administer an employee-based businesses license structure.** It has the advantages of reducing the work of in-house staff and increasing the rate of compliance with

MEMORANDUM
For Meeting of October 20, 2009

TO: Mayor and Councilmembers
THROUGH: Steve Worthington
FROM: Russ Blount
SUBJECT: **Study Session** – Puyallup River Levee Interim Solutions

REPORT IN BRIEF: Review a potential set of interim improvements that would offer some protection to Fife's most-densely developed areas threatened by Puyallup River flooding.

BACKGROUND: The Federal Emergency Management Agency's (FEMA's) Region X (ten) staff issued a draft remapping of the Puyallup River floodplain to the City of Fife in August, 2005. The City of Fife reviewed FEMA's map and has been using it since October 2005 as "best available science" and the basis for enforcing Fife's flood protection code. FEMA's draft map showed the results of decertification of the levee system that protects Fife from Puyallup River floodwaters; though FEMA has not yet finished a formal adoption process, its draft maps have become the accepted standard not only for Fife but also for Pierce County and other municipalities adjacent to the Puyallup River.

Though the Puyallup River levee system has protected Fife since 2005, and Pierce County has begun efforts towards selection of a strategy to improve the levee system and river management to recertify the levees, the levees have not been improved and it has become apparent that they are not likely to be recertified for a number of years – perhaps a decade.

ATTACHMENTS: Map showing potential interim levee reinforcements.

DISCUSSION: In January, 2009, floodwaters in the Puyallup River reached within approximately 1 foot of the edge of North Levee Road East in Fife. Additionally, the same storm generated flood flows in the Green River, which drains north to the Duwamish River and Seattle, that damaged the Howard Hanson Dam which controls flooding in that river system. The near-overtopping of the Puyallup River system and the threat of flooding in the adjacent watershed have focused attention on near-term efforts that might increase the protection offered by the existing levee system, though perhaps short of a full levee recertification. The installation of improvements in Fife is complicated by the existence of North Levee Road East on the top of the levee, and intersecting streets. In order to maintain the availability of North Levee Road East for routine use, levee reinforcements need to either be installed adjacent to the road on a semi-permanent basis, or quickly installed on the road surface upon threat of flooding and removed after floodwaters recede.

FISCAL IMPACT: The improvements necessary to fully recertify the levee system adjacent to Fife may cost \$100 million or more. Interim improvements may offer some degree of protection for amounts ranging from \$200,000 to several million dollars.

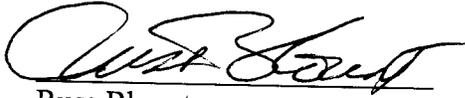
ALTERNATIVE COURSES OF ACTION:

1. Direct staff to study the matter in more detail and present a detailed budget proposal.
2. Direct staff to begin pursuit of permits for semi-permanent protection where right-of-way is available, concurrent with budget preparation.
3. Direct staff to not only pursue permits for semi-permanent protection where right-of-way is available, but also to negotiate towards acquisition of additional right-of-way.

4. Focus efforts on recertification of the permanent system.

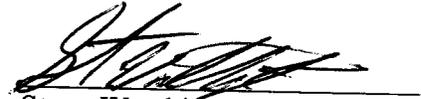
RECOMMENDATIONS: Direct staff to begin pursuit of permits for semi-permanent protection where right-of-way is available, concurrent with budget preparation.

SUGGESTED MOTION: None required; informal consensus is adequate.

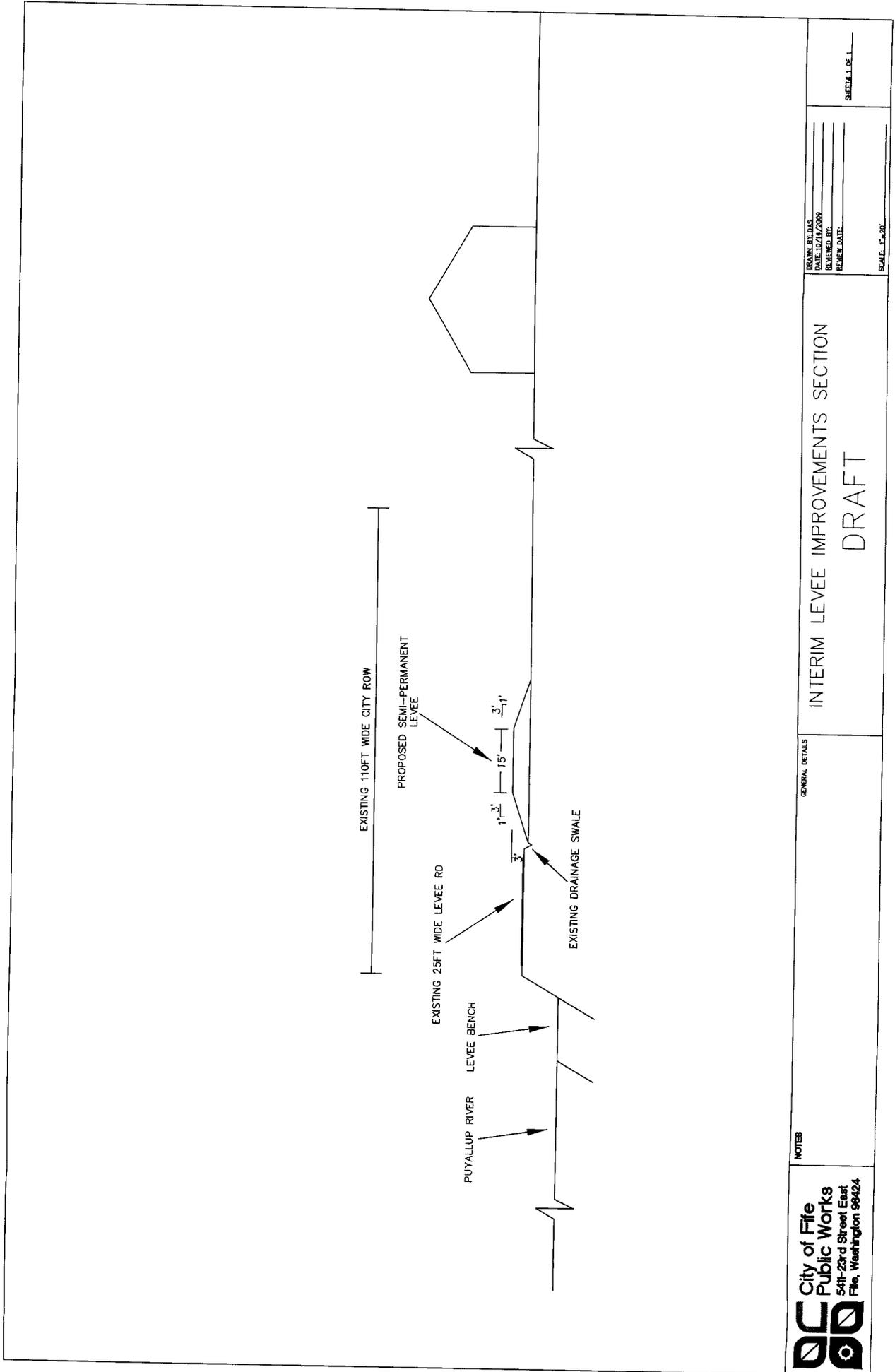


Russ Blount
Public Works Director

Approved for Agenda



Steve Worthington
City Manager



City of Fife
Public Works
 5411-23rd Street East
 Fife, Washington 98424

NOTES

GENERAL DETAILS

INTERIM LEVEE IMPROVEMENTS SECTION
 DRAFT

DRAWN BY: DAS
 DATE: 10/14/2009
 REVIEWED BY:
 REVIEW DATE:
 SCALE: 1"=50'

SHEET NO. 1

MEMORANDUM
For Study Session of October 20, 2009

TO: Mayor and Councilmembers
FROM: Steve Worthington, City Manager
SUBJECT: 2010 Washington State Legislative Agenda

REPORT IN BRIEF:

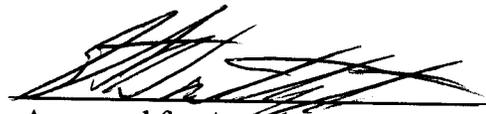
Attached are materials from AWC for Council to consider while examining legislative issues for 2010. Chris Fidler, our local lobbyist from Anthem will be attending as well as former Secretary of State Ralph Munro who has also joined Anthem.

www.anthem-grant.com

Areas of possible state legislative focus are:

- Flood Preparedness
The full solution to the Puyallup River levee flooding issue is approx 15 years away. Getting help now and for the years until then is the real problem we face currently.
- Lodging Tax Flexibility
- Park Maintenance equipment in ROW
- Road Maintenance funding for Truck Route

Also included is a report from Petrizzo Strategic Group, recapping the past 9 months of federal lobbying activity. Justin LeBlanc, Senior Vice President and our contact with Petrizzo, will be on speaker phone for this discussion.


Approved for Agenda:
Steve Worthington, City Manager

AWC Board adopts preliminary major priorities

On September 25, the AWC Board of Directors adopted three preliminary major legislative priorities for the 2009 session. They are: City flexibility package, Stormwater funding, and Street utility.

City flexibility package

In 2009, AWC advanced a broad city flexibility package. This included “flexing” restrictions and requirements in areas such as fiscal health, land use, infrastructure, community safety, public records management, and more. In particular this included greater flexibility with existing revenues and local determination of how these revenues are allocated. The state did many of these same things in adopting the 2009-11 biennial budget, so AWC argued that the same latitude should be given to local governments, even if for a limited period of time.

Below is a list of just some of the ideas AWC will be pursuing that support fiscal flexibility, cost-effective options, and local discretion in allocating resources in order for cities to best provide essential services:

- **Public safety sales tax (0.3% county-wide local option) – 2SSB 5433**, which passed in 2009, allowed for partial supplanting of the public safety sales and use tax until 2015. Pursue full removal of non-supplant language and no expiration date.

- **Real estate excise tax** – Currently cities that collect the 2nd 0.25% REET must spend those funds on a shorter list of projects than the 1st 0.25% REET. Allow the list of projects for the 2nd 0.25% locally collected real estate excise tax to match the list of projects for the 1st 0.25% real estate excise tax.
- **Gambling tax** – Currently this tax can be used for local gambling enforcement programs. Expand uses to general public safety purposes.
- **Lodging tax** – Currently the lodging tax is restricted to specific uses that are tourism-related. Expand uses for any purpose that maintains or enhances tourism, including public safety.
- **GMA impact fees** – Currently cities can charge for fire, parks, roads and schools if provided by the city. Add police/public safety and emergency response facilities, as well as fire, if provided by a district. Broaden definition of allowable transportation expenditures to include “multimodal” (trails, transit and others). Extend period of time when impact fees can be spent.

continued on page 2

State of the Cities survey results released

AWC recently released the most recent State of the Cities survey data regarding city fiscal conditions in 2009. City officials from 217 cities completed the State of the Cities surveys, representing 77 percent of Washington’s 281 cities and towns, and 93 percent of the state’s incorporated population.

These surveys gathered information from cities regarding the extent to which the current economy is impacting the budget, service cuts that have been made, personnel-related cuts, and more. You can view the survey results at www.awcnet.org/stateofthecities.

AWC is releasing State of the Cities information earlier this year in order to help city officials understand how cities are generally faring in this economy and the various strategies employed over the past year to balance the budget in light of revenues coming in below projections. We hope this will help you as you move into the 2010 budget development process. Keep an eye out for email alerts announcing the release of other State of the Cities information.

Thank you to the many city officials who participated in this research project by completing a survey or participating in an interview.

- **GMA & shoreline update** – Skip next round of GMA updates in smaller/slow growth cities and counties. Alter GMA and Shoreline planning update schedule (i.e. provide more time).
- **Grant-matching requirements** – Reduce matching requirements for State grants.
- **Transportation benefit district** – Amend statute to extend voter approved sales tax beyond current 10 year provision. This would allow bonding of this revenue stream.

Municipal stormwater funding

A long-term state funding mechanism is needed to support "Phase I" and "Phase II" NPDES stormwater requirements, as well as Puget Sound cleanup efforts, that impacts 137 cities. AWC will aggressively pursue **ESHB 1614** (from 2009) which would establish a fee on a barrel of unrefined oil (approximately \$120M/year in revenue); however, we will remain open to alternative legislation that provides equivalent funding. Please see more information regarding stormwater funding in the Environment and Water section of this *Bulletin* as well as in our fact sheet, located on our website at www.awcnet.org/factsheets/2009/Stormwater0909.pdf.

Street utility

Declared unconstitutional in 1995, a new authority would enable cities to charge a fee based on trip generation. There was strong opposition from many in the business community during the 2009 Session (**HB 1947**). The Association of Washington Business has been open to discussion this summer (no commitments or specific policy statement from them at this time.) AWC has already met with House and Senate Transportation Chairs and a host of other legislators outlining the need for this legislation. Please see more information on the street utility on our fact sheet, located on our website at www.awcnet.org/factsheets/2009/StreetUtility0909.pdf.

AWC will be preparing promotional pieces for these priorities and advance them at the remaining Regional Meetings. The AWC Board adopted the priorities early so that city officials can talk with their legislators during the coming months.

In an effort to help, the first we have included grassroots advocacy information in this edition of the *Bulletin*. An electronic version is available on our website at www.awcnet.org.

The Board will continue to look at the

other components of our legislative agenda and will adopt the final package at their meeting on December 4. This package will include "other priority issues" and "issues to endorse." "Other priority issues" are important issues for cities; however, they do not raise to the level of importance of the top priority issues. "Issues to endorse" are issues that would be good for cities (or at least for some cities) if they passed, however, AWC staff should not divert energy away from higher priorities to work on these issues.

The Legislative Committee and its various subcommittees continue to meet and will have final recommendations to advance to the Board by November 20. If you have specific legislative proposals for the Legislative Committee to consider, please email them to Jim Justin at jimj@awcnet.org with a copy to Sheri Sawyer at sheris@awcnet.org. Thank you in advance for your contribution to AWC's policy development process.

Making a difference at home and in Olympia!

Talk with and get to know your legislators before the legislative session begins.

When the legislative sessions starts in January, things move quickly at the Capitol. And it's not the best time to educate legislators on complex city issues. The best time to establish a relationship with your legislator is now, while they are at home, talking to their constituents.

When it comes to lobbying, AWC knows that the most compelling and powerful influence comes from back home—the legislator's constituents. On key issues, sometimes just knowing your legislator is half the battle. Although it may seem a little intimidating, getting to know your legislator is much easier than you think. They want to know what you think about issues in your community, and they'd rather hear from you when they have time for a real conversation.

Here's some tips for talking with and getting to know your legislator:

- If not clear on who represents you or how to contact them, find your legislator and their contact information at <http://apps.leg.wa.gov/DistrictFinder>
- Meet with your legislators. Call or email and tell your legislators that you would like to get better acquainted. Ask to meet with them to discuss areas of common interest and concern. It could be as easy as a chat over coffee!
- Check for your legislator's public appearances and forums, and attend the events. It's another way of connecting and letting your legislator know you're interested in the same issues.
- Provide information about issues impacting your city and emphasize that you want to help them understand the issues. Take a look at the list of PRELIMINARY AWC priorities in this Bulletin. If one or more interest your city, let your legislators know and why it's important.
- Talk about the good things happening in your city – remember, it's also good news about their district.
- Always ask them about their concerns and priorities. Find out what's important to them. Listen to your legislators.

- After your meeting, follow up with a thank you note. Thank him/her for taking the time to meet with you.
- Use your note to answer any unresolved questions or send information that will be helpful to your legislators.
- Stay in contact. Sign up for your legislator's e-newsletter and track their issues.
- Continue to attend events featuring your legislators. The e-newsletter will list their schedule.
- And keep meeting...it's your best way to build a relationship before session starts and meetings are few and far between.

Share your hometown

Your city is part of your legislator's district. Share it with them.

City tour – It's a great educational outreach. Show them your departments and city servicers. Get their buy-in on local projects and talk about the value a city provides to the community, the region and the state.

City council meetings – Invite your legislator to attend, especially if you're discussing an issue you know interests them.

Local recognition – Look for opportunities to spotlight your legislators. Maybe a ribbon cutting ceremony or completion of a major city projects. When a legislator does something to support your community, recognize them in a public way.

Get specific

Legislators need to know specifically how a particular piece of legislation will benefit your city or town. You may want to use AWC's three preliminary major legislative priorities as an example and note how a bill could help at home. Please see the cover story of this *Bulletin* for more information on AWC's preliminary major priorities.

Your voice

As we get ready for the 2010 legislative session, now is the time to build the foundation for success with city issues. Make it a priority to know your legislator. Your voice, your own experience and your own city's examples can help you build a successful relationship.

environment & water

Gearing up for stormwater funding push in 2010

During the 2009 legislative session, a coalition of city and environmental interests promoted legislation establishing a permanent funding source to help pay local government costs associated with managing stormwater.

ESHB 1614 was introduced and passed the House (but not the Senate).

As one of AWC's recently adopted preliminary major legislative priorities for the 2010 session, efforts will intensify to seek passage of a permanent funding source to help pay for local activities and projects needed to meet obligations 100 cities have in complying with conditions of their Phase I or Phase II NPDES Stormwater permits (an unfunded federal mandate). Funding sought should also provide assistance to 37 other smaller cities and towns not having NPDES requirements, but who are responsible for taking actions to help clean up Puget Sound.

As currently written, **ESHB 1614** establishes and permanently funds, a grant program to help pay for stormwater projects that address pollution from petroleum products in communities across the state. Supported by AWC, counties, environmental interests and ports, it would:

- Impose a fee of \$1.50/barrel of oil at the refinery. This would yield over \$100 million per year – at least 97% would be available as grants to cities meeting stormwater challenges and obligations.

- Provide at least 40% of available funds to help pay for either Phase I NPDES or Phase II NPDES permit requirements. A local “match” of 50% would be required – funds could come from local stormwater utility revenue or other sources.
- Provide 100% grant funds for retrofit projects “over and above” what’s required in these permits. This funding would be available to both Phase I and Phase II cities/counties, as well as smaller cities in the Puget Sound basin.

Some of the remaining funds would be available to provide non-local match grants where jurisdictions couldn’t afford the match, but had good projects.

A challenging environment

Without sufficient funding, cities and counties will likely fail to meet permit obligations and citizen expectations that pollution is being addressed. In a recent AWC survey, we found a significant unfunded liability facing local taxpayers and rate payers. Among those jurisdictions responding (less than half covered under the permits), over \$730 million in stormwater projects are planned over the next six years. Many of these projects are not yet funded, but are believed to be required to meet NPDES Phase I & II requirements.

Compliance with NPDES rules is an unfunded mandate and as evidenced by the debate in 2009 over ESHB 1614, all sides agree that additional funding is necessary to successfully implement these permits and efforts to address pollution in water bodies like the Puget Sound.

What can you do?

Contact your House and Senate members before they come to Olympia for the 2010 session.

- Explain to them what needs you’ve identified to address stormwater
- Consider showing them in-person, what types of projects are needed and how much they will cost.
- Remind them, if appropriate, that your city residents and businesses are already paying a stormwater utility fee and those revenues alone can’t and won’t pay for what’s required.
- New state revenue is needed to meet this mandate!

For more information please contact Dave Williams at davew@awcnet.org, Ashley Probart at ashleyp@awcnet.org or Sheri Sawyer at sheris@awcnet.org.

The Governor “tees up” reform ideas for natural resource agencies

The 2009–11 Washington state operating budget instructed natural resources agencies to:

“Convene a work group consisting of representatives from the natural resource agencies. The work group shall consider the experience of other states and their organizational structures to identify consolidation opportunities to improve service delivery and reduce costs. The work group shall submit a comprehensive written recommendation to the Governor and the Office of Financial Management by September 1, 2009.”

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To carry out this directive, state natural resources agency directors, Commissioner of Public Lands, Peter Goldmark, and their staff worked with Governor Gregoire's policy and budget staff to develop approaches to reform how natural resources are managed and protected. This list of ideas can be found at <http://www.governor.wa.gov/priorities/reform/naturalresources.asp>. Certain themes emerged from the ideas that were suggested:

- Major reorganization of agency responsibilities and authorities.
- Innovative approaches to how agencies work together.
- Sharing technology and resources.
- Making processes more efficient.
- Enhancing program or agency authorities to improve customer service.

How will natural resources reform ideas be evaluated?

Ideas were selected based on three criteria established by Governor Gregoire:

1. Improves customer service (i.e., simplifies and streamlines processes, reduces redundancies, etc.)
2. Increases efficiencies (i.e., lowers the cost to deliver services, reduces duplication of services, etc.)
3. Advances the state's commitment to protecting and restoring natural resources and the environment, working collaboratively on natural resources issues with the state's tribal governments, promoting sustainable commercial and recreational use of natural resources, and protecting public health.

What happens next?

The House Agriculture and Natural Resources Committee is holding a work session on this topic on Friday, October 2 at 1:30. Interested persons may "listen in" on TVW's website at www.tvw.org/index.cfm?bhcp=1. Also, Governor Gregoire and Commissioner Goldmark invite comments and additional reform ideas from the public, tribal and other governmental partners, community and business organizations, and state agency employees and their representation groups through Oct. 28, 2009. Project documents and forms to submit feedback and new ideas are available at www.surveymonkey.com/s.aspx?sm=FaMxROOZoyrn_2fp8HZgFEw_3d_3d. After consideration of these ideas, recommendations by the work group will be presented to the Governor and the Commissioner for their review.

Tell us what you think?

Your feedback is critical to our evaluation. AWC would like to collect your feedback prior to the October 28 deadline. Please contact Dave Williams at davew@awcnet.org with your thoughts and suggestions.

Dept. of Ecology sponsors greenhouse gas emissions reporting workshops

The Washington Legislature passed a climate change law in 2008, setting goals to reduce greenhouse gas emissions over the next several decades. This same legislation directed the Department of Ecology to write a mandatory greenhouse house gas (GHG) reporting rule for certain sources of emissions. Mandatory reporting will help develop a better understanding of the Washington sources of GHG emissions, create a foundation for developing strategies to reduce these emissions, and enable us

to track our progress toward meeting the reduction goals.

Ecology worked with an advisory committee from August 2008 through May 2009 to develop a draft GHG reporting rule. The public comment period for the draft rule will be October 7, 2009 through November 12, 2009. Public hearings will be held in November 2009. Ecology expects to have a final rule adopted in early 2010. You can find more information about the rulemaking process and details about the public comment period and public hearings by going to www.ecy.wa.gov/programs/air/globalwarm_RegHaze/GreenHouseGasreporting_rule.html.

Certain stationary and mobile sources of GHG emissions will need to report their calendar year emissions, beginning with the reporting of 2009 emissions in 2010. You must report if your annual GHG emissions are equal to or greater than:

- 2,500 metric tons of carbon dioxide equivalents (CO₂e) annually from a fleet of on-road motor vehicles; or
- 10,000 metric tons CO₂e annually from a stationary source, a mobile source for transporting people or cargo, or a combination of these stationary and mobile sources.

You are invited to attend a workshop in October 2009 to learn more about:

- Who will have to report,
- When reporting will begin,
- What will need to be reported, and
- How to report.

The October 2009 workshops are

continued

Environment (continued)

intended for owners or operators of one or more sources of emissions that may meet the reporting thresholds listed above. Workshop materials and meeting locations are available at: www.ecy.wa.gov/programs/air/globalwarm_RegHaze/GHGworkshops.htm, then click on "Workshops" under Quick Links (right side).

Ecology initiates LID standards process

The Department of Ecology is initiating a process to develop technical standards, definitions and implementation approaches for Low Impact Development (LID). These recommendations will then be incorporated into the NPDES Phase I permits, and in future cycles, will be

used to develop permit requirements for LID in NPDES Phase II Western Washington municipal permits. Ecology has developed two stakeholder advisory groups; one focused on technical standards and one on implementation, and is planning an eight to ten month process. Cities are represented on the implementation workgroup by Larry Matel (City of Bremerton Public Works and Utilities) and Cathy Beam (City of Redmond Planning).

The kick off meeting for this effort is scheduled for October 13 in Tacoma. For more information, please refer to the Ecology website at www.ecy.wa.gov/programs/wq/stormwater/municipal/lidstandards.html or contact program lead Harriet Beale at hbea461@ecy.wa.gov.

EPA announces Puget Sound watershed management assistance grants

This month, the U.S. Environmental Protection Agency, Region 10 (EPA), expects to issue a competitive grant announcement soliciting proposals designed to assist local and tribal governments in implementing the Puget Sound Partnership's Action Agenda.

The grants are expected to focus on integrating land use programs and policies with watershed management on a watershed scale. A total fund of \$10,000,000 is available, and 15 grants are expected to be awarded, ranging from \$300,000 - \$1,000,000 each.

More information can be obtained at the EPA website at <http://yosemite.epa.gov/r10/ecocomm.nsf/puget+sound/funding> or from Dan Steinborn at Steinborn.Daniel@epa.gov.

general local government

Underground economy (SHB 1555)

As reported in the July *Bulletin*, **SHB 1555** calls for the extension of the Joint Legislative Task Force on the Underground Economy to December 15, 2009. With the passage of that bill, the scope of the task force was extended beyond construction, and the membership of the committee was expanded to include representatives of cities and counties. In conducting its 2009 study, the task force will examine issues in non construction industries and the role of local governments in monitoring the underground economy. The task force must report its findings and recommendations to the Legislature by December 1, 2009.

A subcommittee of this task force has recently been established to look at the potential for cities and counties to work with state agencies and the legislature in addressing the underground economy. The county and city representatives on the task force and AWC will participate in these discussions.

infrastructure, transportation, & economic development

As we enter the Fall, AWC's Infrastructure for Safety and Economic Development Legislative Subcommittee identified the street utility, transportation benefit district modifications, and stormwater funding as recommended preliminary major priorities for the 2010 legislative session. On September 25, the AWC Board of Directors adopted the Association's preliminary major priorities and the street utility and stormwater funding were included (please see the cover article of this *Bulletin* for more details).

AWC staff is continuing its outreach to legislators and representatives of the business community to better inform them on how a street utility that is targeting street maintenance and preservation would be implemented. Our key messages are:

- **Fairness** – As a utility, those who use and benefit from, and impact the transportation system are the ones who pay for the maintenance and upkeep of that system.
- A utility requires the funding to be used exclusively for transportation purposes (and not subject to reallocation for other city purposes).
- With city revenues depleted, combined with the initiative process, traditional revenue transfers to the transportation budget simply don't exit.

Joint Transportation Committee

On the legislative front, the Joint Transportation Committee is continuing its work on the Alternative Transportation Funding Methods study. The objective is to conduct a comprehensive analysis of mid-term and long term transportation funding mechanisms and methods. There are four key objectives that are further evaluated:

1. **Revenue stream** – Does the revenue stream provide revenue commensurate with transportation system funding needs?
2. **Public benefit reflects use** – Provides a clear purpose and policy rationale linked to transportation system use, economic development and other state policies and goals.
3. **Equitable** – Funding burden is geographically equitable and equitably allocates the cost to those who benefit.
4. **Local** – Allows for viable local transportation funding options that recognize the distinct needs of different local systems.

AWC staff will continue to participate as part of the technical team for this report.

Local Revitalization Financing is gone in 4 seconds!

On September 1 at 9 am, the Department of Revenue began accepting applications for the Local Revitalization Financing tool on a first come, first serve basis. **SSB 5045** authorized cities and counties to create revitalization areas for local public improvements and allows the state to contribute toward the bond payments. The maximum individual grant is \$500,000 per year for up to 25 years. Twelve applications were received in 15 seconds requesting approximately \$4.5M in annual awards. However, the one-time commitment of \$2.5 million available from the state will only support the first six applicants. Renton, the sixth applicant, submitted their application at 9:00:04 am.

The legislation also provided another \$2.25 million annually to seven demonstration projects in Bremerton, Auburn, University Place, Spokane, Whitman County, Tacoma, and

Vancouver. All seven submitted their applications by the September 1, 2009 deadline.

Public Works Board new grant programs receive overwhelming requests

As noted in previous *Bulletins*, the Legislature provided partial replacement of the Public Works Assistance Account with a \$9.5M Urban Grant Program and a \$9.5M Rural Public Works Program. Well over 300 applications were received for these programs with a total city request of over \$100M. The Public Works Board is expected to review the applications at their October 6 Board meeting.

Federal Recovery Act update on transportation projects-please report

Washington State allocated \$152 million in federal Recovery Act funds to cities, counties, ports and tribes. Utilizing Washington State's process for federal transportation funding allocations and the recent trend toward lower construction bids, there are now 154 local projects funded across the state. We are several months into the Recovery Act delivery phase and all of the agencies are doing a great job moving projects forward with 138 projects already advertised for bid.

The Recovery Act also came with extensive reporting requirements which are reported to both FHWA and the Congressional House Transportation & Infrastructure committee. Later this month, the Congressional Committee will publish their first Recovery Act report which will provide a national prioritization of all the state's based on performance. Each state's performance is being rated on the same key elements agencies are reporting on, such as: project advertisements, project awards,

continued

project completions, employment and project expenditures.

Therefore, it is imperative that WSDOT receive monthly billings and prompt reporting information from agencies utilizing recovery funds and progress on the public's roads and streets.

Designing pedestrian facilities for (ADA) accessibility course is now available

Ensuring there are ADA facilities for pedestrians is receiving increased attention nationally and in Washington state. Cities are encouraged to ensure they have met federal ADA requirements such as having an identified ADA coordinator, a transition plan, and inventory of your facilities.

In support of these efforts, beginning November 2nd, the FHWA Washington Division office in conjunction with the Resource Center Safety & Design TST has developed a blended online course to help planners and engineers design pedestrian facilities for accessibility. The blended course includes 2 Live Web Conferences (LWC) and 7 prerecorded Web Based Modules (WBM). For more information, please use the attached registration link: http://fhwa.na3.acrobat.com/dpfawbnov/event/event_info.html.

Freight and goods transportation system update – Your information is needed

The Washington State Department of Transportation (WSDOT) Highways & Local Programs Division and AWC are assisting in the biennial update of the state's Freight & Goods Transportation System (FGTS), a database of the state's strategic freight corridors, including highways, county roads, and city streets.

WSDOT is soliciting freight data on the city system as part of its overall effort to comply with both state and federal reporting requirements. In addition, the Freight Mobility Strategic Investment

Board has used this data as a factor in determining which routes are eligible for funding.

Routes are classified according to the amount of freight they carry each year. The tonnage designations are:

- T-1 more than 10 million tons per year
- T-2 4 million to 10 million tons per year
- T-3 300,000 to 4 million tons per year
- T-4 100,000 to 300,000 tons per year
- T-5 at least 20,000 tons in 60 days

WSDOT/AWC request:

Please review your jurisdiction's information for accuracy, which identifies known T-1 and T-2 routes for cities. Please note any changes that need to be made by identifying and/or changing the "T" classification for any streets resulting from increases or decreases to the tonnages carried, or additions or deletions of streets identified in the FGTS. We are also seeking freight information on routes that will be classified as T-3, T-4, and T-5.

In addition to the FGTS classifications, we are asking for additional information in this update of the FGTS:

- Location of freight generators in your city (name/facility type/address)
- Data to support generator classification

This information will help verify the roadway classifications and ensure accurate classifications are presented to FMSIB and WSDOT for official adoption. It will also help us determine locations that need additional truck counts and potential funding of additional counts. All of this information will be incorporated in the state's strategic investment plan for freight transportation, the statewide multimodal plan, and the highway system plan. By taking the time to provide this information, you help build the case for strategic priorities and investment needs in the freight system.

This year, all of the information can be found on-line at: http://eefmapps.wsdot.wa.gov/fmi/iwp/res/iwp_auth.html.

If you are having difficulty with the on-line database, please contact Paula Reeves, WSDOT Highways & Local Programs, at 360-705-7258 or reevesp@wsdot.wa.gov. She can then provide you with an Excel version of your information.

We greatly appreciate your cooperation and timely response for this update. The initial deadline for this information was August 28, 2009. WSDOT needs your information by October 2 if it is to be included in this update.

Traffic Justice Summit

Washington drivers kill and disable more than 400 pedestrians and bicyclists every year. In the vast majority of cases, these collisions were found to be the direct consequence of speeding, failing to yield the right of way, or the commission of some other moving violation. The victims are overwhelmingly the young, the old, the poor and the disabled. As few of the incidents rise to the level where they warrant felony charges, a traffic ticket is the worst the driver can expect.

If you think that there's something wrong with that picture, help make history and make change by attending the State Traffic Justice Summit. On October 14, join Senate Judiciary Chair Adam Kline (D-Seattle), Seattle City Attorney Tom Carr, Council Public Safety Chair Tim Burgess along with researchers, experts and families and friends of victims to learn the facts and talk about what we can do as a community – and as a state to protect vulnerable roadway users.

The Traffic Justice Summit will be held on October 14, from 5:30-7:30 pm at Seattle City Hall in the Bertha Knight Room.

land use & housing

GMA review and update cycle begins – What to look for and consider

Every city and town has obligations under the state's Growth Management Act (GMA). By law, every 7 years, the plans and regulations locally adopted to meet these obligations are supposed to be reviewed and updated, if necessary.

The next 7-year review cycle has begun and by December 2011, requires cities in Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties to have completed this. All other cities and towns will follow on a schedule in 2012, 2013 and 2014.

2011 GMA review cities have just received a grant availability letter from the Department of Commerce's Growth Management Division. As was the case during past reviews, funds were appropriated by the 2009 Legislature to help support (but not fully fund) this mandate. The amount was determined based on the level of the jurisdiction's population and GMA responsibilities. For those interested to see what each jurisdiction received, it is available at the 2011 Growth Management Update Grant Amount List at www.commerce.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=7823&Mid=944&wversion=Staging.

In order to receive a grant, Commerce is finalizing an application package they will mail in early October. AWC has been consulting with them about what this package will contain. While we appreciate that they want it to include a "checklist" of items that should be contained in each local GMA

comprehensive plan and accompanying regulations, we remain concerned that it is not yet clear what they convey are required items as compared to ones a city chooses to review and update.

Why does it matter?

AWC recently conducted an informal survey of Planning Directors in the 2011 review cities. We found that by and large, they are not preparing to amend much in their plans and regulations. Not all 2011 GMA review cities have the same obligations, needs or resources. For instance:

- Those in King, Pierce, Snohomish and Kitsap counties may have obligations agreed upon among jurisdictions through the Puget Sound Regional Council's (PSRC) Vision 2040 process;
- Some cities review and update local plans and regulations more frequently than every 7 years;
- Not much in law has changed since cities last conducted their reviews and updates; and
- Resources for planning – always constrained are even less available in these budget-constrained times.

The law is clear that a review is required, but not as clear as some might argue as to what needs to be updated and as such, what is then subject to appeal. AWC is consulting with both Commerce staff and planning and legal experts in an effort to come to an agreement or understanding about what Commerce's letter and requirements will be before grants are awarded for this process. Please stay tuned!

For more information or questions, please contact Dave Williams, davew@awcnet.org.

Referendum to repeal annexation reform fails to make ballot

During the 2009 session, AWC and a coalition of other interests, was successful in passing what we consider as significant Annexation Reform (**ESSB 5808**). Before it became effective in late July, an opponent filed a referendum to overturn portions of it. He and his supporters had until the effective date to gather over 120,000 valid signatures to place the repeal referendum on this fall's ballot. He wasn't successful and the law became effective.

This carefully crafted legislation resulted from years of work in cooperation with representatives of fire districts, fire chiefs and fire fighters. The bill adds a new optional interlocal method of annexation and establishes for every city and town using the property-owner petition method the need to secure agreement from owners of at least 60% of the assessed valuation, reduced from the previous 75% for non-code cities.

We have heard that some areas are considering using the new interlocal method. If your city is one of those, we'd appreciate you contacting us. We and our partners are available to provide assistance aimed at helping you be successful. For more information, please contact either Dave Williams at davew@awcnet.org or Sheri Sawyer at sheris@awcnet.org.

continued

Funding needed for Puget Sound area electric vehicle infrastructure model regulations

Last session, **2SHB 1481** was passed as one step supporting Governor Gregoire's plans to partner with California's and Oregon's governors to create a "green freeway" supporting use and charging of electric vehicles along I-5 from Canada to Mexico. The bill provides a necessary step towards building the kind of infrastructure that makes possible the early deployment of electric vehicles; specifically, facilitating the siting of plug-in facilities and battery exchange or "quick charge" stations throughout the state.

For cities adjacent to I-5 from Tumwater north to Marysville and those King County cities adjacent to I-90, I-495 and SR 520, the bill mandates that their regulations allow such infrastructure in non-residential areas by July 2010. This mandate only occurs if model development regulations are available by February 2010 – something that requires funding. If not available by then, the mandate is delayed until July 2011.

AWC has been working with the Governor's office and bill's prime sponsor, Rep. Deb Eddy (D-Bellevue), to find the needed resources to do the work. The Puget Sound Regional Council and others have been seeking funds – so far without success. We'll all keep trying!

House Local Government Committee work session on infrastructure

As part of their meeting to discuss "Approaches to Maximizing Infrastructure", the House Local Government Committee has asked AWC to help present information on infrastructure funding – trends, issues and opportunities. Those interested can tune into TVW to listen on October 2 at 10 am. This part of the agenda is scheduled to start around 10:45 a.m.

Design for livability: Sustainable cities conference

Now in its second year, Design for Livability brings planning, design, development and civic leaders together with advocates to better understand what we can do to build a stronger future. Join the following organizations on October 15 and 16 at UW, Seattle to tackle environmental and economic challenges head-on and demonstrate solutions to building more livable, walkable, and healthier communities: AIA Seattle, Cascade Land Conservancy, the University of Washington College of Built Environments, Allied Arts of Seattle, the American Planning Association Washington Chapter, and the American Society of Landscape Architects, Washington Chapter. More information can be found at <https://www.aiaseattle.org/sustainablecities>.

Energy efficiency through transportation planning - Grants available

Application guidelines for Energy Efficiency through Transportation Planning (EETP) grants are now available from the Washington State Department of Commerce. This is a competitive grant program open to all Washington state cities and counties. A total of \$770,000 will be available for projects and programs that reduce energy use and greenhouse gas emissions in the transportation sector.

Applications are due to the Department of Commerce by 5 pm on October 26, 2009. The application guidelines and application form are available on the Commerce Web site at www.commerce.wa.gov/recovery. This program is being administered by the Growth Management Services (GMS) unit of the Department of Commerce. A link to grant materials is also provided at www.commerce.wa.gov/growth.

A webinar will be held on Wednesday, October 7, 2009, 1 - 3 pm to review the guidelines and answer questions. You will find a registration link at www.commerce.wa.gov/recovery. Please note that you will have to download an application to participate in the webinar - you may need to contact your IT staff to do this. If you are unable to participate in the webinar, it will be recorded and posted on our web site at www.commerce.wa.gov/recovery. For more information, contact Anne Fritzel at atanne.fritzel@commerce.wa.gov or at 360.725.3064.

law & justice

Work sessions on law & justice issues

The Senate Human Services & Corrections Committee will hold a work session on Friday, October 2, at 10 am on reconfiguration of the Mental Health Division and Division of Alcohol and Substance Abuse at the Department of Social and Health Services and housing issues related to persons in the criminal justice system.

Also on Friday, October 2, at 10 am, the House Human Services Committee will hold a work session on mentally ill offenders and the impacts of budget constraints.

The House Public Safety & Emergency Preparedness Committee work session on Friday, October 2, at 8 am will include discussion of delayed sentences and alternatives to incarceration programs.

Public defense proposed court rule

The Washington State Supreme Court Rules Committee is expected to discuss a proposed court rule addressing public defense requirements through changes to CrRLJ 4.1 later this month. Prior to its meeting, the committee had asked the various stakeholders who weighed in on this issue last year to provide comments. The latest proposed court rule by the District and Municipal Court Judge's Association would require defendants to be informed of the right to counsel before being arraigned and would require all indigent defendants to be assigned counsel, unless a valid waiver was present. Unlike some previous years' versions of the proposed rule, it is silent on requiring prosecutors at all arraignments.

AWC worked with the Washington State Association of Municipal Attorneys (WSAMA) court rules committee to prepare a joint response. Thanks to those city attorneys that provided input on the rule's impact.

If the committee takes up the proposed rule, it is expected that an additional comment period will be provided prior to final adoption of any changes.

Jail medical management model policy (SSB 5252)

The Washington Association of Sheriffs and Police Chiefs (WASPC) workgroup on a Jail medication management model policy is expected to have a preliminary draft by late October. The workgroup was created after the passage of **SSB 5252** last session, which requires WASPC to develop the model policy for jails without an in-house pharmacy to consider when training their own personnel to administer medication to inmates.

municipal finance

Important updates on Initiative 1033

AWC to host webinars for city officials if I-1033 passes

Provided Initiative 1033 passes in November, AWC will host two webinars within the week. These webinars will provide an overview of the initiative, a synopsis of what you can expect from AWC, and Q&A. Presenters will include Jim Justin, Director of State and Federal Relations with AWC, and Alice Osdeik, Attorney with Foster Pepper.

Keep an eye out for more specific information and instructions on how to register.

Recent polling indicates that despite losing ground, I-1033 leads by 24 points

The Elway Poll recently released new polling results on Initiative 1033. Results show that the number of people indicating they will “probably” vote for the initiative is declining and the number opposed or undecided are growing. Elway notes that nearly all movement was in the negative direction, which was “politically significant.”

| | August 2009 | Sept. 2009 |
|---------------------|-------------|------------|
| Inclined to support | 53% | 46% |
| Inclined to oppose | 20% | 22% |
| Undecided | 26% | 32% |

The poll found that support for the initiative dropped for every demographic except retirees and voters over 65. Support from both Democrats and Republicans fell. Democrat support fell from 48% in August to 36% in September, and Republic support fell from 66% to 53% over the same time period.

I-1033 sponsors' challenge OFM fiscal impact assumptions

In early September, I-1033 co-sponsors, Tim Eyman, Mike Fagan and Jack Fagan, filed a law suit against the director of OFM and the Secretary of State challenging the assumptions outlined in OFM's fiscal impact statement which will appear in the general election voter's pamphlet. The co-sponsors challenged that OFM's impact statement was based on a series of assumptions which inaccurately described the initiative.

The case was heard in Thurston County Superior Court on September 11, 2009 and the judge ruled that the burden of proof had not been met by the co-sponsors. As a result, OFM's fiscal note will be published in the general election voter's pamphlet as originally released in August. An excerpt of the court documents outlining the co-sponsors' arguments can be found on AWC's website.

The Attorney General's Office (AG) represented the defendants, OFM and the Secretary of State. During testimony the AG noted that their office avoids interpreting initiatives before becoming law. In following this charge, they were consulted by OFM while the impact statement was being developed, and concluded the OFM's assumptions were “reasonable.” This leaves the door open for another AG or court interpretation of the initiative should it become law.

City fiscal estimates

When OFM developed their fiscal impact statement, they did not do so at a jurisdictional level. This is due to data limitations and the significant variation of economic conditions affecting jurisdictional revenues and population growth (or decline).

Therefore, AWC worked with a group of finance directors to build off the assumptions OFM outlined in their impact statement, further interpret the I-1033 language, and develop a model that will assist cities in estimating the initiative's impacts. This model was emailed to city finance officers, mayors and managers/administrators at the beginning of the month. Some cities have completed these impact estimates and forwarded them to AWC. These are now posted on the AWC website so cities can compare impact results.

Other AWC resources

In addition to information about I-1033's fiscal impacts on cities, AWC's website now provides examples of resolutions concerning I-1033 passed by city councils and PowerPoint presentations outlining jurisdictional impacts. City officials are encouraged to visit www.awcnet.org/initiatives for this information and:

- Basic information on I-1033;
- Links to I-1033 sponsors' website and the Vote No on I-1033 website
- News articles about I-1033 concerning cities
- Previous AWC email alerts and I-1033 news
- PDC and AGO resources

continued

Municipal Finance (continued)

Implicit Price Deflator for property tax limit factor released

On September 22, 2009 the Department of Revenue released the rate of inflation for property taxes due in 2010. The implicit price deflator used to determine the property tax limit factor is negative 0.848 percent (-0.848%).

Anticipating a negative IPD, the Department of Revenue released a special notice in April of this year answering questions about the impact of deflation (or negative "inflation") on local property taxes. For taxing districts with a population of 10,000 or less the limit factor is 101% regardless of the IPD. For taxing districts with a population of 10,000 or more the limit factor is the lesser of 101% or 100% plus inflation. However, with a finding of substantial need and supermajority council approval, larger taxing districts can adopt a limit factor up to a maximum of 101%.

- For DOR's memo to county assessors regarding the negative IPD (9/22/09) visit www.awcnet.org/documents/IPD2009.pdf.
- For DOR's Q&A on property tax levy increases (4/22/09) visit http://dor.wa.gov/Docs/Pubs/SpecialNotices/2009/SN_09_LimitFactorInPropertyTaxLevies.pdf.

AWC will post on our website and email city officials information outlining the steps a city over 10,000 population must take to collect 101%.

City-County Assistance Account 2010 preliminary certification amounts available

As noted in previous *Legislative Bulletins* some changes have been made to the City-County Assistance Account. As a result of **SB 5511**, which passed during the 2009 legislative session, changes to this account were made in response to recommendations from the Joint Legislative Audit and Review Committee's report released last fall and in an effort to assist cities in budgeting for these funds.

Department of Revenue's release of 2010 preliminary certification amounts

DOR recently released 2010 preliminary certification amounts for cities to receive funds from the City-County Assistance Account. **Cities have until October 18 to review the distributions and address any errors.** After this review period the certification will become final.

Previously, certification took place in March for distributions made in April, July, October and January. Now, DOR is releasing a preliminary certification in September and this will become final after a 30-day review period. Distributions based on these eligibility amounts will take place in January, April, July and October. (However, please note that the transfer of these funds is typically made a few days before the beginning of the month).

To view preliminary eligibility amounts for 2010 click www.awcnet.org/portal/StudioNew.asp?Mode=BI&WebID=1&UID=&MenuActionTypeID=81&MenuActionParm=128&OriginPage=/portal/StudioNew.asp&EDate=&ChannelLinkID=5746.

Account funded by REET revenues

Cities should remember that the City-County Assistance Account is funded by a portion of the state's real estate excise tax (REET), which is imposed on real estate sales. Distributions are based on actual collections and the amount available in this account. Because of the recent slowdown in the housing market, cities receiving distributions this past year should have noticed a drop in assistance.

The DOR preliminary certification for 2010 provides a forecast of REET revenues based on the June 2009 revenue forecast. Once again, cities are not expected to reach the amount they are eligible to receive even with additional assistance from the state explained below.

Additional allocation in October 2009/2010 distributions

Because REET collections have fallen significantly, AWC worked hard to secure additional resources for this biennium for cities receiving funds from this account. The state's 2009-2011 budget appropriation, **ESHB 1244**, transferred an additional \$5 million to the assistance account on July 1, 2009 and an additional \$5 million is scheduled to be transferred on July 1, 2010. These funds will be split equally between counties and cities qualifying for assistance in the corresponding year.

Therefore, cities should expect to see a larger distribution in their October 2009 and October 2010 distributions, compared to previous

continued

distributions. Cities can view October distribution amounts here - www.awcnet.org/portal/StudioNew.asp?Mode=BI&WebID=1&UID=&MenuActionTypeID=81&MenuActionParm=128&OriginPage=/portal/StudioNew.asp&EDate=&ChannelLinkID=5746.

For questions about this account contact Alicia Seegers Martinelli, Research Coordinator, aliciam@awcnet.org or (360) 753-4137.

Final payment for first year of SST mitigation to be distributed by September 30

The SST mitigation advisory committee is set to meet again on October 1 from 10 am to 2 pm in Olympia. Continuing implementation issues include consideration of how to treat mistakes in mitigation data calculations and finalizing calculations for the base year. For more information, visit www.dor.wa.gov/Content/FindTaxesAndRates/RetailSalesTax/DestinationBased/SSTMitigation.aspx.

The fourth Streamlined Sales Tax Mitigation payment will be transmitted on September 30, 2009. It covers taxable retail sales made during the second quarter of 2009 and corresponds to local tax distributions made in June through August 2009. Cities are encouraged to review sourcing impact data as DOR works to finalize base year calculations

Seventy-nine jurisdictions will receive payments totaling \$6.97 million, which is up from \$6.51 million last quarter. For more information see the mitigation history information <http://dor.wa.gov/>

[Content/AboutUs/StatisticsAndReports/Mitigation/Default.aspx](http://www.dor.wa.gov/Content/AboutUs/StatisticsAndReports/Mitigation/Default.aspx).

This also means that the Department of Revenue (DOR) has made preliminary calculations for an annual estimate of the base year for future mitigation calculations. Cities are strongly encouraged to review the detail information provided in the confidential data on local sourcing impacts by business and report to DOR businesses that were incorrectly included if they would have impacted mitigation calculations.

DOR uses a secure e-mail system to the one contact person per city to send and communicate about confidential detailed-taxpayer information files that were used to determine quarterly mitigation payments. DOR's guidance regarding reviewing and communicating about that information is available in [How to Read the Mitigation Detail Files](#).

House Finance and Senate Ways & Means committee meetings

The Legislature will be in Olympia this week with meetings scheduled for Wednesday, September 30 through Friday, October 2.

On Thursday, October 1, AWC will give a presentation to the Senate Ways & Means committee on city fiscal status. Information used for this presentation will come from our State of the Cities reports.

The House Finance Committee's meeting on Friday, October 2 will include a briefing of the September Economic and Revenue Forecast, update from DOR on the conversion from resale certificates to sellers permits, and streamlined sales tax issues.

Department of Revenue Local Government Partnership Meeting

The next Department of Revenue (DOR) Local Government Partnership meeting is scheduled for October 13, 2009. These meetings present an opportunity for local governments to share information with DOR staff and learn from DOR about important upcoming issues.

For registration information visit the Local Government Partnership web page at <http://dor.wa.gov/content/doingbusiness/localgovernment> and click the link for Local Government Partnership meeting information.

AWC Legislative Contacts

During the legislative session, AWC's lobbyists often are unable to return your phone calls immediately. If you have a legislative or specific issue question, please request AWC's analyst staff, or send them an email directly.

Call AWC at (360) 753-4137 or 1-800-562-8981

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Essential Info

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AWC Regional Meetings

**October 28 – Tacoma
LaQuinta
1425 East 27th St
Tacoma, WA 98421**

Just a reminder that AWC is coming to your region! This is an interactive meeting and will include:

- Discussion on key emerging issues including Initiative 1033 and AWC's preliminary top legislative priorities for the 2010 session.
- The chance to visit with AWC's new Chief Executive Officer Mike McCarty and find out what's new in AWC's member programs, including an update on 2010 Employee Benefit Trust rates.
- Opportunity to share the challenges facing your region and tell AWC what you need from your association to help you meet those challenges.

There is still time to tell us what you want to talk about during these meetings! Please complete this short [survey](#). Some of the topics people in your region want to talk about are Initiative 1033 and balancing city budgets.

For more information and to register for this regional meeting, check [here](#).

We look forward to seeing you in Tacoma!



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<http://www.awcnet.org/>



2009 Regional Meetings Agenda

- 5:45 pm** **Check-in/Registration**
- 6 – 6:05 pm** **Host Mayor & Board Member Welcome**
- 6:05 – 6:10 pm** **Welcome and Overview of the Evening**
Mike McCarty, AWC Chief Executive Officer
- 6:10 – 6:30 pm** **Dinner**
Buffet line opens and you can help yourself.
- 6:30 – 6:45 pm** **AWC Update**
Mike will provide an update on AWC's strategic planning process, the upcoming State of the Cities release and more.
- 6:45 – 7 pm** **Emerging Legislative Issues**
Jim Justin, AWC Director of State and Federal Relations, will provide an overview of key emerging issues, including Initiative 1033 and AWC's preliminary top legislative priorities for the 2010 session.
- 7 – 7:55 pm** **Local/Regional Issues Discussion**
An interactive discussion, lead by Mike McCarty about what you want from AWC in terms of member services and legislative services. We want to understand the challenges facing you and your region.
- 8 pm** **Adjourn**

MEMO

PETRIZZO STRATEGIC



TO: Steve Worthington, City Manager, City of Fife

FR: Justin LeBlanc, Petrizzo Strategic Group

DT: October 15, 2009

RE: Federal Lobbying Activity Report

Petrizzo Strategic Group is pleased to provide this activity report on our federal lobbying efforts for the City of Fife. This report will address the following activities:

1. FY10 Transportation Appropriations
2. "Highway" bill Reauthorization
3. Flood Control and Preparedness
4. Byrne Grant Support Letters
5. Congressional Staff visits
6. Petrizzo Strategic City Visit
7. FY11 Appropriations Preparations

1. FY10 Transportation Appropriations

The FY10 Transportation Appropriations bills contain funding for the 70th Avenue East and Valley Avenue East Corridor Project. The House bill contains \$300,000 thanks to Rep. Adam Smith. The Senate bill contains \$1.5 million thanks to Senator Patty Murray. This reconstruction project widens 70th Avenue E from two lanes to five lanes and Valley Avenue E from two lanes to four lanes. The full project includes widening three intersections to accommodate major channelization improvements. Additional project improvements include wetland mitigation, stormwater treatment/detention facilities, water and sanitary sewer systems, sidewalks, bicycle lanes, planting strip, and underground conversion of existing overhead utilities. Phase 1 work will include the Valley Avenue E segment from 70th Avenue E to Freeman Road E and 70th Avenue E from the UPRR tracks northerly to a location 1,000 feet north of the Valley Avenue E intersection.

Despite the start of the FY10 federal fiscal year on October 1, Congress has not yet finalized the FY10 Transportation Appropriations bill. The federal government is currently operating under a Continuing Resolution while Congress finishes its work.

The House and Senate Appropriations Committee are expected to meet in Conference Committee in the coming weeks to resolved differences between their versions of the FY10 Transportation Appropriations bill including the level of funding for the 70th Avenue East and Valley Avenue East Corridor Project. Petrizzo Strategic is advocating for the Senate level of funding. Once the Conference Report is released, we will notify the City of the final funding level for this project,

2. “Highway” bill Reauthorization

Earlier in the year, the House Transportation & Infrastructure Committee began the process of reauthorizing the periodic Surface Transportation bill, often referred to as the “Highway” bill. This legislation authorizes the disposition of federal gasoline tax revenues to various surface transportation programs and “high priority” projects. Members of Congress solicit requests from communities in their district for such projects and seek their explicit authorization in the highway bill. In response to the Committees action, both Representatives David Reichert (R-8th) and Adam Smith (D-9th) solicited projects from the City of Fife. In addition, Senator Maria Cantwell solicited projects despite the lack of Senate action on the bill.

The City of Fife submitted two projects for consideration as high priority projects: The Port of Tacoma (POT) Road Interchange Bridge over I-5 at \$25 million and the 70th Avenue East Overcrossing of UPRR Mainline at \$21.5 million.

The POT Road Interchange funding would be used to allow the City of Fife to complete the design and construction of a new, longer and wider Port of Tacoma Road Bridge over Interstate 5. This bridge and widened approach fills and associated ramps is a critical component of a seven-phase project to reconstruct this interchange to improve the flow of traffic through this interchange into and out from the Port of Tacoma and surrounding area. Three phases of this interchange reconstruction have been completed; a fourth and fifth phase have been funded and are under design. This project will make the reconstructed interchange fully functional.

The 70th Avenue East overcrossing would construct a five lane overcrossing of 70th Avenue East over the Union Pacific mainline. This project is an essential component of the 70th and Valley and Canyon Road Corridors and a regional rail improvement strategy to enhance freight rail movement to the Ports of Tacoma and Seattle and throughout the Puget Sound Region.

After extensive discussion with the office of Rep. Adam Smith, he chose to request \$9.6 million for the POT Road Interchange project. Rep. Reichert did not submit any City of Fife requests. Senator Cantwell has not yet been required to submit projects to the Senate Environment & Public Works Committee.

Despite the desire of House T&I Committee Chairman Oberstar (D-MN) to move a highway bill this year, the Senate and the White House instead sought an extension of the current authorization so that Congress could focus on the highway bill in 2010 or perhaps beyond. In September the House passed an extension until December 31, 2009. The Senate only passed an extension through October 30 because they want to pass an extension through March 2011 as supported by the White House. So something will have to happen in the next two weeks. It is anticipated that the Senate and White House will prevail and an extension longer than the House-passed 3 months will be enacted into law, bumping further action on the highway bill into 2010.

3. Flood Control and Preparedness

After last year's flooding of the I-5 corridor in Fife, there is an increased sensitivity to flood control and preparedness for the City of Fife and recognition that such flooding has broader regional impacts. While in the long-term the solution to flooding in Fife is the recertification of the Puyallup River levees, in the short- to medium-term, mitigation measures are the only viable option. Despite the recent funding provided to the cities of Kent, Auburn, Renton, and Tukwila to purchase sand bags to address inevitable Green River flooding as a result of the compromised Howard Hansen Dam, federal funding for advanced measures is generally extremely limited. This is a result of the limited statutory authority FEMA and the Army Corps have to provide for such preparedness. Nonetheless, the offices of Senator Patty Murray and Maria Cantwell have engaged the City of Fife to at least being planning for flooding challenges.

4. Byrne Grant Support Letters

The City of Fife Police Department, as the coordinating agency for the 23 partners in Pierce County, submitted an Edward Byrne Grant application to the Department of Justice for Cooperative Cities Crime Scene Collaboration in the amount of \$ 245,443.81 to enhance Forensic and Crime Scene Investigations. Petrizzo Strategic Group secured support letters for this grant application from the offices of Senator Patty Murray and Representatives Norm Dicks, Adam Smith, and David Reichert. Unfortunately, this grant was not awarded. The City of Fife did secure a \$27,535 Edward Byrne Justice Assistance Grant (JAG).

5. Rep. Adam Smith & Congressional Staff visits

During 2009, Petrizzo Strategic Group facilitated visits to and tours of the City of Fife by Representative Adam Smith as well as several congressional staff including Mary McBride (Murray), Jonathan Pawlow (Smith), and Matt Perry (Smith).

6. Petrizzo Strategic City Visit

MEMORANDUM
For Study Session of October 20, 2009

TO: Mayor and Councilmembers
THROUGH: Steve Worthington, City Manager
FROM: Steve Marcotte, Finance Director
SUBJECT: 2009 Third Quarter Financial Report

REPORT IN BRIEF: The City of Fife continues to be adversely impacted by the national financial crisis and revenues are not reaching budget projections for several major revenue sources but we are reaching revised revenue targets previously discussed with Council. The impact of revenue shortfalls is being offset by efforts to reduce expenditures. Third quarter financial results and year-end projections are consistent with those previously discussed with Council in the Second Quarter Financial Report.

BACKGROUND: The City's adopted Financial Policies requires a quarterly financial report to be prepared and discussed with Council at a Study Session.

DISCUSSION: The following discussion summarizes the regional economic condition and the status of the revenue collections for major revenues as of September 30, 2009:

State and Local Economy: The Washington Economic and Revenue Forecast Council's most recent update to their State revenue forecast was updated as of September 11. It is largely consistent with their June forecast which was discussed with Council as part of the Second Quarter Financial Report. The ERFC continues to expect economic recovery to begin in the third quarter of 2009 and continue through 2010. Fife's revenues are heavily dependent upon auto sales so its local economic recovery could differ from what the State, as a whole, will experience.

Cash and Investments: As of September 30, 2009, the City had a total of \$19,295,429 invested in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP is currently paying interest at a rate of less than 1%. . The City has an additional \$7 million invested in Federal Home Loan Bank bonds with interest rates varying between 1.25% and 3.5% and maturities ranging from December, 2009 through June 2011.

General Fund: General Fund revenues continue to underperform the adopted budget projections mainly due to shortfalls in sales tax revenues, building permit revenues and plan check and review revenues. Expenditures are also tracking well below budget projections. Major areas of the General Fund budget are discussed below:

Property Taxes: A total of \$1,361,489 in property taxes has been collected as of September 30. This is consistent with the normal collection pattern for property taxes. The City expects to collect its full property tax levy of \$2,548,498 (see graph).

Sales Taxes: Sales tax revenues are tracking well below the adopted budget but are consistent with the revised revenue target of \$5.2 million. Monthly sales tax collections were very consistent for January through July with an average collection of \$365,000 per month. That improved a little bit in August with a monthly collection of \$403,732, the first time monthly collections exceeded \$400,000 this year. That improving trend continues in September with sales tax collections at \$429,114. This amount should include a portion of auto sales resulting from the “cash for clunkers” program but we expect to see the bulk of that activity in next month’s collections. The amount the City received for “SST mitigation” is also larger than previous quarters which should be an indicator of a general increase in non-auto retail sales activity. (see graph).

Building-Related Permit Revenues: We’re seeing a modest improvement in permit revenue. As of September 30, we have collected \$163,058 for building permits. This is well below the \$300,000 budgeted for this revenue but it exceeds our revised revenue target of \$150,000. (see graph).

Puyallup Tribal Payments: The City has received the 2009 amount of \$850,000 and the “in lieu” property tax of \$182,813. The City is still owed the fourth installment of the pool remodel grant in the amount of \$212,500 and the “in lieu” lodging and sales tax amount which is a \$150,000 minimum.

Expenditures: General Fund expenditures are also tracking well below the adopted budget and are tracking consistent with the revised budget targets given to department directors.

Public Safety Fund: This fund is used to account for the revenues derived from the City’s Photo Red Light Enforcement Program and for the expenses of operating the program. Notice of Infraction revenue totaled \$1,261,203 through the third quarter. Monthly revenues are continuing to grow and will far exceed the 2009 budget of \$840,000 (see graph).

Stadium and Convention Center Fund: This fund is used to account for lodging taxes. Lodging tax collections through the third quarter totaled \$409,052. These revenues are lagging a bit below where we would expect them to be at this point in the year but we typically receive the greatest amount in the last half of the year. September receipts were up considerably from prior months and we still may collect the budgeted amount of \$600,000, although it seems more likely that this revenue will underperform a bit. (see graph).

Growth Management Fund: This fund is used to account for the 1st and 2nd quarter percent real estate excise taxes. These monies are derived from the transfer of title to real property, both for newly constructed and existing properties. Revenues are budgeted for \$700,000 for the year but only \$225,937 was collected through the third quarter. While this is below original budget expectations, it is up significantly from the second quarter report. (see graph).

Utilities: All of the City’s three utilities (Water, Sewer and Storm Sewer) are performing as expected (see graphs).

ATTACHMENTS:

Property Tax Trends graph
Sales Tax Trends graph
Permit Revenue Trends graph
Public Safety Fund graph
Lodging Tax graph
Real Estate Excise Taxes graph
Water Sales Revenue Collection by Billing Cycle graph
Sewer Service Revenue Collection by Month graph
Storm Drainage Service Revenue Collection by Billing Cycle graph

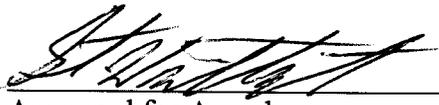
FISCAL IMPACT: For information.

ALTERNATIVE COURSES OF ACTION: For Information.

RECOMMENDATION: None at this time.



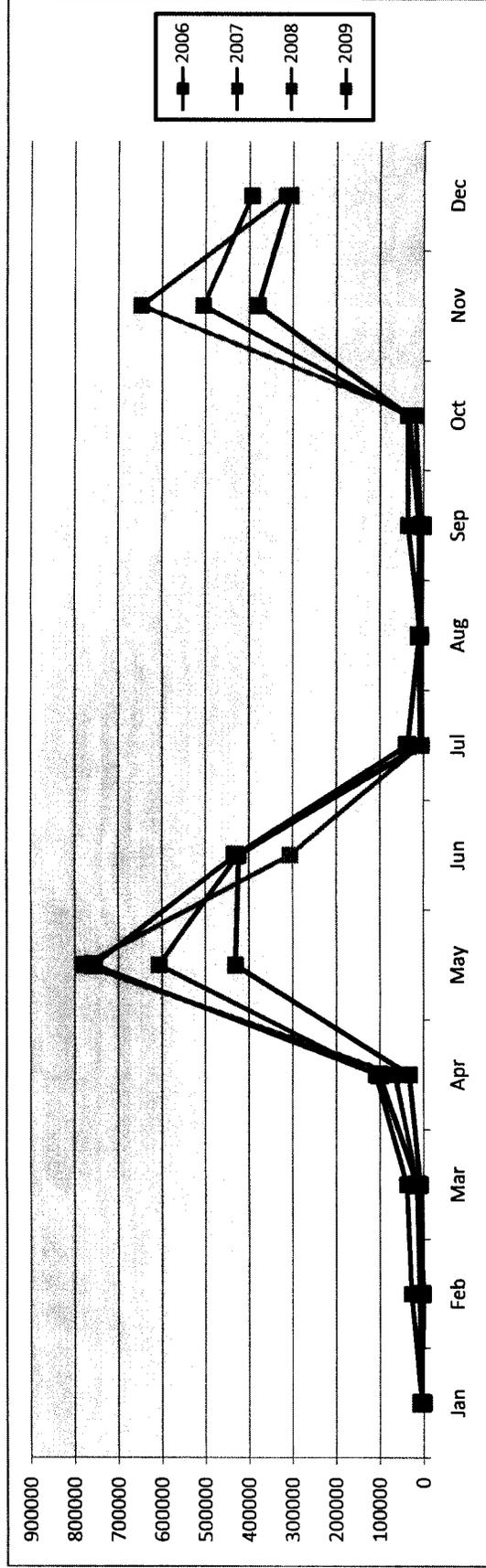
Steve Marcotte
Finance Director



Approved for Agenda
Steve Worthington, City Manager

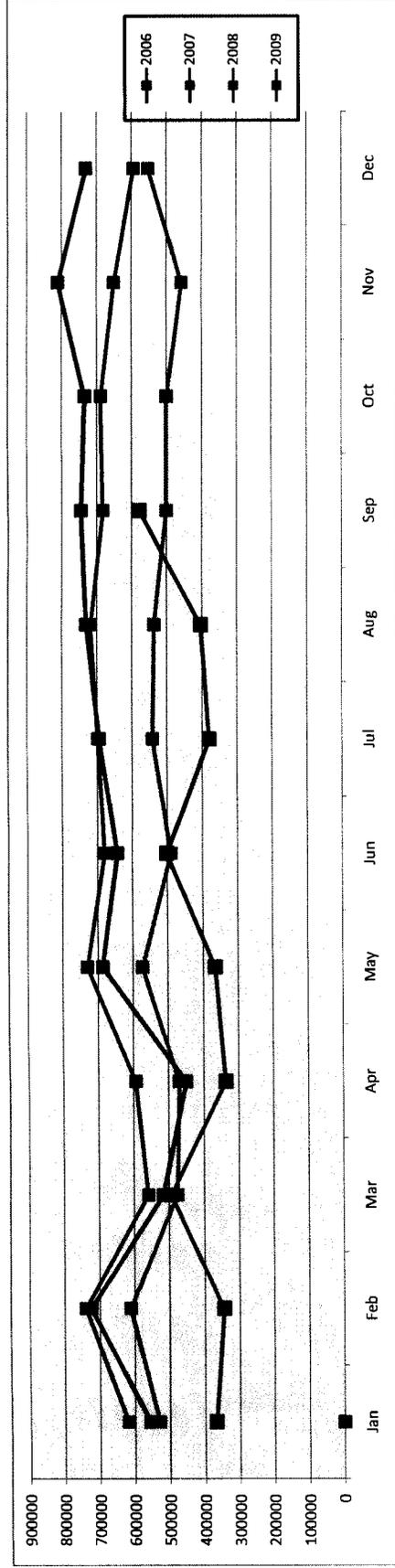
Property Tax Trends

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|---------|----------|----------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|-----------|-------------|
| 2006 | \$5,586 | \$1,350 | \$7,279 | \$32,032 | \$431,229 | \$423,563 | \$5,671 | \$10,681 | \$9,172 | \$35,401 | \$379,836 | \$306,286 | \$1,648,086 |
| 2007 | \$3,134 | \$26,946 | \$37,252 | \$108,424 | \$606,632 | \$424,618 | \$8,974 | \$6,121 | \$34,941 | \$37,236 | \$505,109 | \$394,293 | \$2,193,680 |
| 2008 | \$4,421 | \$8,662 | \$13,571 | \$64,441 | \$778,194 | \$305,896 | \$7,837 | \$8,729 | \$6,414 | \$18,939 | \$647,418 | \$315,954 | \$2,180,476 |
| 2009 | \$4,733 | \$4,449 | \$14,192 | \$100,178 | \$757,129 | \$431,232 | \$37,087 | \$9,290 | \$3,199 | | | | \$1,361,489 |



Sales Tax Trends

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| 2006 | \$555,956 | \$724,435 | \$516,758 | \$450,095 | \$686,859 | \$643,196 | \$693,615 | \$730,073 | \$745,589 | \$735,184 | \$811,944 | \$731,341 | \$8,025,045 |
| 2007 | \$619,121 | \$739,584 | \$559,380 | \$593,740 | \$730,772 | \$679,110 | \$697,923 | \$718,230 | \$682,025 | \$688,594 | \$650,949 | \$595,026 | \$7,954,454 |
| 2008 | \$529,889 | \$611,502 | \$476,667 | \$470,676 | \$573,562 | \$489,386 | \$542,624 | \$537,294 | \$501,668 | \$501,488 | \$457,833 | \$553,350 | \$6,245,937 |
| 2009 | \$368,376 | \$344,810 | \$494,410 | \$336,711 | \$366,069 | \$501,869 | \$379,790 | \$403,732 | \$578,226 | | | | \$3,773,994 |

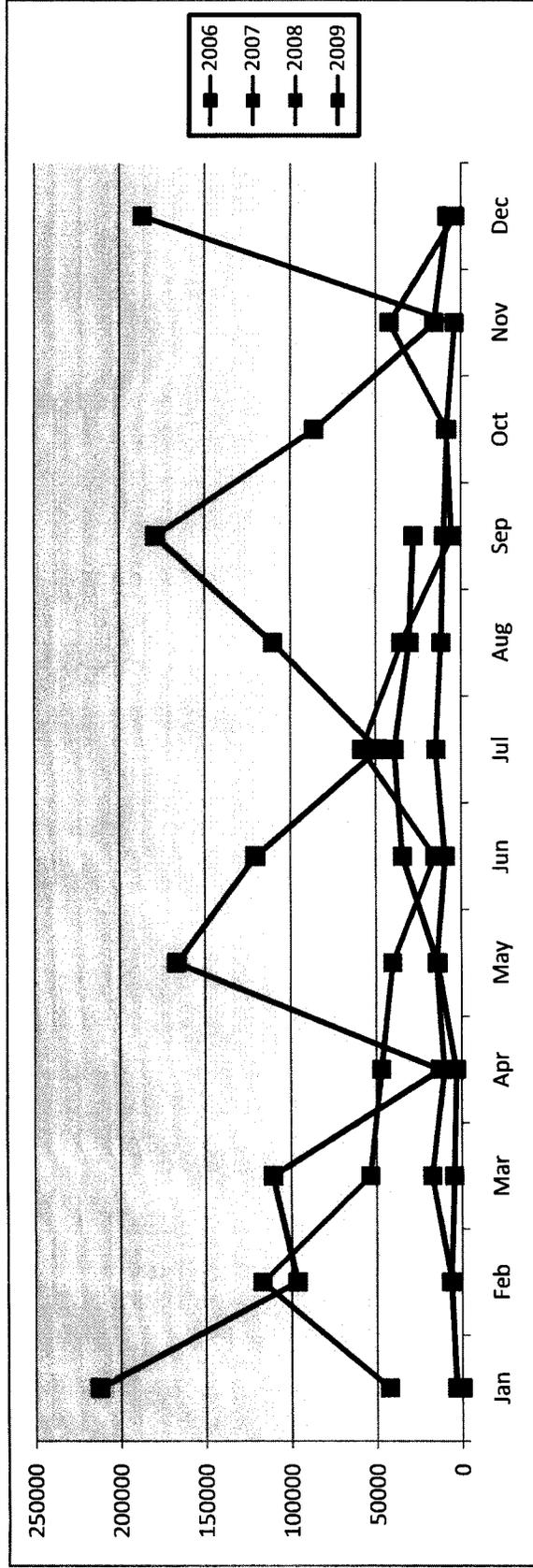


2009 Detail

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | YTD |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----|-----|-----|----------------|
| Sales Tax | \$368,376.29 | \$344,809.96 | \$357,384.64 | \$366,710.64 | \$366,068.94 | \$373,818.75 | \$379,790.30 | \$403,732.28 | \$429,114.81 | | | | \$3,389,806.61 |
| Mitigation \$ | - | - | \$137,025.80 | - | - | \$128,050.01 | | | \$149,111.50 | | | | \$ 414,187.31 |
| Total | \$368,376.29 | \$344,809.96 | \$494,410.44 | \$366,710.64 | \$366,068.94 | \$501,868.76 | \$379,790.30 | \$403,732.28 | \$578,226.31 | \$- | \$- | \$- | \$3,803,993.92 |

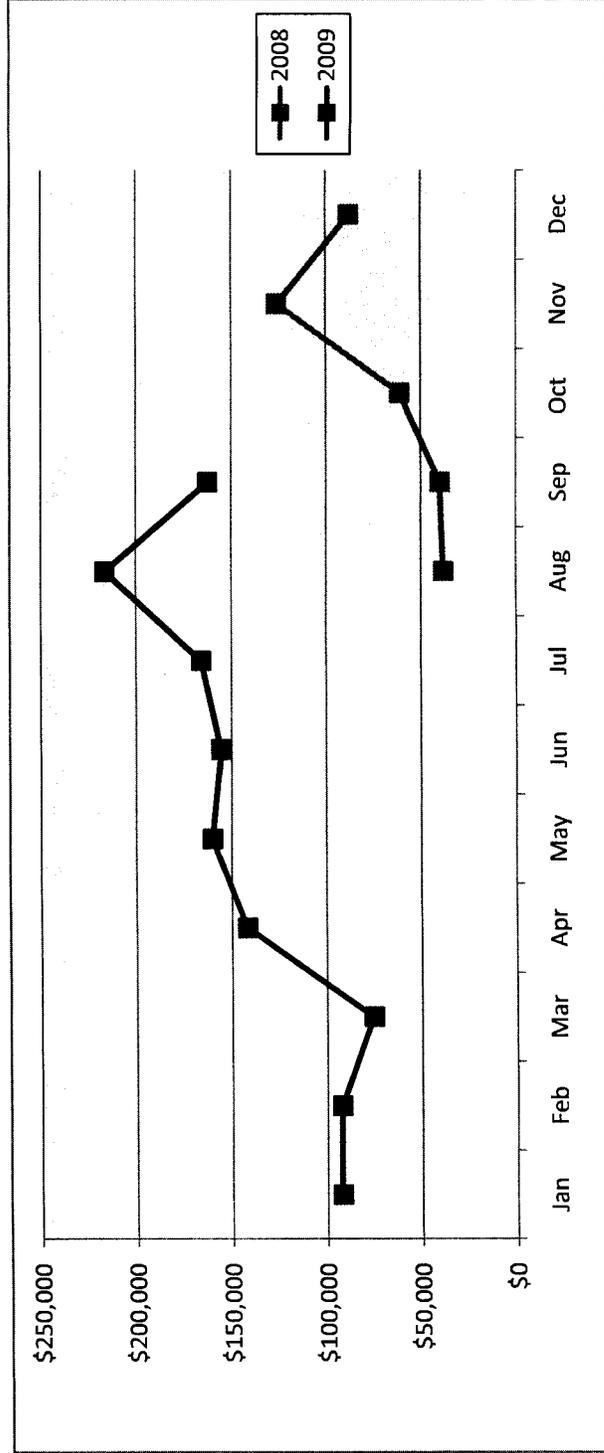
Permit Revenue Trends

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|-----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|----------|-----------|-------------|
| 2006 | \$212,468 | \$96,457 | \$110,637 | \$12,640 | \$166,512 | \$120,526 | \$48,530 | \$110,376 | \$178,828 | \$86,277 | \$15,889 | \$8,067 | \$1,167,207 |
| 2007 | \$42,680 | \$116,915 | \$53,591 | \$46,965 | \$40,400 | \$15,264 | \$58,115 | \$35,053 | \$5,384 | \$8,599 | \$3,842 | \$186,390 | \$613,198 |
| 2008 | \$3,466 | \$5,889 | \$17,416 | \$10,171 | \$14,456 | \$9,380 | \$14,791 | \$11,756 | \$10,216 | \$8,099 | \$42,211 | \$3,607 | \$151,457 |
| 2009 | \$3,040 | \$6,556 | \$4,541 | \$3,149 | \$14,057 | \$34,285 | \$38,991 | \$30,419 | \$28,018 | | | | \$163,058 |



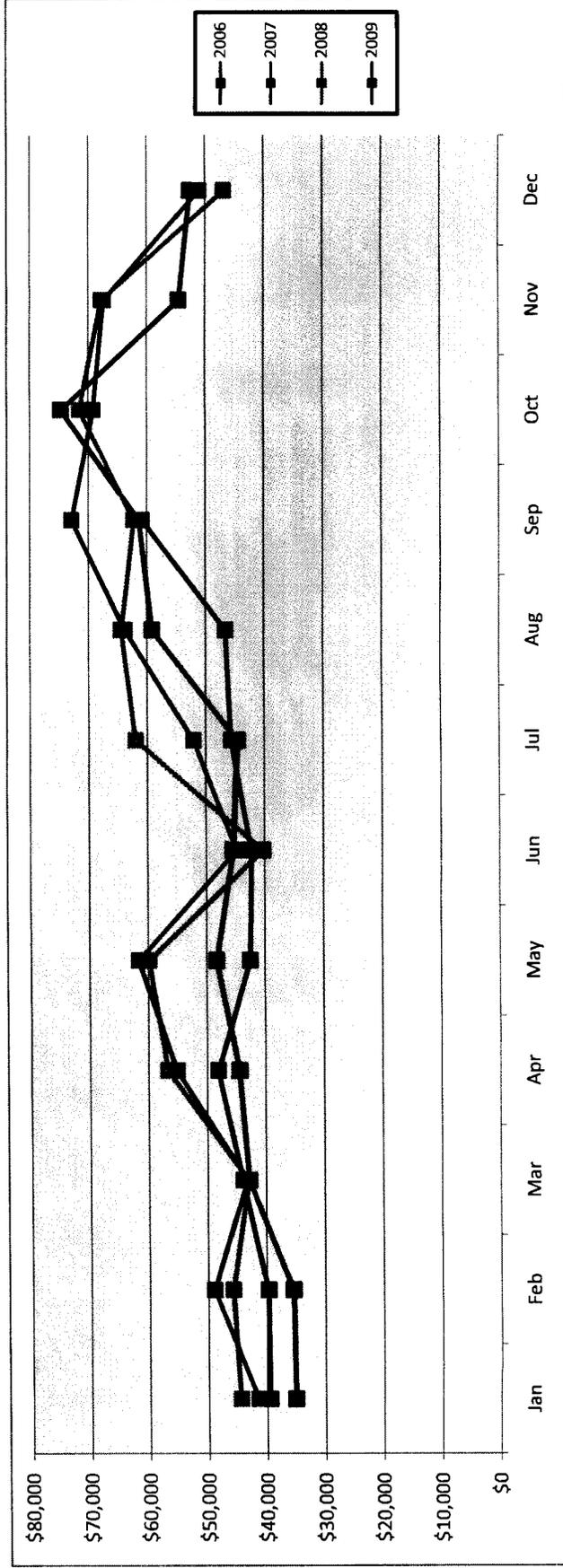
Public Safety Fund

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|-------------|
| 2008 | \$92,083 | \$92,307 | \$75,397 | \$141,738 | \$159,979 | \$155,234 | \$165,851 | \$216,329 | \$37,995 | \$39,764 | \$61,067 | \$87,788 | \$352,522 |
| 2009 | | | | | | | | | \$162,285 | | | | \$1,261,203 |



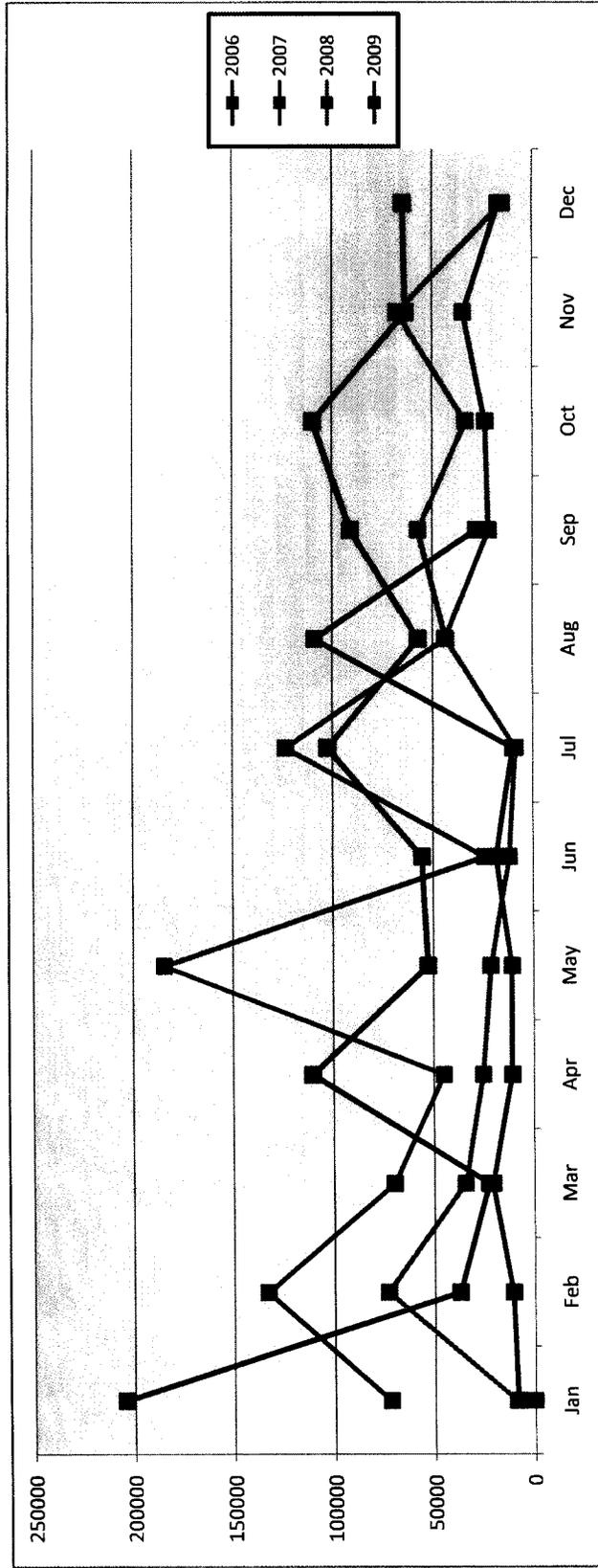
Lodging Tax

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| 2006 | \$35,067 | \$35,417 | \$42,880 | \$44,435 | \$48,234 | \$45,351 | \$44,598 | \$59,157 | \$61,368 | \$74,752 | \$54,614 | \$52,690 | \$598,563 |
| 2007 | \$41,355 | \$48,897 | \$43,143 | \$55,056 | \$61,592 | \$44,735 | \$52,047 | \$63,766 | \$72,858 | \$69,232 | \$67,449 | \$51,106 | \$671,236 |
| 2008 | \$44,464 | \$45,707 | \$42,978 | \$56,630 | \$59,885 | \$40,290 | \$62,016 | \$64,433 | \$62,284 | \$71,628 | \$67,886 | \$46,927 | \$665,128 |
| 2009 | \$39,447 | \$39,684 | \$43,950 | \$48,061 | \$42,535 | \$42,245 | \$45,639 | \$46,593 | \$60,898 | | | | \$409,052 |



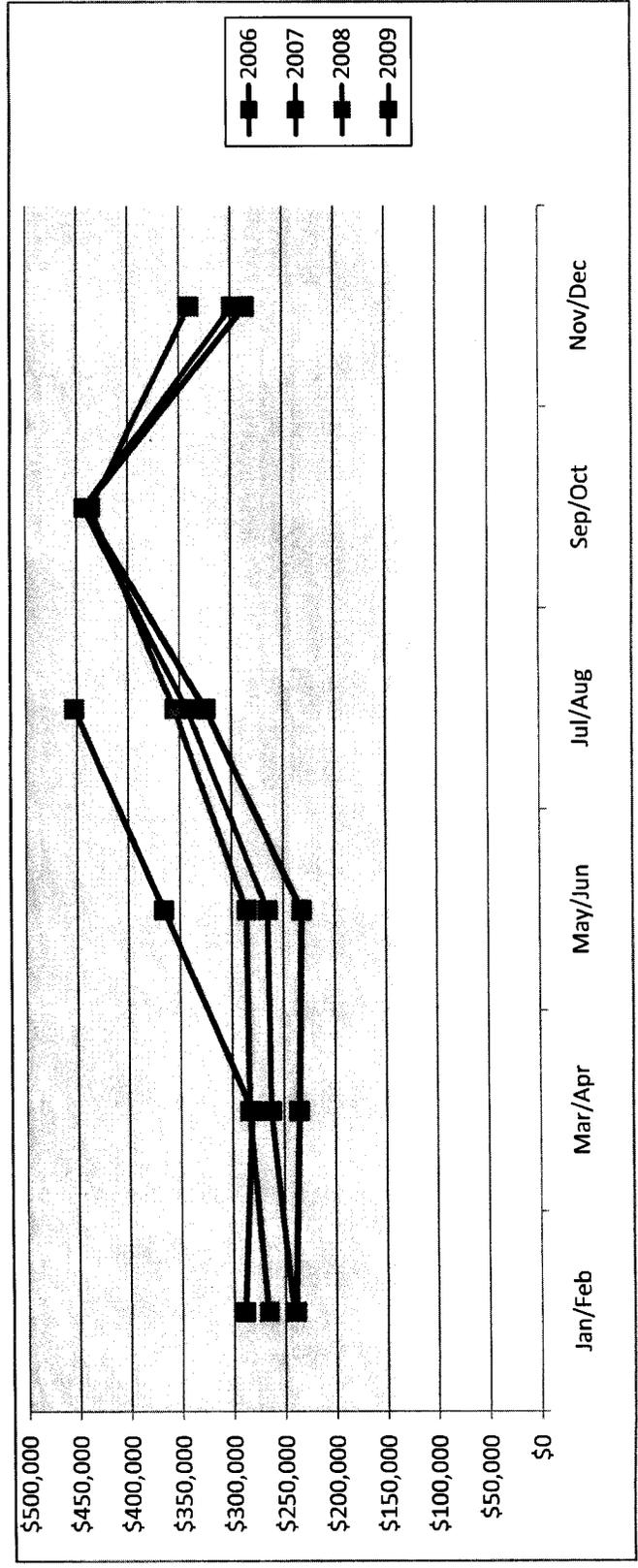
REAL ESTATE EXCISE TAXES

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|----------|----------|-----------|
| 2006 | \$204,431 | \$37,176 | \$22,400 | \$110,435 | \$52,516 | \$55,389 | \$102,537 | \$57,187 | \$90,839 | \$109,765 | \$63,531 | \$64,749 | \$970,954 |
| 2007 | \$71,875 | \$133,115 | \$69,777 | \$44,794 | \$184,326 | \$24,100 | \$123,410 | \$43,724 | \$21,721 | \$23,420 | \$34,589 | \$16,842 | \$791,691 |
| 2008 | \$8,895 | \$73,107 | \$34,295 | \$25,168 | \$21,309 | \$11,935 | \$8,775 | \$43,301 | \$57,172 | \$33,471 | \$67,755 | \$15,036 | \$400,218 |
| 2009 | \$8,202 | \$10,533 | \$20,548 | \$10,563 | \$10,585 | \$18,469 | \$9,970 | \$108,986 | \$28,081 | | | | \$225,937 |



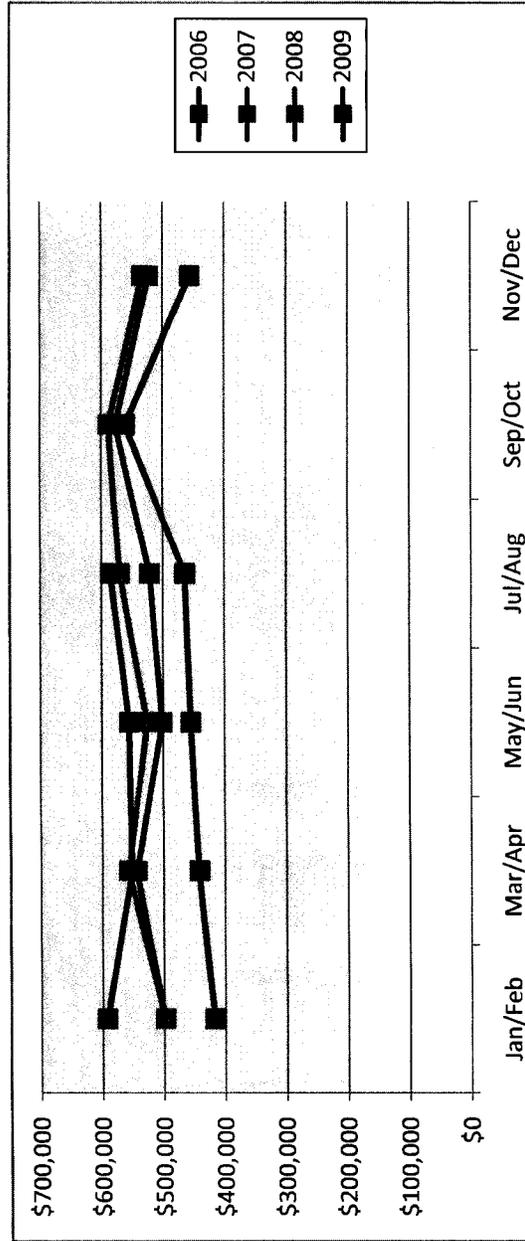
City of Fife Water Sales Revenue Collection by Billing Cycle

| | Jan/Feb | Mar/Apr | May/June | Jul/Aug | Sep/Oct | Nov/Dec | Total |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| 2006 | \$239,438 | \$234,874 | \$231,949 | \$324,620 | \$442,216 | \$286,546 | \$1,759,643 |
| 2007 | \$240,938 | \$261,991 | \$264,625 | \$342,763 | \$442,955 | \$298,801 | \$1,852,072 |
| 2008 | \$266,224 | \$283,154 | \$285,237 | \$354,903 | \$436,041 | \$340,648 | \$1,966,207 |
| 2009 | \$288,786 | \$280,766 | \$365,546 | \$452,517 | | | \$1,387,615 |



City of Fife Sewer Service Revenue Collection by Billing Cycle

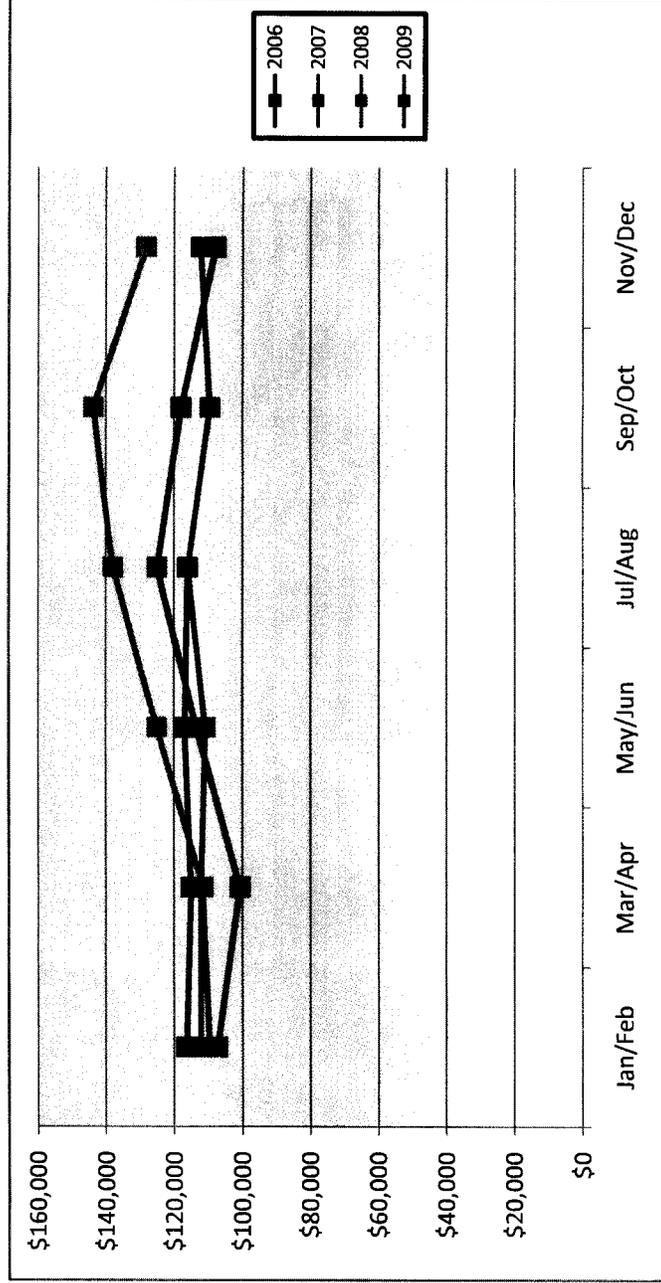
| | Jan/Feb | Mar/Apr | May/June | Jul/Aug | Sep/Oct | Nov/Dec | Total |
|------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| 2006 | \$417,022 | \$441,745 | \$455,097 | \$464,218 | \$561,036 | \$456,221 | \$2,795,339 |
| 2007 | \$498,196 | \$543,710 | \$501,627 | \$521,650 | \$577,303 | \$523,364 | \$3,165,851 |
| 2008 | \$498,170 | \$556,747 | \$526,026 | \$570,292 | \$588,397 | \$534,373 | \$3,274,005 |
| 2009 | \$592,773 | \$551,280 | \$555,557 | \$585,267 | | | \$2,284,877 |



City of Fife

Storm Drainage Service Revenue Collection by Billing Cycle

| | Jan/Feb | Mar/Apr | May/June | Jul/Aug | Sep/Oct | Nov/Dec | Total |
|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2006 | \$107,200 | \$100,589 | \$113,446 | \$125,016 | \$118,029 | \$107,844 | \$672,123 |
| 2007 | \$111,991 | \$112,103 | \$110,798 | \$116,018 | \$109,536 | \$112,267 | \$672,712 |
| 2008 | \$109,517 | \$111,458 | \$125,014 | \$137,933 | \$143,726 | \$128,342 | \$755,991 |
| 2009 | \$116,332 | \$115,046 | \$116,842 | \$116,079 | | | \$464,298 |



MEMORANDUM

For Study Session of October 20, 2009

TO: Mayor and Councilmembers
THROUGH: Steve Worthington, City Manager
FROM: Steve Marcotte, Finance Director
SUBJECT: Funding Alternatives for Police Positions

REPORT IN BRIEF: Revenue shortfalls in the General Fund have required the City to reduce General Fund expenditures, including leaving several Police positions vacant for budget savings.

BACKGROUND: The current recession has reduced City revenues. Since early 2008, City departments, including the Police Department, have responded to revenue shortfalls through a series of expenditure reductions, including actual layoffs and holding most vacant positions open rather than filling them. As a result, the Police Department currently has several positions open and has difficulty maintaining current service levels.

DISCUSSION: Council has indicated an interest in finding ways to fund some of the vacant Police positions. These positions are normally funded through the General Fund but until revenues begin to increase again the only funding source in the General Fund is the use of reserves or further budget reductions in other areas. Funding options are very limited outside of the General Fund due to legal restrictions on the use of most of the other City revenues. After a review of potential funding option, the following seem to be the most practical options for Council to consider:

Public Safety Fund: This fund accounts for revenues and expenditures from the City's Photo Red Light Enforcement Program. The City Council has restricted the use of these revenues to the administrative costs of the program, itself, and capital projects related to pedestrian safety. Currently, revenues are significantly exceeding budget projections and Council has authority to modify the allowable uses of these moneys. This would require ordinance to amend the original ordinance that created the fund. Based upon current planned uses of these moneys, there are sufficient revenues to allow either one or two officers to be funded. However, that would reduce moneys available for pedestrian safety projects.

Stadium and Convention Center Fund: This fund accounts for revenues and expenditures related to the City's lodging taxes. Because of legal restrictions on their use, these moneys cannot be used to fund Police positions directly. But the General Fund currently supports other activities which are eligible expenditures for lodging tax use. A prime example is the pool which attracts a number of visitors to the City and qualifies as a "tourism facility" for lodging tax purposes. It is substantially supported by the General Fund, rather than through lodging taxes. If the pool was supported by lodging taxes, instead, the change would free up General Fund revenues which can be used to fund Police positions. The City has a pending sale of 54 acres of property which, if sold, would relieve the Stadium and Convention Center of about \$440,000 of annual debt service payments. Using a portion of these moneys to support the pool in place of the current General Fund support could free up enough General Fund revenues to support one or two officer positions, without impacting the existing programs funded by lodging taxes.

Limited Commission Officer: The City currently uses fully commissioned Police officers to review violations for the Photo Red Light Enforcement Program. This impacts their availability for other police duties. An alternative could be to hire a lower cost Limited Commission officer to view violations, thereby freeing up fully commissioned officers from this function. As these officers are currently charging their time and costs to the Public Safety Fund for these activities, this change would still require finding additional revenues to support the positions in the General Fund. This could be done with either of the funding strategies identified above.

ATTACHMENTS: None

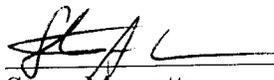
FISCAL IMPACT: Approximately \$100,000 to \$200,000 per year depending upon whether one or two officers are funded and whether the City uses a limited commission officer for one of the positions.

ALTERNATIVE COURSES OF ACTION:

1. Modify the permitted uses of the Public Safety Fund to permit its use for Police Officers.
2. Charge pool costs to the lodging taxes instead of the General Fund to free up General Fund resources for additional Police Officers.

RECOMMENDATION: For information.

SUGGESTED MOTION: None



Steve Marcotte
Finance Director



Approved for Agenda
Steve Worthington, City Manager