

**CITY OF RUSTON
REGULAR COUNCIL MEETING**

Tuesday, November 1, 2022

The City Council of the City of Ruston met on this date via In Person

MEETING CALLED TO ORDER

At 7:00PM City Clerk Grams called the regular Council Meeting to order. Councilmembers present were Councilmember Hedrick, Councilmember Kristovich, Councilmember Syler, and Councilmember Jensen. Mayor Hopkins and Councilmember Huson were excused. Councilmember Kristovich moved to elect Councilmember Hedrick as Mayor Pro Tem, with a second by Councilmember Syler, passed 4-0. Following the flag salute, Councilmember Kristovich moved to approve the agenda, with a second from Councilmember Syler, passed 4-0.

MINUTES - Councilmember Kristovich moved to approve the minutes for the Regular Council meeting of October 18, 2022, with a second from Councilmember Syler passed 4-0.

STAFF REPORT – Nothing at this time.

GENERAL PUBLIC COMMENTS –

Tom Poole – Addressed the need for a detailed budget report listing all revenue and expenditures. Mr. Poole requested additional discussion and information related to a property tax increase, what citizens would individually be responsible for, how real estate surplus funds would be used, and the Ruston schoolhouse expenditures and what the City's plan was for leasing any open space.

BUSINESS –

ORD 1561 – FY 2023 Tax Levy (2nd Reading) - As part of the budget process, Ruston will consider a budget and the revenue sources for City operations and capital expenses. As part of that process, the City is required to hold a public hearing on this topic. The public hearing on revenue sources was scheduled to coincide with this First Reading of Ordinance No. 1561 on October 18, 2022. Ruston is required to adopt its property tax levy in November of each year by ordinance and transmit a certified copy of the ordinance to Pierce County Assessor-Treasurer and to the Pierce County Council no later than November 30th. A Levy Certification must also be transmitted with the Ordinance. Adoption of this Ordinance was scheduled on the agenda during the meetings on **October 18, 2022** and for Action on **November 1, 2022**. This levy ordinance increases the property taxes levied by Ruston by the maximum amount allowed by law (one percent plus new construction, etc.). The maximum amount allowed by law is \$602,241.29. This is a 0.864 percent increase from 2022, or a \$5,157.65 increase. Councilmember Kristovich moved to approve Ordinance 1561, with a second from Councilmember Syler, passed 4-0.

ORD 1562 – City of Ruston 2023 Budget (1st Reading) – In accordance with State law, the Mayor of the City of Ruston completed and placed on file with the City Clerk-Treasurer a proposed preliminary budget and estimate of the amount of monies required to meet the public expenses, interest, reserve funds, and expense of government of the city of Ruston for the fiscal year ending

December 31, 2023. The Council is required to adopt its budget ordinance prior to January 1, 2023. On October 18, 2022 the Council held a preliminary public hearing to hear from the public about their budget priorities. The final public hearing on the budget will be held on November 15, 2022. The final public hearing must take place prior to budget adoption. The City is required to pass the budget before the end of this calendar year. The City Council Budget consideration schedule for Fiscal Year 2022 is as follows:

Mayor’s Budget Message to Council:	October 4, 2022
Council discussion of revenue sources:	October 18, 2022
Public Hearing on Revenue Sources	October 18, 2022
Public Hearing on Preliminary Budget	October 18, 2022
Adoption of Tax Levy Ordinance No. 1561	November 15, 2022
Public Hearing on Proposed Budget	November 15, 2022
Budget Discussion #1:	October 18, 2022
Budget Discussion #2:	November 1, 2022
Budget Discussion #3:	November 15, 2022
Budget Discussion #4:	December 6, 2022
Adoption of Final Annual Budget for 2023	December 6 or 20, 2022

Prior to budget adoption, the City Clerk will have fully complied with state law by publishing notice of the availability of the budget for public review and publishing notice of the required public hearings on the City’s proposed tax levy and budget, including a preliminary and final budget hearing. The proposed Total Revenues forecasted are \$9,965,278, consisting of Beginning Balances in the amount of \$4,329,881, plus interfund transfers in of \$307,000, and operating revenues of \$5,328,397. The Total Expenditures proposed are \$10,017,179, consisting of operating expenses in the amount of \$5,308,103, plus Interfund transfers out of \$307,000, and Ending Balances of \$4,402,076. Further discussion will take place on at the next council meeting of November 15, 2022.

The proposed budget by funds is as follows:

Fund	Name	Revenue	Expense
1	General Fund	\$ 2,069,847	\$ 1,976,220
5	Real Estate Surplus	\$ 2,069,610	\$ 2,067,610
101	City Street Fund	\$ 449,400	\$ 596,700
102	Reserve for Equipment	\$ 12,250	\$ 12,250
103	Reserve for Streets	\$ 108,100	\$ 108,100
301	Capital Construction Fund	\$ 358,000	\$ 358,000
401	Electric Utility Fund	\$ 1,656,300	\$ 1,656,300
402	Electric Utility Reserve Fund	\$ 275,000	\$ 275,000
403	Sewer Utility Fund	\$ 1,583,500	\$ 1,583,500
404	Sewer Utility Reserve Fund	\$ 355,000	\$ 355,000
407	Storm Sewer Utility Fund	\$ 237,000	\$ 237,000
410	Sewer Debt Service Fund	\$ 375,000	\$ 375,000
411	Electric Meter Deposit Fund	\$ 153,000	\$ 153,000
622	WR Rust Playfield Fund	\$ 54,921	\$ 55,299
624	School Building Maintenance Fund	\$ 133,000	\$ 133,000
634	Custodial Funds	\$ 350	\$ 200
635	Pt. Ruston Signage Custodial Fund	\$ 75,000	\$ 75,000
		\$ 9,965,278	\$ 10,017,179

Approval of this Ordinance will adopt the 2023 Budget and establish the appropriations necessary to authorize expenditures for each of the City's funds as will be later detailed in Ordinance #1562. Attorney to present the numbers in a factual manner. Further discussion at the Council Meeting of November 1, 2022.

ORD 1563 – Update Sewer Utility Taxes - Chapter 5.20 RMC for FY2023 (2nd Reading)-

The City of Ruston has the authority to levy utility taxes under Washington law. Under Washington law the City may levy utility tax upon Cable TV, electricity, gas, sewer, storm water, solid waste, steam, telephone services, and water. The City first adopted its utility tax code (Chapter 5.20 RMC) was first enacted in 2010 and was significantly updated in 2018 by adoption of Ordinance No. 1501. Due to the COVID-19 pandemic City resources have been diminished while needs have increased. In order to maintain current city services, new revenue sources need to be found.

There is no state law limitation on levying utility taxes on stormwater, sewer, or solid waste. Therefore, the Finance Department is recommending that the utility taxes on sewerage services be increased. Note that Ruston combines storm water and sewer into a single definition of “sewer system business” which applies to both types of services. These are currently at 10 percent and are proposed to be increased to 25 percent. The increase in the taxes on sewerage businesses will not be passed through to the customer but are on the sewer utility itself. Note, the Ordinance also contains a referendum clause for the portion that enacts the rate increase as required by law. If passed, these rate increases will take effect on January 1, 2023. Councilmember Jensen moved to defer a vote on Ordinance 1563 until there was a better understanding of the 2023 budget. Councilmember Hedrick agreed that he would vote to defer adoption of Ordinance 1563 for additional discussion of the 2023 budget. Councilmember Kristovich moved to defer Ordinance 1563 to the next council meeting of November 15, 2022, with a second from Councilmember Syler, passed 3-1.

CLAIMS/PAYROLL – Councilmember Kristovich moved to approve Claims for November 1, 2022 and Payroll for October 20, 2022, with a second from Councilmember Syler, passed 4-0.

MAYOR’S TIME – Mayor Hopkins was excused.

Councilmember Hedrick – Nothing at this time.

Councilmember Kristovich – Nothing at this time.

Councilmember Syler – Nothing at this time.

Councilmember Huson – Was excused.

Councilmember Jensen – Nothing at this time.

MEETING AJOURNED – At 7:22PM Councilmember Kristovich moved to adjourn, with a second from Councilmember Syler, passed 4-0.

ATTEST:



Mayor Bruce Hopkins



Judy Grains