

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

Date: January 11, 2007

Agenda Item #: Consent C 2

SUBJECT: Council minutes

CONTACT PERSON: Laura Koenig, City Clerk

SUMMARY STATEMENT:

Attached are the minutes of the December 14, 2006 Public Hearing on the 2006 Budget Amendments, as on file in the Office of the City Clerk.

MOTION:

Move to accept the Consent Agenda as presented.

RECOMMENDED ACTION:

Approval as submitted.

Action Date:

COUNCIL ACTION:

CITY OF SULTAN PUBLIC HEARING – December 14, 2006

PUBLIC HEARING – 2006 Budget Amendments:

The public hearing on the 2006 Budget Amendments was called to order by Mayor Tolson.
Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Blair and Boyd.

Staff:

Laura Koenig, City Clerk/Deputy Finance Officer provided the staff report.
Ordinance 945-06 provides for a final budget amendment for the 2006 fiscal year. The amendments included the following:

001 General Fund: Increase of \$178,350

Legislative: The original budget amount for training was \$500 and this year the Mayor and Council members attended the AWC Conference which increased the expenditures by \$3,350.

Legal: The GMA Hearings and other legal issues have increased the legal costs this year considerably. The total increase is \$27,000.

Law Enforcement: The staffing issues in the Police Department required that additional part time staff be hired and that existing staff work overtime. The overtime costs were \$25,328 and the additional staff costs were \$27,904. Grant programs of \$9200 were not included in the budget. The total increase is \$95,000.

Planning: Planning has experienced the same issues as the Water and Sewer funds in regards to additional cost for professional services. The Comprehensive Plan, Capital Facility Plan and GMA Hearing cost were much higher than anticipated. There were also cost incurred for consultant review of the plats submitted this year and additional hearings costs. Staff has billed the developers for consultant fees and hearing costs. The total increase is \$53,000

Funding Source: Unencumbered balance - \$178,350

101 Street Fund: Increase of \$43,600

Due to the ongoing changes to the Capital Facility Plan, the Comprehensive Plan and the GMA Hearings, professional services have exceeded the adopted budget.

Funding Source: Unencumbered balance of \$26,290 and reserves of \$17,310.

103 Cemetery Fund: Increase of \$2,000

Operating cost exceeded the anticipated budget.

Funding Source: Unencumbered balance of \$2,000.

301 Capital Project Fund: Increase of \$65,685

The City recently completed the purchase of the property on Alder Street. The expenditure was charged out of the Capital Project Fund using monies received from the sale of the abandoned street right of way on the east end of the City.

Funding Source: Treasurer's Trust Account

400 Water Utility Fund: Increase of \$20,000.

Due to the ongoing changes to the Water Comprehensive Plan, the Capital Facility Plan, the Comprehensive Plan and the GMA Hearings, professional services have exceeded the adopted budget.

Funding Source: Unencumbered balance of \$20,000.

PUBLIC HEARING – 2006 Budget Amendments:

401 Sewer Utility Fund: Increase of \$47,000.

Due to the ongoing changes to the Sewer Comprehensive Plan, the Capital Facility Plan, the Comprehensive Plan and the GMA Hearings, professional services have exceeded the adopted budget. The Treatment Plant was damaged during the flooding event this year and costs have been incurred to bring the plant back on line. Staff will be submitting claims for damages to FEMA and to the City's insurance carrier (CIAW).

Funding Source: Unencumbered balance of \$32,048 and reserves of \$14,952.

412 Water Debt Service: Increase of \$10,500.

The original budget is based on the amortization schedule for the PWTF and SRF loans. During the year the City draws on the loans and the payment schedule is adjusted for the additional funds.

Funding Source: Unencumbered balance of \$10,500.

413 Sewer Debt Service: Increase of \$21,000.

The original budget is based on the amortization schedule for the PWTF loans. During the year the City draws on the loans and the payment schedule is adjusted for the additional funds.

Funding Source: Interfund transfer from the 405 CR Reserve Fund.

Councilmember requested information on the total cost for the GMA hearings and the extra funds included in the amendment. Staff advised that there were additional 2006 bills that were considered in the process of preparing the budget amendment.

Public Input:

Loretta Storm: The city should find out how much it costs for the non-compliance with the GMA requirements and how much was lost in impact fees.

On a motion by Councilmember Flower, seconded by Councilmember Seehuus, the public hearing was closed. All ayes.

Benjamin Tolson, Mayor

Laura J. Koenig, City Clerk