

## SULTAN CITY COUNCIL

### AGENDA ITEM COVER SHEET

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ITEM NO: Consent C 4

DATE: December 13, 2007

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, City Clerk

SUMMARY: Attached are the minutes of the November 15, 2007 Public Meeting on the 2007 Budget Amendments as on file in the office of the City Clerk.

RECOMMENDED ACTION: Approve as submitted.

MOTION: Move to accept the consent agenda as presented.

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## **CITY OF SULTAN COUNCIL MEETING – November 15, 2007**

### **PUBLIC HEARING – 2007 Budget Amendments:**

The public hearing on the 2007 Budget amendments was called to order by Mayor Tolson. Councilmembers present: Champeaux, Wiediger, Slawson, Seehuus, Flower, and Blair. There were no objections to the Council participation.

#### **Staff:**

The issue before the Council is to hold a Public Hearing on Ordinance 973-07 (Attachment A) to amend the 2007 Budget. The Ordinance will be introduced for a first reading under action items on the agenda. The Council will need to make two policy decisions:

1. Allocating \$64,000 interest from the LID Bond fund and Impact Fee fund to the General Fund
2. Allocating all sales tax revenue (approximately \$305,000) to the General Fund. This decision would preclude a distribution to the Contingency Fund.

#### **001 General Fund:**

The General Fund will be in balance with the recommended actions:

- Allocate all sales tax revenue to the General Fund for 2007
- Allocate investment interest for 2007 in accordance with Resolution 07-24.
- Increase anticipated revenues based on actual amounts received year to date
- Reduce expenditures for the balance of 2007 to essential costs only.

The legal fees for the personnel issues are less than anticipated in July, however, the legal and consultant fees for land use have increased.

The City has received a request for an appeal to the Civil Service Commission and the Council has approved a contract for legal services in the amount of \$10,000.

The City has a \$4,603 positive balance in the General Fund based on the Staff's recommendations.

The interfund loan payment has been included in the amendment. The City will not be able to make the full payment and this may result in an audit finding, however, we would be able to demonstrate a good faith effort on behalf of the City to comply with the terms of the loan agreement.

**401 Sewer Utility Fund:** The expenditures for the flood damage in 2006 were paid in 2007. The City has submitted a claim for damages, however, we have not received reimbursement and may not by the end of the fiscal year. Staff is recommending a fund transfer from the reserve fund to cover the cost of the flood damage and when funds are received, those moneys would be receipted back into the reserve fund.

The City was notified in June that the state excise tax reports were not correct and that a deduction for debt service was not allowed. The deduction was disallowed in 2003, however, the Department of Revenue did not audit or correct the returns until 2007. The City was required to make payments on recalculated tax amount which was approximately \$30,000.

402 Garbage Utility Fund: The Garbage Utility Fund has a current fund balance of \$192,000 and staff is recommending that \$80,000 of those funds be transferred to the Equipment Reserve Fund. The Public Works Department plans to purchase an additional garbage truck in the future with the capability of picking up toters. The estimated cost for the toters is \$60,000. The goal is to have adequate funds in reserve to replace the truck and purchase the toters by late 2008.

104 Equipment Reserve Fund: The revenues for this fund would be increased by the \$80,000 transfer from the Garbage Utility Fund.

**Public Input**

None

On a motion by Councilmember Seehuus, seconded by Councilmember Slawson, the public meeting was closed. All ayes.

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Benjamin Tolson, Mayor

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Laura J. Koenig, City Clerk