

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 2

DATE: September 11, 2008

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the August 28, 2008 Public Hearing on the 2008 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.

CITY OF SULTAN COUNCIL MEETING – August 28, 2008

PUBLIC HEARINGS:

The Public Hearing on the 2008 Budget Amendments was called to order by Mayor Eslick. Councilmembers present: Champeaux, Davenport-Smith, Slawson, Flower, Blair and Doornek. There were no objections to the Council participation.

Staff:

Laura Koenig, Clerk/Deputy Finance Director, presented the staff report.

The City Council opened the public hearing on 2008 Budget Amendments on July 24, 2008 and continued the hearing to August 14, 2008 and then again to August 28, 2008. Staff anticipated the Interlocal Agreement for an Evidence Officer would be ready for Council consideration and an analysis of the Police Department budget would be complete. The agreement is still under review by Snohomish County.

The City Council has approved expenditures for vehicles that were not included in the adopted 2008 budget. The Council is considering the following amendments to the 2008 Budget:

104 Equipment Reserve Fund: On June 26, 2008, the Council approved the purchase of two new Public Works utility vehicles at an estimated cost of \$45,000.

Impacts:	\$45,000 expenditure increase
Funding Source	Interfund transfers from operating funds (Street, Water, Sewer and Garbage).

Staff budgeted for transfers into the reserve funds from the Street, Water, Sewer and Garbage funds for vehicle purchases. The Equipment Reserve Fund did not include expenditures for equipment purchase. The Public Works Department will order the vehicles after the budget amend has been completed.

106 Police Equipment Reserve Fund: On June 12, 2008, the Council approved the purchase of a new police vehicle and on June 26, 2008 the renewal of the motorcycle lease. In addition to those cost, there have been major repairs costing \$4,362 to two police vehicles this year. There were no expenditures for repairs included in the adopted budget. The original budget provided for the lease payments on vehicles purchased in 2007.

Impacts:	\$35,000 - New vehicle
	\$ 2,000 - motorcycle lease
	<u>\$ 5,000</u> - vehicle repairs
Total	\$42,000

Funding Source: Fund reserves and utility taxes collected

To fund the purchase of the vehicles, \$20,607 of the \$52,760 beginning reserve funds are being used for the vehicle purchase.

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107 Drug Enforcement Fund: Drug Enforcement Fund expenditures are restricted to activities directly related to drug enforcement or education. The City, through an Interlocal agreement with Snohomish County, is a member of the Drug Task Force. The annual fee was originally included in the Law Enforcement budget in the General Fund. Staff recommends the expenditure be reallocated to the Drug Enforcement Fund.

Impacts: \$1021 expenditure increase.
Funding source: Fund reserves (\$7685)

Councilmember Blair asked why revenues would be included in the Equipment Reserve fund budget if there were no expenditures. Staff advised the purpose of the Equipment Reserve fund is to provide reserve funds for future equipment needs and expenditures are included in the budget when equipment replacement is anticipated.

Public Input

None

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

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk