

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 2

DATE: October 23, 2009

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the October 9, 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 PUBLIC HEARING – October 9, 2008

2008 Budget Amendments: The Public Hearing on the 2008 Budget Amendments was opened by Mayor Eslick. Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Davenport-Smith, Blair and Doornek.

Staff: Laura Koenig, Clerk/Deputy Finance Director, presented the staff report. The City Council has approved expenditures not included in the adopted 2008 budget. The City is required to have a balanced budget. Detailed information on the Water and Sewer projects are contained in the staff reports for the 2nd Street Bid Award and the 6th Street Sewer Line repair. The Council is considering the following amendments to the 2008 Budget:

109 Community Improvement Fund: The City has received a grant to assist with graffiti removal under a joint application with Gold Bar and Index.

Impacts: \$12,000 expenditure increase
Funding Source WSTC Grant

405 CR Utility Reserve Fund: The City was required to do an emergency replacement sewer lines at the Post Office and 6th Street and is moving forward with the 2nd Street, 6th Street and Sultan Basin Road waterline projects. The Sultan Basin waterline was included in the adopted budget. Connection fees were anticipated in the adopted budget and due to the lack of construction; those funds have not been received. It will be necessary to use reserve funds to complete the projects.

Impacts: \$12,500 - Post Office sewer line
\$35,000 - 6th Street sewer line
\$84,000 - 2nd Street Waterline
\$75,500 - 6th Street Waterline
Total Project costs: \$207,000
Funding Source: CR Utility Reserve Balance

407 Sewer System Improvements: The sewer line on 4th Street at the Post Office failed and the City was required to replace it earlier this year. The 6th Street sewer line requires replacement as it has also failed. The City will need to use reserve funds to complete the projects due to the lack of sewer connections.

Impacts: \$12,500 - Post Office sewer line
\$35,000 - 6th Street sewer line
Total \$47,500 - Increase in expenses
(\$167,847) decrease in connection fees revenues
Funding Source: CR Utility Reserve Fund (405)

409 Water System Improvements: The City is moving forward with the 2nd Street and 6th Street improvements. The adopted budget did not include these waterline replacements.

Impacts: \$84,000 - 2nd Street Waterline
\$75,500 - 6th Street Waterline
Total \$159,500

Funding Source: CR Utility Reserve Fund (405)

154,764. To meet the debt service the adopted budget anticipated \$60,000 of fund reserves (actual was \$65,306) and connection fees of \$94,572. The actual connection fees received year to date is \$32,023. This leaves the fund with a current negative balance of \$56,836. The security for the loans are the assets of the Water Utility. It will be necessary to transfer funds from the Water Utility operating Fund to cover debt service.

Impacts: \$62,549 decrease in anticipated connection fees
\$64,000 increase in operating transfer in
Funding source: Water Operating Fund

400 Water Utility Fund: The Water Utility Fund will be amended to provide the \$64,000 transfer to the Water Debt Service Fund.

Discussion:

Discussion was held regarding the installation of the 6th Street waterline. Street repairs are not being completed as part of the project and the waterline could be delayed. Concern was expressed regarding the \$75,000 expenditure from the reserve funds. The issues with failing sewer lines may be a trend the city will need to deal with in the future. The older pipes are concrete and earth movement has impacted the pipes. A vactor truck could be used to help resolve some of the problems with blocked lines.

Public comments:

Jeffrey Beeler: Asked if the source of revenues for the debt service funds was from hookups? (Staff responded yes).

On a motion by Councilmember Slawson, seconded by Councilmember Flower, the hearing was continued to October 23, 2008. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk