

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

DATE: October 23, 2008

ITEM #: Public Hearing PH 1

SUBJECT: 2008 Budget Amendments

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**ISSUE:**

The issue before the Council is to hold a public hearing on proposed budget amendments. Based on the Council discussion, staff has prepared an ordinance to amend the 2008 budget.

**SUMMARY STATEMENT:**

The City Council has approved expenditures not included in the adopted 2008 budget. The City is required to have a balanced budget. The Water and Sewer capital improvement funds and debt service funds were discussed during the public hearing on October 9, 2008. The General Fund has been reviewed and adjustments have been made to revenues and expenditures.

**001 General Fund:** See detailed pages attached.

Actual revenues for taxes, license and services have decreased by \$56,050. The City received a grant from the COPS program for \$116,913 which has been included in the amendment. This increased the total general fund revenues to \$2,017,383. The following table summarizes the changes.

Description	2008 Adopted	2008 Amended	Change
Taxes	\$1,349,558	\$1,409,723	\$ 60,165
License/Permits	\$ 69,500	\$ 52,500	(\$17,000)
Intergovernment	\$ 190,465	\$ 312,466	\$121,998
Services	\$ 125,800	\$ 76,000	(\$48,800)
Court fees	\$ 65,250	\$ 65,250	\$0
Miscellaneous	\$ 155,944	\$ 101,444	(\$54,500)
<b>TOTAL</b>	<b>\$1,956,520</b>	<b>\$2,017,383</b>	<b>\$60,863</b>

Staff has done a comprehensive review of the expenditures for the General Fund and has made a recommendation to reduce expense. The COPS is included in the expenditures for Law Enforcement and it appears the expenditures have increased by \$125,602. The total increase in expense without consideration of the grant is \$8,689.

Adjustments have been made to provide funding for the two positions, the Records Specialist and the Administrative Assistant; and for cost to complete the Comprehensive Plan. Detailed line item adjustments are shown on Attachment A..

**Water/Sewer Capital Funds:** At the October 9, 2008 Public Hearing on the proposed budget amendments, the Council requested a flow chart to show the interfund transfer required to complete the budget amendments for the capital funds. The Council took action to remove the 6<sup>th</sup> Street Waterline project from the proposed amendments. This decreased the transfer from the CR Reserve fund from \$267,700 to \$192,200. The following shows the revenue and expense:

<b>From Fund</b>	<b>Amount</b>	<b>To Fund</b>	<b>Amount</b>
405 CR Reserve	\$192,200	409 Water System	\$192,200
405 CR Reserve	\$212,600	407 Sewer System	\$212,700
400 Water Operate	\$ 64,000	412 Water Debt	\$ 64,000

A detail of the proposed amendments for Water and Sewer are included in Attachment B.

**RECOMMENDATION:**

Close the public hearing on the 2008 Budget Amendments and proceed with the recommended amendments to the 2008 Budget.

- ATTACHMENTS:   A. General Fund detail  
                       B. October 9, 2008 Staff report on 2008 Budget Amendments

2008 BUDGET				
001 - GENERAL FUND				
RESOURCES				
Account	Description	ADOPTED	AMENDED	INCREASE OR
		2008 Budget	2008 Budget	DECREASE
001-000-308-10-000	Beginning Fund Balance	0	0	
	TAXES			
001-000-311-10-000	Real and Personal Property Tax	572,538	572,538	0.00
001-000-313-10-000	Local and Retail Sales and Use	250,000	276,257	26257.00
001-000-313-70-010	Sales Tax - Criminal Justice Fee	66,211	66,211	0.00
001-000-316-41-000	B & O Electric	125,310	125,310	0.00
001-000-316-43-000	B & O Gas	62,630	62,630	0.00
001-000-316-46-000	Cable Franchise Fees	34,506	34,506	0.00
001-000-316-46-001	B & O Cable	42,000	56,000	14000.00
001-000-316-47-000	B & O Telephone	81,935	87,800	5865.00
001-000-316-72-000	Water Utility Tax	39,540	45,400	5860.00
001-000-316-74-000	Sewer Utility Tax	49,617	57,800	8183.00
001-000-316-75-000	Garbage Utility Tax	22,741	22,741	0.00
001-000-317-50-000	Gambling Tax	1,630	1,630	0.00
001-000-319-16-000	Property Tax Interest	900	900	0.00
	Total Taxes	1,349,558	1,409,723	60165.00
	LICENSE/PERMITS			
001-000-321-90-000	Business License	13,000	13,000	0.00
001-000-322-10-000	Buildings and Structures	47,000	30,000	(17000.00)
001-000-322-10-010	Permits - Other	7,500	7,500	0.00
001-000-322-30-000	Animal Licenses	1,500	1,500	0.00
001-000-322-80-000	Penalties/Land Use Violations	0	0	0.00
001-000-322-90-000	Non-Business Permits	500	500	0.00
001-000-322-90-010	Alarm System Fees	0	0	0.00
	Total License/Permits	69,500	52,500	(17000.00)
	INTERGOVERNMENTAL			
001-000-331-16-000	Police Grants	0	116,913	116913.00
001-000-334-01-030	Records Management Grant	0	5,085	5085.00
001-000-334-03-030	Flood Management Plan Grant	0	0	0.00
001-000-334-03-510	WSTC Mini Grants	0	0	0.00
001-000-335-03-910	PUD Privilege Tax	28,750	28,750	0.00
001-000-336-06-210	Criminal Justice Funding	1,042	1,042	0.00
001-000-336-06-260	CJ Special Programs	2,488	2,488	0.00
001-000-336-06-510	DUI Cities	825	825	0.00
001-000-336-06-870	City Hardship Assistance	104,000	104,000	0.00
001-000-336-06-940	Liquor Excise Tax	21,291	21,291	0.00
001-000-336-06-950	Liquor Board Profits	32,072	32,072	0.00
	Total Intergovernmental	190,468	312,466	121998.00
	SERVICES			
001-000-341-50-000	Sale of Maps/Publications	750	750	0.00
001-000-341-60-000	Certifications/Photocopies	1,000	1,000	0.00
001-000-341-60-010	Law Enforcement Copies/Reports	850	850	0.00
001-000-341-91-000	Candidate Filing Fees	0	0	0.00
001-000-341-96-000	Civil Service Testing	0	0	0.00
001-000-341-99-000	Passport Fees	15,000	15,000	0.00
001-000-342-10-000	Law Enforcement - Service/Serv	900	900	0.00
001-000-343-19-000	Other Environment Protection F	7,800	1,000	(6800.00)
001-000-343-20-020	Prof. - Hearing Examiner	12,000	2,000	(10000.00)
001-000-343-20-030	Consultant Review Deposit	12,000	34,000	22000.00
001-000-343-93-000	Animal Control Fees	500	500	0.00
001-000-345-81-000	Zoning and Subdivision Fees	55,000	10,000	(45000.00)
001-000-345-83-000	Plan Check Fees	20,000	10,000	(10000.00)
	Total Services	125,800	76,000	(49800.00)



2008 BUDGET				
001 - GENERAL FUND				
EXPENDITURES				
Account	Description	Adopted 2008 Budget	Amended 2008 Budget	INCREASE OR DECREASE
<b>LEGISLATIVE</b>				
001-005-511-60-100	Salaries and Wages	3,720	3,720	0.00
001-005-511-60-200	Benefits	285	285	0.00
001-005-511-60-310	Operating Supplies	550	550	0.00
001-005-511-60-410	Professional Services	1,000	1,000	0.00
001-005-511-60-420	Communication	600	600	0.00
001-005-511-60-430	Travel and Seminars	1,600	3,000	1400.00
001-005-511-60-490	Miscellaneous	100	100	0.00
001-005-511-80-490	Voter Registration	1,060	1,060	0.00
001-005-511-60-640	Capital Outlay - Equipment	0	0	0.00
		8,915	10,315	1400.00
<b>EXECUTIVE</b>				
001-010-513-10-100	Salaries and Wages	18,065	30,154	12089.00
001-010-513-10-200	Benefits	5,140	9,045	3905.00
001-010-513-10-320	Office Supplies	200	200	0.00
001-010-513-10-420	Communication	600	600	0.00
001-010-513-10-430	Travel and Seminars	6,300	6,300	0.00
001-010-513-10-490	Miscellaneous	10,000	0	(10000.00)
001-010-513-10-640	Capital Outlay - Equipment	1,200	1,200	0.00
		41,505	47,499	5994.00
<b>FINANCE</b>				
001-015-514-23-100	Salaries and Wages	14,135	14,135	0.00
001-015-514-23-200	Benefits	5,180	5,180	0.00
001-015-514-23-310	Records Grant	0	5,085	5085.00
001-015-514-23-320	Office Supplies	1,000	1,000	800.00
001-015-514-23-411	Professional Services	2,250	2,250	0.00
001-015-514-23-412	Audit Costs	7,500	7,500	0.00
001-015-514-23-430	Travel and Seminars	1,000	1,000	0.00
001-015-514-23-490	Miscellaneous	650	650	0.00
001-015-514-23-491	Bank Fees	500	500	0.00
001-015-514-78-461	Payment of Judgements and Sett			0.00
001-015-514-23-640	Capital Outlay - Equipment	2,000	2,000	0.00
		34,215	39,300	5085.00
<b>GRANTS</b>				
001-020-514-60-100	Salaries and Wages	5,420	5,420	0.00
001-020-514-60-200	Benefits	1,480	1,480	0.00
001-020-514-60-310	Operating Supplies	300	300	0.00
001-020-514-60-311	Economic Development	3,500	0	(3500.00)
001-020-514-60-320	Office Supplies	600	600	0.00
001-020-514-60-350	Small Tools/Minor Equipment	300	300	0.00
001-020-514-60-410	Professional Services	3,000	0	(3000.00)
001-020-514-60-420	Communication	200	200	0.00
001-020-514-60-430	Travel and Seminars	1,000	1,000	0.00
001-020-514-60-490	Miscellaneous	300	300	0.00
001-020-514-60-640	Capital Outlay - Equipment	500	500	0.00
		16,600	10,100	(6500.00)
<b>LEGAL</b>				
001-025-515-20-100	Salaries and Wages	3,250	3,250	0.00
001-025-515-20-200	Benefits	160	160	0.00
001-025-515-20-410	Professional Services	45,000	45,000	0.00
001-025-515-20-490	Miscellaneous	0	0	0.00
001-025-515-70-510	Crime Victim Services	1,200	1,400	200.00
		49,610	49,810	200.00

2008 BUDGET				
001 - GENERAL FUND				
EXPENDITURES				
Account	Description	Adopted 2008 Budget	Amended 2008 Budget	INCREASE OR DECREASE
	<b>CIVIL SERVICE</b>			
001-030-516-10-310	Office Supplies	150	150	0.00
001-030-516-10-410	Professional Services	15,300	18,500	3200.00
001-030-516-10-430	Travel and Seminars	300	300	0.00
001-030-516-10-440	Advertising and Legal Notices	500	500	0.00
		16,250	19,450	3200.00
	<b>GOVERNMENTAL SERVICE</b>			
001-035-518-10-310	Office/Operating Supplies	4,000	4,000	0.00
001-035-518-10-340	Books and Periodicals	300	0	(300.00)
001-035-518-10-350	Small Tools/Minor Equipment	0	0	0.00
001-035-518-10-410	Professional Services	1,800	500	(1300.00)
001-035-518-10-420	Communication	7,850	7,850	0.00
001-035-518-10-440	Advertising and Legal Notices	4,500	4,500	0.00
001-035-518-10-450	Rentals	0	1,000	1000.00
001-035-518-10-460	Insurance	27,043	20,000	(7043.00)
001-035-518-10-470	Utilities	7,500	7,500	0.00
001-035-518-10-480	Repair and Maintenance	3,900	3,900	0.00
001-035-518-10-490	Miscellaneous	1,500	1,500	0.00
001-035-519-90-490	Organization Dues	1,200	1,200	0.00
001-035-518-10-530	Water Service Interfund	195	195	0.00
001-035-518-10-620	Capital Outlay - Buildings	4,000	7,200	3200.00
		63,788	59,345	(4443.00)
	<b>LAW ENFORCEMENT</b>			
001-040-521-20-100	Salaries and Wages	468,698	382,878	(85820.00)
	Overtime	0	29,000	29000.00
001-040-521-20-200	Benefits	179,425	150,000	(29425.00)
001-040-521-20-210	Benefits - Disability Insuranc	19,860	19,860	0.00
001-040-521-20-220	Uniforms	6,800	1,500	(5300.00)
001-040-521-20-230	Pre Employment Testing	3,400	1,000	(2400.00)
001-040-521-20-310	Operating Supplies	5,100	5,100	0.00
001-040-521-20-320	Office Supplies	3,000	3,000	0.00
001-040-521-20-350	Small Tools/Minor Equipment	1,750	1,750	0.00
001-040-521-20-360	Vehicle Operation/Maintenance	24,500	24,500	0.00
001-040-521-20-370	Vehicle Repair	5,400	7,000	1600.00
001-040-521-20-380	Contract Services - County	0	104,500	104500.00
001-040-521-20-410	Professional Services	70,000	60,000	(10000.00)
001-040-521-20-420	Communication	6,000	11,000	5000.00
001-040-521-20-430	Travel and Seminars	5,600	5,600	0.00
001-040-521-20-450	Rentals	6,000	6,000	0.00
001-040-521-20-460	Insurance	15,700	16,500	800.00
001-040-521-20-470	Utilities	6,000	6,000	0.00
001-040-521-20-480	Repair and Maintenance	3,500	3,500	0.00
001-040-521-20-490	Miscellaneous	2,500	2,500	0.00
001-040-521-78-461	Payment of Judgements and Sett	0	0	0.00
001-040-521-20-500	Intergovernmental - SNOPAC	71,000	71,000	0.00
001-040-521-20-510	Intergovernmental - Drug Task	1,000	0	(1000.00)
001-040-521-20-520	Vehicle Payment - Interfund Lo	0	0	0.00
001-040-521-20-530	Water Service Interfund	195	195	0.00
001-040-521-20-640	Capital Outlay - Equipment Grant	0	118,647	118647.00
		905,428	1,031,030	125602.00
			\$8,689 increase w/o grant	
	<b>COURT COSTS</b>			
001-045-521-90-411	Professional Service - Court A	20,400	20,400	0.00
001-045-521-90-412	Professional Services - Prosec	24,000	24,000	0.00
001-045-521-90-491	Miscellaneous - Court Filing F	35,000	17,000	(18000.00)
001-045-521-90-492	Miscellaneous - Jail Fees	100,000	130,000	30000.00
		179,400	191,400	12000.00

2008 BUDGET				
001 - GENERAL FUND				
EXPENDITURES				
Account	Description	Adopted 2008 Budget	Amended 2008 Budget	INCREASE OR DECREASE
	Misc			
001-055-531-70-500	Air Pollution	428	428	0.00
	EMERGENCY MANAGEMENT	0	0	0.00
001-050-525-10-500	Department of Emergency Mgmt	1,005	1,005	0.00
		1,433	1,433	0.00
	CODE ENFORCEMENT			0.00
001-060-539-30-100	Salaries and Wages	18,540	8,000	(10540.00)
001-060-539-30-200	Benefits	6,610	700	(5910.00)
001-060-539-30-310	Office/Operating Supplies	500	250	(250.00)
001-060-539-30-360	Vehicle Operation/Maintenance	600	0	(600.00)
001-060-539-30-370	Vehicle Repair	0	0	0.00
001-060-539-30-410	Professional Services	5,000	1,700	(3300.00)
001-060-539-30-430	Travel and Seminars	0	900	900.00
001-060-539-30-460	Insurance	0	0	0.00
001-060-539-30-640	Capital Outlay - Equipment	0	0	0.00
		31,250	11,550	(19700.00)
	PLANNING DEPARTMENT			
001-065-558-60-100	Salaries and Wages	57,590	66,340	8750.00
001-065-558-60-200	Benefits	19,475	19,475	0.00
001-065-558-60-310	Office/Operating Supplies	2,000	2,000	0.00
001-065-558-60-340	Books and Periodicals	700	700	0.00
001-065-558-60-350	Small Tools/Minor Equipment	0	0	0.00
001-065-558-60-380	GMA Planning Grants	0	0	0.00
001-065-558-60-411	Hearing Examiner Service	12,000	12,000	0.00
001-065-558-60-412	Professional Services	115,000	198,000	83000.00
001-065-558-60-412	Comp Plan Update	0	0	0.00
001-065-558-60-420	Communication	3,500	3,500	0.00
001-065-558-60-430	Travel and Seminars	1,200	1,200	0.00
001-065-558-60-440	Advertising and Legal Notices	4,000	4,000	0.00
001-065-558-60-490	Miscellaneous	2,500	2,500	0.00
001-065-558-60-640	Capital Outlay - Equipment	1,500	1,500	0.00
		219,465	311,215	91750.00
	BUILDING DEPARTMENT			
001-070-559-60-100	Salaries and Wages	57,180	47,000	(10180.00)
001-070-559-60-200	Benefits	15,800	8,000	(7800.00)
001-070-559-60-310	Operating Supplies	3,500	2,000	(1500.00)
001-070-559-60-340	Books and Periodicals	650	300	(350.00)
001-070-559-60-350	Small Tools/Minor Equipment	300	300	0.00
001-070-559-60-360	Vehicle Operation/Maintenance	1,000	500	(500.00)
001-070-559-60-410	Professional Services	5,000	5,000	0.00
001-070-559-60-420	Communication	1,000	1,000	0.00
001-070-559-60-430	Travel and Seminars	1,000	1,000	0.00
001-070-559-60-460	Insurance	500	500	0.00
001-070-559-60-480	Repair and Maintenance	0	0	0.00
001-070-559-60-490	Miscellaneous	450	450	0.00
001-070-559-60-630	Hazard Mitigation Buyout Progr	0	0	0.00
001-070-559-60-640	Capital Outlay - Equipment	8,900	7,000	(1900.00)
		95,280	73,050	(22230.00)
	HEALTH DEPT.			
001-075-562-50-500	Intergovernmental	700	1,200	500.00
		700	1,200	500.00



**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

DATE: October 9, 2008

ITEM #: Public Hearing PH 2

SUBJECT: 2008 Budget Amendments

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**ISSUE:**

The issue before the Council is to hold a public hearing on proposed budget amendments. Based on the Council discussion, staff will prepare an ordinance to amend the 2008 budget for the October 23, 2008 Council meeting.

**STAFF IS WORKING ON THE AMENDMENTS TO THE GENERAL FUND AND WILL PROVIDE DOCUMENTS TO THE COUNCIL BY OCTOBER 7, 2008. IT IS RECOMMENDED THAT THE HEARING BE OPENED AND, IF NECESSARY, CONTINUE TO OCTOBER 23, 2008 TO ALLOW FOR REVIEW OF THE ADDITIONAL INFORMATION.**

The Ordinance to amend the budget will be introduced for a first reading on October 23, 2008.

**SUMMARY STATEMENT:**

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 2<sup>nd</sup> Street Bid Award and the 6<sup>th</sup> 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

**RECOMMENDATION:**

Staff recommends the Council amend the budget to include the grant.

2008 Revenues

Community Imp	Description	Original Budget	Amended Budget
109-000-334-04-200	CJ Special Programs	\$1,000	\$1,000
109-000-367-11-000	WSTC Grant	\$0	\$12,000
	<b>TOTAL RESOURCES</b>	<b>\$1,000</b>	<b>\$13,000</b>

2008 Expenditures

Community Imp	Description	Original Budget	Amended Budget
109-573-573-90-640	Capital - Equipment	\$ 0	\$12,000
109-574-574-90-410	Safe Stop	\$1,000	\$1,000
	<b>TOTAL EXPENSE</b>	<b>\$0</b>	<b>\$13,000</b>
<b>ENDING FUND</b>	<b>RESERVES</b>	<b>\$0</b>	<b>\$0</b>

**405 CR Utility Reserve Fund:** The City was required to do an emergency replacement sewer lines at the Post Office and is 6<sup>th</sup> Street and is moving forward with the 2<sup>nd</sup> Street, 6<sup>th</sup> 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 - 6<sup>th</sup> Street sewer line  
                                   \$84,000 - 2<sup>nd</sup> Street Waterline  
                                   \$75,500 - 6<sup>th</sup> Street Waterline  
 Total Project costs:    \$207,000  
 Funding Source:        CR Utility Reserve Balance

**RECOMMENDATION:**

Staff recommends funding be provided for the water and sewer line replacements.

2008 Revenues

CR Utility Reserve	Description	Original Budget	Amended Budget
405-000-308-10-000	Fund Reserves	\$78000	\$405,080
405-000-361-11-000	Investment Interest	\$47,000	\$24,000
405-000-381-20-000	Interfund Loan Pmt <sup>1</sup>	\$0	\$51,220
405-000-397-10-000	Operating Transfer In	\$0	\$0
	<b>TOTAL RESOURCES</b>	<b>\$125,000</b>	<b>\$480,300</b>

2008 Expenditures

CR Utility Reserve	Description	Original Budget	Amended Budget
405-405-597-55-000	Operating Transfer Out to 409 Water Imp	\$125,000	\$267,700
405-405-597-55-000	Operating Transfer Out to 407 Sewer Imp	0	\$212,600
	<b>TOTAL EXPENSE</b>	<b>\$125,000</b>	<b>\$480,300</b>
<b>ENDING FUND</b>	<b>RESERVES</b>	<b>\$0</b>	<b>\$0</b>

**407 Sewer System Improvements:** The sewer line on 4<sup>th</sup> Street at the Post Office failed and the City was required to replace it earlier this year. The 6<sup>th</sup> 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 - 6<sup>th</sup> Street sewer line  
                                   \$47,500 - Increase in expenses  
 Total

Funding Source:        (\$167,847) decrease in connection fees revenues  
                                   CR Utility Reserve Fund (405)

<sup>1</sup> Interfund loan payment from the General Fund

**RECOMMENDATION:**

Staff recommends the Council provide funding for the sewer line replacements.

2008 Revenues

Sewer System Imp	Description	Original Budget	Amended Budget
407-000-308-10-000	Fund Reserve	\$27,318	\$28,900
407-000-367-10-000	Connection fees	\$167,847	\$0
407-000-382-80-010	PWTF Loan	\$500,000	\$500,000
407-000-397-10-000	OpTransfer In from 405	\$0	\$212,600
	TOTAL RESOURCES	\$695,165	\$741,500

2008 Expenditures

Water System Imp	Description	Original Budget	Amended Budget
407-407-596-40-630	Construction – WWTP and I & I Program	\$694,000	\$694,000
407-407-596-40-630	Construction – Post Off	\$0	\$12,500
407-407-596-40-630	Construction – 6 <sup>th</sup> St	\$0	\$35,000
	TOTALS	\$694,000	\$741,500
ENDING FUND	RESERVES	\$1,165	\$0

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

Impacts: \$84,000 - 2<sup>nd</sup> Street Waterline

\$75,500 - 6<sup>th</sup> Street Waterline

Total \$159,500

Funding Source: CR Utility Reserve Fund (405)

**RECOMMENDATION:**

Staff recommends the Council provide funding for the water line replacements.

2008 Revenues

Water System Imp	Description	Original Budget	Amended Budget
409-000-308-10-000	Fund Reserves	\$	0
409-000-367-10-000	Connection fees	\$0	\$16,800
409-000-397-10-000	Operating Transfer In from 405	\$125,000	\$267,700
	TOTAL RESOURCES	\$125,000	\$284,500

2008 Expenditures

Water System Imp	Description	Original Budget	Amended Budget
409-409-596-40-630	Construction SBR	\$125,000	\$125,000
409-409-596-40-630	Construction – 2 <sup>nd</sup> St	\$0	\$84,000
409-409-596-40-630	Construction – 6 <sup>th</sup> St	\$0	\$75,500
	TOTAL	\$125,000	\$284,500
ENDING FUND	RESERVES	\$21,393	\$0

**412 Water Debt Service Fund:** The Water Debt Service Fund's total loan payments for 2008 total \$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 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

**RECOMMENDATION:**

Staff recommends the Council approval the transfer of funds from the Water Utility operating fund to cover Debt Service.

2008 Revenues

Water Debt Service	Description	Original Budget	Amended Budget
412-000-308-10-000	Begin Fund Balance	\$60,000	\$60,000
412-000-361-11-000	Investment Interest	\$1,200	\$1,200
412-000-367-10-010	Water Connections	\$94,572	\$32,023
412-000-397-10-000	Transfers In	\$0	\$64,000
	<b>TOTAL RESOURCES</b>	\$156,672	\$157,223

2008 Expenditures

Water Debt Service	Description	Original Budget	Amended Budget
412-412-582-35-700	PWTF Principal	\$114,706	\$114,706
412-412-582-35-800	PWTF Interest	\$40,058	\$40,058
	<b>TOTAL EXPENSE</b>	\$154,764	\$154,764
ENDING FUND	RESERVES	\$1,908	\$2,459

**400 Water Utility Fund:**

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