

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM #: Action A 3
DATE: December 11, 2008
SUBJECT: Second Reading - Ordinance 1000-08 – 2009 Budget
CONTACT PERSON: Laura Koenig , Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is the second reading and adoption of Ordinance 1000-08 (Attachment A) to adopt a budget for the 2009 fiscal year. The attachments provide backup detail for the 2009 budget will be provided under separate cover prior to the Council meeting:

- Attachment B - General Fund Detail
- Attachment C - Street and Enterprise Fund Details
- Attachment D - Miscellaneous Fund Details
- Attachment E - Capital Budget

SUMMARY:

The detailed budget and department reports were prepared and submitted to the Council during the public hearing process on November 13, 2008. The attached ordinance to adopt the 2009 Budget incorporates the changes discussed during the budget hearings.

001 - General Fund:

The Revenues were reduced by \$6,000 by removing the Stormwater Utility Tax. The COPS grant of \$116,913 was added to the revenues (Intergovernmental) and expenditures (Law Enforcement). The Law Enforcement budget includes \$39,000 of wages and benefits for work performed by current staff during the last three weeks of 2008 and for vacation leave accruals which will be paid in January consistent with City practice.

101 - Street Fund:

Revenues for Property Taxes were increased from \$70,000 to \$81,300 (\$11,300.00). The City received the final tax certification from Snohomish County on November 12, 2008. The 2008 property tax amount was used as anticipated revenues in the 2009 budget for the General Fund and Street funds. The Street fund was difficult to balance due to limited revenue sources and the preliminary budget had a \$2,145 surplus. Staff recommends the \$11,300 in additional property tax revenues be allocated to the Street fund to provide a \$12,454 fund balance. No additional expenditures were added. Fund reserves were increased.

109 – Community Improvement Fund:

The Graffiti grant of \$12,500 was added to the 2009 budget. It was anticipated that these funds would be spent in 2008.

402 - Garbage Fund:

Expenditures for fuel costs were reduced by \$4,500.00. This will leave the fund with a \$0 ending fund balance with the proposed rate increases. A garbage rate study is funded in 2009.

Police Funds:

The City has three funds that are set up specifically for Police related purposes. The Sub-Committee met on November 25, 2008 to discuss the disposition of accumulated balances in those funds (Attachment D). These changes have not been incorporated into the 2009 Budget as they were not discussed or considered during the public hearing process. Staff will bring these issues back in 2009 as proposed budget amendments.

The Sub-Committee made the following recommendations:

Police Equipment Fund: The City has two leased police vehicles with a balance of \$12,600 due. FCI (lease agency) has indicated that they are willing to accept the Dodge Charger in exchange for the balance due on the lease. It was requested that staff obtain an appraisal on the Charger to determine the value prior to any decision. Staff recommended the balance of \$53,203 plus revenues for the remainder of the year be split between the Building Maintenance Fund and the Public Works equipment replacement fund. The anticipated revenues could be used as an ongoing source to provide funds for the Building Maintenance fund.

Drug Enforcement Fund: These funds are to be used for drug enforcement or education. The Sub-Committee would like to work with the School District and Resource Officers to determine if the \$6,800 could be used for educational programs.

Police Bond Fund: The use of these funds are restricted by the bond covenants. It was recommended the balance of \$8,226 be used to offset future bond payments.

MOTION:

Move to adopt Ordinance 1000-08 setting the 2009 Budget.

ATTACHMENTS:

- A. Ordinance 1000-08 2009 Budget
- B. General Fund Detail
- C. Street and Enterprise Fund Detail
- D. Miscellaneous Fund Detail and Sub-committee Report on Police Funds
- E. Capital Budget

**CITY OF SULTAN
SULTAN, WASHINGTON**

ORDINANCE NO. 1000-08

**AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY
OF SULTAN WASHINGTON FOR THE FISCAL YEAR ENDING
DECEMBER 31, 2009**

WHEREAS, the Mayor of the City of Sultan, Washington, completed and placed on file with the City clerk a proposed budget and estimate of the amount of moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2009, and notice was published that the Council of said City would meet on November 13, 2008 for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Sultan for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said City for said year and being sufficient to meet the various needs of the City during said period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN DO ORDAIN as follows:

Section 1: The budget for the City of Sultan, Washington for the year 2009 is hereby adopted in its final form and content as set forth in the document entitled City of Sultan 2009 Budget, three (3) copies of which are on file in the office of the City Clerk.

Section 2: Estimated resources, including fund balances or working capital for each separate fund of the City of Sultan, and aggregate totals (net of transactions between funds) for all such funds combined, for the year 2009 are set forth in the summary form below, and are hereby appropriated for expenditures during the year 2009 as set forth below:

<u>Fund</u>	<u>Fund Name</u>	<u>REVENUE</u>	<u>EXPENSE</u>
001	General Fund	\$1,958,438.00	
	Legislative		\$9,055.00
	Executive		\$39,471.00
	Finance/Administration		\$40,848.00
	Grants		\$30,643.00
	Legal		\$50,863.00
	Civil Service		\$0
	Other Governmental		\$53,160.00
	Law Enforcement		\$1,090,992.00

	Law Enforcement - Court		\$184,400.00
	Emergency Management		\$3,000.00
	Code Enforcement		\$26,973.00
	Planning and Community Development		\$200,415.00
	Building		\$96,200.00
<u>FUND</u>	<u>FUND NAME</u>	<u>REVENUE</u>	<u>EXPENSE</u>
	Library		\$6,860.00
	Park/Recreation		\$58,618.00
	Miscellaneous (Transfers Out)		\$45,500.00
	Total Expenditures		\$1,937,998.00
100	General Fund Contingency	\$0.00	\$0.00
101	Street Fund	\$247,066.00	\$234,612.00
103	Cemetery Fund	\$51,000.00	\$50,262.00
104	C.R. Equipment Fund	\$55,000.00	\$30,000.00
105	Park Improvement Fund	\$50,000.00	\$50,000.00
106	Police Equipment Reserve	\$50,000.00	\$18,500.00
107	Drug Enforcement Fund	\$1,050.00	\$1,050.00
108	Street Impact Fee Fund	\$30,000.00	\$30,000.00
109	Community Improvement Fund	\$13,500.00	\$13,500.00
110	Emergency Radio System	\$8,226.00	\$8,226.00
112	Park Impact Fee Fund	\$55,750.00	\$50,000.00
203	Limited Tax Bond GO	\$125,000.00	\$124,757.00
205	Unlimited Tax GO Bond	\$31,360.00	\$30,895.00
207	LID Guaranty Fund	\$563,300.00	\$560,000.00
301	Capital Project Fund REET 1	\$62,500.00	\$62,500.00
302	Capital Project Fund REET 2	\$62,500.00	\$62,500.00
303	Street Improvement Fund	\$757,521.00	\$757,521.00
307	LID Project Fund	\$203,350.00	\$200,000.00
400	Utility Water Fund	\$839,125.00	\$743,525.00
401	Utility Sewer Fund	\$1,145,000.00	\$1,142,131.00
402	Utility Garbage Fund	\$683,402.00	\$683,402.00
403	Water Revenue Bond Fund	\$160,500.00	\$127,070.00
405	C.R. Water Utility Fund	\$339,500.00	\$339,500.00
404	C.R. Sewer Utility Fund	\$180,000.00	\$80,000.00
113	Building Maintenance Fund	\$55,000.00	\$55,000.00
406	Storm Water Utility	\$100,022.00	\$100,022.00
407	Sewer System Improvement Fund	\$580,000.00	\$580,000.00
409	Water System Improvment Fund	\$187,500.00	\$187,500.00
412	Water System Debt Fund	\$178,270.00	\$151,151.00
413	Sewer System Debt Fund	\$434,596.00	\$378,186.00
621	Cemetery Trust Fund	\$2,060.00	\$0.00

TOTALS

\$9,912,536.00

\$8,889,808.00

Section 3: The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 4: This ordinance is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section 5: This ordinance shall be in full force and effect five days after publication as required by law.

REGULARLY ADOPTED this 11th day of December, 2008.

Carolyn Eslick Mayor

Attest:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney