

**SULTAN CITY COUNCIL  
AGENDA COVER SHEET**

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Date: July 23, 2009

Agenda Item #: Action A 4

Subject: Ordinance 1053-09 Budget Amendment

Contact: Laura Koenig, Deputy Finance Director

**ISSUE:**

The issue before the Council is the adoption of Ordinance 1053-09 (Attachment A) to amend the 2009 Budget.

**Summary Statement:**

The Council held a public hearing on July 9, 2009 for the purpose of amending the 2009 Budget and discussed the following recommendations for amendments to the budget.

The City applied for and received a Justice Assistance Grant in the amount of \$9,999 on June 25, 2009. The amount needs to be included in the budget amendment in order for staff to move forward with purchase of equipment funded under the grant. The grant funded the Police bike patrol, Safe Stop program and Community Block Watch.

Ordinance 1053-09 has been amended to include the JAG grant under fund 109 Community Improvement Fund.

**001 - General Fund**

The following is a list of items that need to be considered in the budget amendment:

- |   |           |                          |
|---|-----------|--------------------------|
| 1) Interlocal Agreement - 800 Mghz<br>Operation & Maintenance | \$ 13,300 |                          |
| 2) Professional Service Agreements:                           |           |                          |
| • Financial Review  | \$ 4,500  |                          |
| • Matt & Associates (Personnel)                               | \$ 1,500  |                          |
| • AMEC (PUD contract)   | \$ 5,000  | (Split with other funds) |
| • Perteet/Dugan (Comp Plan)                                   | \$ 8,000  |                          |
| • Hazard Mitigation Plan                                      | \$ 2,000  | (Split with other funds) |
| 3) Legislative Travel Costs                                   | \$ 3,000  |                          |
| 4) Records Management grant                                   | \$ 4,488  | (Grant funded)           |
| 5) Civil Service Costs (final)                                | \$ 4,683  |                          |
| 6) Law Enforcement Costs                                      | \$ 34,335 |                          |
| 7) Fund transfer to<br>Community Improvement Fund             | \$ 2,000  |                          |
| <b>SUB TOTAL - Cost incurred</b>                              |           | <b>\$82,806</b>          |
| 8) Latimore Project Contract amend                            | \$ 13,000 |                          |

9) IT Services and Server Backup	\$ 4,000	
10) Springbrook Upgrade	\$ 6,000	
<b>SUB TOTAL - Discretionary</b>		<b>\$23,000</b>

**TOTAL** **\$105,806**

The discretionary items on the list are the Latimore project, IT server backup and the Springbrook upgrade. These items could be deferred until later in the year if funds are available or could be included in the 2010 budget.

The interfund transfer from the Police Vehicle fund (\$13,300) and reimbursements from Sno-Isle for library utility bills in 2008 and 2009 and the Sheriff's Office for phone, gas and utilities bills incurred during the transfer (\$15,880) are the only additional revenues anticipated. There is a small balance on the Records Management Grant (\$1,100) expected by July 31, 2009.

## GENERAL FUND REVENUES

		001 GENERAL FUND REVENUES		
Account	Description	2009 Adopted	2009 Change	2009 Amended
001-000-308-10-000	Beginning Fund Balance	0		0
	Real and Personal Property			
001-000-311-10-000	Tax	578,263		578,263
001-000-313-10-000	Local and Retail Sales and Use	276,000		276,000
001-000-313-70-010	Sales Tax - Criminal Justice F	67,535		67,535
001-000-316-41-000	B & O Electric	130,820		130,820
001-000-316-43-000	B & O Gas	70,000		70,000
001-000-316-46-000	Cable Franchise Fees	35,793		35,793
001-000-316-46-001	B & O Cable	43,470		43,470
001-000-316-47-000	B & O Telephone	89,760		89,760
001-000-316-72-000	Water Utility Tax	41,522		41,522
001-000-316-74-000	Sewer Utility Tax	51,106		51,106
001-000-316-75-000	Garbage Utility Tax	30,834		30,834
001-000-317-50-000	Gambling Tax	1,650		1,650
001-000-319-16-000	Property Tax Interest	1,007		1,007
	<b>Total Taxes</b>	<b>1,417,760</b>	<b>0</b>	<b>1,417,760</b>
001-000-321-90-000	Business License	13,500		13,500
001-000-322-10-000	Buildings, Structures, Equipme	10,000		10,000
001-000-322-10-010	Permits - Other	5,000		5,000
001-000-322-30-000	Animal Licenses	500		500
001-000-322-80-000	Penalties/Land Use Violations	450		450
001-000-322-90-000	Non-Business Permits	0		0
	<b>Total License/Permits</b>	<b>29,450</b>	<b>0</b>	<b>29,450</b>

001-000-331-16-000	Police Grants	116,913		116,913
001-000-334-00-300	Records Management Grant	0	1,100	1,100
001-000-334-03-510	WSTC Mini Grants	3,500		3,500
001-000-335-03-910	PUD Privilege Tax	30,321		30,321
001-000-336-06-210	Criminal Justice Funding	1,000		1,000
001-000-336-06-260	CJ Special Programs	2,475		2,475
001-000-336-06-510	DUI Cities	900		900
001-000-336-06-870	City Hardship Assistance	95,000		95,000
001-000-336-06-940	Liquor Excise Tax	22,932		22,932
001-000-336-06-950	Liquor Board Profits	33,443		33,443
	<b>Total Intergovernmental</b>	306,484	0	307,584
001-000-341-50-000	Sale of Maps/Publications	100		100
001-000-341-60-000	Certifications/Photocopies	1,100		1,100
001-000-341-99-000	Passport Fees	13,400		13,400
	Law Enforcement -			
001-000-342-10-000	Service/Serv	500		500
	Other Environment Protection			
001-000-343-19-000	F	2,000		2,000
001-000-343-20-020	Prof. - Hearing Examiner	2,500		2,500
001-000-345-81-000	Zoning and Subdivision Fees	5,000		5,000
001-000-345-83-000	Plan Check Fees	5,000		5,000
	<b>Total Service Fees</b>	30,100	0	30,100
001-000-353-10-010	District Court	62,000		53,054
001-000-353-10-030	Violations Bureau	5,000		3,545
001-000-354-10-000	Parking Infractions	0		0
001-000-359-90-000	Animal Control Fines	150		475
	<b>Total Fines/Forfeitures</b>	67,150	0	57,074
001-000-361-11-000	Investment Interest	42,500		42,500
001-000-361-40-000	Sales Tax Interest	2,000		2,000
001-000-362-40-000	Rents and Royalties	52,644		52,644
001-000-367-11-010	Contributions/Donations	2,100		2,100
001-000-369-90-000	NSF Check Fee	750		750
001-000-369-90-010	Miscellaneous Income	5,000	15,880	20,880
001-000-369-90-500	Administration Fees	2,500		2,500
001-000-395-10-000	Sale of Fixed Assets	0		0
001-000-397-10-000	Operating Transfer In	0	13,300	13,300
	<b>Total Miscellaneous</b>	107,494	29,180	136,674
	<b>TOTAL REVENUES</b>	1,958,438	30,280	1,978,642

## GENERAL FUND EXPENDITURES:

The following are the impacted departments in the General Fund for expenditures.

<b>001 GENERAL FUND EXPENDITURES</b>				
<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
<b>Legislative</b>				
001-005-511-60-100	Salaries and Wages	3,720		3,720
001-005-511-60-200	Benefits	285		285
001-005-511-60-310	Operating Supplies	550		550
001-005-511-60-410	Professional Services	800		800
001-005-511-60-420	Communication	600		600
001-005-511-60-430	Travel and Seminars	1,800	3,000	4,800
001-005-511-60-490	Miscellaneous	100		100
001-005-511-80-490	Voter Registration	1,200		1,200
001-005-511-60-640	Capital Outlay - Equipment	0		0
<b>Total Legislative</b>		<b>9,055</b>	<b>3,000</b>	<b>12,055</b>
<b>Executive</b>				
001-010-513-10-100	Salaries and Wages	25,001		25,001
001-010-513-10-200	Benefits	7,370		7,370
001-010-513-10-320	Office Supplies	200		200
001-010-513-10-420	Communication	600		600
001-010-513-10-430	Travel and Seminars	6,300		6,300
001-010-513-10-410	Professional Services	0	1,500	1,500
001-010-513-10-640	Capital Outlay - Equipment	0		0
<b>Total Executive</b>		<b>39,471</b>	<b>1,500</b>	<b>40,971</b>
<b>Finance</b>				
001-015-514-23-100	Salaries and Wages	21,774		21,774
001-015-514-23-200	Benefits	7,824		7,824
001-015-514-23-320	Office Supplies	750		750
001-015-514-23-411	Professional Services	0	4,500	4,500
001-015-514-23-412	Audit Costs	7,500		7,500
001-015-514-23-430	Travel and Seminars	1,000		1,000
001-015-514-23-490	Miscellaneous	500		500
001-015-514-23-491	Bank Fees	500		500
001-015-514-78-461	Payment of Judgements and Sett	0		0
001-015-514-23-640	Capital Outlay - Equipment	1,000		1,000
001-015-514-23-641	Records Management Grant	0	4,489	4,489

	<b>Total Finance</b>	40,848	8,989	49,837
	<b>Civil Service</b>			
001-030-516-10-410	Professional Services	0	4,863	4,863
001-030-516-10-430	Travel and Seminars	0		0
001-030-516-10-440	Advertising and Legal Notices	0		0
	<b>Total Civil Service</b>	0	4,863	4,863
	<b>Law Enforcement</b>			
001-040-521-20-100	Salaries and Wages	33,000	19,150	52,150
001-040-521-20-200	Benefits	6,000	6,125	12,125
001-040-521-20-210	Benefits - Disability Insuranc	21,850		21,850
001-040-521-20-320	Office Supplies Vehicle	0	251	251
001-040-521-20-360	Operation/Maintenance	0	1,033	1,033
001-040-521-20-370	Vehicle Repair	0	1,271	1,271
001-040-521-20-380	Grant Programs	116,913		116,913
001-040-521-20-410	Professional Services	0	0	0
001-040-521-20-411	Professional Service - SnoCty	831,829		831,829
001-040-521-20-420	Communication	400	1,636	2,036
001-040-521-20-450	Rentals	1,000	2,600	3,600
001-040-521-20-460	Insurance	1,000		1,000
001-040-521-20-470	Utilities	0	2,269	2,269
001-040-521-20-480	Repair and Maintenance	1,000		1,000
001-040-521-20-490	Miscellaneous	0		0
001-040-521-78-461	Payment of Judgements and Sett	0		0
001-040-521-20-500	Intergovernmental - SNOPAC	78,000	13,300	91,300
	<b>Total Law Enforcement</b>	1,090,992	47,635	1,138,627
	<b>Planning</b>			
001-065-558-60-100	Salaries and Wages	79,512		79,512
001-065-558-60-200	Benefits	27,273		27,273
001-065-558-60-310	Office/Operating Supplies	2,000		2,000
001-065-558-60-340	Books and Periodicals	200		200
001-065-558-60-341	PB Books and Periodicals	100		100
001-065-558-60-350	Small Tools/Minor Equipment	200		200
001-065-558-60-411	Hearing Examiner Service	7,500		7,500
001-065-558-60-412	Professional Services	65,000	8,000	73,000
001-065-558-60-420	Communication	6,500		6,500
001-065-558-60-430	Travel and Seminars	4,900		4,900
001-065-558-60-431	PB Travel and Seminars	600		600

001-065-558-60-440	Advertising and Legal Notices	3,000		3,000
001-065-558-60-490	Miscellaneous	1,530		1,530
001-065-558-60-640	Capital Outlay - Equipment	2,100		2,100
	<b>Total Planning</b>	200,415	8,000	208,415
<b>Interfund Costs</b>				
001-090-581-20-780	Interfund Loan Payment Issued	42,000		42,000
001-090-592-22-820	Interfund Interest Payment Iss	3,500		3,500
001-090-597-55-000	Operating Transfer Out	0	2,000	2,000
	<b>Total Interfund Costs</b>	45,500	2,000	47,500
	<b>Total</b>		75,987	

The total increase in expenditures without the discretionary items is \$75,987. Based on the anticipated revenues of \$1,978,642 and total expenditures of \$2,013,985, there is a \$35,343 difference. The fund had a beginning balance of \$94,726.

The contract with AMEC and the hazard mitigation plan will be shared costs with the General, Street and Enterprise funds.

Staff Recommendation:

- 1) Amend the budget for revenues (\$30,380) and incurred costs (\$75,987).
- 2) Post amending the budget to include the \$23,000 discretionary costs including IT services, Latimore project and Springbrook until staff has had the opportunity to review costs and potential funding sources. Staff will return to Council with a discussion of discretionary expenditures in August.

**101 Street Fund:**

The Street Fund has a negative balance of (\$8,541). This fund has limited funding sources and has struggled for the last two years. The Council needs to consider other funding options such as a portion of the 1% allocated to the police vehicle fund as suggested by Mr. Gerry Gibson at the Council meeting on May 18, 2009. This matter was discussed at the June 11, 2009 Council meeting and staff was directed to provide Council with a recommendation on allocation of this moneys. This 80% allocation of the funding could be used to perform routine street maintenance such as grading, patching, stripping and to fund equipment needed by the Street Fund. The estimated cost to grade and repair gravel streets is \$16,000. Based on the recommended allocation, this would provide \$50,000 in 2010.

<b>101 STREET FUND - REVENUES</b>				
<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
101-000-308-10-000	Beginning Fund Balance	0		0
101-000-311-10-000	Real and Personal Property Tax	81,300		81,300

101-000-316-41-000	B & O Electric	54,000	2,600	56,600
101-000-322-40-000	Street/Curb Permits -ROW	5,000		5,000
101-000-336-00-870	Motor Vehicle Excise Tax	106,516		106,516
101-000-361-11-000	Investment Interest	250		250
101-000-397-10-000	Operating Transfer In	0	72,758	72,758
	TOTAL REVENUES	247,066	75,358	322,424

101 STREET FUND - EXPENDITURES

Account	Description	2009 Adopted	2009 Change	2009 Amended
101-150-542-30-100	Salaries and Wages	84,172		84,172
101-150-542-30-200	Benefits	26,712		26,712
101-150-542-30-220	Uniforms	200		200
101-150-542-30-310	Office/Operating Supplies	13,000		13,000
101-150-542-30-320	Office Supplies	1,500		1,500
101-150-542-30-350	Small Tools/Minor Equipment	1,500		1,500
101-150-542-30-360	Vehicle Operation/Maintenance	9,500		9,500
101-150-542-30-370	Vehicle Repair	1,500		1,500
101-150-542-30-410	Professional Services	30,000		30,000
101-150-542-30-420	Communication	3,200		3,200
101-150-542-30-430	Travel and Seminars	2,000		2,000
101-150-542-30-450	Rentals	1,000		1,000
101-150-542-30-460	Insurance	8,750		8,750
101-150-542-30-490	Miscellaneous	500		500
101-150-542-30-620	Capital Outlay - Buildings	2,000		2,000
101-150-542-30-630	Other Improvements - Streets	0	25,000	25,000
101-150-542-30-640	Capital Outlay (Signs/Equip)	5,000		5,000
101-150-591-80-700	Bond Payment - Principal	4,754		4,754
101-150-591-80-800	Bond Payment - Interest	124		124
101-150-597-55-000	Operating Transfer Out	0		0
101-160-542-67-310	Street Cleaning	2,000		2,000
101-160-542-63-470	Utilities	37,200		37,200
	TOTAL EXPENSE	234,612	25,000	259,612

**106 Police Equipment Reserve Fund:** This fund was established to provide a revenue source for the purchase and repairs to Police vehicles. The current revenue source is 1% of the 6% tax imposed on electrical, gas and telephone utilities. The approximate revenue budget for 2009 is \$61,893. The current balance in the fund is \$104,247. This would be transferred to the General, Street, Equipment and Building funds.

The Police contract with the County provides for the purchase and replacement of vehicles and this fund will not be needed to replace police vehicles. The City received a

billing from Snohomish County in the amount of \$13,300 for the 800 MHZ O & M Assessment. This was not a budgeted expense for 2009.

Recommendation: Staff recommends a budget transfer from the equipment fund to the General Fund to cover the \$13,300 for the 800 MHZ assessment payment. Further, Staff recommends that the balance of money in this Fund be split between the Street Fund (80%), Building Maintenance fund (10%) and the Equipment Replacement fund (10%) for Public Works after the deduction for payment due under the Interlocal for the 800 MHZ communication system is made.

**106 POLICE EQUIPMENT FUND -  
REVENUES**

<u>Account</u>	<u>Description</u>	<u>2009 Adopted</u>	<u>2009 Change</u>	<u>2009 Amended</u>
106-000-308-10-000	Beginning Fund Balance	0	61,894	61,894
106-000-316-41-000	Utility Tax - Electrical	27,000	-7,047	19,953
106-000-316-43-000	Utility Tax - Gas	10,000	182	10,182
106-000-316-47-000	Utility Tax - Telephone	13,000	-781	12,219
106-000-395-10-010	Sale of Fixed Assets	0	0	0
106-000-397-10-010	Operating Transfers In	0	0	0
	<b>TOTAL REVENUES</b>	<b>50,000</b>	<b>54,248</b>	<b>104,248</b>

**106 POLICE EQUIPMENT FUND -  
EXPENDITURES**

<u>Account</u>	<u>Description</u>	<u>2009 Adopted</u>	<u>2009 Change</u>	<u>2009 Amended</u>
	Capital Equipment			
106-106-521-60-640	Purchase	18500.00	-18500	0.00
106-106-597-10-000	Operating Transfer to 001	0	13300.00	13300.00
106-106-597-10-000	Operating Transfer 101		72758.00	72758.00
106-106-597-10-000	Operating Transfer 104	0	9095.00	9095.00
106-106-597-10-000	Operating Transfer 113	0.00	9095.00	9095.00
	<b>TOTAL EXPENDITURES</b>	<b>18,500</b>	<b>104,248</b>	<b>104,248</b>

**104 CR Equipment – Utility**

The expenditures have been increased to provide for the purchase of a mower in 2009.

**104 UTILITY EQUIPMENT FUND -  
REVENUES**

<u>Account</u>	<u>Description</u>	<u>2009 Adopted</u>	<u>2009 Change</u>	<u>2009 Amended</u>
104-000-308-10-000	Beginning Fund Balance	0	0	0
104-000-316-41-000	Utility Tax Electrical	0	1,000	1,000
104-000-316-43-000	Utility Tax Gas	0	180	180

104-000-316-47-000	Utility Tax Telephone	0	700	700
104-000-397-10-010	Operating Transfer In	30,000	9,095	39,095
104-000-397-10-020	Operating Transfer In - Garbage	25,000	0	25,000
	<b>TOTAL REVENUES</b>	<b>55,000</b>	<b>10,975</b>	<b>65,975</b>

**104 UTILITY EQUIPMENT FUND - EXPENDITURES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
104-104-537-80-640	Garbage Equipment	0	0	0
104-104-538-10-640	Equipment - Vehicles (Utility)	30,000	15,000	45,000
104-104-597-55-000	Operating Transfer Out	0	0	0
	<b>TOTAL EXPENDITURES</b>	<b>30,000</b>	<b>15,000</b>	<b>45,000</b>

**105 Park Improvement Fund**

The City received a FEMA grant for \$278,000 to purchase and demolish property located on Alder Street. The grant was not included in the 2009 adopted budget.

**105 PARK IMPROVEMENT FUND - REVENUES**

<b>Account</b>	<b>Description</b>	<b>2,009 Adopted</b>	<b>2,009 Change</b>	<b>2,009 Amended</b>
105-000-308-10-000	Beginning Fund Balance	0	0	0
105-000-333-03-020	FEMA Grant	0	278,000	278,000
105-000-337-00-640	CDBG Funding	0	0	0
105-000-369-90-010	Miscellaneous Income	0	0	0
105-000-397-10-000	Operating Transfer In	50,000	0	50,000
	<b>TOTAL REVENUES</b>	<b>50,000</b>	<b>278,000</b>	<b>328,000</b>

**105 PARK IMPROVEMENT FUND - EXPENDITURES**

<b>Account</b>	<b>Description</b>	<b>2,009 Adopted</b>	<b>2,009 Change</b>	<b>2,009 Amended</b>
105-105-575-10-100	Salaries and Wages	6,028	0	6,028
105-105-575-10-200	Employee Benefits	1,490	0	1,490
105-105-575-21-640	Skateboard Park	42,482	0	42,482
105-105-575-22-640	Reese Park Field	0	0	0
105-105-575-25-640	FEMA Grant	0	278,000	278,000
	<b>TOTAL EXPENDITURES</b>	<b>50,000</b>	<b>278,000</b>	<b>328,000</b>

### **109 Community Service Fund**

The City received notification on June 25, 2009 that the Justice Assistance Grant (JAG) had been awarded to the City in the amount of \$9,999. This has been added to the budget amendment to allow staff to proceed with the grant expenditures.

The Graffiti Abatement grant is being tracked thru the Community Service Fund. Shortly after the equipment was purchased, part of the equipment was stolen. The insurance deductible of \$1000 was paid by the City.

The Safe Stop program runs on the same fiscal year as the School District and the billing received by the City for the last part of 2008 was received in 2009. There was a balance in the fund to cover the expense. An operating transfer of \$2,000 from the General Fund will be needed to cover the additional cost for the grant.

#### **109 COMMUNITY IMPROVEMENT FUND - REVENUES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
109-000-308-10-000	Beginning Fund Balance	0	0	0
109-000-330-10-000	Intergovernmental Revenues	12,500	9,999	22,499
109-000-334-04-200	CJ Special Programs - Safe Stop	1,000	0	1,000
109-000-397-10-000	Operating Transfer In	0	2,000	2,000
	<b>TOTAL REVENUES</b>	<b>13,500</b>	<b>11,999</b>	<b>25,499</b>

#### **109 COMMUNITY IMPROVEMENT FUND - EXPENDITURES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
109-573-573-90-310	Operating Supplies	0	0	0
109-573-573-90-640	Capital Outlay - Equipment	12,500	11,587	24,087
109-574-574-90-310	Supply - Safe Stop	1,000	412	1,412
	<b>TOTAL EXPENDITURES</b>	<b>13,500</b>	<b>11,999</b>	<b>25,499</b>

**Police Bond Fund:** This fund has been discussed several times in 2009. There are no other expenditures to be made that comply with the terms of the bond. In February 2008, the City purchased a gun safe from this fund for \$1,900. The safe was declared surplus on February 26, 2009.

The City pays approximately \$30,000 per year in bond principal and interest payments. These funds are generated by assessing additional property taxes. The \$10,126 would be used to reduce the amount of assessment in the final year of the scheduled bond payments.

**Recommendation:** Transfer the remaining \$8,337 to the Police GO Bond Fund to provide funds for payments on the Police Bonds. Use the funds received from the sale of the safe to provide funds to make payments on the police bonds.

**110 POLICE BOND FUND - REVENUES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
110-000-308-10-000	Beginning Fund Balance	8,226	0	8,226
110-000-361-11-000	Investment Interest	0	0	0
	<b>TOTAL REVENUES</b>	<b>8,226</b>	<b>0</b>	<b>8,226</b>

**110 POLICE BOND FUND - EXPENDITURES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
110-110-595-10-640	Capital Outlay - Equipment	8,226	-8,226	0
110-110-597-10-000	Operating Transfer Out	0	8,226	8,226
	<b>TOTAL EXPENDITURES</b>	<b>8,226</b>	<b>0</b>	<b>8,226</b>

**205 GO POLICE BOND - REVENUES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
205-000-308-10-000	Beginning Fund Balance	0	0	0
205-000-311-11-000	Property Tax	30,595	0	30,595
205-000-361-11-000	Investment Interest	765	0	765
206-000-397-10-000	Operating Transfer In	0	8,337	8,337
	<b>TOTAL REVENUE</b>	<b>31,360</b>	<b>8,337</b>	<b>39,697</b>

**205 GO POLICE BOND -  
EXPENDITURES**

<b>Account</b>	<b>Description</b>	<b>2009 Adopted</b>	<b>2009 Change</b>	<b>2009 Amended</b>
205-205-591-80-410	Professional Services	300	0	300
205-205-591-80-700	Bond Payment - Principal	15,000	0	15,000
205-205-591-80-800	Bond Payment - Interest	15,595	0	15,595
	<b>TOTAL EXPENDITURES</b>	<b>30,895</b>	<b>0</b>	<b>30,895</b>

Difference	465	8,337	8,802
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**413 Sewer Debt Service Fund:** The Sewer Debt Service Fund's total loan payments for 2009 total \$512,016. The original budget was \$378,186. The closeout of the PWTF for the design work on the Wastewater Treatment Plant increased the annual payments on the \$1 million loan. Pre-construction loans must be repaid in 5 years and this is year

three. The interest rate was reduced from 2% to .5%, however the balance of the principal (\$945,000) must be paid over the next three years.

There has been an increase in the number of new connections anticipated for the year. The total shortfall on the fund is \$16,163. The Council will need to determine if these funds will be transferred from the Sewer operating fund or the Sewer reserve fund. Staff recommends using the Sewer reserve fund as the operating fund is already contributing \$375,000 towards debt service.

**413 Sewer System Debt Service - Revenues**

<b>Account</b>	<b>Description</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>Adopted</b>	<b>Change</b>	<b>Amended</b>
413-000-308-10-000	Beginning Fund Balance	3,186	35,907	39,093
413-000-361-11-000	Investment Interest	0	0	0
413-000-367-10-000	Sewer Connection Fees	56,410	25,320	81,730
413-000-397-10-000	Operating Transfer In	375,000		375,000
	<b>Total Revenues</b>	<b>434,596</b>	<b>61,227</b>	<b>495,823</b>

**413 Sewer System Debt Service - Expenditures**

<b>Account</b>	<b>Description</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>Adopted</b>	<b>Change</b>	<b>Amended</b>
413-413-582-35-700	PWTF Principal Payment	345,301	148,107	493,408
413-413-582-35-710	State Revolving Fund Principal	0	0	0
413-413-582-35-800	PWTF Interest Payment	32,885	-14,277	18,608
413-413-582-35-810	State Revolving Fund Interest	0	0	0
413-413-597-55-000	Operating Transfer Out	0	0	0
	<b>Total Expenditures</b>	<b>378,186</b>	<b>133,830</b>	<b>512,016</b>
	Difference	56,410	-72,603	-16,193

The policy issue for this fund is the source of funding for the \$16,193. The options available to the Council are:

- 1) Increase the amount paid by existing customers. This is current \$375,000.
- 2) Use reserve funds to pay the difference.
- 3) Anticipate two more connections to cover the difference.

Staff recommends budgeting funds from the reserves instead of increasing the cost to existing customers. Connection fees will be used for debt service if they are available.

**STAFF RECOMMENDATIONS:**

**001 General Fund:**

- 1) Amend the budget for revenues (\$30,380) and incurred costs (\$75,987).
- 2) Post amending the budget to include the \$23,000 discretionary costs including IT services, the Latimore project and Springbrook until staff has had the opportunity to

review costs and potential funding sources. Staff will return to Council with a discussion of discretionary expenditures in August.

101 Street Fund:

Approve the budget amendments recommended and allocate a portion of the utility tax collected on electrical, gas and phone services to the fund for the balance of the year.

104 CR Equipment – Utility

The expenditures have been increased to provide for the purchase of a mower or other needed equipment in 2009.

105 Park Improvement Fund

The City received a FEMA grant for \$278,000 to purchase and demolish property located on Alder Street. The grant was not included in the 2009 adopted budget.

106 Police Equipment Reserve Fund

Staff recommends a budget transfer from the equipment fund to the General Fund to cover the \$13,300 for the 800 MHZ assessment payment. Further, Staff recommends that the balance of money in this Fund be split between the Street Fund (80%), Building Maintenance fund (10%) and the Equipment Replacement fund (10%) for Public Works after the deduction for payment due under the Interlocal for the 800 MHZ communication system is made.

109 Community Service Fund

Add the Justice Assistance Grant (JAG) of \$9,999 to the budget.

The Graffiti Abatement grant is being tracked thru the Community Service Fund. Shortly after the equipment was purchased, part of the equipment was stolen. The insurance deductible of \$1000 was paid by the City.

The Safe Stop program runs on the same fiscal year as the School District and the billing received by the City for the last part of 2008 was received in 2009. There was a balance in the fund to cover the expense. An operating transfer of \$2,000 from the General Fund will be needed to cover the additional cost for the grant.

205 Police Bond Fund

Transfer the remaining \$8,337 to the Police GO Bond Fund to provide funds for payments on the Police Bonds. Use the funds received from the sale of the safe to provide funds to make payments on the police bonds.

413 Sewer Debt Service Fund

Staff recommends budgeting funds from the reserves instead of increasing the cost to existing customers. Connection fees will be used for debt service if they are available.

Staff Recommendation:

Adoption of Ordinance 1053-09 to amend the 2009 Budget with revenue and expenditure adjustments recommended by staff at the public hearing and first reading of the ordinance with an amendment to include an additional revenue/expenses to Fund 109, Community Improvement Fund in the amount of \$9,999 for the JAG grant received on June 25, 2009.

Motion:

Move to adopt Ordinance 1053-09 amending the 2009 Budget as amended.

Attachments:           A. Ordinance 1053-09

**CITY OF SULTAN  
SULTAN WASHINGTON  
ORDINANCE 1053-09**

**AN ORDINANCE OF THE CITY OF SULTAN AMENDING  
THE 2009 BUDGET ADOPTED UNDER ORDINANCE 1008-08**

THE CITY COUNCIL OF THE CITY OF SULTAN DO ORDAIN AS FOLLOWS:

SECTION 1: The 2009 Budget as authorized under Ordinance 1008-08 for revenues and expenditures for the operation of the City of Sultan for the fiscal year ending December 31, 2009 is amended to increase in the following amounts:

FUND # AND NAME	REVENUES/ UNENCUMBERED FUNDS	EXPENDITURES
001 General Fund	\$ 30,280	\$ 75,987
101 Street Fund	\$ 75,358	\$ 25,000
104 Equipment Fund	\$ 10,975	\$ 15,000
105 Park Improvement Fund	\$278,000	\$278,000
109 Community Improvement Fund	\$ <del>2,000</del> \$11,999	\$ <del>2,000</del> \$11,999
205 GO Police Bond Fund	\$ 8,337	\$0
413 Sewer Debt Service	\$ 77,420	\$133,830
Total Amendment	<del>\$482,370</del> \$ 492,369	<del>\$529,817</del> \$539,816

A full copy of the amended budget sections are attached and made part of this ordinance by reference.

SECTION 2: The budget for the year 2009 is amended to provide for the changes as outlined above and filed in the office of the City Clerk.

SECTION 3: The City Clerk is hereby directed to transmit the amended budget to the Auditor of the State of Washington, Division of Municipal Corporations.

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

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

REGULARLY ADOPTED this day of 2009

\_\_\_\_\_  
Carolyn Eslick, Mayor

Attest:

\_\_\_\_\_  
Laura J. Koenig, City Clerk

Approved as to form:

\_\_\_\_\_  
Margaret King, City Attorney

Published: