

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Public Hearing PH 1
DATE: October 8, 2009
SUBJECT: 2009 Budget Amendments
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is to hold a public hearing on proposed amendments to the 2009 Budget to distribute the accumulated balance in the Police Equipment Reserve Fund.

SUMMARY:

The Police related funds were discussed at the June Council retreat and the Council concurred with the recommendations by staff regarding the disposition of funds. A public hearing was held in July 2009; however, the final recommendations for this fund were not incorporated into the budget amendment under Ordinance 1053-09 adopted July 9, 2009.

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 \$119,639.18

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.

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 (included in Ordinance 1053-09). 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. This allocation based on the current fund balance would provide funding for 2009 of:

General Fund	\$13,300
Street Fund	\$85,071
Building Fund	\$10,634
Equipment Fund	\$10,634

The Street Fund has a negative balance of (\$16,215). This fund has limited funding sources and has struggled for the last two years. 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 Public Works department needs of a new mower for the parks, cemetery and street right of ways (estimated cost is \$20,000). Half the cost of the mower was included in the General Fund as a transfer to the Equipment Reserve fund. There were no transfers allocated from Streets or Cemetery due to lack of funds.

The City has recently received the Facility Assessment Report that has identified several safety hazards that need to be addressed in the near future. The fund has a balance of \$75,354 and no allocated source of revenues.

The anticipated balance of revenues for 2009 will be receipted directly into the funds. Approximately \$19,250 in revenues will be generated over the next three months.

Attachments: A. Ordinance 1061-09

CITY OF SULTAN
SULTAN WASHINGTON
ORDINANCE 1061-09

AN ORDINANCE OF THE CITY OF SULTAN AMENDING
THE 2009 BUDGET ADOPTED UNDER ORDINANCE 1008-08
AND AMENDED UNDER ORDINANCE 1053-09

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

SECTION 1: The 2009 Budget as authorized under Ordinance 1008-08 and amended under Ordinance 1053-09 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
101 Street Fund	\$ 12,231	\$ 0
106 Police Equipment Fund	\$ 51,139	\$101,139
113 Building Maintenance Fund	\$ 10,634	\$0
Total Amendment	\$ 74,004	\$101,139

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 ^d day of, 2009

Attest:

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney

Published: