SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET

ITEM NO: Action A 3

DATE: December 10, 2009

SUBJECT: Ordinance 1066-09 2009 Budget Amendments

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:
The issue before the Council is the adoption of Ordinance 1066-09 to amend the 2009 Budget.

SUMMARY:
A public hearing on the proposed amendments to the 2009 Budget was held during the Council meeting of November 12, 2009 and continued to December 10, 2009. The Council considered amendments to several funds as part of the hearing on November 12, 2009 (Attachment B) and three additional funds on December 12, 2009 (Refer to PH 1 for details).

RECOMMENDED ACTION:
Staff recommends the Council approve the budget amendments discussed during the public hearing and adopt Ordinance 1066-09 amending the 2009 Budget.

Attachments: A. Ordinance 1066-09
B. November 12, 2009 Staff report

ATTACHMENT A

CITY OF SULTAN
SULTAN WASHINGTON
ORDINANCE 1066-09

AN ORDINANCE OF THE CITY OF SULTAN AMENDING THE 2009 BUDGET ADOPTED UNDER ORDINANCE 1008-08 AND AMENDED UNDER ORDINANCE 1053-09 and 1061-09

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 and 1061-09 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
105 Park Improvement Fund	$ 10,000	$ 0
108 Transportation Impact Fund	**$ 78,000**	**$ 78,000**
112 Park Impact Fees Fund	$ 10,000	$ 10,000
303 Street Construction Fund	**$ 78,000**	**$ 0**
400 Water Operations Fund	**$0**	**$40,000**
405 CR Water Reserve Fund	$354,962	$354,962
407 Sewer Improvement Fund	$396,000	$396,000
Total Amendment	$760,962	$760,962

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

_____
Carolyn Eslick, Mayor

Attest:

_____
Laura J. Koenig, City Clerk
Approved as to form:

_____
Margaret King, City Attorney

ATTACHMENT B

SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET

DATE: November 12, 2009

ITEM #: Public Hearing PH 2

SUBJECT: 2009 Budget Amendments

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:
The issue before the Council is to hold a pubic hearing on proposed budget amendments to the 2009 Budget. Staff has prepared Ordinance 1066-09 to amend the 2009 budget.

RECOMMENDATION:
Staff recommends the public hearing on the 2009 Budget Amendments be continue to December 10, 2009 to allow for any additional amendments to the 2009 Budget.

SUMMARY STATEMENT:
The City Council has approved expenditures not included in the adopted 2009 budget in the Park Improvement, CR Water Utility and Sewer System Improvement funds. The City is required to have a balanced budget.

001 General Fund: See Attachment A – Revenue vs Expenses
Revenues for General Fund are within the anticipated amounts. Second half Property taxes of $217,700 will be distributed to the funds in November. Interest and court fines are under budget, however, building permits and zoning fees are higher then anticipated.

Expenditures overall for General Fund are within the budgeted amounts. Total expenditures to date (includes current payables) are at 77% of the budget. There are some departments that have exceeded the budgeted amounts. Legal expenses have increased due to personnel issues; insurance in Governmental Services increased to cover the cost of Police buildings and transferred equipment. Jail bills and court costs are approximately $80,000 less then budgeted.

The City adopts the General Fund budget by Department and monitors each department for compliance with their budget. The Auditor reviews each fund and requires that funds not exceed their budget expenditures.

Staff recommends the General Fund Departments not be amended at this time. Continued review will occur over the next month to ensure that no adjustments are required prior to the end of the year.

105 Park Improvement Fund/112 Park Impact Fund
The City has incurred expenses in connection with the FEMA buyout properties. The Cities share of the costs (25%) is $30,400. The Park Improvement Fund has a negative balance of $21,479 at this time. There is a $13,000 reimbursement request pending from FEMA. Staff recommends that the transfer from Park Impact fees be increase from $50,000 to $60,000 to cover the City share of the buyout.

405 CR Utility Reserve Fund: The City created the 404 Sewer CR Utility fund as part of the 2009 budget. Prior to the creation of the fund, the reserve funds for water and sewer were comingled into one fund. The amount of funds allocated to the Sewer Reserve was $354,962.
This is a housekeeping item as the City did not show the split in the 2009 budget. The State Auditor has recommended this action.

RECOMMENDATION:
Staff recommends the Council amend the fund as follows:

2009 Revenues

CR Utility Reserve	Description	Original Budget	Amended Budget
405-000-308-10-000	Fund Reserves	$298992	$664,462
405-000-361-11-000	Investment Interest	$7,500	$7,500
405-000-381-20-000	Interfund Loan Pmt [1]	$22,500	$22,500
405-000-367-10-010	Connection fees	$10,508	$0
	TOTAL RESOURCES	$339,500	$694,462

2008 Expenditures

CR Utility Reserve	Description	Original Budget	Amended Budget
405-405-597-55-000	Operating Transfer Out	$339,500	$339,500
405-405-597-55-000	Operating Transfer Out to 404 Sewer CR	$0	$354,962
	TOTAL EXPENSE	$339,500	$694,462

407 Sewer System Improvements: The cost of the Centrifuge project was more than the original budgeted amounts due to design changes. The sewer line behind City Hall failed in late October and will be replaced prior to the end of the year.

The City completed the loan for the GO Bond for the improvements to the WWTP and increase revenues to the fund by $396,000.

RECOMMENDATION:

Staff recommends the Council amend the fund budget as follows.

2009 Revenues

Sewer System Imp	Description	Original Budget	Amended Budget
407-000-308-10-000	Fund Reserve	$0	$0
407-000-367-10-000	Connection fees	$0	$0
407-000-69-90-000	DOE Entitlement	$500,000	$500,000
407-000-397-10-000	OpTransfer In from 405	$80,000	$80,000
407-000-382-10-00	GO Bond Proceeds	$0	$396,000
	TOTAL RESOURCES	$580,000	$976,000

2009 Expenditures

Water System Imp	Description	Original Budget	Amended Budget
407-407-596-40-630	Construction – WWTP and I & I Program	$580,000	$785,000
407-407-596-40-630	Construction	$0	$40,000
	TOTALS	$580,000	$825,000
ENDING FUND	RESERVES	$0	$151,0000

RECOMMENDATION:

Staff recommends the public hearing on the 2009 Budget Amendments be continue to December 10, 2009 to allow for any additional amendments to the 2009 Budget.