

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

DATE: December 2, 2010

ITEM #: Public Hearing PH 1 and Action A 7

SUBJECT: 2010 Budget Amendments

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is to introduce Ordinance 1100-10 to amend the 2010 budget.

STAFF RECOMMENDATION:

Staff recommends the following amendments to the 2010 Budget:

1. Fund 001 General Fund: The total increase in expenses will be \$32,300 and the total reduction in expense will be \$39,000. \$13,500 will be transferred to Fund 203 GO bond fund for debt service.
This leaves \$6,700 as additional reserve funds. The Council has expressed a desire to reduce the outstanding interfund loan in the General Fund. The current balance on the loan is \$60,000 in principal and \$16,238 interest. Staff would recommend paying the interest portion of the loan down by \$6,700.
2. Fund 302 Real Estate Excise: Increase operating transfer from the REET fund to the GO Bond fund by \$9,000. REET fund reserves will be used to make payments on the GO bond for the Community Center to make up the short fall in revenues collected.
3. Fund 109 Community Improvement: Increase revenues and expenses by \$9,999 to include the Justice Assistance Grant (JAG) received by the City in 2010.

SUMMARY STATEMENT:

The City Council has incurred expenditures not included in the adopted 2010 budget and the City is required to have a balanced budget. The Budget is an estimate of revenues and expenditures.

The Council has been reviewing and amending the budget as necessary during the fiscal year. City staff have identified budget issues for the end of the 2010 fiscal year. The GO Bond fund was short by \$22,310 (negative balance). Additional funding is needed from REET funds and the General Fund.

This is an opportunity to make final year end adjustments to pay down debt or increase reserves.

**CITY OF SULTAN
SULTAN WASHINGTON
ORDINANCE 1100-10**

**AN ORDINANCE OF THE CITY OF SULTAN AMENDING
THE 2009 BUDGET ADOPTED UNDER ORDINANCE 1065-09
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE**

WHEREAS, the City is required under state law to have a balanced budget; and

WHEREAS, it is necessary to amend the budget to adjust for unanticipated revenues or expenditures; now therefore

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

SECTION 1: The 2010 Budget as authorized under Ordinance 1065-09 for revenues and expenditures for the operation of the City of Sultan for the fiscal year ending December 31, 2010 is amended to increase in the following amounts:

FUND # AND NAME	REVENUES/ UNENCUMBERED FUNDS	EXPENDITURES
001 General Fund	\$ 0	\$(0)
109 Community Improvement	\$ 9,999	\$ 9,999
302 REET 2	\$ 0	\$ 9,000

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 2010 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.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 5. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE _____ DAY OF _____, 2008.

CITY OF SULTAN

Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

Laura Koenig, City Clerk

Approved as to form:

Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date: