

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1 B
DATE: December 16, 2010
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the December 2, 2010 Public Hearings on the 2010 Budget Amendments as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

CITY OF SULTAN COUNCIL MEETING – December 2, 2010**PUBLIC HEARING:**

The Public Hearing on the amendments to the 2010 Budget was called to order by Mayor Eslick. Councilmembers present: Pinson, Slawson, Neigel, Davenport-Smith, Blair and Beeler.

Staff:

The issue before the Council is to hold a public hearing on proposed budget amendments to the 2010 Budget. Ordinance 1100-10 has been prepared for introduction during the December 2, 2010 meeting.

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.

001 General Fund

The General fund is adopted at the department level. Technically the General Fund does not need to be amended as the General fund will not exceed the budgeted amounts for expenses. Four of the General Fund departments will exceed their budgets (Legal, Other Governmental, Emergency management and miscellaneous). In order to provide transparency on where money is being spent, staff recommends amending the department budgets.

The General Fund budget was amended under Ordinance 1090-10 in October 2010. There was an overall reduction of \$11,750 in expenditures in the various departments. Legal costs and general operating costs were increased and police, community development and building costs were reduced.

302 Real Estate Excise Tax 2 (REET 2)

The City collects real estate excise throughout the year as properties are sold. The revenues from REET funds are used to make payments on the Community Center bonds. In 2010, the revenues were \$18,420 less than anticipated in the budget. Fund 302 REET had a beginning fund balance of \$47,098.

109 Community Improvement Fund:

The Community Improvement Fund is used to track shared community based projects such as Safe Stop and downtown enhancements. In 2010 the City received a \$9,999 Justice Assistance Grant (JAG) for community policing projects. These include the police bikes, Rosetta Stone 2500

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program for Spanish, trading cards and the bicycle rodeo event. The revenue and expense were not included in the 2010 adopted budget.

Council Comments:

Questions about the siren pole replacement and when the new sirens will be installed. Discussed the General Fund contingency fund and the limitation on the fund balance.

Public Input

None

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, the public meeting was closed. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk