

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NUMBER: Public Hearing PH-1
DATE: November 5, 2015
SUBJECT: Public Works Funds Expenditures
CONTACT PERSON: Mick Matheson, P.E., Public Works Director

ISSUE:

- Review the proposed expenditure budgets for the operating funds
- Determine if additional expenditures are needed
- Determine if expenditures should or can be delayed

PUBLIC WORKS FUNDS

The City's goal is to lead a well equipped and effective staff in serving the Citizens of Sultan. As the City continues to grow and develop, so will the Public Works Department in providing services in a professional manner.

The Public Works Department serves the citizens of Sultan with a wide variety of services, as well as being an integral part of Sultan governmental offices. The divisions within Public Works operations and maintenance are Streets, Cemetery, Water, Sewer, Garbage and Stormwater. Public Works is also responsible for maintenance of the parks and city buildings. Those budgets included in the General Fund portion of the budget.

The City has 6 Public Works Operating Funds:

- 101 Street
- 103 Cemetery
- 400 Water
- 401 Sewer
- 402 Garbage
- 406 Storm

With the exception of the Street Fund (which is technically part of the General fund and tax supported) the funds are enterprise funds and must be self-supporting.

2016 STREET OPERATING FUND

The Street Fund is used to repair and maintain the City's streets, sidewalks, alley ways, trails, signs, and vegetation (street trees and grass strips). The City has approximately 31 miles (62 lane miles) of roadways and trails, 600 signs, and 150 trees.

Although the Street Fund is not a part of the city's general fund budget, the two funds share operating revenues. The Street operating budget is supported by property taxes, utility taxes, B & O taxes and the motor vehicle excise tax which is dedicated solely to the Street Operating Fund.

101 STREET FUND							
Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
101-000-308-80-000	Beginning Fund Balance	93,513	87,095	52,997	5,913	14,519	0
101-000-311-10-000	Real and Personal Property Tax	38,427	16,846	17,762	21,535	28,547	53,177
101-000-316-41-000	B & O Electric	78,960	63,559	35,866	37,894	38,000	36,000
101-000-316-43-000	Utility Tax Gas	10,339	3,841	4,534	4,701	5,300	400
101-000-316-47-000	Utility Tax Telephone	16,231	11,558	8,520	7,104	7,400	7,500
101-000-322-40-000	Street/Curb Permits -ROW	1,150	3,384	1,722	1,850	2,000	2,000
101-000-336-00-870	Motor Vehicle Excise Tax	97,292	95,119	96,335	96,125	94,653	100,948
101-000-361-11-000	Investment Interest	126	153	13	38	300	400
101-000-367-11-010	Contributions - Street Project	131	5,448	250	30	0	0
	REVENUE TOTAL	336,170	287,002	217,999	175,190	190,719	200,425

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
101-150-542-30-100	Salaries and Wages	92,692	112,160	94,142	66,809	75,281	81,377
101-150-542-30-200	Employee Benefits	28,864	33,085	32,869	23,707	37,268	35,487
101-150-542-30-220	Uniforms	667	508	470	195	200	700
101-150-542-30-310	Office/Operating Supplies	6,727	3,710	5,850	3,793	3,200	4,710
101-150-542-30-320	Office Supplies	1,681	1,951	1,703	2,158	1,500	1,750
101-150-542-30-350	Small Tools/Minor Equipment	1,689	344	1,255	925	1,450	1,000
101-150-542-30-360	Vehicle Operation/Maintenance	3,260	2,539	1,608	1,286	2,050	2,050
101-150-542-30-370	Vehicle Repair	257	1,948	287	564	500	1000
101-150-542-30-410	Professional Service	40,145	16,229	7,696	3,983	22,000	0
101-150-542-30-420	Communication	2,262	2,831	2,920	2,848	2,500	3,300
101-150-542-30-430	Travel and Seminars	652	897	640	991	370	650
101-150-542-30-460	Insurance	8,817	12,528	12,683	11,828	7,200	8,000
101-150-542-30-490	Miscellaneous	1,749	1,491	568	2,520	200	200
101-150-594-30-640	Capital - Equipment and Signs	6,420	234	2,040	729	0	5,000
101-150-597-30-000	Operating Transfer Out - 104	0	0	0	0	0	15,000
101-150-597-50-010	Operating Transfer Out - 114 IT	3,905	2,960	9,854	3,500	3,500	3,500
101-160-542-30-480	Repair and Maintenance	2,687	200	2,240	0	500	500
101-160-542-63-470	Utilities	32,601	35,061	32,013	35,271	33,000	34,000
	EXPENDITURES TOTALS:	235,075	228,677	208,838	161,107	190,719	198,224
		101,095	58,325	9,161	14,083	0	2,201

Street Fund Operating Expenditures

The Street Fund proposal has a surplus of \$2,201.

Salaries and benefits are increased by \$4,315 in 2016 primarily due to non-exempt staff wage increases as a result of the newly adopted union contract.

Similar to 2015, the Public Works Director is projected to be spending less time in the Street Fund than in past few years as development activity is picking up, and more time is likely to be spent working with developers and providing plan review services.

A \$15,000 expenditure is proposed for the Street Funds proportionate contribution to the Equipment replacement fund (Operating Transfer Out to Fund 104). This contribution proposes set asides of \$5,000 for a sidearm mower, \$5,000 for a street sweeper, and \$5,000 for utility trucks.

Street fund expenditures in 2016 such as a chip seal project, matching funds for TIB grants, 3rd Street dip repair, and speed cushions are anticipated to be funded using REET 2 instead of operating funds.

The Street Fund is an annual problem. Revenue generated to supply the fund is simply not adequate to meet maintenance expenditures. The City of Sultan has traditionally relied on grants to pay for Transportation projects and traditional funding sources are drying up. The Community Block Grant (CDBG) program is now only available for properties west of the Sultan River. **The downtown area of Sultan is no longer eligible for CDBG grants.** The Surface Transportation Program (STP) that funded the design of the Sultan River Pedestrian Bridge and the Sultan Basin Overlay project had a rural set-aside for communities of less than 5,000 residents. The Federal Highway Administration that administers STP grants recently made the determination that Sultan, Gold Bar, and Index **are no longer rural** and are not eligible for a rural set-aside.

The bottom line is that Sultan residents will need to pay more in the future to maintain their street system. Several Snohomish County cities (Snohomish, Monroe, Stanwood) have adopted Transportation Benefit Districts in order to increase revenue to maintain streets. Council should consider taking this step in 2016.

2016 CEMETERY OPERATING FUND

103	CEMETERY FUND						
Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
103-000-308-80-000	Beginning Fund Balance	29,732	6,910	1,924	6,405	2,757	2,304
103-000-343-60-000	Cemetery Fees	16,080	23,989	34,784	20,844	25,000	25,000
103-000-361-11-000	Investment Interest	31	14	16	12	250	400
103-000-367-11-000	Contributions - Cemetery Impro	2,926	138	0	0	0	0
	REVENUE TOTAL	48,769	31,051	36,724	27,261	28,007	27,704

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
103-103-536-10-100	Salaries and Wages	25,351	16,795	10,943	10,295	11,692	10,207
103-103-536-10-200	Benefits	9,233	4,912	4,367	4,251	6,515	5,097
103-103-536-10-220	Uniforms	138	12	20	0	0	200
103-103-536-10-310	Operating Supplies	307	336	56	29	200	400
103-103-536-10-320	Office Supplies	11	115	0	0	100	0
103-103-536-10-340	Items for Resale	732	747	1,363	2,183	1,500	1,000
103-103-536-10-350	Small Tools/Minor Equipment	40	0	147	0	0	0
103-103-536-10-360	Vehicle Operation/Maintenance	506	474	446	359	500	800
103-103-536-10-410	Professional Services	400	5,187	9,324	3,751	5,000	8,000
103-103-536-10-460	Insurance	4,287	682	3,507	1,500	1,500	1,500
103-103-536-10-480	Repair and Maintenance	95	0	0	0	0	0
103-103-594-10-640	Capital - Equipment	761	0	0	0	500	0
103-103-597-40-000	Operating Transfers Out -104	0	0	0	0	500	500
	EXPENDITURE TOTAL	41,860	29,260	30,173	22,368	28,007	27,704
	Ending Fund Balance	6,910	1,790	6,551	4,893	0	0

Cemetery Fund Operating Expenditures

The Cemetery Fund is balanced by using \$2,304 of beginning fund balance.

Salaries and benefits are proposed to be decreased by \$2,903 in 2016. The 2016 staff allocation assumes more time being spent maintaining the cemetery by a newly hired Public Works employee, and less time by more experienced staff members resulting in a savings to the cemetery fund.

Based on the direction from Council received at the October 2015 budget retreat, management will be meeting with union representatives to negotiate allowing volunteers to spend more time on cemetery maintenance. Additionally, staff will be reaching out to area churches and other cemeteries to gauge interest in the possible purchase of the Sultan cemetery.

2016 WATER OPERATING FUND

400 UTILITY WATER FUND		2011	2012	2013	2014	2015	2016
Account	Description	Actual	Actual	Actual	Actual	Adopted	Proposed
400-000-308-80-000	<i>Beginning Fund Balance</i>	149,409	90,758	184,728	252,738	25,848	59,745
400-000-343-90-000	<i>Water Service</i>	878,046	874,172	962,543	976,467	980,000	1,056,068
400-000-361-11-000	<i>Turn On/Off Fees</i>	21,171	10,879	10,708	7,584	8,780	9,000
400-000-379-10-000	<i>Investment Interest</i>	140	542	453	835	500	500
400-000-369-90-000	<i>Miscellaneous</i>	24,740	23,174	29,414	43,877	23,500	25,000
400-000-395-10-000	<i>Water Connection Charges</i>	1,600	1,200	1,000	7,801	7,000	15,600
400-000-395-10-100	<i>Interlocal - Startup</i>	5,321	0	518	0	60,000	45,000
	Total Revenue	1,080,427	1,000,726	1,189,364	1,289,302	1,105,628	1,210,913

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
400-400-534-80-100	Salaries and Wages	296,914	229,295	265,591	294,358	302,802	334,344
400-400-534-80-200	Benefits	110,136	76,238	120,562	131,893	177,376	159,512
400-400-534-80-220	Uniforms	1,468	1,785	1,683	907	800	1,400
400-400-534-80-310	Operating Supply	26,203	38,791	57,771	49,029	63,375	64,885
400-400-534-80-320	Office Supplies	3,267	3,052	2,502	3,141	3,700	2,700
400-400-534-80-350	Small Tools/Minor Equipment	1,194	9,422	6,893	6,171	12,950	10,500
400-400-534-80-360	Vehicle Operation/Maintenance	9,205	7,469	8,292	6,220	7,825	7,825
400-400-534-80-370	Vehicle Repair	225	2,200	229	498	500	1,000
400-400-534-80-413	Professional Service - General	98,630	33,255	30,840	21,283	44,500	100,000
400-400-534-80-420	Communication	10,249	9,344	9,113	10,337	8,000	10,000
400-400-534-80-430	Travel and Seminars	2,434	2,958	3,265	4,133	4,205	5,205
400-400-534-80-450	Rentals	413	1,364	3,535	1,772	1,000	1,000
400-400-534-80-460	Insurance	29,013	26,085	46,823	49,530	42,000	47,000
400-400-534-80-470	Utilities	105,020	37,976	28,940	34,235	25,000	35,000
400-400-534-80-471	Water Service - Everett	0	0	0	4,569	7,000	7,000
400-400-534-80-480	Repair and Maintenance	15,296	8,462	6,875	20,476	20,000	30,975
400-400-534-80-490	Miscellaneous	14,121	10,837	7,546	8,280	8,614	9,250
400-400-534-80-490	Water - Testing	0	0	895	4,085	4,000	5,000
400-400-534-80-510	Taxes - Excise	43,648	46,366	50,396	51,480	51,000	53,000
400-400-534-80-510	Capital - Buildings	45,370	0	4,153	624	0	500
400-400-594-80-620	Capital - Equipment	6,385	2,028	13,070	10,572	10,000	6,500
400-400-594-80-640	Operating Transfer Out - 412	91,500	137,167	137,000	133,088	109,478	115,864
400-400-597-20-000	Operating Transfer Out - 403	65,000	65,000	63,500	50,000	171,700	172,650
400-400-597-30-010	Operating Transfer Out - 104	3,000	46,000	40,000	8,000	0	0
400-400-597-50-020	Operating Transfer Out - 001	0	12,774	2,000	16,803	16,803	16,803
400-400-597-30-030	Operating Transfer Out - 409	0	12,774	12,774	18,500	0	0
400-400-597-20-040	Operating Transfer Out - 114 IT	10,979	10,500	9,000	9,000	13,000	13,000
	Total Expense	989,669	831,143	933,248	948,984	1,105,628	1,210,913
	Ending Fund Balance	90,758	169,583	256,116	340,319	0	0

Water Fund Operating Expenditures

The Water Fund is balanced by using \$59,745 of beginning fund balance.

There is an estimated \$100,000 expenditure for Professional Services which includes approximately \$87,000 for the preparation of the 2016 Water System Plan Element of the Comprehensive Plan Update and a rate study.

The \$22,000 Operating Transfer Out for Equipment Replacement (104) which was included in the budget at the Council retreat on October 10, 2015 has been removed in an effort to balance the budget.

Salaries and benefits are increased by \$13,678 in 2016. One of the main factors for the increase is due to a wage adjustment for the Water Systems Manager. The Washington State Department of Health has re-rated the City's Water Treatment Plant to a Level 3 facility which requires that the plant be operated by an employee with a Level 3 certification. The City's Water Systems Manager has now obtained this certification, and his wage has been increased to be competitive with other Level 3 Manager positions in Washington State.

Repair and maintenance has increased from \$20,000 in 2015 to \$30,975 in 2016, partially due to cleaning the drinking water reservoirs at the Water Treatment Plant.

2016 SEWER OPERATING FUND

401 Account	UTILITY SEWER FUND Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
401-000-308-80-000	Beginning Fund Balance	181,176	196,455	250,012	463,338		
401-000-342-00-200	Sewer Inspection Fee	750	0	250	2,250	5,000	5,000
401-000-343-50-000	Sewer Service	1,240,277	1,248,369	1,286,780	1,277,056	1,286,195	1,325,039
401-000-361-11-000	Investment Interest	273	496	1,095	1,191	500	500
401-000-369-90-000	Miscellaneous	14,464	18,337	17,019	41,359	17,500	17,500
	Total Revenue	1,436,940	1,463,656	1,555,156	1,785,195	1,309,195	1,348,039

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
401-401-535-80-100	Salaries and Wages	284,669	240,139	250,714	253,334	256,329	275,957
401-401-535-80-200	Benefits	91,096	95,984	96,638	100,982	123,371	121,272
401-401-535-80-220	Uniforms	1,665	1,939	1,672	995	800	1,300
401-401-535-80-310	Operating Supplies	17,536	23,148	28,796	15,941	39,875	41,085
401-401-535-80-320	Office Supplies	3,752	3,282	2,281	3,498	3,500	3,000
401-401-535-80-350	Small Tools/Minor Equipment	1,065	1,909	5,650	1,173	7,950	6,650
401-401-535-80-360	Vehicle Operation Maintenance	2,848	2,250	2,586	3,006	9,300	10,800
401-401-535-80-370	Vehicle Repair	2,971	2,676	229	301	500	2,000
401-401-535-80-412	Professional Service	98,826	66,311	49,338	30,621	43,000	97,000
401-401-535-80-413	Services - Sludge Hauling	0	0	9,983	14,097	30,000	10,000
401-401-535-80-420	Communication	10,725	10,739	10,606	11,273	9,000	13,000
401-401-535-80-430	Travel and Seminars	1,119	3,226	1,726	2,611	3,405	3,405
401-401-535-80-450	Rentals	292	3,175	14,285	7,523	12,226	13,226
401-401-535-80-460	Insurance	35,580	37,042	52,079	65,780	56,000	56,000
401-401-535-80-470	Utilities	41,418	38,934	39,741	40,699	37,000	40,000
401-401-535-80-480	Repair and Maintenance	58,210	49,270	35,147	51,258	64,875	67,575
401-401-535-80-490	Miscellaneous	10,442	11,578	6,730	7,457	4,664	4,754
401-401-535-80-490	Sewer - Testing	0	0	498	1,682	1,400	1,500
401-401-535-80-510	Taxes - Excise	29,825	31,447	29,995	28,603	30,000	30,000
401-401-594-80-620	Capital - Buildings	15,336	0	4,153	119,799	4,000	0
401-401-594-80-640	Capital - equipment	4,170	47,639	2,109	26,063	0	30,000
401-401-597-20-000	Operating Transfer Out - 413	410,000	432,712	301,537	324,608	183,182	181,756
401-401-597-20-040	Operating Transfer Out - 403	65,000	65,000	63,500	50,000	171,700	172,650

401-401-597-30-010	Operating Transfer Out - 104	45,400	21,000	120,000	34,000	37,000	35,000
401-401-597-30-030	Operating Transfer Out - 001	0	12,774	12,774	16,803	16,803	16,803
401-401-597-30-040	Operating Transfer Out - 407	0	0	50,000	65,000	100,000	0
401-401-597-50-020	Operating Transfer Out - 114	8,979	14,660	14,660	18,600	18,600	18,600
	Total Expense	1,240,923	1,216,835	1,207,427	1,295,705	1,264,480	1,253,333
	Ending Balance	196,016	246,821	347,729	489,489	44,715	94,706

Sewer Fund Operating Expenditures

The Sewer Fund currently shows a surplus of \$94,706.

Salaries and benefits are increased by \$17,529 in 2016 primarily due to the significant effort involved in updating the General Sewer Plan and associated rate study.

There is an estimated \$97,000 expenditure for Professional Services which includes approximately \$86,000 for the preparation of the 2016 General Sewer Plan Element of the Comprehensive Plan Update and a rate study.

Sludge hauling has been reduced from \$30,000 in 2015 to \$10,000 in 2016 to be more in line with past year expenditures.

2016 GARBAGE OPERATING FUND

402 Account	UTILITY GARBAGE FUND Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
402-000-308-80-000	Beginning Fund Balance	152,859	181,476	202,853	267,155	0	0
400-000-316-48-000	Garbage State Tax	19,085	19,459	20,223	20,580	21,250	20,064
402-000-321-91-000	Garbage Franchise Fees	1,473	2,962	3,401	3,256	3,300	3,500
402-000-334-03-100	Coordinated Prevention Grant	2,680	1,770	1,789	2,211	1,700	1,600
402-000-343-70-000	Garbage/Solid Waste	545,216	566,490	577,803	592,059	590,000	557,340
402-000-343-70-100	Recycling Charges	175,355	165,586	167,695	166,456	167,900	177,816
402-000-361-11-000	Investment Interest	246	424	730	814	500	500
402-000-362-20-000	Dumpster Delivery Charges	20,658	20,675	21,214	21,136	21,500	20,940
402-000-369-90-000	Miscellaneous	350	150	180	531	500	500
402-000-395-10-000	Sale of Fixed Assets	1,027	284	114	0	0	0
	Total Revenue	918,949	959,276	996,002	1,074,199	806,650	782,260

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
402-402-537-80-100	Salaries and Wages	168,048	143,871	143,195	146,406	154,672	137,507
402-402-537-80-200	Benefits	65,380	73,944	59,848	63,126	80,625	69,887
402-402-537-80-220	Uniforms	680	1,208	1,186	718	800	1,000
402-402-537-80-230	Contract Labor	0	3,565	1,783	0	0	0
402-402-537-80-310	Operating Supplies	1,585	1,090	1,487	2,804	3,540	5,000
402-402-537-80-320	Office Supplies	3,180	2,687	2,223	2,592	2,700	2,400
402-402-537-80-350	Small Tools/Minor Equipment	304	92	708	1,054	350	2,000
402-402-537-80-360	Vehicle Operation/Maintenance	19,148	19,565	23,604	19,247	33,300	16,000
402-402-537-80-370	Vehicle Repair	12,643	7,373	5,049	7,404	3,000	7,000
402-402-537-80-380	CPG Grant - Clean UP	2,464	1,333	969	897	1,700	1,600
402-402-537-80-410	Professional	6,439	12,850	7,696	4,105	9,750	9,700
402-402-537-80-420	Communication	8,296	7,402	7,527	8,053	7,000	8,500
402-402-537-80-430	Travel and Seminars	478	1,566	453	800	790	1,400
402-402-537-80-460	Insurance	13,817	16,722	13,393	33,461	29,000	31,000
402-402-537-80-470	Utilities	2,489	2,246	2,114	2,077	2,000	2,000
402-402-537-80-480	Repair and Maintenance	1,181	224	2,919	9,061	3,975	3,000
402-402-537-80-490	Miscellaneous	959	2,434	1,725	2,490	1,235	2,600
402-402-537-80-510	Intergovernmental - Recycle	141,917	139,141	113,943	143,516	145,865	150,000
402-402-537-80-500	Intergovernmental - Disposal F	185,726	188,400	191,316	182,982	192,000	192,000
402-402-537-80-520	Taxes - Excise	32,128	30,728	30,282	30,050	30,000	30,000
402-402-594-80-620	Capital Outlay - Buildings	0	0	2,040	0	5,000	0
402-402-594-80-640	Capital Outlay - Equipment	20,315	18,605	19,009	14,009	10,000	10,000
402-402-597-30-000	Operating Transfer Out - 104	44,000	79,639	75,000	31,000	35,000	30,000
402-402-597-50-010	Operating Transfer Out - 001	0	0	0	16,803	16,803	16,803
402-402-597-50-010	Operating Transfer Out - 114	6,479	3,710	17,434	16,000	16,000	16,000
	Total Expenditures	737,655	758,397	724,903	738,656	785,105	745,397
	Ending Balance	181,294	200,879	271,099	335,543	21,545	36,863

Garbage Fund Operating Expenditures

The Garbage Fund has a surplus of \$36,863.

The City purchased a new garbage truck and toters in 2015 and has modified garbage service to once every two weeks. A garbage rate study is underway, and the results will be available soon. As a result of the garbage rate study, garbage rates are expected to change.

Salaries and benefits are decreased by \$27,903 in 2016 primarily due to less labor required to operate the garbage service.

Vehicle Operation/Maintenance has been reduced from \$33,000 in 2015 to \$16,000 in 2016 primarily due to the new garbage truck purchased in 2015.

2016 STORMWATER OPERATING FUND

406 STORMWATER UTILITY FUND

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
406-000-308-80-000	Beginning Fund Balance	60,026	66,020	69,367	18,616	14,380	0
406-000-343-50-000	Stormwater Utility Fee	126,428	150,169	163,084	165,910	166,000	175,164
406-000-361-11-000	Investment Interest	92	306	89	89	200	200
406-000-397-10-100	Operating Transfer In	0	0	0	0	0	0
Total Revenues		186,546	216,494	232,540	184,615	180,580	175,364

Account	Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Proposed
406-406-531-10-100	Salaries and Wages	23,023	77,239	85,724	77,912	83,305	67,459
406-406-531-10-200	Benefits	7,020	5,951	33,579	33,682	41,280	32,800
406-406-531-10-220	Uniforms	145	354	483	217	400	400
406-406-531-10-310	Operating Supplies	436	772	1,097	1,608	2,250	2,500
406-406-531-10-320	Office Supplies	297	415	316	14	500	500
406-406-531-10-350	Small Tools/Minor Equipment	1,526	389	404	859	1,850	1,150
406-406-531-10-360	Vehicle Operation Maintenance	331	154	684	386	1,800	2,000
406-406-531-10-370	Vehicle Repair	60	1,954	229	301	0	500
406-406-531-10-410	Professional Service	0	5,503	495	0	19,500	14,500
406-406-531-10-420	Communication	1,267	1,485	1,328	1,543	1,000	1,800
406-406-531-10-430	Travel and Seminars	382	1,172	769	298	1,190	1,190
406-406-531-10-450	Rentals	17,961	5,047	11,004	976	0	600
406-406-531-10-460	Insurance	1,000	4,762	10,209	9,013	9,000	9,000
406-406-531-10-470	Utilities	0	0	0	0	0	0
406-406-531-10-480	Repair and Maintenance	3,882	116	332	211	1,020	1,320
406-406-531-10-490	Miscellaneous	886	40	50	279	184	184
406-406-531-10-510	State Excise Tax	2,309	2,709	2,695	2,487	2,700	0
406-406-594-10-640	Capital Outlay - Equipment	0	33	2,040	0	5,000	300
406-406-597-50-020	Operating Transfer - 413 Debt	28,700	28,700	28,632	10,136	0	0
406-406-597-60-030	Operating Transfers Out - 114	0	3,712	10,104	4,000	4,000	4,000
406-406-597-20-010	Operating Transfer Out - 001	0	0	0	5,601	5,601	5,601
406-406-597-20-010	Operating Transfer Out - 104	31,300	7,127	23,000	0	0	9,500
Total Expenditures		120,525	147,633	213,174	149,524	180,580	155,304
Ending Fund Balance		66,020	68,861	19,366	35,090	0	20,060

Stormwater Fund Operating Expenditures

The Stormwater Fund has a \$20,060 surplus.

Salaries and benefits are decreased by \$24,326 in 2016.

Professional services in 2016 are budgeted for legal counsel, the Washington State auditor, and street sweeping disposal services.

As the City moves forward, **the stormwater rates will very likely need to be raised** to be able to afford the design and construction of stormwater and flood prevention projects, and to incorporate state mandated Low Impact Development requirements. The current rate structure has residential customers subsidizing commercial accounts. Council should consider moving forward with a rate study in 2017 to evaluate the current rate structure.