

ORDINANCE NO. 2006-013

AN ORDINANCE AUTHORIZING EXPENDITURES OF FUNDS FOR MATTERS NOT FORESEEN AT THE TIME OF FILING THE PRELIMINARY BUDGET FOR 2006 AND NOT PROVIDED FOR IN THE ANNUAL BUDGET FOR THAT YEAR.

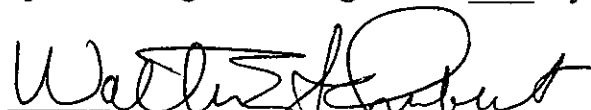
THE CITY COUNCIL OF THE CITY OF SEQUIM DO ORDAIN AS FOLLOWS:

SECTION 1: Certain necessary obligations have been incurred by the City of Sequim which were not and could not reasonably have been foreseen at the time of filing the preliminary budget and which require the expenditure of money not provided for in the annual budget for 2006, which obligations are set forth in the attached Exhibit "A". The City has received or transferred revenues in 2006 within the funds and departments set forth in Exhibit "A" or has fund balance in excess of the amounts budgeted for the year which are sufficient to pay these expenditures.


SECTION 2: These expenditures are not one of the emergencies specifically enumerated in RCW 35A.33.080.

SECTION 3: This Ordinance shall not be voted upon until five days have elapsed after its introduction, and for its passage it shall require the vote of one more than the majority of all members of the City Council.


PASSED by the City Council of the City of Sequim at its regular meeting held the 20th day of June 2006.


Walter E. Schubert, Mayor

ATTEST:


Karen Kuznek-Reese, CMC, City Clerk

Approved as to form:


Craig A. Ritchie, City Attorney

First Reading: June 21, 2006

Second Reading: June 26, 2006

Date of Publication: July 4, 2006

City of Sequim
Proposed Budget Amendments – June 2006
Description

Closing of Funds and Reclassifications

Closing of Funds – When a capital project is completed and there are funds remaining, we review the source of the money and return the remaining monies back to the original fund. If multiple funds contributed to the project, the monies are returned according to their proportional share.

Closing of Funds			
#	Description	Request	Amount
1	<p>301 REV – The work has been completed on this multi-year project. At the end of 2005 we received reimbursement from DOT (Dept of Transportation). In 2006 we received reimbursement from TIB (Transportation Improvement Board) and are awaiting the final audit by DOT. We expect remaining fund balance to be \$170,000-\$175,000. The REV project ended with a credit balance, which must be returned to the contributing funds (expense to REV Fund and revenue to contributing Funds. We will transfer the remaining monies based on the prorata contribution each fund made to the project.</p>	<p><u>Transfer</u> funds from REV (301) to: Streets Unrestricted (101-000) Water Unrestricted (401-000) Water Replacement (401-413) Sewer Unrestricted (402-000)</p>	<p>\$ 50,000 \$ 74,000 \$ 44,000 \$ 7,000</p>

Unforeseen Expenses – These expenses relate to activities that are difficult to predict, or expenses that cannot be accurately estimated or reasonably foreseen at the time of budgeting. Some items are based on the estimated completion of the project or the forecasted year-end due to activity levels and trends.

Unforeseen Expenses			
#	Description	Request	Amount
2	<p>Emergency Generators – As part of the Emergency Management Plan council approved the purchase of 2 generators. This was not included in the 2006 budget.</p>	<p><u>Establish</u> budgeted expenses for General Fund (001).</p>	<p>\$ 23,300</p>
3	<p>Water Mandated Plan Reserve – The costs for consultants to create the Water Comprehensive plan was not budgeted in 2006. The City must develop the plan to comply with the requirements of Dept of Health and Ecology. This mandated plan is required every 5 years. The cost is estimated at \$35,000 in 2006. In 2005 \$12,500 was transferred to help</p>	<p><u>Establish</u> budgeted expenses for Water Mandated Plan (401-417). <u>Transfer</u> funds from Water Unrestricted (401-000) to Water Restricted (401-417).</p>	<p>\$ 35,000 \$ 22,500</p>

Unforeseen Expenses			
#	Description	Request	Amount
	spread the cost across several years.		
4	Chipping Service – Citizens take yard debris to the City Shop. The City pays for a chipping service. The use of this service continues to increase. Expenses through April are \$18,600 but the 2006 budget is only \$20,000.	<u>Increase</u> budgeted expenses for Solid Waste (403).	\$ 20,000
5	Utility B&O Tax – When the budget was created the mechanics of recording the B&O tax was not completely understood. The Water and Sewer funds incur the B&O expense and the General Fund receives the B&O Tax revenue. A 3.1% utility rate increase occurred in April to offset the Water and Sewer B&O expense which occurred in February.	<u>Establish</u> budgeted expenses for Water Unrestricted (401-000). <u>Increase</u> Water Unrestricted revenue for the 3.1% rate increase (401-000). <u>Establish</u> budgeted expenses for Sewer Unrestricted (402-000). <u>Increase</u> Sewer Unrestricted revenue for the 3.1% rate increase (402-000).	\$ 27,000 \$ 22,000 \$ 39,500 \$ 32,500
6	Construction Deposit Release – The 2005 forecast included the release of Green Trust/Vision Builders cash in lieu of bond for \$41,400 and Riverbend for \$55,150. The release will be authorized in 2006. Interest will be closed to the General Fund.	<u>Establish</u> budgeted expenses for Construction Deposit Fund (631). <u>Transfer</u> interest from Construction Deposits (631) to General Fund (001).	\$ 96,550 \$ 3,000
7	TRAFFIX Software – Costs for transportation software was not included in the 2006 budget.	<u>Establish</u> budgeted expenses for Streets (101).	\$ 7,700
354 Capital Projects:			
8	354-303 AVB Improvement – In 2005 monies from the AVB settlement were used to fund a transportation study that was awarded to Parametrix for \$96,500. An increase in scope of \$26,000 was approved in 2006, but was not budgeted. Also \$3,800 in expenses from the initial contract were incurred in 2006. Additional monies for this project will be funded by Streets Unrestricted.	<u>Establish</u> budgeted expenses for Capital Project 354-303. <u>Transfer</u> funds from Streets (101-000) to Capital Project (354-303).	\$ 29,800 \$ 22,000
9	354-305 W Brownfield – Due to delays, only \$372,200 expenses were incurred in 2005 instead of the forecasted expenses of \$504,000. Budgeted expenses for 2006 is \$100,000 but is forecasted to be \$175,000.	<u>Increase</u> budgeted expenses for Capital Project 354-305.	\$ 75,000

Unforeseen Expenses			
#	Description	Request	Amount
10	101-102 Olympic Discovery Trail (ODT) – An additional section of the Olympic Discovery Trail was approved earlier this year to take advantage of the County performing work on Hendrickson Road. This additional work will be funded by Streets Unrestricted.	<u>Increase</u> budgeted expenses for ODT (101-102). <u>Transfer</u> funds from Streets Unrestricted (101-000) to Streets ODT (101-102).	\$ 63,877 \$ 63,877
11	Emergency Management/Crime Prevention – This supplemental budget is outlined in detail in the June 12 th Council packet.	<u>Increase</u> budgeted expenses for Police (001-020).	\$ 60,834

Future Budget Amendments

We are aware of the following items that will require an additional budget amendment, but we do not have enough information at this time to request the amendment.

- **354-302 Transit:** We are working on resolving the amount of excess costs that will be funded by a loan.
- **354-304 SR101/River Rd:** We are waiting for the final expenditures to come in. We anticipate closing this project by the end of the year.
- **354-305 W Brownfield:** As projects are completed in Fund 354 we will determine whether additional revenue is needed to cover the additional expense for W Brownfield.
- **355-311 N. Sequim Roundabout:** We are expecting additional expenses to complete the landscaping, signage and crosswalks. We have received \$32k additional latecomer mitigation fee revenue and are expecting another \$50k in mitigation fee revenue. When the project is completed we will transfer the remaining balance to close the project.
- **355-313 E. Spruce Extension:** We are expecting additional expenses to complete the landscaping. When the project is completed we will transfer the remaining balance to close the project.

Proposed Budget Amendments June 2006 - Impact by Fund

#	Fund	Fund Name	Revenue	Expense	Net Impact
1	101-000	Streets Unrestricted (transfer in)	\$ 50,000		
	401-000	Water Unrestricted (transfer in)	\$ 74,000		
	401-413	Water Replacement Reserves (transfer in)	\$ 44,000		
	402-000	Sewer Unrestricted (transfer in)	\$ 7,000		
	301	REV (close REV project)	\$ 175,000		
2	001	General Fund (emergency generators)	\$ 23,300	\$ 23,300	\$ (23,300)
3	401-417	Water Mandated Plan (consultant services)		\$ 35,000	\$ (35,000)
	401-417	Water Mandated Plan (transfer in)	\$ 22,500		
	401-000	Water Unrestricted (transfer out)	\$ 22,500		
4	403	Solid Waste (chipping service)		\$ 20,000	\$ (20,000)
5	401	Water Unrestricted (3.1% rate increase)	\$ 22,000	\$ 27,000	\$ (5,000)
	401	Water Unrestricted (B&O Tax Expense)		\$ 27,000	\$ (5,000)
402	402	Sewer Unrestricted (3.1% rate increase)	\$ 32,500	\$ 39,500	\$ (7,000)
	402	Sewer Unrestricted (B&O Tax Expense)		\$ 39,500	\$ (7,000)
6	631	Construction Deposit (release of funds)	\$ 96,550		\$ (96,550)
	001	General Fund (transfer in interest)	\$ 3,000		
	631	Construction Deposit (transfer out interest)	\$ 3,000	\$ 3,000	
7	101-000	Streets Unrestricted (TRAFFIX software)	\$ 7,700	\$ 7,700	\$ (7,700)
8	354-303	AVB Road Improvement (transportation study)		\$ 29,800	\$ (29,800)
	354-303	AVB Road Improvement (transfer in)	\$ 22,000		
	101-000	Streets Unrestricted (transfer out)	\$ 22,000	\$ 22,000	
9	354-305	West Brownfield Road (road construction)	\$ 75,000	\$ 75,000	\$ (75,000)
10	101-102	Streets - ODT at Hendrickson (path construction)		\$ 63,877	\$ (63,877)
	101-102	Streets - ODT at Hendrickson (transfer in)	\$ 63,877		
	101-000	Streets - Unrestricted (transfer out)	\$ 63,877	\$ 63,877	
11	001-000	Emergency Management/Crime Prevention	\$ 60,834	\$ 60,834	\$ (60,834)
Totals			\$ 340,877	\$ 764,938	\$ (424,061)