



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: October 27, 2014
Subject: 2014 Year-End/Housekeeping Budget Adjustment

BACKGROUND

The proposed budget adjustment makes the following types of modifications to the current biennium:

- Incorporate year-end and housekeeping adjustments
- Appropriate projects funded by grants/contributions

PROPOSED BUDGET ADJUSTMENT SUMMARY

The proposed budget adjustment:

- Makes no change to beginning fund balance;
- Increases total revenues for all funds by \$23K, resulting in a total revised revenue estimate of \$76.55M;
- Increases total expenditures for all funds by \$181K, resulting in a total revised expenditure estimate of \$79.55M; and
- Decreases total ending fund balance for all funds by \$158K, resulting in a total revised ending fund balance estimate of \$16.94M.

The table below provides a breakout of the proposed 2014 budget adjustment totals by fund group.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
Total Year 2014	\$ 19,949,770	\$ (0)	\$ 19,949,770	\$ 76,522,835	\$ 23,272	\$ 76,546,107	\$ 79,370,829	\$ 181,033	\$ 79,551,862	\$ 17,101,776	\$ (157,761)	\$ 16,944,014
General	2,580,680	0	2,580,680	36,370,005	13,525	36,383,530	35,538,202	25,325	35,563,527	3,412,483	(11,800)	3,400,683
Special Revenue	4,070,979	(0)	4,070,979	33,887,611	9,747	33,897,358	34,027,464	307,808	34,335,272	3,931,126	(298,061)	3,633,065
Debt Service	900,257	(0)	900,257	1,116,228	-	1,116,228	1,034,663	-	1,034,663	981,822	(0)	981,822
Capital Projects	646,295	0	646,295	558,180	-	558,180	277,120	-	277,120	927,355	0	927,355
Enterprise	6,204,969	(0)	6,204,969	3,367,841	-	3,367,841	6,237,284	(205,800)	6,031,484	3,335,526	205,800	3,541,326
Replace Reserves	5,546,590	-	5,546,590	1,222,970	-	1,222,970	2,256,096	53,700	2,309,796	4,513,464	(53,700)	4,459,764

PROPOSED BUDGET ADJUSTMENT HIGHLIGHTS

The narrative below provides detailed information on the proposed adjustments. A summary list is included as an attachment.

Fund 001 – General

Administrative Services:

- *WCIA Liability Assessment* – Prorated assessment (10/10/14 – 12/31/2014) of \$568 for the Lakewood Transportation Benefit District. Charge the expenditure to the General Fund due to the relatively small amount and the Lakewood TBD not receiving vehicle license fees until March 2015. Future liability assessments will be charged directly to the TBD.

Police:

- *United States Coast Guard (USCG) Vessel Registration Fee Entitlement* – Appropriate \$13,525 in expenditures for Marine Patrol, offset by vessel registration fee entitlement revenue. The amount was not known at the time of the July 2014 Budget Adjustment.
- *USCG Vessel Registration Fee Entitlement Expenditures* – Appropriate \$11,232 in expenditures for Marine Patrol, funded by the balance of previous years’ vessel registration fee entitlement revenue. In future years, balances from prior years’ revenue will be included in the Carry Forward Budget Adjustment.
- *Bulletproof Vest Partnership 2013 Local Match* - Transfer \$3,216 to Fund 195 Public Safety Grant Fund for the required local match on the balance of the 2013 grant. This is a change from past practice so that the grant and required local match is accounted for in the grant fund. The source of funding for the local match is funds earmarked in the Police Department budget for this this purpose.
- *Bulletproof Vest Partnership 2014 Local Match* - Transfer \$7,632 to Fund 195 Public Safety Grant Fund for the required local match on the 2014 grant. This is a change from past practice so that the grant and required local match is accounted for in the grant fund. The source of funding for the local match is funds earmarked in the Police Department budget for this this purpose.

Fund 102 Street Capital Projects

- *Bridgeport Way (83rd – 75th) Street Improvement Project* – Increase project costs by \$216,000 and decrease project funding by \$19,000 based on updated estimates. The change in project funding is comprised of: \$106,800 increase in TIB grant estimate; \$80,000 increase from Lakewood Water; offset by \$205,800 decrease in transfers in from the Surface Water Management Fund.

Fund 180 Narcotics Seizure

- *Reader Board* – Appropriate \$23,000 for Police Station reader board.
- *Vehicle* – Appropriate \$26,000 for vehicle purchase.

Fund 181 Felony Seizure

- *Supplies* – Appropriate \$14,061 for investigative supplies.

Fund 195 Public Safety Grants

- *Washington Traffic Safety Commission Target Zero Team Grant* – Reduce grant revenues and expenditures by \$6,800 due to reduction in grant amount of impaired driving.
- *USCG Boater Safety Grant* – Appropriate \$17,067 in expenditures for Marine Patrol, offset by grant revenue. The amount was not known at the time of the July 2014 Budget Adjustment.
- *Bulletproof Vest Partnership 2013 Grant* – Appropriate \$3,216 for the required 50% local match for the balance of the 2013 grant. The source of funding for the local match is a transfer in from the General Fund (funds earmarked in the Police Department budget for this purpose).
- *Bulletproof Vest Partnership 2014 Grant* – Appropriate \$15,264 in expenditures of which 50% is funded by grant revenues and 50% is funded by the required local match. The source of funding for the local match is a transfer in from the General Fund (funds earmarked in the Police Department budget for this purpose).

Fund 401 Surface Water Management Fund

- *Bridgeport Way (83rd – 75th) Street Improvement Project* – Reduce transfer to Street Capital Fund by \$205,800 based on updated estimate.

Fund 502 – City Hall Services (Property Management Fund)

- *City Hall Space Planning Consultant, 1-Time* – Increase contract funding by \$3,700 for an estimated total contract of \$10,000, funded by City Hall Reserves. Consultant retained to provide two space studies (low impact and higher impact schemes) of City Hall. The consultant will evaluate the City's delivery of service, locations of departments and optimization of building space.
- *City Hall Space Reconfiguration, 1-Time* – Appropriate \$50,000 for space reconfiguration, funded by City Hall Reserves.

NEXT STEP

- Public Hearing on November 3, 2014
- Adoption on November 17, 2014

ATTACHMENTS

- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
 - Exhibit A(1) – Current Revised Budget By Fund- Year 2014
 - Exhibit A(2) – Proposed Revised Budget By Fund- Year 2014

**Summary of Proposed Adjustments
2014 Year-End/Housekeeping Budget Adjustment**

	Year 2014	
	Revenue	Expenditure
Grand Total - All Funds	\$ 23,272	\$ 181,033
Grand Total - Fund 001 General	\$ 13,525	\$ 25,325
WCIA Liability Assessment for Lakewood Transportation Benefit District (Pro-rated 10/10/14 - 12/31/14) Charge to General Fund (amount is immaterial, Lakewood TBD won't start receiving VLF \$ until March 2015)	-	568
Subtotal - Administrative Services	\$ -	\$ 568
United States Coast Guard (USCG) Vessel Registration Fee Entitlement Used to Pay for Marine Patrol	13,525	13,525
Marine Patrol - Funded by prior year's Vessel Registration Fee Entitlements (In future years, the balance will be included in the Carry Forward Budget Adjustment)	-	11,232
Transfer to Fund 195 for Bulletproof Vest Partnership 2013 Local Match	-	3,216
Reduce Police Line item to accommodate Transfer to Fund 195 Bulletproof Vest Partnership 2013 Local Match	-	(3,216)
Transfer to Fund 195 for Bulletproof Vest Partnership 2014 Local Match	-	7,632
Reduce Police Line item to accommodate Transfer to Fund 195 Bulletproof Vest Partnership 2014 Local Match	-	(7,632)
Subtotal - Police	\$ 13,525	\$ 24,757
Grand Total - Special Revenue Funds	\$ 9,747	\$ 307,808
Total - Fund 102 Street Capital	\$ (19,000)	\$ 216,000
Bridgeport Way (83rd to 75th) Street Improvement Project Based on Updated Estimates - Increase construction by \$216,000 and reduce funding sources by \$19,000 - Results in Total Sources = \$4,381,000 and Uses = \$4,381,000	(19,000)	216,000
Total - Fund 180 Narcotics Seizure	\$ -	\$ 49,000
Police Station Reader Board	-	23,000
Vehicle Purchase	-	26,000
Total - Fund 181 Felony Seizure	\$ -	\$ 14,061
Investigative Supplies	-	14,061
Total - Fund 195 Public Safety Grants	\$ 28,747	\$ 28,747
WTSC Target Zero Team - Grant was reduced by grantor	(6,800)	(6,800)
USCG Boater Safety Grant Award	17,067	17,067
Bulletproof Vest Partnership 2013 - Local Match - Funded by transfer in from General Fund	3,216	3,216
Bulletproof Vest Partnership 2014 Grant Award	7,632	7,632
Bulletproof Vest Partnership 2014 - Local Match - Funded by transfer in from General Fund	7,632	7,632
Grand Total - Enterprise Funds	\$ -	\$ (205,800)
Total - Fund 401 Surface Water Management	\$ -	\$ (205,800)
Reduce Transfer to Bridgeport Way (83rd to 75th) Street Improvement Project Based on Updated Estimates	-	(205,800)
Grand Total - Replacement Funds	\$ -	\$ 53,700
Total - Fund 502 City Hall Services	\$ -	\$ 53,700
Space Consultant - Estimated Total Contract Amount	-	3,700
City Hall Reconfiguration	-	50,000

EXHIBIT A(1)
CURRENT REVISED BUDGET BY FUND - YEAR 2014

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending	
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Fund Balance	
General Fund (001)	\$ 2,110,352	\$470,328	\$ 2,580,680	\$ 35,368,005	\$ 1,002,000	\$ 36,370,005	\$ 34,935,996	\$ 602,206	\$ 35,538,202	\$ 3,412,483	
Special Revenue Funds:											
101	Street Operations & Maintenance	82,969	-	82,969	2,057,214	37,000	2,094,214	2,066,478	37,000	2,103,478	73,705
102	Street Capital Projects	841,124	-	841,124	26,908,790	100,000	27,008,790	25,992,138	100,000	26,092,138	1,757,776
103	Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104	Hotel/Motel Lodging Tax	935,374	-	935,374	430,000	-	430,000	497,850	-	497,850	867,524
105	Property Abatement	238,171	-	238,171	50,000	-	50,000	100,000	-	100,000	188,171
106	Public Art	12,001	-	12,001	5,000	-	5,000	7,000	-	7,000	10,001
180	Narcotics Seizure	778,173	-	778,173	366,966	-	366,966	343,440	-	343,440	801,699
181	Felony Seizure	101,662	-	101,662	-	-	-	87,601	-	87,601	14,061
182	Federal Seizure	40,240	-	40,240	69,520	-	69,520	69,520	-	69,520	40,240
190	CDBG	841,268	-	841,268	2,758,382	-	2,758,382	3,598,439	-	3,598,439	1,211
191	Neighborhood Stabilization Program	171,345	-	171,345	254,580	-	254,580	254,580	-	254,580	171,345
192	Office of Economic Adj (OEA) Grant	28,652	-	28,652	651,277	-	651,277	674,536	-	674,536	5,393
193	Police ARRA Grant	-	-	-	-	-	-	-	-	-	-
195	Public Safety Grants	-	-	-	198,882	-	198,882	198,882	-	198,882	-
Debt Service Funds:											
201	Debt Service - General Obligation Bonds	-	-	-	287,758	-	287,758	287,758	-	287,758	-
202	Debt Service - LID	149	-	149	288,470	-	288,470	288,470	-	288,470	149
204	Debt Service - Sewer Project	508,250	-	508,250	540,000	-	540,000	458,435	-	458,435	589,815
251	Debt Service - LID Guaranty	391,858	-	391,858	-	-	-	-	-	-	391,858
Capital Project Funds:											
301	General Government CIP	276	-	276	-	-	-	-	-	-	276
311	Sewer Project CIP	126,208	-	126,208	185,650	-	185,650	184,830	-	184,830	127,028
312	Sanitary Sewer Connection	519,811	-	519,811	372,530	-	372,530	92,290	-	92,290	800,051
Enterprise Fund:											
401	Surface Water Management	6,267,610	(62,641)	6,204,969	3,367,841	-	3,367,841	6,237,284	-	6,237,284	3,335,526
Replacement Reserve Funds:											
501	Equipment Replacement	5,093,748	-	5,093,748	1,923,840	(700,870)	1,222,970	1,132,796	1,117,000	2,249,796	4,066,922
502	City Hall Service	452,842	-	452,842	-	-	-	-	6,300	6,300	446,542
Total All Funds		\$ 19,542,083	\$ 407,687	\$19,949,770	\$ 76,084,705	\$ 438,130	\$76,522,835	\$ 77,508,323	\$ 1,862,506	\$79,370,829	\$ 17,101,776

EXHIBIT A(2)
PROPOSED REVISED BUDGET BY FUND - YEAR 2014

Fund		Beginning Fund Balance			Revenue			Expenditure			Ending
		Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Fund Balance
General Fund (001)		\$ 2,580,680	0	\$ 2,580,680	\$ 36,370,005	\$ 13,525	\$ 36,383,530	\$ 35,538,202	\$ 25,325	\$ 35,563,527	\$ 3,400,683
Special Revenue Funds:											
101	Street Operations & Maintenance	82,969	-	82,969	2,094,214	-	2,094,214	2,103,478	-	2,103,478	73,705
102	Street Capital Projects	841,124	(0)	841,124	27,008,790	(19,000)	26,989,790	26,092,138	216,000	26,308,138	1,522,776
103	Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104	Hotel/Motel Lodging Tax	935,374	0	935,374	430,000	-	430,000	497,850	-	497,850	867,524
105	Property Abatement	238,171	0	238,171	50,000	-	50,000	100,000	-	100,000	188,171
106	Public Art	12,001	0	12,001	5,000	-	5,000	7,000	-	7,000	10,001
180	Narcotics Seizure	778,173	0	778,173	366,966	-	366,966	343,440	49,000	392,440	752,699
181	Felony Seizure	101,662	(0)	101,662	-	-	-	87,601	14,061	101,662	(0)
182	Federal Seizure	40,240	(0)	40,240	69,520	-	69,520	69,520	-	69,520	40,240
190	CDBG	841,268	0	841,268	2,758,382	-	2,758,382	3,598,439	-	3,598,439	1,211
191	Neighborhood Stabilization Program	171,345	0	171,345	254,580	-	254,580	254,580	-	254,580	171,345
192	Office of Economic Adj (OEA) Grant	28,652	0	28,652	651,277	-	651,277	674,536	-	674,536	5,393
193	Police ARRA Grant	-	-	-	-	-	-	-	-	-	-
195	Public Safety Grants	-	-	-	198,882	28,747	227,629	198,882	28,747	227,629	-
Debt Service Funds:											
201	Debt Service - General Obligation Bonds	-	-	-	287,758	-	287,758	287,758	-	287,758	-
202	Debt Service - LID	149	(0)	149	288,470	-	288,470	288,470	-	288,470	149
204	Debt Service - Sewer Project	508,250	(0)	508,250	540,000	-	540,000	458,435	-	458,435	589,815
251	Debt Service - LID Guaranty	391,858	0	391,858	-	-	-	-	-	-	391,858
Capital Project Funds:											
301	General Government CIP	276	(0)	276	-	-	-	-	-	-	276
311	Sewer Project CIP	126,208	0	126,208	185,650	-	185,650	184,830	-	184,830	127,028
312	Sanitary Sewer Connection	519,811	0	519,811	372,530	-	372,530	92,290	-	92,290	800,051
Enterprise Fund:											
401	Surface Water Management	6,204,969	(0)	6,204,969	3,367,841	-	3,367,841	6,237,284	(205,800)	6,031,484	3,541,326
Replacement Reserve Funds:											
501	Equipment Replacement	5,093,748	-	5,093,748	1,222,970	-	1,222,970	2,249,796	-	2,249,796	4,066,922
502	City Hall Service	452,842	-	452,842	-	-	-	6,300	53,700	60,000	392,842
Total All Funds		\$19,949,770	\$ (0)	\$19,949,770	\$ 76,522,835	\$ 23,272	\$76,546,107	\$ 79,370,829	\$ 181,033	\$79,551,862	\$ 16,944,015

2014 Year-End/Housekeeping Budget Adjustment

City Council

October 27, 2014



Council Packet Information

- Staff Memo
- Summary of Proposed Requests
- Ordinance & Exhibits

Purpose of Budget Adjustments

- Capture year-end and housekeeping adjustments
- Appropriate projects funded by grants and contributions

Total Adjustments for All Funds

- No change to beginning fund balance
- Increase revenues by \$23K for a total budget of \$76.55M
- Increase expenditures by \$181K for a total budget of \$79.55M
- Decrease ending balance by \$158K for a total budget of \$16.94M

Highlights - Fund 001 General

- WCIA Liability Assessment \$568
- USCG Vessel Registration \$13,525 current year & \$11,232 prior year
- Bulletproof Vest Partnership Local Match current year \$7,632 & \$3,216 prior year

Highlights - Fund 102 Street Capital

- Bridgeport Way (83rd – 75th) Street Project \$216,000

Highlights - Fund 180 Narcotics Seizure

- Police Station Reader Board \$23,000
- Vehicle \$26,000

Highlights - Fund 181 Felony Seizure

- Investigative Supplies \$14,061

Highlights - Fund 195 Public Safety Grants

- WTSC Target Zero Team Grant \$6800 Reduction
- USCG Boater Safety \$17,067
- Bulletproof Vest Partnership 2013 Local Match \$3,216
- Bulletproof Vest Partnership 2014 Grant & Local Match \$15,264

Highlights - Fund 401 Surface Water Management

- Reduce transfer to Bridgeport Way (83rd – 75th) Street Project by \$205,800

Highlights - Fund 502 City Hall Services

- Space Planning Consultant, 1-Time \$3,700
- City Hall Reconfiguration, 1-Time \$50,000

Budget Adjustment Schedule

- Public Hearing on November 3, 2014
- Adoption of Ordinance on November 17, 2014

End of Presentation

- Questions?