

**CITY OF MONROE
ORDINANCE NO. 006/2014**

AN ORDINANCE OF THE CITY OF MONROE, WASHINGTON, AMENDING THE BUDGET FOR FISCAL YEAR 2014 TO ACCOUNT FOR ACTUAL BEGINNING FUND BALANCES AND NEW REVENUES AND EXPENDITURES; AUTHORIZING AND SETTING FORTH SUPPORTIVE FINDINGS FOR THE USE OF CERTAIN RESERVES FROM THE CITY'S CONTINGENCY FUND IN ACCORDANCE WITH THE CITY'S ADOPTED RESERVE POLICY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council adopted the budget for fiscal year 2014 through Ordinance No. 020/2013 on December 17, 2013; and

WHEREAS, the beginning fund balances set forth in the 2014 budget were only estimates in 2013 and are now known amounts; and

WHEREAS, certain expenditures, the necessity and/or amount of which were largely unexpected by the City, have come to light; and

WHEREAS, new revenues and corresponding expenditures need to be realized in and reflected by the adopted budget through an amendment thereof; and

WHEREAS, per RCW 35A.33.120, the City Council finds that it is in the best interest of the City to decrease, revoke, or recall all or portions of the total appropriations provided for certain funds as set forth in the previously adopted budget, and to re-appropriate the same for another purpose or purposes, as provided herein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The above recitals and the content of Exhibit A, B and C, attached hereto and incorporated herein by the reference as if set forth in full, are hereby adopted as finding in support of this ordinance. The City Council further adopts by reference the Agenda Item cover memorandum as findings.

Section 2. Budget Amendment. The budget for the fiscal year 2014 is hereby amended as follows:

Fund	Name	Amended Beginning Fund Balance	Original Budgeted Revenues	Amended Revenues	Original Budgeted Expenditures	Amended Expenditures	Amended Restricted Fund Balance	Amended Undesignated Fund Balance
001	General Fund	4,299,436	11,068,839	11,105,611	12,741,268	13,085,614	2,318,712	721
002	Contingency Fund	925,233	-	-	250,000	513,116	412,117	-
008	Donation Fund	10,660	4,600	4,600	5,100	5,100		10,160
102	Public Safety 800 MHz Fund	1,398	10	10	2,885	1,408		0
105	Street Fund	509,853	524,916	524,916	958,046	958,046		76,723
106	Transportation Concurrency	2,111,372	1,161,525	1,420,244	1,160,525	1,160,525		2,371,091
109	Tourism Fund	69,318	55,200	55,200	81,000	81,000		43,518
114	Narcotics Fund	33,377	1,560	1,560	40,000	34,000		937
117	Real Estate Excise Tax Fund	78,803	501,500	501,500	500,000	500,000		80,303
203	North Kelsey Debt Service	12,044	60,250	60,250	57,673	57,673		14,621
307	General Capital Projects	436,127	1,250	1,250	-	-		437,377
317	Parks CIP Fund	757,260	152,050	152,050	587,555	590,442	26,907	291,961
318	Street CIP Fund	433,597	4,229,309	4,229,309	3,152,484	3,156,333		1,506,573
319	North Kelsey Development	133,519	852,000	852,000	826,713	826,713		158,806
411	Water Fund	1,290,921	3,800,402	3,800,669	4,089,735	4,094,290	406,133	591,167
412	Water CIP Fund	5,262,026	869,075	956,525	1,198,111	1,213,111	274,388	4,731,052
421	Sewer Fund	1,581,313	6,312,145	6,312,145	7,152,242	7,156,797	375,431	361,230
422	Sewer CIP Fund	4,217,217	2,911,341	3,061,076	1,362,177	1,402,177	447,360	5,428,756
431	Stormwater Fund	368,950	1,598,903	1,718,903	1,809,274	1,928,508	157,640	1,705
432	Stormwater CIP Fund	1,216,297	1,615,400	1,730,400	1,723,834	1,881,334		1,065,363
441	Solid Waste Fund	896,368	3,237,543	3,237,543	3,133,571	3,136,843		997,068
450	Revenue Bond Reserve	2,019,614	5,000	5,000	35,000	35,000	1,983,934	5,680
510	Info Tech Services Fund	47,811	427,365	534,448	519,382	519,382	60,000	2,877
520	Equipment & Fleet Fund	1,673,099	1,929,500	1,929,500	1,407,166	1,457,166	2,116,508	28,925
530	Facilities Management Fund	260,845	1,247,564	1,247,564	1,252,902	1,252,902	55,000	200,507
	Totals	28,646,458	42,567,247	43,442,273	44,046,643	45,047,478	8,634,130	18,407,122

Section 3. Use of Reserves Authorized. The budget amendment effectuated by Section 2 of this ordinance authorizes the expenditure of certain restricted reserves from the City's Contingency Fund in accordance with Section 1(a)(i) of the Reserve Policy established under Resolution No. 2012/018, which allows such reserves to be utilized for non-budgeted required expenditures. In addition to the findings set forth in Section 1 above, the City Council hereby enters the following additional findings in support of the expenditure of reserve funds pursuant to this section:

A. In 2010-13, the City negotiated and executed certain agreements collectively providing for the sale and development of real property located within the North Kelsey area and commonly known as the Wal-Mart property.

B. Under the above-referenced agreements, the City accepted a contractual obligation to pay a portion of certain fees and charges associated with the permitting and regulatory approval process for the development of the Wal-Mart property.

C. The specific amount of such fees and charges, as well as the specific amount of the City's contractual payment obligation therefore, was previously undetermined.

D. In February 2014 the City was made aware of the fee credit/exemption of transportation impact fees and utility capital fees for the Housing Hope Monroe Family Village project, comprised of 24 transitional units including 10 very low income units. Per Monroe Municipal Code 20.12.050.A(4)(c.) the transportation fees exempted "shall

be paid into the transportation impact fee fund from public sources other than impact fees or interest thereupon." Exempted utility fees require reimbursement of the Enterprise Fund from the General Fund or other fund eligible for charitable giving (enterprise funds are not eligible).

E. As required by the Reserve Policy, the expended reserves shall be replenished at a rate that does not impair established programs or create undue hardship.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance shall take effect five (5) days after publication.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this 13th day of May 2014.

1st Reading: May 6, 2014
2nd Reading: May 13, 2014
Published: May 20, 2014
Effective: May 25, 2014


(SEAL)

CITY OF MONROE, WASHINGTON:



Geoffrey Thomas, Mayor

ATTEST:



Elizabeth M. Smoot, CMC, City Clerk

APPROVED AS TO FORM:



J. Zachary Lell, City Attorney

EXHIBIT A
2014 Budget Amendment #1 - Detail

<u>Item #</u>	<u>Amount</u>	<u>Funds</u>	<u>Description</u>	<u>Account Numbers</u>
		GENERAL FUND		
1	\$ 69,346	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	all departments I.S. fee accounts
		Police		
2	\$ 118,798	Restricted Fund Balance	Increase restricted fund balance from \$202,012 to \$320,810 due to increased photo enforcement revenues reserved for future public safety purposes	001.000.000.508.11.00.00
3	\$ 1,526	Restricted Fund Balance	Increase restricted fund balance from \$8,122 to \$9,648 due to auction proceeds from federal property seizure case for future public safety purposes	001.000.000.508.12.00.00
4	\$ 1,477	Interfund Transfer	Reduce amount of residual equity transfer to close out PD 800 MHz Equip Fund	001.000.004.397.00.00.00
		Planning & Permitting		
5	\$ 38,249	Revenue	Permit fees for Walmart project	001.000.110.322.10.00.00 \$9,816; 001.000.110.345.83.01.00 \$28,433
6	\$ 275,000	Expenditure	Permit fees for Walmart project	001.000.008.558.70.41.00
		CONTINGENCY FUND		
7	\$ 204,919	Expenditure	To pay transportation impact fees and utility capital fees for Housing Hope Family Village	002.000.000.519.70.51.00
8	\$ 58,197	Expenditure	To pay permit fees for Walmart project	002.000.000.519.70.51.00
		PD 800 MHz EQUIPMENT FUND		
9	\$ 1,477	Interfund Transfer	Reduce amount of residual equity transfer to close out fund	102.000.000.597.00.01.00
		TRANSPORTATION CONCURRENCY FEES FUND		
10	\$ 13,023	Revenue	Transportation impact fees for Housing Hope Family Village	106.000.000.345.85.00.00

EXHIBIT A
2014 Budget Amendment #1 - Detail

Item #	Amount	Funds	Description	Account Numbers
11	\$ 245,695	Revenue	Permit fees for Walmart project	106.000.000.345.85.00.00
		NARCOTICS/DRUG SEIZURE FUND		
12	\$ 6,000	Expenditure	Reduce amount of budgeted expenditures to account for lower beginning cash balance	114.000.004.521.21.49.00
		PARKS CIP FUND		
13	\$ 2,887	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	317.000.010.576.80.41.96
		STREETS CIP FUND		
14	\$ 3,849	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	318.000.120.543.10.41.96
		UTILITIES		
		Water Fund		
15	\$ 267	Revenue	Permit fees for Walmart project	411.000.130.379.40.01.00
16	\$ 4,555	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	411.000.130.534.80.41.96
		Sewer Fund		
17	\$ 4,555	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	421.000.130.535.80.41.96
		Storm Water Fund		
18	\$ 4,234	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	431.000.130.531.38.41.96
19	\$ 120,000	Revenue	Increase amount of DOE Surface Water Grant from \$50,000 to \$170,000	431.000.130.334.03.10.00
20	\$ 115,000	Expenditure	Increase amount of interfund transfer from operations to CIP fund from \$400,000 to \$515,000	431.000.130.597.43.20.00

EXHIBIT A
2014 Budget Amendment #1 - Detail

<u>Item #</u>	<u>Amount</u>	<u>Funds</u>	<u>Description</u>	<u>Account Numbers</u>
		Solid Waste Fund		
21	\$ 3,272	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	441.000.000.537.70.41.96
		Sewer - Capital		
22	\$ 135,540	Revenue	Capital fees for Housing Hope Family Village	422.000.120.379.50.03.00
23	\$ 14,195	Revenue	Permit fees for Walmart project	422.000.120.379.50.03.00
24	\$ 40,000	Expenditure	Costs for rate study for comp plan update	422.000.120.594.35.65.00
		Water - Capital		
25	\$ 56,355	Revenue	Capital fees for Housing Hope Family Village	412.000.120.379.43.40.03
26	\$ 31,095	Revenue	Permit fees for Walmart project	412.000.120.379.43.40.03
27	\$ 15,000	Expenditure	Costs for rate study for comp plan update	412.000.120.594.34.65.00
		Storm Water - Capital		
28	\$ 115,000	Revenue	Increase amount of interfund transfer from operations to CIP fund from \$400,000 to \$515,000	432.000.120.397.00.04.00
29	\$ 120,000	Expenditure	Increase amount for Capital Construction Projects from \$1,370,533 to \$1,490,533	432.000.120.595.38.65.00
30	\$ 37,500	Expenditure	Costs for rate study for comp plan update	432.000.120.595.38.65.00
		INTERNAL SERVICE FUNDS		
		Info Tech Services Fund		
31	\$ 916	Revenue	Permit fees for Walmart project	510.000.000.341.81.01.01
32	\$ 106,168	Revenue	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	510.000.000.341.81.00.00
		Fleet & Equipment Mgmt.		
33	\$ 50,000	Expenditure	Purchase two PD motorcycles	520.000.130.594.18.64.00

**EXHIBIT A
2014 Budget Amendment #1 - Detail**

Item #	Amount	Funds	Description	Account Numbers
		Solid Waste Fund		
21	\$ 3,272	Expenditure	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	441.000.000.537.70.41.96
		Sewer - Capital		
22	\$ 135,540	Revenue	Capital fees for Housing Hope Family Village	422.000.120.379.50.03.00
23	\$ 14,195	Revenue	Permit fees for Walmart project	422.000.120.379.50.03.00
24	\$ 40,000	Expenditure	Costs for rate study for comp plan update	422.000.120.594.35.65.00
		Water - Capital		
25	\$ 56,355	Revenue	Capital fees for Housing Hope Family Village	412.000.120.379.43.40.03
26	\$ 31,095	Revenue	Permit fees for Walmart project	412.000.120.379.43.40.03
27	\$ 15,000	Expenditure	Costs for rate study for comp plan update	412.000.120.594.34.65.00
		Storm Water - Capital		
28	\$ 115,000	Revenue	Increase amount of interfund transfer from operations to CIP fund from \$400,000 to \$515,000	432.000.120.397.00.04.00
29	\$ 120,000	Expenditure	Increase amount for Capital Construction Projects from \$1,370,533 to \$1,490,533	432.000.120.595.38.65.00
30	\$ 37,500	Expenditure	Costs for rate study for comp plan update	432.000.120.595.38.65.00
		INTERNAL SERVICE FUNDS		
		Info Tech Services Fund		
31	\$ 916	Revenue	Permit fees for Walmart project	510.000.000.341.81.01.01
32	\$ 106,168	Revenue	Recalculate Info Tech Fees after auditor-required 2013 year end reconciliation and refund	510.000.000.341.81.00.00
		Fleet & Equipment Mgmt.		
33	\$ 50,000	Expenditure	Purchase two PD motorcycles	520.000.130.594.18.64.00

**EXHIBIT B
2014 Budget Amendment #1**

Fund	Name	Budgeted Beginning Balance	Actual Beginning Balance	Budgeted Revenues	Amended Revenues	Budgeted Expenditures	Amended Expenditures	Budgeted Restricted Fund Balance	Budgeted Undesignated Fund Balance	Amended Restricted Fund Balance	Amended Undesignated Fund Balance
001	General Fund	3,932,303	4,299,436	11,068,839	11,105,611	12,741,268	13,085,614	2,139,742	120,132	2,318,712	722
002	Contingency Fund	1,424,098	925,233	-	-	250,000	513,116	908,051	266,047	412,117	-
008	Donation Fund	10,384	10,660	4,600	4,600	5,100	5,100	-	9,884		10,160
102	Public Safety 800 MHz Fund	2,875	1,398	10	10	2,885	1,408	-	-		0
105	Street Fund	450,131	509,853	524,916	524,916	958,046	958,046	-	17,001		76,723
106	Transportation Concurrency	463,063	2,111,372	1,161,525	1,420,244	1,160,525	1,160,525	-	464,063		2,371,091
109	Tourism Fund	58,935	69,318	55,200	55,200	81,000	81,000	-	33,135		43,518
114	Narcotics Fund	42,996	33,377	1,560	1,560	40,000	34,000	-	4,556		937
117	Real Estate Excise Tax Fund	56,902	78,803	501,500	501,500	500,000	500,000	-	58,402		80,303
203	North Kelsey Debt Service	5,702	12,044	60,250	60,250	57,673	57,673	-	8,279		14,621
307	General Capital Projects	435,767	436,127	1,250	1,250	-	-	-	437,017		437,377
317	Parks CIP Fund	810,792	757,260	152,050	152,050	587,555	590,442	26,907	348,380	26,907	291,961
318	Street CIP Fund	300,317	433,597	4,229,309	4,229,309	3,152,484	3,156,333	-	1,377,142		1,506,573
319	North Kelsey Development	191,012	133,519	852,000	852,000	826,713	826,713	-	216,299		158,806
411	Water Fund	700,184	1,290,921	3,800,402	3,800,669	4,089,735	4,094,290	406,133	4,718	406,133	591,167
412	Water CIP Fund	4,745,183	5,262,026	869,075	956,525	1,198,111	1,213,111	274,388	4,141,759	274,388	4,731,052
421	Sewer Fund	1,379,623	1,581,313	6,312,145	6,312,145	7,152,242	7,156,797	375,431	164,095	375,431	361,230
422	Sewer CIP Fund	4,030,132	4,217,217	2,911,341	3,061,076	1,362,177	1,402,177	447,360	5,131,936	447,360	5,428,756
431	Stormwater Fund	466,377	368,950	1,598,903	1,718,903	1,809,274	1,928,508	157,640	98,366	157,640	1,705
432	Stormwater CIP Fund	1,547,857	1,216,297	1,615,400	1,730,400	1,723,834	1,881,334	-	1,439,423		1,065,363
441	Solid Waste Fund	574,645	896,368	3,237,543	3,237,543	3,133,571	3,136,843	-	678,617		997,068
450	Revenue Bond Reserve	2,018,056	2,019,614	5,000	5,000	35,000	35,000	1,983,934	4,122	1,983,934	5,680
510	Info Tech Services Fund	165,923	47,811	427,365	534,448	519,382	519,382	60,000	13,906	60,000	2,877
520	Equipment & Fleet Fund	1,962,597	1,673,099	1,929,500	1,929,500	1,407,166	1,457,166	2,229,524	255,407	2,116,508	28,925
530	Facilities Management Fund	379,975	260,845	1,247,564	1,247,564	1,252,902	1,252,902	55,000	319,637	55,000	200,507
	Totals	26,155,829	28,646,457	42,567,247	43,442,273	44,046,643	45,047,478	9,064,110	15,612,323	8,634,130	18,407,122

EXHIBIT C

Changes in Beginning Fund Balances - from estimated to actual

Fund	Name	Budgeted Beginning Balance	Actual Beginning Balance	Difference	Comments
001	General Fund	3,932,303	4,299,436	367,133	Revenues \$267,000 more than estimated; expenses \$100,000 under the estimate
002	Contingency Fund	1,424,098	925,233	(498,865)	received less from Walmart land sale than originally estimated
008	Donation Fund	10,384	10,660	276	
102	Public Safety 800 MHz Fund	2,875	1,398	(1,477)	expenditure not included in estimate for budget
105	Street Fund	450,131	509,853	59,722	solid waste franchise fees \$26,000 more than estimated; exp. \$33,000 under est.
106	Transportation Concurrency	463,063	2,111,372	1,648,309	Walmart permit fees received in December; were anticipated for 2014
109	Tourism Fund	58,935	69,318	10,383	timing of expenditures; requests from agencies for payments submitted in 2014
114	Narcotics Fund	42,996	33,377	(9,619)	
117	Real Estate Excise Tax Fund	56,902	78,803	21,901	REET tax revenue more than estimated
203	North Kelsey Debt Service	5,702	12,044	6,342	
307	General Capital Projects	435,767	436,127	360	
317	Parks CIP Fund	810,792	757,260	(53,532)	\$55,000 rec'd from Rotary put in Agency Fund; transferred here in March 2014
318	Street CIP Fund	300,317	433,597	133,280	timing of construction expenditures; less than estimated
319	North Kelsey Development	191,012	133,519	(57,493)	Environmental review expenditures more than estimated
411	Water Fund	700,184	1,290,921	590,737	Revenues \$235,000 over estimates; expenses \$356,000 under
412	Water CIP Fund	4,745,183	5,262,026	516,843	Revenues \$322,000 over estimates; expenses \$195,000 under
421	Sewer Fund	1,379,623	1,581,313	201,690	Revenues \$200,000 over estimates
422	Sewer CIP Fund	4,030,132	4,217,217	187,085	Revenues \$82,000 over estimates; expenses \$100,000 under
431	Stormwater Fund	466,377	368,950	(97,427)	operating expenses more than estimated
432	Stormwater CIP Fund	1,547,857	1,216,297	(331,560)	\$200,000 interfund transfer not in estimated revenues; exp \$130,000 under
441	Solid Waste Fund	574,645	896,368	321,723	expenses less than estimated due to timing of payment to Republic Services
450	Revenue Bond Reserve	2,018,056	2,019,614	1,558	
510	Info Tech Services Fund	165,923	47,811	(118,112)	year-end reconciliation of fees from estimated expenses to actual expenses
520	Equipment & Fleet Fund	1,962,597	1,673,099	(289,498)	year-end reconciliation of fees from estimated expenses to actual expenses
530	Facilities Management Fund	379,975	260,845	(119,130)	year-end reconciliation of fees from estimated expenses to actual expenses
	Totals	26,155,829	28,646,457	2,490,628	