



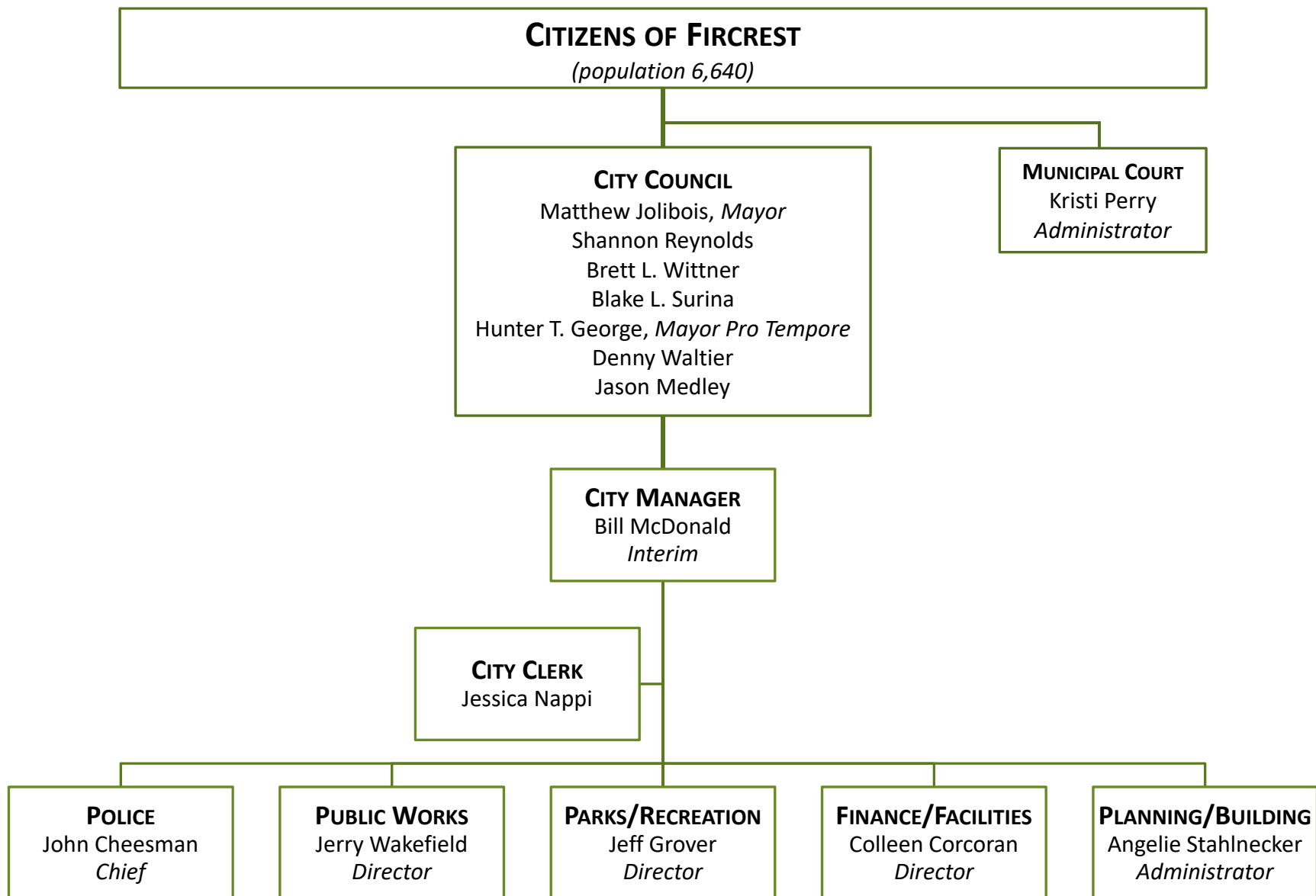
PRELIMINARY 2018 BUDGET

2ND BUDGET MEETING

Monday, October 9, 2017

ENTERPRISE FUNDS

CAPITAL PROJECT FUNDS



BUDGET REVIEW SCHEDULE

1st Budget Meeting
October 2nd

- **General Fund**
- **Equipment Rental & Replacement Fund (ERR)**

2nd Budget Meeting
October 9th

- **Enterprise Funds**
 - Street
 - Stormdrain
 - Water
 - Sewer
- **Capital Project Funds**

3rd Budget Meeting
October 16th

- **Other Significant Items**
- **Final Questions**

ENTERPRISE FUNDS OVERVIEW

GENERAL

- Rate increases as adopted by ordinance in Stormdrain, Water, and Sewer to increase revenues

PERSONNEL CHANGES

- Change in personnel, wages, and salaries
 - 3% COLA increase
 - Matching City of Tacoma minimum wage
 - Moving from HealthFirst plan to HealthFirst 250 plan

CAPITAL PROJECTS

- Creation of Capital Funds for Stormdrain, Water, Sewer

TRANSFERS

- From General Fund for Street Beautification: \$10,000
- From General Fund for Street (12.5% Property Tax): \$195,977
- From General Fund for Street Light Maintenance from Designated Fund Balance - Light: \$60,000
- From REET 1 for Street Improvement: \$150,000

STREET FUND

GOALS

- Perform street patching as needed
- Continue crack-seal program as designated by approved plan
- Paint all street, curb, and intersection markings throughout the City

VARIANCES

- Beautification (contracted landscaping services for maintaining the traffic islands): + \$25,000 (pg 73)

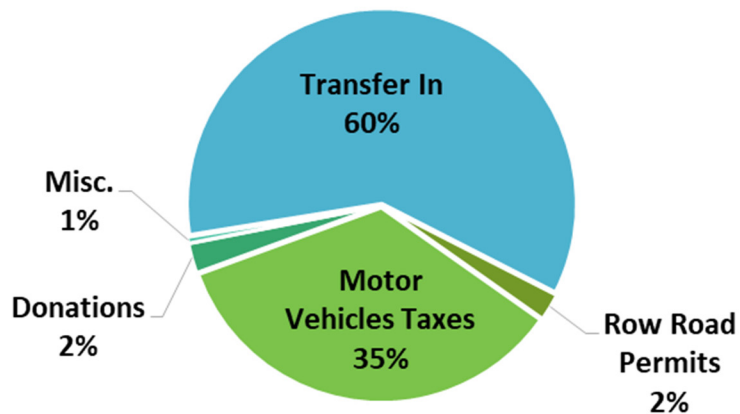
STREET FUND: OPERATING ONLY

Operating Revenue		
ROW Road Permits	\$10,000	2%
Motor Vehicles Taxes	\$153,580	35%
Donations	\$11,000	2%
Misc.	\$2,300	1%
Transfer In	\$265,977	60%
Total	\$442,857	100%

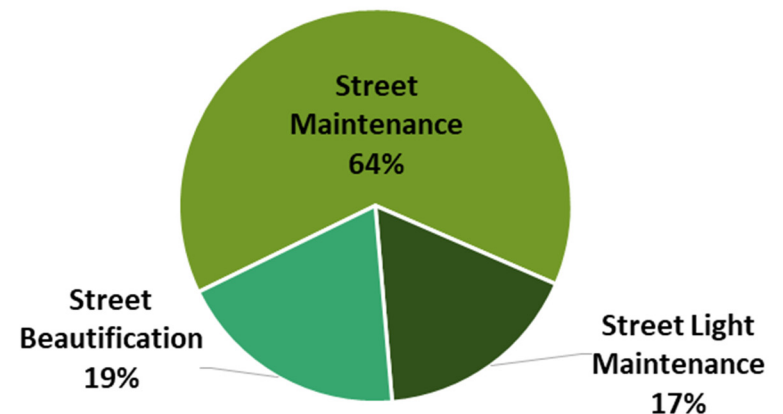
Operating Expenditures		
Street Maintenance	\$316,504	64%
Street Light Maintenance	\$84,955	17%
Street Beautification	\$95,035	19%
Total	\$496,494	100%

Decrease in fund balance for Operating Cost: <\$53,637>

Revenue



Expenditures



STREET FUND

CAPITAL REVENUES: \$150,000

- Transfer-In From REET 1: \$150,000

CAPITAL EXPENDITURES: \$194,750

- Capital Improvements: \$150,000 (pg 69)
 - Minor Street improvements (patching) throughout the City funded by REET 1 transfer: \$40,000
 - West entrance traffic island relocation: \$10,000
 - Grind and overlay of Contra Costa between Spring Street and mid-block: \$35,000
 - Grind and overlay of Berkeley and Buena Vista: \$65,000
- Building Improvements includes ¼: \$11,750 (pg 69)
 - New flooring in men's restrooms: \$4,000
 - Coating of roof (to stop rusting): \$10,000
 - Windows on west side of building (breakroom): \$2,000
 - Replace insulation in bay area: \$35,000
- LED Conversion Light Program: \$33,000 (pg 71)

NET EFFECT ON ENDING FUND BALANCE: -\$98,387

- Net Decrease in fund balance for Operating Cost: -\$53,637
- Net Decrease in fund balance for Capital Cost: \$-44,750

STORMDRAIN: OPERATING

GOALS

- Clean and inspect 26 catch basins (50% of City total)
- Complete and obtain DOE approval of 11th year NPDES Compliance report
- Prepare grant applications for Storm water treatment projects and LID projects
- Transfer to new Stormdrain Capital Fund: \$530,000 (pg 77)
- Repair & Maintenance (citywide curb repairs): + \$26,775 (pg 77)

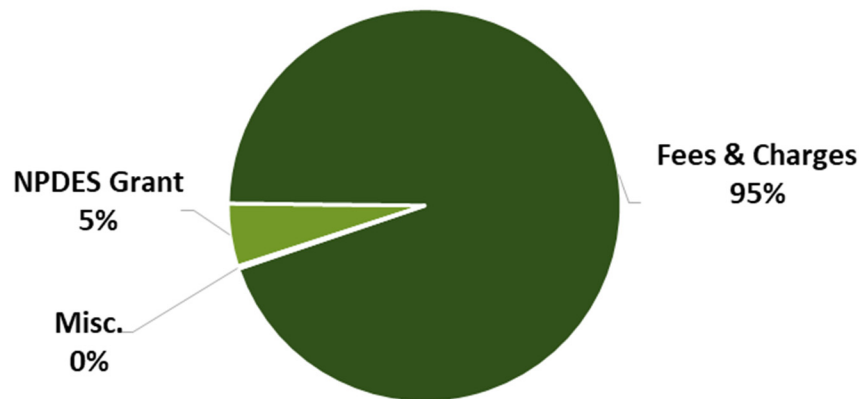
STORMDRAIN FUND: OPERATING ONLY

Operating Revenue			
NPDES Grant	\$25,000	5.2%	
Fees & Charges	\$457,000	94.6%	
Misc.	\$1,000	0.2%	
Total	\$482,000	100%	

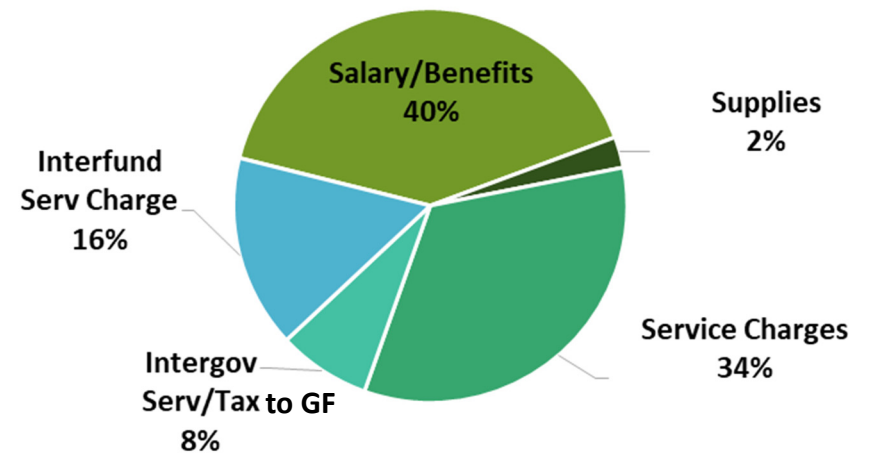
Operating Expenditures			
Salary/Benefits	\$187,395	40%	
Supplies	\$11,750	3%	
Service Charges	\$155,321	34%	
Intergov Serv/Tax	\$35,255	8%	
Interfund Serv Charge to GF	\$73,354	16%	
Total	\$463,075	100%	

Increase in fund balance for Operating Cost: \$19,925

Revenue



Expenditures



STORMDRAIN CAPITAL FUND

CAPITAL REVENUES: \$530,000

- Transfer-In From Stormdrain Operating Fund: \$530,000

CAPITAL EXPENDITURES: \$26,750

- Capital Improvements for storm water catch basin and main improvements: + \$10,000 (pg 81)
- Project Engineering for engineering related to storm drainage improvements: + \$5,000 (pg 81)
- Building Improvements includes ¼: \$11,750 (pg 81)
 - Coating of roof (to stop rusting): \$10,000
 - Windows on west side of building (breakroom): \$2,000
 - Replace insulation in bay area: \$35,000

NET EFFECT ON ENDING FUND BALANCE: \$503,250

- Transfer-In from Stormdrain Operating Fund: \$530,000
- Capital Costs: -\$26,750

WATER FUND: OPERATING

GOALS

- Continue emphasis on water conservation outreach
- Repair and replace existing fire hydrants as needed. Anticipate 2 hydrants this year.
- Complete and mail 2017 Consumer Confidence report
- Transfer to new Water Capital Fund: \$210,000 (pg 86)
- Operating Supplies (in-house construction of a water main repair and maintenance): + \$16,000 (pg 86)

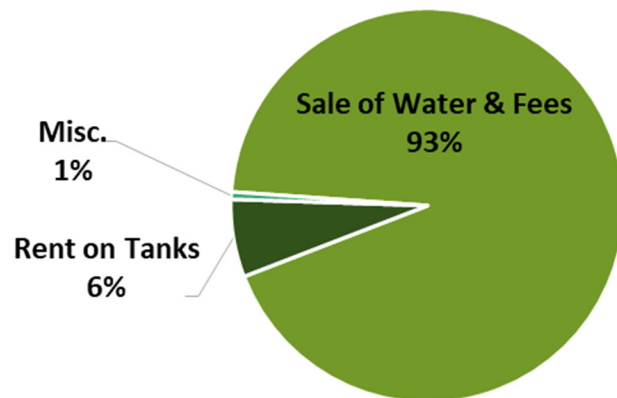
WATER FUND: OPERATING ONLY

Operating Revenue		
Sale of Water & Fees	\$978,500	93%
Rent on Tanks	\$67,000	6%
Misc.	\$6,300	1%
Total	\$1,051,800	100%

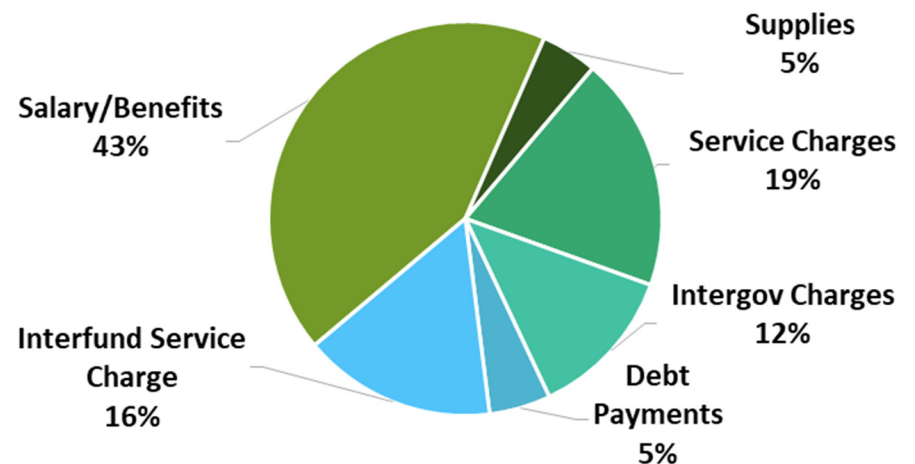
Operating Expenditures		
Salary/Benefits	\$421,215	43%
Supplies	\$45,650	5%
Service Charges	\$190,155	19%
Intergov Charges	\$123,514	13%
Debt Payments	\$49,746	5%
Interfund Service Charge	\$156,533	15%
Total	\$986,813	100%

Increase in fund balance for Operating Cost: \$64,987

Revenue



Expenditures



WATER CAPITAL FUND

CAPITAL REVENUES: \$218,000

- Capital Contribution/Tap Fees: \$8,000
- Transfer-In From Water Operating Fund: \$210,000

CAPITAL EXPENDITURES: \$182,830

- Perform capital upgrades, system maintenance, and repairs consistent with adopted Comprehensive Plan and the direction of the City Council and City Manager
- Improvements (paint exterior coating of one of the tanks at the high tank site): \$125,000 (pg 90)
- Project Engineering (engineering services to finalize the plans and specs and provide bidding assistance for tank painting project: \$25,000 (pg 90)
- Salaries & Benefits for Capital Projects: \$11,380
- Machinery and Equipment (hand held meter reader software upgrade): \$9,700 (pg 90)
- Building Improvements includes ¼: \$11,750 (pg 91)
 - Coating of roof (to stop rusting): \$10,000
 - Windows on west side of building (breakroom): \$2,000
 - Replace insulation in bay area: \$35,000

NET EFFECT ON ENDING FUND BALANCE: \$35,170

- Total Revenue: \$218,000
- Capital Costs: -\$182,830

SEWER: OPERATING

GOALS

- Upgrade telemetry and GIS mapping system as needed
- Review and repair condition 4 sewer mains as needed
- Transfer to new Sewer Capital Fund: \$2,000,000 (pg 96)
- Sewage Treatment: + \$140,000 (pg 96)
- Eliminating Relocation Backyard

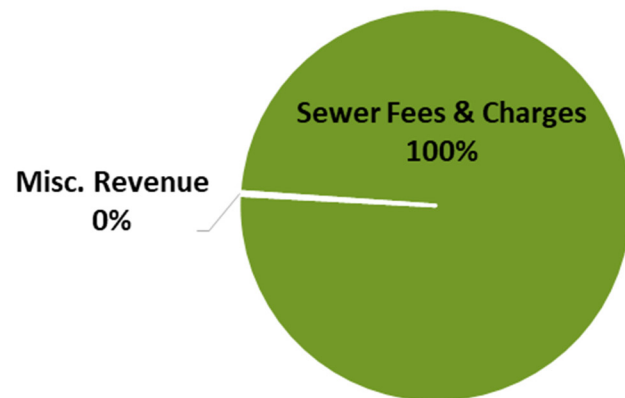
SEWER FUND: OPERATING ONLY

Operating Revenue			
Sewer Fees & Charges	\$2,625,700	99%	
Misc. Revenue	\$6,500	1%	
Total	\$2,632,200	100%	

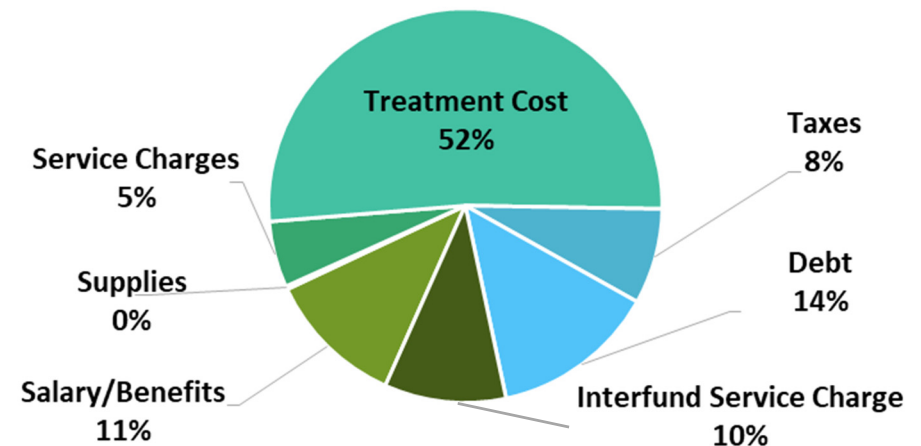
Operating Expenditures			
Salary/Benefits	\$264,090	11%	
Supplies	\$6,250	1%	
Service Charges	\$126,334	5%	
Treatment Cost	\$1,200,000	51%	
Taxes	\$182,565	8%	
Debt	\$315,520	14%	
Interfund Service Charge	\$232,553	10%	
Total	\$2,327,312	100%	

Increase in fund balance for Operating Cost: \$304,888

Revenue



Expenditures



SEWER CAPITAL FUND

CAPITAL REVENUES: \$2,010,000

- Capital Contribution/Tap Fees: \$10,000
- Transfer In From Sewer Operating Fund: \$2,000,000

CAPITAL EXPENDITURES: \$742,760

- Perform capital upgrades and repairs consistent with adopted Comprehensive Plan and the direction of the City Council
- Improvements: + \$550,000 (pg 100)
 - Drake Street lift station improvements and standby power: + \$400,000
 - Sewer main reroute on Eldorado: + \$150,000
- Project Engineering (engineering services to finalize the plans and specs and provide as builds for sewer main project: + \$150,000 (pg 100)
- Salaries & Benefits for Capital Projects: \$31,010
- Building Improvements includes ¼: \$11,750 (pg 101)
 - Coating of roof (to stop rusting): \$10,000
 - Windows on west side of building (breakroom): \$2,000
 - Replace insulation in bay area: \$35,000

NET EFFECT ON ENDING FUND BALANCE: \$1,276,240

- Total Revenue: \$2,010,000
- Capital Costs: -\$742,760

BUDGET SCHEDULE

October 2 nd	<ul style="list-style-type: none">• 1st Budget Work Session:<ul style="list-style-type: none">• General Fund• Equipment Rental & Replacement Fund (ERR)
October 9 th	<ul style="list-style-type: none">• 2nd Budget Work Session:<ul style="list-style-type: none">• Enterprise Funds• Capital Project Funds
October 10 th	<ul style="list-style-type: none">• Public Hearings:<ul style="list-style-type: none">• Revenue Sources• 2018 Budget (1st reading)• Salary Ordinance
October 16 th	<ul style="list-style-type: none">• 3rd Budget Work Session:<ul style="list-style-type: none">• Other Significant Items• Final Questions
October 23 rd	<ul style="list-style-type: none">• Budget Work Session*
October 24 th	<ul style="list-style-type: none">• Public Hearing:<ul style="list-style-type: none">• 2018 Budget (2nd reading)
November 14 th	<ul style="list-style-type: none">• Adopt 2018 Budget

**Reserved if needed.*