

**FIRCREST CITY COUNCIL
SPECIAL MEETING AGENDA**

**MONDAY, OCTOBER 10, 2022
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDELL STREET**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. AGENDA MODIFICATIONS**
- 5. PRELIMINARY 2023 BUDGET – 2nd BUDGET WORK SESSION**
- 6. ADJOURNMENT**



PRELIMINARY 2023 BUDGET

2ND BUDGET WORK SESSION

Monday, October 10, 2022

POOL/PARK/FEE SCHEDULE

PARK BOND/PARK CAPITAL BOND FUND

CUMULATIVE RESERVE FUND

REET FUND

STREET FUND

ENTERPRISE FUNDS

GENERAL FUND EXPENDITURES MAJOR VARIANCES

| SECTION | PAGE | MAJOR CHANGES | REASON |
|------------------------|------|---|---|
| Participant Recreation | 50 | \$17,500 -\$1,780 | Instructor Based Expenses based on projected revenue Youth Basketball camp was sponsored by SEEK grant |
| Library | 51 | -\$2,000 | Based on history |
| Community Events | 52 | \$15,000 \$5,000 | Increased based on donations This was not taken out of the Preliminary Budget. The amount of \$5,000 was for opening celebration of the Community Center |
| Pool | 53 | \$2,000 \$2,000 -\$1,000 \$1,000 -\$1,000 \$1,000 | Pool Chemicals based on usage Janitorial supplies based on usage Operating Supplies based on usage Increased cost of RecDesk and Hydro Apps scheduling software Public Utilities based on usage Cost for mats at pool |
| Parks | 56 | \$4,000 -\$1,500 -\$1,380 \$5,000 \$1,100 \$3,000 \$1,300 -\$2,900 | Adjustment on Operating Supplies lowered in 2022 Budget Arborist cost decrease and increase for remote software for lights Internet no longer needed for pool house Public Utilities based on usage Dumping fees based on usage Tree maintenance Increase cost of gas Miscellaneous based on usage |

PARK BOND DEBT SERVICE FUND

- The Park Bond Debt Service Fund is used to account for the property tax revenue, principal, and interest payments related to the park bond debt.
- Property Tax revenue is \$441,146
- Principal is \$115,000
- Interest Expense is \$313,200
- Ending Fund Balance will be \$296,816

CAPITAL PARK BOND FUND PROJECTS

- \$350,000 for Fircrest Park field improvements with funding of \$158,515 from the Recreation and Conservation Office (RCO) and \$191,485 from bond proceeds.
- \$32,000 for Fircrest Tennis Courts Resurface with funding of \$16,000 from the Recreation and Conservation Office (RCO) and \$16,000 from bond proceeds.
- \$200,000 for Fircrest Storage Garage improvements.
- \$35,000 for new backstops at Fircrest Park.
- \$73,000 for paved pathway improvements at Fircrest Park.
- Transfer out to Cumulative Reserves: Principal \$766,660, Transfer to General Fund: Interest \$7,686

CUMULATIVE RESERVE FUND

GENERAL

- The Cumulative Reserve Fund accounts for principal only. Interest earnings are accrued back to participating funds.
- A \$2.3 million loan to Park Bond Capital Fund was executed on 9/1/21 for cash flow purposes
- Ending Fund Balance at year end will be:
 - General Fund \$1,975,814
 - Street Fund \$150,000
 - Water Fund \$11,513
 - Sewer Fund \$369,250

TRANSFERS

- Transfer-In from Park Bond Capital Fund for second of three loan payments: \$766,660

REAL ESTATE EXCISE TAX FUND

GENERAL

- The City receives ¼ % on each real estate transaction in Fircrest (REET 1) and an additional ¼ % on each real estate transaction in Fircrest (REET II)
- Per FMC 3.36.040(d) and FMC 3.40.020, the receipts can only be used for capital specified in the Capital Facilities Plan Element of the Comprehensive Plan
- Revenue for REET I and REET II is estimated at \$168,000 each
- REET I Ending Fund Balance estimate \$795,146
- REET II Ending Fund Balance estimate \$1,960,812

TRANSFERS

- To Street Fund for capital projects \$100,000
- Will only be transferred if capital funds are utilized

STREET FUND

GOALS

- Perform street patching as needed
- Continue crack-seal program
- Paint street, curb, and intersection markings throughout the City

TRANSFERS

- From General Fund for Street Beautification \$100,000
- From General Fund for Street (15% Property Tax) \$254,912
- From General Fund Designated Light for Street Light Maintenance Budget \$52,680
- From REET I for street improvements \$100,000

STREET FUND: OPERATING ONLY

Operating Revenue

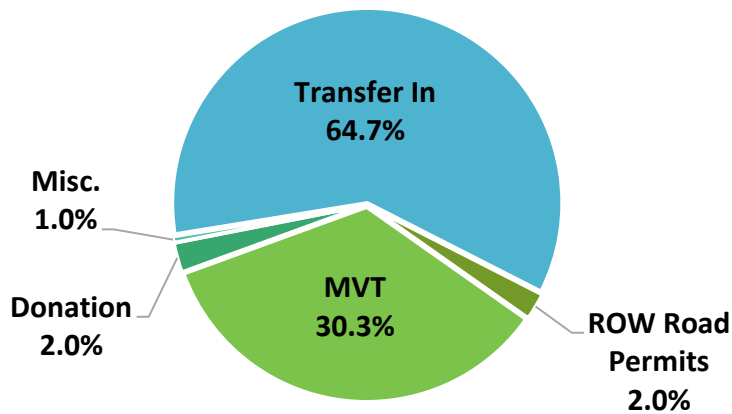
| | | |
|----------------------|------------------|-------------|
| ROW Road Permits | \$10,000 | 2.0% |
| Motor Vehicles Taxes | \$148,920 | 30.3% |
| Donations | \$10,000 | 2.0% |
| Misc. | \$4,900 | 1.0% |
| Transfer In | \$317,592 | 64.7% |
| Total | \$491,412 | 100% |

Operating Expenditures

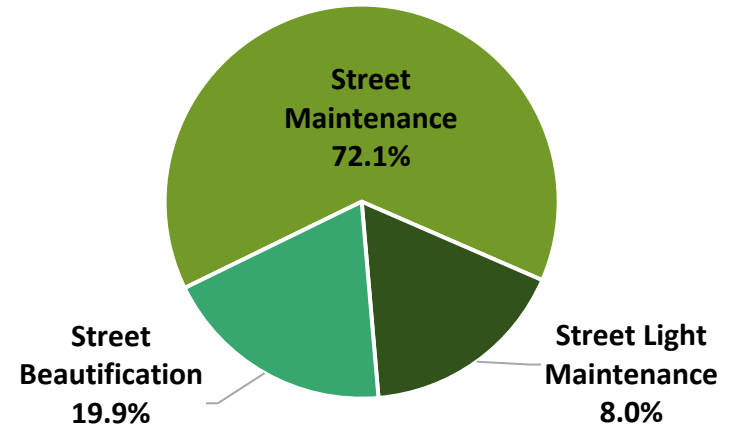
| | | |
|--------------------------|------------------|-------------|
| Street Maintenance | \$337,517 | 72.1% |
| Street Light Maintenance | \$37,680 | 8.0% |
| Street Beautification | \$93,235 | 19.9% |
| Total | \$468,432 | 100% |

Increase in fund balance for Operating Costs: \$22,980

Revenue



Expenditures



STREET FUND CAPITAL

CAPITAL REVENUES: \$235,000

- Transfer-In From REET 1: \$100,000
- Grant from Puget Sound Regional Council (PSRC) \$135,000 for project engineering

CAPITAL EXPENDITURES: \$235,000

- Minor Street improvements throughout the City funded by REET 1 transfer: \$100,000
- Project engineering for design grind and overlay on Regents Blvd. from Alameda Avenue to 67th Street \$82,000 funded by PSRC
- Project engineering for design of sidewalks and retaining walls on Emerson from Woodside Drive to 67th Street \$53,000 funded by PSRC

NET EFFECT ON ENDING FUND BALANCE: \$22,980

- Net increase in fund balance for Operating Cost: \$22,980
- Net change in fund balance for Capital Cost: \$0

STORM DRAIN: OPERATING

GOALS

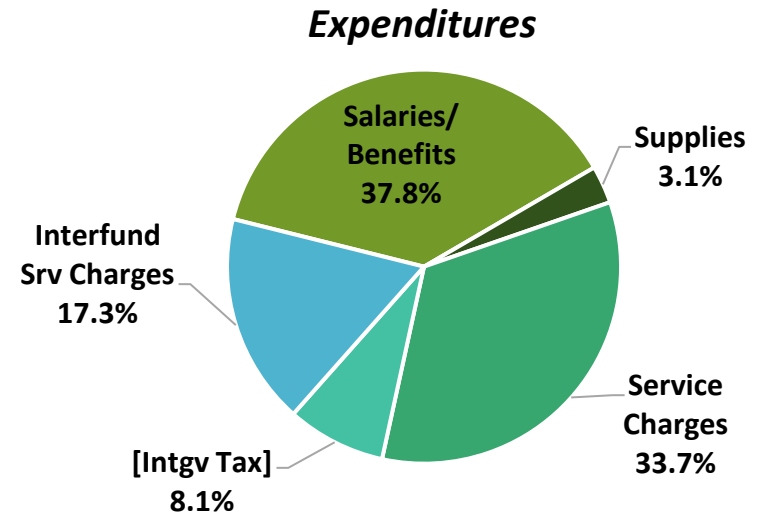
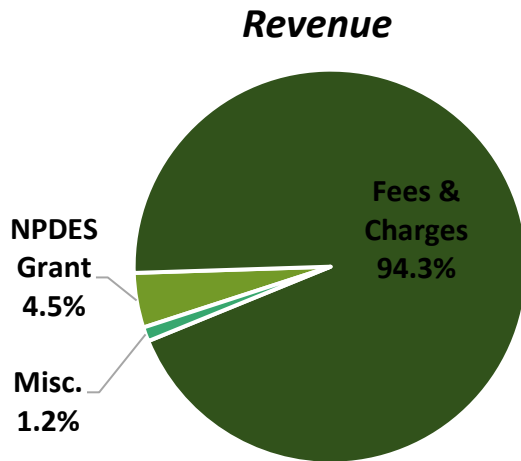
- Clean and inspect 265 catch basins (50% of City total)
- Complete and obtain DOE approval of the yearly NPDES Compliance report
- Revamp handouts and delivery of water quality message for community outreach events.

STORM DRAIN FUND: OPERATING ONLY

| Operating Revenue | | |
|-------------------|------------------|-------------|
| NPDES Grant | \$25,000 | 4.5% |
| Fees & Charges | \$525,000 | 94.3% |
| Misc. | \$6,500 | 1.2% |
| Total | \$556,500 | 100% |

| Operating Expenditures | | |
|-----------------------------|------------------|-------------|
| Salary/Benefits | \$190,595 | 37.8% |
| Supplies | \$15,600 | 3.1% |
| Service Charges | \$170,456 | 33.7% |
| Intergov Serv/Tax | \$41,080 | 8.1% |
| Interfund Serv Charge to GF | \$87,629 | 17.3% |
| Total | \$505,360 | 100% |

Operating Revenues Over Operating Expenses:
\$51,140
 Less Transfer to Capital of \$81,900 = **(\$30,760)**



STORM DRAIN CAPITAL FUND

CAPITAL REVENUES: \$442,140

- Ecology Grant: \$345,240
- Pierce County Flood District Funds: \$15,000
- Transfer-In From Storm Drain Operating Fund: \$81,900

CAPITAL EXPENDITURES: \$460,200

- Capital Improvements for stormwater outfall improvements: + \$411,400
- Project Engineering for engineering related to storm drainage improvements: + \$48,800

NET EFFECT ON ENDING FUND BALANCE: (\$18,060)

- Capital Revenues: \$442,140
- Capital Expenditures: \$460,200

WATER FUND: OPERATING

GOALS

- Continue emphasis on water conservation outreach
- Repair and replace existing fire hydrants as needed. Anticipate two hydrants this year.
- Complete and mail 2022 Consumer Confidence report
- Continue AMI meter exchange

WATER RATE

- Proposed 2% increase to the water rate.
 - 2% would result in a \$0.75 increase to the base rate per billing cycle (every other month), or \$0.375 per month.

WATER FUND: OPERATING ONLY

Operating Revenue

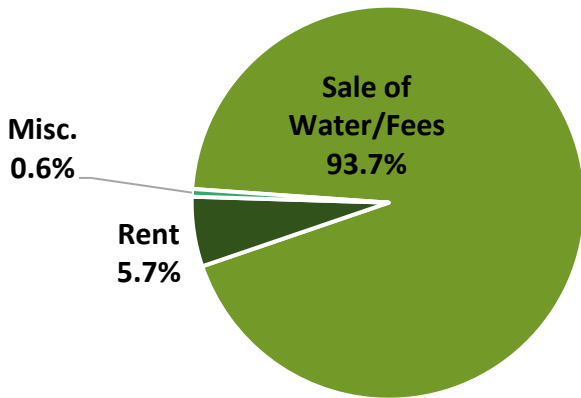
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|----------------------|--------------------|-------------|
| Sale of Water & Fees | \$1,135,300 | 93.7% |
| Rent on Tanks | \$69,350 | 5.7% |
| Misc. | \$7,600 | 0.6% |
| Total | \$1,212,250 | 100% |

Operating Expenditures

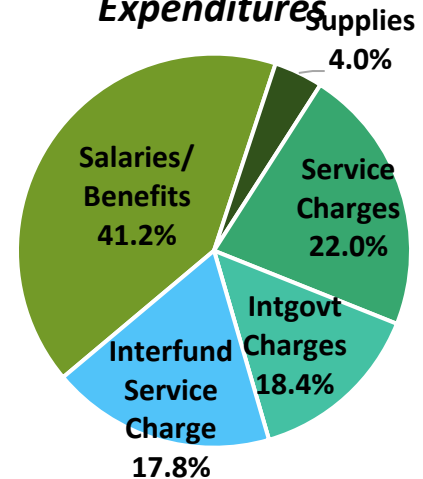
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|--------------------------|--------------------|-------------|
| Salary/Benefits | \$412,315 | 41.2% |
| Supplies | \$40,200 | 4.0% |
| Service Charges | \$220,034 | 22.0% |
| Intergov Charges | \$144,600 | 14.4% |
| Debt Payments | \$0 | 0.0% |
| Interfund Service Charge | \$184,166 | 18.4% |
| Total | \$1,001,315 | 100% |

**Operating Revenues Over/
Under Operating Expenses: \$210,935
Less Transfer Out of \$200,000 = \$10,935**

Revenue



Expenditures



WATER CAPITAL FUND

CAPITAL REVENUES: \$494,000

- Transfer in from General Fund-ARPA Funds: \$290,000
- Capital Contribution/Tap Fees: \$4,000
- Transfer-In From Water Operating Fund: \$200,000

CAPITAL EXPENDITURES: \$334,880

- Rose and Yale Streets from Contra Costa to Del Monte Water Main Replacement Project \$290,000
- Engineering for above projects \$10,000
- Salaries & Benefits for Capital Projects: \$44,880

NET EFFECT ON ENDING FUND BALANCES: + \$159,120

- Capital Revenue: \$494,000
- Capital expenditures of \$334,880

SEWER FUND: OPERATING ONLY

Operating Revenue

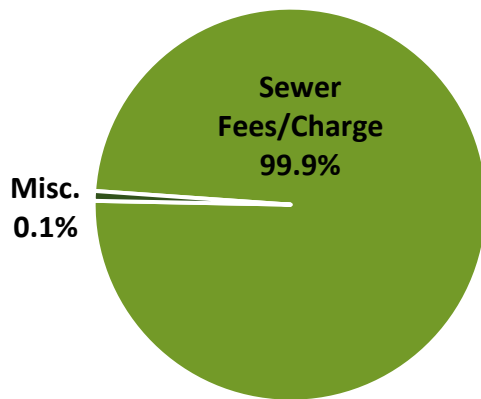
| | | |
|----------------------|--------------------|-------------|
| Sewer Fees & Charges | \$2,983,700 | 99.9% |
| Misc. Revenue | \$24,100 | .1% |
| Total | \$3,007,800 | 100% |

Operating Expenditures

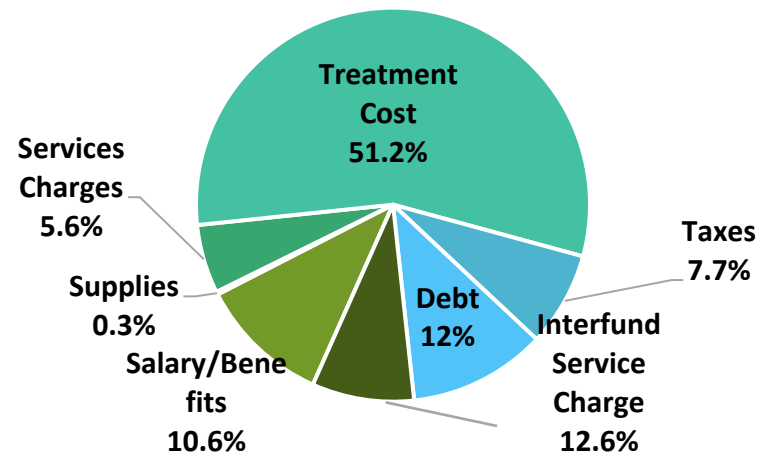
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|--------------------------|--------------------|-------------|
| Salary/Benefits | \$299,495 | 10.6% |
| Supplies | \$6,600 | .3% |
| Service Charges | \$156,465 | 5.6% |
| Treatment Cost | \$1,550,000 | 51.2% |
| Taxes | \$215,000 | 7.7% |
| Debt | \$313,380 | 12% |
| Interfund Service Charge | \$399,039 | 12.6% |
| Total | \$2,939,979 | 100% |

**Operating Revenues Over/Under Operating Expenses:
\$67,821
Less Transfer to Capital of \$230,000 = (\$162,179)**

Revenue



Expenditures



SEWER CAPITAL FUND

CAPITAL REVENUES: \$234,000

- Capital Contribution/Tap Fees: \$4,000
- Transfer In From Sewer Operating Fund: \$230,000

CAPITAL EXPENDITURES: \$680,205

- Improvements: \$650,000
 - \$200,000 for pipe bursting on 100 block of Farallone and El Dorado
 - \$450,000 44th Street lift station upgrade
- Project Engineering: \$10,000
- Salaries & Benefits for Capital Projects: \$20,205

NET EFFECT ON ENDING FUND BALANCE: (\$446,205)

- Capital Revenues: \$234,000
- Capital Expenditures: \$680,205

REMAINING BUDGET SCHEDULE

October 17th {
• **Study Session:**
• Budget (as needed)

October 24th {
• **Study Session:**
• Budget (as needed)

October 25th {
• **Public Hearings:**
• Revenue Sources
• 2023 Budget (1st reading)

October 31st {
• **Study Session:**
• Budget (as needed)

November 8th {
• **Public Hearings 2023 Budget (2nd reading)**
• **Ordinances and Resolutions for property tax**
• **Ordinances for salaries, Judge and Civil Service Examiner**

UTILITY BILLING RATES with 4% INCREASE

WATER

| | RESIDENTIAL/MF | | |
|-----------------------|----------------|-----------|------------------|
| 4% increase | From | 4% inc. | To |
| Ready to Serve Charge | \$ 37.74 | \$ 1.51 | \$ 39.25 |
| Tier 1 | \$ 0.0111 | \$ 0.0004 | \$ 0.0115 |
| Tier 2 | \$ 0.0166 | \$ 0.0007 | \$ 0.0173 |
| Tier 3 | \$ 0.0282 | \$ 0.0011 | \$ 0.0293 |

| | COMMERCIAL | | |
|-----------------------|------------|-----------|------------------|
| 4% increase | From | 4% inc. | To |
| Ready to Serve Charge | \$ 37.74 | \$ 1.51 | \$ 39.25 |
| Tier 1 | \$ 0.0132 | \$ 0.0005 | \$ 0.0137 |
| Tier 2 | \$ 0.0187 | \$ 0.0007 | \$ 0.0194 |
| Tier 3 | \$ 0.0302 | \$ 0.0012 | \$ 0.0314 |

SEWER

| | RESIDENTIAL/MF | | |
|-----------|-----------------------|---------|-----------------------|
| Base | \$ 83.40 | \$ 3.34 | \$ 86.74 |
| Treatment | \$ 67.80 | \$ 2.71 | \$ 70.51 |
| | <i>Per Connection</i> | | <i>Per Connection</i> |

| | COMMERCIAL | | |
|-----------|--|---------|-----------|
| Base | \$ 117.68 | \$ 4.71 | \$ 122.39 |
| Treatment | Calculate using city of Tacoma's sewage treatment user charge based on meter and estimated flows | | |

STORM DRAIN

| | SINGLE FAMILY RESIDENTIAL | | |
|------|---------------------------|---------|----------|
| | From | 4% inc. | To |
| Base | \$ 34.50 | \$ 1.38 | \$ 35.88 |

| | MULTI-FAMILY & COMMERCIAL | | |
|------------------------|---------------------------|------------|----------|
| | From | 4% inc. | To |
| Base | \$ 27.00 | \$ 1.08 | \$ 28.08 |
| Impervious Surface Fee | 0.001437 | 0.00005748 | 0.001494 |

UTILITY BILLING RATES with 2% INCREASE

WATER

| | RESIDENTIAL/MF | | |
|-----------------------|----------------|-----------|------------------|
| 2% increase | From | 2% inc. | To |
| Ready to Serve Charge | \$ 37.74 | \$ 0.75 | \$ 38.49 |
| Tier 1 | \$ 0.0111 | \$ 0.0002 | \$ 0.0113 |
| Tier 2 | \$ 0.0166 | \$ 0.0003 | \$ 0.0169 |
| Tier 3 | \$ 0.0282 | \$ 0.0006 | \$ 0.0288 |

| | COMMERCIAL | | |
|-----------------------|------------|-----------|------------------|
| 2% increase | From | 2% inc. | To |
| Ready to Serve Charge | \$ 37.74 | \$ 0.75 | \$ 38.49 |
| Tier 1 | \$ 0.0132 | \$ 0.0003 | \$ 0.0135 |
| Tier 2 | \$ 0.0187 | \$ 0.0004 | \$ 0.0191 |
| Tier 3 | \$ 0.0302 | \$ 0.0006 | \$ 0.0308 |

SEWER

| | RESIDENTIAL/MF | | |
|-----------|-----------------------|---------|-----------------------|
| Base | \$ 83.40 | \$ 1.67 | \$ 85.07 |
| Treatment | \$ 67.80 | \$ 1.36 | \$ 69.16 |
| | <i>Per Connection</i> | | <i>Per Connection</i> |

| | COMMERCIAL | | |
|-----------|--|---------|-----------|
| Base | \$ 117.68 | \$ 2.35 | \$ 120.03 |
| Treatment | Calculate using city of Tacoma's sewage treatment user charge based on meter and estimated flows | | |

STORM DRAIN

| | SINGLE FAMILY RESIDENTIAL | | |
|------|---------------------------|---------|----------|
| | From | 2% inc. | To |
| Base | \$ 34.50 | \$ 0.69 | \$ 35.19 |

| | MULTI-FAMILY & COMMERCIAL | | |
|------------------------|---------------------------|------------|----------|
| | From | 2% inc. | To |
| Base | \$ 27.00 | \$ 0.54 | \$ 27.54 |
| Impervious Surface Fee | 0.001437 | 0.00002874 | 0.001466 |