

4<sup>th</sup> Preliminary 2023 Budget Meeting October 24, 2022

At the 3<sup>rd</sup> study session for the budget, Council instructed me to bring back a budget that contained:

- An additional Police Officer using ARPA money
- Not use the banked property tax
- Increase the Deputy City Clerk to full time
- Add the AV/sound system using APRA money
- Increase contract planner funding
- Increase Storm and Sewer rates by 2%

Attached are reports that show all the changes so far to the 2023 Preliminary Budget.

**General Fund Changes from the 2023 Preliminary Budget.**

- Property tax has been reduced by the banked amount \$48,378 and the 1% allowed by law \$16,765.
- Retail Sales Tax increased by \$25,000.
- Storm Utility Tax increased due to 2% increase in Storm rates.
- Sewer Utility Tax decreased \$10,465. Sewer revenue was decreased causing the utility tax amount to decrease. The preliminary budget included four years for the difference between what was collected and expensed for sewage treatment cost (\$241,000). After reviewing the ordinance, it was determined that there was a bi-monthly dollar amount to be charged for sewage treatment rather than wording stating the costs "shall" be passed through, therefore we were unable to pass the difference on through billing. The amount in the revised budget includes passing on the increase cost of sewage treatment based on the last four quarters plus the 2% increase on the base amount.
- The Planning Permit line increased since the contracted planner work performed is billed to the applicant.
- Investment Interest was increased for 3% of the General Fund Cumulative Reserve BFB. All interest earned goes to the General Fund. This was not in the preliminary budget. Interest earning is based on the original estimate of 3%.
- Salaries and Benefits in Administration increased by \$19,730 for increasing the Deputy City Clerk to full time.
- Salaries and Benefits in Police increased \$132,755 for an additional officer for a full year.
- Professional Services in Planning was increased \$7,000 for additional contracted planning services bringing that amount to \$20,000.
- The increases in the Swimming Pool for chemicals, utilities and excise tax were in the 1<sup>st</sup> Adjustment list.
- The transfer out to Street Fund was decrease since property tax revenue was decreased. We transfer 15% of property tax received.
- Legislative capital increased for the AV/sound system in Council chambers.
- ARPA funds are being used for the Officer \$132,755 and the AV system \$88,000. The new EFB for ARPA will be 315,438.

**Street Fund Changes from the 2023 Preliminary Budget.**

- The transfer in from General Fund was decrease since property tax revenue was decreased. We transfer 15% of property tax received.

**Storm Fund Changes from the 2023 Preliminary Budget.**

- Storm rates were increased 2%
- Coding correction of \$5,000 moved from Professional Services to Repairs & Maintenance.
- City Utility Tax increase due to rate increase.

### **Sewer Fund Changes from the 2023 Preliminary Budget.**

- Sewer revenue was decreased causing the utility tax amount to decrease. The preliminary budget included four years for the difference between what was collected and expensed for sewage treatment cost (\$241,000). After reviewing the ordinance, it was determined that there was a bi-monthly dollar amount to be charged for sewage treatment rather than wording stating the costs “shall” be passed through, therefore we were unable to pass the difference on through billing. The amount in the revised budget includes passing on the increase cost of sewage treatment based on the last four quarters plus the 2% increase on the base amount.

### **Interim City Manager’s Comments**

- Increase property tax for the banked capacity as well as the 1% allowed by law. This can be used instead of ARPA funding for the additional Police Officer.
- Retail Sales Tax increase is based on this year’s projection less any funds received from the construction of the Community Center, then increased at a rate of 2.5%.
- Interest earnings is conservatively figured at 3%. This could go up to 4% based on Federal predictions.
- The additional Police Officer is funded for the full year. Depending on when the position is filled, we may not need the full \$132,755. The cost per month is \$11,063. If the position does not start until March, then the budget amount needed would only be for ten months or \$110,029. Scott and I talked about adding an additional officer we believed that the City should wait until additional ongoing revenue was available to the City. Since the desire is to hire in 2023, the position can be funded using property tax and ARPA funding for this year and then be funded by revenue received from the Mildred Street project in future years.
- I have attached the quote for the AV/sound system. Because of the recent problems, Council may want to consider moving forward with replacement this year. Finance would have to include it in the final budget amendment.
- I would recommend yearly rate increases for Storm, Water and Sewer of 2% in future budgets.
- I strongly believe based on conversations and meetings that have taken place that the applicant of the Mildred Street project will not delay building even if a recession comes to fruition. Nothing is guaranteed.
- I believe this budget meets the desires of the Citizens of Fircrest, Council and employees.

**General Fund  
Adjustments to the 2023 Preliminary Budget**

	<u>2023 Preliminary</u>	<u>Adjustment</u>	<u>2023 Adjusted</u>
Designated/Light	488,047		488,047
Designated/44th & Alameda	513,529		513,529
Designated Fund Balance ARPA	860,393		860,393
Undes Beginning Fund Balance	<u>3,086,601</u>		<u>3,086,601</u>
<b>Total Beginning Fund Balance</b>	<b>4,948,570</b>	<b>0</b>	<b>4,948,570</b>
<b>Taxes</b>	<b>4,017,615</b>		
Property Tax		(65,143)	
Retail Sales Tax		25,000	
Storm Utility Tax		504	
Sewer Utility Tax		(10,465)	
<b>Total Taxes</b>			<b>3,967,511</b>
Licenses & Permits	560,000		560,000
Intergovernmental Revenues	397,955		397,955
Charges for Goods & Services	1,418,522		
Planning Permit		7,000	
<b>Total Charges for Goods &amp; Services</b>			<b>1,425,522</b>
Fines & Forfeits	203,800		203,800
Miscellaneous	349,721		
Investment Interest		62,732	
<b>Total Miscellaneous</b>			<b>412,453</b>
<b>Total Operating Revenue</b>	<b>6,947,613</b>	<b>19,628</b>	<b>6,967,241</b>
<b>TOTAL GENERAL FUND RESOURCES</b>	<b>11,896,183</b>	<b>19,628</b>	<b>11,915,811</b>
Legislative	91,295		91,295
Judicial	415,245		415,245
Administration	359,880		
Salaries & Wages		16,655	
Personnel Benefits		3,075	
<b>Total Administration</b>			<b>379,610</b>
Finance	410,750		410,750
Legal	256,300		256,300
Other Employee Benefits	6,500		6,500
Non-Departmental	141,449		141,449
Personnel	41,520		41,520
Facilities	516,050		516,050
Information Systems	117,995		117,995
Civil Service Commission	4,875		4,875
Police	2,050,636		
Salaries & Wages		86,195	
Personnel Benefits		46,560	
<b>Total Police</b>			<b>2,183,391</b>
Fire/EMS	794,888		794,888
Jail	30,500		30,500
Building Inspection	82,970		82,970

**General Fund  
Adjustments to the 2023 Preliminary Budget**

	<u>2023 Preliminary</u>	<u>Adjustment</u>	<u>2023 Adjusted</u>
Emergency Management	10,230		10,230
Physical Environment	15,280		15,280
Planning	140,520		
Professional Services		7,000	147,520
Health	2,208		2,208
Recreation	445,010		445,010
Participant Recreation	53,600		53,600
Library	10,000		10,000
Community Events	53,650		53,650
Swimming Pool	279,485		
Pool Chemicals		4,000	
Public Utilities		4,000	
Excise Tax		5,000	
Total Swimming Pool			292,485
Parks	322,870		322,870
<b>Total</b>	<b>6,653,706</b>	<b>172,485</b>	<b>6,826,191</b>
Operating Transfer/Street Beautification	10,000		10,000
Operating Transfer/Property Tax	254,912	(9,771)	245,141
<b>Total Operating Cost</b>	<b>6,918,618</b>	<b>162,714</b>	<b>7,081,332</b>
Use of ARPA for Police Officer	0	(132,755)	(132,755)
<b>Revenue over (under) Operating Expenses</b>	<b>28,995</b>	<b>(10,331)</b>	<b>18,664</b>
Legislative	0	88,000	88,000
Police	34,200		34,200
Parks	35,000		35,000
<b>Total Capital</b>	<b>69,200</b>	<b>88,000</b>	<b>157,200</b>
Transfer to Street Lt. Maint. From Desg Lt.	52,680		52,680
Transfer to Water Capital From ARPA	290,000		290,000
<b>Total Transfers Out</b>	<b>342,680</b>	<b>0</b>	<b>342,680</b>
Undes Ending Fund Balance	1,715,596	(10,331)	1,705,265
Reserved for Cash Flow	1,400,000		1,400,000
Designated/Light	435,367		435,367
Designated/44th & Alameda	478,529	0	478,529
Designated/ARPA	536,193	(220,755)	315,438
<b>Total Ending Fund Balance</b>	<b>4,565,685</b>	<b>(231,086)</b>	<b>4,334,599</b>
<b>TOTAL GENERAL FUND BUDGET</b>	<b>11,896,183</b>	<b>19,628</b>	<b>11,915,811</b>

## GENERAL FUND CHANGE IN FUND BALANCE REPORT

Operating Revenues	6,967,241
ARPA used for Police Officer	132,755
Operating Expenses	(7,081,332)
Operating Revenues Over/(Under) Operating Expenditures	<b>18,664</b>
Less ARPA funds to be used for Police Officer	(132,755)
Less Transfer Out to St. Lt. Maint. from Lt. Fund Balance	(52,680)
Less Capital Expenditures From 44th St Fund Balance	(35,000)
Less Capital Expenditures From General Fund-ARPA	(122,200)
<b>Total Net Change in Total General Fund Balances</b>	<b>(323,971)</b>

## GENERAL FUND SUMMARY REPORT

### RESOURCES

Desg. Beginning Fund Balance-Light	488,047
Desg. Beginning Fund Balance-44th Alameda	513,529
Desg. Beginning Fund Balance-ARPA	860,393
Undesignated Ending Fund Balance-Reserved for Cash Flow	1,400,000
Undesignated Beginning Fund Balance	1,686,601
Operating Revenues	6,967,241
ARPA Funds for Capital	0
<b>Total Resources with Beginning Fund Balance</b>	<b>11,915,811</b>

### EXPENDITURES

Operating Expenses	7,081,332
Transfer Out to Street for St. Lt. Maint./Cap from Lt. Fund Balance	52,680
Transfer Out to Water Capital Fund-ARPA	290,000
Capital Expenditures From 44th St Fund Balance	35,000
Operating Expenses From General Fund-ARPA	132,755
Capital Expenditures From General Fund-ARPA	122,200
Desg. Ending Fund Balance-Light	435,367
Desg. Ending Fund Balance-44th Alameda	478,529
Desg. Ending Fund Balance-ARPA	315,438
Undesignated Ending Fund Balance-Reserved for Cash Flow	1,400,000
Undesignated Ending Fund Balance	1,572,510
<b>Total Expenditures with Ending Fund Balance</b>	<b>11,915,811</b>

**Street Fund  
Adjustments to the 2023 Preliminary Budget**

	<b>2023 <u>Preliminary</u></b>	<b><u>Adjustment</u></b>	<b>2023 <u>Adjusted</u></b>
Beginning Fund Balance	238,385		238,385
<b>Total Beginning Fund Balance</b>	<b>238,385</b>	<b>0</b>	<b>238,385</b>
Operating Revenues	173,820		173,820
Operating Transfers In	<u>302,592</u>	<u>(9,771)</u>	<u>292,821</u>
<b>Total Operating Revenue</b>	<b>476,412</b>	<b>(9,771)</b>	<b>466,641</b>
Total Transfer In for Capital from Light Money	15,000		15,000
Total Transfer In for Capital from REET 1	100,000		100,000
Total Transfer In for Capital from REET 2	0		0
Total Grant Revenue	<u>135,000</u>		<u>135,000</u>
<b>Total Revenue for Capital</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>
<b>TOTAL STREET FUND RESOURCES</b>	<b>964,797</b>	<b>(9,771)</b>	<b>955,026</b>
Street Maintenance	337,517		337,517
Street Light Maintenance	37,680		37,680
Street Beautification	<u>93,235</u>		<u>93,235</u>
<b>Total Operating Cost</b>	<b>468,432</b>	<b>0</b>	<b>468,432</b>
<b>Revenue over (under) Operating Expenses</b>	<b>7,980</b>	<b>(9,771)</b>	<b>(1,791)</b>
Capital Expenditures	<u>250,000</u>		<u>250,000</u>
<b>Excess Revenue over (under) Operating and Capital</b>	<b>7,980</b>	<b>(9,771)</b>	<b>(1,791)</b>
Undesignated Ending Fund Balance	246,365	<u>(9,771)</u>	236,594
<b>Total Ending Fund Balance</b>	<b>246,365</b>	<b>(9,771)</b>	<b>236,594</b>
<b>TOTAL STREET FUND BUDGET</b>	<b>964,797</b>	<b>(9,771)</b>	<b>955,026</b>

## STREET FUND CHANGE IN FUND BALANCE REPORT

Operating Revenues	173,820
Transfer In-Operating	307,821
Operating Expenses	(468,432)
<b>Operating Revenues Over/(Under) Operating Expenditures</b>	<b>13,209</b>
Transfers In-Capital	100,000
Grant Revenue for Capital	135,000
Capital Expenses	(235,000)
<b>Net Change in Fund Balance</b>	<b>13,209</b>

## STREET FUND SUMMARY REPORT

### RESOURCES

Undesignated Beginning Fund Balance	238,385
Operating Revenues	173,820
Grant Revenue	135,000
Transfers In-Operating	307,821
Transfer In-Capital	100,000
<b>Total Resources with Beginning Fund Balance</b>	<b>955,026</b>

### EXPENDITURES

Operating Expenses	468,432
Capital Expenses	235,000
Undesignated Ending Fund Balance	251,594
<b>Total Expenditures with Ending Fund Balance</b>	<b>955,026</b>

**Storm Fund  
Adjustments to the 2023 Preliminary Budget**

	<b>2023 <u>Preliminary</u></b>	<b><u>Adjustment</u></b>	<b>2023 <u>Adjusted</u></b>
Beginning Fund Balance	320,085		320,085
Operating Revenues	556,500	8,400	564,900
<b>TOTAL STORM FUND RESOURCES</b>	<b>876,585</b>	<b>8,400</b>	<b>884,985</b>
Operating Expenses	505,360		
Professional Services		(5,000)	
Repairs & Maintenance		5,000	
City Utility Tax		<u>504</u>	
Total Operating Expenses		504	510,864
Excess of revenues over(under) operating expenses	51,140	8,904	54,036
Transfer to Storm Capital Fund	81,900		81,900
<b>Revenue over (under) Operating Expenses w/Xfer</b>	<b>(30,760)</b>	<b>8,904</b>	<b>(27,864)</b>
<b>Undesignated Ending Fund Balance</b>	<b>289,325</b>	<b>8,904</b>	<b>292,221</b>
<b>TOTAL STORM FUND BUDGET</b>	<b>876,585</b>	<b>17,304</b>	<b>884,985</b>



### **STORM CHANGE IN FUND BALANCE REPORT**

Operating Revenues	564,900
Operating Expenses	(505,864)
<b>Operating Revenues Over/(Under) Operating Expenditures</b>	<b>59,036</b>
Less Transfers Out	(81,900)
<b>Net Change in Fund Balance</b>	<b>(22,864)</b>

### **STORM FUND SUMMARY REPORT**

#### RESOURCES

Beginning Fund Balance	204,085
Reserved for Cash Flow	116,000
Operating Revenues	564,900
<b>Total Resources with Beginning Fund Balance</b>	<b>884,985</b>

#### EXPENDITURES

Operating Expenses	505,864
Transfers Out	81,900
Reserved for Cash Flow	116,000
Undesignated Ending Fund Balance	181,221
<b>Total Expenditures with Ending Fund Balance</b>	<b>884,985</b>

**Sewer Fund  
Adjustments to the 2023 Preliminary Budget**

	<u>2023 Preliminary</u>	<u>Adjustment</u>	<u>2023 Adjusted</u>
Beginning Fund Balance	1,183,264		1,183,264
Preliminary Operating Revenues	3,007,800	(174,416)	2,833,384
<b>TOTAL SEWER FUND RESOURCES</b>	<b>4,191,064</b>	<b>(174,416)</b>	<b>4,016,648</b>
Preliminary Operating Expenses	2,626,599		2,626,599
<b>Revenue over (under) Operating Expenses</b>	<b>381,201</b>	<b>(174,416)</b>	<b>206,785</b>
Debt Service	313,380		313,380
Transfer to Sewer Capital	230,000		230,000
<b>Excess revenue over (under) with debt &amp; xfer</b>	<b>(162,179)</b>	<b>(174,416)</b>	<b>(336,595)</b>
<b>Undesignated Ending Fund Balance</b>	<b>1,021,085</b>		<b>846,669</b>
<b>TOTAL SEWER FUND BUDGET</b>	<b>4,191,064</b>	<b>0</b>	<b>4,016,648</b>

### SEWER CHANGE IN FUND BALANCE REPORT

Operating Revenues	2,833,384
Operating Expenses	(2,626,599)
<b>Operating Revenues Over/(Under) Operating Expenditures</b>	<b>206,785</b>
Debt Service	(313,380)
Transfer Out	(230,000)
<b>Change in Fund Balance</b>	<b>(336,595)</b>

### SEWER FUND SUMMARY REPORT

#### RESOURCES

Undesignated Beginning Fund Balance	617,764
Reserved for Cash Flow	565,500
Operating Revenues	2,833,384
<b>Total Resources with Beginning Fund Balance</b>	<b>4,016,648</b>

#### EXPENDITURES

Operating Expenses	2,626,599
Debt Service	313,380
Transfer Out	230,000
Reserved for Cash Flow	565,500
Undesignated Ending Fund Balance	281,169
<b>Total Expenditures with Ending Fund Balance</b>	<b>4,016,648</b>

Desco AV  
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 Olympia WA 98502

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<b>Estimate Prepared For:</b> City of Fircrest Attn: Jayne Westman 253-238-4123 jwestman@cityoffircrest.net	<b>Site Address:</b> 115 Ramsdell Street  Council Chambers AV Upgrade v2	<b>Prepared By:</b> Dustin Carter Desco AV 360.943.1393 dustinc@descoav.com
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Description	Quantity	Unit Price	Amount
Sony KD85X85K 85" 4K LED Display	2	\$1,899.00	\$3,798.00
Chief MFG XTM1U XL Tilting Flat Panel Display	1	\$390.00	\$390.00
Salamander FPS1XL/FH/GG Mobile Cart for XL Displays	1	\$2,218.00	\$2,218.00
Salamander FPSA/CR Cable Reel	1	\$276.00	\$276.00
SurgeX SA-82 FlatPak Surge Eliminator	2	\$374.00	\$748.00
Netgear M4250-26G4F-PoE+ AV Line Network Switch for System Comm	1	\$1,806.00	\$1,806.00
VSI DuetE-2 PacketAV Duet 2 Encoder	3	\$1,193.00	\$3,579.00
VSI DuetD-2 PacketAV Duet 2 Decoder	4	\$1,193.00	\$4,772.00
DataPro 70H00W HDMI Wallplate	2	\$15.00	\$30.00
DataPro 1160-10E Panel Mount Extension Cable	2	\$57.00	\$114.00
Barco ClickShare C-10 Wireless presentation System	1	\$1,450.00	\$1,450.00
QSC Core 110f v2 Audio DSP and Control System Core	1	\$3,616.00	\$3,616.00
QSC QIO-GP8x8 Q-SYS peripheral providing control expansion	1	\$363.00	\$363.00
QSC TSC-101-G3 Q-SYS 10.1" PoE Touch Screen Controller	1	\$2,534.00	\$2,534.00
QSC TSC-710t-G3 Table top mounting accessory for TSC-101-G3	1	\$363.00	\$363.00
QSC SLQUD-110-P Q-SYS Core 110 UCI Deployment Software License	1	\$184.00	\$184.00
QSC SLQSE-110-P Q-SYS Core 110 Scripting Engine Software License	1	\$369.00	\$369.00
Touch-Plate Custom Button Plates	7	\$193.00	\$1,351.00
Extron SMB 111 Desktop Mounting Box for Touch Plate Cntrls	7	\$150.00	\$1,050.00
Extron OCS 100 Occupancy Sensor	1	\$287.00	\$287.00
Shure MX412D/C Gooseneck Microphone	12	\$327.00	\$3,924.00
Shure SLXD24D/B58 Handheld Wireless Microphone	1	\$1,424.00	\$1,424.00
Extron XPA U 1004-70V Amplifier	1	\$1,102.00	\$1,102.00
Sonance PS-S63T Surface Mount Speaker	4	\$250.00	\$1,000.00
Sonance PS-C63RT Flush mount Ceiling Speaker	2	\$206.00	\$412.00
Crestron HD-CONV-USB-300 USB Converter with HDMI	1	\$678.00	\$678.00
Lumens LC-200 CaptureVision System - 4 HDMI Inputs and IP Video Source	1	\$3,529.00	\$3,529.00
Lumens VC-A51P 20x Optical Zoom, 1080p PTZ Camera	2	\$2,129.00	\$4,258.00
Lumens VC-WM12 Camera Wallmount	2	\$47.00	\$94.00
SurgeX UPS-1000-Li-2 Rack Mount Surge Eliminator/UPS	1	\$1,587.00	\$1,587.00
Wattbox WB-100-VPS-6 Power Strip	1	\$110.00	\$110.00
Williams AV CA C3 Real-time AI-based live captioning system	1	\$4,128.00	\$4,128.00
QSC I/O-USB Bridge Q-SYS PoE bridging endpoint for AV-to-USB Bridging	1	\$1,712.00	\$1,712.00
Misc. Parts and Wiring ( <b>Estimate, billed as consumed</b> )	1	\$2,250.00	\$2,250.00
2 Person Custom Installation ( <b>Estimate, billed hourly</b> )	42	\$237.28	\$9,965.76
1 Person Custom Programming, Calibration, and 1st Use Support	1	\$7,500.00	\$7,500.00
Primacoustic Broadway Sound Absorbption Panels ( <b>6/case</b> )	5	\$807.00	\$4,035.00
Primacoustic Mounting Hardware	5	\$38.00	\$190.00
2 person Custom Acoustic Installation ( <b>Estimate, billed hourly</b> )	6	\$331.89	\$1,991.34

All pricing and labor rates in compliance with AVMC #03418

**Desco AV**  
**2306 Harrison Ave NW**  
**Olympia WA 98502**

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Subtotal	\$ 79,188.10
Tax Rate	10.00%
Tax	\$ 7,918.81
Total	\$ 87,106.91