

**FIRCREST CITY COUNCIL  
STUDY SESSION AGENDA**

**MONDAY, JULY 17, 2023  
6:00 P.M.**

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

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1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Agenda Modifications**
5. **Council Goals Discussion**
6. **Pavement Management Report**
7. **Comprehensive Plan Update**
8. **Remaining ARPA Funds Update**
9. **Remaining Park Bond Capital Funds Update**
10. **Replacement Fund for Pool and Recreation Building**

Below is the call-in information for the public to listen via Zoom.

**Zoom Meeting Details:**

*Dial-in Information: 1-253-215-8782 Webinar ID: 885 3802 7612 Password: 771679*



FIRCREST CITY COUNCIL AGENDA SUMMARY

DATE: 7/11/2023

NEW BUSINESS: 2024-25 Council Goals and Priorities

FROM: Bob Jean, Acting City Manager

RECOMMENDED MOTION: I MOVE TO APPROVE THE 2024-25 COUNCIL GOALS AS REVISED

At its June 23 Special Meeting, the City Council met to look at the issues and opportunities facing the community in the years ahead. Using a S.W.O.T. analysis (Strengths, Weaknesses, Opportunities, and Threats) and reviewing prior years goals, the Council then developed the attached goals for the Budget and work plans for FY2024 and into 2025.

## FIRCREST 2024-25 CITY COUNCIL GOALS AND PRIORITIES

- 6\* Establish a Communications Plan and Program
- 5\* Develop Centennial Celebration Plan and Preparations
- 5\* Establish an Employee Training and Development Program
- 5\* Develop a Sustainability Plan and Program
- 4\* Develop a Pedestrian Safety Plan and Program
- 4\* Implement Whittier Park Plan
- 3\* Add 11<sup>th</sup> Police Officer
- 3\* Establish D.E.I Commission
- 3\* Establish a Veterans Memorial
- 2\* Conduct a Parks Fee Study
- 2\* Establish a Utilities Sustainability Plan and Program
- 2\* Update Comprehensive Plan and Codes
- 2\* Establish Housing Strategy and Element
- 2\* Minimize the impacts of a second NewCold storage building Prepare re. Ice Cube II
- 2\* Develop and Implement Community Center Plan for More Activities ad Programs
- 1\* Formalize a Relationship with Fircrest Parks and Recreation Foundation

## **FIRCREST CITY COUNCIL AGENDA SUMMARY**

**DATE:** 7/11/2023

**NEW BUSINESS:**        **Pavement Management / Preservation**

**FROM:**                    **Tyler Bemis, Public Works Director**

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**RECOMMENDED MOTION:**    **Study Session, Discussion Only**

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**PROPOSAL:** This is a discussion to talk about different pavement preservation techniques including costs and identifying potential roads/areas to implement a “Pilot Preservation Program” Though Grind and Overlays are great and well received in residential areas, there is a need to explore other preservation options that could be applied to low volume, limited access roads and neighborhoods. This topic boils down to limited available funds and cost effectiveness.

**ATTACHMENTS:** [PowerPoint](#)



# Pavement Management

Tyler Bemis

Public Works Director

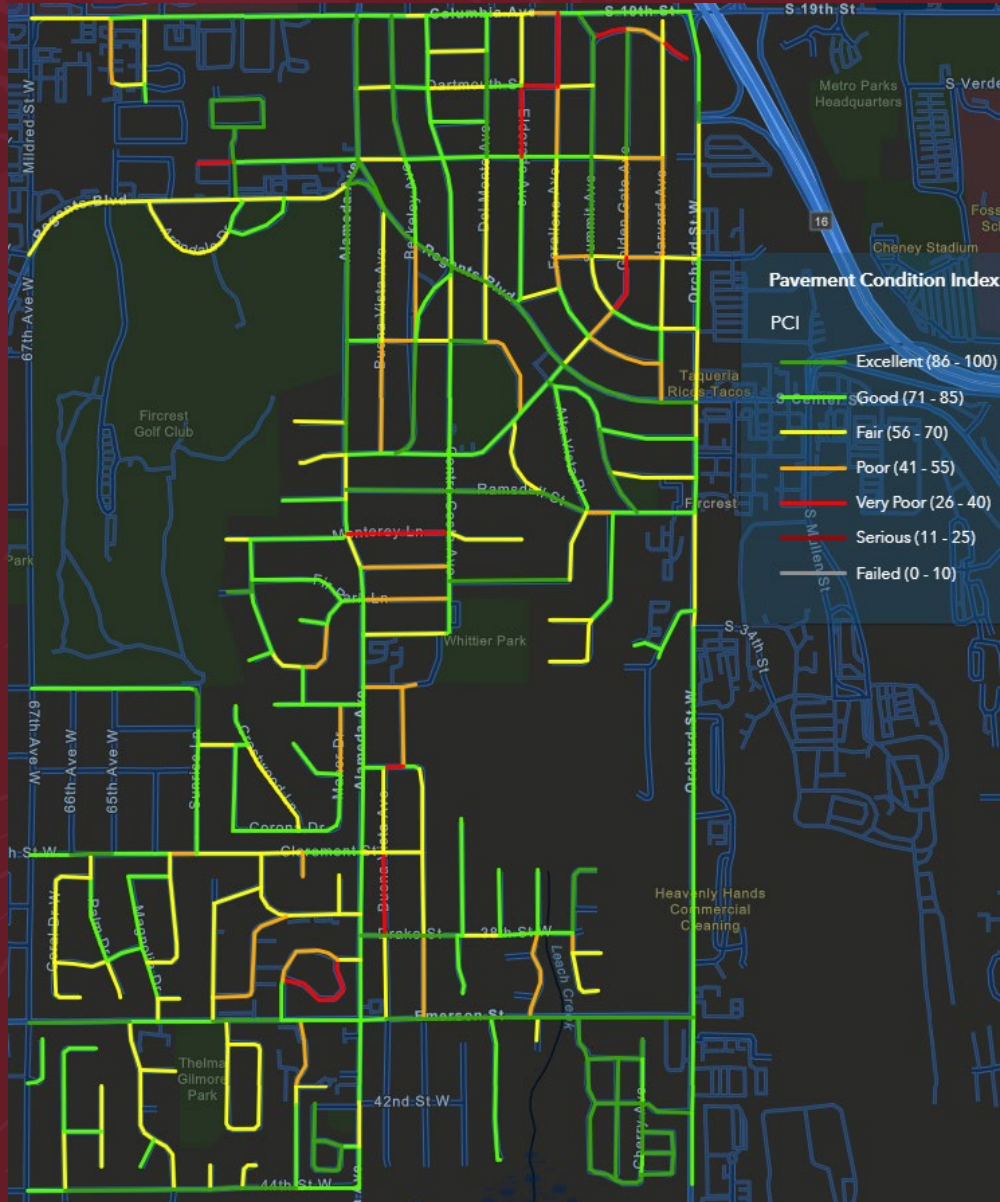


# Introduction

- Proactive Pavement Preservation
  - Pilot Program locations – SW quadrant of City. Weathervane, Woodside and Evergreen, as examples.
    - These roads and similar types of roads would likely not ever receive new asphalt or asphalt upgrades as stand-alone projects or to coincide with underground utility work.
    - Extensive outreach will go out to impacted neighborhoods, as this would be a new process.
  - Pavement preservation is a cost-effective approach to getting the most life out of your roads and making taxpayer dollars go further.
    - Goals
      - Keep water out of the pavement
        - Moisture penetration through asphalt cracking
        - Impacts from winter freeze-thaw cycles
      - Prevent oxidation from solar radiation
      - Maintain good skid resistance



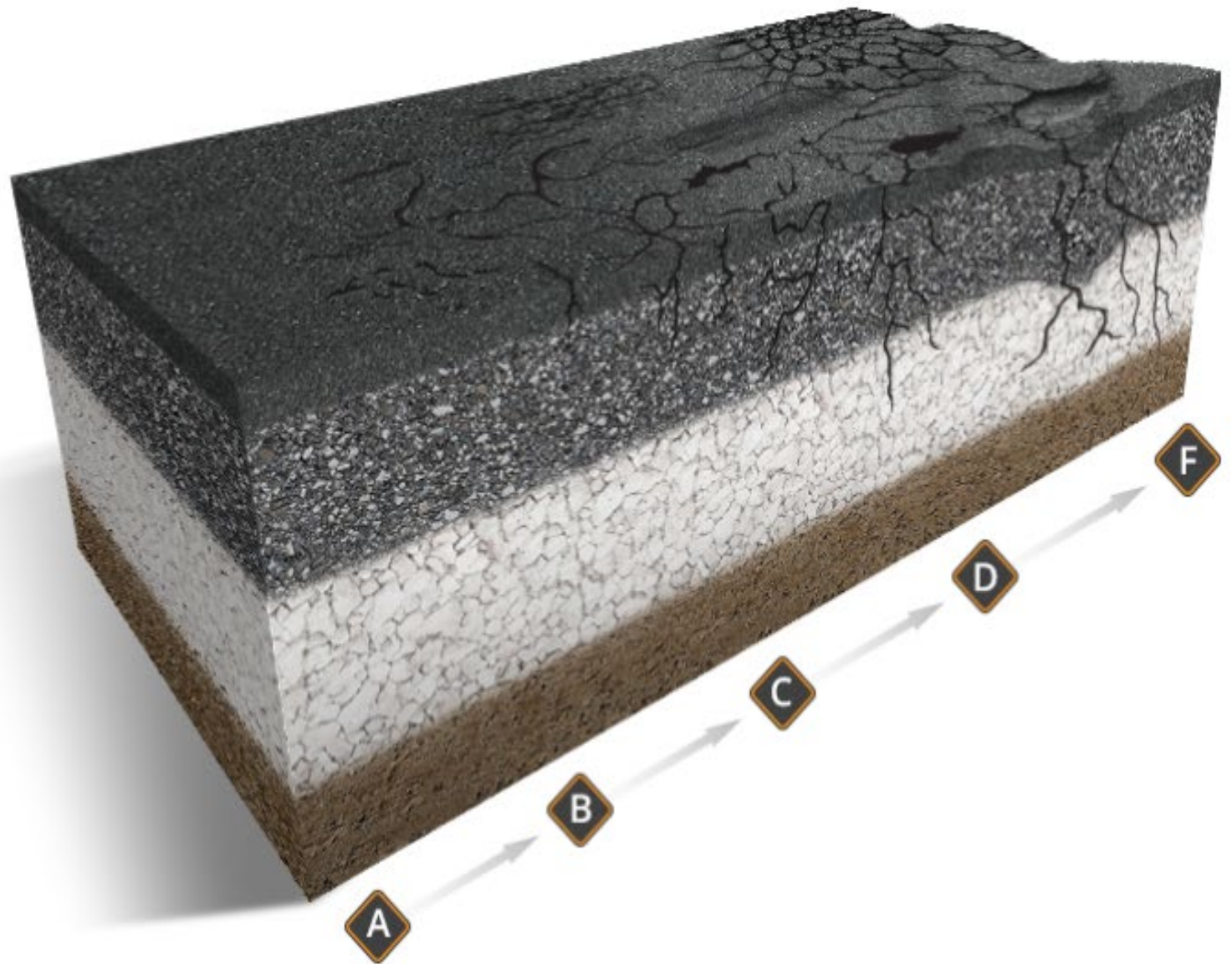
# Condition Assessment / Data Collection



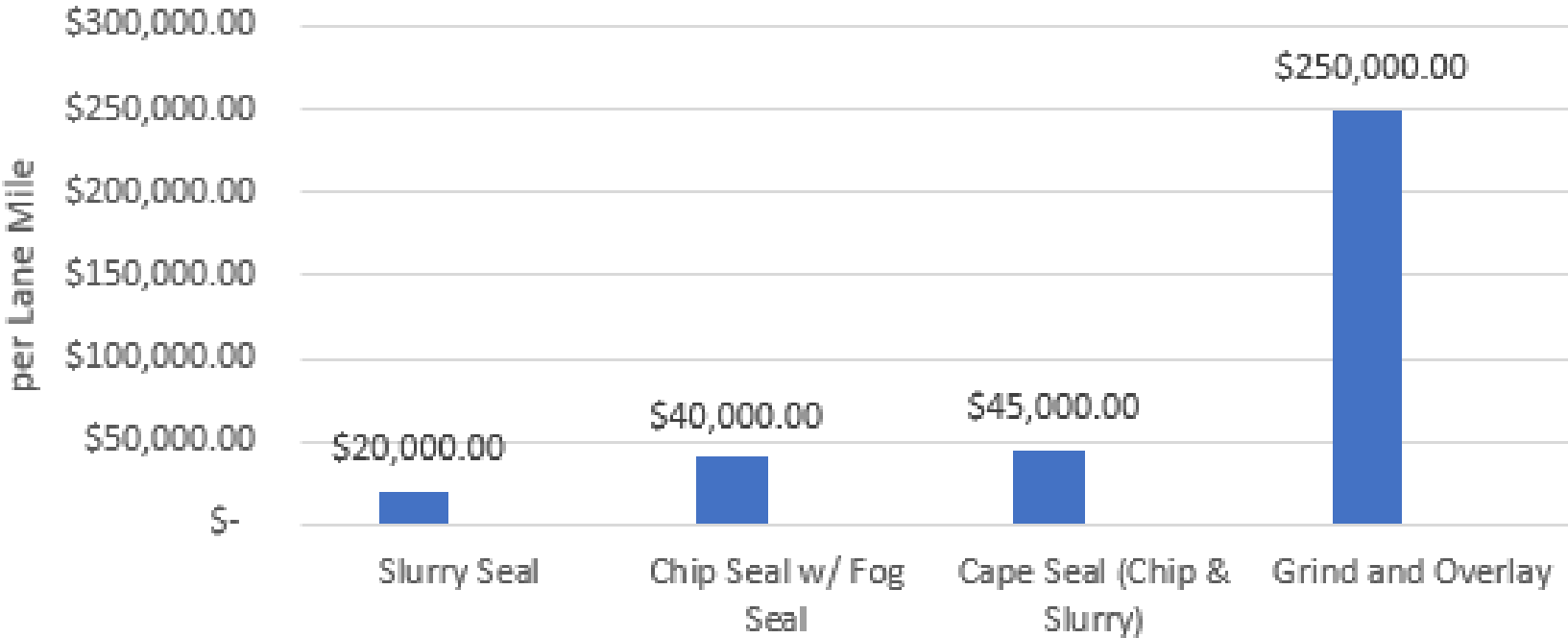
- Streetlogix/StreetScan performed the City's initial pavement assessment in 2020.
  - The Pavement Condition Index (PCI) at that time was 72/100
  - Currently, after editing the PCI in relation to recent projects the current PCI is 73/100. Aside from the degradation of City main arterials, the residential road network has a solid base and has not experienced complete failure. This is not to say some type of preventative treatment wouldn't be of great value.
  - Upcoming removal of road segments that are not maintained by the City should also better our PCI

# Preservation History

- In 1995 a contractor was used to Fog Seal select roads in the City
  - Evergreen Dr
  - San Juan
- Approx. 1992 was the last time the City contracted with Pierce County to Chip Seal
  - This process used a water-based asphalt emulsion and “dirty” gray chip rock
    - This process was not successful or well received by the community
  - Pierce County’s Chip Seal processes have drastically changed and improved
    - Pierce County Chip Seal Operations video links:
      - <https://youtu.be/wRLByBpEDcE>
      - <https://youtu.be/DiQ2YsbwvTg>



### Estimated Pavement Preservation Cost by Type



# Pavement Preservation

- Fircrest PW spent \$103,400.00 on asphalt “major” patching and repairs in 2022
  - As a whole, Grind and Overlays can be in upwards of 10 times the cost of a Chip Seal preservation project
- Techniques
  - Pothole Repairs
    - “Easy Street” temporary patch is used to repair potholes 24/7/365
  - Crack Sealing
    - Main Arterials then residential as able
    - Budget approx. \$5,000/annually
  - Small Asphalt Repairs
    - Price depends on size/quantity, location and traffic control needs
  - Texture Seal - GSB-88 (seen on next slide)
    - Private Contractor application (prices below per square yard)
    - Gilsonite Polymer Modified Texture Seal-\$1.00-\$1.75
    - Gilsonite Rapid Set Texture Seal- \$1.50-\$2.25
  - Slurry Seal = \$20k per lane mile
    - Private Contractor application
  - Cape Seal (Chip and Slurry) = \$45k per lane mile (as seen in pic)
    - Private Contractor application
  - Grind and Overlay
    - Approx. \$250,000.00 per lane mile
    - 2023 “private contractor” price per square foot - \$3.33





RESTORATIVE AND PROTECTIVE SEALER

### GSB-88<sup>®</sup> HARNESSES SUPERIOR CHEMISTRY

Oxidation ruins asphalt pavement binder. Our unique GSB chemistry slows the molecular aging and deterioration reactions in pavement binder oils, so it keeps the binder healthy.



NATURALLY CRACK RESISTANT

Gilsonite



SLOWS EFFECTS OF OXIDATION



NATURALLY AGGREGATE BINDING

### GSB-88<sup>®</sup> INTEGRATES INTO THE PAVEMENT

Filled sealers sit on the pavement surface and may crack, peel (delaminate), or wear off. GSB-88<sup>®</sup> becomes part of the surface matrix to restore, restructure, strengthen, and protect the aging pavement.



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### GSB-88<sup>®</sup> SEALS THE PAVEMENT

Traditional "rejuvenators" that penetrate pavement do not seal or protect. GSB-88<sup>®</sup> leaves a durable seal that rebinds, strengthens, and protects against UV and water degradation.



UNTREATED



### GSB-88<sup>®</sup> IS AN ANTI-AGING TREATMENT FOR ASPHALT PAVEMENTS



First Treatment - (August 2011)



Five Years Later - (April 2016)



Second Treatment - (August 2016)  
(Photo from April 2017, 9 months later)

KEEPS "GOOD" PAVEMENTS "GOOD"

### GSB-88<sup>®</sup> HAS BEEN USED SUCCESSFULLY

ON ROADS AND AIRFIELDS AROUND THE WORLD FOR MORE THAN 30 YEARS.



AsphaltSystemsInc.com  
801-972-2757



11-19-2020

# Techniques Cont'd

- Chip and Fog Seal
  - Chip Seal w/ Fog Seal = \$25k-\$40k per lane mile (dependent upon residential traffic control impacts)
    - This process consists of spraying a layer of "hot" polymerized oil then covering with an emulsion coated 3/8-inch aggregate and followed by rubber tire rollers for compaction and embedment of rock in oil.
    - As a result of this process and the materials used, sweepers can remove the excess rock immediately, resulting in a reduction of risk claims.



# Grants and Funding

## Major Patching (\$100k Transfer from REET 1)

- Budget increased from \$60k in 2021 to \$100k in 2022

## Transportation Improvement Board (TIB)

- South Orchard St Grind and Overlay (2024)
- Alameda Grind, Overlay and Curb and Gutter (2020)

## Puget Sound Regional Council (PSRC)

- Emerson Sidewalk Project (2024)
- Regents (west) Grind and Overlay (2024 of 2025)



TABLE 1: 2024-2029 TRANSPORTATION FACILITY IMPROVEMENTS

City of Fircrest Six-Year Comprehensive Transportation Improvement Program (2024 to 2029)								
Transportation Facility Improvements	2024	2025	2026	2027	2028	2029	TOTAL	
<b>Capital Appropriations</b>								
1	Major Pavement Patching: Citywide	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000.00	
<b>Grind and Overlays</b>								
2	Regents Blvd (Arondale Dr to 67th Ave W)	\$ 82,000	\$ 760,000				\$ 842,000.00	
3	Southbound South Orchard St (Regents Blvd to end of Right-of-Way)	\$ 678,470					\$ 678,470.00	
4	Southbound South Orchard St (Columbia Ave to Regents Blvd)				\$ 1,100,000		\$ 1,100,000.00	
<b>Roadway Improvements</b>								
5	Buena Vista Ave: 1300 block					\$ 75,000	\$ 75,000.00	
6	Berkeley Ave: 1300 block (curb/gutter and overlay)				\$ 75,000		\$ 75,000.00	
<b>Pedestrian, Non-Motorized / Active Transportation Program</b>								
7	Alameda Ave (Emerson St to Cypress Point) (curb/gutter, sidewalk - west side)		\$ 255,000				\$ 255,000.00	
8	44th St (67th Ave W to 60th Ave) (curb/gutter, sidewalk - north side)			\$ 1,129,000			\$ 1,129,000.00	
9	Alameda Ave (Emerson St to Rosewood Lane) (curb/gutter, sidewalk - east side)					\$ 500,000	\$ 500,000.00	
10	Emerson St (Woodside Dr to 67th Ave W) (sidewalks, retaining walls)	\$ 55,000	\$ 451,000				\$ 506,000.00	
<b>Total Capital Appropriations</b>								
		\$ 915,470	\$ 1,566,000	\$ 1,229,000	\$ 1,200,000	\$ 175,000	\$ 675,000	\$ 5,760,470.00

# Utility Project Coordination / Development

- When able, the City coordinates asphalt overlay projects to coincide with water or sewer main replacement projects.
- Examples
  - Summit Ave from Columbia to Stanford Water and Gas Main Project (2022-2023)
    - Summit from Columbia to Dartmouth was the worst rated road segment in the City
  - 100 block of Golden Gate Water Main Project (2021-2022)

FIRCREST CITY COUNCIL AGENDA SUMMARY DATE:

JULY 17, 2023

NEW BUSINESS: COMPREHENSIVE PLAN UPDATE

FROM: Bob Jean, Project Coordinator

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RECOMMENDED MOTION: I MOVE TO ACCEPT THE Comprehensive Plan Update report and set the next Community Open House Update for 9/18/2023 as a Council Special Meeting at the Community Recreation Center.

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REPORT: BHC consultants have been retained to assist the City with the current update to the City's Comprehensive Plan (see attached work plan). The June 15 Community Open House Visioning meeting, while useful, was only attended by a few Fircrest citizens along with the consultants and City staff. It was decided to continue moving ahead with the work plan as approved, BUT to strengthen a parallel effort on community outreach

In addition to the online Community Comprehensive Plan Survey, additional surveys will be made available at the Community Recreation Center and City Hall, and by direct mail to each household. That community feedback will be merged with the consultants work and made available for community review and feedback to the Council, Planning Commission and community on September 18.

Attachment: [Fircrest Comp Plan Schedule](#)



# Fircrest 2024 Comp Plan Update

	Lead	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Project Management</b>		123	456	789	10 11 12	123	456	789	10 11 12
Project Scope and Kickoff Meeting	BHC	2/28/2023							
Biweekly Check-Ins and Coordination	BHC								
<b>Visioning and Public Outreach</b>	BHC								
Visioning and Public Participation Plan	BHC	3/28/2023							
Survey	BHC		May-23			Jan-24			
Workshops and Public Open Houses	BHC		Jun-23	Aug-23					
Commission and Council Briefings	BHC		Apr-23	Jul-23					
<b>Draft Comprehensive Plan Elements (50% - 70%)</b>	BHC					Jan-24			
Ex Conditions, GMA Checklist Policy Gaps Analysis, Document Design	BHC	3/28/2023							
Commerce and PSRC Checklists	BHC	Mar-23							
1, 2 Introduction, Community Character	BHC		May-23						
3 Land Use and Land Capacity	BHC		May-23						
4 Housing	BHC		Jun-23						
7 Capital Facilities,	BHC		Jun-23						
8 Utilities, 6 Parks	BHC		Jun-23						
5 Transportation	Transpo				Oct-23				
<b>Adoption Comprehensive Plan Draft (95%)</b>	BHC						Aug-24		
SEPA	BHC					Jan-24			
Identification of Development Regulation Revisions (50%)	BHC				Dec-23				
Draft Development Regulations (70%)	BHC						Jun-24		
Review and Adoption of Comp Plan and Development Regulation Changes	BHC							Dec-24	
Public Hearings	BHC, Transpo							Dec-24	

COMMUNITY OPEN HOUSE 9/18



## **FIRCREST CITY COUNCIL STUDY SESSION**

**AGENDA ITEM:** ARPA Review

**DATE:** July 17, 2023

**FROM:** Colleen Corcoran, Finance Director

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**HISTORY:** On 6/25/21 the city received the first half of ARPA assistance funding from the Federal Government. The second half was received on 7/5/2022 for a total of \$1,909,840. These funds were available to cities as support for their response to the COVID-19 public health emergency.

On 4/1/22 the “Final Rule” became effective. This allowed smaller cities to declare lost revenue up to \$10 million dollars and reduce their reporting requirements. The City of Fircrest elected to use the lost revenue allowance.

### **EXPENSES:**

In 2021 and 2022 the City Council used ARPA funds to award **\$142,609** (\$127,404 and \$15,205 respectively) in business, utility and rental assistance grants to small businesses and households effected by the COVID pandemic.

The city also used **\$13,838** (\$3,568 and \$10,270 respectively) to purchase laptops, personal protection equipment and Zoom licenses for uninterrupted services to the public. This allowed some staff to work from home and protect workers who continued to work onsite. This also provided for remote Council meetings.

In 2022 the Council agreed to use **\$60,000** of ARPA funds for police retention bonuses. In 2023 an additional **\$10,000** was used for a police officer signing bonus.

The 2023 Budget includes: \$20,000 to purchase AEDs for each police patrol car, plus an additional \$9,333 for new AEDs in each city building (total **\$29,333**); **\$88,000** for a new AV system for Council Chambers; a 10<sup>th</sup> police officer in the amount of **\$67,612**; and police shields and desks in the amount of **\$42,391** (actual cost \$36,683).

**The total spent and encumbered by the General Fund is \$453,783.**

In 2021 and 2022, the Water Fund used **\$444,669** (\$335,038 and \$109,630 respectively) for the water meter replacement project; **\$446,010** for the Summit water main project and **\$1,678** for the Weathervane project. The 2023 budget includes **\$290,000** for the Rose and Yale water main projects.

**The total spent and encumbered by the Water Fund is \$1,182,357.**

**The total unencumbered is \$273,700.**

**ATTACHMENTS:** [ARPA Grant Estimated Summary](#)





**ARPA GRANT ESTIMATED SUMMARY AS OF 12/31/2023**

**Revenue Received**

6/25/2021	\$	953,988.00
8/31/2021	\$	932.00
7/5/2022	\$	954,920.00
<b>Total Revenue</b>	\$	<b>1,909,840.00</b>

<b>Expenses</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Actuals in Red</b>	<b>2024</b>	<b>Notes</b>
<b>General Fund</b>						
Assistance Grants	\$ 127,403.94	\$ 15,204.96				Business, rental, utility grants computers, PPE, Zoom licenses, etc.
City Expenses	\$ 3,567.78	\$ 10,270.11				
Council Chambers AV			\$ 88,000.00			on order
Rec center cost increase						
HVAC-CH,PSB,PWF						
Police retention bonuses		\$ 60,000.00				
Police signing bonus			\$ 10,000.00	\$ 10,000.00		
Police Shields & Desks			\$ 42,391.00	\$ 36,683.06		
Police & Building AED's (15)			\$ 29,333.00			on order
Additional (10th) Officer			\$ 67,612.00			not filled
<b>Total Expenses-General</b>	<b>\$ 130,971.72</b>	<b>\$ 85,475.07</b>	<b>\$ 237,336.00</b>		<b>\$ -</b>	<b>\$ 453,782.79</b>
<b>Water Fund</b>						
Water meter project	\$ 335,038.30	\$ 109,630.28				plus \$322,000 paid by Water EFB
Summit water main project		\$ 446,010.21				
Weatherwane project		\$ 1,677.50				
Rose & Yale water main			\$ 290,000.00	\$ 9,007.51		
<b>Total Expenses-Water</b>	<b>\$ 335,038.30</b>	<b>\$ 557,317.99</b>	<b>\$ 290,000.00</b>		<b>\$ -</b>	<b>\$ 1,182,356.29</b>
<b>TOTAL EXPENSED TO DATE</b>	<b>\$ 466,010.02</b>	<b>\$ 642,793.06</b>	<b>\$ 527,336.00</b>		<b>\$ -</b>	<b>\$ 1,636,139.08</b>

<b>Total Expenses-General Fund</b>	\$	453,782.79
<b>Total Expenses-Water Fund</b>	\$	1,182,356.29
	\$	1,636,139.08

	Est. 2023 End Balance	
<b>TOTAL REMAINING - GEN</b>	\$	273,057.21
<b>TOTAL REMAINING - WATER</b>	\$	643.71
<b>TOTAL UNENCUMBERED</b>	\$	<b>273,700.92</b>



## FIRCREST CITY COUNCIL STUDY SESSION

**AGENDA ITEM:** Park Bond Capital Project

**DATE:** July 17, 2023

**FROM:** Colleen Corcoran, Finance Director

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**HISTORY:** On April 23, 2019, the city held an election, and the citizens passed a park bond of up to \$13.5 million dollars. A bond ordinance to proceed with the sale of the bond was passed at the October 8, 2019 Council meeting. In October 2019 a fund was established to account for the revenues and expenditures relating to park bond capital projects.

**REVENUE:** In November of 2019, \$8,750,000 of bonds were issued at a premium and the city received bond proceeds of \$9,999,811. The City Council agreed to use \$1 million from Cumulative Reserve for the project. An additional \$2.3 million, 3-year short term loan from Cumulative Reserves was established for cost flow purposes. Donations received to date total \$5,176,078. The city received two grants totaling \$1,707,500. Interest is calculated monthly based on the cash balance in the fund. As of 7/17/2023 that amount is \$108,085. **Total revenue received is \$20,288,474.**

**EXPENSES: Total expenses to date total \$18,366,666.** The spreadsheet attached shows the breakdown of those expenses. The 2023 budgeted items and the current spent to date for 2023 is also listed on the spreadsheet. All the budgeted projects for 2023 still need to be completed. **The total budget remaining for expenses in 2023 is \$1,424,536.**

**ESTIMATED ENDING FUND BALANCE:** The city expects to receive an additional \$1 million in donations from the Greater Tacoma Community Foundation this year. If all projects are completed for 2023 the amount remaining in the fund would be approximately \$1.5 million. One additional payment of \$774,346 for the interfund loan will be due in 2024.

On September 21, 2020, a study session was held to discuss how to allocate funds for different projects (see attached list). The question for discussion during the 2024 Budget process is what projects should be added or deleted from the list?

**ATTACHMENTS:** [Park Bond Capital Fund Summary](#)  
[Proposed Parks Project](#)



**Park Bond Capital Fund (301) Summary as of 7/17/2023**

**Revenue Received**

Bond Revenue	9,999,810.85
CR Loan	2,300,000.00
CR Transfer	1,000,000.00
Donations	3,673,078.70
Edwards donation	1,500,000.00
Grant Revenue	1,707,500.00
Interest	108,084.80

<b>Total Revenue</b>	<b>20,288,474.35</b>
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**Expenses by Category**

ARC	1,850,828.88
Briggs	58,867.75
Public Outreach	33,444.17
Advertising	2,941.91
Parametrix	237,341.19
Permits/Inspections	189,555.46
Kassel-Pool Construction	6,009,271.57
Kassel-Community Center Construction	8,265,938.81
F&E	335,097.29
Misc	1,192,550.78
Whittier Tennis Court	25,462.46
Whittier Irrigation	73,367.75
Electrical Updates	31,418.51
Fircrest Play Park Structure	60,579.59

<b>Total Expenses</b>	<b>18,366,666.12</b>
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<b>TOTAL REVENUE - GEN</b>	<b>20,288,474.35</b>
<b>TOTAL EXPENSES</b>	<b>18,366,666.12</b>
<b>TOTAL REMAINING as of 7/17/2023</b>	<b>1,921,808.23</b>

**Budgeted Revenue for 2023:**

\$1,250,000 donations  
 \$2,365 investment interest  
 \$174,515 Grant revenue (rolled over from 2022)

**Budgeted items for 2023:**

2nd Loan payment of \$774,346 (\$766,660 Principal and \$7,686 Interest) C.R.  
 \$200,000 for Fircrest Storage Garage  
 \$350,000 for Fircrest Park Improvements (\$191,485 from bond funds)  
 \$32,000 for Fircrest Tennis Courts Resurfacing (\$16,000 from bond funds)  
 \$35,000 for Fircrest Park backstops  
 \$73,000 for Fircrest Park pathway improvements

**Total 2023 Budgeted \$1,464,346**

**Amounts spent Year to date as of 7/17/2023 items**

\$22,200 Electrical Upgrades for burglar, cameras, fire alarm systems  
 \$13,410 F&E for card maker, laptop, volleyball nets, and storage supplies  
 \$1,300 for miscellaneous supplies, storage unit rental, plaques  
 \$2,900 for Project Engineering Parametrix

**Total 7/17/2023 Expensed \$39,810**

**Total budget remaining \$1,424,536**

**Proposed Parks Projects under the Bond**

Whittier Tennis Courts	\$25,462	Completed and Spent
Playground Equipment	\$60,580	Completed and Spent
Whittier Irrigation	\$73,368	Completed and Spent
New Electrical Panels	\$9,220	Completed and Spent
Field Turf Improvements	\$100,000	This is a 2018 estimate. It is for Fircrest Park. This is a project we would like to do in conjunction with finishing the Community Center while the field is already torn up from being a construction site. Our RCO Grant application includes Lighting and Field Turf Improvements at Fircrest Park for a total of \$317,030.
Whittier Park Ballfield Adjustment	\$20,000	This is a placeholder estimate. It is likely that we don't need \$20,000 if we are going to leave the field alone for now, or if we want to master plan Whittier Park prior to making any changes. This is now our adult field for softball. The current location is not very spectator-friendly.
Whittier Restroom Renovation	\$30,000	This is a current estimate. Again, we need to look at this project from the context of potentially master planning Whittier Park.
Fircrest Tennis Courts	\$32,000	Our RCO Grant application for the Tennis Courts is for \$32,000. If we are awarded the grant, the City's portion will only be \$8,000.
Fircrest Storage Garage	\$35,000	Old Estimate. We need to redetermine what is needed/wanted. Maintenance staff still believe this building could be redone on the same slab of concrete for about \$35,000.
Paved Paths at Fircrest Park	\$58,000	PROS Plan estimate. This is another project where we need to determine what is wanted now vs. when the PROS Plan was adopted.
Lighting Improvements (Fircrest Park)	\$250,000	Our RCO Grant application includes Lighting and Field Turf Improvements at Fircrest Park for a total of \$317,030.
<b>Parks Projects TOTAL</b>	<b>\$693,630</b>	
Remaining	\$525,000	

9/21/2020 Study Session Changes

- Master Plan Whittier Park
- Short term use for Fox Property
- Remove bathrooms from park storage garage.

## **FIRCREST CITY COUNCIL STUDY SESSION**

**AGENDA ITEM: Replacement Fund for Pool and Recreation Building**

**DATE: July 17, 2023**

**FROM: Colleen Corcoran, Finance Director**

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**HISTORY:** During the process of planning and constructing the pool and recreation center, there was discussion of creating a separate fund for the ability to set aside funds for major repair projects and replacement for these facilities.

**FUNDING:** Discussion included how to fund the repair and replacement fund. Below is a few ideas that have been discussed in the past.

1. Use the increase to General Ending Fund Balance (EFB). This is the amount of revenue received less expenses for the year.

The total change in Unassigned Fund Balance for 2021 was an increase of \$157,756.

The total change in Unassigned Fund Balance for 2022 was an increase of \$551,430.

The pro for this is that there is no effect on net operating budget for each year. The con is the amount fluctuates each year and can be negative if expenditures are more than revenues. An additional con with this method is reducing EFB which is used for capital costs, emergencies, interest earnings and cash flow.

2. Another possibility is making a yearly transfer to the replacement fund like ERR. The pro for this method is a steady stream of funds. The con is the transfer will increase the operating budget every year.

3. A combination of both methods.

An ordinance is necessary to create a new fund.