

City of Chehalis

# Proposed Third Amendment to the 2019 Budget Ordinance No. 1004-B

11/25/2019

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Presenter: Chun Saul

# Discussion

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- Proposed Amendment to the 2019 Budget
  - Third amendment to the 2019 Budget
  - Total All City Funds Combined (City-Wide) Overview
  - General Fund Overview
  - Other Funds Overview
  - Recommendation to Pass Ordinance No. 1004-B on first reading.

# Overview of 2019 Budget Amendment— All Funds (City-Wide)

## Proposed Budget Amendment Includes:

### ➤ Net City-wide Increase in Fund Balance \$519,857:

All Funds (City-wide)	2019 Budget As Amended 7/2019	2019 Proposed 3rd Amended Budget	Changes from 3rd Amendment
Revenues	\$ 29,762,410	\$ 30,436,123	\$ 673,713
Transfers-in	\$ 1,212,583	\$ 1,212,883	\$ 300
Expenditures	\$ 32,486,894	\$ 32,640,750	\$ 153,856
Transfers-out	\$ 1,212,583	\$ 1,212,883	\$ 300
Net Revenues Over (under) Expenditures	\$ (2,724,484)	\$ (2,204,627)	\$ 519,857
Beginning Fund Balance	\$ 20,196,397	\$ 20,196,397	\$ -
Estimated Ending Fund Balance	\$ 17,471,913	\$ 17,991,770	\$ 519,857

### ➤ Estimated ending fund balance for all funds combined \$17,991,770\*

### ➤ \*Fund Balance - Other than the General Fund, all other funds are restricted funds

- Restricted funds account for specific revenues or resources that are legally restricted or committed to finance particular activities of the city, such as utilities funds.

# Overview of 2019 Budget Amendment– All Funds (City-Wide)-continued

## ➤ Summary of Net Changes in Fund Balance by Fund:

Fund Name	Net Increase (decrease) in Fund Balance from Third Budget Amendment
General Fund	\$ (16,715)
Transportation Benefit District Fund	206,767
Tourism Fund	28,000
G.O Bond Fund	-
Public Facilities Reserve Fund	(20,610)
First Quarter REET Fund	(123)
Second Quarter REET Fund	(102)
Wastewater Fund	125,600
Water Fund	111,000
Storm & Surface Water Fund	(72,510)
Airport Fund	167,050
Firemen's Pension Fund	(8,500)
Total	\$ 519,857

➤ Adjust revenues budget to reflect more to actual. Additional budget requests for new and increased expenditures.

# General Fund - Ending Fund Balance

- **Proposed Budget Amendment Includes:**
- Decrease in General Fund's Estimated Ending Fund Balance \$16,715

<b>General Fund</b>	2019 Budget As Amended 7/2019	2019 Proposed 3rd Amended Budget	Changes from 3rd Amendment
Revenues	\$ 10,043,662	\$ 10,058,662	\$ 15,000
Transfers-in	\$ 80,000	\$ 80,000	\$ -
Expenditures	\$ 10,267,014	\$ 10,298,654	\$ 31,640
Transfers-out	\$ 870,479	\$ 870,554	\$ 75
Net Revenues Over (under) Expenditures	\$ (1,013,831)	\$ (1,030,546)	\$ (16,715)
Beginning Fund Balance	\$ 1,804,262	\$ 1,804,262	\$ -
Estimated Ending Fund Balance	\$ 790,431	\$ 773,716	\$ (16,715)
Ending Balance % of Operating Revenue	7.9%	7.7%	

- Estimated ending fund balance is \$773,716. This is 7.7% of the General Fund's operating revenues. City Council policy is to maintain 10% operating reserves in the General Fund.

# Overview of 2019 Budget Amendment— General Fund

## ➤ General Fund Budget Amendment Summary by Department (Expenditures and Transfers Out)

General Fund Department	Additional Appropriations Requested	Budget Adjustments for Indirect Cost Allocation (Contra Expenses)	Net Increase (decrease) in Appropriations
City Manager	\$ 2,020	\$ 8,700	\$ 10,720
Finance	3,170	-	3,170
Legal Services (City Attorney)	-	3,550	3,550
Non-departmental	75	(11,700)	(11,625)
Human Resources	45,000	(36,700)	8,300
Police	6,000	-	6,000
Fire	11,600	-	11,600
<b>Total General Fund</b>	<b>\$ 67,865</b>	<b>\$ (36,150)</b>	<b>\$ 31,715</b>

# Other Funds

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- **Transportation Benefit District (TBD) Fund:**
  - Increase revenues by \$225,963 (sales tax \$162K, grant \$40K, and \$24K interest earnings)
  - Increase expenditures by \$19,196 (Kresky Ave project change order).
  - Net Increase in estimated ending fund balance \$206,767
  
- **Tourism Fund:**
  - Increase revenues by \$28,000 (hotel/motel tax \$23K and interest earnings \$5K).
  
- **G.O. Bond Fund:**
  - Increase transfers in by \$300 and increase expenditures by \$300.
  
- **Public Facilities Reserve Fund**
  - Increase revenues by \$12,750 (interest earnings)
  - Increase expenditures by \$33,360 (roof repairs \$28,360 and appraisal services \$5,000).
  - Net decrease in estimated ending fund balance \$20,610
  
- **First & Second Quarter REET Funds**
  - Increase transfers out by \$300 to G.O. Bond Fund

# Other Funds (Continued)

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## ➤ Wastewater Fund:

- Increase revenues by \$125,600 (\$50,600 for Hookup/Connection Fee and \$75,000 for investment earnings).

## ➤ Water Fund:

- Increase revenues by \$140,200 (\$42,200 for Hookup/Connection Fees and \$98,000 for interest earnings)
- Increase expenditures by \$29,200 (general fund cost allocation)
- Net increase in estimated ending fund balance \$111,000

## ➤ Storm & Surface Water Fund:

- Decrease revenues by \$57,100
- Increase expenditures by \$15,410 (cost allocation from general fund and water fund)
- Net decrease in estimated ending fund balance \$72,510

## ➤ Airport Fund

- Increase revenues by \$183,300 (Fuel sales \$162,300 and interest earnings \$21,000)
- Increase expenditures by \$16,250 (sales tax remittance and general fund cost allocation)
- Net increase in estimated ending fund balance \$167,050

## ➤ Firemen's Pension Funds

- Increase expenditures by \$8,500 (actuarial valuation service)

# Recommendation

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## ➤ Questions or Comments?

## ➤ Recommendation

- It is recommended that the City Council approve the proposed budget amendment and
- Pass Ordinance No. 1004-B on first reading

Thank you!