

City of Chehalis

Proposed Amendment (3rd and final) to the 2020 Budget

11/23/2020

Presenter: Chun Saul

Discussion – Key Items

This is the 3rd and final amendment to the 2020 Budget. Key items are:

- Coronavirus Relief Fund (CARES Act) Grant Revenues and Expenditures
- Moving budgeted amounts related to custodial activities
- Other revenues and expenditures budget adjustments to reflect more to actual

Budgets for Coronavirus Relief Fund (CARES Act) Grant

- **Federal CRF grant passed-through State Dept of Commerce**
 - ✓ City of Chehalis was awarded \$339,075 (reimbursement basis)
 - ✓ Eligible expenditures must be incurred by November 30, 2020
 - ✓ Grant reimbursement requests to Commerce due by December 15, 2020

- **Expenditures**
 - ✓ YTD eligible expenditures by City departments (March to October) \$99,957
 - no new appropriation needed
 - ✓ YTD Chehalis Community CARES Program awarded to non-profits \$125K
 - increase budget by \$125K (General Fund)

- **Revenues**
 - ✓ Increase by \$230,300 for anticipated grant reimbursement in 2020
 - ✓ General Fund portion appx. \$215,000

Budgets for Custodial Activities

➤ **What are Custodial Activities?**

- ✓ Collection and remittance of revenues on behalf other government agencies in a fiduciary capacity
- ✓ The City holds these funds for a short period of time (must remit them monthly or quarterly).
- ✓ These monies do not belong to the City and are not available for City use.
- ✓ Includes sales and leasehold excise taxes, state portion of court revenues & other fees

➤ **Budgeting, Accounting & Reporting Changes**

- ✓ Previously, revenues (collections) and expenditures (remittances) amounts were budgeted in the funds that collect them.
- ✓ SAO new guidance – custodial activities are to be reported in separate custodial fund type.

➤ **Budget Amendment**

- ✓ \$298K being moved from individual funds to custodial funds (633/634)*
- ✓ General Fund \$106,125; Airport Fund \$190,700; Other funds \$750
 - About \$98K court revenues and \$200K in sales/leasehold taxes and certain fees

General Fund - Budget Amendment Summary

The proposed budget amendment revises the current budget amount as provided below:

General Fund	2020 Proposed		
	2020 Current Budget	Amended Budget	Increase (Decrease)
Revenues & Transfers-in	\$ 9,902,152	\$ 10,026,736	\$ 124,584
Expenditures & Transfers- out	10,274,462	10,322,796	48,334
Net Revenues Over (Under) Expenditures	(372,310)	(296,060)	76,250
Beginning Fund Balance	1,462,124	1,462,124	-
Estimated Ending Fund Balance	\$ 1,089,814	\$ 1,166,064	\$ 76,250
Estimated Ending Fund Balance % of Revenues	11.01%	11.63%	

General Fund - Budget Amendment Items

The proposed budget amendment includes the following budget items:

Fund/Department	Revenues & Transfers-in Budget Increase (Decrease)	Expenditures & Transfers-out Budget Increase (Decrease)	Fund Balance Increase (Decrease)
General Fund:			
CARES Act grant revenue	215,000		
Donations received for Police equipment	10,609		
Transfer from Fund 633	6,000		
Custodial receipts move to custodial fund	(107,025)		
Custodial receipts remittances move to custodial funds		(106,125)	
Chehalis CARES Program Expense Pass-thru awards		125,000	
Police department equipment purchase - WRAP		1,357	
Police department equipment purchase - Fingerprinting		9,252	
Planning department - increase for inspector services		20,000	
Adjust payroll budget (CM, Planning & Non-dept)		(1,150)	
Total General Fund	124,584	48,334	76,250

Other Funds - Budget Amendment Summary

➤ **Utility Funds (Wastewater, Water and Storm Water combined):**

- ✓ Decrease revenue projections to reflect more to actual
- ✓ Hookup/Connection Fees decrease by \$145K; Late payment fees decrease by \$64.5K; Interest earnings by \$78K
- ✓ Increase for CARES Act grant reimbursement \$13K
- ✓ Decrease total fund balance by \$274,240

➤ **Airport Fund:**

- ✓ Increase revenue budget to reflect more to actual:
 - Fuel sales by \$60K
 - Grant reimbursement requested in 2019 but received in 2020 \$146,864
- ✓ Increase expenditures budget
 - ✓ Fuel purchase for resale \$40K
 - ✓ Refund of lease deposit not in the original budget \$100K
 - ✓ Capital improvement expenditures for temporary fire station site at Arkansas Way \$200K
- ✓ Move of custodial receipts and remittances budget to a custodial fund. \$190,700
- ✓ Decrease fund balance by \$131,767

➤ **Custodial Funds**

- ✓ Adjust for receipts and remittances for funds belonging to other government agencies

Proposed 2020 Budget Amendment – Other Funds

The proposed budget decrease the net total fund balance by \$338,877.

Fund/Department	Revenues & Transfers-in Budget Increase (Decrease)	Expenditures & Transfers-out Budget Increase (Decrease)	Fund Balance Increase (Decrease)
Total General Fund	124,584	48,334	76,250
Other Funds:			
Garbage Fund	(290)	-	(290)
Wastewater	(96,040)	(600)	(95,440)
Water	(139,550)	(100)	(139,450)
Storm & Surface Water	(39,400)	(50)	(39,350)
Airport	26,484	158,251	(131,767)
Custodial Court Fund	(182,560)	(173,730)	(8,830)
Custodial Other Agency Fund	205,725	205,725	-
Total City-Wide	(101,047)	237,830	(338,877)

City-wide Budget Amendment- Summary

The proposed budget amendment revises the budgeted amount by a combined total increase in fund balance by \$338,877:

City-wide (All Funds)	2020 Current Budget	2020 Proposed Amended Budget	Increase (Decrease)
Revenues & Transfers-in	\$ 28,187,547	\$ 28,086,500	\$ (101,047)
Expenditures & Transfers-out	32,028,090	\$ 32,265,920	237,830
Net Revenues Over (Under) Expenditures	(3,840,543)	(4,179,420)	(338,877)
Beginning Fund Balance	23,401,490	23,401,490	-
Estimated Ending Fund Balance	\$ 19,560,947	\$ 19,222,070	\$ (338,877)

Closing

➤ Questions?

➤ Recommendations:

- It is recommended that the City Council approve the proposed budget amendment and Pass Ordinance No. 1014-B on first reading