

**CITY OF MONROE
ORDINANCE NO. 013/2018**

AN ORDINANCE OF THE CITY OF MONROE,
WASHINGTON, AMENDING THE BUDGET FOR FISCAL
YEAR 2018 TO ACCOUNT FOR ACTUAL BEGINNING
FUND BALANCES AND NEW REVENUES AND
EXPENDITURES; PROVIDING FOR SEVERABILITY; AND
ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council adopted the budget for fiscal year 2018 through Ordinance No. 028/2017 on December 5, 2017; and

WHEREAS, the beginning fund balances set forth in the 2018 budget were only estimates in 2017 and are now known amounts; and

WHEREAS, certain expenditures, the necessity and/or amount of which were largely unexpected by the City, have come to light; and

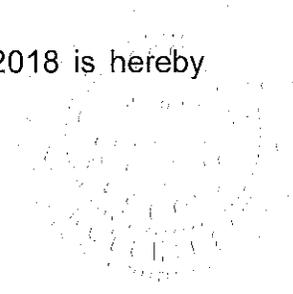
WHEREAS, new revenues and corresponding expenditures need to be realized in and reflected by the adopted budget through an amendment thereof; and

WHEREAS, per RCW 35A.33.120, the City Council finds that it is in the best interest of the City to decrease, revoke, or recall all or portions of the total appropriations provided for certain funds as set forth in the previously adopted budget, and to re-appropriate the same for another purpose or purposes, as provided herein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The above recitals and the content of Exhibit A, B, and C, attached hereto and incorporated herein by the reference as if set forth in full, are hereby adopted as finding in support of this ordinance. The City Council further adopts by reference Agenda Bill Nos. 18-125 and 18-135 as findings.

Section 2. Budget Amendment. The budget for the fiscal year 2018 is hereby amended as follows:



Fund	Name	Amended Beginning Balance	Original Budgeted Revenues	Amended Revenues	Original Budgeted Expenditures	Amended Expenditures	Amended Restricted Fund Balance	Amended Undesignated Fund Balance
001	General Fund	\$ 4,548,625	\$ 13,803,435	\$ 13,805,270	\$ 14,394,086	\$ 15,435,136	\$ 2,744,906	\$ 173,853
002	Contingency Fund	964,428	7,680	7,680	122,351	122,351	849,757	-
008	Donation Fund	4,733	4,050	4,050	6,361	6,361	-	2,422
105	Street Fund	344,107	683,312	694,657	737,769	749,114	-	289,650
109	Tourism Fund	87,296	80,450	80,450	101,000	106,150	-	61,596
114	Narcotics Fund	28,754	10,600	10,600	20,600	20,600	-	18,754
117	Real Estate Excise Tax Fund	1,920,795	1,214,800	1,214,800	710,393	864,393	-	2,271,202
203	Governmental Debt Fund	3,307	1,528,903	1,528,903	1,528,698	1,528,698	-	3,512
307	General Capital Projects	6,252,995	20,000	174,000	4,250,000	6,225,000	-	201,995
317	Parks CIP Fund	1,079,091	856,497	856,497	1,011,808	1,011,808	32,003	891,777
318	Street CIP Fund	1,677,593	7,719,433	7,719,433	7,613,488	7,613,488	-	1,783,538
319	North Kelsey Development	1,286,112	175,000	1,020,000	1,441,000	1,538,000	750,000	20,112
411	Water Fund	4,681,476	5,923,601	5,923,601	8,298,581	9,999,123	605,954	-
412	Water CIP Fund	3,100,611	3,393,584	5,020,946	2,372,535	2,470,543	5,651,014	-
421	Sewer Fund	2,403,717	7,519,922	7,519,922	8,870,621	9,226,590	697,049	-
422	Sewer CIP Fund	6,049,059	3,342,325	3,605,505	4,491,511	4,566,334	5,088,230	-
431	Stormwater Fund	685,519	1,784,300	1,784,300	2,193,502	2,253,493	216,326	-
432	Stormwater CIP Fund	698,887	273,711	328,191	938,502	928,293	98,785	-
450	Revenue Bond Reserve	1,953,799	905,963	905,963	-	-	2,804,314	55,448
510	Info Tech Services Fund	306,017	537,072	537,072	607,893	632,467	75,000	135,622
520	Equipment & Fleet Fund	3,758,957	1,692,057	1,692,057	1,129,000	1,131,047	4,009,904	310,063
530	Facilities Management Fund	41,859	1,259,879	1,309,879	1,283,467	1,299,774	51,964	-
	Totals	\$ 41,877,737	\$ 52,536,574	\$ 55,743,776	\$ 62,123,166	\$ 67,726,763	\$ 23,675,206	\$ 6,219,544

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

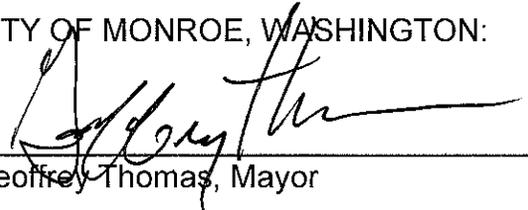
Section 4. Effective Date. This ordinance shall take effect five (5) days after publication.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this 12th day of JUNE, 2018

First Reading: May 15, 2018
 Final Reading: June 12, 2018
 Published: June 15, 2018
 Effective: June 20, 2018

(SEAL)

CITY OF MONROE, WASHINGTON:


 Geoffrey Thomas, Mayor

ATTEST:


 Elizabeth M. Adkisson, MMC, City Clerk

APPROVED AS TO FORM:


 J. Zachary Lell, City Attorney

**EXHIBIT A
2018 Budget Amendment #1 - Detail**

Item #	Amount	Funds	Description	Cost Center
		GENERAL FUND		
1	\$ 95,000	Expenditure	Transfer to N. Kelsey Fund 319 per Agenda Bill 18-085	001-000 Non Departmental
2	\$ 750,000	Expenditure	Sweep to N. Kelsey Fund 319 toward 2020 bond payment	001-000 Non Departmental
3	\$ 50,000	Expenditure	Increase for economic development per Agenda Bills 18-053 & 18-053 (offset by increased one time sales tax revenue)	001-100-001 Executive (Econ Dev) Department
4	\$ 3,500	Expenditure	Carry over for HR professional services budgeted in 2017 but paid in 2018	001-003 Human Resources
5	\$ 23,500	Expenditure	Increase professional services for Chief's recruitment per Agenda Bill 18-098	001-003 Human Resources
6	\$ 17,250	Expenditure	Vacation cash out (per City policy) for Police Chief retirement	001-004 Police Department
7	\$ 1,800	Expenditure	Increase professional services for temp help during chamber remodel (court days only)	001-009 Municipal Court
8	\$ 15,000	Revenue	Recognize Dept. of Ecology (DOE) Grant for shoreline master planning per Agenda Bill 18-089	001-110 Community Development
9	\$ 15,000	Expenditure	Increase professional services for shoreline master planning per Agenda Bill 18-089 (offset by DOE grant)	001-110 Community Development
10	\$35,000	Expenditure	This is an up to/not to exceed amount for the Monroe/Duvall connector pilot program	001-110 Community Development
11	\$ 50,000	Expenditure	Carry over professional services for Uniform Development Regulations work not spent in 2017	001-110 Community Development

EXHIBIT A
2018 Budget Amendment #1 - Detail

Item #	Amount	Funds	Description	Cost Center
		STREET O&M FUND		
1	\$ 11,345	Revenue	Recognize Transportation Improvement Board (TIB) grant for LED streetlight conversion per Agenda Bill 18-088	Fund 105 Streets
2	\$ 11,345	Expenditure	Increase street light maintenance budget to recognize TIB grant per Agenda Bill 18-088	Fund 105 Streets
		LODGING TAX FUND		
1	\$ 5,150	Expenditure	Carry over for 2017 final award payment made in 2018	Fund 109 Lodging Tax
		REET FUND		
1	\$ 154,000	Expenditure	Transfer to General Capital Fund 307 for chamber remodel per Agenda Bill 18-115	Fund 117 REET
		GENERAL CAPITAL FUND		
1	\$ 154,000	Revenue	Transfer in from REET for chamber remodel costs per Agenda Bill 18-115	Fund 307 General Capital
2	\$ 154,000	Expenditure	Increase capital projects budget for chamber remodel per Agenda Bill 18-115	Fund 307 General Capital
3	\$ 1,821,000	Expenditure	Carry over for PW shop construction	Fund 307 General Capital
		N KELSEY FUND		
1	\$ 95,000	Revenue	Transfer in from General Fund per Agenda Bill 18-085	Fund 319 N Kelsey
2	\$ 750,000	Revenue	Sweep transfer from General Fund for 2020 bond payment	Fund 319 N Kelsey
3	\$ 95,000	Expenditure	Increase professional services for EIS and traffic study for N. Kelsey properties per Agenda Bill 18-085	Fund 319 N Kelsey
		WATER O&M FUND		
1	\$ 73,180	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 411 Water O&M
2	\$ 1,627,362	Expenditure	Increase anticipated sweep amount to Water CIP based on updated beginning fund balance and 12% O&M reserve target	Fund 411 Water O&M

**EXHIBIT A
2018 Budget Amendment #1 - Detail**

Item #	Amount	Funds	Description	Cost Center
		WATER CAPITAL FUND		
1	\$ 1,627,362	Revenue	Increase anticipated sweep amount from Water O&M based on updated beginning fund balance and 12% O&M reserve target	Fund 412 Water CIP
2	\$ 98,008	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 412 Water CIP
		SEWER O&M FUND		
1	\$ 50,000	Expenses	Transfer to Fund 530 for wastewater treatment plant repairs costs	Fund 421 Sewer O&M
2	\$ 42,789	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 421 Sewer O&M
3	\$ 263,180	Expenditure	Increase anticipated sweep amount to Sewer CIP based on updated beginning fund balance and 12% O&M reserve target	Fund 421 Sewer O&M
		SEWER CAPITAL FUND		
1	\$ 263,180	Revenue	Increase anticipated sweep amount from Sewer O&M based on updated beginning fund balance and 12% O&M reserve target	Fund 422 Sewer CIP
2	\$ 74,823	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 422 Sewer CIP
		STORMWATER O&M FUND		
1	\$ 5,511	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 431 Stormwater O&M
2	\$ 54,480	Expenditure	Increase anticipated sweep amount to Stormwater CIP based on updated beginning fund balance and 12% O&M reserve target	Fund 431 Stormwater O&M
		STORMWATER CAPITAL FUND		
1	\$ 54,480	Revenue	Increase anticipated sweep amount from Stormwater O&M based on updated beginning fund balance and 12% O&M reserve target	Fund 432 Stormwater CIP
2	\$ (10,209)	Expenses	Decrease Admin/Overhead cost recovery per updated calculations	Fund 432 Stormwater CIP

EXHIBIT A
2018 Budget Amendment #1 - Detail

Item #	Amount	Funds	Description	Cost Center
		INFORMATION TECHNOLOGY FUND		
1	\$ 21,000	Expenses	Move City wide long distance changes to this fund as part of the BARS review/account correction project	Fund 510 Information Technology
2	\$ 2,874	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 510 Information Technology
		FLEET & EQUIPMENT FUND		
1	\$ 2,047	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 520 Fleet and Equipment
		FACILITIES FUND		
1	\$ 50,000	Revenue	Transfer in from Sewer O&M fund to cover 2018 actual costs of wastewater treatment plant repairs not recovered due to two year look back delay	Fund 530 Facilities
2	\$ 16,308	Expenses	Increase Admin/Overhead cost recovery per updated calculations	Fund 530 Facilities

EXHIBIT B
2018 Budget Amendment #1

Fund	Name	Budgeted Beginning Balance		Actual Beginning Balance		Budgeted Revenues		Amended Revenues		Budgeted Expenditures		Amended Expenditures		Budgeted Restricted Fund Balance		Budgeted Undesignated Fund Balance		Amended Restricted Fund Balance		Amended Undesignated Fund Balance		
001	General Fund	3,891,951	4,548,625	13,603,435	13,805,270	14,394,086	15,400,136	2,740,316	360,984	2,740,316	360,984	2,744,906	360,984	2,744,906	849,757	208,853						
002	Contingency Fund	961,308	964,428	7,680	7,680	122,351	122,351	846,637	-	122,351	-	-	-	-	-	-	-	-	-	-	-	-
008	Donation Fund	3,330	4,733	4,050	4,050	6,361	6,361	-	-	6,361	-	-	-	-	-	-	-	-	-	-	2,422	-
105	Street Fund	266,595	344,107	683,312	694,657	737,769	749,114	-	-	737,769	212,138	-	-	-	-	-	-	-	-	-	-	289,650
109	Tourism Fund	79,340	87,296	80,450	80,450	101,000	106,150	-	-	101,000	58,790	-	-	-	-	-	-	-	-	-	-	61,596
114	Narcotics Fund	15,900	28,754	10,600	10,600	20,600	20,600	-	-	20,600	5,900	-	-	-	-	-	-	-	-	-	-	18,754
117	Real Estate Excise Tax Fund	1,804,730	1,920,795	1,214,800	1,214,800	710,393	864,393	-	-	710,393	2,309,137	-	-	-	-	-	-	-	-	-	-	2,271,202
203	Governmental Debt Fund	3,303	3,307	1,528,903	1,528,903	1,528,698	1,528,698	-	-	1,528,698	3,508	-	-	-	-	-	-	-	-	-	-	3,512
307	General Capital Projects	4,842,979	6,252,995	20,000	174,000	4,250,000	6,225,000	-	-	4,250,000	612,979	-	-	-	-	-	-	-	-	-	-	201,995
317	Parks CIP Fund	991,328	1,079,091	856,497	856,497	1,011,808	1,011,808	32,003	804,014	1,011,808	1,442,087	32,003	804,014	1,442,087	-	-	-	-	-	-	-	891,777
318	Street CIP Fund	1,336,142	1,677,593	7,719,433	7,719,433	7,613,488	7,613,488	-	-	7,613,488	7,984	-	-	-	-	-	-	-	-	-	-	1,783,538
319	North Kelsey Development	1,273,984	1,286,112	175,000	1,020,000	1,441,000	1,536,000	-	-	1,441,000	7,984	-	-	-	-	-	-	-	-	-	-	20,112
411	Water Fund	2,972,152	4,681,476	5,923,601	5,923,601	8,298,581	9,999,123	597,172	-	8,298,581	-	597,172	-	-	-	-	-	-	-	-	-	-
412	Water CIP Fund	3,643,797	3,100,611	3,393,584	5,020,946	2,372,535	2,470,543	4,664,846	-	2,372,535	-	4,664,846	-	-	-	-	-	-	-	-	-	-
421	Sewer Fund	2,042,614	2,403,717	7,519,922	7,519,922	8,870,621	9,226,590	691,915	-	8,870,621	-	691,915	-	-	-	-	-	-	-	-	-	-
422	Sewer CIP Fund	6,341,908	6,049,059	3,342,325	3,605,505	4,491,511	4,566,334	5,192,722	-	4,491,511	-	5,192,722	-	-	-	-	-	-	-	-	-	-
431	Stormwater Fund	624,866	685,519	1,784,300	1,784,300	2,193,502	2,253,493	215,664	-	2,193,502	-	215,664	-	-	-	-	-	-	-	-	-	-
432	Stormwater CIP Fund	715,474	698,887	273,711	328,191	938,502	928,293	50,683	-	938,502	-	50,683	-	-	-	-	-	-	-	-	-	-
450	Revenue Bond Reserve	1,898,351	1,953,799	905,963	905,963	-	-	2,804,314	-	-	-	2,804,314	-	-	-	-	-	-	-	-	-	55,448
510	Info Tech Services Fund	269,261	306,017	537,072	537,072	607,893	632,467	75,000	123,440	607,893	123,440	75,000	123,440	75,000	75,000	135,622						
520	Equipment & Fleet Fund	3,450,330	3,758,957	1,692,057	1,692,057	1,129,000	1,131,047	4,009,904	-	1,129,000	3,483	4,009,904	-	-	-	-	-	-	-	-	-	-
530	Facilities Management Fund	91,344	41,859	1,259,879	1,309,879	1,283,467	1,299,774	67,756	-	1,283,467	-	67,756	-	-	-	-	-	-	-	-	-	-
	Totals	37,520,987	41,877,737	52,536,574	55,743,776	62,123,166	67,691,763	21,988,932	5,945,463	62,123,166	5,945,463	23,675,206	5,945,463	23,675,206	6,254,544							

Exhibit C
2018 Beginning Cash Balance vs. Budgeted Beginning Balances

Fund	Description	Budgeted Beginning Balance	Actual Cash Beginning Balance	Difference	Comments
001	General Fund	3,891,951	4,548,625	656,674	Revenues higher than estimated (mostly sales taxes and building permits) and expenditures across the board came in under budget.
002	Contingency Fund	961,308	964,429	3,121	Interest earnings for all funds were higher than anticipated.
008	Donation Fund	3,330	4,733	1,403	
105	Street Fund	266,595	344,107	77,512	Development related revenues came in higher than anticipated; expenditures were below budget.
109	Tourism/Lodging Tax Fund	79,340	87,297	7,957	Expenditures less than anticipated due to a final award payment for 2017 made in 2018 (carry over)
114	Narcotic/Drug Buy Fund	15,900	28,754	12,854	Revenue and expenditure levels are volatile depending on activity.
117	REET Fund	1,804,730	1,920,795	116,065	Tax revenue higher than estimated. More property sold than predicted.
203	Governmental Debt Fund	3,303	3,307	4	
307	General CIP Fund	4,842,979	6,252,996	1,410,017	Bulk of construction expenditures to occur during 2018.
317	Parks CIP Fund	991,328	1,079,091	87,763	Impact fees higher than anticipated.
318	Street CIP Fund	1,336,142	1,677,594	341,452	Impact fees were higher than anticipated; cost recovery from Transportation Benefit District was higher also.
319	North Kelsey Development Fund	1,273,984	1,286,113	12,129	Interest earnings for all funds were higher than anticipated.
411	Water Fund	2,972,152	4,681,476	1,709,324	Water sales were higher than anticipated; sweep transfer to the Water Capital fund was less than anticipated (adjusted each year based on O&M activity and capital needs).
412	Water CIP Fund	3,643,797	3,100,611	(543,186)	Sweep transfer from Water O&M was less than anticipated, decreasing cash. Expenses were also less than anticipated, which increases cash. The net difference is the adjustment to beginning fund balance.
421	Sewer Fund	2,042,614	2,403,717	361,103	Sweep transfer to Sewer capital less than anticipated.
422	Sewer CIP Fund	6,341,908	6,049,060	(292,848)	Sweep transfer from Sewer O&M was less than anticipated.
431	Stormwater Fund	624,866	685,520	60,654	Stormwater and interest revenue higher than anticipated. No sweep for capital was made at year end.
432	Stormwater CIP Fund	715,474	698,887	(16,587)	Projected beginning fund balance anticipated a sweep from the Stormwater O&M fund which was not made.
450	Revenue Bond Reserve Fund	1,898,351	1,953,800	55,449	Transfers out to the Water, Sewer, and Stormwater O&M funds were not made in anticipation of the increased reserve needs due to the 2016 Revenue Bond issue.
510	Info Technology Fund	269,261	306,017	36,756	Both building technology fees were higher than anticipated and expenses came in less than budget.
520	Fleet & Equipment Fund	3,450,330	3,758,958	308,628	Sale of surplus items and interest revenue higher than anticipated. In addition, expenses were less than estimated.
530	Facilities Management Fund	91,344	41,860	(49,484)	Utility payments to outside vendors were higher than anticipated. Cost recovery is done on a two year look back, so revenues will always lag behind actual expenses.
		37,520,987	41,877,748	4,356,761	