

2009 Final Budget

Presented by:

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Today's Agenda

- Review Comments from Public Hearing
- Metropolitan Park District Election Costs
- Brief Overview of 2008 Amended Budget and 2009 Final Budget
- Review and adopt Cultural Resources Fund ordinance
- Adopt Budget ordinance
- Adopt Parking Tax ordinance
- Review and adopt Parking Violation ordinance

Question from Public Hearing

- Why can't we use money from the Economic Development Fund for the Pool and Fine Arts Center?



Fund Structure

FUND TYPES

General Governmental

General

Special Revenue

Hotel/Motel Tax

Street

Economic Development

Debt Service

General Obligation

Capital Projects

CIP

8th Street Bridges

Proprietary

Enterprise

Water

Sewer

Storm

Electric

Solid Waste

Medic I

Internal Service

Information Technology

Equipment Services

Self Insurance

Fiduciary

Trust

Agency

Pension

Permanent

Remember, we have numerous funds for a reason . . . State law **prohibits** money from being co-mingled between funds.

Economic Development Restrictions

- Expenditures must have a direct benefit to the local economy, such as
 - Creation of jobs
 - Creation of new businesses
 - Programs that stimulate economic vitality
- The \$7.5M settlement can **ONLY** be used for:
 - Capital projects which enhance economic development
 - Cannot be used for operations and maintenance

Question from Public Hearing

- Why don't we use the \$3.2M in General Fund reserves for operations?



Fund Reserve Policy

- Financial Management Policy sets the level of fund reserves at a minimum of 10% of expenditures in order to:
 - Offset unanticipated downturns in revenues and necessary fund revisions;
 - Provide for emergencies;
 - Ensure sufficient cash flow for daily financial needs; and
 - Establish depreciation reserves to provide adequate replacement of equipment

General Fund reserves are budgeted at \$3.2M (18%), the **lowest level since 2002**

Question from Public Hearing

- Why don't we decrease fuel costs?



Fuel Costs

- Fuel was already reduced by \$1.50/gallon from Preliminary Budget
 - Diesel \$4.00/gallon
 - Gasoline \$3.50/gallon

Total Fuel Savings \$145,500

Questions from Public Hearing

- Why don't we use Senior Center Construction funds for another project, such as the pool?



Senior Center Construction Project

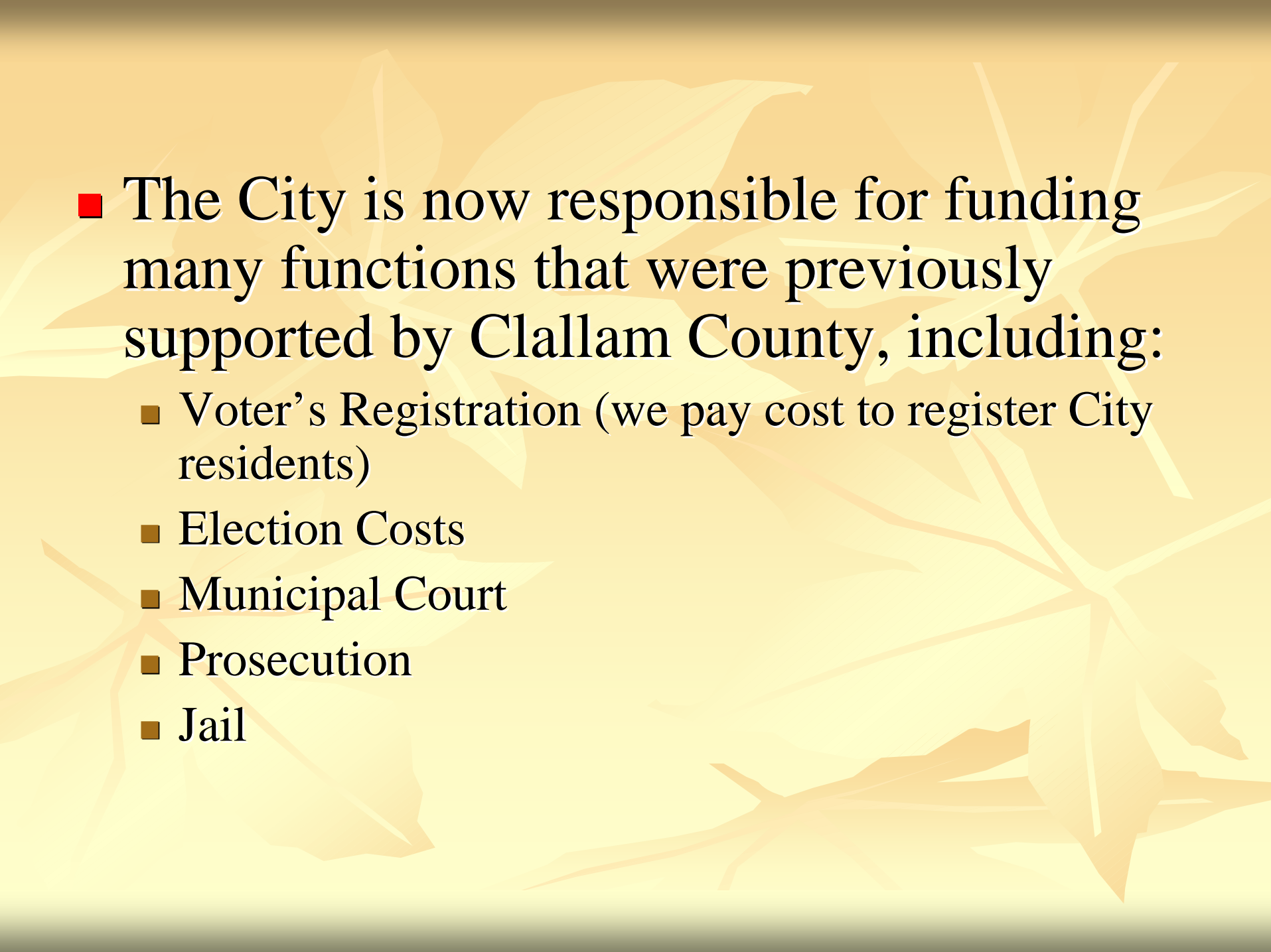
- Senior Center project was completed in 2008
 - Major funding for this project was from the bond approved by voters specifically for Senior Center construction



Questions from Public Hearing

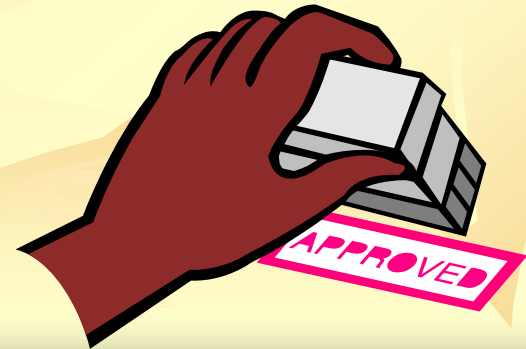
- Why does the City pay for voter's registration and election costs when these are County functions?



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- The City is now responsible for funding many functions that were previously supported by Clallam County, including:
 - Voter's Registration (we pay cost to register City residents)
 - Election Costs
 - Municipal Court
 - Prosecution
 - Jail

Remember...

- Adoption of the budget doesn't automatically authorize ALL budgeted funds to be spent
 - For example, all contracts must still go to Council for approval, including HarborWorks PDA, CBI, EDC, etc.
 - In addition, all expenditures over \$25,000 need to be pre-authorized by Council
- The budget can be amended at any time during the year.



Possible Special Election in 2009

Special Election for Metropolitan Park District

- Total cost of Election is estimated at \$60-82K
 - City share is estimated at \$36-45K depending on metropolitan park district boundaries and election of commissioners

Proposed Budget Ordinance includes:

- 2008 Amended Budget **\$112,494,185**
- 2009 Final Budget **\$103,307,699**

2008 Amended Budget

2008 Original Revenues

\$109,581,100

+

2008 Revisions

\$3,135,690

=

2008 Amended Revenues

\$112,716,790

2008 Original Expenditures

\$109,270,569

+

2008 Revisions

\$3,223,616

=

2008 Amended Expenditures

\$112,494,185

Designated for Reserves

\$222,605

2009 Final Budget

2009 Preliminary Revenues

\$97,592,178

+

2009 Revisions

(\$773,666)

=

2009 Final Revenues

\$96,818,512

2009 Preliminary Expenditures

\$104,565,782

+

2009 Revisions

(\$1,258,083)

=

2009 Final Expenditures

\$103,307,699

Use of Reserves

\$6,489,187

2009 Final Budget

Total Budget
\$103,307,699

Operating Budget
84%
\$86,322,439

Capital Budget
16%
\$16,985,260

One Final Change to 2008 and 2009 Budget

Creation of a NEW fund. . .

Cultural Resources Fund

. . .for the archaeology program.

Archaeologist division was previously budgeted in the Economic Development Fund

Tonight...

- Continue and close the Public Hearing on the Budget
- Review potential election costs for Metropolitan Park District
- Waive second reading and adopt Ordinance establishing Cultural Resources Fund
- Adopt the Budget Ordinance
- Adopt the Parking Tax Ordinance
- Waive second reading and adopt the Parking Violations Ordinance