



Kalama City Council - Council Agenda Item Information Form

Agenda Item: 5A – 2018 Budget Amendment

Meeting Date **December 20, 2018**

Prepared by: **Coni McMaster, Clerk/Treasurer**

Subject: **2018 Budget Amendment**

Summary: **Review of the year end changes to the 2018 Budget**

Whereas, the City of Kalama saw growth, new business and major construction projects, as well as a hot and dry summer which resulted in increased revenues for sales taxes, hotel/motel taxes, garbage revenues and water/sewer revenues;

Whereas, the City received requests for funding from the increase in the Hotel/Motel Taxes for City events that encouraged tourism bringing hundreds into town;
- Antique Sign – Lighted Boats – Marketing Map Ad

Whereas, the Police event Shop for a Cop included more children than in past years requiring an increase to the budget for the event covered in part by donations;
served 26-28 children – only budgeted \$1000

Whereas, the City saw unanticipated revenues in the Criminal Justice Sales taxes which will be transferred from Fund 104 to the General Obligation Bond payment Fund 215; *as provided in the tax ordinance funds will be used to pay for the police facility.*

Whereas, the Community Building was used more in 2018 than anticipated taking in additional revenues while experiencing additional maintenance costs;

Whereas, the City pays Waste Control for garbage services based on revenues which were up in 2018 resulting in increased contracted costs;

Whereas, the City utility taxes are based on the billed utility charges which were up in 2018 resulting in an increase in the taxes which results in additional transfers from water/sewer and garbage of the taxes to other funds; *these taxes are paid with the first 6% to the General Fund and the 5% to the General Fund Capital Facilities which is covering the cost of the police facility.*

Whereas, the Water/Sewer utility experienced unanticipated expenses for repairs, utility costs, pipe and materials, equipment, and contracted services throughout 2018; *Costs for parts inventory and chemicals were more – new security cameras at the WWTP, repairs at several pump stations and at both plants.*

Whereas, the unanticipated revenues received in 2018 create an excess in carryover to 2019 allowing for the additional transfers of funds to reserve funds from the General Fund and Water/Sewer operating fund; *Transfer of up to \$150,000 from the General Fund to the GF Reserves to meet the 20% minimum reserve, leaving a carryover of \$180-200,000 in 001 for 2019. Transfer of up to \$300,000 from the W/S Operating Fund 401 to Water/Sewer Reserves leaving \$250,000 to carryover to 2019. This ensures the reserves are adequate for the planned projects in the next two years and for any unforeseen emergencies.*

Whereas, the City of Kalama negotiated a new agreement with the Teamster Bargaining unit which included a 4.5% wage increase and adjustment to the calculation of longevity pay for bargaining unit members, and also changed the calculation for longevity pay for non-bargaining unit employees increasing the salaries as adopted on the original salary schedule;

There is \$50,000 of unused funding available on the USDA RD loan that we need to release back to USDA. They will send us the funds and we will immediately return them to closeout the funding.

Recommendation : The Council adopt Ordinance #1415.