

City of Sequim 2017 Budget

Administrative Services Department

Steward of a Fiscally Sound and Sustainable Community

Finance and Customer Service
Small Town Friendly with Long-Range Fiscal Responsibility

Information Technology
*Ensuring a Productive Workforce,
Securing Information, Advancing Citizen
Outreach and Transparency...*

**Non-
Departmental**
*Risk Management,
Cash & Investments
Management,
Safety...*

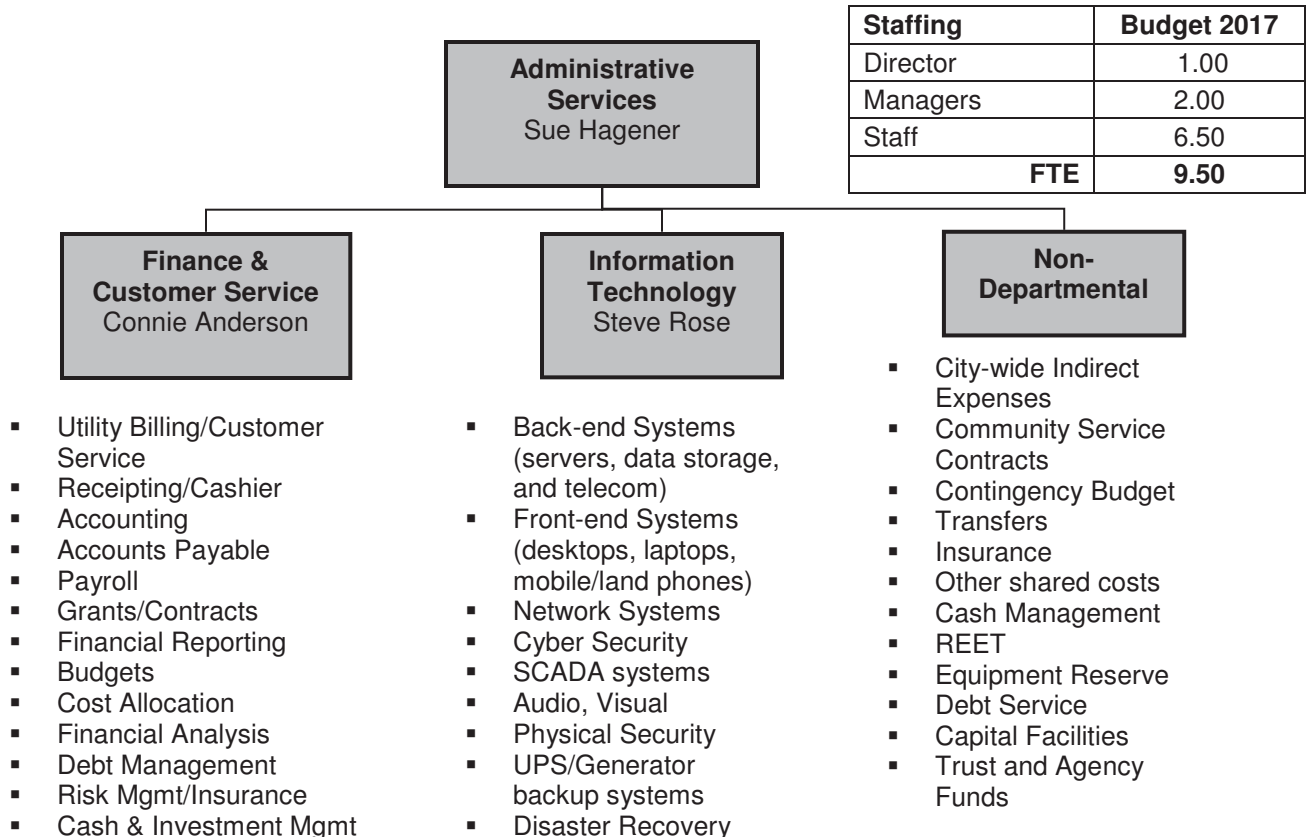
**Debt
Management**
*Compliance,
Tracking,
Funding...*

**Capital
Facilities/
Equipment
Reserve**
Funding our Future

**Transfers/
Allocations**
*Real Estate Excise
Tax Management,
Project Funding...*

**City Of Sequim
Department Description**

**Administrative Services Department
and Non-Departmental**



The **Administrative Services Department** is responsible for all financial aspects of the City and related customer service as well as Information Technology support and systems for all departments, Non-Departmental costs, REET, Equipment Reserve, Debt Service and Capital Facilities.

The **Finance** function oversees all financial functions of the City, the integrity of the City's financial records and ensures that public dollars are spent according to the approved budget. Finance staff assists other departments in budgeting and financial reporting, financial planning and analysis of projects, purchasing and bidding regulations, complying to grant requirements and submissions, and financing of capital projects. The City is audited by the State Auditor and has had a clean audit for over 24 years (based on available documents going back to 1992). Customer service is provided for the City's Water and Sewer utilities and assists with contracted solid waste services. The staff also supports business licensing, provides central reception services and responds to a wide variety of citizen inquiries.

The **Information Technology** manages a data network that consists of 5 VMware ESX Servers, 25 Windows Servers, 100 Windows Workstations and 20 Police mobile data terminals. The majority of the City's network has been consolidated into the Civic Center Data Center which hosts the Administrative, Public Works, Community Development and Police networks. The city also provides technology services to several remote sites over a secure (WAN) Wide Area Network. IT staff provides helpdesk support and computer training to all City staff and alerts staff to network and system issues. A multi-layered network security system is provided to protect City systems against the latest virus and malware threats, identity theft and phishing scams, and ensure systems are (PCI) Payment Card Industry compliant. Additionally, IT provides service and support to desktop phones, cellular phones, smartphones, tablets, audio and visual systems, website support, facility security systems and other electronic devices.

Non-Departmental shared costs are those that benefit city-wide operations. Also included are Community Service contracts, General Fund contingencies, and Streets Transfers. Additionally managed are REET, Equipment Reserve, Debt Service, Capital Facilities and Trust and Agency Funds. All accounts and activities are managed by the Finance and Budget personnel.

City Of Sequim Budget Overview

Administrative Services Department Finance & Information Technology

Sue Hagener, Administrative Services Director

2017 Key Goals

- ❖ Continue refinement of the financial systems including: financials, utilities, payroll and accounts payable
- ❖ Continue development of the capital equipment, IT and vehicle replacement/financing plan with all Departments
- ❖ Continue to ensure prompt debt service payments and responsible reporting to rating agencies
- ❖ Continue to update the Six Year Capital Improvement Plan in conjunction with the Long Range Financial Plan
- ❖ Support of the following key Council Goals:
 - Fund and carry out the transportation plan
 - Develop a solid waste plan
 - Partner with non-profits and faith organizations
 - Complete improvements to Guy Cole
 - Renew the TBD
- ❖ Upgrade Microsoft Exchange Server with integration of a Microsoft SharePoint installation
- ❖ Upgrade all Windows Servers to 2012 R2
- ❖ Replace SonicWALL Email Security appliance with a Barracuda or equivalent appliance
- ❖ Migrate Civic Center non-police security cameras to Barracuda IP gateway
- ❖ Install Council Chambers streaming video to integrate with Granicus system
- ❖ Continue with the IT Steering Committee to assist in the development of a 5-year technology plan, and provide an orderly process to recommend the best allocation of technology resources

2017 Budget Summary

Finance

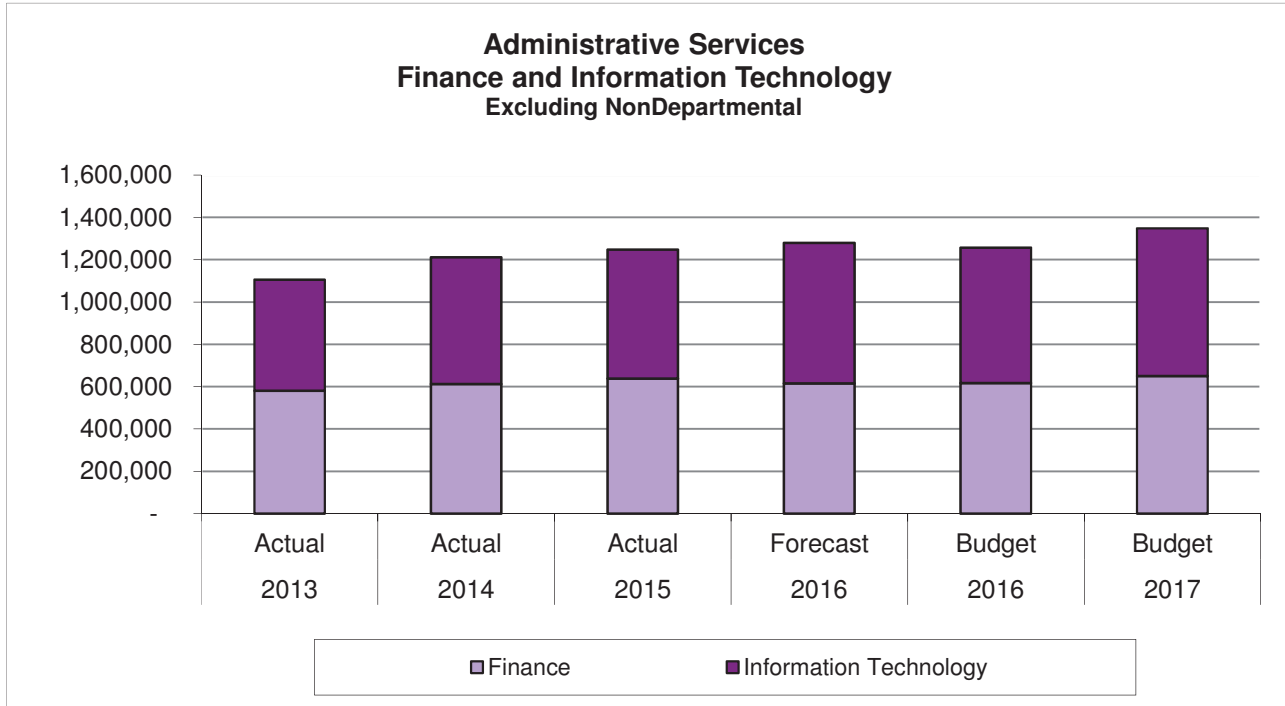
- ❖ Operating expenses increased by \$33k (5.3%): The increase in salaries and benefits of \$22k represent bargaining unit contract increases, PERS and medical insurance requirements. Increases in training, consistent with City-wide initiatives (e.g., High Performance Organizations), and audit expenses are also reflected.

IT

- ❖ Operating expenses increased by \$60k (9.4%): The increase in service charges of \$52k is primarily due to communications and annual maintenance contracts for the increasingly complex systems of the new Civic Center and the increasing mobilization of the work force City-wide. Increases in transfers to the equipment reserve (\$10k) are also reflected in the overall budget increase.

Finance and Customer Service
*Small Town Friendly with Long-Range Fiscal
Responsibility*

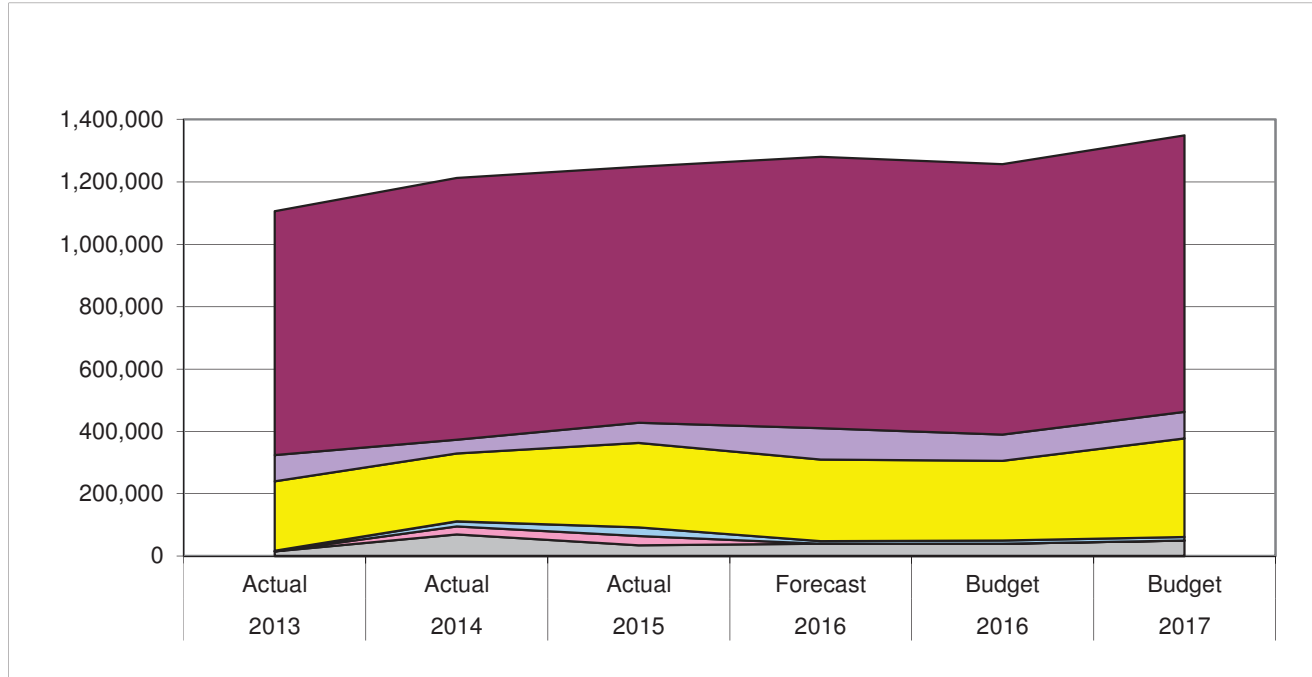
**City of Sequim
2017 Budget
Other Information**



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Finance	580,267	612,121	638,320	615,514	616,945	649,837	32,892	5.3%
Information Technology	525,053	599,602	609,583	664,081	638,983	698,966	59,983	9.4%
Total Finance & IT	1,105,320	1,211,723	1,247,903	1,279,595	1,255,928	1,348,803	92,875	7.4%
NonDepartmental	1,125,473	814,550	848,860	997,214	1,041,772	1,128,747	86,975	8.3%
Total Admin Services	2,230,793	2,026,273	2,096,763	2,276,809	2,297,700	2,477,550	179,850	7.8%

**City of Sequim
2017 Budget
5-Year Summary**

**Administrative Services
Finance and Information Technology**



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Salaries & Benefits	781,389	839,377	820,348	870,048	867,167	886,425	19,258	2%
Operating Supplies	83,988	43,303	65,348	100,083	83,187	84,995	1,808	2%
Charges for Services	223,246	218,195	270,256	261,780	255,700	316,007	60,307	24%
Intergovernmental	1,889	15,769	27,809	7,810	10,000	12,000	2,000	20%
Capital (Equip > \$7,500)		25,872	29,536	-	1	1	-	0%
Transfer (Equip Reserve)	14,808	69,209	34,605	39,875	39,875	49,375	9,500	24%
Total Expenses	1,105,320	1,211,725	1,247,902	1,279,596	1,255,930	1,348,803	92,873	7%

City Of Sequim Budget Overview

Non-Departmental

2017 Key Goals

- ❖ Maintain positive reviews by AWC Risk Management Service Agency (RMSA)
 - Support City-wide employee safety efforts
- ❖ Review and coordinate community investments
- ❖ Manage the use of contingency funds
- ❖ Manage transfers

2017 Budget Summary

The overall budget increase of \$87k (8.3%) is due to the following:

- ❖ Insurance premiums are set by the AWC Risk Management Service Agency (RMSA) based on claims history and asset valuations (\$344k), which is an estimated 5% increase from prior year actual charges and approximately \$50k over 2016 budgeted values. The increase in insurance costs from prior years is due to the addition of the Civic Center and adjustments to the replacement values in our schedule of insured property.
- ❖ Transfers out to Street Operations increased by \$20k due to the inability to use REET money for Street Operations in 2017 (as was allowable in prior years).

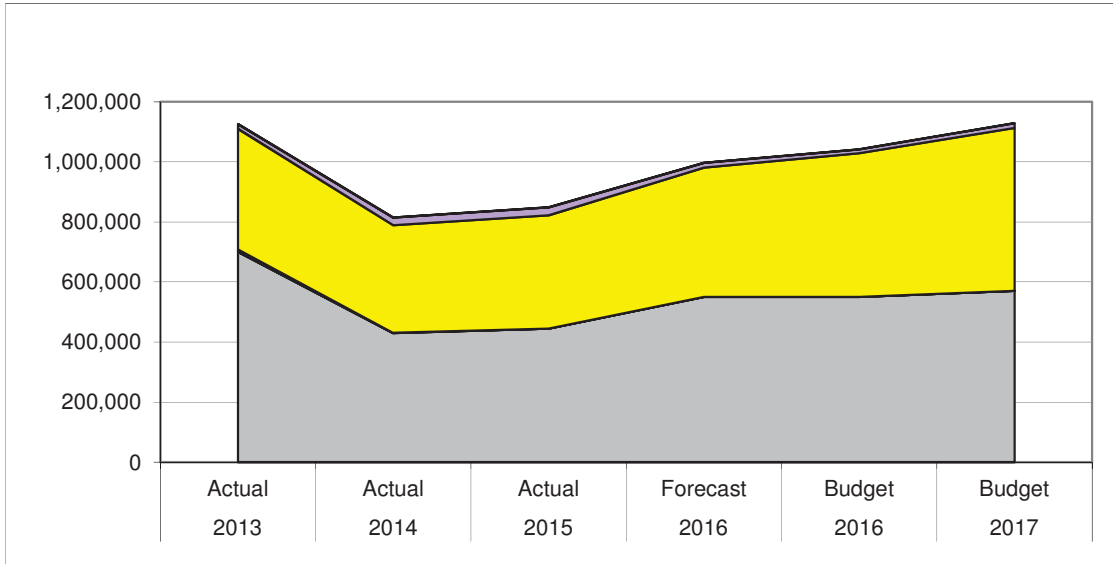
Other budget items include:

- ❖ Contingency money of \$100k is consistent with the prior year budget.
- ❖ Funding Health & Human Services and Community Service Contracts are based on the City's financial condition as these are discretionary investments for community/public benefit – consistent with prior year (\$75k).

**Non-
Departmental**
*Risk Management,
Cash & Investments
Management,
Safety...*

**City of Sequim
2017 Budget
5-Year Summary**

**Administrative Services
NonDepartmental**



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Salaries & Benefits		302		-	-	-	-	
Operating Supplies	15,807	24,910	26,919	16,617	13,000	16,035	3,035	23%
Charges for Services	402,221	358,640	376,807	430,562	478,332	542,272	63,940	13%
Intergovernmental	7,445	699	134	32	440	440	-	0%
Capital (Equip > \$7,500)				-	-	-	-	0%
NonExpense/Financing	700,000	429,999	445,000	550,003	550,000	570,000	20,000	4%
Total Expenses	1,125,473	814,550	848,860	997,214	1,041,772	1,128,747	86,975	8%
Transfers								
Reserves								
Equipment Reserves								
Street Operations	400,000	399,999	340,000	550,003	550,000	570,000	20,000	4%
Capital Projects	300,000	30,000	105,000	-	-	-	-	0%
Other				-	-	-	-	0%
Total Transfers	700,000	429,999	445,000	550,003	550,000	570,000	20,000	4%

City Of Sequim Department Description & Budget Overview

Real Estate Excise Tax REET 1 & REET 2

Department Description

Revenues of the **REET Fund** are based on the selling price of real estate sold within the City limits of Sequim and are collected and distributed by the Clallam County Treasurer. They are restricted as to the first and second ¼% of Real Estate Excise Taxes (REET1 and REET2) and are recorded separately according to RCW Title 82 – Excise Taxes.

The revenues generated by the first ¼% (REET1)¹ of these assessments shall be used solely for financing capital projects specified in a capital facilities plan element of the comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. Capital projects include public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm water systems, sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative and/or judicial facilities, river and/or waterway flood control projects.

The second ¼% (REET2)² is restricted to use for street, water and sewer acquisitions. Capital projects include public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm water systems, and sanitary sewer systems. It excludes facilities. The definition continues: “*and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks*”. It excludes acquisition and replacement.

The REET Flexibility bill (HB 1953) allowing local governments to use a portion of REET collections to pay for maintenance and operation of eligible REET categories (e.g., streets, sidewalks, parks, existing capital projects) expired in 2016. (In the past we used \$25k for street maintenance.) Finally, interest earned by REET1 and REET2 must be used on the same basis of the underlying funds.

Budget Overview

REET funds are being used for streets and parks projects and will help pay the debt service on the LTGO bonds issued for the Civic Center.

2017 Key Goals

- ❖ Record and manage Real Estate Excise Taxes as required by RCW 82

2017 Budget Summary

Revenues for 2017 are budgeted at \$316k based on the assumption of a percolating economy with slight growth. Expenses are budgeted at \$495k and consist of transfers to other funds to support budgeted or future projects as follows:

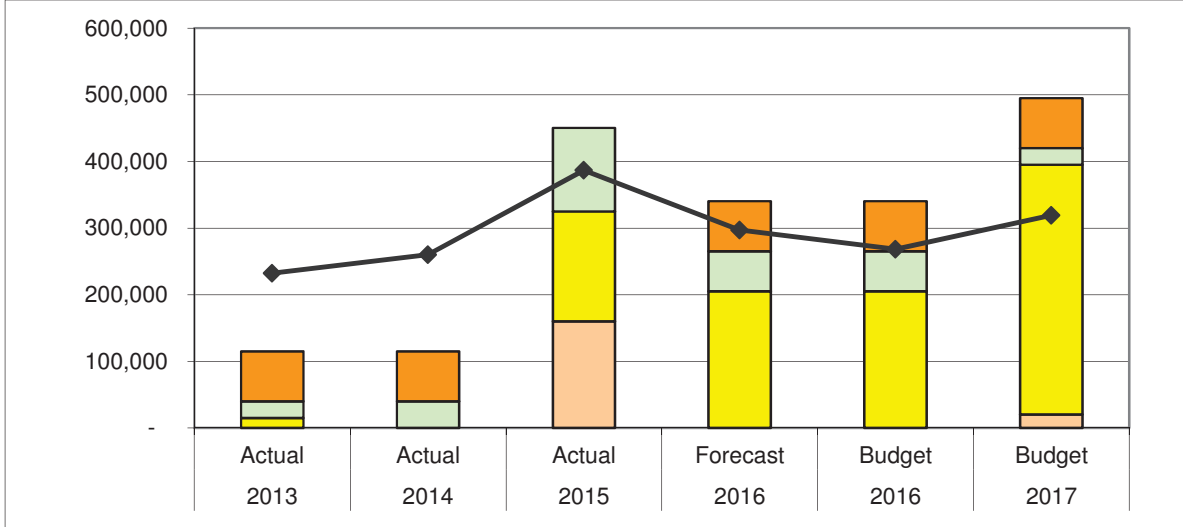
- ❖ \$20k to Capital Facility Projects for Civic Center improvements (if needed)
- ❖ \$25k to Street Projects
- ❖ \$75k to Civic Center LTGO Debt Service
- ❖ \$375k to Parks Projects including Pickleball Courts, an access road to Carrie Blake Park and Little League facility improvements

¹ REET1 – 82.46.010 (6)

² REET2 – 82.46.035 (5)

**City of Sequim
2017 Budget
5-Year Summary**

Real Estate Excise Tax (restricted fund)



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Beginning Fund Balance								
REET 1	75,061	127,000	182,163	186,011	39,223	261,777	222,554	567%
REET 2	41,477	106,752	196,665	129,453	115,661	10,506	(105,155)	-91%
Beginning Fund Balance	116,538	233,752	378,828	315,464	154,884	272,283	117,399	76%
Revenues								
Taxes	229,078	256,274	382,230	292,713	265,307	316,000	50,693	19%
Other Miscellaneous	3,137	3,801	4,406	4,107	2,780	3,200	420	15%
NonRevenues	-	-	-	-	-	-	-	0%
Revenues	232,215	260,075	386,636	296,820	268,087	319,200	51,113	19%
Expenses								
Transfers To:								
Civic Center/ Debt Service	75,000	75,000		75,000	75,000	75,000	-	0%
101 Streets Ops/ 111 Streets R	25,000	40,000	125,000	60,000	60,000	25,000	(35,000)	-58%
140 Parks R	15,000		165,000	205,000	205,000	375,000	170,000	83%
306 Capital Facilities			160,000	-	-	20,000	20,000	100%
Total Expenses	115,000	115,000	450,000	340,000	340,000	495,000	155,000	46%
Surplus/(Deficit)	117,215	145,075	(63,364)	(43,180)	(71,913)	(175,800)	(103,887)	-144%
Ending Fund Balance								
REET 1	127,000	182,163	186,011	261,777	100,463	66,377	(34,086)	-34%
REET 2	106,752	196,665	129,453	10,506	-17,492	30,106	47,598	272%
Ending Fund Balance	233,753	378,827	315,464	272,284	82,971	96,483	13,512	16%

City Of Sequim Budget Overview

Equipment Reserve (restricted fund)

2017 Key Goals

- ❖ Manage and fund the equipment replacement function of the organization (excluding enterprise funds)
 - Policy minimum fund balance is 2.5 years of replacement and maximum is 6 years of replacement

2017 Budget Summary

Transfers into this reserve have increased over the last two years in response to funding requirements for equipment and to move toward complying with fund balance requirements. The city is readjusting its savings efforts upward due to prior year declines, ending 2017 with a fund balance \$100k over the beginning balance. We intend to comply with the minimum ending fund balance policy requirements by the end of 2019. (This is based upon current needs scheduled out through 2023. This schedule of needs is updated annually.)

2017 Transfer/Revenues to 164	Vehicles	Equipment	Total
Water and Sewer	32,480	64,000	96,480
Facilities Maintenance	4,400		4,400
GIS/Engineering	2,400		2,400
Parks	4,000	3,000	7,000
PW Admin	50,000	13,000	63,000
Police	250,000		250,000
IT		49,375	49,375
General Fund Subtotal	310,800	65,375	376,175
Streets	30,000	13,998	43,998
Hotel/Motel		7,000	7,000
Total	373,280	150,373	*523,653

* Excludes approximately \$4k in transfers within the 164 fund as we close out unused sub-funds.

2017 Expenses – Significant Changes

Expenses budgeted for 2017 of \$432k include:

- ❖ Three police cars (\$180k): Staffing levels increased substantially in 2006 and 2007 for a variety of reasons, including grant funding. With the new officers came the need to outfit those officers with marked and unmarked cars in those years. (Few cars were purchased in the years after.) As such, there are currently a significant number of police cars in use that are over 10 years old. The City intends to replace 3 of these cars in 2017, consistent with the PD's vehicle repair and replacement program.
- ❖ IT Systems (\$57k):
 - Exchange Upgrade / Sharepoint Implementation: Our current Exchange 2007 platform (which supports our e-mail and calendar system) is out of date and will become "unsupported" in 2017, leaving us vulnerable to security threats and without support. It will also not allow us to upgrade Microsoft Office applications. Finally, upgrading the Exchange will also prompt us to implement Microsoft SharePoint bringing us many benefits like the ability for teams to collaborate and share data far more efficiently than via email and file-shares alone.

City Of Sequim Budget Overview

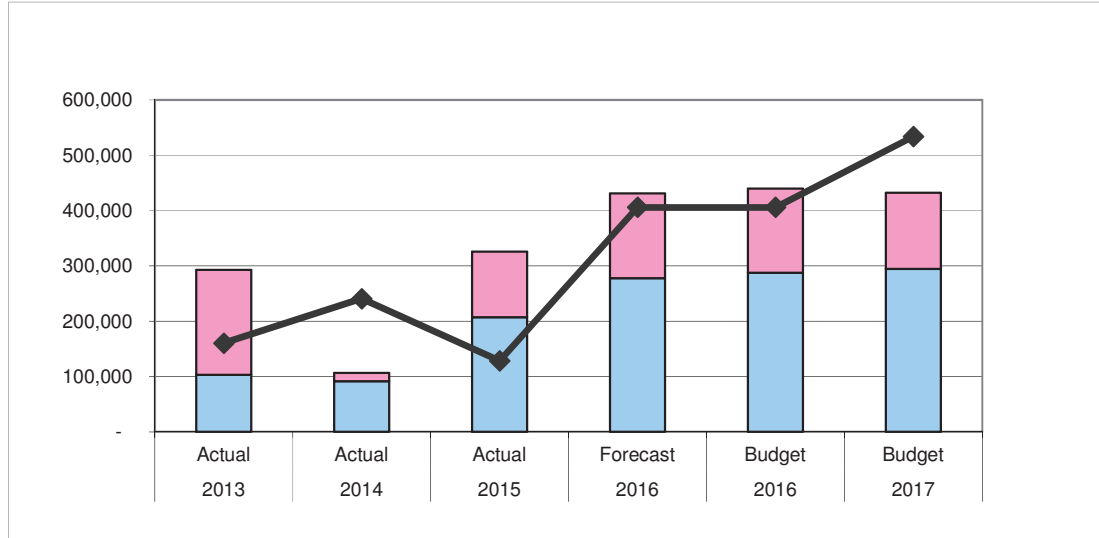
- Council broadcast or streaming equipment: To improve and increase access to Council Meetings, Council directed staff to outfit the Council Chambers with video cameras and equipment necessary to activate the video component of our current Granicus system, which is currently utilized for agenda management and citizen outreach with Council materials and audio recordings of all meetings.
 - Tourism Website Upgrades – Mobile Apps: A Sequim specific mobile app will make it easier for the high volume of users (using mobile devices) to access the Tourism Website and find the information they are looking for. (Also, see the Hotel/Motel budget write-up)
 - Geographical Information Systems (GIS) upgrades: GIS allows for deeper analysis of issues/infrastructure and cleaner presentation of information, particularly through maps. We are taking additional steps to integrate GIS with our field staff and to provide more organizational GIS services, in addition to more externally focused systems that provide GIS services to the public.
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- ❖ New mini-excavator (\$80k): This small machine with tracks will allow access into hard to reach areas to assist in utility trenching and locates, water and sewer line repair, brush clearing and pond cleaning, as examples. A thumb will make unloading trucks possible without tearing up the ground. A mini excavator leaves a smaller footprint than large wheeled backhoes and is a more precise machine.
 - ❖ Replacement GMC Vandura G-3500 (\$70k): The 1995 Vandura was purchased used in 2003 from a state prison. It's an old style diesel with outdated emission standards worth only about \$1,100 and needs an estimated of \$5,800 in repairs (it burns a quart of oil a week). This vehicle is too small to accommodate adequate equipment and tools, requiring staff to make multiple trips to and from the shop and field. We expect to replace it with a truck with lift bucket for servicing street lights and cameras.
 - ❖ Replacement Mercury Mountaineer (\$40.6k): This 2002 vehicle has chronic electrical issues and needs continual computer calibrations as well as a faulty fuel and alarm system that cannot be disabled. This vehicle is currently used for commuting long distances for classes and is not recommended for such because of differential issues. The Operations Manager who also drives this vehicle needs a small truck that can haul equipment and signs, tools and road debris as well as employees. The City will be looking for a green vehicle for employee travel that is large enough for 4 people and gear.





**City of Sequim
2017 Budget
5-Year Summary**

Equipment Reserve Fund (restricted fund)



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Beginning Fund Balance								
164-0xx Equipment	150,577	57,377	144,656	75,081	78,998	70,580	(8,418)	-11%
164-1xx Vehicles	388,539	349,043	395,536	267,727	351,145	246,924	(104,221)	-30%
Beginning Fund Balance	539,116	406,420	540,192	342,808	430,143	317,504	(112,639)	-26%
Revenues								
164-0xx Equipment	92,644	97,130	3,882	143,373	143,373	154,495	11,122	8%
164-1xx Vehicles	58,821	138,004	4,609	251,800	251,800	373,596	121,796	48%
Other Revenues	8,846	5,540	120,026	10,477	10,500	5,500	(5,000)	-48%
Total Revenues	160,311	240,674	128,517	405,650	405,673	533,591	127,918	32%
Expenses								
164-0xx Equipment	189,568	15,391	118,750	153,351	152,001	137,316	(14,685)	-10%
164-1xx Vehicles	103,439	91,511	207,152	277,603	288,000	294,722	6,722	2%
Total Expenses	293,007	106,902	325,902	430,954	440,001	432,038	(7,963)	-2%
Surplus/(Deficit)	(132,696)	133,772	(197,385)	(25,304)	129,468	101,553	(27,915)	-22%
Ending Fund Balance								
164-0xx Equipment	57,377	144,656	75,081	70,580	75,870	93,259	17,389	23%
164-1xx Vehicles	349,043	395,536	267,727	246,924	201,478	325,798	124,320	62%
Ending Fund Balance	406,420	540,192	342,808	317,504	395,815	419,057	23,242	6%
Expenses by Program								
IT	146,504		87,096	110,000	110,001	51,122	(58,879)	-54%
Police	18,872	91,511	112,528	99,603	100,000	180,316	80,316	80%
Streets	51,067		70,132	65,000	65,000	-	(65,000)	-100%
DCD			1,765	28,000	28,000	-	(28,000)	-100%
PW Admin	76,564	15,391	54,381	128,351	137,000	200,600	63,600	46%
Transfers to IT				-				
Total Expenses	293,007	106,902	325,902	430,954	440,001	432,038	(7,963)	-2%

City Of Sequim Budget Overview

Debt Management

*Compliance,
Tracking,
Funding...*

Debt Service Fund

Description

This Fund was created for the purpose of recording bond proceeds and cost of issuance plus paying principal and interest related to the Civic Center (LTGO) bonds.

2017 Key Goals

- ❖ Administer the ongoing debt service requirements of the LTGO bonds supporting the Civic Center project including transfers from the General Fund, the Police Restricted funds (Public Safety Tax) and Real Estate Excise Tax.

2017 Budget Summary

- ❖ Debt Service payments of the bonds supporting the Civic Center project of \$660k in 2017 and thereafter. (We will be paying down our principal balance in 2017 by \$230,000.) Funding for this debt service is as follows: \$345k from General Fund, \$245k from Public Safety Tax, \$75k from REET. The 2016 mid-year amended budget included the potential for an additional \$40k transfer in from the General Fund in the event General Fund revenues exceeded expectations.

5-Year Summary

Debt Service (restricted fund)								
	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Beginning Fund Balance	-	10,447,633	3,362,398	890	7,531	49,742	42,211	
Revenues								
LTGO Bond Proceeds	10,680,000	508,232			-	-	-	0%
Other Miscellaneous	13,163	86,209	(41,455)	593	-	-	-	0%
NonRevenues			679,000	705,000	705,000	665,000	(40,000)	-6%
Revenues	10,693,163	594,441	637,545	705,593	705,000	665,000	(40,000)	-6%
Expenses								
Issuance Costs & Debt Service	245,530	579,677	659,837	656,740	656,740	659,390	2,650	0%
Transfers to Capital Facilities		7,100,000	3,339,216	-	-	-	-	0%
Total Expenses	245,530	7,679,677	3,999,053	656,740	656,740	659,390	2,650	0%
Surplus/(Deficit)	10,447,633	(7,085,236)	(3,361,508)	48,853	48,260	5,610	(42,650)	-88%
Ending Fund Balance	10,447,633	3,362,397	890	49,743	55,791	55,352	(439)	-1%

City Of Sequim Budget Overview

Capital Facilities Fund

Description

This Fund was created for the purpose of paying and tracking the costs associated with Facility projects.

2017 Key Goals

- ❖ Account for and monitor Facility Capital projects

2017 Budget Summary

The 2017 budget of \$124k is a significant reduction from the prior year budget. In 2016, the budget assumed final payment on the Civic Center project, Guy Cole Improvements and final transfers out of Civic Center project contingency. Projects for 2017 include:

- ❖ \$20k for possible Civic Center improvements.
- ❖ \$68k shop property improvements.



5-Year Summary

Capital Facilities (restricted fund)								
	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	2017-2016 %
Beginning Fund Balance	927,138	560,660	48,124	271,064	86,035	53,248	(32,787)	-38%
Revenues								
Other Miscellaneous	19,423	2,489	98,449	559,610	743,205	205	(743,000)	-100%
NonRevenues	550,346	7,103,959	7,054,234	240,000	255,000	90,000	(165,000)	-65%
Revenues	569,769	7,106,448	7,152,683	799,610	998,205	90,205	(908,000)	-91%
Expenses								
Civic Center	474,481	7,415,025	6,747,704	248,048	162,001	20,002	(141,999)	-88%
Other Capital Projects	285,318	3,959	22,528	714,793	713,000	68,000	(645,000)	-90%
Administrative Overhead	176,447	200,000	159,511	54,585	112,236	36,945	(75,291)	-67%
Transfers				-	80,000	-	(80,000)	-100%
Total Expenses	936,246	7,618,984	6,929,743	1,017,426	1,067,237	124,947	(942,290)	-88%
Surplus/(Deficit)	(366,477)	(512,536)	222,940	(217,816)	(69,032)	(34,742)	34,290	50%
Ending Fund Balance	560,661	48,124	271,064	53,248	17,003	18,506	1,503	9%

City Of Sequim Department Description & Budget Overview

Trust, Agency and Internal Services Funds

Department Description

- ❖ **Unemployment Compensation Reserve** is an internal services fund used to pay unemployment claims and to reserve for future unemployment claims (based upon historical activity).
- ❖ **Police Expendable Trust Fund** is used to temporarily hold seized assets until the case is resolved and the Court system declares the rightful property owner. Once declared as a City asset the money is transferred to special revenue Fund 121, Police Seized Asset Fund, where the funds are spent according to state law.
- ❖ **Construction Deposits** is used to hold funds in lieu of a performance bond from a developer or retainage for a large project. Funds will be repaid based on acceptable completion of the project or used to complete/repair work not done according to City standards.
- ❖ **Intergovernmental Agency Fund** is used to receipt various monies received from the County and remitted to other government agencies.
- ❖ **Flexible Spending Account Fund** is used to account for incoming/outgoing employee benefit money that is collected pre-tax and expended on behalf of the employee for medical related expenses based on IRS guidelines.
- ❖ **Utility Security Deposits Fund** is used to account for incoming/outgoing security deposits held for the Water and Sewer Utilities.
- ❖ **Haller Park Fund** is needed to account for a non-expendable trust of the City provided by the Haller Family.

2017 Key Goals

- ❖ To appropriately account for trust, agency and internal services funds according to regulations.

2017 Budget Summary

Revenues and expenses for all funds fluctuate based on external factors. Revenues are budgeted basically the same from year to year because these funds are budgeted to account for volatility of revenues and costs. Actuals can vary significantly from budget. Expenses are the same, with the exception of retainage which is paid out 45 to 60 days after a project is complete as determined by the City Engineer or, for large projects, the City Council.

Unemployment Compensation Reserve

- ❖ Revenues consist of transfer in from streets and sewer and expenses consist of \$27k in claims paid.

Police Expendable Trust Fund

- ❖ Revenues and expenses are budgeted at \$20,000 but are dependent on activity.

Construction Deposits

- ❖ Revenues: Include construction deposits for developments and City projects that will have retainage.
 - \$325,000 new construction deposits
- ❖ Expenses: Are budgeted to equal revenues allowing for the return of funds during the same year.
 - \$325,000 new construction deposits

Intergovernmental Agency Fund

- ❖ These are funds held in a fiduciary capacity by the City and can not be used for general operations. A budget amount was selected that will cover the costs of disbursements. The revenue and expenses are based on tax assessments and the sale of bus passes.

Flexible Spending Account Fund

- ❖ Revenues and expenses are budgeted at \$45k and based upon expected benefit activity.

Utility Security Deposits

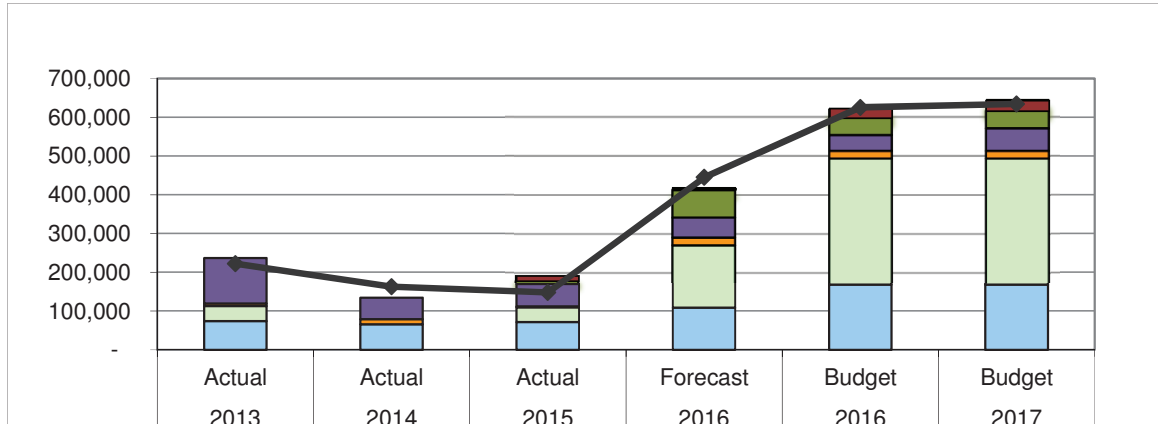
- ❖ Based on level of security deposits held for the Water and Sewer Utilities

Haller Park Fund

- ❖ Monies expendable in the fund are limited to interest only and in 2017 we have \$10k in park improvements budgeted.

**City of Sequim
2017 Budget
5-Year Summary**

Trust & Agency Funds (restricted funds)



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Beginning Fund Balance								
Unemployment Compensation			39,685	32,954	27,954	43,419	15,465	55%
Flexible Benefits				455	-	1,318	1,318	100%
Police Expendable Trust	8,520	8,520	485	-	-	-	-	0%
Construction Deposits/Retainage	16,218	-	36,851	-	38,300	-	(38,300)	-100%
Utility Deposits	-	96,851	120,939	136,478	122,652	141,945	19,293	16%
Haller Park Fund	36,384	37,059	37,544	37,904	37,964	38,402	438	1%
Intergovernmental Agency Fund	1,426	3,278	2,732	5	2,638	12,976	10,338	392%
Beginning Fund Balance	62,548	145,708	238,236	207,796	229,508	238,060	8,552	4%

	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Revenues								
Unemployment Compensation			6,600	16,250	16,250	7,500	(8,750)	-54%
Flexible Benefits			11,628	73,180	45,000	45,000	-	0%
Police Expendable Trust	6,340	4,853	1,580	20,000	20,000	20,000	-	0%
Construction Deposits/Retainage	22,854	36,851	1,448	162,500	325,000	325,000	-	0%
Utility Deposits	117,166	55,668	57,955	50,919	40,000	58,000	18,000	45%
Haller Park Fund	675	485	360	498	440	440	-	0%
Intergovernmental Agency Fund	75,610	65,085	68,567	121,610	178,627	178,627	-	0%
Revenues	222,645	162,942	148,138	444,957	625,317	634,567	9,250	1%

	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Total Expenses								
Unemployment Compensation			13,331	5,785	24,750	27,000	2,250	9%
Flexible Benefits			11,173	72,317	45,000	45,000	-	0%
Police Expendable Trust	6,340	12,888	2,065	20,000	20,000	20,000	-	0%
Construction Deposits/Retainage	39,072	-	38,300	162,500	325,000	325,000	-	0%
Utility Deposits	20,426	32,074	42,416	45,453	39,000	43,000	4,000	10%
Haller Park Fund	-	-	-	-	-	10,000	10,000	100%
Intergovernmental Agency Fund	73,759	65,630	71,295	108,638	168,328	168,328	-	0%
Total Expenses	139,597	110,592	178,580	414,693	622,078	638,328	16,250	3%

	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Ending Fund Balance								
Unemployment Compensation			32,954	43,419	19,454	23,919	4,465	23%
Flexible Benefits			455	1318	-	1,318	1,318	100%
Police Expendable Trust	8,520	485	-	-	-	-	-	0%
Construction Deposits/Retainage	-	36,851	-	-	38,300	-	(38,300)	-100%
Utility Deposits	96,740	120,445	136,478	141,945	123,652	156,945	33,293	27%
Haller Park Fund	37,059	37,544	37,904	38,402	38,404	28,842	(9,562)	-25%
Intergovernmental Agency Fund	3,278	2,732	5	12,976	12,937	23,275	10,338	80%
Ending Fund Balance	145,596	198,058	207,794	238,060	232,747	234,299	1,552	1%

