

7:00 p.m.  
Fife City Hall  
Council Chambers

**FIFE CITY COUNCIL  
AGENDA**

Date: May 19, 2009

**Special Meeting  
Study Session**

- 6:00 EXECUTIVE SESSION  
For the purpose of Real Estate RCW 42.30.140 for approximately 20 minutes.
- 7:00 1. CALL TO ORDER AND ROLL CALL  
Godwin\_\_\_Johnson\_\_\_Hull\_\_\_Brooks\_\_\_Cerqui\_\_\_de Booy\_\_\_Roscoe\_\_\_
2. PLEDGE OF ALLEGIANCE
3. CHANGES, ADDITIONS OR DELETIONS TO AGENDA
4. STUDY SESSION
- 7:05 a. Overview of Parks & Recreation (Reuter)
- 7:30 b. Overview Community Development (Durham)
- 8:00 c. 2009 Budget ( Marcotte)
- 8:30 5. REVIEW OF UPCOMING COUNCIL AGENDAS
6. ADJOURNMENT

**MEMORANDUM**  
**For Meeting of May 19, 2009**

TO: Mayor and Councilmembers  
 THROUGH: Steve Worthington  
 FROM: Kurt Reuter, Parks, Recreation & Community Services Director  
 SUBJECT: PRCS Department Budget Overview

**REPORT IN BRIEF:** A discussion of the PRCS Department operations and budgets.

**DISCUSSION:** The PRCS Department previously consisted of four divisions; Recreation, Community Center, Swim Center, and Parks Maintenance. We have recently reorganized down to three divisions. The Recreation and Community Center divisions were combined to form what will now be called the Recreation Services division. Due to various operational and budget administration reasons, we will continue to operate utilizing all four division budgets for the remainder of 2009. However, staff has implemented all of the cost saving strategies associated with the department reorganization and will operate in that manner through the end of 2009. The 2010 PRCS budget will consist of three divisions that reflect the current department structure.

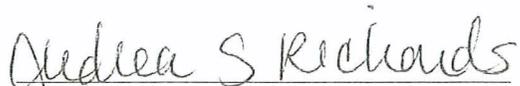
<b>PRCS Department Expenses by Division</b>	<b>Approved 2008 Budget</b>	<b>Actual 2008 Expenditures</b>	<b>Approved 2009 Budget</b>
Recreation	\$222,448.00	\$272,732.00	\$271,631.00
Community Center	\$215,000.00	\$216,625.00	\$223,124.00
Swim Center	\$737,230.00	\$759,480.00	\$715,252.00
Parks Maintenance	\$477,246.00	\$410,787.00	\$447,420.00
<b>Total - General Fund Expenses</b>	<b>\$1,685,224.00</b>	<b>\$1,659,624.00</b>	<b>\$1,657,427.00</b>

<b>PRCS Department Revenues by Division</b>	<b>Approved 2008 Budget</b>	<b>Actual 2008 Revenues</b>	<b>Approved 2009 Revenues</b>
Recreation	\$60,000.00	\$80,193.00	\$76,500.00
Community Center	\$30,000.00	\$30,401.00	\$31,000.00
Swim Center	\$235,000.00	\$240,824.00	\$220,000.00
Parks Maintenance	N/A	N/A	N/A
<b>Total - General Fund Revenue</b>	<b>\$325,000.00</b>	<b>\$351,418.00</b>	<b>\$327,500.00</b>

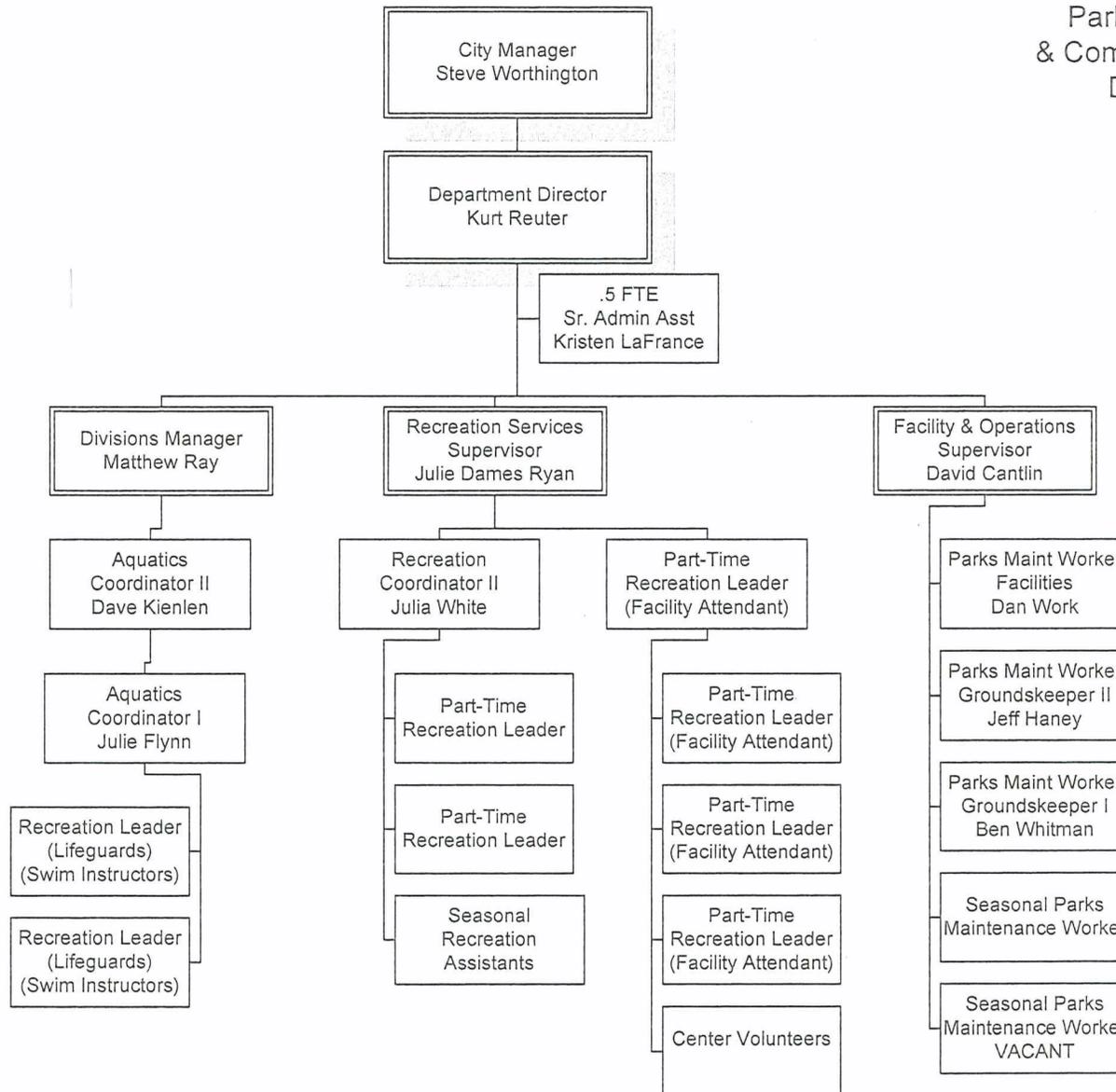
**FISCAL IMPACT:** The PRCS Department has responded to the City's declining revenues by reducing our general fund operating expenditures. The large majority of the expense reductions have come from part time salaries and benefits. The pool has reduced programming during hours of low attendance and operates with full time staff performing more front desk and direct programming duties. Recreation and Community Center part time staff have also been reduced to the bare minimum necessary to cover programs and building operations. Parks maintenance has reduced their seasonal staff by 50%. This combination of efforts has allowed the Department to meet targets established by the City Manager related to 2009 budget reductions.

  
 Kurt Reuter  
 Parks, Recreation & Community Services Director

  
 Approved for Agenda:  
 Steve Worthington, City Manager

# City of Fife

Parks, Recreation  
& Community Services  
Department



May 2009

**MEMORANDUM**  
For Meeting of May 19, 2009

**TO:** Mayor and Councilmembers  
**THRU:** Steve Worthington, City Manager  
**FROM:** Carl Durham, Acting Community Development Director  
**SUBJECT:** Budget Planning – Overview of the Community Development Department

**REPORT IN BRIEF:**

Community Development Director Carl Durham will present a brief overview of the functions of the Community Development Department.

**DISCUSSION:** The Community Development Department (CD) is broken into two divisions, Planning and Building; however, the line is quite blurry and crossed often by each division. We take in, process and issue all permits, even those that are reviewed by other departments such as Public Works. All the normal building permits, SEPA applications, land use permits (such as Lot Line changes, plats and subdivision applications) and use permits (such as Special Events and signage) are processed by the CD Department. We are also responsible for compliance with the Growth Management Act and the reports and applications required for that compliance. A large amount of our responsibilities are not permit related; also included are: annual comprehensive plan amendments, transportation planning reports and the TIP, capital facilities report, Planning Commission, Commute Trip Reduction, Geographic Information System updates, Buildable Lands reports, Community Rating System audits, Fire Code inspections, Fire Sprinkler system annual tests, emergency response and planning and code enforcement.

**BACK GROUND:**

Adopted 2009 Budget for:

Community Development Department

2009 Budget

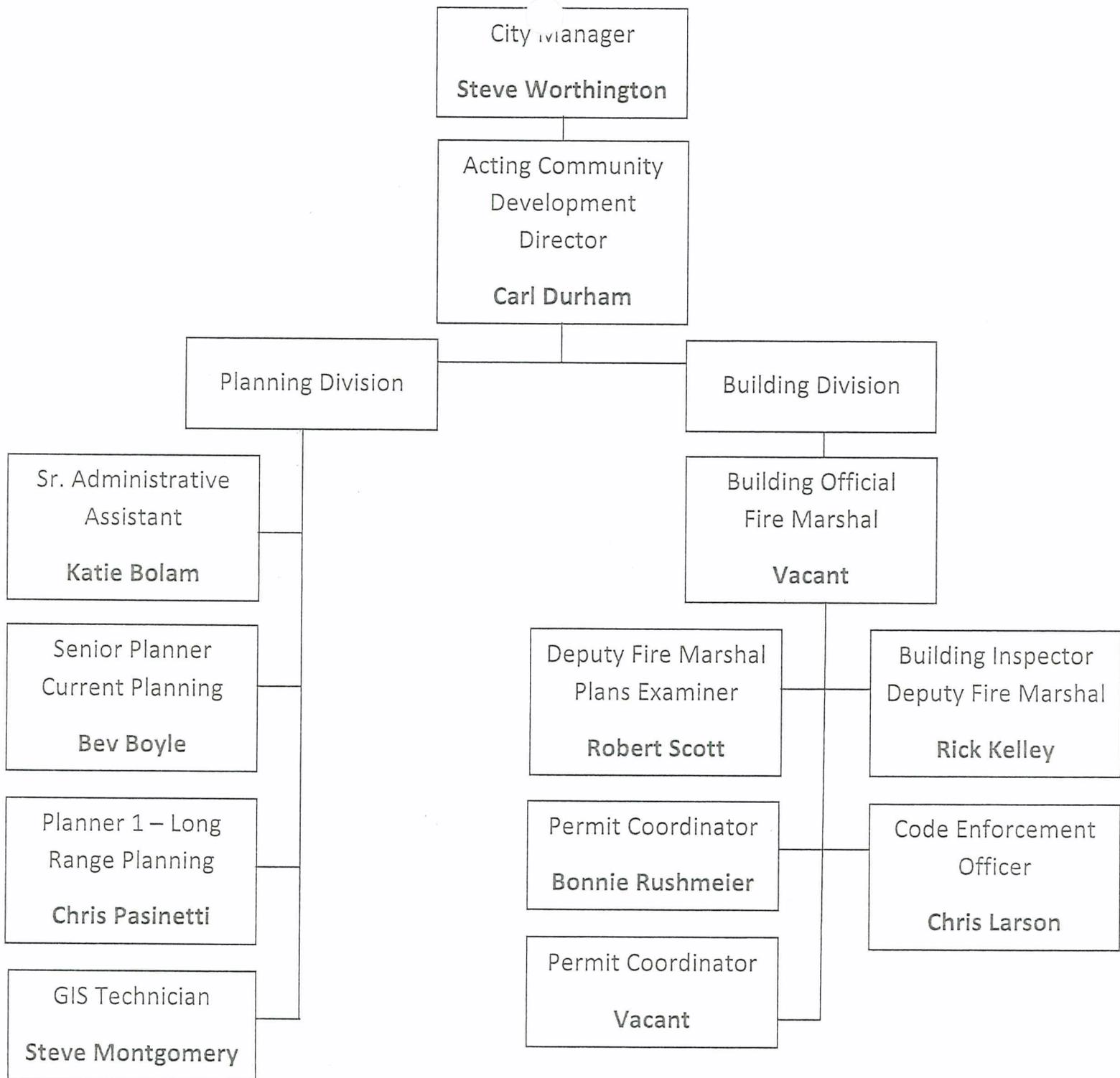
Planning Division	\$533,998.00
Building Division	\$492,052.00
Total	\$1,026,050.00

2008 Budget

Planning Division	\$535,781.00
Building Division	\$627,491.00
Total	\$1,163,272.00

2007 Budget

Planning Division	\$454,650.65
Building Division	\$618,323.35
Total	\$1,072,974.00





**Back Row: Chris Larson \* Bonnie Rushmeier \* Steve Montgomery \* Chris Pasinetti**

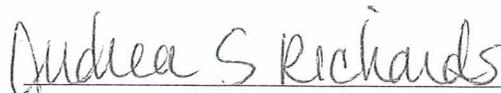
**Front Row: Rick Kelley \* Robert Scott \* Beverly Boyle \* Katie Bolam \* Carl Durham**

ATTACHMENTS:

City of Fife, Community Development Department Organizational Chart and Photograph.



Carl Durham, Community Development Director



FOR Approved for agenda  
Steve Worthington, City Manager

**MEMORANDUM**  
**For Study Session of May 19, 2009**

TO: Mayor and Councilmembers  
THROUGH: Steve Worthington, City Manager  
FROM: Steve Marcotte, Finance Director  
SUBJECT: 2009 Budget Status

**REPORT IN BRIEF:** At this point in the year, it appears that General Fund revenues will be about \$1.6 million below the budgeted amount. However, efforts to reduce General Fund expenditures should produce about \$900,000 in savings, leaving a \$700,000 difference which will need to be addressed either through additional expenditure reductions or the use of General Fund reserves.

**BACKGROUND:** The National and local economies still show no sign of recovery from the current recession, although many economists believe that a recovery will begin later this year. As a result, actual collections of revenues from sales taxes, building permits and plan check and review fees are falling well below the budget projections. While revenue collections may improve if the local economy begins a recovery later this year, this will likely be too late in the year to significantly offset the current shortfalls.

**DISCUSSION:** Attached are several schedules which detail the current projections for General Fund revenue shortfalls and identified expenditure savings.

General Fund Revenues: As detailed in Exhibit A, three major General Fund revenues are under-performing their budget projections. These are Sale Tax revenues with a \$1.6 million shortfall, Building-related Permit revenues with a \$209,000 shortfall, and Plan Check and Review fee revenue with a \$136,000 shortfall. Taken together, these revenues will cause overall General Fund revenues to be approximately \$1,945,000 short of the adopted budget. However, this amount is partially offset by a budget correction to properly charge a portion of the Engineering Department to the City's utilities. It had been the City's long-standing practice to charge the utilities for these costs but this was inadvertently omitted from the adopted budget. This has the effect of increasing General Fund revenues from Interfund Administrative Services by \$326,832 and offsets a portion of the overall revenue shortfall so that the total revenue shortfall is expected to be **\$1,618,166**.

General Fund Expenditures: The City Manager has responded to the projected revenue shortfall by holding open nine General Fund positions which will produce savings of \$707,988 for 2009 (see Exhibit B). The adopted General Fund budget also includes a budgeted transfer to the Detention Services Fund in the amount of \$121,843, which does not appear to be needed because of recent contracts with other jurisdictions to use the Fife Jail. Finally, the City Manager has directed staff to identify \$80,000 in additional savings. These have not yet been specifically identified but are expected to be achievable. Taken together, total General Fund savings are currently expected at **\$909,831**.

With a revenue shortfall projected at \$1,618,168 and expected savings projected at \$909,831, the remaining difference is \$708,337, which will have to be addressed either by additional General Fund savings or the use of General Fund reserves.

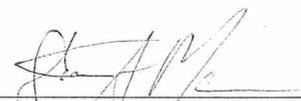
Reserves: Exhibit C provides a summary of the various General Fund reserves and the fund balances for the Public Safety Fund and the Contingency Fund. Based upon current budget projections, the General Fund is expected to end the year with an Ending Fund balance of \$4,017,134, of which \$1,492 will be Unrestricted Fund Balance. This projection **does not** take into account the potential impact of the \$708,337 budget difference discussed above as there is not yet any decision on how it is to be addressed.

In addition to the General Fund reserves, the City Council also has the authority to direct the use of monies in the Public Safety Fund and the Contingency Fund in any manner they choose. The expected Ending Fund Balance in the Public Safety Fund is \$1,067,167, which is currently planned for pedestrian portions of the Valley Avenue Project. The expected Ending Fund Balance in the Contingency Fund is \$429,423.

***ATTACHMENTS:***

- Exhibit A Summary of General Fund Budget Adjustments
- Exhibit B General Fund Vacant Staff Position Savings
- Exhibit C Funds With Unreserved Beginning Fund Balances

***RECOMMENDATIONS:*** For information.

  
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Steve Marcotte  
Finance Director

  
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for Approved for Agenda  
Steve Worthington, City Manager

**City of Fife**  
**Summary of General Fund Budget Adjustments**  
For the Year Ending December 31, 2009

<u>Description</u>	<u>Adopted Budget</u>	<u>Current Projection</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Sales Taxes	\$6,800,000	\$5,200,000	(\$1,600,000)
Building Permits	300,000	91,000	( 209,000)
Plan Check and Review	195,000	59,000	( 136,000)
Interfund Admin Serv.	658,852	985,684	<u>326,832</u>
Subtotal			(\$1,618,168)
Expenditures			
Open Positions (Exhibit B)			\$ 707,988
Detention Fund Subsidy			121,843
Misc. Cost Reductions			<u>80,000</u>
Subtotal			\$ 909,831
Change in Net Budget			
Gain (Shortfall)			(\$ 708,337)

**City of Fife**  
 General Fund Vacant Staff Positions Savings  
 For The Year Ending December 31, 2009

Description	Vacant Status	FTE	Number Months Vacant	Annual (1) Salary & Benefits	Total Savings
<b>Executive Dept</b>					
Assistant City Manager	Unfilled	1.0	12	142,514	\$ 142,514
Civil Service Secretary	Unfilled	1.0	12	76,370	76,370
Subtotal		2.0			218,884
<b>Community Development</b>					
Building Official (2)	Unfilled	1.0	12	81,525	81,525
Permit Coordinator (3)	Unfilled	0.4	12	12,851	12,851
Subtotal		1.4			94,376
<b>Public Works</b>					
Assistant P/W Director (4)	Vacant 6/1/2009	0.8	7	88,509	51,630
Sr. Engineering Tech (5)	Temp new funding	1.0	6	91,506	45,753
Subtotal		1.8			97,383
<b>Police</b>					
Lieutenant	Unfilled	1.0	12	111,892	111,892
Patrol Officer	Unfilled	1.0	12	90,904	90,904
Community Policing Officer	Unfilled	1.0	12	94,549	94,549
Subtotal		3.0			297,345
<b>Total</b>		<b>8.2</b>			<b>\$ 707,988</b>

## Notes:

1. Annual budget except as noted.
2. The Community Development Director position was only budgeted for 1/2 year (delayed hire) and Carl Durham, the permanent Building Official, is the acting CD Director. Therefore only 1/2 FTE is being saved.
3. This Permit Coordinator position was budgeted for 1/2 year, charged out 40% in General Fund/CD/Building Function and 60% in the Public Safety Fund/Court Function.
4. Does not include sick and vacation severance.
5. For six months the Sr. Engineering Tech position will be charged directly to the Street Construction Fund (301).

**City of Fife**

Funds With Unreserved Beginning Fund Balances  
 Not Legally Restricted By Federal/State Law  
 For The Year Ending December 31, 2009  
*Adjusted For Actual Cash Carry-Over Balances From Year 2008*  
*NOT Adjusted For Any Revenue Shortfalls Nor Expenditure Savings*

Fund Name and Number	Beginning		Reserve Balance(s)	Total Balance	Ending	
	Reserve Balance(s)	Unreserved Balance			Unreserved Balance	Total Balance
General Fund (001)						
Required 17% Alloc.	\$ 2,426,590	\$ 2,426,590	\$ 2,426,590			\$ 2,426,590
Crime Prevention Alloc.	60,773	60,773	57,673			57,673
Tribal Interlocal Alloc.	681,379	681,379	1,531,379			1,531,379
Unreserved		704,605			1,492	1,492
Total	\$ 3,168,742	\$ 704,605	\$ 4,015,642	\$ 3,873,347	\$ 1,492	\$ 4,017,134
Public Safety Fund (103)						
Unreserved		327,573		327,573	1,067,167	1,067,167
Total	\$ -	\$ 327,573	\$ -	\$ 327,573	\$ 1,067,167	\$ 1,067,167
Contingency Fund (105)						
Unreserved		419,423		419,423	429,423	429,423
Total	\$ -	\$ 419,423	\$ -	\$ 419,423	\$ 429,423	\$ 429,423
Total Unreserved		\$ 1,451,601			\$ 1,498,082	