Council member questions re: 2013 proposed budget

Questions from Councilmember Buckshnis	Topic	Response from	Response
1) For the last few years, we have had a surplus (two years at about $700+K and this year at $302K) which means our lean and mean 2012 budget was handled successfully by the everyone. What are the plans for that surplus and how was it absorbed in this budget?	General	Finance	It is in fund balance in the General Fund. See the monthly and quarterly reports that go to Council. Some of it was part of the $2M Council transferred into the Contingency Reserve Fund in August 2012.
2) The Street Fund is asking for an additional $100K as the TBD is not sufficient. Why now? Should we not review this first in the TBD meeting and determine if this is necessary. Also, the mandatory $20 fee to $40 fee almost squeak through the state legislator, what happens if it does? Also, I only saw a 45K increase? Am I reading this wrong?	Street Fund	Public Works	This primarily relates to declining fund balance the last few years and not enough TBD car license fees or gas tax revenue to keep up with O&M costs.
3) Funding of the Risk Management Reserve is fully funded in 2013 despite policy stating can fund over two years. It looks like we are funding $400k (if my numbers are correct). So technically we have $200K that is in excess? Is that a correct assumption? P.S. Shawn, you may want to do over pages 28 and 29 so Council can understand those columns.	General	Finance	Council could delay to 2014 funding 1/2 ($208K) of the Risk Management Reserve Fund. However that would cause a deficit for 2014 (the $208K transfer is not budgeted for there), and to the extent the $208K is spent in 2013 on on-going costs, that creates an even larger deficit in 2014 and thereafter.
4) Are we funding the 511B Fund and if so, how much?	Interfund Charges	Finance/Public Works	Yes it was funded in 2013 ($301K for General Fund, $525K in total). Was not funded in 2009 or 2012. We can not go another year without funding the B Fund contributions.
5) I understand the COLAs for the non-reps are the same as the unions of 2%. Can you provide me with that number?	Payroll Costs	Finance/HR	All employees have a 2% COLA built into the budget. The cost for non-represented employees is approximately $60,500.
6) The LEOFF is seeing ANOTHER large increase of $600K. How many make up that fund and Jim Tarte "guessed" at that number, so did we have an actual actuary study to see if we are fully funded in that for this next year? Do we have ANY leeway?	Retirement Fund	Finance	Yes there is an actuarial study. The benefits are NOT fully funded. We pay-as-you-go rather than fund ahead for the projected costs. Each year's costs are completely dependent upon claims that are filed. Council could draw down the fund balance in this fund. That would require an increase in funding in future years. (pg 128)
7) Human Resources shows an additional assistant manager, however, is Ms Hite still going to be a Director on a part-time basis? If so, how much is added in the budget for that pay. Doesn't the personnel policy only allow a six month window? What will we do about that after six months?	HR/"Acting" Pay	HR/Mayor	There is a 5% increment built into the budget for a special duty assignment in HR. The special duty ordinance allows up to one year per assignment (not 6 months). The Mayor will work with Council in 2013 on alternatives for oversight of the Human Resources function.
8) Leonard Yarberry may be leaving with the volunteer leave program and changing the entire makeup of that floor. I understand Mayor, you are all looking at that reorganization. How have you handled this in the budget in terms of his position (i.e. is it removed).	Payroll Costs	Finance	All positions approved for the Voluntary Separation Incentive Program are included in the Mayor's Proposed Budget. Affected departments include Planning, Information Services, Police Department, Parks, Recreation and Cultural Arts, and Public Works.
9) How much money have you set aside for the PFD and is there any wiggle room even if it is 20K or 30K difference (i.e. I know they like to round numbers).	PFD	Finance	$220K is built into the budget. Staff from the Public Facilities District indicated we can decrease this to $190K.
10) Do your revenue projections take into account the increases in REET and Gas Utility?	General	Finance	Yes these are included, along with many other changes.

11) What is the Engineering FTE for 2013 (decision packet) for and is it coming out of an enterprise fund?	Engineering	Public Works	Will be in lieu of paying outside consultants, at a higher rate, for capital project management, primarily funded by grants. To the extent that grant funds or other funds are not identified, this position will be charged to utility funds. No General Funds used.
12) Is there any negotiations we can do with FD1 since we know Tomberg has left and a few other firemen.	FD1	Finance/Mayor	Former Chief Tomberg and the other positions that were cut were not assigned to staffing at Edmonds stations, which is the basis for what we're paying FD1. Those staffing reductions have no impact on our costs. We are in contact with FD1 to determine potential savings through different staffing models at Edmonds' stations, and the impact those changes might have on service. Council will be updated in the near future.
13) Have we taken into consideration expanding upon programs in Parks and Rec to help pay for additional work such as the adopt a flower basket program being expanded to adopt a flower corner or during the Cemetery ceremonies doing a "pass the hat" donation type of help?	Parks	Parks	Yes, we have. The last two years we have increased revenues by adding a differential pricing factor (non-resident fee), increasing rates for rentals and classes, adding the adopt a flower basket program, and writing grants to support programs. Anytime you add another program, it takes staff time and administration, so it is a balancing act.
14) Have the bond refinance savings been added to this budget (I am guessing yes, but wanted to ask anyway as it might impact PFD's loan).	Debt	Finance	Yes this is included. Debt service costs were lowered in GF non-departmental, in Street fund, and other funds. We have a minimal amount of additional savings that can be plugged into the budget (spreadsheet distributed to Council on this).
15) Are there any other "legal" or professional fees that are unanticipated but projected (if that makes sense). Examples would be the attorney for the one policeman that is disputing his demotion and using Tara for police negotiations.	General/Risk Management	Finance	There is no money set aside for these items, other than the funding allocation to the Risk Management Reserve fund, mentioned in #3 above.
16) On decision for the PROS plan, can we separate that into two years?	Parks	Parks	Yes, but this also creates a larger deficit for 2014 because the $62,500 is not budgeted in 2014. And to the extent that the $62,500 pushed to 2014 is spent on things in 2013 that are on-going costs, that creates and even yet larger deficit in 2014 and later.
17) Can you further define the fiber optic decision packet items.	Fiber	Information Services	One decision package deals with developing customers, and accessing "low hanging fruit" with businesses who are already in close proximity to the fiber line and can be added at a relatively lower cost. The other decision package relates to extending the fiber line to the cemetery. This allows for eliminating a T-1 line at City Park, opens up potential commercial customers in the Westgate area, and gets us closer to a diverse route to Hwy 99, which ultimately will be required to fully market the fiber option to businesses.

Questions from Councilmember Petso	Topic	Response from	Response
Page 4 of the Mayor's budget message indicates we will have a "lower level of oversight and monitoring of sales tax reporting". Can you explain what that is in reference to? As result of layoff? How much do you expect that this will cost the City? If anything, I'd be inclined to try to increase oversight and monitoring. Apart from the importance of sales tax revenue to the general fund, we also get close to $200,000 returned from the State for the ECA debt service don't we?	Finance	Finance	This was a reduction necessary in order to meet our across-the-board reduction. All other line items were reduced as far as we could. We have a workaround planned using utilities, business licensing and county property tax data. Regarding the sales tax for the ECA, the auditing we're currently paying for does not specifically cover that but does impact sales tax reported for Edmonds as a whole.
Please take a minute to see if either of these are typo's: (1) p21 2017 property tax revenue (lower than 2016). If that is not a typo, please let me know why we are expecting a property tax decline in 2017.	General	Finance	The last year of the voted bond levy is 2016, so the 2017 is significantly lower (approximately $990K).
(2) p27 Reet revenue not equal, but similar digits, 125 862,550, 126 682,550 for 2012. If that is not a typo, please let me know why the numbers are different. I have a feeling I have asked this before (grant?).	REET Funds	Finance	The 125 Fund includes $180K of transfer in, not just REET receipts. (pg 148) This is from the Haines Wharf project and evaluation of claim and payment for documented unreimbursed costs.
Page 21 shows the benefits are up about 100,000 2012 to 2013 despite our efforts to achieve a savings in the medical. Did we fail?	Benefit Costs	Finance	No, we exceeded the target. The process for 2013 began with a projected deficit of $1.5M. That $1.5M for 2013 included an assumed cost increase for AWC rates of 11%. We attempted to find something that was less expensive than the 11% increase built into the 2013 projections. Compared to what we would have had to pay for 2013 with AWC, which was the basis of the $1.5M projected deficit, we achieved a savings of approximately $333K. (Compared to what we will pay in 2012 it will be a small savings. We will pay AWC $2,988,541 in 2012, we're projected to pay UHC $2,968,944 in 2013, a savings year-over-year of $19,600).