

### Question 3

1. Page 107 - Budget numbers seem inconsistent with historical actual for Professional Services: '16 shows \$275k '17 shows \$233k (estimate) Yet '18 budget is \$358k a whopping \$125k more than needed  

This is our general Recreation budget. Gen. Rec. (22) includes Adult Enrichment, arts/crafts, some kids programs, etc. as well as some other support functions.  
We budget for maximum enrollment in the classes and therefore high expenditures as they pay for instructors based on percentage contracts. Some of our enrollments numbers are down, and some were cancelled.  
Rather than reduce the budget number for 18, we kept it the same as 17 budget (slight increase) as we evaluate our programs and try to promote and get creative with our offerings. If we end up cancelling programs, or not running programs, we do not pay instructors the percentage split, so, we do not expend this fully.
2. Page 120 - Same comment as above for Prof service '16 shows \$41k and '17 shows \$57.5k (estimate) Yet budget is \$87.9 or \$30.4 over  

This budget is for all the arts commission's programs and public art. The \$30K of the 2017 budget did not get spent but is being budgeted again in 2018 for public art outside the library. This is a project that is being worked on, but hasn't come to fruition. The other increase in the line item is for the Write on the Sound conference and it has some corresponding increase in revenue.
3. Page 121 - Same comment as above: '16 shows \$17.2 and '17 estimates \$8k. Yet budget shows \$78k or \$70k over. That is about a \$200k in differences  

The \$70K is also part of the budget for the public art outside of the library, totaling \$100,000. Also in this budget, you will see the \$35K revenue which is private donations being contributed for this public art. The public art selection will involve a selection committee and be subject to Council approval, in alignment with our public art process.
4. Page 121 - Revenue contributions for both years show barely \$1.1k and yet budget at \$35k Reason?  

Please see above. This is a private contribution for the public art at the library.
5. Page 127 - Supplies are not consistent '16 shows \$6k and '17 estimates \$5k Yet budget at \$12.5k which is good as further down from '17 budget but still almost double over historical.  

This is our donation program, so we never know how much we will get in donations and how much then to budget expenditures. The supply budget is used to expend the donations on certain amenities that are purchased. We budget an average based and several years of data, but this can both come in high and low, depending on how many people donate for flower poles, benches, etc. That said, we never expend more than the revenues in a given year.
6. Page 131 - I am going to continue to harp on the transparency of where is the \$200k that the council targeted for the Marsh in 2010. We see many carry forwards this year for Yost and Willow Creek but nothing dedicated to the Marsh. This is my 3rd year asking for a separate fund and each year nothing materializes. So maybe we should look at all these funds on page 131 and as a Council decide if we need to change a name or require action to set up a fund. I had one person tell me she would donate every year to the city is she saw a Marsh Fund. Scott says it is the same as the Park Trust Fund, but is it? If it is why isn't the balance \$266k? I am quite concerned that I have to bring it up every year and more concerned that we are not allowing citizens to donate specifically to this restoration project.

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The \$200,000 that the Council set aside for the Marsh is in the Parks Construction Fund, page 167. I kept carrying it over year after year, and finance decided it would be best to set aside in this fund. It has its own project name (the Marsh) and is reflected in the fund balance you see in this budget. There are two ways to establish a donation account for the Marsh that I would recommend. Either as part of the Fund 332, Parks Construction Fund in a separate project number, or as part of the gifts catalogue fund (P. 127). Both of these funds can suffice for setting up a special donation fund. I would not recommend the Parks Trust Fund, as by ordinance, it acts like an endowment fund and only allows the City to spend the interest earned. Scott, do you want to weigh in here about what might be the best tool to accomplish what Diane is asking for? Scott: We could add a Program to the Gifts Catalog Fund 127 and title the program "Marsh."

So please let me know

1) why the \$200k is not a carry forward (and I think I know why but can't remember which is why I question the lack of transparency). See answer above. We can certainly call this out in the narrative for this fund.

2) as a Council what do we need to do to bring this restoration project to a state where citizens can contribute towards restoration? See answer above.

3) probably should look at all these funds and trust to determine if still relevant and update their ordinance or resolutions. Yes, great idea.

7. One question on page 89: While you decrease your budget for Professional Services by 13% to \$81k; it is bizarre when looking at the '16 actual was \$63k and '17 estimate is \$93.5

In 2016 we substantially increased the advertising budget, which is what led to the lion's share of the increase in professional services between 2015 and 2016 up to \$81,000. With the new \$81,000 baseline from 2016, in 2017 we added "one-time" budget amendments that brought that up to \$93,500. The additional \$12,500 for 2017 was due to the following "one-time" expenditures in 2017:

- \$1,500 for Bird Fest (based on expected sponsorship revenue that we would get and then expend for services, advertising, etc.);
- \$6,000 for the Holiday Market (expected revenue and authorization to expend on expenses related to producing and promoting the market); and
- \$5,000 towards the total expenditure for the Arts and Culture Impact Study (nearing completion now!)

You may ask why all of the first two are considered "one-time" expenditures. It's because for Bird Fest we don't know from year to year what we think sponsorship revenue might be – with which we can make additional expenditures. And for the Holiday Market, we are still in what I'd say is the "pilot" phase of the market. After the current 2017 Market (just started up again this past Saturday), we may be in a position to decide whether to continue the Holiday Market as a "permanent" event, after which time, then, its revenue/expenditures would go into the baseline for future years.

8. DP indicated you needed \$30k and put \$15k through in 2017. Was that a \$15k budget amendment(?) as you only show a balance of \$15k needed? Also numbers on budget show \$83k as opposed to what should add up to \$80k? But actually if you needed \$30k from 2017 budget, the number should be more like \$95k? So somewhere the numbers are not adding up when looking at DP 7

Bottom line, the \$30k in the decision package for court security should have been reduced and consistent with the \$15K if we are thinking of the same thing. See below:

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My court administrator, after initially submitting the proposed budget for 2018, thought it would be best to request the costs needed if the court were to have a trial during every trial period so the City could plan ahead. Thus, the \$30,000 in anticipated increase for court security. This occurred when I was on vacation. When I got back, Scott James thought it best to cut it in half as he thought \$30,000 was too large of a difference to be asking for. Given the reality that trials have increased over past history, but not to the degree of every trial term this year, we agreed with Scott about reducing to \$15,000, and relying on a budget amendment request should an increase is needed during the year. It looks like when Scott reduced to \$15,000 in the 2018 budget request, the same adjustment was not made on decision package 7.