

**Business of The Town Council  
Town of Yarrow Point, WA**

Agenda Bill 14 -37  
November 18, 2014

<b>Preliminary Town Budget for 2015</b>	<b>Proposed Council Action:</b> For Review
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<b>Presented by:</b>	John Joplin, Town Fiscal Coordinator
<b>Exhibits:</b>	Preliminary Budget Figures

**Summary:**

The following budget worksheets have no significant changes from the budget presented in October. Financial reports through September were reviewed and indicated no budget changes are required. The first worksheet attached shows estimated revenues and expenditures for 2014. It also shows budget expenditures by fund. The RCW prohibits our town for expending funds not budgeted. In this regard all 100 level funds are considered as a group.

The second worksheet shows the preliminary 2015 budget at the fund level. Any further 2015 budget suggestions need to be brought forward at this meeting so that staff can prepare a final 2015 budget and present it for passage at the December Council meeting.

1. Property Tax Levy and General Fund Revenue.  
The setting of the property tax levy is something of an academic exercise:
  1. The levy increase is limited to 1 % on existing property plus an amount related to new construction. At this point no property valuation data is available from the Assessors office.
  2. The levy must be submitted to the King County Council before final 2014 assessed values are published by the King County Assessor.
  3. If the estimated levy request is higher than the finally determined allowable rate the assessor will reduce the levy to the appropriate rate.
  
2. Change in Budget Structure  
Beginning in 2015 construction projects will be budgeted under fund 101 for Streets and 401 for Stormwater. This should make the budget and financial reporting easier to follow. The exception to this will be the budgeting of major projects, such as the continuation of the 92<sup>nd</sup> Avenue Under-grounding.
  
3. Construction Vehicle Fee  
In 2014 the heavy truck fee was booked initially under the community development fund. Beginning in April it was booked to the Current Year Construction Fund. For 2015 we propose booking this fee directly to the street fund so that income and expenditures in that fund remain in balance. Construction Vehicle Fees collected in 2014 will be transferred to the Street Fund in 2015.
  
4. Contribution to the Wetherill Nature Preserve

We are proposing to increase the town's contribution to the Wetherill Nature Preserve from \$2000 per year to \$5000. \$15,000 will be expended in the Wetherill Nature Preserve on operations and improvements.

5. Community Trails

Last year the town undertook the development of a trails master plan. This year we are proposing adding \$13,000 for community trails.

6. Projected Real Estate Excise Tax Revenue

This is an unpredictable source of funds. The amount budgeted is a projection based on long term trends. An issue which needs to be discussed is the reserve level which should be maintained for capital projects.

7. Capital Expenditures

The capital improvement projects scheduled for 2015:

NE 42nd St (Final Design and permitting)	5,000
NE 42nd St (Road End Beach)	132,000
NE 42nd St (Road End Beach) Restoration	30,000
92nd Ave NE Pathway Extension & UGC	950,000
Contingency for emergent engineering studies	30,000

The first three items on this list are storm water projects and funding will require utilizing \$100,000 in real estate excise tax receipts.

8. 92nd Avenue Loan Repayment

Beginning in 2003 the Town of Yarrow Point undertook a 92nd Avenue improvement construction project. The project cost \$1,300,000. In 2003 Yarrow Point borrowed \$750,000 to pay for part of the project. The loan was paid off in 2013. In this budget we propose to secure another \$750,000 loan to contribute toward completion of the 92nd Avenue Improvement Project.

**Recommendation:**

**Recommend additions/revisions to Preliminary 2015 Budget.**