

**City of DuPont
1700 Civic Drive
DuPont, WA 98327**

**Workshop
City Council Study Session
Tuesday, July 19, 2016**

6:00PM

AGENDA

Page

1. CALL TO ORDER

2. ROLL CALL

3. PRESENTATIONS

- a) Selection Criteria for Sidewalk Test Sites (G. Lim).

4. DISCUSSION ITEMS

- a) 2016 Part B Lodging Tax Advisory Committee (LTAC) Grant Funding Recommendations (P. Barry);
- b) 2016 Second Quarter Budget Adjustments (P. Barry);
- c) Amendments to the DuPont Municipal Code Chapter 5.04 - "Business Licenses" relative to the Rental Housing Business License (G. Karg).

5. QUESTIONS/COMMENTS

6. ADJOURNMENT

Regular Council Meeting - July 26, 2016 @ 7PM

Regular Council Meeting - August 9, 2016 @ 7PM

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MEETING DATE: July 19, 2016 **Agenda Item # 4a)**

- Consent Agenda
- Discussion Item
- Unfinished Business
- New Business
- Other _____

TITLE:

2016B Lodging Tax Advisory Committee (LTAC) Grant Funding Recommendations

| | |
|--|---------------------------|
| Department: Finance | Discussion Date: 07/19/16 |
| Originator: Staff | First Reading Date: |
| Assigned to: Paula Barry, Finance Director | Public Hearing Date: |

BUDGET IMPACT: Yes No

FUND:

| | | |
|---------------------|-------------|--------------------------|
| Amount Budgeted | | |
| Additional Required | \$25,600.00 | Lodging Tax/General Fund |

DETAILED SUMMARY STATEMENT:

The 2016 adopted budget included awarding grants totaling \$190,550 of lodging tax revenue. The first quarter 2016 budget amendment included an increase of \$31,525 in the Hotel/Motel Tax Fund's beginning fund balance. This was primarily the result of expenditures/grant reimbursements coming in below expectations. LTAC decided to use this carry forward balance of \$31,525 to open up a second round of grant applications in 2016 (2016B Grants).

Funding of the grants must first come through LTAC for their recommendations and then presented to Council for final approval. The committee has reviewed 12 grant applications. They voted to approve them as submitted, to alter them, or deny approval. A listing of the 2016B grant applications received and LTAC's recommended funding levels is attached. LTAC is recommending Council approve grants totaling \$25,600.

RECOMMENDATION:

Discuss the projects/events in preparation for approval of resolution at the July 26, 2016 regular council meeting.

Agenda Item # 4a)

City of DuPont
 Lodging Tax Advisory Committee (LTAC)
 2016B Grant Recommendations
 July 19, 2016

| Item | Organization Name | Event Request | Approve? | Amount Requested | Amount Recommended by LTAC | LTAC Notes |
|------|--|--|----------|------------------|----------------------------|-------------------------------|
| 1 | City of DuPont - Tourism | Trail Signs/Mile Markers | Yes | \$ 14,000 | \$ 3,000 | For Sequalitchew Creek Trail |
| 2 | City of DuPont | 4th of July Celebration | Yes | \$ 10,000 | \$ 1,500 | |
| 3 | The Home Course | PNGA Jr Boys & Girls Championship | Yes | \$ 8,400 | \$ 8,400 | |
| 4 | Veterans Family Fund of America | MW4V "Rock Around the Clocktower" | Yes | \$ 6,000 | \$ 300 | For Promo Materials-Print/Ads |
| 5 | City of DuPont - Tourism | Business Plan Consultant-Tourism | Yes | \$ 4,000 | \$ 4,000 | |
| 6 | City of DuPont - Tourism | Trail Maps for Visitors | Yes | \$ 3,184 | \$ 3,200 | |
| 7 | City of DuPont - Tourism | Tourism Overtime for Events | Yes | \$ 2,000 | \$ 3,000 | |
| 8 | City of DuPont - Recreation and Events | Moonlight Walk and Salmon Bake | Yes | \$ 1,000 | \$ 1,000 | |
| 9 | City of DuPont - Tourism | Camera for Events, Trails and Promos | Yes | \$ 800 | \$ 1,200 | |
| 10 | City of DuPont - Tourism | Herloom Orchard Project | No | \$ 20,000 | \$ - | |
| 11 | City of DuPont - Public Works | Improve Trees/Plants-Center Drive Median | No | \$ 10,000 | \$ - | |
| 12 | City of DuPont - Recreation and Events | Seahawks Kick Off Rally | No | \$ 6,500 | \$ - | |
| | | | | \$ 85,884 | \$ 25,600 | |

Appendix B: GUIDELINES

Use of Lodging Tax Revenue

Guiding Principle:

The use of lodging taxes: Expenditures must be used only for **activities or operations** designed exclusively to increase tourism and for **capital expenditures of municipal tourism-related facilities**.

Tourism Marketing -

Examples:

Advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists.

Developing strategies to expand tourism

Tourism Operations

- Operating tourism promotion agencies
- Special events and festivals which are designed specifically to attract tourists.
- Operations **and** capital expenditures of tourism-related facilities owned or operated by a municipality or public facilities district.
- Operations of tourism-related facilities owned or operated by **nonprofit organizations**, but NOT for capital expenditures.
- **Tourism-Related Facility:** A real or tangible personal property with a usable life of **three or more years, or constructed with volunteer labor** that is:
 - (a) owned by a public entity, nonprofit organization (including a non-profit business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce) and
 - (b) used to support tourism, performing arts, or to accommodate tourist activities.

Reference: MRSC Bulletin, Lodging Tax (Hotel-Motel Tax), dated 05/2014

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Agenda Item # 4a)

**City of DuPont
Hotel/Motel Tax Fund 103
2016 Budget**

| | 2016 Adopted | 1st Qtr Amendment | 2016 Amended | 2016B Grants | 2016 Proposed |
|---|-------------------------|------------------------------|-------------------------|-------------------------|--------------------------|
| Beginning Fund Balance | \$ 178,357 | \$ 31,525 | \$ 209,882 | | \$ 209,882 |
| Revenues | | | | | |
| Hotel/Motel Taxes | \$ 133,620 | | \$ 133,620 | | \$ 133,620 |
| Investment Interest | 300 | | 300 | | 300 |
| Total Revenues | \$ 133,920 | | \$ 133,920 | \$ - | \$ 133,920 |
| Expenditures | | | | | |
| Professional Services | \$ 30,420 | | \$ 30,420 | \$ 8,700 | \$ 39,120 |
| Transfer out to General Fund | 160,130 | | 160,130 | 16,900 | 177,030 |
| Total Expenditures | \$ 190,550 | | \$ 190,550 | \$ 25,600 | \$ 216,150 |
| Ending Fund Balance | \$ 121,727 | \$ 31,525 | \$ 153,252 | \$ (25,600) | \$ 127,652 |
| Ending Fund Balance Designation: | | | | | |
| Historical Sites Dev Reserve | 52,279 | | 52,279 | | 52,279 |
| Unreserved/Undesignated | 69,448 | | 100,973 | | 75,373 |

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MEETING DATE: July 19, 2016 **Agenda Item # 4b)**

- Consent Agenda
- Discussion Item
- Unfinished Business
- New Business
- Other _____

TITLE:

Second Quarter 2016 Budget Amendment - Discussion

| | |
|--|---------------------------|
| Department: Finance | Discussion Date: 07/19/16 |
| Originator: Staff | First Reading Date: |
| Assigned to: Paula Barry, Finance Director | Public Hearing Date: |

BUDGET IMPACT: Yes No

FUND:

| | | |
|---------------------|-----------------|---------------|
| Amount Budgeted | \$15,362,677.00 | All Funds |
| Additional Required | \$89,816.00 | Various Funds |

DETAILED SUMMARY STATEMENT:

The Council adopted the 2016 Budget at the December 8, 2015 City Council meeting. The 1st quarter budget amendment was approved by Council on April 26, 2016.

This budget amendment consists of miscellaneous adjustments and housekeeping adjustments. The miscellaneous adjustments account for unanticipated expenditure items and revenue adjustments including those related to potential 2016B Grant allocations as recommended from LTAC. The housekeeping adjustments account for reallocation of budgets savings from the phone replacement project to the off leash dog park project.

Please see the attachment for further details on this budget amendment.

RECOMMENDATION:

Discuss the 2nd Quarter Budget Amendment in preparation for approval of ordinance at the July 26, 2016 regular council meeting.

Agenda Item # 4b)

DATE: July 19, 2016

TITLE: Second Quarter 2016 Budget Amendment – Discussion

DEPARTMENT: Finance

ORIGINATOR: Paula Barry, Finance Director

The Council adopted the 2016 Budget at the December 8, 2015 City Council meeting. The 1st quarter budget amendment was approved by Council on April 26, 2016.

This budget amendment consists of miscellaneous and housekeeping adjustments. The miscellaneous adjustments account for unanticipated expenditure items and revenue adjustments including those related to potential 2016B Grant allocations as recommended from LTAC. The housekeeping adjustments account for the reallocation of budgets savings from the phone replacement project to the off leash dog park project.

The following items are being recommended for adjustment:

Revenue Adjustments:

- *General Fund:* Recognize 2016B Lodging Tax Grant reimbursement revenue of \$16,900.

Expenditure Adjustments:

- *General Fund:*
 - Increase appropriation for salaries and benefits related to moving the City Clerk position from 0.75 FTE to 1.0 FTE (\$11,005).
 - Add appropriations for projects/events recommended by LTAC to be funded with Lodging Tax revenue (\$16,900):
 - Moonlight Walk & Salmon Bake (\$1,000)
 - Tourism Overtime for Events (\$3,000)
 - Sequelitchew Creek Trail Markers (\$3,000)
 - Trail Maps (\$3,200)
 - Camera for Events, Trails and Promotions (\$1,200)
 - Business Plan Consultant for Tourism (\$4,000)
 - 4th of July Overtime by Police, Fire and Public Works (\$1,500)

Agenda Item # 4b)

- *Hotel/Motel Tax Fund:*
 - Increase appropriations resulting from 2016B Grants:
 - The Home Course for the PPGA Jr. Boys and Girls Championship (\$8,400)
 - Veterans Family Fund of America for promotional materials to support the Rock Around the Clock event (\$300)
 - Transfer out to the General Fund for the projects listed above (\$16,900).

- *Equipment Repair & Replacement Fund:*
 - Increase appropriation for the capital equipment line item for the purchase and replacement of LifePak “Defibrillator” (\$36,311).
 - Our current Life-Pak “Defibrillator” was purchased around 2008, and currently has only 2 years of product support. We have the funds to replace it with ERR funding as well and take advantage of a \$5000 to \$6500-dollar trade in of the current unit. The new unit a Like-Pak-15 would be fully functional as both a BLS and ALS medical device. By replacing this now, we will be able to benefit from the trade in value.

BACKGROUND: It is a prudent financial practice to periodically adjust an adopted budget to reflect major revenue or expenditure items that occur during the year and were unanticipated during the budget process. Quarterly budget amendments are needed to address these issues and ensure that we adjust revenues or appropriations as necessary to keep us within authorized budget limits. The State Auditor expects such adjustments to occur.

CITY OF DuPONT
WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DuPONT, WASHINGTON, RELATING TO BUDGETS AND FINANCE, REVISING THE 2016 ANNUAL BUDGET AMENDING SECTION 2 OF ORDINANCE NO. 15-996.

WHEREAS, the DuPont City Council adopted the 2016 budget pursuant to Ordinance No. 15-996 and revised the budget pursuant to Ordinance No. 16-1003; and

WHEREAS, the City is prohibited from over expending its appropriated budget as set forth in Ordinance No. 15-996 and amended in Ordinance No. 16-1003; and

WHEREAS, certain revisions to the 2016 budget are now necessary;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DuPONT:

Section 1. The 2016 budget, as adopted in Ordinance No. 15-996 and amended in Ordinance No. 16-1003, is hereby amended as set forth in Exhibit "A".

Section 2. The explanations of the amendments are listed in Exhibit "B".

Section 3. This Ordinance shall be in force and take effect following passage, approval, and publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 26th DAY OF JULY, 2016.

CITY OF DUPONT

Mike Courts, Mayor

ATTEST/AUTHENTICATED:

Tiffany Graves, Interim City Clerk

APPROVED AS TO FORM:

Gordon P. Karg, City Attorney
Ordinance No.:

Filed with the City Clerk:
Passed by the City Council:
Date of Publication:
Effective Date:

CITY OF DuPONT
2016 Budget Appropriation Adjustment
Exhibit "A"

2016 Second Quarter Budget
Adjustments (P. Barry);

| FUND | REVENUES AND OTHER SOURCES | | | EXPENDITURES AND OTHER USES | | | ENDING BALANCE |
|---|----------------------------|------------------|----------------------|-----------------------------|------------------|----------------------|----------------------|
| | Current Budget | Adjustment | Revised Budget | Current Budget | Adjustment | Revised Budget | |
| General Government Operating Funds | | | | | | | |
| General Fund | | | | | | | |
| 001 General | \$ 9,240,897 | \$ 16,900 | \$ 9,257,797 | \$ 8,401,325 | \$ 27,905 | \$ 8,429,230 | \$ 828,567 |
| 002 Revenue Stabilization | 298,205 | - | 298,205 | - | - | - | 298,205 |
| 003 Contingency Reserve | 152,103 | - | 152,103 | - | - | - | 152,103 |
| 004 Operating Reserve Fund | - | - | - | - | - | - | - |
| Subtotal General Fund & Reserves | 9,691,205 | 16,900 | 9,708,105 | 8,401,325 | 27,905 | 8,429,230 | 1,278,875 |
| Special Revenue Funds | | | | | | | |
| 101 Street Operating | 992,372 | - | 992,372 | 950,294 | - | 950,294 | 42,078 |
| 102 Street Depreciation | 567,917 | - | 567,917 | 77,485 | - | 77,485 | 490,432 |
| 103 Hotel/Motel Tax | 343,802 | - | 343,802 | 190,550 | 25,600 | 216,150 | 127,652 |
| Subtotal Special Revenue Funds | 1,904,091 | - | 1,904,091 | 1,218,329 | 25,600 | 1,243,929 | 660,162 |
| Internal Service Funds | | | | | | | |
| 501 Equipment Repair & Replacement | 1,642,488 | - | 1,642,488 | 136,804 | 36,311 | 173,115 | 1,469,373 |
| Subtotal Internal Service Fund | 1,642,488 | - | 1,642,488 | 136,804 | 36,311 | 173,115 | 1,469,373 |
| Total General Government Operating Funds | 13,237,784 | 16,900 | 13,254,684 | 9,756,458 | 89,816 | 9,846,274 | 3,408,410 |
| General Government Non-Operating Funds | | | | | | | |
| Special Revenue Funds | | | | | | | |
| 104 Public Safety Mitigation | 426,113 | - | 426,113 | 139,142 | - | 139,142 | 286,971 |
| 107 Glacier NW Settlement | 618,373 | - | 618,373 | - | - | - | 618,373 |
| 150 Donations Fund | 3,095 | - | 3,095 | - | - | - | 3,095 |
| 160 Drug Enforcement Fund | 9,328 | - | 9,328 | - | - | - | 9,328 |
| Subtotal Special Revenue Funds | 1,056,909 | - | 1,056,909 | 139,142 | - | 139,142 | 917,767 |
| Debt Service Funds | | | | | | | |
| 202 General Obligation Bonds | 914,568 | - | 914,568 | 914,016 | - | 914,016 | 552 |
| Subtotal Debt Service Funds | 914,568 | - | 914,568 | 914,016 | - | 914,016 | 552 |
| Capital Improvement Funds | | | | | | | |
| 301 Capital Projects | 537,317 | - | 537,317 | 418,835 | - | 418,835 | 118,482 |
| Subtotal Capital Improvement Fund | 537,317 | - | 537,317 | 418,835 | - | 418,835 | 118,482 |
| Fiduciary Funds | | | | | | | |
| 631 Transportation Benefit District | 123,460 | - | 123,460 | 83,815 | - | 83,815 | 39,645 |
| Subtotal Fiduciary Fund | 123,460 | - | 123,460 | 83,815 | - | 83,815 | 39,645 |
| Total General Govt Non-Operating Funds | 2,632,254 | - | 2,632,254 | 1,555,808 | - | 1,555,808 | 1,076,446 |
| Enterprise Funds | | | | | | | |
| 401 Water Utility | 5,933,088 | - | 5,933,088 | 2,696,120 | - | 2,696,120 | 3,236,968 |
| 403 Stormwater Utility | 3,780,880 | - | 3,780,880 | 1,354,291 | - | 1,354,291 | 2,426,589 |
| Subtotal Enterprise Funds | 9,713,968 | - | 9,713,968 | 4,050,411 | - | 4,050,411 | 5,663,557 |
| Total Enterprise Funds | 9,713,968 | - | 9,713,968 | 4,050,411 | - | 4,050,411 | 5,663,557 |
| Total Budget | \$ 25,584,006 | \$ 16,900 | \$ 25,600,906 | \$ 15,362,677 | \$ 89,816 | \$ 15,452,493 | \$ 10,148,413 |

CITY OF DuPONT
2016 Budget Appropriation Adjustment
Exhibit "B"

2016 Second Quarter Budget Adjustments (P. Barry);

| REVENUES & OTHER SOURCES | | | EXPENDITURES & OTHER USES | | |
|---|----------------------|------------------|---|----------------------|------------------|
| Description | Account Number | Amount | Description | Account Number | Amount |
| General Fund (001) | | | General Fund (001) | | |
| Transfer In from Hotel/Motel Tax - 2016B Grant Reimb. | 001-000-397-03-00-00 | \$ 16,900 | City Clerk - Increase from 0.75 FTE to 1.0 FTE | 001-002-514-20-11-00 | \$ 11,005 |
| | | | Moonlight Walk & Salmon Bake - Reimbursed by 2016B Grant | 001-016-571-10-31-00 | 500 |
| | | | Moonlight Walk & Salmon Bake - Reimbursed by 2016B Grant | 001-016-571-10-41-03 | 500 |
| | | | Tourism Overtime for Events - Reimbursed by 2016B Grant | 001-017-557-30-12-00 | 3,000 |
| | | | Sequalitchew Creek Trail - Reimbursed by 2016B Grant | 001-017-557-30-31-00 | 3,000 |
| | | | Trail Maps - Reimbursed by 2016B Grant | 001-017-557-30-31-00 | 3,200 |
| | | | Camera for Events, Trails, Promos - Reimbursed by 2016B Grant | 001-017-557-30-35-00 | 1,200 |
| | | | Tourism Business Plan Consultant - Reimbursed by 2016B Grant | 001-017-557-30-41-00 | 4,000 |
| | | | July 4th Overtime Various Depts - Reimbursed by 2016B Grant | 001-xxx-xxx-xx-12-00 | 1,500 |
| | | | Budgeted Savings from Phone Contract to Off Leash Dog Park | 001-005-518-81-64-00 | (12,785) |
| | | | Off Leash Dog Park | 001-012-594-76-63-02 | 12,785 |
| Total General Fund Adjustment | | \$ 16,900 | Total General Fund Adjustment | | \$ 27,905 |
| Hotel/Motel Tax Fund (103) | | | Hotel/Motel Tax Fund (103) | | |
| | | | 2016B Grant Reimbursements | | \$ 8,700 |
| | | | Transfer Out to General Fund - 2016B Grant Reimbursements | | \$ 16,900 |
| Total Hotel/Motel Tax Fund Adjustment | | \$ - | Total Hotel/Motel Tax Fund Adjustment | | \$ 25,600 |

Agenda Item # 4b)

CITY OF DuPONT
2016 Budget Appropriation Adjustment
Exhibit "B"

| REVENUES & OTHER SOURCES | | | EXPENDITURES & OTHER USES | | |
|--|----------------|-------------------------|--|----------------------|-------------------------|
| Description | Account Number | Amount | Description | Account Number | Amount |
| Equipment Replacement Fund (501) | | | Equipment Replacement Fund (501) | | |
| | | | LifePak Replacement | 501-000-594-22-64-00 | \$ 36,311 |
| Total Equipment Replacement Fund Adjustment | | \$ - | Total Equipment Replacement Fund Adjustment | | \$ 36,311 |
| GRAND TOTAL - REVENUE ADJUSTMENTS | | <u>\$ 16,900</u> | GRAND TOTAL - EXPENDITURE ADJUSTMENTS | | <u>\$ 89,816</u> |

2016 Second Quarter Budget Adjustments (P. Barry);