



Members: Barbara Bitetto, Carla Bowman, Pat Cole, Greg Reinke (alt)

Staff Liaison: Administrative Services Director Jeff Steffens, Chief Operating Officer Kassandra Raymond

The city is conducting this public meeting using a hybrid model. The public is welcome to attend tonight's meeting in-person at City Hall (Main Conference Room, 2nd floor), or virtually by using the meeting access link below. -

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CALL TO ORDER

COMMITTEE BUSINESS

1. Ordinance No. 2894 Amending SMC 5.08
2. Ordinance No. 2897 Amending the 2023/2024 Biennial Budget
3. Surplus Authorization

REPORTS

1. Monthly Sales Tax Report
2. Recruitment & Negotiation Update

ADJOURNMENT

SUBJECT: Ordinance No. 2894 Amending SMC 5.08

CATEGORY: Ordinance

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Ordinance No. 2894 Amending SMC 5.08

STAFF CONTACT: Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

At it's August 8, 2024 meeting, the Finance Committee reviewed changes to Sumner Municipal Code Chapter 5.08 with regard to electric and natural gas utility taxes, and forwarded the item to the August 19, 2024 Regular Council Meeting. At that meeting, City Council requested further information regarding the impact of the proposed change.

In 1988, the City initially established tax abatements on electricity, telephone or natural gas bills. In 2008, the City amended those abatements to monthly utility charges in excess of \$1,500 a month. The City wishes to amend this regressive tax rate structure that discourages conservation by removing the abatement entirely.

Staff reached out to Puget Sound Energy for additional information and will share the provided response

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee MEETING/STUDY SESSION DATE: 8/8/2024 COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

ORDINANCE NO. 2894
CITY OF SUMNER, WASHINGTON

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON,
AMENDING SMC 5.08 UTILITIES.

WHEREAS, the City provided a tax abatement for electricity users with charges in excess of \$1,500 a month; and

WHEREAS, the City provided a tax abatement for telephone users with charges in excess of \$1,500 a month; and

WHEREAS, the City provided a tax abatement for natural gas users with charges in excess of \$1,500 a month; and

WHEREAS, the City wishes to discontinue these abatements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON,
DO ORDAIN AS FOLLOWS:

Section 1. Amendment to City Code. Sumner Municipal Code Section 5.08 is hereby amended as follows:

5.08.030 Rate of tax.

A. From and after August 1, 2015, there is hereby levied upon, and there shall be collected from, every person, firm, or corporation engaged in carrying on or furnishing, for a monetary consideration, the city of Sumner and the inhabitants thereof with electricity and electrical energy for lighting, heating, power and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber's revenues from business and residential electrical power service in the city; ~~provided, that from and after June 1, 2008, the revenue derived from individual users of said service shall not be taxed in excess of the sum of \$1,500 per month, and any tax due on the revenue derived from said individual users of said service, above the sum of \$1,500 per month, is hereby abated.~~

B. From and after August 1, 2015, there is hereby levied upon, and there shall be collected from, every person, firm, or corporation engaged in carrying on or furnishing, for a monetary consideration, a telephone business for hire, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross operating revenues, excluding revenues from intrastate toll, derived from the operation of such business within the city of Sumner. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter; ~~provided, that from and after June 1, 2008, the revenue derived from individual~~

~~users of said service shall not be taxed in excess of the sum of \$1,500 per month, and any tax due on the revenue derived from said individual users of said service, above the sum of \$1,500 per month, is hereby abated.~~

“Telephone business” means the business of providing access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or providing telephonic video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, or similar communication or transmission system. It includes cooperative or farmer line telephone companies, or associations operating an exchange.

“Telephone business” does not include the providing of competitive telephone services, nor the providing of cable television service.

“Competitive telephone service” means the providing by any person of telephone equipment, apparatus or service, other than toll service, which is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80 and for which a separate charge is made.

C. From and after August 1, 2015, there is hereby levied upon, and there shall be collected from, every person, firm, or corporation engaged in carrying on or furnishing, for a monetary consideration, natural gas or manufactured natural gas for lighting, heating, power and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber’s revenues from business and residential gas service, both natural and manufactured, in the city.; ~~provided, however, that from and after June 1, 2008, the revenue derived from individual users of said service shall not be taxed in excess of the sum of \$1,500 per month, and any tax due on the revenue derived from said individual users of said service, above the sum of \$1,500 per month, is hereby abated.~~ (Ord. 2521 § 1, 2015; Ord. 2251 § 1, 2008; Ord. 1411 § 1 (part), 1988; Ord. 1400 § 1, 1987; Ord. 1181 § 1, 1981; Ord. 1044 § 1, 1977; Ord. 1038 § 1, 1976; Ord. 652, 1958; Ord. 588 § 3, 1955. Prior code § 4.08.030)

Section 2. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of the ordinance or the validity of its application to other person’s circumstances.

Section 3. Effective date. This ordinance shall be effective January 1, 2025.

Section 4. Corrections by City Clerk or Code Reviser. Upon approval of the city attorney, the city clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering; or references to other local, state, or federal laws, codes, rules, or regulations.

Passed by the City Council and approved by the Mayor of the City of Sumner, Washington, at a regular meeting thereof this _____ day of _____, 2024.

Mayor Kathy Hayden

ATTEST:

APPROVED AS TO FORM:

Michelle Converse, City Clerk

City Attorney Andrea Marquez

First Reading: _____
Date Adopted: _____
Date of Publication: _____
Effective

SUBJECT: Ordinance No. 2897 Amending the 2023/2024 Biennial Budget

CATEGORY: Ordinance

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Ordinance 2897 BA 10072024

STAFF CONTACT: Kassandra Raymond, Chief Financial Officer

SUMMARY BACKGROUND: The 2023/2024 Biennial Budget was adopted on December 5, 2022 with Ordinance No. 2838. Staff regularly reviews the budget progress as well as any programmatic changes. Based on this review, staff presents the third quarter 2024 budget amendment for consideration. This budget amendment includes:

- General Fund (001):
 - Transfer \$41,000 from fund balance to Fund 410 for the acquisition of a John Deere workman (replacing failed equipment);
 - Program \$100,000 for additional professional services for specialized building and plan review in Development Services;
- Tourism Fund (106): Program \$75,000 for Street Tree Replacement Project (City Council 09/03/2024);
- ARPA Fund (115): Reprogram \$50,000 from cybersecurity to professional services relating to the Heritage Park project, as a transfer out to Fund 310;
- Parks Capital Fund (310): Recognizes transfer-in of \$50,000 from the ARPA Fund and programs associated expenditure;
- Sewer Fund (402): Reduces Digester Maintenance by \$156,000; will be included in 2025/2026 Biennial Budget;
- Cemetery Operating Fund (410): Recognizes transfer-in of \$41,000 from the General Fund and programs associated expenditure for equipment acquisition.

Ord No. 2897		
BA 10/07/2024		
	<i>Revenues</i>	<i>Expenditures</i>
General Fund	\$ -	141,000
Reserve Funds	-	-
Special Revenue Funds	-	125,000
Debt Service Funds	-	-
Capital Funds	50,000	50,000
Utility Funds	-	(156,000)
Other Enterprise Funds	41,000	41,000
Internal Service Funds	-	-
Fiduciary Funds	-	-
	\$ 91,000	\$ 201,000

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee

MEETING/STUDY SESSION DATE: 9/12/2024

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

Adopt Ordinance No. 2897 amending the 2023/2024 Biennial Budget

**ORDINANCE NO. 2897
CITY OF SUMNER, WASHINGTON**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON, AMENDING THE 2023-2024 BIENNIAL BUDGET AS ORIGINALLY ADOPTED IN ORDINANCE NO. 2838, APPROVED DECEMBER 5, 2022, AND PREVIOUSLY AMENDED IN ORDINANCE 2849, APPROVED MARCH 20, 2023, ORDINANCE 2855, APPROVED JUNE 5, 2023, ORDINANCE 2858, APPROVED JUNE 20, 2023, ORDINANCE 2866, APPROVED AUGUST 7, 2023, ORDINANCE 2871, APPROVED SEPTEMBER 18, 2023, ORDINANCE 2872, APPROVED OCTOBER 16, 2023, ORDINANCE 2874, APPROVED DECEMBER 11, 2023, ORDINANCE 2883, APPROVED MARCH 18, 2024, ORDINANCE 2890, APPROVED JULY 1, 2024, AND ORDINANCE 2893, APPROVED JULY 15, 2024.

WHEREAS, The Sumner City Council approved Ordinance No. 2838 which adopted a biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2849 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2855 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2858 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2866 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2871 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2872 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2874 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2883 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2890 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, The Sumner City Council approved Ordinance No. 2893 which amended the 2023-2024 biennial budget for fiscal years 2023-2024; and

WHEREAS, RCW 35A.34 provides procedures for adopting, managing, and amending a biennial budget; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. The biennial budget for the City of Sumner for the period January 1, 2023 through December 31, 2024 as contained in the adopted 2023-2024 Biennial Budget for total revenue/sources and expenditures/uses as approved by the City Council, is hereby amended by Total Revenue and Expenditures for each fund as shown on the attached Exhibit A.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the city attorney, the city clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering; or references to other local, state, or federal laws, codes, rules, or regulations.

Section 3. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of the ordinance or the validity of its application to other person's circumstances.

Section 4. Effective Date. This Ordinance shall become effective five (5) days from and after its passage, approval, and publication as provided by law.

Passed by the City Council and approved by the Mayor of the City of Sumner, Washington, at a regular meeting thereof this 7th day of October, 2024.

Mayor Kathy Hayden

ATTEST:

APPROVED AS TO FORM:

City Clerk Michelle Converse, CMC

City Attorney Andrea Marquez

BA 07/15/2024 Funds	Beginning Fund Balance		Revenues		Expenditures			Ending Fund Balance
	<i>Adopted</i>	<i>Adopted</i>	<i>Previous</i>	<i>10/07/24</i>	<i>Adopted</i>	<i>Previous</i>	<i>10/07/24</i>	<i>Revised</i>
001 General	11,300,000	\$ 41,287,140	\$ 1,919,007	\$ -	\$ 40,975,513	\$ 2,723,467	\$ 141,000	\$ 10,666,166
002 General Fund Reserves	980,824	-	-	-	-	-	-	980,824
003 Building Reserves	450,756	200,000	-	-	390,000	-	-	260,756
103 Complete Streets	-	-	500,000	-	-	500,000	-	-
105 Drug Enforcement	65,510	-	-	-	4,000	-	-	61,510
106 Hotel/Motel	262,600	205,000	-	-	338,156	-	75,000	54,444
115 ARPA Funding	680,624	-	-	-	50,100	124,168	50,000	456,356
200 Debt Service	2,570,000	465,800	-	-	496,100	-	-	2,539,700
221 LID Guarantee	691,569	-	-	-	-	-	-	691,569
302 Sidewalk	412,457	530,000	903,200	-	880,000	633,200	-	332,457
305 Real Estate Excise Tax	851,288	1,600,000	-	-	550,000	-	-	1,901,288
310 Parks & Trails Capital Fund	423,721	4,868,061	6,407,780	50,000	5,131,106	5,595,280	50,000	973,176
320 Street Capital Fund	7,709,379	17,364,200	3,605,753	-	24,625,588	3,687,753	-	365,991
325 Facilities Capital Fund	50,000	515,000	3,386,000	-	565,000	3,286,000	-	100,000
401 Water	13,219,995	10,189,150	-	-	20,279,605	529,985	-	2,599,555
402 Wastewater	9,286,248	15,566,163	36,150	-	21,270,227	308,110	(156,000)	3,466,224
403 Utility Bond Reserves	1,731,342	-	-	-	-	-	-	1,731,342
408 Stormwater	8,227,784	38,031,772	9,500,000	-	42,424,254	10,596,985	-	2,738,317
410 Cemetery Operations	74,238	1,498,200	16,500	41,000	1,425,316	25,000	41,000	138,622
415 Cemetery Development	208,994	300,000	-	-	300,000	-	-	208,994
440 Animal Control	94,087	2,093,628	(35,519)	-	2,062,680	9,650	-	79,866
501 Unemployment Insurance	9,351	-	-	-	3,991	-	-	5,360
550 Fleet Management	94,835	1,498,570	-	-	1,551,411	-	-	41,994
551 Information Technology	479,281	3,264,440	124,650	-	3,336,088	139,650	-	392,633
555 Equipment Reserve	1,942,959	2,126,935	-	-	1,770,000	-	-	2,299,894
601 Cemetery Endowment	1,545,873	33,000	-	-	-	-	-	1,578,873
605 Development Impact Fees	6,898,068	500,000	-	-	998,833	1,123,415	-	5,275,820
611 Firemen's Pension	29,798	164,000	-	-	160,000	-	-	33,798
Total All Funds	\$ 70,291,581	\$ 142,301,059	\$ 26,363,521	\$ 91,000	\$ 169,587,969	\$ 29,282,663	\$ 201,000	\$ 39,975,529



SUBJECT: Surplus Authorization

CATEGORY: Motion

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. September 2024 Surplus

STAFF CONTACT: Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

The staff is requesting surplus authorization for two items that are beyond their useful lives. They have both been replaced and are no longer needed. The first item is a Toro Workman at the Cemetery and the second is a Ford dump truck used by our Public Works Shops Department. The estimated surplus values of both items put the authorization within the Finance Committee's authority.

COUNCIL COMMITTEE/STUDY SESSION:
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MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:



CITY OF
SUMNER
WASHINGTON

MEMORANDUM

DATE: September, 2024
TO: Finance and Personnel Committee
FROM: Jeff Steffens, Administrative Services Director

RE: Surplus Authorization

Cemetery Toro Workman

Estimated Value: \$1,000



PW Shops Ford F450 Dump Truck
Unit 33-035

Estimated Value: \$13,000



SUBJECT: Monthly Sales Tax Report

CATEGORY: Information Only

BUDGET IMPACT: N/A

ATTACHMENTS:

STAFF CONTACT: Kassandra Raymond, Chief Financial Officer

SUMMARY BACKGROUND:

Staff will review monthly sales tax reporting. This is a regular reporting item. Please note, this report is provided only to those who have a WA State Department of Revenue Secrecy Affidavit Confidential Affidavit on file.

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee
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MEETING/STUDY SESSION DATE: 9/12/2024

COMMITTEE RECOMMENDATION: Informational only; no Committee action required.

STAFF RECOMMENDATIONS/MOTION:

Informational only; no further action required.

SUBJECT: Recruitment & Negotiation Update

CATEGORY: Information Only

BUDGET IMPACT: N/A

ATTACHMENTS:

STAFF CONTACT: Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

Staff will provide a verbal update on recruitment and negotiation activity.

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee

MEETING/STUDY SESSION DATE: 9/12/2024

COMMITTEE RECOMMENDATION: Informational only; no Committee action required.

STAFF RECOMMENDATIONS/MOTION:

Informational only; no Committee action required.