



MONROE CITY COUNCIL
Finance & Human Resources Committee Meeting
Tuesday, October 9, 2018, 6 P.M.
City Hall, Passport Table

2018 Committee
Councilmembers
Jason Gamble
Kevin Hanford
Kirk Scarboro

AGENDA

- I. Call to Order** (Councilmember Gamble)

- II. Approval Minutes** (Meeting of Tuesday, September 11, 2018) (Page 2)

- III. Unfinished Business**

- IV. New Business**
 - A. Long Range Sewer Projections (Finance) (Page 4)
 - B. 2019 YMCA Contract (Admin/Finance) (Page 10)

- V. Other**

- VI. Next Committee Meeting** (November 13, 2018)

- VII. Adjournment**



MONROE CITY COUNCIL
Finance & Human Resources Committee Meeting
Tuesday, September 11, 2018, 6 P.M.
Monroe City Hall

2018 Committee
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Jason Gamble
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MINUTES

I. Call to Order

A regular meeting of the Monroe City Council Finance & Human Resource Committee was held on September 11, 2018, at Monroe City Hall. The Meeting was called to order by Councilmember Gamble at 6:05 p.m.

Committee Present: Councilmembers Jason Gamble, Kevin Hanford¹, and Kirk Scarboro
Staff Present: Mike Farrell, Parks & Recreation Director; Becky Hasart, Finance Director; and Deborah Knight, City Administrator
Citizens Present: Heather Rousey, Planning Commissioner

II. Approval Minutes (Meeting of Tuesday, August 8, 2018)

Councilmember Scarboro moved to approve the Finance & Human Resources Committee Meeting minutes of Tuesday, August 8, 2018; the motion was seconded by Councilmember Gamble. Motion carried (2-0).

III. Unfinished Business - NONE

Councilmember Gamble requested the Mid-Year Performance Review Update be presented at the October Committee Meeting.

IV. New Business

A. Parks & Recreation Reorganization (P&R/Finance)

Mr. Farrell and Ms. Hasart provided background information on the proposed reorganization of the Parks and Recreation Department, additional two P&R positions to be proposed for the 2019 Budget, and funding sources.

General discussion ensued throughout the presentation regarding the adopted Parks plan, adopted levels of service, funding/revenue sources, staffing, proposed departmental organizational chart, tax increases, vetting through Monroe Park Board.

B. Miscellaneous

Mr. Farrell and Ms. Knight provided an update on RCO grant applications, process, rankings, and award timeline.

¹ CLERK'S NOTE: Councilmember Hanford arrived at approximately 6:07 p.m.

V. Next Committee Meeting (October 9, 2018)

VI. Adjournment

Councilmember Scarboro moved to adjourn the September 11, 2018, Monroe City Council Finance & Human Resource Committee meeting; the motion was seconded by Councilmember Hanford. Motion carried (3-0); the meeting adjourned at 6:38 p.m.

DRAFT



MONROE CITY COUNCIL
Finance & Human Resources Committee Meeting
Tuesday, October 9, 2018, 6:00 P.M.

2018 Committee
 Councilmembers
 Jason Gamble
 Kevin Hanford
 Kirk Scarboro

Agenda Bill

SUBJECT:	Long Range Sewer Projections
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
10/09/2018	Finance	Becky Hasart	Becky Hasart	New Business A.

Discussion: 10/09/2018

- Attachments:**
1. Scenario 1 – Sewer Fund Six Year Projection, no rate adjustment and no utility tax, no new debt
 2. Scenario 2 – Sewer Fund Six Year Projection, no rate adjustment with 10% utility tax, no new debt
 3. Scenario 3 – Sewer Fund Six Year Projection no rate adjustment with 10% utility tax and new debt in FY 2021
 4. Scenario 4 – Sewer Fund Six Year Projection, 2.5% rate decrease in FY 2019, no further rate adjustments, 10% utility tax, and new debt in FY 2021

REQUESTED ACTION: None - discussion only.

POLICY CONSIDERATION

None for the committee. This item is discussion only. Any policy decisions will be presented to the full Council both through the 2019 Budget process and through consideration of an ordinance specific to the sewer utility tax.

DESCRIPTION/BACKGROUND

The 2019 Proposed Budget recommends the adoption of a 10 percent utility tax on the City's sewer operations. (A utility tax is a tax levied on the gross operating revenues earned by the system as a whole. It is not a pass through tax, such as a sales tax.)

The City currently charges a utility tax on its water operations, as well as on electric, natural gas, and phone. The sewer tax is anticipated to generate approximately \$991,133 of new revenue to the General Fund without increasing rates over the next six years, with the exception of 2019, where residential sewer rates are proposed to decrease by 2.5 percent. This is possible with the strategic use of revenue debt to help fund the sewer system's six year capital needs.

Long range sewer projections (six years, consistent with the Six Year Strategic Plan and the General Fund projections) illustrates the sewer fund can absorb a 10 percent utility tax, again, similar to what is charged to the water utility. The following scenarios, when viewed in succession, illustrate how this is done:

- Scenario 1 – Projects revenues and expenditures for the sewer funds (both operations/maintenance and capital) without any rate adjustments, without any utility tax, and without issuing any new debt over a six year period from 2019 through 2024;
- Scenario 2 – Projects revenues and expenditures for the sewer funds without any rate adjustment or any new debt issuance, but does include payment of a 10 percent utility tax;

- Scenario 3 – Projected revenues and expenditures for the sewer funds without any rate adjustment but does include payment of a 10 percent utility tax. This scenario also issues \$5 million in new debt in fiscal year 2021, with the first payments due in 2022; and
- Scenario 4 – Applies a 2.5 percent rate **decrease** to Scenario 3 for fiscal year 2019. There are no rate adjustments during years 2020 through 2024.

FISCAL IMPACTS

While all four scenarios will be explained in detail during the Finance and HR Committee meeting, the following charts summarizes the impacts of the four scenarios:

Fiscal Year 2024 Comparison				
	EFB Capital	Debt Svc Payment	Debt Svc Ratio	Utility tax to GF
Scenario 1	\$6,739,922	\$987,790	4.16	\$0
Scenario 2	\$597,160	\$987,790	3.28	\$936,384
Scenario 3	\$4,550,587	\$1,397,790	2.41	\$950,048
Scenario 4	\$3,623,397	\$1,397,790	2.29	\$931,493

EFB – Ending Fund Balance

Scenario 4 Comparison				
	EFB Capital	Debt Svc Payment	Debt Svc Ratio	Utility tax to GF
FY 2019	\$6,990,247	\$1,941,763	2.55	\$999,133
FY 2020	\$6,418,317	\$1,877,617	2.20	\$940,877
FY 2021	\$6,493,410	\$1,879,953	2.07	\$933,761
FY 2022	\$5,776,651	\$1,810,272	2.01	\$928,991
FY 2023	\$4,106,444	\$1,360,577	2.56	\$937,531
FY 2024	\$3,623,397	\$1,397,790	2.29	\$931,493

TIME CONSTRAINTS

None for the committee. The sewer utility tax ordinance will be presented to Council for first reading consideration on October 23, 2018, and second reading on November 13, 2018.

ALTERNATIVES

None for the committee. This item is for information only.

Scenario 1
No rate adjustment, no utility tax, no new debt

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$743,623	\$757,050	\$774,898	\$742,236	\$714,598
Service Charges	\$6,400,000	1.25% \$6,480,640	1.25% \$6,562,296	1.25% \$6,644,981	1.25% \$6,728,708	0.00% \$6,728,708
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	2.00% \$17,572	2.00% \$17,840	2.00% \$18,197	2.00% \$17,544	2.00% \$16,991
Other/Transfer In	\$94,930					
subtotal revenues	\$8,948,427	\$8,429,835	\$8,525,186	\$8,626,076	\$8,676,488	\$8,648,297
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$0	\$0	\$0	\$0	\$0	\$0
Other Transfers (90)	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$4,269,097	\$4,445,129	\$4,591,529	\$4,799,025	\$5,018,408	\$5,250,535
rev over/under exp	\$4,679,330	\$3,984,706	\$3,933,657	\$3,827,051	\$3,658,079	\$3,397,763
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,400,272	\$950,577	\$987,790
Subtotal Fund Balance	\$2,737,567	\$2,107,089	\$2,053,704	\$2,426,779	\$2,707,502	\$2,409,973
reserve target	\$743,623	\$757,050	\$774,898	\$742,236	\$714,598	\$746,919
Amount to transfer to CIP	\$1,993,944	\$1,350,039	\$1,278,806	\$1,684,543	\$1,992,904	\$1,663,054
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 8,255,179	\$ 8,807,024	\$ 5,028,272	\$ 5,837,192	\$ 5,683,602
Transfer In from Operations	\$ 1,993,944	\$ 1,350,039	\$ 1,278,806	\$ 1,684,543	\$ 1,992,904	\$ 1,663,054
Interest Earnings & Other	\$ 134,691	\$ 165,123	\$ 176,160	\$ 100,585	\$ 116,763	\$ 113,692
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 10,025,356	\$ 10,665,061	\$ 11,007,590	\$ 7,409,880	\$ 8,543,339	\$ 8,056,828
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
subtotal expenses	\$ 1,770,177	\$ 1,858,037	\$ 5,979,318	\$ 1,572,688	\$ 2,859,737	\$ 1,316,906
rev over/under exp (EFB)	\$ 8,255,179	\$ 8,807,024	\$ 5,028,272	\$ 5,837,192	\$ 5,683,602	\$ 6,739,922
total available for debt coverage	\$ 5,977,157	\$ 5,044,549	\$ 4,855,417	\$ 4,524,116	\$ 4,371,322	\$ 4,107,935
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,400,272	\$ 950,577	\$ 987,790
debt service ratio (>1.25)	3.08	2.69	2.58	3.23	4.60	4.16
Total Utility Tax to General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Scenario 2
No rate adjustment, 10% utility tax, no new debt

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$849,865	\$859,508	\$878,454	\$847,016	\$819,999
Service Charges	\$6,400,000	1.26% \$6,480,640	1.26% \$6,562,296	1.26% \$6,644,981	1.26% \$6,728,708	0.00% \$6,728,708
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	1.00% \$19,697	2.00% \$19,890	2.00% \$20,269	2.00% \$19,640	2.00% \$19,099
Other/Transfer In	\$94,930					
subtotal revenues	\$8,948,427	\$8,538,202	\$8,629,694	\$8,731,704	\$8,783,364	\$8,755,805
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$885,349	\$853,820	\$862,969	\$873,170	\$878,336	\$875,580
Other Transfers (90)	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$5,154,446	\$5,298,949	\$5,454,498	\$5,672,195	\$5,896,744	\$6,126,115
rev over/under exp	\$3,793,981	\$3,239,253	\$3,175,196	\$3,059,509	\$2,886,620	\$2,629,691
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,400,272	\$950,577	\$987,790
Subtotal Fund Balance	\$1,852,218	\$1,361,636	\$1,295,243	\$1,659,237	\$1,936,043	\$1,641,901
reserve target	\$849,865	\$859,508	\$878,454	\$847,016	\$819,999	\$851,989
Amount to transfer to CIP	\$1,002,353	\$502,128	\$416,789	\$812,221	\$1,116,044	\$789,912
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 7,133,804	\$ 6,711,569	\$ 1,940,905	\$ 1,752,224	\$ 576,920
Transfer In from Operations	\$ 1,002,353	\$ 502,128	\$ 416,789	\$ 812,221	\$ 1,116,044	\$ 789,912
Interest Earnings & Other	\$ 134,691	\$ 142,696	\$ 134,251	\$ 38,838	\$ 35,064	\$ 11,558
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 9,033,765	\$ 8,673,348	\$ 8,008,209	\$ 3,388,444	\$ 3,499,812	\$ 1,974,870
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ 129,784	\$ 103,742	\$ 87,986	\$ 63,532	\$ 63,155	\$ 60,804
subtotal expenses	\$ 1,899,961	\$ 1,961,779	\$ 6,067,304	\$ 1,636,220	\$ 2,922,892	\$ 1,377,710
rev over/under exp (EFB)	\$ 7,133,804	\$ 6,711,569	\$ 1,940,905	\$ 1,752,224	\$ 576,920	\$ 597,160
total available for debt coverage	\$ 5,091,808	\$ 4,276,669	\$ 4,055,047	\$ 3,694,827	\$ 3,518,164	\$ 3,237,729
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,400,272	\$ 950,577	\$ 987,790
debt service ratio (>1.25)	2.62	2.28	2.16	2.64	3.70	3.28
Total Utility Tax to General Fund	\$ 1,015,133	\$ 957,562	\$ 950,955	\$ 936,702	\$ 941,491	\$ 936,384

Scenario 3
no rate adjustment, 10% utility tax, \$5M new debt

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$849,865	\$859,508	\$878,454	\$896,216	\$869,801
Service Charges	\$6,400,000	1.26% \$6,480,640	1.26% \$6,562,296	1.26% \$6,644,981	1.26% \$6,728,708	0.00% \$6,728,708
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	2.00% \$19,697	2.00% \$19,890	2.00% \$20,269	2.00% \$20,624	2.00% \$20,096
Other/Transfer In	\$94,930					
subtotal revenues	\$8,948,427	\$8,538,202	\$8,629,694	\$8,731,704	\$8,833,548	\$8,806,605
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$885,349	\$853,820	\$862,969	\$873,170	\$883,354	\$880,660
Other Transfers (90)	\$15,477	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$5,155,923	\$5,300,449	\$5,455,998	\$5,673,695	\$5,903,262	\$6,132,695
rev over/under exp	\$3,792,504	\$3,237,753	\$3,173,696	\$3,058,009	\$2,930,286	\$2,673,910
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,810,272	\$1,360,577	\$1,397,790
Subtotal Fund Balance	\$1,850,741	\$1,360,136	\$1,293,743	\$1,247,737	\$1,569,709	\$1,276,120
reserve target	\$849,865	\$859,508	\$878,454	\$896,216	\$869,801	\$901,798
Amount to transfer to CIP	\$1,000,876	\$500,628	\$415,289	\$351,521	\$699,908	\$374,322
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 7,132,327	\$ 6,708,565	\$ 6,936,347	\$ 6,376,883	\$ 4,868,687
Bond Proceeds			\$ 5,000,000			
Transfer In from Operations	\$ 1,000,876	\$ 500,628	\$ 415,289	\$ 351,521	\$ 699,908	\$ 374,322
Interest Earnings & Other	\$ 134,691	\$ 142,666	\$ 134,191	\$ 138,746	\$ 127,557	\$ 97,393
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 9,032,288	\$ 8,670,341	\$ 13,003,645	\$ 8,023,094	\$ 7,800,828	\$ 5,936,881
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ 129,784	\$ 103,739	\$ 87,980	\$ 73,523	\$ 72,404	\$ 69,388
subtotal expenses	\$ 1,899,961	\$ 1,961,776	\$ 6,067,298	\$ 1,646,211	\$ 2,932,141	\$ 1,386,294
rev over/under exp (EFB)	\$ 7,132,327	\$ 6,708,565	\$ 6,936,347	\$ 6,376,883	\$ 4,868,687	\$ 4,550,587
total available for debt coverage	\$ 5,090,331	\$ 4,275,139	\$ 4,053,487	\$ 3,793,235	\$ 3,654,323	\$ 3,367,783
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,810,272	\$ 1,360,577	\$ 1,397,790
debt service ratio (>1.25)	2.62	2.28	2.16	2.10	2.69	2.41
Total Utility Tax to General Fund	\$ 1,015,133	\$ 957,559	\$ 950,949	\$ 946,693	\$ 955,758	\$ 950,048

Scenario 4
2.5% rate decrease, 10% utility tax, \$5M new debt

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758
Service Charges	\$6,240,000	1.26% \$6,318,624	1.26% \$6,398,239	1.26% \$6,478,856	1.26% \$6,560,490	0.00% \$6,560,490
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	2.00% \$19,658	2.00% \$19,850	2.00% \$20,229	2.00% \$20,583	2.00% \$20,055
Other/Transfer In	\$94,930					
subtotal revenues	\$8,788,427	\$8,374,227	\$8,463,629	\$8,563,547	\$8,663,271	\$8,636,303
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$869,349	\$837,422	\$846,362	\$856,354	\$866,327	\$863,630
Other Transfers (90)	\$15,477	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$5,139,923	\$5,284,051	\$5,439,391	\$5,656,879	\$5,886,235	\$6,115,665
rev over/under exp	\$3,648,504	\$3,090,176	\$3,024,238	\$2,906,668	\$2,777,036	\$2,520,638
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,810,272	\$1,360,577	\$1,397,790
Subtotal Fund Balance	\$1,706,741	\$1,212,559	\$1,144,285	\$1,096,396	\$1,416,459	\$1,122,848
reserve target	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758	\$899,755
Amount to transfer to CIP	\$858,796	\$355,018	\$267,824	\$202,197	\$548,702	\$223,094
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444
Bond Proceeds			\$ 5,000,000			
Transfer In from Operations	\$ 858,796	\$ 355,018	\$ 267,824	\$ 202,197	\$ 548,702	\$ 223,094
Interest Earnings & Other	\$ 134,691	\$ 139,824	\$ 128,386	\$ 129,888	\$ 115,553	\$ 82,148
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 8,890,208	\$ 8,379,809	\$ 12,560,127	\$ 7,421,976	\$ 7,037,385	\$ 5,008,166
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ 129,784	\$ 103,455	\$ 87,399	\$ 72,637	\$ 71,204	\$ 67,863
subtotal expenses	\$ 1,899,961	\$ 1,961,492	\$ 6,066,717	\$ 1,645,325	\$ 2,930,941	\$ 1,384,769
rev over/under exp (EFB)	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444	\$ 3,623,397
total available for debt coverage	\$ 4,946,331	\$ 4,124,720	\$ 3,898,224	\$ 3,633,036	\$ 3,489,069	\$ 3,199,266
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,810,272	\$ 1,360,577	\$ 1,397,790
debt service ratio (>1.25)	2.55	2.20	2.07	2.01	2.56	2.29
Total Utility Tax to General Fund	\$ 999,133	\$ 940,877	\$ 933,761	\$ 928,991	\$ 937,531	\$ 931,493



MONROE CITY COUNCIL

Agenda Bill No. 18-031

SUBJECT:	<i>Discuss 2019 Scope of Work with Monroe Sky Valley Family YMCA</i>
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
10/16/2018	Parks & Rec. Administration	Deborah Knight Mike Farrell	Deborah Knight	New Business B.

Discussion: 10/16/2018

Attachments: 1. Professional Services Agreement; Exhibits A & B

REQUESTED ACTION: Discuss the 2019 scope of work with Monroe Sky Valley Family YMCA and provide direction to the Mayor and City Staff.

DESCRIPTION/BACKGROUND

During the 2018 budget development, the Sky Valley Family YMCA approached the City regarding a partnership to help provide recreational services to the residents of Monroe. The Monroe City Council approved a professional services agreement (PSA) with the YMCA.

Under the terms of the PSA the city pays the YMCA \$50 per pass good for six months issued to a verified City of Monroe resident. The pass entitles the holder to seven hours per week of swim time and discounted access to other YMCA programs as outlined in Exhibit A. Upon receipt of appropriate paperwork, the City has reimbursed the YMCA based on the number of passes issued during the six month period not to exceed \$25,000 per semi-annual basis.

Exhibit B of the PSA outlines the marketing efforts expected from both the City and the YMCA regarding this program.

The term of the PSA is for 2018 only. Under current City processes, future consideration would be addressed on a year to year basis as part of the budget process. \$50,000 is included in the Mayor's Recommended Budget pending negotiation and approval of a professional services agreement (PSA).

The purpose of this agenda bill is to review the current scope of work and get direction from the Finance Committee on the 2019 scope of work.

FISCAL IMPACTS

The 2019 Mayor's Recommended Budget includes up to \$50,000 to fund a partnership with the YMCA in the Parks and Recreation operations budget.

TIME CONSTRAINTS

The PSA term is for January 1, 2018, through December 31, 2018. With council approval, a new PSA would be negotiated effective January 1, 2019.

ALTERNATIVES

- Extend the current PSA through December 31, 2019.
- Adjust the terms of the PSA. This alternative will require direction from the City Council.
- Decline to adopt a PSA for 2019.

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE MONROE SKY VALLEY FAMILY YMCA
AND THE CITY OF MONROE**

An agreement by which the Monroe Sky Valley Family YMCA, a nonprofit Washington corporation (hereinafter referred to as Contractor), agrees to provide professional services to the City of Monroe (hereinafter referred to as City), for the stated consideration and in accordance with the terms and conditions provided herein, and establishing the rights and responsibilities of the parties.

WHEREAS Contractor provides individual and family oriented recreational programs, including aquatic centered activities; and

WHEREAS the City has identified these programs as supporting the health and welfare of its residents; and

WHEREAS these programs support the City's Parks Master Plan with regards to the provision of recreational opportunities.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

Section 1. Services. The Contractor shall provide non-member resident cards (hereinafter referred to as pass) to verified City residents on a semi-annual basis. Each pass shall be valid for six (6) months and each pass shall entitle the holder to "Family Member" pricing for select YMCA programs as listed in Exhibit A. In addition, each pass shall entitle the holder to pool access as detailed in Exhibit A.

The Contractor and City shall jointly market the availability of this program to City residents. Marketing efforts shall include those activities attached as Exhibit B.

Section 2. Payment. In consideration of the services to be performed for the City as set forth in Section 1 above, the City shall pay Contractor a total of fifty dollars (\$50) per pass, not to exceed twenty-five thousand (\$25,000) in a semi-annual period. Semi-annual payments shall be made in July and January following the end of the semi-annual period upon receipt of Contractor's reimbursement request. Each request shall be submitted on a form(s) approved by the Finance Director and shall include the following information:

- Number of cards issued during the term
- Address of card holder (to confirm residency)
- Number of family members
- Number of school age children
- Summary of promotion activities

Upon receipt of the appropriate form(s), the City shall initiate authorization of payment and shall make payment within thirty (30) days of receipt.

Section 3. Term. This agreement shall commence on January 1, 2018, and terminate on December 31, 2018.

Section 4. Record Keeping and Audit. Contractor shall at any time during normal business hours and as often as the City or State Auditors may deem necessary, make available for examination all of its records with respect to all matters covered, directly or indirectly, by this agreement and shall permit the City or its designated authorized representative to audit and inspect all records made by the Contractor as to the Contractor's activities. The City may, at its discretion, conduct an audit, at its expense, using its own or outside auditors, of Contractor's activities which relate, directly or indirectly, to this agreement.

Section 5. Compliance with Laws. In the performance of this agreement, the Contractor shall comply fully with all applicable federal, state and local laws and regulations.

Section 6. Insurance. The Contractor shall procure prior to the commencement of this agreement and maintain for the duration of this Agreement (i) insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of this Agreement by the Contractor, its agents, representatives, or employees, and (ii) a current certificate of insurance and additional insured endorsement when applicable. The insurance policy shall be written on an "occurrence" form.

The Contractor's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

The Contractor shall maintain Commercial General liability coverage at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.

The Contractor shall maintain Commercial Automobile and/or Truck liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be at least as broad as ISO form CA 00 01. The insurance shall be written with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

The insurance coverages required by this Agreement must contain, or must be endorsed to contain, the following provisions:

- A. The City, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Agreement. Such coverage shall be primary and non-contributory insurance as respects the City, its officers, officials, employees, and agents. Additional Insured Endorsement shall be included with the certificate of insurance or its equivalent is required.

B. The Contractor's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

Section 7. Indemnification. Contractor shall indemnify, defend, and hold harmless the City and its officers, agents, and employees from and against any and all claims, actions, suits at law or equity, liability, loss, costs, expenses or damages of any nature or kind whatsoever, including but not limited to reasonable attorney's fees and litigation costs, brought against the City, its officers, agents, and employees, arising out of or in connection with or incident to the execution of this agreement and/or performance or failure to perform any aspect of this agreement; provided however, that nothing herein shall require Contractor to hold harmless or defend the City, its officers, agents, or employees from any claims arising from the sole negligence of the City, its officers, agents, or employees. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration of termination of this agreement.

Section 8. No Joint Venture/Relationship of the Parties. Contractor, in the performance of services under this agreement, shall be an independent contractor, and its employees, if any, shall not be considered as employees, agents, or representatives of the City. No agent, employee, or representative of the Contractor shall be deemed to be an employee, agent, or representative of the City for any purpose, and the employees of the Contractor are not entitled to any of the benefits the City provides for its employees. Contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, subcontractors, and representatives during the performance of this agreement. Contractor shall have no authority to bind the City to any agreement and shall not represent to any person or entity that Contractor possesses authority to act on behalf of the City.

Section 9. Assignment. This agreement cannot be assigned, transferred, or any portion subcontracted by either party hereto without the prior written consent of the other party.

Section 10. Future Support. The City makes no commitment to future support and assumes no obligation for future support of any activity connected for herein, except as may be expressly set forth in this agreement.

Section 11. Notices.

Notices to the City shall be delivered to:

City Administrator
City of Monroe
806 West Main Street
Monroe, WA 98272

Notices to the Contractor shall be delivered to:

Director
Monroe Sky Valley Family YMCA
14033 Fryelands Blvd SE
Monroe, WA 98272

Section 12. Entire Agreement. This agreement is the complete expression of the terms herein and any oral representations or understandings not incorporated herein are excluded. This agreement may be amended only through mutual written agreement of the parties.

Section 13. Termination. Either party may terminate this agreement, with or without justification, upon providing thirty (30) days written notice to the other party. This agreement may be terminated by the City upon breach by the Contractor.

Section 14. Background Check. The Contractor warrants and represents that Contractor and every employee, subcontractor and agent of Contractor performing work under this agreement shall have successfully passed a background check pursuant to RCW 43.43.830 - .845. For purposes of this section, "successfully passed" shall mean that the background check has not revealed any "crime against children or other persons" as defined by RCW 43.43.830.

Dated this _____ day of _____, 2018.

City of Monroe

Monroe Sky Valley YMCA

Geoffrey Thomas, Mayor

Name: _____

(SEAL)

Title: _____

Attest:

Approved As To Form:

Elizabeth M. Adkisson, MMC, City Clerk

J. Zachary Lell, City Attorney

EXHIBIT A SERVICES PROVIDED

Pool Access

The Contractor will provide seven (7) hours of pool access per week to pass holders as follows:

- Five (5) hours each Sunday
- One (1) hour weekday morning a week as determined by the Contractor
- One (1) hour weekday evening a week as determined by the Contractor

Times and/or hours available may be subject to change upon mutual consent.

Program Access

The Contractor will provide "Facility Member" pricing to pass holders for the following programs:

- Youth sports/fitness – basketball, indoor soccer, outdoor soccer, baseball, volleyball, foot patrol
- Swimming lessons
- Childcare
- Summer camps
- Martial arts – youth and adult
- Youth dance
- Toddler sports

EXHIBIT B MARKETING

The Contractor will:

- Advertise the program on the Contractor's external reader board.
- Distribute flyers announcing the program at the Monroe Library and other public places where Monroe residents congregate.
- Coordinate creation of a joint press release from the Contractor and the City announcing the program.
- Promote the program on the Contractor's website landing page.
- Promote the program on the Contractor's Facebook page.
- Promote the program at other locations and times as determined by the Contractor.

The City will:

- Distribute flyers announcing the program at city hall and other public places where Monroe residents congregate.
- Provide a link from the City's website to the Contractor's website per city policy.
- Coordinate creation of a joint press release from the Contractor and City announcing the program.
- Promote the program on the City's Facebook page.