

Distinctive City, Thriving Future!

Mayor Shelby Rognstad

Council President:

Shannon Williamson

Council Members:

Joel Aispuro

Bill Aitken

John Darling

Thomas Eddy

Deb Ruehle

City of Sandpoint

Municipal Budget – Fiscal Year 2020

Proposed 7/17/2019

Revised 8/6/2019

October 1, 2019 – September 30, 2020



The City of Sandpoint is distinguished by its lakeside beauty, small-town feel, and welcoming people.

Core Values

Count on City Council, Mayor and Staff for high integrity, collaboration and effective stewardship.

Strategic Priorities

Five pillars support Sandpoint's future as a strong, resilient city that governs effectively, invests wisely, and grows responsibly.

1. Responsive Government

2. Resilient Economy

3. Sustainable Environment

4. Vibrant Culture

5. Livable Community

Looking Forward

The theme for this year's budget presentation to the City Council is "Looking Forward." The Sandpoint City Council, Mayor and Leadership Team developed a City-wide framework and strategic priorities for years 2018 to 2020, which was adopted by the City Council on July 11, 2018. This strategic plan continues to guide the City's upcoming activities, programs and services as reflected in this budget.



July 15, 2019

Mayor Shelby Rognstad and Members of the Sandpoint City Council:

I am pleased to provide this Fiscal Year 2020 budget. This is again the culmination of several months of work from City staff at every level of the organization and I truly appreciate their efforts, thoughtfulness, and stewardship of public dollars. You will find that we continue to adhere to the priorities and strategies identified in the strategic plan you adopted last year.

Sandpoint is a distinctive city that has been discovered. This fiscal year we have experienced significant growth and development pressures and we expect this to continue into the next fiscal year. Our strategic priorities as identified by you are to complete our master planning efforts which will ensure we have a unified community vision that will define how we grow and respond as a community to these pressures.

While the average population growth for our City has stayed relatively constant at 1% over the past decade, the U.S. Census Bureau identified Bonner County and the cities within it as the seventh fastest growing micropolitan area in the country. U.S. Census estimates show 5% growth in 2017 and 3.6% growth in 2018 for Sandpoint. An analysis of our population using Census data, the American Community Survey and considering building permit data and vacancy rates could be as high as 9,564.

With growth comes an increased demand for services and some offset with an expanded property tax base. It also comes with some looming challenges. Sandpoint is identified as a resort city by the State of Idaho. With this special status comes some benefits which allow us to offset the cost of service demands caused by significant swings in non-resident population growth and tourism during our peak summer and winter months. Because of our resort city status, we are allowed to adopt, implement and collect resort city taxes and local “option” sales tax – subject to voter approval. Our ability to implement and collect this critical resort city revenue goes away when our population reaches 10,000. If our growth remains relatively constant, Sandpoint is poised to surpass 10,000 residents as early as 2020. With this in mind, we have again dedicated a section of the budget narrative to the resort city tax further discussing trends, projected revenues and budgeted expenses.

We have incorporated our newly adopted two-year strategic plan into this document and planned staffing and expenditures for many of the priorities in order to support the overall City strategic goals of Responsive Government, Resilient Economy, Sustainable Environment, Vibrant Culture and Livability Community. The priorities that will be addressed this year include:

- **Expand Citizen Engagement**
- **Improve Customer Service**
- **Implement and Report Performance Measures City-wide**
- **Refine City Codes**
- **Finalize Advisory Group Charters**
- **Optimize Stormwater Management**
- **Optimize Police Services**
- **Strengthen Financial Forecasting**

- **Complete Phase II Downtown Revitalization Construction**
- **Expand the City’s Fiber Infrastructure in the Downtown Core**
- **Complete Phase III of Undergrounding Utilities – Farmin’s Landing**
- **Identify and Complete Memorial Field & Sports Complex Upgrades**
- **Complete Assessment and/or Master Plans for:**
 - **Parks and Recreation**
 - **Watershed Management**
 - **Downtown Revitalization/Farmin’s Landing**
 - **Arts & Culture (to include Historic Preservation)**
- **Complete Infrastructure Master Plans/Updates for:**
 - **Transportation**
 - **Sidewalks and Pathways**
 - **City Beach**
 - **ADA Compliance**

We continue to ensure the required funding levels in the General Fund Emergency and Stabilization Reserves are met in accordance with the Financial Policy adopted under Resolution No. 17-44. Our current Emergency Reserve is at the maximum of our adopted threshold of 12% of the FY19 operating budget -- \$1,141,650. The Operating/Stabilization Reserve is at the maximum of our adopted threshold of 28% of the FY19 operating budget -- \$2,663,850. We have planned accordingly to maintain these maximum thresholds using the FY20 operating budget and anticipate increasing the Emergency Reserve by \$72,703 and Operating/Stabilization Reserve by \$169,640 next February when our FY19 audit is complete.

These reserves function as the cornerstone of financial flexibility. While we have seen stable economic growth over the past several years, these reserves provide us the ability to respond to unexpected issues and afford a buffer against shocks and other forms of risk. The Government Financial Officers Association (GFOA) recommends that local governments have no less than 16% of annual revenues in reserve.

The City has an accrued balance of tax revenue authorized but not taken in previous years, referred to as the “foregone amount.” When a city chooses to levy less than the maximum amount allowed by law, the leftover amount is called foregone. This foregone accumulates from year to year and a city is allowed to add all or part of the foregone amount to a future levy. Historically, the City has levied the foregone amount when it is available and this year’s budget continues this practice. This year’s budget includes \$88,774 in foregone revenue. This is a reduction from foregone used last year by approximately \$23,000.

There is \$40,754 available this year from prior year Resort City Taxes which will be available as property tax relief to our residents and offset the overall levy increase.

Personnel costs include a 1.5% COLA/market increase based upon a benchmarking market analysis of positions at other municipal employers in our region. The median planned market increase for cities throughout our region is 2%. We believe our proposed COLA, effective January 1, 2020, will keep us in line with appropriate benchmarks and allow us to continue to retain and recruit an experienced, high performing workforce.

Market comparisons were completed for every existing City position and a comprehensive classification and compensation study was completed by the City’s Human Resources Director last fall. The development of an employee training and development incentive program was discussed at that time and an amendment to the adopted Salary Administration Policy to provide for this program will be presented to the City Council at its July 17, 2019 Council meeting. Funding for this program has been included in this proposed budget.

Conclusion

This is an exciting time to be in Sandpoint and I am pleased to say that the FY 2020 budget continues to reflect the strategic plan and priorities as adopted by the Sandpoint City Council. This budget and the associated initiatives will provide our citizens, businesses and others with programs and services in a responsible and efficient manner. It also reflects our continued efforts to improve transparency and citizen engagement.

I want to extend my appreciation and thanks to our leadership team members for their creativity and prudent administration and to all of our City employees who continue to provide excellent service and actively contribute to the development of a refined vision for how we better integrate our services, provide better outcomes for our citizens and make access to their City government and all of its programs and services easier and more accessible.

I look forward to the City Council budget workshop on August 7, 2019, and I am pleased to respond to any questions or concerns you might have.

Sincerely,

Jennifer P. Stapleton

Jennifer Stapleton
City Administrator

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INTRODUCTION: 2019-20 City Officials

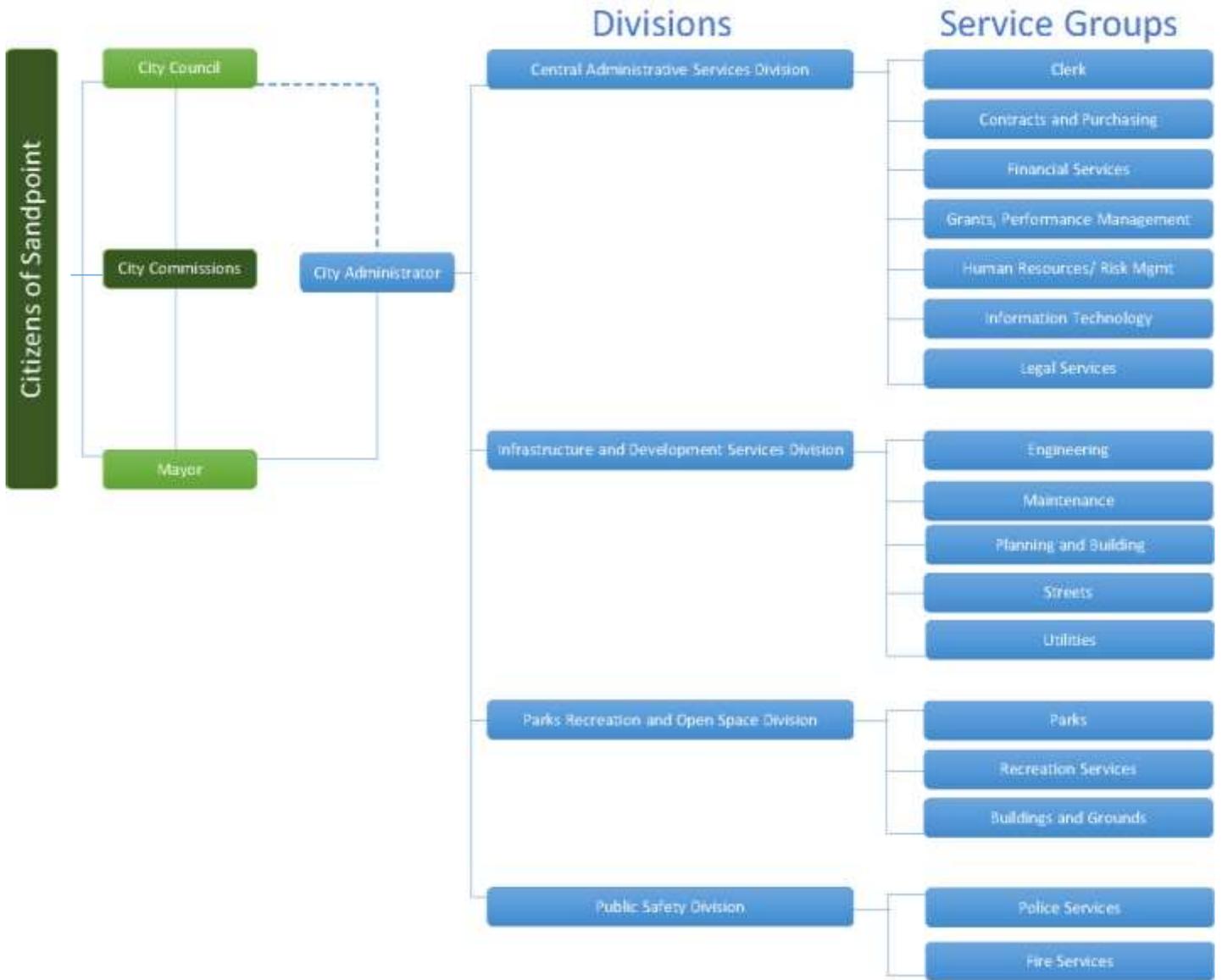
List of Appointed Principal Officials

Public Officials

Elected Officials at 7/15/2019

Elected Official	Name	Term End
Mayor	Shelby Rognstad	12/31/2019
Council President	Shannon Williamson	12/31/2021
Council Member	Thomas Eddy	12/31/2019
Council Member	Bill Aitken	12/31/2019
Council Member	John Darling	12/31/2021
Council Member	Deb Ruehle	12/31/2019
Council Member	Joel Aispuro	12/31/2021

Appointed Official	Name
City Administrator	Jennifer Stapleton
Clerk	Melissa Ward
Finance Director/Treasurer	Sarah Lynds
Fire Chief	Ron Stocking
Infrastructure and Development Services Manager	Amanda Wilson
Parks and Recreation Director	Kim Woodruff
Planning & Community Development Director	Aaron Qualls
Police Chief	Corey Coon



INTRODUCTION: Budget Document and Guide

The Budget as a Financial Plan

This budget document is the annual financial plan for City operations for the period covering Fiscal Year 2020, October 1, 2019 – September 30, 2020. This plan describes sources of revenues and how funds will be spent during the year.

It includes two prior years of actuals and/or budget as appropriate for comparison, the current year budget and/or estimated current year actual and proposed budget year. The document describes the major revenue sources, explains the underlying assumptions for the revenue estimates, and discusses significant revenue trends. Projected changes in fund balances of appropriated governmental funds are included as well as a definition of fund balance maintained by the City. An explanation of the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis, is included.

As a part of the budget review process, the City Council determines the tax rate for each fiscal year. Other fees and fines are also reviewed and adjusted, if necessary. The Council also makes appropriate salary adjustments.

The Budget as a Policy and Management Document

This budget and subsequent accounting reports allow City elected officials, managers and supervisors to isolate potential problems and ensure that City resources are used effectively and efficiently. The process of preparing the budget takes several months and provides the opportunity for our managers to evaluate their operations and to formulate goals and objectives for the upcoming year. Our budget system provides a means of monitoring process toward those goals throughout the year.

Our budget, ongoing accounting reports and detailed financial information to the line item level are also available for the public to review on an ongoing basis via the City's financial transparency portal on our website at www.sandpointidaho.gov.

The Budget as a Communication Device

The budget document provides summary and detailed line item information on the services, programs and initiatives the City will deliver to its citizens and others. The budget is an expression of the City Council's policy direction.

The Budget as an Accounting and Control Mechanism

The budget is the foundation for the proper accounting of City funds. It expresses in financial terms the goals and plans of the City Council. The types and amounts of authorized expenditures and the means for financing them are set forth in the budget. Once the budget is adopted and recorded in the accounting system, it serves as a control device to keep spending within authorized limits.

INTRODUCTION: Major Funds

[Governmental Funds](#) – All government funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting.

The City reports the following major governmental funds:

[General Fund](#) – The “General Fund” is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

[Local Option Tax](#) – The “LOT Fund” accounts for the money that is collected through a 1% voter-approved sales tax that is restricted for the Memorial Field refurbishment and other parks improvement activities. This five-year tax runs from January 1, 2016 – December 31, 2020.

[Enterprise Funds](#) – All enterprise funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. City of Sandpoint maintains four different types of proprietary funds all classified as Enterprise funds.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds’ principal ongoing operations. The principal operating revenues of the enterprise are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City manages the following major enterprise funds:

[Water Fund](#) – This Fund accounts for the provision of water services to the residences and businesses within the City of Sandpoint and area of city impact. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service.

[Wastewater Fund](#) – This Fund accounts for the provision of wastewater services to the residences and businesses within the City of Sandpoint. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service.

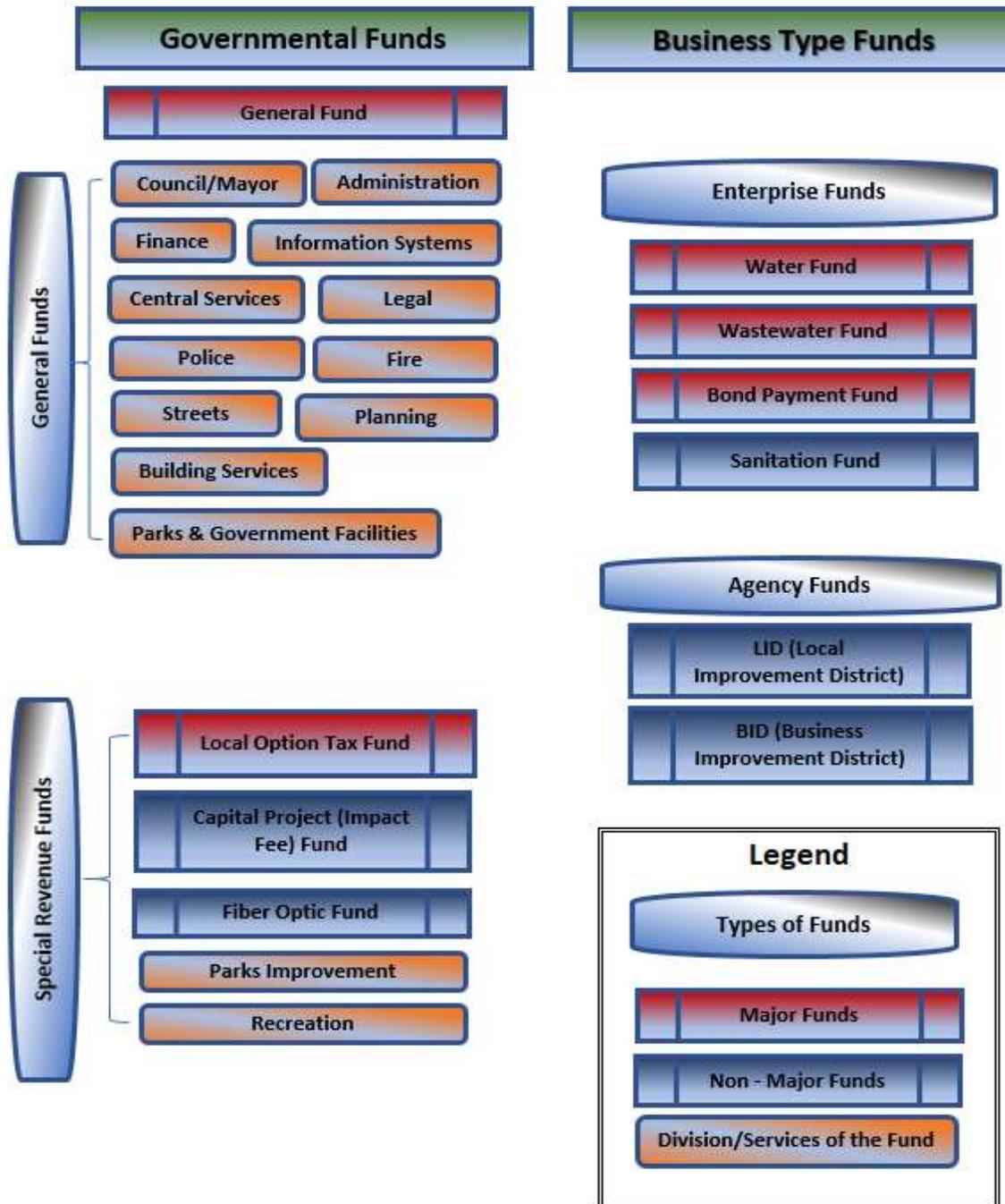
[Bond Payment Fund](#) – This Fund accounts for the payments of bond debt associated with the proprietary funds.

[Fiduciary Funds](#) – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The resources of those funds are not available to support the City of Sandpoint’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The [Agency Funds](#) reports resources held by the City in a custodial capacity for individual, private organizations and other governments.

INTRODUCTION: Basis of Budgeting and Funds

The basis of budgeting will be the same as the basis of accounting; that is, budgets for the governmental funds which consist of the General Fund and Special Revenue funds, are prepared on the modified-accrual basis of accounting. Budgets for the business-type funds which consist of the Enterprise funds and Agency funds are prepared on a full-accrual basis. All funds are appropriated as they appear on the financial statements.



INTRODUCTION: Use of Funds by Service Area

City of Sandpoint FY20 BUDGET

Service Area	Governmental Funds		Proprietary Funds	Fiduciary Funds
	General Fund	Special Revenue	Enterprise	Agency Funds
Council/Mayor	X			
Administration Services	X			
Finance Services	X			
Legal Services	X			
Information Services	X			
Central Services	X			
Government Facilities	X			
Police Services	X			
Fire Services	X			
Building Services	X			
Street Services	X			
Planning Services	X			
Parks Services	X			
Capital Projects	X			
Fiber Optic		X		
Fiber Optic Capital		X		
Recreation Services		X		
Recreation Capital		X		
Local Option Tax		X		
Local Option Tax Capital		X		
Parks Concessions		X		
Parks Capital		X		
Capital Project (Impact Fee)		X		
Public Works Administration			X	
Water Treatment			X	
Water Distribution			X	
Sewer Collection			X	
Sewer Treatment			X	
Sanitation			X	
Water Capital			X	
Sewer Capital			X	
Debt Water Bond			X	
Debt Sewer Bond			X	
BID - Business Improvement District				X
LID Guarantee				X
LID Funds Combined				X

CITY PRIORITIES AND POLICY: Strategic Priorities

Sixteen specific initiatives have been identified as Strategic Priorities for Fiscal Years 2019-2020 as presented below.

Initiatives	Responsive Government	Resilient Economy	Sustainable Environment	Vibrant Culture	Livable Community
Refine City Codes	√	√	√		√
Expand Citizen Engagement	√				√
Embrace Performance Management	√	√	√		
Refresh Advisory Group Charters	√				√
Optimize Storm Water Management	√	√	√		√
Optimize Police Services	√	√			√
Optimize Fire Protection	√	√			√
Strengthen Financial Forecasting	√	√			
Diversify Housing Mix	√	√			√
Consider Acquiring U of I Property	√		√	√	√
Memorial Field & Sports Complex Upgrades	√	√	√	√	√
Update the City's Comprehensive Plan	√	√	√		√
Complete Assessment and/or Master Plans for:					
• Watershed Management	√		√		√
• Downtown Revitalization/ Farmin's Landing	√	√		√	√
• Public Art and Historic Preservation	√	√		√	√
Complete Infrastructure Master Plans/Updates for:					
• Transportation and Wayfinding	√		√		√
• Sidewalks and Pathways	√	√	√	√	√
• Parking Assessment	√	√			√
• City Beach and All Parks	√	√		√	√
• ADA Compliance	√				√

A discussion of the specific actions and activities that will be implemented under each of these initiatives can be found below:

Refine City Codes

- Conduct a systematic, chapter-by-chapter, review for relevance, enforcement implications, and ways to improve outcomes at less cost including organizational structure and support for legal functions.

Expand Citizen Engagement

- Increase the frequency, channels, and variety of information is gathered from and shared with citizens. Routinely assess community issues / interests and citizen satisfaction with City services, and leverage technology to enable more people to provide input on specific topics of interest.

Embrace Performance Management and Continuous Improvement

- Memorialize Council expectations via ordinance. Establish standard methods for setting priorities, tracking accountabilities, measuring progress, and developing employees. Also, systematically review all internal processes and external service protocols for efficiency, effectiveness, and citizen satisfaction (e.g., one-stop shop, See-Click-Fix).

Refresh Commissions and Advisory Group Charters

- Set clear protocols for establishing, informing, supporting, and leveraging such groups and clarify the purpose, roles, mode of operations, standards for participation, and renewal cycle for each.

Optimize Storm Water Management

- Develop a storm water master plan and evaluate the transition and ongoing costs, risks, and benefits to the City and citizens of establishing a storm water utility to fund upgrades, expansion, and maintenance. Develop implementation plans that identify priorities, policy guidelines, projected costs, and alternative means of funding.

Optimize Fire Protection

- Evaluate the transition and ongoing costs, risks, and benefits to the City and citizens of establishing an independent, membership-based regional fire and emergency services agency via Joint Powers Authority.

Optimize Police Services

- Establish and refine centralized code and parking enforcement plus community engagement via the Community Resource Officers and recommend appropriate revisions to City Codes.

Strengthen Financial Forecasting

- Complete baseline of integrated 5-year operating plans and 20-year capital investment plans including analysis of revenue and expense projections to reflect anticipated growth and other considerations.

Diversify Housing Mix

- Update of the 2007 multi-jurisdictional housing assessment and work with employers, developers, property owners, housing organizations, community members and neighboring jurisdictions to devise and implement strategies to increase the availability of entry level and workforce housing stock.

Consider Acquiring U of I Property

- Assess ways to prudently acquire, use, and maintain portions of the U of I property for public purposes.

Memorial Field and Sports Complex Upgrades

- Complete renovation of Memorial Field to include field surface. Develop and implement plans (including costs, benefits, and timelines) to address water drainage issues and expand the usability of all sport fields.

Update the City's Comprehensive Plan

- Conduct a public process to critically review and update the City's Comprehensive Plan in accordance with best practices and the City's strategic plans.

Complete Watershed Management Master Plan

- Conduct a public process to critically review needs and define preferred solutions and resource requirements. Develop implementation plans that identify priorities, policy guidelines, projected costs, and alternative means of funding.

Develop a Master Plan for Downtown Revitalization

- Conduct a public process to critically review the needs, opportunities, costs, and benefits of improving Farmin's Landing and other projects. Develop implementation plans that identify priorities, policy guidelines, projected costs, and alternative means of funding.

Develop a Master Plan for Arts

- Conduct a citizen-lead process via the Arts Commission to critically review the needs, opportunities, costs, and benefits of improving arts-related projects and programs. Develop implementation plans that identify priorities, policy guidelines, budgetary needs, and alternative means of funding.

Develop Integrated Master Plans for Infrastructure

- Conduct a public process to critically review needs and define preferred actions and related resource requirements for City infrastructure including: streets, sidewalks and pathways; parking; water treatment and distribution; wayfinding; American with Disability Act compliance; and City Beach and other parks. Develop implementation plans that identify priorities, policy guidelines, projected costs, and alternative means of funding.

CITY PRIORITIES AND POLICY: Financial Policies

(Resolution 17-44 July 5, 2017, updated Resolution 18-58, December 5, 2018)

Reserve and Fund Balance Policies

A. Governmental Fund Balance and Reserves Policy

This policy is intended to establish fund balance policies, tailored to meet the needs of the City of Sandpoint, with sound financial management principles that will provide the City with a stable financial base at all times. It is essential that Sandpoint maintain adequate levels of fund balance to mitigate financial risk that can occur from contingencies such as; unforeseen revenue fluctuations, unanticipated expenditures from emergency situations, cash flow liquidity for general operations and to maintain good credit rate standing.

Definitions and Details

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

GASB Statement 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:

- 1) **Non-spendable Fund Balance** – amounts that are not in a spendable form; such as, inventories, prepaid items, accounts receivables and other current assets that are consumed in the course of operations that cannot be converted to cash or are not expected to be available to pay current liabilities. This would include the principal amount of any permanent fund.
- 2) **Restricted Fund Balance** – are resources of a governmental fund that are subject to constraints imposed by external parties or law. These restrictions include such things as contracts, directed donations, debt covenants and voter approved actions (e.g. LOT tax). Constraints can also be imposed by outside legislation and federal and state agency (e.g. grants and intergovernmental revenues). These amounts can be spent only for the specified purpose stipulated by the external parties.
- 3) **Committed fund balance** – amounts that have been designated by City Council resolutions for ordinances. These funds may only be spent for the purpose intended by the resolution or ordinance and can only be changed or lifted by the same action. (e.g., the resolution committing a specified dollar amount to be used for Memorial Field Enhancements in the Parks Fund).
- 4) **Assigned fund balance** – the net amounts *intended* to be used by the government for specific purposes. Assigned resources do not require formal actions by the City Council. Intent can be expressed by the City Council or a designee to whom the council delegates the authority. In governmental funds other than the general fund (special revenue funds), assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (e.g., Recreation Fund).
- 5) **Unassigned fund balance** – are available for any legal purpose and represents expendable available financial resources that can be used to meet reserves, contingencies and cash flow requirements. Reserve targets are generally met from excess revenue over expenditures or one-time revenues.

UNASSIGNED FUND BALANCE GOALS

Governments that maintain adequate reserves are better positioned to deal with funding issues during difficult times. Therefore, in good economic times it is prudent for governments to use a portion of budget surpluses to help create, sustain or increase the size of a general fund reserve.

General Fund - The City shall seek to maintain unassigned fund balance of between 35-40% of all expenditures in the projected fiscal year budget. Expenditures shall include operating expenses and any budgeted fund transfers (excluding capital or any unusual expenditure items) of the general fund. If the unassigned fund balance after the conclusion of the annual audit exceeds 45% a review shall be conducted, and appropriate actions shall be taken. If the unassigned balance is less than 30% a plan shall be developed to restore the reserves in an acceptable manner under the circumstances. Included in the unassigned fund balance are reserves for cash flow, operations and emergencies.

General Fund Emergency Reserve – 10% - 12% is for unexpected, large-scale events where substantial damage is incurred and immediate, remedial action must be taken to protect the health and safety of residents, (e.g. floods, road/culvert washouts, structural damage from snow, wind or fire).

General Fund Operating Reserve – 20% -28% is not a contingency fund. This reserve is established as a Stabilization Fund to provide “bridge funding” to deal with unexpected events such as: economic downturns where fluctuations in revenues may plunge far more than originally forecasted, unfunded mandates from the State and/or Federal Governments that impact ongoing programs and services, adverse litigation, unanticipated expenditures or opportunities. This reserve can address shortfalls to the city’s budget by providing time for restructuring it operations in a deliberate manner to prepare or avoid financial impacts or to ensure continuance of critical City services and activities and to eliminate the need for short-term borrowing.

Special Revenue Funds – Special revenue funds (e.g. Parks Capital Improvement Fund, LOT Fund, Recreation Fund) are created to account for the proceeds of specific revenue sources that are restricted for use either by law, contract or donor specifications. Fund balances are therefore either restricted, committed or assigned in the special revenue funds. Care should be taken to ensure the fund balance plus estimated revenues for the ensuing fiscal year must be sufficient to meet all outstanding contractual obligations and be sufficient to accommodate the ensuing fiscal year budget and a determined cash flow specific to the fund. Special Revenue Funds do not have Unassigned Fund Balances.

Any start-up expenditures for new programs, provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenditures shall be used from existing assigned fund balance.

Policy

The City Administrator in consultation with the Treasurer/Director of Finance and discussions with the City Council and Mayor shall determine funds to be classified as assigned.

Except in extraordinary circumstances unassigned fund balance should not be used to fund any portion of the ongoing and routine year-to-year operating expenditures of the City. It should be used primarily to ensure adequate reserves, to respond to unforeseen emergencies, to provide cash flow and to provide overall financial stability.

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

The City shall maintain Reserves for the Unassigned Fund Balance as described above. Whenever Operating Reserves are used or a budget increase results in a shortfall, the plan to replenish or enhance the fund will require a minimum of 5 percent of all (ongoing) discretionary revenue be devoted to the Operating Reserve until replenished. Whenever funds used in the Emergency Reserve results in a shortfall it must be replenished by the end of the ensuing fiscal year end.

B. Enterprise Fund Balances and Reserve Policy

Enterprise Funds require working capital for routine and non-routine operating and capital expenses. A certain level of cash reserves for one fund will not be sufficient for another fund. For most governments, the main focus and attention is on liquidity. Annually as part of the determination of user charge billings and capital funding the City will assess and budget as necessary any adjustments to specific working capital levels, reserve balances and contingencies for any unforeseen circumstances.

Definitions and Details

Enterprise Fund operations operate in a manner similar to private business where the intent of the governing body is that costs (expenses, including depreciation) be financed or recovered primarily through user charges (e.g. water and sewer rates). Careful considerations should be used when assessing the water and/or sewer systems' ability to manage other risks when determining the impact of affordable "pay-as-you-go" financing, reserve financing and bond financing for major upgrades and/or new facilities. Balances are under the scrutiny of lending institutions for ability to bond and interest rates.

The categorizations used in defining Fund Balance for Enterprise Funds are Restricted Net Assets and Unrestricted Net Assets define balances of these funds.

- 1) **Restricted Net Assets** – are assets whose use is restricted for a particular purpose that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provision or enabling legislation. (e.g. grants, NUFF fees, debt reserves).
- 2) **Unrestricted Net Assets** – is the residual balance after adjusting for restricted assets, including depreciation. Designations are internal and may be changed by management.

Policy

The City shall maintain ample reserves in each enterprise fund (water and sewer) to cover the requirements defined above for Restricted Net Assets as defined above. Unrestricted Net Assets for each fund should include reserves for operational and capital needs. Operational reserves should be at least 25% of the operation budgets of each fund, each year. Capital Reserves should be maintained for each fund at a level not only takes into consideration the inflow and outflow of cash based on City Ordinances and Resolutions to meet the current and future needs of the capital improvement plan but also to mitigate potential risk. This should be reviewed and adjusted annually to minimize impact rate payers.

C. Use of One-Time Resources Policy

This policy recognizes the value and limitations of one-time resources and guide the budgetary use of these resources. The value of one-time resources allows the City to consider expenditures to enhance the city's base budget for items not normally considered or recognized as affordable with the city's on-going revenue requirements. Limitations of one-time resources are the lack of availability in future fiscal years to fund ongoing costs of most on-going city expenditures.

Definitions and Details

One-time resources are resources that the City cannot reasonable expect to receive on an ongoing basis. The source is most likely one-time if any of the following apply.

- a. Will not be available the next fiscal year
- b. Has a set ending date such as 12-18 months
- c. Results from a one-time spike in revenue
- d. Results from bond or debt proceeds
- e. Results from a budget surplus derived from temporary expenditure saving
- f. Sale of fixed assets

Policy

One-time resources are resources that the City cannot reasonably expect to receive on an ongoing basis. The source is most likely one-time such as proceeds from asset sales, debt refinancing, one-time grants, revenue spikes, budget surpluses and similar non-recurring revenue and shall not be used for current or new ongoing operating expenses. Appropriate uses of one-time resources include establishing and rebuilding the Emergency Reserve, Operating Reserve, early retirement of debt, capital expenditures and other non-recurring expenditures. Emphasis shall be placed on one-time uses that achieve future operating cost reductions.

Fund Balance Construction Reserve Policy for the SURA Funded Downtown Street Project

Purpose

To establish a general fund reserve policy for Construction of the SURA Funded Downtown Street Project. The construction project is slated to be underway early next fiscal year and expected to continue through fiscal year 2021 with SURA funding to occur through fiscal year 2029. It is essential that Sandpoint maintain an adequate level of cash flow to complete the project as planned with SURA funding to occur over time.

A. CONSTRUCTION RESERVE

Definitions and Details

The Construction Reserve is established from the unassigned general fund balance. Its creation is intended to fund cash flow for the duration of the specified project and is not intended to be a permanent reserve. The project will require financial monitoring for escalation of construction costs over engineer estimates and any approved change orders that would trigger adjustments to the balance of the reserve and this policy.

Unassigned fund balances – are available for any legal purpose and represents expendable available financial resources that can be used to meet reserves, contingencies and cash flow requirements. Reserve targets are generally met from excess revenue over expenditures or one-time revenues.

CONSTRUCTION RESERVE GOALS

Creating this reserve to maintain an adequate cash flow balance for the SURA funded Downtown Project recognizes the long-range commitment and investment of the City of Sandpoint to complete this project. Therefore, it is prudent for the City to fiscally plan for this commitment.

Capital Project Reserve Funding – is established and maintained at \$3,000,000 through fiscal year 2019 and then increased to \$4,000,000 thru fiscal year 2022. This reserve is created to cover the costs associated with the downtown street project with reimbursement from the Sandpoint Urban Renewal (SURA) to occur through fiscal year 2029. Construction expenditures, at this time, are expected to occur through fiscal year 2021. Reimbursements from SURA (when construction is completed) should be used in the following manner; 1.) To replace or enhance funding in the Emergency and Operating Reserves, 2.) Provide funding for projects or equipment that have been postponed due to funding requirements of the downtown street projects, and 3.) To place in the unassigned fund balance for future one-time capital expenditures, projects or opportunities. Future on-going evaluation of the reserve and project are recommended and may require adjustments to complete the desired downtown street project.

Policy

The City shall maintain a Capital Project Reserve to provide cash flow for the SURA funded Downtown Street project in the Unassigned Fund Balance as described above. Whenever projected costs indicate that the Capital Project Reserve Fund may result in a shortfall, the Finance Director/Treasurer, in consultation with the City Administrator, should determine if the additional costs are within the scope of SURA funding. If so, adjustments shall be made to the reserve to meet the necessary cash flow requirement. If not, then the additional financing needs shall be addressed and financed within the City's normal budget process.

Reimbursements from SURA shall be placed first to the Capital Reserve to maintain cash flow until construction of the SURA funded downtown street project is complete and then to the to the general fund unassigned balance to be used in the following manner; 1.) To replace or enhance funding in the Emergency and Operating Reserves, 2.) To provide funding for projects or equipment that have been postponed due to the cash flow funding requirements, and 3.) To be used for future one-time capital projects, equipment and opportunities.

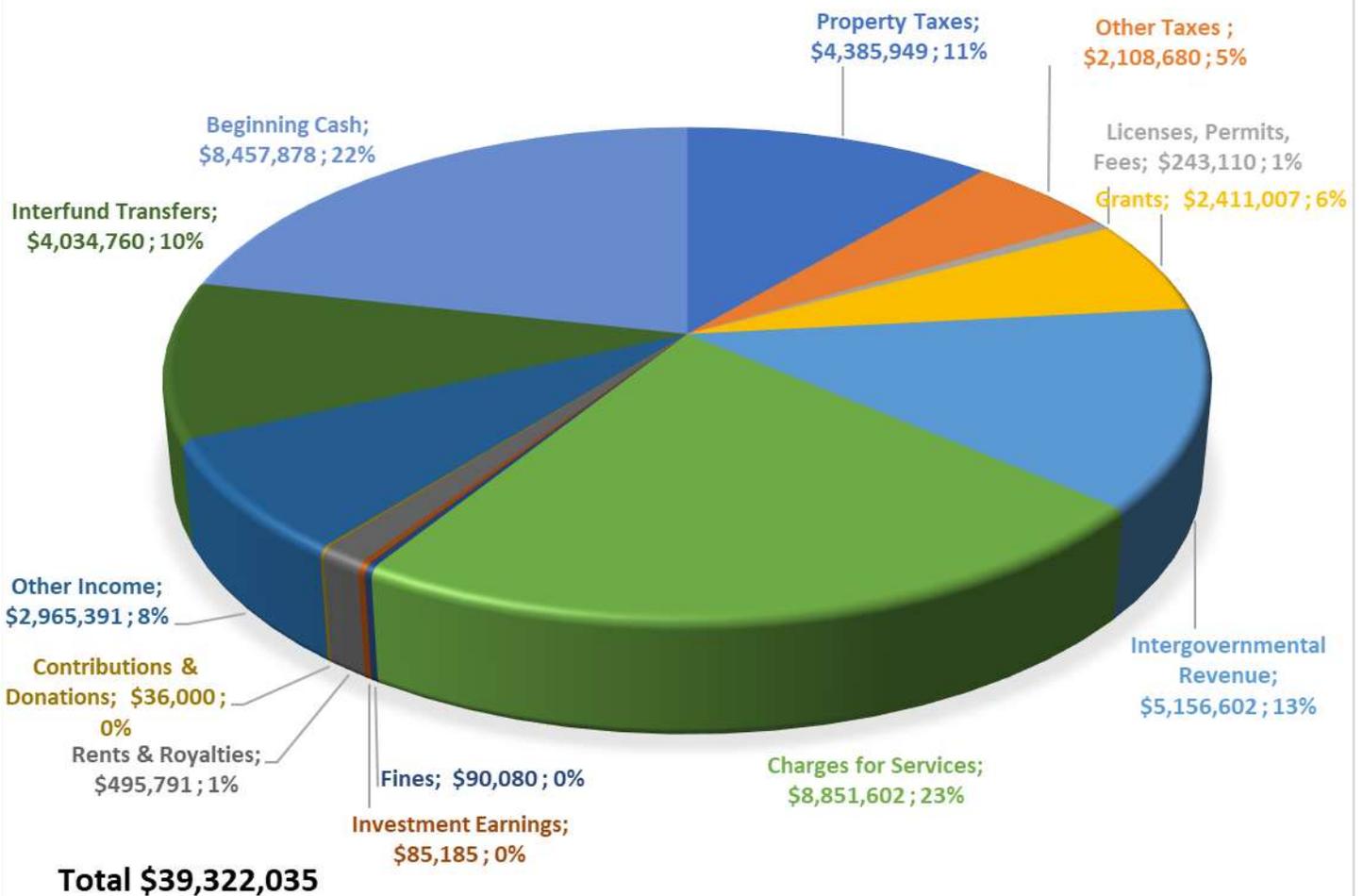
BUDGET OVERVIEW: Fiscal Year 2020 Budget Calendar

Date	Activity
January 2017 – June 2018	Strategic Priorities & Actions
July 11, 2018	City Council Adoption of Strategic Plan
January –June 2019	Division Budget Development
June 2019	Finalize Budget Reflecting Priorities
July 17, 2019	Budget & Fees Overview
	Set Hearing Dates
July 17, 2019	Final Budget Document/Budget Overview
August 7, 2019	City Council Budget Workshop
August 21, 2019	Budget & Fee Public Hearings/Adoption

BUDGET OVERVIEW: Fiscal Year 2020 Revenue Summary

CITY OF SANDPOINT														
SUMMARY OF BUDGETED REVENUES BY SOURCE														
Fund	Current Property Taxes	Other Taxes	License & Permits	Grants	Inter-governmental	Charge for Services	Fines	Investment Earnings	Rents & Royalties	Contributions & Donations	Other	Interfund Transfers	Beginning Cash	Total Revenue
General Fund	4,188,581	753,956	243,110	2,361,007	5,106,602	354,684	90,080	25,185	225,981	10,000	4,000	2,035,845	822,094	16,221,125
Fiber Fund	-	-	-	-	-	45,994	-	-	4,130	-	1,048,261	-	-	1,098,385
Capital Improvement Fund	-	-	-	-	-	-	-	-	-	-	227,000	-	730,977	957,977
Recreation Fund	197,368	4,724	-	40,000	-	94,563	-	-	-	2,000	-	20,767	388,974	748,396
LOT Fund	-	1,350,000	-	-	-	-	-	-	-	-	44,486	-	1,350,000	2,744,486
Parks Capital Improvement Fund	-	-	-	-	50,000	73,861	-	-	238,680	24,000	-	-	165,874	552,415
LID Guarantee Fund	-	-	-	-	-	-	-	-	-	-	-	-	45,000	45,000
LID Funds (combined)	-	-	-	-	-	-	-	-	-	-	991,644	-	5,213	996,857
Business Imp Dist Fund	-	-	-	-	-	-	-	-	-	-	-	-	70,000	70,000
Garbage Fund	-	-	-	-	-	555,000	-	-	-	-	-	-	65,002	620,002
Water Fund	-	-	-	10,000	-	3,820,000	-	27,500	15,000	-	350,000	226,026	1,503,377	5,951,903
Sewer Fund	-	-	-	-	-	3,907,500	-	32,500	12,000	-	300,000	-	3,311,367	7,563,367
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	1,752,122	-	1,752,122
Total	4,385,949	2,108,680	243,110	2,411,007	5,156,602	8,851,602	90,080	85,185	495,791	36,000	2,965,391	4,034,760	8,457,878	39,322,035

REVENUES BY SOURCE



FY 2020		
Property Taxes	\$ 4,385,949	11.15%
Other Taxes	\$ 2,108,680	5.36%
Licenses, Permits, Fees	\$ 243,110	0.62%
Grants	\$ 2,411,007	6.13%
Intergovernmental Revenue	\$ 5,156,602	13.11%
Charges for Services	\$ 8,851,602	22.51%
Fines	\$ 90,080	0.23%
Investment Earnings	\$ 85,185	0.22%
Rents & Royalties	\$ 495,791	1.26%
Contributions & Donations	\$ 36,000	0.09%
Other Income	\$ 2,965,391	7.54%
Interfund Transfers	\$ 4,034,760	10.26%
Beginning Cash	\$ 8,457,878	21.51%
	\$ 39,322,035	100.00%

Projected revenues are \$5,216,904 less than FY 2019. This decrease is attributable to an overall reduction in grants, Sandpoint Urban Renewal Agency (SURA) funding and wastewater projects as highlighted in the Expenditure Budget by Department later in this document.

Grants are budgeted \$2,581,865 lower than the previous year. A large regional grant to benefit the fire departments/districts participating in the Joint Powers Agreement for Selkirk Fire was budgeted in FY19. Only the portion related to Sandpoint has been budgeted in FY20 resulting in a decrease of approximately \$500,000. Once master plans are completed this year, it is anticipated that grant revenues will once again increase in subsequent years as the City pursues leveraged funding for identified projects.

The decrease in revenue from SURA reflects the elimination of two projects this year. The Baldy Pedestrian Capital Project has been put on hold pending completion of the Transportation and Sidewalk/Pathways Masterplan, resulting in a reduction of \$685k. Last year, \$1.6 million was budgeted to support potential sewer line upgrades along Boyer Avenue to meet forecasted demands at the University of Idaho property. As that property has not sold and final plans for that site have not been developed, this was not included in this year's budget. Staff also completed an analysis of wastewater infrastructure available and determined that existing infrastructure could meet any development needs along the north end of the property. Any development on the south end of the property would require an extension and upgrades from Ebbett Way.

Lastly, cost savings and efficiencies have been identified for the projected wastewater facility upgrades necessitated by the City's most recent discharge permit. We have budgeted \$2,000,000 in beginning cash from the Wastewater Treatment Fund to support this project, which is a reduction of \$1 million from FY19.

BUDGET OVERVIEW: Property Tax Summary

PROPERTY TAX COMPARATIVE SUMMARY	2019 ACTUAL	LEVY RATE PER \$1,000	2020 PROPOSED	LEVY RATE PER \$1,000
Base Property Taxes	3,874,841		4,149,404	
Allowable Growth Items:				
Plus Construction Roll Taxes (Est.)	49,653		61,028	
Plus Annexation	-		-	
Plus increase (3% Allowable)	121,664		127,497	
Ag Replacement	2,408		2,408	
Personal Property Tax Replacement	88,958		88,958	
Recovered Homeowner's Exemption	481		9,130	
Foregone Amount Available for Levy *	111,895		88,774	
Subtotal Property Taxes	\$ 4,249,900		\$ 4,527,199	
Total Property Tax replacement monies not to be levied	(91,802)		(100,496)	
Less Property Tax Relief Fund *			(40,754)	
Total City of Sandpoint Property Taxes to be levied	\$ 4,158,098	\$ 4.98	\$ 4,385,949	\$ 5.25
Property Tax Calculation for Residential Home (based upon a \$200,000 home)	2019 ACTUAL		2020 PROPOSED	DOLLAR DIFFERENCE
Lot	\$ 50,000		\$ 50,000	
Home	150,000		150,000	
Total Assess Valuation	200,000		200,000	
Less Homeowners Exemption	(100,000)		(100,000)	
Taxable Valuation	\$ 100,000		\$ 100,000	
Calculated property tax bill	\$ 497.59		\$ 524.86	\$ 27.27

Resort City Tax Impact on Property Tax

City of Sandpoint Ordinance No. 1317 provides for a Property Tax Relief Fund in the collection of the Resort City Tax - Hotel/Motel Occupancy Tax of 7%. The voter approved ballot language provides that any excess revenues received over what was budgeted will be placed in a designated property tax relief fund. When this occurs, these dollars are then used in the ensuing fiscal year to reduce the amount scheduled to be levied for property taxes. This amount becomes available for levy the following fiscal year as foregone revenues.

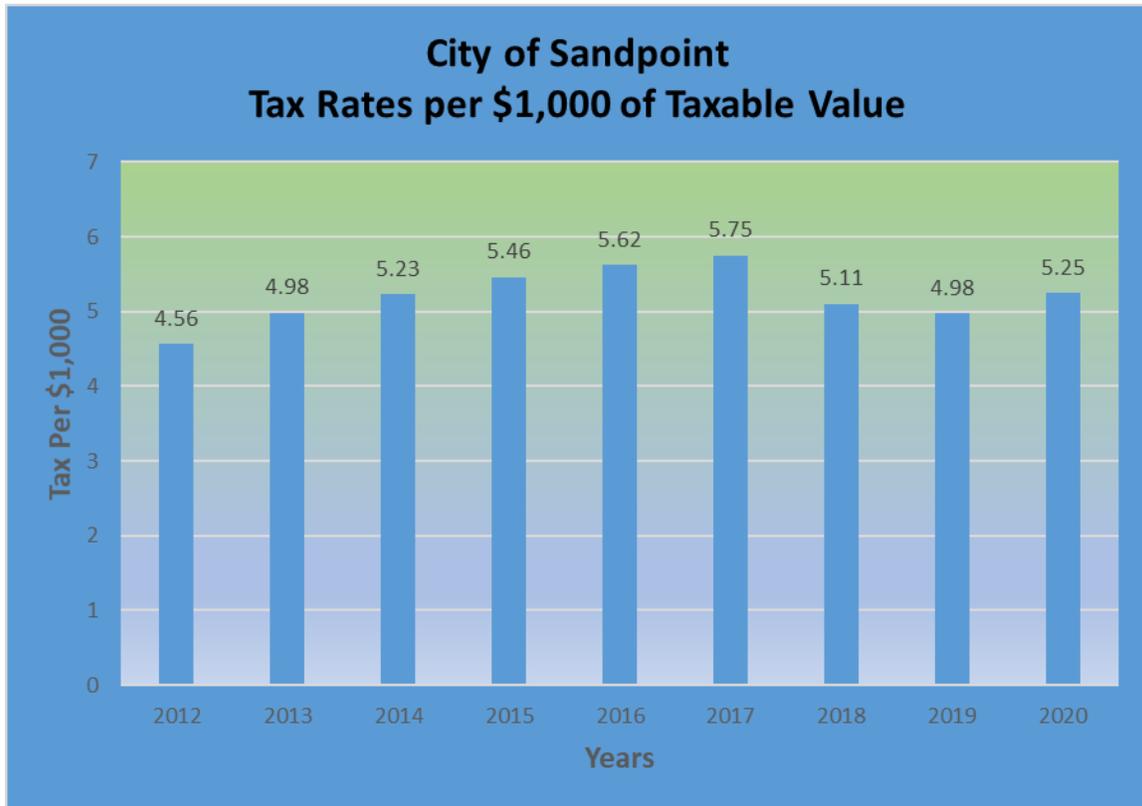
As shown in the table above, Resort City Tax revenues received in FY2017 exceeded the budgeted revenues by \$88,774. This resulted in a reduction to the 3% property tax increase (the statutory limit) in FY 2019 by this amount. These foregone revenues have become available for levy in FY 2020 and are included in this budget as identified in the above table.

Resort City Tax revenues received in FY2018 exceeded budgeted revenues by \$40,754 and have been used to reduce the 3% property tax increase of \$127,497 in FY 2020.

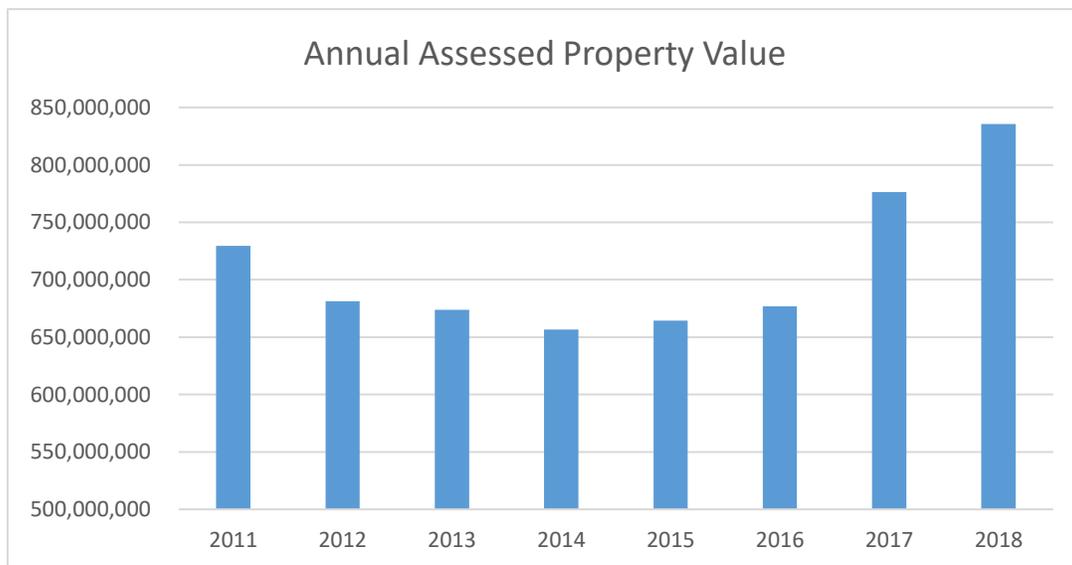
The overall impact is an increase in property taxes in FY 2020 of \$227,851. The impact to a Sandpoint property owner based on a \$200,000 home valuation is \$27.27 for the year.

Tax Rates and Allocation

Below are the tax levy rates per \$1,000 of assessed valuation for the past ten years, including the proposed levy rate for FY 2020.



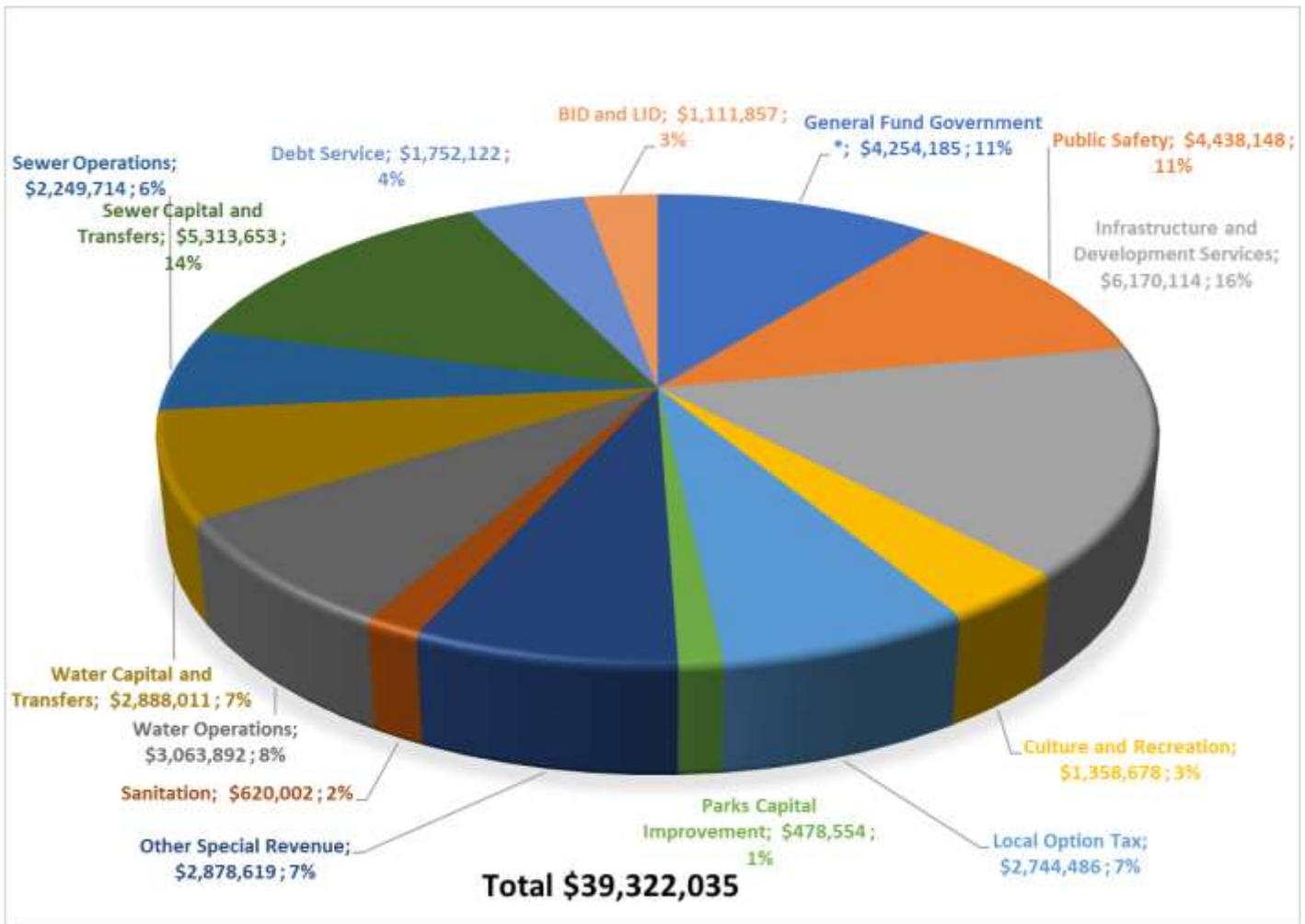
The tax rate per \$1,000 of taxable value has been lower in 2018-2020 than it was in 2015-2017 as Sandpoint has seen a significant increase in its overall assessed property value (see chart below). The Bonner County Assessor released the 2018 final tax rolls in December 2018. Sandpoint experienced an increase of nearly \$60 million in overall property tax value over 2017.



PROPERTY TAX ALLOCATION		
	2019 ADOPTED BUDGET	2020 PROPOSED BUDGET
General Fund Property Tax	3,970,984	4,188,581
Recreational Fund Property Tax	187,114	197,368
Total City of Sandpoint Property Taxes	<u>4,158,098</u>	<u>4,385,949</u>

BUDGET OVERVIEW: Fiscal Year 2020 Expense Summary

EXPENDITURE SUMMARY BUDGETED FOR YEAR 2020							
	Personnel Services	Contractual Services	Miscellaneous	Capital & Other	Debt Service	Transfers	Total
GENERAL GOVERNMENT							
COUNCIL/MAYOR	135,159	2,700	16,050				153,909
CITY ADMINISTRATION SERVICES	229,733	18,900	7,350	70,000			325,983
CENTRAL SERVICES	484,187	46,925	269,508	1,989,800			2,790,420
FINANCE SERVICES	344,131	89,267	53,460				486,858
INFORMATION SERVICES	-	177,740	122,508	23,000			323,248
LEGAL SERVICES	-	153,000	-				153,000
PARK SERVICES	759,616	342,650	235,750	20,662			1,358,678
INFRASTRUCTURE & DEVELOPMENT SERVICES	1,234,856	215,800	306,458	4,413,000			6,170,114
TOTAL GENERAL GOVERNMENT	3,187,682	1,046,982	1,011,084	6,516,462	-	-	11,762,210
PUBLIC SAFETY							
POLICE	2,323,840	137,183	159,782	147,582			2,768,387
FIRE	1,157,545	105,831	49,800	356,585			1,669,761
TOTAL PUBLIC SAFETY	3,481,385	243,014	209,582	504,167	-	-	4,438,148
TRANSFERS							
		-	-	-		20,767	20,767
TOTAL GENERAL FUND	6,669,067	1,289,996	1,220,666	7,020,629	-	20,767	16,221,125
SPECIAL REVENUE FUNDS							
FIBER OPTIC FUND	12,985	65,000	15,300	5,100			98,385
FIBER OPTIC CAPITAL PROJECTS AND GRANTS				1,000,000			1,000,000
IMPACT FEE CAPITAL PROJECTS				957,977			957,977
LOCAL OPTION TAX FUND	17,551	150	5,700				23,401
LOCAL OPTION TAX CAPITAL FUND				2,721,085			2,721,085
RECREATION	277,578	55,210	55,045				387,833
RECREATION CAPITAL, GRANTS AND TRANSFERS				357,925		2,638	360,563
PARK CONCESSIONS	26,236	1,500	46,125				73,861
PARKS CAPITAL PROJECTS, GRANTS AND TRANSFERS				478,554			478,554
TOTAL SPECIAL REVENUE FUNDS	334,350	121,860	122,170	5,520,641	-	2,638	6,101,659
ENTERPRISE FUNDS							
PUBLIC WORKS ADMINISTRATION	538,425	59,360	48,000				645,785
WATER TREATMENT	362,807	111,328	600,754	615,000			1,689,889
WATER DISTRIBUTION	345,694	55,594	176,930	150,000			728,218
WATER CAPITAL PROJECTS, GRANTS AND TRANSFERS				962,500		1,925,511	2,888,011
SEWER COLLECTION	215,150	52,400	77,550	225,000			570,100
SEWAGE TREATMENT	404,853	201,600	293,750	779,411			1,679,614
SEWER CAPITAL PROJECTS, GRANTS AND TRANSFERS				3,345,000		1,968,653	5,313,653
SANITATION FUND		502,810				117,192	620,002
TOTAL ENTERPRISE FUNDS	1,866,929	983,092	1,196,984	6,076,911	-	4,011,356	14,135,272
DEBT SERVICE FUNDS							
WATER BONDS					973,377		973,377
SEWER BONDS					778,745		778,745
TOTAL DEBT SERVICE FUNDS	-	-	-	-	1,752,122	-	1,752,122
TRUST AND AGENCY FUNDS							
BUINESS IMPROVEMENT DISTRICT		70,000					70,000
LID GUARANTEE FUND					45,000		45,000
LID FUNDS (combined)					996,857		996,857
TOTAL TRUST AND AGENCY FUNDS	-	70,000	-	-	1,041,857	-	1,111,857
TOTAL EXPENDITURES	8,870,346	2,464,948	2,539,821	18,618,181	2,793,979	4,034,761	39,322,035



FY 2020 EXPENDITURES

General Fund Government *	\$ 4,254,185	10.82%
Public Safety	\$ 4,438,148	11.29%
Infrastructure and Development Service:	\$ 6,170,114	15.69%
Culture and Recreation	\$ 1,358,678	3.46%
Local Option Tax	\$ 2,744,486	6.98%
Parks Capital Improvement	\$ 478,554	1.22%
Other Special Revenue	\$ 2,878,619	7.32%
Sanitation	\$ 620,002	1.58%
Water Operations	\$ 3,063,892	7.79%
Water Capital and Transfers	\$ 2,888,011	7.34%
Sewer Operations	\$ 2,249,714	5.72%
Sewer Capital and Transfers	\$ 5,313,653	13.51%
Debt Service	\$ 1,752,122	4.46%
BID and LID	\$ 1,111,857	2.83%
	\$ 39,322,035	100%

* General Fund Government includes Council/Mayor, Administration, Finance, Legal, Information Services, Central Services and Transfers

**CITY OF SANDPOINT
FINANCIAL PLAN
FISCAL YEAR 2019-20**

FUNDS	REVENUES					EXPENDITURES					ENDING BALANCE
	BEGINNING BALANCE	PROPERTY TAXES	OTHER INCOME	TRANSFERS IN	TOTAL REVENUES	SALARIES/BENEFITS	MAINTENANCE & OPERATIONS	CAPITAL PROJECTS/GRANTS	TRANSFERS OUT	TOTAL EXPENDITURES	
GENERAL FUND:	781,340	4,188,581	9,215,359	2,035,845	16,221,125			6,101,517	20,767	6,122,284	
Council/ Mayor						134,594	19,315			153,909	
Administration Services						229,733	96,250			325,983	
Finance Services						344,131	142,727			486,858	
Legal Services						-	153,000			153,000	
Information Services						-	323,248			323,248	
General Services						484,187	366,433			850,620	
Government Buildings						138,945	424,900			563,845	
Police Services						2,323,840	401,965			2,725,805	
Fire Services						1,157,545	203,081			1,360,626	
Building Services						221,819	9,508			231,327	
Street Services						758,615	726,950			1,485,565	
Planning Services						254,422	128,600			383,222	
Park Services						620,671	434,162			1,054,833	
TOTAL	781,340	4,188,581	9,215,359	2,035,845	16,221,125	6,868,502	3,430,339	6,101,517	20,767	16,221,125	-
SPECIAL REVENUE FUNDS:											
Fiber Optic Network Fund						12,885	85,400	1,000,000		1,088,385	
Capital Projects Fund	1,030,305		227,000		1,257,305			957,977		957,977	299,328
Recreation Fund	535,623	197,368	141,287	20,767	895,045	277,578	110,255	367,925	2,638	748,396	146,649
LOT Fund	1,350,000		1,394,486		2,744,486	17,551	5,850	2,721,085		2,744,486	
Parks Improvement Fund	873,849		386,541		1,260,390	26,236	47,625	478,554		552,415	707,975
TOTAL	3,789,777	197,368	3,247,699	20,767	7,255,611	334,350	249,130	5,515,541	2,638	6,101,659	1,153,952
ENTERPRISE FUNDS:											
Garbage Fund	526,682		555,000		1,081,682		502,810		117,192	620,002	461,680
Water Fund	9,000,000		3,277,916	213,110	12,491,026	1,246,926	1,881,966		952,134	4,081,026	8,400,000
Water Capital Reserves	2,253,519		867,500		3,121,019			687,500	973,377	1,680,877	1,460,142
Watershed Reserves	311,757		90,000		401,757			200,000		200,000	201,757
Sewer Fund	3,850,700		2,574,500		6,425,200	620,003	1,704,711		1,189,907	3,514,621	2,910,579
Sewer Collection (I&I) Reserves	1,817,517		617,500		2,435,017			295,000	389,373	684,373	1,750,644
Sewer Capital Reserves	7,000,597		1,050,000		8,050,597			2,975,000	389,373	3,364,373	4,696,224
TOTAL	24,760,772	-	9,042,416	213,110	34,016,288	1,866,929	4,099,487	4,157,500	4,011,356	14,135,272	19,881,026
TOTAL DEBT SERVICE											
TOTAL DEBT SERVICE	250,000	-	991,844	-	1,241,844	-	1,111,857	-	-	1,111,857	129,787
TRUST & AGENCY FUNDS											
GRAND TOTAL	29,580,049	4,385,949	22,497,118	4,021,845	60,486,800	8,869,781	10,642,935	15,774,558	4,034,781	39,322,035	21,164,765

BUDGET OVERVIEW: Full-Time Equivalent Employees

Full-Time Equivalent Employees								
Full-time Equivalent Employees					2019		2020	
Division/Service Area	2016	2017	2018	2019	Temp	2020	Temp	
Central Administrative Division								
Administration Services	-	-	1.00	1.00	-	2.00	-	
Finance Services	4.80	5.25	5.50	5.00	-	5.00	-	
Legal Services	3.40	3.50	3.50	3.50	0.50	-	-	
Central Services	2.00	3.00	4.00	4.00	-	5.00	-	
Total Central Administrative Division	10.20	11.75	14.00	13.50	0.50	12.00	-	
Public Safety Division								
Police Services	22.00	22.00	24.00	24.00	-	25.00	-	
Fire Services	10.00	10.00	10.00	10.00	-	10.00	-	
Total Public Safety Division	32.00	32.00	34.00	34.00	-	35.00	-	
Parks, Recreation and Open Space Division								
Parks	7.52	7.19	7.52	7.52	3.66	7.26	3.66	
Recreation	1.61	1.61	1.61	1.61	-	1.98	-	
Total Parks, Recreation and Open Space Division	9.13	8.80	9.13	9.13	3.66	9.24	3.66	
Infrastructure and Development Services Division								
Planning and Building Services	5.10	5.10	5.10	5.10		4.77		
Street Services	7.51	7.51	7.51	8.26	-	9.03	0.60	
Utility Services								
Water Services	10.34	11.68	10.28	12.03	0.42	11.32	0.42	
Wastewater Services	9.05	9.71	11.11	10.61		9.55		
Total Infrastructure and Development Services Division	32.00	34.00	34.00	36.00	0.42	34.67	1.02	
Total Full-Time Equivalent Employees	83.33	86.55	91.13	92.63	97.21	90.91	95.59	

There is a net decrease of 1.72 full-time equivalent employees from Fiscal Year 2019 to Fiscal Year 2020.

In December 2018, the City revised its organizational structure and determined to contract out all legal (civil and criminal) services upon retirement of the existing City Attorney. This budget reflects a reduction of 3.5 full-time equivalent positions and one part-time position in Legal Services. This reorganization resulted in an overall reduction in legal services budget of \$250,572.

The Fiscal Year 2020 budget includes the addition of one Police Officer who will be assigned as a School Resource Officer to the elementary schools in Lake Pend Oreille School District (LPOSD) during the school year. LPOSD will provide 67% of the funding for this position. Our neighboring city of Kootenai approached City administration for a proposal to provide police services since there would be a presence with the school resource officer already in the city. The budget includes \$15,000 in revenue from the City of Kootenai based on a service call funding model which will be presented at the budget hearing. The remainder of the funding needed will be provided through the 7% occupancy Resort City Tax. Outside of the school year, the position will provide needed enforcement support during the peak tourism/event season.

During Fiscal Year 2019, the City added a 1.0 FTE Contract/Procurement Officer. With a retirement of an Infrastructure and Development Services Administrative Assistant it was determined to convert this position to provide central contract and purchasing support for the entire City. From an operational standpoint, this will provide an increased level of consistency, compliance and efficiency across the City. It will also facilitate shared purchasing which will result in reduced costs. The Administrative Assistant position was budgeted in Street Services and Public Works Administration in prior years. The new Contract/Procurement Officer position has been budgeted in Central Services.

A second 1.0 FTE Building Official has been budgeted through May 2020 (resulting in a .67 FTE) to provide for appropriate overlap as part of a succession planning strategy for the City's current Building Official who has held the position for over forty years.

This budget contains .6 FTE temporary/seasonal positions in the Infrastructure and Development Services Division – Streets. This will provide a higher level of service during the snow removal season. It is a reallocation of expenses which were budgeted in prior years in overtime and contract services.

The City implemented project time tracking at the beginning of FY19 in order to analyze how City employees are spending their time and review cost allocation models. As a result of an analysis of actual time spent vs. forecast, funding for several City positions has been adjusted in this budget. The General Fund includes an increase of .35 FTE's, primarily in the Infrastructure and Development Services Division.

REVENUE BUDGET BY FUND

CITY OF SANDPOINT

Proposed Revenue Budget
Fiscal Year 2020

DATE
08/06/2019

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
GENERAL FUND REVENUE				
311 General Property Tax	3,807,034	3,880,598	4,045,940	4,263,537
314 Resort City Tax	363,774	415,754	475,000	475,000
318 Franchise Fees	160,326	203,063	160,000	180,000
319 Penalty/Int Delinquent Tax	24,283	25,143	27,000	24,000
319 RCT Penalty/Int Delinquent Tax	17	52	0	0
TOTAL TAXES	4,355,434	4,524,610	4,707,940	4,942,537
321 Beer License	8,025	8,990	8,000	8,000
321 Liquor License	6,244	6,188	6,000	6,000
321 Wine License	9,020	9,460	9,000	9,000
321 Catering Permits	2,180	3,120	2,000	2,000
321 Gas Permits	10,356	21,276	9,000	9,000
321 Business License	38,150	38,705	32,000	32,000
321 Taxi/Pawn Shop License	1,855	1,225	760	760
TOTAL BUSINESS LICENSE AND PERMITS	75,830	88,964	66,760	66,760
322 Encroachment Permits	9,100	9,300	9,000	9,000
322 Building Permits	184,606	156,705	150,000	150,000
322 Stormwater and Grading Permit	15,660	4,700	8,000	5,000
322 Burn Permits	660	730	450	450
322 Sign Permits	1,529	1,290	2,000	1,000
322 Other Permits	7,695	10,430	7,000	7,000
322 Parking Lot Permits	6,118	3,065	5,000	2,500
322 Dog licenses	1,135	2,313	1,400	1,400
TOTAL NON BUSINESS LICENSE & PERMITS	226,503	188,533	182,850	176,350

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
330 Intergovernmental/SURA	978,554	2,125,792	1,878,172	2,895,250
331 Grants	332,343	970,404	3,227,872	2,361,007
335 State Revenue Sharing	437,835	472,732	460,000	480,458
335 Highway User Fee	278,741	287,254	282,254	300,821
335 New Highway User Fee	87,700	89,769	88,502	94,157
335 State Liquor	265,914	289,320	275,000	280,000
335 State Sales Tax	235,799	251,101	245,000	252,416
338 Local Government Shared Revenue	407,827	446,717	404,300	413,500
338 SIHD Revenue Sharing	398,957	401,960	375,000	390,000
TOTAL INTERGOVERNMENTAL	3,423,670	5,335,049	7,236,100	7,467,609
341 Zoning Fees	11,090	4,990	11,700	5,000
341 Plan Check Fees	100,651	76,188	80,000	70,000
341 Photocopies	4,299	5,523	4,000	4,000
341 Reimbursements & Refunds	449,892	20,465	10,000	10,000
341 Service Fees	1,360	1,290	1,200	1,200
341 Moorage List Fee	1,026	1,161	1,000	1,000
341 Invasive Species Fee	5,768	6,467	5,500	5,500
341 Miscellaneous	1,866	1,438	2,000	1,000
TOTAL GEN GOV & CHARGES FOR SERVICES	575,952	117,522	115,400	97,700
342 Police Services	47,403	55,099	45,000	104,607
342 Fire Services - Joint	130,483	161,481	129,401	146,377
342 Fire Services - training etc.	90	30	0	0
342 Fire Plan Reviews	0	0	5,000	5,000
342 Weed Abatement	(245)	2,582	1,000	1,000
TOTAL PUBLIC SAFETY	177,731	219,192	180,401	256,984
351 Fines from Bonner County	97,502	67,773	90,000	70,000
351 Parking Fines	24,912	38,061	11,540	20,000
351 Dog Citations	128	120	80	80
TOTAL FINES	122,542	105,954	101,620	90,080
361 Interest Income	57,930	130,667	25,185	25,185
TOTAL INVESTMENT EARNINGS	57,930	130,667	25,185	25,185

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
362 Community Hall Rental	4,658	5,524	4,500	4,500
362 Lake Street Rental	10,042	8,798	9,600	9,600
362 Other Rental	25,595	19,703	25,500	18,500
362 Baldy Mtn Lease	18,372	16,821	14,581	14,581
362 Airport Way Lease	187,189	192,300	177,300	177,300
362 Equipment Rental	4,157	4,304	1,500	1,500
362 Jeff Jones Town Square Rental	0	1,386	0	0
TOTAL RENT AND ROYALTIES	250,013	248,836	232,981	225,981
364 Donations & Contributions	750	3,047	0	0
364 Donations, Historic Commission	4,594	0	0	0
364 Donations, Public Art	0	0	10,000	10,000
TOTAL CONTRIBUTIONS & DONATIONS	5,344	3,047	10,000	10,000
390 In Lieu of Parking Fee Area B	0	30,050	0	0
390 Utility Reimbursement Rentals	2,129	6,734	2,000	2,000
390 Beginning Fund Balance	0	0	2,697,526	781,340
390 RCT Property Tax Relief Fund	0	0	84,779	40,754
391 Transfers in from other Funds	2,219,785	1,671,745	1,700,652	2,035,845
392 Fixed Asset Sales	1,779	0	2,000	2,000
TOTAL OTHER FINANCING SOURCES	2,223,693	1,708,529	4,486,957	2,861,939
TOTAL GENERAL FUND REVENUE	11,494,642	12,670,903	17,346,194	16,221,125

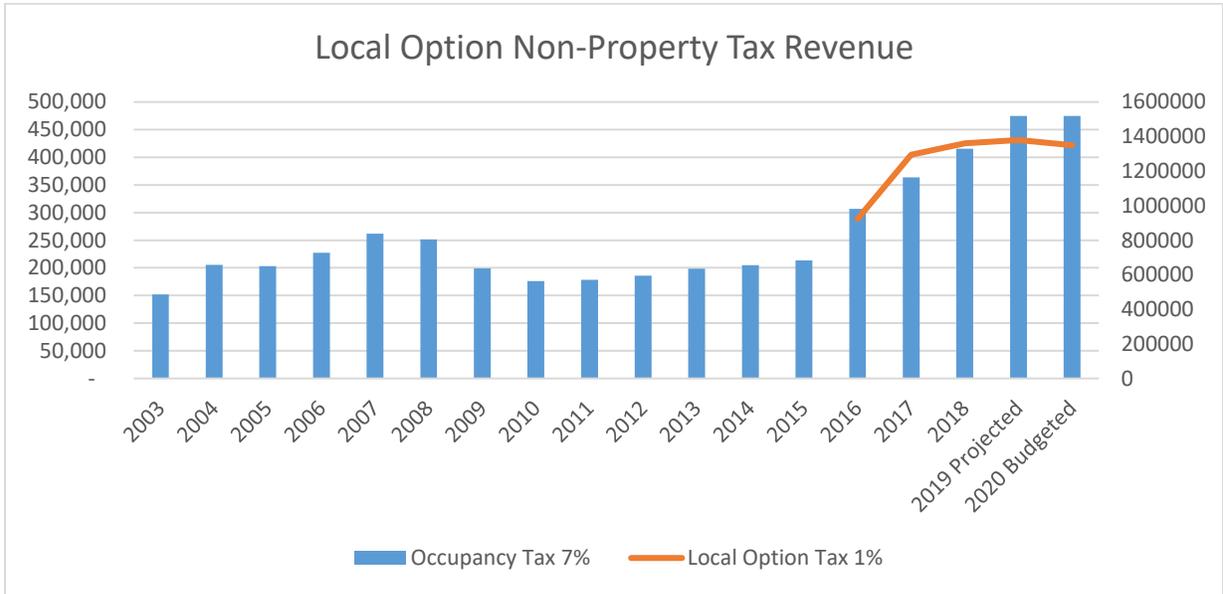
	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
SPECIAL REVENUE FUNDS REVENUE				
04 318 Fiber Fund - Franchise Fee	0	0	25,000	0
04 330 & 331 Fiber Fund - Grants/SURA	20,301	0	100,000	0
04 341 Fiber Fund - General Government	29,311	7,153	45,994	45,994
04 361 Fiber Fund - Interest Income	(352)	(307)	0	0
04 362 Fiber Fund - Rents & Royalties	40,200	54,694	4,130	4,130
04 390 Fiber Fund - Other Financing Sources	0	0	39,276	1,048,261
04 391 Fiber Fund - Transfers in	77,388	0	0	0
TOTAL FIBER FUND	166,848	61,540	214,400	1,098,385
05 361 Capital Projects - Interest Income	6,386	13,264	0	0
05 390 Capital Proj - Other Financing Sources	518,369	212,330	807,977	957,977
TOTAL CAPTIAL PROJECTS FUND	524,755	225,594	807,977	957,977
06 311 Rec Fund - General Property Tax	179,191	182,653	190,538	200,791
06 319 Rec Fund - Penalty/Int Delinquent Tax	1,144	1,185	1,300	1,300
06 331 Rec Fund - Grants	0	975	90,000	40,000
06 341 Rec Fund - General Government	0	383	188	188
06 347 Rec Fund - Culture Recreation	94,535	98,620	94,375	94,375
06 361 Rec Fund - Investment Earnings	3,540	7,515	0	0
06 364 Rec Fund - Donations & Contributions	0	0	2,000	2,000
06 390 Rec Fund - Other Financing Sources	0	0	44,710	388,975
06 391 Rec Fund - Transfers in	52,296	40,308	38,460	20,767
TOTAL RECREATION FUND	330,706	331,639	461,571	748,396
07 314 LOT - Selective Sales & Use Tax	1,294,735	1,361,477	1,235,000	1,350,000
07 319 LOT - Penalty/Int Delinquent Tax	2,616	1,873	0	0
07 341 LOT - Reimbursements and Refunds	0	1,040	0	0
07 361 LOT - Investment Earnings	(84)	9,543	0	0
07 390 LOT - Other Financing Sources	0	0	2,100,000	1,394,486
TOTAL LOCAL OPTION TAX FUND	1,297,267	1,373,933	3,335,000	2,744,486

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
08 331 Parks Cap Imp - Grants	0	0	40,000	50,000
08 341 Parks Cap Imp - General Government	35,649	2,188	0	0
08 347 Parks Cap Imp - Culture Recreation	52,653	44,443	72,736	73,861
08 361 Parks Cap Imp - Investment Earnings	4,891	13,063	0	0
08 362 Parks Cap Imp - Rents and Royalties	243,019	265,482	238,680	238,680
08 364 Parks Cap Imp - Donations & Contr	0	1,254	24,000	24,000
08 390 Parks Cap Imp - Other Financing	8,731	10,453	159,830	165,874
TOTAL PARKS CAPITAL IMPROVEMENT FUND	344,943	336,883	535,246	552,415
TOTAL SPECIAL REVENUE FUNDS	2,664,519	2,329,589	5,354,194	6,101,659
25 344 Sanitation Fund - Sanitation	457,174	594,475	467,483	555,000
25 361 Sanitation Fund - Investment Earnings	1,666	4,788	0	0
25 390 Sanitation Fund - Other Financing	0	0	0	65,002
TOTAL SANITATION FUND	458,840	599,263	467,483	620,002
30 331 Water - Grants	0	0	45,000	10,000
30 341 Water - General Government	4,714	4,235	0	0
30 346 Water - Water Services	3,794,322	4,011,791	3,495,000	3,820,000
30 361 Water - Investment Earnings	94,876	151,610	22,500	27,500
30 362 Water - Rents and Royalties	20,428	16,031	20,000	15,000
30 390 Water - Other Financing Sources	114,052	0	2,776,930	1,593,377
30 391 Water - Transfers in from other funds	61,796	65,883	133,614	226,026
30 392 Water - Fixed Asset Sales	0	0	0	0
30 397 Water - Capital Contributions	459,701	287,869	250,000	260,000
TOTAL WATER FUND	4,549,889	4,537,419	6,743,044	5,951,903
31 330 & 331 Sewer - SURA & Grants	32,514	57,378	1,630,000	0
31 341 Sewer - General Government	2,915	1,996	0	0
31 344 Sewer - Fees	3,871,252	3,886,673	3,933,500	3,907,500
31 361 Sewer - Investment Earnings	99,784	191,332	0	32,500
31 362 Sewer - Rents and Royalties	12,810	11,002	20,000	12,000
31 390 Sewer - Other Financing Sources	0	0	5,788,269	3,311,367
31 397 Sewer - Capital Contributions	399,641	334,317	280,000	300,000
TOTAL SEWER FUND	4,418,916	4,482,698	11,651,769	7,563,367
TOTAL PROPRIETARY FUNDS REVENUE	9,427,645	9,619,380	18,862,296	14,135,272

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
33 361 Debt Service - Investment Earnings	34,245	0	0	0
33 391 Debt Service - Transfers in	1,563,933	1,751,778	1,754,526	1,752,122
TOTAL DEBT SERVICE FUND REVENUE	1,598,178	1,751,778	1,754,526	1,752,122
50 341 BID - General Government	1,647	(283)	0	0
50 355 BID - Special Assessments	84,517	(2,795)	0	0
50 390 BID - Other Financing	0	0	160,000	70,000
50 361 BID - Investment Earnings	0	35	0	0
61 361 LID Guarantee - Investment Earnings	326	612	0	0
61 390 LID Guarantee - Other Financing	0	0	45,000	45,000
341 LID Funds (Combined) - General Gov	0	0	0	0
355 LID Funds (Combined) - Sp Assessments	30,977	26,853	19,393	1,644
361 LID Funds (Combined) - Invest Earnings	2,013	3,556	0	0
390 LID Funds (Combined) - Other Financing	0	0	512,336	510,213
391 LID Funds (Combined) - Transfers in	160	4,246	0	0
393 LID Funds (Combined) - General LTD	0	0	485,000	485,000
TOTAL TRUST/AGENCY FUNDS BUDGET	119,640	32,224	1,221,729	1,111,857
TOTAL REVENUE BUDGET	25,304,624	26,403,874	44,538,939	39,322,035

RESORT CITY TAX REVENUES

Resort City Tax has become a significant and critical source of revenue for the City to offset the impact of tourism-related population swings and the associated demand on City services. These services are otherwise almost wholly supported by local property taxes. The 7% voter-approved Occupancy Tax levied on hotels, bed and breakfast establishments and short-term vacation rentals has increased substantially in the past few years as the economy has improved and tourism has increased. In 2020, revenues are projected at \$475,000.



Year	Local Option Non-Property Tax	
	Occupancy Tax 7%	Local Option Tax 1%
2003	152,162	
2004	205,538	
2005	203,344	
2006	227,315	
2007	261,653	
2008	251,213	
2009	199,232	
2010	175,850	
2011	178,135	
2012	186,080	
2013	198,520	
2014	205,047	
2015	213,736	
2016	306,850	923,831
2017	363,774	1,294,735
2018	415,754	1,361,477
2019 Projected	475,000	1,380,000
2020 Budgeted	475,000	1,350,000
Total RCT collected	3,934,375	4,425,315

In keeping with historic uses, 2020 Resort City Tax revenues (Occupancy Tax) will be used to support public safety and park services, as well as the SPOT bus service. Public safety and park services are especially impacted in peak tourist seasons and calls for service increase substantially.

RCT Fund Allocations FY 2020

<u>DEPARTMENT</u>	<u>PROJECT AMOUNT</u>	<u>RCT AMOUNT</u>
<u>GENERAL FUND</u>		
Public Transportation		
Contract	75,000	75,000
Police bicycle patrol	2,500	2,500
Invasive Species	30,000	24,500
Park Services	1,024,833	122,980
Police Services	2,723,305	173,815
Fire Services	1,360,626	57,958
	5,216,264	454,233
<u>Recreation Fund</u>		
1/2 Lifeguard	41,533	20,767
TOTAL	5,257,797	475,000
Preliminary Budget		475,000

12% of park services budget (City beach, Memorial, Travers, Centennial, etc.)

100% of Public Transportation Expense – SPOT Bus

Local Option Sales Tax

Local Option Sales Tax revenues have been budgeted at \$1,350,000 in FY 2020. Actual receipts and trending would suggest that revenues may be higher, however, it is anticipated that the Idaho State Legislature may eliminate the Grocery Tax in the 2020 Legislative Session which could take effect as early as July 1, 2020. At the completion of the Parks and Recreation Master Plan, including site specific plans, it is anticipated that field improvements at Memorial Field will be constructed this fiscal year and funding will be available to support other parks infrastructure improvements as identified in the Master Plan. This tax was a five-year voter approved tax. It sunsets December 31, 2020. The budget includes \$45,000 of beginning cash revenues expected to be received in FY21 (October 1 – December 31, 2021)

EXPENDITURE BUDGET BY DIVISION

Grant funded	2,461,007
Sandpoint Urban Renewal Agency (SURA) funded	2,895,000
Water and Sewer Reserves	4,157,500

CITY OF SANDPOINT

*Proposed Expenditure Budget
Fiscal Year 2020*

DATE 08/07/2019

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
<u>ELECTED OFFICES</u>				
Council/Mayor				
100 Salaries and Wages	43,200	43,200	43,632	43,200
200 Employee Benefits	67,268	75,740	90,881	91,394
300 Purchased Prof & Tech	12,138	5,523	2,700	2,700
400 Purchased Property Ser	-	608	-	-
500 Other Purchased Service	3,024	7,750	7,100	7,100
600 Supplies	3,449	818	650	1,215
700 Property	-	1,584	-	-
800 Miscellaneous	564	95	300	8,300
Total	129,643	135,318	145,263	153,909
TOTAL ELECTED OFFICES	129,643	135,318	145,263	153,909
<u>CENTRAL ADMINISTRATIVE DIVISION</u>				
City Administration Services				
100 Salaries and Wages	119,056	262,362	121,123	175,962
200 Employee Benefits	31,884	85,935	33,333	53,771
300 Purchased Prof & Tech	6,847	14,743	15,800	18,800
400 Purchased Property Ser	-	-	100	100
500 Other Purchased Service	4,433	15,110	4,650	4,400
600 Supplies	11,115	14,881	9,050	2,900
800 Miscellaneous	251	293	50	50
Total	173,586	393,324	184,106	255,983
Central Services				
100 Salaries and Wages	184,160	147,655	347,425	354,666
200 Employee Benefits	63,992	50,537	133,188	129,521
300 Purchased Prof & Tech	25,951	23,102	45,325	39,425
400 Purchased Property Ser	4,554	4,883	7,600	7,500
500 Other Purchased Service	148,768	143,916	160,791	166,130
600 Supplies	29,908	25,146	47,488	46,438
700 Property	-	10,119	-	50,000
800 Miscellaneous	592	10,496	56,890	56,940
Total	457,925	415,854	798,707	850,620

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Legal Services				
100 Salaries and Wages	216,563	235,084	252,047	-
200 Employee Benefits	73,942	89,597	114,299	-
300 Purchased Prof & Tech	4,526	2,885	17,790	153,000
400 Purchased Property Services	297	378	420	-
500 Other Purchased Service	4,029	6,442	4,650	-
600 Supplies	12,172	10,953	14,066	-
800 Miscellaneous	-	-	300	-
Total	311,529	345,339	403,572	153,000
Information Services				
300 Purchased Prof & Tech	106,365	139,543	129,200	177,740
400 Purchased Property Ser	-	350	-	-
500 Other Purchased Service	53,359	51,827	46,540	52,408
600 Supplies	7,955	22,018	37,347	69,800
700 Property	38,747	-	31,000	23,000
800 Miscellaneous	-	39	300	300
Total	206,426	213,777	244,387	323,248
Finance Services				
100 Salaries and Wages	288,393	306,124	248,394	252,074
200 Employee Benefits	103,761	110,254	100,710	92,057
300 Purchased Prof & Tech	73,143	75,873	82,267	88,767
400 Purchased Property Services	-	-	500	500
500 Other Purchased Service	5,878	4,533	11,510	11,510
600 Supplies	34,878	30,487	38,950	38,950
800 Miscellaneous	2,997	21,731	3,000	3,000
Total	509,050	549,002	485,331	486,858
Garbage Collection				
300 Purchased Prof & Tech	317,872	331,710	354,008	424,810
400 Purchased Property Service	16,332	16,332	28,000	78,000
600 Supplies	-	23	-	-
Transfers to other funds	80,881	93,459	85,475	117,192
Total	415,085	441,524	467,483	620,002
Local Option Sales Tax Administration				
100 Salaries and Wages	22,021	13,843	9,614	12,169
200 Employee Benefits	12,544	7,490	5,363	5,382
400 Purchased Property Services	-	-	150	150
500 Other Purchased Services	1,373	704	2,200	2,200
600 Supplies	1,320	907	3,250	3,250
800 Miscellaneous	290	1,493	250	250
Total	37,548	24,437	20,827	23,401

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
LID Guarantee Fund			45,000	45,000
City-wide Proposed LID			990,000	990,000
LID 32 - North Boyer	6,857	6,857	6,857	6,857
LID 2007-01 - Oak Street	8,575	8,575	8,576	-
LID 2006-01 Boyer/Cedar Sidewalk	16,708	16,658	-	-
LID 2002-02	11,295	11,295	11,296	-
Transfer to other Funds	160	4,246	-	-
Total LID Funds	43,595	47,631	1,061,729	1,041,857
Fiber Optic Network				
100 Salaries and Wages	-	-	-	7,890
200 Employee Benefits	-	-	-	5,095
300 Purchased Prof & Tech	47,816	50,362	64,000	65,000
600 Supplies	4,065	284	15,000	15,000
700 Property	-	-	5,100	5,100
800 Miscellaneous	1,800	-	300	300
Fiber Infrastructure project	79,495	-	30,000	1,000,000
Fiber Network - Boyer	-	-	100,000	-
Total	133,176	50,646	214,400	1,098,385
Capital Projects, Grants and Transfers				
Miscellaneous Project/Grant	26,584	-	1,007,500	957,500
Energy Efficiency Project	-	-	75,000	75,000
Arts Master Plan	-	-	-	30,000
Public Transportation Contract	70,000	78,000	75,000	75,000
Public Art	7,306	32,289	10,000	10,000
City Hall Roof and Remodel	2,000	-	130,000	260,000
Improvements to Airport Property	329,422	-	192,300	192,300
Strategic Projects	-	-	100,000	100,000
Downtown Parking Lot Project	-	-	215,000	215,000
Downtown Parking Study	-	-	25,000	25,000
Economic Development Project	-	14,969	-	50,000
IT Assessment	-	-	-	20,000
Solar Roadway Grant	4,337	24,000	22,734	-
BID	13,757	31,304	160,000	70,000
Transfers to other funds	810,446	40,308	38,460	20,767
Total Capital Projects, Grants and Transfers	1,263,852	220,870	2,050,994	2,100,567
TOTAL CENTRAL ADMINISTRATION DIVISION	3,551,771	2,702,404	5,931,536	6,953,921

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
<u>PARKS, RECREATION AND OPEN SPACE DIVISION</u>				
Government Buildings & Grounds				
100 Salaries and Wages	71,180	64,449	100,596	102,582
200 Employee Benefits	20,164	24,741	41,533	36,363
300 Purchased Prof & Tech		9,998	150	150
400 Purchased Property Services	84,823	75,441	85,950	88,250
600 Supplies	48,118	58,535	73,500	66,500
700 Property	1,500	-	-	-
800 Miscellaneous	26,147	9,916	5,500	10,000
Total Government Bldgs. & Grounds	251,932	243,080	307,229	303,845
Park Services				
100 Salaries and Wages	326,284	318,886	366,414	372,081
200 Employee Benefits	207,026	213,930	241,263	248,590
300 Purchased Prof & Tech	40,544	44,021	56,250	65,250
400 Purchased Property Services	150,811	161,377	175,500	189,000
500 Other Purchased Service	3,009	6,132	12,875	12,850
600 Supplies	92,180	108,152	147,231	142,900
700 Property	23,544	31,703	27,663	20,662
800 Miscellaneous	39	1,750	3,500	3,500
Total	843,437	885,951	1,030,696	1,054,833
Recreation Services				
100 Salaries and Wages	172,686	156,884	205,785	218,828
200 Employee Benefits	42,995	43,173	55,436	58,750
300 Purchased Prof & Tech	15,834	20,207	20,610	31,510
400 Purchased Property Services	12,398	13,736	23,700	23,700
500 Other Purchased Services	3,900	4,139	8,150	9,150
600 Supplies	21,279	20,343	30,395	30,395
800 Miscellaneous	8,771	10,207	15,500	15,500
Transfers Out	2,855	2,086	1,995	2,638
Total	280,718	270,775	361,571	390,471
Parks Concessions Services				
100 Salaries and Wages	17,734	15,521	23,500	23,500
200 Employee Benefits	2,064	1,847	2,736	2,736
300 Purchased Prof & Technical Services	49	-	500	500
400 Purchased Property Services	-	179	-	1,000
500 Other Purchased Services	1,649	1,259	2,500	2,625
600 Supplies	6,045	1,830	6,500	6,500
800 Miscellaneous	19,707	18,063	37,000	37,000
Transfers Out		16,094		
Total	47,248	54,793	72,736	73,861

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Capital Projects, Grants and Transfers				
Idaho Parks & Rec Grant	-	-	60,000	100,000
Tennis Courts	-	-	50,000	-
Donated Projects	-	1,254	10,000	10,000
Memorial Reserves	-	-	42,510	42,566
Great Northern Restroom	-	32,372	-	-
Memorial Field Refurbish	10,295	-	-	-
Steel Storage Structure	1,150	49,960	-	-
Park and Recreation Master Plan	-	-	100,000	89,998
Parks Master Plan Projects	-	-	-	250,000
Travers Park Restroom - ADA	-	-	300,000	-
Mower	59,600	-	-	25,000
Shooting Range Noise Abatement	-	975	90,000	90,000
Recreation Master Plan Projects	-	-	-	240,000
Watershed Trails	-	-	10,000	10,000
Vehicle Replacement	-	-	50,000	-
Memorial Field/Other LOT Fund	3,168,227	196,385	3,214,173	2,700,000
Memorial field improvements	-	-	100,000	-
Impact Fee Parks	-	-	200,000	400,000
Total Capital Projects, Grants and Transfers	3,239,272	280,946	4,226,683	3,957,564
TOTAL PARKS, RECREATION AND OPEN SPACE DIVISION	4,662,607	1,735,545	5,998,915	5,780,574
PUBLIC SAFETY DIVISION				
Police Services				
100 Salaries and Wages	1,198,798	1,414,584	1,573,009	1,632,843
200 Employee Benefits	449,024	519,044	618,357	690,997
300 Purchased Prof & Tech	181,798	145,283	139,253	101,153
400 Purchased Property Service	32,628	33,001	36,030	36,030
500 Other Purchased Service	20,257	30,578	35,739	31,739
600 Supplies	124,546	117,104	128,543	120,543
700 Property	225,844	11,950	12,000	15,000
800 Miscellaneous	14,546	9,765	7,500	7,500
Total	2,247,441	2,281,309	2,550,431	2,635,805
Capital Projects and Grants				
Bullet Proof Vest Grant	8,294	3,500	4,783	5,000
Police Vehicles	-	-	90,000	90,000
Baldy Repeater Enhancements	-	-	22,582	22,582
Enforcement Grants	-	-	30,000	15,000
Impact Fee Police	-	42,703	50,000	30,000
Mobile Data	13,858	-	-	-
Total	22,152	46,203	197,365	162,582
Total Police Services	2,269,593	2,327,512	2,747,796	2,798,387

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Fire Services				
100 Salaries and Wages	623,257	754,658	781,650	794,819
200 Employee Benefits	264,641	318,742	361,920	362,726
300 Purchased Prof & Tech	70,956	91,000	89,434	87,331
400 Purchased Property Services	29,983	15,274	18,500	18,500
500 Other Purchased Service	7,596	5,850	6,850	6,850
600 Supplies	43,148	38,367	42,800	42,800
700 Property	52,792	7,422	47,451	47,450
800 Miscellaneous	10,400	206	150	150
Total	1,102,773	1,231,519	1,348,755	1,360,626
Capital Projects & Grants				
Fire Apparatus/Transfers Out	37,977	37,977	37,977	37,977
Breathing Apparatus FD	-	-	770,000	292,000
Miscellaneous Grants	-	21,228	17,135	17,135
Total	37,977	59,205	825,112	347,112
Total Fire Services	1,140,750	1,290,724	2,173,867	1,707,738
TOTAL PUBLIC SAFETY DIVISION	3,410,343	3,618,236	4,921,663	4,506,125
INFRASTRUCTURE AND DEVELOPMENT SERVICES DIVISION				
Planning Services				
100 Salaries and Wages	165,401	161,799	171,577	186,594
200 Employee Benefits	60,278	50,493	66,036	67,828
300 Purchased Prof & Tech	2,540	30,295	11,600	18,500
400 Purchased Property Service	-	-	600	600
500 Other Purchased Service	3,390	3,668	5,700	5,700
600 Supplies	4,499	2,225	5,800	4,000
800 Miscellaneous	746	3,416	-	-
Total	236,854	251,896	261,313	283,222
Building Permit Services				
100 Salaries and Wages	72,404	76,514	80,205	159,720
200 Employee Benefits	26,122	27,490	30,678	62,099
300 Purchased Prof & Tech	490	2,974	2,000	2,000
400 Purchased Property Services	271	225	2,000	2,000
500 Other Purchased Service	524	350	908	908
600 Supplies	3,653	2,251	4,600	4,600
Total	103,464	109,804	120,391	231,327

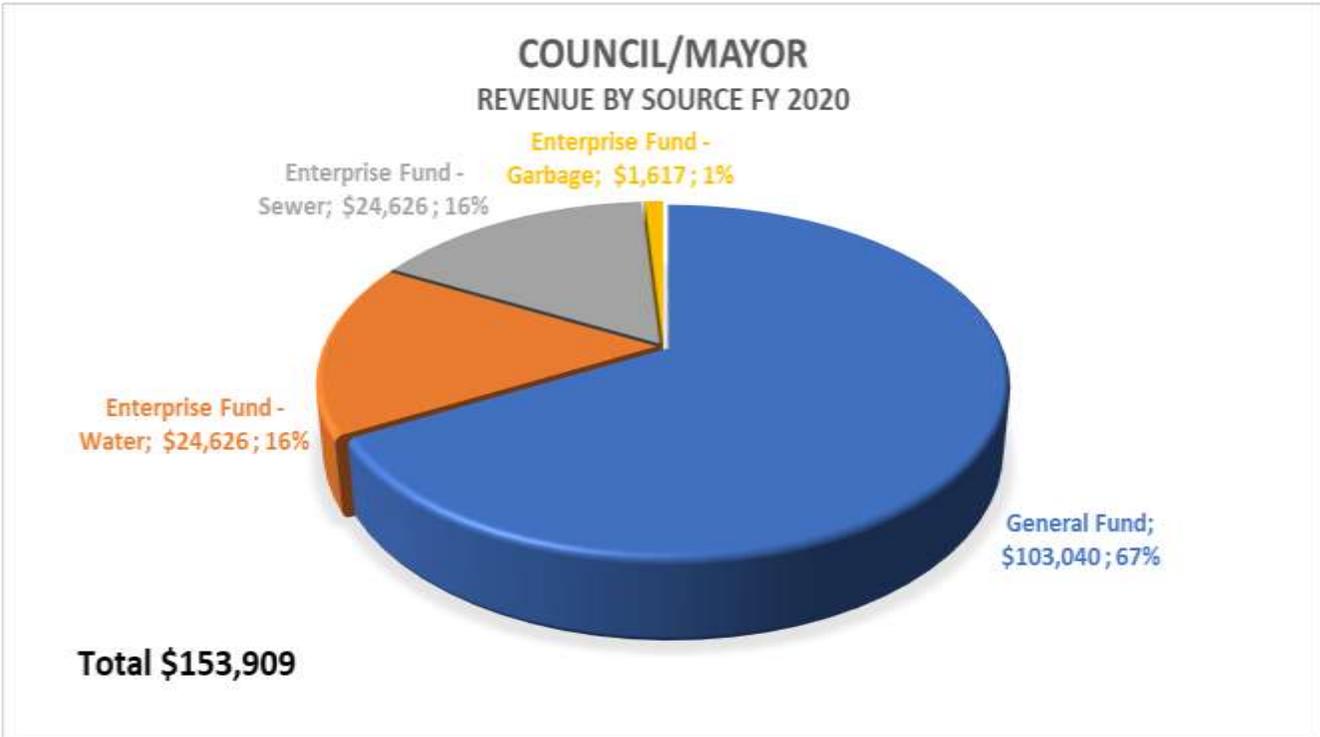
Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Street Services				
100 Salaries and Wages	354,798	392,057	442,398	528,885
200 Employee Benefits	135,206	169,444	206,585	229,730
300 Purchased Prof & Tech	80,700	86,353	101,000	105,000
400 Purchased Property Services	106,190	156,570	86,700	87,700
500 Other Purchased Service	1,110	2,739	6,250	3,750
600 Supplies	203,011	183,353	254,704	287,500
700 Property	32,471	32,472	257,472	43,000
800 Miscellaneous	2,478	1,236	-	-
Total	915,964	1,024,224	1,355,109	1,285,565
Capital Projects and Grants				
High Five Grant	563	37,154	211,720	175,000
Historic Commission	6,087	5,051	10,000	10,000
Boyer Pathway	371,540	-	100,000	100,000
Schweitzer Cutoff Roundabout	690,223	15,437	67,000	67,000
Downtown Revitalization - CDBG	-	6,627	478,650	355,000
Downtown Revitalization - Phase 1 & 2	351,829	1,999,761	2,950,000	2,550,000
Underground Utilities - Sandcreek	-	-	60,000	250,000
Storm Treatment - Farmin	-	-	-	300,000
Great Northern - Northern Revitalization Project	-	-	-	100,000
RR Flashing Beacons	-	-	60,000	10,000
Streets Plan	-	-	100,000	150,000
Pedestrian and Bike Plan	-	-	50,000	50,000
Planning Comprehensive Plan	-	-	-	100,000
Miscellaneous Grants/Projects	33,708	34,824	462,618	90,000
Impact Fee Reserve	-	-	370,000	490,000
LED Street Light Retro-fit	-	-	-	63,000
Baldy Pedestrian Project	79,201	734	685,422	-
Oak Street Sep Bike Lane	5,180	420,610	50,000	-
Ella Street	-	451,986	-	-
Asphalt Overlay Program	174,290	69	-	-
Schweitzer Bridge and Roundabout	916,192	-	-	-
Total Capital Projects and Grants	2,628,813	2,972,253	5,655,410	4,860,000
Water Services				
Public Works Administration				
100 Salaries and Wages	97,875	111,654	228,724	379,605
200 Employee Benefits	36,754	36,032	95,531	158,820
300 Purchased Prof & Tech	19,505	25,101	63,924	56,500
400 Purchased Property Services	1,232	1,068	2,860	2,860
500 Other Purchased Service	2,818	3,932	5,200	6,700
600 Supplies	4,122	10,523	8,350	41,300
800 Miscellaneous	5	7,759	300	-
Total	162,311	196,069	404,889	645,785

Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Water Treatment Services				
100 Salaries and Wages	175,022	223,453	279,433	250,998
200 Employee Benefits	64,345	81,664	116,473	111,809
300 Purchased Prof & Tech	39,643	25,392	52,880	81,628
400 Purchased Property Services	43,841	43,298	45,200	29,700
500 Other Purchased Service	3,732	3,903	4,800	4,800
600 Supplies	143,579	145,096	158,260	174,760
700 Property	572,848	596,048	795,000	615,000
800 Miscellaneous	1,000	85	973,378	421,194
Total	1,044,010	1,118,939	2,425,424	1,689,889
Water Distribution Services				
100 Salaries and Wages	319,094	271,722	328,922	238,655
200 Employee Benefits	134,842	103,401	132,546	107,039
300 Purchased Prof & Tech	1,217	19,961	6,670	35,494
400 Purchased Property Services	26,981	50,301	48,700	20,100
500 Other Purchased Service	1,635	1,162	2,530	3,530
600 Supplies	101,745	109,107	103,400	128,400
700 Property	42,830	-	-	150,000
800 Miscellaneous	25,553	146,906	30,000	45,000
Total	653,897	702,560	652,768	728,218
Capital Projects, Grants and Transfers				
Syringa Reservoir	16,032	-	-	-
Watershed Land Purchase	-	-	250,000	-
Watershed Bridges	109,564	-	-	-
Sandcreek Waterline Replacement	406,263	757,310	-	-
Watershed Management Plan	-	-	200,000	100,000
Timber Management	-	-	-	100,000
Sandcreek Transmission Main	-	-	25,000	-
Fiber	-	7,741	-	-
Sandcreek Hydroelectric	14,445	13,614	-	-
Woodland reservoir coat	-	-	500,000	500,000
Water Master Plans	-	-	150,000	150,000
Water Rate Study	-	-	65,000	75,000
Building Improvements	-	-	57,500	37,500
Eastgate Drive upsize from 6" to 12"	-	-	200,000	-
Filter Media	-	-	30,000	-
Water Revenue Bond	973,374	973,374	973,378	973,377
Transfers to other Funds	1,690,518	1,756,039	1,782,463	1,925,511
Total Capital Projects, Grants and Transfers	3,210,196	3,508,078	4,233,341	3,861,388
Total Water Services	5,070,414	5,525,646	7,716,422	6,925,280

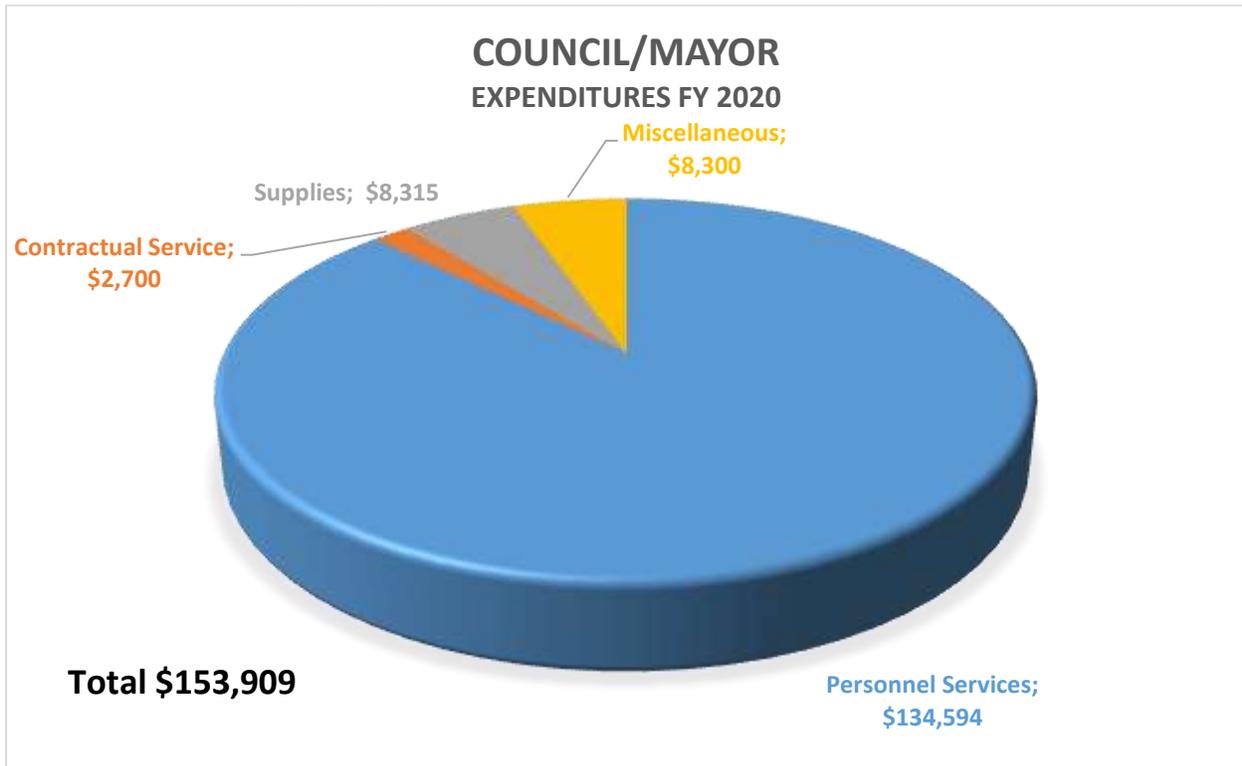
Departments and Projects	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed
Sewer Services				
Sewer Collection Services				
100 Salaries and Wages	106,877	160,823	196,890	153,684
200 Employee Benefits	42,864	53,466	77,854	61,466
300 Purchased Prof & Tech	465	9,010	1,500	13,000
400 Purchased Property Services	33,466	35,496	66,300	39,400
500 Other Purchased Service	7,606	8,160	8,150	8,150
600 Supplies	34,771	40,916	53,880	69,400
700 Property	-	119,026	-	225,000
800 Miscellaneous	4,313	5,615	-	-
Total	230,362	432,512	404,574	570,100
Sewage Treatment Services				
100 Salaries and Wages	232,657	308,390	301,258	281,060
200 Employee Benefits	93,123	121,768	131,367	123,793
300 Purchased Prof & Tech	15,863	28,780	43,100	49,400
400 Purchased Property Services	106,717	261,598	122,700	152,200
500 Other Purchased Service	4,947	2,705	10,500	10,500
600 Supplies	196,270	218,855	434,500	277,750
700 Property	713,675	922,222	823,411	779,411
800 Miscellaneous	-	247	705,500	5,500
Total	1,363,252	1,864,565	2,572,336	1,679,614
Capital Projects, Grants and Transfers				
I&I Projects	-	237,283	400,000	295,000
Downtown Sewer Main Replacement	372,569	-	-	-
Fiber	-	7,741	-	-
Wastewater Treatment Facility	34,490	190,731	3,000,000	2,000,000
Storm water Master Plan	-	-	200,000	-
Farmin Landing Stormwater	10,965	27,382	150,000	-
Downtown Sewer Main	-	682,126	900,000	-
Sewer Rate Study	-	-	65,000	75,000
Lift Station Replacement	-	-	400,000	900,000
Building Improvements	-	-	95,000	75,000
Equipment	-	-	146,000	-
Boyer Sewer Project	-	-	1,600,000	-
Sewer Revenue Bond	837,578	778,398	781,148	778,745
Transfers to other funds	1,352,521	1,621,728	1,718,859	1,968,653
Total Capital Projects, Grants and Transfers	2,608,123	3,545,389	9,456,007	6,092,398
Total Sewer Services	4,201,737	5,842,466	12,432,917	8,342,112
TOTAL INFRASTRUCTURE AND DEVELOPMENT SERVICES DIVISION	13,157,246	15,726,289	27,541,562	21,927,506
TOTAL CITY BUDGET	24,911,610	23,917,792	44,538,939	39,322,035

COUNCIL/MAYOR NARRATIVE: Council/Mayor

Council/Mayor Revenue Sources:



Council/Mayor Expenditures:



Discussion:

The Sandpoint City Council is comprised of six elected members with staggering terms to provide continuity. The next City election will be held November 5, 2019, with three City Council positions up for election for a four-year term. The Council's duties are primarily legislative working to promote the general welfare of the City.

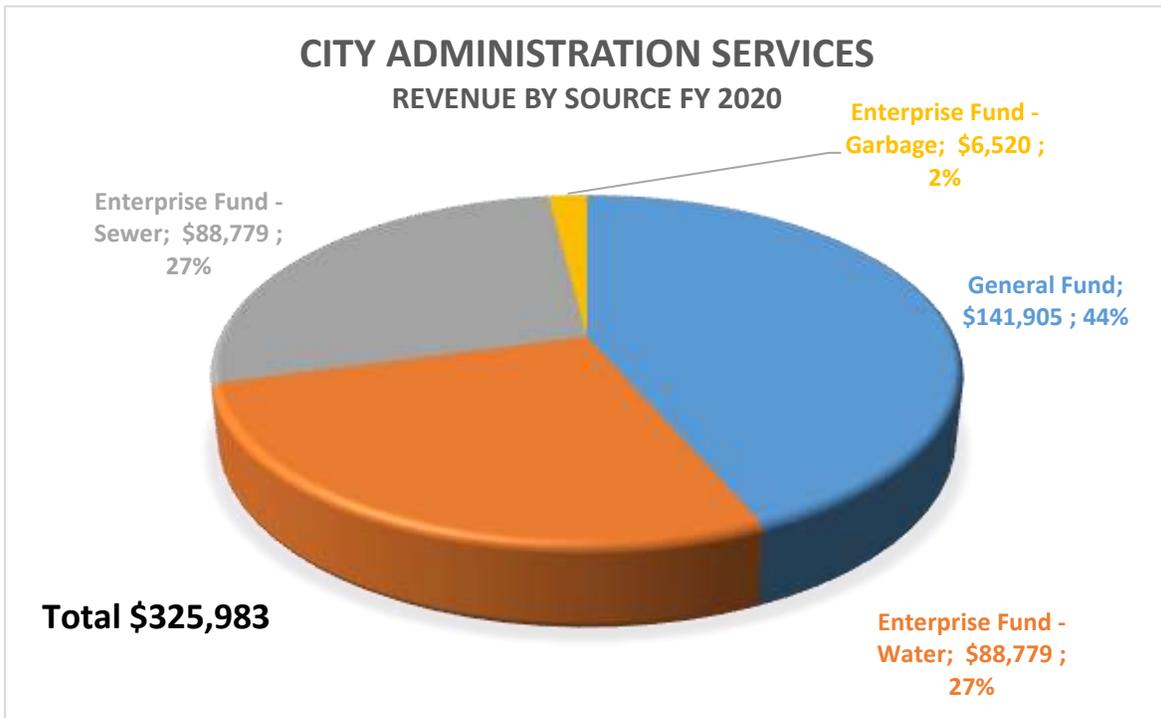
Sandpoint Council members attend two Council meetings per month and each Council member participates on one or more commissions and committees. Full benefits are provided for Council members including medical, dental, PERSI and life insurance.

Mayor Shelby Rognstad was elected on November 4, 2015 and sworn into office on January 6, 2016 as the City of Sandpoint's 35th mayor. Mayor Rognstad served on the City Council since January of 2012 and was Council President from January 2014 until he took the oath of office as Mayor.

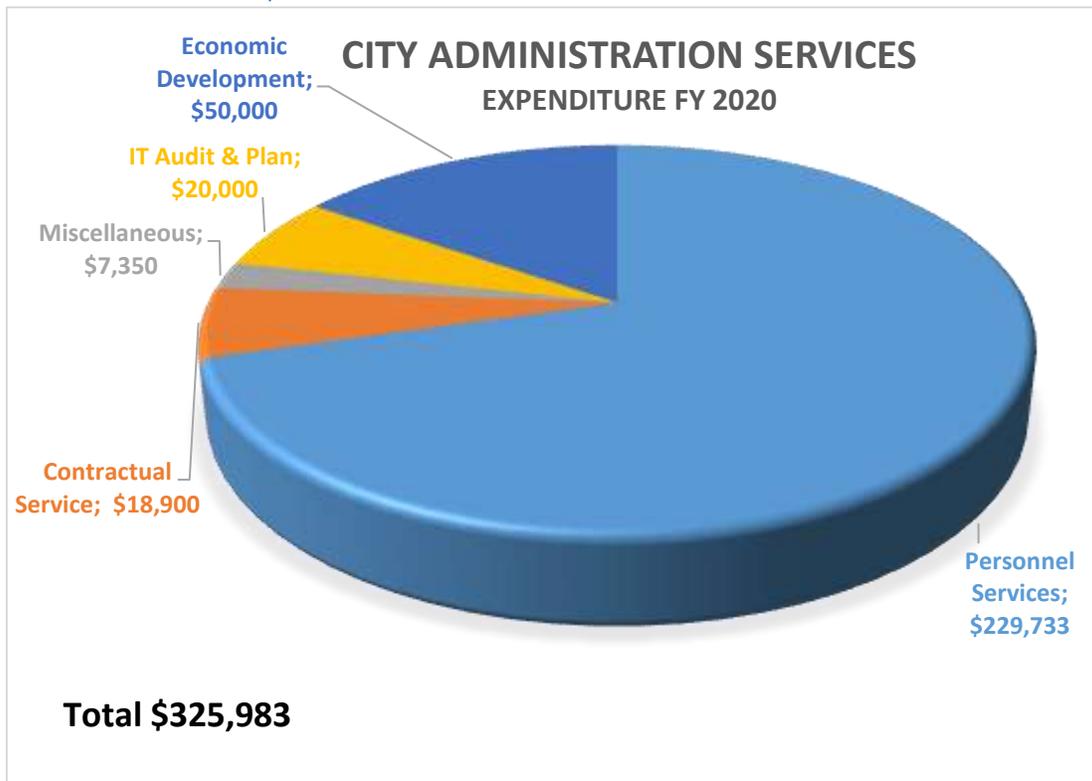
The miscellaneous budget has been increased by \$8,000 this year for an Inclusion Initiative proposed by Mayor Rognstad to meet his commitment to eliminate hate and discrimination and strengthen social equity in our community. This initiative will support training, education and other programs internal to City operations and externally in partnership with nonprofits and the business community to promote understanding, acceptance and value differences between people of different races, ethnicities, genders, ages, religions, disabilities and sexual orientations, as well as differences in personalities, skill sets experiences and knowledge bases.

CENTRAL ADMINISTRATIVE SERVICES DIVISION: City Administration Services

City Administration Services Revenue Sources:



City Administration Services Expenditures:



Discussion:

Central Administration Services includes the City Administrator and Executive Assistant/Public Information Coordinator.

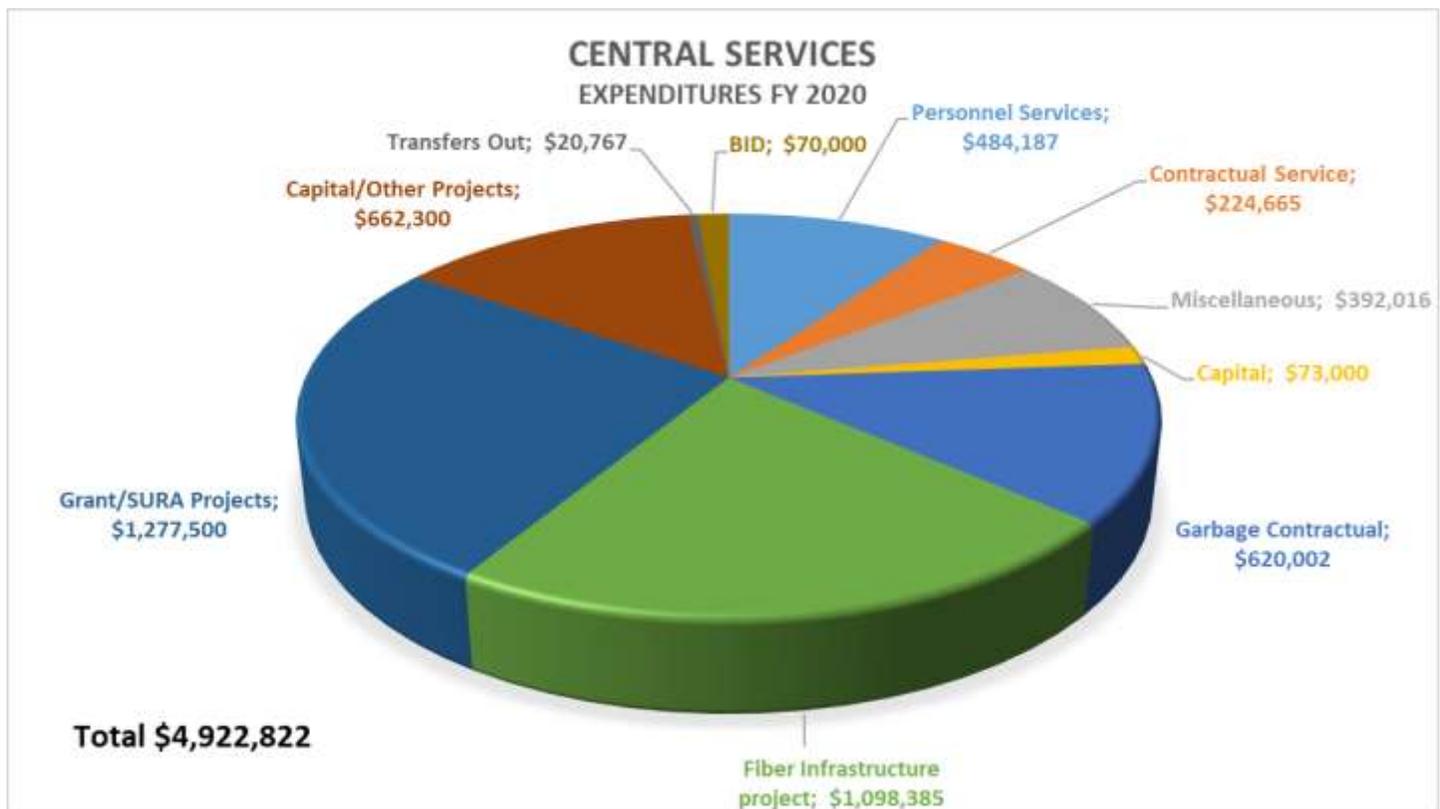
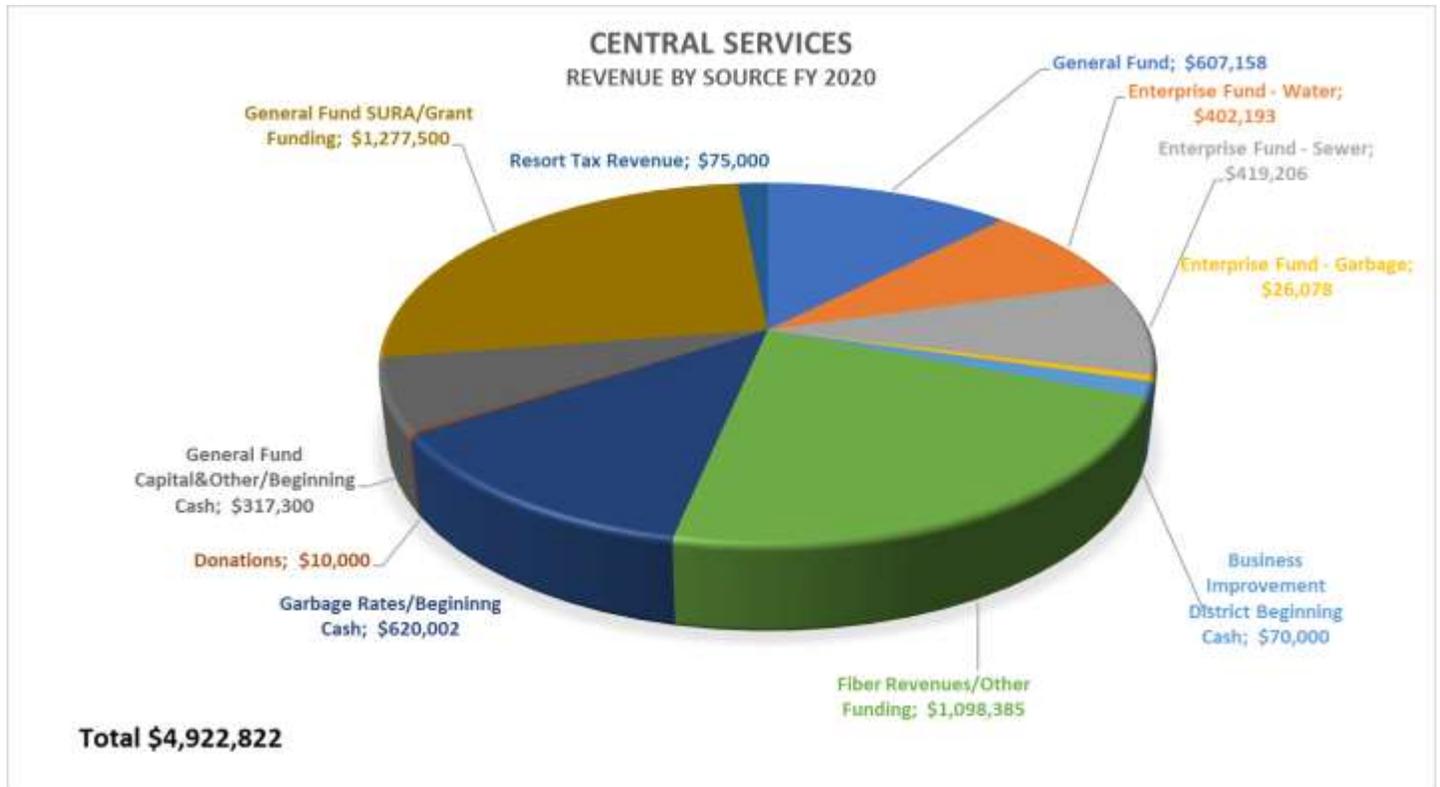
Budgeted projects include a set-aside of \$50,000 for economic development. The economic development structure and specific investment is still under review. The City has recently joined the Bonner County Economic Development Council as a member and anticipates participating in and supporting a County-wide economic development strategic planning process. A final investment proposal will be made to the City Council for approval prior to award of these funds to any project or entity.

An Informational Technology (IT) audit and plan will be completed in this fiscal year to review the City's current structure and investments in information technology and services and develop a long-term plan.

The annual subscription to the Open Town Hall citizen engagement service is included under miscellaneous expenses.

CENTRAL ADMINISTRATIVE SERVICES DIVISION: Central Services

Central Services Revenue Sources:



Discussion:

Central Services includes many functions and their associated expenses including Clerk, Grants & Projects Administration, Information Systems/Technology, GIS, Human Resources & Risk Management, Contracts & Purchasing and Records & Systems Management. This service area provides support to all other divisions and service groups throughout the City. There are 5.0 FTE's in this service area in 2020, which is an increase of 1.0 FTE over 2019. This is due to the addition of the Contract/Procurement Officer position in 2019. There is a partial budgetary offset in the Infrastructure and Development Services Division as an Administrative Assistant position was eliminated. IT Services are provided via contract.

Outstanding Business Improvement District (BID) revenues have been assigned to this service group and they are managed as restricted funds to support maintenance of the Downtown Flower Basket Program. These revenues represent cash on hand of approximately \$70,000 and outstanding amounts still owing from when the BID was in existence. The BID was dissolved by the City Council in September 6, 2017. A grant match program is still under consideration for development in 2020.

Solid waste/garbage service management is assigned to the Contract/Procurement Officer and therefore associated expenditures are budgeted here.

In past years, potential grant revenues have been budgeted across the various City departments. With the creation of a centralized grants administration function in FY2017, projected grant revenues and expenditures in the amount of \$957,500 have been budgeted in the Central Services budget to ensure centralized coordination and prioritization in line with established priorities of the City Council and Mayor. Budgeted expenses of \$1,098,385 are included to support the City-owned fiber network backbone maintenance, management and potential expansion opportunities.

Strategic Projects/Contingency in the amount of \$100,000 has been budgeted to support prioritized projects and activities identified in the many master plans underway this year, and/or unanticipated expenses City-wide.

Contractual Services includes all expenses related to the Engage Sandpoint App, NeoGov HR software, background check software, personnel training, risk management support, etc.

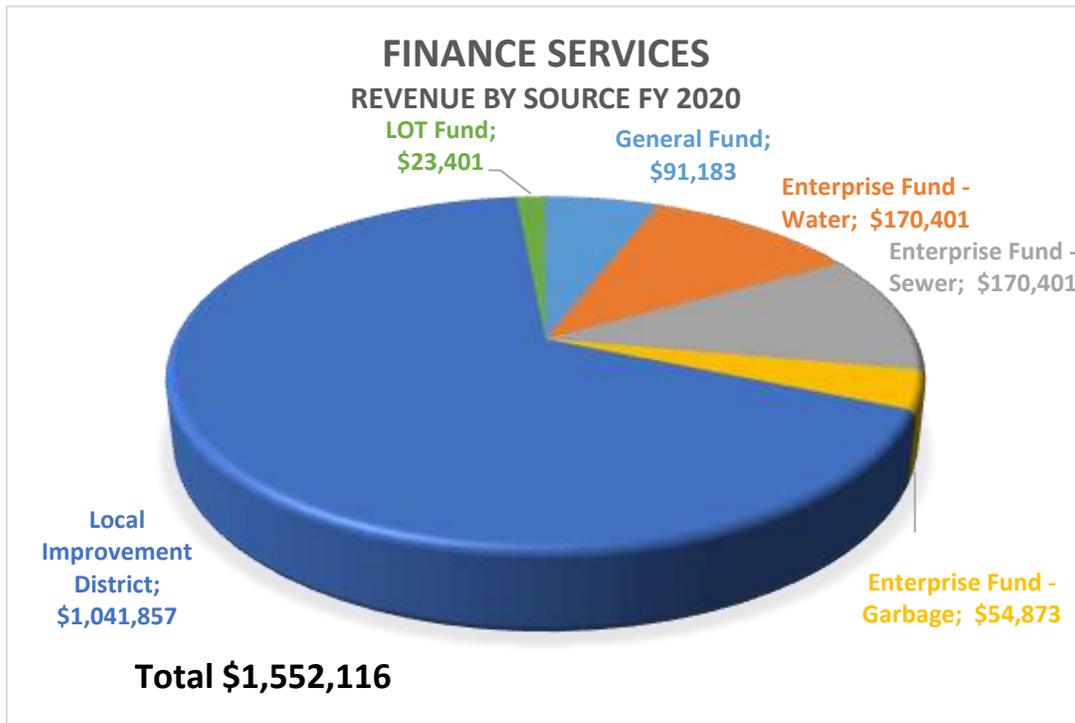
Miscellaneous expenses include insurance premiums to ICRMP in the amount of \$156,280. This includes a discount of \$8,225 for employee training and policy and procedures, potential claims payouts, dues and subscriptions, and expenses for City commissions and committees. It also includes \$30,000 for replacement of a City fleet vehicle.

Capital/Other Projects:

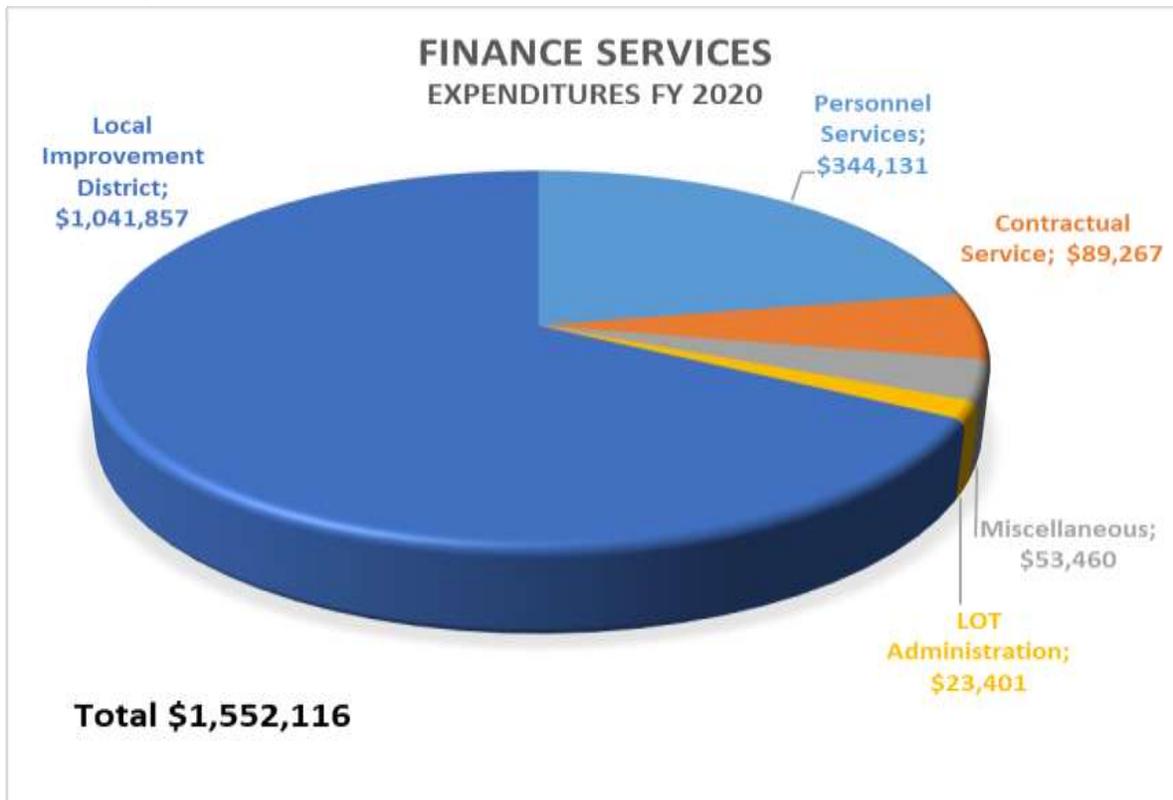
Central Services		
FY 2020		
Project/Other	Budget	Funding Source
Fiber Network Infrastructure	\$1,000,000	Fiber Fund
Downtown Parking Lot Study	\$25,000	General Fund
Downtown Parking Lot Project	\$215,000	SURA
City Hall Renovations/Public Service Improvements & City Hall Roof	\$260,000	General Fund
SPOT Public Transportation	\$75,000	Resort City Tax 7%
Energy Efficiency Project	\$75,000	Grants
Airport Property Improvements	\$192,300	General Fund - Lease Payments
Misc. Grants - Citywide	\$957,500	Grants

CENTRAL ADMINISTRATIVE SERVICES DIVISION: Financial Services

Financial Services Revenue Sources:



Finance Services Expenditures:



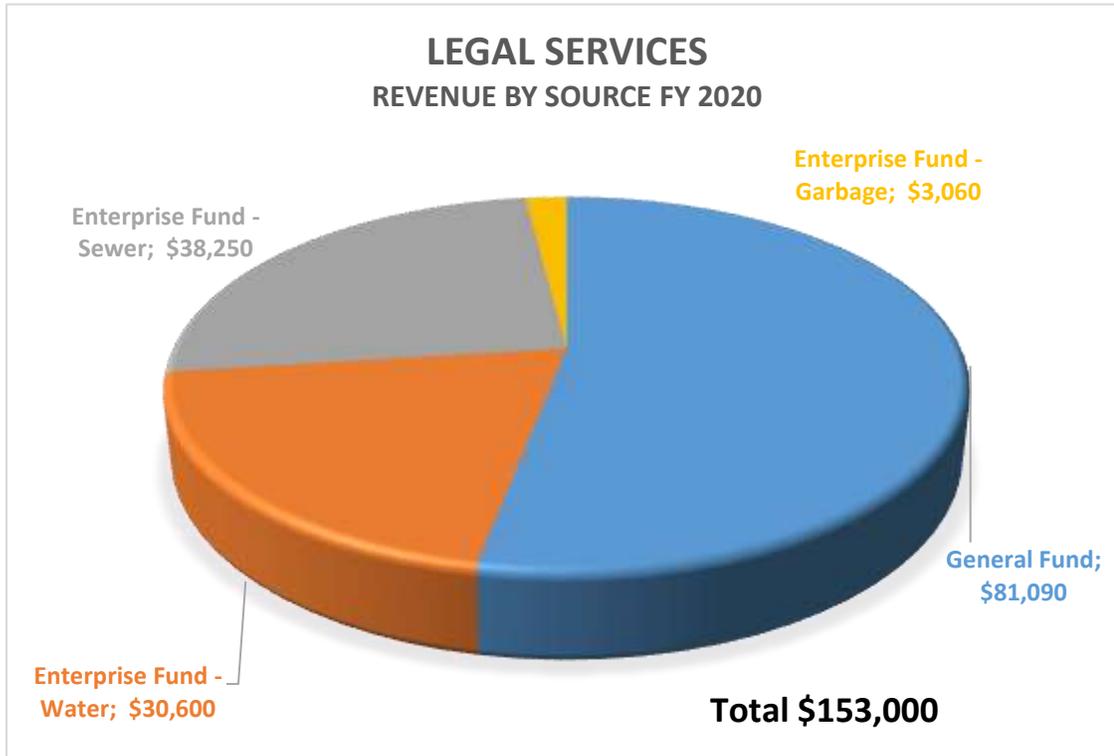
Discussion:

Financial Services has 5.0 FTE's who perform general accounting services for the City as well as utility billing.

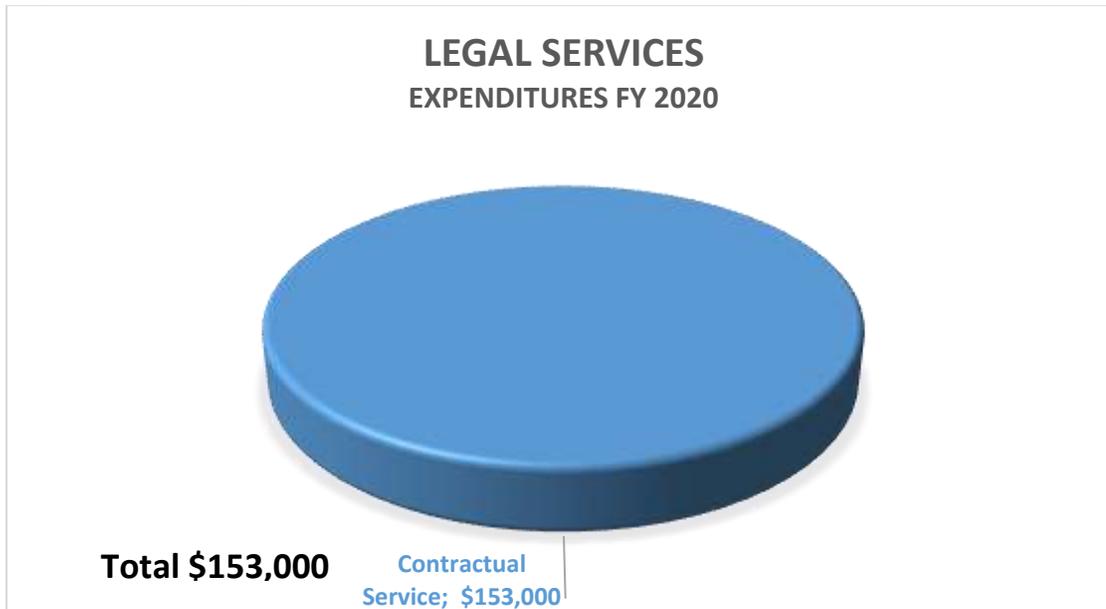
Local Improvement District expenditures are budgeted in Financial Services as it is the assigned department for processing and managing LID revenues and expenditures.

CENTRAL ADMINISTRATIVE DIVISION: Legal Services

Legal Services Revenue Sources:



Legal Services Expenditures:

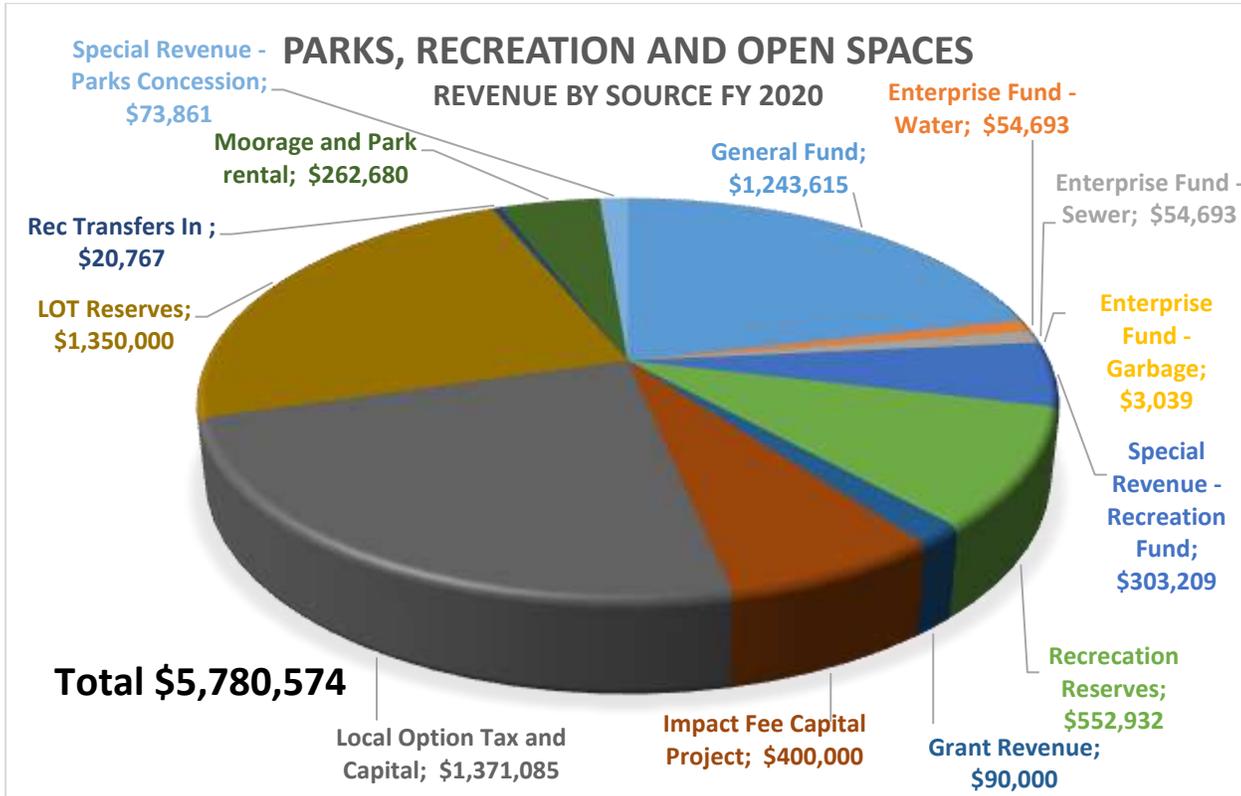


Discussion:

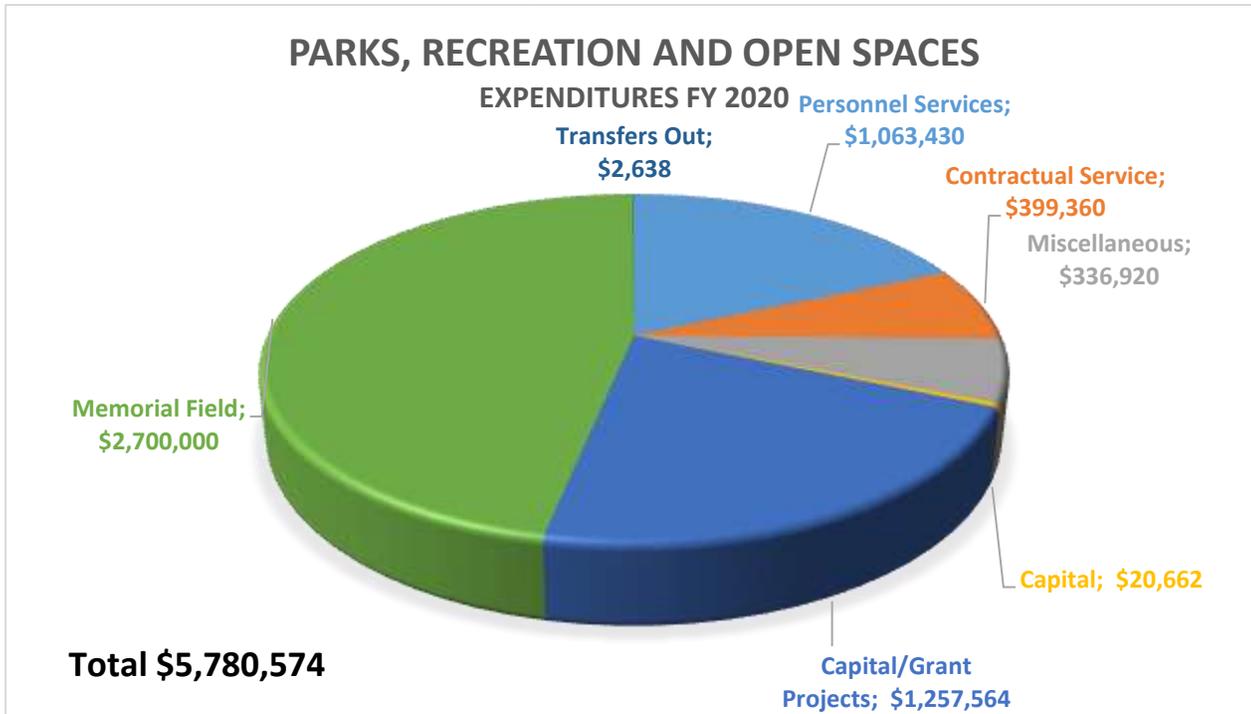
Legal Services provides civil legal support to the City Council, Mayor and staff and prosecution services. The Bonner County Prosecutor provides prosecution services and civil legal services are contracted to a private firm.

PARKS, RECREATION AND OPEN SPACES DIVISION:

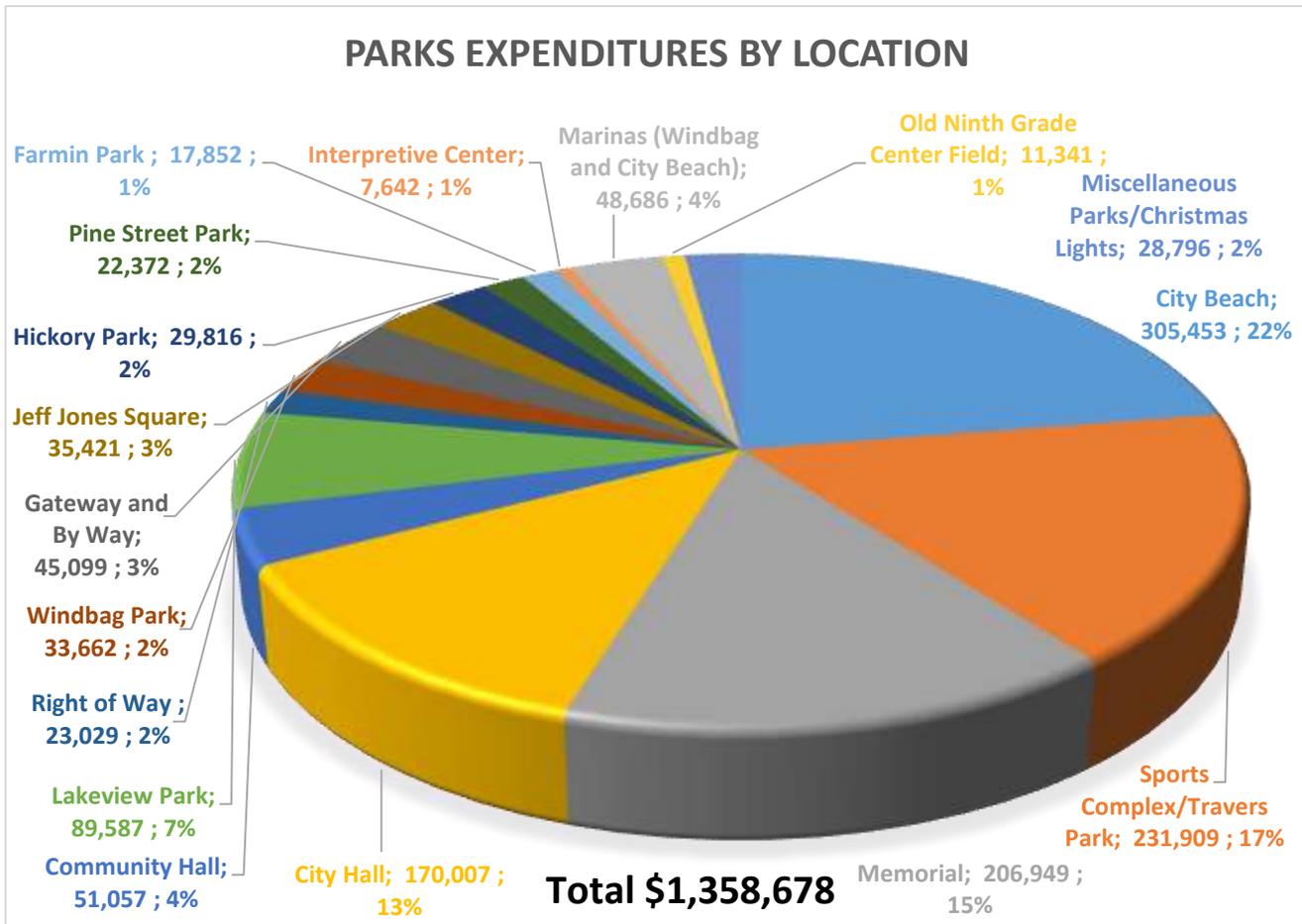
Parks, Recreation and Open Space Revenue Sources:



Parks, Recreation and Open Spaces Expenditures:



Parks Expenditures by Location:



City Park Budgeted Cost Per Acre Per Park Summary:

FY 2020			
City Parks	Budget	Acres	Cost Per Acre
City Beach/Windbag Park	339,115	22.10	15,345
Sports Complex/Travers Park/Centennial	231,909	25.06	9,254
Memorial	206,949	4.64	44,601
Lakeview Park	89,587	12.00	7,466
Hickory Park	29,816	2.29	13,020
Pine Street Park (on Lake Street)	22,372	1.93	11,592
Farmin Park	17,852	0.28	63,758
Mickinnick Trail Head	2,386	20.00	119
Humbird Mill Park	3,115	2.00	1,557
3rd Avenue Pier	3,142	0.26	12,083
Total Parks	946,243	90.56	10,449

Capital Projects/Other:

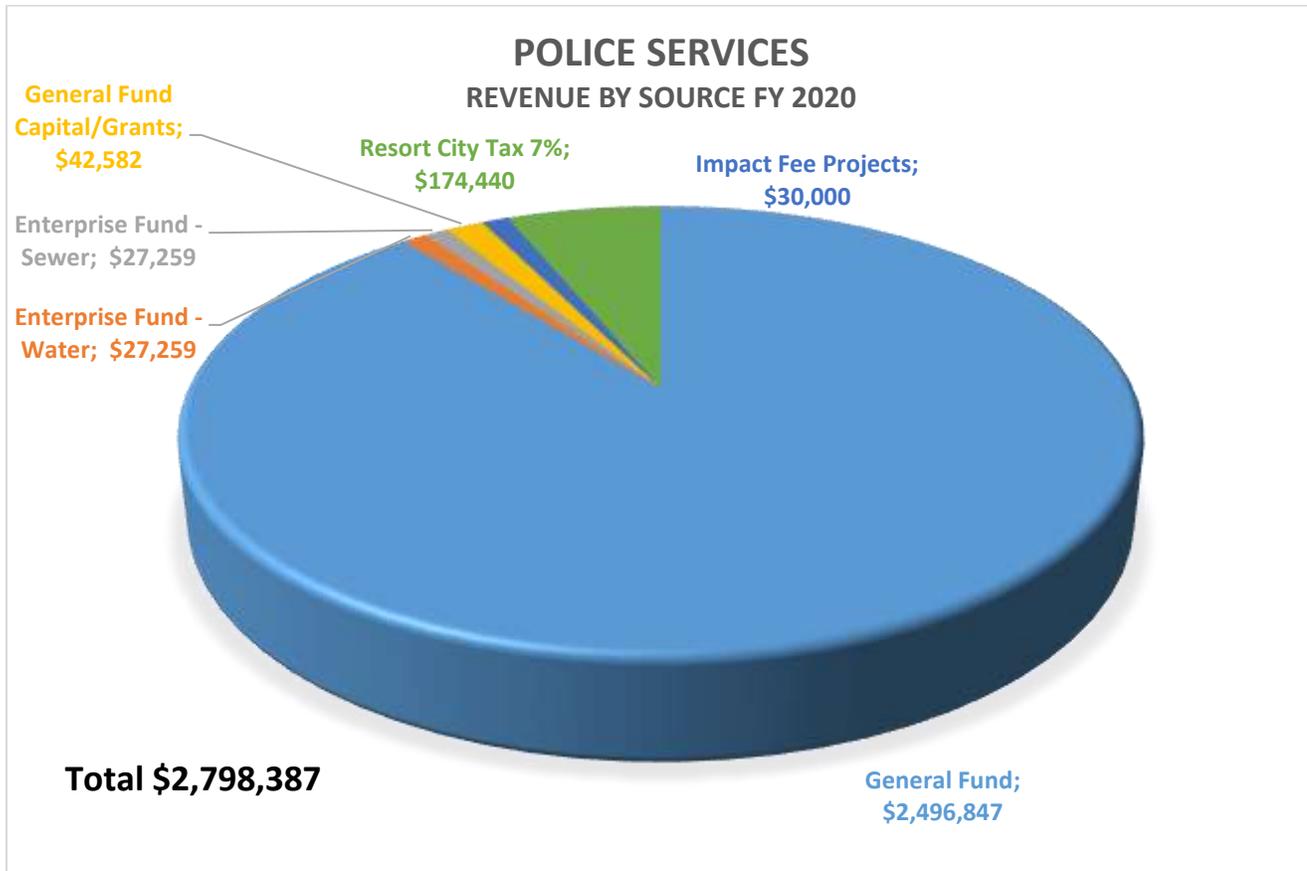
Parks, Recreation and Open Space Services		
FY 2020		
Project/Other	Budget	Funding Source
Parks Master Plan Priority Projects	\$250,000	Parks Capital
Mower	\$25,000	Parks Capital
Park and Recreation Master Plan	\$89,998	Parks Capital and Rec & LOT Funds
Memorial Field/Other Parks Improvements	\$2,700,000	LOT Fund
Shooting Range Noise Abatement	\$90,000	Rec Fund
Recreation Master Plan Priority Projects	\$240,000	Rec Fund
Trail Maintenance - Pend Oreille Pedalers	\$10,000	Rec Fund

Discussion:

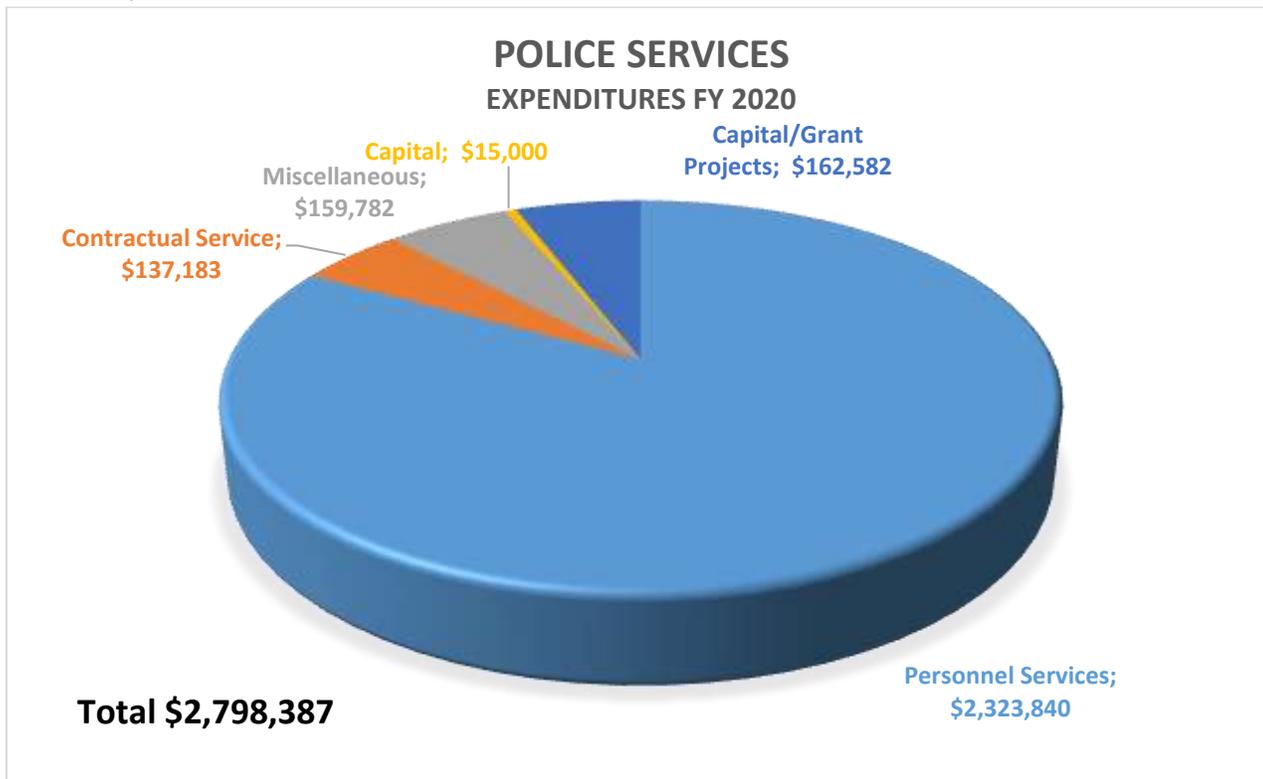
The City has an agreement with the Pend Oreille Pedalers for trail maintenance and use in its watershed property. FY19 was the first year the City budgeted funds to support the trail maintenance efforts. Existing and future recreational use in the watershed, including the potential for any additional trails, is being assessed and a more comprehensive approach to trail management is being developed as part of the Watershed Master Plan (Infrastructure and Development Services budget) and Parks and Recreation Master Plan which is currently underway. While the Water Fund owns the property, the Parks, Recreation & Open Space Division will assume primary responsibility for managing any current and future recreation.

PUBLIC SAFETY DIVISION: Police Services

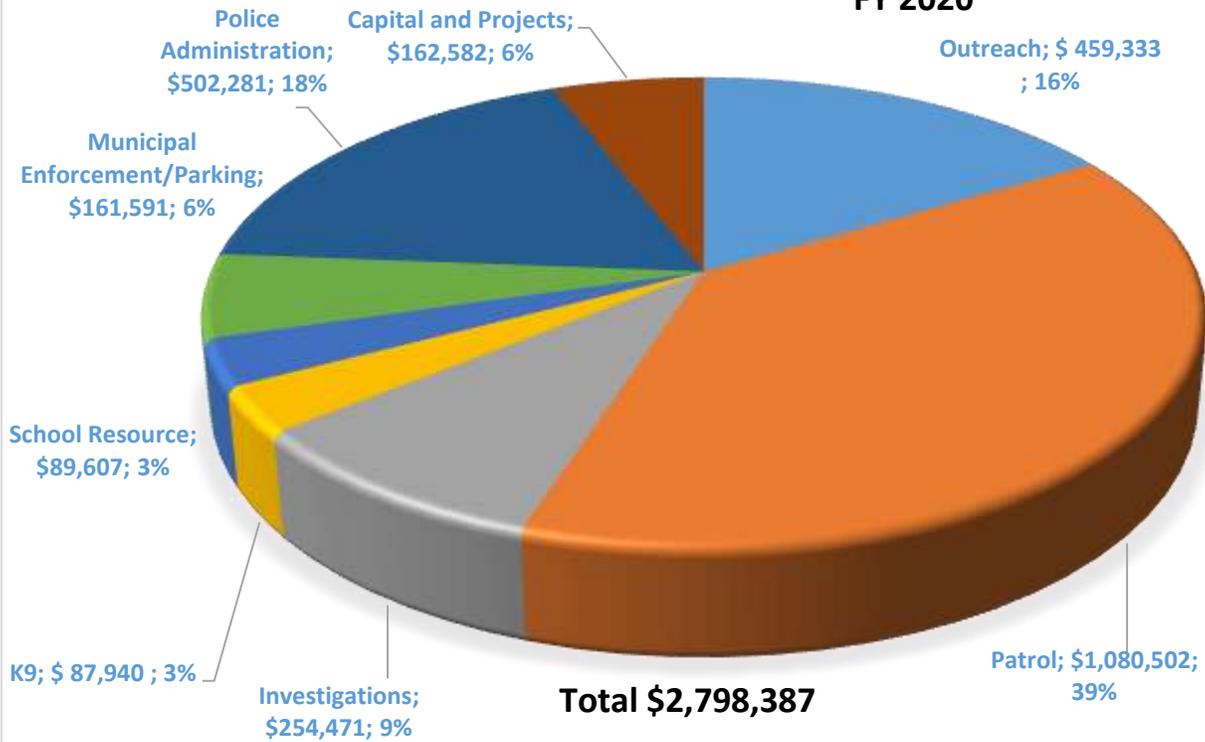
Police Services Revenue Sources:



Police Expenditures:



Police Program Expenditures FY 2020



FY 2020		
Programs	Budget	Percent
Outreach	459,333	16.4%
Patrol	1,080,582	38.6%
Investigations	254,471	9.1%
K9	87,940	3.1%
School Resource	89,607	3.2%
Municipal Enforcement/Parking	161,591	5.8%
Police Administration	502,281	17.9%
Capital and Projects	162,582	5.8%
Total	2,798,387	100.0%

Benchmarks:

- Police has identified a benchmark goal of 20% for outreach – proactive community engagement/education such as bike rodeos, school visits, drug awareness and canine education programs, fair booths, women’s self-defense class, etc. Progress will be tracked and reported via Spillman and available to the Council and public via the new Spillman Dashboard purchased in FY 2018. This will be included as part of the City’s Performance Management report.

Capital/Other Projects:

Police Services		
FY 2020		
Projects/Other	Budget	Funding Source
Police Vehicles	\$90,000	General Fund
Mobile Data Equipment	\$30,000	Impact Fees
Bullet Proof Vests (Police)	\$5,000	General Fund
Baldy Repeater Enhancements project	\$22,582	General Fund

Two new marked and one unmarked patrol units will be purchased and outfitted. The City will trade in two marked Crown Victoria with over 100,000 actual miles. These vehicles are at the end of their useful life as Police vehicles. In addition to the vehicle miles, Ford Motors estimates that one hour of idling time is equal to 25 miles of driving.

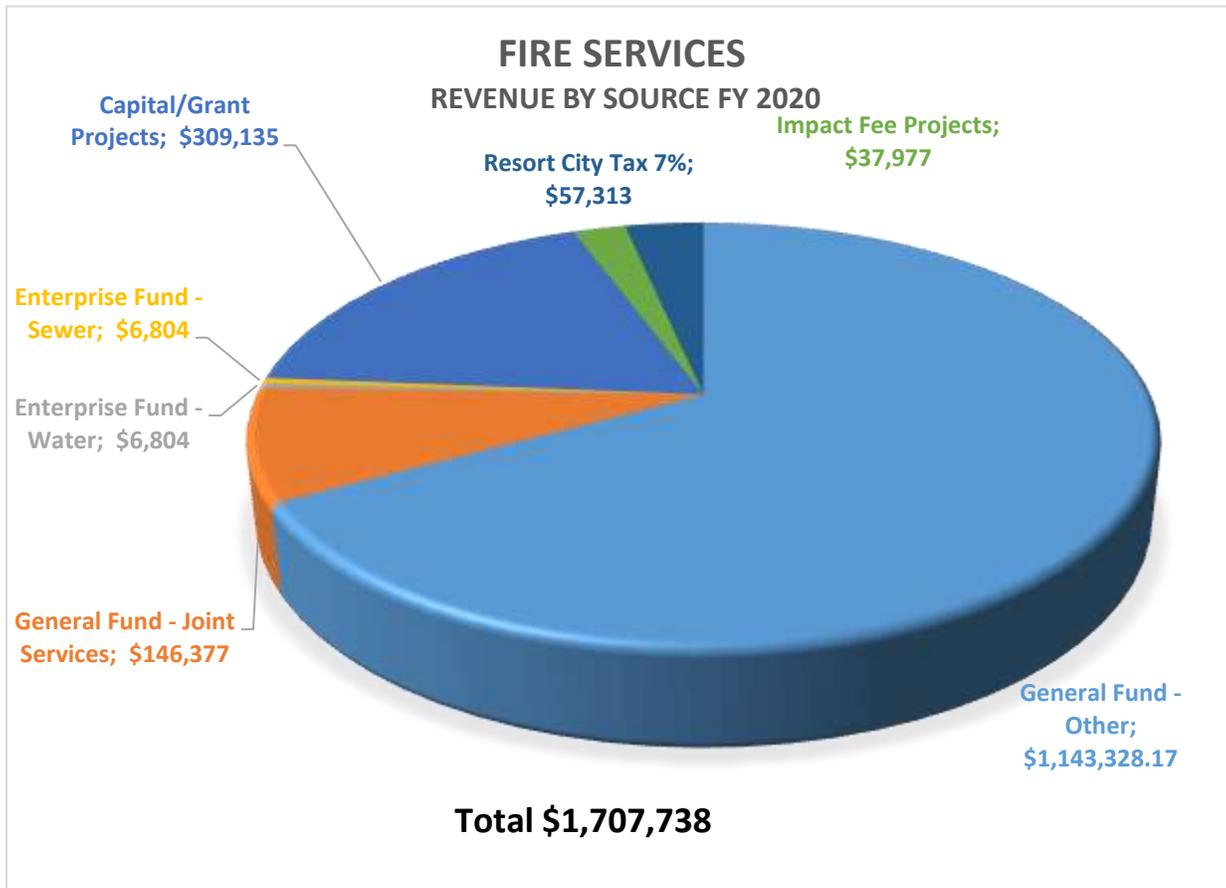
The mobile data project is a multi-year project that has been underway. The goal is to complete the transition from the Coban video systems to the WatchGuard video and body camera systems. This will provide for all officers to have a body camera system linked to their patrol vehicles that activates automatically when their emergency lights are turned on. It will also provide for all marked and unmarked (supervisor) vehicles to have the ability to monitor calls for service and record contacts.

The funds budgeted for bulletproof vests are used as match funds for grants to replace vests for officers.

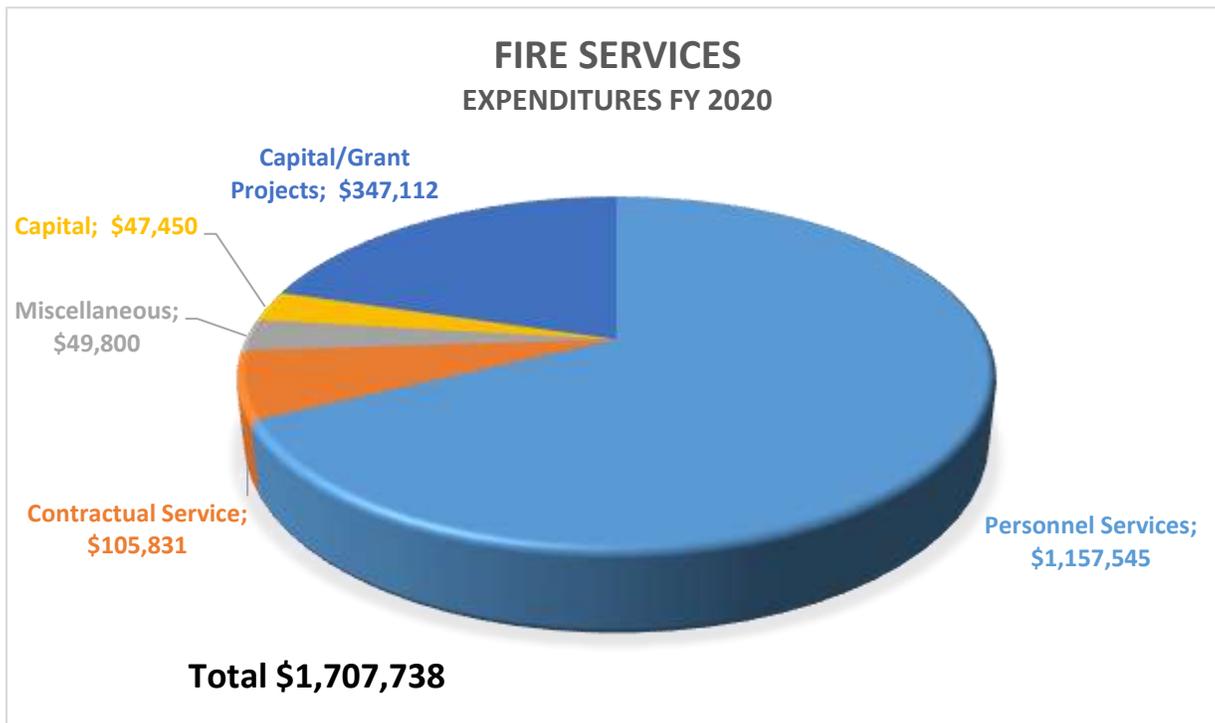
The Baldy Repeater Enhancements project supports maintenance of the roadway and buildings at the Baldy Repeater Site.

PUBLIC SAFETY DIVISION: Fire Services

Fire Services Revenue Sources:



Fire Services Expenditures:

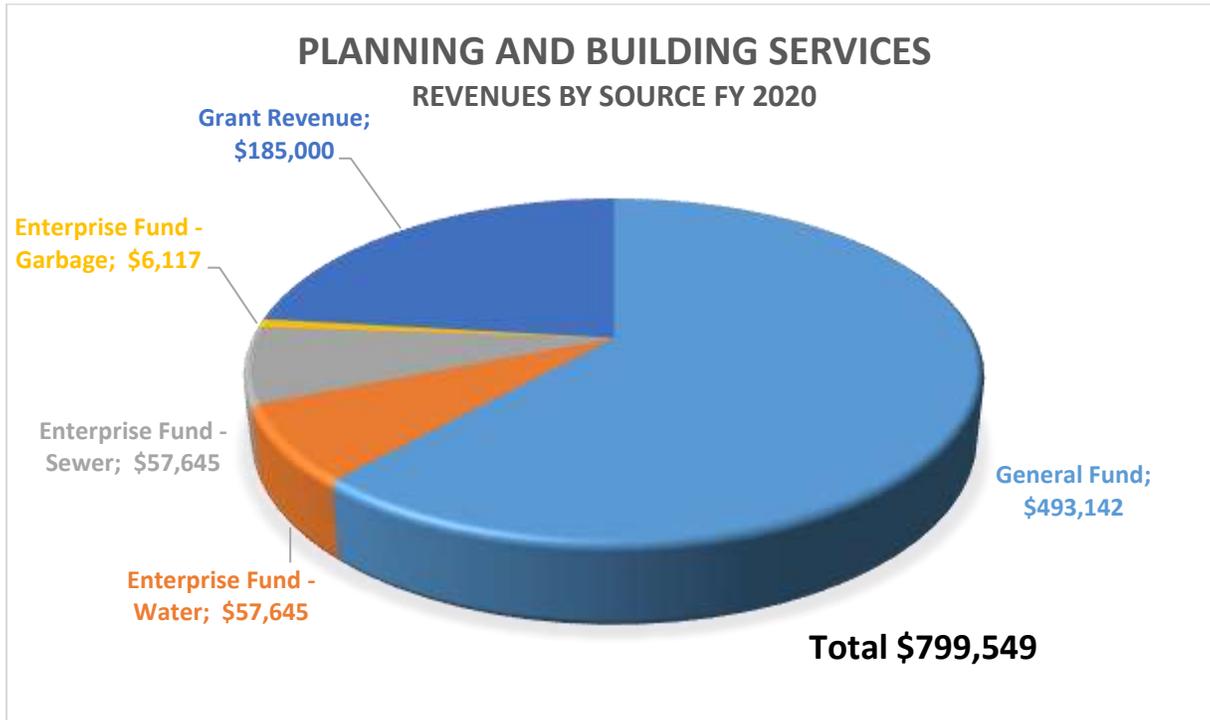


Discussion:

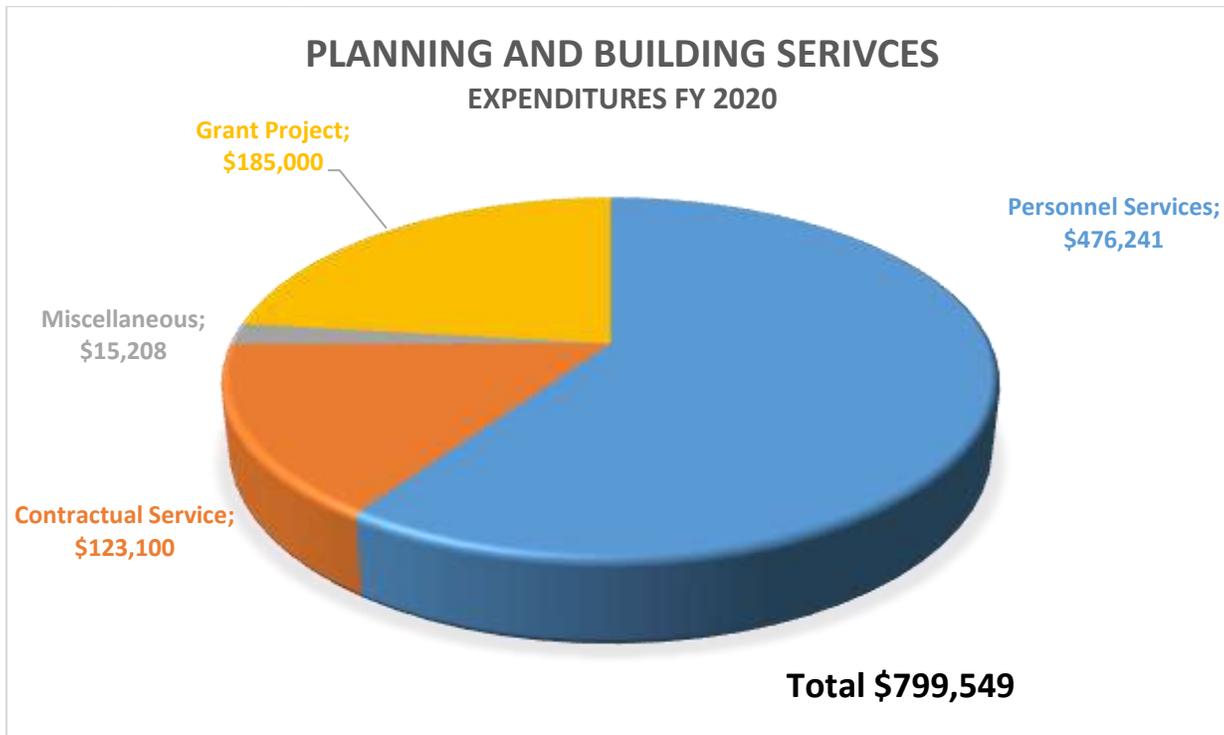
Sandpoint Fire continues to operate as one of the partners in the Selkirk Fire, Rescue & EMS Joint Powers Agreement with the Sagle Fire District and Westside Fire District. The citizens of Sandpoint receive enhanced response capacity from career fire professionals and experience operating cost savings under this model. The budget anticipates continuing in this model. The Fire Chief will present other options at the **September 4, 2019** City Council meeting.

INFRASTRUCTURE & DEVELOPMENT SERVICES DIVISION: Planning and Building Services

Planning and Building Services Revenue Sources:



Planning and Building Services Expenditures:



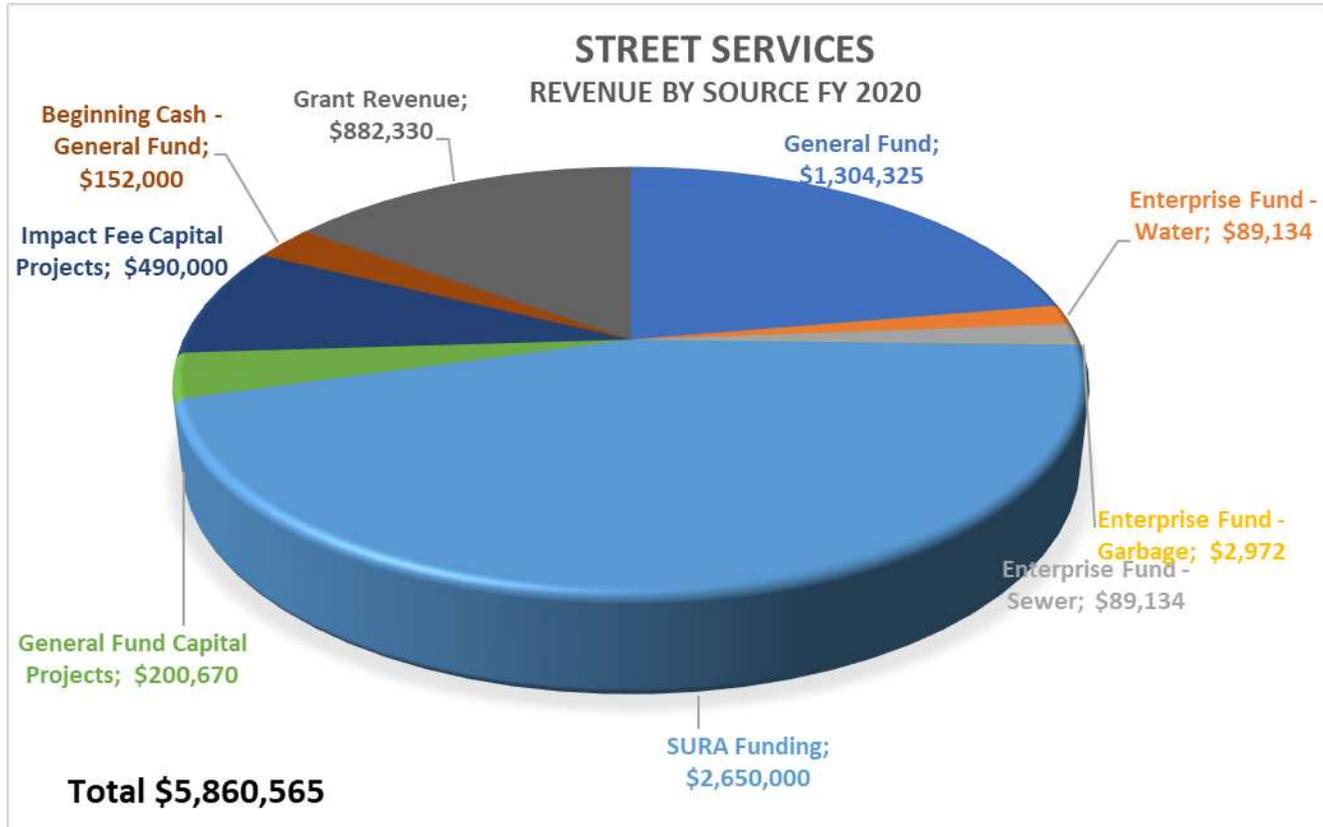
Discussion:

The Planning and Building Services is staffed with 4.77 FTE's. This includes the 1.0 FTE Planning & Community Development Director, 1.0 FTE Associate Planner and 1.0 FTE Planning Assistant as well as the 1.0 FTE Building Official and a .77 FTE Building Official to provide overlap and training as it is anticipated that the current Building Official will retire in 2020 after 40 years of service to the City.

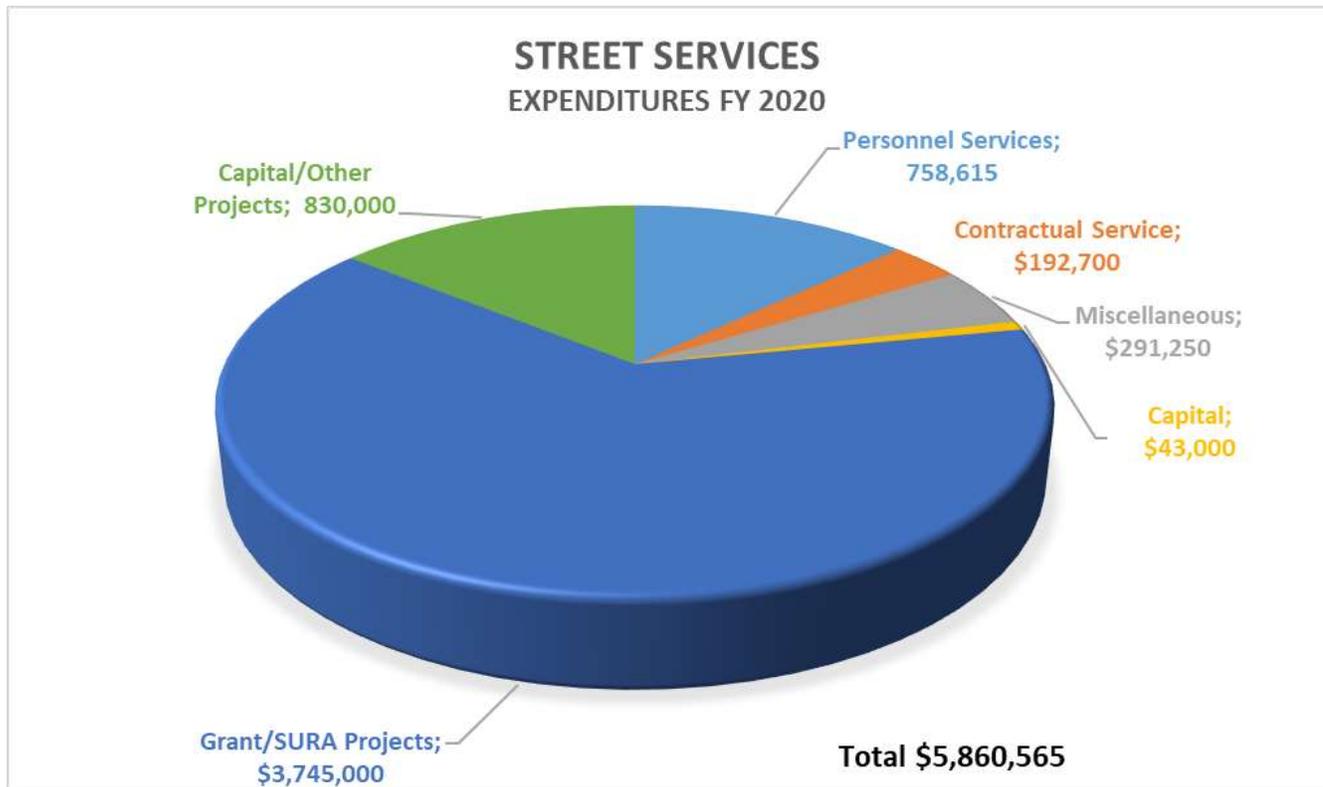
Planning oversees the strategic planning and program implementation of the High Five Grant Program awarded by the Idaho Blue Cross Foundation. It also manages enforcement compliance with City's vacation rental ordinance.

INFRASTRUCTURE & DEVELOPMENT SERVICES DIVISION: Street Services

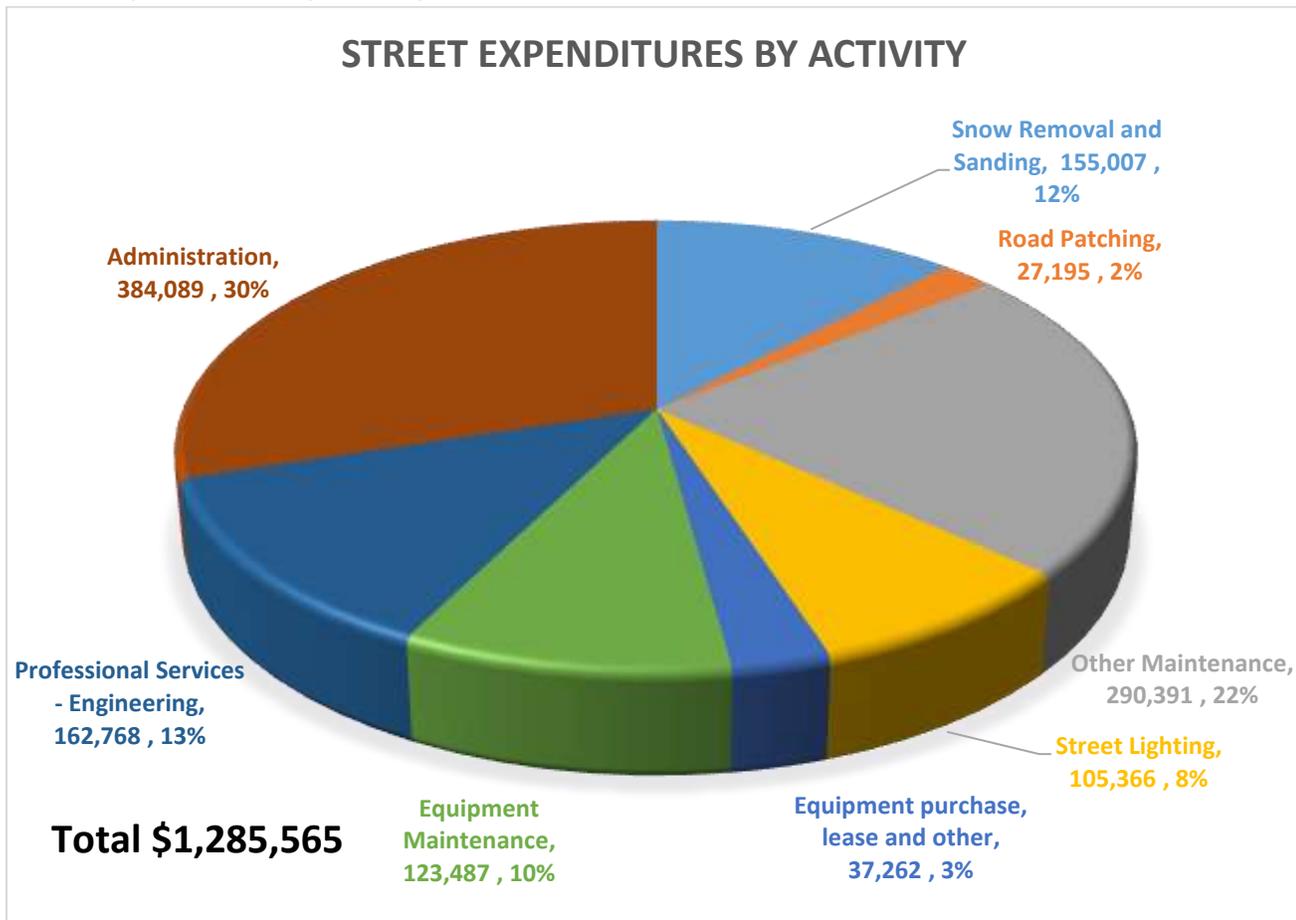
Street Services Revenue Sources:



Street Services Expenditures:



Street Expenditures by Activity:



FY 2020		
Activity	Budget	Percent
Snow Removal and Sanding	155,007	12.1%
Road Patching	27,195	2.1%
Other Maintenance	290,391	22.6%
Street Lighting	105,366	8.2%
Equipment purchase, lease and other	37,262	2.9%
Equipment Maintenance	123,487	9.6%
Professional Services - Engineering	162,768	12.7%
Administration	384,089	29.9%
Total Street Services	1,285,565	100%

Infrastructure and Economic Development Capital/Other General Fund Projects:

Infrastructure and Development Services General Fund		
FY 2020		
Projects/Other	Budget	Funding Source
North Sandpoint Pathway Interconnectivity (Boyer)	\$100,000	Grant
RRFB Project	\$10,000	General Fund
Road Safety Audit	\$50,000	Grant and General Fund
Pine Street Design	\$40,000	Grant and General Fund
Downtown light project	\$355,000	Grant
Underground utility project - Sandcreek	\$250,000	Grant and General Fund
Downtown Revitalization	\$2,550,000	SURA
Great Northern - Northern Revitalization Project	\$100,000	SURA
Stormwater Treatment - Farmin	\$300,000	Grant
LED Street Light Retro-fit	\$63,000	General Fund
Transportation Plan	\$150,000	General Fund
Pedestrian and Bike Plan	\$50,000	General Fund
Planning Comprehensive Plan	\$100,000	General Fund
Schweitzer Cut-Off Roundabout	\$67,000	General Fund

The North Sandpoint Pathway Interconnectivity (Boyer) project contemplates completion of the pathway along Boyer Avenue between Larch and the roundabout at Schweitzer Cutoff. This is a project the City has been working on for several years and it is grant dependent.

The RRFP Project will replace existing RRFB's which are malfunctioning or have reached the end of their useful life. This is a carryover of a partially completed FY 2019 project.

The Road Safety Audit is a grant-funded project to audit safety concerns and develop recommendations for improvements along Division Street between Highway 2 and Pine. Special consideration will be given to the Pine/Division intersection.

The Pine Street Design is a grant-funded project to provide a safer pedestrian route between Division Street and the downtown core. The City has received confirmation of the grant award. This year's design effort is intended to support construction of the project in FY 2021.

The Downtown Light Project is part of the Downtown Revitalization Projects and is supported by a Community Development Block Grant awarded by the Idaho Department of Commerce. The project will provide ornamental lighting on Downtown Revitalization, Phase II (First Ave) and includes partial carryover of the FY 2019 project Downtown Revitalization, Phase 1 (Cedar Street) ornamental lighting.

The Underground Utility Project – Sand Creek will be completed in partnership with Avista Utilities. It is the third phase of a collaborative effort to improve the viewshed in the downtown core. This project will involve moving the overhead utilities from the Cedar Street Bridge to approximately Pine Street along Sand Creek underground. It will significantly improve views, support further economic development and downtown revitalization and achieve the goal of making the waterfront along Sand Creek the front porch to downtown as identified in the Streets Plan. In conjunction with this project, the municipally owned fiber infrastructure will be expanded to this area and support more competition and access by a variety of providers to the buildings and businesses in this area.

The Downtown Revitalization is a carryover from FY 2019, funded by SURA, for the design and construction of the project's second phase, including full reconstruction from Cedar Street at Second Avenue, down First Avenue to Church Street.

Stormwater Design – Great Northern Road. This project provides preliminary assessments, surveying and design to initiate the longer-term vision for improving the overall functionality of Great Northern Road, specifically the address current drainage and transportation challenges.

The Farmin's Landing Stormwater Project is a project the City has been conceptually designing in 2018. The 2020 fiscal year includes preliminary design and permitting and is grant dependent.

The LED Street Light Retrofit project is a carryover from FY 2019 to replace approximately 200 high-pressure-sodium (HPS) bulbs with LED bulbs in the City's ornamental lighting, in association with an Avista rebate program for improving energy-efficiency.

The Transportation Plan is a carryover from FY 2019 providing a multi-modal transportation master plan to critically review needs and define preferred actions and related resource requirements that will serve as the backbone for an implementation plan with project priorities.

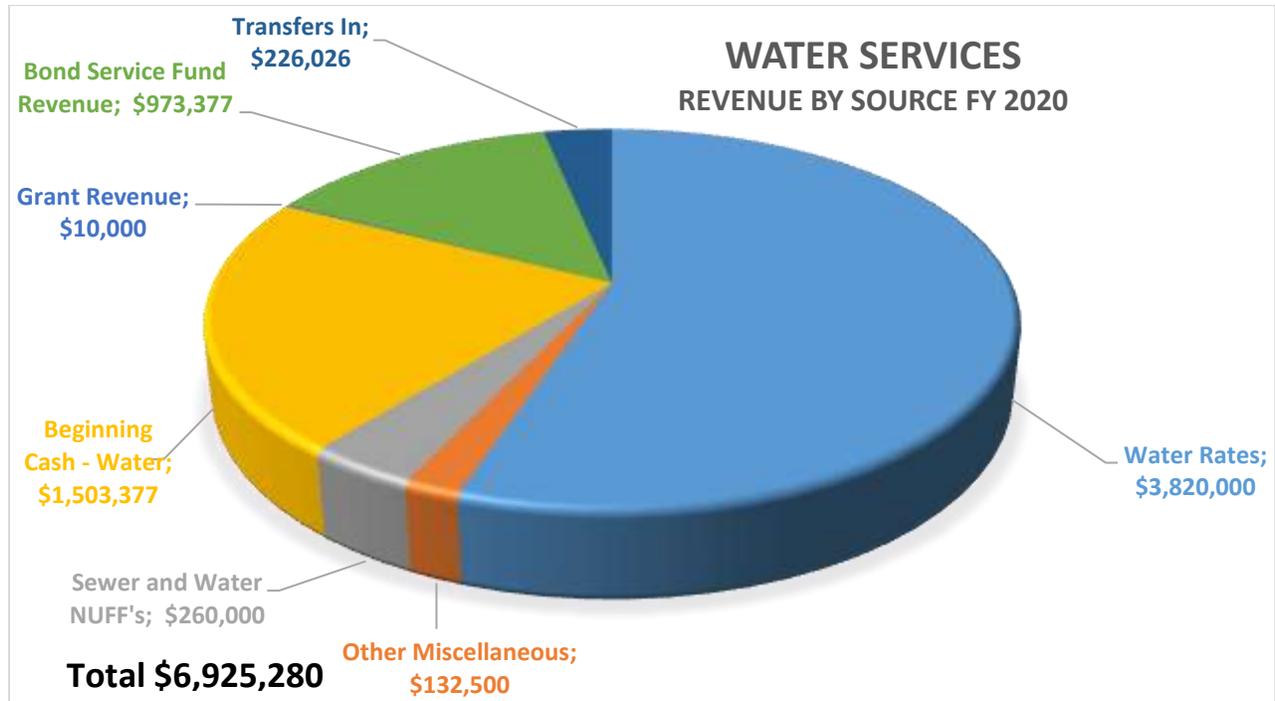
The Pedestrian and Bike Plan is a carryover from FY 2019, occurring in tandem with the Transportation Plan, as an integrated and comprehensive multi-modal master plan.

The Comprehensive Plan Update will include a full update to the existing 2009 Comprehensive Plan that serves as the City's vision document for future zoning and land use, airport compatibility, and the concurrent master planning efforts. The project will include considerable public and stakeholder engagement and include the required Airport Chapter not in the current plan.

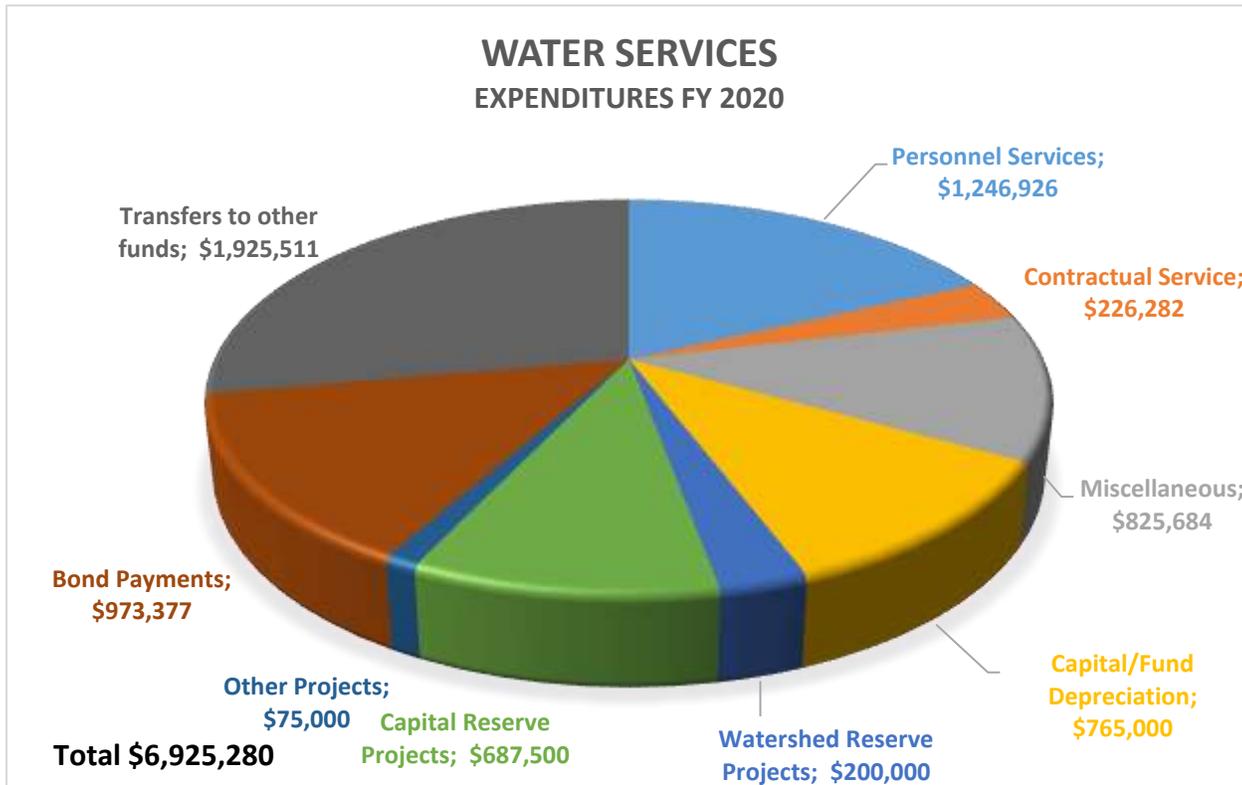
The Schweitzer Cut-Off Roundabout was completed in 2017 and primarily grant-funded. The amount budgeted is only carryover for the City's match when the ITD closes out the project. This amount is based on an estimate that ITD provided to the City in 2018.

INFRASTRUCTURE & DEVELOPMENT SERVICES DIVISION: Water Services

Water Services Revenue Sources:



Water Services Expenditures:



Water Capital/Other Projects:

Water Services		
FY 2020		
Project/Other	Budget	Fund/Reserve Name
Watershed Management Plan	\$100,000	Watershed Protection Reserve
Timber Management	\$100,000	Watershed Protection Reserve
	\$200,000	
Reservoir Coating and Cathodic Protection	\$500,000	Water Capital Improvement Reserve
Water Master Plan	\$150,000	Water Capital Improvement Reserve
Building Improvements	\$37,500	Water Capital Improvement Reserve
	\$687,500	
Loader (1/2)	\$125,000	Water Operating Fund
Equipment Attachments	\$25,000	Water Operating Fund
Server Replacement	\$15,000	Water Operating Fund
	\$165,000	

The Watershed Management Plan is a carryover from FY 2019 and includes a public process to critically review needs and define preferred solutions and resource requirements that will steer a long-term implementation plan with action priorities. The plan will incorporate all components, including but not limited to water quality, environmental stewardship, timber management, and recreational usages.

The Timber Management includes ongoing land management, including maintenance and harvest preparations, in accordance with the adopted Timber Management Plan.

The Reservoir Coating and Cathodic Protection is the purchase and professional application of new coating to maintain the useful lifespan of the drinking water storage tanks.

The Water Master Plan is a carryover from FY 2019 and is partially grant-funded. The project develops an infrastructure master plan to critically review needs and define preferred actions and related resource requirements that will serve as the backbone for an implementation plan with project priorities. The current plan is over ten years old and completed prior to construction of the Lake Plant. The first phase of the planning effort will be substantially complete in 2019, followed by a second phase to further contemplate service options within the broader Area of City Impact (ACI). The second phase directly correlates and addresses possible outcomes of the Comprehensive Plan Update and collaborate efforts with the County to revise ACI boundaries and terms.

The Building Improvements include construction of a sidewalk along Airport Way and Industrial Drive as required by Sandpoint City Code, adjacent to the City Shop, and upgrades at the facility relating to safety, fire system, and security. The costs are shared between the Water Fund and Sewer Fund. An analysis will be performed to determine what portion General Fund will be responsible for.

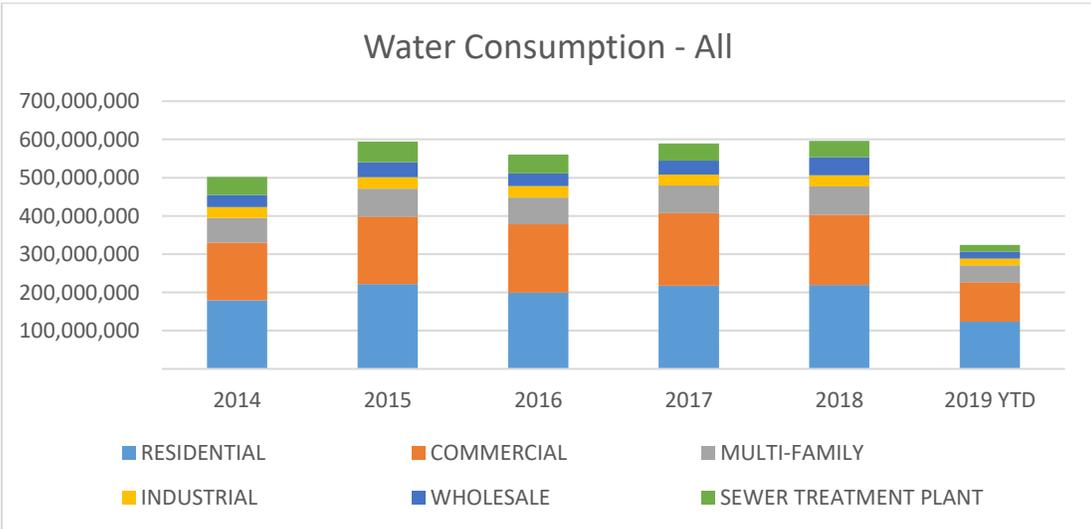
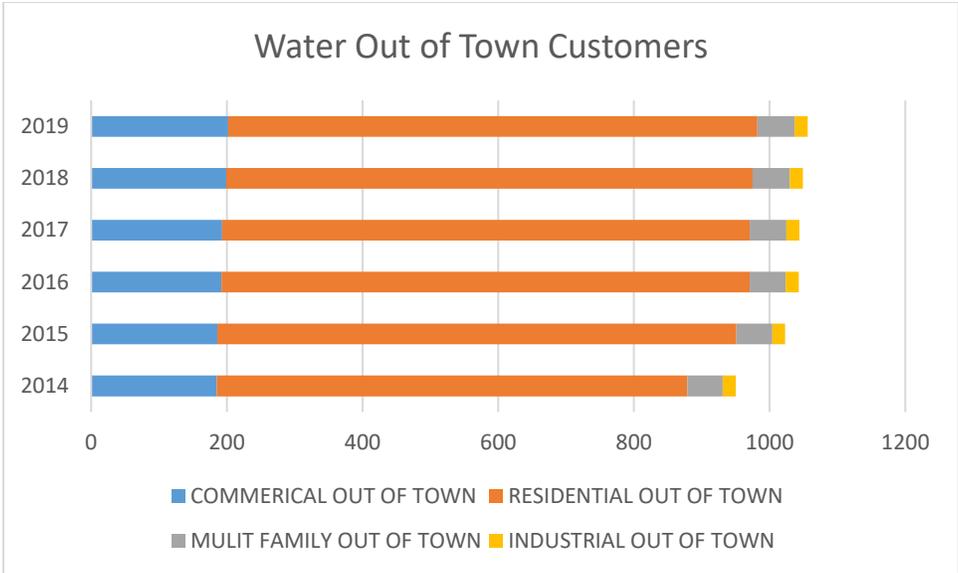
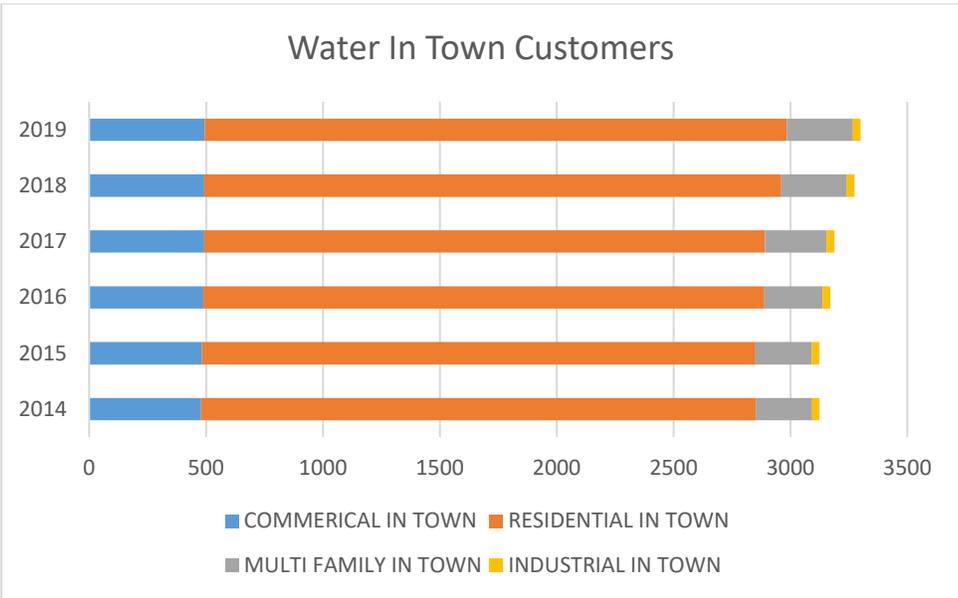
A purchase of a loader replaces the 1986 Loader that was lost due to a mechanical fire and will support a variety of water and sewer maintenance activities. The costs are shared between the Water and Sewer Fund.

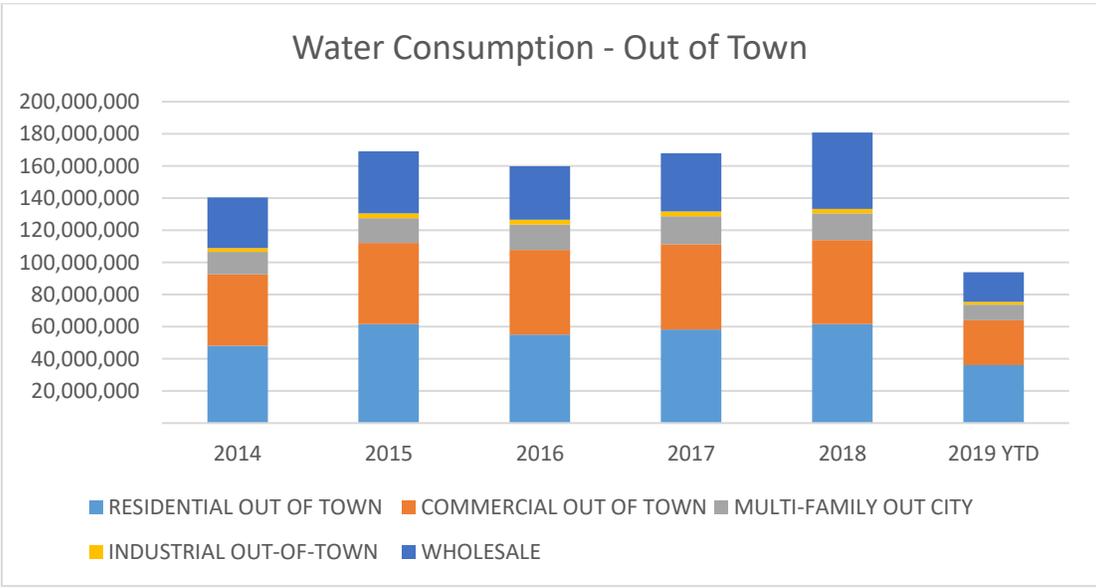
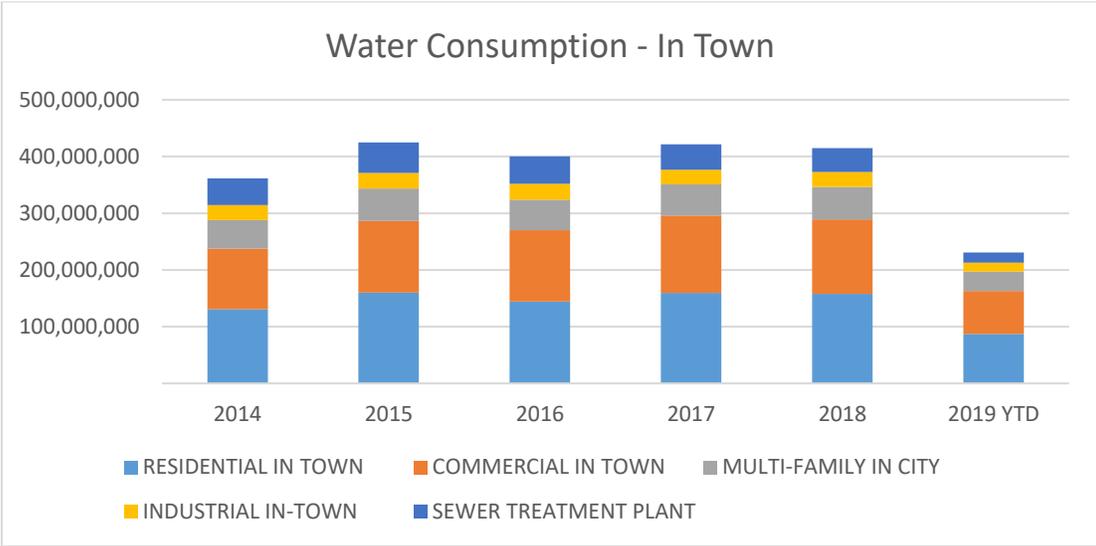
The purchase of equipment attachments will improve safety conditions and support a variety of water distribution maintenance activities.

The server is the replacement of aging technology equipment that directly supports the water treatment facilities, this is a carryover from FY 2019.

Discussion:

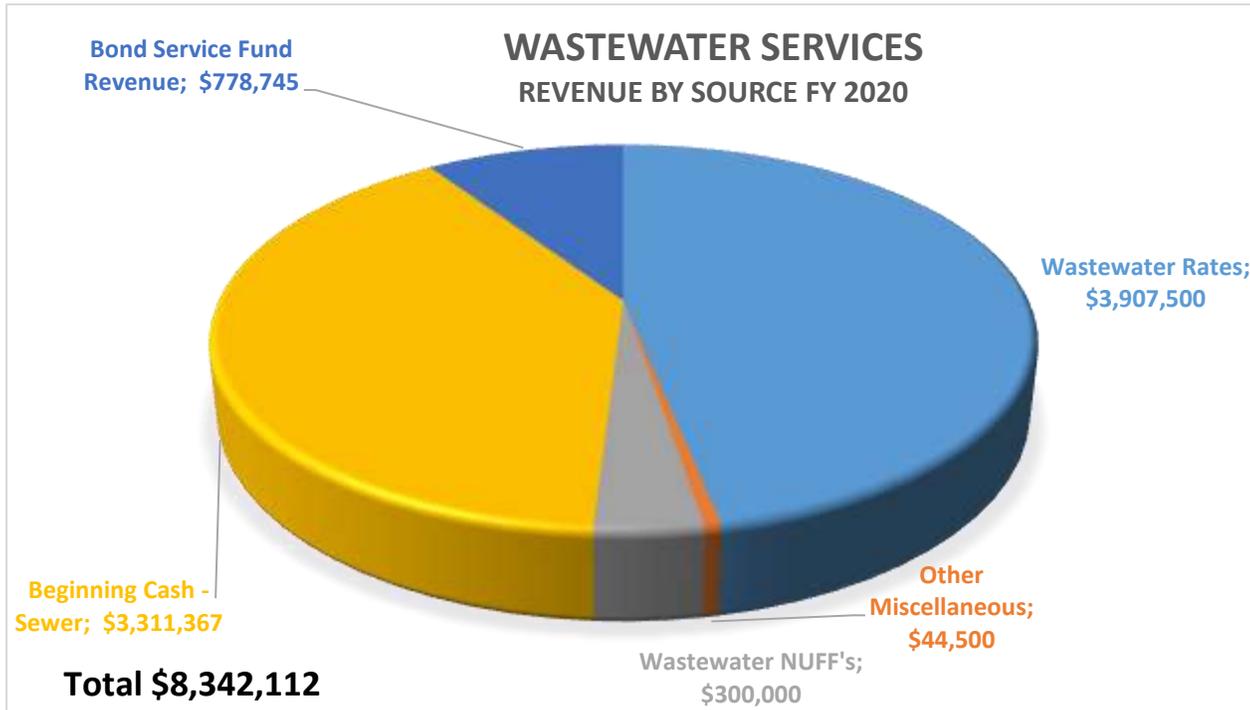
Sandpoint provides water service within its jurisdictional boundaries, as well as to residents and businesses located within the cities of Ponderay and Kootenai. In total, there are 3,300 water accounts. In addition, the City sells water to Syringa, Northside and Edelweiss Water Districts.



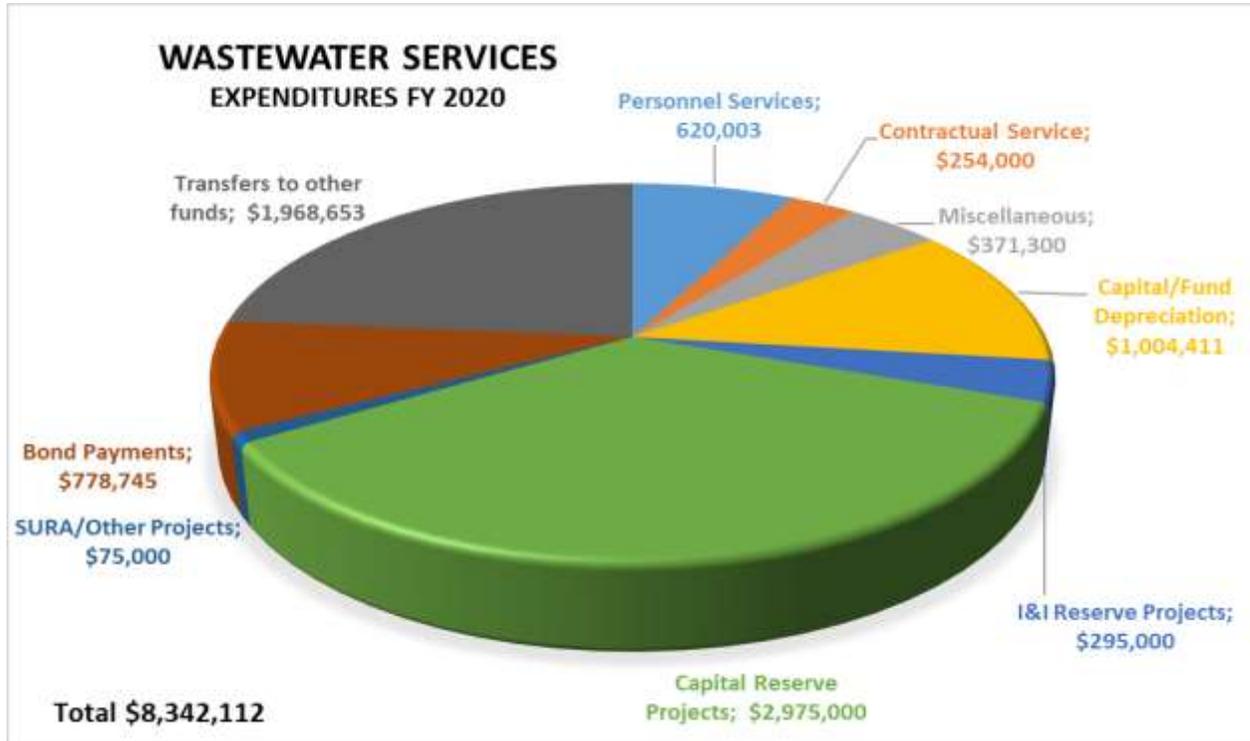


INFRASTRUCTURE & DEVELOPMENT SERVICES DIVISION: Wastewater Services

Wastewater Services Revenue Sources:



Wastewater Services Expenditures:



Wastewater Capital/Other Projects:

Wastewater Services		
FY 2020		
Projects/Other	Budget	Fund/Reserve Name
Sewer I&I Projects	\$295,000	Inflow and Infiltration Reserves
	\$295,000	
Wastewater Treatment Facility	\$2,000,000	Sewer Capital Improvement Reserve
Lift Station Replacement	\$900,000	Sewer Capital Improvement Reserve
Building Improvements	\$75,000	Sewer Capital Improvement Reserve
	\$2,975,000	
TV Van Upgrades	\$100,000	Sewer Operating Fund
Loader (1/2)	\$125,000	Sewer Operating Fund
	\$225,000	

The Sewer I&I Project is primarily a carryover from FY 2019 to complete the final stage of the CIPP program and to complete a comprehensive assessment of the existing collection system to better identify all potential sources contributing to I&I and providing an action plan to reduce I&I and future wastewater treatment costs. The project includes initiating actions to address I&I, such as replacing failing manholes and other infrastructure.

The Wastewater Treatment Facility is the first phase of a longer-term effort to address the aging infrastructure, future permit conditions, and water quality, in accordance with the adopted Wastewater Facility Plan that provides for full facility replacement at the current location, beginning in 2022.

The Lift Station Replacement is a partial carryover from FY 2019 to design and replace existing sanitary sewer lift stations that are at the end of their useful lifespan and capacity.

The Building Improvements is construction of a sidewalk along Airport Way and Industrial Drive, adjacent to the City Shop, and includes upgrades at the facility relating to safety, fire system, and security. The costs are shared between the water fund and sewer fund. An analysis will be performed to determine what portion General Fund will be responsible for.

The TV Van Upgrades are necessary maintenance and improvements to the existing equipment used to survey and maintain sanitary sewer collection main lines.

A purchase of a loader replaces the 1986 Loader that was lost due to a mechanical fire and will support a variety of water and sewer maintenance activities. The costs are shared between the Water and Sewer Fund.

Discussion:

The City of Sandpoint currently has 3,231 sewer customers. All sewer hook-ups are in Sandpoint City limits.

