

**FIRE EQUIPMENT RESERVE FUND****Fire Department****PROGRAM OVERVIEW**

The Fire Equipment Reserve Fund was created to provide a means of setting aside money for the replacement of Fire Department vehicles as indicated by an established replacement schedule. Depending on the type of vehicle or apparatus, equipment is depreciated on a seven- to twenty-year schedule. The 2005-06 biennial budget includes the replacement of one aid vehicle, one staff vehicle and two pumper trucks. The Fire Equipment Reserve Fund is supported by interfund transfers from the Fire Department and the Fire CIP.

**BUDGET OVERVIEW****REVENUES**

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Beginning Fund Balance	\$1,423,570	\$1,422,556	\$1,150,894	\$1,336,239
Transfer from General Fund	522,000	522,000	522,000	522,000
Transfer from CIP	400,000	400,000	400,000	400,000
Investment Interest	123,273	50,000	52,494	40,000
Proceeds from sale of assets	19,206	30,000	39,464	25,000
<b>TOTAL REVENUES</b>	<b>\$2,488,049</b>	<b>\$2,424,556</b>	<b>\$2,164,852</b>	<b>\$2,323,239</b>

**EXPENDITURES**

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Capital	\$1,337,155	\$818,797	\$828,613	\$1,700,272
Ending fund balance	0	1,605,759	0	622,967
<b>TOTAL EXPENDITURES</b>	<b>\$1,337,155</b>	<b>\$2,424,556</b>	<b>\$828,613</b>	<b>\$2,323,239</b>

## OPERATING RESERVES FUND

### PROGRAM OVERVIEW

The Operating Reserves Fund is used to account for money set aside for the General Fund operating reserve, the building permit reserve, and the LEOFF 1 retiree reserve. According to financial policies, the City will maintain General Fund reserves at a level equal to 10% of General Fund revenues excluding the beginning fund balance, building permit revenue, and any significant one-time revenue. In the 2003-04 biennium, the Operating Reserve was lowered to 8.5% and will remain at this level in 2005-2006 pending the completion of the City's long-term strategic financial plan.

The building permit reserves are set aside to provide for completion of building permit responsibilities in the event of a decline in development activity and have been reduced from \$912,600 to \$412,600 or \$500,000 to more closely approximate the ongoing liability for permit inspections given the significant slowdown in development activity in the City.

The LEOFF 1 retiree reserve was transferred to this fund in 1998 and reflects the General Fund's liability associated with police officers and firefighters in the LEOFF 1 retirement system.

### BUDGET OVERVIEW

#### REVENUES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Beginning fund balance	\$5,300,754	\$6,050,421	\$6,050,421	\$4,906,390
Transfers from General Fund	680,900	0	0	0
Transfers from Medical Self-Ins	68,767	0	64,271	140,000
<b>TOTAL REVENUES</b>	<b>\$6,050,421</b>	<b>\$6,050,421</b>	<b>\$6,114,692</b>	<b>\$5,046,390</b>

#### EXPENDITURES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Operating reserve	\$0	\$4,143,158	\$0	\$4,143,158 <sup>1</sup>
Operating reserve transfer to GF	0	537,069	537,069	0
Building permit reserve	0	912,600	500,000	412,600
LEOFF I retiree reserve	0	457,594	171,233	490,632
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$6,050,421</b>	<b>\$1,208,302</b>	<b>\$5,046,390</b>

1. Reflects maintenance of operating reserve at 8.5% of General Fund Revenues.

## CAPITAL EQUIPMENT RESERVE FUND

### Finance and Information Services Department

#### PROGRAM OVERVIEW

The Capital Equipment Reserve accounts for funds designated by the City for replacement of general capital equipment. Funding in the Capital Equipment Reserve is provided by a \$1 million annual transfer from the City's General Fund. In 2005-2006, monies will be spent to replace personal computers citywide; complete implementation of the payroll portion of the financial management system; upgrade software; replace printers, tape backup equipment, and network/hardware equipment; and replace general assets, such as office machinery, public safety communications equipment, improvements to park facilities and equipment.

#### BUDGET OVERVIEW

##### REVENUES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Beginning fund balance	\$1,236,233	\$1,953,314	\$2,122,422	\$1,283,877
Transfer from General Fund	2,300,000	2,000,000	2,000,000	2,000,000
Investment interest	183,760	200,000	92,608	125,000
<b>TOTAL REVENUES</b>	<b>\$3,719,993</b>	<b>\$4,153,314</b>	<b>\$4,215,030</b>	<b>\$3,408,877</b>

##### EXPENDITURES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Capital	\$1,597,571	\$3,512,526	\$2,931,153	\$2,715,906
Replacement reserves	0	640,788	0	692,971
<b>TOTAL EXPENDITURES</b>	<b>\$1,597,571</b>	<b>\$4,153,314</b>	<b>\$2,931,153</b>	<b>\$3,408,877</b>