

# City of Royal City



## 2019 FINAL ANNUAL BUDGET

## MESSAGE FROM THE MAYOR

This proposed budget for the fiscal year 2019 includes the following important items.

1. The Sewer UV System is aging and replacing major parts is difficult because the manufacturer no longer supports the system. The city received funding to replace the Sewer UV System and should be completed in 2019.
2. This budget includes a 2% increase in our water rate a 2% increase in the sewer rate and a 2% increase in the garbage rate. (not yet decided)
3. Water continues to be a major concern for the city. Our 50 year old delivery system is in need of a major update. As our continued effort to update the city water lines we will be replacing water main lines on Balsam.
4. We will continue to put money into our street fund and current expense reserve fund for future expenditures.
5. We will be looking at options to improve the newly purchased land to expand the City Park. This is to resolve an issue with RCO (Recreation and Conservation Office which has replaced the IAC) regarding city land sold in 1994 that was designated as a future city park.

I appreciate all the time the City Council put into studying the budget. I hope 2019 will be a wonderful and productive year for the City of Royal City.

Sincerely,  
Preston Kent Andersen, Mayor

## City and other Local Officials

### **Mayor**

P. Kent Andersen

### **Council Members**

Gary Fanning

Hollin Garnick

Hector Rodriguez

Perla Garcia

Tiffany Workinger

### **Finance Director**

Shilo Christensen

### **Police Chief**

Darin Smith

### **Public Works Director**

John Lasen

### **Deputy Clerk**

Sherrie Rodriguez

### **Public Works**

Mauricio Romero

### **Police Officer**

Reynaldo Rodriguez

### **City Attorney**

Katherine Kenison

### **City Engineers**

Gray & Osborne, Inc

Anderson Perry & Associates, Inc

### **City Planner**

Plan It Consulting

Darryl Piercy

### **City Building Official**

The Permit Center

Darryl Piercy

### **Librarian**

Shannon Stewart

### **Municipal Court Services**

Grant County District Court

### **Grant County Commissioner**

#### **District 3**

Cindy Carter

### **Grant County Dist 10 Fire Chief**

Eric Linn

### **Grant County Sheriff**

Tom Jones

### **Legislative District: 13**

Senator: Judy Warnick

Representatives: Tom Dent & Matt

Manweller

### **Congressional District: 4**

U.S. Senators: Patty Murray &

Maria Cantwell

Representative: Dan Newhouse

# ***BUDGET MESSAGE***

## **Budgeting is the Art of Accomplishing the Goals and Priorities of the City Using the Limited Revenue Available to the City.**

Budgeting is an essential element of the financial planning, control and evaluation processes of government. The process involves establishing goals and priorities, and determining the types and levels of services to be provided. Then a forecast of the revenues that will be available to the City in the future is made. That anticipated revenue must be allocated among various departments, programs, or functions in the most effective way to accomplish the goals and provide the services that were identified during the planning process. In recent years, it has been quite common that the revenues available are not adequate to accomplish all of City's goals and projects.

Currently the City of Royal City provides the following services and facilities:

- Law Enforcement
- Municipal Water System
- Municipal Sewer System
- Solid Waste Collection
- Street and Road Maintenance
- Library
- Parks
- Community Center
- Animal Control
- Economic/Community Development
- Planning and Zoning
- Building Inspection

## **The City's Budget and Accounting Systems are Organized on a Fund Basis**

As required by state law, the City of Royal City's accounting and budgeting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities.

This is an important concept. It means that the City's budget is different from a household budget or even the budgets of most businesses. To put the fund concept in perspective, a fund to a local government is what a subsidiary corporation is to a business conglomerate. Like the subsidiary, the fund is independent. Each fund has its own purpose and is accounted for as a separate entity. Each fund must balance on its own. A shortfall in one fund cannot be offset by an excess in another fund.

State law requires that funds are budgeted on a cash basis.

## **The Budget Provides a Control Mechanism throughout the Year**

Financial control and evaluation procedures typically focus on ensuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures.

The budget authorizes and provides control of financial operations during the fiscal year. Upon adoption, the expenditure estimates, as modified by the Council, are enacted into law through the passage of an appropriations ordinance.

The appropriations constitute maximum expenditure authorizations during the fiscal year and cannot legally be exceeded until subsequently amended by the Council. Expenditures are monitored through the accounting system to ensure budgetary compliance.

## **Budgeting is Planning**

While typically thought of as a financial activity done to satisfy state law, budgeting is the process of planning. Fiscal planning involves all elements of government and should be considered one of the most important functions for City officials.

The processes of budgeting will not only allocate fiscal resources to meet needs and provide services, but will also set a direction for the future. The elements of good planning include identifying community needs, City resources, the capability to meet community needs, and a plan to match such resources to the needs.

The two primary and most important functions of a City Council are (1) to set goals and policies for the City and (2) adopt an annual budget for the City. Throughout the year, the City Council considers a variety of proposals and suggested goals and policies. What is important to remember is that there is a direct relation of the adopted goals and policies to the budget.

The primary functions of the City Council – budget and setting policy – are closely interrelated. The priorities and policies set by the Council direct where the City's money will go. The policies adopted by a City Council are empty unless they are funded through the budget, and the most important policies should receive the first funding. Likewise, the budget is not just numbers to be shifted and juggled. The real consequence of the budget is a street that is paved or remains full of potholes; a public concern, such as emergency preparedness, that is addressed or not; and public services that are antiquated or safe and efficient.

### **The Budget is presented to reveal the Planning that Underlies Budget Development**

Traditionally, budgets have been presented as rows of numbers aligned in several columns across numerous pages. Many communities now believe that this traditional presentation is unrepresentative, even misleading. Pages and pages of numbers tend to draw attention to the numbers themselves and away from the larger policies and goals of a community.

The two primary functions of a City Council are (1) to set goals and policies for the City and (2) adopt an annual budget for the City. The budget document should show the link between those functions – a street repaired, a leaking water main fixed, emergency preparedness, parks maintained, law enforcement services provided, and the host of other services and facilities. The budget should show the goals and priorities of the Council. The most important policies should receive the first funding, and the budget document should show that.

In short, the budget document is the link to the other primary function of the City Council, establishing goals and policies for the City; the budget is not presented only as pages full of numbers, but as projects to be accomplished or to be shelved for the future.

## **What the Budget has done: 2018 Accomplishments**

- Maintained basic services for citizens – law enforcement, water system, sewer, garbage, park, planning, building inspection, etc.
- Purchased additional park land. This is to resolve an issue with RCO (Recreation and Conservation Office which has replaced the IAC) regarding city land sold in 1994 that was designated as a future city park.
- Set aside contingency reserves in order to maintain fund balances
- Funded capital transfers and City debt obligations
- Funded yard waste program
- Provided for continuing education and certification of City Council Members and City Staff
- Continued the annual street maintenance program
- Completed the Camelia Street Reconstruction project with new sidewalks, curbing, street drains, and street lights
- Replaced the main water line on Camelia Street

## **What the Budget Can Do: 2019 Goals**

- Maintain basic services for citizens – law enforcement, water system, sewer, garbage, park, planning, building inspection, etc.
- Make repairs to certain City streets as a part of continued repair and maintenance and set aside funds for major street improvements
- Set aside contingency reserves in order to maintain fund balances
- Fund capital transfers and City debt obligations
- Set aside funds for the replacement of city water system infrastructure
- Provide for continuing education of Council Members and City Staff
- Complete water main replacements on Camelia and Balsam Street
- Complete street improvements on Camelia street
- Consider development options for the new land purchased to expand the city park. The city had a study by WSU graduate students that will help in providing options.

## City Funds:

**CURRENT EXPENSE** – This is Fund No. 001 in the Budget.

**What is paid from this Fund:** The Current Expense Fund is the most active fund. It is the general purpose fund. This fund provides money for several different functions within the City, including Mayor/Council; Administration; Police; Planning & Building; Parks and Community Center

**Summary of Revenue Sources for this Fund:** (Reference Notes & Comments)

**Beginning Net Cash & Investments** **\$531,137**

### **Taxes**

Real & Personal Property Taxes  
Retail Sales & Use Tax  
Utility Taxes **\$ 506,244**

### **Licenses & Permits**

Business Licenses  
Building Permits  
Dog Licenses  
Misc. Licenses/Permits **\$ 98,550**

### **Intergovernmental Revenue**

PUD Privilege Tax  
City Assistance  
Criminal Justice  
Judicial Salary Contribution  
PILOT Grant Co Housing  
Liquor Board Profits **\$ 163,849**

### **Charges for Services**

Copies, Faxes  
Zoning & Subdivision Costs  
Plan Check Fees  
Other Planning & Development



Hearing Examiner	\$ 52,500
<b>Fines &amp; Forfeits</b>	
Traffic Infraction Penalties	
Parking Infraction Penalties	
Ordinance Violation Penalties	\$ 260
<b>Misc. Revenue</b>	
Investment Interest	
Sales Tax Interest	
Park Rental	
Community Center Rental	
Library Lease	
Sale of Surplus	
Misc. Revenue	\$ 17,660
<b>Non Revenues</b>	
Irrigation Pass Thru	
State Building Code Fee	\$ 130
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$1,370,330</u></b>

**Notes & Comments**

Beginning Net Cash & Investments – Each fund throughout the budget has an ending cash balance to be carried over to the next fiscal year. Beginning Net Cash and Investments is the anticipated amount that is expected to carry over from the current year. This balance should never be zero. At a minimum, sound fiscal management requires that there be at least an unreserved cash balance at the end of each year. This provides a cushion for the uncertainties of the budget process and for emergencies. Also, there are often unexpended funds that had been designed for a specific purpose but, for whatever reason, were not spent. Thus, the total carryover from one year to the next is a combination of unreserved cash plus the unexpended portion of various individual plans and projects.

Real & Personal Property Taxes are a tax based on the assessed value of all property subject to taxation. Each year the Council sets a tax levy amount, which is determined by taking the City required tax levy and dividing that number by the assessed valuation of all real and personal property within the City’s Taxing District; resulting in the corresponding tax levy per thousand dollars of assessed valuation as indicated by the following example:

The Grant County Treasurer acts as the City’s agent to collect property taxes levied in the County for all taxing authorities. Taxes are due in two equal installments on April 30

and October 31. Collections are remitted to the City in the month following collections by the County Treasurer to the appropriate taxing district by the County Treasurer. Property taxes are shared by multiple agencies. The majority of tax dollars received by Grant County based on evaluations within the City of Royal City are used for school district funding.

The City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general government services. By state initiative, property tax is currently capped at a 1% increase plus the value of any annexations, new construction and changes in state assessed values.

Utility Taxes are a utility charge on all telephone and electric businesses conducted within the City. The amount is 6% of gross income generated by the business within the City limits. This is a tax on the business, not the customer. However, the Washington Utilities and Transportation Commission does allow businesses to take into consideration taxes paid in establishing rates.

The City imposes a 10% utility tax on gross sales of its own utilities. These monies are transferred out monthly from the Water and Sewer Fund by the City Treasurer into the General Fund and then 4% is transferred to the Capital Improvement Fund.

Criminal Justice funding is grant funding used to assist local governments with funding to meet rising criminal justice needs. The grant funding is provided by the State's General Fund. The grant amount is established by CTED and is distributed quarterly.

Liquor Board Profits are monies residing in the State Liquor Revolving Fund. 40% of the total distribution to cities is ratable on the basis of population. 2% of the City's allocation, by statute, is redistributed to the County to be used for alcoholism treatment programs.

Investment Interest is a rate of return that the City receives on investments. City Finance Director advises that interest rates continue to be near historical lows; and interest revenue projections for all funds are based on a 1 to 2% return rate. With the current market conditions, the returns for 2019 are expected to be similar in profit as 2018. The City of Royal City invests with the State Investment Pool and the Grant County Investment Pool.

**Summary of Programs be financed by the Current Expense Fund in 2019:**

<b><u>Programs</u></b>	
Legislative	\$ 72,280
Judicial	\$ 1,200
Finance	\$160,715

Law Enforcement	\$436,110
Fire Hydrants	\$ 6,600
Protective Inspections	\$140,000
Emergency Services	\$ 0
Weed Control	\$ 130
Animal Control	\$ 520
Vehicle Storage Building	\$ 5,600
Planning & Community Dev	\$ 21,500
Public Health	\$ 2,300
2% Liquor Proceeds to Grant County	\$ 600
Library	\$ 6,050
Community Center	\$ 1,700
Parks	\$ 51,660
Non Expenditures	\$ 575
Debt Service	\$ 0
Capital Expenditures	\$ 40,000
Transfers	\$ 47,000
<b><u>Total Program Expenditures</u></b>	<b>\$994,540</b>

<b>Beginning Fund Balance</b>	<b>\$531,137</b>
Total Estimated Revenues	<b>\$839,193</b>
Total Estimated Expenditures	<b>\$994,540</b>
<b><u>Ending Fund Balance</u></b>	<b><u>\$375,790</u></b>

**STREET FUND**– This is Fund No. 101 in the Budget.

**What is paid from this Fund:** The Street Fund is used for maintenance and repairs of all City streets and arterials located within the City limits. It also pays for street lighting costs.

**Revenue Sources for this Fund:** (Reference Notes & Comments)

**Beginning Net Cash & Investments** **\$278,150**

**Taxes**

TBD Vehicle Fees **\$ 28,500**  
Franchise Fees **\$ 24,000**

**Intergovernmental Revenue**

Multimodal Transportation **\$ 2,300**  
Motor Vehicle Fuel Taxes **\$ 48,000**  
State Transportation Portion (STP) **\$ 33,000**

**Charges for Services**

Street Cutting Fee/Repair **\$ 50**

**Misc. Revenue**

Investment Interest **\$ 3,000**  
Other

**Total Revenues (Including Beginning Fund Balance)** **\$417,000**

**Notes and Comments**

Motor Vehicle Fuel Taxes are taxes on motor vehicle fuels from the prior month's collection that are to be used for the construction, improvements, and repairs of streets and roads. The monthly distribution is based on population ratio. The City of Royal City actively maintains its City street system through a series of crack and chip sealing, hot and cold patches, road reconstruction, gravel conversions and overlays.

**Summary of Programs to be financed by the Street Fund in 2019:**

<b><u>Programs</u></b>	
Street Maintenance	\$ 67,210
Debt Service	\$ 0
Capital Expenditures	\$ 1,000
Transfer to Street Construction	\$ 28,000
<b><u>Total Program Expenditures</u></b>	<b>\$ 96,210</b>
<b>Beginning Fund Balance</b>	<b>\$278,150</b>
<b>Total Estimated Revenues</b>	<b>\$138,850</b>
<b>Total Estimated Expenditures</b>	<b>\$ 96,210</b>
<b>Ending Fund Balance</b>	<b>\$320,790</b>

**STREET CONSTRUCTION** – This is Fund No. 102 in the Budget.

**What is paid from this Fund:** The Street Construction Fund is used for Capital Expenditures on city streets and arterials located within the city limits.

**Revenue Sources for this Fund:** (Reference Notes & Comments)

Beginning Net Cash & Investments	\$150,618	
REET Real Estate Excise Tax	\$ 15,000	
TIB Funding Camelia Street	\$145,000	
Investment Interest	\$ 1,500	
Transfers in from Street Fund	\$ 28,000	
Transfers in from General Fund	\$ 20,000	
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>		<b><u>\$209,500</u></b>

**Notes and Comments**

The city will continue to save for future street improvement projects.

**Summary of Programs to be financed by the Street Fund in 2019:**

<b><u>Programs</u></b>	
Camelia Street Improvements	\$ 152,000
Poplar Street Improvements	\$ 20,000
<b><u>Total Program Expenditures</u></b>	<b>\$ 172,000</b>
Beginning Fund Balance	\$ 150,618
Total Estimated Revenues	\$ 209,500
Total Estimated Expenditures	\$ 172,000
<b><u>Ending Fund Balance</u></b>	<b><u>\$ 188,118</u></b>

**PARK PURCHASE FUND**– This is Fund No. 105 in the budget.

**What is paid from this Fund:** These funds are set aside to purchase a city park.

**Revenue Sources for this Fund:** (Reference Comments & Notes)

Beginning Net Cash & Investments	\$ 0
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Investment Interest \$ 0

**Total Revenues (Including Beginning Fund Balance)** \$ 0

**Comments & Notes**

In 1975 City of Royal City received a grant from IAC in the amount of \$4,920 to acquire 8.2 acres of land for future development of a city park. In 1994 the undeveloped land was sold for low income housing development which put the City in a land conversion position with IAC. Mayor Andersen is currently working to resolve this issue with RCO (Recreation and Conservation Office which has replaced the IAC). The City must replace the park land property at the fair market value at the time of the conversion of the park land in 1994. In 2013 the City sold city-owned park property to Janetts that was purchased years ago and deemed unsuitable as a replacement purchase by IAC. In 2018 the city purchased park land with these funds and is working with the RCO to approve the land conversion.

**Programs to be financed by the Park Purchase Fund in 2019:**

<b><u>Programs</u></b>	
Capital Expenditures/Park Purchase	\$ 0
<b><u>Total Expenditures</u></b>	
\$ 0	
<b>Beginning Fund Balance</b>	<b>\$ 0</b>
Total Estimated Revenues	\$ 0
Total Estimated Expenditures	\$ 0
<b><u>Ending Fund Balance</u></b>	<b><u>0</u></b>

**CAPITAL IMPROVEMENT** – This is Fund No. 107 in the budget.

**What is paid from this Fund:** The Municipal Capital Improvement Fund finances, depending on availability of funds, local improvements to City buildings, land and patrol vehicles.

**Revenue Sources for this Fund:** (Reference Comments & Notes)

<b>Beginning Net Cash &amp; Investments</b>	<b>\$ 137,030</b>
<b>Grants</b>	
Traffic Safety Comm Grant	<b>\$ 2,000</b>

<b>Fines &amp; Forfeitures</b>	<b>\$ 300</b>
<b>Misc. Revenue</b>	
Investment Interest	\$ 1,500
<b>Transfers from Current Expense Fund</b>	
4% Utility Tax	\$ 4,300
Administration	\$ 1,000
Police	\$ 20,000
Animal Control	\$ 250
Library	\$ 500
Park	\$ 250

**Total Revenues (Including Beginning Fund Balance)**                           **\$167,130**

**Comments & Notes**

Real Estate Excise Tax is the local portion (1/4 of 1%) of a tax that is collected upon the sale of real and personal property (land and/or structures) within Royal City. This tax is collected by the Grant County Treasurer and distributed to the City monthly. Its main purpose is to help pay for capital improvements for city parks.

**Programs to be financed by the Capital Improvement Fund in 2019:**

**Programs**

City Beautification Projects	\$ 5,000
Admin Equipment	\$ 3,000
Library Equipment	\$ 1,000
2016 Shop Improvements	\$ 0
Patrol Vehicles	\$ 45,000
<b><u>Total Expenditures</u></b>	<b><u>\$ 54,000</u></b>
<b>Beginning Fund Balance</b>	<b>\$137,030</b>
Total Estimated Revenues	\$ 30,100
Total Estimated Expenditures	\$ 54,000
<b><u>Ending Fund Balance</u></b>	<b><u>\$113,130</u></b>

**WATER** – This is Fund No. 401 in the budget.

**What is paid from this Fund:** The Water Fund operates and maintains our water system.

**Revenue Sources for this Fund (Reference Comments & Notes):**

**Beginning Net Cash & Investments** \$153,556

**Charges for Services**

Water Receipts	\$ 450,000
Fire Hydrants (General Fund Rent from Water)	\$ 10,500
Fees charged for NSF	\$ 20
Water Use Penalties	\$ 7,000
Cut In/Cut Out Fee	\$ 132
Water Connection Fees	\$ 1,700
Salvage Fees	\$ 200

**Misc. Revenue**

Investment Interest	\$ 4,000
Cash Over/Under	\$ 5

**Total Revenues (Including Beginning Fund Balance)** \$ 627,113

**Summary of Programs and Continuing Governmental Obligations to be financed by the Water Fund in 2019:**

<u>Programs</u>	
Administration	\$205,170
Maintenance	\$ 65,650
Operations	\$148,140
Debt Service	\$103,710
Capital Expenditures	\$ 12,600
Transfer out to Water Capital Imprv	\$ 0
<b><u>Total Water Expenditures</u></b>	<b>\$535,270</b>
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<b>Beginning Fund Balance</b>	<b>\$153,556</b>
Total Estimated Revenues	\$473,557
Total Estimated Expenditures	\$535,270
<b>Ending Fund Balance</b>	<b>\$ 91,843</b>

**Comments & Notes**

The City's water rates support all water related functions, including overhead costs, transfers out to capital funds, utility taxes, and water-related debt service. In 2019, the water fund will transfer out \$53,000 for utility taxes to the Current Expense Fund.



**SEWER** – This is Fund No. 402 in the budget.

**What is paid from this Fund:** The Sewer Fund maintains our water system.

**Revenue Sources for this Fund (Reference Comments & Notes):**

<b>Beginning Net Cash &amp; Investments</b>	<b>\$ 132,739</b>
<b>Charges for Services</b>	
Sewer Receipts	<b>\$ 380,000</b>
Sewer Connection Fees	<b>\$ 2,200</b>
<b>Misc. Revenue</b>	
Investment Interest	<b>\$ 2,900</b>
Spray Field Lease	<b>\$ 3,458</b>
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$521,297</u></b>

**Summary of Programs and Continuing Governmental Obligations to be financed by the Sewer Fund in 2019:**

<b><u>Programs</u></b>	
Administration	<b>\$108,925</b>
Maintenance	<b>\$ 60,000</b>
Operations	<b>\$185,590</b>
Debt Service	<b>\$ 78,087</b>
Capital Expenditures	<b>\$ 3,000</b>
Transfer out to Sewer Capital Imprv	<b>\$ 0</b>
Transfer out to WRF Equipment	<b>\$ 0</b>
<b><u>Total Sewer Expenditures</u></b>	<b><u>\$435,602</u></b>
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<b>Beginning Fund Balance</b>	<b>\$132,739</b>
Total Estimated Revenues	<b>\$388,558</b>
Total Estimated Expenditures	<b>\$435,602</b>
<b>Ending Fund Balance</b>	<b>\$ 85,695</b>

**Comments & Notes**

The City's sewer rates support all sewer related functions, including overhead costs, transfers out to capital funds, utility taxes, and sewer-related debt service. In 2019, the sewer fund will transfer out \$38,000 to the Current Expense Fund for utility taxes.

**WATER CONSTRUCTION FUND**– This is Fund No. 405 in the budget.

**What is paid from this Fund:** Water System Construction

**Revenue Sources for this Fund:** (Reference Comments & Notes)

<b>Beginning Net Cash &amp; Investments</b>	<b>\$ 20,017</b>
No Current budgeted revenues	<b>\$ 0</b>

**Total Revenues (Including Beginning Fund Balance)** **\$ 20,017**

**Comments & Notes**

This fund is used when there is an active water capital improvement project.

**Programs to be financed by the Water Construction Fund in 2019:**

<b><u>Programs</u></b>	
<b>Water Main Replacement - Balsam</b>	<b>\$ 3,500</b>
<b><u>Total Expenditures</u></b>	<b>\$ 3,500</b>
<b>Beginning Fund Balance</b>	<b>\$ 20,017</b>
Total Estimated Revenues	<b>\$ 0</b>
Total Estimated Expenditures	<b>\$ 3,500</b>
<b><u>Ending Fund Balance</u></b>	<b><u>\$ 16,517</u></b>

**REFUSE** – This is Fund No. 415 in the budget.

**What is paid from this Fund:** The Refuse Fund maintains administration of the refuse collection.

**Revenue Sources for this Fund (Reference Comments & Notes):**

<b>Beginning Net Cash &amp; Investments</b>	<b>\$ 25,300</b>
<b>Charges for Services</b>	
Refuse Receipts	\$240,000
Yard Waste Fees	\$ 200
<b>Misc. Revenue</b>	
Investment Interest	\$ 480
<b><u>Total Revenues(Including Beginning Fund Balance)</u></b>	<b><u>\$265,980</u></b>

**Summary of Programs and Continuing Governmental Obligations to be financed by the Refuse Fund in 2019:**

	<b><u>Programs</u></b>	
Refuse Expenses		\$240,020
	<b><u>Total Refuse Expenditures</u></b>	<b><u>\$240,020</u></b>
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<b>Beginning Fund Balance</b>		<b>\$ 25,300</b>
Total Estimated Revenues		<b>\$240,680</b>
Total Estimated Expenditures		<b>\$240,020</b>
<b>Ending Fund Balance</b>		<b><u>\$ 25,960</u></b>

**Comments & Notes**

The City's refuse rates support all refuse related functions, including the yard waste facility, and to pay for the contracted services of Consolidated Disposal.

**CONSUMER DEPOSIT FUND** – This is Fund No. 420 in the budget.

**What is paid from this Fund:** Customer utility deposits.

**Revenue Sources for this Fund (Reference Comments & Notes):**

Beginning Net Cash & Investments	\$ 25,186
Customer Deposits	\$ 5,000
Customer Deposits – Community Ctr	\$ 2,000
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$ 32,186</u></b>

**Summary of Programs:**

<u>Programs</u>	
Customer Deposit Refunds	\$ 15,000
Customer Deposits – Community Ctr	\$ 2,000
<b><u>Total Expenditures</u></b>	<b><u>\$ 17,000</u></b>

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<b>Beginning Fund Balance</b>	<b>\$ 25,186</b>
Total Estimated Revenues	\$ 7,000
Total Estimated Expenditures	\$ 17,000
<b><u>Ending Fund Balance</u></b>	<b><u>\$ 15,186</u></b>

**Comments & Notes**

Utilities Deposits are held and refunded in this fund.

**WATER CAPITAL IMPROVEMENT** – This is Fund No. 437 in the budget.

**What is paid from this Fund:** The Water System Capital Fund was established to finance capital water system improvements.

**Revenue Sources for this Fund (Reference Comments & Notes):**

Beginning Net Cash & Investments	\$227,472
Water System Development Fees	\$ 16,200
Investment Interest	\$ 5,500
Transfers In from Water Fund	\$ 0
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$249,172</u></b>

**Capital Improvement Projects to be financed by the Water System Capital Improvement Fund in 2019:**

<b><u>Programs</u></b>	
Meter Replacement Schedule	\$ 6,000
Water Storage Tank Maintenance	\$ 9,000
<b>Total Expenditures</b>	<b>\$ 15,000</b>
<b>Beginning Fund Balance</b>	<b>\$227,472</b>
Total Estimated Revenues	\$ 21,700
Total Estimated Expenditures	\$ 15,000
<b>Ending Fund Balance</b>	<b>\$234,172</b>

**Comments & Notes**

**SEWER CAPITAL IMPROVEMENT** – This is Fund No. 439 in the budget.

**What is paid from this Fund:** The Sewer System Capital Fund was established to finance capital sewer system improvements.

**Revenue Sources for this Fund (Reference Comments & Notes):**

<b>Beginning Net Cash &amp; Investments</b>	<b>\$167,685</b>
Sewer System Development Fees	\$ 15,600
Investment Interest	\$ 2,500
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$185,785</u></b>

**Programs and Continuing Governmental Obligations to be financed by the Sewer System Capital Improvement Fund in 2019:**

<b><u>Programs</u></b>	
UV Plant Replacement	\$ 15,000
<b>Total Expenditures</b>	<b>\$ 15,000</b>

<b>Beginning Fund Balance</b>	<b>\$ 167,685</b>
Total Estimated Revenues	\$ 18,100
Total Estimated Expenditures	\$ 15,000
<b>Ending Fund Balance</b>	<b>\$ 170,785</b>

**Comments & Notes**

The City is required by the Department of Ecology to install monitoring wells for the purpose of completing a hydrogeological study within the next few years. The City needs to upgrade the UV treatment plant facility to meet new standards set forth by the Department of Ecology. Most of the costs for these projects are likely to occur in 2019 and beyond.

**WRF Equipment Replacement Fund** – This is Fund No. 440 in the budget.

**What is paid from this Fund:** Replacement equipment for the Water Reclamation Facility.

**Revenue Sources for this Fund:**

<b>Beginning Net Cash &amp; Investments</b>	<b>\$250,703</b>
<b>Misc. Revenue</b>	
Investment Interest	\$ 3,800
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$254,503</u></b>

**Programs and Continuing Governmental Obligations to be financed by the WRF Equipment Replacement Fund in 2019:**

<b><u>Capital Expenditures</u></b>	
HVAC Replace Lab/Office	\$ 8,000
Replace Analytical Equipment	\$ 17,500
WWRF Equipment Replacement	\$ 20,000
<b>Total Expenditures</b>	<b>\$ 45,500</b>
<hr/>	
Beginning Fund Balance	\$250,703
Total Estimated Revenues	\$ 3,800

Total Estimated Expenditures	\$ 45,500
<b>Ending Fund Balance</b>	<b>\$209,003</b>

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**Comments & Notes**

**2018 CDBG 14.288 Sewer UV System** – This is Fund No. 441 in the budget.

**What is paid from this Fund:** The 2018 CDBG 14.288 Sewer UV fund was established to finance the construction phase for the new UV system being installed in the water reclamation facility. This new fund is required to meet grant requirements.

**Revenue Sources for this Fund (Reference Comments & Notes):**

<b>Beginning Net Cash &amp; Investments</b>	<b>\$ 0</b>
2018 CDBG 14.288 Sewer UV System Revenues	<b>\$574,000</b>
<b><u>Total Revenues (Including Beginning Fund Balance)</u></b>	<b><u>\$574,000</u></b>

**Programs to be financed by the Sewer System Capital Improvement Fund in 2019:**

<b><u>Programs</u></b>	
2018 CDBG 14.288 Sewer UV System Expenses	<b>\$ 574,000</b>
<b>Total Expenditures</b>	<b>\$ 574,000</b>
<b>Beginning Fund Balance</b>	<b>\$ 0</b>
Total Estimated Revenues	<b>\$ 574,000</b>
Total Estimated Expenditures	<b>\$ 574,000</b>
<b>Ending Fund Balance</b>	<b>\$ 0</b>

**Comments & Notes**

The City is required by the CDGB Grant to create a new fund in our accounting system to track revenues and expenses for the project. The project will be completed in 2019.

## Summary

Fund		Beginning Balance	Revenues	Expenditures	Ending Balance
001	Current Expense	531,136.78	839,193.26	994,540.00	375,790.04
101	Streets	278,149.69	138,850.00	96,210.00	320,789.69
102	Street Construction	150,617.71	209,500.00	172,000.00	188,117.71
105	Park Purchase	-	-	-	-
107	C/E Reserve	137,030.36	30,100.00	54,000.00	113,130.36
401	Water	153,556.36	473,557.00	535,270.00	91,843.36
402	Sewer	132,738.77	388,558.00	435,602.00	85,694.77
405	Water Construction	20,017.33	-	3,500.00	16,517.33
415	Refuse	25,300.13	240,680.00	240,020.00	25,960.13
420	Consumer Deposit	25,186.43	7,000.00	17,000.00	15,186.43
437	Water Capital Improvement	227,471.61	21,700.00	15,000.00	234,171.61
439	Sewer Capital Improvement	167,684.90	18,100.00	15,000.00	170,784.90
440	WRF Equipment Replacement	250,703.44	3,800.00	45,500.00	209,003.44
441	2018 CDBG 14.288 Sewer UV System	-	574,000.00	574,000.00	-
Totals		2,099,593.51	2,945,038.26	3,197,642.00	1,846,989.77



## ORDINANCE 18-13

### AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF ROYAL CITY, WASHINGTON, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019

**WHEREAS**, the Mayor of the City of Royal City, Washington, completed and placed on file with the City Finance Director a proposed budget and estimate of the amount of the moneys required to meet the public expenses, reserve funds and expenses of government of said city for the fiscal year ending December 31, 2019, and a notice was published that the Council of said city would meet on the 4<sup>th</sup> day of December, 2018, at 7:00 pm, at the council chambers in the City Hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and

**WHEREAS**, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

**WHEREAS**, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Royal City for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said city for said year and being sufficient to meet the various needs of said city during said period.

**NOW, THEREFORE the City Council of the City of Royal City do ordain as follows:**

**Section 1:** That the budget for the City of Royal City, Washington, for the year 2019 is hereby adopted at the fund level in its final form and content as set forth in the document entitled City of Royal City 2019 Annual Budget, three copies of which are on file in the Office of the City Finance Director

**Section 2:** Estimated resources for each separate fund of the City of Royal City, and aggregate expenditures for all such funds for the year 2019 are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 2019 as set forth in the City of Royal City 2019 Annual Budget.

Fund		Beginning Balance	Revenues	Expenditures	Ending Balance
001	Current Expense	531,136.78	839,193.26	994,540.00	375,790.04
101	Streets	278,149.69	138,850.00	96,210.00	320,789.69
102	Street Construction	150,617.71	209,500.00	172,000.00	188,117.71
105	Park Purchase	-	-	-	-
107	C/E Reserve	137,030.36	30,100.00	54,000.00	113,130.36
401	Water	153,556.36	473,557.00	535,270.00	91,843.36
402	Sewer	132,738.77	388,558.00	435,602.00	85,694.77
405	Water Construction	20,017.33	-	3,500.00	16,517.33
415	Refuse	25,300.13	240,680.00	240,020.00	25,960.13
420	Consumer Deposit	25,186.43	7,000.00	17,000.00	15,186.43
437	Water Capital Improvement	227,471.61	21,700.00	15,000.00	234,171.61
439	Sewer Capital Improvement	167,684.90	18,100.00	15,000.00	170,784.90
440	WRF Equipment Replacement	250,703.44	3,800.00	45,500.00	209,003.44
441	2018 CDBG 14.288 Sewer UV System	-	574,000.00	574,000.00	-
Totals		2,099,593.51	2,945,038.26	3,197,642.00	1,846,989.77

**Section 3:** The City Finance Director is directed to transmit a certified copy of the budget hereby adopted to the State Auditor's Office and to the Association of Washington Cities.

**Section 4:** This ordinance shall be in full force and take effect five days after its publication according to law.

### 2019 Salary Schedule

<u>Elected Officials</u>	<u>Salary or Base</u>
Mayor	\$ 7,200.00
Council Members	\$ 1,440.00

<u>Classification</u>	<u>Salary or Base</u>
Finance Director	\$62,424.00
Police Chief	\$88,942.96
Police Officer 1	\$55,014.77
Police Officer 2	\$48,000.00
Deputy Clerk	\$51,547.67
Public Works Director	\$63,169.84
Public Works Water	\$50,196.14
Public Works Sewer	\$41,159.08

**2019 Salary Schedule  
Division of Payroll & Benefits**

Finance Director:	CE – 60%	Water – 30%	Sewer - 10%
Police:	CE – 100%		
Mayor/Council:	CE – 100%		
Public Works Director:	Water – 61.67%	Sewer – 30%	Streets – 8.33%
Public Works/Water Tech:	Water – 65%	Sewer – 10%	Streets – 8.33%
	Parks – 15%	Refuse – 1.66%	
Public Works/Sewer Tech:	Water – 16.66%	Sewer – 83.34%	
Deputy Clerk:	Water – 46.66%	Sewer – 20%	Refuse – 1.67%
	CE – 30%	Parks – 1.67%	

PASSED by Council and APPROVED by the Mayor this 18<sup>th</sup> day of December 2018.

APPROVED:

\_\_\_\_\_  
P. Kent Andersen, Mayor

ATTEST:

\_\_\_\_\_  
Shilo Christensen, Finance Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Katherine Kenison, City Attorney

PASSED the 18<sup>th</sup> day of December, 2018  
APPROVED the \_\_\_\_\_ day of December, 2018  
PUBLISHED the \_\_\_\_\_ day of December, 2018