

# City of Waitsburg 2018 Final Budget

“ONE OF A KIND”



# CITY OF WAITSBURG'S VISION FOR THE FUTURE

## A Vital All-American Small Town

*We want Waitsburg to continue to be a friendly small town where you know and care about your neighbors. Hometown values and quality schools should always contribute to the feeling that Waitsburg is a great place to raise a family. As our future unfolds, Waitsburg should continue to be a safe community. We seek controlled, slow growth that will enhance the vitality of our community, but not threaten those aspects of the community we treasure. We seek new jobs and income sources for our residents that will fit our clean, non-polluted community. We are proud of our unique charter system of government and are determined to maintain it in the future.*

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## Mayor's Transmittal—2018 City Budget Proposal

2017 saw one of the busiest years on record with the City completing several important infrastructure projects. After over a decade of planning and pursuing funding, the Main Street Bridge was finally replaced; eliminating a key flooding choke point along the City's levee system. Several long sections of sidewalk gaps were filled in, allowing pedestrians the ability to walk from one end of the City to the other without having to walk in the street; a key component of the City's improved walkability. The remaining section of the failing stormdrain on Main Street was relined; completing the full rehab of that stormdrain system. The Main Street road surface from 1<sup>st</sup> to 8<sup>th</sup> street and all of 8<sup>th</sup> street was resurfaced; adding an additional 5 to 7 years to its useful life. Lastly, the final section of the East-West sewerline where it runs under the Touchet River was replaced; extending the useful life of that sewerline by at least 50 years.

For 2018, the City will continue to improve its infrastructure. Walkability continues to be important to the City and will include several sections of sidewalk being installed or replaced. We also intended to upgrade all of the City's outdated water meters to new radio reads; streamlining the reading process while improving water use accuracy. Other potential work includes, a park and ride lot, flood study work, levee improvements and road grade fixes along Millrace road.

In preparation for 2019, the City will also be doing some advanced planning in the form of design and engineering on a updated waterline to the East end of the City where water pressure is low. We will also be looking at road improvements that widen older narrow streets to allow for better vehicular traffic.

Even after the extra infrastructure work is planned, the City will strive to keep our pool and library open, to maintain our streets, provide law enforcement, and ensure the availability of clean water, sewer disposal and garbage removal. The City of Waitsburg is going to provide the services that are important to our citizens.

As with every year, the 2018 budget is designed to achieve a fundamental goal: to provide the level of service the community expects while operating in a fiscally responsible manner, and balancing revenues generated against controlled expenditures. With this budget, the City can move cautiously but confidently into the coming year.

Thank you.

Marty Dunn  
Mayor, City of Waitsburg  
December 20, 2017



## City and other Local Officials

### Mayor

Marty Dunn

### Council Members

KC Kuykendall

Kevin House

Terry Jacoy

Kate Hockersmith

Jim Romine

### Management Team

City Administrator/Clerk/Treasurer

Randy Hinchliffe

Public Works Director

Jim Lynch

Walla Walla County Sheriff

John Turner

### City Support Staff

Deputy City Clerk

Kelly Steinhoff

Maintenance Crew

John Langford

Jake Adams

Lisa Norris

### Municipal Court Services

Walla Walla County

District Court

### City Attorney

Jared Hawkins

### Librarian

Rosie Warehime

### City Health Official

Walla Walla County Health

Department

### Building Official

Columbia County

Planning Department

Jake Davis

### Legislative District: 16

Senator: Maureen Walsh

Representatives: Terry Nealey & Bill

Jenkin

### Congressional District: 5

U.S. Senators: Patty Murray &

Maria Cantwell

Representative:

Cathy McMorris Rogers

### Walla Walla County Commissioner

#### District 2

Todd Kimball

# **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 the City's goals and projects.

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

- Law Enforcement
- Municipal Water System
- Solid Waste Collection
- Library
- Fairgrounds
- Swimming Pool
- Flood Mitigation
- Planning and Zoning
- Emergency Preparedness
- Stormwater Drainage Systems
- Recycling
- Municipal Sewer System
- Street and Road Maintenance
- Parks
- Cemeteries and Cemetery Services
- Animal Control
- Economic/Community Development
- Building Inspection
- Historic Preservation
- Pedestrian Mobility Enhancements

Other projects and tasks that would benefit the City and should be continued or initiated during the 2018 fiscal year (not listed by priority):

- Continue small-diameter water/sewer main upgrade/replacement program
  - Includes replacement of low-flow fire hydrants for added fire protection
- Decide if the Fairgrounds Grandstands can be saved and at what cost
- Pursue use of the ground along Touchet River for citizen recreational use
- Implement a water reservoir dechlorination project
- Investigate potential water and sewer facility upgrades
- Infrastructure improvements along City's levee system
- Continued development of the Mill site for informational/tourism and park purposes
- Citywide sidewalk improvements
- Installation of an informational kiosk on Main Street
- Planning for a Taggart Road extension to Highway 12
- Pursue possible pocket park on Main Street

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

As required by state law, the City of Waitsburg'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) to 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 – budgeting and setting policy – are closely related.

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 that are 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, and 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 to (1) 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 and cemeteries maintained, law enforcement service provided, and a 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, which is 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: 2017 Accomplishments**

- Maintained basic services for citizens – fire protection, water system, sewer system, garbage, park, cemetery, library, planning, building inspection, etc.
- Worked with Walla Walla County Sheriff's Office for continued police coverage
- Provided for continuing education and certification of City staff and crew
- Funded the City Pool; including resurfacing of the pool concrete surface
- Provided flowers and hanging baskets along Main Street for beautification purposes
- Helped with planning for the Waitsburg Celebration Days community event
- Funded the replacement of the Main Street Bridge
- Installed or replaced 3500 feet of sidewalk through the City's new sidewalk repair program in various residential areas where it either didn't exist or was in bad enough shape to be considered a hazard to pedestrians
- Replaced section of failing sewerline under the Touchet River
- Relined the remaining section of stormdrain under Main Street
- Resurfaced Main Street and 8<sup>th</sup> Streets
- Covered the cost of the City's 3 year accountability audit





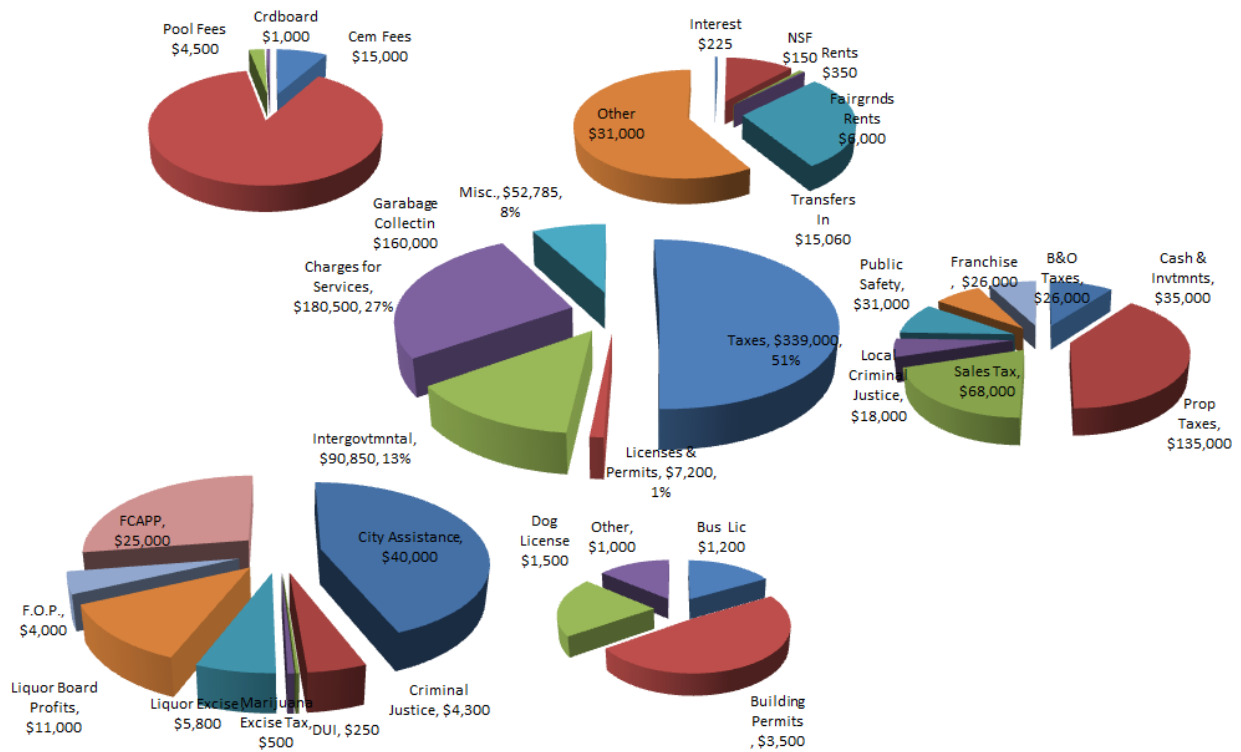
## What the Budget Can Do: 2018 Goals

- Maintain basic services for citizens – law enforcement, water system, sewer system, garbage, park, cemetery, library, planning, building inspection, etc.
- Make repairs to certain City streets as a part of continued repair and maintenance
- Fund City debt obligations
- Provide for continuing education of City staff and crew
- Fund City Pool; including a third recoating of the pool surface, repairs to leaking pipe system
- Replace all of the City outdated water meters
- Improve the Fairgrounds facility, including improvements to the bathroom facility and other structures
- Develop new recreational uses in Preston Park
- Plan for future waterline/roadway improvements on Taggart and Dewitt Road
- Make various improvements to a variety of City owned facilities

# 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; Parks; Fairgrounds; Pool; Library and Cemeteries.



The above chart shows the percentage and revenue types for the City's General Fund.

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

**Taxes**

- Cash & Investments
- Real & Personal Property Taxes
- Retail Sales & Use Tax
- Criminal Justice – 1/10 of 1%
- Franchise Fees
- Business & Occupation Tax
- Public Safety Tax
- City owned Utility taxes

Total Taxes **\$339,000**

**Licenses & Permits**

- Business Licenses
- Building Permits
- Dog Licenses

Misc. Licenses/Permits		
	Total Licenses & Permits	\$ 7,200

**Intergovernmental Revenue**

Criminal Justice Funding		
City Assistance		
DUI – Cities		
Marijuana Excise Taxes		
Liquor Board Profits		
Liquor Excise Taxes		
Friends of the Pool Endowment		
FCAPP Grant		
	Total Intergovernmental Rev	\$ 90,850

**Charges for Services**

Cardboard Collection		
Cemetery Fees		
Garbage Collection		
Swimming Pool		
	Total Charges	\$180,500

**Misc. Revenue**

Fines and Forfeitures		
Investment Interest		
Rents		
Gifts and Pledges		
Misc. Revenue		
Transfers in from other funds		
	Total Misc. Revenue	\$ 52,785

	<b><u>Grand Total Revenues</u></b>	<b>\$ 670,335</b>
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**Notes & Comments**

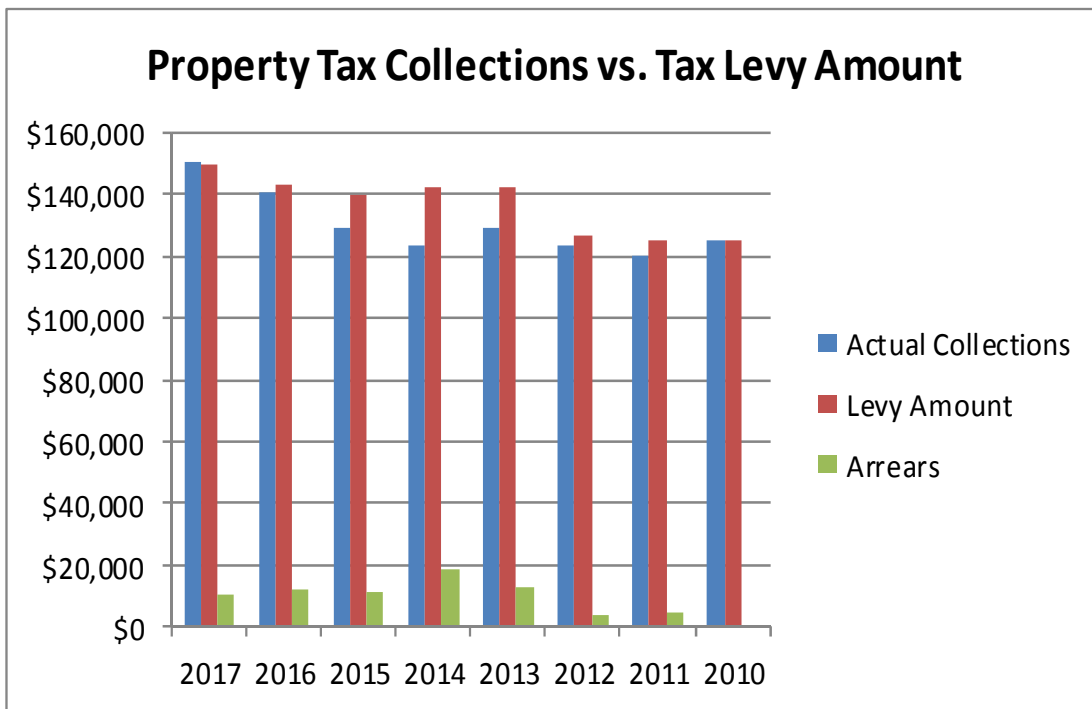
Beginning Net Cash & Investments – Each fund throughout the budget has an ending cash balance to be carried over to the next fiscal year. Beginning Net Cash and Investments is the anticipated amount that is expected to carry over from the current year. This balance should never be zero. At a minimum, sound fiscal management requires that there be at least an unreserved cash balance at the end of each year. The City established a policy of trying to keep no less than 10% in reserves to meet unanticipated expenses. 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:

$$2017 \text{ Tax Levy } (\$150,000) / \text{Total Assessed Value of the City’s Taxing District } (\$64,809,822) = \text{Tax Levy per thousand dollars assessed valuation } (\$2.31/\$1,000 \text{ a.v.})$$

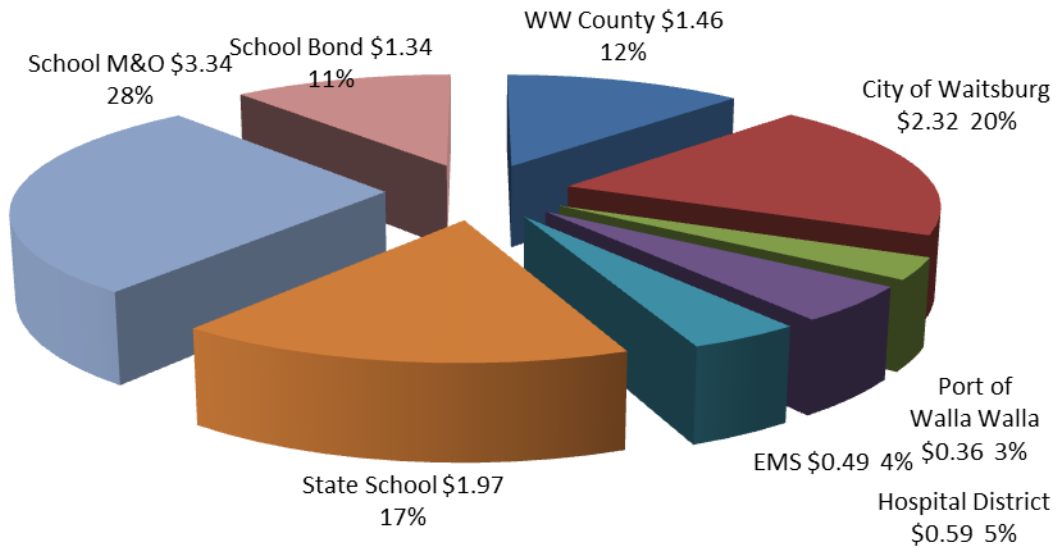
The tax levy increase for 2018 is an increase of 0% over the prior year with 90% of levy staying in the General Fund and 10% going to the City Street and Road Fund. Total tax expected to be collected includes new construction assessments and changes in state assessed values. Recent years have seen a drop in actual total collected property tax amounts from a high of almost 100% in 2010 to roughly 90% for 2018; with arrears steadily growing over time. 2017 will mark the first time since 2010 that collections have exceeded levy amount; indicating that the County is doing a better job of collecting prior taxes owed to the City.



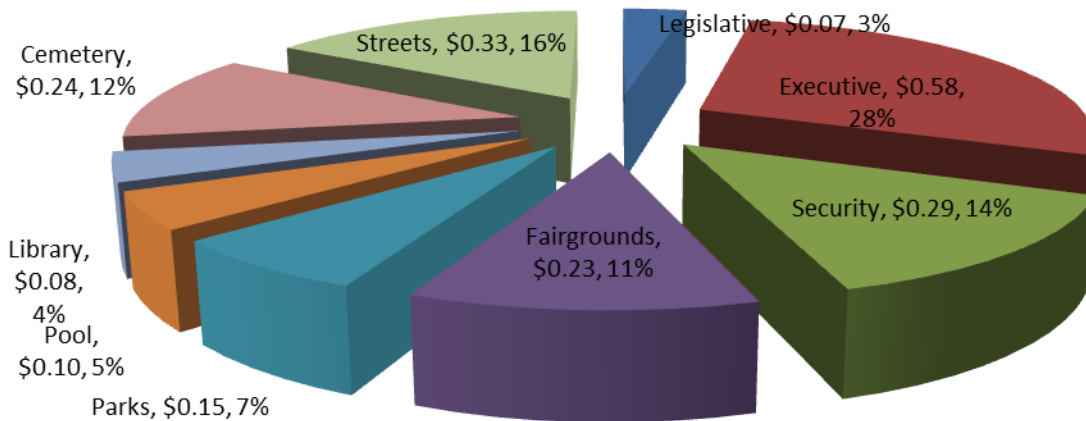
The Walla Walla County Treasurer acts as the City’s agent to collect property taxes levied in the County for all taxing authorities. Taxes are due in two equal installments on April 30 and October 31. Collections are remitted to the City the month following collections by the County Treasurer to the appropriate taxing district by the County Treasurer.

Property taxes are shared by multiple agencies. The majority of tax dollars received by Walla Walla County based on evaluations within the City of Waitsburg are used for school district funding.

### 2017 Property Tax Distribution



### 2018 Waitsburg Levy Breakout



The City is permitted by law to levy up to \$3.375 per \$1,000 of assessed valuation for general government services. By state law, property tax is currently capped at a 1% increase plus the value of any annexations, new construction and changes in state assessed values. For several years, the City's net effective tax rate has decreased because the higher assessed valuation from growth and property appreciation has spread the tax over a broader base, resulting in a lower rate. For the 2017 tax year, the total assessed value was increased substantially, but will result in an anticipated decrease to the City's property tax rate for 2018, which is estimated at around \$2.07 in property tax for every thousand dollars of assessed valuation.



Retail Sales & Use Tax is monies collected by the Department of Revenue from local retailers for sales & use taxes. As the following chart indicates, the City of Waitsburg Receives 16.875 cents of every dollar spent in the City of Waitsburg, with the remainder going to the State and Walla Walla County. Projected revenue from sales tax is estimated at \$117,000 for 2018 and is distributed to the City on a monthly basis. Sales tax payments per capita account for roughly \$95 per person per year in local tax dollars.

**BREAK OUT OF CITY OF WAITSBURG SALES TAX DOLLARS  
(Cents/Dollar)**



**County: City of Waitsburg: State:**  
**1.875 Cents 16.875 Cents 81.25 Cents**

Business & Occupation 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.

Similar to B&O Taxes, the City for 2018 has plans to impose a 2.25% utility tax on gross sales of its own utility (Approximately \$15,000). These monies are transferred out monthly from the Water and Sewer Fund by the City Treasurer into the General Fund.

The Department of Revenue, through Engrossed Substitute Senate Bill 6050, changed the distribution of proceeds from the State Real Estate Excise Tax so that some of it goes to City-County Assistance and is distributed quarterly to all state and county governments. Due to upturns in the economy, especially real estate markets, the City's portion is expected to be higher than prior-year amounts, which have tended to be closer to \$30,000. Waitsburg's share for 2018 is expected to be around \$40,000.

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 state department of commerce and is distributed quarterly.

Public Safety Tax is money collected by the Department of Revenue from 3/10<sup>th</sup> of one percent increase in local sales tax and is included in the above amount.

The City also imposes an additional 1/10<sup>th</sup> of one percent in local sales taxes for local criminal justice purposes and is included in the amount above.

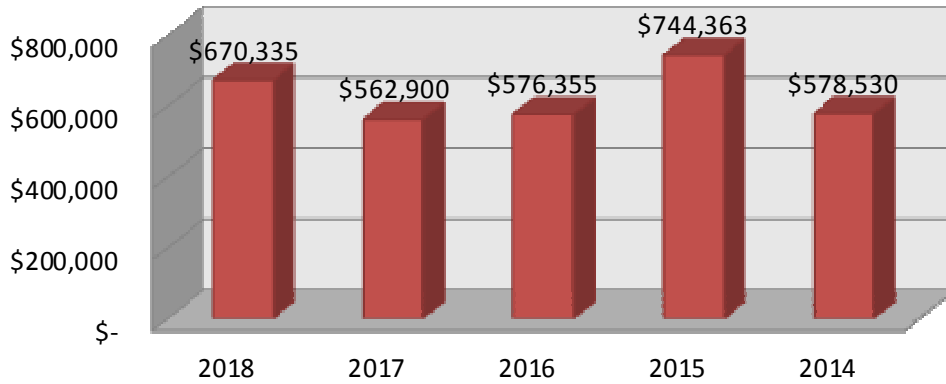
Liquor Excise Taxes are a tax distributed per capita from a tax on liquor sales. By statute, 2% of the allocation is redistributed, as prescribed by law, to the County to be used on alcoholism treatment programs. The 2015-2018 state budget (ESSB 6052), passed by the 2015 legislature has returned the percentage distribution to pre-2013 state budget provisions which means that 35% of revenues collected under RCW 82.08.150(1) and (2) are to be deposited in the liquor excise tax fund to be distributed to counties, cities and towns.

Liquor Board Profits are monies residing in the State Liquor Revolving Fund with 80% of the total distribution going to cities on the basis of population. Two percent (2%) of the City's allocation, by statute, is redistributed to the County to be used for alcoholism treatment programs. Due to privatization, an additional \$10 million per year is expected to be distributed to border areas, counties, cities and towns for the purpose of enhancing public safety programs.

Miscellaneous revenues in the general fund include the fairgrounds facility and other property rents, investment interest, gifts and pledges, transfers in from Water and Sewer related to 16% of late penalties on utility payments for solid waste collection, and other licenses and permits such as variances, fence permits, etc.

Investment Interest is a rate of return that the City receives on investments. The City Treasurer advises that interest rates are still at historically low levels, and interest revenue projections for all funds are based on a ½ to 1% return rate. With the current market conditions, the returns for 2018 are expected to be similar in profit as 2017. The City of Waitsburg mainly invests in money market funds, totaling less than \$50,000 of its total cash and investments.

## GENERAL FUND BUDGET TRENDS 2018-2014



**Summary of Programs be financed by the General Fund in 2018:**

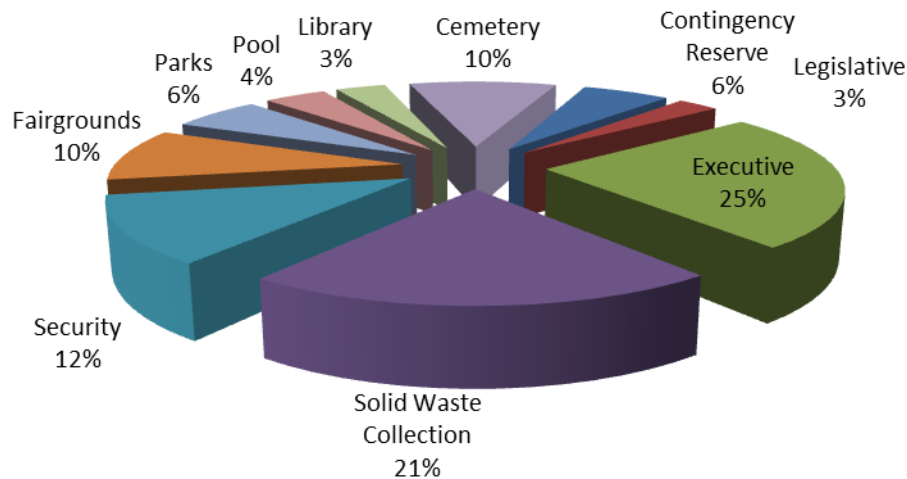
**Programs**

Contingency Reserve	\$ 40,000
General Governmental Services (Legislative/Executive)	\$325,839
Security (Law Enforcement/Animal Control)	\$ 80,600
Fairgrounds Facility	\$ 64,391
Park Facilities	\$ 40,727
Swimming Pool Facility	\$ 28,152
Weller Public Library	\$ 22,939
City and Odd Fellows Cemeteries	\$ 67,687
Total Program Expenditures	<b>\$670,335</b>

Total Estimated Revenues	<b>\$670,335</b>
Total Estimated Expenditures	<b>\$670,335</b>

**Balanced**

### GENERAL FUND EXPENDITURES





**CEMETERY MAINTENANCE AND IMPROVEMENT** – This is Fund No. 002 in the budget.

**What is paid from this Fund:** The Cemetery Maintenance and Improvements Fund was created to help provide funding for maintenance and improvement of the City cemeteries.

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

<b>Beginning Net Cash &amp; Investments</b>	<b>\$106,350</b>
<b>Miscellaneous Revenues</b>	
Perpetual Care Payments	\$ 500
<b><u>Total Revenues</u></b>	<b>\$106,850</b>

**Comments & Notes**

Transfers out to the General Fund are based the amount of perpetual care payments received by the City with \$2,000 being transferred to the General Fund to help offset general maintenance and operational costs associated with maintaining two cemeteries. Planned expenses for 2018 include the development and installation of underground irrigation in the Odd Fellow Cemetery to reduce employee time spent moving hoses and sprinklers.

**Proposed programs to be financed by the Cemetery Maintenance and Improvement Fund in 2018:**

Reserved Fund Balance	\$ 94,850
Transfer out to General Fund	\$ 2,000
Capital Outlay – I.O.O.F Irrigation	\$ 10,000
<b><u>Total Expenditures</u></b>	<b><u>\$106,850</u></b>
Total Estimated Revenues	\$106,850
Total Estimated Expenditures	\$106,850
<b><u>Balanced</u></b>	

**LIBRARY MAINTENANCE AND IMPROVEMENT** – This is Fund No. 003 in the budget.

**What is paid from this Fund:** The Library Maintenance and Improvements Fund was created to help provide funding for the purpose of providing maintenance and improvement of the Weller Public Library, including the purchase of new equipment, books and other items as they may be needed from time to time by said library.

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

<b>Beginning Net Cash &amp; Investments</b>	<b>\$2,800</b>
<b>Miscellaneous Revenues</b>	
Perpetual Care Payments	\$ 0
<b><u>Total Revenues</u></b>	<b>\$2,800</b>

**Comments & Notes**

Funds are under the direction of the Library Board of Trustees who maintain responsibility for approval any use of Library M&I Funds.

**Proposed programs to be financed by the Library Maintenance & Improvement Fund in 2018:**

Reserved Fund Balance	\$2,800
<b><u>Total Expenditures</u></b>	<b>\$2,800</b>
<hr/>	
Total Estimated Revenues	\$2,800
Total Estimated Expenditures	\$2,800
<b><u>Balanced</u></b>	
<hr/> <hr/>	

**CITY STREET AND ROAD** – This is Fund No. 102 in the Budget.

**What is paid from this Fund:** The City Street and Road 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)

**Taxes**

Real & Personal Property Taxes	
Franchise Taxes	
Transportation Benefit District Sales Taxes	
Total Taxes	<b>\$73,500</b>

**Intergovernmental Revenue**

Motor Vehicle Fuel Taxes	
DOT Transportation Alternatives Grant	
State of Washington Capital Budget Grant	
Total Intergovernmental Rev	<b>\$1,919,250</b>

**Misc. Revenue**

Investment Interest	
Other	
Total Misc. Revenue	<b>\$ 2,200</b>

**Total Revenues**

**\$1,994,950**

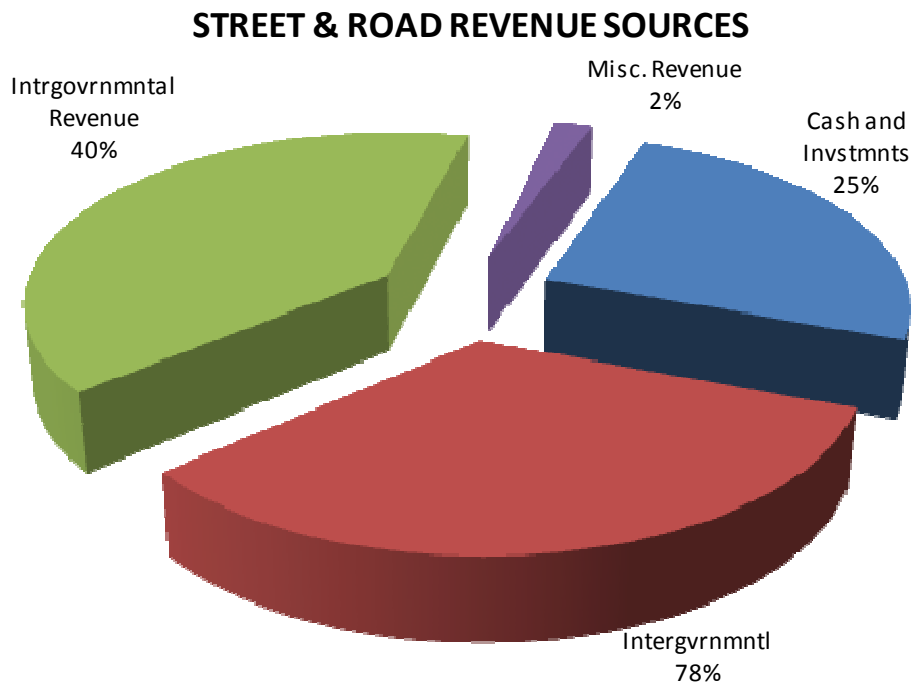
**Notes and Comments**

Real and Personal Property Taxes for this fund are established in the same manner as the Current Expense Fund. Ten Percent (10%) of the City Property Tax Levy is anticipated to be deposited into this fund for 2018.

The City collects a utility tax from the Pacific Power Corporation. See comments in prior section regarding utility B & O taxes.

Motor Vehicle Fuel Taxes are taxes on motor vehicle fuels from the prior month's collection that are to be used for the construction, improvement, and repair of streets and roads. The monthly distribution is based on population ratio.

In 2012, the City Council established a Transportation Benefit District, and with a vote of the citizens, now imposes an additional 1/10<sup>th</sup> of one percent sales tax for transportation improvement purposes. Relatively new, this tax increase is expected to provide roughly \$8,000 per year for street maintenance activities and is mainly used to help support the City sidewalk repair and replacement program.



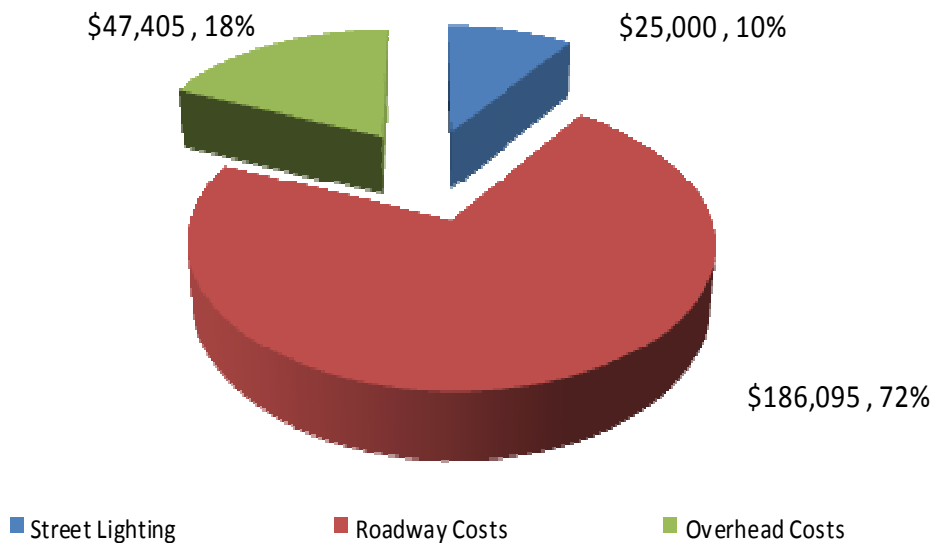
**Summary of Programs and Continuing Governmental Obligations to be financed by the City Street & Road Fund in 2018:**

<b><u>Programs</u></b>	
Street Lighting	\$ 25,000
Street M&O	\$1,969,950
	<b>\$1,994,950</b>
<hr/>	
Total Estimated Revenues	<b>\$1,994,950</b>
Total Estimated Expenditures	<b>\$1,994,950</b>
<b>Balanced</b>	
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**Notes and Comments**

The City of Waitsburg actively maintains its City street system through a series of crack and chip sealing, hot and cold patches, road reconstruction, gravel conversions and overlays. With roughly 12 miles of roads throughout Waitsburg, the City, contingent on yearly funding, budgets to do one of the above maintenance types on at least a mile or so of road per year. For 2018, the City plans to take on various road improvements related to improved vehicular movement.

## Street and Road Expenditures



**PROMOTION** – This is Fund No. 106 in the budget.

**What is paid from this Fund:** The Promotion Fund was established to help promote tourism within the City.

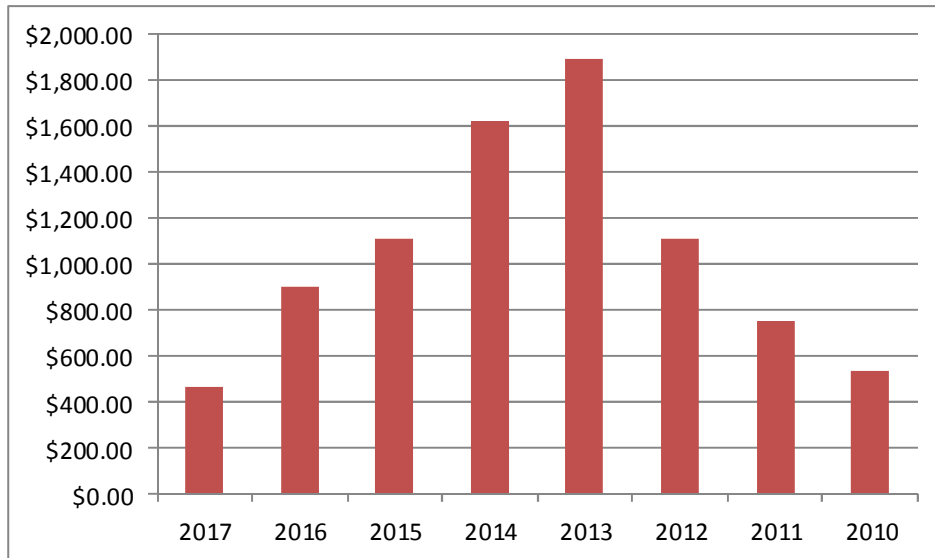
**Revenue Sources for this Fund:** (Reference Comments & Notes)

**Taxes**

Motel/Hotel Transient	<b>\$500</b>
<b><u>Total Revenues</u></b>	<b>\$500</b>

**Comments & Notes**

The Motel/Hotel Transient Tax is collected by the Department of Revenue from a tax on occupancy rates at local hotels and motels. The entire tax collected is paid to the originating municipality to be used for the purposes of visitor and convention promotion and development. Since improvements were made to the Downtown Business Corridor and more bed and breakfast type facilities were developed, overnight stays in the City of Waitsburg had increased steadily over the years as evidenced by the increase in Hotel/Motel Taxes received by the City of Waitsburg. Recent years have seen a downturn in the amount of revenue received by the City due to more stays longer than 30 days along with less overnight stays or lower collection of hotel taxes by operators of hotels, motels and inns.



**Program to be financed by the Promotion Fund in 2018:**

**Programs**

Tourism Promotion	\$500
<b><u>Total Expenditures</u></b>	<b>\$500</b>
Total Estimated Revenues	<b>\$500</b>
Total Estimated Expenditures	<b>\$500</b>
<b><u>Balanced</u></b>	



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

**What is paid from this Fund:** The Water and Sewer Fund maintains the City’s water and sewer systems.

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

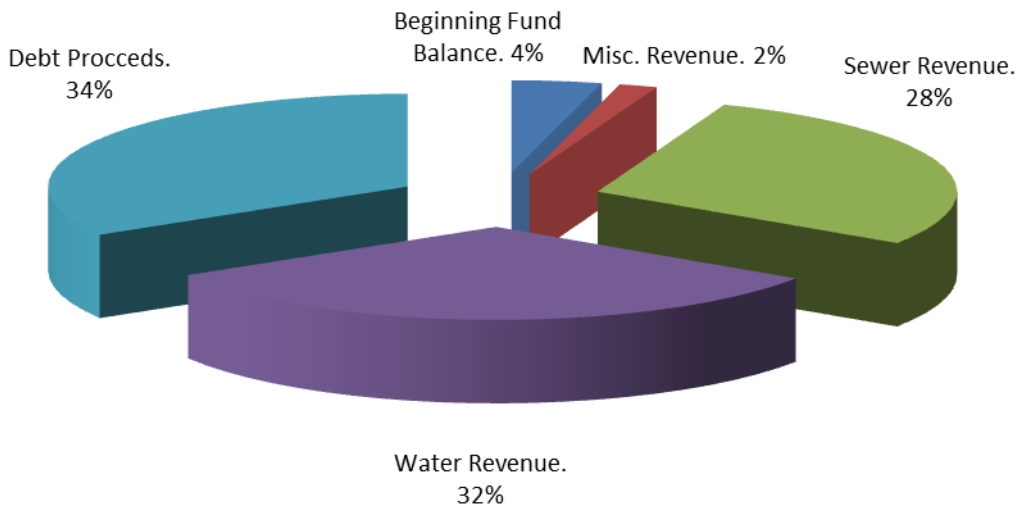
**Charges for Services**

Beginning Cash and Investments	
Water Sales	
Water System Connections	
Water Reconnection Fees	
Sewer Services	
Sewer System Connections	<b>\$ 720,100</b>

**Misc. Revenue**

Investment Interest	
Miscellaneous	
Non-payment Penalties	<b>\$ 394,000</b>
<b>Total Revenues</b>	<b>\$1,114,100</b>

**Water and Sewer Revenue**



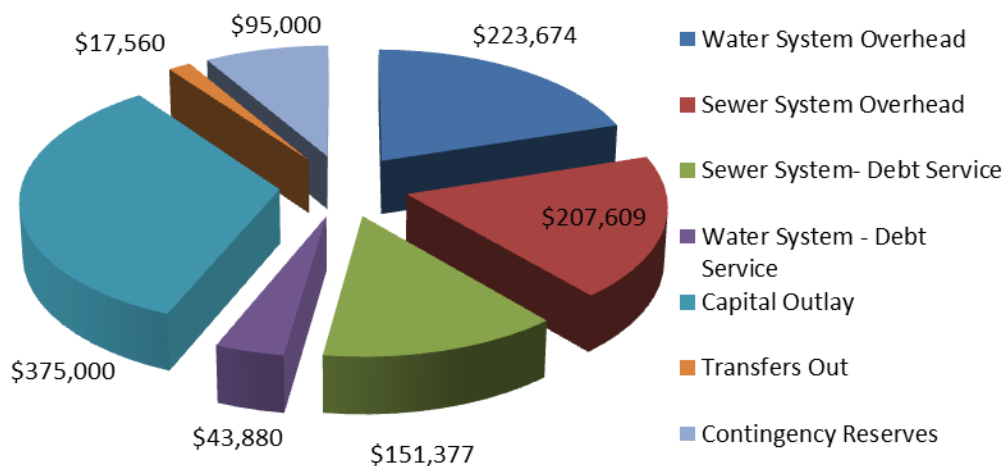
**Summary of Programs and Continuing Governmental Obligations to be Financed by the Water and Sewer Fund in 2018:**

<b><u>Programs</u></b>	
Contingency Reserves	\$ 95,000
Water System Expenses	\$ 645,115
Sewer System Expenses	\$ 373,985
<b>Total Water/Sewer Expenditures</b>	<b>\$1,114,100</b>
<hr/>	
Total Estimated Revenues	<b>\$1,114,100</b>
Total Estimated Expenditures	<b>\$1,114,100</b>
<b>Balanced</b>	

**Comments & Notes**

The City’s water and sewer rates support all water and sewer related functions, including overhead costs, transfers out of utility taxes, capital expenses and water- and sewer-related debt service. In 2017, the City Council approved a series of utility rate increase for the sole purpose of providing additional funding to do some substantial infrastructure improvements to the City’s water and sewer systems over the next few budget cycles. These improvements were funded through a \$750,000 line of credit/loan from Community Bank with a 20 year payback period.

**Water and Sewer Expenditure Distribution**

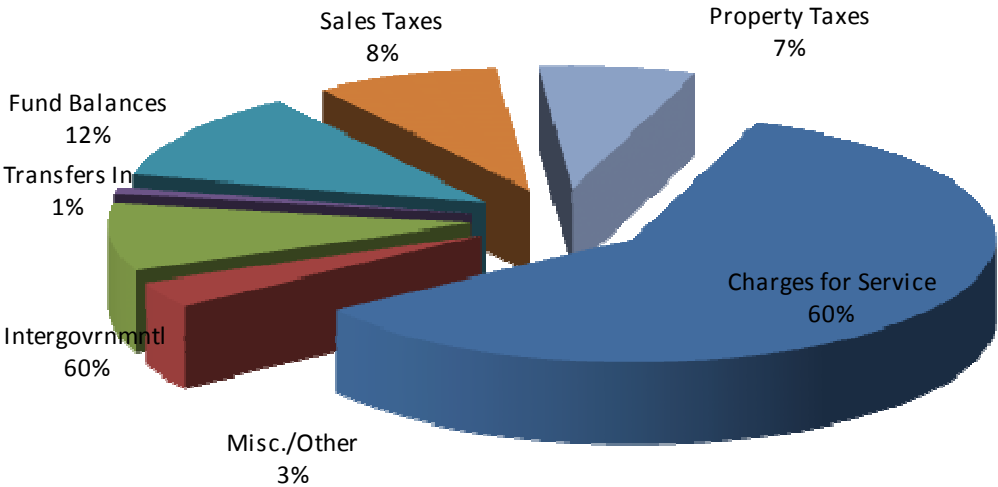


For additional information related to the City Water and Sewer System, see the City Capital Facilities Plan for 2018.



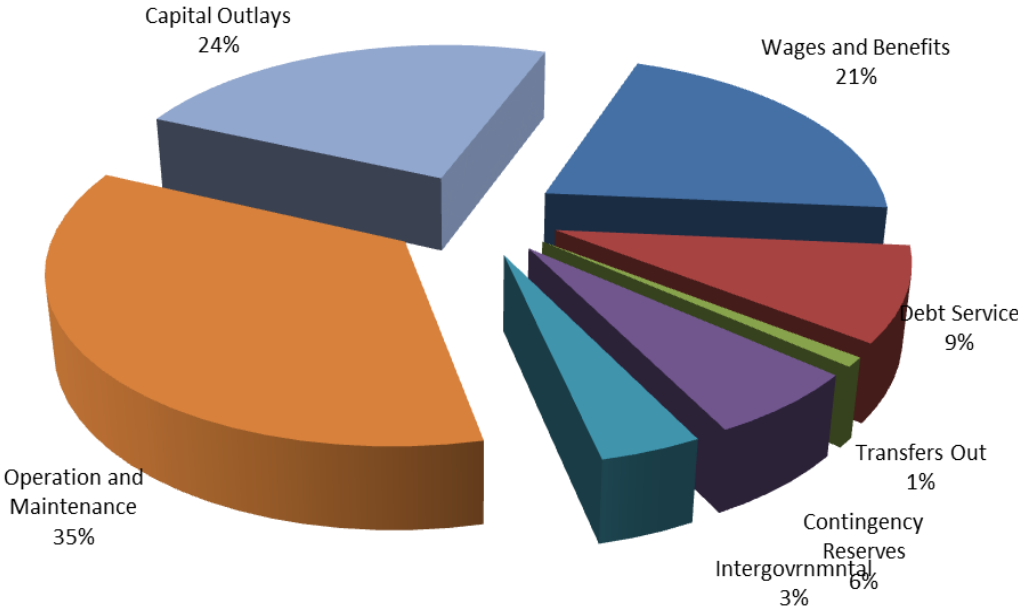
# Where Does the City's Money Come From?

## REVENUES



# How is the City's Money Spent?

## Expenditure Distribution



**ORDINANCE NO. 2017-1048**

**AN ORDINANCE ADOPTING THE 2017 BUDGET  
OF THE CITY OF WAITSBURG**

**WHEREAS**, the Mayor of the City of Waitsburg, Washington, completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses, debt service, reserve funds and expenses of the government of the City of Waitsburg for the fiscal year beginning January 1, 2018, and ending December 31, 2018, and a notice was posted that the Council of the City of Waitsburg would meet on the 20<sup>th</sup> day of December, 2017, at the hour of 7:00 p.m. or soon thereafter, at the Waitsburg Fairgrounds Facility, Lions Club Memorial Building, 349 E. 10<sup>th</sup> Street, Waitsburg, WA, for the purpose of considering the proposed budget for fiscal year 2018 and giving citizens within the limits of said City an opportunity to be heard upon said budget; and

**WHEREAS**, the City Council did meet at said time and place and did then consider the matter of the proposed 2018 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 Waitsburg 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 the City of Waitsburg during fiscal year 2018.

**NOW THEREFORE**, the City Council of the City of Waitsburg does hereby ordain as follows:

Section 1. The budget for the City of Waitsburg, Washington, for fiscal year 2018 is hereby adopted at the fund level in its final form and content as set forth in the document entitled City of Waitsburg, 2018 Budget, which is on file in the Office of the City Clerk.

Section 2. Estimated resources, including fund balances or working capital for each separate fund of the City of Waitsburg, and aggregate totals (net of transactions between funds) for all such funds combined for the year 2018 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2018 as set forth below:

Fund		Amount
Current Expense Fund (001)		\$ 670,335
Cemetery M&I Fund (002)		\$ 106,850
Library M&I Fund (003)		\$ 2,800
City Street & Road (102)		\$ 258,500
Promotion (106)		\$ 500
Municipal Capital Improvement (107)		\$ 16,000
Water & Sewer Department (401)		\$1,114,100
<b>Total All Funds</b>		<b>\$2,169,085</b>

Section 3. Effective upon passage of this Ordinance, the following sections of the Waitsburg Municipal Code are hereby amended.

A. WMC. 9.01.110(D) is amended as follows (language to be deleted is struck through; language to be inserted is underlined):

“D. Deposit in current expense fund. For ~~2017~~2018, the City Treasurer shall pay into the City’s General Fund Fifteen ~~Ten~~ Thousand Dollars from the total water and sewer received pursuant to WMC 9.01.080/090.

Section 4. The Mayor is hereby authorized to implement the programs and spending as provided in the 2018 Budget.

Section 5. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Washington State Auditor’s Office and to the Association of Washington Cities.

Section 6. This Ordinance shall become effective January 1, 2018, upon its passage by the Council and upon publication according to law.

Section 7. The Budget for 2018 includes wages and benefits for all City Staff and Public Works Employees and is included in the amounts specified in the following salary schedule

**2018 Annual Salary Schedule**

Employee Position Classification Salary Schedule
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<u>Classification</u>	<u>Maximum</u>
Mayor	\$ 1,200
Council Members	\$ 120
<u>Classification</u>	<u>Maximum</u>
Public Works Director	\$58,000
City Administrator/Clerk/Treasurer	\$65,000
Deputy City Clerk	\$42,000
Public Works Specialist I	\$41,000
Public Works Specialist II	\$35,000
Seasonal Employees (Pool Lifeguards)	\$13,000
Librarian	\$ 9,360

**2018 Salary & Benefits Schedule by Fund**

<b>Current Expense</b>	\$188,646
<b>City Streets</b>	\$ 32,256
<b>Water</b>	\$114,451
<b>Sewer</b>	\$115,487

## 2018 Salary Schedule

### Division of Payroll & Benefits

Public Works Director:	Water/Sewer – 70%	Streets – 10%	CE – 20%
Public Works Specialist I:	Water/Sewer – 30%	Streets – 5%	CE – 65%
Public Works Specialist II:	Water/Sewer - 50%	Streets – 10%	CE – 40%
Public Works Specialist II:	Water/Sewer – 50%	Streets – 10%	CE – 400%
City Administrator/Clerk/Treasurer:	Water/Sewer – 60%	Streets – 10%	CE – 30%
Deputy Clerk:	Water/Sewer – 65%		CE – 35%
Librarian:			CE – 100%
Swimming Pool			CE – 100%
Mayor/Council:			CE – 100%

Passed by the Council of the City of Waitsburg on this 20th day of December, 2017.

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Marty Dunn  
Mayor

Attest:

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Randy Hinchliffe  
City Clerk  
Approved as to form:

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Jared Hawkins  
City Attorney