



# ELECTRIC CITY

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November 19, 2019

Re: Mayor's 2020 Budget Message

I am pleased to present the Preliminary 2020 Annual Budget with some additional notes to bring you up to date on the city's financial plans.

Below is a five-year budget summary. The annual budgets for 2016 through 2018 are actuals, 2019 is estimated and the 2020 is proposed, 2019 is higher than other years due to the city receiving multiple grants for street and recreation improvements:

Budget	2016	2017	2018	2019	2020
Total (s)	7,518,051.08	7,391,448.23	7,480,000.00	9,241,251.04	8,350,332.48

The Preliminary 2020 Budget at fund level is as follows. Please understand that the proposed expenditures will always be higher than the actual expenditures at the end of the budget year, and a majority of them are funds distributed by state funded grants.

Account	Proposed Revenue	Proposed Expenses	Difference
Current Expense	\$ 458,499.00	\$621,561.00	(\$ 163,062.00)
Office Equip. Reserve	\$ 380.00	2500.00	(\$ 2,120.00)
Fire Department	\$ 5,250.00	\$ 35,500.00	(\$ 30,250.00)
Coulee Playland	\$ 7,600.00	\$ 9,500.00	(\$ 1,900.00)
Municipal Park	\$ 21,800.00	\$ 7,500.00	\$ 14,300.00
City Street	\$ 46,150.00	\$ 129,900.00	(\$ 83,750.00)
Street Equip Reserve	\$ 650.00	\$ 12,000.00	(\$ 11,350.00)
Transportation Benefit	\$ 0.00	\$ 12,000.00	(\$ 12,000.00)
Hotel-Motel	\$ 68,500.00	\$ 338,550.00	(\$ 270,050.00)
RCO Ice Age Park Grant	\$ 490,300.00	\$ 490,300.00	\$ 0.00
FEMA Street Repairs	\$ 0.00	\$ 10,286.48	(\$ 10,286.48)
TIB Grand & Western	\$ 125,000.00	\$ 105,000.00	\$ 20,000.00
WSDOT Ped/Bike Grant	\$ 87,365.00	\$ 72,066.00	\$ 15,299.00
TIB Coulee Blvd.	\$ 16,000.00	\$ 0.00	\$ 16,000.00
Munic. Improvement	\$ 18,400.00	\$ 150,000.00	(\$ 131,600.00)
TIB Complete Streets	\$ 0.00	\$ 280,000.00	(\$ 280,000.00)
Water/Sewer	\$ 999,640.00	\$ 1,106,410.00	(\$ 106,770.00)
W & S Capital Facilities	\$ 2,800.00	0.00	\$ 2,800.00
Transfer Station	\$ 505,625.00	\$ 555,965.00	(\$ 50,340.00)
Delano Equip Reserve	\$ 10,000.00	0.00	\$ 10,000.00
Delano Post Closure	\$ 35,000.00	\$ 65,000.00	(\$ 30,000.00)
Garbage	\$ 323,200.00	\$ 349,700.00	(\$ 26,500.00)
Severance Trust	\$ 175.00	0.00	\$ 175.00
Excess/(Deficit):	\$ 3,222,334.00	\$ 4,353,738.482	(\$1,131,404.48)

The city typically maintains about \$ 500,000 - \$600,000 in the city's checking account to maintain a healthy cash flow. The City also has \$3,532,423.87 in the State's Local Governmental Investment Pool.

In 2012 the City became the Administrative city for the Regional Board of Mayors. The funds that are controlled by the Board are the Transfer Station and the Delano Post Closure Funds. We keep a cash flow of approximately \$250,000.00 in the checking account and there is currently about \$957,852.66 in the State's Local Governmental Investment Pool.

The following are some items that are affecting the 2020 Budget year.

- In the Current Expense Fund, we plan to transfer \$150,000.00 to the Water/Sewer Fund to repair an archaic 65-year-old sewer lift station. We have also renewed our Police Contract with the City of Grand Coulee through the year 2022.
- The City Street Fund is the fund that is in the most danger. The fund's only revenue source is the Motor Vehicle Fuel Tax and the Motor Vehicle Excise Tax. This year we have applied for three grants from the Washington State Transportation Improvement Board. The first grant is for \$149,000.00 for chip sealing local streets. The second is a grant for \$275,000.00 for sidewalks, curbing and gutter that will connect already funded projects on Coulee Blvd. The third grant is for \$750,000.00 that would continue improvements on Stevens Ave with curb, gutter, stormwater, and sidewalks. In previous years we have managed to slow losses by maintaining streets with TBD funds, however with the recent I-976 initiative, these funds have been removed.
- The Transportation Benefit District (TBD) Fund would normally accommodate for any grant matches for street projects and supply much needed dollars for street repairs. The city received approximately \$16,500 per year from the \$20.00 car tab fee. The I-976 initiative removes the ability for cities to impose the car tab fee, therefore there will no longer be any revenue in this fund. We are proposing to use the remaining reserves in this fund to do street sealing in 2020.
- The RCO Ice Age Park Fund will be used to build the Ice Age Park in 2020 with grant funds coming from the Recreation Conservation Office. The remaining funds would come from the city's Lodging Tax reserve fund.
- The TIB Grant approved in 2018 for Grand Ave and Western Ave improvements will be fully completed in the spring of 2020.
- The WSDOT Pedestrian/Bicycle Pathway Grant Fund will be used for design construction of a pedestrian bicycle pathway from Coulee Playland to North Dam Park in 2020 with project completion in 2021.
- The TIB Coulee Blvd Grant Fund will complete the sidewalks from Taylor St. to Stevens Ave on Coulee Blvd. in 2020
- The TIB Complete Streets Award Fund will complete sidewalks from Stevens Ave. to Electric Blvd. on Coulee Blvd. In 2020.
- In the Water/Sewer Fund we are proposing to replace the sewer lift station on Grand Ave. Portions of the project would be funded from the Current Expense Fund and the city's Capital Improvement Fund. The cost of the station is expected to be more than \$ 420,000.00.
- In the Transfer Station Fund the Regional Board of Mayors has continued setting aside funds into an equipment reserve fund for future equipment replacement. \$10,000 was set aside for 2020.

You can always find further information about the city's financials on the Washington State Auditors Site at the following link: <https://www.sao.wa.gov/reports-data/audit-reports/>

As outgoing mayor, I look forward to Electric City continuing the progress and plans that it has made over the past few years. I have certainly enjoyed my time serving as your mayor, and I encourage those coming after me to continue the quality of service the current council and staff have provided.

Respectfully Yours,  
John T. Nordine II