



ELECTRIC CITY

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November 1, 2018

Re: Mayor's 2019 Budget Message

I am pleased to present the Preliminary 2019 Annual Budget with notes to bring you up to date on the city news.

Below is a five year budget summary. The annual budgets from 2015 through 2017 are actuals, 2018 is estimated and 2019 is proposed:

Budget	2015	2016	2017	2018	2019
Total (s)	7,514,978.33	7,518,051.08	7,391,448.23	7,480,000.00	8,431,079.00

The Preliminary 2019 Budget at fund level is as follows:

Account	Revenue	Expenses	Difference
Current Expense	\$ 442,194.00	\$751,111.00	(\$ 308,917.00)
Office Equip. Reserve	\$ 280.00	0	\$ 280.00
Fire Department	\$ 111,500.00	\$ 159,500.00	(\$ 48,000.00)
Coulee Playland	\$ 7,525.00	\$ 10,500.00	(\$ 2,975.00)
Municipal Park	\$ 30,950.00	\$ 17,000.00	\$ 13,950.00
City Street	\$ 120,550.00	\$ 203,250.00	(\$ 82,700.00)
Street Equip Reserve	\$ 8,150.00	0.00	\$ 8,150.00
TIB Grand & Western	\$ 669,750.00	703,500.00	(\$ 33,750.00)
TBD	\$ 16,500.00	\$ 20,000.00	(\$ 3,500.00)
Hotel-Motel	\$ 64,700.00	\$ 94,100.00	(\$ 29,400.00)
Municipal Capital Improvement	\$ 17,400.00	0.00	\$17,400.00
Water/Sewer	\$ 804,390.00	\$ 1,009,310.00	(\$ 204,920.00)
W & S Capital Facilities	\$ 72,000.00	0.00	\$ 72,000.00
Transfer Station	\$ 503,725.00	\$ 555,015.00	(\$ 51,290.00)
Delano Equip Reserve	\$ 10,000.00	0.00	\$ 10,000.00
Delano Post Closure	\$ 29,500.00	\$ 65,000.00	(\$ 35,500.00)
Garbage	\$ 312,100.00	\$ 346,650.00	(\$ 34,550.00)
Severance Trust	\$ 130.00	0.00	\$ 130.00
Excess/(Deficit):	\$ 3,221,344.00	\$ 3,934,936.00	(\$ 713,592.00)

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 \$3,448,419.13 in the State 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 \$300,000.00 in the checking account and there is currently about \$935,073.93 in their State Local Investment Pool.

The following are some items that are affecting the 2019 Budget year.

- In the Water/Sewer Fund we will be replacing a water main in Grand Ave. from Western Ave to the end heading south. We will be transferring \$120,000 from the current expense fund and using \$100,000 from the Water/Sewer Fund to complete the project. A resolution was passed that will raise water rates \$2.50 per year for two years and \$1 per year thereafter to pay for the replacement over the next 10 years.
- The Fire Department Fund will be receiving \$ 106,500.00 from the Current Expense Fund to repave the parking lot.
- In the Transfer Station Fund the Regional Board of Mayors has recommended setting aside funds into an equipment reserve fund for future equipment replacement. \$10,000 was set aside for 2019.
- 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 two grants from the Washington State Transportation Improvement Board. The first grant is for \$125,000 for chip sealing streets. The second is a grant for \$320,000.00 for sidewalks, curbing and gutter that will connect already funded projects on Grand and Western Ave, redirect the flow of traffic on Western Ave., and allow for a dedicated bus stop for school and public transportation. We have managed to slow losses by maintaining streets with TBD funds.
- The Transportation Benefit District (TBD) Fund would accommodate the local funds needed for the sidewalk project totaling \$16,000.00. The city receives approximately \$16,500 per year for the \$20.00 car tab fee. The city is also planning on \$10,000 for street sealing and \$10,000 for the purchase of automated speed signs at either side of the city.
- The TIB Grant approved in 2018 for Grand Ave and Western Ave. will commence construction in 2019 for a total of \$735,000.00
- In the Lodging Tax Fund, pending a grant from the Recreation Conservation Office the city will proceed with development plans for the Ice Age Park totaling \$46,500.00. The city will allocate an additional \$40,600.00 to local agencies.
- In the Park Fund the city will pay off the property behind the Fire Station that was purchased in 2015 totaling \$10,500.00.

As the mayor I look forward to working with the council, boards, staff, and over 1,000 citizens of Electric City in making positive choices for our community.

Respectfully Yours,



John T. Nordine II