

# City of Cosmopolis

## Final Budget 2026



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## Mayor's 2026 Budget Message

*"We can't change history, but we can create the future."*  
— Erwin Raphael McManus

Dear City Council, Department Heads, Staff, and Citizens of Cosmopolis,

As your Mayor, I am honored to serve, though the journey has been one of challenges at each turn. I made a commitment to each of you, and I will stand steadfast in that commitment. This coming budget year will be one made up of hard truths, complex decisions, and several challenges that we as a community must face together. We are facing necessary utility increases, and changes set into motion by budget demands, reviews, and new amendments throughout the designated budgetary period. Our 2026 Budget reflects our city's ongoing commitment to transparency, fiscal responsibility, and community resilience.

*As I reflect and ask myself: Who are we, and what kind of city is Cosmopolis?* We are proud of our past and history, Cosmopolis is the oldest city in Grays Harbor County. I have called it home for more than 21 years, I still consider myself a "newcomer" among the generations of families who built this community. Cosmopolis remains deeply rooted in tradition, a place where respect, kindness, and family are woven into daily life. Crime rate is low, neighbors look out for one another, and walking our dogs in the morning or evening feels safe and familiar. We are and will always be Cosmopolis, a city rooted in history. Moving forward is vital and that will involve change and working together.

Approaching my third year as your full-time Mayor, my goal and the goal of our Council is to restore financial stability, strengthen citizen engagement, and ensure transparent and accountable city operations. Serving as both Mayor and Acting City Administrator, I have focused on implementing consistent policies, accountability, and procedures that serve all residents and businesses fairly. This role involves collaborating with partner municipalities, agencies, and funding sources across Grays Harbor and the state to secure the building and maintaining of strong partnerships.

We continue our partnership with HDR Engineering meeting the requirement for the Stormwater Comprehensive Plan (SWCP). Our new partnership established this year is with the Washington State Department of Commerce, establishing the "Tech Team" made up of experts from multiple state agencies to help address our city's aging infrastructure, including lift stations, pump stations, and inflow and infiltration challenges. These partnerships provide valuable expertise at no cost to the city and support completion of our Cosmopolis Comprehensive Plan, an essential and necessary tool for future grant applications and long-term planning.

I continue to seek cost saving services for our community. We are grateful for the partnerships that we have and their continued support of Cosmopolis. Grays College's Diesel Program has helped reduce

equipment repair costs for the city, Grays Harbor College Forestry Program, Five Star, Sherwin Williams, Caskey Industrial Supplies, Darst Electric and other local hometown businesses are providing cost savings services assisting Cosmopolis at this crucial time.

The safety and security of our residents is paramount. In 2024, residents expressed an ardent desire to retain both our Police and Fire Departments— I have taken this seriously. Our Police Department served our community, with our Chief, one full-time officer, reserved support, and a successful interlocal agreement with the Aberdeen Police Department. We were able to maintain consistent coverage and effective service. The loss of one officer has highlighted the challenges small cities face in recruiting and retaining personnel. We must evaluate a sustainable model to ensure safety while protecting the city's financial health.

Our Volunteer Fire Department continues to grow in strength and capacity. With twenty volunteers, including twelve EMTs and one EMR, our department is thriving. The Residency Program has proven to be a success, providing valuable training, response coverage, and community service.

Cosmopolis' greatest strength lies in its people. Our staff, though small, demonstrates integrity, hard work, and dedication every day. I am proud and deeply grateful for their service and resilience—and for the community that supports and understands our collective efforts to meet the demands of the city while operating with lean resources. Volunteerism thrives across the city. Residents come together to maintain our parks and green spaces. First Street highlights our community with the care of the flower program and seasonal decorations throughout the year thanks to our Cosi Petal Pushers and generous donors. Our old city hall is now the Cosmopolis Community Center; the goal was and is, to give back to our citizens. Within a couple of months of establishing the center, a community member with deep roots and family in the community now serves our 50+ citizens every Tuesday, providing not only a warm meal, but an opportunity to connect with other mature adults, for support and social engagement. The Cosmopolis Community Center hosts the Timberland Library once a month providing additional services for all citizens. Another community volunteer and councilmember are busy establishing a food pantry at the center to serve the citizens of Cosmopolis to assist with food insecurities and increasing financial challenges. These volunteers exemplify Cosmopolis's enduring spirit—addressing challenges, fostering connections.

At the close of 2024, we achieved a balanced budget, looking to 2025 as a potential turning point. Unfortunately, continued cost pressures and inherited obligations have challenged that progress. The decision not to fill the City Administrator position, along with restructuring administrative roles and transitioning from a Finance Director to a Clerk-Treasurer, saved approximately \$200,000 annually. Engaging a CPA with municipal experience has further strengthened financial oversight. Yet, despite these efficiencies, significant fiscal challenges remain.

The 2026 budget is balanced, and my goal is to ensure we continue meeting our most difficult challenges while maintaining that balance in the years ahead. However, we still face a shortfall in the bond fund—an important reminder of how essential it is for this administration to carefully monitor revenues and investments to reduce debt and rebuild reserves. Many citizens have asked why this debt remains when bond payments are being made. Understanding history helps clarify this. In April 2023, the City Council approved moving the Municipal Bond funds from a local bank earning just 0.04% interest to the Local Government Investment Pool (LGIP), that was earning 4.75%. By leaving the funds in a much lower account, the city missed revenue stream, a revenue stream that could have been used to meet the increased costs of with cuts. For reasons that remain unclear bonds were not moved until the current administration. The building was completed over budget, with additional cuts and in July 2024, the remaining bond funds were moved to the LGIP, at a rate of 5.72%. Even with cost-saving measures that

were implemented and moving of the Bond funds to a much more favorable interest-bearing account, we still have a shortfall in the bond fund of \$430,000. Adding to this challenge, the city's 10-year long-term sewer contract with Aberdeen has placed further strains on our finances. What once provided cost advantages for previous administrations now requires capital improvement contributions that stretch our limited resources. Throughout 2025, negotiations with Aberdeen have continued in good faith, and their cooperation and partnership have been invaluable. The financial challenges we face today stem from past decisions—some beneficial at the time—that now require responsible solutions and forward-looking planning to secure Cosmopolis's financial future.

The coming year will be one made up of tough decisions and challenges we must overcome. My goal is to face these obstacles hand in hand as a community. 2026, we will have a balanced budget, this administration is committed to responsibly with transparency. Decisions are not and will not be tied to the Mill's possible return. We will keep running efficiently, focus on key services, and manage resources carefully regardless of future changes. I encourage all residents to participate—attend meetings, join committees, and contribute ideas as we chart the city's future together.

As your Mayor, I wrestled with how best to share this message. Some suggested focus only on the future. Yet, to move forward responsibly, we must first understand where we have been. The quote above reminds us that while we cannot change what has already been done, we can create the future—one built on honesty, accountability, and shared purpose.

I was called to serve, I am dedicated to serving this community with integrity, and transparency, and give grace even at challenging times. Together, we will continue shaping a city that honors its history while creating a sustainable tomorrow.

With gratitude,  
**Mayor Linda Springer**  
*City of Cosmopolis*



## Elected Officials

		<u>Term Expires:</u>
Linda Springer	Mayor	December 31, 2027
Kim Skinner	Council Position #1	December 31, 2027
Jeremy Winn	Council Position #2	December 31, 2027
Justin Spargo	Council Position #3	December 31, 2027
Mark Collett	Council Position #4	December 31, 2025
Sue Darcy	Council Position #5	December 31, 2025

## Staff

Vacant	Clerk-Treasurer
Heath Layman	Police Chief
Jacob Coker	Fire Chief

# Budget Development Process

The budget includes financial planning and legal authority to obligate public funds. Additionally, the budget provides policy direction by the City Council to the staff and community.

The budget serves four functions:

## **It is a Policy Document**

The budget functions as a policy document in that the decisions made within the budget will reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.

## **It is an Operational Guide**

The budget of the city reflects its operations. Activities of each City fund or department have been planned, formalized and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and goals of the City Council.

## **It is a Link with the General Public**

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the city, the purpose of those activities, future implications, and the direct relationship to citizens.

## **It is a Legally Required Financial Planning Tool**

Preparing and adopting a budget is a state law requirement of all cities as stated in Title 35A of the Revised Code of Washington (RCW). The budget must be adopted as a balanced budget and must be in place prior to the beginning of the City's fiscal year. The budget is the legal authority to expend public funds and controls those expenditures by limiting the amount of appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to determine funds available.

The City operates on a calendar-year basis. The city utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and based on needs defined by budget policies, emerging issues, Council goals and available resources.

# Budget Calendar

## **October 15**

- Mayor's proposed budget + budget message presented to Council
- Public hearing – revenue sources

## **November 5**

- Public hearing on preliminary budget
- First read – property tax ordinance
- Budget discussion (if needed)

## **November 19**

- Second read and adoption – property tax ordinance
- Public hearing on final budget
- First read – budget ordinance

## **December 3**

- Second read and adoption – budget ordinance

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the City Clerk and department directors to ensure that funds are within the approved budget. The City Clerk provides the City Council with quarterly reports to keep them current with the City's financial condition.

The Mayor is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, position titles, salary ranges or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance adopted by Council.



# Budget Principles

## **General Principles**

- Department directors have primary responsibility for formulating budget proposals in line with City Council and Mayor directions, and for implementing them once they are approved.
- The City Clerk Treasurer is responsible for coordinating the overall preparation and administration of the City's budget. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.
- The City Clerk Treasurer assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- If presented, Interfund charges will be based on recovery of costs associated with providing those services.
- Budget adjustments requiring City Council approval will occur through the ordinance process at the fund level prior to the end of the fiscal year.
- The City's budget presentation will be directed at displaying the City's budget in a Council and Citizen-friendly format.

## **Basis of Accounting**

- Annual appropriated budgets are adopted for all funds on the cash basis of accounting.
- Budgets are adopted at the fund level that constitutes legal authority for expenditures. Annual appropriations lapse at the end of the fiscal period.
- The **General Fund** is the primary fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted or designated to finance certain activities.
- **Capital Project Funds** account for major construction projects.
- **Enterprise Funds** account for operations that provide goods and services to the general public and are supported primarily by user charges.

# City-Wide Budget Summary

<b>Fund</b>	<b>Beginning Fund Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Increase (Decrease)</b>	<b>Ending Fund Balance</b>
001 General	64,269	1,216,050	1,216,050	0	64,269
002 Fire Equipment	17,788	118,000	120,150	(2,150)	15,638
007 Equipment Reserve	18,585	35,000	25,000	10,000	28,585
010 Drug Seizure	705	-	-	-	705
011 Advance Payment Cemetery	8,248	-	-	-	8,248
012 Makarenko Park Operating	25,288	12,000	23,997	(11,997)	13,291
101 Street	2,384	122,276	122,276	0	2,384
105 Cemetery Perpetual Care	79,390	-	-	-	79,390
110 EMS	-	509,319	500,820	8,499	8,499
205 2020 UTGO Bond	(243,101)	188,000	187,800	200	(242,901)
305 Real Estate Excise Tax	289,463	20,000	-	20,000	309,463
401 Water	129,632	650,000	663,490	(13,490)	116,142
402 Sewer	599,061	650,000	179,150	470,850	1,069,911
410 Stormwater	168,477	70,000	44,391	25,609	194,086
702 Makarenko Park Reserve	331,780	42,000	12,000	30,000	361,780
<b>Total</b>	<b>1,491,969</b>	<b>3,632,645</b>	<b>3,095,123</b>	<b>537,522</b>	<b>2,029,491</b>

# Authorized Positions

		Hourly						Annual					
		Step A	Step B	Step C	Step D	Step E	Step F	Step A	Step B	Step C	Step D	Step E	Step F
		0-12 months	13-24 months	25-36 months	37-48 months	49-60 months	61+ months	0-12 months	13-23 months	24-35 months	36-47 months	48-59 months	60+ months
<b>Full Time</b>	<b>FTE</b>												
Police Chief	1	45.39	46.75	48.15	49.60	51.09	52.62	94,411	97,244	100,161	103,166	106,261	109,448
Patrol Officer	1	31.39	32.33	33.30	34.30	35.33	36.39	65,286	67,244	69,261	71,339	73,479	75,684
Senior Utility Worker	1	30.52	31.43	32.38	33.35	34.35	35.38	63,479	65,384	67,345	69,366	71,447	73,590
Utility Worker 1	2	28.77	29.63	30.52	31.44	32.38	33.35	59,837	61,632	63,481	65,386	67,347	69,368
<b>Total Full Time</b>	<b>5</b>												

		Hourly					
		Step A	Step B	Step C	Step D	Step E	Step F
		0-12 months	13-24 months	25-36 months	37-48 months	49-60 months	61+ months
<b>Part Time - Hourly</b>							
Clerk Treasurer		36.54	37.63	38.76	39.93	41.12	42.36
Jr. Deputy Clerk		24.42	25.15	25.91	26.69	27.49	28.31
Utility Billing Clerk		24.42	25.15	25.91	26.69	27.49	28.31
Police Clerk		24.42	25.15	25.91	26.69	27.49	28.31

<b>Flat Rate</b>	<b>Flat Rate</b>
Court Administrator	28.00
Building Inspector	42.00
Public Works Seasonal	22.00
Fire Chief	\$18,000/year

## Longevity - applied to full time and part-time hourly:

5 years	2%
10 years	3%
15 years	4%
20 years	5%
25 years	7%
30 years	10%

# General Fund

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>178,868</b>	<b>10,679</b>	<b>64,269</b>
<i>Revenues:</i>			
Taxes	1,188,449	928,901	933,200
Licenses & Permits	50,133	82,787	56,650
Intergovernmental Revenues	172,030	200,699	125,700
Charges For Services	17,072	48,603	24,900
Fines & Forfeitures	37,628	37,124	37,000
Misc Revenues	54,179	69,320	38,600
<i>Total Revenues</i>	<i>1,519,490</i>	<i>1,367,433</i>	<i>1,216,050</i>
<i>Expenditures:</i>			
Legislative	21,306	17,727	24,352
Judicial	64,825	65,133	40,323
Executive	9,701	9,000	11,545
Finance	204,597	122,082	118,501
Legal	31,646	21,662	50,000
Centralized Services	69,558	57,803	60,500
Law Enforcement	602,606	535,267	533,437
Fire Control & Ambulance*	365,125	143,895	127,300
Detention/Corrections	316	1,462	2,500
Building & Planning	38,186	25,424	18,021
Dispatch Services	18,078	34,234	30,300
Cemetery	55,364	53,831	49,442
Community Events & Parks	119,407	149,540	105,180
Debt Service	49,765	48,961	41,050
Miscellaneous	37,200	27,821	3,600
<i>Total Expenditures</i>	<i>1,687,680</i>	<i>1,313,843</i>	<i>1,216,050</i>
<b>Increase (Decrease) in Fund Balance</b>	<b>(168,189)</b>	<b>53,590</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>10,679</b>	<b>64,269</b>	<b>64,269</b>
<b>Fund Balance as Percentage of Expenditures</b>	<b>1%</b>	<b>5%</b>	<b>5%</b>

\*EMS moved to fund 110 starting in 2025

## Fire Equipment

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>12,068</b>	<b>12,256</b>	<b>28,429</b>	<b>17,788</b>
<i>Revenues:</i>				
Taxes	48,822	38,500	34,400	35,000
Intergovernmental	-	-	-	83,000
Misc Revenues	422	300	362	-
<b>Total Revenues</b>	<b>49,244</b>	<b>38,800</b>	<b>34,762</b>	<b>118,000</b>
<i>Expenditures:</i>				
Debt Service	32,883	32,882	27,402	33,150
Capital outlay	-	18,000	18,000	87,000
<b>Total Expenditures</b>	<b>32,883</b>	<b>50,882</b>	<b>45,402</b>	<b>120,150</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>16,361</b>	<b>(12,082)</b>	<b>(10,641)</b>	<b>(2,150)</b>
<b>Ending Fund Balance</b>	<b>28,429</b>	<b>174</b>	<b>17,788</b>	<b>15,638</b>

*Funded by a portion of the 5% utility tax for equipment replacement. Funds 75% of 2019 fire truck loan (General Fund pays for remaining 25%).*

## Equipment Reserve

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>22,059</b>	<b>870</b>	<b>10,550</b>	<b>18,585</b>
<i>Revenues:</i>				
Taxes	20,050	26,850	34,400	35,000
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>20,050</b>	<b>26,850</b>	<b>34,400</b>	<b>35,000</b>
<i>Expenditures:</i>				
Debt Service	31,559	6,649	4,447	-
Springbrook Software	-	21,000	21,917	25,000
<b>Total Expenditures</b>	<b>31,559</b>	<b>27,649</b>	<b>26,364</b>	<b>25,000</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>(11,509)</b>	<b>(799)</b>	<b>8,036</b>	<b>10,000</b>
<b>Ending Fund Balance</b>	<b>10,550</b>	<b>71</b>	<b>18,585</b>	<b>28,585</b>

*Funded by a portion of 5% utility tax for equipment replacement. Pays for Springbrook software and debt service on 2019 police vehicle loan.*

## Drug Seizure

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>705</b>	<b>705</b>	<b>705</b>	<b>705</b>
<i>Total Revenues</i>	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<b>Increase (Decrease) in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>705</b>	<b>705</b>	<b>705</b>	<b>705</b>

*Drug seizure funds would be placed into this fund. Funds are restricted for drug enforcement.*

## Advance Payment Cemetery

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>8,988</b>	<b>8,988</b>	<b>8,248</b>	<b>8,248</b>
<i>Total Revenues</i>	-	-	-	-
<i>Total Expenditures</i>	740	-	-	-
<b>Increase (Decrease) in Fund Balance</b>	<b>(740)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>8,248</b>	<b>8,988</b>	<b>8,248</b>	<b>8,248</b>

*Prepayments on cemetery services. As per Chapter 2.84 of the Municipal Code the Clerk is authorized to accept monthly payments on lots and to accept advance payments for services, except for liners.*

# Makarenko Park Operating

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>9,953</b>	<b>24,943</b>	<b>22,759</b>	<b>25,288</b>
<i>Revenues:</i>				
Transfer from fund 702 - interest	20,416	11,925	19,157	12,000
<b>Total Revenues</b>	<b>20,416</b>	<b>11,925</b>	<b>19,157</b>	<b>12,000</b>
<i>Expenditures:</i>				
Culture & Recreation	7,610	6,914	16,628	23,997
<b>Total Expenditures</b>	<b>7,610</b>	<b>6,914</b>	<b>16,628</b>	<b>23,997</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>12,806</b>	<b>5,011</b>	<b>2,529</b>	<b>(11,997)</b>
<b>Ending Fund Balance</b>	<b>22,759</b>	<b>29,954</b>	<b>25,288</b>	<b>13,291</b>

*This fund accounts for use of Makarenko Park reserve fund interest income.*

## Street

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>21,022</b>	<b>27,756</b>	<b>3,242</b>	<b>2,384</b>
<i>Revenues:</i>				
Taxes	81,643	84,375	101,964	82,276
Intergovernmental	61,430	32,700	27,910	40,000
Miscellaneous	334	-	-	-
<b>Total Revenues</b>	<b>143,407</b>	<b>117,075</b>	<b>129,875</b>	<b>122,276</b>
<i>Expenditures:</i>				
Salaries & Benefits	62,327	40,031	50,210	46,576
Other Street Operating	92,101	70,436	74,380	75,700
Interfund loan repayment	6,758	6,607	6,142	-
<b>Total Expenditures</b>	<b>161,187</b>	<b>117,075</b>	<b>130,733</b>	<b>122,276</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>(17,780)</b>	<b>-</b>	<b>(858)</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>3,242</b>	<b>27,756</b>	<b>2,384</b>	<b>2,384</b>

*A portion of property tax and utility tax revenue is allocated to the Street Fund. The allocation amounts are set during budget process and can be changed. Increases to the Street Fund allocation are offset by decreases to tax revenue in the General Fund and vice versa.*

# EMS

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	-	-	-	-
<i>Revenues:</i>				
Charges for Services	-	254,660	254,660	509,319
<i>Total Revenues</i>	-	254,660	254,660	509,319
<i>Expenditures:</i>				
EMS Services	-	246,660	246,660	493,320
Other operating expenses	-	8,000	8,000	7,500
<i>Total Expenditures</i>	-	254,660	254,660	500,820
<b>Increase (Decrease) in Fund Balance</b>	-	-	-	<b>8,499</b>
<b>Ending Fund Balance</b>	-	-	-	<b>8,499</b>

# Cemetery Perpetual Care

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>66,601</b>	<b>66,601</b>	<b>66,601</b>	<b>79,390</b>
<i>Revenues:</i>				
Charges for Services	-	-	12,789	-
<i>Total Expenditures</i>	-	-	-	-
<b>Increase (Decrease) in Fund Balance</b>	-	-	<b>12,789</b>	-
<b>Ending Fund Balance</b>	<b>66,601</b>	<b>66,601</b>	<b>79,390</b>	<b>79,390</b>

*Proceeds from sale of cemetery lots to provide for maintenance of cemetery in perpetuity after sale of all lots. Per Chapter 3.48 of the Municipal Code, half of lot sale fees shall go into the cemetery perpetual care fund and the rest into the general fund for cemetery maintenance.*



## 2020 UTGO

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>2,371,623</b>	<b>346,049</b>	<b>(112,962)</b>	<b>(243,101)</b>
<i>Revenues:</i>				
Taxes	166,308	186,000	186,000	188,000
Interest	28,784	-	447	-
Transfers in	-	-	188,000	-
<b>Total Revenues</b>	<b>195,092</b>	<b>186,000</b>	<b>374,447</b>	<b>188,000</b>
<i>Expenditures:</i>				
Debt Service	183,774	185,695	185,695	187,800
Capital Outlay	2,495,902	200,000	318,892	-
<b>Total Expenditures</b>	<b>2,679,676</b>	<b>385,695</b>	<b>504,587</b>	<b>187,800</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>(2,484,585)</b>	<b>(199,695)</b>	<b>(130,139)</b>	<b>200</b>
<b>Ending Fund Balance</b>	<b>(112,962)</b>	<b>146,354</b>	<b>(243,101)</b>	<b>(242,901)</b>

*This fund accounts for use of \$3M bond proceeds for new building, and for property tax levy for related debt service.*

## Real Estate Excise Tax

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>243,100</b>	<b>266,985</b>	<b>266,746</b>	<b>289,463</b>
<i>Revenues:</i>				
Taxes	23,646	20,000	22,717	20,000
<b>Total Revenues</b>	<b>23,646</b>	<b>20,000</b>	<b>22,717</b>	<b>20,000</b>
<i>Expenditures:</i>				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>23,646</b>	<b>20,000</b>	<b>22,717</b>	<b>20,000</b>
<b>Ending Fund Balance</b>	<b>266,746</b>	<b>286,985</b>	<b>289,463</b>	<b>309,463</b>

# Water

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>355</b>	<b>82,622</b>	<b>46,534</b>	<b>129,632</b>
<i>Revenues:</i>				
Charges for Services	643,108	647,000	654,535	650,000
Miscellaneous	153	-	-	-
<b>Total Revenues</b>	<b>643,262</b>	<b>647,000</b>	<b>654,535</b>	<b>650,000</b>
<i>Expenditures:</i>				
Salaries & Benefits	128,071	113,169	85,171	120,190
Purchased Water - Aberdeen	345,177	385,000	350,905	385,000
Other Operating	92,569	110,095	108,562	127,500
Debt Service	31,265	31,266	26,799	30,800
<b>Total Expenditures</b>	<b>597,083</b>	<b>639,530</b>	<b>571,436</b>	<b>663,490</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>46,179</b>	<b>7,470</b>	<b>83,098</b>	<b>(13,490)</b>
<b>Ending Fund Balance</b>	<b>46,534</b>	<b>90,092</b>	<b>129,632</b>	<b>116,142</b>

*Funded by charges for services. Aberdeen contract is based on actual water usage and is paid monthly.*

# Sewer

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>98,718</b>	<b>32,600</b>	<b>93,940</b>	<b>599,061</b>
<i>Revenues:</i>				
Charges for Services	677,762	610,000	647,301	650,000
Miscellaneous	141	-	4	-
<b>Total Revenues</b>	<b>677,903</b>	<b>610,000</b>	<b>647,305</b>	<b>650,000</b>
<i>Expenditures:</i>				
Salaries & Benefits	127,952	86,310	81,038	88,850
Sewer Contract - Aberdeen	494,306	470,000	-	-
Other Operating	60,423	83,810	61,147	90,300
<b>Total Expenditures</b>	<b>682,681</b>	<b>640,120</b>	<b>142,184</b>	<b>179,150</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>(4,778)</b>	<b>(30,120)</b>	<b>505,121</b>	<b>470,850</b>
<b>Ending Fund Balance</b>	<b>93,940</b>	<b>2,480</b>	<b>599,061</b>	<b>1,069,911</b>

*Funded by charges for services. Aberdeen contract is based on a pro-rata share of Aberdeen's sewer budget. Billing is done annually, for prior year services.*

# Stormwater

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>93,050</b>	<b>128,124</b>	<b>119,693</b>	<b>168,477</b>
<i>Revenues:</i>				
Charges for Services	69,083	61,000	71,921	70,000
<i>Total Revenues</i>	<u>69,083</u>	<u>61,000</u>	<u>71,921</u>	<u>70,000</u>
<i>Expenditures:</i>				
Salaries & Benefits	30,895	22,253	18,609	25,891
Other Operating	11,545	18,500	4,528	18,500
<i>Total Expenditures</i>	<u>42,440</u>	<u>40,753</u>	<u>23,137</u>	<u>44,391</u>
<b>Increase (Decrease) in Fund Balance</b>	<b>26,643</b>	<b>20,247</b>	<b>48,784</b>	<b>25,609</b>
<b>Ending Fund Balance</b>	<b>119,693</b>	<b>148,371</b>	<b>168,477</b>	<b>194,086</b>

*Funded by user charges, for stormwater related expenditures.*

# Makarenko Park Reserve

## **Fund 702 - Makarenko Reserve**

<u>Description</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Projected</u>	<u>2026 Budget</u>
<b>Beginning Fund Balance</b>	<b>268,330</b>	<b>304,854</b>	<b>300,794</b>	<b>331,780</b>
<i>Revenues:</i>				
Interest Income	24,826	11,925	19,157	12,000
Interfund loan repayment	30,000	30,000	30,986	30,000
<i>Total Revenues</i>	<u>54,826</u>	<u>41,925</u>	<u>50,142</u>	<u>42,000</u>
<i>Expenditures:</i>				
Transfers Out	22,361	11,925	19,157	12,000
<i>Total Expenditures</i>	<u>22,361</u>	<u>11,925</u>	<u>19,157</u>	<u>12,000</u>
<b>Increase (Decrease) in Fund Balance</b>	<b>32,464</b>	<b>30,000</b>	<b>30,986</b>	<b>30,000</b>
<b>Ending Fund Balance</b>	<b>300,794</b>	<b>334,854</b>	<b>331,780</b>	<b>361,780</b>

*This fund accounts for an original trust deposit of \$320,547. The original trust deposit is to remain intact, with interest income to be used for Makarenko Park operating expenses. Interest income is transferred to fund 012 - Makarenko Park and is used for park operating expenses. Outstanding interfund loans receivable at year end 2025 = \$62,479*

# Interfund Loan Schedule

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Terms</u>	<u>2024 Ending Balance</u>	<u>2025 Payments</u>	<u>2025 Ending Balance</u>	<u>2026 Payments</u>	<u>2026 Ending Balance</u>
001 General Fund	404 LID 99	Ord. 1310 - \$80,000 repaid in 10 annual payments of \$8,000 starting in 2017 @ 1% *	22,930	22,930	-	-	-
001 General Fund	702 Makarenko Park Reserve	Ord.1310 - \$100,000 repaid in 10 annual payments of \$10,000 starting in 2017 @ 1% *	31,098	10,000	21,098	10,000	11,098
001 General Fund	702 Makarenko Park Reserve	Ord. 1285 - \$200,000, repaid in 10 annual payments of \$20,000, starting in 2015 @ 1% *	61,381	20,000	41,381	20,000	21,381
101 Street Fund	404 LID 99	Ord.1351 - \$30,000 repaid in 5 years, starting in 2021 @ 2.5% interest	6,447	6,447	-	-	-
<b>Total</b>							

\*Note: interfund loan payments were not made in 2020, therefore final payment year will be extended out +1 year from original terms\*



**To:** Mayor Linda Springer and City Council Members

**From:** Tara Dunford, CPA

**Date:** December 3, 2025

**Re:** Ordinance No. 1402 2026 Budget

**ATTACHMENTS:** Ordinance 1402; Budget Book

**TYPE OF ACTION:** Adoption.

**Discussion:**

Council received the Preliminary budget on October 15, 2025. The required Public Hearing on revenue sources occurred on October 15, 2025. The required Public Hearing on the Preliminary budget occurred on November 5, 2025, and the required Public Hearing on the Final budget will occur on December 3, 2025. The first read of the budget ordinance occurred on November 19, 2025. Adoption of the budget (second reading of this ordinance) is scheduled for December 3, 2025. The 2026 Budget must be adopted prior to December 31, 2025.

There has been one change to the budget book since the version presented to Council on November 19, 2025 - \$20,000 was moved from the Judicial (court) line to the Legal line in the General Fund. This is due to indigent defense and prosecutor professional service fees, which were incorrectly included in the Judicial budget rather than the Legal budget. The net impact on General Fund expenditures is zero.

**ORDINANCE NO. 1402**

**AN ORDINANCE RELATING TO FINANCE; ADOPTING  
A BUDGET FOR THE CITY'S OPERATIONS FOR THE  
YEAR 2026.**

**R E C I T A L S:**

1. With the aid of the City staff, the Mayor and City Council have undertaken a review of the anticipated expenditures which are necessary to fund the operation of the City during the year 2026. At the same time, City Staff, the Mayor and City Council have undertaken a review of the revenue projections for the same period.

2. During the course of this review, the Council and Mayor received a draft budget from the City Clerk which contained an extensive analysis of the anticipated fiscal needs for each city department for 2026.

3. Over the last weeks, the Council and Mayor have held a series of workshops which have been open to the Public so as to insure the maximum amount of public input. This has involved receiving information from each of the department heads as to the operational activities of their departments.

4. In addition to the public workshops, the course of the review had included all statutorily required public notices having been given and hearings held.

5. Prior to the finalization of the 2026 budget, the Council has adopted and the Mayor has signed an ordinance establishing the authorized level of taxation on real property within the City.

6. After such a review, it has been determined that the best interests of the Citizens and this City are served by the adoption of a budget as set forth upon Exhibit #1.

7. The budget as set forth is balanced in terms of projected income and expenditures. It is adopted as a budget by fund and not a line item budget.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF COSMOPOLIS:

SECTION I: That chart of funds attached hereto as Exhibit #1, being incorporated by this reference, showing projected expenditures and income shall constitute and is hereby adopted as the budget for the City of Cosmopolis for the year 2026. That chart and the budgetary details upon which it is based shall be made available to any citizen requesting the opportunity to review the budget during the regular business hours of the Office of the City Clerk.

SECTION II: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION III: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION IV: Corrections by the Clerk-Controller or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-Controller and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ by the City Council of the City of Cosmopolis and signed in approval therewith this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF COSMOPOLIS:

\_\_\_\_\_  
LINDA SPRINGER, Mayor

ATTEST:

\_\_\_\_\_  
KASEY GROVE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRISTOPHER JOHN COKER, City Attorney

PUBLISHED: \_\_\_\_\_



# Exhibit 1

## 2026 Budget Summary

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
001 General	64,269	1,216,050	1,216,050	0	64,269
002 Fire Equipment	17,788	118,000	120,150	(2,150)	15,638
007 Equipment Reserve	18,585	35,000	25,000	10,000	28,585
010 Drug Seizure	705	-	-	-	705
011 Advance Payment Cemetery	8,248	-	-	-	8,248
012 Makarenko Park Operating	25,288	12,000	23,997	(11,997)	13,291
101 Street	2,384	122,276	122,276	0	2,384
105 Cemetery Perpetual Care	79,390	-	-	-	79,390
110 EMS	-	509,319	500,820	8,499	8,499
205 2020 UTGO Bond	(243,101)	188,000	187,800	200	(242,901)
305 Real Estate Excise Tax	289,463	20,000	-	20,000	309,463
401 Water	129,632	650,000	663,490	(13,490)	116,142
402 Sewer	599,061	650,000	179,150	470,850	1,069,911
410 Stormwater	168,477	70,000	44,391	25,609	194,086
702 Makarenko Park Reserve	331,780	42,000	12,000	30,000	361,780
<b>Total</b>	<b>1,491,969</b>	<b>3,632,645</b>	<b>3,095,123</b>	<b>537,522</b>	<b>2,029,491</b>