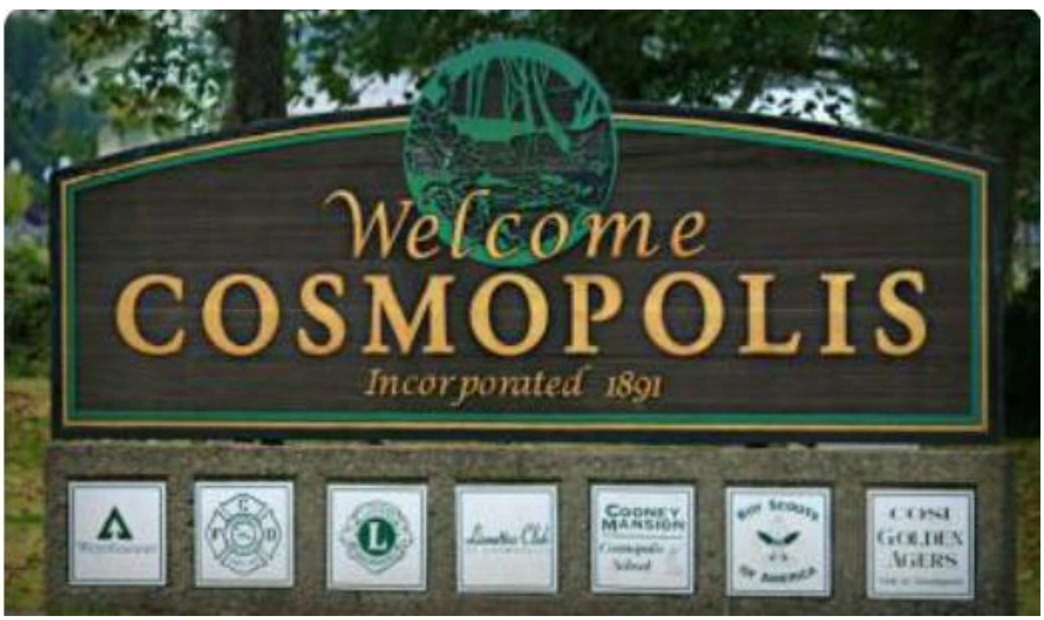
City of Cosmopolis

Preliminary Budget

2026



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City of Cosmopolis

Letter from the Mayor – 2026 Budget

"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” 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 continue to support Cosmopolis: College’s Diesel Program has helped reduce equipment repair costs for the city. Grays Harbor College Forestry Program, Five Star continues to provide support for the city. Sherwin Williams, Caskey Industrial Supplies, Darst Electric and other local hometown businesses 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 our 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. For reasons that remain unclear bonds were not moved until the current administration. The building was completed over budget. 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. As we approach 2026, with a balanced budget, this administration is committed to 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

		Term Expires:
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

Fund	Beginning Fund Balance	Revenues	Expenditures	Increase (Decrease)	Ending Fund Balance
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
Total	**1,491,969**	**3,632,645**	**3,095,123**	**537,522**	**2,029,491**

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
Full Time	**FTE**	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
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
Total Full Time	**5**												

	Hourly					
	Step A	Step B	Step C	Step D	Step E	Step F
Part Time - Hourly	0-12 months	13-24 months	25-36 months	37-48 months	49-60 months	61+ months
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

Flat Rate	Flat Rate
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

Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Beginning Fund Balance	**178,868**	**168,289**	**10,679**	**64,269**
Revenues:				
Taxes	1,188,449	965,620	928,901	933,200
Licenses & Permits	50,133	52,200	82,787	56,650
Intergovernmental Revenues	172,030	83,650	200,699	125,700
Charges For Services	17,072	14,350	48,603	24,900
Fines & Forfeitures	37,628	34,800	37,124	37,000
Misc Revenues	54,179	35,642	69,320	38,600
Total Revenues	1,519,490	1,186,262	1,367,433	1,216,050
Expenditures:				
Legislative	21,306	23,800	17,727	24,352
Judicial	64,825	56,066	65,133	60,323
Executive	9,701	11,222	9,000	11,545
Finance	204,597	113,574	122,082	118,501
Legal	31,646	30,000	21,662	30,000
Centralized Services	69,558	62,849	57,803	60,500
Law Enforcement	602,606	546,297	535,267	533,437
Fire Control & Ambulance*	365,125	128,352	143,895	127,300
Detention/Corrections	316	2,500	1,462	2,500
Building & Planning	38,186	18,260	25,424	18,021
Dispatch Services	18,078	22,500	34,234	30,300
Cemetery	55,364	42,664	53,831	49,442
Community Events & Parks	119,407	82,737	149,540	105,180
Debt Service	49,765	48,961	48,961	41,050
Miscellaneous	37,200	2,980	27,821	3,600
Total Expenditures	1,687,680	1,192,762	1,313,843	1,216,050
Increase (Decrease) in Fund Balance	**(168,189)**	**(6,500)**	**53,590**	**0**
Ending Fund Balance	**10,679**	**161,789**	**64,269**	**64,269**
Fund Balance as Percentage of Expenditures	**1%**	**14%**	**5%**	**5%**

*EMS moved to fund 110 starting in 2025

Fire Equipment

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

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

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

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

Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Beginning Fund Balance	**705**	**705**	**705**	**705**
Total Revenues	-	-	-	-
Total Expenditures	-	-	-	-
Increase (Decrease) in Fund Balance	**-**	**-**	**-**	**-**
Ending Fund Balance	**705**	**705**	**705**	**705**

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

Advance Payment Cemetery

Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Beginning Fund Balance	**8,988**	**8,988**	**8,248**	**8,248**
Total Revenues	-	-	-	-
Total Expenditures	740	-	-	-
Increase (Decrease) in Fund Balance	**(740)**	**-**	**-**	**-**
Ending Fund Balance	**8,248**	**8,988**	**8,248**	**8,248**

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

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

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

Street

Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Beginning Fund Balance	**21,022**	**27,756**	**3,242**	**2,384**
Revenues:				
Taxes	81,643	84,375	101,964	82,276
Intergovernmental	61,430	32,700	27,910	40,000
Miscellaneous	334	-	-	-
Total Revenues	143,407	117,075	129,875	122,276
Expenditures:				
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	-
Total Expenditures	161,187	117,075	130,733	122,276
Increase (Decrease) in Fund Balance	**(17,780)**	**-**	**(858)**	**0**
Ending Fund Balance	**3,242**	**27,756**	**2,384**	**2,384**

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

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

Cemetery Perpetual Care

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

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 ino the general fund for cemetery maintenence.

2020 UTGO

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

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

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

Water

Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Beginning Fund Balance	**355**	**82,622**	**46,534**	**129,632**
Revenues:				
Charges for Services	643,108	647,000	654,535	650,000
Miscellaneous	153	-	-	-
Total Revenues	643,262	647,000	654,535	650,000
Expenditures:				
Salaries & Benefits	128,071	113,169	85,171	120,190
Purchased Water - Aberdeeen	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
Total Expenditures	597,083	639,530	571,436	663,490
Increase (Decrease) in Fund Balance	**46,179**	**7,470**	**83,098**	**(13,490)**
Ending Fund Balance	**46,534**	**90,092**	**129,632**	**116,142**

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

Sewer

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

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

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

Funded by user charges, for stormwater related expenditures.

Makarenko Park Reserve

Fund 702 - Makarenko Reserve

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

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

Borrowing Fund	Lending Fund	Terms	2024 Ending Balance	2025 Payments	2025 Ending Balance	2026 Payments	2026 Ending Balance
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 $10,00 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	-	-	-
Total							

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: November 5, 2025
Re: 2025 Budget Amendment #1
ATTACHMENTS: Ordinance No. 1400
TYPE OF ACTION: Adoption, Second Read.
Discussion:

This proposed budget amendment includes the following:

General Fund

- Increase of $63,000 to cover parks RCO grant which was not included in the original 2025 budget. This is 100% offset by grant revenue (also unbudgeted in the original 2025 budget).
- Increase of $188,000 in transfers out to bond fund. This is funded as follows: 1) $50,000 from school plan/permit revenue (unplanned/unbudgeted additional revenue in 2025); 2) $50,500 from closing the 1997 UTGO bond fund; 3) $87,500 from closing the LID fund.

Makarenko Park

Increase of $8,000 for dangerous tree removal ($5K) plus additional salaries/benefits, based on actual time spent to date ($3K). This is covered by additional interest revenue earned to date.

Street Fund

Increase of $14K for sidewalk and driveway at new municipal building. This will be funded by additional allocation of utility tax revenue from the general fund.

1997 UTGO
$50,500 represents the balance in the fund. Per bond counsel, excess bond proceeds should be credited to the General Fund. It is recommended that the fund be closed and dollars used to cover part of the shortfall in the bond fund.

2020 UTGO
- Increase expenditure budget by $138,000 to cover year to date actual (through project completion.
- Increase revenues by $188,000 (transfer in from General Fund as noted above).

Local Improvement District

$87,500 represents the balance in the fund. Per bond counsel, excess bond proceeds should be credited to the General Fund. It is recommended that the fund be closed and dollars used to cover part of the shortfall in the bond fund.

ORDINANCE NO. 1400

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSMOPOLIS, MAKING CERTAIN FINDINGS OF FACT AND AMENDING THE 2025 BUDGET ADOPTED WITH ORDINANCE NO. 1396 ON DECEMBER 4, 2024, AND PROVIDING FOR SEVERABILITY, AND EFFECTIVE DATE, AND FOR SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

R E C I T A L S:

1. WHEREAS, the City Council of the City of Cosmopolis adopted the 2025 Budget with Ordinance No. 1396 on December 4, 2024.

2. WHEREAS, unplanned and unbudgeted expenditures have been identified.

3. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the General Fund budget by $251,000.

4. WHEREAS, the increase in the General Fund expenditure budget will be offset entirely by increases in revenue and transfers in totaling $251,000.

5. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the Makarenko Park Fund budget by $8,000.

6. WHEREAS, the increase in the Makarenko Park Fund expenditure budget will be offset by an increase in revenue of $8,000.

7. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the Street Fund budget by $14,000.

8. WHEREAS, the increase in the Street Fund expenditure budget will be offset by an increase in revenue of $14,000.

9. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the 1997 UTGO Fund budget by $50,500.

10. WHEREAS, the increase in the 1997 UTGO expenditure budget will be offset by a decrease in fund balance and closing of the fund.

11. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the 2020 UTGO Fund budget by $138,000.

12. WHEREAS, the increase in the 2020 UTGO expenditure budget will be offset by an increase in transfers in totaling $188,000.

13. WHEREAS, the City Council has determined that it is in the best interest of the City of Cosmopolis to increase the Local Improvement District Fund budget by $87,500.

14. WHEREAS, the increase in the Local Improvement District Fund expenditure budget will be offset by a decrease in fund balance and closing of the fund.

15. WHEREAS, following the introduction of this ordinance at the Council's meeting held on November 5, 2025, an opportunity for public comment will have been provided as required by law before the adoption of this ordinance.

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

SECTION I: The above stated recitals are hereby adopted as the council's findings and reasons for the adoption of this ordinance.

SECTION II: The 2025 budget, as adopted with Ordinance No. 1396 is hereby amended with an increase of $461,000 to revenues and $549,000 to expenditures as detailed below:

	Expenditures		
Fund	Original	Amended	Increase (Decrease)
General Fund	1,192,762	1,443,762	251,000
Fire Equipment	50,882	50,882	-
Equipment Reserve	27,649	27,649	-
Drug Seizure Fund	-	-	-
Advanced Cemetery	-	-	-
Makarenko Park	6,914	14,914	8,000
Street Fund	117,075	131,075	14,000
EMS	254,660	254,660	-
Cemetery Perpetual Care	-	-	-
UTGO Bond - 1997	-	50,500	50,500
UTGO Bond - 2020	385,695	523,695	138,000
Real Estate Excise Tax	-	-	-
Water Fund	639,530	639,530	-
Sewer Fund	640,120	640,120	-
LID Fund	500	88,000	87,500
Stormwater Utility	40,753	40,753	-
Makarenko Park Reserve	11,925	11,925	-
Total	**3,368,465**	**3,917,465**	**549,000**

	Revenues		
Fund	Original	Amended	Increase (Decrease)
General Fund	1,186,262	1,437,262	251,000
Fire Equipment	38,800	38,800	-
Equipment Reserve	26,850	26,850	-
Drug Seizure Fund	-	-	-
Advanced Cemetery	-	-	-
Makarenko Park	11,925	19,925	8,000
Street Fund	117,075	131,075	14,000
EMS	254,660	254,660	-
Cemetery Perpetual Care	-	-	-
UTGO Bond - 1997	-	-	-
UTGO Bond - 2020	186,000	374,000	188,000
Real Estate Excise Tax	20,000	20,000	-
Water Fund	647,000	647,000	-
Sewer Fund	610,000	610,000	-
LID Fund	14,856	14,856	-
Stormwater Utility	61,000	61,000	-
Makarenko Park Reserve	41,925	41,925	-
Total	**3,216,353**	**3,677,353**	**461,000**

SECTION III: 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 IV: This ordinance, being an exercise of power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED THIS _______ DAY OF November, 2025, by the City Council of the City of Cosmopolis, and signed in approval therewith this ______ day of November, 2025.

CITY OF MONTESANO:

____
LINDA SPRINGER, Mayor

ATTEST:

____
KASEY GROVE, City Clerk

APPROVED AS TO FORM:

____
CHRISTOPHER JOHN COKER, City Attorney

PUBLISHED: ______________________________

To: Mayor Linda Springer and City Council Members

From: Tara Dunford, CPA

Date: November 5, 2025

Re: Ordinance No 1401 Property Tax Levy for 2026

ATTACHMENTS: Ordinance No. 1401

TYPE OF ACTION: None. First read.

Discussion: The City must adopt a tax levy ordinance in order to levy property taxes for 2026. The attached ordinance pertains to the regular levy only, exclusive of additional revenue from new construction. The attached ordinance presumes an increase of the maximum allowable (1%). Amounts for this ordinance are provided by Grays Harbor County and are calculated as follows:

Step 1: Calculate 2026 levy based on maximum allowable increase (1%)

Highest lawful regular levy	$475,237
x 101 percent equals	$479,990

Step 2: Calculate change from prior year levy

2026 levy	$479,990 (calculated as shown above)
Less: actual 2025 levy	$479,970
Dollar increase equals	$20.00
Percent increase equals	.00%

Additional revenues related to administrative refunds and new construction are not required to be included in the tax levy ordinance but will be included in the levy certification provided to Grays Harbor County. The percentage increase noted above is less than 1% due to administrative refunds levied in 2025 totaling $4,813, which are excluded from the highest lawful base levy for 2025. The cost of the 1% increase per $1,000 of assessed valuation is approximately $.01661. The annual impact on homes at various assessed valuations is as follows:

$300,000 - $4.98
$400,000 - $6.65
$500,000 - $8.31
$600,000 - $9.97
$700,000 - $11.63
$800,000 - $13.29
$900,000 - $14.95
$1,000,000 - $16.61

The total property tax levy per $1,000 was $10.38 in 2025. Of this, $2.19, or 21% was related to the City's regular property tax levy and $.88 or 9% was related to the City's bond levy. 52% of the 2025 property tax levy was for schools, 9% was for the county, and the remaining 9% was for other purposes (port, library, hospital).

ORDINANCE NO. 1401

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSMOPOLIS RELATING TO THE ESTABLISHMENT OF THE REGULAR AD VALOREM TAX LEVY FOR THE YEAR 2026; MAKING FINDINGS; AND RESERVING RIGHTS.

R E C I T A L S:

1. WHEREAS, the City Council of the City of Cosmopolis has met and is considering its budget for the calendar year 2026.

2. WHEREAS, The City's actual levy amount from the previous year was $479,970.00.

3. WHEREAS, the City has a population of less than 10,000 citizens.

4. WHEREAS, RCW 84.55.120 requires that all property tax increases must be adopted by ordinance and specifically identify the dollar and percentage change from the prior year,

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

SECTION I: That an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2026 tax year.

SECTION II: The dollar amount of the increase over the actual levy amount from the previous year shall be $20.00, which is a percentage increase of .00% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

SECTION III: This ordinance is based upon the information from the Office of the County Assessor as to amounts and calculations, as well as advice from County officials that this ordinance can be amended to modify the tax rate established herein by adoption of an appropriate amendatory ordinance. The City specifically reserves the right to take such amendatory action up to and including the last day allowed. Upon execution by the Mayor, a certified copy of this Ordinance shall be provided to the appropriate officials of the County so as to provide for appropriate assessment.

SECTION IV: Upon execution by the Mayor, a certified copy of this Ordinance shall be provided to the appropriate officials of the County so as to provide for appropriate assessment.

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

SECTION VII: 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 November, 2025, by the City Council of the City of Cosmopolis, and signed in approval therewith this ______ day of November, 2025.

CITY OF COSMOPOLIS:

____

LINDA SPRINGER, Mayor

ATTEST:

____

KASEY GROVE, City Clerk

APPROVED AS TO FORM:

____

CHRISTOPHER JOHN COKER, City Attorney

PUBLISHED: __________________________