

AGENDA
CITY OF STEVENSON SPECIAL COUNCIL MEETING
November 12, 2020
6:00 PM, Remote

Call-in numbers 253-215-8782, 669-900-6833, 346-248-7799, 312-626-6799, 929-205-6099 or
301-715-8592, Meeting ID 830 1604 0560, Zoom link
<https://us02web.zoom.us/j/83016040560> or via YouTube at
<https://www.youtube.com/channel/UC4k9bA0IEvsF6PSoDwjJvA/>

1. CALL TO ORDER: Mayor to call the meeting to order and conduct roll call.

2. COUNCIL BUSINESS:

- a) 2021 Proposed Budget Discussion** - City Administrator Leana Kinley presents a revised 2021 budget proposal in the draft budget document for council review and discussion. Additional information regarding the budget process, revenue sources and trends can be found in the enclosed 2021 Budget Suggestions published by MRSC.

4. ADJOURNMENT - Mayor will adjourn the meeting.

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City of Stevenson
2021 Proposed Budget
Draft Document



2021 PROPOSED BUDGET

Table of Contents

- Introduction:
 - Readers Guide
 - City Organization Chart
 - Budget Calendar
 - Budget Ordinance
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 - Water/Sewer Funds
 - Equipment Service Fund
 - Fiduciary Funds
 - Stevenson Municipal Court
- Appendix
 - Financial Policies
 - 2021 Salary Table
 - 2021 Fee Schedules

READER'S GUIDE TO THE BUDGET

The City of Stevenson must adopt a balanced budget each year. Annual City expenditures must not exceed annual City revenues. Also, to be prudent a City may decide to place some of its resources each year into reserves to cover future emergencies or unanticipated opportunities. Beyond these basic guidelines, budgets for cities are quite complex. Much of this complexity is created to allow for proper accounting and tracking techniques as required by State law and governmental accounting practices. Cities draw their revenues from a wide variety of sources, divide their expenditures into separate funds and allocate their program expenditures in ways that serve the special needs of municipal services. This Reader's Guide is being provided to make the City's budget more understandable and useable for the reader.

Organization of this Document

This budget document contains legally required budget information, descriptive background information and various illustrative graphs and tables that will be helpful to the readers' understanding. It is organized into four sections to facilitate the reader's understanding of the City's 2021 budget and to help the reader to find information regarding the City and its budget. Those four sections are: Introduction, Budget Memo, Budget by Fund, and Appendix.

Introduction – This section is designed to introduce the reader to the City of Stevenson and its budget process. It includes the following:

- Table of Contents
- Reader's Guide
- City Organization Chart
- Budget Calendar
- Budget Ordinance
- City Vision, Mission & Strategic Plan

Budget Memo – This section provides a high-level view of the 2021 budget, an in-depth look at the City's revenue sources, and projected fund balances. It includes the following:

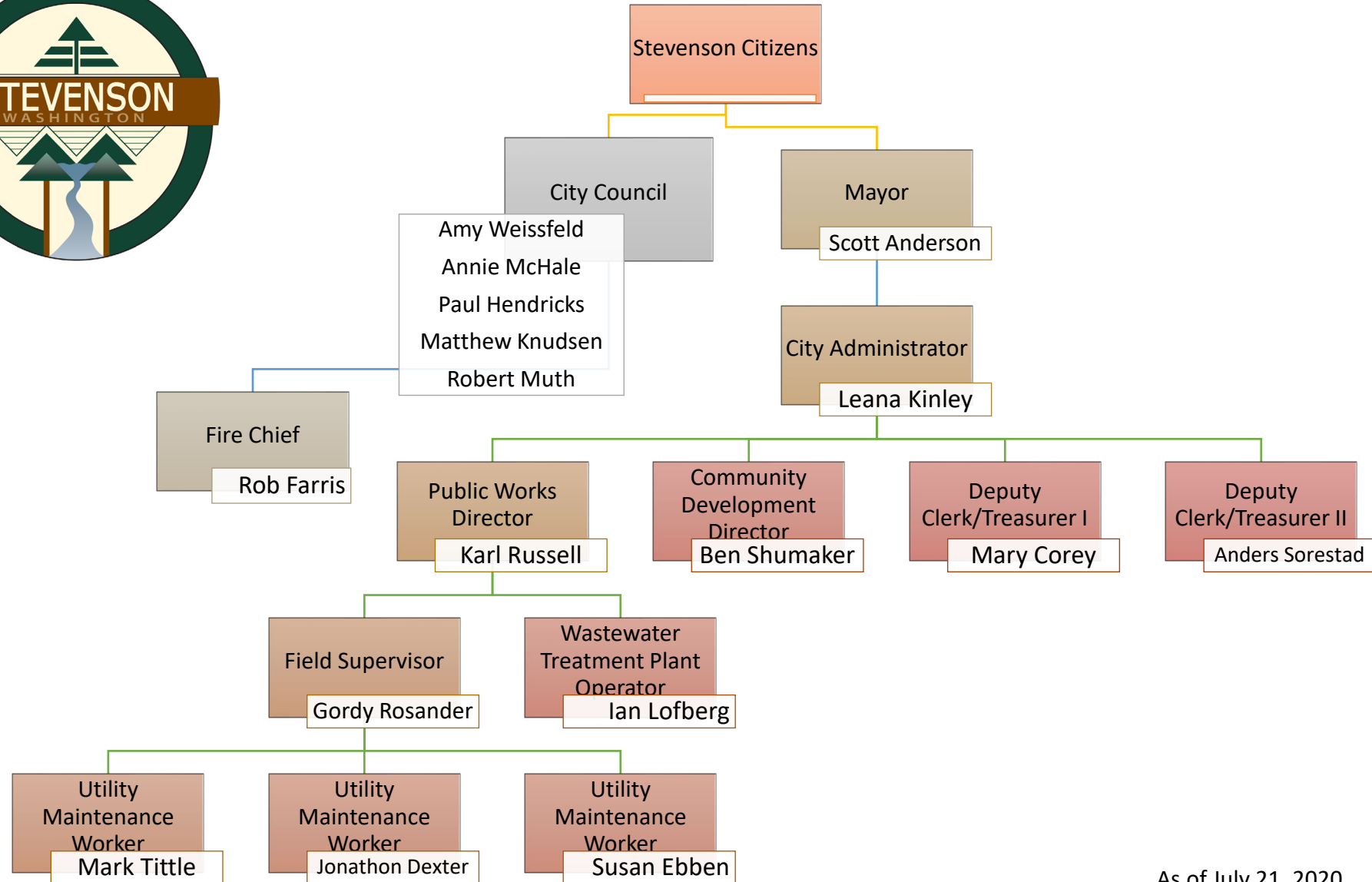
- Percentage of City Resources and Expenditures by Category
- Highlight of Capital Projects and Changes
- 2021 Revenue Sources
- Ending Fund Balances
- Description of Funds

Budget by Fund – This section illustrates the financial condition and provides a historical comparison of each of the City's funds. It includes:

- All Funds Historical Revenue/Expenditure Summary
- Revenue and Expenditure Report for All Funds

Appendix – This section includes:

- Financial Policies
- 2021 Salary Table
- 2021 Fee Schedules



As of July 21, 2020

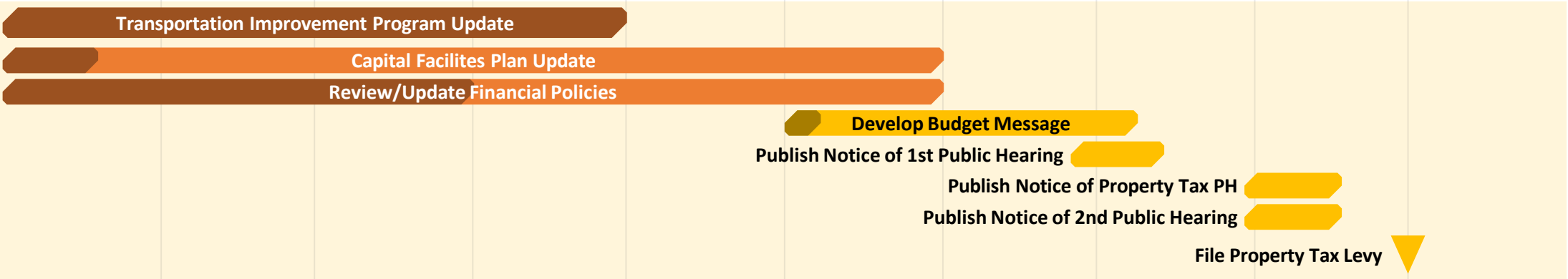
Budget Calendar for FY 2021

2020

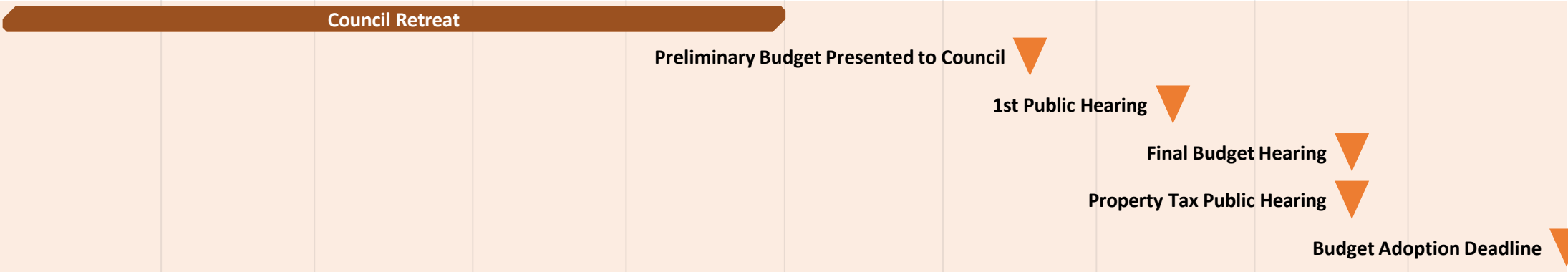


Today

Mayor/Staff



Council



City of Stevenson 2021 Budget Calendar

September 17, 2020 Regular Council Meeting	Preliminary Budget Presented to Council and updated current year Council direction on cost of living increase for City staff and confirm council priorities. <i>(Prior to October 1-No later than the first Monday in October)</i>
September 30 2020	Publish notice of Public Hearing on Proposed Budget (1 st Budget Meeting).
October 7, 2020	Publish second notice of Public Hearing on Proposed Budget (1 st Budget Meeting).
October 15, 2020 Regular Council Meeting	Public Hearings (two): 1st Budget Meeting / Public Hearing on Proposed Budget. <i>(Prior to the Final Hearing)</i> <ul style="list-style-type: none">➤ Receive Budget Message <i>(Prior to November 2-At least 60 days prior to the beginning of the next fiscal year)</i>➤ Presentation of Proposed Budget➤ Public Comment➤ City Council Deliberations & Questions
November 4, 2020	Publish first notice of Final Hearing on Proposed Budget <i>(for two consecutive weeks)</i> and Public Hearing on Proposed Property Tax Levy.
November 11, 2020	Publish second notice of Final Hearing on Proposed Budget <i>(for two consecutive weeks)</i> and Public Hearing on Proposed Property Tax Levy.
November 19, 2020 Regular Council Meeting	Final Hearing on Budget: <i>(On or before December 3-prior to the first Monday in December)</i> Public Comment <ul style="list-style-type: none">➤ Continue City Council budget deliberations & questions➤ Approve Budget or schedule additional meetings Property Tax Levy Public Hearing: <i>(Prior to November 30)</i> <ul style="list-style-type: none">➤ Public Comment➤ Set Property Tax Levy, approve Resolution and Ordinance
November 30, 2020	File Property Tax Levy Certification with County Tax Assessor
December 17, 2020 Regular Council meeting	Budget Adoption <i>(Prior to December 31)</i>
January 31, 2021	Submit Copies of Final Budget to State Auditor's Office and MRSC. <i>(After Adoption)</i>

**CITY OF STEVENSON, WASHINGTON
ORDINANCE NO. 2020-1169**

**AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF
STEVENSON, WASHINGTON, FOR FISCAL YEAR 2021**

WHEREAS, the City Administrator of the City of Stevenson, Washington completed and placed on file a proposed budget and estimate of the money required to meet the public expenses, debt service, reserve funds, and expenses of government of the City of Stevenson for the 2021 fiscal year; and

WHEREAS, the City Council of the City of Stevenson held public hearings regarding the 2021 proposed budget on October 15, 2020, and November 19, 2020; and

WHEREAS, the 2021 proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on property within the City of Stevenson for the purposes set forth in the 2021 budget, and the estimated expenditures set forth in the 2021 budget are necessary to carry on the government of the City of Stevenson.

NOW, THEREFORE, the City Council of the City of Stevenson do ordain as follows:

Section 1. Budget Adoption. The budget for the City of Stevenson, Washington for the year 2021 is hereby adopted in its final form and content, a copy of which is on file with the City Administrator and available for inspection by the public at City Hall, 7121 East Loop Road, Stevenson, Washington, during normal business hours.

Section 2. Appropriations: Estimated revenues for each fund of the City of Stevenson for the year 2021 are set forth in summary form on Exhibit A attached hereto, and are hereby appropriated for expenditure at the fund level as set forth on Exhibit A.

Section 3. Transmittal. The City Clerk is directed to transmit a copy of the budget hereby adopted to the State Auditor's office and to the Association of Washington Cities.

Section 4. Effective Date. This Ordinance shall take effect and be in force January 1, 2021, or five days after publication according to law, whichever date is later.

Passed by the City Council of the City of Stevenson this 19th day of November, 2020.

Scott Anderson, Mayor of the City of Stevenson

ATTEST:

APPROVED AS TO FORM:

Leana Kinley, City Clerk

Kenneth B Woodrich, PC
City Attorney

Ordinance 2020-1169 Exhibit A

2021 Initial Budget

Estimated Revenues and Budgeted Appropriations by Fund

		Budgeted Resources				Budgeted Appropriations			
Fund No.	Name	Estimated Beginning Cash	Estimated Revenues	Transfers In	Total Budgeted Resources	Budgeted Expenditures	Transfers Out	Estimated Ending Cash	Total Appropriations
001	General Fund	683,314	1,254,160	-	1,937,473	1,267,166	25,000	645,307	1,937,473
010	General Fund Reserve	326,706	-	-	326,706	-	-	326,706	326,706
020	Fire Reserve Fund	1,518,593	-	25,000	1,543,593	-	-	1,543,593	1,543,593
100	Street Fund	253,378	326,044	-	579,422	411,050	43,700	124,672	579,422
103	Tourism Promotion	570,886	300,000	-	870,886	598,100	-	272,786	870,886
105	Affordable Housing	-	15,000	-	15,000	-	-	15,000	15,000
300	Capital Improvements Fund	80,020	20,000	-	100,020	-	-	100,020	100,020
309	Russell Avenue	-	-	-	-	-	-	-	-
311	First Street	-	575,400	43,700	619,100	619,100	-	-	619,100
400	Water / Sewer Fund	556,417	1,661,506	-	2,217,923	1,534,020	21,779	662,123	2,217,923
406	WW Short-Lived Asset Res.	21,779	-	21,779	43,558	-	-	43,558	43,558
407	WW Debt Res.	61,191	-	-	61,191	-	-	61,191	61,191
410	Wastewater System Improv.	-	500,000	-	500,000	500,000	-	-	500,000
500	Equipment Service Fund	183,178	150,000	-	333,178	152,750	-	180,428	333,178
		4,255,461	4,802,110	90,479	9,148,050	5,082,186	90,479	3,975,385	9,148,050



City of Stevenson

Phone (509)427-5970
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7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

Stevenson City Council Goals for 2021-2022

Vision

Those citizens have now spoken, and their vision for the future is to proudly look out their window, walk down their street, or return for a visit in 2030 and honestly say:

“Stevenson is a friendly, welcoming community that values excellent schools and a small-town atmosphere. The natural beauty is enjoyed by residents and visitors through a network of recreational opportunities. The strength of Stevenson’s economy is built upon high quality infrastructure and a vibrant downtown that provides for residents’ daily needs. Stevenson takes advantage of our unique location on the Columbia River by balancing jobs, commerce, housing, and recreation along the waterfront.”

Mission

Stevenson is committed to investing in improved infrastructure, stewardship, community & human development. We will adapt, evolve, and progress to maintain our resilient and inviting small-town feel in an agile/nimble and fiscally responsible way.

Goals

The goals below are a list of priorities from council. Interwoven throughout these priorities is improved communication and engagement with the community, maintaining and improving current infrastructure and assets, and incorporating additional goals such as aggressive undergrounding of utilities and broadband within capital projects where possible.

1. **Wastewater Upgrades:** The city will continue working toward lifting the commercial sewer connection moratorium, building efficient, sustainable and affordable wastewater system upgrades with added BOD capacity by the end of 2022.
 - a. Implement **updated rate structure** after completion of rate study by the end of 2020.
 - b. **Relocate Public Works** equipment and materials with the expansion of the WWTP to be implemented with construction of the upgrades by the end of 2022.
 - c. Continue with the **Sewer Lining** project to reduce Infiltration and Inflow at the wastewater treatment plant during rain events by inspecting 10% of the wastewater collection system each year and repairing as needed and as budget allows.
 - d. **Continue with minor improvements** in both collection system and plant and encouraging BOD reduction to reach a goal of 0 NPDES effluent violations.
 - e. **Apply** for construction funding with DOE, USDA and others to maximize grants and leverage low-interest loans to reduce cost impact to residents.

Stevenson City Council Goals for 2021-2022 (cont.)

- f. Complete funding package requirements for collection system and sign contracts by the end of 2020.
 - g. Complete and sign finding contracts for WWTP funding by the fall of 2021.
 - h. Complete permitting requirements for construction by the fall of 2021.
 - i. Bid Lift Station and collection system construction project by the summer of 2021.
 - j. Begin construction on the lift stations and collection system by fall of 2021.
 - k. Bid and begin construction on the WWTP by the end of 2021.
- 2. Downtown Planning:** The downtown corridor will be thoughtfully planned to encourage utilization of the entire downtown, allow for safe and easy flow of traffic, and support mixed-use development by the end of 2024.
- a. A city-wide **Traffic Study** will be completed by the end of 2021.
 - b. **Design Standards** outlined in the Downtown Plan will be reviewed and updated by the end of 2021.
 - c. **Mixed-Use** – The city will reduce barriers to mixed use to encourage increase mixed use development by the end of 2024.
 - d. **Aesthetic Improvements** -Vacant/derelict/unkept property ordinances will be in place by the end of 2022, a list of nuisance properties will be created in coordination with the Stevenson Downtown Association by the end of 2022 and nuisance properties will be enforced for a reduction of nuisances by 75% by 2024.
 - e. **East-side Downtown Improvements** will be made to encourage development with an increase of developed or utilized properties of 25% by 2024.
 - i. First Street Overlook will be constructed in 2021.
 - ii. Columbia Street Realignment will move forward with conceptualization and planning for a complete path forward with funding partners by the end of 2022.
- 3. Fire Hall:** The city will partner with Skamania County Fire District 2 and the Skamania County Department of Emergency Management to build a new fire hall that meets the needs of the agencies, is affordable to the community and is a valued asset of Rock Creek Drive.
- a. **Design Completion**
 - b. Apply for and secure **Construction Funding**
 - c. Enter into interlocal agreements between various agencies for the funding and/or maintenance of the property.
 - d. Complete construction
- 4. Water System Continued Maintenance**
- a. **Replace** most of the failing **AC Pipes**, about 30% of the city waterlines, by 2030. Projects outlined in the next few years include:
 - i. School Street
 - ii. Loop Rd
 - iii. Upper Russell (in conjunction with Park Plaza construction)
 - iv. Frank Johns
 - b. Water Treatment Plant Maintenance includes reroof and painting interior.
 - c. Establish Hegewald Well as a permanent water source.
- 5. Develop Deliberate Growth Strategy** by the end of 2021.
- a. Complete Capital Improvement Program
 - b. Complete a Strategic Plan for the Fire Department

Stevenson City Council Goals for 2021-2022 (cont.)

Remaining Uncompleted Goals from 2019-20204 Strategic Plan

6. **Unimproved Street Plan:** The city will develop an unimproved street plan to include funding mechanisms and opportunities by the end of 2019 and begin construction on at least one project by the end of 2021.
 - a. **Del Ray** - The city will work property owners to determine development opportunities for public and private uses by the end of 2020.
 - b. **Lotz Road Improvements** will be included in the unimproved street plan.
7. **Housing Affordability:** The city will work with private and public partners to increase the availability of attainable housing by 20 units, reduce the unhoused population by 20% and increase temporary shelter availability by 75% by the end of 2024.
 - a. **Homeless/Temporary Housing** funding initiatives will be explored to in 2019 to obtain resources to help fund the goal with funds being collected in 2020 (SHB 1406 collected starting 8/1/20) and utilized by 2022.
 - b. Obtain property and develop infrastructure to support a Cascade Columbia Housing Corporation project. CDBG, WSHFC, and partner agency funds will be pursued as necessary.
8. **Russell Ave Rebuild:** Russell Avenue will be rebuilt from the Waterfront to Vancouver Ave to underground utility lines, improve pedestrian safety and enhance the experience by installing landscaping with **irrigation** to include **trees and planter boxes, benches and wayfinding signs** and have a completed **maintenance plan** by the end of 2024.
 - a. Phase 2 of the project, Second Street to Vancouver Ave, will be completed by 2024 and tie in with the Courthouse Plaza project if funding allows.
9. **Aggressive Conduit Plan/Undergrounding:**
 - a. The city will revise construction standards and practices by the end of 2021 to require undergrounding of utilities on street projects, develop rationale for variances, discuss reimbursement from utility companies on use of city installed conduit and review the reduction of separation standards for utilities within narrow road corridors.
 - b. The city will proactively install conduit for future use in all open ditches and boring projects.
10. **City Owned Facilities, ROW, Roads and Streets Continued Maintenance/Improvements:** the city will **be a leader in aesthetic improvements** and maintain facilities, property and Rights of Way.
 - a. **Landscaping** – The city will create a plan for landscaping and maintenance for city property and rights of way, which may include agreements with adjacent property owners, by the end of 2020.
11. **Collaborative Meetings:** Set up a meeting for twice a year with elected representatives from the PUD, County, School District, EMS, City Council to begin in 2019.
12. **Exploring Industrial Sites:** Apply for a CERB grant to evaluate the feasibility of additional industrial sites away from the Waterfront by the end of 2019.
13. **Broadband**
 - a. The city will work with the Broadband Action Team to complete the Broadband Strategic Plan by the end of 2019.

Stevenson City Council Goals for 2021-2022 (cont.)

- b. The city will work with regional, state and federal agencies for funding and advisory roles to facilitate the completion and implementation of the Strategic Broadband Plan starting in 2020.
- 14. Waterfront Development**-The City will work with the Port of Skamania to develop a waterfront development plan by the end of 2021.
- 15. City Property Security** - The city will evaluate security needs at all city facilities and begin implementing security enhancements in 2019.
- 16. Parks Plan** Develop a park plan to include maintenance of current parks and standards by the end of 2020.
 - a. **Pebble Beach/Slaughterhouse Point Trail** – Work with the Port of Skamania to develop the trail to link with the trail network throughout town by the end of 2024.
 - b. **Wayfinding Waterfront-Rock Creek** – Install wayfinding signage along the waterfront and Rock Creek by the end of 2021.
 - c. **Parks and Rec District** – Develop committee to research and evaluate interest for a park and recreation district by the end of 2020. Determine a way forward go/no go by 2021.
 - d. **Courthouse Plaza Agreement** – Work with Skamania County and Stevenson Downtown Association to develop an agreement for maintenance and park management by the end of 2019 or before construction begins.
- 17. Partner with School District on Workforce Education Development** by the end of 2021.
- 18. Communication Plan** – Include a communication plan for projects going forward and ensure it includes multiple medias-newspaper, website, Facebook, flyers, etc.
- 19. Develop Youth Leadership Process** to include honorary student councilmembers by the end of 2020.
- 20. Internship Program** –Annually reach out to universities and the high school regarding internship opportunities to work on projects that further the goals of the city.
- 21. Post Office/Home Delivery** – Work with the post office to evaluate the options for expansion of home delivery and possible relocation of the post office by the end of 2024.
- 22. Remodel City Hall** –reduce and organize city records by the end of 2022 to optimize the usable space for a remodel of city hall by the end of 2024.
- 23. Work with the Stevenson Downtown Association, Stevenson Business Association, and Skamania Economic Development Council to Create a Guide for Businesses/Outside Resource** by the end of 2021.

Completed Goals from 2019-2024 Strategic Plan

- 1. **Road Diet** – Study, review and revised road standards to reduce required rights of way for street development by the end of 2020. **Completed April, 2019.**
- 2. **Remodel City Hall** – remove surplussed items by the end of 2019. **Surplussed items removed.**
- 3. **Improve Financial Software System** Research new software options and ways to maximize current software with a recommendation to council on whether or not to change systems by the end of 2019. **Contracted with BIAS Software and implementation completed in 2019. Permitting module implementation in process.**
- 4. **Water System Continued Maintenance**

Stevenson City Council Goals for 2021-2022 (cont.)

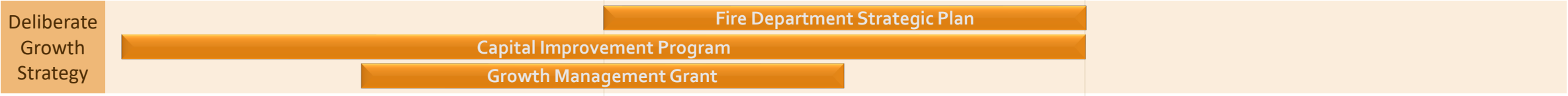
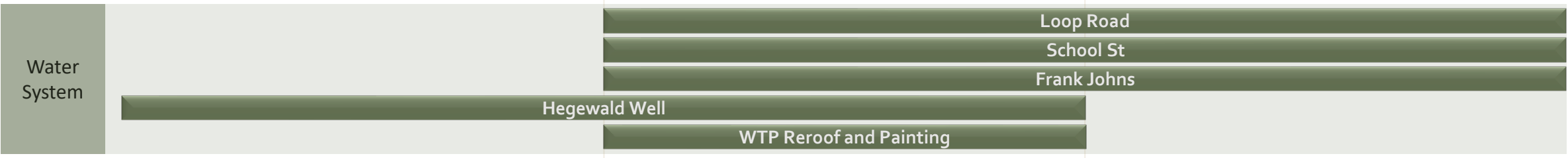
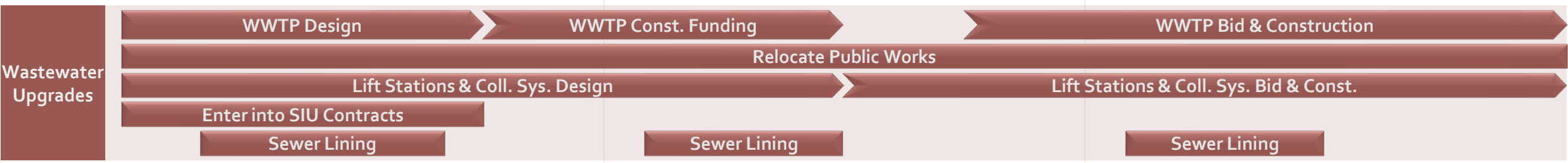
- a. **SMART Meter Completion** – Select and install smart meters and begin monthly excess water usage charging by the end of 2019. **Commerce Grant signed and project substantially complete.**
5. **City Owned Facilities, ROW, Roads and Streets Continued Maintenance/Improvements:** the city will **be a leader in aesthetic improvements** and maintain facilities, property and Rights of Way.
 - a. Fill hole in front of high school and vegetate with trample-resistant, maroon and/or blue plantings that can survive without water by November 30, 2018. **Completed.**
 - b. Trim/Remove damage to all remaining city trees caused by the 2017 ice storms by March, 2019. **Completed.**
 - c. Replace dead plants from the Lodge Trail, Cascade Avenue and Kanaka Creek Road projects by March, 2020. **Completed.**
6. **Russell Ave Rebuild:** Russell Avenue will be rebuilt from the Waterfront to Vancouver Ave to underground utility lines, improve pedestrian safety and enhance the experience by installing landscaping with **irrigation** to include **trees and planter boxes, benches and wayfinding signs** and have a completed **maintenance plan** by the end of 2024.
 - a. Phase I of the project, Waterfront to Second Street will be completed by the end of 2019 with minimal impact to the downtown during the peak summer months, pending the acquisition of required easements. **Project substantially complete as of July 3, 2020!**
7. **Housing Affordability:** The city will work with private and public partners to increase the availability of attainable housing by 20 units, reduce the unhoused population by 20% and increase temporary shelter availability by 75% by the end of 2024.
 - a. **Homeless/Temporary Housing** funding initiatives will be explored to in 2019 to obtain resources to help fund the goal with funds being collected in 2020 and utilized by 2022. **In process. Sales Tax measure on the November ballot, 2019 failed and HB 1406 funds implemented and will take effect 8/1/20.**
 - b. The city will partner with the EDC to complete a **Buildable Lands Inventory** by the end of 2019. **Project completed.**
 - c. The city will partner with other agencies to complete a **Housing Needs Assessment** by the end of 2020. **Project completed.**
 - d. Reconsider zoning standards for configuration of ADUs (attached vs unattached) by March, 2019. **Completed May, 2019.**
8. **Wastewater Upgrades:** The city will continue working toward lifting the commercial sewer connection moratorium, building efficient, sustainable and affordable wastewater system upgrades with added BOD capacity by the end of 2021.
 - a. **Complete CERB Feasibility Study** on the Alternatives Analysis by the end of Feb, 2019 and implementation of proposed alternatives by August, 2019. **Final CERB Report in process.**
 - b. Contract with DOE for design funding by Jan 31, 2019. **Completed February, 2019**
 - c. Advertise for Design Engineer immediately upon contract with DOE. Phase Design Engineering contract as necessary to address collection system (including pump stations and geotechnical study) prior to performance on WWTP design. **Contract signed April, 2019**

Stevenson City Council Goals for 2021-2022 (cont.)

- d. **Complete Design** of the project to apply to DOE for construction funding by Oct, 2019. **Delayed until 2020 due to delay in DOE loan contract and CERB Study.**
- e. **Update Facilities Plan** with the CERB Study and design work by Oct, 2019. **CERB Study included in revised facilities plan update, submitted for DOE approval February, 2019. Design work will be completed and submitted to DOE end of June, 2020.**
- f. Plan for the relocation of Public Works equipment with the expansion of the WWTP to be implemented with construction of the upgrades by the end of 2021. **Alternatives sites researched and some relocation implemented.**
- g. Continue with the **Sewer Lining** project to reduce Infiltration and Inflow at the wastewater treatment plant during rain events by inspecting 10% of the wastewater collection system each year and repairing as needed and as budget allows. Contract for Geotech report as identified in GSP before repairs are made in Montell neighborhood. **Ongoing. The final report on Geotech for Montell neighborhood stated it is more cost effective to treat Infiltration and Inflow at the plant than to fix the sewer lines and install French drains.**
- h. Enter into agreements with all Significant Industrial Users for individual discharge limits and rates by the end of the second quarter 2019. **Signed agreement with Backwoods Brewing, draft with LDB remains in process.**
- i. Update FOG program to improve compliance by 90% by the end of 2019 and 100% by 2020. Updates shall include clear instructions of how the proposed escalating fees/fines will be imposed. **FOG Ordinance updated March, 2019.**
- j. Continue with minor improvements in both collection system and plant and encouraging BOD reduction to reach a goal of 0 NPDES effluent violations. **Ongoing. Coordinating with SIUs and Dirt Huggers for side stream material removal. Installed interim measures to improve plant performance and guide design.**



Today





City of Stevenson

(509) 427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

To: Stevenson City Council and Residents

Date: November 12, 2020

Re: **2021 PROPOSED BUDGET - REVISED**

I am pleased to submit the revised City of Stevenson's 2021 proposed budget for your review and consideration.

OVERVIEW:

The budget development process is guided by Washington State Law and by the *Budgeting, Accounting & Reporting System* (BARS) manual published by the Washington State Auditor's Office. We prepare the annual budget for two main reasons:

1. It sets the legal limits on expenditures for the City.
2. It is our financial plan for next year. In its simplest form, it is an estimate of the revenues we expect to receive and how we plan to spend them.

When the budget is appropriated by ordinance, that ordinance provides the legal right to spend money as well as limit the amount we can spend.

Budget priorities are determined by reviewing the goals set at the strategic planning retreat in October of 2019 and were reviewed and confirmed at the July 11, 2020 special council meeting. More specific budget priorities for 2021 are included in the proposed budget.

The 2021 proposed budget continues all existing programs and staff. Revenue projections have been conservative with the following assumptions:

- Population estimate of 1,655, a 2.2% increase over last year.
- 1% increase in the property tax levy, plus new construction.
- A conservative sales tax estimate based on 2016 revenues, or 75% of 2019 receipts.
- Increase in water utility base rate of 5% for 2021.
- Increase in wastewater utility rates of 12.5% for 2021.
- Estimated amount of secured grants, loans and other revenue sources to fund capital improvement projects. 2021 budgeted amounts may vary from contracted amounts based on overall project timeline (design in 2021, construction in 2022, etc).

Revisions include:

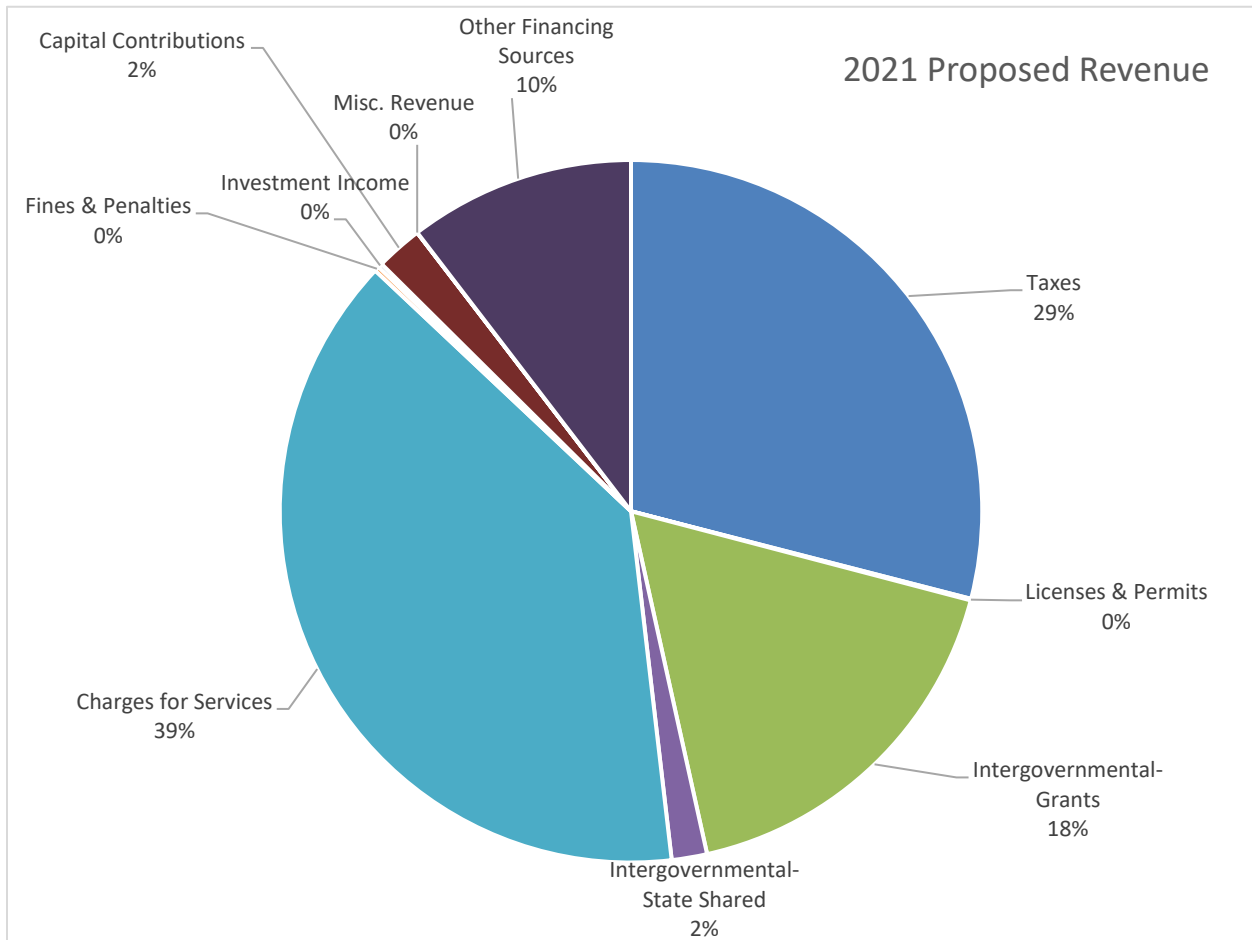
- 0.8% increase to the Sheriff's contract for services based on negotiated rates.
- \$40,000 for pool support as discussed at the October 15th council meeting.
- Tourism funding contract amounts revised to committee approved amounts for programs and events.

Revenue sources include:

- **Taxes** – property tax, sales tax and taxes on utilities (natural gas, electricity, cable, garbage, telephone, etc).
- **Licenses and Permits** – business licenses, building permits, etc.
- **Intergovernmental-Grants** – Transportation Improvement Board (TIB), etc. for capital projects

- **Intergovernmental-State Shared** – liquor revenues, fuel tax, criminal justice funds, etc.
- **Charges for Services** – planning fees, building inspector reimbursements, utility rates, etc.
- **Fines and Penalties** – mostly traffic infractions and criminal fines and penalties
- **Investment Income** – interest income from city investments
- **Capital Contributions** – connection charges for water and sewer hook-ups
- **Miscellaneous Revenue** – sale of scrap, cash drawer overage/shortage, other revenues
- **Nonrevenues** – agency pass-through funds, unclaimed property
- **Other Financing Sources** – loan proceeds for capital projects
- **Transfers In** – internal transfer between funds

The chart below lists revenues associated with general operations and maintenance, including capital projects and grant pass-throughs such as the Community Development Block Grant project.



These resources will be used to maintain existing service levels and execute planned capital projects. A highlight of the 2021 expenses include:

Capital Projects:

- First Street alternative transportation project construction phase \$619k.
- Design of wastewater system upgrades for \$500k.

Current Expense:

- Community Development Block Grant Home Rehabilitation project rollover \$250k.

Streets:

- City-wide Transportation Study \$80k
- Lower Kanaka road improvements \$20k.

Water/Sewer:

- System upgrades along Vancouver to the Rock Creek intersection \$50k.
- System upgrades along Loop to the Columbia intersection \$50k.

Equipment Services:

- Replace service truck \$45k. Purchase delayed the past two years.

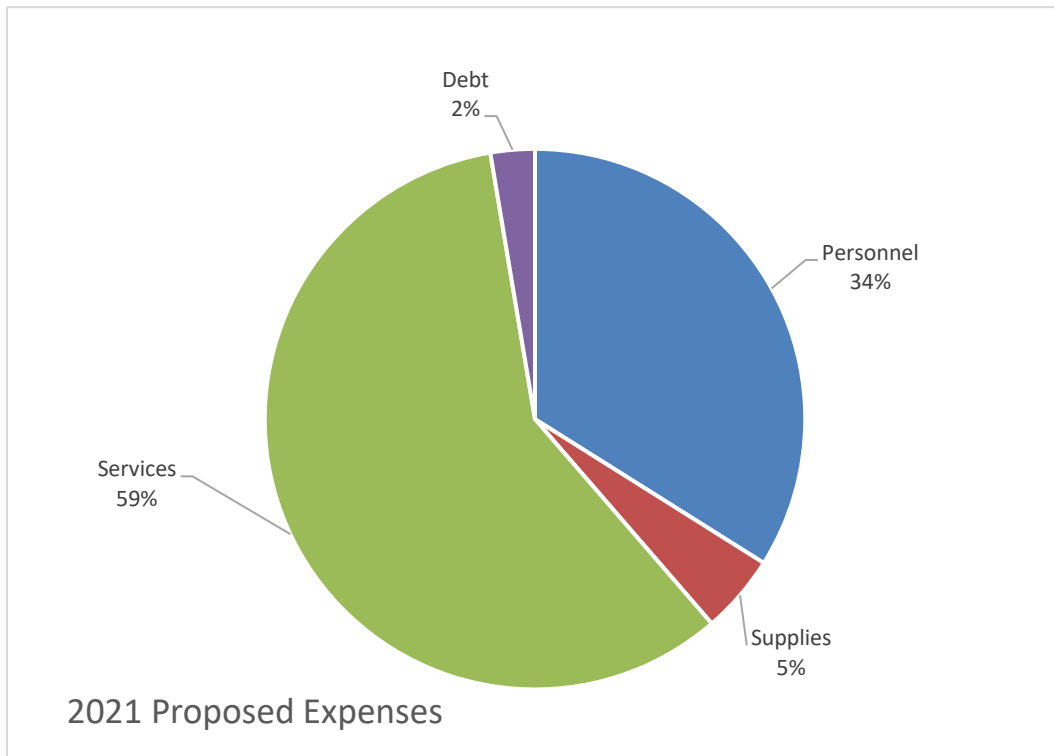
Personnel:

- Personnel costs account for approximately 34% of all operating expenditures.
- Staff salaries in the proposed budget were increased by a Cost of Living Adjustment (COLA) of 0.8% based on the June 2020 West B/C CPI-U, plus steps for all employees not already at top-step. The COLA equates to almost \$7,000 increased expenses city-wide.
- The cost of the medical plan offered by the City of Stevenson will be increasing by 4% in 2021. There will be no increase in the dental and vision plans.

Services:

- Police Services account for 9% (\$175k)
- The services for the CDBG reimbursable grant accounts for 12% (\$250k)
- 16% of services are for Lodging Tax funds (\$329k)
- Wastewater services of sewer lining, hauling and disposal of biosolids and operations support account for 24% (\$474k)

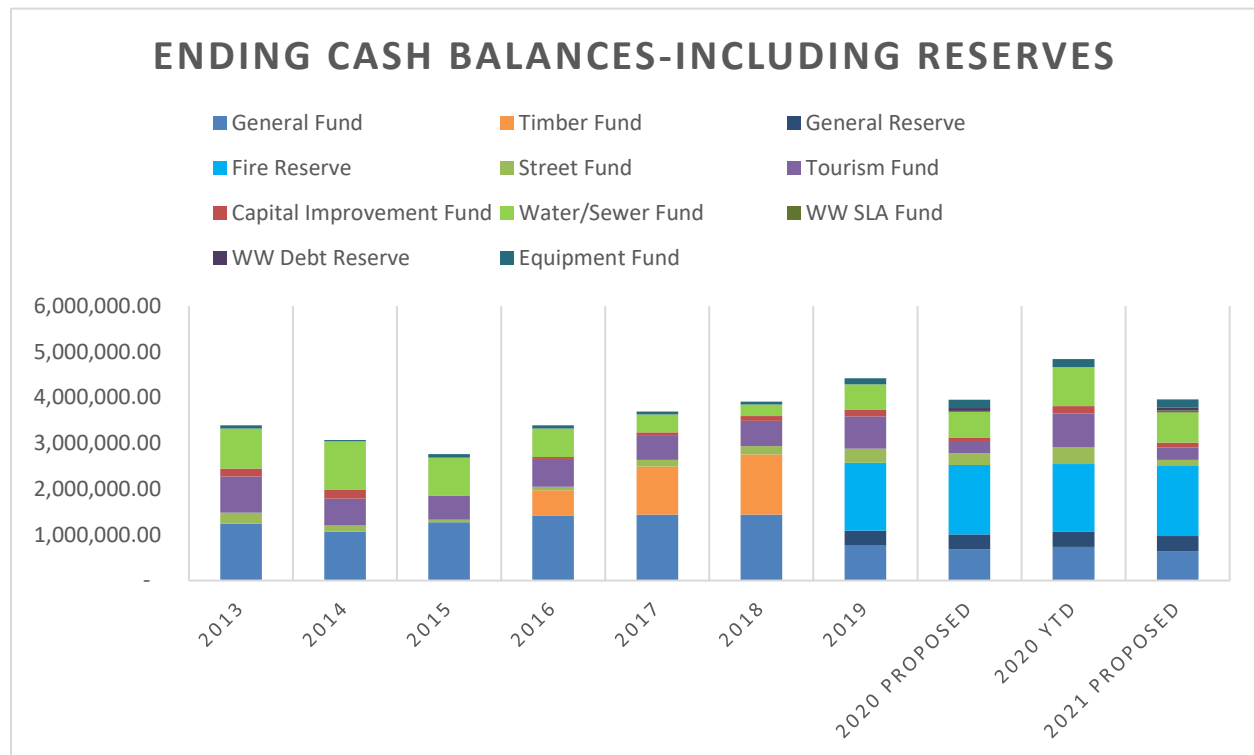
The chart below lists expenses associated with general operations and maintenance, excluding capital projects and grant pass-throughs such as the Community Development Block Grant project.



ENDING CASH BALANCES:

Overall, the ending cash balances for the city are increasing. This is due to the intentional rebuilding of reserves for the new fire hall, a new fire truck, water and wastewater projects. The 2020 year to date

balances are better than the projected, which may continue through the end of the year. This would impact the 2021 proposed ending balances, which build on prior years.



FUND OVERVIEWS:

General Fund – The General Fund is the primary operating fund for the City. The General Fund accounts for all revenues and expenditures not required to be accounted for in a separate fund. General Fund expenditures include all general government functions such as legislative, legal, municipal court, law enforcement, fire protection, building inspector services, planning services, parks maintenance, finance and accounting, and general administrative services.

The Unemployment Reserve in the General Fund (formerly Fund 622) has a current balance of \$33,414, which is enough to cover estimated unemployment claims. The City is self-insured for unemployment. The 2021 proposed budget does not include an increase to the unemployment reserve.

Primary revenues sources for the General Fund are property taxes and sales taxes with smaller amounts generated from utility taxes, permits, fines & other user charges, and state shared revenues. The primary revenue source, property taxes, is limited by Washington State law to a 1% annual increase.

General Fund Reserve – This fund is restricted by SMC 3.30.010 for urgent or emergency purposes as determined and approved by council. It may also be used as a source of short-term (less than three years) interfund loans.

Fire Reserve – This fund is for buildings, equipment and other capital items associated and used in the fire department restricted by SMC 3.30.020.

Street Fund -The Street Fund is used to account for proceeds of specific taxes and other revenue sources dedicated to fund city streets, storm drains, sidewalks and associated activities.

The primary state-dedicated revenue source is State gas tax. City Council has also dedicated the PUD Excise Tax, Liquor Profit Tax and a second half-percent sales tax (enacted by City Council in 2012) as additional revenue sources to the Street Fund.

Street Fund revenues have been supplemented in the past by the Federal Surface Transportation Program (STP) and the State Transportation Improvement Board (TIB) which can be used only for transportation purposes. Major street projects are accounted for in separate project funds in the 300 series with State and Federal revenues and transfers from the Street Fund and/or the General Fund when needed.

Tourism Promotion – The Tourism Fund (Hotel / Motel tax fund) was established by City Council to fund activities designed to increase tourism. Lodging taxes were authorized by the State Legislature for tourism marketing, special events and festivals designed to attract tourists, and the support of tourism-related facilities.

The primary revenue source is a Lodging Tax of 4% charged on lodging within the City of Stevenson. In the past, this tax has generated over \$400,000 per year, which is awarded to applicants by City Council following recommendations from the Tourism Advisory Committee (TAC) in November. COVID-19 has reduced the projected revenues and will be monitored as the tourism economy recovers.

Affordable Housing Fund – This fund, established in late 2020, is for the collection and use of the sales tax credit for affordable housing authorized by SMC 3.10 and RCW 82.14. The rate inside city limits is .73% and can be used for acquiring, rehabilitating or constructing affordable housing, providing the operations and maintenance costs of new units of affordable or supportive housing, and providing rental assistance to tenants.

Capital Improvement Fund – The Capital Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The primary dedicated revenue source is the real estate excise tax imposed on the sale of real estate. These funds are restricted by the State Legislature for capital purposes identified in a capital improvements plan and local capital improvements including those listed in RCW 35.43.040.

Capital Improvement projects are normally accounted for in separate project funds in the 300 series with funding from various State and Federal sources and transfers from the Capital Improvement Fund and/or other City funds as applicable. In recent years the Capital Improvement Fund has been used to help fund the Kanaka Creek and Gropper Sidewalk project, the Russell Avenue project and the Joint Emergency Facilities project.

Water & Sewer Fund – The Water & Sewer Fund is operated as an enterprise fund to account for the operations of the City's water and sewer systems on a self-supporting basis. In addition to generating enough revenue to meet current expenses, the fund must generate enough revenue to build a reserve for equipment repair and eventual capital replacements. An annual water rate increase of 5% beginning in 2020 was adopted by council to ensure adequate funds for capital projects and debt repayment. The sewer rates are proposed to increase 12.5% for 2021. This rate increase of \$10 to the residential base fees is half of last year's increase and will allow the city to meet the needs of the department for 2021. This may mean higher increases in the following years, however the city is taking into consideration the impact of COVID-19 on customers. Rate increases for 2022 and beyond will be determined after the finance package for construction of the Wastewater Treatment Plant upgrades is secured.

Wastewater Short Lived Asset Reserve Fund – This fund is required as part of the city's USDA loan. Annual deposits of at least \$21,779 are required for the 40-year life of the 2020 wastewater project

loan. This fund operates like a line of credit for repairing and/or replacing major system assets with a life span less than 15 years.

Wastewater Debt Reserve Fund – This fund is required as part of two loans the city has through USDA. The balance is equal to one annual loan installment. Prior written concurrence from USDA must be obtained before funds may be withdrawn from this fund during the life of the loan. When funds are withdrawn during the life of the loan, deposits will be made at the rate of 10% of one annual payment until the balance is equal to one annual loan payment.

Wastewater System Upgrades – This fund is for the planning, design and construction of upgrades to the water system as identified in the water system plan and required as part of the Administrative Order. Most of the revenues are grants or loans with some internal match funding. The revenues and expenditures are updated when funding is received, project timelines determined and contracts secured.

Equipment Service Fund – The Equipment Service Fund is used to account for labor charges and equipment usage by other funds, and to save funds for eventual equipment replacements. Revenues are derived from charges made against other funds for using the equipment. Charges are based on the number of hours worked and miles driven by field staff in each fund and are intended to cover operating costs, equipment maintenance, staff salaries, insurance, and replacement costs. Current rates are \$4.10 per mile for driven equipment and \$20 per hour for stationary equipment.

The Public Works Director maintains an equipment replacement schedule and attempts to replace at least one major piece of equipment every year, as funding allows. A copy of the equipment replacement schedule is included with the budget for this fund.

Respectfully submitted,

Leana Kinley

City Administrator

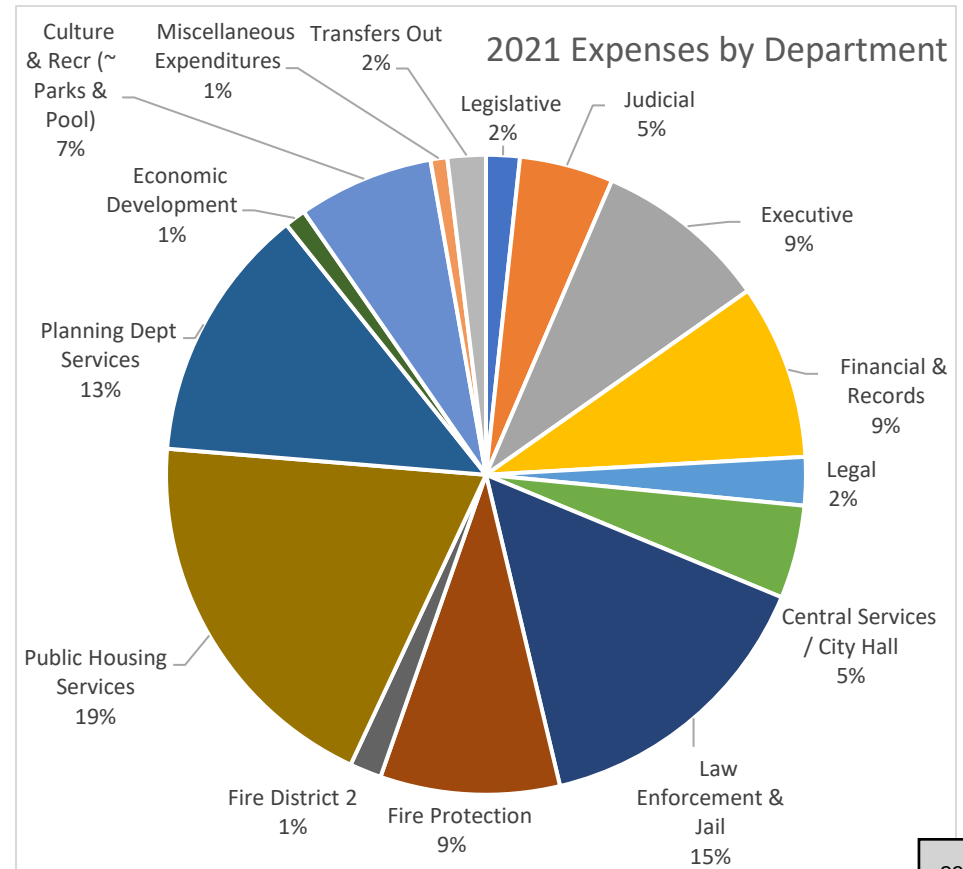
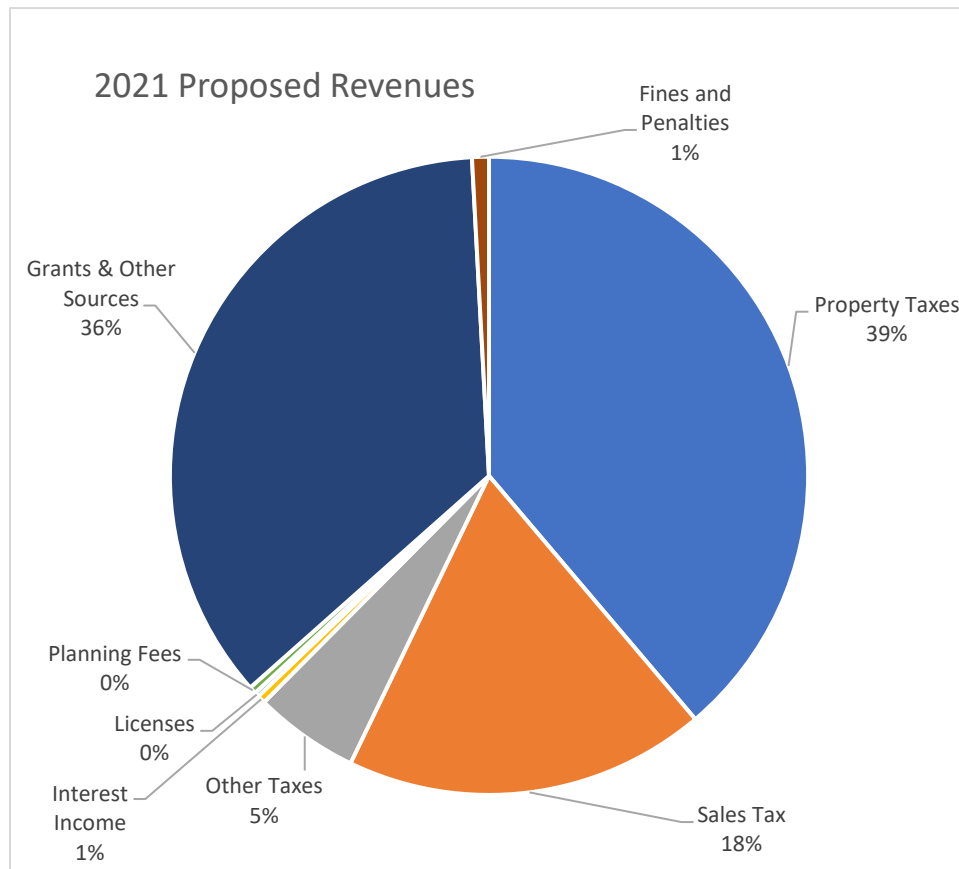
General Fund

The General Fund is the primary operating fund for the City. The General Fund accounts for all revenues and expenditures not required to be accounted for in a separate fund. General Fund expenditures include all general government functions such as legislative, legal, municipal court, law enforcement, fire protection, building inspector services, planning services, parks maintenance, finance and accounting, and general administrative services.

The Unemployment Reserve in the General Fund (formerly Fund 622) has a current balance of \$33,414, which is enough to cover estimated unemployment claims. The City is self-insured for unemployment. The 2021 proposed budget does not include an increase to the unemployment reserve.

Primary revenues sources for the General Fund are property taxes and sales taxes with smaller amounts generated from utility taxes, permits, fines & other user charges, and state shared revenues. The primary revenue source, property taxes, is limited by Washington State law to a 1% annual increase. The Grants and Other Sources include a \$250k reimbursable pass-through Community Development Block Grant for housing rehabilitation with expenses listed under Public Housing Services.

The Transfer Out expense is \$25k for the Fire Reserve to save for replacement equipment such as a new fire truck. The Fire District 2 expenses are reimbursable and are listed under Other Sources for revenue.



5 YEAR BUDGET COMPARISON

City Of Stevenson
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001 General Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 80 00 0001 Unreserved Cash & Investments	989,384.00	1,021,846.80	927,975.68	680,398.49	680,398.49	598,764.85	
100 Unreserved	989,384.00	1,021,846.80	927,975.68	680,398.49	680,398.49	598,764.85	
308 10 01 0001 Reserved Cash - Unemployment	33,413.82	33,413.82	33,413.82	33,413.82	33,413.82	33,413.82	
102 Unemployment Reserve	33,413.82	33,413.82	33,413.82	33,413.82	33,413.82	33,413.82	
308 10 02 0001 Reserved Cash - Custodial	54,359.97	54,546.82	59,695.22	51,135.13	51,135.13	51,135.13	
104 Custodial Reserve	54,359.97	54,546.82	59,695.22	51,135.13	51,135.13	51,135.13	
308 10 00 0001 Reserved Cash - Fire Truck	300,000.00	325,000.00	350,000.00	0.00	0.00	0.00	
308 10 03 0001 Reserved Cash - Fire Equip	35,000.00	7,298.40	70,000.00	0.00	0.00	0.00	
202 Fire Department	335,000.00	332,298.40	420,000.00	0.00			
308 Beginning Balances	1,412,157.79	1,442,105.84	1,441,084.72	764,947.44	764,947.44	683,313.80	
311 10 00 0000 General Property Tax	442,450.09	454,081.49	464,024.40	326,234.75	481,883.50	486,702.34	
311 Property Tax	442,450.09	454,081.49	464,024.40	326,234.75	481,883.50	486,702.34	
313 11 00 0000 Sales Tax	278,046.64	271,394.67	314,505.70	190,738.47	200,000.00	230,000.00	
313 71 00 0000 Local Criminal Justice Tax	19,600.02	20,509.66	23,902.04	18,371.01	15,000.00	15,000.00	
313 Sales Tax	297,646.66	291,904.33	338,407.74	209,109.48	215,000.00	245,000.00	
316 43 00 0000 Natural Gas Utility Tax	14,505.06	17,141.46	14,088.35	14,311.30	15,000.00	15,000.00	
316 45 00 0000 Garbage Utility Tax	7,688.59	8,597.12	9,407.19	9,215.10	7,500.00	7,500.00	
316 46 00 0000 Cable TV Utility Tax	2,891.17	2,876.17	4,006.81	2,920.30	3,000.00	3,000.00	
316 47 00 0000 Telephone Utility Tax	16,613.43	15,953.51	12,461.68	7,603.76	14,500.00	10,000.00	
316 Utility Tax	41,698.25	44,568.26	39,964.03	34,050.46	40,000.00	35,500.00	
317 20 00 0000 Leasehold Tax	22,536.82	18,548.54	23,684.42	14,944.56	16,000.00	16,000.00	
317 21 00 0000 Rock Cove ALF In-Lieu Tax	2,245.91	1,652.75	1,681.29	0.00	0.00	0.00	
317 Other Tax	24,782.73	20,201.29	25,365.71	14,944.56	16,000.00	16,000.00	
310 Taxes	806,577.73	810,755.37	867,761.88	584,339.25	752,883.50	783,202.34	
321 99 01 0000 Business Licenses	2,130.00	1,920.00	2,130.00	2,670.00	1,400.00	1,400.00	
321 99 02 0000 Peddlers & Solicitors Permit	0.00	15.00	0.00	0.00	0.00	0.00	
321 99 03 0000 Vacation Rental Licenses	700.00	1,800.00	2,000.00	900.00	1,500.00	1,500.00	

5 YEAR BUDGET COMPARISON

City Of Stevenson
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001 General Expense Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
321 Licenses	2,830.00	3,735.00	4,130.00	3,570.00	2,900.00	2,900.00	
322 10 00 0000 Building Permits	80,110.52	65,371.11	59,321.24	-3,989.44	-4,000.00	0.00	
322 Permits	80,110.52	65,371.11	59,321.24	-3,989.44	-4,000.00		
320 Licenses & Permits	82,940.52	69,106.11	63,451.24	-419.44	-1,100.00	2,900.00	
333 11 00 0000 DOC-CARES Act Grant	0.00	0.00	0.00	21,972.65	48,600.00	0.00	
333 14 51 0001 CDBG Housing Rehab Grant	0.00	0.00	27,081.57	96,880.01	350,000.00	250,000.00	Roll-over of estimated unused funds.
334 01 20 0000 AOC LFO Judicial agency grant	0.00	0.00	4.33	0.00	0.00	0.00	
334 03 10 0000 DOE-Shoreline Master Plan Grant	0.00	0.00	0.00	0.00	0.00	11,000.00	Grant received for required review and update. Work done in-house, no consultants needed.
334 03 10 0001 DOE-Spills Grant	0.00	0.00	79,307.18	0.00	0.00	0.00	
330 Grants	0.00	0.00	106,393.08	96,880.01	350,000.00	261,000.00	
335 00 91 0000 PUD Privilege Tax (in Lieu)	11,460.94	12,434.06	12,320.85	12,999.58	11,000.00	11,000.00	
335 State Shared	11,460.94	12,434.06	12,320.85	12,999.58	11,000.00	11,000.00	
336 06 21 0000 Criminal Justice - Low Population	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	State allocation.
336 06 25 0000 Criminal Justice - Contracted Services	2,688.06	2,790.68	2,910.06	3,117.77	2,500.00	2,500.00	State allocation.
336 06 26 0000 Criminal Justice - Special Programs	1,580.31	1,634.99	1,698.61	1,816.32	1,814.40	1,936.35	State allocation based on population.
336 06 42 0000 Marijuana Excise Tax	370.21	2,398.56	2,569.22	2,609.68	1,846.80	1,853.60	State allocation based on population.
336 06 51 0000 DUI/Other Crim Justice Assist	233.39	230.62	219.46	235.45	0.00	0.00	
336 06 94 0000 Liquor Excise Tax	7,423.00	7,886.23	8,611.28	10,210.97	8,893.80	9,367.30	State allocation based on population.
337 40 00 0000 Private Harvest Tax	11.45	15.61	17.96	1.48	0.00	0.00	
336 State Entitlements, Impact Payments	13,306.42	15,956.69	17,026.59	18,991.67	16,055.00	16,657.25	
330 Intergovernmental Revenues	24,767.36	28,390.75	135,740.52	150,843.91	425,655.00	288,657.25	
341 43 00 0000 General Admin Services	0.00	0.00	0.00	0.00	126,000.00	126,000.00	
341 81 00 0000 Printing/Photocopy Services	16.00	14.00	66.18	13.30	0.00	0.00	
342 33 05 0000 Active Probation Fee	0.00	0.00	0.00	4,878.42	0.00	0.00	
341 Other	16.00	14.00	66.18	4,891.72	126,000.00	126,000.00	
342 21 00 0000 Fire District II Fire Control	78,079.22	29,650.57	21,348.22	14,260.39	31,950.00	32,700.00	Reimbursement offsets budgeted expenses.

5 YEAR BUDGET COMPARISON

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001 General Expense Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
342 Fire District 2	78,079.22	29,650.57	21,348.22	14,260.39	31,950.00	32,700.00	
345 83 00 0000 Planning Fees	5,885.00	3,175.00	9,250.00	30,357.00	20,000.00	4,500.00	Conservative estimate.
345 Planning	5,885.00	3,175.00	9,250.00	30,357.00	20,000.00	4,500.00	
345 83 01 0000 N Bonn Bldg Inspect Reimburse	4,048.28	5,741.20	1,973.20	29.00	0.00	0.00	
345 83 02 0000 Skamania County Reimbursement	1,782.62	1,205.89	2,659.88	395.15	0.00	0.00	
346 Building	5,830.90	6,947.09	4,633.08	424.15			
340 Charges For Goods & Services	89,811.12	39,786.66	35,297.48	49,933.26	177,950.00	163,200.00	
353 10 00 0000 Traffic Infractions/Parking	2,390.34	4,327.90	5,622.09	5,705.56	3,000.00	3,000.00	
353 70 00 0000 Non-Traffic Infractions	74.62	29.27	139.78	244.49	50.00	100.00	
355 20 00 0000 DUI Fines	1,069.18	1,220.06	298.41	227.22	1,000.00	1,000.00	
355 80 00 0000 Criminal Traffic Fines	766.97	1,238.81	580.49	2,133.34	1,500.00	1,000.00	
356 90 00 0000 Criminal Non-Traffic Fines	113.61	767.98	340.53	242.04	700.00	600.00	
357 37 00 0000 Court Cost Recoupments	1,704.86	5,833.20	9,300.65	4,290.53	5,000.00	5,000.00	
350 Fines & Penalties	6,119.58	13,417.22	16,281.95	12,843.18	11,250.00	10,700.00	
361 11 00 0000 Interest Income/General Fund	8,468.59	12,805.97	28,231.67	16,583.62	5,000.00	5,000.00	
361 40 00 0000 Sales Tax Interest	451.18	742.54	1,117.41	522.58	200.00	200.00	
362 00 00 0000 Park Rentals	0.00	0.00	2,500.00	1,500.00	2,500.00	0.00	Contract ended in 2020.
367 10 00 0000 Fire Department Donations	0.00	1,000.00	0.00	0.00	0.00	0.00	
369 91 00 0000 Miscellaneous Income	163.33	393.99	604.88	544.04	300.00	300.00	
360 Interest & Other Earnings	9,083.10	14,942.50	32,453.96	19,150.24	8,000.00	5,500.00	
386 90 00 0000 Agency Deposit - Court Remittances	5,619.21	10,567.78	11,255.01	7,799.67	0.00	0.00	
386 90 00 0001 Agency Deposit - CVC	0.00	0.00	0.00	159.27	0.00	0.00	
388 10 00 0000 Prior Period Adjustments	0.00	2,220.37	0.00	0.00	0.00	0.00	
389 00 02 0000 Custodial Activities-UCP	13.85	0.00	0.00	0.00	0.00	0.00	
389 30 00 0000 Agency Collections - State Bldg Code	234.00	441.50	340.00	13.00	0.00	0.00	
389 40 00 0000 Agency Deposit - Court Trust	1,151.44	9,700.34	0.00	0.00	0.00	0.00	
380 Non Revenues	7,018.50	22,929.99	11,595.01	7,971.94	0.00	0.00	
TOTAL REVENUES:	2,438,475.70	2,441,434.44	2,603,666.76	1,589,609.78	2,139,585.94	1,937,473.39	
511 30 41 0000 Ordinance Codification	4,391.68	5,293.50	2,374.74	1,303.00	2,500.00	2,500.00	
511 30 44 0000 Legislative Publishing	3,229.29	7,922.64	4,787.44	3,721.60	3,500.00	3,500.00	

5 YEAR BUDGET COMPARISON

City Of Stevenson
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001 General Expense Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
511 60 10 0000 Council Salary	9,172.96	10,777.04	11,399.99	8,550.00	12,000.00	12,000.00	
511 60 20 0000 Council Benefits	760.21	845.30	895.86	665.60	1,000.00	1,000.00	
511 60 43 0000 Travel/Lodging Council	115.00	1,130.84	52.43	0.00	0.00	2,000.00	
511 60 49 0000 Tuition Council	0.00	0.00	225.00	0.00	1,000.00	1,000.00	
511 Legislative	17,669.14	25,969.32	19,735.46	14,240.20	20,000.00	22,000.00	
512 50 10 0001 Court Clerk Salary	4,412.57	4,208.27	3,817.08	3,076.31	3,000.00	5,000.00	
512 50 20 0001 Court Clerk Benefits	933.02	944.15	1,456.06	606.90	1,500.00	3,000.00	
512 50 31 0000 Court Supplies	0.00	118.47	0.00	0.00	0.00	0.00	
512 50 41 0001 Jury Management/Courtroom Use	991.76	747.48	694.19	817.53	1,200.00	1,200.00	
512 50 41 0003 Municipal Court Contract	23,000.01	20,000.00	20,000.00	16,666.00	20,000.00	20,000.00	
512 50 49 0000 Juror/Witness/Investigative Fees	1,011.95	0.00	0.00	0.00	1,000.00	0.00	
512 52 41 0001 Transcription Services	0.00	1,644.30	0.00	0.00	0.00	0.00	
512 52 41 0002 Interpreter Fees	0.00	0.00	0.00	0.00	500.00	500.00	
512 52 51 0000 Sheriff Warrant Service Charge	270.00	240.00	0.00	0.00	500.00	500.00	
515 35 41 0000 Prosecuting Attorney County Contract	16,000.00	16,000.00	16,000.00	13,334.00	20,000.00	16,000.00	
515 93 41 0000 Indigent Defense	15,262.85	10,738.50	12,503.44	7,203.75	15,000.00	15,000.00	
515 93 41 0001 Indigent Defense Investigation	2,873.53	0.00	0.00	0.00	0.00	0.00	
512 Judicial	64,755.69	54,641.17	54,470.77	41,704.49	62,700.00	61,200.00	
513 10 10 0000 Mayor Salary	7,200.00	7,200.00	7,200.00	6,000.00	7,200.00	7,200.00	
513 10 10 0001 City Administrator Salary	21,596.02	64,583.59	70,682.33	62,602.58	75,000.00	75,000.00	
513 10 20 0000 Mayor Benefits	557.17	556.30	550.80	466.85	625.00	625.00	
513 10 20 0001 City Administrator Benefits	6,038.13	30,629.88	30,945.66	12,460.79	28,000.00	28,000.00	
513 10 43 0000 Travel/Lodging Mayor/Administrator	0.00	0.00	2,336.70	0.00	0.00	2,000.00	
513 10 49 0000 Tuition Mayor/Administrator	0.00	0.00	256.95	474.10	600.00	1,000.00	
513 Executive	35,391.32	102,969.77	111,972.44	82,004.32	111,425.00	113,825.00	
514 20 10 0001 Budgeting/Accounting Salary	74,637.52	67,431.97	58,290.69	62,214.70	66,000.00	66,000.00	
514 20 20 0001 Budgeting/Accounting Benefits	24,285.39	23,007.60	22,796.54	18,282.11	21,000.00	21,000.00	
514 20 41 0001 EBPP Fees General Fund	12.15	75.65	542.41	352.94	600.00	600.00	
514 20 41 0022 Audit Fee	3,997.06	4,883.96	0.00	5,493.43	6,000.00	7,000.00	
514 20 43 0000 Travel Financial/Records	286.91	1,422.24	1,452.39	753.87	755.00	3,000.00	
514 20 46 0000 Clerk Bond Premiums	3,203.82	3,822.21	8.00	99.00	200.00	200.00	
514 20 49 0000 Training/Tuition - Financial/Records	1,012.50	2,212.70	4,130.14	980.00	500.00	3,000.00	
514 20 49 0001 Dues & Membership - Financial	100.00	245.00	910.00	1,136.70	1,000.00	1,200.00	
514 20 49 0002 Fiduciary Fees/VISA	627.84	559.50	1,494.41	2,450.54	2,000.00	2,500.00	Bank fees increased due to lower interest rates and city absorbing customer credit card transaction fees.
514 20 49 0003 Miscellaneous Charges	0.00	0.00	14.29	838.27	500.00	500.00	
514 30 10 0000 Minutes - Recording Fee Sal	1,980.93	1,510.00	2,341.25	1,547.30	2,250.00	2,250.00	

5 YEAR BUDGET COMPARISON

City Of Stevenson
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001 General Expense Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
514 30 20 0000 Minutes - Recording Fee Ben	171.54	130.50	224.21	133.57	200.00	200.00	
514 41 41 0000 Elections	903.80	0.00	877.78	0.00	1,000.00	1,000.00	
514 91 51 0000 Voter Registration Services	2,739.57	0.00	0.00	0.00	6,000.00	6,000.00	
514 Financial, Recording & Elections	113,959.03	105,301.33	93,082.11	94,282.43	108,005.00	114,450.00	
515 41 41 0000 Advisory Board Services	38,213.95	19,495.15	24,494.20	18,888.00	30,000.00	30,000.00	
515 41 43 0000 Travel - Legal	313.36	0.00	158.24	0.00	0.00	750.00	
515 41 49 0000 Training & Tuition - Legal	80.00	0.00	42.00	0.00	750.00	750.00	
515 41 49 0001 Legal Miscellaneous	30.00	0.00	0.00	0.00	0.00	0.00	
515	38,637.31	19,495.15	24,694.44	18,888.00	30,750.00	31,500.00	
517 70 22 0000 Unemployment Claims	158.55	891.60	10,359.16	10,596.00	15,000.00	0.00	
517 70 25 0000 Old Age Survivor Insurance	0.00	0.00	25.00	25.00	25.00	25.00	
517 70 41 0000 Old Age Survivor Insurance	25.00	25.00	0.00	0.00	0.00	0.00	
517 90 26 0000 Staff Wellness	0.00	0.00	0.00	0.00	500.00	500.00	
517 Employee Benefit Programs	183.55	916.60	10,384.16	10,621.00	15,525.00	525.00	
518 20 44 0000 DNR Fire Control Assessment	0.00	0.50	17.90	17.90	0.00	0.00	
518 30 10 0000 Building Repair Salary	257.23	1,630.94	1,738.91	1,886.11	3,000.00	3,000.00	
518 30 20 0000 Building Repair Benefits	146.99	891.95	1,162.12	1,074.42	1,500.00	1,500.00	
518 30 31 0000 Household Supplies/Repairs	1,208.24	1,173.65	409.26	579.95	2,000.00	2,000.00	
518 30 41 0000 Custodial Services	3,657.00	3,850.00	4,029.00	600.00	1,000.00	1,000.00	Cleaning services in-house, contract glass & carpet cleaning.
518 30 41 0001 Contractual Services	0.00	3,262.50	6,709.80	2,115.71	2,000.00	2,500.00	
518 30 44 0000 HR-Advertisement	0.00	0.00	946.73	691.56	700.00	0.00	
518 30 45 0099 Eq Rental-Bldg Repair	68.02	952.48	578.11	884.76	1,000.00	1,000.00	
518 30 46 0000 Insurance - Liability	11,134.22	13,311.88	1,120.60	10,428.42	10,500.00	14,000.00	
518 30 47 0000 Heat & Lights	2,573.57	2,477.97	2,505.12	2,402.64	3,000.00	3,000.00	
518 30 47 0001 City Hall Water/Sewer	593.40	762.41	1,047.10	784.14	1,330.29	1,330.29	
518 30 48 0000 Building Repair Supplies	-41.91	250.12	1,075.91	0.00	1,000.00	1,000.00	
518 40 31 0000 Office Supplies	3,674.25	5,146.58	3,817.17	3,852.96	6,000.00	6,000.00	
518 40 41 0000 Office Equip Repair& Maintenance	8,536.65	5,357.77	14,094.97	19,135.39	16,000.00	16,000.00	BIAS Software, IT and copier contracts
518 40 42 0000 Central Services Telephone	3,512.19	3,600.94	4,112.50	3,982.97	3,750.00	4,000.00	
518 40 42 0001 Miscellaneous - Postage	171.60	798.81	545.61	329.28	500.00	500.00	
518 80 41 0023 Website - General Fund	240.00	260.00	1,290.00	180.00	500.00	500.00	
518 90 10 0000 COVID-19 - Salaries	0.00	0.00	0.00	12,212.98	12,000.00	0.00	
518 90 20 0000 COVID-19 - Benefits	0.00	0.00	0.00	2,957.64	3,000.00	0.00	
518 90 31 0000 COVID-19 Supplies	0.00	0.00	0.00	12,111.89	15,000.00	0.00	
518 90 41 0000 COVID-19 Services	0.00	0.00	0.00	5,718.96	2,000.00	0.00	
518 90 49 0001 Dues And Membership - General	1,272.84	3,561.80	3,313.14	1,808.00	3,000.00	3,000.00	
594 18 62 0000 City Hall Improvements	0.00	0.00	0.00	10,169.30	15,000.00	0.00	

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001 General Expense Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
594 18 64 0000 Office Furniture/Equipment	1,674.73	0.00	1,053.80	0.00	0.00	0.00	
594 18 64 0001 Computer Equipment	0.00	1,216.26	19,497.53	1,111.80	0.00	0.00	
518 Centralized Services	38,679.02	48,506.56	69,065.28	95,036.78	103,780.29	60,330.29	
521 20 41 0000 Police Services	160,000.00	166,360.00	169,731.00	145,685.84	175,501.85	176,905.87	Negotiated contract amount
521 20 41 0001 CR Jus #4 Basic Law Enforcemnt	2,688.06	2,495.80	2,910.06	2,315.69	2,700.00	2,700.00	
521 30 41 0000 CR Jus #1 Drug/Alcohol ED	1,580.31	1,929.87	1,698.61	1,349.07	1,600.00	1,600.00	
523 30 41 0000 Probation And Parole Services	0.00	0.00	0.00	3,558.74	0.00	0.00	
523 60 41 0000 Jail Services	9,241.78	13,325.00	11,012.60	4,366.00	13,000.00	13,000.00	
521 Law Enforcement	173,510.15	184,110.67	185,352.27	157,275.34	192,801.85	194,205.87	
522 10 10 0000 Fire Chief/Administration - Salaries	1,200.00	1,200.00	1,480.80	1,561.60	1,500.00	1,900.00	
522 10 20 0000 Fire Chief/Administration - Benefits	91.80	91.80	91.80	77.84	200.00	100.00	
522 20 10 0000 Fire Contract Volunteer Reimb	8,154.00	15,280.00	11,434.00	0.00	16,000.00	16,000.00	
522 20 20 0000 Firefighter Benefits	623.78	1,168.96	874.71	6.17	1,000.00	1,000.00	
522 20 24 0000 Firefighter Pension/Disability	2,460.00	2,130.00	1,920.00	2,190.00	3,500.00	2,500.00	
522 20 31 0000 Fire Supplies	8,537.55	7,981.94	8,578.63	2,475.72	16,000.00	10,000.00	
522 20 31 0119 Fire Supplies-COVID-19	0.00	0.00	0.00	2,542.33	0.00	0.00	
522 20 32 0000 Fire Truck Fuel	228.02	448.94	604.58	190.88	1,000.00	1,000.00	
522 20 41 0000 Fire-Contractual Services	0.00	0.00	0.00	0.00	0.00	25,000.00	Strategic Plan
522 20 42 0000 Fire Telephone	1,322.40	1,235.64	1,226.18	860.55	1,400.00	1,400.00	
522 20 46 0000 Fire Truck Insurance	2,672.33	3,146.35	759.07	1,302.27	3,000.00	1,500.00	
522 20 48 0000 Fire Hydrant Repair/Supplies	0.00	0.00	0.00	0.00	0.00	1,000.00	
522 20 49 0001 Dues & Memb./Sub. City Fire	0.00	245.19	240.00	197.50	305.00	250.00	
522 30 10 0000 Fire Support Salary	6,380.13	6,434.03	4,996.81	2,404.61	8,500.00	8,500.00	
522 30 20 0000 Fire Support Benefits	4,107.05	3,743.95	3,003.37	996.05	5,000.00	7,000.00	
522 30 31 0001 Fire Prevention Supplies City	0.00	81.70	0.00	0.00	500.00	500.00	
522 30 41 0000 Fire Investigations	0.00	0.00	0.00	0.00	1,000.00	1,000.00	
522 30 45 0099 Eq Rental - Fire Support	2,864.37	3,528.70	2,212.72	610.58	5,500.00	5,500.00	
522 45 43 0000 Travel - Fire Department	0.00	65.30	0.00	0.00	1,000.00	1,000.00	
522 45 49 0000 Fire Department Training	747.58	676.48	351.46	9.63	4,500.00	3,000.00	
522 50 47 0000 Fire Hall Heat And Lights	2,804.32	2,598.75	2,499.56	1,799.95	3,000.00	3,000.00	
522 50 47 0001 Fire Hall Water-Sewer	0.00	0.00	0.00	973.41	0.00	5,000.00	
522 50 47 0099 Water on Demand For Hydrants	4,000.00	4,000.00	4,000.00	0.00	4,000.00	4,000.00	
522 50 48 0000 Fire Hall Repair	0.00	134.89	0.00	4,523.40	0.00	5,000.00	Gutters & security system
522 60 48 0000 Fire Equipment Repair	282.17	2,264.04	6,809.23	765.55	6,000.00	6,000.00	
594 22 64 0001 Fire Equip Purchase - City	79,338.52	0.00	79,529.85	0.00	0.00	0.00	
597 12 00 0000 Transfer Out To 303 Joint Emerg.	0.00	0.00	34,316.57	0.00	0.00	0.00	
202 Fire Department	125,814.02	56,456.66	164,929.34	23,488.04	82,905.00	111,150.00	
522 20 31 0002 Fire Supplies FD II	10,284.54	4,788.10	8,852.82	2,019.35	10,000.00	10,000.00	

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522 20 31 0219 Fire Supplies FD II-COVID-19	0.00	0.00	0.00	2,542.35	0.00	0.00	
522 20 32 0002 Fire Truck Fuel FDII	736.55	1,102.81	948.05	638.47	1,000.00	1,000.00	
522 20 49 0002 Dues & Membership/Subscriptions FD II	0.00	245.19	405.00	197.50	0.00	250.00	
522 30 31 0020 Fire Prevention Supplies FDII	0.00	110.77	0.00	0.00	500.00	500.00	
522 45 43 0002 Travel-FD II	0.00	65.29	0.00	0.00	0.00	0.00	
522 45 49 0002 Fire Training FD II	747.57	676.51	351.45	9.63	2,000.00	3,000.00	
522 60 48 0002 Fire Equipment Repair FDII	358.65	179.03	196.55	149.94	6,000.00	6,000.00	
594 22 64 0002 Fire Equip Purchase - FD II	63,150.13	0.00	0.00	0.00	0.00	0.00	
203 Fire District 2	75,277.44	7,167.70	10,753.87	5,557.24	19,500.00	20,750.00	
522 Fire Control	201,091.46	63,624.36	175,683.21	29,045.28	102,405.00	131,900.00	
525 30 48 0000 Disaster Recovery Contracted Services	15,738.34	0.00	0.00	0.00	0.00	0.00	
525	15,738.34	0.00	0.00	0.00	0.00	0.00	
528 60 41 0000 Dispatch Fees - City	1,703.25	1,794.40	2,301.39	0.00	2,000.00	2,500.00	
528 60 42 0000 Radio Contract	2,870.85	2,870.85	2,870.84	3,229.75	6,000.00	3,500.00	
528 Dispatch Services	4,574.10	4,665.25	5,172.23	3,229.75	8,000.00	6,000.00	
551 00 41 0000 CDBG Housing Rehab Cont. Svc.	0.00	0.00	89,117.85	34,843.73	350,000.00	250,000.00	Roll-over of prior year's estimated unused funds. Matches revenues.
551 Public Housing Services	0.00	0.00	89,117.85	34,843.73	350,000.00	250,000.00	
553 70 41 0000 Air Pollution Authority	0.00	215.40	276.80	434.75	300.00	300.00	
553 Conservation	0.00	215.40	276.80	434.75	300.00	300.00	
554 90 40 0000 Waterfront Mitigation Support	0.00	0.00	7,332.55	0.00	11,400.00	0.00	
554 Environmental Services	0.00	0.00	7,332.55	0.00	11,400.00	0.00	
558 50 10 0000 Building Inspector Salary	35,781.09	46,411.36	45,281.71	2,686.63	3,000.00	0.00	
558 50 20 0000 Building Inspector Benefits	21,836.70	26,701.02	26,554.65	1,489.72	1,500.00	0.00	
558 50 31 0000 Building Department Supplies	230.91	41.33	189.77	5.37	0.00	0.00	
558 50 41 0000 Consulting Services	0.00	0.00	90.00	0.00	0.00	0.00	
558 50 42 0000 Building Department Telephone	618.11	674.01	590.19	0.00	0.00	0.00	
558 50 43 0000 Travel - Building Inspector	328.94	0.00	1,088.98	0.00	0.00	0.00	
558 50 45 0099 Eq Rental - Building Dept	14,971.15	18,506.00	17,053.40	709.80	1,000.00	0.00	
558 50 49 0000 Training & Tuition - Building Dept	275.00	45.00	1,187.73	0.00	0.00	0.00	

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558 50 49 0001 Dues & Membership - Bldg Dept	95.00	210.00	95.00	0.00	300.00	0.00	
550 Building	74,136.90	92,588.72	92,131.43	4,891.52	5,800.00		
558 60 10 0000 Planning Salary	72,965.47	78,116.46	83,163.00	70,833.68	89,000.00	90,000.00	
558 60 10 0001 Planning Recorder - Salaries	1,078.36	760.00	1,038.78	1,106.75	1,800.00	1,800.00	
558 60 10 0002 Planning Commission Salaries	3,375.00	3,900.00	3,077.68	3,375.00	4,500.00	4,500.00	
558 60 10 0003 Planning Intern Salary	0.00	6,506.25	0.00	0.00	0.00	0.00	
558 60 20 0000 Planning Benefits	33,958.38	35,714.78	37,331.50	33,674.80	40,000.00	45,000.00	
558 60 20 0001 Planning Recorder - Benefits	93.28	65.71	66.87	95.57	180.00	180.00	
558 60 20 0002 Planning Commission Benefits	271.39	314.08	242.32	262.65	500.00	500.00	
558 60 20 0003 Planning Intern Benefits	0.00	583.82	0.00	0.00	0.00	0.00	
558 60 31 0000 Planning Supplies	0.00	74.27	0.00	0.00	750.00	200.00	
558 60 41 0000 Planning & Professional Assist	0.00	1,410.00	119,807.30	44,758.86	50,000.00	20,000.00	
558 60 41 0001 Planning Publication	595.92	898.56	819.00	1,185.29	1,750.00	1,750.00	
558 60 43 0000 Travel - Planning/Prof Assistance	231.23	20.00	898.88	0.00	0.00	1,500.00	
558 60 49 0000 Training & Tuition - Planning	145.00	230.00	451.69	0.00	0.00	1,500.00	
558 60 49 0001 Dues & Membership - Planning	363.00	394.00	0.00	0.00	500.00	600.00	
558 60 49 0002 Planning Filing Fees/Misc	0.00	113.00	570.00	26.25	500.00	200.00	
560 Planning	113,077.03	129,100.93	247,467.02	155,318.85	189,480.00	167,730.00	
558 70 49 0001 EDC Assessment	10,042.50	9,945.00	10,237.50	5,265.00	11,000.00	12,890.00	
558 70 49 0002 MCEDD Services	732.50	806.00	894.00	982.00	900.00	1,000.00	
570 Economic Development	10,775.00	10,751.00	11,131.50	6,247.00	11,900.00	13,890.00	
558 Planning & Community Devel	197,988.93	232,440.65	350,729.95	166,457.37	207,180.00	181,620.00	
565 10 49 0000 Food Bank Support	6,000.00	6,000.00	10,000.00	6,667.00	10,000.00	10,000.00	
565 Welfare	6,000.00	6,000.00	10,000.00	6,667.00	10,000.00	10,000.00	
566 72 42 0000 Substance Abuse/Liquor Excise	148.46	157.73	211.16	147.21	150.00	150.00	
566 Substance Abuse	148.46	157.73	211.16	147.21	150.00	150.00	
573 90 49 0000 Hosting of Meetings/Events	44.74	1,194.49	1,022.13	59.96	500.00	500.00	
573 Cultural & Community Activities	44.74	1,194.49	1,022.13	59.96	500.00	500.00	
576 20 41 0000 Community Pool Support	39,999.96	20,000.04	32,500.00	37,500.00	40,000.00	40,000.00	Maximum amount if pool opened year-round
576 80 10 0000 Park Maintenance Salary	21,994.27	18,654.56	38,961.16	13,327.60	20,000.00	20,000.00	
576 80 20 0000 Park Maintenance Benefits	7,607.53	7,260.87	17,010.55	8,001.71	12,000.00	12,000.00	

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001 General Expense Fund

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576 80 31 0000 Parks Supplies	580.70	10,433.21	10,288.24	1,299.24	2,000.00	2,000.00	
576 80 45 0099 Eq Rental - Parks	15,719.58	14,092.05	11,315.73	6,300.18	12,000.00	12,360.00	
576 80 47 0000 Parks Electricity	261.00	320.79	454.36	434.88	350.00	500.00	
576 80 47 0001 Parks Water	0.00	0.00	0.00	255.51	0.00	1,800.00	
576 80 48 0000 Parks - Contracted	0.00	6,311.18	11,332.00	0.00	0.00	0.00	
576 Park Facilities	86,163.04	77,072.70	121,862.04	67,119.12	86,350.00	88,660.00	
586 90 00 0000 Agency Disbursement - Court	5,480.19	10,796.22	11,090.82	7,697.04	0.00	0.00	
586 90 00 0001 Agency Disbursement - CVC	0.00	0.00	0.00	155.14	0.00	0.00	
586 91 00 0000 Agency Disbursement - Court Trust	979.99	5,657.50	856.79	0.00	0.00	0.00	
589 30 00 0000 Agency Remittances - State Bldg Code	216.00	416.50	207.50	132.50	0.00	0.00	
589 99 00 0000 Payroll Clearing	0.00	0.00	2,275.71	-171.87	0.00	0.00	
580 Non Expenditures	6,676.18	16,870.22	14,430.82	7,812.81	0.00	0.00	
597 00 01 0020 Transfers-Out - Fire Reserve	0.00	0.00	480,000.00	0.00	35,000.00	25,000.00	
597 00 01 0100 Transfers-Out - To 100 Street Fund	0.00	0.00	5,565.12	0.00	0.00	0.00	
597 00 01 0630 Transfers-Out -Municipal Court	0.00	0.00	5,443.28	0.00	0.00	0.00	
597 00 01 0631 Transfers-Out - CATV	0.00	0.00	3,115.25	0.00	0.00	0.00	
597 12 00 0000 Transfer Out To Joint Emergency Facilities	0.00	63,198.11	0.00	0.00	0.00	0.00	
597 Interfund Transfers	0.00	63,198.11	494,123.65	0.00	35,000.00	25,000.00	
508 80 00 0000 CE-Unreserved Ending Cash	0.00	0.00	0.00	0.00	598,764.67	560,758.10	Reflects change to pool support
100 Unreserved	0.00	0.00	0.00	0.00	598,764.67	560,758.10	
508 10 00 0002 CE-Unemployment Reserve	0.00	0.00	0.00	0.00	33,414.00	33,414.00	
102 Unemployment Reserve	0.00	0.00	0.00	0.00	33,414.00	33,414.00	
508 10 00 0004 CE-Custodial	0.00	0.00	0.00	0.00	51,135.13	51,135.13	
104 Custodial Reserve	0.00	0.00	0.00	0.00	51,135.13	51,135.13	
202 Fire Department	0.00	0.00	0.00	0.00			
999 Ending Balance	0.00	0.00	0.00	0.00	683,313.80	645,307.23	

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001 General Expense Fund

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TOTAL EXPENDITURES:	1,001,210.46	1,007,349.48	1,838,719.32	829,869.54	2,139,585.94	1,937,473.39
FUND GAIN/LOSS:	1,437,265.24	1,434,084.96	764,947.44	759,740.24	0.00	0.00

5 YEAR BUDGET COMPARISON

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010 General Reserve Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 01 0010 General Reserve-Beginning Cash	0.00	0.00	0.00	326,705.62	326,705.62	326,705.62	
308 Beginning Balances	0.00	0.00	0.00	326,705.62	326,705.62	326,705.62	
361 11 00 0010 General Res-Interest	0.00	0.00	1,112.20	0.00	0.00	0.00	
360 Interest & Other Earnings	0.00	0.00	1,112.20	0.00	0.00	0.00	
397 01 00 0301 Gen. Res.-Transfer In From Timber Harvest	0.00	0.00	325,593.42	0.00	0.00	0.00	
397 Interfund Transfers	0.00	0.00	325,593.42	0.00	0.00	0.00	
TOTAL REVENUES:	0.00	0.00	326,705.62	326,705.62	326,705.62	326,705.62	
508 10 01 0010 General Res-Ending Cash	0.00	0.00	0.00	0.00	326,705.62	326,705.62	
999 Ending Balance	0.00	0.00	0.00	0.00	326,705.62	326,705.62	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	326,705.62	326,705.62	
FUND GAIN/LOSS:	0.00	0.00	326,705.62	326,705.62	0.00	0.00	

The General Reserve Fund is restricted by SMC 3.30.010 for urgent or emergency purposes as determined and approved by council. It may also be used as a source of short-term (less than three years) interfund loans.

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020 Fire Reserve Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 02 0020 Fire Res-Beginning Cash	0.00	0.00	0.00	1,483,593.47	1,483,593.47	1,518,593.47	
308 Beginning Balances	0.00	0.00	0.00	1,483,593.47	1,483,593.47	1,518,593.47	
361 11 00 0020 Fire Res-Interest	0.00	0.00	3,593.47	0.00	0.00	0.00	
360 Interest & Other Earnings	0.00	0.00	3,593.47	0.00	0.00	0.00	
397 02 00 0001 Fire Res-Transfer In From General Fund	0.00	0.00	480,000.00	0.00	35,000.00	25,000.00	
397 02 00 0301 Fire Res-Transfer In From Timber Harvest	0.00	0.00	1,000,000.00	0.00	0.00	0.00	
397 Interfund Transfers	0.00	0.00	1,480,000.00	0.00	35,000.00	25,000.00	
TOTAL REVENUES:	0.00	0.00	1,483,593.47	1,483,593.47	1,518,593.47	1,543,593.47	
508 10 02 0020 Fire Res-Ending Cash	0.00	0.00	0.00	0.00	1,518,593.47	1,543,593.47	
999 Ending Balance	0.00	0.00	0.00	0.00	1,518,593.47	1,543,593.47	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	1,518,593.47	1,543,593.47	
FUND GAIN/LOSS:	0.00	0.00	1,483,593.47	1,483,593.47	0.00	0.00	

The Fire Reserve Fund is for buildings, equipment and other capital items associated and used in the fire department restricted by SMC 3.30.020.

Street Fund

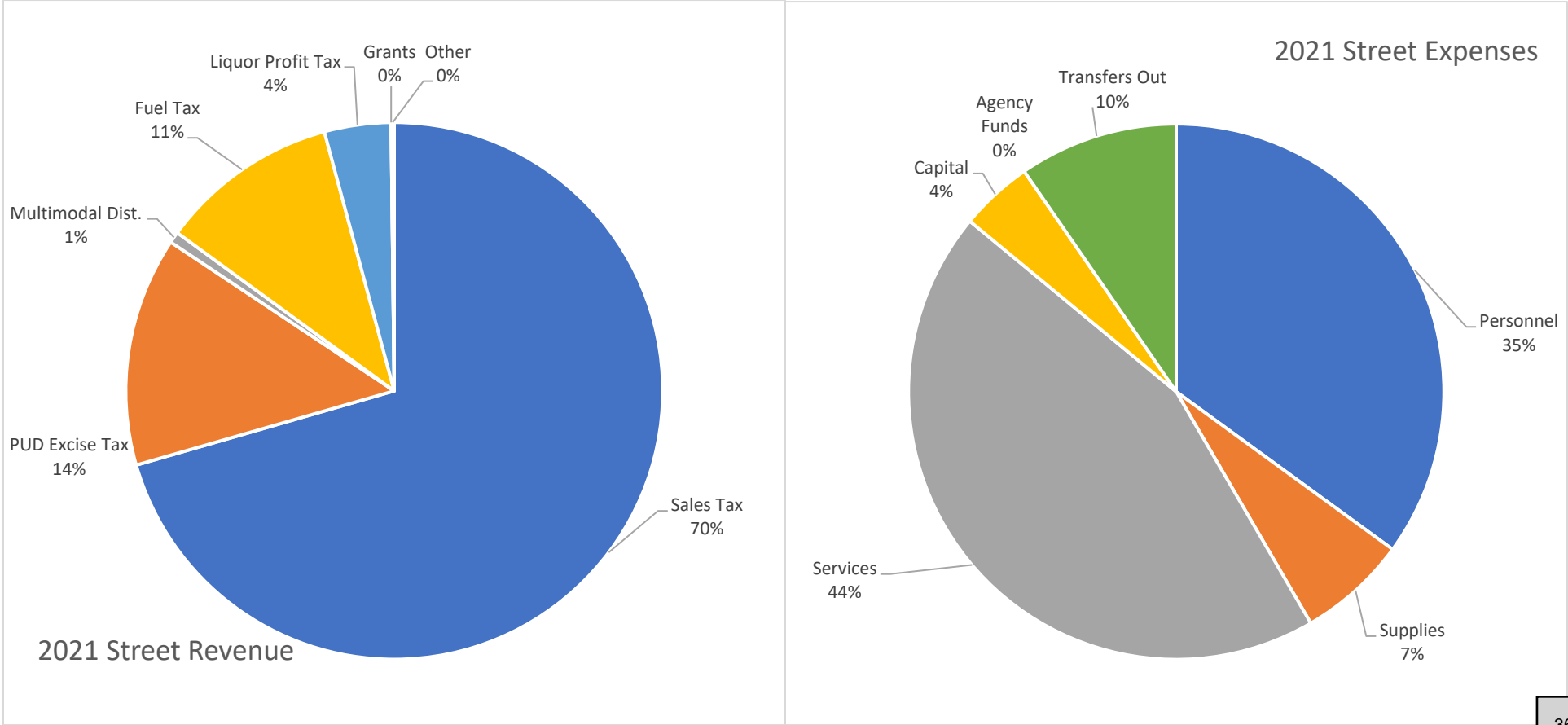
The Street Fund is used to account for proceeds of specific taxes and other revenue sources dedicated to fund city streets, storm drains, sidewalks and associated activities.

The primary state-dedicated revenue source is State gas tax. City Council has also dedicated the PUD Excise Tax, Liquor Profit Tax and a second half-percent sales tax (enacted by City Council in 2012) as additional revenue sources to the Street Fund.

Street Fund revenues have been supplemented in the past by the Federal Surface Transportation Program (STP) and the State Transportation Improvement Board (TIB) which can be used only for transportation purposes. Major street projects are accounted for in separate project funds in the 300 series with State and Federal revenues and transfers from the Street Fund and/or the General Fund when needed.

The Capital Project in 2021 is for additional minor road improvements to lower Kanaka. A large portion of the services (\$80k) is for a transportation study.

The Transfer Out is the city match portion of the First Street Overlook project.



5 YEAR BUDGET COMPARISON

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100 Street Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 80 00 0000 ST Unreserved Begin CA & Invest	69,418.45	132,413.00	177,995.51	296,289.98	296,289.98	243,377.98	
308 80 00 0100 ST Unreserved Begin C&I Snow Reserve	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	
308 Beginning Balances	79,418.45	142,413.00	187,995.51	306,289.98	306,289.98	253,377.98	
313 11 00 0100 Additional .5% Sales Tax	276,607.39	271,330.89	314,506.02	190,738.42	200,000.00	230,000.00	Conservative estimate.
316 42 00 0000 PUD Excise Tax	52,883.63	52,930.75	48,335.28	49,358.50	52,000.00	45,000.00	
310 Taxes	329,491.02	324,261.64	362,841.30	240,096.92	252,000.00	275,000.00	
322 40 00 0000 Street ROW Applications & Permits	850.00	1,175.00	525.00	275.00	600.00	600.00	
322 40 01 0000 Right of Way Permit Repairs	0.00	0.00	50.00	0.00	0.00	0.00	
320 Licenses & Permits	850.00	1,175.00	575.00	275.00	600.00	600.00	
334 03 80 0000 TIB Relight WA Grant	0.00	0.00	109,077.00	0.00	0.00	0.00	
334 03 80 0002 TIB Chipseal Grant	0.00	0.00	23,763.00	0.00	0.00	0.00	
336 00 71 0000 Multimodal Transportation - Cities	1,619.05	2,195.16	2,180.38	1,656.29	2,203.20	2,217.70	State allocation based on population.
336 00 87 0000 Street Fuel Tax-MVFT	33,351.98	34,153.07	33,205.19	24,209.28	32,432.40	35,152.20	State allocation based on population.
336 06 95 0000 Liquor Profit Tax	13,002.00	12,926.04	12,838.99	9,752.90	12,992.40	13,074.50	State allocation based on population.
330 Intergovernmental Revenues	47,973.03	49,274.27	181,064.56	35,618.47	47,628.00	50,444.40	
361 11 00 0100 Interest Income - Streets	225.20	456.86	726.97	231.68	0.00	0.00	
369 10 00 0000 Sale of Scrap Streets	0.00	585.55	0.00	0.00	0.00	0.00	
360 Interest & Other Earnings	225.20	1,042.41	726.97	231.68	0.00	0.00	
389 30 00 0100 Agency Collection Major St Latecomer Fee	3,771.00	0.00	0.00	0.00	0.00	0.00	
380 Non Revenues	3,771.00	0.00	0.00	0.00	0.00	0.00	
397 00 00 0001 Transfer In From General Fund	0.00	0.00	5,565.12	0.00	0.00	0.00	
397 02 00 0306 Transfer In From Kanaka	0.00	29,864.14	9,024.37	0.00	0.00	0.00	
397 Interfund Transfers	0.00	29,864.14	14,589.49	0.00	0.00	0.00	
TOTAL REVENUES:	461,728.70	548,030.46	747,792.83	582,512.05	606,517.98	579,422.38	

542 39 10 0000 Road Maintenance - Salaries	53,932.23	62,531.20	72,908.80	46,677.26	55,000.00	73,000.00	
542 39 20 0000 Road Maintenance - Benefits	31,377.56	32,113.19	35,027.19	26,010.62	32,000.00	35,000.00	
542 39 31 0000 Supplies	9,419.53	14,555.26	13,637.51	965.10	5,000.00	15,000.00	
542 39 41 0000 General Admin Fees	0.00	0.00	0.00	0.00	31,000.00	31,000.00	

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Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
542 39 42 0000 Telephone	4.04	0.00	0.00	147.38	200.00	200.00	
542 39 45 0099 Eq Rental - Road Maintenance	20,873.21	27,700.42	26,144.30	16,340.87	25,000.00	25,000.00	
542 39 48 0000 Contracted Labor	21,818.76	20,932.45	32,815.97	6,079.67	5,000.00	20,000.00	
542 39 51 0000 Environmental Permits	0.00	25.00	0.00	0.00	0.00	0.00	
542 40 10 0000 Storm Drain Maint - Salaries	3,244.43	5,233.41	9,315.73	6,564.09	8,000.00	10,000.00	
542 40 20 0000 Storm Drain Maint - Benefits	1,977.55	2,939.08	5,675.35	3,289.46	5,000.00	6,000.00	
542 40 31 0000 Storm Drain Maint - Supplies	0.00	0.00	1,390.47	0.00	2,000.00	2,000.00	
542 40 45 0099 Eq Rental - Storm Drain Maint	1,390.45	2,462.13	2,507.17	1,940.40	3,000.00	3,000.00	
542 40 47 0000 Dewatering Electricity Chesser	746.77	469.72	611.75	817.09	800.00	800.00	
542 40 48 0000 Storm Drain Maint - Contrlabor	0.00	546.58	0.00	2,558.24	2,000.00	700.00	
542 62 41 0000 Path Maintenance-Contract Svcs	0.00	0.00	4,741.83	0.00	5,000.00	0.00	
542 63 47 0000 Electricty - Street Lights	18,170.64	17,151.97	11,303.92	9,327.40	14,000.00	14,000.00	
542 63 47 0001 Street Water	0.00	0.00	0.00	1,569.44	0.00	0.00	
542 63 48 0000 Repair/maintenance - ST Lights	10,738.74	3,206.13	4,142.04	16,649.76	17,000.00	3,000.00	
542 64 31 0000 Traffic Devices	9,231.85	11,055.41	8,049.90	2,180.87	12,000.00	12,000.00	
542 64 48 0000 Road Striping	5,590.22	0.00	2,328.22	5,508.40	5,510.00	6,000.00	
542 66 10 0000 Snow Removal - Salary	27,694.30	616.96	15,710.18	1,523.06	18,000.00	18,000.00	
542 66 20 0000 Snow Removal - Benefits	14,252.93	183.21	7,299.55	695.21	8,000.00	8,000.00	
542 66 31 0000 Snow Removal - Supplies	0.00	0.00	0.00	0.00	1,000.00	1,000.00	
542 66 45 0099 Eq Rental - Snow Removal	12,102.61	206.92	11,486.28	703.79	4,000.00	4,000.00	
542 67 47 0000 Litter Clean-Up	4,367.96	2,657.92	3,263.22	2,203.98	2,000.00	2,000.00	
542 Streets - Maintenance	246,933.78	204,586.96	268,359.38	151,752.09	260,510.00	289,700.00	
543 10 10 0000 General Administration Salaries	10,868.85	921.66	492.19	1,462.78	2,000.00	2,000.00	
543 10 20 0000 General Administration Benefits	3,038.86	436.85	137.66	308.63	750.00	750.00	
543 31 10 0000 General Services Salaries	2,926.45	3,197.15	3,331.63	2,538.32	5,000.00	5,000.00	
543 31 20 0000 General Services Benefits	989.51	1,010.39	1,231.28	640.47	1,500.00	1,500.00	
543 31 41 0000 Computer Services	1,917.67	135.56	909.78	243.65	800.00	600.00	
543 31 41 0001 Contracted Servcies	0.00	0.00	1,350.00	0.00	0.00	80,000.00	Transportation Study.
543 31 41 0022 Audit Fee	1,687.40	1,220.98	0.00	2,746.71	2,000.00	2,000.00	
543 31 43 0000 Travel - Streets	267.80	0.00	0.00	0.00	1,000.00	500.00	
543 31 46 0000 Insurance	5,717.44	6,822.94	506.40	6,076.40	6,080.00	6,500.00	
543 31 49 0000 Training - Streets	65.00	115.00	128.33	0.00	500.00	500.00	
543 31 49 0001 Misc/Recording Fees/Dues	955.00	800.00	800.00	800.00	1,000.00	1,000.00	
543 Streets Admin & Overhead	28,433.98	14,660.53	8,887.27	14,816.96	20,630.00	100,350.00	
544 20 41 0100 #14 ST Planning Professional	712.43	2,522.05	0.00	247.50	21,000.00	1,000.00	
544 Road & Street Operations	712.43	2,522.05	0.00	247.50	21,000.00	1,000.00	
566 72 42 0100 Substance Abuse/Liquor Profits	325.88	258.52	256.78	195.06	0.00	0.00	

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Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
566 Substance Abuse	325.88	258.52	256.78	195.06	0.00	0.00	
589 30 00 0100 Agency Remittance Major St Latecomer Fee	3,771.00	0.00	0.00	0.00	0.00	0.00	
580	3,771.00	0.00	0.00	0.00	0.00	0.00	
594 42 41 0000 Relight WA-Contract Services	0.00	109,077.00	0.00	0.00	0.00	0.00	
595 31 31 0000 #37 Cascade (Restor/Rehab) - Supplies	157.50	0.00	0.00	0.00	0.00	0.00	
595 32 10 0000 #71 Kanaka (Restor/Rehab) - Sal	14,523.01	881.41	0.00	0.00	0.00	0.00	
595 32 20 0000 #71 Kanaka (Restor/Rehab) - Ben	7,400.44	403.92	0.00	0.00	0.00	0.00	
595 32 45 0099 Eq Rental-Restor/Rehab (#71 Kanaka)	5,004.81	299.16	0.00	0.00	0.00	0.00	
595 33 10 0000 Russell Avenue (Restor/Rehab) - Sal	0.00	1,542.86	28,529.72	16,206.21	17,000.00	0.00	
595 33 20 0000 Russell Avenue (Restor/Rehab) - Ben	0.00	699.55	12,260.28	8,891.42	10,000.00	0.00	
595 33 31 0000 Russell Avenue (Restor/Rehab)-Supp	0.00	0.00	11,531.98	0.00	0.00	0.00	
595 33 41 0000 Russell Avenue (Restor/Rehab)-Svcs	0.00	0.00	1,176.44	300.00	0.00	0.00	
595 33 45 0099 Eq Rental - Restor/Rehab (Russell Ave)	0.00	651.06	13,470.17	4,798.27	4,000.00	0.00	
595 50 41 0000 Kanaka Bridge Rebuild	0.00	0.00	0.00	0.00	20,000.00	20,000.00	Lower Kanaka Improvements
595 61 10 0000 Gropper Sidewalk - Salaries	6,042.69	212.53	0.00	0.00	0.00	0.00	
595 61 20 0000 Gropper Sidewalk - Benefits	2,971.01	97.45	0.00	0.00	0.00	0.00	
595 61 41 0000 Gropper Sidewalk - Prof Services	1,657.50	0.00	0.00	0.00	0.00	0.00	
595 61 45 0099 Eq Rental-Gropper Sidewalk	2,056.10	70.40	0.00	0.00	0.00	0.00	
594 Capital Expenditures	39,813.06	113,935.34	66,968.59	30,195.90	51,000.00	20,000.00	
597 17 00 0000 Transfer Out To Gropper Sidewalk	0.00	24,174.42	0.00	0.00	0.00	0.00	
597 18 00 0000 Transfer Out to 309 Russell Ave	0.00	0.00	97,030.83	0.00	0.00	0.00	
597 19 00 0000 Transfer Out To 311 First St	0.00	0.00	0.00	0.00	0.00	43,700.00	City matching funds.
597 Interfund Transfers	0.00	24,174.42	97,030.83	0.00	0.00	43,700.00	
508 80 00 0100 Streets-Unreserved Ending Cash	0.00	0.00	0.00	0.00	243,377.98	114,672.38	
508 80 00 0101 Streets-Snow Reserve	0.00	0.00	0.00	0.00	10,000.00	10,000.00	
999 Ending Balance	0.00	0.00	0.00	0.00	253,377.98	124,672.38	
TOTAL EXPENDITURES:	319,990.13	360,137.82	441,502.85	197,207.51	606,517.98	579,422.38	
FUND GAIN/LOSS:	141,738.57	187,892.64	306,289.98	385,304.54	0.00	0.00	

Tourism Promotion Fund

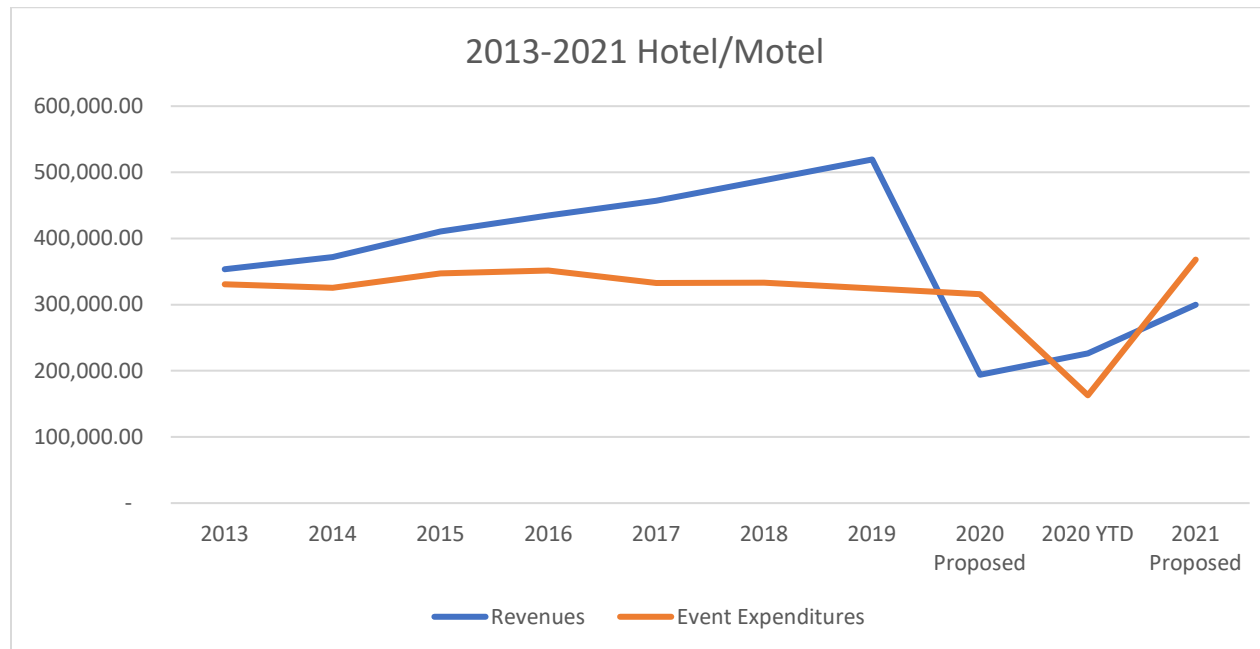
The Tourism Fund (Hotel / Motel tax fund) was established by City Council to fund activities designed to increase tourism. Lodging taxes were authorized by the State Legislature for tourism marketing, special events and festivals designed to attract tourists, and the support of tourism-related facilities.

The primary revenue source is a Lodging Tax of 4% charged on lodging within the City of Stevenson. Most of the revenue goes to support ongoing tourism services such as the Chamber of Commerce, the Stevenson Downtown Association, the Columbia Gorge Tourism Alliance, Columbia River Gorge Interpretive Center and the Dog Mountain Shuttle. Other events supported with the revenue include the Blues and Brews, 4th of July Fireworks, County Fair, GorgeGrass, Waterfront Festival, Fools Fest, Farmers' Market, Gorge Outrigger Races and the Bridge of the Gods Kitefest.

Tourism related Capital projects also supported by this fund include:

- Interpretive and Wayfinding Signs
- Leavens Point Beach Improvements
- Stevenson Landing Improvements
- Waterfront Park – Wayfinding signage, amenities and enhancements
- Courthouse Park Plaza

In the past, this tax has generated over \$400,000 per year, which is awarded to applicants by City Council following recommendations from the Tourism Advisory Committee (TAC) in November. COVID-19 has reduced the projected revenues and will be monitored as the tourism economy recovers.



5 YEAR BUDGET COMPARISON

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103 Tourism Promo & Develop Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0103 Tourism Reserved C&I - Capital	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	
308 10 01 0103 Tourism Reserved C&I - Rev. Shortfall	304,104.45	228,999.54	247,672.30	410,294.51	410,294.51	270,886.20	Increased roll-over for Plaza Project
308 Beginning Balances	604,104.45	528,999.54	547,672.30	710,294.51	710,294.51	570,886.20	
313 31 00 0000 Stadium (Motel/Hotel) Tax	456,931.72	488,077.57	519,403.95	226,191.22	194,000.00	300,000.00	Conservative Estimate
310 Taxes	456,931.72	488,077.57	519,403.95	226,191.22	194,000.00	300,000.00	
361 11 00 0103 Interest Income/Tourism	4,224.19	4,740.36	8,951.51	11,669.76	0.00	0.00	
360 Interest & Other Earnings	4,224.19	4,740.36	8,951.51	11,669.76	0.00	0.00	
TOTAL REVENUES:	1,065,260.36	1,021,817.47	1,076,027.76	948,155.49	904,294.51	870,886.20	
573 30 41 0000 Consultant Services, Chamber	85,000.08	90,000.00	90,000.00	69,547.09	90,000.00	90,000.00	
573 30 41 0001 SBA Consultant Services	77,182.48	90,730.64	70,852.71	30,547.26	85,000.00	80,000.00	Fireworks moved to County management
573 30 41 0004 County - Fair & Timber Carnival	6,000.00	6,000.00	6,000.00	0.00	0.00	5,000.00	
573 30 41 0005 County - Bluegrass Festival	9,000.00	9,000.00	9,000.00	0.00	0.00	10,000.00	Total amount for Bluegrass only \$1k more than last year
573 30 41 0008 County-Fireworks	0.00	0.00	0.00	0.00	0.00	7,500.00	Relocated from Chamber
573 30 41 0010 General Admin Fees	0.00	0.00	0.00	0.00	4,000.00	4,000.00	
573 90 10 0000 Promotion Salaries	19,280.51	1,843.21	2,019.44	1,409.64	5,000.00	5,000.00	
573 90 10 0003 Promotion Field Salaries	2,000.38	1,760.21	2,188.51	245.25	3,300.00	3,300.00	
573 90 20 0000 Promotion Benefits	5,390.72	873.62	884.00	292.97	1,000.00	1,000.00	
573 90 20 0003 Promotion Field Benefits	1,199.60	1,075.84	1,182.29	92.97	1,700.00	1,700.00	
573 90 31 0000 Promotion Supplies	410.22	516.59	232.00	0.00	0.00	0.00	
573 90 41 0001 Discover Your Northwest	14,792.70	20,656.09	17,250.00	6,986.88	7,000.00	0.00	
573 90 41 0002 CRGIC Consultant Services	45,473.36	53,625.96	55,000.00	24,195.90	55,000.00	55,000.00	
573 90 41 0003 X-Fest Event Consultant Serv	0.00	1,000.00	0.00	0.00	0.00	0.00	
573 90 41 0004 Skamania Senior Services - Hiker Bus	2,500.00	2,500.00	1,250.00	0.00	0.00	2,000.00	
573 90 41 0008 Gorge Outrigger Races	5,000.00	5,000.00	5,000.00	0.00	0.00	5,000.00	
573 90 41 0009 BOTG Kiteboarding Festival	3,000.00	3,000.00	3,000.00	0.00	3,000.00	3,000.00	
573 90 41 0011 Stevenson Farmers Market	1,765.00	2,000.00	2,000.00	0.00	2,000.00	3,000.00	Increased programming
573 90 41 0013 Main St Program Coordinator (SBA)	31,154.74	25,000.00	40,000.00	27,500.00	55,000.00	65,000.00	Increased request for increased programs
573 90 41 0014 Stevenson Waterfront Music Festival	3,400.00	2,000.00	2,000.00	0.00	3,000.00	3,000.00	
573 90 41 0015 Walking Man	3,800.00	1,335.69	2,000.00	0.00	2,500.00	5,200.00	21st Anniversary weekend event
573 90 41 0016 Pirate Festival	0.00	0.00	0.00	0.00	0.00	8,400.00	New proposed festival
573 90 41 0017 Stevenson Municipal Pool Marketing	4,763.02	2,728.94	2,500.00	0.00	0.00	0.00	
573 90 41 0018 SC Fair Board-GorgeGrass	0.00	8,000.00	8,000.00	0.00	0.00	4,000.00	Total amount for GorgeGrass increased \$1k
573 90 41 0019 CGTA Services	0.00	2,500.00	2,500.00	0.00	2,500.00	5,000.00	Increased programs
573 90 41 0021 Computer Services	1,358.34	112.95	727.89	202.91	0.00	0.00	
573 90 41 0022 Audit Fee	1,379.04	1,220.98	0.00	1,831.14	2,000.00	2,000.00	

5 YEAR BUDGET COMPARISON

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103 Tourism Promo & Develop Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
573 90 45 0099 Eq Rental - Promotion Field	937.44	901.58	687.72	82.83	0.00	0.00	
573 Cultural & Community Activities	324,787.63	333,382.30	324,274.56	162,934.84	322,000.00	368,100.00	
594 75 63 0001 Leavens Point Beach	0.00	111,400.00	0.00	0.00	0.00	0.00	
594 75 63 0003 Stevenson Landing Sign	17,835.35	0.00	0.00	0.00	0.00	0.00	
594 75 63 0005 East Point Signage (Port)	1,931.30	0.00	0.00	0.00	0.00	0.00	
594 75 63 0006 Waterfront Wayfinding Signage (Port)	0.00	29,582.00	0.00	0.00	0.00	0.00	
594 75 63 0007 Waterfront Park Amenities (Port)	0.00	0.00	30,867.00	0.00	0.00	0.00	
594 75 63 0008 Waterfront Park Enhancements	0.00	0.00	0.00	0.00	55,000.00	0.00	
594 75 63 0010 Exhibit Hall Roof-Fairgrounds	0.00	0.00	0.00	15,000.00	15,000.00	0.00	
594 76 52 0000 21 NE Cascade Waterfront Park	184,004.84	0.00	0.00	0.00	0.00	0.00	
594 76 63 0001 Courthouse Park Plaza (SDA)	0.00	0.00	10,591.69	1,880.17	249,408.31	230,000.00	Estimated roll-over
594 Capital Expenditures	203,771.49	140,982.00	41,458.69	16,880.17	319,408.31	230,000.00	
508 10 00 0103 Tourism-Cap. Facility Reserve	0.00	0.00	0.00	0.00	100,000.00	100,000.00	
508 10 00 0104 Tourism-Ending Cash	0.00	0.00	0.00	0.00	162,886.20	172,786.20	
999 Ending Balance	0.00	0.00	0.00	0.00	262,886.20	272,786.20	
TOTAL EXPENDITURES:	528,559.12	474,364.30	365,733.25	179,815.01	904,294.51	870,886.20	
FUND GAIN/LOSS:	536,701.24	547,453.17	710,294.51	768,340.48	0.00	0.00	

5 YEAR BUDGET COMPARISON

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105 Affordable Housing Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
313 27 00 0000 Affordable And Supportive Housing Sales And Use Tax	0.00	0.00	0.00	430.01	0.00	15,000.00	Rough estimate.
310 Taxes	0.00	0.00	0.00	430.01	0.00	15,000.00	
TOTAL REVENUES:	0.00	0.00	0.00	430.01	0.00	15,000.00	
508 10 00 0105 Affordable Housing-Ending Balance	0.00	0.00	0.00	0.00	0.00	15,000.00	
999 Ending Balance	0.00	0.00	0.00	0.00	0.00	15,000.00	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	0.00	15,000.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	430.01	0.00	0.00	

The Affordable Housing Fund, established in late 2020, is for the collection and use of the sales tax credit for affordable housing authorized by SMC 3.10 and RCW 82.14. The rate inside city limits is .73% and can be used for acquiring, rehabilitating or constructing affordable housing, providing the operations and maintenance costs of new units of affordable or supportive housing, and providing rental assistance to tenants.

5 YEAR BUDGET COMPARISON

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300 Capital Improvement Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0000 Cap Imp Res Begin C&I Waterfront Imp	11,256.65	11,256.65	11,256.65	11,256.65	11,256.65	11,256.65	
308 10 00 0300 Cap Imp Reserved Begin C&I	35,297.33	59,345.13	97,368.97	124,399.77	124,399.77	68,762.99	
308 Beginning Balances	46,553.98	70,601.78	108,625.62	135,656.42	135,656.42	80,019.64	
318 34 00 0000 Real Estate Excise Tax	23,829.97	37,586.59	26,296.78	33,731.32	20,000.00	20,000.00	
310 Taxes	23,829.97	37,586.59	26,296.78	33,731.32	20,000.00	20,000.00	
361 11 00 0300 Interest on Investments-Cap Imp	217.83	437.25	734.02	711.64	0.00	0.00	
360 Interest & Other Earnings	217.83	437.25	734.02	711.64	0.00	0.00	
TOTAL REVENUES:	70,601.78	108,625.62	135,656.42	170,099.38	155,656.42	100,019.64	
597 18 00 0309 Transfer Out To Russell	0.00	0.00	0.00	0.00	22,636.78	0.00	
597 18 00 0311 Transfer Out To First Street	0.00	0.00	0.00	0.00	53,000.00	0.00	
597 Interfund Transfers	0.00	0.00	0.00	0.00	75,636.78	0.00	
508 10 00 0300 Cap. Imp.-Ending Cash	0.00	0.00	0.00	0.00	68,762.99	88,762.99	
508 10 00 0301 Cap. Imp.-Waterfront Imp Res	0.00	0.00	0.00	0.00	11,256.65	11,256.65	
999 Ending Balance	0.00	0.00	0.00	0.00	80,019.64	100,019.64	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	155,656.42	100,019.64	
FUND GAIN/LOSS:	70,601.78	108,625.62	135,656.42	170,099.38	0.00	0.00	

The Capital Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The primary dedicated revenue source is the real estate excise tax imposed on the sale of real estate. These funds are restricted by the State Legislature for capital purposes identified in a capital improvements plan and local capital improvements including those listed in RCW 35.43.040.

Capital Improvement projects are normally accounted for in separate project funds in the 300 series with funding from various State and Federal sources and transfers from the Capital Improvement Fund and/or other City funds as applicable. In recent years the Capital Improvement Fund has been used to help fund the Kanaka Creek and Gropper Sidewalk project, the Russell Avenue project and the Joint Emergency Facilities project.

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301 Timber Harvest Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 80 00 0301 Timber Harvest Unres Beg Cash	560,002.87	1,052,034.82	1,311,537.00	0.00	0.00	0.00	
308 Beginning Balances	560,002.87	1,052,034.82	1,311,537.00	0.00	0.00	0.00	
361 11 00 0301 Interest on Investments - Timber Harvest	0.00	4,571.91	17,362.42	0.00	0.00	0.00	
360 Interest & Other Earnings	0.00	4,571.91	17,362.42	0.00	0.00	0.00	
395 10 00 0301 Timber Harvest Proceeds	1,406,805.13	396,657.27	0.00	0.00	0.00	0.00	
390 Other Financing Sources	1,406,805.13	396,657.27	0.00	0.00	0.00	0.00	
TOTAL REVENUES:	1,966,808.00	1,453,264.00	1,328,899.42	0.00	0.00	0.00	
554 90 41 0301 Timber Sale Management Consulting	55,028.67	34,791.58	0.00	0.00	0.00	0.00	
554 90 48 0301 Timber Sale Contracted Seviles	453,533.89	137,224.38	3,306.00	0.00	0.00	0.00	
554 90 51 0000 Timber Sale Permitting	100.00	100.00	0.00	0.00	0.00	0.00	
554 Environmental Services	508,662.56	172,115.96	3,306.00	0.00	0.00	0.00	
594 22 60 0000 Fire Hall Land Purchase	384,445.96	0.00	0.00	0.00	0.00	0.00	
594 Capital Expenditures	384,445.96	0.00	0.00	0.00	0.00	0.00	
597 01 00 0010 Transfers-Out - General Reserve	0.00	0.00	325,593.42	0.00	0.00	0.00	
597 01 00 0020 Transfers-Out - Fire Reserve	0.00	0.00	1,000,000.00	0.00	0.00	0.00	
597 Interfund Transfers	0.00	0.00	1,325,593.42	0.00	0.00	0.00	
TOTAL EXPENDITURES:	893,108.52	172,115.96	1,328,899.42	0.00	0.00	0.00	
FUND GAIN/LOSS:	1,073,699.48	1,281,148.04	0.00	0.00	0.00	0.00	

The Timber Harvest Fund was used to track the revenues and expenses with harvesting the timber in the city's watershed. In 2019 the balance of the fund was transfered to the Fire Reserve and General Reserve funds. It is no longer an active fund.

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303 Joint Emergency Facilities Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
397 01 00 0303 Transfer In from CE	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
397 Interfund Transfers	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
TOTAL REVENUES:	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
594 22 41 0000 Consulting Engineering	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
594 Capital Expenditures	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
TOTAL EXPENDITURES:	0.00	63,198.11	34,316.57	0.00	0.00	0.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	0.00	0.00	0.00	

The Joint Emergency Facilities Fund is used to track the revenues and expenses associated with the planning and construction of the new fire hall. It is used as needed. No costs were incurred in 2020 and none are projected for 2021.

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306 Kanaka Creek Road Improvements

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0306 Beg Cash (Reserved)	-38,504.85	-71,434.76	0.00	0.00	0.00	0.00	
308 Beginning Balances	-38,504.85	-71,434.76	0.00	0.00	0.00	0.00	
333 20 20 0306 STP Grant	507,517.46	145,960.43	0.00	0.00	0.00	0.00	
334 03 80 0001 TIB Grant	91,012.70	18,120.93	9,024.37	0.00	0.00	0.00	
330 Intergovernmental Revenues	598,530.16	164,081.36	9,024.37	0.00	0.00	0.00	
TOTAL REVENUES:	560,025.31	92,646.60	9,024.37	0.00	0.00	0.00	
595 10 41 0306 Kanaka Creek Rd - Engineering	57,054.06	5,132.93	0.00	0.00	0.00	0.00	
595 30 63 0000 Kanaka Creek Rd - Contracted Labor	569,411.70	62,782.46	0.00	0.00	0.00	0.00	
594 Capital Expenditures	626,465.76	67,915.39	0.00	0.00	0.00	0.00	
597 15 00 0306 Transfer Out to Streets	0.00	29,864.14	9,024.37	0.00	0.00	0.00	
597 Interfund Transfers	0.00	29,864.14	9,024.37	0.00	0.00	0.00	
TOTAL EXPENDITURES:	626,465.76	97,779.53	9,024.37	0.00	0.00	0.00	
FUND GAIN/LOSS:	-66,440.45	-5,132.93	0.00	0.00	0.00	0.00	

The Kanaka Creek Road Improvements Funds was used to track the revenues and expenses for the Kanaka Creek Road Improvement project. It was formally closed out in 2019 and is no longer active.

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308 Gropper Sidewalk

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0308 Gropper Beginning Cash	0.00	-20,497.70	0.00	0.00	0.00	0.00	
308 Beginning Balances	0.00	-20,497.70	0.00	0.00	0.00	0.00	
334 03 80 0308 TIB Grant	241,234.06	6,889.94	0.00	0.00	0.00	0.00	
330 Intergovernmental Revenues	241,234.06	6,889.94	0.00	0.00	0.00	0.00	
397 02 00 0308 Transfer In From Streets	0.00	24,174.42	0.00	0.00	0.00	0.00	
397 Interfund Transfers	0.00	24,174.42	0.00	0.00	0.00	0.00	
TOTAL REVENUES:	241,234.06	10,566.66	0.00	0.00	0.00	0.00	
595 10 41 0308 Gropper Sidewalk - Engineering	60,018.26	946.92	0.00	0.00	0.00	0.00	
595 61 63 0000 Gropper Sidewalk - Construction	200,766.58	10,566.66	0.00	0.00	0.00	0.00	
594 Capital Expenditures	260,784.84	11,513.58	0.00	0.00	0.00	0.00	
TOTAL EXPENDITURES:	260,784.84	11,513.58	0.00	0.00	0.00	0.00	
FUND GAIN/LOSS:	-19,550.78	-946.92	0.00	0.00	0.00	0.00	

The Gropper Sidewalk Fund was used to track the revenues and expenses related to the Gropper Sidewalk project. It was closed-out in 2018 and is no longer active.

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309 Russell Ave

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0309 Russell Ave Res Beg CA & Invest	0.00	0.00	-66,157.50	0.00	0.00	0.00	
308 Beginning Balances	0.00	0.00	-66,157.50	0.00	0.00	0.00	
333 20 20 0001 Russell STP Grant	0.00	0.00	123,000.00	480,375.33	707,000.00	0.00	
334 03 80 0309 Russell Ave-TIB Grant	0.00	0.00	0.00	78,772.85	112,927.00	0.00	
330 Intergovernmental Revenues	0.00	0.00	123,000.00	559,148.18	819,927.00	0.00	
397 02 00 0309 Transfer In from Streets	0.00	0.00	97,030.83	0.00	0.00	0.00	
397 03 00 0309 Transfer In From CI	0.00	0.00	0.00	0.00	22,636.78	0.00	
397 Interfund Transfers	0.00	0.00	97,030.83	0.00	22,636.78	0.00	
TOTAL REVENUES:	0.00	0.00	153,873.33	559,148.18	842,563.78	0.00	
595 10 41 0309 Russell Ave - Engineering	0.00	66,157.50	141,739.68	100,537.19	173,964.18	0.00	
595 10 41 1309 Russell Ave-Construction	0.00	0.00	0.00	632,205.21	668,599.60	0.00	
595 20 61 0309 Russell Ave-Right Of Way	0.00	0.00	12,133.65	0.00	0.00	0.00	
594 Capital Expenditures	0.00	66,157.50	153,873.33	732,742.40	842,563.78	0.00	
TOTAL EXPENDITURES:	0.00	66,157.50	153,873.33	732,742.40	842,563.78	0.00	
FUND GAIN/LOSS:	0.00	-66,157.50	0.00	-173,594.22	0.00	0.00	

The Russell Avenue Project is for tracking the revenues and expenses related to the Russell Avenue project. The project is expected to be closed out in 2020 and no longer active in 2021.

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310 Wastewater System Upgrades

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	0.00	0.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	0.00	0.00	0.00	

The fund was set up and moved to 410. Since there was account activity in the fund in 2018, it will continue to report until that year is cleared.

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311 First Street

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
334 03 80 0311 First St.-TIB Grant	0.00	0.00	0.00	0.00	132,800.00	575,400.00	
330 Intergovernmental Revenues	0.00	0.00	0.00	0.00	132,800.00	575,400.00	
397 00 00 0311 First St-Transfer In From Streets	0.00	0.00	0.00	0.00	0.00	43,700.00	
397 00 00 1311 First St-Transfer In From CIP	0.00	0.00	0.00	0.00	53,000.00	0.00	
397 Interfund Transfers	0.00	0.00	0.00	0.00	53,000.00	43,700.00	
TOTAL REVENUES:	0.00	0.00	0.00	0.00	185,800.00	619,100.00	
595 10 41 0311 First St-Engineering Svc	0.00	0.00	0.00	78,967.61	185,800.00	619,100.00	Engineer's estimated construction costs.
594 Capital Expenditures	0.00	0.00	0.00	78,967.61	185,800.00	619,100.00	
TOTAL EXPENDITURES:	0.00	0.00	0.00	78,967.61	185,800.00	619,100.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	-78,967.61	0.00	0.00	

The First Street Fund is for tracking the revenues and expenses related to the First Street Overlook Project. Construction will begin in 2021 and the project is expected to be closed out in the same year.

Water/Sewer Fund

The Water & Sewer Fund is operated as an enterprise fund to account for the operations of the City's water and sewer systems on a self-supporting basis. In addition to generating enough revenue to meet current expenses, the fund must generate enough revenue to build a reserve for equipment repair and eventual capital replacements.

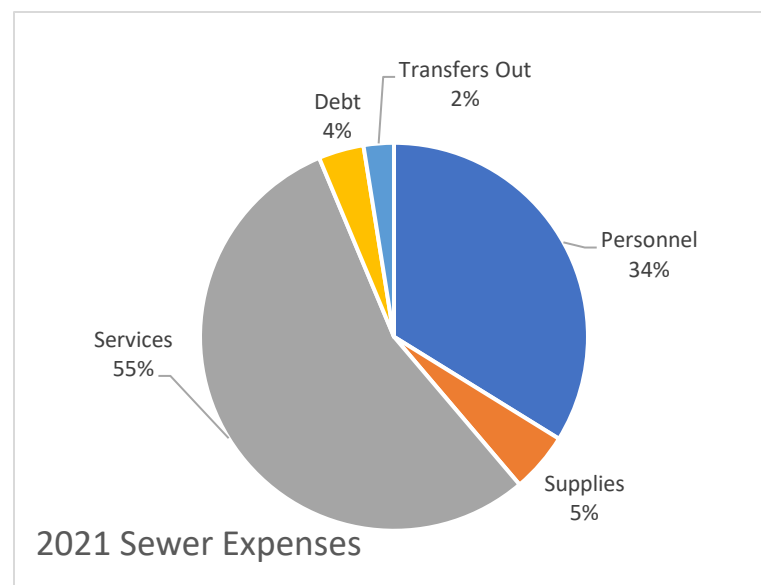
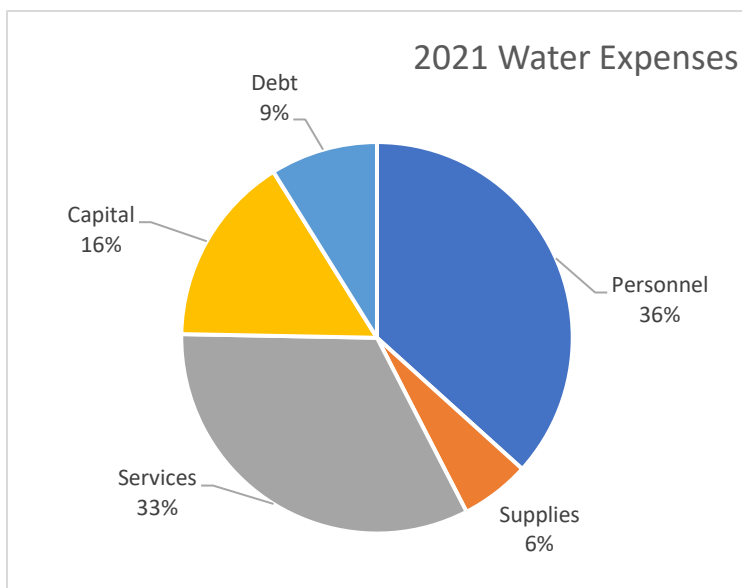
An annual water rate increase of 5% beginning in 2020 was adopted by council to ensure adequate funds for capital projects and debt repayment.

The sewer rates are proposed to increase 12.5% for 2021. This rate increase of \$10 to the residential base fees is half of last year's increase and will allow the city to meet the needs of the department for 2021. This may mean higher increases in the following years, however the city is taking into consideration the impact of COVID-19 on customers. Rate increases for 2022 and beyond will be determined after the finance package for construction of the Wastewater Treatment Plant upgrades is secured.

The water capital costs include \$50k in upgrades along Vancouver to the Rock Creek intersection and \$50k in upgrades along Loop from Kanaka to the Columbia intersection.

Water debt is for repayment on a loan for the Base Reservoir, which ends in 2026, and the repayment of the loan for the water meters, which ends in 2030.

Sewer debt is currently only for the outfall, which ends in 2033. Repayment on the loan for the Wastewater Treatment Plant design will begin in 2022.



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400 Water/Sewer Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 80 00 0400 WS Unreserved Begin CA & Invest	103,225.80	94,259.50	97,513.09	251,864.61	251,864.61	103,551.58	
400 Water/Sewer	103,225.80	94,259.50	97,513.09	251,864.61	251,864.61	103,551.58	
308 10 01 0400 WS Res Begin C&I System Dev Water	273,209.17	132,479.17	110,376.85	207,161.66	207,161.66	249,161.66	
401 Water	273,209.17	132,479.17	110,376.85	207,161.66	207,161.66	249,161.66	
308 10 02 0400 WS Res Begin C&I System Dev Sewer	214,050.00	132,380.00	100,730.27	186,003.27	186,003.27	203,703.27	
308 10 03 0400 WS Res Begin C&I Sewer Outfall Debt	32,670.00	32,670.00	32,670.00	32,670.00	32,670.00	0.00	
402 Sewer	246,720.00	165,050.00	133,400.27	218,673.27	218,673.27	203,703.27	
308 Beginning Balances	623,154.97	391,788.67	341,290.21	677,699.54	677,699.54	556,416.51	
334 04 20 0400 Dept. Of Commerce-Energy Grant	0.00	0.00	0.00	0.00	311,000.00	1,000.00	
343 Water	0.00	0.00	0.00	0.00	311,000.00	1,000.00	
330 Intergovernmental Revenues	0.00	0.00	0.00	0.00	311,000.00	1,000.00	
343 40 00 0000 Water Sales	494,963.35	549,332.99	626,628.54	543,097.83	508,050.00	630,000.00	5% rate increase per ordinance.
343 40 18 0000 Turn on Fees	1,677.63	1,413.81	1,397.12	10.00	1,500.00	1,500.00	
343 40 19 0000 Reconnect Fee	800.00	1,906.45	0.00	0.00	0.00	1,000.00	
343 40 20 0000 Water Construction Hookup	55.00	60.00	45.00	50.00	0.00	0.00	
343 40 21 0000 Hydrant Rental - External	800.00	1,000.00	1,350.00	867.07	600.00	600.00	
343 40 99 0000 Hydrant Rental-Internal (fire)	4,000.00	4,000.00	4,000.00	0.00	4,000.00	4,000.00	
343 41 00 0000 Installation Water	10,772.17	10,771.51	6,369.86	8,757.74	10,000.00	10,000.00	
343 Water	513,068.15	568,484.76	639,790.52	552,782.64	524,150.00	647,100.00	
343 50 00 0000 Sewer Service Income	369,254.43	495,935.71	652,849.27	734,775.53	791,294.20	905,900.00	Assumes 12.5% rate increase.
343 50 01 0000 BOD Surcharge	0.00	34,395.72	29,009.02	35,455.44	0.00	0.00	
343 50 02 0000 Downspout-Sump Pump Discharge	0.00	12,246.49	9,272.82	5,912.58	0.00	0.00	
343 51 00 0000 Installation Sewer	400.00	600.00	450.00	750.00	300.00	300.00	
344 Sewer	369,654.43	543,177.92	691,581.11	776,893.55	791,594.20	906,200.00	
340 Charges For Goods & Services	882,722.58	1,111,662.68	1,331,371.63	1,329,676.19	1,315,744.20	1,553,300.00	
367 40 00 0000 Water Capital Contributions	33,000.00	59,895.00	96,784.81	135,115.29	92,000.00	46,674.00	

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400 Water/Sewer Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
369 10 01 0000 Water Miscellaneous Income	0.00	1,458.18	0.00	0.00	0.00	0.00	
343 Water	33,000.00	61,353.18	96,784.81	135,115.29	92,000.00	46,674.00	
367 50 00 0000 Sewer Capital Contributions	19,600.00	42,035.00	85,273.00	99,038.00	68,000.00	56,532.00	
344 Sewer	19,600.00	42,035.00	85,273.00	99,038.00	68,000.00	56,532.00	
361 11 00 0400 Interest on Investments - W/S	6,330.70	3,987.63	6,398.10	6,070.26	4,000.00	4,000.00	
369 81 00 0000 Cashier's Overages/Shortages	0.54	0.00	20.00	0.00	0.00	0.00	
369 91 00 0400 Other Miscellaneous/NSF Fee Recovery	263.00	207.00	232.00	80.00	0.00	0.00	
400 Water/Sewer	6,594.24	4,194.63	6,650.10	6,150.26	4,000.00	4,000.00	
360 Interest & Other Earnings	59,194.24	107,582.81	188,707.91	240,303.55	164,000.00	107,206.00	
391 70 00 0000 Capital Loan-Water Meters	0.00	0.00	0.00	321,000.00	321,000.00	0.00	
402 Sewer	0.00	0.00	0.00	321,000.00	321,000.00		
390 Other Financing Sources	0.00	0.00	0.00	321,000.00	321,000.00	0.00	
TOTAL REVENUES:	1,565,071.79	1,611,034.16	1,861,369.75	2,568,679.28	2,789,443.74	2,217,922.51	
534 10 10 0000 WA-Administrative Salary	10,585.35	1,843.21	2,015.59	2,377.54	2,500.00	2,500.00	
534 10 20 0000 WA-Administrative Benefits	2,959.60	873.62	884.12	501.38	1,000.00	1,000.00	
534 10 41 0001 General Admin Fee	0.00	0.00	0.00	0.00	47,000.00	47,000.00	
534 10 41 0022 WA-Audit Fee	2,278.36	2,441.97	0.00	4,577.86	6,000.00	6,000.00	
534 10 42 0000 WA-Op. Permit(DOH)/Other Fees	4,735.50	6,746.00	4,991.00	3,225.40	5,000.00	5,000.00	
534 10 49 0001 WA-Dues & Membership/Filing Fees	1,033.80	944.58	587.37	1,390.97	2,000.00	2,000.00	
534 20 10 0000 WA-Administrative Planning WA - Sal	0.00	1,569.50	0.00	0.00	0.00	0.00	
534 20 20 0000 WA-Administrative Planning WA - Ben	0.00	945.10	0.00	0.00	0.00	0.00	
534 20 41 0000 WA-Admin Planning Water - Consulting	6,061.89	799.31	2,911.60	2,060.05	2,000.00	2,000.00	
534 20 45 0099 Eq Rental-Administrative Planning WA	0.00	562.34	0.00	0.00	0.00	0.00	
534 40 43 0000 WA-Travel	1,494.69	804.47	772.18	0.00	0.00	2,000.00	
534 40 49 0001 WA-Training	3,254.50	890.00	1,722.07	858.90	2,000.00	2,000.00	
534 50 35 0000 WA-Small Tools/Minor Equipment	5,974.43	13,262.67	1,830.06	1,027.66	2,500.00	2,500.00	
534 50 41 0000 Professional Service-Water	-1,693.98	0.00	0.00	0.00	0.00	0.00	

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400 Water/Sewer Fund

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534 50 48 0000 WA-Repair-Contracted Labor	20,001.42	14,936.25	17,971.15	9,973.44	20,000.00	20,000.00	
534 54 10 0000 WA-Maintenance-Trtmnt Plant Salaries	1,733.73	2,604.52	0.00	0.00	0.00	0.00	
534 54 20 0000 WA-Maintenance-Trtmnt Plant Benefits	1,059.87	1,339.20	0.00	0.00	0.00	0.00	
534 55 10 0000 WA-Maint.-Trans & Distr. Salary	26,792.13	21,208.34	0.00	0.00	0.00	0.00	
534 55 20 0000 WA-Maint.-Trans & Distr. Benefits	16,565.37	11,899.98	0.00	0.00	0.00	0.00	
534 70 10 0000 WA-Customer Services Salary	43,053.84	47,111.53	38,987.88	32,684.84	34,000.00	42,000.00	
534 70 20 0000 WA-Customer Services Benefits	14,658.47	14,965.76	14,981.77	9,146.50	13,500.00	13,500.00	
534 70 31 0000 WA-Office Supplies And Postage	1,636.72	1,261.83	1,889.26	1,120.87	2,250.00	2,250.00	
534 70 41 0000 WA-Computer Services/Repair	5,250.15	2,396.82	6,475.92	6,240.23	4,000.00	4,000.00	
534 70 41 0001 WA-EBPP Fees	1,208.07	1,536.61	1,887.54	1,886.73	2,000.00	2,000.00	
534 80 31 0000 WA-Operating Supplies	17,715.51	23,643.75	23,394.85	20,437.75	25,000.00	25,000.00	
534 80 41 0000 WA-Testing	4,656.50	3,516.63	3,655.00	1,753.00	4,000.00	4,000.00	
534 80 42 0000 WA-Telephone	796.06	926.58	1,606.03	1,291.36	1,400.00	1,400.00	
534 80 45 0001 WA-Telemetry Services	0.00	0.00	2,731.21	2,877.00	3,000.00	3,000.00	
534 80 45 0099 WA-Eq Rental - Water	46,430.41	52,981.02	48,768.69	36,481.22	53,000.00	53,000.00	
534 80 46 0000 WA-Insurance	12,814.80	18,248.42	1,039.62	12,476.46	12,477.00	14,000.00	
534 80 47 0000 WA-Electricity	21,516.79	20,788.03	21,523.50	17,409.40	22,000.00	22,000.00	
534 84 10 0000 WA-Operations Plant Salary	53,181.09	49,054.57	64,004.54	49,565.80	70,000.00	70,000.00	
534 84 20 0000 WA-Operations Plant Benefits	32,956.12	28,164.16	35,591.71	23,696.83	40,000.00	35,000.00	
534 84 31 0000 WA-Chemicals Plant	9,144.16	8,605.60	9,717.77	8,352.36	10,000.00	10,000.00	
534 84 41 0000 WA-Consultant Services - Plant	0.00	1,667.00	0.00	0.00	0.00	0.00	
534 85 10 0000 WA-Operations T & D Salary	36,235.78	44,996.34	60,180.14	73,001.21	60,000.00	60,000.00	
534 85 20 0000 WA-Operations T & D Benefits	21,293.79	25,359.95	31,306.16	36,460.37	30,000.00	30,000.00	
534 90 44 0000 WA-Taxes	25,918.82	28,933.79	32,430.09	24,691.41	37,000.00	38,110.00	
534 Water Utilities	451,303.74	457,829.45	433,856.82	385,566.54	513,627.00	521,260.00	
535 10 10 0000 WW-Administrative Salary	10,585.35	13,824.10	15,142.27	12,988.50	24,000.00	24,000.00	
535 10 20 0000 WW-Administrative Benefits	2,959.60	6,552.30	6,631.19	3,234.89	11,000.00	11,000.00	
535 10 41 0001 WW-General Admin Fee	0.00	0.00	0.00	0.00	44,000.00	44,000.00	
535 10 41 0022 WW-Audit Fee	2,278.36	2,441.97	0.00	4,577.86	6,000.00	6,000.00	
535 10 42 0000 WW-Permit Fees/DOE	2,201.04	2,288.52	2,309.04	2,327.40	2,500.00	2,500.00	
535 10 44 0000 WW-Advertising	0.00	203.24	320.16	90.48	0.00	0.00	
535 10 49 0001 WW-Dues & Membership/filing Fees	197.00	1,220.37	687.16	289.66	500.00	500.00	
535 20 41 0000 WW-Admin Planning Sewer - Consulting	3,501.54	8,385.04	0.00	0.00	0.00	0.00	
535 40 43 0000 WW-Travel	1,181.07	1,224.56	1,277.78	0.00	0.00	1,500.00	
535 40 49 0001 WW-Training	629.50	2,796.00	2,083.36	0.00	3,000.00	3,000.00	
535 51 10 0000 WW-Maintenance T&D Salary	5,214.84	22,669.29	0.00	0.00	0.00	0.00	
535 51 20 0000 WW-Maintenance T&D Benefits	2,816.75	21,758.61	0.00	0.00	0.00	0.00	
535 51 31 0000 WW-Maintenance Supplies	9,836.13	10,051.58	9,613.80	1,172.18	30,000.00	30,000.00	
535 51 48 0000 WW-Repair (Contract Serv) T&D	21,184.11	73,573.30	97,798.72	89,673.67	120,000.00	120,000.00	

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535 51 48 0001 WW-Solids Hauling & Disposal	20,737.73	42,198.20	42,552.30	61,412.74	120,000.00	120,000.00	
535 54 10 0000 WW-Plant Maintenance Salary	4,107.69	2,531.67	0.00	0.00	0.00	0.00	
535 54 20 0000 WW-Plant Maintenance Benefits	2,636.18	1,555.51	0.00	0.00	0.00	0.00	
535 64 41 0000 WW-Operations Contract	130,729.70	143,350.04	150,821.01	23,463.77	30,000.00	10,000.00	
535 70 10 0000 WW-Customer Service Salary	43,053.84	47,111.53	38,987.88	32,684.84	34,000.00	42,000.00	
535 70 20 0000 WW-Customer Service Benefits	14,658.47	14,965.76	14,981.77	9,146.50	13,500.00	13,500.00	
535 70 31 0000 WW-Office Supplies & Postage	1,333.19	1,224.32	1,935.01	1,061.28	2,500.00	2,500.00	
535 70 41 0000 WW-Computer Services/Repair	4,566.18	606.60	5,719.47	8,014.82	5,000.00	5,000.00	
535 70 41 0001 WW-EBPP Fees Sewer	1,207.98	1,536.54	1,887.54	1,701.74	2,000.00	2,000.00	
535 80 31 0000 WW-Operating Supplies	2,447.24	8,053.47	4,920.88	5,643.71	10,000.00	10,000.00	
535 80 41 0000 Sewer Operations Testing	2,334.00	1,591.31	269.00	8,670.00	21,000.00	21,000.00	
535 80 42 0000 Sewer Telephone	1,457.17	1,474.03	1,470.94	3,649.71	3,000.00	3,600.00	
535 80 45 0099 Eq Rental - Sewer	17,040.10	32,112.04	41,060.69	37,974.38	35,000.00	35,000.00	
535 80 46 0000 Sewer Insurance	8,690.15	11,254.51	527.14	6,327.07	6,328.00	6,500.00	
535 81 10 0000 WW-Operations Coll. Salary	12,165.38	18,757.59	41,874.76	18,765.35	22,000.00	22,000.00	
535 81 20 0000 WW-Operations Coll. Benefits	6,525.87	9,137.48	15,146.02	10,651.97	10,000.00	11,000.00	
535 81 47 0000 WW-Coll Electricity	0.00	0.00	0.00	1,678.86	0.00	0.00	
535 81 47 0001 WW-Coll. Water	0.00	0.00	0.00	64.00	0.00	450.00	
535 84 10 0000 WW-Operations Plant Salary	30,727.14	43,811.79	82,391.34	82,107.38	100,000.00	100,000.00	
535 84 20 0000 WW-Operations Plant Benefits	15,684.32	23,104.52	42,902.70	51,128.96	62,000.00	62,000.00	
535 84 47 0000 WW-Electricity	0.00	0.00	0.00	13,091.23	26,000.00	26,000.00	
535 84 47 0001 WW-Plant Water	0.00	0.00	0.00	2,051.82	0.00	20,000.00	
535 85 10 0000 WW Sampling Salary	0.00	13,220.50	41.51	619.35	4,000.00	4,000.00	
535 85 20 0000 WW Sampling Benefits	0.00	7,106.13	18.80	340.81	2,500.00	2,500.00	
535 85 31 0000 WW Sampling Supplies	0.00	866.66	376.29	0.00	500.00	500.00	
535 85 41 0000 WW Sampling Professional Services	0.00	19,828.92	6,628.00	5,110.00	7,000.00	7,000.00	
535 85 41 0002 WW Industrial Pretreatment Services	0.00	0.00	4,218.50	0.00	4,000.00	4,000.00	
535 85 45 0000 WW Sampling Equipment Rental	0.00	9,048.35	0.00	231.40	0.00	0.00	
535 90 44 0000 Sewer Taxes	9,139.81	13,631.62	18,736.46	17,171.58	35,000.00	36,050.00	
535 Sewer	391,827.43	635,067.97	653,331.49	517,117.91	796,328.00	809,100.00	
591 34 19 0000 WA-SMART Meter Lease-Principal	0.00	0.00	0.00	13,712.88	13,712.88	28,620.52	
591 34 78 0000 Base Res PWTF Loan Principal	23,273.39	23,273.39	23,273.39	23,273.39	23,273.39	23,273.39	
592 34 19 0000 WA-SMART Meter Lease-Interest	0.00	0.00	0.00	4,844.95	4,844.96	8,495.16	
592 34 83 0000 Base Reservoir PWTF Loan Interest	1,163.67	1,047.30	930.94	814.57	1,100.00	1,100.00	
534 Water	24,437.06	24,320.69	24,204.33	42,645.79	42,931.23	61,489.07	
591 35 72 0000 Sewer Outfall - USDA RDA Principal	21,542.11	22,138.59	22,751.58	11,623.58	20,120.00	20,120.00	
592 35 83 0000 Sewer Outfall - USDA RDA Interest	11,127.89	10,531.41	9,918.42	4,711.42	12,551.00	12,551.00	
535 Sewer	32,670.00	32,670.00	32,670.00	16,335.00	32,671.00	32,671.00	

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591 Debt Service	57,107.06	56,990.69	56,874.33	58,980.79	75,602.23	94,160.07	
594 34 10 0000 #46 WA System Plan-Sal	4,177.87	0.00	0.00	0.00	0.00	0.00	
594 34 10 4006 Water Connections - Salary	1,865.98	3,909.17	516.32	2,927.69	5,000.00	5,000.00	
594 34 20 0000 #46 WA System Plan-Ben	2,454.58	0.00	0.00	0.00	0.00	0.00	
594 34 20 4006 Water Connections - Benefits	1,269.17	2,243.32	977.45	1,335.59	2,500.00	2,500.00	
594 34 31 4009 Water Plant Improvements-Suppl	0.00	5,854.69	3,877.20	0.00	0.00	0.00	
594 34 41 0400 #46 WA System Plan - Engineer	57,010.10	9,218.15	0.00	0.00	0.00	0.00	
594 34 45 0099 Eq Rental-Water Connections	2,777.00	1,859.00	0.00	0.00	0.00	0.00	
594 34 45 0199 #46 WA System Plan-EQ Rental	109.06	0.00	0.00	0.00	0.00	0.00	
594 34 45 0400 Eq Rental - Water Connections	0.00	0.00	93.00	813.80	2,000.00	2,000.00	
594 34 48 0400 Base Reservoir Improv.- Contracted Services	0.00	49,032.00	0.00	0.00	0.00	0.00	
594 34 51 0000 #46 WA System Plan - Plan Fees	0.00	2,280.00	0.00	0.00	0.00	0.00	
594 34 62 4009 Water Plant Improvements-Contracted	0.00	0.00	0.00	10,169.30	0.00	0.00	
594 34 64 0000 WA-Fixed Assets To Capitalize	569.72	25,823.02	2,062.50	548,642.68	755,000.00	100,000.00	Loop and Vancouver water line upgrades.
534 Water	70,233.48	100,219.35	7,526.47	563,889.06	764,500.00	109,500.00	
594 35 41 0400 #38 Sewer Plan - Prof Serv	204,179.31	10,771.95	19,191.33	0.00	0.00	0.00	
594 35 48 0400 #38 Sewer Plan - Contr Labor	2,818.75	0.00	0.00	0.00	0.00	0.00	
594 35 51 0000 #65 Sewer Plant Upgrade-Permitting	200.00	150.00	0.00	0.00	0.00	0.00	
594 35 64 0400 WW-Capitalized Equipment Purchase	941.03	0.00	2,062.50	0.00	0.00	0.00	
535 Sewer	208,139.09	10,921.95	21,253.83	0.00			
594 Capital Expenditures	278,372.57	111,141.30	28,780.30	563,889.06	764,500.00	109,500.00	
597 10 00 0000 Transfer Out to 410 WW Sys. Upgrades	0.00	12,842.22	10,827.27	0.00	0.00	0.00	
597 10 00 0406 Transfer Out To 406 WW Short Lived Assets	0.00	0.00	0.00	0.00	21,779.00	21,779.00	USDA Loan required minimum transfer.
597 10 00 0408 Transfer Out To 408 WW Debt Reserve	0.00	0.00	0.00	0.00	61,191.00	0.00	
535 Sewer	0.00	12,842.22	10,827.27	0.00	82,970.00	21,779.00	
597 Interfund Transfers	0.00	12,842.22	10,827.27	0.00	82,970.00	21,779.00	
508 80 00 0400 WS-Ending Cash	0.00	0.00	0.00	0.00	103,551.58	206,052.51	
400 Water/Sewer	0.00	0.00	0.00	0.00	103,551.58	206,052.51	

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400 Water/Sewer Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
508 10 00 0401 WS-Water Reserve	0.00	0.00	0.00	0.00	249,161.66	195,835.66	Reduced to pay water capital projects.
401 Water	0.00	0.00	0.00	0.00	249,161.66	195,835.66	
508 10 00 0402 WS-WW Reserve	0.00	0.00	0.00	0.00	203,703.27	260,235.27	
402 Sewer	0.00	0.00	0.00	0.00	203,703.27	260,235.27	
999 Ending Balance	0.00	0.00	0.00	0.00	556,416.51	662,123.44	
TOTAL EXPENDITURES:	1,178,610.80	1,273,871.63	1,183,670.21	1,525,554.30	2,789,443.74	2,217,922.51	
FUND GAIN/LOSS:	386,460.99	337,162.53	677,699.54	1,043,124.98	0.00	0.00	

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406 Wastewater Short Lived Asset Reserve Fund

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308 10 00 0406 WWSLAR Beginning Cash	0.00	0.00	0.00	0.00	0.00	21,779.00	
308 Beginning Balances	0.00	0.00	0.00	0.00	0.00	21,779.00	
397 10 00 0406 WWSLA-Transfers In	0.00	0.00	0.00	0.00	21,779.00	21,779.00	
397 Interfund Transfers	0.00	0.00	0.00	0.00	21,779.00	21,779.00	
TOTAL REVENUES:	0.00	0.00	0.00	0.00	21,779.00	43,558.00	
508 10 00 0406 WWSLAR-Ending Cash	0.00	0.00	0.00	0.00	21,779.00	43,558.00	
999 Ending Balance	0.00	0.00	0.00	0.00	21,779.00	43,558.00	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	21,779.00	43,558.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	0.00	0.00	0.00	

The Wastewater Short Lived Asset Reserve Fund is required as part of the city's USDA loan. Annual deposits of at least \$21,779 are required for the 40-year life of the 2020 wastewater project loan. This fund operates like a line of credit for repairing and/or replacing major system assets with a life span less than 15 years.

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408 Wastewater Debt Reserve Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0408 WW Debt Reserve Beg. Balance	0.00	0.00	0.00	0.00	0.00	61,191.00	
308 Beginning Balances	0.00	0.00	0.00	0.00	0.00	61,191.00	
397 10 00 0408 WW Debt Res-Transfers In	0.00	0.00	0.00	0.00	61,191.00	0.00	
397 Interfund Transfers	0.00	0.00	0.00	0.00	61,191.00	0.00	
TOTAL REVENUES:	0.00	0.00	0.00	0.00	61,191.00	61,191.00	
508 10 00 0408 WW Debt Reserve-Ending Balance	0.00	0.00	0.00	0.00	61,191.00	61,191.00	
999 Ending Balance	0.00	0.00	0.00	0.00	61,191.00	61,191.00	
TOTAL EXPENDITURES:	0.00	0.00	0.00	0.00	61,191.00	61,191.00	
FUND GAIN/LOSS:	0.00	0.00	0.00	0.00	0.00	0.00	

The Wastewater Debt Reserve Fund is required as part of two loans the city has through USDA. The balance is equal to one annual loan installment. Prior written concurrence from USDA must be obtained before funds may be withdrawn from this fund during the life of the loan. When funds are withdrawn during the life of the loan, deposits will be made at the rate of 10% of one annual payment until the balance is equal to one annual loan payment.

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410 Wastewater System Upgrades

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0410 WW Sys Upgrades Beg Cash & Invest.	0.00	0.00	-93,407.14	-119,857.70	0.00	0.00	
308 Beginning Balances	0.00	0.00	-93,407.14	-119,857.70	0.00	0.00	
334 04 20 0410 CERB Feasibility Study-Alt. Analysis	0.00	0.00	44,600.00	0.00	0.00	0.00	
330 Intergovernmental Revenues	0.00	0.00	44,600.00	0.00	0.00	0.00	
391 90 00 0410 DOE Design Loan	0.00	0.00	297,420.04	698,161.36	1,000,000.00	500,000.00	
390 Other Financing Sources	0.00	0.00	297,420.04	698,161.36	1,000,000.00	500,000.00	
397 05 00 0410 Transfer In from Water/Sewer Fund	0.00	12,842.22	10,827.27	0.00	0.00	0.00	
397 Interfund Transfers	0.00	12,842.22	10,827.27	0.00	0.00	0.00	
TOTAL REVENUES:	0.00	12,842.22	259,440.17	578,303.66	1,000,000.00	500,000.00	
594 35 31 0010 DOE-Imm. Improv. Supplies	0.00	0.00	25,371.37	1,184.15	0.00	0.00	
594 35 41 0010 DOE-Imm. Imprpv. Svcs	0.00	0.00	0.00	25,848.00	0.00	0.00	
594 35 41 0410 Value Planning Consulting Services	0.00	57,460.00	0.00	0.00	0.00	0.00	
594 35 41 4102 Feasibility Study-Consultant Svcs	0.00	47,929.52	19,047.48	0.00	0.00	0.00	
594 35 41 4103 Design-Consultant Svcs	0.00	0.00	329,046.37	638,463.32	1,000,000.00	500,000.00	Remaining costs for design of wastewater system upgrades.
594 35 41 4104 EDA Project Consultant Services	0.00	0.00	5,832.65	0.00	0.00	0.00	
594 35 49 0410 Value Planning Hosting Costs	0.00	607.48	0.00	0.00	0.00	0.00	
594 35 49 0411 CERB Meeting Hosting Costs	0.00	252.36	0.00	0.00	0.00	0.00	
594 35 51 0000 WW Upgrades-Permitting	0.00	0.00	0.00	300.00	0.00	0.00	
594 Capital Expenditures	0.00	106,249.36	379,297.87	665,795.47	1,000,000.00	500,000.00	
TOTAL EXPENDITURES:	0.00	106,249.36	379,297.87	665,795.47	1,000,000.00	500,000.00	
FUND GAIN/LOSS:	0.00	-93,407.14	-119,857.70	-87,491.81	0.00	0.00	

The Wastewater System Upgrades Fund is for the planning, design and construction of upgrades to the water system as identified in the water system plan and required as part of the Administrative Order. Most of the revenues are grants or loans with some internal match funding. The revenues and expenditures are updated when funding is received, project timelines determined and contracts secured.

Equipment Service Fund

The Equipment Service Fund is used to account for labor charges and equipment usage by other funds, and to save funds for eventual equipment replacements. Revenues are derived from charges made against other funds for using the equipment. Charges are based on the number of hours worked and miles driven by field staff in each fund and are intended to cover operating costs, equipment maintenance, staff salaries, insurance, and replacement costs. Current rates are \$4.10 per mile for driven equipment and \$20 per hour for stationary equipment.

The Public Works Director maintains an equipment replacement schedule and attempts to replace at least one major piece of equipment every year, as funding allows. A copy of the equipment replacement schedule is below.

Vehicle	Date of Purchase	Cost	Life	2021	2022	2023	2024	2025	2026-2031	Est. Replacement Cost	Type
S1- 2017 Ford 250 X-Cab	2016	\$39,665	10						X	\$ 45,000	New
S2-2019 Ford F250 X-cab	2018	\$38,221	10						X	\$ 48,000	New
S3-2011 Ford F250 X-Cab	2010	\$29,871	10		X					\$ 45,000	New
S4-2012 Ford 350 Dump	2012	\$20,656	10						X	\$ 45,000	New
S5-2007 Intl. 5 Yard Dump	2017	\$2,149	20						X	\$ 50,000	Used
S6-2000 Ford Manlift	2005	\$27,415	15				X			\$ 50,000	Used
S7-1997 Tymco Sweeper	2009	\$48,821	15						X	\$ 70,000	Used
S8-1980 Intl. 5 Yard Dump	1997	\$4,652	20						X	\$ 50,000	Used
S9-Case Backhoe[i]	1992	\$27,173	20						X	\$ 45,000	Used
S10-2008 Ford F250 X-cab	2008	\$23,000	10					X		\$ 40,000	New
S11-1996 Brush Mower	2014	\$15,070	10						X	\$ 35,000	Used
S13-1972 Austin Grader[ii]	1998	\$13,928	15						X	\$ 45,000	Used
S14- 2007 Tahkuchi Excvtor	2007	\$37,123	15						X	\$ 55,000	New
S15- 2008 Ford Strd Cab	2008	\$21,000	10	X						\$ 45,000	New
S16- 2014 Chevy 1500	2014	\$29,857	10						X	\$ 35,000	New
Vactor Truck						X				\$ 150,000	Used
TOTALS				45K	45K	150K	50K	40K		\$853,000	

[\[i\] Since purchase of excavator, backhoe has seen little use, delay purchase of new](#)

[\[ii\] Limited use, will delay purchase](#)

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500 Equipment Service Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 80 00 0500 ES Unreserved Begin CA & Invest	63,984.36	67,484.41	67,144.73	139,248.98	139,248.98	183,177.98	
308 Beginning Balances	63,984.36	67,484.41	67,144.73	139,248.98	139,248.98	183,177.98	
348 00 00 0000 Equipment Rental-Internal	142,344.31	162,827.57	175,377.98	107,872.28	150,000.00	150,000.00	
340 Charges For Goods & Services	142,344.31	162,827.57	175,377.98	107,872.28	150,000.00	150,000.00	
361 11 00 0500 Interest Income/ES	226.46	457.59	647.75	428.31	0.00	0.00	
362 10 00 0000 Equipment Rental - External NB	504.00	1,008.00	266.00	14.00	0.00	0.00	
362 10 02 0000 Equipment Rental - External Ska Co	250.80	127.80	37.12	0.00	0.00	0.00	
369 10 00 0500 Sale of Scrap Equip Service	0.00	795.10	5,398.38	0.00	0.00	0.00	
360 Interest & Other Earnings	981.26	2,388.49	6,349.25	442.31	0.00	0.00	
395 10 00 0500 Sale of Fixed Assets	326.00	11,330.00	0.00	0.00	0.00	0.00	
395 11 00 0000 Costs to Dispose of Cap Assets	0.00	-48.50	0.00	0.00	0.00	0.00	
390 Other Financing Sources	326.00	11,281.50	0.00	0.00	0.00	0.00	
TOTAL REVENUES:	207,635.93	243,981.97	248,871.96	247,563.57	289,248.98	333,177.98	
548 65 10 0000 Maintenance Salary	22,204.28	33,830.82	32,695.70	18,035.48	35,000.00	35,000.00	
548 65 20 0000 Maintenance Benefits	14,073.13	20,851.79	19,830.92	9,680.59	17,000.00	17,000.00	
548 65 25 0000 Medical Physicals-Required	2,185.67	1,199.55	3,041.96	1,317.26	2,000.00	2,000.00	
548 65 31 0000 Tires	1,742.59	2,536.87	972.53	0.00	2,000.00	2,000.00	
548 65 32 0000 Gas and Oil	16,815.54	19,286.16	20,383.05	10,146.99	20,000.00	20,000.00	
548 65 33 0000 Supplies	0.00	0.00	1,936.25	1,671.74	0.00	0.00	
548 65 46 0000 Insurance	27,248.63	27,870.61	846.26	8,320.38	8,321.00	10,000.00	
548 65 47 0000 Heat & Lights	1,808.28	1,534.08	2,397.27	2,340.99	1,500.00	1,500.00	
548 65 48 0000 Repairs/Supplies Contracted	20,587.21	28,292.99	27,339.04	13,035.02	20,000.00	20,000.00	
548 65 49 0000 Training	0.00	45.00	180.00	250.00	250.00	250.00	
548 Public Works - Centralized Services	106,665.33	135,447.87	109,622.98	64,798.45	106,071.00	107,750.00	
591 48 78 0000 RDA Facilities (Sweeper) Principal	2,979.59	3,041.13	0.00	0.00	0.00	0.00	
592 48 83 0000 RDA Facilities (Sweeper) Int	263.41	133.05	0.00	0.00	0.00	0.00	
591 Debt Service	3,243.00	3,174.18	0.00	0.00	0.00	0.00	
594 48 64 0000 Equipment Purchase	32,506.70	39,878.17	0.00	0.00	0.00	45,000.00	Purchase of new work truck held off prior two years.
594 Capital Expenditures	32,506.70	39,878.17	0.00	0.00	0.00	45,000.00	

5 YEAR BUDGET COMPARISON

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500 Equipment Service Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
508 80 00 0500 ES-Ending Cash	0.00	0.00	0.00	0.00	183,177.98	180,427.98	
999 Ending Balance	0.00	0.00	0.00	0.00	183,177.98	180,427.98	
TOTAL EXPENDITURES:	142,415.03	178,500.22	109,622.98	64,798.45	289,248.98	333,177.98	
FUND GAIN/LOSS:	65,220.90	65,481.75	139,248.98	182,765.12	0.00	0.00	

5 YEAR BUDGET COMPARISON

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630 Stevenson Municipal Court

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0630 Stevenson Municipal Court-Beg Balance	0.00	0.00	0.00	9,738.88	0.00	0.00	
308 Beginning Balances	0.00	0.00	0.00	9,738.88	0.00	0.00	
389 40 00 0000 SMC-Agency Deposits	0.00	0.00	41,122.75	33,099.35	0.00	0.00	
380 Non Revenues	0.00	0.00	41,122.75	33,099.35	0.00	0.00	
397 01 00 0630 Transfer In From CE	0.00	0.00	5,443.28	0.00	0.00	0.00	
397 Interfund Transfers	0.00	0.00	5,443.28	0.00	0.00	0.00	
TOTAL REVENUES:	0.00	0.00	46,566.03	42,838.23	0.00	0.00	
589 40 00 0000 SMC-Agency Disbursements	0.00	0.00	36,827.15	33,141.87	0.00	0.00	
580 Non Expeditures	0.00	0.00	36,827.15	33,141.87	0.00	0.00	
TOTAL EXPENDITURES:	0.00	0.00	36,827.15	33,141.87	0.00	0.00	
FUND GAIN/LOSS:	0.00	0.00	9,738.88	9,696.36	0.00	0.00	

The Stevenson Municipal Court Fund is for revenues and expenses related to court activities. All activity in this fund is managed by the court with revenues attributed to fines, fees and charges, and expenses being for restitution or remitted to the City for final distribution.

5 YEAR BUDGET COMPARISON

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631 CATV Fund

Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed	Comment
308 10 00 0631 CATV Trust - Beginning Balance	0.00	0.00	0.00	3,098.81	0.00	0.00	
308 Beginning Balances	0.00	0.00	0.00	3,098.81	0.00	0.00	
389 40 00 0631 CATV-Interest	0.00	0.00	1.56	0.91	0.00	0.00	
380 Non Revenues	0.00	0.00	1.56	0.91	0.00	0.00	
397 01 00 0631 Transfer In From CE	0.00	0.00	3,115.25	0.00	0.00	0.00	
397 Interfund Transfers	0.00	0.00	3,115.25	0.00	0.00	0.00	
TOTAL REVENUES:	0.00	0.00	3,116.81	3,099.72	0.00	0.00	
589 40 00 0631 CATV-Bank Fees	0.00	0.00	18.00	0.00	0.00	0.00	
580 Non Expenditures	0.00	0.00	18.00	0.00	0.00	0.00	
TOTAL EXPENDITURES:	0.00	0.00	18.00	0.00	0.00	0.00	
FUND GAIN/LOSS:	0.00	0.00	3,098.81	3,099.72	0.00	0.00	

The Cable TV Trust Fund is for custodial funds related to a deposit from the initial cable franchise. Staff is working to closeout the fund and return the deposit to the appropriate owner. The original company is no longer in business.

5 YEAR BUDGET COMPARISON

City Of Stevenson
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Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed
001 General Expense Fund	2,438,475.70	2,441,434.44	2,603,666.76	1,589,609.78	2,139,585.94	1,937,473.39
010 General Reserve Fund			326,705.62	326,705.62	326,705.62	326,705.62
020 Fire Reserve Fund			1,483,593.47	1,483,593.47	1,518,593.47	1,543,593.47
100 Street Fund	461,728.70	548,030.46	747,792.83	582,512.05	606,517.98	579,422.38
103 Tourism Promo & Develop Fund	1,065,260.36	1,021,817.47	1,076,027.76	948,155.49	904,294.51	870,886.20
105 Affordable Housing Fund				430.01		15,000.00
300 Capital Improvement Fund	70,601.78	108,625.62	135,656.42	170,099.38	155,656.42	100,019.64
301 Timber Harvest Fund	1,966,808.00	1,453,264.00	1,328,899.42			
303 Joint Emergency Facilities Fund		63,198.11	34,316.57			
306 Kanaka Creek Road Improvements	560,025.31	92,646.60	9,024.37			
308 Gropper Sidewalk	241,234.06	10,566.66				
309 Russell Ave			153,873.33	559,148.18	842,563.78	
311 First Street					185,800.00	619,100.00
400 Water/Sewer Fund	1,565,071.79	1,611,034.16	1,861,369.75	2,568,679.28	2,789,443.74	2,217,922.51
406 Wastewater Short Lived Asset Reserve Fund					21,779.00	43,558.00
408 Wastewater Debt Reserve Fund					61,191.00	61,191.00
410 Wastewater System Upgrades		12,842.22	259,440.17	578,303.66	1,000,000.00	500,000.00
500 Equipment Service Fund	207,635.93	243,981.97	248,871.96	247,563.57	289,248.98	333,177.98
630 Stevenson Municipal Court			46,566.03	42,838.23		
631 CATV Fund			3,116.81	3,099.72		
	8,576,841.63	7,607,441.71	10,318,921.27	9,100,738.44	10,841,380.44	9,148,050.19
001 General Expense Fund	1,001,210.46	1,007,349.48	1,838,719.32	829,869.54	2,139,585.94	1,937,473.39
010 General Reserve Fund					326,705.62	326,705.62
020 Fire Reserve Fund					1,518,593.47	1,543,593.47
100 Street Fund	319,990.13	360,137.82	441,502.85	197,207.51	606,517.98	579,422.38
103 Tourism Promo & Develop Fund	528,559.12	474,364.30	365,733.25	179,815.01	904,294.51	870,886.20
105 Affordable Housing Fund						15,000.00
300 Capital Improvement Fund					155,656.42	100,019.64
301 Timber Harvest Fund	893,108.52	172,115.96	1,328,899.42			
303 Joint Emergency Facilities Fund		63,198.11	34,316.57			
306 Kanaka Creek Road Improvements	626,465.76	97,779.53	9,024.37			
308 Gropper Sidewalk	260,784.84	11,513.58				
309 Russell Ave		66,157.50	153,873.33	732,742.40	842,563.78	
310 Wastewater System Upgrades						
311 First Street				78,967.61	185,800.00	619,100.00
400 Water/Sewer Fund	1,178,610.80	1,273,871.63	1,183,670.21	1,525,554.30	2,789,443.74	2,217,922.51
406 Wastewater Short Lived Asset Reserve Fund					21,779.00	43,558.00
408 Wastewater Debt Reserve Fund					61,191.00	61,191.00
410 Wastewater System Upgrades		106,249.36	379,297.87	665,795.47	1,000,000.00	500,000.00
500 Equipment Service Fund	142,415.03	178,500.22	109,622.98	64,798.45	289,248.98	333,177.98
630 Stevenson Municipal Court			36,827.15	33,141.87		
631 CATV Fund			18.00			

5 YEAR BUDGET COMPARISON

City Of Stevenson
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Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Appropriated	2021 Proposed
	4,951,144.66	3,811,237.49	5,881,505.32	4,307,892.16	10,841,380.44	9,148,050.19
FUNDS GAIN/LOSS:	3,625,696.97	3,796,204.22	4,437,415.95	4,792,846.28	0.00	0.00

**CITY OF STEVENSON
RESOLUTION NO. 2020-365**

**A RESOLUTION OF THE CITY OF STEVENSON
REVISING THE FINANCIAL POLICY**

WHEREAS, the financial health and welfare of the City of Stevenson is highly dependent upon establishing and maintaining sound, financial-planning objectives and strategies of implementation; and

WHEREAS, financial policies assist the decision-making process of the Council and City administration while operating independently of changing services and financial circumstances and conditions; and

WHEREAS, these policies also provide guidelines for evaluating both current activities and proposals for future programs and direct the City's financial resources toward meeting the goals and programs of the strategic plan; and

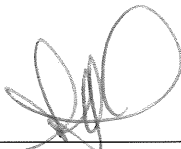
WHEREAS, the implementation of wise fiscal policies enables City officials to protect the public interest and ensure public trust and confidence; and

WHEREAS, the City Council of the City of Stevenson recognizes the need to revise the Financial Policy.

NOW, THEREFORE, be it resolved that the City Council of the City of Stevenson, Washington, hereby adopts the following policies as described in Exhibit A, attached hereto and incorporated by reference.


Key: ~~Strikethrough~~ means repealed. Underlined means new.

APPROVED AND PASSED by the City Council of the City of Stevenson, Washington at its regular meeting this 17th day of September, 2020.



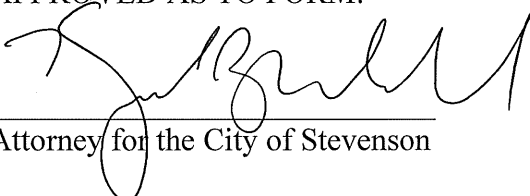
Mayor of the City of Stevenson

ATTEST:



Clerk of the City of Stevenson

APPROVED AS TO FORM:



Attorney for the City of Stevenson

City of Stevenson Financial Policy

Statement of Purpose

The financial integrity of our City government is of utmost importance. To discuss, write, and adopt a set of financial policies is a key element to maintaining this integrity. Our City has evolved with a variety of financial policies that can be found in many different sources including: City Council Resolutions and Ordinances; Budget documents; and Capital Improvement Programs. The set of policies within this document implements Comprehensive Plan Objective 8.2 and serves as a central reference point for the policies most critical to the continued financial health of our local government.

Written, adopted financial policies have many benefits, such as assisting the elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies will be amended periodically, they will provide the basic foundation and framework for many of the issues and decisions facing the City. They will promote sound financial management and assist in the City's stability, efficiency, and effectiveness.

Financial Goals

The City of Stevenson's financial goals seek to:

- Ensure the financial integrity of the City
- Manage the financial assets in a sound and prudent manner
- Improve financial information for decision makers at all levels:
 - Policy makers as they contemplate decisions that affect the City on a long- term basis
 - Managers as they implement policy on a day-to-day basis
- Maintain and further develop programs to ensure the long-term ability to pay all costs necessary to provide the level and quality of service required by the citizens
- Maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities

Financial Policies

Stevenson's financial policies address the following major areas:

- **General Policies**
- **Revenue Policies**
- **Expenditure Policies**
- **Operating Budget Policy**
- **Capital Management Policy**
- **Small and Attractive Item Policy**
- **Accounting Policy**
- **Debt Policy**
- **Cash Mgmt/Investment Policy**
- **Reserve Policy**
- **Cost Allocation Policy**

Exhibit A

I. General Policies

1. The City Council may adopt resolutions or ordinances to set financial policies to assure the financial strength and accountability of the City.
2. The Mayor and/or City Administrator shall develop administrative directives and general procedures for implementing the City Council's financial policies.
3. All City Departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and programs will be developed to reflect current policy directives, projected resources, and future service requirements.
4. To attract and retain employees necessary for providing high quality services, the City shall establish and maintain a competitive compensation and benefit package with the public and private sectors.
5. Efforts will be coordinated with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis, and support favorable legislation at the state and federal level.
6. Initiate, encourage, and participate in economic development efforts to create job opportunities and strengthen the local economy.
7. The City will strive to maintain fair and equitable relationships with its contractors and suppliers.

II. Revenue Policies

Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

General Revenues

1. Current expenditures will be funded by current revenues. The City will try to maintain a diversified and stable revenue system to protect programs from short-term fluctuations in any single source.
2. Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies or reliable economic forecasters when available.
3. General Fund and other unrestricted revenues will not be earmarked for specific purposes, activities or services unless otherwise authorized by City Council or required by law, or generally accepted accounting practices (GAAP). All nonrestricted revenues will be deposited into the General Fund and appropriated by the budget process.
4. If revenues from "one-time" or limited duration sources are used to balance the City's annual operating budget, it is to be fully disclosed and explained at

Exhibit A

the time the budget is presented. It is the City's goal to not rely on these types of revenues to balance the operating budget.

5. The City will not use deficit financing and borrowing to support on-going operations in the case of long-term (greater than one year) revenue downturns. Thereafter, revenue forecasts will be revised and expenses will be reduced to conform to the revised long-term revenue forecast or revenue increases will be considered.
6. The City will follow an aggressive and professional policy of collecting revenues. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.

Fees and Charges

7. Enterprise and Internal Service operations will be self-supporting.
8. The City will maximize the use of service users' charges in lieu of ad valorem (property) taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
 - a. Charges for providing utility services shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City's enterprise funds, including operating contingency, planned capital improvements, and reserve requirements.
 - b. User charges shall fund 100% of the direct cost of development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit and building inspection fees.
 - c. Park recreation programs shall be funded by a users' charge. User charges shall be comparable to other neighboring cities where practical.
 - d. Other reimbursable work performed by the City (labor, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual cost.
 - e. Charges for services shall accurately reflect the actual or estimated cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees and charges, showing when the fees were last reviewed and/or recalculated. Fees, charges, and utility rates will be reviewed every three years at a minimum.
 - f. The City will consider market rates and charges levied by other municipalities for like services in establishing rates, fees, and charges.
 - g. Certain fees, such as rental fees, will be based upon market conditions and are not subject to the limitations of cost recovery.

Exhibit A

Grants and Gifts

9. Grant funding for programs or items which address the City's current priorities and policy objectives should be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund on-going programs.
10. Before accepting any grant, the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
11. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended in accordance with the City's Donation Policy and the wishes and instructions of the donor.

III. Expenditure Policies

Identify priority services, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

1. The City will strive to adopt an annual General Fund budget in which current expenditures do not exceed current projected revenues. Capital expenditures may be funded from one-time revenues.
2. Department Directors are responsible for managing their budgets within the total appropriation for their department.
3. The City will take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of contingencies. The City Council may approve a short-term interfund loan or use of one-time revenue sources to address temporary gaps in cash flow, although this will be avoided if possible.
4. Long-term debt or bond financing shall not be used to finance current operating expenditures.
5. The City will assess funds for services provided internally by other funds. Interfund service fees charged to recover these costs will be recognized as revenue to the providing fund.
6. Emphasis will be placed on improving individual and work group productivity rather than adding to the work force. The City will invest in technology and other efficiency tools to maximize productivity. The City will hire additional staff only after the need for such positions has been demonstrated and documented.

Exhibit A

7. All compensation planning will focus on the total cost of compensation which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the City.
8. Periodic comparisons of service delivery will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery where appropriate. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.
9. Whenever feasible, government activities will be considered enterprises if doing so will increase efficiency of service delivery or recover the cost of providing the service from the benefiting entity by user fees.
10. The City will make every effort to maximize any discounts offered by creditors/vendors. Staff will also use competitive bidding per the Purchasing Policy to attain the best possible price on goods and services.

IV. Operating Budget Policies

1. The City Council will adopt and maintain a balanced annual operating budget.
2. The City will strive to adopt a budget where current annual operating revenues will be equal to or greater than current operating expenditures.
3. Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, contractual obligations, and capital improvements. The forecast will encompass five years and will be updated annually.
4. In the event a balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the planned use of reserves to balance the budget is permitted. In the event that a budget shortfall is expected to continue beyond one year, the planned use of reserves must be developed as part of a corresponding strategic financial plan to close the gap through revenue increases or expenditure decreases.
5. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and will be available for capital expenditures and/or "one-time" only General Fund expenditures.
6. The City will provide for adequate maintenance and the orderly replacement of capital assets and equipment. Fleet and equipment replacement will be accomplished through the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for the replacement of the vehicles and equipment.
7. The operating budget shall serve as the annual financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals

Exhibit A

and objectives. The budget will provide the staff the resources necessary to accomplish City Council determined service levels.

8. As mandated by RCW 35A.33.135, the Mayor shall annually present a proposed operating budget to the City Council on or before the first Monday in October. The City Council must adopt by ordinance a final balanced budget no later than December 31 of each year.
9. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.
10. Budget control and accountability is maintained at the departmental level.
11. The Mayor has the authority to approve appropriation transfers between programs or departments within a fund. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Amendments to the budget are approved by the City Council.

V. Capital Management Policies

Review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Capital Facilities Plan

1. The City will develop a Capital Facilities Plan (CFP) as defined and required by RCW 36.70A.070 which is consistent with the City Comprehensive Plan by the end of 2024. The plan shall be for a period of six years.
2. The CFP will include all projects to maintain public capital facilities required to maintain service levels at standards established by the City Council. It may also include for consideration such other projects as requested by the Mayor or City Council.
3. The CFP will provide details on each capital project plan including estimated costs, sources of financing and a full description of the project.
4. The City will finance only those capital improvements that are consistent with the adopted CFP and City priorities. All capital improvement operating and maintenance costs will be included in operating budget forecasts.
5. A status review of the CFP will be conducted annually and a report will be presented by the Community Development Director or their designee, to the City Council.

Capital Asset Management

6. The City will maintain its capital assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

The budget will provide for adequate maintenance and orderly replacement of capital assets from current revenues where possible.

7. The capitalization threshold used in determining if a given asset qualifies for capitalization is \$5,000 per item with a useful life of over one year.
8. The City will conduct an annual physical count/inspection of all capital assets.
9. Adequate insurance will be maintained on all capital assets consistent with the results of the annual physical count/inspection.

VI. Small and Attractive Item Policies

It is the policy of the city to maintain accountability over all tangible items that may have the likelihood of disappearing without being noticed. The departments shall review and update records to be verified by a physical inventory at least once a year and provide such list to the Treasurer's office for monitoring differences between years.

1. Small and attractive items are defined as easily moveable, desirable items with a unit cost of \$300.00 to \$4,999.99 and have a life expectancy of more than one year. Those items are either concealable or portable.
2. Concealable items are defined as small enough to fit into one's pocket, bag, briefcase or back pack (examples: electronic devices, radios, weapons; laptops, peripherals such as Personal Data Assistants (PDA) & software packages; etc.).
3. Portable items are defined as medium sized assets that can be easily carried. (examples: televisions, computers, printers, mobile hand or power equipment; rescue equipment; computer monitors, modems, cpu's, projectors, typewriters, lawn mowers, etc.).
4. Each department head or their designee will prepare a list at least annually of their small and attractive items. This list will be provided to the City Administrator by January 31st each year for monitoring.
5. Each department/fund will notify the City Administrator of any additions, deletions, interdepartmental transfers, modifications, or leases of property that is not reflected on the preliminary list. Deletions from the inventory should include items that were scrapped, cannibalized, disappeared mysteriously, or damaged beyond salvage. The City Administrator or their designee will ensure the appropriate changes are made to the departments/funds small and attractive list. After the adjustments are made, the final list will be given to the department head or the Mayor to sign that it is true and correct.
6. A physical inventory will be conducted annually by the department to verify the existence and condition of all items on the Small and Attractive list. Every two years the City Administrator or their designee will help with the physical inventory verification with each department during the summer or fall months.

Exhibit A

7. The Small & Attractive list will contain the serial number, model number and other key-identifying characteristics. All inventoried property will be assigned a unique city identification number by the City Administrator's Office if it does not already have one of the identifiers listed above. If an item is assigned a city identification number, that assigned number will follow the asset throughout its life in the city's Small and Attractive system.
8. Whenever feasible, each piece of property will be engraved or marked with the city's name and/or identification number on the upper right-hand corner. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of.
9. The city's property identification numbers are assigned by the City Administrator's Office for uniformity and must be unique to a single property item if there is not a serial number, model number or other key-identifying characteristic. Each department/fund should maintain a register of ID numbers that identify assets under their control if there is no serial or model number. The city will use a 10-character field that has the capability of using alpha or numeric characters for their ID number.
10. The city may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the department/fund purchasing the item will add it to their Small and Attractive data base listing and mark the item with the city's name. Quarterly the City Administrator's office will provide a list with documentation on all small and attractive items purchased. This list will include department, date, serial numbers, model numbers, order numbers, or any other means available for tracking purposes.
11. Items previously acquired will eventually be disposed of and need to be deleted from the departments list. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc.).
12. The department head controlling the item is the only one in position to trigger removal from their list. An Asset Disposal Sheet must be submitted in the event of deletion for any reason. Items disappearing mysteriously may require additional reports to the police department, Mayor, and insurance company. Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.
13. Occasional transfers of property between departments, individuals within a department or funds will occur. The original controlling department/fund is accountable for all items and for initiating a notice of transfer.
14. Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer) need to have a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of fixed assets. Interdepartmental transfers or intergovernmental (i.e. city to County or State) do not require the city to declare the item surplus or to do a public notice.

Exhibit A

15. Whenever an item has mysteriously disappeared and all efforts have failed to recover it, the controlling department/fund shall notify the City Administrator, who will give a copy to the Mayor and the Sheriff's Office. Ninety days after notification, if the item has not been found, the department head will send an Asset Missing Form to the City Administrator's office so they may remove the asset from the asset inventory. Copies of the report will be sent to the Mayor, City Council, and Department Head.

VII. Accounting Policies

Comply with prevailing federal, state, and local statutes and regulations. Conform to a comprehensive basis of accounting in compliance with Washington State statutes and with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA) where applicable.

1. The City uses the cash basis of accounting which is a departure from generally accepted accounting principles (GAAP).
2. The City will maintain expenditure categories according to state statute and administrative regulation. The City will use the "Budgeting, Accounting & Reporting System" (BARS) prescribed by the State Auditor for its revenue and expenditure classification.
3. Quarterly budget reports showing the current status of revenues and expenditures will be prepared and distributed to appropriate legislative, staff and management personnel in a timely manner and made available for public inspection.
4. Electronic financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.
5. The Annual Financial Report will be prepared and submitted to the State Auditor's Office no later than 150 days from the end of the preceding fiscal year.
6. The Annual Financial Report will be prepared on the basis of accounting that demonstrates compliance with Washington State statutes and the BARS manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles. The report will provide full disclosure of all financial activities and related matters.
7. An annual audit shall be performed by the Washington State Auditor's Office, which will issue an official opinion on the annual financial statements, along with a report on accountability for public resources and compliance with state laws and regulations and its own policies and procedures.
8. The City's budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units, and as a communications device for all significant budgetary issues, trends and resources. It is the goal of the City Administrator to submit the budget document to the Washington Finance Officers Association (WFOA) or Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

VIII. Debt Policies

Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

1. The City will not use debt to pay for current operations. The use of bonds or certificates of participation will only be considered for significant capital and infrastructure improvements.
2. The term of the debt shall never extend beyond the useful life of the improvements to be financed unless it is for a project funded by USDA Rural Development in which case the term of the loan may not exceed 40 years.
3. General obligation debt will not be used for self-supporting enterprise activity.
4. Every project proposed for financing through general obligation debt shall be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
5. The general policy of the City is to establish debt repayment schedules that use level annual principal and interest payments.
6. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond ordinance, or 2) payment of debt service on the bonds.
7. Proceeds from debt will be used in accordance with the purpose of the debt issue. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.
8. The City will use the most prudent methods of acquiring capital outlay items, including the use of lease-purchase agreements. In no case will the City lease- purchase equipment whose useful life is less than the term of the lease.
9. The City may issue interfund loans as short-term debt, for a period of three years or less, rather than outside debt instruments to meet short-term cash flow needs, such as a delay in receipting tax revenues or issuing long-term debt. Interfund loans will be permitted only if an analysis of the affected funds indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short-term borrowing will be subject to Council approval by resolution as approved for interfund loans.
10. Lease purchase financing may be used when the cost of borrowing or other factors make it in the City's best interest.

IX. Cash Management and Investment Policies

Manage and invest the City's operating cash to ensure its legality, safety, provide for necessary liquidity, avoid imprudent risk, and optimize yield.

1. Cash and Investment programs will be maintained in accordance with Federal and

Exhibit A

State law and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

- a. *Safety*. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will: (a) seek to avoid realizing any loss through the sale or disposal of an investment; and (b) seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
 - b. *Liquidity*. The investment portfolio will remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio in the following manner: (a) the City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity; (b) a portion of City funds will be maintained in cash equivalents, including money market fund, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and (c) the portfolio will consist largely of investments with active secondary markets.
 - c. *Yield*. The City's investments will be designed with the objective of maximizing a fair rate of return consistent with the safety and liquidity noted above.
2. The City will maintain written guidelines on cash handling, accounting, segregation of duties, and other financial matters.
 3. Monthly reports will be prepared and distributed to all departments and the City Council showing cash position, and year-to-date budgeted and actual expenditures.
 4. The City will conduct annual reviews of its internal controls and cash handling procedures.

X. Reserve Policies

Maintain the reserves, contingencies, and ending fund balances of the various operating funds at levels sufficient to protect the City's credit as well as its financial position from emergencies.

1. At each fiscal year end the remaining dollars left in each fund that are undesignated and unencumbered constitute available reserves of the City.
2. The City will include all fund balances in the annual budget.

Strategic Reserve

3. The City's goal shall be to establish and maintain a General Operating Strategic Reserve of at least 10 percent of the General Fund and General-Fund supported operating budgets.
4. The reserve is defined as an emergency or cash flow reserve to fund one-time, emergency, or unanticipated expenditure requirements or offset unanticipated revenues fluctuations

Exhibit A

occurring in the fiscal year or one-time revenue losses.

5. Annual contributions will be budgeted from the General Fund resources as available to establish and maintain the target reserve level.
6. All expenditures drawn from the reserve account shall require prior Council approval unless previously authorized by the City Council for expenditure in the annual budget.

General Fund

7. The City's goal shall be to maintain a General Fund ending fund balance of at least 10 percent of the budgeted General Fund operating revenues.

Unemployment Reserve

8. The City's goal shall be to maintain an unemployment reserve of at least the maximum weekly benefit allowed by state law times the maximum number of weeks allowed, excluding any extension of benefits during times of high unemployment.

Enterprise Funds

9. The City's Enterprise Funds will maintain reserves equal to at least 10 percent of their adopted operating expenditures.

Equipment Rental & Replacement Fund

10. Sufficient reserves will be maintained to provide for the scheduled replacement of City vehicles and capital equipment at the end of their useful lives.
11. Contributions will be made through assessments to the operating departments and maintained on a per asset basis.

Additional Reserves

12. Additional reserve accounts may be created by the City Council to be set aside for specific purposes or special projects, for known significant future expenditures, or as general operational reserves.

XI. Cost Allocation Policies

Comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered to other funds.

1. Under Washington State law and the State Auditor's Office *Budgeting, Accounting, and Reporting System* (BARS) manual, government officials may charge a portion of the costs for central overhead services to restricted funds, such as utility funds or special revenue funds, only to the extent that each fund benefits from those services. Governments may not allocate general government service costs such as public safety, parks, law enforcement, and community and economic development.

Exhibit A

2. BARS manual section 3.9.5 discusses Overhead Cost Allocations. Exhibit 1 of that section lists “Sound practices and requirements for allocating overhead costs”, including developing and maintaining a written plan, describing the allocation factors used, and explaining the rationale behind those decisions. Exhibit 2 of that section lists appropriate allocation factors for common types of overhead costs. The City must maintain appropriate documentation to support the overhead costs that were charged to each fund. (See the BARS manual for a complete discussion).

City Administrator Salary and Benefits

From review of the normal job duties of the City Administrator – Day to day tasks include many functions that benefit the public at large including working with the Planning Director, the Building Inspector, Court, and the Fire and Police departments. These functions must be charged to the General Fund only.

Day to day tasks that benefit all funds include budget, audit, financial oversight, Human Resources, liability insurance, City Council assistance, grant management & compliance, economic development, and the supervision of Accounts Payable, Purchasing, Payroll, and Bookkeeping.

To allocate City Administrator costs to the benefiting funds, while ensuring that all functions benefiting the public at large are charged solely to the General Fund, the City Administrator shall track their time in relation to the departments and benefiting funds. Salary and benefits will be distributed monthly based on approved timesheet reports for actual time distribution.

Deputy Clerk Treasurer Salary and Benefits

The normal job duties of the Deputy Clerk Treasurer I and II are routine in nature and may experience changes with implementation of new tools or changes to services provided, such as outsourcing court or building inspection services. The allocation of salary and benefit costs will be based on observations of day to day staff activities, interviews with staff, and their periodic tracking of time. When staff is working on project related tasks where an account code is created and their time may be reimbursable, they will track their time for that task and their salary and benefits will be distributed to that effort based on approved timesheet reports for actual time distribution.

Equipment Services Fund

The City’s Equipment Services Fund was created in 1976 to account for and finance transportation and equipment expenses. Revenues are derived from charges made against the department using the equipment. Charges are allocated based on the number of hours worked and miles driven by field staff in each fund. The established rate is intended to cover general equipment maintenance, salaries, insurance, and replacement costs.

Exhibit A

Allocated Costs

The City's General Fund provides a variety of central services including, but not limited to; legal support, human resources, administrative functions, personnel services, processing accounts payable, budget and cash management, payroll and information technology services. The city allocates these indirect costs as follows:

1. Legislative, executive and legal costs will be distributed based on agenda items.
2. Finance and central services costs will be distributed based on number of financial transactions.
3. Transactions related to the Equipment Services fund will be excluded as all expenses are charged back to other funds.
4. At year end, the budget allocation will be reconciled to actual costs and percent allocation.

Other allocated costs include:

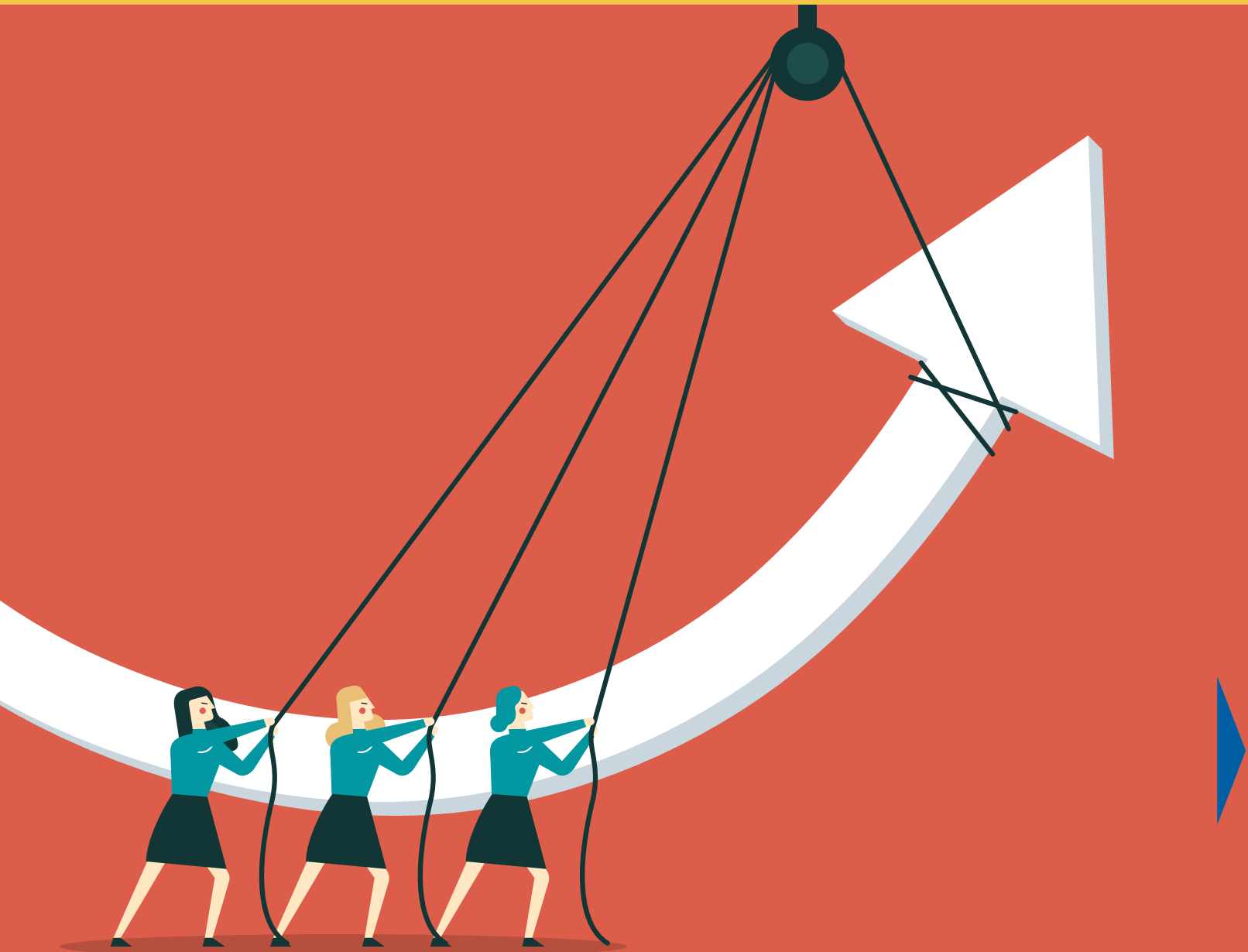
1. Audit costs allocated based on areas of audit focus.
2. Insurance costs allocated based on property values insured.
3. Phone costs allocated based on phone lines and departments served.
4. Any other costs will be allocated based on the type of service/goods provided and a fair and equitable allocation to the benefiting departments.

Resolution 2020-370 Exhibit A

City of Stevenson Salary Schedule

2021 Salary Schedule

<u>Position</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
City Administrator	80,551	83,773	87,124	90,609	94,233	98,002	101,922	105,999
Deputy Clerk/Treasurer II	51,715	53,784	55,935	58,172	60,499	62,919	65,436	68,053
Deputy Clerk/Treasurer I	45,710	47,538	49,440	51,418	53,475	55,614	57,839	60,153
Public Works Director/Com Dev Director	67,852	70,566	73,389	76,325	79,378	82,553	85,855	89,289
Field Sprvr /Bldg Insptr/WWTPO III	58,510	60,850	63,284	65,815	68,448	71,186	74,033	76,994
WWTPO II	52,793	54,905	57,101	59,385	61,760	64,230	66,799	69,471
Utilities / Maintenance Worker/WWTPO I	50,453	52,471	54,570	56,753	59,023	61,384	63,839	66,393
Facilities Maintenance Worker	33,301	34,633	36,018	37,459	38,957	40,515	42,136	43,821
Minute Taker (Hourly)	19.26	20.03	20.83	21.66	22.53	23.43	24.37	25.34
Temporary Assistant II (office or field)(Hourly)	16.01	16.65	17.32	18.01	18.73	19.48	20.26	21.07
Temporary Assistant I (office or field)(Hourly)	13.69	14.24	14.81	15.40	16.02	16.66	17.33	18.02
Standby Pay (Hourly)	2.13							



2021 Budget Suggestions

To view all of MRSC's budgeting resources,
visit [mrsc.org/budgeting](https://www.mrsc.org/budgeting)

2021 BUDGET SUGGESTIONS

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Introduction

Welcome to MRSC's *2021 Budget Suggestions* publication! As always, we try to provide you with timely and relevant information to help you develop your budget, within the constraints we face in obtaining data and forecasts from various state and federal agencies that have an impact on city and county budgets. This year is full of challenges and we hope that you find the publication to be both helpful and insightful as you develop your budget.

Budget Suggestions is an annual event that we are proud to say has been published since 1943 – first by our predecessor organization, the Bureau of Government Research, and since 1970 under the MRSC name as one of our signature publications.

The budgetary procedures and deadlines shown in this publication are the absolute minimums. Budgeting frequently requires more time than anticipated, especially in a year such as this where there is no historical data to base assumptions on. We encourage you to start your budget process early to allow sufficient time for plenty of internal meetings and public hearings to address your jurisdiction's unique budget considerations.

Budget Suggestions focuses primarily on state shared revenue forecasts, economic indicators, state legislation, and proposed initiatives that may impact your budget forecast and development for the forthcoming year and beyond. We have also included a few articles that speak specifically to the challenges presented by the COVID-19 pandemic.

There is also a wealth of budget-related information on the MRSC website, and you will see links throughout the publication to our budget webpages for further information, as well as budgeting tools that are only available on our website. The [State Shared Revenue Estimator](#) tool allows you to click on your entity's name and automatically populate your state shared revenue projections for the upcoming year.

For those who adhere more closely to the statutory timelines, we have developed a downloadable [Outlook calendar for cities](#) that sets the key dates for the budget process into your Outlook calendar. For those new to the budget process, we hope it is a useful tool.

MRSC's [Financial Policies Tool Kit](#) helps local governments maintain their fiscal health through policy areas such as fund balance, reserves, asset and debt management, and cost allocation. As part of your pre-budget process, you should review and update these financial policies to ensure that they are still relevant and meet your jurisdiction's objectives.

And finally, for those of you looking to understand existing or potential revenue sources, we have expanded and updated our [City Revenue Guide](#) and [County Revenue Guide](#), including in-depth discussion of property taxes, sales taxes, ballot measures, and much more.

You can view all of these resources and more at mrsc.org/budgeting.

Just like your budget, *Budget Suggestions* is a team effort. Toni Nelson, Finance Consultant, is the primary author of this publication and website content, and Mike Bailey, Finance Consultant, has contributed the sections on the state and national economies and budgeting in uncertain times. Steve Hawley, Senior Communications Coordinator, edited the publication and related website content and wrote the article on ballot measure validation. Angela Mack, Graphic Designer makes it all look good! If you have any comments about this year's *Budget Suggestions* publication or our online budget resources, we'd love to hear them! Please send your comments to Toni Nelson at tnelson@mrsc.org.

Be safe, stay healthy, and happy budgeting!

The Budget Process



2021 Budget Calendar – Cities and Towns

The annual budget preparation procedures and deadlines for cities are found in [chapter 35A.33 RCW](#) (code cities) and [chapter 35.33 RCW](#) (all other cities and towns except Seattle) and outlined below. The procedures and deadlines are the same for biennial budgets, although the statutory citations are different (see [Biennial Budgets](#)).

Most of the pre-budget items listed below are recommendations only and are not required by statute. The rest of the items are based on statutory deadlines; cities and towns can take these steps earlier than listed or adopt different deadlines for some of these steps by ordinance or charter. We recommend that each city and town develop a timeline that best meets its needs, ensures compliance with the statutes, and provides sufficient time to prepare this vital financial plan.

For examples of budget preparation calendars adopted by cities and towns, as well as a downloadable calendar that will load all of this information directly into your Outlook calendar, see our webpage [2021 Budget Calendar for Cities and Towns](#).

For a detailed explanation of the budget requirements, as well as some helpful practice tips, see our webpage [Budget Preparation Procedures for Cities and Towns](#).

March— August	<p>Pre-Budget Items</p> <ul style="list-style-type: none"> Council retreat. Update and/or adopt financial policies. Public hearings for capital facility plan updates. Public forums or community outreach (ex: community priorities). Mayor/Manager communicates budget objectives to staff.
September	<p>Sept 14 Budget request to all department heads.</p> <p>Sept 14–27 Department heads prepare estimates of revenues and expenditures. Clerk prepares estimates for debt service and all other estimates.</p> <p>Sept 25 Implicit price deflator calculated (only applies to cities of 10,000+ population).</p> <p>Sept 28 Budget estimates from department heads filed with clerk.</p>
October	<p>Oct 1 Clerk provides estimates filed by department heads to Mayor/Manager showing complete financial program.</p> <p>Oct 5 Mayor/Manager provides Council with estimates of revenues from all sources including estimates prepared by clerk for consideration of setting property tax levy.</p> <p>Mid-October to Mid-November (suggested) Required public hearing on revenue sources including possible increases in property tax.</p>
November	<p>Nov 1 Mayor/Manager prepares preliminary budget and budget message. Files with clerk and council.</p> <p>Nov 1–18 Publication notice of preliminary budget and final hearing.</p> <p>Nov 1–25 Public hearing(s) on preliminary budget. Public hearing on revenue sources for levy setting.</p> <p>Nov 20 Copies of budget available to public</p> <p>Nov 30 Property tax levies set by ordinance and filed with the County.</p>
December	<p>Dec 7 Final budget hearing.</p> <p>Dec 31 Budget adoption.</p>

2021 Budget Calendar – Counties

The budget preparation procedures and deadlines for counties are found in [chapter 36.40 RCW](#) and outlined below. The procedures and requirements are the same for both annual and biennial budgets, although biennial budgets have an additional mid-biennium review and adjustment period (see [Biennial Budgets](#)).

Most of the pre-budget items listed below are recommendations only and are not required by statute. The rest of the items are statutory deadlines; the board of commissioners may alter the dates for some of these budget processes to conform to the optional alternative preliminary budget hearing date in December ([RCW 36.40.071](#)). Many counties have adopted alternative dates, and we recommend each county develop a timeline that best meets its needs, ensures compliance with the statutes, and provides sufficient time to prepare this vital financial plan.

If your county is using the alternate dates, some county officials have noted that there is a conflict between [RCW 84.52.070](#), which requires levies to be certified by November 30, and [RCW 36.40.071-090](#), which require the board of commissioners to fix the levy amounts *after* the final budget hearing (beginning on the first Monday in December). DOR recently circulated a [Draft Property Tax Advisory](#) (PTA) regarding when and how taxing districts must certify levy amounts to the county assessor, but it does not address this statutory conflict, which would require new legislation. **However, counties must certify their levies by November 30 or else they risk losing any property tax increase for the upcoming year.** For questions about the PTA, contact Miki Gearhart at MikiG@dor.wa.gov.

For examples of budget preparation calendars adopted by counties, see our webpage [2021 Budget Calendar for Counties](#). For a detailed explanation of the budget requirements, as well as some helpful practice tips, see our webpage [Budget Preparation Procedures for Counties](#).

March— June	Pre-Budget Items Strategic planning sessions to develop goals and priorities. Update and/or adopt financial policies. Public hearings for capital facility plan updates for GMA planning counties. Capital improvement plan updates for partially planning GMA counties. Communicate budget objectives to county departments and elected offices.
July	July 13* County auditor or chief financial officer (CFO) notifies all officials of the request for budget .
August	Before Aug 10* Auditor or CFO prepares estimates for debt service and all other estimates not called for in the notification to officials. Aug 10* Budget estimates from all officials filed with auditor or CFO..
September	Sept 1* Preliminary county budget prepared by auditor or CFO is submitted to the commissioners. Sept 23* Notice of public hearing on budget and tax levies. Copies of budget available to the public. Sept 25 Implicit price deflator calculated (only applies to counties of 10,000+ population).
October/ November	Oct 5* Final budget hearing by board of commissioners. Nov 30 County legislative authority to certify to the county assessor the amount of taxes to be levied upon property in the county.
December	Dec 7 Alternate final budget hearing on preliminary budget. Dec 31 Budget adoption.

** Dates may be altered if county is using alternate budget calendar*

Biennial Budgets

CITIES AND TOWNS

All cities and towns may budget on a biennial (two-year) basis if desired (see [chapter 35A.34 RCW](#) for code cities and [chapter 35.34 RCW](#) for all other cities and towns). By statute, the biennial fiscal period must start on January 1 of an odd-numbered year and end on December 31 of the following even-numbered year.

The upcoming biennial budget period is 2021-2022, which means all cities and towns that budget on a biennial basis will be preparing their budgets according to the same procedures and deadlines as the annual budget timelines (see the section [2021 Budget Calendar – Cities](#)). Cities are required to review and modify the budget by ordinance between September 1 and December 31 of the first year of the biennium ([RCW 35.34.130/RCW 35A.34.130](#)).

Any city or town that currently budgets on an annual basis and wants to switch to a biennial budget process must pass an ordinance to that effect no later than June 30 of the preceding even-numbered year, six months before the beginning of the fiscal biennium ([RCW 35A.34.040/RCW 35.34.040](#)). The deadline for adopting an ordinance establishing a biennial budget process for the next biennium (2021-2022) was June 30, 2020. If your city wants to transition to a biennial budget but has not yet adopted the required ordinance, your next opportunity to convert will be for the 2023-2024 biennium. You will need to adopt the required ordinance no later than June 30, 2022.

The same statute also allows a city or town to revert from a biennial budget process to an annual budget process by repealing the ordinance that established the biennial budget procedure. The repeal must take effect at the end of a fiscal biennium; cities and towns may not abandon the biennial budget process halfway through the biennium. During the final (even-numbered) year of the biennium, the city or town would then prepare and adopt an annual budget to take effect January 1 of the following (odd-numbered) year.

For more information, including a list of cities and towns using a biennial budget process, examples of resolutions adopting or abandoning a biennial budget process, and examples of biennial budget preparation calendars, see our webpage on [Biennial Budgeting](#).

For information on public hearing requirements, see the [Budget Hearings](#) section.

Mid-Biennium Review and Adjustment Dates for Cities and Towns

September 1-December 31 of odd-numbered years: Mid-biennial review and modification must be completed no sooner than September 1 and no later than December 31. Public hearing and public notice are required and modifications, if any, must be adopted by ordinance. Copies of the mid-biennial review must be transmitted to the State Auditor's Office and MRSC (representative for AWC) after adoption (see [RCW 35.34.120/RCW 35A.34.120](#)).

November 30: Deadline for cities/towns using a biennial budget to certify to the county assessor the amount of property taxes to be levied for the second year of the biennium. Any city/town that misses this deadline may not increase its levy above the prior year's level.

COUNTIES

Any county may adopt a biennial budget ([RCW 36.40.250](#)). Unlike cities, counties may start the biennium on January 1 of any year.

The calendar for developing a biennial budget is identical to the annual budget calendar (see [2021 Budget Calendar – Counties](#)). In addition, each county adopting a biennial budget must provide for a mid-biennial budget review and modification for the second year of the budget cycle. The modification must be adopted by resolution or ordinance. No exact deadline is provided, but in practice the budget should be reviewed and modified by the end of the first year of the biennial budget cycle.

To switch from an annual budget process to a biennial budget process, a county must adopt a resolution or ordinance to that effect. Unlike cities, the county statute gives no indication of when this ordinance or resolution must be passed. Practically speaking, it probably needs to be done no later than April 1 so that the request for budget proposals to county officials and department heads can outline the change and allow sufficient time to prepare the estimates that are due to the county auditor or CFO in August.

The statute also provides an option for counties to adopt a biennial budget for some funds – with the same mandatory mid-biennium adjustment – and an annual budget for others.

A county may also revert to an annual budget process by repealing the ordinance that established the biennial process. The repeal must take effect at the end of a fiscal biennium; counties may not abandon the biennial budget process halfway through the biennium. During the final year of the biennium, the county would then prepare and adopt an annual budget to take effect January 1 of the following year.

For more information, including a list of counties using a biennial budget process, examples of resolutions adopting or abandoning a biennial budget process, and examples of biennial budget preparation calendars, see our webpage [Biennial Budgeting](#).

For information on public hearing requirements, see the [Budget Hearings](#) section.

Mid-Biennium Review and Adjustment Dates for Counties

November 30: Deadline for board of county commissioners to certify to the county assessor the amount of property taxes to be levied for the coming fiscal year, regardless of whether the county is using an annual or biennial budget process. Any county that misses this deadline may not increase its levy above its current level.

December 31: Suggested deadline for mid-biennium review and modification. While [RCW 36.40.250](#) requires a mid-biennium review and modification, it does not provide specific deadlines for this procedure but refers the county to the State Auditor for requirements. The State Auditor's Office BARS Manuals do not currently prescribe any specific requirements for this mid-biennium review. Our office recommends using the same public hearing and public notice process that is used for a supplemental budget appropriation ([RCW 36.40.100](#)).

Budget Hearings

“How many public hearings are required for the budget process?” is one of those frequently asked questions at budget time. The following guidance reflects the minimum requirements.

CITIES AND TOWNS



COVID-19 impacts: It is possible that jurisdictions may have to hold their budget hearings partially or entirely remotely this year due to the COVID-19 pandemic. For the current requirements regarding open public meetings, see our webpage [COVID-19 Operations and Personnel Issues](#).

By MRSC’s analysis, each city or town must hold at least three public hearings during the budget preparation process. The minimum statutory requirements are addressed below, but please note that some cities may have adopted additional public hearing requirements by policy.

Public Hearing #1: Property Taxes/Revenue Sources. See [RCW 84.55.120](#). The legislative body must hold a public hearing on revenue sources for the coming year’s budget, including consideration of possible increases in property tax revenues, prior to the property tax certification deadline, which is November 30. After the hearing, a city/town may choose to pass an ordinance at the same meeting establishing the property tax levy in terms of total dollars and percent increase from the previous year. This ordinance may cover a period up to two years, but in practice most jurisdictions – even biennial budget jurisdictions – hold a revenue hearing every year.

Because of the importance of revenue forecasting as a precursor to presenting a structurally balanced budget, we suggest that the property tax hearing precede the preliminary budget hearing (see below). This would place the property tax hearing sometime between mid-October and mid-November.

Official notices must be placed in the official newspaper of the city/town prior to the public hearing. While the statute does not specifically address the length of time prior to the hearing that notice must be given, it is our recommendation that notice be provided no later than one week prior to the public hearing to ensure that the statutory intent and underlying purpose of notice is reasonably fulfilled.

Public Hearing #2: Preliminary Budget Hearing. See [RCW 35.33.057/RCW 35A.33.055](#) (annual budgets) and [RCW 35.34.090/RCW 35A.34.090](#) (biennial budgets).

The legislative body, or a committee thereof, must schedule preliminary “hearings on the budget or parts thereof” *prior* to the final budget hearing, which must be on or before the first Monday in December, and may require the presence of department heads to give information regarding estimates and programs. Public notice is required, but beyond the requirement to publish in the official newspaper of the city/town there are no additional publication requirements stated in statute. However, as with the property tax hearing, we recommend a minimum of one week’s publication notice.

Since the statutory language references “hearings” as plural, it has long been MRSC’s opinion that more than one preliminary budget hearing is required. However, since the statute also states that the hearings may be “on the budget or parts thereof,” we also conclude that cities and towns may count the property tax/revenue hearing outlined above as one of the required preliminary hearings. This means cities and towns must hold at least one preliminary budget hearing in addition to the property tax/revenue hearing.

Public Hearing #3: Final Budget Hearing. See [RCW 35.33.071/RCW 35A.33.070](#) (annual budgets) and [RCW 35.34.110/RCW 35A.34.110](#) (biennial budgets). The final budget hearing must begin on or before the first Monday in December and may continue from day-to-day beyond the first Monday but it must conclude no later than December 7 (the 25th day prior to the next fiscal year). This year the deadline to start and finish the final budget hearing happen to be the same day (Monday, December 7). If you anticipate a continuation, you may want to schedule your final budget hearing to begin on or before December 1.

Official notice of the final budget hearing must be published once a week for two consecutive weeks in the official newspaper. See [RCW 35.33.061/RCW 35A.33.060](#) (annual budgets) and [RCW 35.34.100/RCW 35A.34.100](#) (biennial budgets). The timing of this notice can be challenging for those cities and towns that have an official newspaper with less than a daily release schedule, so careful planning is required.

COUNTIES

By MRSC’s analysis, each county must hold at least two public hearings during the budget process. The minimum statutory requirements are addressed below, but please note that some counties may have adopted additional public hearing requirements by policy.

Public Hearing #1: Property Taxes/Revenue Sources. See [RCW 84.55.120](#). The legislative body must hold a public hearing on revenue sources for the coming year’s budget, including consideration of possible increases in property tax revenues, prior to the property tax certification deadline, which is November 30, and prior to the final budget hearing.

Official notice is required in the county’s official newspaper. While the statute does not specifically address the length of time prior to the hearing that notice must be given, it is our recommendation that notice be provided no later than one week prior to the public hearing to ensure that the statutory intent and underlying purpose of the notice is reasonably fulfilled.

After the hearing, a county may choose to pass an ordinance at the same meeting establishing the property tax levy in terms of total dollars and percent increase from the previous year. This ordinance may cover a period up to two years, but in practice most jurisdictions – even biennial budget jurisdictions – hold a revenue hearing every year.

Public Hearing #2: Final Budget Hearing. See [RCW 36.40.070/RCW 36.40.071](#). The legislative body must meet on the first Monday in October, or alternatively the first Monday in December if using the alternate budget dates, for the budget hearing. Officials in charge of county offices, departments, services, and institutions must appear at the hearing and may, at the appropriate time, be questioned concerning their budget estimates by the commissioners or any taxpayer.

The hearing may be continued from day-to-day but may not exceed a total of five days. Upon conclusion of the hearing, the legislative body must fix and determine each budget item separately and must adopt the budget by resolution.

Official notice of the final budget hearing must be published once a week for two consecutive weeks, immediately following adoption of the preliminary budget, in the county’s official newspaper ([RCW 36.40.060](#)). The timing of this notice can be challenging for those counties that have an official newspaper with less than a daily release schedule, so careful planning is required.

BUDGET HEARINGS FOR BIENNIAL BUDGET MID-BIENNIUM ADJUSTMENTS

Cities/Towns

By MRSC’s analysis, each city or town must hold at least two public hearings for the mid-biennium review and adjustment. Some cities may have adopted additional public hearing requirements by policy. The biennial budget statutes state that cities “shall provide for public hearings on the proposed budget modification” and “shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city or town ordinances.” See [RCW 35.34.130/RCW 35A.34.130](#).

Because “hearings” is plural, it is our interpretation that at least two public hearings are required. However, as with the initial budget development, the property tax/revenue hearing ([RCW 84.55.120](#)) can count as one of the hearings. After the revenue hearing, cities must hold at least one additional public hearing on the mid-biennium review and adjustment.

Counties

[RCW 36.40.250](#) provides counties with the authority to adopt a biennial budget and states that there must be a “mid-biennium review and modification for the second year of the biennium.” However, the statute goes on to state that “[t]he state auditor shall establish requirements for preparing and adopting the mid-biennium review and modification for the second year of the biennium.”

The State Auditor’s Office provides limited guidance through its BARS manuals for the budget process and there are no additional requirements or guidance for the mid-biennium review. MRSC recommends that those counties with a biennial budget follow the same requirements as outlined above for cities.

PUBLIC HEARINGS FOR BUDGET AMENDMENTS

After the budget is adopted, cities, towns, and counties may amend the budget at any time. It’s especially important to monitor budget appropriation levels as you reach the end of your budget cycle. Cities, towns, and counties must have sufficient budget appropriations available for all expenditures including open period expenditures. Budget amendments, if any, must be adopted on or before December 31. Most budget amendments do not require public hearings under state law, although some jurisdictions may have adopted public hearing requirements by policy.

Cities, towns, and counties are not required to hold public hearings on budget amendments related to “nondebtable” emergencies – see [RCW 35.33.081/RCW 35A.33.080](#) (city/town annual budgets), [RCW 35.34.140/RCW 35A.34.140](#) (city/town biennial budgets), and [RCW 36.40.180](#) (counties). Public hearings are also not required for expenditures of unanticipated revenues, transfers within a single fund, or budget reductions. These types of amendments must be made by ordinance but do not require a public hearing.

However, public hearings are required for increasing expenditures for other “public emergencies” that are not considered “nondebtable” – see [RCW 35.33.091/RCW 35A.33.090](#) (city/town annual budgets), [RCW 35.34.150/RCW 35A.34.150](#) (city/town biennial budgets), and [RCW 36.40.140](#) (counties). For cities and towns, the public notice requirements are not specifically outlined in statute. MRSC recommends following the same notice requirements of the preliminary budget hearing. Counties must publish notice of the hearing, as well as a resolution stating the facts of the emergency and the estimated amount of money required to meet it, once in the official county newspaper at least one week before the hearing.

Demographic and Economic Indicators



Population Estimates

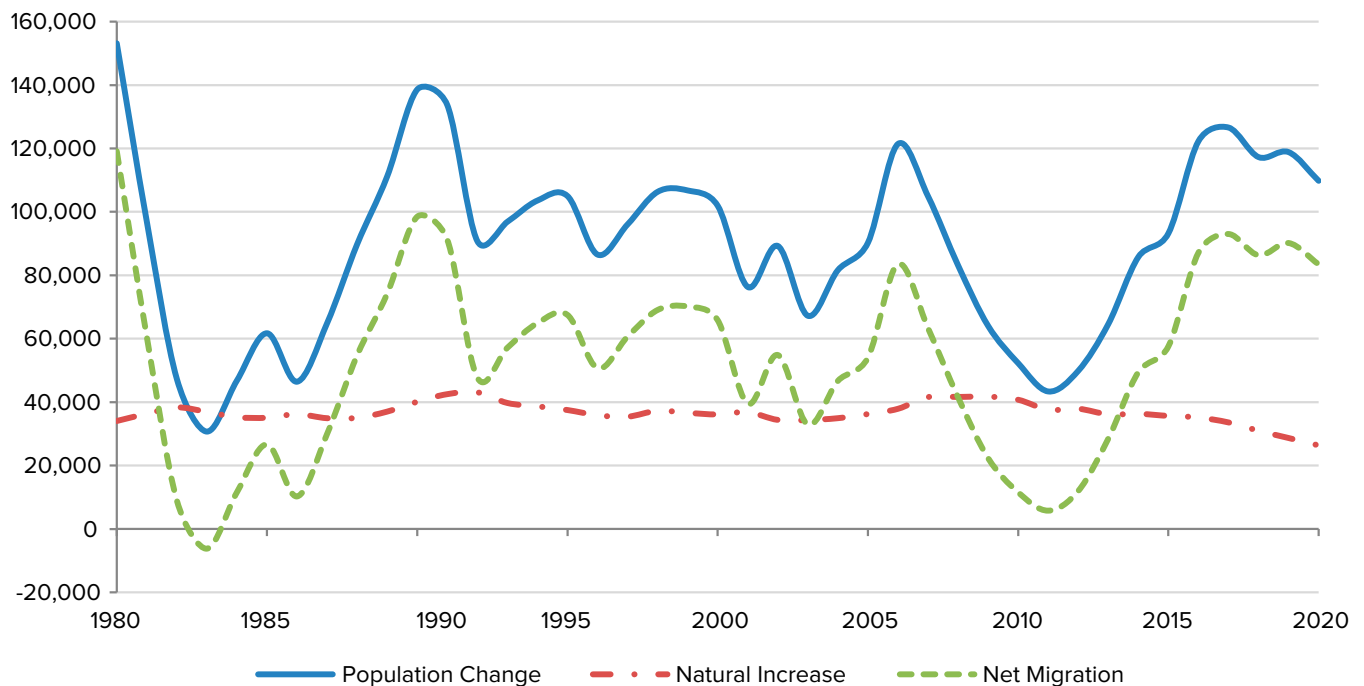
Population estimates are of particular importance to cities and counties, as they not only indicate whether the population is growing and how quickly, but they also form the basis for the distribution of many state shared revenues (see [State Shared Revenues](#) chapter).

The Office of Financial Management (OFM) is responsible for determining populations of all cities, towns, and counties every year as of April 1. Those estimates are certified to the secretary of state on or before July 1 and distributed to the state agencies responsible for making allocations or payments to local governments. The updated distribution rates then take effect on January 1 of the following year.

According to [OFM's April 1, 2020 population estimates](#), the state's total population now exceeds 7.6 million, an increase of almost 110,000 (1.5%) over the past year. According to OFM, the average population increase over the past decade has been 93,200 people per year, which exceeds the previous decade's average of 83,000 per year by more than 10%.

Most of this increase – over 83,400 people, or 76% – continues to be driven by migration as more people move into Washington than move out. The remaining 24%, or almost 26,400 people, is a result of natural increase (births minus deaths). Natural increase continues to drop year over year: last year's natural increase was 10% lower than the year before and 37% lower than the most recent peak in 2009.

Components of State Population Change



Credit: Washington State Office of Financial Management

Population growth remains concentrated in the five largest metropolitan counties – Clark, King, Pierce, Snohomish, and Spokane – which represent 70% of the population growth. However, smaller counties continue to see solid growth, with Kittitas County noted as the fastest-growing county at 3.4% followed by Clark, Douglas, and Franklin counties with 2.2% year-over-year growth rates. The five largest counties account for over 65% of the overall population in Washington State, with 21% in other metropolitan counties (populations between 100,000 and 500,000) and the remaining 14% in nonmetropolitan counties (populations less than 100,000).

In total, about 4.99 million people (65%) live in cities and towns, with the remaining 2.66 million (35%) living in unincorporated areas. On a numerical basis, incorporated areas grew by almost 80,000 people last year, compared to roughly 30,000 in the unincorporated areas. Of note is the fact that the rural county of Franklin was the fastest growing county for the past decade with a 19.2% growth rate.

To see your jurisdiction’s total population and recent changes, refer to OFM’s [April 1, 2020 population estimates](#) or our [Tax and Population Data webpage](#).

State shared revenue distributions made by the Office of the State Treasurer are adjusted quarterly to reflect shifts in population due to annexations that may have taken effect during that time. These numbers are typically small and do not have a significant impact on state shared revenues for most jurisdictions. The more significant impact is on “core revenues” such as property taxes and sales taxes, which will increase for the cities and towns affected and decrease for affected counties. (See [Core Revenues](#) and [Population and Annexation Adjustments](#) sections).



Economic Factors

There are several economic factors that, for many, are instinctively incorporated into the budget forecasting process, especially if using judgmental forecasting and/or historical trend analyses. In particular, economic conditions may have an impact on revenue projections, especially in jurisdictions that are heavily dependent upon retail sales tax.

Major components of economic modeling in the budget process include inflation, employment, population growth, and the prevalence or concentration of particular industries within the local jurisdiction.

STATE AND NATIONAL ECONOMIES

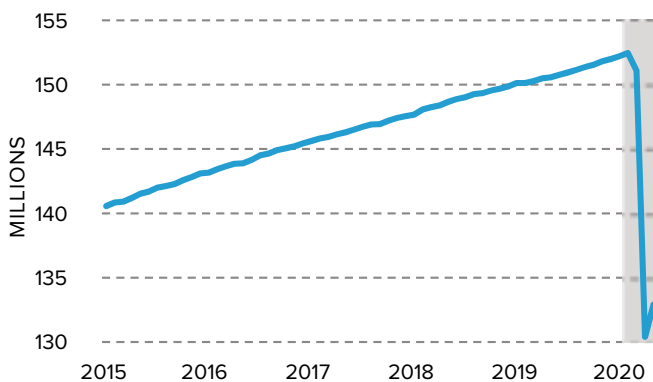
Wow! What a difference a few months can make. MRSC’s Mike Bailey is still reviewing budgets for the GFOA’s Distinguished Budget Award program that were drafted early in the year. They tout the strong economy and related opportunities. That strong economy resulted from the longest-running economic expansion in U.S. history – over 10 years in the making. However, as we all know, that expansion quickly turned into the steepest employment decline in history as a result of the response to the COVID-19 pandemic.

One of the resources we often review and refer our customers to is the Washington State [Economic and Revenue Forecast Council \(ERFC\)](#). ERFC publishes quarterly economic forecasts for the state, with monthly updates in between. Since the economic situation is changing so rapidly and in such unprecedented ways, the information below may already be outdated by the time you read it, so we encourage you to check the ERFC for regular updates.

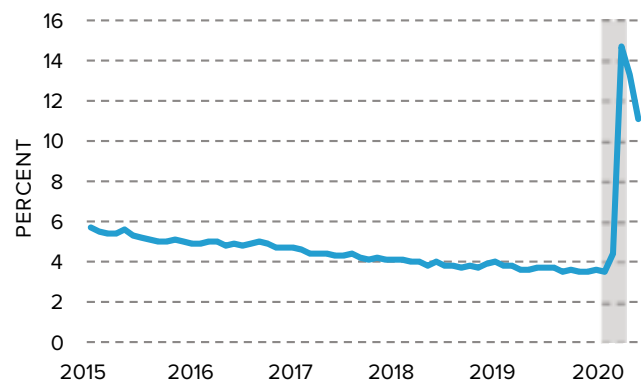
At the time of publication, ERFC’s most [recent quarterly economic update](#) was from June 2020, with an additional monthly update in July.

At a national level, these two charts from the ERFC tell the story of a long period of robust growth followed by a cataclysmic decline.

Job Growth Turned Positive in May



The Unemployment Rate Has Declined



We continue to see a bit of a “bounce back” from the historic declines in jobs, retail activity, and other measures of the economy. However, as illustrated above, that bounce back continues to be relatively minor in contrast to the decline that has occurred.

The exception has been the stock market, which declined during the early days of the pandemic but has (by some measures) recovered to near “pre-COVID” levels. This is illustrated in the charts on the next page.

Dow Jones Averages (YTD)



NASDAQ Index (YTD)



The NASDAQ has even posted new high levels during this pandemic. Speculation continues as to why, but the consensus seems to be that certain stocks represent the best opportunity for investment rate returns as compared to other markets. If so, the recovery would be related to speculative investment opportunities rather than underlying market fundamentals.

At a state level, Washington lost an unprecedented 468,000 jobs in April before experiencing a slight rebound in May. The statewide unemployment rate skyrocketed to 16.3% in April, the highest on record dating back to 1976, before declining to 9.8% as of June. While that figure is not quite as bad, it is still comparable to the depths of the Great Recession in 2010. [At the county level](#), unemployment currently ranges from a low of 6.1% in Whitman County to a high of 12.4% in Ferry and Grays Harbor counties.

Retail sales declined over 13% (year-over-year) in April and B&O tax receipts declined 10%. A lag in data collection at the state and local level creates an additional challenge in attempting to pinpoint the real economic effects on these tax revenues (and the economic activity they reflect).

The big question for all of us as we begin to fine-tune our revenue forecasts is, “What’s next?” The answer is a resounding, “It depends!” At this point most are just beginning to see some elements of data that enable some analysis, so there remain a lot of unknowns as to what is actually happening right now. There has been discussion about more federal stimulus bills this summer that might provide a boost to individuals and businesses and/or help shore up state and local budgets, but at this point that’s all speculation.

In addition, Washington is a very diverse state. Different businesses, industries, and areas of the state have been impacted differently. The [Facteus Insight Report on Consumer Spending and Transactions \(FIRST\)](#) tracks national consumer spending on a weekly basis in response to COVID-19 and shows major year-over-year decreases continuing in industries such as travel, tourism, restaurants, and entertainment, but increases in other retail sectors including grocery stores, department stores, discount and wholesale stores, as well as specialty areas such as athletic equipment and outdoor recreation, office equipment and furniture, and travel trailers and motor homes.

We are hearing that many local governments that depend heavily on property taxes expect very little impact to their revenues in the long term, but some will see cash flow interruptions in the short term due to extensions on property tax due dates. Conversely, some of our communities are dependent on tourism to fuel their local economies and their local government budgets. These cities, towns, and counties are expecting to see significant revenue losses.

At the same time, online purchases have increased around 40% during the pandemic, and we are hearing from some local governments that they are beginning to see more significant collection of sales taxes on remote sales due to the Supreme Court’s [Wayfair Decision](#) and passage of the Marketplace Fairness Act.

In conclusion, we've seen several estimates (and speculation) on what the future holds for the Northwest economy and the related impacts on local government revenues. Some were quick to sound the alarm and estimate (speculate) certain revenue impacts both for the balance of 2020 as well as into 2021. We noted the initial advice of the King County Office of Economic and Financial Analysis which said it was too early to know what the impacts will be. (That has been our sense of it as well.) Since that time, they've been able to better understand the data that's coming available and [provide some guidance to their decision makers](#) which we would recommend to others who share in the Puget Sound economy.

The economic picture is changing rapidly, and we recommend following the [Economic and Revenue Forecast Council](#), federal [Bureau of Economic Analysis](#), state Employment Security Department's [Labor Market and Economic Analysis](#), and the [King County Office of Economic and Financial Analysis](#) for updates.

CONSUMER PRICE INDEX

The Consumer Price Index (CPI) is one of the most widely used measures of inflation, and along with the Implicit Price Deflator (IPD), it is one of the two most frequently watched economic indicators for local governments in Washington State.

The CPI is a measure of the average change in prices paid over time for a fixed "market basket" of goods and services. The CPI reflects the spending patterns of two groups:

- The CPI for **urban consumers (CPI-U)** measures the percentage change in prices faced by urban consumers and represents approximately 93% of the nation's population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including urban wage earners and clerical workers.
- The CPI for **urban wage earners and clerical workers (CPI-W)**, sometimes referred to as the "blue collar measure," is a subset of the CPI-U. Its market basket reflects the expenditures of urban households that derive more than half their income from clerical and hourly wage jobs, covering approximately 29% of the population.

National CPI updates are published every month by the Bureau of Labor Statistics (BLS). BLS also publishes metropolitan indexes for certain areas, including a Seattle index that is published every two months.

However, BLS recommends the use of the national CPI-U or CPI-W indexes for all contract adjustments, due to the fact that the metro indexes are published less frequently and are based on a smaller sample, making them more volatile and subject to measurement error.

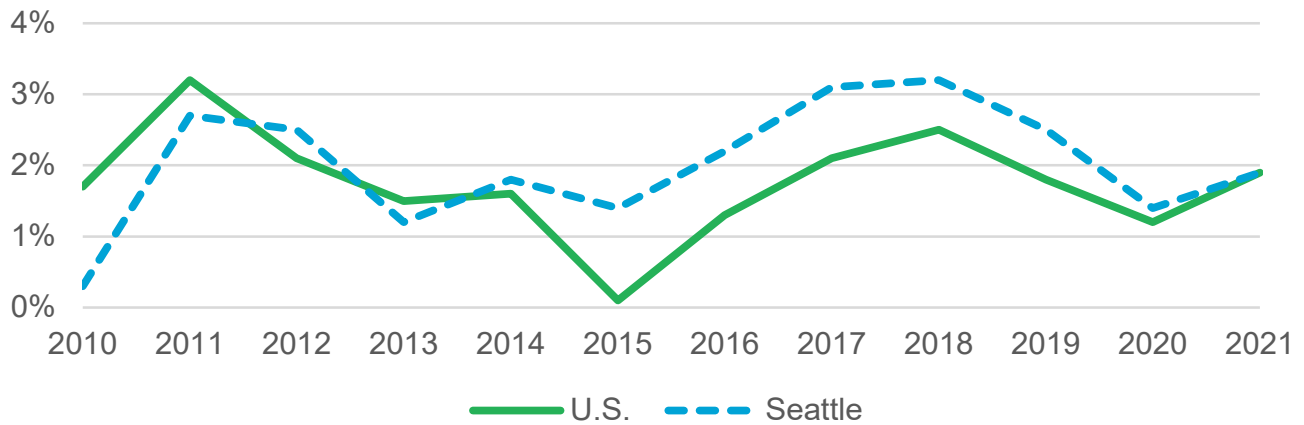
None of these indexes measure price changes in rural areas – but realizing that towns and counties in rural areas need some indicator to use, we recommend using one of the national indexes.

For those jurisdictions that do rely on a metro index, the BLS publishes a single metro area index for the Pacific Northwest, which is the Seattle-Tacoma-Bellevue index (consisting of the three largest counties of King, Pierce and Snohomish). The previously published Portland-Salem index, which included Clark County, was eliminated in 2017 when the BLS updated the major geographic indices.

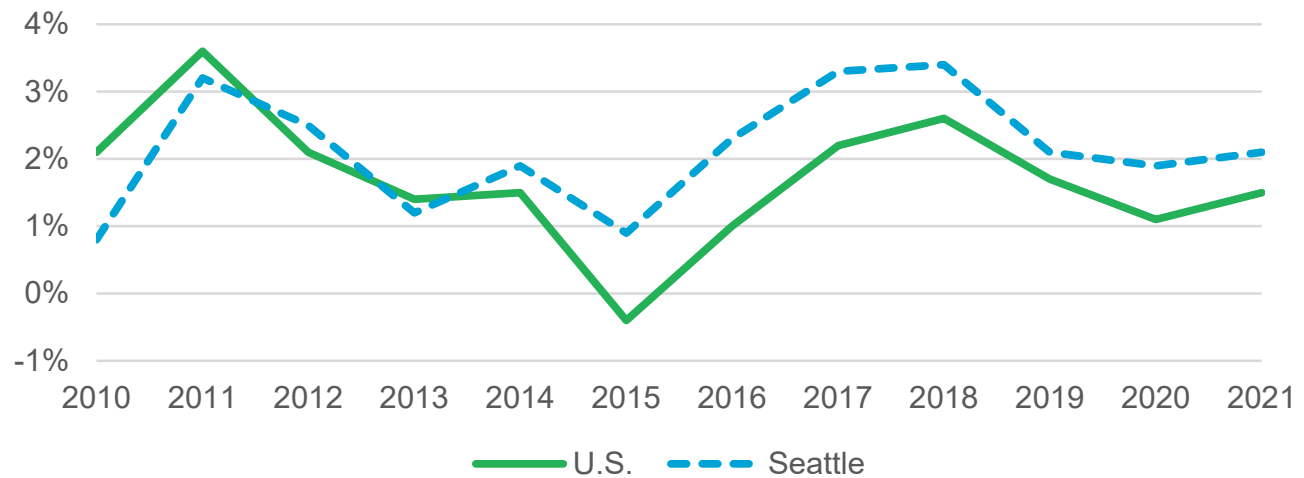
The charts on the next page show the annual average change for the CPI-U and CPI-W indexes over over the last 10 years, plus projections for 2020 and 2021. The 2020 and 2021 projections for the CPI-U come from the ERFC June 2020 Washington State Economic and Revenue Forecast (see [Table A4.1](#)). The ERFC forecast does not include projections for the CPI-W, so our projections are based upon current statistical data.

For more information, including the most recent data releases, see our [Consumer Price Index](#) webpage.

CPI-U Annual (Calendar Year) Change and Projections, 2010–2021



CPI-W Annual (Calendar Year) Change and Projections, 2010–2021



IMPLICIT PRICE DEFLATOR

The implicit price deflator (IPD) for personal consumption expenditures is the other major inflation index followed by local governments in Washington, and it is primarily of interest to taxing jurisdictions with a population of 10,000 or more.

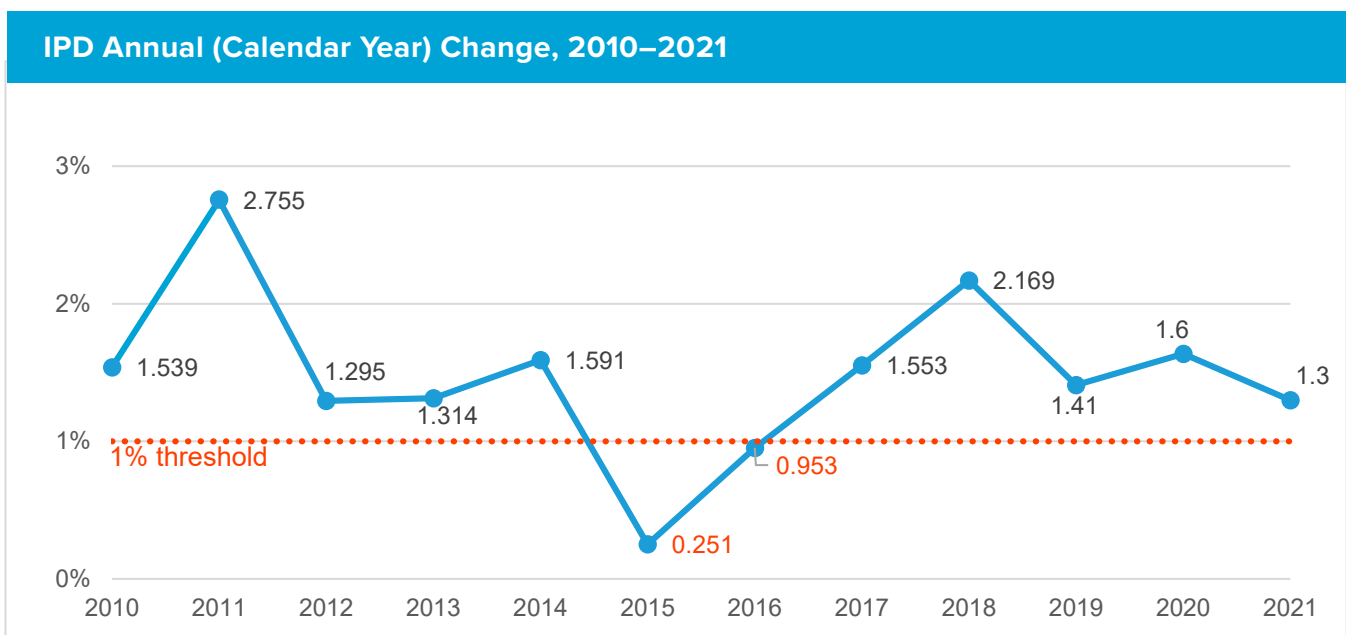
The IPD is published quarterly by the federal Bureau of Economic Analysis, with monthly estimates, and it became an integral part of the process of setting property tax increases after the passage of Initiative 747 in 2001. Taxing districts with a population of 10,000 or more may increase their total annual levy amount by 1% or the percentage increase of the IPD, whichever is less – which can be a big deal in years when the IPD falls below one percent.

However, if the IPD falls below the one percent cap, a taxing district with a population of 10,000 or more can still increase its levy amount beyond the IPD increase and up to the full 1% if it adopts a resolution or ordinance declaring a “substantial need” to increase the levy above the IPD rate.

Taxing districts with a population under 10,000 are not impacted by the IPD and may increase their total annual levy amount the full 1% regardless of the IPD.

The chart below shows the change in the IPD over the past 10 years, plus projections for 2020 and 2021. The IPD data shown for each year was used to set property tax levies for the subsequent levy year. The 2020 figure is the current [BEA forecast](#) as of June 25, 2020. According to the BEA personal income and outlays report of June 26, the full economic effects of the COVID-19 pandemic cannot be quantified in the personal income and outlays estimates, which both affirms the severity of the impact and the complexities of forecasting the IPD into the future. The 2021 projection come from the ERFC June 2020 Washington State Economic and Revenue Forecast (see [Table A1.3](#)).

The IPD number used for the property tax levy setting is officially declared by the Department of Revenue (DOR) on September 25 ([RCW 84.55.005](#)), and over the past few years the IPD number used has been the first estimate for the second quarter, which is typically the August publication. The September BEA release usually occurs after the September 25 statutory date, and this year is no exception. The BEA release date is set for September 30, so the August release will determine the official IPD rate, which will be confirmed by an official notice from the Department of Revenue on September 25.



At this time, the IPD appears safely above 1% for 2020, which means cities and counties with a population over 10,000 should be able to increase their 2021 levy amounts the full 1% without having to declare a finding of substantial need. Each June the BEA conducts an annual update of the data that includes the last five years of quarterly IPD numbers. The national income and product accounts (NIPAs) where the IPD is calculated ([Table 1.1.9](#)) will be adjusted to reflect new and improved methodologies and incorporate new source data. Each year we typically see the IPD rate change significantly from the previous months due to this annual statistical update. The BEA news release [Annual Update of GDP Statistics Coming July 30](#) provides further detail.

We will publish the official IPD figure in our blog and e-newsletters in late September. Make sure you are signed up for our [In Focus: Finance](#) newsletter so we can send you the information as soon as it is released. For more information – including examples of substantial need findings in the event that the IPD does fall below one percent this year – see our [Implicit Price Deflator](#) webpage.

Legislation and Initiatives That May Affect Your Budget



Recent Legislation That May Affect Your Budget

There were numerous pieces of legislation passed during the 2020 session, and while we have written several blogs on many of these topics, here are a few highlights that could potentially have an impact on the forecasting of your 2021 budget.

CULTURAL ACCESS PROGRAMS – SB 5792

[SB 5792](#) provides uniformity to all counties and removes special requirements for cultural access programs in counties with a population of 1.5 million or more. The legislation is applicable to both the property tax levy option in [RCW 84.52.821](#) and the retail sales tax option in [RCW 82.14.525](#).

TOURISM PROMOTION AREAS – ESSB 6592

[ESSB 6592](#) allows cities, towns, and counties of all sizes to establish tourism promotion areas and removes previous 40,000 population requirement. The bill also adds a definition for “tourist” that closely resembles the lodging tax definition, wherein a tourist means a person who travels for business or pleasure away from their residence or business and stays overnight in paid accommodations that are at least 50 miles away (with an exception for island counties). It allows for an additional \$3.00 nightly charge under specified conditions from June 11, 2020 to July 1, 2027 in addition to the \$2.00 charge authorized in [RCW 35.101.050](#). The new provision for imposing a \$3.00 charge is subject to reporting requirements that will support the increased number of tourists as defined in the bill.

AFFORDABLE HOUSING SALES TAX – HB 1590

[HB 1590](#) allows counties to (optionally) impose the existing affordable housing sales tax under [RCW 82.14.530](#) by legislative action (councilmanically) instead of requiring voter approval. If the county does not impose the full tax rate by September 30, 2020 any city within the county may use the same authority to impose either the remainder of the authorized affordable sales tax that was not imposed by the county or impose the full 0.1% sales tax, either councilmanically or with voter approval.

AFFORDABLE HOUSING PROPERTY TAX LEVY – SB 6212

[SB 6212](#) amends [RCW 84.52.105](#) by expanding the use of affordable housing levy revenues to include affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for “low-income” households which are defined as 80% of median income. Previously, the revenues were restricted to affordable housing for “very low-income households” at or below 50% of median income as determined by Department of Housing and Urban Development (HUD) with adjustments for household size in the county where the taxing district is located.

HB 1406 LEGISLATIVE FIX – VETOED

[HB 2797](#) was intended to fix some of the drafting errors in the original 2019 affordable housing sales tax credit bill (HB 1406) and provide for an extended period of time to adopt the required resolutions and ordinance to impose this sales tax credit. While the bill passed the legislature, it was vetoed by the governor due to the COVID-19 pandemic and the significant impacts upon the state’s supplemental operating budget.

STATE MINIMUM WAGE – I-1433

Initiative 1433 (I-1433), codified in [RCW 49.46.020](#), was passed by the voters in 2016. The minimum wage went into effect in calendar year 2017 and increases each year on January 1, as follows:

Year	Minimum Wage
2017	\$11.00
2018	\$11.50
2019	\$12.00
2020	\$13.50
2021 and beyond	Plus CPI-W increase

For 2021 and all future years, the minimum wage will be calculated annually by [State Department of Labor and Industries](#) (L&I) to the nearest cent based on the change in the Consumer Price Index for urban wage earners and clerical workers (CPI-W, [U.S. City Average](#)) for the twelve months prior to September 1. L&I will release the 2021 minimum wage rates on September 30, 2020.

The U.S. Bureau of Labor & Statistics (BLS) releases the U.S. City Average CPI-W in the middle of every month, with the data reflecting the preceding month. The most recent report as of September 1 will always be the mid-August data release, with the data reflecting the July numbers. This means the increase in the minimum wage will be determined by the 12-month percent change from July 2019 to July 2020.

While the official minimum wage rates for 2021 will not be released by L&I until September 30, you should be able to estimate the minimum wage increase with a high degree of accuracy once BLS releases the July 2020 data on August 12.

For links to the most recent CPI data, see our [Consumer Price Index](#) webpage.

Proposed Initiatives

The deadline for submitting signatures to the Secretary of State’s Office to place an initiative on the November general election ballot was 5 PM on Thursday, July 2. Each initiative requires almost 260,000 valid signatures, and the Secretary of State’s office recommends submitting at least 325,000 due to duplicate and invalid signatures.

This year, no signatures were filed by the July 2 deadline, so there will be no statewide initiatives on the ballot! According to news reports, this is the first presidential election year since 1928 that Washington voters will not be voting on a statewide initiative.



Revenue Forecasts



Core Revenues

Historically, the revenue component of *Budget Suggestions* has been focused solely on state shared revenues that are forecast on a per capita basis. But because revenue projections are such a critical component of budget development, we are also going to speak to the “core revenues” of local government – namely property taxes, retail sales taxes, and (for cities and towns) business and occupation (B&O) taxes, including utility taxes.

Core revenues are the largest sources of income for the general fund, and while we cannot forecast those revenues for you, we do have resources to help you forecast these critical revenues within a reasonable margin of error.

The information below provides a very brief discussion of core revenues. For a detailed explanation of these resources plus other revenue options available to cities, towns, and counties, refer to our [City Revenue Guide](#) and [County Revenue Guide](#).

PROPERTY TAXES

Property taxes are, for most entities, the single largest revenue stream, but they can be a bit tricky to forecast. When forecasting property tax revenues it is important to consider the available options.

Cities and counties with a population under 10,000 may not increase their total levy amount more than 1% annually, known as the “levy lid” (excluding levies for new construction or increases in state-assessed utility valuations).

Cities and counties with a population of 10,000 or more are restricted to the lesser of 1% or the rate of inflation, whichever is lower. Inflation, as defined in [RCW 84.55.005](#), means the percentage change in the implicit price deflator (IPD) for the most recent 12-month period, as calculated on September 25. However, there is an exception – if the percentage change in the IPD is below 1% on September 25, these jurisdictions may adopt resolutions of “substantial need” to increase the levy amount to the maximum lid limit of 1%. As mentioned earlier, it is unlikely that the IPD will fall below 1% this year, so a “substantial need” finding should not be necessary (see the [Implicit Price Deflator](#) section).

However, there are a couple of options that may be available to local governments to exceed the 1% levy lid. First, if your jurisdiction did not take the maximum 1% inflation increase in years past, it may have “banked capacity” available ([RCW 84.55.092](#)).

The second option local governments may wish to consider, if they have not reached their statutory levy rate limit, is a “levy lid lift.” This option requires voter approval with a simple majority of votes. The deadline to submit a levy lid lift to voters for 2021 levies is **August 4, 2020**, so any jurisdictions that may have missed this deadline will not be able to increase the levy lid until 2022 at the earliest.

It is important to plan levy lid lifts and other revenue sources requiring voter approval well in advance – see [Key Dates for Voted Revenue Increases](#).

Your local county assessor plays a vital role in certifying the assessed valuations that will be used to set your levies for the forthcoming year ([RCW 84.48.130](#)). Typically, the county assessors will distribute property tax information during the second half of September each year. This information consists of assessed valuations, new construction valuations, and state utility values, as well as each jurisdiction’s current levy amounts, current levy rates, and maximum statutory levy rate.

The county assessor will provide you with a [levy limit worksheet](#) (Excel file download) specific to your jurisdiction that will form the basis of your property tax levy projection and will include estimates of assessed valuations for new construction and state utilities to help you with forecasting the levy amount to be set for collection in the coming budget year. The assessor's office can also assist you with determining whether you have banked capacity available.

The Department of Revenue (DOR) has created a [property tax calendar for 2020](#) which explains the process, the various state and local government entities responsible for its development, and when you may expect to receive important property tax forecasting information.

For historical property tax and assessed valuation data for cities, towns, or counties dating back to 2010, see our [Tax and Population Data webpage](#). This data can be helpful when developing long-term forecasts and trend analyses.

SALES TAXES

For many jurisdictions, the retail sales tax represents the second-largest revenue source in the general fund budget. However, there are a number of cities where sales taxes represent the largest general fund revenue source. Smaller entities often use historical data as their basis for projecting these revenues, while larger jurisdictions will use more sophisticated forecasting models.

Our [Tax and Population Data webpage](#) contains some useful data regarding sales tax distributions. In particular, our tax and population trends show the general fund ("first half" and "second half") sales tax distributions received by each city, town, and county on a calendar year basis dating back to 2010. However, recent legislative changes, combined with the impacts of the COVID-19 pandemic, have made sales tax forecasting more challenging, at least temporarily.

Cities and counties have been receiving increased sales tax revenues since January 2018 due to the Marketplace Fairness Act passed by the state legislature in 2017 and further updated in the most recent 2019 legislative session. The Marketplace Fairness Act extended sales taxes to many Internet and remote sales that were not taxed previously. This legislation was further supported by the 2018 U.S. Supreme Court ruling in the case of *South Dakota v. Wayfair, Inc., et al*, which overturned the long-standing *Quill v. North Dakota* case and allows state and local governments to require out-of-state retailers to collect and remit sales tax on Internet sales where the seller has no physical presence in the state. From the revenue distribution data that we have been seeing, this has resulted in an increase in retail sales tax income for most entities.

To assist with your sales tax projections, it will be important to monitor sales tax revenues being reported and remitted to your entity. Cities and counties can access sales tax reports via the [My DOR Partner Portal](#). Whatever your forecast method, it's important to document your methodology and discuss it with the budget team.

It is also important to note that each jurisdiction has different sales tax rates, and different jurisdictions may use the money for different purposes. Our [Tax and Population Data webpage](#) includes downloadable spreadsheets showing the current sales tax rates and components for every city, town, and county. Not only do we provide the total sales tax rate for each jurisdiction, but we also show you where the money is going – for instance, how much is going to the state, how much is the "first half" and "second half" going to the city or county, how much is going to the city or county for public safety purposes, how much is going to transit districts, etc.

Each of these sales taxes has its own statutory requirements regarding how the money must be used, what jurisdictions are eligible, the expiration date (if any), revenue distribution (some sales tax distributions must be shared between cities and counties), and more. Make sure you understand the fine print.

If your jurisdiction is considering a sales tax increase for the upcoming budget year, know that most sales tax increases require voter approval with a simple majority vote. Additionally, the timing and implementation of sales tax changes is regulated by [RCW 82.14.055](#):

- Sales tax rate changes may only take effect on January 1, April 1, or July 1. (Sales tax changes no longer take effect on October 1.)
- Sales tax rate changes cannot take effect until at least 75 days after DOR receives notice of the change.
- Credits against the 6.5% state sales tax (such as the affordable housing sales tax credit under SHB 1406) cannot take effect until at least 30 days after DOR receives notice, and only on the first day of a month.

For more information on the timing of voted sales tax increases, see *Key Dates for Voted Revenue Increases* below.

B&O AND UTILITY TAXES

Business and occupation (B&O) and utility taxes have become core resources for many cities and towns. When forecasting these revenues, it is important to know whether utilities are increasing their rates or whether local businesses are expanding or contracting. Just like the sales tax projections, it's important to document your forecasting methodology and discuss the results with the budget team.

KEY DATES FOR VOTED REVENUE INCREASES

If your jurisdiction is considering a voted revenue increase in the next year or two, you must plan ahead and keep the various statutory requirements and deadlines in mind.

To place an item on the ballot for the February or April special elections, your jurisdiction must file the resolution with the county auditor at least 60 days before the election date. For the primary election, you must file the resolution no later than the Friday immediately before the first day of regular candidate filing in May. And for the general election, you must file the resolution no later than the date of the primary election. (See [RCW 29A.04.321](#) for counties and [RCW 29A.04.330](#) for cities/towns.) For upcoming deadlines, see the chart on the next page.

You should also consider whether your measure requires a simple majority (50% plus one) or a supermajority (60%) in order to pass, as well as whether there are validation (minimum voter turnout) requirements.



Validation – which is only required for bonds and certain property taxes – refers to the minimum voter turnout required for passage, expressed as a percentage of the voter turnout in the most recent general election. Validation is not a problem for most jurisdictions in most years, but it can create difficulties in low-turnout special elections or in years immediately following high-turnout elections. Validation may be more problematic for some jurisdictions in 2021 following the 2020 presidential election. For more information, see the article [Ballot Measure Validation May Be Tougher in 2021](#) near the end of this publication.

To see how ballot measures have fared in other jurisdictions recently, refer to our [Local Ballot Measure Database](#). You can use this tool to find ballot measures using one or more of the following categories:

- Type of measure (such as levy lid lifts, bonds, transportation benefit district sales taxes, etc.)
- Subject (such as fire, transportation, parks and recreation, etc.)
- Jurisdiction type (such as city or county)
- County

For instance, you could use the database to search for all recent levy lid lifts, all county public safety sales tax measures, all city park and recreation bond measures in Spokane County, or any number of other combinations.

Below are some key dates to remember. If your jurisdiction does not meet the August 4, 2020 deadline for filing a resolution for the general election, you will not be able to send a ballot measure to voters until the February 2021 special election at the earliest, which means any proposed property tax increases would not take effect until 2022 and any proposed sales tax increases would not take effect until July 1, 2021 or later.

If your jurisdiction is considering a voted revenue increase in the next year or two, you must plan ahead and keep the various statutory requirements and deadlines in mind.

Key Dates for Voted Revenue Increases				
Election	Deadline to file resolution	Election date	Approved sales tax changes take effect	Approved property tax changes take effect
2020 Primary	<i>Already passed</i>	August 4, 2020	January 1, 2021	2021
2020 General	August 4, 2020	November 3, 2020	April 1, 2021	2021
2021 Feb. Special	December 11, 2020	February 9, 2021	July 1, 2021	2022
2021 Apr. Special	February 26, 2021	April 27, 2021	January 1, 2022*	2022
2021 Primary	May 14, 2021	August 3, 2021	January 1, 2022	2022
2021 General	August 3, 2021	November 2, 2021	April 1, 2022	2022

*Beginning in 2017, sales tax rates no longer change on October 1

State Shared Revenues

The State of Washington distributes a number of “state shared revenues” to cities, towns, and counties. Some of these revenues are distributed to all entities solely on a population (per capita) basis, while others are based on different factors and/or are only distributed to jurisdictions that meet certain criteria.

Forecasting state shared revenues can be somewhat tricky. First of all, the state fiscal year begins July 1 and ends June 30, while all local governments in Washington use a calendar year budget (January 1 to December 31). As a result, legislation can and often does impact shared revenue distributions halfway through the local government budget year.

Secondly, it is impossible to predict what the legislature will do – in recent years, it has added new distributions (increased gas taxes, multimodal transportation, and marijuana excise taxes), reduced distributions (marijuana excise taxes, which were later restored), and attempted to eliminate distributions (the fire insurance premium tax, which was preserved by the governor’s veto). When creating long-range forecasts, remember that these resources are vulnerable during each legislative session, especially with significant decreases to state revenues due to the COVID-19 pandemic. Careful monitoring of legislative sessions will help you keep abreast of changes to these revenue sources, and strategically thinking and planning for potential shortfalls will help minimize the impacts to your budget.

And finally, some of the revenue distributions can vary significantly from year to year based on certain formulas, consumer trends, and other factors.

We have provided our best estimates of the state shared revenue distributions for 2021 and 2022 based on the 2019-2021 state biennial budget (July 1, 2019 to June 30, 2021) and economic and revenue forecasts created by the Economic and Revenue Forecast Council (ERFC). For those distributions that are done on a strictly per capita basis, we have provided per capita estimates (see the [Per Capita Shared Revenue Forecast Tables](#) near the end of this publication). You can also view the total estimated per capita distributions, tailored to your specific jurisdiction, in our online [State Shared Revenue Estimator](#).

Shared revenues are distributed on the last business day of the month. Some are distributed monthly and others quarterly, while the fire insurance premium tax is distributed on an annual basis, according to the schedule below.

Shared Revenue Distribution Calendar												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Gas Tax (MVFT)	●	●	●	●	●	●	●	●	●	●	●	●
Increased Gas Tax (MVFT)			●			●			●			●
Multimodal Distribution			●			●			●			●
Liquor Excise Tax	●			●			●			●		
Liquor Profits			●			●			●			●
Marijuana Excise Tax			●			●			●			●
Criminal Justice	●			●			●			●		
Fire Insurance Premium Tax					●							
City/County Assistance			●			●			●			●

POPULATION AND ANNEXATION ADJUSTMENTS

State shared revenues are allocated by the state biennial budget and mid-biennium adjustment process. Historically, these shared revenues vary depending upon the legislative process, the economy, and political factors. Changes in total distribution *amounts* (if any) begin each year on July 1, the beginning of the state’s fiscal period. The per capita distribution *rates* are updated each year on January 1 to reflect the most recent OFM annual population estimates.

In addition, OFM makes quarterly adjustments for any new annexations. Cities that annex qualify for state shared revenue distributions on their new population base starting the first day of the quarter after the effective date of the OFM-approved annexation, and distributions for other cities, towns, and counties may be adjusted slightly each quarter as a result.

Each year for *Budget Suggestions*, our per capita estimates are based on the April 1 OFM population estimates (see the [Population Estimates](#) section) adjusted for any completed or anticipated annexations occurring after April 1.

The completed and pending annexations listed on the [OFM Central Annexation Tracking](#) webpage since the April 1 OFM estimates will have a negligible impact on the calculation of per capita distributions this year. The adjusted population numbers for estimating per capita state shared revenues are reflected in the chart below. This results in a **total incorporated population of 4,990,692** and a **total unincorporated population of 2,665,508**.

	Official April 1, 2020 Population Estimate	Adjustments for Annexations after April 1	Population Estimate for <i>2021 Budget Suggestions</i>
Incorporated Cities/Towns	4,990,690	+ 2	= 4,990,692
Unincorporated Counties	2,665,510	- 2	= 2,665,508

It should be noted that per capita revenue distributions can still be impacted by annexations that are not yet in OFM’s tracking system.

The rest of this chapter will describe the various state shared revenues distributed to cities and counties and provide projected distribution amounts and, for per capita revenues only, distribution rates.

CITY-COUNTY ASSISTANCE DISTRIBUTIONS

RCW 82.45.060 imposes a real estate excise tax (REET) on each sale of real property within Washington State. ESSB 5998, adopted in the 2019 legislative session, changed the state excise tax from a flat rate to a graduated rate scale, depending upon the selling price effective January 1, 2020. The new scaled tax is:

- 1.1% on sales of real property of \$500,000 and less
- 1.28% on sales greater than \$500,000 and less than or equal to \$1.5 million (plus all timberland and agricultural lands regardless of value)
- 2.75% on sales greater than \$1.5 million and less than or equal to \$3.0 million
- 3.0% on sales greater than \$3.0 million

The graduated scale for the state excise tax will be reviewed and adjusted every fourth year beginning July 1, 2022 based upon the growth of the CPI for shelter or 5% percent, whichever is less. If the growth is equal to or less than 0%, the current selling price thresholds will remain unchanged.

A portion of the state REET is deposited into the city-county assistance account (RCW 43.08.290) to provide assistance for certain cities and counties that meet the statutory qualifications (see the formulas in the tables below). Effective January 1, 2020, ESSB 5998 reduced this portion from 1.6% to 1.4% due to the projected increase in real estate excise tax revenues resulting from the new graduated REET scale.

These funds were originally intended to mitigate the loss of the motor vehicle excise tax (MVET) that was distributed to local governments as a means of equalization of sales tax.

The formula used to allocate city funding is based on a sales and property tax equalization formula and the 2005 MVET backfill levels. The maximum distribution for any eligible city was originally capped at \$100,000, to be increased each year by the increase in the July implicit price deflator (IPD) for personal consumption expenditures. The **2020 cap is \$128,726**.

City Assistance Distributions

City/Town Population	Distribution Formula
5,000 or less <i>Only eligible if per capita assessed value is less than 2x the statewide average for all cities</i>	Greater of <ul style="list-style-type: none"> • 55% sales tax equalization on “first half” local sales tax; • 55% property tax equalization based on per capita assessed values (per \$1,000 AV); or • 2005 MVET backfill. <p><i>Not to exceed \$128,726 (in 2020)</i></p>
Greater than 5,000 <i>Only eligible if per capita assessed value is less than the statewide average for all cities</i>	Greater of <ul style="list-style-type: none"> • 50% sales tax equalization on “first half” local sales tax; or • 55% property tax equalization based on per capita assessed values (per \$1,000 AV) <p><i>Not to exceed \$128,726 (in 2020)</i></p>

Any city that incorporates after August 1, 2005 is not eligible for funding.

If there are not enough revenues to fund the city distributions, then they will be reduced proportionately. If there are more revenues than necessary to fund the above distributions, the excess is to be distributed proportionately on the basis of population among those cities that have qualified for city-county assistance and impose the full second half-cent of the sales and use tax under [RCW 82.14.030\(2\)](#).

The county formulas are shown below. Unlike cities, there are no eligibility restrictions. The sales tax equalization threshold for counties was originally set at \$250,000, to be increased each year by the increase in the July implicit price deflator (IPD) for personal consumption expenditures. The **2020 cap is \$310,294**.

County Assistance Distributions	
Unincorporated Population	Distribution Formula
Greater than 100,000	Sales tax equalization up to the greater of: <ul style="list-style-type: none"> • \$310,294 (in 2020); or • 65% of the statewide per capita average collected for “first half-cent” sales tax in unincorporated areas in the previous fiscal year
15,001 to 100,000	Sales tax equalization up to the greater of: <ul style="list-style-type: none"> • \$310,294 (in 2020); or • 70% of the statewide per capita average for “first half-cent” sales tax in unincorporated areas in the previous fiscal year
15,000 or less	Greater of <ul style="list-style-type: none"> • Sales tax equalization to \$310,294 (in 2020); • Sales tax equalization to 70% of the statewide per capita average for “first half-cent” sales tax in unincorporated areas in the previous fiscal year; or • The amount the county received in “backfill” for FY 2005 under section 716, Ch. 276, Laws of 2004 (amended state budget).

If there are not enough revenues to fund the county distributions as outlined above, then they will be reduced proportionately. If there are more revenues than necessary to fund the above distributions, the excess is to be distributed proportionately on the basis of the unincorporated population among those counties that have qualified for city-county assistance funding and impose the full second half-cent of the sales and use tax under [RCW 82.14.030\(2\)](#).

Certification and distribution dates

The Department of Revenue (DOR) must certify the amounts to be distributed each year by October 1, with preliminary estimates available by September 1.

Funds are required to be distributed quarterly on January 1, April 1, July 1, and October 1. In order for these distribution dates to be met, the transfers are made on the last day of the previous month in conjunction with the regular remittance of revenues from the State Treasurer’s Office (OST) to local governments. As a result, the January 1 remittance is received on December 31, which is part of the current budget cycle for cities, towns, and counties instead of being received in the next budget period. This means that, for budgeting purposes, cities and counties are dealing with two different certification years.

Here’s how it works: when you pass your budget for 2021 later this year, you will know the amount for which you are certified for 2021, but keep in mind that the first payment from that certification will arrive in December and will become part of the current year’s revenues. The amount you forecast for 2021 will depend on the October 1, 2020 certification, less the January distribution (received December 31), plus your “guesstimate” of your January 2022 distribution (certified October 1, 2021 and received December 31, 2021).

City-County Assistance Distribution Certification and Payment Dates

		Statutory Date for Distribution	Actual Payment Date <i>last business day of month</i>	Certification Date
2020 BUDGET	1st Quarter	April 1, 2020	March 2020	October 1, 2019
	2nd Quarter	July 1, 2020	June 2020	October 1, 2019
	3rd Quarter	October 1, 2020	September 2020	October 1, 2019
	4th Quarter	January 1, 2021	December 2020	October 1, 2020
2021 BUDGET	1st Quarter	April 1, 2021	March 2021	October 1, 2020
	2nd Quarter	July 1, 2021	June 2021	October 1, 2020
	3rd Quarter	October 1, 2021	September 2021	October 1, 2020
	4th Quarter	January 1, 2022	December 2021	October 1, 2021

The city-county assistance fund receives its revenues from the sales of real property, so when the real estate market is active funds are frequently sufficient to distribute. However, revenues decrease when there is a downturn in the economy, as was the case during the Great Recession and several years thereafter. During that time cities and counties received a decreased distribution. Because of the weighted formula, there was enough to fully fund the counties during many of those years, but cities received only a proportion of their certified amounts.

Early in the Great Recession period the state operating budget provided transfers from the Public Works Assistance account that fully funded counties but reduced city distributions by 33%. In the subsequent budget cycle, the transfer from Public Works was eliminated leaving cities further behind and counties struggling to make up the loss of revenues. Over the past several years, cities have not reached their full certification level and have fallen as low as receiving only 55%.

Real estate sales have been brisk throughout the state for the past several years resulting in increased distributions for both cities and counties. However, with the downturn in the economy the likelihood of this state shared revenue being left untouched is unlikely. Projections by ERFC indicate a substantial decline in revenues for state fiscal year 2021 with a rebound in the second half of 2022.

2020 Update

The total certification amount for 2020 was \$11.66 million for cities and \$5.8 million for counties. Of this amount, both cities and counties received their January distribution in calendar year 2019 (see distribution table) and you have now received the April and July distributions. According to the June 2020 ERFC forecast of real estate excise tax receipts, cities and counties are currently expected to receive \$3.0 million from the real estate excise tax in the October distribution, which will be paid out at the end of September. That would bring the total so far for 2020 to \$11.28 million. There will be one more payment this calendar year – the January 2021 distribution, which cities and counties will receive at the end of December.

To update your forecast for 2020, you can go to the Department of Revenue (DOR) [City-County Assistance webpage](#) and click on “2020 City and County Distributions.” These spreadsheets show the amounts for which each city and county were certified in 2019. Remember to adjust the estimated total for the distribution date differences explained in the table above.

The preliminary estimates for City-County Assistance distributions in 2021 will be available sometime in September. They will be posted on the DOR [City-County Assistance webpage](#) under “**2021 City and County Distribution Estimates.**”

The June forecast provided by ERFC estimates that the January 2021 distribution (December 2020 payment) will be \$1,485,000 each for cities and counties. That would make the statewide total for the four payments for the 2020 budget year equal \$14.25 million. This represents a downward trend for 2020 with the result being that counties will receive 100% of their certification numbers plus an additional distribution based on the formula in [RCW 82.14.030\(2\)](#), but cities are forecast to only receive 72% of their certification.

2021 Forecast

As previously mentioned the DOR will release the estimates in September. The June 2020 ERFC forecasts indicate a substantial decline for fiscal periods 2020 and 2021 and currently show a distribution of \$8.20 million each for cities and counties.

If you cannot wait until the release of the preliminary certification in September to make your budget estimate for 2021, then take your entity’s percentage share of the 2020 certification and multiply it by the estimated pot of city or county revenue for 2021, of \$8.20 million. This methodology assumes that your share of the last payment in 2020 (which will come from the October 1, 2020 certification) will be the same percentage amount as the first three payments, and this is a reasonably good assumption for most entities. But the September and October numbers will be the more reliable estimates, especially if you are one of those jurisdictions close to the limits on the distribution formula provided at the beginning of this discussion.

To give you an example, let’s say you are a city with a population of 5,000 or less and your per capita sales tax on the first half-cent in the qualifying period was \$72.90, just slightly less than \$73.71 (the 55% equalization amount). You were certified for a distribution this year, 2020, but if your per capita sales tax increases beyond the 55% equalization amount of \$73.71, you might not qualify for assistance in a subsequent year.

Another wrinkle in revenue forecasting is the timing of the preliminary certification. [RCW 43.08.290\(6\)\(d\)](#) states, in part:

By September 1, 2010, and September 1st of every year thereafter, the department of revenue must make available a preliminary certification of the amounts to be distributed under this section...

A component of releasing the ESSB 6050 distributions is having the Implicit Price Deflator (IPD) for personal consumption expenditures, and what the drafter of the legislation did not realize is that the July IPD for personal consumption expenditures is not published until the third week of September. Therefore the “preliminary” certification is not available on September 1. As mentioned, the October release by DOR will be your most accurate estimate for next year’s distributions.

Impact of Marketplace Fairness Act and SST Mitigation Elimination

The Marketplace Fairness Act has created a number of changes impacting local sales tax distributions and SST mitigation payments. This will result in an increase in sales tax distributions for all cities and counties, but it will also result in the elimination of almost all SST mitigation payments effective October 1, 2019. The Department of Revenue does not expect the elimination of SST mitigation payments to have a significant impact on city-county assistance distributions.

However, for jurisdictions that currently receive city-county assistance but do not receive SST mitigation, or whose increased sales tax revenues will more than compensate for the loss of SST mitigation payments, there may be an increase in per capita sales tax revenues which could affect eligibility or distribution amounts. On the flip side, there are some jurisdictions that have been severely impacted by the loss of SST mitigation payments but will remain ineligible for assistance under the formulas above due to their assessed property values or per capita sales tax ratios.

Editor's Note: The real estate excise tax revenues and forecasts are the work of Eric Swanson of the Washington State Economic and Revenue Forecast Council (ERFC).



CRIMINAL JUSTICE REVENUES – CITIES

There are two separate criminal justice distributions for cities, created by [RCW 82.14.320](#) and [82.14.330](#). Each program originally (in state fiscal year 2000) appropriated a total of \$4.6 million, to be increased each July by the “[fiscal growth factor](#)” set forth in [RCW 43.135.025](#). The fiscal growth factor is the average annual growth in state personal income for the prior ten fiscal years, and the distributions have now grown to total \$10,225,292 (as of 2020) for each of these two separate criminal justice resources. The amount to be distributed for 2021 will be \$10,829,607 for each program.

Criminal justice revenues created by [RCW 82.14.320](#) – the “Criminal Justice – High Crime” distributions – are distributed partially based on crime rates and we cannot forecast them. The cities that may qualify for these funds know who they are and are aware of the problems they have in forecasting these revenues.

City Criminal Justice – High Crime

Eligible jurisdictions	Any city or town with a crime rate over 125% of the annual statewide average that also meets the other requirements of RCW 82.14.320(2)
Estimated 2021 distribution	<i>No estimate provided. Determined by population, crime rates, and other factors.</i>
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may not replace or supplant existing criminal justice funding

Criminal justice funds created by [RCW 82.14.330](#) have four different components for distribution:

- **Population:** 16%, or \$1,732,737, is distributed to all cities and towns on a per capita basis, with each city receiving a minimum of \$1,000 no matter how small its population.
- **Special Programs:** 54%, or \$5,847,988, is distributed to all cities and towns on a strictly per capita basis to be used for innovative law enforcement strategies, programs to help at-risk children or child abuse victims, and programs to reduce the level of domestic violence or to provide counseling for domestic violence victims. While these funds must be spent in these specific areas, there is no requirement for how much must be spent in each area. The city’s entire distribution could be spent in only one of these areas if the city wishes.
- **Contracted Services:** 10%, or \$1,082,961, goes to cities that contract with another governmental agency for the majority of their law enforcement services. Cities that qualify for this distribution must notify the Department of Commerce (DOC) by **November 30, 2020** to receive 2021 distributions. Cities are responsible for notifying DOC for any changes regarding these contractual relationships. However, any cities that are added to or removed from this list will only impact distributions for the next calendar year, and no adjustments will be made retroactively.
- **Violent Crime:** 20%, or \$2,165,921, goes to cities with a three-year average violent crime rate (per 1,000 population) above 150% of the three-year statewide average. No city may receive more than \$1.00 per capita.

On the next page is a summary of the four distributions under [RCW 82.14.330](#). These are the labels under which the state treasurer’s office makes the quarterly distributions.

City Criminal Justice – Population

Eligible jurisdictions	All cities and towns
Estimated 2021 distribution	\$0.33 per capita; minimum distribution of \$1,000 per city/town, which is factored into our calculations.
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may not replace or supplant existing criminal justice funding

City Criminal Justice – Special Programs

Eligible jurisdictions	All cities and towns
Estimated 2021 distribution	\$1.17 per capita
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Innovative law enforcement strategies, programs for child abuse victims/at-risk children, and/or domestic violence programs

City Criminal Justice – Contracted Services

Eligible jurisdictions	Any city or town that contracts with another local government agency for the majority of its law enforcement services
Estimated 2021 distribution	<i>No estimate provided. Determined by population and number of cities that contract for law enforcement.</i>
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may not replace or supplant existing criminal justice funding

City Criminal Justice – Violent Crime

Eligible jurisdictions	Any city or town with a violent crime rate over 150% of the three-year statewide average.
Estimated 2021 distribution	<i>No estimate provided. Determined by crime rate and population; no city may receive more than \$1.00 per capita.</i>
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may not replace or supplant existing criminal justice funding

CRIMINAL JUSTICE REVENUES – COUNTIES

Counties receive state shared criminal justice funds from the state general fund under the provisions of [RCW 82.14.310](#). The initial appropriation, made by the state in fiscal year 2000, was \$23.2 million and is increased each July by the “[fiscal growth factor](#),” the same as cities. The county funding formula includes population, crime rate, and the annual number of criminal cases filed in superior court. Because revenues are not distributed on a strictly per capita basis, we cannot provide a per capita forecast. The amount to be distributed for 2021 will be \$54,618,886.

County Criminal Justice	
Eligible jurisdictions	All counties
Estimated 2021 distribution	<i>No estimate provided. Determined by population, crime rate, and number of criminal cases filed in superior court.</i>
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may not replace or supplant existing criminal justice funding

FIRE INSURANCE PREMIUM TAX

[RCW 41.16.050](#) requires each municipality having a regularly organized full-time fire department with paid firefighters to establish a firefighters’ pension fund. This fund is to consist of all bequests, gifts, or donations given or paid to the municipality for the firefighters’ pension fund; a proportional share of the state tax on fire insurance premiums; property taxes collected under the provisions of [RCW 41.16.060](#); interest on the investments of the fund; and any contributions made by firefighters themselves.

The state collects a 2% tax on the premiums of all insurance policies written. Of the tax collected on fire policies and the fire component of homeowner’s and commercial multi-peril policies, 25% is distributed to cities and fire districts that have firefighters’ pension funds.

The moneys received from the tax on fire insurance premiums under [RCW 41.16.050](#) are distributed to those cities and fire districts with a pre-LEOFF firefighters’ pension fund based on their proportionate number of paid firefighters – a calculation known as the “ratio value.” Each year, on or before January 15, cities and fire districts must certify to the State Treasurer their number of paid firefighters. The Office of Insurance Commissioner (OIC) must certify the fire insurance premiums collected between April 1 and March 31 and remit the funds to the State Treasurer’s office by May 15th. These moneys are then distributed to the reporting jurisdictions by the end of May each year based upon the calculated ratio value of insurance premiums/firefighters.

The fire insurance premiums certified for distribution by OIC for 2020 amounted to \$5,435,205, and the number of paid firefighters reported on January 15 by 44 cities and 2 fire districts was 4,750. The ratio value for 2020 is \$1,144.25 per paid firefighter, which was 5.7% greater than our forecast made last year due to increased premiums paid but no increases in the number of firefighters reported.

2021 Projection

This state shared revenue distribution has been the subject of debate in previous legislative sessions when the economic forecast has been challenging. While the state legislature has not turned its attention to this shared distribution during the past state biennium, the current revenue indicators from the Economic and Revenue Forecast Council (ERFC) reflect a significant downturn in year-over-year Revenue Act and property tax collections, with a cumulative shortfall of approximately 5.6%.

The 2019-2020 state operating budget has fully funded this appropriation, which means that the May 2021 distribution will fall within the current state biennium budget. We have developed an estimated ratio value for the May 2021 distribution based on an assumption that premiums for fire policies and the fire insurance component of homeowner’s and commercial multi-peril policies will see modest increases of 2.5%, based on flat federal interest rates and modest returns on investments for the insurance industry.

We have also projected that the number of paid firefighters will remain flat in 2021. Fiscal year 2020 was the first year to reflect a flat growth rate for paid firefighters in over five years and we do not foresee continued expansion in this area of local government budgets due to the fiscal impacts of COVID-19.

2021 Distribution Estimates: Fire Insurance Premium Tax

Eligible jurisdictions	All cities and fire districts with a pre-LEOFF firefighters’ pension fund
Estimated 2021 ratio value	\$1,172.86 per paid firefighter
Payment received	In one lump sum on May 30, 2021
Revenue must be used for	Firefighters’ pension fund

We want to remind our readers that these forecasts are estimates only. The actual figures will be calculated in 2021 based on the number of paid firefighters reported, fire insurance loss experience, and premiums paid. In a forecast year such as 2020 it will be difficult to develop a solid methodology for revenue forecasting.



LIQUOR REVENUES

Liquor revenues have two separate distributions that are received at different times. There is a state shared distribution from the liquor revolving account for licensing fees (this is referred to by the state and others as “liquor profits”), and there is a distribution from the liquor excise tax account that represents a portion of the excise tax collected on liquor sales. The total distribution from liquor profits is the same each year, while the total distribution for liquor excise taxes varies depending on liquor sales.

Reminder: *You must devote at least 2% of your liquor profits and liquor excise tax distributions to a licensed or certified alcohol or drug addiction program under RCW 71.24.555.*

Liquor revenue distributions have seen a lot of changes over the past several years. Here are a few of the more significant ones:

- Initiative 1183, passed in November 2011, privatized the distribution and retail sale of liquor effective June 1, 2012. The result of this initiative for local governments was that instead of a calculation based on the profits generated from state-run liquor sales, the revenue distribution for liquor profits is now based on the collection of license fees paid by retailers and distributors.
- State legislation in 2012 created a permanent diversion of \$10 million per year (\$2.5 million per quarter) of city and county money from the liquor excise tax fund to the state general fund (RCW 82.08.170(3)). The permanent deduction in liquor excise tax distributions is applied to cities and counties in the same proportionate share as the distribution of liquor excise tax – 80% to cities and 20% to counties – resulting in an annual loss of \$8 million to cities and towns and \$2 million to counties.
- The legislature has changed the share of liquor excise taxes remitted to cities and counties from 35% in the 2013-2015 state budget to 22.5% in 2015-2017 and back again to 35% in the 2017-2019 and 2019-2021 biennial budgets.

These fluctuations have made long-term forecasting of this state shared revenue a challenge.

Liquor Excise Taxes

The formula works as follows:

1. 35% of liquor excise tax collected is deposited in the “liquor excise tax fund” for distribution to cities, towns, and counties (RCW 82.08.160(1)).
2. \$2.5 million each quarter (\$10 million a year) is deducted from the liquor excise tax fund and remitted to the state general fund (RCW 82.08.170(3)).
3. Of the remaining amount, 80% is distributed to cities (based on population) and 20% is distributed to counties (based on unincorporated population).

The June 2020 forecasts by the ERFC project a fair increase (7%) in liquor excise tax collections, resulting in an increase in distributions. The revised forecast for 2020 distributions is \$28,926,158 for cities and \$6,584,025 for counties.

For calendar year 2021 the ERFC projects a 2.5% decrease to liquor excise tax revenues that are to be deposited into the liquor excise tax fund. After deductions, the total local government distributions are estimated to be \$28,227,818 for cities and \$6,409,440 for counties.

It's important to note that the distributions to cities and counties occur with a lag of one quarter after the collections are made by the state. So this difference in timing makes state estimates and our estimates hard to compare. When comparing distributions by the state treasurer's office to the ERFC forecasts there is usually a variation of plus or minus 2%.

Liquor Excise Taxes

Eligible jurisdictions	All cities, towns, and counties
Estimated 2021 distribution	Cities: \$5.66 per capita Counties: \$2.40 per capita (unincorporated population)
Payment received	Quarterly at the end of January, April, July, and October
Revenue must be used for	At least 2% must be used for a licensed or certified alcohol or drug addiction program. The remaining 98% may be used for any lawful governmental purpose.

Editor’s Note: The liquor excise tax forecasts are the work of Lance Carey of the Washington State Economic and Revenue Forecast Council (ERFC).

Liquor Board Profits

Initiative 1183 not only privatized liquor sales in Washington, but it also changed the types of liquor revenues collected by the state. The state is now collecting revenue in the form of license fees from distributors and retailers, rather than profits from the state-run liquor stores. However, the Liquor and Cannabis Board (LCB) continues to call these funds “liquor profits.” A portion of these collections go to cities, counties, and border jurisdictions. Codified as [RCW 66.24.065](#), it reads:

The distribution of spirits license fees under [RCW 66.24.630](#) and [66.24.055](#) through the liquor revolving fund to border areas, counties, cities, towns, and [MRSC] must be made in a manner that provides that each category of recipients receive, in the aggregate, no less than it received from the liquor revolving fund during comparable periods prior to December 8, 2011. An additional distribution of ten million dollars per year from the spirits license fees must be provided to border areas, counties, cities, and towns through the liquor revolving fund for the purpose of enhancing public safety programs.

The “comparable periods prior to December 8, 2011” were determined by the Office of Financial Management (OFM) to be December 2010, March 2011, July 2011, and September 2011. The liquor profit revenue for cities, counties, and border areas for those four quarters was \$39,438,000. To this amount, LCB adds the \$10 million to enhance public safety programs for a total liquor profits distribution of \$49,438,000 each year. Of that amount, 0.3%, which equals \$148,314, is distributed to border cities and counties based on traffic totals, crime statistics, and per capita law enforcement spending. The remaining \$49,289,686 is distributed as follows:

- Cities receive 80%, or \$39,431,748 annually, distributed proportionately by population.
- Counties receive 20%, or \$9,857,936 annually, distributed proportionately by unincorporated population.

As noted in the statute, \$10 million of the \$49,438,000 – just under 20.23% – must be spent on “enhancing public safety programs.” We recommend that each city or county split its distribution so that it can account separately for the portion that must be spent on public safety. To calculate the portion that must be used for public safety purposes, multiply your distribution by 20.23%, or 0.2023. In addition, at least 2% of your distribution must be used for a licensed or certified alcohol or drug addiction program under [RCW 71.24.555](#).

When forecasting liquor profits beyond next year’s budget it’s important to note that the total local distributions (\$39,431,748 for cities and \$9,857,936 for counties) will remain the same from year to year unless the legislature amends the statute. The initiative did not include any measures to account for inflation. We have incorporated a per capita ratio value in the rate tables at the end of this chapter and the ratio values will vary slightly each year due to population changes.

Liquor Profits

Eligible jurisdictions	All cities, towns, and counties that do not prohibit the sale of liquor
Estimated 2021 distribution	Cities: \$7.90 per capita Counties: \$3.70 per capita (unincorporated population) <i>Border cities and counties get extra distributions based on traffic totals, crime rate, and per capita law enforcement spending</i>
Payment received	Quarterly at the end of March, June, September, and December
Revenue must be used for	At least 20.23% must be used for public safety programs, and an additional 2% must be used for an approved alcohol or drug addiction program. The remaining 77.77% may be used for any lawful governmental purpose.

MARIJUANA EXCISE TAX

[HB 2136](#) was adopted during the 2015 legislative session and amended the state's marijuana regulatory and taxation system. Taxation collections and distribution were codified in [RCW 69.50.530](#), [.535](#), and [.540](#) and provided for revenue sharing with cities and counties, but the formula is a bit complicated.

The state distributes a portion of the marijuana excise taxes to the Liquor and Cannabis Board (LCB) and various state agencies and programs on a quarterly basis. At the end of each state fiscal year (June 30), the state treasurer must transfer any remaining unappropriated marijuana excise tax revenues into the state's general fund.

Originally, the formula stated that beginning in state fiscal year 2018 (July 1, 2017 - June 30, 2018), if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceeded \$25 million, then the legislature must appropriate an amount equal to 30% of those general fund deposits to cities, towns, and counties, up to a maximum of \$15 million per year in fiscal years 2018 and 2019 and \$20 million annually thereafter. However, the legislature also stated its intent for maximum distributions in subsequent fiscal biennia of no more than \$15 million per fiscal year ([RCW 69.50.540\(2\)\(g\)\(i\)-\(iv\)](#)).

The state biennial operating budget for 2019-2021 ([ESHB 1109](#)) did not waiver from the previous biennium's intent and provided for annual distributions not to exceed \$15 million to cities, towns, and counties.

The LCB's [Marijuana Dashboard](#) shows excise tax collections for fiscal year 2019 were over \$390 million. Current forecasts for total excise taxes and fees for fiscal year 2020 are well in excess of \$445 million, with \$156 million deposited in the general fund before distributions to local governments. (See the [June 2020 Washington State Economic and Revenue Forecast, Table 3.18](#), prepared by the Economic and Revenue Forecast Council.) Barring any adjustments in the event of a special session this fall, cities and counties will receive the full \$15 million distribution over the next fiscal year.

The \$15 million is distributed as follows:

- 30%, or \$4.5 million – the “retail share” – goes to cities, towns, and counties where licensed marijuana retailers are physically located and in proportional share to the total revenues generated.
- 70%, or \$10.5 million – the “per capita share” – is distributed on a per capita basis to all cities, towns, and counties that allow the siting of marijuana producers, processors, and retailers. Cities, towns, and counties that prohibit marijuana producers, processors, or retailers are not eligible. Of this amount:
 - \$6,300,000 (60%) goes to eligible counties based on each county's total proportional population (*note that this is total population, unlike the other state shared distributions which are calculated based on unincorporated population*)
 - \$4,200,000 (40%) goes to eligible cities and towns on a per capita basis.

Some jurisdictions will receive both the per capita and retail distributions, while others may receive only one or the other, and jurisdictions that completely prohibit marijuana businesses will receive neither. For explanation purposes, a few hypothetical scenarios are shown on the next page.

Hypothetical Marijuana Excise Tax Distribution Scenarios	Eligible for per capita share?	Eligible for retail share?
Jurisdiction allows marijuana production, processing, and retail and has at least one retailer located within the jurisdiction.	Yes	Yes
Jurisdiction prohibits marijuana entirely and as a result has no retailers located within the jurisdiction.	No	No
Town took no action to prohibit marijuana, but is small enough that no marijuana businesses can locate there under state law due to the buffer requirements.	Yes	No
Jurisdiction prohibits marijuana producers and processors but allows retailers and has at least one retailer located within the jurisdiction.	No	Yes
Jurisdiction prohibits marijuana retail and has no retailers but allows marijuana production and processing.	No	No

Each year by September 15, the LCB must provide the state treasurer with the annual distribution amount for each county and city. Payments (if any) are distributed four times per year on the last day of each fiscal quarter (September 30, December 31, March 31, and June 30). The State Treasurer’s Office distributes both the “per capita” and “retail” shares together using the same BARS code.

The distributions that you receive in September will form the basis for your budget projections for the forthcoming budget year.

Forecast

We have (tentatively) produced an estimate of the per capita distributions using the information from our [Marijuana Regulation in Washington State](#) webpage and ordinance database, as well as information about previous LCB marijuana distributions. Please note that this is a “big picture, point-in-time” estimate of the local regulatory environment as it exists in July 2020, based on our own marijuana ordinance database as well as LCB’s ongoing distributions and lists of “prohibited” entities (see the following tables). While we work hard to keep our marijuana database up-to-date, this is still an evolving area and these numbers are subject to change.

The per capita distributions will be calculated based on the population of cities and counties that do not prohibit marijuana. If a city or county decides to repeal a previously adopted prohibition or removes a moratorium – or, on the other hand, imposes a new moratorium or prohibition – this will impact the distribution rates. According to LCB, any changes in local marijuana policies will be reflected in the per capita distributions beginning with the next state fiscal year (September 30 payment).

City Marijuana Policies as of July 2020	Est. Number	Est. Population
Cities/towns that partially or fully prohibit marijuana	82	1,240,690
Cities/towns that do not prohibit marijuana	199	3,750,002
TOTAL	281	4,990,692

County Marijuana Policies as of July 2019	Est. Number	Est. Total Population*
Counties that partially or fully prohibit marijuana	7	570,435
Counties that do not prohibit marijuana	32	7,094,195
TOTAL	39	7,656,200

*County marijuana excise tax distributions are distributed on the basis of total population, not unincorporated population.

Based on the population estimates of those cities and counties that do not prohibit marijuana, we have generated a 2021 “per capita” estimate of \$1.12 for eligible cities and towns and \$0.89 for eligible counties. Again, these numbers could fluctuate. We are unable to provide an estimate of the “retail share,” which is dependent upon marijuana retail sales within each jurisdiction and the state as a whole.

Marijuana Excise Taxes “Per Capita Share”

Eligible jurisdictions	All cities, towns, and counties that do not prohibit the siting of any state-licensed marijuana producer, processor, or retailer
Estimated 2021 distribution	Cities: \$1.12 per capita Counties: \$0.89 per capita (<i>total population, not unincorporated</i>)
Payments received	Quarterly at the end of March, June, September, and December. Will be distributed together with retail share using same BARS code.
Revenue must be used for	The notes in RCW 69.50.540 reference RCW 69.50.101 and the stated intent of I-502, which states that marijuana legalization will “[allow] law enforcement resources to be focused on violent and property crimes [and generate] new state and local tax revenue for education, health care, research, and substance abuse prevention.”

Marijuana Excise Taxes “Retail Share”

Eligible jurisdictions	All cities, towns, and counties with at least one marijuana retailer physically located within the jurisdiction
Estimated 2021 distribution	<i>No estimate provided; depends upon the jurisdiction’s proportional share of statewide marijuana retail sales.</i>
Payments received	Quarterly at the end of March, June, September, and December. Will be distributed together with per capita share using same BARS code.
Revenue must be used for	Same as “per capita share” above

TRANSPORTATION DISTRIBUTIONS

All cities, towns, and counties receive three separate transportation distributions. The first is the motor vehicle fuel tax (MVFT), which is distributed as a percentage of the total fuel taxes collected statewide. The other two, the “increased motor vehicle fuel tax” and “multi-modal” distributions, were created in 2015 by 2ESSB 5987 and consist of direct transfers from the state transportation fund, so those allocations are not impacted by actual fuel tax collections.

MVFT and increased MVFT distributions must be used for highway purposes, while the multi-modal funds may be used for any transportation purpose.

Reminder: [RCW 47.30.050](#) requires cities and counties to spend at least 0.42% of their MVFT funds each year on pedestrian, equestrian, or bicycle trails, unless 0.42% would amount to \$500 or less (for cities and towns) or \$3,000 or less (for counties). In other words, this requirement applies to any city that receives approximately \$119,047 and any county that receives approximately \$714,286 or more in MVFT revenue per year. Cities and counties also have the option to place these dedicated funds in a capital reserve or special revenue fund to accumulate the resources, so long as the funds are used for paths or trails within a 10-year time frame.

Motor Vehicle Fuel Tax

Cities and towns receive MVFT distributions on a per capita basis under [RCW 46.68.090\(2\)\(g\)](#), (4)(a), and (5)(a), less state adjustments found in [RCW 46.68.110\(1\)](#) and (2) and the Small City Pavement and Sidewalk account.

For counties, MVFT revenues are distributed under [RCW 46.68.090\(2\)\(h\)](#) and (4)(b) and (5)(b), less state adjustments found in [RCW 46.68.120\(1\)](#) and (3) and withholding for the County Road Administration Board (CRAB) as required by [RCW 46.68.090\(2\)\(h\)](#). The distribution formula includes annual road costs and “need” in addition to population. Distributions are calculated by CRAB according to the requirements stated in [RCW 46.68.120\(4\)](#). The distribution percentages are set at the annual CRAB board meeting each year after the release date of *Budget Suggestions*, so we are unable to provide distribution amounts for counties. CRAB will notify counties directly of the allocations for the next fiscal period. CRAB also posts [County Data tables](#) on its website for current and past distributions.

Fuel taxes in Washington are assessed as cents per gallon, so motor vehicle fuel tax (MVFT) revenues – and therefore the MVFT distributions to cities and counties – depend on the number of gallons sold, not the dollar value of the sales.

Transportation and revenue forecasts are released each quarter by the Transportation Revenue Forecast Council. Each year, we use the calendar year second quarter as the basis for forecasting the MVFT distributions for cities and counties. The [June 2020 forecast](#) provides a forecast span of 10 years plus a look back of two years and uses multiple factors in the process.

The key conclusion drawn from the June forecast is that overall transportation revenues for the current biennium (2019-21) are down by 7.7% compared to the February forecast, primarily due to the reduced transportation demand resulting from COVID-19, which is having a significant impact on revenue streams.

Looking forward, the 10-year trend, including the current year, indicates a continued downward trend in the fuel tax forecast for 2020, with a minor rebound projected for 2021 and a general decrease in MVFT distributions to cities and counties of less than 0.1% per year.

The primary variables affecting fuel consumption include gasoline and diesel fuel price projections, Washington personal income, and inflation. Other factors affecting gasoline sales and tax collections include unemployment rates, fuel efficiency, and sales of alternative fuel vehicles such as electric cars. But a key variable right now is the

impact of COVID-19. The transportation projections currently anticipate the resumption of normal activity in the spring of 2021. It is interesting to note that the long-range transportation forecasts do not consider changes to telecommuting or modified transportation demand as a result of the pandemic.

The Transportation Revenue Forecast Council normally reports that gasoline tax collections are negatively related to the price of gasoline, meaning that as gas prices rise, consumption and tax revenues fall. The Council could not have foreseen the impacts of the pandemic and the significant drop in motor vehicle fuel prices occurring at the same time. The year-over-year forecasts are substantially different and the reduced fuel prices do not have a direct correlation with increased consumption as a result of the pandemic. The table below reflects the near-term unadjusted fuel prices provided in the June 2020 forecast.

Fiscal Year Quarter	Crude Oil Price (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)
2019: Q3	56.37	3.11	3.28
2019: Q4	56.96	3.19	3.47
2020: Q1	45.76	2.88	3.26
2020: Q2	20.68	2.36	2.64
FY 2020	44.94	2.89	3.16
2020: Q3	25.50	2.37	2.48
2020: Q4	29.50	2.31	2.58
2021: Q1	36.50	2.39	2.62
2021: Q2	42.17	2.76	2.85
FY 2021	33.42	2.46	2.63
2021: Q3	45.50	2.80	2.96
2021: Q4	48.50	2.72	3.05
2022: Q1	49.87	2.76	3.05
2022: Q2	52.23	3.03	3.11
FY 2022	49.03	2.83	3.04
2022: Q3	53.85	3.03	3.21
2022: Q4	54.58	2.94	3.27
2023: Q1	54.75	2.94	3.29
2023: Q2	54.78	3.14	3.26
FY 2023	54.49	3.01	3.26

Credit: Transportation Revenue Forecast Council, June 2020 Forecast Summary

For both cities and counties, it is worth noting that the tax revenue forecasts provided by WSDOT are updated each quarter and often vary slightly from earlier projections. Last year the gas taxes collected and distributed to cities, towns, and counties were 5.4% lower than projected primarily due to the impacts of significant snowstorms, and this year gas tax collections and distributions are continuing to run over 5% below projections due primarily to COVID-19.

The Transportation Revenue Forecast Council table on the next page shows the projected impact of COVID-19 on statewide transportation revenues and anticipates a continued decline in gross fuel tax that will require close monitoring, with the potential of revising projections in the middle of the budget year depending upon the evolution of the COVID-19 pandemic and other factors. It is important to factor these variables into your revenue projections.

Revenue Sources Impacted by COVID-19 Shutdowns	\$ Difference Between June and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	\$ (161,774,200)	\$ (26,345,900)	\$ (44,778,700)	\$ (35,524,200)
LPF	\$ (29,568,010)	\$ (21,058,784)	\$ (17,114,702)	\$ (14,765,691)
Ferry Fares	\$ (36,867,659)	\$ (60,778,584)	\$ (16,299,002)	\$ (12,688,270)
Toll Revenue	\$ (37,379,000)	\$ (70,105,000)	\$ (30,306,000)	\$ (32,296,000)
Aeronautics Revenues	\$ (165,730)	\$ (175,520)	\$ (91,520)	\$ (88,520)
Rental Car Tax	\$ (5,987,456)	\$ (18,267,100)	\$ (5,697,400)	\$ (3,821,100)
TOTAL Major Revenue Sources	\$ (271,742,055)	\$ (196,730,888)	\$ (114,287,324)	\$ (99,183,781)
Revenue Sources Impacted by COVID-19 Shutdowns	Percentage Change Between June and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	-9.0%	-1.4%	-2.4%	-1.9%
LPF	-4.4%	-3.8%	-3.0%	-2.5%
Ferry Fares	-17.7%	-27.5%	-7.3%	-5.6%
Toll Revenue	-16.0%	-27.7%	-11.4%	-11.8%
Aeronautics Revenues	-4.7%	-4.9%	-2.5%	-2.4%
Rental Car Tax	-16.5%	-49.2%	-15.0%	-9.9%
TOTAL Major Revenue Sources				

Credit: Transportation Revenue Forecast Council, June 2020 Forecast Summary

Motor Vehicle Fuel Tax

Eligible jurisdictions	All cities, towns, and counties
Estimated 2021 distribution	Cities: \$20.07 per capita Counties: No estimate provided. Determined by CRAB formula based on population, annual road costs, and annual monetary needs.
Payments received	At the end of every month
Revenue must be used for	Highway purposes

Editor's Note: Scott Smith, the Transportation Economist for the Budget and Financial Analysis Division of the Department of Transportation, has provided calendar year fuel tax forecasts for cities and counties to assist with these projections.

Increased Motor Vehicle Fuel Tax and Multi-Modal Funds

Counties, cities, and towns received a share of the multi-modal funds and the increase in fuel tax as a result of [2ESSB 5987](#). The legislation, adopted in 2015, provided for direct distributions to be phased in from FY 2016-2017. Beginning with FY 2018, 2ESSB 5987 provides over \$25 million annually to counties, cities, and towns, allocated as follows:

- Increased MVFT: \$11,719,000 per year
- Multi-modal funds: \$13,393,000 per year

These revenues are split equally between cities and counties and are not impacted by actual fuel sales. City distributions are based on population, while county distributions are established by the same CRAB formula as the MVFT described earlier ([RCW 46.68.120\(4\)](#)) and set at the annual CRAB board meeting in late July, following the release date of *Budget Suggestions*.

Increased Motor Vehicle Fuel Tax

Eligible jurisdictions	All cities, towns, and counties
Estimated 2021 distribution	Cities: \$1.17 per capita Counties: <i>No estimate provided. Determined by CRAB formula based on population, annual road costs, and annual monetary needs.</i>
Payments received	Quarterly, at the end of March, June, September, and December
Revenue must be used for	Highway purposes

Multimodal Transportation

Eligible jurisdictions	All cities, towns, and counties
Estimated 2021 distribution	Cities: \$1.34 per capita Counties: <i>No estimate provided. Determined by CRAB formula based on population, annual road costs, and annual monetary needs.</i>
Payments received	Quarterly, at the end of March, June, September, and December
Revenue must be used for	Any transportation purposes

PER CAPITA SHARED REVENUE FORECAST TABLES – CITIES

The tables below include projections and estimates for the 2021 and 2022 budget years. These are based upon current information that we have received from WSDOT, ERFC, and other state agencies, population growth, and inflationary increases such as the fiscal growth factor for criminal justice. Also see our online [State Shared Revenue Estimator](#) for forecasts tailored to your specific jurisdiction (for 2021 only).

Please note that these are point-in-time estimates as of July 2020. Some of these distributions are relatively stable and are not likely to change much unless there is new legislation. However, other distributions may fluctuate. In particular, gas tax and liquor excise revenues depend upon gallons sold at the pump and actual liquor sales, while per capita marijuana distributions may change as cities enact or repeal marijuana bans. To mitigate fluctuations in these more volatile revenues, consider reviewing the state’s quarterly [Transportation Revenue Forecast](#) (for MVFT) and [ERFC Revenue Forecast](#) (for overall liquor revenues).

There is a possibility of a special session later this fall due to the COVID-19 impacts on the state budget, and next year will be a “long” legislative session to adopt a new state budget for FY 2022-2023. It’s hard to predict what may occur, but you can rely on MRSC to keep you informed on any significant changes that could impact your budgets.

Total Distributions to All Cities and Towns, 2017-2022

	2017	2018	2019	2020 Revised	2021 Forecast	2022 Forecast
Gas Tax (MVFT)	96,393,238	98,222,951	94,901,817	92,485,535	100,160,481	97,623,372
Multi-Modal Distribution	4,910,750	6,696,500	6,696,500	6,696,500	6,696,500	6,696,500
Increased MVFT	2,734,500	5,859,500	5,859,500	5,859,500	5,859,500	5,859,500
Liquor Profits	39,431,748	39,431,748	39,431,748	39,431,748	39,431,748	39,431,748
Liquor Excise	22,803,066	21,187,169	26,478,004	28,926,158	28,227,818	29,393,229
Marijuana - Per Capita Share Only	840,000	5,460,000	4,200,000	4,200,000	4,200,000	4,200,000
Criminal Justice–Special Programs	4,852,222	5,052,613	5,254,718	5,521,658	5,847,988	6,186,586
Criminal Justice–Population	1,437,696	1,497,071	1,556,953	1,636,047	1,732,737	1,833,063
TOTAL	\$173,403,220	\$183,407,552	\$184,379,240	\$184,757,146	\$192,156,772	\$191,223,998

Estimated Per Capita Distributions for Each City/Town, 2017-2022

	2017	2018	2019	2020 Revised	2021 Forecast	2022 Forecast
Gas Tax (MVFT)	20.66	20.67	19.62	18.83	20.07	19.27
Multi-Modal Distribution	1.05	1.41	1.39	1.36	1.34	1.32
Increased MVFT	0.92	1.23	1.21	1.19	1.17	1.16
Liquor Profits	8.35	8.30	8.15	8.03	7.90	7.78
Liquor Excise	4.88	4.46	5.48	5.89	5.66	5.80
Marijuana - Per Capita Share Only ¹	0.24	1.53	1.16	1.14	1.12	1.10
Criminal Justice–Special Programs	1.04	1.07	1.07	1.12	1.17	1.22
Criminal Justice–Population ²	0.31	0.32	0.30	0.31	0.33	0.34

1. Marijuana excise funds may only be distributed to cities/towns that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer. Changes to local ordinances can potentially impact the per capita distribution amounts.

2. Minimum distribution of \$1,000 per city/town, regardless of population.

PER CAPITA SHARED REVENUE FORECAST TABLES – COUNTIES

The tables below include projections and estimates for the 2021 and 2022 budget years. These are based upon current information that we have received from ERFC and other state agencies, as well as population growth. Also see our online [State Shared Revenue Estimator](#) for forecasts tailored to your specific jurisdiction (for 2021 only).

Please note that these are point-in-time estimates as of July 2020. Some of these distributions are relatively stable and are not likely to change much unless there is new legislation. However, other distributions may fluctuate. In particular, liquor excise revenues depend upon actual liquor sales, while per capita marijuana distributions may change as counties enact or repeal marijuana bans. To mitigate fluctuations in liquor revenues, consider reviewing the quarterly [ERFC Revenue Forecast](#), which can provide an indicator of overall liquor revenue increases or decreases.

There is a possibility of a special session later this fall due to the COVID-19 impacts on the state budget, and next year will be a “long” legislative session to adopt a new state budget for FY 2022-2023. It’s hard to predict what may occur, but you can rely on MRSC to keep you informed on any significant changes that could impact your budgets.

Total Distributions to All Counties, 2017-2022

	2017	2018	2019	2020 Revised	2021 Forecast	2022 Forecast
Liquor Profits	9,857,936	9,857,936	9,857,936	9,857,936	9,857,936	9,857,936
Liquor Excise	5,077,720	5,523,993	6,024,018	6,584,025	6,409,440	6,700,792
Marijuana - Per Capita Share Only	1,260,000	8,190,000	6,300,000	6,300,000	6,300,000	6,300,000
TOTAL	\$16,195,656	\$23,571,929	\$22,181,954	\$22,741,961	\$22,567,376	\$22,858,728

Estimated Per Capita Distributions for Each County, 2017-2022

	2017	2018	2019	2020 Revised	2021 Forecast	2022 Forecast
Liquor Profits ¹	3.92	3.85	3.80	3.74	3.70	3.64
Liquor Excise ¹	2.02	1.89	2.32	2.50	2.40	2.48
Marijuana - Per Capita Share Only ²	0.21	1.32	1.03	0.97	0.89	0.87

1. Liquor distributions are based on unincorporated population.

2. Marijuana distributions are based on “total proportional” population, including incorporated areas. Funds may only be distributed to counties that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer. Changes to local ordinances can potentially impact the per capita distribution amounts.

Timely Budget Articles



Additional Considerations and Impacts to the 2020/2021 Budget

By Toni Nelson

While working on *Budget Suggestions* this year, it occurred to me that there were several unique issues that could impact the remainder of the current year's budget or the 2021 budget that you are all preparing for. Make no mistake that COVID-19 has impacted all of us in one way or another. While I frequently coin the phrase "It depends," there are some issues that have impacted all of us.

OPEN PUBLIC MEETINGS ACT (OPMA)

All jurisdictions have been and continue to be impacted by the governor's proclamations on the OPMA. The ability to conduct meetings has changed substantially and continues to change on a fairly frequent basis. It will be important to incorporate these limitations and restrictions during your public hearings, budget workshops, and other forums for gathering public input during the budget process. The status of the pandemic and the phase of re-opening you are in will have a direct impact on whether meetings will need to be held virtually. I would recommend that all entities plan for virtual meetings to avoid last-minute changes to your budget hearings. There are key dates that must be met, such as the public hearing requirement for property tax levy setting. This hearing must be held prior to adopting your levy setting ordinance (due to the county by November 30) and the final budget hearing for all cities and towns must be held no later than the first Monday in December (December 7). This is partially true for counties as well: the final budget hearing must either be held on the first Monday of October (October 5) or the alternate date of the first Monday in December (December 7).

CUSTOMER SUPPORT PROGRAMS FOR UTILITY CUSTOMERS

For those who have an energy, water, or telecommunications utility, there is the governor's [Proclamation 20-23.6](#) which not only prohibits these specific utilities from disconnecting services or refusing to reconnect or impose late fees, but also requires that the utility provide for a [customer support program](#) that will ensure continuation of these essential services beyond the expiration of the Governor's proclamation (which, as of this writing, is currently set to expire on August 1). The governor's office has provided guidance for developing a framework to meet these requirements, including general guidance for all affected utilities as well as specific guidance for each of the three utility categories addressed within the proclamation.

From a budget perspective, the fiscal impacts of this proclamation will impact the cash flow of your utility. Depending upon the demographics of your community and the unemployment rates, this may impact some more than others. If and when the expanded federal unemployment benefits expire, which is currently set for the end of July unless Congress acts, there could potentially be an increase in customers who are unable to pay their outstanding balances or perhaps have been paying but with the reduction of income will be unable to continue to pay for these essential services in a timely manner. The results of these impacts could be felt during the remainder of 2020. Evaluation of fund balance, reserves, and best methods for managing customer support as well as cash flow impacts will need to be assessed.

STATE LEGISLATURE AND STATE BUDGET SHORTFALLS

Whether the governor asks for a special session this fall is still difficult to assess. If there is a special session this fall to address the current biennium, any changes to current state shared revenues would be felt in the first half of the 2021 budget. The [June 2020 Economic and Revenue Forecast](#) released by the Economic and Revenue Forecast Council (ERFC) reflects a significant shortfall in general fund revenues of 11%, and after adjustment for deferred property tax payments it still is approximately 5.5% below the February forecast. On the more positive side from a revenue standpoint, liquor excise taxes and marijuana excise taxes have seen a marked increase in revenues which

we hope will sustain the continuation of these state shared revenues with local government through the next state biennium. Real estate excise taxes, which fund the city/county assistance account, are currently projected to see a reduction in 2021 but a forecasted increase in 2022. More to come on this subject as the year continues to unfold.

TRANSPORTATION

While cities, counties, and the state have struggled with transportation issues for many years, there are additional considerations for cities and towns. One of those considerations is transportation benefit districts (TBD). If you are one of those cities/towns that formed a TBD, you have been aware of the necessity of reserving current year collections of license fees in the event that the Initiative 976 court decision is not favorable to state and local governments. The legal challenges to the validity of I-976 were heard by the state Supreme Court on the last day of June. The court has yet to render a decision, but it is anticipated that the decision could be released prior to the end of the year. If you are one of those cities or towns that had imposed a TBD license fee, the uncertainty of the use of revenues currently being collected will finally come to a resolution, and whether that is good news or bad you will be able to move forward. A potential budget consideration may be the increased administrative time to process returns in the event that the Supreme Court upholds the initiative.

Another transportation impact is the COVID-19 pandemic. There is a substantial reduction in motor vehicle fuel tax (MVFT) income that is already impacting local MVFT distributions. As we have indicated in the [Transportation Distributions](#) section, MVFT is based upon the gallons of fuel sold and not on the price of the fuel. With the “stay-at-home” order and the slow return of the workforce to their jobsites, this has had a significant impact on fuel consumption. Many individuals have not driven or re-fueled their vehicles as much since the first “stay home” order was issued back in March. While this has been great for our personal pocketbooks, it has been devastating for MVFT. An adjustment to this revenue forecast will need to be considered for the current year, in addition to reduced forecast levels for 2021.

UTILITY TAXES

A recent Supreme court decision has opened the door for those cities and towns that have or are considering a utility tax. There are many cities and towns that have separate water and sewer districts providing services within their jurisdictional boundaries. Cities have been challenged by municipal utility districts over the years ([City of Wenatchee v. Chelan Pub. Util. Dist.](#)) as to whether or not the city has the authority to impose a local utility tax on these separate municipal entities. A recent Supreme Court decision in the case of [Lakehaven Water & Sewer District et al. v. City of Federal Way, 96585-4](#) has affirmed the lower court cases that the city has the authority to impose the utility excise tax authorized in [RCW 35A.82.020](#) on utility districts that provide services within their boundaries. This decision should apply equally to other classes of cities and towns. For those cities and towns that have not imposed a utility tax on utility districts that operate within their corporate limits, this presents an opportunity to consider the merits of generating income for their general fund.

MONITORING YOUR REVENUE FORECASTS AND THOSE OF OTHERS

The variables are many and the coronavirus has created unprecedented impacts on us all. It's important to carefully monitor the forecasts that you make for revenues and to re-check the data that you used frequently. We here at MRSC have done our best to forecast the state shared revenues but I cannot stress strongly enough the importance of monitoring the state legislature and whether they convene a special meeting or not.

The ERFC has released a [July Economic and Revenue Update](#) which seems to indicate some positive news for revenues such as retail sales. The ERFC will be providing another monthly update in August and a comprehensive quarterly update in September. I would encourage you to review these documents. While September seems late for most of us to make changes in the revenue forecast, it could be in the best interest of your jurisdiction to have a clear understanding of the revenue impacts to income as they reveal themselves. Keep in mind that sales tax distributions lag 60-90 days behind, so retail sales tax income you receive in June and July will start to reflect the

impacts of COVID-19. For those counties that extended property tax due dates to the end of May and June, those deferred payments should now have reached local taxing districts. The results from these two primary revenue sources will assist with your forecast for 2021.

IN CLOSING

These are challenging times. Forecasts are difficult to make, especially if your jurisdiction is heavily dependent upon retail sales tax or B&O taxes. Document your forecasts carefully and check back in the early fall for updates by all of us who provide you with data for developing your budgets.

If you are considering the use of reserves or a portion of fund balance to resolve some of your budget dilemmas, I would encourage a strategic approach that will consider variables such as an extended economic recovery period for the current pandemic as well as the potential for other impacts to fund balance and reserves such as natural disasters and general declines in the economy. The issue of natural disasters came to the forefront of my mind when, as I was writing this article, Alaska had a major earthquake that required a tsunami alert. Scenarios such as these are reasons that local governments adopt financial policies such as fund balance and reserves to protect themselves from fiscal impacts.

If you have not yet considered adopting fiscal policies, take a look at our [Financial Policies Tool Kit](#), which will help you think through the current challenges that you may be facing as well as provide you with helpful tips and suggestions when considering use of reserves at times like these.

These considerations and others are part of a strategic approach to building one of the most important documents for your entity, the annual and/or biennial budget.

Budgeting During Uncertain Times (Such as a Pandemic)

By Mike Bailey

Conditions like these seem to only come along every 100 years or so. Early in the year, a disease known as COVID-19 made some news while located in China with the potential to spread. Now, six months later, there are (as of this writing) almost 4 million confirmed cases in the United States and over 14.5 million around the world.

The consequences for local government budget development is the related economic “crash” that occurred in late March and early April. To curb the spread of the virus, states including Washington issued “stay home” orders, Canada and other countries closed their borders, and many industries ground to a halt. Unemployment claims occurred at unprecedented levels as companies furloughed or dismissed millions of employees.

Many local governments found themselves providing first response services into virus “hot spots” resulting in risks to their employees, overtime expenses, and more. With this type of a scenario, what are the best ways a local government can develop a spending plan for the next year or biennium? We’ll look at options and issues for you to consider as you confront this task.

GFOA’S FISCAL FIRST AID

While the “Great Recession” of 2008 wasn’t a pandemic, it was the largest economic decline since the Great Depression of 1929. That was also a difficult time to navigate in terms of local government finance and budget development. It was during this crisis that the Government Finance Officers Association (GFOA) developed its [Fiscal First Aid](#) tools. Using a combination of research and practical knowledge from its standing committees, the Fiscal First Aid Resource Center quickly developed into a valuable resource that helped guide finance officers through the challenges of that recession. As the pandemic began to impact the economy, GFOA worked to update and fine-tune these tools to address these new challenges.

The resource center is based on a scenario / timeline that walks the user through a fiscal downturn and recovery cycle. The result is a “12-step recovery process” which we will review in further detail. We’ll focus on those elements especially relevant during your next budget development work.

Step 1 – Recognition. In this step we determine whether a real problem exists that could jeopardize our fiscal health. This step includes a number of ways to monitor certain indicators in order to detect any problems early and begin countermeasures. In view of the obvious economic fallout from the pandemic, I won’t belabor this point.

Step 2 – Mobilize. This is where we clarify who has what roles in our recovery process team. Local governments consist of policymakers, administrative leaders, other leaders (such as labor), and employees. All will have a high level of interest in what the plans will be to address the concerns. Creating clarity around roles of the participants will help avoid confusion and allow focus on the problems.

Step 3 – Generic Treatments. As the name implies, generic treatments are those that are typically used in dealing with fiscal distress. They are used early because they result in benefits in a relatively short time, are not overly complex, and can be easily reversed when the situation returns to a more normal state. Some examples of “generic treatments” would include: hiring freezes, deferring capital projects, ensuring all revenues due to the government are being collected, deferring major equipment purchases, and similar actions.

Step 4 – Initial Diagnosis. Based on an early diagnosis, the government can identify the resulting problems and the related responses that hold the most promise to mitigate the situation. Some things to consider in this step include: involving others in the diagnosis, relying on (or developing) fiscal forecasts, and setting up a financial health model. GFOA illustrates the [financial health model](#) in a publication on the subject.

Step 5 – Near-Term Treatments. In its paper [Cash is King](#), GFOA describes a variety of ways to take initial action to preserve fiscal health. Maintaining a reliable cashflow during the fiscal disruption is one of the primary objectives of the program.

Step 6 – Detailed Diagnosis. In this step the government does a thorough analysis of the potential causes, both internal and external to the organization. In the context of the COVID-19 pandemic the fundamental cause is clear. However, it is important for each government to drill into its own unique circumstances to understand the longer-term effects of the economic downturn on its fiscal health.

Step 7 – Recovery Plan. Based on the analysis above, what strategies will correct the fiscal conditions and set the government on the right path for recovery? A “portfolio of strategies” should be developed as the causes and recovery are often more than just a single element.

Step 8 – Long-Term Treatments. GFOA recommends a wide variety of “long-term treatments” to improve overall fiscal health (too many to list here). These are the methods to implement which, over time, will result in financial resiliency.

Step 9 – Long-Term Financial Planning. GFOA’s research suggests that many more governments have implemented a [long-term financial plan](#) as a result of the Great Recession. Such a plan is instrumental to long-term fiscal health and should be developed if your government has not yet done so.

Step 10 – Leadership Recovery. Clarity around who is the leader of this effort and strategies for constructive leadership behaviors will help ensure success of your financial recovery efforts.

Step 11 – Managing the Recovery Process. Such topics as governance, project management, project portfolio management, and communications can help contribute to the success of your efforts as well.

Step 12 – The Outcome of Recovery. In its work around the [Financial Foundations Framework](#), the GFOA explores approaches that enable the government to sustain the recovery once achieved. The potential for relapse once the crisis has passed, or once new participants join the government, is real. Incorporate into your plan a means to maintain fiscal health once it is recovered. An example is the City of Redmond’s [Long Range Financial Strategy](#), first developed in 2005 and updated before each biennial budget process.

Along with the resources identified above, the GFOA’s Fiscal First Aid resource center has numerous other “white papers,” articles, examples, and publications available that illustrate a much deeper dive than time and space permit us here. In addition, this work is continually evolving as GFOA’s research and development continues on behalf of its members. The great news is that almost all of these resources are available on their website to any that would benefit from it.

As you explore these topics, feel free to [Ask MRSC](#) if we can answer any questions. In addition, GFOA has consulting staff available to assist you as well. We know of several Washington local governments that have used GFOA’s services over the years.

Ballot Measure Validation May Be Tougher in 2021

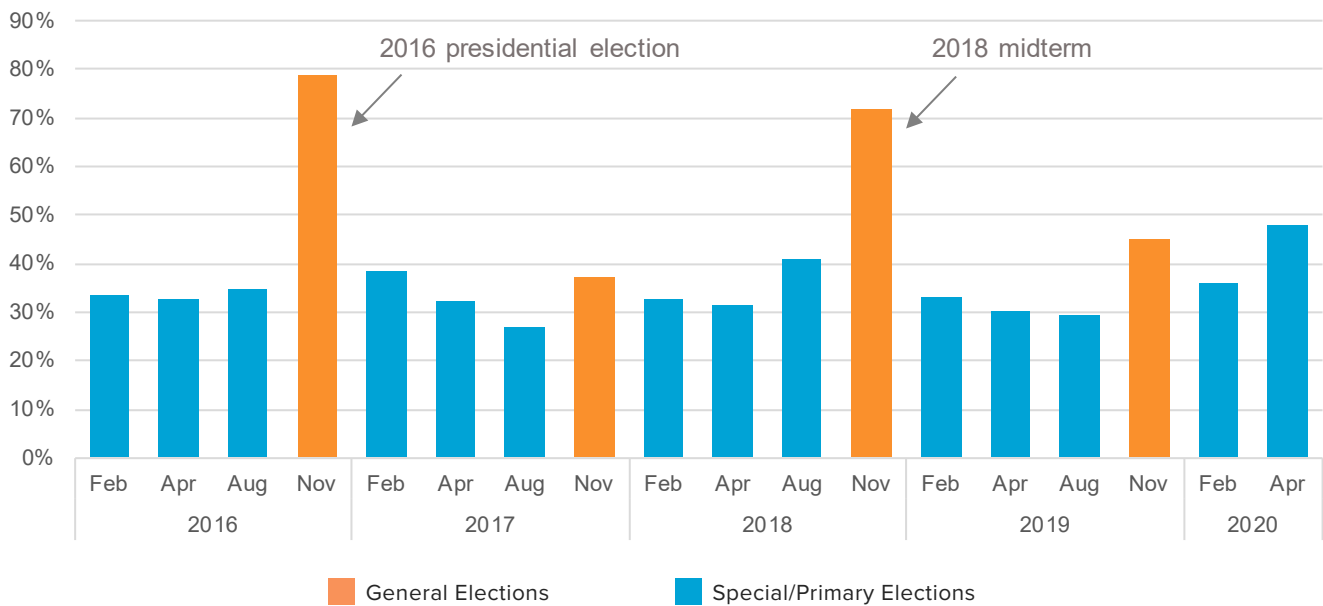
By Steve Hawley

If your jurisdiction is considering sending a bond measure or property tax to voters in the near future, it might not be enough to receive 50% or 60% of the vote. You may also need to meet a minimum level of voter turnout, known as “validation.” Even if large majorities vote in favor of your measure, it will still fail if turnout is too low.

Validation is not a problem for most jurisdictions in most years – but 2021 may be more problematic than usual. The validation thresholds for each jurisdiction are calculated based on turnout in the most recent state general election, which means the minimum voter turnout thresholds change every year. Even if you live under a rock, surely you’ve noticed that 2020 is both a presidential and a gubernatorial election. Turnout in these elections is high under normal circumstances, and it’s likely to be especially high given the contentious political atmosphere right now.

For instance, here is the [turnout among eligible voters](#) since 2016, for jurisdictions in which an election was being held:

Voter Turnout in Washington State by Election



Turnout was highest in the 2016 presidential election cycle, although it wasn’t too far behind in the 2018 federal midterms. We can safely assume turnout will be very high for the 2020 election as well, which means validation may be a bigger concern for some jurisdictions in 2021 than it has been in several years.

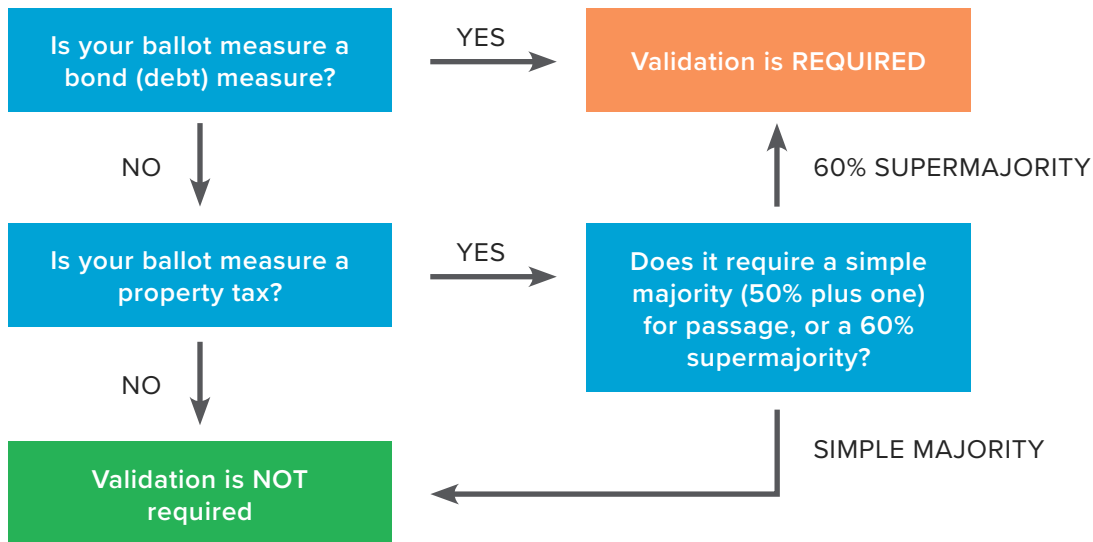
DOES YOUR BALLOT MEASURE REQUIRE VALIDATION?

The issue of validation can seem confusing. I’ve seen instances where people didn’t realize validation was required when it was, as well as other cases where people thought validation was required when it *wasn’t*. Such misunderstandings can create confusion over whether a measure passed or failed.

For those ballot measures that do require validation, the voter turnout requirements are either written into the state constitution or into state statute.

But here’s a fairly simple test to help you figure out whether your ballot measure requires validation. While there is no one single statute addressing validation, it appears the various ballot measure statutes all follow these rules:

Does Your Ballot Measure Require Validation (Minimum Voter Turnout)?



For instance, the following measures all require 60% approval with validation:

- Voted bond measures, also known as unlimited tax general obligation (U.T.G.O.) bonds ([Washington State Constitution](#), Article VII, Section 2(b) and [RCW 84.52.056](#)). This can include certain annexation measures too, if the annexed territory would be responsible for assuming existing debt.
- Emergency medical services (EMS) levies – but only for the *initial* imposition of a 6-year or 10-year levy, or for the imposition of a *permanent* EMS levy. ([RCW 84.52.069](#)).
- Six-year park and recreation service area levies ([RCW 36.68.525](#)).
- Six-year park and recreation district levies ([RCW 36.69.145](#)).
- Six-year county criminal justice levies ([RCW 84.52.135](#)).
- One-year excess levies ([Washington State Constitution](#), Article VII, Section 2(b) and [RCW 84.52.052](#)).

But validation is *not* required for the following measures:

- Levy lid lifts ([RCW 84.55.050](#)), which only require a simple majority for passage.
- The subsequent approval of a previously approved 6-year or 10-year EMS levy ([RCW 84.52.069](#)).
- Any sales taxes.
- Fire benefit charges ([RCW 52.18.050](#) for fire protection districts and [RCW 52.26.220](#) for regional fire authorities). Even though the initial or permanent imposition fire benefit charges requires 60% voter approval – see [SSB 6415](#) authorizing 10-year and permanent fire benefit charges effective June 11, 2020 – it is not a property tax and does not require validation.

WHAT IF TURNOUT IS TOO LOW?

For property tax measures *except* bonds, there is an alternative “backdoor” approval process if turnout falls below 40% of the most recent state general election. If that happens, you can still secure passage if the number of “yes” votes is at least 60% of 40% – or, in plain English, 24% – of the number of votes cast in the most recent general election. This means the measure can still pass with less than 40% turnout compared to the general election, but the required “yes” percentage starts climbing above 60%. The lower the turnout, the higher the percentage of “yes” votes required.

For bond measures, there is no backdoor approval method. If turnout falls below 40% of the most recent general election, the measure will fail regardless of how many “yes” votes it received.

THE TAKEAWAY

If you’re planning a ballot measure next year, make sure you know whether validation is required and, if so, take election timing and expected turnout into account. Turnout is generally highest for the November general election and lower for February, April, and August elections, but it also depends on what other issues or offices may be on the ballot as well as other factors unique to your jurisdiction.

Following the 2020 general election, each county auditor will determine the number of voters participating in the election for each taxing district and provide that number to each taxing district for calculating validation thresholds in 2021 ([WAC 434-262-017](#)).

For a deeper dive into how validation works, including examples of various turnout scenarios, refer to the “Validation/Voter Turnout Requirements” sections in our [City Revenue Guide](#) and [County Revenue Guide](#).

Assessing Your Budget Document

Each year as an opening exercise for the annual AWC Municipal Budgeting and Financial Management workshop, we have the participants assess their current budget document using our Budget Document Scorecard. For many, this brief exercise often starts the evolution of the budget document from just numbers on a page to a budget document that tells a story about your jurisdiction.

The questions have been developed over the years from experts in the area of municipal budgeting. It is intended to give you ideas that will enhance the budget document, but it is not the only evaluation tool available. In fact, the GFOA has a [Distinguished Budget Presentation Award Program \(Budget Awards Program\)](#) that goes into much further detail.

But this scorecard is intended to help you evaluate and make small steps over the course of several years to improve the content of your comprehensive budget document, with the goal of providing your reader with a more transparent and easily understood budget.

We conclude *2021 Budget Suggestions* with this two-page scorecard. This tool may also be found on our website at mrsc.org/budgeting, and we hope that you decide to take this first step to a more comprehensive budget document.

HAPPY BUDGETING!!



Budget Document Scorecard



Use the following evaluation scorecard to see where your budget document excels and where there might be room for improvement. If you fill out this form electronically using Adobe Acrobat or [Acrobat Reader](#) (free), the point total at the bottom will be calculated automatically. *(Some web browsers also support this feature, but others may not.)*

ASSESSMENT QUESTION (SEE NEXT PAGE FOR FURTHER GUIDANCE)	POINT RANGE	SCORE
Does the budget include a table of contents and a glossary of terms?	0 – 2	
Does the budget describe the organization (such as an org chart)?	0 – 2	
Does the budget message address major strategic issues (assumptions, trends, problems, and opportunities)?	0 – 4	
Does it include a clear mission or “broad goals” statement?	0 – 2	
Does the budget include goals for the year / biennium, including how they connect to strategic long-term goals?	0 – 3	
Are relevant financial policies included and referenced?	0 – 3	
Does the budget include a summary of major revenues and expenditures for at least a three-year period (prior year actual, current year, and proposed budget)?	0 – 3	
Is the overall financial plan clear? Is there a forecast of at least 3 years?	0 – 5	
Is there a chart showing staffing by department which provides historical information (comparative) such as FTEs?	0 – 4	
Does the budget document discuss reserves (policy, targets, levels, planned uses, plans to restore)?	0 – 4	
Is there a description of the programs and activities provided that includes measurable objectives? Are they related to the goals?	0 – 4	
Does the budget discuss current debt levels by debt types (general obligation, revenue, assessment) including comparisons to legal limits?	0 – 3	
Does the budget include a list of capital projects for the year? Does it discuss how the improvements will impact future operating budgets?	0 – 4	
Does the budget convey its messages clearly with graphs, tables, or other means throughout the document?	0 – 2	
Is the overall budget format easy to follow and use?	0 – 2	
Would a citizen or an elected official feel this is a user-friendly budget?	0 – 4	
Does the budget document provide the reader with opportunities to gain further information?	0 – 2	
Total	53 possible	

Further guidance regarding the Budget Document Scorecard: The order of the questions typically represents the order this information is found in budget documents. The following is a description of the ideals for each section.

Does the budget include a table of contents and a glossary of terms?

A simple table of contents should be included. A glossary of terms unique to budgeting and to your particular organization should also be included. An index is a bonus.

Does the budget describe the organization (such as an org chart)?

An organization chart of the entire government is needed but often not enough to describe the organization to an “outsider.” Add defining narrative to help bridge the gap.

Does the budget message address major strategic issues (assumptions, trends, problems, and opportunities)?

The most important element of your budget is your message. Here you can incorporate other elements (see below) but should be sure to tell your story. Describe what you emphasized (and de-emphasized) in this budget and why! Talk about more than numbers.

Does it include a clear mission or “broad goals” statement?

What is the purpose of your organization? If you haven’t discussed it and written it down, there is likely confusion on that point. Be sure to include it in the budget!

Does the budget include goals for the year / biennium, including how they connect to strategic long-term goals?

A great budget message element is to describe what things of significance you hope to accomplish during the budget period.

Are relevant financial policies included and referenced?

At a minimum discuss reserve, revenue, budget and expenditure policies. Don’t include non-budget policies (such as purchasing or investments), but you can make reference to them. Describe where this budget might deviate from your policy guidance (or clearly state that it is consistent with policy).

Does the budget include a summary of major revenues and expenditures for at least a three-year period (prior year actual, current year, and proposed budget)?

Include fund balances as well. This is your “financial plan.” Fewer, simple charts are best! Graphs are great but need some captions to interpret them – and make your points.

Is the overall financial plan clear? Is there a forecast of at least 3 years?

Along with the financial summary, include a forecast of the major operating funds. Keep to high-level account descriptions (avoid too much detail). Summarize into thousands.

Is there a chart showing staffing by department which provides historical information (comparative) such as FTEs?

Staffing is often the most significant cost. Also, this can help provide insight into how the government is organized.

Does the budget document discuss reserves (policy, targets, levels, planned uses, plans to restore)?

Fund balance changes of more than 10% should be explained. Uses of fund balance in your budget should be explained as well.

Is there a description of the programs and activities provided that includes measurable objectives? Are they related to the goals?

“Narratives” take many forms. Basically describe what you are doing, why you are doing it, and who is the customer. This can be organized by department, fund, program, or community priority.

Does the budget discuss current debt levels by debt types (general obligation, revenue, assessment) including comparisons to legal limits?

Debt or other legal / financial obligations can be a significant budgetary and financial issue. Transparency is the key – but again at a summary level. What debt exists and why? How does it compare to legal limits and ability to pay?

Does the budget include a list of capital projects for the year? Does it discuss how the improvements will impact future operating budgets?

Capital budgets are challenging to present in clear and simple ways. However a few schedules of sources and uses of funds, along with descriptions of your largest projects, works well. Be sure to discuss operating budget impacts.

Does the budget convey its messages clearly with graphs, tables, or other means throughout the document?

Budgets can be intimidating – try to avoid jargon, long-running paragraphs of text, too many details, and other potential distractions.

Is the overall budget format easy to follow and use?


Consider a “highlights” or other ways to convey the most important points. Most casual readers will look at the message and a few additional pages. Use this limited attention well!

Would a citizen or an elected official feel this is a user-friendly budget?

A “budget in brief” or some other summary is often helpful. Put the hot-button issues right up front. Be clear about what you are proposing – in simple terms.

Does the budget document provide the reader with opportunities to gain further information?

Provide references to your website, other documents, staff contacts, and other ways that someone can find out more about the budget or a related topic.


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