



ELECTRIC CITY

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December 8, 2020

Re: Mayor's 2021 Budget Message

I am pleased to present the Preliminary 2021 Annual Budget with some additional notes to bring you up to date on the city's financial plans.

Below is a five-year budget summary. The annual budgets for 2017 through 2019 are actuals, 2020 is estimated and the 2021 is proposed, 2019 is higher than other years due to the city receiving multiple grants for street and recreation improvements:

Budget	2017	2018	2019	2020	2021
Total (s)	7,391,448.23	7,775,962.56	8,987,600.07	8,939,887.19	8,302,857.98

The Preliminary 2021 Budget at fund level is as follows. Please understand that the proposed expenditures will always be higher than the actual expenditures at the end of the budget year, and a majority of them are funds distributed by state funded grants.

Account	Proposed Revenue	Proposed Expenses	Difference
Current Expense	\$459,223.47	\$497,044.86	\$37,821.39
Office Equip. Reserve	\$150.00	\$6,500.00	\$6,350.00
Fire Department	\$5,250.00	\$35,500.00	\$30,250.00
Coulee Playland	\$7,600.00	\$9,500.00	\$1,900.00
Municipal Park	\$750.00	\$5,000.00	\$4,250.00
City Street	\$47,450.00	\$180,300.00	\$132,850.00
Street Equip Reserve	\$54,856.43	\$10,000.00	-\$44,856.43
Transportation Benefit	\$17,000.00	\$25,000.00	\$8,000.00
Hotel-Motel	\$82,000.00	\$104,000.00	\$22,000.00
FEMA Street Repairs	\$0.00	\$14,606.43	\$14,606.43
TIB Grand & Western	\$20,000.00	\$58,240.21	\$38,240.21
WSDOT Ped/Bike Grant	\$672,400.00	\$707,790.00	\$35,390.00
TIB Coulee Blvd.	\$3,425.39	\$0.00	-\$3,425.39
Munic. Improvement	\$30,500.00	\$0.00	-\$30,500.00
TIB Complete Streets	\$0.00	\$295,735.33	\$295,735.33
Water/Sewer	\$728,781.39	\$612,623.39	-\$116,158.00
W & S Capital Facilities	\$950.00	\$13,051.39	\$12,101.39
Transfer Station	\$558,570.00	\$682,715.00	\$124,145.00
Delano Equip Reserve	\$20,000.00	\$0.00	-\$20,000.00
Delano Post Closure	\$20,500.00	\$50,000.00	\$29,500.00
Garbage	\$320,500.00	\$342,500.00	\$22,000.00
Severance Trust	\$10,100.00	\$0.00	-\$10,100.00
Leaseholder	\$963.00	\$963.00	\$0.00
Excess/(Deficit):	\$3,060,969.68	\$3,651,069.61	\$590,099.93

The city typically maintains about \$600,000 - \$700,000 in the city's checking account to maintain a healthy cash flow. The City also has \$2,071,705.83 in the State's Local Governmental Investment Pool and \$1,500,000 in US issued bonds.

In 2012 the City became the Administrative city for the Regional Board of Mayors. The funds that are controlled by the Board are the Transfer Station and the Delano Post Closure Funds. We keep a cash flow of approximately \$200,000.00 in the checking account and there is currently about \$968,556.46 in the State's Local Governmental Investment Pool.

The following are some items that are affecting the 2021 Budget year.

- In the Current Expense Fund we have renewed our Police Contract with the City of Grand Coulee through the year 2022 for a cost of \$147,400 annually.
- The City Street Fund is the fund that is in the most danger. The fund's only revenue source is the Motor Vehicle Fuel Tax and the Motor Vehicle Excise Tax. With grants received in 2020 the sidewalk, curbing, gutter and stormwater projects begun in 2020 will be completed. Chip sealing continues to be an issue and we will apply once again to TIB in hopes of receiving state or county funding.
- The Transportation Benefit District (TBD) Fund would normally accommodate for any grant matches for street projects and supply much needed dollars for street repairs. The city received approximately \$17,000 per year from the \$20.00 car tab fee. In 2021 monies from this fund will be funneled into the Street Equipment Reserve fund to acquire a new Public Works utility truck.
- The current city council has voted down the proposed RCO Ice Age Park and money set aside for that park has been returned to the Hotel Motel Fund and awaits new design ideas for a city park.
- The WSDOT Pedestrian/Bicycle Pathway Grant Fund will be used for design construction of a pedestrian bicycle pathway from Coulee Playland to North Dam Park in 2021 with project completion in 2022.
- The TIB Coulee Blvd Grant Fund will complete the sidewalks from Taylor St. to Stevens Ave on Coulee Blvd. in 2021.
- The TIB Complete Streets Award Fund will complete sidewalks from Stevens Ave. to Electric Blvd. on Coulee Blvd. In 2021.
- In the Water/Sewer Fund we are proposing to replace the sewer lift station on Grand Ave. Portions of the project would be funded from the Current Expense Fund and the city's Capital Improvement Fund. The cost of the station is expected to be approximately \$420,000.00.
- In the Transfer Station Fund the Regional Board of Mayors has continued setting aside funds into an equipment reserve fund for future equipment replacement. \$10,000 was set aside for 2021.

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

Our mission here at City Hall is to continue to address infrastructure needs of our city with emphasis on repairing and updating our roads and sewer system and providing public spaces for our citizens to enjoy. We pride ourselves on open and transparent communication and look forward to interacting with our citizens.

Respectfully Yours,
Diane Kohout