



YELM
WASHINGTON

2021-2022

PROPOSED

BIENNIAL BUDGET

MAYOR JW FOSTER

CITY OF YELM, WA



TEAM YELM

MAYOR



JW Foster

JUDGE



Tom Meyer

EXECUTIVE DEPARTMENT

Michael Grayum, City Administrator
Lori Lucas, City Clerk & Human Resources Manager
Kathy Linnemeyer, Executive Assistant & Customer Service Manager

FINANCE DEPARTMENT

Heidi MacDonald, Director

MUNICIPAL COURT

Sonia Ramirez, Court Administrator

COMMUNITY DEVELOPMENT DEPARTMENT

Grant Beck, Director

POLICE DEPARTMENT

Todd Stancil, Chief
Rob Carlson, Assistant Chief

PUBLIC WORKS DEPARTMENT

Cody Colt, Director
Pat Hughes, Project Manager
Bill VanBuskirk, Utility Manager

CITY COUNCIL



James Blair



Molly Carmody



EJ Curry



Tad Stillwell



Tracey Wood



Joe DePinto



Terry Kaminski

GFOA NATIONAL BUDGET AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

CITY OF YELM, WASHINGTON

Washington

2019/2020 BIENNIAL BUDGET.

A handwritten signature in cursive script, reading "Jeffrey R. Egan".

Executive Director

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BUDGET MESSAGE, MAYOR JW FOSTER

Dear Friends,

As we work to adopt another forward-looking budget to guide our work for the next two years, I want to extend my sincere appreciation for the support I have received from the community, the Council, and our City Staff. One of the most important responsibilities I have as Mayor is to develop and propose a budget for the City Council to review and approve, which then becomes the official budget for our City. Working together, I feel we have put forth a good road map to our future.



This proposed budget also adheres to our financial policies which require us to live within our means by making sure revenues support our proposed expenditures. We have made monumental improvements to the way we budget; creating a long-term revenue forecast to proactively balance revenue and expenditures on a 5-year horizon, establishing sound financial policies and dedicated reserve accounts for rainy days, and refinancing debt to achieve substantial savings. As a result, these actions have earned the City of Yelm two consecutive Distinguished Budget Awards in recognition of our adherence to national financial management standards.

We are fortunate to present a budget that does not reflect the significant service and staffing reductions happening in many other neighboring cities. We are also fortunate to have a balanced budget proposal that maintains the services our residents and businesses depend on. This budget honors our current union agreements, without a reduction in work force. It also maintains the competitive wage structure, significant health care and other benefits we provide to recruit, hire and retain our exceptional workforce.

Responsible budgeting has enabled us to add seven positions over the last few years, including three additional police officers and other essential staff to improve service delivery. We now have the right people in place to ensure the City of Yelm continues to operate in a sustainable, productive, and economical manner for years to come.

In addition to maintaining current staffing levels, this budget proposes to hire an additional Police Officer to maintain service levels in anticipation of an upcoming retirement. It also continues to support the social and mental health services our Police Officers currently utilize to assist those who need it most. This is a growing need in every community and as resources become available, we are committed to exploring opportunities to enhance our existing partnerships with regional partners who provide those services in concert with our field officers.

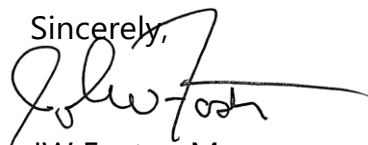
This budget also invests one-time resources in our ongoing efforts to secure and manage water rights, which will remove the biggest roadblock to future residential and businesses development. It also invests in the creation of a Habitat Conservation Plan, mandated by the U.S. Department of Fish and Wildlife, to mitigate impacts from commercial development on ecologically sensitive land within the city limits. This coordinated approach will allow private landholders to more quickly and responsibly develop their properties in order to bring more services to Yelm. My budget also proposes to invest capital funding in critical infrastructure improvements, as well as the creation of an off-leash dog park and other community priorities identified in the Capital Improvement Plan and Downtown Business Development Plan.

This budget reflects a significant reduction in water utility charges. Our Public Works Director and billing team were able to demonstrate how rates could be adjusted without negative effect on the fund balance, providing some relief to our water customers.

This proposed budget sets the stage for a sustainable, thriving economy in the future. By living within our means and investing in the highest priorities, we will successfully navigate the challenges of 2020 and continue advancing our vision to keep Yelm a safe, healthy, happy home for all.

Read on to see how all our team members bring this budget to life!

Sincerely,


JW Foster, Mayor



2019/2020 KEY ACCOMPLISHMENTS

SAFE NEIGHBORHOODS AND ROUTES TO SCHOOLS

- Completed the 5 year Comprehensive Emergency Management Plan.
- Constructed sidewalk along Mill Road serving Mill Pond Elementary.
- Reconstructed 103rd Street, including the construction of sidewalks and bike lanes serving Fort Stevens Elementary.
- Created the position of Assistant Chief to improve efficiencies, add accountability, and develop a succession plan for continued success.
- Created the position of Community Resource/Crime Prevention Officer to improve and expand community policing efforts.
- Added additional public defense resources to reduce case load impacts and improve customer service.
- Established and successfully completed the first Citizen's Police Academy.
- Installed technology to allow virtual court with the Nisqually Jail.
- Established an emergency traffic management plan.
- Updated police policies and protocols.
- Installed metal detectors in Municipal Court.



SUSTAINABLE, COST EFFECTIVE PUBLIC INFRASTRUCTURE

- Improved asset management through new technology.
- Completed essential improvements to the Water Reclamation Facility.
- Maintained public rights of way in historic areas.
- Repaired sidewalks and replaced damaged street trees.
- Worked with WSDOT to continue design and construction of the Yelm Loop.
- Developed and submitted a pilot water rights mitigation plan.
- Completed and opened the splash pad and new playground at City Park.
- Purchased and transitioned to a new City Hall building.
- Added hybrid vehicles to city fleet, improving sustainability of environmental resources and reducing operational costs.

STRONG, DIVERSE ECONOMY

- Partnered with Yelm Community Schools to create a Youth Council.
- Opened the Yelm Community Center for use by South Puget Sound Community College for extension classes.
- Established Yelm University and conducted a successful first quarter class.
- Instituted Financial Education Classes.
- Finalized the Yelm Economic Development Strategy.
- Completed the Downtown Corridor Study.
- Partnered with the Boys & Girls Club of Thurston County to open a location in Yelm at the old City Hall.



VIBRANT PUBLIC PLACES WITH AN ENDURING CONNECTION TO OUR HISTORY

- Updated policies in the Comprehensive Plan and Unified Development Code.
- Implemented new financial management and utility billing software.
- Worked with a private organization, community partners, and our legislative delegation to restore Yelm's historic water tower.

BEST RUN GOVERNMENT

- Deployed a new and improved website to enhance citizen's access to information and services.
- Created the front desk customer service team, a one stop shop for all essential services.
- Extended the ability to pay for city services by credit card, debit card, or EFT.
- Transitioned to virtual public meetings and promoted remote work to maintain continuity of operations and protect public and employee safety during the global COVID-19 pandemic.

CITY OF YELM 2021-2022 “BIG ROCKS”

- Continue upgrading the Water Reclamation Facility to achieve state and federal permit compliance, and provide sewer and waste water management for current and future residents and businesses.
- Sustain State funding and continue working with WSDOT to complete the Yelm Loop and secure additional funding consistent with the long-term regional plan to build roundabouts along the 507 and 510 corridor to relieve backups happening in Pierce County which cause gridlock into our City.
- Prepare a Habitat Conservation Plan to address pocket gophers, which must be protected according to federal regulations and inhibits residential and commercial development.
- Implement the next phase of our community visioning initiative for the Education and Innovation Center on the land recently purchased behind city hall to help train our workforce, support local businesses, and enhance education opportunities in collaboration with South Puget Sound Community College, Chamber, Economic Development Council and Thurston County Regional Library.
- Standardize operations so we are doing routine things routinely and consistently across all city operations. Points of emphasis include, but are not limited to: cross training for all administrative assistants; desk manuals for every position; leadership development; parliamentary procedure (Council); boards and commissions standardization.



- Plan for future growth and federal regulatory requirements by becoming National Pollutant Discharge Elimination System Phase II compliant.

CITY OF YELM ORGANIZATIONAL FRAMEWORK

OUR MISSION

To provide essential public services and infrastructure to keep Yelm a desirable place to live, work, and learn.

OUR VISION

To make the City of Yelm a safe, healthy, happy home for all, with:

- Safe neighborhoods and schools
- Sustainable, cost effective public infrastructure
- Strong, diverse economy
- Vibrant public places with an enduring connection to our history
- Best run government

OUR VALUES

We believe in and strive for collaboration, innovation, and excellence in everything we do. These values guide our individual and collective actions across all city operations.

- **Collaboration** - We cultivate lasting relationships with residents, businesses, co-workers, and community organizations. We listen and understand each other's needs and priorities to ensure public services and resources are appropriately aligned. We take collective responsibility and treat everyone with unconditional, positive respect.
- **Innovation** - We embrace a culture of continuous improvement that institutes best management practices, fosters creativity, maintains and sustains the best workforce, and strives for customer service that is second-to-none.
- **Excellence** – We are proactive and forward thinking, setting the standard for excellence by managing and safeguarding public resources in ways that strengthen our community.

OUR GUIDING BUDGET PRINCIPLES

In developing the 2021-2022 biennial budget, Mayor Foster and the executive leadership team established a set of core budget principles that guide our thinking in developing responsible, aligned, sustainable budgets across the organization. This proposed budget is founded on the following principles:

- Don't spend more than you take in.
- Don't spend one-time money on ongoing expenses.
- Establish and maintain prudent budget reserves.
- Maintain strict controls on hiring and spending.
- Fund the highest priority services first.

We continue to work diligently to control the cost of City government while investing in citizen's top priorities, resulting in an even safer, smarter and more sustainable City of Yelm. The development of the 2021-2022 Biennial Budget was guided by the City's three primary strategic objectives by investing in infrastructure, personnel, equipment and training. These objectives are crucial to creating a brighter future for all of us, now and for generations to come.



2020-2021 MAYOR'S BUDGET DEVELOPMENT GUIDANCE

September 10, 2020

Dear Council,

It's budget season and I'm reaching out to you all as we work to prepare the City's second biennial budget. In addition to the work and collaboration we have put in with the Finance Committee, I want to take this opportunity to request your priorities for the budget.

I've provided our Department Heads with budget guidance, which includes adhering to the core budget principals that continue to guide our thinking to develop responsible, aligned, sustainable budgets across the organization. To that end we will: not spend more than we take in, maintain prudent budget reserves, maintain strict controls on hiring and spending, fund the highest priority services first, and budget sustainably by not spending one-time money on ongoing expenses.

To do this, the biennial budget proposal will focus on the following strategic objectives, which are grounded in our mission and vision to provide essential municipal services, create quality infrastructure, and manage public resources with transparency, accountability, and sustainability.

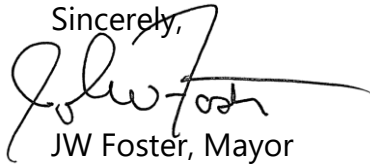
- Safe neighborhoods and routes to schools
- Sustainable, cost effective public infrastructure
- Strong, diverse economy
- Vibrant public places with an enduring connection to our history
- Best run government

Adaptive management will be an ongoing theme as we navigate the nuances and impacts of the COVID-19 pandemic and continue to chart the course together toward a prosperous and sustainable future. Despite the uncertainties all around us, we are developing revenue projections for the biennium and will review them with the Finance Committee and with all of you as well at an upcoming Council meeting.

As we develop this budget amidst many unknowns and variables, we will continue to be conservative in our forecasting and prudent in our investments. Further, we have some critical investments to make, such as match funding for the Habitat Conservation Plan and the Yelm Prairie Line Trail which have strong nexus to our future economic and community development. We are also working on negotiating two union contracts and will likely have to negotiate longer term contracts with all three unions in the middle of the biennium.

As you consider these specific budget priorities, as well as themes not included above, please use the budget request template form attached to this email to convey your budget requests and priorities for the biennium. Please send your completed requests back to me, Michael Grayum and Heidi MacDonald by Wednesday, September 23, 2020 in order to give us the time to review, clarify and incorporate into the budget as feasible. As always, in addition to emailing your priorities, my door is always open and I would be glad to meet with you any time. I look forward to working with you through this process, and am excited to hear your ideas and solutions to the challenges facing our community.

Sincerely,


JW Foster, Mayor



BUDGET DOCUMENT OVERVIEW

POLICY DOCUMENT

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

OPERATIONAL GUIDE

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

LINK WITH THE GENERAL PUBLIC

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

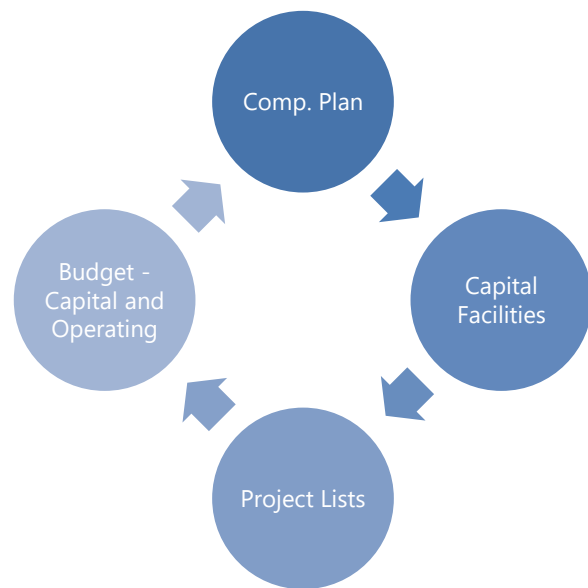
LEGALLY REQUIRED FINANCIAL PLANNING TOOL

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

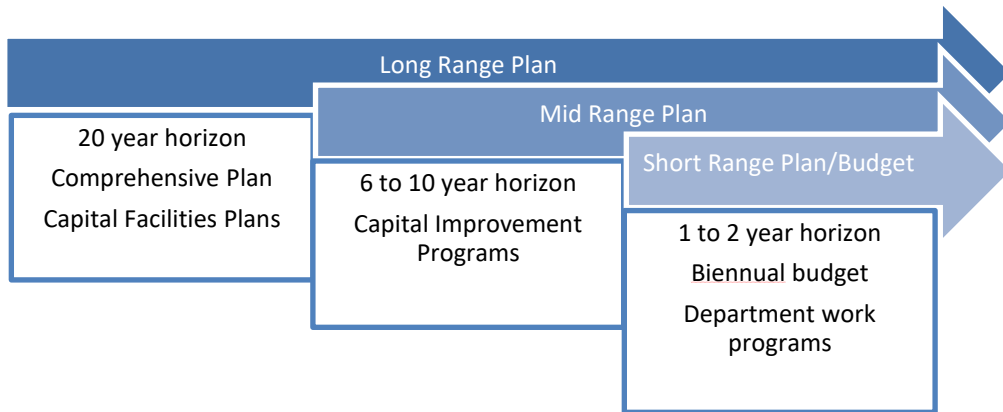
BUDGET PROCESS

The City of Yelm operates on a biennial basis. It utilizes an incremental budgeting approach that assumes, for most functions of government, that the current biennium budget is indicative of the base required for the following biennium. Any increases are incremental and are based on need, emerging issues, Council goals, and available resources.

The budget process ideally begins in late spring with departments preparing requests for new staff, programs, or significant increases to their current biennial budget that will address emerging issues and other operational needs. The Finance Director and City Administrator conduct an analysis of the departmental base budgets and the revenue outlook for the coming year to determine the availability of funds for any new initiatives. During the summer, the departments also prepare their base budgets. These budget requests are submitted to the Finance Director for review and by late summer, the Mayor reviews each department's budget requests and develops a preliminary budget recommendation.

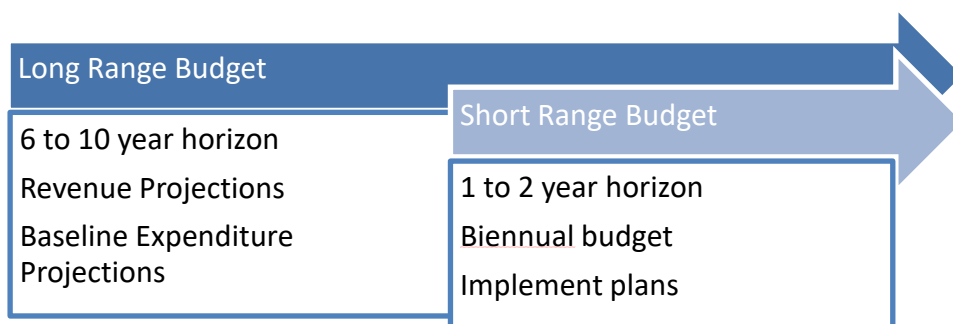


As mandated by RCW 35A.33.135, the first requirement is that the Mayor submit estimated revenues and expenditures to the City Council on or before the first Monday in October. The Mayor's proposed budget is presented to the City Council in early October. Public hearings are held to obtain taxpayer's comments, and Council budget workshops are held throughout October. The Council makes its adjustments to the Mayor's proposed budget and adopts by ordinance a final balanced budget prior to the last Council meeting in December.



After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the finance team and department directors to ensure that funds are within the approved budget. Finance provides financial updates to the City Council to keep them current with the City's financial condition. Any budget amendments made during the year are adopted by City Council ordinance. These amendments allow for necessary adjustments to the budget that could not have been planned for during the normal budgeting process. Typical amendments include administrative adjustments, carry forward appropriations resulting from projects that were not completed at year end, and new grant revenues awarded after the budget adoption.

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



BUDGET SCHEDULE

JANUARY THROUGH JUNE

City Council Strategic Planning Retreat

City Council Routine 2019-2020 Budget Review and Adjustment March 10

JULY

Finance Department Issues Official Budget Call July 21

Finance Department Prepares Salary & Benefit Projections, Revenue Estimates, and Develops the Base Budget July 21 - August 25

City Council Routine 2019-2020 Budget Review and Adjustment July 28

AUGUST

Estimates for the Base Budget Due to Finance Department August 4

Capital Facility Plan Updates August 11

Internal Needs Assessment and Priorities Review August 11 – 25

Mayor meets with department managers to communicate and establish budget priorities. Departments Prepare Capital and Additional Funding Requests August 11 – 25

Finance Committee reviews Budget Timeline, Financial Policies, and Revenue Assumptions for Long-Term Forecast August 13

SEPTEMBER

Finance Department Prepares Preliminary Budget and Works with Management Team to Develop the Mayor's Proposed Budget September 1 – 22

Requests (New Asks / Programs) Due to City Administrator September 1

Council Review Budget Calendar and Budget Development Process September 1

Finance Committee Reviews Revenue Forecast, Union Negotiations Update.

Mayor, City Administrator, and Finance Director Briefs Committee on Status of Preliminary Budget Development, Shares Internal Budget Priorities, and Solicits Committee Feedback September 10

OCTOBER

Mayor Foster's Budget Presentation on Preliminary Budget, Budget Overview and Revenue Projections, and Long-Term Financial Projections presented to City Council October 13

Finance Committee reviews revenue assumptions (Ad Valorem), is briefed on Union Negotiations, and Reviews Mayor's Preliminary Budget October 15

Council holds Public Hearing on Revenue. Police Department and Municipal Court Presentations October 27

NOVEMBER

Public Works Presentation, Including Operations, Water, Stormwater, Streets and Facilities. Infrastructure Projects Presentation. Customer Service and Administrative Department Presentation November 3

City Council holds Public Hearing on Ad Valorem taxes and Preliminary Budget, 2021-2022 Budget Ordinance. Community Development Department, Finance Department, Technology presentations. November 10

City Council reviews routine 2019-2020 Budget Review and Adjustment, continued Public Hearing on Preliminary Budget, 2021-2022 Budget Ordinance. November 24

Adopt Final 2021-2022 Budget

DECEMBER

Adopt Final 2021-2022 Budget (if needed) December 8

MAJOR BUDGET ASSUMPTIONS

BUDGET TRENDS

The community has significantly grown in recent years and that growth is assumed to continue increasing in line with projections of the City of Yelm Comprehensive Plan. This growth has increased the need for City services, including water and sewer, public safety, planning, and economic development. These service demands require administrative and financial support. Growth also brings new revenues which have allowed the budget to trend upward in recent years while maintaining balance between revenues and expenses.

The City of Yelm is projected to continue to grow in population during the upcoming biennium, but is also facing an uncertain future after an eventful 2020 in which the City, State, Country, and World dealt and continues to deal with a global pandemic. Accordingly, the proposed budget does not include any new on-going General Fund expenses except for cost of living adjustments for union employees, but does expend one time revenues on projects.

This planning is based on several assumptions.

REVENUES

City revenues were very stable during the economic shutdown of 2020, which can be directly attributed to the demographics of our citizens and businesses. Our population fared better than many communities as a large percentage of our residents are employed in areas where remote and ongoing work was possible or in essential positions (State and School employees, Joint Base Lewis-McChord).

- 1% increase in property tax collected, along with new construction.
- Modest growth in sales tax.
- 120 new housing starts during the biennium.

EXPENDITURES

- Maintain levels of service while adding no new regular staff positions in the General Fund.
- Assumes negotiated and estimated cost of living increases for 2021 only.
- Reflects a 4% increase each year in the cost of employee medical benefits
- Reflects an 8% increase each year in property and liability insurance

GOVERNMENTAL FUND TYPES

Governmental funds account for activities associated with local government operations.

GOVERNMENTAL FUNDS

GENERAL FUND

This fund is the primary fund of the City of Yelm. It accounts for all financial resources except those required or elected to be accounted for in another fund. It is used to meet the basic services that your local government provides.

Major revenue sources include taxes, fees, licenses and permits, and intergovernmental revenues (Federal, State and County).

SPECIAL REVENUE FUNDS

These funds account for revenues that are legally restricted or designated to finance particular activities. The Street Fund is a Special Revenue Fund. Gas taxes are collected into the Street Fund and must be used for the maintenance of our arterial streets, sidewalks, and trails. Other Special Revenue funds include the Tourism Promotion Fund and the Yelm Police Department School Resource Fund.

DEBT SERVICE FUNDS

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt. The Long Term General Obligation Fund, Killion Road Local Improvement District (LID) Fund and Yelm's Water/Sewer Revenue Bonds and Loans are Debt Service Funds.

CAPITAL PROJECT FUNDS

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects. A portion of the revenues received into this fund (such as Real Estate Excise Taxes or REET) are restricted by law to be used for capital improvements. Major street/sidewalk projects are tracked through the Capital Projects fund.

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for services to the general public where all or most of the costs are to be financed or recovered from users of such services. There are two generic fund types in this category:

ENTERPRISE FUNDS

These funds account for operations that provide goods or services to the general public and are supported primarily by user charges. The Water Utility Fund and the Stormwater Fund are Enterprise funds. These Utility Funds cover the City's water utility, as well as the maintenance and costs of the City's stormwater system.

INTERNAL SERVICE FUND

This fund accounts for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis. The Equipment Rental & Replacement (ER&R) Fund is an internal service fund. The ER&R Fund collects user fees from those departments with vehicles and major equipment. These fees are used to replace the vehicles or equipment based on a predetermined schedule. With the exception of the General Fund, money within each fund cannot be used in other funds. Many of the revenues received in each fund are restricted in use by law and/or by legislative action.



BASIS OF ACCOUNTING/BUDGETING

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City of Yelm uses a cash basis of accounting. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

BUDGETS AND BUDGETARY ACCOUNTING

The budget authorizes and provides for control of financial operations. Upon adoption, the expenditure levels in the comprehensive budget are enacted into law through the budget ordinance.

Budget level refers to the level of detail as well as the level of legal authority that is authorized for expenditure during the budget period. Budget levels may vary depending upon local policy, management practices, and the needs of your entity. These budget levels of appropriation typically come in two different levels: the fund level budget and the department level budget.

Fund Level – This refers to an appropriation level at the broadest level of authority. A fund level budget allows for the greatest amount of flexibility and therefore requires monitoring throughout the budget cycle to ensure that actual expenditures fall within the various program or department projections established during the budget process. Yelm uses fund level appropriations for special revenue, capital project, and Enterprise funds.



Department Level appropriations limit expenditures to department activities. During the budget development process, the department heads prepare budget proposals that fall within the General fund for example. These departments are appropriated at this level as a tool for managing the budget. Departments that are appropriated at the department level are:

- Legislative
- Municipal Court
- Executive
- Finance
- Police
- Community Development
- Public Works - Parks
- Public Works – Streets

The City of Yelm also adopts an annual appropriated budget for 26 funds at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the end of the biennium. Appropriated budgets are adopted on the same basis of accounting as used for financial reporting. When council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund or department, it may do so by ordinance approved by a simple majority.

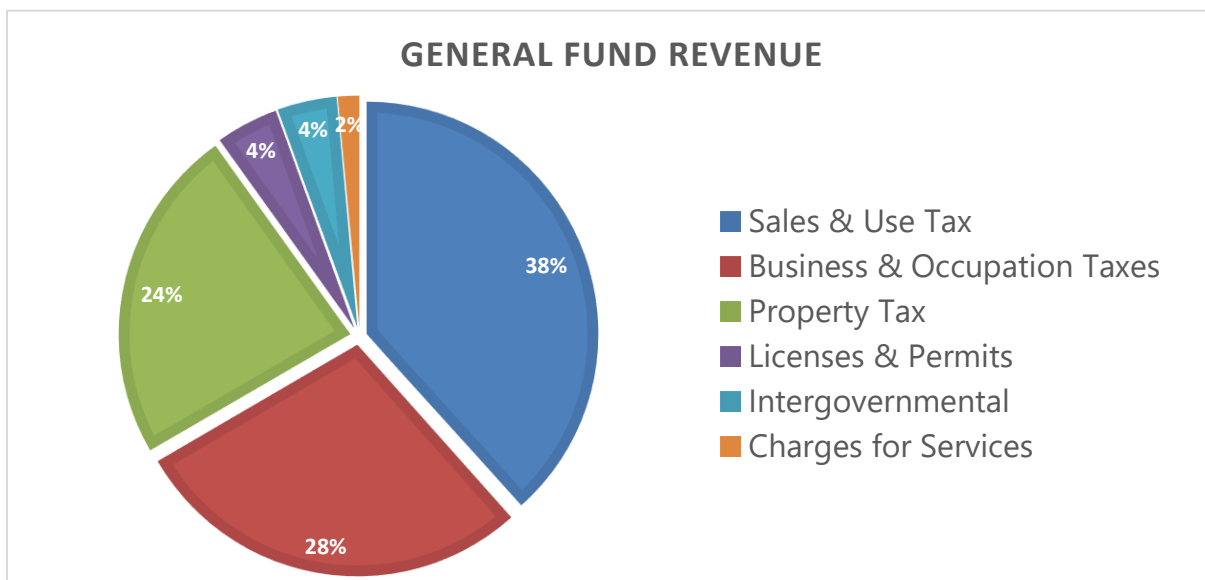
Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Yelm's legislative body. These values EXCLUDE estimated ending cash, there are for actual expenditures, capital uses/debt payments and transfers only.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund has a specific role and responsibility. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. Revenues and expenditures within each fund are closely monitored to ensure accuracy, accountability, and efficiency. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose.

CITY REVENUE SUMMARY

Revenue comes from taxes, fees and charges, and intergovernmental revenues. The services provided include public safety, street maintenance, development services, parks and recreation and human services. The non-operating part of the budget accounts for principal and interest payments on outstanding debt, capital improvements, and reserves. Revenues in 2021-2022 will continue to be reviewed throughout the year and will be adjusted accordingly.



Each of the funds detailed within the 2021-2022 Biennial Budget have a specific purpose and responsibility. The funds act much like the separate checking accounts maintained by family members. Each fund accounts for all revenues and all expenditures/expense transactions that occur throughout the year. This allows the City to accurately record revenues and authorize and monitor expenditures as to source and purpose for greater accountability and improved efficiency.

Most traditional local government functions, including police, parks and recreation, finance, administration, planning, engineering, legal, building inspection, and legislative services, are budgeted within the General Fund. Following is a listing of many of the funding sources for the City. This list is not meant to be all-inclusive, but is meant to assist in understanding how and where much of the money comes from in the support of general services of the City.

TAXES

PROPERTY TAX

Property taxes are the largest source of revenue in the General Fund. All real and personal property (except where exempt by law) is assessed by the Thurston County Assessor at 100 percent of the property's fair market value. Assessed values are adjusted each year based on market value changes. The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities, including Yelm.

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small.

For every \$100 dollars paid in property taxes, the City of Yelm receives \$15.28. Property taxes are the primary source of revenue for education in Washington State, and here \$51 of every \$100 in property taxes goes to schools, \$27.48 of which directly to Yelm Community Schools to fund operations and maintenance and building new schools, as approved by the voters.

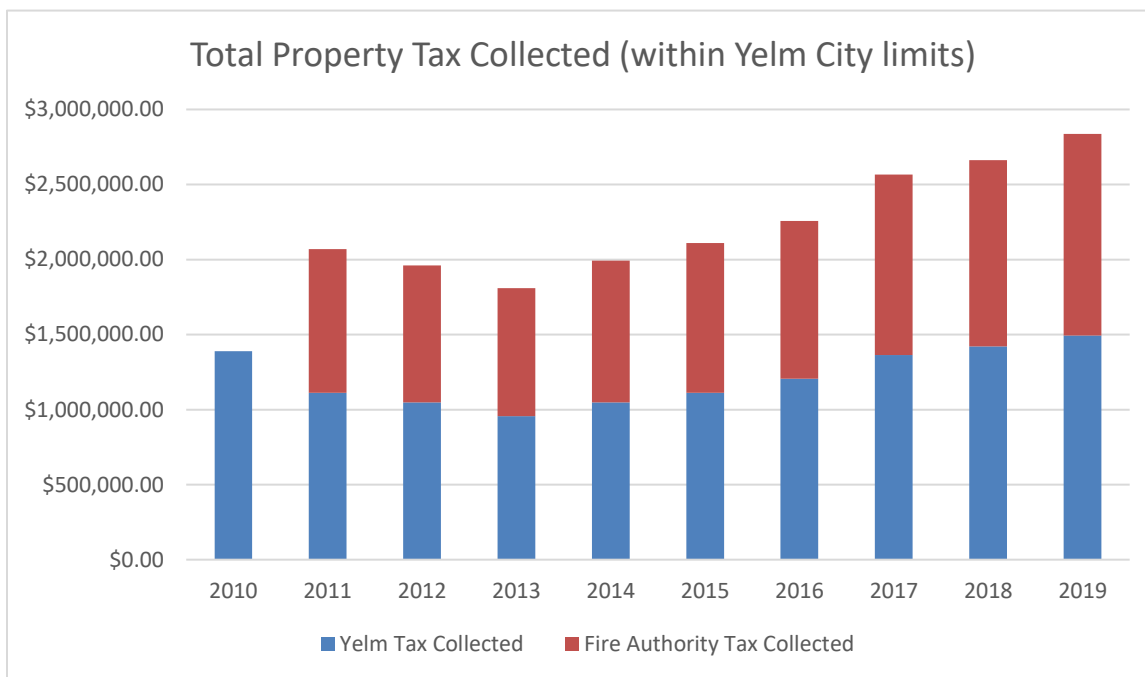
\$13.73 goes to the SE Thurston Fire Authority for fire protection services, and \$11.26 goes to Thurston County for general government services. Remaining property taxes go to Timberland Library District, the Port of Olympia, the Yelm Cemetery District, and the Thurston Public Utility District.



Total property taxes collected can only go up 1% a year, although tax revenue generated by new construction does not count against the cap. The new construction levy does not increase the overall tax rate paid by property owners.

The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth in the City's overall assessed valuation, and levy increases by other taxing districts.

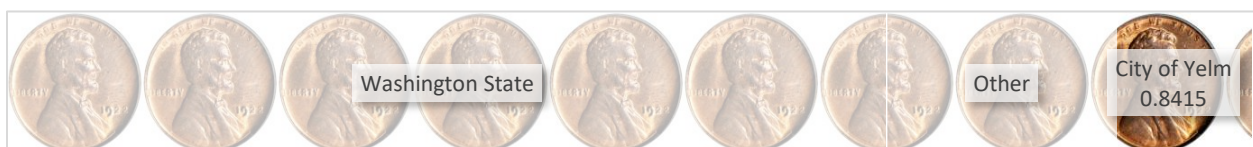
Voters approved the creation of a Regional Fire Authority in 2011 that replaced the regular levies for Fire Districts #2 and #4. Residences in the City of Yelm now pay directly to the RFA. These funds must be used for fire protection purposes, and are not part of the City Budget.



RETAIL SALES AND USE TAX

Sales tax is levied on the sale of consumer goods (except most food products and services) and construction. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City.

The combined sales tax rate for Yelm, WA is 9.2%. This is the total of state, county and city sales tax rates. The Washington state sales tax rate is currently 6.5% and Thurston County receives 0.15%. The City's effective rate is 0.8415%.



UTILITY TAXES

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of the City. This applies to electric, natural gas, water, sewer, surface water, solid waste, and telephone. Legislation passed in 1982 limits the tax rate on electric, gas, steam, and telephone utilities to six percent. While there are no restrictions on the rates for water, sewer, surface water, and solid waste utilities, the City intends to keep rates as low as possible while keeping up with population growth and infrastructure needs.

REAL ESTATE EXCISE TAX (REET)

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily to implement the capital facilities and maintenance plan elements of the City's Comprehensive Plan. The second 0.25 percent, which is optional, must also be used solely on capital projects. Capital projects are defined as those public works projects of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and parks. The acquisition of land for parks is not a permitted use of the second quarter percent funds.

BUSINESS & OCCUPATION (B&O) TAX

The City of Yelm currently has a Business & Occupation (B&O) Tax ordinance which requires all businesses conducting business within the City limits to pay a business and occupation tax. This tax applies to the gross revenues of most businesses with a rate of one-tenth of one percent.

HOTEL/MOTEL TAX

Hotel/Motel tax is levied upon charges made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and other transient accommodations in the City. Most cities may impose a "basic" two percent tax under RCW 67.28.180 on all charges for furnishing lodging at hotels, motels, and similar establishments (including bed & breakfasts and RV parks) for a continuous period of less than one month. The tax is taken as a credit against the state sales tax, so that

what a patron pays in retail sales tax and the hotel/motel tax combined is equal to the retail sales tax in the jurisdiction. It is collected and administered by the Washington State Department of Revenue. State law requires that these taxes be credited to a special revenue fund with limitations on use, principally to generate tourism/convention activities that bring new visitors to our area, as prescribed by RCW 67.28.310. The City of Yelm has created the Tourism Promotion Fund for this purpose. Cities with over 5,000 population are required to have a "Lodging Tax Advisory Committee" of at least five members appointed by the City Council. The City of Yelm created this committee in 2006.

LICENSES & PERMITS

BUILDING PERMITS

This category consists primarily of revenue collected by the Community Development Department. Included in this category are building permits, plumbing permits, and mechanical permits. Fees imposed for permits are typically subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

PLANNING PERMITS

Approvals for the use of property, including subdivisions, special use permits, and site plan reviews comprise this category of revenue and also includes civil plan review charges. Fees are typically set to reflect the relative cost to process the application, with permits that require a public hearing having higher fees due to the cost of the Hearing Examiner and public notices.

BUSINESS LICENSES

This category includes the issuance of business licenses. The fee structure for business licenses is typically an annual fee or one-time charge depending on the particular type of license. The City of Yelm also requires businesses with no physical presence in Yelm that are doing business in the City (e.g. contractors) to obtain a business license.

FRANCHISE FEES

Franchise fees are charges levied on private utilities for the right to use city streets, alleys and other public properties. Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues,

regardless of the cost of managing the franchise process. The Federal Communication Commission ruled in 2002 that cable companies do not have to pay franchise fees on cable modem services.

INTERGOVERNMENTAL REVENUES - STATE SHARED

The State of Washington shares revenues from several sources with counties, cities, and towns across the state. These revenues come from a variety of sources and are often distributed on a per capita basis, although some shared revenues are distributed according to other criteria. State shared revenues are collected by the State of Washington and shared with local governments based on population. State shared revenues are distributed on either a monthly or quarterly basis, although not all quarterly revenues are distributed in the same month of the quarter.

The population figure used in the 2021-2022 biennial Budget is 9,400 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of state shared revenues on a per capita basis.

State shared revenues also used to include motor vehicle excise tax and local vehicle license fees.

LIQUOR RECEIPTS PROFITS AND TAXES

Liquor revenue is received by the cities from two sources - liquor excise taxes and liquor profits.

The Liquor Control Board (LCB) collects revenue in the form of license fees from retailers and distributors. These "liquor profits" are distributed to cities and counties on a quarterly basis.

CRIMINAL JUSTICE REVENUES

The Washington State Legislature approved the Criminal Justice Funding Act July 1990 with the principal focus being to provide funding for county and city criminal justice systems, including police protection, mitigation of congested court systems, and relief of over-crowded jails. The City of Yelm currently qualifies in two of the five possible funding areas for cities: Special Programs and Population.

MOTOR VEHICLE FUEL TAX (GAS TAX)

In Washington State, cities receive a portion of the state-collected gasoline tax. The State collects \$0.494 for every gallon of gas sold, a portion of which is forwarded to the City, based on population.

MULTI-MODAL DISTRIBUTION

The state provides a set amount of revenue deposited into the Multimodal Transportation Account to counties, cities and towns. One-half of the funds are to be distributed to cities as provided under RCW 46.68.110(4). This money is used solely for transportation purposes.

MARIJUANA EXCISE TAX

The Legislature amended the state's marijuana regulatory and taxation system in 2013, providing for revenue sharing with cities and counties. 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. The City will also receive revenue from Business and Occupations licensing and planning and Development Fees from marijuana retailers.

Note that this represents only the state shared excise tax and does not include anticipated sales tax revenue to the City.

CHARGES FOR SERVICES

WATER UTILITY RATES

Water revenues fund costs associated with the operations of the water system, repairs and maintenance to the system, and fund needed capital improvements to the utility for growth and overall system operations. Revenues are garnered through rate charges to customers, system development charges to new customers, interest earnings on investments, and other connection charges.

WASTEWATER UTILITY RATES

Wastewater revenues fund costs associated with the operations of the wastewater system, repairs and maintenance to the system, and fund needed capital improvements to the utility as needed for growth and overall system operations. Revenues are garnered through rate charges to customers, system development charges to new customers, interest earnings on investments, and other connection charges and fees.

STORMWATER UTILITY RATES

Stormwater rates collected from customers are used to fund operations and maintenance of the stormwater collection system, support capital improvements to the system, assist with education and outreach, and financially support street infrastructure capital improvements that have stormwater elements.

MISCELLANEOUS REVENUE

INVESTMENT INCOME

In the City of Yelm, available cash is invested with the Local Government Investment Pool and Time Value Investments. The amount of interest received will vary with interest rates and the amount of cash available for investment during any particular budget year. Interest income is allocated to City funds according to average cash balance.

RENTALS AND LEASES

Sources of rental and lease income include the rental of City owned facilities for events, and the leasing of City owned land for cell-tower usage. In 2016 the City began renting the new Community Center for community events.

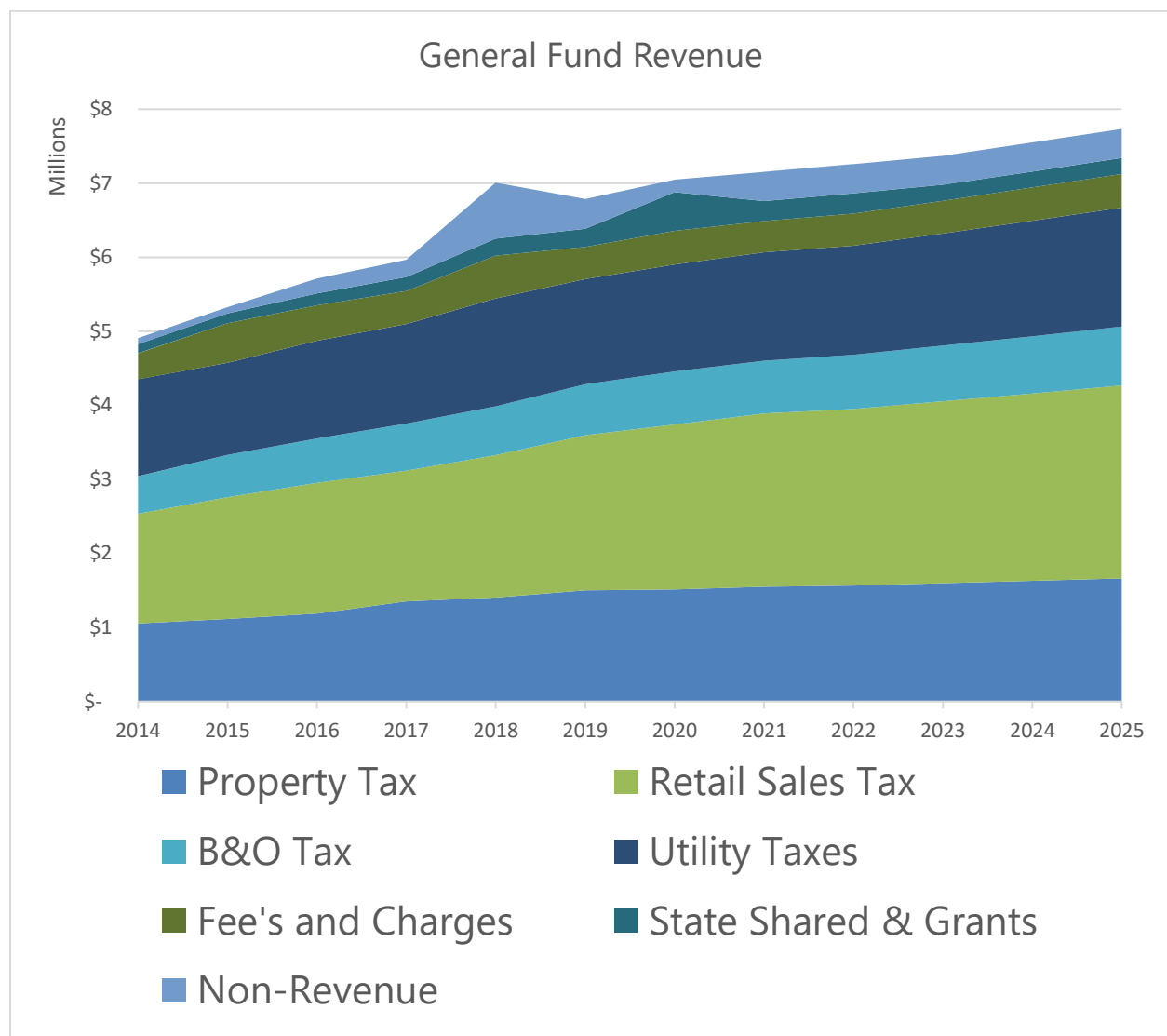
OTHER FINANCING SOURCES

Other financing sources represent those funding sources that are one-time or non-recurring in nature. Examples include general long-term debt such as General Obligation Bonds, Local Improvement District (LID) financing, interfund transfers, insurance proceeds, restitution, and grants.

INTERFUND TRANSFERS

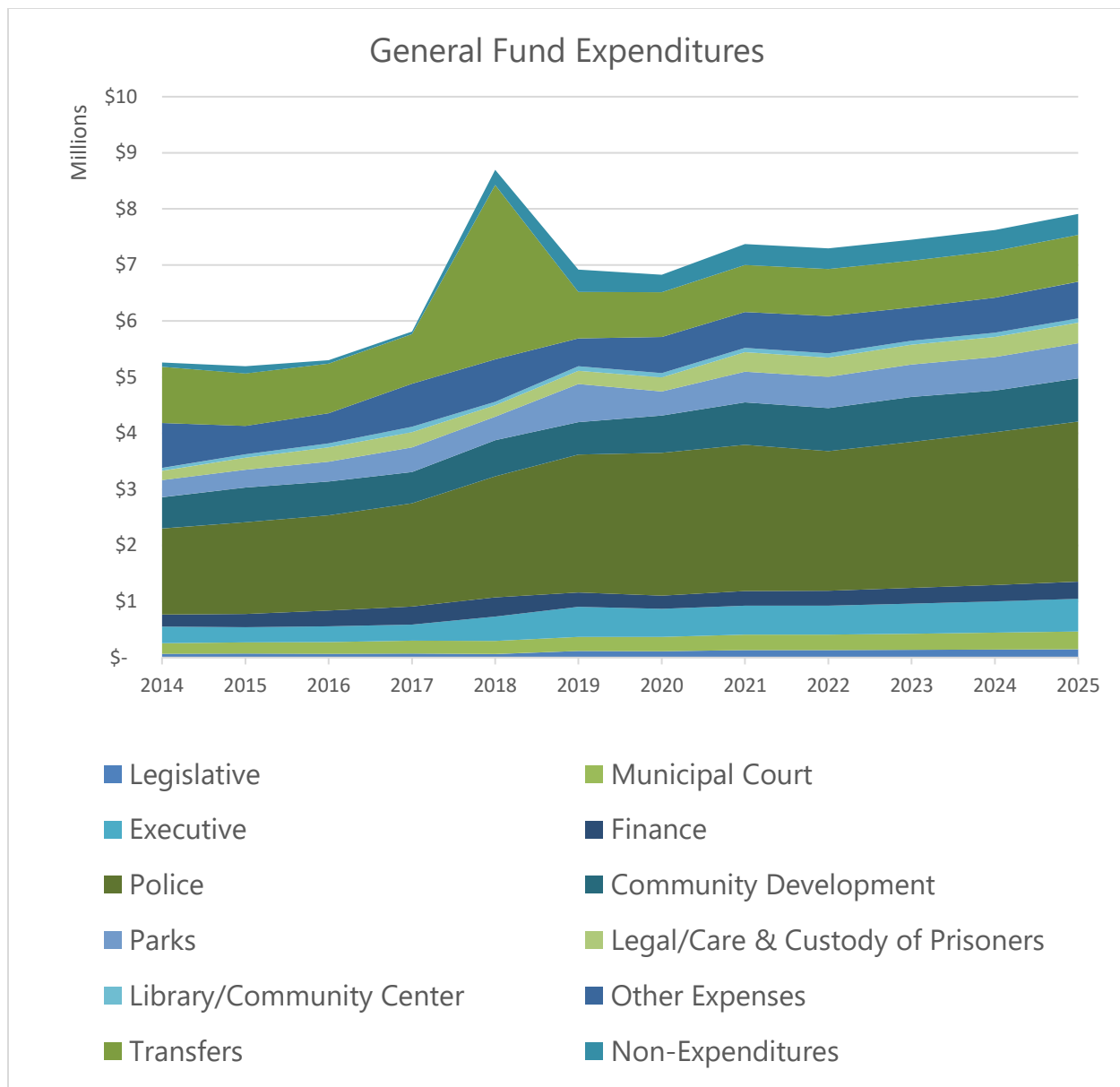
Some funds receive revenues from other funds in the form of an interfund transfer. These transfers may represent payments for service, an operating transfer, or a concentration of revenues for a specific project.

LONG-TERM GENERAL FUND REVENUE FORECAST



The revenue forecast, based on historic trends, assumes

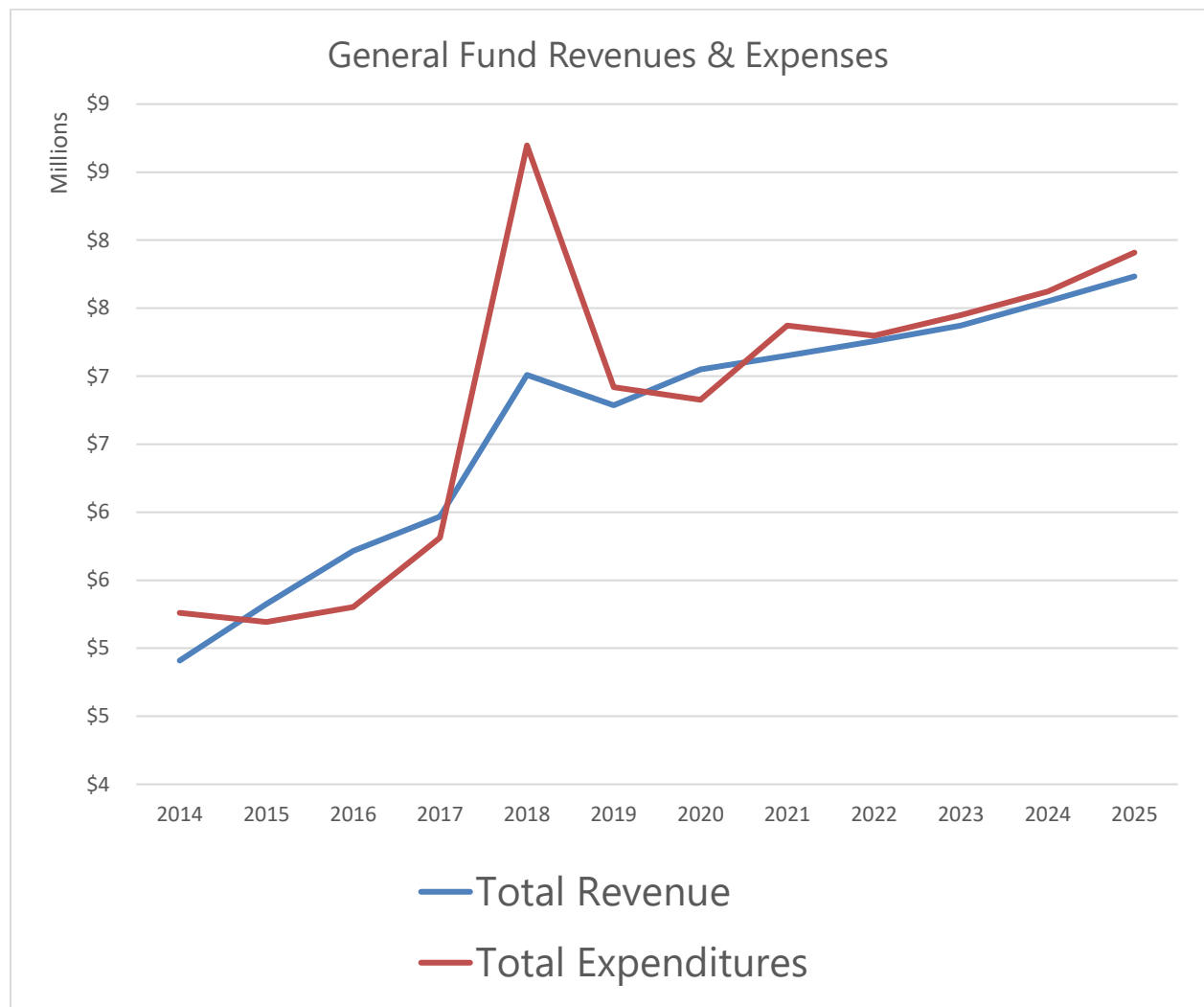
- Property Tax 2%
- Sales & Use Tax 3%
- B&O Tax 3%
- Business Licenses & Permits 2%
- Non-business Licenses & Permits 2%
- State Shared Revenue 2%
- General Government 2%
- Planning Fees 2%



The expenditure forecast, based on historic trends, assumes:

- Salaries & Wages 5%
- Overtime 2%
- FICA 5%
- Retirement 6%
- L&I 9%
- Unemployment 5%
- Medical Benefits 5.5%
- Other Benefits 8%
- Supplies 2%
- Professional & Other Services 2 %
- Internal Services 2%
- Property & Liability 8%
- Utility Services 2%
- Repairs & Maintenance 1.5%

HISTORICAL & PROJECTED REVENUES & EXPENSES



BUDGET SUMMARY

2021/2022 BIENNIAL BUDGET SUMMARY

City of Yelm 2021-2022 Preliminary Biennial Budget

	<i>2021 Projected Beginning Fund Balance</i>	<i>Biennial Revenue</i>	<i>Biennial Expenditures</i>	<i>2022 Projected Ending Fund Balance</i>
General Fund				
City of Yelm General Fund (001)	\$1,365,256	\$14,407,565	\$14,671,475	\$1,101,346
Total for General Fund	\$1,365,256	\$14,407,565	\$14,671,475	\$1,101,346
Utility Enterprise Funds				
Stormwater Enterprise Fund (400)	\$356,466	\$867,799	\$587,310	\$636,955
Water Enterprise Fund (401)	\$6,142,303	\$6,147,099	\$7,317,207	\$4,972,195
Wastewater Enterprise Fund (412)	\$2,566,521	\$6,310,874	\$5,736,145	\$3,141,250
Total for Enterprise Funds	\$9,065,290	\$13,325,772	\$13,640,662	\$8,750,400
Special Purpose Funds				
City Streets Fund (101)	\$174,045	\$964,620	\$1,063,383	\$75,282
Arterial Streets Fund (102)	\$76,787	\$170,625	\$230,000	\$17,412
Tourism Promotion Fund (107)	\$316,216	\$33,616	\$160,000	\$189,832
YPD School Resource Officer Fund (109)	\$88,275	\$107,000	\$107,000	\$88,275
Transportation Facilities Fund (120)	\$13,841	\$183,640	\$16,972	\$180,509
Rail Line Fund (430)	\$452	\$120		\$572
Total for Special Purpose Funds	\$669,616	\$1,459,621	\$1,577,355	\$551,883
ER&R Funds				
IT Services ER&R Fund (501)	\$332,725	\$834,838	\$939,465	\$228,098

	2021 Projected Beginning Fund Balance	Biennial Revenue	Biennial Expenditures	2022 Projected Ending Fund Balance
<i>Capital Equipment ER&R Fund (502)</i>	\$1,202,743	\$557,398	\$316,326	\$1,443,815
Total for ER&R Funds	\$1,535,468	\$1,392,236	\$1,255,791	\$1,671,913

Capital Project Funds

<i>Municipal Capital Building Projects Fund (302)</i>	\$334,023	\$620,987	\$635,000	\$320,010
<i>Streets Capital Building Projects Fund (316)</i>	\$1,180,490	\$2,085,637	\$2,571,000	\$695,127
<i>Water Capital Improvements Fund (404)</i>	\$3,061,271	\$2,317,008	\$5,224,758	\$153,521
<i>Sewer / Reuse Capital Improvements Fund (413)</i>	\$586,271	\$27,514,680	\$28,020,000	\$80,951
<i>Water Construction Fund (431)</i>				
Total for Capital Project Funds	\$5,162,056	\$32,538,312	\$36,450,758	\$1,249,610

Debt Service Funds

<i>LTGO Bond Fund (200)</i>	\$13,351	\$934,468	\$932,968	\$14,851
<i>Killion LID (202)</i>	\$670,920	\$699,619	\$877,857	\$492,682
<i>Sewer Debt Service (203)</i>	\$6,481	\$346,550	\$341,052	\$11,979
<i>Sewer Debt Service Reserve (204)</i>	\$453,550	\$2,000	\$-	\$455,550
<i>Water Revenue Bond Debt Service (405)</i>	\$1,178	\$1,555,003	\$1,550,203	\$5,978
<i>Water Debt Service Reserve (406)</i>	\$987,973	\$2,766	\$-	\$990,739
<i>Sewer Bond Debt Service & Reserve (415)</i>	\$153,413	\$194,902	\$194,201	\$154,114
Total for Debt Service Funds	\$2,286,867	\$3,735,308	\$3,896,280	\$2,125,894

Reserve Funds

<i>Cumulative Reserve (104)</i>	\$362,579	\$30,000	\$-	\$392,579
<i>Park Reserve (105)</i>	\$962	\$-	\$-	\$962
<i>Deposits & Retainage (119)</i>	\$8,692	\$-	\$-	\$8,692

	2021 Projected Beginning Fund Balance	Biennial Revenue	Biennial Expenditures	2022 Projected Ending Fund Balance
<i>Utility Consumer Deposits (402)</i>	\$95,931	\$10,000	\$10,000	\$95,931
Total for Reserve Funds	\$468,164	\$40,000	\$10,000	\$498,164
 Total City of Yelm Funds	 \$20,552,717	 \$66,898,814	 \$71,502,321	 \$15,949,210

REVENUE SUMMARY

	2021 Beginning Fund Balance	2021/2022 Revenue	2021/2022 Transfers In	2021/2022 Biennium Total
<i>General Fund (001)</i>	\$1,365,256	\$14,407,565		\$14,407,565
<i>City Street Fund (101)</i>	\$174,045	\$254,620	\$710,000	\$964,620
<i>Arterial Street Fund (102)</i>	\$76,787	\$170,625		\$170,625
<i>Cumulative Reserve (104)</i>	\$362,579			
<i>Park Reserve (105)</i>	\$962			
<i>Tourism Promotion (107)</i>	\$316,216	\$33,616		\$33,616
<i>YPD School Resource Fund (109)</i>	\$88,275	\$107,000		\$107,000
<i>Deposits and Retainage Fund (119)</i>	\$8,692			
<i>Transportation Facilities Charges (120)</i>	\$13,841	\$183,640		\$183,640
<i>LTGO Bond Fund (200)</i>	\$13,351	\$1,500	\$932,968	\$934,468
<i>Killion LID (202)</i>	\$670,920	\$699,620		\$699,620
<i>Sewer Debt Service (203)</i>	\$6,481	\$498	\$346,052	\$346,550
<i>Sewer Debt Service Reserve (204)</i>	\$453,550	\$2,000		\$2,000
<i>Municipal Building Fund (302)</i>	\$334,023	\$650,987		\$650,987
<i>Road Street Construction (316)</i>	\$1,180,490	\$1,885,637	\$200,000	\$2,085,637
<i>Stormwater Utility (400)</i>	\$356,466	\$867,799		\$867,799
<i>Water Utility Fund (401)</i>	\$6,144,323	\$6,147,099		\$6,147,099
<i>Utility Consumer Deposits (402)</i>	\$95,931	\$10,000		\$10,000
<i>Water Capital Improvements (404)</i>	\$3,061,271	\$2,317,008		\$2,317,008

	<i>2021 Beginning Fund Balance</i>	<i>2021/2022 Revenue</i>	<i>2021/2022 Transfers In</i>	<i>2021/2022 Biennium Total</i>
<i>Water Revenue Bond Debt Service (405)</i>	\$1,178	\$5,000	\$1,550,003	\$1,555,003
<i>Water Capital Improvements (406)</i>	\$987,973	\$2,766		\$2,766
<i>Sewer Utility Fund (412)</i>	\$2,566,521	\$6,310,874		\$6,310,874
<i>Sewer / Reuse Capital (413)</i>	\$586,271	\$27,334,680	\$180,000	\$27,514,680
<i>Sewer Bond Debt Service & Reserve (415)</i>	\$153,413	\$700	\$194,202	\$194,902
<i>Shortline Railroad (430)</i>	\$452	\$120		\$120
<i>ER&R Capital Equipment (502)</i>	\$1,202,743	\$557,398		\$557,398
<i>ER&R Information Technology (501)</i>	\$332,725	\$834,838		\$834,838
Total Revenue Appropriation	\$20,552,717	\$62,755,590	\$4,113,225	\$66,989,814

EXPENDITURE SUMMARY

<i>Fund</i>	<i>2021/2022 Operations</i>	<i>2021/2022 Transfers Out</i>	<i>2021/2022 Capital, Reserve, and Debt</i>	<i>2021/2022 Biennium Total</i>
<i>General Fund (001)</i>	\$12,798,508	\$1,672,968	\$200,000	\$14,671,475
<i>City Street Fund (101)</i>	\$1,063,382			\$1,063,382
<i>Arterial Street Fund (102)</i>	\$30,000	\$200,000		\$230,000
<i>Cumulative Reserve (104)</i>				
<i>Park Reserve (105)</i>				
<i>Tourism Promotion (107)</i>	\$160,000			\$160,000
<i>YPD School Resource Fund (109)</i>	\$107,000			\$107,000
<i>Deposits & Retainage Fund (119)</i>				
<i>Transportation Facilities Charges (120)</i>			\$16,972	\$16,972
<i>LTGO Bond Fund (200)</i>			\$932,968	\$932,968
<i>Killion LID (202)</i>	\$6,000		\$871,857	\$877,857
<i>Sewer Debt Service (203)</i>			\$341,052	\$341,052
<i>Sewer Debt Service Reserve (204)</i>				

<i>Fund</i>	<i>2021/2022 Operations</i>	<i>2021/2022 Transfers Out</i>	<i>2021/2022 Capital, Reserve, and Debt</i>	<i>2021/2022 Biennium Total</i>
<i>Municipal Building Fund (302)</i>			\$635,000	\$635,000
<i>Road Street Construction (316)</i>			\$2,571,000	\$2,571,000
<i>Stormwater Utility (400)</i>	\$587,310			\$587,310
<i>Water Utility Fund (401)</i>	\$5,737,567	\$1,579,640		\$7,317,207
<i>Utility Consumer Deposits (402)</i>	\$10,000			\$10,000
<i>Water Capital Improvements (404)</i>			\$5,224,758	\$5,224,758
<i>Water Revenue Bond Debt Service (405)</i>			\$1,550,203	\$1,550,203
<i>Water Capital Improvements (406)</i>				
<i>Sewer Utility Fund (412)</i>	\$4,896,891	\$839,254		\$5,736,145
<i>Sewer / Reuse Capital Reserve (413)</i>			\$28,020,000	\$28,020,000
<i>Sewer Bond Debt Service & Reserve (415)</i>			\$194,201	\$194,201
<i>Shortline Railroad (430)</i>				
<i>ER&R Information Technology (501)</i>	\$939,465			\$939,465
<i>ER&R Capital Equipment (502)</i>			\$316,326	\$316,326
Total Expenditure Appropriation	\$26,336,123	\$4,291,862	\$40,874,336	\$71,502,321

TRANSFER SUMMARY

<i>2021 Transfer Amount</i>	<i>2022 Transfer Amount</i>	<i>Biennial Transfer</i>	<i>Transferring Fund</i>	<i>Receiving Fund</i>	<i>Purpose</i>
\$355,000	\$355,000	\$710,000	General Fund (001)	Street Fund (101)	Operations
\$137,313	\$134,563	\$271,875	General Fund (001)	LTGO Bond Fund (200)	Debt Service
\$330,910	\$330,183	\$661,093	General Fund (001)	LTGO Bond Fund (200)	Debt Service
\$15,000	\$15,000	\$30,000	General Fund (001)	Municipal Building Fund (302)	Capital Projects
\$173,026	\$173,026	\$346,052	Sewer Utility Fund	Sewer Debt Service	Debt Service

<i>2021 Transfer Amount</i>	<i>2022 Transfer Amount</i>	<i>Biennial Transfer</i>	<i>Transferring Fund</i>	<i>Receiving Fund</i>	<i>Purpose</i>
			(412)	(203)	
\$100,000	\$100,000	\$200,000	Arterial Street Fund (102)	Road Street Construction (316)	Capital Projects
\$175,263	\$175,263	\$350,526	Water Utility Fund (401)	Water Revenue Bond Debt Service (405)	Debt Service
\$9,072	\$8,941	\$18,013	Water Utility Fund (401)	Water Revenue Bond Debt Service (405)	Debt Service
\$51,857	\$51,857	\$103,714	Water Utility Fund (401)	Water Revenue Bond Debt Service (405)	Debt Service
\$538,000	\$539,750	\$1,077,750	Water Utility Fund (401)	Water Revenue Bond Debt Service (405)	Debt Service
\$90,000	\$90,000	\$180,000	Sewer Utility Fund (412)	Sewer / Reuse Capital (413)	Capital Projects
\$97,101	\$97,101	\$194,202	Sewer Utility Fund (412)	Sewer Bond Debt Service & Reserve (415)	Debt Service

GENERAL FUND BUDGET

Taxpayer dollars are deposited in the General Fund along with utility license fees, business license fees, and state shared revenues from marijuana and liquor taxes, interest income, miscellaneous revenues, adding to the beginning cash balances. This portion of the budget is comprised largely of discretionary funds. The City Council can allocate the funds to programs and services in any area. In other words, there are few restrictions on how these resources may be allocated.

The purpose of the General Fund is to provide for traditional government programs such as Police, Community Development, Administration, Parks, Recreation, and Facilities Maintenance. It also transfers resources to other funds for support of streets and other projects not otherwise supported by Special Revenue funds.



By policy of the City Council, reserves are maintained in the General Fund as well as for each utility fund at a level equal to 15% of the annual expenditures. Additionally, a cumulative reserve fund is maintained which requires a supermajority vote of the City Council to expend. This fund will begin the biennium with over \$362,000.

The City has fully funded all reserves since implementation of the reserve requirements in 2018, with a General Fund balance that has exceeded the minimum target. The 2021-2022 Biennial Budget continues to fully fund all reserves.

CITY COUNCIL

James Blair | Molly Carmody | EJ Curry | Tad Stillwell
Tracey Wood | Joe DePinto | Terry Kaminski

COUNCIL MISSION

To be developed by City Council through the Budget review process.

COUNCIL VISION

To be developed by City Council through the Budget review process.

THE ORGANIZATION

The City of Yelm is a Municipal Corporation organized under the Optional Municipal Code, Title 35A Revised Code of Washington.

Yelm is a “Strong Mayor” City in which the citizens elect the Mayor separate from the City Council as the Chief Executive Officer. The Mayor and City Administrator are charged with of implementing Council policies and managing day-to-day operations of the City. The City Administrator also supports City Council initiatives and acts as a bridge between the branches of Government.

The Council is responsible for setting the policy direction for the City, primarily through the Comprehensive Plan, Capital Improvement Plans, the Budget, and amendments to the Yelm Municipal Code.

City Councilors are elected to four-year terms and elections for the seven Council seats are staggered every two years.

The Council has also established a number of subcommittees, which focus on specific areas of public services.

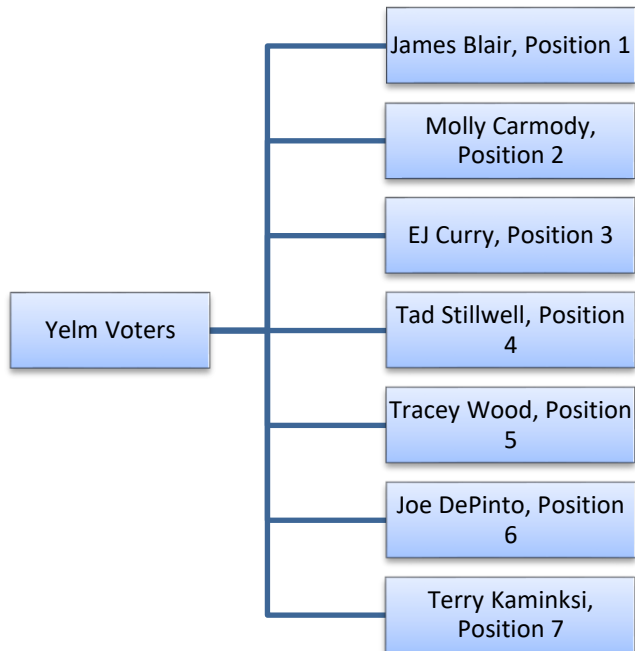
- General Government (Curry | Stillwell | Wood)
- Finance (Blair | Carmody | Kaminski)
- Planning & Economic Development (DePinto | Stillwell | Kaminski)
- Public Safety (Blair | Stillwell | Wood)
- Public Works (Carmody | Curry | DePinto)

The members of the subcommittees become subject matter experts in each of the areas of interest. The Finance Committee, for example, will spend significant time reviewing budget status updates and proposed budgets prior to review by the full Council at a study session.

2021-2022 COUNCIL POLICY PRIORITIES

To be developed by City Council through the Budget review process.

ORGANIZATION CHART



CITY COUNCIL BUDGET

FUND 001 511

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/22 Budget</i>
<i>Legislative Communications</i>		\$500	\$500	\$500	\$500	\$1,000
<i>Public Relations</i>	\$1,522	\$200	\$200	\$200	\$200	\$400
<i>Lobbyist Professional Services</i>	\$4,500	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000
<i>Advertising/Chamber Contract</i>	\$1,250	\$6,500	\$6,500	\$6,500	\$6,500	\$13,000
<i>Official Publications Service</i>	\$1,599	\$5,500	\$5,500	\$5,500	\$5,500	\$11,000
<i>Salaries/Wages</i>	\$50,400	\$50,400	\$50,400	\$68,712	\$68,712	\$137,424
<i>F.I.C.A.</i>	\$3,856	\$3,857	\$3,857	\$5,256	\$5,256	\$10,512
<i>PFMLA Liability</i>	\$132	\$175	\$175	\$238	\$238	\$476
<i>Office & Operating Supplies</i>	\$188	\$500	\$500	\$500	\$500	\$1,000
<i>Travel/Training/Mtgs</i>	\$250	\$7,000	\$7,000	\$7,000	\$7,000	\$14,000
<i>IT Allocation</i>	\$120	\$37,319	\$38,095	\$24,170	\$24,170	\$48,340
Total	\$63,817	\$126,951	\$127,727	\$133,577	\$133,577	\$267,154

MUNICIPAL COURT

Sonia Ramirez, Court Administrator

MISSION

The mission of the Yelm Municipal Court is to promptly, fairly, and accurately resolve legal matters that come before the court, to be open and accessible to all court users, and to instill public trust and confidence in the operation of the court.

PURPOSE

The municipal court is a limited jurisdiction court that consists of one appointed Judge, one Court Administrator and one Court Clerk. We have two contract Public Defenders and one contract Prosecuting Attorney. The court handles general misdemeanors and gross misdemeanor criminal cases, traffic, and non-traffic civil cases, including infractions.

CORE FUNCTIONS

We are a Court of Limited Jurisdiction that handles only gross misdemeanors, misdemeanors and infractions cases. Note: The only significant difference between simple misdemeanors and gross misdemeanors is the maximum punishments a judge could impose: Misdemeanor: Up to 90 days in jail and up to a \$1,000 fine. Gross misdemeanor: Up to 364 days in jail and up to a \$5,000 fine.

The Court Administrator, under the direction of the presiding Judge, oversees the daily functions of the court and maintains administrative and court records. With the support of the one Court Clerk, the court is responsible for assisting the public with telephone and front counter inquiries regarding court procedures, maintain court files in order and prepare court calendars, dockets and histories for upcoming court proceedings. The Court Clerk assists the Judge with courtroom clerk functions for various types of hearings and performs court dockets in Judicial Information System (JIS) of what transpired in each individual case. Daily/monthly/yearly accounting reports are prepared by the administrator. The court staff currently monitors all defendants for compliance of court ordered conditions for any treatment, jail time, fines, and any new violations as well as monitor collection assignments of court fines.

The court also provides the Public Defenders and Prosecuting Attorney any assistance they may need to help with the process of court cases to include preparation of files and

discovery and have any case history available to them. Our Court provides a neutral forum for the resolution of legal disputes within the scope of our limited jurisdiction and does individual justice in individual cases.

Since 2006, the Yelm Municipal Court has been providing passport processing services to the public. We are the only passport agency in Yelm and only one of three to provide this service in Thurston County. Judge Meyer is empowered to perform marriage ceremonies under the laws of the State of Washington and provides this service and is available to those interested.

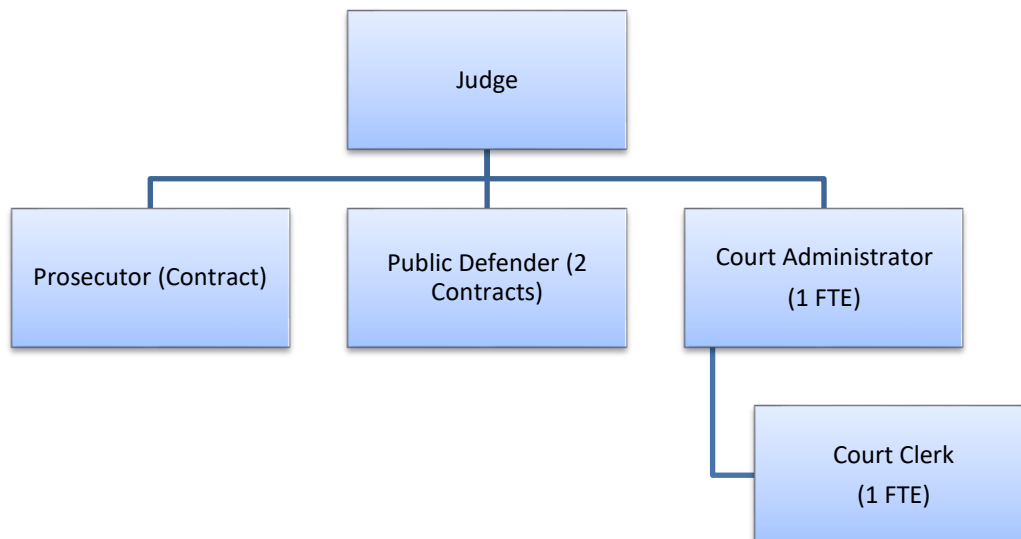
2019/2020 MAJOR ACCOMPLISHMENTS

- Trued up caseload counts and compensation of public defenders in a manner consistent with standards of the Washington State Commission on Judicial Conduct.
- Completed the installation and utilization of metal detectors in the public safety building on days of court proceedings.
- Installed and implemented the utilization of nCourt for online, mobile and call center payments which provides increase customer service and more options for customers to pay beyond just cash or check.
- Completed and implemented audio/video conferencing transmission for in custody defendants when scheduled for court instead of transporting them to the courtroom.
- Strengthened partnerships with Safe Place of Olympia and Family Support Center to offer court defendants and anyone in the community with various resources such as: victim advocacy, safety planning, basic needs like transportation and food assistance, support groups, childcare resources, and much more. Safe Place is present in our building on the last court date of each month. A victim advocate is also present in court once a month that offer criminal support in court proceedings.
- Partnered with Thurston County District Court for their Mental Health Court and Veterans Court Programs. Through these programs, Yelm Court will be able to serve the community and increase public safety by monitoring, supporting and holding accountable justice-involved individuals with mental illness in accessing treatment and improving their quality of life.
- Collaborated with the Thurston County District and Municipal Courts to offer two traffic Amnesty days that helped many court customers get their fines reduced, removed from collections and perform community service hours in lieu of fine payments. This program provided them the opportunity to get re-licensed.

2021/2022 MAJOR GOALS

- Continue to work with the Technology Team on a plan for becoming a paper-less court.
- Continue to seek more court grant programs that can provide financial and technical assistance to our Court to be able to implement and integrate programs to help our court customers.
- oCourt software for forms, notices, etc. implementation before end of year.
- Seek alternative sources of revenue by implementing a warrant fee policy and probation fee, keeping 100% of this revenue in the city.
- Hire/contract a Court Compliance/Probation Officer to assist offenders in the development and implementation of individualized probation plans to meet conditions set by the Court.
- Continue on this ongoing project with Public Works Department in offering a community Service program to mitigate or offset court customer fines.
- Facilitate more staff training – cross training with police for front counter support and building bench strength/succession plan and leadership skills goals for professional growth within the city.

ORGANIZATION CHART



MUNICIPAL COURT BUDGET

FUND 001 512

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Salaries/Wages</i>	\$159,065	\$170,875	\$204,215	\$182,689	\$183,518	\$366,207
<i>Over-Time</i>	\$198	\$1,000	\$1,000			
<i>F.I.C.A.</i>	\$12,110	\$15,053	\$15,623	\$13,976	\$14,039	\$28,015
<i>Retirement</i>	\$15,587	\$20,636	\$21,476	\$17,112	\$17,208	\$34,320
<i>Industrial Insurance</i>	\$446	\$460	\$460	\$744	\$744	\$1,488
<i>Unemployment Insurance</i>	\$300	\$983	\$1,021	\$634	\$637	\$1,271
<i>Medical Insurance</i>	\$27,989	\$7,213	\$7,396	\$31,658	\$32,875	\$64,533
<i>Office/Operating Supplies</i>	\$3,621	\$2,250	\$2,250	\$2,250	\$2,250	\$4,500
<i>Professional Services</i>	\$1,351	\$1,800	\$1,800	\$1,800	\$1,800	\$3,600
<i>Travel/Training/Dues</i>	\$2,382	\$2,000	\$2,000	\$2,000	\$2,000	\$4,000
<i>IT Alloc - Judicial</i>	\$11,110	\$16,769	\$17,101	\$20,080	\$20,080	\$40,160
<i>Contracted Repairs/Maint</i>	\$404	\$100	\$100	\$100	\$100	\$200
<i>Miscellaneous/Dues</i>		\$350	\$350	\$350	\$350	\$700
Total	\$234,564	\$239,489	\$274,792	\$273,392	\$275,600	\$548,994

CARE AND CUSTODY OF PRISONERS (001 523)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Care & Custody Of Prisoners</i>	\$87,493	\$126,951	\$127,727	\$127,727	\$127,727	\$255,454
Total	\$87,493	\$126,951	\$127,727	\$127,727	\$127,727	\$255,454

EXECUTIVE DEPARTMENT

JW Foster, Mayor
Michael Grayum, City Administrator
Lori Lucas, City Clerk & Human Resources Manager
Kathy Linnemeyer, Executive Assistant & Customer Service Manager
Brent Dille, City Attorney
Department Directors

MISSION

To support our dedicated team of employees by ensuring the city operates in the most organized, efficient and collaborative manner.

VISION

To be a high-performing organization that maintains the hometown feel of our community and continues growing responsibly and sustainably.

THE ORGANIZATION

The Executive Department consists of the Mayor, City Administrator, Human Resources, Legal, Customer Service Team, and the Directors of each Department. We provide proactive leadership and support for all city departments by coordinating and aligning operations in a consistent and professional manner, and helping all employees maintain compliance with existing laws and policies.

The City of Yelm has a Mayor-Council form of government. As described in the municipal code and Revised Code of Washington RCW 35A.12, the Mayor is the chief executive and administrative officer of the city, in charge of all departments and employees, with authority to designate assistants and department heads. The Mayor presides over all meetings of the City Council and is responsible for developing a proposed budget for the City Council consistent with Yelm's Financial Policies.

The City Administrator serves as the professional administrator of the City and is responsible for implementing the City Council's policies by leading, supporting and coordinating the management of all City departments, budget, personnel and day-to-day operations. The City Administrator is appointed by and serves at the pleasure of the Mayor and City Council.

The City Clerk preserves the legislative history of the City and is responsible for the management and preparation of Council meeting agendas, packets, meeting notices, and the recording of meetings and actions taken; maintains official minutes of all proceedings, records ordinances, resolutions and other City documents and public records.

The Human Resource department is responsible for the overall effectiveness of Human Resource programs, activities and functions, such as personnel, recruitment, on boarding, succession planning, coordinate personnel changes and adjustments with the finance department, serves as the primary contact with Association of Washington Cities and insures compliance with requirements of membership in programs, accepts and manages claims, and is the primary contact for employees with benefit questions.

The Executive Assistant is responsible for leading, coordinating, and providing all administrative support services to City departments, as well as our new integrated, one-stop, customer service experience as the Manager of the Customer Service Team.

The City Attorney is a contracted position responsible for advising the Mayor, City Council, and Executive Department on all legal matter. The City Attorney also serves as the City Prosecutor.

2019-2020 MAJOR ACCOMPLISHMENTS

- Transitioned to remote public meetings and staffing to maintain continuity of operations and promote public and employee safety during the global COVID-19 pandemic.
- Established the Wellness Initiative and achieved “Well City” status that increased employee participation in healthy activities and resulted in a 2% savings.
- Created and opened Yelm’s first Boys & Girls Club, through the purchase and transition to the new City Hall building.
- Established extension Classes at Yelm Community Center in partnership with South Puget Sound Community College.
- Established and implemented “Yelm University” to educate, engage, and connect residents and businesses with city priorities and operations.
- Created a new and improved website to enhance citizen’s access to information and services.
- Established and started cross training a unified customer service team, creating a one-stop shop for all essential services.
- Established a comprehensive and streamlined onboarding processes for all new employees, including a 30, 60, 90-day check-ins with the City Administrator and

Human Resources Department to help each new employee successfully get off to a strong start in their new position.

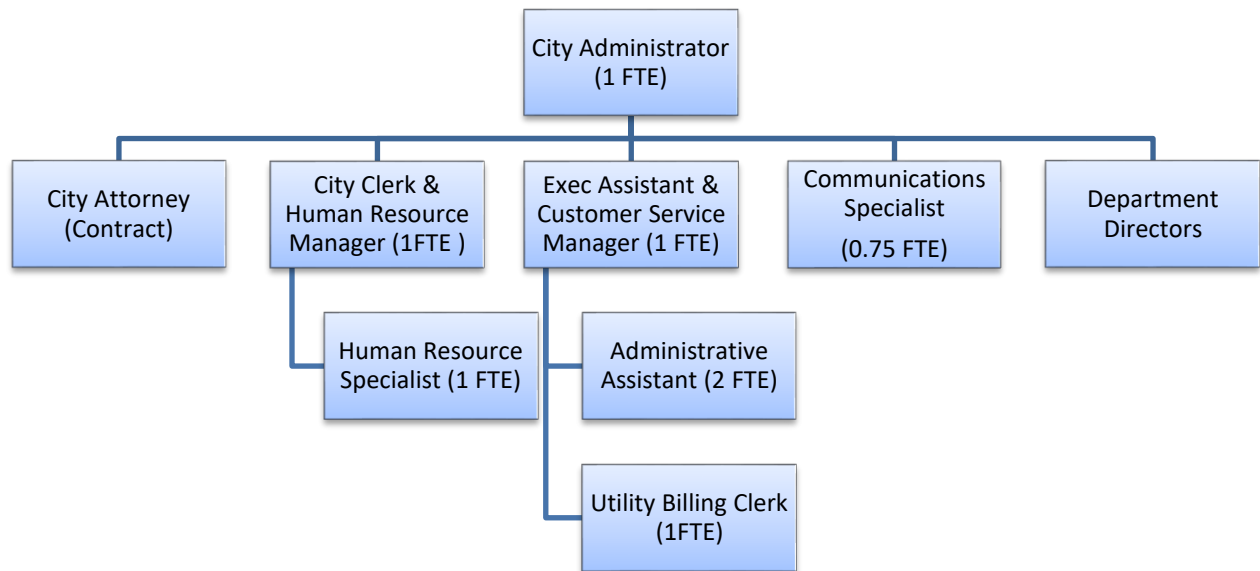
- Transitioned and added new personnel in the Public Works, Police Department, Water and Sewer Departments, Finance Department, Community Development Department, as well as the Executive Assistant position.
- Established an internal training program for onboarding and developing employees.
- Created an automated Agenda Process, in collaboration with the IT and Human Resources Departments.
- Negotiating temporary union contracts the Police and Public Works unions' employees to get through the uncertain times of the global COVID-19 pandemic.

2021-2022 GOALS

- Continue coordinating the process and collaborative approach to secure water rights for the City of Yelm. (ongoing)
- Continue coordinating the construction and completion of the Yelm Loop and secure funding for three roundabouts to improve traffic flow. (ongoing)
- Continue to bolster extension Classes at Yelm Community Center in a COVID/post-COVID era in partnership with South Puget Sound Community College. (ongoing)
- Reinvigorate Yelm University in a COVID/post-COVID era to continue fostering community education and information sharing.
- Support Council in reviewing and updating all Advisory Boards and Commissions, and launch an active recruitment process to increase citizen engagement and participation.
- Update Personnel Policies.
- Develop Standard Operating Procedures for all positions.
- Coordinate and finalize long-term contracts with all three unions.
- Standardize operations so we are doing routine things routinely and consistently across all city operations. Key points of emphasis include, but not limited to: cross training for all administrative assistants (including the customer service team, police department, and public works), establishing desk manuals for every position, leadership development for all manager and supervisors, parliamentary procedure for the Council and all boards and commissions.
- Coordinate the construction of a memorial to honor our fallen soldiers and veterans - replacing the one damaged in a police car chase.
- Coordinate the construction of an honor wall for the First Special Forces Group to signify the collaborative partnership and support we have with them as our Community Connector at Joint Base Lewis-McChord.

- Continue to enhance our Wellness Initiative and achieve “Well City” status – increasing employee engagement in healthy activities and maintaining budget savings.
- Create and implement a communications plan for the city, including the development and distribution of a monthly newsletter and a community calendar promoting photographs from local artists and community events.

ORGANIZATION CHART



EXECUTIVE DEPARTMENT BUDGET

FUND 001 513

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Executive Salary</i>	\$265,817	\$333,302	\$346,711	\$307,728	\$308,483	\$616,211
<i>Overtime</i>				\$886	\$902	\$1,788
<i>F.I.C.A.</i>	\$18,431	\$25,498	\$26,524	\$23,609	\$23,668	\$47,277
<i>Retirement</i>	\$28,639	\$32,945	\$42,521	\$35,830	\$35,920	\$71,750
<i>Industrial Insurance</i>	\$585	\$1,246	\$1,246	\$1,066	\$1,066	\$2,132
<i>Unemployment Insurance</i>	\$437	\$1,589	\$1,891	\$1,071	\$1,074	\$2,145
<i>Medical Insurance</i>	\$54,708	\$85,657	\$89,550	\$62,101	\$64,489	\$126,590
<i>Office/Operating Supplies</i>	\$3,291	\$1,750	\$1,750	\$4,600	\$4,600	\$9,200
<i>Small Tools/Minor Equipment</i>	\$6,507	\$1,500	\$1,500	\$1,500	\$1,500	\$3,000
<i>Executive Travel/Training</i>	\$12,822	\$12,000	\$12,000	\$23,000	\$19,000	\$42,000
<i>Executive Contract</i>	\$5,000	\$20,000	\$20,000			
<i>Communications: Postage</i>	\$37					
<i>Public Notices</i>	\$1,602	\$4,250	\$4,250	\$4,250	\$4,250	\$8,500
<i>Public Relations</i>	\$3,451	\$10,000	\$10,000	\$10,000	\$10,000	\$20,000
<i>IT ALLOC - Exec</i>	\$22,220	\$22,377	\$22,821	\$31,580	\$31,580	\$63,160
<i>Executive Miscellaneous Exp.</i>	\$2,976					
<i>Wellness program</i>	\$282	\$2,500	\$2,500	\$2,500	\$2,500	\$5,000
<i>SSM&C Partnership</i>	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$13,000
Total	\$433,306	\$561,114	\$589,764	\$516,220	\$515,531	\$1,031,751

FINANCE DEPARTMENT

Heidi MacDonald, Finance Director

MISSION

To protect the City's financial assets.

VISION

Provide accurate, transparent and timely information regarding the City's financial affairs.

THE ORGANIZATION

REVENUE COLLECTION

Revenue is collected from a variety of sources including tax such as sales tax, property tax, and utility use charges. Other sources of revenue include grant funds, charges for services, interest and investment earnings, and intergovernmental transfers.

DISTRIBUTION OF FUNDS

Payments are made to vendors for services and material received. An improved system of issuing checks made the release of funds a reality on a weekly basis. Employee payroll checks and related benefits are paid on a monthly basis.

PROPER TRANSACTION RECORDING

Detailed accounting is achieved by recording all financial transactions in the City's financial system using the statewide Budget, Accounting and Reporting System coding structure. Each of these General Ledger Numbers are unique, are individually budgeted, and performance against these budgets are tracked.

FINANCIAL REPORTING

Specially designed reports are prepared and distributed monthly. Reports identify the approved budget for line items and performance relative to that budget.

BUDGET ADMINISTRATION

A budget is prepared for Council review and approval on a biennial basis. The approved budget is distributed and made available for public review and reference via the internet. Internally, the City's executive staff manages their department's respective budgets.

DEBT MANAGEMENT

Administer outstanding debt in accordance with the Official Statements of the City's bond issuances and loan agreements. Accordingly, principal and interest payments are made based on the amortization Schedules and all Disclosure Statements are regularly prepared and issued. Outstanding City debt is analyzed and opinions are provided to Council regarding possible refunding efforts.

INVESTMENT OF CITY FUNDS

The City's idle cash is invested with the Local Government Investment Pool (LGIP) and other investments as authorized by RCW 39.59.040.

RISK MANAGEMENT

Policies and procedures are established and stringently followed to identify and minimize the City's exposure to risk and potential financial loss. All contracts are reviewed for adequacy and compliance with these policies, and special training classes are held to heighten City employee's and volunteer's awareness of certain high-risk issues.

2019/2020 MAJOR ACCOMPLISHMENTS

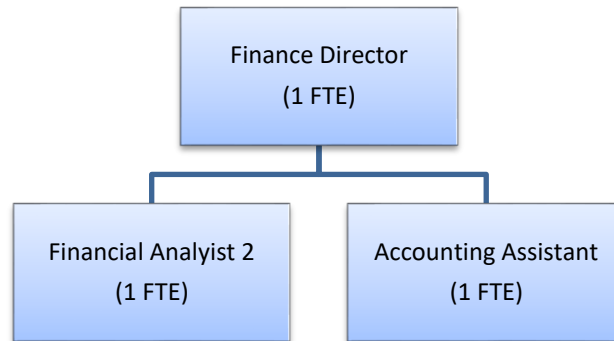
- Refinanced Water Revenue Bonds, saving \$2.5 million over 20 years.
- Maintained financial policies to ensure sound management of the City's finances, including debt management, city investments, reserve and other financial compliance policies.
- Reorganized document filing and moved physical files to a secure digital repository to ensure ease of access for employees.
- Completed our first biennial budget cycle ensuring that the budget guided all purchasing and financial decisions made.
- In November the City received an unqualified report or "clean opinion" for the 2018 fiscal year financial and accountability audit from the Washington State Auditor's Office. The most recent previous unqualified opinion was for fiscal year 2011.
- Implemented and utilized long-term revenue and expenditure forecasting for all City funds. Forecasting reports were taken into account while creating upcoming budget documents.
- Continued offering revenue neutral Senior and Disabled Utility Rate Discount for water, sewer & storm water, equalizing the effect of the discounts on the Enterprise Funds.

- Worked with the community to ensure citizens had the needed resources during the 2020 Covid-19 Pandemic. The city offered small business grants, community relief grants and utility billings contracts for customers and businesses who needed further assistance during these uncertain times.
- Utilized recently purchased financial management and utility billing software to the fullest extent all while cross training employees on multiple facets of the technology.
- Implemented a digital platform for most City resources including utility billing, permitting fee payments, business and occupation reporting and more.
- Created an educational resource with "Yelm University" for citizens to gain knowledge on municipal governmental activities.
- Partnered with financial institutions and the local school district to provide financial education to students and community members.
- Extended the ability for citizens to pay via online bill pay and debit/credit card for all major activities provided by the City.
- Made a transition with ease into working digitally with city staff, while still offering the same resources to the community daily.

2021/2022 MAJOR GOALS

- Continue to establish appropriate financial tracking and reporting so daily, monthly and annual task are completed routinely. This ensures that the most accurate and up to date financial data is provided to management and council in a timely fashion.
- We will continue to provide regular financial updates at scheduled City Council meetings for the edification of the general public and elected officials.
- Continue to optimize the use of technology to enhance public services. This includes further employee cross training, allowing for employee growth and further productivity.
- Continue to engage the City Council Finance Committee concerning all financial matters deemed to be in the best interest of the City.
- Prepare to meet the financial and tax requirements of a City with population larger than 10,000.
- Continue moving towards a fully digital format for all city activities.
- Streamline data retrieval and remittances for accounts payable, business and occupational dealings and accounts receivable.
- Monitor local, state and federal economic trends to ensure appropriate spending within uncertain climate due to Covid-19 Pandemic
- Develop a city wide project tracking system that monitors incoming and outgoing finances, holds project contracts and can be used as a one stop shop for all upcoming or ongoing projects.

ORGANIZATION CHART



FINANCE DEPARTMENT BUDGET

FUND 001 514

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
Salaries/Wages	\$126,093	\$121,043	\$126,698	\$120,056	\$123,029	\$243,085
Accrued Vacation/Holiday/Sic	\$1,131					
Overtime	\$163	\$500	\$515	\$3,162	\$3,224	\$6,386
F.I.C.A.	\$8,792	\$16,041	\$9,692	\$9,426	\$9,658	\$19,084
Retirement	\$4,980	\$15,546	\$17,281	\$14,306	\$14,658	\$28,964
Industrial Insurance	\$377	\$4,231	\$434	\$372	\$372	\$744
Unemployment Insurance	\$231	\$1,048	\$634	\$428	\$438	\$866
Medical Insurance	\$20,461	\$30,258	\$31,681	\$34,993	\$36,339	\$71,332
Office/Operating Supplies	\$4,263	\$8,000	\$8,000	\$1,650	\$1,650	\$3,300
Fuel/Vehicle Maintenance.	\$30	\$300	\$300			
Small Tools/Minor Equipment	\$1,233	\$3,000	\$3,000	\$2,000	\$2,000	\$4,000
Professional Services/Legal		\$150	\$150	\$150	\$150	\$300
Professional Services Banking	\$7,404	\$10,000	\$10,000	\$1,000	\$1,000	\$2,000
Communications: Postage	\$1,914					
Travel/Training/Dues	\$15,000	\$12,000	\$12,000	\$8,000	\$8,000	\$16,000
Printing/Advertising	\$1,520	\$800	\$800	\$800	\$800	\$1,600
IT Allocation - Finance	\$29,626	\$11,889	\$12,124	\$12,010	\$12,010	\$24,020

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Property/Casualty/Bonding</i>		\$70	\$70			
<i>Contracted Repairs/Maint</i>		\$500	\$500			
<i>Miscellaneous</i>	\$90,135	\$100	\$100	\$100	\$100	\$200
<i>Auditor/Professional Expense</i>	\$21,446	\$40,000	\$60,000	\$34,000	\$34,000	\$68,000
<i>Taxes & Assessments External</i>	\$38	\$75	\$75	\$75	\$75	\$150
<i>Records Services</i>		\$200	\$200			
<i>Election Costs</i>	\$4,783	\$3,100	\$3,100	\$6,000	\$6,000	\$12,000
<i>Bus. License Background Checks</i>		\$110	\$110	\$110	\$110	\$220
<i>Voter Registration Costs</i>		\$8,000	\$8,000	\$15,000	\$15,000	\$30,000
<i>Total</i>	<i>\$339,618</i>	<i>\$286,961</i>	<i>\$305,464</i>	<i>\$263,637</i>	<i>\$268,613</i>	<i>\$532,250</i>



POLICE DEPARTMENT

Todd Stancil, Chief of Police
Rob Carlson, Assistant Chief

MISSION

The mission of the Police Department is to be proactive, accountable and responsive to the needs of the community through professional police services to enhance the quality of life for the City of Yelm.

VISION

The Yelm Police Department strives to be a leader in the law enforcement community and provide excellent customer service to the citizens we serve. Our vision is to create an environment throughout the City of Yelm in which residents can carry on with the priorities in their lives without the stress of criminal behavior in their neighborhoods and businesses.

THE ORGANIZATION

The Yelm Police Department is organized into two divisions: Administration and Operations/Specialty Division. We currently have a Chief, Assistant Chief, (2) Sergeants, Detective, School Resource Officer, Community Resource Officer and (9) Patrol Officers. We have two Administrative Assistants, (5) Reserve Officers and (1) volunteer.

ADMINISTRATION

The Administration Division consists of the Chief of Police and two Administrative Assistants. The Chief is responsible for the overall management and administration of the Police Department. The Administrative Assistants handle all administrative issues and all records related matters. The expenditures in this division are used to fund these positions, necessary materials and services for administrating the department, and some overall departmental expenses. The Chief of Police also serves as the City of Yelm Emergency Management Director for the City of Yelm and is responsible for the maintenance and operations of the Comprehensive Emergency Management Plan as well as educating the citizens on awareness and preparedness.

OPERATIONS

The Assistant Chief is responsible for the overall operations of the Operations/Specialty Division which consists of (3) Sergeants (1 unfilled), (8) Patrol Officers, School Resource

Officer, Community Resource Officer and Detective. The Assistant Chief has supervisory responsibility over the two Sergeants, School Resource Officer, Community Resource Officer and Detective in the current absence of the Specialty Unit Sergeant. In addition, the Assistant Chief oversees the Crime Prevention and Community Education within the community.

The Patrol Sergeants are responsible for the direct supervision of the (8) patrol officers, Reserve Program and the Field Training Program. The Sergeants are also tasked with administering Internal Investigations when needed and responding to emergency service calls to assist Patrol. The Specialty Unit Sergeant is directly responsible for the Detective/Investigation, School Resource Officer and the Community Resource Officer.

The Detective is responsible for overseeing and conducting criminal investigations, follow-up investigations, and for the dissemination of criminal information. The Detective is also responsible for conducting background investigations on new hires as well as the direct oversight of the Department Evidence Room.

Patrol Officers are responsible for general patrol, responding to calls for service, initial case investigation community policing and traffic enforcement. The School Resource Officer is assigned to the Yelm School District during the school year to enforce laws, educate staff and students and to serve as a liaison between the Police and Schools. The Community Resource Officer/SRO is assigned to various tasks that meet the needs of the community and Yelm School District. This includes serving as the Homeless Liaison, Crime Prevention functions and Nuisance related issues.

2019/20 MAJOR ACCOMPLISHMENTS

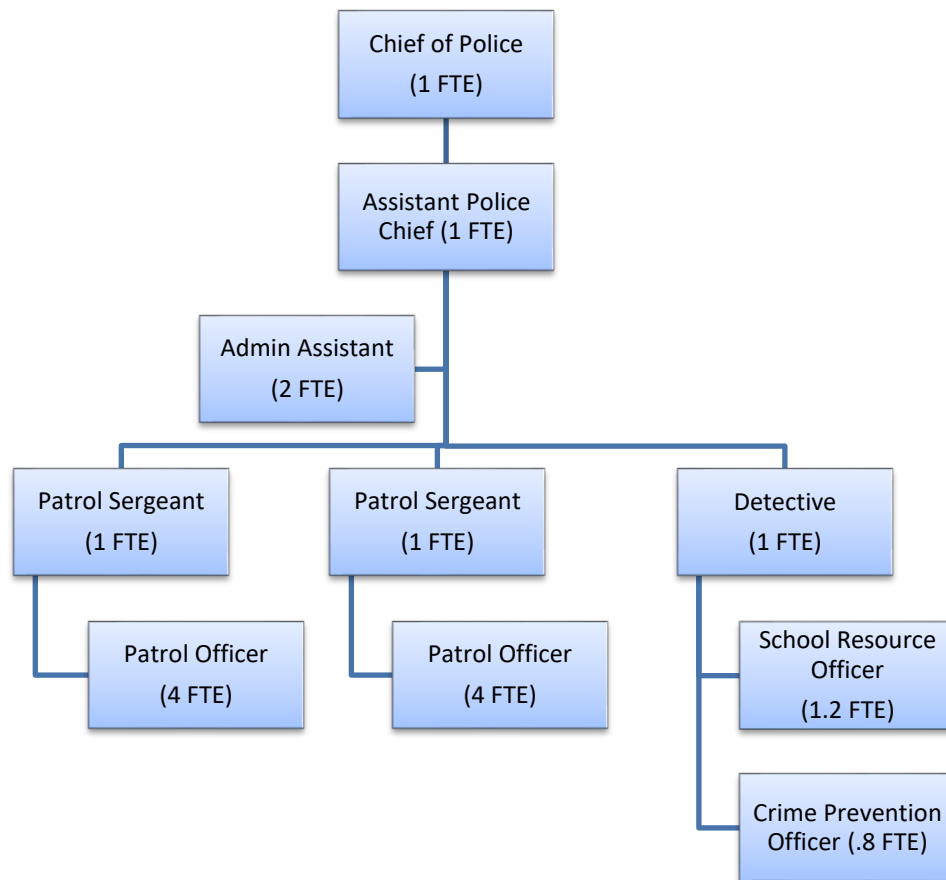
- All Officers went home at the end of every shift.
- Promoted existing Sergeant to position of Assistant Chief.
- Promoted two Patrol Officer to vacant Sergeant Positions.
- Filled vacant Administrative Assistant Position.
- Restructuring of department improved efficiency and accountability.
- Implemented dictation software (Dragon) in conjunction with I.T. Department.
- Expanded representation on local and regional boards and commissions.
- Assigned and trained two officers to the Thurston County Hostage Negotiation Team.
- Made significant progress on the implementation of Initiative 940 requirements in conjunction with Lacey, Olympia and Tumwater.
- Held first ever citizens police academy in 2019.
- Implementation of Lexipol (professional policy standards).
- Implemented online reporting option for citizens.

- Added additional part-time SRO (School Resource Officer) to support school district.
- Met and/or exceeded all training requirements from the WSCJTC.
- Purchased and outfitted (2) new patrol vehicles.
- Filled all funded department positions with excellent Officers.
- Continued a series of open discussions with the community to enhance transparency.
- Recognized the Officer and Reserve Officer of the Year.
- Participated in Community Events – Prairie Days, Christmas in Park, Benefit Runs, Memorial Day 5k, Rainier Round Up Days, and Jazz in the Park.

2021/22 MAJOR GOALS

- Add additional commissioned personnel to keep up with population, housing and business growth.
- Increase officer training to meet the demands of the changing environment.
- Add additional non-lethal options to adhere to new national standards and changes.
- Continue work and development on the Comprehensive Emergency Management Plan.
- Prepare for the loss of multiple existing commissioned staff due to retirements.
- Continue to develop and advance the succession plan for future changes.
- Full implementation of I-940 requirements – training, instructors, MOU.
- Implement Citizens Advisory Panel per YMC.
- Expand Community Resource program to meet the needs of the community.
- Expand Police Reserve Officer Program.
- Reduce criminal activity and meet the expectations of the community.
- Work with local and regional groups to reduce and assist with the unsheltered population dealing with drug addiction and mental illness.

ORGANIZATION CHART



POLICE DEPARTMENT BUDGET

FUND 001 521

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Salaries/Wages</i>	\$1,246,121	\$1,320,186	\$1,377,575	\$1,521,909	\$1,458,653	\$2,980,562
<i>Police Accrued</i>	\$35,314	\$30,000	\$30,000	\$30,560		\$30,560
<i>Overtime</i>	\$38,137	\$60,000	\$60,000	\$36,062	\$31,859	\$67,921
<i>Civil Service Salaries</i>	\$121	\$1,100	\$1,100	\$1,100	\$1,100	\$2,200
<i>FICA/Medicare</i>	\$99,868	\$100,996	\$105,383	\$122,766	\$115,035	\$237,801
<i>Retirement</i>	\$81,115	\$80,383	\$83,711	\$92,994	\$83,431	\$176,425
<i>Industrial Insurance</i>	\$23,393	\$29,096	\$29,096	\$51,103	\$48,077	\$99,180
<i>Unemployment Insurance</i>	\$2,497	\$6,600	\$6,888	\$5,580	\$5,266	\$10,846
<i>Medical/Disability Insurance</i>	\$292,987	\$304,253	\$308,961	\$362,448	\$361,311	\$723,759
<i>Uniforms</i>	\$20,906	\$18,100	\$18,100	\$18,100	\$18,100	\$36,200
<i>Reserve Uniforms</i>	\$2,291	\$2,500	\$3,000	\$3,000	\$3,000	\$6,000
<i>Operating Supplies</i>	\$4,369	\$6,000	\$6,000	\$6,000	\$6,000	\$12,000
<i>Fuel Consumed/Oil</i>	\$36,724	\$38,000	\$40,000	\$42,000	\$43,500	\$85,500
<i>Crime Prevention</i>	\$1,734	\$2,500	\$3,000	\$3,000	\$3,000	\$6,000
<i>Small Tools/Minor Equipment</i>	\$56,875	\$20,000	\$21,000	\$30,000	\$30,000	\$60,000
<i>Ammunition</i>	\$7,495	\$7,500	\$8,000	\$9,500	\$9,500	\$19,000
<i>Civil Service/Other Charges</i>	\$949	\$2,000	\$2,000	\$2,000	\$2,000	\$4,000
<i>Professional Services</i>	\$12,409	\$4,700	\$4,700	\$4,700	\$4,700	\$9,400
<i>Phones</i>	\$13,608					
<i>Travel/Training Fees</i>	\$7,891	\$17,000	\$17,000	\$8,000	\$8,000	\$16,000
<i>Printing & Advertising</i>	\$174	\$13,000	\$9,200	\$200	\$200	\$400
<i>IT Alloc - Public Safety</i>	\$114,802	\$83,844	\$85,506	\$132,425	\$132,425	\$264,850
<i>Vehicle Repairs &</i>	\$23,972	\$17,000	\$17,000	\$17,000	\$17,000	\$34,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Mtce.</i>						
<i>Fees/Dues</i>	\$32,237	\$37,000	\$38,000	\$36,325	\$36,325	\$72,650
<i>Office/Radio Eqpt. Repair/Mt</i>	\$3,377	\$5,000	\$5,500	\$8,825	\$8,825	\$17,650
<i>Taxes</i>	\$14	\$14	\$14	\$14	\$14	\$28
<i>LE Fleet Allocation</i>		\$151,657	\$134,764	\$60,000	\$60,000	\$120,000
<i>Total</i>	\$2,159,376	\$2,358,429	\$2,415,498	\$2,605,610	\$2,487,321	\$5,092,931



COMMUNITY DEVELOPMENT DEPARTMENT

Grant Beck, Community Development Director

MISSION

To provide easy and understandable information in a responsive manner to our customers. To be fair to all and to be results driven.

VISION

To facilitate the creation of community and to create great places for residents, businesses, and visitors.

THE ORGANIZATION

The Community Development Department is a high functioning team responsible for Planning and Permitting, promoting Economic Development, and providing support to a number of Boards and Commissions advisory to the Mayor and City Council.

PERMITTING & INSPECTION

The Department processes and issues all permits required by the Washington State Building Code, Chapter 19.27 RCW, and Growth Management Act, Chapter 36.70A RCW. These regulations, implemented through the Yelm Unified Development Code (UDC), are codified at Title 18 YMC. The UDC was adopted in 2016 and is a model of form based code. It streamlines the process for permits while ensuring that decisions are based on firm criteria and are reviewable through appeal. The Department also coordinates with Public Works on civil plan review and development inspections.

PLANNING

The Department supports long range planning of the City required by the Growth Management Act. The Comprehensive Plan is the City's road map to the future and is used by the City Council and staff in all decisions from budget to work programs.

CODE ENFORCEMENT

The Building Official acts as the code enforcement officer for all building, zoning, and nuisance regulations.

ECONOMIC DEVELOPMENT

The Department acts as the Economic Development agency for the City of Yelm. The

City's economic strategy is to retain and support existing businesses while attracting new jobs and services.

BOARDS & COMMISSIONS

Staff from the Department provide support relating to land use, planning, permitting, and economic development to the City Council, the Community & Economic Development Committee of the Council, the Planning Commission, the Tree Board, and to the Historic Commission.

2019/2020 MAJOR ACCOMPLISHMENTS

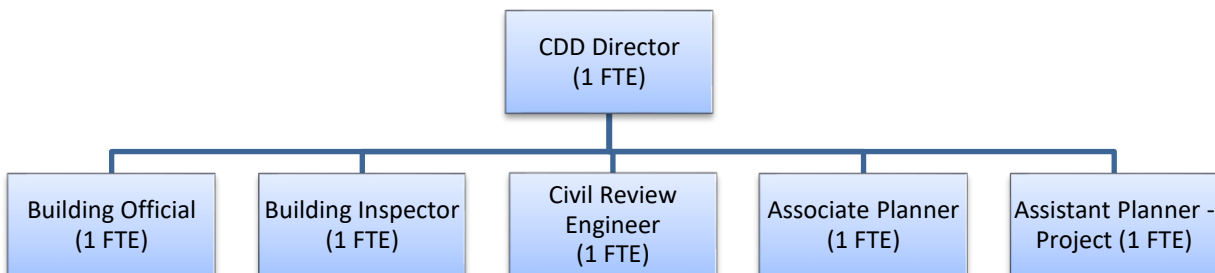
- Completed the Downtown Corridor strategy setting the course for the redevelopment of the historic central business district to promote small business, walkability, and central public places and services.
- Conducted annual updates to the Comprehensive Plan, Unified Development Code, and the Capital Improvement Program.
- Completed the review and improvement of the City's permit processes, starting with those processes to ensure an efficient, quality permitting system.
- Became 100% paperless permitting with applications submitted online or at a front counter kiosk, digital plans and plan review, paperless invoicing, and digital permits.
- Prepared and submitted a mitigation plan in support of Yelm's application for new water rights application under the Streamflow Restoration Act.
- Represented the City on regional groups and projects including the I-5 Corridor Study lead by WSDOT and TRPC and the Nisqually Watershed Planning Group lead by the Nisqually Tribe.
- Supported WSDOT staff on the final design for the Yelm Loop and helped sponsor public participation events for the project.
- Provided exceptional customer service while converting to remote work due to the COVID-19 pandemic.
- Prepared an affordable housing tax credit to receive funds to support affordable housing in the City for adoption by the City Council.
- Provided training and assistance to the Customer Service Team.
- Prepared and submitted an application to the Federal Surface Transportation Board to abandon the Yelm Prairie Line railroad and a notice of intent for trail use for the corridor.
- Prepared and submitted a grant to the Recreation and Conservation Office for the construction of phase 2 of the Yelm Prairie Line trail, extending the trail over the Nisqually River.

- Applied for and received a \$900,000 grant from the US Fish and Wildlife Service to prepare a Habitat Conservation Plan for the pocket gopher, a threatened species under the Endangered Species Act.
- Prepared a professional services agreement for the preliminary design of the Yelm Education and Community Services Center.

2021/2022 MAJOR GOALS

- Prepare a Habitat Conservation Plan for the incidental take of pocket gophers to allow urban development to continue within the City of Yelm and its UGA.
- Begin the Comprehensive Plan periodic update (due for adoption in 2025) with a focus on:
 - Required changes due to new State laws and Court cases,
 - Potential societal changes due to climate change and the COVID-19 pandemic,
 - The size and location of Yelm's Urban Growth Area as it relates to habitat of the pocket gopher.
- Update the Transportation Plan.
- Conduct annual updates to the Comprehensive Plan, Unified Development Code, and Capital Facilities Plan.
- Maintain levels of service as development accelerates due to the availability of new water connections.
- Prepare for organization changes and continuity of service in preparation for upcoming retirements.

ORGANIZATION CHART



COMMUNITY DEVELOPMENT DEPARTMENT BUDGET

FUND 001 558

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Biennial
<i>Salaries/Wages</i>	\$381,217	\$326,312	\$335,389	\$434,168	\$441,210	\$875,378
<i>Accrued Vacation/Holiday/Sic</i>		\$2,000	\$2,000			
<i>Overtime</i>	\$259	\$600	\$600	\$306	\$312	\$618
<i>F.I.C.A.</i>	\$29,115	\$24,963	\$25,657	\$33,237	\$33,776	\$67,013
<i>Retirement</i>	\$50,081	\$41,931	\$43,097	\$50,442	\$51,261	\$101,703
<i>Industrial Insurance</i>	\$3,325	\$1,157	\$1,157	\$4,371	\$4,371	\$8,742
<i>Unemployment Insurance</i>	\$759	\$1,631	\$1,676	\$1,508	\$1,532	\$3,040
<i>Medical Insurance</i>	\$80,304	\$83,430	\$87,380	\$113,916	\$117,746	\$231,662
<i>Office/Operating Supplies</i>	\$3,723	\$8,250	\$8,250	\$8,250	\$8,250	\$16,500
<i>Fuel</i>	\$864	\$2,000	\$2,000	\$2,000	\$2,000	\$4,000
<i>Small Tools/Minor Equipment</i>	\$1,821	\$5,300	\$5,300	\$5,300	\$5,300	\$10,600
<i>Consultant Svcs/Plan Review</i>	\$17,501	\$8,000	\$8,000	\$8,000	\$8,000	\$16,000
<i>Tree: Professional Services</i>		\$2,000	\$2,000	\$2,000	\$2,000	\$4,000
<i>Communications: Phone</i>	\$3,692	\$3,200	\$3,200			
<i>Travel/Training/Dues</i>	\$6,458	\$6,300	\$6,300	\$6,300	\$6,300	\$12,600
<i>Tree: Travel/Training/Dues</i>		\$200	\$200	\$200	\$200	\$400
<i>Printing & Advertising</i>	\$2,984	\$6,000	\$6,000	\$6,000	\$6,000	\$12,000
<i>Tree: Events/Advertising</i>	\$129	\$1,500	\$1,500	\$1,500	\$1,500	\$3,000
<i>IT Alloc - Planning</i>	\$33,330	\$39,127	\$39,903	\$39,485	\$39,485	\$78,970
<i>Vehicle/Equipment Rep/Mtc.</i>	\$100	\$1,400	\$1,400	\$1,400	\$1,400	\$2,800
<i>Tree: City Repairs/ Maint</i>		\$1,500	\$1,500	\$1,500	\$1,500	\$3,000
<i>Misc/Record Ordinances</i>	\$74	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
<i>Regional Planning</i>	\$23,388	\$35,000	\$35,000	\$35,000	\$35,000	\$70,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Biennial</i>
<i>Professional/Development Fee</i>	\$3,995					
<i>Amtrak Station Operation/Maintenance</i>	\$903	\$1,400	\$1,400	\$1,400	\$1,400	\$2,800
Total	\$644,021	\$604,201	\$619,909	\$757,283	\$769,544	\$1,526,827



HISTORIC PRESERVATION (001 573)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Participant Recreation Svcs</i>		\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
<i>Operating Supplies/Plaques</i>	\$27	\$500	\$500	\$500	\$500	\$1,000
Total	\$27	\$1,500	\$1,500	\$1,500	\$1,500	\$3,000

PUBLIC WORKS DEPARTMENT

Cody Colt, Public Works Director
Patrick Hughes, PE, Program Manager
Bill VanBuskirk, Utilities Manager

MISSION

Public Works provides essential services to the citizens of Yelm in a prompt, courteous, safe, efficient, and cost-effective manner. Public Works, through its dedicated employees, strives to plan, design, build, maintain, and operate public infrastructure in a manner that respects the environment and the ability of government to adequately preserve these assets for succeeding generations.

VISION

We, as Public Works staff, pledge to continue to build public confidence, conquer all challenges, and demand the best of ourselves. We will honor our pledge by empowering all employees to provide information and services that exceed our customers' expectations and strengthen our community. Public Works pursues excellence and will be recognized as a leader for our innovative strategies and programs.

THE ORGANIZATION

The Yelm Public Works Department is currently organized into an Administration department and four sub-departments: Parks, Streets, Water, and Wastewater. We currently have a Public Works Director, Project Manager, Operations Manager, Parks/Streets Operations Manager, Water Lead, Water Reclamation Facility (WRF) Lead, Administrative Assistant, three water system operators, four wastewater plant operators, three parks workers, and two street maintenance workers. Public Works also brings on three seasonal employees each year during the summer months to help manage the parks and Splash Pad.

ADMINISTRATION

The Administration Division consists of the Public Works Director, Public Works Manager, and Administrative Assistant. The Director is responsible for the overall management and administration of the Public Works Department. The Public Works Manager oversees operations and manages the departments Capital Improvement Plan (CIP) and execution of capital projects and programs. The Administrative Assistant position supports both operations staff and administrative staff's daily needs and

program administration. The expenditures in this division are used to fund these positions, necessary materials and services for administering the department, and some overall departmental expenses. These positions are support by the general fund as well as the Enterprise Funds (water, wastewater, stormwater).

OPERATIONS

The Utility Operations Manager oversees the bulk of the Operations Division which consists of a water lead, wastewater lead, three water system operators, and four WRF system operators. The WRF is supervised by the Utility Operations Manager and oversees the wastewater operators and the day-to-day operations of the WRF and the wastewater collections system. The Parks Operations Manager handles oversight of the daily operations of the Parks, Facilities, Streets, and Stormwater staff and daily work assignments. When needed, all Managers and Supervisors are regularly called upon to perform additional duties to support the operations teams ranging from procurement, emergency response, to coordination of special projects and events.

The water system operators are responsible for operating and maintaining over 100 miles of water mains and appurtenances including three reservoirs and three potable water sources and treatment facilities. Their duties include maintenance repairs, flushing, fire hydrant exercising, and leak detection. This group is also responsible for water sampling, monthly water quality report, water shutoffs, leak detection, construction and inspection support, and water code enforcement. Water operations is an Enterprise Fund supported by Water Rates collected from our customers.

The wastewater plant operators are responsible for operating and maintaining over 105 miles of wastewater collections pipe and reuse water distribution, operations of the WRF, and inspection and maintenance of close to 3000 STEP (Septic Tank Effluent Pump) tank systems. This includes repairs, valve servicing, sample testing, monthly reporting, construction inspection & support and sewer code enforcement. Wastewater operations are an Enterprise Fund supported by Sewer Rates collected from our customers.

PARKS

Parks employees are responsible for regular maintenance of right-of-way areas, parks and trails including over 75 acres of public parks and landscape areas. This includes facilities located on park lands and all City facilities (Public Safety, City Hall, Yelm Community Center, Public Works Operations, and Library). Regular duties include cleaning and repair of facilities, custodial, grounds maintenance, street tree maintenance, and preparation and planning assistance for special events (Prairie Days,

parades, etc.). Park operations are funded by the general fund, with a portion of some employee salaries and benefits being paid from the Stormwater Fund for stormwater facility maintenance in parks, trails and rights-of-way.

STREETS

Street department employees are responsible for a variety of activities associated with operations and maintenance of our City streets and rights-of-way. Their duties include: Pothole repair, striping, street sweeping, mowing, sidewalk repair, ice and snow removal, stormwater system repair and maintenance, pavement condition assessment, weed control, sign inventory, and construction inspection and support. Street operations is funded by the general fund, with stormwater operations and maintenance activities funded by the stormwater fund.

CAPITAL PROJECTS & PROGRAMS

Capital projects and programs are jointly overseen by the Public Works Director and Project Manager. This division is responsible for the CIP administration, execution, and updating as well as managing regular programs to maintain and maximize the life of capital improvement investments. In support of that responsibility, the following tasks are regularly performed within this division: comprehensive planning, contract management, project management, administration of franchise agreements, permitting, inspections and condition assessments, funding requisition and grant writing, strategic planning, and coordination of public involvement and education in city projects and programs.

2019-2020 MAJOR ACCOMPLISHMENTS

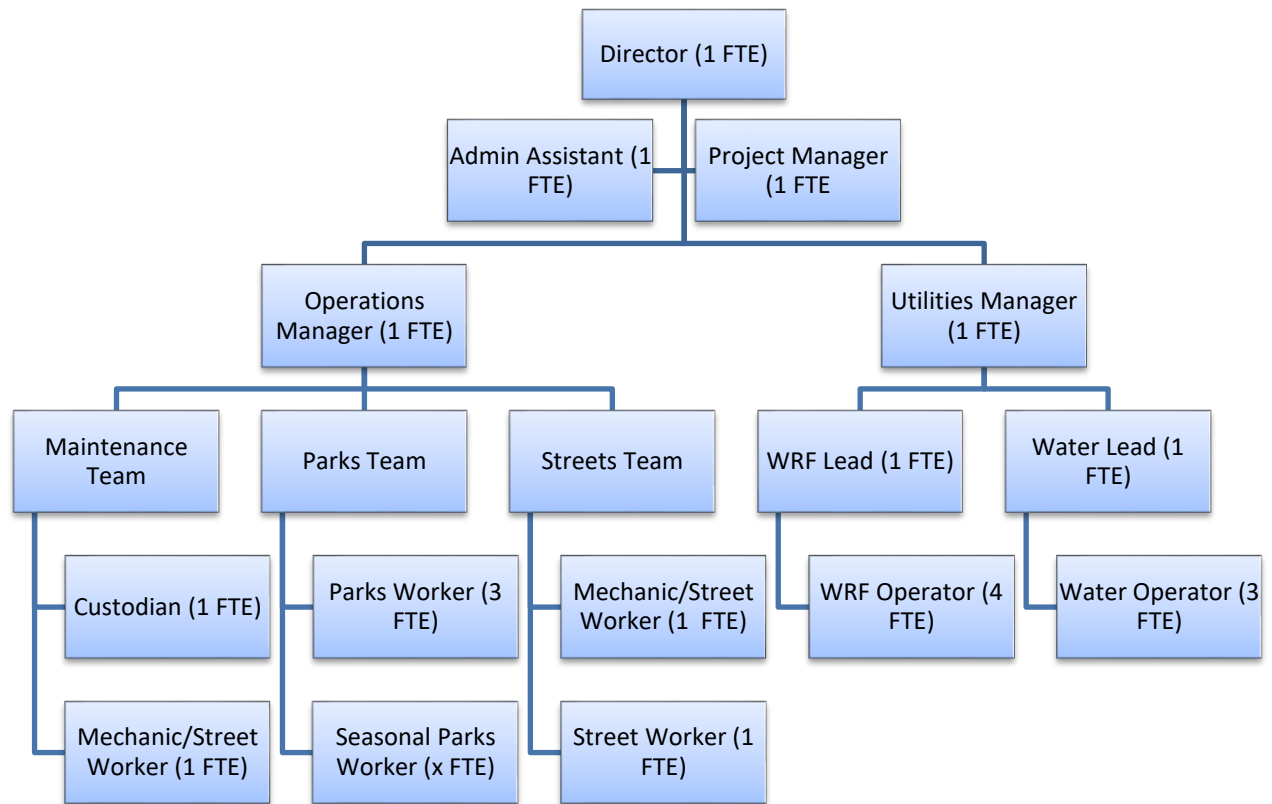
- Constructed and Installed new playground equipment and splash pad at City Park.
- Started a Fleet Maintenance Program to Track all Vehicle Maintenance and issues
- Installed a Storage Shed at City Park
- Started a City wide maintenance report and tracking program (Dude Solutions)
- Established a sustainable ER&R fund City Wide
- Successfully supported several community and regional events including: STP, Prairie Days, Christmas in the Park, and Jazz Festival to name a few.
- Streets put on a sustainable management plan
- Completed striping of half the City streets
- Fulfilled Maintenance and Repair of 900 S.T.E.P. tanks and holding facilities for commercial and residential homes to include inspection, testing of new facilities, and responded to over 300 Alarms.

- Upgraded Longmire Park Restrooms
- 50% of the ADA Transition Plan completed
- Completed Water and Sewer Rate Analysis for financial stability
- Capital Accomplishments
- SW Well on-line and running
- Construction of Mill Road side walk
- Construction of FT. Stevens side walk
- Implemented Water Reclamation Facility Phase 1 Improvements
- Design of 2021 AC Watermain Improvements
- Local and Regional Traffic/Transportation Models
- Rate Analysis for Sewer, Storm, and Water
- 6-year Capital Improvement Plan
- Adopted the 10-20 Year Capital Facilities Plan
- Developed an employee recognition program, to highlight outstanding work
- New dog kennel installed
- Merge PII – PII WRF Engineering Upgrades – Cost Upgrades
- Certified 11 workers for forklift driving

2021-2022 MAJOR GOALS

- Start and Complete construction of a new Water Reclamation Facility
- Start and Complete construction of a Bio-Dryer and Septage Receiving Station
- Upgrade the capacity and aesthetics of Cochrane Park
- Secure funding for Cochrane Park Design and Construction
- Maintain Training Tuesdays and increase their attendance to City wide
- Revamp Memorial Wall and Improve overall look at City Park
- Upgrade and update the two Downtown Wells and their buildings
- Help facilitate a community Garden in City Park
- Prioritize annual road maintenance program
- Update Development Standards and Inspection Program
- Start and Complete construction of Mosman Phase II
- Complete SE Reservoir design
- Construct SE Reservoir
- Maintain STEP tank maintenance and inspection requirements
- Become self-sufficient in all STEP tank maintenance and pumping
- Start production of Class A bio solids, removing the need for sludge transportation
- Complete Beautification of Parks and City spaces
- Construct 2021 AC Water Main Replacements
- Design 2023 Water Main Replacements

PUBLIC WORKS ORGANIZATION CHART



PUBLIC WORKS – PARKS BUDGET

FUND 001 576

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Taxes & Assessments External</i>	\$55	\$92	\$92	\$92	\$92	\$184
<i>Salaries/Wages</i>	\$175,071	\$90,293	\$104,425	\$256,882	\$259,563	\$516,445
<i>Stand By Pay</i>				\$5,700	\$5,700	\$11,400
<i>Accrued Vacation/Holiday/Sic</i>	\$8,658					
<i>Overtime</i>	\$704	\$1,128	\$1,153			
<i>F.I.C.A.</i>	\$16,696	\$6,909	\$7,987	\$19,651	\$19,857	\$39,508
<i>Retirement</i>	\$12,241	\$9,337	\$11,153	\$29,824	\$30,135	\$59,959
<i>Industrial Insurance</i>	\$5,264	\$3,008	\$3,008	\$7,644	\$7,644	\$15,288
<i>Unemployment Insurance</i>	\$439	\$452	\$522	\$891	\$901	\$1,792
<i>Medical Insurance</i>	\$54,774	\$20,277	\$21,692	\$57,874	\$60,100	\$117,974
<i>Uniforms/Safety Equipment</i>	\$725	\$1,250	\$1,250	\$2,020	\$2,020	\$4,040
<i>Office/Operating Supplies</i>	\$866	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
<i>Christmas In The Park</i>	\$3,751	\$4,000	\$4,000	\$4,000	\$4,000	\$8,000
<i>Fuel Consumed</i>	\$10,436	\$8,500	\$8,500	\$4,500	\$4,500	\$9,000
<i>Small Tools & Minor Equipment</i>	\$24,228	\$7,500	\$7,500	\$7,500	\$7,500	\$15,000
<i>Professional Services</i>	\$385	\$300	\$300	\$300	\$300	\$600
<i>Communications: Phone</i>		\$100	\$100			
<i>Travel/Training/Dues</i>	\$2,536	\$600	\$600	\$1,000	\$1,000	\$2,000
<i>IT Alloc - Parks</i>	\$22,220	\$19,085	\$19,465	\$16,000	\$16,000	\$32,000
<i>Public Utility Services</i>	\$33,735	\$30,000	\$30,000	\$20,000	\$20,200	\$40,200
<i>Repairs/Mtce Vehicles & Equi</i>	\$11,182	\$7,500	\$7,500	\$7,500	\$7,500	\$15,000
<i>Bldg/Grounds/Mtce/Janit or</i>	\$861					
<i>Bldg/Grounds/Mtce -</i>	\$3,773	\$4,200	\$4,200	\$4,200	\$4,200	\$8,400

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Skatebd</i>						
<i>Bldg/Grounds/Mtce-Longmir</i>	\$20,214	\$40,000	\$40,000	\$40,000	\$40,000	\$80,000
<i>Bldg/Grounds/Mtce-Cochran</i>	\$3,196	\$8,000	\$8,000	\$8,000	\$8,000	\$16,000
<i>Bldg/Grounds/Mtce- City</i>	\$9,319	\$12,000	\$12,000	\$12,000	\$12,000	\$24,000
<i>Bldg/Grounds/Mtce-Trail</i>	\$716	\$2,100	\$2,100	\$2,100	\$2,100	\$4,200
<i>Miscellaneous</i>	\$137					
<i>Fleet Allocation – Parks</i>		\$91,617	\$47,830	\$22,933	\$22,933	\$45,866
<i>Bldg/Ground/Mtce-Splash Pad</i>				\$16,500	\$16,500	\$33,000
Total	\$422,184	\$369,248	\$344,377	\$548,112	\$553,745	\$1,101,857

ANIMAL CONTROL (001 554)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Salaries/Wages</i>	\$11,533	\$11,750	\$12,133			
<i>Overtime</i>	\$35	\$205	\$210			
<i>Stand By Pay</i>		\$1,000	\$1,000			
<i>F.I.C.A.</i>	\$2,491	\$899	\$928			
<i>Retirement</i>	\$3,672	\$1,510	\$1,560			
<i>Industrial Insurance</i>	\$571	\$283	\$283			
<i>Unemployment Insurance</i>	\$67	\$59	\$60			
<i>Medical Insurance</i>	\$8,890	\$2,859	\$3,216			
<i>Office & Operating Supplies</i>	\$133	\$200	\$200			
<i>Small Tools/Minor Equipment</i>	\$159	\$200	\$200			
<i>Animal Control/Care & Custody</i>	\$203	\$50,000	\$50,000	\$45,000	\$45,000	\$90,000
Total	\$27,755	\$68,965	\$69,790	\$45,000	\$45,000	\$90,000

PUBLIC WORKS – STREETS BUDGET

FUND 101

Refer to Special Funds

PUBLIC WORKS – STORMWATER BUDGET

FUND 400

Refer to Enterprise Funds

PUBLIC WORKS – WATER BUDGET

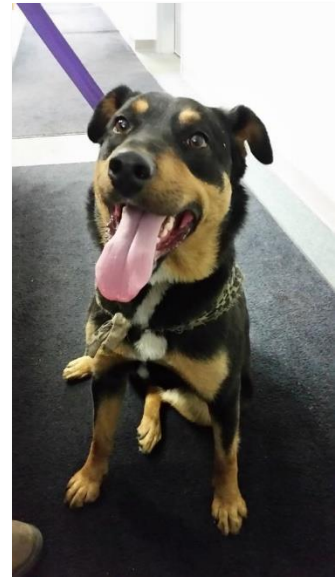
FUND 401

Refer to Enterprise Funds

PUBLIC WORKS – WATER RECLAMATION FACILITY BUDGET

FUND 412

Refer to Enterprise Funds



INFORMATION TECHNOLOGY

Grant Beck, Community Development Director
Jason Hardy, Network Administrator

MISSION

To provide a stable and sustainable network backbone that serves the needs of all City Departments and to provide software and hardware support to City employees.

VISION

Maintain a sustainable and robust network and provide quality customer support.

THE ORGANIZATION

Information Technology maintains network infrastructure that provides the backbone for mission critical software applications, including fiber and radio links between four City campuses. In addition, IT provides hardware and software support to City employees, orders, and installs new and replacement equipment, and backs up and secures City data.

2019/2020 MAJOR ACCOMPLISHMENTS

- Launched digital permitting and forms processing:
- Building, land use, and right of way permits,
- Business and Occupation tax reporting,
- City Council agenda preparation,
- Community Center rental.
- Replaced or upgraded 18 desktop and tablet computers for users through the Technology Replacement Fund.
- Replaced or upgraded 16 mobile computer terminals (MCT) for the Police Department, a major undertaking due to the number of replacements and scheduling availability in the Police Department.
- Redesigned the City data network to utilize virtual local area networks, which provide for future expansion of users, adds security, and allows for secure employee and guest wireless internet access.
- Quickly and efficiently provided for City employees to work remotely at the onset of the COVID-19 pandemic.
- Implemented a standardized technology mounting system in all police vehicles allowing the use of external antennas for better remote connections.

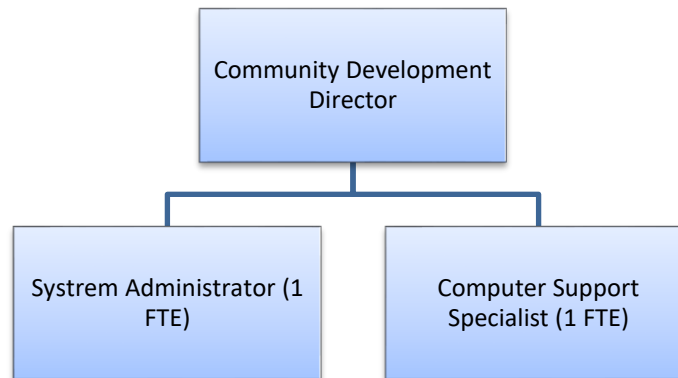
- Implemented voice command software in the Police Departments that allows officers to dictate reports and run computer commands such as obtaining license plate information hands free.
- Implemented keycard security systems for City Hall and established systems to extend this technology to the Public Works building and Water Reclamation Facility.
- Participated in city wide process review.
- Planned and prepared for the deployment of a City owned fiber optic line connecting Public Works to the Public Safety Building. This will complete the connection of all major City facilities by City owned fiber.
- Maintained a stable network environment and service levels to employees.
- Designed and began implementation of extending security camera citywide, including City Hall, the Splash Pad and Playground at City Park. Implemented remote notification to alert the police when motion is detected during designated hours.
- Centralized management of all City cell phone accounts. Audited cell phone deployment and reduced cell phone charges by over \$1,600 per month.
- Designed and constructed the new City Hall Council Chambers and conference rooms as modern and fully functional meeting spaces.
- Designed and launched remote Court and remote arraignment.
- Deployed new wireless access points throughout all City facilities, increasing wireless coverage, speeds, and security.
- Designed and deployed a new and modern training room in the Public Safety Building.
- Deployed new virtual servers for Geographic Information Systems, Remote Desktop, Reverse Proxy, and Management.

2021/22 MAJOR GOALS

- Finish deployment of virtual local area network infrastructure and deploy new and replacement switches.
- Complete the fiber optic Link between the Public Works and Public Safety buildings.
- Continue to improve content and services to the public through the implementation of public kiosks and web-based services to include remote worker zoom interaction.
- Finish deploying the extended security camera network.
- Extend the security keycard system to Public Works and the Water Reclamation Facility and update the system in the Public Safety Building.
- Bring the control building at SW Yelm Well 1A to current networking standards, including deployment of a wireless link and new patch panel.

- Update meter reading process and equipment.
- Secure an IPv6 address for the City of Yelm.
- Deploy 3CX phone system replacing the current Avaya system.
- Explore moving to a more virtualized client environment.

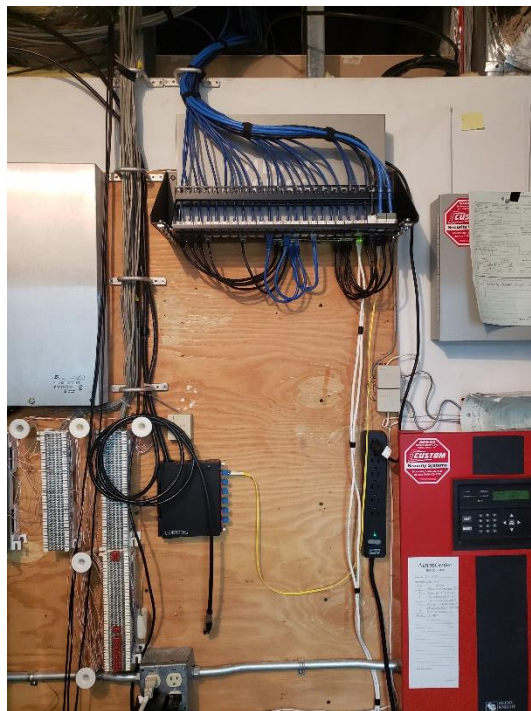
ORGANIZATION CHART



TECHNOLOGY BUDGET

FUND 501

The full technology budget can be found in the Enterprise Fund Section of the Budget Document.



NON-DEPARTMENTAL GENERAL FUND BUDGET

General Government expenditures not associated with specific departments are accounted for in the Non-Departmental Budget, including state programs, operating leases and transfers.

LEGAL SERVICES (001 515)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Labor Relations Consultant</i>	\$20,802	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000
<i>Legal Services/Criminal</i>	\$47,379	\$35,000	\$35,000	\$35,000	\$35,000	\$70,000
<i>Legal Services/Civil</i>	\$41,810	\$70,000	\$70,000	\$70,000	\$70,000	\$140,000
<i>Indigent Defense Costs</i>	\$5,333	\$50,000	\$50,000	\$97,500	\$97,500	\$195,000
<i>Public Defense Grant</i>	\$1,230	\$25,000	\$25,000			
Total	\$116,554	\$195,000	\$195,000	\$217,500	\$217,500	\$435,000

CENTRAL SERVICES (001 518)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Building Maint/Repairs</i>	\$41,831					
<i>Rmsa Insurance</i>	\$201,021	\$207,052	\$213,264	\$257,595	\$278,202	\$535,797
<i>Salaries/Wages Maint. Staff</i>	\$16,644	\$19,762	\$20,818	\$37,160	\$38,269	\$75,429
<i>F.I.C.A.</i>	\$1,273	\$1,512	\$1,593	\$2,843	\$2,928	\$5,771
<i>Retirement</i>	\$2,123	\$2,539	\$2,675	\$4,314	\$4,443	\$8,757
<i>Industrial Insurance</i>	\$537	\$809	\$809	\$1,345	\$1,345	\$2,690
<i>Unemployment Insurance</i>	\$33	\$99	\$104	\$129	\$133	\$262
<i>Medical Insurance</i>	\$4,090	\$10,131	\$10,657	\$19,115	\$19,850	\$38,965
<i>Custodial/Janitorial Service</i>	\$13,362	\$30,000	\$35,000	\$25,000	\$25,000	\$50,000
<i>Bldg Maint/Repairs</i>	\$2,736	\$55,000	\$25,000	\$40,000	\$40,000	\$80,000
<i>Small Equipment-Safety</i>	\$71	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Salaries/Wages</i>	\$91,014	\$143,681	\$157,864			
<i>Accrued Vacation/Holiday/Sic</i>	\$1,083					
<i>Overtime</i>	\$7,045					
<i>F.I.C.A.</i>	\$11,601	\$10,991	\$12,077			
<i>Retirement</i>	\$304	\$18,463	\$20,286			
<i>Industrial Insurance</i>	\$181	\$578	\$578			
<i>Unemployment Insurance</i>	-	\$719	\$789			
<i>Medical Insurance</i>	\$7,177	\$35,262	\$36,720			
<i>Office/Operating Supplies</i>	\$1,184					
<i>Professional Svcs</i>	\$41					
<i>Fleet Allocation - City Hall</i>				\$14,600	\$14,600	\$29,200
<i>IT ALLOC - Central Services</i>	\$9,024			\$14,490	\$14,490	\$28,980
<i>Communications: Postage</i>	\$6,992	\$11,000	\$11,000	\$11,000	\$11,000	\$22,000
<i>Communications: Phone</i>	\$16,323	\$16,000	\$19,245			
<i>Communication: Copiers</i>	\$26,633	\$19,245	\$30,000			
<i>Communication: Network</i>		\$30,000	\$40,000			
<i>IT Training</i>	\$26,702					
<i>Software Maintenance</i>		\$1,000	\$1,000			
<i>Data Processing Other Expense</i>		\$40,000				
<i>Public Utilities (Wtr/Swr/Pwr)</i>	\$92,839	\$85,000	\$85,000	\$40,000	\$40,000	\$80,000
Total	\$581,867	\$739,843	\$725,479	\$468,590	\$491,259	\$959,849

LIBRARY (001 572)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Library Services O&M</i>	\$47,140	\$23,637	\$25,000	\$50,000	\$50,000	\$100,000
<i>Library Services Maintenance Reserve</i>		\$3,528	\$3,528	\$3,528	\$3,528	\$7,056
Total	\$47,140	\$27,165	\$28,528	\$53,528	\$53,528	\$107,056

MUSEUM AND COMMUNITY CENTER (001 575)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Contracted Services</i>	\$1,751					
<i>Salaries/Wages</i>	\$7,567	\$4,940	\$5,204	\$2,600	\$2,600	\$5,200
<i>F.I.C.A</i>	\$171	\$378	\$1,194			
<i>Retirement</i>	\$286	\$635	\$2,006			
<i>Industrial Insurance</i>	\$73	\$607	\$607			
<i>Unemployment Insurance</i>	\$4	\$25	\$26			
<i>Medical Insurance</i>	\$644	\$2,533	\$2,664			
<i>YCC- Supplies</i>	\$439	\$350	\$500	\$500	\$500	\$1,000
<i>YCC-Garbage</i>	\$949	\$3,500	\$1,500	\$1,800	\$1,800	\$3,600
<i>YCC- Phone/Alarm/Internet</i>	\$1,606	\$1,500	\$1,200	\$800	\$800	\$1,600
<i>YCC- Water/Sewer/Storm</i>	\$1,127	\$2,000	\$2,000	\$9,990	\$9,990	\$19,980
<i>YCC Electric/Gas</i>		\$1,500	\$1,500	\$6,600	\$6,600	\$13,200
Total	\$14,618	\$17,968	\$18,401	\$22,290	\$22,290	\$44,580

MISC.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>L&I Retro Program</i>		\$4,100	\$4,100	\$4,100	\$4,100	\$8,200
<i>OMWBE Operating Costs</i>		\$100	\$100	\$100	\$100	\$200
<i>Pollution Control</i>	\$6,530	\$6,846	\$7,400	\$7,400	\$7,400	\$14,800
<i>Annual Contributions</i>	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000
<i>Substance Abuse/Social Svcs.</i>	\$2,294	\$1,700	\$1,700	\$1,700	\$1,700	\$3,400
Total	\$18,824	\$27,746	\$28,300	\$28,300	\$28,300	\$56,600

CAPITAL (001 595)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Machinery/Equipment</i>	\$34,207					
<i>Machinery/Equipment</i>		\$42,769	\$45,000			
<i>Habitat Conservation Plan</i>	\$89,179	\$50,000	\$50,000	\$100,000	\$100,000	\$200,000
Total	\$123,386	\$92,769	\$95,000	\$100,000	\$100,000	\$200,000

INTERFUND TRANSFERS (001 597)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>T/O TO CUMULATIVE RESERVE</i>		\$38,500	\$15,000			
<i>T/O TO 200 LIBRARY DEBT PMT</i>	\$133,625			\$137,313	\$134,563	\$271,876
<i>T/O To Fund 501</i>	\$200,000					
<i>T/O to 104 CUMULATIVE RESERVE</i>	\$1,000,000					
<i>T/O PW LTGO BOND #200</i>	\$349,635	\$205,460	\$331,145			
<i>T/O PSB LTGO BOND #200</i>				\$330,910	\$330,183	\$661,093
<i>T/O To Fund 502 ER&R</i>	\$100,000					
<i>T/O STREET #101</i>	\$300,000	\$279,000	\$346,000	\$355,000	\$355,000	\$710,000
<i>T/O To Fund 502 ER&R</i>	\$799,684					
<i>T/O to Fund 302 Muni Bldg Fund</i>	\$150,000			\$15,000	\$15,000	\$30,000
Total	\$3,032,944	\$522,960	\$692,145	\$838,223	\$834,745	\$1,672,968

SPECIAL REVENUE FUNDS

Special revenue funds required by state law to account for dedicated state shared revenue and used to record those proceeds for which usage is restricted. Examples of special revenue funds are those used for the funding of street maintenance, reserves, and tourism promotion. The use of a special revenue fund makes it easier to track cash inflows and outflows related to special-purpose activities.

STREET OPERATING AND ARTERIAL STREET FUNDS (101)

The Street Fund receives state motor vehicle fuel tax and support from the General Fund from business license fees, electric and cable franchise fees, and garbage utility fees and taxes. Funds are used primarily by the Public Works Department for street maintenance.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$107,958	\$130,019	\$35,325	\$174,045	\$122,935	
Total Beginning Cash	\$107,958	\$130,019	\$35,325	\$174,045	\$122,935	
<i>Multimodal Transpiration- MTA</i>	\$8,291	\$8,473	\$8,500	\$7,558	\$7,564	\$15,122
<i>Motor Vehicle Fuel Tax</i>	\$136,573	\$134,659	\$143,643	\$120,752	\$117,064	\$237,816
<i>Investment Interest</i>	\$7,860	\$1,000	\$1,000	\$841	\$841	\$1,682
<i>Miscellaneous Other</i>	\$4,182					
<i>T/I From 001</i>		\$279,000	\$346,000	\$355,000	\$355,000	\$710,000
Total Revenue	\$156,906	\$423,132	\$499,143	\$484,151	\$480,469	\$964,620
<i>Salaries/Wages</i>	\$88,662	\$69,448	\$71,372	\$186,485	\$187,789	\$374,274
<i>Accrued Vacation/Holiday/Sick</i>	\$42					
<i>Overtime</i>	\$151	\$300	\$300			
<i>Stand By Pay</i>						
<i>F.I.C.A.</i>	\$15,736	\$5,314	\$5,460	\$14,266	\$14,366	\$28,632
<i>Retirement</i>	\$20,838	\$8,924	\$9,172	\$21,651	\$21,802	\$43,453
<i>Industrial Insurance</i>	\$4,625	\$2,076	\$2,076	\$4,686	\$4,686	\$9,372
<i>Unemployment Insurance</i>	\$405	\$348	\$356	\$647	\$652	\$1,299

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Medical Insurance</i>	\$45,626	\$14,135	\$16,642	\$46,781	\$48,580	\$95,361
<i>Uniforms/Safety Equipment</i>	\$1,121	\$2,400	\$2,600	\$2,600	\$2,600	\$5,200
<i>Office/Operating Supplies</i>	\$857	\$600	\$600	\$600	\$600	\$1,200
<i>Fuel Consumed</i>	\$3,294	\$3,977	\$3,977	\$4,000	\$4,500	\$8,500
<i>Small Tools & Minor Equipment</i>	\$4,314	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000
<i>Computer Software O&M</i>	\$3,000	\$5,500	\$5,500			
<i>Communications: Phone</i>	\$4,377					
<i>Travel/Training</i>	\$805	\$1,500	\$1,500	\$1,500	\$1,500	\$3,000
<i>OP Alloc To IT Fund</i>	\$7,407	\$7,407	\$7,407	\$15,600	\$15,600	\$31,200
<i>Property/Eqpt/Liability Ins</i>		\$30	\$30	\$30	\$30	\$60
<i>Vehicle Repair/Maintenance</i>	\$8,403	\$8,500		\$2,500	\$2,500	\$5,000
<i>Rental Equipment</i>		\$2,000	\$2,000			
<i>Bldg/Grnd/Mtc Supplies Janit</i>	\$501	\$500	\$500			
<i>Repairs and Maint - Rail Line</i>	\$1,013		\$33,000			
<i>Street Lighting</i>	\$265,812	\$150,000	\$150,000	\$120,000	\$120,000	\$240,000
<i>Traffic Control Devices</i>	\$6,572	\$6,000	\$6,000	\$4,000	\$4,000	\$8,000
<i>Sidewalk Repair Maintenance</i>	\$5,686	\$20,000	\$30,000	\$30,000	\$30,000	\$60,000
<i>Roads/Streets Maintenance - Snow & Ice Control</i>				\$2,500	\$2,500	\$5,000
<i>Miscellaneous</i>	\$267	\$250	\$250	\$250	\$250	\$500
<i>Street Repairs/Maintenance</i>	\$57,038	\$40,000	\$40,000	\$35,000	\$35,000	\$70,000
<i>Biannual Traffic Count</i>	\$807	\$6,000	\$6,000	\$11,000		\$11,000
<i>Printing/Advertising</i>	\$728	\$1,000	\$1,000	\$500	\$500	\$1,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Gen Svcs Equip Repair/Mtce</i>	\$861					
<i>Public Utility Services</i>	\$1,198			\$2,400	\$2,400	\$4,800
<i>Operating Allocation - ER&R</i>		\$91,617	\$47,830	\$23,266	\$23,266	\$46,532
<i>T/O To 316</i>		\$65,000	\$81,000			
Total Expenditures	\$550,148	\$517,826	\$529,572	\$535,261	\$528,121	\$1,063,382

ARTERIAL STREET FUND (102)

This Fund receives motor vehicle fuel funds, state grant fund and other state shared revenues, as well as investments earnings and miscellaneous fees to be used for planning, construction, improvement, and repair of arterial streets.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$101,325	\$120,947	\$33,803	\$76,787	\$43,327	
Total Beginning Cash	\$101,325	\$120,947	\$33,803	\$76,787	\$43,327	
<i>STP Grant SR 507 & 1ST Street</i>	\$5,566					
<i>Multimodal Transpiration- MTA</i>	\$3,902	\$3,988	\$3,300	\$5,038	\$5,042	\$10,080
<i>Motor Vehicle Fuel Tax</i>	\$53,122	\$63,368	\$50,000	\$80,502	\$78,043	\$158,545
<i>Investment Interest</i>	\$5,831	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
<i>Port Of Oly-Small City Grant</i>		\$10,000	\$10,000			
<i>Other Misc. Revenue</i>	\$20	\$15,000	\$20,000			
Total Revenue	\$68,441	\$93,356	\$84,300	\$86,540	\$84,085	\$170,625
<i>Prof Svcs-Traffic Modeling</i>		\$5,000		\$5,000		\$5,000
<i>Lobbyist Contract Svcs</i>	\$4,500	\$15,000	\$15,000	\$15,000	\$10,000	\$25,000
<i>Planning Study (SR507 &1ST)</i>	\$50,470	\$60,500				

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Capital Reserve-Future Use</i>	\$1,733					
<i>Transfer Out To 316</i>	\$27,243	\$100,000	\$100,000	\$100,000	\$100,000	\$200,000
Total Expenditures	\$83,946	\$180,500	\$115,000	\$120,000	\$110,000	\$230,000

CUMULATIVE RESERVE FUND (104)

Used for revenue stabilization in the event of temporary revenue losses due to economic cycles or other time-related causes.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash-Unreserved</i>	\$13,303	\$284,001	\$322,501	\$362,579	\$362,579	
<i>Total Beginning Cash</i>	\$13,303	\$284,001	\$322,501	\$362,579	\$362,579	
<i>T/I From 001</i>	\$1,000,000	\$38,500	\$15,000			
<i>Total Revenue</i>	\$1,000,069	\$38,500	\$15,000			
<i>T/O to Fund 302 Muni Bldg Fund</i>	\$334,053					
<i>T/O to General Fund</i>	\$395,318					
<i>Total Expenditure</i>	\$729,371					

PARKS RESERVE FUND (105)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash-Unreserved</i>	\$888	\$1,175	\$1,178	\$962	\$962	
Total Beginning Cash	\$888	\$1,175	\$1,175	\$962	\$962	
<i>Investment Interest</i>	\$5					
Total Revenue	\$5					
Total Expenditures						

TOURISM PROMOTION FUND (107)

Used to promote eligible tourism and cultural activities within the City of Yelm. The sole source of revenue is the Hotel/Motel tax. This fund is administered by the Finance Department and the used of these funds are directed by the Lodging Tax Advisory Committee (LTAC).

In 2019, the LTAC Awarded \$6,000 to the Triad Theater for operating costs, and \$1,473 to the Chamber of Commerce. In 2020 another \$6,000 to the Triad and \$3,000 to Jazz in the Park.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>BEGINNING CASH- UNRESERVED</i>	\$236,634	\$192,800	\$192,800	\$316,216	\$253,024	
Total Beginning Cash	\$236,634	\$192,800	\$192,800	\$316,216	\$253,024	
<i>Taxes Received</i>	\$24,258	\$20,000	\$20,000	\$15,000	\$15,000	\$30,000
<i>Investment Interest</i>	\$16,932	-	-	\$1,808	\$1,808	\$3,616
Total Revenue	\$41,190	\$20,000	\$20,000	\$16,808	\$16,808	\$33,616
<i>Tourism/Promotion</i>		\$80,000	\$80,000	\$80,000	\$80,000	\$160,000
Total Expenditures		\$80,000	\$80,000	\$80,000	\$80,000	\$160,000

YPD SCHOOL RESOURCE FUND (109)

Supports the presence of a sworn law enforcement officer that works closely with Yelm School District school administrators in an effort to create a safer environment. This fund is used by the Yelm Police Department.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected Expenditure s</i>	<i>2022 Expected Expenditure s</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$10,734	\$10,328	\$48,073	\$88,275	\$88,275	
Total Beginning Cash	\$10,734	\$10,328	\$48,073	\$88,275	\$88,275	
<i>Investment Interest</i>	\$1,069					
<i>Yelm Community Schools Contrib</i>	\$60,000	\$67,000	\$67,000	\$20,000	\$87,000	\$107,000
Total Revenue	\$61,069	\$67,000	\$67,000	\$20,000	\$87,000	\$107,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected Expenditure s</i>	<i>2022 Expected Expenditure s</i>	<i>2021/202 2 Budget</i>
<i>Salaries</i>	\$40,440	\$20,740	\$18,215	\$15,212	\$66,173	\$81,385
<i>Fica</i>	\$3,094	\$1,587	\$1,393	\$1,183	\$5,145	\$6,328
<i>Retirement</i>	\$2,196	\$2,665	\$2,341	\$860	\$3,741	\$4,601
<i>Industrial Insurance</i>	\$1,014	\$708	\$708	\$337	\$1,466	\$1,803
<i>Unemployment Insurance</i>	\$182	\$104	\$91	\$43	\$185	\$228
<i>Medical/Disability Insurance</i>	\$13,280	\$3,451	\$8,347	\$2,365	\$10,289	\$12,654
Total Expenditures	\$60,206	\$29,255	\$31,095	\$20,000	\$87,000	\$107,000

CUSTODIAL FUNDS (119)

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected Expenditures</i>	<i>2022 Expected Expenditures</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$8,070	\$8,070	\$8,070	\$8,692	\$8,692	
Total Beginning Cash	\$8,070	\$8,070	\$8,070	\$8,692	\$8,692	
<i>Interest earned</i>						
Total Revenue						
<i>T/O to Fund 302 Muni Bldg Fund</i>						
Total Expenditures						

TRANSPORTATION FACILITIES CHARGE (120)

A fee charged to new construction in Yelm. The Transportation Facilities Charge Fund collects traffic mitigation fees from new development projects that add traffic to the City Transportation system to ensure that the impacts of new development are assessed to that development and not current residents.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$147,195	\$34,032	\$24,212	\$13,841	\$97,175	
Total Beginning Cash	\$147,195	\$34,032	\$24,212	\$13,841	\$97,175	
<i>Transportation Facilities Chgs</i>				\$89,820	\$89,820	\$179,640
<i>Transportation Impact Fees</i>	\$86,768	\$120,000	\$140,000			
<i>Interest</i>	\$9,604	\$2,000	\$2,000	\$2,000	\$2,000	\$4,000
Total Revenue	\$96,372	\$122,000	\$142,000	\$91,820	\$91,820	\$183,640
<i>Reserve-Coates Rd Extension</i>	\$1,011		\$8,486	\$8,486	\$8,486	\$16,972
<i>T/O To 413 (Killion I/F Ln Pmt</i>	\$97,326	\$97,326	\$97,326			
<i>T/O To 316 For Capital</i>	\$10,000	\$20,771	\$60,000			
Total Expenditures	\$129,550	\$131,820	\$165,812	\$8,486	\$8,486	\$16,972

DEBT SERVICE FUNDS

The City currently has approximately \$3.0 million in non-voted general obligation debt and does not plan to issue any new General Obligation Debt in 2021-2022. The City does plan to issue revenue debt to fund upgrades to the Wastewater Reuse Facility. This debt is the direct obligation of the City and pledged by its full faith and credit. Principal and interest are paid from debt service funds as well as from utility funds. The City does not currently have any voted general obligation debt.

LIMITED TAX GENERAL OBLIGATION BOND REDEMPTION FUND (200)

Accounts for the accumulation of resources for and payment of general long-term obligation principal and interest. Revenues for this purpose include Ad Valorem property taxes on voted bond issues. Expenditures from this fund include scheduled principal and interest payments, debt issuance costs, fiscal agent fees, and other debt-related costs. This debt is the direct obligation of the City and pledged by its full faith and credit.

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation.

Under RCW 39.36.020(4), the public may vote to approve bond issues for park facilities and utilities, each of which is limited to 2.5% of the City's assessed valuation. A total of 7.5% of the City's assessed valuation may be issued in bonds. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

Debt service for voted bond issues is funded with special property tax levies. The 1.5% can be used for any municipal purpose, including using the entire amount for bonds. Currently, the City's remaining debt capacity within the 1.5% limit is estimated to be approximately \$9.4 million as of October 1, 2018. City does not currently have any voted general obligation debt.

Debt service currently scheduled for payment from this fund includes the 2018 Public Safety Refunding General Obligation Bonds, as well as the remaining 2009 Certificates of Participation for the financing of the Civic Center project.

Debt service for voted bond issues is funded with special property tax levies. The 1.5% can be used for any municipal purpose, including using the entire amount for bonds. Currently, the City's remaining debt capacity within the 1.5% limit is estimated to be approximately \$9.4 million as of October 1, 2018.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$22,952	\$153,732	\$30,232	\$13,351	\$14,101	
Total Beginning Cash	\$22,952	\$153,732	\$30,232	\$13,351	\$14,101	
<i>Interest Earned</i>	\$13,476	\$1,500	\$750	\$750	\$750	\$1,500
<i>Public Safety Mitigation</i>	\$9,610					
<i>Miscellaneous Other</i>	\$132					
<i>Refunding Long-Term Debt Issue</i>	\$2,624,000					
<i>T/I From 001 Library Pmt</i>	\$133,625	-	-	\$137,313	\$134,563	\$271,876
<i>T/I Fund 401 Water</i>	\$349,635	\$205,460	\$331,145	-	-	\$-
<i>T/I From 001 PSB LTGO</i>				\$330,910	\$330,183	\$661,093
Total Revenue	\$3,130,478	\$206,960	\$331,895	\$468,973	\$465,495	\$934,468
<i>PSB Bond Principal</i>	\$2,555,000	\$266,000	\$274,000	\$281,000	\$288,000	\$569,000
<i>PW Bond Principal</i>	\$280,000					
<i>Library Bond - Principal</i>	\$90,000			\$100,000	\$100,000	\$200,000
<i>PSB Bond Interest</i>	\$36,240			\$49,610	\$41,883	\$91,493
<i>PSB Bond Miscellaneous Costs</i>	\$54,726			\$300	\$300	\$600
<i>PW Bond Interest</i>	\$31,850					
<i>Library Bond- Interest</i>	\$43,625	\$64,460	\$57,145	\$37,313	\$34,563	\$71,876
Total	\$3,091,442	\$330,460	\$331,145	\$468,223	\$464,745	\$932,968

WATER REVENUE BOND DEBT SERVICE FUND (405) DEBT SERVICE

Accounts for the accumulation of resources for and payment of general long-term obligation principal and interest. Revenues for this purpose include Ad Valorem property taxes on voted bond issues. Expenditures from this fund include scheduled principal and interest payments, debt issuance costs, fiscal agent fees, and other debt-related costs. This debt is the direct obligation of the City and pledged by its full faith and credit.

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation.

Under RCW 39.36.020(4), the public may vote to approve bond issues for park facilities and utilities, each of which is limited to 2.5% of the City's assessed valuation. A total of 7.5% of the City's assessed valuation may be issued in bonds. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

Debt service for voted bond issues is funded with special property tax levies. The 1.5% can be used for any municipal purpose, including using the entire amount for bonds. Currently, the City's remaining debt capacity within the 1.5% limit is estimated to be approximately \$9.4 million as of October 1, 2018. City does not currently have any voted general obligation debt.

Debt service currently scheduled for payment from this fund includes the 2018 Public Safety Refunding General Obligation Bonds, as well as the remaining 2009 Certificates of Participation for the financing of the Civic Center project.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$81,056	\$103,986	\$99,355	\$1,178	\$3,578	
Total Beginning Cash	\$81,056	\$103,986	\$99,355	\$1,178	\$3,578	
<i>Interest</i>	\$23,590	\$5,000	\$2,500	\$2,500	\$2,500	\$5,000
<i>Miscellaneous Other</i>	-	-	-	-	-	\$-
<i>T/I FROM 401 For 2003 WTR BOND</i>	\$179,363	\$174,713	\$175,036	\$175,263	\$175,263	\$350,526

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>T/I FROM 401 For DWSRL Debt</i>	\$9,462	-	-	\$9,072	\$8,941	\$18,013
<i>T/I From 401 for DOE Rclmd Wtr</i>	\$51,856	\$51,857	\$51,857	\$51,857	\$51,857	\$103,714
<i>T/I From 405 for 2010 Wtr Bond</i>	\$690,188	\$686,788	\$688,808	\$538,000	\$539,750	\$1,077,750
Total Revenue	\$954,459	\$918,358	\$918,201	\$776,692	\$778,311	\$1,555,003
<i>2003 Wtr Rev Bond - Prin</i>	\$155,000	\$155,000	\$160,000	\$165,000	\$170,000	\$335,000
<i>DOE Reclaim Wtr - Principal</i>	\$46,169	\$46,866	\$47,574	\$48,293	\$49,023	\$97,316
<i>2010 Wtr Rev Bond Debt (Prin)</i>	\$280,000	\$285,000	\$295,000	-	-	\$-
<i>2020 Water Rev Bond Refi of 2010 Bonds</i>	-	-	\$95,000	\$275,000	\$285,000	\$560,000
<i>Well #1 Rehab DWSRF Princ</i>	\$8,741	\$8,741	\$8,741	\$8,681	\$8,681	\$17,362
<i>2003 Wtr Rev Bond - Int</i>	\$24,363	\$19,713	\$15,063	\$10,063	\$5,063	\$15,126
<i>DOE Reclaim Wtr - Interest</i>	\$5,687	\$4,990	\$4,282	\$3,564	\$2,834	\$6,398
<i>Well #1 Rehab DWSRF Int</i>	\$781	\$651	\$521	\$391	\$260	\$651
<i>2010 Wtr Rev Bond Int/Costs</i>	\$410,488	\$401,788	\$393,807	-	-	\$-
<i>2020 Water Rev Bond Refi of 2010 Bonds</i>	-	-	-	\$263,000	\$254,750	\$517,750
<i>03 WtrRev Bond/13 Refi Costs</i>	\$300	\$300	\$300	\$300	\$300	\$600
Total Expenditures	\$931,529	\$923,049	\$1,020,288	\$774,292	\$775,911	\$1,550,203

WATER DEBT SERVICE RESERVE FUND (406) DEBT SERVICE

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beg Cash Rsv-03 Water Reserve</i>	\$192,016	\$192,016		\$192,016	\$192,016	

<i>Beg Cash 2010 Water Reserve</i>	\$677,534	\$677,534		\$677,534	\$677,534	
<i>DOE - 2005 Reclaimed Water</i>	\$51,860	\$51,860		\$51,860	\$51,860	
<i>Unreserved Cash</i>	\$10,189	\$10,189	\$943,561	\$66,563	\$67,946	\$134,509
Total Beginning Cash	\$931,599	\$931,599	\$943,561	\$987,973	\$989,356	\$1,977,329
<i>Investment Interest</i>		\$1,500	\$1,500	\$1,383	\$1,383	\$2,766
Total Revenue		\$1,500	\$1,500	\$1,383	\$1,383	\$2,766
<i>Transfer Out</i>						
Total Expenditures						

WATER REUSE DEBT SERVICE FUND (203)

Debt service obligations for sewer infrastructure are met through the use of this fund. The use of is limited to principal and interest payments on sewer revenue bonds and revolving fund loans. To meet these needs and ensure proper accounting of dedicated funds.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$943	\$601	\$776	\$6,481	\$6,730	\$13,211
Total Beginning Cash	\$943	\$601	\$776	\$6,481	\$6,730	\$13,211
<i>Interest Earned</i>	\$836	\$175	\$175	\$249	\$249	\$498
<i>Transfer In - Sewer OPS 412</i>	\$173,026	\$173,026	\$173,026	\$173,026	\$173,026	\$346,052
Total Revenue	\$173,863	\$173,201	\$173,201	\$173,275	\$173,275	\$346,550
<i>DOE 1998 WTR Reuse Des (P)</i>	\$85,923	\$88,677	\$91,583	\$94,583	\$97,682	\$192,265
<i>DOE 1998 WTR Reuse Des (I)</i>	\$87,622	\$84,349	\$81,443	\$78,443	\$70,344	\$148,787
Total Expenditures	\$173,545	\$173,026	\$173,026	\$173,026	\$168,026	\$341,052

SEWER BOND DEBT SERVICE & RESERVE FUND (415)

Debt service obligations for sewer infrastructure are met through the use of this fund. The use of is limited to principal and interest payments on sewer revenue bonds and revolving fund loans. To meet these needs and ensure proper accounting of dedicated funds, Sewer Bond Refinance & Reserve Accounts also roll up to these funds.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash-Reserved</i>	\$97,101	\$97,101		\$97,101	\$97,101	\$194,202
<i>Beginning Cash-Unreserved</i>	\$22,227	\$47,699	\$144,975	\$56,312	\$56,663	\$112,975
Total Beginning Cash	\$119,328	\$144,800	\$144,975	\$153,413	\$153,764	\$307,177
<i>Interest Earned</i>	\$717	\$175	\$175	\$350	\$350	\$700
<i>T/I From 412 For Sewer Debt</i>	\$97,101	\$97,101	\$97,101	\$97,101	\$97,101	\$194,202
Total Revenue	\$97,818	\$97,276	\$97,276	\$97,451	\$97,451	\$194,902
<i>DOE - Sewer Bond Refi 2003 (P)</i>	\$90,428	\$91,793	\$93,180	\$94,587	\$96,015	\$190,602
<i>DOE - Sewer Bond Refi (I)</i>	\$6,673	\$5,308	\$3,921	\$2,514	\$1,085	\$3,599
Total Expenditures	\$97,101	\$97,101	\$97,101	\$97,101	\$97,100	\$194,201

SPECIAL ASSESSMENT/REVENUE BONDS

KILLION ROAD LID FUND (202)

Administered by the City on behalf of the Killion Local Improvement District. The City is not responsible for the bond, only for administering the fund, which includes accounting for revenue and ensuring that payments are made to the debt holder. The Killion Road LID Fund is used to service the Debt on the Killion Road LID. The LID is only required to make interest payments each September until the loan comes due in 2026. The City has been making additional principal payments each year to pay off the loan prior to 2026.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash-Reserved</i>	\$257,300			\$257,300	\$257,300	
<i>Beginning Cash-Unres</i>	\$1,034,778	\$963,543	\$1,020,064	\$413,620	\$316,891	
Total Beginning Cash	\$1,292,078	\$963,543	\$1,020,064	\$670,920	\$574,191	
<i>Investment Interest</i>	\$55,040					
<i>Penalty/Interest</i>	\$483,025	\$117,655	\$73,359	\$73,359	\$73,359	\$146,718
<i>Assessment Principal</i>	\$1,600,118	\$321,844	\$315,523	\$276,451	\$276,451	\$552,902
<i>Miscellaneous Other</i>	\$3,718					
<i>Refunding Debt Issued</i>	\$2,567,410					
Total Revenue	\$4,709,312	\$439,499	\$388,882	\$349,810	\$349,810	\$699,620
<i>LID Management Costs</i>	\$3,118	\$3,000	\$3,000	\$3,000	\$3,000	\$6,000
<i>LID #2 Debt Redemption</i>	\$4,515,569					
<i>2018 Refi Principal</i>	\$368,869	\$285,268	\$285,268	\$382,655	\$382,655	\$765,310
<i>Cost Of Issuance</i>	\$20					
<i>REFI LID #2 Interest</i>	\$170,983	\$94,709	\$82,870	\$60,884	\$45,663	\$106,547
<i>2018 Interest (REFI 06)</i>	\$51,178					
<i>2018 Other (REFI 06)</i>	\$47,346					
Total Expenditures	\$5,157,083	\$382,977	\$371,138	\$446,539	\$431,318	\$877,857

CAPITAL PROJECT FUNDS

The definition of capital projects includes, but is not limited to, public works of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, and administrative and judicial facilities. The Capital Project Funds account for receipts and disbursements related to acquisition, design, construction and any other expenditures related to capital projects including public buildings, facilities, road and street construction and parks. City park projects, capital facility construction and improvements, road and street construction projects, and general governmental projects make up the activity in these funds.

THE CAPITAL IMPROVEMENT PLAN

These projects are outlined in the City's 6-year Capital Improvement Plan (CIP). The CIP contains all the individual capital projects, equipment purchases, and major studies for the City in conjunction with construction and completion schedules, and in consort with financing plans. The plan provides a working blueprint for sustaining and improving the community's infrastructures. It coordinates strategic planning, financial capacity, and physical development and stands at the epicenter of a government's Planning, Public Works, and Finance departments. The 2021-2026 CIP is incorporated into this budget by reference and is accessible via the City's website under 2021-2022 budget documents

CAPITAL PROJECT FUND REVENUES

The primary funding sources are state and federal grants, Real Estate Excise Tax (REET), and interest earnings from investments. This tax is levied on all sales of real estate, measured by the full selling price, including any liens, mortgages, and other debts given to secure the purchase. The first .25% of REET proceeds must be spent solely on capital projects that are listed in the Capital Facilities Plan. The second .25% of REET proceeds can only be levied by cities that are required to plan under the regulations of the Growth Management Act (GMA) to help defray the costs of implementing GMA. The definition of capital projects which qualify for use by these proceeds includes, public works of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water

systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Additionally REET 1 can use the greater of 35% of the available funds or \$100,000 on Operations and Maintenance of existing capital projects as defined above.

MUNICIPAL BUILDING FUND (302)

This fund is used for capital projects such as park construction and improvements and building acquisition and improvements. The major sources of revenue to the Municipal Building Fund are REET 1, grants from state and local entities, and transfers from the General Fund (001). Fund balances in this account are invested in short-term government bonds to augment income to the City.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$815,558	\$257,087	\$2,721	\$334,023	\$226,464	
Total Beginning Cash	\$815,558	\$257,087	\$2,721	\$334,023	\$226,464	
<i>Local Real Estate Excise Tax</i>	\$273,493	\$295,000	\$300,000	\$305,250	\$311,355	\$616,605
<i>Grant-USHUD CDBG- Spray Prk</i>		\$76,764				
<i>Grant- WA State Dept Commerce</i>		\$200,000				
<i>Commerce Playgrd Equip Grant</i>		-				
<i>State Direct/Indirect Grant From Department Of Commerce</i>		\$50,000				
<i>Investment Interest</i>	\$3,382	\$2,000	\$1,500	\$2,191	\$2,191	\$4,382
<i>T/I From Cumulative Reserve</i>	\$334,053					
<i>Trans-In Water 401 Captl 404</i>						
<i>Trans-In Sewer 412</i>			\$25,000			
<i>T/I From Fund 001</i>	\$150,000					
<i>T/I FROM</i>						

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>104,105,404,413</i>						
Total Revenue	\$760,928	\$623,764	\$326,500	\$307,441	\$313,546	\$620,987
<i>Building Improvements</i>						
<i>City Hall Building / City Street Beautification</i>	\$98,102	-	-	\$20,000	-	\$20,000
<i>Investment Grade Energy Audit</i>	\$926,814					
<i>Implement Energy Savings Plan (Phase 2)</i>		\$400,000				
<i>Longmire Park Shed Expansion</i>						
<i>Dog Park And WRF Access-Construction</i>				\$175,000	\$175,000	\$350,000
<i>Veterans Memorial Upgrades – City Park</i>					\$70,000	\$70,000
<i>Yelm Prairie Line Trail</i>				\$150,000	\$150,000	\$300,000
<i>Longmire Park Turf Replacement</i>		\$70,000				
<i>Longmire Feasibility Study</i>		\$70,000		\$70,000		\$70,000
<i>Yelm Spray Park</i>	\$35,682	\$83,130				
<i>Yelm Parks - 20 Year CIP</i>		\$50,000				
<i>Bike Pump Park</i>	\$7,319					
<i>Yelm City Park Playgrnd Equip</i>	\$16,861					
<i>Transfers-Out - To 316 Road & Street Construction</i>		\$205,000	\$175,000			
Total Expenditures	\$1,084,778	\$878,130	\$175,000	\$415,000	\$395,000	\$810,000

ROAD AND STREET CONSTRUCTION FUND (316)

Used to pay for road and street construction projects in the City of Yelm. Major sources of revenue include REET 2, grants from federal and state transportation agencies, and transfers from Traffic Facilities Charges (120).

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash-Reserved</i>	\$105,984	\$314,523	\$232,295	\$1,180,490	\$1,082,756	
Total Beginning Cash	\$105,984	\$314,523	\$232,295	\$1,180,490	\$1,082,756	
<i>Real Estate Excise Tax</i>	\$273,493	\$250,000	\$250,000	\$305,250	\$311,355	\$616,605
<i>FHWA Const Grants (Mosman Ph 2)</i>	\$77,672		\$118,401	\$634,608		\$634,608
<i>TAP Grant Fort Stevens</i>	\$70,004	\$60,509	\$40,000			
<i>Federal Grant For Mosman 2</i>		\$345,178				
<i>STP Grant Fort Stevens</i>		\$133,320				
<i>TIB-Mosman Realignment</i>				\$630,392		\$630,392
<i>TIB-Cullens/Solberg Sidewalk</i>	\$81,263					
<i>TIB SR507 Sidewalk Grant</i>	\$26,441					
<i>TIB Cullen's Rd-Arterial Grant</i>			\$872,666			
<i>State Grant - TIB (For Mill Rd Walk)</i>			\$430,250			
<i>INVESTMENT INTEREST</i>	\$28,275			\$(2,016)	2,016-	\$(2,016)
<i>MISCELLANEOUS OTHER</i>		\$3,000	\$3,000			
<i>T/I From 101</i>		\$65,000	\$81,000			

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>T/I FROM 102</i>	\$27,243	\$100,000	\$100,000	\$100,000	\$100,000	\$200,000
<i>T/I From 120</i>	\$10,000	\$20,771	\$60,000			
<i>T/I From 302</i>		\$205,000	\$175,000			
<i>T/I From Fund 400 (For Mill Rd Walk)</i>			\$38,000			
<i>T/I From Fund 404 For Mosman 2/Coates)</i>			\$28,626			
<i>T/I From Fund 413 (For Mosman 2 / Coates)</i>			\$17,862			
Total Revenue	\$594,389	\$1,182,778	\$2,214,805	\$1,672,266	\$413,371	\$2,085,637
<i>Bldg Maint/Repairs - City Hall</i>	\$9,300					
<i>General Sidewalk Construction</i>		\$105,000		\$140,000	\$150,000	\$290,000
<i>Design Engineering Coates Ave</i>	\$1,368					
<i>Design Engineering Cullens</i>	\$5,256					
<i>Design Engineering Burnett 93rd Sig</i>	\$503		\$150,000			
<i>Design Engineering - Mill Road Sidewalks</i>		\$67,000				
<i>Op Alloc for IT Fund</i>	\$10,000					
<i>Mosman Phase 2 Design & Environmental</i>	\$106,835	\$28,301	\$26,051	\$165,000		\$165,000
<i>Mosman Row - Consultant</i>		\$91,794		\$10,000		\$10,000
<i>Mosman Row - Purchase</i>		\$489,500				
<i>Coates Roadway</i>			\$80,890			

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Construction</i>						
<i>Mosman Phase 2 Construction</i>			\$1,206,350	\$1,100,000		\$1,100,000
<i>Construction - Mill Rd Sidewalk</i>						
<i>Cochrane Park Path - Construction</i>			\$425,000		\$125,000	\$125,000
<i>Cullen's/Solberg Engineering</i>			\$75,000			
<i>Cullens Rd Construction</i>			\$50,000			
<i>Construction - 2nd St Sidewalk</i>					\$70,000	\$70,000
<i>Small Works Projects Prioritized Annual</i>		\$15,000	\$15,000			
<i>PMS City Wide Evaluation</i>			\$15,000		\$21,000	\$21,000
<i>Annual Pavement Preservation Program</i>		\$130,000	\$125,000	\$355,000	\$365,000	\$720,000
<i>Annual Overlay Match</i>	\$19,678	\$50,000	\$50,000			
<i>ADA Compliance - Sidewalk Ramp</i>		\$20,000	\$20,000		\$70,000	\$70,000
<i>Fort Stevens Elem Safety Proj Construction</i>	\$80,421	\$203,911				
<i>Fort Stevens Elem Safety Project Const Mgmt</i>		\$64,500				
Total Expenditures	\$233,361	\$1,265,006	\$2,238,291	\$1,770,000	\$801,000	\$2,571,000

WATER CAPITAL IMPROVEMENT FUND (404)

The Water Capital Improvement Fund is used to pay for capital improvements to the City's water system, including the Water Treatment Plant, water sources, and storage facilities.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$1,587,392	\$1,737,601	\$1,810,277	\$3,061,271	\$1,822,737	
Total Beginning Cash	\$1,587,392	\$1,737,601	\$1,810,277	\$3,061,271	\$1,822,737	
<i>System Development Charges</i>	\$356,927	\$400,000	\$450,000	\$403,504	\$403,504	\$807,008
<i>Investment Interest</i>	\$2,219	\$7,500	\$5,000	\$5,000	\$5,000	\$10,000
<i>T/I From 401 Water Sys Invest</i>	\$575,000					
<i>T/I From 431</i>		\$1,385,176				
Total Revenue	\$934,147	\$1,792,676	\$455,000	\$408,504	\$408,504	\$817,008
<i>IT Operating Allocation</i>	\$25,000					
<i>Buildings & Grou</i>	\$77,769			\$125,000		\$125,000
<i>Water Rights- Professional</i>	\$581			\$20,000	\$20,000	\$40,000
<i>Water Comprehensive Plan</i>	\$8,529					
<i>Deschutes Wtr Right Mitigation</i>	\$10,505					
<i>2019 Water Main Extensions- Engineering</i>	\$171,301	\$170,000				
<i>Water Rights Acquisition</i>	\$106,051					
<i>Water Main Impvts- Construction</i>				\$844,127		\$844,127
<i>Water Main Impvts-</i>	\$16,207			\$180,000	\$185,000	\$365,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Engineering</i>						
<i>Water Main Impvts- Const Insp</i>				\$26,535		\$26,535
<i>SE Reservoir-Pipe Construction</i>				\$281,376		\$281,376
<i>SE Reservoir Construction</i>					\$1,802,000	\$1,802,000
<i>SE Reservoir Engineering</i>		\$300,000		\$170,000	\$55,000	\$225,000
<i>T/O to Fund 302 Muni Bldg Fund</i>			\$28,626			
<i>Total Expenditures</i>	\$428,464	\$470,000	\$28,626	\$1,647,038	\$2,062,000	\$3,709,038

SEWER CAPITAL IMPROVEMENT FUND (413)

The Sewer Capital Improvement Fund is used to pay for capital improvements to the City's sewer system, including the Wastewater Reuse Facility and the STEP tank system.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash- Unreserved</i>	\$3,522,577	\$3,125,180	\$1,223,306	\$586,271	\$268,611	
<i>Total Beg Cash</i>	\$3,522,577	\$3,125,180	\$1,223,306	\$586,271	\$268,611	
<i>System Development Charges</i>	\$358,064	\$275,000	\$300,000	\$251,965	\$251,965	\$503,930
<i>Grant Dept Of Ecology (Wrf Ph 2)</i>				\$19,600,000	\$7,200,000	\$26,800,000
<i>Investment Interest</i>	\$13,295	\$20,000	\$20,000	\$15,375	\$15,375	\$30,750
<i>Killion Rd I/F Loan Repayment</i>	\$97,326	\$97,326	\$97,326			
<i>Public Works Trust Fund Loan</i>		\$760,000	\$800,000			
<i>Public Works Trust Fund Loan</i>			\$2,185,333			
<i>Transfer in from</i>				\$90,000	\$90,000	\$180,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Sewer 412</i>						
Total Revenue	\$468,685	\$1,152,326	\$3,402,659	\$19,957,340	\$7,557,340	\$27,514,680
<i>Cochrane Park- Rebuild Ribs, Ponds</i>		\$950,000	\$500,000		\$330,000	\$330,000
<i>Sewer Facilities Plan</i>		\$75,000				
<i>Cochrane Park Ribs - Engineering</i>				\$135,000	-	\$135,000
<i>Analysis Wetland Rehab</i>	\$14,723					
<i>System O&M</i>	\$5,700					
<i>Collection System Impr-Construction</i>		\$170,000	\$180,000	\$133,000	\$140,000	\$273,000
<i>Collection System Impr-Engineering</i>				\$97,000	\$100,000	\$197,000
<i>WRF Short Term Improvements</i>	\$999,781					
<i>WRF Office/Lunch Room Addition</i>	\$833					
<i>Cochrane Park Ribs - Engr Inspection</i>		\$40,000		\$60,000	\$50,000	\$110,000
<i>WRF Phase 2 Upgrades - Engineering</i>		\$1,799,200	\$3,185,333	\$250,000		\$250,000
<i>Longmire - Remove Reclaim Tanks</i>		\$20,000				
<i>WRF Phase 2 Upgrades- Equipment</i>				\$4,800,000		\$4,800,000
<i>WRF Phase 2 Upgrades- Construction</i>				\$11,500,000	\$6,000,000	\$17,500,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>WRF Phase 2 Upgrades-Const Insp</i>				\$3,300,000	\$1,200,000	\$4,500,000
<i>T/O to Fund 302 Muni Bldg Fund</i>						
<i>T/O To 302</i>			\$25,000			
<i>T/O to Fund 302 Muni Bldg Fund</i>			\$17,862			
Total Expenditures	\$1,021,037	\$3,054,200	\$3,908,195	\$20,275,000	\$7,820,000	\$28,095,000



PROPRITARY FUNDS

Some activities of a government, such as operation of a municipal water system, are similar to those of commercial enterprises. The objective of the government is to recover its costs in these operations through a system of user charges. Proprietary funds are used to account for such operations. There are two types of proprietary funds: 1) Enterprise funds, and 2) Internal Service funds. The City of Yelm currently uses several Enterprise funds for utilities operation and maintenance, as well as two internal service funds for maintenance of fleet and information technology assets.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.

STORMWATER UTILITY FUND (400)

Provides for the maintenance and operation of the City's storm drainage facilities. This fund receives its revenues mostly from user fees. Good maintenance of the drainage facilities reduces the impact of heavy rain or prolonged wet weather conditions.

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Beginning Cash-Unreserved</i>	\$102,936	\$2,003	\$4,942	\$356,466	\$496,506	
Total Beginning Cash	\$102,936	\$2,003	\$4,942	\$356,466	\$496,506	
<i>Dept Of Ecology Grant</i>			\$30,000			
<i>Stormwater Fees</i>	\$259,175	\$313,200	\$376,756	\$430,746	\$435,053	\$865,799
<i>Investment Interest</i>	\$5,396	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
Total Revenue	\$264,572	\$314,200	\$407,756	\$431,746	\$436,053	\$867,799
<i>Storm Water Planning</i>			\$30,000			
<i>Storm Drainage - Professional Services</i>						
<i>Salaries/Wages</i>	\$139,458	\$160,370	\$162,411	\$135,716	\$137,632	\$273,348
<i>Accrued Vac/Hol/Sick</i>	\$115					
<i>Overtime</i>	\$26	\$50	\$50	\$219	\$223	\$442
<i>F.I.C.A.</i>	\$1,809	\$12,271	\$12,423	\$10,399	\$10,546	\$20,945

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Retirement</i>	\$2,044	\$20,606	\$20,870	\$15,782	\$16,005	\$31,787
<i>Industrial Insurance</i>	\$274	\$4,144	\$4,144	\$2,203	\$2,203	\$4,406
<i>Unemployment Insurance</i>	\$47	\$802	\$812	\$472	\$478	\$950
<i>Medical Insurance</i>	\$5,342	\$38,630	\$41,105	\$39,004	\$40,504	\$79,508
<i>Uniforms</i>		\$1,250	\$1,500	\$2,700	\$2,700	\$5,400
<i>Supplies</i>		\$4,000	\$5,000	\$4,500	\$4,600	\$9,100
<i>Communications/Phone/Post</i>	\$1,861	\$1,600	\$1,600			
<i>Travel/Training/Dues</i>		\$1,000	\$1,500	\$3,500	\$3,500	\$7,000
<i>OP Alloc- IT FUND</i>	\$27,696	\$15,048	\$15,347	\$15,655	\$15,655	\$31,310
<i>Liability Insurance</i>	\$4,263			\$5,600	\$5,600	\$11,200
<i>Repairs/Maintenance</i>	\$2,261	\$20,000	\$20,000	\$20,000	\$20,000	\$40,000
<i>Printing</i>	\$5,052	\$4,000	\$5,000	\$3,500	\$3,500	\$7,000
<i>City Utility Tax</i>	\$20,286	\$23,490	\$28,257	\$28,257	\$28,257	\$56,514
<i>Utility Excise Tax</i>	\$2,000			\$4,200	\$4,200	\$8,400
<i>Computer And Software</i>		\$4,000	\$4,200			
<i>Stormwater Int Loan Repayment</i>	\$19,097					
<i>T/O Road Street Construction</i>			\$38,000			
Total Expenditures	\$231,631	\$311,261	\$392,219	\$291,706	\$295,604	\$587,310

WATER UTILITY FUND (401)

Used to operate, maintain and improve the water distribution system that provides for the delivery of safe, high quality water for all water users. Charges for services, system development and investment interest make up nearly all of the revenue in these funds. Water rate fees and specific water-related utility revenues are deposited to the Water Utility Fund. These revenues are used to operate and maintain the city's drinking water system, including storage, treatment, and transmission of drinking water to the people of Yelm.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash Reserved</i>	\$921,410			\$921,410	\$921,410	
<i>Beginning Cash Unreserved</i>	\$3,327,882	\$5,074,165	\$5,719,699	\$5,220,893	\$5,391,720	
Total Beginning Cash	\$4,249,292	\$5,074,165	\$5,719,699	\$6,142,303	\$6,313,130	
<i>Water Sales</i>	\$3,269,420	\$3,432,083	\$3,606,694	-	-	\$-
<i>Other Utility Charges</i>	\$33,625	\$40,000	\$40,000	-	-	\$-
<i>Water Sales</i>	-	-	-	\$3,014,477	\$3,044,622	\$6,059,099
<i>Other Utility Charges</i>	-	-	-	\$5,000	\$5,000	\$10,000
<i>Water Meter Fee</i>	\$17,100	\$20,000	\$20,000	\$19,000	\$19,000	\$38,000
<i>Investment Interest</i>	\$17,437	\$4,000	\$4,000	\$20,000	\$20,000	\$40,000
<i>Other Interest</i>	\$193	-	-	-	-	\$-
Total Revenue	\$3,337,775	\$3,496,083	\$3,670,694	\$3,058,477	\$3,088,622	\$6,147,099
<i>Salaries/Wages</i>	\$543,335	\$657,510	\$685,922	\$747,303	\$769,265	\$1,516,568
<i>Accrued Time</i>	\$1,378	-	-	-	-	\$-
<i>Overtime</i>	\$785	\$2,300	\$2,300	\$2,210	\$2,252	\$4,462
<i>Standby Pay</i>	\$5,400	\$5,000	\$5,000	-	-	\$-
<i>F.I.C.A.</i>	\$39,497	\$50,758	\$52,942	\$57,338	\$59,021	\$116,359
<i>Retirement</i>	\$50,242	\$82,822	\$86,484	\$87,018	\$89,573	\$176,591
<i>Industrial Insurance</i>	\$6,491	\$10,547	\$10,547	\$12,053	\$12,053	\$24,106

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Unemployment Insurance</i>	\$1,017	\$3,706	\$3,857	\$2,601	\$2,677	\$5,278
<i>Medical Insurance</i>	\$78,998	\$131,510	\$139,198	\$162,475	\$168,724	\$331,199
<i>Uniforms/Safety</i>	\$5,739	\$4,500	\$4,500	\$4,000	\$4,000	\$8,000
<i>Office Supplies</i>	\$7,080	\$5,000	\$5,000	\$100,000	\$102,000	\$202,000
<i>Tools/Equipment</i>	\$7,920	\$7,000	\$7,000	\$10,000	\$10,200	\$20,200
<i>Phone</i>	\$13,497	\$9,500	\$9,600	\$250	\$250	\$500
<i>Postage</i>	\$7,356	\$8,000	\$8,500	\$8,500	\$8,500	\$17,000
<i>Copier</i>	\$316	\$1,700	\$1,800	-	-	\$-
<i>Travel/Training</i>	\$10,357	\$5,000	\$5,000	\$3,000	\$3,000	\$6,000
<i>Printing/Advertising</i>	\$9,352	\$13,000	\$13,000	\$6,000	\$6,020	\$12,020
<i>Op Alloc - IT Fund</i>	\$28,597	\$56,469	\$57,589	\$77,560	\$77,560	\$155,120
<i>Insurance</i>	\$41,688	-	-	\$55,000	\$60,000	\$115,000
<i>Public Utilities Services</i>	\$4,369	\$40,000	\$40,000	\$50,000	\$50,100	\$100,100
<i>Equip Repir/Mtce</i>	\$4,278	\$10,000	\$10,000	-	-	\$-
<i>Miscellaneous</i>	\$14,518	\$13,000	\$13,500	\$13,500	\$13,500	\$27,000
<i>Utility Excise Tax</i>	\$164,756	\$171,604	\$180,335	\$195,000	\$195,000	\$390,000
<i>City Utility Tax</i>	\$207,528	\$210,000	\$215,000	\$225,000	\$225,000	\$450,000
<i>Engineering Services</i>	\$82,329	\$140,000	\$140,000	\$100,000	\$100,000	\$200,000
<i>Water Conservation</i>	-	\$5,000	\$5,000	-	-	\$-
<i>Lobbyist Contract</i>	-	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000
<i>Er&R 502</i>	-	\$68,265	\$23,707	\$24,700	\$24,700	\$49,400
<i>Bldg Supplies</i>	\$2,589	\$3,000	\$3,000	\$1,000	\$1,000	\$2,000
<i>Custodial Supplies</i>	-	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000
<i>Software Maint</i>	\$9,289	\$10,000	\$10,000	-	-	\$-
<i>System Gen Repairs</i>	\$103,848	\$160,000	\$160,000	\$110,000	\$110,000	\$220,000
<i>Vehicle Repairs</i>	\$1,581	\$6,000	\$6,000	\$5,000	\$5,000	\$10,000
<i>Contracted Repairs</i>	\$2,912	\$5,000	\$5,000	-	-	\$-

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Fuel/Oil Consumed</i>	\$5,778	\$6,500	\$6,500	\$6,000	\$6,200	\$12,200
<i>Utility Locates</i>	\$425	\$1,000	\$1,000	\$750	\$750	\$1,500
<i>Water Sampling Fees</i>	\$18,820	\$20,000	\$21,000	\$10,000	\$10,200	\$20,200
<i>Annual/Waiver Fees</i>	\$5,966	\$7,500	\$8,000	\$6,500	\$6,500	\$13,000
<i>Buildings/Grounds</i>	\$4,548	-	-	-	-	\$-
<i>T/O 404</i>	\$575,000	-	-	-	-	\$-
<i>T/O To Fund 502</i>	\$98,201	-	-	\$24,700	\$24,700	\$49,400
<i>T/O – 405</i>	\$179,363	\$174,713	\$175,036	\$175,263	\$175,263	\$350,526
<i>T/O - DWSRF Debt</i>	\$9,462	-	-	\$9,072	\$8,941	\$18,013
<i>T/O - Reclaimed</i>	\$51,856	\$51,857	\$51,857	\$51,857	\$51,857	\$103,714
<i>T/O- Water Bond Debt</i>	\$690,188	\$686,788	\$688,808	\$538,000	\$539,750	\$1,077,750
Total Expenditures	\$3,096,651	\$2,850,549	\$2,867,982	\$2,887,650	\$2,929,557	\$5,817,207

SEWER UTILITY FUND (412)

Used to operate, maintain and improve the City's sewer system and provides for the safe disposal and treatment of wastewater of the residents of Yelm's sewer service area.

Charges for services, Sale of Reclaimed Water and Investment Earnings make up nearly all of the revenue in these funds.

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Beginning Cash-Reserved</i>	\$462,326			\$462,326	\$462,326	
<i>Beginning Cash-Unreserved</i>	\$1,443,207	\$1,956,025	\$1,706,491	\$2,104,195	\$2,449,771	
Total Beginning Cash	\$1,905,533	\$1,956,025	\$1,706,491	\$2,566,521	\$2,912,097	\$5,478,618
<i>Sewer Service Sales</i>	\$2,498,120	\$2,693,000	\$2,942,945	\$3,079,937	\$3,084,937	\$6,164,874
<i>Sale Of Reclaimed Water</i>	\$101,649	\$85,000	\$85,000	\$60,000	\$60,000	\$120,000
<i>Sewer Permit Fees</i>	\$7,975	\$7,500	\$7,500	\$7,500	\$7,500	\$15,000
<i>Investment Interest</i>	\$37,406	\$11,000	\$5,500	\$5,500	\$5,500	\$11,000

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Miscellaneous Revenue</i>	\$20,000					
Total Revenue	\$2,665,150	\$2,796,500	\$3,040,945	\$3,152,937	\$3,157,937	\$6,310,874
<i>Salaries/Wages</i>	\$571,265	\$815,342	\$820,523	\$671,444	\$730,055	\$1,401,499
<i>Accrued Vacation/Holiday/Sic</i>	\$20,131	\$10,000	\$10,000			
<i>Overtime</i>	\$14,028	\$8,000	\$8,000	\$5,912	\$6,027	\$11,939
<i>Standby Pay</i>	\$3,200	\$5,000	\$5,000			
<i>F.I.C.A.</i>	\$40,579	\$62,830	\$63,236	\$51,818	\$56,310	\$108,128
<i>Retirement</i>	\$58,978	\$103,103	\$103,780	\$78,641	\$85,459	\$164,100
<i>Industrial Insurance</i>	\$8,045	\$16,971	\$16,971	\$13,420	\$13,420	\$26,840
<i>Unemployment Insurance</i>	\$1,034	\$4,493	\$4,529	\$2,350	\$2,554	\$4,904
<i>Medical Insurance</i>	\$106,361	\$169,502	\$190,901	\$154,161	\$190,593	\$344,754
<i>Uniforms</i>	\$5,642	\$7,000	\$7,000	\$5,500	\$6,000	\$11,500
<i>Office Supplies</i>	\$4,415	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000
<i>Small Tools</i>	\$12,840	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000
<i>Phone</i>	\$8,539	\$11,000	\$11,000	\$550	\$600	\$1,150
<i>Postage</i>	\$7,541	\$8,000	\$8,000	\$8,000	\$8,000	\$16,000
<i>Copier</i>	\$1,214	\$1,000	\$1,000			
<i>Travel/Training</i>	\$2,025	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000
<i>Printing/Advertising</i>	\$13,345	\$10,000	\$10,500	\$13,500	\$13,500	\$27,000
<i>OP Alloc - IT Fund</i>	\$50,350	\$38,469	\$39,221	\$83,440	\$83,440	\$166,880
<i>Property Insurance</i>	\$43,195			\$56,000	\$60,000	\$116,000
<i>Public Utilities Services</i>	\$53,287			\$90,000	\$100,000	\$190,000
<i>Equipment Repairs</i>	\$9,579	\$5,000	\$5,000			
<i>Dues/Fees</i>	\$23,906	\$18,000	\$18,000	\$22,000	\$22,000	\$44,000
<i>Utility Excise Tax</i>	\$65,785	\$64,530	\$64,530	\$80,000	\$80,000	\$160,000
<i>City Utility Tax</i>	\$159,412	\$143,400	\$143,400	\$122,450	\$122,450	\$244,900
<i>Engineer Servic</i>	\$12,478	\$45,000	\$25,000	\$50,000	\$50,000	\$100,000
<i>Bldg Maint/Supplies</i>	\$6,856	\$4,000	\$4,000	\$4,000	\$4,000	\$8,000

	2018 Actual	2019 Adopted	2020 Adopted	2021 Expected	2022 Expected	2021/2022 Budget
<i>Custodial Supplies</i>		\$600	\$600	\$600	\$600	\$1,200
<i>Software Maint</i>	\$5,098	\$15,000	\$15,000			
<i>Trmt. Plant Mtce</i>	\$181,848	\$350,000	\$375,000	\$150,000	\$150,000	\$300,000
<i>/Outside Lab</i>	\$50,614	\$30,000	\$30,000	\$5,547	\$5,547	\$11,094
<i>Veh Repairs & Mtce</i>	\$2,987	\$4,000	\$4,000	\$6,500	\$6,500	\$13,000
<i>Contracted Repairs</i>	\$3,997					
<i>Maintenance</i>	\$12,271					
<i>Operating Supplies.</i>	\$42,596	\$6,000	\$6,500	\$100,000	\$100,000	\$200,000
<i>Fuel Consumed</i>	\$3,741	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000
<i>Small Tools</i>	\$13,982	\$3,500	\$3,500			
<i>Utility Locates</i>	\$78	\$300	\$300	\$300	\$300	\$600
<i>Collection Repairs</i>	\$79,799	\$80,000	\$85,000	\$50,000	\$50,200	\$100,200
<i>Reuse Facilities Mtce.</i>	\$2,006	\$10,000	\$10,000			
<i>Waste Activated Sludge</i>	\$50,759	\$225,000	\$235,000	\$200,000	\$200,000	\$400,000
<i>Septage Disposal</i>	\$134,348	\$190,000	\$200,000	\$271,600	\$271,600	\$543,200
<i>Software O&M</i>	-	\$5,000	\$5,000	\$10,000	\$10,000	\$20,000
<i>Centralia Power</i>	\$26,618	\$40,000	\$50,000	\$50,000	\$50,000	\$100,000
<i>O & M Reserve</i>	\$55,967					
<i>Buildings & Grou</i>	\$24,441					
<i>T/O to Sewer Capital</i>				\$90,000	\$90,000	\$180,000
<i>T/O To 415</i>	\$97,101	\$97,101	\$97,101	\$97,101	\$97,101	\$194,202
<i>T/O To Fund 502 ER&R</i>	\$282,774	\$235,867	\$152,014	\$59,500	\$59,500	\$119,000
<i>T/O To 203</i>	\$173,026	\$173,026	\$173,026	\$173,026	\$173,026	\$346,052
Total Expenditures	\$2,548,081	\$3,046,034	\$3,031,632	\$2,807,361	\$2,928,784	\$5,736,145

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units on a cost-reimbursement basis.

TECHNOLOGY FUND (501)

Accounts for the replacement of all City information technology equipment. The major source of revenue is user charges to other departments within the City. The replacement rates are established to create a reserve for the necessary replacement of City information technology equipment.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Beginning Cash - Unreserved</i>		\$302,719	\$392,705	\$332,725	\$281,590	
<i>Total Beginning Cash</i>		\$302,719	\$392,705	\$332,725	\$281,590	
<i>Replacement Charges</i>	\$382,358			\$14,062	\$14,062	\$28,124
<i>Cell Phone Charges</i>				\$27,797	\$27,797	\$55,594
<i>Copier Charges</i>				\$13,483	\$13,483	\$26,966
<i>Operating Allocation Charges</i>	\$200,000	\$640,334	\$681,731	\$362,077	\$362,077	\$724,154
<i>Total Charges</i>	\$582,358	\$640,334	\$681,731	\$417,419	\$417,419	\$834,838
<i>Salaries Due</i>		\$143,681	\$157,864	\$199,448	\$201,018	\$400,466
<i>Overtime</i>		-	-	\$6,620	\$6,750	\$13,370
<i>FICA</i>		\$10,991	\$12,077	\$15,764	\$15,894	\$31,658
<i>Retirement</i>		\$18,463	\$20,286	\$23,924	\$24,122	\$48,046
<i>Ind Insurance</i>		\$719	\$789	\$578	\$578	\$1,156
<i>Unemployment Ins</i>		\$579	\$578	\$715	\$721	\$1,436
<i>Medical Insurance</i>		\$35,262	\$36,720	\$15,505	\$15,829	\$31,334
<i>Operating Supplies</i>		\$4,000	\$4,000	\$4,000	\$4,000	\$8,000
<i>Communication: Phones</i>	\$4,573	\$16,000	\$16,000	\$64,000	\$64,000	\$128,000
<i>Communications: Copiers</i>	\$6,532	\$19,245	\$19,245	\$23,000	\$23,000	\$46,000
<i>Network</i>		\$30,000	\$30,000	\$30,000	\$30,000	\$60,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Training</i>		\$1,000	\$1,000	\$4,000	\$4,000	\$8,000
<i>It Infrastructure</i>	\$14,052	\$73,085	\$74,546	\$10,000	\$10,000	\$20,000
<i>Equipment Replacement</i>	\$70,638	\$157,324	\$160,468	\$13,500	\$13,500	\$27,000
<i>Software Maint</i>	\$45,838	\$40,000	\$40,000	\$57,500	\$57,500	\$115,000
<i>Total Expenditures</i>	\$141,633	\$550,348	\$573,573	\$468,554	\$470,911	\$939,465

EQUIPMENT RENTAL & REPLACEMENT FUND (502)

Accounts for the replacement of all City vehicles and equipment. The major source of revenue is user charges to other departments within the City. The replacement rates are established to create a reserve for the necessary replacement of City equipment and vehicles.

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>BEGINNING CASH - UNRESERVED</i>		\$168,078	\$168,078	\$1,202,743	\$1,189,442	
Total Beginning Cash		\$168,078	\$168,078	\$1,202,743	\$1,189,442	
<i>Investment Interest</i>						
<i>Replacement Charges</i>		\$639,023	\$406,145	\$198,933	\$198,933	\$397,866
<i>Rental Charges</i>	\$961					
<i>T/I From 412</i>				\$56,500	\$56,500	\$113,000
<i>Operation Allocation - ER&R</i>	\$1,280,659					
<i>T/I From 101</i>				\$23,266	\$23,266	\$46,532
Total Revenue	\$1,281,621	\$639,023	\$406,145	\$278,699	\$278,699	\$557,398
<i>Capital Equipment - Admin</i>	\$15,146	\$26,880	\$14,816	\$26,000	\$31,000	\$57,000
<i>Capital Equipment - Police</i>	\$382,175	\$151,657	\$134,764	\$120,000	\$60,000	\$180,000
<i>Capital Equipment - Water</i>	\$39,854	\$68,265	\$23,707	\$37,000	-	\$37,000

	<i>2018 Actual</i>	<i>2019 Adopted</i>	<i>2020 Adopted</i>	<i>2021 Expected</i>	<i>2022 Expected</i>	<i>2021/2022 Budget</i>
<i>Capital Equipment - Sewer</i>	\$22,328	\$235,868	\$152,014	\$37,000	\$37,000	\$74,000
<i>Capital Equipment - Streets</i>	\$42,645	\$91,617	\$47,830	\$37,000		\$37,000
<i>Capital Equipment - Comm Dev</i>		\$1,860	\$7,835			
<i>Capital Equipment - Parks</i>	\$102,243	\$42,313	\$32,398	\$35,000	\$35,000	\$70,000
Total Expenditures	\$604,391	\$618,459	\$413,364	\$292,000	\$163,000	\$455,000



APPENDIX A – FINANCIAL POLICIES

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 serve as a central reference point of the most important of our policies, which are 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. The City'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; 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; and maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities.

SUMMARY OF FINANCIAL POLICIES

Yelm's financial policies address the following major areas:

- General Policies
- Revenue Policies
- Expenditure Policies
- Operating Budget Policies
- Capital Management Policies
- Reserve Policies
- Accounting Policies
- Debt Policies
- Communication Policies
- Compliance Policies

ADOPTION OF POLICIES

INVESTMENT & CASH MANAGEMENT POLICIES

The City Council adopted a revised comprehensive set of Financial Policies on December 11, 2018 as part of the 2019-2020 City Budget. Adoption of general financial policies are part budgeting process.

Proposed changes to the financial policies for the 2021/2022 Biennial budget include:

- Outlines the use of General Accepted Rate Setting Methods for Water & Sewer Funds.
- Defines minimum target goal for "parity debt service coverage ratio for Utility Revenue Bonds.
- Defines bond reserve funds.
- Defines unrestricted fund balances (reserves) for the Utility Funds.

FINANCIAL GOALS

The City of Yelm'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.
- Inform policy makers as they contemplate decisions that affect the City on a long- term basis
- Guide 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.

GENERAL FINANCIAL POLICIES

The City Council may adopt resolutions or ordinances to set financial policies to assure the financial strength and accountability of the City.

The Mayor and/or City Administrator shall develop administrative directives and general procedures for implementing the City Council's financial policies.

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.

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.

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.

Initiate, encourage, and participate in economic development efforts to create job opportunities and strengthen the local economy.

The City will strive to maintain fair and equitable relationships with its contractors and suppliers.

REVENUE POLICIES

The purpose of revenue policies is to 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 non-restricted 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 biennial operating budget, it is to be fully disclosed and explained at the time the budget is presented. It is the City's goal to not rely on these types of revenues to sustain 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. 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

1. Enterprise and Internal Service operations will be self-supporting.
2. The City will maximize the use of service users' charges in lieu of an 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.
 - 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.
 - 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.
 - Park recreation programs shall be funded by a users' charge. User charges shall be comparable to other neighboring cities where practical.
 - Other reimbursable work performed by the City (labor, meals, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual cost.
 - 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 and charges, and utility rates will be reviewed every three years at a minimum.
 - The City will consider market rates and charges levied by other municipalities for like services in establishing rates, fees, and charges.
 - Certain fees, such as rental fees, will be based upon market conditions and are not subject to the limitations of cost recovery.
3. Generally accepted rate setting methods should be used when setting water & sewer system charges. The analysis associated with "generally accepted" rate-setting techniques includes the following:
4. Revenue Requirement Analysis – Establishes the overall level of financial and rate needs of the City.
5. Cost of Service Analysis – Design rates to collect the appropriate level of revenue and to meet the goals and policies of the City.

6. The water and sewer rate structure shall be designed to work toward encouraging conservation and efficient use of resources and discourage excessive or wasteful usage.
7. As appropriate, the connection charges shall be established at a level to ensure that all customers seeking to connect to the City's system shall bear their equitable share of the cost of the system.
8. Rates and connection fees shall be reviewed annually to ensure sufficient revenues.
9. Updates to the City's internal Rates & Fees study will be reviewed annually to update assumptions to ensure long-term solvency and viability of the City's utilities.
10. At a minimum, a Rate Study will be reviewed and updated every [5 years] or when necessary prior to the issuance of Water & Sewer Revenue Bonds.
11. The City shall track and maintain asset records for all new additions, replacements or retirement of assets on a yearly basis. This information shall be maintained on an on-going basis in an asset management database and report.

GRANTS AND GIFTS

1. 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.
2. 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.
3. 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.

EXPENDITURE POLICIES

The purpose of these policies are to 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.

GENERAL EXPENDITURES

1. The City will strive to adopt a biennial 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.
7. All compensation planning and collective bargaining will focus on the Total Cost of Compensation (TCC) which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the City. The rate of increase of TCC of negotiated labor contracts will be the same or less than the growth rate in revenues projected in the Six-year Forecast so as not to add to the structural gap. Contracts presented for approval by the Mayor that do not meet these requirements will have specific operational, legal or other compulsory items identified and discussed before ratification by the City Council will be considered.
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 so doing 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.

OPERATING BUDGET POLICIES

1. The City Council will adopt and maintain a balanced biennial operating budget.

2. The City will strive to adopt a budget where current 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 six years and will be updated biennially.
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 reviewed no less than biennially to ensure that charges to operating departments are sufficient for the replacement of the vehicles and equipment and revised as necessary.
7. The operating budget shall serve as the biennial financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives. The budget will provide the staff the resources necessary to accomplish City Council determined service levels.
8. As authorized by RCW 35A.34.040 the Mayor shall present a proposed biennial 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 years 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 an operating Budget amendment. Amendments to the budget are approved by the City Council.
12. 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 should be a goal of the Finance Department to submit the budget document to the Washington Finance Officers Association (WFOA) or Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

CAPITAL MANAGEMENT POLICIES

1. The purpose of these policies are to 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 which is consistent with the City Comprehensive Plan. 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 his/her designee, to the City Council.

CAPITAL ASSET MANAGEMENT

1. 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.
2. 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. All capital assets shall have a City of Yelm property tag affixed to it when placed into service.
3. Minor equipment that falls below the \$5,000 threshold but is subject to shrinkage shall have a City of Yelm property tag affixed to it when placed into City service and will be accounted for on the "Small and Attractive" inventory list.

4. The Public Works Department will conduct an annual physical count/inspection of all capital assets. Adequate insurance will be maintained on all capital assets consistent with the results of the annual physical count/inspection.

ACCOUNTING POLICIES

1. The purpose of accounting policies are to 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.
2. The City uses the cash basis of accounting which is a departure from generally accepted accounting principles (GAAP).
3. 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.
4. The City will issue warrants, checks or electronic payments check/warrants/EFT in advance of legislative approval as necessary to maintain the operation of the City.
 - The City Council will review and approve the claims paid at a regularly scheduled public meeting within one month from issuance.
 - If the Council disapproves some claims, the Finance Director will recognize these claims as receivables of the taxing district and pursue collection diligently until the amounts are either collected or the Council is satisfied and approves the claims.
5. Electronic financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.
6. Monthly financial updates will be presented to the City Council.
7. 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.
8. 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.
9. 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.

10. An annual financial audit shall be performed by the Washington State Auditor's Office, which will issue an official opinion on the annual financial statements. The accountability audit (i.e., accountability for public resources and compliance with state laws and regulations and its own policies and procedures) shall be performed every two years by the Washington State Auditor's Office.

DEBT POLICIES

The purpose of debt policies are to establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

GENERAL DEBT POLICIES

1. The Debt Policy for the City is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City Council. Adherence to the policy is essential to ensure that the Council maintains a sound debt position and protects the credit quality of its obligations.
2. The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects.
3. Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the City shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal.
4. The issuance of debt to fund operating deficits is not permitted.

LEGAL GOVERNING PRINCIPLES

1. In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.
2. State Statutes – The City may contract indebtedness as provided for by State law, subject to the statutory and constitutional limitations on indebtedness.
3. Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations there under; and the Securities Acts of 1933 and 1934.

4. Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules, policies, and regulations.

ROLES & RESPONSIBILITIES

The City Council shall:

- Approve indebtedness;
- Approve appointment of the bond underwriter and bond counsel;
- Approve the Financial Policy, including the section on the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and

The Finance Director in consultation with the City Administrator, Finance Committee, the Mayor and full Council shall:

- Assume primary responsibility for debt management
- Provide for the issuance of debt at the lowest possible cost and risk;
- Determine the available debt capacity;
- Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the City Council the manner of sale of debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate.
- Comply with all Internal Revenue Service (IRS), Securities and Exchange (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt.
- Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
- Provide for and participate in the preparation and review of offering documents;
- Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued.
- Submit to the City Council all recommendations to issue debt;
- Provide for the distribution of pertinent information to rating agencies;
- Comply with undertakings for ongoing disclosure pursuant to SEC Rule 15c2-
- Apply and promote prudent fiscal practices.

ETHICAL STANDARDS GOVERNING CONDUCT

The members of the City staff, the Mayor and the City Council will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

TYPES OF DEBT INSTRUMENTS

The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to sell the following types of debt instruments.

Unlimited Tax General Obligation Bonds

- The City shall use Unlimited Tax General Obligation Bonds (UTGO), also known as "Voted General Obligation Bonds" for the purpose of general purpose, open space and parks, and utility infrastructure. Voted issues are limited to capital purposes only.
- Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose, plus validation requirements.

Limited Tax General Obligation Bonds

- A Limited-Tax General Obligation debt (LTGO), also known as "Non-Voted General Obligation Debt", requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit.
- The City shall use LTGO Bonds as permitted under State law for lawful purposes only. General Obligation debt is backed by the full faith and credit of the City and is payable from non-voter approved property taxes and other money lawfully available.

LTGO Bonds will only be issued if a project requires funding not available from alternative sources, matching fund monies are available which may be lost if not applied for in a timely manner, or emergency conditions exist.

Revenue Bonds

- The City shall use Revenue Bonds as permitted under State law for the purpose of financing construction or improvements to facilities of enterprise (i.e., utility) systems operated by the City in accordance with the Capital Improvement Plan.
- The City shall strive to maintain a minimum target goal for "parity debt service coverage ratio" (gross revenue of the utilities less operating and maintenance expenses (not including depreciation, taxes and debt payments) of [2.00 times] or higher on the combined parity annual parity debt service payments.

Special Assessment/Local Improvement District Bonds

- The City shall use Special Assessment Bonds as permitted under State law for the purpose of assuring the greatest degree of public equity in place of general obligation bond where possible.
- Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and an LID Guaranty Fund, as required by State Law.

Short Term Debt

- The City shall use short term debt as permitted by State law for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received.
- The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.

Leases

- The City is authorized to enter into capital leases under State law, subject to the approval of City Council.

Public Works Trust Fund Loans

- The City shall use Public Works Trust Fund Loans as provided under State law for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.

Bond Reserve Funds

- The Bond Reserve Fund is a restricted fund and may be legally required for specific debt issues subject to the determination by the City Administrator or Finance Director. Bond Reserve Funds will be established in accordance with the legal covenants of the debt issue. The Bond Reserve Fund may be funded from bond proceeds, purchase of a Surety Policy from a bond insurance company, or surplus cash that is available.

GENERAL DEBT REQUIREMENTS

1. The City will not use long-term 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.
3. General obligation debt will not be used for self-supporting enterprise activity. The general policy of the City is to fund general-purpose public improvements and capital projects that cannot be financed from current revenues with voter-approved general obligation debt. Non-voter approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenses.
4. The general policy of the City is to establish debt repayment schedules that use level annual principal and interest payments.
5. 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.
6. 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.
7. 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.
8. The City will maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved. The City will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.
9. The City shall use refunding bonds in accordance with the Refunding Bond Act, RCW 39.53. Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 4% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any "advance refunding", unless otherwise justified.
10. With Council approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an inter-fund loan as appropriate in the circumstances.
11. When issuing debt, the City shall strive to use special assessment, revenue or other self-supporting bonds in lieu of general obligation bonds.

LIMITATIONS ON GENERAL OBLIGATION DEBT ISSUANCE

1. The City shall remain in compliance with all debt limitations. As part of the biennial budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:
 - General Obligation – 2.5% of Assessed Value, from such amount 1.5% may be non-voted general obligation debt
 - Parks, Open Space, Community Center, Facilities for Economic Development – (Voted) 2.5% of Assessed Value.
2. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 20 years, unless special circumstances arise warranting the need to extend the debt schedule.

COMMUNICATION POLICY

3. It is the policy of the City to remain as transparent as possible.
4. The City shall manage relationships with the rating analysts assigned to the City's credit, using both informal and formal methods to disseminate information.
5. The City's Basic Financial Statements and Notes shall be a vehicle for compliance with continuing disclosure requirements. The Notes to the Financial Statements may be supplemented with additional documentation as required. Each year included in the Notes to the Financial Statements, the City will report its compliance with debt targets and the goals of the Debt Policies.
6. The City shall seek to maintain and improve its current bond rating.

COMPLIANCE POLICY

INVESTMENT OF PROCEEDS

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

LEGAL COVENANTS

The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

PERIODIC POLICY REVIEW

At a minimum, the Debt Policy and the City's Post Issuance Compliance Policy will be reviewed and updated every five years.

INVESTMENT AND CASH MANAGEMENT POLICIES

The purpose of these policies are to manage and invest the City's operating cash to ensure its legality, safety, provide for necessary liquidity, avoid imprudent risk, and optimize yield.

GENERAL INVESTMENT AND CASH MANAGEMENT POLICIES

Cash and Investment programs will be maintained in accordance with City regulations 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.

The City will invest funds as authorized in Chapter 3.44 YMC. The city is authorized to invest inactive funds or other funds in excess of current needs in interest bearing savings accounts, time certificates of deposit, or in such other investments as are authorized by RCW 35.39.030 and 35.39.034.

The City will maintain written guidelines on cash handling, accounting, segregation of duties, and other financial matters.

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.

The City will conduct annual reviews of its internal controls and cash handling procedures

Internal controls will be tested on a quarterly basis at a minimum.

RESERVE POLICIES

Reserve policies are in place to 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.

GENERAL RESERVE POLICIES

At the end of each biennium, the remaining dollars left in each fund that are undesignated and unencumbered constitute available reserves of the City.

The City will include all fund balances in the biennial budget.

CUMULATIVE RESERVE

A Cumulative Reserve for general municipal purposes will be maintained as specified in Chapter 3.16 YMC.

The reserve is defined as a reserve solely for the purpose of addressing temporary revenue losses due to economic cycles or other time-related causes.

Annual contributions will be budgeted from the General Fund resources as available to establish and maintain the target reserve level.

All expenditures drawn from the reserve account shall require a prior approving vote by two-thirds majority by Council.

GENERAL FUND

The City's goal shall be to maintain a General Fund ending fund balance of at least 15 percent of the budgeted General Fund operating expenses.

CONTINGENCY RESERVE

A contingency account in an amount of 5 percent of the General Fund expenditure budget may be maintained in the City budget as City resources allow. The contingency account will be reestablished as part of the budget process

The Contingency account will be maintained in accordance with RCW 35A.33. to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the biennial budget. The account provides some flexibility for unforeseen events without the necessity to appropriate additional funds from the City's reserves.

All transfers from the Contingency account will require City Council approval.

Per RCW 35A.33.145 the contingency account may not exceed \$0.375 per \$1,000 of Assessed Valuation.

ENTERPRISE FUNDS - WATER & SEWER SYSTEM

The City shall strive to maintain adequate fund balances (reserves) in the Utility System in order to provide sufficient cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. Operating expenditures shall include salaries, benefits, supplies, professional services, intergovernmental and interfund expenses, capital outlays and transfers.

Unrestricted Cash Reserve – The City's goal is to maintain an unrestricted cash reserve that is equivalent to 6 months of operating expenditures or greater. (The Unrestricted Cash Reserve goal of 6 months or greater, includes the Maintenance Funds, Capital Funds, Emergency Funds and Replacement Funds).

EQUIPMENT RENTAL & REPLACEMENT FUND

Sufficient reserves will be maintained to provide for the scheduled replacement of City vehicles and capital equipment at the end of their useful lives.

Contributions will be made through assessments to the operating departments and maintained on a per asset basis.

ADDITIONAL RESERVES

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.

APPENDIX B – GLOSSARY

Account – A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

Administrative Services Departments – Refers to organizational units or departments that primarily provide services to other departments or divisions. These include:

- **Legislative** – city council and its functions;
- **Finance** – Provides financial services including budget, fiscal planning, tax and license, data processing, risk management, and the accounting, financial reporting, customer service, treasury functions and representation on the independent Civil Service panel that works with personnel/hiring issues for the Public safety departments.
- **Executive (Clerk/Human Resources)** – provides centralized executive leadership and personnel services to all city operations;
- **Information Technology** – Provides state of the art information Technology support for all departments in accordance with all state and federal requirements.

Appropriation – The legal spending level authorized by an ordinance of the city council. Spending should not exceed this level without prior approval of the council.

Assessed Valuation – The value assigned to properties within the city that is used in computing the property taxes to be paid by property owners.

BARS – The Budgeting, Accounting, and Reporting System for accounting systems prescribed by the Washington State Auditor's Office.

Benefits – City-provided employee benefits, such as social security insurance, retirement, worker's compensation, life insurance, medical insurance, vision insurance, and dental insurance.

Biennial Budget - A biennial budget has a duration of two years, which the City of Yelm separates into two distinct fiscal years. The State of Washington requires the first year to be an odd-numbered year, for example 2015/2016.

Bonds - A bond is a written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Yelm uses the sale of bonds to finance some of its large capital projects.

Budget – A financial plan of operations for the city. It is a plan, not a list of accounts

and amounts.

Capital Improvement Program (CIP) – The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Yelm's CIP follows a six-year schedule and includes projects which are classified as capital projects. These projects become fixed assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

Capital Outlay (Expenditure) – A budget category that may be a part of a capital improvement program, or in the case of expending less than \$5,000 but more than \$500, is a part of the operating budget.

Capital Project – A single project within the Capital Improvements Program. Capital projects typically involve the acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

Councilmanic Bonds – Bonds that can be authorized by the city council without a vote of the public in an amount up to .75 percent of the assessed valuation of the city.

Debt Capacity - The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

Debt Service – Interest and principle payments on debt.

Department - To facilitate organizational and budgetary accountability, Yelm breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

Enterprise Fund – A type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees, or where a periodic determination of revenues and expenses is desired by management.

Fiscal biennium - the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

Fund – A self-balancing group of accounts that includes revenues and expenditures.

Fund Balance - The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

Full Time Equivalent (FTE) - budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

Expenditure - The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

General Obligation Bonds – Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter approved bonds) or other general revenue (in the case of Councilmanic bonds).

Governmental Fund Types – Funds that provide general government services. These include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

Intergovernmental Revenues – Interfund charges to pay for external transactions of the fund.

Internal Controls – A system of controls established by the city that are designed to safeguard the assets of the city and provide reasonable assurances as to the accuracy of financial data.

LEOFF – The “Law Enforcement Officers and Fire Fighters” retirement system of the state that provides coverage for city public safety employees.

Levy Rate – The property tax percentage rate used in computing the property tax amount to be paid.

Licenses and Permits – A revenue category of the city derived from business licenses and building or development permits.

LID – “Local Improvement Districts.” A financing mechanism that permits the building of public infrastructure improvements which benefit a confined area and where the costs for those improvements are to be paid by the benefiting area land owners.

Local Government Investment Pool (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and

reinvestment.

Operating Budget – The annual appropriation to maintain the provision of city services to the public.

PERS – “Public Employee Retirement System.” the state system for public employment retirement applicable in most cities for employees, except where LEOFF is applicable.

Preliminary Budget – That budget which is proposed by staff to the council and has not yet been adopted by the council.

Property Tax Levy - This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Yelm uses this tax primarily to support the General Fund and street-related services. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

Public Safety – A term used to define the combined budget of the police and fire departments.

Reserve - An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

Revenue - Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of fixed assets.

Revenue Bonds – Bonds sold by the city that are secured only by the revenues of a particular system, usually the water/sewer fund and the regional water fund.

Special Revenue Funds – General government funds for which the source of monies is dedicated to a specific purpose.

User Charges - The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.

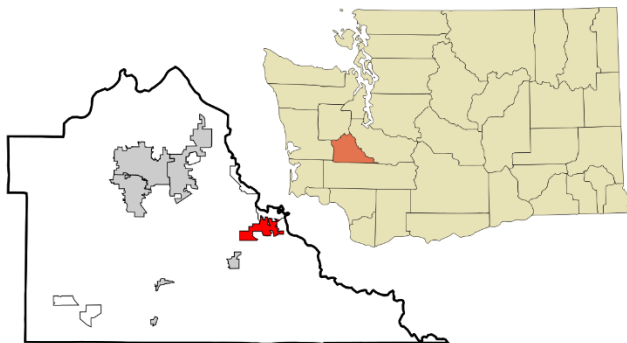
APPENDIX C – POSITION SUMMARY

Position Classification	2021		2022		FTE
	Step1	Step7	Step1	Step7	
<i>City Council Member</i>	\$9,816		\$9,816		7.00
<i>Mayor</i>		\$30,000		\$30,000	1.00
<i>Municipal Court Judge</i>		\$35,301		\$35,301	1.00
<i>Court Administrator</i>	\$74,136	\$88,992	\$74,136	\$88,992	1.00
<i>Court Clerk</i>	\$49,341	\$59,192	\$49,341	\$59,192	1.00
<i>City Administrator</i>	\$130,812	\$156,204	\$130,812	\$156,204	1.00
<i>City Clerk/HR Manager</i>	\$87,156	\$103,668	\$87,156	\$103,668	1.00
<i>Executive Assistant/CST Lead</i>	\$60,324	\$71,940	\$60,324	\$71,940	1.00
<i>Human Resources Specialist</i>	\$57,852	\$69,420	\$57,852	\$69,420	1.00
<i>Utility Billing Clerk</i>	\$53,864	\$64,630	\$53,864	\$64,630	1.00
<i>Administrative Assistant</i>	\$53,803	\$64,531	\$53,803	\$64,531	5.00
<i>Communications Specialist</i>	\$49,277	\$58,836	\$49,277	\$58,836	0.75
<i>Finance Director</i>	\$105,684	\$126,876	\$105,684	\$126,876	1.00
<i>Financial Analyst 2</i>	\$63,433	\$75,743	\$63,433	\$75,743	1.00
<i>Accounting Assistant</i>	\$56,052	\$67,275	\$56,052	\$67,275	1.00
<i>Police Chief</i>	\$111,384	\$133,716	\$111,384	\$133,716	1.00
<i>Police Assistant Chief</i>	\$103,560	\$109,860	\$103,560	\$109,860	1.00
<i>Police Sergeant</i>	\$92,064	\$95,316	\$92,064	\$95,316	2.00
<i>Detective</i>	\$71,628	\$85,536	\$71,628	\$85,536	1.00
<i>Police Officer</i>	\$68,220	\$81,468	\$68,220	\$81,468	10.00
<i>Community Development Director</i>	\$102,744	\$123,336	\$102,744	\$123,336	1.00
<i>Associate Planner</i>	\$75,235	\$90,277	\$75,235	\$90,277	1.00
<i>Assistant Planner (Project)</i>	\$58,032	\$70,015	\$58,032	\$70,015	1.00
<i>Civil Review Engineer</i>	\$73,566	\$87,731	\$73,566	\$87,731	1.00

<i>Building Official</i>	\$81,324	\$97,394	\$81,324	\$97,394	1.00
<i>Building Inspector</i>	\$62,689	\$75,198	\$62,689	\$75,198	1.00
<i>Public Works Director</i>	\$107,616	\$129,192	\$107,616	\$129,192	1.00
<i>Project Manager</i>	\$81,360	\$97,140	\$81,360	\$97,140	1.00
<i>Utility Manager</i>	\$83,672	\$100,450	\$83,672	\$100,450	1.00
<i>Field Supervisor</i>	\$69,024	\$82,404	\$69,024	\$82,404	1.00
<i>Water Plant Lead</i>	\$66,144	\$77,784	\$66,144	\$77,784	1.00
<i>Lead WWTP Operator</i>	\$66,144	\$77,784	\$66,144	\$77,784	1.00
<i>Water Plant Operator</i>	\$49,680	\$59,340	\$49,680	\$59,340	3.00
<i>WWTP Operator 2</i>	\$60,036	\$71,676	\$60,036	\$71,676	2.00
<i>WWTP Operator 1</i>	\$49,680	\$59,340	\$49,680	\$59,340	2.00
<i>Maintenance Worker</i>	\$47,604	\$56,892	\$47,604	\$64,260	3.00
<i>Custodian</i>	\$47,604	\$56,892	\$47,604	\$56,892	1.00
<i>Seasonal Worker</i>		\$15,597		\$15,597	1.25
<i>System Administrator</i>	\$71,947	\$85,902	\$71,947	\$85,902	1.00
<i>Computer Support Specialist</i>	\$62,380	\$74,852	\$62,380	\$74,852	1.00

APPENDIX D – COMMUNITY PROFILE

YELM AT A GLANCE



The City of Yelm is located in southeast Thurston County, Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated Thurston County. The City is near several major transportation routes including Interstate 5, State Routes 507, 510 and 702. These routes connect the City economically and socially to the greater Puget

Sound Region and provide a gateway to Mount Rainier. The City and the surrounding area experience fair-weather summers and the grey, wet overcast winters of the Pacific Northwest.

Tempered by the Japanese trade current, the mild northwest climate favors lushly forested landscapes replete with ferns and mosses. Rainfall tends to be spread out over a large number of days. With about 52 clear days out of the year, Thurston County residents live under some form of cloud cover 86 percent of the year, with more than a trace of rain falling on almost half of the days of the year.

Founded	1853
Incorporated	1924
Population	9,456
Elevation	354'
Total Area	5.69 sq. mi.
Acres of Parks	25.23
Miles of City Streets	31
Miles of Sewers	≈ 115
Miles of Water Lines	≈ 115
Residential Dwellings	3,220
City Employees	64
S&P Bond Rating	A+



Average Temperatures: December, high of 45° F and low of 32° F; July, high of 77° F and low of 51 ° F; annual average, 49.95° F Average Annual Precipitation: 50 inches.

GOVERNMENT

The City of Yelm is an elected Mayor Council form of government, and a noncharter code city. The City Council is the policy-making branch of Yelm's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected at large and serves as the city's chief executive officer.

The Yelm City Council represents the needs and interests of the citizens of Yelm. The seven-member Council establishes policy for the city, adopts the annual budget, represents Yelm's interest on regional boards and commissions, and serves as the legislative group responsible for approving City ordinances. The Council meets the second and fourth Tuesday of each month at 6 p.m. in the Council Chambers in the City Hall Building, 106 2nd St SE. The



public is invited to attend all meetings and each agenda has time at the beginning for public comments, questions, or concerns. Meetings are streamed live on the internet, and past meetings may be viewed online.

Councilmembers are part-time employees. Many Councilmembers hold full-time jobs in addition to their duties on the City Council. Yelm's City Council positions are nonpartisan, are elected for four-year terms, and represent the community at-large rather than designated districts. The seven positions are staggered, with positions ending for three members at one time and four members the next. The Mayor presides at all meetings of the Council and is recognized as the head of the City for ceremonial purposes and by the Governor for purposes of military law. The Council selects another member to serve a two-year term as Mayor Pro Tem. State law requires that Councilmembers reside within the City limits and be registered voters, 18 years of age or over. The City Council is supported by several advisory boards and commissions and the City Administrator.

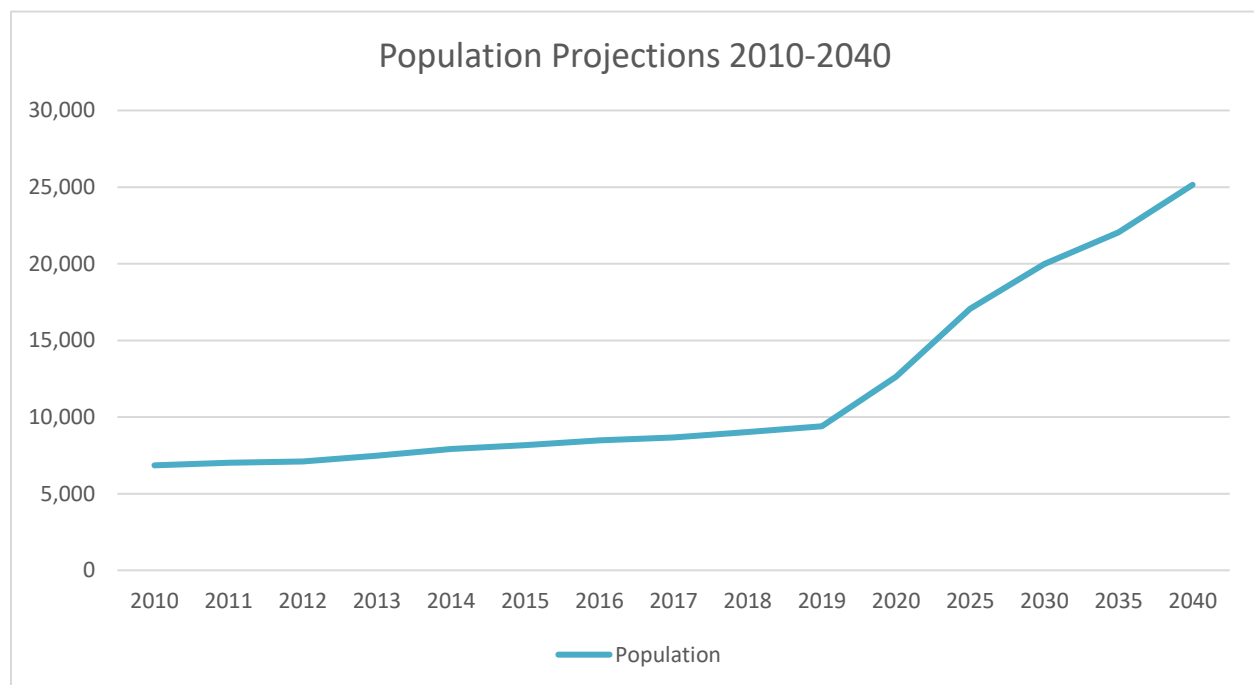
The City Administrator is appointed by the Mayor and confirmed by City Council. The City Administrator serves as the Mayor's professional administrator of the organization as the Chief Administrative Officer of the City.

The City government offers a full range of municipal services which are provided by seven operating departments.

We maintain a robust park system available for the use and enjoyment of the entire community, including those living outside the city limits of Yelm. The broad range of recreational facilities provides year-round services for citizens of all ages.

POPULATION

The City of Yelm is the fourth most populous city in Thurston County, with a population estimate of 9,456 in 2019. To a large extent, Yelm acts as a bedroom community for residents working in the surrounding cities of Tacoma, Olympia and Centralia. It also hosts a large number of military families currently or formerly stationed at nearby Joint Base Lewis-McChord.



The Thurston Regional Planning Council forecasts the population of Yelm to grow 88% (8,030) by 2025 and 121% (10,950) by 2030. This growth will create an increased demand for housing and services in the Yelm Urban Growth Area.

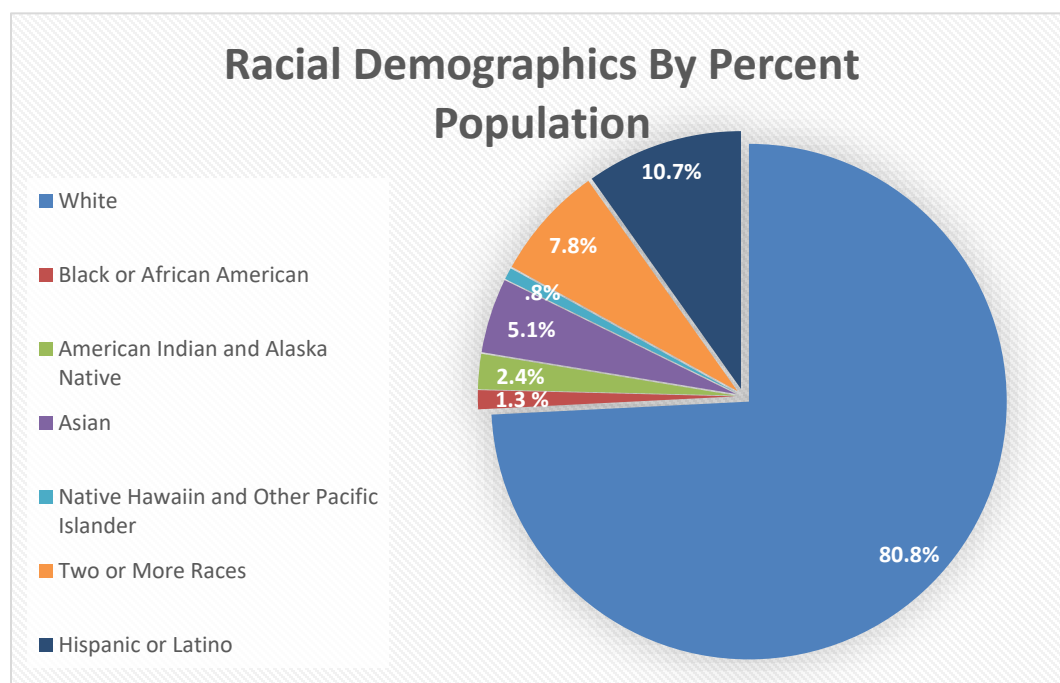
AGE DEMOGRAPHICS

The age of the population in Thurston County as a whole is getting older. Census figures show that the median age of the county's population was 39 years in 2017, up from 36.5 years in 2000 and 33.6 years in 1990. Some interesting distinctions in median age, however, do exist between different areas of the county. For example, Yelm's median age (28.8 years) was lower than the county's median age (39), and the proportion of its population under age 18 (33.6 percent) was higher than the county average (21.2 percent).

Individuals aged 65 and over are a growing segment of the population in Thurston County, and migration plays a key role in this population growth. Amenities that an older population finds attractive, such as advanced health care and retirement facilities, draw many retirement-aged people to Thurston County. In 2019, persons age 65 and older constituted 17.9% of the total County population. This percentage of residents age 65 and older is expected to climb to roughly 20% by 2030. The first of the "baby boomers" turned 65 in 2011. Individuals over the age of 65 made up 6.9% of Yelm's population in 2019, according to most recent census data.

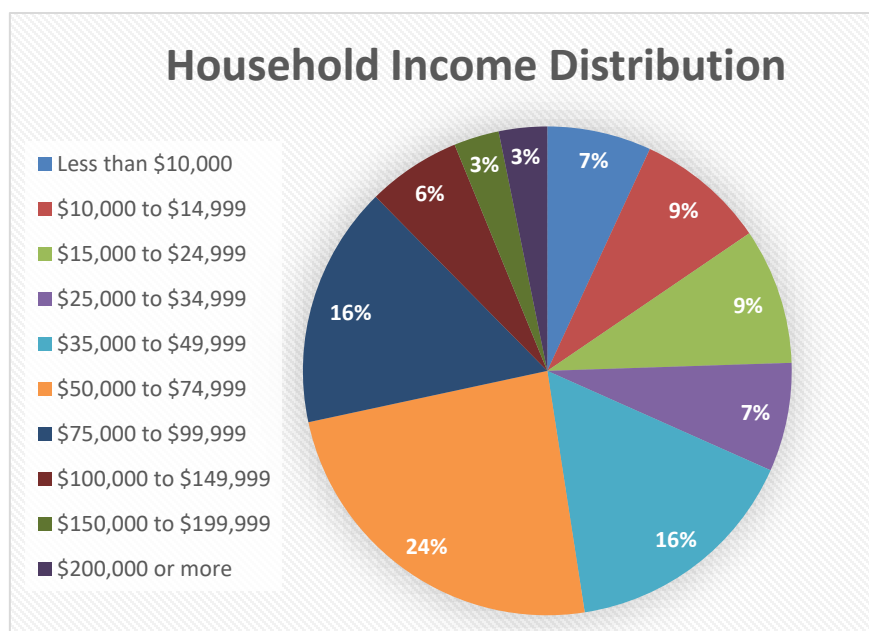
RACIAL DEMOGRAPHICS

Yelm is becoming more diverse with 19.2% of the current population being considered nonwhite in 2019, per the US Census Bureau. This percentage of the population is equal to Thurston County.



HOUSEHOLD INCOME

The US Census bureau most recently published report shows the median household income for the City of Yelm, was \$65,377. This is higher than the 2017 median household income of \$51,405. Comparatively, the median household income for Thurston County in the same year was \$69,592. Household Income



The US Census bureau most recently published report shows the median household income for the City of Yelm, was \$65,377. This is higher than the 2017 median household income of \$51,405. Comparatively, the median household income for Thurston County in the same year was \$69,592.

EDUCATION

Thurston County has a variety of educational opportunities available to the students and adults of the community. These include both private and public primary, secondary, and higher education institutions. Eight school districts provide primary and secondary education to most of Thurston County's students. These school districts offer a wide variety of services and opportunities for students, including the Head Start Program for preschoolers, advanced placement services for high school students, and numerous community based learning experiences for all grade levels.

YELM COMMUNITY SCHOOLS

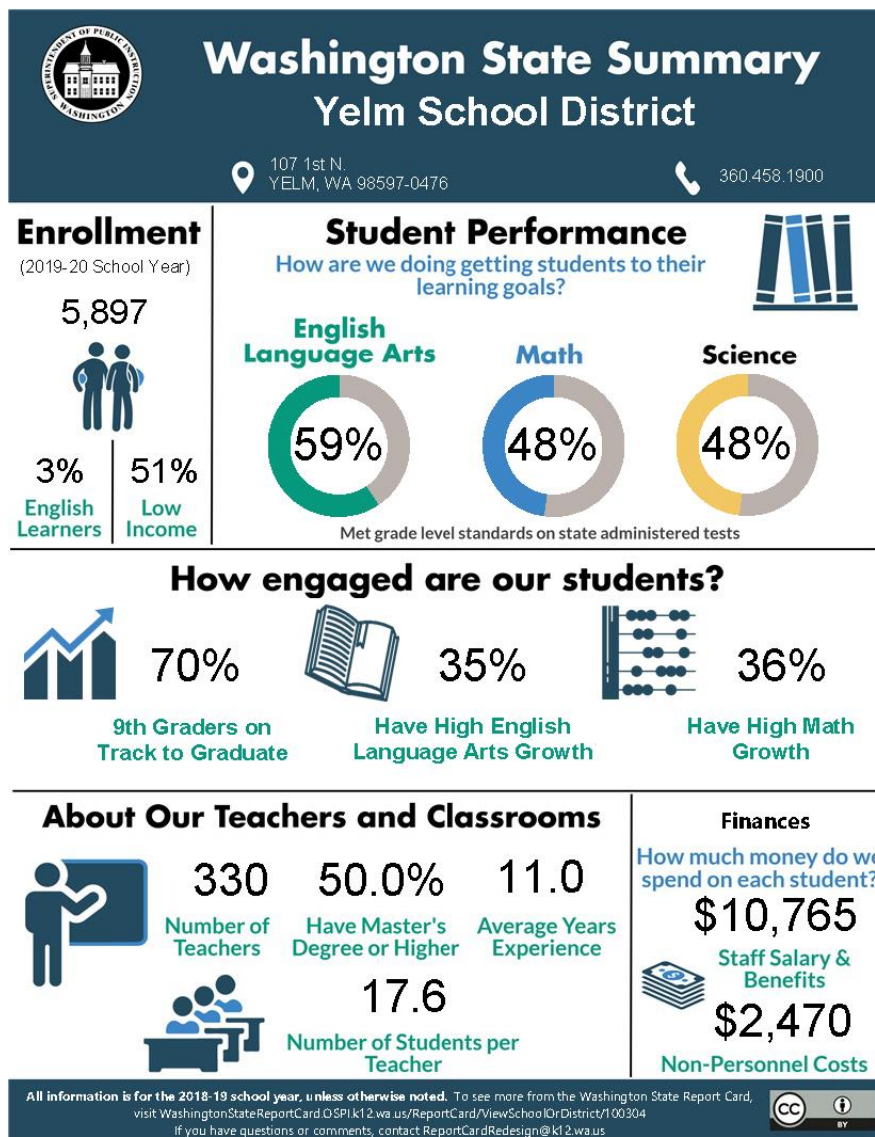
Yelm Community Schools is a welcoming, safe, student-centered, and collaborative learning environment. In partnership with parents, students, and community leaders, YCS staff members are dedicated to helping all students meet performance expectations and





achieve their full learning potential. The district consists of six elementary schools, two middle schools, the high school, and an off-campus Alternative Learning Program of Yelm High School.

Yelm Community Schools is the region's largest employer. Staffing will exceed 740 employees with a monthly payroll of more than \$5 million in 2019. YCS is the fourth largest school district in Thurston County, serving communities in Yelm, McKenna, Roy, the Nisqually Indian Reservation and parts of the Lacey suburbs. In total, Yelm Community Schools spans 192 square miles in Thurston and Pierce Counties.



During the past school year, Yelm expanded education services through multiple partnerships. First, they joined with the city in an initiative called Graduate Yelm! which promotes graduation readiness for all students in the community.

They also partnered with South Puget Sound Community College and Central Washington University and now provide one of the state's most comprehensive College in the High School programs. YCS students benefit by being able to work toward an AA degree or get a head start on their 4 year degree while staying on the Yelm High School campus. YCS intends to grow this program even more this year as well as also offer adult college courses, taught by SPSCC staff on the Yelm High School campus. Lastly, we will also partner with SPSCC to bring an adult high school diploma program, called HS21+ to Yelm.

Over half of Yelm School District students have consistently met and surpassed general assessment standards in 2016, 2017, 2018. YCS also offers a variety of special programs to benefit English learners, low income students, students with disabilities, migrant students, and section 504 students. *See Office of Superintendent of Public Instruction YSD Report Card.* Yelm's educational attainment statistics indicate that 35% of the population has achieved "some college" while Thurston County only has 27% of the population in the same category.

SOUTH PUGET SOUND COMMUNITY COLLEGE (SPSCC)

The largest institution of higher education in Thurston County. SPSCC currently serves more than 7,000 students, including degree-seeking students, high school students, veterans, international students, and underemployed workers. The college offers day and evening classes, continuing education courses, basic education, job skills training, and personal enrichment courses. SPSCC has recently collaborated with Yelm Community Schools to offer additional classes to the City's local students and are hoping to expand to a satellite campus. In addition to this program, SPSCC and the City of Yelm have partnered to offer classes at the Yelm Community Center.



EVERGREEN STATE COLLEGE

A public college of liberal arts and sciences with a national reputation for innovation in teaching and learning. Founded in 1967, Evergreen opened its



doors in 1971 and now enrolls around 4,300 students. While most of Evergreen's students are enrolled at the Olympia campus in full-time undergraduate programs, the College also provides an evening and weekend studies program and three graduate programs (Environmental Studies, Public Administration, and Teaching). Evergreen has 60+ fields of study to explore and 88% of graduates or employed or pursuing graduate/professional studies within one year of graduation.

SAINT MARTIN'S UNIVERSITY

A four-year coeducational, comprehensive university with a strong liberal arts foundation. It is one of 14 Benedictine colleges and universities in the U.S. and Canada and the only one west of the Rockies. It offers 27 undergraduate programs in the liberal arts and

professions, seven graduate programs and numerous pre-professional and certification programs. Established in 1895 by the Roman Catholic Benedictine Order, Saint Martin's is located on a 300-acre campus in Lacey. More than 1,600 students attend the University's main campus, about 370 students are enrolled in courses at extension campuses at Joint Base Lewis-McChord, and at Centralia Community College, and Tacoma Community College.



EMPLOYMENT

The City's early development was based on agriculture and trade. The first permanent American settlers came in 1853 to join the Hudson's Bay Company sheep farmers who were already in the area. With the coming of the Northern Pacific Railway in 1873, Yelm began to prosper, having found an outlet for its agricultural and forestry products. Its economic base was further enhanced in the early 1900s when an irrigation company was formed in 1916, making Yelm a center for commercial production of beans, cucumbers, and berries.

Yelm-area merchants provide the public with a wealth of choices to acquire most all of their goods and services right here where we live. Our locally-owned and operated businesses have invested resources in their community, showing their commitment to the success of where we call home. Multinational, national & state corporations have also found Yelm a place to invest a franchise or affiliated storefront to offer their wares. And, our internet website providers that are based here offer a myriad of products, many of which are locally handmade.

The Thurston County unemployment rate currently rests at 5%, the average annual

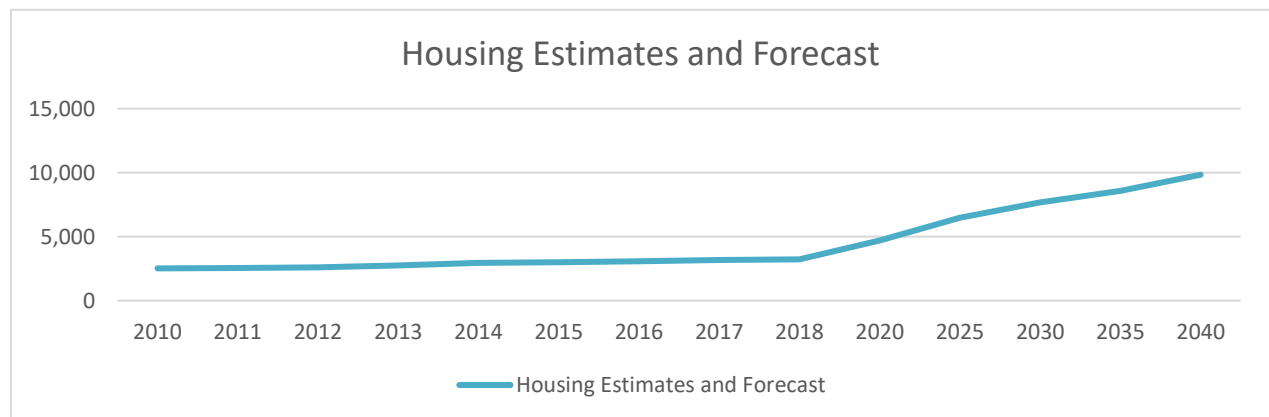
unemployment rate in the county has dropped every year since 2011, when the rate was 9% according to the Employment Security Department.

In 2019, the Yelm unemployment rate was 5.3%, lower than the US average of 10.2%. In the same year, the total percent of the population below the poverty level was 10.1%. This is slightly higher than that of Thurston County with 8.7% of the population being below the poverty level.

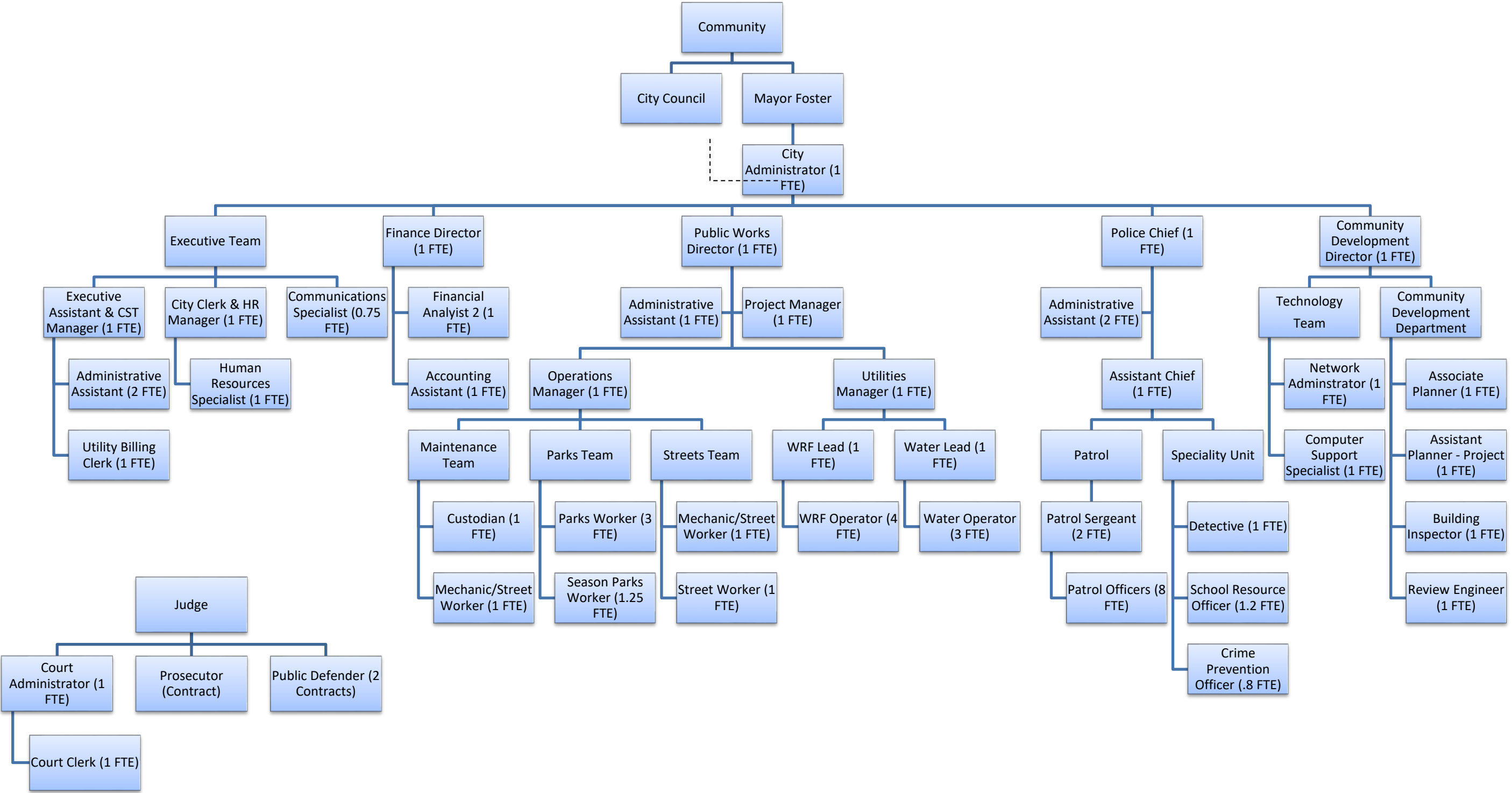
HOUSING GROWTH AND VALUES

The volume of homes in Yelm is expected to increase dramatically between 2018 and 2040, correlating nearly exactly with population growth.

Once the water rights issues in the City are successfully mitigated, the number of single family residences is estimated to increase over 45% by 2020. It is likely that this increase will have an impact on home value, but there are additional external factors that make it difficult to determine the precise impacts. The median estimated home value in Yelm between 2014 and 2018 is \$236,700.



APPENDIX E – ORGANIZATIONAL CHART



APPENDIX F - CITY COUNCIL POLICY COMMITTEES



YELM
WASHINGTON

Updated 8.1.20 Michael Grayum

City Council Policy Committees

Appendix 9, Mayor and Council Protocol Manual

Committee	Council Members	City Point of Contact	Date	Time
General Government	Wood, Curry, Stillwell	City Administrator	First Tuesday	5PM
Finance	Blair, Kaminski, Carmody	Finance Director	The Thursday after the first Council business meeting of the month	3PM
Planning & Community Development	DePinto, Stillwell, Kaminski	Community Development Director	First Thursday	11AM
Public Works	DePinto, Curry, Carmody	Public Works Director	Second Thursday	4PM
Emergency Operations Board	Foster, Stillwell	Police Chief	Second Wednesday	10AM
Public Safety	Blair, Wood, Stilwell	Police Chief	Fourth Tuesday	5PM

City Council Community Representatives

(Alternates in parenthesis)

Solid Waste Advisory Committee

Yelm Senior Center

Intercity Transit Authority

Transportation Policy Board of the TRPC

Medic One EMS Council, South County

Yelm Homelessness Task Force

Thurston Economic Development Council

Regional Housing Council

Nisqually River Council

Thurston Thrives Coordinating Council

Thurston County Law & Justice Council

South Thurston Economic Development Initiative

TCOMM (911)

Southeast Thurston Fire Authority

Blair (Curry)

Blair (Kaminski)

Carmody (DePinto)

Curry (Wood)

Curry (Wood)

DePinto & Carmody

DePinto (Stillwell)

Foster (Stillwell)

Kaminski (Carmody)

Kaminski (DePinto)

Stillwell (Blair)

Stillwell (Kaminski)

Wood (Blair)

Wood (Curry)

City Council Policy Development Process

BACKGROUND: City Council is the legislative policy making body of local government and as such, every City Council member is responsible for researching and developing proposals for policies they want to bring forward for consideration and action by the entire City Council. To create consistency and continuity, the Council will use the Committee Report & Recommendation Form as the primary mechanism for making policy recommendations.

ACTION STEPS: The following steps summarize the process the City Council discussed and agreed to follow for resolutions, proclamations, amendments to the Yelm Municipal Code, and amendments to the City Budget:

1. Verbally share the summary, desired outcome, and any estimated fiscal or staff impacts with the rest of the Council at a public meeting.
2. Fill out the Committee Report and Recommendation Form and send it to the City Administrator and City Clerk. The document will include details about the proposal, including the topic, desired outcome, new or amended policy language, estimated fiscal or staffing impacts, any additional research or supporting documents, and other possible alternatives considered.
3. The General Government Committee will review and refer the policy to the appropriate advisory board or council committee. The policy tracking sheet (below) will be updated on the City website.
4. The advisory board or council committee will consult with their staff liaison to determine when the policy proposal referral can be added to the committee's current work plan. After review and analysis, the board or committee will coordinate with the City Clerk to ensure it is in the proper format, have it reviewed by the City Attorney, and schedule it on a future City Council meeting agenda.
5. The analysis and recommendation of the advisory board or council committee will be presented to the entire City Council for consideration and action.

Policy Issues Proposed by City Council & City Staff

Blue = completed Green = on track Yellow = needs attention

General Government	Finance	Planning & Economic Development	Public Works	Public Safety	Emergency Operations Board
Develop a Council policy development process to direct policy discussions to the most appropriate boards and committees, and to create consistency among actions taken by individual council members – CM Stillwell & Colt	B&O Tax Reduction (withdrawn by proponent after extensive analysis) – CM DePinto	UDC and Comp. Plan update, including: height limits and parking – CM Carmody & Community Development Director	Sidewalk repair, right of way maintenance, and street tree management – CM Curry	Amending the YMC regarding the Police Advisory Committee to administer requirements of Initiative 940 – Chief Stancil	Emergency Management Plan – Police Chief
Mayor Pro-Tem election cycle (addressed in update of Council Procedure manual) – CM Stillwell	Review and update Financial Policies, possibly establish as separate document from budget – Finance Director	Affordable Housing Sales Tax Ordinance – Community Development Director	Funding recommendations for Water Reclamation Facility Upgrades – Public Works Director	Fireworks Modifications – CM DePinto (proposal not yet submitted)	Hazard Mitigation Plan – Police Chief
CARES Act funding utilization, proposals & recommendations – CM Stillwell & Wood		Downtown Corridor Plan – Community Development Director	Procurement Policy – CM Carmody		
Review/update of Council Procedure Manual – City Administrator		Capital Facility Plan update – Community Development Director	Dog Park – Parks Agency		
Homeless Task Force – CM Carmody & DePinto		Plastic Bag Ban – CM Carmody (proposal not yet submitted but State ban goes into effect Jan. 2021)	Policy and investment strategy to acquire riverfront property in Thurston County – CM DePinto (proposal not yet submitted)		