# CITY OF YELM COUNCIL
# SEPTEMBER 27, 2022
# 2023/24 PRELIMINARY BUDGET REVIEW

# Budget

## Budget Goals

- Safe neighborhoods
- Sustainable, cost effective infrastructure
- Strong, diverse economy
- Clean and Vibrant public places
- Best run government

## Budget Policies

- Maintain a balanced budget for on going programs
- Maintain the General Fund ending fund balance at a minimum of 15% of annual expenditures

## Budget Objectives

- Ensure City's financial integrity
- Sound & prudent financial management
- Maintain programs, ensuring the long-term ability to pay associated costs
- Promote openness and transparency.

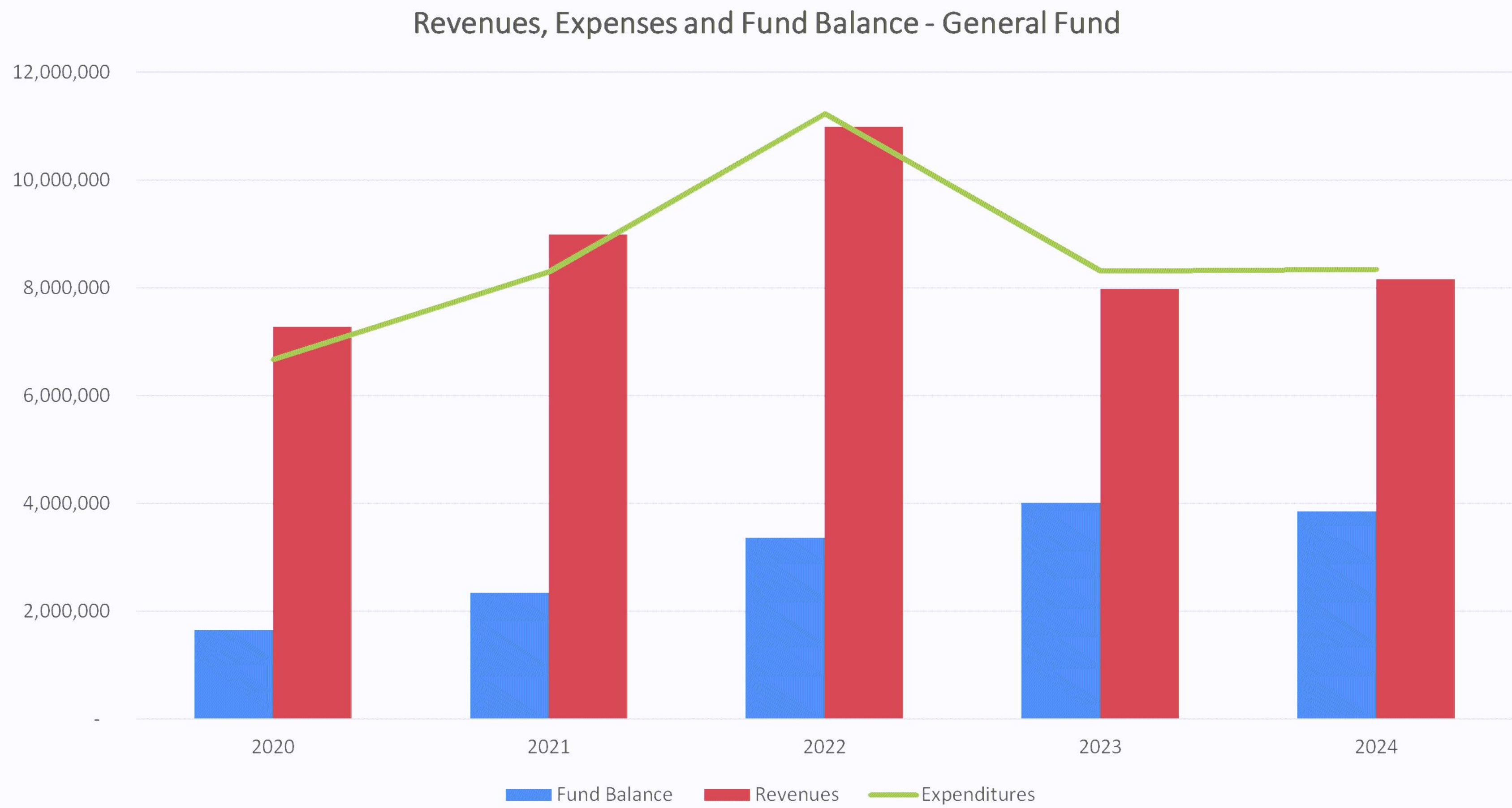
# Budget Message

The 2023/24 proposed budget is a team effort between the Mayor and the department Managers and Directors. We are pleased with the proposed budget yet fully understand that this is on ongoing process to improve and add the necessary services and personnel to serve our thriving community.

We believe the proposed budget is responsible to the citizens of Yelm as well as respecting the needs of our individual departments to maintain a high level of service and meeting the expectations of our community.

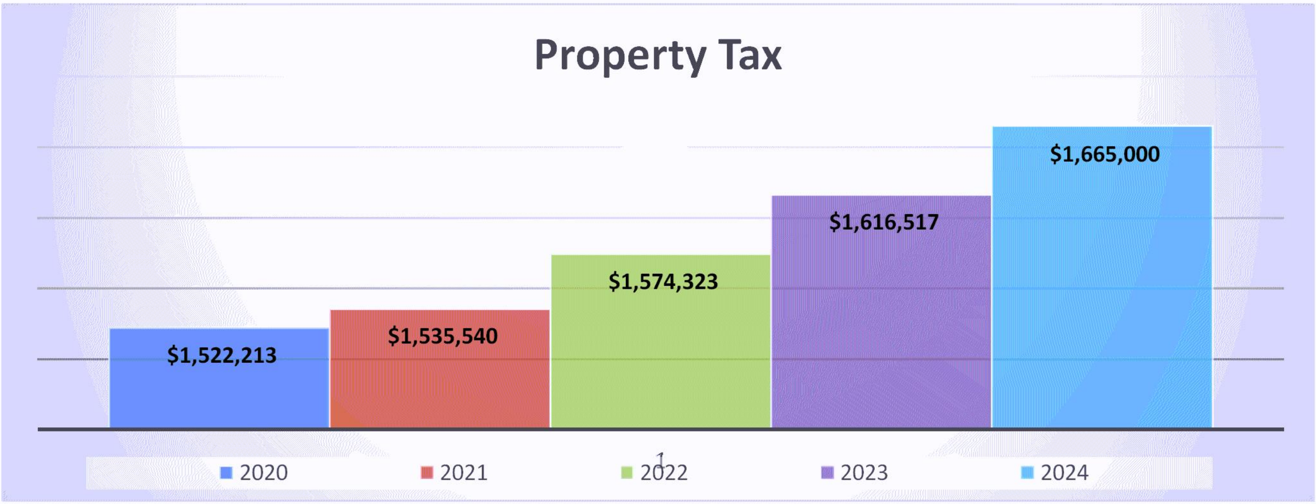
# General Fund

CITY OF YELM



# Property Tax

- Budgeted *without* a 1% increase. The tax increase below is due to tax revenues from new construction, improvements to property, and refund/relevy amounts.



## Sales and B&O taxes

- Budgeted based on current trends, large projects result in one-time "bumps"

# CITY OF YELM

| BEGINNING FUND BALANCE | 2024 Estimated | 2023 Estimated | 2022 Year End Estimate | *2022 Amended Budget* |
|---|---|---|---|---|
| Undesignated Reserve | $ 1,544,508 | $ 1,951,562 | $ 856,263 | $ 2,288,481 |
| Operating & Maintenance Reserve (20%) | $ 1,508,347 | $ 1,409,550 | $ 1,432,218 | |
| General Gov't Property Management Reserve | $ 982,120 | $ 982,120 | $ 1,320,189 | $ 1,320,189 |
| | $ 4,034,975 | $ 4,343,232 | $ 3,608,670 | $ 3,608,670 |
| **REVENUE** | | | | |
| Property Tax | $ 1,665,000 | $ 1,616,517 | $ 1,574,292 | *$ 1,574,292* |
| Retail Sales Tax | $ 2,884,000 | $ 2,750,000 | $ 2,880,122 | *$ 2,500,000* |
| Utility Tax | *$ 1,178,490* | *$ 1,239,910* | *$ 1,159,784* | *$ 1,120,952* |
| Local Criminal Justice Tax | *$ 247,200* | *$ 230,000* | *$ 246,012* | *$ 188,586* |
| B&O Tax | *$ 1,015,000* | *$ 1,015,000* | *$ 1,016,028* | *$ 916,028* |
| Other Taxes | *$ 11,430* | *$ 17,150* | *$ 17,606* | *$ 7,444* |
| *Sub-total Taxes* | *$ 7,001,120* | *$ 6,868,577* | *$ 6,893,844* | *$ 6,307,302* |
| Licenses & Permits | $ 407,530 | $ 403,000 | $ 877,123 | *$ 307,929* |
| Intergovernmental | $ 264,580 | $ 276,126 | $ 361,129 | *$ 284,111* |
| Charges for Services | $ 411,633 | $ 351,000 | $ 282,000 | *$ 236,036* |
| Fines & Penalties | $ 35,000 | $ 35,000 | $ 35,000 | *$ 85,984* |
| Miscellaneous | $ 40,600 | $ 40,600 | $ 65,495 | *$ 68,188* |
| *Sub-total Remaining Op Revs* | *$ 1,159,343* | *$ 1,105,726* | *$ 1,620,747* | *$ 982,248* |
| **TOTAL OPERATING REVENUE** | ***$ 8,160,463*** | ***$ 7,974,303*** | ***$ 8,514,591*** | ***$ 7,289,550*** |

# On-going Expenditures

CITY OF YELM

- RMSA insurance increase of 15% in 2023 & 2024
- COLA increase based on current labor contracts
- Anticipated increase in employee medical benefits of 4% for each year, 1% Dental
- Addition of two Police Officers in 2023 and one in 2024 to fulfill SRO requests ($75K/officer revenue offset from YCS)
- Addition of two employees in the Streets Department while reducing the number of Seasonal Employees.
- Fund Outside Agency requests ($28,000) and continue the Beautification Grant Program ($25,000)
- Increase Budget for misdemeanor incarcerations @Nisqually Jail

## One-time Expenditures



- Two Police Vehicles with equipment, $150,000
- Portable Speed/Message Signs (2), $5,000
- Electronic Reader Board, $20,000
- UDC update $100,000 each year for 2023 and 2024

| EXPENDITURES | 2024 Estimated | 2023 Estimated | 2022 Year End Estimate | *2022 Amended Budget* |
|---|---|---|---|---|
| Council | $ 110,706 | $ 110,706 | $ 125,538 | *$ 133,788* |
| Court | $ 335,273 | $ 327,480 | $ 292,958 | *$ 295,169* |
| Executive | $ 544,019 | $ 528,997 | $ 549,016 | *$ 550,009* |
| Finance | $ 414,118 | $ 400,936 | $ 312,672 | *$ 319,904* |
| Legal | $ 163,000 | $ 163,000 | *$ 193,000* | *$ 218,500* |
| Building Maintenance | $ 180,903 | $ 169,178 | *$ 212,846* | *$ 224,866* |
| Police | $ 3,448,582 | $ 3,361,108 | *$ 3,157,861* | *$ 3,134,456* |
| Community Development | $ 922,025 | $ 898,627 | *$ 806,342* | *$ 836,814* |
| YCC and Recreation | $ 105,118 | $ 105,118 | *$ 56,190* | *$ 77,318* |
| Parks Maintenance | $ 628,635 | $ 642,451 | *$ 603,464* | *$ 663,265* |
| Non-Departmental | $ 475,121 | $ 427,132 | *$ 382,864* | *$ 352,002* |
| Transfer Out | $ 419,210 | $ 407,000 | *$ 355,000* | *$ 355,000* |
| **TOTAL OPERATING EXPENDITURES** | ***$ 7,746,710*** | ***$ 7,541,734*** | ***$ 7,047,751*** | ***$ 7,161,091*** |
| Capital Expenditures | $ 100,000 | $ 275,000 | $ 3,706,502 | *$ 3,500,072* |
| Debt Service | *$ 466,826* | *$ 466,826* | *$ 464,746* | *$ 464,746* |
| Reserve Fund 104 | *$ 30,000* | *$ 30,000* | *$ 15,000* | *$ 15,000* |
| **TOTAL EXPENDITURES** | ***$ 8,343,536*** | ***$ 8,313,560*** | ***$ 11,234,000*** | ***$ 11,140,909*** |

# Water



401 Municipal Water Utility Fund

| Account | | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|---|
| 308 | BEGINNING CASH | 6,151,303.97 | 4,517,067.45 | 4,517,067.45 | 2,475,295.45 | 521,796.28 |
| 330 | INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 340 | CHARGES - GOODS/SERVICES | 3,188,374.72 | 2,497,981.49 | 3,068,622.00 | 3,190,960.66 | 3,190,960.66 |
| 360 | MISCELLANEOUS REVENUES | -51,068.85 | 5,755.03 | 20,000.00 | 3,000.00 | 3,000.00 |
| 380 | NON-REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 397 | TRANSFERS IN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL REVENUES:** | | **9,288,609.84** | **7,020,803.97** | **7,605,689.45** | **5,669,256.11** | **3,715,756.94** |
| 514 | FINANCE & ADMINISTRATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 518 | CENTRAL SERVICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 531 | POLLUTION CONTROL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 534 | WATER UTILITIES | 1,872,650.39 | 1,484,883.33 | 2,212,883.00 | 2,314,824.83 | 2,326,088.98 |
| 580 | NON-EXPENDITURES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 597 | TRANSFERS OUT | 2,898,892.00 | 775,811.00 | 2,900,511.00 | 2,832,635.00 | 732,635.00 |
| 999 | ENDING CASH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL EXPENDITURES:** | | **4,771,542.39** | **2,260,694.33** | **5,113,394.00** | **5,147,459.83** | **3,058,723.98** |
| FUND GAIN/LOSS: | | 4,517,067.45 | 4,760,109.64 | 2,492,295.45 | 521,796.28 | 657,032.96 |

# Sewer Utility

**CITY OF YELM**

412 Sewer Utility Fund

| Account | | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|---|
| 308 | BEGINNING CASH | 2,419,143.28 | 2,747,517.90 | 2,747,517.90 | 1,596,793.90 | 202,297.11 |
| 330 | INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 340 | CHARGES - GOODS/SERVICES | 3,221,773.59 | 2,640,052.31 | 3,152,437.00 | 3,286,683.85 | 3,286,683.85 |
| 360 | MISCELLANEOUS REVENUES | -25,387.59 | 750.99 | 1,062,161.00 | 5,500.00 | 5,500.00 |
| 390 | OTHER FINANCING SOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 397 | TRANSFERS IN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL REVENUES:** | | **5,615,529.28** | **5,388,321.20** | **6,962,115.90** | **4,888,977.75** | **3,494,480.96** |
| 513 | EXECUTIVE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 514 | FINANCE & ADMINISTRATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 518 | CENTRAL SERVICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 535 | SEWER UTILITIES | 2,597,884.38 | 2,253,361.01 | 2,592,034.00 | 2,970,053.64 | 2,984,713.69 |
| 542 | ROAD/STREET MAINTENANCE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 575 | CULTURE RECREATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 591 | DEBT SERVICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 594 | CAPITAL EXPENSES | 0.00 | 12,659.41 | 0.00 | 0.00 | 0.00 |
| 597 | TRANSFERS OUT | 270,127.00 | 326,627.00 | 1,716,627.00 | 1,716,627.00 | 326,627.00 |
| 999 | ENDING CASH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL EXPENDITURES:** | | **2,868,011.38** | **2,592,647.42** | **4,308,661.00** | **4,686,680.64** | **3,311,340.69** |
| FUND GAIN/LOSS: | | 2,747,517.90 | 2,795,673.78 | 2,653,454.90 | 202,297.11 | 183,140.27 |

# Stormwater Utility

**CITY OF YELM**

400 Stormwater Utility Fund

| Account | | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|---|
| 308 | BEGINNING CASH | 323,903.56 | 549,517.21 | 549,517.21 | 470,733.21 | 513,965.74 |
| 330 | INTERGOVERNMENTAL | 50,650.85 | 0.00 | 0.00 | 0.00 | 0.00 |
| 340 | CHARGES - GOODS/SERVICES | 437,704.44 | 336,519.94 | 435,053.00 | 439,403.53 | 439,403.53 |
| 360 | MISCELLANEOUS REVENUES | -3,167.90 | 769.54 | 1,000.00 | 1,000.00 | 1,000.00 |
| 380 | NON-REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL REVENUES:** | | **809,090.95** | **886,806.69** | **985,570.21** | **911,136.74** | **954,369.27** |
| 513 | EXECUTIVE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 518 | CENTRAL SERVICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 531 | POLLUTION CONTROL | 88.37 | 7.90 | 0.00 | 0.00 | 0.00 |
| 538 | OTHER UTILITIES | 259,485.37 | 198,727.58 | 314,837.00 | 397,171.00 | 378,955.00 |
| 591 | DEBT SERVICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 594 | CAPITAL EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 597 | TRANSFERS OUT | 0.00 | 0.00 | 200,000.00 | 0.00 | 0.00 |
| 999 | ENDING CASH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL EXPENDITURES:** | | **259,573.74** | **198,735.48** | **514,837.00** | **397,171.00** | **378,955.00** |
| FUND GAIN/LOSS: | | 549,517.21 | 688,071.21 | 470,733.21 | 513,965.74 | 575,414.27 |

# Information Technology Fund



501 IT Equipment Rental & Repair

| Account | | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|---|
| 308 | BEGINNING CASH | 364,827.05 | 290,265.47 | 290,265.47 | 337,321.47 | 415,521.47 |
| 340 | CHARGES - GOODS/SERVICES | 458,325.00 | 313,893.81 | 418,525.00 | 573,420.00 | 573,420.00 |
| 360 | MISCELLANEOUS REVENUES | -3,583.98 | 49,089.95 | 63,970.00 | 0.00 | 0.00 |
| 397 | TRANSFERS IN | 0.00 | 55,000.00 | 55,000.00 | 0.00 | 0.00 |
| **TOTAL REVENUES:** | | **819,568.07** | **708,249.23** | **827,760.47** | **910,741.47** | **988,941.47** |
| 518 | CENTRAL SERVICE | 483,356.79 | 356,713.26 | 490,439.00 | 495,220.00 | 504,355.60 |
| 594 | CAPITAL EXPENSES | 45,945.81 | 1,122.00 | 0.00 | 0.00 | 0.00 |
| 999 | ENDING CASH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL EXPENDITURES:** | | **529,302.60** | **357,835.26** | **490,439.00** | **495,220.00** | **504,355.60** |
| | FUND GAIN/LOSS: | 290,265.47 | 350,413.97 | 337,321.47 | 415,521.47 | 484,585.87 |

# Equipment Rental & Repair Fund



## 502 Equipment Rental & Repair

| Account | | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|---|
| 308 | BEGINNING CASH | 1,441,565.06 | 1,449,410.83 | 1,449,410.83 | 1,451,047.80 | 1,194,932.72 |
| 340 | CHARGES - GOODS/SERVICES | 201,999.00 | 0.00 | 0.00 | 373,785.00 | 373,785.00 |
| 360 | MISCELLANEOUS REVENUES | -14,104.73 | 75,935.71 | 168,933.00 | 1,000.00 | 1,000.00 |
| 390 | OTHER FINANCING SOURCES | 0.00 | 35,053.94 | 35,053.94 | 0.00 | 0.00 |
| 397 | TRANSFERS IN | 24,700.00 | 79,766.00 | 104,466.00 | 0.00 | 0.00 |
| **TOTAL REVENUES:** | | **1,654,159.33** | **1,640,166.48** | **1,757,863.77** | **1,825,832.80** | **1,569,717.72** |
| 548 | EQUIPMENT RENTAL SERVICES | 0.00 | 0.00 | 0.00 | 116,785.00 | 124,990.00 |
| 594 | CAPITAL EXPENSES | 204,748.50 | 225,378.59 | 235,382.00 | 140,330.08 | 140,330.08 |
| 999 | ENDING CASH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL EXPENDITURES:** | | **204,748.50** | **225,378.59** | **235,382.00** | **257,115.08** | **265,320.08** |
| | FUND GAIN/LOSS: | 1,449,410.83 | 1,414,787.89 | 1,522,481.77 | 1,568,717.72 | 1,304,397.64 |

# Special Revenue & Debt Service Funds

**CITY OF YELM**

| Account | 2021 Actual | 2022 Actual | 2022 Appropriated | 2023 Appropriated | 2024 Appropriated |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| 101 Municipal Street Fund | 579,844.99 | 469,278.10 | 599,931.07 | 711,343.07 | 725,381.07 |
| 102 Arterial Streets Fund | 133,650.14 | 189,661.07 | 217,735.14 | 114,736.00 | 203,282.00 |
| 104 Cumulative Reserve | 380,894.56 | 411,763.64 | 410,894.56 | 472,594.56 | 473,094.56 |
| 105 Park Reserve | 942.43 | 942.43 | 942.43 | 893.00 | 893.00 |
| 107 Tourism Promotion | 350,257.69 | 346,500.01 | 350,792.08 | 334,984.08 | 320,484.08 |
| 109 | 87,217.21 | | | | |
| 112 Affordable Housing Support | | 6,765.06 | | 25,000.00 | 2.00 |
| 119 Deposts & Retainage | 8,411.46 | 8,430.12 | 8,411.46 | 8,692.00 | 8,692.00 |
| 120 Transportation Facility Charge | 50,725.86 | 95,572.96 | 142,545.86 | 218,739.86 | 306,989.86 |
| 200 LTGO Bond Redemption | 494,052.65 | 490,576.15 | 491,076.15 | 495,658.15 | 495,910.15 |
| 202 Killion Road LID | 731,056.05 | 2,634,676.79 | 2,842,802.30 | | |
| 203 Sewer Revenue Bonds | 279,031.19 | 279,031.19 | 279,280.19 | 284,781.19 | 285,031.19 |
| 204 Sewer Revenue Bond Reserve | 445,954.55 | 446,942.90 | 446,954.55 | 447,204.55 | 447,704.55 |
| | 3,542,038.78 | 5,380,140.42 | 5,791,365.79 | 3,114,626.46 | 3,267,464.46 |
| **Expenditures** | | | | | |
| 101 Municipal Street Fund | 460,382.92 | 405,731.24 | 545,382.00 | 662,108.01 | 673,035.03 |
| 102 Arterial Streets Fund | | | 200,000.00 | | |
| 104 Cumulative Reserve | | | | | |
| 105 Park Reserve | | | | | |
| 107 Tourism Promotion | 24,773.61 | 6,500.00 | 80,000.00 | 40,000.00 | 40,000.00 |
| 109 | 87,217.21 | | | | |
| 112 Affordable Housing Support | | 15.08 | | 25,000.00 | 25,000.00 |
| 119 Deposts & Retainage | | | | | |
| 120 Transportation Facility Charge | | | 8,486.00 | | |
| 200 LTGO Bond Redemption | 468,222.50 | 38,522.50 | 464,746.00 | 469,076.00 | 469,076.00 |
| 202 Killion Road LID | 432,385.75 | 1,202,547.33 | 1,632,872.00 | | |
| 203 Sewer Revenue Bonds | 173,026.00 | 86,513.00 | 173,026.00 | 173,026.00 | 173,026.00 |
| 204 Sewer Revenue Bond Reserve | | | | | |
| | 1,646,007.99 | 1,739,829.15 | 3,104,512.00 | 1,369,210.01 | 1,380,137.03 |
| FUNDS GAIN/LOSS: | 1,896,030.79 | 3,640,311.27 | 2,686,853.79 | 1,745,416.45 | 1,887,327.43 |

## Next Up

CITY OF YELM

- October 4th – Council Study Session
  - *Department Presentations*
- October 11th – Council Meeting
  - *Capital Budget Overview*
- October 25th – Council Meeting
  - *Budget Discussion*
  - *Public Hearings on Property Tax and Biennial Budget*

- November 8th – Council Meeting
  - *Meeting Cancelled*
- November 22nd – Council Meeting
  - *Public Hearing and Adoption Property Tax*
  - *Public Hearing and Adoption 2023-2024 Budget*

# Questions?