

November 25, 2014

2015 Budget Message



It is with pleasure that I present you with the City of Algona's budget for the year 2015.

The challenges we faced in budgeting for the coming year center mostly around the Enterprise Funds. The City's Enterprise Funds are those funds that provide essential services such as water, sewer and storm drainage.

With the unstable economic climate in the past few years, the Council made the decision to avoid increases in utility fees. This decision was made in order to avoid an additional impact on the citizens of Algona.

After completing an update of the City's Water Plan, and the separation of water and sewer fund, we have found that we can no longer put off increasing rates. The budget for 2015 reflects this modest increase, taking into consideration the water rate increase Auburn has established for 2015, along with the increase in sewer rates passed down from King County. Please be assured increases are never taken lightly, and are kept at a minimum.

I would like to thank the Department Directors and City staff for their active and direct participation in the development and preparation of this year's budget. Through these continual efforts Algona has consistently been able to provide quality public services to its citizens while maintaining the highest degree of fiscal responsibility.

The total City budget for 2015 is \$10,614,855; inclusive of projected beginning and ending cash balances. We have conservatively estimated revenues, and tried to anticipate the rise in cost of goods as well as services. Health benefits increased 5% for medical, 8% for dental and 5.5% for vision. Also highlighted in the 2015 budget are \$720,000 in capital projects and capital outlay purchases. It's been our continuing policy to fund repair, maintenance and capital improvements over multiple years to recognize fiscal responsibility.

This budget also reflects a transfer of \$500,000 from the General Fund reserves to the Capital Improvement reserves to help with the funding of a new Community Center/City Hall complex.

The proposed budget for 2015, stated on a comparative basis with 2014 and actual expenditures for 2013 are as follows:

<i>Fund</i>	2013 Actual	2014 Budget	2015 Budget
Current Expense	2,154,120	2,278,925	3,103,625
Drug Fund	0	2,200	2,200
Street Fund	865,185	406,850	315,740
Arterial Street Fund	0	0	0

Grant Fund	0	170,000	170,000
Contingency Fund	0	0	0
Capital Improvement Fund	0	0	300,000
Park Impact Fund	0	0	0
Stormwater Mgmt. Fund	421,002	186,000	182,850
Water Maint. Fund	840,610	632,900	732,460
Sewer Maint. Fund	781,007	820,100	800,350
Water Capital Improvement	0	0	0
Sewer Capital Improvement	0	0	0
Stormwater Capital Imp.	0	0	0
Unemployment Trust Fund	0	5,000	5,000
TOTAL	\$5,061,924	\$4,501,975	\$5,612,225

Estimated Revenues for 2015 compared to the amount received in 2013 and budgeted estimates for 2014 are as follows:

SOURCE	2013 Actual	2014 Budget	2015 Budget
Beginning Cash/Reserves	8,006,480	6,991,500	6,928,700
Taxes	2,004,814	1,110,500	1,232,500
Licenses & Permits	138,882	96,800	94,600
Intergovernmental	561,248	62,400	101,900
Charges for Services	1,523,084	1,026,400	1,429,650
Fines & Forfeitures	68,515	47,225	36,150
Miscellaneous	32,023	24,055	791,355
TOTAL	\$12,335,046	\$9,358,880	\$10,614,855

Administration continues to concentrate on balancing community service needs with limited revenues as well as take the necessary measures to manage the budget as approved by Council. A conservative and logical approach is used when estimating expenditures to ensure wise use of taxpayer's dollars. The 2015 budget is fiscally prudent and addresses our citizens' needs.

It is important to note that the daily operation of our City depends on many key people, namely our dedicated employees but also that of our City Council and the members of various boards and committees.

Capital Improvements

This year's budget includes \$544,000 targeted for capital improvements. This portion of the budget represents expenditures for purchases of property and/or improvements to the cities facilities and infrastructure.

Street Paving - \$200,000: Paving repair and chip seal needs to be done on many of the City streets. This will come out of the Capital Improvement Fund (106).

Lift Truck - \$25,000: Each year the PW Dept. has had to rent a lift truck to trim tree branches that hang over the streets, hang signs & banners, as well as put the flags out. Purchasing a truck will save the City in the long run. The truck will be purchased out of the Street Fund (101).

Stalker Message Board - \$20,000: This message board will be used by the City for advertising events, public notices, and emergency management. Funds will be used out of the General Fund (001).

Water Main Replacement - \$200,000: As per our Water Plan, we need to replace old non-compliant water mains. Funds will be spent out of the Water Maintenance Fund (402).

Administration Vehicle - \$30,000: This vehicle will be used by admin personnel, as well as for other departments for going to meetings, conferences and other work related events. This will be purchased out of the General Fund (001).

Police Vehicles - \$69,000: Two new vehicles are needed in the rotation of the police fleet. These will be purchased out of the General Fund (001).

Capital Outlay

The 2015 budget reflects \$176,000 set aside for capital outlay items. Capital outlay items include purchases of goods or materials to better perform day to day services. The following items will be purchased from various funds for the year 2015:

Admin./Events	Flags & Banners	\$10,000
	Misc. City Hall Remodel	\$12,000
	Finance Safe	\$5,000
	Plan Copier	\$4,000
	Outdoor Movie Screen	\$15,000
Police Dept.	State Accreditation	\$15,000
	Video Camera	\$15,000
Public Works	Fire Hydrants	\$25,000
	Commercial Water Meters	\$40,000
	Dev. Guide/AMC Update	\$20,000
	Tree Removal	\$15,000
TOTAL		<u>\$176,000</u>

The City of Algona employs sixteen full time staff members, and two part time employees within the Administration, Police, and Public Works Departments.

I hope you find this document a useful and informational tool to help you understand and discover more about our community and the challenges we all face. I am confident the operating budget for 2015 reflects our mission to provide outstanding services while addressing transportation, recreational, public safety needs, and other central issues facing our community in these tough economic times.

It has been a pleasure serving as your Mayor these past 12 months, and I am proud of our accomplishments and appreciate the dedication and commitment of our hard working and well-trained City staff. I look forward to serving the citizens of Algona in 2015.

Respectfully submitted,
David E. Hill, Mayor

CITY OF ALGONA, WASHINGTON

ORDINANCE NO. 1099-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON, ADOPTING THE BUDGET OF THE CITY OF ALGONA FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015 WITH ESTIMATED REVENUES AND APPROPRIATIONS; PROVIDING FOR SEVERABILITY; AND, PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Mayor of the City of Algona, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the moneys required to meet the estimated expenses of the City of Algona for the fiscal year ending December 31, 2015, and

WHEREAS, the Council of the City of Algona conducted a public hearing on November 6th, 2014 at 7:00 PM for the purpose of receiving public input on preliminary 2015 revenue sources; and

WHEREAS, the Council of the City of Algona conducted a public hearing on November 25th, 2014 at 7:00 PM for the purpose of receiving public input on the 2015 proposed budget; and

WHEREAS, the proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Algona during the fiscal year ending December 31st, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALGONA DO ORDAIN AS FOLLOWS:

Section 1. The regular property tax levy is hereby authorized to be collected in the 2015 tax year at the estimated amount of \$671,167 which includes refunds in the amount of \$156, with an additional increase of .89%, in the amount of \$5,922 over the previous year.

Section 2. The budget for the City of Algona, Washington for the year 2015 is hereby adopted at the fund level in its final form and content as set forth in the document entitled City of Algona 2015 Final Budget, attached hereto as Exhibit "A".

Section 3. Estimated resources, including fund balances or working capital for each separate fund of the City of Algona, and aggregate totals (net transactions between funds) for all such funds combined for the year 2015 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2015 as set forth below:

001	Current Expense	\$ 4,442,550
002	Drug	3,700
101	Street	328,650
103	Grant	170,000
105	Contingency	115,100
106	Capital Improvement	2,041,000
110	Park Impact Fee	8,005
401	Stormwater Management	870,300
402	Water Maintenance & Operations	1,251,700
403	Sewer Maintenance & Operations	830,500
404	Water Capital Improvement	57,040
405	Sewer Capital Improvement	300,200
406	Stormwater Capital Improvement	180,100
621	Unemployment Trust	16,010
TOTAL 2015 BUDGET		\$10,614,855

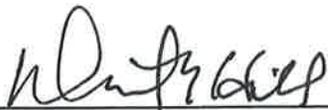
Section 4. 2015 Salary Schedule. The 2015 Salary Schedule for unrepresented employees, attached hereto as Exhibit B, is hereby adopted.

Section 5. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 6. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 7. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on January 1, 2015.

PASSED BY THE CITY COUNCIL OF THE CITY OF ALGONA AT A REGULAR MEETING THEREOF THIS 9th day of December, 2014.



David E. Hill, Mayor

ATTEST:



Diana Quinn, MMC
City Administrator/Clerk Treasurer

APPROVED AS TO FORM:



Danielle M. Evans
Kenyon Disend PLLC
City Attorney

Project	Total Cost	City Cost	Rev. Amt.	Rev. Source	Expenditure Source
Public Works Department					
Wand for Vactor	\$ 6,000.00	\$ 6,000.00			Water 402 594 34 62 02-\$2,000 Sewer 403 594 35 64 03-\$2,000 Storm 401 594 38 62 02-\$2,000
Fire Hydrants	\$ 25,000.00	\$ 25,000.00			Water 402 594 34 63 06
Street Paving	\$ 200,000.00	\$ 200,000.00			Capital Imp. 106 595 30 63 02
Commercial Water Meters	\$ 40,000.00	\$ 40,000.00			Water 402 594 34 63 08
Valve Exerciser	\$ 2,500.00	\$ 2,500.00			Water 402 534 80 35 00
Tree Removal & Trimming	\$ 15,000.00	\$ 15,000.00			Streets 101 542 30 41 00
Lift Truck	\$ 25,000.00	\$ 25,000.00			Streets 101 594 42 64 04
12" Backhoe Trenching Bucket	\$ 1,000.00	\$ 1,000.00			Water 402 534 80 35 00-\$500 Storm 401 531 38 35 00-\$500
Arc Welder	\$ 1,000.00	\$ 1,000.00			Storm 401 531 38 35 00-\$333 Water 402 534 80 35 00-\$334 Sewer 403 535 10 35 03-\$333
Stalker Message Board	\$ 20,000.00	\$ 20,000.00			General 001 594 38 64 09
Pressure Washer	\$ 2,000.00	\$ 2,000.00			Storm 401 531 38 35 00-\$667 Water 402 534 80 35 00-\$667 Sewer 403 535 10 35 03-\$666
Water Main Replacements	\$ 200,000.00	\$ 200,000.00			Water 402 594 34 63 07
Development Guide/AMC Update	\$ 20,000.00	\$ 20,000.00			General 001 558 60 41 00
Administration/Events					
Flags & Banners	\$ 10,000.00	\$ 10,000.00			General 001 594 64 73 02
Outdoor Movie Screen	\$ 15,000.00	\$ 15,000.00			General 001 594 64 73 01

EXHIBIT A
CITY OF ALGONA 2015 FINAL BUDGET

2015 BUDGET TOTALS

City Of Algona
MCAG #: 0367

Time: 09:56:48 Date: 01/06/2015
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Fund	Revenues	Expenditures	Net
001 Current Expense	4,442,550.00	4,442,550.00	0.00
002 Drug Fund	3,700.00	3,700.00	0.00
101 Street Fund	328,650.00	328,650.00	0.00
102 Arterial Street Fund	0.00	0.00	0.00
103 Grant Fund	170,000.00	170,000.00	0.00
105 Contingency Fund	115,100.00	115,100.00	0.00
106 Capital Improvement Fund	2,041,000.00	2,041,000.00	0.00
110 Park Impact Fund	8,005.00	8,005.00	0.00
401 Stormwater Mgmt Fund	870,300.00	870,300.00	0.00
402 Water Maintenance Fund	1,251,700.00	1,251,700.00	0.00
403 Sewer Maintenance Fund	830,500.00	830,500.00	0.00
404 Water Capt'l Improve Fund	57,040.00	57,040.00	0.00
405 Sewer Capt'l Improve Fund	300,200.00	300,200.00	0.00
406 Stormwater Capt'l Improve Fund	180,100.00	180,100.00	0.00
603 Unapplied Cash	0.00	0.00	0.00
621 Unemployment Trust Fund	16,010.00	16,010.00	0.00
634 Youth Trust Fund	0.00	0.00	0.00
	10,614,855.00	10,614,855.00	0.00

EXHIBIT B

The salary ranges and adjustments for non-represented employees shown below are hereby approved:

	Step A 2 years	Step B 2 years	Step C 2 years	Step D 2 years
Police Chief	7,000	7,350	7,718	8,104
Public Works Dir.	6,219	6,530	6,857	7,200
City Admin./Treasurer	7,490	7,865	8,258	8,671

	Step A 6 months	Step B 12 months	Step C 12 months	Step D 12 months	Step E 12 months
Deputy Clerk	4,044	4,246	4,458	4,681	4,915

Mayor	1,500.00 mo.
Council Members	250.00 mo.
Part Time/Temporary	12.00 – 20.00 Hr.