



# **2020**

## ***Adopted Budget***

City of Ridgefield  
230 Pioneer Street  
PO Box 608  
Ridgefield, WA 98642  
(360) 887-3557  
<https://ridgefieldwa.us/>



# ***2020 Adopted Budget***

## ***I. Introduction***



# ***2020 Adopted Budget***

## **BUDGET TEAM/COMMITTEE**

### ***MAYOR***

Don Stose, Mayor

### ***CITY COUNCIL***

Lee Wells, Mayor Pro Tempore

Sandra Day, Councilor

Jennifer Lindsay, Councilor

Ron Onslow, Councilor

Dave Taylor, Councilor

Darren Wertz, Councilor

### ***SENIOR MANAGEMENT***

Steve Stuart, City Manager

Lee Knottnerus, Deputy City Manager

Kirk Johnson, Finance Director

Bryan Kast, Public Works Director

Louisa Garbo, Community Development Director

John Brooks, Police Chief

### ***CITIZEN MEMBER***

Clyde Burkle



## ***2020 Adopted Budget***



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**City of Ridgefield  
Washington**

For the Fiscal Year Beginning

**January 1, 2019**

*Christopher P. Morrill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Ridgefield, Washington**, for its Annual Budget for the fiscal year beginning **January 1, 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.



## ***2020 Adopted Budget***

### ***Table of Contents***

<b>I. Introduction</b>	
Budget Team/Committee	ii
GFOA Distinguished Budget Presentation Award	iii
Reader's Guide to the Budget	1-2
Vision and Mission Statement	3
Ridgefield's Origin and Demographics	4-6
City Organization Chart	7-8
Budget Calendar	9
Budget Philosophy	10-11
Budget Policies	12-16
Budget Procedures	17-23
Governmental Accounting	24
<b>II. Transmittal Letter</b>	
City Manager Budget Message	26-33
City Council Goals	34
2020 City Council Initiatives and Work Plan	35
<b>III. Executive Summary</b>	
Six-Year Financial Sustainability Model	37-42
2020 Budget Highlights	43-68
Executive Summary by Fund	69-73
Boards and Commissions	74-75
Labor Relations	76
<b>IV. Department Summary</b>	
Organizational Matrix – Department Assignments by Fund	78
Mayor and City Council	79-81
Executive	82-83
Administration/Human Resources	84-86
Budget/Finance	87-89
Public Safety	90-93



## **2020 Adopted Budget**

<b>Table of Contents</b>	
Community Development	97-96
Public Works	97-102
<b>V. Budget by Fund</b>	
Fund Descriptions	104-109
<b>Operating Funds Summary Reports</b>	
Fund 001 – General	110
Fund 101 – Streets	111
Fund 406 – Water Utility	111
Fund 408 – Storm Water Utility	112
<b>Special Revenue Funds Summary Reports</b>	
Fund 111 – Drug	112
Fund 150 – Transportation Benefit District (TBD)	113
<b>Debt Service Funds Summary Reports</b>	
Fund 200 – Debt Service	113
<b>Capital Service Funds Summary Reports</b>	
Fund 105 – Real Estate Excise Tax (REET)	114
Fund 114 – Park Impact Fee (PIF)	114
Fund 115 – Traffic Impact Fee (TIF)	115
Fund 416 – Water System Development Charge (WSDC)	115
<b>Capital Projects Funds Summary Reports</b>	
Fund 300 – General Capital Projects	116
Fund 410 – Water Utility Capital Projects	116
Fund 412 – Storm Water Utility Capital Projects	117
Fund 501 – Equipment Replacement Fund (ERF)	117
<b>Operating Fund Summary Reports by Cost Category</b>	
Fund 001 – General	118-121
Fund 101 – Streets	122
Fund 406 – Water Utility	123-124
Fund 408 – Storm Water Utility	124-125



## ***2020 Adopted Budget***

### ***Table of Contents***

<b>Initiatives/Capital Outlay/Capital Projects Additions to the Budget</b>	
Operating Fund Initiatives – General Fund Impact	126-127
Operating Fund Initiatives – Street Fund Impact	127
Operating Fund Initiatives – Water Utility Fund Impact	128
Operating Fund Initiatives – Storm Water Utility Fund Impact	128
Capital Fund Initiatives – General Capital Fund Impact	129
Capital Fund Initiatives – Water Utility Capital Fund Impact	129-130
Capital Fund Initiatives – Storm Water Utility Capital Fund Impact	130
Capital Fund Initiatives – Equipment Replacement Fund Impact	130
Initiative/ Project Funding Summary	131
<b>VI. Capital Improvement Plan</b>	
Capital Facilities Plan Summaries	133-151
Capital Project List and Funding Source	152-155
<b>VII. Appendix</b>	
Financial Management Policy	157-171
Debt Management Policy	171-178
Investment Policy	179-196
Capitalization of Assets Policy	197-203
2019 Master Fee Schedule	204-221
FTE Summary by Department	222
Budgeted Positions and FTE's by Department	223-227
Interfund Transfers	228-232
Schedule of Debt Service	233-238
Ordinance No. 1280 2019 Proposed Budget	239-240
Glossary of Budget Terms	241-244



# **2020 Adopted Budget**

## ***Reader's Guide to the Budget***

The City of Ridgefield must adopt a balanced budget each year. To be prudent, policies have been put into place that direct the City to place some of its resources into reserves to cover future emergencies, capital repair and replacement, retirement, or downturns in the economy. The City also sets policies that the use of one-time revenues may only be used for one-time expenses. Beyond these basic guidelines, budgets for cities are quite complex. Much of this complexity is created to allow for proper accounting and tracking techniques as required by state law and governmental accounting practices. Cities draw their revenues from a wide variety of sources, divide their expenditures into separate funds and allocate their program expenditures in ways that serve the special needs of municipal services. This reader's guide is being provided to make the City's budget more understandable and usable for the reader.

### ***Organization of this Document:***

This budget document contains legally required budget information, descriptive background information and various illustrative graphs and tables that will be helpful to the readers' understanding. It is organized into seven sections to facilitate the reader's understanding of the City's budget and to help the reader to find information regarding the city and its budget. Those seven sections are: Introduction, Transmittal Letter, Executive Summary, Budget by Department, Budget by Fund, Capital Improvement Program, and Appendix.

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

- Budget Team/Committee
- GFOA Distinguished Budget Presentation Award
- Table of Contents
- Reader's Guide to the Budget
- Vision and Mission Statement
- Ridgefield's Origin and Demographics
- City Organization Chart
- Budget Calendar
- Budget Philosophy
- Budget Policies
- Budget Procedures
- Governmental Accounting

***Transmittal Letter:*** This section includes the City Manager's budget message to the City Council and the latest edition of the City Council Goals and Strategic Workplan.

***Executive Summary:*** This section provides a high-level view of the proposed budget, an in depth look at the City's revenue sources, projected fund balances, and information about the City's debt. It includes the following:

- 6-Year Financial Sustainability Model Operating Budget forecast
- 6-Year Financial Sustainability Model Capital Service Fund Revenue forecast
- Budget Highlights
- Operating Funds Revenue, Expense and Fund Balance Summary
- FTE Summary



## ***2020 Adopted Budget***

- Capital Service Funds Revenue, Expense and Fund Balance Summary
- Capital Project Funds Revenue, Expense and Fund Balance Summary
- Special Revenue Funds Revenue, Expense and Fund Balance Summary
- Municipal Debt Policy, Debt Capacity, and City Long Term Debt
- Investment Policy Summary
- Executive Summary by Fund
- 2019 Executive Summary – All Funds
- Executive Summary Operating Funds Comparison
- Boards, Commissions and Committees
- Labor Relations

***Department Summary:*** This section provides departmental summaries.

- Organizational Matrix Department Assignments by Fund
- Departmental Organizational Chart
- Department Overview
- Key Objectives
- 2020 Goals
- Historical Comparison of Total Expenditures and Full-time Equivalents (FTE's)

***Budget by Fund:*** This section exhibits the financial condition and provides a historical comparison of each fund. It includes:

- City Fund Descriptions
- Operating Funds Historical Revenue / Expenditure Summary
- Special Revenue Funds Historical Revenue / Expenditure Summary
- Debt Service Funds Historical Revenue / Expenditure Summary
- Capital Service Funds Historical Revenue / Expenditure Summary
- Capital Project / Equipment Replacement Funds Historical Revenue / Expenditure Summary
- Operating Funds Historical Revenue / Expenditure Summary by Cost Category

***Capital Improvement Program:*** This section identifies the multi-year plan for the three capital funds; General Capital (improvements to Parks, Streets and Facilities), Water System Capital (water system delivery), and Storm Water Drainage Utility (drainage improvements). It includes:

- Capital Facilities Plan Summaries
- Capital Project List and Funding Source

***Appendix:*** This section includes:

- Financial Management Policy
- Debt Management Policy
- Investment Policy
- Capitalization of Assets Policy
- 2019 Master Fee Schedule
- FTE Summary by Department
- Budgeted Positions and FTE's by Department
- Interfund Transfers
- Schedule of Debt Service
- Adopted Ordinance
- Glossary of Budget Terms



## ***2020 Adopted Budget***

# ***VISION STATEMENT***

***Connecting our historic past with a  
healthy future where people, nature  
and business flourish together***

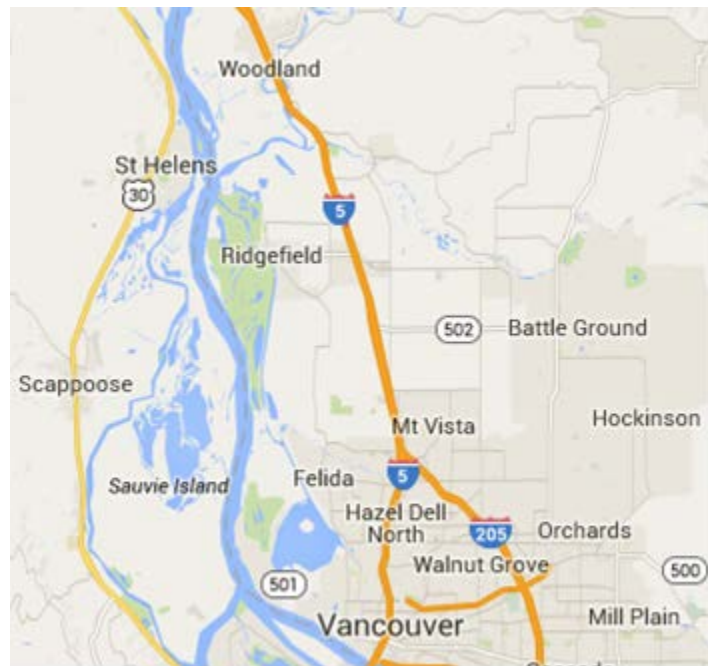
# ***MISSION STATEMENT***

***Committed to providing the community  
with superior services, building on the  
proud history and meeting the challenges  
that shape our future***



## ***2020 Adopted Budget***

### ***Ridgefield's Origins***



Ridgefield's origins can be traced back more than 1,000 years to early Native American settlements. The area was known as "Cathlapotle," after the Chinook people, until it began to develop as a real settlement in the early 1850's. In 1851, Stephen Shobert established a crude mud landing on his property to accommodate the steamboats and the settlement came to be known as Shobert's Landing.

After the Civil War, the settlers named the town "Union Ridge" and then changed the name at a public meeting in 1890 to "Ridgefield." A town in the state of Washington is a municipality that has a population of less than 1,500 at the time of organization. Towns are not authorized to operate under a charter and are only permitted to perform functions specifically granted to them by state law.

At a special election on August 20, 1909 the people decided by a vote of 62-12 to incorporate as a city with a strong mayor. The strong mayor-council form of government consists of a mayor who is elected at-large and who serves as the city's chief administrative officer and an elected city council which serves as the municipality's legislative body. The council has the authority to formulate and adopt city policies and the mayor is responsible for carrying them out. This system is modeled after the Federal Constitution structure of government.



## 2020 Adopted Budget

The completion of Interstate 5 in the 1960s made Ridgefield more accessible, and the creation of the National Wildlife Refuge drew increasing numbers of tourists. Between 1990 and 2000, the city grew from 1,332 to 2,147 residents and added 2,200 acres through annexation. As the city grew, the burdens of the mayor's office became too much.

In 1999 the voters changed city government to its current council-manager form. The council-manager form of local government combines the strong political leadership of elected officials with the strong professional experience of an appointed local government manager. The Mayor is appointed by the City Council and serves as the chief spokesperson and head of the city government for the public, political and ceremonial purposes. He has no full-time administrative duties. The seven city councilmembers are elected by the citizens of Ridgefield on a non-partisan basis for four-year terms. Council members are policy-makers; adopt a budget for city revenues and expenditures and perform all other actions necessary to govern the City, including the passage of ordinances and resolutions.

In 2009, the City of Ridgefield celebrated the centennial of its incorporation with a population of 4,215 and an optimistic view of the future. The City is continuing to grow with a current population of 8,895. The 2015 update of the City's Urban Area Comprehensive Plan outlined the city's goals; to become a regional employment center, to provide quality neighborhoods, to protect critical environmental areas, and to carefully manage growth.

Demographics	
Population *	8,895
Male/Female **	45.4%/54.6%
Median Age **	38.3
% Under 20 **	30.5%
Educational Attainment (Population 25 Years and Over)	
High School Degree or Higher **	96.3%
Bachelor's Degree or Higher **	28.7%
Housing Units **	2,473
Occupied Housing Units **	2,279
Owner Occupied Housing Units **	1,777
Median Value of Unit **	330,500
Median Monthly Rent **	1,421
Median Household Income **	93,958
Per Capita Income **	40,355
Families in Poverty **	4.4%
*Washington State Office of Financial Management (OFM)	
**United States Census 2017 American Community Survey 5-Year Estimates	



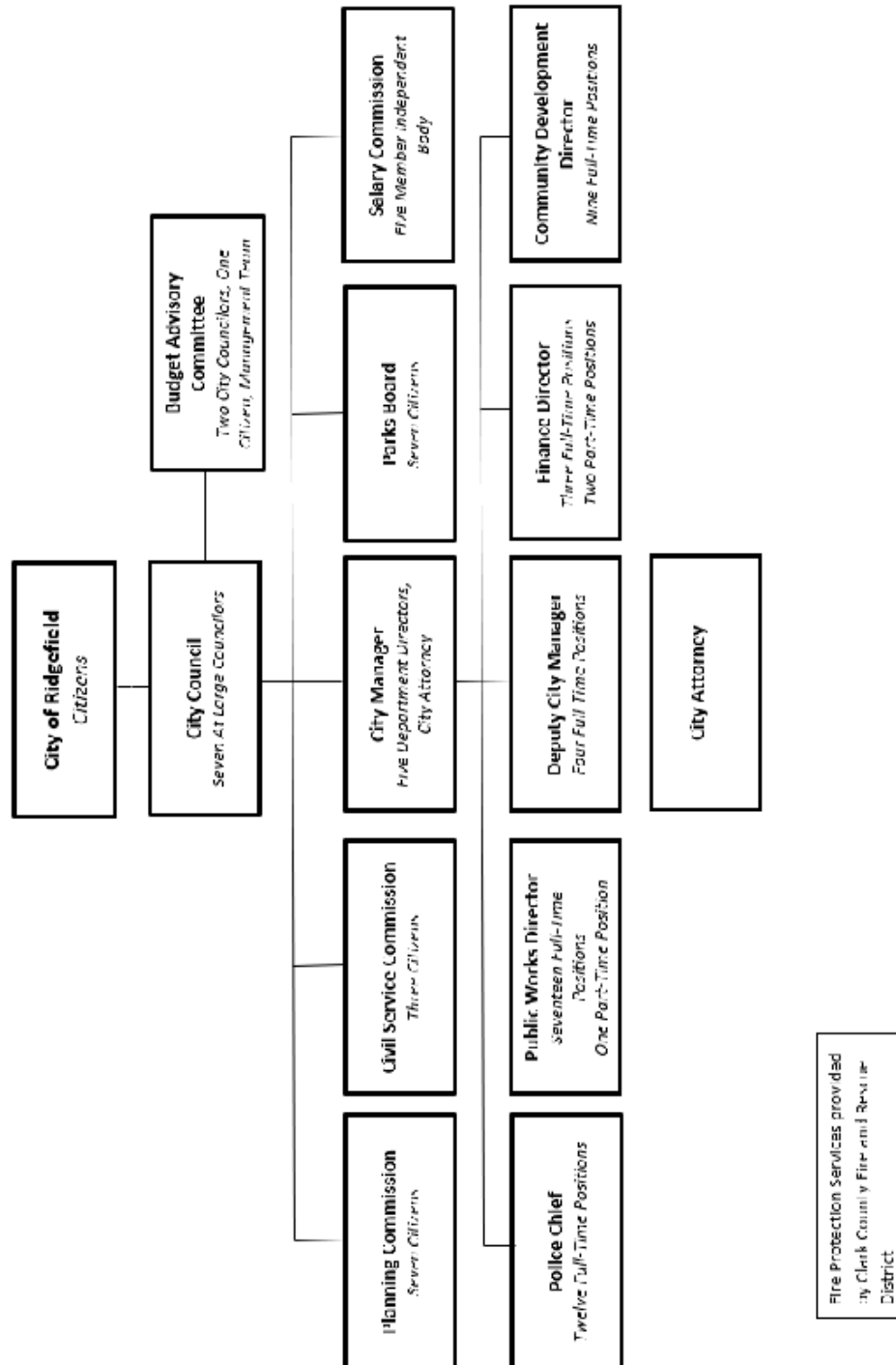
## ***2020 Adopted Budget***

<b>Ridgefield At A Glance</b>	
Elevation (Average)	112 Feet
Land Area	7.4 Sq. Miles
Miles of Streets	49.6
Miles of Trails	7.3
Park Acreage	151.5
Water Production Daily Capacity (Millions of Gallons)	2.05
City Retail Sales Tax Rate	8.4%
City Employees (FTE) 2020 Projection	48.75
Assessed Valuation 2020 Projection	\$1,447,272,463
Property Tax Levy Rate 2020 Projection	\$0.8659



## 2020 Adopted Budget

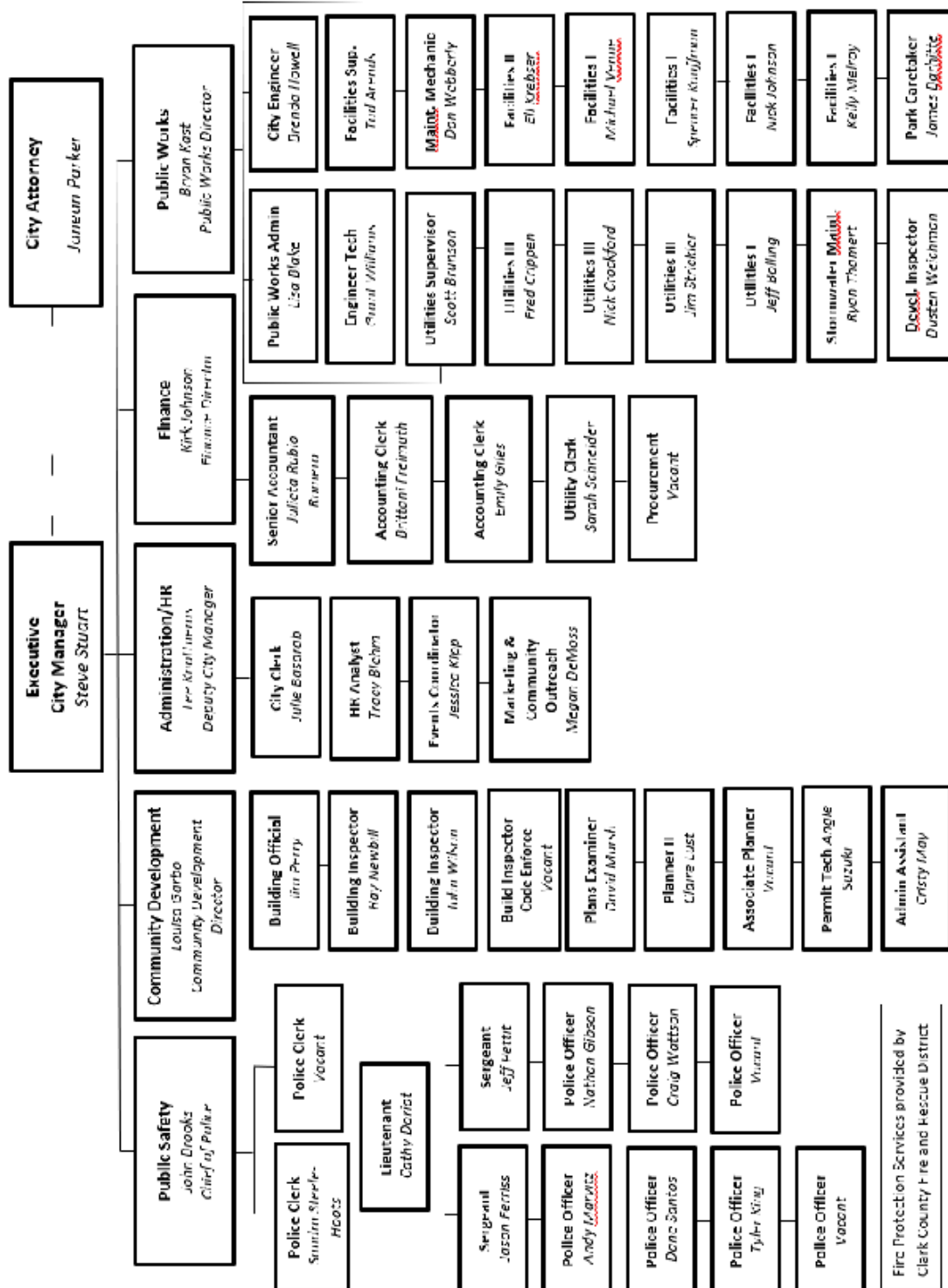
City of Ridgefield 2020 Organization Chart





## 2020 Adopted Budget

### City of Ridgefield 2020 Organization Chart





## 2020 Adopted Budget

2020 Budget Calendar			
Major Steps in Process	Management Team/City Manager	Budget Advisory Committee (Monthly Meetings)	City Council
Council and Management Retreats	May-August	Meeting August 15th	Work Session July 25th August 22nd
Update 6-Year Financial Sustainability Model			
Review Financial/Budget Policies			
Baseline Budget - Operating Funds Revenue & Expense			
Determine/Discuss Budget Assumptions			
Economic Data - Trends and Comparisons			
Initial Forecast			
Update Indirect Cost Plan and Equipment Replacement Model			
Update Baseline Budget - Revenue & Expense	September	Meeting September 12th	Work Session September 26th
Budget Initiatives First Touch			
Capital Budget First Touch			
Complete Preliminary Budget			
Complete Estimated Budget	By October 1st		
Budget Initiatives Second Touch	October	Meeting October 17th	
Capital Budget Second Touch			
Final Budget Update			
Conduct Public Hearing on Revenue Sources	Second Council Meeting in October (10/24)		
Conduct First Reading on Ad Valorem Tax Levy			
Present Proposed Balanced Budget	By November 1st		
File Proposed Budget	November 1st		
City Clerk Publishes Notice of Public Hearing	October 25 - November 7		
Conduct Revenue and Budget Hearings	By End of November		
Make Proposed Budget Available to the Public	November 1st		
Conduct First Reading on Utility Rate Increases	First Council Meeting in November (11/7)		
Conduct Second Reading on Ad Valorem Tax Levy			
Provide Budget Presentation to City Council			
Conduct First Public Hearing and First Reading on Proposed Budget			
Conduct Second Reading on Utility Rate Increases	Second Council Meeting in November (11/21)		
Conduct Second Public Hearing and Second Reading on Proposed Budget. Adopt Final Budget			
Conduct Final Budget Hearing and Budget Adoption	By End of December		
Transmit Copies of the Final Budget to SAO and MRSC	By end of December (12/31)		



# ***2020 Adopted Budget***

## ***Budget Philosophy***

Development in the City of Ridgefield exploded in the early to mid-2000 timeframe. As a result, the City increased staff and completed much needed capital projects to support growth projections. In 2008 the nation entered the great recession and Ridgefield suffered economically due to the dependence on growth related revenue sources. City Council and staff made difficult and necessary decisions to reduce staffing and focus on core services during the recession. Staff and Council reduced expenditures and trimmed the budget to insure the City was not operating at a deficit. As a result, the city was able to make it through the recession without impacting financial stability. Due to the decisions Council made, the City was able to build reserves and prepare for the economic recovery. The City continues to maintain a conservative budget approach, maintaining core service levels, while budgeting ongoing revenues to support ongoing expenditures. Council uses one-time revenues to fund one-time expenditures to insure the City is not facing a structural deficit.

In 2014 City Council approved targeted reserve policies to continue the recovery from the great recession and insure the City is on sound financial footing for the future. Current financial policies established by City Council include the following. For more information refer to Financial Management Policies (appendix page 156-170):

### **General Fund**

- The City maintains an operations and maintenance reserve equal to 60 days of the prior year actual operating expenses. This reserve will provide for adequate cash flow to create flexibility to pay operating expenses in the event of fluctuations in revenue and expense.
- The City maintains a revenue stabilization reserve equal to 10% of the prior year revenues less any one-time revenues or interfund transfers. The purpose of this reserve is to provide the financial ability to cover operating expenses during a longer-term revenue shortfall or a downturn in the economy.
- The City maintains a capital reserve equal to 1% of the prior year net fixed assets. The purpose of this reserve is to provide the financial ability to pay for unanticipated capital needs or damage to City infrastructure.
- The City maintains a debt service reserve equal to the amount of debt service for the following year.
- The City added a separation reserve in 2019 to provide the financial ability to cover retirement payout obligations. The amount is equal to 30% of the estimated leave accrual payouts over the following ten years. The reserve was fully funded in 2019 by



## ***2020 Adopted Budget***

one-time construction related sales tax received from the growth the City is experiencing.

### **Water and Storm Water Utility Funds**

- The City maintains an operations and maintenance reserve equal to 90 days of the prior year actual operating expenses. This reserve will provide for adequate cash flow to create flexibility to pay operating expenses in the event of fluctuations in revenue and expense.
- The City maintains a capital reserve equal to 1% of the prior year net fixed assets. The purpose of this reserve is to provide the financial ability to pay for unanticipated capital needs or damage to City infrastructure.
- The City maintains a capital repair and replacement reserve in the utility operating funds. The City deposits 5% of rate revenue each year into the reserve. The purpose of the reserve is to create the ability to pay for repair or replacement of existing utility infrastructure in the event of damage or failure.
- The City maintains a debt service reserve equal to the amount of debt service for the following year.

The City also maintains an equipment repair and replacement reserve based on a financial model. The purpose is to have the ability to pay for vehicle and large equipment purchases at the end of their useful life. This reserve is budgeted out of all operating funds.



# ***2020 Adopted Budget***

## ***Budget Policies***

### **PURPOSE**

To establish the framework for overall fiscal planning and management. The budget policies set forth guidelines for both current and long-range planning activities. The policies are reviewed annually for adherence and relevance and provide standards against which current budgetary performance can be measured and proposals for future programs evaluated.

### **BACKGROUND**

Chapter 35A.33 of the Revised Code of Washington (RCW) mandates the city's budget process. The annual budget begins January 1 and lapses December 31 of each fiscal year. The budget, as adopted annually by the City Council, constitutes the legal authority for expenditures. The City's budget is adopted at the fund level and expenditures may not legally exceed appropriations at that level of detail.

Budgeted amounts are authorized to be transferred by the City Manager or designee between departments within any fund and among object classes within departments. However, any revisions that alter the total expenditures of a fund or that affect the number of authorized full-time equivalent positions, labor agreements, or contracts for employment must be approved by the City Council.

Once adopted, the budget becomes the formal expression of the City's objectives and priorities for the forthcoming year and how the resources will be used to meet those objectives.

### **OBJECTIVES**

1. To establish general guidelines for the budget process.
2. To establish revenue guidelines for the budget process.
3. To establish expenditure guidelines for the budget process.
4. Define the overall process for establishing a budget.
5. Define the role of the budget advisory committee.

### **GENERAL GUIDELINES**

The City of Ridgefield's accounting and budgeting systems are organized and operated on a fund level basis. A fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. Each fund is balanced, meaning total revenues equal total expenditures. The budgeted funds are grouped into five categories: General, Special Revenue, Debt Service, Capital Projects and Enterprise.



## ***2020 Adopted Budget***

The budget is proposed by the City Manager and adopted by the City Council with legal budgetary control at the fund level. Expenditures may not exceed appropriations. Unexpended appropriations lapse at the end of the budget year.

Any budget adjustments between funds shall be approved by the City Council. Budget adjustments between departments that do not alter the total appropriations at the fund level shall be approved by the City Manager or designee. Budget adjustments within a department that do not alter the total appropriations at the department level may be approved by the City Manager or Finance Director.

The City will strive to ensure that City service priorities keep pace with the needs of the community by incorporating a service level needs review as part of the budget process.

The City budget will support City Council goals and priorities and the needs of the community.

Department Directors have primary responsibility for formulating budget proposals in line with City Council, Management Team, and City Manager direction and priorities. Department Directors are responsible for implementation and management of the adopted department budgets under their control.

The Finance Department is responsible for preparation and administration of the City's budget. This includes maintaining up to date information on revenues and expenditures, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department will prepare a 6-year revenue and expense forecast, for ongoing operations and maintenance at current service levels. The 6-year forecast will assist City Council in laying the strategic foundation for the new budget year.

The Finance Department assists City Management in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions as directed by City Council.

Revenues and expenditures shall be coded to the appropriate fund, department, and Budgeting, Accounting and Reporting System (BARS) account code as prescribed by the Washington State Auditor's Office, and not to accounts where an excess of funds may exist.

The City will routinely evaluate its service delivery system to maximize efficiency and effectiveness.

### **REVENUE GUIDELINES:**

Revenue forecasts will be updated and prepared on an annual basis. Forecasts shall be conservatively estimated and subject to revision.

The City utilizes a historic trend analysis to establish baseline estimates of major revenues including incorporating proposed rate increases where applicable.



## ***2020 Adopted Budget***

Utility rates and fees will be reviewed annually and updated and changed as deemed appropriate by City Council. Fees shall be established to recover all appropriate costs for providing the service.

Rate studies for revenues that support Enterprise Funds shall be conducted at least every five years to update assumptions and ensure that revenues are sufficient to recover operating costs, provide for capital improvements that maintain existing levels of service and provide for anticipated growth.

One-time revenues will be used only for one-time expenditures.

### **EXPENDITURE GUIDELINES:**

The Finance Department will provide to each Department Director a baseline budget, reflective of the current level of service adjusted for inflation, as calculated using the West Region consumer price index for all urban consumers (CPI-U), and exclusive of any one-time only expenditures.

Salaries and benefits will be updated by the Finance Department and included in the baseline budget. The updated amounts will be based upon collectively bargained labor contracts and input from the City Manager and Budget Advisory Committee.

Changes to the baseline budget must be requested and clearly identified, by program, as an Additional Funds Request. Additional Funds Requests will be evaluated by the City Manager and, if approved, incorporated into the City Manager's proposed budget presented to the Budget Advisory Committee and the City Council.

Priorities in evaluating Additional Funds Requests will be given to those proposals that:

1. Are, and will continue to be, self-funding from external sources or are funded through realignment of the existing department budget;
2. Directly serve to satisfy one or more Council goals;
3. Will reduce existing costs of staffing, maintenance, and operation through efficiencies or cost avoidance; and
4. Are necessary to maintain the City's existing investment in facilities and capital structures.

The authorized Full Time Equivalents (FTE) for staffing needs will be established by City Council.

City Council approval is required for all capital purchases.

The City will allocate indirect and administrative costs to funds and departments based on a financial model prepared by the Finance Department. The financial model will use actual data from the most recent fiscal year-end, for the following budget cycle (i.e. 2017 actuals for 2019



## ***2020 Adopted Budget***

budget), to determine the benefit received by each fund or department. The indirect cost allocation will be incorporated into the City Manager's proposed budget.

Capital improvement projects will be prioritized and funded based upon the approved Capital Facilities Plan and available funding. Additionally, the Capital Projects funds will be budgeted to account for the construction of capital projects and/or the purchase of capital assets.

Grant funded projects will be funded and prioritized based upon the grant award and contract.

The City develops a budget for the Debt Service fund to account for the payment of principal and interest.

### **OVERALL PROCESS:**

The budget will be conducted in accordance to the procedures and timelines established in RCW 35A.33 pertaining to budgets in code cities and will follow the general process listed below.

1. Prepare/update 6-year revenue and expense forecast for ongoing operations and maintenance.
2. Establish Budget Advisory Committee. This committee will meet on an on-going basis and will provide input and guidance throughout the budget process.
3. Prepare budget calendar for review and notice.
4. Prepare and update the baseline budget. The baseline budget will include preliminary estimates for revenues and expenditures and will be organized by fund and department.
5. Provide appropriate copies of the baseline budget to department directors for review and input.
6. Meet with budget advisory committee to review baseline budget. Obtain input and recommendation for submission to City Council.
7. Conduct work session/meeting with City Council. The work session or meeting should include the Budget Advisory Committee, City Manager, Department Directors and other appropriate staff. The main purpose of the meeting is to provide a draft of the baseline budget, provide economic updates, and share information and make known any issues or concerns.
8. The Finance Department works with the City Manager and Department Directors and compiles the preliminary budget including the baseline budget and any additional funds requests for review by the Budget Advisory Committee.



## ***2020 Adopted Budget***

9. The City Manager presents the draft Preliminary Budget to the Budget Advisory Committee and City Council for review. The draft Preliminary Budget is also made available to the public.
10. An ordinance is prepared to set the property tax levy. A public hearing is conducted on revenues and the property tax ordinance.
11. The Final Budget is completed, and City Council holds a public hearing before considering it for adoption.
12. The Final Budget is adopted by Council and published accordingly.

### **BUDGET ADVISORY COMMITTEE:**

The main role of the Budget Advisory Committee is to serve in an advisory capacity to assist in development of an annual budget that reflects the City's top priorities. The Budget Advisory Committee also provides open and transparent communication among the participants and the citizens of Ridgefield.

The Budget Advisory Committee is charged with giving feedback on budget requests and on the top priorities of the City. In addition to considering requests for funding new initiatives the Committee will advise the City Council on rate increases. The Committee is asked to provide feedback on maintaining a balance between keeping fees for services affordable and providing the resources needed to continue to maintain and improve the level of services for City programs and services.

The Budget Advisory Committee will consist of two City Council members, City Manager, Finance Director, Deputy City Manager, Public Works Director, Chief of Police, Community Development Director and one citizen at large appointed by Council.



# ***2020 Adopted Budget***

## ***Budget Procedures***

### ***Purpose***

The purpose is to establish effective and easy to understand guidelines for the development of the budget, and to identify department responsibilities for gathering and preparing data and information for the Finance Department.

### ***General Information***

#### ***Policies***

Financial and Budget Policies are adopted by Council and an annual review of these policies are included in the budget process. Staff reviews Financial and Budget Policies and makes recommendations to Council for adoption and implementation.

#### ***Responsibilities***

Department directors have primary responsibility for formulating budget proposals in line with City Council and City Manager priority direction, and for implementation once adopted.

The Finance Department is responsible for preparation and management of the City's budget. This includes maintaining up to date information on revenues and expenditures, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department assists City Management in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.

City budgets shall be prepared on an annual basis and implemented in accordance with RCW 35A.33 and Financial Policy #07: Budget.

#### ***Budget System***

The City of Ridgefield's accounting and budgeting systems are organized and operated on a fund basis. Funds are accounting entities used to record revenues and expenditures. Each fund is balanced, meaning total revenues equal total expenditures.

The budgeted funds are grouped into five categories: General, Special Revenue, Debt Service, Capital Projects and Enterprise.

The budget is prepared at a fund level; however, the General Fund is prepared at a department level.

#### ***Fund Definition***

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, in addition to recording the related assets, liabilities and fund equity, and changes affecting these accounts. The purpose of the fund is to segregate for the purpose of performing specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.



## ***2020 Adopted Budget***

Funds can fluctuate and can be added or closed, depending upon the circumstances and whether the need to either continue or discontinue a fund exists. Council action is required prior to the official addition or closure of a fund.

### ***Fund Types***

**General Fund and General Governmental Funds:** Used to account for tax-supported activities, including activities supported by licenses and permits and planning and development fees. General Governmental Funds also incorporates special revenue funds, such as Real Estate Excise Tax (REET), Park Impact Fees (PIF), and Transportation Impact Fees (TIF), utilization of restricted revenue sources or sources of funds that are designated for a specific purpose and correspondingly account for these activities. These funds are budgeted on a modified accrual basis.

### ***Proprietary/Enterprise Funds***

A fund used to account for activities supported by rates or fees charged to external users of goods or services. Utility services for Water and Storm Water Drainage facilities are treated as enterprise funds. These funds are budgeted on a full accrual basis, but with the following adjustments:

- No appropriation is made for depreciation, amortization, or accrued vacation.
- Capital assets and principal payments on bonds and loans are budgeted as expenditures.

### ***Fund Description and Number Assignment***

#### ***General Fund – 001***

The General fund is the largest fund in the City and is used to account for revenues that are not designated for specific activities or programs.

#### ***Special Revenue Funds for General Government***

These funds are used to segregate revenues that are restricted for specific purposes.

- 101 – Streets
- 111 – Drug
- 150 – Transportation Benefit District (TBD)

#### ***Capital Service Funds (Special Revenue)***

These funds are used to segregate revenues that are restricted for specific capital outlays.

- 105 – Real Estate Excise Tax (REET)
- 114 – Park Impact Fee (PIF)
- 115 – Traffic Impact Fee (TIF)



## ***2020 Adopted Budget***

### ***Debt Service – 200***

The Debt Service fund accounts for the payment of principal and interest on general long-term debt. It does not include the payment of principal and interest on debt created by an enterprise fund.

### ***Capital Projects – 300***

The Capital Projects fund is used to account for financial resources and expenditures incurred for the purchase of land, purchasing or constructing buildings and structures used for general purposes, acquisition or construction of street improvements, park development, and cemetery improvements. It also includes the development and updating of capital improvement plans associated with these projects. This fund does not include capital projects associated with an enterprise fund.

### ***Proprietary/Enterprise Funds***

Enterprise funds are the utility funds and account for the operations financed and operated in a manner similar to a private business, where the cost for providing services to the general public are recovered primarily through user fees and/or rates. Enterprise funds are used for Water, and Storm Water Drainage facilities.

- 406 – Water Operating Fund
- 408 – Storm Water Operating Fund

### ***Capital Service Funds for Utilities***

These funds are used to segregate revenues that are restricted for specific capital outlays.

- 416 – Water System Development Charge (WSDC)

### ***Capital Utility Projects – 410 and 412***

The Capital Utility Projects fund is used to account for the financial resources and expenditures incurred for purchasing or constructing capital infrastructure projects associated with water and storm water improvements. It also includes the development and updating of capital improvement plans associated with these projects. These funds are consolidated with the associated operating fund at the end of the year.

### ***Equipment Replacement Fund (ERF) – 501***

The ERF fund is used to account for the financial resources and expenditures incurred for purchasing replacement vehicles and large equipment items at the end of their useful life. The ERF fund is financed through interfund transfers from operating funds that budget expense for these types of purchases and realize a benefit for the item to be replaced. The transfers are based on a financial model that incorporates the replacement cost and useful life to determine when an item will need to be replaced.



## ***2020 Adopted Budget***

### ***Procedure***

#### ***Update Baseline Budget***

Definition: The current year budget, including amendments to date, increased/modified to include projected revenues and expenses. It excludes any one-time only revenues and expenses.

Review: The existing baseline budget will be examined to assure removal or reduction of any services that could be eliminated or reduced in cost. Remove any one-time revenues and expenses.

#### ***Summary of Process***

1. Identify current levels of service provided.
2. Determine cost to maintain level of service.
3. Forecast expenditures.
  - a. Conduct a trend analysis as appropriate.
  - b. Known contractual obligations.
  - c. Include a CPI factor as appropriate.
4. Determine/update funding for services provided.
5. Forecast revenue based on known factors including any updated rates and fees.
6. Identify shortfalls and/or surpluses.

#### ***Detail Process***

1. Update Expenses
  - a. Personnel - Includes current approved FTE count by fund/department. Add any known or estimated cost of living adjustment (COLA) and step increases in pay associated with contractual requirements.
  - b. Supplies/Services - Includes the cost for supplies, training, utilities, operations and maintenance, services, professional services, and small equipment purchases.
  - c. Overhead costs - Allocated based on the full cost of providing services according to a consistent methodology included in the City's Indirect Cost Plan.
  - d. Planning/update projects and capital projects – based on capital improvement plans.
  - e. Record appropriate interfund transfers.
  - f. Include scheduled principal and interest payments.
2. Update Revenues
  - a. Taxes, licenses and permits, intergovernmental, charges for goods and services, planning and development, fines and forfeits, miscellaneous and other revenue.
  - b. Update utility rates and fee schedule to ensure level of service.
    - i. Utility Rates – Rates or fees charged to customers that use water and storm water facilities supplied by the City. The City uses a rate model to assist with setting appropriate rates.



## ***2020 Adopted Budget***

- ii. Adjust rates to ensure sufficient level of maintenance on existing facilities and coverage of overhead cost.
- iii. Review and update System Development Charges as needed including indexed updates based on the West Region CPI-U.
- c. Fee Schedule – Includes development and permit fees and charges for goods and services provided by the City.
  - i. Adjust the current fees by the West Region CPI-U index as appropriate.
  - ii. Add a component for overhead cost incurred to carry out service as appropriate.
  - iii. Review and update Impact Fees as needed including indexed updates based on the West Region CPI-U.
- d. Grants allocated to the appropriate capital improvement project or project.
- e. Grants are tracked in the same fund where the expenditure occurs.
- f. Loan disbursements.
- g. Interfund transfers.
- h. Use of or additions to fund balance.

### ***Review Increases/Decreases to Baseline***

The City will strive to ensure that City service priorities keep pace with the needs of the community by incorporating a service needs review as part of the budget process. Changes to the baseline are made on a request basis and must include:

- Service impacted: addition or reduction in service provided and how it impacts the City's services. Include reasons and support for making the change.
- Cost of service addition/reduction.
- How cost of additional service will be funded or if a reduction, how is budget impacted. For example, an addition to the budget could be funded by an increase in fees or offset by a corresponding reduction in another cost that is no longer needed.
- Approval by Department Director.

Requests for changes to the baseline will be reviewed and approved by the Budget Advisory Committee and prioritized based on how it best supports the programs and priorities of the City Council. Council and the City Manager will provide input into the prioritization and approval process.

### ***Balance Budget at Fund Level***

Shortfalls or overages are identified, and the Finance Department will work with the Department Directors to resolve.

### ***Timeline***

This timeline is intended to be used as a guide. The work items referenced can be completed sooner if appropriate, but not later than the dates established by RCW.



## ***2020 Adopted Budget***

May - June A budget retreat with City Council, City Manager, and Department Directors will be held to discuss and review programs and priorities for the upcoming budget year.

July Prepare and update baseline budget

- The Finance Department will prepare preliminary revenue estimates, based on updated rates/fees.
- The Finance Department will include preliminary expenditure estimates, based on contractual obligations, projected actual cost, including an inflationary index (CPI-U West Region).
- FTE reports will be generated and will include an estimate for COLA's and step increases.
- Shortfalls/surpluses are identified.
- The baseline budget will be prepared by fund/department and provided to Department Directors.

Department Directors review the baseline budget and FTE report.

- Review and ensure understanding and accuracy.
- Update position descriptions for employees.
- Additions or subtractions will be made using the baseline adjustment process, noted above.
- If a fund is in a deficit situation, identify reductions in cost or increases in funding to cover deficit.

The Finance Department will prepare the budget calendar

August Establish Budget Advisory Committee

- The Budget Advisory Committee will be facilitated by the Finance Department and will normally consist of two Council members, City Manager, Finance Director, Senior Management and one citizen/business owner at large appointed by Council.
- The main purpose of the Budget Advisory Committee is to serve in an advisory capacity to assist in development of an annual budget that reflects the City's top priorities. The Budget Advisory Committee also provides open and transparent communication among the participants and the citizens of Ridgefield.

Department Directors are responsible to forward to the Finance Department changes to their baseline budget and communicate issues/problems to facilitate problem resolution.

The Finance Department will prepare a preliminary baseline budget for the City Manager, Budget Advisory Committee and Department Directors review.



## ***2020 Adopted Budget***

The Budget Advisory Committee meetings shall commence and outcomes and discussions from the meetings shall be provided to the Department Directors. The Finance Department will prioritize the requests for changes to the budget and review with the City Manager and Department Directors.

**September** The City Manager, Finance Director and senior management will prepare requested initiatives and capital projects that support council priorities and present to the Budget Advisory Committee and City Council.

The Finance Department will update revenue projections and available fund balances and present to the Budget Advisory Committee and City Council.

**October** The Finance Department will provide notice for publication on Public Hearing on Revenue Sources and the Preliminary Budget.

Draft Preliminary Budget will be made available to the public.

A Public Hearing will be conducted at the second meeting of the City Council on Revenue Sources and the Preliminary Budget.

The first reading of the Ordinance to set the property tax levy will be conducted. State statute requires a public hearing prior to the time the taxing district levies the taxes or makes the request to have the taxes levied.

The Budget Advisory Committee will meet as necessary for revisions and update of the budget.

**November** The Finance Department will provide notice for publication of the Public Hearing on the Final Budget.

Second reading and adoption of the Ordinance to set the property tax levy.

Preliminary Budget will be made available to the public.

A public Hearing on the final budget will be held at the first meeting of November.

First reading of the Ordinance to set the budget for the upcoming year will be held at the first meeting in November.

Second reading of the Ordinance to set the budget for the upcoming year will be held at the second meeting in November.

The Budget Advisory Committee will continue to meet as necessary for any revisions and updates to the Final Budget.

**December** Finance Department will send a copy of the Final Budget to the State Auditor's Office and to the Municipal Research Services Center (MRSC).



## ***2020 Adopted Budget***

### ***Governmental Accounting***

The City of Ridgefield operates under the laws of the State of Washington applicable to an optional code city (Title 35A RCW) with a council-manager form of government. The City prepares financial statements in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City follows Washington State Law, RCW 43.09.200, using the accounting and reporting guidelines for local governments prescribed by the Washington State Auditor's Office which has developed and implemented the Budgeting, Accounting, and Reporting System (BARS) designed to promote uniformity among cities and counties in Washington.

The diverse nature of City government and the necessity of assuring legal compliance preclude recording and summarizing all City financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, the City is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund". A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or fund balance, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City's accounting records for the general governmental operations are maintained on a modified accrual basis with revenues being recorded when they become both measurable and available to finance expenditures in the current period. Expenditures are recorded when the related fund liability is incurred. The accounting records for the City's Proprietary Funds are maintained on the accrual basis with revenues recorded when they are earned, and expenses recorded when they are incurred. The types and purposes of each fund are available on pages 103-108.



## ***2020 Adopted Budget***

## ***II. Transmittal Letter***



# ***2020 Adopted Budget***

## ***Budget Message***

November 1, 2019

Dear Mayor, Stose and City Council Members:

We are pleased to present the City's 2020 Proposed Budget. This budget represents the results of thoughtful direction provided by the City Council along with dedicated efforts of the Budget Advisory Committee, Department Directors and City staff. The 2020 Proposed Budget has been discussed by City Council at several meetings beginning in August and will be presented for the final public hearing and adoption on November 21, 2019.

The City's budget is used as a planning and policy document estimating future City revenues and expenditures and allocates resources to accomplish community and Council priorities. It serves to guide the City's operations and capital programs from a fiscal perspective for the upcoming year. The budget is prepared on a fund by fund basis. Each fund accounts for different services and activities.

The City of Ridgefield adheres to generally accepted accounting principles (GAAP) applicable to governments. Ridgefield uses proprietary funds to account for water system delivery, and storm water drainage activities. Other activities are recorded in governmental funds (General Fund, Capital Service Funds, Special Revenue Funds, Debt Service Funds, etc.). All City Funds are included in the 2020 Proposed Budget and each fund is described in more detail in this document.

## ***Summary of the 2020 Budget***

### ***Council Goals and Community Priorities***

As a planning and policy document, one fundamental purpose of the City's budget is to allocate resources that support the community's vision and priorities. The 2015 Ridgefield citizen survey reported that 80% of residents recommend Ridgefield as a good place to live. 69% of residents feel the government is well managed, while 65% feel their tax dollars are being spent wisely. Each of these metrics were well above the national average benchmark, while providing room for continued improvement. The City is currently conducting a follow-up citizen survey, with results due early in 2020. In 2014 the Council adopted six organizational goals that provide direction for staff and policy decisions to continue better serving residents. New services or initiatives are considered based on how they assist in meeting these organizational goals. The detailed council goal document is attached to this letter.



## ***2020 Adopted Budget***

- **Goal No. 1: Plan and Manage the Growth of the City**
- **Goal No. 2: Revitalize Downtown as a Destination Location**
- **Goal No. 3: Create and Maintain Economic Stability for the City**
- **Goal No. 4: Assure the City's Infrastructure is able to Meet Growing Community Needs**
- **Goal No. 5: Retain Culture and History of Ridgefield**
- **Goal No. 6: Maximize the City's Natural Resources and Attractions**

Each year the Council adopts specific goals and action steps identifying the most important items for the City to accomplish over the next 12 months. The 2020 Proposed Budget allocates resources that staff members will use to successfully accomplish these key goals. The 2020 Council Goals and Strategic Workplan is provided as an attachment to this letter.

### ***Delivery of Public Services and Organizational Goals***

Although much emphasis is placed on the accomplishment of City Council goals, the primary focus of the City's budget is to provide resources to deliver highly valued public services to the Ridgefield community. This is the primary mission of the City. The 2015 citizen survey reflects a 74% satisfaction in the overall quality of City utility and parks and recreation services. 63% of respondents were satisfied with the quality of transportation services, while 83% were satisfied with the quality of police services. The 2020 Proposed Budget includes the allocation of resources to support these previously identified metrics, in alignment with key organizational goals.

### ***2020 Budget Highlights***

#### ***Opportunities***

A healthy economy over the past several years and strong development activity are allowing the City to respond to growing demands and service levels. The 2020 Proposed Budget includes the addition of four positions to proactively manage the growth the City is experiencing. The positions include two development related positions that were authorized for two years. In addition, council authorized a procurement specialist and a police clerk. Each of these positions targets an area the City identified as a need in the six-year business plan. The addition of these positions will increase the City's ability to maintain high service levels.

Council has already approved plans that are allowing the City to use development-related funding sources to complete much needed infrastructure improvements to address the rapid growth Ridgefield has seen since 2010. The 2020 Proposed Budget continues this emphasis, including multiple projects to locate and increase additional water rights and sources to continue to offer high quality water service to the residents of Ridgefield.



## ***2020 Adopted Budget***

The strong development activity includes multiple commercial retail projects that will address both the shopping needs of residents and bring additional revenue to balance and provide long-term stability for retail sales and use tax and additional property tax base.

### ***Challenges***

The nation is beginning to see signs of an economic slowdown, although Ridgefield has continued to experience strong development activity. There are concerns the slowdown could impact the transition from dependence on development related revenue sources to more stable sources such as retail sales and use taxes and an increased property tax base. The challenge is to complete the commercial and residential building that is in the planning phase in the event the nation does realize an economic slowdown. To guard against the possibility of a slowdown, Council has proactively implemented reserve policies that exceed national best practice benchmarks to set aside funding in the event of a downturn in the economy and a loss of the development related revenues (construction related sales and use tax, increased utility taxes, etc.). Reserves are set at 10% of prior year operating revenues and 60 days of operating expense. The total operating reserves are approximately 23% of 2020 General Fund operating expense.

As a result of being the fastest growing city in Washington since 2010, the City continues to plan for the needed infrastructure to support the growth. Council has adopted policies that require growth pays for growth. Developers pay impact fees and system development charges to pay their share of growth-related projects. In 2018 Council adopted new funding sources that were effective in June 2019 that will assist with street repair and maintenance projects included in the City's transportation capital facilities plan.

Local governments including the City of Ridgefield continue to be on watch for potential threats as a result of State and Federal legislation that may shift funding burdens to local governments through elimination of grant funding or shared allocation changes, increase costs through tax policy decisions, or impose unfunded mandates through regulatory actions. The City works with both state and federal affairs consultants to promote the City's platform on these issues.

### ***Current Financial Condition***

In 2018 the City implemented a six-year financial sustainability model for revenue and expenses related to the General Fund, Street Fund, Water Operating Fund, and Storm Water Operating Fund. The City also implemented six-year financial sustainability model to project revenue in the Capital Service Funds (REET, Impact Fees and Water System Development Charges). Current projections are showing City operating revenues will exceed operating expenses in each of the next six years. The City is proposing to use approximately \$148,000 in General Fund reserves in 2020 for one-time initiatives and capital projects.



## ***2020 Adopted Budget***

The City Council proactively implemented financial policies that provide the necessary tools to ensure the City can meet its immediate and long-term financial and service objectives. These policies serve as guidelines for both financial planning and internal financial management of the City. The financial policies address budget development, monitoring, and the use of ongoing or one-time revenue sources. Reserve policies were implemented in 2014 to ensure financial stability. Each of these policies are reviewed annually to insure they incorporate industry best practice and meet the current needs of the City.

The City has an operating reserve level of 23% of 2020 operating expense in the General Fund. Additionally, the City reserves for retirement accrual payout obligations, debt service and capital repair and replacement. In the proprietary funds the City reserves up to 90 days of prior year operating expenses to ensure service levels are maintained in the event of a downturn. Proprietary funds also reserve for debt service and capital repair and replacement.

### ***2020 Proposed Budget Overview***

The City maintains fully funded reserves that meet or exceed industry standards in the General Fund. The City's Revenue Stabilization Fund totals \$767,727 or 10% of prior year operating revenue. The Operations and Maintenance Reserve is equal to 60 days of prior year operating expense or \$1,029,176. The City also maintains a Separation Reserve, Debt Service Reserve and a Capital Reserve at \$200,000, \$20,224 and \$572,365 respectively. The operating reserves in the General Fund total 23% and overall reserves are 33% of estimated 2020 operating expenses. The estimated General Fund balance at the end of 2020 is \$4.3 million including \$1.46 million in additional operating contingency.

As a result of the Council's strong financial policies, diligent financial management, and conservative budget planning, The City continues to maintain its AA bond rating and a Standard & Poor's (S&P) financial management rating of "stable". The City has a perfect record with 13 unmodified (clean) Financial Audit Opinions and has received 4 consecutive GFOA Comprehensive Annual Financial Report Awards. The City submitted and was awarded their second straight GFOA Distinguished Budget Presentation Award for the 2019 Adopted Budget.

### ***Revenues***

Budgeted 2020 revenues for all funds total \$22.45 million. This is a \$2.66 million decrease (10.6%) from the 2019 Amended Budget of \$25.1 million. This is the net result of changes to various funds as noted below:

- Operating Funds revenues are budgeted at \$12.5 million. This is a 3.2% increase over the 2019 Amended Budget. This is primarily from an increase in retail sales and use tax, property tax, development revenue and user fees for the City's utility services.



## ***2020 Adopted Budget***

- Capital Service Funds revenues are budgeted at \$5.7 million. This is a decrease of 3.5%. The primary reason is the estimated receipt of traffic impact fees and expected use of impact fee credits.
- Capital Project Construction and Outlay Funds revenues are budgeted at \$3.3 million. This is a decrease of \$2.9 million from the 2019 Amended Budget of \$6.2 million (47%). This is a result of the City's completion of road and park capital projects and several water projects in 2019.

### ***Expenditures - Overview***

2020 Proposed Budget Expenditures for all funds total \$18.8 million. This is a \$5.1 million (21.3%) decrease from the 2019 Amended Budget primarily due to reduced capital projects in the 2020 Proposed Budget. The primary changes between the 2019 Amended Budget and the 2020 Proposed Budget are noted below:

- Operating Funds expenses are budgeted at \$12.37 million, an increase of \$969,929 (8.5%). This is primarily due to increased personnel cost for salaries and benefits, which include four new positions in 2020. In addition, there will be a one-time transfer of \$150,000 from General fund to the Equipment Replacement Fund reserves and a one-time transfer of \$360,000 for parks capital projects.
- Capital Service Funds (REET, Impact Fees, System Development Charges) transfers are budgeted at \$2.4 million a decrease of \$3.27 million (57.5%). This is primarily due to several large City led capital projects that were completed in 2019. The City is proposing reduced capital expenditures in 2020.
- Debt Service Fund expenses are budgeted at \$807,650 for debt service related to the Ridgefield Outdoor Recreation Complex and the purchase of radios for Public Safety.
- Capital Project Construction and Outlay Funds are budgeted at \$3.2 million, a decrease of \$2.76 million (46%) from the 2019 Amended Budget. This is primarily due to several City led capital projects being completed in 2019.

### ***Expenditures – Staffing***

The City continues to increase staffing through a thoughtful and measured planning process. The City completed an update to their 2017 six-year business plan in 2019 to help assist Department Directors in planning for staffing needs to maintain core services. The 2020 Proposed Budget includes an increase in full-time equivalent (FTE) positions of 4 positions, increasing the total FTE's to 52.75, including 51 full-time and 3 part-time employees. Proposed staffing increases total \$328,800 in ongoing expense requests.



## ***2020 Adopted Budget***

### ***Expenditures – One-Time***

The 2020 Proposed budget includes \$3.7 million in one-time initiative and capital requests. Proposals included \$1.1 million in requests to obtain new water rights, drill wells to increase system capacity and replace aging infrastructure; \$359,000 in design expense for new storm water facilities to responsibly manage drainage and runoff in the downtown core; \$510,000 in new park projects; \$805,000 in new street projects; \$637,300 in new equipment; \$150,000 in fund transfer for repair and replacement reserves, and \$156,450 in system efficiencies and general government initiatives.

### ***Financial Sustainability***

The City has been proactive in managing their finances since the great recession. The City and local economy suffered during the recession and the City made changes to ensure financial stability in the event of another downturn in the economy. The following strategies have been implemented:

- Adoption of financial and reserve policies. Refer to appendix “A”
- Adoption of debt issuance and investment policies. Refer to Appendix “B” and “C”
- Implementation of an updated comprehensive growth management plan.
- Implementation of updated capital facility plans.
- Update and implementation of a six-year business plan.
- Implementation of a six-year financial sustainability model.
- Implementation of an ongoing LEAN culture.
- Implementation of new software programs and online permitting to add efficiencies.
- Implementation of a mobile app to allow citizens to communicate and notify the City of any issues such as potholes and street light maintenance in their neighborhoods.
- Addition of a staff member to manage and communicate with residents through social media.
- Implementation of a document management system to reduce paper and manage public records requests.
- 2019 - 2020 budget requests for consultant assistance to add additional features and efficiencies to the asset management system.



## ***2020 Adopted Budget***

- 2019 – 2020 budget requests for consultant assistance to add additional features and efficiencies to the document management system, including online forms and workflows.

The City has worked closely with the Washington State Auditor's Office, Center for Government Innovation, to implement several LEAN projects. Staff have embraced the LEAN culture and continue to recommend improvements throughout the organization. As a result of these efforts staff have been able to maintain service levels with the continued growth by recommending less expensive alternatives and process efficiencies. Several financial and payroll related processes have been changed to electronic workflows, reducing labor time, paper and supplies. Community Development will complete a transition to an online permitting module to allow residents and developers to submit online permits. Administration and Finance staff will complete work to add online forms and workflows to allow for 24/7 access to submit forms such as for opening and closing a utility account.

### ***In Closing***

City staff and the Budget Advisory Committee are proud to present a balanced 2020 Proposed Budget. The City's budget maintains basic services and addresses community and Council goals. In addition, the budget maintains fund balance and reserve policies to ensure financial sustainability.

Due to a variety of factors including land availability, proximity to major infrastructure, and location in the Portland-Vancouver Metropolitan Area, the City of Ridgefield is also planning for continued growth, which has already consistently been experienced at one of the highest rates in the state since 2010. The City is proactively assuring that growth is balanced to include expanding its jobs base and attracting additional commercial development, which will assure the City's ability to offer high quality life, work and play options. In 2017, Council began to use capital reserves for much needed infrastructure improvements that support the growth and bring future commercial activity. For example, the City in partnership with the Ridgefield School District completed the Ridgefield Outdoor Recreation Complex (RORC) in 2019. RORC is a premier regional sports complex with six turf fields and a community building. The City also completed several road projects to facilitate transportation needs on Pioneer Street, Royle Road and Hillhurst Road, three of the main arterials in the City. The City will focus on water system delivery, park, street and storm water projects in 2020. In addition, the City will complete an updated community survey to engage with the residents of Ridgefield. Results from the survey should be released early in 2020.

Due to the continued residential, job, commercial, and infrastructure development, the City is projecting an increase in property tax base and additional ongoing sales and use tax revenues.



## ***2020 Adopted Budget***

Staff is confident this will help set the City of Ridgefield up on a sustainable financial foundation for the future.

City Council and staff have worked proactively to maintain strong reserve levels that allow the City to set aside funds for both current and future needs. As a result of the reserves that have been set aside, the City is well reserved to withstand an economic downturn and continue operations at the current levels of service even as we grow.

The City connects with the community through approximately 32 events. Staff work collaboratively with volunteers, local merchants and organizations. The events include a diverse array of social, cultural and economic events that attract both residents and visitors to Ridgefield. The community events provide support for Council goals such as revitalization of the historic downtown as a destination location and retaining the culture and history of Ridgefield. In 2019 and continuing into 2020, the City will also begin focusing on recreational activities in addition to the many events to bring in additional tourism and provide fun activities for the residents.

The City Council has tasked staff with becoming more efficient in daily operations as well as providing a more transparent city government that responds to citizen needs. In 2017 and 2018 staff completed several software upgrades that add efficiencies to daily tasks. In 2019 and 2020 staff will continue to leverage the capabilities of the software to add in additional workflows and efficiencies. Staff continue to look at daily tasks to add efficiencies and to reduce expenditures while adding value to city services. Staff continued to add transparency in 2019 through communication efforts using social media and an updated website focusing on the resident and the information they are seeking.

The City Council has approved multiple projects in 2020 that will continue assisting staff in preparing for the future in Ridgefield, communicating with our residents, and in our efforts to maintain a culture of continuous improvement. Initiatives approved over the past few years are an investment in the future of Ridgefield. As the City continues to see growth at a higher rate relative to the rest of the state, the City is planning to meet current and future demands, deliver exceptional service, efficiency and accountability to those we serve.

Respectfully,

Steve Stuart,  
City Manager



# **2020 Adopted Budget**

## **City Council Goals**

### **Goal #1: Plan and Manage the Growth of the City**

The City should prepare for, plan and manage the expected growth and its impacts – so that Ridgefield is recognized for its livability, natural environment and innovative local economy.

### **Goal #2: Revitalize Downtown as a Destination Location**

Create a vibrant downtown destination location that provides quality merchandise, service, and activities within an ambience that is unique to Ridgefield and not readily available elsewhere including a walkable downtown, small town character and regularly scheduled social events.

### **Goal #3: Create and Maintain Economic Stability for the City**

Provide for a “complete community” where people can live, work, shop and play. Maximize efficiencies to assure solid and business friendly City organization. Build a robust economy that provides a wealth of living wage employment opportunities for residents.

### **Goal #4: Assure the City’s Infrastructure is able to Meet Growing Community Needs**

Plan for, manage and maintain the City’s infrastructure (access, streets, water/sewer, etc.), schools, transportation and City services to meet the population and business growth.

### **Goal #5: Retain Culture and History of Ridgefield**

Build upon the City’s friendly inviting small-town atmosphere, existence and appearance of historic elements of the community, walkable main streets and animated storefronts by preserving and enhancing them in a way that recovers, uncovers and celebrates its history.

### **Goal #6: Maximize the City’s Natural Resources and Attractions**

Integrate the area’s natural resources such as the Wildlife Refuge, archeological resources, waterfront area, the Lewis & Clark and Native American connections and the building environments. Maintain a healthy environment with abundant opportunities for outdoor recreation and public access to the waterfront; and promote Ridgefield as a place to visit for outdoor recreation and appreciation of the area’s natural assets.



## **2020 Adopted Budget**

### **2020 City Council Strategic Workplan**

**Community Transparency and Engagement.** Enhance communication between the City and residents, continue to explore use of technology to provide information and updates and increase opportunities for residents to provide input and feedback, perform community survey.

**Economic Development.** Support and encourage current projects such as the Pioneer Street Overpass and Clark College. Attract commercial development to create a live, work, play community and to expand the job base. Secure a commitment for a family fitness facility and a boutique hotel.

**Develop and Strengthen Partnerships with City Partners and stakeholders** such as Clark Regional Wastewater District, Clark Regional Economic Development Council, Regional Transportation Council, Clark Public Utility District, Port of Ridgefield, Ridgefield School District and local community organizations.

**Plan for city facilities** that will provide comfortable workspace for employees and enable the City to provide effective services. Focus on land for a Public Works Operations facility and equipment, and completion of the Police Department building.

**Preserve natural resources and provide outdoor recreation activities** through repair at Abrams Park, design for annex area at Overlook Park and development of additional parks, multi-modal trails and completion of at least one trail loop each calendar year. Complete segment from Reimann to Smythe.

**Provide infrastructure for growing population** including locating additional water resources, providing pavement repair and road preservation for aging streets, assuring developers pay for growth they create and traffic flow such as I-5 overpass and exit.

**Preserve, manage and increase arts presence** throughout Ridgefield with focus on Arts Quarter in downtown. Create artwork for overpass on I-5 and the Pioneer Street extension.

**Create a tree-lined boulevard type entry into Ridgefield along Pioneer Street** through enforcing view scape standards and creating a design for roundabouts.

**Pursue grant funding** for City projects and operations of the City where possible.

**Review annexations for a more coherent city boundary,** create sub-area plans where appropriate including Carty Road area pursue including I-5 corridor in urban growth boundary.



## ***2020 Adopted Budget***

### ***III. Executive Summary***



## ***2020 Adopted Budget***

### ***6-Year Financial Sustainability Model***

#### ***Operating Budget Forecast:***

The City implemented a six-year budget forecast for operating revenues and expenses beginning in 2018 for the 2019 budget cycle. The projection includes the forecast for the upcoming annual budget and includes a projection for the following five years. The City implemented the process to ensure financial sustainability as the City grows. The revenue projection includes estimated tax revenues. As a result of economic forecasts for Ridgefield and Clark County, City staff expect the current residential and commercial growth to continue. Staff are forecasting retail sales and use tax to shift from construction related sources to retail and commercial sources over the next few years. The shift will add more sustainable revenue sources as the City continues to grow.

The model uses a growth factor identified in the City's Comprehensive Growth Management Plan to project other revenue sources. Staff also review annual population estimates and look at the averages since the last census to update the growth factor as needed. User fees for utility offerings are projected using a rate model that factors operating costs, capital repair and replacement and reserve requirements. The forecast for expenditures includes known contractual commitments and operating costs indexed by an inflationary and growth factor.

The 2020 Proposed Budget allocates excess reserves for one-time initiatives in the General Fund. Budget years 2021–2025 project operating revenues exceeding operating expenses in each of the funds. The model looks at current service levels and any contractual commitments during that time frame.

Current projections for development related revenues and expenses forecast a shortfall beginning in 2020 after factoring in indirect cost allocation. Beginning in 2021 fee related operating expenses will exceed fee related operating revenues prior to allocation of indirect costs. The City is conducting a comprehensive review of the fee structure for land use, engineering and building activities. Council has set a goal of 100% cost recovery for these types of activities. The fee review is expected to be complete by the end of 2019 and adjustment of the fee schedule will be effective January 1, 2020 to insure full cost recovery for these services.

Below are the current projections for operating revenues and expenses:



## 2020 Adopted Budget

### General Fund:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>001 General Fund</b>								
<b>Revenue</b>								
Property Tax	1,149,449	1,260,000	1,460,000	1,562,200	1,671,554	1,788,563	1,913,762	2,047,726
Retail Sales & Other Tax	2,635,867	3,149,550	3,142,025	3,180,720	3,341,555	3,510,674	3,688,535	3,875,630
Utility Taxes	1,015,750	1,097,098	1,172,046	986,538	1,057,630	1,133,531	1,214,982	1,302,057
License & Permits	1,175,971	1,090,010	1,198,298	1,071,638	1,121,381	1,139,625	1,158,382	1,177,668
Planning & Development	1,089,769	1,054,393	1,039,736	904,026	937,478	950,459	963,776	977,439
Fines & Forfeits	76,029	72,675	75,900	76,659	77,426	78,200	78,982	79,772
Charge for Goods & Svc	595,719	542,680	500,627	514,798	529,651	544,950	560,707	576,937
Intergovernmental/Grant	176,782	364,366	186,741	209,064	222,984	237,869	253,815	270,866
Other Revenue/Donations	2,171,404	160,900	122,650	120,181	121,017	122,661	124,366	126,134
Transfers In	8,798	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>10,095,538</b>	<b>8,791,672</b>	<b>8,898,023</b>	<b>8,625,824</b>	<b>9,080,676</b>	<b>9,506,533</b>	<b>9,957,308</b>	<b>10,434,228</b>
<b>Expense</b>								
City Council	80,622	88,748	96,482	98,193	99,941	101,727	103,552	105,417
Judicial	124,879	136,896	187,000	191,175	195,454	199,841	204,337	208,945
Executive	254,507	274,370	303,027	317,620	332,930	348,991	365,840	383,516
Legal	29,970	40,000	45,000	47,250	49,613	52,093	54,698	57,433
Finance	427,613	456,935	605,022	627,861	657,037	687,617	719,669	753,266
Human Resources	189,151	207,958	260,029	245,621	256,715	268,333	280,502	293,249
Administration	321,448	406,682	448,079	470,079	493,169	517,403	542,839	569,535
Gen Gov/Facilities	2,861,216	1,081,596	1,194,175	983,548	1,011,996	1,041,367	1,071,692	1,106,508
Information Tech	135,059	188,169	178,909	149,045	152,771	156,590	160,505	164,517
Public Safety	1,726,967	1,883,125	2,129,243	2,149,787	2,224,348	2,323,582	2,427,477	2,536,260
Civil Service	70	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cemetery	18,950	38,110	33,485	34,956	36,494	38,105	39,791	41,556
Street Transfers	341,124	677,170	546,500	541,045	542,526	538,952	541,271	541,659
Community Development	2,329,319	1,994,216	2,038,799	2,014,040	2,099,280	2,188,397	2,281,573	2,379,001
Parks	429,570	672,538	979,034	618,066	643,157	669,357	696,719	725,296
<b>Total Expense</b>	<b>9,270,465</b>	<b>8,147,513</b>	<b>9,045,784</b>	<b>8,489,285</b>	<b>8,796,432</b>	<b>9,133,355</b>	<b>9,491,464</b>	<b>9,867,158</b>
<b>Net Total</b>	<b>825,073</b>	<b>644,159</b>	<b>(147,761)</b>	<b>136,539</b>	<b>284,244</b>	<b>373,178</b>	<b>465,844</b>	<b>567,070</b>
<b>Fund Balance</b>								
Beginning Fund Balance	2,342,872	3,167,945	3,812,104	3,664,343	3,800,882	4,085,126	4,458,304	4,924,148
Ending Fund Balance	3,167,945	3,812,104	3,664,343	3,800,882	4,085,126	4,458,304	4,924,148	5,491,218
Gen Fund Reserve Bal	1,480,890	2,014,914	2,202,949	2,370,150	2,297,446	2,394,323	2,495,890	2,560,262
Building Reserve Bal	394,376	574,578	467,814	535,298	520,350	542,546	560,255	578,714
Restricted for Building	546,444	165,059	406,729	238,984	(135,183)	(558,578)	(1,044,901)	(1,602,841)
Fund Balance Available	746,235	1,057,553	586,851	656,450	1,402,513	2,080,013	2,912,905	3,955,083



## 2020 Adopted Budget

### Street Fund:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>101 Street Fund</b>								
<b>Revenue</b>								
Utility Tax/Franchise Fee	69,750	75,186	85,634	92,639	100,206	108,361	117,178	126,687
Permits	21,806	14,000	20,000	20,000	20,000	20,000	20,000	20,000
Grants	-	-	-	-	-	-	-	1
Intergovernmental	168,375	179,604	201,116	230,283	246,404	263,655	282,128	301,889
Other Revenue	322	2,525	1,025	2,525	2,525	2,525	2,525	2,525
Transfers In	236,403	333,170	351,500	346,045	347,526	343,952	346,271	346,659
<b>Total Revenue</b>	<b>496,656</b>	<b>604,485</b>	<b>659,275</b>	<b>691,492</b>	<b>716,661</b>	<b>738,494</b>	<b>768,101</b>	<b>797,761</b>
Expense	530,946	604,481	659,037	685,401	711,871	739,476	768,269	798,305
<b>Net Total</b>	<b>(34,290)</b>	<b>4</b>	<b>238</b>	<b>6,091</b>	<b>4,790</b>	<b>(983)</b>	<b>(168)</b>	<b>(544)</b>
<b>Fund Balance</b>								
Beginning Fund Balance	39,740	5,450	5,454	5,692	11,783	16,573	15,591	15,422
Ending Fund Balance	5,450	5,454	5,692	11,783	16,573	15,590	15,421	14,877
Reserves in GF	-	-	-	-	-	-	-	-
Fund Balance Available	5,450	5,454	5,692	11,783	16,573	15,590	15,421	14,877

### Water Fund:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>406 Water Utility Fund</b>								
<b>Revenue</b>								
Charge for Goods and Svc	1,712,142	1,853,317	2,003,654	2,151,646	2,315,347	2,509,722	2,721,560	2,952,430
Other Revenue	9,017	9,300	10,605	11,285	12,006	12,769	13,577	14,436
Transfers In	203,276	200,904	198,540	196,157	193,784	191,412	189,039	186,666
<b>Total Revenue</b>	<b>1,924,435</b>	<b>2,063,521</b>	<b>2,212,799</b>	<b>2,359,088</b>	<b>2,521,137</b>	<b>2,713,903</b>	<b>2,924,176</b>	<b>3,153,532</b>
Expense	2,251,295	1,970,131	2,023,776	1,952,741	2,013,118	2,076,013	2,141,533	2,209,795
<b>Net Total</b>	<b>(326,860)</b>	<b>93,390</b>	<b>189,023</b>	<b>406,347</b>	<b>508,018</b>	<b>637,890</b>	<b>782,643</b>	<b>943,737</b>
<b>Fund Balance</b>								
Beginning Fund Balance	1,440,409	1,113,549	1,206,939	1,395,962	1,802,309	2,310,327	2,948,218	3,730,861
Ending Fund Balance	1,113,549	1,206,939	1,395,962	1,802,309	2,310,327	2,948,218	3,730,861	4,674,598
Reserves	461,777	609,752	737,847	953,973	1,076,037	1,208,016	1,350,755	1,505,178
Fund Balance Available	651,772	597,187	658,115	848,336	1,234,290	1,740,202	2,380,106	3,169,420



## 2020 Adopted Budget

### Storm Fund:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>408 Stormwater Utility Fund</b>								
<b>Revenue</b>								
Charge for Goods and Svc	560,683	667,545	749,000	820,441	898,574	983,825	1,077,008	1,179,062
Other Revenue	1,414	1,925	275	1,925	1,925	1,925	1,925	1,925
<b>Total Revenue</b>	<b>562,097</b>	<b>669,470</b>	<b>749,275</b>	<b>822,366</b>	<b>900,499</b>	<b>985,750</b>	<b>1,078,933</b>	<b>1,180,987</b>
Expense	766,306	682,072	645,528	629,952	652,971	676,934	701,883	727,861
<b>Net Total</b>	<b>(204,209)</b>	<b>(12,602)</b>	<b>103,747</b>	<b>192,414</b>	<b>247,528</b>	<b>308,816</b>	<b>377,050</b>	<b>453,126</b>
<b>Fund Balance</b>								
Beginning Fund Balance	451,511	247,302	234,700	338,447	530,861	778,389	1,087,205	1,464,255
Ending Fund Balance	247,302	234,700	338,447	530,861	778,389	1,087,205	1,464,255	1,917,381
Reserves	183,098	247,928	337,156	430,124	486,637	547,954	614,496	628,031
Fund Balance Available	64,204	(13,228)	1,291	100,737	291,752	539,251	849,759	1,289,350

### Capital Service Funds Revenue Forecast:

The City projects revenues for the six-year budget forecast for the capital service funds (REET, Impact Fees and System Development Charges) prior to a call for initiatives and capital projects during the annual budget process. In 2019 the City completed an update to the six-year business plan that was adopted in 2017. One of the goals identified in the plan was to complete a six-year capital budget that would be tied to each of the City's Capital Facility Plans. The estimated timeframe for completion is in 2020 – 2021.

Revenue forecasts use data from the Clark County Assessor's office to estimate potential real property sales in addition to estimates on future building permits for REET. Impact fees and water SDC charges are forecast using an estimate of single-family residential permits and commercial permits less any outstanding impact fee or SDC credits issued.

Below are the current projections for capital project fund revenues and fund balance:



## 2020 Adopted Budget

### Real Estate Excise Tax:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>105 Real Estate Excise Tax (REET)</b>								
<b>Revenue</b>								
Real Estate Excise Tax	1,091,870	1,436,840	1,149,166	1,181,343	1,214,421	1,248,424	1,283,380	1,319,315
Other Revenue	51,645	10,000	15,000	15,000	15,000	15,000	15,000	15,000
Transfers In	-	56,250	-	-	-	-	-	-
<b>Total REET Fund Revenue</b>	<b>1,143,515</b>	<b>1,503,090</b>	<b>1,164,166</b>	<b>1,196,343</b>	<b>1,229,421</b>	<b>1,263,424</b>	<b>1,298,380</b>	<b>1,334,315</b>
<b>Expense</b>								
Transfers to Capital	4,238,681	918,330	35,500	-	-	-	-	-
Transfers to Debt Service	436,331	788,275	787,425	1,061,425	1,062,025	1,057,175	1,062,025	1,058,325
<b>Total Expense</b>	<b>4,675,012</b>	<b>1,706,605</b>	<b>822,925</b>	<b>1,061,425</b>	<b>1,062,025</b>	<b>1,057,175</b>	<b>1,062,025</b>	<b>1,058,325</b>
<b>Net Total</b>	<b>(3,531,497)</b>	<b>(203,515)</b>	<b>341,241</b>	<b>134,918</b>	<b>167,396</b>	<b>206,249</b>	<b>236,355</b>	<b>275,990</b>
<b>Fund Balance</b>								
Beginning Fund Balance	4,726,037	1,194,540	991,025	1,332,266	1,467,184	1,634,580	1,840,829	2,077,185
Ending Fund Balance	1,194,540	991,025	1,332,266	1,467,184	1,634,580	1,840,829	2,077,185	2,353,175
Debt Service Reserve	788,275	787,425	1,061,425	1,062,025	1,057,175	1,062,900	1,058,325	1,058,325
Ending Available Fund Balance	406,265	203,600	270,841	405,159	577,405	777,929	1,018,860	1,294,850

### Park Impact Fee:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>114 Park Impact Fee (PIF)</b>								
<b>Revenue</b>								
<b>Planning and Development</b>								
Park Impact Fees	927,194	1,194,638	1,226,891	838,377	773,402	792,738	812,556	832,870
Other Revenue	16,433	250	25	100	100	100	100	100
Transfers	-	-	-	-	-	-	-	-
<b>Total PIF Fund Revenue</b>	<b>943,627</b>	<b>1,194,888</b>	<b>1,226,916</b>	<b>838,477</b>	<b>773,502</b>	<b>792,838</b>	<b>812,656</b>	<b>832,970</b>
<b>Expense</b>								
Transfers to Capital	4,264,655	1,119,000	50,000	-	-	-	-	-
<b>Total Expense</b>	<b>4,264,655</b>	<b>1,119,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>(3,321,028)</b>	<b>75,888</b>	<b>1,176,916</b>	<b>838,477</b>	<b>773,502</b>	<b>792,838</b>	<b>812,656</b>	<b>832,970</b>
<b>Fund Balance</b>								
Beginning Fund Balance	3,321,028	-	75,888	1,252,804	2,091,281	2,864,783	3,657,621	4,470,277
Ending Fund Balance	-	75,888	1,252,804	2,091,281	2,864,783	3,657,621	4,470,277	5,303,247



## 2020 Adopted Budget

### Traffic Impact Fee:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>115 Traffic Impact Fee (TIF)</b>								
<b>Revenue</b>								
<b>Planning and Development</b>								
Transportation Impact Fees	556,652	610,550	529,591	969,340	894,216	916,572	939,486	962,973
Transp Imp Fees-Non Resident	66,721	1,000,000	1,400,000	1,500,000	1,600,000	1,800,000	1,800,000	1,800,000
Other Revenue	(1,191)	250	25	100	100	100	100	100
Transfers In	-	102,074	-	-	-	-	-	-
<b>Total TIF Fund Revenue</b>	<b>622,182</b>	<b>1,712,874</b>	<b>1,929,616</b>	<b>2,469,440</b>	<b>2,494,316</b>	<b>2,716,672</b>	<b>2,739,586</b>	<b>2,763,073</b>
<b>Expense</b>								
Transfers to Capital	1,439,255	66,700	-	-	-	-	-	-
<b>Total Expense</b>	<b>1,439,255</b>	<b>66,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>(817,073)</b>	<b>1,646,174</b>	<b>1,929,616</b>	<b>2,469,440</b>	<b>2,494,316</b>	<b>2,716,672</b>	<b>2,739,586</b>	<b>2,763,073</b>
<b>Fund Balance</b>								
<b>Beginning Fund Balance</b>	<b>817,073</b>	<b>-</b>	<b>1,646,174</b>	<b>3,575,790</b>	<b>6,045,230</b>	<b>8,539,546</b>	<b>11,256,217</b>	<b>13,995,803</b>
<b>Ending Fund Balance</b>	<b>-</b>	<b>1,646,174</b>	<b>3,575,790</b>	<b>6,045,230</b>	<b>8,539,546</b>	<b>11,256,217</b>	<b>13,995,803</b>	<b>16,758,876</b>

### Water System Development Charges:

Description	2018 Actual	2019 Amended Budget	2020 Proposed Budget	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	2025 Estimate
<b>416 Water SDC</b>								
<b>Revenue</b>								
<b>Contributed Capital</b>								
Water Connection Fees	1,513,648	1,314,872	1,206,593	1,124,324	1,037,189	1,063,119	1,089,697	1,116,939
Water Connect Fees-NonRes	498,743	123,714	131,628	134,919	184,389	188,999	193,724	198,567
Other Revenue	39,235	66,500	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Water SDC Fund Revenue</b>	<b>2,051,626</b>	<b>1,505,086</b>	<b>1,388,221</b>	<b>1,309,243</b>	<b>1,271,579</b>	<b>1,302,118</b>	<b>1,333,421</b>	<b>1,365,506</b>
<b>Expense</b>								
Transfers to Capital	360,777	2,568,901	1,321,500	-	-	-	-	-
Transfer to Debt Service	203,276	200,904	198,540	196,157	193,784	191,412	189,039	186,666
Excise Tax	30,248	19,479	20,073	18,889	18,324	18,782	19,251	19,733
<b>Total Expense</b>	<b>594,301</b>	<b>2,789,284</b>	<b>1,540,113</b>	<b>215,046</b>	<b>212,108</b>	<b>210,194</b>	<b>208,290</b>	<b>206,399</b>
<b>Net Total</b>	<b>1,457,325</b>	<b>(1,284,198)</b>	<b>(151,892)</b>	<b>1,094,198</b>	<b>1,059,471</b>	<b>1,091,924</b>	<b>1,125,131</b>	<b>1,159,108</b>
<b>Fund Balance</b>								
<b>Beginning Fund Balance</b>	<b>4,894,609</b>	<b>6,351,934</b>	<b>5,067,736</b>	<b>4,915,844</b>	<b>6,010,041</b>	<b>7,069,512</b>	<b>8,161,437</b>	<b>9,286,567</b>
<b>Ending Fund Balance</b>	<b>6,351,934</b>	<b>5,067,736</b>	<b>4,915,844</b>	<b>6,010,041</b>	<b>7,069,512</b>	<b>8,161,437</b>	<b>9,286,567</b>	<b>10,445,675</b>



## ***2020 Adopted Budget***

### ***2020 Budget Highlights***

The 2020 Adopted Budget represents the proposed fiscal plans for the City of Ridgefield for the 2020 calendar year. It brings together the direction and policies of our City Council working in a collaborative effort with the citizens, city staff, and other interested parties, and best determines the financial resources available to establish the operating and capital plans for the next budget cycle.

The 2020 Budget was developed based on Council adopted financial and budget policies and current and future economic forecasts. These policies provide the framework for the budget, starting with a baseline, a review of new requests/initiatives to determine what can be funded, staff and staff allocations, and the development of the special revenue and capital project budgets. The baseline budget requires the use of realistic revenue estimates and a modest level of increases to ongoing expenditures to account for growth, contractual obligations and inflation. Baseline budgets are based on projecting current revenues that will fund the cost to provide core services. It excludes one-time only revenues and expenses, such as grants and capital purchases. New requests or initiatives are then received from each department based on staff knowledge of anticipated needs or implementation of Council policy. The capital budgets are developed from the approved capital facilities plan and prioritized based on critical need, available funding, and what can reasonably be accomplished by City staff.

Available funding is conservatively projected, and the major assumptions used for projecting the 2020 revenues include:

- Current population of 8,895 residents, a 15.4% increase from 2018.
- Population estimate of 9,518 residents in 2020, a 7% increase over 2019.
- 275 new residential permits, matching the 2019 adopted budget.
- Commercial projects adding 350,000 + square feet of commercial and retail space.
- 1% increase in the property tax levy.
- \$201 million increase in assessed property valuation due to new construction.
- 0% increase in retail sales tax over the 2019 amended budget. 48% increase over the 2019 adopted budget.
- 6.8% increase in utility tax revenue over the 2019 amended budget.
- Increase in storm water utility rate of \$1.00 per bi monthly billing cycle, per equivalent dwelling unit.
- Increase in water utility rates of 1.5% in 2020. Approximately \$1.02 increase per bi-monthly billing for residents averaging 1,600 cf of water usage per billing cycle including utility taxes.
- 6.4% increase in the number of utility accounts in 2020.
- 1% interest earnings on our short-term cash investments.



## ***2020 Adopted Budget***

- Inflationary increases for traffic, park impact fees and system development charges of 2.7%.
- System development charge and impact fee revenues based on projected number of permits less an estimate for the use of development issued credits.
- Estimates in secured grants and other revenue sources to fund capital improvement projects.

The 2020 Budget consists of the operating, special revenue, debt service and capital budgets. The operating budget comprises the General, and Street Funds under General Government, and the Water and Storm Water Funds under the Utility Government.

Special revenue funds include the Drug Fund, Capital Service Funds and Transportation Benefit District. The Debt Service Fund includes General Government related debt service, related to the purchase of radios for the Public Safety Department and the issuance in both 2017 and 2018 of Limited Tax General Obligation bonds related to the construction of a multi-purpose shared use facility, Ridgefield Outdoor Recreation Complex (RORC). The radios were purchased to meet the requirements for improvements to dispatch service with the City's partner Clark Regional Emergency Services Agency (CRESA).

The Capital Service Funds include the Real Estate Excise Tax (REET), Park Impact Fee (PIF), Traffic Impact Fee (TIF), and Water System Development Charge (WSDC) funds for the receipt of revenues and expenditures related to capital projects. Additionally, General and Utility Capital Projects and the Equipment Replacement Fund are included to record the expenditures related to the design and construction of capital projects in the City. The Equipment Replacement Fund is used to record the funding and purchasing of replacement vehicles and large equipment items.

The 2020 combined budget for all funds is \$18.8 million, a decrease of \$5.1 million from the 2019 amended budget. The total operating budget for 2020 is \$12.37 million, an increase of \$969,929 when compared to the 2019 amended operating budget of \$11.4 million. Additionally, the 2020 Budget incorporates \$4,013,620 of new initiatives and capital projects. Out of this amount, \$1,034,765 is associated with the General and Street Operating Funds, \$227,285 associated with Community Development and Building Permit activities and \$85,270 is associated with the Water and Storm Water Utility Operating Funds.

The debt service budget for 2020 is \$807,650. The debt service is mainly for expenditures related to General Obligation Bonds issued for the construction of the Ridgefield Outdoor Recreation Complex.

The capital projects budget for 2020 is \$3.2 million, a decrease of \$2.8 million when compared to the 2019 amended budget. The capital projects budget decrease is due to several high



## ***2020 Adopted Budget***

priority park and water projects, including the Ridgefield Outdoor Recreation Complex that were completed in 2019.

The \$3.2 million in capital projects and equipment replacement purchases will be funded by using \$600,000 in grant funding, \$359,000 in low cost public works trust fund loans, \$1.41 million from City capital service fund transfers – Real Estate Excise Tax, Park Impact Fee and the Water System Development Charge funds, \$555,000 from operating fund transfers, and \$300,300 from Equipment Replacement Fund reserves.

### ***OPERATING FUNDS***

#### ***General Fund Revenue:***

Major revenues that support the General Fund budget come primarily from retail sales and use, property, and utility taxes. General Fund revenues are projected to increase by \$1.5 million or 20.4%, in 2020, when compared to the 2019 original adopted budget of \$7.4 million. 2020 revenue is expected to increase by \$106,351 compared to the amended budget projection for 2019 revenue of \$8.79 million. The increased revenue projection is due to additional retail sales tax (construction project related) and development revenue projections.

2020 revenue increases are projected for the following when compared to the original 2019 adopted budget: Property taxes 16%, sales and use tax 48%, utility taxes 6.8%, development revenue 17.6%, and intergovernmental and fines and forfeits revenue increasing 2% and 4% respectively. The 2020 revenue budget amounts to \$8,898,023 and is summarized as follows:

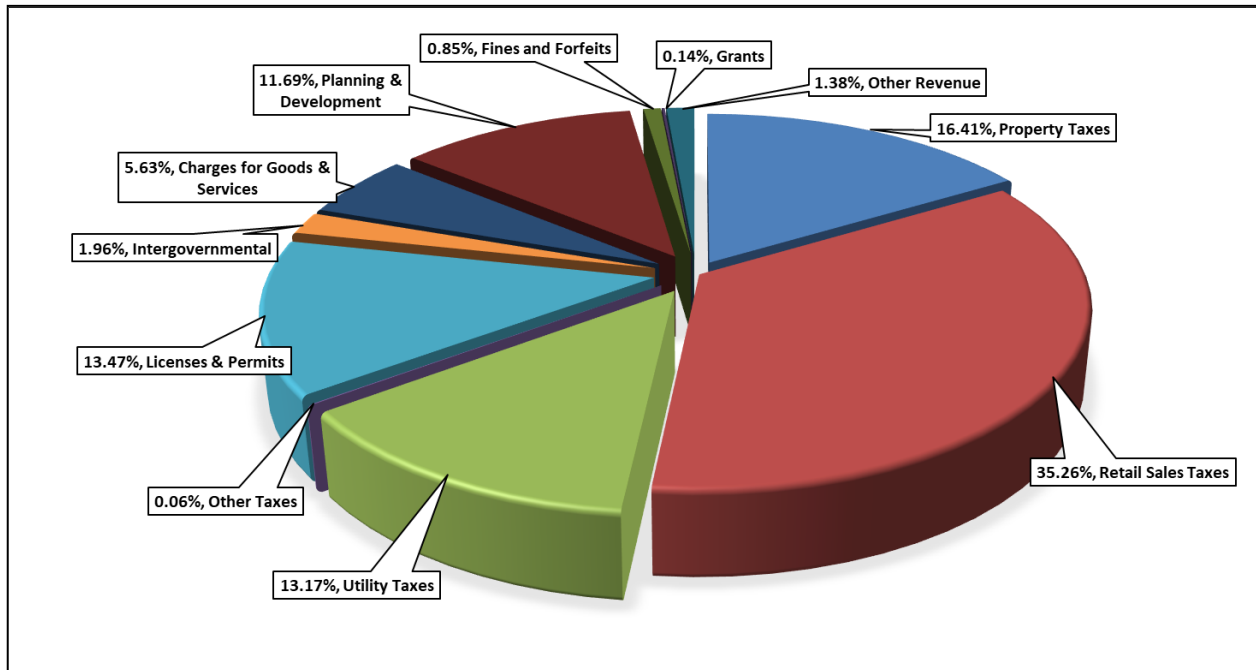
#### ***2020 General Fund Revenue:***

Property Tax	\$1,460,000
Retail Sales Tax	3,137,025
Utility Tax	1,172,046
Other Taxes	5,000
License and Permits	1,198,298
Intergovernmental	174,491
Charge for Goods and Services	500,627
Planning & Development	1,039,736
Fines and Forfeits	75,900
Grants	12,250
Other Revenue	122,650
<b><i>General Fund Revenue</i></b>	<b><i>\$8,898,023</i></b>



## 2020 Adopted Budget

### 2020 General Fund Revenue:



### Expense:

The 2020 General Fund expense budget is \$9,045,784, an increase of \$1.57 million over the 2019 original adopted budget. 2020 expense is expected to increase \$1.4 million compared to the projected 2019 year-end expense of \$7.6 million. The 2020 budget includes ongoing expenses of \$7.78 million, plus \$1.26 million, that was added to account for new department and Council priority initiatives, including \$41,000 to the amount transferred to support street fund initiatives and transportation capital projects. The City anticipates using General Fund excess reserves in the amount of \$147,761 for one-time expenses to balance the budget. The General Fund operating budget is allocated by department as follows:

### 2020 General Fund Expense:

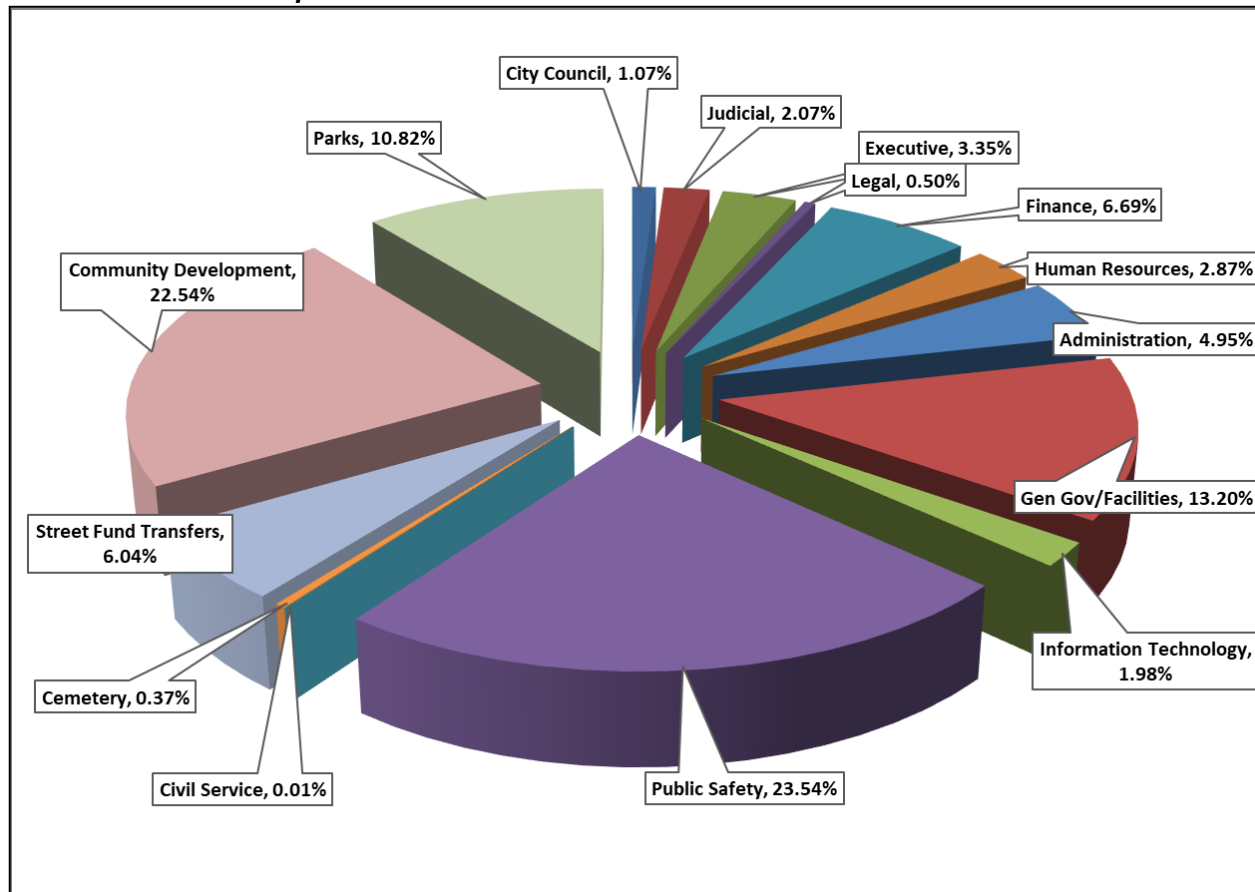
Department	Budget
City Council	\$96,482
Judicial	187,000
Executive	303,027
Legal	45,000
Finance	605,022
Human Resources	260,029
Administration	448,079
General Government/Facilities	1,194,175



## 2020 Adopted Budget

Department	Budget
Information Technology	178,909
Public Safety	2,129,243
Civil Service	1,000
Cemetery	33,485
Street Transfers	546,500
Community Development	2,038,799
Parks	979,034
<b>General Fund Expense</b>	<b>\$9,045,784</b>

### 2020 General Fund Expense:



Additionally, the General Fund budget allocation by major cost category comprises 1) personnel cost of \$4.94 million, 2) supplies, services, and operations/maintenance at \$2.74 million, and 3) other costs that include transfers to other funds, debt service and capital outlays of \$1.36 million.



## ***2020 Adopted Budget***

The main expenditure increase in the General Fund is related to personnel cost which will increase from the 2019 original adopted budget, increasing from \$4.35 million to \$4.94 million. However, the percent of personnel cost as it relates to the total expense budget is 3.5% lower when compared with the 2019 original adopted budget, accounting for 54.65% of the total expense budget. Full time equivalent staff assigned to the General Fund will increase to 44.02, up from 39.74 or 4.28 full-time equivalents when compared to the 2019 amended FTE budget. The increase in FTE's include an associate planner, a building inspector, a police clerk and a procurement specialist. Cost of living increases were budgeted for management (exempt) and Teamsters union staff per employment policy or labor agreement. The Police Officers Association was budgeted per labor agreement. Health insurance costs are estimated to increase 10% from the 2019 amended budget.

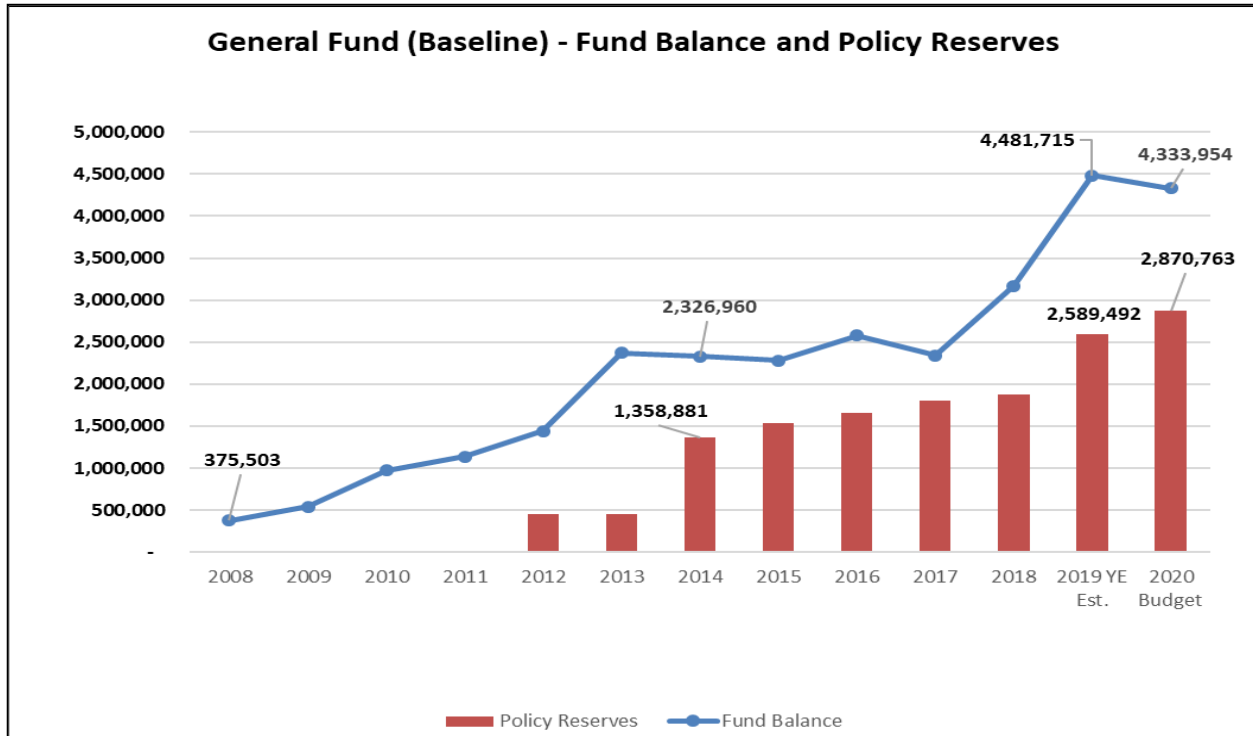
Additional General Fund increases are related to a transfer to the General Capital Fund for design and construction of the Overlook Park Annex and a one-time transfer of \$150,000 to the Equipment Replacement Fund reserves. Additional increases for operating expense in the community development department to support building and permitting activities and public safety department are 22% and 13% respectively.

### ***General Fund - Fund Balance:***

City Council adopted financial management policies in 2014 to identify reserve requirements to ensure financial stability. As a result, the fund balance in the General Fund has grown as the City continues to develop. The estimated 2020 policy operating reserves are 23% of General Fund operating expense. Total reserves including debt service, separation and capital reserves are 33% of 2020 operating expense. In addition, the City is estimating an additional \$1.46 million in excess reserves including \$340,899 for building permit activities by year-end 2020. City Council approved a budget to use excess reserves for one-time initiatives and capital outlays in calendar year 2017. In 2018 and 2019 the City has seen a significant increase in related retail sales and use tax and development related revenues. As a result, the City saw an \$825,073 surplus in 2018 and is forecasting a surplus of \$1.3 million in the General Fund in 2019. The surpluses have allowed the City to increase reserve balances while maintaining core services during the significant growth. The 2020 proposed budget includes the use of \$147,761 in excess reserves to be used for new one-time initiatives.



## 2020 Adopted Budget



### **Street Fund Revenue:**

The main components of the revenue budget are the motor vehicle fuel tax, utility tax and transfers from the General Fund to support the street maintenance activities. The 2020 revenue budget is expected to decrease \$139,570 compared to the 2019 original adopted budget. The decreases are a result of reallocating \$195,000 in both revenue and expense from the Street Operating Fund directly to the General Capital Fund. Motor vehicle fuel tax and multi modal revenues are estimated to increase 12% in 2020 from the original adopted 2019 budget. Utility taxes are estimated to increase 14% in 2020. General Fund transfers will decrease 33% as a result of the reallocation of the \$195,000 transfer to the General Capital Fund for the pavement preservation program.

Following is a summary of the revenue budget:

### **2020 Street Fund Revenue:**

Utility Tax/Franchise Fee	\$85,634
Permits	20,000
Intergovernmental	201,116
Transfers from General Fund	351,500
Other Revenue	1,025
<b>Street Fund Revenue</b>	<b>\$659,275</b>



## ***2020 Adopted Budget***

### ***Street Fund Expense:***

The 2020 Street Fund expense budget is \$659,037, a decrease of \$139,804 (17.5%) from the 2019 original adopted budget. The decrease is a result of reallocating \$195,000 from the street fund directly to the General Capital Fund for the pavement preservation project. The 2020 budget incorporates \$21,740 that will be transferred to the Equipment Replacement Fund. An additional \$41,000 was added for new initiatives and capital outlay.

### ***Street Fund – Fund Balance***

The Street Fund major sources of revenue are motor vehicle fuel tax and subsidies from the General Fund. As a result, the City does not maintain a significant fund balance in the Street Fund. Reserves are maintained in the General Fund.

### ***General and Street Fund New Initiatives:***

The total combined General and Street Fund expense budget equals \$9,704,821, and out of this amount, \$1,262,050 has been allocated to cover new initiatives, new FTE's or capital outlays. The City's commitment to street fund initiatives, include continuing the pavement preservation program and sidewalk restoration, funded from a General Fund transfer in the amount of \$195,000. The funding for these programs has been used as matching funds to receive grant funding for projects to preserve roads, improve storm drainage and construct sidewalks in the downtown core. In December 2018 City Council adopted a vehicle licensing fee to provide an additional source of funding for the pavement preservation program.

The following projects were completed using a combination of pavement preservation funding and grants: In 2019 the City completed a project to improve S. 8<sup>th</sup> Avenue by adding storm drainage, overlay the road, improve sidewalks, ADA compliant curb ramps, and upsize water lines for additional capacity and fire flow. In 2018 the City completed the Downtown Accessibility Project to add sidewalks and ADA accessible curb ramps. In 2017, the City implemented a new traffic calming program for residential neighborhoods and will continue that program into 2020.

The new initiatives have been divided between “one-time only” expenses that will end when the project is complete and “ongoing” expenses that will continue from one budget year to the next. A description of these new initiatives is summarized below:

### ***General & Street Fund One-Time Only Expense:***

<b><u>Description</u></b>	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Total</u></b>
Class and Compensation Study	\$25,000	\$0	\$25,000
Procurement Specialist – Desk and Computer	5,000	-	5,000



## ***2020 Adopted Budget***

<b><u>Description</u></b>	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Total</u></b>
Building Inspector FTE (2-year Sunset Position) – Vehicle, and Equipment	42,800	-	42,800
Associate Planner FTE (2-year Sunset Position) Desk and Computer	5,000	-	5,000
Police Clerk FTE – Desk and Computer	5,000	-	5,000
Development Inspector - Vehicle	30,000	-	30,000
Professional Services – Document Management System	20,000	-	20,000
DocuSign Electronic Signature	5,000	-	5,000
Document Management Forms Portal	8,500	-	8,500
Permit System Electronic Submittal Upgrade	3,800	-	3,800
Professional Services Asset Management System	2,000	-	2,000
Downtown Wayfinding Signs	-	20,000	20,000
Carty Road Subarea Plan	37,000	-	37,000
Police Facility Relocation Expense	65,000	-	65,000
Abrams Park Caretaker Residence Roof Replacement	25,000	-	25,000
Operations Facility Improvements – Equipment Cover	3,000	3,000	6,000
Skid Steer	50,000	-	50,000
Fleet Management Study	35,000	-	35,000



## **2020 Adopted Budget**

<b><u>Description</u></b>	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Total</u></b>
One-time Transfer to Equipment Replacement Fund Reserves	150,000	-	150,000
Design/Permitting and Construction of Overlook Annex	300,000	-	300,000
Gee Creek Stabilization	60,000	-	60,000
Pavement Condition Index Update	-	18,000	18,000
<b><i>One-Time Expense</i></b>	<b><i>\$877,100</i></b>	<b><i>\$41,000</i></b>	<b><i>\$918,100</i></b>

### ***General & Street Fund Ongoing Expense:***

<b><u>Description</u></b>	<b><u>General Fund</u></b>	<b><u>Street Fund</u></b>	<b><u>Total</u></b>
Procurement Specialist FTE – Personnel Expense	\$97,600	\$0	\$97,600
Building Inspector FTE (2-year Sunset Position) – Personnel Expense	88,700	-	88,700
Associate Planner FTE (2-year Sunset Position) Personnel Expense	101,000	-	101,000
Police Clerk FTE – Personnel Expense	41,500	-	41,500
DocuSign Electronic Signature	400	-	400
Document Management Forms Portal	1,750	-	1,750
Permit System Electronic Submittal Upgrade	3,000	-	3,000
Safety Education and Equipment Program	10,000	-	10,000
<b><i>Ongoing Expense</i></b>	<b><i>\$343,950</i></b>	<b><i>\$0</i></b>	<b><i>\$343,950</i></b>



## **2020 Adopted Budget**

### ***Water and Storm Water Drainage Utility Funds:***

#### ***Utility Operating Funds:***

The water and storm water drainage operating budgets are funded by fees charged to customers for services provided, and debt service for water projects are paid from water system development charges.

Water and storm water fees for services are set as needed to meet the required costs to properly fund the operating program and capital maintenance plan for each utility fund. The City conducted a rate study in 2016 to analyze revenue requirements for the next 10 years for the water and storm water utilities. The City updated the storm water capital facilities plan (CFP) in 2018 and revised the storm water rate model to incorporate the updated CFP. The revenues from water and storm water utility rates include a projected 6.44% increase in new accounts in 2020 due to an increased utility customer base. Storm water utility rates include a rate increase from \$18.05 to \$19.05 bi-monthly per equivalent development unit (EDU). Water utility rates will see an increase of 1.5% in 2020. The 2020 water utility rate structure is below.

#### ***The bi-monthly water rates per residential equivalent dwelling unit are shown below:***

<b><u>2020 Two-month Base Rate</u></b>	<b><u>CF of Water</u></b>	<b><u>2019 Volume Rate per CF</u></b>
\$43.93	Up to 1,000 cf	\$0.0060
	>= 1,001 – 2,000 cf	0.0233
	>= 2,001 – 4,000 cf	0.0258
	Over 4,000 cf	0.0293

#### ***The bi-monthly water rates for commercial are shown below:***

<b><u>Meter Type or Size</u></b>	<b><u>Two-Month Base Rate</u></b>	<b><u>Volume Used (cf)</u></b>	<b><u>2019 Volume Rate per CF</u></b>
1 inch and under	\$43.93	No Minimum	\$0.0297
1.5 inch	\$87.85		
2 inch	\$140.57		
3 inch	\$263.55		
4 inch	\$439.28		
6 inch	\$878.53		
8 inch	\$1,405.66		
10 inch	\$5,051.60		
12 inch	\$9,444.29		



## 2020 Adopted Budget

### **Water Conservation Rate:**

<b><u>2020 Two-month Base Rate</u></b>	<b><u>CF of Water</u></b>	<b><u>2019 Volume Rate per CF</u></b>
No Base Charge 1" Meter and Under	No Minimum	\$0.0497

The Water and Storm Water Utility Funds 2020 combined total revenue budget from fees for services, miscellaneous revenues, and transfers in from other funds is \$2.96 million and is detailed below:

### **2020 Utility Fund Revenue:**

Charges for Goods and Services	\$2,752,654
Other Revenue	10,880
Transfers In	198,540
<b><i>Utility Operating Revenue</i></b>	<b><i>\$2,962,074</i></b>

The Water Fund operating expense will see an increase of approximately 3% when compared to the 2019 Amended Budget. This is due to an increase in personnel expense related to contractual commitments and \$73,470 in one-time initiatives and capital expense in 2020.

The 2020 Storm Water operating budget is 5.4% less than the 2019 Amended Budget. This is due to a 14.8% reduction in indirect cost allocation and reduced capital outlay in 2020.

The Water and Storm Water Utility Funds 2020 combined total operating budget is \$2.67 million. The expense budget summarized by utility is shown below:

### **2020 Utility Operating Expense:**

Water Utility	\$2,023,776
Storm Water Utility	645,528
<b><i>Utility Operating Expense</i></b>	<b><i>\$2,669,304</i></b>

### **Utility Fund – Fund Balance:**

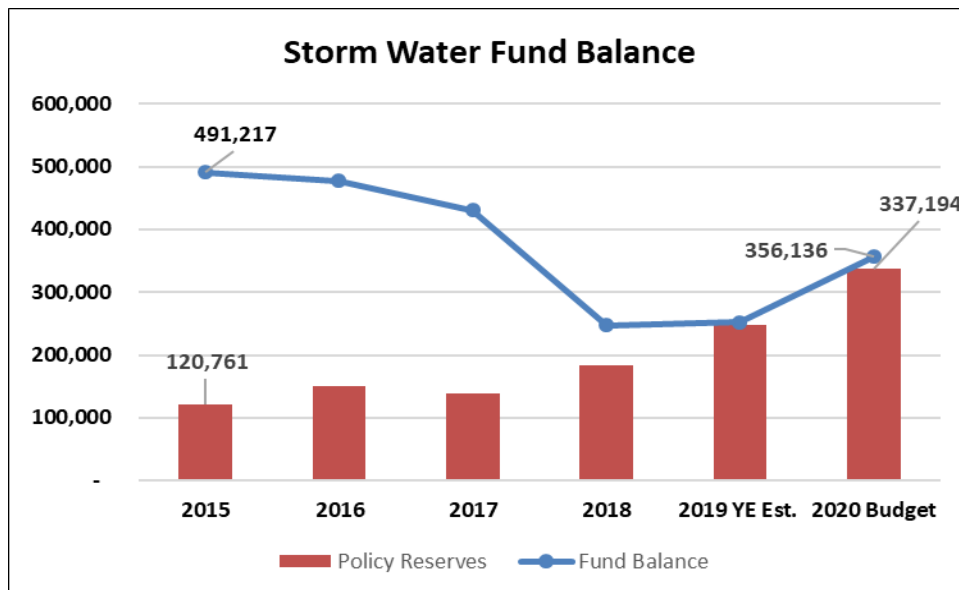
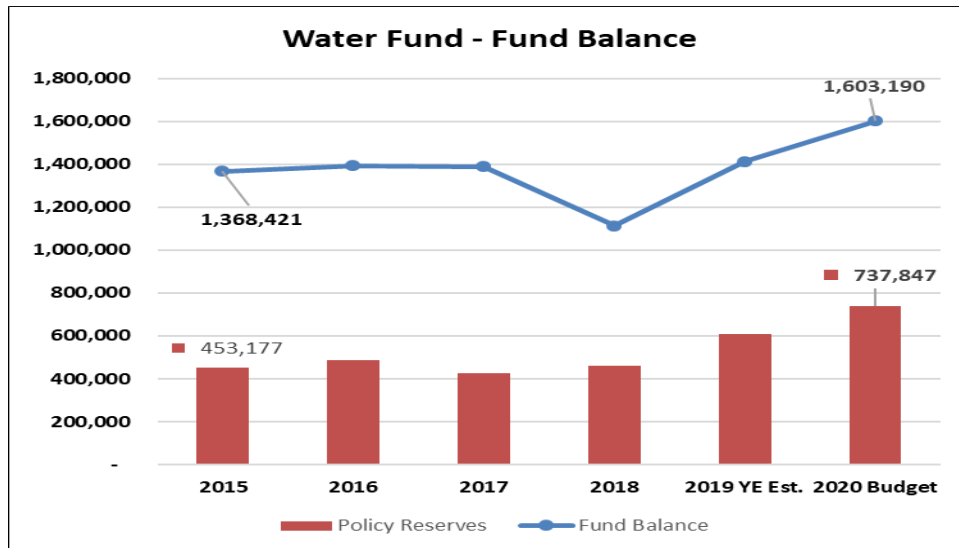
City Council adopted financial management policies in 2014 to identify reserve requirements to ensure financial stability. As a result, the reserve fund balance in the Water and Storm Water Funds have grown as the City continues to develop. The estimated 2020 operating reserves are 19% in the Water Fund and 22% in the Storm Water Fund when compared to 2020 operating expense. Total reserves including capital reserves are 42% in the Water Fund and 58% in the Storm Fund of 2020 operating expense. In addition, the City is estimating an additional \$865,000 and \$19,000 in excess reserves in the Water and Storm Water Fund respectively, by year-end 2020.



## 2020 Adopted Budget

City Council approved a budget to use excess reserves for one-time initiatives and capital outlays in 2018 from the Water Fund and 2017-2019 in the Storm Water Fund. The 2020 budget is forecasting a surplus in both funds of \$189,000 and \$104,000. The funds will be set aside for future capital repair and replacement projects anticipated in the capital facility plans for both funds.

City Council approved an additional reserve fund in 2017 for capital repair and replacement for the two utility funds. The City transfers 5% of prior year rate revenues into the reserve fund with a target of 2% of historical cost.





## 2020 Adopted Budget

### ***Utility Fund New Initiatives:***

New initiatives included in the 2020 operating budget for the utility operating funds total \$85,270. In addition, the 2020 capital budget includes \$1.68 million for utility projects identified in the City's capital facilities plans. The City completed a project in 2018 to update existing manual read water meters to radio reads. Council approved an additional initiative for this project in 2020, to purchase remote meter reading equipment. The equipment will allow a single staff member to read all meters in ½ day instead of multiple staff in 2-3 days. The completion of the project will allow the City to be more efficient in how they read meters and reallocate labor resources to additional projects.

The City continues to commit additional resources to the Storm Water fund to address maintenance needs for detention and treatment facilities. The City added 1.0 FTE to the storm water fund in 2016, completed a storm water management plan in 2017 and updated the storm water capital facilities plan in 2018. The additional focus on storm needs will address Council goals to be good stewards of the environment.

The new initiatives have been divided between “one-time only” expenses that will end when the project is complete and “ongoing” expenses that will continue from one budget year to the next. A description of these new initiatives is summarized below:

### ***Utility Operating Fund One-Time Only Expense:***

<b><u>Description</u></b>	<b><u>Water</u></b>	<b><u>Storm</u></b>	<b><u>Total</u></b>
Vehicle Gateway Base Station for Remote Meter Reading	\$37,000	\$0	\$37,000
Professional Services for Asset Management System	6,000	2,000	8,000
Operations Facility Improvements – Equipment Cover	3,000	3,000	6,000
Clean Exterior of S. 56 <sup>th</sup> Recycle Tank	5,430	-	5,430
Rebuild Pressure Reducing Valves	14,040	-	14,040
Clean and Inspect High School and Cemetery Reservoirs	8,000	-	8,000
Clean Cedar Ridge Storm Filter and Vault Maintenance	-	6,800	6,800



## 2020 Adopted Budget

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
<b>Utility One-time Expense</b>	<b>\$73,470</b>	<b>\$11,800</b>	<b>\$85,270</b>

### **Utility Operating Fund Ongoing Expense:**

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
No Ongoing Expense Budgeted for Initiatives	\$0	\$0	\$0
<b>Utility Ongoing Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **Utility Capital Fund One-Time Only Expense:**

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
S. 3 <sup>rd</sup> Avenue Improvements Project	\$251,500	\$0	\$251,500
Well #8 Sand Pack Redevelopment	50,000	-	50,000
Junction Variable Frequency Drive Pumps	420,000	-	420,000
Abrams Park Well 11 Construction	400,000	-	400,000
Kennedy Water Rights Acquisition	100,000	-	100,000
S. 9 <sup>th</sup> Avenue Water Line	100,000	-	100,000
Downtown Stormwater Enhancements	-	359,000	359,000
<b>Utility One-time Expense</b>	<b>\$1,321,500</b>	<b>\$359,000</b>	<b>\$1,680,500</b>

### **Full Time Equivalent (FTE) Staff:**

Personnel expense, including salary and benefits are the largest operating expense representing an overall 51% or \$6.3 million of the total \$12.4 million operating budget. The 2020 budget reflects 52.75 full-time equivalents, an increase of 4 FTE's when compared to the 2019 year-end FTE total. The increase in FTE's includes an associate planner, building inspector, police clerk and a procurement specialist. Effective July 1, 2018, the City and Discovery Clean Water Alliance



## 2020 Adopted Budget

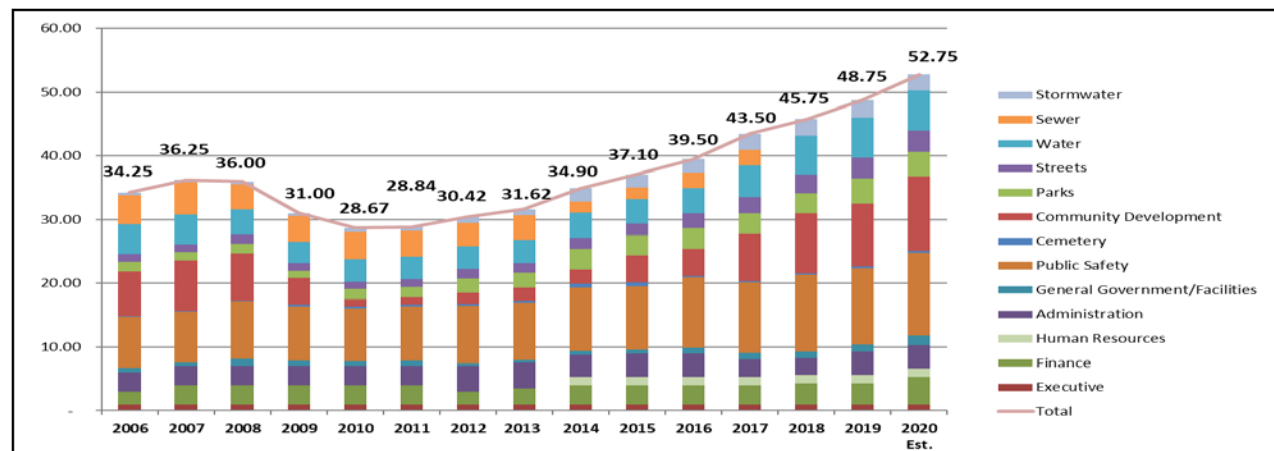
(DCWA) ended the operator contract where the City continued to operate the Ridgefield Sewer Treatment Plant. Due to the termination of this agreement the City no longer allocates staffing to the sewer department.

The following table provides the allocation of the FTE's by department. For additional information refer to appendix pages 221-226:

### ***Allocation by Department of Full Time Equivalents:***

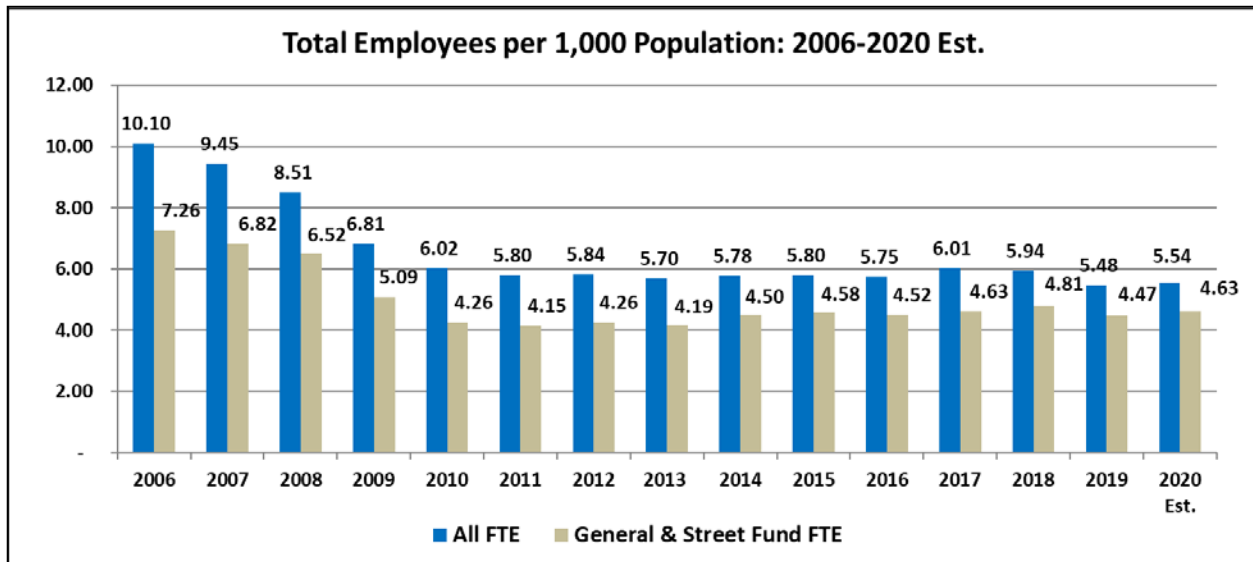
<b>Department</b>	<b>2018 Year-End FTE</b>	<b>2019 Year-End FTE</b>	<b>2020 Budget</b>
Executive	1.00	1.00	1.00
Finance	3.30	3.30	4.30
Human Resources	1.30	1.30	1.30
Administration	2.70	3.70	3.70
General Govt/Facilities	1.02	1.07	1.54
Public Safety	12.00	12.00	13.00
Cemetery	0.22	0.27	0.24
Community Development	9.40	9.90	11.72
Parks	3.19	3.89	3.80
Streets	2.91	3.31	3.42
Water Utility	6.14	6.24	6.22
Sewer Treatment Utility	0	0	0
Storm Water Utility	2.57	2.77	2.51
<b>Total Full Time Equivalents</b>	<b>45.75</b>	<b>48.75</b>	<b>52.75</b>

### ***Full Time Equivalent Staff Comparison:***





## 2020 Adopted Budget



### CAPITAL SERVICE FUNDS

#### ***REET, Impact Fees and Water System Development Charge Funds:***

The combined 2020 revenue budget for these funds total \$5,708,919, a \$1.35 million decrease from the 2019 original adopted budget. The decrease is due to reduced Transportation Impact Fees (TIF) for commercial development activity. The reduction is due to developers completing construction of road projects that were not required for their respective projects. As a result, they received TIF credits toward the payment of impact fees on their projects. The City is forecasting an additional 350,000 square feet of commercial development in 2020. The City expects 275 single family residential permits which matches the initial forecast for permits in the 2019 original adopted budget. Impact fees and system development charge revenues are charged to developers on a new development when a building permit is issued. The rate charged is based on infrastructure projects identified in a capital facilities plan, indexed by inflation, to consider increasing costs for these facilities. These projects would need to be constructed to meet the increased capacity demand on the city's infrastructure, including parks, streets, and water as a result of growth. Impact fees are associated with transportation and parks. System development charges are associated with water.

The City does not collect system development charges for sewer, as a result, of the transfer of the sewer collection system to Clark Regional Wastewater District January 1, 2014.

Real Estate Excise Tax revenue is generated and charged on the sale of real property when property is sold and is charged as a tax on the sale of real estate.

The 2020 budget reflects a conservative approach and accounts for credits that are issued to developers and used in place of paying for an impact fee. The City has approximately \$112,000



## 2020 Adopted Budget

in system development charge credits outstanding. Developer credits result in a reduction in revenue and the City has worked with developers to expand and complete construction of road projects listed on the City's capital facility plan. As a result, of the developers completing several of these projects, additional impact fees credits were issued in 2019 and are expected to be issued in 2020. They're a major consideration in developing the revenue budget. As of the end of October 2019, traffic and park impact fees have a balance in unused credits that can be used towards future building permits, with \$3.14 million associated with traffic and \$17,212 with parks. Revenue estimates for impact fees and water system development charges are based on the City's forecast for 275 single family residential permits and 100 units of a multi-family housing project to be issued in 2020, and 350,000 square feet of commercial/industrial permits to be issued, less the anticipated credits that will be redeemed. The 2019 park impact fee is \$3,186, traffic impact fee is \$3,683 for single family and \$2,255 for multi-family, with an inflationary factor added on January 1 of each year. The water system development charge fee is \$4,272 per equivalent dwelling unit for a 5/8" – 3/4" meter, with an inflationary factor added on January 1 of each year.

Following is a summary of the total revenue budget that includes investment earnings in addition to the development fees or charges:

### 2020 Capital Service Fund Revenue:

Real Estate Excise Tax	\$1,164,166
Park Impact Fee	1,226,916
Traffic Impact Fee	1,929,616
Water System Development Charge	1,388,221
<b>Capital Fund Revenue</b>	<b>\$5,708,919</b>

Capital fund expense consists of transfers to capital projects or debt service funds to cover capital improvements and debt service. Following is a summary of the total expense budget:

### 2020 Capital Service Fund Expense:

Real Estate Excise Tax	\$822,925
Park Impact Fee	50,000
Traffic Impact Fee	-
Water System Development Charge	1,540,113
<b>Capital Fund Expense</b>	<b>\$2,413,038</b>

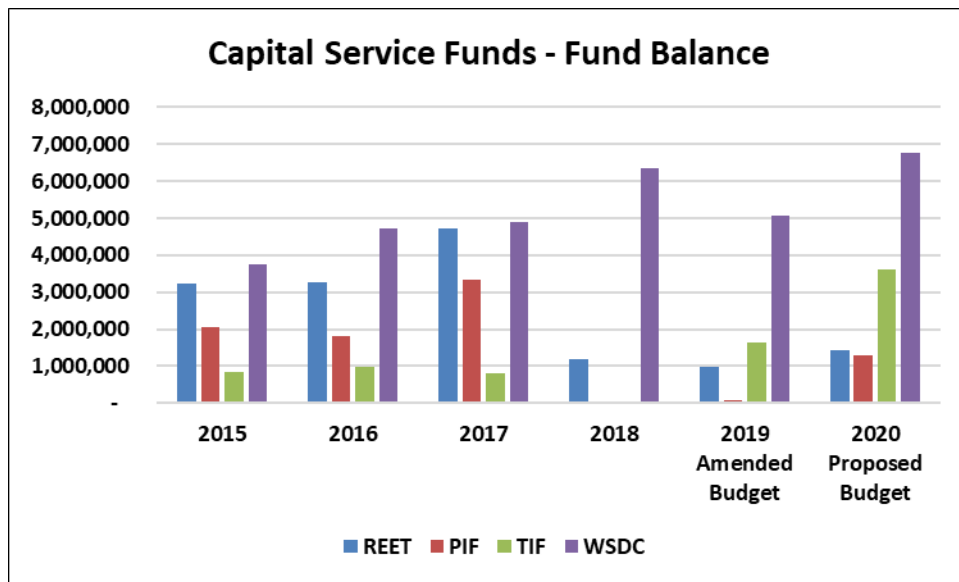
### 2020 Capital Service Fund – Fund Balance:

The fund balance in the Capital Service Funds has grown since the great recession and were being set aside for capital improvement projects to help manage the development in Ridgefield. City Council approved use of these funds beginning in 2017 for several high priority projects that were completed in 2018 and 2019. The City budgeted for reduced capital spending in 2020



## 2020 Adopted Budget

and again is growing fund balances in the Capital Service Funds for high priority projects listed on the capital facility plans. The City is currently looking for grant funding for several road projects and will use impact fee funding as a match for these projects. It is anticipated the city may be able to go to bid on the road projects as early as late 2020 and likely would go to construction in 2021.



### ***Equipment Replacement Fund (ERF):***

This fund was created to account for the transfers from operating funds and the expenditures incurred to pay for the replacement of vehicles and large equipment purchases. The associated revenues and expenses are based on a replacement model approved by the City Council. The model is revised and updated annually as a part of the budget process.

### ***2020 Equipment Replacement Fund Revenue:***

General Fund Transfer	\$204,612
Street Fund Transfer	71,740
Water Fund Transfer	36,775
Storm Water Fund Transfer	30,261
Other Revenue	175
<b>Equipment Replacement Fund Revenue</b>	<b>\$343,563</b>

In 2019 the City will replace the following equipment:

### ***2019 Equipment Replacement Fund Expense:***

2013 Ford Taurus Patrol Vehicle	\$57,400
1994 10-Yard Dump Truck	205,000



## 2020 Adopted Budget

2003 Ford F-150 Pickup	37,900
<b>Equipment Replacement Fund Expense</b>	<b>\$300,300</b>

### **Capital Project Funds:**

Capital projects are prioritized based on the associated capital facilities plan, the needs of the community, and demands anticipated from new development. The 2020 capital budget is \$2,921,000. Out of this amount, \$1,240,500 is associated with General Government capital projects, which include streets, parks, community development, and building projects. The utility capital projects total budget is \$1,680,500.

The City is projecting limited impact to ongoing operating expense for 2020 projects. However, the city anticipates hiring a new facilities maintenance worker in 2021 to assist with the additional parks, trails and right of way dedicated to the city from the multiple subdivisions coming online in 2019 and 2020. The estimated additional personnel expense is \$76,000 indexed annually for cost of living adjustments and paid from the General Fund. Equipment, uniform and fuel expense are estimated to be an additional \$30,000 with \$5,000 estimated to be ongoing expense.

The 2020 proposed park projects are enhancements to existing facilities and will not increase maintenance costs or staff time. Design and permitting of Overlook Park Annex will not go to construction until late in 2020 or possibly 2021 so maintenance of this section of the park will not be impacted. The Gee Creek Stabilization project will complete the project to reduce erosion of the streambank and as a result is expected to reduce staff maintenance required to protect the adjacent trail.

S. 3<sup>rd</sup> Avenue will construct new storm water runoff facilities and as a result will reduce staff time maintaining the neighborhood runoff issues in the fall. City staff have historically spent significant time in this area monitoring storm water runoff. Labor will be reallocated to additional preventative maintenance work to become more proactive rather than reactive to storm water needs. The estimate is to re-allocate 280 labor hours during the fall and winter time frame.

Water projects propose construction of a new well, rehabbing an existing well and replacing existing pumps at the Junction well and reservoir with variable frequency pumps for added efficiency and cost savings in reduced electrical charges. Staff expect utility expense to increase slightly, estimated at \$2,200 annually, due to the new well. No additional labor cost is anticipated as the new well and rehabbed well are in the same location as existing water sources. The pumps that will be installed for the Junction well will be more efficient and use less energy than existing pumps. Replacement of these pumps will provide additional stability to the overall water system during peak usage times. The estimated utility expense for Well 8 is \$2,200 annually. Water line replacement projects are updating pipes originally installed in 1935.



## **2020 Adopted Budget**

Staff expect reduced maintenance cost and water line failure as a result of these projects. Reduced failure will increase system reliability for account holders in this area of the city. In addition, the project will increase the size of the water lines to increase capacity and fire flow.

Storm projects will complete design, survey and permitting for seven storm water facility projects in the downtown area. The construction on these projects would begin in the 2021-2022 timeframe and will not impact current operations. The city hired an engineering tech in 2019 to assist with permitting, inspection and oversight of these projects. The cost in 2020 is estimated to be \$102,000 for personnel expense indexed annually for cost of living adjustments. Additional expenses are estimated to be less than \$5,000 annually for additional operating expense related to this position. Personnel expense will be shared between development related fees (development review), General Fund and the Storm Water fund. Funding for these projects, is summarized below:

### **2020 Capital Project Fund Revenue:**

Grants	600,000
Public Works Trust Fund Loan	359,000
General Fund Transfer	555,000
REET Transfer	35,500
Park Impact Fees Transfer	50,000
Water System Develop Charge Transfer	1,321,500
<b>Capital Project Revenue</b>	<b>\$2,921,000</b>

The 2020 capital budget includes the following projects:

### **2020 Capital Project Fund Expense:**

<b>Fund</b>	<b>Description</b>	<b>Expense</b>
General Capital – Streets	Pavement Preservation Program	\$195,000
General Capital – Streets	S. 3 <sup>rd</sup> Avenue Improvements Construction – Street, Storm and Sidewalk	285,500
General Capital – Streets	Planning and Feasibility Study 219 <sup>th</sup> Interchange	250,000
General Capital – Parks	Gee Creek Trail North – Construction	100,000
General Capital – Parks	Gee Creek Stabilization	60,000



## ***2020 Adopted Budget***

<b><i>Fund</i></b>	<b><i>Description</i></b>	<b><i>Expense</i></b>
General Capital – Parks	Overlook Park Annex Design/permitting and Construction	300,000
General Capital – Parks	RORC Capital Equipment Purchase and Install	50,000
Water Utility Capital	Kennedy Water Rights Acquisition	100,000
Water Utility Capital	S. 3 <sup>rd</sup> Avenue Improvements Construction – Water Line	251,500
Water Utility Capital	Junction Well Variable Frequency Pumps	420,000
Water Utility Capital	Abrams Park Well 11 Construction	400,000
Water Utility Capital	S. 9 <sup>th</sup> Ave Water Line Construction	100,000
Water Utility Capital	Abrams Park Well 8 Sand Bank Redevelopment	50,000
Storm Water Utility Capital	Downtown Storm Water Enhancements Design, Survey and Permitting	359,000
<b><i>Capital Project Expense</i></b>		<b><i>\$2,921,000</i></b>

### ***SPECIAL REVENUE FUNDS***

The Drug Fund is funded by revenues received from drug seizure/forfeitures, fines and penalties related to drug and alcohol offenses, and proceeds from the soft drink machines located at the police department. The Drug Fund revenue is estimated to be \$1,100. In 2020 the City has no expense budgeted from this fund.

The Transportation Benefit District Fund was adopted in December 2018 to account for the receipt of vehicle licensing fees. City Council adopted the vehicle license fee, as an additional funding source for the Pavement Preservation Program. The Department of Licensing began collecting the vehicle licensing fees in June 2019. City Council earmarked the revenue received from the vehicle licensing fees for the Pavement Preservation Program to increase the amount of maintenance the City can complete annually. The estimated revenue from vehicle licensing fees in 2020 is \$143,500. City staff are still working on 2020 plans for maintenance projects for



## ***2020 Adopted Budget***

the pavement preservation program. Staff will come back to Council with requests for additional expense from this fund in 2020.

### ***MUNICIPAL DEBT***

#### ***DEBT MANAGEMENT POLICIES***

The City has a formal debt management policy adopted by Council (appendix page 171-177). The policy guides all aspects of the City's debt issuance and post issuance compliance. The City added detailed post issuance compliance procedures (Financial Procedure #10.1: Post Issuance Compliance (Governmental Bonds) in October 2017.

#### ***MUNICIPAL DEBT CAPACITY***

There are four types of General Obligation Debt that the City is currently authorized to use for financing purposes. They each have statutory limitations and require approval by either the City Council or City voters.

1. **General Purpose Councilmanic Debt:** The City Council may approve bond issues without voter approval up to 1.5% of the City's assessed valuation. Prior to the passage of new legislation in 1994, councilmanic debt was available for lease-purchase contracts only (RCW 35.43.200). This statutory authority can be used for any municipal purpose now, including using the entire 1.5% for bonds. Councilmanic debt must be approved by a majority of the City Council and must be repaid from existing revenue sources. In July of 2017, the City Council authorized the issuance of bonds to construct the Ridgefield Outdoor Recreation Complex. In October 2017 the City issued \$9,455,000 in bonds that will be repaid over 30 years. In May of 2018, the City Council authorized the issuance of bonds totaling \$6,705,000 to complete construction of the Ridgefield Outdoor Recreation Complex. The bonds will be repaid over 20 years. In 2020 the City Council can levy up to an estimated \$26,493,374, or 1.5%, of the City's estimated assessed value. Because the City currently has outstanding Councilmanic debt of \$15,196,399, the remaining Councilmanic Debt Capacity for 2020 is \$11,296,975.

2. **General Purpose Voted Debt:** As authorized by the Revised Code of Washington (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 value of all taxable property within the City. This requires a 60% vote of the City electorate and must have a voter turnout of at least 40% of the last State general election. The debt would be repaid from an increase to the City's existing property tax levy. An amount up to 2.5% of the City's assessed value can be levied or an estimated \$44,155,624 for 2020. Because the City currently has outstanding Councilmanic debt of \$15,196,399 (as noted above), the remaining Voted Debt Capacity for 2020 is \$28,959,225.



## 2020 Adopted Budget

The total General Purpose Voted Debt and Councilmanic Debt cannot exceed 2.5% of the City's assessed value.

Under RCW 39.36.030(4), the public may also vote to approve park facilities and utility bond issues, each of which is also limited to no more than 2.5% of the City's assessed valuation.

3. **Parks and Open Space Debt:** The City is authorized to issue debt and increase the property tax levy for acquiring or developing open space and park facilities. This requires a 60% vote of the City electorate and must have a voter turnout of at least 40% of the last State general election. Debt is repaid from the increased property tax levy. An amount up to 2.5% of the City's estimated assessed value, less outstanding debt, can be levied or \$44,155,624 for 2020.

4. **Utility Purpose Debt:** The City is authorized to issue debt and increase the property tax levy for utility purposes if a utility is owned and controlled by the City. This requires a 60% vote of the City electorate and must have a voter turnout of at least 40% of the last State general election. Debt is repaid from the increased property tax levy. An amount up to 2.5% of the City's estimated assessed value, less outstanding debt, can be levied or \$44,155,624 for 2020.

The City's estimated legal debt margin for the fiscal year 2020 is calculated below:

<b>Estimated Legal Debt Margin Calculation for Fiscal Year 2020</b>	
Assessed Value	1,766,224,955
Debt limit (7.5% of total assessed value)	132,466,872
Debt applicable to limit:	
General obligation bonds	15,965,000
Less: Amount set aside for repayment of general obligation debt	807,649
Notes	39,048
Total net debt applicable to limit	15,196,399
<b>Legal Debt Margin</b>	<b>117,270,473</b>

### LONG TERM DEBT

Total outstanding debt as of the end of 2019 was \$18.7 million with \$16 million of this debt associated with general government projects and \$2.7 million associated with water utility projects. The City has a debt reserve policy requiring the City to set aside the debt service payments for the following year in the amount of \$807,649 in General Government and \$198,540 in the Utility funds.

The City has multiple types of long-term liabilities that were used to fund City Capital Projects. The City pays annual principal and interest payments for each of these outstanding liabilities.



## ***2020 Adopted Budget***

The City replaced police radios in 2016 as a result of system wide changes to dispatch at Clark Regional Emergency Services Agency (CRESA). As a result of the overall change, radios were purchased for every agency on a contract with the vendor.

The City issued councilmanic General Obligation bonds in 2017 and 2018 to fund the construction of the Ridgefield Outdoor Recreation Complex (RORC). Debt service for the bonds will be paid from Real Estate Excise Taxes. In 2018, the City began making interest payments on the General Obligation bonds issued for RORC. The City began making principal payments on the 2017 issuance in 2019 and will make principle payments on the 2018 issuance in 2021.

The Utility Department obtained Drinking Water State Revolving Fund loans to fund two projects at the I-5 junction. The projects constructed a new well and transmission system and a 1-million-gallon reservoir to support the growth within the city. Debt service for both loans will be paid from Water System Development Charges.

The City budgets annual debt service based on the amortization schedule. For additional information refer to schedule of debt service (appendix page 232-237). Liabilities are listed below:

<b><i>Debt</i></b>	<b><i>Description</i></b>	<b><i>Balance</i></b>	<b><i>2020 Debt Service</i></b>
2017 LTGO Issuance	2017 Issuance of bonds for the Ridgefield Outdoor Recreation Complex	\$9,260,000	\$530,575
2018 LTGO Issuance	201 Issuance of bonds for the Ridgefield Outdoor Recreation Complex	6,705,000	256,850
CRESA Installment Contract	2016 Purchase of new radio package to meet emergency management needs	39,048	20,224
DWSRF Loan	Drinking Water State Revolving Funds loan to construct new well and transmission system	1,044,217	77,088
DWSRF Loan	Drinking Water State Revolving Funds loan to construct new water 1-million-gallon water reservoir	1,645,037	121,443
<b><i>Total Outstanding Debt</i></b>		<b><i>\$18,693,302</i></b>	<b><i>\$1,006,180</i></b>

### ***INVESTMENTS***

The city invests public funds in a manner which provides a market return, with maximum security of investment principal, while providing adequate liquidity to meet the daily cash flow requirements. The City invests public funds in accordance with all federal, state and local



## ***2020 Adopted Budget***

statutes governing the investment of public funds and prudent money management. The City has a formal investment policy (appendix page 178-195) adopted by Council.

### ***IN CLOSING***

The City of Ridgefield continues to review budget best practices and implement new strategies to remain fiscally responsible to our citizens. The City Management team, Budget Advisory Committee and City Council have spent significant time in reviewing the 2020 proposed budget. I am proud to propose the 2020 balanced operating and capital budgets for adoption.

Respectfully,

Kirk Johnson,  
Finance Director



## ***2020 Adopted Budget***

### ***Executive Summary by Fund***

The following table includes a summary of the beginning and projected ending fund balance after budgeted revenue and expense for 2020. General Fund fund balance is expected to decrease approximately 3.3% in 2020 due to the use of fund balance for 2020 one-time initiatives and capital outlays. Water Utility Fund fund balance is expected to increase 13.4% due to reduced indirect cost allocation and capital repair and replacement projects. Storm Water Fund fund balance is expected to increase 41% by year-end 2020 due to reduced indirect cost allocation and capital repair and replacement projects.

Drug Fund fund balance is expected to increase 14% by year-end 2020. The Transportation Benefit District fund balance is expected to increase 581% as the City will begin to see receipt of the new revenue source.

The Capital Service Funds, REET, PIF, and TIF will see fund balance increases due to anticipated development activity. In addition, the 2020 budget has a reduction in capital expense related to parks and streets projects. The Water SDC Fund will see a small decrease in fund balance of 2.2% to complete new capital projects to increase and develop new water sources. These funds are restricted for specific purposes and the City will begin to rebuild fund balance for future capital projects included in the City's capital facility plans.



# 2020 Adopted Budget

## 2020 Executive Summary - All Funds

		<i>Beginning Fund Balance</i>	<i>2020 Budgeted Revenue</i>	<i>2020 Budgeted Expense</i>	<i>Ending Fund Balance</i>
<b>Operating Funds</b>					
001	General Fund	\$ 4,481,715	\$ 8,898,023	\$ 9,045,784	\$ 4,333,954
101	Street Fund	31,040	659,275	659,037	31,278
406	Water Operating	1,414,167	2,212,799	2,023,776	1,603,190
408	Stormwater Operating	252,389	749,275	645,528	356,136
<b>Total Operating Funds</b>		<b>6,179,311</b>	<b>12,519,371</b>	<b>12,374,126</b>	<b>6,324,557</b>
<b>Capital Service Funds</b>					
105	Real Estate Excise Tax	1,080,228	1,164,166	822,925	1,421,469
114	Park Impact Fee	114,957	1,226,916	50,000	1,291,873
115	Traffic Impact Fee	1,667,209	1,929,616	-	3,596,825
416	Water Utility SDC	6,902,887	1,388,221	1,540,113	6,750,995
<b>Total Capital Service Funds</b>		<b>9,765,281</b>	<b>5,708,919</b>	<b>2,413,038</b>	<b>13,061,161</b>
<b>Special Revenue Funds</b>					
111	Drug Fund	7,929	1,100	-	9,029
150	Transportation Benefit District	24,662	143,500	-	168,162
<b>Total Special Revenue Funds</b>		<b>32,591</b>	<b>144,600</b>	<b>-</b>	<b>177,191</b>
<b>Debt Service Fund</b>					
200	Debt Service	-	807,650	807,650	-
<b>Total Debt Service Fund</b>		<b>-</b>	<b>807,650</b>	<b>807,650</b>	<b>-</b>
<b>Capital Project/Equipment Replacement Construction Funds</b>					
300	General Capital Projects	310,706	1,240,500	1,240,500	310,706
410	Water Utility Capital Projects	16,531	1,321,500	1,321,500	16,531
412	Storm Utility Capital Projects	-	359,000	359,000	-
501	Equipment Replacement (ERF)	239,283	343,563	300,300	282,546
<b>Total Capital/ERF</b>		<b>566,520</b>	<b>3,264,563</b>	<b>3,221,300</b>	<b>609,783</b>
<b>Total Budget</b>		<b>\$ 16,543,703</b>	<b>\$ 22,445,103</b>	<b>\$ 18,816,114</b>	<b>\$ 20,172,693</b>



## 2020 Adopted Budget

### 2020 Executive Summary - Operating Funds Comparison

<b>Executive Summary Revenues and Expenditures - All Operating Funds</b>					
<b>Description</b>	<b>General Fund</b>	<b>Street Fund</b>	<b>Water Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>2020 Budget</b>					
<b>Revenue</b>					
Property Tax	1,460,000	-	-	-	1,460,000
Retail Sales	3,137,025	-	-	-	3,137,025
Utility Taxes	1,172,046	85,634	-	-	1,257,679
Other Taxes	5,000	-	-	-	5,000
License & Permits	1,198,298	20,000	-	-	1,218,298
Planning & Development	1,039,736	-	-	-	1,039,736
Fines & Forfeits	75,900	-	-	-	75,900
Charge for Goods & Svc	500,627	-	2,003,654	749,000	3,253,281
Intergovernmental/Grant	186,741	201,116	-	-	387,857
Other Rev/Donations	122,650	1,025	10,605	275	134,555
Transfers In	-	351,500	198,540	-	550,040
<b>Total Revenue</b>	<b>8,898,023</b>	<b>659,275</b>	<b>2,212,799</b>	<b>749,275</b>	<b>12,519,371</b>
<b>Expense</b>					
Personnel	4,943,726	362,877	724,698	282,599	6,313,900
Operations	2,741,421	271,420	934,771	296,376	4,243,988
Capital	179,300	3,000	40,000	3,000	225,300
Transfers Out	1,161,112	21,740	125,767	63,553	1,372,172
Debt Service	20,225	-	198,540	-	218,765
<b>Total Expenditures</b>	<b>9,045,784</b>	<b>659,037</b>	<b>2,023,776</b>	<b>645,528</b>	<b>12,374,126</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>(147,761)</b>	<b>238</b>	<b>189,023</b>	<b>103,747</b>	<b>145,246</b>

<b>2019 Estimated Year-End</b>					
<b>Revenue</b>					
Property Tax	1,260,000	-	-	-	1,260,000
Retail Sales	3,170,479	-	-	-	3,170,479
Utility Taxes	1,080,689	79,010	-	-	1,159,699
Other Taxes	5,627	-	-	-	5,627
License & Permits	1,177,058	18,298	-	-	1,195,356
Planning & Development	1,090,544	-	-	-	1,090,544
Fines & Forfeits	79,252	-	-	-	79,252
Charge for Goods & Svc	558,471	-	1,965,622	671,705	3,195,798
Intergovernmental/Grant	325,360	179,604	-	-	504,964
Other Rev/Donations	162,019	1,316	6,517	637	170,489
Transfers In	-	333,170	200,904	-	534,074
<b>Total Revenue</b>	<b>8,909,499</b>	<b>611,398</b>	<b>2,173,043</b>	<b>672,342</b>	<b>12,366,282</b>
<b>Expense</b>					
Personnel	4,144,521	311,381	657,457	263,186	5,376,545
Operations	2,494,280	180,466	899,304	307,233	3,881,283
Capital	291,056	73,628	3,672	39,718	408,074
Transfers Out	645,648	20,333	111,088	57,118	834,187
Debt Service	20,224	-	200,904	-	221,128
<b>Total Expenditures</b>	<b>7,595,729</b>	<b>585,808</b>	<b>1,872,425</b>	<b>667,255</b>	<b>10,721,217</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>1,313,770</b>	<b>25,590</b>	<b>300,618</b>	<b>5,087</b>	<b>1,645,065</b>



## 2020 Adopted Budget

<b>Executive Summary Revenues and Expenditures - All Operating Funds</b>					
<b>Description</b>	<b>General Fund</b>	<b>Street Fund</b>	<b>Water Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>2019 Amended Budget</b>					
<b>Revenue</b>					
Property Tax	1,260,000	-	-	-	1,260,000
Retail Sales	3,143,500	-	-	-	3,143,500
Utility Taxes	1,097,098	75,186	-	-	1,172,284
Other Taxes	6,050	-	-	-	6,050
License & Permits	1,090,010	14,000	-	-	1,104,010
Planning & Development	1,054,393	-	-	-	1,054,393
Fines & Forfeits	72,675	-	-	-	72,675
Charge for Goods & Svc	542,680	-	1,853,317	667,545	3,063,542
Intergovernmental/Grant	364,366	179,604	-	-	543,970
Other Rev/Donations	160,900	2,525	9,300	1,925	174,650
Transfers In	-	333,170	200,904	-	534,074
<b>Total Revenue</b>	<b>8,791,672</b>	<b>604,485</b>	<b>2,063,521</b>	<b>669,470</b>	<b>12,129,148</b>
<b>Expense</b>					
Personnel	4,349,300	321,690	673,714	281,678	5,626,382
Operations	2,610,153	207,808	980,430	308,736	4,107,127
Capital	399,615	54,650	3,995	34,540	492,800
Transfers Out	768,221	20,333	111,088	57,118	956,760
Debt Service	20,224	-	200,904	-	221,128
<b>Total Expenditures</b>	<b>8,147,513</b>	<b>604,481</b>	<b>1,970,131</b>	<b>682,072</b>	<b>11,404,197</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>644,159</b>	<b>4</b>	<b>93,390</b>	<b>(12,602)</b>	<b>724,951</b>
<b>2018 Actual</b>					
<b>Revenue</b>					
Property Tax	1,149,449	-	-	-	1,149,449
Retail Sales	2,635,867	-	-	-	2,635,867
Utility Taxes	1,015,750	69,750	-	-	1,085,500
Other Taxes	1,175,971	-	-	-	1,175,971
License & Permits	1,089,769	21,806	-	-	1,111,575
Planning & Development	76,029	-	-	-	76,029
Fines & Forfeits	595,719	-	-	-	595,719
Charge for Goods & Svc	176,782	-	1,712,142	560,683	2,449,607
Intergovernmental/Grant	98,492	168,375	-	-	266,867
Other Rev/Donations	2,072,912	322	9,017	1,414	2,083,665
Transfers In	8,798	236,403	203,276	-	448,477
<b>Total Revenue</b>	<b>10,095,538</b>	<b>496,656</b>	<b>1,924,435</b>	<b>562,097</b>	<b>13,078,726</b>
<b>Expense</b>					
Personnel	3,806,024	277,093	652,393	202,131	4,937,641
Operations	2,856,599	205,641	782,335	235,988	4,080,563
Capital	2,184,671	25,826	252,326	43,834	2,506,657
Transfers Out	402,947	22,386	361,557	284,353	1,071,243
Debt Service	20,224	-	202,684	-	222,908
<b>Total Expenditures</b>	<b>9,270,465</b>	<b>530,946</b>	<b>2,251,295</b>	<b>766,306</b>	<b>12,819,012</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>825,073</b>	<b>(34,290)</b>	<b>(326,860)</b>	<b>(204,209)</b>	<b>259,714</b>



## 2020 Adopted Budget

<b>Executive Summary Revenues and Expenditures - All Operating Funds</b>					
<b>Description</b>	<b>General Fund</b>	<b>Street Fund</b>	<b>Water Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>2017 Actual</b>					
<b>Revenue</b>					
Property Tax	1,056,195	-	-	-	1,056,195
Retail Sales	1,721,834	-	-	-	1,721,834
Utility Taxes	986,860	57,992	-	-	1,044,852
Other Taxes	688,425	-	-	-	688,425
License & Permits	616,645	10,688	-	-	627,333
Planning & Development	70,716	-	-	-	70,716
Fines & Forfeits	442,493	-	-	-	442,493
Charge for Goods & Svc	183,670	-	1,516,228	497,532	2,197,430
Intergovernmental/Grant	94,921	158,094	-	-	253,015
Other Rev/Donations	-	1,108	11,184	2,173	14,465
Transfers In	1,555	331,100	213,868	-	546,523
<b>Total Revenue</b>	<b>5,863,314</b>	<b>558,982</b>	<b>1,741,280</b>	<b>499,705</b>	<b>8,663,281</b>
<b>Expense</b>					
Personnel	3,391,523	260,531	598,090	193,752	4,443,896
Operations	2,064,236	261,165	583,752	247,002	3,156,155
Capital	100,856	59,678	278,937	57,372	496,843
Transfers Out	544,601	23,908	82,234	58,226	708,969
Debt Service	-	-	200,800	-	200,800
<b>Total Expenditures</b>	<b>6,101,216</b>	<b>605,282</b>	<b>1,743,813</b>	<b>556,352</b>	<b>9,006,663</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>(237,902)</b>	<b>(46,300)</b>	<b>(2,533)</b>	<b>(56,647)</b>	<b>(343,382)</b>



## ***2020 Adopted Budget***

### ***Boards, Commissions and Committees***

The City of Ridgefield has several boards, commissions and committees. The boards and commissions were created by City Ordinance and committees were set by Council approved policy to serve as advisory bodies to the City Council and staff.

#### ***Planning Commission***

The Planning Commission is comprised of seven volunteer citizens who advise the City Council on planning, development, and growth issues for the community. The commission reviews and makes recommendation to the City Council on updates to the City's Comprehensive Plan and Capital Facilities Plans, Development Code regulations, shoreline management regulations, environmental protection regulations, general development policy, and other matters as directed by the City Council. The Commission does not conduct quasi-judicial hearings on land use applications as the City uses a Hearings Examiner to review such proposals. Planning Commission meetings are held on the first Wednesday of each month. For more information refer to RMC 2.12 – Planning Commission.

#### ***Civil Service Commission***

The Civil Service Commission is comprised of three volunteer citizens who preside over the manner in which police officer candidate examinations are held as well as how appointments and promotions are made. The Commission is also responsible for hearing complaints, conducting investigations and hearings, and determining appeals regarding police officers and other matters connected with personnel administration of the Police Department. Commissioners must be citizens of the United States, must have been residents of the City of Ridgefield for at least three years, and must be eligible to vote in Clark County. Civil Service Commission meetings are held on the second Tuesday of each month. For more information refer to RMC 2.64 – Civil Service System.

#### ***Parks Board***

The Parks Board is comprised of seven volunteer citizens who advise the City Council on parks planning, parks acquisition, operations, and maintenance within the current and future city limits of Ridgefield. Eligible members include residents, property owners and business owners within the urban growth area of the City, as well as citizens residing within the boundaries of the Ridgefield School District. Parks Board meetings are held on the second Wednesday of each month. For more information refer to RMC 2.56 – Ridgefield Parks Board.

#### ***Salary Commission***

The Ridgefield Salary Commission was created on April 24, 2014, as a five-member independent body with the authority to set the salary of the members of the Council. An independent salary



## ***2020 Adopted Budget***

commission studies the relationship of the Ridgefield City Council members' duties and salaries to Council members in comparable City jurisdictions and fixes salaries based on that comparison as well as the City's budget and other market conditions. The Commission meets as often as necessary each year, with a first meeting no later than March 31 and actively solicits public comment for consideration when making a salary determination. The Commission files a salary schedule with the city clerk on or before May 31 which is published in the same manner as a city ordinance. The salary schedule is then incorporated into the city budget without further action of the city council. For more information refer to RMC 2.62 – Independent Salary Commission.

### ***Cemetery Board***

The Cemetery Advisory Board is comprised of three volunteer residents. The Board is established to provide advisory assistance and recommendations to the Public Works Director on cemetery operations and maintenance within the city limits of Ridgefield. Meetings of the board shall be held at least three times per calendar year. For more information refer to RMC 2.52.160 – 2.52.200 – Ridgefield City Cemetery (Advisory Board).

### ***Budget Advisory Committee***

The Budget Advisory Committee consists of two City Council members, City Executive Management, and one citizen member appointed by Council. The main role of the Budget Advisory Committee is to serve in an advisory capacity to assist in development of an annual budget that reflects the City's top priorities. The Budget Advisory Committee also provides open and transparent communication among the participants and the citizens of Ridgefield. For more information refer to Financial Policy #07: Budget (page 16).



## ***2020 Adopted Budget***

### ***Labor Relations***

The City currently has 47 full-time positions and 3 part-time positions. The City will be adding 4 full-time positions in 2020 for a total of 51 full-time and 3 part-time positions. There are two collective bargaining units within the City, Chauffer's, Teamsters and Helpers, Local 58 ("Teamsters") and the Ridgefield Police Officers Association ("RPOA"). Teamsters represents 26 employees across all City Departments including Public Works positions and clerical staff. The RPOA represents the City's Police Officers and Police Sergeants which currently consists of 9 positions. The City also employs 15 non-represented staff including department directors, supervisors, and professional positions which are primarily in its engineering and community development departments.

The City negotiates with each union separately using an interest based bargaining process. The current collective bargaining agreements with the Teamsters and the RPOA both have an expiration date of December 31, 2020. The City will enter negotiations with each union in 2020 with a goal of reaching settlement agreements prior to expiration.

The City's priorities when entering negotiations with each union include using the collective bargaining process to accomplish the mission and goals of the City; continuing to open communication and build effective working relationships with the unions and the represented employees; maintaining a fair total compensation package that is based on comparable agencies, that attracts and retains qualified employees and is fiscally responsible; and complies with all federal and state labor laws in the process.

Two significant events occurred in 2019. First, the City opened negotiations and reached agreement with both unions on necessary contract changes to assure compliance with Washington's Paid Family & Medical Leave law. Second, both unions have new labor representatives. RPOA hired a new law firm to act as legal counsel, when their previous counsel retired, and they elected a new President. Teamsters appointed a new union representative to assist the City's bargaining unit. The employee representative for Teamsters remains the same. It is unclear how and whether the new appointments will impact 2020 negotiations.



## ***2020 Adopted Budget***

### ***IV. Department Summary***



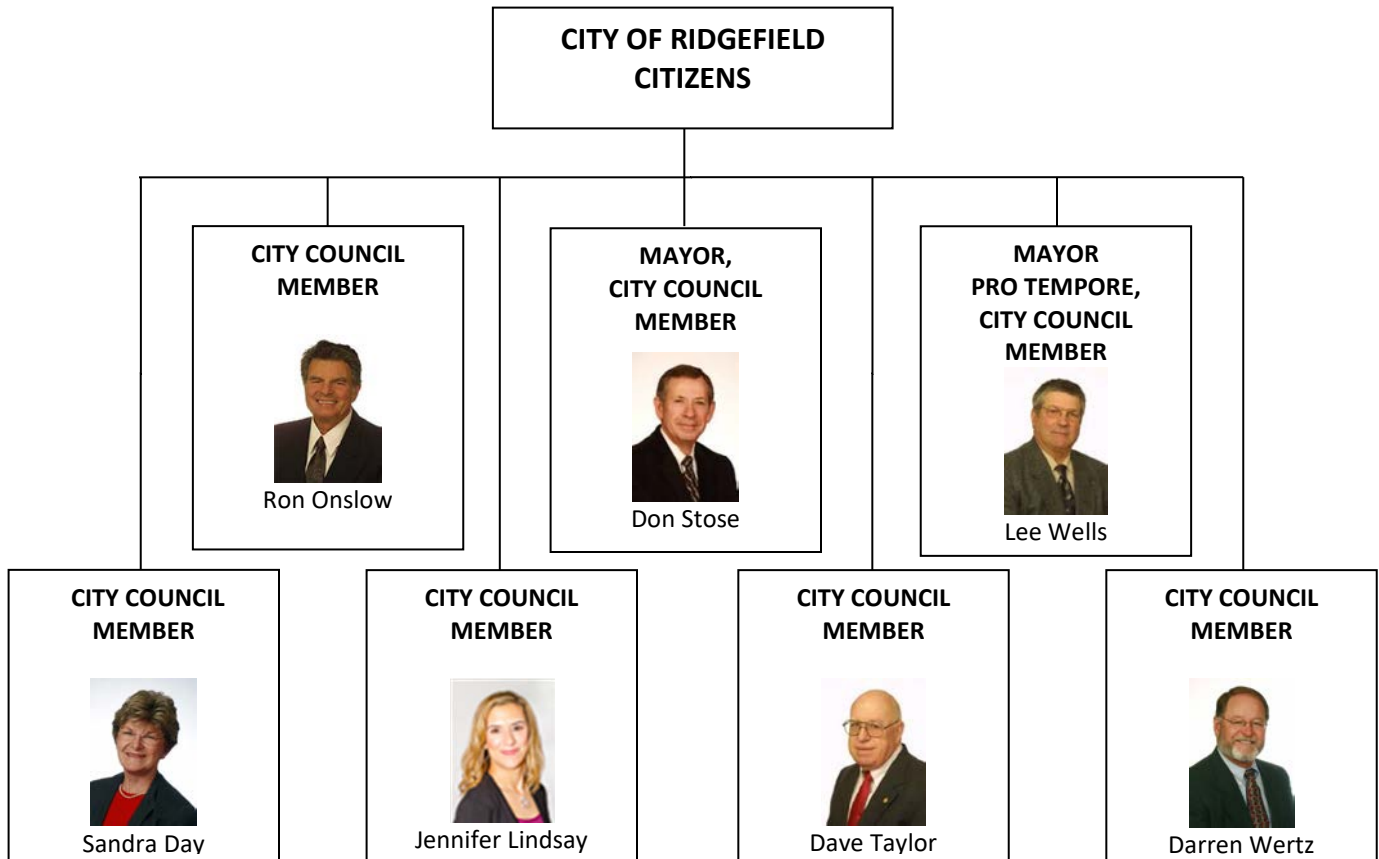
## 2020 Adopted Budget

<b>Organizational Matrix - Department Assignment by Fund</b>				
<b>Department</b>	<b>General Fund</b>	<b>Street Fund</b>	<b>Water Fund</b>	<b>Stormwater Fund</b>
	City Council			
Executive	Executive			
Finance	Finance, Budget, Investments, Procurement		Utility Administration	Utility Administration
Human Relations	Human Relations, Labor Relations, Payroll			
Administration	City Administration, Legal Risk Management, Information Technology, Community Outreach, Public Records, Events			
Public Safety	Police Administration & Services, Municipal Court, Civil Service, Animal Control			
Community Development	Community Development, Building Permits, Land Use, Code Enforcement			
Public Works	Public Works Administration, Facilities, Cemetery, Parks, Engineering Review	Street Operations and Maintenance	Water Distribution	Stormwater Drainage



# 2020 Adopted Budget

## Mayor and City Council



### Overall Goal

- Effectively represent the citizens of the City of Ridgefield.
- Provide leadership as the policy-making body for the City.

### Key Objectives

- Adopt City policy through ordinances and resolutions.
- Adopt annual budgets that finance City services, reflect Council goals, objectives, and community vision.
- Serve as ambassadors of the City by maintaining effective communications with citizens.
- Advocate for the City and maintain relationships with other governmental agencies and legislative bodies whose programs and policies affect the City.



# 2020 Adopted Budget

## Mayor and City Council



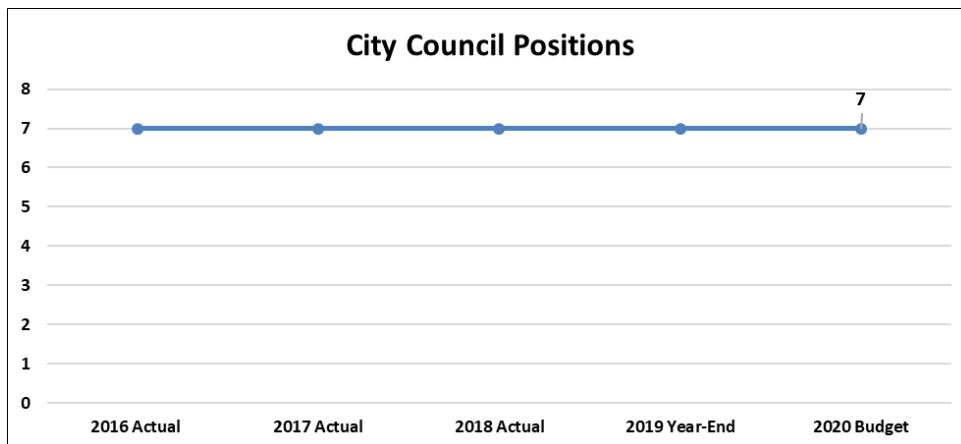
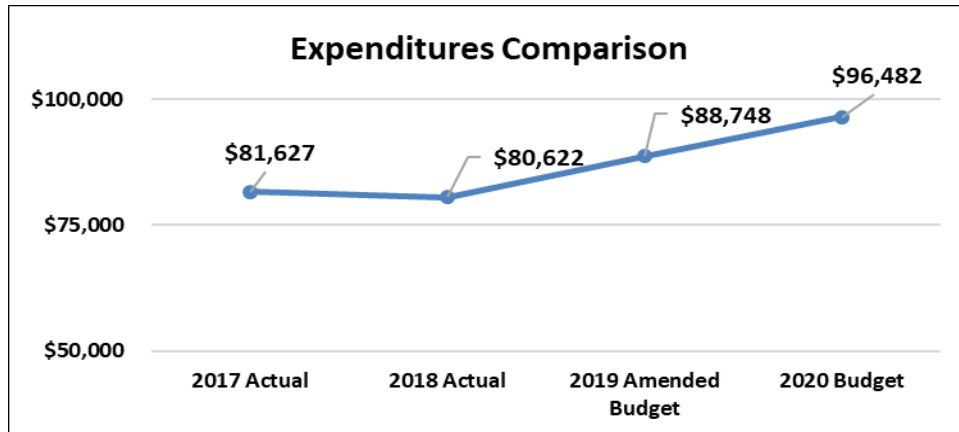
### City Council Budget Summary:

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
Personnel	\$52,936	\$52,556	\$52,573	\$55,257
Supplies	435	991	1,575	1,625
Service/Advocacy	10,997	11,590	15,000	17,000
Utilities	4,423	3,931	5,000	5,000
Maintenance	3,735	3,308	4,600	5,600
Intergovernmental	9,101	8,246	10,000	12,000
<b>Total Budget</b>	<b>\$81,627</b>	<b>\$80,622</b>	<b>\$88,748</b>	<b>\$96,482</b>



# 2020 Adopted Budget

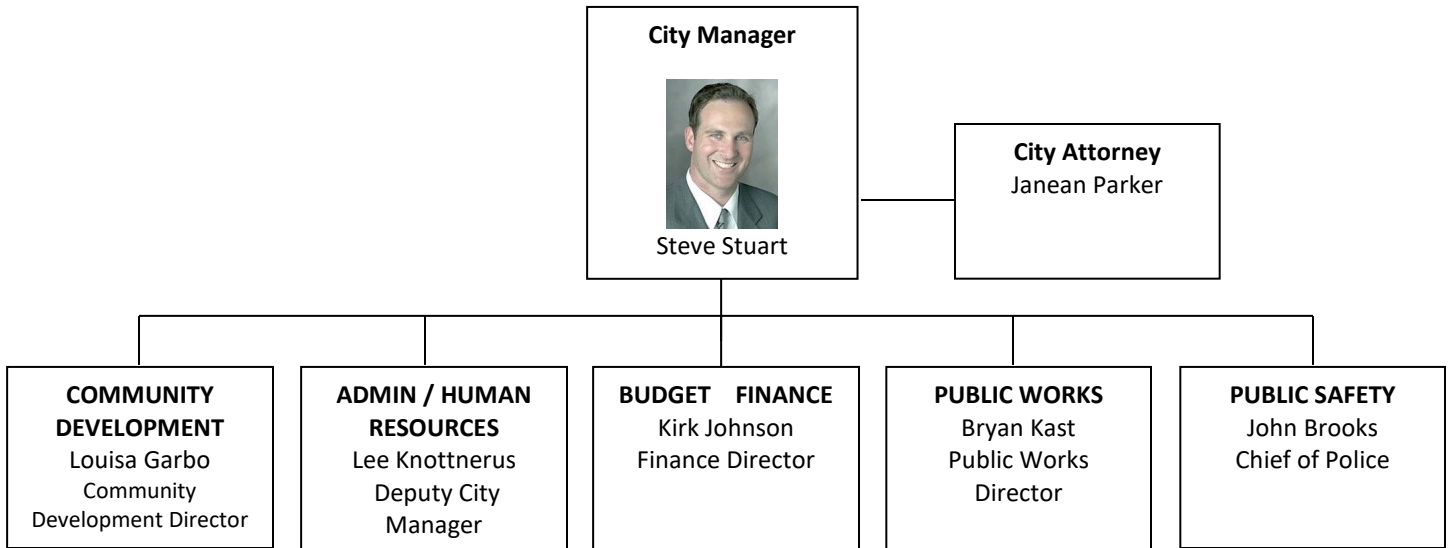
## Mayor and City Council





# 2020 Adopted Budget

## Executive



### Department Overview

The City Manager is appointed by the City Council as the chief administrator for the City of Ridgefield. The City Manager is responsible to the Mayor and Council for the proper administration of all City business.

### Key Objectives

- Report and make recommendations to the Mayor and Council about the needs of the City.
- Administer and enforce all City ordinances, resolutions, franchise agreements, leases, contracts, permits, and other City business.
- Organize City department and administrative structure.
- Prepare and administer the annual City budget.
- Encourage and support regional and intergovernmental cooperation.
- Promote cooperation among the Council, staff and citizens in developing City policies and building a sense of community.
- Provide council and staff with leadership and advice while implementing best practices to achieve adopted goals and deliver quality services to the community.
- Administer economic development programs for the City.

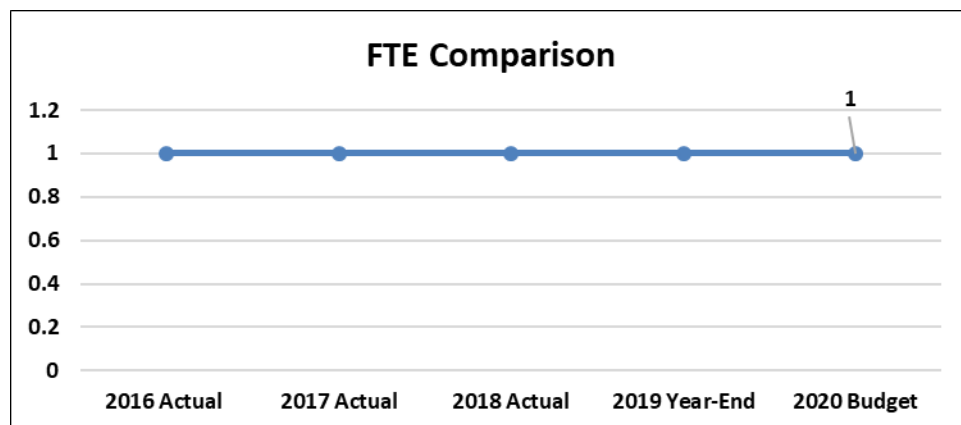
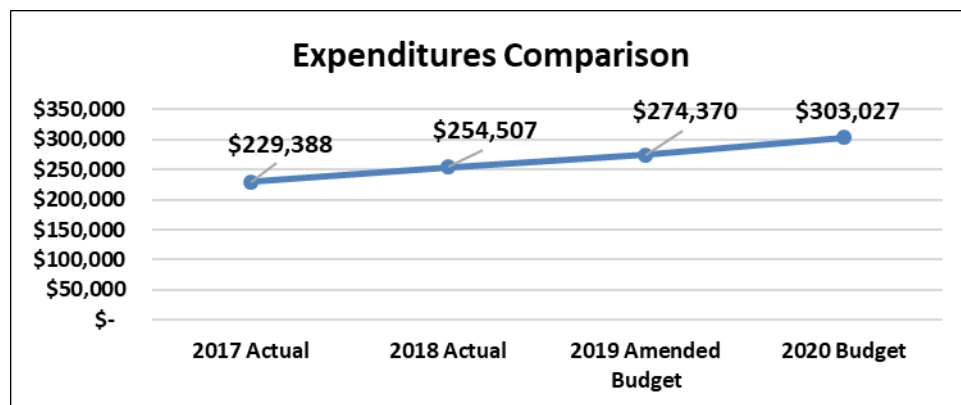


# 2020 Adopted Budget

## Executive

### Executive Budget Summary:

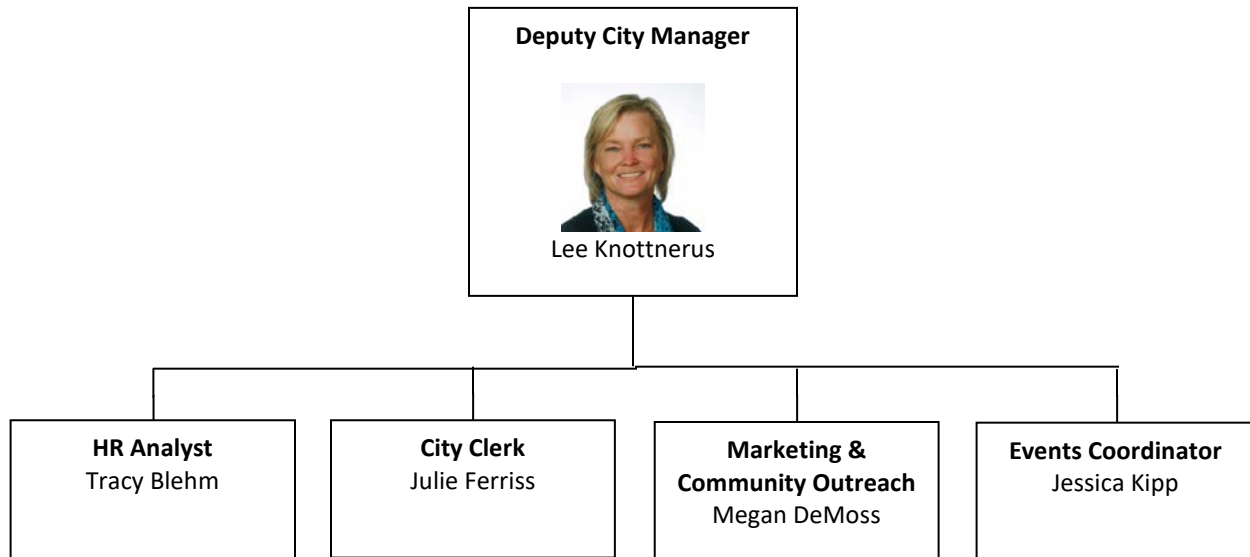
	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
Personnel	\$211,791	\$233,347	\$254,955	\$280,727
Supplies	433	539	825	750
Services/Prof Dev	15,285	17,995	16,806	19,000
Maintenance	1,402	2,172	1,234	2,000
Utilities	477	454	550	550
<b>Total Budget</b>	<b>\$229,388</b>	<b>\$254,507</b>	<b>\$274,370</b>	<b>\$303,027</b>





# **2020 Adopted Budget**

## **Administration/Human Resources**



### **Department Overview**

The Administration Department is responsible for administrative and informational services to the City Council, City Manager and other City Departments as well as for community relations and events. Personnel in the department oversee and manage City Clerk functions, public records, human resources, labor relations, payroll, information technology, community engagement, events, risk management and Title VI civil rights compliance.

### **2020 Goals**

- Support and enhance downtown revitalization efforts by strengthening partnerships with downtown merchants, Ridgefield Main Street and the Ridgefield Chamber; exploring and offering additional recreational activities and continuing to implement a comprehensive community outreach and events strategy.
- Expand public relations and opportunities for citizen engagement through the City's website, app, social media, printed material, in person events/meetings and text outreach programs.
- Create and expand administrative, human resource and labor relation programs through negotiation of collective bargaining agreements with the City's two unions, enhancing a culture of employee engagement, building on risk management and safety programs, expanding recruitment and career development programs and creating internal efficiencies and procedures.



## 2020 Adopted Budget

### Administration/Human Resources



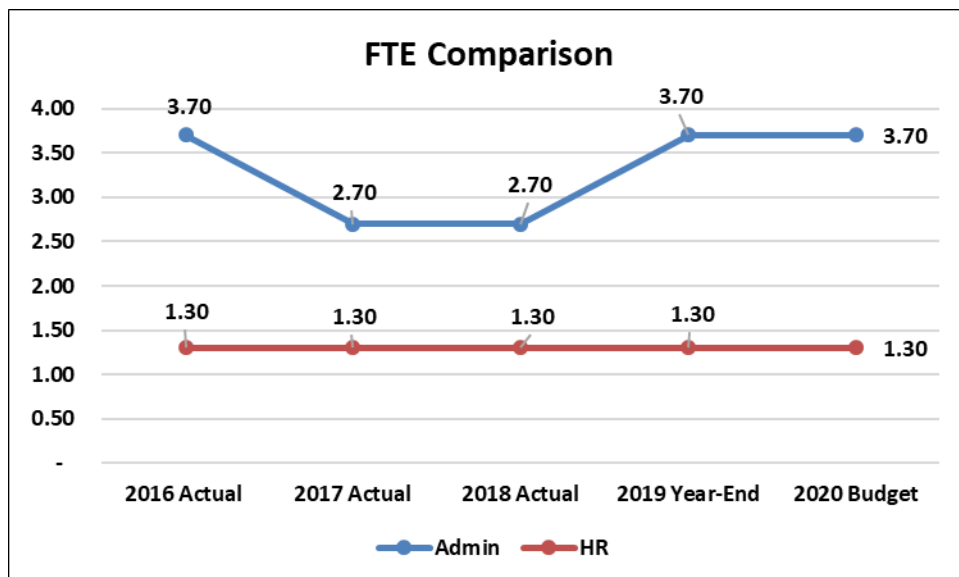
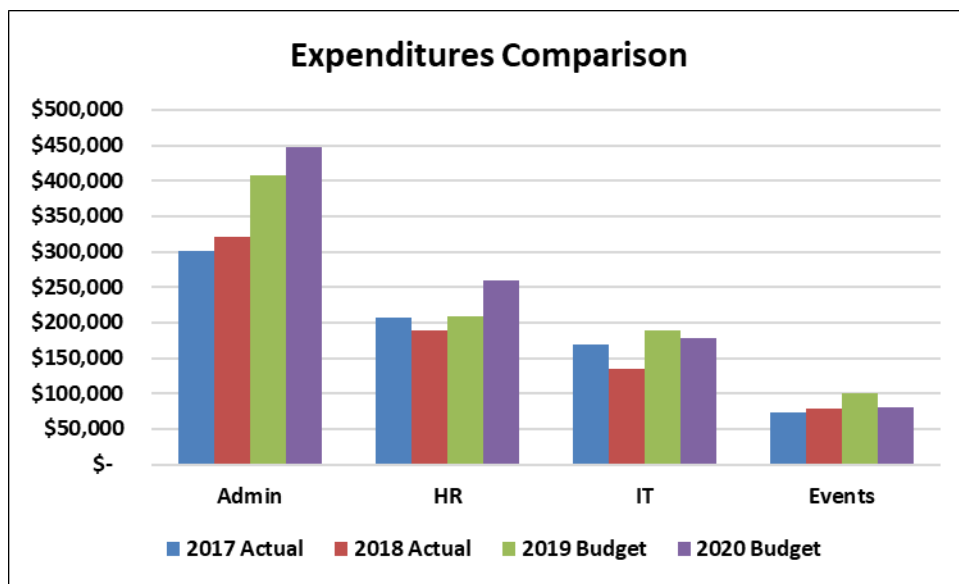
#### Administration, Human Resources, Information Technology and Events Budget Summary:

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b><u>Administration</u></b>				
Personnel	\$296,198	\$312,067	\$391,132	\$431,929
Supplies	680	411	3,500	1,000
Services/Prof Dev	3,025	8,241	10,000	13,000
Maintenance	660	275	1,500	1,600
Utilities	477	454	550	550
<b>Total Admin Budget</b>	<b>\$301,040</b>	<b>\$321,448</b>	<b>\$406,682</b>	<b>\$448,079</b>
<b><u>Human Resources</u></b>				
Personnel	\$163,502	\$166,913	\$181,683	\$188,679
Services/Prof Dev	44,048	22,238	26,275	71,350
<b>Total HR Budget</b>	<b>\$207,550</b>	<b>\$189,151</b>	<b>\$207,958</b>	<b>\$260,029</b>
<b><u>Information Technology</u></b>				
Maintenance	\$144,693	\$104,675	\$176,559	\$145,409
Capital	24,316	30,384	11,610	33,500
<b>Total Info Tech Budget</b>	<b>\$169,009</b>	<b>\$135,059</b>	<b>\$188,169</b>	<b>\$178,909</b>



## 2020 Adopted Budget

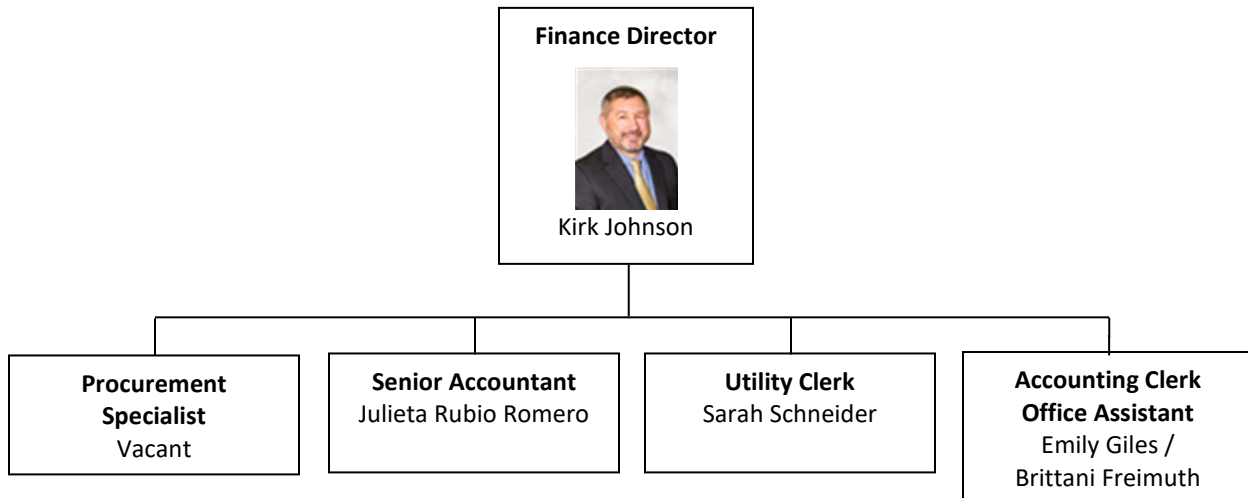
	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b><u>Events</u></b>				
Community Events	\$73,614	\$78,846	\$100,000	\$80,000
<b>Total Community Events</b>	<b>\$73,614</b>	<b>\$78,746</b>	<b>\$100,000</b>	<b>\$80,000</b>





# 2020 Adopted Budget

## Budget/Finance



### Department Overview

The Finance Department is responsible for compliance with generally accepted accounting principles (GAAP) and applicable State and Federal regulations. The Finance Department role includes responsibility for the City's financial stability, preparation of the City's annual budget, financial reporting, investment activities, daily accounting processes, utility billing and account management, contracting and grant management and procurement. The Finance Department provides support to the City Manager and City departments to ensure fiscal sustainability for the City of Ridgefield.

### Key Objectives

- Ensure City financial policies and procedures are implemented and carried out.
- Assist department management and staff to provide financial and budgetary support.
- Support and oversee the development of the annual budget.
- Contract and grant management support.
- Procurement services.
- Provide timely and accurate monthly, quarterly and annual financial reports.
- Oversee fee schedules and ensure proper utilization and processing of charges.
- Process and pay vendors timely and accurately.
- Create an efficient process for utility billing and receipting of payments.
- Perform customer service and support.

### 2020 Goals

- Implement city credit card program to new online account management platform.



## 2020 Adopted Budget

- Research new accounts payable platform to enhance electronic payments via ACH and single-pay credit cards.
- Complete fleet management study and propose updates to current processes.
- Implement 6-year capital budget and tie to capital facility plans and financial sustainability model.
- Add project page to financial transparency software and make available to public.
- Enhance contract and grant management workflow process in document management system.
- Implement DocuSign module into document management system for more efficient contract workflow and reduce paper output.
- Research and implement level payment plan for utility accounts by January 1, 2021.



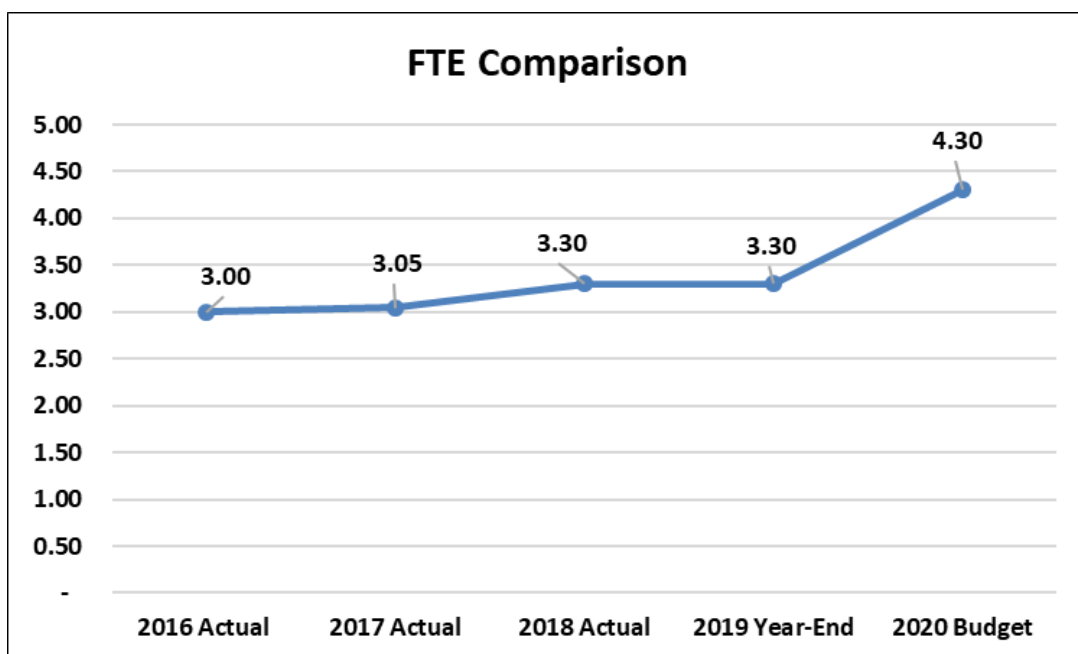
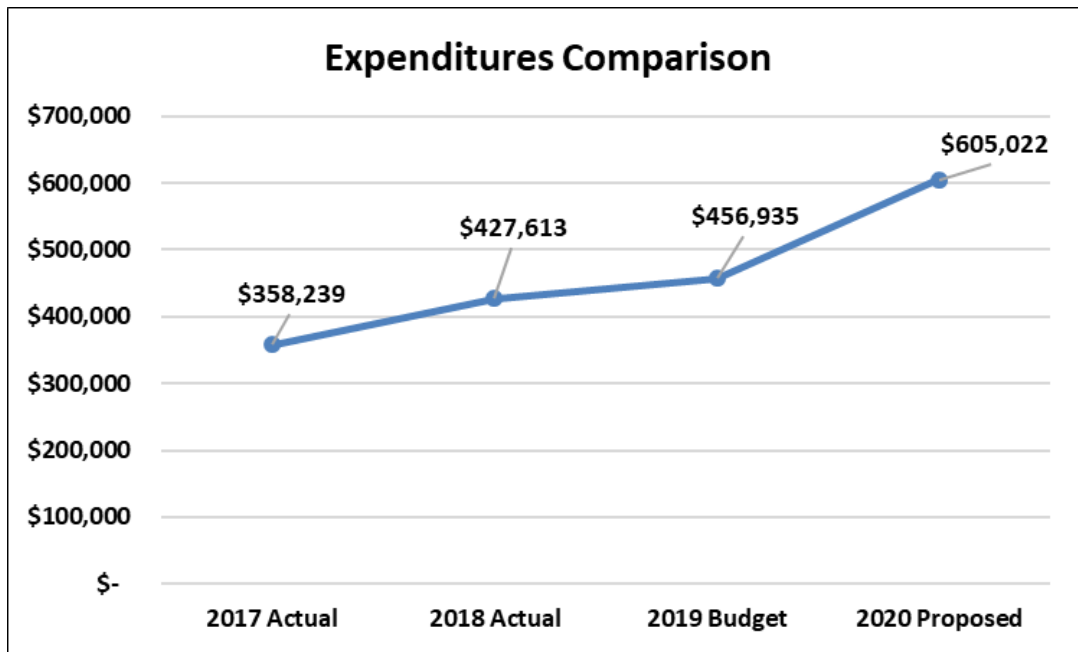
### Finance Budget Summary

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
Personnel	\$308,014	\$351,448	\$387,526	\$513,522
Supplies	2,092	1,876	2,159	16,100
Services/Prof Dev	19,843	38,029	26,000	30,000
Intergovernmental	27,044	35,350	40,000	44,000
Maintenance	769	456	700	850
Utilities	477	454	550	550
<b>Total Budget</b>	<b>\$358,239</b>	<b>\$427,613</b>	<b>\$456,935</b>	<b>\$605,022</b>



# 2020 Adopted Budget

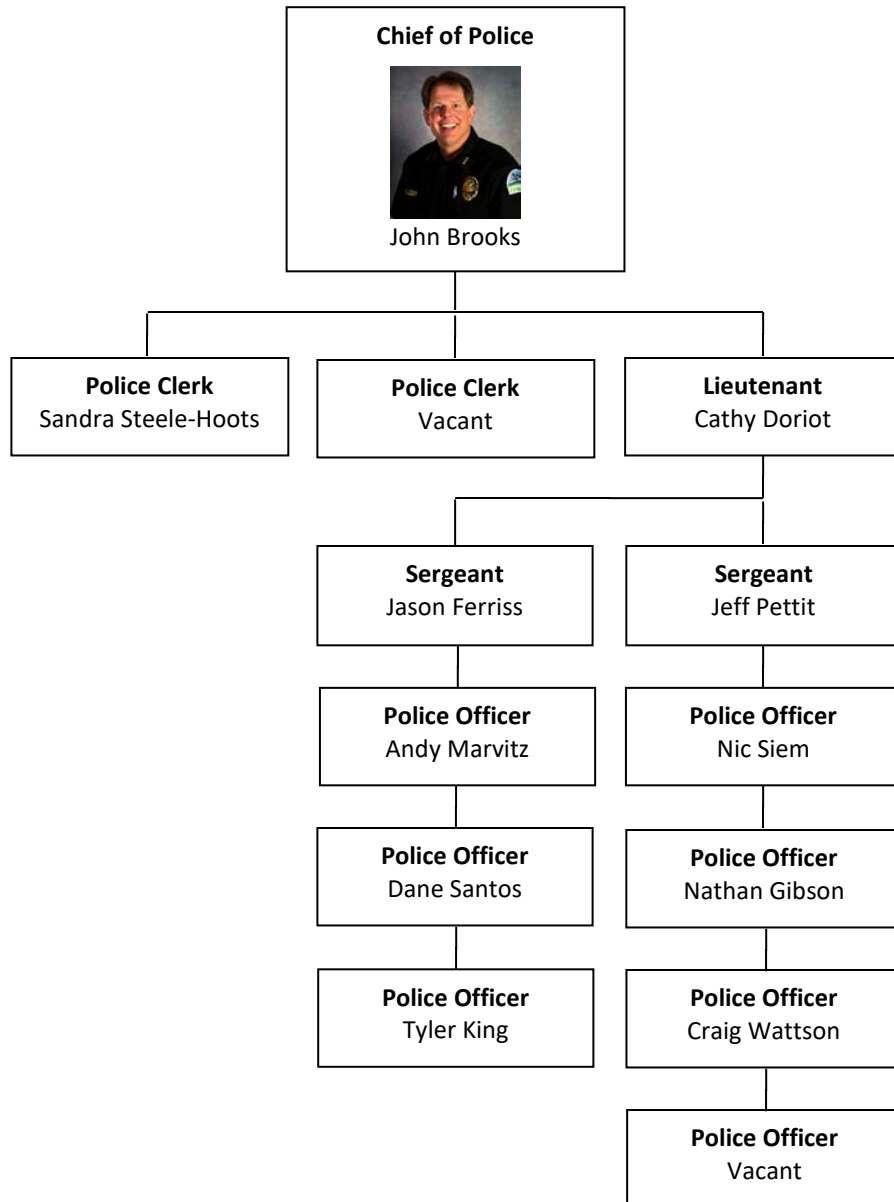
## Budget/Finance





## 2020 Adopted Budget

### Public Safety





## ***2020 Adopted Budget***

### ***Public Safety***

#### **Overall Goal**

Perform essential law enforcement services to the citizens of Ridgefield, the local businesses and their employees and patrons, and to others visiting or traveling through the City of Ridgefield. Also create partnerships that enhance public safety education to the community. Oversee the emergency management function for the City, maintaining and updating the emergency response procedures and providing ongoing training to staff and other involved stakeholders.

#### **2020 Goals:**

- Complete training for three replacement police officers, 2 sergeants, and one lieutenant due to retirement and promotions.
- Complete steps to position the Ridgefield Police Department for state accreditation in 2021.
- Complete the transition and move to a new police facility.





# 2020 Adopted Budget

## Public Safety



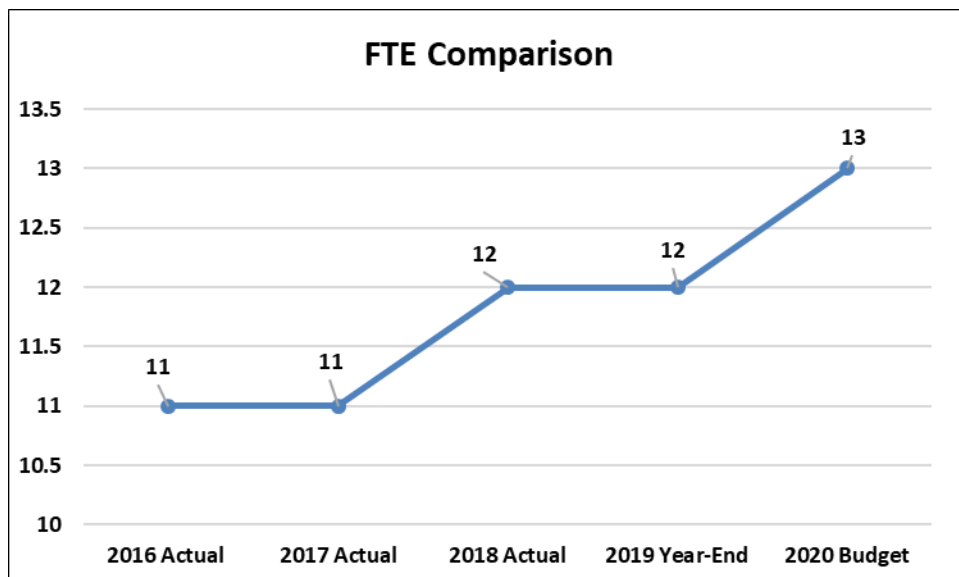
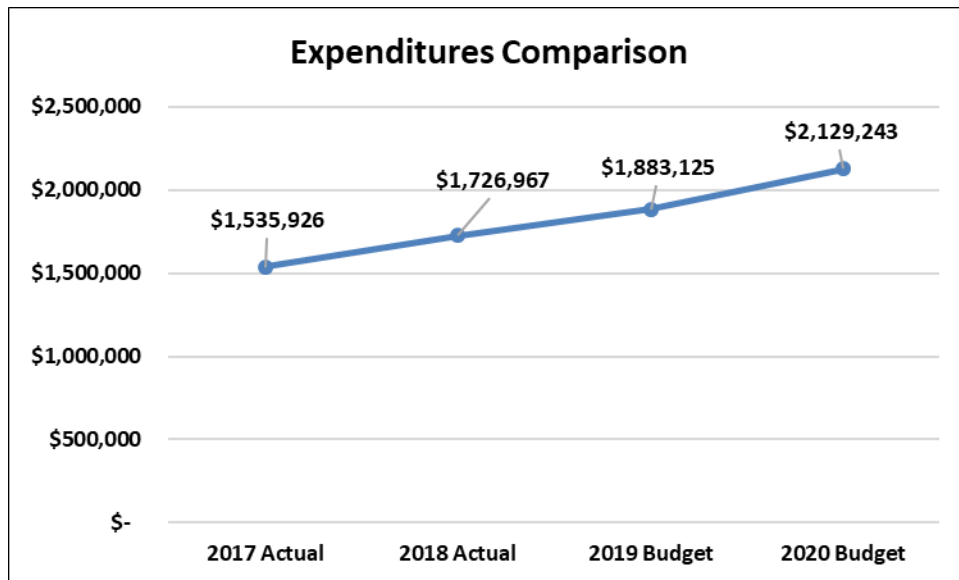
### Public Safety and Civil Service Budget Summary

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b><u>Public Safety</u></b>				
Personnel	\$1,248,880	\$1,369,070	\$1,537,862	\$1,582,751
Supplies	53,625	70,619	64,293	75,550
Services/Prof Dev	24,550	14,590	36,000	29,300
Intergovernmental	99,707	129,855	132,556	138,217
Maintenance	62,154	79,950	70,490	257,000
Utilities	20,402	22,117	21,700	26,200
Capital Outlays	6,384	20,542	0	0
Debt Service – CRESA	20,224	20,224	20,224	20,225
<b>Total Public Safety Budget</b>	<b>\$1,535,926</b>	<b>\$1,726,967</b>	<b>\$1,883,125</b>	<b>\$2,129,243</b>
<b><u>Civil Service</u></b>				
Supplies	\$0	\$0	\$100	\$100
Services	0	70	900	900
<b>Total Civil Service Budget</b>	<b>\$0</b>	<b>\$70</b>	<b>\$1,000</b>	<b>\$1,000</b>



# 2020 Adopted Budget

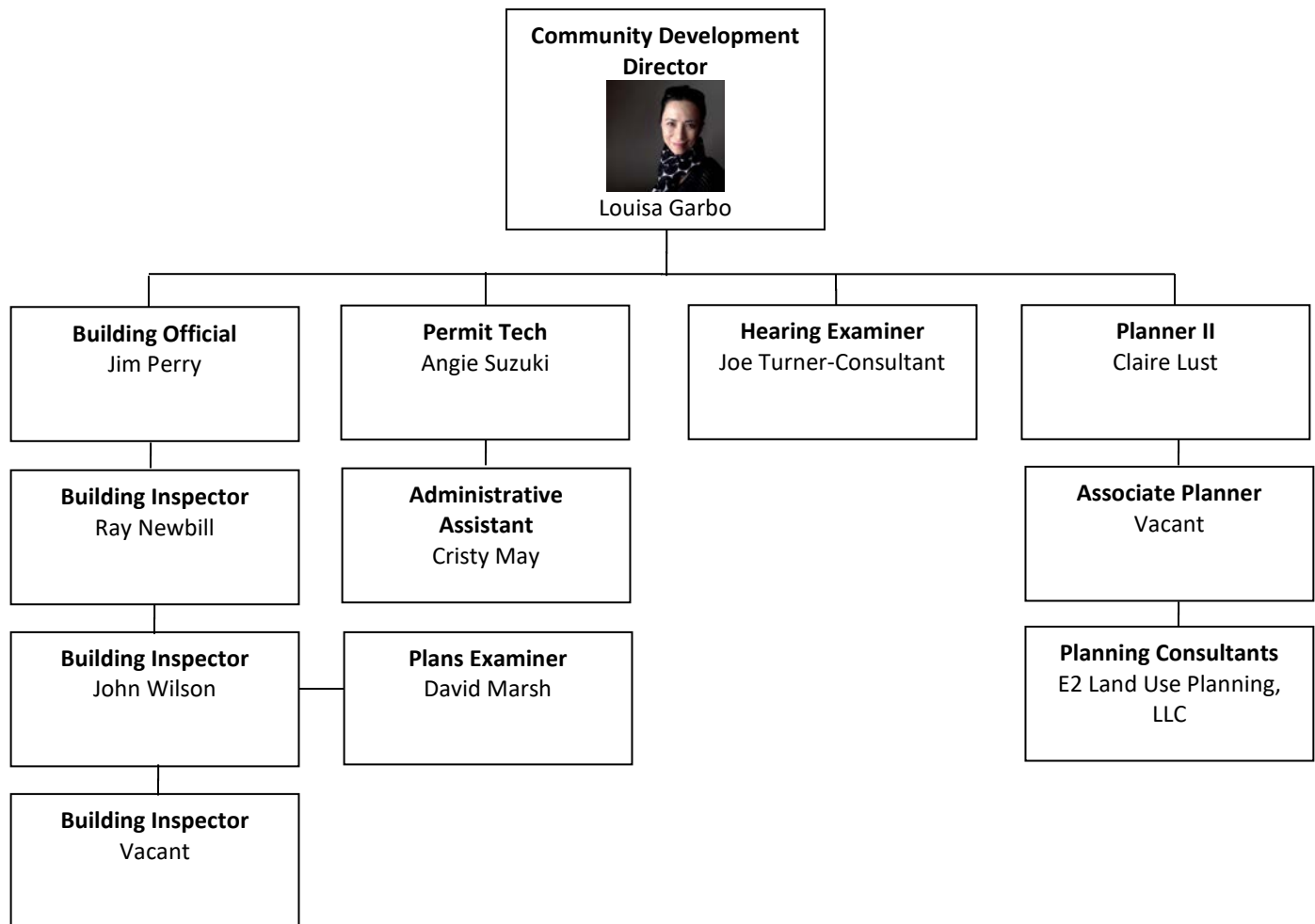
## Public Safety





# 2020 Adopted Budget

## Community Development



### Key Objectives

- Implement the City of Ridgefield Comprehensive Plan to ensure compliance with the State's Growth Management Act.
- Ensure the City's Development Code is up-to-date and in alignment with the City of Ridgefield Comprehensive Plan.
- Provide efficient land use development and building permit processes to serve the Ridgefield community.
- Coordinate and collaborate with internal and external stakeholders and agencies.
- Ensure the building of an economically, environmentally and socially sustainable community.



## 2020 Adopted Budget

### 2020 Goals

- Complete implementation of the online permitting system.
- Streamline review processes.
- Complete required legislative updates.
- Implement the increase in jobs per acre incentive program.
- Continue to manage growth in a sustainable way.



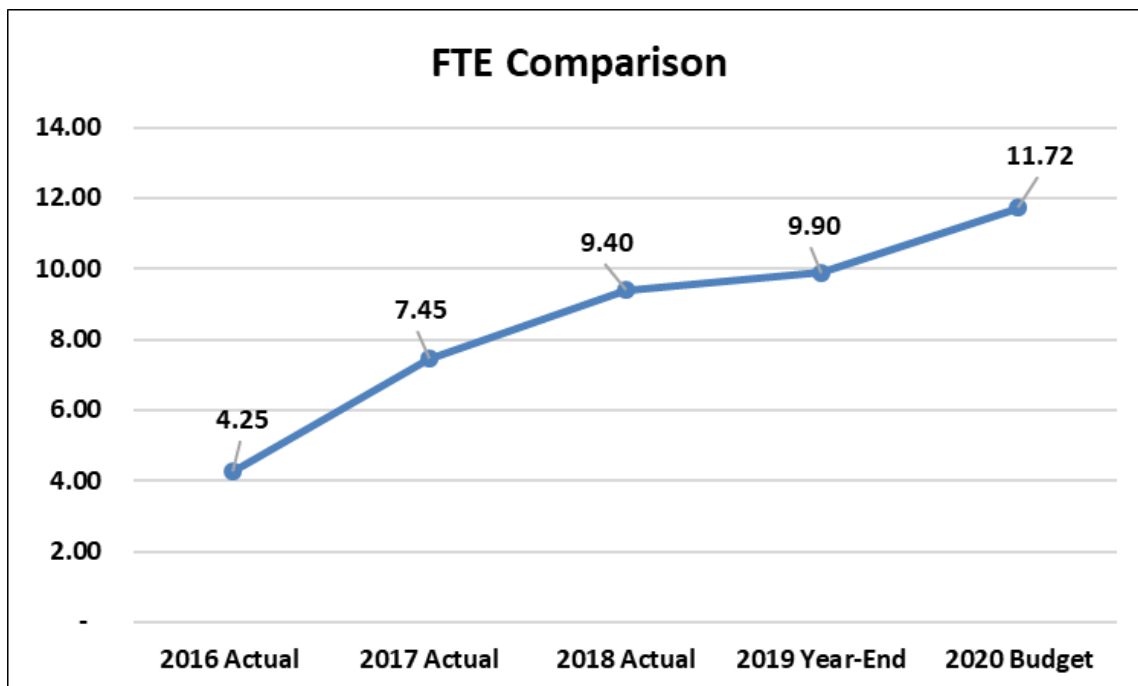
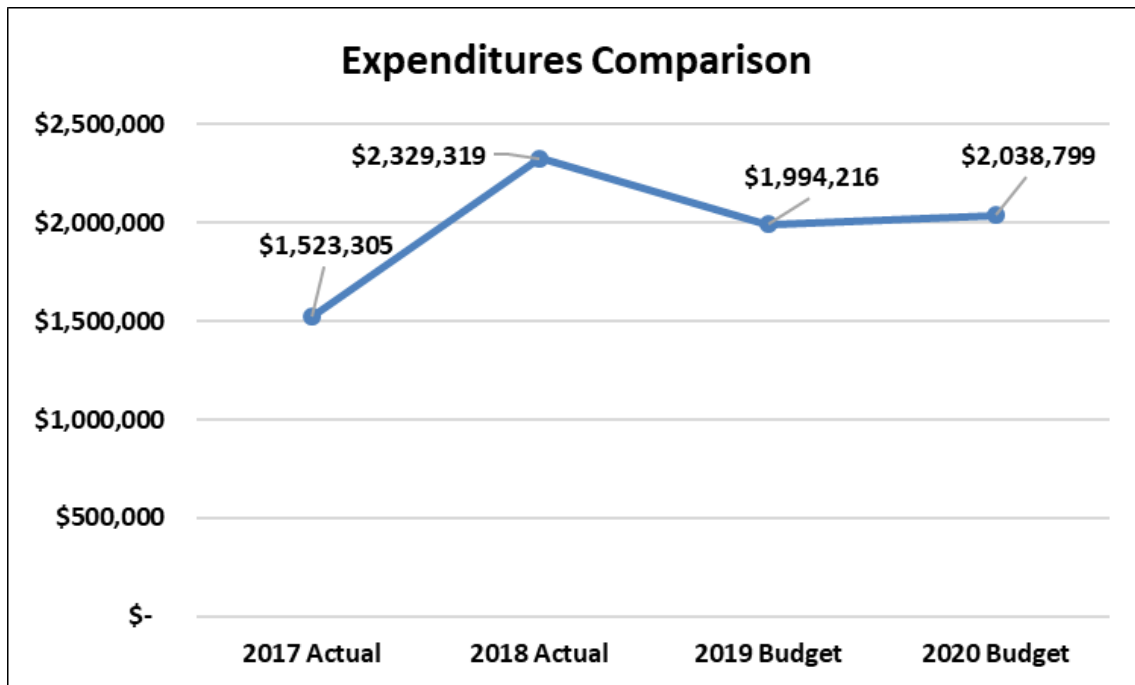
### Community Development Budget Summary

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
Personnel	\$764,292	\$901,969	\$1,075,237	\$1,329,134
Supplies	19,716	18,644	25,785	35,650
Services/Prof Dev	593,018	662,685	570,453	417,500
Intergovernmental	9,144	8,229	3,850	4,085
Maintenance	56,895	700,918	194,421	181,430
Utilities	13,162	15,624	11,600	10,700
Capital Outlays	67,078	21,250	112,870	60,300
<b>Total Budget</b>	<b>\$1,523,305</b>	<b>\$2,329,319</b>	<b>\$1,994,216</b>	<b>\$2,038,799</b>



## 2020 Adopted Budget

### Community Development





## 2020 Adopted Budget

### Public Works

Public Works Director



Bryan Kast

Staff Engineer



Brenda Howell

Engineer Tech

Grant Williams

Admin Assistant



Lisa Blake

Utilities Supervisor



Scott Brunson

Utilities III  
Fred Crippen

Utilities III  
Jim Strickler

Utilities I  
Jeff Bolling

Stormwater Maintenance  
Ryan Thamert

Utilities III  
Nick Crockford

Facilities Supervisor



Tad Arends

Maintenance Mechanic  
Don Webberly

Facilities II  
Eli Krebsner

Facilities I  
Michael Venne

Facilities I  
Spencer Kauffman

Facilities I  
Nick Johnson

Facilities I  
Kelly Melroy

Park Caretaker (PT)  
James Barhitte



# ***2020 Adopted Budget***

## ***Public Works***

### **Key Objectives**

- Effectively operate and maintain the City's infrastructure.
- Manage the City's capital improvement projects.
- Develop and implement standards and Capital Facilities plans for all areas of Public Works: transportation, parks and trails, facilities, drinking water, and storm water drainage.
- Review and inspect development projects in coordination with planning and building.
- Coordinate the City's activities with regional partners including Clark Regional Wastewater District, Clark Public Utilities, Regional Transportation Council and Clark County; and local partners including Ridgefield School District and the Port of Ridgefield.

### **2020 Goals**

- Replace and purchase key equipment to assist in providing consistent maintenance of City infrastructure.
- Prepare for succession planning through implementation of GIS and asset management systems to transfer staff knowledge into data base.
- Reduce or eliminate the need to sub-contract to engineering consultants, by training and utilizing existing engineering staff.
- Expand water source capacity to meet growth related demand by adding one or more wells.



## 2020 Adopted Budget

### Public Works



#### Public Works Budget Summary

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b><u>Facilities</u></b>				
Personnel	\$102,173	\$106,204	\$109,943	\$169,173
Supplies	2,948	2,617	2,430	3,300
Services/Prof Dev	5,651	912	2,900	3,000
Maintenance	18,790	19,026	21,383	24,500
Capital Outlay	3,078	34,224	100,000	60,500
<b>Total Facilities</b>	<b>\$132,640</b>	<b>\$162,983</b>	<b>\$236,656</b>	<b>\$260,473</b>
<b><u>Cemetery</u></b>				
Personnel	\$11,358	\$14,933	\$30,066	\$25,335
Supplies	1,035	1,060	2,931	3,000
Services/Prof Dev	47	2,024	1,100	1,100
Maintenance	515	486	3,550	3,550
Utilities	519	447	463	500
Capital Outlays	0	0	0	0
<b>Total Cemetery</b>	<b>\$13,474</b>	<b>\$18,950</b>	<b>\$38,110</b>	<b>\$33,485</b>



## 2020 Adopted Budget

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b><u>Parks</u></b>				
Personnel	\$232,379	\$297,517	\$328,323	\$367,219
Supplies	24,085	27,034	28,808	35,300
Services/Prof Dev	22,838	7,586	45,107	20,250
Intergovernmental	52	0	100	65
Maintenance	44,310	36,807	98,500	127,250
Utilities	36,555	43,004	43,700	43,950
Capital Outlays	0	5,359	90,000	25,000
Transfers	2,483	12,263	38,000	360,000
<b>Total Parks</b>	<b>\$362,702</b>	<b>\$429,570</b>	<b>\$672,538</b>	<b>\$979,034</b>
<b><u>Streets</u></b>				
Personnel	\$260,531	\$277,093	\$321,690	\$362,877
Supplies	21,302	23,164	23,250	29,000
Services/Prof Dev	7,607	1,777	8,300	27,600
Intergovernmental	11,248	0	15,000	15,000
Maintenance	167,018	64,464	73,583	93,020
Utilities	53,990	116,236	87,675	106,800
Capital Outlays	59,678	25,826	54,650	3,000
Transfers	23,908	22,386	20,333	21,740
<b>Total Streets</b>	<b>\$605,282</b>	<b>\$530,946</b>	<b>\$604,481</b>	<b>\$659,037</b>
<b><u>Water</u></b>				
Personnel	\$598,090	\$652,393	\$673,714	\$724,698
Supplies	122,077	183,297	196,655	194,550
Services/Prof Dev	43,932	31,083	118,350	74,050
Intergovernmental	266,997	407,796	469,435	443,551
Maintenance	42,978	49,132	87,290	105,320
Utilities	107,768	111,027	108,700	117,300
Capital Outlays	278,937	252,326	3,995	40,000
Transfers	82,234	361,557	111,088	125,767
Debt Service	200,800	202,684	200,904	198,540
<b>Total Water</b>	<b>\$1,743,813</b>	<b>\$2,251,295</b>	<b>\$1,970,131</b>	<b>\$2,023,776</b>



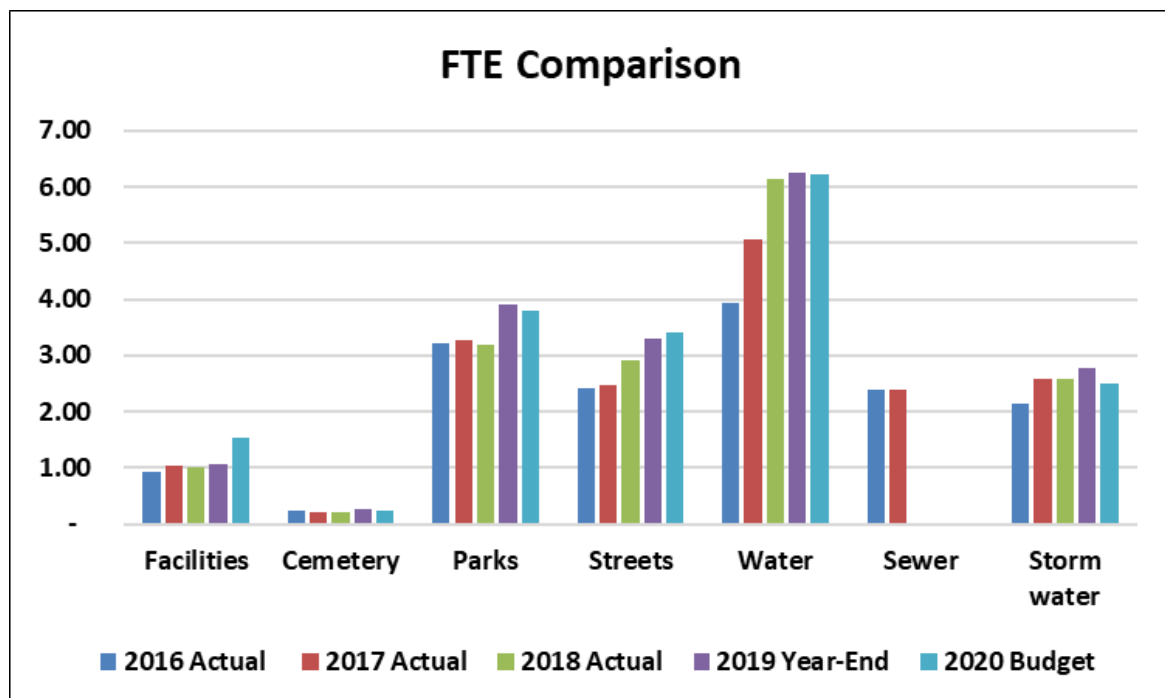
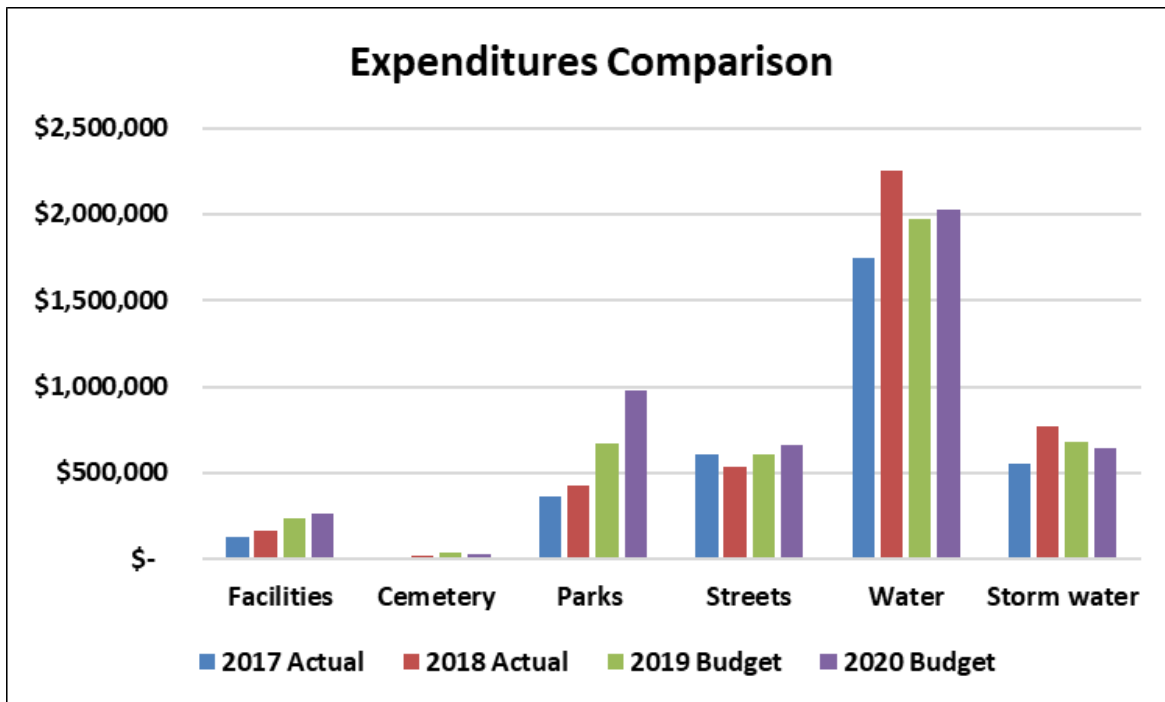
## ***2020 Adopted Budget***

	<u><b>2017 Actual</b></u>	<u><b>2018 Actual</b></u>	<u><b>2019 Budget</b></u>	<u><b>2020 Budget</b></u>
<b><u>Storm water</u></b>				
Personnel	\$193,752	\$202,131	\$281,678	\$282,599
Supplies	22,984	29,304	23,700	33,800
Services/Prof Dev	61,031	25,396	15,675	26,500
Intergovernmental	122,068	131,251	207,421	180,076
Maintenance	31,612	41,249	50,830	46,150
Utilities	9,307	8,788	11,110	9,850
Capital Outlays	57,372	43,834	34,540	3,000
Transfers	58,226	284,353	57,118	63,553
<b>Total Stormwater</b>	<b>\$556,352</b>	<b>\$766,306</b>	<b>\$682,072</b>	<b>\$645,528</b>
<b>Total PW Budget</b>	<b>\$3,414,263</b>	<b>\$4,160,050</b>	<b>\$4,203,988</b>	<b>\$4,601,333</b>



# 2020 Adopted Budget

## Public Works





## ***2020 Adopted Budget***

### ***V. Budget by Fund***



# **2020 Adopted Budget**

## ***Fund Descriptions***

### ***General Operating Fund – Fund 001***

The purpose of the General Fund is to provide for traditional government programs, which include the city council, judicial, executive management, legal, finance, human resources, general administration, general/facilities, information technology, public safety, cemetery, community development and parks. Taxes are the major source of revenue within the General Fund. Licenses and permits offer a significant resource to support community development. Transfers from other funds through an Indirect Cost Allocation Plan provide funding for expenses that are budgeted in the General Fund that benefit all funds for the City. The General Fund also provides support to other funds for debt service, street maintenance, and capital improvements.

#### ***City Council – Dept. 11***

The City Council is the elected legislative governing body of the City of Ridgefield and operates under a council-manager form of government, which consists of seven members elected at large from the community with one member serving as the Mayor.

The council determines and maintains effective legislative programs for the City and enacts ordinances and resolutions. The council meets at two regularly scheduled meetings per month to consider programs and services for the residents, approve expenditures of funds, and set public policy for the community. They participate in workshops and study sessions to review and discuss policy issues and attend numerous city-related committee and other governmental board meetings.

#### ***Judicial – Dept. 12***

The City of Ridgefield contracts with the City of Battleground for court services. Judges of the courts provide jurisdiction over all court proceedings pertaining to offenses defined by ordinances of the City, as well as, traffic violations and misdemeanor crimes cited by Public Safety Officers.

#### ***Executive – Dept. 13***

The Executive department consists of the City Manager, who is appointed by council. The City Manager is responsible for carrying out the policies and goals of the council and coordinating and directing the day-to-day activities of the City's operating departments; which includes the development and management of effective programs. City Manager duties also consist of the political and community leadership of the city.

#### ***Finance – Dept. 14***

The Finance Department maintains the City's financial records, preparation of monthly, quarterly and annual financial reports, financial forecasting, development of the annual budget



## ***2020 Adopted Budget***

and budget oversight. Additional duties include grant and contract management, processing of accounts payable and accounts receivable billing, and utility billing. The Finance Department provides audit oversight and assures the City is in compliance with federal and state accounting and auditing standards, while insuring other reporting requirements are adhered to in a timely fashion. Finance also provides effective management of the City's financial resources, including the handling of cash receipts and daily deposits, reconciliation of bank statements and managing the City's investment activities.

### ***Legal – Dept. 15***

The City of Ridgefield contracts for its City Attorney services. Services consist of general counsel and representing the City on various complex and specific legal matters. Services include administer civil lawsuits, prepare legal documents, and advise City officials on legal rights, obligations, practices and other phases of applicable federal, state and local law.

### ***Human Resources – Dept. 17***

Human Resources provide support for personnel and payroll management for the City of Ridgefield. Human Resources will ensure the City is compliant with all federal, state and local labor laws. Additional duties include managing the hiring process for new employees, managing the wellness program, benefit and labor contract negotiation and management.

### ***Administration – Dept. 18***

Administration provides support to the city council, maintains official records and legal documents, oversees records management and ensures requests for public records are processed timely. Additionally, Administration ensures risk management policies and procedures are in place and ensure communications such as brochures, press releases, and newsletters, are appropriately prepared. Administration provides coordination support for community events sponsored by the City, acts as a liaison with business associations, and provides administrative staff for council and commission meetings.

### ***General/Facilities – Dept. 19***

This cost center incorporates costs that benefit the City in whole. It includes the costs for office and operating supplies, postage, licensing and purchases, City Hall utilities, computer systems consulting fees, liability insurance, lobbying, janitorial, community events and other general costs. This also includes the cost for facilities.

### ***Information Technology – Dept. 20***

Information Technology includes information services. Information service includes computer system administration, telecommunications, desktop support, and computer hardware and software purchase and maintenance.



## ***2020 Adopted Budget***

### ***Public Safety – Dept. 21***

Public Safety is responsible for protecting life and property, preserving the peace, preventing crime, maintaining positive community relations, apprehending and arresting criminal violators, recovering property, planning and regulating traffic and encouraging and developing community involvement and interaction with the department.

Public Safety investigates crimes that occur within the City and follow through to a successful conclusion. They initiate criminal investigations and assist outside agencies and follow up when required.

### ***Civil Service – Dept. 22***

The Civil Service Commission consists of three (3) members - one (1) chairman and two (2) commissioners. A secretary/examiner provides support to the commission. The Commission is responsible for administering all tests and setting the necessary qualifications for potential police department candidates and adopting local rules consistent with Washington State Law concerning regulations of personnel administration.

### ***Cemetery – Dept. 36***

Performs maintenance activities and oversight for the Ridgefield Cemetery.

### ***Community Development – Dept. 58***

The Community Development Department provides short and long-term visioning and comprehensive planning for the future physical development of the city. Comprehensive planning includes the coordination of capital facility planning, participation in park planning and use policies, implementation of development regulations, development review, issues building permits, and legislative updates of development procedures and zoning compliance. Community Development is responsible for building and associated code compliance, land use and development application review and processing, and enforcement of the development code. The department conducts building inspection services to ensure building and construction activities conform to City plans and codes.

### ***Parks – Dept. 76***

Conducts support and maintenance of City-owned parks. Ensures citizens and visitors are provided with safe, clean and attractive parks and open space areas where families can spend leisure time and participate in a variety of recreational activities. The City maintains three major parks, Abrams Park, Davis Park and Overlook Park. The City also maintains several neighborhood parks throughout the City. Public Works staff performs maintenance service activities for the parks.



## ***2020 Adopted Budget***

### ***Utility Operating Funds***

The utility funds include water, and storm water operating revenues and expenditures and capital projects revenue sources and associated expenditures. The utility operating funds are enterprise funds and operate in a fashion comparable to a private business entity.

#### ***Water Utility Operating – Fund 406***

Incorporates the management and oversight of City owned water utilities and provides for the delivery of safe, high quality water for all water users. The water utility provides support for the operation and maintenance of the water distribution system, storage reservoirs, wells, pumps, fire hydrants, emergency interties, telemetry and related equipment. The majority of revenue is generated from user fees.

#### ***Storm Water Utility Operating – Fund 408***

The Storm Water Utility Fund provides for the maintenance and operation of the City's storm drainage facilities. Good maintenance of the drainage facilities reduces the impact from heavy rain or prolonged wet weather conditions. The majority of revenue is generated from user fees.

### ***Special Revenue Funds***

Special revenue funds are restricted in use and established to track identified revenues that can only be used for specific purposes that is determined by the fund.

#### ***Streets – Fund 101***

The Street Fund comprises both arterial and city roads and is designed to operate and maintain the built-in capacity, traffic control, and safety devices of the street network including sidewalks, street lighting, signage, surface water drainage facilities and road side trees and vegetation. Public Works staff oversees and maintains the streets. The majority of funding is from General Fund subsidies and motor vehicle fuel taxes.

#### ***Drug – Fund 111***

The Drug Fund is used towards activities and equipment related to drug enforcement prevention and policing. The Drug Fund is funded by revenues received from drug seizure/forfeitures, fines and penalties related to drug and alcohol offenses, and proceeds from the soft drink machines located at the police department.

#### ***Transportation Benefit District (TBD) – Fund 150***

The TBD fund records the collection and accounting of vehicle licensing fees, collected from residents who live in the Ridgefield city limits at the time they register or renew their vehicle registration. Funds are used to support the city's pavement preservation program to maintain and rebuild existing roads with the city.



## ***2020 Adopted Budget***

### ***Capital Service Funds***

#### ***Real Estate Excise Tax (REET) – Fund 105***

The REET fund records the collection and accounting for the receipt of revenue from the sale of real property in the City. These funds can only be used for specific purposes, such as constructing or acquiring new City facilities, purchasing land, or paying the debt service to acquire these facilities.

#### ***Park Impact Fees (PIF) – Fund 114***

The PIF fund records the collection and accounting of park impact fees, collected from developers, who construct new housing developments. The funds are used to acquire land and construct new park facilities. The Park Impact Fee is a charge to be used exclusively to build or expand capacity that is required as a result of development.

#### ***Traffic Impact Fees (TIF) – Fund 115***

The TIF fund records the collection and accounting of transportation impact fees, collected from developers, when constructing new developments. Funds are used for the construction of city street infrastructure. The Traffic Impact Fee is a charge to be used exclusively to build or expand capacity that is required as a result of development.

#### ***Water System Development Charges (WSDC) – Fund 416***

The Water SDC fund records the collection and accounting of system development charges (SDC), collected from developers, at the time of development that connects to the City water system. Funds are used to develop and complete the facilities listed in the Water Master Plan. The SDC is used for building capital facilities that are needed as a result of development.

### ***Debt Service Funds***

#### ***Debt Service – Fund 200***

The Debt Service Fund is used to account for the principal and interest payments associated with the General Fund and general fund supported funds, such as Streets and Parks. This does not include debt service associated with enterprise funds.

### ***Capital Funds***

#### ***General Capital Projects – Fund 300***

The General Capital Projects Fund is used for construction of governmental capital projects and includes streets and parks projects. Funding sources for these projects come from grants and transfers from the Traffic Impact Fee Fund (TIF), the Park Impact Fee Fund (PIF), Real Estate Excise Tax Fund (REET), and the General Fund.

Capital projects are prioritized and planned based on the approved capital facilities plans. The adopted budget establishes appropriations to fund the projects of highest priority to the City Council and its citizens for the upcoming fiscal year.



## ***2020 Adopted Budget***

### ***Utility Capital Projects – Fund 410 and Fund 412***

Utility Capital Projects Fund is used to account for capital construction projects associated with the water, and storm water utility funds. Public Works staff is used to manage and oversee the capital projects, and the design, engineering and construction activities are conducted under contractual agreements.

Capital projects are prioritized and planned based on the approved capital facilities plans. The adopted budget establishes appropriations to fund the projects of highest priority to the City Council and its citizens for the upcoming fiscal year.

Funding comes from multiple sources, including Drinking Water State Revolving Fund loans, bond proceeds, system development charges and utility operating funds.

### ***Equipment Replacement Fund – Fund 501***

This fund was created in 2012 and will be used to account for transfers made from the operating funds and the expenditures made to purchase replacement vehicles and large equipment items. The amount to transfer and spend on purchases is based on a financial model. The financial model describes the asset, year of purchase, estimated life, associated fund and department that uses the asset, estimated date to replace and the estimated replacement cost.



# 2020 Adopted Budget

## Fund Summary Reports

Operating Funds Summary Report by Fund							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>001 General Fund</b>							
<b>Revenue</b>							
Property Tax	1,056,195	1,149,449	1,260,000	1,260,000	1,460,000	-	1,460,000
Retail Sales & Other Tax	1,721,834	2,635,867	3,149,550	3,176,106	3,142,025	-	3,142,025
Utility Taxes	986,860	1,015,750	1,097,098	1,080,689	1,172,046	-	1,172,046
License & Permits	688,425	1,175,971	1,090,010	1,177,058	1,198,298	-	1,198,298
Planning & Development	616,645	1,089,769	1,054,393	1,090,544	1,039,736	-	1,039,736
Fines & Forfeits	70,716	76,029	72,675	79,252	75,900	-	75,900
Charge for Goods & Svc	442,493	595,719	542,680	558,471	500,627	-	500,627
Intergovernmental/Grant	183,670	176,782	364,366	325,360	186,741	-	186,741
Other Rev/Donations	94,921	98,492	160,900	162,019	122,650	-	122,650
Other Financing Sources	-	2,072,912	-	-	-	-	-
Transfers In	1,555	8,798	-	-	-	-	-
<b>Total Revenue</b>	<b>5,863,314</b>	<b>10,095,538</b>	<b>8,791,672</b>	<b>8,909,499</b>	<b>8,898,023</b>	<b>-</b>	<b>8,898,023</b>
<b>Expense</b>							
City Council	81,627	80,622	88,748	87,691	96,482	-	96,482
Judicial	127,677	124,879	136,896	131,355	187,000	-	187,000
Executive	229,388	254,507	274,370	271,614	303,027	-	303,027
Legal	22,209	29,970	40,000	25,035	45,000	-	45,000
Finance	358,239	427,613	456,935	451,187	502,997	102,025	605,022
Human Resources	207,550	189,151	207,958	204,251	232,729	27,300	260,029
Administration	301,040	321,448	406,682	390,960	448,079	-	448,079
Gen Govt/Facilities	692,970	2,861,216	1,081,596	1,036,791	897,961	296,214	1,194,175
Information Tech	169,009	135,059	188,169	177,321	143,259	35,650	178,909
Public Safety	1,535,926	1,726,967	1,883,125	1,769,892	2,018,318	110,925	2,129,243
Civil Service	-	70	1,000	80	1,000	-	1,000
Cemetery	13,474	18,950	38,110	35,681	33,485	-	33,485
Transfers	476,100	341,124	677,170	572,597	505,500	41,000	546,500
Community Development	1,523,305	2,329,319	1,994,216	1,838,113	1,774,863	263,936	2,038,799
Parks	362,702	429,570	672,538	603,161	594,034	385,000	979,034
<b>Total Expense</b>	<b>6,101,216</b>	<b>9,270,465</b>	<b>8,147,513</b>	<b>7,595,729</b>	<b>7,783,734</b>	<b>1,262,050</b>	<b>9,045,784</b>
<b>Net Total</b>	<b>(237,902)</b>	<b>825,073</b>	<b>644,159</b>	<b>1,313,770</b>	<b>1,114,289</b>	<b>(1,262,050)</b>	<b>(147,761)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	2,580,774	2,342,872	3,167,945	3,167,945	4,481,715	5,596,004	4,481,715
Ending Fund Balance	2,342,872	3,167,945	3,812,104	4,481,715	5,596,004	4,333,954	4,333,954
GF Policy Reserve Balance	1,416,348	1,480,890	2,014,914	2,014,914	2,402,949	2,402,949	2,402,949
Building Policy Reserve Bal	381,317	394,376	574,578	574,578	467,814	467,814	467,814
Restricted for Building	824,063	546,444	165,059	165,059	340,899	340,899	340,899
Fund Balance Available	(278,856)	746,235	1,057,553	1,727,164	2,384,342	1,122,292	1,122,292



## 2020 Adopted Budget

<b>Operating Funds Summary Report by Fund</b>							
Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>101 Street Fund</b>							
<b>Revenue</b>							
Utility Tax/Franchise Fee	57,992	69,750	75,186	79,010	85,634	-	85,634
Permits	10,688	21,806	14,000	18,298	20,000	-	20,000
Grants	-	-	-	-	-	-	-
Intergovernmental	158,094	168,375	179,604	179,604	201,116	-	201,116
Other Revenue	1,108	322	2,525	1,316	1,025	-	1,025
Transfers In	331,100	236,403	333,170	333,170	310,500	41,000	351,500
<b>Total Revenue</b>	<b>558,982</b>	<b>496,656</b>	<b>604,485</b>	<b>611,398</b>	<b>618,275</b>	<b>41,000</b>	<b>659,275</b>
<b>Expense</b>							
Streets	605,282	530,946	604,481	585,808	618,037	41,000	659,037
<b>Total Expense</b>	<b>605,282</b>	<b>530,946</b>	<b>604,481</b>	<b>585,808</b>	<b>618,037</b>	<b>41,000</b>	<b>659,037</b>
<b>Net Total</b>	<b>(46,300)</b>	<b>(34,290)</b>	<b>4</b>	<b>25,590</b>	<b>238</b>	<b>-</b>	<b>238</b>
<b>Fund Balance</b>							
Beg Fund Balance	86,040	39,740	5,450	5,450	31,040	31,278	31,040
Ending Fund Balance	39,740	5,450	5,454	31,040	31,278	31,278	31,278
Reserves Maintain in GF	-	-	-	-	-	-	-
Fund Balance Available	39,740	5,450	5,454	31,040	31,278	31,278	31,278

<b>Operating Funds Summary Report by Fund</b>							
Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>406 Water Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods & Svc	1,516,228	1,712,142	1,853,317	1,965,622	2,003,654	-	2,003,654
Other Revenue	11,184	9,017	9,300	6,517	10,605	-	10,605
Transfers In	213,868	203,276	200,904	200,904	198,540	-	198,540
<b>Total Revenue</b>	<b>1,741,280</b>	<b>1,924,435</b>	<b>2,063,521</b>	<b>2,173,043</b>	<b>2,212,799</b>	<b>-</b>	<b>2,212,799</b>
<b>Expense</b>							
Water Utility	1,743,813	2,251,295	1,970,131	1,872,425	1,950,306	73,470	2,023,776
<b>Total Expense</b>	<b>1,743,813</b>	<b>2,251,295</b>	<b>1,970,131</b>	<b>1,872,425</b>	<b>1,950,306</b>	<b>73,470</b>	<b>2,023,776</b>
<b>Net Total</b>	<b>(2,533)</b>	<b>(326,860)</b>	<b>93,390</b>	<b>300,618</b>	<b>262,493</b>	<b>(73,470)</b>	<b>189,023</b>
<b>Fund Balance</b>							
Beginning Fund Balance	1,393,124	1,390,422	1,113,549	1,113,549	1,414,167	1,676,660	1,414,167
Ending Fund Balance	1,390,422	1,113,549	1,206,939	1,414,167	1,676,660	1,603,190	1,603,190
Policy Reserve Balance	424,545	461,777	609,752	609,752	737,847	737,847	737,847
Fund Balance Available	965,877	651,772	597,187	804,415	938,813	865,343	865,343



## 2020 Adopted Budget

<b>Operating Funds Summary Report by Fund</b>							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>408 Stormwater Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods & Svc	497,532	560,683	667,545	671,705	749,000	-	749,000
Other Revenue	2,173	1,414	1,925	637	275	-	275
<b>Total Revenue</b>	<b>499,705</b>	<b>562,097</b>	<b>669,470</b>	<b>672,342</b>	<b>749,275</b>	<b>-</b>	<b>749,275</b>
<b>Expense</b>							
Stormwater Utility	556,352	766,306	682,072	667,255	633,728	11,800	645,528
<b>Total Expense</b>	<b>556,352</b>	<b>766,306</b>	<b>682,072</b>	<b>667,255</b>	<b>633,728</b>	<b>11,800</b>	<b>645,528</b>
<b>Net Total</b>	<b>(56,647)</b>	<b>(204,209)</b>	<b>(12,602)</b>	<b>5,087</b>	<b>115,547</b>	<b>(11,800)</b>	<b>103,747</b>
<b>Fund Balance</b>							
Beginning Fund Balance	486,711	430,064	247,302	247,302	252,389	367,936	252,389
Ending Fund Balance	430,064	247,302	234,700	252,389	367,936	356,136	356,136
Policy Reserve Balance	137,958	183,098	247,928	247,928	337,194	337,194	337,194
Fund Balance Available	292,106	64,204	(13,228)	4,461	30,742	18,942	18,942

<b>Special Revenue Fund Summary Report by Fund</b>							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>111 Drug Fund</b>							
<b>Revenue</b>							
Fines and Forfeits	921	4,007	1,000	946	1,000	-	1,000
Other Revenue	49	119	75	311	100	-	100
<b>Total Revenue</b>	<b>970</b>	<b>4,126</b>	<b>1,075</b>	<b>1,257</b>	<b>1,100</b>	<b>-</b>	<b>1,100</b>
<b>Expense</b>							
Small Tools & Equipment	4,017	8,900	8,791	2,541	-	-	-
Intergovernmental	-	28	-	-	-	-	-
<b>Total Expense</b>	<b>4,017</b>	<b>8,928</b>	<b>8,791</b>	<b>2,541</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>(3,047)</b>	<b>(4,802)</b>	<b>(7,716)</b>	<b>(1,284)</b>	<b>1,100</b>	<b>-</b>	<b>1,100</b>
<b>Fund Balance</b>							
Beginning Fund Balance	15,059	12,012	9,213	9,213	7,929	9,029	7,929
Ending Fund Balance	12,012	7,210	1,497	7,929	9,029	9,029	9,029
Fund Balance Available	12,012	7,210	1,497	7,929	9,029	9,029	9,029



## 2020 Adopted Budget

Special Revenue Fund Summary Report by Fund							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>150 Transportation Benefit District</b>							
<b>Revenue</b>							
Vehicle Licensing Fees	-	-	67,000	54,661	143,450	-	143,450
Other Revenue	-	-	-	1	50	-	50
<b>Total Revenue</b>	-	-	<b>67,000</b>	<b>54,662</b>	<b>143,500</b>	-	<b>143,500</b>
<b>Expense</b>							
Transfers-Out	-	-	30,000	30,000	-	-	-
<b>Total Expense</b>	-	-	<b>30,000</b>	<b>30,000</b>	-	-	-
<b>Net Total</b>	-	-	<b>37,000</b>	<b>24,662</b>	<b>143,500</b>	-	<b>143,500</b>
<b>Fund Balance</b>							
Beg Fund Balance	-	-	-	-	24,662	168,162	24,662
Ending Fund Balance	-	-	37,000	24,662	168,162	168,162	168,162
Fund Balance Available	-	-	37,000	24,662	168,162	168,162	168,162

Debt Service Fund Summary Report by Fund							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>200 Debt Service Fund</b>							
<b>Revenue</b>							
Transfers-In	20,224	456,555	808,499	808,499	807,650	-	807,650
Other Revenue	1,897	1,384	-	-	-	-	-
Other Financing Sources	9,991,682	7,099,533	-	-	-	-	-
<b>Total Revenue</b>	<b>10,013,803</b>	<b>7,557,472</b>	<b>808,499</b>	<b>808,499</b>	<b>807,650</b>	-	<b>807,650</b>
<b>Expense</b>							
Debt Service	205,438	633,781	808,499	808,499	807,650	-	807,650
Transfers-Out	8,141,709	8,671,000	-	-	-	-	-
<b>Total Expense</b>	<b>8,347,147</b>	<b>9,304,781</b>	<b>808,499</b>	<b>808,499</b>	<b>807,650</b>	-	<b>807,650</b>
<b>Net Total</b>	<b>1,666,656</b>	<b>(1,747,309)</b>	-	-	-	-	-
<b>Fund Balance</b>							
Beg Fund Balance	80,653	1,747,309	-	-	-	-	-
Ending Fund Balance	1,747,309	-	-	-	-	-	-
Fund Balance Available	1,747,309	-	-	-	-	-	-



## 2020 Adopted Budget

<b>Capital Service Fund</b>							
<b>Summary Report by Fund</b>							
	2017	2018	2019				
Description	Actual	Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>105 Real Estate Excise Tax (REET) Fund</b>							
<b>Revenue</b>							
Real Estate Excise Taxes	899,391	1,019,320	1,436,840	1,459,667	1,149,166	-	1,149,166
Other Revenue	22,788	963,679	66,250	70,291	15,000	-	15,000
<b>Total Revenue</b>	<b>922,179</b>	<b>1,982,999</b>	<b>1,503,090</b>	<b>1,529,958</b>	<b>1,164,166</b>	<b>-</b>	<b>1,164,166</b>
<b>Expense</b>							
Utility	314,382	75,989	195,000	132,665	-	-	-
General	-	361,106	-	-	-	-	-
Streets	53,280	2,587	66,330	66,330	-	35,500	35,500
Parks	518,212	76,237	657,000	657,000	-	-	-
Debt Service (RORC)	-	-	788,275	788,275	787,425	-	787,425
<b>Total Expense</b>	<b>885,874</b>	<b>515,919</b>	<b>1,706,605</b>	<b>1,644,270</b>	<b>787,425</b>	<b>35,500</b>	<b>822,925</b>
<b>Net Total</b>	<b>36,305</b>	<b>1,467,080</b>	<b>(203,515)</b>	<b>(114,312)</b>	<b>376,741</b>	<b>(35,500)</b>	<b>341,241</b>
<b>Fund Balance</b>							
Beg Fund Balance	3,222,652	3,258,957	1,194,540	1,194,540	1,080,228	1,456,969	1,080,228
Ending Fund Balance	3,258,957	4,726,037	991,025	1,080,228	1,456,969	1,421,469	1,421,469
Debt Service Reserves	515,600	787,275	787,425	787,275	1,061,425	1,061,425	1,061,425
Fund Balance Available	3,258,957	4,210,437	203,600	292,953	395,544	360,044	360,044

	2017	2018	2019				
Description	Actual	Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>114 Park Impact Fee (PIF) Fund</b>							
<b>Revenue</b>							
Planning & Development	464,366	927,194	1,194,638	1,194,638	1,226,891	-	1,226,891
Grants	211,435	-	-	-	-	-	-
Other Revenue	1,369,502	16,433	250	24	25	-	25
<b>Total Revenue</b>	<b>2,045,303</b>	<b>943,627</b>	<b>1,194,888</b>	<b>1,194,662</b>	<b>1,226,916</b>	<b>-</b>	<b>1,226,916</b>
<b>Expense</b>							
Park Impact Fee	1,047,886	526,756	1,119,000	1,079,705	-	50,000	50,000
<b>Total Expense</b>	<b>1,047,886</b>	<b>526,756</b>	<b>1,119,000</b>	<b>1,079,705</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>
<b>Net Total</b>	<b>997,417</b>	<b>416,871</b>	<b>75,888</b>	<b>114,957</b>	<b>1,226,916</b>	<b>(50,000)</b>	<b>1,176,916</b>
<b>Fund Balance</b>							
Beg Fund Balance	1,802,481	3,321,028	-	-	114,957	1,341,873	114,957
Ending Fund Balance	3,321,028	-	75,888	114,957	1,341,873	1,291,873	1,291,873
Fund Balance Available	3,321,028	-	75,888	114,957	1,341,873	1,291,873	1,291,873



## 2020 Adopted Budget

<b>Capital Service Fund</b>							
<b>Summary Report by Fund</b>							
	2017	2018	2019	2019	2020	2020	2020
Description	Actual	Actual	Amended Budget	Est. Year End	Baseline	Additions	Budget
<b>115 Traffic Impact Fee (TIF) Fund</b>							
<b>Revenue</b>							
Planning & Development	269,321	623,373	1,610,550	1,631,670	1,929,591	-	1,929,591
Other Revenue	10,445	(1,191)	102,324	102,153	25	-	25
<b>Total Revenue</b>	<b>279,766</b>	<b>622,182</b>	<b>1,712,874</b>	<b>1,733,823</b>	<b>1,929,616</b>	<b>-</b>	<b>1,929,616</b>
<b>Expense</b>							
Transp Impact Fee	445,224	1,439,255	66,700	66,614	-	-	-
<b>Total Expense</b>	<b>445,224</b>	<b>1,439,255</b>	<b>66,700</b>	<b>66,614</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>(165,458)</b>	<b>(817,073)</b>	<b>1,646,174</b>	<b>1,667,209</b>	<b>1,929,616</b>	<b>-</b>	<b>1,929,616</b>
<b>Fund Balance</b>							
Beginning Fund Balance	982,531	817,073	-	-	1,667,209	3,596,825	1,667,209
Ending Fund Balance	817,073	-	1,646,174	1,667,209	3,596,825	3,596,825	3,596,825
Fund Balance Available	817,073	-	1,646,174	1,667,209	3,596,825	3,596,825	3,596,825

	2017	2018	2019	2019	2020	2020	2020
Description	Actual	Actual	Amended Budget	Est. Year End	Baseline	Additions	Budget
<b>416 Water Utility SDC Fund</b>							
<b>Revenue</b>							
Contributed Capital	865,050	2,012,391	1,438,586	1,480,615	1,338,221	-	1,338,221
Other Revenue	54,340	39,235	66,500	68,308	50,000	-	50,000
<b>Total Revenue</b>	<b>919,390</b>	<b>2,051,626</b>	<b>1,505,086</b>	<b>1,548,923</b>	<b>1,388,221</b>	<b>-</b>	<b>1,388,221</b>
<b>Expense</b>							
Intergovernmental	12,976	30,248	19,479	21,583	20,073	-	20,073
Transfers Out	721,487	564,053	2,769,805	976,388	198,540	1,321,500	1,520,040
<b>Total Expense</b>	<b>734,463</b>	<b>594,301</b>	<b>2,789,284</b>	<b>997,971</b>	<b>218,613</b>	<b>1,321,500</b>	<b>1,540,113</b>
<b>Net Total</b>	<b>184,927</b>	<b>1,457,325</b>	<b>(1,284,198)</b>	<b>550,952</b>	<b>1,169,608</b>	<b>(1,321,500)</b>	<b>(151,892)</b>
<b>Fund Balance</b>							
Beg Fund Balance	4,709,683	4,894,610	6,351,935	6,351,935	6,902,887	8,072,495	6,902,887
Ending Fund Balance	4,894,610	6,351,935	5,067,737	6,902,887	8,072,495	6,750,995	6,750,995
Fund Balance Available	4,894,610	6,351,935	5,067,737	6,902,887	8,072,495	6,750,995	6,750,995



## 2020 Adopted Budget

<b>Capital Project/Equipment Replacement Funds Summary Report by Fund</b>							
Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>300 General Capital Project Fund</b>							
<b>Revenue</b>							
Grants	1,117,087	2,275,010	572,354	472,354	-	600,000	600,000
Other Revenue	162,310	485,509	219,040	219,041	-	-	-
Transfers In	8,382,704	18,730,578	2,321,030	2,114,230	195,000	445,500	640,500
<b>Total Revenue</b>	<b>9,662,101</b>	<b>21,491,097</b>	<b>3,112,424</b>	<b>2,805,625</b>	<b>195,000</b>	<b>1,045,500</b>	<b>1,240,500</b>
<b>Expense</b>							
Facilities	191,563	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Streets	1,827,672	4,913,088	638,030	607,524	195,000	535,500	730,500
Parks	7,604,114	16,498,295	2,179,000	1,856,706	-	510,000	510,000
Transfers Out	-	-	158,324	158,324	-	-	-
<b>Total Expense</b>	<b>9,623,349</b>	<b>21,411,383</b>	<b>2,975,354</b>	<b>2,622,554</b>	<b>195,000</b>	<b>1,045,500</b>	<b>1,240,500</b>
<b>Net Total</b>	<b>38,752</b>	<b>79,714</b>	<b>137,070</b>	<b>183,071</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>							
Beginning Fund	9,169	47,921	127,635	127,635	310,706	310,706	310,706
Ending Fund Balance	47,921	127,635	264,705	310,706	310,706	310,706	310,706
Fund Balance Available	47,921	127,635	264,705	310,706	310,706	310,706	310,706

Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>410 Water Utility Capital Project Fund</b>							
<b>Revenue</b>							
Other Revenue	5	4	-	3	-	-	-
Transfers In	507,619	625,343	2,568,901	775,484	-	1,321,500	1,321,500
Other Financing	446,915	-	-	-	-	-	-
<b>Total Revenue</b>	<b>954,539</b>	<b>625,347</b>	<b>2,568,901</b>	<b>775,487</b>	<b>-</b>	<b>1,321,500</b>	<b>1,321,500</b>
<b>Expense</b>							
Water Capital	711,990	625,344	2,568,901	775,484	-	1,321,500	1,321,500
<b>Total Expense</b>	<b>711,990</b>	<b>625,344</b>	<b>2,568,901</b>	<b>775,484</b>	<b>-</b>	<b>1,321,500</b>	<b>1,321,500</b>
<b>Net Total</b>	<b>242,549</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>							
Beginning Fund	(226,024)	16,525	16,528	16,528	16,531	16,531	16,531
Ending Fund Balance	16,525	16,528	16,528	(155,783)	16,531	16,531	16,531
Fund Balance Available	16,525	16,528	16,528	(155,783)	16,531	16,531	16,531



## 2020 Adopted Budget

<b>Capital Project/Equipment Replacement Funds</b>							
<b>Summary Report by Fund</b>							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>412 Storm Utility Capital Project Fund</b>							
<b>Revenue</b>							
Other Revenue	-	-	-	-	-	-	-
Grants	-	-	150,000	150,000	-	-	-
Transfers In	89,682	240,440	195,000	132,665	-	-	-
Other Financing	-	-	-	-	-	359,000	359,000
<b>Total Revenue</b>	<b>89,682</b>	<b>240,440</b>	<b>345,000</b>	<b>282,665</b>	<b>-</b>	<b>359,000</b>	<b>359,000</b>
<b>Expense</b>							
Storm Capital	89,682	240,440	345,000	282,665	-	359,000	359,000
<b>Total Expense</b>	<b>89,682</b>	<b>240,440</b>	<b>345,000</b>	<b>282,665</b>	<b>-</b>	<b>359,000</b>	<b>359,000</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>							
Beginning Fund	-	-	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-	-	-
Fund Balance Available	-	-	-	-	-	-	-

Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>501 Equipment Replacement Fund</b>							
<b>Revenue</b>							
Other Revenue	526	59	16,925	16,872	175	-	175
Transfers In	114,667	118,310	135,675	135,675	193,388	150,000	343,388
<b>Total Revenue</b>	<b>115,193</b>	<b>118,369</b>	<b>152,600</b>	<b>152,547</b>	<b>193,563</b>	<b>150,000</b>	<b>343,563</b>
<b>Expense</b>							
General Government	12,072	-	8,180	8,180	3,790	-	3,790
Public Safety	-	48,702	-	-	57,400	-	57,400
Water	60,358	-	3,640	3,640	61,500	-	61,500
Cemetery	-	166	3,940	3,940	1,895	-	1,895
Stormwater	24,143	37,018	9,100	9,100	61,500	-	61,500
Streets	24,144	11,976	30,300	30,300	77,039	-	77,039
Community	-	-	1,820	1,820	-	-	-
Parks	14,416	14,473	31,820	31,820	37,176	-	37,176
<b>Total Expense</b>	<b>135,133</b>	<b>112,335</b>	<b>88,800</b>	<b>88,800</b>	<b>300,300</b>	<b>-</b>	<b>300,300</b>
<b>Net Total</b>	<b>(19,940)</b>	<b>6,034</b>	<b>63,800</b>	<b>63,747</b>	<b>(106,737)</b>	<b>150,000</b>	<b>43,263</b>
<b>Fund Balance</b>							
Beginning Fund	189,442	169,502	175,536	175,536	239,283	132,546	239,283
Ending Fund Balance	169,502	175,536	239,336	239,283	132,546	282,546	282,546
Fund Balance Available	169,501	175,534	239,336	239,283	132,546	282,546	282,546



# 2020 Adopted Budget

## Operating Fund Cost Category Reports

Operating Funds Summary Report by Cost Category							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>001 General Fund</b>							
<b>Revenue</b>							
Property Tax	1,056,195	1,149,449	1,260,000	1,260,000	1,460,000	-	1,460,000
Retail Sales & Other Tax	1,721,834	2,635,867	3,149,550	3,176,106	3,142,025	-	3,142,025
Utility Taxes	986,860	1,015,750	1,097,098	1,080,689	1,172,046	-	1,172,046
License & Permits	688,425	1,175,971	1,090,010	1,177,058	1,198,298	-	1,198,298
Planning & Development	616,645	1,089,769	1,054,393	1,090,544	1,039,736	-	1,039,736
Fines & Forfeits	70,716	76,029	72,675	79,252	75,900	-	75,900
Charge for Goods & Svc	442,493	595,719	542,680	558,471	500,627	-	500,627
Intergovernmental/Grant	183,670	176,782	364,366	325,360	186,741	-	186,741
Other Revenue/Donations	94,921	98,492	160,900	162,019	122,650	-	122,650
Other Financing Sources	-	2,072,912	-	-	-	-	-
Transfers In	1,555	8,798	-	-	-	-	-
<b>Total Revenue</b>	<b>5,863,314</b>	<b>10,095,538</b>	<b>8,791,672</b>	<b>8,909,499</b>	<b>8,898,023</b>	<b>-</b>	<b>8,898,023</b>
<b>Expense</b>							
<b>City Council</b>							
Personnel	52,936	52,556	52,573	52,626	55,257	-	55,257
Supplies	435	991	1,575	1,494	1,625	-	1,625
Service/Advocacy	10,997	11,590	15,000	15,364	17,000	-	17,000
Maintenance	3,735	3,308	4,600	4,964	5,600	-	5,600
Utilities	4,423	3,931	5,000	2,987	5,000	-	5,000
Intergovernmental	9,101	8,246	10,000	10,256	12,000	-	12,000
<b>Total City Council</b>	<b>81,627</b>	<b>80,622</b>	<b>88,748</b>	<b>87,691</b>	<b>96,482</b>	<b>-</b>	<b>96,482</b>
<b>Judicial</b>							
Services	1,355	6,743	15,000	23,760	20,000	-	20,000
Intergovernmental	126,322	118,136	121,896	107,595	167,000	-	167,000
<b>Total Judicial</b>	<b>127,677</b>	<b>124,879</b>	<b>136,896</b>	<b>131,355</b>	<b>187,000</b>	<b>-</b>	<b>187,000</b>
<b>Executive</b>							
Personnel	211,791	233,347	254,955	249,213	280,727	-	280,727
Supplies	433	539	825	577	750	-	750
Services/Prof Dev	15,285	17,995	16,806	21,041	19,000	-	19,000
Maintenance	1,402	2,172	1,234	420	2,000	-	2,000
Utilities	477	454	550	363	550	-	550
<b>Total Executive</b>	<b>229,388</b>	<b>254,507</b>	<b>274,370</b>	<b>271,614</b>	<b>303,027</b>	<b>-</b>	<b>303,027</b>
<b>Legal</b>							
Services	22,209	29,970	40,000	25,035	45,000	-	45,000
<b>Total Legal</b>	<b>22,209</b>	<b>29,970</b>	<b>40,000</b>	<b>25,035</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>



## 2020 Adopted Budget

Operating Funds Summary Report by Cost Category							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>Finance</b>							
Personnel	308,014	351,448	387,526	372,975	416,497	97,025	513,522
Supplies	2,092	1,876	2,159	7,375	11,100	5,000	16,100
Services/Prof Dev	19,843	38,029	26,000	29,029	30,000	-	30,000
Intergovernmental	27,044	35,350	40,000	40,952	44,000	-	44,000
Maintenance	769	456	700	493	850	-	850
Utilities	477	454	550	363	550	-	550
<b>Total Finance</b>	<b>358,239</b>	<b>427,613</b>	<b>456,935</b>	<b>451,187</b>	<b>502,997</b>	<b>102,025</b>	<b>605,022</b>
<b>Human Resources</b>							
Personnel	163,502	166,913	181,683	176,235	188,679	-	188,679
Services/Prof Dev	44,048	22,238	26,275	28,016	44,050	27,300	71,350
<b>Total Human Resources</b>	<b>207,550</b>	<b>189,151</b>	<b>207,958</b>	<b>204,251</b>	<b>232,729</b>	<b>27,300</b>	<b>260,029</b>
<b>Administration</b>							
Personnel	296,198	312,067	391,132	383,892	431,929	-	431,929
Supplies	680	411	3,500	1,363	1,000	-	1,000
Services/Prof Dev	3,025	8,241	10,000	3,704	13,000	-	13,000
Maintenance	660	275	1,500	1,638	1,600	-	1,600
Utilities	477	454	550	363	550	-	550
<b>Total Administration</b>	<b>301,040</b>	<b>321,448</b>	<b>406,682</b>	<b>390,960</b>	<b>448,079</b>	<b>-</b>	<b>448,079</b>
<b>General Gov/Facilities</b>							
Personnel	102,173	106,204	109,943	113,647	130,459	38,714	169,173
Supplies	23,796	18,135	21,730	21,596	22,300	10,000	32,300
Services/Prof Dev	199,299	192,519	319,898	318,119	219,800	37,000	256,800
Intergovernmental	1,924	1,843	3,000	1,500	3,000	-	3,000
Maintenance	277,634	350,888	353,765	365,363	382,890	-	382,890
Utilities	39,272	34,931	35,074	27,051	34,900	-	34,900
Capital Outlays	3,078	2,107,136	185,135	136,464	-	60,500	60,500
Transfers	45,794	49,560	53,051	53,051	104,612	150,000	254,612
<b>Total Gen Gov/Facilities</b>	<b>692,970</b>	<b>2,861,216</b>	<b>1,081,596</b>	<b>1,036,791</b>	<b>897,961</b>	<b>296,214</b>	<b>1,194,175</b>
<b>Information Technology</b>							
Maintenance	144,693	104,675	176,559	165,504	143,259	2,150	145,409
Capital Outlays	24,316	30,384	11,610	11,817	-	33,500	33,500
<b>Total Information Tech</b>	<b>169,009</b>	<b>135,059</b>	<b>188,169</b>	<b>177,321</b>	<b>143,259</b>	<b>35,650</b>	<b>178,909</b>
<b>Public Safety</b>							
Personnel	1,248,880	1,369,070	1,537,862	1,421,364	1,541,826	40,925	1,582,751
Supplies	53,625	70,619	64,293	62,437	70,550	5,000	75,550
Services/Prof Dev	24,550	14,590	36,000	50,991	29,300	-	29,300
Intergovernmental	99,707	129,855	132,556	124,725	138,217	-	138,217
Maintenance	62,154	79,950	70,490	67,691	192,000	65,000	257,000
Utilities	20,402	22,117	21,700	22,460	26,200	-	26,200
Capital Outlays	6,384	20,542	-	-	-	-	-
Transf to Debt Service -	20,224	20,224	20,224	20,224	20,225	-	20,225
<b>Total Public Safety</b>	<b>1,535,926</b>	<b>1,726,967</b>	<b>1,883,125</b>	<b>1,769,892</b>	<b>2,018,318</b>	<b>110,925</b>	<b>2,129,243</b>

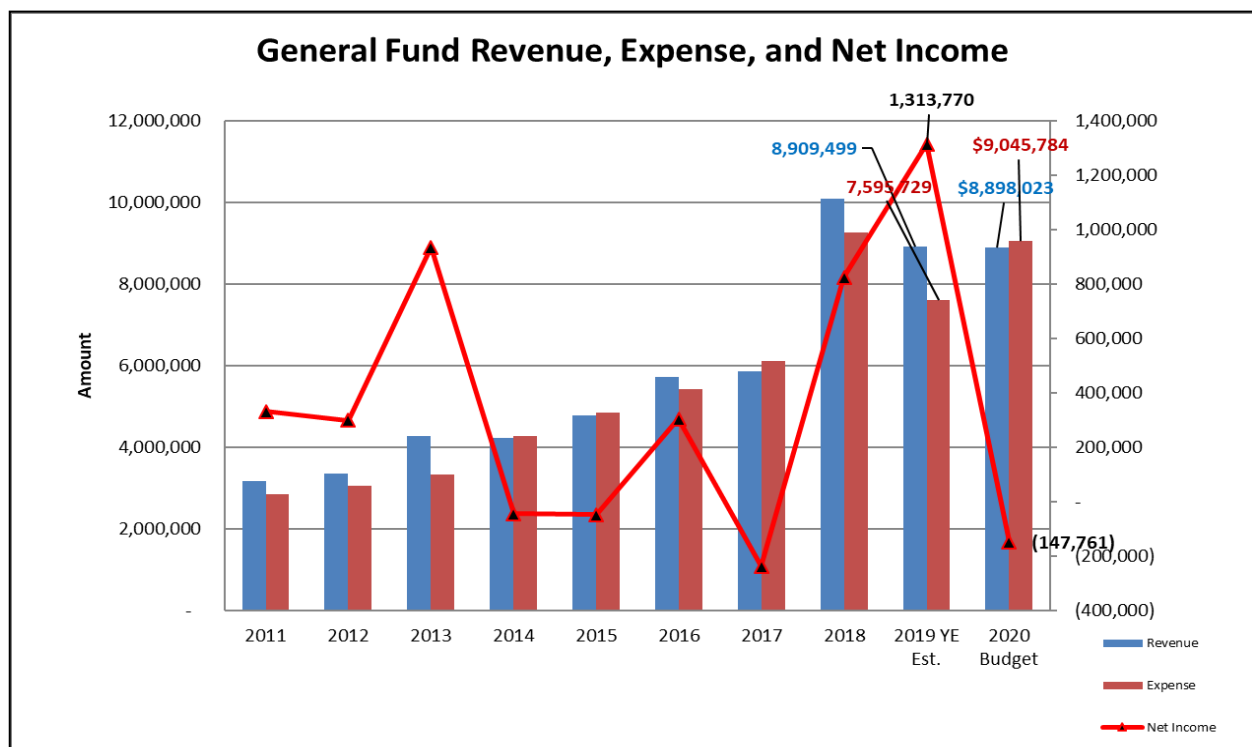
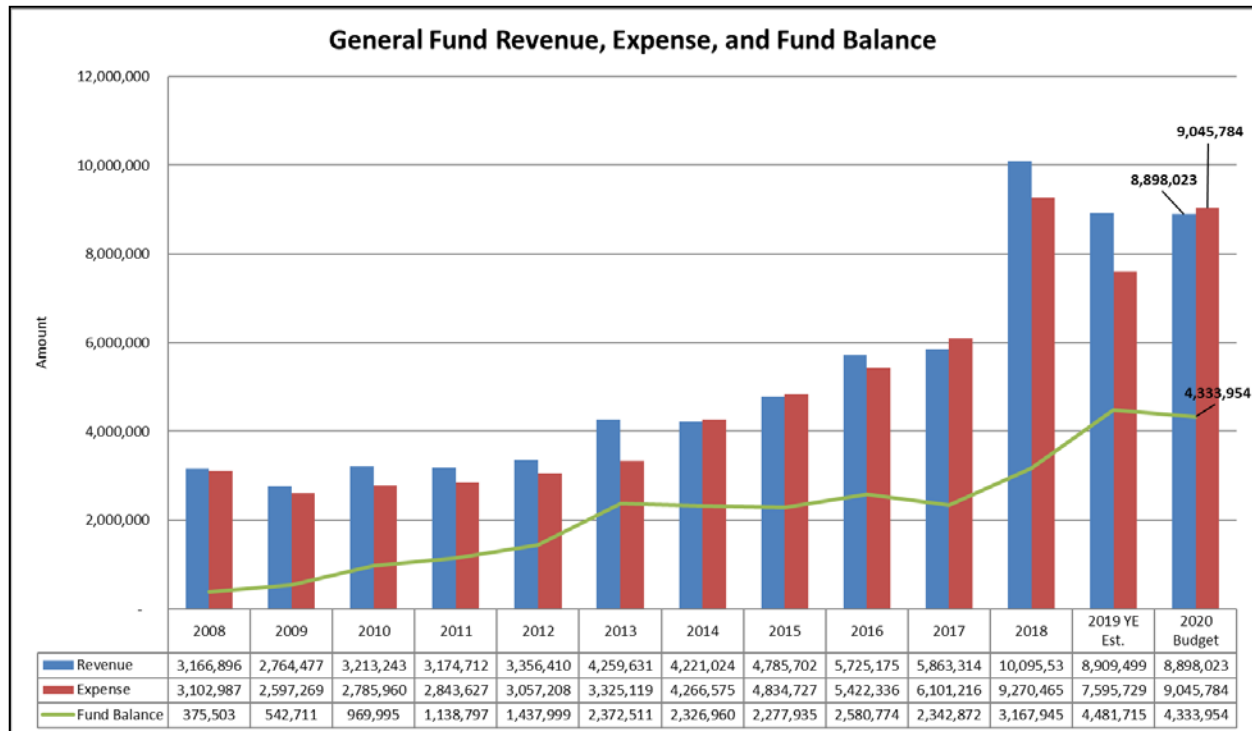


## 2020 Adopted Budget

Operating Funds							
Summary Report by Cost Category							
Description	2017 Actual	2018 Actual	2019 Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>Civil Service</b>							
Supplies	-	-	100	-	100	-	100
Services	-	70	900	80	900	-	900
<b>Total Civil Service</b>	<b>-</b>	<b>70</b>	<b>1,000</b>	<b>80</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Cemetery</b>							
Personnel	11,358	14,933	30,066	31,884	25,335	-	25,335
Supplies	1,035	1,060	2,931	1,721	3,000	-	3,000
Services/ Prof Dev	47	2,024	1,100	120	1,100	-	1,100
Maintenance	515	486	3,550	1,474	3,550	-	3,550
Utilities	519	447	463	482	500	-	500
Capital Outlays	-	-	-	-	-	-	-
<b>Total Cemetery</b>	<b>13,474</b>	<b>18,950</b>	<b>38,110</b>	<b>35,681</b>	<b>33,485</b>	<b>-</b>	<b>33,485</b>
<b>Street Transfers</b>							
Street Fund	476,100	341,124	677,170	572,597	505,500	41,000	546,500
<b>Total Street Transfers</b>	<b>476,100</b>	<b>341,124</b>	<b>677,170</b>	<b>572,597</b>	<b>505,500</b>	<b>41,000</b>	<b>546,500</b>
<b>Community Development</b>							
Personnel	764,292	901,969	1,075,237	1,029,691	1,181,048	148,086	1,329,134
Supplies	19,716	18,644	25,785	23,926	26,400	9,250	35,650
Services/Prof Dev	593,018	662,685	570,453	491,579	380,500	37,000	417,500
Intergovernmental	9,144	8,229	3,850	3,835	4,085	-	4,085
Maintenance	56,895	700,918	194,421	161,968	173,030	8,400	181,430
Utilities	13,162	15,624	11,600	14,339	9,800	900	10,700
Capital Outlays	67,078	21,250	112,870	112,775	-	60,300	60,300
<b>Total Com Development</b>	<b>1,523,305</b>	<b>2,329,319</b>	<b>1,994,216</b>	<b>1,838,113</b>	<b>1,774,863</b>	<b>263,936</b>	<b>2,038,799</b>
<b>Parks</b>							
Personnel	232,379	297,517	328,323	312,994	367,219	-	367,219
Supplies	24,085	27,034	28,808	48,696	35,300	-	35,300
Services/Prof Dev	22,838	7,586	45,107	55,058	20,250	-	20,250
Intergovernmental	52	-	100	65	65	-	65
Maintenance	44,310	36,807	98,500	98,863	127,250	-	127,250
Utilities	36,555	43,004	43,700	37,485	43,950	-	43,950
Capital Outlays	-	5,359	90,000	30,000	-	25,000	25,000
Transfers	2,483	12,263	38,000	20,000	-	360,000	360,000
<b>Total Parks</b>	<b>362,702</b>	<b>429,570</b>	<b>672,538</b>	<b>603,161</b>	<b>594,034</b>	<b>385,000</b>	<b>979,034</b>
<b>Total Expense</b>	<b>6,101,216</b>	<b>9,270,465</b>	<b>8,147,513</b>	<b>7,595,729</b>	<b>7,783,734</b>	<b>1,262,050</b>	<b>9,045,784</b>
<b>Net Total</b>	<b>(237,902)</b>	<b>825,073</b>	<b>644,159</b>	<b>1,313,770</b>	<b>1,114,289</b>	<b>(1,262,050)</b>	<b>(147,761)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	2,580,774	2,342,872	3,167,945	3,167,945	4,481,715	5,596,004	4,481,715
Ending Fund Balance	2,342,872	3,167,945	3,812,104	4,481,715	5,596,004	4,333,954	4,333,954
Gen Fund Reserve Bal	1,416,348	1,480,890	2,014,914	2,014,914	2,402,949	2,402,949	2,402,949
Building Reserve Bal	381,317	394,376	574,578	574,578	467,814	467,814	467,814
Restricted for Building	824,063	546,444	165,059	165,059	340,899	340,899	340,899
Fund Balance Available	(278,856)	746,235	1,057,553	1,727,164	2,384,342	1,122,292	1,122,292



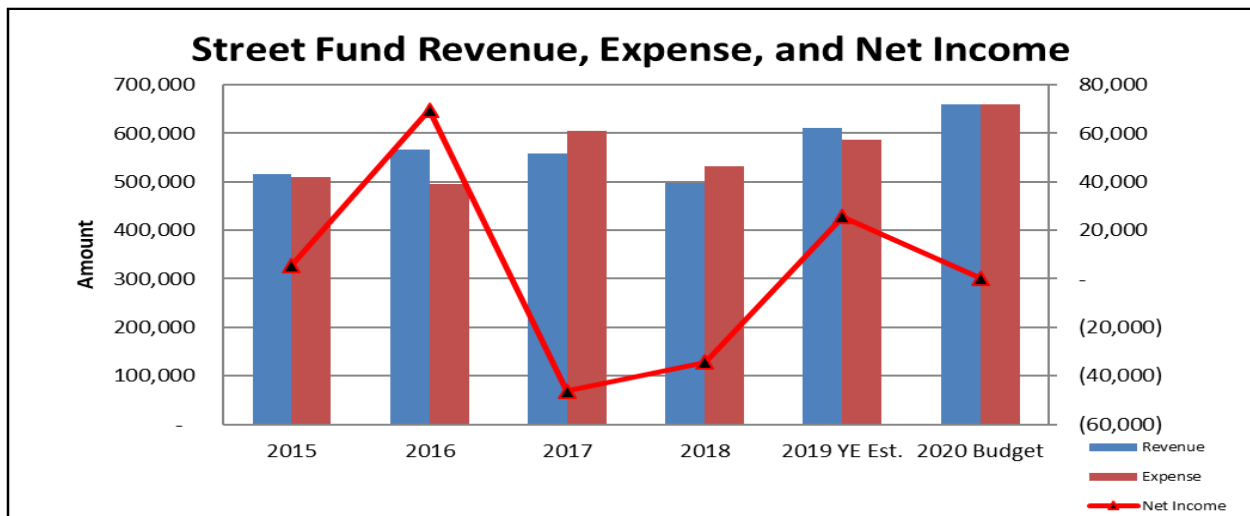
## 2020 Adopted Budget





## 2020 Adopted Budget

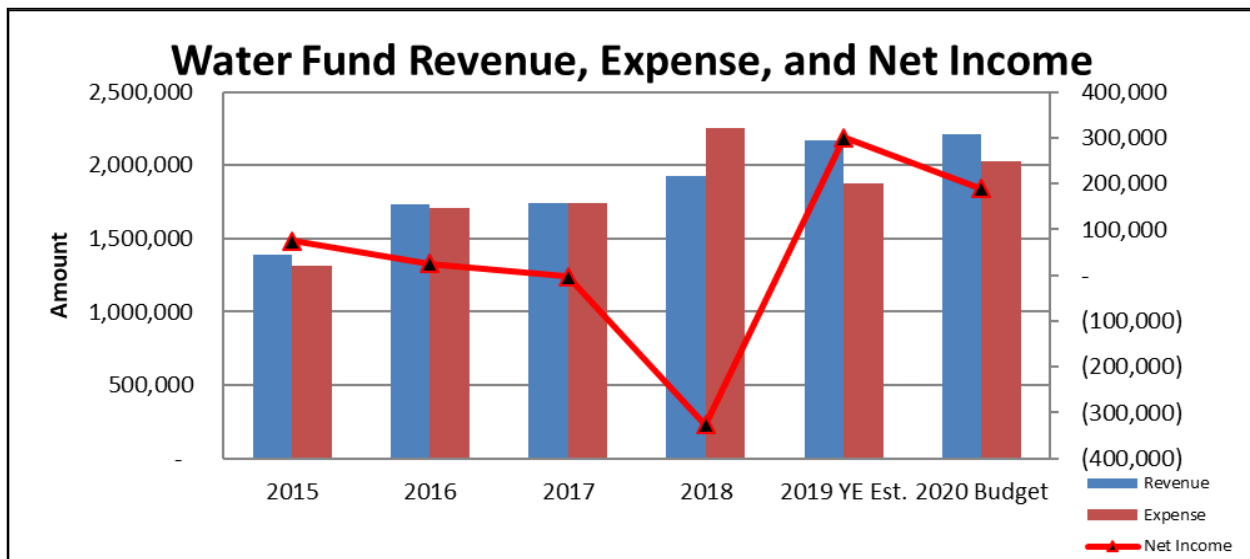
Operating Funds							
Summary Report by Cost Category							
Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>101 Street Fund</b>							
<b>Revenue</b>							
Utility Tax/Franchise Fee	57,992	69,750	75,186	79,010	85,634	-	85,634
Permits	10,688	21,806	14,000	18,298	20,000	-	20,000
Grants	-	-	-	-	-	-	-
Intergovernmental	158,094	168,375	179,604	179,604	201,116	-	201,116
Other Revenue	1,108	322	2,525	1,316	1,025	-	1,025
Transfers In	331,100	236,403	333,170	333,170	310,500	41,000	351,500
<b>Total Revenue</b>	<b>558,982</b>	<b>496,656</b>	<b>604,485</b>	<b>611,398</b>	<b>618,275</b>	<b>41,000</b>	<b>659,275</b>
<b>Expense</b>							
Personnel	260,531	277,093	321,690	311,381	362,877	-	362,877
Supplies	21,302	23,164	23,250	35,729	29,000	-	29,000
Services/Prof Dev	7,607	1,777	8,300	3,206	9,600	18,000	27,600
Intergovernmental	11,248	-	15,000	-	15,000	-	15,000
Maintenance	167,018	64,464	73,583	46,088	73,020	20,000	93,020
Utilities	53,990	116,236	87,675	95,443	106,800	-	106,800
Capital Outlays	59,678	25,826	54,650	73,628	-	3,000	3,000
Transfers	23,908	22,386	20,333	20,333	21,740	-	21,740
<b>Total Expense</b>	<b>605,282</b>	<b>530,946</b>	<b>604,481</b>	<b>585,808</b>	<b>618,037</b>	<b>41,000</b>	<b>659,037</b>
<b>Net Total</b>	<b>(46,300)</b>	<b>(34,290)</b>	<b>4</b>	<b>25,590</b>	<b>239</b>	<b>-</b>	<b>239</b>
<b>Fund Balance</b>							
Beginning Fund Balance	86,040	39,740	5,450	5,450	31,040	31,278	31,040
Ending Fund Balance	39,740	5,450	5,454	31,040	31,278	31,278	31,278
Reserves in GF	-	-	-	-	-	-	-
Fund Balance Available	39,740	5,450	5,454	31,040	31,278	31,278	31,278





## 2020 Adopted Budget

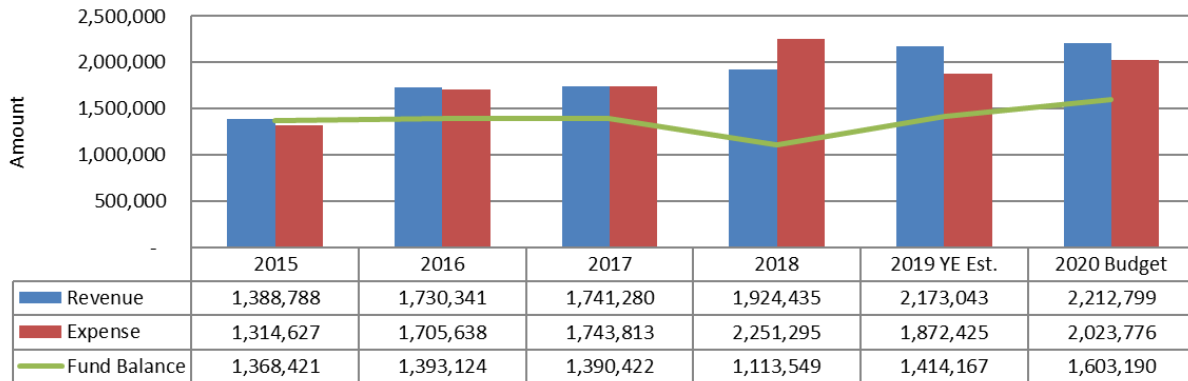
Operating Funds							
Summary Report by Cost Category							
Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>406 Water Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods and Svc	1,516,228	1,712,142	1,853,317	1,965,622	2,003,654	-	2,003,654
Other Revenue	11,184	9,017	9,300	6,517	10,605	-	10,605
Transfers In	213,868	203,276	200,904	200,904	198,540	-	198,540
<b>Total Revenue</b>	<b>1,741,280</b>	<b>1,924,435</b>	<b>2,063,521</b>	<b>2,173,043</b>	<b>2,212,799</b>	<b>-</b>	<b>2,212,799</b>
<b>Expense</b>							
Personnel	598,090	652,393	673,714	657,457	724,698	-	724,698
Supplies	122,077	183,297	196,655	178,133	194,550	-	194,550
Services/Prof Dev	43,932	31,083	118,350	111,540	68,050	6,000	74,050
Intergovernmental	266,997	407,796	469,435	445,488	443,551	-	443,551
Maintenance	42,978	49,132	87,290	50,034	77,850	27,470	105,320
Utilities	107,768	111,027	108,700	114,109	117,300	-	117,300
Capital Outlays	278,937	252,326	3,995	3,672	-	40,000	40,000
Transfers	82,234	361,557	111,088	111,088	125,767	-	125,767
Debt Service	200,800	202,684	200,904	200,904	198,540	-	198,540
<b>Total Expense</b>	<b>1,743,813</b>	<b>2,251,295</b>	<b>1,970,131</b>	<b>1,872,425</b>	<b>1,950,306</b>	<b>73,470</b>	<b>2,023,776</b>
<b>Net Total</b>	<b>(2,533)</b>	<b>(326,860)</b>	<b>93,390</b>	<b>300,618</b>	<b>262,493</b>	<b>(73,470)</b>	<b>189,023</b>
<b>Fund Balance</b>							
Beginning Fund Balance	1,393,124	1,390,422	1,113,549	1,113,549	1,414,167	1,676,660	1,414,167
Ending Fund Balance	1,390,422	1,113,549	1,206,939	1,414,167	1,676,660	1,603,190	1,603,190
Reserves	424,545	461,777	609,752	609,752	737,847	737,847	737,847
Fund Balance Available	965,877	651,772	597,187	804,415	938,813	865,343	865,343





## 2020 Adopted Budget

### Water Fund Revenue, Expense, and Fund Balance



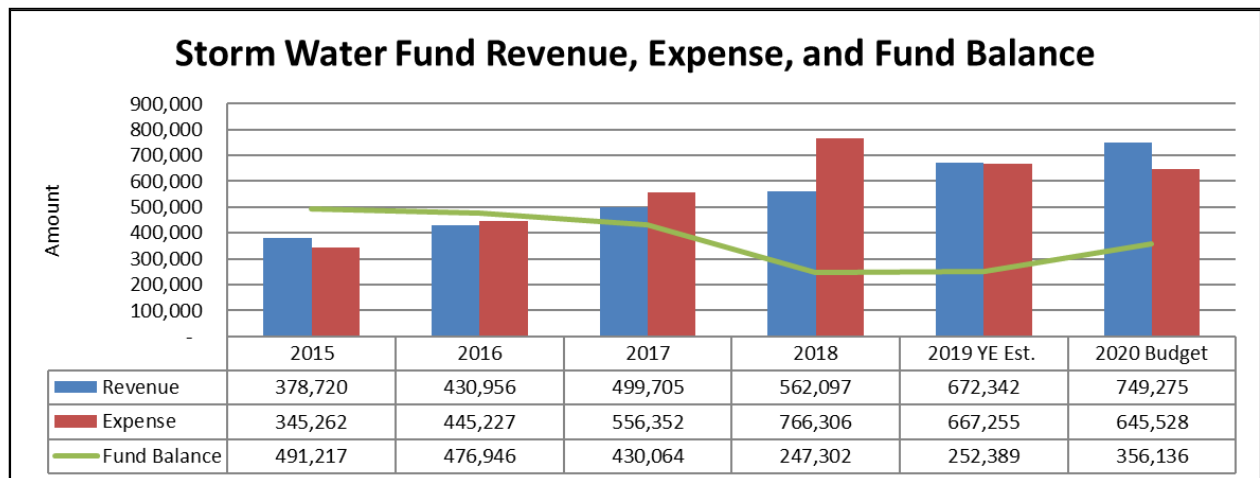
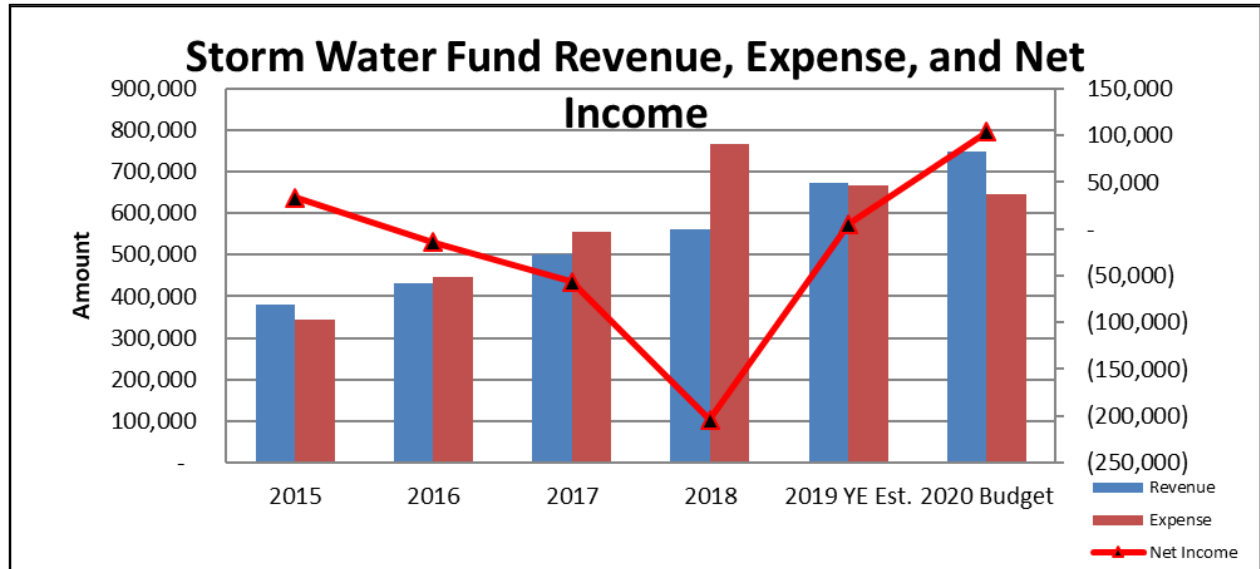
### Operating Funds

#### Summary Report by Cost Category

Description	2019						
	2017 Actual	2018 Actual	Amended Budget	2019 Est. Year End	2020 Baseline	2020 Additions	2020 Budget
<b>408 Stormwater Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods and Srvcs	497,532	560,683	667,545	671,705	749,000	-	749,000
Other Revenue	2,173	1,414	1,925	637	275	-	275
<b>Total Revenue</b>	<b>499,705</b>	<b>562,097</b>	<b>669,470</b>	<b>672,342</b>	<b>749,275</b>	<b>-</b>	<b>749,275</b>
<b>Expense</b>							
Personnel	193,752	202,131	281,678	263,186	282,599	-	282,599
Supplies	22,984	29,304	23,700	31,324	33,800	-	33,800
Services/Prof Dev	61,031	25,396	15,675	26,289	24,500	2,000	26,500
Intergovernmental	122,068	131,251	207,421	206,186	180,076	-	180,076
Maintenance	31,612	41,249	50,830	35,721	39,350	6,800	46,150
Utilities	9,307	8,788	11,110	7,713	9,850	-	9,850
Capital Outlays	57,372	43,834	34,540	39,718	-	3,000	3,000
Transfers	58,226	284,353	57,118	57,118	63,553	-	63,553
<b>Total Expense</b>	<b>556,352</b>	<b>766,306</b>	<b>682,072</b>	<b>667,255</b>	<b>633,728</b>	<b>11,800</b>	<b>645,528</b>
<b>Net Total</b>	<b>(56,647)</b>	<b>(204,209)</b>	<b>(12,602)</b>	<b>5,087</b>	<b>115,547</b>	<b>(11,800)</b>	<b>103,747</b>
<b>Fund Balance</b>							
Beginning Fund Balance	486,711	430,064	247,302	247,302	252,389	367,936	252,389
Ending Fund Balance	430,064	247,302	234,700	252,389	367,936	356,136	356,136
Reserves	137,958	183,098	247,928	247,928	337,194	337,194	337,194
Fund Balance Available	292,106	64,204	(13,228)	4,461	30,742	18,942	18,942



## 2020 Adopted Budget





## 2020 Adopted Budget

### Initiatives/Capital Outlay/Capital Projects

<b>2020 Operating Fund Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Ongoing Expense	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>General Fund Impact</b>					
FTE – Procurement Specialist	General Fund	\$102,600	\$97,600	\$0	\$5,000
FTE – Building Inspector	Permit Fees 90%, General Fund 10%	131,500	88,700	-	42,800
FTE – Associate Planner	Permit Fees 70%, General Fund 30%	106,000	101,000	-	5,000
FTE – Police Clerk ½ Year	General Fund	46,500	41,500	-	5,000
Development Inspector Vehicle	Permit Fees 75%, General Fund 25%	30,000	-	-	30,000
Class and Compensation Study	General Fund	25,000	-	-	25,000
Prof. Services Document Management System	General Fund	20,000	-	-	20,000
DocuSign Electronic Signature Software	General Fund	5,400	400	-	5,000
Forms Portal Module Document Management System	General Fund	10,250	1,750	-	8,500
Online Permitting System	Permit Fees	6,800	3,000	-	3,800
Asset Management Support/Training	General Fund	2,000	-	-	2,000
Safety Education & Equipment	General Fund	10,000	10,000	-	-
Carty Road Subarea Plan	General Fund	37,000	-	-	37,000



## 2020 Adopted Budget

<b>2020 Operating Fund Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Ongoing Expense	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>General Fund Impact</b>					
Relocation Expense – Public Safety	General Fund	65,000	-	-	65,000
Abrams Park Caretaker House Roof Replacement	General Fund	25,000	-	-	25,000
Operations Facility Improvements	General Fund	3,000	-	-	3,000
Skid Steer Equipment Purchase	General Fund	50,000	-	-	50,000
Fleet Management Study	General Fund	35,000	-	-	35,000
One-Time Transfer to ERF Reserves	General Fund	150,000	-	-	150,000
<b>General Fund Impact</b>		<b>\$861,050</b>	<b>\$343,950</b>	<b>\$0</b>	<b>\$517,100</b>

<b>2020 Operating Fund Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Ongoing Expense	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Street Fund Impact</b>					
Downtown Wayfinding Signs	General Fund Transfer	\$20,000	\$0	\$0	\$20,000
Update Pavement Condition Index (PCI) Rating	General Fund Transfer	18,000	-	-	18,000
Operations Facility Improvements	General Fund Transfer	3,000	-	-	3,000
<b>Street Fund Impact</b>		<b>\$41,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,000</b>



## 2020 Adopted Budget

<b>2020 Operating Fund Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Ongoing Expense	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Water Operating Fund Impact</b>					
Remote Meter Reading Equipment	Water Fund	\$37,000	\$0	\$0	\$37,000
Asset Management Support/Training	Water Fund	6,000	-	-	6,000
Operations Facility Improvements	Water Fund	3,000	-	-	3,000
Clean Exterior of S 56 <sup>th</sup> Recycle Tank	Water Fund	5,430	-	-	5,430
Rebuild Pressure Reducing Valves	Water Fund	14,040	-	-	14,040
Clean & Inspect High School & Cemetery Reservoirs	Water Fund	8,000	-	-	8,000
<b>Water Fund Impact</b>		<b>\$73,470</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,470</b>

<b>2020 Operating Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Ongoing Expense	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Storm Water Operating Fund Impact</b>					
Asset Management Support/Training	Storm Water Fund	\$2,000	\$0	\$0	\$2,000
Operations Facility Improvements	Storm Water Fund	3,000	-	-	3,000
Cedar Ridge Filter Vault Maintenance	Storm Water Fund	6,800	-	-	6,800
<b>Storm Water Fund Impact</b>		<b>\$11,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,800</b>



## 2020 Adopted Budget

<b>2020 Capital Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Grant/Loan Funding	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>General Capital Fund Impact</b>					
Overlook Park Annex Design/ Permitting & Construction	General Fund Transfer	\$300,000	\$0	\$0	\$300,000
Gee Creek Stabilization	General Fund Transfer	60,000	-	60,000	-
RORC Fencing & Equipment Purchase / Install	PIF	50,000	-	-	50,000
Gee Creek Trail North Construction	Grant	100,000	100,000	-	-
S. 3 <sup>rd</sup> Ave Improvements (Construction)	WSDC, REET CDBG Grant	285,500	250,000	-	35,500
219 <sup>th</sup> Interchange Planning & Feasibility Study	Grant	250,000	250,000	-	-
<b>General Capital Fund Impact</b>		<b>\$1,045,500</b>	<b>\$600,000</b>	<b>\$60,000</b>	<b>\$385,500</b>

<b>2020 Capital Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Grant/Loan Funding	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Water Utility Capital Fund Impact</b>					
S. 3 <sup>rd</sup> Ave Improvements (Construction)	WSDC	\$251,500	\$0	\$0	\$251,500
Abrams Park Well 11 Construction	WSDC	400,000	-	400,000	-
Junction Well & Reservoir Variable Frequency Pumps	WSDC	420,000	-	420,000	-
Well #8 Sand Pack Redevelopment	WSDC	50,000	-	-	50,000
Kennedy Water Rights Acquisition	WSDC	100,000	-	100,000	-



## 2020 Adopted Budget

<b>2020 Capital Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Grant/Loan Funding	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Water Utility Capital Fund Impact</b>					
S 9 <sup>th</sup> Ave Water Line Improvements Construction	WSDC	100,000	-	100,000	-
<b>Water Utility Capital Fund</b>		<b>\$1,321,500</b>	<b>\$0</b>	<b>\$1,020,000</b>	<b>\$301,500</b>

<b>2020 Capital Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Grant/Loan Funding	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Storm Water Utility Capital Fund Impact</b>					
Downtown Stormwater Enhancements	PWTF Loan	\$359,000	\$359,000	\$0	\$0
<b>Storm Water Utility Capital Fund</b>		<b>\$359,000</b>	<b>\$359,000</b>	<b>\$0</b>	<b>\$359,000</b>

<b>2020 Capital Initiatives</b>					
Project	Funding Source	Total 2020 Appropriation	Grant/Loan Funding	2019 One-Time Carry Forward	2020 One-Time Initiative
<b>Equipment Replacement Fund Impact (ERF)</b>					
2013 Ford Taurus Patrol Vehicle Replacement	ERF	\$57,400	\$0	\$0	\$57,400
1994 10-Yard Dump Truck Replacement	ERF	205,000	-	-	205,000
2003 Ford F150 Pickup Replacement	ERF	37,900	-	-	37,900
<b>ERF Impact</b>		<b>\$300,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,300</b>



## 2020 Adopted Budget

<b>2020 Initiative/Project Funding</b>				
<b>Fund</b>	<b>2020 Ongoing Initiatives</b>	<b>2019 Carry Forward Initiatives</b>	<b>2020 One-Time Initiatives</b>	<b>Total 2020 Initiative</b>
General Fund	\$190,765	\$0	\$293,000	\$483,765
General Fund Transfer to Capital	-	60,000	450,000	510,000
General Fund – Building Permit Fees	153,185	-	74,100	227,285
Street Fund	-	-	41,000	41,000
Water Fund	-	-	73,470	73,470
Storm Fund	-	-	11,800	11,800
Real Estate Excise Tax (REET)	-	-	35,500	35,500
Park Impact Fee (PIF)	-	-	50,000	50,000
Traffic Impact Fee (TIF)	-	-	-	-
Water System Development Charge	-	1,020,000	301,500	1,321,500
Equipment Replacement	-	-	300,300	300,300
Grant Funding	-	100,000	500,000	600,000
PWTF Loan Funding	-	-	359,000	359,000
<b>Total Initiative/Project Funding</b>	<b>\$343,950</b>	<b>\$2,180,000</b>	<b>\$2,489,670</b>	<b>\$4,013,620</b>



## ***2020 Adopted Budget***

# ***VI. Capital Improvement Program***



## ***2020 Adopted Budget***

### ***Capital Facility Plans***

The City has Capital Facility Plans for water, storm water drainage, transportation, and parks and trails. Each plan is completed by the Public Works Department in coordination with a third-party consultant who specializes in the specific plan they work on. All procurement for consultant contractors is completed through a request for proposal process. These plans are updated every six years. The City has approximately \$83.1 million net investment in capital assets. The City is GAAP basis and has a formal capitalization policy (appendix page 196-202). The City depreciates assets over their estimated life expectancy per the capitalization policy.

The City does not have a formal Facilities Capital Facility Plan currently. There has been discussion at the Council and Management level about facility needs over the next 20 years. The Public Works Department commissioned an operations center feasibility study in 2014 to assess needs for a Public Works operations facility. In the past two years Council has approved a lease for a new shared facility for the Community Development Department and Engineering Department. In 2020 the City will move their police department to a new leased Public Safety building in the downtown core. These moves anticipate the continued growth in staffing to serve our community. City Council has tasked staff to look at options for a new Public Works operations facility in the next two years.

In 2020 - 2021 the Finance Department will work closely with the Public Works Department to complete a six-year capital budget to integrate with the capital facility plans and the financial sustainability model. Both departments identified this as a goal in their respective six-year business plan update completed in 2019. Completion of the six-year capital budget will allow City Council and staff to have a more comprehensive look forward on critical infrastructure needs and effects on the budget. City Council adopted new funding options for ongoing street maintenance and repair and replacement projects in late 2018. The funding source identified implementation of a Transportation Benefit District and vehicle licensing fees that were effective in June 2019.



## 2020 Adopted Budget

### Water Capital Facility Plan

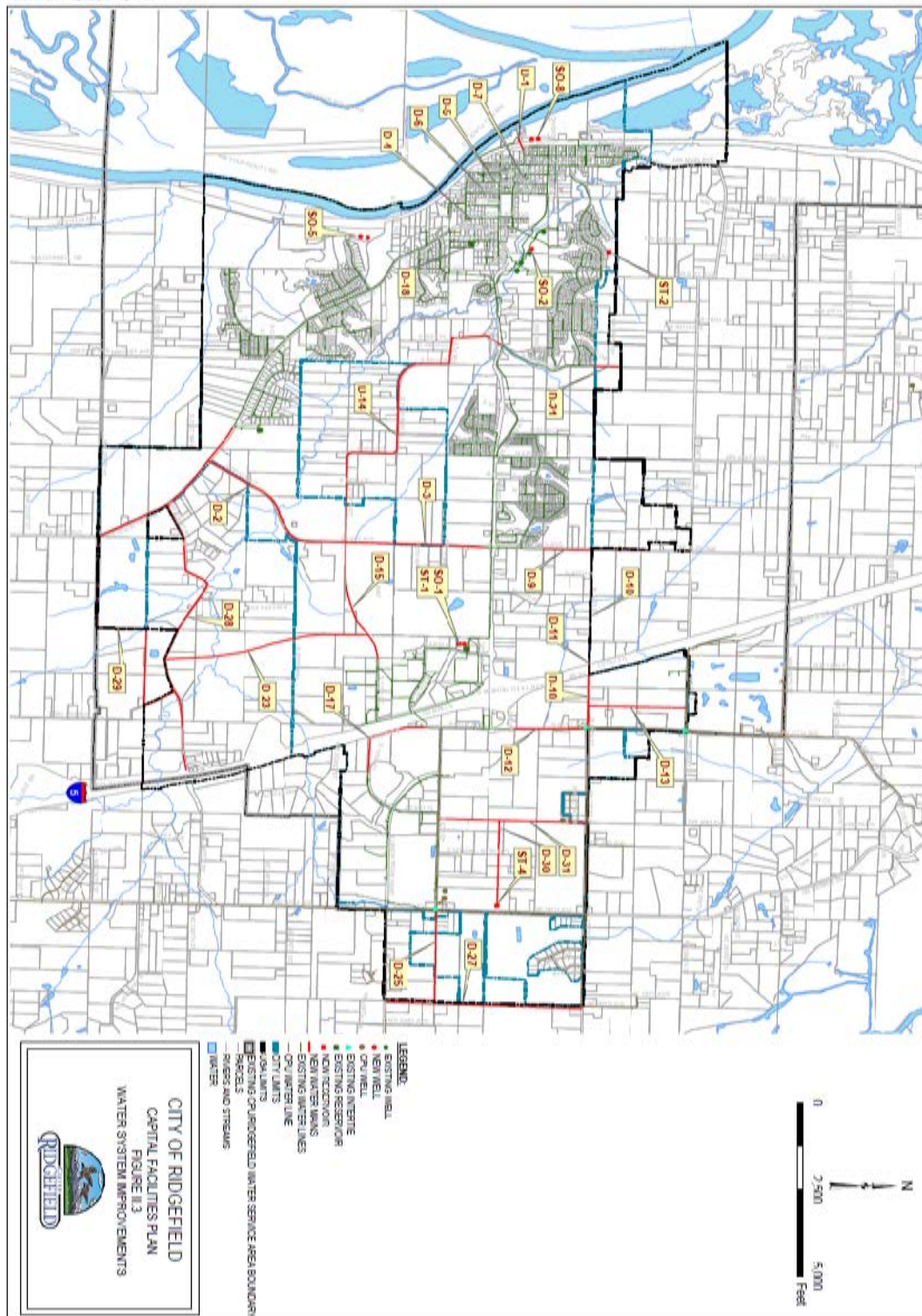
The City last updated the Water System Capital Facility Plan in 2015. The plan includes a summary and description of the existing wells, storage facilities, service area, and interties with Clark Public Utilities. A source capacity analysis and comparison of existing water rights to future water demand is included. The capital improvement program which outlines planned improvements to the system is included with cost estimates and rough time tables. Several projects, most notably the Junction Reservoir and Well Improvement Project, have been completed since the 2015 update. The City is currently updating the Water Capital Facility Plan with an anticipated adoption in the first quarter of 2020.

No.	Description	2016-2020	2021-2025	2026-2030	2031-2035
SO-1	Equip Junction Well	\$1,213,890			
SO-2	Replace Well No 7	\$271,000			
SO-3	Conduct Hydrogeologic Study	\$56,807			
SO-4	Obtain Additional Water Rights	\$1,420,182			
SO-5	Drill 2 New Wells (West of S. Hillhurst)	\$5,269,500			
SO-8	Drill 2 New Wells near Railroad			\$4,771,000	
ST-1	Junction Reservoir	\$1,938,000			
ST-2	New Heron Ridge/Bellwood reservoir		\$4,199,100		
ST-4	New 10 <sup>th</sup> Ave. Reservoir			\$4,478,000	
D-1	Mill Street - Railroad Avenue to West	\$98,771			
D-2	Royle Road - High School to Gee Creek		\$374,189		
D-3	45th Avenue - Gee Creek to Pioneer		\$222,163		
D-7	Mill Street - Main to 5th	\$188,942			
D-9	45th Avenue - Pioneer to N. 10th Street	\$229,238			
D-10	NW 279th - 45th Ave. to N. 65th Ave.			\$231,121	
D-11	NW 279th Street Boring			\$305,480	
D-12	N. 65 <sup>th</sup> Ave. - Pioneer St. to NW 279th	\$153,593			
D-13	Future Street, NW 279 <sup>th</sup> to NW 289 <sup>th</sup>	\$128,795			
D-14	Bertsinger Road - Pioneer to 45th Avenue			\$267,096	\$267,096
D-15	Future Street, S. 45 <sup>th</sup> Ave to 11 <sup>th</sup> St.		\$161,684		
D-17	East Side of I-5 - S. Dolan to S. 6th		\$118,031		
D-18	Cemetery Booster Station Upgrade	\$395,567			
D-21	NW 51st Ave - Heron Dr. to NW 281st St.		\$38,811		
D-23	Future Street to NW Carty Rd.		\$307,408		
D-25	S. 5th St. - NE 10th Ave. to NE 20th Ave.				\$178,566
D-27	Future Rd. - NE 259th to NE 279th				\$291,517
D-28	Carty Rd. - Hillhurst to I-5			\$561,880	
D-29	Hillhurst Rd. - NW 219th - Carty Rd. Lp.			\$607,243	
D-30	Future Street to New Reservoir			\$137,447	
D-31	Future Street - NW 279th to S. 5th St.			\$219,119	
D-32	High Priority Minor Distribution System Improvements	\$594,431.24			
D-33	Minor Distribution System Improvements				\$891,306
SU-1	Hydrant Replacement Program	\$85,211	\$85,211	\$85,211	\$85,211
SU-2	Water Meter Replacement Program	\$284,036	\$284,036	\$284,036	\$284,036
<b>Yearly Totals</b>		<b>\$12,327,962</b>	<b>\$5,790,632</b>	<b>\$11,947,633</b>	<b>\$1,997,732</b>

(1) This table is adapted from the 2013 Water System Plan, Tables 8-6 and 8-7, costs are converted to 2015 dollars in accordance with the ENR construction cost indices.



## 2020 Adopted Budget





## ***2020 Adopted Budget***

### ***Storm Water Capital Facility Plan***

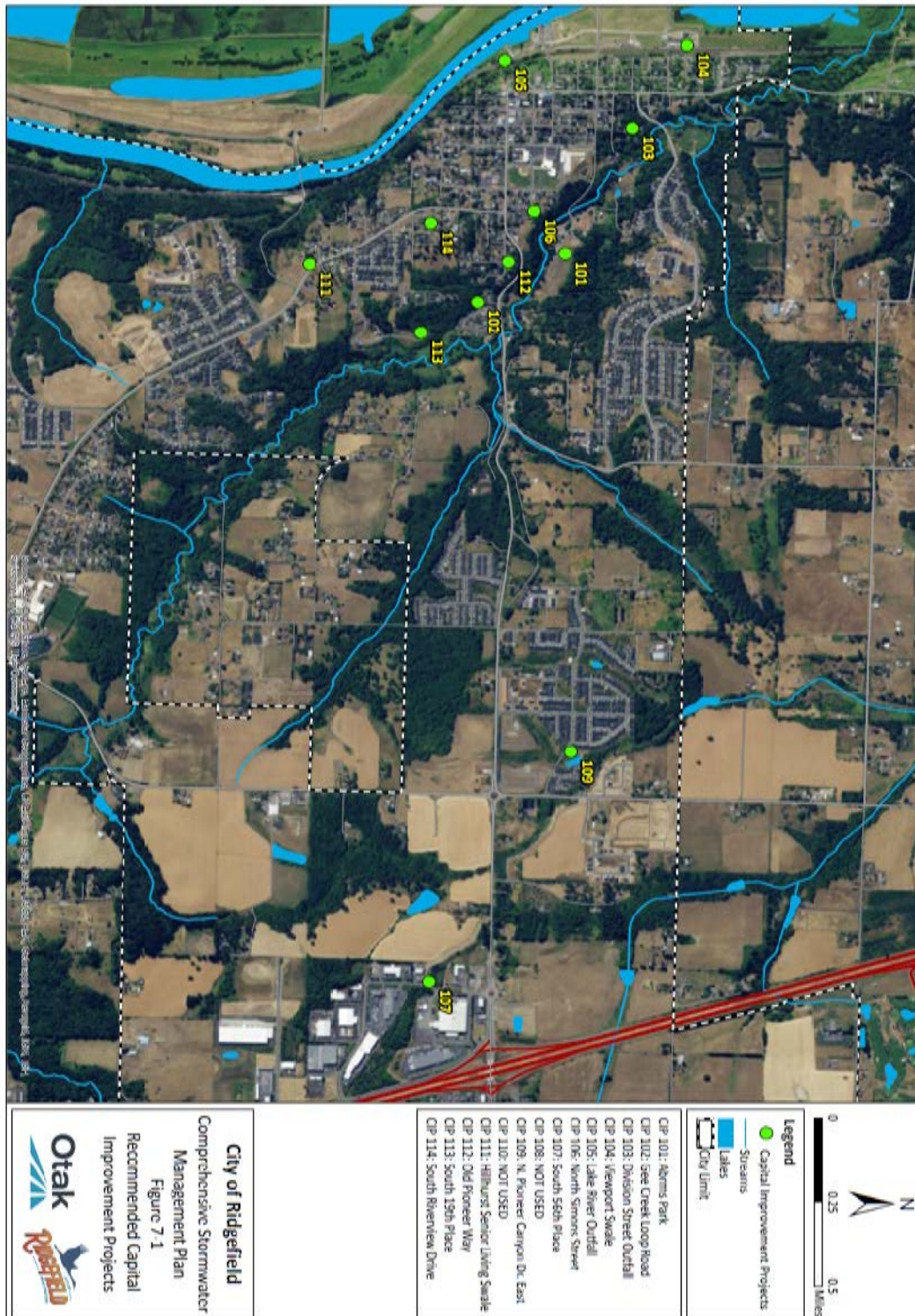
The City's current Storm Water Management Plan, which includes the Capital Facility Plan, was last updated in 2018. The purpose of this Plan is to characterize the drainage basins, identify existing and potential problems, develop alternative solutions for stormwater quantity and quality control, and recommend a stormwater management program and a plan for financing the recommended maintenance and improvement program.

#### **Capital Improvement Project Programming 2018 to 2027:**

<b>Project ID</b>	<b>Project Name</b>	<b>Estimated Total Project Cost</b>	<b>Estimated Construction</b>
1	Division Street Outfall	\$355,000	2018
2	Hillhurst Swale	\$197,100	2019
3	South 56 <sup>th</sup> Place	\$38,500	2020
4	Old Pioneer Way	\$230,500	2020
5	South Riverview Drive	\$238,340	2023
6	North Pioneer Canyon Drive, East Culvert	\$60,000	2021
7	Viewport Swale	\$166,500	2021
8	North Simmons St	\$165,000	2022
9	Gee Creek Loop	\$253,500	2024
10	Lake River Outfall	\$484,325	2025
11	Abrams Park	\$162,000	2027



## 2020 Adopted Budget





## ***2020 Adopted Budget***

### ***Transportation Capital Facility Plan***

The Transportation Capital Facilities Plan (CFP) is a long-range plan that sets the vision for a community's transportation system for the next 20 years. The 2018 plan prepares Ridgefield for accommodating traffic within its Urban Growth Area (UGA) in the best manner possible through 2040. The Transportation CFP's big picture view allows it to guide the City in developing and maintaining acceptable transportation network performance more efficiently than a piecemeal or unorganized approach.

The Transportation CFP embodies the community's vision for an equitable and efficient transportation system. It outlines strategies and projects that are important for protecting and enhancing mobility in Ridgefield through the next 20 years. The Transportation CFP is a collection of current inventory, forecasts, past and current project ideas, decisions, and standards into a single document. The City, Clark County, private developers, and state or federal agencies all have a role in implementing elements of the Transportation CFP.

By setting priorities for available and anticipated funds in the 20-year planning period, the Transportation CFP provides a foundation for budgeting, grant writing, and requiring public improvements with private development. The plan also identifies and advocates for the projects and services that the City would like to implement but cannot reasonably expect to fund.

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
1	Extend Pioneer Street (SR 501) to Port of Ridgefield as minor arterial (3 lanes)	Division Street	Main Street	\$14,660,000
2	Upgrade Main Avenue to minor arterial (3 lanes)	Depot Street	North UGB	\$450,000
3	Extend Division Street as collector (2 lanes)	Pioneer Street (SR 501)	N Abrams Park Road	\$4,650,000
4	Construct signal at Pioneer Street (SR 501) and Hillhurst Road (9th Avenue)	-	-	\$400,000
5	Widen Hillhurst Road to minor arterial (3 lanes)	Pioneer Street (SR 501)	Sevier Road	\$6,350,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
6	Replace Pioneer Street (SR 501) bridge over Gee Creek	-	-	\$3,130,000
7	Build bridge at Reiman and Pioneer Canyon Dr connection	Pioneer Canyon Dr	Reiman Road	\$2,000,000
8	Build Pioneer Canyon Dr as collector (2 lanes)	32nd Avenue	Reiman Road	\$3,480,000
9	Rebuild S 25th Place as collector (2 lanes)	S 10th Way	S 4th Way	\$1,020,000
10	Rebuild S 10th Way as collector (2 lanes)	S 35th Place	S 25th Place	\$3,610,000
11	Build new east-west collector (2 lanes)	Hillhurst Road	new rural minor collector roadway	\$4,300,000
12	Extend N 35th Avenue as collector (2 lanes)	N Pioneer Canyon Drive	N 14th Street	\$3,300,000
13	Build/Rebuild S 35th Ave as collector (3 lanes)	Pioneer Street (SR 501)	S 15th Street	\$7,420,000
14	Rebuild S 15th Street (2 lanes)	S Royle Road (45th Avenue)	S 35th Avenue	\$4,830,000
15	Upgrade Hillhurst Road to principal arterial (5 lanes)	Sevier Road	UGA/Williams Rd	\$10,000,000
16	Build N 14th Street as a collector (2 lanes)	N 35th Avenue	Royle Road (45th Avenue)	\$8,240,000
17	Build N 10th Street as collector (2 lanes)	Royle Road (45th Avenue)	35th Avenue	\$4,000,000
18	Widen Pioneer Street (SR 501) (4 lanes)	35th Avenue Roundabout	Royle Road (45th Avenue) Roundabout	\$4,140,000
19	Extend S 6th Way as collector (2 lanes)	Royle Road (45th Avenue)	35th Avenue	\$6,500,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
20	Widen S Royle Road to minor arterial (3 lanes)	Hillhurst Road	S 15th Street	\$3,500,000
21	Build a roundabout at Royle Road (45th Avenue) and S 15th Street	-	-	\$2,250,000
22	Widen Royle Road (45th Avenue) to minor arterial (3 lanes)	S 15th Street	Pioneer Street (SR 501)	\$4,200,000
23	Build roundabout at Royle Road (45th Avenue) and new collector south of Pioneer Street (SR 501)	-	-	\$2,250,000
24	Construct 2-lane roundabout at Pioneer Street (SR 501) at Royle Road (45th Avenue)	-	-	\$100,000
25	Widen Royle Road (45th Avenue) to minor arterial (3 lanes)	Pioneer Street (SR 501)	N 10th Street	\$3,300,000
26	Build a signal or roundabout at N 10th Street and Royle Road (45th Avenue)	-	-	\$2,250,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
27	Construct signal or roundabout at N 20th Street (NW 289th Street) and N Royle Road (45th Avenue)/NW 31st Avenue	-	-	\$1,030,000
28	Widen N 10th St to industrial/commercial collector (3 lanes)	Royle Road (45th Avenue)	west side of I-5	\$4,000,000
29	Build N 5th Street as industrial/commercial collector (3 lanes)	Royle Road (45th Avenue)	N 56th Place	\$3,700,000
30	Build N 51st Avenue as industrial/commercial collector (3 lanes)	Pioneer Street (SR 501)	N 5th Street	\$2,000,000
31	Build N 56th Avenue as industrial/commercial collector (3 lanes)	Pioneer Street (SR 501)	N 5th Street	\$1,590,000
32	Widen Pioneer Street (SR 501) (4 lanes)	Royle Road (45th Avenue) Roundabout	51st Avenue	\$2,570,000
33	Construct 2-lane roundabout at Pioneer Street (SR 501) at 51st Avenue	-	-	\$1,490,000
34	Widen Pioneer Street (SR 501) (4 lanes)	51st Avenue	56th Avenue	\$2,570,000
35	Build second northbound lane (right turn lane) at Pioneer Street (SR 501) and 56th Ave roundabout	-	-	\$800,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
36	Build new east-west collector roadway south of Pioneer Street (SR 501) (2 lanes)	Royle Road (45th Avenue)	56th Avenue	\$4,300,000
37	Build S 51st Avenue as minor arterial (3 lanes)	Pioneer Street (SR 501)	S 20th Way	\$5,150,000
38	Extend S 6th Way as industrial/commercial collector (3 lanes)	S 56th Place	Royle Road (45th Avenue)	\$5,250,000
39	Build S 15th St as a minor arterial (3 lanes)	S Royle Road (45th Avenue)	S 11th Street	\$4,570,000
40	Construct roundabout at S 11th Street and S 51st Avenue extension	-	-	\$1,030,000
41	Upgrade Carty Road to minor arterial (3 lanes)	Hillhurst Road	I-5	\$15,270,000
42	Extend NW 219th Street as rural major collector outside UGA (2 lanes)	I-5	NW 31st Avenue/Hillhurst Road	\$18,820,000
43	Build new north-south rural minor collector roadway outside UGA (2 lanes)	NW Carty Road	NW 219th Street	\$3,500,000
44	Upgrade Ecklund Road/NW 11th Ave to rural minor collector outside UGA (2 lanes)	NW Carty Road	NW 219th Street	\$4,000,000
45	Build S 51st Avenue as minor arterial (3 lanes)	S 20th Way	NW Carty Road	\$4,000,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
46	Construct SB auxiliary lane along I-5	Pioneer Street (SR 501)	219th Street	\$9,260,000
47	Construct NB auxiliary lane along I-5	219th Street	Pioneer Street (SR 501)	\$10,120,000
48	Widen Timm Road to industrial/commercial collector (3 lanes)	S 11th Street	S 20th Way	\$2,330,000
49	Widen S 20th Way to industrial/commercial collector (3 lanes)	Timm Road	S 51st Avenue	\$2,980,000
50	Build N 20th Street (NW 289th Street) overcrossing over I-5	-	-	\$12,180,000
51	Widen N 20th Street (NW 289th Street) to minor arterial (3 lanes)	I-5	N 65th Avenue (NW 11th Avenue)	\$2,860,000
52	Widen N 65th Avenue (NW 11th Avenue) to minor arterial (3 lanes)	Pioneer Street (SR 501)	N 20th Street (NW 289th Street)	\$3,130,000
53	Widen N 10th Street to collector (2 lanes)	east side of I-5	N 65th Avenue	\$1,460,000
54	Widen S 65th Avenue (NW 11th Avenue) to collector (2 lanes)	Pioneer Street (SR 501)	S 10th Street	\$2,350,000
55	Extend Pioneer Street (SR 501) to Union Ridge Parkway (4 lanes)	65th Avenue Roundabout	S 5th Street	\$9,000,000
56	Build a signal or roundabout at Union Ridge Parkway extension and 74th Place extension	-	-	\$2,500,000



## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
57	Build a signal or roundabout at Union Ridge Parkway and S 5th Street	-	-	\$2,500,000
58	Build S 11th Street overcrossing over I-5 (3 lanes)	Timm Road	Dolan Road	\$17,150,000
59	Extend S 10th Street as minor arterial (3 lanes)	S 10th Street	I-5 overpass	\$2,290,000
60	Widen S 5th Street to collector (2 lanes)	Union Ridge Parkway	N 85th Avenue	\$3,080,000
61	Build new industrial/commercial collector (3 lanes)	Union Ridge Parkway	S 5th Street	\$7,820,000
62	Build new north-south collector roadway (2 lanes)	N 10th Street	new collector extending 74th Place	\$4,000,000
63	Build new east-west industrial/commercial collector (3 lanes)	N 65th Avenue	N 85th Avenue	\$7,820,000
64	Upgrade N 10th Street to collector (2 lanes)	N 65th Avenue	N 85th Avenue	\$4,930,000
65	Widen 85th Avenue to minor arterial (3 lanes)	S 5th Street	NE 279th Street	\$4,230,000
66	Upgrade N 10th Street to collector (2 lanes)	N 85th Avenue	105th Ave (NE 20th Avenue)	\$4,700,000
67	Build new east-west collector roadway (2 lanes)	N 85th Avenue	new local roadway	\$4,100,000
68	Widen S 85th Avenue to minor arterial (3 lanes)	NE 259th Street	S 5th Street	\$1,090,000

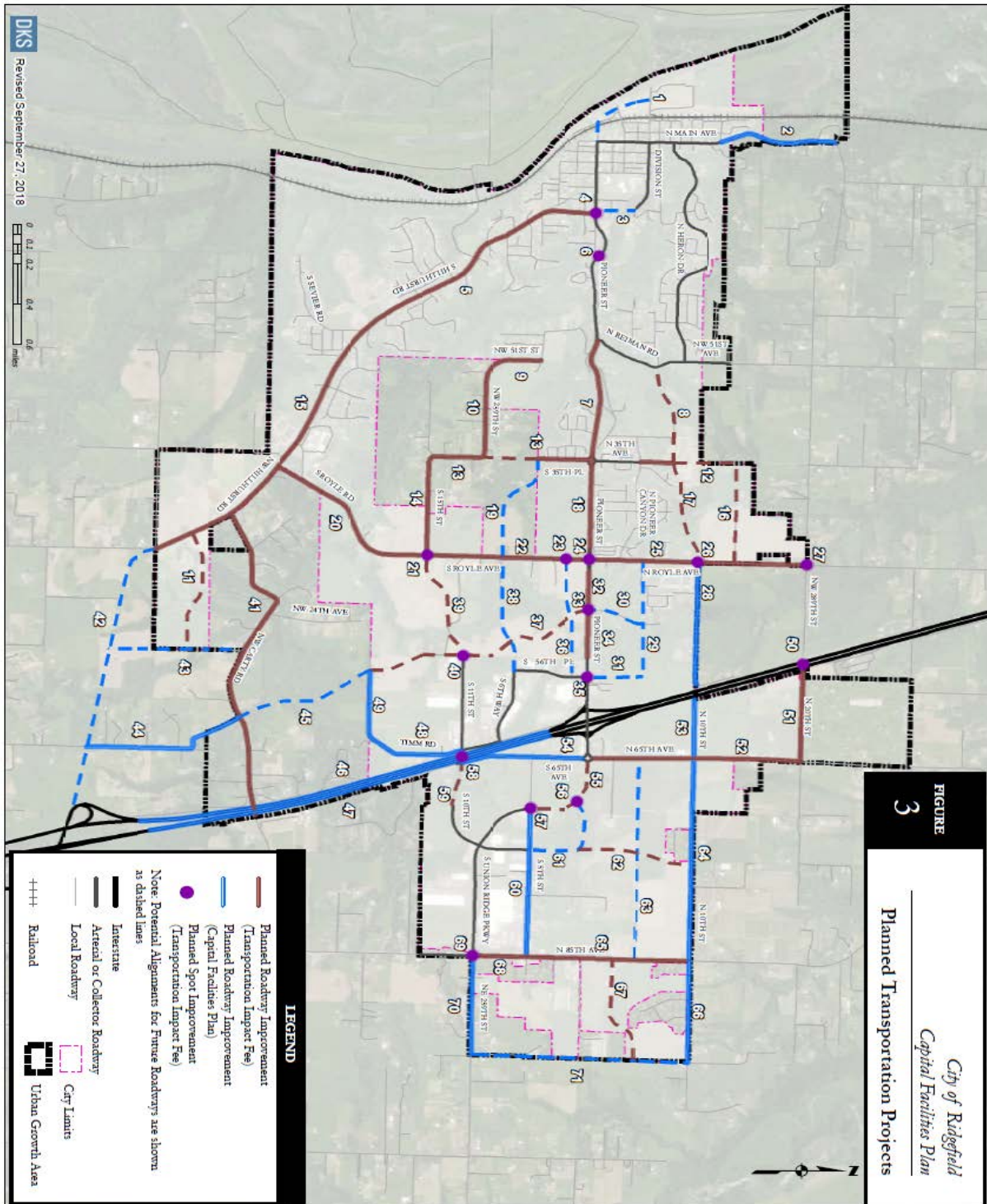


## ***2020 Adopted Budget***

<b>Project ID</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b><i>Estimated cost (2018 dollars)</i></b>
69	Build a signal or roundabout at Union Ridge Parkway and 85th Avenue	-	-	\$2,500,000
70	Upgrade NE 259th Street to collector (2 lanes)	N 85th Avenue	105th Avenue (NE 20th Ave)	\$4,700,000
71	Build 105th Ave (NE 20th Avenue) as collector (2 lanes)	N 10th Street	NE 259th Street	\$7,050,000
72	Widen Pioneer Street (SR 501) (3 lanes)	Reiman Road	35th Avenue Roundabout	\$6,550,000



# 2020 Adopted Budget





## ***2020 Adopted Budget***

### ***Parks and Trails Capital Facility Plan***

The City's Parks and Recreation Capital Facilities Plan was last updated in 2016. An update to the Parks and Recreation Comprehensive plan, including the Capital Facilities Plan is underway and will be adopted in 2020. The plan summarizes the plans for the City's existing parks which include 22 sites and almost 160 acres of public parkland. The City system also includes approximately 6 miles of trails. The plan estimates future demand and includes a 6-year Capital Facilities Plan (CFP) to help the City meet future demand. The CFP includes cost estimates and estimated funding sources.

This Comprehensive Parks and Recreation Plan is a six-year guide and strategic plan for managing and enhancing park and recreation services in Ridgefield. It establishes a path forward for providing high quality, community-driven parks, trails, open spaces and recreational opportunities. The Plan provides a vision for the City's park and recreation system, proposes updates to City service standards for parks and trails and addresses departmental goals, objectives and other management considerations toward the continuation of quality recreation opportunities to benefit the residents of Ridgefield.

This Plan was developed with the input and direction of Ridgefield residents. The Plan inventories and evaluates existing park and recreation areas, assesses the needs for acquisition, site development and operations and offers specific policies and recommendations to achieve the community's goals.



# 2020 Adopted Budget

## City of Ridgefield Parks CFP Projects and Financing Plan 2016 to 2021

	Actual 2014	Actual 2015	2016	2017	2018	2019	2020	2021	6-Year Total
<b>Project Specific Revenue</b>									
Park Impact Fees (most recent FY fund balance)	\$ 38,626	\$ 156,857	\$ 468,876	\$ 480,598	\$ 492,613	\$ 504,528	\$ 457,440	\$ 457,440	\$ 2,861,895
Park Impact Fees (annual revenues)	\$ 343,202	\$ 484,688	\$ 8,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 500	\$ 1,000	\$ 19,000
Interest Earnings / Other	\$ 12,141	\$ 20,055	\$ 3,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 3,500,000
REET	\$ 5,299	\$ 146,000	\$ 16,000	\$ 500,000	\$ 200,000				\$ 716,000
Grants / Bonds	\$ 22,945	\$ 214,521	\$ 7,000,000						\$ 7,000,000
Other Funding									
<b>Total Project Specific Revenue</b>	\$ 422,213	\$ 1,024,121	\$ 3,493,376	\$ 8,083,598	\$ 595,613	\$ 807,528	\$ 557,940	\$ 558,440	\$ 14,096,895
<b>Anticipated Capital Purchases / Projects:</b>									
Pre-2014 Capital Project Expenditures	\$ 25,679	\$ 22,406	\$ 3,000,000	\$ 4,000,000	\$ 3,000,000				\$ 10,000,000
Outdoor Recreation Complex	\$	\$ 125,000	\$ 32,000		\$	\$ 400,000	\$ 350,000		\$ 432,000
NP-6 Improvements			\$ 280,000						\$ 280,000
Neighborhood Park Acquisition (Gap Area G)	\$ 29,333	\$ 585,000	\$	\$ 137,000	\$ 353,000	\$ 70,000	\$	\$ 525,000	\$ 490,000
Gee Creek Trail (Abrams to Heron Drive)								\$ 400,000	\$ 400,000
Gee Creek Trail (Heron Drive to Refuge)									\$ 105,000
Gee Creek Trail (Osprey Points to RHS)									\$ 25,000
Neighborhood Park Acquisition (Gap Area F)									\$ 810,000
Smythe Road Trail									\$ 2,000,000
Off Leash Park									\$ 183,000
Commerce Center Loop Trail									\$ 35,000
Waterfront Park		\$ 21,000	\$ 183,000	\$ 2,000,000					\$ 30,000
Abrams Park - Restrooms			\$ 30,000				\$ 432,000		\$ 432,000
Neighborhood Park Development (NP-13d)				\$ 17,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 53,000
Neighborhood Park Development (NP-5d)	\$ 13,325	\$ 31,043	\$	\$ 11,000	\$ 14,500	\$ 14,000	\$ 12,000	\$ 10,000	\$ 61,500
Minor Repairs & Renovations			\$ 3,655,000	\$ 6,175,000	\$ 3,418,500	\$ 494,000	\$ 804,000	\$ 1,735,000	\$ 16,281,500
ADA Compliance Upgrades	\$ 68,337	\$ 784,449							
<b>Total</b>	\$ 68,337	\$ 784,449	\$ 3,655,000	\$ 6,175,000	\$ 3,418,500	\$ 494,000	\$ 804,000	\$ 1,735,000	\$ 16,281,500
<b>Non-Capacity Adding Projects</b>									
Grants Writing			\$ 10,000	\$	\$ 20,000				\$ 30,000
Planning / Other			\$ 20,000	\$ 20,000	\$ 20,000	\$ 75,000			\$ 135,000
<b>Total Expense</b>	\$ -	\$ -	\$ 30,000	\$ 20,000	\$ 40,000	\$ 75,000	\$ -	\$ -	\$ 165,000
<b>Total</b>	\$ 353,876	\$ 239,672	\$ (191,624)	\$ 1,888,598	\$ (2,862,887)	\$ 238,528	\$ (246,060)	\$ (1,176,560)	\$
<b>Beginning of Year Cash</b>	\$ 1,068,645	\$ 1,422,521	\$ 1,662,193	\$ 1,470,569	\$ 3,359,167	\$ 496,280	\$ 735,208	\$ 489,148	\$
<b>End of Year Cash</b>	\$ 1,422,521	\$ 1,662,193	\$ 1,470,569	\$ 3,359,167	\$ 496,280	\$ 735,208	\$ 489,148	\$ (687,412)	\$

\* Additional funding from other sources (e.g., REET, grants, etc) may be available to support the implementation of noted projects.

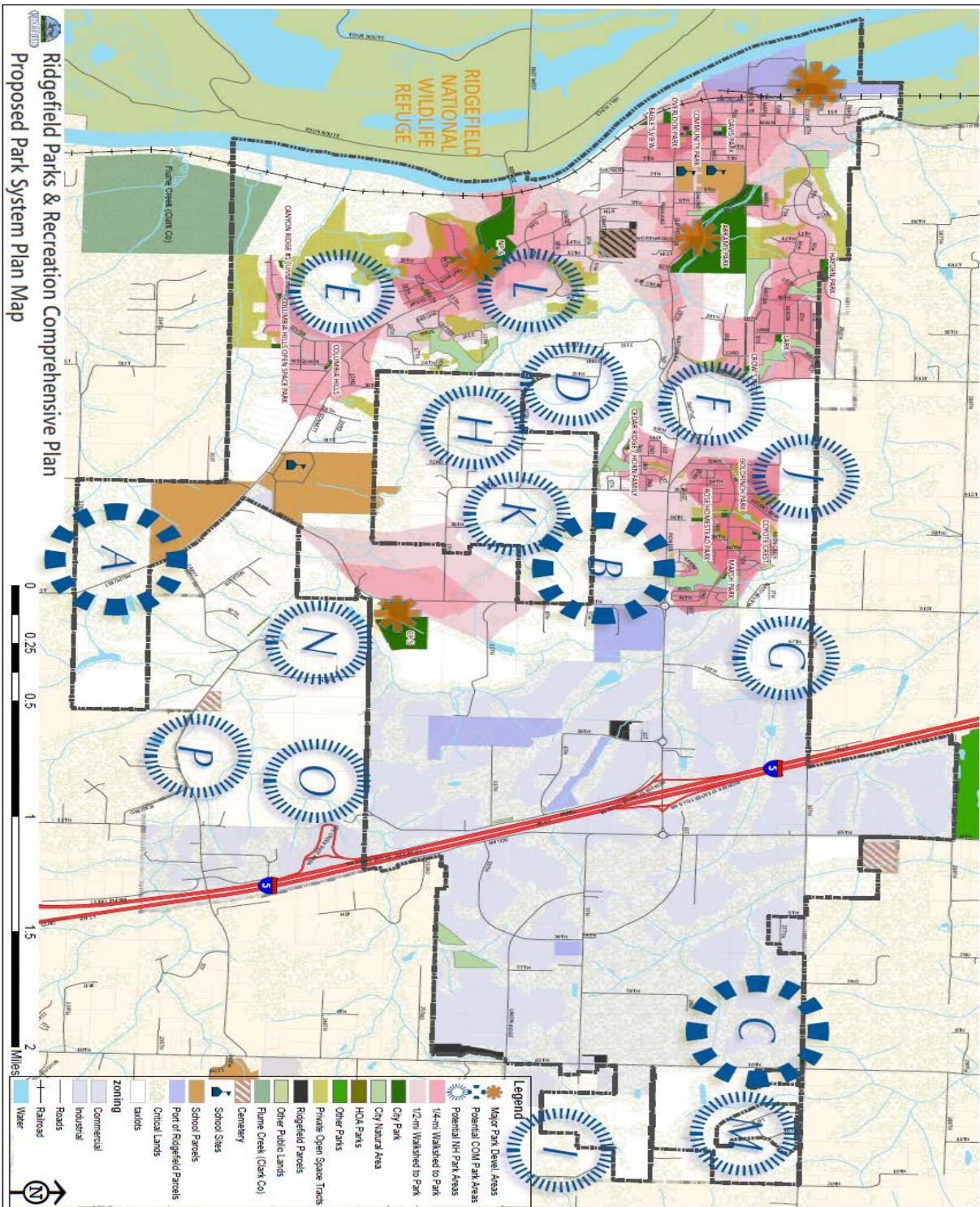


## 2020 Adopted Budget

ID#	Project	Description	Total	Funding Sources
CP-1d	Abrams Park	Implement Master Plan Improvements	\$ 500,000	PIF, Grant, REET, TBD
CP-9a	Community Park Acquisition	Acquire 8.6 acres (Gap Area A)	\$ 3,000,000	PIF, Grant, REET
CP-9d	Community Park w/ Sports Complex	Design and construct sports complex	\$ 7,000,000	PIF, Grant, GF, REET, TBD
NP-12a	Neighborhood Park Acquisition	Acquire 2 - 3 acres (Gap Area F)	\$ 350,000	PIF, Grant, REET
NP-13a	Neighborhood Park Acquisition	Acquire 3 - 4 acres (Gap Area G)	\$ 400,000	PIF, Grant, REET
NP-13d	Neighborhood Park Development	Design & construct Phase 1 park development	\$ 30,000	PIF
NP-6d	Neighborhood Park Development	Implement Phase 1 park development	\$ 432,000	PIF, Grant, REET
SU-2d	Waterfront Park	Design & construct urban waterfront park with non-motorized boat access	\$ 2,000,000	REET, GF, TBD
T-1a	Gee Creek Trail	Secure trail access (Heron Drive to Refuge)	\$ 137,000	PIF, REET
T-1d	Gee Creek Trail	Design and construct trail segment (Abrams Park to Refuge)	\$ 633,000	PIF, REET, Grant
T-2a	Gee Creek Trail	Secure trail access rights (Abrams Park to RHS)	\$ 120,000	PIF, REET
T-2d	Gee Creek Trail	Design and construct trail segment (Abrams Park to Osprey Pointe)	\$ 525,000	PIF, REET, Grant
T-17a	Commerce Center Loop Trail	Secure trail access rights across Port properties	\$ 10,000	REET, GF, TBD
T-17d	Commerce Center Loop Trail	Design & construct trail loop	\$ 800,000	GF, REET
---	Minor Repairs & Renovations		\$ 53,000	GF, REET
---	ADA Compliance Upgrades		\$ 61,500	REET, GF, TBD
<b>TOTAL</b>			<b>\$ 16,051,500</b>	

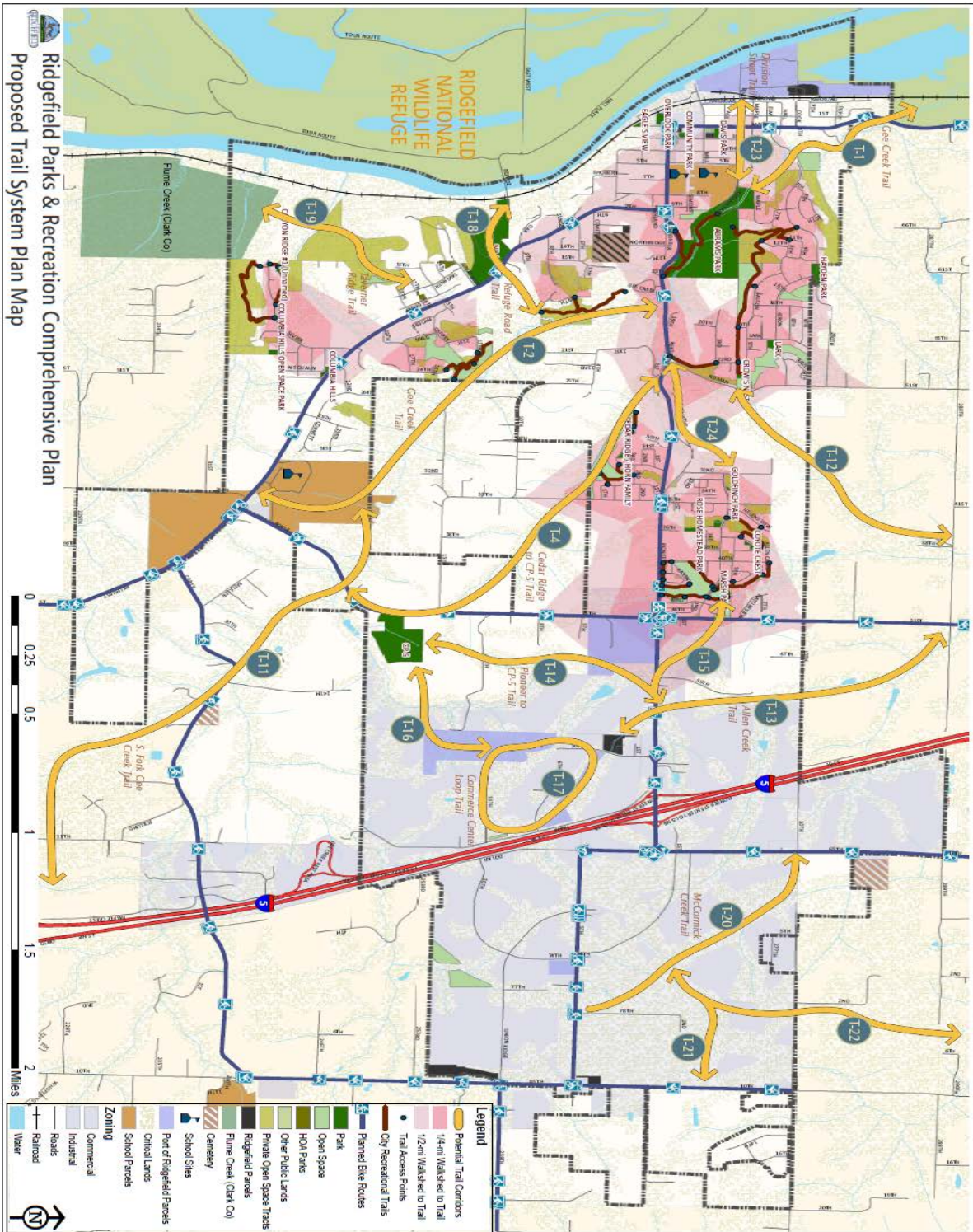


## 2020 Adopted Budget





# 2020 Adopted Budget





## 2020 Adopted Budget

### 2020 Capital Project List and Funding Source

Capital Projects			
Project	Funding Source	2020 Expenditure	
General Fund			
Abrams Park Caretaker House Roof Replacement			25,000
General Fund Expense	25,000		
Total Caretaker House Roof Replacement	\$ 25,000	\$	25,000
Dousign Software			5,400
General Fund Expense	5,400		
Total Docusign Software	\$ 5,400	\$	5,400
Document Management Forms Portal			10,250
General Fund Expense	10,250		
Total Forms Portal Software	\$ 10,250	\$	10,250
Online Permit Submittal Software			6,800
Community Development Expense	6,800		
Total Online Permit Software	\$ 6,800	\$	6,800
Skid Steer w/Attachments Purchase			50,000
General Fund Expense	50,000		
Total Skid Steer Purchase	\$ 50,000	\$	50,000
Police Facility Relocation Expense			65,000
General Fund Expense	65,000		
Total Police Facility Relocation	\$ 65,000	\$	65,000
Operations Facility Improvements			3,000
General Fund Expense	3,000		
Total Operations Facility Improvements	\$ 3,000	\$	3,000
Development Inspector Vehicle			30,000
General Fund Expense	7,500		
Community Development Expense	22,500		
Total Development Inspector Vehicle	\$ 30,000	\$	30,000
Total General Fund		\$ 195,450	\$ 195,450
Street Fund			
Wayfinding Signs			20,000
General Fund Transfer	20,000		
Total Wayfinding Signs	\$ 20,000	\$	20,000
Operations Facility Improvements			3,000
General Fund Transfer	3,000		
Total Operations Facility Improvements	\$ 3,000	\$	3,000
Pavement Condition Index Update			18,000
General Fund Transfer	18,000		
Total Street Sweeper	\$ 18,000	\$	18,000
Total Street Fund		\$ 41,000	\$ 41,000



## 2020 Adopted Budget

Capital Projects			
Project	Funding Source	2020 Expenditure	
Water Utility Fund			
Remote Meter Reading Equipment			37,000
Water Utility Fund	37,000		
Total Remote Meter Reading Equipment	\$ 37,000	\$	37,000
Clean Exterior of S. 56th Recycle Tank			5,430
Water Utility Fund	5,430		
Total Cleaning of 56th Recylce Tank	\$ 5,430	\$	5,430
Rebuild Pressure Relief Valves (PRV)			14,040
Water Utility Fund	14,040		
Total Rebuild of PRV's	\$ 14,040	\$	14,040
Clean and Inspect High School & Cemetery Reservoirs			8,000
Water Utility Fund	8,000		
Total Rebuild of PRV's	\$ 8,000	\$	8,000
Operations Facility Improvements			3,000
Water Utility Fund	3,000		
Total Operations Facility Improvements	\$ 3,000	\$	3,000
Total Water Utility Fund		\$ 67,470	\$ 67,470
Stormwater Utility Fund			
Operations Facility Improvements			3,000
Storm Water Utility Fund	3,000		
Total Operations Facility Improvements	\$ 3,000	\$	3,000
Cedar Ridge Storm Filter Vault Maintenance			6,800
Storm Water Utility Fund	6,800		
Total Cedar Ridge Vault Maintenance	\$ 6,800	\$	6,800
Total Stormwater Utility Fund		\$ 9,800	\$ 9,800
General Capital Fund			
Streets			
S. 3rd Avenue Improvement Project - Construct			285,500
Real Estate Excise Tax Transfer	35,500		
CDBG Grant	250,000		
Total S. 3rd Avenue Improvement Project	\$ 285,500	\$	285,500
219th Interchange Planning & Feasibility Study			250,000
WSDOT Grant	250,000		
Total 219th Interchange Planning & Feasibility	\$ 250,000	\$	250,000



## 2020 Adopted Budget

Capital Projects			
Project		Funding Source	2020 Expenditure
Parks			
Overlook Park Annex Design/Permitting/Construct			300,000
General Fund Transfer		300,000	
Total Overlook Park Annex		\$ 300,000	\$ 300,000
Gee Creek Trail North - Construction			100,000
Grant		100,000	
Total Gee Creek Trail North		\$ 100,000	\$ 100,000
Gee Creek Stabilization			60,000
General Fund Transfer		60,000	
Total Gee Creek Stabilization		\$ 60,000	\$ 60,000
RORC Fencing and Capital Improvements			50,000
Transfer	Park Impact Fee	50,000	
Total RORC Fencing & Capital Improvements		\$ 50,000	\$ 50,000
Total General Fund Capital Projects		\$ 1,045,500	\$ 1,045,500
Water Utility Capital Fund			
Well #8 Sand Pack Redevelopment			50,000
Water System Development Charges		Transfer 50,000	
Total Well #8		\$ 50,000	\$ 50,000
Junction Variable Frequency Drive (VFD) Pumps			420,000
Water System Development Charges		Transfer 420,000	
Total VFD Pumps		\$ 420,000	\$ 420,000
Abrams Park Well 11 Construction			400,000
Water System Development Charges		Transfer 400,000	
Total Abrams Park Well 11		\$ 400,000	\$ 400,000
Kennedy Water Rights Acquisition			100,000
Water System Development Charges		Transfer 100,000	
Total Junction Well Variable Frequency Pumps		\$ 100,000	\$ 100,000
S. 9th Ave. Water Improvements - Construction			100,000
Water System Development Charges		Transfer 100,000	
S 8th Ave Water Improvements		\$ 100,000	\$ 100,000
S. 3rd Avenue Improvement Project - Construct			251,500
Water System Development Charges		Transfer 251,500	
S 9th Ave Water Improvements		\$ 251,500	\$ 251,500
Total Water Utility Capital Projects		\$ 1,321,500	\$ 1,321,500



## 2020 Adopted Budget

Capital Projects			
Project	Funding Source	2020 Expenditure	
Storm Water Utility Capital Fund			
Downtown Storm Water Enhancements			359,000
PWTF Loan	359,000		
Total Well 7 Improvements	\$ 359,000	\$	359,000
Total Storm Water Utility Capital Projects	\$ 359,000	\$	359,000
Equipment Replacement Fund (ERF)			
Replace 2013 Ford Taurus Patrol Vehicle			57,400
Equipment Replacement Fund	57,400		
Total 2013 Ford Taurus	\$ 57,400	\$	57,400
Replace 1994 10-Yard Dump Truck			205,000
Equipment Replacement Fund	205,000		
Total 1994 10-Yard Dump Truck	\$ 205,000	\$	205,000
Replace 2003 Ford F150 Pickup			37,900
Equipment Replacement Fund	37,900		
Total 2003 Ford F150	\$ 37,900	\$	37,900
Total ERF Capital Outlay	\$ 300,300	\$	300,300
Total 2018 Capital Projects	\$ 3,340,020	\$	3,340,020



## ***2020 Adopted Budget***

### ***VII. Appendix***



# ***2020 Adopted Budget***

## **Financial Policy #01: Financial Management**

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Effective Date: July 25, 2019 Resolution No. 561

Replaces and Cancels: Replaces Financial Policy #01: Financial Management; July 26, 2018

References:

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### **PURPOSE**

To provide the necessary tools to ensure the City is capable of meeting its immediate and long-term financial and service level objectives. These policies serve as guidelines for both financial planning and internal financial management of the City.

The City of Ridgefield is accountable to its citizens for the use of public dollars. Resources must be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.

### **OBJECTIVES**

1. To guide City Council in management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To implement balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.



## ***2020 Adopted Budget***

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### Table of Contents

I.	General Information.....	3
	Funds.....	3
	Fund Types.....	3
	General Government Funds .....	3
	Proprietary (Business Type) Funds .....	3
II.	Budget Management .....	4
	Budget Development.....	4
	Budget Adjustments and Amendments .....	4
	Budget Monitoring.....	5
	City Positions and Staffing Levels .....	5
III.	Revenues .....	5
IV.	Expenditures .....	6
V.	Capital Assets .....	6
VI.	Fund Balance .....	6
	Debt Service Reserve .....	7
	Operations and Maintenance Reserve .....	8
	Revenue Stabilization Reserve .....	8
	Separation Reserve .....	8
	Capital Reserve .....	9
	Capital Repair & Replacement Reserve (Enterprise Funds) .....	9
	Equipment Repair and Replacement Reserve .....	10
VII.	Purchasing .....	10
VIII.	Capital Improvements.....	11
IX.	Local Improvement Districts .....	11
X.	Latecomer Agreements .....	12
XI.	Debt Management .....	12
XII.	Investments .....	12
XIII.	Accounting, Auditing and Financial Reporting.....	13
XIV.	Measurement Focus, Basis of Accounting and Financial Statement Presentation .....	14



## ***2020 Adopted Budget***

### **GENERAL INFORMATION**

The City of Ridgefield uses the Washington State Auditor's Office prescribed Budgetary, Accounting and Reporting System (BARS) for local governments.

#### **Funds**

Funds are used to account for and record designated information. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

#### **Fund Types:**

##### **General Government Funds:**

General Government funds are accounted for on a modified accrual basis of accounting. Following are the General Government funds used by the City.

*General Fund:* The General Fund is used to account for all of the financial resources of the government, except those required to be accounted for in another fund.

*Special Revenue Funds:* Special revenue funds are used to account for the proceeds of specific special revenue sources legally restricted or committed to expenditures for specific purposes.

*Debt Service Funds:* Debt Service funds are used to account for accumulation of resources for and payment of general government long-term debt principal and interest. It does not include the payment of principal and interest on debt associated with an enterprise fund.

*Capital Projects Funds:* Capital projects funds are used to account for financial resources used in the acquisition or construction of capital facilities or infrastructure not financed by proprietary or trust funds.

##### **Proprietary (Business Type) Funds:**

Proprietary funds are used to account for the proprietary or business-type activities for the City. Proprietary funds consist of enterprise funds and internal service funds. Enterprise funds are accounted for on a full accrual basis of accounting.

*Enterprise Funds:* Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are maintained on a full accrual basis of accounting.

*Internal Service Funds:* Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the



## ***2020 Adopted Budget***

governmental unit on a cost reimbursement basis. The City's Equipment Replacement Fund is established as an Internal Service Fund.

### **I. BUDGET MANAGEMENT**

#### **Budget Development**

Refer to ***Financial Policy #07: Budget*** for more detailed information.

Department directors have primary responsibility for formulating budget proposals in accordance with City Council and City Manager priority direction, and for implementing the budget once they are adopted.

The Finance Department is responsible for conducting the overall preparation and administration of the City's budget. This includes providing information on revenues and expenditures, updating costs and revenues, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department assists department management in developing their budget proposals including identifying and analyzing budget issues, formulating solutions and alternatives, and implementing any necessary changes.

The budget is prepared and implemented on an annual basis in accordance with RCW 35A.33. The budget includes revenue and expenditure categories that correspond to the State's Budgeting, Accounting and Reporting System (BARS) categories.

The City develops budgets for the General and Enterprise operating funds, Special Revenue, and Equipment Replacement funds of the City. Budgets are also developed in the Debt Service fund to account for principal and interest payments and in the Capital Project fund to account for capital expenditures and associated capital funding sources.

#### **Budget Adjustments and Amendments**

The City Council adopts the budget at the fund level. Budget amendments are needed when total expenditures in a fund are expected to exceed the adopted budget for that fund. This may occur due to policies or programs approved by the City Council after the budget was adopted or due to unanticipated expenses. In addition, the City Council may choose to amend the budget in the event of a material change in the City's revenue sources during the year. Minor changes to anticipated revenues or expenditures do not require City Council to adopt a budget amendment. Budget amendments are authorized by City Council through an ordinance.

Budget adjustments within the City Council adopted budget for a fund proceed as follows:



## ***2020 Adopted Budget***

- The Finance Department receives a request for a budget adjustment from a department. Budget changes can also occur based on new information or documentation that the Finance Department receives directly.
- The Finance Department reviews the request. Adjustments that simply move budget amounts within a department and that do not represent a change in a policy or program are processed by the Finance Department. Budget adjustments that increase the budgeted amount for one department that are offset by decreases in another department are reviewed by the City Manager or other designated person. If approved, the Finance Department makes the requested adjustment as long as it does not change the total budget for the fund.
- Council approval is required if the requested adjustment changes the total budget for a fund. The Finance Department will verify whether there are sufficient resources for the adjustment, and prepare a budget adjustment and ordinance for Council approval.

### **Budget Monitoring**

Budgets are developed and monitored at the line item level, but are managed at the fund level. A department director can overspend on one-line item within their department without the need for a budget adjustment as long as it is balanced out by an under expenditure on another line item. The total expenditures for a fund cannot exceed the total budget for the fund.

Department directors are responsible and accountable for their department budget.

Monthly reports that compare budget to actual will be created by the Finance Department and provided to the appropriate department director for review and response if large discrepancies are identified.

### **City Positions and Staffing Levels**

The budget approved by the City Council will fund a number of authorized full time equivalent City positions. The City's authorized positions, will be included in the budget document and/or included in labor agreements approved by City Council. City Council will approve any new permanent City positions prior to the positions being filled. Temporary and seasonal positions do not require City Council approval as long as the expenditure to support them is provided for in the adopted budget.

### **III. REVENUES**

The City will strive to maintain a diversified and stable revenue system to shield the City from short-term fluctuations from any one revenue source.

The City will work to develop and maintain sustainable revenue sources to ensure its viability over the long term.



## ***2020 Adopted Budget***

Revenue estimates adopted by City Council should be made with consideration to the sensitivity of both local and regional economic activities.

The City will establish all user charges at a level associated with the cost of providing the service.

The City will set fees and user charges for each enterprise fund, such as Water, and Storm Water Drainage, at a level that, along with other anticipated revenue, fully supports the total direct and indirect cost of the activity provided.

Grant revenue sources will be acquired and used whenever possible.

### **IV. EXPENDITURES**

The City will only propose ongoing operating expenditures that can be supported by ongoing operating revenues.

The City will maintain a level of expenditures consistent with the level of services that will meet the goals and mission of the City as approved by the City Council.

Expenditures funded by one-time only sources, such as grants, must be identified and noted as such. Expenditures funded by these sources will not be included in subsequent budgets once the funding source no longer exists.

The City will maintain expenditure categories according to State statute and administrative regulation.

Expenditures associated with a grant revenue source will be identified and recorded against the corresponding grant.

### **V. CAPITAL ASSETS**

Refer to ***Financial Policy #09: Capitalization of Assets*** for more detailed information.

The City of Ridgefield will maintain a capital asset system that meets Generally Accepted Accounting Principles (GAAP) reporting requirements.

A capital asset system will be maintained to identify all City assets and their condition.

Capital assets are maintained for both the General Government and Enterprise funds.

Straight line depreciation will be calculated and charged appropriately against the asset.

### **VI. FUND BALANCE**

Fund balances are created and maintained to provide capacity to:

1. Offset significant downturns in the economy.
2. Provide sufficient cash flow to meet daily financial needs.



## ***2020 Adopted Budget***

3. Meet all statutory and City Council approved loan covenant requirements for required debt reserves to pay debt service.
4. Maintain the ability to meet scheduled equipment repair and replacement needs that sustain city services at an acceptable level to prevent physical deterioration of city assets.
5. Provide the capacity to pay large unanticipated expenses, such as the payment of vacation and sick leave balances for employees that retire or leave employment with the City.

Fund Balance represents the difference between the fund's assets and the fund's liabilities. A positive fund balance should be maintained to properly manage a fund.

Reserves are a portion of the fund balance that is restricted or categorized to use for a designated purpose. The following definitions (though the City may not use all of these categories at any one time) are published by the Governmental Accounting Standards Board – Pronouncement No. 54:

- Non-spendable: Amounts that cannot be spent due to form; for example, inventories, prepaid amounts, long-term and notes receivables, and other restricted items. Also includes amounts that must be maintained intact legally or contractually.
- Restricted: Amounts constrained for a specific purpose by external parties, or constitutional provision, such as a requirement for revenue bonds to set aside funds in a debt service reserve account.
- Committed: Amounts constrained or restricted for a specific purpose by a government using its highest level of decision-making authority. Action by the legislative authority is required to remove or change this amount.
- Assigned: Used for funds to classify any remaining positive amounts not identified as non-spendable, restricted or committed. These amounts should not result in a deficit in unassigned fund balance.
- Unassigned (remaining fund balance that is not reserved): This is the excess or residual amount of resources that exceed the amount expended, less amounts identified as non-spendable, restricted, committed or assigned. If the residual amount is negative, the assigned amount should be reduced accordingly.

The City has determined the need to create the following reserves and fund balances with the priority identified:

### ***Priority #1- Debt Service Reserve:***

*Purpose:* This reserve account will be established by any fund that budgets debt service, as an expense item in the fund. The purpose of this account is to create the financial ability to pay for principal and interest due on outstanding debt.



## **2020 Adopted Budget**

*Amount:* The amount allocated will be determined by bond issuance and/or loan covenant requirements and adjusted annually. The amount will come from a portion of the annual operating revenue generated in the fund that pays debt service.

*Category:* Identified as a “Committed” fund balance.

### **Priority #2 - Operations and Maintenance Reserve:**

*Purpose:* This reserve account will be established by any fund that budgets ongoing operations and maintenance. The purpose of this account is to create the financial ability to pay operating expenses from month to month given the routine and seasonal fluctuations in the City’s revenue and expenses.

*Amount:* The General Fund and Street Fund operations and maintenance reserve will be set at 60 days of prior year actual operating expenses. The operations and maintenance reserve for Enterprise Funds (water and storm water) will be set at 90 days of prior year actual operating expenses. Reserve amounts will be updated annually during the budget process. The source of the operations and maintenance reserve will come from the amount of annual operating revenue that exceeds the annual operating expenses for a fund.

*Category:* Identified as “Unassigned” fund balance.

### **Priority #3 - Revenue Stabilization Reserve:**

*Purpose:* This reserve account will be established in the General Fund. The purpose of this reserve account is to provide the financial ability to cover operating expenses during a longer term revenue shortfall due to reduced ongoing revenue receipts or a downturn in the economy. This reserve will allow the City to sustain service levels while the City Council implements policies that respond to and mitigate the revenue shortfall.

*Amount:* The amount will be calculated annually at 10% of the prior year actual revenues less any one-time revenues such as grant allocations and inter-fund transfers.

*Category:* Identified as “Unassigned” fund balance.

### **Priority #4 - Separation Reserve:**

*Purpose:* This reserve account will be established by any fund that budgets personnel expense. The purpose of this account is to provide the financial ability to cover retirement payout obligations for City staff. Accrued vacation hours are paid in full upon separation. Accrued sick leave is paid per union agreement or personnel policy upon separation. This reserve will allow the City to cover anticipated payouts without impacting ongoing operations and service levels.

*Amount:* The amount will be calculated at 30% of the anticipated payouts for the following ten years per financial model. The amount allocated to the reserves will be updated annually during the budget process.



## **2020 Adopted Budget**

*Category:* Identified as “Unassigned” fund balance.

### ***Priority #5 – Capital Reserve:***

*Purpose:* This reserve account will be used by any fund that budgets capital and/or large maintenance projects as an expense item in the fund or uses a capital projects fund to budget and pay for these expenses. The purpose of this account is to create the financial ability to pay for unanticipated capital needs typically resulting from a natural disaster or other unanticipated event that damages City infrastructure. This fund may with specific appropriation by City Council be used for investment in revenue producing capital projects.

*Amount:* The amount allocated will be calculated at 1% of prior year net capital assets. The amount will come from a portion of the annual operating revenue generated in the fund that pays for these types of projects.

*Category:* Identified as “Assigned” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

### ***Priority #6 - Capital Repair and Replacement Reserve (Enterprise Funds)***

*Purpose:* This reserve account will be used to set aside funds for future repair and replacement of utility infrastructure. The purpose of this account is to create the financial ability to pay for repair or replacement of existing utility infrastructure at the end of the assets useful life, or in the event of a failure of the asset. Use of these funds for specific repair and replacement projects must be appropriated by City Council through the budget process or by emergency declaration in the event of a significant failure of the asset.

*Amount:* The amount will be allocated on an annual basis as 5% of the previous year utility receipts from rates and will be deposited into a separate fund balance. The minimum target fund balance for this account is 2% of the historical cost for infrastructure, not to include machinery and equipment which is included in the Equipment Replacement Fund Reserve in the accompanying utility fund.

Replenishment of Reserves – The following criteria will be used to restore the Capital Repair and Replacement Reserve Fund based upon the minimum reserve guideline:

1. If the reserves are drawn down by 25-50% of reserve fund balance, then a budgetary plan shall be implemented to return the reserve level to between 75-100% of the minimum reserve balance over a 5-7 year period.
2. If the reserves are drawn down by 10-25% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 3-5 year period.



## 2020 Adopted Budget

3. If the reserves are drawn down by 0-10% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 1-3 year period.

*Category:* Identified as “Unrestricted” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

***Priority #7 - Equipment Repair and Replacement Reserve:***

*Purpose:* This reserve account will be set-up as a separate fund to account for equipment replacement for existing City equipment and vehicles. The purpose of this fund is to create the financial flexibility to plan for replacement of these types of expenses, maintaining the City assets at an acceptable level to prevent physical deterioration.

*Amount:* The amount allocated will be determined by a financial model used to track the funds needed to replace existing vehicles and equipment at the end of their useful life. The amount allocated to the reserves will be updated annually during the budget process.

*Category:* Identified as “Assigned” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

The City will make every effort to create and maintain the fund balances and reserves identified above and based on the priorities established. The City is aware that needs may change over time and fund balance reserve amounts may be redistributed within a fund to meet the needs that occur at a given time. If it is determined that funds need to be redistributed within a fund, the fund balance with the lowest priority will be redistributed first to allow the ability to meet the need of a higher priority fund balance. In all cases, council approval or budget enactment is required before changing or redistributing the amounts allocated to a reserve account.

### VII. PURCHASING

Refer to ***Financial Policy #04: Procurement of Goods and Services*** for more detailed information.

The City shall commit to the following guidelines:

- Comply with all federal, state, and local laws, adopted codes, ordinances, and stated policies in its procurement process.
- Buy competitively and wisely to obtain maximum value for the public resource dollars spent.
- Afford all bidders an equal opportunity to quote and compete on equal terms.



## ***2020 Adopted Budget***

- Initiate and promote good, continuous vendor relations, as well as, reliable alternate sources of supply.
- Buy from suppliers who maintain adequate financial strength, high ethical standards, a record of adhering to specifications and who will maintain integrity in payment terms, delivery and service.

### **VIII. CAPITAL IMPROVEMENTS**

The City will make capital improvements in accordance with an adopted capital improvement plan.

The capital investment program and the base operating budget will be reviewed at the same time. This will insure that the City's capital and operating needs are balanced with each other.

The City will develop a multi-year plan for capital improvements including operations and maintenance costs and update it every two years or sooner if needed. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in the economic base will be calculated and included in the capital budget projections.

The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental grants, loans and other outside resources whenever possible.

### **IX. LOCAL IMPROVEMENT DISTRICTS (LID):**

LID's are formed to provide an alternative means of financing for property owners, within a defined geographical area, to make improvements benefiting their property.

Improvements financed by the Local Improvement District (LID) may include street and sidewalk construction, construction of water distribution and storm water collection facilities. Assessments are determined by the size and location of each property in relation to the improvement and the benefit to the property.

An LID may be initiated by City Council resolution or by petition of the majority of property owners along the frontage of the improvement, within the boundaries of the district. Refer to RCW 35.43 for authority.

The formation of a Local Improvement District is limited to specific instances and can apply as follows:

- When a group of property owners wish to accelerate development of a certain improvement; or
- When a group of property owners desire a higher standard of improvement than the City's project contemplates; or



## ***2020 Adopted Budget***

- When a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements.

LID projects may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall request it from the City Council (through the City Clerk) in writing before the LID promotion activity begins.

### **X. LATECOMER AGREEMENTS**

Refer to Ridgefield Municipal Code chapter 3.90 for more detailed information.

As a source of financing capital improvements, the City may work with private developers to construct projects identified in the capital facilities plan.

The City shall collect a connection or impact fee from future developers that utilize the capital improvement and reimburse the developer that built the initial capital improvement.

Construction projects considered under this agreement:

- The project must be a project identified in the adopted capital facilities plan
- The project extension must serve anticipated future development.
- The project requires prior approval by the Community Development Director or Public Works Director.
- The latecomer agreement must be approved by City Council prior to construction.

Payment of any latecomer fee shall occur within 15 years of final acceptance of construction. Documentation of the actual project costs and the agreement with current participants must be made prior to any reimbursements.

The reimbursements shall not exceed that amount which brings participant costs equal to zero.

### **XI. DEBT MANAGEMENT**

Refer to ***Financial Policy #10: Debt Management*** for more detailed information.

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

### **XII. INVESTMENTS**

Refer to ***Financial Policy #08: Investments*** for more detailed information.



## ***2020 Adopted Budget***

The policy on investment applies to the investment of all City funds excluding pension funds or trust accounts. The primary objective of investment activities shall be: 1) Safety of principal that seeks to minimize potential losses; 2) Liquidity of cash to sufficiently meet all operating requirements; and 3) Return on investment that allows for the highest market rate of return throughout budgetary and economic cycles.

The City of Ridgefield authorized investment officers will perform their duties in a manner consistent with the standard of a “prudent person,” as defined in RCW 43.250.040. A prudent person is defined as “exercising the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.” The investment officer is the Finance Director.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The City may invest in any of the securities identified as eligible investments as defined by RCW’s: 35A.40.050, 39.59, 43.250, and 43.84.080. These include: Certificates of Deposit, United States Securities, Bankers' Acceptances, Repurchase Agreements and Certificates, and Notes and Bonds of the State of Washington. The City may also create investment accounts with the Clark County Treasurer's Office per RCW 36.29.020, and the Local Government Investment Pool per RCW 43.250.040. Speculative investments are not allowed.

Investment transactions shall be conducted with approved broker/dealers selected by credit worthiness and other selection criteria. Broker/dealers must be registered to provide investment services in the State of Washington.

The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

### **XIII. ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

The City will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with Generally Accepted Accounting Principles and the State of Washington Budgeting, Accounting, and Reporting Systems.

Regular monthly, quarterly and annual financial reports will present a summary of financial activity by major types of funds. Monthly reports will also include a summary of the investment activities by type of investment.



## ***2020 Adopted Budget***

Where feasible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and, if necessary, by fund.

The State Auditor's Office will audit City records annually or biannually, depending upon audit requirements, and will issue a financial opinion.

### **XIV. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers taxes as available if they are collected within 60 days after year end. Expenditures are accrued to the period the liability is incurred if the invoice is received within 60 days of the end of the current fiscal period for all amounts, when received between day 61 and day 75 invoices exceeding \$25,000 will be accrued, and no accrual will occur after day 75 in order to facilitate preparation of financial statements and the year-end close. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and will be recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity is eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges



## ***2020 Adopted Budget***

between the government's water, and storm water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Storm Water Funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.



## ***2020 Adopted Budget***

### **Financial Policy #10: Debt Management**

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Effective Date: August 25, 2016 Resolution No. 513

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

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#### **PURPOSE**

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

#### **USES OF DEBT**

The City of Ridgefield uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens.

The City of Ridgefield uses debt as a mechanism to reduce the immediate costs of substantial public improvements.

The City of Ridgefield will not use long-term debt to support current operations.

Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.

Non-capital furnishings, supplies and personnel will not be financed from bond proceeds.

Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

#### **AUTHORITY – DEBT LIMITS**

Legal Limits:

1. The general obligation debt of the City of Ridgefield will not exceed an aggregated total of 2.5% of the assessed valuation of the taxable property within the City. The City may issue additional debt for utilities, 2.5% and open space and park facilities, 2.5% not to exceed a total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
2. The following individual percentages shall not be exceeded in any specific debt category:
  - a. General debt – not to exceed an aggregated total of 2.5% of assessed valuation
    - i. Non-Voted up to 1.5% Limited Tax General Obligation (LTGO) Bonds
    - ii. Voted up to 2.5% Unlimited Tax General Obligation (UTGO) Bonds
  - b. Utility Debt – 2.5% of assessed valuation
  - c. Open Space and Park Facilities – 2.5% of assessed valuation



## ***2020 Adopted Budget***

### **Public Policy Limits:**

1. The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
2. Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
3. Debt will be issued in accordance with the CIP as necessary.
4. Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.
5. The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes, can be agreed upon to support the debt service.

### **Financial Limits:**

1. The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
2. The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year and project the effects of that financing through six years of the CIP.

### **ALLOWABLE TYPES OF DEBT**

1. **Short Term Obligations:** Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund 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 interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.
2. **Assessment/LID Bonds:** Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the



## ***2020 Adopted Budget***

City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3. Limited Tax General Obligation Bonds: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:
  - a. A project requires funding not available from alternative sources.
  - b. Matching fund monies are available which may be lost if not applied for in a timely manner,
  - c. Emergency conditions exist.
4. Unlimited Tax General Obligation Bonds: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and are subject to voter approval by 60% of the voters.
5. Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.
6. Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are general obligations of the City.
7. Other Loan Programs:
  - a. Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities and bridges.
  - b. The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's Office, subject to existing debt limitations and financial consideration.
  - c. Other state funded programs.
8. Alternative types of debt: No variable-rate debt or derivative products shall be utilized.



## ***2020 Adopted Budget***

### **DEBT STRUCTURING PRACTICES**

1. Maximum term, Payback Period and Average Maturity:
  - a. The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.
  - b. General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
  - c. The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
2. Debt Service Structure:
  - a. Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.
3. Criteria for issuance of advance refunding and current refunding bonds:
  - a. The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a net present value savings after expenses of at least 3%.
4. Other Structuring Practices:
  - a. Bond amortization schedules will be structured to minimize interest expense with the constraints of revenue available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

### **DEBT ISSUANCE PRACTICES**

1. Council Approval: City Council approval is required prior to the issuance of debt.
2. Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.
3. Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition,



## ***2020 Adopted Budget***

coordinating meetings and presentations in conjunction with a new issuance as necessary.

4. Compliance with Statutes and Regulations: The Finance Director, City Attorney, Bond Counsel and Municipal Advisor shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations.
5. Selection and use of professional service providers:
  - a. The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.
  - b. Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all City and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
  - c. Municipal Advisor: A Municipal Advisor(s) may be used to assist in the issuance of the City's debt. The Municipal Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt and preparing official statements of disclosure.
  - d. Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated, competitive or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
  - e. Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
6. Criteria for determining sales method and investment of proceeds:
  - a. The Finance Director shall determine the method of sale best suited for each issuance of debt.
  - b. The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the Underwriter offering to buy the bonds at a price and interest rates that provide the lowest True Interest Cost (TIC).
  - c. The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:



## ***2020 Adopted Budget***

- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
  - ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
  - iii. The nature of the debt is unique and requires particular skills from the Underwriter(s) involved.
  - iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.
7. Bond insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

### **DEBT MANAGEMENT PRACTICES**

1. Investment of Bond Proceeds: The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including the City of Ridgefield Investment Policy.
2. Continuing Disclosure: The City shall provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.
3. Arbitrage Rebate Monitoring and Filing: The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.
4. Federal and State Law Compliance Practices: Discussed in Debt Issuance Practices sections 3 and 4 and Debt Management Practices sections 1 and 3.
5. Market and Investor Relations Efforts: The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its



## ***2020 Adopted Budget***

published Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

6. Periodic Review: The City's debt policy shall be adopted by City Council. The policy shall be reviewed every two years by the Finance Department and modifications shall be submitted to and approved by City Council.



# ***2020 Adopted Budget***

## **Policy #08: Investment Policies**

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Effective Date: August 27, 2015 Resolution No. 494

Replaces and Cancels:

References: RCW 35A.40.050, RCW 39.59, RCW 43.250, RCW 43.84.080, RCW 35.39.032 and RCW 35.39.034; Financial Policy #01: Financial Management Policies; RMC 3.32

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### **PURPOSE**

This policy is intended to outline the requirements for prudent investment of the City's Funds and to provide guidelines for suitable investments. The ultimate goal is to enhance the economic status of the City while protecting its funds. The City's budgetary process is designed to monitor and forecast revenues and expenditures accurately, thus enabling the Investment Officer to invest funds to the fullest extent possible. The Investment Officer shall attempt to obtain a market yield, provided that all investments meet the criteria established for safety and liquidity.

### **POLICY**

It is the policy of the City of Ridgefield (City) to invest public funds in a manner which provides a market return, with maximum security of investment principal, while providing adequate liquidity to meet the daily cash flow requirements. The City invests public funds in accordance with all federal, state and local statutes governing the investment of public funds and prudent money management.

### **AUTHORITY**

The City is authorized to invest in the types of securities as detailed in the following Chapters in the Revised Code of Washington (RCW): RCW 35A.40.050, RCW 39.59, RCW 43.250, and RCW 43.84.080.

RCW 35.39.032 and 35.39.034 provides legislative authority to determine the individual or group of individuals who have investment authority over public funds. Ridgefield Municipal Code (RMC) 3.32.010 as approved by Ordinance 370 and later revised by Ordinance 873 designates the City Clerk or Finance Director as the Investment Officer. The Finance Director, by position is the primary Investment Officer. The Investment Officer is authorized to determine the amount of money available in each fund for investment purposes and to determine the investments most appropriate for the City.

No person may engage in an investment transaction except as provided under the terms of this policy. The Finance Director shall be responsible for all transactions undertaken and shall establish internal controls to regulate investment activities.

The City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External service providers shall be subject to the Revised Code of Washington and the provisions of the investment policy.

### **SCOPE**

The investment policy applies to all financial assets for the City of Ridgefield. These funds are accounted for in the City's annual financial report and include:



## ***2020 Adopted Budget***

- General Funds
- Street Funds
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Enterprise Funds
- Internal Service Funds
- Any new fund created by the Finance Director unless specifically exempted

The policy for the Washington State Public Employees Retirement System (PERS) and the Washington State Law Enforcement Officers and the Fire Fighters Retirement System (LEOFF) funds will be determined by the appropriate boards of Administration and are not covered by this policy.

Funds set aside to defease City debt in conjunction with an advance refunding agreement will be invested in accordance with appropriate bond documents and not necessarily in compliance with this policy. Should bond covenants be more restrictive than this policy, funds will be invested in full compliance with those restrictions.

Funds held by the County Treasurer during tax collection periods or on behalf of the City shall be governed by the County's investment policies, to the extent that they do not conflict with this policy and should be invested by the County Treasurer for the benefit of the City of Ridgefield as stipulated by the City in accordance with RCW 36.29.020.

All investments of the City of Ridgefield must be in compliance with Federal, State and Local statutes. Investment of any tax-exempt borrowing proceeds and of any debt service funds must comply with the 1986 Tax Reform Act if the Act applies to the debt issued.

### **PRUDENCE**

Investments shall be made with judgement and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.



## ***2020 Adopted Budget***

The standard of prudence to be used by investment officials shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price fluctuations, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **OBJECTIVES**

The primary objectives, in order of priority, of the City of Ridgefield investment activities are as follows:

1. **Legality:** Funds of the City will be invested in accordance with the Revised Code of Washington (RCW), and the budgetary, accounting and reporting system (BARS) manual, and Financial Policy #08: Investment Policies.
2. **Safety:** Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.
3. **Liquidity:** The City's investments will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
4. **Return on Investment:** The City's investments will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

Core investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap that would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

### **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and Investment Officers shall



## ***2020 Adopted Budget***

disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Finance Director will maintain a list of financial institutions authorized to provide investment services for the City.

A list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Washington. These may include primary dealers or regional dealers that qualify under ***Securities & Exchange Commission Rule 15C3-1***. Employees of any firm or financial institutions offering securities or investments to the City are expected to be trained in the precautions appropriate to public-sector investments and are expected to familiarize themselves with the City's investment objectives, policies and constraints. These firms and financial institutions are expected to make reasonable efforts to preclude imprudent transactions involving City Funds.

The City will only deposit public funds with financial institutions qualified as *Washington Public Depositaries* by the Public Deposit Protection Commission (PDPC) as posted on the Washington State Treasury website.

All broker/dealers and financial institutions that desire to do business with the City of Ridgefield must supply the Finance Director with the following: Annual audited financial statement, proof of *Financial Industry Regulatory Authority (FINRA) Certification*, and certification of having read the City's investment policy. The Finance Director will conduct an annual review of the financial condition of authorized brokers/dealers and the safekeeping institution and an audit of the submitted documents on file.

If an investment advisor is authorized to transact buys and sells on behalf of the City, the advisor's approved dealer list will be provided by the City. Buys and sells may be transacted with any dealers on the advisor's approved list.

### **AUTHORIZED INVESTMENTS**

The City of Ridgefield is empowered to invest in certain types of securities as detailed in RCW 35A.40.050, 39.59, 43.250 and RCW 43.84.080. Among the authorized investments are:



## ***2020 Adopted Budget***

- U.S. Treasury Obligations (Bills, Notes, Bonds)
- Government Sponsored Enterprises (GSEs) – Federal instrumentality Securities which include the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB). Additional obligations of the U.S. Government, its agencies and instrumentalities, provided that the payment of the principal and interest is either guaranteed by the Federal Government, carries an outright government backing or carries an implicit guarantee.
- Nonnegotiable certificates of deposit and other collateralized evidence of deposits with qualified public depositories.
- Prime Bankers acceptances purchased on the secondary market with ratings of A1/P1.
- Mutual funds and money market funds are inappropriate investments except as authorized in chapter 39.59 RCW and are intended to provide a safe harbor from the Internal Revenue Service's (IRS) arbitrage rules and tax. The money market and mutual fund options in RCW 39.59.030 are allowable investments only for monies subject to the IRS's arbitrage rules. No other monies, unless specifically authorized elsewhere, may be invested in a money market or mutual fund.
- State of Washington Local Government Investment Pool.
- Clark County Investment Pool
- Bonds of the State of Washington and any local government in the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
- Any investments authorized by law for the Treasurer of the State of Washington or any local government of the State of Washington other than a metropolitan municipal corporation, but except as provided in RCW 39.58, such investments shall not include certificates of deposits of banks or bank branches not located in the State of Washington.

### **COLLATERALIZATION**

Collateralization is required on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. The City chooses to limit collateral to the following:

- Treasury Obligations (Bills, Notes, Bonds)



## ***2020 Adopted Budget***

- Government Sponsored Enterprises (GSEs) - Federal Instrumentality Securities which include the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB). Additional obligations of the U.S. Government, its agencies and instrumentalities, provided that the payment of the principal and interest is either guaranteed by the Federal Government, carries an outright government backing or carries an implicit guarantee.

### **SAFEKEEPING AND CUSTODY**

To protect against potential fraud, embezzlement, or losses caused by collapse of individual securities dealers. Securities purchased by the City shall be held in a segregated account for the City's benefit at a third-party trustee as safekeeping agent. The approved investment advisor, investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information.

The investment advisor, investment dealer or bank which executes the transaction on the City's behalf shall deliver all securities on a delivery versus payment (DVP) method to the designated third-party trustee at the direction of the Investment Officer.

Investment officials shall be bonded to protect the City against loss due to possible embezzlement and malfeasance.

### **DIVERSIFICATION**

The City will diversify its investments by security type, institution and maturity so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Finance Director in consultation with the City Manager. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Investment	Percent of Fund	Percent Per Issuer	Maturity
US Treasury Obligations	100%	100%	5 years
US Agency Obligations	100%	50%	5 years
Callable Agency Securities	50%	30%	5 years
WA State & Local Bonds	20%	10%	5 years
WA State LGIP	65%	65%	No maturity
Clark Cty Investment Pool	65%	65%	No maturity



## ***2020 Adopted Budget***

Investment	Percent of Fund	Percent Per Issuer	Maturity
Certificates of Deposit	20%	10%	5 years
Bankers Acceptances	10%	10%	180 days
Repurchase Agreement	10%	10%	90 days
A-1/P-1 Commercial Paper	5%	5%	180 days
Other Legal Investments	5%	5%	180 days

### **MAXIMUM MATURITIES**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed three (3) years. This maximum is established to limit the portfolio to excessive market exposure.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practical with the expected use of the funds.

### **INTERNAL CONTROLS**

On an annual basis, the Finance Department, in conjunction with the Washington State Auditor's Office, will evaluate conformance with the investment policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's investment portfolio and to verify that Investment Officials have acted in accordance with the investment policy.

### **EXTERNAL CONTROLS**

The City may enter into contracts with third-party investment advisory firms when their services are deemed to be beneficial to the City. The advisor must comply with the investment policy and may have authority to transact investments on behalf of the City. The advisor may only act on a non-discretionary basis. Therefore, the advisor must present investment recommendations and receive approval to execute the recommendation from the Investment Officer prior to making purchases or sells on behalf of the City. The third-party advisor may be contracted to complete an external review of the investment policy to ensure best practices are followed.

### **PERFORMANCE STANDARDS**

The City's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

The liquidity weighted average yield of the total portfolio will be compared quarterly to the LGIP average yield.



## ***2020 Adopted Budget***

### **REPORTING**

The Finance Director shall submit a monthly report of investment holdings and a summary of investment conditions during the quarterly financial report to the City Council.

### **INVESTMENT POLICY ADOPTION AND REVISION CRITERIA**

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually during the budget process. The Finance Director will recommend appropriate changes to Council for possible amendment.



## ***2020 Adopted Budget***

### **GLOSSARY**

**Accrued Interest:** Interest earned but not yet paid on a security since the latest of the security's issue date or last record date.

**Active Management Investment Strategy:** The use of investment strategies designed to increase portfolio values by exceeding market average rates of return. This can be achieved by using active portfolio management techniques such as swaps and spreads. Active management is characterized by the trading of securities prior to maturity.

**Agencies:** Some credit agencies (such as the Government National Mortgage Association) re: owned and directed by the federal government and their debt obligations are backed by the full faith and credit of the U.S. government. Other federal agencies, referred to as government sponsored enterprises, are not guaranteed by the full faith and credit of the U.S. Government. These agencies presumably have de facto backing by the federal government and include the Federal Farm Credit Banks, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

**Amortized Cost:** The original cost of an investment with amortization of premium or accretion of discount over the life of the security. In addition, interest received from semi-annual coupon interest payments would be accrued ratably over six-month periods. This amortization smoothes coupon interest payments and recognizes, ratably until the investment matures, the difference between the purchase price and, at maturity, the par value of the security.

**Asked:** The price at which securities are offered for sale.

**Banker's Acceptances (BA):** A Bankers Acceptance (BA) is a credit instrument used to finance certain types of domestic and international commercial transactions. The bank on which the BA is drawn accepts the liability and responsibility of making payment upon maturity. This liability makes the acceptance very marketable and safe.

**Basis Point:** A measurement of changes in prices or yields for fixed income securities. One basis point equals 1/100 of 1 percent.

**Bid:** The price a seller is requesting. (When you are selling securities, you ask for a bid). See Offer.

**Bond:** A long-term debt security, (IOU) issued by a government or corporation. Generally, pays a stated rate of interest, and returns the face value at maturity.

**Bond Market Association (BMA) Master Repurchase Agreement:** A standard written contract covering all future transactions between the parties to repurchase-reverse repurchase



## ***2020 Adopted Budget***

agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Book Value:** The term book value denotes the original cost of an investment.

**Book Value Return:** Measures the yield at which securities in the portfolio were originally purchased adjusted for realized gains or losses.

**Broker:** A broker brings buyers and sellers together for a commission.

**Call Option:** The right to purchase a security at a predetermined price on or before a specified future date.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Treasurers are only allowed to purchase non-negotiable CDs from financial institutions qualified by the Washington Public Deposit Protection Commission.

**Collateral:** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** A short term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

**Comprehensive Annual Financial Report (CAFR):** The official annual report for Clark County. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Confirmation:** A document used to state and supplement in writing the terms of a transaction, which have previously been agreed to.

**Coupon:** (a) the annual rate of interest that an issuer of a bond promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Credit Risk:** The potential for loss due to a reduction of the issuer's financial strength. This is also known as Default Risk.



## 2020 Adopted Budget

### Credit Rating Definitions:

Long-term			
	Moody's	Standard & Poor's	Fitch
Highest quality	Aaa	AAA	AAA
High quality	Aa	AA	AA
Upper medium grade	A	A	A
Medium grade	Baa	BBB	BBB
Speculative elements	Ba	BB	BB
Lack investment characteristics	B	B	B
Issues in default	Caa	CCC	CCC
Speculative in a high degree	Ca	CC	CC
Lowest rated class of bonds	C	C	C
Debt in default		D	D

Short-term (less than 365 days)			
	Moody's	Standard & Poor's	Fitch
Superior ability for repayment	P-1	A-1	F-1
Strong ability for repayment	P-2	A-2	F-2
Acceptable ability for repayment	P-3	A-3	F-3
Adequate capacity for payment		B	F-S
Doubtful capacity for payment		C	D
Issue in default		D	

Moody ratings from Aa to C may be modified by 1, 2 or 3 to show relative standing within the major rating categories. For example: Aa3

S&P and Fitch ratings from AA to B may be modified by the (+) or (-) to show relative standing within the major rating categories. For example: AA+

**CUSIP Number (Committee on Uniform Securities Identification Procedures):** An identifying number assigned to a publicly traded security. A nine-digit code is permanently assigned to each issue and is generally printed on the face of the security if it is in physical form.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** A bond secured only by the general credit of the issuer.



## ***2020 Adopted Budget***

**Delivery Versus Payment:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Depository:** A bank or financial institution accepting cash deposits and investments.

**Derivative Security:** A financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest bearing money market instruments that are issued at a discount from par and redeemed at maturity for full face value, i.e. U.S. Treasury Bills.

**Distribution:** Allocation of Pool earnings to Participants' accounts.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns. Interest income (coupon interest) plus realized gains and losses.

**Duration:** The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

**External Investment Pool:** An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government.

**Face Value:** The par value of a security. Face value is not an indication of market value.

**Fair Value:** The price at which a financial instrument could be exchanged between willing parties, other than in a forced or liquidation sale.

**Federal Credit Agencies:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, i.e. S&L's, small business firms, students, farmers, farm cooperatives, and exporters.



## ***2020 Adopted Budget***

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**Federal Funds Rate:** The interest rate at which Fed funds are traded. This rate is currently pegged by the Federal Reserve and managed through open-market operations.

**Federal Home Loan Banks (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks via-a-via member commercial banks.

**Federal National Mortgage Association (FNMA):** FNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Home Loan Mortgage Corporation (FHLMC):** The FHLMC is a stockholder-owned corporation established by Congress in 1970 to provide a continuous flow of funds to mortgage lenders.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and 5 of the 12 Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**Flexible non-negotiable CD:** A time deposit with a specific maturity evidenced by a certificate. Treasurers are only allowed to purchase non-negotiable CDs from financial institutions qualified by the Washington Public Deposit Protection Commission. Step-up option will renew with each successive term if the certificate is automatic renewable. You may exercise the step-up option one



## ***2020 Adopted Budget***

time during the term, after the first six days. Additional deposits can be made (these additions may not exceed the original issue value) in \$500.00 or larger increments after the first six days. Withdrawals may be made in any portion or total of amount of certificate at any time after the first six days. Withdrawals are limited to X times per month.

**Government National Mortgage Association (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the US Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass through is often used to describe Ginnie Maes.

**Government Sponsored Enterprises (GSE's):** A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

**Interest:** Compensation paid or to be paid for the use of money. Interest is generally expressed as an annual percentage rate.

**Interest Rate:** The face coupon rate of a security.

**Interest Rate Risk:** The risk associated with fluctuations in market interest rates that cause a fixed-income security to increase or decrease in value.

**Issuer:** An entity, which issues and is obligated to pay amounts due on securities.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Liquidity Risk:** The risk that although an issuer may eventually make good on an obligation, cash may not be available for a period longer than an investor originally intended.

**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.

**Market Risk:** The risk that affects the price of a security as a result of changes in market conditions.



## ***2020 Adopted Budget***

**Market Value:** The price at which a security is trading and could presumably be purchased or sold by willing parties.

**Master Repurchase Agreement:** A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity Date:** The date upon which the principal (and accrued interest) or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

**Net Asset Value (N.A.V.) per share:** For purposes of the Clark County Pool, the N.A.V. per share is determined by valuing the portfolio at market value. The market value of the Portfolio's securities less associated liabilities (assets less liabilities) is then divided by the total number of shares outstanding. This method results in a fluctuating N.A.V. that may be equal to, greater than or less than \$1.00.

**Offer:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Par:** The face amount of a security.

**Passive Investment Strategy:** If the governing body does not wish to allocate resources or encourage the staff to seek optimizing adjustments, a buy-and-hold investment strategy would be utilized. This method may not optimize total return and could involve a sacrifice of yield.

**Portfolio:** Collection of securities held by an investor.



## ***2020 Adopted Budget***

**Price:** The dollar amount to be paid for a security expressed as a percentage of its current face value.

**Primary Dealer:** A pre-approved bank, broker/dealer or other financial institution that is able to make business deals with the U.S. Federal Reserve, such as underwriting new government debt. These dealers must meet certain liquidity and quality requirements as well as provide a valuable flow of information to the Fed about the state of the worldwide markets.

**Principal:** The cost of an instrument on which interest is earned.

**Prudent Person Rule:** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the so- called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Public Deposit Protection Commission (PDPC):** The PDPC consists of the State Treasurer, as Chairman, the Governor, and the Lieutenant Governor. The Commission is empowered to request a qualified public depository to furnish information on its public deposits and the exact status of its net worth. The Commission is further empowered to take any action deemed advisable for the protection of public funds and to establish procedures for collection or settlement of claims arising from loss.

**Qualified Public Depositories:** A financial institution that does not claim exemption from payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability, and which has been approved by the Public Deposit Protection Commission to hold public funds.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price.

**Repurchase Agreement (RP or Repo):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is used to increase bank reserves.



## ***2020 Adopted Budget***

**Relevant Municipal Corporations:** Political subdivisions, junior taxing districts that are required to, or are eligible to, use the County Treasurer's investment and debt management services.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC Rule 15c3-1:** An SEC rule that sets minimum net capital requirements for broker/dealers. Firms are expected to have liquid assets equal to or greater than a certain percentage of total liabilities. If the ratio falls below this minimum, the broker/dealer may face restrictions on soliciting new business or on keeping existing business. See **Uniform Net Capital Rule**.

**Secondary Market:** A market where certain securities may be bought and sold at prevailing market prices after their initial distribution, but before their stated maturity date.

**Settlement Date:** The date agreed upon by the parties to a transaction for the payment of funds and the delivery of securities.

**State and Local Government Series Securities:** These securities are offered by the U.S. Treasury through its Bureau of Public Debt to state and local government entities as an investment alternative to assist these issuers of tax-exempt securities in complying with yield restriction and arbitrage rebate provisions of the Internal Revenue Code.

**Total Return:** Measures the change in value of the overall portfolio over a given period (including market effects on price, income earned and adjustments for deposits/withdrawals). Total return enables portfolio managers to evaluate fluctuations in the value of principal rather than simply the income produced.

**Treasury Bills:** A discount security issued by the U.S. Treasury to finance national debt. Most bills are issued to mature in 4 weeks, three months, six months, or one year.

**Treasury Bonds:** An interest-bearing coupon security issued by the U.S. Treasury with initial maturities of more than ten years to finance the national debt.



## ***2020 Adopted Budget***

**Treasury Notes:** An interest-bearing coupon security issued by the U.S. Treasury with initial maturities between one and ten years, to finance the national debt.

**Uniform Net Capital Rule:** Securities & Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

**Weighted Average Maturity (WAM):** The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAM's are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

**Yield:** The earnings returned annually divided by the purchase price on an investment, expressed as an annual percentage.



# ***2020 Adopted Budget***

## **Financial Policy #09: Capitalization of Assets**

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Effective Date: June 1, 2017

Replaces and Cancels: Financial Policy #9 Dated November 1, 2015

References: State of Washington, Office of the State Auditor BARS Manual for Cities, Counties and Special Purpose Districts (GAAP) entities, Chapter 3 Capital Assets System Requirements

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### **PURPOSE**

This policy is established to provide guidelines to ensure adequate stewardship over City of Ridgefield resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital asset information.

The City uses an accrual basis of accounting, Generally Accepted Accounting Principles (GAAP), and the Budgeting, Accounting, and Reporting Systems (BARS) prescribed by the State of Washington Office of State Auditor. The City Statement of Net Position reflects capital assets and depreciation. The City's Finance Department maintains a subsidiary Fixed Asset system and is required to track capital assets net value and reconcile them to the Statement of Net Position.

### **DEFINITIONS**

**Capital Assets:** Generally, the term capital assets means real and personal property, used in operations, that the City intends to use or keep for more than one year. Capital assets include, but are not limited to: land and land rights, capitalizable costs associated with construction-in-progress, improvements and infrastructure, buildings, furnishings, fixtures and furniture, equipment, machinery, vehicles, tools and intangible assets owned by the City. The term infrastructure means roads, bridges, sidewalks, street lights, water lines, drainage systems, and the like. Infrastructure is capitalized at the activity level (governmental and business-type) in all funds that budget for capital expenditures.

**Purchased Assets:** Purchased assets are valued at historical costs including applicable taxes as well as all costs to acquire (shipping and handling), install, secure, and prepare an item for its intended use.

**Self-Constructed Assets:** All direct costs associated with design, construction and management of a self-constructed project will be capitalized. The City includes allocated direct City labor on all capital projects. Capitalization of interest cost (IDC) incurred in connection with the acquisition, construction, or improvement of capital assets are limited to capital assets reported in the enterprise funds.

**Donated Assets:** Donated assets are recorded at the acquisition value at the time of donation plus all appropriate ancillary costs. Acquisition Value can be determined from the donor's cost or the cost the City would have paid to purchase/construct the asset. For donated land, the assessed tax valuation or appraised value will be used if available. In the event those valuations are not available the tax valuation per square foot of similar property is applied to estimate the acquisition value.

**Software or Technology Assets:** The original purchase of a software program is considered a capital asset if it meets the \$5,000 threshold established. Improvements to an existing software or technology asset that meets the \$5,000 threshold and extends the life, capacity or utility of the asset are capitalized and depreciated over the remaining useful life of the related asset.

**Intangible Assets:** Intangible assets with an original cost (or acquisition value if received by donation) of \$20,000 and a useful life greater than one year should be capitalized.



## ***2020 Adopted Budget***

An intangible asset should be considered to have an indefinite useful life if there are no legal, contractual, regulatory, technological or other factors that limit the useful life of the asset. Intangible assets having an indefinite benefit period would not experience amortization expense as long as the benefit of the asset has not been compromised.

Intangible assets with a limited useful lives (e.g. by legal or contractual provisions) should be amortized over their estimated useful lives. Renewals or extensions may be considered in determining useful life of the intangible asset if the City can reasonably anticipate exercising the renewal option and any anticipated outlays to be incurred as part of achieving the renewal are nominal.

**Small & Attractive Assets:** Small and attractive assets are tracked when they are valued at \$500 but less than \$5,000 and are defined as assets with a high risk for theft. These assets are not normally consumed within one year. These assets may include items in one or more of the following categories:

- Portable and marketable, either alone or as a component unit.
- Can be utilized for personal gain.
- Are repeatedly reported as lost and/or stolen within the industry and society.

**Capital Assets Management System:** The set of policies and procedures used to control a government's capital assets. The system should satisfy accounting/reporting requirements and it should demonstrate accountability for the government's capital assets. The City uses a software system to track capital assets by location and ongoing maintenance for all infrastructure, buildings and structures.

### **ASSETS PRIOR TO GASB 34 IMPLEMENTATION**

Infrastructure such as roads, curbs and gutters, and pipes that were not required to be capitalized at the time GASB 34 was implemented, will be capitalized at the time improvements are completed. The expenditure for the current capital improvement will be the amount that is capitalized. Example: Overlay of a road that is not currently capitalized and tracked in the City Capital Asset Tracking System and has had no maintenance or improvements completed after implementation of GASB 34 in 2005. The City Finance Department will consult with the Public Works Director to verify when the asset was previously constructed and Finance staff will verify if the asset is included in the City's Capital Asset Tracking System. The Finance Department will capitalize all direct costs associated with design, construction and management of the current project.

### **REQUIREMENTS**

The duty to make certain that public property is adequately protected and that its use is properly managed is one of the fundamental responsibilities of public officials. Public officials have broad responsibilities with respect to capital assets; these are custody, insurance, maintenance and planning.



## ***2020 Adopted Budget***

### **CUSTODY**

The responsibility for custody means having adequate tracking for the following:

- What property and equipment does the City own?
- Where is the asset located?
- What condition is the asset in?
- Is the asset protected from loss and unauthorized use?

### **INSURANCE**

The City has a responsibility to provide adequate insurance for the capital assets it owns. A capital asset accounting system should provide adequate records to prove any losses. Location, inventory, and maintenance records will confirm that a lost or damaged asset has been in use recently, which will support the validity and timeliness of a theft or damage report.

### **CAPITAL IMPROVEMENT**

A capital improvement is a cost incurred in connection with an existing capital asset that either increases the service capacity of the asset (i.e. effectiveness or efficiency) or extends the estimated useful life of the asset. These costs should be treated as direct adjustments to the related asset account.

The City will capitalize assets that are replacements for a portion of a larger and/or component of an existing asset. Finance staff will remove the portion of the existing asset from the City's Capital Asset Tracking System that was replaced as a new capital asset at the time the new asset is capitalized.

Common examples of improvements include:

- Roads – Street widening, adding sidewalks, curbs or gutters
- Buildings – Increasing square footage, improvements that extend the total estimated useful life
- Pump Stations – Add a second pump or replace existing pumps that significantly increases the capacity or useful life of the pump station
- Water or Storm Pipes – Replacement of a section of existing pipe

### **MAINTENANCE AND REPAIR**

The City has a responsibility to adequately maintain the assets. As a steward of public property, the City has the obligation not only to safeguard assets from loss but also to ensure they are not neglected or wasted. The City shall maintain adequate historical records to make informed decisions about the costs of certain levels of maintenance.

Expenditures that retain the value of an existing asset should be classified as maintenance expenditures. In most cases, the City repairs or replaces components of an individual asset in order to maintain the original useful life of the capital asset. Any outlay that does no more than return a capital asset to its original condition, regardless of amount, should be classified as maintenance and repairs.



## 2020 Adopted Budget

Common examples of maintenance include:

- Roads/Parking lots – Crack seal, slurry seal, striping, mill and fill
- Sidewalks – Section replacement due to tree root damage
- Buildings – Exterior sealing, painting, roof replacement, HVAC or furnace replacement, flooring
- Pump stations – Pump repairs
- Vehicles/Equipment – Transmission repair or replacement, other significant repairs
- Water/Storm lines – Patching section of leaking pipe, replacement of valves
- Wells – Screen cleaning

### PLANNING (CAPITAL BUDGETING AND UTILIZATION)

The City has a responsibility to plan for future asset needs for both short and long term.

#### CAPITALIZATION THRESHOLD

All capital assets with a cost meeting the capitalization threshold with a life expectancy of over one year shall be capitalized. Although *Small & Attractive Assets* (those costing \$500 but less than \$5,000) do not meet the City's capitalization threshold, they are considered assets for purposes of marketing and identification, record-keeping and tracking.

The City will input mass quantity for new infrastructure assets if appropriate. The input of quantities such as, each, square feet, linear feet, etc. enable Finance staff to match repair and replacement of sections of new assets to easily remove the assets from the Capital Asset Tracking System at the time the asset is replaced. These quantity assets may individually be under the \$5,000 threshold, however taken as a whole for the full infrastructure system constructed or received as a donation, the value will meet or exceed the threshold.

ASSET CLASS	THRESHOLD (\$)
Land	0
Land Rights (Easements, Right of Ways)	20,000
Buildings, Building Improvements, and Building Furnishings	5,000
Fixtures and Furniture	5,000
Improvements Other Than Buildings	5,000
Infrastructure	5,000
Machinery and Equipment	5,000
Vehicles	5,000
Artwork	5,000
Construction-In-Progress	5,000
Intangible Assets	5,000

#### DEPRECIATION METHOD AND EXPECTED USEFUL LIFE OF ASSETS

All assets are depreciated using the straight-line method of depreciation. Useful life is based on engineering estimates, past experience of similar assets, and best practices. The estimated useful life of acquired or constructed assets are assigned in the following manner:



## ***2020 Adopted Budget***

<b>Asset Category</b>	<b>Useful Life (Years)</b>	<b>Useful Life (Months)</b>
Land	Not Depreciated	Not Depreciated
Buildings	50	600
Building Improvements & Furnishings	10-20	120-240
Streets	50	600
Lighting	50	600
Sidewalks, Curbs and Gutters	50	600
Trails	30-50	360-600
Structures	20-40	240-480
Utility Improvements		
Pipe	75	900
Pumps	20	240
Reservoir	75	900
Mechanical Equipment	20	240
Wells	75	900
Vehicles (Public Safety)	10	120
Vehicles (All other)	12	144
Public Works Equipment	5-20	60-240
Office Equipment/Furniture	5-10	60-120
Software	5-10	60-120
Hardware (Servers etc.)	5-10	60-120

### **REVISION OF EXPECTED USEFUL LIFE**

The City may need to revise the expected useful life of some of the capital assets. If this is the case, the depreciation should be recalculated based on the remaining useful life at the time of the revision, and the new rate should be applied in the present and future accounting periods. No change should be made to financial records of previous years.

### **IMPAIRMENT**

Impairment of a capital asset is a permanent decrease in the productive capacity of a capital asset. Indicators of impairment may include:

- Evidence of physical damage
- Changes in legal or environmental factors
- Technological changes or obsolescence
- Changes in manner or duration of use
- Construction stoppage (Unable to complete project)

The City will use the restoration cost, service unit of deflated depreciation replacement cost approach when measuring the impairment. The method used will depend upon the indicators giving rise to the impairment.



## ***2020 Adopted Budget***

### **ASSET REPLACEMENT**

The City utilizes an equipment replacement model for large equipment and vehicles. The City reviews and updates the model on an annual basis to determine replacement schedules for these assets. Replacement schedules will follow expected useful life for these assets. The Finance Department will update changes to replacement schedules with a matching revision to the Capital Asset Tracking System for remaining useful life as appropriate.

### **NEW ASSETS**

All assets fitting descriptions of a capital asset, or small and attractive asset shall be recorded on asset listings maintained by the Finance Director. Information included in the asset listing should be parcel number, legal description, make, model, serial number and description of the asset as appropriate.

### **TRANSFERRING ASSETS**

**Interdepartmental Transfers:** Transfers of assets between departments or funds are allowed by mutual agreement of the departments. If the assets meet the definition of a capital asset or a small and attractive asset, the department transferring the assets must notify the Finance Department by completing an Asset Disposition Form. This form formalizes the transfer and responsibility for maintenance and accountability of the asset by the department receiving the transferred asset.

Asset transfers between governmental funds and proprietary funds will be transferred at current market value and recorded at current book value as determined by the Finance Director. Current market value should be based on open market sales of similar assets if reasonably available. Appraisals are not required for interfund transfers unless requested by the Finance Director.

**Intergovernmental Transfers:** Property transferred from another government entity to the City should be recorded in the appropriate account at the asset's acquisition value. The acquisition value is determined by similar properties recently sold in the competitive market place or assessed value as recorded by the City at the time of the donation. When land is transferred with a structure, the land portion of the donation should be recorded separately from the structure.

In the event of a transfer of an entire operation the assets will be recorded at the transferring agencies book value.

### **DISPOSAL OF SURPLUS ITEMS**

Before a capital or small and attractive asset is sold or otherwise disposed of, it must first be determined if the asset had originally been purchased with grant monies. If this is the case, the City must refer to the grant agreement and follow prescribed procedures for disposition.

When a department decides to surplus or trade-in assets, the Department Director or designee must notify the Finance Department by completing and signing an Asset Disposition Form. The Council must first declare a capital or small and attractive asset surplus before it can be sold or disposed of in any manner. If the asset is to be sold, it will then be sold in accordance with applicable state law. If the asset is no longer in working order and cannot reasonable be repaired



## ***2020 Adopted Budget***

for resale, staff will properly dispose of the asset. At the time the asset is disposed of, the Finance Department will be notified to remove the asset from the Capital Asset Tracking System.

### **LOST, STOLEN OR MISSING PROPERTY**

When suspected or known losses of capital assets or small and attractive items occur, the applicable Department Director and Finance Director shall be notified. The Finance Department will remove assets from the Capital Asset Tracking System If it is determined the asset has been stolen, the appropriate authorities shall be notified per RCW 43.09.185.

### **PHYSICAL INVENTORY PLAN**

The Finance Director will coordinate with Department Director's to complete a physical inventory of both fixed and small & attractive assets every two years.

The physical inventory sheets will be kept until the State Audit for the corresponding years is complete. The sheets will note the following information:

- Assets have been physically located and verified.
- Missing assets will be noted and explained.
- Incorrect and/or incomplete information will be corrected.
- Any new items located but not on the list will be added, with proper serial numbers, location, etc.



## **2020 Adopted Budget**

### **2019 Master Fee Schedule**

### **Resolution No. 549 March 1, 2019**

<b>A. City Personnel Costs</b>	
Building Official	\$75.00
Building Inspector	\$65.00
Public Safety	\$75.00
Public Works	\$50.00
Park Attendant	\$15.00
All Other City Personnel	Actual Cost + 10%
<b>B. Land Use Planning Permits</b>	
<ul style="list-style-type: none"> <li>• <b>Payment.</b> All fees are due at the time an application is submitted.</li> <li>• <b>Simultaneous Development Permit Submittal.</b> Applicants may submit for Land Use, Public Works/Engineering and Building permits simultaneously. Public Works/Engineering and Building permits shall not be issued until final Land Use permits have been issued.</li> <li>• <b>Refunds.</b> The Community Development Director (Director) shall refund the full amount of any fee paid hereunder which was erroneously paid or collected. The Director may authorize refunding of not more than 80 percent of a fee paid when an application has been withdrawn or canceled before any work has been done under an application review or before any plan reviewing has been done, The Director shall not authorize refunding of any fee paid except upon receipt of a written application for a refund submitted by the original applicant not later than 180 days after the date of application.</li> </ul>	
<b>Annexation:</b>	
Notice of Intent	\$250
Notice of Petition to Annex	\$1,000
<b>Appeal:</b>	
Review by recognized City Neighborhood Organization or HOA	\$250
Appeal involving an individual single-family residence or duplex	\$350



## ***2020 Adopted Budget***

All Others	\$2,000
<b>Archaeological Pre-Determination Review</b>	\$350
<b>Boundary Line Adjustment</b>	\$400
<b>Comprehensive Plan Amendment/Zone Change Request</b>	
Comprehensive Plan	\$3,000
Zone Change Request	\$3,750
<b>Conditional Use Permit:</b>	
New Use	\$3,750
Existing Use – Minor Alteration	\$450
Existing Use – Major Alteration	\$2,000
<b>Covenant Release: Full or Partial</b>	\$1,000
<b>Critical or Sensitive Area Review (Fee for Each Required Review)</b>	
Fish & Wildlife Habitat Conservation Areas	\$600
Frequently Flooded Areas	\$600
Geologic Hazard Areas	\$600
Wetlands	\$600
Critical Aquifer Recharge Areas	\$600
Minor Exception Request	\$600
Reasonable Use Exception Request	\$600
<b>Development Agreement</b>	\$750
<b>Development Agreement – Amendment</b>	\$750
<b>Director's Interpretation</b>	\$250
<b>Extensions of Land Use Approval:</b>	
Preliminary PUD or Preliminary Plat	\$350
All Others	\$150
<b>Final Plat:</b>	
Final Subdivision Plat	\$2,000
Final Short Plat	\$500
<b>Home Occupation</b>	\$150
<b>Legal Lot Determination:</b>	
Up to Two Lots	\$450
Plus Fee-per-lot for Each Lot Over 2	\$50
<b>Legislative Text Amendment</b>	\$2,500
<b>Master Planned/Mixed Use Development</b>	\$2,500
(Plus Corresponding PUD or Subdivision Fee)	
<b>Nonconforming Situations:</b>	
Type I Alteration of Nonconforming Situation	\$150
Type II Alteration of Nonconforming Situation	\$450



## **2020 Adopted Budget**

Type III Alteration of Nonconforming Situation	\$3,250
Type II Determination or Discontinuance of Nonconforming Situation	\$150
Type II Reconstruction of a Nonconforming Situation	\$450
<b>Planned Residential Development (PUD):</b>	
10 – 25 Lots	\$4,000
26 – 50 Lots	\$5,500
51 Lots or More	\$5,500
Plus Fee-per-lot for Each Lot Over 50	\$25
<b>Modification of Preliminary PUD</b>	
Minor Modification	\$650
Major Modification	\$2,000
<b>Plat Alteration or Vacation</b>	\$2,000
<b>Plat Modification</b>	\$1,000
<b>Post-Decision Review:</b>	
Type I	\$150
Type II	\$450
Type III	\$3,250
Engineering Review (If Required)	\$500
<b>Pre-Application Conference:</b>	\$1,250
If Development Permit Application Submitted within 6 Months	\$500 Credit
<b>SEPA Review:</b>	
SEPA Review	\$500
SEPA Review for One Single Family Residence	\$150
<b>Shoreline Permit:</b>	
Shoreline Statement of Exemption	\$150
Shoreline Substantial Development Permit	\$3,000
Shoreline Conditional Use Permit	\$3,000
Shoreline Variance	\$2,100
<b>Sign Permit:</b>	
Sandwich Board or "A" Frame	\$50
Permanent (Plus Applicable Building and Land Use Permit Fees in Section "B and D")	\$50
<b>Site Plan Review:</b>	
Minor Site Plan	\$150
Basic Site Plan	\$1,500
Binding Site Plan	\$2,100



## 2020 Adopted Budget

Final Site Plan Review	\$450
<b>Short Plat (Preliminary)</b>	\$500
<b>Subdivision (Preliminary):</b>	
10 – 25 Lots	\$4,000
26 – 50 Lots	\$5,500
51 Lots or More	\$5,500
Plus Fee-per-lot for Each Lot Over 50	\$25
<b>Temporary Use Permit:</b>	
Type I	\$150
Type II	\$450
<b>Type I Review (All Others)</b>	\$150
<b>Type II Review (All Others)</b>	\$450
<b>Type III Review (All Others)</b>	\$3,250
<b>Variance/Administrative Adjustment</b>	
Administrative Adjustment	\$350
Variance	\$3,250
Variance Filed in Conjunction with Another Type III Application	\$1,050
<b>Zoning Confirmation Letter</b>	\$150
<b>C. Public Works Permits</b>	
<ul style="list-style-type: none"> <li>• <b>Payment.</b> All fees are due at the time an application is submitted. Any additional charges shall be paid prior to receipt of a Final Decision, Final Plat Approval or Statement of Completion as applicable.</li> <li>• <b>Simultaneous Development Permit Submittal.</b> Applicants may submit for Land Use, Public Works/Engineering and Building permits simultaneously. Public Works/Engineering and Building permits shall not be issued until final Land Use permits have been issued.</li> <li>• <b>Refunds.</b> The Community Development Director (Director) shall refund the full amount of any fee paid hereunder which was erroneously paid or collected. The Director may authorize refunding of not more than 80 percent of a fee paid when an application has been withdrawn or canceled before any work has been done under an application review or before any plan reviewing has been done, The Director shall not authorize refunding of any fee paid except upon receipt of a written application for a refund submitted by the original applicant not later than 180 days after the date of application.</li> </ul>	



## 2020 Adopted Budget

<b>Right of Way/Road Encroachment Permit:</b>	
Right of Way/Road Blocking Only	\$75
1-200 Linear Feet of Pavement Disturbed	\$150
Over 200 Linear Feet of Pavement Disturbed	\$150
Plus Fee Per Linear Foot over 200	\$0.75
Extension (90 Day)	\$75
<b>Grading Permit:</b>	
Under 50 Cubic Yards of Total Cut and Fill	No Fee
50-100 Cubic Yards of Total Cut and Fill	\$50
101-500 Cubic Yards of Total Cut and Fill	\$200
501-1,000 Cubic Yards of Total Cut and Fill	\$500
1,001-10,000 Cubic Yards of Total Cut and Fill	\$750
10,001-50,000 Cubic Yards of Total Cut and Fill	\$1,000
50,001-100,000 Cubic Yards of Total Cut and Fill	\$1,500
100,001-200,000 Cubic Yards of Total Cut and Fill	\$1,750
Over 200,000 Cubic Yards of Total Cut and Fill	\$2,000
Grading Permit Extension (12 Months)	50% of Original Fee
<b>Street Tree Removal (Permit Required):</b>	
Fee if Existing Tree is Replaced within Timeframe on Permit	\$0
Fee if Existing Tree is Not Replaced within Timeframe on Permit	\$50
<b>Water Utility Fees:</b>	
Administrative Termination	\$50
Hydrant Meter Rental Deposit	\$500
Meter Accuracy Testing (One Free Test per 12 Month Period)	\$60
Utility Account Set Up	\$10
Service Call	\$15
Water Meter Installation Fee	
5/8-3/4 Inch Meter	\$425
1.0 Inch Meter	\$490
1.5 Inch Meter	\$775
2.0 Inch Meter	\$980
3.0 Inch Meter	Time & Materials
4.0 Inch Meter	Time & Materials



## **2020 Adopted Budget**

6.0 Inch Meter	Time & Materials
8.0 Inch Meter	Time & Materials
Water Service Installation	Time & Materials
Water Utility Availability Determination	\$25
<b>Engineering Review:</b>	
Engineering Site Plan	\$4,000
Engineering Site Plan with Off-site Infrastructure	\$5,000
Engineering Short Plat (2-9 Lots)	\$4,000
Engineering Subdivision/PUD (More than 9 Lots)	\$4,000
Plus Fee Per Lot	\$100
Fee for Each City Plan Review in Excess of 3	\$500
<b>D. Building Permits</b>	
<ul style="list-style-type: none"> <li>• <b>Payment.</b> All plan review fees are due at the time an application is submitted. All building permit fees are due when the permit is picked up by the applicant. Any additional charges shall be paid prior to the issuance of a building permit.</li> <li>• <b>* Use of Outside Professional Consultants.</b> The City reserves the right to use the services of outside professional consultants. The applicant is responsible for any City costs in excess of the fee amount paid. All such costs shall be billed to the applicant and shall include a \$30 processing fee. Any additional charges shall be paid prior to issuance of a building permit.</li> <li>• <b>Simultaneous Development Permit Submittal.</b> Applicants may submit for Land Use, Public Works/Engineering and Building permits simultaneously. Public Works/Engineering and Building permits shall not be issued until final Land Use permits have been issued.</li> <li>• <b>Building Valuation.</b> Building Valuation shall be calculated by the Building Official based on the cost of the construction as stated by the applicant and/or by utilizing the square footage of the proposed construction and valuation data published by the International Code Council. Valuation data shall be updated annually (2016 data for 2018 permits).</li> <li>• <b>Refunds.</b> The Community Development Director (Director) shall refund the full amount of any fee paid hereunder which</li> </ul>	



## 2020 Adopted Budget

<p>was erroneously paid or collected. The Director may authorize refunding of not more than 80 percent of a fee paid when an application has been withdrawn or canceled before any work has been done under an application review or before any plan reviewing has been done, The Director shall not authorize refunding of any fee paid except upon receipt of a written application for a refund submitted by the original applicant not later than 180 days after the date of application.</p>	
<b>Building Plan Review:</b>	65% of Building Permit Fee
Minimum Plan Review Fee	\$25
Maximum Plan Review Fee	\$32,500
Outside Structural Plan Review: Exception Only (ex: Hospitals)	* City Cost
Fee for Each City Plan Review in Excess of 3	\$500
<b>Building Permit:</b>	
<i>Valuation per International Code Council – Two Year Lag</i>	
\$1-\$500 (Minimum)	\$25
\$501-\$2,000	\$50
\$2,001 - \$25,000 Base	\$50
Plus \$/\$1,000 Over \$2,000 (and Any Fraction Thereof)	\$14
\$25,001 - \$50,000 Base	\$372
Plus \$/\$1,000 Over \$25,000 (and Any Fraction Thereof)	\$10
\$50,001 - \$100,000 Base	\$622
Plus \$/\$1,000 Over \$50,000 (and Any Fraction Thereof)	\$8
\$100,001 - \$500,000 Base	\$1,022
Plus \$/\$1,000 Over \$100,000 (and Any Fraction Thereof)	\$6
\$500,001 - \$1,000,000 Base	\$3,400
Plus \$/\$1,000 Over \$500,000 (and Any Fraction Thereof)	\$5
Over \$1,000,000 Base	\$7,375
Plus \$/\$1,000 Over \$1,000,000 (and Any Fraction Thereof)	\$5



## 2020 Adopted Budget

Maximum Building Permit Fee	\$50,000
<b>Foundation Permit/Early Start Agreement:</b> Early foundation permit for commercial building will be deducted from permit fee upon full submittal.	25% of Building Permit Fee
<b>Inspection Fees:</b>	
Base Inspection Cost per Hour	\$65
Inspections Outside of Normal Business Hours	4 Hour Minimum
Re-Inspection Fees (If Separate Inspection Fee is Applicable)	1 Hour Minimum
Adult Family Home	2 Hour Minimum
Special Occupancies	2 Hour Minimum
Special Inspections Requested by the Applicant	2 Hour Minimum
Other Inspections (If Separate Inspection Fee is Applicable)	1 Hour Minimum
<b>Mechanical Plan Review Fees:</b>	25% of Mechanical Permit Fee
<b>Mechanical Permit Fees:</b>	
Permit Issuance	\$30.00
Supplemental Permit (Original Permit Not Expired)	\$15.00
<u>Furnaces</u>	
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h (29.3 kW)	\$15.00
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance over 100,000 Btu/h (29.3 kW)	\$20.00
For the installation or relocation of each floor furnace, including vent	\$15.00
For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater	\$15.00
<u>Heat Pumps/AC</u>	
Heat Pump/AC 0-3	\$12.00



## **2020 Adopted Budget**

Heat Pump/AC 3-15	\$20.00
Heat Pump/AC 15-30	\$25.00
Heat Pump/AC 30-50	\$35.00
Heat Pump/AC >50	\$60.00
<u>Wood/Pellet/Gas Stoves</u>	
Wood/Pellet/Gas Stove Insert	\$58.00
Wood/Pellet/Gas Stove Free Standing	\$58.00
<u>Gas Piping Systems</u>	
For each gas piping system of one to five outlets	\$7.00
For each additional outlet over five, each	\$2.00
<u>Appliance Vents</u>	
For the installation, relocation, or replacement of each appliance vent installed and not included in an appliance permit	\$8.00
<u>Repairs or Additions</u>	
For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$14.00
<u>Boilers, Compressors, and Absorption Systems</u>	
For the installation or relocation of each boiler or compressor to and including 3 horsepower (10.6 kW), or each absorption system to and including 100,000 Btu/h (29.3 kW)	\$15.00
For the installation or relocation of each boiler or compressor over 3 horsepower (10.6 kW) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h (146.6 kW)	\$30.00
For the installation or relocation of each boiler or compressor over 15 horsepower (52.7 kW) to and including 30 horsepower (105.5 kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h (293.1 kW)	\$40.00
For the installation or relocation of each boiler or compressor over 30 horsepower (105.5 kW) to and including 50 horsepower (176 kW), or each absorption system over 1,000,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h (512.9 kW)	\$55.00



## **2020 Adopted Budget**

For the installation or relocation of each boiler or compressor over 50 horsepower (176 kW), or each absorption system over 1,750,000 Btu/h (512.9 kW)	\$95.00
<b><u>Air Handlers</u></b>	
For each air-handling unit to and including 10,000 cubic feet per minute (cfm) (4719 L/s), including ducts attached thereto	\$15.00
Note: This fee does not apply to an air handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the Mechanical Code	
For each air-handling unit over 10,000 cfm (4719 L/s)	\$20.00
<b><u>Evaporative Coolers</u></b>	
For each evaporative cooler other than portable type	\$15.00
<b><u>Ducts</u></b>	
For each duct	\$9.00
<b><u>Ventilation and Exhaust</u></b>	
For each ventilation fan connected to a single duct	\$8.00
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$15.00
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$15.00
<b><u>Incinerators</u></b>	
For the installation or relocation of each domestic-type incinerator	\$20.00
For the installation or relocation of each commercial or industrial-type incinerator	\$15.00
<b><u>Miscellaneous</u></b>	
For each appliance or piece of equipment regulated by the Mechanical Code but not classified in other appliance categories, or for which no other fee is listed in the table	\$15.00
<b>Plumbing Plan Review Fees:</b>	25% of Plumbing Permit Fee
<b>Plumbing Permit Fees:</b>	
Permit Issuance	\$30.00



## **2020 Adopted Budget**

Supplemental Permit (Original Permit Not Expired)	\$15.00
<b><u>Fixtures and Vents</u></b>	
For each plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping and backflow prevention thereof)	\$10.00
For repair or alteration of drainage or vent piping, each fixture	\$7.00
<b><u>Industrial Waste and Rainwater Systems</u></b>	
For each industrial waste pretreatment interceptor, including its trap and vent, excepting kitchen-type grease interceptors functioning as fixture traps	\$20.00
Rainwater systems – per drain inside building	\$10.00
<b><u>Water Piping and Water Heaters</u></b>	
For installation, alteration, or repair of water piping or water-treatment equipment, or both, each	\$7.00
For each water heater including vent (for vents only, see Mechanical Permit Fee Table)	\$15.00
<b><u>Gas Piping Systems</u></b>	
For each gas piping system of one to five outlets	\$7.00
For each additional outlet over five, each	\$2.00
<b><u>Lawn Sprinklers, Vacuum Breakers and Backflow Protection Devices</u></b>	
For each lawn sprinkler system on any one meter, including backflow protection devices thereof	\$15.00
For atmospheric-type vacuum breakers or backflow protection devices not included above:	
1 to 5 devices	\$15.00
Over 5 devices, each	\$3.00
For each backflow-protection device other than atmospheric-type vacuum breakers:	
2 inches (50.8 mm) and smaller	\$15.00
Over 2 inches (50.8 mm)	\$25.00
<b><u>Swimming Pools</u></b>	
For each swimming pool or spa (in addition to other permits/fees):	
Public Pool	\$95.00
Public Spa	\$65.00
Private Pool	\$65.00
Private Spa	\$35.00



## **2020 Adopted Budget**

Pools over 5,000 gallons	\$100.00
<b>Miscellaneous</b>	
For each appliance or piece of equipment regulated by the Plumbing Code but not listed in other appliance categories, or for which no other fee is listed	\$10.00
<b>Mobile Home Permit Fees:</b>	
Placement of a Temporary Mobile Home/Trailer	\$100.00
Manufactured Home Inspection	\$100.00
Temporary Storage of a Mobile Home	\$100.00
<b>Other Building Permit and Inspection Fees:</b>	
Accessibility Review	\$100.00
Change of Occupancy	\$100.00
Change of Use	\$100.00
Demolition Permit	\$100.00
Energy/Indoor Air Quality	\$100.00
Moving Permit	\$100.00
<b>Roof Permit:</b>	
Full Tear Off	\$15.00
Full Tear Off with Sheathing Replaced	\$100.00
<b>Temporary Certificate of Occupancy</b>	
Temporary Revocable Commercial Certificate of Occupancy	
0-90 Days	\$250.00
91 Days and Over	\$500.00
Temporary Tents, Canopies, and Air Supported Structures	
<ul style="list-style-type: none"> <li>• For public use, inclusive of all tents for a single event</li> <li>• Not applicable to tents less than 200 sq. ft., canopies less than 400 sq. ft., or tents used for non-commercial events</li> </ul>	\$100.00
<b>Fire Code Fees:</b>	
Permit Fees (Refer to Appendix "A", Clark County Fire and Rescue Permit Fees)	
Life, Health and Safety Permit	\$50.00
<ul style="list-style-type: none"> <li>• Payable to the City of Ridgefield</li> <li>• Required for all Clark County Fire and Rescue reviews and inspections</li> </ul>	
Fire Alarm, Sprinkler and Other Protection Systems:	



## **2020 Adopted Budget**

<ul style="list-style-type: none"> <li>All plan check and review fees, inspections, and permits for installation of separate fire alarm system or sprinkler system applications and other fire protection systems shall be payable to the City of Ridgefield for Clark County Fire and Rescue</li> <li>Annual inspections will be billed by and payable to Clark County Fire and Rescue</li> </ul>	
<b>Washington State Building Code Council (W.S.B.C.C.) Surcharge:</b>	
Commercial	\$25.00
First Living Unit	\$6.50
Each Additional Unit (In a Multi-Family Project)	\$2.00
Collected on each permit that is issued in accordance with the Ridgefield Building Code	
<b>Systems Development Charges and Impact Fees (See Notes):</b>	
<u>Traffic Impact Fees (1)(5)</u>	
Single Family (Per Dwelling Unit)	\$3,683.34
Multi Family (Per Dwelling Unit)	\$2,255.41
Commercial (Per Average Daily Trip)	\$384.89
<u>Park Impact Fees (2)(5)</u>	
Single Family (Per Dwelling Unit)	\$3,185.70
Multi Family (Per Dwelling Unit)	\$3,185.70
<u>School Impact Fees (3)(6)</u>	
Single Family (Per Dwelling Unit)	\$8,883.75
Multi Family (Per Dwelling Unit)	\$8,883.75
<u>Water System Development Charge (4)(7)</u>	
5/8"-3/4" Meter	\$4,272.26
1" Meter	\$10,680.64
1.5" Meter	\$21,361.28
2" Meter	\$34,178.05
3" Meter	\$64,083.85
4" Meter	\$106,806.42
6" Meter	\$213,612.84
8" Meter	\$341,780.54
Outside City Limits	1.5x In-City SDC
<b>Notes:</b>	
1. Traffic Impact Fees charged are based upon	



## ***2020 Adopted Budget***

average daily trip (ADT) generation of the proposed use.

2. Park Impact Fees reflect a mix of acquisition and development. Trail cost estimates make allowance for required compliance with the Americans with Disabilities Act. Development costs can be significantly reduced by calculating deductions made for other exactions, e.g. dedication of a public easement through an open space corridor earmarked for trail or park development.
3. School Impact Fees are based on the improvement cost of needed school facilities identified in the most current Ridgefield School District Capital Facility Plan.
4. Water System Development Charges are based upon meter equivalent size (M.E.S.).
5. Per Ridgefield Municipal Code 18.070.080-18.070.090, the planning director shall calculate annual inflation adjustments in the Traffic Impact Fee rate and the Park Impact Fee rate. The annual inflation adjustment shall be effective January 1 and will be equal to the change in the West Region All Urban Consumer Price Index (CPI-U) for the first half of the previous year (Ex: January 1, 2019 impact fee increase to reflect the increase in the CPI-U index from the first half of 2017 to the first half of 2018).
6. Per Ridgefield Municipal Code 18.070.100, the planning director shall calculate annual inflation adjustments in the School Impact Fee rate. The annual inflation adjustment shall be effective January 1 and will be equal to the change in the Rider Levett Bucknall Construction Cost index (RLB) for the first half of the previous year (Ex: January 1, 2019 impact fee increase to reflect the increase in the RLB index from the 2<sup>nd</sup> quarter publication of the 2018 RLB index).
7. Per Ridgefield Municipal Code 13.30.010 Water System Development Charges are set forth in the Master Fee Schedule. The Public Works Director shall calculate annual inflation adjustments in the



## 2020 Adopted Budget

	<p>Water System Development Charges. The annual inflation adjustment shall be effective January 1 and will be equal to the change in the West Region All Urban Consumer Price Index (CPI-U) for the first half of the previous year (Ex: January 1, 2019 impact fee increase to reflect the increase in the CPI-U index from the first half of 2017 to the first half of 2018).</p>	
	<p>8. All Impact Fees and System Development Charges are collected at the time of occupancy. Per Ridgefield Municipal Code 13.30.020 meter size 3" and larger or single family residential homes moving from well source to municipal water source may be eligible for payment plans.</p>	

### Appendix "A"

#### Clark County Fire and Rescue Permit Fees

Permit / Process	Review	Inspection
<b><i>Development Review</i></b>		
Commercial Site Plans	195.00	195.00
Subdivision or Planned Residential Development	164.00	164.00
Pre-Application Conference	95.00	NA
Other Land Use Applications	132.00	132.00
<b><i>Building Construction / Change of Use or Occupancy</i></b>		
A, B, E, F, M, R Occupancies 0-1,000 sq.ft.	100.00	69.00
A, B, E, F, M, R Occupancies 1,001-5,000 sq.ft.	132.00	100.00
A, B, E, F, M, R Occupancies 5,001-10,000 sq.ft.	163.00	132.00
A, B, E, F, M, R Occupancies 10,001-20,000 sq.ft.	203.00	163.00
A, B, E, F, M, R Occupancies 20,001-40,000 sq.ft.	242.00	194.00
Each Additional 20,000 sq. ft. (or portion thereof)	40.00	32.00
Building or Structure for Special or Temporary Use	148.00	148.00
H1 Occupancy or H2 Occupancy	391.00	210.00
H3 Occupancy	433.00	210.00
H4 Occupancy	296.00	210.00
H5 Occupancy	538.00	236.00
I Occupancy	296.00	195.00
Portable Classroom	148.00	148.00
S Occupancy up to 10,000 sq. ft.	195.00	195.00
Each Additional 10,000 sq. ft. (or portion thereof)	100.00	100.00
<b><i>High-Piled Combustible Storage</i></b>		



## 2020 Adopted Budget

Designated Storage Area 501 - 2,500 sq. ft.	126.00	100.00
Designated Storage Area 2,501 - 12,000 sq. ft.	156.00	132.00
Designated Storage Area 12,001 - 20,000 sq. ft.	186.00	164.00
Designated Storage Area 20,001 - 30,000 sq. ft.	236.00	195.00
Each Additional 30,000 sq. ft. (or portion thereof)	236.00	243.00

### E. Park Rental & Special Events

- **Special Events.** Request for City Services such as Police and Public Works labor are available by request. Refer to Special Event Fees for more information.

<b>Abram's Park Rentals</b>	
<b>Bennett Hall:</b>	
First Hour	\$25.00
Each Additional Hour	\$15.00
Maximum Fee	\$100.00
Refundable Deposit	\$50.00
<b>Bennett Hall &amp; Kitchen:</b>	
First Hour	\$25.00
Each Additional Hour	\$15.00
Maximum Fee	\$100.00
Refundable Deposit	\$100.00
<b>Bennett Hall &amp; Plaza: (May or may not include kitchen)</b>	
First Hour	\$35.00
Each Additional Hour	\$25.00
Maximum Fee	\$160.00
Refundable Deposit	\$100.00
<b>Bennett Hall, Plaza &amp; Open Space: (May or may not include kitchen)</b>	
First Hour	\$40.00
Each Additional Hour	\$30.00
Maximum Fee	\$190.00
Refundable Deposit	\$100.00
<b>Grass Fields, Baseball, Softball, and T-Ball Fields:</b>	
Per Hour	\$10.00
3 Month Session (Maximum of 2 times per week for two hours)	\$80.00
Refundable Deposit	\$100.00
<b>Overlook Park Rentals:</b>	
<b>Plaza &amp; Stage</b>	
Per Hour	\$40.00



## 2020 Adopted Budget

Maximum Fee	\$240.00
Refundable Deposit	\$300.00
<b>Plaza, Stage &amp; Upper Grassy Area</b>	
Per Hour	\$45.00
Maximum Fee	\$270.00
Refundable Deposit	\$300.00
<b>Entire Park</b>	
Per Hour	\$50.00
Maximum Fee	\$300.00
Refundable Deposit	\$300.00
<b>All other City Parks are available to the public on a first come, first served basis. Reservations are not accepted.</b>	No Charge
<b>Special Events:</b>	
Special Event Permit Application	No Charge
City Personnel Costs	Section A
City Services (Cost + Admin Fee of \$30.00)	Actual Cost
<b>F. Other Fees and Permits</b>	
<b>Business License Fees:</b>	
Annual Resident Business License	\$50
Annual Non-Resident Business License	\$50
Annual Peddler and Solicitors License	\$50
Plus One-Time Background Check	\$40
<b>Copy/Record Duplication Fees:</b>	
Copy of audio tapes, video tapes, photos, maps or other records needing reproduction	Actual City Cost
Black & White 8.5x11.0 Inch	
Black & White 8.5x14.0 Inch	\$0.15 per page
Black & White 11.0x17.0 Inch	\$0.35 per page
Color 8.5x11.0 Inch	\$0.40 per page
Color 8.5x14.0 Inch	\$1.00 per page
Color 11.0x17.0 Inch	\$1.00 per page
Records scanned into electronic format	\$1.50 per page
Electronic files uploaded to email, cloud storage service, or other electronic delivery system	\$0.10 per page
Transmission of electronic records	\$0.05 every four files
	\$0.10 per gigabyte
Hiring information technology expertise – external	Actual City Cost w/10%



## **2020 Adopted Budget**

Annual Budget (Bound Copy)	deposit
Comprehensive Annual Financial Report (Bound Copy)	\$30.00
City Comprehensive Plan (Bound Copy)	\$30.00
Park & Recreation Comprehensive Plan (Bound Copy)	\$30.00
City Engineering Standards (Bound Copy)	\$30.00
<b>Administrative Processing Fee:</b>	\$30.00
Fee Added to Each Billing/Invoice for Reimbursable Costs	\$30.00
Fee Added to Each Remittance for Impact Fees or SDCs	\$30.00
Fee Added to Each Remittance for Fire Code Fees	\$30.00
<b>Administrative Fees:</b>	
NSF Check	
Cemetery Lot – Purchase	\$35.00
Cemetery Lot – Marking	\$600.00
Notary Fee	\$25.00
Latecomer Agreement Application	\$5.00
Latecomer Agreement Processing	\$500.00
Latecomer Agreement Appeal	\$125.00
Administrative Billing Late Fee (After 60 Days Past Due)	\$250.00
<b>Police Department Fees:</b>	1% Per Month
Fingerprint Card	
Release of Property to Finder Fee	\$20.00
Neighborhood Electric Vehicle/Golf Cart Registration (One Time)	*\$10.00
<u>Concealed Weapon Permit</u>	
Concealed Weapon Permit Application (Good for 5 Years)	\$49.25
Concealed Weapon Permit Renewal	
Late Renewal Penalty	\$32.00
Replacement Permit	\$42.00
<u>Dog Licenses</u>	\$10.00
Spayed or Neutered – Annual Fee	
Not Spayed or Neutered – Annual Fee	\$20.00
Lifetime Dog License (Altered or Unaltered)	\$30.00
Hobby Kennels (5-10 Dogs)	\$50.00
Commercial Kennels (11+ Dogs)	\$50.00
*Plus Actual Cost of Publication of Notice (RCW 63.21.030)	\$100.00



## 2020 Adopted Budget

### Full-Time Equivalent (FTE) Summary by Department

<b>Personnel Schedule (Full-Time Equivalents)</b>				
<b>Job Title</b>	<b>2018 FTE Allocation</b>	<b>2019 FTE Allocation</b>	<b>2020 FTE Allocation</b>	<b>2020 FTE Percentage</b>
<i>Executive</i>	1.00	1.00	1.00	1.90%
<i>Total Finance</i>	3.30	3.30	4.30	8.15%
<i>Total Human Resources</i>	1.30	1.30	1.30	2.46%
<i>Total Administration</i>	2.70	3.70	3.70	7.01%
<i>Total General Government/Facilities</i>	1.02	1.07	1.54	2.92%
<i>Total Public Safety</i>	12.00	12.00	13.00	24.64%
<i>Total Cemetery</i>	0.22	0.27	0.24	0.45%
<i>Total Community Development</i>	9.40	9.90	11.72	22.22%
<i>Total Parks</i>	3.19	3.89	3.80	7.20%
<i>Total Streets</i>	2.91	3.31	3.42	6.48%
<i>Total Water Utility</i>	6.14	6.24	6.22	11.79%
<i>Total Stormwater Utility</i>	2.57	2.77	2.51	4.76%
<i>Total Full Time Equivalents</i>	45.75	48.75	52.75	100.00%
<b>Full-Time Staff</b>				
<i>Full-Time Employees</i>	44.00	47.00	51.00	96.68%
<b>Part-Time Staff</b>				
<i>Part-Time Employees</i>	1.75	1.75	1.75	3.32%



## 2020 Adopted Budget

### Budgeted Positions and FTE's by Department

<b>2020 Personnel Schedule (Full-Time Equivalents)</b>		
<b>Job Title</b>		<b>FTE Allocation</b>
<b>Executive</b>		
City Manager		1.00
<b>Total Executive</b>		<b>1.00</b>
<b>Finance</b>		
Accounting Assistant/Office Clerk		0.625
Finance Director		1.00
Accounting Assistant/Office Clerk		0.63
Senior Accountant		1.00
Utility Clerk		0.05
Procurement		1.00
<b>Total Finance</b>		<b>4.30</b>
<b>Human Resources</b>		
HR Analyst		0.90
Deputy City Manager		0.40
<b>Total Human Resources</b>		<b>1.30</b>
<b>Administration</b>		
City Clerk		1.00
HR Analyst		0.10
Community Relations Specialist		1.00
Deputy City Manager		0.60
Administrative Specialist		1.00
<b>Total Administration</b>		<b>3.70</b>
<b>General Government/Facilities</b>		
Public Works Supervisor, Facilities		0.25
Public Works Supervisor, Utilities		0.02
Engineer		0.07
Facility Maintenance Worker		0.10
Public Works Director		0.15
Facility Maintenance Worker		0.15
Facility Maintenance Worker		0.15
Facility Maintenance Worker		0.10
Facility Maintenance Worker		0.05
Mechanic/Maintenance Worker		0.05
Development Inspector/Code Enforcement		0.05
Building Inspector/Code Enforcement		0.10
Associate Planner		0.30
<b>Total General Government/Facilities</b>		<b>1.54</b>



## 2020 Adopted Budget

<b>2020 Personnel Schedule (Full-Time Equivalents)</b>		
<b>Job Title</b>		<b>FTE Allocation</b>
<b>Public Safety</b>		
Police Sergeant		1.00
Chief of Police		1.00
Police Sergeant		1.00
Police Officer		1.00
Police Officer		1.00
Police Officer		1.00
Police Officer		1.00
Police Officer		1.00
Police Officer		1.00
Police Lieutenant		1.00
Police Clerk		1.00
Police Officer		1.00
Police Officer		1.00
Police Clerk		1.00
<b>Total Public Safety</b>		<b>13.00</b>
<b>Cemetery</b>		
Public Works Supervisor, Facilities		0.05
PW Administrative Assistant		0.02
Public Works Director		0.02
Facility Maintenance Worker		0.05
Facility Maintenance Worker		0.05
Facility Maintenance Worker		0.05
<b>Total Cemetery</b>		<b>0.24</b>
<b>Community Development</b>		
Permit Tech		1.00
Community Development Director		1.00
Engineer		0.60
Public Works Director		0.27
Associate Planner		1.00
Plans Examiner		1.00
Admin Assistant/Permit Tech		1.00
Building Inspector		1.00
Building Official		1.00
Development Inspector/Code Enforcement		0.75
Building Inspector		1.00
Engineering Tech		0.50
Building Inspector/Code Enforcement		0.90
Associate Planner		0.70
<b>Total Community Development</b>		<b>11.72</b>



## 2020 Adopted Budget

<b>2020 Personnel Schedule (Full-Time Equivalents)</b>		
<b>Job Title</b>		<b>FTE Allocation</b>
<b>Parks</b>		
Public Works Supervisor, Facilities		0.35
Park Caretaker		0.50
PW Administrative Assistant		0.10
Engineer		0.05
Facility Maintenance Worker		0.80
Public Works Director		0.10
Facility Maintenance Worker		0.30
Facility Maintenance Worker		0.20
Facility Maintenance Worker		0.45
Facility Maintenance Worker		0.45
Mechanic/Maintenance Worker		0.35
Development Inspector/Code Enforcement		0.05
Engineering Tech		0.10
<b>Total Parks</b>		<b>3.80</b>
<b>Streets</b>		
Public Works Supervisor, Facilities		0.35
PW Administrative Assistant		0.02
Engineer		0.15
Facility Maintenance Worker		0.10
Public Works Director		0.15
Facility Maintenance Worker		0.50
Facility Maintenance Worker		0.60
Facility Maintenance Worker		0.40
Facility Maintenance Worker		0.50
Mechanic/Maintenance Worker		0.50
Development Inspector/Code Enforcement		0.05
Engineering Tech		0.10
<b>Total Streets</b>		<b>3.42</b>



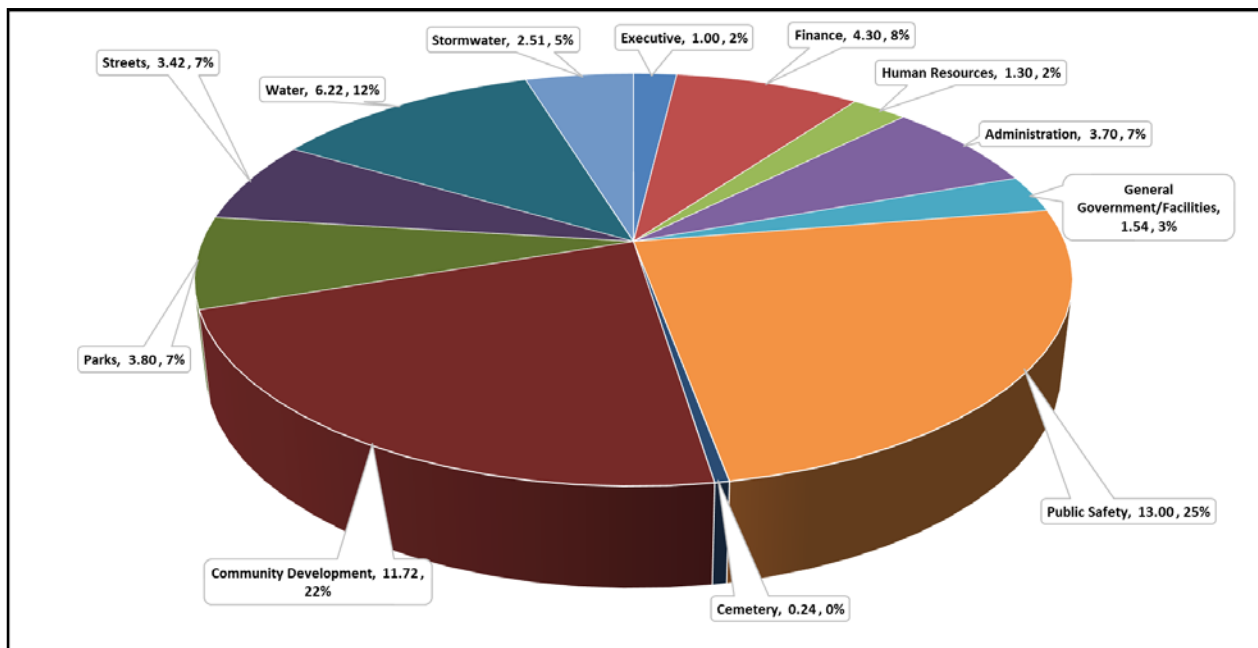
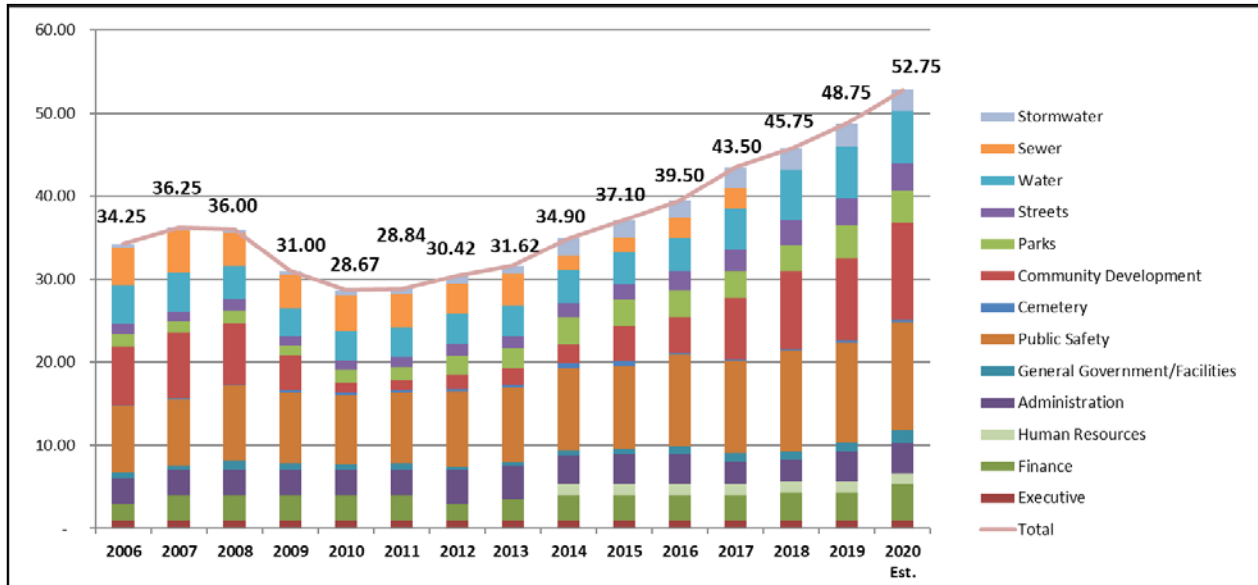
## 2020 Adopted Budget

<b>2020 Personnel Schedule (Full-Time Equivalents)</b>		
<b>Job Title</b>		<b>FTE Allocation</b>
<b>Water Utility</b>		
PW Administrative Assistant		0.81
Utility Maintenance Worker		1.00
Public Works Supervisor, Utilities		0.83
Utility Maintenance Worker		1.00
Utility Maintenance Worker		0.33
Engineer		0.05
Public Works Director		0.15
Utility Clerk		0.75
Utility Maintenance Worker		1.00
Facility Maintenance Worker		0.15
Development Inspector/Code Enforcement		0.05
Engineering Tech		0.10
<b>Total Water Utility</b>		<b>6.22</b>
<b>Stormwater Utility</b>		
PW Administrative Assistant		0.05
Public Works Supervisor, Utilities		0.15
Utility Maintenance Worker		0.67
Engineer		0.08
Public Works Director		0.16
Utility Clerk		0.20
Facility Maintenance Worker		0.85
Mechanic/Maintenance Worker		0.10
Development Inspector/Code Enforcement		0.05
Engineering Tech		0.20
<b>Total Stormwater Utility</b>		<b>2.51</b>
<b>Total Full Time Equivalents</b>		<b>52.75</b>
<b>Full-Time Staff</b>		
Full-Time Employees		<b>51.00</b>
<b>Part-Time Staff</b>		
Part-Time Employees		<b>1.75</b>



## 2020 Adopted Budget

### Total Full Time Equivalent Employees by Function





## 2020 Adopted Budget

<b>Interfund Transfers</b>			
<b>Fund</b>	<b>Description</b>	<b>Transfer From</b>	<b>Transfer To</b>
<b>001 General Fund</b>			
From Water Operating	Indirect Cost Allocation	323,551	-
From Stormwater Operating	Indirect Cost Allocation	155,316	-
From Water Operating	RACC Lease Cost Allocation	11,300	-
From Stormwater Operating	RACC Lease Cost Allocation	5,260	-
To Equipment Replacement	Equipment Replacement Fund	-	254,612
To Debt Service	Public Safety Debt Service	-	20,225
To Street Fund	Transfer to Street Operating Fund	-	351,500
To General Capital - Streets	General Capital Street Projects	-	195,000
To General Capital - Parks	General Capital Park Projects	-	360,000
<b>Total General Fund Transfers</b>		<b>\$ 495,427</b>	<b>\$ 1,181,337</b>
<b>101 Street Fund</b>			
From General Fund	Operating Transfer from General Fund	351,500	-
To Equipment Replacement	Equipment Replacement Fund	-	21,740
<b>Total Street Transfers</b>		<b>\$ 351,500</b>	<b>\$ 21,740</b>



## 2020 Adopted Budget

<b>Interfund Transfers</b>			
<b>Fund</b>	<b>Description</b>	<b>Transfer From</b>	<b>Transfer To</b>
<b>406 Water Utility</b>			
From Water System Development Charges Fund	Debt Service	198,540	-
To General Fund	Indirect Cost Allocation	-	323,551
To General Fund	RACC Lease Cost Allocation	-	11,300
To Equipment Replacement	Equipment Replacement Fund	-	36,775
<b>Total Water Utility Transfers</b>		<b>\$ 198,540</b>	<b>\$ 371,626</b>
<b>408 Stormwater Utility</b>			
To General Fund	Indirect Cost Allocation	-	155,316
To General Fund	RACC Lease Cost Allocation	-	5,260
To Equipment Replacement Fund	Equipment Replacement Fund	-	30,261
<b>Total Stormwater Utility Transfers</b>		<b>\$ -</b>	<b>\$ 190,837</b>
<b>105 Real Estate Excise Tax (REET)</b>			
To General Capital - Streets	S. 3rd Ave Improvement Project	-	35,500
To Debt Service	RORC General Obligation Bonds Debt Service	-	787,425
<b>Total REET Transfers</b>		<b>\$ -</b>	<b>\$ 822,925</b>
<b>114 Park Impact Fee (PIF)</b>			
To General Capital - Parks	RORC Fencing and Capital Improvements	-	50,000
<b>Total PIF Transfers</b>		<b>\$ -</b>	<b>\$ 50,000</b>



## 2020 Adopted Budget

<b>Interfund Transfers</b>			
<b>Fund</b>	<b>Description</b>	<b>Transfer From</b>	<b>Transfer To</b>
<b>115 Traffic Impact Fee (TIF)</b>			
To General Capital - Streets	No Scheduled Transfers	-	-
<b>Total TIF Transfers</b>		<b>\$ -</b>	<b>\$ -</b>
<b>416 Water Utility System Development Charge (WSDC)</b>			
To Water Utility Capital	Abrams Park Well 11 Construction	-	400,000
To Water Utility Capital	Kennedy Water Rights Acquisition	-	100,000
To Water Utility Capital	Junction Well Variable Frequency Pumps	-	420,000
To Water Utility Capital	Abrams Park Well 8 Sand Pack Redevelopment	-	50,000
To Water Utility Capital	S. 3rd Ave Improvement Project Water Line	-	251,500
To Water Utility Capital	S. 9th Ave. Water Line Improvements	-	100,000
To Water Operating Fund	Debt Service	-	198,540
<b>Total WSDC Transfers</b>		<b>\$ -</b>	<b>\$ 1,520,040</b>
<b>200 Debt Service</b>			
From General Fund - Public Safety	CRESA Radio Installment	20,225	-
From REET Fund - Parks	RORC General Obligation Bonds Debt Service	787,425	-
<b>Total Debt Service Transfers</b>		<b>\$ 807,650</b>	<b>\$ -</b>



## 2020 Adopted Budget

<b>Interfund Transfers</b>			
<b>Fund</b>	<b>Description</b>	<b>Transfer From</b>	<b>Transfer To</b>
<b>300 General Capital</b>			
From General Fund - Street Projects	Pavement Preservation Program	195,000	-
From REET - Street Project	S. 3rd Ave Improvement Project	35,500	-
From PIF - Capital Parks	RORC Fencing and Capital Improvements	50,000	-
From General Fund - Park Projects	Gee Creek Stabilization	60,000	-
From General Fund - Park Projects	Overlook Park Annex Design/Permitting and Construct	300,000	-
<b>Total General Capital Transfers</b>		<b>\$ 640,500</b>	<b>\$ -</b>
<b>410 Water Utility Capital</b>			
From Water System Development Charges Fund	Abrams Park Well 11 Construction	400,000	-
From Water System Development Charges Fund	Kennedy Water Rights Acquisition	100,000	-
From Water System Development Charges Fund	Junction Well Variable Frequency Pumps	420,000	-
From Water System Development Charges Fund	Abrams Park Well 8 Sand Pack Redevelopment	50,000	-
From Water System Development Charges Fund	S. 3rd Ave Improvement Project Water Line	251,500	-
From Water System Development Charges Fund	S. 9th Ave. Water Line Improvements	100,000	-
<b>Total Water Utility Capital Transfers</b>		<b>\$ 1,321,500</b>	<b>\$ -</b>



## 2020 Adopted Budget

<b>Interfund Transfers</b>			
<b>Fund</b>	<b>Description</b>	<b>Transfer From</b>	<b>Transfer To</b>
<b>412 Storm Water Utility Capital</b>			
From REET Fund - Storm		-	-
From REET Fund - Storm		-	
<b>Total Storm Water Utility Capital Transfers</b>		<b>\$ -</b>	<b>\$ -</b>
<b>501 Equipment Replacement Fund (ERF)</b>			
From General Fund	ERF Transfer	204,612	-
From Water Utility	ERF Transfer	36,775	-
From Stormwater Utility	ERF Transfer	30,261	-
From Street Fund	ERF Transfer	71,740	-
<b>Total ERF Transfers</b>		<b>\$ 343,388</b>	<b>\$ -</b>
<b>Total 2020 Interfund Transfers</b>		<b>\$ 4,158,505</b>	<b>\$ 4,158,505</b>



## 2020 Adopted Budget

### 2020 Debt Service:

<b>Schedule of Debt Service</b>		
<b>Debt Type</b>	<b>Description</b>	<b>Budget Amount</b>
<b>200 General Government Debt Service</b>		
Public Safety	CRESA Radio Installment	20,224
<b>Public Safety Debt Service</b>		<b>\$ 20,224</b>
<b>Debt Type</b>	<b>Description</b>	<b>Budget Amount</b>
<b>200 General Government Debt Service</b>		
Parks	RORC General Obligation Bonds - 2017	530,575
Parks	RORC General Obligation Bonds - 2018	256,850
<b>Parks Debt Service</b>		<b>\$ 787,425</b>
<b>406 Water Utility Debt Service</b>		
Water Utility	DWSRF Loan Junction Well & Transmission System	77,088
Water Utility	DWSRF Loan Junction Reservoir	121,443
<b>Water Utility Debt Service</b>		<b>\$ 198,531</b>
<b>Total 2020 Debt Service</b>		<b>\$ 1,006,180</b>



## **2020 Adopted Budget**

**2016 CRESA Installment Contract – Radio Purchase  
Amortization Schedule:**

<b>Date</b>	<b>Principle Payments</b>	<b>Interest Payments</b>	<b>Total Requirements</b>	<b>Unpaid Balance</b>
				\$92,029.93
1/31/2017	15,727.44	4,496.53	20,223.97	76,302.49
1/31/2018	18,407.97	1,816.00	20,223.97	57,894.52
1/31/2019	18,846.08	1,377.89	20,223.97	39,048.44
1/31/2020	19,294.62	929.35	20,223.97	19,753.82
1/31/2021	19,753.82	470.14	20,223.96	-
	<b>\$92,029.93</b>	<b>\$9,089.91</b>	<b>\$101,119.84</b>	



## 2020 Adopted Budget

### 2017 General Obligation Bonds – Ridgefield Outdoor Recreation Center Amortization Schedule:

Year	Due Date	Principal		Interest Rate	Interest Pmt	Total Debt
		Amount	Balance			Service
2018	12/1/2018		\$ 9,455,000		\$ 388,758	\$ 388,758
2019	12/1/2019	195,000	9,260,000	3.00%	336,425.00	531,425.00
2020	12/1/2020	200,000	9,060,000	3.00%	330,575.00	530,575.00
2021	12/1/2021	210,000	8,850,000	3.00%	324,575.00	534,575.00
2022	12/1/2022	215,000	8,635,000	3.00%	318,275.00	533,275.00
2023	12/1/2023	220,000	8,415,000	3.00%	311,825.00	531,825.00
2024	12/1/2024	230,000	8,185,000	3.00%	305,225.00	535,225.00
2025	12/1/2025	235,000	7,950,000	4.00%	298,325.00	533,325.00
2026	12/1/2026	245,000	7,705,000	4.00%	288,925.00	533,925.00
2027	12/1/2027	255,000	7,450,000	4.00%	279,125.00	534,125.00
2028	12/1/2028	265,000	7,185,000	3.00%	268,925.00	533,925.00
2029	12/1/2029	270,000	6,915,000	3.00%	260,975.00	530,975.00
2030	12/1/2030	280,000	6,635,000	3.00%	252,875.00	532,875.00
2031	12/1/2031	290,000	6,345,000	3.00%	244,475.00	534,475.00
2032	12/1/2032	295,000	6,050,000	3.00%	235,775.00	530,775.00
2033	12/1/2033	305,000	5,745,000	3.00%	226,925.00	531,925.00
2034	12/1/2034	315,000	5,430,000	4.00%	217,775.00	532,775.00
2035	12/1/2035	330,000	5,100,000	4.00%	205,175.00	535,175.00
2036	12/1/2036	340,000	4,760,000	4.00%	191,975.00	531,975.00
2037	12/1/2037	355,000	4,405,000	4.00%	178,375.00	533,375.00
2038	12/1/2038	370,000	4,035,000	4.00%	164,175.00	534,175.00
2039	12/1/2039	385,000	3,650,000	4.00%	149,375.00	534,375.00
2040	12/1/2040	400,000	3,250,000	4.00%	133,975.00	533,975.00
2041	12/1/2041	415,000	2,835,000	4.00%	117,975.00	532,975.00
2042	12/1/2042	430,000	2,405,000	4.00%	101,375.00	531,375.00
2043	12/1/2043	450,000	1,955,000	3.50%	84,175.00	534,175.00
2044	12/1/2044	465,000	1,490,000	3.50%	68,425.00	533,425.00
2045	12/1/2045	480,000	1,010,000	3.50%	52,150.00	532,150.00
2046	12/1/2046	495,000	515,000	3.50%	35,350.00	530,350.00
2047	12/1/2047	515,000	-	3.50%	18,025.00	533,025.00
		<b>\$ 9,455,000</b>			<b>\$ 6,390,283</b>	<b>\$15,845,283</b>



## 2020 Adopted Budget

### 2018 General Obligation Bonds – Ridgefield Outdoor Recreation Center Amortization Schedule:

Year	Due Date	Principal		Interest Rate	Interest Pmt	Total Debt
		Amount	Balance			Service
2018	12/1/2018		\$ 6,705,000		\$ 125,571	\$ 125,571
2019	12/1/2019	-	6,705,000		256,850.00	256,850.00
2020	12/1/2020	-	6,705,000		256,850.00	256,850.00
2021	12/1/2021	270,000	6,435,000	3.00%	256,850.00	526,850.00
2022	12/1/2022	280,000	6,155,000	3.00%	248,750.00	528,750.00
2023	12/1/2023	285,000	5,870,000	3.00%	240,350.00	525,350.00
2024	12/1/2024	295,000	5,575,000	4.00%	231,800.00	526,800.00
2025	12/1/2025	305,000	5,270,000	4.00%	220,000.00	525,000.00
2026	12/1/2026	320,000	4,950,000	4.00%	207,800.00	527,800.00
2027	12/1/2027	330,000	4,620,000	4.00%	195,000.00	525,000.00
2028	12/1/2028	345,000	4,275,000	4.00%	181,800.00	526,800.00
2029	12/1/2029	360,000	3,915,000	**%	168,000.00	528,000.00
2030	12/1/2030	370,000	3,545,000	4.00%	156,600.00	526,600.00
2031	12/1/2031	385,000	3,160,000	4.00%	141,800.00	526,800.00
2032	12/1/2032	400,000	2,760,000	4.00%	126,400.00	526,400.00
2033	12/1/2033	415,000	2,345,000	4.00%	110,400.00	525,400.00
2034	12/1/2034	435,000	1,910,000	4.00%	93,800.00	528,800.00
2035	12/1/2035	450,000	1,460,000	4.00%	76,400.00	526,400.00
2036	12/1/2036	470,000	990,000	4.00%	58,400.00	528,400.00
2037	12/1/2037	485,000	505,000	4.00%	39,600.00	524,600.00
2038	12/1/2038	505,000	-	4.00%	20,200.00	525,200.00
		<b>\$ 6,705,000</b>			<b>\$ 3,413,221</b>	<b>\$10,118,221</b>



## 2020 Adopted Budget

### *Drinking Water State Revolving Funds Loan – Junction Well and Transmission System Amortization Schedule:*

Year	Due Date	Principal Amount	Accrued Interest	Interest	Payment Due	Loan Balance
2014	Oct	\$ -	\$ 62	\$ -	\$ -	\$ 16,433
2015	Oct	-	247	-	-	16,433
2016	Oct	-	6,632	-	-	841,630
2017	Oct	61,425	16,203	23,143	84,567	1,167,067
2018	Oct	61,425	17,506	17,506	78,931	1,105,642
2019	Oct	61,425	16,585	16,585	78,009	1,044,217
2020	Oct	61,425	15,663	15,663	77,088	982,793
2021	Oct	61,425	14,742	14,742	76,166	921,368
2022	Oct	61,425	13,821	13,821	75,245	859,944
2023	Oct	61,425	12,899	12,899	74,324	798,519
2024	Oct	61,425	11,978	11,978	73,402	737,095
2025	Oct	61,425	11,056	11,056	72,481	675,670
2026	Oct	61,425	10,135	10,135	71,560	614,246
2027	Oct	61,425	9,214	9,214	70,638	552,821
2028	Oct	61,425	8,292	8,292	69,717	491,396
2029	Oct	61,425	7,371	7,371	68,796	429,972
2030	Oct	61,425	6,450	6,450	67,874	368,547
2031	Oct	61,425	5,528	5,528	66,953	307,123
2032	Oct	61,425	4,607	4,607	66,031	245,698
2033	Oct	61,425	3,685	3,685	65,110	184,274
2034	Oct	61,425	2,764	2,764	64,189	122,849
2035	Oct	61,425	1,843	1,843	63,267	61,425
2036	Oct	61,425	921	921	62,346	-
		<b>\$ 1,228,491</b>	<b>\$ 198,203</b>	<b>\$ 198,203</b>	<b>\$ 1,426,694</b>	



## 2020 Adopted Budget

### Drinking Water State Revolving Funds Loan – Junction 1.0 Million Gallon Reservoir Amortization Schedule:

Year	Due Date	Principal Amount*	Accrued Interest	Interest	Payment Due	Loan Balance
2014	Oct	\$ -	\$ 60.10	\$ -	\$ -	\$ 21,530.00
2015	Oct	-	323	-	-	21,530
2016	Oct	-	6,571	-	-	1,253,977
2017	Oct	96,767	25,580	32,534	129,301	1,838,571
2018	Oct	96,767	27,579	27,579	124,345	1,741,804
2019	Oct	96,767	26,127	26,127	122,894	1,645,037
2020	Oct	96,767	24,676	24,676	121,442	1,548,271
2021	Oct	96,767	23,224	23,224	119,991	1,451,504
2022	Oct	96,767	21,773	21,773	118,539	1,354,737
2023	Oct	96,767	20,321	20,321	117,088	1,257,970
2024	Oct	96,767	18,870	18,870	115,636	1,161,203
2025	Oct	96,767	17,418	17,418	114,185	1,064,436
2026	Oct	96,767	15,967	15,967	112,733	967,669
2027	Oct	96,767	14,515	14,515	111,282	870,902
2028	Oct	96,767	13,064	13,064	109,830	774,135
2029	Oct	96,767	11,612	11,612	108,379	677,368
2030	Oct	96,767	10,161	10,161	106,927	580,601
2031	Oct	96,767	8,709	8,709	105,476	483,835
2032	Oct	96,767	7,258	7,258	104,024	387,068
2033	Oct	96,767	5,806	5,806	102,573	290,301
2034	Oct	96,767	4,355	4,355	101,121	193,534
2035	Oct	96,767	2,903	2,903	99,670	96,767
2036	Oct	96,767	1,452	1,452	98,218	0
		<b>\$1,935,338.23</b>	<b>\$308,319.98</b>	<b>\$308,319.98</b>	<b>\$2,243,658.21</b>	



# ***2020 Adopted Budget***

## **ORDINANCE NO. 1302**

### **AN ORDINANCE ADOPTING THE 2020 BUDGET FOR THE CITY OF RIDGEFIELD, WASHINGTON AND PROVIDING FOR THE EFFECTIVE DATE THEREOF**

WHEREAS, the tax estimates and budget for the City of Ridgefield for the 2020 fiscal year have been prepared and filed as provided by the laws of the State of Washington; and

WHEREAS, the budget was printed for distribution and notice was published setting the time and place for hearings on the budget; and

WHEREAS, the 2020 proposed budget was submitted to the City Council and City Clerk on November 1, 2019 and budget workshop sessions were held on July 25, 2019, August 22, 2019, and September 26, 2019; and

WHEREAS, public hearings on the 2020 annual budget were held on October 24, 2019, November 7, 2019 and November 21, 2019.

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

**Section 1:** Public Interest. The Ridgefield City Council finds it to be in the public interest to adopt the 2020 budget of anticipated revenues and expenditures.

**Section 2:** 2020 Budget Adoption. The annual budget for the City of Ridgefield, Washington for the year ending December 31, 2020 is hereby adopted in the amounts and for the purposes shown in Exhibits "A - F", attached hereto and incorporated herein by reference. The budget for each Department and Fund in Exhibits "A - F" is hereby adopted at the fund level and set as the appropriation limit for expenditures for the fiscal year 2020. The attached Exhibit "A" summarizes the totals of estimated revenue and expenditure appropriations for each separate fund and the aggregate total for all funds combined.

**Section 3:** The Finance Director is directed to transmit a copy of the budget hereby adopted to the State Auditor's Office, Division of Municipal Research, and to the Association of Washington Cities.

**Section 4:** Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

**Section 5:** Regulatory Conflicts. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.



## ***2020 Adopted Budget***

**Section 6:** Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

**Section 7:** Effective date. This ordinance shall take effect and be in full force five (5) days after the publication of the attached summary and Exhibits "A - F", which is hereby approved.



## ***2020 Adopted Budget***

### ***Glossary of Budget Terms***

**Adopted Budget** – Appropriations adopted by the governing body which forms the fiscal plan for the budget period.

**Allocate** – To divide a lump-sum appropriation which is designed for expenditure by specific organization units and/or for specific purposes, activities, or objects.

**Appropriation** – An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one-year period.

**Assessed Value** – The value of real and personal taxable property as a basis for levying Ad Valorem (property) taxes.

**Assets** – Resources acquired or purchased by the City with a monetary value.

**Audit** – Conducted by the Washington State Auditor's Office. The primary objective of an audit is to determine if the City's financial statements are presented fairly, in all material respects the respective financial position of the government.

**Balanced Budget** – A budget in which planned expenditures do not exceed projected funds available.

**BARS** - Budgeting, Accounting, and Reporting System (BARS) prescribed by the Washington State Auditor and designed to promote uniformity among cities and counties in Washington.

**Bond** – 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 periodic interest at a specified rate.

**Budget** – Written report showing the City's fiscal plans for the budget period. It includes a balanced statement of actual revenues and expenditures during the last two periods, estimated revenues and expenditures during the current period, and estimated revenues and expenditures, as budgeted, for the upcoming period.

**Capital Outlay/Capital Expenditures** – Funds expended for the acquisition or maintenance of fixed assets such as land, infrastructure, equipment, vehicles or buildings.

**Comprehensive Plan** – The plan, or portions thereof, which have been adopted by the City Council. It is a land use policy statement that guides future growth of the City.

**CRESA** – Clark Regional Emergency Services. Offers emergency service management and 911 services.



## ***2020 Adopted Budget***

**CRWWD** – Clark Regional Wastewater District. Offers sewer collection services to North Clark County including the City of Ridgefield.

**DCWA** – Discovery Clean Water Alliance. A multi-jurisdictional entity comprised of Ridgefield, Battle Ground, Clark County, and Clark Regional Wastewater District to treat wastewater in North Clark County.

**Debt Service Fund** – A fund used to account for the monies set aside for the payment of principle and interest on City debt.

**Department** – An organization unit of the City which has been assigned responsibility for an operation or group of related operations within a functional area.

**EDU** – Equivalent Development Unit. Measurement standard used for storm water rate charges. One EDU is equal to 3,500 square feet for Ridgefield calculations.

**Enterprise Fund** – A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities, utilities and services which are entirely or predominately self-supporting by user charges and fees.

**Expenditures** – The outlay of funds paid or to be paid to obtain an asset, good or service.

**FTE** – Full time equivalent – the combination of one or more employees whose work hours equal that of a full-time position, 2080 hours, or 40 hours a week, 52 weeks a year.

**Fiscal Year** – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of operations. (January 1 through December 31 for the City)

**Fixed Assets** – Assets (land, infrastructure, equipment, vehicles or buildings) that generally have a value of \$5,000 or more and a useful life of more than 1 year.

**Franchise Fee** – A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable TV.

**Fund** – A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

**Fund Balance** – The excess of a funds' total assets over its total expenditures. A negative fund balance is often referred to as a deficit.

**GAAP** – Generally Accepted Accounting Principles is a collection of commonly-followed accounting rules and standards for financial reporting. GAAP is adopted by the U.S. Securities



## ***2020 Adopted Budget***

and Exchange Commission, The Financial Accounting Standards Board, and The Governmental Accounting Standards Board.

**GASB** – The Governmental Accounting Standards Board is the organization whose mission is to improve and create financial reporting standards for state and local governments.

**General Fund** – Accounts for all financial transactions relating to governmental activities that are not required to be accounted for in another fund, such as special revenue funds, debt service fund, and capital projects fund.

**Governmental Funds** – Funds that are typically used to account for most of a government’s activities, including those that are tax supported.

**Grant** – Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose or activity.

**Growth Management** – State requirements related to development and population growth and its impact on public infrastructure.

**Impact Fee** – A fee charged on new development to finance required infrastructure to support growth related projects such as roads, parks, schools and fire facilities. The City collects and retains transportation and park impact fees. The City collects school impact fees and remits the balance to Ridgefield School District.

**Infrastructure** – The portion of a City’s assets located at or below ground level, including the water, street, and storm systems. Clark Regional Wastewater District owns and manages the sewer infrastructure.

**Interfund Transactions** – Amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

**Investment Revenue** – Revenue received as interest and dividends from the investment of idle funds not immediately required to meet cash flow obligations.

**LEOFF I and II** – Law Enforcement Officers and Fire Fighters Retirement System plan.

**LTGO** – Limited Tax General Obligation Bonds. Issued in 2017 for the Ridgefield Outdoor Recreation Complex (RORC).

**PERS** – Public Employees Retirement System.

**PIF** – Park Impact Fees. Fees charged to new residential development. Revenues are restricted for expenditure on new park land and facilities to support the impact created by development.

**Proposed Budget** – Financial plan prepared by the City’s Finance Department and Budget Advisory Committee and submitted to the public and Council for review.



## ***2020 Adopted Budget***

**RCW** – Revised Code of Washington which contains all laws of a general and permanent nature enacted by the State.

**REET** – Real Estate Excise Tax. A tax charged on the sale of real estate. The City collects 0.50% on each sale. Revenue from this tax is restricted for capital projects per state statute.

**Reserves** – A portion of a fund set aside by policy for a specific purpose, i.e. operating reserves, debt service, revenue stabilization and capital repair and replacement. Reserve amounts are generally not available for use unless designated by policy or Council action.

**Revenues** – All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers.

**RORC** – Ridgefield Outdoor Recreation Complex.

**SIF** – School Impact Fees. Fees charged to new residential development. Revenues are restricted for expenditure on new school facilities to support the impact created by development.

**Special Revenue Fund** – An account established to collect proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

**System Development Charges (SDC)** – A fee charged on new development to finance growth related water infrastructure projects.

**Tax Levy Rate** – A rate applied to all taxable property to set property tax levy amounts. It is derived by dividing the total tax levy by the taxable net property valuation.

**Taxes** – Compulsory charges levied by a government for the purpose of financing services provided for the common benefit of the citizens.

**TIF** – Transportation Impact Fees. Fees charged to new residential and commercial development. Revenues are restricted for expenditure on new transportation infrastructure to support the growth created by development.

**Washington Administrative Code (WAC)** – Laws adopted by State agencies to implement State Legislation.

**WSDC** – Water System Development Charges. Fees charged to new residential and commercial development connecting to the water system. Revenues are restricted for expenditure on new water system infrastructure to support growth created by development.