



# 2019

# *Adopted Budget*

City of Ridgefield  
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Ridgefield, WA 98642  
(360) 887-3557  
<https://ridgefieldwa.us/>



## ***2019 Adopted Budget***

### ***I. Introduction***



## ***2019 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  
Jeff Niten, Community Development Director  
John Brooks, Police Chief

***CITIZEN MEMBER***

Clyde Burkle



## ***2019 Adopted Budget***



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**City of Ridgefield  
Washington**

For the Fiscal Year Beginning

**January 1, 2018**

*Christopher P. Monell*

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, 2018**. 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.



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## 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, 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 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 Project Revenue forecast
- Budget Highlights
- Operating Funds Revenue, Expense and Fund Balance Summary
- FTE Summary
- Capital Service Funds Revenue, Expense and Fund Balance Summary



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- Special Revenue Funds Revenue, Expense and Fund Balance Summary
- Capital Project 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
- Organizational Chart
- Department Overview
- Key Objectives
- 2019 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
- 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 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
- 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



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### ***VISION STATEMENT***

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

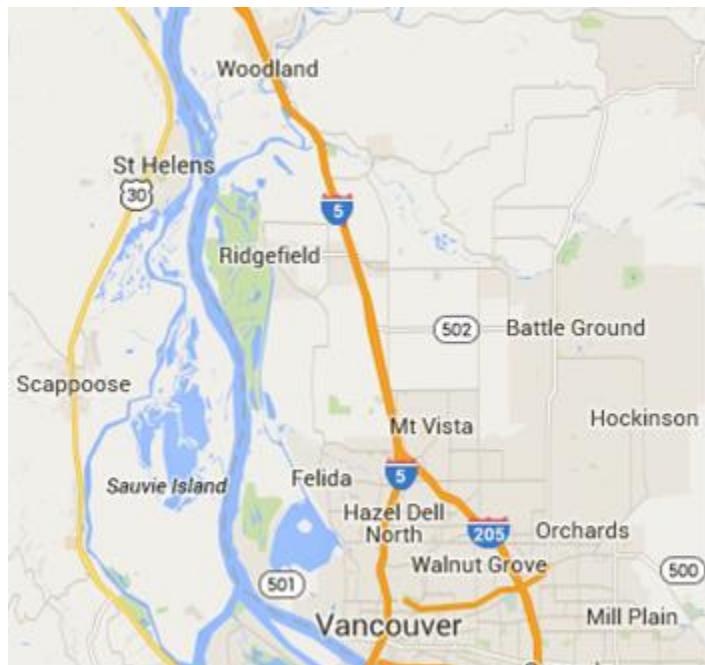
### ***MISSION STATEMENT***

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



## 2019 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.



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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 7,705. 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 *	7,705
Male/Female **	49%/51%
Median Age **	36.5
% Under 20 **	33%
Educational Attainment (Population 25 Years and Over)	
High School Degree or Higher **	94.8%
Bachelor's Degree or Higher **	26.7%
Housing Units **	2,095
Occupied Housing Units **	1,972
Owner Occupied Housing Units **	1,545
Median Value of Unit **	287,600
Median Household Income **	88,286
Per Capita Income **	34,656
Families in Poverty **	2%
*Washington State Office of Financial Management (OFM)	
**United States Census 2012-2016 American Community Survey 5-Year Estimates	



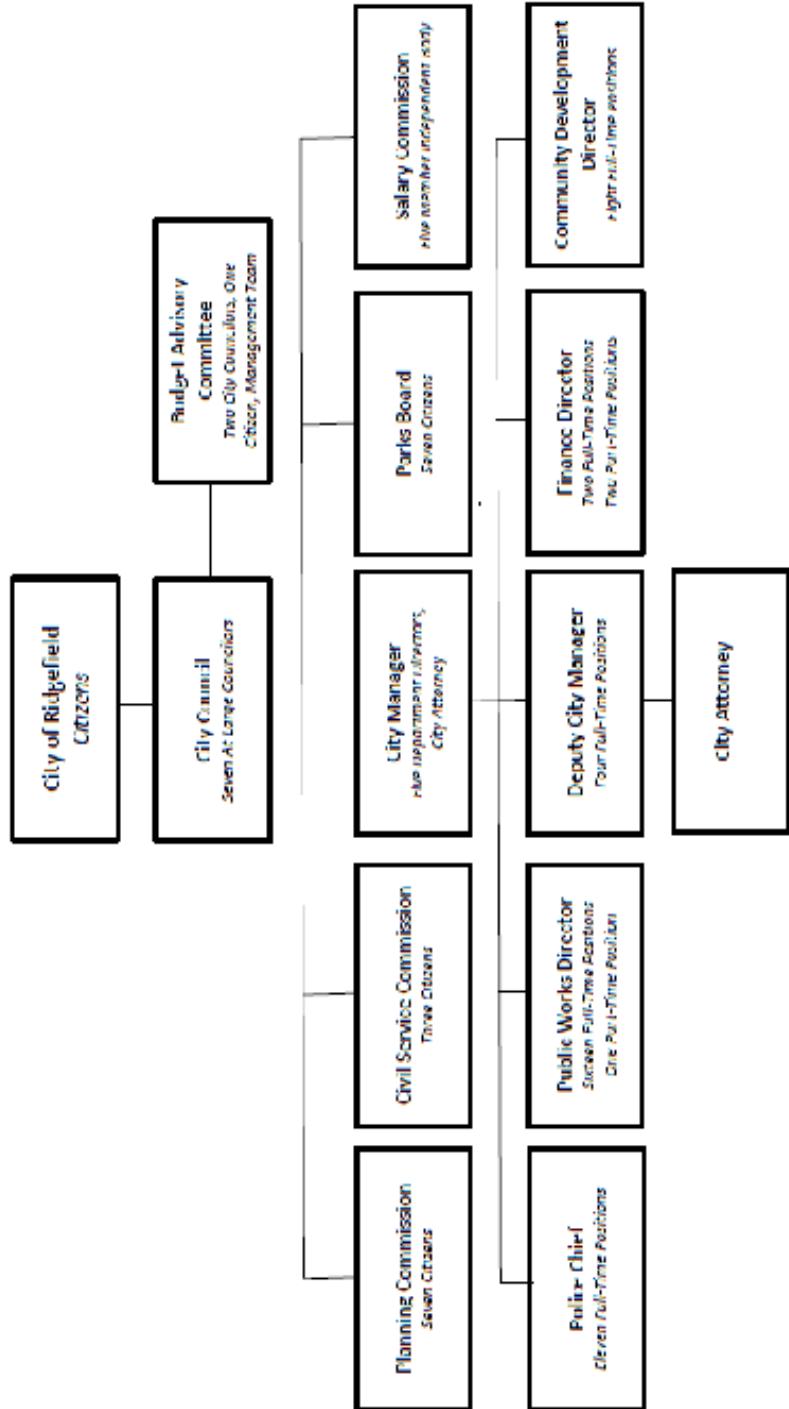
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Ridgefield At A Glance	
Elevation (Average)	112 Feet
Land Area	7.18 Sq. Miles
Miles of Streets	42
Miles of Trails	6
Park Acreage	160
Water Production Daily Capacity (Millions of Gallons)	2,001
City Retail Sales Tax Rate	8.4%
City Employees (FTE) 2019 Projection	48.75
Assessed Valuation 2019 Projection	\$1,447,272,463
Property Tax Levy Rate 2019 Projection	\$0.8659



## 2019 Adopted Budget

City of Ridgefield 2019 Organization Chart

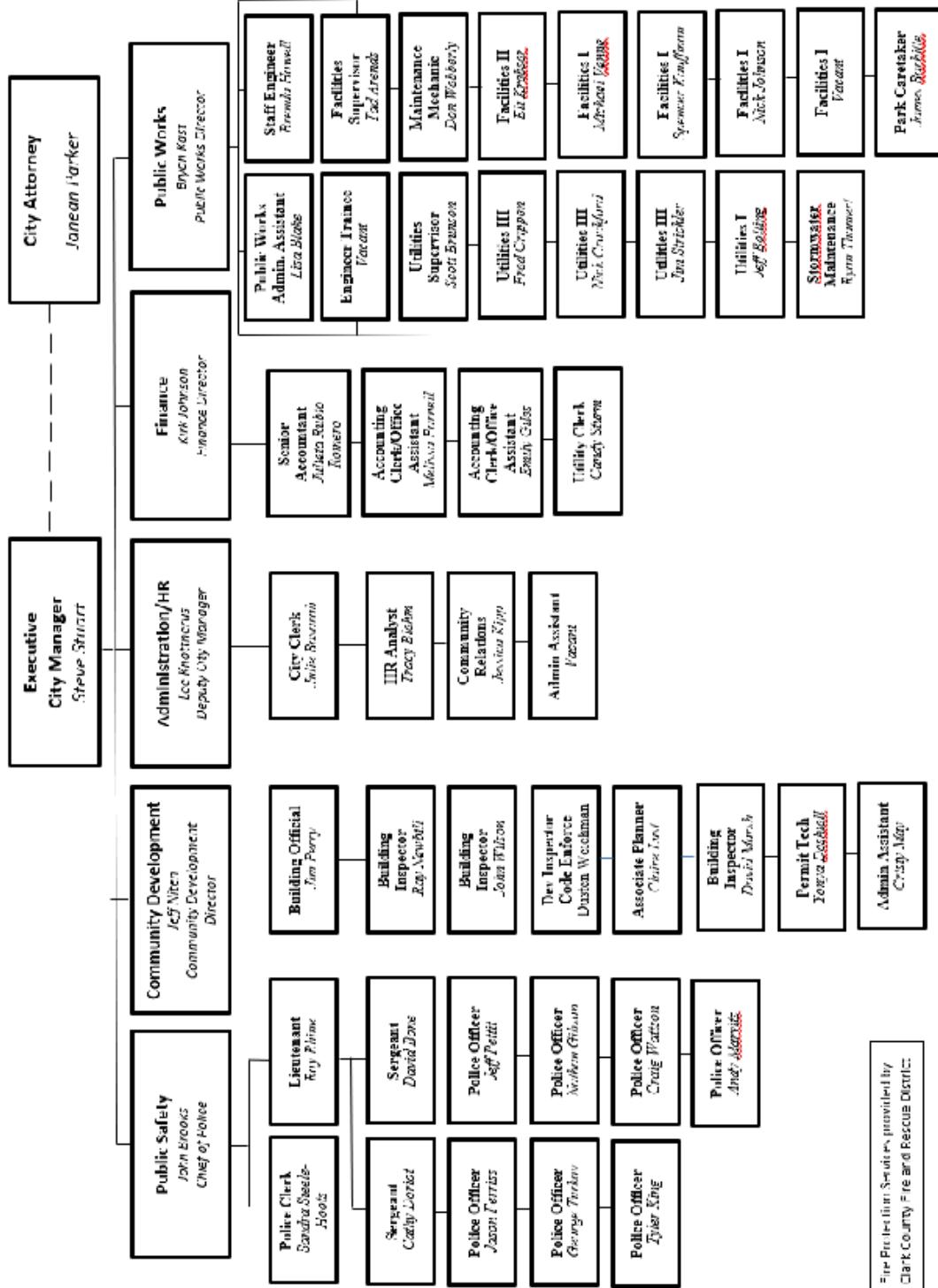


This organization chart is provided by Clark County for administrative purposes only.



## 2019 Adopted Budget

**City of Ridgefield 2019 Organization Chart**





## 2019 Adopted Budget

2019 Budget Calendar					
Major Steps in Process	Management Team/City Manager	Budget Advisory Committee (Monthly Meetings)	City Council		
Council and Management Retreats	June-August	Meeting August 16th	Work Session August 23rd		
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					
Update Baseline Budget - Revenue & Expense	September	Meeting September 13th	Work Session September 27th		
Budget Initiatives First Touch					
Capital Budget First Touch					
Complete Preliminary Budget					
<b>Complete Estimated Budget</b>	<b>By October 1st</b>				
Budget Initiatives Second Touch	October	Meeting October 18th	Work Session October 25th		
Capital Budget Second Touch					
Final Budget Update					
<b>Present Proposed Balanced Budget</b>	<b>By November 1st</b>				
File Proposed Budget	November 1st				
City Clerk Publishes Notice of Public Hearing	First Two Weeks in November (11/1 - 11/15)				
<b>Conduct Revenue and Budget Hearings</b>	<b>By End of November</b>				
Conduct Public Hearing on Revenue Sources		First Council Meeting in November (11/1)			
Conduct First Reading on Ad Valorem Tax Levy					
Conduct First Reading on Utility Rate Increases					
Make Proposed Budget Available to the Public					
Conduct Second Reading on Ad Valorem Tax Levy		Second Council Meeting in November (11/15)			
Conduct Second Reading on Utility Rate Increases					
Provide Budget Presentation to City Council					
Conduct First Public Hearing and First Reading on Proposed Budget					
<b>Conduct Final Budget Hearing and Budget Adoption</b>					
Conduct Second Public Hearing and Second Reading on Proposed Budget. Adopt Final Budget	First Council Meeting in December (12/6)				
Transmit Copies of the Final Budget to SAO and MRSC	By end of December (12/31)				



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### ***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 136 – 149):

#### **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.

#### **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



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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 the useful life. This reserve is budgeted out of all operating funds.



## ***2019 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.

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.



## ***2019 Adopted Budget***

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. 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 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.

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



## ***2019 Adopted Budget***

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 Portland 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 an estimate of the benefits received. An estimate of the benefits received will be developed by the Finance Department using an Indirect Cost Plan financial model and 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 fixed 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.



## ***2019 Adopted Budget***

### ***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. Establish Budget Advisory Committee. This committee will meet on an on-going basis and will provide input and guidance throughout the budget process.
2. Prepare budget calendar for review and notice.
3. 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.
4. Provide appropriate copies of the baseline budget to department directors for review and input.
5. Meet with budget advisory committee to review baseline budget. Obtain input and recommendation for submission to City Council.
6. 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.
7. 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.
8. 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.
9. An ordinance is prepared to set the property tax levy. A public hearing is conducted on revenues and the property tax ordinance.
10. The Final Budget is completed, and City Council holds a public hearing before considering it for adoption.
11. 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



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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.



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## ***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 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



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of performing specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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 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

#### ***Capital Project Funds***

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

- 105 – REET
- 114 – Park Impact Fee
- 115 – Traffic Impact Fee

#### ***Debt Service – 200***



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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 facilities.

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

### ***Capital Project Funds for Utilities***

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

- 416 – Water System Development Charge

### ***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. This fund is 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 at the end of the items 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.

### ***Procedure***

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



## ***2019 Adopted 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 contract 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.
    - ii. Adjust the current fees by the West Region CPI-U index as appropriate.



## 2019 Adopted Budget

- iii. Adjust rates to ensure sufficient level of maintenance on existing facilities and coverage of overhead cost.
  - a. Review and update System Development Charges as needed including indexed updates based on the West Region CPI-U.
  - b. 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.
  - e. Grants allocated to the appropriate capital improvement project.
  - f. Grants are tracked in the same fund where the capital expenditure occurs.
  - g. Loan disbursements.
  - h. Interfund transfers.
  - i. Use of or addition 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.

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.



## 2019 Adopted Budget

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 report 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 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.

The Budget Advisory Committee meetings shall commence and outcomes and discussions from the meetings shall be provided to the Department Directors. The



## ***2019 Adopted Budget***

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.  
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.  
A Public Hearing will be conducted at the first meeting of the City Council on Revenue Sources and the Preliminary 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 second meeting of November.  
First 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 Second reading of the Ordinance to set the budget for the upcoming year will be held at the first meeting in 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).



## ***2019 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 as follows:



## ***2019 Adopted Budget***

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



## ***2019 Adopted Budget***

### ***Budget Message***

November 1, 2018

Dear Mayor, Stose and City Council Members:

We are pleased to present the City's 2019 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 2019 Proposed Budget is scheduled for City Council review during several meetings in October and November and will be presented for the final public hearing and adoption on December 6, 2018.

The City's budget is used as a planning and policy document estimating future City revenues and expenditures, and allocating 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 2019 Proposed Budget and each fund is described in more detail in this document.

### ***Summary of the 2019 Proposed 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 giving room for continued improvement. 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.

- **Goal No. 1: Plan and Manage the Growth of the City**
- **Goal No. 2: Revitalize Downtown as a Destination Location**



## 2019 Adopted Budget

- **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 2019 Proposed Budget allocates resources that staff members will use to successfully accomplish these key goals. The 2019 Council Goals and 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 2019 Proposed Budget includes the allocation of resources to support these previously identified metrics, in alignment with key organizational goals.

### ***2019 Budget Highlights***

#### ***Opportunities***

A healthy economy and strong development activity are allowing the City to respond to growing demands and service levels. The 2019 Proposed Budget includes the addition of an Engineer Trainee to assist with development review and proactively manage storm water drainage strategies. Additionally, the city will add an administrative assistant and facilities maintenance worker. The addition of these positions will increase the City's ability to maintain high service levels, while enhancing communication with residents through social media and public outreach.

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 2019 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.

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



## ***2019 Adopted Budget***

### ***Challenges***

In spite of a healthy economy, including strong development activity, a hot housing market, low unemployment, and fiscal restraint, the City continues to be heavily dependent on development-related revenue sources. The challenge is to focus on sustaining service levels when costs continue to rise at a rate that exceeds statutory caps on property taxes. 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 reserves are approximately 22% of 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 will also begin review of potential funding sources that may be implemented in 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 budget projection 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 revenue projections in the Capital Project Funds (REET, Impact Fees and Water System Development Charges). Current projections are showing City revenues will exceed expenses in each of the next six years.

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.

The City has a reserve level of 22% of prior year expenses in the General Fund. Additionally, the City reserves for debt service and capital repair and replacement. In the proprietary funds the



## ***2019 Adopted Budget***

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.

### ***2019 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 \$563,366 or 10% of prior year operating revenue. The Operations and Maintenance Reserve is equal to 60 days of prior year operating expense or \$929,243. The City also maintains a Debt Service Reserve and a Capital Reserve at \$20,225 and \$362,432 respectively. The operating reserves in the General Fund total 22% and overall reserves are 28% of estimated 2019 operating expenses. The estimated fund balance at the end of 2019 is \$3.2 million including \$1.1 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 12 unmodified (clean) Financial Audit Opinions and has received 3 consecutive GFOA Comprehensive Annual Financial Report Awards. The City submitted and was awarded their first GFOA Distinguished Budget Presentation Award for the 2018 Adopted Budget.

### ***Revenues***

Budgeted 2019 revenues for all funds total \$22.9 million. This is a \$26.6 million decrease (54%) from the 2018 Amended Budget. This is the net result of changes to various funds as noted below:

- Operating Funds revenues are budgeted at \$10.92 million. This is a 3.62% increase over the 2018 Amended Budget. This is primarily the increase in user fees for the City's utility services.
- Capital Project Funds revenues are budgeted at \$7.1 million. This is an increase of 55.81%. The primary reason is the estimated receipt of traffic impact fees and development system charges related to commercial development.
- Debt Service Funds revenues are budgeted at \$808,499. This is an 89.41% decrease from the 2018 Amended Budget. The primary reason is the City's issuance of General Obligation Bonds in 2018.
- Capital Project Construction and Outlay Funds revenues are budgeted at \$4.1 million. This is a decrease from the 2018 Amended Budget of \$22.6 million (84.7%). This is a result of the City's completion of several large road and park capital projects in 2018.



## ***2019 Adopted Budget***

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

2019 Proposed Budget Expenditures for all funds total \$19.7 million. This is a \$41.4 million (68%) decrease from the 2018 Amended Budget primarily due to reduced capital projects in the 2019 Proposed Budget. The primary changes between the 2018 Amended Budget and the 2019 Proposed Budget are noted below:

- Operating Funds expenses are budgeted at \$11.2 million, a decrease of \$683,006 (5.7%). This is primarily due to reduced capital expenditures in the water and storm water operating funds.
- Capital Project Funds (REET, Impact Fees, System Development Charges) transfers are budgeted at \$3.7, million a decrease of \$10 million (72.92%). This is primarily due to several large City led capital projects that were completed in 2018. The City is proposing reduced capital expenditures in 2019.
- Debt Service Fund expenses are budgeted at \$808,499, a decrease of \$8.5 million (91.31%). This is due to the completion of the Ridgefield Outdoor Recreation Complex. Bond funds were expended in 2018 and the 2019 Proposed Budget accounts for debt service related to this project.
- Capital Project Construction and Outlay Funds are budgeted at \$3.9 million, a decrease of \$22.2 million (85%) from the 2018 Amended Budget. This is primarily due to several City led capital projects being completed in 2018.

### ***Expenditures – Staffing***

The City continues to increase staffing through a thoughtful and measured planning process. The City completed a six-year business plan in 2017 to help assist Department Directors in planning for staffing needs to maintain core services. The 2019 Proposed Budget includes an increase in full-time equivalent (FTE) positions of 3 positions, increasing the total FTE's to 48.75. Proposed staffing increases total \$216,685 in ongoing expense requests.

City staff, at the direction of Council, completed the transition of operations of the Sewer Treatment Plant to Discovery Clean Water Alliance. Due to the transition, the City also realigned Storm Water operations under the utility division in Public Works. The Storm Water activities moved from the supervision of the Facilities Supervisor to the Utilities Supervisor to better manage labor and create efficiencies within the utility operations.

### ***Expenditures – One-Time***

The 2019 Proposed budget includes \$4.36 million in one-time initiative and capital requests. Proposals included \$2.15 million in requests to obtain new water rights, drill wells to increase system capacity and replace aging infrastructure; \$345,000 in new storm water facilities to



## ***2019 Adopted Budget***

responsibly manage drainage and runoff; \$856,000 in new park projects; \$624,181 in new street projects; \$206,011 in new equipment; and \$178,525 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 plan.
- Implementation of an ongoing LEAN culture.
- Implementation of new software programs to add efficiencies.
- Implementation of online permitting.
- Implementation of a document management system to reduce paper.
- 2019 budget request to add field computers to manage the asset management system.
- 2019 budget request for consultant assistance to add additional features and efficiencies to the asset management system.

The City has worked closely with the Washington State Auditor's Office, Local Government Performance Center, 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 has completed a transition to an online permitting module to allow residents and developers to submit online permits. Electronic workflows have reduced processing times and added efficiencies for inspectors and permit technicians.



## ***2019 Adopted Budget***

### ***In Closing***

City staff and the Budget Advisory Committee are proud to present a balanced 2019 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 2018. 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 both Pioneer Street and Hillhurst Road, two of the main arterials entering the City. The City will focus on water system delivery and storm water maintenance projects in 2019. In addition, the City will complete an updated community survey to engage with the residents of Ridgefield.

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. 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 issued Limited Tax General Obligation bonds in 2017 and 2018 to fund the Ridgefield Outdoor Recreation Complex (RORC). During the process of bond issuance, the City requested and received a bond credit rating from Standard & Poor's (S&P) Global Ratings. The City received an "AA" stable credit rating as a result of the work completed over the past several years by Council and staff.

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. Staff continue to look at daily tasks to add efficiencies and to reduce expenditures while adding value to city services. The City Council has approved multiple projects in 2019 that will continue assisting



## ***2019 Adopted Budget***

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



## ***2019 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.



## 2019 Adopted Budget

### 2019 City Council Initiatives and Workplan

Initiative Number & Description		Management Discussion	Budget or Resource-Only	Action
1	Traffic signal at Pioneer & Hillhurst, traffic actuated	Not priority: May be difficult to justify until Miller's Landing is developed; have time since View Ridge is moving.	Not in budget Resource only for 2019. Possible for 2020-21.	Perform traffic study to look at changes in traffic patterns during the 2018-19 school year, then determine best solutions for traffic flow in downtown area.
2	Secure land for Public Works Operations Center	Not optimal time to purchase land. Options other than purchase: <ul style="list-style-type: none"><li>• RPM property, share space with RPM or share space with School District Maintenance (move Bus Barn out of prime space in downtown).</li><li>• Pursue grant funding.</li><li>• Explore lease or lease-to-buy possibilities.</li><li>• Loan.</li></ul>	Not in Budget Resource only for 2019.	Explore options.
3	Secure land for large park in the NW quadrant of the City.	Not optimal time to purchase land. Use developers to assist with building parks.	Not in budget Resource only for 2019	Review/Update Parks Capital Facilities Plan to determine if there are gaps in this area of the City.
4	Trail completed from RHS to Pioneer, three unconnected segments currently.	Create plan, look at grants, leverage development. Create a map.	Not in budget. Grant pending.	Application for Safe Routes to School grant submitted.



## 2019 Adopted Budget

Initiative Number & Description	Management Discussion	Budget or Resource-Only	Action
5 Creation of culture, arts, heritage plan (ala City of Vancouver) to reflect Cemetery program, baseball, sister city, arts quarter, etc.		Resource-only	Work toward certified Creative Arts District.
6 Aggressively pursue a boutique hotel for the City.		\$30,000	Work with Buxton.
7 Revisit agreement re Qwest/CenturyLink building on Pioneer.			Complete.
8 Building infrastructure capacity – arrange for space in new fire station for PD officers	Create ideas for how PD may use facility at RORC OR downtown location	Not in budget Resource only for 2019.	Continue to explore options at RORC; and options downtown for PD expansion.
9 1/10% sales tax dedicated to public art.		Resource-only	Determine steps for implementation and incorporate into certified Creative Arts District process.
10 Increase community engagement.	All departments: continue to expand ways to communicate to community and expand engagement. Ideas: Identify areas of focus and communication strategy; create a speaker's bureau; review new resident mailing packet and alternate ways to connect.	Additional resources from current staff.  New FTE: \$69,750	Will accomplish some additional engagement with current resources.  New FTE would include community engagement in job duties.
11 Community survey.		\$8,200	Perform survey.



## ***2019 Adopted Budget***

<b>Initiative Number &amp; Description</b>	<b>Management Discussion</b>	<b>Budget or Resource-Only</b>	<b>Action</b>
12 Councilors provide employee recognition.	Research school district model; provide kudos; management team nominations for Council award once each year.	Resource impact.	Minimal cost can be incorporated into HR general fund operating budget.



## *2019 Adopted Budget*

### *III. Executive Summary*



## ***2019 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 process. 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 expects 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. 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 factor.

The 2019 Proposed Budget allocates excess reserves for one-time initiatives. Budget years 2020–2024 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.



## 2019 Adopted Budget

Below are the current projections for operating revenues and expenses:

### General Fund:

Description	2019		2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate					
	Proposed Budget	2019										
<b>001 General Fund</b>												
<b>Revenue</b>												
Property Tax	1,260,000	1,348,200	1,442,574	1,514,703	1,590,438	1,669,960						
Retail Sales & Other Tax	2,149,550	2,158,120	2,268,503	2,384,605	2,506,726	2,635,183						
Utility Taxes	1,097,098	1,174,133	1,257,228	1,346,496	1,442,487	1,546,024						
License & Permits	1,050,010	1,003,670	950,676	1,051,360	992,805	1,012,345						
Planning & Development	849,393	793,712	765,390	830,220	798,814	811,028						
Fines & Forfeits	72,675	73,402	74,136	74,877	75,626	76,382						
Charge for Goods & Srvc	542,680	558,922	575,653	592,889	610,644	628,936						
Intergovernmental/Grant	287,566	179,415	191,766	205,001	219,178	234,384						
Other Revenue/Donations	80,900	80,919	81,440	82,766	83,399	84,843						
Transfers In	-	-	-	-	-	-						
<b>Total Revenue</b>	<b>7,389,872</b>	<b>7,370,493</b>	<b>7,607,367</b>	<b>8,082,916</b>	<b>8,320,118</b>	<b>8,699,085</b>						
<b>Expense</b>												
City Council	88,748	90,329	91,944	93,594	95,280	97,003						
Judicial	136,896	144,943	148,067	151,269	154,550	157,915						
Executive	274,370	282,504	290,880	299,504	308,385	317,529						
Legal	40,000	42,000	44,100	46,305	48,620	51,051						
Finance	456,934	470,295	484,048	498,205	512,777	527,778						
Human Resources	199,960	205,837	211,888	218,117	224,530	231,132						
Administration	414,683	427,036	439,757	452,857	466,349	480,242						
Gen Gov/Facilities	860,276	779,245	808,969	830,396	856,365	876,289						
Information Tech	116,559	119,473	122,460	125,521	128,659	131,876						
Public Safety	1,883,125	1,879,707	1,933,825	1,969,302	2,026,631	2,085,636						
Civil Service	1,000	1,000	1,000	1,000	1,000	1,000						
Cemetery	32,110	33,033	33,983	34,960	35,966	37,000						
Street Transfers	666,530	449,536	452,322	456,892	460,698	464,519						
Community Development	1,667,801	1,684,168	1,731,810	1,780,809	1,831,204	1,883,035						
Parks	635,538	591,598	608,110	625,086	642,540	660,485						
<b>Total Expense</b>	<b>7,474,529</b>	<b>7,200,704</b>	<b>7,403,162</b>	<b>7,583,818</b>	<b>7,793,554</b>	<b>8,002,490</b>						
<b>Net Total</b>	<b>(84,657)</b>	<b>169,789</b>	<b>204,205</b>	<b>499,098</b>	<b>526,564</b>	<b>696,595</b>						
<b>Fund Balance</b>												
Beginning Fund Balance	3,272,843	3,188,186	3,357,974	3,562,179	4,061,278	4,587,841						
Ending Fund Balance	3,188,186	3,357,974	3,562,179	4,061,278	4,587,841	5,284,436						
Gen Fund Reserve Bal	1,496,136	1,526,059	1,556,580	1,587,711	1,619,466	1,651,855						
Building Reserve Bal	472,893	482,351	491,998	501,838	511,875	522,112						
Restricted for Building	140,055	44,005	-	-	-	-						
Fund Balance Available	1,079,100	1,305,560	1,513,602	1,971,728	2,456,501	3,110,469						



## 2019 Adopted Budget

### Street Fund:

Description	2019 Proposed	2020 Estimated	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated
<b>101 Street Fund</b>						
<b>Revenue</b>						
Utility Tax/Franchise Fee	75,186	81,905	89,252	97,270	106,050	115,682
Permits	14,000	15,000	15,000	15,000	15,000	15,000
Intergovernmental	179,604	201,937	216,467	232,046	248,743	266,649
Other Revenue	2,525	2,525	2,525	2,525	2,525	2,525
Transfers In	527,530	449,536	452,322	456,892	460,698	464,519
<b>Total Revenue</b>	<b>798,845</b>	<b>750,903</b>	<b>775,566</b>	<b>803,732</b>	<b>833,016</b>	<b>864,375</b>
Expense	798,840	750,892	775,505	803,666	832,972	863,475
<b>Net Total</b>	<b>5</b>	<b>11</b>	<b>61</b>	<b>67</b>	<b>44</b>	<b>900</b>
<b>Fund Balance</b>						
Beginning Fund Balance	43,615	43,621	43,632	43,693	43,760	43,804
Ending Fund Balance	43,620	43,632	43,693	43,760	43,803	44,703
Reserves in GF	-	-	-	-	-	-
Fund Balance Available	43,620	43,632	43,693	43,760	43,803	44,703

### Water Fund:

Description	2019 Proposed	2020 Estimated	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated
<b>406 Water Utility Fund</b>						
<b>Revenue</b>						
Charge for Goods and Srvc	1,853,317	2,021,593	2,225,429	2,463,654	2,716,990	3,010,674
Other Revenue	9,300	8,877	8,955	9,033	9,113	9,193
Transfers In	200,904	198,530	196,157	193,784	191,412	191,413
<b>Total Revenue</b>	<b>2,063,521</b>	<b>2,229,000</b>	<b>2,430,541</b>	<b>2,666,471</b>	<b>2,917,515</b>	<b>3,211,280</b>
Expense	2,299,417	2,042,913	2,105,529	2,173,898	2,245,768	2,320,504
<b>Net Total</b>	<b>(235,896)</b>	<b>186,087</b>	<b>325,012</b>	<b>492,573</b>	<b>671,746</b>	<b>890,775</b>
<b>Fund Balance</b>						
Beginning Fund Balance	977,390	741,494	927,581	1,252,593	1,745,166	2,416,913
Ending Fund Balance	741,494	927,581	1,252,593	1,745,166	2,416,913	3,307,688
Reserves	421,252	484,440	557,106	640,672	736,772	847,288
Fund Balance Available	320,242	443,142	695,487	1,104,495	1,680,140	2,460,400



## 2019 Adopted Budget

### Storm Fund:

Description	2019 Proposed	2020 Estimated	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated
<b>408 Stormwater Utility Fund</b>						
<b>Revenue</b>						
Charge for Goods and Srvc	667,545	741,541	825,011	917,349	1,020,085	1,134,390
Other Revenue	1,925	1,943	1,961	1,980	1,998	2,017
<b>Total Revenue</b>	<b>669,470</b>	<b>743,484</b>	<b>826,972</b>	<b>919,329</b>	<b>1,022,083</b>	<b>1,136,407</b>
Expense	661,382	645,155	671,443	699,137	728,248	758,472
<b>Net Total</b>	<b>8,088</b>	<b>98,329</b>	<b>155,529</b>	<b>220,191</b>	<b>293,835</b>	<b>377,935</b>
<b>Fund Balance</b>						
Beginning Fund Balance	248,731	256,819	355,149	510,678	730,869	1,024,704
Ending Fund Balance	256,819	355,149	510,678	730,869	1,024,704	1,402,639
Reserves	192,253	221,091	254,255	292,393	336,252	386,689
Fund Balance Available	64,566	134,058	256,423	438,476	688,452	1,015,949

### Capital Project Funds Revenue Forecast:

The City projects revenues for the six-year budget forecast for the capital project funds (REET, Impact Fees and System Development Charges) prior to a call for initiatives and capital projects during the annual budget process. In 2017 the City completed an update to the six-year business plan. One of the goals that were 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 next phase of the six-year budget forecast will be to complete the capital budget portion of the plan.

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

### Real Estate Excise Tax:

Description	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
<b>105 Real Estate Excise Tax (REET)</b>						
<b>Revenue</b>						
Real Estate Excise Tax	1,236,840	1,159,257	1,195,194	1,232,245	1,270,444	1,312,448
Other Revenue	10,000	1,500	1,500	1,500	1,500	1,500
Transfers In	-	-	-	-	-	-
<b>Total REET Fund Revenue</b>	<b>1,246,840</b>	<b>1,160,757</b>	<b>1,196,694</b>	<b>1,233,745</b>	<b>1,271,944</b>	<b>1,313,948</b>
<b>Expense</b>						
Transfers to Capital	195,000	-	-	-	-	-
Transfers to Debt Service	788,275	787,425	1,061,425	1,062,025	1,057,175	1,062,025
<b>Total Expense</b>	<b>983,275</b>	<b>787,425</b>	<b>1,061,425</b>	<b>1,062,025</b>	<b>1,057,175</b>	<b>1,062,025</b>
<b>Net Total</b>	<b>263,565</b>	<b>373,332</b>	<b>135,269</b>	<b>171,720</b>	<b>214,769</b>	<b>251,923</b>
<b>Fund Balance</b>						
Beginning Fund Balance	799,552	1,063,117	1,436,449	1,571,717	1,743,437	1,958,206
Ending Fund Balance	1,063,117	1,436,449	1,571,717	1,743,437	1,958,206	2,210,128
Debt Service Reserve	787,425	1,061,425	1,062,025	1,057,175	1,062,900	1,058,325
Ending Available Fund Balance	275,692	375,024	509,692	686,262	895,306	1,151,803



## 2019 Adopted Budget

### Park Impact Fee:

Description	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
<b>114 Park Impact Fee (PIF)</b>						
<b>Revenue</b>						
<b>Planning and Development</b>						
Park Impact Fees	876,068	816,336	753,070	771,896	703,283	720,865
Other Revenue	250	1,000	1,250	1,500	1,500	1,500
Transfers	-	-	-	-	-	-
<b>Total PIF Fund Revenue</b>	<b>876,318</b>	<b>817,336</b>	<b>754,320</b>	<b>773,396</b>	<b>704,783</b>	<b>722,365</b>
<b>Expense</b>						
Transfers to Capital	476,000	-	-	-	-	-
<b>Total Expense</b>	<b>476,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>400,318</b>	<b>817,336</b>	<b>754,320</b>	<b>773,396</b>	<b>704,783</b>	<b>722,365</b>
<b>Fund Balance</b>						
Beginning Fund Balance	(395)	399,923	1,217,258	1,971,578	2,744,974	3,449,757
Ending Fund Balance	399,923	1,217,258	1,971,578	2,744,974	3,449,757	4,172,123

### Traffic Impact Fee:

Description	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
<b>115 Traffic Impact Fee (TIF)</b>						
<b>Revenue</b>						
<b>Planning and Development</b>						
Transportation Impact Fees	610,550	1,132,626	1,044,848	1,070,969	975,772	1,000,166
Transp Imp Fees-Non Resident	3,000,000	1,500,000	1,500,000	1,600,000	1,800,000	1,800,000
Other Revenue	250	3,000	3,000	3,000	3,000	3,000
<b>Total TIF Fund Revenue</b>	<b>3,610,800</b>	<b>2,635,626</b>	<b>2,547,848</b>	<b>2,673,969</b>	<b>2,778,772</b>	<b>2,803,166</b>
<b>Expense</b>						
Transfers to Capital	-	-	-	-	-	-
<b>Total Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>3,610,800</b>	<b>2,635,626</b>	<b>2,547,848</b>	<b>2,673,969</b>	<b>2,778,772</b>	<b>2,803,166</b>
<b>Fund Balance</b>						
Beginning Fund Balance	(9,035)	3,601,765	6,237,391	8,785,239	11,459,208	14,237,980
Ending Fund Balance	3,601,765	6,237,391	8,785,239	11,459,208	14,237,980	17,041,146



## 2019 Adopted Budget

### Water System Development Charges:

Description	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
<b>416 Water SDC</b>						
<b>Revenue</b>						
<b>Contributed Capital</b>						
Water Connection Fees	1,174,872	1,094,766	1,009,921	1,035,169	943,154	966,733
Water Connect Fees-NonRes	123,714	131,372	134,656	184,030	188,631	193,347
Other Revenue	26,500	26,500	26,500	26,500	26,500	26,500
<b>Total Water SDC Fund Revenue</b>	<b>1,325,086</b>	<b>1,252,638</b>	<b>1,171,078</b>	<b>1,245,700</b>	<b>1,158,285</b>	<b>1,186,580</b>
<b>Expense</b>						
Transfers to Capital	2,047,000	-	-	-	-	-
Transfer to Debt Service	200,904	198,530	196,157	193,784	191,412	189,039
Excise Tax	19,479	18,392	17,169	18,288	16,977	17,401
<b>Total Expense</b>	<b>2,267,383</b>	<b>216,922</b>	<b>213,326</b>	<b>212,072</b>	<b>208,389</b>	<b>206,440</b>
<b>Net Total</b>	<b>(942,297)</b>	<b>1,035,716</b>	<b>957,752</b>	<b>1,033,628</b>	<b>949,897</b>	<b>980,140</b>
<b>Fund Balance</b>						
<b>Beginning Fund Balance</b>	<b>3,738,569</b>	<b>2,796,272</b>	<b>3,831,987</b>	<b>4,789,739</b>	<b>5,823,367</b>	<b>6,773,264</b>
<b>Ending Fund Balance</b>	<b>2,796,272</b>	<b>3,831,987</b>	<b>4,789,739</b>	<b>5,823,367</b>	<b>6,773,264</b>	<b>7,753,403</b>



## ***2019 Adopted Budget***

### ***2019 Budget Highlights***

The 2019 Adopted Budget represents the proposed fiscal plans for the City of Ridgefield for the 2019 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 2019 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 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 2019 revenues include:

- Current population of 7,705 residents, a 6.5% increase from 2017
- Population estimate of 8,259 residents in 2019, a 7.19% increase over 2018
- 275 new residential permits, an increase of 25 over the 2018 amended budget
- Six commercial projects exceeding the project value cap of \$9.5 million for each project, adding 350,000 + square feet of commercial space
- 1% increase in the property tax levy
- \$107 million increase in assessed property valuation due to new construction
- 2% decrease in retail sales tax over the 2018 amended budget
- 4.5% increase in utility tax revenue over the 2018 amended budget
- Increase in storm water utility rate of \$0.55 per bi monthly billing cycle, per equivalent dwelling unit
- Increase in water utility rates of 3% in 2018. Approximately \$1.65 increase per bi-monthly billing for residents averaging 1,600 cf of water usage per billing cycle including utility taxes
- 6.1% increase in the number of utility customers, June of 2017 to June of 2018
- 8.5% increase in the number of utility customers in 2019



## 2019 Adopted Budget

- 1% interest earnings on our short-term cash investments
- Increase to the traffic impact fee per the updated capital facility plan model
- Inflationary increases for park impact fees and system development charges
- System development charge and impact fee revenues based on projected number of permits at the 2019 projected rates less an estimate for the use of development issued credits
- Estimates in secured grants and other revenue sources to fund capital improvement projects

The 2019 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. Effective July 1, 2018, the City and Discovery Clean Water Alliance (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 prepares an operating budget for the sewer treatment facility.

Special revenue funds include the Drug Fund while 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 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 2019 combined budget for all funds is \$19.7 million, a decrease of \$41.4 million from the 2018 amended budget. The total operating budget for 2018 is \$11.2 million, a decrease of \$683,006 when compared to the 2018 amended operating budget of \$11.9 million. Additionally, the 2019 Budget incorporates \$4,573,402 of new initiatives and capital projects. Out of this amount, \$604,140 is associated with the General and Street Operating Funds, and \$513,671 is associated with the Water and Storm Water Utility Operating Funds.

The special revenue fund budget is \$8,791 and the debt service budget for 2019 is \$808,499, a decrease from 2018 of \$8.5 million. The reduction is due to the City's 2018 expenditures related



## 2019 Adopted Budget

to General Obligation Bonds issued for the construction of the Ridgefield Outdoor Recreation Complex.

The capital projects budget for 2019 is \$3.9 million, a decrease of \$22.2 million when compared to the 2018 amended budget. The capital projects budget decrease is due to several high priority park and water projects, including the Ridgefield Outdoor Recreation Complex that were constructed in 2018.

The \$3.9 million in capital projects and equipment replacement purchases will be funded by using \$546,000 in grant funding, \$2.72 million from City capital project fund transfers – Real Estate Excise Tax, Park Impact Fee, Traffic Impact Fee and the Water System Development Charge funds, \$573,181 from operating fund transfers, and \$82,800 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 \$971,054 or 13.6%, in 2019, when compared to the 2018 original adopted budget of \$6.4 million. 2019 revenue is expected to decrease by \$466,839 compared to the projected 2018 year-end revenue of \$7.9 million. The reduction is due to a decrease in retail sales tax (construction project related) and development revenue projections.

2019 revenue increases are projected for the following when compared to the original 2018 adopted budget: Property taxes 10%, sales and use tax 25%, utility taxes 4.3%, development revenue 17%, and intergovernmental and fines and forfeits revenue increasing 4% each respectively. The 2019 revenue budget amounts to \$7,389,872 and is summarized as follows:

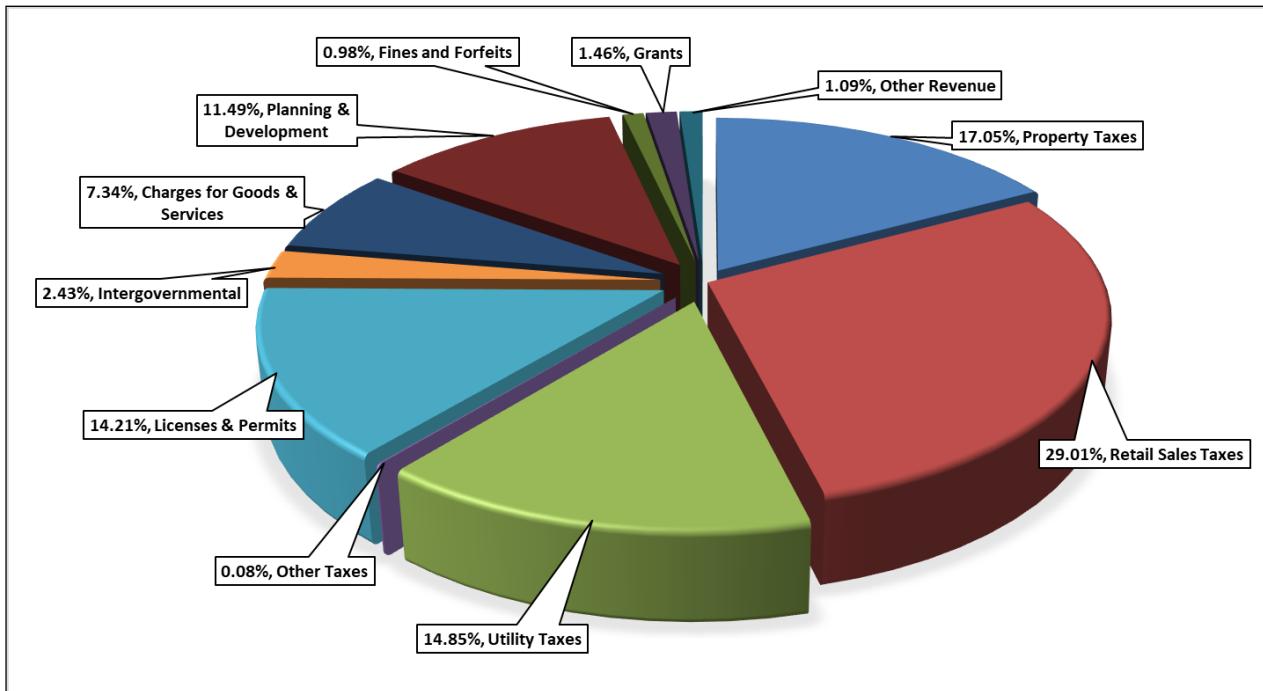
#### ***2019 General Fund Revenue:***

Property Tax	\$1,260,000
Retail Sales Tax	2,143,500
Utility Tax	1,097,098
Other Taxes	6,050
License and Permits	1,050,010
Planning and Development	849,393
Fines and Forfeits	72,675
Charge for Goods and Services	542,680
Intergovernmental and Grants	287,566
Other Revenue	80,900
<b><i>General Fund Revenue</i></b>	<b>\$7,389,872</b>



## 2019 Adopted Budget

### 2019 General Fund Revenue:



### Expense:

The 2019 General Fund expense budget is \$7,474,529, an increase of \$1.26 million over the 2018 original adopted budget. 2019 expense is expected to increase \$218,882 compared to the projected 2019 year-end expense of \$7.26 million. The 2019 budget includes ongoing expenses of \$6.77 million, plus \$478,810, that was added to account for new department and Council priority initiatives, and \$225,330 increase to the amount transferred to support street fund initiatives and transportation capital projects. The City anticipates using General Fund excess reserves for one-time expenses to balance the budget. The General Fund operating budget is allocated by department as follows:

### 2018 General Fund Expense:

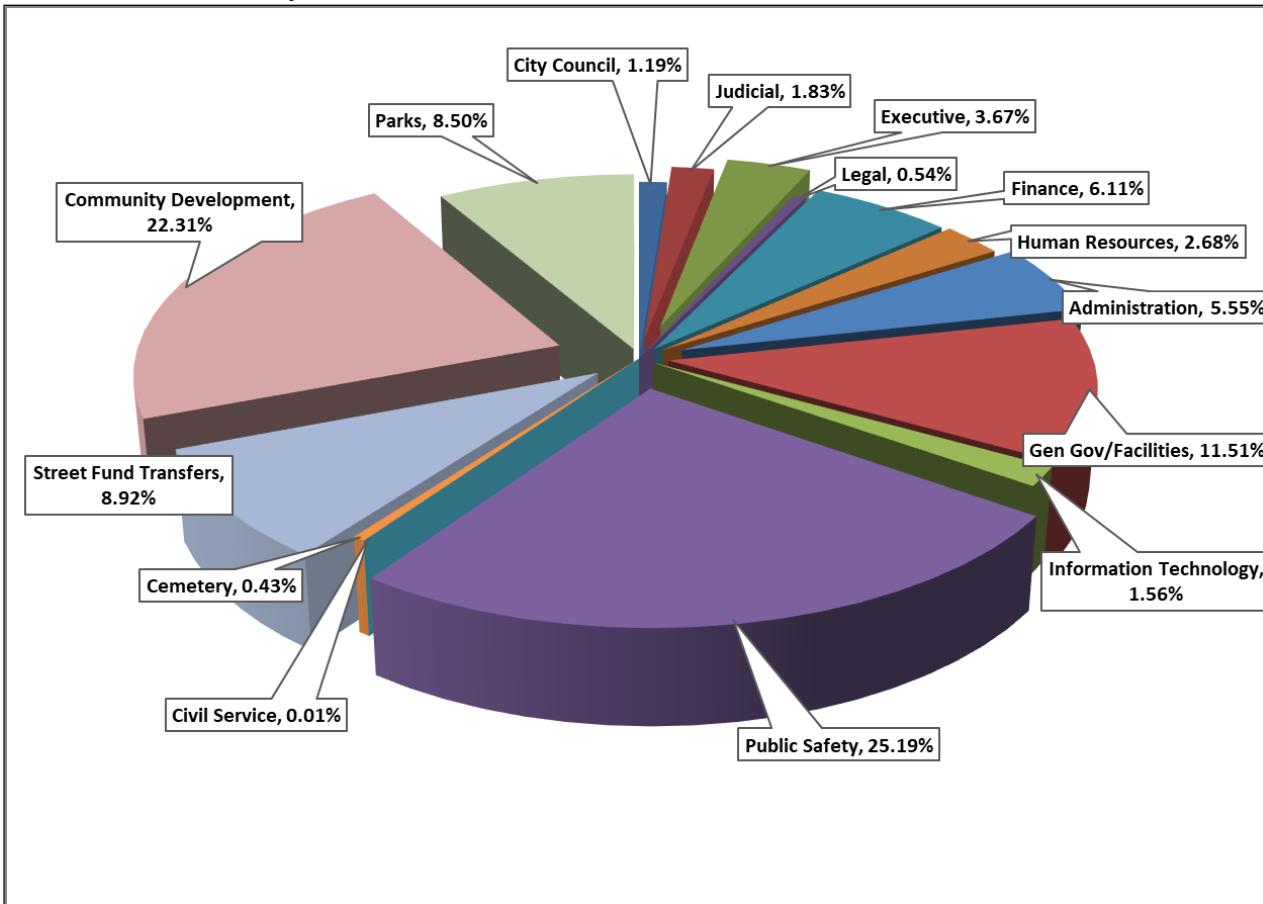
City Council	\$88,748
Judicial	136,896
Executive	274,369
Legal	40,000
Finance	456,934
Human Resources	199,960
Administration	414,683
General Government/Facilities	860,276



## 2019 Adopted Budget

Information Technology	116,559
Public Safety	1,883,125
Civil Service	1,000
Cemetery	32,110
Transfers	666,530
Community Development	1,667,801
Parks	635,538
<b>General Fund Expense</b>	<b>\$7,474,529</b>

### 2019 General Fund Expense:



Additionally, the General Fund budget allocation by major cost category comprises 1) personnel cost of \$4.35 million, 2) supplies, services, and operations/maintenance at \$2.16 million, and 3) other costs that include transfers to other funds, debt service and capital outlays of \$968,345.

The main expenditure increase in the General Fund is related to personnel cost which will increase from the 2018 original adopted budget, increasing from \$3.7 million to \$4.3 million.



## ***2019 Adopted Budget***

However, the percent of personnel cost as it relates to the total expense budget is 1.5% lower when compared with the 2018 original adopted budget, accounting for 58.2% of the total expense budget. Full time equivalent staff assigned to the General Fund will increase to 36.43, up from 34.22 or 2.21 full-time equivalents when compared to the 2018 amended FTE budget. The increase in FTE's include a new engineer trainee, an administrative assistant and a public works maintenance worker. The change in FTE also includes reallocation of public works staff for General Fund related work due to the reorganization of the storm fund into the utilities division of the Public Works Department. 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 2018 budget.

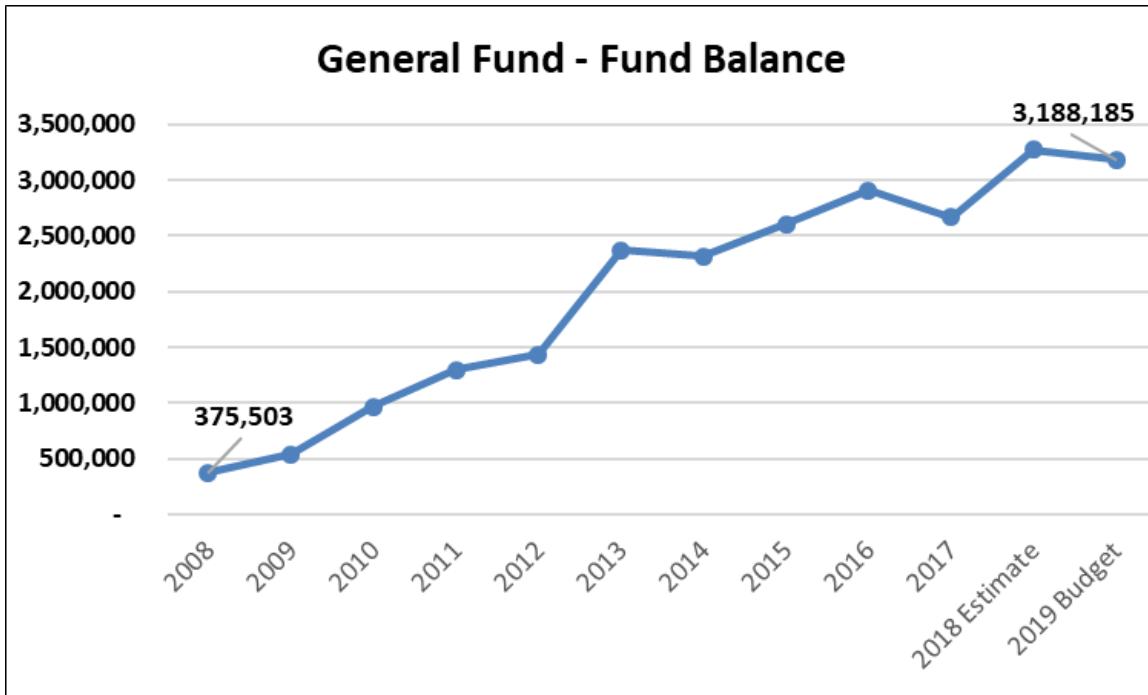
Additional General Fund increases are related to street fund transfers for both operating expenditures and capital projects. The 2019 Budget includes increased funding for Parks capital outlays to complete emergency work for the Gee Creek Stabilization project and Overlook Park electrical work.

### ***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 2019 policy reserves are 28% of General Fund operating expense. In addition, the City is estimating an additional \$1 million in excess reserves by year-end 2019. City Council approved a budget to use excess reserves for one-time initiatives and capital outlays in calendar years 2017 and 2018. However, 2018 has seen a significant increase in retail sales and use tax and development related revenues. As a result, the City is forecasting a surplus of \$600,000 in General Fund revenues. The 2019 proposed budget includes the use of \$84,657 in excess reserves to be used for new one-time initiatives.



## 2019 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 2019 revenue budget is expected to increase \$173,588 compared to the 2018 original adopted budget. The increases are a result of an increased General Fund transfer of \$151,708, intergovernmental revenue of \$12,259, utility taxes of \$4,621 and right of way permits \$5,000.

Following is a summary of the revenue budget:

### **2019 Street Fund Revenue:**

Utility Tax/Franchise Fee	\$75,186
Permits	14,000
Intergovernmental	179,604
Transfers from General Fund	527,530
Other Revenue	2,525
<b>Street Fund Revenue</b>	<b>\$798,845</b>

### **Street Fund Expense:**

The 2019 Street Fund expense budget is \$798,840, an increase of \$118,969 (17.5%) from the 2018 original adopted budget. The 2019 budget incorporates \$20,333 that will be transferred to the Equipment Replacement Fund. An additional \$86,330 was added for new initiatives and capital outlay.



## 2019 Adopted Budget

### ***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 \$8,273,369, and out of this amount, \$704,140 has been allocated to cover new initiatives or capital outlays. The City's commitment to street fund initiatives includes continuing a program originally approved in 2016, for a downtown infill sidewalk program. The funding for this program has been used as matching funds to receive grant funding for projects to construct sidewalks in the downtown core. 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 2019. The City continues to allocate \$175,000 per year for street maintenance and repair for existing City streets. City Council will look at potential options for additional street maintenance funding for 2019 and beyond to expand the City's pavement management program.

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>
Asset Management System Training and Support	\$5,000	\$5,000	\$10,000
Administrative Assistant (Desk and Computer)	2,500	-	2,500
Engineer Trainee (Desk and Computer/Software)	6,000	1,000	7,000
Sergeant's Examination (Professional Services)	5,000	-	5,000
Community Survey	8,525	-	8,525
Economic Development Contract – Buxton	30,000	-	30,000
Furniture for new CDD/Engineering/Finance Offices	38,540	1,510	40,050



## 2019 Adopted Budget

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Total</u>
Street Sweeper	-	32,500	32,500
Ballistic Shields	5,420	-	5,420
Overlook Park Electrical Improvements	30,000	-	30,000
Off Leash Park Improvements (Street and Frontage)	119,000	-	119,000
Park Comprehensive Plan Update	25,000	-	25,000
Gee Creek Stabilization	60,000	-	60,000
Flashing Pedestrian Crossing Signs	-	20,000	20,000
I-5 Overpass Safety Screen and Art	20,000	-	20,000
Infrastructure Study	100,000	-	100,000
<b>One-Time Expense</b>	<b>\$454,985</b>	<b>\$60,010</b>	<b>\$514,995</b>

### General & Street Fund Ongoing Expense:

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Total</u>
Administrative Assistant	\$67,250	\$-	\$67,250
Engineer Trainee	55,330	9,180	64,510
Public Works Maintenance Worker	40,245	17,140	57,385
<b>Ongoing Expense</b>	<b>\$162,825</b>	<b>\$26,320</b>	<b>\$189,145</b>



## 2019 Adopted Budget

### Water Sewer and Storm Water Utility Funds:

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

The water and storm water operating budgets are funded by fees charged to customers for services provided, and debt service is paid from system development charges. The waste water treatment plant operating agreement was terminated effective July 1, 2018. As a result of the termination of the contract the City no longer budgets for the Sewer Treatment Fund.

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 8.5% increase in new accounts in 2019 due to an increased utility customer base. Storm water utility rates include a rate increase from \$17.50 to \$18.05 bi-monthly per equivalent development unit (EDU). Water utility rates will see an increase of 3% in 2019. The 2018 water utility rate structure is below.

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

<b><u>2019 Two-month Base Rate</u></b>	<b><u>CF of Water</u></b>	<b><u>2019 Volume Rate per CF</u></b>
\$43.28	Up to 1,000 cf	\$0.0059
	>= 1,001 – 2,000 cf	0.0230
	>= 2,001 – 4,000 cf	0.0254
	Over 4,000 cf	0.0289

***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	\$43.28	No Minimum	\$0.0293
1.5 inch	\$86.55		
2 inch	\$138.49		
3 inch	\$259.66		
4 inch	\$432.79		
6 inch	\$865.55		
8 inch	\$1,384.89		
10 inch	\$4,976.95		
12 inch	\$9,304.72		



## 2019 Adopted Budget

### Water Conservation Rate:

<u>2019 Two-month Base Rate</u>	<u>CF of Water</u>	<u>2019 Volume Rate per CF</u>
No Base Charge 1" Meter and Under	No Minimum	\$0.0490

The Water and Storm Water Utility Funds 2019 combined total revenue budget from fees for services, miscellaneous revenues, and transfers in from other funds is \$2.7 million and is detailed below:

### 2019 Utility Fund Revenue:

Charges for Goods and Services	\$2,520,862
Other Revenue	11,225
Transfers In	200,904
<b>Utility Operating Revenue</b>	<b>\$2,732,991</b>

The Water Fund operating expense is approximately 8.45% less than the 2018 Amended Budget. This is due to completion of multiple capital projects such as the Meter Replacement Program and the Northridge Water Main Project.

The 2019 Storm Water operating budget is 37.6% less than the 2018 Amended Budget. This is due to completion of storm water capital projects associated with the Hillhurst Frontage project design of the Division Street storm pond and capital outlays for upgrades systems and storage facilities.

The Water and Storm Water Utility Funds 2019 combined total operating budget is \$2.96 million. The expense budget summarized by utility is shown below:

### 2019 Utility Operating Expense:

Water Utility	\$2,299,417
Storm Water Utility	661,382
<b>Utility Operating Expense</b>	<b>\$2,960,799</b>

### Utility Fund – Fund Balance:

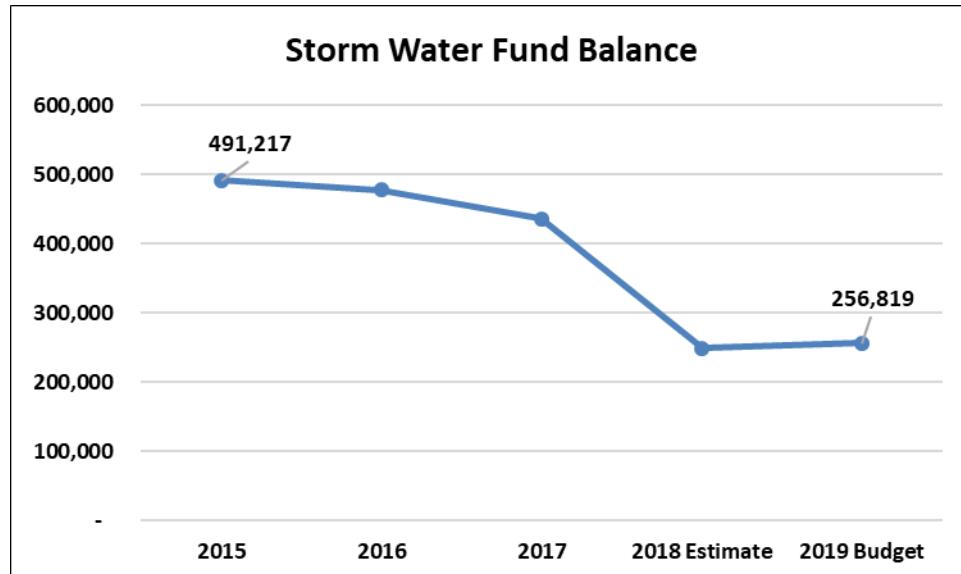
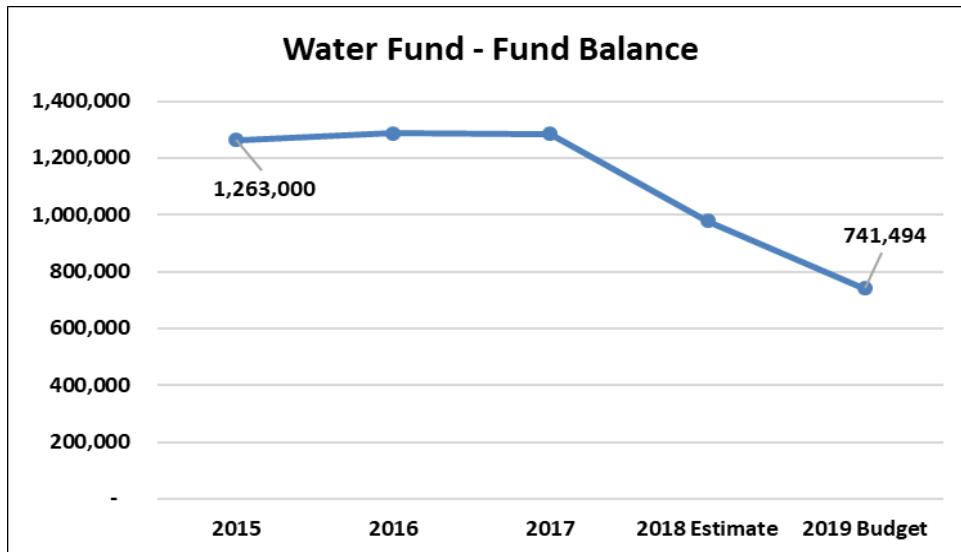
City Council adopted financial management policies in 2014 to identify reserve requirements to ensure financial stability. As a result, the reserve fund balance in the Water and Storm Water Funds have grown as the City continues to develop. The estimated 2019 policy reserves are 18% in the Water Fund and 29% in the Storm Water Fund when compared to 2019 expense. In addition, the City is estimating an additional \$320,000 and \$64,500 in excess reserves in the Water and Storm Water Fund respectively, by year-end 2019.



## 2019 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 will again budget to use excess reserves for capital repair and replacement projects in 2019. City Council approved a budget to use excess reserves in the Storm Water fund for capital outlays in 2017 and 2018 and will see a small surplus in 2019.

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





## 2019 Adopted Budget

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

New initiatives included in the 2019 operating budget for the utility operating funds total \$513,671 including transfers to capital projects. In addition, the 2019 capital budget includes \$2.5 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. The project was initially expected to be completed in 2019. 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. As a result, 2019 funding for capital projects has been reduced in the Water Utility Operating Fund.

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 Fund One-Time Only Expense:***

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
Asset Management System Training and Support	\$5,000	\$5,000	\$10,000
Laptop Computer for Asset Management System	2,500	-	2,500
Engineer Trainee (Desk and Computer/Software)	1,000	2,000	3,000
Furniture for new CDD/Engineering/Finance Offices	2,600	1,350	3,950
Street Sweeper	-	32,500	32,500
S. 8 <sup>th</sup> Ave Improvements	334,181	-	334,181
EF-20 Monitoring (Water Rights)	17,000	-	17,000



## 2019 Adopted Budget

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
Junction Variable Frequency Pumps (WSDC Funding)	450,000	-	450,000
S. 9 <sup>th</sup> Water Line Design and Construction	100,000	-	100,000
Abrams Park Well 7 and 11 Construction (WSDC Funding)	580,000	-	580,000
Water Rights and Test Wells (WSDC Funding)	1,000,000	-	1,000,000
<b>Utility One-time Expense</b>	<b>\$2,492,281</b>	<b>\$40,850</b>	<b>\$2,533,131</b>

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

<u>Description</u>	<u>Water</u>	<u>Storm</u>	<u>Total</u>
Engineer Trainee	\$9,180	\$18,360	\$27,540
<b>Utility Ongoing Expense</b>	<b>\$9,180</b>	<b>\$18,360</b>	<b>\$27,540</b>

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

Personnel expense, including salary and benefits are the largest operating expense representing an overall 50.1% or \$5.6 million of the total \$11.2 million operating budget. The 2019 budget reflects 48.75 full-time equivalents, an increase of 3 FTE's when compared to the 2018 year-end FTE total. The increase in FTE's includes an administrative assistant, engineer trainee and a public works maintenance worker. The following table provides the allocation of the FTE's by department. For additional information refer to appendix pages 193 - 198:

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

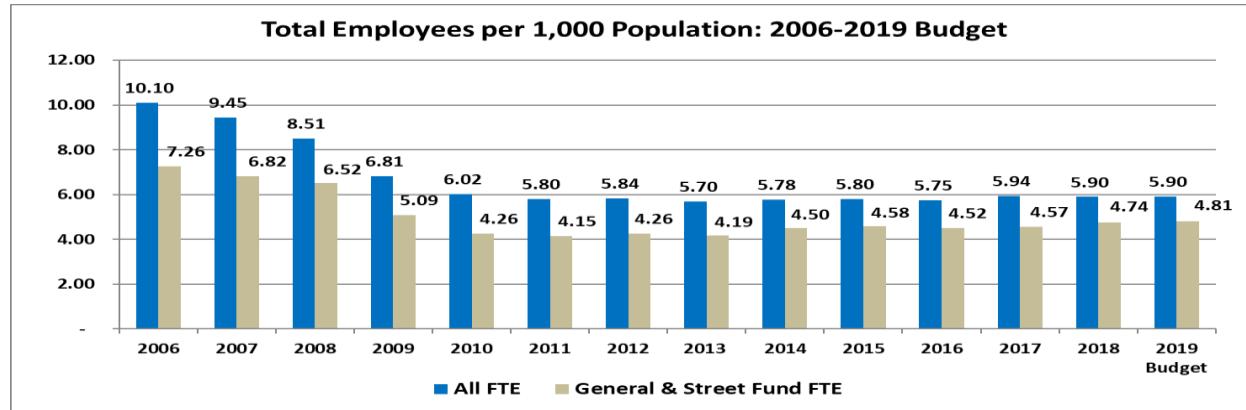
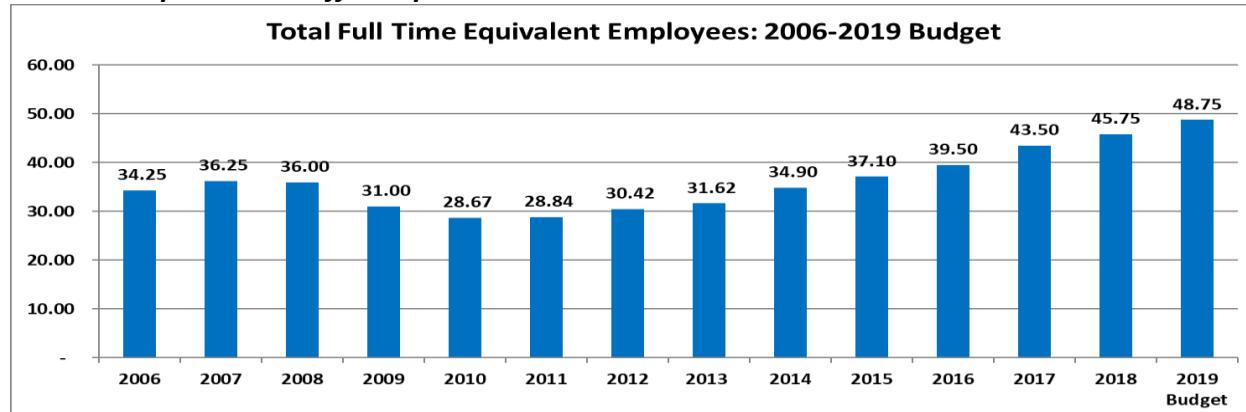
<b>Department</b>	<b>2017 Year-End FTE</b>	<b>2018 Year-End FTE</b>	<b>2019 Budget</b>
Executive	1.00	1.00	1.00
Finance	3.05	3.30	3.30
Human Resources	1.30	1.30	1.30
Administration	2.70	2.70	3.70
General Govt/Facilities	1.04	1.02	1.07
Public Safety	11.00	12.00	12.00
Cemetery	0.22	0.22	0.27



## 2019 Adopted Budget

Department	2017 Year-End FTE	2018 Year-End FTE	2019 Budget
Community Development	7.45	9.40	9.90
Parks	3.26	3.19	3.89
Streets	2.46	2.91	3.31
Water Utility	5.06	6.14	6.24
Sewer Treatment Utility	2.39	0.00	0.00
Storm Water Utility	2.57	2.57	2.77
<b>Total Full Time Equivalents</b>	<b>43.50</b>	<b>45.75</b>	<b>48.75</b>

### Full Time Equivalent Staff Comparison:



### CAPITAL SERVICE FUNDS

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

The combined 2019 revenue budget for these funds total \$7,059,043, a \$3.5 million increase from the 2018 original adopted budget. The increase is due to an increase in commercial



## ***2019 Adopted Budget***

development activity. The City is forecasting 350,000 square feet of commercial development in 2019. The City expects 275 single family residential permits which is an increase of 25 permits from the 2018 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 2019 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 does not have any system development charge credits outstanding. Developer credits result in a reduction in revenue and have decreased substantially over the last few years. They're a major consideration in developing the revenue budget. As of the end of the third quarter 2018, traffic and park impact fees have a balance in unused credits that can be used towards future building permits, with \$1.9 million associated with traffic and \$34,589 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 to be issued in 2019, and 350,000 square feet of commercial/industrial permits to be issued, less the anticipated credits that will be redeemed. The 2018 park impact fee is \$3,075, traffic impact fee is \$2,947 for single family and \$1,804 for multi-family, with an inflationary factor added on January 1 of each year. The water system development charge fee is \$4,124 per equivalent dwelling unit, 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:

### ***2019 Capital Service Fund Revenue:***

Real Estate Excise Tax	\$1,246,840
Park Impact Fee	876,318
Traffic Impact Fee	3,610,800
Water System Development Charge	1,325,086
<b><i>Capital Fund Revenue</i></b>	<b><i>\$7,059,044</i></b>



## 2019 Adopted Budget

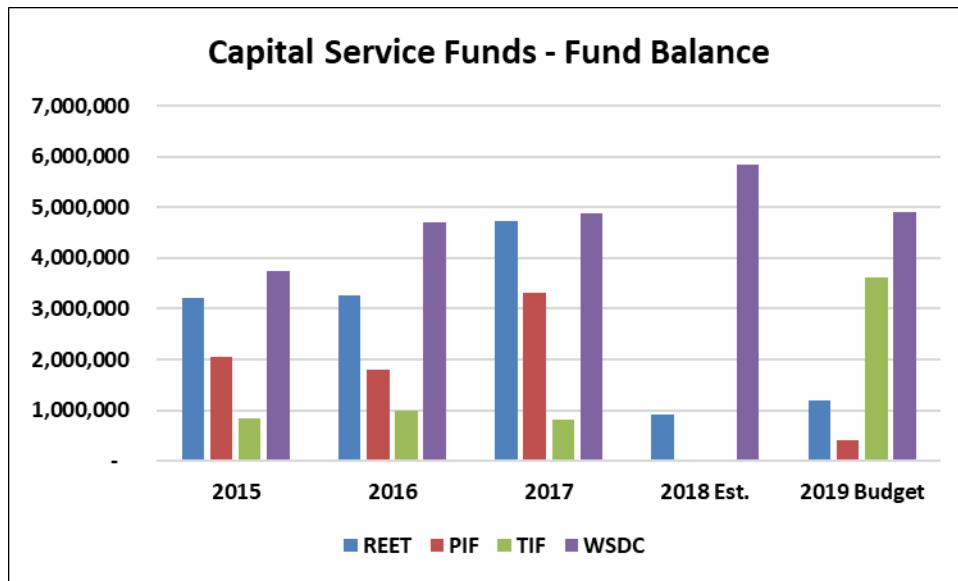
Capital fund expense consists of transfers to capital projects or operating funds to cover capital improvements and debt service. Following is a summary of the total expense budget:

### 2019 Capital Service Fund Expense:

Real Estate Excise Tax	\$983,275
Park Impact Fee	476,000
Traffic Impact Fee	-
Water System Development Charge	2,267,383
<b>Capital Fund Expense</b>	<b>\$3,726,658</b>

### 2019 Capital Service Fund – Fund Balance:

The fund balance in Capital Funds have 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 are anticipated to be complete in 2018. Beginning in 2019 the City again will begin to grow fund balances in the Capital Service Funds for high priority projects listed on the capital facility plans. It is anticipated several road projects may begin as early as late 2019 and likely would go to construction in 2020.



### 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.



## 2019 Adopted Budget

### 2019 Equipment Replacement Fund Revenue:

General Fund Transfer	\$53,051
Street Fund Transfer	20,333
Water Fund Transfer	32,623
Storm Water Fund Transfer	29,668
Other Revenue	100
<b>Equipment Replacement Fund Revenue</b>	<b>\$135,775</b>

In 2019 the City will replace the following equipment:

### 2019 Equipment Replacement Fund Expense:

2001 Chevrolet K1500 Pickup	\$36,400
2005 Chevrolet 3500 – Stake Bed Pickup	46,400
<b>Equipment Replacement Fund Expense</b>	<b>\$82,800</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 2019 capital budget is \$3,837,181. Out of this amount, \$1,011,000 is associated with General Government capital projects, which include streets, parks, community development, and building projects. The utility capital projects total budget is \$2,826,181.

The Ridgefield Outdoor Recreation Complex, which was completed in 2018 and will be operational in 2019, operating expense will be shared on a 60/40 split with the Ridgefield School District (District) after netting any revenues realized by the rental of fields. The City will pay sixty percent of the operating cost and the agreement will be reviewed after five years for potential changes to the operating cost split. The City and the District will share repair and replacement costs ongoing for additional capital at the park. The City and the District have agreed to a long-term agreement with the Ridgefield Raptors, a collegiate wood bat league for rental of the primary baseball field. The long-term forecast is for a majority of the operating cost to be offset by the sponsorship, advertising and rental revenues at the park.

The City is projecting limited impact to ongoing operating expense for 2019 projects. The 2019 proposed park projects are enhancements to existing facilities. Water projects propose adding a new well and rehabbing an existing well. Staff expect utility expense to increase slightly as the pumps that will be installed will be more efficient and use less energy than existing pumps. Water line replacement projects are updating pipes originally installed in 1935. Staff expect reduced maintenance cost as a result of these projects. Storm projects will create new facilities; however, they will consolidate and treat storm water runoff and should eliminate some of the existing maintenance required. Funding for these projects, is summarized below:



## 2019 Adopted Budget

### 2019 Capital Project Fund Revenue:

Grants	546,000
General Fund Transfer	139,000
REET Transfer	195,000
Park Impact Fees Transfer	476,000
Water System Develop Charge Transfer	2,047,000
Water Operating Fund Transfer	434,181
<b>Capital Project Revenue</b>	<b>\$3,837,181</b>

The 2019 capital budget includes the following projects:

### 2019 Capital Project Fund Expense:

Fund	Description	Expense
General Capital – Streets	S. 8 <sup>th</sup> Ave Improvement – Construction (Sidewalks and road improvements)	\$230,000
General Capital – Streets	I-5 Overpass Safety Screen and Art	40,000
General Capital – Parks	Hillhurst Road Off Leash Park – Construction and Frontage Improvement	575,000
General Capital – Parks	Gee Creek Trail Enhancement – Design	20,000
General Capital – Parks	Gee Creek Trail Enhancement – Construction	100,000
General Capital – Parks	RORC Sports Equipment	46,000
Water Utility Capital	Abrams Park Wells 7 and 11 Construction	580,000
Water Utility Capital	New Water Rights and Test Wells	1,000,000
Water Utility Capital	Junction Well Variable Frequency Pumps	450,000
Water Utility Capital	S. 8 <sup>th</sup> Ave Improvement – Construction (Replace water line)	334,181



## 2019 Adopted Budget

Fund	Description	Expense
Water Utility Capital	S. 9 <sup>th</sup> Ave Water Line – Design and Construction	100,000
Water Utility Capital	EF – 20 Monitoring – Water Rights	17,000
Storm Water Utility Capital	Division Street Storm Pond – Land Acquisition and Construction	275,000
Storm Water Utility Capital	Hillhurst Swale Design	70,000
<b>Capital Project Expense</b>		<b>\$3,837,181</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 \$1,075. In 2019 the City plans to replace several tasers which have reached their end of useful life and are no longer supported by the manufacturer. The total expense is \$8,791.

## **MUNICIPAL DEBT**

### **DEBT MANAGEMENT POLICIES**

The City has a formal debt management policy adopted by Council (appendix page 150 - 156). 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



## **2019 Adopted Budget**

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 2019 the City Council can levy up to an estimated \$21,709,087, or 1.5%, of the City's estimated assessed value. Because the City currently has outstanding Councilmanic debt of \$15,429,620, the remaining Councilmanic Debt Capacity for 2019 is \$6,279,467.

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 \$36,181,812 for 2019. Because the City currently has outstanding Councilmanic debt of \$15,429,620 (as noted above), the remaining Voted Debt Capacity for 2019 is \$20,752,192.

**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 \$36,181,812 for 2019.

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 \$36,181,812 for 2019.

The City's estimated legal debt margin for the fiscal year 2019 is calculated below:



## 2019 Adopted Budget

<b>Estimated Legal Debt Margin Calculation for Fiscal Year 2019</b>	
Assessed Value	\$ 1,447,272,463
Debt limit (7.5% of total assessed value)	108,545,435
Debt applicable to limit:	
General obligation bonds	16,160,000
Less: Amount set aside for repayment	
of general obligation debt	788,275
Notes	57,895
Total net debt applicable to limit	15,429,620
<b>Legal debt margin</b>	<b>\$ 93,115,815</b>

### **LONG TERM DEBT**

Total outstanding debt as of the end of 2018 was \$19.06 million with \$16.2 million of this debt associated with general government projects and \$2.85 million associated with water utility projects.

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.

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 will begin making principal payments on the 2017 issuance in 2019 and 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 203 – 208). Liabilities are listed below:



## 2019 Adopted Budget

Debt	Description	Balance	2019 Debt Service
2017 LTGO Issuance	2017 Issuance of bonds for the Ridgefield Outdoor Recreation Complex	\$9,455,000	\$531,425
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	57,895	20,224
DWSRF Loan	Drinking Water State Revolving Funds loan to construct new well and transmission system	1,105,642	78,010
DWSRF Loan	Drinking Water State Revolving Funds loan to construct new water 1-million-gallon water reservoir	1,741,804	122,894
<b>Total Outstanding Debt</b>		<b>\$19,065,341</b>	<b>\$1,009,403</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 statutes governing the investment of public funds and prudent money management. The City has a formal investment policy (appendix page 157 - 174) 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 2019 proposed budget. I am proud to propose the 2019 balanced operating and capital budgets for adoption.

Respectfully,

Kirk Johnson,  
Finance Director



## ***2019 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 2019. General Fund fund balance is expected to decrease approximately 2.6% in 2019 due to the use of fund balance for 2019 one-time initiatives and capital outlays. Water Utility Fund fund balance is expected to decrease 24% due to the use of fund balance for capital repair and replacement projects. Storm Water Fund fund balance is expected to increase 3.25% by year-end 2019.

Drug Fund fund balance is expected to decrease 89% due to the use of fund balance for 2019 one-time initiatives.

The Capital Project Revenue Funds, REET, PIF, TIF, and Water SDC 2018 amended budget transferred an aggregate amount of \$13,760,603 to support capital projects that were in design or construction in 2018. Council had set policy since the great recession, to build these funds in anticipation of the need for these types of projects, as the economy and development recovered. Many of these projects will build the infrastructure needed to bring commercial development to Ridgefield which will provide long term revenue stability to the City.

In 2019 Real Estate Excise Tax, Park Impact Fee and Traffic Impact Fee Funds are expected to increase fund balance significantly due to anticipated development activity. The Water System Development Charge Fund is expected to decrease by 16.1% due to the use of fund balance for 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.



## 2019 Adopted Budget

### 2019 Executive Summary - All Funds

		Beginning Fund Balance	2019 Budgeted Revenue	2019 Budgeted Expense	Ending Fund Balance
<b><i>Operating Funds</i></b>					
001	General Fund	\$ 3,272,843	\$ 7,389,872	\$ 7,474,529	\$ 3,188,185
101	Street Fund	43,615	798,845	798,840	43,620
406	Water Operating	977,390	2,063,521	2,299,417	741,494
408	Stormwater Operating	248,731	669,470	661,382	256,819
<i>Total Operating Funds</i>		<b>4,542,579</b>	<b>10,921,709</b>	<b>11,234,169</b>	<b>4,230,118</b>
<b><i>Special Revenue Funds</i></b>					
111	Drug Fund	8,627	1,075	8,791	911
<i>Total Special Revenue Funds</i>		<b>8,627</b>	<b>1,075</b>	<b>8,791</b>	<b>911</b>
<b><i>Capital Project Funds</i></b>					
105	Real Estate Excise Tax	918,615	1,246,840	983,275	1,182,180
114	Park Impact Fee	3,030	876,318	476,000	403,348
115	Traffic Impact Fee	770	3,610,800	-	3,611,570
416	Water Utility SDC	5,851,595	1,325,086	2,267,383	4,909,297
<i>Total Capital Project Funds</i>		<b>6,774,009</b>	<b>7,059,043</b>	<b>3,726,658</b>	<b>10,106,395</b>
<b><i>Debt Service Fund</i></b>					
200	Debt Service	-	808,499	808,499	-
<i>Total Debt Service Fund</i>		<b>-</b>	<b>808,499</b>	<b>808,499</b>	<b>-</b>
<b><i>Capital Project/Equipment Replacement Construction Funds</i></b>					
300	General Capital Projects	195,725	1,131,280	1,011,000	316,005
410	Water Utility Capital Projects	16,525	2,481,181	2,481,181	16,525
412	Storm Utility Capital Projects	-	345,000	345,000	-
501	Equipment Replacement (ERF)	172,528	135,775	82,800	225,503
<i>Total Capital/ERF</i>		<b>384,778</b>	<b>4,093,236</b>	<b>3,919,981</b>	<b>558,033</b>
<i>Total Budget</i>		<b>\$ 11,709,993</b>	<b>\$ 22,883,562</b>	<b>\$ 19,698,098</b>	<b>\$ 14,895,456</b>



## 2019 Adopted Budget

### 2019 Executive Summary - Operating Funds Comparison

Executive Summary Revenues and Expenditures - All Operating Funds						
Description	General Fund	Street Fund	Water Fund	Sewer Fund	Stormwater Fund	Total
<b>2019 Budget</b>						
<b>Revenue</b>						
Property Tax	1,260,000	-	-	-	-	1,260,000
Retail Sales	2,143,500	-	-	-	-	2,143,500
Utility Taxes	1,097,098	75,186	-	-	-	1,172,284
Other Taxes	6,050	-	-	-	-	6,050
License & Permits	1,050,010	14,000	-	-	-	1,064,010
Planning & Development	849,393	-	-	-	-	849,393
Fines & Forfeits	72,675	-	-	-	-	72,675
Charge for Goods & Svrc	542,680	-	1,853,317	-	667,545	3,063,542
Intergovernmental/Grant	287,566	179,604	-	-	-	467,170
Other Rev/Donations	80,900	2,525	9,300	-	1,925	94,650
Transfers In	-	527,530	200,904	-	-	728,434
<b>Total Revenue</b>	<b>7,389,872</b>	<b>798,845</b>	<b>2,063,521</b>	-	<b>669,470</b>	<b>10,921,708</b>
<b>Expense</b>						
Personnel	4,349,304	321,689	673,714	-	281,678	5,626,386
Operations	2,156,881	382,808	876,930	-	288,736	3,705,355
Capital	228,539	74,010	2,600	-	33,850	338,999
Transfers Out	719,581	20,333	545,269	-	57,118	1,342,302
Debt Service	20,224	-	200,904	-	-	221,128
<b>Total Expenditures</b>	<b>7,474,529</b>	<b>798,840</b>	<b>2,299,417</b>	-	<b>661,382</b>	<b>11,234,169</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>(84,657)</b>	<b>5</b>	<b>(235,896)</b>	-	<b>8,088</b>	<b>(312,461)</b>

2018 Estimated Year-End						
<b>Revenue</b>						
Property Tax	1,145,000	-	-	-	-	1,145,000
Retail Sales	2,365,812	-	-	-	-	2,365,812
Utility Taxes	1,070,077	91,473	-	-	-	1,161,550
Other Taxes	3,313	-	-	-	-	3,313
License & Permits	1,095,373	26,577	-	-	-	1,121,950
Planning & Development	1,264,535	-	-	-	-	1,264,535
Fines & Forfeits	78,518	-	-	-	-	78,518
Charge for Goods & Svrc	545,823	-	1,759,040	338,839	553,569	3,197,271
Intergovernmental/Grant	197,791	169,978	-	-	-	367,769
Other Rev/Donations	81,671	255	7,760	75,003	1,191	165,880
Transfers In	8,798	223,816	203,277	-	-	435,891
<b>Total Revenue</b>	<b>7,856,710</b>	<b>512,100</b>	<b>1,970,077</b>	<b>413,842</b>	<b>554,760</b>	<b>11,307,489</b>
<b>Expense</b>						
Personnel	3,823,118	257,760	619,902	65,517	183,973	4,950,270
Operations	2,862,110	189,512	798,128	558,754	233,781	4,642,285
Capital	144,296	38,567	263,310	47,978	50,620	544,771
Transfers Out	405,898	22,386	393,071	8,798	273,473	1,103,626
Debt Service	20,224	-	203,277	-	-	223,501
<b>Total Expenditures</b>	<b>7,255,647</b>	<b>508,225</b>	<b>2,277,688</b>	<b>681,047</b>	<b>741,847</b>	<b>11,464,453</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>601,064</b>	<b>3,875</b>	<b>(307,611)</b>	<b>(267,205)</b>	<b>(187,087)</b>	<b>(156,964)</b>



## 2019 Adopted Budget

Executive Summary Revenues and Expenditures - All Operating Funds						
Description	General Fund	Street Fund	Water Fund	Sewer Fund	Stormwater Fund	Total
<b>2018 Amended Budget</b>						
<b>Revenue</b>						
Property Tax	1,145,000	-	-	-	-	1,145,000
Retail Sales	2,168,795	-	-	-	-	2,168,795
Utility Taxes	1,051,705	70,565	-	-	-	1,122,270
Other Taxes	6,050	-	-	-	-	6,050
License & Permits	976,200	20,000	-	-	-	996,200
Planning & Development	1,072,593	-	-	-	-	1,072,593
Fines & Forfeits	70,095	-	-	-	-	70,095
Charge for Goods & Srvc	540,042	-	1,706,128	729,410	598,128	3,573,708
Intergovernmental/Grant	288,788	167,345	-	-	-	456,133
Other Rev/Donations	88,350	2,525	12,167	48,050	525	151,617
Transfers In	8,798	342,816	203,277	-	-	554,891
<b>Total Revenue</b>	<b>7,416,416</b>	<b>603,251</b>	<b>1,921,572</b>	<b>777,460</b>	<b>598,653</b>	<b>11,317,352</b>
<b>Expense</b>						
Personnel	3,805,199	250,916	657,568	7,283	268,058	4,989,024
Operations	2,999,147	330,847	829,027	968,328	219,666	5,347,015
Capital	330,644	42,716	428,803	93,000	48,417	943,580
Transfers Out	543,736	22,386	393,071	8,798	523,473	1,491,464
Debt Service	20,224	-	203,277	-	-	223,501
<b>Total Expenditures</b>	<b>7,698,950</b>	<b>646,865</b>	<b>2,511,746</b>	<b>1,077,409</b>	<b>1,059,614</b>	<b>12,994,584</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>(282,534)</b>	<b>(43,614)</b>	<b>(590,174)</b>	<b>(299,949)</b>	<b>(460,961)</b>	<b>(1,677,232)</b>
<b>2017 Actual</b>						
<b>Revenue</b>						
Property Tax	1,056,195	-	-	-	-	1,056,195
Retail Sales	1,715,893	-	-	-	-	1,715,893
Utility Taxes	986,860	57,992	-	-	-	1,044,852
Other Taxes	5,941	-	-	-	-	5,941
License & Permits	688,425	10,688	-	-	-	699,113
Planning & Development	616,645	-	-	-	-	616,645
Fines & Forfeits	70,716	-	-	-	-	70,716
Charge for Goods & Srvc	442,493	-	1,516,228	612,236	497,532	3,068,489
Intergovernmental/Grant	183,670	158,094	-	-	-	341,764
Other Rev/Donations	94,921	1,108	11,184	36	2,173	109,422
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>612,272</b>	<b>499,705</b>	<b>9,275,553</b>
<b>Expense</b>						
Personnel	3,391,523	260,531	598,090	179,589	193,752	4,623,485
Operations	2,064,236	261,165	583,752	349,687	247,002	3,505,842
Capital	100,856	59,678	278,937	34,765	57,372	531,608
Transfers Out	524,377	23,908	82,234	1,555	37,009	669,083
Debt Service	20,224	-	200,800	-	-	221,024
<b>Total Expenditures</b>	<b>6,101,216</b>	<b>605,282</b>	<b>1,743,813</b>	<b>565,596</b>	<b>535,135</b>	<b>9,551,042</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>(237,902)</b>	<b>(46,300)</b>	<b>(2,533)</b>	<b>46,676</b>	<b>(35,430)</b>	<b>(275,489)</b>



## 2019 Adopted Budget

Executive Summary						
Revenues and Expenditures - All Operating Funds						
Description	General Fund	Street Fund	Water Fund	Sewer Fund	Stormwater Fund	Total
<b>2016 Actual</b>						
<b>Revenue</b>						
Property Tax	988,321	-	-	-	-	988,321
Retail Sales	1,435,636	-	-	-	-	1,435,636
Utility Taxes	890,329	52,581	-	-	-	942,910
Other Taxes	5,795	-	-	-	-	5,795
License & Permits	875,419	11,898	-	-	-	887,317
Planning & Development	668,459	-	-	-	-	668,459
Fines & Forfeits	68,761	-	-	-	-	68,761
Charge for Goods & Srvc	426,565	-	1,396,354	556,650	428,537	2,808,106
Intergovernmental/Grant	202,370	148,831	-	-	-	351,201
Other Rev/Donations	156,226	5,946	10,212	1,300,831	2,419	1,475,634
Transfers In	7,304	346,725	323,775	-	-	677,804
<b>Total Revenue</b>	<b>5,725,185</b>	<b>565,981</b>	<b>1,730,341</b>	<b>1,857,481</b>	<b>430,956</b>	<b>10,309,944</b>
<b>Expense</b>						
Personnel	2,953,530	247,387	413,461	185,264	139,427	3,939,069
Operations	1,631,189	195,156	614,568	348,775	139,395	2,929,083
Capital	252,128	24,913	304,357	51,953	25,358	658,709
Transfers Out	585,499	28,889	22,880	7,304	141,047	785,619
Debt Service	-	-	350,372	1,285,357	-	1,635,729
<b>Total Expenditures</b>	<b>5,422,346</b>	<b>496,345</b>	<b>1,705,638</b>	<b>1,878,653</b>	<b>445,227</b>	<b>9,948,209</b>
<b>Increases (Decreases) in Fund Balance</b>	<b>302,839</b>	<b>69,636</b>	<b>24,703</b>	<b>(21,172)</b>	<b>(14,271)</b>	<b>361,735</b>



## ***2019 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



## ***2019 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.

### ***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 Budget Policies – page 16.



## ***2019 Adopted Budget***

### ***Labor Relations***

The City currently has 44 full-time positions and 3 part-time positions. The City will be adding 3 full-time positions in 2019 for a total of 47 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'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.

In 2018 the City opened negotiations and reached agreement with both unions on necessary contract changes to assure compliance with the U.S. Supreme Court ruling in Janus v. AFSCME.



## *2019 Adopted Budget*

### *IV. Department Summary*



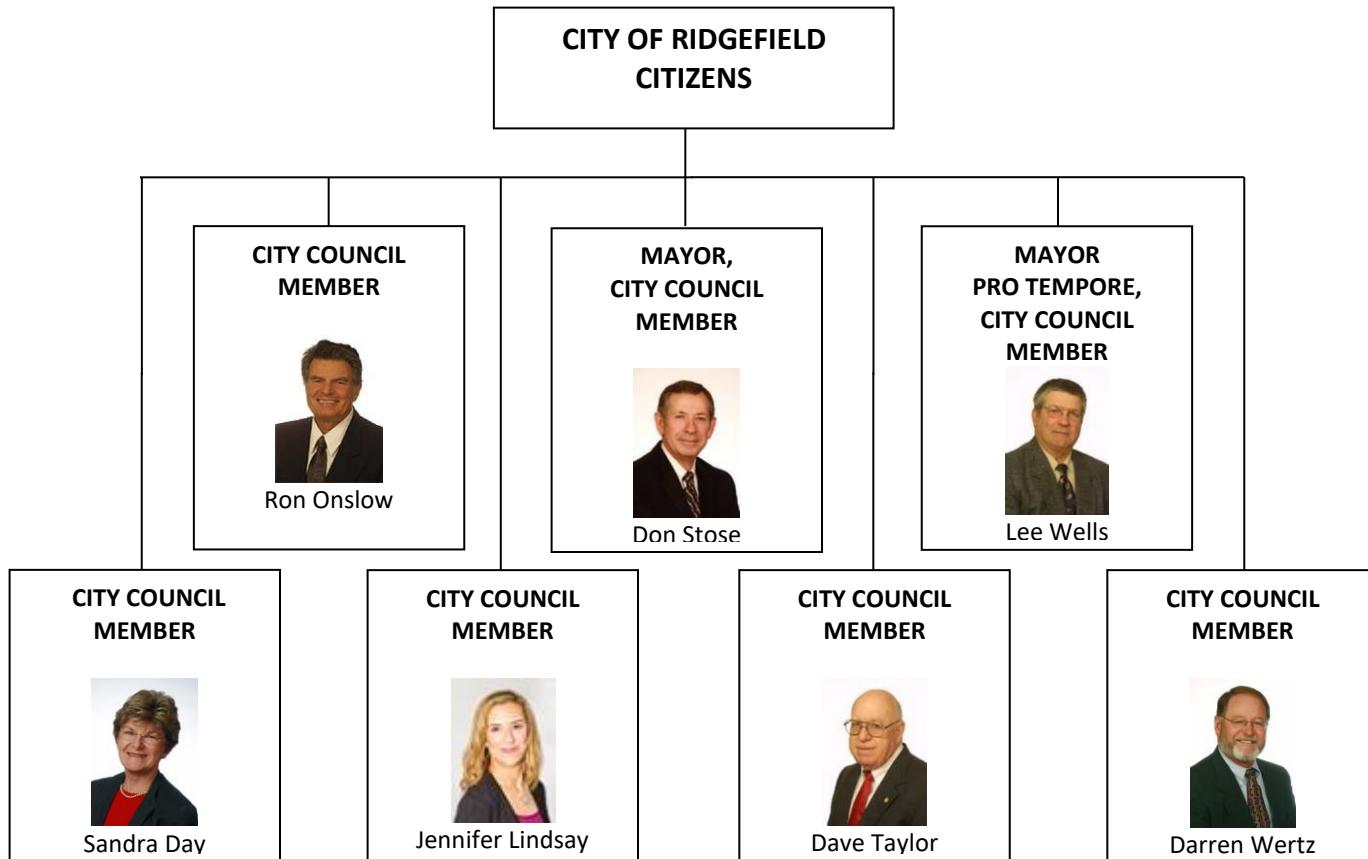
## 2019 Adopted Budget

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



## 2019 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.

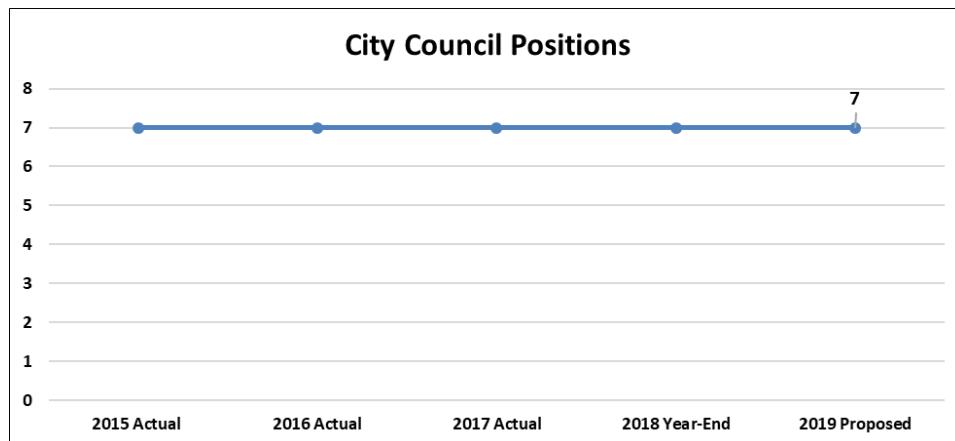
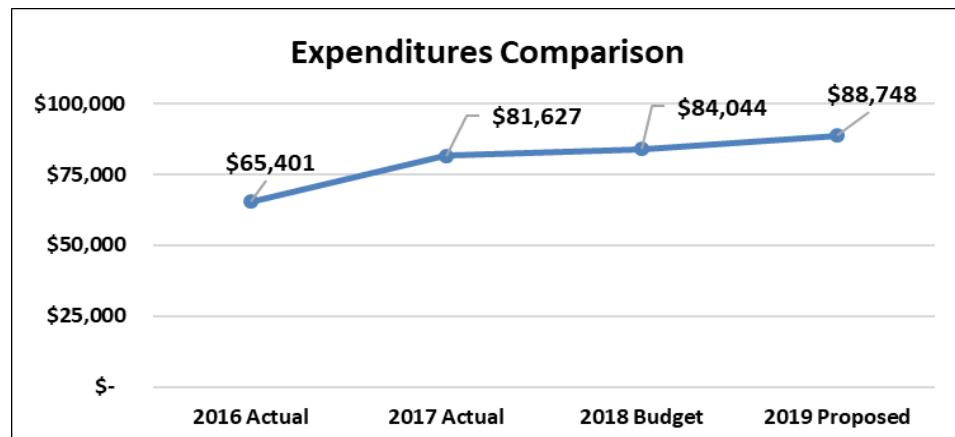


## 2019 Adopted Budget

*Mayor and City Council*

### *City Council Budget Summary:*

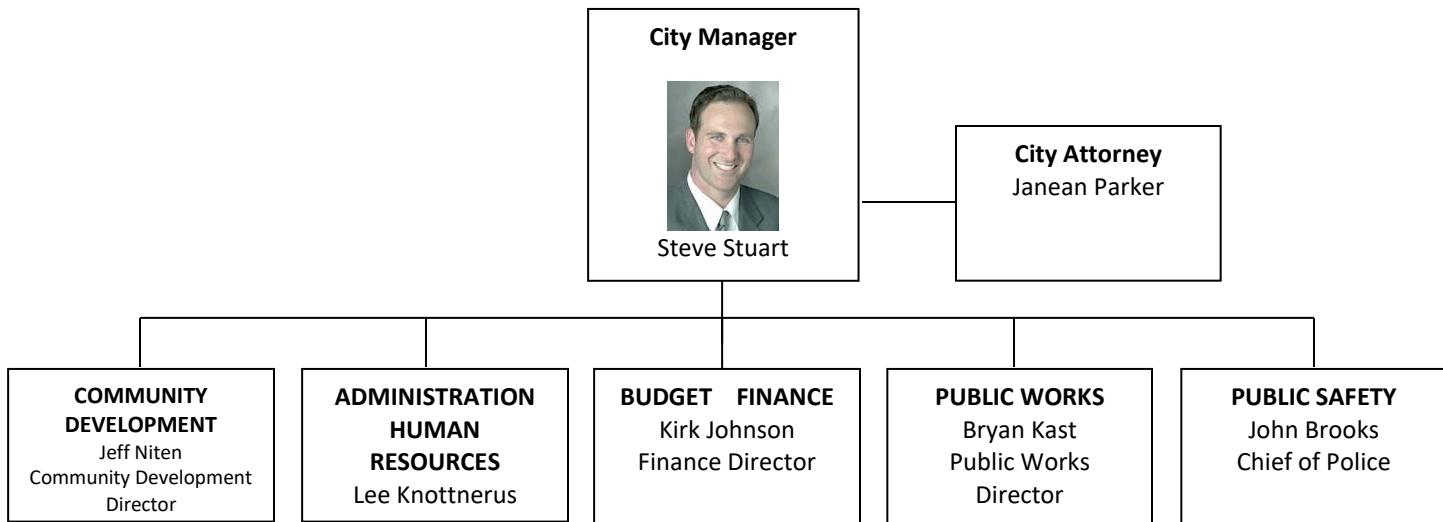
	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
Personnel	\$39,492	\$52,936	\$52,694	\$52,573
Supplies	2,022	435	1,050	1,575
Service/Advocacy	11,264	10,997	15,000	15,000
Utilities	452	4,423	3,400	5,000
Maintenance	4,732	3,735	4,400	4,600
Intergovernmental	7,439	9,101	7,500	10,000
<b>Total Budget</b>	<b>\$65,401</b>	<b>\$81,627</b>	<b>\$84,044</b>	<b>\$88,748</b>





## 2019 Adopted Budget

### Executive



### Overall Goal

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

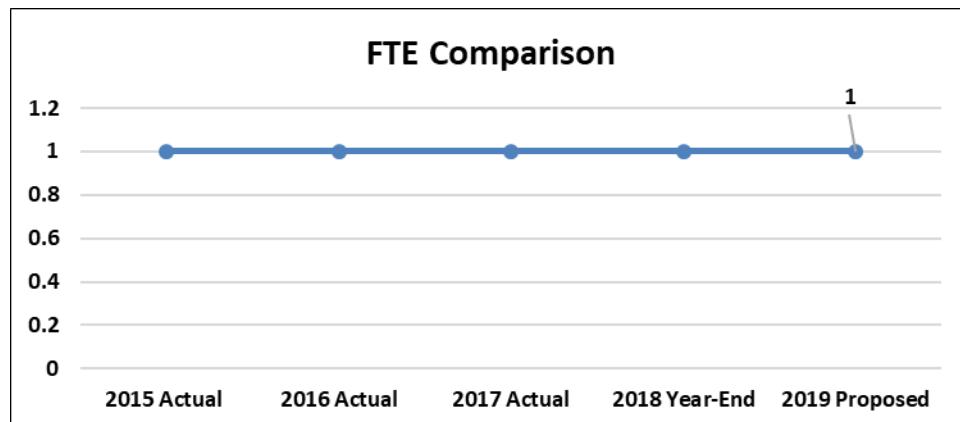
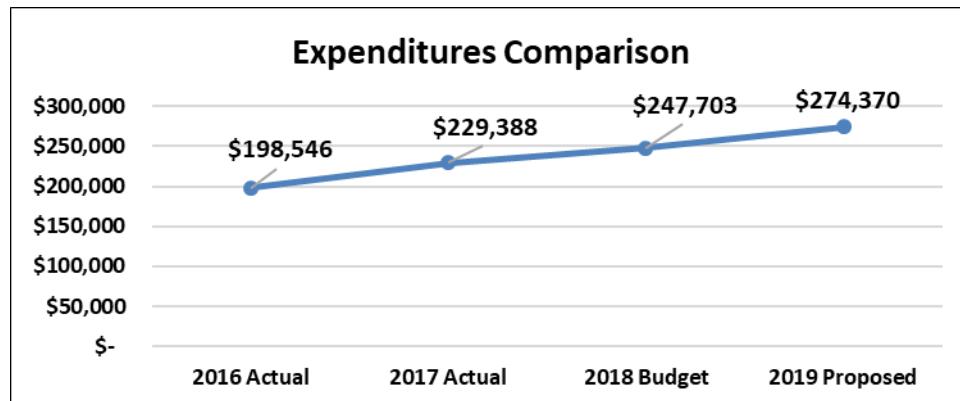


## 2019 Adopted Budget

### Executive

#### Executive Budget Summary:

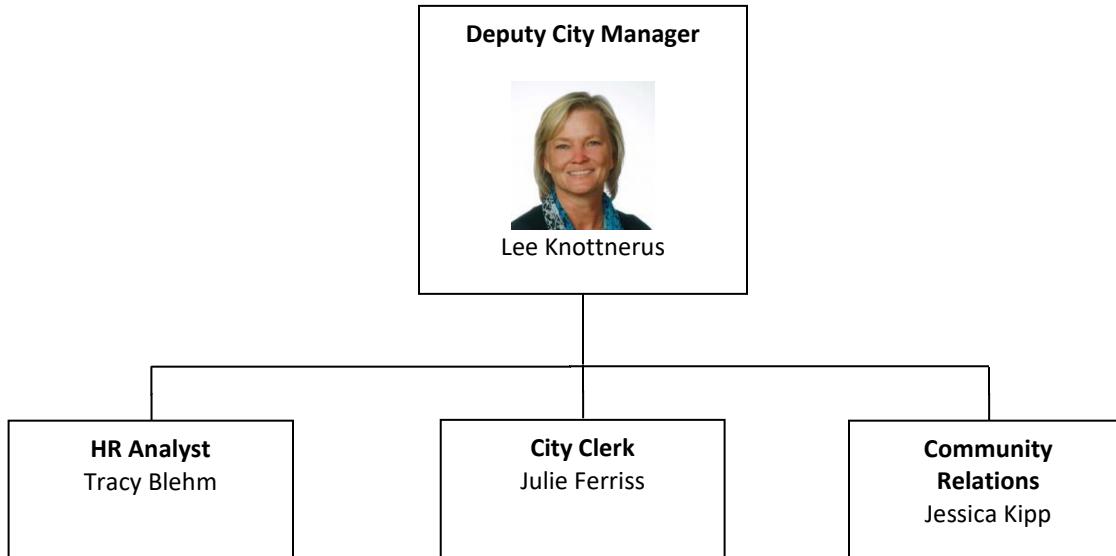
	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
Personnel	\$183,194	\$211,791	\$225,193	\$254,955
Supplies	555	433	1,500	825
Services/Prof Dev	12,982	15,285	19,000	16,806
Maintenance	1,285	1,402	1,500	1,234
Utilities	530	477	510	550
<b>Total Budget</b>	<b>\$198,546</b>	<b>\$229,388</b>	<b>\$247,703</b>	<b>\$274,370</b>





## 2019 Adopted Budget

### ***Administration/Human Resources***



#### **Department Overview**

The Administration Department is responsible for providing administrative and informational services to the City Council, City Manager, and other City Departments and to the Ridgefield community. Personnel in the department oversee and manage the programs for public records, human resources, labor relations, payroll, information technology, community outreach and events, risk management, liability claims, and title VI civil rights compliance.

#### **2019 Goals**

1. Expand public relations and citizen engagement: Review & update new resident mailing packet, expand ways to connect with citizens such as use of texting, enhance opportunities for engagement on the City's website and provide opportunities for engagement in community event(s).
2. Streamline City Clerk programs: centralize public records requests & develop templates for responses, develop training program and materials for newly elected officials and newly appointed members of boards & commissions, continue implementation of document management system.
3. Develop and expand human resource programs through centralizing training records and creating an on-line training request work flow, updating the City's Employment Policies, creating an on-line recruitment process, and developing a citywide employee on-boarding process.



## 2019 Adopted Budget

4. Work on revitalization efforts to create a destination downtown through partnering with Ridgefield Main Street, creating daycation opportunities and developing & implementing a downtown brand.



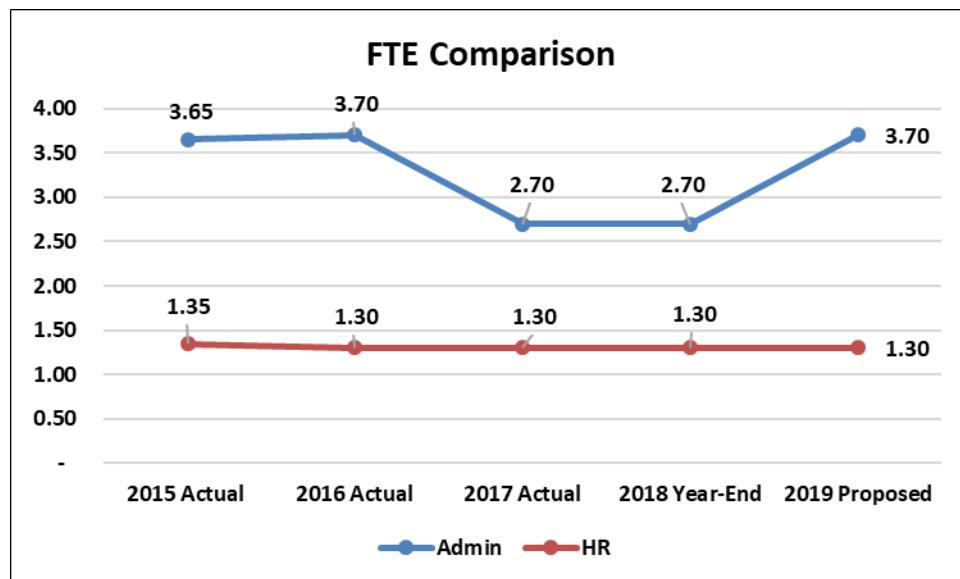
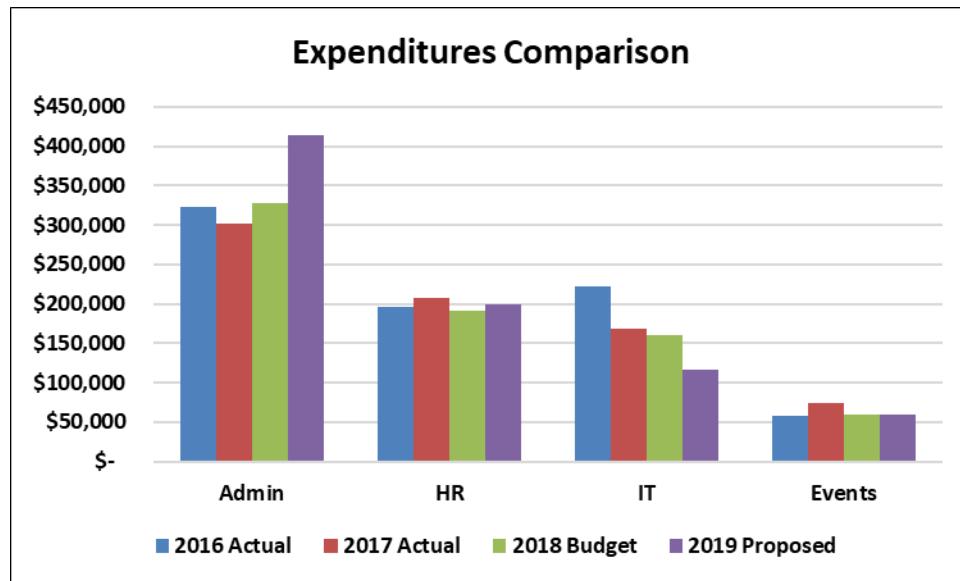
### *Administration, Human Resources, Information Technology and Events Budget Summary:*

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Administration</u></b>				
Personnel	\$319,262	\$296,198	\$312,857	\$397,133
Supplies	905	680	1,000	3,500
Services/Prof Dev	2,385	3,025	11,500	12,000
Maintenance	255	660	1,500	1,500
Utilities	530	477	510	550
<b>Total Admin Budget</b>	<b>\$323,337</b>	<b>\$301,040</b>	<b>\$327,367</b>	<b>\$414,683</b>
<b><u>Human Resources</u></b>				
Personnel	\$157,115	\$163,502	\$167,244	\$175,685
Services/Prof Dev	38,229	44,048	24,000	24,275
<b>Total HR Budget</b>	<b>\$195,344</b>	<b>\$207,550</b>	<b>\$191,244</b>	<b>\$199,960</b>
<b><u>Information Technology</u></b>				
Maintenance	112,605	144,693	127,903	116,559
Capital	110,062	24,316	32,658	0
<b>Total Info Tech Budget</b>	<b>\$222,667</b>	<b>\$169,009</b>	<b>\$160,561</b>	<b>\$116,559</b>



## 2019 Adopted Budget

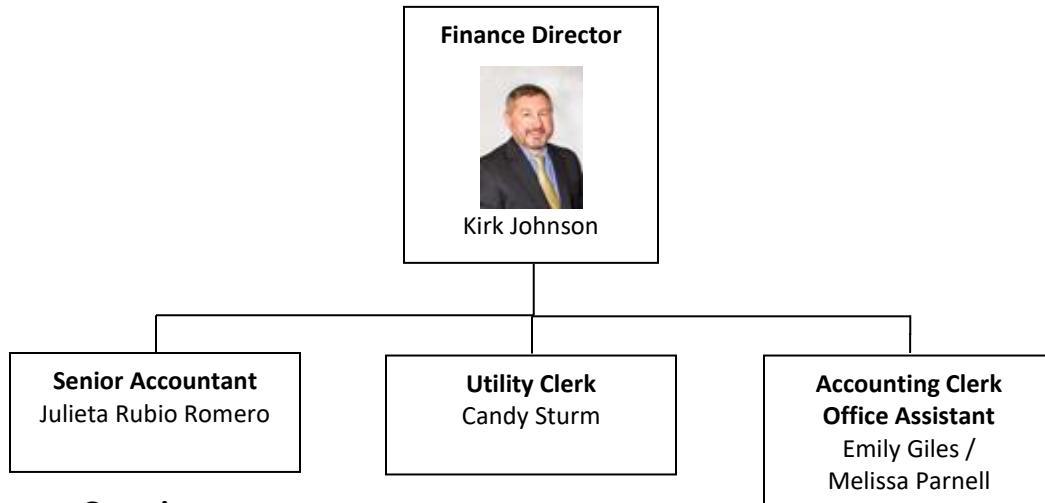
	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Events</u></b>				
Community Events	58,086	73,614	60,000	60,000
<b>Total Community Events</b>	<b>58,086</b>	<b>73,614</b>	<b>60,000</b>	<b>60,000</b>





## 2019 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, contracting 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.

#### 2019 Goals

- Coordinate and prepare a 6-year capital budget as part of 2020 budget process.
- Submit 2019 adopted budget for GFOA Distinguished Budget Presentation Award.
- Obtain a clean financial audit from Office of State Auditor.



## 2019 Adopted Budget

- Submit 2018 financial statements for Certificate of Achievement for Excellence in Financial Reporting Program award (CAFR).
- Implement financial transparency software and make available to public.
- Complete presentation and implementation of funding options for road maintenance.
- Reduce reliance on paper documents and add efficiencies in electronic archiving.



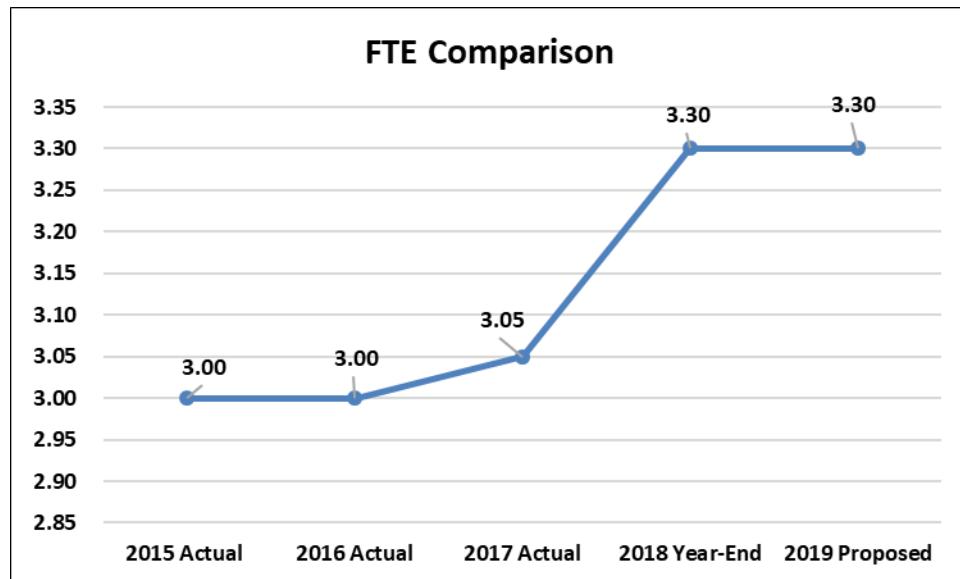
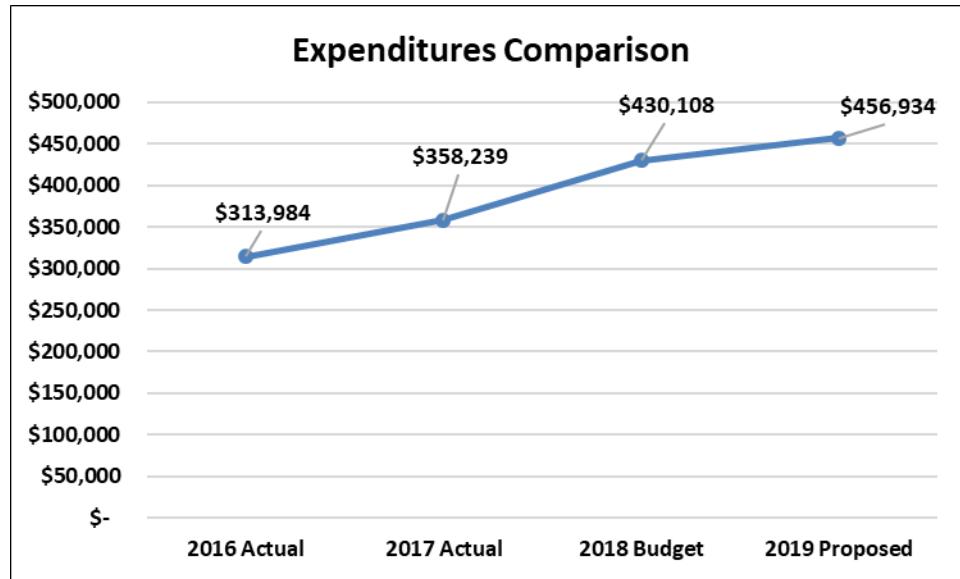
### Finance Budget Summary

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
Personnel	\$263,383	\$308,014	\$345,698	\$387,525
Supplies	2,370	2,092	3,800	2,159
Services/Prof Dev	17,486	19,843	42,500	26,000
Intergovernmental	29,806	27,044	37,000	40,000
Maintenance	409	769	600	700
Utilities	530	477	510	550
<b>Total Budget</b>	<b>\$313,984</b>	<b>\$358,239</b>	<b>\$430,108</b>	<b>\$456,934</b>



## 2019 Adopted Budget

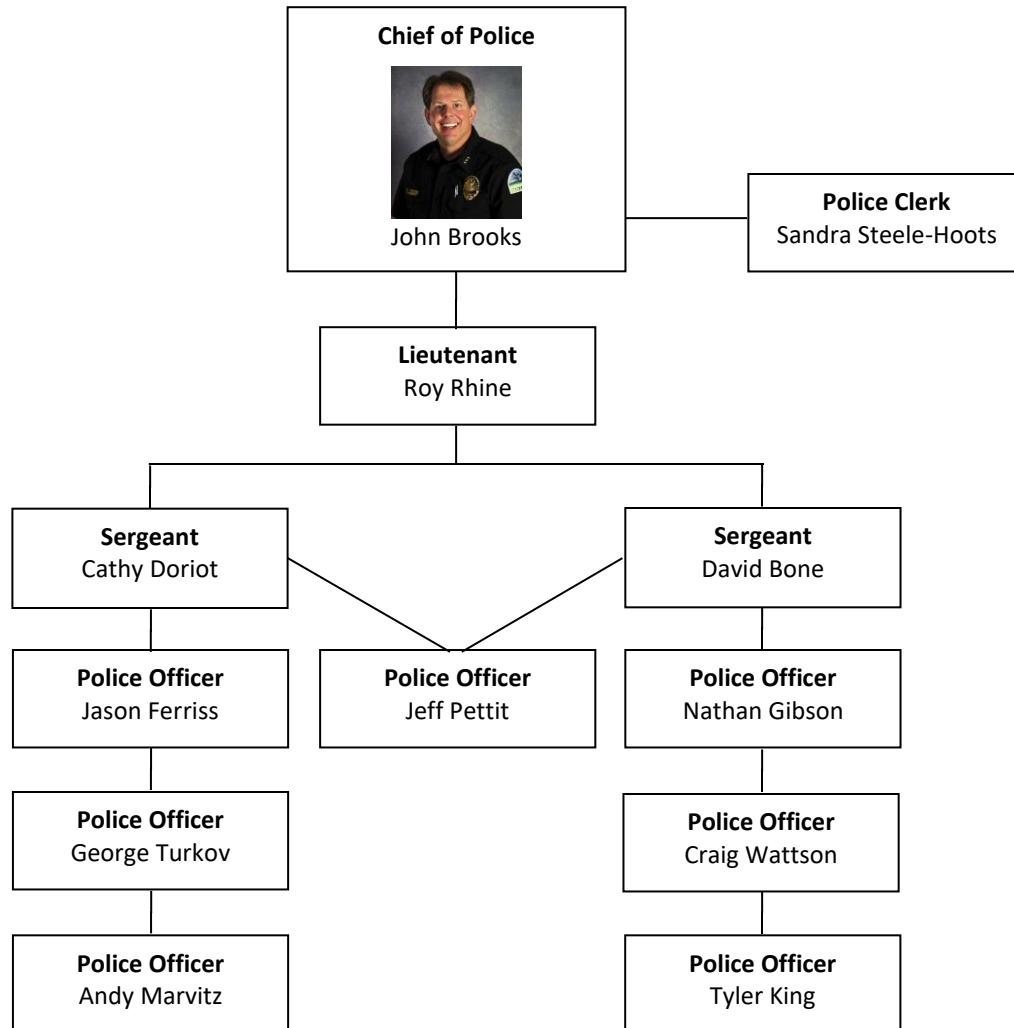
### Budget/Finance





## 2019 Adopted Budget

### Public Safety





## ***2019 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.

#### **2019 Goals:**

- Hire two replacement police officers to account for retirements/transfers.
- Conduct a sergeant's exam and promote one new sergeant to account for retirement.
- Position the agency for 2020 state accreditation process.
- Work toward expanded police facilities that will include needed upgrades for investigations.
- Conduct an emergency management training drill associated with the new schools.
- Complete state mandated Crisis Intervention Training by the end of 2019.





## 2019 Adopted Budget

### Public Safety



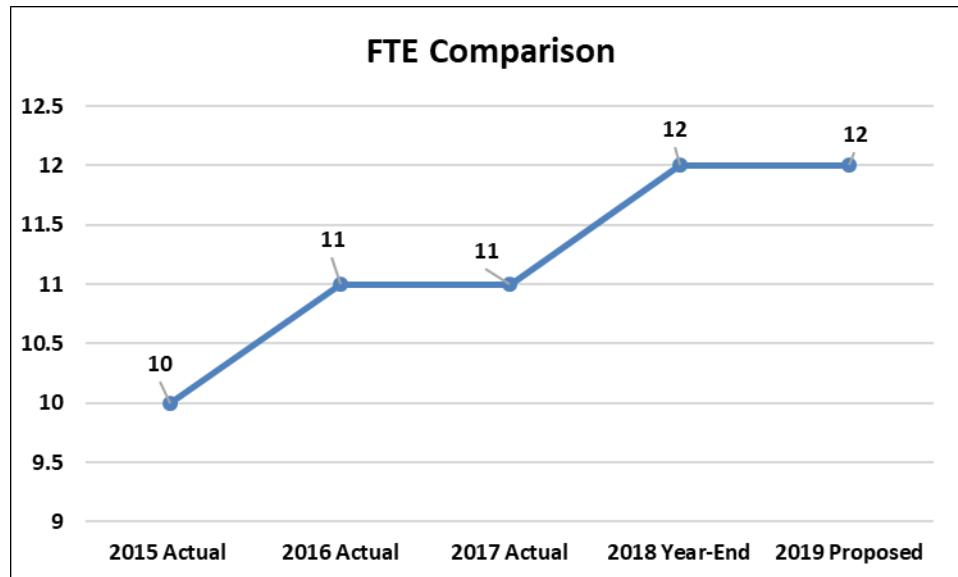
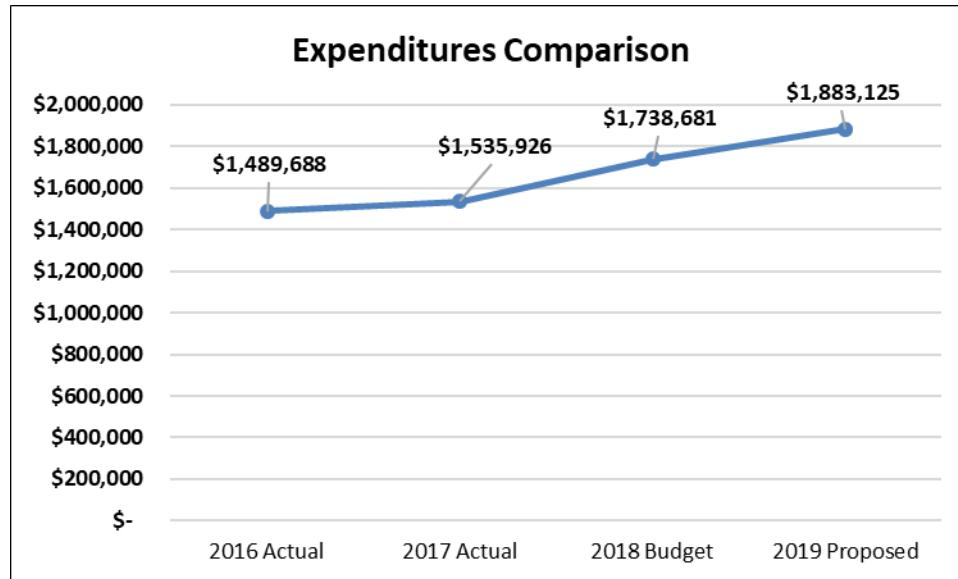
#### Public Safety and Civil Service Budget Summary

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Public Safety</u></b>				
Personnel	\$1,180,988	\$1,248,880	\$1,328,094	\$1,537,862
Supplies	57,100	53,625	83,265	64,293
Services/Prof Dev	25,010	24,550	33,500	36,000
Intergovernmental	99,400	99,707	141,918	132,556
Maintenance	50,525	62,154	63,880	70,490
Utilities	18,464	20,402	20,800	21,700
Capital Outlays	58,201	6,384	47,000	0
Debt Service – CRESA	0	20,224	20,224	20,224
<b>Total Public Safety Budget</b>	<b>\$1,489,688</b>	<b>\$1,535,926</b>	<b>\$1,738,681</b>	<b>\$1,883,125</b>
<b><u>Civil Service</u></b>				
Supplies	\$0	\$0	\$100	\$100
Services	60	0	900	900
<b>Total Civil Service Budget</b>	<b>\$60</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$1,000</b>



## 2019 Adopted Budget

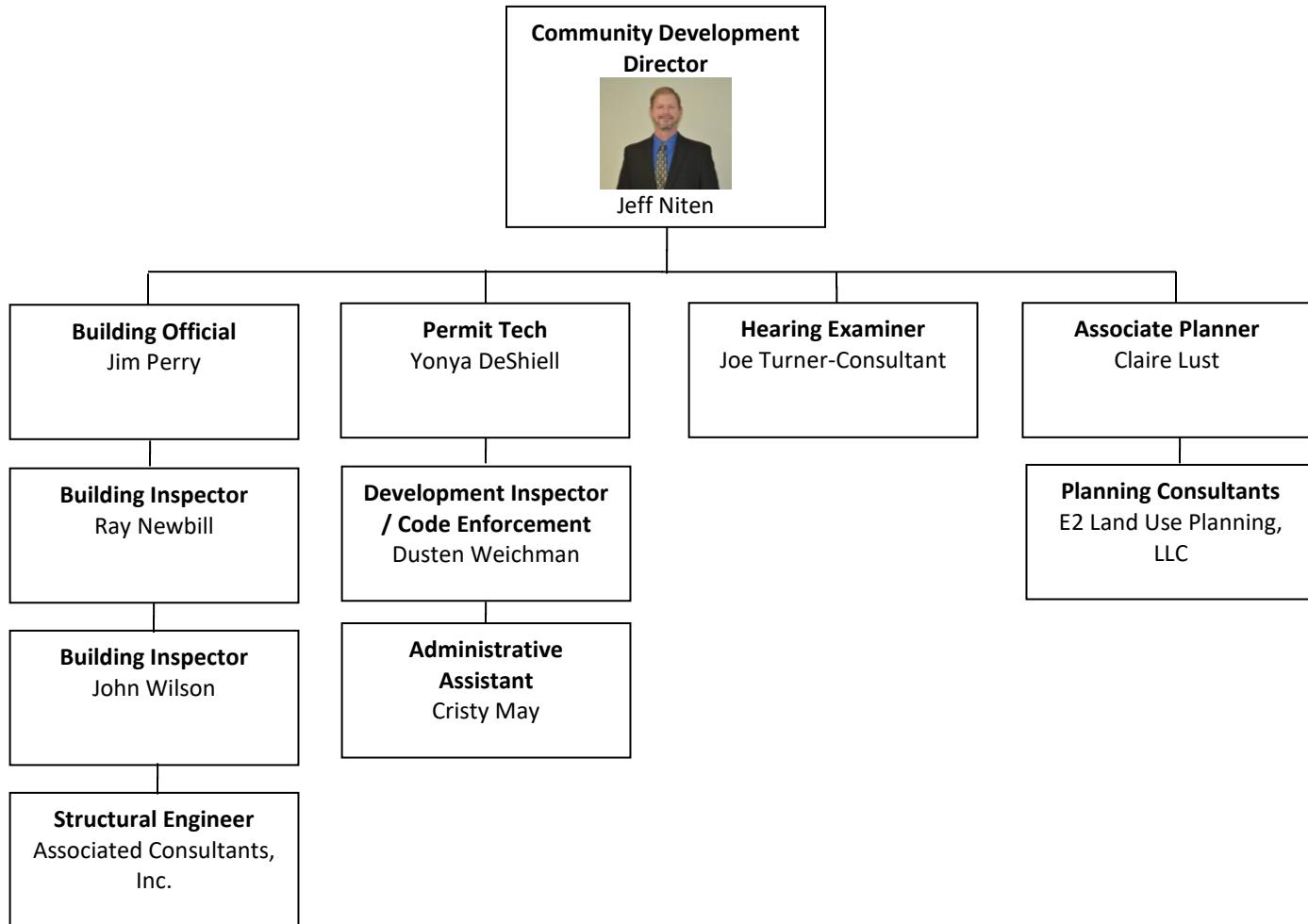
### Public Safety





## 2019 Adopted Budget

### Community Development



#### Key Objectives

- Review, research, develop and update the Comprehensive Plan for the City, ensuring that it meets the goals prescribed by the State Growth Management Act, Planning Commission and other citizens' advisory committees.
- Ensure the development code is updated and in alignment with the Comprehensive Plan for the City.
- Provide information and assistance to the general public and developers regarding the planning process, development requirements in the City, and other City procedures.
- Coordinate planning efforts with other City departments, and local, regional and State planning agencies and organizations.



## 2019 Adopted Budget

- Guide development in a way that enhances and maintains the livability and quality of life in our community.
- Process development applications in a high quality and timely manner.

### 2019 Goals

- Implement a fully on-line permitting system by year-end 2019.
- Maintain three-week goal for approval of single family residential building permits.
- Implement adopted Comprehensive Growth Management Plan policies by December 2020.
- Complete in-depth analysis of zoning categories by September 2019.



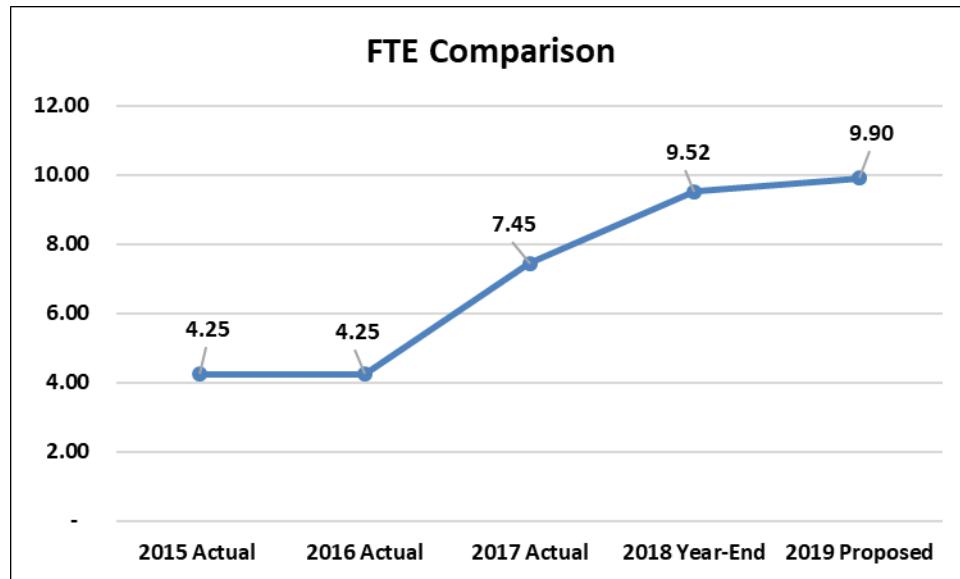
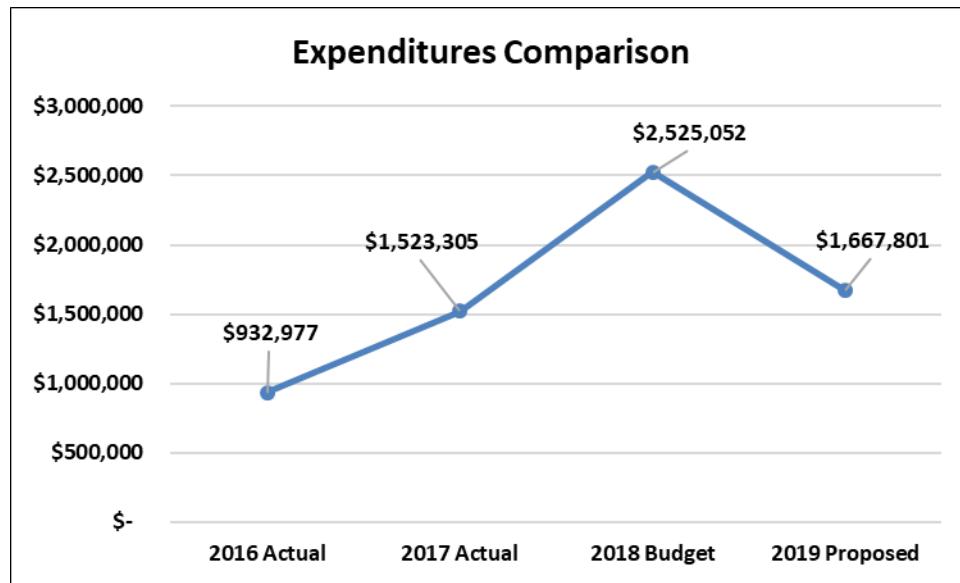
### Community Development Budget Summary

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
Personnel	\$466,310	\$764,292	\$974,381	\$1,075,237
Supplies	11,853	19,716	23,500	25,785
Services/Prof Dev	352,755	593,018	706,555	337,453
Intergovernmental	5,957	9,144	9,000	3,850
Maintenance	30,725	56,895	719,960	183,921
Utilities	13,448	13,162	16,225	11,600
Capital Outlays	51,929	67,078	75,431	29,955
<b>Total Budget</b>	<b>\$932,977</b>	<b>\$1,523,305</b>	<b>\$2,525,052</b>	<b>\$1,667,801</b>



## 2019 Adopted Budget

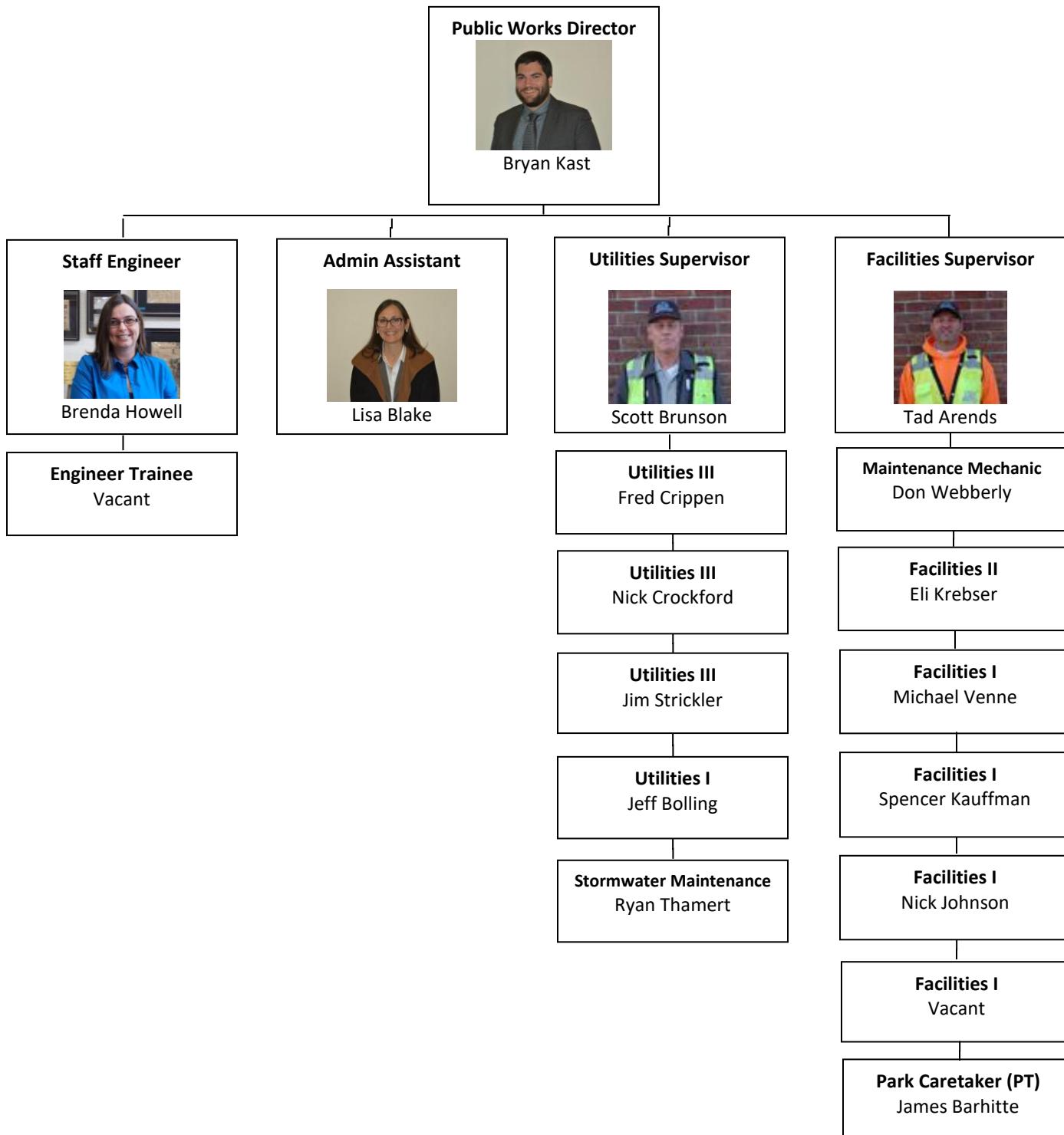
### Community Development





## ***2019 Adopted Budget***

## **Public Works**





## ***2019 Adopted Budget***

### ***Public Works***

#### **Key Objectives**

- Develops public works infrastructure project standards and specifications in coordination with Engineering, Planning and Building.
- Develops the City's street/transportation system plan, represents and coordinates the City's activities with regional transportation plans.
- Develops standards and master plans for all areas of public works transportation, drinking water, facilities, storm water, and parks and open space in order to maintain long-term public investment in the City's infrastructure.
- Coordinates Public Works standards and all areas of responsibility with the City's development code and Comprehensive Plan.
- Effectively operate and maintain the City's infrastructure and manage all aspects of the City's capital improvement projects.

#### **2019 Goals**

- Hire and train Facilities Maintenance Worker 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.
- Eliminate need to sub-contract to engineering consultants, by adding additional engineering staff, to improve the following areas:
  - Preparation for upcoming growth related regulatory changes.
  - Reduce engineering review times.
  - Improved customer service.
- Expand water source capacity to meet growth related demand by adding one or more wells.



## 2019 Adopted Budget

### Public Works



#### Public Works Budget Summary

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Facilities</u></b>				
Personnel	\$83,956	\$102,173	\$104,835	\$109,944
Supplies	2,530	2,948	2,050	2,431
Services/Prof Dev	6,031	5,651	2,600	2,900
Maintenance	36,813	18,790	16,640	21,383
Capital Outlay	7,647	3,078	121,750	100,000
<b>Total Facilities</b>	<b>\$136,977</b>	<b>\$132,640</b>	<b>\$247,875</b>	<b>\$236,658</b>
<b><u>Cemetery</u></b>				
Personnel	\$13,439	\$11,358	\$17,453	\$24,066
Supplies	1,046	1,035	3,285	2,931
Services/Prof Dev	108	47	1,050	1,100
Maintenance	924	515	2,000	3,550
Utilities	397	519	650	463
Capital Outlays	0	0	1,650	0
<b>Total Cemetery</b>	<b>\$15,914</b>	<b>\$13,474</b>	<b>\$26,088</b>	<b>\$32,110</b>



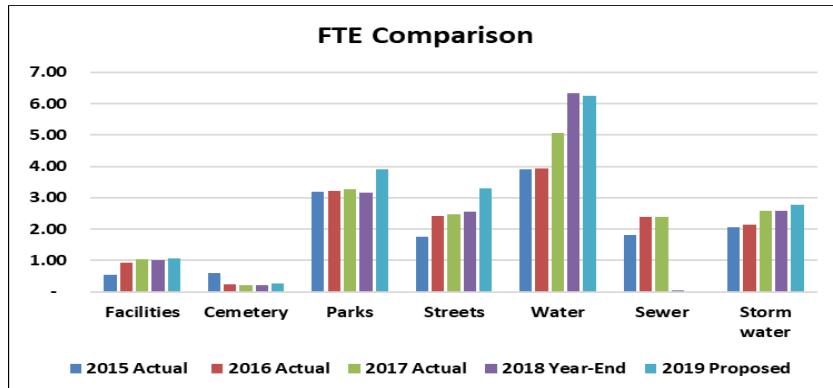
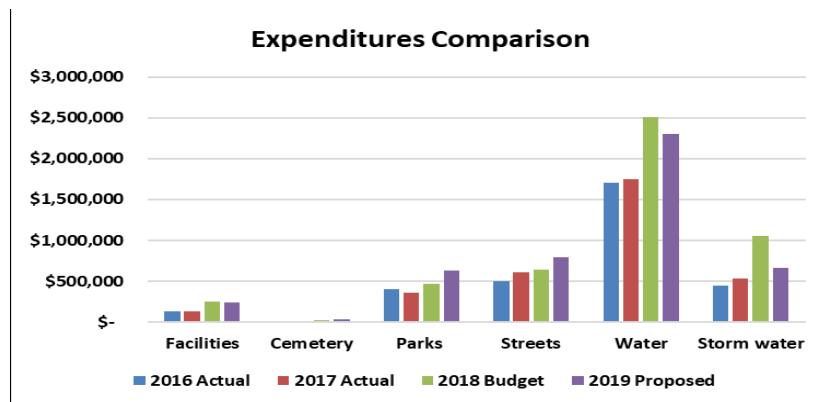
## 2019 Adopted Budget

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Parks</u></b>				
Personnel	\$246,391	\$232,379	\$276,750	\$334,323
Supplies	20,924	24,085	27,150	28,808
Services/Prof Dev	39,126	22,838	26,470	40,107
Intergovernmental	0	52	100	100
Maintenance	17,034	44,310	51,700	98,500
Utilities	35,518	36,555	41,775	43,700
Capital Outlays	11,389	0	33,250	90,000
Transfers	30,000	2,483	14,000	0
<b>Total Parks</b>	<b>\$400,382</b>	<b>\$362,702</b>	<b>\$471,195</b>	<b>\$635,538</b>
<b><u>Streets</u></b>				
Personnel	\$247,387	\$260,531	\$250,916	\$321,689
Supplies	21,347	21,302	16,750	23,250
Services/Prof Dev	1,924	7,607	5,515	8,300
Intergovernmental	0	11,248	15,000	15,000
Maintenance	37,078	167,018	204,364	248,583
Utilities	134,807	53,990	89,218	87,675
Capital Outlays	24,913	59,678	42,716	74,010
Transfers	28,889	23,908	22,386	20,333
<b>Total Streets</b>	<b>\$496,345</b>	<b>\$605,282</b>	<b>\$646,865</b>	<b>\$798,840</b>
<b><u>Water</u></b>				
Personnel	\$413,461	\$598,090	\$657,568	\$673,714
Supplies	184,461	122,077	190,835	176,655
Services/Prof Dev	38,497	43,932	41,550	55,850
Intergovernmental	289,789	266,997	379,659	459,101
Maintenance	18,369	42,978	104,483	76,624
Utilities	83,452	107,768	112,500	108,700
Capital Outlays	304,357	278,937	428,803	2,600
Transfers	22,880	82,234	393,071	545,269
Debt Service	350,372	200,800	203,277	200,904
<b>Total Water</b>	<b>\$1,705,638</b>	<b>\$1,743,813</b>	<b>\$2,511,746</b>	<b>\$2,299,417</b>



## 2019 Adopted Budget

	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b><u>Storm water</u></b>				
Personnel	\$139,427	\$193,752	\$268,058	\$281,678
Supplies	15,994	22,984	23,700	23,700
Services/Prof Dev	22,893	61,031	8,675	11,675
Intergovernmental	69,829	122,068	113,033	197,529
Maintenance	21,630	31,612	63,178	44,722
Utilities	9,049	9,307	11,080	11,110
Capital Outlays	25,358	57,372	48,417	33,850
Transfers	141,047	37,009	523,473	57,118
<b>Total Stormwater</b>	<b>\$445,227</b>	<b>\$535,135</b>	<b>\$1,059,614</b>	<b>\$661,382</b>
<b>Total PW Budget</b>	<b>\$3,200,483</b>	<b>\$3,393,046</b>	<b>\$4,863,383</b>	<b>\$4,663,945</b>





## *2019 Adopted Budget*

### *V. Budget by Fund*



## ***2019 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



## ***2019 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.



## ***2019 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.



## ***2019 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.

### ***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.



## ***2019 Adopted Budget***

### ***PIF – Park Impact Fees – 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.

### ***TIF – Traffic Impact Fees – 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 SDC – Water System Development Charges – 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.

### ***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.



## ***2019 Adopted Budget***

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.



## 2019 Adopted Budget

### Fund Summary Reports

Operating Funds Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>001 General Fund</b>							
<b>Revenue</b>							
Property Tax	988,321	1,056,195	1,145,000	1,145,000	1,260,000	-	1,260,000
Retail Sales & Other Tax	1,441,431	1,721,834	2,174,845	2,369,126	2,149,550	-	2,149,550
Utility Taxes	890,329	986,860	1,051,705	1,070,077	1,097,098	-	1,097,098
License & Permits	875,419	688,425	976,200	1,095,373	1,050,010	-	1,050,010
Planning & Development	668,459	616,645	1,072,593	1,264,535	849,393	-	849,393
Fines & Forfeits	68,761	70,716	70,095	78,518	72,675	-	72,675
Charge for Goods & Srvc	426,565	442,493	540,042	545,823	542,680	-	542,680
Intergovernmental/Grant	202,370	183,670	288,788	197,791	187,566	100,000	287,566
Other Rev/Donations	156,226	94,921	88,350	81,671	80,900	-	80,900
Transfers In	7,304	1,555	8,798	8,798	-	-	-
<b>Total Revenue</b>	<b>5,725,185</b>	<b>5,863,314</b>	<b>7,416,416</b>	<b>7,856,710</b>	<b>7,289,872</b>	<b>100,000</b>	<b>7,389,872</b>
<b>Expense</b>							
City Council	65,401	81,627	84,044	77,544	88,748	-	88,748
Judicial	130,881	127,677	133,082	123,800	136,896	-	136,896
Executive	198,546	229,388	247,703	246,147	274,369	-	274,369
Legal	30,023	22,209	45,000	28,680	40,000	-	40,000
Finance	313,984	358,239	430,108	422,351	456,934	-	456,934
Human Resources	195,344	207,550	191,244	184,535	199,210	750	199,960
Administration	323,337	301,040	327,367	324,882	345,183	69,500	414,683
Gen Govt/Facilities	652,343	692,970	837,649	730,407	737,809	122,467	860,276
Information Tech	222,667	169,009	160,561	157,980	114,059	2,500	116,559
Public Safety	1,489,688	1,535,926	1,738,681	1,667,038	1,872,705	10,420	1,883,125
Civil Service	60	-	1,000	70	1,000	-	1,000
Cemetery	15,914	13,474	26,088	16,783	29,253	2,857	32,110
Transfers	450,799	476,100	480,176	344,403	441,200	225,330	666,530
Community Development	932,977	1,523,305	2,525,052	2,437,672	1,556,946	110,855	1,667,801
Parks	400,382	362,702	471,195	493,354	476,077	159,461	635,538
<b>Total Expense</b>	<b>5,422,346</b>	<b>6,101,216</b>	<b>7,698,950</b>	<b>7,255,647</b>	<b>6,770,390</b>	<b>704,140</b>	<b>7,474,529</b>
<b>Net Total</b>	<b>302,839</b>	<b>(237,902)</b>	<b>(282,534)</b>	<b>601,064</b>	<b>519,482</b>	<b>(604,140)</b>	<b>(84,657)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	2,606,842	2,909,681	2,671,779	2,671,779	3,272,843	3,792,324	3,272,843
Ending Fund Balance	2,909,681	2,671,779	2,389,245	3,272,843	3,792,324	3,188,184	3,188,185
GF Policy Reserve Balance	1,337,224	1,416,348	1,480,890	1,480,890	1,496,136	1,496,136	1,496,136
Building Policy Reserve Bal	321,093	381,317	394,376	394,376	472,893	472,893	472,893
Restricted for Building	900,274	565,828	-	236,850	220,910	140,055	140,055
Fund Balance Available	351,090	308,286	513,979	1,160,727	1,602,384	1,079,099	1,079,100



## 2019 Adopted Budget

### Fund Summary Reports

Operating Funds Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>101 Street Fund</b>							
<b>Revenue</b>							
Utility Tax/Franchise Fee	52,581	57,992	70,565	91,473	75,186	-	75,186
Permits	11,898	10,688	20,000	26,577	14,000	-	14,000
Grants	3,500	-	-	-	-	-	-
Intergovernmental	145,331	158,094	167,345	169,978	179,604	-	179,604
Other Revenue	5,946	1,108	2,525	255	2,525	-	2,525
Transfers In	346,725	331,100	342,816	223,816	441,200	86,330	527,530
<b>Total Revenue</b>	<b>565,981</b>	<b>558,982</b>	<b>603,251</b>	<b>512,100</b>	<b>712,515</b>	<b>86,330</b>	<b>798,845</b>
<b>Expense</b>							
Streets	496,345	605,282	646,865	508,225	712,510	86,330	798,840
<b>Total Expense</b>	<b>496,345</b>	<b>605,282</b>	<b>646,865</b>	<b>508,225</b>	<b>712,510</b>	<b>86,330</b>	<b>798,840</b>
<b>Net Total</b>	<b>69,636</b>	<b>(46,300)</b>	<b>(43,614)</b>	<b>3,875</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Fund Balance</b>							
Beg Fund Balance	16,404	86,040	39,740	39,740	43,615	43,620	43,615
Ending Fund Balance	86,040	39,740	(3,874)	43,615	43,620	43,620	43,620
Reserves Maintain in GF	-	-	-	-	-	-	-
Fund Balance Available	86,040	39,740	(3,874)	43,615	43,620	43,620	43,620

Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>406 Water Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods & Srvc	1,396,354	1,516,228	1,706,128	1,759,040	1,853,317	-	1,853,317
Other Revenue	10,212	11,184	12,167	7,760	9,300	-	9,300
Transfers In	323,775	213,868	203,277	203,277	200,904	-	200,904
<b>Total Revenue</b>	<b>1,730,341</b>	<b>1,741,280</b>	<b>1,921,572</b>	<b>1,970,077</b>	<b>2,063,521</b>	<b>-</b>	<b>2,063,521</b>
<b>Expense</b>							
Water Utility	1,705,638	1,743,813	2,511,746	2,277,688	1,844,956	454,461	2,299,417
<b>Total Expense</b>	<b>1,705,638</b>	<b>1,743,813</b>	<b>2,511,746</b>	<b>2,277,688</b>	<b>1,844,956</b>	<b>454,461</b>	<b>2,299,417</b>
<b>Net Total</b>	<b>24,703</b>	<b>(2,533)</b>	<b>(590,174)</b>	<b>(307,611)</b>	<b>218,565</b>	<b>(454,461)</b>	<b>(235,896)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	1,263,000	1,287,703	1,285,001	1,285,001	977,390	1,195,955	977,390
Ending Fund Balance	1,287,703	1,285,001	694,827	977,390	1,195,955	741,494	741,494
Policy Reserve Balance	485,130	396,724	401,192	331,283	421,252	421,252	421,252
Fund Balance Available	802,573	888,277	293,635	646,107	774,703	320,242	320,242



## 2019 Adopted Budget

### Fund Summary Reports

Operating Funds Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>408 Stormwater Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods & Svrc	428,537	497,532	598,128	553,569	667,545	-	667,545
Other Revenue	2,419	2,173	525	1,191	1,925	-	1,925
<b>Total Revenue</b>	<b>430,956</b>	<b>499,705</b>	<b>598,653</b>	<b>554,760</b>	<b>669,470</b>	-	<b>669,470</b>
<b>Expense</b>							
Stormwater Utility	445,227	535,135	1,059,614	741,847	602,172	59,210	661,382
<b>Total Expense</b>	<b>445,227</b>	<b>535,135</b>	<b>1,059,614</b>	<b>741,847</b>	<b>602,172</b>	<b>59,210</b>	<b>661,382</b>
<b>Net Total</b>	<b>(14,271)</b>	<b>(35,430)</b>	<b>(460,961)</b>	<b>(187,087)</b>	<b>67,298</b>	<b>(59,210)</b>	<b>8,088</b>
<b>Fund Balance</b>							
Beginning Fund Balance	491,217	476,946	435,818	435,818	248,731	316,029	248,731
Ending Fund Balance	476,946	435,818	(25,143)	248,731	316,029	256,819	256,819
Policy Reserve Balance	149,726	137,958	183,098	183,098	192,253	192,253	192,253
Fund Balance Available	327,220	297,860	(208,241)	65,633	123,776	64,566	64,566

Special Revenue Fund Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>111 Drug Fund</b>							
<b>Revenue</b>							
Fines and Forfeits	921	4,007	1,000	1,287	1,000	-	1,000
Other Revenue	49	119	75	134	75	-	75
<b>Total Revenue</b>	<b>970</b>	<b>4,126</b>	<b>1,075</b>	<b>1,421</b>	<b>1,075</b>	-	<b>1,075</b>
<b>Expense</b>							
Small Tools & Equipment	4,017	8,900	-	-	-	8,791	8,791
Intergovernmental	-	28	-	4	-	-	-
<b>Total Expense</b>	<b>4,017</b>	<b>8,928</b>	-	<b>4</b>	-	<b>8,791</b>	<b>8,791</b>
<b>Net Total</b>	<b>(3,047)</b>	<b>(4,802)</b>	<b>1,075</b>	<b>1,417</b>	<b>1,075</b>	<b>(8,791)</b>	<b>(7,716)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	15,059	12,012	7,210	7,210	8,627	9,702	8,627
Ending Fund Balance	12,012	7,210	8,285	8,627	9,702	911	911
Fund Balance Available	12,012	7,210	8,285	8,627	9,702	911	911



## 2019 Adopted Budget

### Fund Summary Reports

Capital Service Fund Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>105 Real Estate Excise Tax (REET) Fund</b>							
<b>Revenue</b>							
Real Estate Excise Taxes	899,391	1,019,320	1,000,000	1,086,661	1,236,840	-	1,236,840
Other Revenue	22,788	963,679	10,000	41,402	10,000	-	10,000
<b>Total Revenue</b>	<b>922,179</b>	<b>1,982,999</b>	<b>1,010,000</b>	<b>1,128,063</b>	<b>1,246,840</b>	-	<b>1,246,840</b>
<b>Expense</b>							
Utility	314,382	75,989	-	-	-	195,000	195,000
General	-	361,106	-	-	-	-	-
Streets	53,280	2,587	759,385	759,385	-	-	-
Parks	518,212	76,237	3,661,500	3,661,500	-	-	-
Debt Service (RORC)	-	-	515,600	514,600	788,275	-	788,275
<b>Total Expense</b>	<b>885,874</b>	<b>515,919</b>	<b>4,936,485</b>	<b>4,935,485</b>	<b>788,275</b>	<b>195,000</b>	<b>983,275</b>
<b>Net Total</b>	<b>36,305</b>	<b>1,467,080</b>	<b>(3,926,485)</b>	<b>(3,807,422)</b>	<b>458,565</b>	<b>(195,000)</b>	<b>263,565</b>
<b>Fund Balance</b>							
Beg Fund Balance	3,222,652	3,258,957	4,726,037	4,726,037	918,615	1,377,180	918,615
Ending Fund Balance	3,258,957	4,726,037	799,552	918,615	1,377,180	1,182,180	1,182,180
Fund Balance Available	3,258,957	4,210,437	11,277	130,340	589,755	394,755	394,755
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>114 Park Impact Fee (PIF) Fund</b>							
<b>Revenue</b>							
Planning & Development	751,077	1,046,077	1,046,077	1,047,628	876,068	-	876,068
Grants	-	211,435	-	-	-	-	-
Other Revenue	10,563	1,369,502	3,500	5,374	250	-	250
<b>Total Revenue</b>	<b>761,640</b>	<b>2,627,014</b>	<b>1,049,577</b>	<b>1,053,002</b>	<b>876,318</b>	-	<b>876,318</b>
<b>Expense</b>							
Park Impact Fee	1,047,886	526,756	4,371,000	4,371,000	-	476,000	476,000
<b>Total Expense</b>	<b>1,047,886</b>	<b>526,756</b>	<b>4,371,000</b>	<b>4,371,000</b>	-	<b>476,000</b>	<b>476,000</b>
<b>Net Total</b>	<b>(286,246)</b>	<b>2,100,258</b>	<b>(3,321,423)</b>	<b>(3,317,998)</b>	<b>876,318</b>	<b>(476,000)</b>	<b>400,318</b>
<b>Fund Balance</b>							
Beg Fund Balance	2,041,312	1,802,481	3,321,028	3,321,028	3,030	879,348	3,030
Ending Fund Balance	1,802,481	3,321,028	(395)	3,030	879,348	403,348	403,348
Fund Balance Available	1,802,481	3,321,028	(395)	3,030	879,348	403,348	403,348



## 2019 Adopted Budget

### Fund Summary Reports

Capital Service Fund Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>115 Traffic Impact Fee (TIF) Fund</b>							
<b>Revenue</b>							
Planning & Development	193,773	269,321	920,920	928,041	3,610,550	-	3,610,550
Other Revenue	9,569	10,445	3,000	5,684	250	-	250
<b>Total Revenue</b>	<b>203,342</b>	<b>279,766</b>	<b>923,920</b>	<b>933,725</b>	<b>3,610,800</b>	-	<b>3,610,800</b>
<b>Expense</b>							
Transp Impact Fee	52,367	445,224	1,750,028	1,750,028	-	-	-
<b>Total Expense</b>	<b>52,367</b>	<b>445,224</b>	<b>1,750,028</b>	<b>1,750,028</b>	-	-	-
<b>Net Total</b>	<b>150,975</b>	<b>(165,458)</b>	<b>(826,108)</b>	<b>(816,303)</b>	<b>3,610,800</b>	-	<b>3,610,800</b>
<b>Fund Balance</b>							
Beginning Fund Balance	831,556	982,531	817,073	817,073	770	3,611,570	770
Ending Fund Balance	982,531	817,073	(9,035)	770	3,611,570	3,611,570	3,611,570
Fund Balance Available	982,531	817,073	(9,035)	770	3,611,570	3,611,570	3,611,570
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>416 Water Utility SDC Fund</b>							
<b>Revenue</b>							
Contributed Capital	1,316,075	865,050	1,521,750	1,664,439	1,298,586	-	1,298,586
Other Revenue	29,477	54,340	25,300	32,789	26,500	-	26,500
<b>Total Revenue</b>	<b>1,345,552</b>	<b>919,390</b>	<b>1,547,050</b>	<b>1,697,228</b>	<b>1,325,086</b>	-	<b>1,325,086</b>
<b>Expense</b>							
Intergovernmental	19,741	12,976	14,813	24,966	19,479	-	19,479
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	371,285	721,487	2,688,277	715,277	200,904	2,047,000	2,247,904
<b>Total Expense</b>	<b>391,026</b>	<b>734,463</b>	<b>2,703,090</b>	<b>740,243</b>	<b>220,383</b>	<b>2,047,000</b>	<b>2,267,383</b>
<b>Net Total</b>	<b>954,526</b>	<b>184,927</b>	<b>(1,156,040)</b>	<b>956,985</b>	<b>1,104,703</b>	<b>(2,047,000)</b>	<b>(942,297)</b>
<b>Fund Balance</b>							
Beg Fund Balance	3,755,157	4,709,683	4,894,610	4,894,610	5,851,595	6,956,297	5,851,595
Ending Fund Balance	4,709,683	4,894,610	3,738,570	5,851,595	6,956,297	4,909,297	4,909,297
Fund Balance Available	4,709,683	4,894,610	3,738,570	5,851,595	6,956,297	4,909,297	4,909,297



## 2019 Adopted Budget

### Fund Summary Reports

Debt Service Fund							
Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>200 Debt Service Fund</b>							
<b>Revenue</b>							
Transfers-In	-	20,224	535,824	534,824	808,499	-	808,499
Other Revenue	-	1,897	-	3,484	-	-	-
Other Financing Sources	-	9,991,682	7,100,000	7,099,533	-	-	-
<b>Total Revenue</b>	<b>-</b>	<b>10,013,803</b>	<b>7,635,824</b>	<b>7,637,841</b>	<b>808,499</b>	<b>-</b>	<b>808,499</b>
<b>Expense</b>							
Debt Service	-	205,438	635,124	634,053	808,499	-	808,499
Transfers-Out	-	8,141,709	8,671,000	8,668,937	-	-	-
<b>Total Expense</b>	<b>-</b>	<b>8,347,147</b>	<b>9,306,124</b>	<b>9,302,990</b>	<b>808,499</b>	<b>-</b>	<b>808,499</b>
<b>Net Total</b>	<b>-</b>	<b>1,666,656</b>	<b>(1,670,300)</b>	<b>(1,665,149)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>							
Beg Fund Balance	-	-	1,666,656	1,666,656	-	-	-
Ending Fund Balance	-	1,666,656	756,656	-	-	-	-
Fund Balance Available	-	1,666,656	756,656	-	-	-	-



## 2019 Adopted Budget

### Fund Summary Reports

Capital Project/Equipment Replacement Funds							
Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>300 General Capital Project Fund</b>							
<b>Revenue</b>							
Grants	373,744	1,117,087	3,134,069	2,210,549	-	470,280	470,280
Other Revenue	14	162,310	606,806	465,505	-	46,000	46,000
Transfers In	1,810,778	8,382,704	19,364,273	19,322,791	-	615,000	615,000
<b>Total Revenue</b>	<b>2,184,536</b>	<b>9,662,101</b>	<b>23,105,148</b>	<b>21,998,845</b>	-	<b>1,131,280</b>	<b>1,131,280</b>
<b>Expense</b>							
Facilities	-	191,563	-	-	-	-	-
Cemetery	-	-	29,000	29,000	-	-	-
Streets	606,857	1,827,672	5,157,810	4,375,099	-	270,000	270,000
Parks	1,671,086	7,604,114	17,455,000	17,446,942	-	741,000	741,000
<b>Total Expense</b>	<b>2,277,943</b>	<b>9,623,349</b>	<b>22,641,810</b>	<b>21,851,041</b>	-	<b>1,011,000</b>	<b>1,011,000</b>
<b>Net Total</b>	<b>(93,407)</b>	<b>38,752</b>	<b>463,338</b>	<b>147,804</b>	-	<b>120,280</b>	<b>120,280</b>
<b>Fund Balance</b>							
Beginning Fund	102,576	9,169	47,921	47,921	195,725	195,725	195,725
Ending Fund Balance	9,169	47,921	511,259	195,725	195,725	316,005	316,005
Fund Balance Available	9,169	47,921	511,259	195,725	195,725	316,005	316,005

Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>410 Water Utility Capital Project Fund</b>							
<b>Revenue</b>							
Other Revenue	1	5	10	-	-	-	-
Transfers In	49,167	507,619	2,781,080	727,560	-	2,481,181	2,481,181
Other Financing	2,678,951	446,915	135,700	-	-	-	-
<b>Total Revenue</b>	<b>2,728,119</b>	<b>954,539</b>	<b>2,916,790</b>	<b>727,560</b>	-	<b>2,481,181</b>	<b>2,481,181</b>
<b>Expense</b>							
Water Capital	2,384,344	711,990	2,781,080	727,560	-	2,481,181	2,481,181
<b>Total Expense</b>	<b>2,384,344</b>	<b>711,990</b>	<b>2,781,080</b>	<b>727,560</b>	-	<b>2,481,181</b>	<b>2,481,181</b>
<b>Net Total</b>	<b>343,775</b>	<b>242,549</b>	<b>135,710</b>	-	-	-	-
<b>Fund Balance</b>							
Beginning Fund	(569,799)	(226,024)	16,525	16,525	16,525	16,525	16,525
Ending Fund Balance	(226,024)	16,525	16,535	(211,012)	16,525	16,525	16,525
Fund Balance Available	(226,024)	16,525	16,535	(211,012)	16,525	16,525	16,525



## 2019 Adopted Budget

### Fund Summary Reports

Capital Project/Equipment Replacement Funds							
Summary Report by Fund							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>412 Storm Utility Capital Project Fund</b>							
<b>Revenue</b>							
Other Revenue	-	-	-	-	-	-	-
Grants	-	-	129,900	-	-	150,000	150,000
Transfers In	439,924	89,682	479,560	331,444	-	195,000	195,000
<b>Total Revenue</b>	<b>439,924</b>	<b>89,682</b>	<b>609,460</b>	<b>331,444</b>	-	<b>345,000</b>	<b>345,000</b>
<b>Expense</b>							
Storm Capital	439,924	89,682	579,560	331,444	-	345,000	345,000
<b>Total Expense</b>	<b>439,924</b>	<b>89,682</b>	<b>579,560</b>	<b>331,444</b>	-	<b>345,000</b>	<b>345,000</b>
<b>Net Total</b>	-	-	<b>29,900</b>	-	-	-	-
<b>Fund Balance</b>							
Beginning Fund	-	-	-	-	-	-	-
Ending Fund Balance	-	-	29,900	-	-	-	-
Fund Balance Available	-	-	29,900	-	-	-	-

Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>501 Equipment Replacement Fund</b>							
<b>Revenue</b>							
Other Revenue	24	526	100	-	100	-	100
Transfers In	195,359	114,667	118,310	118,310	135,675	-	135,675
<b>Total Revenue</b>	<b>195,383</b>	<b>115,193</b>	<b>118,410</b>	<b>118,310</b>	<b>135,775</b>	-	<b>135,775</b>
<b>Expense</b>							
General Government	5,362	12,072	-	-	1,820	-	1,820
Public Safety	85,688	-	48,600	48,600	-	-	-
Water	-	60,358	-	-	26,840	-	26,840
Cemetery	-	-	205	205	1,820	-	1,820
Stormwater	-	24,143	34,405	34,405	18,380	-	18,380
Streets	7,149	24,144	14,295	14,295	18,380	-	18,380
Community	-	-	-	-	1,820	-	1,820
Parks	19,669	14,416	17,780	17,780	13,740	-	13,740
<b>Total Expense</b>	<b>117,868</b>	<b>135,133</b>	<b>115,285</b>	<b>115,285</b>	<b>82,800</b>	-	<b>82,800</b>
<b>Net Total</b>	<b>77,515</b>	<b>(19,940)</b>	<b>3,125</b>	<b>3,025</b>	<b>52,975</b>	-	<b>52,975</b>
<b>Fund Balance</b>							
Beginning Fund	111,928	189,443	169,503	169,503	172,528	225,503	172,528
Ending Fund Balance	189,443	169,503	172,628	172,528	225,503	225,503	225,503
Fund Balance Available	189,443	169,502	172,628	172,528	225,503	225,503	225,503



## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Operating Funds							
Summary Report by Cost Category							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>001 General Fund</b>							
<b>Revenue</b>							
Property Tax	988,321	1,056,195	1,145,000	1,145,000	1,260,000	-	1,260,000
Retail Sales & Other Tax	1,441,431	1,721,834	2,174,845	2,369,126	2,149,550	-	2,149,550
Utility Taxes	890,329	986,860	1,051,705	1,070,077	1,097,098	-	1,097,098
License & Permits	875,419	688,425	976,200	1,095,373	1,050,010	-	1,050,010
Planning & Development	668,459	616,645	1,072,593	1,264,535	849,393	-	849,393
Fines & Forfeits	68,761	70,716	70,095	78,518	72,675	-	72,675
Charge for Goods & Svrc	426,565	442,493	540,042	545,823	542,680	-	542,680
Intergovernmental/Grant	202,370	183,670	288,788	197,791	187,566	100,000	287,566
Other Revenue/Donations	156,226	94,921	88,350	81,671	80,900	-	80,900
Transfers In	7,304	1,555	8,798	8,798	-	-	-
<b>Total Revenue</b>	<b>5,725,185</b>	<b>5,863,314</b>	<b>7,416,416</b>	<b>7,856,710</b>	<b>7,289,872</b>	<b>100,000</b>	<b>7,389,872</b>
<b>Expense</b>							
<b>City Council</b>							
Personnel	39,492	52,936	52,694	52,557	52,573	-	52,573
Supplies	2,022	435	1,050	572	1,575	-	1,575
Training/Advocacy	11,264	10,997	15,000	8,413	15,000	-	15,000
Maintenance	4,732	3,735	4,400	3,121	4,600	-	4,600
Utilities	452	4,423	3,400	4,635	5,000	-	5,000
Intergovernmental	7,439	9,101	7,500	8,246	10,000	-	10,000
<b>Total City Council</b>	<b>65,401</b>	<b>81,627</b>	<b>84,044</b>	<b>77,544</b>	<b>88,748</b>	<b>-</b>	<b>88,748</b>
<b>Judicial</b>							
Services	2,384	1,355	20,000	2,483	15,000	-	15,000
Intergovernmental	128,497	126,322	113,082	121,317	121,896	-	121,896
<b>Total Judicial</b>	<b>130,881</b>	<b>127,677</b>	<b>133,082</b>	<b>123,800</b>	<b>136,896</b>	<b>-</b>	<b>136,896</b>
<b>Executive</b>							
Personnel	183,194	211,791	225,193	225,091	254,955	-	254,955
Supplies	555	433	1,500	462	825	-	825
Services/Prof Dev	12,982	15,285	19,000	19,065	16,806	-	16,806
Maintenance	1,285	1,402	1,500	1,014	1,234	-	1,234
Utilities	530	477	510	516	550	-	550
<b>Total Executive</b>	<b>198,546</b>	<b>229,388</b>	<b>247,703</b>	<b>246,147</b>	<b>274,369</b>	<b>-</b>	<b>274,369</b>
<b>Legal</b>							
Services	30,023	22,209	45,000	28,680	40,000	-	40,000
<b>Total Legal</b>	<b>30,023</b>	<b>22,209</b>	<b>45,000</b>	<b>28,680</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>
<b>Finance</b>							
Personnel	263,383	308,014	345,698	347,174	387,525	-	387,525
Supplies	2,370	2,092	3,800	1,367	2,159	-	2,159
Services/Prof Dev	17,486	19,843	42,500	37,525	26,000	-	26,000
Intergovernmental	29,806	27,044	37,000	35,350	40,000	-	40,000
Maintenance	409	769	600	420	700	-	700
Utilities	530	477	510	516	550	-	550
<b>Total Finance</b>	<b>313,984</b>	<b>358,239</b>	<b>430,108</b>	<b>422,351</b>	<b>456,934</b>	<b>-</b>	<b>456,934</b>



## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Operating Funds							
Summary Report by Cost Category							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>001 General Fund</b>							
<b>Human Resources</b>							
Personnel	157,115	163,502	167,244	165,113	175,685	-	175,685
Services/Prof Dev	38,229	44,048	24,000	19,422	23,525	750	24,275
<b>Total Human Resources</b>	<b>195,344</b>	<b>207,550</b>	<b>191,244</b>	<b>184,535</b>	<b>199,210</b>	<b>750</b>	<b>199,960</b>
<b>Administration</b>							
Personnel	319,262	296,198	312,857	315,671	330,133	67,000	397,133
Supplies	905	680	1,000	618	1,000	2,500	3,500
<b>Total Administration</b>	<b>323,337</b>	<b>301,040</b>	<b>327,367</b>	<b>324,882</b>	<b>345,183</b>	<b>69,500</b>	<b>414,683</b>
<b>General Gov/Facilities</b>							
Personnel	83,956	102,173	104,835	97,724	107,087	2,857	109,944
Supplies	24,542	23,796	20,800	15,614	21,731	-	21,731
Services/Prof Dev	148,100	199,299	175,460	178,968	189,903	11,025	200,928
Intergovernmental	1,702	1,924	2,500	1,702	3,000	-	3,000
Maintenance	231,658	277,634	296,400	302,972	327,965	-	327,965
Utilities	37,138	39,272	47,439	41,718	35,074	-	35,074
Capital Outlays	20,547	3,078	140,655	42,150	-	108,585	108,585
Transfers	104,700	45,794	49,560	49,560	53,051	-	53,051
<b>Total Gen Gov/Facilities</b>	<b>652,343</b>	<b>692,970</b>	<b>837,649</b>	<b>730,407</b>	<b>737,809</b>	<b>122,467</b>	<b>860,276</b>
<b>Information Technology</b>							
Maintenance	112,605	144,693	127,903	126,697	114,059	2,500	116,559
Capital Outlays	110,062	24,316	32,658	31,283	-	-	-
<b>Total Information Tech</b>	<b>222,667</b>	<b>169,009</b>	<b>160,561</b>	<b>157,980</b>	<b>114,059</b>	<b>2,500</b>	<b>116,559</b>
<b>Public Safety</b>							
Personnel	1,180,988	1,248,880	1,328,094	1,316,840	1,537,862	-	1,537,862
Supplies	57,100	53,625	83,265	69,131	58,873	5,420	64,293
Services/Prof Dev	25,010	24,550	33,500	18,245	31,000	5,000	36,000
Intergovernmental	99,400	99,707	141,918	123,216	132,556	-	132,556
Maintenance	50,525	62,154	63,880	75,632	70,490	-	70,490
Utilities	18,464	20,402	20,800	23,210	21,700	-	21,700
Capital Outlays	58,201	6,384	47,000	20,542	-	-	-
Transf to Debt Service -	-	20,224	20,224	20,224	20,224	-	20,224
<b>Total Public Safety</b>	<b>1,489,688</b>	<b>1,535,926</b>	<b>1,738,681</b>	<b>1,667,038</b>	<b>1,872,705</b>	<b>10,420</b>	<b>1,883,125</b>
<b>Civil Service</b>							
Supplies	-	-	100	-	100	-	100
Services	60	-	900	70	900	-	900
<b>Total Civil Service</b>	<b>60</b>	<b>-</b>	<b>1,000</b>	<b>70</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>



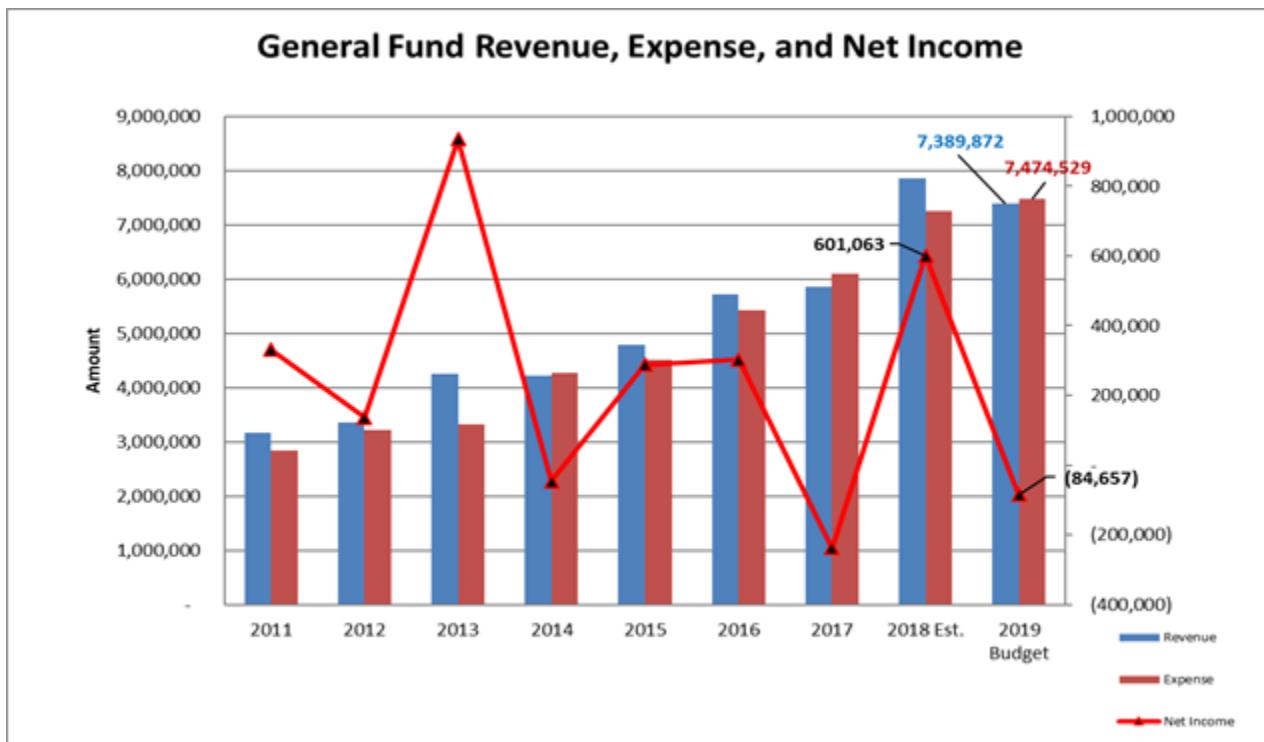
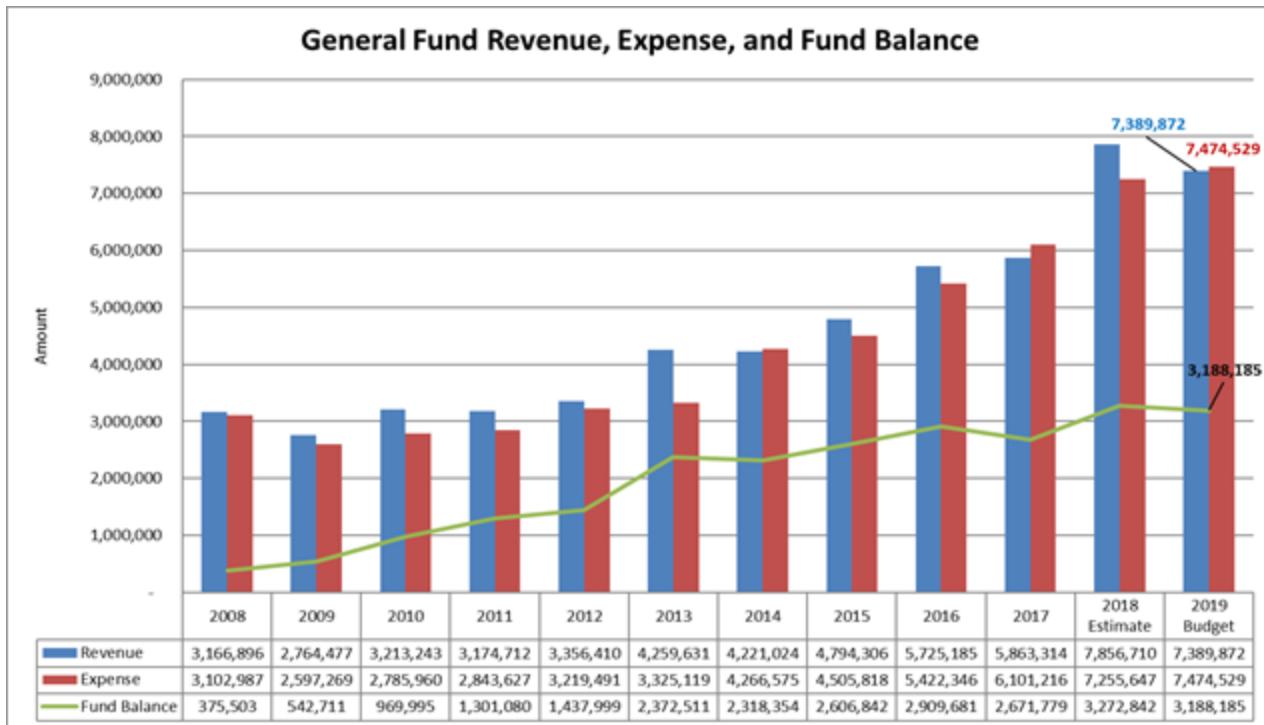
## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Operating Funds							
Summary Report by Cost Category							
Description	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>001 General Fund</b>							
<b>Cemetery</b>							
Personnel	13,439	11,358	17,453	11,742	21,209	2,857	24,066
Supplies	1,046	1,035	3,285	1,076	2,931	-	2,931
Services/ Prof Dev	108	47	1,050	3,035	1,100	-	1,100
Maintenance	924	515	2,000	459	3,550	-	3,550
Utilities	397	519	650	473	463	-	463
Capital Outlays	-	-	1,650	-	-	-	-
<b>Total Cemetery</b>	<b>15,914</b>	<b>13,474</b>	<b>26,088</b>	<b>16,783</b>	<b>29,253</b>	<b>2,857</b>	<b>32,110</b>
<b>Street Transfers</b>							
Street Fund	450,799	476,100	480,176	344,403	441,200	225,330	666,530
<b>Total Street Transfers</b>	<b>450,799</b>	<b>476,100</b>	<b>480,176</b>	<b>344,403</b>	<b>441,200</b>	<b>225,330</b>	<b>666,530</b>
<b>Community Development</b>							
Personnel	466,310	764,292	974,381	965,693	1,029,337	45,900	1,075,237
Supplies	11,853	19,716	23,500	21,231	20,785	5,000	25,785
Services/Prof Dev	352,755	593,018	706,555	653,885	307,453	30,000	337,453
Intergovernmental	5,957	9,144	9,000	9,892	3,850	-	3,850
Maintenance	30,725	56,895	719,960	726,718	183,921	-	183,921
<b>General Fund Continued</b>							
Utilities	13,448	13,162	16,225	14,346	11,600	-	11,600
Capital Outlays	51,929	67,078	75,431	45,908	-	29,955	29,955
<b>Total Com Development</b>	<b>932,977</b>	<b>1,523,305</b>	<b>2,525,052</b>	<b>2,437,672</b>	<b>1,556,946</b>	<b>110,855</b>	<b>1,667,801</b>
<b>Parks</b>							
Personnel	246,391	232,379	276,750	325,513	290,862	43,461	334,323
Supplies	20,924	24,085	27,150	32,097	27,808	1,000	28,808
Services/Prof Dev	39,126	22,838	26,470	4,661	15,107	25,000	40,107
Intergovernmental	-	52	100	55	100	-	100
Maintenance	17,034	44,310	51,700	67,478	98,500	-	98,500
Utilities	35,518	36,555	41,775	47,202	43,700	-	43,700
Capital Outlays	11,389	-	33,250	4,413	-	90,000	90,000
Transfers	30,000	2,483	14,000	11,935	-	-	-
<b>Total Parks</b>	<b>400,382</b>	<b>362,702</b>	<b>471,195</b>	<b>493,354</b>	<b>476,077</b>	<b>159,461</b>	<b>635,538</b>
<b>Total Expense</b>	<b>5,422,346</b>	<b>6,101,216</b>	<b>7,698,950</b>	<b>7,255,647</b>	<b>6,770,390</b>	<b>704,140</b>	<b>7,474,529</b>
<b>Net Total</b>	<b>302,839</b>	<b>(237,902)</b>	<b>(282,534)</b>	<b>601,064</b>	<b>519,482</b>	<b>(604,140)</b>	<b>(84,657)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	2,606,842	2,909,681	2,671,779	2,671,779	3,272,843	3,792,324	3,272,843
Ending Fund Balance	2,909,681	2,671,779	2,389,245	3,272,843	3,792,324	3,188,184	3,188,185
Gen Fund Reserve Bal	1,337,224	1,416,348	1,480,890	1,480,890	1,496,136	1,496,136	1,496,136
Building Reserve Bal	321,093	381,317	394,376	394,376	472,893	472,893	472,893
Restricted for Building	900,274	565,828	-	236,850	220,910	140,055	140,055
Fund Balance Available	351,090	308,286	513,979	1,160,727	1,602,384	1,079,099	1,079,100



## 2019 Adopted Budget

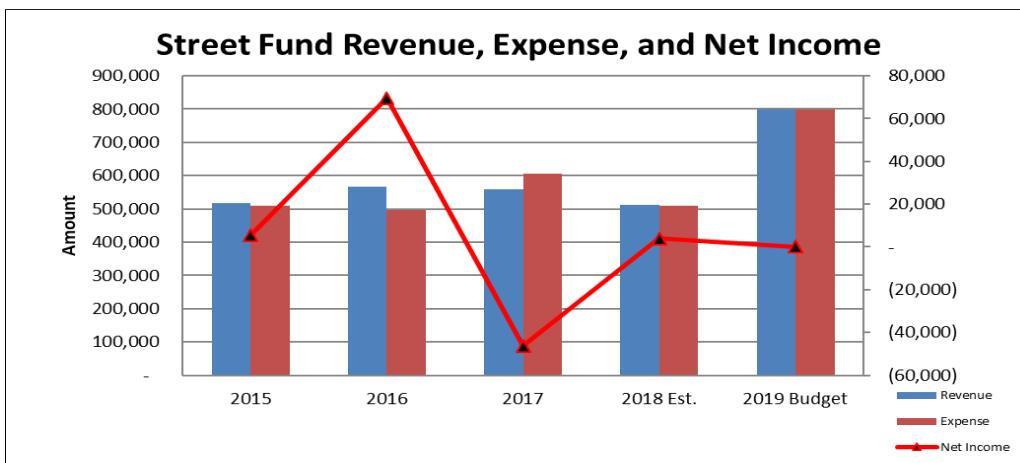




## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Description	Operating Funds						
	2016 Actual	2017 Actual	2018 Final Budget	2018 Est. Year End	2019 Baseline	2019 Additions	2019 Final Budget
<b>101 Street Fund</b>							
<b>Revenue</b>							
Utility Tax/Franchise Fee	52,581	57,992	70,565	91,473	75,186	-	75,186
Permits	11,898	10,688	20,000	26,577	14,000	-	14,000
Grants	3,500	-	-	-	-	-	-
Intergovernmental	145,331	158,094	167,345	169,978	179,604	-	179,604
Other Revenue	5,946	1,108	2,525	255	2,525	-	2,525
Transfers In	346,725	331,100	342,816	223,816	441,200	86,330	527,530
<b>Total Revenue</b>	<b>565,981</b>	<b>558,982</b>	<b>603,251</b>	<b>512,100</b>	<b>712,515</b>	<b>86,330</b>	<b>798,845</b>
<b>Expense</b>							
Personnel	247,387	260,531	250,916	257,760	295,369	26,320	321,689
Supplies	21,347	21,302	16,750	25,748	22,250	1,000	23,250
Services/Prof Dev	1,924	7,607	5,515	1,851	5,800	2,500	8,300
Intergovernmental	-	11,248	15,000	-	15,000	-	15,000
Maintenance	37,078	167,018	204,364	68,185	246,083	2,500	248,583
Utilities	134,807	53,990	89,218	93,728	87,675	-	87,675
Capital Outlays	24,913	59,678	42,716	38,567	20,000	54,010	74,010
Transfers	28,889	23,908	22,386	22,386	20,333	-	20,333
<b>Total Expense</b>	<b>496,345</b>	<b>605,282</b>	<b>646,865</b>	<b>508,225</b>	<b>712,510</b>	<b>86,330</b>	<b>798,840</b>
<b>Net Total</b>	<b>69,636</b>	<b>(46,300)</b>	<b>(43,614)</b>	<b>3,875</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Fund Balance</b>							
Beginning Fund Balance	16,404	86,040	39,740	39,740	43,615	43,620	43,615
Ending Fund Balance	86,040	39,740	(3,874)	43,615	43,620	43,620	43,620
Reserves in GF	-	-	-	-	-	-	-
Fund Balance Available	86,040	39,740	(3,874)	43,615	43,620	43,620	43,620





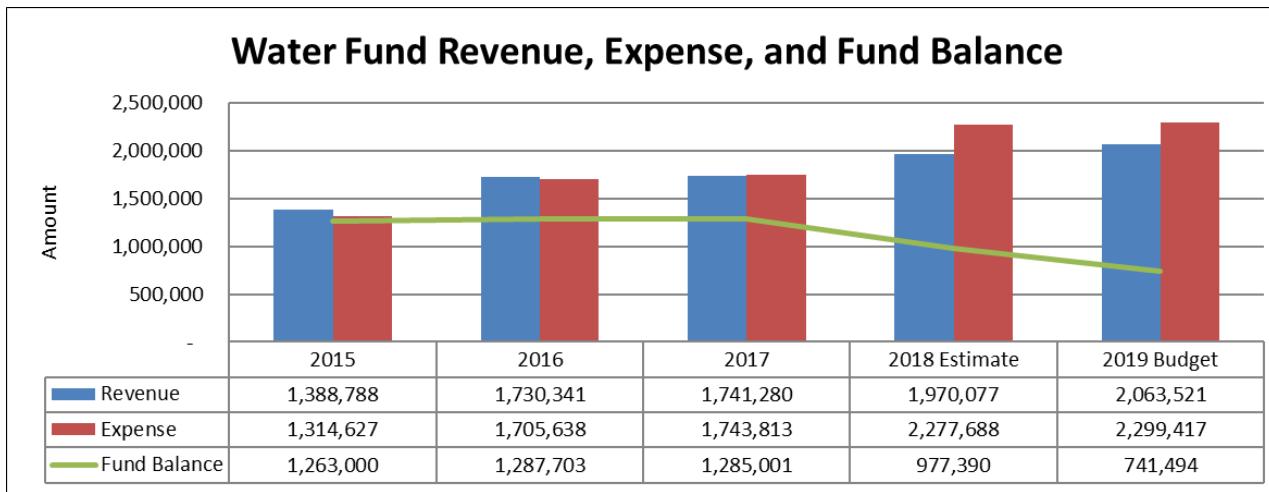
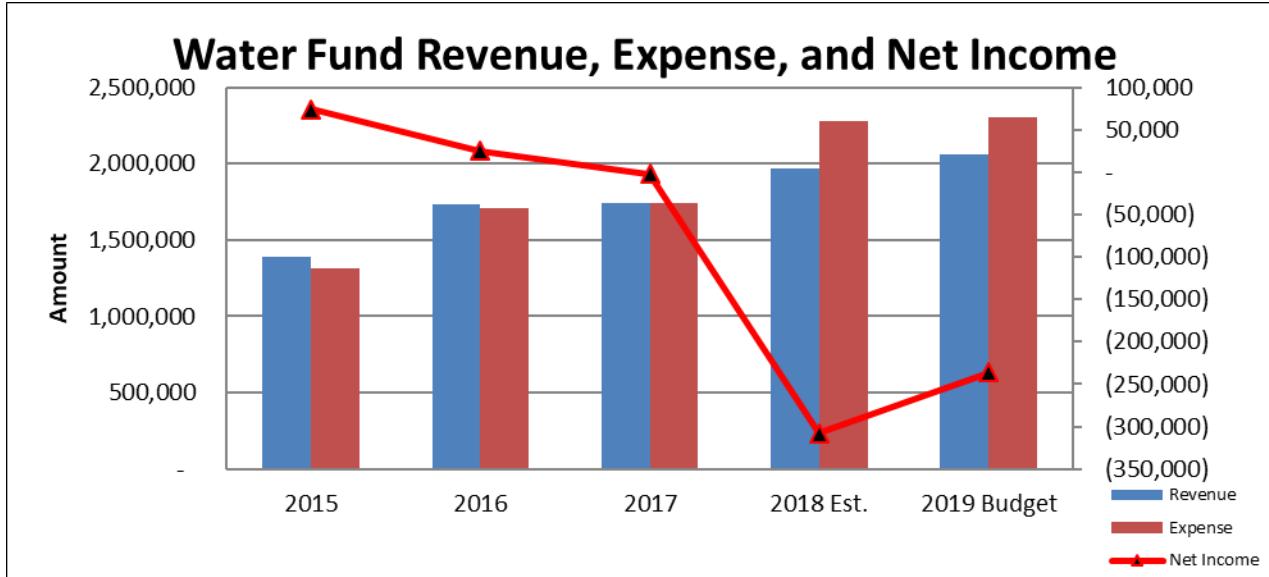
## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Operating Funds							
Description	2016	2017	2018 Final	2018 Est.	2019	2019	2019 Final
	Actual	Actual	Budget	Year End	Baseline	Additions	Budget
<b>406 Water Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods and Svrc	1,396,354	1,516,228	1,706,128	1,759,040	1,853,317	-	1,853,317
Other Revenue	10,212	11,184	12,167	7,760	9,300	-	9,300
Transfers In	323,775	213,868	203,277	203,277	200,904	-	200,904
<b>Total Revenue</b>	<b>1,730,341</b>	<b>1,741,280</b>	<b>1,921,572</b>	<b>1,970,077</b>	<b>2,063,521</b>	-	<b>2,063,521</b>
<b>Expense</b>							
Personnel	413,461	598,090	657,568	619,902	664,534	9,180	673,714
Supplies	184,461	122,077	190,835	203,313	175,655	1,000	176,655
Services/Prof Dev	38,497	43,932	41,550	33,378	50,850	5,000	55,850
Intergovernmental	289,789	266,997	379,659	367,319	459,101	-	459,101
Maintenance	18,369	42,978	104,483	78,995	74,124	2,500	76,624
Utilities	83,452	107,768	112,500	115,124	108,700	-	108,700
Capital Outlays	304,357	278,937	428,803	263,310	-	2,600	2,600
Transfers	22,880	82,234	393,071	393,071	111,088	434,181	545,269
Debt Service	350,372	200,800	203,277	203,277	200,904	-	200,904
<b>Total Expense</b>	<b>1,705,638</b>	<b>1,743,813</b>	<b>2,511,746</b>	<b>2,277,688</b>	<b>1,844,956</b>	<b>454,461</b>	<b>2,299,417</b>
<b>Net Total</b>	<b>24,703</b>	<b>(2,533)</b>	<b>(590,174)</b>	<b>(307,611)</b>	<b>218,565</b>	<b>(454,461)</b>	<b>(235,896)</b>
<b>Fund Balance</b>							
Beginning Fund Balance	1,263,000	1,287,703	1,285,001	1,285,001	977,390	1,195,955	977,390
Ending Fund Balance	1,287,703	1,285,001	694,827	977,390	1,195,955	741,494	741,494
Reserves	485,130	396,724	401,192	331,283	421,252	421,252	421,252
Fund Balance Available	802,573	888,277	293,635	646,107	774,703	320,242	320,242



## 2019 Adopted Budget





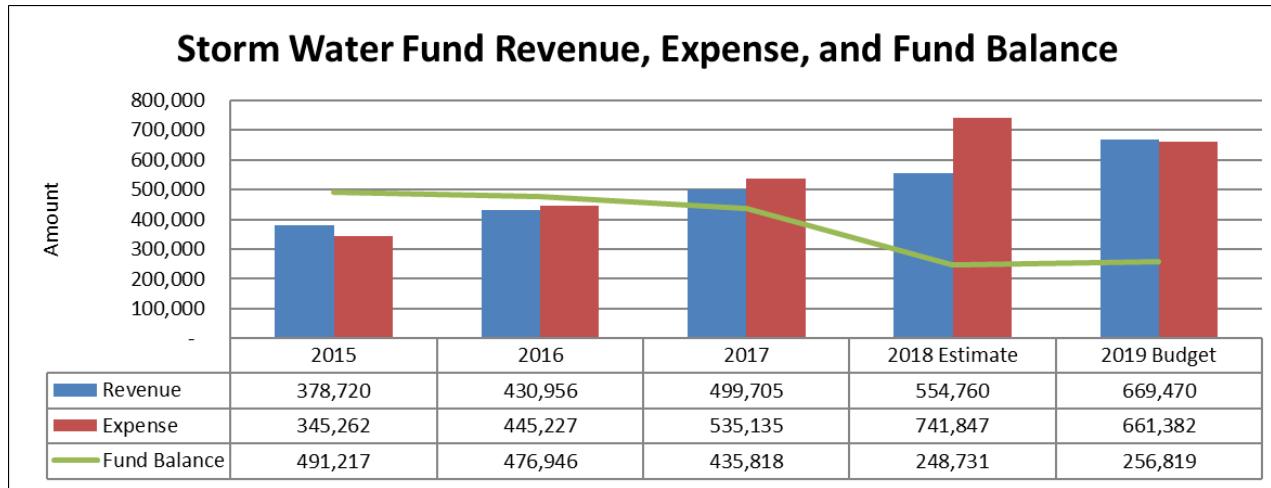
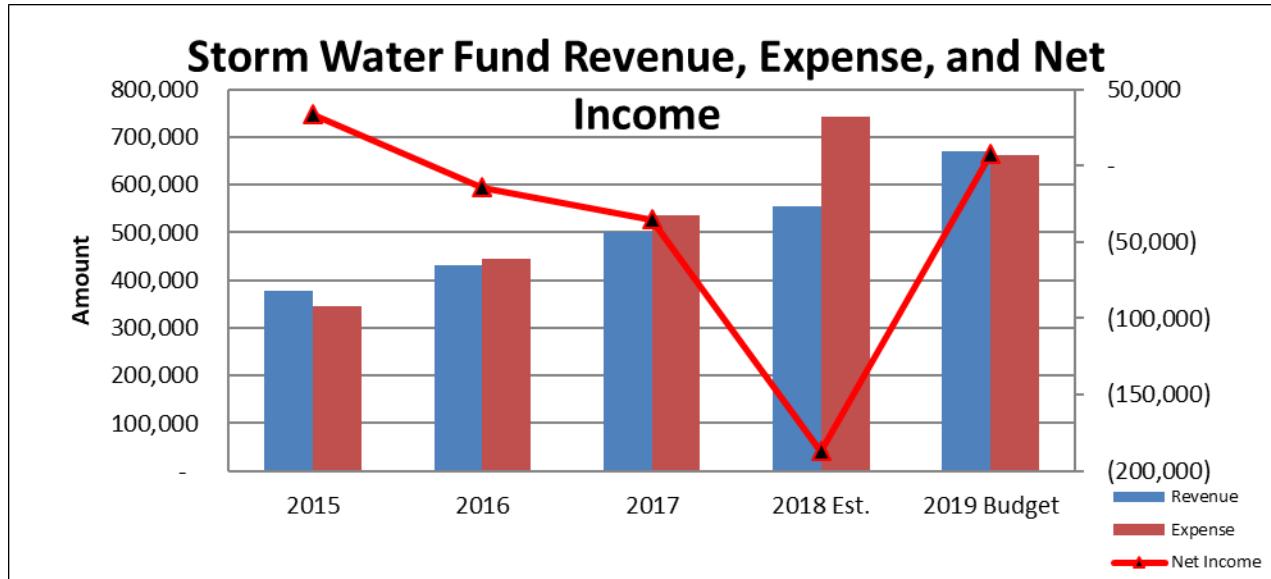
## 2019 Adopted Budget

### Operating Fund Cost Category Reports

Operating Funds							
Description	2016		2017		2018 Final	2018 Est.	2019
	Actual	Actual	Actual	Budget	Year End	Baseline	2019 Additions
<b>408 Stormwater Utility Fund</b>							
<b>Revenue</b>							
Charge for Goods and Srvc	428,537	497,532	598,128	553,569	667,545	-	667,545
Other Revenue	2,419	2,173	525	1,191	1,925	-	1,925
<b>Total Revenue</b>	<b>430,956</b>	<b>499,705</b>	<b>598,653</b>	<b>554,760</b>	<b>669,470</b>	-	<b>669,470</b>
<b>Expense</b>							
Personnel	139,427	193,752	268,058	183,973	263,318	18,360	281,678
Supplies	15,994	22,984	23,700	23,372	21,700	2,000	23,700
Services/Prof Dev	22,893	61,031	8,675	25,350	9,175	2,500	11,675
Intergovernmental	69,829	122,068	113,033	106,663	197,529	-	197,529
Maintenance	21,630	31,612	63,178	67,901	42,222	2,500	44,722
Utilities	9,049	9,307	11,080	10,496	11,110	-	11,110
Capital Outlays	25,358	57,372	48,417	50,620	-	33,850	33,850
Transfers	141,047	37,009	523,473	273,473	57,118	-	57,118
<b>Total Expense</b>	<b>445,227</b>	<b>535,135</b>	<b>1,059,614</b>	<b>741,847</b>	<b>602,172</b>	<b>59,210</b>	<b>661,382</b>
<b>Net Total</b>	<b>(14,271)</b>	<b>(35,430)</b>	<b>(460,961)</b>	<b>(187,087)</b>	<b>67,298</b>	<b>(59,210)</b>	<b>8,088</b>
<b>Fund Balance</b>							
Beginning Fund Balance	491,217	476,946	435,818	435,818	248,731	316,029	248,731
Ending Fund Balance	476,946	435,818	(25,143)	248,731	316,029	256,819	256,819
Reserves	149,726	137,958	183,098	183,098	192,253	192,253	192,253
Fund Balance Available	327,220	297,860	(208,241)	65,633	123,776	64,566	64,566



## 2019 Adopted Budget





## 2019 Adopted Budget

### Initiatives/Capital Outlay/Capital Project

2019 Operating Fund Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>General Fund Impact</b>					
FTE – Administrative Assistant – City Hall	General Fund	\$69,750	\$67,250	\$-	\$2,500
FTE – Facilities Maintenance Worker	General Fund, Street Fund	40,245	40,245	-	-
FTE – Engineer Trainee	General Fund, CDD, Street, Water, and Storm Funds	61,330	55,330	-	6,000
Asset Management Support/Training	General Fund, Street, Water, and Storm Funds	5,000	-	-	5,000
Sergeants Examination	General Fund	5,000	-	-	5,000
Community Survey	General Fund	8,525	-	-	8,525
Economic Development Consultant	General Fund	30,000	-	-	30,000
Infrastructure Study	Grant	100,000	-	100,000	-
Furniture – New CDD, Engineering and Finance Office	General Fund, CDD	38,540	-	-	38,540
Ballistic Shields	General Fund	5,420	-	-	5,420
Overlook Park – Electrical Work	General Fund	30,000	-	-	30,000
Gee Creek Stabilization Work	General Fund	60,000	-	-	60,000
Park Comp Plan Update	General Fund	25,000	-	-	25,000
<b>General Fund Impact</b>		<b>\$478,810</b>	<b>\$162,825</b>	<b>\$100,000</b>	<b>\$215,985</b>



## 2019 Adopted Budget

2019 Operating Fund Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Street Fund Impact</b>					
FTE – Facilities Maintenance Worker	General Fund Transfer	\$17,140	\$17,140	\$-	\$-
FTE – Engineer Trainee	General Fund Transfer	10,180	9,180	-	1,000
Asset Management Support/Training	General Fund Transfer	5,000	-	-	5,000
Furniture – New CDD, Engineering and Finance Office	General Fund Transfer	1,510	-	-	1,510
Flashing Pedestrian Signs	General Fund Transfer	20,000	-	-	20,000
Street Sweeper	General Fund Transfer	32,500	-	-	32,500
<b>Street Fund Impact</b>		<b>\$86,330</b>	<b>\$26,320</b>	<b>\$0</b>	<b>\$60,010</b>

2019 Operating Fund Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Water Fund Impact</b>					
FTE – Engineer Trainee	Water Fund	\$10,180	\$9,180	\$-	\$1,000
Asset Management Laptop Computer	Water Fund	2,500	-	-	2,500
Asset Management Support/Training	Water Fund	5,000	-	-	5,000
Furniture – New CDD, Engineering and Finance Office	Water Fund	2,600	-	-	2,600
<b>Water Fund Impact</b>		<b>\$20,280</b>	<b>\$9,180</b>	<b>\$0</b>	<b>\$11,100</b>



## 2019 Adopted Budget

2019 Operating Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Storm Water Fund Impact</b>					
FTE – Engineer Trainee	Storm Water Fund	\$20,360	\$18,360	\$-	\$2,000
Asset Management Support/Training	Storm Water Fund	5,000	-	-	5,000
Furniture – New CDD, Engineering and Finance Office	Storm Water Fund	1,350	-	-	1,350
Street Sweeper	Storm Water Fund	32,500	-	-	32,500
<b>Storm Water Fund Impact</b>		<b>\$59,210</b>	<b>\$18,360</b>	<b>\$0</b>	<b>\$40,850</b>

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Drug Fund Impact</b>					
Taser Replacement	Drug Fund	\$8,791	\$-	\$-	\$8,791
<b>Drug Fund Impact</b>		<b>\$8,791</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,791</b>

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Grant/Loan Funding	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>General Capital Fund Impact</b>					
S. 8 <sup>th</sup> Ave Improvements (Sidewalk and Road)	CDBG Grant	\$230,000	\$230,000	\$-	\$-
I-5 Overpass Safety Screen and Art	General Fund, WSDOT Grant	40,000	20,000	20,000	-
Hillhurst Road Off Leash Park	General Fund, PIF	575,000	-	-	575,000
Gee Creek Trail Enhancements (Design)	PIF	20,000	-	-	20,000



## 2019 Adopted Budget

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>General Capital Fund Impact</b>					
Gee Creek Trail Enhancements (Construction)	TAP Grant	100,000	100,000	-	-
RORC Sports Equipment	Partnership Share (RLL and Soccer Club)	46,000	46,000	-	-
<b>General Capital Initiatives</b>		<b>\$1,011,000</b>	<b>\$396,000</b>	<b>\$0</b>	<b>\$615,000</b>

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Grant/Loan Funding	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Water Utility Capital Fund Impact</b>					
EF-20 Monitoring (Water Rights)	WSDC	\$17,000	\$-	\$-	\$17,000
Abrams Park Well 7 and 11	WSDC	580,000	-	580,000	-
Water Rights Development and Test Wells	WSDC	1,000,000	-	1,000,000	-
Junction Well Variable Frequency Pumps	WSDC	450,000	-	-	450,000
S. 8 <sup>th</sup> Ave Improvements (Construction)	Water Fund	334,181	-	-	334,181
S 9 <sup>th</sup> Ave Water Line Improvements (Design and Construction)	Water Fund	100,000	-	-	100,000
<b>Water Utility Capital Fund</b>		<b>\$2,481,181</b>	<b>\$0</b>	<b>\$1,580,000</b>	<b>\$901,181</b>

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Grant/Loan Funding	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Storm Water Utility Capital Fund Impact</b>					
Division Street Storm Pond Construction	Grant, REET	\$275,000	\$150,000	\$125,000	\$-



## 2019 Adopted Budget

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Ongoing Expense	2018 One-Time Carry Forward	2019 One-Time Initiative
Hillhurst Road Swale Design	REET	70,000	-	-	70,000
<b>Storm Water Utility Fund</b>		<b>\$345,000</b>	<b>\$150,000</b>	<b>\$125,000</b>	<b>\$70,000</b>

2019 Capital Initiatives					
Project	Funding Source	Total 2019 Appropriation	Grant/Loan Funding	2018 One-Time Carry Forward	2019 One-Time Initiative
<b>Equipment Replacement Fund Impact (ERF)</b>					
2001 Chevrolet Pickup Replacement	ERF	\$36,400	\$0	\$0	\$36,400
2005 Chevrolet Stake Bed Replacement	ERF	46,400	-	-	46,400
<b>ERF Impact</b>		<b>\$82,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$82,800</b>

2019 Initiative/Project Funding					
Fund	2019 Ongoing Initiatives	2018 Carry Forward Initiatives	2019 One-Time Initiatives	Total 2019 Initiative	
General Fund	\$162,825	\$-	\$215,985	\$378,810	
General Fund Transfer to Capital	-	20,000	119,000	139,000	
Street Fund	26,320	-	60,010	86,330	
Water Fund	9,180	-	11,100	20,280	
Water Fund Transfer to Capital	-	-	434,181	434,181	
Storm Fund	18,360	-	40,850	59,210	
Real Estate Excise Tax (REET)	-	125,000	70,000	195,000	
Drug Fund	-	-	8,791	8,791	
Park Impact Fee (PIF)	-	-	476,000	476,000	
Traffic Impact Fee (TIF)	-	-	-	-	
Water System Development Charge	-	1,580,000	467,000	2,047,000	
Equipment Replacement	-	-	82,800	82,800	
Grant/Partnership Funding	-	350,000	296,000	646,000	
<b>Total Initiative/Project Funding</b>	<b>\$216,685</b>	<b>\$2,075,000</b>	<b>\$2,281,717</b>	<b>\$4,573,402</b>	



## ***2019 Adopted Budget***

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



## ***2019 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 are completed through a request for proposal process. These plans are updated every six years. The City has approximately \$54.4 million net investment in capital assets. The City is GAAP basis and has a formal capitalization policy. The City depreciates assets over the estimated life expectancy per the capitalization policy.

In 2019 the Finance Department will work closely with the Public Works Director to complete a six-year capital budget to tie to the capital facility plans. Both departments identified this as a goal in their respective six-year business plan update completed in 2017. 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 will review potential funding options for ongoing street maintenance and repair and replacement projects in late 2018 with a target for implementation in 2<sup>nd</sup> to 3<sup>rd</sup> quarter 2019.

### ***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 intertie 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.

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

The City's current Storm Water Management Plan, which includes the Capital Facility Plan, was completed in 2008. An update is currently underway and is expected to be completed by the end of 2018. The plan includes an analysis of the drainage basin including physical characteristics and water quality, regulatory requirements, the existing system and the Capital Improvement Plan.

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

The 2017 update to the Transportation Capital Facility Plan was completed in March 2017. The plan includes an inventory of all transportation facilities, a 20-year traffic forecast, level of



## ***2019 Adopted Budget***

service (LOS) standards, and identification of system expansion needs. A list of planned projects and cost estimates, with estimated funding sources, is included.

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

The City's Parks and Recreation Capital Facilities Plan was completed in 2016. 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.



## 2019 Adopted Budget

### Capital Project List and Funding Source

<b>Capital Projects</b>			
<b>Project</b>	<b>Funding Source</b>	<b>2019 Expenditure</b>	
<b>General Fund</b>			
Furniture – New CDD, Engineering and Finance Office			38,540
General Fund Expense		8,585	
Community Development Expense		29,955	
<b>Total Office Furniture</b>	<b>\$</b>	<b>38,540</b>	<b>\$</b>
<b>38,540</b>			
Infrastructure Study			100,000
Grant - WSDOT		100,000	
<b>Total Infrastructure Study</b>	<b>\$</b>	<b>100,000</b>	<b>\$</b>
<b>100,000</b>			
Overlook Park Electrical Work			30,000
General Fund Expense		30,000	
<b>Total Overlook Park Electrical Work</b>	<b>\$</b>	<b>30,000</b>	<b>\$</b>
<b>30,000</b>			
Gee Creek Stabilization			60,000
General Fund Expense		60,000	
<b>Total Gee Creek Stabilization</b>	<b>\$</b>	<b>60,000</b>	<b>\$</b>
<b>60,000</b>			
<b>Total General Fund</b>	<b>\$</b>	<b>228,540</b>	<b>\$</b>
<b>228,540</b>			
<b>Street Fund</b>			
Furniture – New CDD, Engineering and Finance Office			1,510
General Fund Transfer		1,510	
<b>Total Office Furniture</b>	<b>\$</b>	<b>1,510</b>	<b>\$</b>
<b>1,510</b>			
Flashing Pedestrian Crossing Signs			20,000
General Fund Transfer		20,000	
<b>Total Flashing Pedestrian Crossing Signs</b>	<b>\$</b>	<b>20,000</b>	<b>\$</b>
<b>20,000</b>			
Street Sweeper			32,500
General Fund Transfer		32,500	
<b>Total Street Sweeper</b>	<b>\$</b>	<b>32,500</b>	<b>\$</b>
<b>32,500</b>			
<b>Total Street Fund</b>	<b>\$</b>	<b>54,010</b>	<b>\$</b>
<b>54,010</b>			
<b>General Capital Fund</b>			
<b>Streets</b>			
S. 8th Ave. Improvements - Construction			230,000
CDBG Grant		230,000	
<b>Total S. 8th Ave Improvements</b>	<b>\$</b>	<b>230,000</b>	<b>\$</b>
<b>230,000</b>			
I-5 Overpass Safety Screen/Art			40,000
WSDOT Grant		20,000	
General Fund Transfer		20,000	
<b>Total I-5 Overpass Safety Screen/Art</b>	<b>\$</b>	<b>40,000</b>	<b>\$</b>
<b>40,000</b>			



## 2019 Adopted Budget

<b>Capital Projects</b>					
<b>Project</b>	<b>Funding Source</b>	<b>2019 Expenditure</b>			
<b>General Capital Fund</b>					
<b>Parks</b>					
Hillhurst Road Off Leash Park			575,000		
General Fund Transfer		119,000			
Park Impact Fee Fund Transfer		456,000			
<b>Total Hillhurst Road Off Leash Park</b>	<b>\$</b>	<b>575,000</b>	<b>\$</b>		
Gee Creek Trail Enhancements - Design			20,000		
Park Impact Fee Fund Transfer		20,000			
<b>Total Gee Creek Trail Enhancement Design</b>	<b>\$</b>	<b>20,000</b>	<b>\$</b>		
Gee Creek Trail Enhancements - Construction			100,000		
Transportation Alternatives Program Grant		100,000			
<b>Total Gee Creek Trail Enhancement Construction</b>	<b>\$</b>	<b>100,000</b>	<b>\$</b>		
RORC Sports Equipment			46,000		
Ridgefield Little League Share		12,000			
Pacific Crest Soccer League Share		34,000			
<b>Total Smythe Road Trail</b>	<b>\$</b>	<b>46,000</b>	<b>\$</b>		
<b>Total General Fund Capital Projects</b>	<b>\$</b>	<b>1,011,000</b>	<b>\$</b>		
<b>Water Utility Fund</b>					
Furniture – New CDD, Engineering and Finance Office			2,600		
Water Utility Fund		2,600			
<b>Total Office Furniture</b>	<b>\$</b>	<b>2,600</b>	<b>\$</b>		
<b>Total Water Utility Fund</b>	<b>\$</b>	<b>2,600</b>	<b>\$</b>		
<b>Stormwater Utility Fund</b>					
Furniture – New CDD, Engineering and Finance Office			1,350		
Storm Water Utility Fund		1,350			
<b>Total Office Furniture</b>	<b>\$</b>	<b>1,350</b>	<b>\$</b>		
Street Sweeper			32,500		
Storm Water Utility Fund		32,500			
<b>Total Street Sweeper</b>	<b>\$</b>	<b>32,500</b>	<b>\$</b>		
<b>Total Stormwater Utility Fund</b>	<b>\$</b>	<b>33,850</b>	<b>\$</b>		



## 2019 Adopted Budget

<b>Capital Projects</b>			
<b>Project</b>	<b>Funding Source</b>	<b>2019 Expenditure</b>	
<b>Water Utility Capital Fund</b>			
EF-20 Monitoring - Water Rights		17,000	
Water System Development Charges Transfer		17,000	
<b>Total EF-20 Monitoring</b>	<b>\$ 17,000</b>	<b>\$ 17,000</b>	
Water Rights & Test Wells		1,000,000	
Water System Development Charges Transfer		1,000,000	
<b>Total Water Rights &amp; Test Wells</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	
Abrams Park Well 7 and 11		580,000	
Water System Development Charges Transfer		580,000	
<b>Total Abrams Park Well 7 and 11</b>	<b>\$ 580,000</b>	<b>\$ 580,000</b>	
Junction Well Variable Frequency Pumps		450,000	
Water System Development Charges Transfer		450,000	
<b>Total Junction Well Variable Frequency Pumps</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	
S. 8th Ave. Water Improvements - Construction		334,181	
Water Utility Operating Fund Transfer		334,181	
<b>S 8th Ave Water Improvements</b>	<b>\$ 334,181</b>	<b>\$ 334,181</b>	
S. 9th Ave. Water Improvements - Design/Constr		100,000	
Water Utility Operating Fund Transfer		100,000	
<b>S 9th Ave Water Improvements</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	
<b>Total Water Utility Capital Projects</b>	<b>\$ 2,481,181</b>	<b>\$ 2,481,181</b>	
<b>Storm Water Utility Capital Fund</b>			
Division Street Storm Pond		275,000	
Grant		150,000	
Real Estate Excise Tax Fund Transfer		125,000	
<b>Total Well 7 Improvements</b>	<b>\$ 275,000</b>	<b>\$ 275,000</b>	
Hillhurst Road Swale Design		70,000	
Real Estate Excise Tax Fund Transfer		70,000	
<b>Total Well 7 Improvements</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	
<b>Total Storm Water Utility Capital Projects</b>	<b>\$ 345,000</b>	<b>\$ 345,000</b>	
<b>Total 2018 Capital Projects</b>	<b>\$ 4,156,181</b>	<b>\$ 4,156,181</b>	



## ***2019 Adopted Budget***

## ***VII. Appendix***



## ***2019 Adopted Budget***

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

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Effective Date: July 26, 2018 Resolution No. 541

Replaces and Cancels: Replaces Financial Policy #01: Financial Management; August 25, 2016

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.



## 2019 Adopted Budget

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### 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



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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:



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- 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.



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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.



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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.



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**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 - 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.



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**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 #5 - 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.
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 #6 - 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



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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.
- 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.



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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
- 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.



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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.

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



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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.

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.



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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 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.



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

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

#### **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



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### 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



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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.



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### 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,



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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:



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- 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



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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.



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

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

#### **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:



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- 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.



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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



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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 Depositories* 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:



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- 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)



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- 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



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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.



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### **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.



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### 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) are 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 smooths 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 Banker's 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



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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.



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### 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.



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**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.



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**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



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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.



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**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.



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**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.



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**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.



## 2019 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.



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### 2019 Master Fee Schedule

**Resolution No. 549 November 15, 2018**

<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>	
• <b>Payment.</b> All fees are due at the time an application is submitted.	
• <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.	
• <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.	
<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



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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



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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>	
<b>Plat Modification</b>	
<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>	
If Development Permit Application Submitted within 6 Months	\$1,250 \$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



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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
	\$150
<b>Zoning Confirmation Letter</b>	
<b>C. Public Works Permits</b>	
• <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.	
• <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.	
• <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.	
<b>Right of Way/Road Encroachment Permit:</b>	



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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
6.0 Inch Meter	Time &



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	Materials Time & Materials
8.0 Inch Meter	
Water Service Installation	
Water Utility Availability Determination	\$25
<b>Engineering Review:</b>	
Engineering Site Plan	\$4,000
Engineering Site Plan - Final	\$450
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

### D. Building Permits

- Payment.** 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.
- \* Use of Outside Professional Consultants.** 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.
- Simultaneous Development Permit Submittal.** 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.
- Building Valuation.** 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).
- Refunds.** The Community Development Director (Director) shall refund the full amount of any fee paid hereunder which



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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.

<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



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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



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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



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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>Air Handlers</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>Evaporative Coolers</b>	
For each evaporative cooler other than portable type	\$15.00
<b>Ducts</b>	
For each duct	\$9.00
<b>Ventilation and Exhaust</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>Incinerators</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>Miscellaneous</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



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<u>Supplemental Permit (Original Permit Not Expired)</u>	\$15.00
<u>Fixtures and Vents</u>	
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
<u>Industrial Waste and Rainwater Systems</u>	
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
<u>Water Piping and Water Heaters</u>	
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
<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>Lawn Sprinklers, Vacuum Breakers and Backflow Protection Devices</u>	
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
<u>Swimming Pools</u>	
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



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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:	



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	<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.)</b>		
<b>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)		\$7,107.00
Multi Family (Per Dwelling Unit)		\$7,107.00
<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		



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	<p>average daily trip (ADT) generation of the proposed use.</p> <ol style="list-style-type: none"><li>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.</li><li>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.</li><li>4. Water System Development Charges are based upon meter equivalent size (M.E.S.).</li><li>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).</li><li>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).</li><li>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</li></ol>	
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	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). 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.	
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### Appendix "A" Clark County Fire and Rescue Permit Fees

Permit / Process	Review	Inspection
<b>Development Review</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>Building Construction / Change of Use or Occupancy</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>High-Piled Combustible Storage</b>		



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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



## 2019 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	\$0.15 per page
Black & White 8.5x14.0 Inch	\$0.35 per page
Black & White 11.0x17.0 Inch	\$0.40 per page
Color 8.5x11.0 Inch	\$1.00 per page
Color 8.5x14.0 Inch	\$1.00 per page
Color 11.0x17.0 Inch	\$1.50 per page
Records scanned into electronic format	\$0.10 per page
Electronic files uploaded to email, cloud storage service, or other electronic delivery system	\$0.05 every four files
Transmission of electronic records	\$0.10 per gigabyte
Hiring information technology expertise – external	Actual City Cost w/10%



## 2019 Adopted Budget

	deposit
Annual Budget (Bound Copy)	\$30.00
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>	
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	\$35.00
Cemetery Lot – Purchase	\$600.00
Cemetery Lot – Marking	\$25.00
Notary Fee	\$5.00
Latecomer Agreement Application	\$500.00
Latecomer Agreement Processing	\$125.00
Latecomer Agreement Appeal	\$250.00
Administrative Billing Late Fee (After 60 Days Past Due)	1% Per Month
<b>Police Department Fees:</b>	
Fingerprint Card	\$20.00
Release of Property to Finder Fee	*\$10.00
Neighborhood Electric Vehicle/Golf Cart Registration (One Time)	\$30.00
<u>Concealed Weapon Permit</u>	
Concealed Weapon Permit Application (Good for 5 Years)	\$50.75
Concealed Weapon Permit Renewal	\$32.00
Late Renewal Penalty	\$42.00
Replacement Permit	\$10.00
<u>Dog Licenses</u>	
Spayed or Neutered – Annual Fee	\$20.00
Not Spayed or Neutered – Annual Fee	\$30.00
Lifetime Dog License (Altered or Unaltered)	\$50.00
Hobby Kennels (5-10 Dogs)	\$50.00
Commercial Kennels (11+ Dogs)	\$100.00

\*Plus Actual Cost of Publication of Notice (RCW 63.21.030)



## 2019 Adopted Budget

### Full-Time Equivalent (FTE) Summary by Department

Personnel Schedule (Full-Time Equivalents)				
Job Title	2017 FTE Allocation	2018 FTE Allocation	2019 FTE Allocation	2019 FTE Percentage
<b>Executive</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.05%</b>
<b>Total Finance</b>	<b>3.05</b>	<b>3.30</b>	<b>3.30</b>	<b>6.77%</b>
<b>Total Human Resources</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>2.67%</b>
<b>Total Administration</b>	<b>2.70</b>	<b>2.70</b>	<b>3.70</b>	<b>7.59%</b>
<b>Total General Government/Facilities</b>	<b>1.04</b>	<b>1.02</b>	<b>1.07</b>	<b>2.19%</b>
<b>Total Public Safety</b>	<b>11.00</b>	<b>12.00</b>	<b>12.00</b>	<b>24.62%</b>
<b>Total Cemetery</b>	<b>0.22</b>	<b>0.22</b>	<b>0.27</b>	<b>0.55%</b>
<b>Total Community Development</b>	<b>7.45</b>	<b>9.40</b>	<b>9.90</b>	<b>20.31%</b>
<b>Total Parks</b>	<b>3.26</b>	<b>3.19</b>	<b>3.89</b>	<b>7.98%</b>
<b>Total Streets</b>	<b>2.46</b>	<b>2.91</b>	<b>3.31</b>	<b>6.79%</b>
<b>Total Water Utility</b>	<b>5.06</b>	<b>6.14</b>	<b>6.24</b>	<b>12.80%</b>
<b>Total Sewer Treatment Utility</b>	<b>2.39</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Total Stormwater Utility</b>	<b>2.57</b>	<b>2.57</b>	<b>2.77</b>	<b>5.68%</b>
<b>Total Full Time Equivalents</b>	<b>43.50</b>	<b>45.75</b>	<b>48.75</b>	<b>100.00%</b>
<b>Full-Time Staff</b>				
<b>Full-Time Employees</b>	<b>43.00</b>	<b>44.00</b>	<b>47.00</b>	<b>96.41%</b>
<b>Part-Time Staff</b>				
<b>Part-Time Employees</b>	<b>1.00</b>	<b>1.75</b>	<b>1.75</b>	<b>3.59%</b>



## 2019 Adopted Budget

### Budgeted Positions and FTE's by Department

2019 Personnel Schedule (Full-Time Equivalents)		
Job Title		FTE Allocation
<b>Executive</b>		
City Manager		1.00
	<b>Total Executive</b>	<b>1.00</b>
<b>Finance</b>		
Finance Director		1.00
Accounting Clerk		0.625
Accounting Clerk		0.625
Senior Accountant		1.00
Utility Clerk		0.05
	<b>Total Finance</b>	<b>3.30</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 Assistant		1.00
	<b>Total Administration</b>	<b>3.70</b>
<b>General Government/Facilities</b>		
Public Works Supervisor, Facilities		0.15
PW Administrative Assistant		0.02
Public Works Supervisor, Utilities		0.05
Engineer		0.05
Facility Maintenance Worker		0.05
Public Works Director		0.10
Facility Maintenance Worker		0.15
Facility Maintenance Worker		0.15
Facility Maintenance Worker		0.10
Mechanic/Maintence Worker		0.10
Development Inspector/Code Enforcement		0.10
Facility Maintenance Worker		0.05
	<b>Total General Government/Facilities</b>	<b>1.07</b>



## 2019 Adopted Budget

<b>2019 Personnel Schedule (Full-Time Equivalents)</b>		
<i>Job Title</i>		<i>FTE Allocation</i>
<b>Public Safety</b>		
Police Sergeant		1.00
Chief of Police		1.00
Police Sergeant		1.00
Police Officer		1.00
Police Lieutenant		1.00
Police Clerk		1.00
Police Officer		1.00
Police Officer		1.00
<b>Total Public Safety</b>		<b>12.00</b>
<b>Cemetery</b>		
Public Works Supervisor, Facilities		0.05
PW Administrative Assistant		0.02
Facility Maintenance Worker		0.05
<b>Total Cemetery</b>		<b>0.27</b>
<b>Community Development</b>		
Permit Tech		1.00
Engineer		0.45
Public Works Director		0.25
Associate Planner		1.00
Admin Assistant/Permit Tech		1.00
Building Inspector		1.00
Community Development Director		1.00
Building Official		1.00
Development Inspector/Code Enforcement		0.70
Building Inspector		1.00
Plans Examiner		1.00
Engineer Trainee		0.50
<b>Total Community Development</b>		<b>9.90</b>



## 2019 Adopted Budget

<b>2019 Personnel Schedule (Full-Time Equivalents)</b>		
<i>Job Title</i>		<i>FTE Allocation</i>
<b>Parks</b>		
Public Works Supervisor, Facilities		0.40
Park Caretaker		0.50
PW Administrative Assistant		0.05
Engineer		0.10
Facility Maintenance Worker		0.60
Public Works Director		0.15
Facility Maintenance Worker		0.30
Facility Maintenance Worker		0.30
Facility Maintenance Worker		0.44
Mechanic/Maintence Worker		0.30
Development Inspector/Code Enforcement		0.05
Engineer Trainee		0.10
Facility Maintenance Worker		0.60
<b>Total Parks</b>		<b>3.89</b>
<b>Streets</b>		
Public Works Supervisor, Facilities		0.40
PW Administrative Assistant		0.05
Engineer		0.15
Facility Maintenance Worker		0.35
Public Works Director		0.20
Facility Maintenance Worker		0.50
Facility Maintenance Worker		0.50
Facility Maintenance Worker		0.41
Mechanic/Maintence Worker		0.30
Development Inspector/Code Enforcement		0.05
Engineer Trainee		0.10
Facility Maintenance Worker		0.30
<b>Total Streets</b>		<b>3.31</b>



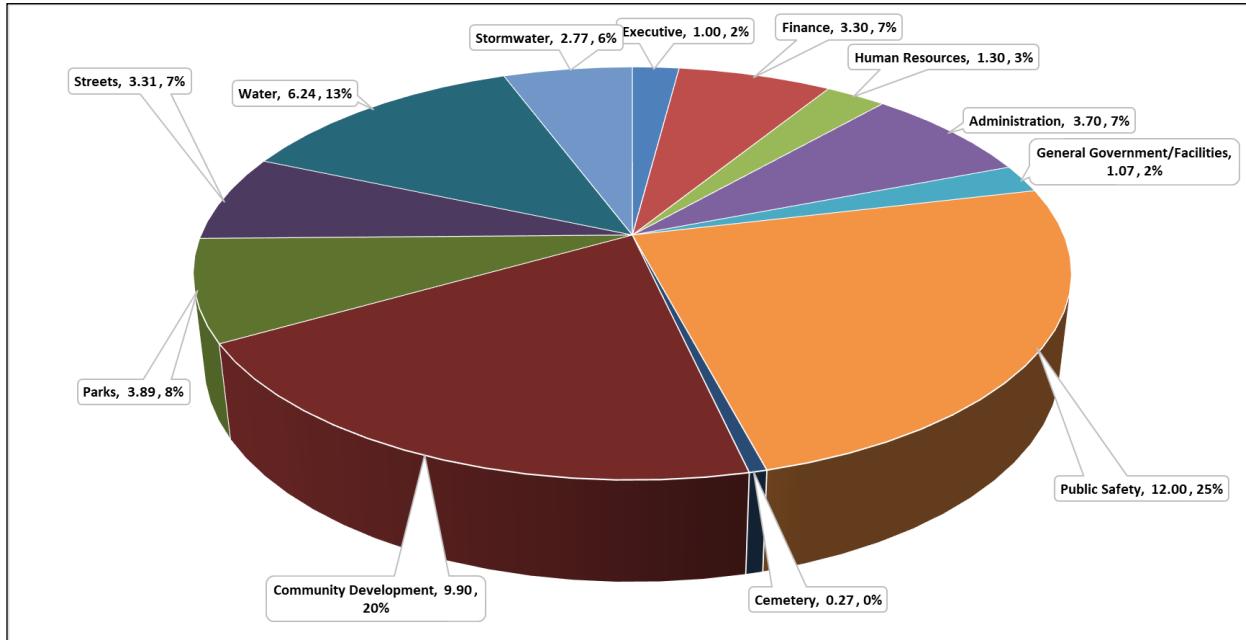
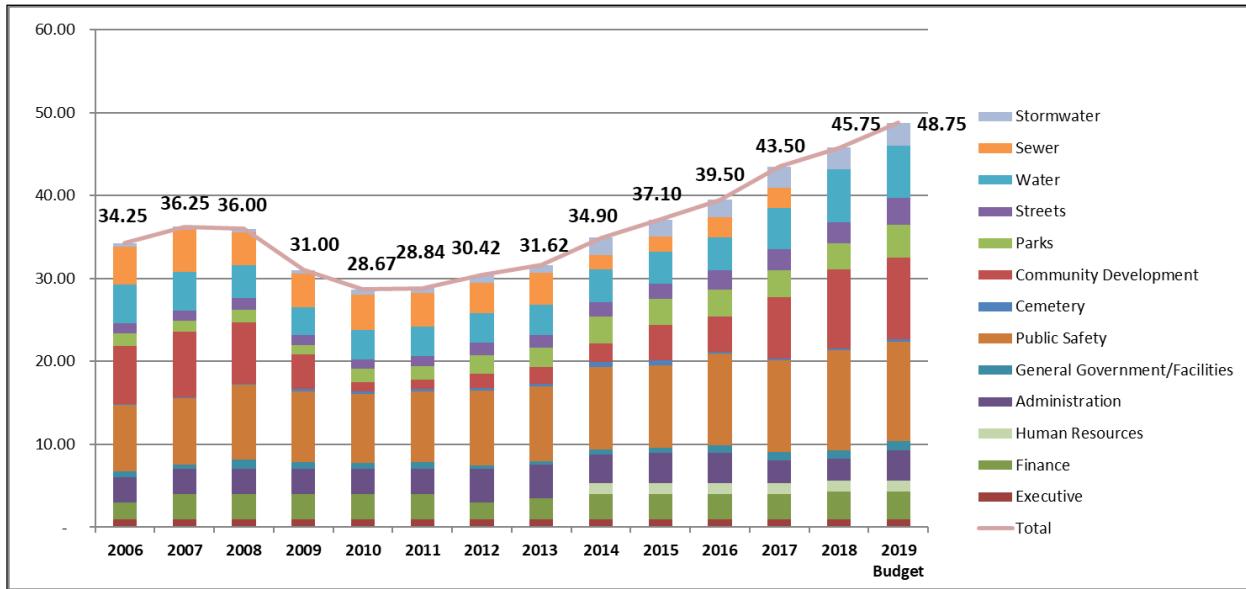
## 2019 Adopted Budget

2019 Personnel Schedule (Full-Time Equivalents)		
Job Title		FTE Allocation
<b>Water Utility</b>		
PW Administrative Assistant		0.81
Utility Maintenance Worker		0.84
Public Works Supervisor, Utilities		0.75
Utility Maintenance Worker		0.90
Utility Maintenance Worker		0.84
Utility Clerk		0.75
Engineer		0.10
Public Works Director		0.15
Utility Maintenance Worker		0.90
Mechanic/Maintence Worker		0.05
Development Inspector/Code Enforcement		0.05
Engineer Trainee		0.10
<b>Total Water Utility</b>		<b>6.24</b>
<b>Stormwater Utility</b>		
PW Administrative Assistant		0.05
Utility Maintenance Worker		0.16
Public Works Supervisor, Utilities		0.20
Utility Maintenance Worker		0.10
Utility Maintenance Worker		0.16
Utility Clerk		0.20
Engineer		0.15
Public Works Director		0.15
Utility Maintenance Worker		0.10
Facility Maintenance Worker		1.00
Mechanic/Maintence Worker		0.25
Development Inspector/Code Enforcement		0.05
Engineer Trainee		0.20
<b>Total Stormwater Utility</b>		<b>2.77</b>
<b>Total Full Time Equivalents</b>		<b>48.75</b>
<b>Full-Time Staff</b>		
Full-Time Employees		47.00
<b>Part-Time Staff</b>		
Part-Time Employees		1.75



## 2019 Adopted Budget

### Total Full Time Equivalent Employees by Function:





## 2019 Adopted Budget

<b><i>Interfund Transfers</i></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	355,401	-
From Stormwater Operating	Indirect Cost Allocation	182,329	-
To Equipment Replacement	Equipment Replacement Fund	-	53,051
To Debt Service	Public Safety Debt Service	-	20,224
To Street Fund	Transfer to Street Operating Fund	-	527,530
To General Capital - Streets	General Capital Streets Projects	-	139,000
<b>Total General Fund Transfers</b>		<b>\$ 537,730</b>	<b>\$ 739,805</b>
<b>101 Street Fund</b>			
From General Fund	Operating Transfer from General Fund	527,530	-
To Equipment Replacement	Equipment Replacement Fund	-	20,333
<b>Total Street Transfers</b>		<b>\$ 527,530</b>	<b>\$ 20,333</b>
<b>105 Real Estate Excise Tax (REET)</b>			
To Utility Capital - Storm	Division Street Storm Pond	-	125,000
To Utility Capital - Storm	Hillhurst Road Swale Design	-	70,000
To Debt Service	RORC General Obligation Bonds Debt Service	-	788,275
<b>Total REET Transfers</b>		<b>\$ -</b>	<b>\$ 983,275</b>



## 2019 Adopted Budget

<b><i>Interfund Transfers</i></b>			
<b><i>Fund</i></b>	<b><i>Description</i></b>	<b><i>Transfer From</i></b>	<b><i>Transfer To</i></b>
<b><i>114 Park Impact Fee (PIF)</i></b>			
To General Capital - Parks	Hillhurst Road Off Leash Park	-	456,000
To General Capital - Parks	Gee Creek Trail Enhancement - Design	-	20,000
<b><i>Total PIF Transfers</i></b>		<b>\$ -</b>	<b>\$ 476,000</b>
<b><i>200 Debt Service</i></b>			
From General Fund - Public Safety	CRESA Radio Installment	20,224	-
From REET Fund - Parks	RORC General Obligation Bonds Debt Service	788,275	-
<b><i>Total Debt Service Transfers</i></b>		<b>\$ 808,499</b>	<b>\$ -</b>
<b><i>300 General Capital</i></b>			
From General Fund - Street Projects	Hillhurst Road Off Leash Park - Frontage and Road Improvement	119,000	-
From General Fund - Street Projects	I-5 Overpass Safety Screen/Art	20,000	-
From PIF - Capital Parks	Hillhurst Road Off Leash Park	456,000	-
From PIF - Capital Parks	Gee Creek Trail Enhancement - Design	20,000	-
<b><i>Total General Capital Transfers</i></b>		<b>\$ 615,000</b>	<b>\$ -</b>



## 2019 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	200,904	-
To General Fund	Indirect Cost Allocation	-	355,401
To Water Utility Capital	S. 8th Ave. Water Line Improvements	-	334,181
To Water Utility Capital	S. 9th Ave. Water Line Improvements	-	100,000
To Equipment Replacement	Equipment Replacement Fund	-	32,623
<b>Total Water Utility Transfers</b>		<b>\$ 200,904</b>	<b>\$ 822,205</b>
<b>408 Stormwater Utility</b>			
To General Fund	Indirect Cost Allocation	-	182,329
To Equipment Replacement Fund	Equipment Replacement Fund	-	29,668
<b>Total Stormwater Utility Transfers</b>		<b>\$ -</b>	<b>\$ 211,997</b>
<b>410 Water Utility Capital</b>			
From Water System Development Charges Fund	Abrams Park Well 7 and 11	580,000	-
From Water System Development Charges Fund	Water Rights & Test Wells	1,000,000	-
From Water System Development Charges Fund	Junction Well Variable Frequency Pumps	450,000	-
From Water System Development Charges Fund	EF-20 Monitoring - Water Rights	17,000	-
From Water Utility Operating Fund	S. 8th Ave. Water Line Improvements	334,181	-
From Water Utility Operating Fund	S. 9th Ave. Water Line Improvements	100,000	-
<b>Total Water Utility Capital Transfers</b>		<b>\$ 2,481,181</b>	<b>\$ -</b>



## 2019 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	Division Street Storm Pond	125,000	-
From REET Fund - Storm	Hillhurst Road Swale Design	70,000	-
<b>Total Storm Water Utility Capital Transfers</b>		<b>\$ 195,000</b>	<b>\$ -</b>
<b>416 Water Utility System Development Charge (WSDC)</b>			
To Water Utility Capital	Abrams Park Well 7 and 11	-	580,000
To Water Utility Capital	Water Rights & Test Wells	-	1,000,000
To Water Utility Capital	Junction Well Variable Frequency Pumps	-	450,000
To Water Utility Capital	EF-20 Monitoring - Water Rights	-	17,000
To Water Operating Fund	Debt Service	-	200,904
<b>Total WSDC Transfers</b>		<b>\$ -</b>	<b>\$ 2,247,904</b>
<b>501 Equipment Replacement Fund (ERF)</b>			
From General Fund	ERF Transfer	53,051	-
From Water Utility	ERF Transfer	32,623	-
From Stormwater Utility	ERF Transfer	29,668	-
From Street Fund	ERF Transfer	20,333	-
<b>Total ERF Transfers</b>		<b>\$ 135,675</b>	<b>\$ -</b>
<b>Total 2019 Interfund Transfers</b>		<b>\$ 5,501,519</b>	<b>\$ 5,501,519</b>



## 2019 Adopted Budget

### 2019 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	531,425
Parks	RORC General Obligation Bonds - 2018	256,850
	<b>Parks Debt Service</b>	<b>\$ 788,275</b>
<b>406 Water Utility Debt Service</b>		
Water Utility	DWSRF Loan Junction Well & Transmission System	78,010
Water Utility	DWSRF Loan Junction Reservoir	122,894
	<b>Water Utility Debt Service</b>	<b>\$ 200,904</b>
	<b>Total 2019 Debt Service</b>	<b>\$ 1,009,403</b>



## 2019 Adopted Budget

### 2016 CRESA Installment Contract – Radio Purchase

#### Amortization Schedule:

Date	Principle Payments	Interest Payments	Total Requirements	Unpaid Balance
				\$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>	



## 2019 Adopted Budget

### 2017 General Obligation Bonds – Ridgefield Outdoor Recreation Center

#### Amortization Schedule:

Year	Due Date	Principal			Total Debt	
		Amount	Balance	Interest Rate	Interest Pmt	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
		\$ 9,455,000			\$ 6,390,283	\$15,845,283



## 2019 Adopted Budget

### 2018 General Obligation Bonds – Ridgefield Outdoor Recreation Center Amortization Schedule:

Year	Due Date	Principal			Total Debt	
		Amount	Balance	Interest Rate	Interest Pmt	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>



## 2019 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>	



## 2019 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>	



## ***2019 Adopted Budget***

### **ORDINANCE NO. 1280**

#### **AN ORDINANCE ADOPTING THE 2019 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 2019 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 2019 proposed budget was submitted to the City Council and City Clerk on October 31, 2018 and budget workshop sessions were held on July 26, 2018, August 23, 2018, September 27, 2018 and October 25, 2018; and

WHEREAS, public hearings on the 2019 annual budget were held on November 1, 2018, November 15, 2018 and December 6, 2018.

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 2019 budget of anticipated revenues and expenditures.

**Section 2:** 2019 Budget Adoption. The annual budget for the City of Ridgefield, Washington for the year ending December 31, 2019 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 2019. 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.



## 2019 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.

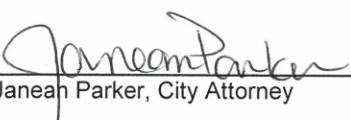
PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 6<sup>TH</sup> DAY OF DECEMBER, 2018.

By:   
Don Stose, Mayor

Attest:

  
Julie Ferriss  
City Clerk

Approved as to Form:

  
Janean Parker, City Attorney

First Reading:	November 15, 2018
Second Reading/Passed:	December 6, 2018
Date of Publication:	December 12, 2018
Effective Date:	December 17, 2018



## ***2019 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.



## 2019 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



## ***2019 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.



## 2019 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.