

CITY COUNCIL

AGENDA BILL # AB22-0045



City of Algona
200 Washington Blvd.
Algona, WA 98001

ITEM INFORMATION			
SUBJECT: Ordinance 1215-22 – Final 2023 Budget	Agenda Date: December 12, 2022		
	Department/Committee/Individual	Created	Reviewed
	Mayor		X
	City Administrator		X
	City Attorney		X
	City Clerk		X
	Finance Dept	X	X
	PW/Utilities		
	Planning Dept		
	Community Services		
Police Dept			
Cost Impact:	Finance Committee		X
Fund Source:	Planning Commission		
Timeline:	Civil Service Committee		
Staff Contact: Jessica Griess, City Clerk; Tara Dunford, CPA			
Attachments: Final 2023 Budget; Ordinance 1215-22			
SUMMARY STATEMENT: See attached from Tara Dunford, CPA.			
COMMITTEE REVIEW AND RECOMMENDATION:			
RECOMMENDED ACTION: Motion to adopt attached Ordinance 1215-22 and adopting the budget for 2023.			
RECORD OF COUNCIL ACTION			
<i>Meeting Date:</i>	<i>Action:</i>	<i>Vote:</i>	

To: Mayor Dave Hill and City Council Members

From: Tara Dunford, CPA

Date: December 12, 2022

Re: Ordinance No. 1215-22 2023 Final Budget

ATTACHMENTS: Ordinance 1215-22; Exhibit A – Budget Book

TYPE OF ACTION: Action. Recommended motion: “I move to adopt attached Ordinance 1215-22 adopting the budget for 2023.”

Discussion:

Council received the Preliminary budget on September 26, 2022 and the final Preliminary budget on October 24, 2022. The required Public Hearing on revenue sources was held on November 14, 2022. The required Public Hearing on the Preliminary budget was held on November 14, 2022 and required Public Hearing on the Final budget was held on November 28, 2022. The first reading of this ordinance occurred on November 28, 2022. The 2023 Budget must be adopted prior to December 31, 2022.

The following changes are reflected in the final version of the budget per Council discussion which occurred on November 28, 2022:

- Established a cost of living increase of 4.5% for non-represented employees.
- Removed both proposed new part-time positions from the budget (Mayor Assistant and Community Connector Assistant).

Other Considerations:

- The budget currently has a general fund shortfall of \$53,150. The maximum “acceptable” shortfall would be \$62,000 (\$57,000 reflects use of ARPA funds for the Community Connector position and \$5,000 reflects on-time costs related to Channel 21. As such the remaining General Fund “cushion” is \$8,850.
- The budget reflects a zero percent cost of living adjustment for non-uniform union employees, pending settlement of contract. A budget amendment will be necessary in order to update the wage scale upon contract settlement. The cost of adjustments for this union are as follows:

Fund	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
General Fund & Streets	4,391	8,782	13,173	17,564	21,955	26,346	30,737	35,128	39,519	43,910
Storm	1,561	3,122	4,683	6,244	7,805	9,366	10,927	12,488	14,049	15,610
Water	766	1,532	2,298	3,064	3,830	4,596	5,362	6,128	6,894	7,660
Sewer	185	370	555	740	925	1,110	1,295	1,480	1,665	1,850
Total Impact	6,903	13,806	20,709	27,612	34,515	41,418	48,321	55,224	62,127	69,030

CITY OF ALGONA, WASHINGTON

ORDINANCE NO. 1215-22

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON, ADOPTING THE BUDGET FOR 2023; SETTING FORTH ESTIMATED REVENUES AND APPROPRIATIONS; ESTABLISHING JOB CLASSIFICATIONS AND PAY RANGES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the tax estimates and budget for the City of Algona, Washington, for the 2023 calendar year have been prepared and filed as provided by the laws of the State of Washington; and

WHEREAS, the preliminary budget was available to the public and notice published in the official paper of the City of Algona, setting the time and place for hearing on the budget; and

WHEREAS, the City Council of the City of Algona, held a public hearing on the Revenue Sources on November 14, 2022 as required by law, and considered the public testimony presented; and

WHEREAS, the City Council of the City of Algona properly noticed and held public hearings on the preliminary budget on November 14, 2022 and on the final budget on November 28, 2022 as required by law, and considered public testimony presented; and

WHEREAS, the City Council finds that the proposed budget for 2023 reflects revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels; and

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

Section 1. The budget document attached hereto as Exhibit "A", is adopted as the budget for the City of Algona for 2023.

Section 2. In summary form, the totals of estimated resources and appropriations for each separate fund and aggregate totals (net totals between funds) for all such funds combined are as follows:

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
General	756,341	3,143,610	3,196,760	703,191
Drug	6,677	1,000	2,200	5,477
Street	14,535	401,900	401,900	14,535
Rainy Day Fund	321,465	-	-	321,465
Capital Improvement	418,170	100,000	315,000	203,170
Park Impact	136,680	36,000	-	172,680
General Obligation Bond	7,003	315,000	319,000	3,003
Stormwater Management	1,635,864	447,000	358,500	1,724,364
Water Maintenance	1,113,223	899,000	812,950	1,199,273
Sewer Maintenance	662,504	1,312,000	1,242,350	732,154
Water Capital Improvement	585,673	297,100	564,000	318,773
Sewer Capital Improvement	334,470	-	-	334,470
Stormwater Capital Improvement	196,071	300,000	400,000	96,071
Equipment Replacement Fund	777,300	124,200	126,800	774,700
Unemployment Trust	4,673	-	-	4,673
Explorers Program	27,415	-	-	27,415
Total	6,998,064	7,376,810	7,739,460	6,635,414

Section 3. The job classifications and salary ranges for 2023 shall be as set forth on page 13 of the 2023 budget document, attached as exhibit "A".

Section 4. The City Clerk is directed to transmit a complete copy of the 2023 budget to the Office of the State Auditor and to the Association of Washington Cities.

Section 5. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision and pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 6. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after publication.

Passed by the City Council this 12th day of December 2022.

CITY OF ALGONA

David E. Hill, Mayor

ATTEST/AUTHENTICATED:

Jessica Griess, City Clerk

Approved as to form:

J. Zachary Lell, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.: 2015-22

Date of Publication:



City of Algona

2023 Annual Budget



200 Washington Blvd.

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algonawa.gov

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Mayor's Budget Message

October 24, 2022

Dear City Councilmembers,

I am pleased to submit for your consideration the 2023 proposed annual budget for the City of Algona. Proposed 2023 appropriations compared to budgeted 2022 appropriations (through 2022 budget amendment #1) are as follows:

Fund	2022 Budget (Amended)	2023 Proposed Budget	Increase (Decrease)	% Change
General	3,826,900	3,196,760	(630,140)	-16%
Drug	2,200	2,200	-	0%
Street	860,650	401,900	(458,750)	-53%
Rainy Day Fund	-	-	-	--
Capital Improvement	320,000	315,000	(5,000)	-2%
Park Impact	-	-	-	--
General Obligation Bond	319,000	319,000	-	0%
Stormwater Management	417,400	358,500	(58,900)	-14%
Water Maintenance	836,500	812,950	(23,550)	-3%
Sewer Maintenance	1,239,900	1,242,350	2,450	0%
Water Capital Improvement	400,000	564,000	164,000	41%
Sewer Capital Improvement	-	-	-	--
Stormwater Capital Improvement	-	400,000	400,000	--
Equipment Replacement Fund	87,350	126,800	39,450	45%
Unemployment Trust	-	-	-	--
Explorers Program	-	-	-	--
Total Expenditures and Other Uses	8,309,900	7,739,460	(570,440)	-7%

The total 2023 proposed budget is significantly lower than the 2022 budget due to:

- The proposed implementation of a formal asset replacement plan and a related new fund – Equipment Replacement Fund. The 2022 budget included one-time catch-up charges of \$687,000 to fund the plan. The 2023 annual charge is reduced to \$124,200.
- The 2022 budget included a transfer of \$198,000 from the General Fund to the Rainy Day Fund. The Rainy Day Fund balance is currently above 10% of budgeted General Fund expenditures, therefore no transfer is necessary in 2023.

Budget increases of note include:

- Increase of \$164,000 in the Water Capital Improvement Fund (water mains).
- Increase of \$400,000 in the Stormwater Capital Improvement Fund (flood mitigation).

Estimated 2023 resources compared to 2022 estimated resources are as follows:

Fund	2022 Budget (Amended)	2023 Proposed Budget	Increase (Decrease)	% Change
General	3,417,300	3,143,610	(273,690)	-8%
Drug	1,000	1,000	-	0%
Street	770,420	401,900	(368,520)	-48%
Rainy Day Fund	198,000	-	(198,000)	-100%
Capital Improvement	100,000	100,000	-	0%
Park Impact	36,000	36,000	-	0%
General Obligation Bond	320,000	315,000	(5,000)	-2%
Stormwater Management	480,000	447,000	(33,000)	-7%
Water Maintenance	802,000	899,000	97,000	12%
Sewer Maintenance	1,181,000	1,312,000	131,000	11%
Water Capital Improvement	294,000	297,100	3,100	1%
Sewer Capital Improvement	-	-	-	--
Stormwater Capital Improvement	-	300,000	300,000	--
Equipment Replacement Fund	818,500	124,200	(694,300)	-85%
Unemployment Trust	-	-	-	--
Explorers Program	-	-	-	--
Total Revenues and Other Sources	8,418,220	7,376,810	(1,041,410)	-12%

The 2023 estimated resources are significantly lower than in 2022 due to the following factors:

- The 2022 General Fund budget included American Rescue Plan Act (ARPA) funding of \$448,000.
- The 2022 General Fund budget included a transfer of \$198,000 from the General Fund to the Rainy Day Fund, which is not necessary in 2023.
- The 2022 Street Fund budget included a transfer in of \$253,000 to cover the starting/catch-up contribution to the Equipment Replacement Fund and grant funding of \$234,000.
- The 2022 Equipment Replacement fund budget included one-time/starting revenue of \$687,000.

Increases of note include:

- Moderate increases in charges for utility services in Water and Sewer Maintenance Funds.
- Grant and flood control zone funding of \$300,000 for flood mitigation in the Stormwater Capital Improvement Fund.

Sincerely,

Dave Hill, Mayor

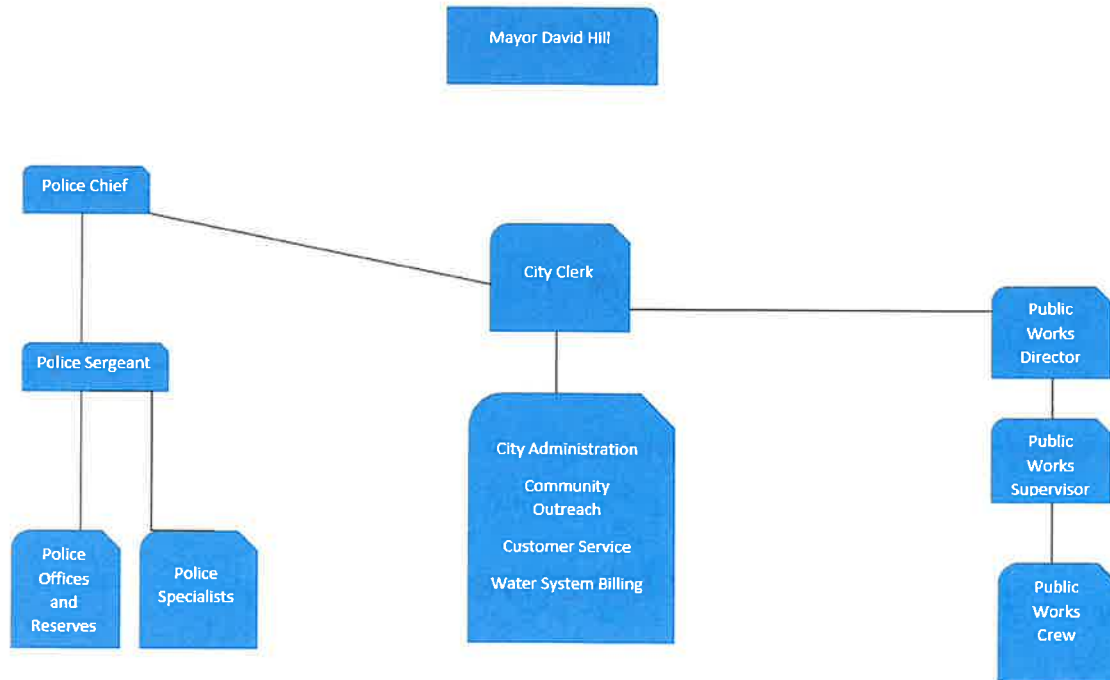
Elected Officials

		<u>Term Expires:</u>
Dave Hill	Mayor	December 31, 2023
Bill Thomas	Council Position #1	December 31, 2023
Lynda Osborn	Council Position #2	December 31, 2025
Troy Linnell	Council Position #3 Mayor Pro-Tem	December 31, 2023
Gordon Cook	Council Position #4	December 31, 2025
Brenna Franco	Council Position #5	December 31, 2023

Administrative Staff

James Schrimpsheer	Police Chief
Russ Avery	Public Works Director
Jessica Griess	City Clerk

Organizational Chart



Budget Development Process

The budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides policy direction by the City Council to the staff and community.

The budget serves four functions:

It is a Policy Document

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

It is an Operational Guide

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

It is a Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the City, the purpose of those activities, future implications, and the direct relationship to citizens.

It is a Legally Required Financial Planning Tool

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

The City of Algona operates on a calendar-year basis. The City utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and based on need defined by budget policies, emerging issues, Council goals and available resources.

Budget Calendar

August 15, 2022 – preliminary estimates due from directors

September 26, 2022 – preliminary budget presentation to Council

October 24, 2022 – Mayor’s proposed budget presented to Council

November 14, 2022 – public hearing on revenue sources; public hearing on preliminary budget; first reading of tax levy ordinance

November 28, 2022 – public hearing on final budget; first reading of budget ordinance; second (final) reading of tax levy ordinance.

December 12, 2022 – second (final) reading of budget ordinance/budget adoption.

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the City Clerk and department directors to ensure that funds are within the approved budget. As required by RCW 35A.33.140, the City Clerk provides the City Council with quarterly reports to keep them current with the City’s financial condition.

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

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance adopted by Council.

Budget Principles

General Principles

- Department directors have primary responsibility for formulating budget proposals in line with City Council and Mayor directions, and for implementing them once they are approved.
- The City Clerk is responsible for coordinating the overall preparation and administration of the City's budget. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.
- The City Clerk assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- Interfund charges will be based on recovery of costs associated with providing those services.
- Budget adjustments requiring City Council approval will occur through the ordinance process at the fund level prior to the end of the fiscal year.
- The City's budget presentation will be directed at displaying the City's budget in a Council and Citizen-friendly format.

Minimum Fund Balances

- The General Fund budget should be such that the budgeted ending fund balance is at least 10% of budgeted expenditures.

Rainy Day Fund

- The balance in the Rainy Day fund should be, at a minimum, 10% of budgeted General Fund expenditures.

Basis of Accounting

- Annual appropriated budgets are adopted for all funds on the cash basis of accounting.
- Budgets are adopted at the fund level that constitutes legal authority for expenditures. Annual appropriations lapse at the end of the fiscal period.
- The **General Fund** is the primary fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted or designated to finance certain activities. Special revenue funds include the following:

*Drug Fund

*Street Fund

*Rainy Day Fund

*Park Impact Fee Fund

*Capital Improvement (Real Estate Excise Tax) Fund

- The **Debt Service Fund** accounts for principal and interest payments on long-term debt, related to financing of the City Hall/Community Center.
- **Enterprise Funds** account for operations that provide goods and services to the general public and are supported primarily by user charges. Enterprise funds include the following:
 - *Stormwater Management *Water Maintenance *Sewer Maintenance
 - *Stormwater Capital *Water Capital *Sewer Capital
- The Equipment Replacement **Internal Service Fund** accounts for funding and replacement of vehicles and major equipment.

City-Wide Budget Summary

2023 Final Budget Summary

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
General	756,341	3,143,610	3,196,760	(53,150)	703,191
Drug	6,677	1,000	2,200	(1,200)	5,477
Street	14,535	401,900	401,900	-	14,535
Rainy Day Fund	321,465	-	-	-	321,465
Capital Improvement	418,170	100,000	315,000	(215,000)	203,170
Park Impact	136,680	36,000	-	36,000	172,680
General Obligation Bond	7,003	315,000	319,000	(4,000)	3,003
Stormwater Management	1,635,864	447,000	358,500	88,500	1,724,364
Water Maintenance	1,113,223	899,000	812,950	86,050	1,199,273
Sewer Maintenance	662,504	1,312,000	1,242,350	69,650	732,154
Water Capital Improvement	585,673	297,100	564,000	(266,900)	318,773
Sewer Capital Improvement	334,470	-	-	-	334,470
Stormwater Capital Improvement	196,071	300,000	400,000	(100,000)	96,071
Equipment Replacement Fund	777,300	124,200	126,800	(2,600)	774,700
Unemployment Trust	4,673	-	-	-	4,673
Explorers Program	27,415	-	-	-	27,415
Total	6,998,064	7,376,810	7,739,460	(362,650)	6,635,414

- Employee salaries and benefits include the following changes:
 - Cost of living (COLA) adjustments:
 - Police – 4.0%
 - Non uniform union – 0% pending settlement of contract
 - Non represented – 4.5%
 - Medical – 4.5%
 - Dental – 0%
- Significant capital projects are:
 - \$564,000 – water mains (Water Capital Improvement Fund)
 - \$400,000 – flood mitigation (Stormwater Capital Improvement Fund)

Historical Staffing

	Authorized Positions			
	<u>2020 Final</u>	<u>2021 Final</u>	<u>2022</u> <u>(Amended)</u>	<u>2023</u> <u>(Proposed)</u>
<u>Administration:</u>				
City Administrator	1	--	--	--
City Clerk	1	1	1	1
Deputy City Clerk	1	1	1	1
Clerical Assistant	1	1	1	1
Community Connector	1	1	1	1
Permit Technician	1	--	--	--
Total Administration	<u>6</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>Police:</u>				
Police Chief	1	1	1	1
Police Clerk	2	1	1	1
Police Sergeant	1	1	1	1
Police Corporal	--	--	1	1
Police Officer	6	6	5	5
Reserve Officer	<i>part time</i>	<i>part time</i>	<i>part time</i>	<i>part time</i>
Total Police	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>
<u>Public Works:</u>				
Public Works Director	1	1	1	1
Utility Superintendent	1	1	1	1
Utility Worker 2	1	1	1	1
Utility Worker 1	2	3	3	3
Total Public Works	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>
City-Wide Total	<u>21</u>	<u>19</u>	<u>19</u>	<u>19</u>

Wage Scale

<i>Elected Officials</i>	<u>Annual</u>
Mayor	24,000
Councilmembers	3,600

	Annual Rates				
<i>Non-Represented Full Time Positions</i>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Chief	132,295				
Public Works Director	106,590				
City Clerk/Treasurer	86,047				
Deputy Clerk/Treasurer	52,336	54,957	57,709	60,591	63,630

<i>Non-Represented Part Time/Temp</i>	<u>Hourly</u>
Police Reserve Officers	34.31
Temp EHM/Court Security	27.85

	Annual Rates Per Collective Bargaining Agreement				
<i>Represented - Non-Uniform</i>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Clerk	52,594	55,229	57,851	60,749	63,793
Clerical Assistant	50,170	52,673	55,308	58,075	60,696
Community Connector	64,899	68,140	71,553	74,912	78,654
Utility Superintendent	64,596	67,824	71,210	74,767	78,509
Utility Worker 2	62,014	65,150	68,404	71,829	75,426
Utility Worker 1	53,832	56,454	59,274	62,238	65,347

	Annual Rates Per Collective Bargaining Agreement				
<i>Represented - Uniform</i>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Sergeant	94,908	99,658	104,647	109,875	115,370
Police Corporal	76,743	80,578	84,611	88,842	93,284
Police Officer	72,399	76,017	79,822	83,813	88,004

Indirect Cost Allocation

Background

Indirect cost allocation is a method to determine and assign the cost of central services to the internal users of those services. Cost allocation enables local governments to more accurately account for the complete cost of the services it provides, and to provide a clear/concise method to use in budget development.

Indirect costs include central services costs related to legislative, executive, finance, legal and human resources expenses.

Cost allocation plans share indirect costs across programs, activities, funds and departments. The term “allocation” implies that there is no precise method for charging indirect costs, however cost allocations should be designed to provide a consistent, reasonable and equitable means to allocate costs.

Funds to Be Charged

An indirect cost allocation plan is intended to charge restricted funds for a fair and equitable portion of central services costs. The City has two fund types that could be eligible for indirect cost allocation – special revenue funds and business-type funds.

Special revenue funds must be at least partially funded by an externally restricted or internally assigned revenue source; however, the special revenue funds can be, and many are, subsidized by the general fund. Therefore, there is no benefit to be had by including most special revenue funds in the indirect cost allocation plan (increasing expenses in funds subsidized by the general fund would simply increase the amount of general fund subsidy required).

The City’s business-type funds must be self-supporting and cannot receive general fund support in the form of subsidization or services provided at no charge. An indirect cost allocation plan is the appropriate way to charge business-type funds for services provided by the general fund. The City’s current business type funds subject to allocation are Water, Sewer and Stormwater.

The indirect cost allocation plan shall be developed based on the principle that costs will be split between general government activities (those pertaining to the general fund and special revenue funds) and business-type activities. Business-type activities will be further allocated by fund, based on the criteria described below. General government activities will remain in the general fund.

Costs to Be Allocated

The following costs are subject to allocation:

- ❖ Salaries, benefits, supplies, training, equipment, etc. associated with:
 - Mayor and City Council
 - City Clerk Department
- ❖ Contracted legal, audit and accounting services

All the costs listed above are paid for out of the general fund and primarily exist for the support of the City as a whole. Costs included in the allocation plan should be administrative in nature and must be reasonably perceived to benefit all City funds. Therefore, the cost of services such as public safety, street maintenance, community events, etc. are excluded from the plan and are not subject to allocation.

Activities & Measurement Criteria

The activities on which to base allocations and the measurement criteria for those activities are identified in the following table.

ACTIVITIES <i>(based on April 2021 time study)</i>	MEASUREMENT CRITERIA
Accounts Payable	Non-salary expenses (2021 budget)
Mayor and Council	# of agenda items (2020 actual)
Payment Processing	Revenue (2021 budget)
Utility Billing	# of accounts (December 2020 actual)
Budget, Accounting, Annual reporting	Total expenses (2021 budget)

Percentages

Salaries and benefits for the Mayor, Council, City Clerk-Treasurer, Deputy Clerk-Treasurer and Administrative Assistant shall be allocated using the following percentages.

<u>Position</u>	<u>General</u>			
	<u>Government</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>
Council	69.77%	10.47%	8.14%	11.63%
Mayor	69.77%	10.47%	8.14%	11.63%
Clerk/Treasurer	60.88%	13.36%	19.42%	6.34%
Deputy Clerk/Treasurer	29.04%	24.20%	26.73%	20.02%
Admin Assistant	79.69%	7.32%	10.08%	2.91%

Supplies, training, and other expenses associated with the City Council and Mayor shall be directly coded to various funds based on the Council and Mayor allocation percentages shown above. These percentages are based on the allocation of actual council agenda items from 2020.

Supplies, training, and other expenses associated with the Clerk’s Office, including payment of contracted accounting and auditing services shall be directly coded based on the percentages shown below. These percentages are based on 2021 budgeted expenditures. The same percentages shall be used to allocate legal expenses.

	<u>General Government</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>
Contracted Services	60.59%	13.46%	19.78%	6.17%

Updates to the Plan

The cost allocation plan should be reviewed annually during budget development. It is not necessary to update the activities or measurement criteria on an annual basis as long as the plan has been reviewed for general reasonableness. If significant changes have been made which may affect the overall allocation

percentages then the plan should be updated. The plan should be updated at least every three years. The current plan was established in 2021, with review and updates made for 2023. A full review and update of the plan should be performed in 2023 for use in the 2024 budget.

Equipment Replacement Plan

The asset replacement plan includes funding for future replacement of the following assets:

<u>Description</u>	<u>Department</u>	<u>Replacement</u>		<u>Replacement</u>	<u>Allocations</u>					
		<u>Year</u>	<u>Useful Life</u>	<u>Cost</u>	<u>Police</u>	<u>Parks</u>	<u>Streets</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>
2015 Chevy Malibu	Police 1	2025	7	50,184	100.00%					
2020 Ford Explorer	Police 2	2027	7	52,872	100.00%					
2018 Ford Explorer	Police 3	2025	7	50,184	100.00%					
2016 Ford Explorer	Police 4	2023	7	47,495	100.00%					
Chevy Tahoe	Police 5	2028	7	54,216	100.00%					
2015 Ford Explorer	Police 6	2023	7	47,495	100.00%					
2020 Ford Fusion	Police 7	2027	7	52,872	100.00%					
2019 Ford Fusion	Police 8	2026	7	51,528	100.00%					
2002 Bearcat chipper	PW 1	2024	15	43,600		50.00%	50.00%			
2003 Ford Ranger - Parks	PW 2	2023	15	31,800		50.00%	12.50%	12.50%	12.50%	12.50%
2008 Ford F250 w/ snow plow	PW 3	2025	15	50,400		20.00%	20.00%	20.00%	20.00%	20.00%
2012 John Deere flail mower	PW 4	2024	10	163,500			100.00%			
2011 Ford F250 utility truck	PW 5	2025	15	39,200		20.00%	20.00%	20.00%	20.00%	20.00%
2022 Kubota 3400 tractor/brush hog	PW 6	2037	15	66,600			100.00%			
2007 New Holland B95 Backhoe	PW 7	2027	10	112,100		20.00%	20.00%	20.00%	20.00%	20.00%
2002 Yanmar track hoe	PW 8	2027	10	70,800		20.00%	20.00%	20.00%	20.00%	20.00%
2000 Freightliner FL70 dump truck	PW 9	2028	15	181,500		20.00%	20.00%	20.00%	20.00%	20.00%
2002 Chevy Bucket Truck	PW 10	2029	15	142,600		50.00%	50.00%			
Riding Lawn Mower	PW 11	2027	6	18,880		50.00%	50.00%			
John Deere Gator 2wd	PW 12	2026	15	15,525		50.00%	12.50%	12.50%	12.50%	12.50%
				<u>1,343,353</u>						

The 2023 charges are as follows:

	<u>Police</u>	<u>Parks</u>	<u>Streets</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>	<u>Total</u>
2023 budget total	48,700	16,400	36,000	7,700	7,700	7,700	124,200

General Fund

General Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	1,571,673	1,183,198	698,176	891,993	756,341
310	Taxes	1,916,637	1,852,185	1,893,871	2,126,643	2,204,310
320	Licenses & Permits	227,235	255,758	294,163	326,480	326,500
330	Intergovernmental Revenues	124,734	272,026	651,342	678,743	248,400
340	Charges For Services	43,823	46,683	119,420	205,273	264,600
350	Fines & Forfeitures	14,425	57,497	38,682	65,175	65,100
360	Misc Revenues	90,826	118,195	48,996	34,714	34,700
380	Non Revenues	2,290	2,832	2,254	-	-
	Total Revenues	2,419,970	2,605,177	3,048,728	3,437,028	3,143,610
511	Legislative	24,083	33,321	27,521	17,440	19,200
512	Judical	76,341	79,816	73,426	95,000	95,000
513	Executive	67,287	62,252	28,449	28,616	30,950
514	Finance	235,338	264,710	303,369	285,378	267,700
515	Legal Services	54,851	62,891	47,743	39,971	40,000
518	Central Services	85,778	90,003	107,163	104,102	108,500
521	Law Enforcement	1,330,737	1,310,641	1,335,924	1,605,676	1,516,400
523	Jail Costs	55,390	78,732	33,717	101,166	106,750
524	Protective Inspections	16,981	14,812	79	-	-
528	Comm/Alarms/Dispatch	154,627	156,059	182,635	155,499	182,320
537	Garbage & Solid Waste Utilities	17,213	18,895	16,375	30,645	33,500
553	Conservation	16,118	5,410	5,124	5,678	8,000
554	Environmental Services	13,675	14,435	14,361	14,965	18,000
558	Planning & Community Devel	211,699	357,413	297,462	334,887	414,000
560	Social Services	9,868	9,916	7,694	1,007	11,500
570	Culture & Recreation	34,106	6,810	8,853	61,343	93,000
575	Cultural & Recreational Fac	3,194	2,960	4,980	3,123	10,000
576	Park Facilities	39,322	20,011	165,209	235,495	101,300
580	Non Expenditures	(39,326)	(93,026)	112,858	1,690	-
594	Capital Expenditures	38,583	89,138	81,970	-	-
597	Interfund Transfers	355,000	505,000	-	451,000	140,640
	Total Expenditures	2,800,865	3,090,199	2,854,911	3,572,681	3,196,760
	Revenues less expenditures	(380,895)	(485,022)	193,817	(135,652)	(53,150)
508	Ending Fund Balance Balance	1,190,778	698,176	891,993	756,341	703,191
	Ending Fund Balance as % of Expenditures	43%	23%	31%	21%	22%

The decrease in fund balance includes continued funding of ½ (approx. \$57K) of the Community Connector position with American Rescue Plan Act (ARPA) funds received in 2021 and 2022.

Street Fund

Street Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	273,917	142,047	124,108	115,785	14,535
310	Taxes	177,497	182,419	185,467	185,000	186,850
320	Licenses & Permits	22,015	7,699	360	600	600
330	Intergovernmental Revenues	380,352	193,503	65,713	284,235	68,290
360	Misc Revenues	33,481	2,372	21,584	5,520	5,520
397	Interfund Transfers	-	150,000	-	253,000	140,640
	Total Revenues	613,346	535,993	273,125	728,355	401,900
542	Streets - Maintenance	322,890	292,814	220,743	449,234	346,900
543	Streets - Admin & Overhead	20,842	28,330	52,585	120,371	55,000
594	Capital Expenditures	398,336	232,788	8,119	260,000	-
	Total Expenditures	742,068	553,932	281,447	829,606	401,900
	Revenues less expenditures	(128,722)	(17,939)	(8,322)	(101,251)	-
508	Ending Fund Balance Balance	145,195	124,108	115,785	14,535	14,535

Utility Funds

Stormwater Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	1,209,323	1,400,295	1,534,020	1,640,120	1,635,864
330	Intergovernmental Revenues	48,289	5,899	36,464	-	-
340	Charges For Services	374,519	385,875	427,583	442,996	445,000
350	Fines & Forfeitures	805	725	596	2,148	2,000
360	Misc Revenues	17,418	7,762	-	-	-
	Total Revenues	441,030	400,261	464,644	445,144	447,000
538	Stormwater Operations	240,754	250,259	352,885	449,400	358,500
594	Capital Expenditures	6,079	16,277	-	-	-
	Total Expenditures	246,833	266,536	352,885	449,400	358,500
	Revenues less expenditures	194,197	133,725	111,758	(4,256)	88,500
508	Ending Fund Balance Balance	1,403,520	1,534,020	1,645,778	1,635,864	1,724,364

Water Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	705,010	757,673	852,431	972,553	1,113,223
340	Charges For Services	713,775	761,370	804,041	840,227	882,000
350	Fines & Forfeitures	31,839	9,764	5,052	17,219	17,000
360	Misc Revenues	9,617	4,201	1,587	-	-
	Total Revenues	755,231	775,335	810,679	857,447	899,000
534	Water Utilities	660,772	656,029	690,558	716,776	812,950
594	Capital Expenditures	38,975	24,548	-	-	-
	Total Expenditures	699,746	680,577	690,558	716,776	812,950
	Revenues less expenditures	55,485	94,758	120,121	140,670	86,050
508	Ending Fund Balance Balance	760,495	852,431	972,553	1,113,223	1,199,273

Sewer Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	284,591	361,939	401,696	523,096	662,504
340	Charges For Services	989,540	990,383	1,147,598	1,238,434	1,300,000
350	Fines & Forfeitures	4,750	1,631	3,573	12,770	12,000
360	Misc Revenues	4,173	2,061	-	-	-
	Total Revenues	998,463	994,075	1,151,171	1,251,204	1,312,000
535	Sewer	916,291	953,878	1,029,771	1,111,795	1,242,350
594	Capital Expenditures	2,808	440	-	-	-
	Total Expenditures	919,099	954,318	1,029,771	1,111,795	1,242,350
	Revenues less expenditures	79,364	39,757	121,400	139,409	69,650
508	Ending Fund Balance Balance	363,955	401,696	523,096	662,504	732,154

Water Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	268,442	359,186	444,343	512,600	585,673
330	Intergovernmental Revenues	-	-	-	-	224,000
340	Charges For Services	85,441	83,110	68,257	73,073	73,100
360	Misc Revenues	5,303	2,047	-	-	-
	Total Revenues	90,744	85,157	68,257	73,073	297,100
594	Capital Expenditures	-	-	-	-	564,000
	Total Expenditures	-	-	-	-	564,000
	Revenues less expenditures	90,744	85,157	68,257	73,073	(266,900)
508	Ending Fund Balance Balance	359,186	444,343	512,600	585,673	318,773

Sewer Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	322,718	332,647	334,470	334,470	334,470
340	Charges For Services	6,000	-	-	-	-
360	Misc Revenues	3,929	1,823	-	-	-
	Total Revenues	9,929	1,823	-	-	-
	Total Expenditures	-	-	-	-	-
	Revenues less expenditures	9,929	1,823	-	-	-
508	Ending Fund Balance Balance	332,647	334,470	334,470	334,470	334,470

Stormwater Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	192,791	195,003	196,071	196,071	196,071
330	Intergovernmental	-	-	-	-	300,000
360	Misc Revenues	2,212	1,068	-	-	-
	Total Revenues	2,212	1,068	-	-	300,000
594	Capital Expenditures	-	-	-	-	400,000
	Total Expenditures	-	-	-	-	400,000
	Revenues less expenditures	2,212	1,068	-	-	(100,000)
508	Ending Fund Balance Balance	195,003	196,071	196,071	196,071	96,071

Remaining Funds

Drug Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	5,093	6,677	6,677
	TOTAL REVENUES	1,584	-	1,000
	TOTAL EXPENDITURES	-	-	2,200
	REVENUES LESS EXPENDITURES	1,584	-	(1,200)
508 80 00 02	Ending Balance	6,677	6,677	5,477

Rainy Day Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	123,465	123,465	321,465
	TOTAL REVENUES	-	198,000	-
508 80 01 05	Ending Balance	123,465	321,465	321,465

Capital Improvement Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	627,969	642,610	418,170
310	Taxes	224,641	95,560	100,000
	TOTAL REVENUES	224,641	95,560	100,000
597	Interfund Transfers	210,000	320,000	315,000
	TOTAL EXPENDITURES	210,000	320,000	315,000
	REVENUES LESS EXPENDITURES	14,641	(224,440)	(215,000)
508 80 01 06	Ending Balance	642,610	418,170	203,170

Park Impact Fee Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	109,632	136,680	136,680
310	Taxes	27,048	-	36,000
	TOTAL REVENUES	27,048	-	36,000
	TOTAL EXPENDITURES	-	-	-
	REVENUES LESS EXPENDITURES	27,048	-	36,000
508 80 01 10	Ending Balance	136,680	136,680	172,680

General Obligation Bond Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	114,241	6,003	7,003
397	Interfund Transfers	210,000	320,000	315,000
591 73 71 25	GO Bonds - Principal	270,830	278,000	285,000
592 73 83 25	GO Bonds - Interest	47,408	41,000	34,000
591	Debt Service	318,238	319,000	319,000
508 10 00 25	Ending Balance	6,003	7,003	3,003

Equipment Replacement Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	-	-	777,300
340 00 00 00	Charges For Services	-	818,500	124,200
594 10 64 00	Capital Outlay	-	41,200	126,800
508	Ending Fund Balance	-	777,300	774,700

Unemployment Trust Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308 80 06 21	Beginning Balance	4,673	4,673	4,673
	308 Beginning Balances	4,673	4,673	4,673
361 11 06 21	Investment Interest Unemployment Trust	-	-	-
	360 Misc Revenues	-	-	-
397 00 00 15	Transfer In - General Fund	-	-	-
	390 Other Revenues	-	-	-
	TOTAL REVENUES	-	-	-
517 78 20 00	Unemployment Disbursement	-	-	-
	TOTAL EXPENDITURES	-	-	-
	REVENUES LESS EXPENDITURES	-	-	-
508 80 06 21	Ending Balance	4,673	4,673	4,673

Explorers Trust Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308 80 00 25	Estimated Beginning Balance	27,415	27,415	27,415
	308 Beginning Balances	27,415	27,415	27,415
367 00 21 00	Donations	-	-	-
369 40 00 00	Judgments And Settlements	-	-	-
	360 Total Revenues	-	-	-
521 21 30 15	Explorer Uniforms	-	-	-
521 40 43 03	Explorer Training	-	-	-
	521 Total Expenditures	-	-	-
508 80 00 25	Ending Balance	27,415	27,415	27,415

