

Proposed Budget 2019-2020



City of Yelm, WA

City of Yelm

Finance Department

105 Yelm Avenue West, Yelm, WA 98597

Team Yelm

MAYOR

JW FOSTER

CITY COUNCIL

EJ Curry

Molly Carmody

Cody Colt

Tad Stillwell

Tracey Wood

Joe DePinto

Terry Kaminski

CITY ADMINISTRATOR

Michael Grayum

FINANCE

Joe Wolfe

CITY CLERK/HUMAN RESOURCES

Lori Mossman

MUNICIPAL COURT CLERK

Sonia Ramirez

PLANNING & ECONOMIC DEVELOPMENT

Grant Beck

POLICE

Todd Stancil

PUBLIC WORKS

Chad Bedlington

Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Yelm
Washington**

For the Fiscal Year Beginning

January 1, 2018

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Yelm, Washington for its annual budget 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 an operations guide, as a financial plan, and as a communications device.

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

2019-20 CITY OF YELM BUDGET SUMMARY

CITY OF YELM 2019-2020 REVENUE BUDGET SUMMARY

FUND NUMBER	2019-2020 REVENUE FUND TITLE	BEGINNING NET CASH		REVENUE APPROPRIATION		TRANSFER TYPE	TRANSFER AMOUNT		2019 TOTALS	2020 TOTALS	Biennial Totals
		2019	2020	2019	2020		2019	2020			
001	General Fund	\$ 874,220	\$ 1,037,555	\$ 6,528,819	\$ 6,705,533				\$ 7,403,038	\$ 7,743,088	\$ 15,146,126
101	City Street Fund	\$ 130,019	\$ 51,332	\$ 144,133	\$ 153,143	1	279,000	\$ 346,000	\$ 553,152	\$ 550,475	\$ 1,103,627
102	Arterial Street Fund	\$ 120,947	\$ 33,803	\$ 93,356	\$ 84,300				\$ 214,303	\$ 118,103	\$ 332,406
104	Cumulative Reserve/Urban Development	\$ 284,001	\$ 320,869			3	36,868	\$ 11,970	\$ 320,869	\$ 332,839	\$ 653,708
105	Park Reserve	\$ 1,175	\$ 1,178						\$ 1,175	\$ 1,178	\$ 2,353
107	Tourism Promotion	\$ 192,800	\$ 132,800	\$ 20,000	\$ 20,000				\$ 212,800	\$ 152,800	\$ 365,600
109	YPD School Resource	\$ 10,328	\$ 15,662	\$ 67,000	\$ 67,000				\$ 77,328	\$ 82,662	\$ 159,990
119	Deposits/Surety/Retainage	\$ -	\$ -						\$ -	\$ -	\$ -
120	Transportation Facilities Charges	\$ 34,032	\$ 24,212	\$ 122,000	\$ 142,000				\$ 156,032	\$ 166,212	\$ 322,243
200	LTGO Bond Redemption Fund	\$ 153,732	\$ 30,232	\$ 1,500	\$ 750	2	205,460	\$ 331,145	\$ 360,692	\$ 362,127	\$ 722,820
202	Killion Rd LID #2 Repayments	\$ 963,543	\$ 1,020,064	\$ 439,499	\$ 388,882	2			\$ 1,403,041	\$ 1,408,946	\$ 2,811,987
203	Sewer Revenue Bond/Loans	\$ 601	\$ 776	\$ 175	\$ 175	2	173,026	\$ 173,026	\$ 173,802	\$ 173,977	\$ 347,778
204	Sewer Bond/Loan Reserves	\$ 426,609	\$ 427,609	\$ 1,000	\$ 1,000				\$ 427,609	\$ 428,609	\$ 856,218
205	Park Reserve								\$ -	\$ -	\$ -
302	Municipal Building Fund	\$ 257,087	\$ 2,721	\$ 623,764	\$ 301,500	3		\$ 25,000	\$ 880,851	\$ 329,221	\$ 1,210,072
316	Road/Street Construction	\$ 314,523	\$ 299,295	\$ 859,007	\$ 1,714,317	3	285,771	\$ 500,488	\$ 1,459,301	\$ 2,514,100	\$ 3,973,401
400	Stormwater Utility	\$ 2,003	\$ 16,667	\$ 329,860	\$ 427,605				\$ 331,863	\$ 444,272	\$ 776,135
401	Municipal Water	\$ 5,074,165	\$ 5,799,876	\$ 3,496,083	\$ 3,667,687				\$ 8,570,247	\$ 9,467,563	\$ 18,037,810
402	Utility Consumer Deposits	\$ 96,807	\$ 96,807	\$ 5,000	\$ 5,000				\$ 101,807	\$ 101,807	\$ 203,615
404	Water Capital Improvement	\$ 1,737,601	\$ 1,810,277	\$ 407,500	\$ 455,000	3	1,385,176		\$ 3,530,277	\$ 2,265,277	\$ 5,795,554
405	Water Revenue Debt Redemption	\$ 103,986	\$ 99,355	\$ 5,000	\$ 2,500	2	913,358	\$ 915,701	\$ 1,022,343	\$ 1,017,556	\$ 2,039,899
406	Water Revenue Debt Reserve	\$ 942,061	\$ 943,561	\$ 1,500	\$ 1,500				\$ 943,561	\$ 945,061	\$ 1,888,622
412	Sewer/Reuse Operations/Maintenance	\$ 1,956,025	\$ 1,818,310	\$ 2,796,500	\$ 3,040,000				\$ 4,752,525	\$ 4,858,310	\$ 9,610,835
413	Sewer/Reuse Capital Reserve	\$ 3,125,180	\$ 1,223,307	\$ 1,055,000	\$ 3,305,333		97,326	\$ 97,326	\$ 4,277,507	\$ 4,625,966	\$ 8,903,472
415	Sewer Bond Refi & Reserve	\$ 144,800	\$ 144,975	\$ 175	\$ 175	2	97,101	\$ 97,101	\$ 242,076	\$ 242,251	\$ 484,326
430	Shortline Railroad	\$ 4,457	\$ 4,517	\$ 60	\$ 60				\$ 4,517	\$ 4,577	\$ 9,094
431	Water Construction Fund	\$ 1,385,176							\$ 1,385,176	\$ -	\$ 1,385,176
501	IT Equipment Rental & Repair	\$ 302,719	\$ 392,705	\$ 583,409	\$ 618,503				\$ 886,128	\$ 1,011,208	\$ 1,897,336
502	Equipment Rental & Repair	\$ 147,514	\$ 168,078	\$ 639,023	\$ 406,145				\$ 786,537	\$ 574,223	\$ 1,360,760
TOTAL REVENUE APPROPRIATION		\$ 18,786,111	\$ 15,916,544	\$ 18,219,362	\$ 21,508,108		\$ 3,473,086	\$ 2,497,757	\$ 40,478,558	\$ 39,922,409	\$ 80,400,967

2019-20 CITY OF YELM BUDGET SUMMARY

CITY OF YELM
2019-2020 EXPENDITURE BUDGET SUMMARY

FUND NUMBER	2019-2020 EXPENDITURE FUND TITLE	OPERATION PURPOSES		DEBT SERVICE PURPOSES		CAPITAL PURPOSES		RESERVE PURPOSES		ENDING CASH		TRANSFER TYPE	TRANSFER AMOUNT		2019 TOTAL	2020 TOTAL	Biennial total
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		2019	2020			
001	General Fund	\$ 5,844,154	\$ 5,933,114							\$ 1,037,555	\$ 1,120,859		\$ 521,328	\$ 689,115	7,403,038	\$ 7,743,089	\$ 15,146,126
101	City Street Fund	\$ 436,820	\$ 428,471							\$ 51,332	\$ 41,005		\$ 65,000	\$ 81,000	553,152	\$ 550,475	\$ 1,103,627
102	Arterial Street Fund	\$ 80,500	\$ 15,000							\$ 33,803	\$ 3,103	2	\$ 100,000	\$ 100,000	214,303	\$ 118,103	\$ 332,406
104	Cumulative Reserve/Urban Development							\$ 320,869	\$ 332,839	\$ 320,869	\$ 332,839				320,869	\$ 332,839	\$ 653,708
105	Park Reserve							\$ 1,175	\$ 1,178	\$ -	\$ -				1,175	\$ 1,178	\$ 2,353
107	Tourism Promotion	\$ 80,000	\$ 80,000							\$ 132,800	\$ 72,800				212,800	\$ 152,800	\$ 365,600
109	TYPD School Resource	\$ 61,666	\$ 63,417							\$ 15,662	\$ 19,245				77,328	\$ 82,662	\$ 159,990
119	Deposits/Surety/Retainage									\$ -	\$ -				-	\$ -	\$ -
120	Transportation Facilities Charges							\$ 13,723	\$ 8,486	\$ 24,212	\$ 400	1	\$ 118,097	\$ 157,326	156,032	\$ 166,212	\$ 322,243
200	LTGO Bond Redemption Fund			\$ 330,460	\$ 331,145					\$ 30,232	\$ 30,982				360,692	\$ 362,127	\$ 722,820
202	Killion Rd LID #2 Repayments	\$ 3,000	\$ 3,000	\$ 379,977	\$ 368,138					\$ 1,020,064	\$ 1,037,808				1,403,041	\$ 1,408,946	\$ 2,811,987
203	Sewer Revenue Bond/Loans			\$ 173,026	\$ 173,026					\$ 776	\$ 951				173,802	\$ 173,977	\$ 347,778
204	Sewer Bond/Loan Reserves							\$ 427,609	\$ 428,609	\$ 761,963	\$ 763,963				427,609	\$ 428,609	\$ 856,218
205	Park Reserve									\$ -	\$ -				-	\$ -	\$ -
302	Municipal Building Fund					\$ 778,130	\$ 25,000			\$ 2,721	\$ 129,221	3	\$ 100,000	\$ 175,000	880,851	\$ 329,221	\$ 1,210,072
316	Road/Street Construction					\$ 1,160,006	\$ 2,238,291			\$ 299,295	\$ 275,809				1,459,301	\$ 2,514,100	\$ 3,973,401
400	Stormwater Utility	\$ 315,196	\$ 357,514							\$ 16,667	\$ 48,758	3		\$ 38,000	331,863	\$ 444,272	\$ 776,135
401	Municipal Water	\$ 1,857,013	\$ 1,843,165							\$ 5,799,876	\$ 6,708,698	1,2,3	\$ 913,358	\$ 915,701	8,570,247	\$ 9,467,563	\$ 18,037,810
402	Utility Consumer Deposits	\$ 5,000	\$ 5,000							\$ 96,807	\$ 96,807				101,807	\$ 101,807	\$ 203,615
404	Water Capital Improvement					\$ 1,720,000	\$ 1,875,000			\$ 1,810,277	\$ 361,651	3		\$ 28,626	3,530,277	\$ 2,265,277	\$ 5,795,554
405	Water Revenue Debt Redemption			\$ 922,988	\$ 925,228					\$ 99,355	\$ 92,327				1,022,343	\$ 1,017,556	\$ 2,039,899
406	Water Revenue Debt Reserve									\$ 943,561	\$ 945,061				943,561	\$ 945,061	\$ 1,888,622
412	Sewer/Reuse Operations/Maintenance	\$ 2,664,088	\$ 2,659,993							\$ 1,818,310	\$ 1,928,190	1,3	\$ 270,127	\$ 270,127	4,752,525	\$ 4,858,310	\$ 9,610,835
413	Sewer/Reuse Capital Reserve					\$ 3,054,200	\$ 3,865,333			\$ 1,223,307	\$ 717,771	3		\$ 42,862	4,277,507	\$ 4,625,966	\$ 8,903,472
415	Sewer Bond Refi & Reserve			\$ 97,101	\$ 97,101			\$ 97,101	\$ 97,101	\$ 144,975	\$ 145,150				242,076	\$ 242,251	\$ 484,326
430	Shortline Railroad									\$ 4,517	\$ 4,577				4,517	\$ 4,577	\$ 9,094
431	Water Construction Fund											3	\$ 1,385,176		1,385,176	\$ -	\$ 1,385,176
501	IT Equipment Rental & Repair	\$ 493,423	\$ 510,346							\$ 392,705	\$ 500,862				886,128	\$ 1,011,208	\$ 1,897,336
502	Equipment Rental & Repair	\$ 618,459	\$ 413,364							\$ 168,078	\$ 160,859				786,537	\$ 574,223	\$ 1,360,760
TOTAL EXPENDITURE APPROPRIATION		\$ 12,459,319	\$ 12,312,383	\$ 1,903,552	\$ 1,894,638	\$ 6,712,336	\$ 8,003,624	\$ 860,477	\$ 868,213	\$ 16,249,721	\$ 15,539,698		\$ 3,473,086	\$ 2,497,757	40,478,558	\$ 39,922,409	\$ 80,400,967

General Fund funds general government services including the following:

	2019	2020	Biennium
Administration	1,159,006	1,201,254	2,360,260
Public Safety	2,738,991	2,798,415	5,537,406
Public Works & Parks	608,717	582,297	1,191,014
Community Development	1,233,604	1,244,565	2,478,169
Debt Service, Transfers and Reserve Balances	1,662,721	1,916,557	3,579,278
	7,403,038	7,743,089	15,146,126

Administration : Legislative, Executive, Administrative & Financial Services, Legal, Central Svcs, L&I Retro
Public Safety: Court, Police, Fire, Prisoner Support Costs:
Community Development: Building, Engineering, Planning, Code Compliance, Planning Commission:
Programs & Services: Parks, Streets, Library, Historic Preservation, Animal Control, Community Support:
Debt Service and Reserves: Ending Cash, Debt Service, Transfer Capital Repairs, Machinery & Equipment

Transfer types: 1 = Operating Transfers, 2 = Debt Service Transfers, 3 = Equity, Reserve, or Capital Transfers

Dedicated Funds - provide services, fund programs, fund capital expenditures and/or repay debt

Utility/Enterprise Capital Improvement Funds: 404, 413, 431

Debt Service Payments and/or Reserves: General/Current Fund Supported 200, 202, 203, 204;

Special/Dedicated Projects/Reserve Funds (may include capital exp.): 104,105, 107, 109, 302,430

Funds 119 and 402 are Trust Accounts (Money held for a period of time but not belonging to the City.)

CITY OF YELM
2019-2020 BUDGET TRANSFERS SUMMARY

TRANSFER AMOUNT	TRANSFERRING FUND DESCRIPTION	TRANSFERRING ACCOUNT NUMBER	RECEIVING FUND DESCRIPTION	RECEIVING ACCOUNT NUMBER
\$ 625,000	001 GENERAL FUND	597.44.00.00	101 City Streets	397.44.00.00
\$ 536,605	001 GENERAL FUND	597.21.62.01	200 LTGO Bond Redemption Fund - 2018 LTGO	397.21.62.01
\$ 48,838	001 GENERAL FUND	597.10.00.00	104 Cumulative Reserve	397.10.00.00
\$ 1,210,444	GENERAL FUND TOTAL			
\$ 146,000	101 Municipal Street Fund	597.95.63.06	316 Road and Street Construction Fund	397.95.60.01
\$ 200,000	102 Arterial Streets Fund	597.95.63.06	316 Road and Street Construction Fund	397.95.60.07
\$ 20,771	120 Transportation Facility Charge	597.95.63.08	316 Road and Street Construction Fund	397.95.60.08
\$ 50,000	120 Transportation Facility Charge	597.95.63.08	316 Road and Street Construction Fund	397.95.60.08
\$ 10,000	120 Transportation Facility Charge	597.95.63.08	316 Road and Street Construction Fund	397.95.60.08
\$ 194,652	120 Transportation Facility Charge	597.95.63.00	413 Sewer Capital Improvements	381.20.00.00
\$ 621,423	SPECIAL REVENUE FUND TOTAL			
\$ 275,000	302 Municipal Building Fund	597.21.62.03	316 Road and Street Construction Fund	397.95.62.02
\$ 1,385,176	431 Water Construction (Close Fund)	597.34.63.04	404 Water Capital Improvements	397.34.63.04
\$ 1,375,596	431 Water Construction	597.34.63.04	404 Water Capital Improvements	397.34.63.04
\$ 3,035,772	CAPITAL PROJECT FUND TOTAL			
\$ 38,000	400 Stormwater Utility	597.95.62.03	316 Road and Street Construction Fund	397.95.62.03
\$ 38,000	STORMWATER FUND TOTAL			
\$ 349,749	401 Municipal Water Fund	597.80.72.00	405 Water Revenue Bond Debt Redemption	397.80.72.00
\$ 103,713	401 Municipal Water Fund	597.80.72.02	405 Water Revenue Bond Debt Redemption	397.80.72.02
\$ 453,462	WATER FUND TOTAL			
\$ 346,052	412 Sewer Operations	597.80.72.00	203 Sewer Bond/Loan Payments	397.00.00.00
\$ 194,202	412 Sewer Operations	597.35.70.01	415 SRL Sewer Bond Refi Payment/Reserve	397.35.70.00
\$ 540,254	SEWER FUND TOTAL			
\$ 7,098	404 Water Capital Improvements	597.34.63.04	316 Road and Street Construction Fund	397.95.62.06
\$ 21,528	404 Water Capital Improvements	597.34.63.04	316 Road and Street Construction Fund	397.95.62.04
\$ 25,000	413 Sewer Capital Improvements	597.76.63.00	302 Municipal Building Fund	397.19.62.03
\$ 7,098	413 Sewer Capital Improvements	597.95.62.06	316 Road and Street Construction Fund	397.95.62.04
\$ 10,764	413 Sewer Capital Improvements	597.95.62.06	316 Road and Street Construction Fund	397.95.62.06
\$ 71,488	SEWER CAPITAL IMPROVEMENT TOTAL			
\$ 5,970,843	Total 2019-2020 Transfers			
\$ 625,000	Operating Transfers	Operating Transfers are made to funds lacking sufficient funding to support activity.		
\$ 1,530,321	Debt Service Transfers	Debt Service Transfers pay bond or loan payments on existing debt.		
\$ 3,815,521	Equity/Reserve/Capital Transfer	Equity/Reserve/Capital Transfers open/close funds, meet reserve requirements or accumulate capital.		

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BUDGET MESSAGE, MAYOR JW FOSTER

Serving Yelm as Mayor has been a tremendous privilege. One of the most important things I do is create a budget for the City Council to approve. During my first two years as Mayor, I was cautiously optimistic, concentrating on building a strong work force and reliable funding to ensure we could provide the best services efficiently, safely and sustainably. We've been successful in realizing those goals by creating a long-term revenue forecast to proactively balance revenue and expenditures on a 5-year horizon, establishing financial policies and dedicated reserve accounts, and refinancing debt to achieve substantial savings—which has earned the City of Yelm its first Distinguished Budget Award for producing a budget that achieves national standards. Based on that success, we now feel comfortable in creating a two-year budget for the first time. By looking out two years into the future, we can continue to better connect our day-to-day operation to our long-term vision of creating a best run government.

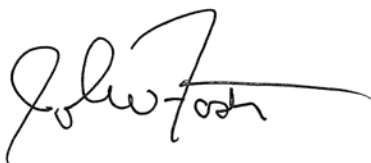
The budget provides the framework for everything we do, and we will continue to focus on three main areas of vital importance: Quality and safety of our work force, enhancing community services, and developing community partnerships.

Foremost is the quality and safety of our work force. Over the past two years, we added seven positions to our team, including three additional police officers and essential staff in other departments to help them run more efficiently.

We now have the right people in place to support our second overriding budget theme – enhancing community services. We will concentrate on securing sufficient water rights to support responsible growth, increasing the efficiency and safety of the infrastructure of our water, wastewater treatment, and roads through use of technology and better practices. By doing this, we will support our third budget priority - developing community partnerships, which in turn will lead to a thriving business economy.

Our family has lived in Yelm for 22 years. We are not surprised that our population has tripled over that time, because many great folks have wanted to live in a community that provides a safe, healthy, happy home for all. This budget will serve us well for the next two years, and set the stage for a sustainable, thriving economy into the future.

Take a look at the next few pages to see what we've accomplished by working together as a community, and where we're going next. Thank you for being part of all the great things happening in Yelm!

A handwritten signature in black ink, appearing to read "John Foster". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

MAYOR'S BUDGET OBJECTIVES

During the 2019-2020 biennium, our City's goals will be furthered through the implementation of the Mayor's 2019-2020 biennial budget objectives:

- 1. Maintain the Quality and Safety of Our Workforce**
- 2. Enhance Community Services**
- 3. Strengthen Community Partnerships**

This proposed 2019-2020 budget will:

- ✓ Sustain the employees we've recently added (7 in the last year--more than any number in Yelm's history, including 3 additional Police Officers in 2017-2018) to help meet the service needs of our growing population
- ✓ Maintain fiscal responsibility by balancing revenue and expenditures on a 5-year horizon
- ✓ Fully fund the budget reserves and Equipment Reserve & Replacement Account we created and adopted last year to sustain the resources necessary to doing the work consistent with our organization's mission and purpose
- ✓ Create a framework for continued growth and support essential services as we work to resolve the water rights issues of the past and continue investing in services to accommodate future growth, which is projected to double our population over the next 10-15 years

2018 KEY ACCOMPLISHMENTS

- Improved Banking Services – Successfully negotiated a change of City treasury services, merchant services, and purchasing cards with Timberland Bank, resulting in a savings of approximately \$20,700 per year for the City
- Refinanced the debt, resulting in total interest cost savings of \$827,729 through 2026
- Invested reserve funds in US Treasury Bonds to increase return on investment, establishing a ladder investment portfolio to provide a steady stream of investment income to the City
- Created a nationally recognized, award winning budget
- Established a path forward and made significant progress on:
 - Water rights to sustain future growth and revenue for city services
 - Reducing traffic by securing funding and implementing the next phases of the Yelm Loop/Bypass



- Right-sized personnel to meet community needs by adding:
 - 3 additional police officers in the last two years
 - Civil Engineer
 - Human Resources Specialist
 - Public Works Clerical Support/Administrative Assistant
 - Custodian
- Made critical investments in water quality infrastructure, exceeding Washington State drinking water standards with our reclaimed water and achieved all water quality goals
- Created Yelm's first annual "5K for the Fallen" Memorial Weekend Run
- Created Yelm's first Economic Development Plan
- Created Yelm's Downtown Corridor Plan
- Pushed City services online to increase accessibility and created free online payment mechanisms
- Purchased a new City hall and reorganized operations to improve operations and service to customers
- Upgraded network infrastructure to go paperless, which reduces costs and is better for the environment
- Improved courts services to assist domestic violence victims, and established a veteran court and mental health services court
- Partnered with the Yelm Farmers Market to move it back into the city
- Designated as a Purple Heart City in recognition of our commitment to veterans, service members and their families
- Established a Biennial budget to continue our new approach to long-term forecasting, planning, and prioritization.

OUR GUIDING BUDGET PRINCIPALS

In developing the 2019-2020 biennial budget, Mayor Foster and the executive leadership team established a set of core budget principals that guide our thinking in developing responsible, aligned, sustainable budgets across the organization. This proposed budget is founded on the following principles:

- Don't spend more than you take in
- Don't spend one-time money on ongoing expenses
- Establish and maintain prudent budget reserves
- Maintain strict controls on hiring and spending
- Fund the highest priority services first

We continue to work diligently to control the cost of City government while investing in citizen's top priorities, resulting in an even safer, smarter and more sustainable City of Yelm. The development of the 2019-2020 Biennial Budget was guided by the City's three primary strategic objectives to create a **best run government**, **grow our economy**, and **strengthen public safety** by investing in infrastructure, personnel, equipment and training. These objectives are crucial to creating a brighter future for all of us, now and for generations to come.

PRIMARY STRATEGIC OBJECTIVES:



Best run government – Establishing a more efficient government that provides better service for less money continues to be a priority for the City of Yelm. This budget invests in software upgrades to make more efficient, strengthens reserves, and invests in personnel, training and equipment necessary to increase transparency, improve accountability and enhance communication.



Grow our economy – A strong economy is essential to ensuring access to family wage jobs. This budget invests in tools to enhance the business climate, attract new residents, advance the city's infrastructure to meet the demands of a modern economy, and improve our quality of life.



Strengthen public safety - Public safety continues to be our highest priority. This budget invests in additional police officers to increase community safety and technology to make our courts safer and more efficient.

CITY OF YELM 2019-2020 BUDGET INVESTMENTS

The proposed 2019-20 Budget will continue advancing work on important long-term projects:



Updating policies in the Comprehensive Plan and Unified Development Code
Upgrade facilities to increase energy efficiency and utilize solar renewable energy



Constructing the Yelm Loop to improve traffic flow through and around Yelm
Water Rights mitigation to support future growth
Essential improvements to Water Reclamation Infrastructure
Finalizing and implementing Yelm's first Economic Development Plan



Implement a new Pavement Preservation Program

The proposed Budget will also enhance the following services



New and improved website to enhance citizen's access to information and services
Customer service – creating a one-stop shop for all essential services
Implementation of new financial management and utility billing software to improve all back office functions and improve utility customer experience with the city



Right of Way Maintenance in historic parts of Yelm
Sidewalk repair and street tree replacement program (2020)
Mock Trial
Youth Council
Yelm University
Financial Education Classes
Extension Classes at Yelm Community Center in partnership with South Puget Sound Community College



Addition of one police sergeant to improve community policing and to create the command structure necessary to accommodate growth during the 2019-2020 biennium

Right of Way Maintenance in historic parts of Yelm
Sidewalk repair and street tree replacement program (2020)
Improving Asset Management through new CityWorks Program

CITY OF YELM ORGANIZATIONAL FRAMEWORK

As we build a path to a sustainable financial future for the City of Yelm we must connect with the City's mission statement. Until this year, the City has not had one and developing it was part of our priorities to put the building blocks in place for a best run government. It was developed by our employees and reads:

Our Mission

To provide essential public services and infrastructure to the Yelm Community

Our Vision

Make the City of Yelm a safe, healthy, happy home for all, with:

Safe neighborhoods and schools

Sustainable, cost effective public infrastructure

Strong, diverse economy

Vibrant public places with an enduring connection to our history

Our Operating Principles

We believe in and strive for collaboration, innovation, and excellence in everything we do. These values guide our individual and collective actions across all city operations.

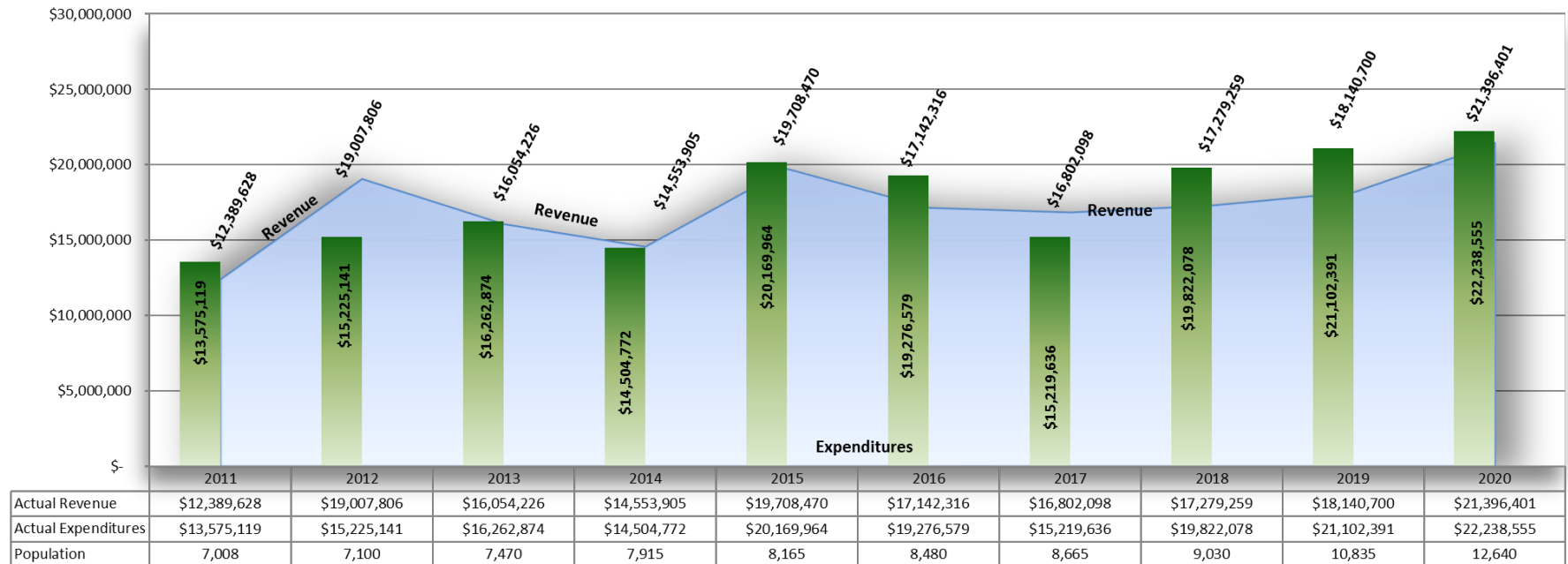
Collaboration - We cultivate lasting relationships with residents, businesses, co-workers, and community organizations. We listen and understand each other's needs and priorities to ensure public services and resources are appropriately aligned. We take collective responsibility and treat everyone with unconditional positive respect.

Innovation - We embrace a culture of continuous improvement that institutes best management practices, fosters creativity, maintains and sustains the best workforce, and strives for customer service that is second-to-none.

Excellence – We are proactive and forward thinking, setting the standard for excellence by managing and safeguarding public resources in ways that strengthen our community.

BUDGET TRENDS

The City of Yelm has continued to grow in recent years, and this growth is assumed to increase in line with projections in the [2017 City of Yelm Comprehensive Plan](#). This growth has increased demand for City services, including increased demand for water and sewer, public safety, planning, economic development. These service demands require administrative and financial support, and produce increased revenues. The City of Yelm budget has trended up over the last decade, corresponding to increases in population and service levels to the citizens of Yelm.



2019-2020 MAYOR'S BUDGET DEVELOPMENT GUIDANCE

Dear Council,

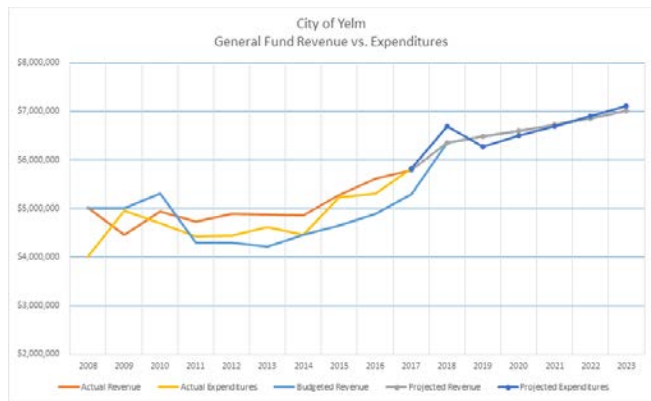
In preparation of the City's first biennial budget, I'd like to provide this opportunity to request your priorities for the budget. I've provided our Department Heads with budget guidance, including revenue and expenditure projections for the 2019-2020 timeframe that I will share with you to provide some perspective on the opportunities and revenue limitations. In developing the 2019-2020 Mayor's Budget Proposal, we will adhere to the core budget principals that continue to guide our thinking to develop responsible, aligned, sustainable budgets across the organization. This proposed budget will be built on the principles we were so successful with last year - don't spend more than we take in, don't spend one-time money on ongoing expenses, maintain prudent budget reserves, maintain strict controls on hiring and spending, and fund the highest priority services first. To do this, the 2019-2020 budget proposal will focus on the following three strategic objectives:

- **Maintain the quality and safety of our workforce**
 - Current levels of staffing, services, and operations will be maintained or enhanced
 - Continue to proactively dedicate funding and plan for the repair or replacement of necessary equipment
 - Continue to mitigate financial and legal risk
- **Enhance Community Services**
 - Enhance opportunities for citizens to engage in the community through public service and educational opportunities
 - Continue to dedicate resources for necessary infrastructure projects
 - Reduce the burden on utility customers through the use of technology
- **Strengthen Community Partnerships**
 - Continue to work with local business, planning, and economic development organizations to grow our economy
 - Strengthen our ties with local community organizations by establishing partnerships and support mechanisms that benefit our citizens

These strategic objectives are grounded in our mission and vision to provide essential municipal services, create quality infrastructure, and manage public resources with transparency, accountability, and sustainability.

I am including a chart showing the trend of current revenue and expenditures to provide context for your input and to help you convey your collective priorities; this chart removed all onetime 2018 expenditures and includes General Fund budget expenditure projections necessary to maintain current levels of staffing and operations:

This chart shows that we project approximately \$100,000 more revenue than expenditures during fiscal years 2019 and 2020 (\$80K in 2019, 20K in 2020). The chart does not include the results of the upcoming negotiations with the AFSCME, but does include negotiated cost of living adjustments for the Teamsters and Fraternal Order of Police.



This email also includes a budget request template that you should use to convey your budget request and priorities the biennium. **Please send your completed requests back to me, Michael Grayum and Joe Wolfe by September 14, 2018** in order to give us the time to review, clarify and incorporate into the budget as feasible.

The outcomes we have achieved together have marked significant progress and our proposed 2019-2020 biennial budget will continue moving us forward. I look forward to working through this process with you, and I am especially excited to hear your ideas and solutions to the challenges facing our community.

Sincerely,

JW Foster, Mayor

BUDGET DOCUMENT OVERVIEW

The City of Yelm budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides significant policy direction by the City Council to the staff and community. As a result, the City Council, staff and public are involved in establishing the budget. The budget document provides four functions:

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.

Operational Guide

The budget of the City reflects its operations. Activities of each City function and organization have been planned, discussed, 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 relate to each other and to the attainment of the policy issues and goals of the City Council.

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 reason or cause for those activities, future implications, and the direct relationship to the citizenry.

Legally Required Financial Planning Tool

The budget as a financial planning tool has been its most traditional use. 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 moneys and controls those expenditures by limiting the amount of the appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to indicate funds available.

BUDGET PROCESS

The City of Yelm operates on a calendar year basis. It 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 are based on need, emerging issues, Council goals, and available resources.

The budget process begins in late spring with departments preparing requests for new staff, programs, or significant increases to their current year budget that will address emerging issues and other operational needs. The Finance Director and City Administrator conduct an analysis of the departmental base budgets and the revenue outlook for the coming year to determine the availability of funds for any new initiatives. During the summer the departments also prepare their base budgets. These budget requests are submitted to the Finance Director for review. By late summer the Mayor reviews each department's budget requests and develops a preliminary budget recommendation.

As mandated by RCW 35A.33.135, the first requirement is that the Mayor submit estimated revenues and expenditures to the City Council on or before the first Monday in October. The preliminary budget is presented to the City Council in early October. Public hearings are held to obtain taxpayer's comments, and Council budget workshops are held throughout October. The Council makes its adjustments to the preliminary budget and adopts by ordinance a final balanced budget on October 26, 2017. The final operating budget as adopted is published, distributed, and made available to the public during the first quarter of the following year.

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the Finance Division and department directors to ensure that funds are within the approved budget. Finance provides financial updates to the City Council to keep them current with the City's financial condition. Any budget amendments made during the year are adopted by City Council ordinance. These amendments allow for necessary adjustments to the budget that could not have been planned for during the normal budgeting process. Typical amendments include administrative adjustments, carry forward appropriations resulting from projects that were not completed at year end, and new grant revenues awarded after the budget adoption.

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, salary ranges, or other conditions of employment must be approved by the City Council.

BUDGET SCHEDULE

Created 6/10/2018 - Updated 10/7/2018

JANUARY – APRIL – Implementation Phase

- Install annual budget in financial system
- Monitor and Report
- Review 2018 Q1 Forecast/Actuals

MAY- JULY – Budget Amendment Phase

- City Council Study Session

All Staff Meeting

- Amend budget as necessary based on 2018 Q1 Forecast/Actuals

City Council Finance Committee - Develop priorities, plan, and timeline for creating Budget-Policy Framework in June, July, August, and September:

- **Reserve Funds**
- **Equipment, Replacement, and Reserve (ER&R) Program**
- Transportation Benefit District
- Parks Use Fees
- Public Safety/Tourism Sales Tax
- **REET 2**

Bold options represent the recommendations of the Committee to advance in 2017 for 2018.

- Finance Department prepares 2018 salary and benefits
- City Council Study Session - Review 2017 Q2 Forecast/Actuals
- City Council Finance Committee - Budget-Policy Framework

AUGUST – Budget Priorities Departmental Needs Assessment

Department Budget Review

- Baseline Budgets
- Prepare Operating & Capital Budget Requests, due to City Administrator September 1

City Council Finance Committee

- Reviews Revenue Assumptions for long-term forecast
- Union Negotiations update and negotiations framework

City Council Finance Committee discusses Budget-Policy Framework

SEPTEMBER - Mayor's Budget Development Phase

City Council Finance Committee

- Review Revenue Assumptions (Ad Valorem)
- Union Negotiations Update
- Finance Department Prepares Preliminary Budget

File official notice for Public Hearing on 2019-2020 Budget and publish public hearings with local newspaper

OCTOBER – NOVEMBER – Adoption/Implementation – Final Budget Phase

City Council regular meeting (Budget 101 Presentation)

October 9

- Mayor Foster's Budget Presentation, official budget filing per RCW
- Budget Overview and Revenue Projections
- Long-Term Financial Projections and Staffing Plan Mayor's Budget Presentation

City Council Finance Committee

October 18

- Review Revenue Assumptions
- Union Negotiations Update
- Review Mayor's Budget Proposal

Regular City Council Meeting, adjourn to Budget Workshop

October 23

- Public hearing on Revenue
- Police Department Presentation
- Municipal Court Presentation
- City Council shares input and proposes amendments to Finance Committee

City Council Study Session

November 6

- Public Works Presentation, including operations, water, stormwater, streets and facilities
- Infrastructure Projects Presentation
- Executive Department Presentation

Regular City Council Meeting, adjourn to Budget Workshop

November 13

- Public Hearing on Preliminary Budget, 2019-2020 Budget Ordinance, 1st reading
- Community Development Department Presentation
- Finance Department Presentation
- Information Technology Presentation
- Council Finance Committee reports on proposed amendments
- City Council provides input to Finance Committee

Regular City Council Meeting

November 27

- Public Hearing on Preliminary Budget, 2019-2020 Budget Ordinance, 2nd reading
- Council Finance Committee reports on proposed amendments
- Council may adopt Final 2019-2020 Budget

Regular City Council Meeting

December 11

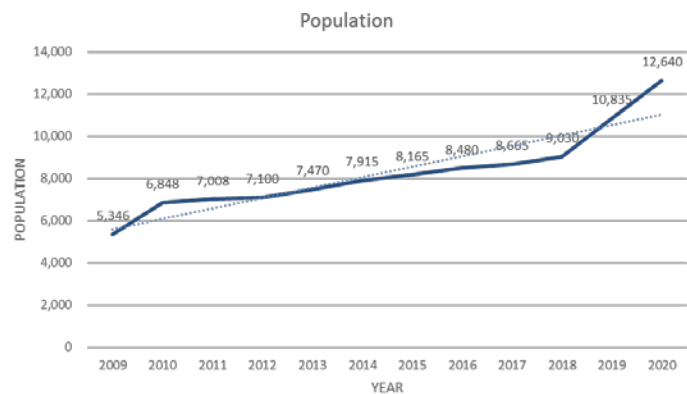
- Adopt Final Budget 2019-2020 – (if needed)

MAJOR BUDGET ASSUMPTIONS

The City of Yelm is projected to grow at an unprecedented rate during the upcoming biennium. The City is planning accordingly, creating the personnel structure necessary to accommodate the projected growth and associated service demands. This planning is based on several assumptions, as enumerated below:

- Service level adjustments in this budget are necessary to maintain and enhance service levels for the growing population of Yelm. The 2020 population figure used in the biennial Budget is 12,640 as determined by the Thurston Regional Planning Council. This is an increase of 40% over 2018. This figure is important when determining distribution of State shared revenues on a per capita basis, as well as planning for increased service demand.

- City of Yelm population growth is assumed to increase in line with projections in the [2017 City of Yelm Comprehensive Plan](#) and Thurston Regional Planning Council projections for 2019-2020.



- Population increase estimates assume that current water rights issues are successfully mitigated.

- The 2019 assessed valuation (AV) is \$904,394,281. The City's assessed valuation is determined by the Thurston County Assessor.

Property tax remittance from the county is based on assessed value and the City's authorized levy rate of \$1.67 per thousand dollars of assessed value.

- Gas taxes, liquor excise taxes and liquor profits are based upon estimates from the Municipal Research and Services Center (MRSC).
- Building permit and land use fees are estimated by the Planning & Economic Development Department based on expected 2019-2020 activity.
-

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for activities typically associated with state and local government operations. There are four governmental fund types used by the City of Yelm:

General Fund - This fund is the primary fund of the City of Yelm. It accounts for all financial resources except those required or elected to be accounted for in another fund. It is used to meet the basic services that your local government provides. The General Fund covers Police, Administration, Engineering, Planning, Building Development, Finance, Legal, and Legislative Services. Major revenue sources include taxes, fees, licenses and permits, and intergovernmental revenues (Federal, State and County).

Special Revenue Funds - These funds account for revenues that are legally restricted or designated to finance particular activities. The Street Fund is a Special Revenue Fund. Gas taxes are collected into the Street Fund and must be used for the maintenance of our arterial streets, sidewalks, and trails. Other Special Revenue funds include the Street Depreciation Fund, Hotel/Motel Tax Fund, Public Tourism Promotion Fund, and the Yelm Police Department School Resource Fund.

Debt Service Funds - These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt. The Long Term General Obligation Fund, Killion Road Local Improvement District (LID) Fund and Yelm's Water/Sewer Revenue Bonds and Loans are Debt Service Funds.

Capital Project Fund - These funds account for financial resources which are designated for the acquisition or construction of general government capital projects. A portion of the revenues received into this fund (such as Real Estate Excise Taxes or REET) are restricted by law to be used for general capital improvements. Several street/sidewalk projects are included in the Capital Projects fund.

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for services to the general public where all or most of the costs, including depreciation, are to be financed or recovered from users of such services. There are two generic fund types in this category:

Enterprise Funds - These funds account for operations that provide goods or services to the general public and are supported primarily by user charges. The Water Utility Fund and the Stormwater Fund are enterprise funds. These Utility Funds cover the City's water utility, as well as the maintenance and costs of the City's stormwater system.

Internal Service Fund - This fund accounts for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis. The newly established Equipment Rental & Replacement (ER&R) Fund is an internal service fund. The ER&R Fund collects user fees from those departments with vehicles and major equipment. These fees are used to replace the vehicles or equipment based on a predetermined schedule. With the exception of the General Fund, money within each fund cannot be used in other funds. Many of the revenues received in each fund are restricted in use by law and/or by legislative action. Funds may make interfund loans to other funds. However, any interfund loan must be paid back based on a predetermined schedule and must pay prevailing interest rates. The General Fund can make transfers to other funds if money is available.

BASIS OF ACCOUNTING/BUDGETING

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City of Yelm uses a cash basis of accounting. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

Budgets and Budgetary Accounting

The budget authorizes and provides for control of financial operations. Upon adoption, the expenditure levels in the comprehensive budget are enacted into law through the budget ordinance.

Budget level refers to the level of detail as well as the level of legal authority that is authorized for expenditure during the budget period. Budget levels may vary depending upon local policy, management practices, and the needs of your entity. These budget levels of appropriation typically come in two different levels: the fund level budget and the department level budget.

- Fund Level – This refers to an appropriation level at the broadest level of authority. A fund level budget allows for the greatest amount of flexibility and therefore requires monitoring throughout the budget cycle to ensure that actual expenditures fall within the various program or department projections established during the budget process. Yelm uses fund level appropriations for special revenue, capital project, and enterprise funds.
- Department Level appropriations limit expenditures to department activities. During the budget development process, the department heads prepare budget proposals that fall within the general fund for example. These departments are appropriated at this level as a tool for managing the budget. Departments that are appropriated at the department level are:
 - Legislative
 - Executive
 - Finance Department
 - Police Department
 - Economic & Community Development
 - Parks
 - General Fund Public Works

The City of Yelm also adopts an annual appropriated budget for 17 funds at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the end of the biennium. Appropriated budgets are adopted on the same basis of accounting as used for financial reporting. When council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund or department, it may do so by ordinance approved by a simple majority.

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Yelm’s legislative body. These values EXCLUDE estimated ending cash, there are for actual expenditures, capital uses/debt payments and transfers only.

Relationship between Functional Units and Major Funds							
Department	Legislative	Administration	Finance	Court	Community Development	Police	Public Works
Governmental Funds							
General Fund	x	x	x	x	x	x	x
Internal Service Funds							
Information Technology	x	x	x	x	x	x	x
Equipmental Rental & Replacement		x			x	x	x
Special Revenue Funds							
Street Operating							x
Arterial Streets							x
Cumulative Reserve		x					
Tourism Promotion					x		
YPD School Resource						x	
Transportation Facilities Charge							x
Debt Service Funds							
Limited Tax GO Bond Redemption Fund		x					
Killion Road LID Fund		x					
Capital Project Funds							
Municipal Building Fund		x					x
Road & Street Construction Fund							x
Enterprise Funds							
Stormwater		x	x				x
Sewer Capital Improvements Fund							x
Sewer Utility Fund		x	x				x
Water Capital Improvements Fund							x
Water Construction Fund							x
Water Utility		x	x				x

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund has a specific role and responsibility. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. Revenues and expenditures within each fund are closely monitored to ensure accuracy, accountability, and efficiency. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of Yelm:

CITY REVENUE SUMMARY

Revenue comes from taxes, fees and charges, and intergovernmental revenues. The services provided include public safety, street maintenance, development services, parks and recreation and human services. The non-operating part of the budget accounts for principal and interest payments on outstanding debt, capital improvements, and reserves. Revenues in 2018 will continue to be reviewed throughout the year and will be adjusted accordingly.

Each of the funds detailed within the 2018 Budget have a specific purpose and responsibility. The funds act much like the separate checking accounts maintained by family members. Each fund accounts for all revenues and all expenditures/expense transactions that occur throughout the year. This allows the City to accurately record revenues and authorize and monitor expenditures as to source and purpose for greater accountability and improved efficiency.

Most traditional local government functions, including police, fire, parks and recreation, finance, administration, planning, engineering, legal, building inspection, and legislative services, are budgeted within the General Fund. Following is a listing of many of the funding sources for the City. This list is not meant to be all-inclusive, but is meant to assist in understanding how and where much of the money comes from in the support of general services of the City.

TAXES

Property Tax

Property taxes are the largest source of revenue in the General Fund. All real and personal property (except where exempt by law) is assessed by the Thurston County Assessor at 100 percent of the property's fair market value. Assessed values are adjusted each year based on market value changes. The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities, including Yelm. Collections are distributed after the end of each month. Property tax revenues are recognized when cash is received by City of Yelm. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied. Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small.

Initiative 747, which passed in November 2001, limits the annual increase in the regular property tax levy to the lesser of one percent or the implicit price deflator. Previously, the cap was six percent. The City can only exceed the limitation with the approval of voters. I-747 does not affect special levies that are approved by voters. The initiative does not affect property values and has no impact on the annual valuation of property that is done by the County Assessor. It does not cap the value of your property or your total property tax bill. In 2007 the Washington State Supreme Court ruled Initiative 747 unconstitutional. The Governor convened a special session of the Legislature to address the issue and a bill was passed to reinstate the one percent cap on annual property tax increases by taxing districts. The Legislature also approved a measure that allows home owners earning less than the median state

income (currently \$55,000 per year) to defer up to half of their property taxes. Although they will have to pay the taxes with interest upon the sale of the house this will have an immediate impact on local taxing districts.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed businesses and homes. The new construction levy does not increase the overall tax rate paid by property owners. The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth in the City's overall assessed valuation, and levy increases by other taxing districts. Yelm voters created a Regional Fire Authority in 2011 that replaced the regular levies for Fire Districts #2 and #4. Residences in the City of Yelm now pay directly to the RFA. These funds must be used for fire protection purposes, and are not part of the City Budget.

Retail Sales and Use Tax

Sales tax is levied on the sale of consumer goods (except most food products and services) and construction. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City.

The combined sales tax rate for Yelm, WA is 8.7%. This is the total of state, county and city sales tax rates. The Washington state sales tax rate is currently 6.5% and Thurston County receives 1.4%. The City's effective rate is 0.8 percent.

Utility Taxes

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of the City. This applies to electric, natural gas, water, sewer, surface water, solid waste, and telephone. Legislation passed in 1982 limits the tax rate on electric, gas, steam, and telephone utilities to six percent. While there are no restrictions on the rates for water, sewer, surface water, and solid waste utilities, the City intends to keep rates as low as possible while keeping up with population growth and infrastructure needs.

Real Estate Excise Tax (REET)

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily to implement the capital facilities and maintenance plan elements of the City's Comprehensive Plan. The second 0.25 percent, which is optional, must also be used solely on capital projects. Capital projects are defined as those public works projects of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and parks. The acquisition of land for parks is not a permitted use of the second

quarter percent funds.

Business & Occupation (B&O) Tax

The City of Yelm currently has a Business & Occupation (B&O) Tax ordinance which requires all businesses conducting business within the City limits to pay a business and occupation tax. This tax applies to the gross revenues of most businesses with a rate of one-tenth of one percent.

Hotel/Motel Tax

Hotel/Motel tax is levied upon charges made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and other transient accommodations in the City. Most cities may impose a "basic" two percent tax under RCW 67.28.180 on all charges for furnishing lodging at hotels, motels, and similar establishments (including bed & breakfasts and RV parks) for a continuous period of less than one month. The tax is taken as a credit against the state sales tax, so that what a patron pays in retail sales tax and the hotel/motel tax combined is equal to the retail sales tax in the jurisdiction. It is collected and administered by the Washington State Department of Revenue. State law requires that these taxes be credited to a special fund with limitations on use, principally to generate tourism/convention activities that bring new visitors to our area, as prescribed by RCW 67.28.310. The City of Yelm has created the Tourism Promotion Fund for this purpose. Cities with over 5,000 population are required to have a "Lodging Tax Advisory Committee" of at least five members appointed by the City Council. The City of Yelm created this committee in 2006.

LICENSES & PERMITS

Building Related Permits

This category consists primarily of revenue collected by the Community & Economic Development Department. Included in this category are building permits, plumbing permits, and mechanical permits. Fees imposed for permits are typically subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

Planning/Land Development Permits

Approvals for the use of property, including subdivisions, special use permits, and site plan reviews comprise this category of revenue and also includes civil plan review charges. Fees are typically set to reflect the relative cost to process the application, with permits that require a public hearing having higher fees due to the cost of the Hearing Examiner and public notices.

Business Licenses and Permits

This category includes the issuance of business licenses. The fee structure for business permits is typically an annual fee or one-time charge depending on the particular type of license or permit. The City of Yelm also requires businesses with no physical presence in Yelm that are doing business in the City (e.g. contractors) to obtain a business license.

Franchise Fees

Franchise fees are charges levied on private utilities for the right to use city streets, alleys and other public properties. Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues, regardless of the cost of managing the franchise process. The Federal Communication Commission ruled in 2002 that cable companies do not have to pay franchise fees on cable modem services.

INTERGOVERNMENTAL REVENUES

State Shared Revenues

The State of Washington shares revenues from several sources with counties, cities, and towns across the state. These revenues come from a variety of sources and are often distributed on a per capita basis, although some shared revenues are distributed according to other criteria. State shared revenues are collected by the State of Washington and shared with local governments based on population. State shared revenues are distributed on either a monthly or quarterly basis, although not all quarterly revenues are distributed in the same month of the quarter.

The population figure used in the 2019-2020 biennial Budget is 8,665 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of state shared revenues on a per capita basis.

State shared revenues also used to include motor vehicle excise tax and local vehicle license fees. The 2015 legislative session produced a transportation package that was adopted in 2nd ESSB 5987, laws of 2015, 3rd sp. session. The result of this legislation is that there will be an increase in the motor vehicle fuel tax of 11.9 cents. The tax will increase over the next two years with the first increase beginning August 1, 2015 and the second increase to be effective July 1, 2016. The resulting revenues from the motor vehicle fuel tax increase are being shared with cities and counties based upon a set allocation provided in the bill. The direct transfers are to be split equally between cities and counties and the distributions began in the 3rd quarter of 2015. They will be distributed on the last day of the month in September, December, March and June.

Liquor Receipts Profits and Taxes

In Washington State, liquor sales were controlled by a state-operated monopoly until Initiative 1183 passed in November 2011 which privatized the distribution and retail sale of liquor, effective June 1, 2012. The markups on liquor have been replaced as a state revenue source by license fees that are paid to the state by retailers and distributors.

Liquor revenue is received by the cities from 2 sources - liquor excise taxes and liquor profits. Liquor excise tax revenue will continue to be assessed and distributed under the new privatized system; however, with the passage of ESHB 2823, all liquor excise tax revenue was diverted from the cities and counties to the State General Fund beginning October 2012 for the period of one year. Quarterly distributions began again with the October 2013 period. Additionally, beginning with the October 2013 distribution, \$10 million was transferred from the Liquor Excise Tax Fund to the State's General Fund annually. This was a permanent loss of revenue to cities and counties. The 2013-2015 state budget (3ESSB 5034), passed by the 2013 legislature, contained a provision

that increased the share of liquor taxes, collected and remitted to the state general fund under RCW 82.08.150(1) and (2), from 65 percent to 77.5 percent. This meant that the share going to the liquor excise tax fund for distribution to cities and counties fell from 35 percent to 22.5 percent. The 2015-2017 state budget (ESSB 6052), passed by the 2015 legislature has returned the percentage distribution to pre-2013 state budget provisions which means that 35 percent of revenues collected under RCW 82.08.150(1) and (2) are to be deposited in the liquor excise tax fund to be distributed to counties, cities, and towns.

The Liquor Control Board (LCB) collects revenue in the form of license fees from retailers and distributors under Initiative 1183. The LCB continues to call these funds "liquor profits" and will continue to distribute to cities and counties on a quarterly basis. Additionally, the LCB added \$10 million to the distribution amount to enhance public safety programs.

Criminal Justice Revenues

The Washington State Legislature approved the Criminal Justice Funding Act in a special session of the Legislature in July 1990. The principal focus of the Act is to provide funding for county and city criminal justice systems, including police protection, mitigation of congested court systems, and relief of over crowded jails. The City of Yelm currently qualifies in two of the five possible funding areas for cities: Special Programs and Population.

Motor Vehicle Fuel Tax (Gas Tax)

In Washington State, cities receive a portion of the state-collected gasoline tax. Beginning July 1, 2003, the state fuel tax increased to 28 cents per gallon from 23 cents as part of the "Nickel Funding Transportation Package" enacted by the state legislature. The State distributes 10.6961 percent of the base amount of 23 cents to cities (less some small deductions).

New transportation funding enacted by ESSB 6103, passed by the 2005 Washington Legislature and signed into law by Governor Gregoire, provided additional revenues to incorporated cities and towns. Cities and towns received 8.333 percent of a three cent tax increase which began July 1, 2005, and 8.333 percent of another three cent increase which began July 1, 2006. This is in addition to the base amount of 23 cents to cities. Cities did not receive a share of the increases in 2007 and beyond.

The 2015 legislative session produced a transportation package that was adopted in 2nd ESSB 5987, laws of 2015, 3rd sp. session. The result of this legislation is that there will be an increase in the motor vehicle fuel tax of 11.9 cents. The tax will increase over the next two years with the first increase beginning August 1, 2015 and the second increase to be effective July 1, 2016. The resulting revenues from the motor vehicle fuel tax increase are being shared with cities and counties based upon a set allocation provided in the bill. The direct transfers are to be split equally between cities and counties and the distributions began with the 3rd quarter of 2015.

Multi-Modal Distribution

The state provides a set amount of revenue deposited into the Multimodal Transportation Account to counties, cities and towns. One-half of the funds are to be distributed to cities as provided under

RCW 46.68.110(4). Of this amount, Yelm is estimated to receive \$12,218 during 2019-2020 biennial, which is to be used solely for transportation purposes.

Marijuana Excise Tax

The Legislature amended the state's marijuana regulatory and taxation system in 2013, providing for revenue sharing with cities and counties. The state distributes a portion of the marijuana excise taxes to the Liquor and Cannabis Board (LCB) and various state agencies and programs on a quarterly basis. Yelm is estimated to receive \$3,033 during 2019-2020 biennial. The City will also receive revenue from Business and Occupations licensing and planning and Development Fees from marijuana retailers. **Note that this represents only the state shared excise tax and does not include anticipated sales tax revenue to the City.**

CHARGES FOR SERVICES

Planning and Development Fees

These fees are collected for services related to the issuance of permits and the review of plans for compliance with City codes. Fees are generally collected at a level estimated to recover the cost of the service provided.

Water Utility Rates

Water revenues fund costs associated with the operations of the water system, repairs and maintenance to the system, and fund needed capital improvements to the utility for growth and overall system operations. Revenues are garnered through rate charges to customers, system development charges to new customers, interest earnings on investments, and other connection charges.

Wastewater Utility Rates

Wastewater revenues fund costs associated with the operations of the wastewater system, repairs and maintenance to the system, and fund needed capital improvements to the utility as needed for growth and overall system operations. Revenues are garnered through rate charges to customers, system development charges to new customers, interest earnings on investments, and other connection charges and fees.

Stormwater Utility Rates

Stormwater rates collected from customers are used to fund operations and maintenance of the stormwater collection system, support capital improvements to the system, assist with education and outreach, and financially support street infrastructure capital improvements that have stormwater elements.

MISCELLANEOUS REVENUE

Investment Income

In the City of Yelm, available cash is invested with the Local Government Investment Pool. The amount of interest received will vary with interest rates and the amount of cash available for investment during any particular budget year. Interest income is allocated to City funds according to average cash balance.

Rentals and Leases

Sources of rental and lease income include the rental of City owned facilities for events, and the leasing of City owned land for cell-tower usage. In 2016 the City began renting the new Community Center for community events.

OTHER FINANCING SOURCES

Other financing sources represent those funding sources that are one-time or non-recurring in nature. Examples include general long-term debt such as General Obligation Bonds, Local Improvement District (LID) financing, interfund transfers, insurance proceeds, restitution, and grants.

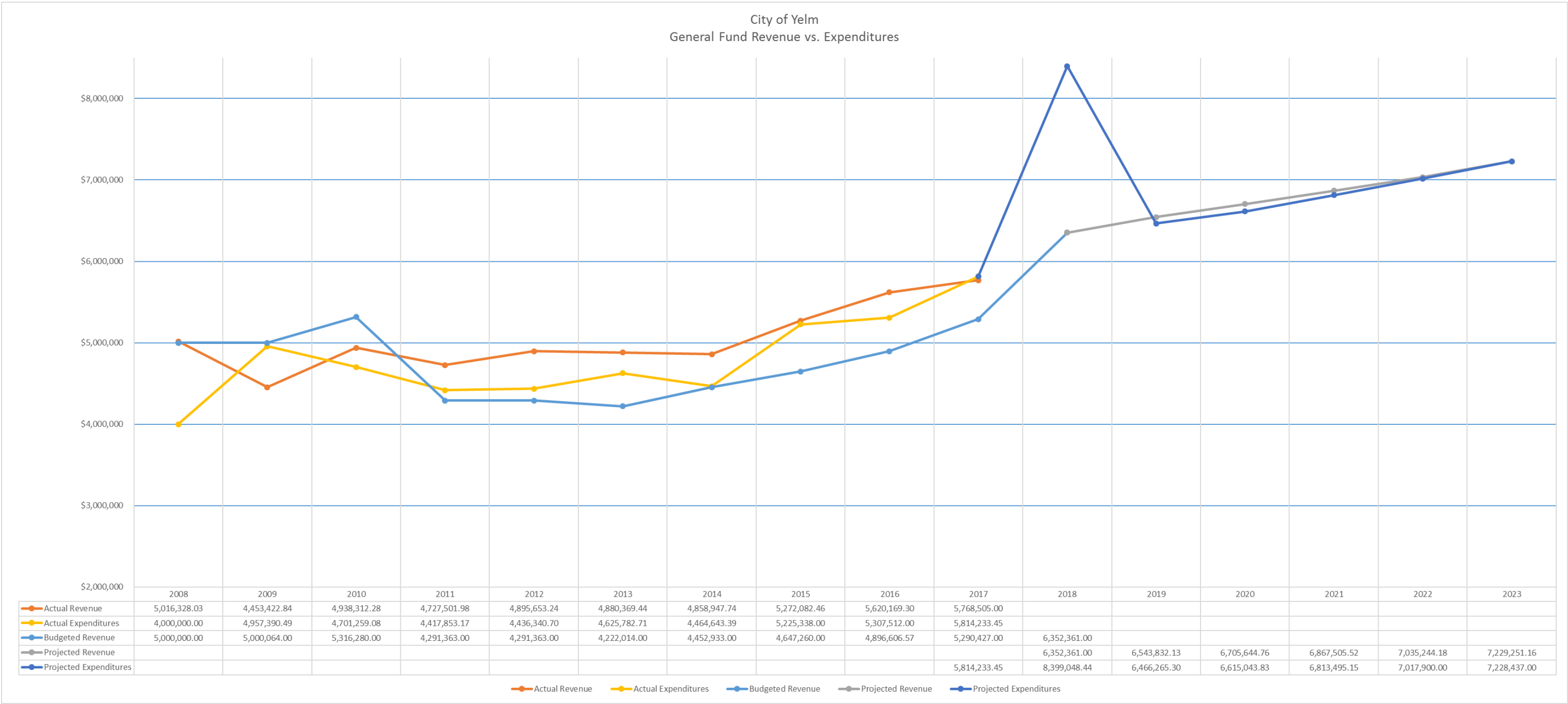
Interfund Transfers

Some funds receive revenues from other funds in the form of an interfund transfer. These transfers may represent payments for service, an operating transfer, or a concentration of revenues for a specific project. The following funds are budgeted to receive transfers from other funds.

- The Equipment Rental and Revolving fund (ER&R fund) is to receive allocations from Departmental, Special Revenue and Enterprise funds to provide equipment purchase, maintenance and repair for the City's equipment, including vehicles, facilities and computers.
- The Transportation Facilities Fund is budgeted to receive a transfer from the General Fund for the traffic modeling project.
- The Municipal Building Fund is budgeted to receive a transfer from the General Fund.

LONG-TERM GENERAL FUND REVENUE FORECAST

Historical and Projected Revenues, Expenses and Net Revenue



2018 expenditure line includes one-time expenditures and transfers out to the ER&R (\$799,684) & Revenue Stabilization Funds (\$1.0M).

Expenditure Estimates based on past actuals, expected inflation (Seattle CPI-U) and population projections.

Revenue Estimates based on Linear Trend Analysis and expected inflation (Seattle CPI-U).

GENERAL FUND BUDGET

Taxpayer dollars are deposited in the General Fund, along with utility license fees, business license fees, state shared revenues (from cigarette, marijuana, and liquor taxes), interest income, and miscellaneous revenues and beginning cash balances. This portion of the budget is comprised largely of discretionary funds, since the Mayor and City Council can allocate the funds to programs and services in any area. In other words, there are few restrictions on how these resources may be allocated.

The purpose of the General Fund is to provide for traditional government programs such as Police, Planning & Community Development, Administration, Parks, Recreation, and Facilities Maintenance. It also Transfers resources to other funds for support of streets and other projects not otherwise supported by Special Revenue funds.

City of Yelm
2019-2020 Budget
General Fund Department Summary

Department	2016 Actual	2017 Actuals	2018 Budget	YTD as of 7/31/2018	2018 YE Estimate	2019 Proposed	2020 Proposed
Administration	491,957	485,136	1,025,995	338,721	622,885	941,702	950,729
Finance	272,955	322,671	309,474	144,126	294,699	217,304	250,526
Court	206,171	231,423	238,205	123,669	236,605	253,079	258,985
Community Development	1,049,726	1,069,157	1,098,470	704,472	944,137	1,233,604	1,244,565
Police	1,818,240	1,984,463	2,317,600	1,239,850	2,159,229	2,485,912	2,539,430
Public Works & Parks	460,662	587,128	520,562	318,715	550,322	608,717	582,297
Nondepartmental	1,007,801	1,134,255	3,185,144	3,822,733	3,591,171	625,165	795,698
Total Expenditure Budget	5,307,512	5,814,233	8,695,450	6,692,285	8,399,048	6,365,483	6,622,229
Ending Fund Balance		1,559,033	874,221	874,221	874,221	1,037,555	1,120,859
Total Expenditure Appropriation		\$ 7,373,266	\$ 9,569,671	\$ 7,566,506	\$ 9,273,269	\$ 7,403,038	\$ 7,743,089

The City tracks policy reserves for the General Fund, as well as for each utility fund. For 2017, the reserves include a cumulative Reserve, with an average annual target of \$300,000 during the biennium. The City also requires a minimum General Fund balance of 15% of ongoing revenues, or roughly \$1.0 million in each fiscal year of the coming biennium. The City also maintains reserves in each utility fund, as described in the financial policies.

The City has fully funded all reserves since implementation of the reserve requirements in 2019-2020 biennial, with a General Fund balance that exceeded the minimum target. The 2019-2020 Mayor's Budget Proposal fully funds the General Fund reserves and utility fund reserves

CITY COUNCIL

The Yelm City Council represents the needs and interests of the citizens of Yelm. The seven-member Council establishes policy for the city, adopts the annual budget, and represents Yelm's interest on regional boards and commissions.

Legislative Department								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
511.10.42.00	Legislative Communications	\$ -		\$ 500	\$ -		\$ 500	\$ 500
511.10.44.01	Public Relations	-	150	200	1,522	2,608	200	200
511.20.41.00	Lobbyist Professional Services	2,202	8,200	15,000	4,500	7,714	15,000	15,000
511.30.41.00	Advertising/Chamber Contract	3,750	5,625	6,500	1,250	2,143	6,500	6,500
511.30.44.00	Official Publications Service	1,963	2,134	5,500	970	1,664	5,500	5,500
511.60.10.00	Salaries/Wages	49,262	50,400	50,400	28,847	49,452	50,400	50,400
511.60.20.00	F.I.C.A.	3,768	3,856	3,856	2,249	3,856	3,857	3,857
511.60.22.00	Industrial Insurance	122	152	150	78	135	175	175
511.60.31.00	Office & Operating Supplies	4,339	89	500	24	41	500	500
511.60.40.00	Travel/Training/Mtgs	3,269	161	23,000	225	386	7,000	7,000
511.60..45.91	IT Allocation - Legislative						37,319	38,095
511.60.49.00	Miscellaneous	66		-	120	206		
Total Expenditures		\$ 68,741	\$ 70,767	\$ 105,606	\$ 39,785	\$ 68,203	\$ 126,951	\$ 127,727

EXECUTIVE DEPARTMENT

MICHAEL GRAYUM, CITY ADMINISTRATOR
LORI MOSSMAN, CITY CLERK/HR MANAGER

MISSION

To ensure the City operates in the most organized and efficient manner.

PURPOSE

The Executive Department implements the City Council's policies and coordinates day-to-day operations, administration, and communications in ways that maintain compliance and support the needs of the City and its employees in the most timely and professional manner.

CORE FUNCTIONS

The **City Administrator** serves as the professional administrator of the City and is responsible for implementing the City Council's policies by overseeing the management of City departments, administering personnel and labor relations, the City budget, and the day-to-day operations of the City. The City Administrator is appointed by and serves at the pleasure of the Mayor and City Council.

The **Human Resource department** is responsible for the overall effectiveness of policies, programs, activities and functions that support the work of our dedicated team of employees. Key responsibilities include: personnel support and management, recruitment, on-boarding, training, succession planning, insurance and liability management, claim management, coordinating personnel changes and adjustments with the finance department, and serving as the primary contact for employees with benefit questions.

The **City Clerk** preserves the legislative history of the City and is responsible for the management and preparation of Council meeting agendas, packets, meeting notices, and the recording of meetings and actions taken; maintains official minutes of all proceedings, records ordinances, resolutions and other City documents and public records.

The **City Attorney** is a contracted position responsible for advising the Mayor, City Council, and Executive Department on all legal matter. The City Attorney also serves as the City Prosecutor.

The **Executive Assistant** is responsible for leading, coordinating, and providing all administrative support services to City departments, as well as an integrated, one-stop, customer service experience for the many people and organizations we strive to serve.

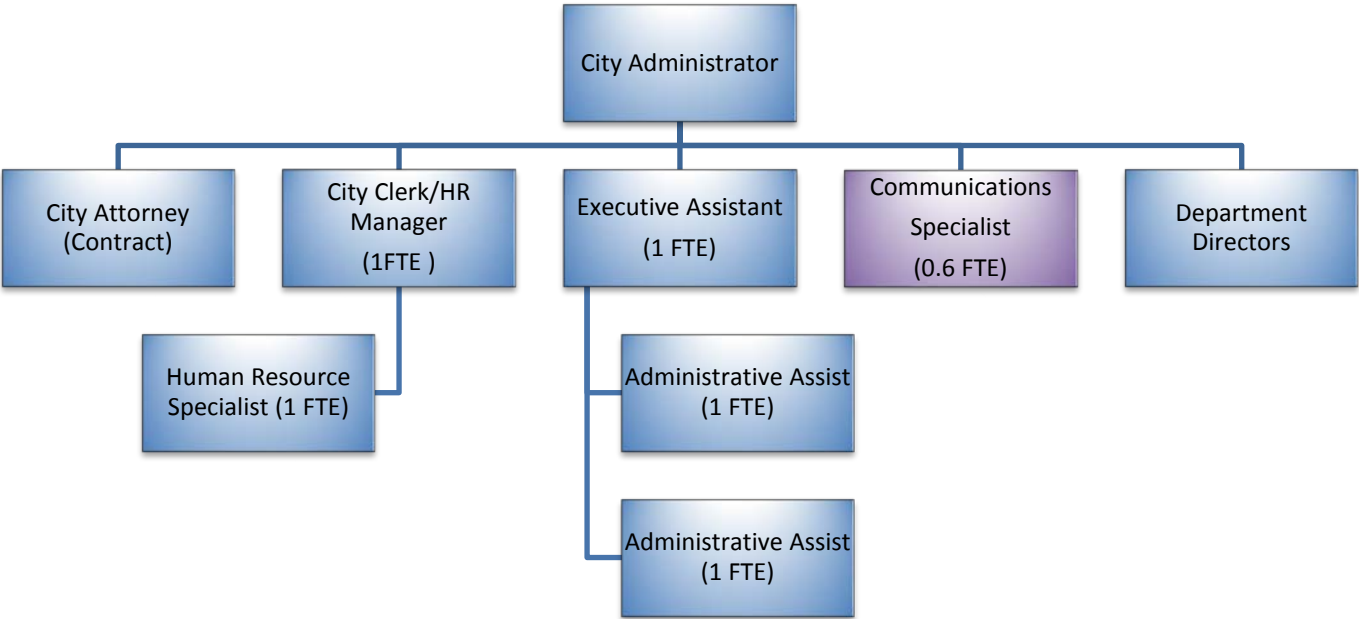
2018 MAJOR ACCOMPLISHMENTS

- Established a path forward for securing water rights to sustain future growth and revenue for city services, and securing funding and implementing the next phases of the Yelm Loop/Bypass
- Hired 7 new positions and 3 replacement positions
- Streamlined onboarding process for new employees
- Purchased new City Hall building and vacant land for future growth
- Implemented new City Council Agenda process and format
- Human Resources department moving towards going paperless
- Re-established the Wellness Program for employees, including upgrade to the City of Yelm Workout Room.
- Created Yelm's first annual "5K for the Fallen" Memorial Weekend Run

2019-2020 MAJOR GOALS

- Continue to advance our progress and path forward to secure future water rights and implementing the next phases of the Yelm Loop/Bypass
- Obtain Wellness Award from the Association of Washington Cities in 2020, which will result in a 2% financial savings for health care costs for the City
- Organize and digitize archives at the Public Works Facility
- Improve administrative processes and procedures to create an integrated, one-stop, customer service experience internally and externally.
- Increase employee training to continue improving operations and customer service, with a goal of 15% of staff to be trained white belts in Lean Management
- Hire a communications and grant writer (part time) to continue increasing transparency and augment tax dollars with other sources by securing grant funds for community priority projects
- Finalize employee development plan to invest in and implement employee education and training
- Establish 'Yelm University' to promote community education and participation
- Create a City of Yelm Youth Council to continue strengthening our partnership with community schools to promote civic education and include the voice of young people in government decision making
- Establish Extension Courses in Yelm in partnership with South Puget Sound Community College

ORGANIZATION CHART



EXECUTIVE DEPARTMENT BUDGET

Executive Department								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
513.10.10.00	Executive Salary	\$ 94,574	\$ 183,544	\$ 312,372	\$ 149,111	255,619	\$ 396,840	\$ 400,683
513.10.10.01	Executive Intern Salary	-	-	-	-	-	-	-
513.10.11.00	Accrued Vacation/Holiday/Sic	-	-	-	-	-	-	-
513.10.12.00	Overtime	-	-	-	-	-	-	-
513.10.12.01	Overtime-Intern	-	-	-	-	-	-	-
513.10.20.00	F.I.C.A.	6,846	13,306	23,897	11,135	19,088	25,433	25,616
513.10.20.01	F.I.C.A. Intern	-	-	-	-	-	-	-
513.10.21.00	Retirement	9,536	18,108	35,747	16,616	28,484	38,749	39,055
513.10.21.01	Retirement-Intern	-	-	-	-	-	-	-
513.10.22.00	Industrial Insurance	322	429	906	343	589	1,104	1,104
513.10.22.01	Industrial Ins. -Intern	-	-	-	-	-	-	-
513.10.23.00	Unemployment Insurance	125	296	1,407	255	437	1,507	1,519
513.10.23.01	Unemployment Ins. -Intern	-	-	-	-	-	-	-
513.10.24.00	Medical Insurance	34,453	43,721	74,840	31,882	54,654	75,241	78,704
513.10.31.00	Office/Operating Supplies	1,291	1,804	1,750	2,727	4,675	1,750	1,750
513.10.32.00	Fuel Consumed	-	-	-	-	-	-	-
513.10.35.00	Small Tools/Minor Equipment	3,859	2,438	1,500	5,838	10,008	1,500	1,500
513.10.40.00	Executive Travel/Training	3,184	7,609	7,500	5,955	10,208	12,000	12,000
513.10.41.00	Contract Professional Services	107,643	15	170,000	-	20,000	20,000	20,000
513.10.41.01	Planning/Design Prof Svcs	-	-	50,000	-	-	-	-
513.10.42.01	Communications: Phone	-	-	-	-	-	-	-
513.10.42.02	Communications: Postage	-	-	-	27	46	-	-
513.10.44.00	Advertising/Chamber Contract	4,250	500	4,250	549	941	4,250	4,250
513.10.44.01	Public Relations	7,273	6,768	10,000	469	804	10,000	10,000
513.10.45.91	IT ALLOC - EXEC	-	-	22,220	-	22,220	22,377	22,821
513.10.49.00	Executive Miscellaneous Exp.	280	434	-	2,097	3,594	-	-
513.10.49.01	Wellness Program	2,112	498	2,500	22	38	2,500	2,500
513.10.49.02	SSM&C Partnership	6,628	6,500	6,500	6,500	11,143	6,500	6,500
Total Expenditures		\$ 282,376	\$ 285,970	\$ 725,389	\$ 233,524	\$ 442,547	\$ 619,751	\$ 628,002

Executive Department								
Legal								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
515.20.41.00	Labor Relations Consultant	\$ 31,455	\$ 15,000	\$ 15,000	\$ 2,454	-	\$ 15,000	\$ 15,000
515.30.41.00	Legal Services/Criminal	35,833	35,000	35,000	22,855	-	35,000	35,000
515.30.41.01	Legal Services/Civil	57,252	70,000	70,000	34,769	-	70,000	70,000
515.91.41.00	Indigent Defense Costs	16,300	50,000	50,000	5,333	-	50,000	50,000
515.91.41.01	Public Defense Grant	-	-	25,000	-	-	25,000	25,000
Total Expenditures		\$ 140,840	\$ 170,000	\$ 195,000	\$ 65,412	\$ -	\$ 195,000	\$ 195,000

FINANCE DEPARTMENT

JOSEPH WOLFE, FINANCE DIRECTOR

MISSION

To protect the City's financial assets through implementation of sound financial policies and procedures and to provide stakeholders with meaningful financial data.

PURPOSE

The Finance Department is responsible for providing accurate and timely information regarding the City's financial affairs and serves as the primary advisor to the Mayor and City Council about financial issues.

CORE FUNCTIONS

To achieve this, the Department provides the following services:

Revenue Collection – Revenue is collected from a variety of sources including tax such as sales tax, property tax, and utility use charges. Other sources of revenue include grant funds, charges for services, interest and investment earnings, and intergovernmental transfers.

Distribution of funds – payments are made to vendors for services and material received. An improved system of issuing checks made the release of funds a reality on a weekly basis. Employee payroll checks and related benefits are paid on a bi-weekly basis.

Proper transaction recording – detailed accounting is achieved by recording all financial transactions in the City's financial system using the statewide Budget, Accounting and Reporting System coding structure. Each of these General Ledger Numbers are unique, are individually budgeted, and performance against these budgets are tracked.

Financial reporting – Specially designed reports are prepared and distributed monthly. Reports identify the approved budget for line items and performance relative to that budget.

Budget administration – A budget is prepared for Council review and approval on a yearly basis. The approved budget is distributed and made available for public review and reference via the internet. Internally, the City's executive staff manages their department's respective budgets.

Debt management – Administer outstanding debt in accordance with the Official Statements of the City's bond issuances and loan agreements. Accordingly, principal and interest payments are made based on the amortization Schedules and all Disclosure Statements are regularly prepared and issued. Outstanding City debt is analyzed and opinions are provided to Council regarding possible refunding efforts.

Investment of City funds – the City's idle cash is invested with the Local Government Investment Pool (LGIP) and other investments as authorized by RCW 39.59.040.

Risk Management – Policies and procedures are established and stringently followed to identify and minimize the City's exposure to risk and potential financial loss. All contracts are reviewed for adequacy and compliance with these policies, and special training classes are held to heighten City employee's and volunteer's awareness of certain high-risk issues.

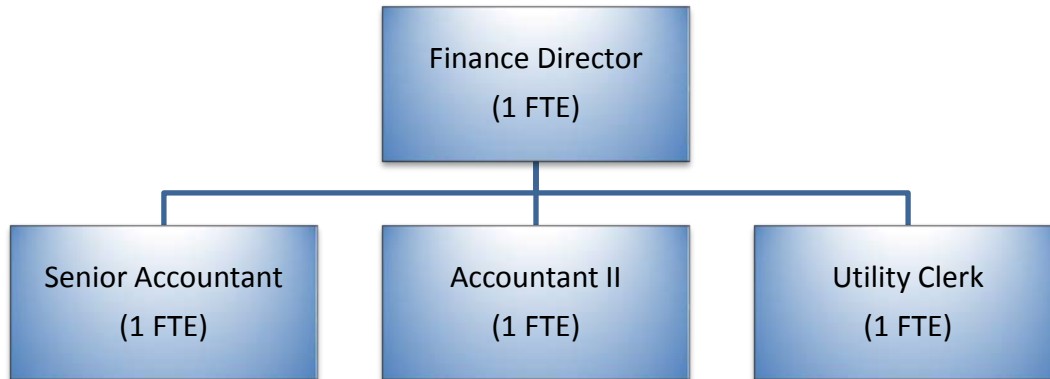
2018 MAJOR ACCOMPLISHMENTS

- Developed and maintained fiscal policies to ensure sound management of the City's finances, including debt management, city investments, reserve and other financial compliance policies.
- Reinvented the budget document, resulting in the City's first Government Finance Officers Association Distinguished Budget Presentation Award.
- Implemented long-term revenue and expenditure forecasting for all City funds.
- Adopted Written Financial Policies in the 2018 budget that promote sound financial management and assist in the City's stability, efficiency, and effectiveness.
- Improved Banking Services – Successfully negotiated a change of City treasury services, merchant services, and purchasing cards with a local bank, resulting in a savings of approximately \$20,700/year for the City.
- Refinanced the 2006 Limited Term General Obligation Bond, resulting in total interest cost savings of \$171,430 through 2026.
- Refinanced the 2009 Killion Local Improvement District Bond – resulting in interest cost savings of \$656,299 for City and LID participants through 2024.
- Invested reserve funds in US Treasury Bonds to increase return on investment, establishing a ladder investment portfolio to provide a steady stream of investment income to the City.
- Implemented revenue neutral Senior and Disabled Utility Rate Discount Rates for water, sewer & stormwater, equalizing the effect of the discounts on the Enterprise Funds.
- Purchased new financial management and utility billing software, resulting in savings of approximately \$20,000/year while providing better customer service and increased technological capability.

2019/2020 MAJOR GOALS

- Implement the new financial management and utility billing software to improve customer service and increase technological capability.
- Partner with independent Certified Public Accountants to perform internal audit, risk assessment and internal control review.
- We will continue to provide regular financial updates at regular City Council meetings for the edification of the general public and elected officials.
- Continue to optimize the use of technology to enhance public services.
- Continue to engage the City Council Finance Committee concerning all financial matters deemed to be in the best interest of the City.
- Prepare to meet the financial and tax requirements of a City with population of more than 10,000.

ORGANIZATION CHART



FINANCE DEPARTMENT BUDGET

Finance Department								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
514.23.10.00	Salaries/Wages	184,516	201,560	147,591	88,779	152,192	79,563	88,605
514.23.11.00	Accrued Vac./Holiday/Sick	354	1,652	-	-	-	-	-
514.23.12.00	Overtime	1,890	146	2,000	129	222	2,050	2,100
514.23.20.00	F.I.C.A.	14,173	15,046	11,291	6,070	10,405	6,087	6,778
514.23.21.00	Retirement	19,777	18,907	18,745	3,240	5,554	10,105	11,253
514.23.22.00	Industrial Insurance	552	559	502	264	452	318	341
514.23.23.00	Unemployment Insurance	358	398	738	160	274	397	443
514.23.24.00	Medical Insurance	13,050	31,230	34,671	18,600	31,886	20,490	22,476
514.23.31.00	Office/Operating Supplies	3,631	5,971	7,000	3,202	5,489	8,000	8,000
514.23.32.00	Fuel/Vehicle Maintenance	182	382	300	-	-	300	300
514.23.35.00	Small Tools/Minor Equipment	3,328	4,247	3,000	1,233	2,113	3,000	3,000
514.23.41.00	Professional Services/Legal	-	374	-	30	51	150	150
514.23.41.01	Professional Services Banking	13,803	15,127	15,000	4,352	7,461	10,000	10,000
514.23.42.00	Communications: Alarm Monitori	-	-	-	-	-	-	-
514.23.42.01	Communication: Phone	-	-	-	-	-	-	-
514.23.42.02	Communications: Postage	-	270	-	1,429	2,450	-	-
514.23.43.00	Travel/Training/Dues	4,107	5,822	7,500	6,317	10,829	12,000	12,000
514.23.44.00	Printing/Advertising	141	214	800	438	752	800	800
514.23.46.00	Property/Casualty/Bond Insur.	60	-	70	-	-	70	70
514.23.47.00	Public Utilities Services	-	-	-	-	-	-	-
514.23.48.00	Contracted Repairs/Maint	109	1,011	500	-	-	500	500
514.23.49.00	Miscellaneous	86	-	100	5,062	8,677	100	100
514.23.51.00	Auditor/Professional Expense	18,661	786	15,000	-	18,000	40,000	60,000
514.23.53.00	Taxes & Assessments External	60	419	140	38	65	75	75
514.23.45.91	IT ALLOC - FINANCE	-	-	29,626	-	29,626	11,889	12,124
514.30.41.00	Records Services	18	-	200	-	-	200	200
514.39.00.00	Reallocate Custodian	-	-	-	-	-	-	-
514.40.41.00	Election Costs	(2,408)	-	3,100	4,783	8,200	3,100	3,100
514.50.35.00	Bldg/Grounds Maint. Supplies	-	641	1,000	-	-	-	-
514.50.41.00	Bldg/Ground Custodial /Cleanin	-	62	-	-	-	-	-
514.50.41.01	Software Maint	3,805	-	-	-	-	-	-
514.81.49.00	Bus. License Background Checks	108	400	600	-	-	110	110
514.89.00.00	Reallocate It/Data Procs	-	-	-	-	-	-	-
514.90.41.00	Voter Registration Costs	(7,406)	17,448	10,000	-	-	8,000	8,000
Total Expenditures		\$ 272,955	\$ 322,671	\$ 309,474	\$ 144,126	\$ 294,699	\$ 217,304	\$ 250,526

COMMUNITY DEVELOPMENT DEPARTMENT

GRANT BECK, COMMUNITY DEVELOPMENT DIRECTOR

MISSION

To provide easy and understandable information in a responsive manner to our customers. To be fair to all and to be results driven.

PURPOSE

To facilitate the creation of community and to create great places for residents, businesses, and visitors.

CORE FUNCTIONS

The Community Development Department is a high functioning team responsible for Planning and Permitting, promoting Economic Development, and providing support to a number of Boards and Commissions advisory to the Mayor and City Council.

Permitting & Inspection - The Department processes and issues all permits required by the Washington State Building Code, Chapter 19.27 RCW, and Growth Management Act, Chapter 36.70A RCW. These regulations, implemented through the Yelm Unified Development Code (UDC), are codified at Title 18 YMC. The UDC was adopted in 2016 and is a model of form based code. It streamlines the process for permits while ensuring that decisions are based on firm criteria and are reviewable through appeal. The Department also coordinates with Public Works on civil plan review and development inspections.

Planning – The Department supports long range planning of the City required by the Growth Management Act. The Comprehensive Plan is the City’s road map to the future and is used by the City Council and staff in all decisions from budget to work programs.

Code Enforcement – The Building Official acts as the code enforcement officer for all building, zoning, and nuisance regulations.

Economic Development – The Department acts as the Economic Development agency for the City of Yelm. The City’s economic strategy is to retain and support existing businesses while attracting new jobs and services.

Boards & Commissions - Staff from the Department provide support relating to land use, planning, permitting, and economic development to the City Council, the Community & Economic Development Committee of the Council, the Planning Commission, the Tree Board, and to the Historic Commission.

2018 MAJOR ACCOMPLISHMENTS

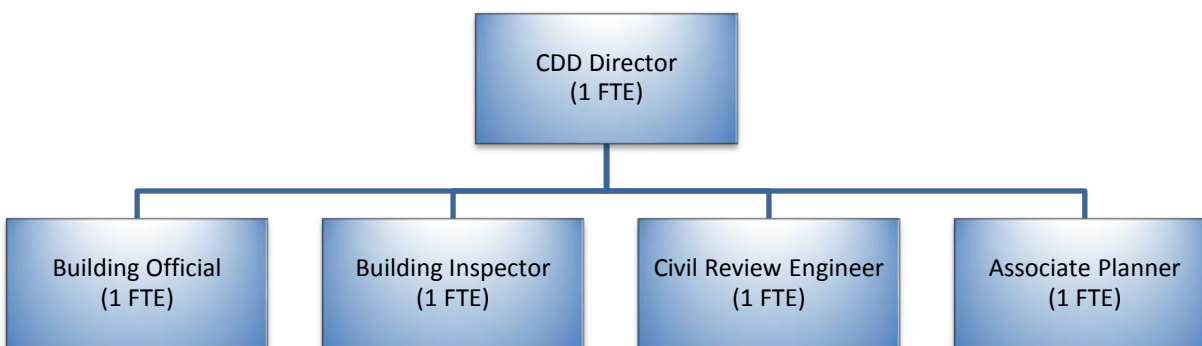
- The Department reviewed the process to submit land use and building permits to ease the process for the applicant. Applications may now be made at a counter kiosk and will soon be made available online. The process to review and approve permits was also revamped and streamlined. Technology has been incorporated to automate and simplify processes.

- The Department is working with the consulting firm SCJ Alliance to create a downtown corridor strategy to identify measures to strengthen the downtown while still moving traffic on the State Highways that bisect it.
- The Department Director helped facilitate the move to the new City Hall purchased early in 2018, outside the adopted work program for the City.
- The Department assisted Public Works in the City's water rights application under the Streamflow Restoration Act.
- The Department represented the City on regional groups and projects including the South Sound Military & Community Partnership Joint Land Use Study Implementation Committee, the Military Compatibility Focus Group lead by Commerce, the I-5 Corridor Study lead by WSDOT and TRPC, and the Nisqually Watershed Planning Group lead by the Nisqually Tribe.
- The Department worked with WSDOT on the final design for the Yelm Loop and helped sponsor public participation events for the project.

2019/2020 MAJOR GOALS

- Complete the Downtown Corridor plan. This will entail much involvement by the community and stakeholders in the downtown core.
- Prepare an updated 20 year transportation plan for review by the Planning Commission and adoption by the City Council.
- Conduct annual updates to the Comprehensive Plan, Unified Development Code and the Capital Improvement Program.
- Continue to expand the Departments customer's ability to gather information and submit applications online and through alternative methods to a counter visit.
- Complete a LEAN review of the City's permit processes, starting with those processes that interface with the Public Works Department.
- Improve Levels of Service for customers of the Department.

ORGANIZATION CHART



COMMUNITY DEVELOPMENT DEPARTMENT BUDGET

Community Development Department								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
558.10.10.00	Salaries/Wages	\$ 363,607	\$ 320,460	\$ 402,204	\$ 225,722	\$ 300,963	\$ 431,694	\$ 441,207
558.10.11.00	Accrued Vacation/Holiday/Sick	20,635	5,603	2,000	-		2,000	2,000
558.10.12.00	Overtime	497	461	600	259	500	600	600
558.10.20.00	F.I.C.A.	28,553	24,130	31,992	16,857	\$ 22,476	33,025	33,752
558.10.21.00	Retirement	39,405	36,117	53,111	29,087	\$ 38,783	50,804	56,696
558.10.22.00	Industrial Insurance	4,250	2,297	1,359	1,990	\$ 2,654	1,591	1,591
558.10.23.00	Unemployment Insurance	740	627	2,091	442	\$ 589	2,159	2,207
558.10.24.00	Medical Insurance	73,026	71,335	110,433	47,183	\$ 62,911	113,688	118,653
558.10.31.00	Office/Operating Supplies	3,127	7,054	8,250	2,484	\$ 3,312	8,250	8,250
558.10.32.00	Fuel	907	3,612	2,000	517	\$ 1,000	2,000	2,000
558.10.35.00	Small Tools/Minor Equipment	5,470	10,323	5,300	1,561	\$ 4,000	5,300	5,300
558.10.40.00	Rmsa Insurance	-	-	-	-		-	-
558.10.41.01	Consultant Svcs/Plan Review	18,187	13,433	8,000	845	11,264	8,000	8,000
558.10.41.02	Engineering Plans/Services	-	16,796	-	-		-	-
558.10.41.03	Tree: Professional Services	-	30	2,000	-	-	2,000	2,000
558.10.42.01	Communications: Phone	1,777	2,912	3,200	2,372	\$ 3,162	3,200	3,200
558.10.42.02	Communications: Postage	-	-	-	-		-	-
558.10.42.03	Tree: Postage	-	-	-	-		-	-
558.10.43.00	Travel/Training/Dues	4,913	4,626	6,300	4,525	\$ 6,034	6,300	6,300
558.10.43.01	Tree: Travel/Training/Dues	-	15	200	-		200	200
558.10.44.00	Printing & Advertising	2,960	2,948	6,000	2,219	\$ 2,959	6,000	6,000
558.10.44.01	Tree: Events/Advertising	602	448	1,500	129	\$ 172	1,500	1,500
558.10.45.91	IT ALLOC - PLANNING	-	-	33,330		33,330	39,127	39,903
558.10.48.00	Vehicle/Equipment Rep/Maint.	515	1,367	1,400	100	\$ 500	1,400	1,400
558.10.48.01	Tree: City Repairs/ Maint.	1,509	628	1,500	-		1,500	1,500
558.10.49.00	Misc/Record Ordinances	390	50	1,000	74	700	1,000	1,000
558.20.41.00	Gma Grant Project Work	-	-	-			-	-
558.39.00.00	Reallocate Custodian	-	-	-	-		-	-
558.50.48.00	Contracted Repairs/Maint	-	-	-	-		-	-
558.60.41.00	Regional Planning	29,406	33,158	35,000	23,388	30,000	35,000	35,000
558.60.41.01	Local Planning	-	-	-	-		-	-
558.80.41.00	Professional/Development Fee	-	-	-	9,419	-	-	-
558.80.48.00	Amtrak Station Operation/Maint.	1,110	1,005	1,400	375	1,200	1,400	1,400
					-			
Total Expenditures		\$ 601,586	\$ 559,434	\$ 720,170	\$ 369,548	\$ 526,508	\$ 757,738	\$ 779,659

POLICE DEPARTMENT

TODD STANCIL, CHIEF OF POLICE

MISSION

To be proactive, accountable and responsive to the needs of the community through professional police services to enhance the quality of life for the City of Yelm.

PURPOSE

To be a leader in the law enforcement community and provide excellent customer service to the citizens we serve by creating an environment throughout the City of Yelm in which residents can carry on with the priorities in their lives without the stress of criminal behavior in their neighborhoods and businesses.

CORE FUNCTIONS

The Yelm Police Department is organized into two divisions: Administration and Operations. We currently have a Chief, (2) Sergeants, Detective, School Resource Officer and (8) Patrol Officers. We have an Administrative Secretary, Records Clerk, (5) Reserve Officers and (1) volunteers.

Administration - The Administration Division consists of the Chief of Police, Administrative Secretary and the Records Clerk. The Chief is responsible for the overall management and administration of the Police Department. The Administrative Secretary handles all administrative issues and the Records Clerk is responsible for all records related matters. The expenditures in this division are used to fund these positions, necessary materials and services for administrating the department, and some overall departmental expenses.

Operations - The Chief is responsible for the overall operations of the Operations Division which consists of (3) Sergeants, (7) Patrol Officers, School Resource Officer and Detective. The Chief has supervisory responsibility over the two Sergeants, School Resource Officer and Detective. In addition, the Chief of Police is directly responsible for Crime Prevention and Community Education practices within the community. The Chief of Police also serves as the City of Yelm Emergency Management Director for the City of Yelm and is responsible for the maintenance and operations of the Comprehensive Emergency Management Plan as well as educating the citizens on awareness and preparedness.

The Sergeants are responsible for the supervision of the (10) patrol officers, Reserve Program and the Field Training Program. The Sergeants are also tasked with administering Internal Investigations when needed and responding to emergency service calls to assist Patrol.

The Detective is responsible for overseeing and conducting criminal investigations, follow-up investigations, and for the dissemination of criminal information. The Detective is also responsible for conducting background investigations on new hires as well as the direct oversight of the Department Evidence Room.

Patrol Officers are responsible for general patrol, responding to calls for service, initial case investigation community policing and traffic enforcement. The School Resource Officer is assigned to the Yelm School District during the school year to enforce laws, educate staff and students and to serve as a liaison between the Police and Schools.

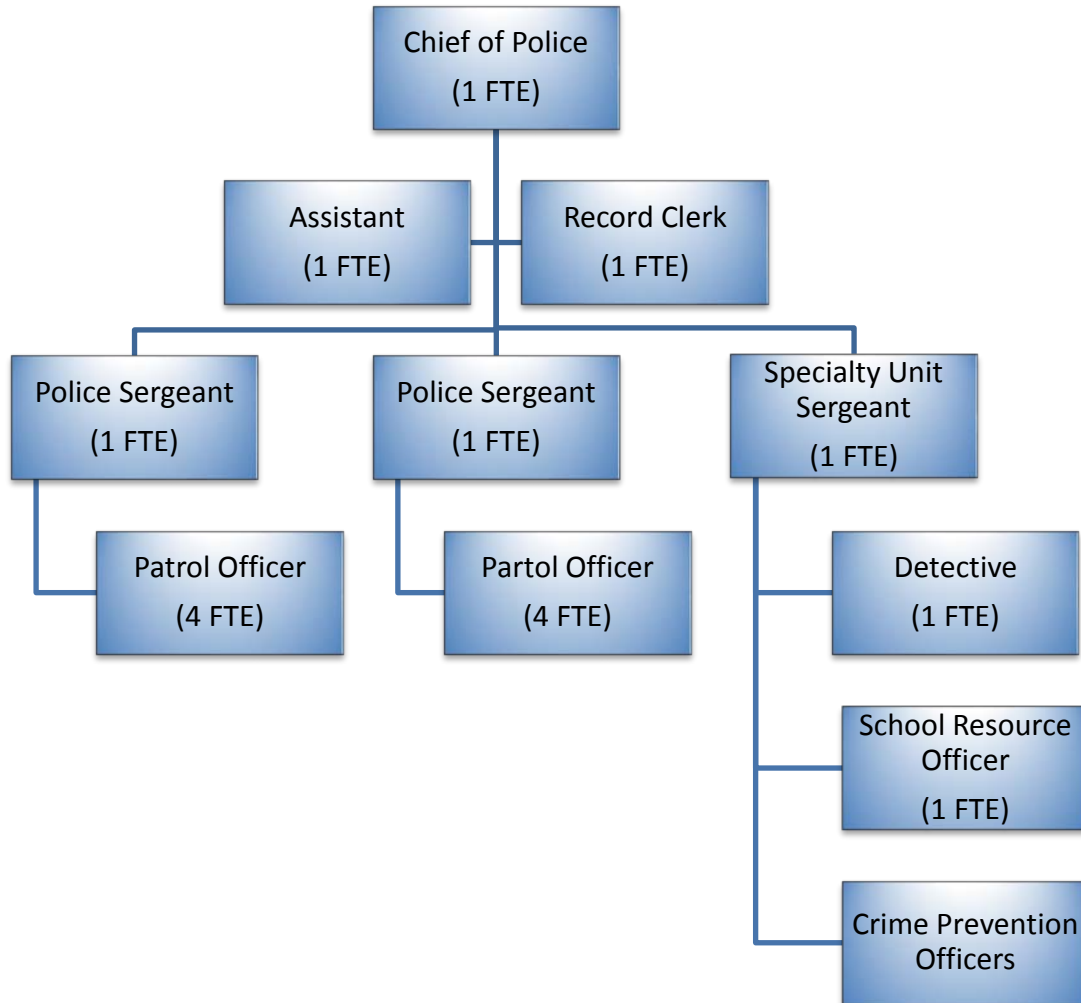
2018 MAJOR ACCOMPLISHMENTS

- Maintained a great group of dedicated officers to serve the community
- Met and/or exceeded all training requirements from the WSCJTC
- Purchased and outfitted (8) new patrol vehicles
- Filled all funded department positions with excellent Officers
- Made significant process in dealing and addressing Nuisance Properties in conjunction with Community Development
- Continued a series of open discussions with the community to enhance transparency
- Recognized the Officer and Reserve Officer of the Year
- Sent Officers to EVOC and FTO Instructor School
- Made significant progress on the Emergency Management CEMP Plan
- Completed the All-Hazards Mitigation Plan
- Participated in Community Events – Prairie Days, Christmas in Park, Benefit Runs, Memorial Day 5k, Rainier Round Up Days, Jazz and UFO Festival

2019/2020 MAJOR GOALS

- Add additional staffing to maintain and expand services to the community
- Staff the position of Specialty Unit Sergeant to support the foundation for future growth
- Staff the position of Crime Prevention/Code Enforcement Officer to expand services
- Complete the Comprehensive Emergency Management by January of 2019
- Develop a succession plan for supervisory level positions
- Establish a 5 and 10 year staffing plan
- Expand Reserve Officer program and potentially host Reserve Academy
- Implement a Citizens Police Academy
- Promote the Volunteer Program
- Add additional School Resource Officers with support from Yelm School District
- Increase Pro-Active Law Enforcement Programs
- Reduce criminal activity and meet the expectations of the community
- Work with local groups to reduce and assist with homeless population

ORGANIZATION CHART



POLICE DEPARTMENT BUDGET

Police Department								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
LAW ENFORCEMENT								
521.10.10.00	Salaries/Wages	\$1,047,574	\$1,151,838	\$1,258,863	\$ 728,552	\$ 1,248,946	\$1,315,084	\$1,367,866
521.10.11.00	Police Accrued	39,443	36,352	30,000	-	\$ -	30,000	30,000
521.10.12.00	Overtime	64,720	44,081	60,000	18,251	\$ 50,000	60,000	62,500
521.10.15.00	Temporary/Reserve Hire	-	-	-	-	\$ -	-	-
521.10.16.00	Civil Service Salaries	687	922	1,100	19	\$ 1,100	1,100	1,100
521.10.20.00	F.I.C.A.	85,950	91,801	97,449	56,356	\$ 96,611	100,604	104,641
521.10.21.00	Retirement	64,282	70,833	77,484	47,716	\$ 81,799	80,085	83,141
521.10.22.00	Industrial Insurance	22,850	22,518	28,727	13,496	\$ 23,136	29,096	29,096
521.10.23.00	Unemployment Insurance	2,218	2,382	6,370	1,451	\$ 2,487	6,575	6,840
521.10.24.00	Medical/Disability Insurance	224,996	261,321	319,841	176,350	\$ 302,314	304,253	308,161
521.10.25.00	Uniforms	11,209	11,382	18,100	15,870	\$ 16,250	18,100	18,100
521.10.25.01	Reserve Uniforms	3,796	279	1,500	1,358	\$ 2,000	2,500	3,000
521.10.31.00	Office/Operating Supplies	6,240	4,921	6,000	2,123	\$ 5,000	6,000	6,000
521.10.32.00	Fuel Consumed/Oil	25,310	36,253	36,000	17,493	\$ 33,000	38,000	40,000
521.10.40.00	Civil Service/Other Charges	2,090	1,892	2,000	509	\$ 2,000	2,000	2,000
521.10.41.00	Professional Services	3,990	3,747	14,700	2,909	\$ 4,700	4,700	4,700
521.10.41.01	Prof Svcs: Alarm Monitoring	-	-	-	-	-	-	-
521.10.41.02	Prof Svcs: Web Usage	-	-	-	-	-	-	-
521.10.42.01	Communication: Phones	11,287	11,509	14,000	7,333	\$ 14,000	17,000	17,000
521.10.42.02	Communication: Postage	12	-	-	-	-	-	-
521.10.43.00	Travel/Training Fees	5,243	4,147	7,800	5,799	\$ 7,800	13,000	9,200
521.10.43.01	Criminal Justice Trng Reimb	-	-	-	-	-	-	-
521.10.44.00	Printing & Advertising	76	89	100	50	\$ 100	100	100
521.10.45.91	IT ALLOC - PUBLIC SAFETY	-	-	114,802	-	\$ 114,802	83,844	85,506
521.10.46.00	Casualty Insurance-Rmsa	-	-	-	-	-	-	-
521.10.47.00	Public Utilities Services	-	15	-	-	-	-	-
521.10.48.00	Vehicle Repairs & Maintenance	23,870	27,576	22,000	9,710	\$ 16,000	17,000	17,000
521.10.49.00	Fees/Dues	25,600	28,961	37,000	30,402	\$ 35,000	37,000	38,000
521.10.50.00	Office/Radio Equip. Repair/Maint.	3,769	3,519	5,000	4,122	\$ 5,000	5,000	5,500
521.10.53.00	Taxes & Assessments External	14	14	14	14	\$ 14	14	14
521.10.63.00	FLEET ALLOCATION - PD	-	-	-	-	-	151,657	134,764
521.10.97.00	Thurston County Communicatio	-	-	250	-	\$ -	-	-
521.21.00.00	Drug Investigation Funds	-	-	-	-	-	-	-
521.30.31.00	Crime Prevention	1,819	1,821	2,000	650	\$ 2,000	2,500	3,000
521.30.49.04	Reserve Officers Crime Prev.	-	-	-	-	-	-	-
521.31.35.00	Small Tools/Minor Equipment	19,030	18,134	19,000	58,216	\$ 20,000	20,000	21,000
521.39.00.00	Reallocate Custodian	-	-	-	-	-	-	-
521.40.31.00	Training Supplies/Ammunition	5,510	6,002	7,500	1,626	\$ 7,500	7,500	8,000
521.50.41.00	Bldg/Ground Custodial/Cleaning	58	-	-	2,718	\$ 4,659	-	-
Total Expenditures		\$1,701,643	\$1,842,312	\$2,187,600	\$1,203,094	\$ 2,096,219	\$2,352,712	\$2,406,230

DETENTION/CORRECTION								
523.60.51.00	Care & Custody Of Prisoners	\$ 116,597	\$ 142,152	\$ 130,000	\$ 36,756	\$ 63,010	\$ 133,200	\$ 133,200
Total Expenditures		\$ 116,597	\$ 142,152	\$ 130,000	\$ 36,756	\$ 63,010	\$ 133,200	\$ 133,200

- Fleet and equipment replacement costs are included in the Equipment Rental & Replacement budget.

PUBLIC WORKS DEPARTMENT

CHAD BEDLINGTON, PUBLIC WORKS DIRECTOR

MISSION

To provide essential infrastructure and utility services to the citizens of Yelm in a prompt, courteous, safe, efficient, and cost-effective manner. Public Works, through its dedicated employees, strives to plan, design, build, maintain, and operate public infrastructure in a manner that respects the environment and the ability of government to adequately preserve these assets for succeeding generations.

PURPOSE

We pursue excellence and will be recognized as a leader for our innovative strategies and programs.

CORE FUNCTIONS

The Yelm Public Works Department is organized into three primary divisions: Administration, Operations, Capital Projects and Programs. We currently have a Public Works Director, Public Works Projects & Programs Manager, Water Reuse Facility (WRF) Plant Manager, Field Supervisor, Administrative Assistant, four water system operators, five wastewater plant operators, three parks workers, one custodian and three street maintenance workers. Public Works also brings on three to five seasonal employees each year during the summer months.

Administration - The Administration Division consists of the Public Works Director, Public Works Projects & Programs Manager, and Administrative Assistant. The Director is responsible for the overall management and administration of the Public Works Department. The Public Works Projects & Programs Manager oversees the departments Capital Improvement Plan (CIP), execution of capital projects and programs including asset management. The Administrative Assistant position supports both operations staff and administrative staff's daily needs and program administration. The expenditures in this division are used to fund these positions, necessary materials and services for administering the department, and some overall departmental expenses. These positions are supported by general fund monies as well as the Enterprise Funds (water, wastewater, stormwater).

Operations - The Public Works Director oversees the bulk of the Operations Division, which consists of a Field Supervisor, WRF Plant Manager, four water system operators, three parks workers, one custodian, and three street maintenance workers. The Field Supervisor handles oversight of the daily operations of the Parks, Facilities, Streets, Stormwater, and Water operations staff and daily work assignments. The WRF Plant Manager oversees the wastewater operators and the day-to-day operations of the WRF and the wastewater collections system. When needed, all Managers and Supervisors are regularly called upon to perform additional duties to support the operations teams ranging from procurement, emergency response, to coordination of special projects and events.

Water Operations - The certified water system operators are responsible for operating and maintaining over 100 miles of water mains and appurtenances including three reservoirs and three potable water sources and treatment facilities. Their duties include water treatment and distribution, maintenance repairs, flushing, fire hydrant exercising, and leak detection. This group is also responsible for water sampling, monthly water quality report, water shutoffs, leak detection, construction and inspection

support, and water code enforcement. Water operations is an Enterprise Fund supported by Water Rates collected from our customers.

Wastewater Operations - The wastewater plant operators are responsible for operating and maintaining over 105 miles of pressurized wastewater collections pipe and reuse water distribution, operations of the WRF, and inspection and maintenance of close to 3000 STEP (Septic Tank Effluent Pump) tank systems. This includes repairs, valve servicing, sample testing, monthly reporting, construction inspection & support and sewer code enforcement. Wastewater operations are an Enterprise Fund supported by Sewer Rates collected from our customers.

Parks Operations - Parks employees are responsible for regular maintenance of most right-of-way areas, all parks and trails including over 75 acres of public parks and landscape areas. This includes facilities located on parklands and all City facilities (Public Safety, City Hall, Yelm Community Center, Public Works Operations, and Library). Regular duties include cleaning and repair of facilities, custodial, grounds maintenance, street tree maintenance, and preparation and planning assistance for special events (Prairie Days, parades, etc.). Park operations are funded by the general fund, with a portion of employee salaries and benefits being paid from the Stormwater Fund for stormwater facility maintenance in parks, trails and rights-of-way.

Street Operations - Street department employees are responsible for a variety of activities associated with operations and maintenance of our City streets and rights-of-way. Their duties include: Pothole repair, striping, street sweeping, mowing, sidewalk repair, ice and snow removal, stormwater system repair and maintenance, pavement condition assessment, weed control, sign inventory, and construction inspection and support. Street operations is funded by the general fund, with related stormwater operations and maintenance activities funded by the stormwater fund.

Capital Projects & Programs - Capital projects and programs are jointly overseen by the Public Works Director and Manager. This division is responsible for the CIP administration, execution, and updating as well as managing regular programs to maintain and maximize the life of capital improvement investments. In support of that responsibility, the following tasks are regularly performed within this division: budgeting, comprehensive planning, contract management, project management, administration of franchise agreements, permitting, inspections and condition assessments, funding requisition and grant writing, strategic planning, and coordination of public involvement and education in city projects and programs.

2018 MAJOR ACCOMPLISHMENTS

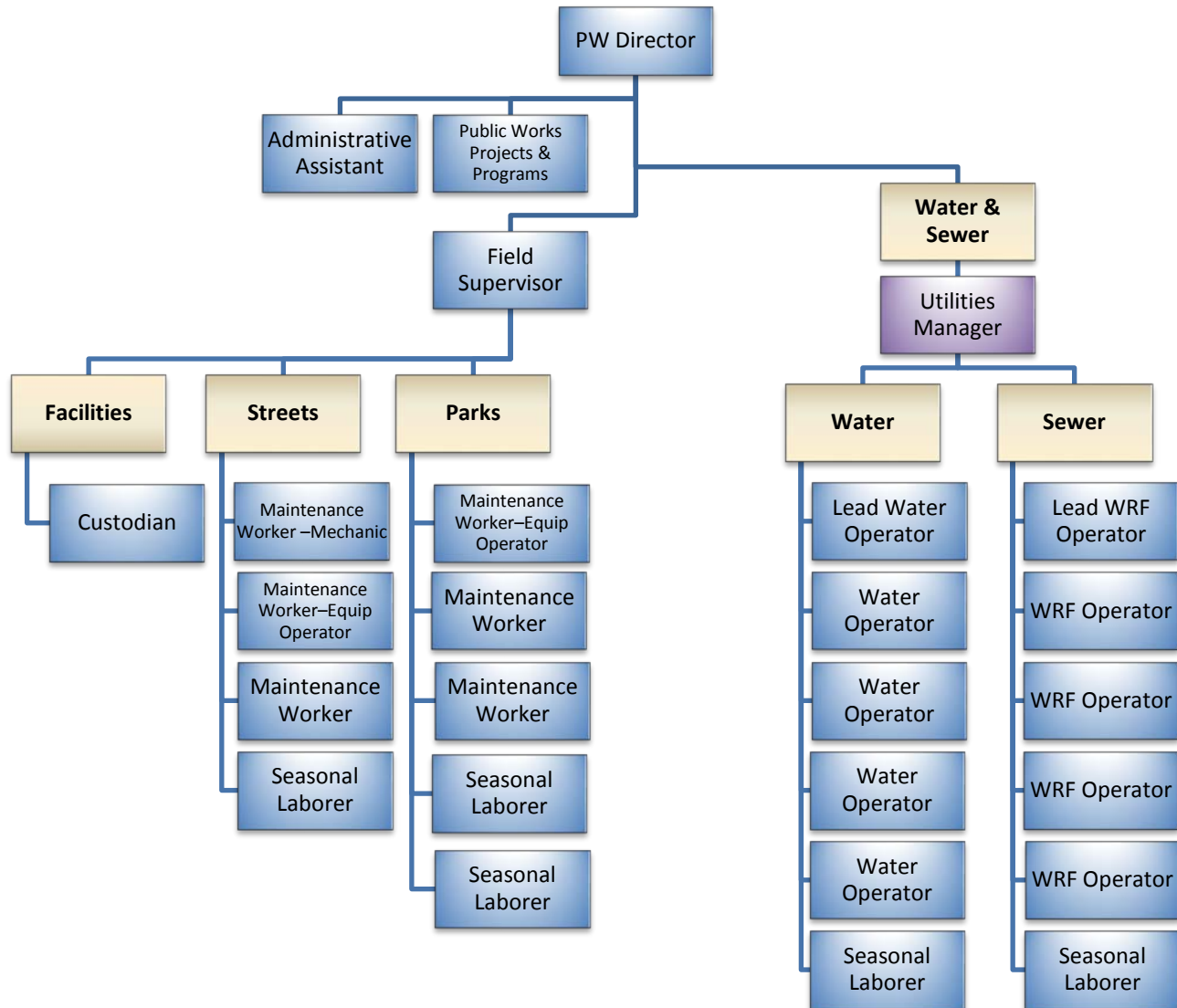
- Updated Equipment Repair and Replacement (ER&R) fund for the City
- Updated 6-year Capital Improvement Plan
- Adopted 6-Year Pavement Management Planning Strategy
- Completed striping of half of the City streets
- Completed Regional Travel Demand Modeling and Local Model Forecasts
- Fulfilled maintenance and repair of 150 S.T.E.P. tanks and holding facilities for commercial and residential homes to include inspection, testing of new facilities, and responded to over 220 alarms in 2018.
- Completed Stormwater, Water, and Sewer Rate Analysis for financial stability
- Implemented CityWorks Asset Management software
- Completed construction of Cullens Road Overlay

- Completed environmental assessments for Fort Stevens Pedestrian Improvements & secured project funding
- Began construction of Fort Stevens Pedestrian Improvements
- Installed vehicle charging station at Yelm Community Center
- Completed NEPA and began construction for City Park Splash Pad and Playground Equipment
- Completed Investment Grade Audit for city facilities, & initiated audit result implementation
- Completed design and construction of Water Reclamation Facility (WRF) Phase 1 Improvements
- Began design of Water Reclamation Facility Phase 2 Improvements including an investment grade audit for efficiency
- Completed construction of 2017 AC Water Main Improvements
- Completed Rate Analysis for Sewer, Storm, and Water and adopted new rates for 2018-2020
- Revised and updated GIS mapping of 49 city assets

2019-2020 MAJOR GOALS

- Reorganize the Public Works Department in 2020 to create efficiencies and accommodate growing demand on water, sewer and street infrastructure.
- Update Local and Regional Traffic/Transportation Models
- Complete ADA Transition Plan
- Inspect & analyze pavement conditions citywide
- Complete construction of Fort Stevens Pedestrian Improvements
- Complete Study and funding strategy for Bald Hills Road
- Complete a 20-year Capital Parks Implementation Plan and funding strategy
- Complete construction of City Park Splash Pad and Playground Equipment
- Construct drainage and field improvements at Longmire Sportsplex
- Initiate construction of Water Reclamation Facility Phase 2 Improvements
- Complete construction of Pump Park
- Complete modifications to Cochrane Park ponds
- Secure funding, and design and construct Mill Road Sidewalk
- Design and construct Cochrane Park Multiuse Path
- Secure funding, and design and construct 2nd Street Sidewalk
- Prioritize annual Road Maintenance Program
- Update Development Standards and Inspection Program
- Secure funding and begin construction for Mosman Phase 2
- Complete Sewer Collection System Upgrades
- Design and Construct 2019 Water Main Replacements
- Design 2020 Water Main Replacements
- Complete land acquisition and design of SE Water Reservoir

2019 -2020 PUBLIC WORKS ORGANIZATION CHART



PUBLIC WORKS DEPARTMENT BUDGET

Public Works Department <i>Parks</i>								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
576.10.53.00	Taxes & Assessments External	\$ 92	\$ 92	\$ 92			\$ 92	\$ 92
576.39.00.00	Reallocate Custodian	-	-					
576.80.10.00	Salaries/Wages	185,218	227,598	200,370	129,219	221,519	174,012	175,202
576.80.11.00	Accrued Vacation/Holiday/Sick	42	-	-	-	-	-	-
576.80.12.00	Overtime	1,209	174	1,100	205	352	1,128	1,153
576.80.20.00	F.I.C.A.	13,509	16,446	15,328	9,300	15,944	13,312	13,402
576.80.21.00	Retirement	12,401	12,360	23,208	7,025	12,042	20,094	20,247
576.80.22.00	Industrial Insurance	6,177	6,610	5,758	3,047	5,224	6,447	6,447
576.80.23.00	Unemployment Insurance	350	306	1,002	243	416	870	876
576.80.24.00	Medical Insurance	39,785	54,580	49,573	32,978	56,533	40,824	43,196
576.80.25.00	Uniforms/Safety Equipment	1,512	1,300	1,250	670	1,250	1,250	1,250
576.80.31.00	Office/Operating Supplies	1,022	721	1,000	441	600	1,000	1,000
576.80.31.01	Christmas In The Park	3,561	3,437	4,000	313	4,000	4,000	4,000
576.80.32.00	Fuel Consumed	5,959	9,162	8,500	4,563	6,500	8,500	8,500
576.80.35.00	Small Tools & Minor Equipmen	2,781	14,824	7,500	10,098	8,000	7,500	7,500
576.80.40.00	Rmsa Insurance	-	-		-	-		
576.80.41.00	Professional Services	-	784	300	-	-	300	300
576.80.42.01	Communications: Phone	124	74	100	-	-	100	100
576.80.42.02	Communications: Postage	-	59	-	-	-	-	-
576.80.43.00	Travel/Training/Dues	802	334	600	306	600	600	600
576.80.45.91	IT ALLOC - PARKS		-	22,220		22,220	19,085	19,464
576.80.47.00	Public Utility Services	26,807	23,546	30,000	14,887	28,000	30,000	30,000
576.80.48.00	Repairs/Maint. Vehicles & Equip.	6,837	5,504	6,000	7,281	8,500	7,500	7,500
576.80.48.01	Bldg/Grounds/Mtce/Janitor	129	2,167	-	861	-	-	-
576.80.48.02	Bldg/Grounds/Mtce-Skateboard Pk	874	3,227	4,200	2,653	4,000	4,200	4,200
576.80.48.03	Bldg/Grounds/Mtce-Longmire	32,037	19,669	35,000	16,493	35,000	40,000	40,000
576.80.48.04	Bldg/Grounds/Mtce-Cochran	2,839	15,234	8,000	1,831	3,500	8,000	8,000
576.80.48.05	Bldg/Grounds/Mtce- City Park	5,160	18,372	12,000	18,541	19,500	12,000	12,000
576.80.48.06	Bldg/Grounds/Mtce-Trail	1,593	506	2,100	182	2,100	2,100	2,100
576.80.49.00	Miscellaneous	359	-	-			-	-
576.80.63.00	FLEET ALLOC - PARKS						91,617	47,830
					-			
Total Expenditures		\$ 351,179	\$ 437,086	\$ 439,201	\$ 261,136	\$ 455,799	\$ 494,531	\$ 454,959

Public Works Department <i>Historic Preservation</i>								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
573.60.31.00	Participant Recreation Services	\$ -	\$ 1,000	\$ 1,000			\$ 1,000	\$ 1,000
573.90.31.00	Operating Supplies/Plaques	1,804	500	500			500	500
Total Expenditures		\$ 1,804	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ 1,500

Public Works Department <i>Culture and Recreation</i>								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
575.10.40.00	Contracted Services	\$ 10,000	\$ -	\$ -				
575.50.10.00	Salaries/Wages	-	-	4,691	953	1,634	4,940	5,204
575.50.20.00	F.I.C.A.	-	-	359	73	125	378	398
575.50.21.00	Retirement	-	-	596	121	207	635	669
575.50.22.00	Industrial Insurance	-	-	153	34	58	202	202
575.50.23.00	Unemployment Insurance	-	-	23	2	3	25	26
575.50.24.00	Medical Insurance	-	-	2,452	398	682	2,533	2,644
575.50.30.00	Yelm CC - Supplies	333	500	500	202	346	350	500
575.50.40.00	Yelm CC - Garbage	1,279	1,000	1,500	1,751	3,002	3,500	1,500
575.50.40.01	Yelm CC - Phone/Alarm/Internet	687	1,200	1,200	647	1,110	1,500	1,200
575.50.40.02	Yelm CC - Water/Sewer/Storm	3,969	5,000	8,500	1,077	1,846	2,000	8,500
575.50.40.03	Yelm CC - Electric/Gas	3,650	5,000	8,000	645	1,106	1,500	8,000
Total Expenditures		\$ 19,918	\$ 12,700	\$ 27,974	\$ 5,902	\$ 10,119	\$ 17,563	\$ 28,843

Public Works Department <i>Library</i>								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
572.10.41.00	Library Services Operations & Maint.	\$ 50,863	\$ 55,000	\$ 30,000	\$ 21,482	\$ 30,842	\$ 23,637	\$ 25,000
572.10.41.00	Library Services Maint. Reserve						\$ 3,528	\$ 3,528
Total Expenditures		\$ 50,863	\$ 55,000	\$ 30,000	\$ 21,482	\$ 30,842	\$ 27,165	\$ 28,528

Public Works Department <i>Garbage and Recycling</i>								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
537.10.31.00	OFFICE/OPERATING SUPPLIES	97	400	750		750	750	750
537.10.42.00	POSTAGE AND MAILING	782	800	800	1,414	1,414	1,600	1,600
537.10.49.00	MISCELLANEOUS	14	30	30			30	30
Total Expenditures		\$ 893	\$ 1,230	\$ 1,580	\$ 1,414	\$ 2,164	\$ 2,380	\$ 2,380

Public Works <i>Animal Control</i>								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
539.30.10.00	Salaries/Wages	23,241	25,992	11,549	19,532	33,483	8,951	9,076
539.30.11.00	Accrued Vacation/Holiday/Sick	-	750	-	-	-		
539.30.12.00	Overtime	174	200	200	35	60	205	210
539.30.13.00	Stand By Pay	-	2,000	1,000	-	-	1,000	1,000
539.30.20.00	F.I.C.A.	1,712	1,988	884	1,416	2,428	685	695
539.30.21.00	Retirement	2,666	3,254	1,467	2,139	3,666	1,150	1,166
539.30.22.00	Industrial Insurance	567	601	214	327	560	283	283
539.30.23.00	Unemployment Insurance	46	130	57	38	65	45	45
539.30.24.00	Medical Insurance	6,849	7,300	2,536	5,155	8,836	2,859	3,212
539.30.25.00	Uniforms	-	-		-	-	-	-
539.30.31.00	Office & Operating Supplies	-	200	200	-	100	200	200
539.30.32.00	Fuel Consumed	-	-		-	-	-	-
539.30.33.00	Small Tools/Minor Equipment	-	100	200	140	200	200	200
539.30.41.00	Animal Control/Care & Custody	750	2,000	2,000	-	2,000	50,000	50,000
Total Expenditures		\$ 36,005	\$ 44,515	\$ 20,307	\$ 28,781	\$ 51,398	\$ 65,578	\$ 66,087

MUNICIPAL COURT

SONIA RAMIREZ, MUNICIPAL COURT CLERK

MISSION

The mission of the Yelm Municipal Court is to promptly, fairly, and accurately resolve legal matters that come before the court, to be open and accessible to all court users, and to instill public trust and confidence in the operation of the court.

PURPOSE

The municipal court is a limited jurisdiction court that consists of one appointed Judge, one Court Administrator and one Court Clerk. We have two contract Public Defenders and one contract Prosecuting Attorney. The court handles general misdemeanors and gross misdemeanor criminal cases, traffic, and non-traffic civil cases, including infractions.

CORE FUNCTIONS

We are a Court of Limited Jurisdiction that handles only gross misdemeanors, misdemeanors and infractions cases. Note: The only significant difference between simple misdemeanors and gross misdemeanors is the maximum punishments a judge could impose: Misdemeanor: Up to 90 days in jail and up to a \$1,000 fine. Gross misdemeanor: Up to 364 days in jail and up to a \$5,000 fine.

The Court Administrator, under the direction of the presiding Judge, oversees the daily functions of the court and maintains administrative and court records. With the support of the one Court Clerk, the court is responsible for assisting the public with telephone and front counter inquiries regarding court procedures, maintain court files in order and prepare court calendars, dockets and histories for upcoming court proceedings. The Court Clerk assists the Judge with courtroom clerk functions for various types of hearings and performs court dockets in Judicial Information System (JIS) of what transpired in each individual case. Daily/monthly/yearly accounting reports are prepared by the administrator. The court staff currently monitors all defendants for compliance of court ordered conditions for any treatment, jail time, fines, and any new violations as well as monitor collection assignments of court fines.

The court also provides the Public Defenders and Prosecuting Attorney any assistance they may need to help with the process of court cases to include preparation of files and discovery and have any case history available to them. Our Court provides a neutral forum for the resolution of legal disputes within the scope of our limited jurisdiction and does individual justice in individual cases.

Since 2006, the Yelm Municipal Court has been providing passport processing services to the public. We are the only passport agency in Yelm and only one of three to provide this service in Thurston County. Judge Meyer is empowered to perform marriage ceremonies under the laws of the State of Washington and provides this service and is available to those interested.

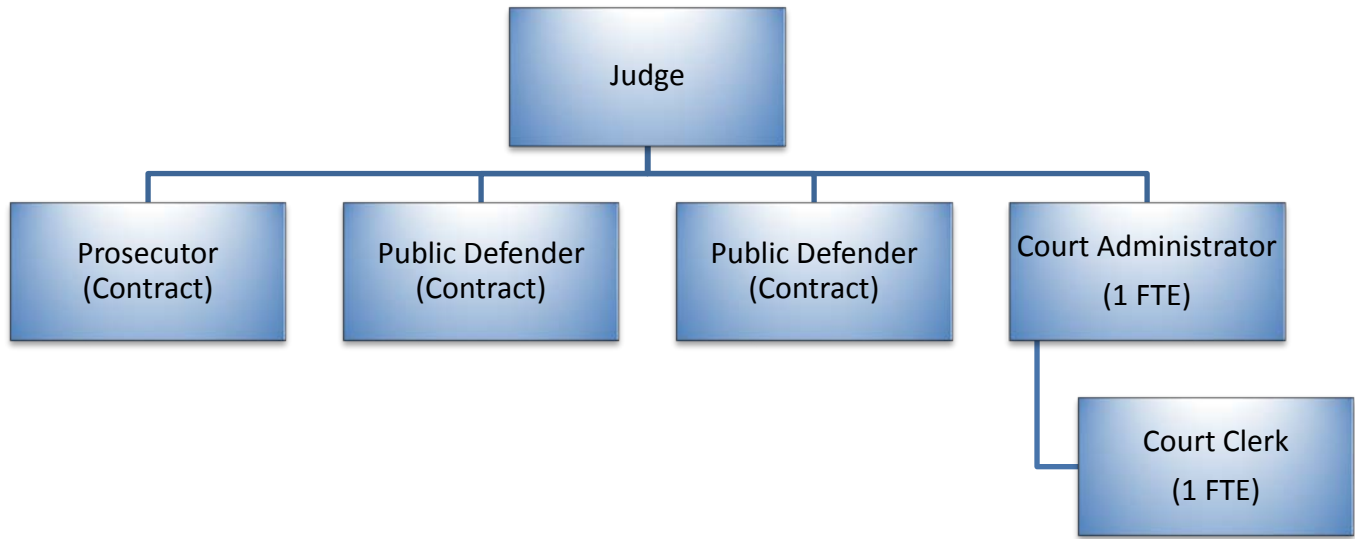
2018 MAJOR ACCOMPLISHMENTS

- Improved court services to assist domestic violence victims by forming partnerships with Safe Place of Olympia and Family Support Center to offer court defendants and anyone in the community with various resources such as: victim advocacy, safety planning, basic needs like transportation and food assistance, support groups, childcare resources, and much more. Safe Place is present in our building on the last court date of each month. A victim advocate is also present in court once a month that offer criminal support in court proceedings.
- Partnered with Thurston County District Court for their Mental Health Court and Veterans Court Programs. Through these programs, Yelm Court will be able to serve the community and increase public safety by monitoring, supporting and holding accountable justice-involved individuals with mental illness in accessing treatment and improving their quality of life.
- Together with the Yelm School District and YMCA Youth & Government, we have started the plan process to provide an opportunity for students to participate in a competitive high drama courtroom showdown between teams from around the state through Mock Trials.
- Began working on a Memorandum of Understanding Agreement with Thurston County, Pierce County and King County Courts on a Collection of Consolidated Payment Program Accounts. This program would allow court individuals to combine any and all unpaid court fines with the courts and consolidate them into one payment to assist in the re-instatement of driving licenses.
- Added a second public defense attorney to handle conflict cases and assist with overflow caseload.

2019/2020 MAJOR GOALS

- Together with IT Department and Nisqually Jail complete and implement audio/video conferencing transmission for in custody defendants when scheduled for court instead of transporting them to the courtroom. This project will be covered through unspent funds previously budgeted for and approved.
- Continue to work with IT Department on a plan for becoming a paper-less court.
- Complete and Implement the installation of metal detectors in our building for use during court proceeding day through unspent funds previously budgeted for and approved.
- Continue to seek court grant programs that can provide financial and technical assistance to our Court to provide more effective service.
- Explore additional options to provide community court that works to provide practical, targeted solutions rather than traditional punishment.
- Enable credit card processing at the court to provide additional payment options.

ORGANIZATION CHART



MUNICIPAL COURT BUDGET

Municipal Court								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
512.40.49.00	District Court Misc. Fees/Charges	\$ 1,581	\$ -	\$ 2,000		\$ 2,000		
512.50.10.00	Salaries/Wages	153,258	172,039	167,101	91,371	167,101	169,562	173,336
512.50.11.00	Accrued Vacation/Holiday/Sic	-	182	-	-			
512.50.12.00	Overtime	368	230	1,000	198	1,000	1,000	1,000
512.50.13.00	Temporary Salaries	-	-	-	-			
512.50.20.00	F.I.C.A.	11,586	13,001	12,783	7,002	12,783	12,971	13,260
512.50.21.00	Retirement	13,655	16,808	16,858	9,025	16,858	17,139	17,520
512.50.22.00	Industrial Insurance	487	500	517	287	517	605	605
512.50.23.00	Unemployment Insurance	302	343	835	177	835	848	867
512.50.24.00	Medical Insurance	20,261	22,684	19,501	12,370	19,501	27,685	28,796
512.50.31.00	Office/Operating Supplies	1,517	3,364	2,250	1,495	2,000	2,250	2,250
512.50.41.00	Professional Services	1,560	1,306	1,800	646	1,300	1,800	1,800
512.50.42.02	Communications: Postage	-	-	-	504			
512.50.45.91	IT ALLOC - JUDICIAL			11,110		11,110	16,769	17,101
512.50.43.00	Travel/Training/Dues	1,437	601	2,000	555	1,500	2,000	2,000
512.50.46.00	Insurance Bonding	-	-	-	-			
512.50.48.00	Contracted Repairs/Maint	159	154	100	40	100	100	100
512.50.49.00	Miscellaneous/Dues	-	209	350	-		350	350
Total Expenditures		\$ 206,171	\$ 231,423	\$ 238,205	\$ 123,669	\$ 236,605	\$ 253,079	\$ 258,985

INFORMATION TECHNOLOGY

GRANT BECK, COMMUNITY DEVELOPMENT DIRECTOR

MISSION

To provide a stable and sustainable network backbone that serves the needs of all City Departments.

PURPOSE

Maintain a sustainable and robust network and provide quality customer support.

CORE FUNCTIONS

Information Technology maintains network infrastructure that provides the backbone for mission critical software applications, including fiber and radio links between four City campuses. In addition, IT provides hardware and software support to City employees, orders and installs new and replacement equipment, and backs up and secures City data.

2018 MAJOR ACCOMPLISHMENTS

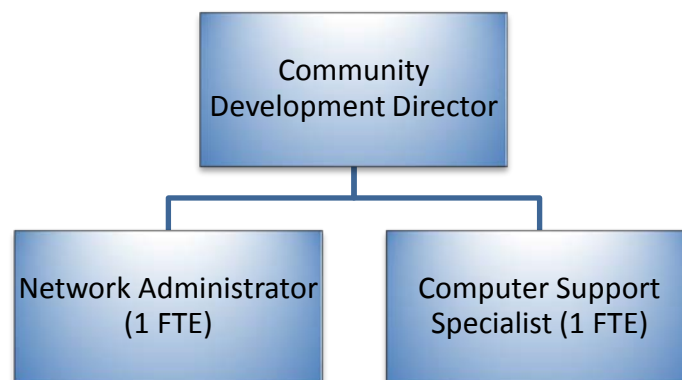
- Upgraded the City's mission critical records management software and created tools to simplify the process for applying for permits, starting and stopping utility service, obtaining dog licenses, and submitting, approving, and creating agendas.
- Purchased new mission critical utility billing & finance software and started the conversion from the previous software to the new, modern platform.
- Implemented asset management software for the Public Works Department and in the process upgraded the Geographic Information System data and published it to for the public.
- Migrated the employee intranet from SharePoint 2010 to SharePoint 2016.
- Replaced 12 desktop and tablet computers for users through the newly established Technology Replacement Fund.
- Replaced 10 mobile computer terminals (MCT) for the Police Department, a major undertaking due to the number of replacements and scheduling availability in the Police Department.
- Replaced 5 servers with two new servers running a total of 7 virtual servers through the Technology Replacement Fund.
- Replaced backup software and equipment with a modern secure and redundant system.
- Purchased and configured a new Advanced Security Device in order to implement a secure Public Works network for the upgraded SCADA system and to increase network speeds from 100/mbps to 1000/mbps.
- Added 9 desktop, tablets, and MCT's to the system as part of Department budget requests.
- Established a stable, high-speed radio connection between the Public Safety Building (the network hub) and the Public Works campus. This connection replaced a slow-leased fiber line costing over \$1,000 per month.
- Completely updated the City's web site with a modern design that will extend public services to the community through online forms and feedback.

- Rewired the new City Hall with high speed (10 GB) cabling. This major IT effort was not planned as part of the 2017 work program, but was accomplished on time and on budget without affecting other major projects scheduled for 2018.
- Maintained a stable network environment and service levels to employees while hiring a new Computer Support Specialist.

2019/2020 MAJOR GOALS

- Finalize the switch to BIAS for mission critical functions including utility billing, finances, payroll, human resources, and permitting.
- Create a modern hearing room in the new City Hall.
- Establish the infrastructure between the Public Safety Building and Nisqually Jail to allow for video arraignment.
- Continue to push content and services to the public through the implementation of public kiosks and web-based services.
- Implement an employee-training program that will regularly rotate through City Departments.

ORGANIZATION CHART



INFORMATION TECHNOLOGY BUDGET

Information Technology								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
518.20.48.00	Building Maint./Repairs	\$ 27,596	\$ 32,517	\$ -	\$ 30,277	\$ 30,277		
518.23.46.00	RMSA Insurance	172,438	177,869	183,205	201,021	201,021		
518.30.10.00	Salaries/Wages - Maint. Staff	-	-	18,764	3,812	6,535	19,762	20,818
518.30.20.00	F.I.C.A.	-	-	1,435	292	500	1,512	1,593
518.30.21.00	Retirement	-	-	2,383	484	830	2,539	2,675
518.30.22.00	Industrial Insurance	-	-	611	134	230	809	809
518.30.23.00	Unemployment Insurance	-	-	94	8	13	99	104
518.30.24.00	Medical Insurance	-	-	9,808	1,591	2,728	10,131	10,576
518.30.48.00	Custodial/Janitorial Service	7,587	12,190	-	9,642	11,500	30,000	35,000
518.30.48.01	Bldg Maint./Repairs-City Hall	-	-	65,000	1,211	65,000	55,000	25,000
518.35.00.01	Small Equipment-Safety	1,395	506	1,000		1,000	1,000	1,000
518.81.10.00	IT ALLOC - Salaries/Wages - IT Staff	36,377	49,844				104,632	114,812
518.81.11.00	IT ALLOC - Accrued Vacation/Holiday/Sic	-	-					
518.81.12.00	IT ALLOC - Overtime	314	447				-	-
518.81.20.00	IT ALLOC - F.I.C.A.	2,671	3,822				8,005	8,783
518.81.21.00	IT ALLOC - Retirement	4,102	5,949				13,445	14,753
518.81.22.00	IT ALLOC - Industrial Insurance	132	163				422	422
518.81.23.00	IT ALLOC - Unemployment Insurance	71	97				523	574
518.81.24.00	IT ALLOC - Medical Insurance	4,944	6,802				25,742	25,742
518.81.31.00	Office/Operating Supplies	2,596	1,764		817		-	-
518.81.41.00	Professional Svcs	-	-	-	4	7	-	-
518.81.42.01	IT ALLOC - Communications: Phone	15,692	16,119		1,465	2,511	16,000	16,000
518.81.42.02	Communications: Postage	6,735	11,801	11,000	7,174	12,298	11,000	11,000
518.81.42.03	IT ALLOC - Communication: Copiers	20,939	18,882		8,136	13,947	19,245	19,245
518.81.42.04	IT ALLOC - Communication: Network	27,675	32,766		(14,297)		30,000	30,000
518.81.43.00	IT ALLOC - IT Training	-			-	-	1,000	1,000
518.85.41.00	IT ALLOC - Software Maintenance	38,219	52,613		42,767		40,000	40,000
518.86.41.00	Data Processing Contracted O	-	-	-			-	-
518.89.00.00	Reallocate It/Data Processing	-	-	-			-	-
518.89.49.00	Data Processing Other Exp.	-	1,178	-			-	-
518.90.00.00	Public Utilities (Wtr/Swr/Pwr)	78,657	84,394	85,000	40,386	69,233	85,000	85,000
Total Expenditures		\$ 448,140	\$ 509,723	\$ 378,300	\$ 334,924	\$ 417,630	\$ 475,866	\$ 464,906

NON-DEPARTMENTAL GENERAL FUND BUDGET

General Government expenditures not associated with specific departments are accounted for in the Non-Departmental Budget, including state programs, operating leases and transfers.

Nondepartmental								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
517.60.49.00	L&I Retro Program	4,057	4,575	4,100			4,100	4,100
552.10.49.00	OMWBE Operating Costs	-	100	100			100	100
553.70.41.00	Pollution Control	3,562	6,124	6,300	6,530	11,194	6,846	7,400
565.10.49.00	Annual Contributions	12,400	10,750	15,000		-	15,000	15,000
566.00.41.00	Substance Abuse/Social Services	1,644	1,816	1,700		-	1,700	1,700
586.00.00.00	Crime Victims Compensation	837	533	-	315	540		
586.03.00.00	YCC-Damage Deposit Return	4,750	8,790	-	3,000	5,143		
586.04.00.00	YCC-Sales Tax Remit	273	-	-		-		
586.06.00.00	Drugseized-State-RCW69.50	243	29	-		-		
586.85.01.00	Highway Safety Account	450	319	-	251	430		
589.00.00.00	Public Safety & Education	26,232	16,521	-	9,460	16,217		
589.00.00.01	Cash Drawer	-	200	-	-	-		
589.00.00.02	Unclaimed Property	-	-	-	-	-		
589.01.00.00	Public Safety & Educ. 86 Ass	12,311	7,477	-	4,112	7,049		
589.02.00.00	Building Code Fee	460	108	-	140	239		
589.03.00.00	JIS Funds To State	9,188	5,971	-	3,252	5,575		
589.04.00.00	School Zone Safety	55	96	-	-	-		
589.06.00.00	Trauma Care	1,439	1,005	-	517	886		
589.07.00.00	Public Safety & Education 3	1,272	702	-	456	781		
589.12.52.00	Breath Test/Lab/Crime Invest	1,993	1,344	-	1,011	1,733		
589.30.00.01	School Impact Fee Remit	-	-	-	-	-		
589.83.31.00	Auto Theft Prevention	2,731	1,847	-	953	1,634		
589.83.32.00	Traumatic Brain Injury	360	247	-	135	231		
591.21.75.00	Auto Lease Principal	9,443	-	-	-	360,000	30,925	32,471
592.21.83.00	Auto Lease Interest	142	-	-	-	319,625	2,397	812
594.12.64.00	Machinery/Equipment (Court)	-	-	50,000	-			
594.18.64.00	Machinery/Equipment/Software	21,049	5,635	45,000	-		42,769	45,000
594.21.62.00	Bldgs/Structures/Grounds	-	-	30,000	962,893	30,185		
594.21.64.00	Machinery & Equipment	7,390	147,993					
594.21.70.00	Principal SERIES 2017							
594.21.80.00	INTEREST SERIES 2017A		3,730					
594.58.64.00	Machinery/Equipment/Software	-	-	-				
594.72.62.00	BLDGS/STRUCTURES/GROUNDS	-			16,429	16,429		
594.76.64.00	Machinery & Equipment	-	24,878	-				
597.10.62.00	T/O To Fund 200 Library Debt Pmt	125,452	134,975	133,625	72,886	72,886		
597.10.00.00	T/O To Fund 104 Cumulative Reserve	-	-	1,000,000	1,000,000	1,000,000	36,868	11,970
597.18.64.00	T/O To Fund 501 IT	-	-	200,000		200,000		
597.19.62.01	T/O To PW LTGO Bond Fund 200	25,375	-	-			-	-
597.21.00.00	T/O To YPD Sch Resource Fund 109	-	-	-			-	-
597.21.62.01	T/O To PSB LTGO Bond Fund 200	352,040	348,490	349,635	190,710	190,710	205,460	331,145
597.21.64.00	T/O To Fund 502 ER&R	-	-	100,000	300,000	100,000		
597.42.00.00	T/O To Fund 316	2,631	-	-			-	-
597.44.00.00	T/O To Street Fund 101	350,000	400,000	300,000	300,000	300,000	279,000	346,000
597.47.00.01	T/O To Fund 430	30,000	-	-			-	-
597.48.00.00	T/O To Fund 502 ER&R	-	-	799,684	799,684	799,684		
597.76.63.04	T/O to Fund 302 Municipal Building Fund			150,000	150,000	150,000		
Total Expenditures		\$ 1,007,801	\$ 1,134,255	\$ 3,185,144	\$3,822,733	\$3,591,171	\$ 625,165	\$ 795,698

SPECIAL REVENUE FUNDS

Special revenue funds are used to record the proceeds from certain revenue sources for which fund usage is restricted. Examples of special revenue funds are those used for the funding of street maintenance, reserves, and tourism promotion. The use of a special revenue fund makes it easier to track cash inflows and outflows related to special-purpose activities.

The **Street Operating and Arterial Street Funds** are required by state law to account for dedicated state shared revenue. The Street Fund receives state motor vehicle fuel tax and revenue from business license fees, electric and cable franchise fees, and garbage utility fees and taxes. Funds are used primarily by the Public Works Department for street maintenance.

Public Works Department Street Operating Fund (101) Expenditures								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
542.30.10.00	Salaries/Wages	163,208	191,297	78,975	29,693	50,903	51,780	52,392
542.30.11.00	Accrued Vacation/Holiday/Sick	-	-	-	-	-	-	-
542.30.12.00	Overtime	79	206	300	151	300	300	300
542.30.13.00	Stand By Pay	-	-	-	-	-	-	-
542.30.20.00	F.I.C.A.	12,047	14,303	6,043	8,262	6,043	3,962	4,008
542.30.21.00	Retirement	18,167	21,326	8,910	12,126	8,910	6,653	6,733
542.30.22.00	Industrial Insurance	4,252	4,361	1,723	2,206	1,723	2,279	2,279
542.30.23.00	Unemployment Insurance	312	369	396	212	396	262	262
542.30.24.00	Medical Insurance	42,368	44,569	14,648	26,508	14,648	19,303	19,303
542.30.25.00	Uniforms/Safety Equipment	1,519	1,589	1,250	1,017	2,400	2,400	2,600
542.30.31.00	Office/Operating Supplies	371	795	600	792	1,200	600	600
542.30.32.00	Fuel Consumed	2,538	3,246	3,977	2,196	3,764	3,977	3,977
542.30.35.00	Small Tools & Minor Equipment	3,437	8,720	5,000	4,084	5,000	5,000	5,000
542.30.41.00	Computer Software O&M	3,600	6,299	3,600	3,000	5,143	5,500	5,500
542.30.42.01	Communications: Phone	724	1,690	750	2,451	4,202	-	-
542.30.43.00	Travel/Training	485	2,222	1,000	595	1,000	1,500	1,500
542.30.45.91	Operating Allocation to IT Fund	-	-	7,407	-	7,407	7,407	7,407
542.30.46.00	Property/Equipment/Liability Ins	28	37	30	-	-	30	30
542.30.48.00	Vehicle Repair/Maintenance	9,890	4,295	8,500	3,763	8,500	8,500	-
542.30.49.00	Rental Equipment	-	1,532	2,000	-	2,000	2,000	2,000
542.50.41.00	Bldg/Ground/Maint. & Janitorial	47	279	500	501	859	500	500
542.62.48.00	Repairs & Maintenance-Rail Line	-	-	30,000	-	30,000	-	33,000
542.63.00.00	Street Lighting	139,162	141,822	143,000	144,439	194,439	150,000	150,000
542.64.31.00	Traffic Control Devices	7,571	2,980	5,000	5,445	6,500	6,000	6,000
542.64.48.00	Sidewalk Repair Maintenance	5,337	15,645	20,000	4,892	20,000	20,000	30,000
542.80.49.00	Miscellaneous	103	259	250	267	267	250	250
542.90.48.00	Street Repairs/Maintenance	34,629	86,912	55,000	17,743	40,000	40,000	40,000
543.20.41.00	Engineer/Survey Plans/Service	635	1,501	6,000	-	6,000	6,000	6,000
543.30.44.00	Printing/Advertising	-	1,105	1,000	-	1,000	1,000	1,000
543.30.48.00	Gen Svcs Equip Repair/Maint.	-	1,612	-	-	-	-	-
543.30.64.00	Gen Svc Machinery/Equipment	-	-	-	-	-	-	-
543.50.47.00	Public Utility Services	-	163	-	-	-	-	-
594.44.64.00	Machinery & Equipment	-	-	26,000	-	-	-	-
594.64.00.00	Vehicle Repairs/Mtce Reserve	-	-	-	-	-	-	-
597.95.63.00	OPERATING ALLOCATION - ER&R (street fleet)	-	-	-	-	-	91,617	47,830
597.95.63.06	T/O To Fund 316	-	-	-	-	-	65,000	81,000
Total Expenditures		\$ 450,509	\$ 559,133	\$ 431,859	\$ 270,343	\$ 422,603	\$ 501,820	\$ 509,471
508.10.00.00	Ending Cash-Reserved	-	-	-	-	-	-	-
508.80.00.00	Ending Fund Balance-Unreserved	109,436	67,675	148,811	220,730	130,019	51,332	41,005
Total Appropriation		\$ 559,945	\$ 626,808	\$ 580,670	\$ 491,073	\$ 552,622	\$ 553,152	\$ 550,475

The **Arterial Street Fund** was created by the City Council Ordinance No. 98 §1 in 1961. The Arterial Street Fund receives motor vehicle fuel funds, state grant fund and other state shared revenues, as well as investments earnings and miscellaneous fees to be used for planning, construction, improvement, and repair of arterial highways and city streets.

Public Works Department Arterial Streets Fund (102) Expenditures								
Account Code	Account Description	2016 Actual	2017 Bactual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
543.30.41.00	Prof Svcs-Traffic Modeling	-	10,715	-		-	5,000	-
543.30.41.01	Lobbyist Contract Svcs	11,009	9,000	15,000	4,500	15,000	15,000	15,000
543.30.41.02	Planning Study (SR 507 & 1st Str.)	-	635	63,000	17,203	30,000	60,500	-
595.00.00.00	Capital Reserve-Future Use	-	-		1,733		-	-
597.42.00.00	Road/Street Transfer							
597.95.63.06	T/O To Fund 316	80,080	-	27,243	27,243	27,243	100,000	100,000
Total Expenditures		\$ 91,089	\$ 20,350	\$ 105,243	\$ 50,679	\$ 72,243	\$ 180,500	\$ 115,000
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	59,447	101,324	110,743		120,947	33,803	3,103
Total Appropriation		\$ 150,536	\$ 121,675	\$ 215,986	\$ 50,679	\$ 193,190	\$ 214,303	\$ 118,103

The **Cumulative Reserve Fund** is used for revenue stabilization in the event of temporary revenue losses due to economic cycles or other time-related causes. The money in the fund accumulates from year to year until the legislative authority of the city determines to expend the moneys in the fund.

City of Yelm Cumulative Reserve Fund (104) Expenditures								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
591.76.75.00	Reichel Loan - Principal	7,658	7,917	-				
592.76.83.00	Reichel Loan - Interest	445	53	-				
597.76.63.00	T/O To Fund 302	-	-	334,053	334,053			
597.76.63.05	T/O to General Fund	-	-	395,318	395,318			
Total Appropriation		\$ 8,103	\$ 7,969	\$ 729,371	\$ 729,371	\$ -		\$ -
508.10.00.00	Ending Cash-Reserved	-	-		-	284,001	320,869	332,839
508.80.00.00	Ending Fund Balance-Unreserved	213,582	12,707	260,084	270,629			
Total Appropriation		221,685	20,677	989,455	1,000,000	284,001	320,869	332,839

The **Tourism Promotion Fund** is used to promote eligible tourism and cultural activities within the City of Yelm. The sole source of revenue is the Hotel/Motel tax. This fund is administered by the Finance Department and the used of these funds are directed by the Lodging Tax Advisory Committee (LTAC).

City of Yelm Tourism Promotion Fund (107) Expenditures								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
557.30.41.00	Tourism/Promotion Services	-	-	-	-	65,000	80,000	80,000
Total Expenditures		-	-	-	-	65,000	80,000	80,000
508.10.00.00	Ending Cash-Reserved	-	-		-			
508.80.00.00	Ending Fund Balance-Unreserved	213,582	235,879	260,084	12,788	192,800	132,800	72,800
Total Appropriation		213,582	235,879	260,084	12,788	257,800	212,800	152,800

The **YPD School Resource Fund** supports the presence of a sworn law enforcement officer to that works closely with Yelm School District school administrators in an effort to create a safer environment. This fund is used by the Yelm Police Department.

Police Department <i>YPD School Resource Fund (109) Expenditures</i>								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
521.31.10.00	Salaries	42,214	25,813	40,440		40,440	41,328	42,361
521.31.20.00	F.I.C.A.	3,371	1,902	3,094		3,094	3,162	3,241
521.31.21.00	Retirement	1,661	1,372	2,196		2,196	2,244	2,300
521.31.22.00	Industrial Insurance	701	478	1,014		1,014	1,025	1,025
521.31.23.00	Unemployment Insurance	78	44	202		202	207	212
521.31.24.00	Medical/Disability Insurance	2,091	7,411	13,280		13,280	13,700	14,278
Total Expenditures		\$ 52,112	\$ 37,019	\$ 60,226	\$ -	\$ 60,226	\$ 61,666	\$ 63,417
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	47,150	47,409	10,328	10,328	10,328	15,662	19,245
Total Appropriation		\$ 99,262	\$ 84,428	\$ 70,554	\$ 10,328	\$ 70,554	\$ 77,328	\$ 82,662

The **Transportation Facilities Charge** is a fee charged to new construction in Yelm. The Transportation Facilities Charge Fund collects traffic mitigation fees from new development projects that add traffic to the City Transportation system to ensure that the impacts of new development is assessed to that development and not current residents.

Public Works Department <i>Transportation Facilities Charge (120) Expenditures</i>								
Account Code	Account Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
595.60.65.01	Reserve Signal @ Longmire/SR 510	-	10,965	22,232	4,964	8,509	13,723	
595.60.65.02	Reserve-Improv @ 93rd/SR 510	-	51,814	-	16,837	28,863	-	-
595.60.65.03	Reserve-Coates Rd Extension	-	10,219	-	1,011	1,733	-	8,486
597.95.63.00	T/O To Fund 413 (Killion I/F Ln Pmt)	97,326	97,326	97,326	97,326	97,326	97,326	97,326
597.95.63.08	T/O To Fund 316 (For Capital)	-	369,552	143,605	143,605	143,605	20,771	60,000
Total Expenditures		\$ 97,326	\$ 466,878	\$ 263,163	\$ 263,742	\$ 280,036	\$ 131,820	\$ 165,812
508.10.00.00	Ending Cash-Reserved	-	-		-			
508.80.00.00	Ending Fund Balance-Unreserved	582,677	220,192	97,729	11,212	34,032	24,212	400
Total Appropriation		\$ 680,003	\$ 687,070	\$ 360,892	\$ 274,954	\$ 314,068	\$ 156,032	\$ 166,212

DEBT SERVICE FUNDS

Municipal Debt Capacity

Under 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 assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation.

Under RCW 39.36.020(4), the public may vote to approve bond issues for park facilities and utilities, each of which is limited to 2.5% of the City's assessed valuation. A total of 7.5% of the City's assessed valuation may be issued in bonds. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

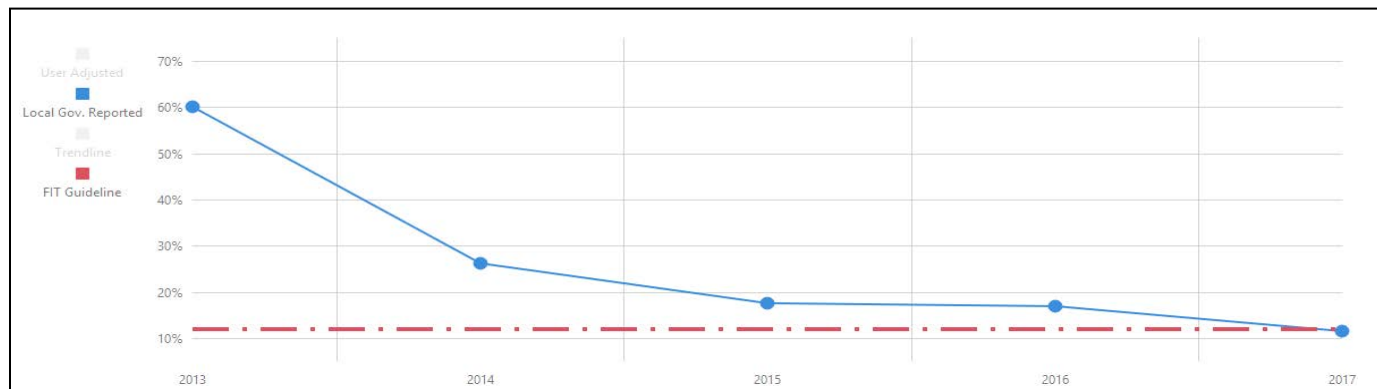
The City currently has approximately \$3.8 million in non-voted general obligation debt and *does not plan to issue any new General Obligation Debt in 2019-2020. The City does plan to issue revenue debt to fund upgrades to the Wastewater Reuse Facility.* This debt is the direct obligation of the City and pledged by its full faith and credit. Principal and interest are paid from debt service funds as well as from utility funds. The City does not currently have any voted general obligation debt.

Debt service for voted bond issues is funded with special property tax levies. The 1.5% can be used for any municipal purpose, including using the entire amount for bonds. Currently, the City's remaining debt capacity within the 1.5% limit is estimated to be approximately \$9.4 million as of October 1, 2018.

The City worked hard to reduce debt during fiscal years 2017 & 18. Efforts to reduce debt include paying down large portions of our assessment and revenue debt and refinancing General Obligation & Assessment Debt to take advantage of low interest rates. The City successfully reduced the annual debt load to less than 12% of budgeted operating revenues, meeting State Auditor's Office guidelines:

2019 City of Yelm Municipal Debt Capacity	
Estimated Total A.V. (from Ad Valorem)	885,713,447
Regular Levy Rate	1.7
Regular Levy Total	1,435,780
2019 Total Current Debt	
General Obligation bonds and notes (whether or not they are voter-approved)	3,779,000
Lease/purchase contracts	
Certificates of participation (such as the Officer of the State Treasurer – LOCAL program)	63,396
Total Current Debt	3,842,396
*Does not Include Revenue Debt	
2019 Total Current Debt Capacity	
Overall Debt Limit	22,142,836
Current Debt	3,842,396
As % of A.V.	0.43%
Remaining That Can be Used as non-voted Debt	9,443,306

City of Yelm Debt Load



Source: Washington State Auditor's Office FIT

The **Limited Tax General Obligation Bond Redemption Fund** accounts for the accumulation of resources for and payment of general long-term obligation principal and interest. Revenues for this purpose include ad valorem property taxes on voted bond issues. Costs charged to this fund include scheduled principal and interest payments, debt issue costs, fiscal agent fees, and other debt-related costs. Debt service currently scheduled for payment from this fund includes the 2015 Limited Tax General Obligation Refunding Bonds as well as the remaining 2009 Certificates of Participation for the financing of the Civic Center project.

City of Yelm LTGO Bond Redemption Fund (200) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
508.10.00.00	Ending Cash - Reserved	-	-	-				
591.21.70.00	PSB Bond Principal	225,000	230,000	2,832,150		280,000	266,000	274,000
591.34.71.00	PW Bond Principal	50,000	-	-				
591.72.71.00	Library Bond Principal	90,000	90,000	90,000				
592.21.83.00	PSB Bond Interest	127,040	118,490	109,635		36,080	64,460	57,145
592.21.86.00	PSB Bond Miscellaneous Costs	300	300	300				
592.34.83.00	PW Bond Interest	750	-	-				
592.72.83.00	Library Bond Interest	46,325	44,975	43,625	40,454	40,454		
592.72.84.00	Library Debt Issue Costs	300	300	32,150	31,850	31,850		
594.21.63.00	PSB 06 BOND RESERVE	-	-	-	-			
599.95.80.00	Payment to Refunded Debt Escrow				2,591,241	2,591,241		
Expenditure Total		\$ 539,715	\$ 484,065	\$ 3,107,860	\$ 2,663,544	\$ 2,979,625	\$ 330,460	\$ 331,145
508.80.00.00	Ending Fund Balance-Unreserved		11,085	22,352		153,732	30,232	30,982
Total Appropriation		\$ 539,715	\$ 495,150	\$ 3,130,212	\$ 2,663,544	\$ 3,133,357	\$ 360,692	\$ 362,127

Special Assessment and Revenue Bond Funds

The City of Yelm administers the **Killion Road LID Fund** on behalf of the Killion Local Improvement District. The City is not responsible for the bond, only for administering the fund, which includes accounting for revenue and ensuring that payments are made to the debt holder. The Killion Road LID Fund is used to service the Debt on the Killion Road LID. The LID is only required to make interest payments each September until the loan comes due in 2026. The City has been making additional principal payments each year to pay off the loan prior to 2026. The estimates how much LID revenue it will receive each year and budgets to have the loan retired prior to 2026.

City of Yelm Killion Road LID Redemption Fund Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
543.10.40.00	LID Management Costs	2,424	3,000	3,000	2,446		3,000	3,000
591.95.71.00	LID #2 Debt Redemption	233,600	-	1,428,097	1,419,097	4,477,793	285,268	285,268
592.95.01.00	Lid #2 Misc. Debt Service Co	-	-	-		12,846		
592.95.83.00	LID #2 Interest Costs	392,478	372,535	893,829	425,299	647,460	94,759	82,904
593.95.80.00	LID #2 Payment to Escrow							
599.95.70.00	Payment to Refunded Debt Escrow							
Expenditure Total		\$ 628,502	\$ 375,535	\$ 2,324,926	\$ 1,846,843	\$ 5,138,098	\$ 383,027	\$ 371,172
508.10.00.00	Ending Cash-Reserved	-	351,103	1,209,755	185,393	963,543	1,020,014	1,037,724
508.80.00.00	Ending Fund Balance-Unreserved							
Total Appropriation		\$ 628,502	\$ 726,638	\$ 3,534,681	\$ 1,846,843	\$ 5,138,098	\$ 1,403,041	\$ 1,408,896

Certain debt service obligations are also met through the use of proprietary funds, including principal and interest for sewer and water revenue bonds and revolving fund loans. Sewer and Water Bond Refinance & Reserve Accounts also roll up to these funds. The City has been pursuing options to increase our bond rating to refinance existing debt in 2019-2020, allowing Yelm to take advantage of lower interest rates available in the current marketplace.

City of Yelm								
Sewer Revenue Bond Reserve Fund (204) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
Total Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.10.00.00	Ending Cash - Reserved							
508.10.00.01	End Cash Rsv-L9600006 Reserve		\$ 93,255	\$ 93,255	\$ 93,255	\$ 93,255	\$ 93,255	\$ 93,255
508.10.00.02	End Cash Rsv-USDA Rsv Sewer Bond		\$ 271,970	\$ 271,970	\$ 271,970	\$ 271,970	\$ 271,970	\$ 271,970
508.80.00.00	Ending Cash - Unreserved		\$ 55,849	\$ 59,210	\$ 60,011	\$ 61,384	\$ 62,384	\$ 63,384
Total Appropriation		\$ -	\$ 421,074	\$ 424,435	\$ 425,236	\$ 426,609	\$ 427,609	\$ 428,609

City of Yelm								
Sewer Revenue Bond Fund (203) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
591.35.72.00	1999 Bond Principal - Reuse	\$ 80,405	\$ 83,141	\$ 85,864	\$ 85,864	\$ 85,864	\$ 88,677	\$ 91,583
591.35.72.02	Doe 1998 Wtr Reuse Des (P)	\$ 85,833	\$ 90,003	\$ -	\$ -	\$ -		
592.35.83.01	Doe 1998 Wtr Reuse Des (I)	\$ 7,422	\$ 3,253	\$ -	\$ -	\$ -		
592.35.83.03	1999 Bond Interest - Reuse	\$ 92,621	\$ 89,886	\$ 87,162	\$ 87,162	\$ 87,162	\$ 84,349	\$ 81,443
Total Expenditures		\$ 266,281	\$ 266,283	\$ 173,026	\$ 173,026	\$ 173,026	\$ 173,026	\$ 173,026
508.10.00.00	Ending Cash-Reserved	\$ -	\$ -	\$ -				
508.80.00.00	Ending Fund Balance-Unreserved	\$ -	\$ 162	\$ 589	\$ 589	\$ 601	\$ 776	\$ 951
Total Appropriation		\$ 266,281	\$ 266,445	\$ 173,615	\$ 173,615	\$ 173,627	\$ 173,802	\$ 173,977

City of Yelm								
Water Revenue Debt Redemption Fund (405) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
591.34.72.00	2003 Water Rev Bond - Principal	\$ 145,000	\$ 145,000	\$ 155,000		\$ 155,000	\$ 155,000	\$ 160,000
591.34.72.01	DOE Reclaim Wtr - Principal	\$ 44,805	\$ 45,483	\$ 46,169		\$ 46,169	\$ 46,866	\$ 47,574
591.34.72.02	2010 Wtr Rev Bond Debt Principal	\$ 265,000	\$ 270,000	\$ 280,000		\$ 280,000	\$ 285,000	\$ 295,000
591.34.75.00	Well #1 Rehab DWSRF Principal	\$ 8,681	\$ 8,681	\$ 8,681		\$ 8,681	\$ 8,681	\$ 8,681
592.34.83.00	2003 Wtr Rev Bond - Interest	\$ 31,613	\$ 28,713	\$ 24,363	\$ 12,181	\$ 24,363	\$ 19,713	\$ 15,063
592.34.83.01	Doe Reclaim Wtr - Interest	\$ 7,051	\$ 6,375	\$ 5,687		\$ 5,687	\$ 4,990	\$ 4,282
592.34.83.02	Well #1 Rehab DWSRF Interest	\$ 1,042	\$ 912	\$ 781		\$ 781	\$ 651	\$ 521
592.34.83.03	2010 Wtr Rev Bond Int/Costs	\$ 426,538	\$ 418,588	\$ 410,188	\$ 205,994	\$ 410,188	\$ 401,788	\$ 393,808
592.34.84.00	03 Water Rev Bond/13 Refi Costs	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Total Expenditures		\$ 930,030	\$ 924,052	\$ 931,169	\$ 218,475	\$ 931,169	\$ 922,988	\$ 925,228
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Cash-Unreserved		\$ 95,033	\$ 100,783	\$ 391,473	\$ 103,986	\$ 99,354	\$ 92,327
Total Appropriation		\$ 930,030	\$ 1,019,085	\$ 1,031,952	\$ 609,948	\$ 1,035,155	\$ 1,022,343	\$ 1,017,555

City of Yelm								
Water Revenue Debt Reserve Fund (406) expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
Total Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.10.00.00	Ending Cash-Reserved						\$ 1,510	\$ 1,510
508.10.00.01	End Cash 03 Water Reserve		\$ 192,016	\$ 192,016		\$ 192,016	\$ 192,016	\$ 192,016
508.10.00.02	End Cash 2010 Water Reserve		\$ 677,534	\$ 677,534		\$ 677,534	\$ 677,534	\$ 677,534
508.10.00.03	End Cash L0300026 Reserve		\$ 51,860	\$ 51,860		\$ 51,860	\$ 51,860	\$ 51,860
508.80.00.00	Ending Cash-Unreserved		\$ 5,419	\$ 20,651		\$ 20,651	\$ 22,151	\$ 23,651
582.34.72.00	03 Water Bond Reserve							
Total Appropriation		\$ -	\$ 926,829	\$ 942,061	\$ -	\$ 942,061	\$ 943,561	\$ 945,061

City of Yelm								
Sewer Bond Refinance & Reserve Fund (415) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
591.35.72.00	Doe - Sewer Bond Refi 2003 (P)	\$ 87,757	\$ 89,083	\$ 90,428	\$ 68,042	\$ 90,428	\$ 91,793	\$ 93,180
592.35.83.00	Doe - Sewer Bond Refi (I)	\$ 9,344	\$ 8,019	\$ 6,673	\$ 6,436	\$ 6,673	\$ 5,307	\$ 3,921
594.35.78.00	SRL LOAN RESERVE	\$ -	\$ -	\$ -				
Total Expenditures		\$ 97,101	\$ 97,102	\$ 97,101	\$ 74,479	\$ 97,101	\$ 97,101	\$ 97,101
508.10.00.00	Ending Cash-Reserved	\$ -	\$ 97,101	\$ 97,101		\$ 97,101	\$ 97,101	\$ 97,101
508.80.00.00	Ending Fund Balance-Unreserved	\$ -	\$ 23,287	\$ 47,699		\$ 47,699	\$ 47,874	\$ 48,049
Total Appropriations		\$ 97,101	\$ 217,490	\$ 241,901	\$ 74,479	\$ 241,901	\$ 242,076	\$ 242,251

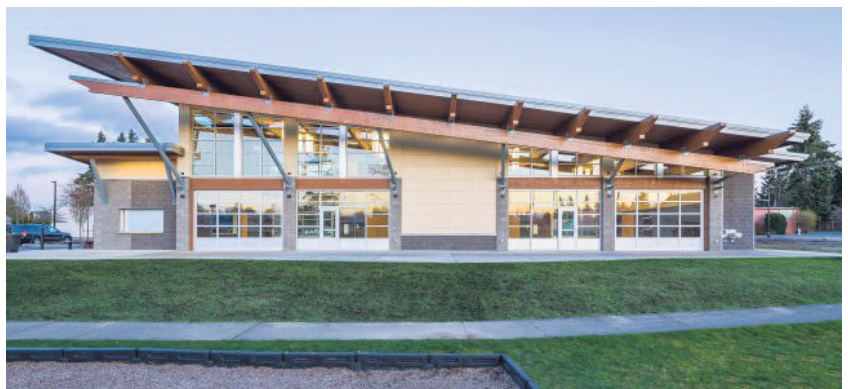
CAPITAL PROJECT FUNDS

The Capital Project Funds account for receipts and disbursements related to acquisition, design, construction and any other expenditures related to capital projects including public buildings, facilities, road and street construction and parks. City park projects, capital facility construction and improvements, road and street construction projects, and general governmental projects make up the activity in these funds.

The primary funding sources are state and federal grants, Real Estate Excise Tax (REET), and interest earnings from investments. This tax is levied on all sales of real estate, measured by the full selling price, including any liens, mortgages, and other debts given to secure the purchase. The first .25% of REET proceeds must be spent solely on capital projects that are listed in the Capital Facilities Plan.

The definition of capital projects includes, but is not limited to, public works of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, and administrative and judicial facilities.

The second .25% of REET proceeds can only be levied by cities that are required to plan under the regulations of the Growth Management Act (GMA). This portion is to help defray the costs of implementing GMA. The definition of capital projects which qualify for use by these proceeds includes, but is not limited to, public works of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and the planning, construction, reconstruction, repair, rehabilitation, or improvement of parks. Use of these funds for the acquisition of land for parks is not permitted. Additionally up to the greater of 35% of the available funds or \$100,000 can be spent on Operations and Maintenance of existing capital projects as defined above.



The **Municipal Building Fund** pays for capital projects such as park construction, improvements, and building acquisition and improvements. The major sources of revenue to the Municipal Building Fund are REET 1 and grants from state and local entities. Fund balances in this account are invested in short-term government bonds to augment income to the City.

Public Works Department Municipal Building Fund (302) Expenditures								
Code	Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
594.19.62.00	Building Improvements	-	-	70,000	12,620	142,500	-	-
594.19.64.00	Machinery/Equipment	-	-	-	-	-	-	-
594.20.63.00	City Hall Building	-	-	1,000,570	-	1,000,570	-	-
594.21.41.01	Investment Grade Energy Audit (Phase 1)	-	-	-	-	52,200	-	-
594.21.41.02	Implement Energy Savings Plan (Phase 2)	-	-	-	-	-	400,000	-
594.21.41.00	Professional Services	-	-	-	-	-	-	-
594.21.62.00	Construction Costs	-	-	-	-	-	-	-
594.72.62.00	Library Purchase	-	-	-	-	-	-	-
594.73.48.01	Community Center - O&M	-	489	-	(78)	(78)	-	-
594.73.62.01	Community Center - Design	-	-	-	-	-	-	-
594.73.62.02	Community Center-Const. Mgmt	43,406	303	-	-	-	-	-
594.73.62.03	Community Center - Construct.	179,464	14,083	-	-	-	-	-
594.75.40.00	Capital Expense-Comm Center	-	-	-	-	-	-	-
594.76.61.00	Skate Park Demo/Abatement	-	-	-	-	-	-	-
594.76.62.01	Longmire Park Shed Expansion	-	-	24,000	-	32,000	-	-
594.76.62.02	Yelm City Park - Master Plan	-	-	-	-	-	-	-
594.76.62.04	Cochrane Park - Dock Replacement	-	-	-	-	-	-	25,000
594.76.62.05	Longmire Park - Turf Replacement	-	-	-	-	-	95,000	-
594.76.62.06	Longmire - Feas of Imprv and Concepts	-	-	-	-	-	150,000	-
594.76.63.01	Yelm Skate Park	430,625	450	-	-	-	-	-
594.76.63.02	Yelm Spray Park	-	9,108	332,019	13,500	269,389	83,130	-
594.76.63.03	Yelm Parks - 20 Year CIP	-	-	50,000	-	-	50,000	-
594.76.63.04	Bike Pump Park	-	-	200,000	5,000	250,000	-	-
594.76.63.05	Yelm City Park Playground	-	-	239,590	-	289,590	-	-
597.21.62.02	T/O To 200 PSB Debt Service	-	-	-	-	-	-	-
597.21.62.03	T/O to 316 Road Street Const	-	-	-	-	-	100,000	175,000
Total Expenditure		\$ 653,495	\$ 24,433	\$ 1,916,179	\$ 31,042	\$ 2,036,171	\$ 878,130	\$ 200,000
508.10.00.00	Ending Cash-Reserved	-	-	-	-	-	-	-
508.80.00.00	Ending Fund Balance-Unreserved	561,347	664,689	192,090	807,304	257,087	2,721	129,221
Total Appropriation		\$ 1,214,842	\$ 689,122	\$ 2,108,269	\$ 838,346	\$ 2,293,258	\$ 880,851	\$ 329,221



The **Road and Street Construction Fund** is used to pay for road and street construction projects in the City of Yelm. Major sources of revenue include REET 2 and grants from federal and state transportation agencies.

Public Works Department								
Road and Street Construction Fund (316) Expenditures								
Code	Description	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
581.20.00.00	Interfund Loan Pmt To 001	67,530	-	-	-	-	-	-
595.10.40.01	Design Engineering-Mosman Ph 3	-	635	76,000	-	-	-	-
595.10.40.02	Design Engineering Coates Ave	-	39,252	58,000	-	10,000	-	-
595.10.40.03	Design Engineering Cullens Rd	-	388,854	-	5,256	5,256	-	-
595.10.40.04	Design Engineering Burnett 93rd Sig	-	-	-	-	-	-	150,000
595.10.40.05	Design Engineering Fort Stevens	-	635	66,000	-	85,929	-	-
595.10.40.06	Design Engineering Mill Rd Sidewalk	-	-	-	-	-	67,000	-
595.10.45.91	Op Alloc for IT Fund	-	-	10,000	-	-	-	-
595.10.61.00	Mosman Ph 2 - Design & Environmental	12,264	71,735	239,138	68,780	75,633	28,301	26,051
595.20.61.00	103Rd St ROW Purchase	-	-	-	-	-	-	-
595.20.61.04	Mosman Ph 2 - ROW Consultant	-	-	-	-	13,709	91,794	-
595.20.61.05	Mosman Ph 2 - ROW Purchase	-	-	338,100	-	-	489,500	-
595.30.63.03	Coates Construction Eng	-	-	-	-	-	-	80,890
595.30.63.04	Mosman Ph 2 - Construction	-	-	-	-	-	-	1,206,350
595.30.63.05	Construction - Mill Rd Sidewalk	-	-	-	-	-	-	425,000
595.30.63.06	Construction - Cochrane Park Path	-	-	-	-	-	-	75,000
595.30.63.07	Construction - 2nd St Sidewalk	-	-	-	-	-	-	50,000
595.30.63.08	Small Wrks Proj Prioritized Annual	-	-	10,000	-	-	15,000	15,000
595.40.63.01	PMS City Wide Evaluation	-	-	-	-	-	-	15,000
595.40.63.00	Annual Pvmnt Preservation Program	-	-	-	-	-	130,000	125,000
595.30.63.07	Cullens/Solberg Construction	10,011	-	-	-	-	-	-
595.30.63.08	Cullens Road Construction	-	117,336	-	-	-	-	-
595.30.63.09	Emergency Roadway Repair (TIB)	-	-	-	-	-	-	-
595.41.63.00	Annual Overlay Match	-	-	30,000	19,678	-	50,000	50,000
595.61.41.00	SR 507 Sidewalk Engineering	24,112	17,227	-	-	-	-	-
595.61.63.00	SR 507 Sidewalk Construction	-	377,073	-	-	-	-	-
595.61.63.06	ADA Compliance - Sidewalk Ramps	-	-	20,000	-	-	20,000	20,000
595.61.63.07	Const Ft Stevens Elem Safety Project	-	-	471,000	80,421	375,789	203,911	-
595.61.63.08	CM Ft Stevens Elem Safety Project	-	-	-	-	-	64,500	-
597.42.00.00	T/O To Fund 001	41,831	-	-	-	-	-	-
Total Expenditures		\$ 155,748	\$ 1,012,747	\$ 1,318,238	\$ 174,135	\$ 566,316	\$ 1,160,006	\$ 2,238,291
508.10.00.00	Ending Cash-Reserved	-	-	-	-	-	-	-
508.80.00.00	Ending Fund Balance-Unreserved	99,653	105,984	33,064	281,595	314,523	299,295	275,809
Total Appropriation		\$ 255,401	\$ 1,118,731	\$ 1,351,302	\$ 455,730	\$ 880,839	\$ 1,459,301	\$ 2,514,100



ENTERPRISE FUNDS

Some activities of a government, such as operation of a municipal water system, are similar to those of commercial enterprises. The objective of the government is to recover its costs in these operations through a system of user charges. Proprietary funds are used to account for such operations. There are two types of proprietary funds: 1) Enterprise funds, and 2) Internal Service funds. The City of Yelm currently uses several enterprise funds for utilities operation and maintenance, as well as two internal service funds for maintenance of fleet and information technology assets.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City is that the costs and expenses of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.

The **Stormwater Utility Fund** provides for the maintenance and operation of the City's storm drainage facilities. This fund receives its revenues mostly from user fees. Good maintenance of the drainage facilities reduces the impact of heavy rain or prolonged wet weather conditions.

City of Yelm								
Stormwater Utility Fund (400) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
531.10.41.00	Storm Water Planning	\$ 25,056	\$ 87	\$ 20,000		\$ 20,000	\$ -	\$ 30,000
538.30.10.00	Salaries/Wages	\$ 33,826	\$ 24,007	\$ 159,951	\$ 93,259	\$ 159,951	\$ 159,325	\$ 161,034
538.30.11.00	Accrued Vac/Hol/Sick Cashout	\$ 10	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -
538.30.12.00	Overtime	\$ 255	\$ 119	\$ 50	\$ 9	\$ 50	\$ 50	\$ 50
538.30.20.00	F.I.C.A.	\$ 2,531	\$ 1,793	\$ 12,237	\$ 1,017	\$ 12,237	\$ 12,190	\$ 12,318
538.30.21.00	Retirement	\$ 3,602	\$ 2,841	\$ 20,316	\$ 1,154	\$ 20,316	\$ 20,472	\$ 20,692
538.30.22.00	Industrial Insurance	\$ 494	\$ 328	\$ 3,192	\$ 26	\$ 3,192	\$ 4,370	\$ 4,370
538.30.23.00	Unemployment Insurance	\$ 65	\$ 47	\$ 801	\$ 152	\$ 801	\$ 805	\$ 805
538.30.24.00	Medical Insurance	\$ 6,756	\$ 4,849	\$ 43,957	\$ 2,990	\$ 43,957	\$ 42,422	\$ 44,353
538.30.25.00	Uniforms	\$ -	\$ -	\$ 1,250		\$ 1,250	\$ 1,250	\$ 1,500
538.30.31.00	Supplies	\$ 387	\$ 717	\$ 4,000		\$ 1,000	\$ 4,000	\$ 5,000
538.30.42.00	Communications/Phone/Postage	\$ 1,496	\$ 1,809	\$ 2,000	\$ 1,105	\$ 1,600	\$ 1,600	\$ 1,600
538.30.43.00	Travel/Training/Dues	\$ -	\$ 750	\$ 1,000		\$ 500	\$ 1,000	\$ 1,500
538.30.45.91	Operating Allocation - IT		\$ -	\$ 27,696		\$ 27,696	\$ 15,048	\$ 15,347
538.30.46.00	Liability Insurance	\$ 3,657	\$ 3,769	\$ 3,844	\$ 4,263	\$ 7,308		
538.30.48.00	Repairs/Maintenance	\$ 11,183	\$ -	\$ 15,000		\$ 15,000	\$ 20,000	\$ 20,000
538.30.49.01	Printing	\$ 1,296	\$ 1,779	\$ 2,000	\$ 3,580	\$ 3,580	\$ 4,000	\$ 5,000
538.30.64.00	Machinery/Equipment	\$ -	\$ -	\$ -		\$ -		
538.31.54.00	City Utility Tax	\$ 7,415	\$ 7,550	\$ 21,150	\$ 3,539	\$ 19,575	\$ 24,665	\$ 29,745
538.85.41.00	Computer And Software O&M	\$ 3,600	\$ 3,600	\$ 3,800	\$ 2,000	\$ 3,800	\$ 4,000	\$ 4,200
592.31.00.00	Stormwater Int Loan Repayment	\$ -	\$ 628	\$ 1,257	\$ 19,097	\$ 19,097		
594.38.64.00	Machinery/Equipment	\$ -	\$ 4,015	\$ -				
597.95.62.03	T/O Road/Street Const							\$ 38,000
Total Expenditures		\$ 126,693	\$ 58,688	\$ 343,501	\$ 132,250	\$ 360,910	\$ 315,196	\$ 395,514
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	29,339	73,200	58,214	16,856	2,003	16,667	48,758
Total Appropriation		\$ 156,032	\$ 131,889	\$ 401,715	\$ 149,106	\$ 362,913	\$ 331,863	\$ 444,272

WATER

The **Water Utility, Water Capital Improvement, and Water Construction Funds** are used to operate, maintain and improve the water distribution system that provides for the delivery of safe, high quality water for all water users. Charges for services, system development and investment interest make up nearly all of the revenue in these funds.

The Water Capital improvement and Water Construction Funds are used to pay for capital improvements to the City's drinking water system. Due to the similarities between the Water Capital Improvement and Water Construction Funds, the City is going to consolidate these funds beginning January 1, 2019.

City of Yelm								
Water Capital Improvement Fund (402) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
514.23.41.01	Professional Services		\$ -		\$ 62	\$ 62		
534.10.41.00	Water Comp Plan	\$ 39,433	\$ 135,846					
594.10.45.91	IT Operating Allocation		\$ -	\$ 25,000		\$ 25,000		
594.21.62.00	Buildings/Structures		\$ -		\$ 67,730			
594.34.41.00	Water Rights-Professional Sv		\$ -	\$ 50,000				
594.34.41.03	Water Comprehensive Plan		\$ 10,235	\$ 50,000	\$ (5,033)			
594.34.41.04	Deschutes Wtr Right Mitigation		\$ 3,920	\$ 21,000	\$ 10,456			
594.34.61.00	Water Rights Acquisition		\$ -	\$ 100,000				
594.34.63.01	Water Conservation Program		\$ -	\$ 200,000	\$ 3,786			
594.34.63.05	Capital-Watermains		\$ 17,154	\$ 300,000	\$ 12,626			
594.34.63.07	Ac Wtrmian Replace - Mosman		\$ -					
594.34.63.10	2017 AC Wtrmain Replace-Design	\$ 18,562	\$ 74,296	\$ -	\$ 103,041	\$ 168,482		
594.34.63.11	2017 AC Wtrmain Replace-Const Eng	\$ 3,366	\$ 22,929	\$ 50,000				
594.34.63.12	2017 AC Wtrmain Replace-Const	\$ 601,300	\$ 1,613	\$ 800,000	\$ 600,331	\$ 629,277		
594.34.63.13	2019 AC Wtrmain Replace-Design & Eng		\$ -	\$ 202,500			\$ 170,000	
594.34.63.14	2019 AC Wtrmain Replace-Const		\$ -					\$ 700,000
594.34.63.15	2020 AC Wtrmain Replace-Design & Eng		\$ -					\$ 175,000
594.34.63.16	SE Reservoir - Siting & Engr						\$ 250,000	
594.34.63.17	SE Reservoir - Land Acquisistion						\$ 300,000	
594.34.63.18	SE Reservoir - Construction						\$ 1,000,000	\$ 1,000,000
594.34.64.02	Mach & Eq Software/Radio		\$ -	\$ 20,500				
597.34.63.03	T/O To Fund 431	\$ 55,000						
597.34.63.04	T/O To Fund 316 Road Street Constr							\$ 28,626
Total Expenditures		\$ 717,661	\$ 265,993	\$ 1,819,000	\$ 792,937	\$ 822,759	\$ 1,720,000	\$ 1,903,626
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	\$ 349,786	\$ 430,200	\$ 1,305,724	\$ 1,612,157	\$ 1,737,601	\$ 1,810,277	\$ 361,651
Total Appropriation		\$ 1,067,447	\$ 696,194	\$ 3,124,724	\$ 2,405,095	\$ 2,560,360	\$ 3,530,277	\$ 2,265,277

City of Yelm								
Water Construction Fund (431) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
534.20.41.09	DT Well Construction	\$ 15,422						
594.34.61.01	Water Rights Acquisition	\$ 100						
594.34.63.03	SW Yelm Well 1A Prelim Engineering							
594.34.63.06	SW Yelm Well 1A Const Engineering	\$ 297,028	\$ 48,631		\$ 7,537	\$ 7,537	\$ -	\$ -
594.34.63.07	SW Yelm Well 1A Construction	\$ 3,688,605	\$ 11,038		\$ 38,534	\$ 38,534	\$ -	\$ -
597.34.63.04	T/O TO WATER CAPITAL IMPROVEMENT						\$ 1,385,176	
Total Expenditures		\$ 4,001,155	\$ 59,668	\$ -	\$ 46,071	\$ 46,071	\$ 1,385,176	\$ -
508.10.00.00	Ending Cash-Reserved	\$ -	\$ -		\$ -			
508.80.00.00	Ending Fund Balance-Unreserved	\$ 1,465,564	\$ 1,419,216	\$ 1,428,716	\$ 1,430,571	\$ 1,385,176	\$ -	\$ -
Total Appropriations		\$ 5,466,719	\$ 1,478,884	\$ 1,428,716	\$ 1,476,642	\$ 1,431,247	\$ 1,385,176	\$ -

Water rate fees and specific water-related utility revenues are deposited to the Water Utility Fund. These revenues are used to operate and maintain the city's drinking water system, including storage, treatment, and transmission of drinking water to the people of Yelm.

City of Yelm								
Water Utility Fund (401) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
534.10.10.00	Salaries/Wages	\$ 359,225	\$ 443,734	\$ 529,548	\$ 289,225	\$ 495,814	\$ 601,625	\$ 607,692
534.10.11.00	Accrued Vacation/Holiday/Sick	\$ 71	\$ 11,042	\$ -	\$ 269	\$ 461		
534.10.12.00	Overtime	\$ 1,498	\$ 897	\$ 2,300	\$ 414	\$ 710	\$ 2,300	\$ 2,300
534.10.13.00	Standby Pay	\$ 5,201	\$ 3,900	\$ 5,200	\$ 2,400	\$ 4,114	\$ 5,000	\$ 5,000
534.10.20.00	F.I.C.A.	\$ 27,404	\$ 34,331	\$ 38,599	\$ 20,945	\$ 35,905	\$ 46,482	\$ 46,957
534.10.21.00	Retirement	\$ 40,412	\$ 50,869	\$ 62,956	\$ 26,008	\$ 44,584	\$ 76,634	\$ 77,422
534.10.22.00	Industrial Insurance	\$ 6,780	\$ 6,590	\$ 7,585	\$ 3,270	\$ 5,606	\$ 10,382	\$ 10,359
534.10.23.00	Unemployment Insurance	\$ 697	\$ 860	\$ 2,520	\$ 531	\$ 911	\$ 3,465	\$ 3,504
534.10.24.00	Medical Insurance	\$ 50,688	\$ 59,915	\$ 83,187	\$ 43,570	\$ 74,692	\$ 118,087	\$ 124,050
534.10.25.00	Uniforms/Safety Equipment	\$ 1,963	\$ 2,433	\$ 1,400	\$ 3,467	\$ 4,000	\$ 4,500	\$ 4,500
534.10.31.00	Gen Svc Office/Operating Supplies	\$ 5,031	\$ 2,406	\$ 5,000	\$ 2,699	\$ 5,000	\$ 5,000	\$ 5,000
534.10.35.00	Gen Svcs Tools/Equipment	\$ 10,780	\$ 5,645	\$ 6,500	\$ 3,379	\$ 6,500	\$ 7,000	\$ 7,000
534.10.42.01	Communications: Phone	\$ 9,104	\$ 9,006	\$ 9,300	\$ 6,163	\$ 9,300	\$ 9,500	\$ 9,600
534.10.42.02	Communications: Postage	\$ 6,496	\$ 8,828	\$ 8,000	\$ 3,959	\$ 8,000	\$ 8,000	\$ 8,500
534.10.42.03	Communications: Copier	\$ 641	\$ 805	\$ -	\$ 73	\$ 1,600	\$ 1,700	\$ 1,800
534.10.43.00	Travel/Training	\$ 2,936	\$ 634	\$ 4,500	\$ 5,688	\$ 5,700	\$ 5,000	\$ 5,000
534.10.44.00	Printing/Advertising	\$ 17,127	\$ 9,367	\$ 11,000	\$ 6,151	\$ 12,000	\$ 13,000	\$ 13,000
543.10.45.91	Operating Allocation - IT Fund		\$ -	\$ 28,598	\$ -	\$ 28,598	\$ 56,469	\$ 57,589
534.10.46.00	Property/Casualty/Liability Insurance	\$ 35,855	\$ 36,961	\$ 37,693	\$ 41,688			
534.10.47.00	Public Utilities Services	\$ 36,395	\$ 37,858	\$ 41,000	\$ 3,692	\$ 37,000	\$ 40,000	\$ 40,000
534.10.48.00	Gen Svcs Equip Repir/Maintenance	\$ 2,978	\$ 2,885	\$ 10,000	\$ 2,997	\$ 10,000	\$ 10,000	\$ 10,000
534.10.49.00	Miscellaneous	\$ 11,528	\$ 13,479	\$ 13,000	\$ 8,108	\$ 13,000	\$ 13,000	\$ 13,500
534.10.53.00	Utility Excise Tax	\$ 155,487	\$ 150,112	\$ 168,050	\$ 72,312	\$ 163,433	\$ 171,604	\$ 180,184
534.10.54.00	City Utility Tax	\$ 185,508	\$ 186,738	\$ 198,000	\$ 110,571	\$ 200,000	\$ 210,000	\$ 215,000
534.20.00.00	Wellhead Protection Program	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
534.20.41.00	Engineering Plans & Services	\$ 147,762	\$ 85,067	\$ 125,000	\$ 58,574	\$ 120,000	\$ 140,000	\$ 140,000
534.20.47.00	Water Conservation Program	\$ -	\$ -	\$ 5,000		\$ 5,000	\$ 5,000	\$ 5,000
534.30.41.00	Lobbist Contract Svcs	\$ 8,807	\$ 800	\$ 5,000		\$ 5,000	\$ 5,000	\$ 5,000
534.39.00.00	Reallocate Custodian	\$ -	\$ -	\$ -				
534.48.00.00	OPERATING ALLOCATION - Fund 502 - ER&R	\$ -	\$ -	\$ 98,201	\$ 98,201	\$ 161,413	\$ 68,265	\$ 23,707
534.50.35.00	Bldg Maint/Supplies	\$ 90	\$ 1,752	\$ 4,000	\$ 1,367	\$ 2,500	\$ 3,000	\$ 3,000
534.50.41.00	Custodial Cleaning/Supplies	\$ -	\$ 383	\$ 1,500		\$ 500	\$ 1,000	\$ 1,000
534.50.41.01	Software Maint	\$ 8,644	\$ 6,699	\$ 8,750	\$ 5,398	\$ 9,000	\$ 10,000	\$ 10,000
534.50.48.00	System Gen Repairs/Maintenance	\$ 70,845	\$ 71,323	\$ 160,000	\$ 105,139	\$ 75,000	\$ 160,000	\$ 160,000
534.50.48.01	Vehicle Repairs/Maintenance	\$ 4,450	\$ 3,393	\$ 8,000	\$ 467	\$ 6,000	\$ 6,000	\$ 6,000
534.50.48.02	Contracted Repairs/Maintenance	\$ -	\$ -	\$ 5,000	\$ 1,266	\$ 5,000	\$ 5,000	\$ 5,000
534.70.48.00	Cross Connection Control Pro	\$ -	\$ -	\$ -				
534.80.32.00	Fuel/Oil Consumed	\$ 5,621	\$ 7,670	\$ 8,000	\$ 2,194	\$ 5,000	\$ 6,500	\$ 6,500
534.80.47.00	Utility Locates/Leak Checks	\$ 195	\$ 461	\$ 1,000	\$ 214	\$ 1,000	\$ 1,000	\$ 1,000
534.80.47.01	Leak Detection	\$ -	\$ -					
534.80.48.00	Water Sampling Fees	\$ 8,192	\$ 21,562	\$ 13,000	\$ 15,750	\$ 19,000	\$ 20,000	\$ 21,000
534.80.49.00	Annual/Waiver Fees	\$ 5,252	\$ 5,716	\$ 10,200	\$ 5,966	\$ 7,500	\$ 7,500	\$ 8,000
534.85.41.00	Computer & Software O&M	\$ 3,814	\$ 3,863	\$ 3,900				
594.21.62.00	Building/Structures				\$ 4,548	\$ 4,600	\$ -	\$ -
594.34.64.00	Capital - Machinery/Equipment	\$ 17,395	\$ -	\$ -				
594.34.64.01	Machinery & Equipmet Software	\$ -	\$ -	\$ -				
597.34.63.01	T/O Fund 404 - Wtr Sys Reinvst	\$ 200,000	\$ -	\$ 575,000	\$ -	\$ -		
597.34.63.02	T/O Fund 404 Wtr Sytm Plan Update	\$ 250,000	\$ -	\$ -				
597.80.72.00	T/O Fund 405 - 2003 Bond Debt	\$ 176,613	\$ 173,713	\$ 179,363	\$ 97,834	\$ 179,363	\$ 174,713	\$ 175,036
597.80.72.01	T/O Fund 405 - DWSRL	\$ 9,723	\$ 9,593	\$ 9,462	\$ 5,161	\$ 9,462	\$ -	\$ -
597.80.72.02	T/O Fund 405 - DOE Reclmd Water	\$ 51,857	\$ 51,860	\$ 51,856	\$ 28,285	\$ 51,856	\$ 51,857	\$ 51,857
597.80.72.04	T/O Fund 200 - Ltgo Bond (PSB)	\$ 25,376	\$ -	\$ -				
597.80.72.05	T/O Fund 405 - Wtr Rev Bond Debt	\$ 691,238	\$ 688,889	\$ 690,188	\$ 376,466	\$ 690,188	\$ 686,788	\$ 688,808
Total Expenditures		\$ 2,659,679	\$ 2,212,037	\$ 3,236,356	\$ 1,464,407	\$ 2,524,309	\$ 2,770,371	\$ 2,758,865
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	\$ 568,816	\$ 1,561,762	\$ 4,420,317	\$ 4,594,846	\$ 5,074,165	\$ 5,799,876	\$ 6,708,698
Total Appropriations		\$ 3,228,495	\$ 3,773,799	\$ 7,656,673	\$ 6,059,253	\$ 7,598,474	\$ 8,570,247	\$ 9,467,563

SEWER

The Sewer Utility and Sewer Capital Improvement Funds are used to operate, maintain and improve the City's sewer system and provides for the safe disposal and treatment of wastewater of the residents of Yelm's sewer service area. Charges for services, Sale of Reclaimed Water and Investment Earnings make up nearly all of the revenue in these funds.

City of Yelm								
Sewer Utility Fund (412) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
514.23.41.01					\$ 40			
535.10.10.00	Salaries/Wages	\$ 418,860	\$ 490,231	\$ 641,753	\$ 311,070	\$ 533,262	\$ 731,593	\$ 745,355
535.10.11.00	Accrued Vacation/Holiday/Sic	\$ 71	\$ 3,418	\$ -	\$ 7,943	\$ 13,617	\$ 10,000	\$ 10,000
535.10.12.00	Overtime	\$ 7,339	\$ 4,541	\$ 8,000	\$ 3,778	\$ 6,476	\$ 8,000	\$ 8,000
535.10.13.00	Standby Pay	\$ 4,200	\$ 2,600	\$ 5,000	\$ 1,400	\$ 2,400	\$ 5,000	\$ 5,000
535.10.20.00	F.I.C.A.	\$ 32,438	\$ 37,412	\$ 49,095	\$ 21,636	\$ 37,090	\$ 56,422	\$ 57,486
535.10.21.00	Retirement	\$ 47,963	\$ 57,646	\$ 80,382	\$ 31,507	\$ 54,011	\$ 93,334	\$ 95,111
535.10.22.00	Industrial Insurance	\$ 9,405	\$ 8,831	\$ 11,628	\$ 4,229	\$ 7,250	\$ 16,804	\$ 16,804
535.10.23.00	Unemployment Insurance	\$ 829	\$ 176	\$ 3,208	\$ 549	\$ 942	\$ 4,113	\$ 4,193
535.10.24.00	Medical Insurance	\$ 81,665	\$ 96,167	\$ 148,136	\$ 55,567	\$ 95,259	\$ 158,156	\$ 179,479
535.10.25.00	Uniforms	\$ 2,870	\$ 2,845	\$ 5,000	\$ 4,520	\$ 6,500	\$ 7,000	\$ 7,000
535.10.31.00	Office/Operating Supplies	\$ 3,696	\$ 3,814	\$ 7,000	\$ 1,499	\$ 4,000	\$ 5,000	\$ 5,000
535.10.35.00	Small Tools/Minor Equipment	\$ 10,679	\$ 16,833	\$ 15,000	\$ 8,973	\$ 15,000	\$ 15,000	\$ 15,000
535.10.42.01	Communications: Phone	\$ 9,478	\$ 8,753	\$ 10,000	\$ 5,071	\$ 10,000	\$ 11,000	\$ 11,000
535.10.42.02	Communications: Postage	\$ 6,774	\$ 8,847	\$ 7,500	\$ 4,144	\$ 8,000	\$ 8,000	\$ 8,000
535.10.42.03	Communications: Copier	\$ 293	\$ 1,172	\$ -	\$ 147	\$ 500	\$ 1,000	\$ 1,000
535.10.43.00	Travel/Training	\$ 1,844	\$ 3,782	\$ 5,000	\$ 1,744	\$ 4,000	\$ 5,000	\$ 5,000
535.10.44.00	Printing/Advertising	\$ 9,111	\$ 11,816	\$ 10,000	\$ 6,072	\$ 10,000	\$ 10,000	\$ 10,500
535.10.45.91	Operating Allocation - IT Fund		\$ -	\$ 50,350		\$ 50,350	\$ 38,469	\$ 39,221
535.10.46.00	Property/Casualty/Liabili	\$ 37,060	\$ 38,195	\$ 38,959	\$ 43,195			
535.10.47.00	Public Utilities Services	\$ 126,503	\$ 88,118	\$ 112,000	\$ 43,132			
535.10.48.00	Equipment Repairs & Mtce	\$ 1,056	\$ 10,691	\$ 4,000	\$ 6,222	\$ 7,500	\$ 5,000	\$ 5,000
535.10.49.00	Miscellaneous/Dues/Fees	\$ 20,744	\$ 22,400	\$ 16,000	\$ 11,725	\$ 16,000	\$ 18,000	\$ 18,000
535.10.49.01	Pymts. On Latecomers Fees	\$ -	\$ -	\$ -				
535.10.53.00	Utility Excise Tax	\$ 57,033	\$ 55,486	\$ 64,530	\$ 32,136	\$ 64,530	\$ 64,530	\$ 64,530
535.10.54.00	City Utility Tax	\$ 131,629	\$ 136,433	\$ 143,400	\$ 24,382	\$ 143,400	\$ 143,400	\$ 143,400
535.20.41.00	Engineer/Professional Servic	\$ 17,150	\$ 8,738	\$ 25,000	\$ 10,006	\$ 25,000	\$ 45,000	\$ 25,000
595.48.00.00	T/O to Fund 502 ER&R	\$ -	\$ -	\$ 282,774	\$ 282,774	\$ 190,818	\$ 235,868	\$ 152,014
535.50.35.00	Bldg Maint/Supplies	\$ 1,454	\$ 14,256	\$ 3,500	\$ 4,859	\$ 6,000	\$ 4,000	\$ 4,000
535.50.41.00	Custodial Cleaning/Supplies	\$ -	\$ 65	\$ 600	\$ -	\$ 600	\$ 600	\$ 600
535.50.41.01	Software Maint	\$ 6,395	\$ 7,048	\$ 12,350	\$ 5,098	\$ 12,000	\$ 15,000	\$ 15,000
535.50.48.00	Trmt. Plant Mtce	\$ 292,665	\$ 227,351	\$ 350,000	\$ 106,404	\$ 350,000	\$ 350,000	\$ 375,000
535.50.48.01	System Testing/Outside Lab	\$ 42,040	\$ 56,025	\$ 30,000	\$ 14,364	\$ 30,000	\$ 30,000	\$ 30,000
535.50.48.02	Equip/Veh Repairs & Mtce	\$ 7,016	\$ 11,832	\$ 4,000	\$ 345	\$ 4,000	\$ 4,000	\$ 4,000
535.50.48.03	Contracted Repairs/Maint	\$ -	\$ 10,325	\$ -	\$ 3,997	\$ 3,997	\$ -	\$ -
535.50.49.00	Miscellaneous Maintenance	\$ -	\$ -	\$ -	\$ 12,271	\$ 12,271	\$ -	\$ -
535.80.31.00	Operating Supplies/Lab Etc.	\$ 27,889	\$ 10,282	\$ 6,000	\$ 10,120	\$ 14,000	\$ 6,000	\$ 6,500
535.80.32.00	Fuel Consumed	\$ 4,077	\$ 4,681	\$ 4,500	\$ 1,687	\$ 4,500	\$ 5,000	\$ 5,000
535.80.35.00	Small Tools/Minor Equipment	\$ 693	\$ 6,787	\$ 1,500	\$ 10,488	\$ 11,000	\$ 3,500	\$ 3,500
535.80.47.00	Utility Locates	\$ 127	\$ 53	\$ 300	\$ 78	\$ 300	\$ 300	\$ 300
535.80.48.00	Collection Repairs/Maint/Spt	\$ 19,797	\$ 68,774	\$ 60,000	\$ 65,119	\$ 85,000	\$ 80,000	\$ 85,000
535.80.48.01	Reuse Facilities Mtce.	\$ 2,945	\$ 3,198	\$ 15,000	\$ 912	\$ 10,000	\$ 10,000	\$ 10,000
535.80.48.02	Waste Activated Sludge Dispo	\$ 155,996	\$ 70,280	\$ 180,000	\$ 30,771	\$ 200,000	\$ 225,000	\$ 235,000
535.80.48.03	Septage Disposal	\$ 108,210	\$ 52,197	\$ 140,000	\$ 84,761	\$ 170,000	\$ 190,000	\$ 200,000
535.85.41.00	Computer & Software O&M	\$ 3,814	\$ 3,814	\$ 3,815		\$ 3,815	\$ 5,000	\$ 5,000
535.90.52.00	Centralia Power And Light	\$ 25,270	\$ 25,934	\$ 35,000	\$ 26,618	\$ 35,000	\$ 40,000	\$ 50,000
594.21.62.00	Buildings/Structures		\$ -		\$ 2,775	\$ 2,775	\$ -	\$ -
594.35.63.00	O & M Reserve	\$ 51,904	\$ -	\$ 35,000				
594.35.64.00	Machinery & Equipment	\$ 23,127	\$ 135,461	\$ -				
594.35.64.01	Mach & Eq Software	\$ -	\$ -	\$ 1,800				
597.35.70.01	T/O To 415 Sewer Bond Reserve	\$ 97,102	\$ 97,102	\$ 97,101	\$ 52,964	\$ 97,101	\$ 97,101	\$ 97,101
597.80.72.00	T/O To 203 Sewer Revenue Bonds	\$ 266,283	\$ 266,283	\$ 173,026	\$ 94,378	\$ 173,026	\$ 173,026	\$ 173,026
Total Expenditures		\$ 2,175,494	\$ 2,190,693	\$ 2,897,207	\$ 1,451,469	\$ 2,531,289	\$ 2,934,215	\$ 2,930,120
508.10.00.00	Ending Cash-Reserved	\$ -	\$ -		\$ -			
508.80.00.00	Ending Fund Balance-Unreserved	\$ 141,222	\$ 311,595	\$ 1,467,649	\$ 76,189	\$ 1,956,025	\$ 1,818,310	\$ 1,928,190
Total Appropriations		\$ 2,316,716	\$ 2,502,289	\$ 4,364,856	\$ 1,527,659	\$ 4,487,314	\$ 4,752,525	\$ 4,858,310

The Sewer Capital Improvement Fund is used to pay for capital improvements to the City's sewer system, including the Wastewater Reuse Facility and the step tank system.

City of Yelm								
Sewer Capital Improvements Fund (413) Expenditures								
Account Code	Account Description	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
535.10.41.00	Sewer Comp Planning	\$ 114,276	\$ 61			\$ -	\$ -	\$ -
594.35.41.00	Sewer System Comp Plan	\$ -	\$ -			\$ -	\$ -	\$ -
594.35.41.01	Sewer Facilities Plan		\$ 19,692			\$ 15,000	\$ 75,000	\$ -
594.35.41.02	Cochrane Park - Rebuild RIBs, Ponds	\$ 47,475	\$ -	\$ 180,000	\$ 1,609	\$ 80,252	\$ 950,000	\$ 500,000
594.35.48.00	Collection System Improvements		\$ 2,500	\$ 163,000	\$ -	\$ -	\$ 170,000	\$ 180,000
594.35.63.00	WRF Short Term Improvements		\$ 265,455	\$ 2,300,000	\$ 325,296	\$ 1,267,652	\$ -	\$ -
594.35.63.04	WRF Phase 2 Facility Upgrades			\$ -		\$ 112,000	\$ 1,799,200	\$ 3,185,333
594.35.63.05	Longmire - Remove Reclaim Tanks			\$ -	\$ -	\$ -	\$ 20,000	\$ -
594.35.63.01	Eq Basin Facility Modification			\$ 275,000		\$ 90,000	\$ -	\$ -
594.35.63.02	WRF Office/Lunch Room Addt			\$ 40,000		\$ 25,000	\$ -	\$ -
594.35.63.03	Cochrane Park-Valve&Control Repl			\$ 60,000		\$ 20,000	\$ 40,000	\$ -
594.35.64.02	Mach & Eq Software/Radio		\$ -					
597.76.63.00	T/O To Fund 302							\$ 25,000
597.95.62.06	T/O to Fund 316							\$ 17,862
Total Expenditures		\$ 161,751	\$ 287,708	\$ 3,018,000	\$ 326,904	\$ 1,609,904	\$ 3,054,200	\$ 3,908,195
508.10.00.00	Ending Cash-Reserved							
508.80.00.00	Ending Fund Balance-Unreserved	\$ 597,405	\$ 771,329	\$ 524,506	\$ 3,298,799	\$ 3,125,180	\$ 1,223,307	\$ 717,771
Total Appropriations		\$ 759,156	\$ 1,059,037	\$ 3,542,506	\$ 3,625,703	\$ 4,735,084	\$ 4,277,507	\$ 4,625,966

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units on a cost-reimbursement basis.

The **Equipment Rental & Replacement Fund** accounts for the replacement of all City vehicles and equipment. The major source of revenue is user charges to other departments within the City. The replacement rates are established to create a reserve for the necessary replacement of City equipment and vehicles.

City of Yelm Equipment Rental and Replacement Fund (502)									
Account Code	Account Description	2015 Actual	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
308.10.00.00	Beginning Cash-Reserved				-			147,514	168,078
308.80.00.00	Beginning Cash-Unreserved				-				
361.11.00.00	Investment Interest				1,000	1,000	1,000	-	-
365.10.01.00	Replacement Charges				1,280,659	1,280,659	1,280,659	639,023	406,145
365.10.02.00	Rental Charges				-	492	492		
Revenue Total		\$ -	\$ -	\$ -	\$ 1,281,659	\$ 1,282,151	\$ 1,282,151	\$ 786,537	\$ 574,223
Internal Service Fund Equipment Rental and Replacement Fund (502)									
Account Code	Account Description	2015 Actual	2016 Actual	2017 Budget	2018 Budget	YTD Actual July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
594.18.64.00	Capital Equipment - Admin.				27,000	15,146	80,111	26,880	14,816
594.21.64.00	Capital Equipment - Police				400,000	380,408	494,671	151,657	134,764
594.34.64.00	Capital Equipment - Water				62,000		161,413	68,265	23,707
594.35.64.00	Capital Equipment - Sewer				31,000	22,328	190,818	235,868	152,014
594.44.64.00	Capital Equipment - Streets				31,000		99,578	91,617	47,830
594.58.64.00	Capital Equipment - Comm Devel.				62,000		-	1,860	7,835
594.76.64.00	Capital Equipment - Parks				41,000		108,047	42,313	32,398
Total Expenditures		\$ -	\$ -	\$ -	\$ 654,000	\$ 417,883	\$ 1,134,637	\$ 618,459	\$ 413,364
508.10.00.00	Ending Cash-Reserved	-	-	-	-	-	-		
508.80.00.00	Ending Fund Balance-Unreserved	-	-	-	627,659		147,514	168,078	160,859
Total Appropriation		\$ -	\$ -	\$ -	\$ 1,281,659	\$ 417,883	\$ 1,282,151	\$ 786,537	\$ 574,223



The Information Technology Equipment Rental & Repair accounts for the replacement of all City information technology equipment. The major source of revenue is user charges to other departments within the City. The replacement rates are established to create a reserve for the necessary replacement of City information technology equipment.

City of Yelm Information Technology Fund (501)									
Account Code	Account Description	2015 Actual	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
308.10.00.00	Beginning Cash-Reserved								
308.80.00.00	Beginning Cash-Unreserved							302,719	392,705
348.80.00.01	OPERATING ALLOCATION				382,358		382,358	583,409	618,503
361.11.00.01	Investment Interest								
365.10.00.01	Replacement Charges				200,000		200,000		
365.10.02.00	Rental Charges								
Revenue Total		\$ -	\$ -	\$ -	\$ 582,358	\$ -	\$ 582,358	\$ 886,128	\$ 1,011,208
City of Yelm Information Technology Fund (501)									
Account Code	Account Description	2015 Actual	2016 Actual	2017 Actual	2018 Budget	YTD Actual - July 31st	2018 YE Estimate	2019 Proposed	2020 Proposed
518.81.10.00	SALARIES DUE				135,167	62,576	83,434	104,632	114,812
518.81.12.00	OVERTIME				500	729	972	-	-
518.81.20.00	FICA				10,341	4,843	6,457	8,005	8,783
518.81.21.00	RETIREMENT				17,167	7,964	10,619	13,445	14,753
518.81.22.00	IND INSURANCE				495	206	274	523	574
518.81.23.00	UNEMPLOYMENT INS				675	123	164	422	422
518.81.24.00	MEDICAL INSURANCE				34,068	5,234	6,979	25,742	25,742
518.81.31.00	OPERATING SUPPLIES				4,000	-	-	4,000	4,000
518.85.35.00	IT INFRASTRUCTURE				12,792	-	-	73,085	74,546
518.85.35.01	EQUIPMENT REPLACEMENT				75,600	48,763	48,763	157,324	160,468
518.81.42.01	COMMUNICATION: PHONES				16,000	4,573	6,038	16,000	16,000
518.81.42.03	COMMUNICATIONS: COPIERS				22,745	6,532	14,668	19,245	19,245
518.81.42.04	NETWORK				30,000	-	30,000	30,000	30,000
518.81.43.00	TRAINING				1,200	-	-	1,000	1,000
518.85.41.00	SOFTWARE MAINT				110,000	28,503	71,270	40,000	40,000
594.21.64.00	MACHINERY AND EQUIPMENT				-	-	-	-	-
Expenditure Total		\$ -	\$ -	\$ -	\$ 470,750	\$ 170,046	\$ 279,639	\$ 493,423	\$ 510,346
508.10.00.00	Ending Cash-Reserved	-	-	-		-			
508.80.00.00	Ending Fund Balance-Unreserved				111,608		302,719	392,705	500,862
Total Appropriation		\$ -	\$ -	\$ -	\$ 582,358	\$ 170,046	\$ 582,358	\$ 886,128	\$ 1,011,208



APPENDIX A - FINANCIAL POLICIES

Statement of Purpose

Written, adopted financial policies have many benefits, such as assisting the elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies will be amended periodically, they will provide the basic foundation and framework for many of the issues and decisions facing the City. They will promote sound financial management and assist in the City's stability, efficiency, and effectiveness. The City's financial goals seek to ensure the financial integrity of the City; manage the financial assets in a sound and prudent manner; improve financial information for decision makers at all levels; maintain and further develop programs to ensure the long-term ability to pay all costs necessary to provide the level and quality of service required by the citizens; and maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities.

Adoption of Policies

The City Council adopted a revised comprehensive set of Financial Policies on December 11, 2018 as part of the 2019-2020 City Budget. These policies address revenue, expenditures, operating budget, capital management, accounting, debt, cash management, investments, and reserves.

Summary of Financial Policies

Yelm's financial policies address the following major areas:

- General Policies
- Revenue Policies
- Expenditure Policies
- Operating Budget Policies
- Capital Management Policies
- Reserve Policies
- Accounting Policies
- Debt Policies
- Communication Policies
- Compliance Policies
- Investment & Cash Management Policies

Financial Goals

The City of Yelm's financial goals seek to:

- Ensure the financial integrity of the City
- Manage the financial assets in a sound and prudent manner
- Improve financial information for decision makers at all levels:
 - Policy makers as they contemplate decisions that affect the City on a long-term basis
 - Managers as they implement policy on a day-to-day basis
- Maintain and further develop programs to ensure the long term ability to pay all costs necessary to provide the level and quality of service required by the citizens
- Maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities

These policies may be addressed in this policy or separate policies of the City, including but not limited to a Post-Issuance Compliance Policy.

City of Yelm
General Financial Policies

1. The City Council may adopt resolutions or ordinances to set financial policies to assure the financial strength and accountability of the City.
2. The Mayor and/or City Administrator shall develop administrative directives and general procedures for implementing the City Council's financial policies.
3. All City Departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and programs will be developed to reflect current policy directives, projected resources, and future service requirements.
4. To attract and retain employees necessary for providing high quality services, the City shall establish and maintain a competitive compensation and benefit package with the public and private sectors.
5. Efforts will be coordinated with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis, and support favorable legislation at the state and federal level.
6. Initiate, encourage, and participate in economic development efforts to create job opportunities and strengthen the local economy.
7. The City will strive to maintain fair and equitable relationships with its contractors and suppliers.

City of Yelm Revenue Policies

Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

General Revenues

1. Current expenditures will be funded by current revenues. The City will try to maintain a diversified and stable revenue system to protect programs from short-term fluctuations in any single source.
2. Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies or reliable economic forecasters when available.
3. General Fund and other unrestricted revenues will not be earmarked for specific purposes, activities or services unless otherwise authorized by City Council or required by law, or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited into the General Fund and appropriated through the budget process.
4. If revenues from "one-time" or limited duration sources are used to balance the City's biennial operating budget, it is to be fully disclosed and explained at the time the budget is presented. It is the City's goal not to rely on these types of revenues to sustain the operating budget.
5. The City will not use deficit financing and borrowing to support on-going operations in the case of long-term (greater than one year) revenue downturns. Revenue forecasts will be revised and expenses will be reduced to conform to the revised long-term revenue forecast or revenue increases will be considered.
6. The City will follow an aggressive and professional policy of collecting revenues. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.

Fees and Charges

7. Enterprise and Internal Service operations will be self-supporting.
8. The City will maximize the use of service users' charges in lieu of ad valorem (property) taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
 - a. Charges for providing utility services shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City's enterprise funds, including operating contingency, planned capital improvements, and reserve requirements.
 - b. User charges shall fund 100% of the direct cost of development review and building activities. User charges include, but are not limited to, land use, engineering inspection,

building permit and building inspection fees.

- c. Park recreation programs shall be funded by a users' charge. User charges shall be comparable to other neighboring cities where practical.
- d. Other reimbursable work performed by the City (labor, meals, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual cost.
- e. Charges for services shall accurately reflect the actual or estimated cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees and charges, showing when the fees were last reviewed and/or recalculated. Fees and charges, and utility rates will be reviewed every three years at a minimum.
- f. The City will consider market rates and charges levied by other municipalities for like services in establishing rates, fees, and charges.
- g. Certain fees, such as rental fees, will be based upon market conditions and are not subject to the limitations of cost recovery.

Grants and Gifts

- 9. Grant funding for programs or items which address the City's current priorities and policy objectives should be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund on-going programs.
- 10. Before accepting any grant the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
- 11. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended in accordance with the City's Donation Policy and the wishes and instructions of the donor.

City of Yelm
Expenditure Policies

Identify priority services, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

1. The City will strive to adopt an biennial General Fund budget in which current expenditures do not exceed current projected revenues. Capital expenditures may be funded from one-time revenues.
2. Department Directors are responsible for managing their budgets within the total appropriation for their department.
3. The City will take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of contingencies. The City Council may approve a short-term interfund loan or use of one-time revenue sources to address temporary gaps in cash flow, although this will be avoided if possible.
4. Long-term debt or bond financing shall not be used to finance current operating expenditures.
5. The City will assess funds for services provided internally by other funds. Interfund service fees charged to recover these costs will be recognized as revenue to the providing fund.
6. Emphasis will be placed on improving individual and work group productivity rather than adding to the work force. The City will invest in technology and other efficiency tools to maximize productivity. The City will hire additional staff only after the need for such positions has been demonstrated and documented.
7. All compensation planning and collective bargaining will focus on the Total Cost of Compensation (TCC) which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the City. The rate of increase of TCC of negotiated labor contracts will be the same or less than the growth rate in revenues projected in the Six-year Forecast so as not to add to the structural gap. Contracts presented for approval by the Mayor that do not meet these requirements will have specific operational, legal or other compulsory items identified and discussed before ratification by the City Council will be considered.
8. Periodic comparisons of service delivery will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery where appropriate. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.
9. Whenever feasible, government activities will be considered enterprises if so doing will increase efficiency of service delivery or recover the cost of providing the service from the benefiting entity by user fees.
10. The City will make every effort to maximize any discounts offered by creditors/vendors.

City of Yelm
Operating Budget Policies

1. The City Council will adopt and maintain a balanced biennial operating budget.
2. The City will strive to adopt a budget where current operating revenues will be equal to or greater than current operating expenditures.
3. Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, contractual obligations, and capital improvements. The forecast will encompass six years and will be updated biennially.
4. In the event a balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the planned use of reserves to balance the budget is permitted. In the event that a budget shortfall is expected to continue beyond one year, the planned use of reserves must be developed as part of a corresponding strategic financial plan to close the gap through revenue increases or expenditure decreases.
5. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and will be available for capital expenditures and/or "one-time" only General Fund expenditures.
6. The City will provide for adequate maintenance and the orderly replacement of capital assets and equipment. Fleet and equipment replacement will be accomplished through the use of a "rental" rate structure. The rates will be reviewed no less than biennially to ensure that charges to operating departments are sufficient for the replacement of the vehicles and equipment and revised as necessary.
7. The operating budget shall serve as the biennial financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives. The budget will provide the staff the resources necessary to accomplish City Council determined service levels.
8. As authorized by RCW 35A.34.040 the Mayor shall present a proposed biennial operating budget to the City Council on or before the first Monday in October. The City Council must adopt by ordinance a final balanced budget no later than December 31 of each year.
9. Funds may not be expended or encumbered for the following fiscal years until the budget has been adopted by the City Council.
10. Budget control and accountability is maintained at the departmental level.
11. The Mayor has the authority to approve appropriation transfers between programs or departments within a fund. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without an operating Budget amendment. Amendments to the budget are approved by the City Council.
12. The City's budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units, and as a communications device for all significant budgetary issues, trends and resources. It should be a goal of the Finance Department to submit the budget document to the Washington Finance Officers Association (WFOA) or Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

City of Yelm

Capital Management Policies

Review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Capital Facilities Plan

The City will develop a Capital Facilities Plan (CFP) as defined and required by [RCW 36.70A](#) which is consistent with the City Comprehensive Plan. The plan shall be for a period of six years.

The CFP will include all projects to maintain public capital facilities required to maintain service levels at standards established by the City Council. It may also include for consideration such other projects as requested by the Mayor or City Council.

The CFP will provide details on each capital project plan including estimated costs, sources of financing and a full description of the project.

The City will finance only those capital improvements that are consistent with the adopted CFP and City priorities. All capital improvement operating and maintenance costs will be included in operating budget forecasts.

A status review of the CFP will be conducted annually and a report will be presented by the Community Development Director or his/her designee, to the City Council.

Capital Asset Management

The City will maintain its capital assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for adequate maintenance and orderly replacement of capital assets from current revenues where possible.

The capitalization threshold used in determining if a given asset qualifies for capitalization is \$5,000 per item with a useful life of over one year. All capital assets shall have a City of Yelm property tag affixed to it when placed into service.

Minor equipment that falls below the \$5,000 threshold but is subject to shrinkage shall have a City of Yelm property tag affixed to it when placed into City service and will be accounted for on the "Small and Attractive" inventory list.

The Public Works Department will conduct an annual physical count/inspection of all capital assets.

Adequate insurance will be maintained on all capital assets consistent with the results of the annual physical count/inspection.

City of Yelm
Accounting Policies

Comply with prevailing federal, state, and local statutes and regulations. Conform to a comprehensive basis of accounting in compliance with Washington State statutes and with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA) where applicable.

1. The City uses the cash basis of accounting which is a departure from generally accepted accounting principles (GAAP).
2. The City will maintain expenditure categories according to state statute and administrative regulation. The City will use the "Budgeting, Accounting & Reporting System" (BARS) prescribed by the State Auditor for its revenue and expenditure classification.
3. The city will issue warrants, checks or electronic payments check/warrants/EFT in advance of legislative approval as necessary to maintain the operation of the City.
 - a. The City Council will review and approve the claims paid at a regularly scheduled public meeting within one month from issuance.
 - b. If the Council disapproves some claims, the Finance Director will recognize these claims as receivables of the taxing district and pursue collection diligently until the amounts are either collected or the Council is satisfied and approves the claims.
4. Electronic financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.
5. Monthly financial updates will be presented to the City Council.
6. Quarterly budget reports showing the current status of revenues and expenditures will be prepared and distributed to appropriate legislative, staff and management personnel in a timely manner and made available for public inspection.
7. The Annual Financial Report will be prepared and submitted to the State Auditor's Office no later than 150 days from the end of the preceding fiscal year.
8. The Annual Financial Report will be prepared on the basis of accounting that demonstrates compliance with Washington State statutes and the BARS manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles. The report will provide full disclosure of all financial activities and related matters.
9. An annual financial audit shall be performed by the Washington State Auditor's Office, which will issue an official opinion on the annual financial statements. The accountability audit (i.e., accountability for public resources and compliance with state laws and regulations and its own policies and procedures) shall be performed every two years by the Washington State Auditor's Office.

City of Yelm Debt Policies

Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

Purpose and Overview

The Debt Policy for the City is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City Council. Adherence to the policy is essential to ensure that the Council maintains a sound debt position and protects the credit quality of its obligations.

Capital Planning:

The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the City shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

Legal Governing Principles

In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

1. State Statutes – The City may contract indebtedness as provided for by State law, subject to the statutory and constitutional limitations on indebtedness.
2. Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the [Internal Revenue Code of 1986](#), as amended; the Treasury Department regulations there under; and the [Securities Acts of 1933 and 1934](#).
3. Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules, policies, and regulations.

Roles & Responsibilities

The City Council shall:

- Approve indebtedness;
- Approve appointment of the bond underwriter and bond counsel;
- Approve the Financial Policy, including the section on the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and

The Finance Director in consultation with the City Administrator, Finance Committee, the Mayor and full Council shall:

1. Assume primary responsibility for debt management
2. Provide for the issuance of debt at the lowest possible cost and risk;
3. Determine the available debt capacity;
4. Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
5. Recommend to the City Council the manner of sale of debt;
6. Monitor opportunities to refund debt and recommend such refunding as appropriate.
7. Comply with all Internal Revenue Service ([IRS](#)), [Securities and Exchange \(SEC\)](#), and [Municipal Securities Rulemaking Board \(MSRB\)](#) rules and regulations governing the issuance of debt.
8. Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
9. Provide for and participate in the preparation and review of offering documents;
10. Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued.
11. Submit to the City Council all recommendations to issue debt;
12. Provide for the distribution of pertinent information to rating agencies;
13. Comply with undertakings for ongoing disclosure pursuant to SEC Rule 15c2-
14. Apply and promote prudent fiscal practices.

Ethical Standards Governing Conduct

The members of the City staff, the Mayor and the City Council will adhere to the standards of conduct as stipulated by the Public Disclosure Act, [RCW 42.17](#) and Ethics in Public Service, [RCW 42.52](#).

Types of Debt Instruments:

The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to sell:

1. **Unlimited Tax General Obligation Bonds** – The City shall use Unlimited Tax General Obligation Bonds (UTGO), also known as “Voted General Obligation Bonds” for the purpose of general purpose, open space and parks, and utility infrastructure. Voted issues are limited to capital purposes only.

Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose, plus validation requirements.

2. **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation debt (LTGO), also known as “Non-Voted General Obligation Debt”, requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit. The City shall use LTGO Bonds as permitted under State law for lawful purposes only. General Obligation debt is backed by the full faith and credit of the City and is payable from non-voter approved property taxes and other money lawfully available. LTGO Bonds 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; or,
 - c. Emergency conditions exist.
3. **Revenue Bonds** – The City shall use Revenue Bonds as permitted under State law for the purpose of financing construction or improvements to facilities of enterprise (i.e., utility) systems operated by the City in accordance with the Capital Improvement Plan.
 4. **Special Assessment/Local Improvement District Bonds** – The City shall use Special Assessment Bonds as permitted under State law for the purpose of assuring the greatest degree of public equity in place of general obligation bond where possible. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and an LID Guaranty Fund, as required by State Law.
 5. **Short Term Debt** – The City shall use short term debt as permitted by State law for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received. The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Inter-fund 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 inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.
 6. **Leases** – The City is authorized to enter into capital leases under State law, subject to the approval of City Council.
 7. **Public Works Trust Fund Loans** – The City shall use Public Works Trust Fund Loans as provided under State law for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.

General Requirements

1. The City will not use long-term debt to pay for current operations. The use of bonds or certificates of participation will only be considered for significant capital and infrastructure improvements.
2. The term of the debt shall never extend beyond the useful life of the improvements to be financed.
3. General obligation debt will not be used for self-supporting enterprise activity.

The general policy of the City is to fund general-purpose public improvements and capital projects that cannot be financed from current revenues with voter-approved general obligation debt. Non-voter approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenses.

4. The general policy of the City is to establish debt repayment schedules that use level annual principal and interest payments.
5. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond ordinance, or 2) payment of debt service on the bonds.

Proceeds from debt will be used in accordance with the purpose of the debt issue. Funds remaining after the

project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.

6. The City will use the most prudent methods of acquiring capital outlay items, including the use of lease-purchase agreements. In no case will the City lease- purchase equipment whose useful life is less than the term of the lease.
7. The City will maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved. The City will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.
8. The City shall use refunding bonds in accordance with the Refunding Bond Act, [RCW 39.53](#). Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 4% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any “advance refunding”, unless otherwise justified.
9. With Council approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an inter-fund loan as appropriate in the circumstances.
10. When issuing debt, the City shall strive to use special assessment, revenue or other self-supporting bonds in lieu of general obligation bonds.

Limitations on General Obligation Debt Issuance

The City shall remain in compliance with all debt limitations. As part of the biennial budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:

- **General Obligation** – 2.5% of Assessed Value, from such amount 1.5% may be non-voted general obligation debt
- **Parks, Open Space, Community Center, Facilities for Economic Development** – (Voted) 2.5% of Assessed Value

Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 20 years, unless special circumstances arise warranting the need to extend the debt schedule.

City of Yelm
Communication Policy

1. It is the policy of the City to remain as transparent as possible.
2. The City shall manage relationships with the rating analysts assigned to the City's credit, using both informal and formal methods to disseminate information.
3. The City's Basic Financial Statements and Notes shall be a vehicle for compliance with continuing disclosure requirements. The Notes to the Financial Statements may be supplemented with additional documentation as required. Each year included in the Notes to the Financial Statements, the City will report its compliance with debt targets and the goals of the Debt Policies.
4. The City shall seek to maintain and improve its current bond rating.

City of Yelm Compliance Policy

Investment of Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

Legal Covenants

The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Periodic Policy Review

At a minimum, the Debt Policy and the City's Post Issuance Compliance Policy will be reviewed and updated every five years.

City of Yelm
Investment and Cash Management Policies

Manage and invest the City's operating cash to ensure its legality, safety, provide for necessary liquidity, avoid imprudent risk, and optimize yield.

1. Cash and Investment programs will be maintained in accordance with City regulations and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.
2. The City will invest funds as authorized in [Chapter 3.44 YMC](#). The city is authorized to invest inactive funds or other funds in excess of current needs in interest bearing savings accounts, time certificates of deposit, or in such other investments as are authorized by RCW [35.39.030](#) and [35.39.034](#).
3. The City will maintain written guidelines on cash handling, accounting, segregation of duties, and other financial matters.
4. Monthly reports will be prepared and distributed to all departments and the City Council showing cash position, and year-to-date budgeted and actual expenditures.
5. The City will conduct annual reviews of its internal controls and cash handling procedures
6. Internal controls will be tested on a quarterly basis at a minimum.

City of Yelm Reserve Policies

Maintain the reserves, contingencies, and ending fund balances of the various operating funds at levels sufficient to protect the City's credit as well as its financial position from emergencies.

1. At the end of each biennium, the remaining dollars left in each fund that are undesignated and unencumbered constitute available reserves of the City.
2. The City will include all fund balances in the biennial budget.

Cumulative Reserve

1. A Cumulative Reserve for general municipal purposes will be maintained per [3.16 YMC](#).
2. The reserve is defined as a reserve solely for the purpose of addressing temporary revenue losses due to economic cycles or other time-related causes.
3. Annual contributions will be budgeted from the General Fund resources as available to establish and maintain the target reserve level.
4. All expenditures drawn from the reserve account shall require a prior approving vote by two-thirds majority by Council.

General Fund

5. The City's goal shall be to maintain a General Fund ending fund balance of at least 15 percent of the budgeted General Fund operating expenses.

Contingency Reserve

6. A contingency account in an amount of 5 percent of the General Fund expenditure budget may be maintained in the City budget as City resources allow. The contingency account will be reestablished as part of the budget process.
7. The Contingency account will be maintained in accordance with [RCW 35A.33](#), to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the biennial budget. The account provides some flexibility for unforeseen events without the necessity to appropriate additional funds from the City's reserves.
8. All transfers from the Contingency account will require City Council approval.
9. Per [RCW 35A.33.145](#) the contingency account may not exceed \$0.375 per \$1,000 of Assessed Valuation.

Enterprise Funds

10. The City's Enterprise Funds will maintain reserves equal to at least 10 percent of their adopted operating expenditures.

Equipment Rental & Replacement Fund

11. Sufficient reserves will be maintained to provide for the scheduled replacement of City vehicles and capital equipment at the end of their useful lives.
12. Contributions will be made through assessments to the operating departments and maintained on a per asset basis.

Additional Reserves

13. The City Council may create additional reserve accounts to be set aside for specific purposes or special projects, for known significant future expenditures, or as general operational reserves.

City of Yelm

City Contracting Policies

Section 1 - Purpose

The purpose of these policies is to ensure the purchase of goods and services at a reasonable cost, using an open, fair, documented, and competitive process in compliance with State and local laws. To effectuate this purpose, the City's policies seek to remain compliant with laws pertaining to code cities with a population fewer than 10,000. The City seeks to establish consistent and effective practices for price solicitations and contracting to promote equitable treatment for those who deal with the City. In addition, the City seeks to obtain the best quality for the best value, to establish appropriate authorization for the execution of contracts, and to guide City employees who are responsible for procuring goods, supplies, materials, equipment and services for the City. All purchases are to be made within budgetary limitations as established within the various departmental and project funds approved in the City budget.

Section 2 - City Administrator authorization

A. The City Administrator has authority to develop administrative procedures to implement these policies. Procedures should ensure the fiscal responsibility of the City in expending resources for goods, supplies, materials, equipment and services for the City. The procurement procedures of the City shall be based on the requirements of State law and local law, and by the guidelines established by the State Auditor.

B. The City Administrator is authorized to execute contracts without Council approval for an amount not to exceed \$35,000, except that the City Administrator may execute contracts for purchases of goods, materials, supplies and equipment in any amount wherein a specific appropriation has been authorized in the City budget. The City Administrator or his/her designee is further authorized to execute change orders for public works projects in accordance with Change Orders as provided in this policy. The authority granted to the City Administrator may be delegated by the City Administrator to Department Directors as set forth in, General provisions.

Section 3 - Definitions

A. "Architectural and engineering services" means professional services rendered by any person, other than a City employee, to perform activities within the scope of the professional practice of architecture (Chapter [18.08](#) RCW), professional practice of engineering and land surveying (Chapter [18.43](#) RCW), and/or professional practice of landscape architecture (Chapter [18.96](#) RCW).

B. "Bid," "call for bid," or "invitation to bid" means a process to request bids from vendors, suppliers, or contractors. The call for bid may be a formal competitive bid as defined in subsection (F) of this section, or may be sought by invitation to bid from select contractors on the MRSC Small Works Roster for a small work or limited public work.

C. "Change order" means a written authorization executed by the City and the contractor, under a public works contract, that specifies work to be performed that is beyond the original scope and/or specifications for the project and details all costs associated with such work.

D. "Craft" or "trade" refers to a trade or occupation for which prevailing wage categories are established by the Department of Labor and Industries of the State of Washington in the locality of the City's projects or purchases.

E. "Emergency" means unforeseen circumstances beyond the control of the City that either present a real, immediate threat to the proper performance of essential functions or will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

F. “Formal competitive bid” is the process of advertising and receiving sealed written bids from prospective service providers for public works in an amount over \$300,000 or for purchases over \$35,000.

G. “Goods” includes materials, supplies and equipment and has its ordinary meaning, i.e., articles of trade, wares, merchandise.

H. “Informal competitive quotes” are price quotes from vendors that are not obtained by formal competitive bid.

I. “Interlocal agreements” are the exercise of governmental powers in a joint or cooperative undertaking with another public agency pursuant to Chapters [35A.35](#) and/or [39.34](#) RCW and/or RCW [35A.11.040](#).

J. “Limited public works process” refers to the process authorized in RCW [39.04.155\(3\)](#) that may be used to award a contract for work, construction, alteration, repair, or improvement projects estimated to cost less than \$35,000, as provided in RCW [39.04.155](#), as written or hereafter amended.

K. “MRSC” means Municipal Research and Services Center.

L. “Nonprofessional services” are services that are purchased by the City wherein the contractor does not meet the definition of “architectural and engineering services” or “professional services” as defined herein.

M. “On-call contract” means a contract that is awarded with general provisions for the services to be rendered, the term of which will not exceed 36 months. As services are needed, specific task orders are initiated by City staff, to be completed by the vendor.

N. “Ordinary maintenance” is work not performed by contract and that is performed on a regularly scheduled basis (e.g., daily, weekly, seasonally, semiannually, but more frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary. See WAC [296-127-010\(7\)\(b\)\(iii\)](#), adopted by reference as if set forth in full herein.

O. “Professional services” are services provided by consultants that provide highly specialized expertise to solve a problem or render professional opinions, judgments, or recommendations. The labor and skill involved to perform these types of services are predominantly mental or intellectual, rather than physical or manual. Examples include graphics design, advertising, analysis, financial expertise, accounting, artists, attorneys, bond brokers, computer consultants, insurance brokers, economists, planners, real estate services, etc. This term does not include “architectural and engineering services” as defined herein.

P. “Public work,” as defined in RCW [39.04.010](#), includes all work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the City or which is by law a lien or charge on any City property. Public work projects include the related materials, supplies and equipment to complete the project, and may include sales tax depending on the type of project. Public works include contracts for maintenance of City facilities or real property.

Q. “Request for proposals (RFP)” is an invitation to an individual, firm or other entity to submit a written proposal on a specific commodity.

R. “Request for qualifications (RFQ)” is an invitation to an individual, firm or other entity to submit a written statement of qualification which may include performance data.

S. “Small works roster” is a roster of qualified contractors maintained for use in a modified bid process pursuant to RCW [39.04.155](#) as written or hereafter amended.

Section 4 - General provisions

A. Policies Governing. These policies shall govern the procurement of goods, supplies, materials, equipment, nonprofessional and professional services, and public works. The City utilizes the MRSC Shared Small Works and Consultant Services Roster programs in compliance with RCW [39.04.155](#) and [39.80.030](#) . Lease of equipment or other personal property shall follow procedures herein for the purchase of goods, with the aggregate of lease payments used in lieu of purchase price.

B. Legal Authorization Required. Only authorized individuals may legally obligate the City to the payment of expenditures for goods and services, including expenditures obligated by purchase order. Individuals purchasing goods, supplies, materials and equipment on behalf of the City without proper authorization may be personally liable to the vendor and the City, and may be subject to discipline, including termination.

C. Federal or State Funds. When a purchase or contract involves the expenditure of federal or State funds or the receipt of federal or State grants, purchasing shall be conducted in accordance with any applicable federal or State laws or regulations. If the appropriate and relevant federal or State laws or regulations vary from these guidelines, such laws or regulations should be followed. Questions regarding potential conflicts shall be addressed by the City Attorney.

D. Breaking Down or Splitting Purchases (“Bid Splitting”). The breaking down, or splitting, of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited.

E. Contract Amendments.

1. Amendments must always be written and prepared as an amendment to the original contract, utilizing the City’s standard amendment forms.
 - a. Amendments whose purpose is to change the contract expiration date (duration or term) may be administratively approved by the City Manager.
 - b. Amendments that result in the amended contract amount being in excess of the City Manager’s purchasing authority (\$35,000) may be administratively approved by the City Administrator if the amount is within the project budget, including any contingency budget.
 - c. Amendments whose purpose is to change the scope of work may be administratively approved by the City Administrator if the original contract was a contract approved under the City Manager’s authority; otherwise, the amendment must be presented to the City Council for approval.
2. Change orders that are executed as part of a public works contract are not considered a contract amendment. See YMC [2.78](#), Change Orders, for policies regarding change orders.

F. Change Orders for Public Works Contracts. Change orders for public works projects shall follow the procedures outlined in Section 6 - Public works projects.

G. Procurement Methods.

1. Allowable procurement methods include the use of purchase orders, direct purchases, personal reimbursement, petty cash, credit cards, and contracts, as long as those procurement methods are used in compliance with these policies. With appropriate security and internal controls these procurement methods may be used electronically.

2. Pursuant to the requirements of Chapter [39.34](#) RCW and RCW [35A.11.040](#), as written or hereafter amended, the City may enter into an agreement for the purchase of goods, supplies, materials, equipment and services, by entering into a written intergovernmental cooperative purchasing agreement (interlocal agreement).

H. Signature Authority.

1. The City Council shall approve all services and public works contracts over \$35,000 in cost by resolution. By adoption of these policies, the City Council authorizes the City Administrator to execute contracts for services and public works in the amount of \$35,000 or under. Pursuant to Chapters [35A.35](#), [35A.79](#) and/or [39.34](#) RCW and/or RCW [35A.11.040](#), as applicable, the City Council shall also approve all agreements for the acquisition of real property and shall approve all interlocal or cooperative agreements with other governmental or quasi-governmental agencies, again by resolution.

2. The City Administrator is authorized to execute all contracts or lease agreements for purchases of goods, supplies, materials and equipment in any amount, wherein the funds for the purchase or lease have been appropriated in the adopted City budget.

3. The City Administrator may delegate signature authority to other department directors for purposes of efficiency, in an amount up to \$15,000. Such delegation shall be in writing, and filed with the City Clerk with a copy to the Finance Director. The City Clerk's copy shall be placed in the director's personnel file. The authority delegated to a department director shall be for the purpose of making purchases and letting contracts for items, programs and services appropriated by fund in the adopted City budget.

With the City Administrator's approval, a department director may authorize an employee within that director's supervisory authority to purchase goods, materials, supplies and equipment utilizing a City credit card.

Section 5 - Purchase of goods, materials, supplies or equipment (not related to public works)

A. Threshold Limit for Competitive Bids. For the purchase of goods, materials, supplies and equipment costing more than \$35,000 and not to be used in connection with any public work, the City will call for formal competitive bids or may opt to use a State bid. For items priced under \$35,000, see subsection (B) of this section. Pricing must include sales tax, delivery and installation charges, etc. Bid splitting, for purposes of remaining below the threshold for formal competitive bids, is prohibited.

B. Informal Competitive Quotes. For purchases under \$35,000, telephone or written quotes shall be obtained from no less than three prospective vendors whenever possible.

C. Purchase of Electronic Data Processing and Telecommunications Systems. The City may follow a competitive negotiation process as an alternative to the bid process for electronic data processing and telephone systems pursuant to RCW [39.04.270](#).

D. Exceptions to Competitive Quotes or Bids – Not an Emergency. The City Administrator is authorized to approve purchases within the scope of the City Manager's authority as set forth herein without obtaining the required competitive quotes or bids under the following conditions. See Contracts in the event of an emergency for policies relating to an emergency.

1. Purchases Involving Special Facilities or Market Conditions.

a. Surplus or Distress Sale. When it is possible to procure obvious bargains through the procurement

of surplus or distress material, supplies, or equipment.

b. Items for Quick Delivery. When obtaining competitive bids or quotations will cause delay resulting in an appreciable loss to the City.

2. Auctions. RCW [39.30.045](#), as written or hereafter amended, authorizes the City to acquire supplies, materials, and equipment through an auction conducted by the United States or any agency thereof, an agency of the State of Washington, a municipality or other government agency, or any private party, without quotations or bids, if the items to be purchased can be obtained at a competitive price.

3. Interlocal Cooperative Purchasing Agreements. Goods, materials, equipment, and supplies may be purchased under the process established by RCW [35A.11.040](#) and [39.34.080](#) using cooperative purchasing agreements with a city, county, state, or other public agency. In order to utilize this exception, the interlocal cooperative purchasing agreement must have already been approved by the City Council.

4. Sole Source Procurement. When there is only one source of the required goods, materials, supplies, or equipment, the City may engage in direct negotiations with that vendor. Similarly, the City may engage in direct negotiations with a particular vendor in order to maintain compatibility or consistency with existing systems, or in other unique circumstances. Utilizing this provision should be done in consultation with the City Attorney. The written determination as to sole source will be placed in the contract file maintained by the City Clerk.

5. No Bids or Quotations Received. When no bids or quotations are received in response to an invitation to bid or request for informal competitive quotes, staff is authorized to procure the required item through direct negotiations with a vendor or to rebid as appropriate.

6. Insurance or Bonds. The City may obtain insurance or purchase bonds without complying with the competitive bid process when it is advantageous to the City to do so.

E. Purchasing in the Event of an Emergency. See Section 8 - Contracts in the event of an emergency.

Section 6 - Public works projects

A. General Provisions. Definition of "public work." Is provided in the definitions section of this policy.

1. Pursuant to RCW [35.23.352](#), [35A.40.210](#), and [35.22.620](#):

a. As limited by subsection (A)(1)(b) of this section, the City may have public works performed by City employees in any annual or biennial budget period equal to a dollar value not exceeding 10 percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period. The amount of public works that the City has a county perform for it under RCW [35.77.020](#) shall be included within this 10 percent limitation. Whenever the City has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works within that budget period shall be done by contract pursuant to public notice and call for competitive bids.

b. City employees may be used for any multiple craft or trade project that does not cost more than \$90,000, and on any single craft or trade project that does not cost more than \$45,000, or when the public works project is street signalization or street lighting. Whenever the cost of a public work or improvement, including materials, supplies and equipment, will exceed these amounts, the same shall be done by contract. In determining the cost for a public works project, applicable materials, supplies,

equipment, labor and sales tax must be included. A public works project is a complete project. The restrictions in this section do not permit the division of the project into units of work or classes of work to avoid the restriction on work that may be performed by day labor on a single project.

2. The small works roster process in subsection (B) of this section shall be utilized for projects with a cost exceeding the dollar thresholds as provided in this subsection (A), up to a maximum price of \$300,000.

3. Projects with a cost in excess of the maximum dollar threshold of \$300,000 as provided in RCW [39.04.155](#), as written or hereafter amended, require a formal competitive bid process. See “formal competitive bid”, above.

4. Bond Requirement. Consistent with Chapter [39.08](#) RCW, whenever the City of Yelm shall contract with any person or corporation to do any work for the City, a good and sufficient bond shall be required from such person or corporation, and with a surety, as surety, conditioned that such person or persons shall faithfully perform all the provisions of such contract and pay all laborers, mechanics, and subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such work, which bond shall be filed with the City Clerk, and any person or persons performing such services or furnishing such material to any subcontractor shall have the same right under the provisions of such bond as if such work, services, or material was furnished to the original contractor; provided, however, that on contracts of \$35,000 or less, at the option of the contractor the City may, in lieu of the bond, retain 50 percent of the contract amount for a period of 30 days after date of final acceptance, or until receipt of all necessary releases from the Department of Revenue and the Department of Labor and Industries and settlement of any liens filed under Chapter [60.28](#) RCW, whichever is later; provided further, that for contracts of \$100,000 or less, the City may accept a full payment and performance bond from an individual surety or sureties; and provided further, that the surety must agree to be bound by the laws of the State of Washington and subjected to jurisdiction of the State of Washington.

a. The bond required by the preceding subsection shall be in an amount equal to the full contract price agreed to be paid for such work or improvement, and shall be to the City of Yelm; provided, the same shall not be for a less amount than 25 percent of the contract price of any such improvement, and may designate that the same shall be payable to the City and all persons mentioned in the preceding subsection shall have a right of action in his, her, or their own name or names on such bond for work done by such laborers or mechanics, and for materials furnished or provisions and goods supplied and furnished in the prosecution of such work, or the making of such improvements; provided, that such persons shall not have any right of action on such bond for any sum whatever, unless within 30 days from and after the completion of the contract with an acceptance of the work by the affirmative action of the City Council, the laborer, mechanic or subcontractor, or material supplier, or person claiming to have supplied such materials, provisions or goods for the prosecution of such work, or the making of such improvement, shall present to and file with the City Clerk a notice in writing in substance as set forth in RCW [39.08.030](#)(1), as written or hereafter amended. Such notice shall be signed by the person or corporation making the claim or giving the notice, and said notice, after being presented and filed, shall be a public record open to inspection by any person, and in any suit or action brought against such surety or sureties by any such person or corporation to recover for any of the items hereinbefore specified, the claimant shall be entitled to recover in addition to all other costs, attorney’s fees in such sum as the court shall adjudge reasonable; provided, however, that no attorney’s fees shall be allowed in any suit or action brought or instituted before the expiration of 30 days following the date of filing of the notice hereinbefore mentioned; provided further, that the City may avail itself of the provisions of RCW [39.08.010](#) through [39.08.030](#), notwithstanding any charter provisions in conflict herewith; and provided further, that the City may

impose any other or further conditions and obligations in such bond as may be deemed necessary for its proper protection in the fulfillment of the terms of the contract secured thereby, and not in conflict herewith.

b. Every person, firm, or corporation furnishing materials, supplies, or provisions to be used in the construction, performance, carrying on, prosecution, or doing of any work for the City shall, not later than 10 days after the date of the first delivery of such materials, supplies, or provisions to any subcontractor or agent of any person, firm, or corporation having a subcontract for the construction, performance, carrying on, prosecution, or doing of such work, deliver or mail to the contractor a notice in writing stating in substance and effect that such person, firm, or corporation has commenced to deliver materials, supplies, or provisions for use thereon, with the name of the subcontractor or agent ordering or to whom the same is furnished and that such contractor and his or her bond will be held for the payment of the same, and no suit or action shall be maintained in any court against the contractor or his or her bond to recover for such material, supplies, or provisions or any part thereof unless the provisions of this section have been complied with.

B. Small Works Roster. There is established for the City of Yelm a small works roster process for public works projects with an estimated value threshold as provided under RCW [39.04.155](#), as written or hereafter amended (see threshold amounts in subsection (B)(1) of this section). The City Council is authorized the use of the Municipal Research Service Center (MRSC) of Washington electronic database for small works and consulting services.

1. Projects with a cost up to the maximum threshold of \$300,000, including sales tax, shall use the small works roster process.

C. Limited Public Works. The City may use the limited public works process, as defined in Section 3,, to award public works projects as provided under RCW [39.04.155](#), as written or hereafter amended. This procedure may only be utilized for projects with dollar amounts less than \$35,000, including sales tax.

D. Formal Competitive Bid. For public works not using a small works roster or limited public works process, the formal competitive bid process shall be used. All public works in excess of \$300,000 must utilize the formal competitive bid process.

E. Bid Bond, Bid Deposit, Noncollusion Affidavit, and Retainage for Public Works Improvement Projects.

1. Bid Bond/Bid Deposit. Whenever a formal competitive bid is sought, the bidder must make a deposit in the form of a certified check or bid bond in an amount not less than five percent of the total bid, which percentage shall be specified in the call for bids. As part of any bid submitted, the bidder shall be required to warrant that the bid is a genuine bid, and that he/she has not entered into collusion with any other bidder or any other person. These requirements will be specified in the call for bids. See subsection (E)(2) of this section.

2. Noncollusion Affidavit. All public works contractors shall furnish a signed and notarized noncollusion affidavit on a form approved by the City Attorney.

3. The provisions of Chapter [60.28](#) RCW shall apply to all public works contracts.

F. Contract Contingencies and Change Orders. A provisionary dollar amount shall be held in reserve to offset unforeseen costs incurred under a public works contract ("contingency"). The contingency shall be allocated to all approved public works projects at the time of bid award by the City Council.

1. Amount of Contingency. If the bid award is equal to or less than \$300,000, the contingency amount shall be a minimum of 10 percent and no greater than 20 percent. If the bid award is greater than \$300,000 the contingency amount shall be a minimum of 10 percent and no greater than 15 percent.

2. The City Administrator or his/her designee shall execute change orders for public works projects wherein the change order is within the contingency amount. If a change order would exceed the contingency amount, the City Council shall approve the change order.

G. Project Manager Responsibilities. The designated project manager for the public works project shall be responsible for monitoring the contractor's work under the scope of work and according to the bid specifications, and for monitoring the budget expenditures for the project. The project manager shall be responsible for project closeout.

Section 7 - Services contracts

A. Contract Amount. The cost of services must be inclusive of any required sales tax and related expenses, such as mileage, and other reimbursables.

B. Contract Required. All services performed on behalf of the City require that the City enter into a contract for that service, with the exception of temporary employment agency services, auto repair, title reports, printing and messenger/process services, and other similar, one-time limited services. For questions on the type of service that does not require a services contract, contact the City Attorney.

C. On-Call Service Contracts. On-call service contracts will be procured with the process identified in subsection (D) of this section.

D. Architectural, Engineering, Landscape Architectural and Land Survey.

1. Architectural, engineering, landscape architectural, and land survey contract procedures are set forth in Chapter [39.80](#) RCW, as written or hereafter amended, and those procedures shall be followed for all contracts for these services. The City representative is to develop a written scope of the project and any criteria to be used to select the service provider and then select a qualified contractor from the MRSC Consultant Roster for purposes of attempting to negotiate a contract. If the City representative does not choose to use the MRSC roster, then a request for qualifications process must be followed.

2. Professional and nonprofessional services (excluding architectural, engineering, landscape architectural, and land survey services) will be procured using the MRSC Consultant Roster. If the City representative does not choose to use the MRSC Consultant Roster, then a request for proposal process must be followed.

Section 8 - Contracts in the event of an emergency

- A. A. Competitive bidding is not required when an emergency exists, pursuant to RCW 39.04.280, as written or hereafter amended; however, in making emergency purchases, an effort will be made to include the level of competition that is practical under the circumstances. An "emergency" is defined in RCW 39.04.280(3)
- B. B. When an emergency exists, the Mayor will proclaim a local emergency, pursuant to YMC 2.28.060. The City Administrator shall direct and control the emergency disaster activities of the city during each phase of the disaster. If possible, following the proclamation of a local emergency, the City Administrator shall seek a resolution from the City Council that will: (1) waive competitive requirements; and (2) award, or authorize the City Manager, or his/her designee, to award on behalf of the City, contracts necessary to

address the emergency situation (including, but not limited to, architectural and engineering services). If, due to loss of life or other circumstances that make it impossible to obtain a Council quorum for purposes of obtaining the resolution, the City Administrator will forego obtaining a resolution in advance of taking action and will later seek a resolution ratifying his/her actions.

Section 9 – Amendments to this Policy

- A. This policy shall be updated to facilitate changes to Washington State Procurement and Contracting Law as necessary. If this policy should be found to conflict with state or Federal law, the law shall take precedence and will be followed by all City of Yelm employees.
- B. This policy shall be updated to facilitate changes as necessary, including but not limited to Yelm's classification and population.

APPENDIX B - GLOSSARY

Account – A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

Administrative Services Departments – Refers to organizational units or departments that primarily provide services to other departments or divisions. These include:

- **Legislative** – city council and its functions;
- **Finance** – Provides financial services including budget, fiscal planning, tax and license, data processing, risk management, and the accounting, financial reporting, customer service, treasury functions and representation on the independent Civil Service panel that works with personnel/hiring issues for the Public safety departments.
- **Executive (Clerk/Human Resources)** – provides centralized executive leadership and personnel services to all city operations;
- **Information Technology** – Provides state of the art information Technology support for all departments in accordance with all state and federal requirements.

Appropriation – The legal spending level authorized by an ordinance of the city council. Spending should not exceed this level without prior approval of the council.

Assessed Valuation – The value assigned to properties within the city that is used in computing the property taxes to be paid by property owners.

BARS – The Budgeting, Accounting, and Reporting System for accounting systems prescribed by the Washington State Auditor's Office.

Benefits – City-provided employee benefits, such as social security insurance, retirement, worker's compensation, life insurance, medical insurance, vision insurance, and dental insurance.

Biennial Budget - A biennial budget has a duration of two years, which the City of Yelm separates into two distinct fiscal years. The State of Washington requires the first year to be an odd-numbered year, for example 2015/2016.

Bonds - A bond is 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 period interest at a specified rate. Yelm uses the sale of bonds to finance some of its large capital projects.

Budget – A financial plan of operations for the city. It is a plan, not a list of accounts and amounts.

Capital Improvement Program (CIP) – The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Yelm's CIP follows a six-year schedule and includes projects which are classified as capital projects. These projects become fixed assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

Capital Outlay (Expenditure) – A budget category that may be a part of a capital improvement program, or in the case of expending less than \$5,000 but more than \$500, is a part of the operating budget.

Capital Project – A single project within the Capital Improvements Program. Capital projects typically involve the acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

Councilmanic Bonds – Bonds that can be authorized by the city council without a vote of the public in an amount up to .75 percent of the assessed valuation of the city.

Debt Capacity - The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

Debt Service – Interest and principle payments on debt.

Department - To facilitate organizational and budgetary accountability, Yelm breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

Enterprise Fund – A type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees, or where a periodic determination of revenues and expenses is desired by management.

Fiscal biennium - the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

Fund – A self-balancing group of accounts that includes revenues and expenditures.

Fund Balance - The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

Full Time Equivalent (FTE) - budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

Expenditure - The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

General Obligation Bonds – Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter approved bonds) or other general revenue (in the case of Councilmanic bonds).

Governmental Fund Types – Funds that provide general government services. These include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

Intergovernmental Revenues – Interfund charges to pay for external transactions of the fund.

Internal Controls – A system of controls established by the city that are designed to safeguard the assets of the city and provide reasonable assurances as to the accuracy of financial data.

LEOFF – The “Law Enforcement Officers and Fire Fighters” retirement system of the state that provides coverage for city public safety employees.

Levy Rate – The property tax percentage rate used in computing the property tax amount to be paid.

Licenses and Permits – A revenue category of the city derived from business licenses and building or development permits.

LID – “Local Improvement Districts.” A financing mechanism that permits the building of public infrastructure improvements which benefit a confined area and where the costs for those improvements are to be paid by the benefiting area land owners.

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.

Operating Budget – The annual appropriation to maintain the provision of city services to the public.

PERS – “Public Employee Retirement System.” the state system for public employment retirement applicable in most cities for employees, except where LEOFF is applicable.

Preliminary Budget – That budget which is proposed by staff to the council and has not yet been adopted by the council.

Property Tax Levy - This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Yelm uses this tax primarily to support the General Fund and street-related services. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

Public Safety – A term used to define the combined budget of the police and fire departments.

Reserve - An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

Revenue - Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of fixed assets.

Revenue Bonds – Bonds sold by the city that are secured only by the revenues of a particular system, usually the water/sewer fund and the regional water fund.

Special Revenue Funds – General government funds for which the source of monies is dedicated to a specific purpose.

User Charges - The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.

APPENDIX C – POSITION SUMMARY

City of Yelm Position Summary By Fund

Fund/Department		2016	2017	2018	2019	2020
General Fund						
	City Council	7.00	7.00	7.00	7.00	7.00
	Executive	3.35	3.35	4.35	4.70	4.70
	Finance	1.53	2.03	2.03	1.18	1.18
	Planning & Economic Development	5.00	5.00	5.50	5.50	5.50
	Police	13.48	14.48	16.48	16.48	16.48
	Public Works	3.66	5.16	5.91	5.46	5.46
	Municipal Court	2.00	2.00	2.00	2.00	2.00
	Information Technology	0.46	1.46	1.46	1.46	1.46
Total General Fund		36.48	40.48	44.73	43.78	43.78
Other General Gov't Operating Funds						
101	Street Operating Fund	1.35	1.35	1.90	1.90	1.90
109	TPD School Resource Fund	0.52	0.52	0.52	0.52	0.52
Total Other General Gov't Operating Funds		1.87	1.87	2.42	2.42	2.42
Utility Funds						
400	Stormwater Utility Fund	1.14	2.14	2.44	2.52	2.52
401	Water Utility Fund	6.51	7.51	8.16	9.22	9.22
412	Sewer Utility Fund	8.50	9.00	10.25	11.66	11.66
Total Utility Funds		16.15	18.65	20.85	23.40	23.40
Total FTE		54.50	61.00	68.00	69.60	69.60

2016 Authorized & Funded Positions	2017 Authorized & Funded Positions	2018 Authorized & Funded Positions	2019-2020 Authorized & Funded Positions	Increase (+/- %)
54.50	61.00	68.00	69.60	2.4%

APPENDIX D – COMMUNITY PROFILE



Yelm At-a-Glance

Founded	1853
Incorporated	1924
Population	9,030
Elevation	354 Feet
Total Area	5.69 Square Miles
Acres of Parks	23
Miles of City Streets	18.5 Miles
Miles of Sewers	50 Miles
Miles of Water Lines	53 Miles
Residential Dwellings	3,220
City Employees	67
Standard and Poor's Bond Rating	A

The City of Yelm is located in southeast Thurston County, Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated Thurston County. The City is near several major transportation routes including Interstate 5, State Routes 507, 510 and 702. These routes connect the City economically and socially to the greater Puget Sound Region and provide a gateway to Mount Rainier. The City and the surrounding area experience fair-weather summers and the grey, wet overcast winters of the Pacific Northwest.

Tempered by the Japanese trade current, the mild northwest climate favors lushly forested landscapes replete with ferns and mosses. Rainfall tends to be spread out over a large number of days. With about 52 clear days out of the year, Thurston County residents live under some form of cloud cover 86 percent of the year, with more than a trace of rain falling on almost half of the days of the year.



Average Temperatures: January, high of 46 ° F and low of 34° F; July, high of 77° F and low of 51 ° F; annual average, 49.95° F Average Annual Precipitation: 50 inches

The City of Yelm is an elected Mayor-Council form of government, and a non-charter code city. The City Council is the policy-making branch of Yelm's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected at large and serves as the city's chief executive officer.

The Yelm City Council represents the needs and interests of the citizens of Yelm. The seven-member Council establishes policy for the city, adopts the annual budget, represents Yelm's interest on regional boards and commissions, and serves as the legislative group responsible for approving City ordinances. The Council meets the second and fourth Tuesday of each month at 6:00 PM in the Council Chambers in the Yelm Public Safety Building, 206 McKenzie Street SE. The public is invited to attend all meetings and each agenda has time at the beginning for public comments, questions, or concerns. Meetings are streamed live on the internet, and past meetings may be [viewed online](#).

Councilmembers are part-time employees. Many Councilmembers hold full-time jobs in addition to their duties on the City Council. Yelm's City Council positions are nonpartisan, are elected for four-year terms, and

represent the community at-large rather than designated districts. The seven positions are staggered, with positions ending for three members at one time and four members the next. The Mayor presides at all meetings of the Council and is recognized as the head of the City for ceremonial purposes and by the Governor for purposes of military law. The Council selects another member to serve a two-year term as Mayor Pro Tem. State law requires that Councilmembers reside within the City limits and be registered voters, 18 years of age or over. The City Council is supported by several advisory boards and commissions and the City Administrator.

The City Administrator is appointed by the Mayor and confirmed by City Council. The City Administrator serves as the Mayor's professional administrator of the organization as the Chief Administrative Officer of the City.

The City government offers a full range of municipal services which are provided by seven operating departments. We maintain a robust park system available for the use and enjoyment of the entire community, including those living outside the city limits of Yelm. The broad range of recreational facilities provides year-round services for citizens of all ages.

Population

The City of Yelm is the fourth most populous city in Thurston County, with a population of 8,665 in 2017. To a large extent, Yelm acts as a bedroom community for residents working in the surrounding cities of Tacoma, Olympia and Centralia. It also hosts a large number of military families currently or formerly stationed at nearby Joint Base Lewis-McChord.

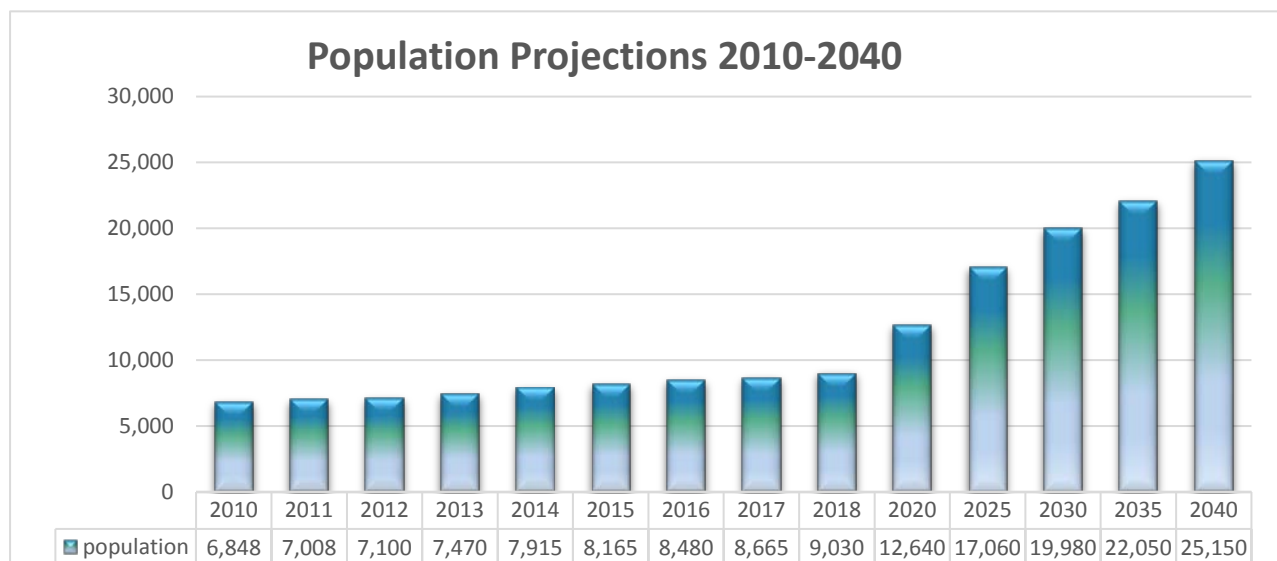
The Thurston Regional Planning Council forecasts the population of Yelm to grow 88% (8,030) by 2025 and 121% (10,950) by 2030. This growth will create an increased demand for housing and services in the Yelm Urban Growth Area.

Age Demographics

The age of the population in Thurston County as a whole is getting older. Census figures show that the median age of the county's population was 38.5 years in 2010, up from 36.5 years in 2000 and 33.6 years in 1990. Some interesting distinctions in median age, however, do exist

between different areas of the county. For example, Yelm's median age (29.0 years) was lower than the county's median age (38.5), and the proportion of its population under age 18 (22.4 percent) was lower than the county average (27 percent).

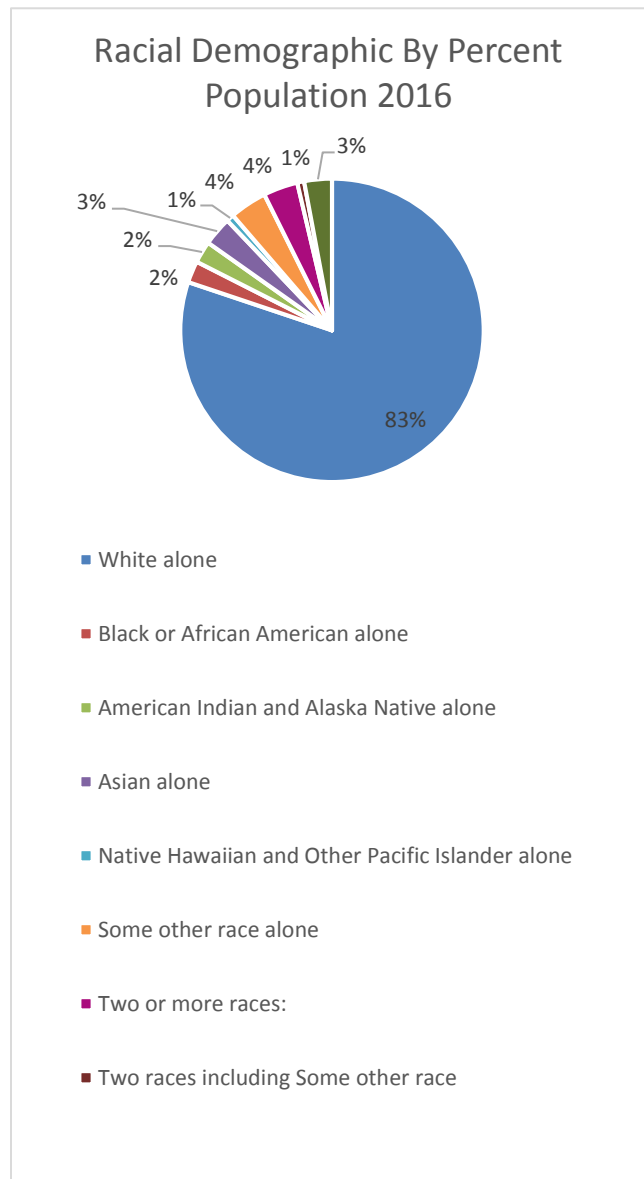
Individuals aged 65 and over are a growing segment of the population in Thurston County, and migration plays a key role in this population growth. Amenities that an older population finds attractive, such as advanced health care and retirement facilities, draw many retirement-aged people to Thurston County. In 2010, persons age 65 and older constituted 13% of the total County population. This percentage of residents age 65 and older is expected to climb to roughly 17% by 2020 and should reach 20% by 2030. The first of the "baby boomers" turned 65 in 2011. Individuals over the age of 65 made up 6.7% of Yelm's population in 2016, according to most recent census data.



Projections based on data provided by [Thurston Regional Planning Council](#). Assumes water rights issues are mitigated

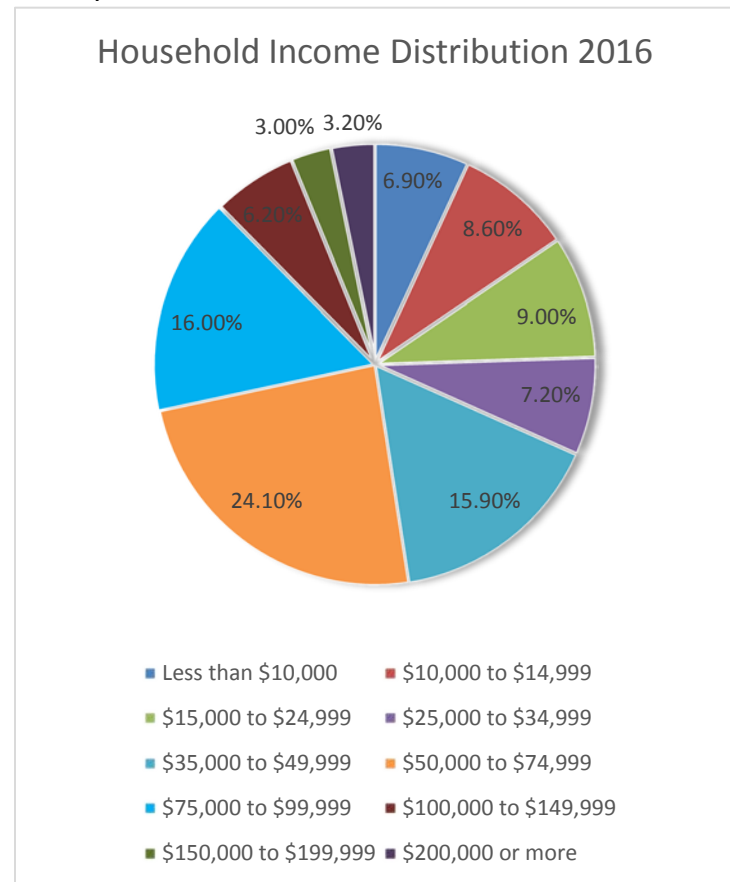
Racial Demographics

Yelm is becoming more diverse with 17% of the current population being considered non-white in 2016, per the US Census Bureau. This percentage of the population is equal to Thurston County.



Household Income

The US Census bureau has most recently published household income distribution for the City, with the majority of Yelm's citizens (24.10 percent) making between \$50,000 and \$74,999 annually. Median household income in 2016 was \$51,405. This is slightly lower than the 2010 median household income of \$55,227. Comparatively, the median household income for Thurston County in the same year was \$63,286.



Education

Thurston County has a variety of educational opportunities available to the students and adults of the community. These include both private and public primary, secondary, and higher education institutions. Eight school districts provide primary and secondary education to most of Thurston County's students. These school districts offer a wide variety of services and opportunities for students, including the Head Start Program for preschoolers, advanced placement services for high school students, and numerous community based learning experiences for all grade levels. Over half of Yelm School District students have consistently met and surpassed general assessment standards in 2016, 2017, 2018. YSD also offers a variety of special programs to benefit English learners, low income students, students with disabilities, migrant students, and section 504 students. *See

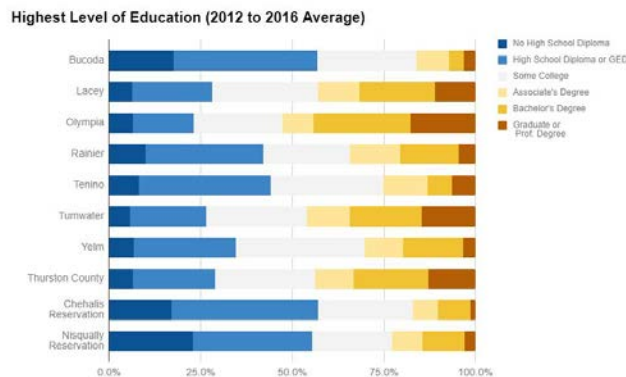


Figure 1Thurston Regional Planning Council Educational Attainment 2012-2016 Average

Office of Superintendent of Public Instruction YSD Report Card.* Yelm's educational attainment statistics indicate that 35% of the population has achieved "some college" while Thurston County only has 27% of the population in the same category. South Puget Sound Community College (SPSCC) is the largest institution of higher education in Thurston County. SPSCC currently serves more than 7,000 students, including degree-seeking students, high school students, veterans, international students, and underemployed workers. The college offers day and evening classes, continuing education courses, basic education, job skills training, and personal enrichment courses. In 2016, SPSCC was listed as one of the nation's 150 best community colleges by the Aspen

Race and Ethnicity of Students (2017-2018) School Year

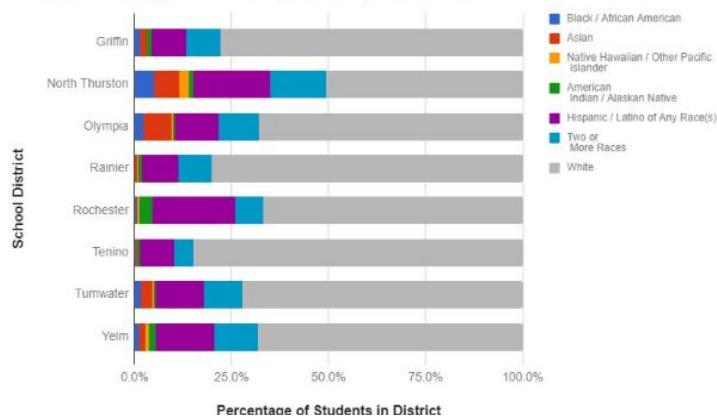


Figure 2 Thurston Regional Planning Council Racial Demographics

Institute College Excellence Program. SPSCC has recently collaborated with Yelm Community Schools to offer additional classes to the City's local students and are hoping to expand to a satellite campus. The Evergreen State College is a public college of liberal arts and sciences with a national reputation for innovation in teaching and learning. Founded in 1967, Evergreen opened its doors in 1971 and now enrolls around 4,300 students. While most of Evergreen's students are enrolled at the Olympia campus in full-time undergraduate programs, the College also provides an evening and weekend studies program and three graduate programs (Environmental Studies, Public Administration, and Teaching). Evergreen has 60+ fields of study to explore and 88% of graduates or employed or pursuing graduate/professional studies within one year of graduation.

Saint Martin's University is a four - year coeducational, comprehensive university with a strong liberal arts foundation. It is one of 14 Benedictine colleges and universities in the U.S. and Canada and the only one west of the Rockies. It offers 27 undergraduate programs in the liberal arts and professions, seven graduate programs and numerous pre-professional and certification programs. Established in 1895 by the Roman Catholic Benedictine Order, Saint Martin's is located on a 300-acre campus in Lacey. More than 1,600 students attend the University's main campus, about 370 students are enrolled in courses at extension campuses at Joint Base Lewis-McChord, and at Centralia Community College, and Tacoma Community College.

Click here for additional information on the status of our Report Card redesign, and what is coming next

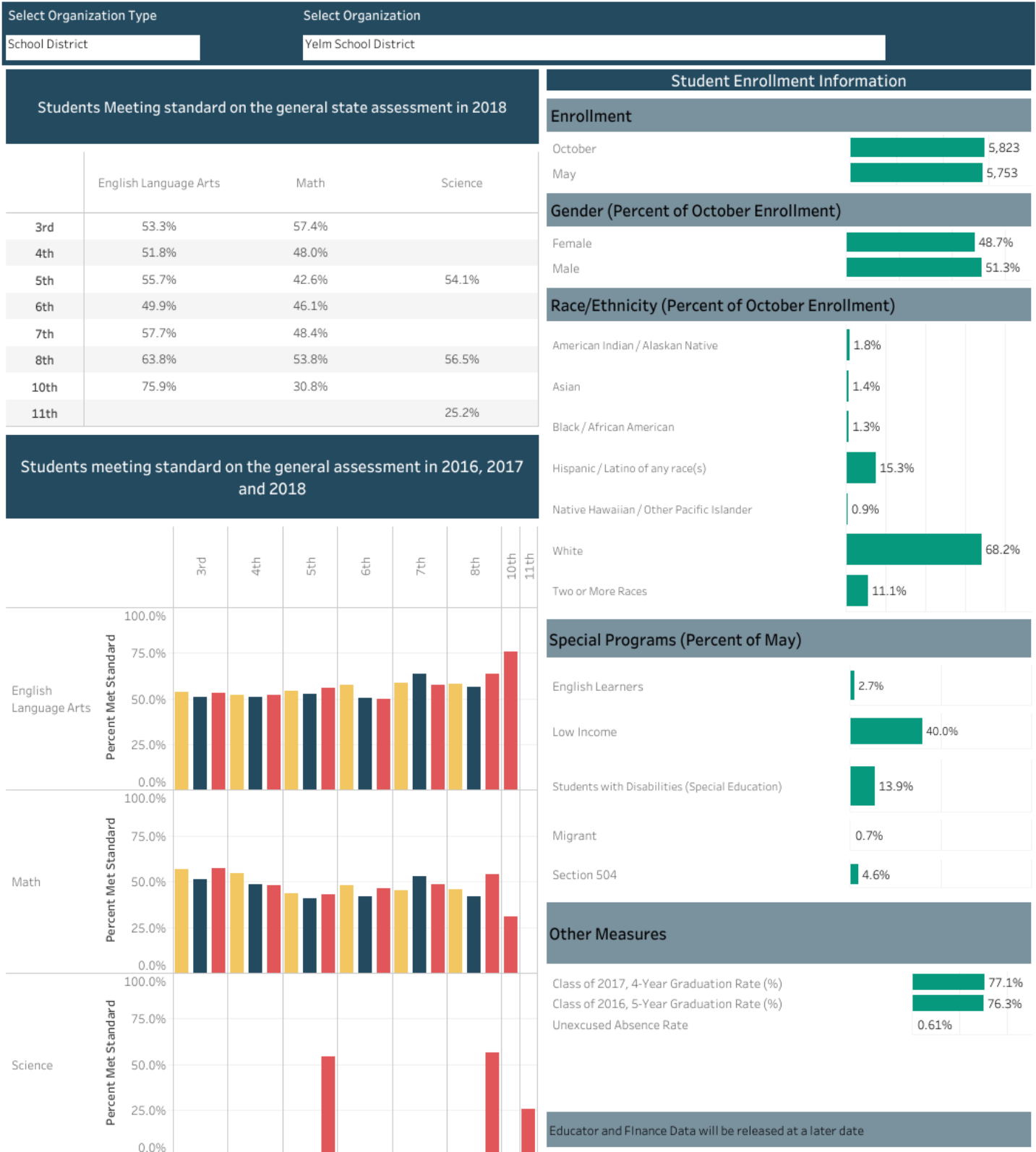


Figure 3 [OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION YELM SCHOOL DISTRICT REPORT CARD](#)

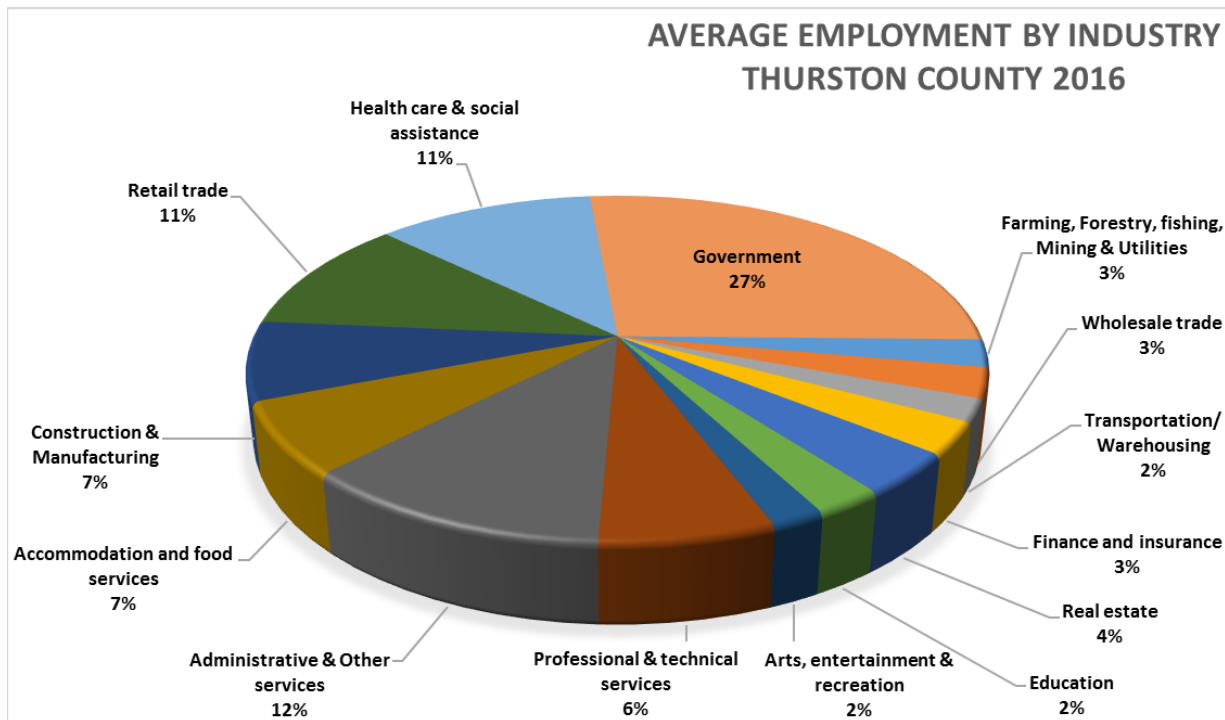
Employment

The City's early development was based on agriculture and trade. The first permanent American settlers came in 1853 to join the Hudson's Bay Company sheep farmers who were already in the area. With the coming of the Northern Pacific Railway in 1873, Yelm began to prosper, having found an outlet for its agricultural and forestry products. Its economic base was further enhanced in the early 1900s when an irrigation company was formed in 1916, making Yelm a center for commercial production of beans, cucumbers, and berries.

Yelm-area merchants provide the public with a wealth of choices to acquire most all of their goods and services right here where we live. Our locally-owned and operated businesses have invested resources in their community, showing their commitment to the success of where we call home. Multi-national, national & state corporations have also found Yelm a place to invest a franchise or affiliated storefront to offer their wares. And, our internet website providers that are based here offer a myriad of products, many of which are locally handmade.

From 2014 to 2015, employment in Yelm grew at a rate of 4.36%, from 2,661 to 2,777 employees. The most common employment sectors for those who live in Yelm are Public Administration, Accommodation & Food Service, and Educational Services.

The Thurston County unemployment rate currently rests at 4.4%, in August 2018 only .1% lower than the total state unemployment rate and .25% higher than the national average, according to the Employment Security Department. In 2016, the Yelm unemployment rate for people over 16 years old was 12.3%. This average was likely influenced by 16 to 19 year-olds who carried an unemployment rate of 70.5%. Excluding them decreases the City's unemployment rate by nearly 50%, making it more relatively average at 6.11% per the US Census Bureau. In the same year, the total percent of the population below the poverty level was 18.4%. The largest majority being between the ages of 5 and 17. This is slightly higher than that of Thurston County with 12.0% of the population being below the poverty level. However, the largest percentage of that population falls within the same age range.



Housing Growth and Value

The volume of homes in Yelm is expected to increase dramatically between 2018 and 2040, correlating nearly exactly with population growth.

Once that water rights issues in the City are successfully mitigated, the number of single family residences is estimated to increase over 45% by 2020. It is likely that this increase will have an impact on home value, but there are additional external factors that make it difficult to determine the precise impacts. Between 2007 and 2016, estimated home value in Owner-occupied units increased only slightly, but this was likely to be adversely impacted by the 2008-2009 recession. The median estimated home value in Yelm between 2012 and 2016 is \$202,500, as significantly more homes fell into the \$50,000-\$99,000 range during that period.

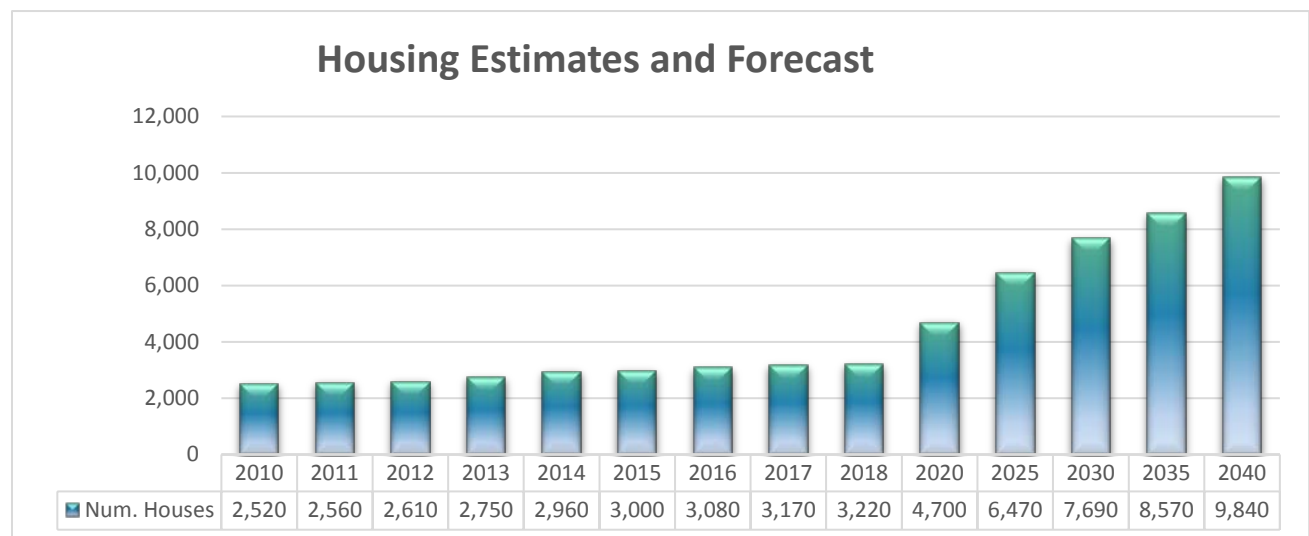


Figure 4 - Thurston Regional Planning Council Housing Estimates

Home Value Estimates	2012-2016 estimates	2007-2011 estimates
Owner-occupied units	1,398	1,226
Less than \$50,000	4.60%	3.00%
\$50,000 to \$99,999	9.20%	0.90%
\$100,000 to \$149,999	11.00%	7.70%
\$150,000 to \$199,999	23.50%	19.20%
\$200,000 to \$299,999	45.10%	62.60%
\$300,000 to \$499,999	6.00%	6.10%
\$500,000 to \$999,999	0.60%	0.40%
\$1,000,000 or more	0.00%	0.00%
Median (dollars)	\$ 202,500.00	\$ 220,400.00

Figure 5 US Census Bureau Housing Price Estimates

APPENDIX E – ORGANIZATIONAL CHART

