

# 2018 REVENUE PUBLIC HEARING

Joseph Wolfe  
Finance Director

October 10, 2017

Yelm City Council Regular Meeting

# Purpose and Action

- This is an informational briefing on the revenue projections for the 2018 budget.
- Information on the 2018 Ad Valorem and overall property tax assessment is included as background for Ordinance No. 1032 setting the amount fixed as Ad Valorem for the regular levy of property tax.

# 2018 Revenue Budget Summary

CITY OF YELM

CITY OF YELM  
2018 REVENUE BUDGET SUMMARY

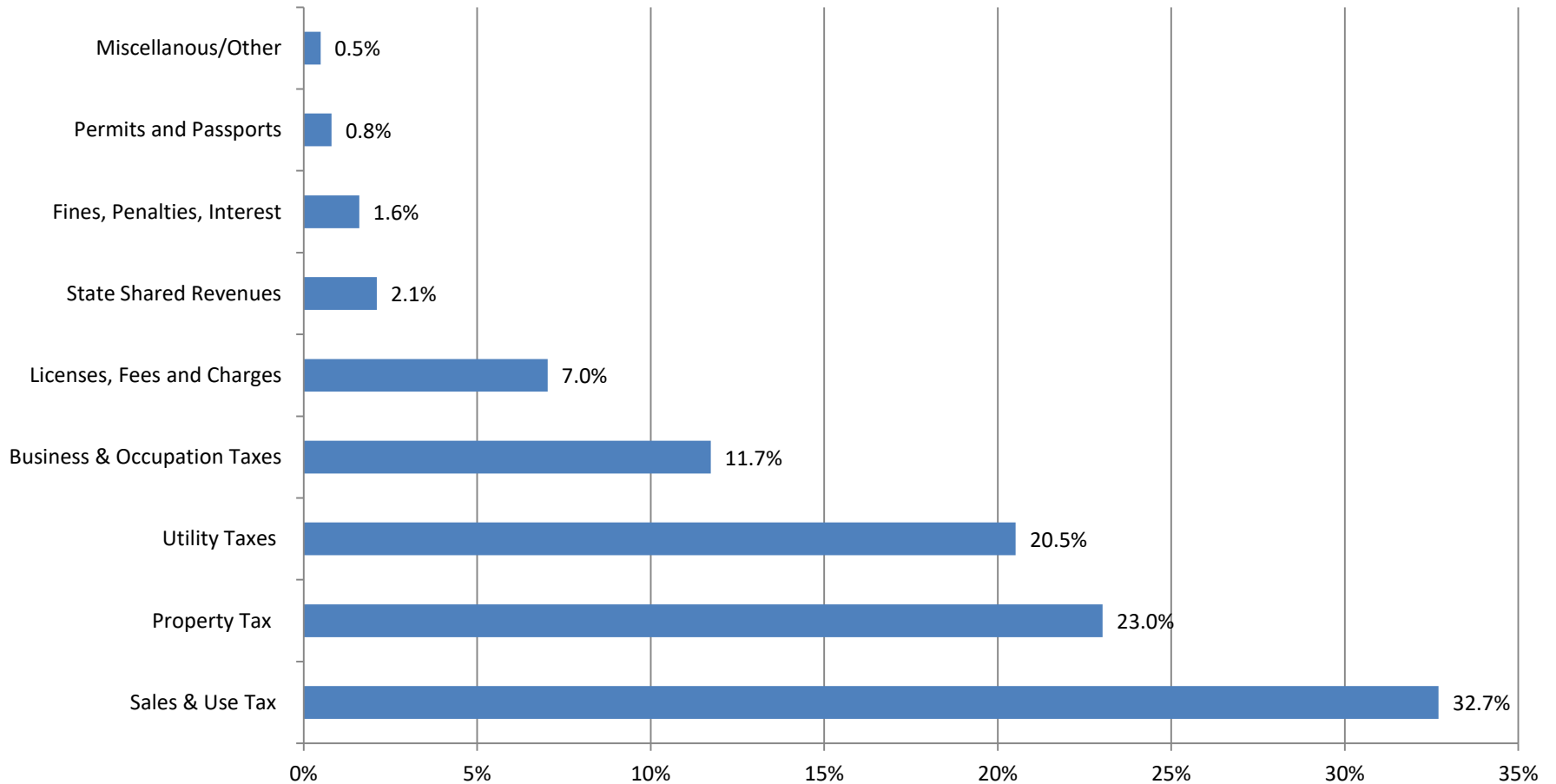
FUND NUMBER	2018 REVENUE FUND DESCRIPTION	BEGINNING NET CASH	REVENUE APPROPRIATION	TRANSFER TYPE	TRANSFER AMOUNT	2018 TOTALS
001	General Fund	\$ 2,999,860	\$ 6,143,672			\$ 9,143,533
101	City Street Fund	\$ 101,785	\$ 147,587	1	\$ 300,000	\$ 549,372
102	Arterial Street Fund	\$ 84,583	\$ 122,861			\$ 207,444
104	Cumulative Reserve/Urban Development	\$ 13,322	\$ 50	3	\$ 1,000,000	\$ 1,013,372
105	Park Reserve	\$ 893	\$ 3			\$ 896
107	Tourism Promotion	\$ 232,507	\$ 21,450			\$ 253,957
109	YPD School Resource	\$ 43,835	\$ 60,210			\$ 104,045
119	Deposits/Surety/Retainage	\$ 8,070				\$ 8,070
120	Transportation Facilities Charges	\$ 189,593	\$ 140,700			\$ 330,293
200	LTGO Bond Redemption Fund	\$ 19,824		2	\$ 483,260	\$ 503,084
202	Killion Rd LID #2 Repayments	\$ 497,673	\$ 203,000			\$ 700,673
203	Sewer Revenue Bond/Loans	\$ 589		2	\$ 173,026	\$ 173,615
204	Sewer Bond/Loan Reserves	\$ 427,235				\$ 427,235
205	Park Reserve				\$ -	\$ -
302	Municipal Building Fund	\$ 772,444	\$ 569,019			\$ 1,341,463
316	Road/Street Construction	\$ 208,915	\$ 721,370		\$ 170,848	\$ 1,101,133
400	Stormwater Utility	\$ 77,114	\$ 282,750		\$ -	\$ 359,864
401	Municipal Water	\$ 4,226,833	\$ 3,382,200			\$ 7,609,033
402	Utility Consumer Deposits	\$ 100,938			\$ -	\$ 100,938
404	Water Capital Improvement	\$ 1,820,639	\$ 362,000	3		\$ 2,182,639
405	Water Revenue Debt Redemption	\$ 97,514	\$ 1,800	2	\$ 930,869	\$ 1,030,183
406	Water Revenue Debt Reserve	\$ 933,411	\$ 6,150			\$ 939,561
412	Sewer/Reuse Operations/Maintenance	\$ 1,635,381	\$ 2,459,900			\$ 4,095,281
413	Sewer/Reuse Capital Reserve	\$ 3,377,485	\$ 2,620,000	2	\$ 97,326	\$ 6,094,811
415	Sewer Bond Refi & Reserve	\$ 97,101	\$ 24,037	2	\$ 97,101	\$ 218,239
430	Shortline Railroad				\$ -	\$ -
431	Water Construction Fund	\$ 1,390,064	\$ 9,500			\$ 1,399,564
501	Information Technology Equipment Rental & Repair			1	\$ 200,000	\$ 200,000
502	Equipment Rental & Repair		\$ 1,000	1	\$ 1,280,659	\$ 1,281,659
<b>2018 REVENUE APPROPRIATION</b>		<b>\$ 19,357,608</b>	<b>\$ 17,279,259</b>		<b>\$ 4,733,089</b>	<b>\$ 41,369,957</b>

## General Fund Revenue Summary

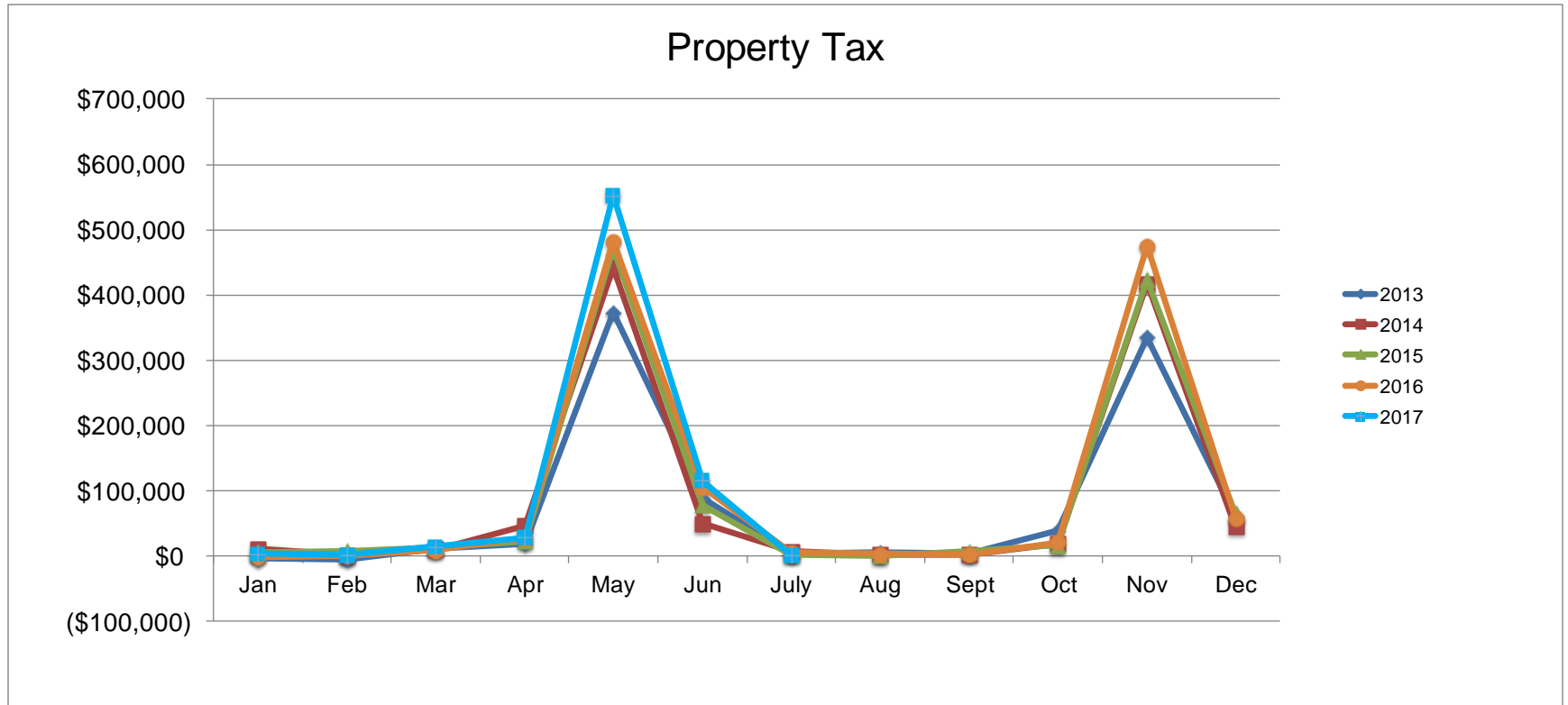
Beginning Balance	\$2,999,860	
<b>Tax Revenue Summary</b>	<b>2018</b>	<b>Percent</b>
Property Tax	\$1,414,278	15%
Utility Taxes	\$1,260,500	14%
Sales & Use Taxes	\$2,009,080	22%
Business & Occupations Tax	\$720,800	8%
Other (including Excise & Gambling)	<u>\$127,648</u>	1%
<b>Total Tax Revenues</b>	<b>\$5,532,306</b>	
<b>Other Revenue Summary</b>	<b>2018</b>	<b>Percent</b>
Fines, Penalties, Interest & Miscellaneous	\$130,006	1%
Fee for Service	<u>\$481,360</u>	5%
Total	<b>\$9,143,532</b>	

# General Fund Revenues

CITY OF YELM



# Property Tax



# Property Tax

CITY OF YELM

2017 Property Tax Levy	\$1,363,142
<u>Increase over 2017</u>	<u>\$37,052</u>
+ A.V new construction & other adjustments	<u>\$35,586</u>
= Property Tax Limit	<b>\$1,435,780</b>

# Property Tax

- Cities with a population of less than 10,000 can increase their levy amount by one percent without a vote (highest lawful levy calculation).
- The City of Yelm is held by the statutory dollar rate which is \$3.60 minus the Fire District at \$1.50, minus the Library District at approximately \$0.39, leaving a new levy rate at approximately \$1.710739 per \$1,000 of assessed valuation (statutory rate limit x assessed value per \$1,000).
- **\$1.71 x Assessed Valuation of \$827,023,057 = \$1,414,821 actual estimated Highest Lawful Levy**



# Key Assumptions

- Property tax will continue to grow at 1% per year and will be renewed at the full amount in 2018 and beyond.
- Salaries and benefits will increase with inflation and in accordance with union contracts.

# Non-General Fund Revenues

CITY OF YELM

<b>2018 Special Revenue, Debt &amp; Capital Funds</b>	
Street Fund	\$ 549,371
Arterial Streets Fund	\$ 207,444
Cumulative Reserve Fund	\$ 1,013,372
Park Reserve Fund	\$ 896
Tourism Promotion	\$ 253,957
YPD School Resource	\$ 104,045
Deposits & Retainage	\$ 8,070
Transportation Facilities Charges	\$ 330,293
LTGO Bond Redemption	\$ 503,084
Killion Road LID	\$ 700,673
Municipal Building Fund	\$ 1,341,463
Road & Street Construction	\$ 1,101,133
<b>Total Special Revenue, Debt &amp; Capital Funds</b>	<b>\$ 6,113,801</b>

# Non-General Fund Revenues

CITY OF YELM

<b>2018 Utility Funds Summary</b>	
Sewer Revenue Bonds	\$ 173,615
Sewer Revenue Bonds Reserve	\$ 427,253
Stormwater Utility	\$ 359,864
Water Utility	\$ 7,609,033
Utility Consumer Deposits	\$ 100,938
Water Capital Improvements	\$ 2,182,639
Water Revenue Debt Redemption	\$ 1,030,183
Water Revenue Debt Reserve	\$ 939,561
Sewer Utility	\$ 4,095,281
Sewer Capital Improvements	\$ 6,094,811
Sewer Bond Refi & Reserve	\$ 218,239
Shortline RR	\$ -
Water Construction	\$ 1,399,564
<b>Total Utility Funds</b>	<b>\$ 24,630,981</b>

# COMMENTS?

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# 2018 BUDGET PUBLIC HEARING

Joseph Wolfe  
Finance Director

October 10, 2017

Yelm City Council Regular Meeting

- Vision
  - Working together, we 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
- Mission
  - To provide essential municipal services, create quality infrastructure, and manage public resources with transparency, accountability, and sustainability.

# Budget Overview

- Total City 2018 Proposed Budget is \$41,369,957
  - \$10M Operating
  - \$7M Capital
  - \$1.8M Debt Service
  - \$22M in reserves, transfers & estimated cash balances
- The 2017 Proposed General Fund expenditure budget totals \$9,143,533 representing:
  - An increase over the 2017 Adopted Budget of 24%
    - This includes one-time expenditures and capitalization of reserve and Equipment Rental & Replacement Funds

# Budget Overview -continued

- The 2018 Proposed Budget includes the same or increased levels of service across all departments.
- The proposed property tax levy includes the statutorily allowed 1% increase plus amounts for new construction and adjustments.



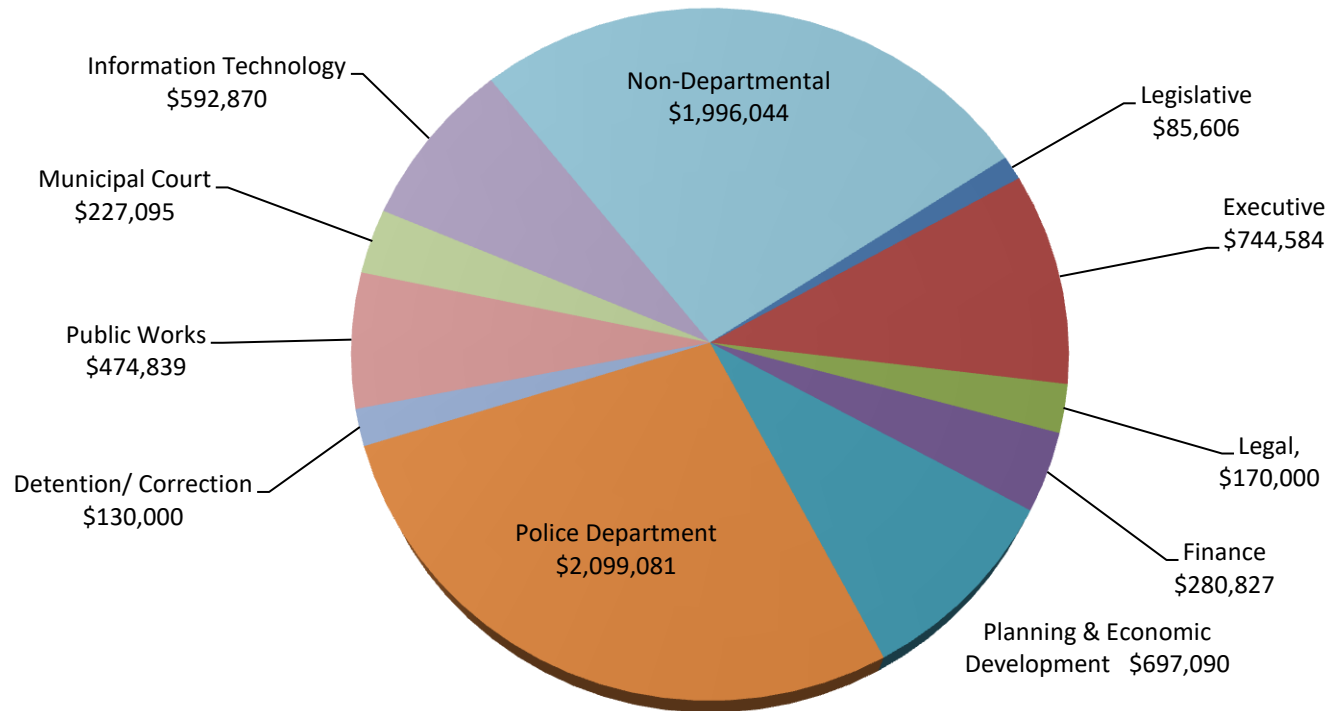
# Expenditure Overview

CITY OF YELM

CITY OF YELM  
2018 EXPENDITURE BUDGET SUMMARY

FUND NUMBER	2018 EXPENDITURE FUND DESCRIPTION	OPERATION PURPOSES	DEBT SERVICE PURPOSES	CAPITAL PURPOSES	RESERVE PURPOSES	ENDING CASH	TRANSFER TYPE	TRANSFER AMOUNT	2018 TOTAL
001	General Fund	\$ 5,615,092				\$ 645,497	1,2,3	\$ 2,882,944	\$ 9,143,533
101	City Street Fund	\$ 154,102		\$ 270,350		\$ 124,920			\$ 549,372
102	Arterial Street Fund			\$ 78,000		\$ 102,201	2	\$ 27,243	\$ 207,444
104	Cumulative Reserve/Urban Development					\$ 1,013,372			\$ 1,013,372
105	Park Reserve					\$ 896			\$ 896
107	Tourism Promotion					\$ 253,957			\$ 253,957
109	TYPD School Resource	\$ 63,294				\$ 40,751			\$ 104,045
119	Deposits/Surety/Retainage					\$ 8,070			\$ 8,070
120	Transportation Facilities Charges			\$ 22,232		\$ 67,130	1	\$ 240,931	\$ 330,293
200	LTGO Bond Redemption Fund		\$ 483,860			\$ 19,224			\$ 503,084
202	Killion Rd LID #2 Repayments	\$ 3,000	\$ 200,000			\$ 497,673			\$ 700,673
203	Sewer Revenue Bond/Loans		\$ 173,026			\$ 589			\$ 173,615
204	Sewer Bond/Loan Reserves				\$ 365,225	\$ 62,010			\$ 427,235
205	Park Reserve								\$ -
302	Municipal Building Fund			\$ 476,019		\$ 865,444			\$ 1,341,463
316	Road/Street Construction			\$ 960,138		\$ 140,995			\$ 1,101,133
400	Stormwater Utility		\$ 1,257	\$ 288,029		\$ 70,578			\$ 359,864
401	Municipal Water	\$ 1,486,346		\$ 125,000		\$ 4,968,617	1,2,3	\$ 1,029,070	\$ 7,609,033
402	Utility Consumer Deposits					\$ 100,938			\$ 100,938
404	Water Capital Improvement			\$ 1,794,000		\$ 388,639			\$ 2,182,639
405	Water Revenue Debt Redemption		\$ 931,169			\$ 99,014			\$ 1,030,183
406	Water Revenue Debt Reserve				\$ 921,410	\$ 18,151			\$ 939,561
412	Sewer/Reuse Operations/Maintenance	\$ 2,238,136				\$ 1,304,244	1,3	\$ 552,901	\$ 4,095,281
413	Sewer/Reuse Capital Reserve			\$ 3,018,000		\$ 3,076,811			\$ 6,094,811
415	Sewer Bond Refi & Reserve		\$ 97,101			\$ 121,138			\$ 218,239
430	Shortline Railroad								\$ -
431	Water Construction Fund					\$ 1,399,564			\$ 1,399,564
501	Information Technology Equipment Rental & Repair	\$ 200,000							\$ 200,000
502	Equipment Rental & Repair	\$ 654,000				\$ 627,659			\$ 1,281,659
<b>2018 EXPENDITURE APPROPRIATION</b>		<b>\$ 10,413,970</b>	<b>\$ 1,886,413</b>	<b>\$ 7,031,768</b>	<b>\$ 1,286,635</b>	<b>\$ 16,018,082</b>		<b>\$ 4,733,089</b>	<b>\$ 41,369,957</b>

## 2018 City of Yelm Proposed General Fund Budget by Department



# Forecast Results

## 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) .

# COMMENTS?

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