

City of North Bend, Washington 2023-2024 Preliminary Biennial Budget





Mayor

Rob McFarland

North Bend City Council

Jonathan Rosen, Mayor Pro Tem

Brenden Elwood

Alan Gothelf

Heather Koellen

Ross Loudanback

Mark Joselyn

Mary Miller

North Bend Appointed Officials

David Miller, City Administrator

Michael Kenyon, City Attorney

Mark Rigos, Deputy City Administrator/Public Works Director

Richard Finance Director

Rebecca Deming, Community & Economic Development Director

Lisa Escobar Administrative Services Director

Susie Oppedal, City Clerk

Planning Commission

Suzan Torguson – Chair

Economic Development Commission

Martin Maisonpierre – Chair

Parks Commission

Minna Rudd - Chair

Elected Officials



Mayor Rob McFarland



Councilmember Jonathan Rosen



Councilmember Alan Gothelf



Councilmember Heather Koellen



Councilmember Ross Loudonback



Councilmember Brenden Elwood



Councilmember Mary Miller



Councilmember Mark Joselyn

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MISSION STATEMENT

The mission of the City of North Bend is to create a highly livable community by working in partnership with its citizens to blend and balance the following principles:

- ♦ Provide high levels of police, fire and emergency medical services
- ♦ Build and maintain healthy infrastructure
- ♦ Deliver quality public services
- ♦ Encourage a strong local economy
- ♦ Preserve the small town character of the community

VISION STATEMENT

The vision the residents of North Bend put forth is one of preservation and enhancement.

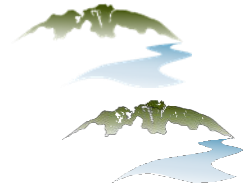
The community of North Bend wants to preserve its natural beauty and small town scale. The residents of the community also have a desire for enhancing the existing built environment of the downtown, the riverfront and community parks, new and existing residential neighborhoods and the community's gateways.

BRAND STATEMENT

We are a highly livable small town that is the premiere outdoor recreation destination in the Puget Sound region.

BRAND TAGLINE

Easy to Reach...Hard to Leave



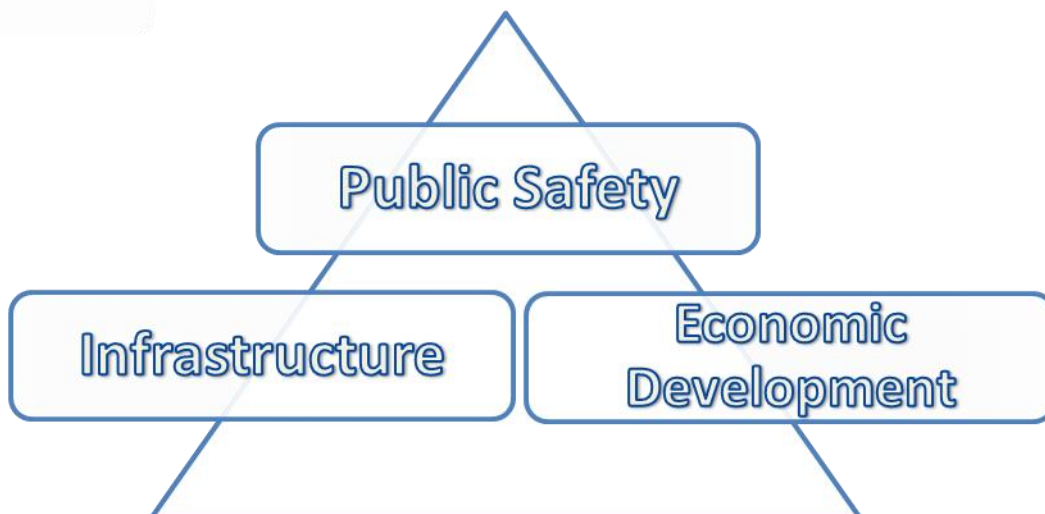
City Overview

The City of North Bend is a highly livable small town that is the premier outdoor recreation destination in the Puget Sound region. Located at the foothills of the Cascade Mountains just 30 miles east of Seattle, the City offers friendly, small-town charm and natural beauty. North Bend is home to over 7,900 residents and features both a historic downtown “main street” featuring local retail and restaurants and a freeway-oriented commercial district which includes a large factory outlet mall.

North Bend is one of the most pristine areas in the Pacific Northwest, with spectacular scenery, snow-capped mountains, local lakes and parks, and preserved open spaces. Our City offers something for everyone including family friendly music and arts events, extensive hiking and biking trails, natural recreational areas, and popular tourist spots made famous in the television series Twin Peaks. There are unlimited opportunities for hiking, skiing, climbing, biking and white-water river kayaking, including the most famous and popular hike in Washington State, the Mount Si Trail, boasting impressive views with an elevation gain of over 4,000 feet.

Incorporated in 1909, North Bend operates under the Mayor-Council form of government with the 7 Councilmembers serving as the legislative body, the elected Mayor serving as the chief executive officer and a City Administrator who provides oversight of daily City operations. The City has approximately 52 employees who provide administrative, finance, building inspections, engineering, planning and zoning, code enforcement, parks and special events, streets maintenance, emergency management, economic development, communications and human resources services. The City operates water, sewer and stormwater utilities, contracts with the City of Snoqualmie to provide police services, and partners with Eastside Fire and Rescue for fire services.

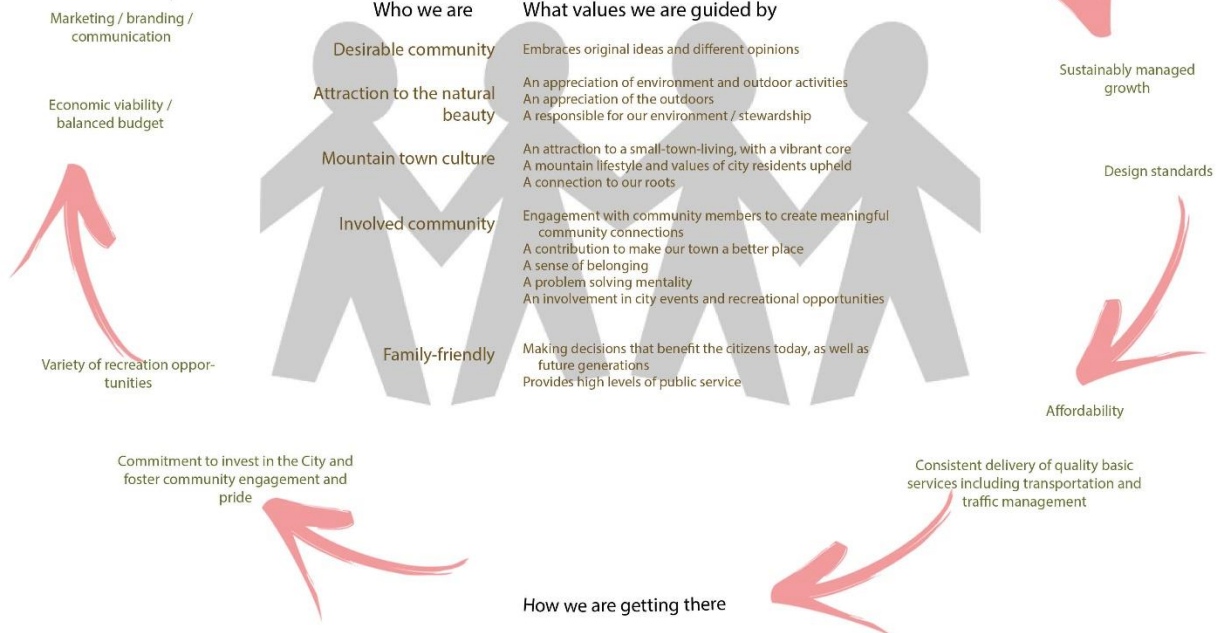
City of North Bend Priorities

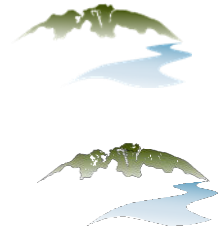




Brand Statement:
We are a highly livable small town that is the premier outdoor recreation destination in the Puget Sound region.

Tag Line:
Easy to reach,
hard to leave.





Mayor's 2023-2024 Biennial Budget Message

I am pleased to present to you the 2023 – 2024 biennial budget for the City of North Bend. This balanced budget reflects community priorities, infrastructure maintenance and city-wide improvements as determined by your City Council.

In addressing the priorities of the community, this budget includes multiple on-going and new infrastructure improvements to serve our residents and businesses well into the future. We are making these investments in a positive and fiscally prudent way.

We enter this new biennial budget cycle during a period of high inflation and with the very real potential for a recession on the horizon. The City's tradition of fiscal conservatism will continue as Council recognizes it is a necessary aspect of providing for fiscally sustainable and sound city operations. On adoption, this budget formalizes the policy direction set by Council for all City government department programs and services while ensuring the best financial decisions for our community.

While addressing recent and future needs, this budget also continues to address significant gaps from, in some cases, 50+ years of deferred maintenance and upgrades. Your Council continues to work diligently to accomplish goals, requirements and community enhancements put into place by past policy decisions that build upon each other to guide both our near- and long-term commitments. An overriding theme is one that honors our commitment to maintain our small-town character while enhancing the quality of life for all residents. We do this by completing projects that move our community forward through investments in critical infrastructure and by supporting business and economic development. The balance of fiscal sustainability and investment ensures a healthy future for our city.

Operations: A strong team at work for you.

Looking back at the extraordinary shift all of us made during the covid pandemic, it is no surprise that we are still working to hone our new skills as we adapt to innovative technology, and City Hall is no exception. It is now equipped with:

- Two meeting rooms infused with hybrid technology, allowing for virtual meetings and generally seamless online connectivity.
- City staff and Council key card identification access at entry points providing a safer, more transparent use of City Hall while maintaining public access during hours of operation.
- Added security cameras for monitoring and documenting activity.

Our work in this regard is not done. The unique setting of Council Chambers requires technological sophistication at a higher level for improved reliability supporting hybrid connectivity. We intend to continue refining this in the coming year. Another significant technology upgrade in 2023 will be to implement new financial software that will benefit citizens in bill payment, enable better financial reporting and improved management of enterprise funds; all while gaining staff time efficiencies. Our city has grown in citizens and needs these past 10 years, and this necessitates changes to how we deliver services and meet growing expectations of our residents. This budget is designed to keep pace with these changes. Council made the sound decision to invest in personnel that will help us achieve community goals within available resources.

Like you, City staff pivoted throughout the pandemic, and with that, we were presented with opportunities to strengthen our employee satisfaction and retention. Changes and a few additions have occurred in all city departments including public works, finance, planning and administrative services. I continue to believe we have the best professionals devoted to a community bare none and we will continue to support and celebrate the personnel who serve our community.

Public safety continues to be a top priority for the City. Nearly 42% of the City's 11+ million-dollar

General Fund budget is allocated to public safety services. Nationally, police agencies have been struggling with recruitment, and our department is no exception. I am happy to report that, while staffing levels are still not optimum, they are steadily increasing, and we believe we will be back to full strength this coming year. Our current contract for police services provides for an annual 5% increase in the cost for services and full staffing of eight officers. Our maximum cost for 2023 is expected to be ~\$2.3m and ~\$2.43 in 2024. And we continue to be supported by East Side Fire and Rescue where our local station has 6 emergency service personnel manning each 8 hour shift at an annual cost of \$1.32m for 2023 and \$1.39m for 2024

Social Services: Improving your family, friends, and neighbors' quality of life.

Council recognizes that a healthy community is one that supports physical health and importantly, one that provides for the nurturing and funding of mental health resources. Human support services for seniors, youth and all adults have been one of the hardest hit areas these past few years as they ramped up to meet covid driven needs that will continue to impact operations for years to come. Your Council responded by increasing support through the budget for our Human Services grants last year by 38% and an additional 33% this year in recognition of the huge increased strain the pandemic has put on our residents. This Biennial Budget will provide \$306K in 2023 and will make another allocation for 2024 after receiving grant requests in late 2023.

Since the last biennial budget, we, like our own businesses and nonprofit organizations, have worked tirelessly through the covid pandemic. In 2020, we received Coronavirus Aid, Relief, and Economic Security (CARES) funds. City Council authorized the City to distribute funds to local businesses and nonprofits.

This year, we are working with additional federal aid – American Rescue Plan Act (ARPA) – concentrating \$1.6 million on supporting our community's social service needs, investing in economic development/tourism, and public facility improvements for City-related services.

Also of note, the cities of North Bend and Snoqualmie were successful in hiring a Behavioral Health Specialist thanks, in part, to a grant championed by Washington State 5th District Representative Lisa Callan, along with follow-on funding by both Councils. This position specializes in the treatment of mental health and substance use disorders and will now be at work for you in both cities through the coming biennium.

Infrastructure: Reliable essential services.

By the end of 2022, the City will have made significant progress toward completion of the Wastewater Treatment Plant (WWTP) High Priority Improvements. It is important to note that WWTP improvements are largely paid for by local development projects and remaining costs are paid for via user fees. The WWTP is anticipated to be completed within this next biennium and bring much needed safety and redundancy improvements for our community and our environment.

The updated plant will be prepared to accept new source capacity such as the Meadowbrook Sewer Utility Local Improvement District (ULID), located in the western portion of city limits, as well as potential conversion of older septic neighborhoods, should they choose to move from less environmentally sustainable septic systems.

Your City leaders are committed to connectivity and safety of all residents and it shows in our ongoing transportation improvement projects. Two of note are adding sidewalks and crosswalks through the Sidewalk Gap program and fixing aging existing walkways through the Sidewalk Replacement program. Examples from just this past year included:

- Second Street between Ballarat Avenue and Bendigo/202
- North Bend Way near Rio Bravo & the crosswalk at Snoqualmie Valley Trail
- Tanner Trail extension
- Forster Woods neighborhood
- Downtown North Bend, along North Bend Way and Bendigo

Transportation is changing in North Bend, and with that so is the ease with which you get around town. With fewer conflict points, reduced maintenance cost, increased viewshed, and decreased



vehicle pollution, roundabout creation continues.

This City Council continues in its commitment to guide our community to do our part in protecting the health of the Snoqualmie River. Conserving water resources in North Bend takes many forms. One of those is eliminating leaks in the system.

In 2014 the City committed to replacing what was then 14.5 miles of old, asbestos concrete water mains. To date, we've replaced over 4.7 miles and system water loss is dramatically decreasing now that the 6th Street line in the Silver Creek neighborhood and the 2nd Street line are complete. Next up is Picket Avenue.

And, we have replaced approximately 60% of customer water meters via a program begun in 2020. We anticipate completing replacement by the end of 2023. These two large budget projects, together with our Water Conservation Ordinance and Saving Water Partnership program, make North Bend one of the most water-conscience communities in the state.

Community and economic development: Being a highly livable small town.

City Council recognizes the crucial need in the Snoqualmie Valley for diverse housing options.

Working, living, and playing in North Bend requires a robust diversity of housing choices and a strong local job market.

Last year, the City was honored with the Smart Project Award for the adoption of form-based code for its Downtown Commercial zone. This code serves as a land development regulation that fosters predictable built results and a high-quality public realm by using physical form rather than separation of uses as its organizing principle. Form-based code will be applied as we move through this next biennium and will help to ensure future redevelopment fits the character of our community while providing more housing options. Thoughtful policies such as this work to balance the need for jobs, services, and housing while adhering to Growth Management Act mandates.

We expect two affordable housing projects will reach completion during the coming biennium including Tyler Town, a Habitat for Humanity community with seven townhomes offered at as much as 30% below market rate. And the River Run Apartments, a multi-family housing development, will have 28 of its 128 apartments designated for households earning 80% or less of the County's AMI.

Additional diverse housing coming available this year includes 28 townhomes in our downtown and the 212 Cedar River multifamily housing project which includes a four-acre city park connected to Tanner Landing Park, providing direct access to the Middle Fork Snoqualmie River.

And you can be sure that we are continually looking into new ideas and options for improving attainable housing options for our community in the coming years.

Since 2009, the City budget has benefitted by growing revenues to keep pace with corresponding increased expenditures. We've seen Real Estate Excise Tax (REET), sales tax revenue (significantly higher than projected during the 2023-2024 biennium), and even Business and Occupation (B&O) taxes all exceed original budget projections. Strong revenues have made possible the ability to meet growing costs and staffing to serve our growing community.

Of note, single family home development has slowed down dramatically and that will continue as we move through this next biennium. Nearly all approved subdivisions are complete or nearly so. And while I mentioned several multifamily homes now underway, those two will be complete within a few years and no other significant projects are currently in the works. It is reasonable to say the rapid home building cycle of the past decade is nearly over. This will result in reduced revenue from development sources, and we are planning for that expectation.

Recreation opportunities

Park improvement projects are an integral part of our mountain town. This year Council approved the launch of the design phase for a wholly revamped downtown Taylor Park and the associated McClellan Street running along it. Council also approved a companion design effort for Riverfront Park on Bendigo/202 next to the bridge into downtown. Watch for opportunities to weigh in on the amenities and design coming soon. When complete, residents will have added connectivity to our downtown, more efficient parking along McClellan Street, and additional trails and riverfront amenities that were not previously available.

A new park is also on the horizon for North Bend. In partnership with Si View Metropolitan Park

District, the Tennant Trailhead Park will likely include a 45-stall parking lot, restroom and picnic facilities, and feature major additions to hiking and mountain bike trails throughout to include a connection to Snoqualmie Point Park and onto the broader Rattlesnake Mountain trail system. Construction is anticipated to commence in the summer of 2023.

Commercial development: Amenities and services for your community.

Council's continued focus on creating an attractive environment for new business adds exciting amenities to our highly livable community. While many have been noted this last year, such as the Wyndham Hotel, the Snoqualmie Valley Athletic Center and the Youth Activity Center (YAC), new business expected to break ground also includes Alpentel Logistics and the SeaCon Industrial facility, bringing new jobs to our community.

Forward planning and funding support.

I and Council, along with the City Commissioners and professional staff that support and advise us, are always looking ahead and planning for our community's future. It is how we both maintain our commitment to balanced fiscal responsibility, while also successfully delivering the services and amenities our residents expect. It is a policy commitment of Council to look forward in a strategic way and support a variety of research and studies to gain insight into that future. This past year and coming up, you will see the results of many planning efforts across multiple disciplines. Tasks in process or soon to launch within this next biennium include:

- An updated Comprehensive Plan is due for completion by the end of 2024. This document is the policy guide for nearly all we do and we are working chapter-by-chapter toward that update. Currently in review is the Transportation Element which will be followed by topics such as Housing and Parks. With input from many sectors, our Planning Commission is the lead advisor to Council on this.
- We are well into the development of an Economic Development Plan. The first of its kind for our city, the plan will answer to Council's request for a holistic plan that fosters sustainable investment, creates family wage jobs, and provides more goods, services, and amenities to better meet residents' needs. We expect this to be complete by 2023. Our Economic Development Commission is spearheading this plan.
- We are also nearing completion on a comprehensive Housing Needs Assessment/Housing Action Plan made possible by a state Department of Commerce grant. North Bend partnered with Carnation, Duvall, and Snoqualmie as community-minded cities coexisting in a valley that rely on one another's success and health. We agree that we should all share the responsibility for achieving an equitable distribution of diverse housing options. North Bend served as lead city for this \$135,000 grant project. The Housing Action Plan is anticipated complete by July 2023.

Finally, I want to bring special attention to our staff for their exemplary work in obtaining funding support for the city to meet our needs. We have well over \$7 million in grant commitments through this last biennium. You will see many of these projects begin in the near future. Grants serve as an incredible savings for residents, and they provide for new, exciting amenities and services.

- A \$350,000 grant called "Complete Streets". This grant provides for the design of the entire length of North Bend Way in regard to frontage use, beautification, lighting, accessibility, and connectivity.
- A \$30,000 Shoreline Master Program Guide (SMP) grant. The SMP is a series of shoreline planning efforts that will improve and streamline understanding between applicants and staff when SMP review is required.



- An \$800,000 King County River Corridors grant. Design work for the future left-bank levy setback along the South Fork Snoqualmie River providing additional flood mitigation and a shared-use trail connecting State Route 202 to North Bend Way west.
- A \$140,725 Cooperative Watershed Management grant toward habitat restoration along Ribary Creek and the left-bank of the South Fork Snoqualmie River in collaboration with the Mountains to Sound Greenway Trust.
- A \$1,596,081 State Route 202 and Mt. Si Boulevard grant awarded to design this intersection for better traffic flow, wayfinding to our downtown and improved access to the outlet mall.
- A \$930,000 King County grant for a State Route 202 and Fourth Avenue potential future Roundabout. This intersection improvement would enhance access and improve safety.
- A \$541,200 State Route 202 shared-use trail design grant for a trail and bridge along the north side of State Route 202 beginning at Fourth Avenue and extending west over the South Fork River that will connect to the existing trail system at Tollgate Farm Park.
- A \$1,125,000 grant for the South Fork Extension Road design. This design award is toward the bypass that will alleviate traffic congestion downtown at the intersection of State Route 202 and North Bend Way while creating a more pedestrian-friendly downtown historic district.
- A \$1,912,000 North Bend Way bridge revitalization grant. Funding will include replacing the old bridge deck on North Bend Way west with a new, long-lasting deck and repairing the under-structure.
- And finally, \$782,096 North Bend Way grind and overlay project grant from the South Fork Snoqualmie River crossing extending to the western city limits. Staff expect results to include roadway beautification and restriping lanes to compliment a new trail that will connect the downtown to Tollgate Farm Park.

Yes, we have a LOT going on and a lot more to come.

I am proud to serve as your Mayor. Being engaged in a positive way to give back to the community that is my home is a great honor. One of the most rewarding aspects is the opportunity to work in collaboration with our Council. When we best function as a team, are open to new ideas and progress. This is how we successfully find ways to enhance our community, while maintaining our small-town atmosphere. In very much that same vein, I thank our City staff and Commissioners for their dedication to working closely with Council to achieve the goals our vision calls for and our budgets always reflect.

As we continue to invest in the high-quality life that we cherish in North Bend, you can count on me and our Council to stay mindful of our fiscal limitations. That is what this budget reflects and what I am committed to executing with Council's approval. I am optimistic as we move forward into a new year, a new budget cycle, and my unwavering commitment to serve our highly livable small town.

Respectfully,
Mayor Rob McFarland
November 2022



Budget Overview

2023/2024 Preliminary Budget - Fund Financial Budget Overview

The methodologies used in preparing revenue and expenditure estimates, are comprised of **extrapolation**, which uses the prior 3 – 5 years of historical revenue data, **predictive**, which considers economic climate (inflation and recession) and finally **best practices** such as conservatism when calculating revenue.

For example, sales and use taxes have been growing at a rate of nearly 14% since 2018, with the removal of data from 2020, which was a covid-impacted outlier. We used 7% to reflect the possibility of a recession. Regarding estimating expenditures, we used flat percentages for operational increases and a different modifier for wages and benefits that are more in line with the inflationary impact (CPI). This way, management has more control over operational costs than on wages and benefits.

How the Biennial Budget is built starts with data from the 2022 budget and actual data through July. It includes:

- Running revenue and expenditure reports from the software with to-date July (financial data) and budget.
- Using the methodologies, building the 2023- and 2024-line-item budget (over 1300-line items (BARS Codes).
- Two meetings with department directors to review their areas of the budget and make any corrections or additions as needed.
- Preparing the higher level of the budget linking the 1300-line reports to dozens of other reports, which ties to the fund report.
- Analyzing the created reports and looking at any funds that are in distress. Making changes as appropriate and meeting with the Mayor and City Administrator. Making additional changes as necessary and sending the Proposed Preliminary Budget to the Council in October.
- Staff continues to make changes as more information and data become available. Budget Work Studies are held, and the City Council reviews the Preliminary Budget in November with the Mayor and staff.
- Final changes or adjustments are made. The Mayor completes his budget message.
- Two public hearings are held and the first reading is approved on November 15th.
- The Council will review the final budget for approval at the Council meeting on December 6th.



The following overview is on the Mayor's 2023/2024 Preliminary Biennial Budget.

This analysis is based upon the City of North Bend's funds using beginning fund resources to balance the budget which includes the general, special revenue, utility, and bond redemption funds. **The \$8.32M decrease in cash position when adjusted for the Sewer Wastewater Treatment Plant Phase II is closer to a net zero impact.** The transferring of funds and impacts of the economic climate (inflation and lower revenue rate growth) keep the fund balances from increasing over the next two years. Overall, the projected amount of fund reserves to be used in 2023-2024 is approximately \$8,321,691. The following includes the breakdown by fund:

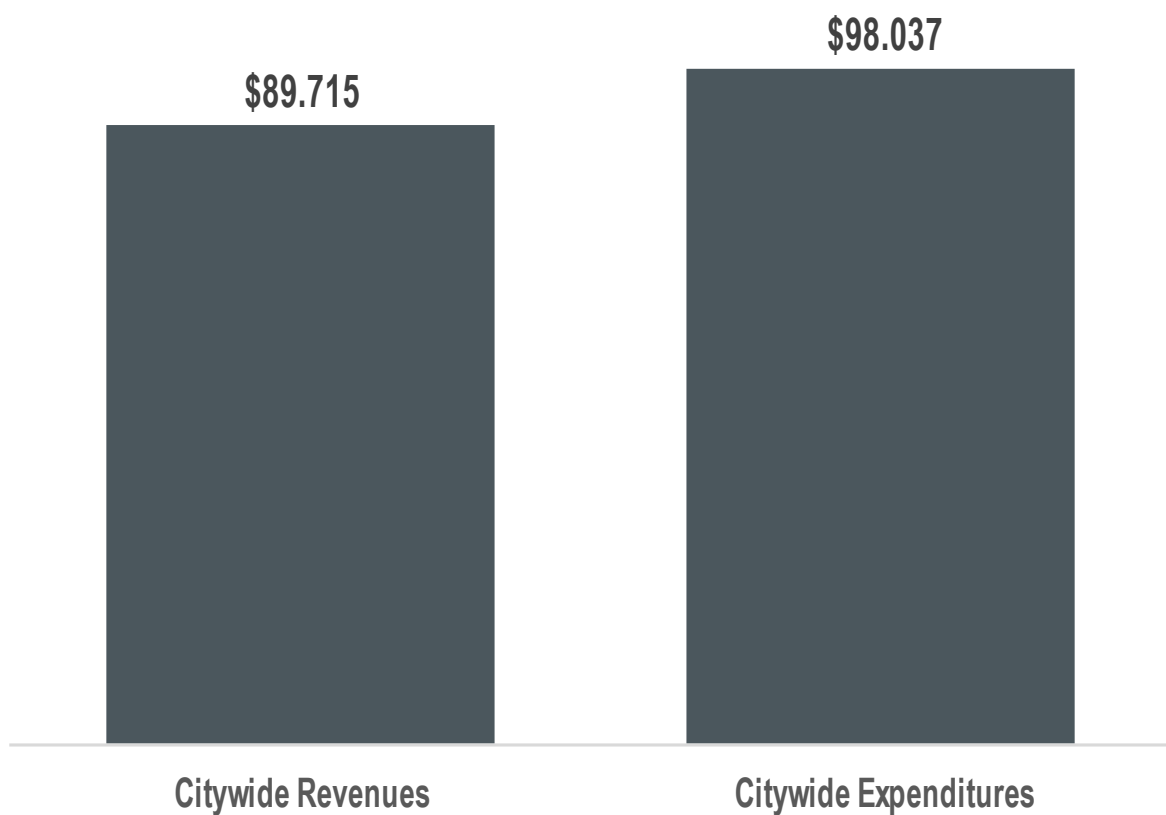
- The General Fund is projected to use (revenues less than expenditures) \$129K of the beginning fund balance brought forward into 2023. This is due to the following factors: (1) Inter-fund transfers of almost \$1.3M; (2) Inflation causing the increases in operational and wages and benefits to supersede the conservative revenue growth (projected); (3) an increase in Human Services of \$51K. Streets Overlay, a special revenue fund, will use over \$730K of the fund balance due to approximately \$1.7M in overlay preservation and road repair capital projects. Another special revenue fund that will experience a significant use of its fund balance is the ARPA fiscal recovery fund. Approved usage here is projected to be \$1.55M in this biennium in projects detailed in the Mayor's Biennial Budget message.
- The utility funds will see a decrease in fund balances \$14.5M this biennium. This is comprised of ongoing capital projects such as the Wastewater Treatment Plant Phase 2 (spending the \$25M revenue bond debt proceeds, received in 2021) and other infrastructure-related projects that will be completed. The impact of inflationary increased costs projected to surpass the 5.5% rate increase is a factor as well in the increased expenditures this biennium.
- The Equipment Reserve fund will use \$383K in replacing major equipment such as the road grader and covered equipment shed.

Overall, the cash balance of the City of North Bend will decrease by approximately \$8.3M. Considering that utilities capital projects are well over this amount we are projecting balanced if not modest increases to the majority of the City's funds in the next Biennium. The total budget for 2023 is projected at \$104.5M and \$101.7 in 2024.

Richard A. Gould
Finance Director



Overview of Proposed Citywide 2023-2024 Budget (\$M)





Budget Document

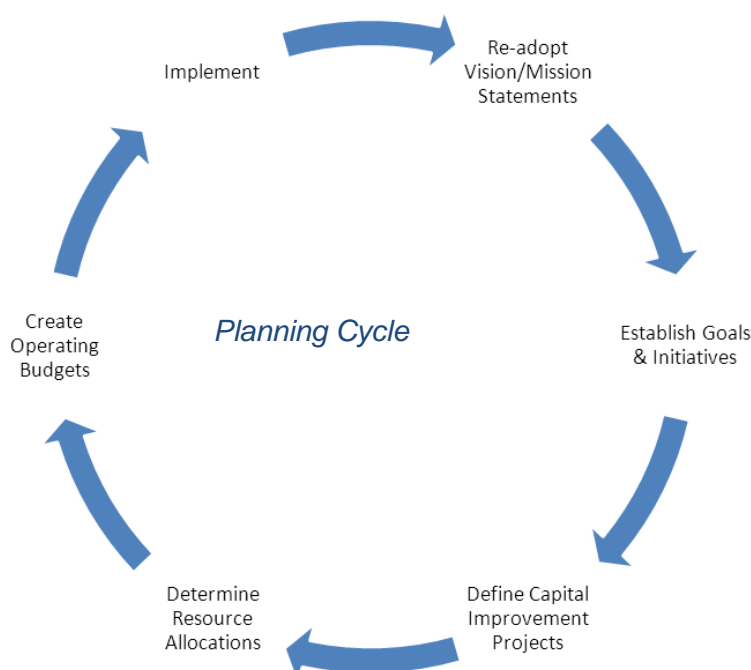
The budget document serves two distinct purposes:

- 1) to present the City Council and public with a clear picture of the services which the City provides, the cost of those services, and the policy decisions underlying the financial decisions; and
- 2) to provide City management with a financial and operating plan that guides the actions of the day-to-day activities to meet City Council goals and policy direction.

Budget Process

The City of North Bend prepares a biennial budget following the process and time limits that are required by State law in the Revised Code of Washington (RCW) 35A.34. By law the first year of the biennial budget must be an odd numbered year. Accordingly, the preparation of the biennial budget occurs in the preceding even-numbered year. In even-numbered years there is a mid-biennial review and modification per State law.

The City's budget process is a continuous cycle. The Mayor, City Council, and City staff work together to develop the budget. The City is required by law to balance its budget and therefore it must forecast the revenues it will receive and the expenditures it will incur for the upcoming biennium. While the budget is being created, all parties must make decisions on how to utilize the limited revenues that the City receives in order to produce the greatest benefit to its citizens. The budget is constantly monitored throughout the year to ensure it does not expend more than its available resources.





The City follows the budget calendar below in establishing its budget every other year. This budget calendar is in accordance with State law time limitations and is designed to allow the Council and public ample opportunity to understand and have input on the budget direction of the City for the next two years.

2023-2024 BUDGET PROCESS CALENDAR

SEPTEMBER

20th (Tuesday) (Regular Council Meeting)

- Motion approving 2023-2024 Budget Calendar

OCTOBER

3rd (Monday)

- 2021-2022 Preliminary Budget Estimates to City Council

11th (Tuesday)

- Budget Workshop #1 – Preliminary Budget Review
 - Human Services Grants
 - Budget Overview

25th (Tuesday)

- Budget Workshop (if needed)

NOVEMBER

2nd (Wednesday)

- Preliminary Budget & Budget Message to City Council and City Clerk (official budget filing per RCW)

3rd (Tuesday) (Regular Council Meeting)

- Public Hearing – 2023 Property Tax Levy
- 1st Reading - Ordinance Adopting 2023 Property Tax Levy
- Public Hearing – 2023-2024 Budget Ordinance

8th and/or 22nd (Tuesday)

- Budget Workshop – if needed

15th (Tuesday) (Regular Council Meeting)

- 2023-2024 Preliminary Budget Presentation
- Public Hearing – 2023-2024 Budget Ordinance
- Ordinance Adopting 2023 Property Tax Levy
- 1st Reading – 2023-2024 Budget Ordinance

DECEMBER

6th (Tuesday) (Regular Council Meeting)

- Council Adoption of 2023-2024 Biennial Budget Ordinance



The budget, as adopted, constitutes the legal authority for expenditures. The City's budget is adopted at the fund level so that expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are allowed; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions or salary ranges must be approved by the City Council.

The budget is constantly monitored throughout the year to determine whether the city is spending more or less than its revenues. The City then makes adjustments to its spending in order to ensure that at the end of each year the budget is in balance.

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.

Explanation of Accounting Basis and Budgeting

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. The City uses 26 separate funds. 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.

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 (usually the interest rate earned through the Local Government Investment Pool). The General Fund can make transfers to other funds if money is available.



The following are the fund types used by the City of North Bend:

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 North Bend:

General Fund

This fund is the primary fund of the City of North Bend. 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, Fire, Parks and Recreation, Development Services, Legal, Judicial and Financial Services, and General Administration. Major revenue sources include taxes, fees, licenses and permits, and intergovernmental revenues (Federal, State and County).

Special Revenues Funds

These funds account for revenues that are legally restricted or designated to finance particular activities. The **Street Operations Fund** is a Special Revenue Fund. Gas taxes are collected into the Street Fund and must be used for the maintenance of our streets, sidewalks, and trails. Other Special Revenue funds include the **Capital Streets Fund, Streets Overlay Fund, Impact Fees & Mitigation Fund, Hotel/Motel Tax Fund, Economic Development Fund, Park Capital Improvement Fund, Parks Maintenance Reserve Fund, Development Projects (CED) Fund**, and the **Transportation Benefit District Fund**.

Debt Service Funds

These funds account for financial resources which are designated for the retirement of debt. The City's Debt Service Funds are the **2011 Fire Station Bond Redemption Fund, 2012 LTGO (TBD) Bond Redemption Fund, 2015 LTGO Refunding Bond Fund**, and the **2018 LTGO Bond Fund**.

Capital Projects Fund

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects (other than those financed by proprietary funds, special assessment funds, and trust funds). The City has a **Municipal Projects Fund** and a **Capital Improvement (REET) Fund**. A portion of the revenues received into the Capital Improvement fund (such as Real Estate Excise Taxes or REET) are restricted by law to be used for general capital improvements.



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

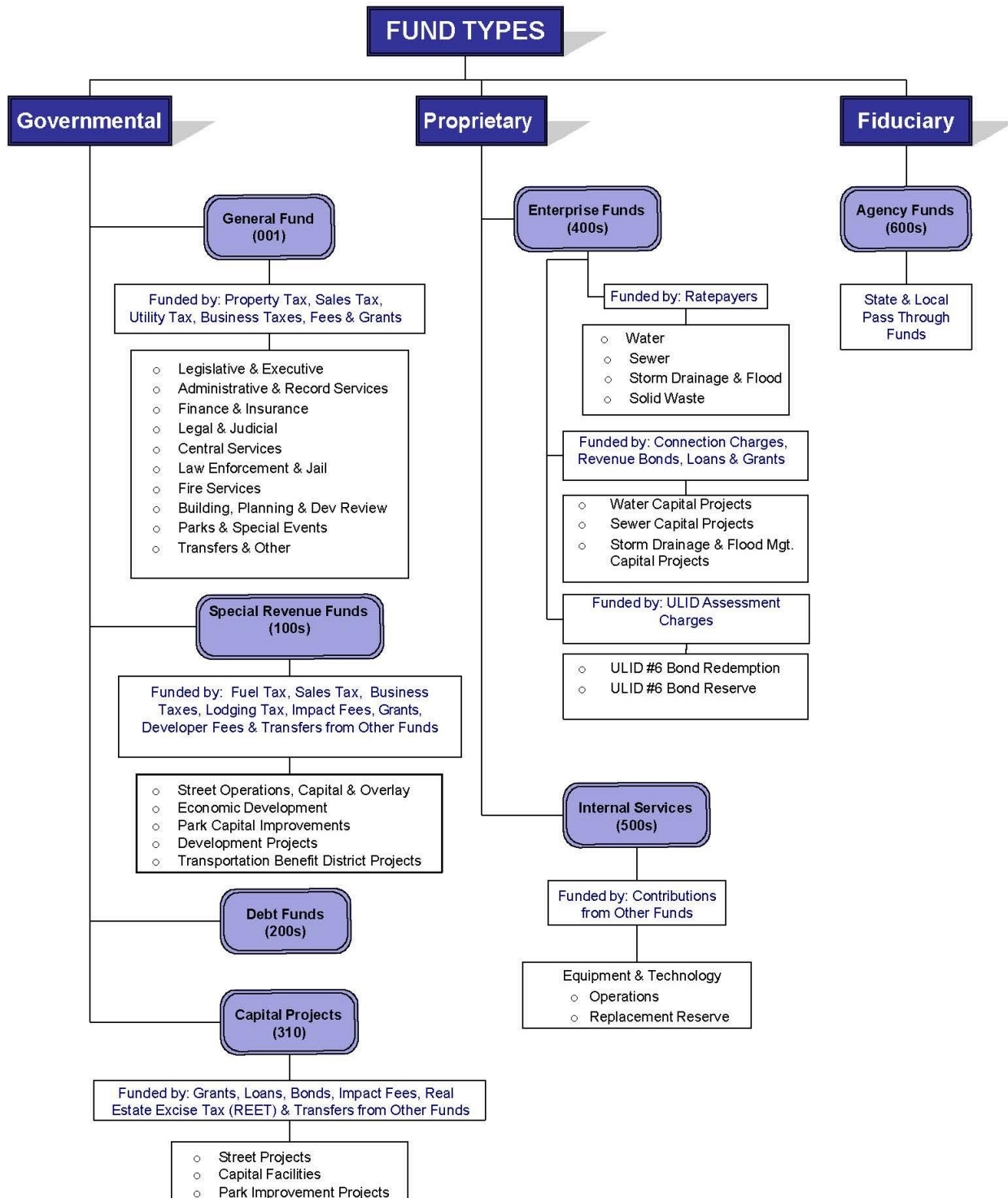
These funds account for operations that provide goods or services to the general public and are supported primarily by user charges. The **Water Utility Fund**, the **Sewer Utility Fund**, the **Storm Drainage & Flood Operations Fund**, the **Solid Waste & Recycling Operations Fund**, and the **ULID #6 Bond Redemption and Reserve Funds** are enterprise funds.

Internal Service Fund

These funds account for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis. This fund category includes the **Equipment & Technology Operations Fund** and the **Equipment & Technology Reserve Fund**. The Equipment Operations and Reserve Funds account for the cost of maintaining and replacing all City vehicles and heavy equipment. Each department is charged operating and maintenance fees as well as replacement rates for the use of these assets. The Technology Operations and Reserve Funds are used to protect the City's current and future investment in computer equipment. Each department is charged a rate that covers the cost of repair and maintenance, replacement, and operation of the City's technology infrastructure.

Trust and Agency Funds

Trust and Agency Funds account for activities where the City acts as the fiscal agent. The City has one fund in this category – the **Treasurers Trust Fund**. This fund is not budgeted as part of the City's general budget.





Basis of Accounting

The City's basic accounting structure, including its chart of accounts and account coding format, is mandated by the Washington State Auditor's Budgeting, Accounting and Reporting System (BARS), and is enforced by the Office of the State Auditor through biennial audits. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The City of North Bend 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

Biennial appropriated budgets are adopted for all funds. These funds are budgeted on the cash basis of accounting. The financial statements include budgetary comparisons for all funds. Budgets are adopted at the fund level that constitutes the legal authority for expenditures. Appropriations for all funds lapse at the biennial period end.

Budget Responsibility and Development Process

The City recognizes its ethical and fiduciary responsibility to its citizens to carefully account for public funds, wisely manage municipal finances, and plan adequate funding for the services and facilities desired and needed by the public.

Washington State law requires the City to adopt a balanced budget. Appropriations are therefore limited to the total estimated revenues for the upcoming biennium, plus any fund balance estimated to be available at the close of the 2018 fiscal year. In addition, State law requires that the Finance Director provide quarterly revenue and expenditure budget updates to the City Council. The financial and budgetary laws, policies and practices used to guide development of this budget are fully detailed in this Budget Overview and the Appendix.



2023 Budget Summary

EXHIBIT A-1 2023 ANNUAL BUDGET

City of North Bend
2023 Proposed Budget Summary

Fund	Fund Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General Fund	\$ 4,800,379	\$ 11,030,124	\$ 10,984,052	\$ 4,846,452
101	Street Operations Fund	\$ -	919,207	911,500	\$ 7,706
102	Capital Streets Fund	\$ -	431,483	419,915	\$ 11,568
103	Streets Overlay Fund	\$ 799,979	535,120	897,779	\$ 437,320
106	Impact Fees & Mitigation Fund	\$ 11,796,044	4,191,030	3,148,713	\$ 12,838,361
107	Hotel/Motel Tax Fund	\$ 55,861	15,000	-	\$ 70,861
108	Economic Development Fund	\$ -	255,400	246,571	\$ 8,829
116	Park Improvement Fund	\$ 427,135	162,403	325,000	\$ 264,539
117	Park Maintenance Reserve Fund	\$ 40,290	10,680	-	\$ 50,970
125	Development Projects Fund	\$ 651,195	500,000	248,560	\$ 902,635
130	ARPA Fiscal Recovery	\$ 1,759,057	-	846,000	\$ 913,057
190	Transportation Benefit District Fund	\$ 2,205,234	654,151	275,000	\$ 2,584,385
216	2011 Fire Station Bond Fund	\$ -	191,926	149,660	\$ 42,266
217	2012 LTGO (TBD) Bond Fund	\$ 2,569	-	-	\$ 2,569
218	2015 LTGO Bond Fund	\$ (0)	200,000	191,769	\$ 8,231
220	2018 LTGO Bond Fund	\$ -	246,000	245,350	\$ 650
310	Municipal Projects Fund	\$ 16,519	8,396,285	6,575,000	\$ 1,837,804
320	Capital Improvements (REET) Fund	\$ 4,292,799	1,857,360	621,000	\$ 5,529,159
401	Water Utility Fund	\$ 3,400,600	3,476,096	4,772,783	\$ 2,103,913
402	Sewer Utility Fund	\$ 25,353,548	5,529,288	15,478,116	\$ 15,404,720
404	Storm Drainage Utility Fund	\$ 2,591,354	1,054,357	1,589,929	\$ 2,055,783
404	Flood Operations Fund	\$ 475,701	203,056	349,999	\$ 328,758
405	Solid Waste & Recycling Fund	\$ 537,422	113,352	109,496	\$ 541,278
451	ULID #6 Bond Redemption Fund	\$ 1,526,540	871,923	923,552	\$ 1,474,912
452	ULID #6 Bond Reserve Fund	\$ -	-	-	\$ -
501	Equipment Operating Fund	\$ 50,000	378,042	329,134	\$ 98,908
501	Technology Operating Fund	\$ 50,000	426,710	449,374	\$ 27,336
502	Equipment Reserve Fund	\$ 1,600,132	110,540	610,000	\$ 1,100,672
502	Technology Reserve Fund	\$ 252,395	44,400	33,180	\$ 263,615
GRAND TOTAL:		\$ 62,684,754	\$ 41,803,933	\$ 50,731,432	\$ 53,757,255



2023 Resources by Category

2023 PROPOSED RESOURCES BY CATEGORY (ALL FUNDS)

FUND TITLE	Fund #	Beginning Balance	Taxes	Licenses & Permits	Intergovt. Revenues	Charges for Goods & Services	Fines & Penalties	Interest, Miscellaneous & Capital Contributions	Interfund Transfers In	Other Financing Sources & Increases in Resources	Total Budget
GENERAL FUND	001	\$ 4,800,379	\$ 8,469,881	\$ 613,539	\$ 286,008	\$ 397,226	\$ 68,822	\$ 38,000	\$ 1,156,648		\$ 15,830,503
SPECIAL REVENUE FUNDS											
Street Operations	101	-		12,792	193,722			12,693	700,000		\$ 919,207
Capital Streets	102	-			101,483				330,000		\$ 431,483
Streets Overlay	103	799,979							535,120		\$ 1,335,099
Impact Fees	106	11,796,044				4,159,532		31,498			\$ 15,987,074
Hotel/Motel Tax	107	55,861	15,000								\$ 70,861
Economic Development	108	-			10,400				245,000		\$ 255,400
Park Improvement	116	427,135			161,523			880			\$ 589,539
Park Maintenance Reserve	117	40,290						280	10,400		\$ 50,970
Development Projects	125	651,195				500,000					\$ 1,151,195
ARPA Fiscal Recovery	130	1,759,057									\$ 1,759,057
Transportation Benefit District	190	2,205,234	648,151					6,000			\$ 2,859,385
DEBT SERVICE FUNDS											
2011 UTGO Fire Station Bond	216	-	186,326					5,600			\$ 191,926
2012 LTGO (TBD) Bond Redem	217	2,569									\$ 2,569
2015 LTGO Bonds	218	(0)							200,000		\$ 200,000
2018 LTGO Bonds	220	-							246,000		\$ 246,000
CAPITAL FUNDS											
Municipal Capital Projects	310	16,519			2,794,169			3,741,495	1,860,621		\$ 8,412,804
Capital Improvements (REET)	320	4,292,799	1,600,000					257,360			\$ 6,150,159
ENTERPRISE FUNDS											
Water Utility	401	3,400,600				2,476,654		999,442			\$ 6,876,696
Sewer Utility	402	25,353,548				4,091,716		1,437,572			\$ 30,882,836
Storm Drainage Utility	404	2,591,354				772,524		281,833			\$ 3,645,711
Flood Operations	404	475,701		4,160		197,496		1,400			\$ 678,757
Solid Waste & Recycling	405	537,422	92,300		19,552			1,500			\$ 650,774
ULID #6 Bond Redemption	451	1,526,540						871,923			\$ 2,398,464
ULID #6 Bond Reserve	452	-									\$ -
INTERNAL SERVICE FUNDS											
Shop/Equipment Operating	501	50,000				378,042					\$ 428,042
Technology Operating	501	50,000				426,710					\$ 476,710
Equipment Reserve	502	1,600,132				106,980		3,560			\$ 1,710,672
Technology Reserve	502	252,395				43,553		847			\$ 296,795
GRAND TOTAL		\$ 62,684,754	\$ 11,011,658	\$ 630,491	\$ 3,566,858	\$ 13,550,432	\$ 68,822	\$ 7,691,883	\$ 5,283,789	\$ -	\$ 104,488,687



2023 Expenditures by Category

2023 PROPOSED EXPENDITURES CLASSIFICATION BY CATEGORIES (ALL FUNDS)											
FUND TITLE	Fund #	Personnel Costs	Supplies	Services & Charges	Capital Outlay	Debt Service	Interfund Transfers	Other Financing Uses	Ending Fund Balance	Total	Budget
General Fund	001										
Mayor & City Council		\$ 88,696	\$ -	\$ 11,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,456	
Administration & Finance		1,063,646	1,250	150,789	-	-	-	-	-	1,215,685	
Legal & Judicial		-	-	655,414	-	-	-	-	-	655,414	
Central Services			15,735	253,300	-	2,750	-	-	-	271,785	
Law Enforcement & Jail		-	263	3,059,663	238,901	-	-	-	-	3,298,827	
Fire Services & Emergency Mgmt		25,934	2,200	1,352,310	-	-	-	-	-	1,380,444	
Building, Planning & Dev Review		1,139,424	5,446	554,191	-	-	-	-	-	1,699,061	
Parks, Culture & Recreation		549,428	17,000	147,802	77,200	-	-	-	-	791,429	
Social & Human Services		-	-	249,000	-	-	-	-	-	249,000	
Other Expenditures & Transfers		-	18,000	245,432	18,019	-	1,040,500	-	-	1,321,951	
Ending Fund Balance		-	-	-	-	-	-	-	4,846,452	\$ -	
TOTAL GENERAL FUND		\$ 2,867,128	\$ 59,894	\$ 6,679,660	\$ 334,120	\$ 2,750	\$ 1,040,500	\$ -	\$ 4,846,452	\$ 15,830,503	
Special Revenue Funds											
Street Operations	101	500,743	17,250	213,918	75,000	315	102,774	1,500	7,706	\$ 919,207	
Capital Streets	102	64,405	-	207,875	-	-	147,635	-	11,568	\$ 431,483	
Street Overlay	103	-	-	-	491,781	-	405,998	-	437,320	\$ 1,335,099	
Impact Fees	106	-	-	1,865,010	-	-	1,283,703	-	12,838,361	\$ 15,987,074	
Hotel/Motel Tax	107	-	-	-	-	-	-	-	70,861	\$ 70,861	
Economic Development	108	208,365	500	37,706	-	-	-	-	8,829	\$ 255,400	
Park Improvement	116	-	-	-	275,000	-	50,000	-	264,539	\$ 589,539	
Park Maintenance Reserve	117	-	-	-	-	-	-	-	50,970	\$ 50,970	
Development Projects	125	-	-	-	-	-	248,560	-	902,635	\$ 1,151,195	
ARPA Fiscal Recovery	130	-	-	826,000	20,000	-	-	-	913,057	\$ 1,759,057	
Transportation Benefit District	190	-	-	-	-	-	-	275,000	2,584,385	\$ 2,859,385	
Debt Funds											
2011 UTGO Fire Station Bond	216	-	-	-	-	149,660	-	-	42,266	\$ 191,926	
2012 LTGO (TBD) Bond Redemp	217	-	-	-	-	-	-	-	2,569	\$ 2,569	
2015 LTGO Bonds	218	-	-	-	-	191,769	-	-	8,231	\$ 200,000	
2016 LTGO (LOC) Bonds	219	-	-	-	-	-	-	-	-	\$ -	
2018 LTGO Bonds	220	-	-	-	-	245,350	-	-	650	\$ 246,000	
CIP											
Municipal Capital Projects	310	-	-	-	6,575,000	-	-	-	1,837,804	\$ 8,412,804	
Capital Improvements	320	-	-	-	-	-	621,000	-	5,529,159	\$ 6,150,159	
Enterprise Funds											
Water	401	1,531,959	391,311	917,560	1,130,000	453,347	348,606	-	2,103,913	\$ 6,876,696	
Sewer	402	1,730,644	96,810	1,323,193	10,251,259	1,797,067	279,143	-	15,404,720	\$ 30,882,836	
Storm Drainage	404	541,674	2,730	210,965	550,000	98,364	186,196	-	2,055,783	\$ 3,645,711	
Flood	404	221,964	1,208	82,311	-	1,075	43,441	-	328,758	\$ 678,757	
Solid Waste	405	57,898	263	43,778	-	-	7,557	-	541,278	\$ 650,774	
ULID #6 Bond Rdmp.	451	-	-	-	-	923,552	-	-	1,474,912	\$ 2,398,464	
ULID #6 Bond Reserve	452	-	-	-	-	-	-	-	-	\$ -	
Internal											
Shop/Equipment Operating	501	184,500	57,356	61,958	-	290	25,029	-	98,908	\$ 428,042	
Technology Operating	501	210,197	15,630	198,517	-	-	25,029	-	27,336	\$ 476,710	
Equipment Reserve	502	-	-	-	610,000	-	-	-	1,100,672	\$ 1,710,672	
Technology Reserve	502	-	-	-	-	-	33,180	-	263,615	\$ 296,795	
T											
Treasurers Trust	635	-	-	-	-	-	-	-	-	\$ -	
TBD											
Transportation Benefit District	690	-	-	-	-	-	-	-	-	\$ -	
GRAND TOTAL ALL FUNDS		\$ 8,119,478	\$ 642,951	\$ 12,668,452	\$ 20,312,160	\$ 3,863,539	\$ 4,848,352	\$ 276,500	\$ 53,757,255	\$ 104,488,687	



2024 Budget Summary



2024 ANNUAL BUDGET

City of North Bend 2024 Proposed Budget Summary

Fund	Fund Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General Fund	\$ 4,846,452	\$ 11,252,634	\$ 11,427,540	\$ 4,671,545
101	Street Operations Fund	\$ 7,706	951,725	957,075	\$ 2,356
102	Capital Streets Fund	\$ 11,568	365,793	226,589	\$ 150,772
103	Streets Overlay Fund	\$ 437,320	548,775	918,918	\$ 67,177
106	Impact Fees & Mitigation Fund	\$ 12,838,361	4,358,671	3,043,649	\$ 14,153,384
107	Hotel/Motel Tax Fund	\$ 70,861	15,600	-	\$ 86,461
108	Economic Development Fund	\$ 8,829	268,066	258,421	\$ 18,474
116	Park Improvement Fund	\$ 264,539	168,900	-	\$ 433,438
117	Park Maintenance Reserve Fund	\$ 50,970	11,107	-	\$ 62,077
125	Development Projects Fund	\$ 902,635	520,000	258,502	\$ 1,164,132
130	ARPA Fiscal Recovery	\$ 913,057	-	700,000	\$ 213,057
190	Transportation Benefit District Fund	\$ 2,584,385	680,317	275,000	\$ 2,989,702
216	2011 Fire Station Bond Fund	\$ 42,266	199,603	149,660	\$ 92,210
217	2012 LTGO (TBD) Bond Fund	\$ 2,569	-		\$ 2,569
218	2015 LTGO Bond Fund	\$ 8,231	202,500	191,769	\$ 18,962
219	2016 LTGO (LOC) Bond Fund	\$ -	-		\$ -
220	2018 LTGO Bond Fund	\$ 650	246,000	245,350	\$ 1,300
310	Municipal Projects Fund	\$ 1,837,804	11,169,094	10,275,000	\$ 2,731,898
320	Capital Improvements (REET) Fund	\$ 5,529,159	1,567,654	546,000	\$ 6,550,814
401	Water Utility Fund	\$ 2,103,913	4,270,803	5,141,436	\$ 1,233,280
402	Sewer Utility Fund	\$ 15,404,720	5,807,999	6,898,929	\$ 14,313,790
404	Storm Drainage Utility Fund	\$ 2,055,783	3,059,719	3,489,863	\$ 1,625,639
404	Flood Operations Fund	\$ 328,758	214,141	366,264	\$ 176,634
405	Solid Waste & Recycling Fund	\$ 541,278	117,886	114,895	\$ 544,269
451	ULID #6 Bond Redemption Fund	\$ 1,474,912	906,800	969,730	\$ 1,411,982
452	ULID #6 Bond Reserve Fund	\$ -	-	-	\$ -
501	Equipment Operating Fund	\$ 98,908	396,944	345,340	\$ 150,512
501	Technology Operating Fund	\$ 27,336	448,046	470,842	\$ 4,540
502	Equipment Reserve Fund	\$ 1,100,672	116,031	-	\$ 1,216,703
502	Technology Reserve Fund	\$ 263,615	46,611	34,839	\$ 275,387
GRAND TOTAL:		\$ 53,757,255	\$ 47,911,420	\$ 47,305,612	\$ 54,363,063



2024 Resources by Category

2024 PROPOSED RESOURCES BY CATEGORY (ALL FUNDS)

FUND TITLE	Fund #	Beginning Balance	Taxes	Licenses & Permits	Intergovt. Revenues	Charges for Goods & Services	Fines & Penalties	Interest, Miscellaneous & Capital Contributions	Interfund Transfers In	Other Financing Sources & Increases in Resources	Total Budget
GENERAL FUND	001	\$ 4,846,452	\$ 8,808,676	\$ 638,080	\$ 157,049	\$ 413,115	\$ 71,575	\$ 39,520	\$ 1,124,619		\$ 16,099,086
SPECIAL REVENUE FUNDS											
Street Operations	101	7,706	13,304		201,471			13,200	723,750		\$ 959,431
Capital Streets	102	11,568				105,543			260,250		\$ 377,360
Streets Overlay	103	437,320							548,775		\$ 986,095
Impact Fees	106	12,838,361				4,325,913		32,758			\$ 17,197,032
Hotel/Motel Tax	107	70,861	15,600								\$ 86,461
Economic Development	108	8,829			10,816				257,250		\$ 276,895
Park Improvement	116	264,539			167,984			915			\$ 433,438
Park Maintenance Reserve	117	50,970						291	10,816		\$ 62,077
Development Projects	125	902,635				520,000					\$ 1,422,635
ARPA Fiscal Recovery	130	913,057									\$ 913,057
Transportation Benefit District	190	2,584,385	674,077					6,240			\$ 3,264,702
DEBT SERVICE FUNDS											
2011 UTGO Fire Station Bond	216	\$ 42,266	193,779					5,824			\$ 241,870
2012 LTGO (TBD) Bond Redem	217	\$ 2,569									\$ 2,569
2015 LTGO Bonds	218	\$ 8,231							202,500		\$ 210,731
2016 LTGO (LOC) Bonds	219	\$ -									\$ -
2018 LTGO Bonds	220	\$ 650							246,000		\$ 246,650
CAPITAL FUNDS											
Municipal Capital Projects	310	\$ 1,837,804			\$2,073,935.55			7,885,305	1,209,854		\$ 13,006,898
Capital Improvements (REET)	320	\$ 5,529,159	1,300,000					267,654			\$ 7,096,814
ENTERPRISE FUNDS											
Water Utility	401	2,103,913				2,610,883		1,659,920			\$ 6,374,716
Sewer Utility	402	15,404,720				4,312,924		1,495,075			\$ 21,212,719
Storm Drainage Utility	404	2,055,783				815,013		2,244,707			\$ 5,115,502
Flood Operations	404	328,758		4,326		208,358		1,456			\$ 542,899
Solid Waste & Recycling	405	541,278		95,992	20,334			1,560			\$ 659,164
ULID #6 Bond Redemption	451	1,474,912						906,800			\$ 2,381,712
ULID #6 Bond Reserve	452	-									\$ -
INTERNAL SERVICE FUNDS											
Shop/Equipment Operating	501	98,908				396,944					\$ 495,852
Technology Operating	501	27,336				448,046					\$ 475,382
Equipment Reserve	502	1,100,672				112,329		3,702			\$ 1,216,703
Technology Reserve	502	263,615				45,731		880			\$ 310,226
GRAND TOTAL		\$ 53,757,255	\$11,005,436	\$ 738,399	\$ 2,631,589	\$14,314,798	\$ 71,575	\$14,565,809	\$4,583,814	\$ -	\$101,668,675

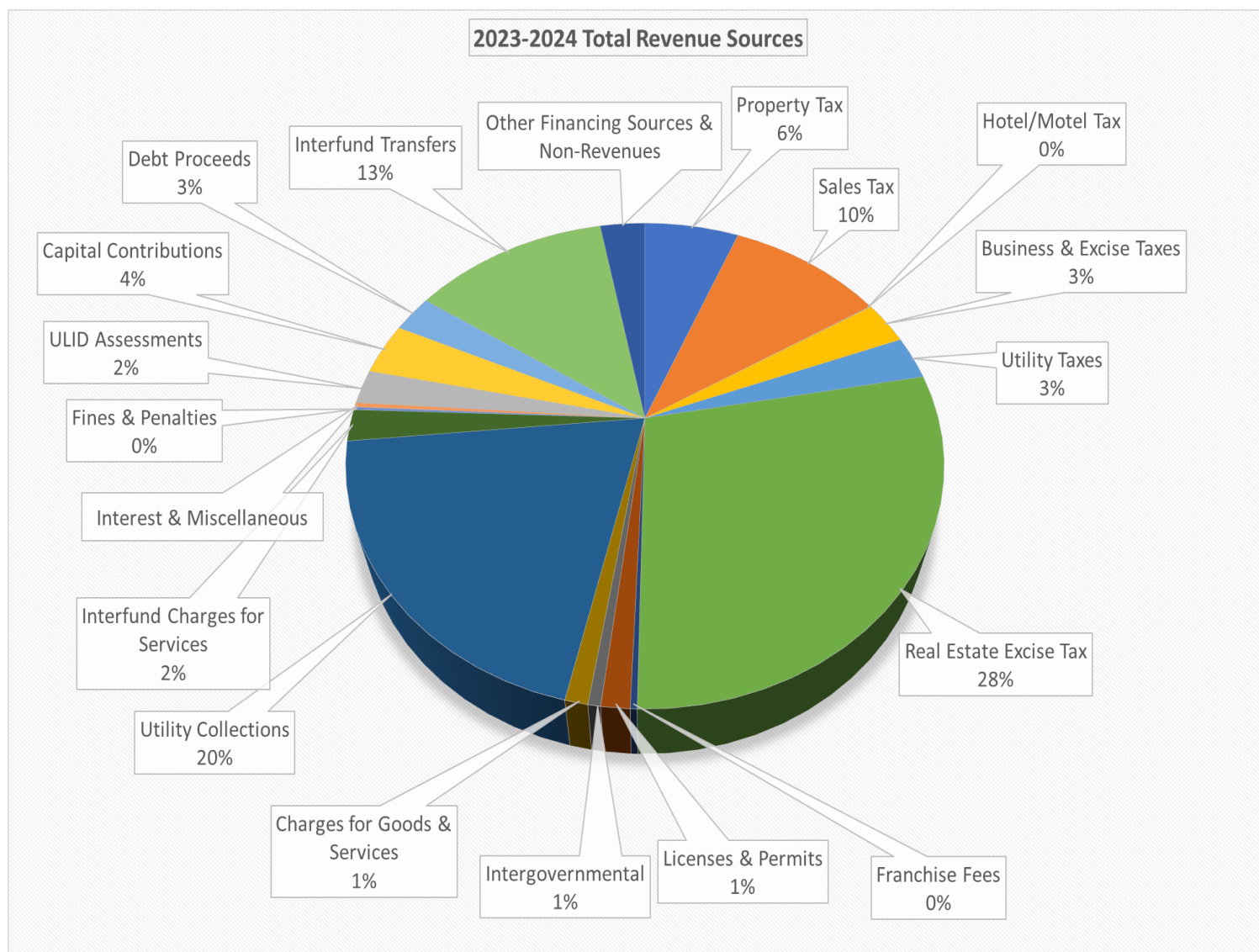


2024 Expenditures by Category

2024 PROPOSED EXPENDITURES CLASSIFICATION BY CATEGORIES (ALL FUNDS)										
FUND TITLE	Fund #	Personnel Costs	Supplies	Services & Charges	Capital Outlay	Debt Service	Interfund Transfers	Other Financing Uses	Ending Fund Balance	Total Budget
General Fund	001									
Mayor & City Council		\$ 93,131	\$ -	\$ 12,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,479
Administration & Finance		1,116,828	1,313	124,229	-	-	-	-	-	\$ 1,242,369
Legal & Judicial		-	-	688,185	-	-	-	-	-	\$ 688,185
Central Services			16,522	265,965	-	2,888	-	-	-	\$ 285,374
Law Enforcement & Jail		-	276	3,215,686	250,846	-	-	-	-	\$ 3,466,808
Fire Services & Emergency Mgmt		27,230	2,235	1,418,390	-	-	-	-	-	\$ 1,447,856
Building, Planning & Dev Review		1,196,395	4,879	524,416	-	-	-	-	-	\$ 1,725,690
Parks, Culture & Recreation		577,424	17,325	152,922	81,060	-	-	-	-	\$ 828,731
Social & Human Services		-	-	249,000	-	-	-	-	-	\$ 249,000
Other Expenditures & Transfers		-	18,900	257,704	18,920	-	1,092,525	-	-	\$ 1,388,049
Ending Fund Balance		-	-	-	-	-	-	-	4,671,545	\$ 4,671,545
TOTAL GENERAL FUND		\$ 3,011,009	\$ 61,448	\$ 6,908,844	\$ 350,826	\$ 2,888	\$ 1,092,525	\$ -	\$ 4,671,545	\$ 16,099,086
Special Revenue Funds										
Street Operations	101	525,780	18,113	224,614	78,750	331	107,913	1,575	2,356	\$ 959,431
Capital Streets	102	67,626	-	8,269	-	-	150,694	-	150,772	\$ 377,360
Street Overlay	103	-	-	-	492,620	-	426,298	-	67,177	\$ 986,095
Impact Fees	106	-	-	1,958,261	-	-	1,085,388	-	14,153,384	\$ 17,197,032
Hotel/Motel Tax	107	-	-	-	-	-	-	-	86,461	\$ 86,461
Economic Development	108	218,783	500	39,138	-	-	-	-	18,474	\$ 276,895
Park Improvement	116	-	-	-	-	-	-	-	433,438	\$ 433,438
Park Maintenance Reserve	117	-	-	-	-	-	-	-	62,077	\$ 62,077
Development Projects	125	-	-	-	-	-	258,502	-	1,164,132	\$ 1,422,635
ARPA Fiscal Recovery	130	-	-	700,000	-	-	-	-	213,057	\$ 913,057
Transportation Benefit District	190	-	-	-	-	-	275,000	-	2,989,702	\$ 3,264,702
Debt Funds										
2011 UTGO Fire Station Bond	216	-	-	-	-	149,660	-	-	92,210	\$ 241,870
2012 LTGO (TBD) Bond Redemp	217	-	-	-	-	-	-	-	2,569	\$ 2,569
2015 LTGO Bonds	218	-	-	-	-	191,769	-	-	18,962	\$ 210,731
2018 LTGO Bonds	220	-	-	-	-	245,350	-	-	1,300	\$ 246,650
CIP										
Municipal Capital Projects	310	-	-	-	10,275,000	-	-	-	2,731,898	\$ 13,006,898
Capital Improvements	320	-	-	-	-	-	546,000	-	6,550,814	\$ 7,096,814
Enterprise Funds										
Water	401	1,608,557	242,561	1,124,253	1,331,500	476,015	358,551	-	1,233,280	\$ 6,374,716
Sewer	402	1,817,176	101,651	1,389,373	1,416,500	1,886,920	287,309	-	14,313,790	\$ 21,212,719
Storm Drainage	404	568,758	2,867	220,292	2,400,000	104,503	193,444	-	1,625,639	\$ 5,115,502
Flood	404	233,062	1,268	86,427	-	1,129	44,378	-	176,634	\$ 542,899
Solid Waste	405	60,793	276	45,967	-	-	7,859	-	544,269	\$ 659,164
ULID #6 Bond Rdmt.	451	-	-	-	-	969,730	-	-	1,411,982	\$ 2,381,712
ULID #6 Bond Reserve	452	-	-	-	-	-	-	-	-	\$ -
Internal										
Shop/Equipment Operating	501	193,725	60,224	65,056	-	305	26,031	-	150,512	\$ 495,852
Technology Operating	501	220,707	15,662	25,257	183,186	-	26,031	-	4,540	\$ 475,382
Equipment Reserve	502	-	-	-	-	-	-	-	1,216,703	\$ 1,216,703
Technology Reserve	502	-	-	-	-	-	34,839	-	275,387	\$ 310,226
GRAND TOTAL ALL FUNDS		\$ 8,525,977	\$ 504,568	\$ 12,795,750	\$ 16,528,382	\$ 4,028,598	\$ 4,920,762	\$ 1,575	\$ 54,363,063	\$ 101,668,675



CITYWIDE REVENUE SOURCES





City of North Bend
Revenue Summary by Fund

		2019		2020		2021		2022		2023		2024
		Actual		Actual		Actual		Modified		Proposed		Proposed
001	General Fund	\$ 12,522,988	\$	11,672,494	\$	10,433,813	\$	10,887,270	\$	11,030,124	\$	11,252,634
101	Street Operations Fund	794,841		764,764		854,318		980,968		919,207		951,725
102	Capital Streets Fund	271,396		282,653		225,926		478,356		431,483		365,793
103	Streets Overlay Fund	751,819		896,724		378,189		416,737		535,120		548,775
106	Impact Fees & Mitigation Fund	5,352,173		8,041,694		5,383,353		4,858,607		4,191,030		4,358,671
107	Hotel/Motel Tax Fund	15,813		15,325		20,378		20,378		15,000		15,600
108	Economic Development Fund	198,636		134,034		199,678		238,058		255,400		268,066
116	Park Improvement Fund	333,172		234,272		137,963		148,811		162,403		168,900
117	Park Maintenance Reserve Fund	10,014		20,108		10,021		10,021		10,680		11,107
125	Development Projects Fund	1,909,750		1,471,093		915,086		1,060,151		500,000		520,000
130	ARPA Fiscal Recovery Fund	-		-		1,037,070		2,049,179		-		-
190	Transportation Benefit District Fund	1,980,599		2,093,406		747,932		647,167		654,151		680,317
216	2011 Fire Station Bond Fund	367,838		368,285		588,865		185,362		191,926		199,603
217	2012 LTGO (TBD) Bond Fund	147,225		148,850		150,761		2,569		-		-
218	2015 LTGO Bond Fund	189,661		196,124		191,502		191,769		200,000		202,500
219	2016 LTGO (LOC) Bond Fund	700,282		-		-		-		-		-
220	2018 LTGO Bond Fund	247,142		248,100		249,300		245,500		246,000		246,000
310	Municipal Projects Fund	7,290,751		2,278,229		1,293,168		8,444,732		8,396,285		11,169,094
320	Capital Improvements (REET) Fund	2,878,267		3,340,859		1,620,611		1,341,772		1,857,360		1,567,654
401	Water Utility Fund	5,589,762		5,128,676		2,733,045		5,051,408		3,476,096		4,270,803
402	Sewer Utility Fund	18,631,864		17,829,274		31,706,461		19,937,418		5,529,288		5,807,999
404	Storm Drainage Utility Fund	2,498,565		2,096,410		1,431,395		1,434,566		1,054,357		3,059,719
404-100	Flood Operations Fund	767,527		750,082		720,651		247,426		203,056		214,141
405	Solid Waste & Recycling Fund	471,413		521,934		119,138		121,482		113,352		117,886
451	ULID #6 Bond Redemption Fund	5,798,850		2,551,947		1,033,754		856,719		871,923		906,800
452	ULID #6 Bond Reserve Fund	1,414,496		1,425,144		666		-		-		-
501	Equipment Operating Fund	242,160		217,778		258,702		292,189		378,042		396,944
501-100	Technology Operating Fund	151,475		146,714		170,833		222,593		426,710		448,046
502	Equipment Reserve Fund	1,074,218		1,196,884		(72,125)		208,259		110,540		116,031
502-100	Technology Reserve Fund	258,145		268,953		286,635		73,229		44,400		46,611
CITY TOTAL		\$ 72,860,843	\$	64,340,810	\$	62,827,088	\$	61,658,226	\$	41,803,933	\$	47,911,420



City of North Bend
Expenditure Summary by Fund

		2019 Actual	2020 Actual	2021 Actual	2022 Modified	2023 Proposed	2024 Proposed
001	General Fund	\$ 10,344,913	\$ 8,436,544	\$ 8,806,745	\$ 11,162,698	\$ 10,984,052	\$ 11,427,540
101	Street Operations Fund	794,841	764,764	854,318	980,968	911,500	957,075
102	Capital Streets Fund	176,861	201,241	256,903	460,539	419,915	226,589
103	Streets Overlay Fund	238,820	163,674	280,564	901,049	897,779	918,918
106	Impact Fees & Mitigation Fund	1,418,930	2,154,692	2,598,703	3,643,665	3,148,713	3,043,649
107	Hotel/Motel Tax Fund	15,000	-	-	-	-	-
108	Economic Development Fund	198,636	134,034	199,678	238,058	246,571	258,421
116	Park Improvement Fund	240,036	45,756	16,828	135,401	325,000	-
125	Development Projects Fund	1,440,123	893,277	850,665	970,230	248,560	258,502
130	ARPA Fiscal Recovery Fund	-	-	22,937	2,050,191	846,000	700,000
190	Transportation Benefit District Fund	522,984	336,576	535,758	921,257	275,000	275,000
216	2011 Fire Station Bond Fund	177,775	178,575	769,831	150,160	149,660	149,660
217	2012 LTGO (TBD) Bond Fund	147,225	148,850	148,192	2,569	-	-
218	2015 LTGO Bond Fund	189,661	196,124	191,502	191,769	191,769	191,769
219	2016 LTGO (LOC) Bond Fund	700,282	-	-	-	-	-
220	2018 LTGO Bond Fund	247,142	248,100	249,300	245,500	245,350	245,350
310	Municipal Projects Fund	6,999,702	1,748,585	1,273,588	8,291,247	6,575,000	10,275,000
320	Capital Improvements (REET) Fund	695,167	522,208	499,870	1,546,377	621,000	546,000
401	Water Utility Fund	3,146,043	2,570,532	2,736,171	5,413,995	4,772,783	5,141,436
402	Sewer Utility Fund	7,010,340	8,188,337	8,022,791	27,478,318	15,478,116	6,898,929
404	Storm Drainage Utility Fund	1,725,455	734,415	1,043,464	1,575,039	1,589,929	3,489,863
404-100	Flood Operations Fund	206,066	221,819	223,062	282,326	349,999	366,264
405	Solid Waste & Recycling Fund	63,657	76,881	66,878	86,834	109,496	114,895
451	ULID #6 Bond Redemption Fund	4,837,126	1,693,187	1,147,410	938,552	923,552	969,730
452	ULID #6 Bond Reserve Fund	-	521,695	904,116	-	-	-
501	Equipment Operating Fund	242,160	217,778	259,489	292,189	329,134	345,340
501-100	Technology Operating Fund	151,475	145,927	170,833	222,593	449,374	470,842
502	Equipment Reserve Fund	-	138,054	104,673	46,000	610,000	-
502-100	Technology Reserve Fund	18,036	1,846	5,275	31,600	33,180	34,839
CITY TOTAL		\$ 41,948,455	\$ 30,683,471	\$ 33,107,035	\$ 68,299,253	\$ 50,731,432	\$ 47,305,612



General Fund Summary

General Fund Department Descriptions

MAYOR & CITY COUNCIL

The Mayor and City Council are the elected officials providing oversight for the City organization. North Bend operates under a Mayor-Council form of government.

The Mayor is the Chief Executive Officer of the City and is responsible for supervising municipal operations. The Mayor is directly elected by popular vote of the citizens of North Bend for a four-year term. The Mayor recommends the City's budget, hires and removes appointed officials, has general oversight of City employees, chairs all regular City Council meetings, participates in regional organizations, and ensures timely enforcement of all ordinances, contracts, and franchises. The Mayor makes regular reports on operational performance and issues to the City Council. The Mayor's budget is embedded in the Legislative (City Council) budget.

The Legislative branch, or City Council, is made up of seven Councilmembers who are elected at-large by the citizens of North Bend for a four-year term. The City Council serves as the City's policy makers. They approve the City's budget, authorize Interlocal agreements, contracts, ordinances and resolutions, adopt personnel policies and compensation plans, serve on Council and regional committees, and provide effective elective representation to the citizens. The laws of the City can only be adopted or amended by action of the City Council. The City Council engages citizen input and participation on City business.

ADMINISTRATION

The City Administrator functions under the authority of the Mayor and provides professional management for the municipal organization. The City Administrator is the Chief Administrative Officer and directs the administration of city government, providing operational leadership, supervision of City employees, customer service and response, media liaison, staff support to the Mayor and City Council, and implementation of City Council policies, goals and priorities.

The Administration department includes City Clerk and Record Services, Human Resources, Public Information, and Risk Management functions.

LEGAL & JUDICIAL

The Legal Services function is a hybrid of in-house and contract services. Kenyon Disend, an experienced law firm, well versed in municipal law issues, provides support in specialized areas such as land use planning, personnel and labor relations, legislative analysis, and representing the City in litigation. The City also employs a part-time City Attorney who provides general legal services working in conjunction with Kenyon Disend.



The City contracts with the City of Issaquah for municipal court services and King County for district court. These contracts provide court services for citations, infractions, misdemeanors, and domestic violence cases. They also provide judges and staff, issue warrants on the City's behalf, and provide probation services on the City's behalf.

FINANCE

The Finance Department is responsible for ensuring the sound financial management of all City operations, the safekeeping of City assets, Biennial Budget development, debt administration, and the management of the City's information systems. This department provides financial data and analytical support to other City departments, prepares the Annual Financial report, and maintains the financial software system. Finance is also responsible for cash management, utility billing, payroll, accounts payable, purchasing, business licenses, business & occupation taxes, investments, grant management, capital projects accounting, developer deposits, and fixed assets tracking.

CENTRAL SERVICES

Central Services is responsible for the procurement of central office supplies, copier services, postage operations, and city-wide phone services. This department also oversees janitorial services and general facilities repair and maintenance.

LAW ENFORCEMENT

The City contracts with the City of Snoqualmie for police services. In addition to interactions with victims and perpetrators of crime, the Police Department builds collaborative relationships with the City's citizens, businesses and schools. Police activities include general patrol, responding to calls for service, criminal investigations, and traffic enforcement. The Police work to reduce crime through proactive policing efforts and educational outreach.

FIRE & EMERGENCY MEDICAL SERVICES

Eastside Fire & Rescue (EFR) provides fire and emergency medical services to the City of North Bend. EFR provides fire suppression, rescue service, hazardous materials response, fire code enforcement, fire building plan review, and public education.

Emergency Management is responsible for activities related to the preparation for, response to, and recovery from disasters. The Public Works Director serves as the City's Emergency Manager.

BUILDING

The Building Department regulates building and associated construction activities to protect public health, safety and welfare pursuant to uniform construction codes adopted by the State of Washington (RCW 19.27) in addition to local codes governing land use and code enforcement (NBMC 20.10). This division provides support to citizens, contractors, other City departments, and county and state agencies throughout project development, construction, completion, occupancy permits and code enforcement.

PLANNING

The Planning Department prepares and administers plans, policies and regulations pursuant to authority in Federal and State laws to protect public health, safety and welfare. Primary state laws governing



planning include the Growth Management Act (RCW 36.70A), the Shoreline Management Act (RCW 90.58) and the platting requirements in RCW 58.17. This division prepares and administers the City's Comprehensive Plan and Land Use Code, provides planning staff support to other City departments and the Planning Commission, and coordinates with county, regional and state agencies.

PARKS

The Parks Department is responsible for the operations, maintenance and stewardship of many City owned parks, park buildings, irrigation systems, walkways, paths and play areas. The City has over 795 acres of parks and open space property, including E.J. Roberts, Torguson Park, Tollgate Farm, Tanner Trail, and Meadowbrook Farm.

DEVELOPMENT REVIEW

The Development Review Department is responsible for the oversight of City capital improvement projects and new privately constructed City infrastructure. The department provides updates to City plans and systems, manages construction and service contracts, and assists with development review of projects.

LAND & BUILDING MANAGEMENT

Land & Building Management centralizes land purchases made by the General Fund. It also accounts for improvements, assessments and other charges made on the land.

SOCIAL & HUMAN SERVICES

Each year the North Bend City Council appropriates funds in support of social service agencies. The Council establishes funding levels during the budget cycle. Many of these funds go to local organizations established to meet the needs of the community. Other funds support treatment activities. Human services are defined as services that assist individuals in meeting their basic needs: food, shelter, clothing, medical assistance and safety from abuse. North Bend also contributes to several community organizations that enrich the City and its quality of life.

RECREATION & SPECIAL EVENTS

Recreation & Special Events oversees seasonal community events including the Downtown Block Party and the Holiday Festival. They also actively collaborate with other community organizations and businesses to provide quality recreation and special events for North Bend residents and oversee downtown beautification efforts.

NON-DEPARTMENTAL

Non-Departmental includes expenditures that are not attributed to any one City department or division within the General Fund. Non-departmental operating expenses include citywide memberships, election services, animal control services, AWC-RMSA insurance, legal advertising, municipal code publishing and the City's wellness program.



OPERATING TRANSFERS

In addition to supporting the expenses incurred by City departments, the General Fund also supports activities of other City funds. This support occurs through operating transfers to other funds, primarily to Street Funds and the Economic Development Fund.

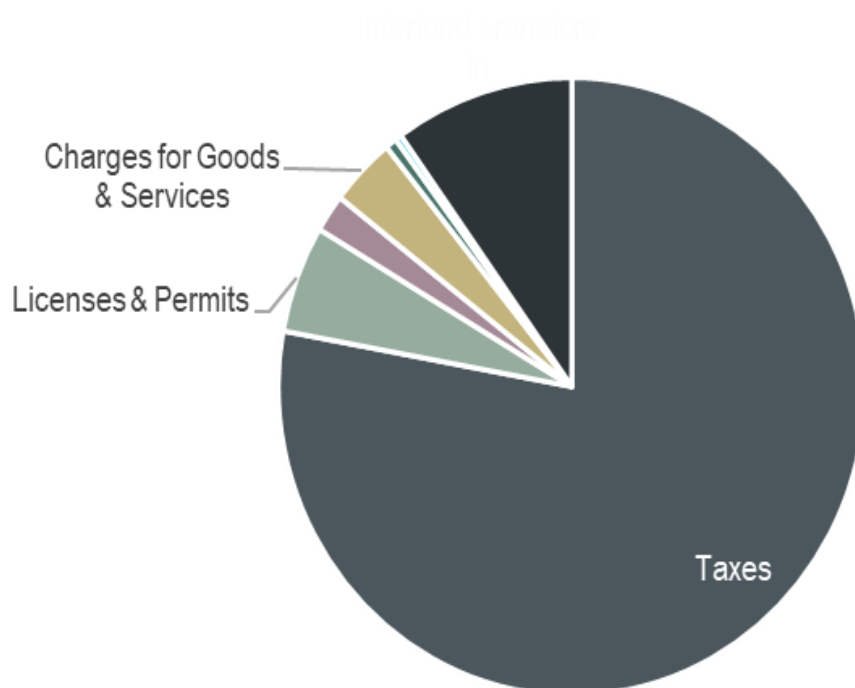
The General Fund is used to account for all financial resources and transactions except for those that must be accounted for in other funds such as debt service, capital, enterprise, and internal service funds. The General Fund generates much of its revenue from taxes and state and local shared revenue. This revenue is used to provide general government services, including police and fire protection, planning and community development, engineering, finance, parks, human services, special events, administration, and facility maintenance. It also transfers resources to other funds for support of streets, economic development, and other projects as needed.

On the following pages, you will find General Fund revenue sources and a summary of General Fund expenditures.



General Fund Revenue Sources

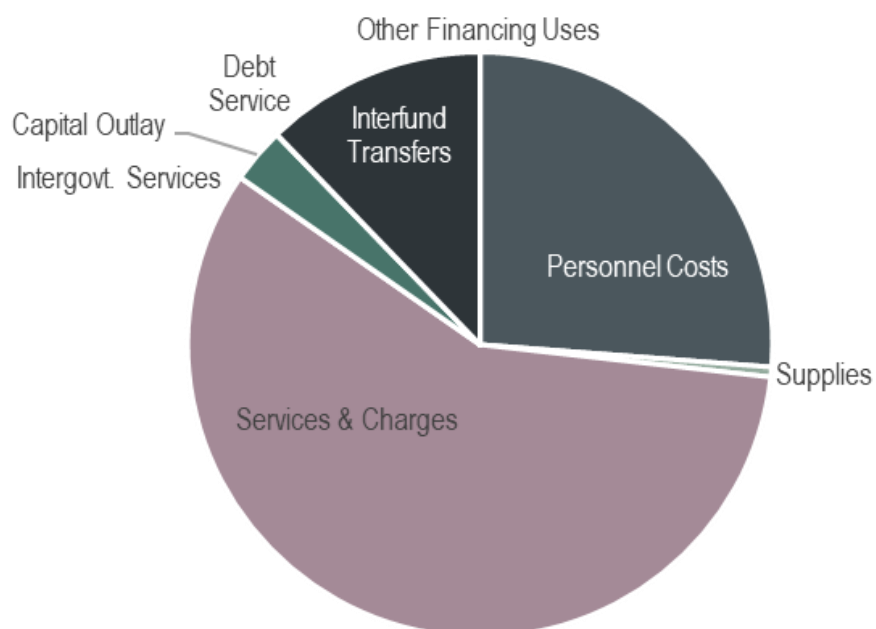
2023-2024 Sources
\$22.283M





General Fund Expenditure Summary

2023-2024 Uses
\$22.412M

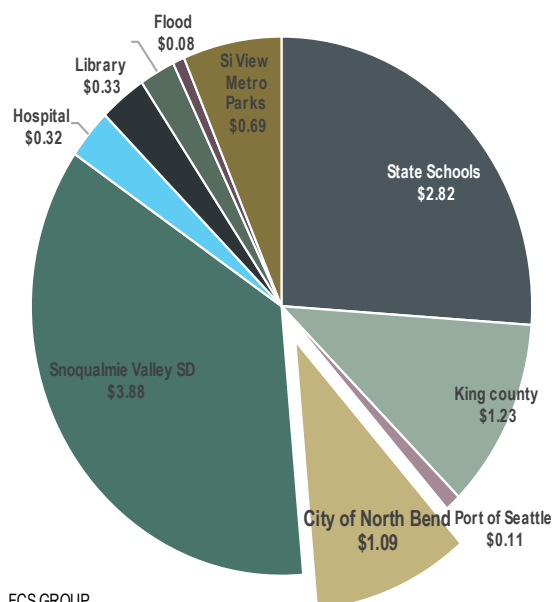




2022 North Bend Property Tax Distribution

Total 2022 Property Tax Levy

Total Property Tax Levy Rate: \$10.80 / \$1000AV



**Property Tax burden on a
\$750,000 home:**

Total: \$8,100 / yr

**City of North Bend:
\$818 / yr (or 10%)**

Consolidated levy includes:
-State schools
-King County
-Port of Seattle

FCS GROUP

Source: King County Assessments

Slide 6



2023 Salary Ranges

Position Title	Monthly Salary Range		FTEs
	Low	High	
Mayor and Council			
Mayor	4,000	N/A	1 Elected
Council Member	550	N/A	7 Elected
Management (Exempt)			
City Administrator	14,116	17,501	1.00
Deputy City Administrator	12,987	16,081	1.00
City Attorney	12,647	15,752	0.00
Community & Economic Development Director	11,858	15,244	1.00
Finance Director	11,858	15,244	1.00
Public Works Director	11,858	15,244	1.00
Administrative Services Director	10,336	14,116	1.00
Deputy Public Works Director	10,336	14,116	1.00
IT Manager	10,336	14,116	1.00
City Engineer	10,271	13,154	1.00
Capital Projects/Grants Manager	9,661	12,798	1.00
PW Operations Manager	9,007	10,442	0.00
Building Official	8,807	11,286	1.00
Deputy Finance Director	8,807	11,286	0.00
Development Review Manager	8,370	11,124	0.00
PW Project Manager	8,370	11,124	1.00
SCADA Supervisor	8,273	10,606	1.00
Wastewater Treatment Plant Manager	8,273	10,606	1.00
Water Operations Manager	8,273	10,606	1.00
Economic Development Manager	8,051	10,114	1.00
City Clerk	7,976	10,071	1.00
Accounting Operations Manager	7,733	9,823	1.00
Communications Manager/PIO	7,123	9,364	1.00
Senior Financial Analyst	7,112	9,034	0.00
HR Assistant/Emergency Management Coordinator	6,286	8,176	1.00
Public Works Bargaining Unit			
Senior Lead Technician	7,403	9,007	1.00
Lead Parks Technician	6,627	8,062	0.00
Lead Streets Technician	6,627	8,062	1.00
Lead Water System Operator	6,627	8,062	1.00
Lead WWTP Operator	6,627	8,062	1.00
Wastewater Treatment Plant Operator II	6,274	7,633	0.00
Water System Operator	6,168	7,504	3.00
Mechanic	6,016	7,319	1.00
Wastewater Treatment Plant Operator I	5,835	7,099	4.00
Maintenance Worker	5,624	6,842	6.00
Wastewater Treatment Plant Operator-in-Training	5,424	6,599	0.00
Maintenance Worker - Entry	5,435		0.00
Maintenance (Seasonal)	\$15.65/hr	\$19.44/hr	
Professional, Technical, Clerical Bargaining Unit			
Principal Planner	8,230	10,012	1.00
Senior Planner	7,873	9,579	2.00
Senior Long Range Planner/2-year term	7,873	9,579	0.00
Senior GIS Analyst	7,130	9,743	1.00
PW Contract Specialist / Office Coordinator	6,800	7,800	1.00
GIS Analyst	6,638	8,340	0.00
Building Inspector	6,734	8,193	1.00
Public Works Infrastructure Inspector	6,734	8,193	1.00
Associate Planner	6,663	8,106	0.00
Long Range Planner/2-year term	6,663	8,106	0.00
Mapping CAD Technician	6,501	7,909	0.00
Staff Accountant	6,397	7,784	2.00
Deputy City Clerk	6,396	7,781	1.00
Records Coordinator	6,231	7,581	0.00
Special Events & Visitor Information Coordinator	6,130	7,458	0.00
Payroll Officer	6,079	7,397	0.00
Office Coordinator / Permit Technician	5,769	7,020	1.00
Permit Tech / Planning Assistant	5,769	7,020	1.00
Public Works Office Coordinator	5,769	7,020	0.00
Accounting Assistant II	5,662	6,889	0.00
Business License & Tax Coordinator	5,662	6,889	0.00
Utilities Coordinator	5,662	6,889	1.00
Administrative Assistant	4,953	6,025	0.00
Accounting Assistant I	4,866	5,921	1.00
Total FTEs			52.00

