



## **CITY COUNCIL MEETING\***

### **January 21, 2025 – Agenda**

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

#### **7:00 P.M. – CALL TO ORDER, ROLL CALL, FLAG SALUTE**

#### **CONSENT AGENDA:**

		<b>Pg.#</b>
<b>1) Minutes</b>	City Council Meeting of January 7, 2025	<b>1</b>
<b>2) Checks</b>	<b>December 31, 2024 – 76623 through 76671</b> , in the amount of <b>\$711,724.55</b> <b>January 21, 2025 – 76672 through 76690</b> , in the amount of <b>\$28,635.65</b>	

**CITIZEN’S COMMENTS:** (Please restrict comments to 3 minutes)

#### **ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:**

<b>3) Presentation</b>	2024 Year End Financial Status Report	Mr. Chaw	<b>5</b>
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#### **COMMISSION AND COMMITTEE REPORTS:**

Planning Commission	Community & Economic Development – Councilmember Elwood
Parks Commission	Finance & Administration – Councilmember Gothelf
Economic Development Commission	Public Health & Safety – Councilmember Rustik
Regional Committees	Transportation & Public Works – Councilmember Koellen
Police Department	Mayor Pro Tem – Councilmember Joselyn
	Eastside Fire & Rescue Board – Councilmember Gothelf

#### **MAIN AGENDA:**

<b>4) AB25-004</b>	Motion – Authorizing 2025 Renewal ILA with Snoqualmie for Police Services	Mr. Larson	<b>21</b>
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**MAYOR, COUNCIL & ADMINISTRATOR CONCERNS AND INITIATIVES:** (Business and general information presented that may be deliberated upon by the Council. Formal action may be deferred until a subsequent meeting; immediate action may be taken upon a vote of a majority of all members of the Council.)

**EXECUTIVE SESSION:** To Discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i)

#### **ADJOURNMENT:**



**\*PLEASE NOTE:** Members of the public may choose to attend the meeting in person or by teleconference. Members of the public attending the meeting in-person will have an opportunity to provide public comment and if attending the meeting by teleconference may submit written comments via in-person drop off, mail, fax, or e-mail to [soppedal@northbendwa.gov](mailto:soppedal@northbendwa.gov). All written comments must be received by 5 p.m. on the day of the scheduled meeting. If an individual requires an accommodation because of a difficulty attending the public meeting, the City requests notice of the need for accommodation by 5 p.m. on the day of the scheduled meeting. Participants can request an accommodation to be able to provide remote public comments by contacting the City Clerk by phone (425) 888-7627 or by e-mail to [soppedal@northbendwa.gov](mailto:soppedal@northbendwa.gov). No other remote public comment will be permitted.

Those wishing to access the meeting by teleconference will be required to have a registered Zoom account and display your full name to be admitted to the online meeting.

Zoom Meeting Information:

To Sign Up for a Zoom Account: <https://zoom.us/join>

Meeting ID: 409 007 2718

Call In Phone Number: 1-253-215-8782

**DRAFT**

**NORTH BEND CITY COUNCIL MINUTES**

**January 7, 2025**

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

**CALL TO ORDER, ROLL CALL:**

Mayor Miller called the regular meeting to order at 7:00 p.m.

**Councilmembers Present:** Elwood, Gothelf, Joselyn, Koellen, Torguson and Tremolada. Councilmember Rustik was excused.

**CONSENT AGENDA:**

**Minutes** – City Council Workstudy of October 22, 2024 & City Council Meeting of December 3, 2024

**Payroll** – **December 5, 2024 – 28894** through **28899**, in the amount of **\$368,380.58**

**December 20, 2024 – 28900** through **28905**, in the amount of **\$372,478.02**

**December 31, 2024 – 28906** through **28912**, in the amount of **\$497,914.40**

**Checks** – **December 17, 2024 – 76488** through **76542**, in the amount of **\$551,410.89**

**December 31, 2024 – 76543** through **76612**, in the amount of **\$738,675.86**

**January 7, 2025 – 76613** through **76618**, in the amount of **\$43,595.79**

**AB25-001** – Motion Authorizing Director Employment Agreements

Councilmember Gothelf **MOVED**, seconded by Councilmember Elwood to approve the consent agenda as presented. The motion **PASSED** 6-0.

**CITIZEN'S COMMENTS:**

**Sam White**, Planning Commissioner, noted Planning Commission members would be attending more City Council meetings, City Council Workstudies and other Commission meetings to help promote more crosstalk and engagement.

**ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:**

**Proclamation** – National Mentoring Month

**Audio: 3:36**

Mayor Miller read a proclamation declaring January 2025 as National Mentoring Month in the City of North Bend. Kathy Hyland and Amy McGhee from Empower Youth Network were on hand to accept the proclamation.

**DRAFT****Presentation – Parks Commission Report & 2025 Work Plan****Audio: 9:06**

Parks Commissioner Braun presented the Commission's 2024 Summary Report which detailed this year's expenditures and activities. He noted the 2025 Tentative Work Plan for the Commission included input on the Shoreline Access Plan, review of the William H. Taylor Park and Ballarat Avenue Plaza projects, collaboration with Economic Development Commission on Bicycle Improvements Plan, coordination with Public Works on park and trail related improvements scheduled for 2026-2027, community engagement booth at Block Party and/or Farmers Market and coordinating Arbor Day celebration in the fall.

**Introduction – North Bend Police Officer & Chaplain****Audio: 18:19**

Snoqualmie/North Bend Police Chief Lynch introduced new Police Officer Wyatt Schannauer and Police Chaplain Pat Hamman.

**AB25-002 – 2025 Council Standing Committee Appointments****Audio: 24:34**

Mayor Pro Tem Joselyn proposed the following 2025 Council Committee appointments for Council's consideration:

**Community & Economic Development Committee:**

Chair – Councilmember Elwood

Members – Councilmember Koellen, Councilmember Tremolada

**Budget, Finance & Administration Committee:**

Chair – Councilmember Gothelf

Members – Councilmember Elwood, Councilmember Torguson

**Public Health & Safety Committee:**

Chair – Councilmember Rustik

Members – Councilmember Gothelf, Councilmember Torguson

**Transportation & Public Works Committee:**

Chair – Councilmember Koellen

Members – Councilmember Rustik, Councilmember Tremolada

Councilmember Joselyn **MOVED**, seconded by Councilmember Gothelf to approve AB25-002 confirming the 2025 appointments to the Council's Standing Committees. The motion **PASSED** 6-0.

Planning Manager McCarty introduced new Associate Planner Caitlin Hepworth.

**DRAFT****EXECUTIVE SESSION:**

Mayor Miller recessed the regular meeting for an Executive Session at 7:30 p.m. to discuss potential litigation, pursuant to RCW 42.30.110(1)(i). The Executive Session was expected to last 20 minutes and videotaping of the meeting was paused during this time.

At 7:50 p.m. it was announced to audience members outside the adjournment room that the Executive Session was expected to last an additional 10 minutes.

At 8:00 p.m. it was announced to audience members outside the adjournment room that the Executive Session was expected to last an additional 15 minutes.

At 8:15 p.m. it was announced to audience members outside the adjournment room that the Executive Session was expected to last an additional 10 minutes.

At 8:26 p.m. it was announced to audience members outside the adjournment room that the Executive Session was expected to last an additional 10 minutes.

Following the Executive Session, Mayor Miller reconvened the meeting at 8:37 p.m. Video-taping of the meeting resumed at this time.

**MAIN AGENDA:**

**AB25-003** – Motion Authorizing Police Services ILA Renewal Term with  
Snoqualmie

**Audio: 30:03**

Interim City Administrator Larson provided the staff report.

Councilmember Gothelf **MOVED**, seconded by Councilmember Torguson, Pursuant to Section 3(b) of the 2019 Renewal ILA for police services between the cities of Snoqualmie and North Bend, to approve a Renewal Term, beginning January 1, 2025, and continuing until the earlier of (i) June 1, 2025, or (ii) the cities' approval of a new interlocal agreement for police services. During this Renewal Term, the parties shall continue their good faith discussions toward a new interlocal agreement, and North Bend shall pay Snoqualmie an annualized fee for police services of \$2,835,674, effective January 1, 2025. If the parties are able to reach a new agreement for police services, the agreed compensation for 2025 shall be retroactive to January 1, 2025. All other provisions of the 2019 Renewal ILA shall remain in effect during this Renewal Term, including the requirement of 18 months' written notice of termination.

The motion **PASSED** 6-0.

**DRAFT****MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:**

Councilmember Elwood thanked Empower Youth Network for providing a mentorship program for valley youth and Parks Commission members for all of their efforts last year. Additionally, he thanked staff for their efforts regarding AB25-003 – Motion Authorizing Police Services ILA Renewal Term with Snoqualmie.

Councilmember Torguson echoed Councilmember Elwood’s comments regarding the Empower Youth Network’s mentoring program.

Councilmember Tremolada wished everyone a “Happy New Year” and encouraged all to patronize local businesses. Additionally, he commented on Planning Commissioner White’s comments about engagement/participation at future Council meetings and suggested this as a topic for the upcoming Council Retreat.

Councilmember Joselyn commented he looked forward to working with staff, Council and citizens in the year ahead.

Councilmember Gothelf wished everyone a “Happy New Year” and thanked staff for their efforts regarding AB25-003 – Motion Authorizing Police Services ILA Renewal Term with Snoqualmie. Additionally, he encouraged all to exercise caution when traveling on City streets during the winter months.

Interim City Administrator Larson thanked Council for their support in the last month and encouraged them to reach out to him if they had any questions or concerns. Additionally, he thanked staff for the warm welcome.

Mayor Miller spoke regarding the following items:

- Wished everyone a “Happy New Year”
- City offices closed on January 20<sup>th</sup> in observance of Martin Luther King Jr. Day

**ADJOURNMENT:**

Councilmember Gothelf **MOVED** to adjourn, seconded by Councilmember Joselyn. The motion **PASSED** 6-0.

The meeting adjourned at 8:49 p.m.

ATTEST:

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Mary Miller, Mayor

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Susie Oppedal, City Clerk





# 2024 Year End Financial Status Report January-December 2024 (Preliminary)

City of North Bend | Finance Department  
Presented to City Council Finance Committee, January 14, 2025





# Executive Summary

- Nearly all funds ended 2024 with fund balances in positive financial condition
  - GF Ended 2024 with \$5.3M and in line with expectations
  - Awaiting grant reimbursements for CIP fund
  - Utility funds ended with positive balance; Fund balances declined as expenditures exceeded revenues; rate study in process
- Local economic activity
  - Regional economic forecast predicts continued weakness in new housing permits and taxable retail sales performance for next 12 to 24 months
  - Affects: Sales Taxes, Development Revenues, Impact Fees, REET
- Preliminary results
  - December distributions for sales taxes and property taxes not finalized





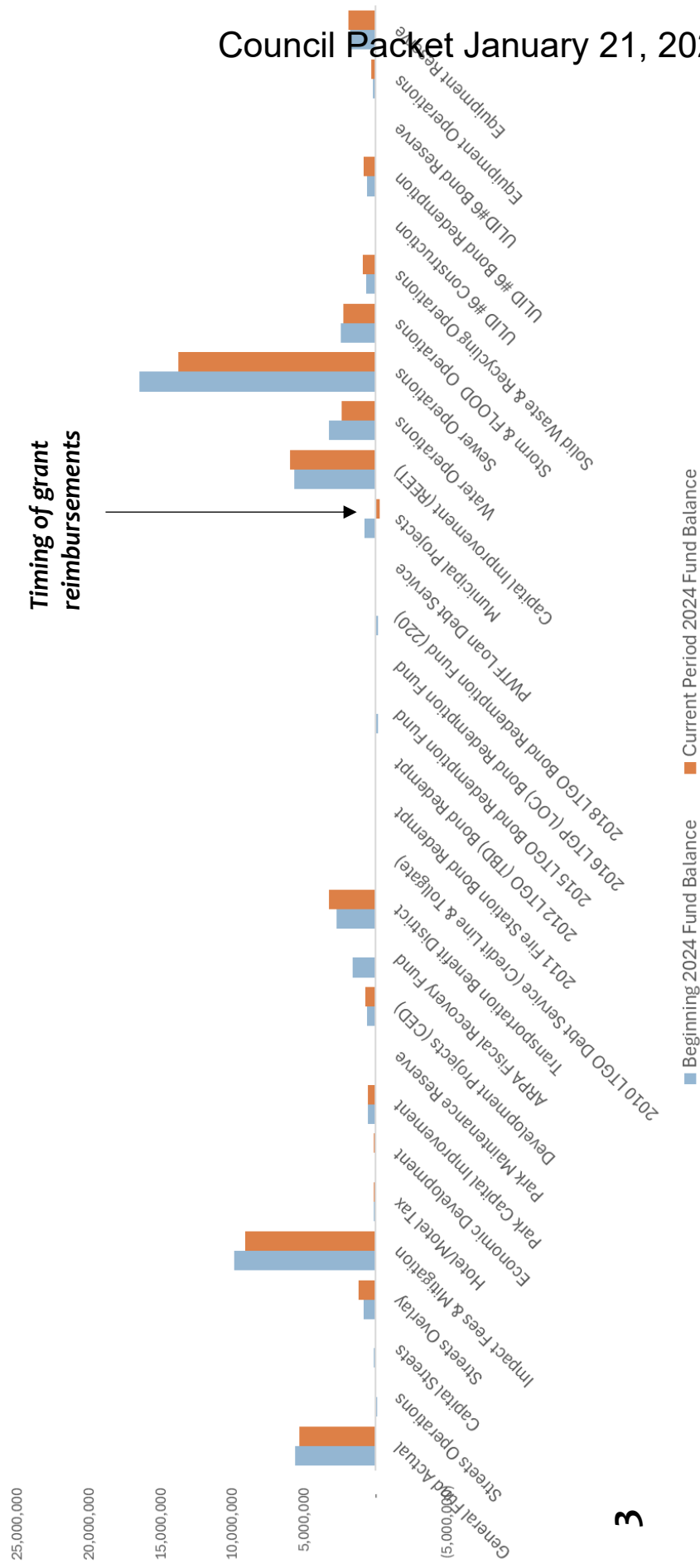
# Regional Economic Forecast

Summary November 2024 & Prior Economic Forecasts - Year-Over-Year (YOY) % Change

King County Econ Variables - YOY % Change	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Population</b>											
Current Forecast	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
Prior Forecast	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
<b>Employment</b>											
Current Forecast	0.8%	0.5%	0.7%	0.8%	0.9%	0.8%	0.9%	0.9%	0.7%	0.7%	0.7%
Prior Forecast	0.8%	0.6%	0.7%	0.7%	0.8%	1.2%	1.1%	0.9%	0.7%	0.7%	0.5%
<b>Unemployment Rate (actual % rate)</b>											
Current Forecast	3.28	4.37	4.35	4.32	4.31	4.30	4.29	4.28	4.26	4.26	4.26
Prior Forecast	3.28	4.32	4.35	4.32	4.31	4.38	4.24	4.26	4.26	4.26	4.30
<b>Personal Income</b>											
Current Forecast	4.9%	6.1%	5.0%	3.9%	4.3%	4.5%	5.4%	5.1%	5.2%	5.1%	4.9%
Prior Forecast	4.9%	4.9%	5.0%	3.9%	4.3%	4.5%	5.4%	5.1%	5.2%	5.1%	4.9%
<b>Housing Permits</b>											
Current Forecast	-35.5%	-8.9%	6.0%	6.4%	5.2%	4.2%	3.2%	2.5%	2.2%	2.1%	2.0%
Prior Forecast	-35.5%	-9.0%	6.3%	14.2%	2.3%	2.2%	-3.6%	1.6%	-3.0%	-1.9%	-0.3%
<b>House Transactions (Residential)</b>											
Current Forecast	-25.7%	4.0%	6.0%	5.0%	4.0%	3.1%	2.3%	2.2%	2.5%	2.5%	1.5%
Prior Forecast	-25.7%	1.7%	5.1%	5.3%	4.1%	4.8%	2.9%	3.3%	3.1%	3.1%	3.0%
<b>House Prices (Avg.)</b>											
Current Forecast	-2.6%	7.9%	6.6%	5.0%	4.6%	3.8%	2.9%	4.8%	4.8%	4.2%	4.1%
Prior Forecast	-2.6%	15.7%	9.1%	3.4%	5.1%	4.4%	4.6%	4.3%	3.8%	3.8%	3.7%
<b>Seattle FHFA Index</b>											
Current Forecast	-2.0%	7.2%	3.4%	3.1%	3.0%	3.1%	3.5%	3.5%	3.5%	3.5%	3.5%
Prior Forecast	-2.0%	6.0%	3.4%	2.9%	3.0%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Seattle CPI-U</b>											
Current Forecast	5.9%	3.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%
Prior Forecast	5.9%	3.9%	3.5%	3.0%	2.7%	2.8%	2.7%	2.6%	2.6%	2.6%	2.7%
<b>Taxable Retail Sales</b>											
Current Forecast	2.5%	-1.5%	3.8%	3.8%	4.1%	4.2%	3.8%	3.6%	3.4%	3.4%	3.5%
Prior Forecast	2.5%	-1.5%	4.1%	3.8%	3.5%	4.3%	4.7%	4.5%	3.5%	4.1%	4.1%

# Nearly all funds ended 2024 with fund balances in positive financial condition

City of North Bend  
2024 Jan-Dec Financial Status Report  
Beginning 2024 vs 2024 Ending Fund Balances





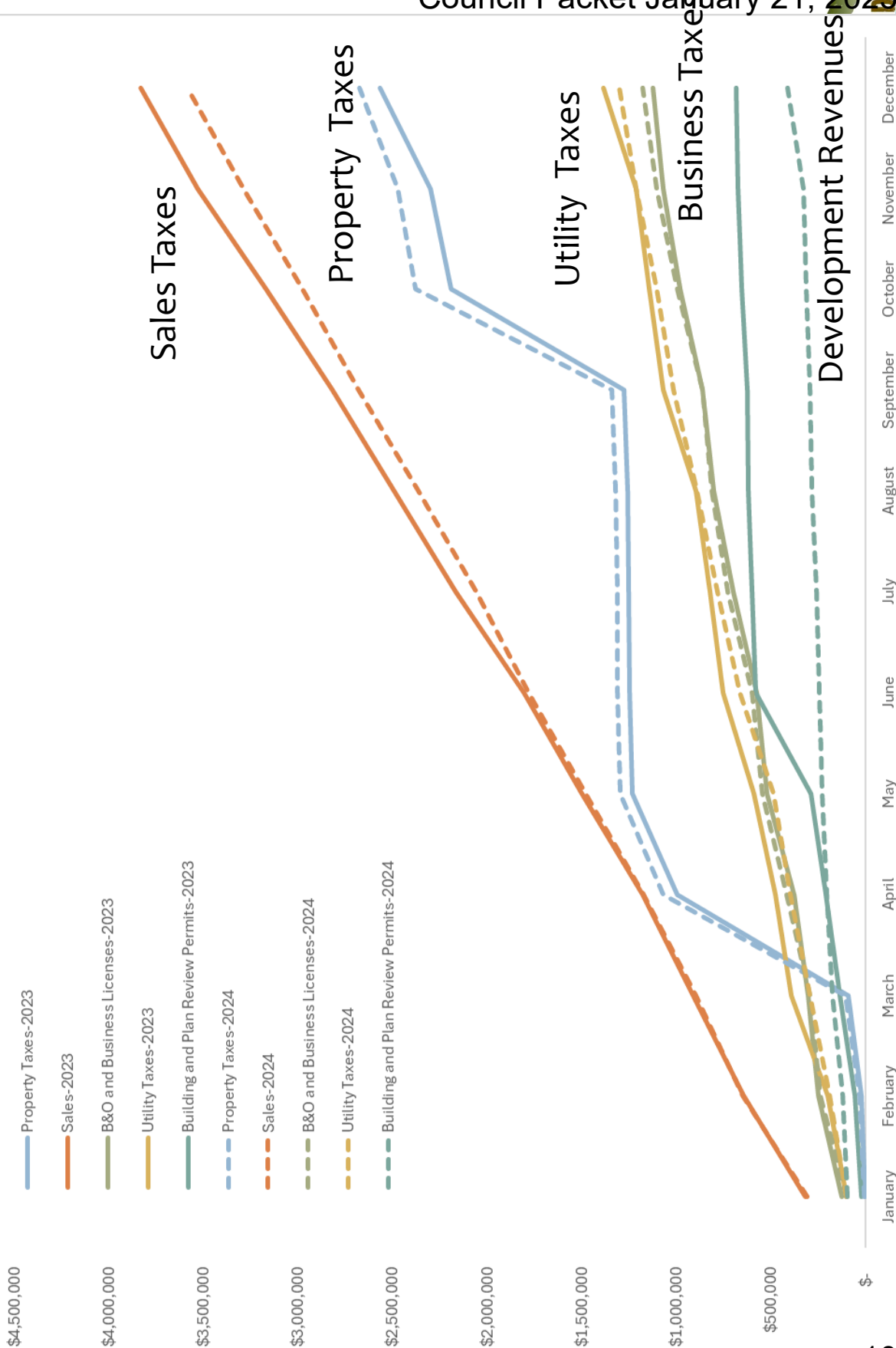
# General Fund

- General Fund operating revenues totaled \$12.6M vs \$12.8M in operating expenses, contributing to an increase in ending fund balance.
- Revenues from development and sales taxes ended 2024 weaker than 2023, consistent with regional economy.

Fund		001
General Fund		
Fund Title		Actual
Revenues		
Taxes		9,079,894
Licenses and permits		310,353
Grants/Intergovtl		276,158
Charges for services		929,554
Fines and penalties		214,918
Contributions		461,875
Investment earnings		6,150
Transfers In		1,287,295
Total Revenues (Thru Dec 31,2024)		12,566,197
Expenses		
Personnel		3,032,049
Supplies		63,724
Contracted Services		6,604,421
Capital Outlay		244,811
Debt Service		5,451
Transfers Out		2,885,531
Total Expenditures (Thru Dec 31,2024)		12,835,986
Beginning 2024 Fund Balance		5,584,908
Change to 2024 Fund Balance		(269,789)
Current Period 2024 Fund Balance		5,315,119
Budgeted 2024 Ending Fund Balance		4,671,545



Cumulative General Fund Revenue Collections by Month  
2023 vs 2024





# Special Revenue Funds

Fund	Special Revenue Funds										117	125	130	190
	101	102	103	106	107	108	109	116	Park Capital Improvement	Maintenance Reserve				
Fund Title	Streets Operations	Capital Streets	Streets Overlay	Impact Fees & Mitigation	Hotel/Motel Tax	Economic Development	Affordable Housing						ARPA Fiscal Recovery Fund	Transportation Benefit District
<b>Revenues</b>														
Taxes	-	-	-	-	20,270	-	375,612	-	-	-	-	-	-	702,245
Licenses and permits	13,972	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants/Intergovt	133,763	4,554	1,188,770	-	-	10,005	-	90,775	-	-	-	-	-	-
Charges for services	-	-	-	751,855	-	-	-	-	-	-	-	452,754	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	693	529	21,835	220,909	2,384	1,730	30,244	15,551	-	1,165	16,411	29,795	76,443	-
Investment earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	1,033,183	260,250	716,110	-	-	257,250	-	-	-	11,026	-	-	-	-
<b>Total Revenues (Thru Dec 31, 2024)</b>	<b>1,181,611</b>	<b>265,333</b>	<b>1,926,715</b>	<b>972,765</b>	<b>22,653</b>	<b>268,985</b>	<b>405,856</b>	<b>106,326</b>	<b>106,326</b>	<b>12,190</b>	<b>469,165</b>	<b>29,795</b>	<b>778,688</b>	

<b>Expenses</b>														
Personnel	625,989	80,749	-	-	-	120,396	-	-	-	-	-	-	-	-
Supplies	35,999	-	-	-	-	4,153	-	-	-	-	-	-	-	-
Contracted Services	385,947	36,945	17,280	625,474	-	75,517	-	-	-	-	229,922	504,309	-	-
Capital Outlay	-	-	1,476,677	-	-	1,073	-	98,979	-	-	-	-	-	-
Debt Service	404	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	254,548	80,791	1,085,388	-	-	-	-	-	-	155,973	1,118,310	-	15,000
<b>Total Expenditures (Thru Dec 31, 2024)</b>	<b>1,048,339</b>	<b>372,242</b>	<b>1,574,748</b>	<b>1,710,862</b>	<b>-</b>	<b>201,139</b>	<b>-</b>	<b>98,979</b>	<b>98,979</b>	<b>-</b>	<b>385,895</b>	<b>1,622,618</b>	<b>1,622,618</b>	<b>2,000</b>

<b>Beginning 2024 Fund Balance</b>	<b>(133,272)</b>	<b>123,954</b>	<b>800,719</b>	<b>9,837,229</b>	<b>82,923</b>	<b>50,469</b>	<b>1,216,545</b>	<b>515,926</b>	<b>515,926</b>	<b>41,401</b>	<b>589,421</b>	<b>1,592,823</b>	<b>1,592,823</b>	<b>2,97,682</b>
<b>Change to 2024 Fund Balance</b>	<b>133,272</b>	<b>(106,908)</b>	<b>351,967</b>	<b>(738,097)</b>	<b>22,653</b>	<b>67,846</b>	<b>405,856</b>	<b>7,346</b>	<b>7,346</b>	<b>12,190</b>	<b>83,269</b>	<b>(1,592,823)</b>	<b>(1,592,823)</b>	<b>2,97,688</b>
<b>Current Period 2024 Fund Balance</b>	<b>0</b>	<b>17,046</b>	<b>1,152,686</b>	<b>9,099,132</b>	<b>105,577</b>	<b>118,315</b>	<b>1,622,401</b>	<b>523,272</b>	<b>523,272</b>	<b>53,592</b>	<b>672,691</b>	<b>-</b>	<b>-</b>	<b>3,011,370</b>
<b>Budgeted 2024 Ending Fund Balance</b>	<b>2,356</b>	<b>150,772</b>	<b>67,177</b>	<b>14,153,384</b>	<b>86,461</b>	<b>18,474</b>	<b>18,474</b>	<b>433,438</b>	<b>433,438</b>	<b>62,077</b>	<b>1,164,132</b>	<b>213,057</b>	<b>213,057</b>	<b>2,989,702</b>

Economically sensitive

All ARPA funds obligated,  
consistent with Council direction

## Capital Funds

- Municipal capital fund (#310) ended 2024 in negative financial condition, reflecting timing of grant reimbursements. Reimbursements have been submitted; City awaiting receipt of revenues from grant partners.

- Expenditures reflect timing of capital expenses.

- Capital improvement fund (#320) expenses reflect transfers to debt service funds for debt service payments.

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Fund	Capital Funds		
	310	320	
Fund Title	Municipal Projects	Capital Improvement (REET)	
<b>Revenues</b>			
Taxes	-	1,033,970	
Licenses and permits	-	-	
Grants/Intergovtl	1,493,478	-	
Charges for services	-	-	
Fines and penalties	-	-	
Contributions	(1,696)	139,662	
Investment earnings	-	-	
Transfers In	2,469,334	-	
<b>Total Revenues (Thru Dec 31, 2024)</b>	<b>3,961,116</b>	<b>1,173,632</b>	

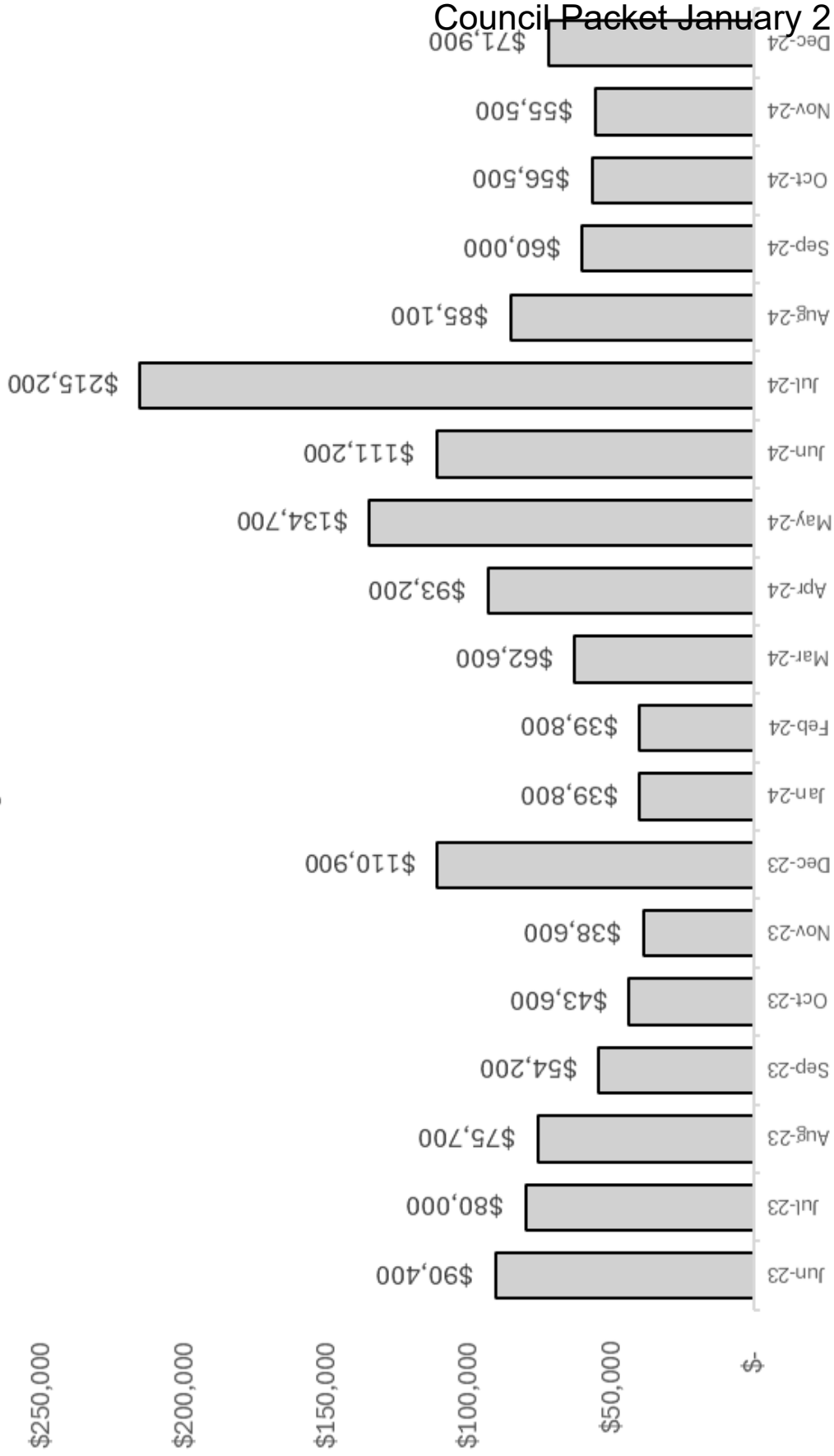
<b>Expenses</b>			
Personnel	-	-	
Supplies	-	-	
Contracted Services	6,286	-	
Capital Outlay	4,728,068	6,020	
Debt Service	-	-	
Transfers Out	272,171	851,759	
<b>Total Expenditures (Thru Dec 31, 2024)</b>	<b>5,006,525</b>	<b>857,779</b>	
<b>Beginning 2024 Fund Balance</b>	<b>749,694</b>	<b>5,637,242</b>	
<b>Change to 2024 Fund Balance</b>	<b>(1,045,408)</b>	<b>315,853</b>	
<b>Current Period 2024 Fund Balance</b>	<b>(295,715)</b>	<b>5,953,095</b>	
<i>Budgeted 2024 Ending Fund Balance</i>	<i>2,731,898</i>	<i>6,550,814</i>	

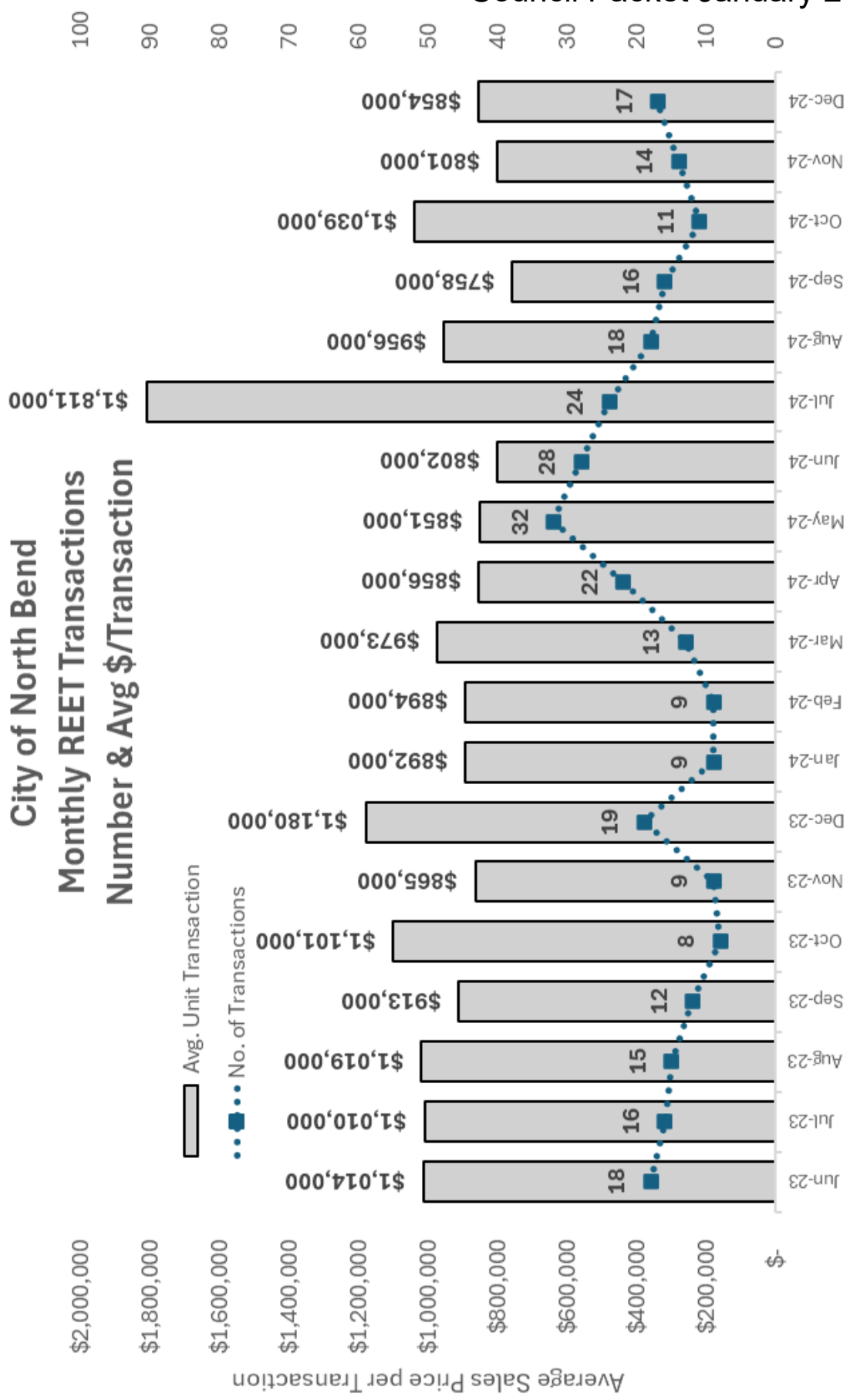


Timing of grant reimbursements  
Improved from -\$1.4 ending balance at end of 3Q2024

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## City of North Bend Monthly REET Distribution







# Enterprise Funds

- Enterprise funds ended 2024 in positive financial condition and in-line with expectations.
- Fund balances declined as rate revenues not sufficient to cover expenses.
- Rate studies under way for each utility. Preliminary results expected late 1Q 2025.

Erosion of fund balances; Water, Sewer and Stormwater rate studies underway

Fund	Enterprise Funds				
	401	402	404	405	451
Fund Title	Water Operations	Sewer Operations	Storm & FLOOD Operations	Solid Waste & Recycling Operations	ULID #6 Bond Redemption
<b>Revenues</b>					
Taxes	-	-	-	-	-
Licenses and permits	-	-	5,236	310,308	-
Grants/Intergovtl	-	-	235,895	29,656	-
Charges for services	2,806,938	4,644,518	955,462	-	-
Fines and penalties	-	-	-	-	-
Contributions	275,016	574,478	349,450	20,281	1,021,595
Investment earnings	4,756	5,076	4,756	-	-
Transfers In	12,942	-	-	-	-
<b>Total Revenues (Thru Dec 31, 2024)</b>	<b>3,099,652</b>	<b>5,224,072</b>	<b>1,550,799</b>	<b>360,245</b>	<b>1,021,595</b>

<b>Expenses</b>					
Personnel	1,685,107	1,630,210	894,748	58,832	
Supplies	420,609	112,468	3,808	-	
Contracted Services	1,123,889	2,018,793	484,344	37,148	
Capital Outlay	396,151	2,248,345	111,874	-	
Debt Service	212,907	1,862,304	91,964	-	817,284
Transfers Out	123,168	93,658	169,095	-	
<b>Total Expenditures (Thru Dec 31, 2024)</b>	<b>3,961,830</b>	<b>7,965,778</b>	<b>1,755,832</b>	<b>95,981</b>	<b>817,284</b>
<b>Beginning 2024 Fund Balance</b>	<b>3,210,070</b>	<b>16,498,665</b>	<b>2,420,353</b>	<b>637,136</b>	<b>581,940</b>
<b>Change to 2024 Fund Balance</b>	<b>(862,178)</b>	<b>(2,741,705)</b>	<b>(205,033)</b>	<b>264,264</b>	<b>204,311</b>
<b>Current Period 2024 Fund Balance</b>	<b>2,347,891</b>	<b>13,756,960</b>	<b>2,215,321</b>	<b>901,400</b>	<b>786,251</b>
<i>Budgeted 2024 Ending Fund Balance</i>	<i>1,233,280</i>	<i>14,313,790</i>	<i>1,802,273</i>	<i>544,269</i>	<i>1,411,562</i>



# Enterprise Funds 2023 vs 2024

- No Y/Y growth in rate revenue for water utility, despite a 5.5% increase in water rates

- Contributions in Water and Sewer include one-time new service connection charges (General Facility Charges)

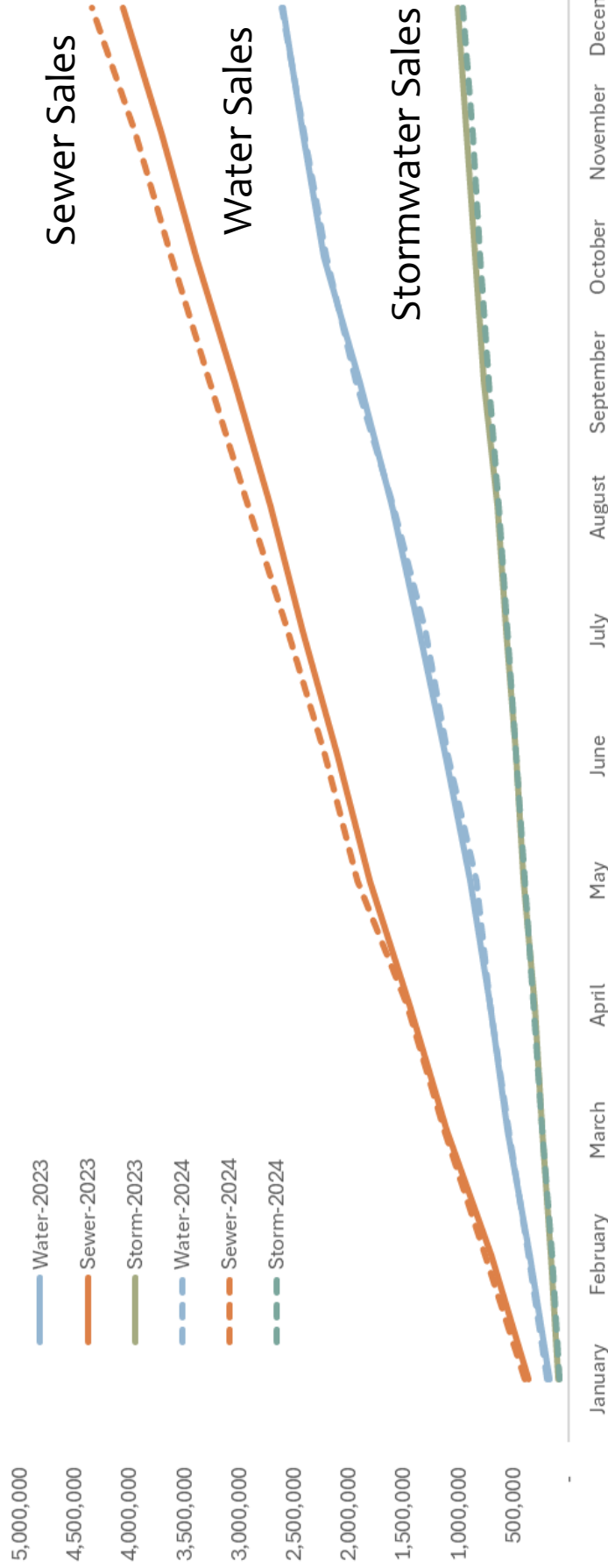
- Capital Outlay and Debt Service in the Sewer utility include expenditures and debt service related to the WWTP upgrades

Fund Title	401		402	
	Water Operations		Sewer Operations	
	2023	2024	2023	2024
<b>Revenues</b>				
Taxes	-	-	-	-
Licenses and permits	-	-	-	2,772
Grants/Intergovtl	-	-	-	-
Charges for services	2,797,853	2,806,938	4,322,952	4,644,518
Fines and penalties	-	-	-	-
Contributions	1,432,491	275,016	2,484,233	574,478
Investment earnings	319	4,756	2,430	5,076
Transfers In	-	12,942	-	-
<b>Total Revenues</b>	<b>4,230,663</b>	<b>3,099,652</b>	<b>6,809,614</b>	<b>5,224,072</b>

<b>Expenses</b>				
Personnel	1,446,370	1,685,107	1,469,547	1,630,210
Supplies	353,212	420,609	113,740	112,468
Contracted Services	1,148,015	1,123,889	1,832,118	2,018,793
Capital Outlay	9,584	396,151	9,447,606	2,248,345
Debt Service	215,738	212,907	2,810,525	1,862,304
Transfers Out	127,198	123,168	200,687	93,658
<b>Total Expenditures</b>	<b>3,300,117</b>	<b>3,961,830</b>	<b>15,874,224</b>	<b>7,965,778</b>

<b>Beginning Fund Balance</b>	<b>2,279,523</b>	<b>3,210,070</b>	<b>25,563,275</b>	<b>16,498,665</b>
<b>Change to Fund Balance</b>	<b>930,547</b>	<b>(862,178)</b>	<b>(9,064,610)</b>	<b>(2,741,705)</b>
<b>Ending Fund Balance</b>	<b>3,210,070</b>	<b>2,347,891</b>	<b>16,498,665</b>	<b>13,756,960</b>
<i>Budgeted Ending Fund Balance</i>	<i>2,103,913</i>	<i>1,233,280</i>	<i>15,404,720</i>	<i>14,313,790</i>

Cumulative Utility Revenue Collections by Month  
2023 vs 2024



## Internal Service Funds

- Internal funds ended 2024 in positive financial condition.
- Payments for internal services for roughly equaled expenditures for technology services and equipment replacement.

Internal Service Funds		
Fund	501	502

Fund Title	Equipment Operations	Equipment Reserve
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<b>Revenues</b>		
Taxes	-	-
Licenses and permits	-	-
Grants/Intergovtl	-	-
Charges for services	840,933	178,840
Fines and penalties	-	-
Contributions	5,458	44,319
Investment earnings	-	-
Transfers In	363	-

<b>Total Revenues (Thru Dec 31, 2024)</b>	<b>846,755</b>	<b>223,159</b>
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<b>Expenses</b>		
Personnel	405,860	-
Supplies	83,206	-
Contracted Services	259,465	-
Capital Outlay	10,790	73,747
Debt Service	392	-
Transfers Out	-	-

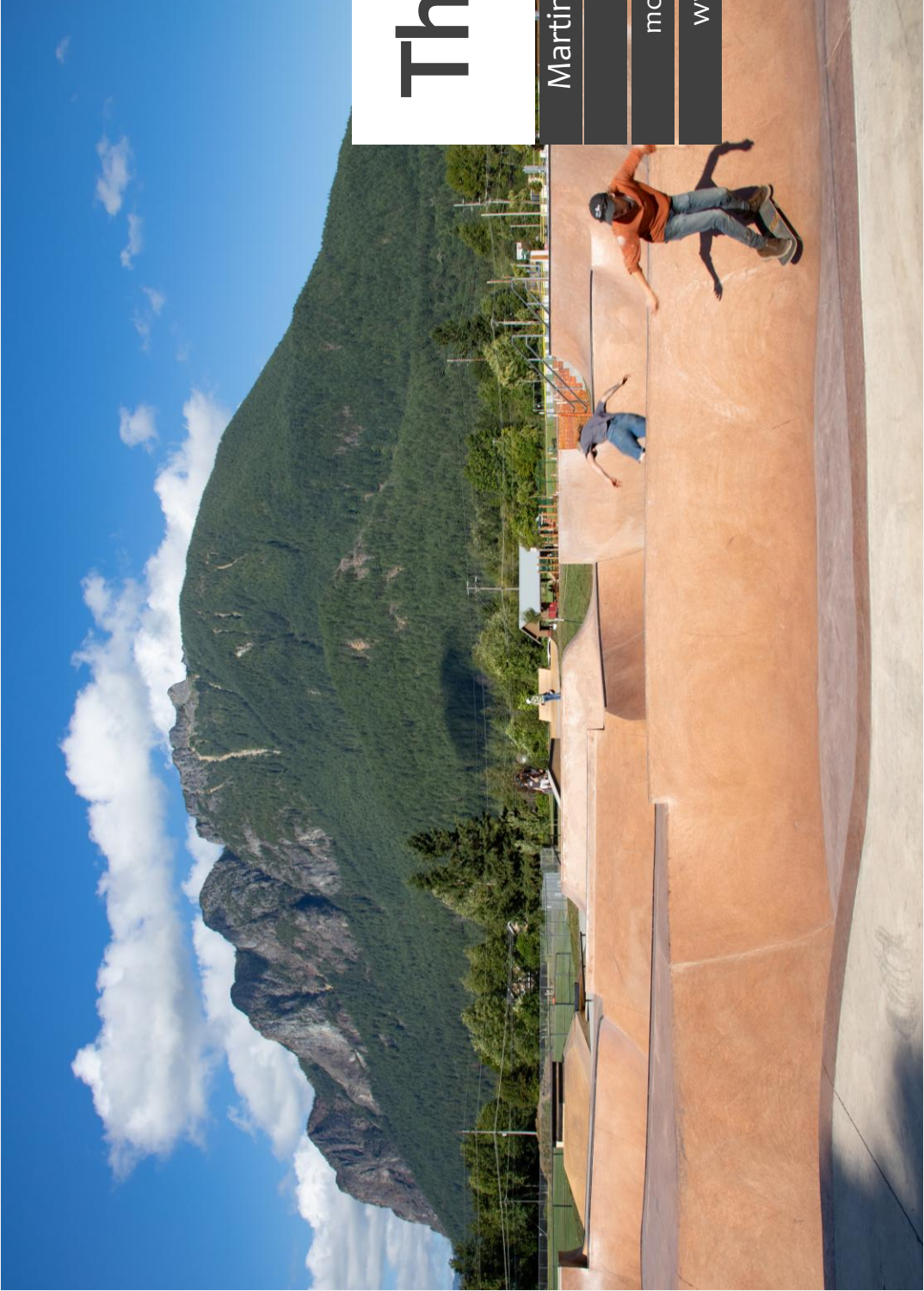
<b>Total Expenditures (Thru Dec 31, 2024)</b>	<b>759,713</b>	<b>73,747</b>
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<b>Beginning 2024 Fund Balance</b>	<b>188,596</b>	<b>1,756,546</b>
<b>Change to 2024 Fund Balance</b>	<b>87,042</b>	<b>149,413</b>
<b>Current Period 2024 Fund Balance</b>	<b>275,638</b>	<b>1,905,959</b>
<i>Budgeted 2024 Ending Fund Balance</i>	<i>155,052</i>	<i>1,492,090</i>



# Fund Definitions

Fund Types	Description
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.
Special Revenue Funds	These funds account for revenues that are legally restricted or designated for a specific purpose.
Capital Funds	These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.
Enterprise Funds	These funds account for operations that provide goods or services to the general public and are supported primarily by user charges.
Internal Service Funds	These funds account for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis.



# Thank You

Martin Chaw, Fin. Director

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[www.northbendwa.gov](http://www.northbendwa.gov)

Council Packet January 21, 2025





## City Council Agenda Bill

SUBJECT:		Agenda Date: January 21, 2025		AB25-004	
<b>Motion Authorizing the Mayor to Execute and Administer the 2025 Renewal ILA with the City of Snoqualmie for Continued Police Services for the Period January 1, 2025, through May 31, 2025</b>		Department/Committee/Individual			
		Mayor Mary Miller			
		City Administrator – Bob Larson		X	
		City Attorney – Kendra Rosenberg			
		City Clerk – Susie Oppedal			
		Administrative Services – Lisa Escobar			
		Comm. & Economic Development – James Henderson			
		Finance – Martin Chaw			
Cost Impact: \$2,835,674 (2025)					
Fund Source: General Fund (Fund #001)		Public Works – Mark Rigos			
Timeline: Immediate		Information Technology – Phillip Davenport			
<b>Attachments:</b> 2025 Renewal ILA; Agenda Bill #AB25-003					
<b>SUMMARY STATEMENT:</b>					
<p>On January 7, 2025, the City Council approved AB25-003, authorizing the Mayor to execute a renewal interlocal agreement for Police Services with the City of Snoqualmie as follows:</p> <p>Pursuant to Section 3(b) of the 2019 Renewal ILA for police services between the cities of Snoqualmie and North Bend, I move to approve a Renewal Term, beginning January 1, 2025, and continuing until the earlier of (i) June 1, 2025, or (ii) the cities’ approval of a new interlocal agreement for police services. During this Renewal Term, the parties shall continue their good faith discussions toward a new interlocal agreement, and North Bend shall pay Snoqualmie an annualized fee for police services of \$2,835,674, effective January 1, 2025. If the parties are able to reach a new agreement for police services, the agreed compensation for 2025 shall be retroactive to January 1, 2025. All other provisions of the 2019 Renewal ILA shall remain in effect during this Renewal Term, including the requirement of 18 months’ written notice of termination.</p> <p>This motion was approved on January 7 by a 6-0 vote of the City Council.</p> <p>On January 15<sup>th</sup>, the City of Snoqualmie transmitted to North Bend a draft Interlocal Agreement formalizing the terms of the renewal agreement for police services (“2025 Renewal ILA”), consistent with the motion approved by the City Council as noted above.</p> <p>Staff has reviewed the 2025 Renewal ILA as proposed by the City of Snoqualmie and recommends approval of the 2025 Renewal ILA as attached. Key terms of the 2025 Renewal ILA include:</p> <ul style="list-style-type: none"><li>- The City of North Bend will make equal monthly payments of \$236,306.17.</li><li>- All terms and conditions of the 2019 Renewal Interlocal Agreement and First Amendment to the 2019 Renewal Interlocal Agreement, except those amended in this 2025 Renewal ILA, shall continue and remain in effect until the earlier of (i) June 1, 2025, or (ii) the approval of a new interlocal agreement for police services by the respective city councils of North Bend and Snoqualmie.</li><li>- Final agreement to compensation under this 2025 Renewal ILA will be retroactive to January 1, 2025.</li></ul>					
<b>APPLICABLE BRAND GUIDELINES:</b> Consistent delivery of quality basic services.					

## City Council Agenda Bill

COMMITTEE REVIEW AND RECOMMENDATION: Time is of the essence. Due to the timing of negotiations and discussions with the City of Snoqualmie, the 2025 Renewal ILA as described above was not discussed in committee.

RECOMMENDED ACTION: **Motion to approve AB25-004, authorizing the Mayor to execute and administer the 2025 Renewal Interlocal Agreement with the City of Snoqualmie for continued police services for the period January 1, 2025, through May 31, 2025.**

### RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
January 21, 2025		



**INTERLOCAL AGREEMENT BETWEEN THE CITY OF NORTH BEND AND THE  
CITY OF SNOQUALMIE FOR POLICE SERVICES**

**THIS RENEWAL INTERLOCAL AGREEMENT FOR POLICE SERVICES** (Renewal Agreement) is entered into between the City of North Bend, a Washington municipal corporation (North Bend) and the City of Snoqualmie, a Washington municipal corporation (Snoqualmie) with an effective date of January 1, 2025.

**I. RECITALS**

- A. The cities of North Bend and Snoqualmie are each authorized under Washington State law to form and operate a police department.
- B. The Interlocal Cooperation Act, chapter 39.34 RCW, authorizes municipal corporations to contract with one another to perform any act that each is independently authorized to perform.
- C. In 2012, North Bend and Snoqualmie entered into an Interlocal Agreement for the provision of police services (“Original ILA”).
- D. In 2013, a First Amendment to the Original ILA was approved by North Bend and Snoqualmie.
- E. In 2015, a Second Amendment to the Original ILA was approved by North Bend and Snoqualmie.
- F. In 2019, a Renewal ILA was entered into by North Bend and Snoqualmie.
- G. On December 29, 2022, Snoqualmie provided formal notice to North Bend to renew the 2019 Renewal ILA, was scheduled to expire on December 31, 2024.
- H. In 2023, a First Amendment to the 2019 Renewal ILA was approved by North Bend and Snoqualmie.
- I. North Bend and Snoqualmie were unable to agree on terms for a new ILA prior to the expiration of the 2019 Renewal ILA on December 31, 2024.
- J. Both North Bend and Snoqualmie desire to preserve the relationship ensuring continued police services and fair and equitable reimbursement for the services provided.
- K. On January 7, 2025, North Bend passed Agenda Bill 25-003, a motion authorizing a renewal term, beginning January 1, 2025, and continuing until the earlier of (i) June 1, 2025 or (ii) the cities’ approval of a new interlocal agreement for police services.

- L. The parties enter into this Renewal Agreement in consideration of the mutual covenants and promises set forth in this Renewal Agreement, the mutual benefits to be derived by each and in the exercise of authority granted by the Interlocal Cooperation Act.

## II. RENEWAL AGREEMENT

- A. Pursuant to Section 3(b) all terms and conditions of the 2019 Renewal Interlocal Agreement and First Amendment to the 2019 Renewal Interlocal Agreement, except those amended in this Renewal Agreement, shall continue and remain in effect until the earlier of (i) June 1, 2025, or (ii) the approval of a new interlocal agreement for police services by the respective city councils of North Bend and Snoqualmie.
- B. North Bend and Snoqualmie agree to continue good faith discussions toward entering a new interlocal agreement.
- C. Section 5(a)(“Compensation – Fee During Term”) is amended as follows:
- a. Fee during Term. During the term, North Bend shall pay Snoqualmie the following amount in equal monthly installments as full payment for the Services:

	Annualized rate of
January 1, 2025 through May 31, 2025	\$2,835,674.00

**Table 1: Monthly Amounts Due**

Month	Amount Due
January 2025	\$236,306.17
February 2025	\$236,306.16
March 2025	\$236,306.17
April 2025	\$236,306.17
May 2025	\$236,306.16
June 2025	\$236,306.17
July 2025	\$236,306.17
August 2025	\$236,306.16
September 2025	\$236,306.17
October 2025	\$236,306.17
November 2025	\$236,306.16
December 2025	\$236,306.17
<b>Total Due</b>	<b>\$2,835,674.00</b>

- D. Parties agree that compensation under this Renewal Interlocal Agreement shall be retroactive to January 1, 2025.

DATED this \_\_\_\_ day of January, 2025.

CITY OF SNOQUALMIE

CITY OF NORTH BEND

By: \_\_\_\_\_  
Katherine Ross, Mayor

By: \_\_\_\_\_  
Mary Miller, Mayor

Attest:

\_\_\_\_\_  
Deana Dean, City Clerk

\_\_\_\_\_  
Susie Oppedal, City Clerk

Approved as to Form

\_\_\_\_\_  
Dena Burke, City Attorney

\_\_\_\_\_  
Kendra Rosenberg, City Attorney





## City Council Agenda Bill

SUBJECT:		Agenda Date: January 7, 2025		AB25-003	
<b>Motion Authorizing the Mayor to Execute a Renewal Interlocal Agreement for Police Services with the City of Snoqualmie</b>		Department/Committee/Individual			
		Mayor Mary Miller			
		City Administrator – Bob Larson		X	
		City Attorney – Kendra Rosenberg			
		City Clerk – Susie Oppedal			
		Administrative Services – Lisa Escobar			
		Comm. & Economic Development – James Henderson			
		Finance – Martin Chaw			
Cost Impact: \$2,835,674 (2025)	Public Works – Mark Rigos				
Fund Source: General Fund (Fund #001)	Information Technology – Phillip Davenport				
Timeline: Immediate					
<b>Attachments:</b> 2019 Renewal ILA and First Amendment					
<b>SUMMARY STATEMENT:</b>					
<p>In 2012, the cities of Snoqualmie and North Bend entered into an Interlocal Agreement for the provision of police services by Snoqualmie to North Bend (“Original ILA”). The Original ILA was effective through 2019.</p>					
<p>In 2013, a First Amendment to the Original ILA was approved, which reflected North Bend’s desire to increase police staffing from six full-time equivalent (“FTE”) police officers to seven FTE police officers to allow greater emphasis on patrols or enforcement, with one FTE officer on duty within the corporate limits of North Bend at all times.</p>					
<p>In 2015, a Second Amendment to the Original ILA was approved, which reflected North Bend’s desire to increase police staffing from seven FTE police officers to eight FTE police officers to allow greater emphasis on patrols or enforcement, with two FTE officers on duty within the corporate limits of North Bend for 18 hours every day, and a minimum of one FTE officer at all other times.</p>					
<p>In 2019, the cities of Snoqualmie and North Bend entered into a Renewal Agreement (“2019 Renewal ILA”), extending the provision of police services through the end of 2024. The following table summarizes the annual cost of police services from 2019 through 2024 under the 2019 Renewal ILA.</p>					
<p style="text-align: center;"><b>Table 1: Annual Cost of Police Services, 2019 Renewal ILA</b></p>					
<b>Year</b>		<b>Cost</b>			
2019		\$1,860,916			
2020		\$1,963,266			
2021		\$2,071,246			
2022		\$2,185,164			
2023		\$2,305,348			
2024		\$2,432,143			
<p>In 2023, a First Amendment to the 2019 Renewal ILA was approved, which reflected North Bend’s agreement to fund 50% of a Behavioral Health Specialist, and amended fees for 2023 and 2024.</p>					
<p style="text-align: center;"><b>Table 2: Annual Cost of Police Services, 2019 Renewal ILA, First Amendment</b></p>					
<b>Year</b>		<b>Cost</b>			
2023		\$2,346,723			
2024		\$2,512,559			

## City Council Agenda Bill

The authorized level of service to the City of North Bend, as approved under the Original ILA and the 2019 Renewal ILA, as amended totaled 12.14 FTEs.

**Table 3: Authorized Police Staffing (Full Time Equivalent, FTE)  
for the City of North Bend**

Position Title	FTEs
Police Chief	0.12
Police Captain	0.12
Administrative Specialist	1.00
Police Sergeant	2.00
Police Officer	8.00
Support Officer	0.50
Mental Health Professional	0.40
<b>Total</b>	<b>12.14</b>

On December 29, 2022, the City of Snoqualmie provided formal notice to the City of North Bend to renew the 2019 Renewal ILA, which as described above, was scheduled to expire on December 31, 2024.

In 2024, the City of Snoqualmie entered into a Collective Bargaining Agreement (“CBA”) with its Police Union, which increased police salaries by 8.0% in 2024 and 4.5% in 2025.

On October 29, 2024, following several months of negotiations and based upon the CBA, the City of North Bend proposed compensation of \$2,835,674 (“2025 compensation”) to Snoqualmie for continued police services in 2025, or an increase of 12.9% over the 2024 compensation amount, as amended, of \$2,512,559.

On December 19, 2024, North Bend Mayor Mary Miller and Interim City Administrator Bob Larson presented to the Snoqualmie City Council during a public meeting and discussed the importance of preserving the City’s relationship with Snoqualmie, and expressed a desire for continued police services in 2025 provided by the City of Snoqualmie. On December 20, 2024, Snoqualmie City Administrator Michael Chambless informed Mayor Miller and Mr. Larson that the City of Snoqualmie City Council intends to adopt the 2025 compensation as part of a 2025 Renewal ILA with a term of June 1, 2025, or until a new agreement is agreed to by the parties, whichever is earlier. All other provisions of the 2019 Renewal ILA, including current authorized staffing of 12.14 FTEs will remain in effect during this term.

On January 13, 2025, the City of Snoqualmie City Council is scheduled to consider this amendment to the 2019 Renewal ILA, consistent with the terms as expressed by Mr. Chambless to Mayor Miller on December 20, 2024. The North Bend Administration recommends the City Council authorize Mayor Miller to negotiate, execute, and administer the 2025 Renewal ILA, as detailed above, with an amount not to exceed the 2025 compensation.

**APPLICABLE BRAND GUIDELINES:** Consistent delivery of quality basic services.

**COMMITTEE REVIEW AND RECOMMENDATION:** Time is of the essence. Due to the timing of negotiations and discussions with the City of Snoqualmie, the 2025 Renewal ILA as described above was not discussed in committee.

**RECOMMENDED ACTION:** Pursuant to Section 3(b) of the 2019 Renewal ILA for police services between the cities of Snoqualmie and North Bend, I move to approve a Renewal Term, beginning January 1, 2025, and continuing until the earlier of (i) June 1, 2025, or (ii) the cities’ approval of a new interlocal



## City Council Agenda Bill

agreement for police services. During this Renewal Term, the parties shall continue their good faith discussions toward a new interlocal agreement, and North Bend shall pay Snoqualmie an annualized fee for police services of \$2,835,674, effective January 1, 2025. **If the parties are able to reach a new agreement for police services, the agreed compensation for 2025 shall be retroactive to January 1, 2025.** All other provisions of the 2019 Renewal ILA shall remain in effect during this Renewal Term, including the requirement of 18 months' written notice of termination.

### RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
January 7, 2025	Passed	6-0