

CITY OF NORTH BEND WASHINGTON

2025-2026 BIENNIAL BUDGET

As Adopted under Ordinance 1823

**City of North Bend
920 SE Cedar Falls Way
North Bend, WA 98045**



Table of Contents

Mayor's Budget Message	6
Mayor and Appointed Officials	9
North Bend City Council	10
Budget-In-Brief	11
Budget Planning Meetings and Presentations	12
2025-2026 Budget	13
2025 Organization Chart.....	14
Mission and Vision Statement.....	15
City Fund Structure & 2025-2026 Budget Authority	17
Economic and Budget Overview	18
City of North Bend Priorities.....	19
2025-2026 Citywide Revenues and Expenditures.....	20
Major Sources of Citywide Revenues	20
Major Areas of Citywide Expenditures	26
Six Year Financial Forecast	28
General Fund Appropriations	33
Mayor – Council Department.....	34
City Administration Department.....	35
Administrative Services Department	36
Finance Department.....	37
Community and Economic Development Department	38
Parks Department	39
Human Service Allocations	40
Contracted Services.....	41
Police Services Contract.....	41
Fire Services Contract	42
Legal & Judicial Contracts	43
Jail Services Contracts	44
Operating Transfers	45
Special Revenue Funds Appropriations	46
Street Operations Fund #101	47

Capital Streets Improvement Fund #102	48
Streets Overlay Fund #103	49
Impact Fees Fund #106	50
Hotel/Motel Tax Fund #107	51
Economic Development Fund #108	52
Affordable Housing Fund #109.....	53
Park Improvement Grants Fund #116	54
Park Maintenance Reserves Fund #117	55
Development Projects Fund #125	56
American Rescue Plan Act Fund #130.....	57
Transportation Benefit District Fund #190	58
Debt Service Funds Appropriations.....	59
2011 Fire Station Bond Fund #216.....	60
2012 Transportation Benefit District Bond Fund #217	61
2015 Limited Tax General Obligation Bond Fund #218	62
2018 Limited Tax General Obligation Bond Fund #220	63
Capital Improvement Funds Appropriations	64
Municipal Capital Improvements Fund #310.....	65
Municipal Capital Improvements Plan – 2025-2030	66
Real Estate Excise Tax Capital Improvements Fund #320	68
Utility Funds Appropriations	69
Water Utility Fund #401	70
Water Utility Capital Improvements Plan – 2025-2030	71
Sewer Utility Fund #402	72
Sewer Utility Capital Improvements Plan – 2025-2030	73
Stormwater and Flood Utility Fund #404	74
Stormwater and Flood Utility Capital Improvements Plan – 2025-2030.....	75
Solid Waste Utility Fund #405	76
ULID #6 Bond Redemption Fund #451.....	77
Internal Service Funds Appropriations	78
Equipment and Technology Operations Fund #501.....	79
Equipment and Technology Reserves Fund #502.....	80
Equipment and Technology Reserve Fund Replacements – 2025-2030.....	81
Appendix	82
2025-2026 Budget Appropriations Ordinance #1823.....	83

2025 Property Tax Ordinance #1821	91
Authority and Guideline for Spending Public Funds.....	96
Cash Based Budget	96
Budget Process, Calendar and Amendments.....	97
Debt Maturity Schedule	98
Financial Policies	98
Background and Purpose	98
Operating Budget Policies	99
Revenue and Expenditure Policies	99
Accounting, Financial Reporting, and Auditing Policies.....	100
Reserve and Fund Balance Policies	100
Enterprise Fund Policies.....	101
Debt Management Policies	102
Glossary.....	103

*The city expresses its appreciation to the
Finance Department for making this document possible.*

Finance Director, Martin Chaw

Deputy Finance Director, Elaine Morse

Senior Financial Analyst, Brice Stover

Staff Accountants: Juanita Smart, Becky Adams

Accounting Assistant II: Ivanna Misiuk

Mayor's Budget Message

Presented to City Council, October 15, 2024

It is my honor to present to our community a balanced preliminary biennial budget for 2025 - 2026.

In addressing the priorities of our residents, this budget reflects projects that nourish our highly livable mountain town community, while also exploring strategies to increase general fund revenues. While we entered 2024 with new city councilmembers, a new mayor and a new finance director, the city's tradition of fiscal conservatism will continue as the Council recognizes it is critically important to keep city operations sustainable now well into our future.

The biennial budget proposes a \$117 million budget for 2025 and a \$105 million budget for 2026. The Six-Year Capital Improvement Plan for North Bend totals \$186 million and includes:

- \$104 million transportation, park and facilities improvements.
- \$28 million for water capital improvements.
- \$31 million sewer capital improvements.
- \$23 million for stormwater capital improvements.

On adoption, this budget will formalize the policy direction set by the Council for all city government department programs and services while ensuring the best financial decisions for our community. This budget is built upon the following financial and community development principles:

- Long-term financial planning and financial sustainability
- Fully fund operating and capital expenses
- Maintain current levels of services
- Maintain reserves
- Deliver high-quality drinking water; manage the city's wastewater; manage surface water runoff
- Preserve investments in equipment and technology
- Continued focus on community safety
- Promote economic development
- Provide public recreation opportunities
- Provide safe and efficient transportation
- Preserve the city's brand as an attractive small mountain town

INFRASTRUCTURE: Let's put our attention for a moment to the city's rapid catchup with infrastructure investments that are right now enabling smart economic growth. This year, the city completed its largest ever capital project, the Wastewater Treatment Plant High Priority Improvements. These improvements also add the ability to take additional capacity, such as the Meadowbrook Sewer Utility Local Improvement District, a ULID that will expand public sewer throughout the western portion of the city.

Both the city and our other local water purveyor, Sallal Water Association, are in the process of designing and constructing two water interties. Soon, the interties will be ready to share water, allowing for mutual support in emergencies and providing everyone with the ability to supply water to all property owners in their service areas as is required by state law. The water interconnect with Sallal is currently out to bid.

On the transportation front, the city has three roundabouts in design, and we continue our work to remove sidewalk gaps and increase connectivity throughout North Bend.

PARKS: After much community input, now in design are a series of projects that will tie in to one another beautifully: the McClellan Alley, the Train Depot Building improvements and the Taylor Park Master Plan.

Also being completed this year is the Tenant Trailhead Park and the Dahlgren Family Park. I hope that you have the opportunity to enjoy them both.

HOUSING: This year, our population grew a little, to 8,500 residents. We have seen many single-family homes built these past few years. With that, most single-family zoning has been developed, with only two subdivisions left to build out, Ichijo, near Wood River and the Tree Farm on Maloney Grove.

In addition to single-family homes, your Council recognizes that our city must be a community where working people can afford a place to live. The city's work in completing a property tax abatement for the Traverse Apartments does just that, ensuring 26 rental units are protected at 80% of King County median income. And, the city's purchase of the 230 Main Avenue North property will further that work. Soon, a developer will be selected to build below market-rate apartments.

With regard to economic development, the city is experiencing a relative slowdown in residential and commercial permitting activity. National and local economies are reeling from a year of high inflation and high interest rates, resulting in slower development.

Regardless, big projects are moving forward in North Bend! Residents watched a portion of the outlet mall come down this year, and in early spring of 2025, you will see the North Bend's first hotel break ground in its place. This incoming rejuvenation brings with it competitive leasing, leading us to anticipate major store and restaurant development next year.

This year, the Council approved a Development Agreement for a 35-acre master planned commercial project near Exit 34. While it is in its infancy right now, we look forward to proposals and sharing for feedback from our residents.

PUBLIC SAFETY: Public service agencies for police and fire are raising their costs far beyond the typical Consumer Price Index increases of the past. Discretionary general fund balances that were available for decision cards to the Council are no longer available. In this next biennium, fiscal responsibility will include working together to locate strategies that serve to increase general fund revenues.

There are challenges. This year has presented the city with quite a few, such as: the slow recovery from COVID, high inflation, a slowdown in the housing market, a sluggish commercial development market, the completion of employee bargaining agreements, increased public safety costs and a new police contract.

Revenues from development have begun to decline and the competition for commercial development is ever present. Being fiscally responsible is a duty your city takes very seriously, and this year, North Bend became one of the few cities in Washington State that delved into a long-term, deep study, called a Fiscal Sustainability Analysis. The study provides a realistic look at our future in a variety of scenarios, identifying strategies for long-term economic development and financial sustainability with each. It provides the Council with an evaluation tool for peeking into the future, so to speak, to see what direction a policy may lead with respect to our finances. We've been working through scenarios for much of this year.

Combining this work with the potential to adopt tax increment financing, another exciting opportunity, as well as our work in marketing to new businesses, we remain both optimistic and eager for what's to come.

The city continues to provide quality civic events in partnership with the North Bend Downtown Foundation, and the Main street Program continues to get closer to certification by the State and is on schedule.

Strategic Plan Accomplishments. In February, the Council and I set a series of ambitious goals at our annual council retreat, with a focus on improving transportation, bolstering infrastructure resilience, fostering inclusive community development, expanding green spaces for all to enjoy, addressing housing affordability and ensuring the safety and security of every resident.

City departments have made great progress in helping us achieve our Strategic Plan goals.

The Finance Department:

- is preparing a financial forecast for the next six years (2025-2030),
- is spearheading development of the 2025-2026 Biennial Budget,
- and is finishing up the submittal of annual financial reports for 2022, 2023 and 2024 to the Washington State Auditor.

As our largest City department, Public Works:

- is in the process of engineering design for the South Fork Avenue extension,
- is in the process of engineering design for the Starfish Roundabout,
- continues to increase pedestrian connectivity by filling in sidewalk gaps,
- has completed the Cedar Falls Way pavement overlay and the Ballarat Pavement overlay.

The Community and Economic Development Department:

- is leading the development of the 230 Main Affordable Housing project,
- is preparing an update to the city's comprehensive plan,
- is completing the development of Dahlgren Family Park,
- is completing the development of Tennant Trailhead park,
- is completing master plans for the Complete Streets Corridor, Taylor Park and Riverfront Park, and
- is creating an outdoor recreation guide and small business attractions and expansion slides.

Citywide Administration continues to provide vision and leadership for the city, including:

- facilitating an evaluation of police services options,
- leading negotiations with the Snoqualmie Police Department for continued local policing services,
- completing a comprehensive update of the city's personnel manual,
- and leading the development of a Fiscal Sustainability Study.

Conclusion. We will end the biennium in 2026 with a positive balance forward in the general fund and a full reserve account. The future of the city is bright, and with the support of my excellent staff – who maintain our streets and utility system, as well as the community planners, designers and administrative who keep the city running smoothly – I look forward to an exciting 2025 and beyond.

Sincerely,

Mayor Mary Miller

Mayor and Appointed Officials

Mayor



Mary Miller

North Bend Appointed Officials

Robert Larson, Interim City Administrator

Kendra Rosenburg, City Attorney

Lisa Escobar, Administrative Services Director

Martin Chaw, Finance Director

Mark Rigos, Deputy City Administrator/Public Works Director

James Henderson, Community & Economic Development Director

Susie Oppedal, City Clerk

North Bend City Council

Elected Officials



Heather Koellen (seated left)

Suzan Torguson (seated right)

Brenden Elwood, Alan Gothelf Mayor Pro Tem (2024), Christina Rustik

Mark Joselyn Mayor Pro Tem (2025), Errol Tremolada (standing left to right)

**Planning
Commission**

**Hannah Thiel
Chair**

**Economic
Development
Commission**

**Martin Maisonpierre
Chair**

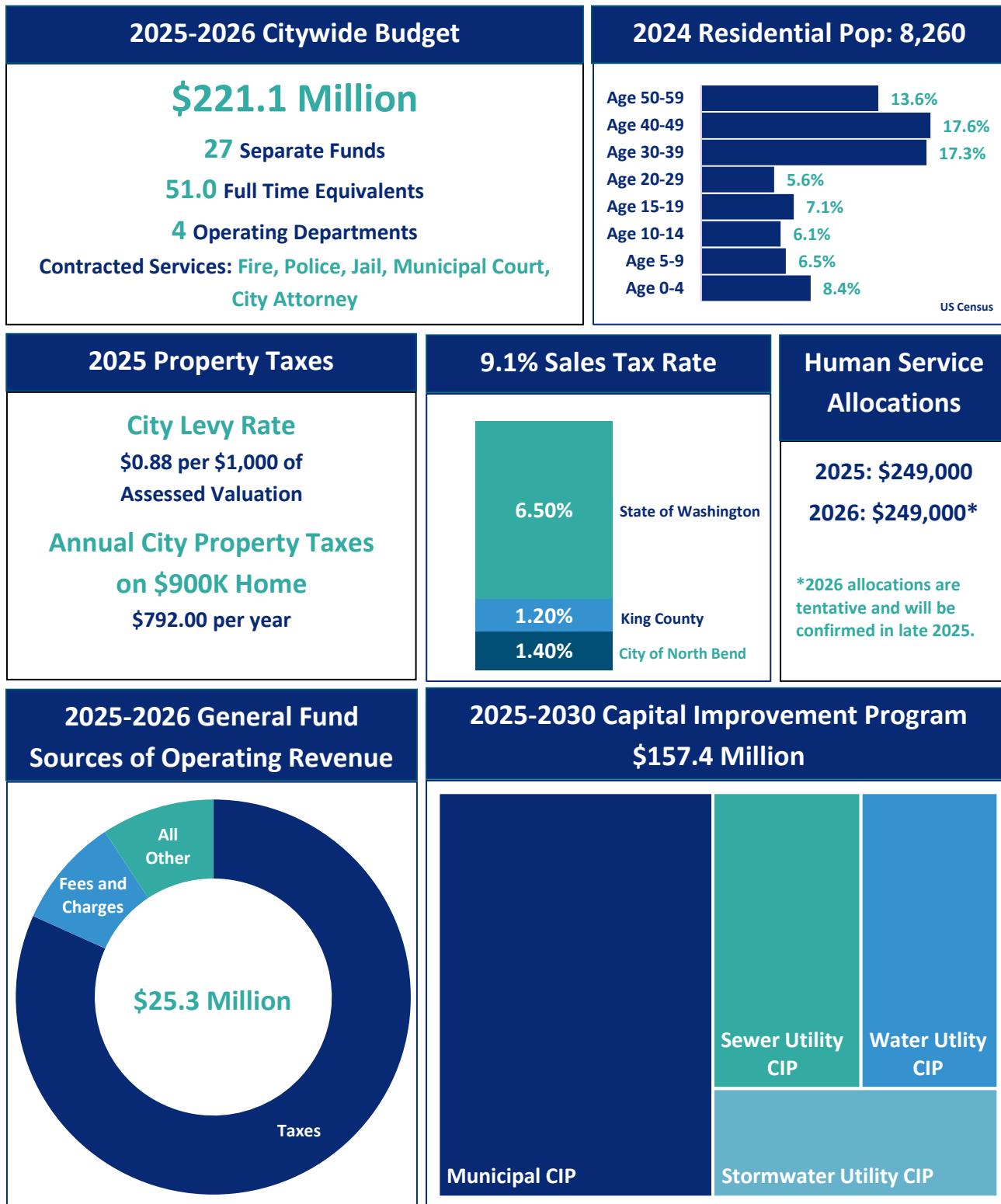
**Parks
Commission**

**Minna Rudd
Chair**

The North Bend City Council is the legislative and policy-making body of the city. The seven-member city Council serves as the legislative body of the city and is responsible for setting policy, adopting the budget, adopting laws, determining the services to be provided and the funding level for those services, and confirming the Mayor's appointment of citizens to its advisory commissions. All city Councilmembers may be reached by email or by mail correspondence at 920 SE Cedar Falls Way, North Bend, WA 98045.

The City Council meets the first and third Tuesday of each month at City Hall and holds a workstudy the fourth Tuesday of each month at City Hall. Citizens are welcome to attend all meetings and work study sessions and are encouraged to participate and contribute to the deliberations of the Council.

Budget-In-Brief

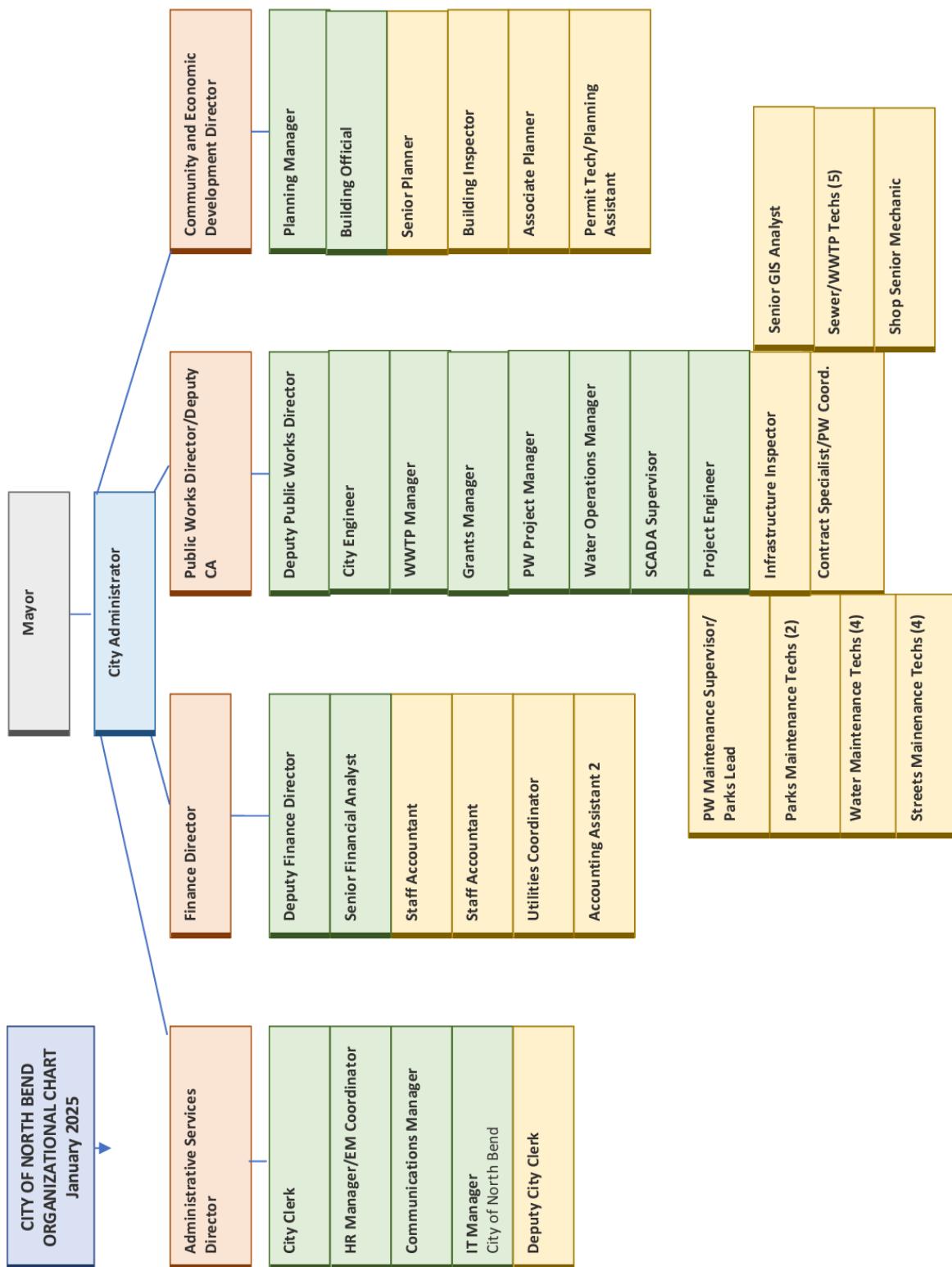


Budget Planning Meetings and Presentations

Date	Topic
September 3, 2024	2025-2026 Budget Public Hearing #1; Preliminary 2025-2026 Financial Forecast
September 10	Eastside Fire and Rescue Budget Presentation (Fire Chief Ben Lane)
September 24	Budget Workshop #1 – 2025-2030 Utilities Financial Forecast
October 1	Ordinance authorizing refinance of ULID #7 bonds; authorizing FCS GROUP contract for utilities rate study in 2025
October 8	Budget Workshop – 2025-2030 Capital Improvement Plan
October 15	Mayor's 2025-2026 Budget Message; 2025-2026 Budget Public Hearing #2; Updated 2025-2026 Financial Forecast; Ordinance setting 2025 property taxes (1 st reading); Resolution approving 2025-2030 CIP
October 22	Budget Workshop – 2025 & 2026 Human Services Allocations
November 19	2025-2026 Budget Public Hearing #3; Ordinance adopting 2025-2026 budget (1 st reading); Ordinance setting 2025 property taxes (2 nd and final reading and adoption)
December 3	Ordinance adopting 2025-2026 budget (2 nd and final reading and adoption)

2025-2026 Budget

2025 Organization Chart



Mission and Vision Statement

Mission: 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: 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: 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



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.



City Fund Structure & 2025-2026 Budget Authority

2025-2026 Budget: \$221,117,854

<p>General Fund \$36,628,867</p> <ul style="list-style-type: none">•General Fund #001•General Reserves Fund #002 <p><i>This fund is the primary fund of the city of north bend and accounts for all financial resources of the city not required to be accounted for in some other fund.</i></p>	<p>Special Revenue Funds \$49,535,489</p> <ul style="list-style-type: none">•Street Operations #101•Capital Streets #102•Street Overlay #103•Impact Fees #106•Hotel Motel Tax #107•Economic Development #108•Affordable Housing #109•Park Improvement #116•Park Maintenance Reserves #117•Development Projects #125•American Rescue Plan Act #130•Transportation Benefit District #190 <p><i>Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.</i></p>	<p>Debt Service Funds \$1,779,241</p> <ul style="list-style-type: none">•2011 UTGO Fire Station Bonds #216•2012 TBD Bonds #217•2015 LTGO Bonds #218•2018 LTGO Bonds #220 <p><i>Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on city bonds issued in support of governmental activities.</i></p>
<p>Capital Funds \$47,971,804</p> <ul style="list-style-type: none">•Municipal CIP #310•Real Estate Excise Tax #320 <p><i>Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of major city-owned capital facilities.</i></p>	<p>Enterprise Funds \$79,528,925</p> <ul style="list-style-type: none">•Water Utility Ops and CIP #401•Sewer Utility Ops and CIP #402•Storm/Flood Utility Ops and CIP #404•Solid Waste #405•ULID #6 Bonds #451•ULID #7 Bonds (new - to be created)•ULID #8 Bonds (new - to be created) <p><i>Enterprise funds account for operations that provide goods or services to the public and are supported primarily by user charges.</i></p>	<p>Internal Service Funds \$5,673,526</p> <ul style="list-style-type: none">•Equipment and Technology Ops #501•Equipment and Technology Resv #502 <p><i>These funds account for operations that provide goods or services to other departments or funds of the city on a cost-reimbursement basis.</i></p>

Economic and Budget 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 nearly 9,000 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 seven 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 60 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.

Since 2010, the city’s residential population has increased by nearly 40 percent, from 5,867 to 8,260 in 2024, reflecting rapid growth in the central Puget Sound region driven by growth in large companies such as Microsoft, Boeing, and high-tech companies such as Amazon, Facebook and Google and anchored by a top-rated national research university, the University of Washington. As the region and city population continue to grow, it is expected that city growth will continue for the foreseeable future. Several city initiatives are underway to support current and new residents. These include:

- Design of improvements to William H Taylor Park and Riverfront Park.
- Conceptual design of North Bend Way “complete street” to improve access for all modes of transportation.
- Agreement with Sallal Water Association to allow for access to water for properties on North Bend Way in eastern half of city.
- Establishment of a funding plan to extend sewer to properties west of downtown
- Expansion of a wastewater treatment facility.
- Strengthened partnerships with SnoValley Chamber of Commerce and North Bend Downtown Foundation.
- Strengthened partnerships with the Snoqualmie Tribe and other affected tribes whose ancestral lands includes the City of North Bend.

Economic development will also continue to be a focus for the city. Economic development strategies include continuing to build economic capacity in the South Fork Interchange area which includes the North Bend

Premium Outlet Mall, Mt Si Shopping Center, and freeway-oriented services as well as the Interstate 90 exit 34 Truck Town area. This area currently contains a large truck stop which is presently undersized and ill-configured for its current level of use leading to underutilized space and frequent parking of trucks along the on and off ramps to the freeway. The city also formed the utility local improvement district #7, which will be used to fund the extension of sewer system improvements to many commercial properties on the city's west side, supporting new opportunities for scaled manufacturing, office and retail spaces.

City of North Bend Priorities

In 2023, the city engaged ETC Institute and conducted a community survey of 347 households. A five page survey was mailed to a random sample of households in the city. The goal was to receive at least 300 responses, which was met and exceeded by with 347 responses.

The overall survey results of the sample had a 95 percent level of confidence with precision of plus/minus 5 percent. Residents surveyed indicated that they were “very satisfied” or “satisfied” with opportunities for recreation (90%); quality of life (81%); as a place to raise children (79%); feeling of safety in the city (76%). City services that had the highest levels of satisfaction, based upon the combined percentage of “very satisfied” and “satisfied” responses among residents who had an opinion, were: quality of fire, emergency medical and ambulance services (87%), quality of city parks and recreation programs and facilities (80%), and quality of police services (73%). The survey identified availability of retail parking downtown, economic development, the number of bike lanes, residential neighborhood sidewalks, and pedestrian safety as top areas for investment. The following table summarizes how the city survey results compare to the northwest region on various metrics of community satisfaction.

Service	North Bend	Northwest Region	Difference	Category
Quality of city parks & recreation programs/facilities	80%	50%	30%	City Services
As a place to raise children	79%	54%	25%	Community Livability
Cleanliness of city streets and public areas	69%	52%	17%	Street Infrastructure Maintenance
Quality of customer service from city employees	56%	41%	15%	City Services
Appearance of the community	61%	46%	15%	Community Livability
Quality of police services	73%	60%	13%	City Services
Feeling of safety in the city	76%	64%	12%	Community Livability
Mowing & trimming along city streets & other public areas	67%	56%	11%	Street Infrastructure Maintenance
Quality of services provided by the city	53%	45%	8%	Community Livability
The city's website	46%	39%	7%	Communication and Engagement
Timeliness of information provided by city	41%	35%	6%	Communication and Engagement
Effectiveness of city communication with public	45%	42%	3%	City Services
Quality of fire, emergency medical & ambulance services	87%	86%	1%	City Services
Enforcement of city codes and ordinances	37%	36%	1%	City Services
Condition of sidewalks in the city	53%	52%	1%	Street Infrastructure Maintenance
Maintenance of major city streets	50%	49%	1%	Street Infrastructure Maintenance
Condition of bicycle infrastructure in the city	40%	42%	-2%	Street Infrastructure Maintenance
Quality of social media presence	38%	40%	-2%	Communication and Engagement
Quality of downtown area	42%	45%	-3%	Community Livability
As a place to retire	46%	50%	-4%	Community Livability
Maintenance of city streets	46%	52%	-6%	City Services
Value received for city tax dollars and fees	29%	36%	-7%	Community Livability
Adequacy of city street lighting	50%	60%	-10%	Street Infrastructure Maintenance
Maintenance of streets in your neighborhood	40%	51%	-11%	Street Infrastructure Maintenance
Removal of snow from major city streets	32%	51%	-19%	Street Infrastructure Maintenance

Data source: 2023 Community Survey.

Since completion of this survey, the city has embarked on an aggressive capital investment program which included investments in street and sidewalk infrastructure, including construction of several roundabouts to

improve traffic flow, downtown beautification, and a citywide economic development and fiscal sustainability initiative. The 2025-2026 budget continues to build upon these initiatives. For example, in the 2025-2026 biennium alone, the city is scheduled to spend nearly \$50 million between the municipal and utility capital improvements. The city also initiated a long-term fiscal sustainability and economic development study to evaluate investment strategies in the downtown core, as well as eastern and western portions of the city.

As the city looks forward over the next several years, several key issues will define budget strategy and financial planning: long-term financial sustainability and the ability of existing sources of revenue to meet forecasted increases in the costs of doing business; managing the delivery of essential daily services with projected increases in public safety (police and fire) expenses; and engaging in a long-term economic development strategy that will enhance the city's economic base and provide for more opportunities for residents to shop and support local businesses.

2025-2026 Citywide Revenues and Expenditures

The 2025-2026 Biennial Budget totals **\$221,117,854** in all funds. The budget is adopted as separate appropriations for each year, with the **2025 budget totaling \$116,783,507** and the **2026 budget totaling \$104,334,347**. The city's budget is organized into five fund families: General Fund, Special Revenue Funds, Debt Service Funds, Capital Improvement Funds, Utility Funds, and Internal Service Funds.

	General Fund	Special Revenue Fund	Debt Service Funds	Capital Improv. Funds	Utility Funds	Internal Service Funds
Beginning Fund Balance	11,331,711	30,644,607	441,274	13,812,192	41,769,516	3,646,092
Taxes	20,673,596	1,375,368	245,717	3,200,000	0	0
Licenses and Permits	582,177	30,000	0	0	215,669	0
Intergovernmental Revenues	325,111	370,596	0	20,923,727	12,652,467	0
Fees and Charges	2,284,953	12,050,452	0	0	22,963,229	2,000,085
Fines and Penalties	152,300	0	0	0	0	0
Miscellaneous	79,019	279,380	2,426	135,885	1,928,044	27,349
Interfund Transfers In	1,200,000	4,785,086	1,089,824	9,900,000	0	0
Total Revenues	36,628,867	49,535,489	1,779,241	47,971,804	79,528,925	5,673,526
Total All Funds				221,117,854		

Major Sources of Citywide Revenues

Taxes

The Washington State Constitution grants exclusive authority to the State Legislature to create taxes. Municipalities may therefore assess, increase or decrease local tax rates, but it cannot create any new forms of taxes.

Revenue from taxes serve as the primary source of funding general governmental city services, such as the city's police and fire contracts, parks maintenance, community and economic development, and general administration. Sources of taxes include property, sales, business, utility, gambling, leasehold, hotel/motel, and real estate excise taxes. The majority of city tax revenues are receipted into the General Fund for daily governmental operations. Other taxes are receipted into the Transportation Benefit District Fund to support

transportation capital improvement purposes, and to the Real Estate Excise Tax fund for general capital improvement purposes.

Sources of Tax Revenue	General Fund	Hotel Motel Tax Fund	Affordable Housing Fund	Transportation Benefit District Fund	Fire Station Debt Service Fund	Real Estate Excise Tax Fund
Property Taxes	5,589,817	0	0	0	245,717	0
Sales Taxes	8,446,742	0	662,478	1,322,750	0	0
Business Taxes	2,706,411	0	0	0	0	0
Utility Taxes	3,163,817	0	0	0	0	0
Gambling Taxes	100,000	0	0	0	0	0
Leasehold Excise Taxes	4,332	0	0	0	0	0
Hotel Motel Taxes	0	52,618	0	0	0	0
Real Estate Excise Taxes	0	0	0	0	0	3,200,000
Total 2025-2026 Taxes	20,011,118	52,618	662,478	1,322,750	245,717	3,200,000

Property Taxes

Washington State's property tax system is a "budget based" property tax. In other words, as part of North Bend's biennial budgeting process, the total dollar amount (also known as the levy amount) of property tax revenue is established for the upcoming year. Once that dollar amount is established, it is communicated to the King County Assessor to determine the calculated rate (levy rate) based on the total assessed valuation of all properties in the city. The levy rate is expressed as a rate per \$1,000 of assessed valuation. In 2001, voters approved Initiative 747, ultimately resulting in legislation that reduced the limit on annual increases for property tax levies to 1% – also known as the "101% levy lid," which is still in effect today.

The following table summarizes the city's total assessed valuation and levy rate for each year 2020 through 2025. The 2026 levy rate will be established towards the end of 2025 following the process described above.

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Preliminary
Assessed Valuation	1.678 B	1.826 B	2.199 B	2.868 B	2.793 B	3.098 B
North Bend Levy Rate						
Regular Operating levy	1.11	1.10	1.09	0.82	0.88	0.82
Voter Approved Excess Levy	0.11	0.10	0.08	0.06	0.06	0.06
Total Levy Rate	1.22	1.20	1.17	0.88	0.94	0.88
Tax Levy	2,087,103	2,235,683	2,610,256	2,565,608	2,668,728	2,552,372

Data source: King County Assessor

The annual tax levy includes new construction and adjustments by the County Assessor. Revenue from the regular operating levy are deposited into the General Fund for daily city operating needs. Revenue from the voter approved excess levy are deposited into the 2011 LTGO bond fund. The voter approved excess levy was authorized in 2011 at which voters approved to issue \$2.25 million in unlimited general obligation bonds maturing over 20 years for purposes of financing and the construction and equipping of a new fire station. In May 2011, the City Council approved Ordinance 1425 authoring the issuance of said bonds. The following table summarizes the 2025 levy rates for all jurisdictions in the city, and annual property taxes based on a \$900,000 single family residence.

	State	County	Port	City*	School	Hospital	Library	EMS	Flood Control	Si View. Parks	Total
Levy Rate	\$2.25	\$1.36	\$0.10	\$0.89	\$3.25	\$0.27	\$0.25	\$0.22	\$0.10	\$0.56	\$9.25
Annual Tax	2,025	1,224	90	801	2,925	243	225	198	90	504	8,325

*As noted above, city levy is comprised of a \$0.83 regular levy and a \$0.06 for a voter approved excess levy.

Under Washington State laws, in addition to the 101 percent levy lid described earlier, jurisdictions are also capped as to the maximum amount it can levy. For the city, its levy cap depends on the remaining levy capacity for other local jurisdictions. The following table summarizes the remaining regular levy capacity for the city and other jurisdictions included within the local property tax portion.

	2025 Levy Rate	Statutory Maximum	Remaining Capacity
City of North Bend Regular Levy	\$0.86	\$3.10	\$2.24 - \$2.49*
King County Library District Regular Levy	\$0.25	\$0.50	\$0.25
Total local levy rate	\$1.11	\$3.60	\$2.49

*As the library district is not levying up to its authorized maximum levy rate, the library's remaining levy capacity is available and counted toward its remaining levy capacity. In the event the library district increases its regular levy above its current \$0.25 regular levy, the available capacity to the city is reduced commensurately.

In 2025, the total assessed valuation for the City of North Bend is approximately \$3.098 billion. Based on the analysis of remaining levy capacity above, the potential revenue yield of the city's remaining capacity ranges from \$6.9 million to \$7.1 million. A public vote to increase levy above the 101 percent levy limit is required.

Property tax levy lid lift

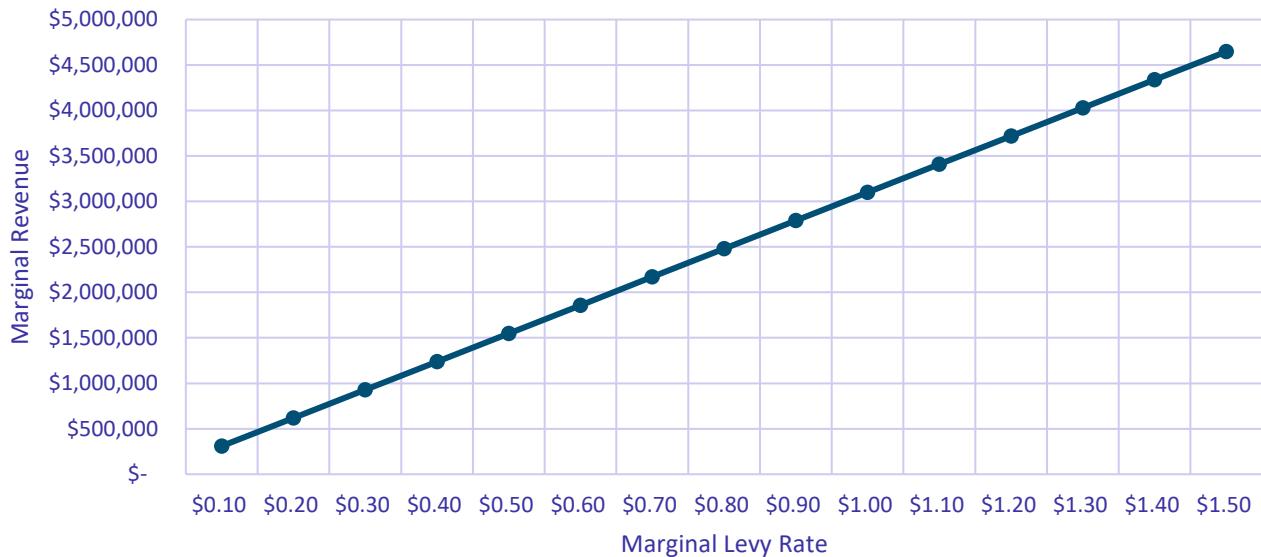
Under Washington State laws, a city that is levying less than its statutory maximum can exceed its 101 percent levy lid limit through a voter approved levy lid lift [RCW 84.55.050] as a way to increase its property tax revenue. A city seeking a levy lid lift may optionally exempt senior citizens, disabled veterans, and other people with disabilities from a levy lid lift [RCW 84.36.381]. Under this option, two separate assessment valuations would be determined – one that applies to the levy amount below the lid lift, and a slight smaller assessment valuation that would apply to the lid lift portion only.

Levy lid lifts can be made for a single or multiple years and can be temporary (single year) or permanent (multiple years). Levy lid lifts require voter approval and can be approved with a simple majority (51 percent).

As the city continues to evaluate its options for local police services (these options include continuing to contract with the City of Snoqualmie, entering into a contract with the King County Sheriff, or forming a city owned-operated department), additional revenue will be required and one potential source of additional revenue may be a property tax levy lid lift, as many surrounding cities have successfully done to fund public safety services in their communities. For additional detail, see discussion of police services under the 2025-2030 *Financial Forecast* section of this document.

The following chart illustrates the additional amount of property tax that is estimated to be generated for each marginal tenth percent (0.10%) in the levy rate. For example, if city voters authorized a levy lid lift of \$0.30, increasing the city's current levy from \$0.89 to \$1.19, an additional \$1.0 million would be generated based on the city's 2025 assessed valuation of \$3.098 billion.

Annual Additional Property Tax Revenue



Sales Taxes

The State of Washington imposes a 6.5% sales tax on most retail sales within the state, and cities and towns can impose local sales taxes on top of the state rate (NBMC 3.08). The local sales tax rate is 9.1% and includes the following:

	City of North Bend	King County	State of Washington	Total
City Authorized				
Basic First Half (up to 0.5%)	0.5%			0.5%
Optional Second Half (up to 0.5%)	0.5%			0.5%
Public Safety (up to 0.1%)	0.1%			0.1%
Transportation Benefit District (up to 0.3%)	0.2%			0.2%
Affordable Housing (up to 0.1%)	0.1%			0.1%
Authorized – not assessed by North Bend				
Annexation Credit (up to 0.2%)	0.0%			0.0%
Cultural Access Program (up to 0.1%)	0.0%			0.0%
High capacity transit (up to 1.0%)	0.0%			0.0%
County Authorized				
Criminal Justice		0.1%		0.1%
Transit		0.9%		0.9%
Mental Health and Drugs		0.1%		0.1%
Cultural Access		0.1%		0.1%
State of Washington			6.5%	6.5%
Total Sales Tax Rate	1.4%	1.2%	6.5%	9.1%

Data source: Washington State Department of Revenue

Sales taxes apply to most retail sales of “tangible personal property”. RCW 82.04.050. In addition, the Marketplace Fairness Act of 2018 requires all “remote sellers” without a physical presence in the state (such as Internet or mail-order retailers) to either collect and remit sales taxes on all purchases or to prominently post

and track information on use taxes. Services to individuals and businesses – things like haircuts, medical bills, consultant fees, etc. – are not “personal property,” and most services are not subject to sales tax. However, some services are subject to sales tax. RCW 82.04.050. Lodging and all other services provided by a hotel, motel, etc. are subject to the retail sales tax, as are landscape maintenance and physical fitness activities.

Local governments must pay and collect sales tax on all taxable purchases, just like any business or consumer, unless there is a specific exemption written into state law.

Sales tax collections can be highly volatile and is quite sensitive to local, regional and national economic conditions. The following table summarizes historical annual sales tax collections from 2020 through 2025 budgeted.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
General Fund	3,188,870	3,520,445	3,480,379	3,271,362	3,553,000	3,712,885
Transportation Benefit District	745,976	823,603	814,239	765,197	650,000	672,750
Affordable Housing	338,205	435,140	430,989	409,567	323,950	338,528
Total	4,273,051	4,779,188	4,725,607	4,446,126	4,526,950	4,724,163

Data source: Washington State Department of Revenue

Approximately 74 percent of the city's sources of taxable retail sales are derived from four sources: consumer retail sales (43 percent), construction (16 percent), restaurants (12 percent). The remaining 26 percent is derived from wholesale, manufacturing, and professional services.

Business Taxes

Revenue from business taxes include business licensing fees and a business and occupation tax. The city assesses a one-time fee of \$35.00 for each new business license issued, \$25.00 annually for business license renewals, a business and occupation tax of 0.20 percent of gross receipts of the business, and a square footage tax of between \$0.04/square foot to \$0.15/square foot based upon facility size (NBMC 5.04). The following table summarizes business tax revenues from 2020 through 2025 and 2026 budgeted.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Business Licenses	35,565	36,038	38,491	43,662	39,326	40,506
B&O Tax (up to 0.2%)	999,033	1,100,001	1,087,512	1,093,964	1,133,000	1,166,990
B&O Square Footage Tax	174,759	169,869	183,100	174,798	200,207	206,213
Total	1,209,357	1,305,908	1,309,103	1,312,424	1,372,533	1,413,709

Utility Taxes

State law allows cities to impose a tax on the income of utility companies. The maximum utility tax rate can not exceed 6 percent for electric, gas, steam, cable television, and telephone services, unless approved by voters. There is no limitation on the utility tax rate for water, sewer, stormwater and solid waste utilities. The city's current tax rates are as follows (NBMC 5.06):

- 5.0 percent on cable television services.
- 6.0 percent on electric, natural gas, and telephone services
- 6.0 percent on water, sewer and solid waste utility services. The city does not impose a utility tax on stormwater utility services.

Water, sewer, and solid waste services are considered public utilities. The others are considered private utilities. The following table summarizes business tax revenues from 2020 through 2025 and 2026 budgeted.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Utility Tax – Private Utilities	684,519	885,030	1,005,422	1,075,671	1,133,000	1,166,990
Utility Tax – Public Utilities	411,732	394,083	378,330	390,150	425,530	438,296
Total	1,096,251	1,279,113	1,383,752	1,465,821	1,558,530	1,605,286

As stated above, state law does not limit the utility tax on public utilities. Each percentage point of the city's current 6.0 percent utility tax on water, sewer and solid waste utility services generates approximately \$70,000 annually.

Development Related Revenues

Revenues in this category consist of user fees and charges that are paid to support the cost of the issuance of building and plan review permits (for example plan review staff, permit tracking technology, and in the case of impact fees and utility general facility charges, city or utility capital improvements constructed to serve growth). As shown below, revenue from these sources can be highly volatile depending upon the number of new construction projects occurring in the city.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Building and Plan Review Fees						
Building permits	556,765	368,037	391,828	133,295	88,000	91,872
Plumbing permits	39,017	35,324	31,450	9,264	8,800	9,187
Mechanical permits	30,991	28,392	38,049	9,797	8,800	9,187
Plan review fees	520,029	234,447	169,723	189,893	298,700	307,661
Developer deposits	914,947	588,549	484,209	444,112	500,000	500,000
Impact Fees						
Transportation	1,801,395	629,709	2,370,770	199,797	1,800,000	1,800,000
Parks	1,902,977	899,517	43,419	92,225	1,000,000	1,000,000
Fire	73,943	129,548	173,181	9,126	50,000	50,000
School (passed through to SVSD)	1,484,877	1,112,838	1,127,366	123,554	1,500,000	1,500,000
Tree replacement	34,408	187,750	89,000	-	20,000	20,000
Bicycle and Pedestrian mitigation	60,760	61,924	184,484	19,641	100,000	100,000
Utility General Facility Charges						
Water GFC	157,089	701,908	1,430,498	204,432	1,000,000	1,020,000
Sewer GFC	2,154,287	1,666,014	2,482,054	318,820	1,500,000	1,530,000
Stormwater GFC	1,053,521	408,578	356,477	215,106	400,000	408,000
Total	10,785,006	7,052,535	9,372,508	1,969,062	8,274,300	8,345,907

Intergovernmental Revenues

Intergovernmental revenues include distributions from Washington State for state shared revenues such as liquor profits and excise taxes, criminal justice distributions, and motor vehicle fuel taxes. The following table summarizes where intergovernmental revenues are budgeted for the 2025-2026 biennium.

Sources of Intergov'tl Revenue	General Fund	Streets Operations
WA. State distributions	325,111	0

WA. State MVFT Taxes	0	242,986
Total 2025-2026 Revenues	325,111	242,986

Grant Revenues

Revenue from grants are received from federal, state and regional agencies for planned capital improvement projects. The city plans its capital improvement program conservatively and if anticipated grant revenues for a capital project does not materialize, the city will delay or not proceed with the planned improvement.

Intergovernmental revenues are received into several funds, with most of the anticipated revenues used to support planned capital improvements in the city's general and utility capital improvement programs. See the Municipal CIP and Utility sections of this document for additional detail on the city's capital improvement programs. The following table summarizes where grant revenues are budgeted for the 2025-2026 biennium.

Sources of Grant Revenue	Capital Streets	Economic Development	Municipal CIP	Utilities CIP
Grants	107,610	20,000	20,923,727	12,652,467
Total 2025-2026 Revenues	107,610	20,000	20,923,727	12,652,467

Major Areas of Citywide Expenditures

Major areas of citywide expenditures include personnel, professional services, capital construction, and interfund transfers. The following table summarizes citywide expenditures by fund family for the 2025-2026 biennium.

	General Fund	Special Revenue Fund	Debt Service Funds	Capital Improv. Funds	Utility Funds	Internal Service Funds
Salaries	5,128,762	1,315,678	0	0	6,831,279	644,790
Benefits	1,646,878	384,889	0	0	2,291,293	237,398
Supplies	140,715	83,917	0	0	728,933	158,669
Services	15,802,120	5,179,694	0	0	6,899,568	679,676
Capital Outlay	370,352	4,087,658	0	29,140,678	19,493,887	1,001,868
Debt Principal	6,037	692	905,000	0	2,797,127	637
Debt Interest	0	0	307,035	0	2,287,170	0
Miscellaneous	0	3,293	0	0	0	0
Interfund Transfers Out	2,906,506	12,339,780	0	980,044	998,580	0
Ending Fund Balance	10,627,497	26,139,888	567,206	17,851,082	37,201,089	2,950,488
Total Expenditures	36,628,868	49,535,489	1,779,241	47,971,804	79,528,925	5,673,526
Total All Funds				221,117,854		

2025-2026 Staffing Authorization and Changes

The 2025-2026 biennial budget includes 51.0 authorized full time equivalents (FTEs). Under the leadership of the City Administrator and the Mayor, city staff are responsible for carrying out the daily needs of the city. This includes Public Works which is responsible for maintaining the city's street and utility infrastructure; Community and Economic Development which is responsible for land use planning, building safety and code compliance, and economic development; and general administration which include the City Administrator, Administrative Services which is responsible for human resources, city records, communications, and information technology; and Finance which is responsible for accounting, budgeting, payroll, accounts payable and receivable, grants accounting, developer accounting, business licensing and utility billing. See the Appendix for a detailed table of authorized FTEs for 2025 and 2026.

Staffing Changes

The 2025-2026 Biennial Budget includes several staffing changes to support the continued delivery of high quality services to the community and to the daily operations of the city. Staffing changes include:

- Principal Planner has been promoted to Planning Manager to meet workload needs in the Community and Economic Development Department.
- Economic Development Manager has been reclassified to Associate Planner to meet workload needs in the Community and Economic Development Department.
- Accounting Operations Manager has been reclassified to Senior Financial Analyst to meet workload needs in the Finance Department.

The following table summarizes historical personnel expenditures citywide. A detailed schedule of authorized FTEs for 2025 and 2026 by department can be found in the Appendix.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Salaries and wages	4,629,278	5,022,747	5,692,892	6,484,093	6,840,249	7,080,261
Personnel benefits	1,620,760	1,692,910	1,913,924	2,049,845	2,219,581	2,340,877
Total	6,250,039	6,715,657	7,606,816	8,533,939	9,059,829	9,421,138

Services

Services include contracts for services, including contracted fire, police, legal, and jail services within the General Fund, and engineering professional services in the Utility funds. The following table summarizes historical service expenditures citywide.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
General Fund (fire, police, legal, jail contracted services)	5,013,557	5,622,203	5,961,339	6,683,103	7,810,386	7,991,734
Impact Fees Transfers Out (impact fees pass through for SVSD)	1,923,812	1,150,931	1,926,770	693,642	1,617,000	1,620,510
Utility Funds (system repairs and maintenance)	2,203,415	2,280,616	3,436,667	3,712,779	3,457,830	3,441,738
Streets repairs and maintenance	316,150	429,156	467,167	394,142	435,553	450,822
Other Funds	739,512	816,438	1,203,511	995,903	853,903	881,582
Total	10,196,445	10,299,344	12,995,454	12,479,570	14,174,673	14,386,385

Capital Outlays

Capital construction includes expenditures for transportation (streets, bridges, sidewalks), parks, and utility infrastructure, and other such as vehicles, equipment, and technology systems. A more detailed description of 2025-2026 planned capital improvement projects and scheduled equipment replacements can be found in Capital Improvement Funds, Utility Funds section of this document.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Public works	1,290,972	4,015,577	3,407,337	5,142,649	15,913,791	14,539,546

Utility infrastructure	5,091,281	11,877,765	9,602,151	2,400,734	14,738,469	4,755,418
Other	224,572	136,396	309,138	415,737	1,703,971	2,443,250
Total	6,606,826	16,029,738	13,318,627	7,959,120	32,356,230	21,738,214

Interfund Transfers

Interfund transfers includes policy-based transfers-out between funds primarily in support of planned capital improvement projects. As these transfers are policy-based, annual amounts can be increased, decreased, or eliminated based upon unique needs as identified during the biennial budgeting process. Examples include transfers from the General Fund to the capital improvement program, impact fee resources to the capital improvement program, or debt proceeds in support of capital projects.

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
General Fund	1,375,598	1,352,824	3,423,485	2,705,456	1,435,641	1,470,865
Impact Fees	669,417	1,675,905	1,283,703	1,085,388	5,350,000	4,150,000
Utility Funds	5,445,503	1,020,151	364,143	390,695	495,174	503,405
Other	1,590,752	1,322,067	2,020,747	2,662,633	1,999,024	1,820,800
Total	9,081,270	5,370,948	7,092,077	6,844,172	9,279,840	7,945,070

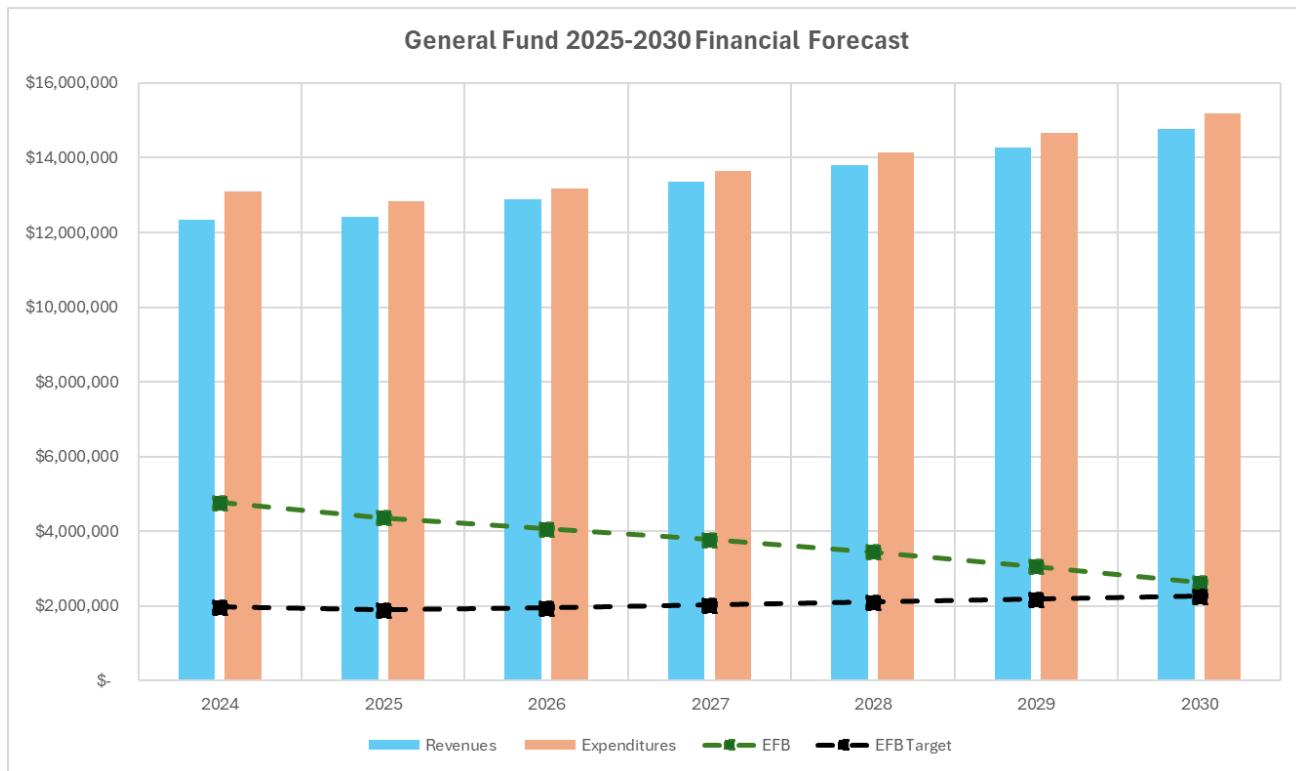
Six Year Financial Forecast

The purpose of a financial forecast is to identify long-term financial opportunities and challenges over the next six years. This section includes a forecast for the city's largest areas of expenses - General Fund, Capital Improvements program, and Utility funds.

General Fund

As discussed earlier, the city's General Fund is used to account for the daily operations of the city, including contracted fire and police services, building and permit review, park maintenance, and general administrative services such as finance, human resources and city administration. Between 2021 and 2024, General Fund expenses (excluding ending fund balance) grew at compounded annualized growth rate (CAGR) of 3.4 percent and is in-line with inflation (CPI-U) for the Seattle-Bellevue metropolitan service area of 2.8 percent at the end of 2024.

In contrast, between 2021 and 2024, General Fund revenues (excluding beginning fund balance and interfund revenues) grew at a compounded annualized growth rate (CAGR) of 2.3 percent, slower than annualized growth for operating expenses. This structural imbalance between operational revenues and operational expenses is not sustainable in the long-term, and results in a gradual erosion of the General Fund's reserves (fund balance). The following chart illustrates the six-year financial forecast for the city's General Fund based upon the adopted 2025-2026 budget. This chart shows that the city's General Fund reserves will, under current conditions, gradually decline and reach minimum levels as established by city financial policies by 2030.



Looming challenges – Contracted Public Safety Costs

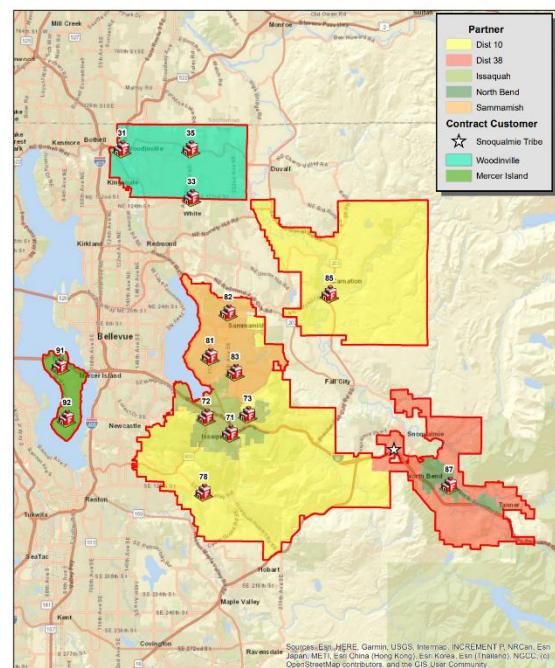
Payments to Eastside Fire and Rescue and to the City of Snoqualmie represent the two largest area of expense for the General Fund. Combined, these two cost centers total \$9.4 million in the 2025-2026 biennium, or nearly 40 percent of the city's General Fund (excluding ending fund balances).

Fire Services: The City of North Bend is one of five partner agencies (the other four partner agencies include the cities of Issaquah and Sammamish, and Fire Districts 10 and 38). In 2025, North Bend Councilmember Gothelf serves on the EFR Board of Directors representing the City of North Bend. Additionally, EFR provides contracted fire protection services to the cities of Woodinville and Mercer Island and the Snoqualmie Tribe.

Based upon the EFR Board approved budget for the 2025-2026 biennium, North Bend payments to EFR increases from \$1.5 million in 2024 to \$1.8 million in 2025 and \$1.9 million in 2026. These increases were anticipated and factored into the city's 2025-2026 adopted budget.

Police Services: North Bend police services are provided under contract with the City of Snoqualmie. The current 5-year contract expired at the end of 2024. The 2024 payment to Snoqualmie was \$2.6 million. In January 2025,

Eastside Fire & Rescue



the North Bend City Council approved a Renewal Interlocal Agreement, which provides for continued police services for 12 months through December 2025 at a cost of \$2.84 million.

At this writing, the North Bend City Council is evaluating alternatives for the long-term provision of policing services in the city. These alternatives include forming a city owned and operated police department, contracting with the King County Sheriff's Office, or continuing to contract with the City of Snoqualmie. A preliminary proposal by the City of Snoqualmie would have increased the 2025 payment to \$4.1 million. Assuming this higher level of annual payment, with annual adjustments for inflation, the General Fund financial forecast would deplete the city's ending fund balance to minimum target levels by as early as late 2026 to early 2027, and would be fully exhausted by the beginning of 2028. Discussions regarding alternative policing models and negotiations with the City of Snoqualmie are expected to continue through at least the first half of 2025.

Capital Improvements

Over the 2025-2030 planning period, citywide expenditures on capital improvements are forecasted to total \$157.4 million between the city's municipal CIP, and utility CIP programs, as shown in the table below. Of this need, approximately 70 percent is expected to be funded from outside city resources (e.g. federal, state, or King County grants). The city has a long-standing policy that if a project is substantially funded by outside city resources, and in the event those resources do not materialize, the project will not proceed and will either be rescheduled to when those outside resources become available, or will be eliminated.

Annual spending on capital improvements can vary based upon timing of planned project engineering design and construction, as well as emergent and unanticipated needs that may be identified during the course of any year. Significant projects scheduled during the 2025-2026 biennium include:

Municipal CIP: Complete Streets program; Railroad Safety Crossings; South Fork Avenue extension; North Bend Bridge No. 3 deck replacement; Roundabouts at NBW/Mt.Si Road and at SR-202/Mt. Si Blvd; and Shared Use bridge over South Fork Snoqualmie River.

Utilities CIP: NW 8th Street A/C watermain replacement; NW 14th Street watermain extension; Meadowbrook sewer ULID construction; Silver Creek sewer project; South Fork levee setback

CIP Function	2025 Budget	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2025-2030 Total
Municipal CIP	15,258,678	13,882,000	24,594,000	7,606,000	7,618,000	8,228,000	77,186,678
Water Utility CIP	4,066,024	1,080,000	2,056,000	2,765,000	1,620,000	16,630,000	28,217,024
Sewer Utility CIP	9,500,000	1,830,000	17,700,000	250,000	840,000	360,000	30,480,000
Stormwater Utility CIP	1,140,000	1,812,000	2,318,196	6,480,000	8,056,869	1,673,910	21,480,975
Total	29,964,702	18,604,000	46,668,196	17,101,000	18,134,869	26,891,910	157,364,678
Funding sources							
Federal	9,854,738	5,689,873	28,615,118	0	432,500	16,946,250	61,538,479
State	1,962,597	3,236,521	4,351,434	6,361,949	5,157,500	2,800,000	23,870,001
King County/Other	8,775,595	4,268,873	1,840,705	4,557,616	5,129,044	1,800,000	26,371,833
Local (City)	9,371,773	5,408,733	11,860,939	6,181,435	7,415,825	5,345,660	45,584,365
Total Funding Sources	29,964,702	18,604,000	46,668,196	17,101,000	18,134,869	26,891,910	157,364,678

Utility Funds

The city operates a water, sewer and storm/flood control utility. Each utility operates as an enterprise fund. As an enterprise program, each utility is fully funded from utility rates and without any subsidies from general taxes or without any cross-subsidization between utilities. Periodic rate studies are conducted to ensure revenue from utility rates are sufficient to fully fund the operational and capital expenditures of each utility. The last rate study was conducted in 2020 for the water and sewer utilities. In 2025, a utility rate study is planned for each of the three city utilities to determine the sufficiency of revenues under existing rates, and the required adjustment to utility rates starting January 2026 to ensure long term financial sustainability and compliance with reserve targets and debt obligations. Previously approved Ordinances 1741 and 1741 authorized water and sewer rate adjustments covering the years 2022 through 2025. It is envisioned that following the 2025 rate study, updated rates will be proposed for the years 2026 through 2029 or 2030.

For the 2025-2026 biennium, each utility's operating expenses are forecasted to exceed operating revenues, resulting in a degradation of its respective fund balances. While each utility is expected to fully fund its operational and capital needs, and end 2025 and 2026 in positive financial condition and with sufficient resources to meet minimum reserve requirements, the 2025 rate study will be instrumental to determining the necessary annual adjustments to rates to ensure long-term financial sustainability for each utility program for the 2025-2030 planning period. The following table summarizes historical annual utility rate adjustments authorized since the previous rate study. Please see the Utility Funds section of this document for additional operating and capital improvement project details for each utility.

Utility	Adopted Increases from prior year					
	2020	2021	2022	2023	2024	2025
Water	2.5%	2.4%	5.5%	5.5%	5.5%	5.5%
Sewer	8.0%	2.4%	2.5%	2.5%	2.5%	2.5%
Storm and Flood	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

General Fund Appropriations

Fund Overview

The General Fund is the primary operating 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 the city provides. For the 2025-2026 biennium, no changes to existing tax rates is planned, and no new staff or new programs is included.

Functions

- Accounts for all general taxes, fees, fines, and charges for services
- Accounts for all general government expenses including public safety, parks and recreation, fire, jail, and general administration

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	4,863,017	6,193,174	5,507,192	4,773,942	4,361,977
Sales Taxes	4,560,546	4,529,874	3,869,680	4,454,386	4,654,833
Property Taxes	2,239,132	2,350,956	2,475,682	2,731,252	2,858,565
Utility Taxes	1,279,113	1,383,753	1,465,822	1,558,530	1,605,286
Business Taxes	1,305,908	1,309,103	1,312,424	1,372,533	1,413,709
Other Taxes	845	1,664	69,731	51,915	52,417
Development Fees	716,502	668,182	406,209	455,937	471,093
Licenses and Permits	126,996	36,371	97,289	134,462	138,495
Intergovernmental Revenues	155,044	380,803	233,316	160,153	164,958
Fees and Administrative Charges	16,755	728,704	693,485	781,925	805,387
Fines and Penalties	66,155	74,351	214,936	75,025	77,275
Miscellaneous	183,345	112,700	390,525	38,926	40,093
Interfund Transfers In	195,034	177,919	1,294,339	600,000	600,000
Total Revenues incl. Beg. Fund Bal.	15,708,390	17,947,551	18,030,630	17,188,985	17,244,091
Salaries	1,770,371	2,094,195	2,283,883	2,486,562	2,573,606
Benefits	586,911	698,356	724,909	789,989	831,376
Supplies	57,653	62,514	71,556	70,527	69,612
Services	1,436,667	1,490,665	1,879,874	1,975,497	2,057,202
Eastside Fire and Rescue Contract	1,258,558	1,437,948	1,461,860	1,740,574	1,875,689
Human Services Allocations	279,019	325,381	296,757	600,353	431,996
Jail Contract	542,326	430,335	621,852	694,313	729,028
Police Services Contract	2,124,094	2,285,968	2,446,016	2,846,293	2,945,860
Capital Outlay	86,161	178,969	244,811	184,287	186,065
Debt Principal	9,323	11,748	11,583	2,974	3,063
Miscellaneous	11,309	795	5,076	0	0
Interfund Transfers Out	1,352,824	3,423,485	2,705,456	1,435,641	1,470,865
Ending Fund Balance	6,193,174	5,507,192	527,6997	4,361,977	4,069,728
Total Expenditures incl. End. Fund Bal.	15,708,390	17,947,551	18,030,630	17,188,985	17,244,091

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Mayor – Council Department

Department Overview

North Bend operates under a Mayor-Council form of government.

The Mayor is directly elected by popular vote of the citizens of North Bend for a four-year term. The Mayor is the Chief Executive Officer of the city and is responsible for supervising municipal operations. 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.

Functions

- Oversight of city organization
- Establishes policy direction
- Authorizes agreements, contracts, ordinances and resolutions, adopts policies and compensation plans

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	63,948	82,163	81,476	83,576	86,584
Benefits	10,494	15,447	13,861	13,207	13,999
Supplies	0	0	0	0	0
Services	121,322	168,924	118,921	217,771	224,304
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	195,764	266,534	214,259	314,553	324,888

Significant budgetary changes for 2025-2026

None.

City Administration Department

Department Overview

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.

Functions

- Oversight of daily city operations
- Chief administrative officer providing operational leadership and supervision
- Implements city Council policies and priorities.

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	384,259	481,461	518,018	524,282	543,156
Benefits	126,506	152,716	157,925	167,641	177,700
Supplies	414	154	148	811	835
Services	56,589	62,682	82,784	70,609	72,727
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	567,768	697,013	758,874	763,343	794,418

Significant budgetary changes for 2025-2026

None.

Administrative Services Department

Department Overview

The Administrative Services Department provides internal support to other city departments and includes human resources, labor relations, employee recruitment and retention, employee training, emergency management, City Clerk, records management and retention, information technology, and communications. The city has two labor unions: the *Public, Professional and Office-Clerical Employees and Drivers Local Union 763* (representing 18 Public Works Employees; current contract expires at the end of 2026) and the *Public, Professional and Office-Clerical Employees and Drivers Local Union 763* (representing 12 Office-Clerical and Technical Employees; current contract expires at the end of 2025). The Administrative Services Department leads all labor union contract negotiations and works collaborative with each union to address any labor related issues.

Functions

- Human resources, recruitment, and training
- Emergency management
- Information technology
- Communications
- City Clerk and records management
- Labor contract negotiations

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	384,259	481,461	518,018	524,282	543,156
Benefits	126,506	152,716	157,925	167,641	177,700
Supplies	414	154	148	811	835
Services	56,589	62,682	82,784	70,609	72,727
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	567,768	697,013	758,874	763,343	794,418

Significant budgetary changes for 2025-2026

None.

Finance Department

Department Overview

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 and occupation taxes, investments, grant management, capital projects accounting, developer deposits, and fixed assets tracking. Salaries and benefits reflect the department's return to full staffing in 2025 and 2026.

Functions

- Financial operations and oversight
- Budgeting (operations and capital)
- Accounting
- Payroll
- Public policy and data analysis
- Business licensing
- Utility billing
- Long term financial planning

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	232,835	298,598	361,143	507,260	525,521
Benefits	77,449	95,307	110,179	159,233	168,787
Supplies	747	0	69	541	557
Services	91,557	123,712	79,395	134,148	138,173
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	572	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	402,588	518,189	550,786	801,182	833,038

Significant budgetary changes for 2025-2026

None.

Community and Economic Development Department

Department Overview

The Community and Economic Development Department is responsible for the enforcement and regulation of building code and construction, building plan review, development of the city's Comprehensive Plan and Land Use Code, oversight of city capital improvement projects and new privately constructed infrastructure, and development and execution of economic development strategies and policies.

Functions

- Enforcement of uniform construction codes
- Planning under the State Growth Management Act
- Comprehensive planning
- Long range planning
- Building plan review
- Building and land safety and code enforcement

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	799,356	910,999	920,197	937,598	971,361
Benefits	262,715	311,475	293,265	306,972	323,425
Supplies	1,624	791	3,189	7,186	4,252
Services	141,494	201,015	347,761	289,767	302,793
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	1,205,189	1,424,281	1,564,412	1,541,524	1,601,831

Significant budgetary changes for 2025-2026

None.

Parks Department

Department Overview

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.

Functions

- Park operations and maintenance
- Park field and facilities
- Management of developed park land and open spaces

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	272,016	297,352	376,925	413,488	425,893
Benefits	102,954	112,547	134,337	134,900	138,947
Supplies	18,828	16,977	22,765	21,345	21,985
Services	200,179	140,072	176,307	206,731	220,380
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	6,649	16,566	7,916	78,650	33,000
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	16,161	52,514	111,874	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	2,417	795	5,076	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	619,203	636,823	835,201	855,114	840,205

Significant budgetary changes for 2025-2026

None.

Human Service Allocations

Department Overview

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.

Functions

- Support of local social service agencies
- Meeting the needs of the city's most vulnerable populations

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Human Services Allocations	193,000	214,417	249,000	249,000	249,000
Total Expenditures	193,000	214,417	249,000	249,000	249,000

2025 and 2026 Social Service Allocations

	2024 Allocations	2025 Allocations	2026 Tentative Allocations
Boxley Music Fund (Jazz Clubs NW)	\$9,000	\$9,000	\$9,000
Empower Youth	20,000	20,000	20,000
Encompass	30,000	30,000	30,000
Friends of the Trail	9,200	9,200	9,200
Friends of Youth	10,000	10,000	10,000
KidVantage	2,500	2,500	2,500
Mamma's Hands	15,000	15,000	15,000
Meadowbrook Farm Preservation Assoc.	3,300	3,300	3,300
Mt Si Senior Center	50,000	50,000	50,000
North Bend Art & Industry	15,000	15,000	15,000
Reclaim	20,000	20,000	20,000
Snoqualmie Valley Food Bank	40,000	40,000	40,000
Sno Valley Historical Museum	15,000	15,000	15,000
Trail Youth	10,000	10,000	10,000
Total	\$249,000	\$249,000	\$249,000

Significant budgetary changes for 2025-2026

None. It should be noted that 2026 social service allocations are tentative at the time of this writing, and final allocations confirming the budgeted allocation will be made at the end of 2025, depending upon availability of city resources.

Contracted Services

Police Services Contract

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. Budgeted capital outlay includes contributions to the City of Snoqualmie for vehicle replacement.

Functions

- Public safety and patrol
- Law enforcement and public outreach

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	2,124,094	2,285,968	2,446,016	2,846,293	2,945,860
Capital Outlay	70,000	70,000	75,377	125,000	125,000
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	2,194,094	2,355,968	2,521,393	2,971,293	3,070,860

Significant budgetary changes for 2025-2026

In January 2025, the City Council approved a renewal interlocal agreement for continued contracted policing services from the City of Snoqualmie through the end of 2025. Negotiations are expected to continue through at least mid-2025, and should the negotiations result in an increase in contracted costs for 2025, the increase will be retroactive to January 1, 2025 per the renewal interlocal agreement. Budgeted figures for 2025 and 2026 are preliminary estimates only and will be updated based upon the city's determination for how police services will be provided and upon consummation of negotiations.

Fire Services Contract

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. Payments to EFR for 2025 and 2026 are based upon the EFR Board adopted budget for the 2025-2026 biennium.

Functions

- Public safety and fire prevention
- Fire building plan review
- Public education

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Eastside Fire and Rescue Contract	1,258,558	1,493,831	1,519,420	1,799,860	1,936,755
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	1,258,558	1,493,831	1,519,420	1,799,860	1,936,755

Significant budgetary changes for 2025-2026

None.

Legal & Judicial Contracts

Legal services for the city is provided under contract with Kenyon Disend, an experienced law firm that is 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 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.

Functions

- Civil legal representation
- Criminal prosecution
- Municipal court services
- Public defense

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	434,017	307,077	591,268	518,787	537,464
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	0	0	0	0	0
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	434,017	307,077	591,268	518,787	537,464

Significant budgetary changes for 2025-2026

None.

Jail Services Contracts

Municipal jail services for the city is provided under contract with King County. Prior to the city's current contract with King County, jail services were provided under contract with the City of Sunnyside.

Functions

- Inmate housing and jail services

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Eastside Fire and Rescue Contract	0	0	0	0	0
Human Services Allocations	0	0	0	0	0
Jail Contract	542,326	430,335	621,852	694,313	729,028
Police Services Contract	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Total Expenditures	542,326	430,335	621,852	694,313	729,028

Significant budgetary changes for 2025-2026

None.

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. Interfund transfers budgeted in 2025 and 2026 are based upon needs in other funds and availability of non-city resources to support planned capital improvement projects.

Functions

- Supports activities of other departments

2022-2026 Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Transfer Out-Affordable Housing (F109)	0	1,216,850	0	323,950	338,528
Transfer Out-Capital Streets (F102)	163,139	35,000	36,750	0	0
Transfer Out-Econ Development (F108)	146,431	245,000	257,250	300,000	300,000
Transfer Out-Municipal CIP (F310)	73,378	0	1,259,480	0	0
Transfer Out-Park Maint. Reserve (F117)	0	10,500	11,026	10,000	10,000
Transfer Out-Reserve Fund (F002)	0	1,005,930	91,966	0	0
Transfer Out-Street Operations (F101)	770,418	635,205	760,234	677,691	698,337
Transfer Out-Street Overlay (F103)	199,458	275,000	288,750	124,000	124,000
Total Expenditures	1,352,824	3,423,485	2,705,456	1,435,641	1,470,865

Significant budgetary changes for 2025-2026

None.

Special Revenue Funds Appropriations

Street Operations Fund #101

Fund Overview

The Street Operations Fund, a division of the Public Works Department, provides for all maintenance and operation functions for the city's transportation system. These responsibilities are primarily financed through a transfer of General Fund revenues. Other funding sources include street permits and state-shared gasoline taxes.

Functions

- Street sweeping
- Asphalt paving, crack sealing and re-grading
- Traffic control
- Street sign maintenance
- Snow and ice removal
- Emergency response
- Curb and sidewalk repair
- Debris cleaning
- Maintain street rights of way
- Vegetation control

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	0	0	0	0	0
Taxes	0	0	0	0	0
Licenses and Permits	15,462	14,584	13,972	15,000	15,000
Intergovernmental Revenues	186,172	116,438	147,304	121,323	121,663
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	2,471	9,009	693	5,351	0
Interfund Transfers In	795,683	918,027	899,911	947,866	976,742
Total Revenues incl. Beg. Fund Bal.	999,787	1,058,058	1,061,879	1,078,838	1,113,405
Salaries	389,436	407,236	466,589	424,433	437,166
Benefits	150,924	160,163	159,400	117,120	120,634
Supplies	23,920	22,562	36,071	18,656	19,216
Services	429,156	467,167	394,142	435,553	450,822
Capital Outlay	0	0	0	81,113	83,546
Debt Principal	892	930	1,061	341	351
Debt Interest	0	0	0	0	0
Miscellaneous	5,459	0	4,616	1,622	1,671
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0
Total Expenditures incl. End. Fund Bal.	999,787	1,058,058	1,061,879	1,078,838	1,113,405

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Capital Streets Improvement Fund #102

Fund Overview

The function of the Capital Streets Improvement Fund is to amass monies for the construction of street projects in the 6-year Transportation Improvement Program (TIP). The primary revenue streams include transfer-in from Gasoline and Fuel Excise Taxes and a portion of Business & Occupation Taxes which are collected in the General Fund. Transfers out include payments to the 2015 LTGO Bond Fund #218 for debt service payments for the LTGO bonds issued for the construction of transportation improvement projects.

Functions

- Construction of streets projects
- Carryout vision of 6-year TIP
- Payment of debt service.
- Traffic flow and safety
- Pedestrian safety

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	50,435	62,783	123,954	213,375	264,125
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	93,217	42,650	6,832	53,010	54,600
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	957	597	740	2,130
Interfund Transfers In	163,139	330,000	260,250	150,000	150,000
Total Revenues incl. Beg. Fund Bal.	306,791	436,390	391,632	417,125	470,855
Salaries	49,001	52,585	63,271	54,480	56,440
Benefits	13,669	14,904	17,478	15,940	16,900
Supplies	0	0	0	0	0
Services	156,006	127,777	36,947	28,500	29,360
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	25,333	166,953	60,561	54,080	55,700
Ending Fund Balance	62,783	74,171	213,375	264,125	312,455
Total Expenditures incl. End. Fund Bal.	306,791	436,390	391,632	417,125	470,855

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Streets Overlay Fund #103

Fund Overview

The city established a Streets Overlay Fund for the purpose of segregating appropriations to be utilized for the city's Streets Overlay Maintenance Program. These funds come primarily from transfers from the General Fund and Capital Streets Fund.

Functions

- Street surface overlay and refurbishment
- Carryout vision of 6-year TIP
- Traffic flow and safety
- Street repairs and maintenance

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	830,676	721,073	800,719	430,576	434,882
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	62,134	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	6,310	26,458	4,306	4,348
Interfund Transfers In	169,869	526,250	716,110	574,000	574,000
Total Revenues incl. Beg. Fund Bal.	1,062,679	1,253,633	1,543,287	1,008,882	1,013,230
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	1,534	46,916	729,939	574,000	574,000
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	6,258	0	0	0	0
Interfund Transfers Out	333,814	405,998	382,772	0	0
Ending Fund Balance	721,073	800,719	430,576	434,882	439,230
Total Expenditures incl. End. Fund Bal.	1,062,679	1,253,633	1,543,287	1,008,882	1,013,230

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Impact Fees Fund #106

Fund Overview

Impact fees are one-time fees charged to mitigate the impact of development upon public facilities and can be used only for designated purposes in a limited time from the date of collection. The city currently charges a Park Impact Fee, Transportation Impact Fee and Fire Impact Fee. The city also collects a School Impact Fee that is remitted to the Snoqualmie School District. Interfund transfers to other funds include funding for scheduled city capital improvement projects.

Functions

- Funds construction placed on public infrastructure as a result of new development. Includes transportation, parks, sidewalks, trees, schools, bicycle, and pedestrian construction and safety projects

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	8,671,652	8,973,692	9,672,063	10,004,822	7,320,097
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	3,021,573	3,988,220	623,896	5,075,226	5,975,226
Fines and Penalties	0	0	0	0	0
Miscellaneous	40,180	86,327	261,446	100,049	73,201
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	11,733,405	13,048,239	10,557,405	15,180,097	13,368,524
			0		
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	382	537	0	20,000	20,000
Services	2,759,331	2,091,936	693,642	1,617,000	1,620,510
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	873,000	1,902,000
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	1,283,703	1,085,388	5,350,000	4,150,000
Ending Fund Balance	8,973,692	9,672,063	8,778,375	7,320,097	5,676,014
Total Expenditures incl. End. Fund Bal.	11,733,405	13,048,239	10,557,405	15,180,097	13,368,524

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. Impact fees are highly sensitive to the timing and occurrence of new development, which in turn are highly sensitive to changes in local and regional economic conditions.

Hotel/Motel Tax Fund #107

Fund Overview

Hotel/Motel Lodging Tax is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. The funds are distributed by the State Treasurer to the levying cities and counties. They may be used for promotion of tourism or construction and operation of tourism-related facilities.

Functions

- Economic development
- Operation and Construction of tourism related facilities
- Promotion of tourism

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	35,703	59,111	82,923	98,523	60,577
Taxes	23,407	23,159	22,056	26,068	26,550
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	654	2,850	985	606
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	59,111	82,923	107,829	125,577	87,732
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	65,000	65,000
Ending Fund Balance	59,111	82,923	107,829	60,577	22,732
Total Expenditures incl. End. Fund Bal.	59,111	82,923	107,829	125,577	87,732

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Economic Development Fund #108

Fund Overview

The resources in this fund are to be utilized for citywide economic planning including downtown revitalization, and to create linkages between the interchange commercial and downtown areas.

Functions

- Economic development
- Economic development planning
- Sponsorship of special events
- Business outreach and promotion
- Downtown revitalization
- Support North Bend Downtown Foundation

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	0	11,483	50,469	60,113	40,618
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	10,000	0	17,729	10,000	10,000
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	398	2,165	601	406
Interfund Transfers In	146,431	245,000	257,250	365,000	365,000
Total Revenues incl. Beg. Fund Bal.	156,431	256,880	327,613	435,715	416,024
Salaries	92,643	88,350	96,250	169,044	174,115
Benefits	24,587	21,233	24,146	56,303	57,992
Supplies	2,500	0	518	3,015	3,030
Services	25,218	92,908	77,502	166,735	168,737
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	3,920	1,073	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	11,483	50,469	128,124	40,618	12,150
Total Expenditures incl. End. Fund Bal.	156,431	256,880	327,613	435,715	416,024

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Affordable Housing Fund #109

Fund Overview

Created in 2023, the resources in this fund are to be utilized for development of affordable housing citywide. Initiatives include promoting the construction of affordable housing and facilitating development agreements that include elements of affordable housing. This fund is funded by an affordable housing sales tax rate of one-tenth of one percent (0.1%), as authorized under 82.14.530. Revenue from this tax is collected into the General Fund and transferred out to this fund to fund affordable housing initiatives as authorized by the City Council.

Functions

- Housing affordability and accessibility
- Affordable housing development and planning
- Developer agreements
- Economic development

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	0	0	1,216,545	1,260,733	1,260,733
Taxes	0	0	409,567	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	9,587	35,865	0	0
Interfund Transfers In	0	1,216,850	0	323,950	338,528
Total Revenues incl. Beg. Fund Bal.	0	1,226,437	1,661,977	1,584,683	1,599,261
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	9,892	0	323,950	338,528
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	0	1,216,545	1,661,977	1,260,733	1,260,733
Total Expenditures incl. End. Fund Bal.	0	1,226,437	1,661,977	1,584,683	1,599,261

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Park Improvement Grants Fund #116

Fund Overview

The North Bend Parks Commission is responsible for recommending park improvement activities to the City Council. The Council then appropriates funds from the Park Improvement Fund based on priorities set during the budget cycle.

Functions

- Park construction and improvements
- Quality of life and recreation

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	309,651	433,672	515,926	682,227	689,050
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	142,333	133,469	56,255	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	4,640	4,066	18,443	6,822	6,890
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	456,624	571,207	590,624	689,049	695,940
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	14,047	5,281	85,317	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	8,905	50,000	0	0	0
Ending Fund Balance	433,672	515,926	505,307	689,050	695,940
Total Expenditures incl. End. Fund Bal.	456,624	571,207	590,624	689,050	695,940

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Park Maintenance Reserves Fund #117

Fund Overview

The Parks Maintenance Reserve Fund was established to provide a dedicated funding source for parks equipment replacement and repair. \$10,000 is transferred annually from the General Fund into this fund per City Council direction.

Functions

- Park facility maintenance and improvement
- Quality of life and recreation

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	30,129	30,575	41,401	52,509	63,034
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	446	326	1,396	525	630
Interfund Transfers In	0	10,500	11,026	10,000	10,000
Total Revenues incl. Beg. Fund Bal.	30,575	41,401	53,823	63,034	73,664
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	30,575	41,401	53,823	63,034	73,664
Total Expenditures incl. End. Fund Bal.	30,575	41,401	53,823	63,034	73,664

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Development Projects Fund #125

Fund Overview

The Parks Maintenance Reserve Fund was established to provide a dedicated funding source for parks equipment replacement and repair. \$10,000 is transferred annually from the General Fund into this fund per City Council direction.

Functions

- Park facility maintenance and improvement
- Quality of life and recreation

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	642,237	647,207	589,421	779,421	687,215
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	588,549	484,209	452,592	500,000	500,000
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	3,686	19,468	7,794	6,872
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	1,230,786	1,135,102	1,061,481	1,287,215	1,194,087
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	388,545	418,762	237,675	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	195,034	126,919	163,017	600,000	600,000
Ending Fund Balance	647,207	589,421	660,790	687,215	594,087
Total Expenditures incl. End. Fund Bal.	1,230,786	1,135,102	1,061,481	1,287,215	1,194,087

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

American Rescue Plan Act Fund #130

Fund Overview

Created in 2021, this fund accounts for the receipt and obligation of funds from the federal American Rescue Plan Act. The Act was established following the 2020 Covid-19 pandemic to provide financial assistance to local governments in continuing public services during the pandemic. Following Council discussion and decision-making, all funds have been obligated in 2024, and this fund will be closed in 2025.

Functions

- Accounting for receipt and disbursement of funds from the ARP Act.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	1,014,133	1,968,396	1,592,823	0	0
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	1,037,070	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	12,553	35,083	0	0
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	2,051,203	1,980,949	1,627,907	0	0
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	67,625	330,204	372,193	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	15,181	6,921	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	51,000	1,300,714	0	0
Ending Fund Balance	1,968,396	1,592,823	0	0	0
Total Expenditures incl. End. Fund Bal.	2,051,203	1,980,949	0	0	0

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

All resources for this fund were fully obligated consistent with federal guidelines during the 2023-2024 biennium. This fund will be closed.

Transportation Benefit District Fund #190

Fund Overview

The North Bend Transportation Improvement District (TBD) No. 1 was established in 2011 as an independent taxing district to fund, construct, and provide transportation improvements within its boundaries which are coextensive with the boundaries of the city. The City Council approved dissolving the Transportation Benefit District in 2018 and absorbing the operations into the city's budget. Although the District was dissolved, the fund itself is maintained to account for revenues collected under the voter-approved two-tenths of one percent sales and use tax (0.2%), as authorized under RCW 82.14.0455. Resources from this tax are transferred to the Municipal CIP fund (Fund #310) and used to fund transportation improvement capital improvement projects throughout the city.

Functions

- Accounting for receipt and disbursement of funds from the transportation benefit district.
- Funded from local 0.2% sales and use tax.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	1,969,004	2,166,948	2,727,682	3,132,999	3,114,329
Taxes	823,603	814,239	765,197	650,000	672,750
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	26,096	21,496	91,053	31,330	31,143
Interfund Transfers In	2,569	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	2,821,272	3,002,682	3,583,932	3,814,329	3,818,223
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	385,911	275,000	275,000	700,000	700,000
Ending Fund Balance	2,166,948	2,727,682	3,308,932	3,114,329	3,118,223
Total Expenditures incl. End. Fund Bal.	2,552,858	3,002,682	3,583,932	3,814,329	3,818,223

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Debt Service Funds Appropriations

2011 Fire Station Bond Fund #216

Fund Overview

This fund accounts for the payment of a voter-approved general obligation bonds that was issued in 2011 to finance a new fire station. The interest rate on the bonds is 4.18%; payoff is scheduled in 2030. Revenues are derived from a voter-approved excess property tax levy authorized in 2011.

Functions

- Debt service payments for voter-approved bonds authorized in 2011 for the construction of a new fire station

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	8,744	40,757	6,592	97,619	145,028
Taxes	178,031	156,957	177,130	195,717	50,000
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	3,941	52	4,291	976	1,450
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	190,717	197,766	188,013	294,313	196,478
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	120,000	125,000	130,000	135,000	140,000
Debt Interest	29,960	25,090	19,965	14,285	8,750
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	40,757	47,676	38,048	145,028	47,728
Total Expenditures incl. End. Fund Bal.	190,717	197,766	188,013	294,313	196,478

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

2012 Transportation Benefit District Bond Fund #217

Fund Overview

This bond was issued in 2012 for the purpose of providing financing for a portion of the costs of certain transportation projects included in the city's transportation improvement plan. Proceeds received from the Transportation Benefit District (TBD) sales tax approved by voters are being used to make debt payments. Payoff was completed in 2021.

Functions

- Debt service payments for non-voted bonds authorized in 2012 for transportation projects.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	2,569	0	20	20	20
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	20	0	0	0
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	2,569	20	20	20	20
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	2,569	0	0	0	0
Ending Fund Balance	0	20	20	20	20
Total Expenditures incl. End. Fund Bal.	2,569	20	20	20	20

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

2015 Limited Tax General Obligation Bond Fund #218

Fund Overview

This refunding bond paid off the 2010 LTGO Bond which had refinanced the Tollgate Bond and Bank of America line of credit used for the purchase of property for the Downing Street Extension and Park & Ride projects. The total bond is for \$1,900,000 and will be paid off in 2026. Resources to fund debt service payments include a transfer-in from the Real Estate Excise Tax Fund #320 and a transfer-in from the Capital Streets Improvement Fund #102.

Functions

- Debt service payments for non-voted bonds authorized in 2015 for transportation projects.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	0	-187,705	350	10,731	187,205
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	0	4,638	0	0
Interfund Transfers In	16,270	397,641	266,419	387,274	208,000
Total Revenues incl. Beg. Fund Bal.	16,270	209,936	271,407	398,005	395,205
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	170,000	180,000	190,000	195,000	200,000
Debt Interest	33,975	29,586	23,400	15,800	8,000
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	-187,705	350	58,007	187,205	187,205
Total Expenditures incl. End. Fund Bal.	16,270	209,936	271,407	398,005	395,205

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

2018 Limited Tax General Obligation Bond Fund #220

Fund Overview

This bond was issued in 2018 to help finance a new City Hall. The total bond is for \$3,740,000 and will be paid off in 2043. Resources to fund debt service payments include a transfer-in from the Real Estate Excise Tax Fund #320.

Functions

- Debt service payments for non-voted bonds authorized in 2018 for construction of City Hall.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	0	-172,800	0	650	0
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	0	(1,378)	2,364	0	0
Interfund Transfers In	72,500	420,528	244,786	246,750	247,800
Total Revenues incl. Beg. Fund Bal.	72,500	246,350	247,150	247,400	247,800
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	100,000	105,000	110,000	115,000	120,000
Debt Interest	145,300	141,350	137,150	132,400	127,800
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	-172,800	0	0	0	0
Total Expenditures incl. End. Fund Bal.	72,500	246,350	247,150	247,400	247,800

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Capital Improvement Funds Appropriations

Municipal Capital Improvements Fund #310

Fund Overview

The Municipal Capital Improvements Fund accounts for the expenditures related to the pre-design, design, and construction of general municipal capital projects citywide. The majority of capital expenditures in 2025 and 2026 are for transportation improvement projects, as authorized in the city's transportation improvement plan. Over the 2025-2030 planning period, a total of \$77.2 million in transportation improvement, transportation maintenance and replacement, and general government facilities projects are planned. Of this total, a total of \$59.2 million (77%) is anticipated to be funded by non-city sources, primarily grants, from federal, state, and regional partner agencies. The remaining \$18.0 million will be funded from city resources. Consistent with long-standing city policy, if planned grant resources are not received in support of a capital improvement project, the benefitting project will not proceed.

Functions

- Citywide capital improvement projects in the areas of transportation, parks and facilities
- Accounts for intergovernmental resources from non-city partner agencies to fund capital improvements.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	549,223	1,114,668	738,892	160,055	63,711
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	604,194	320,850	1,258,598	9,612,333	11,311,394
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	173,334	77,378	0	0	0
Interfund Transfers In	3,805,129	1,863,219	1,209,854	5,550,000	4,350,000
Total Revenues incl. Beg. Fund Bal.	5,131,880	3,376,115	3,207,344	15,322,388	15,725,105
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Capital Outlay	4,014,043	2,526,747	3,030,580	15,258,678	13,882,000
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	3,169	110,476	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	1,114,668	738,892	176,764	63,711	1,843,105
Total Expenditures incl. End. Fund Bal.	5,131,880	3,376,115	3,207,344	15,322,389	15,725,105

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. See tables below for scheduled capital improvement projects 2025 through 2030.

Municipal Capital Improvements Plan – 2025-2030

Transportation Capital Projects

	2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Roundabout at SR-202 / Mt Si Blvd	1,380,610		5,800,000	0	0	0
Shared Use (bike and ped) Bridge over South Fork Snoqualmie River	2,500,000	0	0	0	0	0
NW 14th Street Re-Build (west of SR-202)	583,568					
Roundabout at North Bend Way / Mt Si Road Intersection	250,000	3,500,000	0	0	0	0
ULID: New Gardner Creek Bridge and NE 8th Street (west of NBW)	300,000	4,000,000				
North Bend Bridge No. 3 (NBW Bridge) Deck Replacement	1,912,000					
McClellan Street Improvements	600,000	700,000	10,000,000	0	0	0
Roundabout at North Bend Way / NW 8th Street Intersection (Starfish RAB)	250,000	350,000	4,500,000	0	0	0
South Fork Avenue Extension - Bendigo to NW 8th Street	250,000	1,000,000	3,000,000	0	0	0
Railroad Safety Crossings (3)	2,671,000					
Sidewalk Gap Project along west side of SR-202 near NBW	261,500					
SE 140th Street Sidewalk on north side	1,000,000					
Downtown Parking Garage	0	0	500,000	5,000,000		
Roundabout at 140th Street / Middle Fork Ave / 468th Ave Intersection				400,000	2,800,000	
Complete Streets of North Bend Way	500,000	3,000,000				
NW 8th Street Widening and Sidewalk between North Bend Way and SR-202	0	0	0	0	500,000	2,250,000
Park Street Corridor Re-Channelization including Main Ave Intersection	150,000	600,000	0	500,000	3,000,000	0
Tanner Trail Phases 2 and 3	1,800,000	0	0	0	0	0
Ballarat Avenue Shoulder Widening or Sidewalk from 12th Street to 6th Street			300,000	1,200,000		
Cedar Falls Way Pedestrian Improvements south side only		0	0	0	800,000	3,200,000
SR-202 Traffic Reconfiguration	0	0	0	0	0	400,000
Total	14,408,678	13,150,000	24,100,000	7,100,000	7,100,000	5,850,000
Federal Funding Sources	8,249,738	4,324,873	15,865,118	-	432,500	1,946,250
State Funding Sources	862,597	2,986,521	4,280,428	5,707,955	5,157,500	2,800,000
King County/Other Funding Sources	300,000	4,000,000	-	-	-	-
Local (City) Funding Sources	4,996,344	1,838,606	3,954,454	1,392,045	1,510,000	1,103,750
Total Funding Sources	14,408,678	13,150,000	24,100,000	7,100,000	7,100,000	5,850,000

Transportation Annual Maintenance and Capital Projects

	2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Sidewalk Trip Hazard Elimination	150,000	150,000	150,000	150,000	150,000	150,000
Sidewalk Gap Projects	200,000	200,000	200,000	200,000	200,000	200,000
Total	350,000	350,000	350,000	350,000	350,000	350,000
Federal Funding Sources	0	0	0	0	0	0
State Funding Sources	0	0	0	0	0	0
King County/Other Funding Sources	0	0	0	0	0	0
Local (City) Funding Sources	350,000	350,000	350,000	350,000	350,000	350,000
Total Funding Sources	350,000	350,000	350,000	350,000	350,000	350,000

General Government Facilities Capital Projects

City Hall Parking Lot Electrical Charging Stations	200,000	0	0	0	0	0
Facilities Maintenance Program	120,000	132,000	144,000	156,000	168,000	180,000
Public Works Admin. Building Generator and Electrical Upgrades	180,000	0	0	0	0	0
Replace HVAC System at PW M&O Building and EOC	0	0	0	0	0	48,000
Re0Build of Former CED Annex Building	0	0	0	0	0	1,800,000
Install Solar Panels on City Hall Roof		250,000				
Total	500,000	382,000	144,000	156,000	168,000	2,028,000
Federal Funding Sources	0	0	0	0	0	0
State Funding Sources	0	250,000	0	0	0	0
King County/Other Funding Sources	200,000	0	0	0	0	1,800,000
Local (City) Funding Sources	300,000	132,000	144,000	156,000	168,000	228,000
Total Funding Sources	500,000	382,000	144,000	156,000	168,000	2,028,000
Grand Total	15,258,678	13,882,000	24,594,000	7,606,000	7,618,000	8,228,000

Real Estate Excise Tax Capital Improvements Fund #320

Fund Overview

This fund accounts for the Real Estate Excise Taxes (REET) collected by the city. RCW 82.46 authorizes cities to levy up to a 0.50% real estate excise tax for capital projects. The city's real estate excise tax includes REET1 and REET2:

REET 1 ("first quarter percent") – Resources from the initial 0.25% real estate excise tax are used primarily for capital projects and limited maintenance.

REET 2 ("second quarter percent") – Resources from the additional 0.25% real estate excise tax are used primarily for capital projects and limited maintenance, but may only be imposed by cities that are fully planning under GMA and are restricted to capital projects identified in the Capital Facilities Plan of the city's Comprehensive Plan.

Because these revenue sources are restricted to specific purposes, they must be accounted for separately in a capital projects fund. In 2025 and 2026 uses of REET funds include transfers to the 2015 LTGO Bond Fund (#218) and the 2018 LTGO Bond Fund (#220) for the principal and interest payment of debt service.

Functions

- Account for the collection and disbursement of real estate excise tax collections per state laws.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	3,939,391	5,885,804	5,637,242	6,252,920	7,335,505
Taxes	1,955,913	914,900	1,033,970	1,600,000	1,600,000
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	62,999	44,370	166,439	62,529	73,355
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	5,958,304	6,845,074	6,837,651	7,915,449	9,008,861
Salaries	-	-	-	0	0
Benefits	-	-	-	0	0
Supplies	-	-	-	0	0
Services	-	-	-	0	0
Capital Outlay	-	668,931	0	0	0
Debt Principal	-	-	-	0	0
Debt Interest	-	-	-	0	0
Miscellaneous	-	-	-	0	0
Interfund Transfers Out	72,500	944,877	851,759	579,944	400,100
Ending Fund Balance	5,885,804	5,231,266	5,985,892	7,335,505	8,608,761
Total Expenditures incl. End. Fund Bal.	5,958,304	6,845,074	6,837,651	7,915,449	9,008,861

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Utility Funds Appropriations

Water Utility Fund #401

Fund Overview

The Water Utility operates the water distribution system and provides for the delivery of safe drinking water for all water customers. The utility operates and maintains the water source, pumping facilities, transmission and distribution system, and storage tanks. The city's water utility includes approximately 2,300 accounts. All water within the city is produced from two wells – Mt. Si Springs and Centennial Well. Revenue from water rates make up nearly all the revenue in this fund. This fund accounts for daily operations, maintenance, and capital improvements for the utility. Periodic utility rate studies are conducted to ensure utility rates are properly calibrated to meet the current and forecasted financial needs of the utility. The most recent rate study was completed in 2020. A 5.5 percent rate increase was made in 2025. A utility rate study will be conducted in 2025 to determine rate adjustments for 2026.

Functions

- Provide safe drinking water to residential and business customers
- Ensure water is readily available for fire suppression
- Operate and maintain water source, pumping facilities, transmission and distribution system, and storage tanks

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	2,555,018	2,263,164	3,210,070	3,421,878	549,617
Taxes					
Licenses and Permits					
Intergovernmental Revenues	0	0	0	1,080,000	240,000
Fees and Charges	2,405,443	2,797,853	2,806,938	2,800,334	3,003,982
Fines and Penalties					
Miscellaneous	737,105	1,458,171	291,631	1,040,457	1,039,478
Interfund Transfers In	0	0	2,764		
Total Revenues incl. Beg. Fund Bal.	5,697,566	6,519,188	6,311,402	8,342,669	4,833,077
Salaries	1,039,830	1,087,444	1,285,732	1,248,897	1,293,857
Benefits	341,723	358,926	399,375	427,110	452,600
Supplies	248,107	354,615	422,892	249,838	257,333
Services	854,989	1,182,931	1,144,268	1,466,790	1,315,906
Capital Outlay	76,938	9,584	152,389	4,066,024	1,080,000
Debt Principal	208,279	209,145	209,092	206,920	206,984
Debt Interest	7,617	6,473	5,330	7,396	3,597
Miscellaneous	0	0	5,076	0	0
Interfund Transfers Out	656,919	117,397	118,093	120,078	123,736
Ending Fund Balance	2,263,164	3,192,673	2,569,156	549,617	99,063
Total Expenditures incl. End. Fund Bal.	5,697,566	6,519,188	6,311,402	8,342,669	4,833,077

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. See table below for scheduled capital improvement projects 2025 through 2030.

Water Utility Capital Improvements Plan – 2025-2030

	2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Sallal Mitigation Intertie	600,000	0	0	0	0	0
NW 8th Street AC Water Main Replacement from SR-202 to NBW	1,757,953	0	0	0	0	0
NW 14th Street Water Main Extension to west dead end	1,048,071	0	0	0	0	0
Pickett Avenue AC Watermain Replacement and Extension	0	420,000	0	0	0	0
Water Meter Replacement Program	180,000	180,000	180,000	180,000	180,000	180,000
AC Watermain Replacement at Ogle Ave, Merritt Ave, Thrasher Ave, and NE 6th St	0	240,000	880,000	0	0	0
Mt Si Springs Air Gap Study and Construction	0	0	636,000	0	0	0
Cascade Golf Course Well Improvements and Domestic Extension	0	0	0	0	240,000	1,450,000
Water Intertie between Cities of NB and Snoqualmie (NB portion)	0	0	120,000	725,000	0	0
AC Watermain Replacement at 428th Ave SE and SE 92nd St	0	0	240,000	1,500,000	0	0
AC Watermain Replacmeent under Middle Fork Snoqualmie River	0	0	0	180,000	600,000	0
AC Watermain Replacement under South Fork Snoqualmie River	0	0	0	180,000	600,000	0
Centennial Well Pump Replacement	0	0	0	0	0	0
National Guard Readiness Center Watermain Extension, Booster Station, and Reservoir	480,000	240,000	0	0	0	15,000,000
Total	4,066,024	1,080,000	2,056,000	2,765,000	1,620,000	16,630,000
Federal Funding Sources	480,000	240,000	0	0	0	15,000,000
State Funding Sources	600,000	0	71,006	428,994	0	0
King County/Other Funding Sources	0	0	0	0	0	0
Local (City) Funding Sources	2,986,024	840,000	1,984,994	2,336,006	1,620,000	1,630,000
Total Funding Sources	4,066,024	1,080,000	2,056,000	2,765,000	1,620,000	16,630,000

Sewer Utility Fund #402

Fund Overview

The Sewer Utility operates the sewer collection and conveyance distribution system, including the city's wastewater treatment plant, and provides for the safe conveyance and treatment of wastewater away from homes and businesses to the city's wastewater treatment plant. The city has recently completed a major, multi-year project to upgrade its aging wastewater treatment plant. The improvements increases redundancy, make multiple safety and environmental upgrades and adds capacity for all future commercial and residential growth. Revenue from sewer rates make up nearly all the revenue in this fund. Periodic utility rate studies are conducted to ensure utility rates are properly calibrated to meet the current and forecasted financial needs of the utility. A 2.5 percent rate increase was made in 2025. A utility rate study will be conducted in 2025 to determine rate adjustments for 2026.

Functions

- Operate and maintain wastewater collection and conveyance system
- Comply with Department of Ecology water quality standards.
- Operate and maintain wastewater treatment plant, and discharge facilities.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	33,324,607	24,504,504	16,498,665	15,394,147	15,966,628
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	9,125,000	1,125,000
Fees and Charges	4,000,609	4,322,952	4,617,238	4,507,816	4,684,543
Fines and Penalties	5,627	0	0	0	0
Miscellaneous	1,974,948	2,599,966	637,694	1,653,941	1,689,666
Interfund Transfers In	1,172,000	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	40,477,791	31,427,421	21,753,598	30,680,905	23,465,838
Salaries	968,179	1,093,556	1,235,401	1,419,697	1,470,806
Benefits	342,176	375,992	394,809	473,521	501,830
Supplies	90,635	115,143	114,556	104,700	107,841
Services	1,075,432	1,894,469	2,039,652	1,605,246	1,715,605
Capital Outlay	11,709,370	9,447,606	2,248,345	9,532,445	1,863,418
Debt Principal	699,512	708,405	680,885	477,555	495,732
Debt Interest	1,087,984	1,113,296	1,183,595	1,011,054	977,829
Miscellaneous	0	105,289	5,076	0	0
Interfund Transfers Out	0	88,048	88,583	90,058	92,802
Ending Fund Balance	24,504,504	16,485,618	13,762,698	15,966,628	16,239,974
Total Expenditures incl. End. Fund Bal.	40,477,791	31,427,421	21,753,598	30,680,905	23,465,838

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. See table below for scheduled capital improvement projects 2025 through 2030.

Sewer Utility Capital Improvements Plan – 2025-2030

	2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Meadowbrook Sewer Improvements (ULID #7)	7,500,000	0	0	0	0	0
Sewering Silver Creek	1,500,000	1,500,000	17,000,000	0	0	0
Solar Panels on Roof Above WWTP Oxidtaion Ditch	500,000	0	0	0	0	0
ULID #6 Lift Station Power and Controls Relocation	0	150,000	0	0	0	0
WWTP HPI Phase 3 - frontage improvements	0	180,000	700,000	0	0	0
WWTP Digester Recuperative Thickening	0	0	0	250,000	0	0
South Fork Lift Station Upgrade Pumps, Dry Well & Odor Control	0	0	0	0	840,000	0
South Fork (under SR-202 bridge) Forcemain Replacement	0	0	0	0	0	360,000
Total	9,500,000	1,830,000	17,700,000	250,000	840,000	360,000
Federal Funding Sources	1,125,000	1,125,000	12,750,000	0	0	0
State Funding Sources	500,000	0	0	0	0	0
King County/Other Funding Sources	7,500,000	0	0	0	0	0
Local (City) Funding Sources	375,000	705,000	4,950,000	250,000	840,000	360,000
Total Funding Sources	9,500,000	1,830,000	17,700,000	250,000	840,000	360,000

Stormwater and Flood Utility Fund #404

Fund Overview

The City of North Bend is situated within the Three Forks area of the Upper Snoqualmie River Valley. Due to this location, the city experiences some flooding and runoff challenges. Increased development in the city generates increased stormwater runoff which at times can not be handled by some undersized drainage systems. The Storm Drain Utility provides for the maintenance and operation of the city's storm drainage facilities. The utility is responsible for maintaining current storm drains and the construction of additional drains where necessary. The utility is funded by a monthly fee per individual residence. Revenue from stormwater and flood rates make up nearly all the revenue in this fund. Periodic utility rate studies are conducted to ensure utility rates are properly calibrated to meet the current and forecasted financial needs of the utility. No rate increases were made in 2025. A utility rate study will be conducted in 2025 to determine rate adjustments for 2026.

Functions

- Operate and maintain a safe and reliable storm water collection and conveyance system.
- Protect the environment with spill control and surface water runoff treatment facilities.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	2,775,778	2,592,122	2,421,214	2,187,317	1,840,617
Taxes	0	0	0	0	0
Licenses and Permits	2,156	2,772	5,236	4,456	4,590
Intergovernmental Revenues	0	0	225,916	775,595	268,873
Fees and Charges	924,035	967,887	955,462	1,043,838	1,064,715
Fines and Penalties	0	0	0	0	0
Miscellaneous	452,038	379,362	364,846	413,213	418,187
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	4,154,007	3,942,143	3,972,674	4,424,419	3,596,982
Salaries	518,421	586,751	686,490	636,265	659,170
Benefits	161,327	182,964	208,257	198,892	210,792
Supplies	2,241	4,664	4,211	4,258	4,386
Services	324,637	344,691	491,711	329,869	352,623
Capital Outlay	91,457	144,961	0	1,140,000	1,812,000
Debt Principal	93,281	90,985	89,344	82,653	81,907
Debt Interest	7,289	7,215	3,510	6,828	6,609
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	363,232	158,698	184,019	185,039	186,868
Ending Fund Balance	2,592,122	2,421,214	2,305,132	1,840,617	282,626
Total Expenditures incl. End. Fund Bal.	4,154,007	3,942,143	3,972,674	4,424,421	3,596,981

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. See table below for scheduled capital improvement projects 2025 through 2030.

Stormwater and Flood Utility Capital Improvements Plan – 2025-2030

	2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Ribary Creek Flood Mitigation	0	0	0	240,000	880,000	0
South Fork Levee Setback	900,000	312,000	312,000	5,040,000	5,040,000	0
NW 8th St Gardiner Creek Box Culvert	0	0	120,000	480,000	0	0
NBW Runoff into Mt. Si Motel	0	0	0	180,000	600,000	0
6th Street Collection and Conveyance	60,000	400,000	0	0	0	0
Pearce Lane Collection and Conveyance	60,000	300,000	0	0	0	0
Main Ave Collection and Conveyance	60,000	400,000	0	0	0	0
5th Street Collection and Conveyance	60,000	400,000	0	0	0	0
Middle Fork Flood Mitigation	0	0	0	0	0	0
Swale from East 4th Street to Pond #1	0	0	0	540,000	0	0
NE 6th Street Culverts	0	0	330,603	0	0	0
Thrasher Ave Culvert	0	0	349,156	0	0	0
Merritt Ave NE Culvert	0	0	291,864	0	0	0
Orchard Ave NE Culvert	0	0	283,363	0	0	0
Snoqualmie Valley Trail Culverts	0	0	0	0	333,627	0
Merritt Place NE Driveway Culvert	0	0	0	0	244,660	0
NE 4th Street Culverts	0	0	0	0	446,548	0
Ogle Ave NE Upstream Driveway Culvert	0	0	245,840	0	0	0
Ogle Ave NE Culvert	0	0	385,370	0	0	0
East 2nd Street 0 Janet Avenue to Ballarat	0	0	0	0	425,685	0
Main Ave South	0	0	0	0	0	652,477
Ballarat Ave North Culverts	0	0	0	0	0	355,442
Si View Outfall Access	0	0	0	0	86,349	0
Gardiner Creek Culvert	0	0	0	0	0	665,991
BNRR 0 Orchard Dr. Conveyance	0	0	0	0	0	0
Total	1,140,000	1,812,000	2,318,196	6,480,000	8,056,869	1,673,910
Federal Funding Sources	-	-	-	-	-	-
State Funding Sources	-	-	-	225,000	-	-
King County/Other Funding Sources	775,595	268,873	1,840,705	4,557,616	5,129,044	-
Local (City) Funding Sources	364,405	1,543,127	477,491	1,697,384	2,927,825	1,673,910
Total Funding Sources	1,140,000	1,812,000	2,318,196	6,480,000	8,056,869	1,673,910

Solid Waste Utility Fund #405

Fund Overview

Beginning April 1, 2024, the City of North Bend began a new contract for garbage and recycling collection with Recology King County. The city's 11-year contract with Republic Services expired on March 31, 2023. In preparation for this change, the city began a rigorous procurement process in 2022. Recology King County services include solid waste collection services, curbside recycling services, and curbside yard waste recycling services. Additionally, the city provides a seasonal yard waste recycling station at the Public Works Shop.

Functions

- Solid waste collection services.
- Curbside recycling services.
- Yard waste recycling services.

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	497,313	537,625	637,136	640,128	546,837
Taxes	0	0	0	0	0
Licenses and Permits	95,274	114,960	310,308	100,792	105,831
Intergovernmental Revenues	10,362	28,187	29,656	19,000	19,000
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	5,938	41,021	24,345	6,401	5,468
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	608,886	721,793	1,001,446	766,320	677,136
Salaries	33,599	49,966	42,998	50,386	52,200
Benefits	12,179	20,116	15,834	12,887	13,660
Supplies	162	0	0	284	292
Services	25,321	14,575	37,148	55,927	57,604
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	100,000	100,000
Ending Fund Balance	537,625	637,136	905,466	546,837	453,379
Total Expenditures incl. End. Fund Bal.	608,886	721,793	1,001,446	766,320	677,136

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

ULID #6 Bond Redemption Fund #451

Fund Overview

The ULID #6 Bond Funds account for the accumulation of resources from ULID #6 assessments and the payment of principal and interest for the utility local improvement district (ULID) bonds issued to fund wastewater capital improvement projects within the ULID boundaries.

Functions

- Collection and disbursement of funds collected from properties within the ULID boundaries
- Payment of bond principal and interest

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	745,104	697,103	581,940	611,173	611,173
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	0	0	0	0	0
Fines and Penalties	0	0	0	0	0
Miscellaneous	886,089	791,211	1,029,137	766,322	752,910
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	1,631,193	1,488,314	1,611,077	1,377,495	1,364,083
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Principal	775,000	748,122	734,682	627,168	618,208
Debt Interest	159,090	158,047	84,732	139,154	134,702
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	697,103	582,145	791,663	611,173	611,173
Total Expenditures incl. End. Fund Bal.	1,631,193	1,488,314	1,611,077	1,377,495	1,364,083

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Internal Service Funds Appropriations

Equipment and Technology Operations Fund #501

Fund Overview

The Equipment and Technology Operations Fund accounts for all costs associated with maintaining the city's equipment and vehicles, and costs associated with maintaining the city's technology equipment, networks, email system and cable broadcasting station. The equipment operating (shop) is administered by the Public Works Department while the technology operations is administered by the Administrative Services Department. Interfund charges are made to recover costs for services provided.

Functions

- Properly maintain all city equipment and vehicles
- Purchase replacement equipment and vehicles
- Maintain all city networks and equipment
- Hardware and software purchasing
- Long-term planning for system upgrades

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	-	2,211	188,596	213,898	144,080
Taxes	-	-	-	0	0
Licenses and Permits	-	-	-	0	0
Intergovernmental Revenues	-	-	-	0	0
Fees and Charges	492,825	804,753	840,933	782,006	918,081
Fines and Penalties	-	-	-	0	0
Miscellaneous	2,211	1,506	6,279	0	0
Interfund Transfers In	-	-	-	0	0
Total Revenues incl. Beg. Fund Bal.	495,036	808,470	1,035,808	995,904	1,062,161
Salaries	147,732	222,673	306,229	316,695	328,096
Benefits	54,489	79,104	99,630	115,250	122,148
Supplies	104,898	92,873	84,849	78,162	80,507
Services	178,968	223,968	271,586	334,719	344,957
Intergovernmental Payments	-	-	-	0	0
Capital Outlay	5,860	387	10,790	6,684	6,885
Debt Principal	878	869	1,079	314	323
Debt Interest	-	-	-	0	0
Miscellaneous	-	-	-	0	0
Interfund Transfers Out	-	-	-	0	0
Ending Fund Balance	2,211	188,596	261,645	144,080	179,245
Total Expenditures incl. End. Fund Bal.	495,036	808,470	1,035,808	995,904	1,062,161

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None.

Equipment and Technology Reserves Fund #502

Fund Overview

The Equipment and Technology Reserves Fund account for the replacement of city vehicles and equipment and information technology systems. Interfund charges from other city funds provide funding for the fund. Replacement reserves are collected from user departments and are accumulated fund until needed. The Public Works Department oversees the equipment reserve needs, and the Administrative Services Department oversees the technology reserve needs.

Functions

- Purchase replacement equipment and vehicles and technology replacement systems

2022-2026 Revenue and Expenditures Summary

	2022 Actual	2023 Actual	2024 Estimate	2025 Adopted Budget	2026 Adopted Budget
Beginning Fund Balance	1,430,500	1,710,365	1,756,546	1,881,321	1,406,793
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	0	0	0
Fees and Charges	276,572	145,533	178,840	150,000	150,000
Fines and Penalties	0	0	0	0	0
Miscellaneous	18,441	14,308	52,715	15,472	11,877
Interfund Transfers In	0	0	0	0	0
Total Revenues incl. Beg. Fund Bal.	1,725,513	1,870,206	1,988,102	2,046,793	1,568,670
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies	0	0	0	0	0
Services	0	0	0	0	0
Intergovernmental Payments	0	0	0	0	0
Capital Outlay	15,148	113,659	73,747	640,000	348,300
Debt Principal	0	0	0	0	0
Debt Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Interfund Transfers Out	0	0	0	0	0
Ending Fund Balance	1,710,365	1,756,546	1,914,355	1,406,793	1,220,370
Total Expenditures incl. End. Fund Bal.	1,725,513	1,870,206	1,988,102	2,046,793	1,568,670

A future budget amendment will be completed to reconcile 2025 budgeted beginning fund balance to 2024 actual ending fund balance.

Significant budgetary changes for 2025-2026

None. See table below for scheduled equipment and technology replacements 2025 through 2030.

Equipment and Technology Reserve Fund Replacements – 2025-2030

Daily Fleet Vehicles

			2025 Adopted Budget	2026 Adopted Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
2008	Chevy	1500 2WD	\$0	\$0	\$54,600	\$0	\$0	\$0
2005	Chevy	2500 4WD	\$0	\$0	\$0	\$0	\$0	\$59,700
2005	Chevy	1500 4WD	\$0	\$0	\$0	\$0	\$0	\$59,700
2003	Chevy	2WD 1500	\$0	\$0	\$54,600	\$0	\$0	\$0
1999	Ford	Expedition	\$0	\$0	\$54,600	\$0	\$0	\$0
1994	Ford	Ranger	\$0	\$0	\$43,700	\$0	\$0	\$0
1993	Ford	Ranger	\$0	\$0	\$43,700	\$0	\$0	\$0
1993	Ford	F150	\$0	\$53,000	\$0	\$0	\$0	\$0
1993	Ford	F250	\$0	\$53,000	\$0	\$0	\$0	\$0
Total			\$0	\$106,000	\$251,200	\$0	\$0	\$119,400

Emergency, Seasonal and Support Vehicles

1992	Chevy Kodiak	Dump Truck	\$0	\$0	\$0	\$0	\$347,800	\$0
1986	Chevy	Utility Service Truck	\$0	\$127,300	\$0	\$0	\$0	\$0
Total			\$0	\$127,300	\$0	\$0	\$347,800	\$0

Equipment

2007	ExMark	Mower 60"	\$0	\$0	\$0	\$0	\$0	\$17,900
2007	ExMark	Mower 72"	\$0	\$0	\$0	\$0	\$0	\$17,900
2006	New Holland	Tractor	\$0	\$0	\$0	\$0	\$0	\$47,800
2006	WoodsRD	Mower Deck	\$0	\$0	\$0	\$0	\$0	\$11,900
1999	ExMark	Mower	\$0	\$0	\$16,400	\$0	\$0	\$0
1997	Honda	4 Wheeler OTRX300	\$0	\$0	\$16,400	\$0	\$0	\$0
1995	Tiger	Mower	\$325,000	\$0	\$0	\$0	\$0	\$0
1991	N/S	GLFCRTR/TRAILER	\$0	\$0	\$5,500	\$0	\$0	\$0
1991	Case	255 Tractor RED	\$0	\$0	\$0	\$0	\$0	\$47,800
1990	Toro	Mower	\$0	\$0	\$0	\$0	\$0	\$47,800
1989	Case	580K Backhoe	\$0	\$0	\$0	\$393,900	\$0	\$0
	NEW	Skid Steer	\$0	\$65,000	\$0	\$0	\$0	\$0
	NEW	Manlift	\$150,000	\$0	\$0	\$0	\$0	\$0
Total			\$475,000	\$65,000	\$38,300	\$393,900	\$0	\$191,100

Information Technology

NEW	Council Chambers AV	\$115,000	\$0	\$0	\$0	\$0	\$0
Recurring	Annual IT investments	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total		\$165,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Grand Total		\$640,000	\$348,300	\$339,500	\$443,900	\$397,800	\$360,500
--------------------	--	------------------	------------------	------------------	------------------	------------------	------------------

Appendix

2025-2026 Budget Appropriations Ordinance #1823



City Council Agenda Bill

SUBJECT:	Agenda Date: December 03, 2024	AB24-138
	Department/Committee/Individual	
Public Hearing Continued & Ordinance Adopting 2025-2026 Biennial Budget & Salary Schedule	Mayor Mary Miller	
	City Administrator –	
	City Attorney – Kendra Rosenberg	
	City Clerk – Susie Oppedal	
	Administrative Services – Lisa Escobar	
	Comm. & Economic Development – James Henderson	
Cost Impact: N/A	Finance – Martin Chaw	X
Fund Source: Multiple	Public Works – Mark Rigos	
Timeline: Immediate		

Attachments: Ordinance, Exhibits A and B, Public Hearing Notice

SUMMARY STATEMENT:

Chapter 35A.34 RCW authorizes cities to establish a biennial budget. Most cities in Washington State operate on a biennial budget basis. The City of North Bend operates on a biennial budget and has done so since the adoption of the 2015-2016 budget. State law requires a biennial budget to be adopted no later than December 31 of the preceding even numbered year, with the budget beginning January 1 of an odd numbered year and ending on December 31 of the following even numbered year.

The 2025-2026 budget must be adopted by December 31, 2024, with the budget beginning January 1, 2025, and ending December 31, 2026. State law requires cities to hold a minimum of two (2) public hearings on the budget. For the 2025-2026 budget, the Finance Department has scheduled three public hearings.

Council review of the 2025-2026 budget includes the following meetings, presentations, and public hearings:

Table 1: Council 2025-2026 Budget Planning Meetings and Presentations

Date	Topic
Sep 3, 2024	2025-2026 Budget Public Hearing #1; Preliminary 2025-2026 Financial Forecast.
Sep 10	Eastside Fire and Rescue Budget Presentation (Fire Chief Ben Lane).
Sep 24	Budget Workshop #1 – 2025-2030 Utilities financial forecast.
Oct 1	Ordinance authorizing refinance of ULID #7 bonds; Authorizing FCS GROUP contract for utilities rates study.
Oct 8	Budget Workshop – 2025-2030 Capital Improvement Plan.
Oct 15	2025-2026 Budget Public Hearing #2; Updated 2025-2026 Financial Forecast; Ordinance setting 2025 property taxes (1 st reading); Resolution approving 2025-2030 CIP.
Oct 22	Budget Workshop – 2025-2026 Human Services grants
Nov 19	2025-2026 Budget Public Hearing #3; Ordinance adopting 2025-2026 budget (1 st reading); Ordinance setting 2025 property taxes (2 nd reading and adoption).
Dec 3	Ordinance adopting 2025-2026 budget (2 nd and final reading, and adoption).

The proposed 2025-2026 Biennial Budget complies with state law and City financial policies. The proposed expenditures are balanced against revenue and resource estimates for each of the City's funds. The City's 16.7% Reserve policy in the General Fund is also maintained.

This budget includes property tax revenues with the 1% statutorily allowed increase over the 2024 property levy amount. As Council requested, resources from the 1% increase will be earmarked for public safety services.

There are no Decision Cards included in the 2025-2026 budget due to forecasted constraints on the General Fund.

The 2025-2026 budget includes funding for 51.0 FTEs, which is unchanged from the previous biennium.

City Council Agenda Bill

Per RCW 36.40.250 pertaining to biennial budgets, the City Council will be able to review and modify the 2025 budget revenues and expenditures as part of a mid-biennium modification that will occur in the fall of 2025.

When the final 2025-2026 Budget document is compiled, it will be published on the City's website and a copy will be available to the public at the front counter at City Hall.

APPLICABLE BRAND GUIDELINES: Balanced budget.

COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed at City Council meetings on Sep. 3 & 24, Oct. 8, 15 & 22, and Nov. 19, 2024. Public hearings were conducted on this item on Sep. 3, Oct. 15 and Nov. 19.

RECOMMENDED ACTION: **MOTION to approve AB24-138, an ordinance adopting the 2025-2026 Biennial Budget and the 2025 Salary Schedule, as a final reading.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 19, 2024	AB24-126 1 st Reading & Public Hearing Cont. to 12/3/24 CC	7-0
December 3, 2024	Passed Ordinance 1823	7-0

ORDINANCE 1823

AN ORDINANCE OF THE CITY OF NORTH BEND, WASHINGTON, ADOPTING THE 2025-2026 BIENNIAL BUDGET AND SALARY SCHEDULE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, State law requires the City to adopt a budget and provides procedures for the filing of estimates, preparation of a preliminary budget, holding public hearings, and final fixing of the budget; and

WHEREAS, the City Council of the City of North Bend adopted Ordinance 1528 on May 20, 2014, establishing a biennial budget process in accordance with the provisions of RCW Chapter 35A.34; and

WHEREAS, the City Council has stipulated that the biennial budget will be implemented as two one-year financial plans, that actual expenditures in the first year may not exceed the first-year plan appropriations, that second year plan appropriations shall only be expended in the second year, and that any appropriation changes will require City Council approval; and

WHEREAS, a preliminary biennial budget for the fiscal years 2025-2026 has been prepared and filed, public hearings were held on September 3, 2024, October 15, 2024, and November 19, 2024, for the purposes of fixing the final budget, and the City Council has deliberated and made adjustments and changes deemed necessary and proper; and

WHEREAS, the City Council now wishes to adopt by reference, in accordance with RCW 35A.34.120, a final budget which provides for totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined; and

WHEREAS, the City Council also desires to adopt a Salary Schedule for 2025;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON,
DO ORDAIN AS FOLLOWS:**

Section 1. 2025-2026 Biennial Budget Adoption: The Biennial Budget for the City of North Bend, a copy of which is on file with the City Clerk, is hereby adopted by the City Council as the revenue and expenditure authority for the 2025-2026 biennium. Set forth in summary form in Exhibit A (2025 and 2026 Annual Budgets) are the totals of the estimated revenues and expenditures for each separate fund and the aggregate totals for all such funds combined.

Section 2. 2025 Salary Schedule Adoption: The City Council hereby adopts the 2025 Salary Schedule as shown in Exhibit B. The 2026 Salary Schedule will be adopted as part of the Mid-Biennium Modification.

Section 3. Submittal: The City Clerk and/or Finance Director is directed to transmit a certified copy of this ordinance and the final 2025-2026 Biennial Budget document to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 4. Severability: Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. Effective Date: This ordinance shall be published in the official newspaper of the City and shall take effect and be in full force on January 1, 2025.

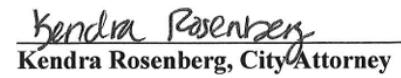
**ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A
REGULAR MEETING THEREOF, THIS 3RD DAY OF DECEMBER, 2024.**

CITY OF NORTH BEND:



Mary Miller, Mayor

APPROVED AS TO FORM:



Kendra Rosenberg, City Attorney

ATTEST/AUTHENTICATED:



Susie Oppedal, City Clerk

Published: December 13, 2024
Effective: January 1, 2025

EXHIBIT A – 2025 APPROPRIATIONS

Fund #	Fund Title	2025 Budget			
		Beginning Fund Balance	Revenues	Appropriations/ Expenditures	Ending Fund Balance
General Fund					
001	General Fund	\$ 4,773,942	\$ 12,415,043	\$ 12,827,008	\$ 4,361,977
	Mayor & Council			\$ 121,506	
	Admin & Finance			\$ 1,571,864	
	Legal & Judicial			\$ 711,835	
	Central Services			\$ 512,104	
	Council Decision Card			\$ -	
	Police			\$ 2,846,293	
	Jail			\$ 694,313	
	Fire Services & Em Mgmt			\$ 1,808,158	
	Building Planning and Dev Review			\$ -	
	Parks, Culture & Recreation			\$ 1,133,864	
	Social & Human Svcs			\$ 267,168	
	Interfund Transfers and Other				
	Transfer Out - Reserve Fund (F002)			\$ -	
	Transfer Out - Street Operations (F101)			\$ 677,691	
	Transfer Out - Capital Streets (F102)			\$ -	
	Transfer Out - Street Overlay (F103)			\$ 124,000	
	Transfer Out - Econ Development (F108)			\$ 300,000	
	Transfer Out - Affordable Housing (F109)			\$ 323,950	
	Transfer Out - Park Maint. Reserve (F117)			\$ 10,000	
	Transfer Out - Municipal CIP (F310)			\$ -	
	Other OpExps			\$ 187,261	
002	General Fund Emergency Reserves	\$ 1,097,896	\$ -	\$ -	\$ 1,097,896
Special Revenue Funds					
101	Street Operations	\$ (5,351)	\$ 1,084,189	\$ 1,078,838	\$ -
102	Capital Streets	\$ 213,375	\$ 203,750	\$ 153,000	\$ 264,125
103	Street Overlay	\$ 430,576	\$ 578,306	\$ 574,000	\$ 434,882
Impact Fee Funds					
106.1	Transportation Impact Fees	\$ 6,594,947	\$ 1,865,949	\$ 5,350,000	\$ 3,110,897
106.2	Park Impact fees	\$ 2,009,482	\$ 1,625,321	\$ 990,000	\$ 2,644,803
106.3	Fire Impact Fees	\$ 418,296	\$ 54,183	\$ -	\$ 472,479
106.4	Sidewalk Impact Fees	\$ 166,994	\$ 1,670	\$ -	\$ 168,664
106.5	Trees Impact Fees	\$ 400,485	\$ 24,005	\$ 20,000	\$ 404,490
106.6	School Impact Fees	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
106.7	Bicycle and Pedestrian Impact Fees	\$ 414,618	\$ 104,146	\$ -	\$ 518,764
107	Hotel Motel Tax	\$ 98,523	\$ 27,053	\$ 65,000	\$ 60,577
108	Economic Development	\$ 60,113	\$ 375,601	\$ 395,097	\$ 40,618
109	Affordable Housing	\$ 1,260,733	\$ 323,950	\$ 323,950	\$ 1,260,733
116	Park Improvement Grants	\$ 682,227	\$ 6,822	\$ -	\$ 689,050
117	Park Maintenance Reserves	\$ 52,509	\$ 10,525	\$ -	\$ 63,034
125	Development Projects	\$ 779,421	\$ 507,794	\$ 600,000	\$ 687,215
130	American Rescue Plan Act (ARPA)	\$ -	\$ -	\$ -	\$ -
190	Transportation Benefit District	\$ 3,132,999	\$ 681,330	\$ 700,000	\$ 3,114,329
Debt Service Funds					
216	2011 UTGO Fire Station Bonds	\$ 97,619	\$ 196,693	\$ 149,285	\$ 145,028
217	2012 TBD Bonds	\$ 20	\$ -	\$ -	\$ 20
218	2015 LTGO Bonds	\$ 10,731	\$ 387,274	\$ 210,800	\$ 187,205
220	2018 LTGO Bonds	\$ 650	\$ 246,750	\$ 247,400	\$ -
Capital Funds					
310	Municipal CIP	\$ 160,055	\$ 15,162,334	\$ 15,258,678	\$ 63,711
320	Real Estate Excise Tax	\$ 6,252,920	\$ 1,662,529	\$ 579,944	\$ 7,335,505
Utility Funds					
401	Water Utility Operations and CIP	\$ 3,421,878	\$ 4,920,791	\$ 7,793,052	\$ 549,617
402	Sewer Utility Operations and CIP	\$ 15,394,147	\$ 15,286,758	\$ 14,714,277	\$ 15,966,628
404	Storm and Flood Utility Operations and CIP	\$ 2,187,317	\$ 2,237,102	\$ 2,583,803	\$ 1,840,617
405	Solid Waste	\$ 640,128	\$ 126,193	\$ 219,484	\$ 546,837
451	ULID #6 Bonds	\$ 611,173	\$ 766,322	\$ 766,322	\$ 611,173
Internal Service Funds					
Equipment and Technology Operations					
501.1	Equipment Operations	\$ 118,546	\$ 282,005	\$ 360,594	\$ 39,957
501.2	Technology Operations	\$ 95,352	\$ 500,000	\$ 491,228	\$ 104,123
Equipment and Technology Reserves					
502.1	Equipment Reserves	\$ 1,547,212	\$ 115,472	\$ 475,000	\$ 1,187,684
502.2	Technology Reserves	\$ 334,109	\$ 50,000	\$ 165,000	\$ 219,109
Grand Total - All Funds		\$ 53,453,644	\$ 63,329,862	\$ 68,591,759	\$ 48,191,747
Total Budgeted Sources and Uses		\$116,783,507		\$116,783,507	
		Total Resources		Total Uses	

EXHIBIT A (CONTINUED) – 2026 APPROPRIATIONS

Fund #	Fund Title	2026 Budget			
		Beginning Fund Balance	Revenues	Appropriations/Expenditures	Ending Fund Balance
General Fund					
001	General Fund	\$ 4,361,977	\$ 12,882,113	\$ 13,174,363	\$ 4,069,728
	Mayor & Council			\$ 126,048	
	Admin & Finance			\$ 1,635,235	
	Legal & Judicial			\$ 736,303	
	Central Services			\$ 534,914	
	Council Decision Card			\$ -	
	Police			\$ 2,945,860	
	Jail			\$ 729,028	
	Fire Services & Em Mgmt			\$ 1,945,664	
	Building Planning and Dev Review			\$ -	
	Parks, Culture & Recreation			\$ 996,249	
	Social & Human Svcs			\$ 267,759	
	Interfund Transfers and Other				
	Transfer Out - Reserve Fund (F002)			\$ -	
	Transfer Out - Street Operations (F101)			\$ 698,337	
	Transfer Out - Capital Streets (F102)			\$ -	
	Transfer Out - Street Overlay (F103)			\$ 124,000	
	Transfer Out - Econ Development (F108)			\$ 300,000	
	Transfer Out - Affordable Housing (F109)			\$ 338,528	
	Transfer Out - Park Maint. Reserve (F117)			\$ 10,000	
	Transfer Out - Municipal CIP (F310)			\$ -	
	Other OpExps			\$ 189,129	
002	General Fund Emergency Reserves	\$ 1,097,896	\$ -	\$ -	\$ 1,097,896
Special Revenue Funds					
101	Street Operations	\$ -	\$ 1,113,405	\$ 1,113,405	\$ -
102	Capital Streets	\$ 264,125	\$ 206,730	\$ 158,400	\$ 312,455
103	Street Overlay	\$ 434,882	\$ 578,349	\$ 574,000	\$ 439,230
Impact Fee Funds					
106.1	Transportation Impact Fees	\$ 3,110,897	\$ 1,831,109	\$ 4,150,000	\$ 792,006
106.2	Park Impact fees	\$ 2,644,803	\$ 2,531,675	\$ 2,022,510	\$ 3,153,967
106.3	Fire Impact Fees	\$ 472,479	\$ 54,725	\$ -	\$ 527,204
106.4	Sidewalk Impact Fees	\$ 168,664	\$ 1,687	\$ -	\$ 170,351
106.5	Trees Impact Fees	\$ 404,490	\$ 24,045	\$ 20,000	\$ 408,535
106.6	School Impact Fees	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
106.7	Bicycle and Pedestrian Impact Fees	\$ 518,764	\$ 105,188	\$ -	\$ 623,952
107	Hotel Motel Tax	\$ 60,577	\$ 27,156	\$ 65,000	\$ 22,732
108	Economic Development	\$ 40,618	\$ 375,406	\$ 403,874	\$ 12,150
109	Affordable Housing	\$ 1,260,733	\$ 338,528	\$ 338,528	\$ 1,260,733
116	Park Improvement Grants	\$ 689,050	\$ 6,890	\$ -	\$ 695,940
117	Park Maintenance Reserves	\$ 63,034	\$ 10,630	\$ -	\$ 73,664
125	Development Projects	\$ 687,215	\$ 506,872	\$ 600,000	\$ 594,087
130	American Rescue Plan Act (ARPA)	\$ -	\$ -	\$ -	\$ -
190	Transportation Benefit District	\$ 3,114,329	\$ 703,893	\$ 700,000	\$ 3,118,223
Debt Service Funds					
216	2011 UTGO Fire Station Bonds	\$ 145,028	\$ 51,450	\$ 148,750	\$ 47,728
217	2012 TBD Bonds	\$ 20	\$ -	\$ -	\$ 20
218	2015 LTGO Bonds	\$ 187,205	\$ 208,000	\$ 208,000	\$ 187,205
220	2018 LTGO Bonds	\$ -	\$ 247,800	\$ 247,800	\$ -
Capital Funds					
310	Municipal CIP	\$ 63,711	\$ 15,661,394	\$ 13,882,000	\$ 1,843,105
320	Real Estate Excise Tax	\$ 7,335,505	\$ 1,673,355	\$ 400,100	\$ 8,608,761
Utility Funds					
401	Water Utility Operations and CIP	\$ 549,617	\$ 4,283,460	\$ 4,734,013	\$ 99,063
402	Sewer Utility Operations and CIP	\$ 15,966,628	\$ 7,499,209	\$ 7,225,864	\$ 16,239,974
404	Storm and Flood Utility Operations and CIP	\$ 1,840,617	\$ 1,756,365	\$ 3,314,355	\$ 282,626
405	Solid Waste	\$ 546,837	\$ 130,300	\$ 223,757	\$ 453,379
451	ULID # Bonds	\$ 611,173	\$ 752,910	\$ 752,910	\$ 611,173
Internal Service Funds					
Equipment and Technology Operations					
501.1	Equipment Operations	\$ 39,957	\$ 403,080	\$ 374,005	\$ 69,031
501.2	Technology Operations	\$ 104,123	\$ 515,000	\$ 508,910	\$ 110,214
Equipment and Technology Reserves					
502.1	Equipment Reserves	\$ 1,187,684	\$ 111,877	\$ 298,300	\$ 1,001,261
502.2	Technology Reserves	\$ 219,109	\$ 50,000	\$ 50,000	\$ 219,109
Grand Total - All Funds		\$ 48,191,747	\$ 56,142,600	\$ 57,188,845	\$ 47,145,502
Total Budgeted Sources and Uses		\$104,334,347		\$104,334,347	
			Total Resources		Total Uses

EXHIBIT B – 2025 SALARY SCHEDULE

Exempt or Union	Departments	2025 Authorized FTEs	2025 Salary Schedule						2026 FTEs
			Step1	Step2	Step3	Step4	Step5	Step6	
Administration									
Exempt - Director	City Administrator	1.00	\$ 14,857	\$ 15,630	\$ 16,398	\$ 17,114	\$ 17,711	\$ 18,421	1.00
Exempt - Director	Administrative Services Director	1.00	\$ 10,879	\$ 11,669	\$ 12,470	\$ 13,266	\$ 14,062	\$ 14,857	1.00
Exempt - Manager	City Clerk / Risk Manager	1.00	\$ 9,273	\$ 9,796	\$ 10,318	\$ 10,841	\$ 11,364	\$ 11,887	1.00
Exempt - Manager	City Clerk	0.00	\$ 8,555	\$ 9,007	\$ 9,458	\$ 9,910	\$ 10,356	\$ 10,802	0.00
Exempt - Manager	Communications Manager/PIO	1.00	\$ 9,117	\$ 9,622	\$ 10,127	\$ 10,632	\$ 11,137	\$ 11,642	1.00
Exempt - Manager	HR Manager / EM Coordinator	1.00	\$ 9,117	\$ 9,622	\$ 10,127	\$ 10,632	\$ 11,137	\$ 11,642	1.00
Exempt - Manager	City Attorney	0.00	\$ 12,677	\$ 13,300	\$ 13,922	\$ 14,545	\$ 15,168	\$ 15,790	0.00
Exempt - Manager	IT Manager	1.00	\$ 9,117	\$ 9,622	\$ 10,127	\$ 10,632	\$ 11,137	\$ 11,642	1.00
Clerical Union	Deputy City Clerk	1.00	\$ 6,861	\$ 7,136	\$ 7,422	\$ 7,718	\$ 8,027	\$ 8,348	1.00
Clerical Union	Records Coordinator	0.00	\$ 6,683	\$ 6,950	\$ 7,228	\$ 7,518	\$ 7,818	\$ 8,131	0.00
Clerical Union	Administrative Assistant	0.00	\$ 5,312	\$ 5,524	\$ 5,746	\$ 5,975	\$ 6,215	\$ 6,463	0.00
Community & Economic Development Services									
Exempt - Director	Community & Economic Development Director	1.00	\$ 12,481	\$ 13,194	\$ 13,907	\$ 14,620	\$ 15,333	\$ 16,045	1.00
Exempt - Manager	Planning Manager	1.00	\$ 10,680	\$ 11,316	\$ 11,952	\$ 12,588	\$ 13,224	\$ 13,860	1.00
Exempt - Manager	Development Review Manager	0.00	\$ 8,978	\$ 9,568	\$ 10,159	\$ 10,750	\$ 11,341	\$ 11,932	0.00
Exempt - Manager	Economic Development Manager	0.00	\$ 9,906	\$ 10,421	\$ 10,937	\$ 11,452	\$ 11,967	\$ 12,483	0.00
Exempt - Manager	Building Official	1.00	\$ 9,447	\$ 9,974	\$ 10,495	\$ 11,016	\$ 11,503	\$ 12,105	1.00
Exempt - Manager	Principal Planner	0.00	\$ 9,238	\$ 9,769	\$ 10,299	\$ 10,830	\$ 11,360	\$ 11,891	0.00
Clerical Union	Building Inspector	1.00	\$ 7,223	\$ 7,511	\$ 7,812	\$ 8,124	\$ 8,449	\$ 8,788	1.00
Clerical Union	Senior Planner	1.00	\$ 8,445	\$ 8,782	\$ 9,134	\$ 9,499	\$ 9,879	\$ 10,274	1.00
Clerical Union	Senior Long Range Planner	0.00	\$ 8,445	\$ 8,782	\$ 9,134	\$ 9,499	\$ 9,879	\$ 10,274	0.00
Clerical Union	Associate Planner	1.00	\$ 7,146	\$ 7,432	\$ 7,730	\$ 8,038	\$ 8,360	\$ 8,695	1.00
Clerical Union	Long Range Planner	0.00	\$ 7,146	\$ 7,432	\$ 7,730	\$ 8,038	\$ 8,360	\$ 8,695	0.00
Clerical Union	Office Coordinator/Permit Technician	0.00	\$ 6,188	\$ 6,436	\$ 6,693	\$ 6,961	\$ 7,240	\$ 7,530	0.00
Clerical Union	Office Coordinator/Permit / Planning Assistant	1.00	\$ 6,188	\$ 6,436	\$ 6,693	\$ 6,961	\$ 7,240	\$ 7,530	1.00
Clerical Union	Mapping CAD Technician	0.00	\$ 6,972	\$ 7,250	\$ 7,541	\$ 7,842	\$ 8,156	\$ 8,483	0.00
Clerical Union	Special Events/Visitor Information Coordinator	0.00	\$ 6,575	\$ 6,838	\$ 7,111	\$ 7,396	\$ 7,692	\$ 8,000	0.00
Finance & Technology									
Exempt - Director	Finance Director	1.00	\$ 13,035	\$ 13,694	\$ 14,354	\$ 15,013	\$ 15,672	\$ 16,332	1.00
Exempt - Director	Deputy Finance Director	1.00	\$ 11,075	\$ 11,657	\$ 12,239	\$ 12,822	\$ 13,404	\$ 13,986	1.00
Exempt - Manager	Finance Manager	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
Exempt - Manager	Accounting Operations Manager	0.00	\$ 9,117	\$ 9,622	\$ 10,127	\$ 10,632	\$ 11,137	\$ 11,642	0.00
Exempt - Manager	Senior Financial Analyst	1.00	\$ 7,628	\$ 8,045	\$ 8,456	\$ 8,862	\$ 9,279	\$ 9,690	1.00
Clerical Union	Staff Accountant	2.00	\$ 6,861	\$ 7,136	\$ 7,422	\$ 7,718	\$ 8,027	\$ 8,348	2.00
Clerical Union	Payroll Officer	0.00	\$ 6,521	\$ 6,781	\$ 7,052	\$ 7,335	\$ 7,628	\$ 7,934	0.00
Clerical Union	Utilities Coordinator	1.00	\$ 6,074	\$ 6,317	\$ 6,569	\$ 6,832	\$ 7,106	\$ 7,389	1.00
Clerical Union	Business License & Tax Coordinator	0.00	\$ 6,074	\$ 6,317	\$ 6,569	\$ 6,832	\$ 7,106	\$ 7,389	0.00
Clerical Union	Accounting Assistant I	0.00	\$ 5,220	\$ 5,428	\$ 5,646	\$ 5,872	\$ 6,107	\$ 6,350	0.00
Clerical Union	Accounting Assistant II	1.00	\$ 6,074	\$ 6,317	\$ 6,569	\$ 6,832	\$ 7,106	\$ 7,389	1.00
Clerical Union	Administrative Assistant	0.00	\$ 5,312	\$ 5,524	\$ 5,746	\$ 5,975	\$ 6,215	\$ 6,463	0.00

EXHIBIT B (CONTINUED) – 2025 SALARY SCHEDULE

Exempt or Union	Departments	2025 Authorized FTEs	2025 Salary Schedule						2026 FTEs
			Step1	Step2	Step3	Step4	Step5	Step6	
Public Works									
Exempt - Director	Deputy City Administrator/PW Director	1.00	\$ 13,669	\$ 14,323	\$ 14,977	\$ 15,630	\$ 16,278	\$ 16,926	1.00
Exempt - Director	Deputy Public Works Director	1.00	\$ 11,086	\$ 11,891	\$ 12,708	\$ 13,519	\$ 14,329	\$ 15,140	1.00
Exempt - Director	City Engineer	1.00	\$ 11,016	\$ 11,746	\$ 12,476	\$ 13,136	\$ 13,623	\$ 14,109	1.00
Exempt - Manager	Assistant City Engineer	0.00	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	0.00
Exempt - Manager	PW Operations Manager	0.00	\$ 11,086	\$ 11,891	\$ 12,708	\$ 13,519	\$ 14,329	\$ 15,140	0.00
Exempt - Manager	PW Capital Project / Grants Manager	1.00	\$ 10,362	\$ 11,069	\$ 11,781	\$ 12,470	\$ 13,102	\$ 13,727	1.00
Exempt - Manager	Public Works Project Manager	1.00	\$ 8,978	\$ 9,568	\$ 10,159	\$ 10,750	\$ 11,341	\$ 11,932	1.00
Exempt - Manager	Wastewater Treatment Plant Manager	1.00	\$ 10,680	\$ 11,316	\$ 11,952	\$ 12,588	\$ 13,224	\$ 13,860	1.00
Exempt - Manager	Water Operations Manager	1.00	\$ 8,873	\$ 9,377	\$ 9,881	\$ 10,379	\$ 10,877	\$ 11,376	1.00
Exempt - Manager	SCADA Supervisor	1.00	\$ 8,873	\$ 9,377	\$ 9,881	\$ 10,379	\$ 10,877	\$ 11,376	1.00
Exempt - Manager	PW Project Engineer	1.00	\$ 8,873	\$ 9,377	\$ 9,881	\$ 10,379	\$ 10,877	\$ 11,376	1.00
Clerical Union	PW Infrastructure Inspector	1.00	\$ 7,223	\$ 7,511	\$ 7,812	\$ 8,124	\$ 8,449	\$ 8,788	1.00
Clerical Union	Public Works Office Coordinator	0.00	\$ 6,188	\$ 6,436	\$ 6,693	\$ 6,961	\$ 7,240	\$ 7,530	0.00
Clerical Union	PW Officer Coordinator / Contract Specialist	1.00	\$ 7,877	\$ 8,109	\$ 8,341	\$ 8,572	\$ 8,804	\$ 9,036	1.00
Clerical Union	GIS Analyst	0.00	\$ 7,119	\$ 7,485	\$ 7,850	\$ 8,215	\$ 8,580	\$ 8,946	0.00
Clerical Union	Senior GIS Analyst	1.00	\$ 7,648	\$ 8,211	\$ 8,769	\$ 9,329	\$ 9,889	\$ 10,450	1.00
PW Union	Senior Lead Technician	1.00	\$ 8,522	\$ 9,009	\$ 9,496	\$ 9,981	\$ 10,468	\$ 10,955	1.00
PW Union	Lead Wastewater Operator	1.00	\$ 7,729	\$ 8,146	\$ 8,564	\$ 8,980	\$ 9,397	\$ 9,814	1.00
PW Union	Lead Water System Operator	1.00	\$ 7,729	\$ 8,146	\$ 8,564	\$ 8,980	\$ 9,397	\$ 9,814	1.00
PW Union	Lead Parks Technician	0.00	\$ 7,729	\$ 8,146	\$ 8,564	\$ 8,980	\$ 9,397	\$ 9,814	0.00
PW Union	Lead Streets Technician	1.00	\$ 7,729	\$ 8,146	\$ 8,564	\$ 8,980	\$ 9,397	\$ 9,814	1.00
PW Union	Wastewater Operator II	3.00	\$ 6,974	\$ 7,356	\$ 7,738	\$ 8,121	\$ 8,503	\$ 8,885	3.00
PW Union	Wastewater Operator I	1.00	\$ 6,475	\$ 6,855	\$ 7,235	\$ 7,615	\$ 7,995	\$ 8,375	1.00
PW Union	Mechanic	0.00	\$ 6,475	\$ 6,855	\$ 7,235	\$ 7,615	\$ 7,995	\$ 8,375	0.00
PW Union	Senior Mechanic	1.00	\$ 7,729	\$ 8,146	\$ 8,564	\$ 8,980	\$ 9,397	\$ 9,814	1.00
PW Union	Maintenance Worker	6.00	\$ 6,475	\$ 6,855	\$ 7,235	\$ 7,615	\$ 7,995	\$ 8,375	6.00
PW Union	Maintenance (Entry)	0.00	\$ 5,447	\$ 5,731	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	0.00
PW Union	Maintenance (Seasonal)	0.00	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	0.00
PW Union	Water System Operator II	3.00	\$ 6,974	\$ 7,356	\$ 7,738	\$ 8,121	\$ 8,503	\$ 8,885	3.00
PW Union	Water System Operator I	0.00	\$ 6,475	\$ 6,855	\$ 7,235	\$ 7,615	\$ 7,995	\$ 8,375	0.00
Indicates Vacancy Indicates Position Reclassification 									
TOTAL		51.00							
Exempt - Director		8.00							
Exempt - Manager		13.00							
Clerical Union		12.00							
PW Union		18.00							
Total FTEs		51.00							

2025 Notes on position reclassifications

Principal Planner to Planning Manager to reflect promotion of incumbent.

Economic Development Manager to Associate Planner (vacant) to meet workload needs.

Accounting Operations Manager to Senior Financial Analyst (vacant) to meet workload needs.

2025 Property Tax Ordinance #1821



City Council Agenda Bill

SUBJECT:		Agenda Date: November 19, 2024	AB24-127
Department/Committee/Individual			
Public Hearing Cont. and Ordinance Setting the 2025 Regular Property Tax Levy and Excess Tax Levy		Mayor Mary Miller	
Cost Impact: N/A		City Administrator – David Miller	
Fund Source: General Fund.		City Attorney – Kendra Rosenberg	
Timeline: by 11/30/2024		City Clerk – Susie Oppedal	
		Administrative Services – Lisa Escobar	
		Comm. & Economic Development – James Henderson	
		Finance – Martin Chaw	X
		Public Works – Mark Rigos	
Attachments: Ordinances, Preliminary 2025 Property Tax Levy Limit Worksheet from King County (10/28/2024), Public Hearing Notice			

SUMMARY STATEMENT:

The City of North Bend is required to annually adopt the following year's Property Tax Levy Increase Ordinance on or before November 30th. The City's property tax levy consists of two parts: a regular levy and an excess levy which is used to finance debt service payments for the City's Fire Station.

Regular Levy

The Mayor's Proposed Biennial Budget includes a total regular property tax levy of \$2,552,378 for collection in 2025. This consists of a 1.0% statutorily allowed property tax increase, which amounts to \$24,860 over the 2024 actual regular levy, plus revenue of \$38,071 resulting from new construction and improvements to property, and \$3,440 from prior year administrative refunds. This equates to a total increase of \$66,371 over the current 2024 levy of \$2,486,001.

**Table 1: 2025 Preliminary Regular Levy Rate
and Taxes Including 1.0% Increase**

	Amount	Levy Rate	Annual Tax
2024 Regular Levy*	\$2,486,001	\$0.80238	\$783.93
Add: 1.0% Statutorily allowed increase	24,860	\$0.00802	\$7.84
Add: 2025 New construction and improvements	38,071	\$0.01229	\$12.01
Add: 2025 Administrative refunds	3,440	\$0.00111	\$1.08
2025 Regular Levy	\$2,552,372	\$0.82380	\$804.86

2024 Regular Levy does not reflect \$3,619 in refunds as the 1.0% increase is required to exclude prior year refunds.

The 2025 preliminary citywide assessed valuation from King County Assessments, as of October 24, 2024, is \$3,098,272,168, which is a 10.9% increase over the 2024 assessed valuation of \$2,793,358,439. Of this increase, new construction added \$43,205,242 of assessed value to the property tax rolls (1.5%) and the remaining 9.4% was increases to existing home values.

The 2025 preliminary assessed value and levy amount of \$2,552,372 equate to an estimated 2025 property tax rate of \$0.82380 per \$1,000 of assessed valuation. This is a slight decrease from the 2024 actual property tax rate of \$0.88117 per \$1,000 of assessed valuation. Per the real estate site Zillow.com, the current average sales price for a single-family home in North Bend is \$977,000. Assuming the value of an average home in 2025 is \$977,000, the regular property tax assessment would be approximately \$804.86 per year, which equates to \$67.07 per month.

City Council Agenda Bill

Excess Levy (Fire Station bonds):

In February 2011, a special election was held, at which the City was approved to issue \$2.25 million in unlimited general obligation bonds maturing over a period of 20 years for purposes of financing the construction and equipping of a new fire station. Following that election, in May 2011, the City Council approved Ordinance No. 1425 authorizing the issuance of said bonds.

The subject proposed property tax ordinance adopts the special property tax levy for the Fire Station bonds with a 2025 levy rate of \$0.05773, resulting in a tax levy of \$178,875 in order to meet debt service obligations as authorized by North Bend voters in 2011. Based upon an average sales price for a single-family home in North Bend of \$977,000, the average home in 2025 would be assessed approximately \$56.41 per year, which equates to \$4.70 per month. Inclusive of the 2025 regular levy, the total property tax levy for 2025 equals \$2,731,247.

Table 2: 2025 Preliminary Regular and Excess Levy Rate and Taxes Including 1.0% Increase

	Amount	Levy Rate	Annual Tax
2025 Regular Levy	\$2,552,372	\$0.82380	\$804.86
Add: Voter approved excess levy	178,875	\$0.05773	\$56.41
2025 Total Regular and Excess Levy	\$2,731,247	\$0.88153	\$861.27

Note: Levy rate and annual tax based on 2025 preliminary assessed valuation from King County of \$3,098,272,168 and a single family home value of \$977,000. Figures to be finalized upon release of final assessed valuation figures from King County in early 2025.

Option #1: Adopt 2025 Property Tax Levy, including a 1.0% increase as authorized under state law.

Description: State law allows the City of North Bend to increase its property tax levy by 1.0%.

Business Impacts: The 1.0% increase equates to an increase in the regular property tax levy of \$24,860. Revenue from this increase is received into the City's General Fund and is used to support daily general governmental operating expenses.

Recommendation: City staff recommend Council approval of the attached proposed ordinance to establish the 2025 property tax amount.

Option #2: Adopt 2025 Property Tax Levy, not including a 1.0% increase as authorized under state law.

Description: State law allows the City of North Bend to increase its property tax levy by 1.0%.

Business Impacts: Foregoing the 1.0% increase equates to a reduction in the regular property tax levy of \$24,860, and would reduce the 2025 regular levy rate to \$0.81578, or a reduction in property taxes on a \$977,000 single-family home of approximately \$7.84 in 2025, or about \$0.65/month.

Table 3: 2025 Preliminary Regular and Excess Levy Rate and Taxes Excluding 1.0% Increase

	Amount	Levy Rate	Annual Tax
2025 Regular Levy	\$2,527,515	\$0.81578	\$797.02
Add: Voter approved excess levy	178,875	\$0.05773	\$56.41
2025 Total Regular and Excess Levy	\$2,706,390	\$0.87351	\$853.43
Change from Alternative 1	-\$24,860	-\$0.00802	-\$7.84 (\$0.65/mo)

City Council Agenda Bill

Note: Levy rate and annual tax based on 2025 preliminary assessed valuation from King County of \$3,098,272,168 and a single family home value of \$977,000. Figures to be finalized upon release of final assessed valuation figures from King County in early 2025.

Recommendation: City staff does not recommend Alternative #2.

Option #3: Adopt 2025 Property Tax Levy, not including a 1.0% increase as authorized under state law and banking the unlevied property tax capacity.

Description: During the levy setting process, the City has the ability to use all, some, or none of the 1.0% increase over the previous year's levy. If the City decides that the full 1.0% increase is not needed for the following year, State law (RCW 84.55.092) allows the City to protect (e.g., bank) the right to use that banked capacity at some future date.

Business Impacts: If the City elects to take some or none of the full 1.0% increase for 2025 as authorized, the City may protect the portion that is not needed (e.g., not levied) for use in the future.

Recommendation: If Council does not approve the recommended Alternative #1, staff recommends Alternative #3 over Alternative #2.

APPLICABLE BRAND GUIDELINES: Balanced budget.

COMMITTEE REVIEW AND RECOMMENDATION: The Finance and Administration Committee reviewed and approved Option #1, at its November 12, 2024 meeting, and recommended approval and placement on the November 19, 2024 City Council Meeting Main Agenda for discussion.

RECOMMENDED ACTION: **Motion to approve AB24-127, an ordinance adopting the 2025 Regular Property Tax Levy, as set forth in Option Number 1 (1.0% Increase), and the Excess Levy, as a second and final reading.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 19, 2024	Passed Ordinance 1821	7-0

ORDINANCE 1821

AN ORDINANCE OF THE CITY OF NORTH BEND, WASHINGTON, AUTHORIZING 2025 PROPERTY TAX LEVIES CONSISTING OF THE CITY'S REGULAR LEVY AND A VOTER-APPROVED EXCESS LEVY FOR UNLIMITED GENERAL OBLIGATION BONDS INTEREST AND REDEMPTION

WHEREAS, the City Council of the City of North Bend has properly given notice of the public hearing held on September 3, 2024 and October 15, 2024 to consider the City's revenue sources for the 2025 budget, including the consideration of possible increases in property tax revenues; and

WHEREAS, the City of North Bend's actual levy amount from the previous year was \$2,489,619, which includes refunds of \$3,619; and

WHEREAS, the King County Assessor has notified the City Council of the City of North Bend on October 28, 2024 that the assessed valuation of property lying within the boundaries of said City for the assessment year 2025 is \$3,098,272,168; and

WHEREAS, the City Council of the City of North Bend, after hearing and duly considering all relevant testimony presented, has determined that the City of North Bend should adopt a regular property tax levy in the estimated amount of \$2,552,37, which includes a 1% increase [\$24,860] in regular property tax revenue over the 2024 actual regular property tax levy [\$2,486,001], plus revenue resulting from the addition of new construction & improvements to property [\$38,071], plus administrative refunds [\$3,440] in order to discharge the expected expenses and obligations of the City; and

WHEREAS, voters approved an excess property tax levy for unlimited general obligation bonds, proceeds of which were used to pay for the construction of a new fire station; and

WHEREAS, the City is required to set and establish the property tax levy rate for voted excess levies for general obligation bond issues approved by the voters, including subsequent refunded bond issues, subject to the limitations imposed by law; and

WHEREAS, the City of North Bend needs a tax levied to raise revenue to provide for the interest and redemption of voter-approved unlimited general obligation bonds for the fiscal year of 2025 in the amount of \$178,875 which tax is applicable to all taxable property within the City of North Bend; and

WHEREAS, the below is a true and complete listing of property tax levies for the City of North Bend for tax year 2025 and they are within the maximums established by law:

Regular (Statutory) Levy	
Expense Fund	\$2,548,932
Refunds	3,440
	<hr/>
Total Regular Levy	\$2,552,372
Excess (Voter Approved) Levy:	
G.O. Bonds Fund Levy	\$178,875
	<hr/>
Estimated Total Property Taxes:	\$2,731,247

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON,
DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Regular Property Tax Levy. A regular property tax is hereby levied for year 2025 in the amount of \$2,552,372, which is a one percent (1%) increase from the 2024 actual regular property tax levy. This increase is inclusive of additional revenue resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property, and any additional amounts resulting from annexations that have occurred and refunds made.

Section 2. Voter-Approved Excess Property Tax Levy for Unlimited General Obligation Bonds. In addition to the above regular property tax levy for the ensuing fiscal year of 2025, a tax is hereby levied to raise revenue to provide for the interest and redemption of voter-approved unlimited general obligation bonds for the fiscal year of 2025 in the amount of \$178,875. This tax is applicable to all taxable property within the City of North Bend.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

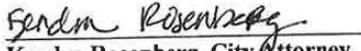
Section 4. Effective Date. This ordinance shall be published in the official newspaper of the City and shall take effect and be in full force on January 1, 2025.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A
REGULAR MEETING THEREOF, THIS 19TH DAY OF NOVEMBER, 2024.

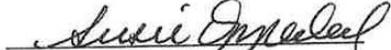
CITY OF NORTH BEND:


Mary Miller, Mayor

APPROVED AS TO FORM:


Kendra Rosenberg, City Attorney

ATTEST/AUTHENTICATED:


Susie Oppedal, City Clerk

Published: November 29, 2024
Effective: January 1, 2025

Authority and Guideline for Spending Public Funds

Legal Authority

The budget is the legal authority to obligate public funds. It also provides policy direction by the City Council to the staff and community as well as a financial plan for the current year.

Preparation of the biennial budget involves every city official and employee. Each member of the city team has the opportunity and responsibility to contribute suggestions for projects and processes that would improve the city or use the city's resources more efficiently. Budget preparation is difficult, time consuming and frustrating, yet valuable and rewarding. The end result is a collaborative, comprehensive set of plans and directives for the management of a large and diverse entity's activities and resources for the coming year and beyond. The budget provides four functions:

1. The budget as a policy document: Decisions made during the budget process and documented herein reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the city staff.
2. The budget as a financial plan: Financial planning is the most basic aspect of the budget process and is a requirement of state law. The budget must be adopted as a balanced budget and must be in place prior to the expenditure of any city funds. The budget is the legal authority to expend public monies, and controls those expenditures by limiting the amount of the appropriation at the fund level. Revenues and beginning cash balances are estimated to determine the resources available in each fund. Council and staff expenditure requests, other commitments such as debt service requirements, and desired ending cash reserves are balanced against available resources to determine department and fund appropriations.
3. The budget as an operational guide: The functions and/or goals of each department and fund are described in the following sections, along with the objectives planned for the current biennium to perform those functions and meet those goals. The expenditures are then summarized by department, fund and for the city as a whole. This process assists in maintaining an understanding of the various operations of the city and how they relate to each other and to the attainment of the policy issues and goals of the City Council.
4. The budget as a communication device: The budget provides a unique opportunity to allow and encourage public review of city operations. The budget document describes the activities of the city, the reason or cause for those activities and future implications. The budget process invites individual citizens to provide direct input to the budget. Citizens are always welcome to discuss problems, desires and opportunities with the Mayor, City Council and staff. These discussions frequently lead to budget objectives. Additionally, the city holds a public hearing on the budget where the public is formally invited to participate in the budget process.

Cash Based Budget

The budget is prepared on the cash basis of accounting: 1. Revenues are recognized when they are collected and 2. Expenditures are recognized when payment is made. The annual financial report of the city is prepared on the same basis for all fund types (the General Fund, Special Revenue funds, Debt Service funds, and

Proprietary funds). The budget can be directly compared to the operating reports in the annual financial report for all funds. The basis for budgeting is consistent with state law and is practical both for preparing and managing the budget. The basis for reporting, although not consistent with Generally Accepted Accounting Principles (GAAP), is acceptable for Cash Basis cities in the State of Washington.

Budget Process, Calendar and Amendments

Budget Process

The city operates under a biennial budget as authorized under state law. The biennial fiscal period starts on January 1 of an odd numbered year and ends on December 31 of the following even numbered year (e.g. January 1, 2025 – December 31, 2026 is the 2025-2026 biennium). RCW 35A.34. The city's budget process for the following biennium begins the second year of the current biennium, and generally follows the following schedule and structured, comprehensive process. This process is anchored by three citywide financial forecast updates, a detailed preparation of the biennial operating and capital budget and culminates with the Mayor's preliminary budget presentation and state of the city in the fall and adoption of the budget by Council in early December.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Financial Forecast (Baseline)												
Budget Instructions												
Financial forecast update #1												
Department Budget Preparation												
Budget requests due												
Financial forecast update #2												
Executive Team review												
Preliminary budget finalized												
Mayoral Budget Review												
Financial forecast update #3												
Finalize Mayor's prelim. budget												
Mayor's Budget Address												
Mayor's budget transmitted to Council												
Property Tax Ordinance prepared												
Fees Resolution prepared												
Omnibus Appropriations Ordinance prepared												
Council Budget Review												
Council budget workshops												
Council Public Hearing #1												
Council Public Hearing #2												
Council Public Hearing #3												
Property Tax Ordinance Adopted												
Fees Resolution Adopted												
Appropriations Ordinance Adopted												
Draft Adopted Budget book prepared												
Final Adopted Budget Published												
New Biennium begins												

Amending the Budget

The City Administrator, Finance Director, or Mayor is authorized to transfer budget amounts between categories within funds or General Fund departments. However, any revisions that alter the total expenditures of a fund, or affect the number of authorized employee positions, salary ranges, hours or other

conditions of employment, must be approved by the City Council. When the City Council determines that it is in the best interest of the city to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by one more than the majority of the City Council after holding a public hearing.

Debt Maturity Schedule

The City of North Bend has a credit rating of **AA-** for Water and Sewer revenue bonds, and **AA** for General Obligations bonds.

The following table summarizes the City's outstanding **Utility debt** and outstanding **General Obligation** debt.

Utility Debt Outstanding as of January 1, 2025

Indenture	Par Outstanding	Interest Rates	Tax Status	Call Date	Callable Par	Final Maturity
Water and Sewer Revenue Bonds, 2019	8,055,000	2.5%-5.0%	Tax Exempt	8/1/2029	6,930,000	8/1/2050
Water and Sewer Revenue and Refunding Bonds, 2021	22,930,000	3.0%-4.0%	Tax Exempt	8/1/2031	18,715,000	8/1/2051
Water and Sewer Revenue Note, 2022 (ULID#7)	1,200,000	5.57%	Taxable	-	0	12/22/2024
Total	32,185,000				25,645,000	

Utility Subordinate Lien Obligations Outstanding as of January 1, 2025

Purpose	Loan No.	Year of Loan	Total Amount Issued	Amount Outstanding	Maturity Year
Domestic water source development	PW-06-962-029	2006	3,228,354	129,524	2026
Mt. Si Spring Disinfection	SRF Loan 05-96300-018	2007	226,220	11,951	2026
415 th Way Waterline	PC13-961-014	2014	1,226,000	443,177	2032
Total			4,680,574	584,652	

General Obligation Debt Outstanding as of January 1, 2025

Indenture	Par Outstanding	Interest Rates	Tax Status	Call Date	Callable Par	Final Maturity
UTGO Bonds, 2011	310,000	4.0%-4.5%	Tax Exempt	Callable	310,000	12/1/2027
LTGO Refunding Bonds, 2015	395,000	4.0%	Tax Exempt	6/1/2026	200,000	12/1/2026
LTGO Bonds, 2018	3,175,000	4.0%-4.5%	Tax Exempt	12/1/2028	2,685,000	12/1/2043
Total	3,880,000				3,195,000	

Financial Policies

Background and Purpose

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of North Bend. Therefore, the establishment and maintenance of wise fiscal policies enables city officials to protect public interests and ensure public trust.

Operating Budget Policies

The Municipal Budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

The City Council will establish municipal service levels and priorities for the ensuing year prior to and during the development of the preliminary budget.

The City Mayor shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.

Adequate maintenance and replacement of the city's facilities, buildings, technology and equipment will be provided in the biennial budget.

The current fiscal year budget shall be balanced with current resources and any other resources available from previous years provided that adopted levels of reserve funds are not included in the available resources from prior years.

Revenue and Expenditure Policies

Annual revenues are conservatively estimated as a basis for preparation of the biennial budget and city service programs.

Expenditures approved by the City Council in the biennial budget define the city's spending limits for the upcoming biennium. Beyond the requirements of law, the city will maintain an operating philosophy of cost control and responsible financial management.

The city will maintain revenue and expenditure categories according to state statutes and administrative regulations.

All revenue forecasts will be performed utilizing accepted analytical techniques including three year trending, forecast based on per capita intergovernmental revenues, sales tax revenues extracted from the prior complete year, minus known one time lump sums for large construction projects.

All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the city.

Revenues of a limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.

Grant applications to fund new service programs with state or federal funds will be reviewed by the city, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.

Should the city choose to use a bank loan to finance a project or a purchase, funds from said loan will be adequately segregated in the account system to ensure that balances are not co-mingled with the general fund or any other project fund.

The City of North Bend will establish and maintain Special Revenue Funds which will be used to account for proceeds from specific revenue sources to finance designated activities which are required by statute, ordinance, resolution or executive order.

Annual expenditures will be maintained within the limitations of annual revenues or any previous year resources available outside of reserves adopted for the fund. The city will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.

In order to ensure the continuity of services, the city will budget no more sales tax revenue than was received in the prior complete year as a hedge against possible future economic events.

Interest income revenue may be used to finance one-time capital or time-limited goods or services including debt service on councilmanic bond issues.

All authorized positions will be budgeted for a full year unless specifically designated by the City Council as a partial-year position.

Accounting, Financial Reporting, and Auditing Policies

The City of North Bend will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles, the State of Washington Budgeting Accounting Reporting System (BARS) and local regulations.

A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the city.

The city will meet the financial reporting standards set by the Governmental Accounting Standards Board.

Full disclosure will be provided in all city financial reports and bond representations.

An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion.

A quarterly report will be prepared and presented to the City Council within 45 days of the close of each calendar quarter. This report will include a budget variance report, fund balances, and discussion of performance.

Reserve and Fund Balance Policies

Adequate fund balance and reserve levels are a necessary component of the city's overall financial management strategy and a key factor in external agencies' measurement for bond rating of the city's financial strength.

Maintenance of fund balance for each relevant accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages.

City and State regulations have been established to allow the City of North Bend to create and maintain specific reserve funds. Prudent use of reserve funds enables the city to defray future costs, take advantage of matching funds, and beneficial (but limited) opportunities.

Reserve funds provide the city with the ability to exercise flexible financial planning in developing future capital projects. Reserve funds are necessary to enable the city to deal with unforeseen emergencies or changes in condition.

The city will establish minimum fund balance targets for each fund based on the cash flow requirements of the fund. The city will include all fund balances in the biennial budget.

The minimum fund balance will be attained and maintained through expenditure management, revenue management and/or contributions from the General Fund.

All expenditures drawn from reserve accounts shall require prior Council approval unless previously authorized by the City Council for expenditure in the biennial budget.

A Contingency Reserve Fund will be maintained in accordance with RCW 35A.33.145 to meet specific emergency expenditures as described in RCW 35A.33.080 and 35A.33.090.

The city shall maintain a General Fund Operating fund balance in an amount equivalent to 16.7 percent of the General Fund Operating Budget. Annual contributions will be budgeted from General Fund resources as available to attain and maintain an established reserve level.

The city shall maintain a General Fund Operating Reserve to serve as a “Rainy Day Fund” to address temporary revenue shortfalls. Annual contributions will be budgeted from General Fund resources as available to attain and maintain an established reserve level.

Additional reserve accounts may be created by Council to account for monies for future known expenditures, special projects, or other specific purposes.

All reserves will be presented in the biennial budget.

Enterprise Fund Policies

The city will establish enterprise funds for city services when 1) the intent of the city is that all costs of providing the service should be financed primarily through user charges; and/or 2) the City Council determines that it is appropriate to conduct a periodic review of net income for capital maintenance, accountability, or other public policy purposes.

Enterprise funds will be established for city-operated utility services.

Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.

Each enterprise fund will maintain an adequate rate structure to fully fund the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.

The city shall maintain a enterprise fund balance in an amount equivalent to 60-90 days of operations for the water utility, 45-60 days of operations for the sewer utility, and 30-45 days of operations for the storm and flood utility. Annual contributions will be budgeted as available to attain and maintain an established reserve level.

Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.

Revenue bonds shall be issued only when projected operating revenues are insufficient for the enterprise's capital financing needs.

The city will ensure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.

The city will limit the maturities of all utility revenue bond issues to 25 years or less.

Debt Management Policies

The amount of debt issued by the city is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of North Bend uses debt in two ways: (1) as a mechanism to equalize the costs of needed improvements to both present and future citizens; and (2) as a mechanism to reduce the costs of substantial public improvements.

City Council approval is required prior to the issuance of debt.

An analytical review shall be conducted prior to the issuance of debt.

The city will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.

The City of North Bend will not use long-term debt to support current operations.

Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.

Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.

The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.

Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.

The city will use refunding bonds where appropriate, when restructuring its current outstanding debt.

Reserves, interest costs, operating costs, and/or maintenance expenses will be capitalized only for enterprise activities; capitalized operating expenses will be strictly limited to those expenses incurred prior to actual operation of the facilities.

The city will maintain a good credit rating at all times.

Assessment bonds will be issued in place of general obligation bonds, where possible, to assure the greatest degree of public equity.

Under most circumstances, the maturity of all assessment bonds shall not exceed 12 years.

General Obligation bonds will be issued with maturities of 20 years or less.

The voter approved general obligation debt of North Bend will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the city.

The following individual percentages shall not be exceeded in any specific debt category:

- General Debt – 2.5% of assessed valuation
- Utility Debt – 2.5% of assessed valuation
- Open Space and Park Facilities – 2.5% of assessed valuation
- Limited-tax general obligation bonds will not exceed one and 1.5% of the city's current assessed property valuation.
- Limited-tax general obligation bonds will be issued only if:
 - A project requires funding not available from alternative sources.
 - Matching fund monies are available which may be lost if not applied for in a timely manner.
 - Emergency conditions exist.

North Bend's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the city. Planning and implementing sound capital improvement policies and programs today will help the city avoid emergencies and major costs in the future, therefore:

- The city will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared and updated biennially.
- The City Council will designate annual ongoing funding levels for each of the major project categories within the Capital Improvement Program.
- Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- An annual Capital Improvement Budget will be developed and adopted by the City Council as part of the biennial budget. The Capital Improvement Program will be consistent with the Capital Facilities Element of the Comprehensive Plan.

Glossary

Ad Valorem - A tax imposed on the value of property. Also known as Property Tax.

Annexation - The incorporation of land into an existing city with a resulting change in the boundaries of that city.

Assessed Valuation - The value placed upon real and personal property by the County Assessor as the

basis for levying annual property taxes.

Audit - An examination of the financial activities of an agency and the report based on such examination.

AWC -Association of Washington Cities.

B & O - Business and Occupation Tax.

Balanced Budget - A budget in which estimated revenues equal estimated expenditures.

BARS - The Washington State prescribed Budgeting, Accounting, and Reporting System all governmental entities located in the state of Washington must follow.

Beginning Fund Balance - Each city fund uses this revenue account to record estimated and actual resources available for expenditure in one fiscal year because of revenues collected in excess of expenditures in prior fiscal years.

Benefits - City-paid benefits are provided for employees such as retirement, worker's compensation, life insurance, long-term disability, and medical insurance.

Biennial Budget - A biennial budget has a duration of two years, which the City of North Bend separates into two distinct fiscal years. The State of Washington requires the first year to be an odd-numbered year, for example 2025/2026.

Bond - An interest bearing certificate issued by a government or business, redeemable on a specific date; used as a measure of raising funds for capital improvements.

Bond Rating - The credit worthiness of a government as determined by an independent rating agency. Also known as a Credit Rating.

Budget - A comprehensive financial plan to sustain municipal operations during a given year with related explanation.

Budget Adjustment - An accounting transaction to modify a budget appropriation - by Council adoption of an ordinance, or by Finance Director authorization to adjust appropriations within a fund.

Budget Calendar - The schedule of key dates or milestones which the city follows during the preparation, adoption and administration of the budget.

Budget Document - the city's budget document is used to present a comprehensive financial spending plan to its citizens, the City Council, and other interested parties.

Budget Message - A message prepared by the Mayor to provide City Council and the public with a general summary of the most important aspects of the budget, articulating the city's goals, and identifying budget impacts and changes.

Budgetary Control - Budgetary safeguards used to ensure that expenditures do no exceed a fund's legally authorized appropriation.

Capital Asset - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Facilities Plan (CFP) - The CFP is a comprehensive financial plan and needs assessment that identifies and prioritizes funding for capital improvements such as facilities, parks, transportation, and utility projects.

Capital Improvement Program (CIP) - A plan for future capital expenditures which identifies each capital project, its anticipated start and completion, and allocates existing funds and known revenue sources over a six year period.

Capital Improvements - Projects to create, expand, or modify a capital facility. The project may include design, permitting, environmental analysis, land acquisition, construction, landscaping, site improvements, initial furnishings, and equipment.

Capital Outlay - Expenditures made to acquire fixed assets or additions to them usually made from the general fund or utility fund where the assets are to be used.

Capital Projects Fund - A fund created to account for financial resources designated for acquisition, construction, or renovation of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

Cash Basis - The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Cash Management - The process of managing monies for the city to ensure operating cash availability and safe investment of idle cash.

Certificate of Deposit - A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

Community Development Block Grant (CDBG) - A federal funding program that provides annual funding for eligible local governments including housing and community development programs targeted primarily to low-income persons and neighborhoods.

Comprehensive Plan - A general plan that outlines growth and land use for residential, commercial, industrial, and open space areas.

Concurrency - The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

Consumer Price Index (CPI) - An index established and updated by the Federal Department of Labor. It measures the change in prices paid over time for a fixed set of goods and services.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Current Expense Fund - This fund is used to pay the expenses and liabilities of the city's general services and programs. It is commonly called the General Fund.

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds and notes.

Debt Limits - The maximum amount of debt that a governmental unit may incur under constitutional, statutory, or charter requirements.

Debt Management - Borrowing enables a jurisdiction to free itself from the constraints of current revenues, raise large sums of money, and obligate future citizens to repay the debt. To ensure that the power to borrow is used prudently, it is carefully regulated and managed by a set of policies and procedures known as debt management.

Debt Service - Payments to creditors, primarily the holders of municipal bonds. Debt service includes principal, interest, and minor incidentals such as paying agents' fees.

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit - An excess of expenditures over revenues.

Department - A major administrative division of the city, which indicates overall management responsibility for an operation or group of related operations within a functional area.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, inadequacy or obsolescence. Depreciation is also that portion of the cost of a capital asset which is charged as an expense during a particular period.

Development Activity - Any construction, expansion, or change in the use of a building or structure, or use of land, or change in use of land, that creates additional demand and need for public facilities or services.

Effluent - The liquid that flows out of a facility or household into a water body or sewer system. For example, the treated liquid discharged by a wastewater treatment plant is the plant's effluent.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Ending Fund Balance - The cash balance remaining at the end of the fiscal year available for appropriation in future years.

Enterprise Funds - Used to finance and account for acquisition, operation and maintenance of water and sewer facilities that are supported by user charges; also waste disposal, other utilities.

Estimated Revenue - The amount of revenue projected to be collected during a fiscal period.

Expenditures - The spending of money by the municipality for the programs and projects included within the approved budget.

FICA - Federal Insurance Contribution Act is an employment tax levied against both an employee and employer for Social Security and Medicare taxes.

Fiduciary Fund - The trust and agency funds used to account for assets held by the city in a trustee capacity.

Fiscal Year (FY) - The time period designated by the city signifying the beginning and ending dates for recording financial transactions. The City of North Bend has specified January 1 through December 31 as its fiscal year.

Fixed Assets - Assets such as land, building, machinery, furniture, and other equipment. The city has defined fixed assets as those with an acquisition cost of \$5,000 or more and a minimum estimated life of two years.

Full Faith and Credit - A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Full-Time Equivalent (FTE) - Number of commensurable hours equivalent to those of a regular, full-time employee (2,080 hours per year).

Fund - An accounting entity that records all financial transactions for specific activities or government functions. Eight commonly used fund types in public accounting are: General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund, Enterprise Fund, Trust and Agency Fund, Internal Service Fund, and Special Assessment Fund.

Fund Balance - The excess of current assets over current liabilities (plus any reserves).

GAAFR - The "Governmental Accounting, Auditing and Financial Reporting" book published by the Government Finance Officers Association to provide guidance for the application of accounting principles for governments.

G.A.A.P. - Generally Accepted Accounting Principles.

GASB - The Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

General Government Revenue - The revenues of a government other than those derived from and retained in Enterprise Funds.

General Fund - The general fund accounts for all financial activities not reported in some other type of fund; primarily used to account for the current operations of a jurisdiction's general-purpose departments.

General Obligation (GO) Debt - Local governments can raise revenues by selling tax-exempt municipal bonds and incurring debt. General obligation debt carries an unconditional promise by the local government to levy the taxes necessary to make the interest and principal payments required to retire the debt. In Washington State, general obligation debt can either be voted or non-voted (Councilmember) debt. Non-voted debt is limited to 1.5% of the assessed valuation, and total general obligation debt is limited to 2.5% of assessed valuation.

Grant - A contribution by a government or other organization to support a particular function.

Impact Fees - A fee assessed on new development that creates additional demand and need for public facilities.

Implicit Price Deflator (IPD) - An index used by the State to determine allowable annual growth in inflation for property tax calculation.



Improvement District - An area that is established to receive specific capital improvements or services deemed to benefit primarily those properties within its boundaries.

Infrastructure - The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e. streets, roads, sewer and water systems.

Interfund Loans - A loan made by one fund to another and authorized by resolution or ordinance.

Interfund Services - Services provided by one fund to another and are considered as reciprocal interfund activities because payment is made for services received. The city records and reports those transactions as "charges for service revenues and expenditures" in the appropriate funds.

Interfund Transfer - Payment from one fund to another fund primarily for work or services provided.

Intergovernmental Services - Services performed by one government for another government. These services typically include things such as police and fire services, dispatch and jail services, animal control services, audit and voter costs.

Latecomer Fees - Fees paid by developers or future service users for their share of past improvements financed by others.

Levy Lid - A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LGIP - Local Government Investment Pool.

Internal Service Fund - A fund used to account for the financing of goods or services provided by one department to another, or to other governments, on a cost-reimbursement basis.

Lease Purchase Agreement - A contractual agreement by which capital outlay may be purchased by making annual lease payments.

Line-Item Budget - A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Improvement District Bonds - Local improvement district bonds can be issued by a city to finance improvements in specific areas of the municipality. The property owners benefiting from the improvements are assessed and billed annually to pay for the cost of retiring the bonds. This type of financing mechanism is generally used for projects such as street improvements and the extension of sewer lines.

Long-Term Debt - Debt that matures more than one year after the date of issuance.

LTGO - Limited Tax General Obligation bonds are non-voter approved bonds for which the full faith and credit of the insuring government are pledged for payment.

Maturity Date - The date by which long-term debt is scheduled to be paid off.

Mitigation Fees - Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the city's facilities generated from the development.

Net Assets - Excess of the value of assets (cash, investments, receivables, and other assets) over the

value of liabilities.

Non-Departmental - This category has the sole purpose of accounting for all expenditures the city cannot specifically designate to any operating department within a fund.

Non-operating Expenditures - The costs of government services, which are not directly attributable to a specific municipal program or operation. Examples include debt service obligations and contributions to human service organizations.

Non-operating Revenues - The incomes received by the government, which are not directly attributable to providing a service. An example would be interest on investments.

Operating Budget - The portion of the budget that pertains to daily operations and supports basic governmental services. An operating budget contains appropriations for expenditures such as personnel, supplies, utilities, training, travel, and fuel.

Operating Expenses - Proprietary fund expenses that directly relate to the fund's service activities.

Operating Revenues - Proprietary fund revenues that directly relate to the fund's service activities.

Ordinance - An enforceable municipal law, statute or regulation, that applies to all citizens within that municipality; penalty provisions may apply.

Other Services and Charges - A basic classification for services, other than personnel services, which are needed by the city. This item includes professional services, communications, travel and training, advertising, dues and subscriptions, printing, public utility services, repairs and maintenance.

Overlapping Debt - The city's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on assessed value.

PERS - Public Employees Retirement Systems provided by the State of Washington for all city employees other than Police and Fire.

Personnel Services - Expenditures that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employees.

Property Tax - A tax levied on the assessed value of real property.

Proposed Budget - The budget proposed by the Mayor to the City Council for review and approval. This can also be called a Preliminary Budget.

Proprietary Fund - The classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. There are two different types of proprietary funds: enterprise funds and internal service funds.

R.C.W - Revised Code of Washington.

Real Estate Excise Tax (REET) - The city collects a 0.5% REET on all sales of real estate within the city (RCW 82.46.012). These funds are restricted for capital spending that is identified in the city's capital facilities plan. Both the first and second 0.25% may be spent for the planning, acquisition, construction, reconstruction, repair, re-placement, rehabilitation, or improvement of streets, roads, highways, sidewalk, street and road lighting systems, traffic signals, bridges, water systems, and storm and sewer systems. In addition, the first 0.25% may be spent for parks and recreation facility acquisition, as well

as the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of law enforcement facilities, fire protection facilities, trails, and administrative and judicial facilities.

Reserve - An account used to indicate that a portion of a fund's assets is dedicated for or legally restricted to a specific purpose and is therefore not available for general appropriation.

Resolution - A formal statement of a decision or expression of an opinion of the City Council.

Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Revenue Bonds - Bonds sold for which the principal and interest are payable exclusively from the earnings of a specific revenue source and which do not pledge the property credit or general tax revenue of a city.

Revenues - Moneys received or anticipated by a local government from either tax or non-tax sources.

Risk Management - Protecting a government's assets against loss in the most efficient and effective method.

Salaries and Wages - Amounts paid for personnel services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts.

Special Revenue Funds - Funds used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes.

State Shared Revenue - Revenues received from the State of Washington from sources like the liquor tax and gas taxes.

System Development Charges - A one-time charge levied on new construction to help pay for additional expenses created by this growth or to compensate for already existing capacity in key facilities and systems already in place which support the new development.

Tax - An amount levied upon individuals or property to fund government goods and services.

Tax Exempt Property - Property, which because of its ownership or use, is not subject to property taxation and meets state requirements for tax-exempt status.

Tax Rate - The amount of tax stated in terms of units per \$1,000 of assessed value of taxable property. The tax rate is the result of dividing the tax levied by the assessed value of the taxing district.

Transportation Improvement Program (TIP) - A TIP is required to be prepared annually and prioritizes transportation projects and potential funding sources.

T.I.B. - Transportation Improvement Board.

Trust and Agency Funds - Also known as Fiduciary Fund Types, these funds are used to account for assets held by the city in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies.

User Fees - The payment of a fee for direct receipt of a public service by the person benefiting from the service.

Utility Local Improvement District (ULID) - Created only for improvements to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

UTGO - Unlimited Tax General Obligation bonds are voter approved and retired by a tax levy commonly referred to as an excess levy.

WAC - Washington Administrative Code.