Next Ord: 1135-24
Next Res: 2064-24

CITY COUNCIL STUDY SESSION AGENDA
January 3, 2024
6:00 PM
Sedro-Woolley Municipal Building
Council Chambers
325 Metcalf Street

a. Call to Order

b. Pledge of Allegiance

c. Roll Call

d. Introduction of Special Guests and Presentation

e. Unfinished Business

f. New Business

1. Appointment of the Mayor Pro Tempore
2. Mayor's Appointment of Councilmembers to City Council Committees
3. Municipal Budgeting Introduction

g. Adjournment

h. Closed Session

1. To Discuss Collective Bargaining Agreement

Next Meeting City Council - January 10, 2024

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.

Join Zoom Meeting:
https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDlUQT09
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+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

City Council Agenda Item

Agenda Item No.: f.1.

Date: January 3, 2024

From: Charlie Bush, City Administrator

Subject: Appointment of the Mayor Pro Tempore

RECOMMENDED ACTION:

Staff recommends the Council elect a Mayor Pro Tempore to serve in that role for 2024.

ISSUE:

Who should the City Council select as their Mayor Pro Tempore for 2024?

BACKGROUND/SUMMARY INFORMATION:

The Mayor Pro Tempore serves in a limited role as the Mayor during an absence of the Mayor. The City Council Governance Hanbook contains the following language on page 21:

A. Election of Officers and Selection/Operation of Council Committees

1. Election of Officers

Procedures for electing officers are as follows: At the first meeting of the new Council, the members thereof shall appoint a Mayor-pro-tempore. In addition to the powers conferred upon him/her as Mayor-pro-tem, he/she shall continue to have all the rights, privileges and immunities of a member of the Council.

FISCAL IMPACT, IF APPROPRIATE:

N/A

ATTACHMENTS:

None

City Council Agenda Item

Agenda Item No.: f.2.
Date: January 3, 2024
From: Kelly Kohnken, Finance Director / City Clerk
Subject: Mayor's Appointment of Councilmembers to City Council Committees

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RECOMMENDED ACTION:
Motion to approve the Mayor's appointment of councilmembers to City Council committees.

ISSUE:
The Mayor's appointment of councilmember to City Council committees.

BACKGROUND/SUMMARY INFORMATION:
The City Council Governance Handbook contains the below language on page 21.

2. Council Committees
a) Appointments
At the first meeting of every even year, the Mayor shall appoint two councilmembers and a council chairperson to each standing committee of the Council, subject to confirmation by the city council. In making the appointments, the Mayor shall consider councilmembers' expressed interests and shall attempt to match councilmembers to their committees of choice.

Committee appointments will be submitted as late material on Tuesday, January 2, 2024.

FISCAL IMPACT, IF APPROPRIATE:
N/A

ATTACHMENTS:
1. Extract from Council Governance Handbook
2. 2024 Council Committees

A. Election of Officers and Selection/Operation of Council Committees

1. Election of Officers

Procedures for electing officers are as follows: annually, at the first meeting of the new Council, the members thereof shall appoint a Mayor-pro-tempore. In addition to the powers conferred upon him/her as Mayor-pro-tem, he/she shall continue to have all the rights, privileges and immunities of a member of the Council.

2. Council Committees

a) *Appointments*

At the first meeting of every even year, the Mayor shall appoint two councilmembers and a council chairperson to each standing committee of the Council, subject to confirmation by the city council. In making the appointments, the Mayor shall consider councilmembers' expressed interests and shall attempt to match councilmembers to their committees of choice.

b) *Standing Committees*

Public Safety: To consider policy issues and make policy recommendations to the full Council related to the police department, fire department, municipal court, and emergency management.

Finance and Information Technology: To consider policy issues and make policy recommendations to the full Council related to financial management policies, financial reports, personnel issues including personnel policies, and information technology issues.

Strategic Planning: To consider policy issues and make policy recommendations to the full Council related to development and implementation of the City's strategic plan.

Public Works: To consider policy issues and make policy recommendations to the full Council related to the City's utilities, parks, streets, and other public works related issues.

Planning and Business Development: To consider policy issues and make policy recommendations to the full Council related to long-term planning and growth in the City. In addition, considering policy issues and making policy recommendations related to the attraction of new businesses and the retention of existing businesses within the City.

c) *The Role of City Council Committees*

1. City Council Committees are intended to enhance communication between the Legislative Branch and the Executive Branch in the development of significant public policy action items.
2. These Committees will enable City administration to obtain feedback from representative members of the City Council on issues affecting public policy prior to their presentation, as necessary, to the full City Council.
3. City Council Committee members develop and maintain a deeper level of knowledge on matters of a technical nature which might affect public policy in order to increase the positive exchange of information and discussions between City Council members, City staff, and the public.
4. When appropriate, items may be considered by a City Council Committee before a final recommendation from the appropriate City Board or Commission (i.e., Planning Commission, Parks Board).
5. City Council Committees do not replace the City Council as final decision makers on behalf of the full City Council. Council Committees make no staff direction on administrative matters, specific assignments, or work tasks. If Committee members seek additional information from an outside party or consultant resulting in additional

cost to the City, approval to incur such cost must be approved by the full City Council. City Council committees may take action on policy items in the form of recommendations to the full City Council that the City Council may consider as a first read. When appropriate by meeting the criteria for the consent agenda, these items may appear on the Council's consent agenda for action.

6. Any discussion or feedback expressed or received at a Committee meeting should not be construed or understood to be a decision by or for the City Council. Further, any recommendation the Committee may make to the City Council is based on information possessed by the Committee at the time the recommendation is made and may be revised or amended upon receipt by the Committee of additional or newer information.

d) *Operational Guidelines and Functional Structure*

1. City Council Committees consist of three Council members, with the exception of one committee that will have two Council members. One Council member will serve as the committee chair. The Mayor may attend and participate in all Committee meetings.
2. No member of the City Council may serve on more than three Committees.
3. Council Committees will meet at least quarterly. The intent of the Council committee structure is to have all Council Committees hold their meetings prior to City Council meetings, with occasional exceptions. One committee meeting would occur prior to each City Council meeting and work session.
4. Council Committees have no delegated authority from the City Council and shall not take testimony from the public.
5. The Staff Liaison will coordinate with the Mayor and City Administrator on the preparation of the agenda to determine whether items will be presented to a Committee or placed on the Council's agenda to be considered by the full City Council. Any item may be recommended to the full Council by the Committee considering that item.
6. The full City Council, by majority vote, may refer any item on its agenda to an appropriate Committee for further review and recommendation.
7. Committee meetings are intended to allow regular attendance by City Council Committee members, as well as the Staff Liaison, staff, the Mayor and the City Administrator, as necessary. In order to prevent inadvertent violations of the Open Public Meetings Act, attendance by non-member Council members that will result in a quorum of the full City Council is prohibited.
8. The regular Council meeting agenda shall include an opportunity for Committee reports at which time any appointed Committee member may report to the Mayor and City Council on pertinent and timely issues before a Committee.

e) *E. City Liaison Role*

1. The City Administrator serves as an advisor to each City Council Committee; however, each Committee has an identified staff liaison at the Director-level. The responsibilities of the Staff Liaison are as follows:
   i. Attend all meetings of the City Council Committee. Research information and prepare reports and correspondence as required for the Committee.
   ii. Provide administrative support to the Committee, including distribution of documents to the Committee as required.
   iii. Coordinate with the Committee chair to prepare agendas.
   iv. Schedule meetings.
   v. Prepare Committee minutes within three weeks of the meeting and submit to the City Clerk for posting and distribution to the full City Council.
   vi. Serve as the communication link between the Committee and City administration, City departments, and Council as appropriate.

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661
Fax (360) 855-0707

Kelly Kohnken
Finance Director / City Clerk

CITY COUNCIL COMMITTEES

The Sedro-Woolley City Council Governance Handbook, Election of Officers and Selection/Operation of Council Committees, outlines the following:

> *At the first meeting of every even year, the Mayor shall appoint two councilmembers and a council chairperson to each standing committee of the Council, subject to confirmation by the city council. In making the appointments, the Mayor shall consider councilmembers' expressed interests and shall attempt to match councilmembers to their committees of choice.*

2024 City Council Committees and Appointments

Public Safety: To consider policy issues and make policy recommendations to the full Council related to the police department, fire department, municipal court, and emergency management.

Members: Chair Joe Burns, Allan Henderson, JoEllen Kesti
Staff Liaison: Chief McIlraith and Chief Wagner

Finance and Information Technology: To consider policy issues and make policy recommendations to the full Council related to financial management policies, financial reports, personnel issues including personnel policies, and information technology issues.

Members: Chair Paul Cocke, JoEllen Kesti, Nick Lavacca
Staff Liaison: Finance Director Kelly Kohnken

Strategic Planning: To consider policy issues and make policy recommendations to the full Council related to development and implementation of the City's strategic plan.

Members: Chair Kevin Loy, Sarah Diamond, Nick Lavacca
Staff Liaison: City Administrator Charlie Bush

Public Works: To consider policy issues and make policy recommendations to the full Council related to the City's utilities, parks, streets, and other public works related issues.

Members: Chair Allan Henderson, Sarah Diamond, Paul Cocke
Staff Liaison: Director of Public Works Mark Freiberger

Planning and Business Development: To consider policy issues and make policy recommendations to the full Council related to long-term planning and growth in the City. In addition, considering policy issues and making policy recommendations related to the attraction of new businesses and the retention of existing businesses within the City.

Members: Chair Nick Lavacca, Joe Burns, Kevin Loy
Staff Liaison: Community Planning Director (currently vacant) and City Administrator Charlie Bush

City Council Agenda Item

Agenda Item No.: f.3.

Date: January 3, 2024

From: Charlie Bush, City Administrator, Kelly Kohnken, Finance Director / City Clerk

Subject: Municipal Budgeting Introduction

RECOMMENDED ACTION:
Discussion only, no recommended action.

ISSUE:
This item will be a presentation and discussion about municipal budgeting.

BACKGROUND/SUMMARY INFORMATION:
During the fall, the City Council requested a presentation on municipal budgeting early in 2024. The presentation will focus on municipal budgeting generally, followed by more specifics for Sedro-Woolley. Staff anticipate having the first amendment to the 2024 budget, which will be an opportunity to apply the information learned in this session, before you later in January. Strategic goal setting, another highlighted part of the budget process included in this presentation, is planned for the February work session.

FISCAL IMPACT, IF APPROPRIATE:
N/A

ATTACHMENTS:
1. 2024 Budget Basics
2. City Funds and Restrictions

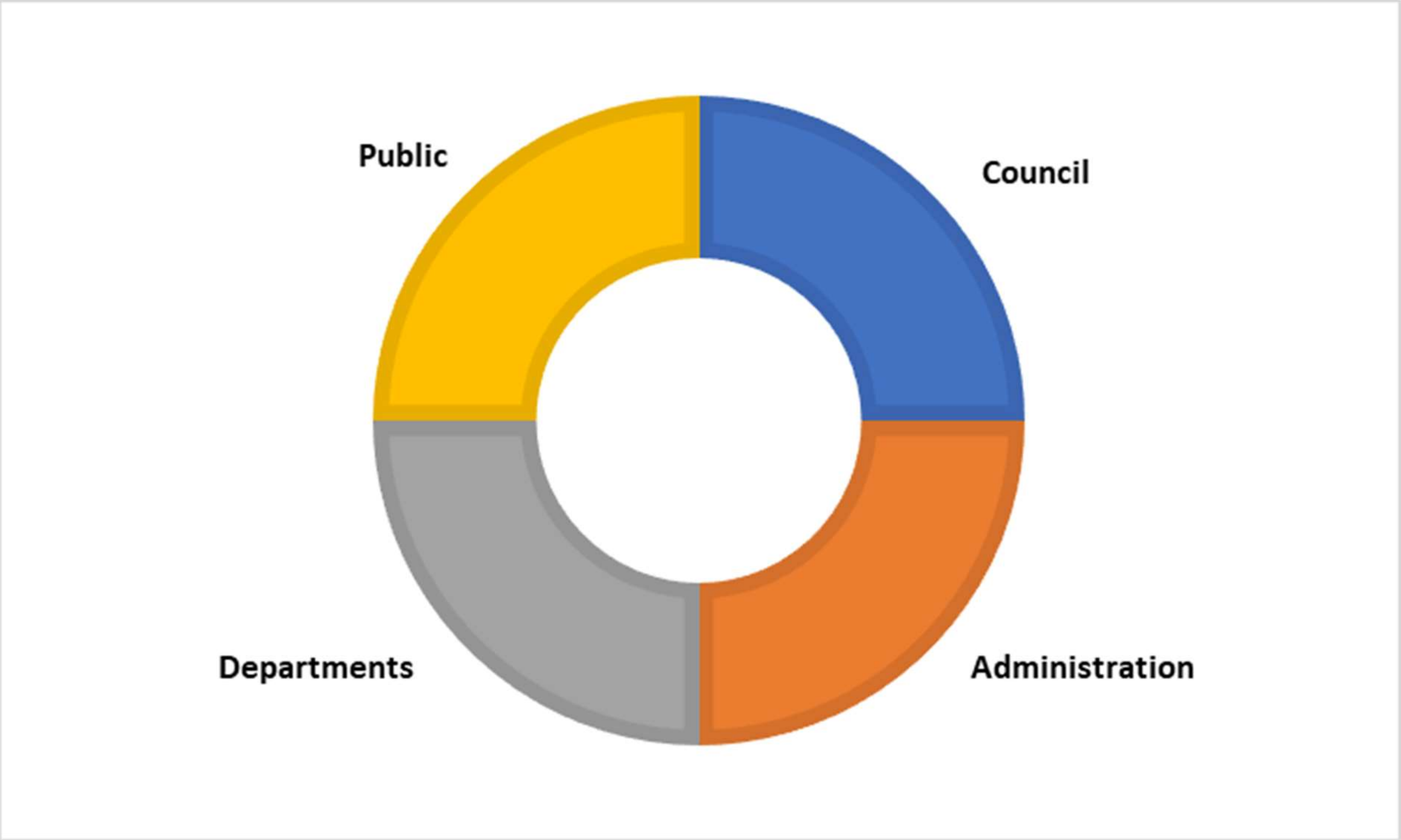
2024 Sedro-Woolley Budget Basics

Charlie Bush, City Administrator and
Kelly Kohnken, Finance Director
Slides adapted from AWC's Annual Budget Workshop

Budgeting is a Team Sport

- Time for a sports analogy!
  - Citizens are the owners
    - You don't want them calling the plays or on the field, but…
    - They own the team (and can make organizational changes)
  - You are on the board
    - What is your mission / vision?
    - What are the right strategies?
    - How do you make progress?
    - How do you know progress is being made?
    - How much should progress cost?

Roles of the budget makers



Roles (and related tools)

"Reporting pyramid"

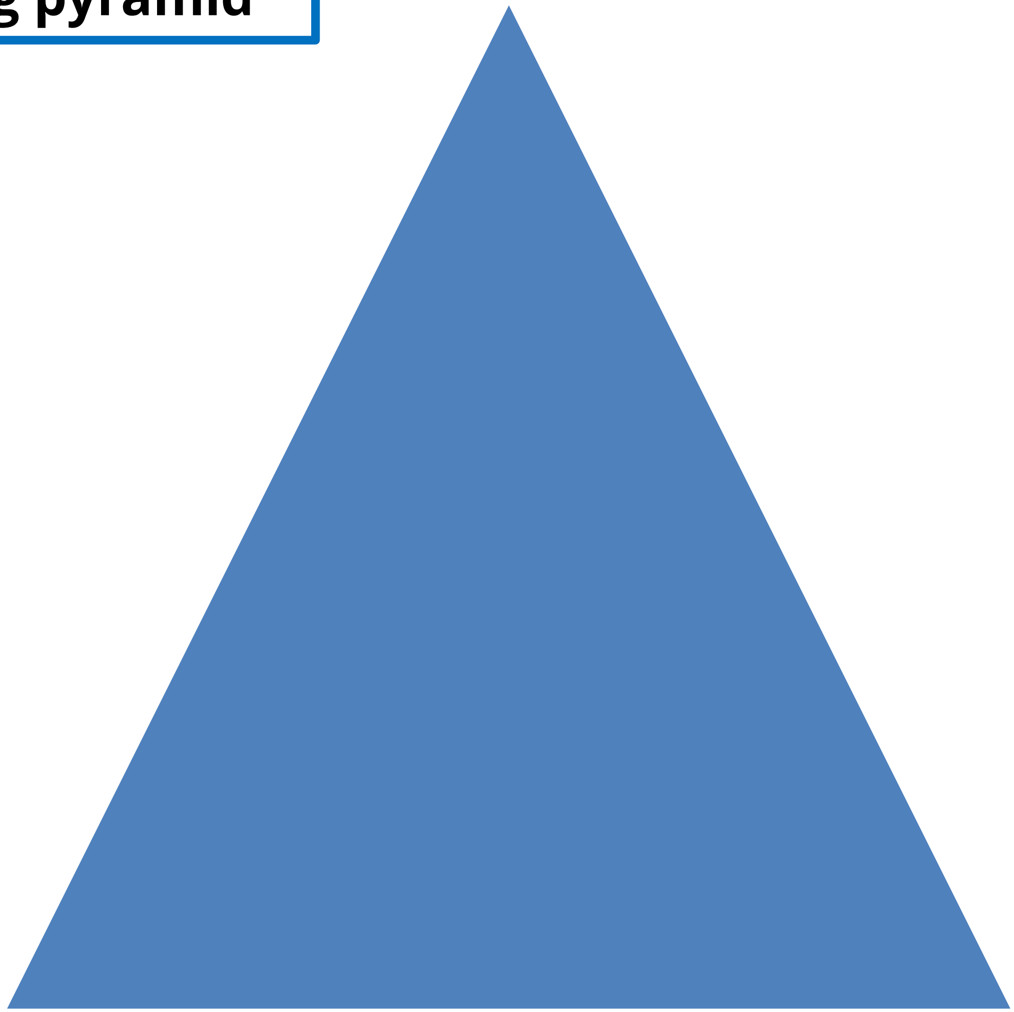
Citizens, business, investors

Council / Commission

Mayor / Manager Chief executive officer

Department directors

Managers / Supervisors



Why have budgets?

- Legally required
- Accountability
- Management tool
- Planning document

Accountability

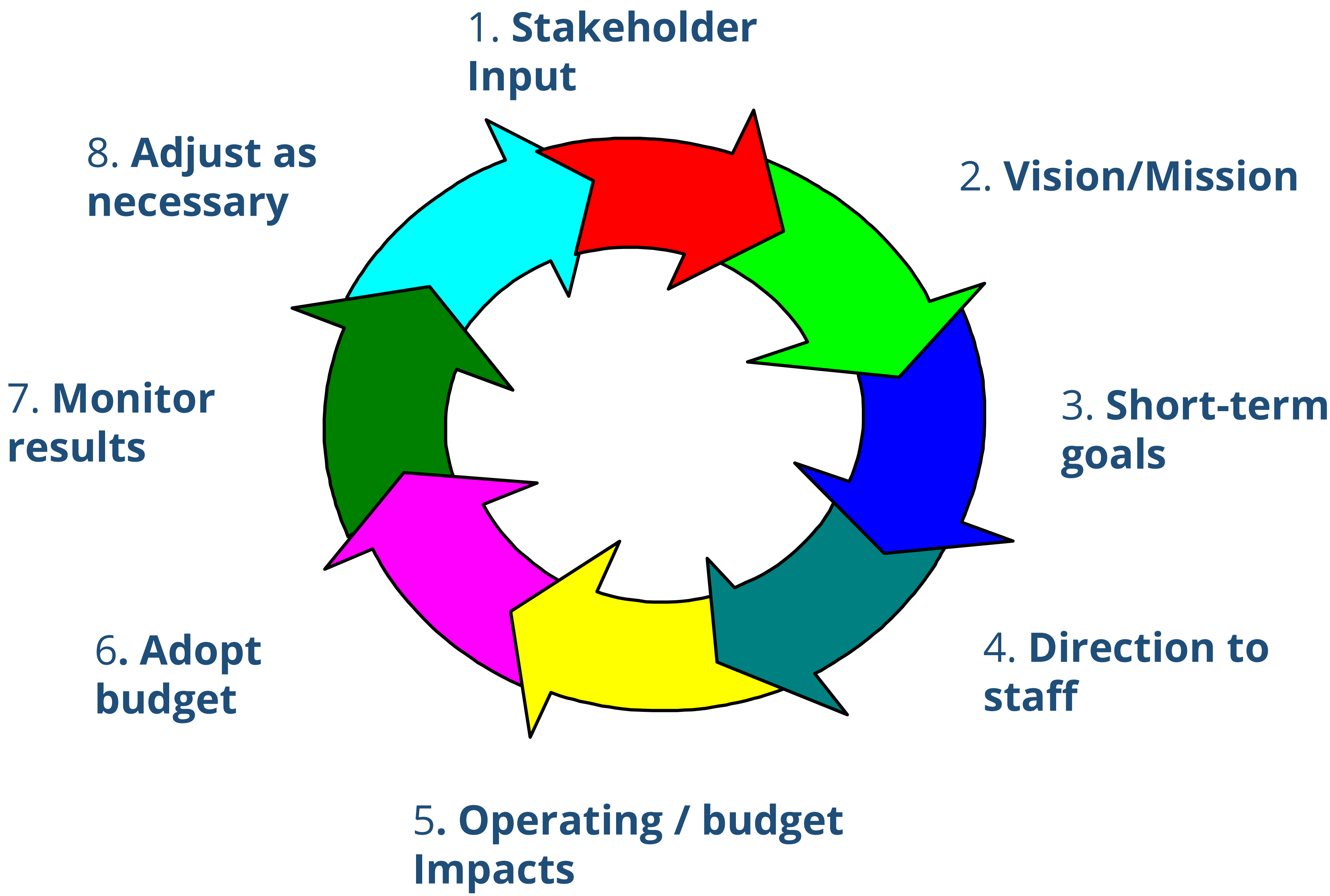
- Area of interest for taxpayer
  - How are we spending the taxpayer's money
  - What are we accomplishing
- Performance evaluation
  - Performance measures
  - “Connecting the Dots”
- Performance management / Auditing
  - State Auditor’s Performance Program
    - Citizen initiative

Mission of the budget process

National Advisory Council on State and Local Budgeting (NACSLB) - defines

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to **promote stakeholder participation** in the process.

National Advisory Council on State and Local Budgeting (NACSLB)



Budget definition

The budget is an **economic plan** that focuses the entity's **financial & human resources** on the **accomplishment of specific goals & objectives** established by the **policy makers.**

The budget establishes the annual (or biennial) expenditure levels for "all "departments & funds.

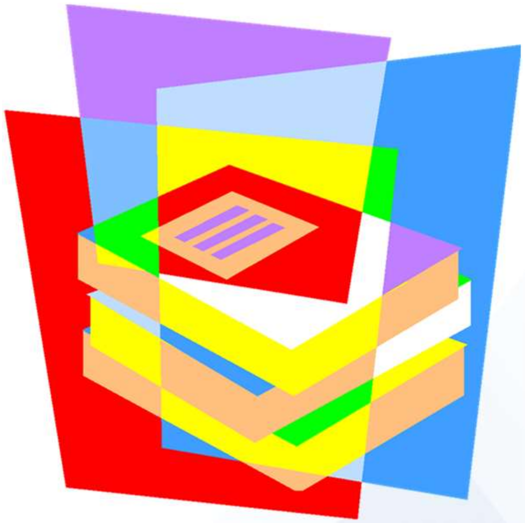
- These expenditure levels are called ***appropriations***, and they represent spending limits.

Influences on the budget

Additional influences on the budget

Local financial policies

- Fund balance
  - Reserves
- Contingency planning
- Balancing the operating budget
- Use of one-time revenues
- Use of fluctuating revenues
- Fees & charges
- Debt level & capacity



What you are budgeting and why?

Fund structure

- Accounting rules and regulations will set the types of funds used
- Type of fund will set budget focus
- Differences in fund types are often set to meet the financial objectives of the city/town.
- Fund types and their intended purpose will assist in budget development
  - Not all fund types require a budget appropriation

AWC ASSOCIATION OF WASHINGTON CITIES

ASSOCIATION OF WASHINGTON CITIES

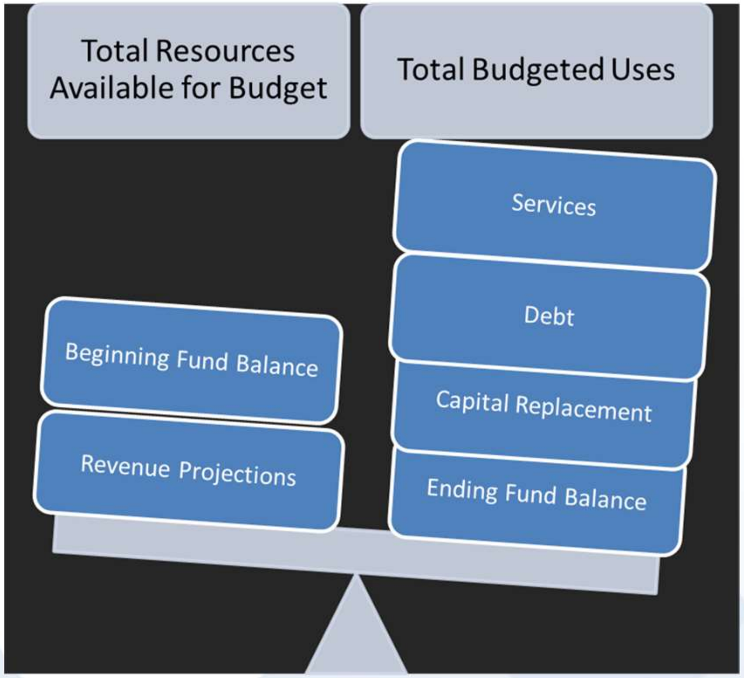
2024 Budget Calendar

June - August	September	October	November	December
Pre-Budget Items • Council Retreat • Adopt financial policies if needed. • Public hearings for capital facility plan updates • Public forums -community prioties. • Mayor/manager communicate budget objectives to staff	**September 11** "Call to budget" to all department heads **Before September 25** Department heads prepare estimates of revenue and expenditures. Clerk prepares estimates for debt service and other estimates. **September 25** Estimates filed with clerk.	**October 2** Clerk provides estimates filed by department heads to mayor/manager showing complete financial program. **October 2** Estimates and projections presented to council. **Mid Oct-Mid Nov** Public hearing on revenue sources including possible increases in property tax.	**November 2** Mayor/manager prepares preliminary budget and message and files with council and clerk. **November 1-18** Publication notice of preliminary budget and final hearing. **November 1-25** Public hearings-preliminary. **November 21** Copies of budget available to public. **November 30** Property tax levies set and filed with county.	**December 4** Final budget hearing. **December 31** Adoption of Budget

How do we make it work?

Toughest issue -balancing the general fund

- Competing departments
  - City hall/Clerk's office
  - Public safety
  - Planning & development
  - Recreational & cultural
- Competing funds
  - Streets
  - Debt
  - Capital needs



Balancing the budget

Budget goals and priorities met?

Review expenditure distribution

- Wages/benefits
- Transfers
- Insurance

Budget cuts?

- Analyze level of service
- Across the board cuts may not work

Avoid creative budgeting practices

- Interfund loans,
- Moving money from Fire to EMS

Interlocal agreements for service?

Establish goals – to provide guidance

National Advisory Council on State and Local Budgeting (NACSLB)

Principal 1

- Establish broad goals to guide government decision making
  - A government should have broad goals that provide overall direction for the government and serve as a basis for decision making.

2024 Sedro-Woolley Financial Basics

Charlie Bush, City Administrator and
Kelly Kohnken, Finance Director

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements.

- **The City reports on the cash basis of accounting**

Revenues are recognized only when cash is received and expenditures are recognized when chargeable against the report year's budget appropriations as required by state law. This generally results in revenues being recognized when delivered to the government or government's agent and expenditures being recognized when paid.

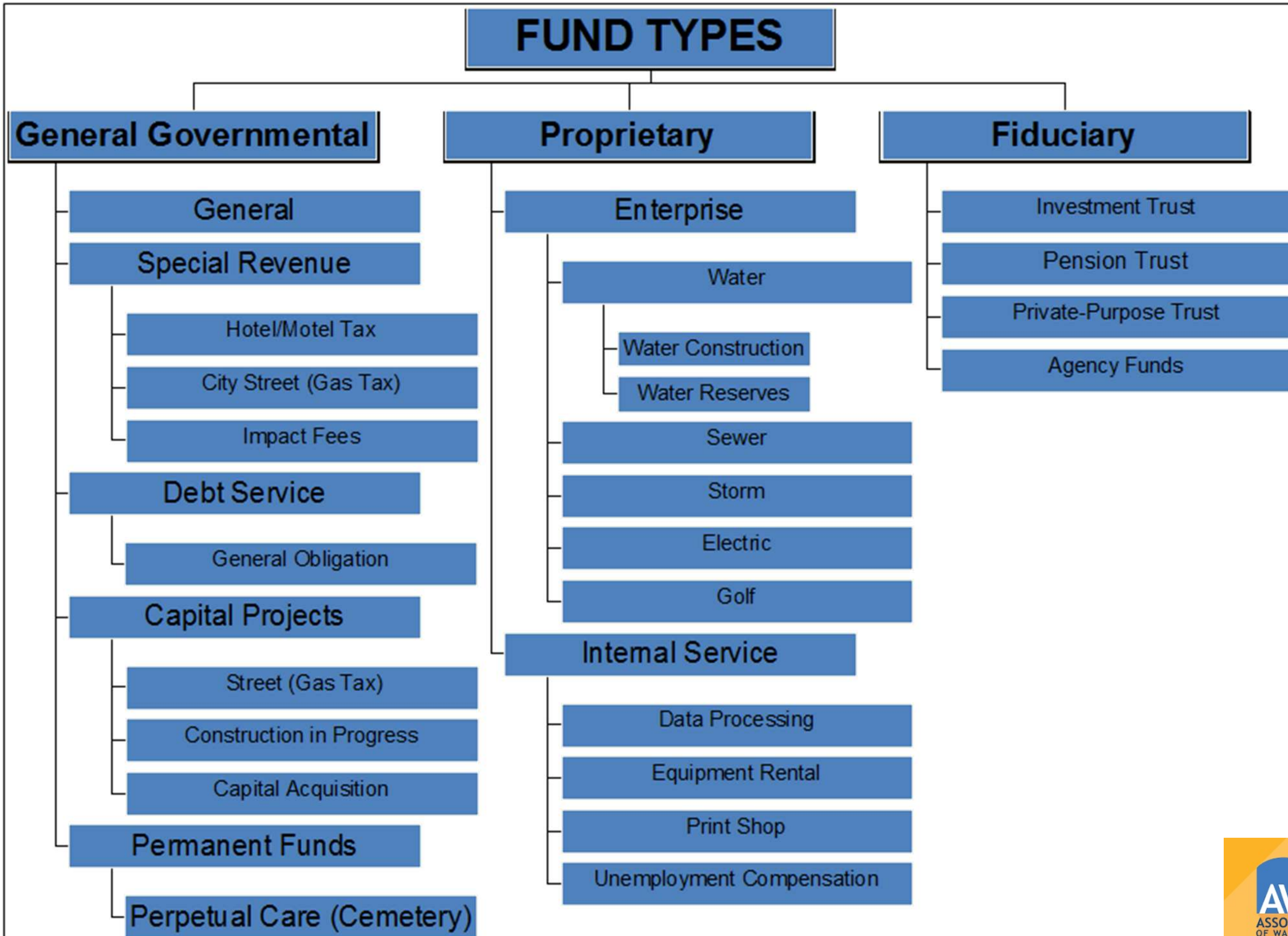
Fund Accounting

- **What are funds?**

A governmental accounting system should be organized and operated on a fund basis. A fund is defined as a fiscal and account entity with a self-balancing set of accounts recording cash, revenues, expenditures, and other increases and decreases.

Funds should be segregated for the purpose of carrying on specific activities or attaining certain objectives.

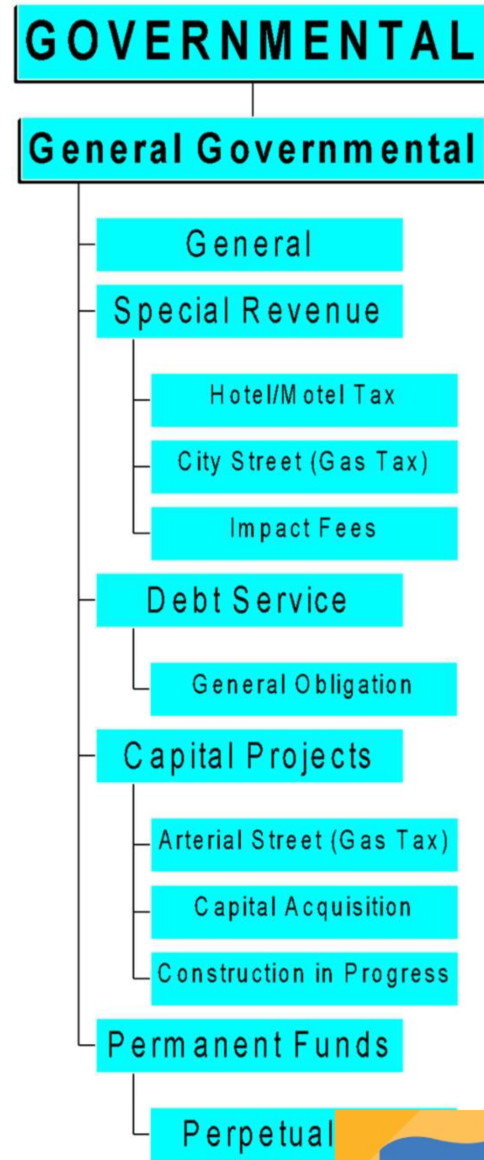
Fund Structure – 3 Different Fund Types



Governmental fund types

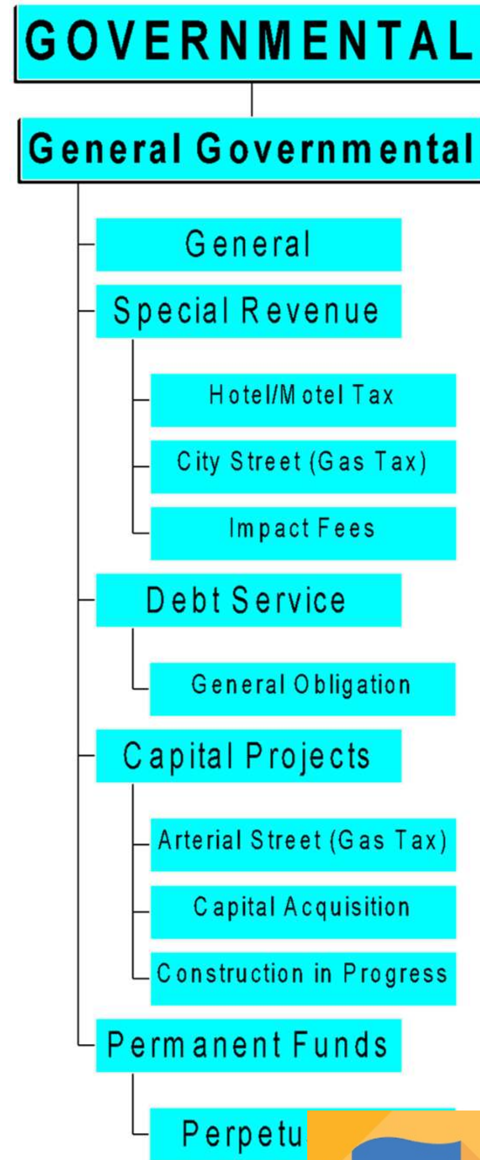
- **General fund**
  - Chief operating fund of local government
  - Coded 001

- **Special revenue funds**
  - Resources restricted or committed (other than debt service or capital projects)
  - Coded 100-199
  - Examples:
    - Lodging Tax
    - Law Enforcement Sales Tax
    - City Council Strategic Reserve



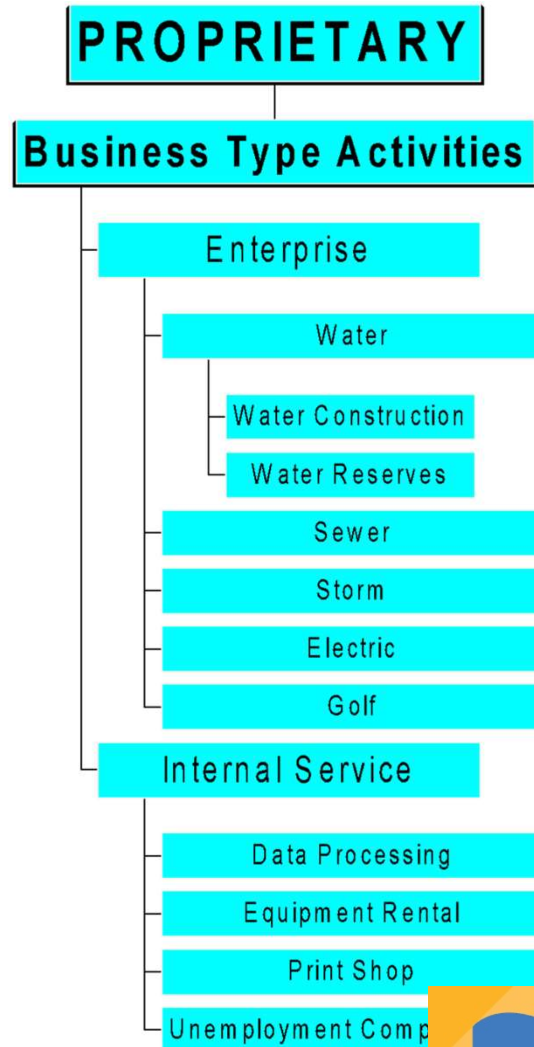
Other Governmental Fund types

- **Debt Service**
  - Pay long-term debt (principal and interest) for Governmental Funds
  - General Obligation debt only (debt backed by taxes)
  - Coded 200-299
- **Capital Projects**
  - Construction of major capital facilities of governmental fund types
  - Not to be used for proprietary funds and trust funds
  - Coded 300-399
- **Permanent Funds**
  - Legally restricted
  - Coded 700-799



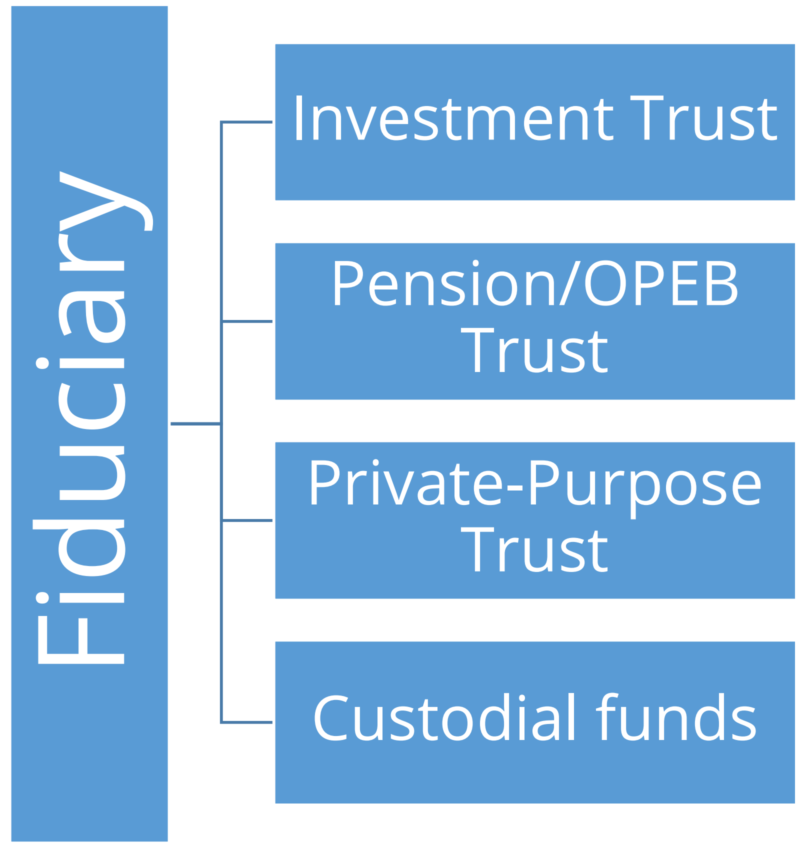
Proprietary fund types

- **Enterprise funds**
  - Primary source of revenue is user fees
  - Operated and financed similar to private business
    - Sewer
    - Solid Waste
    - Stormwater
- **Internal service funds**
  - Provides goods or services to other funds, departments or government agencies
    - Equipment Replacement
    - Public Works Facility



Fiduciary funds

- **Trust & Custodial funds**
  - Investment Trust
  - Pension/OPEB Trust
  - Private-Purpose Trust
  - Custodial funds



General Fund - Expenditures

Expenditure	2024 Proposed	% of Total
Legislative	52,472.08	0.4%
Judical	227,300.00	1.8%
Executive	475,082.97	3.7%
Financial	364,947.96	2.9%
Legal	251,243.90	2.0%
Information Technology Services	337,790.49	2.7%
Central Services	27,461.18	0.2%
Planning and Community Development	388,860.00	3.1%
Engineering	288,852.43	2.3%
Law Enforcement	4,884,700.00	38.5%
Fire Control	4,823,445.60	38.0%
Protective Inspections	261,580.00	2.1%
Other	293,994.00	2.3%
Total Expenditures	**12,677,730.61**	**100.0%**

General Fund - Revenues

Revenues are primarily unrestricted.

Revenue Source	2024 Proposed	% of Total
Property Tax	2,802,761.60	22.1%
Sales Tax	2,514,240.00	19.8%
Utility Taxes	2,299,865.00	18.1%
Other Taxes	80,200.00	0.6%
Licensing and Permits	445,830.00	3.5%
GEMT	415,000.00	3.3%
EMS Levy Fees - Skagit County	1,318,100.00	10.4%
Other Intergovernmental	403,855.00	3.2%
Fire District No. 8	371,865.00	2.9%
Fire Transport Fees	800,000.00	6.3%
Other Charges for Goods and Services	401,150.00	3.2%
Fines and Penalties	58,100.00	0.5%
Interest and Other Earnings	468,300.00	3.7%
Interfund Transfers	302,000.00	2.4%
Total Revenues	**12,681,266.60**	**100.0%**

Property and Sales Tax

Restricted Revenue

Property Tax

Fund	2024 Proposed
001 - General Fund	2,802,761.60
TBD - Levy Lid	430,204.00
101 - Parks and Facilities	726,505.00
102 - Cemetery	72,000.00
103 - Streets	402,061.00
105 - Library	456,887.00
Total	**4,890,418.60**

Sales Tax

Fund	2024 Proposed
001 - General Fund	1,896,000.00
001 - General Fund - Public Safety	218,240.00
001 - General Fund - Criminal Justice	400,000.00
101 - Parks and Facilities	152,430.00
103 - Streets	225,180.00
116 - Affordable Housing - HB 1406	45,500.00
117 - Housing and Related Services	258,606.00
114 - Law Enforcement - Jail	658,600.00
Total	3,854,556.00

Special Revenue Fund – Lodging Tax

Fund 108

Restricted revenues.

Lodging Tax is also known as the hotel/motel tax, on all charges for furnishing lodging at hotels, motels, and short-term rentals. The tax is collected as a sales tax.

Funds are awarded to nonprofits, tourism organizations, and to the city or county for activities associated with tourism facilities and tourism promotion.

REET 1 & REET 2

Real Estate Excise Tax

- Fund 301 and 302
- A tax upon all sales of real estate under chapter 82.45 RCW.
- Restricted revenues.
- REET I – Any city may levy a 0.25% real estate excise tax primarily for capital projects and limited maintenance.
- REET II – Additional 0.25% real estate excise tax primarily for capital projects and limited maintenance, but may only be imposed by cities that are fully planning under GMA.

301 1st 1/4% Real Estate Excise Tax Fund

Revenues	Original	Proposed	Difference		Remarks
310 Taxes					
318 34 00 301 REET 1 - First Quarter Percent	350,000.00	350,000.00	0.00	100.0%	
310 Taxes	350,000.00	350,000.00	0.00	100.0%	
360 Interest & Other Earnings					
361 11 00 301 Investment Interest	2,000.00	2,000.00	0.00	100.0%	
361 30 00 301 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	2,000.00	2,000.00	0.00	100.0%	
397 Interfund Transfers					
397 00 10 000 Operating Transfer In-REET II Fur	0.00	0.00	0.00	0.0%	
397 00 15 301 Transfer-in REET II Fund 302	0.00	0.00	0.00	0.0%	
397 Interfund Transfers	0.00	0.00	0.00	0.0%	
Fund Revenues:	**352,000.00**	**352,000.00**	**0.00**	**100.0%**	

Expenditures	Original	Proposed	Difference		Remarks
597 Interfund Transfers					
597 00 03 104 Operating Transfer Out - Arterials	0.00	758,388.00	758,388.00	0.0%	Per Mark, 10.5.2023. Jones/JLR BNSF PE $600,000 SR9/JLR MCG $691,775 Sidewalk 103 $25,000 Local All Str 103 $150,000 Parks 101 $50,000 Total = $1,516,775 50/50 REET 1 and REET 2 = $758,387.50
597 00 03 301 Transfer-out Street 103	0.00	0.00	0.00	0.0%	
597 00 04 103 Operating Transfer Out-Streets #	87,500.00	150,000.00	62,500.00	171.4%	Per Mark 10.2023, 2024 $150,000, moved unused 2023 balance to 2024.
597 00 05 001 Operating Transfer Out - General	0.00	0.00	0.00	0.0%	
597 00 06 101 Operating Transfer Out - Parks #1	25,000.00	42,500.00	17,500.00	170.0%	City Hall Exterior Paint - 576.80.48.016 -$35,000 ($17,500 per REET I and II); misc TBD $15,000 ($7,500 REET 1 and II). Building and Structure - 594.76.31.000 - $35,000 Total $85,000 / 2 = $42,500.
597 Interfund Transfers	112,500.00	950,888.00	838,388.00	845.2%	
Fund Expenditures:	**112,500.00**	**950,888.00**	**838,388.00**	**845.2%**	
Fund Excess/(Deficit):	**239,500.00**	**(598,888.00)**			

CITY OF SEDRO-WOOLLEY GATEWAY TO THE NORTH CASCADES

Utility Funds

Enterprise / Utility Funds

- 401 – Sewer Operations
- 410 – Sewer Capital Projects Reserve
- 412 – Solid Waste Operations
- 413 – Solid Waste Reserve
- 425 – Stormwater Operations
- 426 – Stormwater Reserve

Restricted revenues.

Primary source of revenue is user fees. Operated and financed similar to private business.

Rates are set at levels necessary to cover costs, including operations, maintenance, debt service and capital asset replacement, expansion, and improvement.

Utility Funds – Restricted Revenue

Can the City use utility revenue in the General Fund or other funds?

- Short answer, no. A utility fund’s revenues consist of user fees that are restricted to paying for the costs of operating the utility. These user fees cannot be used to support other funds or general government activities that benefit the public at large.

Utility Tax Exception

- The City can levy taxes on revenues generated by the City’s own utility services. Utility tax revenues are unrestricted and may be used for any lawful governmental purpose.

Equipment Replacement Fund

Fund 501 – ER&R

Restricted revenues.

The Equipment Replacement Fund is a separate fund established by the City for the purpose of making expenditures for large equipment necessary for continuing operations.

It is primarily funded from monthly transfers from other funds / departments.

Expenditures are restricted to the amount of revenue the fund / department has contributed.

340 Charges For Goods & Services					
348 00 00 001	M&O General Fund 001	2,168.00	4,300.00	2,132.00	198.3%
348 00 00 101	M&O Parks Fund 101	2,789.00	5,500.00	2,711.00	197.2%
348 00 00 102	M&O Cemetery Fund 102	1,849.00	3,700.00	1,851.00	200.1%
348 00 00 103	M&O Street Fund 103	13,612.00	26,600.00	12,988.00	195.4%
348 00 00 401	M&O Sewer Fund 401	17,008.00	33,300.00	16,292.00	195.8%
348 00 00 412	M&O Solid Waste Fund 412	44,990.00	88,000.00	43,010.00	195.6%
348 00 00 425	M&O Storm Water Fund	13,764.00	27,000.00	13,236.00	196.2%
348 00 00 520	M&O Engineering	0.00	1,200.00	1,200.00	0.0%
348 00 00 521	M&O Law Enforcement	0.00	40,900.00	40,900.00	0.0%
348 00 00 522	M&O Fire	0.00	123,000.00	123,000.00	0.0%
	340 Charges For Goods & Services	96,180.00	353,500.00	257,320.00	367.5%
360 Interest & Other Earnings					
361 11 00 501	Investment Interest	4,000.00	4,000.00	0.00	100.0%
361 30 00 501	Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
369 10 00 501	Sale Of Scrap And Junk	0.00	0.00	0.00	0.0%
	360 Interest & Other Earnings	4,000.00	4,000.00	0.00	100.0%
370 Capital Contributions					
395 10 00 501	Sale Of Assets	500.00	500.00	0.00	100.0%
	370 Capital Contributions	500.00	500.00	0.00	100.0%
397 Interfund Transfers					
397 00 00 021	Equipment Transfer - Police (Publ	187,800.00	272,000.00	84,200.00	144.8%
397 00 00 022	Equipment Transfer - Fire (Public	371,000.00	421,000.00	50,000.00	113.5%
397 00 00 023	Equipment Transfer - GF 001 EMS	194,700.00	180,000.00	(14,700.00)	92.4%
397 00 00 112	Equipment Transfer - Police (Publ	0.00	0.00	0.00	0.0%
397 00 00 313	Equipment Transfer - Public Safet	0.00	0.00	0.00	0.0%
397 00 00 501	Equipment Transfer - GF 001 (Adr	14,300.00	29,556.29	15,256.29	206.7%
397 00 01 501	Equipment Transfer - Parks Fund	18,400.00	18,400.00	0.00	100.0%
397 00 02 501	Equipment Transfer - Cemetery Fı	12,200.00	12,200.00	0.00	100.0%
397 00 03 501	Equipment Transfer - Streets Fun(	89,800.00	89,800.00	0.00	100.0%
397 00 41 501	Equipment Transfer - Sewer Fund	112,200.00	112,200.00	0.00	100.0%
397 00 42 501	Equipment Transfer - Solid Waste	296,800.00	312,000.00	15,200.00	105.1%
397 00 45 501	Equipment Transfer - Stormwater	90,800.00	90,800.00	0.00	100.0%
	300 Transfer - Equipment Replacement	1,388,000.00	1,537,956.29	149,956.29	110.8%
	397 Interfund Transfers	1,388,000.00	1,537,956.29	[illegible]	[illegible]
Fund Revenues:		1,488,680.00	[illegible]		

Fund Structure

City Of Sedro-Woolley

STATEMENT C-4

FOR COMPARISON USE ONLY, NOT FOR FILING
For Year Ending: December 31, 2022

1 Of 10

BARS CODE		Total For All Funds Total Amount	001 - Current Expense Fund Actual Amount	102 - Cemetery Fund Actual Amount
Beginning Cash and Investments				
308.21	Nonspendable	0.00	0.00	0.00
308.31	Restricted	5,701,935.37	1,561,403.00	0.00
308.41	Committed	0.00	0.00	0.00
308.51	Assigned	17,974,250.95	108,981.96	130,824.01
308.91	Unassigned	2,121,690.49	2,121,690.49	0.00
388/588	Net Adjustments	0.00	0.00	0.00
Revenues				
310	Taxes	10,149,100.40	6,880,682.72	96,276.82
320	Licenses and Permits	311,466.97	311,466.97	0.00
330	Intergovernmental Revenues	6,009,052.69	2,400,449.66	24,428.00
340	Charges for Goods and Services	11,201,466.44	1,504,098.80	103,295.00
350	Fines and Penalties	51,868.15	51,193.55	0.00
360	Miscellaneous Revenues	1,244,302.15	317,588.89	1,916.04
	Total Revenues:	28,967,256.80	11,465,480.59	225,915.86
Expenditures				
510	General Government	1,778,102.37	1,771,499.72	0.00
520	Public Safety	7,560,374.46	6,829,212.73	0.00
530	Utilities	6,365,480.64	0.00	168,255.62
540	Transportation	840,601.72	0.00	0.00
550	Natural and Economic Environment	276,112.21	257,622.79	0.00
560	Social Services	22,918.93	22,918.93	0.00
570	Culture and Recreation	1,086,874.85	813,801.11	0.00
	Total Expenditures:	17,930,465.18	9,695,055.28	168,255.62
	Excess (Deficiency) Revenues over Expenditures:	11,036,791.62	1,770,425.31	57,660.24
Other Increases				
391-393, 596	Debt Proceeds	0.00	0.00	0.00
397	Transfers-In	8,607,044.96	688,272.33	0.00
385	Special or Extraordinary Items	0.00	0.00	0.00
386,389	Custodial Activities	147.66	0.00	0.00
381,382,395,398	Other Increases	64,865.84	24,356.98	0.00
	Total Other Increases	8,672,058.46	712,629.31	0.00
Other Decreases				
594-595	Capital Expenditures	10,325,773.14	719,356.73	20,162.75
591-593	Debt Service	1,445,228.71	8,242.58	0.00
597	Transfers-Out	8,607,044.96	2,414,552.78	11,000.04
586, 589	Custodial Activities	0.00	0.00	0.00
585	Special or Extraordinary Items	0.00	0.00	0.00
580,596,599	Other Decreases	28,013.62	20,800.00	0.00
	Total Other Decreases	20,406,060.43	3,162,952.09	31,162.79
Increase (Decrease) in Cash and Investments		(697,210.35)	(679,897.47)	26,497.45
Ending Cash and Investments				
508.21	Nonspendable	0.00	0.00	0.00
508.31	Restricted	6,683,547.51	263,092.06	0.00
508.41	Committed	0.00	0.00	0.00
508.51	Assigned	15,667,087.45	99,054.42	157,321.46
508.91	Unassigned	2,750,031.50	2,750,031.50	0.00
	Total Ending Cash and Investments	25,100,666.46	3,112,177.98	157,321.46

The accompanying notes are an integral part of this Statement

Beginning Cash and Investment

+ Revenues

- Expenditures

+ Other Increases

- Other Decreases

= Ending Cash and Investments

General Ledger

- Revenues: 310-369
- Other Increase: 380-399
- Expenditures: 510-579
- Other Decreases: 580-599

CITY OF SEDRO-WOOLLEY
GATEWAY TO THE NORTH CASCADES

Fund Structure - Budget

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

Time: 10:28:50 Date: 12/28/2023
Page: 55

109 Special Investigation Fund

Revenues	Original	Proposed	Difference		Remarks
360 Interest & Other Earnings					
361 11 00 109 Investment Interest	150.00	150.00	0.00	100.0%	
361 30 00 109 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
369 30 00 000 Evidence Confiscations	7,500.00	7,500.00	0.00	100.0%	
369 40 00 109 Judgments & Settlements	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	7,650.00	7,650.00	0.00	100.0%	
390 Other Financing Sources					
395 10 00 109 Sale Of Assets	0.00	0.00	0.00	0.0%	
390 Other Financing Sources	0.00	0.00	0.00	0.0%	
Fund Revenues:	**7,650.00**	**7,650.00**	**0.00**	**100.0%**	

Expenditures	Original	Proposed	Difference		Remarks
521 Law Enforcement					
521 20 31 109 Supplies	0.00	0.00	0.00	0.0%	
521 21 41 000 State Fees	1,000.00	1,000.00	0.00	100.0%	
521 21 49 010 Informant Information	0.00	0.00	0.00	0.0%	
594 21 62 000 Seizure - Real Property	0.00	0.00	0.00	0.0%	
594 21 64 100 Seizure - Personal Property	0.00	0.00	0.00	0.0%	
025 Operations Services & Charges	1,000.00	1,000.00	0.00	100.0%	
594 21 64 109 Equipment	0.00	0.00	0.00	0.0%	
921 Capital Expenditures	0.00	0.00	0.00	0.0%	
521 Law Enforcement	1,000.00	1,000.00	0.00	100.0%	
Fund Expenditures:	**1,000.00**	**1,000.00**	**0.00**	**100.0%**	
Fund Excess/(Deficit):	**6,650.00**	**6,650.00**			

Budgeting

A budget is a legal document that forecasts the financial resources of the City and authorizes the spending of those resources for the year.

The City budgets at the fund level.

		2023		
Fund	Description	Budgeted Revenues	Budgeted Expenditures	Excess (Deficit)
001	Current Expense Fund	12,177,417	12,065,767	111,650
101	Parks & Facilities Fund	2,269,607	2,232,329	37,278
102	Cemetery Fund	173,900	186,821	(12,921)
103	Street Fund	933,223	916,480	16,743
104	Arterial Street Fund	2,774,467	2,245,610	528,857
105	Library Fund	439,814	439,314	500
106	Cemetery Endowment Fund	3,250	-	3,250
108	Lodging Tax Fund	45,500	47,250	(1,750)
109	Special Investigation Fund	7,630	13,000	(5,370)
112	Code Enforcement Fund	1,200	2,500	(1,300)
114	Law Enforcement Sales	760,000	760,000	-
115	City Council Strategic Reserve	350	399,000	(398,650)
116	Affordable Housing	14,500	-	14,500
117	Housing and Related Services	224,920	7,000	217,920
118	National Opioid	10,592	-	10,592
189	American Rescue Plan	-	2,084,933	(2,084,933)

001 Current Expense Fund

Expenditures		Original	Proposed
521 Law Enforcement			
521 20 11 000	Salaries	2,119,000.00	2,119,000.00
521 20 12 000	Reserves/Extra Help	0.00	0.00
521 20 13 000	Overtime	100,000.00	100,000.00
521 20 21 001	Industrial Insurance	60,000.00	60,000.00
521 20 22 001	Social Security	168,000.00	168,000.00
521 20 23 001	PERS Retirement	0.00	0.00
521 20 23 005	LEOFF Retirement	117,000.00	117,000.00
521 20 24 001	Unemployment	4,000.00	4,000.00
521 20 25 001	Medical/Dental/Vision	295,000.00	295,000.00
521 20 26 000	Uniforms/Accessories	20,000.00	20,000.00
521 20 26 010	Uniform Cleaning	1,000.00	1,000.00
521 20 26 020	Balistic Vests	5,000.00	5,000.00
521 20 26 050	Washington Sick Leave	4,000.00	4,000.00
521 20 27 000	Retired Medical	60,000.00	60,000.00
521 20 27 010	Long Term Disability Ins	0.00	0.00
521 20 28 000	Employee Wellness	19,000.00	19,000.00
020 Police Operations		2,972,000.00	2,972,000.00
521 Law Enforcement		2,972,000.00	2,972,000.00
Fund Expenditures:		**2,972,000.00**	**2,972,000.00**

QUESTIONS

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661
Fax (360) 855-0707

Kelly Kohnken
Finance Director / City Clerk

City Funds and Restrictions

The listing on the next page includes all of the City funds. Each fund indicates its primary revenue source and whether that revenue source is unrestricted or restricted. For example, the General Fund is primarily funded by property tax, sales tax and utility tax which are unrestricted. The Lodging Tax Fund, for example, is primarily funded by lodging (hotel/motel) tax and is restricted to tourism facilities and promotion.

This information may be helpful in understanding the City's financial position and beneficial for the budgeting process. During budget review, for example, it is beneficial to understand the City cannot use sewer user fees to fund the General Fund.

Fund	Description	Unrestricted	Restricted / Committed
001	Current Expense Fund	Property tax, sales tax, utility tax	
101	Parks & Facilities Fund	Property tax, sales tax	Projects funded by grants and other restricted revenues such as REET and park impact fees.
102	Cemetery Fund	Property tax	Cemetery fees
103	Street Fund	Property tax, sales tax	Motor vehicle fuel tax, REET
104	Arterial Street Fund		Grants
105	Library Fund		Property tax
106	Cemetery Endowment Fund		Cemetery fees
108	Lodging Tax Fund		Lodging tax (hotel/motel)
109	Special Investigation Fund		Evidence confiscation
112	Code Enforcement Fund		
114	Law Enforcement Sales Tax		Property tax pass through to Skagit County
115	City Council Strategic Reserve		
116	Affordable Housing		Affordable housing sales tax
117	Housing and Related Services		Housing and related services sales tax
118	National Opioid Settlement		Settlement payments
189	American Rescue Plan Act		Federal grant
205	2008 G/O Bond Fund		Debt payments
206	G/O Bond 2008 Reserve Fund		Debt payments
301	1st 1/4% Real Estate Excise Tax Fund		REET 1
302	2nd 1/4% Real Estate Excise Tax Fund		REET 2
303	Building Maintenance Reserve		REET 1 + 2
304	Transportation Benefit District		Transportation Benefit District fees
310	Police Mitigation Reserve Fund		SEPA mitigation fees
311	Parks Impact Fee Reserve Fund		Park impact fees
312	Fire Impact Fee Reserve Fund		Fire impact fees
314	Transportation Impact Fee Reserve Fund		Transportation impact fees
401	Sewer Operations Fund		User fees
410	Sewer Capital Projects Fund		User fees
412	Solid Waste Operations Fund		User fees
413	Solid Waste Reserve Fund		User fees
425	Stormwater Operations Fund		User fees
426	Stormwater Reserve Fund		User fees
501	Equipment Replacement Fund		Fund / department transfer
505	Public Works Facility Fund		Fund / department transfer
635	Municipal Court Trust		Court payments