Office of the City Manager
818 East Edison Avenue
Sunnyside, Washington 98944
(509) 837-6300 Office

December 7, 2016

Re: City Manager's 2017 Budget Message

Honorable Mayor and City Council:

I am pleased to submit the City of Sunnyside's 2017 Budget for your review and consideration. This proposed budget is balanced and provides sufficient appropriations to ensure that essential government services will be provided.

REVENUES

The 2017 budget reflects a total of $29,031,479 in revenues. This is an increase of $6,535,641 or twenty-nine percent (29%) increase from the 2016 budget. However, this increase is due in large part to grants from the Federal Aviation Administration (FAA) for airport improvements, DOT for street projects, and a DOE grant for storm water improvements. Excluding these grants the projected overall increase is slightly over two (2%) percent.

Tax revenues are slightly up. Our projected revenue from property taxes is $2,312,400 which is a 2% increase from 2016. This includes the statutory limit of 1% increase plus new construction for an increase of $47,400 approved by City Council. Our projected revenue from retail and use tax is $2,600,000 which is a 4% increase over the 2016 budget.

This proposed budget includes slight increases to the ambulance utility fees, the garbage fees, business licensing fees and water use rates. These increases are necessary to catch up with rising costs to provide these services. The ambulance utility fees have not been increased for several years while the cost to provide this service has increased annually. The increase to the garbage rate is due to an increase in Yakima County landfill charges and a contractual rate increase by Yakima Waste Systems. The increase to water rates is included in the water rate plan completed in 2015 which includes planned annual increases until 2018 of two and one-half percent (2.5%). The proposed increase to the ambulance utility is five percent (5%). The proposed increase to the garbage rate is two percent (2%). The business license fee increases base rates slightly and includes an additional $25 fee for city promotional activities.

Proposed revenues for our major funds as compared to 2016 are as follows:

Fund Name	2017	2016
General Fund	$ 14,703,055	$ 12,061,533
Street Fund	$ 3,114,405	$ 1,299,407
Investigative Fund	$ 55,200	$ 56,734
Police Dept. Crime Prevention Fund	$ 123,050	$ 126,782
Public Safety Tax Fund	$ 672,300	$ 817,531
Tourism Expansion Fund	$ 265,250	$ 232,530
General Obligation Bonds	$ 665,495	$ 655,170
CDBG Fund	$ 78,200	$ 86,711
Local Capital Improvements (REET 1)	$ 326,000	$ 279,139
Local Capital Improvements (REET 2)	$ 213,500	$ 190,977
Fire Equipment Reserve Fund	$ 48,648	$ 100,465
2011 Fire Station Project Fund	$ 28,548	$ 0
Water Fund	$ 3,538,365	$ 3,472,765
W/S Revenue Fund	$ 356,680	$ 362,484
Sewer Fund	$ 5,740,000	$ 5,563,392
Garbage Fund	$ 1,189,300	$ 1,140,000
Ambulance Fund	$ 1,626,979	$ 1,660,868
Stormwater Fund	$ 1,159,631	$ 199,323
Equipment Rental Fund	$ 276,200	$ 117,349
Information Technology Fund	$ 204,250	$ 398,538
State Court Fines Fund	$ 280,000	$ 280,000
Fireman's Relief & Pension Fund	$ 325,650	$ 300,662
Police Dept. Honor Guard Fund	$ 4,494	$ 4,494

EXPENSES

There are several large scale capital improvement projects in this year's proposed budget. The largest project is runway rehabilitation and taxiway improvements at the Sunnyside Municipal Airport at a cost of $4,000,000. There are two major street projects anticipated for completion. Additionally, the proposed budget provides for a new screw press at the Wastewater Treatment Plant as well as completing work on the 16th Street irrigation ditch project. The total cost of these projects is well over $6,000,000.

Proposed expenses for the major funds as compared to 2016 are as follows:

Fund Name	2017	2016
General Fund	$ 14,868,255	$ 11,488,434
Street Fund	$ 3,102,406	$ 1,167,280
Investigative Fund	$ 6,000	$ 6,000
Police Dept. Crime Prevention Fund	$ 38,000	$ 21,100
Public Safety Tax Fund	$ 349,722	$ 37,1145
Tourism Expansion Fund	$ 135,100	$ 150,000
General Obligation Bonds	$ 665,245	$ 656,108
CDBG Fund	$ 78,200	$ 0
Local Capital Improvements (REET 1)	$ 181,000	$ 127,500
Local Capital Improvements (REET 2)	$ 90,000	$ 90,000
Fire Equipment Reserve Fund	$ 20,000	$ 0
2011 Fire Station Project Fund	$ 28,548	$ 0
Water Fund	$ 2,971,945	$ 1,811,965
W/S Revenue Fund	$ 356,680	$ 362,494
Sewer Fund	$ 3,535,741	$ 1,929,041
Garbage Fund	$ 1,130,515	$ 1,130,500
Ambulance Fund	$ 1,376,992	$ 1,299,987
Stormwater Fund	$ 1,137,167	$ 93,673
Equipment Rental Fund	$ 249,765	$ 310,998
Information Technology Fund	$ 204,250	$ 398,538
State Court Fines Fund	$ 280,000	$ 280,000
Fireman's Relief & Pension Fund	$ 8,000	$ 5,000
Police Dept. Honor Guard Fund	$ 0	$ 0

PERSONNEL

The 2017 proposed budget does not include any new staff positions or reduction to current positions. The City increased staffing in 2016 by adding eight new positions to enhance the ability to provide services to the citizens of Sunnyside.

Contracts are being negotiated with four unions this year. This proposed budget does not account for any substantial change in these contracts. This proposed budget does provide for a slight cost of living increase in salaries for some non-represented employees. Non-represented employees have not received a cost of living increases since 2009.

EQUIPMENT RENTAL

This year's proposed budget will provide appropriations for the equipment rental fund in order to enhance our replacement and maintenance schedule for motor vehicles and equipment. Appropriations for 2017 are projected to be $249,765, leaving and ending fund balance of $26,435.

Sincerely,

Don Day
City Manager