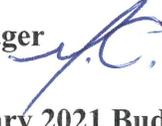




Office of the City Manager
818 East Edison Avenue
Sunnyside, Washington 98944
(509) 837-6300 Office

DATE: October 30, 2020

TO: Honorable Mayor and City Council

FROM: Martin D. Casey, City Manager 

SUBJECT: Transmittal of the Preliminary 2021 Budget

It is my privilege to submit the City of Sunnyside's Preliminary 2021 Budget for your review and consideration. This balanced budget maintains important public services at or near current levels and makes continued progress towards stabilizing our financial condition.

BACKGROUND

Our budget consists of many "funds." Each fund is supported by specific sources of revenue. Some funds are healthier than others, but audit and finance rules generally prohibit mixing them.

In 2019, our focus was to stabilize the City's finances during an economic expansion; in 2020 we are budgeting during great uncertainty due to the global COVID-19 pandemic that is estimated will kill over a quarter-million Americans this year, coupled with a global economic recession.

With nearly 45% of City spending, our General Fund is the largest fund. Historically, it is also one of the weakest. The State Auditor found the City overspent the General Fund four times between 2011 and 2018. The State Auditor recommends keeping an ending balance in the General Fund equal to 60 days of spending. For us, that would be about \$1.9 million. Sunnyside had not even achieved a 40 day ending balance in the General Fund in over a decade. Our financial condition resulted in multiple state audit findings.

In response, Council and staff have worked to strengthen our finances. In 2019, we ended the year with every fund in the black and within its expenditure authority for the first time in more than a decade. Council adopted an eight-year plan to achieve a stable fund balance by setting aside an additional \$250,000 each year. We ended 2018 at about \$232,000 and 2019 with about \$630,000. Our target to end 2020 is \$750,000. Our target for 2021 is to end with \$1,000,000.

At the same time, Council has been clear that the budget should balance without Council having to raise general taxes. One exception is the annual ad valorem increase in property tax collections (which in 2021 is estimated to generate about \$23,000 more for the General Fund).

Meeting these targets is challenging. The Municipal Research and Services Center (MRSC) has noted that the effects from the COVID-19 pandemic were, “sudden and unprecedented. Within the span of just a couple weeks, many businesses and public gathering spaces were shut down statewide, consumer spending on non-emergency items plummeted, and initial unemployment filings shattered old records.” Although Washington has partially recovered, employment has still shrunk 4% from 2019 (≈140,000 jobs), retail sales are down 10%, taxable business income is down 7%, and export volume is down 23%, according to Commerce. Nationally, COVID-19 cases and deaths are rising rapidly again as we approach winter.

Amid such uncertainty, it seemed critical to adhere to the plan to build a prudent ending reserve. In addition, costs to maintain current services are rising. Demand for services is increasing as our population grows. Revenues are generally flat - not enough to cover inflation and make sizable new investments. Staff worked very hard to scrub the budget and achieve Council’s goals.

The result is a balanced budget proposal without general tax increases that sets aside \$1,000,000 in General Fund ending reserve and sustains important services with no staff layoffs, but that also leaves some significant needs unaddressed.

REVENUES

In light of the audit matters and pandemic impacts noted above, my revenue review focuses mostly on the General Fund. About 70% of our General Fund revenues come from property taxes, sales taxes, and utility taxes. Fortunately, despite some instabilities in early 2020, these revenue streams have returned to steadier positions in recent months.

Other sources include licenses, permits, intergovernmental revenues, fines and penalties, and service charges (court fees, police funeral escorts and security fees, fire safety inspections, plan review fees, etc...). These revenues have proven more vulnerable to the effects of the pandemic. Some had significant drops compared to past years, and we foresee those weaknesses continuing.

As the last recession began in 2008, Sunnyside had about 15,000 residents and General Fund revenues of \$12,138,734. Since then, inflation has raised the costs of goods and services about 25%. Our estimated population has increased about 15% to nearly 17,250 residents. General Fund budgeted revenues in 2020 were \$13,229,620 – an increase of less than 9% since 2008.

While our enterprise and restricted funds saw revenue fluctuations in past years, most are now stable. These funds are dedicated to such purposes as ensuring clean drinking water, effective stormwater management, safe wastewater treatment, quality ambulance services, and critical transportation infrastructure renewal and construction.

The preliminary 2021 budget shows \$13,234,484 in General Fund revenues and beginning fund balance. This is an increase of just \$4,864 from 2020. This reflects efforts to ease the pandemic's impacts on tax revenues and service charges by controlling spending to carry forward a healthy fund balance. Adding enterprise and restricted funds, the total preliminary 2021 budget shows \$38,876,739 in revenues, compared to \$37,126,120 from 2020.

EXPENSES

My expenditure review also focuses mainly on the General Fund. In 2008, Sunnyside had General Fund expenditures of just over \$10 million per the State Auditor. In 2020, we are budgeted for \$12,620,609: an increase of about 25%, just keeping up with inflation.

There are some important long-term trends within the General Fund:

- In response to criminal activity, we prioritized public safety and reduced crime. Spending for public safety increased about 24% from about \$5.8 million to about \$7.2 million.
- Spending for streets, bridges, the airport, and related administration increased from about \$900,000 to \$1.3 million. Some years had higher spending due to local matches required for getting state or federal grants for major projects, which affected our ending balance.
- Spending in our planning, code enforcement, parks, and recreation services remained flat, at just over \$1 million. With 25% inflation over this time, this reflects an erosion of funding.
- We reduced spending in general government for legislative, judicial, executive, and financial management functions, from roughly \$2.3 million in 2008 to about \$1.8 million in 2020. With 25% inflation over this time, this reflects a further erosion of funding.

For 2021, we first built a maintenance-level budget. We adjusted for inflation to estimate the costs of providing the same levels of services and staffing in 2021 as in 2020. We restored some activities that we curtailed in 2020 due to the pandemic, such as operating our Municipal Pool. We also projected potential revenues. We then set aside a \$1,000,000 "expenditure" as an ending fund reserve in the General Fund in 2021.

Fortunately, our draft maintenance-level budget closely balanced. This is mostly due to tightly managing spending in 2020 that will enable us to carry forward a sizable beginning fund balance. However, the margins are not large; we left about \$45,000 unobligated in the General Fund.

This meant we were not able to include many of the enhancements for new services, staffing or equipment that Council and departments had requested in the budget process. Even so, we were pleased to include certain priority requests, including:

- Establish a new Firefighter/EMT position (35% General Fund/65% Ambulance)
- Install security cameras for City Hall/Veterans Plaza (General Fund)
- Begin Replenishing the Equipment Rental & Replacement Fund (Multiple Funds)
- Lease Replacement Police Vehicles (General Fund)

The preliminary 2021 budget reflects \$13,189,107 in General Fund expenditures. This is an increase of \$568,498 from the 2020 budget, which includes the additional \$250,000 in ending fund balance reserve. With enterprise and restricted funds, the total preliminary 2021 budget reflects \$32,813,806 in overall expenditures, a decrease of \$330,797 from the 2020 budget.

PERSONNEL

The preliminary 2021 budget has **no staff layoffs**. Contracts with the Teamsters Office-Clerical and Public Works bargaining units end on 12/31/2020, and we are bargaining new agreements. Retirements in the Police Department reduced costs for certain positions compared to 2019 and 2020. **No positions were cut.**

We recommend that the Council establish a new vacant firefighter/EMT position. In the General Fund, as in 2020, this budget does leave two long-time vacant public safety positions unfunded until our financial condition improves and Council can consider restoring funding.

In addition, external factors drive certain personnel costs, such as health insurance premiums. State workers' compensation rates increased between 4% and 6% depending on the job type. For planning purposes only, this preliminary budget reflects all CBAs approved in 2019 and assumes a 2% increase in employee compensation and benefits for other represented employees.

EQUIPMENT RENTAL & REPLACEMENT

The City used much of its Equipment Rental & Replacement (ER&R) reserves over a decade ago to invest in a significant number of new vehicles and equipment; however, the City did not take steps to replenish those reserves.

This year's budget will provide limited new appropriations for ER&R.

The current insured replacement value of all city vehicles is roughly \$9.4 million. The average age of vehicles and equipment by major program area are:

- Fire/EMS Vehicles ≈17 yrs.
- Public Works Heavy Duty Vehicles (Water, Sewer, Streets) ≈17 yrs.
- Light Duty/Administrative vehicles ≈14 yrs.
- Police Vehicles ≈11 yrs.

Proposed additional 2021 ER&R funding by program is:

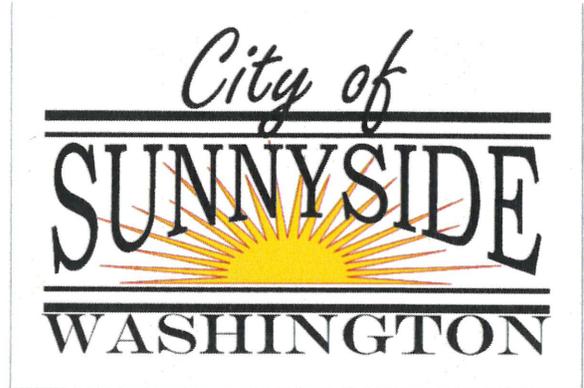
- Fire (General Fund/Ambulance Funds) = \$50,000
- Public Works (Water Fund) = \$80,000
- Public Works (Sewer Fund) = \$100,000
- Public Works (Streets Fund) = \$25,000
- Parks/Facilities/Administrative (General Fund)* = \$20,000
- Police (General Fund)* = \$40,000

This is effectively a down payment towards a more robust fleet management program. The City needs specialized analysis for more detailed estimates/replacement plans. As noted above, we have included a proposal to lease a limited number of replacement vehicles for the Police Department, where needs for newer patrol vehicles are urgent, as a bridging strategy.

* Looking ahead, Finance has analyzed our debt payment schedules. The General Fund will pay off two interfund loans in the next two years. This will release roughly \$80,000 in existing expenditure authority in 2022, increasing to roughly \$138,000 in 2023. Staff recommends that we plan to program those funds into the General Fund ER&R for police and other light duty vehicle replacements.

2021 PRELIMINARY BUDGET PROPOSAL

October 30, 2020



CONTENTS

- 2020 BUDGET ACTUAL and 2021 BUDGET PROPOSAL SUMMARY
- 2021 GENERAL FUND DETAIL REVENUE/EXPENDITURE CHARTS
- APPENDIX: BUDGET ENHANCEMENT REQUESTS

2020 BUDGET SUMMARY

Includes Budget Amendment #3

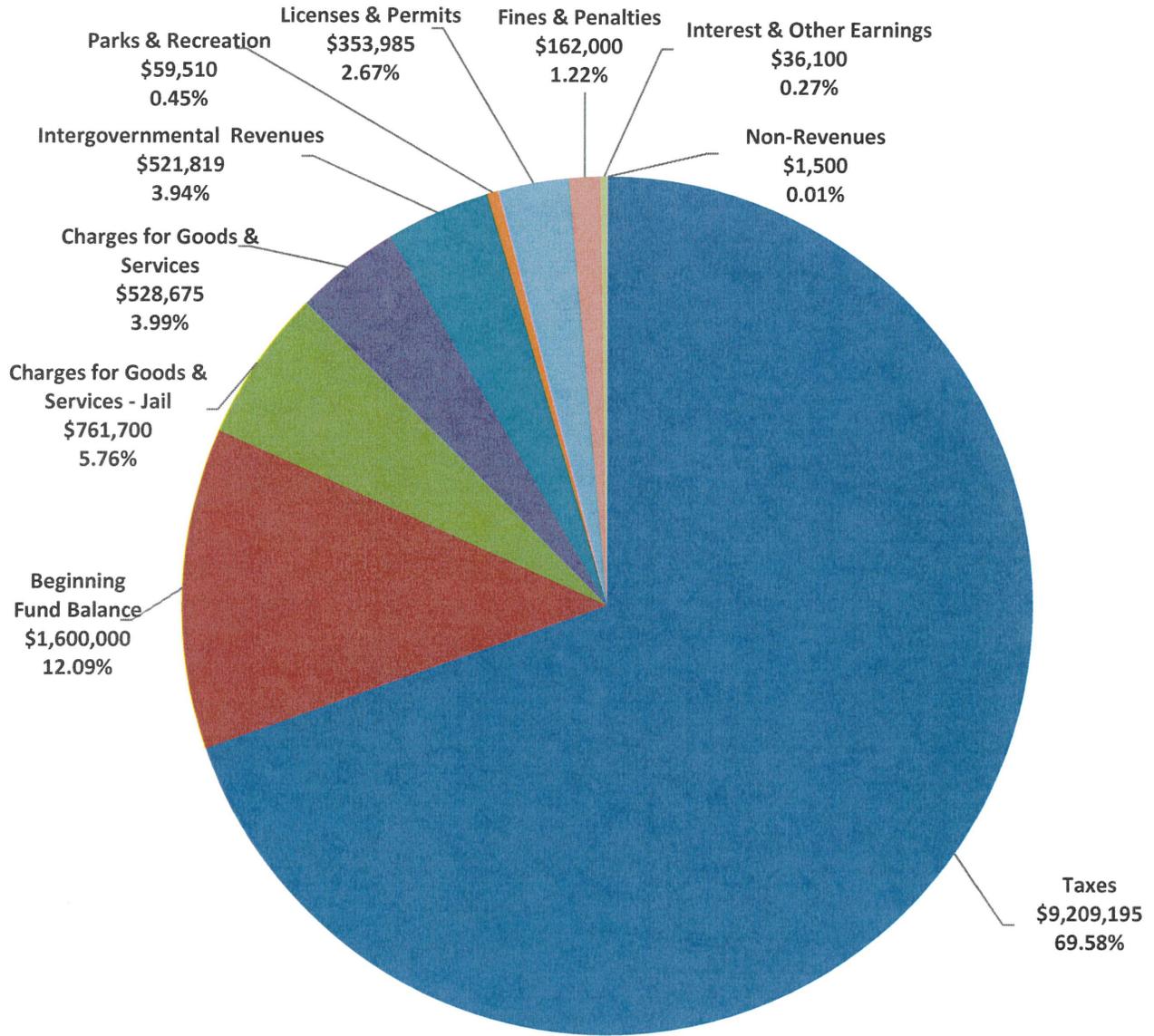
Fund #	Name	2020 Revenues	2020 Expenditures	2020 Difference
001	General Fund	13,229,620	12,620,609	609,011
016	General Capital Projects Fund	996,111	996,111	0
099	Payroll Liability Fund	138,700	0	138,700
101	Street Fund	1,178,889	1,136,965	41,924
106	Street Capital Projects Fund	572,060	572,060	0
115	Contingency Fund	13,575	0	13,575
120	Investigative Fund	30,680	14,450	16,230
130	Police Dept Crime Prevention Fund	134,245	67,850	66,395
140	Public Safety (L&J 3/10) Tax Fund	573,965	572,826	1,139
146	Public Safety Capital Projects Fund	0	0	0
160	Tourism Expansion Fund	292,900	153,888	139,012
201	General Obligation Bonds Fund	660,686	660,686	0
303	Community Development Block Grant Fund	40,000	60	39,940
304	Local Capital Improvement Fund (REET 1)	128,425	60	128,365
305	Local Capital Improvement Fund (REET 2)	430,850	550	430,300
322	Fire Equipment Reserve Fund	41,770	41,477	293
326	Fire Capital Projects Fund	262,320	262,320	0
410	Water Fund	3,589,200	3,246,394	342,806
411	Water Bond Reserve Fund	118,850	180	118,670
415	Water Revenue Bond Fund	132,780	113,400	19,380
416	Water Capital Projects Fund	1,312,832	1,103,582	209,250
420	Sewer Fund	4,867,415	4,178,766	688,649
421	Sewer Bond Reserve Fund	118,850	180	118,670
425	Sewer Revenue Bond Fund	113,370	113,370	0
426	Sewer Capital Projects Fund	1,657,990	1,657,990	0
430	Garbage Fund	1,805,640	1,686,295	119,345
440	Ambulance/EMS Fund	3,550,465	2,484,721	1,065,744
446	Ambulance/EMS Capital Projects Fund	43,047	0	43,047
450	Stormwater Fund	469,215	237,738	231,477
501	Equipment Rental Fund	330,620	269,431	61,189
504	Information Technology Fund	291,050	291,050	0
TOTALS		37,126,120	32,483,009	4,643,111

2021 BUDGET SUMMARY

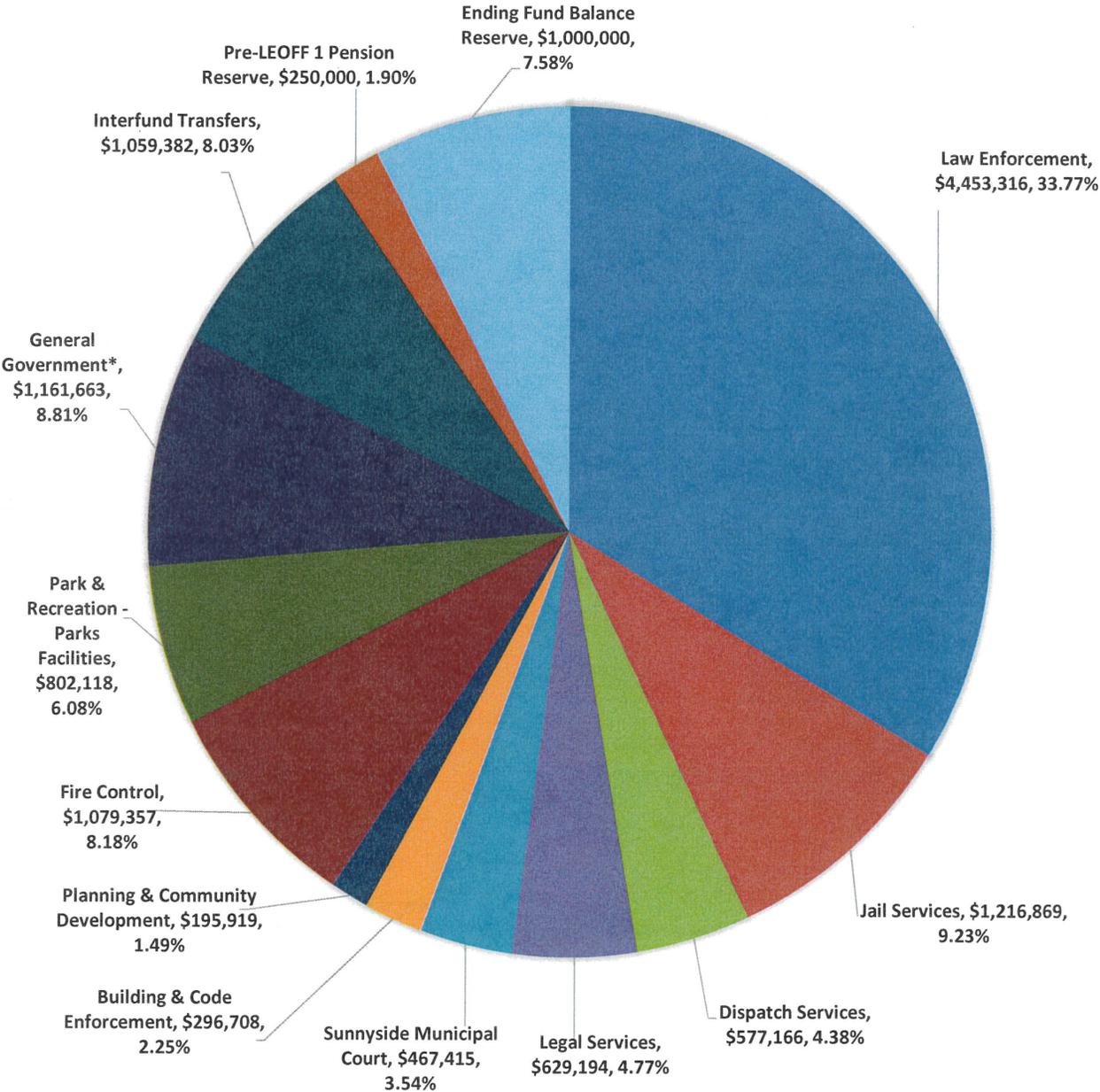
Preliminary – October 30, 2020

2021 Revenues	2021 Expenditures	2021 Difference
13,234,484	13,189,107	45,377
211,597	211,597	0
141,474	0	141,474
1,612,391	1,417,080	195,311
2,663,582	2,528,600	134,982
13,632	30	13,602
27,346	14,739	12,607
102,900	96,500	6,400
596,824	563,621	33,203
0	0	0
310,500	154,351	156,149
662,157	662,157	0
40,530	60	40,470
267,850	188	267,662
570,150	550	569,600
450	0	450
0	0	0
3,847,600	3,093,166	754,434
119,368	180	119,188
135,018	113,308	21,710
556,035	556,035	0
5,724,537	4,273,430	1,451,107
119,360	180	119,180
113,278	113,278	0
549,000	549,000	0
1,799,320	1,713,350	85,970
3,608,865	2,264,784	1,344,081
126	0	126
480,920	268,789	212,131
1,070,000	732,855	337,145
296,871	296,871	0
38,876,165	32,813,806	6,062,359

CITY OF SUNNYSIDE 2021 PROPOSED BUDGET GENERAL FUND REVENUES



CITY OF SUNNYSIDE 2021 PROPOSED BUDGET GENERAL FUND EXPENDITURES



General Fund (001)

Notes:

- This chart reflects both Council and Department requests; requests are listed alphabetically.
- Priorities funded in 2021 Preliminary Budget are shown in **Bold**. Est. \$162,500.
- City Manager's Recommended Priorities for Council consideration when funding allows are shown in *Italics*. Est. \$360,000.

Title/Description	2021 Est.	Notes/Options
Airport Development Strategy	\$10,000	Seek Grant Funding to leverage interest in unmanned systems/drones.
Animal Control Services	\$40,000	Expand services to offer 40 hour/week and weekend coverage.
Archive Social – Social Media Records Management	\$4,800	Consider in 2021 Budget Amendment if Financial Condition Improves
<i>Building Access Security Improvements</i>	<i>\$85,000</i>	<i>Defer to completion of Comprehensive Plan Update and the new Capital Facilities Plan.</i>
City Hall/Veterans Plaza Security Cameras	\$15,000	Included in Preliminary Proposal.
<i>Comprehensive Plan Updates</i>	<i>\$20,000</i>	<i>Consider in Budget Amendment if Financial Condition Improves</i>
Contract for Planning Services	\$640,000	Received quotes for services; Exceeds in-house cost by \$150,000/year.
Create One (1) Police Patrol Position	\$112,500	Consider in Budget Amendment if Financial Condition Improves
Create 1 Fire/EMS Position	\$38,500	Establish a new Firefighter/EMT (35% GF/65% Amb). Included in Preliminary Proposal.
Create a 2 nd Fire/EMS Position	\$38,500	Establish a new vacant firefighter/EMT position that can be funded when our financial condition improves. (35% GF/65% Amb)
Downtown Planters	\$15,000	Create (or charge) a p/t position to care for downtown flower boxes/trees.
Economic Development Pgm.	\$36,000	Defer for Evaluation by Planning/Community Development Supervisor
Equipment Rental & Replacement (ER&R) Funding	\$60,000	Fund ER&R program to purchase equipment on a replacement schedule. Partially funded in Preliminary Proposal.
Expand Pool Operations/Maint.	\$85,000	Defer.
IAPro/Blue Team Software	\$13,600	Seek Grant Funding; or Consider in Budget Amendment if Financial Condition Improves
In-House Attorney	\$275,000	Hire an in-house attorney and legal staff for everyday legal needs and also to act as our Prosecuting Attorney.
Media Coordinator	\$52,000	Defer.
New City Hall	\$350,000	Defer to completion of Comp Plan Update and new Capital Facilities Plan. Total Est. Cost \$3.5 to 5 million
Pathway Trees	\$5,000	Extend trees on YVH. Seek Grant Funding; Seek Community Project
Pathway Tractors	\$5,000	Seek Grant Funding; Seek Community Project
Police Vehicles (Lease)	\$52,000	Included in Preliminary Proposal.
<i>Restore Vacant PD Commander Position</i>	<i>\$140,000</i>	<i>Consider in Budget Amendment if Financial Condition Improves</i>
<i>Restore Vacant PD Corrections Position</i>	<i>\$85,000</i>	<i>Consider in Budget Amendment if Financial Condition Improves</i>
<i>Unemployment Self-Insurance</i>	<i>\$30,000</i>	<i>State Audit recommendation. Consider in Budget Amendment if Financial Condition Improves</i>
Video for Council Meetings	\$2,500	Consider in Budget Amendment if Financial Condition Improves
TOTAL	\$2,207,400	

Title/Description	2020 Est.	Notes/Options
ER&R Funding	\$25,000	Included in Preliminary Proposal.
TOTAL	\$25,000	

Public Safety Fund (140)

Title/Description	2020 Est.	Notes/Options
Create 1 Police Patrol Position	\$112,500	Consider in 2021 Budget Amendment if Financial Condition Improves
TOTAL	\$112,500	

Tourism Fund (160)

Title/Description	2020 Est.	Notes/Options
Conference Center	\$250,000	Defer to completion of Comp Plan Update and new Capital Facilities Plan. Total Cost \$3.0 million
TOTAL	\$250,000	

Water Fund (410)

Title/Description	2020 Est.	Notes/Options
ER&R Funding	\$80,000	Included in Preliminary Proposal.
SCADA Server Upgrades	\$40,000	Replace seven-year old SCADA System Server
Base Station Smart Points	\$120,000	New antennae for the base station meter reading system
Franklin Court Water Main Imp.	\$175,000	Upsize existing 2" water main that serves 11 homes
Communications Upgrades	\$25,000	Install cellular modems at wells 6, 7, 8, 9, 11, & 13 for comms
Well 11 Hypo Upgrades	\$5,000	Install remote telemetry to monitor tank levels and brine mixing
Well 8 Upgrades	\$43,000	Replace 25-yr old RTU; install new PLC to improve motor performance and interface with chlorinator
TOTAL	\$488,000	

Sewer Fund (420)

Title/Description	2020 Est.	Notes/Options
ER&R Funding	\$100,000	Included in Preliminary Proposal.
Lift Station Upgrades	\$40,000	Upgrade lift station telemetry – well levels, pumping dynamics
Sewer Pipe Lining	\$150,000	Rehabilitate aging sewer infrastructure
TOTAL	\$290,000	

Ambulance Fund (440)

Title/Description	2020 Est.	Notes/Options
ER&R Funding	\$50,000	Included in Preliminary Proposal.
Create 1 Fire/EMS Position	\$71,500	Establish a new Firefighter/EMT (35% GF/65% Amb). Included in Preliminary Proposal.
Create a 2 nd Fire/EMS Position	\$71,500	Establish a new firefighter/EMT position that can be funded when our financial condition improves. (35% GF/65% Amb)
TOTAL	\$193,000	

2021 Budget

Preliminary Proposals

Council Workshop Presentation
November 2, 2020



Overview

- 1. Background and 2021 Budget Planning Assumptions**
- 2. General Fund**
 - Revenues and Expenditures
- 3. Enterprise/Restricted Funds**
 - Revenues and Expenditures
- 4. Personnel**
- 5. Enhancement Requests**



Background Planning Assumptions

Structure of City's Budget

- Our budget consists of many “funds.” Each fund is supported by specific sources of revenue. Some funds are healthier than others, but audit and finance rules generally prohibit mixing them.
- With nearly 45% of City functions, the General Fund is our largest fund. Historically, it has also been one of the weakest financially.



Several Years of State Audit Concerns

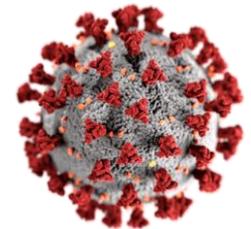
- Multiple funds were overspent during the past ten years.
- The General Fund ending balance did not reach a 60 day reserve target (≈\$1.9 million) during the past ten years. In some years, it was less than 10 days.



Background Planning Assumptions

COVID-19

- Global pandemic: 43 million cases & 1.16 million deaths.
- Global economic impact: large disruptions to both supply and demand resulting in a deep lingering recession.
- In Washington, employment has shrunk 4% from 2019 ($\approx 140,000$ jobs), job postings are down 24%, retail sales are down 10%, taxable business income is down 7%, and export volume is down 23%, according to Commerce.



Fiscal Discipline

- We ended 2019 with all funds under budget and in the black for the first time in over a decade.
- Kept tight fiscal controls in 2020 as the pandemic hit.



Background Planning Assumptions

Budget Factors

- 2008-2009 recession impacts linger. Property values are low. Median housing value = \$129,400 per U.S. Census (versus \$167,700 County-wide and \$311,700 state-wide).
- Poverty rate = 24.6% (2.5 times the state-wide rate).
- Fairly even of mix property/sales/utility tax revenues.



Population Growth

- Added about 15% more residents from 2008 to 2020.



Inflation

- Inflation increased the costs of goods and services more than 21% (U.S.) / 25% (WA State) from 2008 to 2020.



Background Planning Assumptions

Previous Council Guidance

- 2019 Council adopted a plan to achieve a stable fund balance in the General Fund by setting aside an additional \$250,000 each year. 2021's ending target is \$1,000,000.
- Preliminary budget must balance without Council having to raise general taxes. One exception is the annual 1% ad valorem increase in property tax collections (~\$23,000).



Result:

A balanced budget proposal with no general tax increases that sets aside \$1,000,000 in General Fund ending reserve and sustains important services with no staff layoffs.

Budget Summary

Fund #	Name	2020 Revenues	2020 Expenditures	2020 Difference	2021 Revenues	2021 Expenditures	2021 Difference
1	General Fund	13,229,620	12,620,609	609,011	13,234,484	13,189,107	45,377
16	General Capital Projects Fund	996,111	996,111	0	211,597	211,597	0
99	Payroll Liability Fund	138,700	0	138,700	141,474	0	141,474
101	Street Fund	1,178,889	1,136,965	41,924	1,612,391	1,417,080	195,311
106	Street Capital Projects Fund	572,060	572,060	0	2,663,582	2,528,600	134,982
115	Contingency Fund	13,575	0	13,575	13,632	30	13,602
120	Investigative Fund	30,680	14,450	16,230	27,346	14,739	12,607
130	Police Dept Crime Prevention Fund	134,245	67,850	66,395	102,900	96,500	6,400
140	Public Safety (L&J 3/10) Tax Fund	573,965	572,826	1,139	596,824	563,621	33,203
146	Public Safety Capital Projects Fund	0	0	0	0	0	0
160	Tourism Expansion Fund	292,900	153,888	139,012	310,500	154,351	156,149
201	General Obligation Bonds Fund	660,686	660,686	0	662,157	662,157	0
303	CDBG Fund	40,000	60	39,940	40,530	60	40,470
304	Local Capital Improvement Fund (REET 1)	128,425	60	128,365	267,850	188	267,662
305	Local Capital Improvement Fund (REET 2)	430,850	550	430,300	570,150	550	569,600
322	Fire Equipment Reserve Fund	41,770	41,477	293	450	0	450
326	Fire Capital Projects Fund	262,320	262,320	0	0	0	0
410	Water Fund	3,589,200	3,246,394	342,806	3,847,600	3,093,166	754,434
411	Water Bond Reserve Fund	118,850	180	118,670	119,368	180	119,188
415	Water Revenue Bond Fund	132,780	113,400	19,380	135,018	113,308	21,710
416	Water Capital Projects Fund	1,312,832	1,103,582	209,250	556,035	556,035	0
420	Sewer Fund	4,867,415	4,178,766	688,649	5,724,537	4,273,430	1,451,107
421	Sewer Bond Reserve Fund	118,850	180	118,670	119,360	180	119,180
425	Sewer Revenue Bond Fund	113,370	113,370	0	113,278	113,278	0
426	Sewer Capital Projects Fund	1,657,990	1,657,990	0	549,000	549,000	0
430	Garbage Fund	1,805,640	1,686,295	119,345	1,799,320	1,713,350	85,970
440	Ambulance/EMS Fund	3,550,465	2,484,721	1,065,744	3,608,865	2,264,784	1,344,081
446	Ambulance/EMS Capital Projects Fund	43,047	0	43,047	126	0	126
450	Stormwater Fund	469,215	237,738	231,477	480,920	268,789	212,131
501	Equipment Rental Fund	330,620	269,431	61,189	1,070,000	732,855	337,145
504	Information Technology Fund	291,050	291,050	0	296,871	296,871	0
TOTALS		37,126,120	32,483,009	4,643,111	38,876,165	32,813,806	6,062,359



General Fund Revenues

General Fund (001)

Four taxes generate about 70%:

1. Sales Tax (Rate is at cap)
2. Property Tax (Rate is at cap)
3. Private Utility Tax (Rate is at cap)
4. City Utility Tax (No cap)

Pandemic effects:

- Tax revenues, licenses and permits all stayed relatively flat.
- Charges for goods/services, jail, fines, and parks & rec all declined.

2008 GF Revenues = \$12,138,734

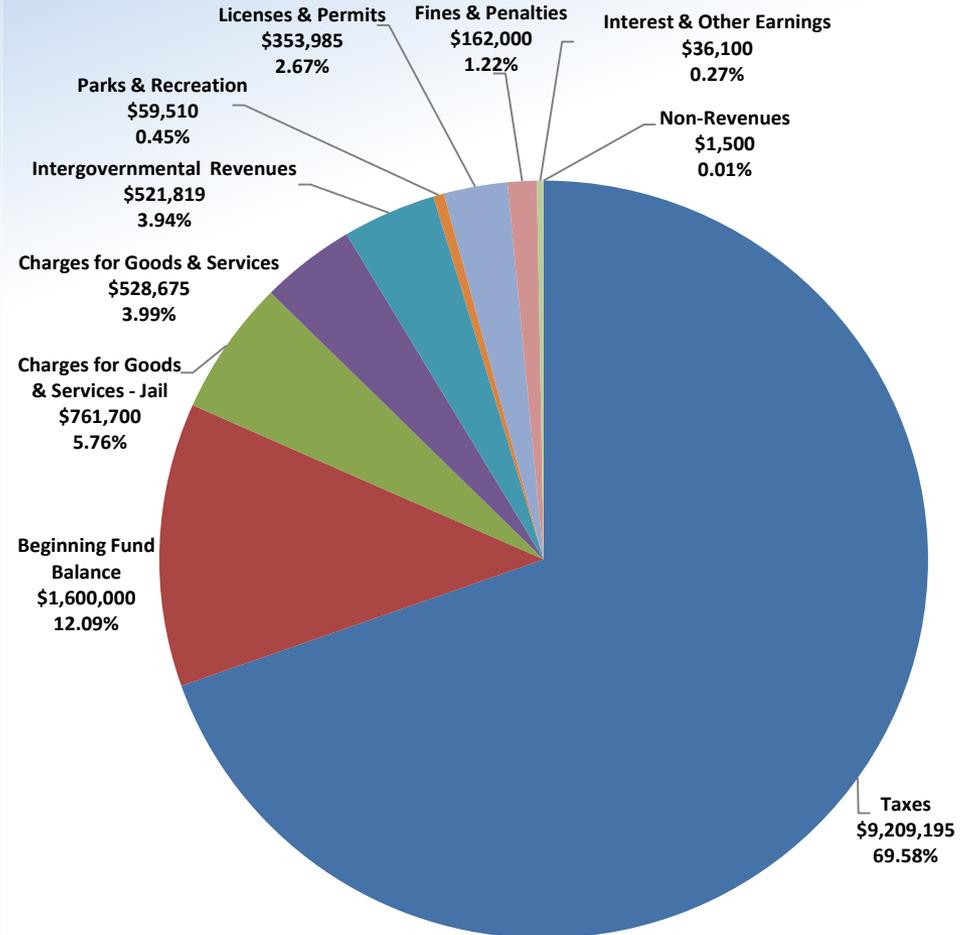
2020 GF Revenues = \$13,229,620

- Increase of 8.98% from 2008.

2021 GF Revenues = \$13,234,484

- An increase of 0.004% over 2020.

CITY OF SUNNYSIDE 2021 PROPOSED BUDGET GENERAL FUND REVENUES



General Fund Expenditures

General Fund (001)

Pays mostly for public safety, transportation, planning, parks, recreation, and general government services. Also supports other financially weak funds, primarily the Street Fund, through Interfund Transfers.

2008 GF Spending = \$10,072,928

2020 GF Spending = \$12,620,609

- An overall increase of about 25% over 12 years, just keeping up with the WA state inflation rate.

Important trends within the General Fund:

- Public safety grew 24%, from about \$5.8 million to \$7.2 million, just keeping up with WA state inflation.
- Transportation grew from about \$900,000 to \$1.3 million.
- Spending in planning, parks, and recreation remained flat.
- We reduced from \$2.3 million to about 1.8 million in general government for legislative and administrative functions.



General Fund Expenditures

General Fund (001)

Funding reduced from 2020:

- Park/Recreation/Facilities (~5% due to pandemic effects on activities.)

Funding increased from 2020:

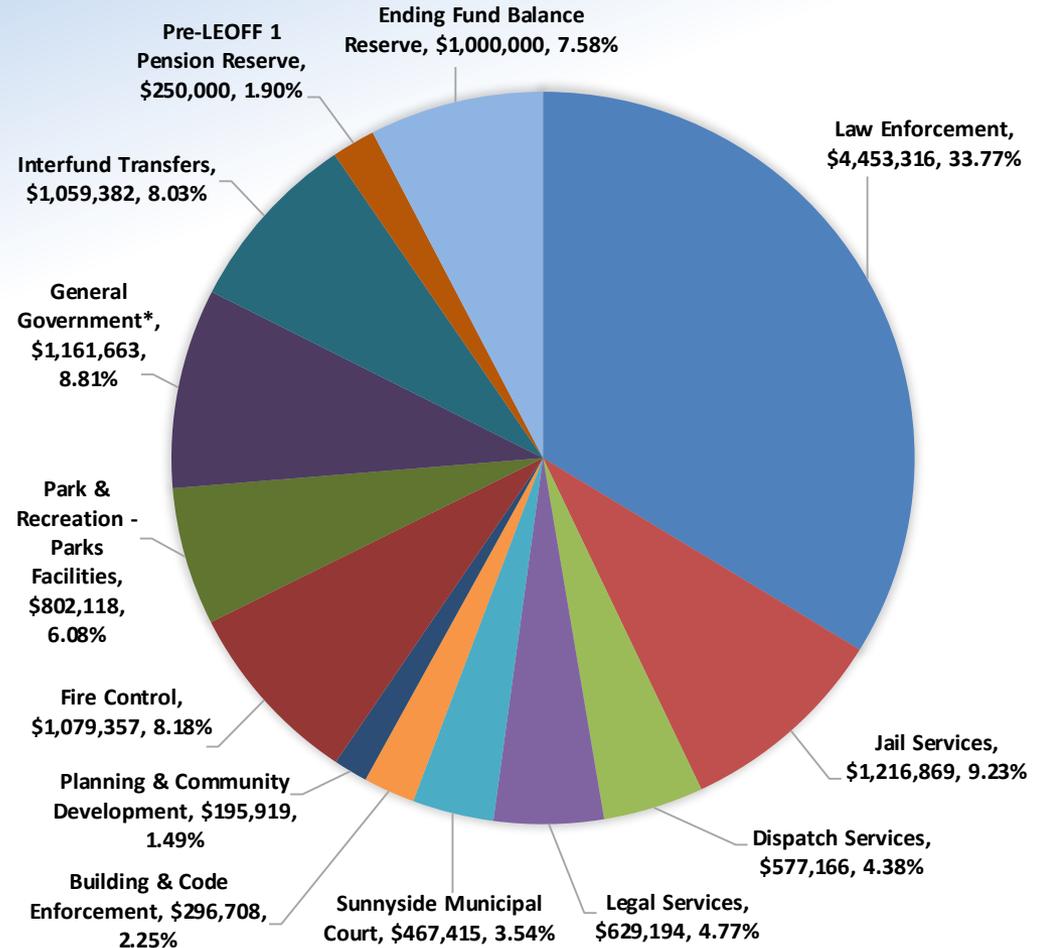
- Public Safety (Police/Fire), Legal/Justice, Planning and Code Enforcement, General Government.
- We increased the Ending Fund Balance Reserve by \$250,000.
- We also restored funding for the Pool and for essential training and travel.

2020 GF Spending = \$12,620,609

2021 GF Spending = \$13,189,107

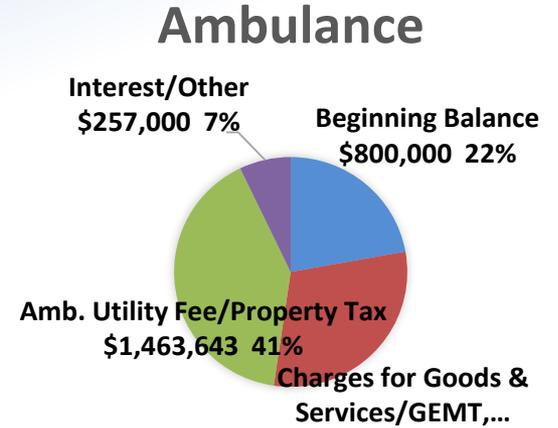
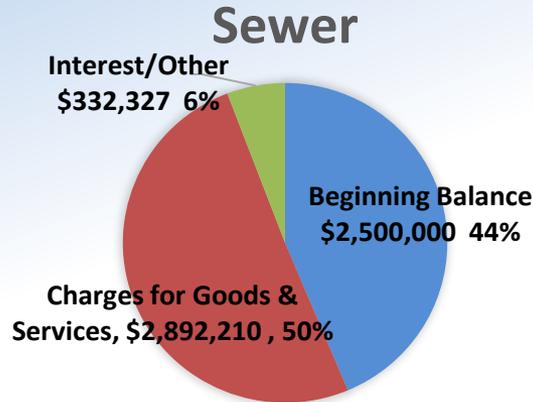
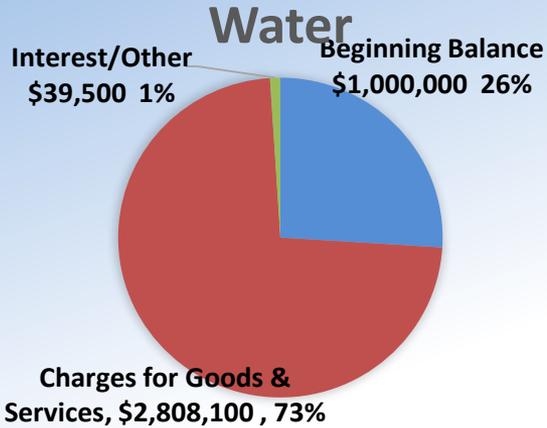
- An overall increase of just \$568,498 from 2020, including the additional \$250,000 in ending fund balance reserve.

CITY OF SUNNYSIDE 2020 PROPOSED BUDGET GENERAL FUND EXPENDITURES

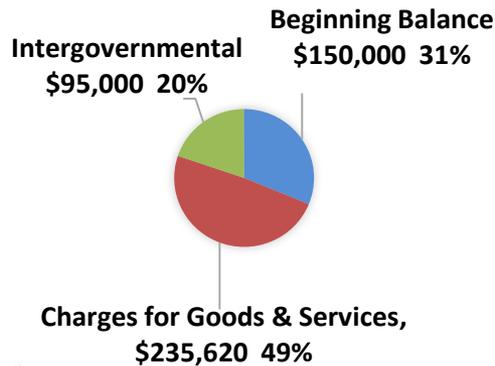


Other 2021 Revenues

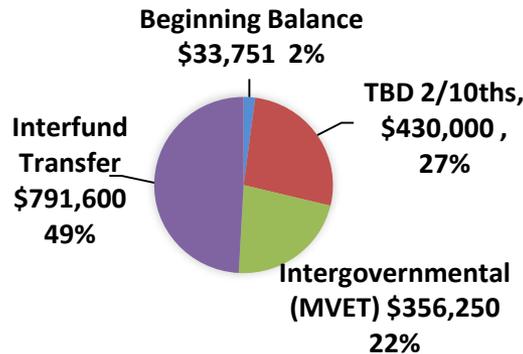
Enterprise/Restricted Funds



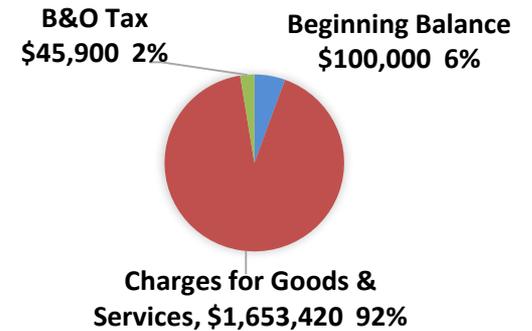
Stormwater



Street



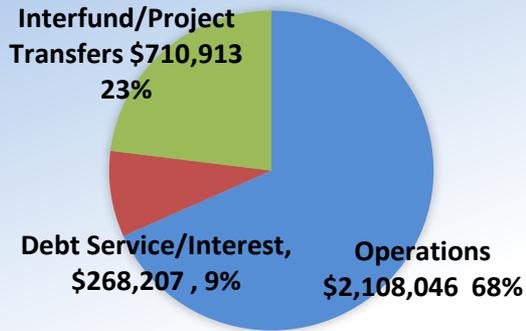
Garbage



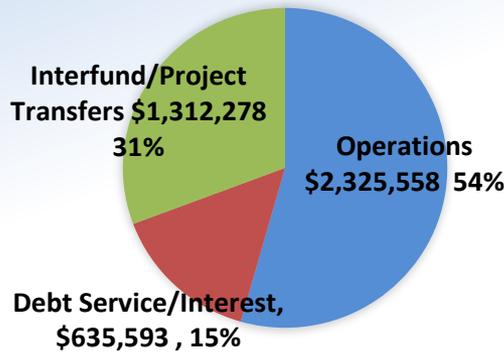
Other 2021 Expenditures

Enterprise/Restricted Funds

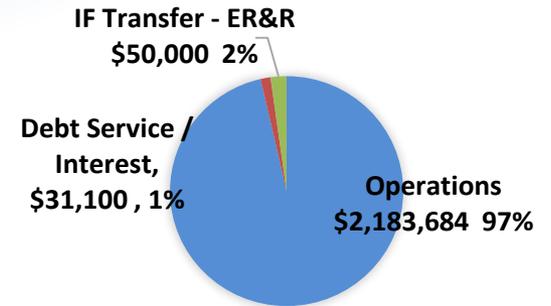
Water



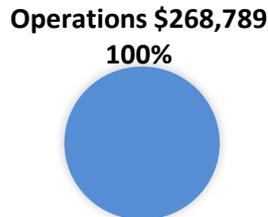
Sewer



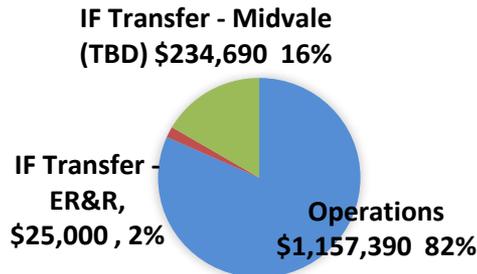
Ambulance



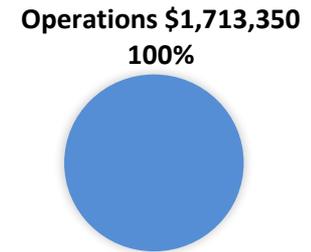
Stormwater



Street



Garbage



Personnel

The preliminary 2021 budget funds 111 positions.



General Fund

- The preliminary 2021 budget has no staff layoffs.
- Recommend the Fire Department move forward with 1 Firefighter/EMS position partially funded (35%) in the General Fund.
- As in 2020, this budget leaves two long-time vacant positions (Police Commander and Corrections Officer) unfunded until our financial condition improves and Council can consider restoring funding.

Enterprise/Restricted Funds

- Recommend the Fire Department move forward with 1 Firefighter/EMS position partially funded (65%) in the Ambulance Fund.

For planning purposes only, this preliminary budget reflects all CBAs approved in 2019 and assumes a 2% increase in compensation and benefits for other represented employees.

Enhancement Requests

General Fund (001) – Slide 1 of 3

- Requests are listed alphabetically.
- Total net increase of all requests estimated at \$2,207,400.
- Requests included in the Preliminary Budget are shown in ***Bold Italics***. Estimated at \$162,500.

Title/Description	2021 Est.	Notes/Options
Airport Development Strategy	\$10,000	Seek Grant Funding to leverage interest in unmanned aerial systems/drones.
Animal Control Services	\$40,000	Expand services to offer 40 hour/week and weekend coverage.
Archive Social – Social Media Records Management	\$4,800	Consider in 2021 Budget Amendment if Financial Condition Improves
Building Access Security Improvements	\$85,000	Defer to completion of Comprehensive Plan Update and the new Capital Facilities Plan.
<i>City Hall/Veterans Plaza Security Cameras</i>	<i>\$15,000</i>	<i>Included in Preliminary Proposal.</i>
Comprehensive Plan Updates	\$20,000	Consider in Budget Amendment if Financial Condition Improves
Contract for Planning Services	\$640,000	Received quotes for services; Exceeds in-house cost by \$150,000/year.

Enhancement Requests

General Fund (001) – Slide 2 of 3

Title/Description	2021 Est.	Notes/Options
Create One (1) Police Patrol Position	\$112,500	Consider in Budget Amendment if Financial Condition Improves
Create 1 Fire/EMS Position	\$38,500	Establish a new Firefighter/EMT (35% GF/65% Amb). Included in Preliminary Proposal.
Create a 2 nd Fire/EMS Position	\$38,500	Establish new firefighter/EMT position that can be funded when our financial condition improves. (35% GF/65% Amb)
Downtown Planters	\$15,000	Create (or charge) a p/t position to care for downtown flower boxes/trees.
Economic Development Pgm.	\$36,000	Defer for Evaluation by Planning/Community Development Supervisor
Equipment Rental & Replacement Fund	\$60,000	Fund ER&R program to purchase equipment on a replacement schedule. Partially funded in Preliminary Proposal.
Expand Pool Operations/Maint.	\$85,000	Defer.
IAPro/Blue Team Software	\$13,600	Seek Grant Funding; or Consider in Budget Amendment if Financial Condition Improves
In-House Attorney	\$275,000	Hire an in-house attorney and legal staff for everyday legal needs and also to act as our Prosecuting Attorney.

Enhancement Requests

General Fund (001) – Slide 3 of 3

Title/Description	2021 Est.	Notes/Options
Media Coordinator	\$52,000	Defer.
New City Hall	\$350,000	Defer to completion of Comp Plan Update and new Capital Facilities Plan. Total Est. Cost \$3.5 to 5 million
Pathway Trees	\$5,000	Extend trees on YVH. Seek Grant Funding; Seek Community Project
Pathway Tractors	\$5,000	Seek Grant Funding; Seek Community Project
Police Vehicles (Lease)	\$52,000	Included in Preliminary Proposal.
Restore Vacant PD Commander Position	\$140,000	Consider in Budget Amendment if Financial Condition Improves
Restore Vacant PD Corrections Position	\$85,000	Consider in Budget Amendment if Financial Condition Improves
Unemployment Self-Insurance	\$30,000	State Audit recommendation. Consider in Budget Amendment if Financial Condition Improves.
Video for Council Meetings	\$2,500	Consider in Budget Amendment if Financial Condition Improves

Enhancement Requests

Street Fund (101)

Title/Description	2020 Est.	Notes/Options
<i>ER&R Fund</i>	<i>\$25,000</i>	<i>Included in Preliminary Budget</i>
TOTAL	\$25,000	

Public Safety Fund (140)

Title/Description	2020 Est.	Notes/Options
Create One (1) Patrol Position	\$112,500	Consider in Budget Amendment if Financial Condition Improves
TOTAL	\$112,500	

Tourism Fund (160)

Title/Description	2020 Est.	Notes/Options
Conference Center	\$250,000	Defer to completion of Comp Plan Update and new Capital Facilities Plan. Total Cost \$3.0 million
TOTAL	\$250,000	

Enhancement Requests

Water Fund (410)

Title/Description	2020 Est.	Notes/Options
ER&R Funding	\$80,000	Included in Preliminary Proposal.
SCADA Server Upgrades	\$40,000	<i>Replace seven-year old SCADA System Server; One-time equipment expense within existing revenues</i>
Base Station Smart Points	\$120,000	<i>New antennae for the base station meter reading system; One-time equipment expense within existing revenues</i>
Franklin Court Watermain Improvements	\$175,000	<i>Upsize existing 2" watermain that serves 11 homes; One-time equipment expense within existing revenues</i>
Communications Upgrades	\$25,000	<i>Install cellular modems at wells 6, 7, 8, 9, 11, & 13 for comms; One-time equipment expense within existing revenues</i>
Well 11 Hypo Upgrades	\$5,000	<i>Install remote telemetry to monitor tank levels and brine mixing; One-time equipment expense within existing revenues</i>
Well 8 Upgrades	\$43,000	<i>Replace 25-yr old RTU; install new PLC; One-time equipment expense within existing revenues</i>
TOTAL	\$488,000	

Enhancement Requests

Sewer Fund (420)

Title/Description	2020 Est.	Notes/Options
<i>ER&R Funding</i>	\$100,000	<i>Included in Preliminary Proposal.</i>
<i>Lift Station Upgrades</i>	\$40,000	<i>Upgrade lift station telemetry – well levels, pumping dynamics; One-time equipment expense within existing revenues</i>
<i>Sewer Pipe Lining</i>	\$150,000	<i>Rehabilitate aging sewer infrastructure; within existing revenues</i>
TOTAL	\$290,000	

Ambulance Fund (440)

Title/Description	2020 Est.	Notes/Options
<i>ER&R Funding</i>	\$50,000	<i>Included in Preliminary Proposal.</i>
<i>Create 1 Fire/EMS Position</i>	\$71,500	<i>Establish a new Firefighter/EMT (35% GF/65% Amb). Included in Preliminary Proposal.</i>
Create a 2 nd Fire/EMS Position	\$71,500	Establish a new firefighter/EMT position that can be funded when our financial condition improves. (35% GF/65% Amb)
TOTAL	\$193,000	

Next Steps

November

- **9th First Hearing on Preliminary Budget**
- **23rd Final Hearing on Preliminary Budget**

December

- **7th Council Workshop**
- **14th Council Adopts Final Budget**

January

- **1st Budget Takes Effect**

