

October 2018

Dear Residents of Roy and City Council Members:

Our budget process is nearing completion for the upcoming 2019 year. As we have done in years past we invite our citizens to share their thoughts and concerns as we move forward preparing a financial outline for this coming year's expenditures and revenues. We will continue to use financial policies to guide us to ensure that our decisions will meet the needs of our citizens in Roy, WA, economically, financially and responsibly.

City staff and Administration have worked hard this past year, attending training classes and continuing education, to include learning and implementing the ever changing laws and regulations, how they impact our city, and how we can meet the requirements set forth by local, state and federal regulators.

Like our citizens, my top priority here in Roy, WA will remain public safety. The biggest part of our budget is spent here. We are always looking for ways to minimize cost, but still provide professional law enforcement services to the citizens of Roy, WA. Included in this year's public safety budget: continued training, updated computers and equipment, speed signs, health insurance and competitive wages that will ensure that our citizens will continue to receive the professional service of our officers that is needed.

The budget also includes the water system fund, which is separate from the general fund and is self supporting through user rates and charges. Each year we continue to look for ways to sustain our water system while minimizing rate increases, but this is difficult as the costs of equipment repairs and replacements continue to rise. One way we have looked at this is to remove a satellite management company and replace them with our own Water Distribution Manager 1. Continued funding through federal grants has been obtained to meet some of the repairs and replacement needs. Our water system plan is nearing completion and we anticipate having it in place for 2019.

In previous years the City of Roy has included the library in its yearly budget, but with the ever rising cost to operate, versus the declining numbers in visitors and citizens who use the library, the city has found this part of the yearly budget hard to sustain. So after several meetings and discussions with city staff and budget committee members, it has been recommended that the closure of the library is needed. This was not an easy decision to come to by any means.

Our city volunteers continue to play a huge part in the running of our town. We appreciate each and every one of you who dedicate your time and resources. We are looking at the reorganization of the City of Roy Police Reserve officers. We have two likely candidates that would be accepted to the reserve academy as early as February, with hitting the streets as soon as the end of June, 2019.

The budget process this year was very difficult. But I know that your city council and city staff have worked hard to ensure that the public services we are providing are what is best for Roy, WA.

Respectfully,  
Anthony McDaniel, Mayor

## How Local Government Works

Criticism of government is in the news every day, and we understand your frustration. No one wants to pay taxes if they believe that money is going to waste. In the face of large federal deficits, we would like you to remember that local government is not the federal government.

We provide essential public services, police, street repair and improvements, a park and a library, as well as water, and do so responsibly. We prepare a budget every year and by law, **we are not allowed to overspend our budget or operate in a fund deficit**. The State Legislature and the State Auditor's Office provide oversight and set the accounting standards that we use here in the City of Roy. We are audited every three years and the results are available for your review. We operate transparently and welcome your constructive input at public meetings, by phone or in person. We take our duty to you seriously.

## How We Operate

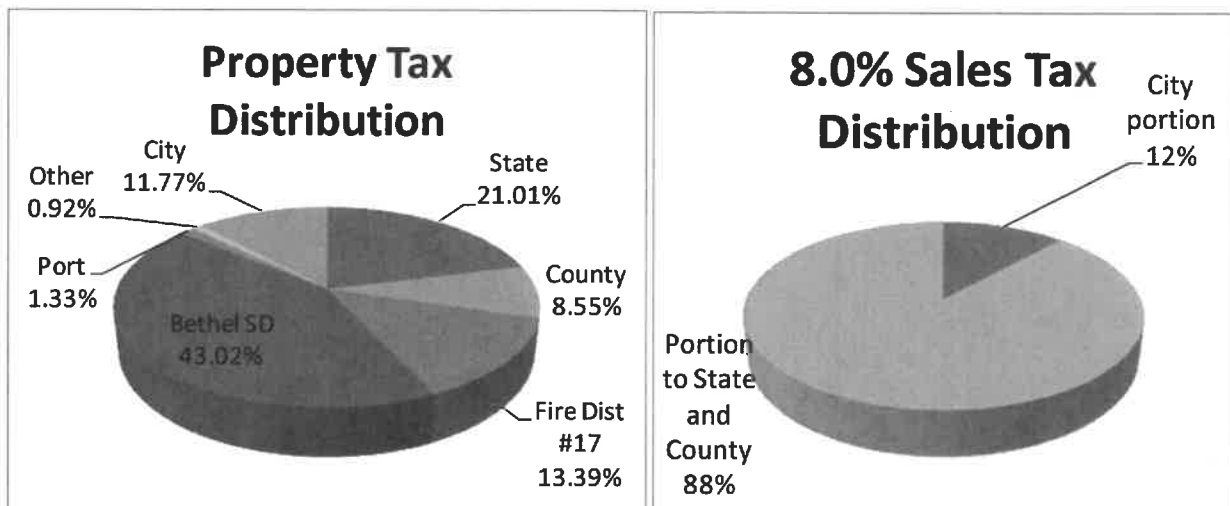
In broad terms the City of Roy has three major types of activities that are organized into funds—governmental, enterprise and capital projects. Governmental activity, often called the Operating Budget, includes police, streets and park services and is what most people think of when they think of government. Property taxes and sales/use taxes are the main sources of revenue funding the Operating Budget.

Enterprise activity includes utility services – water. Unlike governmental activity, enterprise funds are designed to operate as a business would, meaning these funds are self-supported through user fees. This means enterprise funds stand alone, and **by law we cannot use your water fees to support general government and the operating budget**.

Capital Projects are the last major type of activity. As the name implies these are projects with higher costs and longer useful lives which can be governmental or enterprise in nature depending on the project. These are usually funded by loans, major grants and reserves set aside for that purpose.

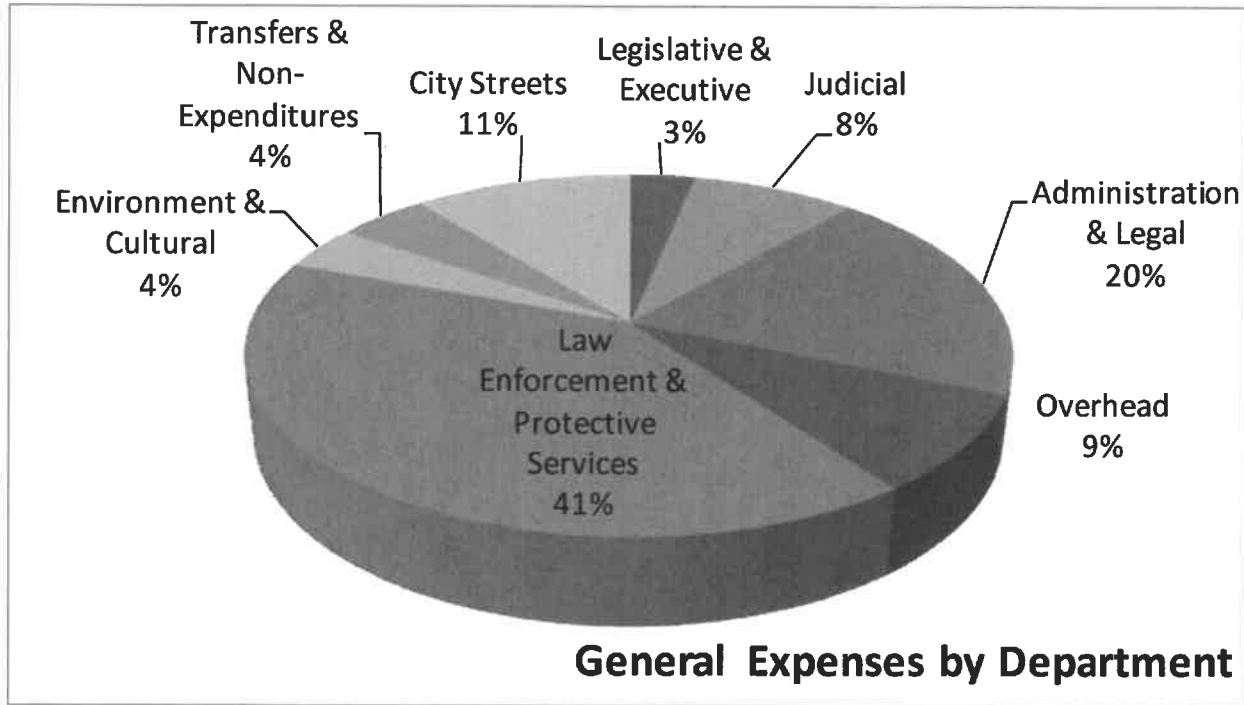
## The Operating Budget

As mentioned above the operating budget includes the primary services that local government provides, and your property taxes and sales taxes make that possible. Did you know though, that we only receive 12.63% of your property taxes and approximately 12% of the sales tax collected? The bulk of property tax goes to schools, and the bulk of sales tax goes to Washington State and Pierce County:



## Doing a Lot with a Little

And yet those 12% slivers provide us with nearly half (42%) of our operating budget revenues. That means we provide the bulk of our services, public safety, parks and streets with a relatively small amount of money. Here's a breakdown of how your tax dollars are used:



## Why Government is Not Like Business

It's often asked why government can't be more like business. Although there are parts of government which act like a business, the basic construct of government is the opposite of business in some important ways. Let's start with a central proposition.

The public often criticizes government for "tax and spend" policies, but that is the foundation of government. The revenue has to come first; nothing can happen without it. In business, the saying is "you have to spend money to make money." So for business it's the other way around; you incur expenses in the hope of making money. Below is a comparison of the many contrasts between government and business.

	<b>Government</b>	<b>Business</b>
<b>Business Cycle</b>	Tax then spend	Spend then earn revenue
<b>Intent</b>	Provide service by maximizing spending on clients	Earn profits by minimizing spending on goods and services to clients
<b>Payroll</b>	Maximize worker's pay	Minimize worker's pay
<b>Budgeting</b>	Maximize services up to revenue	Minimize costs under revenues
<b>Communication</b>	Principals make decisions in public	Principals make decisions in private
<b>Mobility</b>	Governments can't relocate	Businesses can relocate

We present these differences to encourage you to see that we have a different perspective from the business world. One common trait government and business share is the need for efficiency. And we strive for that here at the City of Roy, especially in the challenging economic times that we all face.

### **When Government /S Like a Business**

As mentioned earlier, enterprise funds – water – are designed to operate as a business would, meaning they are self-supported through user fees and stand alone, separate from the general funds. It is like a non-profit business, too, and seeks grant funding wherever possible to supplement rate revenues.

What does a sound water business look like?

- It has *technical capacity*. There is enough source water for current and future demands, and it meets quality standards. It is operated by staff who sample, protect and maintain the product and the infrastructure that distributes it according to a formal water system plan.
- It has *managerial capacity*. The governing body and managers are actively involved in capital improvement and financial planning to meet the short and long-term needs of the system. They develop and review strategic and emergency plans, and they ensure that system staff have the necessary certifications and training in regulatory requirements and best practices. They build relationships with customers, technical assistance providers, and regulatory agencies to help them solve problems.
- It has *financial capacity*. Rates, other system charges and grants cover the full cost of providing services. Personnel know the costs, keep adequate records, budget and plan, to manage revenues effectively. There are reserves for unexpected expenses and to establish credit worthiness for access to funding to implement the capital improvement plan.

The City of Roy is budgeting to sustain a water business that meets these responsibilities better with each passing year. There is nothing more important to public health than reliable, clean water. With so few connections – about 325 – to support an entire system's infrastructure and operations, our customers contribute more than moderate sums each month. The rate structure has components for current operations and maintenance and for capital improvements and replacements.

Capital improvement projects over the next several years include seismic retrofitting of the reservoir, periodic major maintenance of the reservoir, acquiring land and building a second reservoir, pump and motor replacement at Well 1, backup power at Well 1, iron/manganese treatment facility, and required engineering studies. Capital replacement projects include other components of the distribution system, such as pipes and valves, when they reach the end of their expected useful lives.

City of Roy  
2019 Preliminary Budget

Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>GENERAL FUND</b>					
<i>REVENUES</i>					
308 80 00 01	Beginning Balance - Unreserved	381,036	440,651	440,651	376,000
308 80 00 00	Starting cash and petty cash	350	350	350	350
311 10 00 00	Property Tax	96,761	55,111	98,000	98,000
313 11 00 00	Sales & Use Tax	165,133	117,671	161,000	161,000
313 15 00 00	Public Safety Sales Tax	16,064	11,059	15,200	15,200
313 17 00 00	Park Sales & Use Tax	7,924	6,313	7,800	8,200
313 71 00 01	Criminal Justice Sales & Use Tax	14,185	11,397	14,000	14,500
316 10 00 00	B & O Tax (Miscellaneous)	15,078	15,130	16,000	16,000
316 40 00 00	Tax On Water Sales	32,848	29,404	39,921	43,635
316 41 00 00	B & O Tax (Electric)	44,178	38,548	44,000	44,000
316 45 00 00	B & O Tax (Garbage)	7,561	5,250	7,500	6,900
316 46 00 00	B & O Tax (Cable Television)	24,113	16,494	23,500	22,000
316 47 00 00	B & O Tax (Telephone/Cable)	16,661	10,939	16,000	14,500
316 81 00 00	Gambling Tax Pull Tabs	3,018	1,673	3,000	2,000
321 30 00 00	Fireworks Seller Permits	10	10	10	10
321 70 00 00	Dance & Cabaret Licenses	360	600	480	480
321 91 00 00	Franchise Cable TV	5,289	5,471	5,000	5,000
321 99 00 00	Business Licenses	7,620	7,485	7,500	4,500
322 10 00 00	Building Permits	3,225	4,021	1,500	3,500
322 30 00 00	Animal Licenses	1,000	728	750	1,000
322 40 00 00	Street And Curb Permits	125	125	0	0
322 90 00 00	Garage Sale Permit	10	55	0	0
331 16 60 00	USDOJ BVP Grant	0	0	659	0
334 00 30 00	Sec Of State Records Grant	0	0	7,256	1,900
334 01 10 00	BLEA Manpower Replacement	782	0	0	0
334 03 10 00	Dept Of Ecology Grant - SMP Update	0	4,526	10,000	0
334 03 50 00	State Grant -Traffic Safety Commission	500	0	1,000	0
336 00 98 00	City Assistance	10,771	9,016	9,000	10,000
336 06 21 01	CJ-Population	1,000	994	1,000	1,000
336 06 26 01	CJ -Special Programs	826	636	863	888
336 06 51 00	DUI-Cities	122	90	120	120
336 06 94 00	Liquor Excise Tax	3,880	3,003	4,009	4,189
336 06 95 00	Liquor Board Profits-.7977 General Use	5,422	4,040	5,389	5,304
336 06 95 21	Liquor Board Profits-.2023 Public Safety	1,375	1,025	1,367	1,346

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Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
341 33 00 00	Court Admin Fees/IT Time Pay Fees	1,029	530	1,000	600
341 35 00 00	Notary Fees	210	150	200	170
341 70 00 00	Sale Of Merchandise - Lapel Pins/Maps	5	0	0	0
341 81 00 00	Printing & Copying	104	67	100	90
341 82 00 00	Engineering Services	1,410	3,339	0	1,500
342 10 00 00	Law Enforcement Services	298	0	325	0
342 30 00 00	Detention Services	611	2,060	600	2,500
342 40 00 00	Fire Inspection Fees	0	110	800	800
342 50 00 00	DUI Emergency Response	182	0	200	0
345 23 00 00	Dog Impound Fees	150	0	0	0
345 83 00 00	Plan Checking	1,444	971	1,000	750
345 89 00 00	Other Planning/Dev Fees	490	1,529	5,000	500
347 20 00 00	Library Use Fees - Library Cards	29	4	0	0
352 30 00 00	Mandatory Administrative Costs	750	485	750	700
353 10 00 00	Traffic Infractions	18,418	17,361	25,000	24,800
353 70 00 00	Non-Traffic Infractions	11	91	0	0
354 00 00 00	Parking	3	0	0	0
355 20 00 00	Driving Under The Influence	1,146	101	1,100	0
355 80 00 00	Criminal Traffic Misdemeanors	2,185	1,761	2,200	2,700
356 90 00 00	Criminal Non-traffic	572	389	600	500
357 33 00 00	Public Defense Costs	55	140	0	200
359 70 00 00	Library Fines	88	17	0	0
359 90 00 00	Non-Court Fines, Penalties	0	230	0	100
359 90 00 01	Penalties On Delinquent Business Taxes	1,289	610	700	700
361 11 00 01	Investment Interest	1,220	3,156	1,100	4,000
361 40 00 00	Interest	152	169	100	150
361 40 01 00	Dist/Mun Court Interest	862	1,613	800	0
362 00 04 00	Community Center/Park Rental	273	205	200	200
362 00 05 00	Space Lease	34,173	25,630	34,173	30,717
367 11 00 00	Contributions	175	200	200	0
367 11 00 01	Loss Prevention Grants	5,000	875	5,000	0
367 11 00 02	Contributions - Library	11	31	0	0
369 10 00 00	Sale Of Surplus	413	9	0	0
369 80 00 00	Court Small Overpayments	13	1	50	0
369 91 00 00	Court NSF	69	0	30	0
369 91 00 01	Misc Immaterial Cash In	0	193	0	200
381 10 00 21	Interfund Loans Received	0	22,581	21,950	0
386 00 00 00	Court Remittances State/County Portion	30,852	28,510	50,000	40,000
389 31 00 00	State Fees (building Code)	68	79	45	65
395 20 00 00	Insurance Recoveries	10,000	0	0	0
397 00 76 05	Transfer In To Refund Park Impact Fees	8,939	0	0	0
<b>TOTAL REVENUES including Beginning Balance</b>		<b>989,924</b>	<b>915,012</b>	<b>1,096,048</b>	<b>973,464</b>

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Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<i>EXPENDITURES</i>					
511 30 44 00	Official Publication Svcs	2,740	2,406	3,500	4,700
511 60 10 00	Meeting Stipends	3,023	2,573	3,600	3,000
511 60 10 01	Meeting Stipends CCT	0	0	0	600
511 60 20 00	Council Benefits	322	263	377	250
511 60 20 01	Council Benefits CCT	0	0	0	126
512 50 10 00	Judicial Salaries	32,160	25,691	35,000	36,360
512 50 20 00	Judicial Benefits	8,959	6,872	9,700	10,075
512 50 31 00	Judicial Supplies	318	254	500	500
512 50 35 00	Small Equipment	43	130	100	200
512 50 40 00	Judicial Services-AV Recording	1,290	1,075	1,290	1,300
512 50 41 00	Judicial - Professional Services	0	0	1,000	1,000
512 50 42 00	Judicial Postage/Phone	1,297	1,009	1,400	1,500
512 50 46 00	Judicial Insurance	2,428	2,178	2,179	2,712
512 50 49 00	Judicial Memberships, Training	927	1,023	1,400	1,700
513 10 10 00	Mayor Salary	4,728	5,200	8,000	9,600
513 10 20 00	Mayor Benefits	365	398	631	735
513 10 31 00	City Office Supplies	184	88	200	200
513 10 43 00	Mayor - Travel	0	0	500	500
513 10 49 00	City Memberships, Training	1,985	1,265	2,850	2,000
514 23 10 00	Financial/Admin. Salaries	27,356	0	56,825	0
514 23 10 01	Financial/Admin. Salaries CCT	12,028	24,310	0	40,320
514 23 10 02	Financial/Admin. Salaries CA	5,673	9,897	0	22,900
514 23 20 00	Financial/Admin. Benefits	5,672	0	19,245	0
514 23 20 01	Financial/Admin. Benefits CCT	2,695	5,092	0	9,075
514 23 20 02	Financial/Admin. Benefits CA	1,283	2,149	0	5,450
514 23 31 00	Financial/Admin Supplies	590	624	1,168	800
514 23 32 00	Financial/Admin-Vehicle Fuel, Parts	257	0	0	0
514 23 35 00	Financial/Admin Sm Equipment	274	104	1,000	1,000
514 23 41 00	Contract Services (BIAS)	1,950	1,997	1,997	2,077
514 23 42 00	Financial/Admin Postage	267	339	475	500
514 23 43 00	Financial/Admin Travel	6	2	300	0
514 23 48 00	Financial/Admin - Repairs/Maintenance	672	150	250	450
514 23 49 00	Financial/Admin-Fees, Training, Misc	813	428	900	1,000
514 23 51 00	State Audit	0	0	18,300	7,000
514 40 51 00	Election Costs-Legislative	3,643	1,290	1,400	1,400
517 20 20 00	Medical Insurance (Toffry)	7,287	5,685	7,580	8,200
517 21 20 00	Retirement OASI Admin Fee	25	25	25	25
515 41 40 00	City Attorney	13,245	8,800	17,125	17,200
515 41 41 00	Prosecutor	5,500	4,500	6,000	6,000
515 41 49 00	Legal - Other External	0	875	875	0
515 91 41 00	Court Appointed Attorney	5,004	2,502	5,004	10,000
515 91 49 00	Interpreter	191	21	400	150

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518 30 10 00	Central Svcs Salaries	5,026	0	0	0
518 30 10 03	Central Svcs Salaries PWM	3,767	16,252	11,200	12,030
518 30 10 05	Central Svcs Salaries PWC	413	839	1,130	0
518 30 10 06	Central Svcs Salaries PWA	0	0	0	9,300
518 30 20 00	Central Svcs Benefits	1,152	6	0	21
518 30 20 03	Central Svcs Benefits PWM	1,045	6,464	3,300	4,440
518 30 20 05	Central Svcs Benefits PWC	71	101	175	0
518 30 20 06	Central Svcs Benefits PWA	0	0	0	1,225
518 30 31 00	Central Svcs Maint/Janitorial Supplies	1,067	966	1,200	1,500
518 30 32 00	Central Svcs - Fuel Consumed	240	273	650	750
518 30 35 00	Central Svcs Small Equip	6,311	90	2,300	500
518 30 38 00	Central Svcs-Repair/Maint Parts	1,140	111	1,200	1,200
518 30 42 00	Central Svcs Comm/Security	4,413	3,178	4,800	4,800
518 30 45 00	Central Svcs Copier/Meter Leases	697	327	925	750
518 30 46 00	Central Svcs Insurance	6,851	8,836	8,837	9,740
518 30 47 00	Central Svcs Electricity/Water	5,263	3,936	6,000	6,000
518 30 48 00	Central Svcs Repairs/Maint	1,695	1,060	2,000	2,500
518 80 41 00	Central Svcs Information Technology	1,182	1,177	3,300	3,300
521 10 40 00	Law Enf Dues & Fees	82	136	100	110
521 20 10 00	Law Enf Salaries	126,340	98,507	131,500	148,000
521 20 20 00	Law Enf Benefits	26,832	19,916	35,000	49,000
521 20 21 00	Law Enf Uniform Allow	512	279	1,000	1,000
521 20 21 01	Law Enf - BVP	0	659	0	0
521 20 31 00	Law Enf Supplies	502	157	550	550
521 20 35 00	Law Enf Sm Equipment	208	0	0	500
521 20 46 00	Law Enf Insurance/Prop, Liab	8,770	8,298	8,299	9,550
521 20 50 00	Law Enf Intergovernmental Svcs	1,232	1,232	2,600	2,500
521 22 51 00	Law Enf 911 Responses By Pierce Co.	12,051	5,738	9,600	8,600
521 23 51 00	Law Enf Specialized Policing Svcs	1,247	1,288	1,300	1,500
521 27 31 00	LawEnf Rep/Maint Parts, Vehicles	454	145	1,000	1,000
521 27 32 00	Law Enf Fuel	7,018	6,694	8,400	9,000
521 27 40 00	Law Enf Rep/Maint Svc, Vehicles	282	518	1,000	1,000
521 28 42 00	Law Enf Cell/Data/Postage	2,618	2,153	3,000	3,500
521 28 48 00	Law Enf Communication Repair	519	0	1,000	1,500
521 28 51 00	SS911 Services	25,890	17,865	23,820	23,000
521 28 52 00	Combined Communication Network	0	0	4,600	0
521 30 31 00	Law Enf Crime Prevention Supplies	372	0	872	1,000
521 40 31 00	Law Enf Training Supplies	0	0	0	500
521 40 50 00	Law Enf Training	3,187	3,187	3,300	500
521 50 31 00	Law Enf Bldg/Facility Supplies	6	0	200	200
521 50 42 00	Law Enf Alarm/Land Line	1,077	759	1,048	1,200
521 70 35 00	Law Enf/Traffic Sm Equip	253	312	1,000	500
521 70 35 01	Law Enf Handheld Radar	500	0	0	0
521 70 49 00	Law Enf/Traffic Misc	76	0	0	0



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522 20 31 00	Fire Control - Hydrant Parts	0	859	500	600
522 20 40 00	Fire Control - Hydrant Repair	0	0	1,000	1,500
523 60 51 00	Jail Services	840	6,372	7,600	5,000
524 20 51 00	Fire Inspections	0	80	600	600
524 60 10 00	Building Inspector Salaries	3,222	0	4,750	0
524 60 20 00	Building Inspector Benefits	378	0	600	0
524 60 31 00	Building Code Books	0	0	0	750
525 10 51 00	Pierce Co. Emergency Svcs Agrmt	684	693	700	750
553 60 44 00	Weed Control Assessment	14	19	15	20
553 70 44 00	Puget Sound Clean Air Assessment	453	460	460	471
554 30 31 00	Animal Control Supplies	72	0	100	0
554 30 49 00	Animal Control Training/Misc	0	377	400	400
558 50 41 00	Building Code Services	0	994	0	4,250
558 50 50 00	Building Permits/Reviews By Other Govt	1,119	298	5,350	0
558 60 31 00	Planning Office Supplies-SMP	0	133	0	0
558 60 41 00	Planning Consultant	2,138	1,281	3,500	1,800
558 60 41 01	Planning Engineering Services	1,410	3,609	3,000	1,500
558 60 41 04	SMP Planning Consultant	0	8,075	10,000	0
558 60 42 00	Planning Postage-SMP	0	62	0	0
558 60 44 00	Planning Advertising-SMP	0	471	0	0
558 70 30 00	Economic Development - Supplies	196	0	0	0
566 00 51 00	Liquor Taxes & Profits	214	162	215	217
572 10 46 00	Library Insurance	3,107	3,297	3,297	3,366
572 20 10 00	Library Salaries	7,401	5,630	8,600	0
572 20 20 00	Library Benefits	669	496	820	0
572 20 30 00	Library Books	576	167	644	0
572 20 31 00	Library Supplies	667	522	700	0
572 20 35 00	Library Small Equipment	0	0	2,714	0
572 20 41 00	Library Technical Support	0	0	800	0
572 20 42 00	Library Telephone/Internet/Postage	1,488	1,178	1,620	0
572 20 50 00	State Ebooks Allocation	903	356	356	0
572 50 31 00	Library Facility Supplies	1,439	112	550	150
572 50 42 00	Library Facility Alarm Monitoring	449	473	700	500
572 50 47 00	Library Electricity,Propane,Water	3,190	3,009	3,000	2,000
572 50 48 00	Library Facility Repair/Maint	3,131	2,019	500	200

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Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
573 90 31 00	Community Events-Supplies	189	1,081	1,650	1,200
575 30 30 00	Railroad Water Tower Equipment	0	2,068	0	0
575 30 45 00	Railroad Water Tower Lease	0	3,081	0	1,122
576 81 40 00	Park Impact Fee Refunds	8,939	0	0	0
576 81 46 00	Park Insurance-Property/Liability	847	818	819	874
576 81 47 00	Park Electricity,Water	500	604	825	900
576 85 10 03	Park Maint. Salaries PWM	1,545	2,903	2,300	2,190
576 85 10 06	Park Maint. Salaries PWA	0	0	0	2,125
576 85 20 03	Park Maint. Benefits PWM	377	1,169	750	810
576 85 20 06	Park Maint. Benefits PWA	0	0	0	300
576 85 31 00	Park Supplies	56	295	250	200
576 85 32 00	Park Fuel	81	61	150	250
576 85 38 00	Park Maint. Parts	157	333	400	800
576 85 48 00	Park Maint. Service	37,990	5	1,000	1,000
581 20 00 21	PD Vehicle Interfund Loan Principal	0	5,827	10,906	13,340
586 00 00 00	Court Remittances State/County Portion	30,852	26,148	50,000	40,000
589 31 00 00	Building Code Remittance	72	60	45	65
589 90 00 01	Contingency	0	0	8,000	8,000
592 21 80 00	Interfund Loan Interest	0	173	94	160
594 21 60 01	Capital Outlays - Police Dept	0	20,111	21,950	0
594 21 60 02	Capital Outlays - Police Dept (services)	0	2,520	0	0
597 18 05 01	Public Works Truck Purchase	1,000	750	1,000	1,000
597 21 05 01	Police Vehicle Purchase	12,000	0	0	0
597 42 00 48	Transfer To Fund Streets	0	0	19,673	11,472
597 94 03 05	Transfer Out For Capital Outlay	0	2,019	30,000	0
597 95 03 05	Transfer For Grant Matching	5,000	3,750	20,000	0
508 80 00 01	Ending Balance - Unreserved	440,651	469,015	365,493	330,361
508 80 00 00	Starting cash and petty cash	350	350	350	350
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>989,924</b>	<b>915,012</b>	<b>1,096,048</b>	<b>973,464</b>

**Proposed deficit:** **(45,639)**

*City's Financial Policies require corrective actions such as expenditure reductions, fee increases, hiring freeze or use of contingencies. The City first revises revenue forecasts and reduces expenses to respond to long-term downturns and, secondly, considers revenue increases.*

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Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>CITY STREETS FUND</b>					
<i>REVENUES</i>					
308 10 01 01	Beginning Balance - Reserved	16,398	16,255	16,255	16,255
334 03 80 00	TIB Emergency Pavement Repair Grant	7,740	0	0	0
336 00 71 00	Multimodal Transportation	846	860	1,149	1,125
336 00 87 00	Motor Vehicle Fuel Tax	17,434	13,220	16,699	17,873
367 11 01 01	Loss Prevention Grant	235	0	0	0
398 10 01 01	Insurance Recoveries	0	535	0	0
397 42 00 48	Operating Transfer	0	0	19,673	11,472
<b>TOTAL REVENUES including Beginning Balance</b>		<b>42,653</b>	<b>30,871</b>	<b>53,776</b>	<b>46,725</b>
<i>EXPENDITURES</i>					
542 30 31 00	Ordinary Street Maint Supplies	1,578	585	500	900
542 30 35 00	Ordinary Street Maint Equip	0	0	500	1,000
542 30 40 00	Ordinary Street Maint Svcs	3	1,260	14,000	4,000
542 30 44 00	Pavement Repair	7,740	0	0	0
542 50 40 00	Ordinary Bridge Maint Svcs	0	0	700	0
542 63 47 00	Street Lighting	8,259	7,334	10,500	8,700
542 64 30 00	Traffic Control Devices	610	495	0	0
542 70 32 00	Roadside Maint Fuel	98	56	200	200
542 90 10 03	Street Maint Salaries PWM	3,194	3,397	5,850	4,925
542 90 10 06	Street Maint Salaries PWA	0	0	0	4,250
542 90 20 03	Street Maint Benefits PWM	879	1,210	1,900	1,820
542 90 20 06	Street Maint Benefits PWA	0	0	0	550
543 30 46 00	Streets, General-Insurance	4,035	3,370	3,371	4,125
508 10 01 01	Ending Balance - Reserved	16,255	13,163	16,255	16,255
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>42,653</b>	<b>30,871</b>	<b>53,776</b>	<b>46,725</b>
<b>ROY TRANSPORTATION BENEFIT DISTRICT</b>					
<i>REVENUES</i>					
308 10 01 02	Beginning Balance - Reserved	11,056	24,131	24,131	39,125
317 60 00 00	Vehicle Fees	16,355	14,355	14,600	17,500
361 11 01 02	Investment Interest	89	303	65	650
<b>TOTAL REVENUES including Beginning Balance</b>		<b>27,500</b>	<b>38,789</b>	<b>38,796</b>	<b>57,275</b>
<i>EXPENDITURES</i>					
542 30 40 02	Street Maintenance Services	0	0	6,000	5,500
542 64 35 00	Traffic Control Devices	3,367	0	2,000	4,500
543 30 40 00	Street Administration Charges	1	0	5	5
508 10 01 02	Ending Balance - Reserved	24,131	38,789	30,791	47,270
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>27,500</b>	<b>38,789</b>	<b>38,796</b>	<b>57,275</b>

City of Roy  
2019 Preliminary Budget

Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>CAPITAL PROJECTS FUND</b>					
<i>REVENUES</i>					
308 10 03 05	Beginning Balance - Reserved, Park Impact Fees	16,217	7,335	7,335	7,430
308 10 03 15	Beginning Balance - Reserved, REET1	0	13,102	13,102	24,000
308 80 03 05	Beginning Balance - Unreserved	20,379	25,493	25,493	45,650
318 34 00 00	Real Estate Excise Tax	13,044	9,790	11,000	11,500
334 03 80 00	TIB Grant	0	0	83,812	130,000
361 11 03 05	Investment Interest	229	492	240	600
397 94 00 01	Transfer In For Capital Outlay	0	2,019	30,000	0
397 95 00 01	Transfer For Grant Matching	5,000	3,750	20,000	0
<b>TOTAL REVENUES including Beginning Balance</b>		<b>54,868</b>	<b>61,982</b>	<b>190,982</b>	<b>219,180</b>
<i>EXPENDITURES</i>					
594 18 60 00	Capital Expenditures - Capital Outlays	0	2,019	30,000	0
594 42 60 00	TIB Grant Expenditures	0	1,363	83,812	130,000
597 00 76 01	Transfer Out To Refund Park Impact Fees	8,939	0	0	0
508 10 03 05	Ending Balance - Reserved, Park Impact Fees	7,335	7,403	7,358	7,480
508 10 03 15	Ending Balance - Reserved, REET1	13,102	23,127	24,177	35,750
508 80 03 05	Ending Balance - Unreserved	25,493	28,069	45,635	45,950
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>54,868</b>	<b>61,982</b>	<b>190,982</b>	<b>219,180</b>
<b>CAPITAL PROJECTS REET2 FUND</b>					
<i>REVENUES</i>					
308 10 03 06	Beginning Balance - Reserved	24,161	37,364	37,364	49,464
318 35 00 00	Real Estate Excise Tax 2nd Qtr %	13,044	9,790	11,000	11,500
361 11 03 06	Investment Interest	159	394	150	550
<b>TOTAL REVENUES including Beginning Balance</b>		<b>37,364</b>	<b>47,549</b>	<b>48,514</b>	<b>61,514</b>
<i>EXPENDITURES</i>					
508 10 03 06	Ending Balance - Reserved	37,364	47,549	48,514	61,514
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>37,364</b>	<b>47,549</b>	<b>48,514</b>	<b>61,514</b>

City of Roy  
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Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>EQUIPMENT REPLACEMENT &amp; REPAIR FUND</b>					
<i>REVENUES</i>					
308 80 05 01	Beginning Balance - Unreserved	15,576	29,729	29,729	12,300
361 11 05 01	Investment Interest	120	124	100	100
397 18 00 01	Transfer In For Public Works Truck	1,000	750	1,000	1,000
397 21 00 01	Transfer In For Police Vehicle	12,000	0	0	0
397 34 04 02	Transfer In For Water Vehicle	1,000	750	1,000	1,000
<b>TOTAL REVENUES including Beginning Balance</b>		<b>29,695</b>	<b>31,353</b>	<b>31,829</b>	<b>14,400</b>
<i>EXPENDITURES</i>					
594 21 60 00	Capital Outlays - Police Dept	(33)	19,600	19,600	0
594 34 60 00	Capital Outlays - Water System				6,100
508 80 05 01	Ending Balance - Unreserved	29,729	11,753	12,229	8,300
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>29,695</b>	<b>31,353</b>	<b>31,829</b>	<b>14,400</b>

City of Roy  
2019 Preliminary Budget

Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>WATER OPERATIONS &amp; MAINTENANCE FUND</b>					
<i>REVENUES</i>					
308 80 04 02	Beginning Balance - Unreserved	247,846	143,639	143,639	182,700
343 40 00 00	Water Sales	241,919	148,267	323,000	235,000
343 40 00 01	Water Sales - Base, Capital	0	89,394	0	85,000
343 40 01 00	Water Sales - Tax Rate	31,815	29,652	39,921	43,635
343 41 00 00	Water Service Fees	4,736	3,780	3,500	4,700
359 34 00 00	Penalties & Late Charges	12,341	9,911	7,800	11,000
361 11 04 02	Investment Interest	876	687	350	600
369 10 00 02	Sale Of Surplus	150	0	0	0
369 40 00 01	Judgments And Settlements	367	0	0	0
<b>TOTAL REVENUES including Beginning Balance</b>		<b>540,049</b>	<b>425,330</b>	<b>518,210</b>	<b>562,635</b>
<i>EXPENDITURES</i>					
534 10 10 00	Water Admin-Salaries	26,268	0	37,725	0
534 10 10 01	Water Admin-Salaries CCT	8,019	16,207	0	17,280
534 10 10 02	Water Admin-Salaries CA	5,672	9,897	0	15,300
534 10 10 03	Water Admin-Salaries PWM	1,699	7,383	0	0
534 10 10 04	Water Admin-Salaries MR	469	826	0	2,097
534 10 10 05	Water Admin-Salaries PWC	110	223	0	0
534 10 20 00	Water Admin-Benefits	5,426	0	13,575	0
534 10 20 01	Water Admin-Benefits CCT	1,797	3,394	0	3,890
534 10 20 02	Water Admin-Benefits CA	1,283	2,149	0	3,650
534 10 20 03	Water Admin-Benefits PWM	473	2,933	0	0
534 10 20 04	Water Admin-Benefits MR	88	100	0	310
534 10 20 05	Water Admin-Benefits PWC	19	27	0	0
534 10 31 00	Water Admin/General Supplies	609	610	700	800
534 10 32 00	Water Admin - Vehicle Fuel	269	318	600	1,000
534 10 35 00	Water Admin-Small Equip	0	0	100	100
534 10 38 00	Water Admin Svcs-Repair/Maint Parts	168	11	600	600
534 10 41 00	Water Admin Svcs - BIAS, IT	3,412	3,661	4,200	4,375
534 10 42 00	Water Telephone/Postage/Internet	3,805	2,943	4,000	4,700
534 10 43 01	State B&O Utility Tax	13,766	11,864	18,252	18,288
534 10 43 02	City B&O Utility Tax	32,848	29,404	39,921	43,635
534 10 45 00	Water Copier/Meter Leases	639	352	750	750
534 10 46 00	Water Insurance-Prop/Liability	10,060	11,241	11,242	13,682
534 10 47 00	Water Admin Electricity/Water	1,399	1,046	1,550	1,550
534 10 48 00	Water Admin-Repair/Maint	885	261	800	800
534 10 49 00	Water - Memberships, Fees, Admin Training	1,714	1,296	1,825	1,650

City of Roy  
2019 Preliminary Budget

Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
534 50 10 00	Water Operations-Salaries	0	0	25,000	0
534 50 10 03	Water Operations Salaries PWM	0	0	0	35,535
534 50 10 06	Water Operations Salaries PWA	0	0	0	675
534 50 20 00	Water Operations-Benefits	0	0	9,400	0
534 50 20 03	Water Operations Benefits PWM	0	0	0	13,120
534 50 20 06	Water Operations Benefits PWA	0	0	0	100
534 50 31 00	Water Ops/Maint Supplies	3,978	1,122	6,000	3,500
534 50 32 00	Water Generator/Other Fuel	63	310	250	800
534 50 35 00	Water Ops/Maint Sm Equip	2,176	949	4,850	3,000
534 50 41 00	Water Ops/Maint Contract Svcs	18,784	5,807	7,000	2,100
534 50 42 00	Water Ops/Telephone,Internet	2,740	1,980	4,200	4,200
534 50 45 00	Water Well Site Lease	2,800	2,800	2,800	3,080
534 50 47 00	Water System Electricity	7,703	5,715	8,000	8,000
534 50 48 00	Water Ops/Maint Repairs	1,871	220	13,000	13,000
534 50 49 00	Water Operator Training	(170)	981	800	1,000
589 90 04 02	Contingency	0	0	8,000	8,000
591 34 70 00	DWSRF - Loan	31,868	0	31,869	31,869
592 34 80 00	DWSRF - Interest	2,699	0	2,098	1,496
597 34 00 64	Transfer Portion Of Care/Maint	200,000	89,394	123,750	208,700
597 34 05 01	Truck Purchase	1,000	750	1,000	1,000
508 80 04 02	Ending Balance -Unreserved	143,639	209,155	134,353	89,003
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>540,049</b>	<b>425,330</b>	<b>518,210</b>	<b>562,635</b>

City of Roy  
2019 Preliminary Budget

Account	Title	2017 Actual	9/30/18 Actual	2018 Budgeted	2019 Proposed
<b>WATER CAPITAL IMPROVEMENTS FUND</b>					
<i>REVENUES</i>					
308 80 04 05	Beginning Balance - Unreserved	188,838	376,708	376,708	489,400
333 14 21 00	Well 2 Pump/Motor CDBG Grant	147,830	0	0	0
333 97 00 39	Hazard Mitigation Grant	0	0	412,500	337,500
361 11 04 05	Investment Interest	1,424	3,818	2,000	6,000
361 41 00 00	Interest Inter-fund Loan	0	173	94	160
381 20 00 21	PD Vehicle Interfund Loan Principal	0	5,827	10,906	13,340
397 34 00 64	Transfer Portion Care/Maint	200,000	89,394	123,750	208,700
<b>TOTAL REVENUES including Beginning Balance</b>		<b>538,092</b>	<b>475,919</b>	<b>925,958</b>	<b>1,055,100</b>
<i>EXPENDITURES</i>					
534 50 41 05	Water Plan - Prof Services	9,181	746	30,000	0
581 10 00 21	Interfund Loan For PD Vehicle	0	22,581	21,950	0
594 34 60 00	Capital Outlays - Water System	0	0	80,000	60,000
594 34 64 00	Well 2 Pump/Motor Repl Grant Exp	147,830	0	0	0
594 34 64 01	Well 2 Pump/Motor Non-Grant Expenditures	4,373	0	0	0
594 34 60 39	Capital Outlays - Seismic Retrofit	0	0	500,000	425,000
508 80 04 05	Ending Balance - Unreserved	376,708	452,592	294,008	570,100
<b>TOTAL EXPENDITURES including Ending Balance</b>		<b>538,092</b>	<b>475,919</b>	<b>925,958</b>	<b>1,055,100</b>



## SALARY SCHEDULE 2019 Preliminary Budget

CLASSIFICATION	SALARY / WAGE RANGES
Judge (0.02 FTE)	\$11,040 annual
Bailiff (0.07 FTE)	\$18.59 - \$21.56 hour
Court Clerk Administrator (0.55 FTE)	\$19.17 - \$22.21 hour
*City Clerk-Treasurer (1.00 FTE)	\$50,107 - \$58,095 annual
*Assistant Clerk (1.00 FTE)	\$16.55 - \$19.18 hour
*Public Works Director (1.00 FTE)	\$25.06 - \$29.05 hour
Public Works (Meter Reader) (0.07 FTE)	\$13.83 - \$16.03 hour
*Public Works Assistant (0.40 FTE)	\$19.00 - \$22.03 hour
Chief of Police (1.00 FTE)	\$71,760 - \$76,153 annual
Police Officer (1.00 FTE)	\$30.00 - \$35.48 hour
MAYOR / COUNCIL	SALARY (annual) / STIPEND
Mayor	\$9,600 annual
Council and Recorder	\$25 per meeting, 2 per month maximum
CITY PAID BENEFITS	EMPLOYEE CLASS
Family Medical 85% city-paid	Full-time, prorated regular part-time
Employee Dental \$53.65 monthly premium	Full-time, prorated regular part-time
Employee Vision \$7.96 monthly premium	Full-time, prorated regular part-time
ComPsych EAP \$1.49 monthly premium (included with any other health premium)	Full-time, prorated regular part-time, mayor, council
Contributions to PERS II, PERS III (12.83%) or LEOFF II (5.43%) retirement plans as required by state	As required according to position, typically if working more than 70 hours per month

\*Distribution of payroll and benefits to multiple funds as follows:

City Clerk-Treasurer budget 70% to 001-General Fund, 30% to 402-Water Operations & Maintenance Fund  
Assistant Clerk budget 48% to 001-General Fund, 52% to 402-Water Operations & Maintenance Fund  
Public Works Director budget 22% to 001-General Fund/Central Services, 4% to 001-General Fund/Park,  
9% to 101-Street Fund, 65% to 402-Water Operations and Maintenance Fund  
Public Works Assistant budget 57% to 001-General Fund/Central Services, 13% to 001-General Fund/Park,  
26% to 101-Street Fund, 4% to 402-Water Operations and Maintenance Fund