

2021 BUDGET



**CITY OF WENATCHEE
WASHINGTON**

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Budget Overview

The 2021 budget was formally adopted by Wenatchee City Council Ordinance 2020-31. This budget document provides additional detail to the ordinance. It is used as a financial management tool and as a method of communicating the financial picture of the City of Wenatchee.

Municipal budgets often focus on the General Fund because it is the chief operating fund. The first section of this budget document focuses on the City's General Fund, starting with a budget summary and then highlighting each department. In addition to the General Fund, the City has many other funds, which include streets, utilities, housing, tourism, and capital projects. The pages following the General Fund section describe each stand-alone fund. These funds are supported by specific revenue sources or by transfers-in from the General or other funds.

The last section of the budget document presents the City's capital budget. These are typically large projects that span multiple years. Funding for these projects can come from multiple funds. Besides being listed separately in the capital section, the expenses anticipated for 2021 capital projects have been built into the individual fund budgets.

COVID Impact

In March of 2020, a stay-at-home order was implemented by the Governor in response to the COVID-19 pandemic. As people stayed home and businesses closed, a recession developed and declines in revenues impacted the City's budget. In the General Fund, annual revenues are expected to fall short by \$1 million in 2020. Other revenues outside the General Fund, such as lodging tax and gas taxes, are also falling short. As the stay-at-home order has been relaxed and 2020 comes to a close, it appears many of these revenues are showing signs of recovery. Much of the 2021 budget has been compiled with the assumption that the economy will get back to 95% of what it was in 2019 (with the exception of lodging taxes). There are many unknowns, and as with any budget, the 2021 budget is the City's best estimate of what revenues and expenses will look like.

2021 Budget Priorities

The City has several budget priorities outlined for the development of the 2021 budget. These goals are developed by the Mayor, Council, Finance Committee, and department directors.

1. The City should develop a budget that maintains a 20 - 25% fund balance in the General Fund. This excludes the resources available in the Rainy Day fund.
2. Recurring expenses and recurring revenues in the General Fund are typically budgeted to balance, per City financial policy. To ensure a continuous level of service into future years, the city should not balance its budget on one-time revenues. The 2021 budget is an exception. Since the City believes the current recession will recover, it is temporarily balancing the 2021 budget using a small amount of reserves.
3. Ensure each fund is charged accurately for services and staffing that are charged across multiple funds. There are many functions of the City that serve multiple funds. Utility funds should only pay for staff and services that benefit the utility funds, and the General Fund should only pay for staff and services that are not attributable to utilities.
4. Finance economic development initiatives across the City without reducing the current level of service. Several large projects are being implemented. This requires a certain level of investment from various City funds. It is important to ensure these projects can be completed without cutting into resources needed for day-to-day operations.

Financial Policy

The City of Wenatchee has adopted extensive financial policies. The detailed financial policies and goals can be found in City's Financial Management Policies document, adopted by Resolution 2019-04.

There are four principal financial goals detailed in the City's financial policies:

1. Ensure delivery of an adequate level of municipal services by relying on ongoing resources and by maintaining an adequate financial base to withstand changes in volatile revenue sources.
2. Ensure that the City is in a position to respond to changes in the economy or new service requirements without an undue amount of financial stress.
3. Maintain a good credit rating in the financial community and assure taxpayers that City Government is well managed financially and maintained in sound fiscal condition.
4. Maintain City facilities, infrastructure, equipment and fleets in a well-planned and efficient manner to minimize unexpected and preventable expenditures.

The City has a standing Finance Committee that meets at least monthly. The committee members are: Mayor, three Councilmembers, Finance Director, and Executive Services Director. The Finance Committee reviews the budget, quarterly financial updates, personnel increases, grant agreements with extended commitments and unbudgeted match requirements, all forms of debt commitments and contracts and other items as they occur.

Budget Process

The 2021 Budget was created from a group effort of the City Council, Mayor, Finance Committee, directors, staff, and Finance Department. In early summer, the Finance Department estimates salaries and benefits position-by-position. For 2021, the city budgeted a salary adjustment of 1.75%, retirement rates had minimal increases and medical premiums were budgeted for an increase of 1% to 7% depending on the plan. Supplies, services, contracts, and other obligations are also updated. At this point in the budget process, all one-time and capital projects are removed from the budget to focus on the operating budget. The Finance Department also analyzes and projects revenues for the upcoming year.

Early in September, department directors provide their operating budget requests, capital project budgets, and any other significant changes to be reviewed by the Finance Committee. The Finance Committee makes recommendations on which budget requests should be included. They must take into consideration whether or not the expenses are recurring or non-recurring, as the recurring expenses and revenues are required to balance. These recommendations are incorporated into the preliminary budget and presented to City Council in October.

During October, final adjustments are made to ensure the funds balance and the budget is accurate. It is further reviewed by Finance Committee and then presented to the City Council for adoption in mid-November.

ELECTED OFFICIALS

Frank Kuntz	Mayor	December 31, 2023
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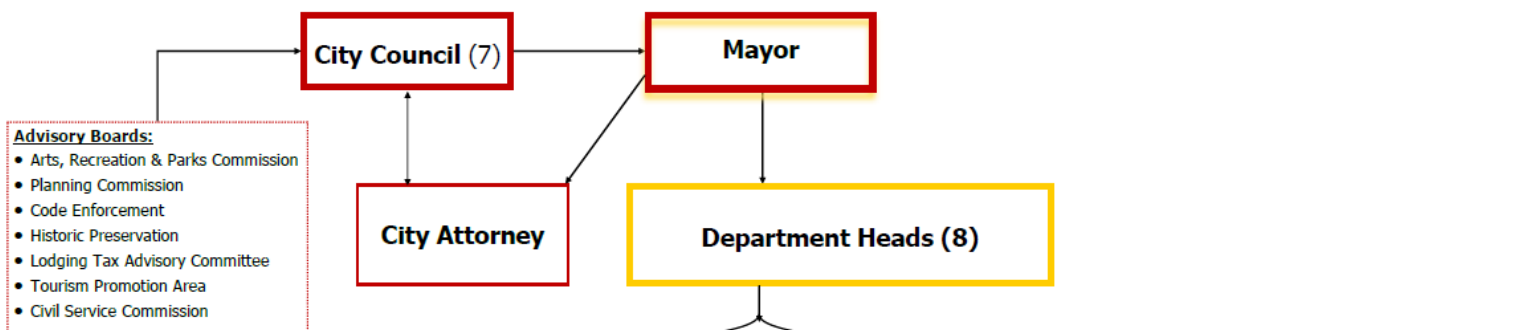
City Council

Jose Luis Cuevas	District 1	December 31, 2023
Jim Bailey	District 2	December 31, 2021
Ruth Esparza	District 3	December 31, 2021
Travis Hornby	District 4	December 31, 2023
Mark Kulaas	District 5	December 31, 2023
Linda Herald	At-Large "A"	December 31, 2023
Keith Huffaker	At-Large "B"	December 31, 2021

DEPARTMENT DIRECTORS

Laura Merrill	Executive Services Director
Brad Posenjak	Finance Director
Dale Cantrell	Information Systems Director
David Erickson	Parks, Recreation and Cultural Services Director
Glen DeVries	Community Development Director
Kari Page	Human Resources Director
Rob Jammerman	Public Works Director
Steve Crown	Police Chief
Steve Smith	City Attorney

CITY OF WENATCHEE ORGANIZATIONAL CHART



Community Development Director	Executive Services Director	Finance Director	Human Resources Director	Information Systems Director	Parks/Rec/Cultural Svcs Director	Police Chief	Public Works Director	
17	3	10	1	4	16	54	71	
<ul style="list-style-type: none"> • Admin Assistant (1) <u>Planning</u> • Planning Manager (1) • Senior Planner (2) • Assoc Planner (1) • Neighborhood & Community Svcs Coordinator (1) • Housing Program Coordinator (2) <u>Building</u> • Building/Fire Official (1) • Plans Examiner (1) • Code Compliance Officer (1) • CCO/Bldg Inspect (1) • Bldg/Fire Inspect (1) • Building Inspector (1) • Public Svc Supv (1) • Code Enforcement Coord (1) • Permit Specialist (1) 	<ul style="list-style-type: none"> • Admin Assistant(1) • City Clerk (1) • Dev Project Manager (1) 	<ul style="list-style-type: none"> • Asst Finance Director (1) • Accountant (1) • Accounting Technician (2) • Accounting Supervisor (1) • Utility Billing Specialist - Senior (1) • Utility Billing Specialist (2) • Utility Billing Assistant (2) 	<ul style="list-style-type: none"> • Human Resources Coordinator (1) 	<ul style="list-style-type: none"> • Network Admin (1) • Network Specialist (1) • IS Support Technician (2) 	<ul style="list-style-type: none"> • Admin Asst (1) • Capital Projects Manager (1) • Recreation Supervisor (1) • Recreation Coordinator (2) • Parks Maint Supervisor (1) • MWII-Parks (5) • MWII-Parks (Cemetery) (2) • Inmate Trustee Coordinator (1) • MWI-Parks (2) 	<ul style="list-style-type: none"> • Captains (2) • Accreditation/Administration Coordinator (1) • Sergeants (6) • Corporals (4) • Officers (30) • Tech Services Specialist (1) • Records Supervisor (1) • Records Specialist (8) • Parking Control Officer (1) 	<ul style="list-style-type: none"> • Admin Assistant (1) <u>Engineering</u> • City Engineer (1) • Services Manager(1) • Eng Tech - (1) Sr (2) • Development Review Engineer (1) • Project Engineer (4) • Staff Engineer (1) • T/L Tech (1) Sr (1) • Financial Analyst (1) <u>Operations</u> • Operations Manager (1) • Street Maint Supv (1) • MWII-Streets (9) • Fleet Supervisor (1) • Fleet Specialist (1) • Mechanic (3) • Lube Tech (1) • Facilities Manager (1) • Facilities Maint Tech (4) 	<ul style="list-style-type: none"> <u>Utilities</u> • Deputy Director - Utilities (1) • Utilities Assistant Manager (1) • GIS Manager (1) Analyst (1) • Sr Utilities Engineer (1) • Water Resource Utility Planner (1) • Water Quality Spec (1) • Stormwater Tech (1) • CCC Specialist (1) • Water Dist. Supv (1) • CS/Permit Specialist (1) • UW-Water (5) • MW1-Water Seasonal (2) • Water Svc Specialist (1) • Reg Water Op (1) Sr (1) • Wastewater Supv (1) • WWTP Maint Tech (2) • WWTP Operator (3) • WWTP OIT (1) • WWTP Lab Tech (1) • SS Collections Supervisor (1) • UW-Storm/Sewer (4)

2021 Budget Ordinance 2020-31

Exhibit A

Fund	Fund No.	Estimated Beginning Balance	Budgeted Revenues	Budgeted Expenses	Estimated Ending Balance
General	001	7,500,000	27,584,170	28,268,750	6,815,420
Rainy Day	005	1,560,000	15,000	-	1,575,000
Public Arts	101	250,000	32,500	7,000	275,500
PFD .2% Sales Tax	102	-	2,600,000	2,600,000	-
Paths and Trails	103	22,000	3,200	20,000	5,200
Tourism Promotion Area	104	50,000	375,500	345,250	80,250
Hotel/Motel Tax - Capital Outlay	105	-	300,000	300,000	-
Convention Center	106	200,000	1,002,500	971,200	231,300
Hotel/Motel - Tourism	107	220,000	602,000	600,000	222,000
Street Maintenance	108	1,500,000	3,634,100	3,696,440	1,437,660
Arterial Streets	109	700,000	6,296,340	6,840,540	155,800
LEOFF 1 Long-Term Care	110	580,000	7,500	187,000	400,500
Street Overlay	111	100,000	582,000	235,900	446,100
Impact Fees	112	40,000	200	-	40,200
Low Income Housing	113	70,000	111,000	56,710	124,290
Community Center	114	100,000	8,500	45,090	63,410
CDBG Entitlement	115	35,000	465,090	500,090	-
LEOFF 1 Retiree Health Insurance	116	390,000	245,000	316,000	319,000
Homeless Housing	117	400,000	2,508,160	2,663,220	244,940
Abatement	118	100,000	13,100	40,000	73,100
Transportation Benefit District	119	600,000	601,000	-	1,201,000
Police Station UTGO Bonds	201	-	327,830	326,040	1,790
LID 2010-01 Poplar Sewer	203	-	3,630	-	3,630
LID Guaranty	204	140,000	500	-	140,500
Councilmanic LTGO Bonds	205	5,000	1,704,220	1,702,570	6,650
Riverside Drive LID #2008-1	207	-	29,690	29,690	-
REET Capital Projects	301	300,000	588,000	221,250	666,750
Parks & Recreation Capital Projects	302	80,000	4,107,490	4,106,990	80,500
Economic Development Projects	304	(4,000,000)	8,701,500	4,701,500	-
Local Revitalization Financing	307	3,500,000	565,000	982,300	3,082,700
New City Hall Remodel	308	9,000,000	20,000	7,500,000	1,520,000
Foothills Streets	309	1,800,000	4,000	1,274,600	529,400
Water Utility	401	750,000	5,914,500	6,368,250	296,250
Sewer Utility	405	8,000,000	9,580,000	15,012,800	2,567,200
Storm Drain Utility	410	3,000,000	4,283,090	5,356,970	1,926,120
Regional Water	415	3,900,000	1,906,000	1,194,020	4,611,980
Solid Waste Utility	420	150,000	2,500	10,000	142,500
Cemetery	430	70,000	406,900	465,520	11,380
Equipment Rental O&M	501	450,000	1,101,150	1,182,480	368,670
Self Insurance	502	1,520,000	1,270,000	1,296,870	1,493,130
Equipment Rental Replacement	503	4,000,000	850,860	1,189,000	3,661,860
Facilities Maintenance	504	800,000	1,302,700	1,350,210	752,490
Information Systems	505	340,000	1,422,260	1,633,440	128,820
Cemetery Endowment	610	1,210,000	28,000	-	1,238,000
Firemen's Pension	611	1,300,000	39,000	159,500	1,179,500
Total Annual Appropriation		50,732,000	91,145,680	103,757,190	38,120,490

GENERAL FUND

Summary

The General Fund is the principal governmental fund of the City and is used to account for all revenues and expenditures which are not accounted for in any other fund. The City monitors the General Fund budget based on recurring versus non-recurring expenses to analyze the ongoing cost of operations. For the financial sustainability of the City, recurring expenses should not be balanced with non-recurring revenues.

The 2021 budget is presented with approximately 83% of General Fund's recurring revenues coming from property taxes, sales taxes and utility taxes. Recurring revenues of the General Fund pay for the ongoing services provided to the citizens of Wenatchee. Salary and benefits are 52% of the General Fund's recurring expenditures.

The General Fund provides the following ongoing services:

- Public safety includes police, jail, prosecution and defense of individuals in Wenatchee's legal system, animal control and police and fire retiree medical. Public Safety is almost 50% of the General Fund's recurring expenditures.
- Community Services includes building safety, planning, engineering, and economic development and are 13% of the General Fund's recurring expenditures.
- Recreation Services includes recreation programs, swimming pool, park ground maintenance, museum and library support and are 11% of the General Fund's recurring expenditures.
- Administration provides general services to city departments and citizens and includes functions such as city council, mayor, executive services, public information, city clerk, human resources, finance, city attorney, building maintenance, property liability insurance for all General Fund services and departments, debt service, cemetery operations support, and Community Center support.

Noteworthy General Fund budget matters:

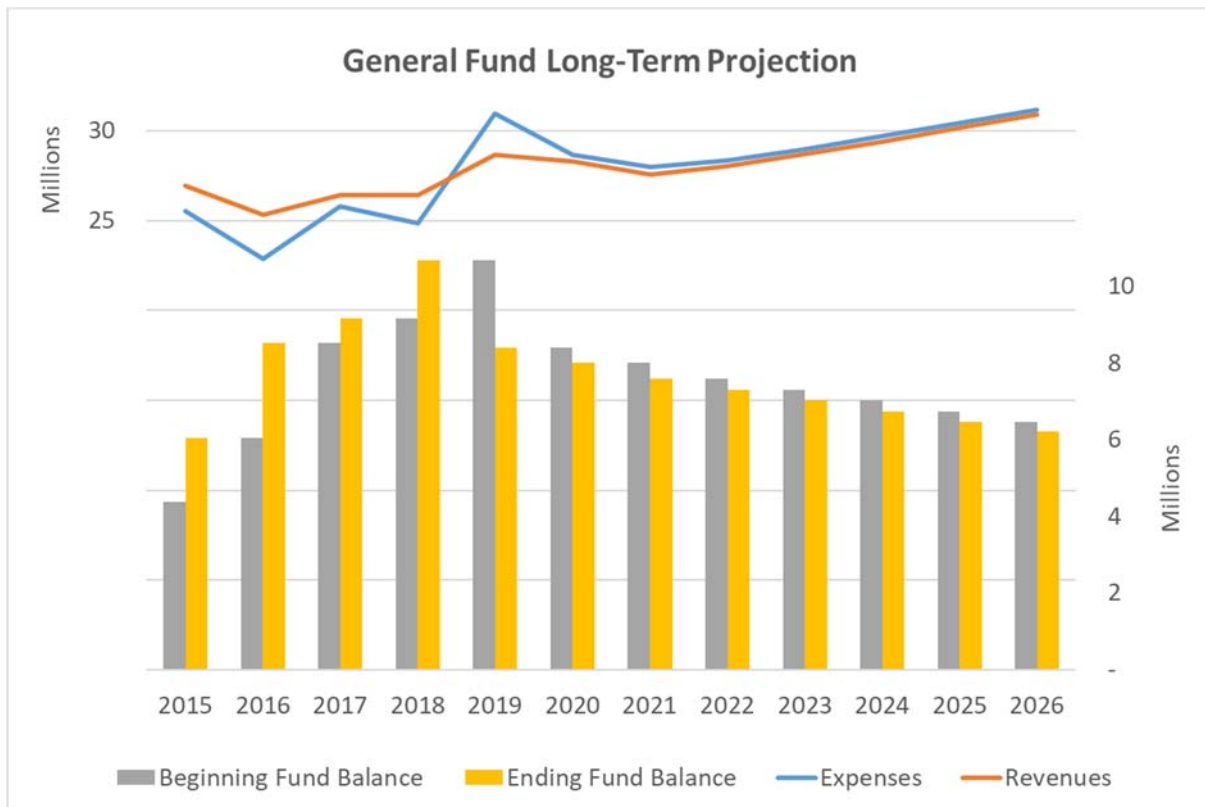
- The COVID pandemic recession has reduced several revenue categories that were on consistent year-over-year growth patterns. Sales tax, building permits, business licenses, and court fines have all been reduced from where they were in prior years.
- Property tax was increased by 2.5% to due to the regular 1% levy increase, plus new construction.
- Utility taxes continue to increase due to recent increases in water, sewer, and storm drain utility charges.
- In accordance with the City financial policies, recurring expenses are expected to balance with recurring revenues. However, the 2021 budget was adopted out of balance, allowing the healthy reserve to absorb some of the impact of the recession. Since the economy is expected to stabilize next year, the 2022 budget is expected to balance.
- When the 2020 budget was put together, it was expected that a \$300,000 healthcare B&O tax would be implemented. The B&O tax was not implemented or collected, and was removed from the 2021 budget.
- Non-recurring expenses have been budgeted slightly larger than non-recurring revenues. As history has shown, it is not likely that all of the non-recurring expenses will be incurred during 2021.
- One-time General Fund requests are detailed with the Non-Recurring (department 023) expenses at the end of the General Fund section in this budget document.

Long-term Projection

The purpose of projecting the General Fund five years ahead helps to analyze what commitments the City will be able to make. The 2020 COVID pandemic appears to be having mild effects on the City’s revenues and expenses. The chart below estimates that 2020 and 2021 will experience a small dip in both revenues and expenses, but should start growing again in 2022. Prior to the COVID pandemic, most economists were predicting an economic slowdown beginning in 2021.

The projection below is based on several assumptions:

- Property taxes and sales taxes will continue to grow at a modest 2.5% per year
- Utility taxes will grow at 4% per year due to the future planned increases in the water, sewer and storm drain utilities
- One-time construction-related sales tax and building permit revenues will decrease in each of the next 5 years as the housing and construction industry could slow
- All other revenues will grow at a modest 2% per year
- Expenses will generally increase by 2.5% per year overall
- Non-recurring expense will be limited to the amount of budgeted non-recurring revenues.



In years 2015 through 2018, the fund balance (grey and yellow) climbed to a high point of \$10,678,130 at the end of 2018. The 2019 and 2020 budgets were designed to spend some of the fund balance, which is why the blue expense line shows a sharp uptick in 2019. During 2020, the COVID pandemic hit some of the planned one-time items were not completed. Combined with decreases in revenues, the 2020 budget is not expected to be hit as hard as it otherwise could have been. The further out the projection goes, the less certain the figures. If the above projection plays out as expected, the City will need to be cognizant of the commitments it makes. A simple tightening of expenses, or revenues exceeding expectations, will keep the General Fund on a healthy path forward.

General Fund Revenue and Expense Summary

Revenues	2017	2018	2019	2020	2021	20/21
	Actual	Actual	Actual	Budget	Budget	Change
Property tax	3,193,051	3,337,247	3,638,106	4,176,890	4,305,410	3.1%
Sales tax - recurring	9,010,844	9,526,946	9,714,332	9,600,000	9,500,000	-1.0%
Sales tax - one time	626,000	788,846	679,103	650,000	650,000	0.0%
Criminal justice sales tax	835,121	903,387	919,620	900,000	900,000	0.0%
Healthcare B&O Tax	-	-	-	300,000	-	-100.0%
Utility tax	6,551,469	6,696,958	6,886,486	7,234,240	7,319,240	1.2%
Other tax	264,832	287,083	255,595	275,000	235,000	-14.5%
Building/planning permits	783,250	749,851	848,065	758,000	590,000	-22.2%
Licenses	283,852	288,098	279,836	319,000	282,000	-11.6%
Intergovernmental	351,229	187,463	292,241	195,400	227,600	16.5%
Grants - one-time	570,514	229,781	337,316	72,400	29,000	-59.9%
Liquor/Marijuana excise tax	450,120	457,676	550,980	549,400	558,000	1.6%
Interfund charges for services	1,365,279	1,095,399	1,158,876	1,023,180	1,175,160	14.9%
Recreation services	103,036	98,998	124,473	113,800	105,000	-7.7%
Other charges for services	216,255	354,456	404,643	368,600	373,000	1.2%
Court fines & penalties	1,030,478	956,497	1,030,317	982,000	991,500	1.0%
Utility payment in lieu of tax	257,650	233,300	250,500	241,300	262,100	8.6%
Miscellaneous - recurring	99,482	160,327	175,057	151,920	81,160	-46.6%
Miscellaneous - one time	446,515	39,130	1,085,519	17,000	-	-100.0%
	26,438,974	26,391,443	28,631,065	27,928,130	27,584,170	-1.2%

Expenses	2017	2018	2019	2020	2021	20/21
	Actual	Actual	Actual	Budget	Budget	Change
Defender/Court/Jail	3,256,093	2,929,472	2,870,822	3,561,460	3,222,630	-9.5%
Human Resources	253,921	280,586	283,629	308,820	317,170	2.7%
Community & Building Safety	859,041	923,319	1,001,319	1,060,940	1,049,830	-1.0%
Mayor/Council	690,275	738,489	737,094	764,310	773,900	1.3%
Civil Service	13,592	12,727	14,963	15,540	15,620	0.5%
Engineering	1,007,563	1,085,889	1,319,988	1,266,840	1,254,060	-1.0%
Economic Development	-	177,304	272,748	336,580	163,170	-51.5%
Finance	838,523	761,900	797,696	808,000	841,560	4.2%
Legal	424,011	424,323	475,898	520,000	525,200	1.0%
Planning & Development	809,532	943,821	1,017,015	1,085,940	1,125,390	3.6%
Parks & Recreation	749,308	807,973	928,031	977,140	1,048,520	7.3%
Museum	407,778	404,095	403,966	452,690	448,040	-1.0%
Police	7,169,336	7,781,530	8,211,489	9,073,950	9,356,930	3.1%
Other Administration	4,291,867	4,932,453	4,978,515	5,519,400	5,824,300	5.5%
Parks Ground Maintenance	1,157,465	1,245,412	1,275,727	1,415,270	1,382,500	-2.3%
Non-Recurring	3,868,597	1,419,574	6,339,481	2,759,170	919,930	-66.7%
	25,796,901	24,868,867	30,928,381	29,926,050	28,268,750	-5.5%

Net Income	642,074	1,522,576	(2,297,316)	(1,997,920)	(684,580)	
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Recurring Budget	2017	2018	2019	2020	2021	20/21
	Actual	Actual	Actual	Budget	Budget	Change
Recurring revenues	24,795,946	25,333,686	26,529,126	27,188,730	26,905,170	-1.0%
Recurring expenses	21,928,303	23,271,990	24,316,152	27,166,880	27,348,820	0.7%
Net recurring budget	2,867,643	2,061,697	2,212,974	21,850	(443,650)	

Defender/Court/Jail**Department 005**

The City of Wenatchee has expenditures related to public safety that are not included in the Police Department budget. Chelan County District Court provides court services by interlocal agreement. The agreement provides for the filing and processing of a number of city infractions and misdemeanors including traffic and non-traffic, photo enforcement, parking, and delinquent tickets. For indigent defense services, the City contracts with private attorneys.

The Chelan County Regional Jail provides inmate housing by interlocal agreement. The City pays a daily rate to the County based on the number of inmates housed per day. Inmate numbers are tracked on a monthly basis and the City budgets to accommodate historical numbers.

Rivercom is the multijurisdictional agency that provides 911 service and dispatch for the Chelan-Douglas County area. The cost of Rivercom is set annually and the per call assessment is based on the call volume of the prior year (July to June).

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
District Court Service	237,524	234,281	300,538	362,800	362,800	0.0%
Public Defender	637,299	561,373	556,340	597,500	611,880	2.4%
Regional Justice Ctr.	1,506,911	1,235,747	1,158,106	1,745,320	1,530,000	-12.3%
Rivercom	874,359	898,071	855,838	855,840	717,950	-16.1%
Total Expenses	3,256,093	2,929,472	2,870,822	3,561,460	3,222,630	-9.5%

2021 Budget Notes: The jail contract is being renegotiated for the 2021 budget year and final numbers are not set. Jail costs for 2020 are expected to be well below \$1 million. The amount budgeted for 2021 is an estimate. The Rivercom charge actually decreased in 2020, but was adopted too late to be incorporated into the 2020 budget document.

Human Resources**Department 007**

The Human Resources (HR) Department mission is to provide quality, customer focused internal and external services to increase the City's effectiveness by attracting, developing, motivating and retaining a diverse workforce within a positive and supportive work environment. Organizational development strategies are geared toward managing with heart and mind, building and maintaining a culture of excellence and positioning the City as an employer of choice. Key functions of the HR Department include: Recruitment, Onboarding and Retention; Leadership Development; Compensation and Benefits; Legal Compliance and Risk Management; Safety; Employee Relations; Labor Relations; Employee Development and Performance Management.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	216,044	223,055	236,618	253,130	262,790	3.8%
Supplies & Services	37,877	57,531	47,011	55,690	54,380	-2.4%
Total Expenses	253,921	280,586	283,629	308,820	317,170	2.7%
Staffing FTE	2.0	2.0	2.0	2.0	2.0	

Community & Building Safety

Department 008

The Community & Building Safety Division’s mission is to protect the citizens and visitors of Wenatchee by effectively and efficiently administering state and local code provisions which provide minimum standards to safeguard life, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings, structures and properties within our jurisdiction. This is accomplished through fair and consistent enforcement of these regulations.

The Division provides four distinct services to the citizens of Wenatchee: Permit Services (front counter), Plan Review, Inspection Services and Code Enforcement. Permit Services staff the front

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	720,598	793,690	831,776	905,900	896,950	-1.0%
Supplies & Services	138,443	129,628	169,543	155,040	152,880	-1.4%
Total Expenses	859,041	923,319	1,001,319	1,060,940	1,049,830	-1.0%
Staffing FTE	7.7	7.6	7.9	7.9	7.6	

counter, field building, development and code enforcement related inquiries, accept permit applications, calculate and collect permit and development fees and issue permits. Plan Review staff is responsible for reviewing plans for new residential, commercial, and industrial construction, non-residential tenant improvements and home improvements. Inspection Services staff spend most of their time in the field conducting inspections of projects under construction to verify compliance with Building, Plumbing, Fire and Mechanical Codes, and also confirm that projects are being built according to the approved plans. Code Compliance activity encompasses broad issues such as inoperable vehicles, poor property maintenance, garbage and debris accumulation and substandard housing conditions.

2021 Budget Notes: Decreases are due to shifting positions and a reduction in equipment rental rates. Additional budget for a plan review consultant was added to the Community & Building Safety recurring budget.

Mayor/Council

Department 009

The Mayor’s Office/Department is staffed by the Mayor, Executive Services Director and City Clerk. Under the Mayor/Council form of government, the Mayor is the official and ceremonial head of the City. He serves as the chief executive officer and is charged with the responsibility of ensuring that all policies, laws and ordinances enacted by the Council are carried out. The Mayor also manages the day to day operations of the City. The Mayor, in coordination with the Finance Department, is responsible for the creation and presentation of the City’s annual operating and capital budgets.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	494,514	522,813	557,538	591,300	600,900	1.6%
Supplies & Services	195,761	215,676	179,555	173,010	173,000	0.0%
Total Expenses	690,275	738,489	737,094	764,310	773,900	1.3%
Staffing FTE	3.0	3.0	4.0	4.0	4.0	

The City Council is comprised of seven members who have been elected at large until 2018. In 2018, after a lengthy public involvement process, the City Council

moved to a system of electing Council members by District. In 2019, the first elections by District will take place. The Council is responsible for establishing and prioritizing levels of service for all City operations and for the adoption of the City’s annual operating plan and capital budgets. Council members and the Mayor represent the city in serving on various community boards and councils, including three City Council committees: Finance, Public Safety and Public Works/Economic Development.

The Mayor’s office is the lead for local, state and federal legislative advocacy, media relations and provides staff to the Lodging Tax Advisory Committee, Tourism Promotion Area Board and ad hoc committees as designated by the City Council. The City Clerk is the Public Records Officer for the City.

Civil Service

Department 010

The Civil Service Commission (CSC) is made up of three volunteer city residents appointed by the Mayor. They are governed under Chapter 41.08 and 41.12 of the RCW's. They are an independent entity representing the interest of all civil service employees (in our case within the Wenatchee Police Department). They are responsible for hiring a Secretary-Examiner to act as their records keeper, etc. Their main functions are to authorize and oversee entry level and promotion exams insuring fair practices are used.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Total Expenses	13,592	12,727	14,963	15,540	15,620	0.5%

Engineering

Department 011

Engineering provides technical services to the public, developers, and other City Departments. Engineering is responsible for right of way management, traffic engineering, infrastructure management, infrastructure comprehensive planning, design and construction of most City capital projects; development project review and permitting; provides engineering services to all City departments; responds to various questions and complaints received via Government Outreach, telephone, e-mail, and walk-ins; obtains grants and low interest loan funding from Federal and State sources; assists in regional transportation planning and coordination; provides GIS mapping/data support for utilities, environmental, planning, cemetery, police, parks and recreation.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	894,651	908,828	1,114,671	1,056,020	1,052,880	-0.3%
Supplies & Services	112,912	177,061	205,317	210,820	201,180	-4.6%
Total Expenses	1,007,563	1,085,889	1,319,988	1,266,840	1,254,060	-1.0%
Staffing FTE	8.1	8.4	9.5	8.3	7.9	

2021 Budget Notes: Salaries & benefits decreased due to the removal of a portion of the Public Works Business Manager position. Decreases in supplies & services are due to decreased information systems and equipment rental rates.

Economic Development

Department 012

The Economic Development Department engages in activities that support economic growth in the City. This economic growth is necessary to provide tax revenue to pay for key public services. Growth in tax revenue from economic growth reduces the need to raise taxes to provide services. The objective of the department is to recognize that private business requires key public services such as education and streets. Likewise, governmental revenues necessary to provide those services rely on the success of private business. The department strives to support balances in this relationship by focusing on economic investments that generate the greatest returns and address the most pressing issues for the city. For example, the city is currently suffering from a housing shortage, thus the department is focusing on developing strategies to incent the construction of new housing units. The Department is also currently focused on North Wenatchee redevelopment, Confluence Parkway funding, Downtown Housing, South

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	-	157,303	233,378	292,900	126,570	-56.8%
Supplies & Services	-	20,001	39,370	43,680	36,600	-16.2%
Total Expenses	-	177,304	272,748	336,580	163,170	-51.5%
Staffing FTE	1.0	1.0	1.0	2.0	1.0	

Wenatchee Plan implementation, Our Valley Our Future regional planning, Federal Building repurposing, Hotel Development, Waterfront redevelopment, Local Revitalization investments, and sale or lease of city properties among others. The Department focuses on encouraging redevelopment in the areas that need support.

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2021 Budget Notes: During 2020, the Economic Development Director position was vacated and was removed from the 2021 budget. This also effected the supplies and services budget related to information systems rates.

Finance

Department 013

The Finance Department assists the Mayor, Council, City staff in financial planning, budgeting, reporting and overall stewardship of the City’s resources. Finance also serves City utility customers in the billing and receipting of water, sewer and storm water utility services.

The Finance Department is responsible for the administration, coordination, supervision and control of the Cities financial activities. The department performs the following activities in compliance with acceptable accounting practices and state, federal, local and contractual guidelines: accounts receivable/payable, payroll, annual budget preparation, annual financial statement reporting, cash management, internal control, utility billing & collection, local improvement district billing, tracking and reporting on expenses and revenues, managing financial software, and coordinating the annual state audit.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	700,718	609,218	639,857	649,460	670,050	3.2%
Supplies & Services	137,805	152,682	157,840	158,540	171,510	8.2%
Total Expenses	838,523	761,900	797,696	808,000	841,560	4.2%
Staffing FTE	5.4	5.5	5.6	5.4	5.4	

The staff and services expenses related to utility billing and collection are charged directly to the utility funds and are not included in the General Fund budget.

2021 Budget Notes: Supplies and services increased due to higher State Audit costs.

Legal

Department 014

The City contracts with Davis Arneil Law Firm, LLP for City Attorney and Prosecution services. The contract is a flat amount to provide all legal services required by the city.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Total Expenses	424,011	424,323	475,898	520,000	525,200	1.0%

Community Development & Planning

Department 015

The Community Development Department includes two divisions, the Planning Division and the Community & Building Safety Division. These divisions provide a wide variety of services to the community and include multiple fund sources.

The Planning Division handles all current and long range planning, historic preservation, neighborhood planning, and oversees low income and homeless funding programs. Staff works with the Planning Commission and City Council on an ongoing basis to develop, monitor and update policies, codes, and neighborhood programs to be relevant to changing community needs. Planning staff coordinate land use and environmental permitting and review. The division strives to implement city policies and development regulations in a fair, efficient and customer oriented manner for applicants and the general public.

The City’s planning staff also administers the City’s Low Income and Housing Fund (see fund 113), Community Development Block Grant Program (see fund 115), and the Chelan and Douglas Counties Homeless and Low Income Housing Program (see fund 117).

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	667,777	812,080	875,196	929,610	977,960	5.2%
Supplies & Services	141,755	131,742	141,819	156,330	147,430	-5.7%
Total Expenses	809,532	943,821	1,017,015	1,085,940	1,125,390	3.6%
Staffing FTE	7.1	7.5	8.1	8.1	8.3	

2021 Budget Notes: Salaries increases slightly due to the approval of a position reclassification. Supplies and services reduced due to a reduction in equipment rental rates as well as shifting some budget authority to the Community & Building Safety department (008).

Parks, Recreation & Cultural Services**Department 016**

The mission of the Parks, Recreation and Cultural Services Department is to build a great community through its people, parks, and programs. This includes a commitment to managing and expanding the community's arts, recreation, parks and natural resources to support the City's vitality. The outcome is a consistent effort to create a great community—one that is vibrant, healthy, and strong.

The department has three primary goals. The first is to offer high quality recreation programs and events. These programs emphasize fun, safety, physical fitness, community building, skill development and life enrichment for all ages, interests and abilities. The second goal is to plan, acquire, develop and maintain a high-quality park system for residents and visitors as defined in the Parks, Recreation and Open Space Comprehensive Plan. The third goal is to promote and encourage the development, awareness and interest in the visual and performing arts in connection with the artistic and cultural development of the City of Wenatchee.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	572,734	650,447	751,147	775,060	859,820	10.9%
Supplies & Services	176,575	157,526	176,884	202,080	188,700	-6.6%
Total Expenses	749,308	807,973	928,031	977,140	1,048,520	7.3%
Staffing FTE	4.0	4.0	5.0	4.9	5.6	

2021 Budget Notes: Salaries and benefits increased due to shifting Community Center (fund 114) staff costs back to the Parks, Recreation & Cultural Services budget. Decreases to supplies and services are primarily due to a reduction in equipment rental rates.

Museum**Department 017**

The operation of the Wenatchee Valley Museum and Cultural Center was turned over to the Wenatchee Valley Museum and Cultural Center Association in 2014. The City owns and maintains the property, and provides additional financial support to the Association through a contract for services.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Total Expenses	407,778	404,095	403,966	452,690	448,040	-1.0%

2021 Budget Notes: The decrease is due solely to the reduction in information systems rates.

Police

Department 018

The Wenatchee Police Department provides a full range of law enforcement services to those who live, work, and play in the Greater Wenatchee Valley. The Department is committed to building and maintaining public trust in tandem with community engagement as it continues its mission of promoting a safe community and quality of life through protection and service.

The Wenatchee Police Department has a rich history of embracing best practices in policing and leveraging technology in order to detect, prevent, and deter crime. Sharing these resources has paid enormous dividends toward meeting its mission. Regionally, the police department is a stakeholder and partner on the Columbia River Drug Task Force, Chelan County Regional SWAT team, Cellular Phone Forensic Team and North Central Washington Special Investigations Unit, all through inter-local agreements.

Perhaps most importantly, the Wenatchee Police Department places a major emphasis on workforce development with increased focus on recruiting, hiring, and retaining highly trained, quality professionals. The Department is proud to be accredited by the Washington Association of Sheriffs & Police Chiefs. Through its strategic planning process, the Department strives to utilize and maximize all available resources to provide quality services to the community and those visiting the City.

2021 Budget Notes:

Approved recurring budget requests include video archival services

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	5,888,669	6,410,725	6,779,930	7,615,070	7,922,040	4.0%
Supplies & Services	1,280,667	1,370,805	1,431,559	1,458,880	1,434,890	-1.6%
Total Expenses	7,169,336	7,781,530	8,211,489	9,073,950	9,356,930	3.1%
Staffing FTE	49.0	51.0	53.0	56.0	56.3	

and reclassification of a records position. Decreases in supplies and services are due to a reduction in equipment rental rates.

Other Admin

Department 019

The Other Administrative group are services or fees for the general operation of the General Fund that are not allocated to a specific department or expenditures to community organizations as directed by City Council. Below is an overview of the line items and the purpose for this funding.

2021 Budget Notes:

The Transfer to Streets remained at \$3 million for 2021. Of all property tax collected by the City, 70% is going to fund streets. Decreases to Other Transfers are due to reduction of debt

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Interfund Loans	3,234	794	-	-	-	0.0%
Transfer to Streets	2,470,106	3,351,033	3,000,000	3,000,000	3,000,000	0.0%
Other Transfers	557,609	402,300	618,000	1,033,330	906,750	-12.2%
Animal Control	194,957	196,907	198,876	210,000	218,000	3.8%
Chelan Co Fire Dist	179,961	83,158	78,289	101,000	120,260	19.1%
Other Services	886,001	898,261	1,083,350	1,175,070	1,579,290	34.4%
Total Expenses	4,291,867	4,932,453	4,978,515	5,519,400	5,824,300	5.5%

service costs as well as eliminating the need to support the Community Center (fund114). Contracts for services with the Fire District were renegotiated in 2018 and caused a substantial year-over-year increase in the City's contribution. Increases to Other Services are due to increased election costs that occur every other year, increases to property and risk insurance, as well as increases to Facilities Maintenance rates. In addition, a finance commitment was increased to provide meeting space for the Veterans.

Parks Ground Maintenance**Department 022**

The Parks and Grounds Maintenance Division of the Parks, Recreation and Cultural Services Department has the responsibility for the operation and maintenance of the City's park system. This includes 21 City park areas and the landscaping of a variety of locations throughout the City. The division plants and maintains over 100 floral baskets in downtown and prunes, maintains over 300 trees along City streets. The Parks crew also maintains the landscaping around city buildings, landscaping along roadways, storm water facilities and aids at the Cemetery when necessary. In the winter, the division is responsible for snow and ice control of walkways within the parks and city buildings as well as all of the sidewalks that adjoin City properties and assists with street snow plowing.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salaries & Benefits	816,178	900,470	906,631	953,820	944,950	-0.9%
Supplies & Services	341,286	344,942	369,096	461,450	437,550	-5.2%
Total Expenses	1,157,465	1,245,412	1,275,727	1,415,270	1,382,500	-2.3%
Staffing FTE	8.3	8.4	8.4	8.8	8.8	

2021 Budget Notes: Salaries decreased due to allocating a portion of the supervisor salary to the Cemetery (fund 430). Decreases in supplies and services are due to a reduction in equipment rental rates.

Non-Recurring**Department 023**

Nonrecurring activities are one-time expenses that are inconsistent and would distort the city's ability to determine the regular costs of operations. These activities typically consist of grant projects that will stop with the funding source, capital purchases, donations and special transfers to other city funds. Due to the uncertainty of these items, this department often requires yearend budget amendments.

During the budget process, City departments make requests for items beyond their regular operating budget. When the General Fund has a healthy fund balance, the City is able to approve many one-time budget requests to help departments gain efficiencies, improve City services, and spur economic development.

Expenses	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Salary & Benefits	184,844	21,527	43,350	83,040	28,800	-65.3%
Supplies & Services	706,111	727,313	1,051,808	984,130	528,630	-46.3%
Capital Outlay	1,261,039	26,267	715,221	110,000	-	-100.0%
Transfers Out	1,716,604	644,467	4,529,101	1,582,000	362,500	-77.1%
Total Expenses	3,868,597	1,419,574	6,339,481	2,759,170	919,930	-66.7%

2021 Budget Notes: Due to the economic slowdown, the volume of non-recurring requests were greatly limited compared to prior years. The approved one-time requests are paid out of the Non-recurring department and are listed in detail on the following page.

Non-Recurring – Detailed Requests & Commitments**Department 023**

Department	Amount	Description
Mayor/Council	20,000	GWATA Flywheel
Mayor/Council	20,000	Our Valley Our Future
Mayor/Council	10,000	Scanning Services
Mayor/Council	20,000	WSU Housing Consultant
Mayor/Council	8,130	WDA Historic Preservation
Human Resources	5,000	Union Negotiation Costs
Community Development	13,000	Shoreline Program
Parks & Recreation	10,000	Rotary Park Drainage System
Parks & Recreation	7,500	Rotary Park Mulch
Parks & Recreation	170,000	Cemetery Ops Subsidy
Parks & Recreation	15,000	Pool Liner
Parks & Recreation *	72,000	Saddlerock Remediation
Parks & Recreation *	20,000	Foothills Regional Recreation
Public Works	150,000	ROW ADA Transition Plan
Public Works	100,000	On-Call Engineering Services
Public Works	28,800	Staff Develop. Engineer (LTE)
Public Works *	50,000	Traffic Signal Replacement
Public Works	100,000	Facility Asset Replacements
Public Works *	100,500	South Yard / PSC Expansion
Total	919,930	

* Represents the General Fund portion of the one-time request. Additional costs have been incorporated into other funds.

RESERVE FUND

Rainy Day

Fund 005

The Rainy Day Fund was established in the Financial Policies with a goal to accumulate \$1 million to withstand minor economic downturns or, if necessary, provide time to review City operations and establish priorities and reduction in levels of service. In 2016 General Fund reserves were sufficient to fully fund this Reserve. Expenditures must be approved by Council action and revenues are interest earnings or additional transfers in from the General Fund.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	509,517	26,374	32,148	25,000	15,000	-40.0%
Expenses	-	-	-	-	-	-
Net income	509,517	26,374	32,148	25,000	15,000	
Beginning fund balance *	1,007,144	1,516,661	1,543,035	1,560,000	1,560,000	
Ending fund balance	1,516,661	1,543,035	1,575,183	1,585,000	1,575,000	-0.6%

SPECIAL REVENUE FUNDS

Public Arts

Fund 101

Wenatchee Municipal Code requires that 1% of construction costs of certain construction projects be set aside for public art projects. In 2015, five art policies were adopted which establish allocation guidelines for expenditures including: Visual Arts – For the purchase of non-commissioned visual artwork; Performing Arts – For the sponsorship and underwriting of the performing arts program; Arts Education - For the sponsorship and underwriting of the arts in education program; Administration - Covers general expenditures associated with the administration of the Public Art Program; and Maintenance - An amount for the care and maintenance of the public art collection. In 2019 these policies were incorporated into a capital plan for the fund.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	6,067	1,262	143,029	16,200	32,500	100.6%
Expenses	1,500	1,500	4,870	14,500	7,000	-51.7%
Net income	4,567	(238)	138,159	1,700	25,500	
Beginning fund balance *	68,286	72,853	72,616	70,000	250,000	
Ending fund balance	72,853	72,616	210,775	71,700	275,500	284.2%

2021 Budget Notes: New procedures have been adopted the 1% for art calculation and will be consistently applied. This should increase the revenues to the Public Arts fund going forward.

*Since budget figures are estimates, the beginning fund balances of 2020 and 2021 may not equal the estimated ending fund balances of 2019 and 2020 respectively.

PFD .2% Sales Tax

Fund 102

This fund was created in 2012 to account for the .2% sales tax that went into effect July 2012. This revenue source is to be used exclusively for Public Facility District related expenses and was put into place to help the Public Facilities District refinance their 2008 Notes that matured December 1, 2011.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	2,219,540	2,369,788	2,382,259	2,600,000	2,600,000	0.0%
Expenses	2,219,540	2,369,788	2,382,259	2,600,000	2,600,000	0.0%
Net income	-	-	-	-	-	
Beginning fund balance *	-	-	-	-	-	
Ending fund balance	-	-	-	-	-	-

Paths & Trails

Fund 103

The Paths and Trails Fund source of revenue is .42% of the total money received from the Motor Vehicle Fuel Tax (RCW 46.68.090). This money is restricted for construction and/or improvement of paths and trails within the City. Because the cost of such projects is typically much larger than the funds generated in a single year we leave the fund balance untouched until an adequate balance is available.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	3,197	3,361	3,443	3,200	3,200	0.0%
Expenses	-	-	-	-	20,000	100.0%
Net income	3,197	3,361	3,443	3,200	(16,800)	
Beginning fund balance *	9,991	13,188	16,549	18,000	22,000	
Ending fund balance	13,188	16,549	19,991	21,200	5,200	-75.5%

2021 Budget Notes: \$20,000 of Paths & Trails funds are being budget for the Foothills Regional Recreation Area capital project. Further information on this project is included at the end of this document in the Capital Budget section.

Tourism Promotion Area**Fund 104**

In September 2006, the City established a Tourism Promotion Area (TPA) for the City of Wenatchee, at the request of the Wenatchee Hotel-Motel Association, as enabled by RCW 35.101. By establishing a tourism promotion area in the city, all hotels larger than 40 rooms are assessed \$2 per room night which is collected by the Department of Revenue and returned to the City to be utilized for marketing purposes as specified in the RCW and the city formation ordinance. The City created an advisory board to oversee the budget for the TPA. The TPA board approves the expenditures and the City pays the expenses. The budget and accomplishments are reviewed annual by the City Council in December. This fund provides a real time understanding of the number of hotel rooms used on an annual basis.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	238,432	239,626	254,787	241,800	375,500	55.3%
Expenses	329,356	289,372	257,663	275,000	345,250	25.5%
Net income	(90,924)	(49,746)	(2,876)	(33,200)	30,250	
Beginning fund balance *	256,808	165,885	116,139	100,000	50,000	
Ending fund balance	165,885	116,139	113,263	66,800	80,250	20.1%

2021 Budget Notes: Due to the stay-at-home order, TPA revenues are expected to be \$175,000 in 2020 and are not expected to be back to 100% in 2021. Toward the end of 2020, the City Council approved an increase in the TPA fee from \$1 to \$2 per night. This increase will double the funding available for tourism promotion.

Hotel/Motel Tax – Capital Outlay**Fund 105**

The revenues in this fund are reserved to partially pay the debt service on fund 106 Convention Center.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	331,644	335,984	357,763	370,000	300,000	-18.9%
Expenses	349,114	335,948	353,499	370,000	300,000	-18.9%
Net income	(17,470)	36	4,264	-	-	
Beginning fund balance *	64,046	46,575	46,612	-	-	
Ending fund balance	46,575	46,612	50,875	-	-	0.0%

2021 Budget Notes: Due to the stay-at-home order, hotel/motel tax revenues are expected to be down 40% in 2020 and are not expected to be back to 100% in 2021.

Convention Center**Fund 106**

The Wenatchee Convention Center (WCC) is a City owned facility operated under a management contract with Coast Hotels & Resorts. The contract is managed by the Public Works Department, the Mayor's Office and the Finance Department collaboratively. The Convention Center is a 50,000+ square foot regional meeting facility which can host any event from a small business meeting to a statewide convention for over 500. The Convention Center is the home of the Washington State Horticultural Convention every three years (Yakima and Tri-Cities host in other years) and frequently hosts state wide labor and government conventions as well as weddings and entertainment events.

The Convention Center was originally constructed in 1979-80 and was operated by the Westerberg Hotel. Since then, Coast Hotels manage and market the building as they see fit and return a percentage of the revenues back to the facility for debt service and long term upkeep. The City is responsible for maintaining the physical building including the HVAC, electrical, plumbing, lighting, and A/V systems. The Convention Center Maintenance Fund (Fund 106) is used to fund all of the City's activities in the building.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Hotel/motel tax	663,279	671,777	715,605	740,000	600,000	-18.9%
Commission	68,453	97,904	113,854	88,920	50,000	-43.8%
Transfers-in	566,985	615,198	594,171	595,000	350,000	-41.2%
Other	70,911	72,084	7,818	5,000	2,500	-50.0%
Total Revenues	1,369,628	1,456,962	1,431,447	1,428,920	1,002,500	-29.8%

Expenses						
Salaries & benefits	130,195	126,755	137,758	138,780	140,460	1.2%
Supplies & services	233,139	243,157	253,655	276,880	302,820	9.4%
Capital outlay	723,072	286,773	368,363	200,000	150,000	-25.0%
Debt service	484,259	784,872	772,099	744,450	377,920	-49.2%
Total Expenses	1,570,665	1,441,557	1,531,875	1,360,110	971,200	-28.6%

Net income	(201,037)	15,405	(100,428)	68,810	31,300	
Beginning fund balance *	653,753	452,716	468,121	350,000	200,000	
Ending fund balance	452,716	468,121	367,693	418,810	231,300	-44.8%

Staffing FTE	1.3	1.1	1.1	1.2	1.2	
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2021 Budget Notes: Due to the stay-at-home order, hotel/motel tax revenues are expected to be down 40% in 2020 and are not expected to be back to 100% in 2021. The impacts of the COVID economic slowdown has sharply effected the Convention Center operations. Revenue reductions have forced a reduced level of capital investment for 2021 and have postponed the debt service prepayment efforts of the past couple years. There are no concerns that the minimum debt service payments can be made, but the planned prepayment did not occur in 2020 and is not budgeted for 2021.

Hotel Motel Tax - Tourism

Fund 107

In 2011, the city reconstituted a Lodging Tax Advisory Committee (LTAC) for the oversight of the lodging tax funds and recommendations for uses to the City Council. The role of the Lodging Tax Advisory Committee (LTAC) was strengthened during the 2013 legislative session and requires uses of hotel motel tax be awarded through an application process carried out by the LTAC and funds provided to those on a list provided to the Wenatchee City Council. The City Council may choose to not fund the entire list, however, what is funded has to be on the list that has gone through the application process with the LTAC.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	666,133	675,152	720,757	744,000	602,000	-19.1%
Expenses	657,870	750,000	754,772	753,620	600,000	-20.4%
Net income	8,262	(74,848)	(34,015)	(9,620)	2,000	
Beginning fund balance *	363,470	371,732	296,884	260,000	220,000	
Ending fund balance	371,732	296,884	262,869	250,380	222,000	-11.3%

2021 Budget Notes: Due to the stay-at-home order, hotel/motel tax revenues are expected to be down 40% in 2020 and are not expected to be back to 100% in 2021.

Street Maintenance

Fund 108

The Street Maintenance Division of the Public Works Department has the responsibility for the maintenance of the City’s streets and alleys and publically maintained sidewalks. The Street Division maintains over 275 lane miles of streets utilizing nearly 40 pieces of street equipment. The Street Division is responsible for snow and ice control on all City streets along with those sections of the state highways that run through the City. The street crews also sweep and clean all city streets and maintain pavement markings and signage. In addition, the Street Division maintains those portions of the sidewalks that are the responsibility of the City.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Motor vehicle fuel tax	465,737	484,009	479,499	483,000	486,600	0.7%
Transfers-in	2,525,252	3,351,033	3,000,000	3,000,000	3,000,000	0.0%
Other	339,260	578,496	314,301	97,500	147,500	51.3%
Total Revenues	3,330,249	4,413,538	3,793,800	3,580,500	3,634,100	1.5%
Expenses						
Salaries & benefits	1,285,856	1,488,928	1,639,210	1,718,850	1,760,710	2.4%
Supplies & services	1,610,731	1,949,365	1,988,800	2,026,200	1,905,730	-5.9%
Capital outlay	20,238	134,753	-	1,030,000	30,000	-97.1%
Total Expenses	2,916,825	3,573,046	3,628,010	4,775,050	3,696,440	-22.6%
Net income	413,425	840,493	165,790	(1,194,550)	(62,340)	
Beginning fund balance *	1,292,793	1,706,218	2,546,711	2,000,000	1,500,000	
Ending fund balance	1,706,218	2,546,711	2,712,500	805,450	1,437,660	78.5%
Staffing FTE	12.9	12.6	12.8	14.8	14.6	

Another group within the Street Maintenance Division is the Signals and Lighting group which maintains the City’s 50 traffic signal systems and the hundreds of street lights and electrical systems in the City.

2021 Budget Notes: Capital Outlay expenses were higher in 2020 because the Street Maintenance fund contributed to a major street preservation effort in 2020. This is not occurring in 2021.

Arterial Streets

Fund 109

The Arterial Streets Fund was developed in 1972 for the purpose of constructing key capital street projects. This special revenue fund historically received 43% of the motor vehicle fuel tax (gas tax) allocated to the City by the State of Washington. In the 2014 budget, the City elected to place all of the motor vehicle fuel tax into the street maintenance fund (108). To backfill the funding, the City transferred in revenue generated from the 2nd ¼% of

	2017	2018	2019	2020	2021	20/21
	Actual	Actual	Actual	Budget	Budget	Change
Revenues						
Motor vehicle fuel tax	304,163	300,405	297,139	300,000	303,700	1.2%
Grants	1,421,819	2,945,359	2,971,132	3,847,570	5,982,640	55.5%
Transfers-in/PFD	1,000,000	-	53,530	-	-	-
Other	9,697	299,967	101,776	10,000	10,000	0.0%
Total Revenues	2,735,678	3,545,731	3,423,576	4,157,570	6,296,340	51.4%
Expenses						
Capital outlay	1,955,958	4,374,939	3,135,018	4,374,710	6,840,540	56.4%
Transfers-out	-	43,526	489,422	-	-	-
Total Expenses	1,955,958	4,418,466	3,624,440	4,374,710	6,840,540	56.4%
Net income	779,720	(872,735)	(200,863)	(217,140)	(544,200)	
Beginning fund balance *	854,530	1,634,251	761,516	500,000	700,000	
Ending fund balance	1,634,251	761,516	560,652	282,860	155,800	-44.9%

Real Estate Excise Tax (REET). Typically, the revenue from this fund is used to match State and Federal grants. As an example, between 2001 and 2010, \$3.8 Million of local revenues leveraged \$17.9 Million in state and federal grants. See the capital budget section of this document for details on Arterial Streets projects.

The Engineering Department carries out the project development of these projects including initial scoping and grant application, design, right-of-way activities, construction, and final documentation. The primary grant sources for City street projects are the State Transportation Improvement Board and the Federal Surface Transportation Program. Other grant programs that often do not require a match that are administered through this fund include the Safe Routes to School program, the CDBG program, and the Highway Safety Improvement Programs. It is expected match funding from arterial streets will be insufficient should the city continue to be successful with securing project funds similar to historic levels.

2021 Budget Notes: A list of all street capital projects is included at the end of this document in the Capital Budget section.

LEOFF 1 Long Term Care

Fund 110

RCW 41.16 and 41.18 require cities in the State of Washington to pay for most health care and long term care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees for as long as they live.

	2017	2018	2019	2020	2021	20/21
	Actual	Actual	Actual	Budget	Budget	Change
Revenues	123,309	60,742	63,263	50,000	7,500	-85.0%
Expenses	87,490	44,409	38,946	55,500	187,000	236.9%
Net income	35,819	16,333	24,317	(5,500)	(179,500)	
Beginning fund balance *	578,588	614,406	630,740	616,000	580,000	
Ending fund balance	614,406	630,740	655,056	610,500	400,500	-34.4%

Street Overlay

Fund 111

The Street Overlay Fund was developed to dedicate funding to street preservation and repay bonds. In the past, these funds have been used to repave or overlay streets with hot mix asphalt. More recently, staff has explored alternative pavement preservation methods to extend the life of payment at a lower cost. Revenues for this fund are the 2nd ¼ percent of Real Estate Excise Tax (REET). As of 2012, the majority of Wenatchee Transportation Benefit District (TBD) revenues have been transferred to the overlay fund for the City’s street preservation

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Real estate excise tax	647,614	562,557	608,387	570,000	570,000	0.0%
Transfers in	-	2,000,000	760,000	-	-	-
Other	14,774	30,452	70,686	20,000	12,000	-40.0%
Total Revenues	662,388	2,593,009	1,439,074	590,000	582,000	-1.4%
Expenses						
Capital outlay	360,458	2,168,104	1,148,473	1,536,000	235,900	-84.6%
Transfers-out	-	-	1,211,000	-	-	-
Total Expenses	360,458	2,168,104	2,359,473	1,536,000	235,900	-84.6%
Net income	301,930	424,905	(920,399)	(946,000)	346,100	
Beginning fund balance *	1,422,161	1,724,091	2,148,996	2,100,000	100,000	
Ending fund balance	1,724,091	2,148,996	1,228,597	1,154,000	446,100	-61.3%

2021 Budget Notes: A list of all street capital projects is included at the end of this document in the Capital Budget section.

Impact Fees

Fund 112

This fund is setup by WCC 15.02.080 to accumulate impact fees that are to be used for public facility improvements that benefit the Broadview and Western Foothills developments.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
	277	572	5,540	200	200	0.0%
Expenses						
	-	-	4,443	-	-	-
Net income	277	572	1,097	200	200	
Beginning fund balance *	32,605	32,882	33,453	32,700	40,000	
Ending fund balance	32,882	33,453	34,550	32,900	40,200	22.2%

Low Income Housing

Fund 113

Revenues supporting this fund are from recording fees and are distributed to the cities in Chelan County on a population pro-rata share per interlocal agreement. These funds are limited to projects within the city limits of Wenatchee. These funds are restricted to use for affordable housing projects meeting specific income requirements.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	41,089	40,846	54,158	40,250	111,000	175.8%
Expenses	61,706	37,024	49,925	56,710	56,710	0.0%
Net income	(20,617)	3,822	4,233	(16,460)	54,290	
Beginning fund balance *	91,005	70,389	74,211	30,000	70,000	
Ending fund balance	70,389	74,211	78,444	13,540	124,290	817.9%

2021 Budget Notes: A new affordable housing sales tax rebate was made available by the State and implemented by the City in 2020. This fund is expected to accumulate resources until there is a substantial amount for programs or projects.

Community Center

Fund 114

The Community Center operations fund is a separate account that is used specifically for the Wenatchee Community Center. The Wenatchee Community Center was established in 2006 to provide an inclusive multicultural facility for all members of the community. In 2020, the City entered into an agreement with Pinnacles Prep for the operation and management of the Center. That agreement takes effect in 2021.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	30,938	31,572	155,393	105,140	8,500	-91.9%
Expenses	43,367	36,090	105,240	178,560	45,090	-74.7%
Net income	(12,430)	(4,519)	50,153	(73,420)	(36,590)	
Beginning fund balance *	107,436	95,007	90,488	120,000	100,000	
Ending fund balance	95,007	90,488	140,642	46,580	63,410	36.1%

2021 Budget Notes: Beginning in 2021, the City plans to lease the Community Center to a charter school. This takes the day-to-day management out of the hands of the Community Center fund.

CDBG Entitlement

Fund 115

The City became an entitlement community in 2005. These funds must be used in accordance with HUD regulations and are restricted to the following use percentages (20% Administration and Planning and 15% Public Services). The remaining funds must be used for bricks and mortar projects meeting one of three national objectives, serving low to moderate income individuals.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	286,051	82,525	132,804	236,140	465,090	97.0%
Expenses	273,322	95,013	165,982	301,500	500,090	65.9%
Net income	12,729	(12,488)	(33,179)	(65,360)	(35,000)	
Beginning fund balance *	(245)	12,484	(4)	65,360	35,000	
Ending fund balance	12,484	(4)	(33,183)	-	-	-

LEOFF 1 Retiree Health Insurance

Fund 116

RCW 41.16 and 41.18 require cities in the State of Washington to pay for most health care and long term care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees for as long as they live.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	337,649	265,431	150,722	250,000	245,000	-2.0%
Expenses	285,102	329,630	356,089	358,000	316,000	-11.7%
Net income	52,546	(64,199)	(205,367)	(108,000)	(71,000)	
Beginning fund balance *	648,423	700,969	636,770	472,400	390,000	
Ending fund balance	700,969	636,770	431,403	364,400	319,000	-12.5%

Homeless

Fund 117

The City manages these funds on behalf of both counties and East Wenatchee via an interlocal agreement. Revenue from this fund originates from recording fees collected by both Counties. This fund is administered according to the regulations set forth in RCW 43.185C. This fund also received Consolidated Homeless Grants, Housing and Essential Needs, and Emergency Solutions Grants administered through the Department of Commerce. The City manages these funds under the guidance of a Steering committee made up of local governmental officials from each city and county, community members, and other social service agencies.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Intergovernmental	661,293	724,338	828,504	810,000	810,000	0.0%
Grants	552,347	695,749	492,435	624,740	1,693,160	171.0%
Other	3,572	70,913	10,932	300	5,000	1566.7%
Total Revenues	1,217,212	1,491,001	1,331,871	1,435,040	2,508,160	74.8%
Expenses						
Salaries & benefits	22,902	-	-	-	-	-
Services	1,319,348	1,282,237	1,252,092	1,634,440	2,663,220	62.9%
Total Expenses	1,342,250	1,282,237	1,252,092	1,634,440	2,663,220	62.9%
Net income	(125,038)	208,764	79,779	(199,400)	(155,060)	
Beginning fund balance *	679,403	554,365	763,129	400,000	400,000	
Ending fund balance	554,365	763,129	842,908	200,600	244,940	22.1%

2021 Budget Notes: In light of the COVID pandemic economic crisis, additional funds were made available for Homelessness programs. These additional funds have greatly increased the grant fund revenue category.

Abatement**Fund 118**

The Abatement fund assists code compliance officers by providing resources for resolving onsite violations such as cleanup activities. The abatement fund is primarily funded by violation fees and at times, assistance from the General Fund.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	17,962	40,901	24,636	11,100	13,100	18.0%
Expenses	28,504	38,955	11,328	40,000	40,000	0.0%
Net income	(10,542)	1,946	13,308	(28,900)	(26,900)	
Beginning fund balance *	82,939	72,398	74,344	80,000	100,000	
Ending fund balance	72,398	74,344	87,652	51,100	73,100	43.1%

Transportation Benefit District**Fund 119**

This fund accounts for the \$20 vehicle licensing fee associated with the Transportation Benefit District (TBD). These revenues are dedicated to the operation, preservation and maintenance of the city's existing transportation improvements, facilities and programs set forth in the six-year comprehensive street program. As per City Code, 10 percent of the TBD revenue should be used to implement pedestrian-related projects.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	635,111	707,777	644,273	605,000	601,000	-0.7%
Expenses	108,799	2,000,505	614,188	1,000,000	-	-100.0%
Net income	526,312	(1,292,728)	30,085	(395,000)	601,000	
Beginning fund balance *	1,275,933	1,802,245	509,517	500,000	600,000	
Ending fund balance	1,802,245	509,517	539,602	105,000	1,201,000	1043.8%

2021 Budget Notes: The Transportation Benefit District fund contributed to a major street preservation effort in 2020. After the passage of I-976 in November 2019, these revenues were not expected to continue into 2021, and therefore, no projects were budgeted from this fund. Shortly before the budget adoption, the State Supreme court reversed the effects of I-976. Therefore, TBD revenues will continue to be collected.

*Since budget figures are estimates, the beginning fund balances of 2020 and 2021 may not equal the estimated ending fund balances of 2019 and 2020 respectively.

DEBT SERVICE FUNDS

Police Station General Obligation Bonds

Fund 201

This fund accumulates resources to make timely payments on the 2001 Unlimited Tax General Obligations, which are set to mature in 2021. These were voter approved bonds issued to build the police station.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	324,409	326,872	327,409	327,830	327,830	0.0%
Expenses	326,035	326,035	326,035	326,040	326,040	0.0%
Net income	(1,626)	837	1,373	1,790	1,790	
Beginning fund balance *	(7,657)	(9,283)	(8,446)	-	-	
Ending fund balance	(9,283)	(8,446)	(7,072)	1,790	1,790	0.0%

2021 Budget Notes: This year is the last year for debt service payments on these bonds, and therefore the last year this fund is needed for the UTGO debt issuance.

LID 2010-01 Poplar Sewer

Fund 203

Accounts for the collection of principal and interest of the 2010 Poplar Sewer Local Improvement District .

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	17,903	9,206	10,634	-	3,630	-
Expenses	9,861	16,208	12,148	-	-	-
Net income	8,042	(7,002)	(1,513)	-	3,630	
Beginning fund balance *	829	8,871	1,869	-	-	
Ending fund balance	8,871	1,869	356	-	3,630	-

2021 Budget Notes: This fund was not included in prior City budgets.

LID Guaranty

Fund 204

Retains funds to guaranty the debt service payments on the LID Bonds related to the 2008 Riverside Drive and 2010 Poplar Sewer projects.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,183	2,328	2,843	-	500	-
Expenses	68	37	74	-	-	-
Net income	1,115	2,291	2,769	-	500	
Beginning fund balance *	132,742	133,857	136,148	-	140,000	
Ending fund balance	133,857	136,148	138,917	-	140,500	-

2021 Budget Notes: This fund was not included in prior City budgets.

Councilmanic Bonds**Fund 205**

This fund accumulates resources to make timely payments on the 2015 LTGO, 2016 LTGO, and 2019 LTGO. These bonds were approved by the City Council and were used to finance the Public Services Center, remodel council chambers, museum HVAC upgrades, Convention Center upgrades, projects related to the Local Revitalization Financing district by Pybus Market, the purchase and remodel of the new City Hall facility, and certain street projects.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,223,352	1,531,767	2,095,777	2,109,950	1,704,220	-19.2%
Expenses	1,221,340	1,524,670	2,088,140	2,107,950	1,702,570	-19.2%
Net income	2,012	7,097	7,636	2,000	1,650	
Beginning fund balance *	4,469	6,481	13,578	5,000	5,000	
Ending fund balance	6,481	13,578	21,214	7,000	6,650	-5.0%

2021 Budget Notes:

In the 2019 and 2020 budgets, an additional \$300,000 was allocated to pay off the 2015 LTGO Convention Center bonds ahead of schedule. Due to the recent economic crisis, lodging taxes were not sufficient to make the additional debt service prepayments in 2020 or 2021.

There is currently \$1,647,000 outstanding on the 2015 LTGO bonds, \$7,450,000 outstanding on the 2016 LTGO bonds, and \$11,570,000 outstanding on the 2019 LTGO bonds.

Riverside Dr. LID #2008-1**Fund 207**

Accounts for the collection of principal and interest of the 2008 Riverside Drive Local Improvement District.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	66,917	221,185	482	-	29,690	-
Expenses	167,986	210,936	35,720	-	29,690	-
Net income	(101,068)	10,249	(35,238)	-	-	
Beginning fund balance *	126,227	25,159	35,408	-	-	
Ending fund balance	25,159	35,408	170	-	-	-

2021 Budget Notes: This fund was not included in prior City budgets.

*Since budget figures are estimates, the beginning fund balances of 2020 and 2021 may not equal the estimated ending fund balances of 2019 and 2020 respectively.

CAPITAL PROJECT FUNDS

Real Estate Excise Tax Capital Projects

Fund 301

The Real Estate Excise Tax (REET) Fund collects revenues via ¼ of 1% real estate excise tax that is paid by the seller of a piece of real estate. The majority of this revenue currently reserved to pay for a portion of the 2007 Limited Tax General Obligation debt, which matures in 2027.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	634,127	613,892	628,791	582,000	588,000	1.0%
Expenses	214,011	223,050	473,932	1,221,350	221,250	-81.9%
Net income	420,116	390,842	154,859	(639,350)	366,750	
Beginning fund balance *	69,986	490,102	880,944	1,200,000	300,000	
Ending fund balance	490,102	880,944	1,035,803	560,650	666,750	18.9%

2021 Budget Notes: The Real Estate Excise Tax Capital Projects fund contributed to a major street preservation effort in 2020. This project was completed and not budgeted for 2021.

Parks & Recreation Capital Projects

Fund 302

This fund was created to account for the parks related capital projects that occur. Please see the Capital Budget section at the end of this document for a listing of projects and funding sources.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,664,893	127,526	3,417,117	2,950,040	4,107,490	39.2%
Expenses	1,582,204	86,271	4,244,877	3,305,940	4,106,990	24.2%
Net income	82,689	41,255	(827,760)	(355,900)	500	
Beginning fund balance *	162,495	245,184	286,439	360,000	80,000	
Ending fund balance	245,184	286,439	(541,320)	4,100	80,500	1863.4%

2021 Budget Notes: A list of all parks capital projects is included at the end of this document in the Capital Budget section.

Economic Development Capital Projects

Fund 304

This fund was created to account for the economic development related capital projects that occur.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	2,929,081	5,609,576	6,706,901	2,760,400	8,701,500	215.2%
Expenses	2,432,602	9,569,310	8,904,492	3,971,400	4,701,500	18.4%
Net income	496,479	(3,959,734)	(2,197,591)	(1,211,000)	4,000,000	
Beginning fund balance *	-	496,479	(3,463,255)	1,211,000	(4,000,000)	
Ending fund balance	496,479	(3,463,255)	(5,660,846)	-	-	-

2021 Budget Notes: A list of all economic development capital projects is included at the end of this document in the Capital Budget section.

Local Revitalization Financing Program

Fund 307

The City created a Local Revitalization District in 2009 through ordinance 2009-26 under the authority of RCW 39.89.050. Formation of this District allows the City and participating junior taxing districts (Chelan County Port District and the NCW Regional Library District) to dedicate incremental growth in property tax revenues to the financing of capital projects within the District. The City was also awarded the opportunity for a tax rebate from the State of Washington up to \$500,000 annually. This award allows increases in State of Washington tax revenue resulting from development activity to be returned to the City of Wenatchee for financing of public infrastructure providing benefit to the District.

The District is generally bounded by the Columbia River to the east, Thurston Street to the south, the railroad tracks and Walla Walla Avenue to the West, and private property located just north of Walla Walla Park to the north.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Property tax	48,663	50,419	59,145	50,000	50,000	0.0%
Sales tax rebate	500,000	500,000	500,000	500,000	500,000	0.0%
Other	40,861	47,209	509,156	-	15,000	100.0%
Total Revenues	589,524	597,628	1,068,301	550,000	565,000	2.7%
Expenses	2,558,454	702,368	829,157	1,694,950	982,300	-42.0%
Net income	(1,968,930)	(104,740)	239,143	(1,144,950)	(417,300)	
Beginning fund balance *	6,500,847	4,531,917	4,427,177	4,100,000	3,500,000	
Ending fund balance	4,531,917	4,427,177	4,666,320	2,955,050	3,082,700	4.3%

2021 Budget Notes: In 2016, debt was issued to finance several projects in the Local Revitalization District. A list of all Local Revitalization District capital projects is included at the end of this document in the Capital Budget section.

New City Hall Remodel**Fund 308**

The City purchased a portion of the Wenatchee Federal Building to repurpose for a new City Hall. Schematic design was initiated in 2017 and will be completed in 2019. Construction is anticipated to begin in 2020. Debt was issued in 2019 and the proceeds of the bonds were deposited into the New City Hall Remodel fund. This fund accounts for the construction costs and spend-down of the bond proceeds.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	-	-	10,694,836	-	20,000	-
Expenses	-	-	198,777	6,354,010	7,500,000	18.0%
Net income	-	-	10,496,059	(6,354,010)	(7,480,000)	
Beginning fund balance *	-	-	-	10,000,000	9,000,000	
Ending fund balance	-	-	10,496,059	3,645,990	1,520,000	-58.3%

2021 Budget Notes: The New City Hall Remodel capital budget is included at the end of this document in the Facilities Capital Project section.

Foothills Streets**Fund 309**

To promote economic development and safety in the Wenatchee foothills, the City must make a significant investment in expanding the street infrastructure. Debt was issued in 2019 and the proceeds of the bonds were deposited into the Foothill Streets fund. This fund accounts for the construction costs and spend-down of the bond proceeds.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	-	-	2,038,264	-	4,000	-
Expenses	-	-	38,977	414,300	1,274,600	207.7%
Net income	-	-	1,999,287	(414,300)	(1,270,600)	
Beginning fund balance *	-	-	-	2,000,000	1,800,000	
Ending fund balance	-	-	1,999,287	1,585,700	529,400	-66.6%

2021 Budget Notes: A list of all streets capital budgets are included at the end of this document in the Streets Capital Projects section.

*Since budget figures are estimates, the beginning fund balances of 2020 and 2021 may not equal the estimated ending fund balances of 2019 and 2020 respectively.

ENTERPRISE FUNDS

Water Utility

Fund 401

The Water Division of the Public Works Department provides water services for the City of Wenatchee. This division is funded through utility rates and fees for miscellaneous services rendered as well as interest revenue generated from invested cash reserves. This division is not supported by any taxes.

The water system service area covers a majority of the corporate City limits, but does not cover west of Western Avenue or north of Maple Street. The water system infrastructure includes two booster pump stations, four reservoirs (totaling 15 million gallons storage) and over 100 miles of pipes spread across three pressure zones.

The Environmental Division provides services for the Water and Stormwater Divisions of Public Works, but their budget is embedded in this operational funds. They assist the operation groups in complying with regulations and providing communication and public outreach with customers and the public. They are also responsible for administering the utility programs, including pretreatment and cross connection control.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Water fees & taxes	5,102,280	5,220,577	5,402,392	5,813,000	5,897,500	1.5%
Other	82,906	109,634	55,127	60,250	17,000	-71.8%
Total Revenues	5,185,186	5,330,211	5,457,519	5,873,250	5,914,500	0.7%
Expenses						
Salaries & benefits	1,351,847	1,430,487	1,449,931	1,967,110	1,998,050	1.6%
Supplies & services	2,945,078	2,731,435	3,017,996	3,714,320	3,522,250	-5.2%
Capital outlay	981,218	755,754	1,533,089	1,706,900	397,500	-76.7%
Debt service	174,270	495,313	449,303	449,810	450,450	0.1%
Total Expenses	5,452,413	5,412,989	6,450,319	7,838,140	6,368,250	-18.8%
Net income	(267,227)	(82,778)	(992,799)	(1,964,890)	(453,750)	
Beginning working capital	3,024,527	2,757,300	2,674,522	3,000,000	750,000	
Ending working capital	2,757,300	2,674,522	1,681,723	1,035,110	296,250	-71.4%
Staffing FTE	12.8	15.7	16.8	16.3	17.1	

2021 Budget Notes: Beginning with the 2019 budget, the Water and Sewer Utilities were split into separate funds. After a Water Utility Comprehensive Plan was adopted in 2018, the Water Utility rates are set to increase by 6% each year for several years. This will provide funding for needed infrastructure improvements. Individual utility capital budgets are included at the end of this document in the Utilities Capital Project section.

Sewer Utility**Fund 405**

The Wastewater Division of the Public Works Department provides sanitary sewer services for the City of Wenatchee. This division is funded through utility rates and fees for miscellaneous services rendered as well as interest revenue generated from invested cash reserves. This division is not supported by any taxes. The wastewater system service area covers the entire City of Wenatchee, plus areas south of the City limits. Also included is the Olds Station area and continuing on up into the Sunnyslope area within the urban growth boundary. Some of these areas do not have a conveyance system installed yet, but staff has been working with developers over the last several years to plan and install wastewater infrastructure. The wastewater system includes the Waste Water Treatment Plant (WWTP) with a capacity of 5.5 Million Gallons per Day (MGD), a biosolids drying bed facility, five lift stations, and over 140 miles of gravity wastewater lines.

The Environmental Division provides services for the Wastewater and Stormwater Divisions of Public Works, but their budget is embedded in this operational funds. They assist the operation groups in complying with regulations and providing communication and public outreach with customers and the public. They are also responsible for administering the utility programs, including pretreatment and cross connection control.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Sewer fees	7,247,899	8,110,361	8,742,816	8,901,600	9,450,000	6.2%
Bond Proceeds	-	14,000,000	-	-	-	0.0%
Other	82,906	244,745	327,348	100,000	130,000	30.0%
Total Revenues	7,330,805	22,355,106	9,070,164	9,001,600	9,580,000	6.4%
Expenses						
Salaries & benefits	1,371,008	1,392,899	1,726,602	2,461,410	2,472,270	0.4%
Supplies & services	3,279,356	3,469,454	3,703,611	4,125,330	4,261,310	3.3%
Capital outlay	981,218	5,736,980	2,991,566	6,537,420	5,757,130	-11.9%
Debt service	450,289	1,933,195	2,155,171	2,294,280	2,522,090	9.9%
Total Expenses	6,081,871	12,532,528	10,576,950	15,418,440	15,012,800	-2.6%
Net income	1,248,935	9,822,578	(1,506,786)	(6,416,840)	(5,432,800)	
Beginning working capital	5,667,351	6,916,286	16,738,864	10,000,000	8,000,000	
Ending working capital	6,916,286	16,738,864	15,232,078	3,583,160	2,567,200	-28.4%
Staffing FTE	15.4	15.6	17.2	19.1	20.0	

2021 Budget Notes: Beginning with the 2019 budget, the Water and Sewer Utilities were split into separate funds. After a Sewer Utility Comprehensive Plan was adopted in 2017, the Sewer Utility rates are set to increase by 6% each year for several years. This will provide funding for needed infrastructure improvements. Individual utility capital budgets are included at the end of this document in the Utilities Capital Project section.

Storm Drain Utility**Fund 410**

The purpose of the Storm Drain Utility Fund is to provide funding for operation, maintenance, improvement and expansion of the City's urban storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit." The municipal storm water system consists of the complete system of streets, catch basins, curbs, gutters, ditches, manholes, treatment facilities and pipes for collecting, treating and conveying storm water throughout the City. This system does not include the canyon drains which flow through the City in their own channels.

The City operates the system under a NPDES (National Pollutant Discharge Elimination System) Phase II Municipal Storm water Permit for Eastern Washington communities which regulates the operation of the system including mandating the regulations communities must put in place for citizens to operate under. Compliance with this permit has become an increasingly larger burden for all cities under Phase II requirements. City Environmental staff spends part of their time gathering information, inspecting facilities, investigating complaints and reporting compliance.

Much of the cost of operating the system budget is dedicated to annual maintenance and cleaning efforts. This work is done by employees of the Water, Wastewater and Street divisions of Public Works and billed back to the storm water fund as actual costs are incurred. The salaries that are charged directly to this fund include two Utility Worker Storm water positions and one Environmental Technician position.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Storm drain fees	2,335,026	2,352,614	2,442,059	2,447,000	3,470,590	41.8%
Other	29,599	105,895	645,855	831,250	812,500	-2.3%
Total Revenues	2,364,625	2,458,509	3,087,914	3,278,250	4,283,090	30.7%

Expenses						
Salaries & benefits	514,905	580,259	691,466	850,300	819,450	-3.6%
Supplies & services	787,477	750,344	814,499	1,639,750	1,736,370	5.9%
Capital outlay	197,300	670,689	1,264,257	1,668,450	2,483,600	48.9%
Debt service	107,672	319,898	277,914	277,580	277,580	0.0%
Transfers-out	27,800	29,800	309,260	51,150	39,970	-21.9%
Total Expenses	1,635,154	2,350,990	3,357,396	4,487,230	5,356,970	19.4%

Net income	729,471	107,519	(269,482)	(1,208,980)	(1,073,880)	
Beginning working capital	3,451,515	4,180,985	4,288,504	4,500,000	3,000,000	
Ending working capital	4,180,985	4,288,504	4,019,022	3,291,020	1,926,120	-41.5%

Staffing FTE	5.3	5.0	6.8	6.2	6.6	
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2021 Budget Notes: A Storm Drain Utility Comprehensive Plan was adopted in 2020, and the Storm Drain Utility rates are set to increase significantly over the next few years. This will provide funding for needed infrastructure improvements. Individual utility capital budgets are included at the end of this document in the Utilities Capital Project section.

Regional Water**Fund 415**

The Wenatchee Regional Water System supplies water to the City of Wenatchee, Chelan County Public Utility District (PUD), and the East Wenatchee Water District (EWWD). These three water purveyors serve domestic water for the entire Wenatchee Valley. The City operates and maintains the system in cooperation with the PUD and the EWWD through an Advisory Committee. The Advisory Committee is comprised of 3 staff and 3 elected officials who govern the operations of the Regional Water System.

The activities of the Regional Water System include pumping and water delivery, monitoring and maintaining the transmission line, pumps, meters, valves, chlorination equipment, and telemetry equipment.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,330,066	1,479,495	1,610,364	1,627,680	1,906,000	17.1%
Expenses						
Salaries & benefits	243,267	240,211	240,211	284,260	289,500	1.8%
Supplies & services	737,726	523,796	433,148	718,860	735,380	2.3%
Capital outlay	399,573	186,018	30,761	100,000	169,140	69.1%
Total Expenses	1,380,567	1,178,412	704,120	1,103,120	1,194,020	8.2%
Net income	(50,501)	301,083	906,244	524,560	711,980	
Beginning working capital	2,707,311	2,656,810	2,957,893	3,000,000	3,900,000	
Ending working capital	2,656,810	2,957,893	3,864,137	3,524,560	4,611,980	30.9%
Staffing FTE	2.2	2.2	2.2	2.4	2.4	

Solid Waste Utility**Fund 420**

Garbage services are provided to the citizens of Wenatchee through a contract with Waste Management, Inc. that runs through the year 2020. Based on the provision of the contract Waste Management collects all solid waste throughout the City for both residential and commercial customers. Waste Management bills commercial customers and the City billed residential customers until mid-2014 and used this fund to account for revenues and expenses. Now that the City no longer needs this fund it is in the process of closing the fund in a manner that will best benefit the rates payers.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	2,820	8,067	8,482	5,000	2,500	-50.0%
Expenses	-	6,686	126,214	10,000	10,000	0.0%
Net income	2,820	1,381	(117,732)	(5,000)	(7,500)	
Beginning working capital	317,544	320,364	321,745	200,000	150,000	
Ending working capital	320,364	321,745	204,012	195,000	142,500	-26.9%

Cemetery**Fund 430**

The Cemetery Division of the Parks, Recreation and Cultural Services Department operates the 34-acre Cemetery and the Home Of Peace Mausoleum. Cemetery staff are responsible for overall operations, including landscape installation and maintenance, burial service setup, grave, niche and crypt sales, burials, marker setting and any other operational tasks. Staff works with funeral directors and families directly to accommodate the needs of those utilizing the Cemetery.

The Cemetery derives its revenues from three primary sources including fees for services; income from the sale of graves, crypts, niches, markers and other items; and from the interest earnings from the Cemetery Endowment Care Fund. For many years, the three traditional revenue sources have not been adequate to fund Cemetery operations. For this reason, the City's General Fund has made a reoccurring transfer to the Cemetery fund.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues						
Operations	157,196	183,204	202,033	166,200	145,900	-12.2%
Transfers-in	226,678	140,300	311,000	261,000	261,000	0.0%
Total Revenues	383,874	323,504	513,033	427,200	406,900	-4.8%

Expenses						
Salaries & benefits	224,494	227,798	273,567	296,950	309,890	4.4%
Supplies & services	168,507	101,944	113,781	163,750	155,630	-5.0%
Capital outlay	6,579	6,579	13,683	-	-	-
Total Expenses	399,580	336,321	401,031	460,700	465,520	1.0%

Net income	(15,706)	(12,818)	112,002	(33,500)	(58,620)	
Beginning working capital	15,077	(629)	(13,447)	33,500	70,000	
Ending working capital	(629)	(13,447)	98,555	-	11,380	-

Staffing FTE	2.1	2.1	2.1	2.6	2.6	
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2021 Budget Notes: Due to declining operating revenues at the Cemetery, the General Fund is transferring a one-time cash infusion to assist with cash flow needs. The financial sustainability of the Cemetery Fund will need to be reviewed during 2021.

INTERNAL SERVICE FUNDS

Equipment Rental O&M

Fund 501

The Equipment Operations & Maintenance Division of the Public Works Department is tasked with providing all of the Departments within the City of Wenatchee with high quality fleet management and operations to meet the needs of the end users and citizens of the City of Wenatchee. The Equipment Maintenance staff consists of one supervisor and fleet specialist and four mechanics providing automotive, heavy truck, heavy equipment, emergency vehicle and small engine maintenance.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	934,065	991,644	1,119,851	911,800	1,101,150	20.8%
Expenses						
Salaries & benefits	388,543	445,705	507,277	545,830	573,780	5.1%
Supplies & services	565,111	565,589	596,513	607,660	608,700	0.2%
Total Expenses	953,654	1,011,294	1,103,790	1,153,490	1,182,480	2.5%
Net income	(19,588)	(19,650)	16,060	(241,690)	(81,330)	
Beginning working capital	430,452	410,863	391,214	330,000	450,000	
Ending working capital	410,863	391,214	407,274	88,310	368,670	317.5%
Staffing FTE	3.9	6.4	6.2	6.4	6.4	

Self Insurance

Fund 502

The Self Insurance Fund provides property/casualty insurance that covers all City assets and programs. The City is a member of the Association of Washington City Risk Management Service Agency (AWC RMSA) pool. AWC RMSA had 86 member municipalities as of December 31, 2011. Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$250,000 for liability and \$50,000 for property, and thereafter purchases excess liability insurance. The revenue for this fund are transfers in from the operating funds. The reserve balance goal for this fund is to have \$500,000 in excess of the premium.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,046,060	1,164,505	1,016,813	995,000	1,270,000	27.6%
Expenses	957,754	991,109	981,895	1,170,000	1,296,870	10.8%
Net income	88,306	173,395	34,918	(175,000)	(26,870)	
Beginning working capital	1,286,541	1,374,847	1,548,242	1,700,000	1,520,000	
Ending working capital	1,374,847	1,548,242	1,583,160	1,525,000	1,493,130	-2.1%

Equipment Rental Replacement

Fund 503

The Equipment Rental & Replacement (ER&R) Division of the Public Works Department is responsible for managing the scheduled replacement of the City’s fleet of vehicles and equipment. The ownership of all City vehicles and heavy equipment (with the exception of the 6 pieces of firefighting apparatus) is held by the ER&R Fund. These vehicles and pieces of equipment are rented back to the end-user department at a rental rate sufficient to cover the cost of replacement at the end of its useful life.

The ER&R staff (Public Works Director – Operations Manager, Fleet Supervisor, Fleet and Facilities Specialist) has developed a 25-year replacement plan which outlines the replacement schedule of all vehicles and equipment and a cash-flow plan to provide adequate funding for those purchases. The ER&R Fund is a revolving account in which current revenues are used to make the scheduled purchases in any given year.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,307,297	1,360,739	1,493,390	989,100	850,860	-14.0%
Expenses						
Salaries & benefits	54,498	93,924	102,602	121,970	121,160	-0.7%
Supplies & services	84,853	70,743	46,123	45,050	20,050	-55.5%
Capital outlay/Deprec.	431,486	432,569	505,100	1,019,490	1,047,790	2.8%
Total Expenses	570,837	597,236	653,824	1,186,510	1,189,000	0.2%
Net income	736,459	763,503	839,566	(197,410)	(338,140)	
Beginning working capital	1,466,943	2,203,402	2,966,905	2,800,000	4,000,000	
Ending working capital	2,203,402	2,966,905	3,806,471	2,602,590	3,661,860	40.7%
Staffing FTE	0.6	0.9	0.9	1.1	0.9	

2021 Budget Notes: After many years of accumulating resources in the ER&R fund, the City has implemented an across-the-board rate reduction to reduce the cash balance to a preferred level.

Facility Maintenance

Fund 504

The Public Works Department’s Facility Maintenance Division is responsible for the building maintenance for all of the City’s facilities. This includes City Hall, the Police Station, the Historic Police Station (home of Information Services/Facility Maintenance/Drug Task Force), the Public Services Center Complex, the Museum Complex, the Community Center, Fire Station, the City Pool and Bathhouse and some of the work at the buildings in City parks. This fund primarily derives its revenue from a General Fund transfer in the “other administrative” section of the budget. Other non-General Fund departments also contribute to the Facility Maintenance fund for facility maintenance and upkeep.

The facility maintenance crew also provides tenant improvement services for City departments such as remodels of existing spaces, or expansions to accommodate departmental growth.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	688,340	3,104,673	1,577,089	2,712,830	1,302,700	-52.0%

Expenses						
Salaries & benefits	281,382	386,277	507,209	465,070	620,780	33.5%
Supplies & services	387,584	591,937	975,739	611,430	595,430	-2.6%
Capital outlay	-	559,959	222,580	2,912,390	134,000	-95.4%
Total Expenses	668,966	1,538,173	1,705,528	3,988,890	1,350,210	-66.2%

Net income	19,373	1,566,499	(128,439)	(1,276,060)	(47,510)	
Beginning working capital	375,928	395,301	1,961,801	1,500,000	800,000	
Ending working capital	395,301	1,961,801	1,833,362	223,940	752,490	236.0%

Staffing FTE	2.8	2.7	3.7	3.8	4.9	
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2021 Budget Notes: In 2020, the Facilities Maintenance fund managed the construction of a major remodel of the old City Hall building for the Social Security Administration. This remodel was completed in 2020 and therefore not included in the 2021 budget.

Information Systems**Fund 505**

The Information Systems department's mission is to proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer support to the departments of the City of Wenatchee. The Information Systems department designs, maintains, and monitors the City's data network. The department orders, delivers, repairs, and maintains all desktop, handheld personal computers and peripheral equipment. They insure the integrity and security of data operations, and oversee and manage the City's data center. Primary computer applications, such as financial, payroll, utilities, permitting, and public safety and related database systems, are maintained and supported by the Information Systems department. The department manages the City's Internet and Intranet web sites, council chambers technology operations and support and the City's telephone systems.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	1,294,360	1,216,521	1,357,389	1,385,230	1,422,260	2.7%
Expenses						
Salaries & benefits	514,126	557,256	577,185	605,330	613,000	1.3%
Supplies & services	611,962	651,231	627,413	657,620	670,440	1.9%
Capital outlay	80,204	76,283	133,005	175,000	350,000	100.0%
Total Expenses	1,206,291	1,284,771	1,337,603	1,437,950	1,633,440	13.6%
Net income	88,068	(68,249)	19,786	(52,720)	(211,180)	
Beginning working capital	264,570	352,638	284,389	300,000	340,000	
Ending working capital	352,638	284,389	304,175	247,280	128,820	-47.9%
Staffing FTE	5.0	5.0	5.0	5.0	5.0	

2021 Budget Notes: A new hardware replacement program has been implemented for 2021 which requires more up-front costs. This accounts for the large increase to Capital Outlay.

AGENCY FUNDS

Cemetery Endowment

Fund 610

This fund is used to account of trust amounts received through sales of graves, crypts and niches in the Cemetery Enterprise Fund. Currently the interest earnings are reinvested in the fund to maximize the compound earning potential and are meant to provide funding for the operations of the Cemetery when the property is filled and service revenues decline.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	30,756	38,174	43,821	28,000	28,000	0.0%
Expenses	-	-	-	-	-	-
Net income	30,756	38,174	43,821	28,000	28,000	
Beginning fund balance *	1,084,346	1,115,102	1,153,276	1,190,000	1,210,000	
Ending fund balance	1,115,102	1,153,276	1,197,097	1,218,000	1,238,000	1.6%

Firemen's' Pension

Fund 611

RCW.3.24.380 established the authority to create a Firemen's Pension Fund to meet the requirement of Washington State Law to provide pension and related benefits to fire department employees hired prior to March 1, 1970. There are less than 20 retirees or beneficiaries eligible for retirement benefits. The State and City share in the costs of providing benefits. The City is required to have a bi-annual actuarial study done. Recent actuarial valuations have indicated the City pension fund is over-funded and may be used to pay other mandatory benefits for the retirees.

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	20/21 Change
Revenues	48,650	62,376	60,966	45,000	39,000	-13.3%
Expenses	148,636	152,453	147,075	195,500	159,500	-18.4%
Net income	(99,986)	(90,077)	(86,109)	(150,500)	(120,500)	
Beginning fund balance *	1,771,707	1,671,721	1,581,644	1,550,000	1,300,000	
Ending fund balance	1,671,721	1,581,644	1,495,535	1,399,500	1,179,500	-15.7%

*Since budget figures are estimates, the beginning fund balances of 2020 and 2021 may not equal the estimated ending fund balances of 2019 and 2020 respectively.

CAPITAL BUDGET

Parks & Recreation Capital Projects

Lincoln Park Renovation. The project will bring new life and function to the park by adding community requested amenities including a picnic shelter, splash pad, bmx pump track, soccer field, safety fences, restrooms, stage, play equipment and shade trees.

Lincoln Park Renovation		Prior Years	2021 Budget	Future Years	Project Total
Project # PK2006C1 Managing Fund: 302					
Resources					
To be determined		-	510,710	-	510,710
302 Park & Rec Capital Projects	RCO WWRP Grant	13,000	1,250,190	-	1,263,190
302 Park & Rec Capital Projects	Donations	50,000	-	-	50,000
405 Sewer Utility	Reserves	-	424,000	-	424,000
Total resources		63,000	2,184,900	-	2,247,900

City Pool Liner Replacement. The City pool plaster liner was last replaced in 1996. Liners for outdoor pools typically last 8-10 years in optimal conditions. Annual required acid washing of the pool also increases the liner wear. The pool has been suffering from areas of liner delamination for years which has required patching. The pool paint is essentially holding the water in. This project will replace the plaster liner and tiles.

City Pool Liner Replacement		Prior Years	2021 Budget	Future Years	Project Total
Project # PK2006C3 Managing Fund: 001					
Resources					
001 General Fund	Reserves	-	15,000	530,000	545,000
001 General Fund	RCO Grant	-	-	325,000	325,000
Total resources		-	15,000	855,000	870,000

Saddle Rock Remediation. The project includes excavation and disposal of the waste rock piles and down gradient areas to remediate the site to restore habitat and create a sustainable, outdoor recreation and education area that will continue to attract many residents and visitors to the community each year for a variety of outdoor recreation and education purposes ranging from snow shoeing, to walking, running, hiking, and equestrian uses.

Saddle Rock Habitat & Trail Restoration		Prior Years	2021 Budget	Future Years	Project Total
Project # PK2006O1 Managing Fund: 302					
Resources					
001 General Fund	Reserves	300,000	72,000	-	372,000
302 Park & Rec Capital Projects	TCPRA Grant	900,000	1,120,000	-	2,020,000
Total resources		1,200,000	1,192,000	-	2,392,000

Kenzie’s Landing Acquisition & Development. This project acquired the 51.76 acre property in 2020 and will construct a trailhead that features vault restrooms; picnic shelter; water station; security cameras; lighting; bike and vehicle parking; fences; dog waste and trash receptacles and signs.

Kenzie's Landing Acquisition & Development		Prior Years	2021 Budget	Future Years	Project Total
Project # PK2006T8 Managing Fund: 302					
Resources					
001 General Fund	Staff time	22,610	-	-	22,610
302 Park & Rec Capital Projects	RCO WWRP Grant	721,540	278,460	-	1,000,000
302 Park & Rec Capital Projects	Donations	1,038,460	422,840	-	1,461,300
309 Foothill Streets	Bond Proceeds	-	150,000	-	150,000
Total resources		1,782,610	851,300	-	2,633,910

Foothills Regional Recreation Area. This project will acquire approximately 640 acres in the foothills to expand non-motorized recreation and outdoor education opportunities while protecting habitat. This project is being accomplished in partnership with the Chelan Douglas Land Trust.

Foothills Regional Recreation Area		Prior Years	2021 Budget	Future Years	Project Total
Project # PK2006T1 Managing Fund: 302					
Resources					
001 General Fund	Reserves	-	20,000	-	20,000
103 Paths & Trails	Reserves	-	20,000	-	20,000
302 Park & Rec Capital Projects	RCO/CDLT Grants	-	863,500	-	863,500
302 Park & Rec Capital Projects	Donations	-	60,000	-	60,000
Total resources		-	963,500	-	963,500

Facilities Capital Projects

Federal Building. The city is engaging in a public private partnership to purchase a portion of the Wenatchee Federal Building to repurpose for a new City Hall. Design was initiated in 2017 and construction is anticipated in 2022. A new city hall will free up other city buildings for either lease or sale.

Federal Building		Prior Years	2021 Budget	Future Years	Project Total
Project # 1716 Managing Fund: 308					
Resources					
001 General Fund	Reserves	1,500,000	-	-	1,500,000
308 New City Hall Remodel	2019 bond proceeds	2,432,000	7,500,000	1,980,000	11,912,000
401 Water Utility	Reserves	387,350	-	-	387,350
405 Sewer Utility	Reserves	333,590	-	-	333,590
410 Storm Drain Utility	Reserves	279,060	-	-	279,060
Total resources		4,932,000	7,500,000	1,980,000	14,412,000

Economic Development Capital Projects

North Wenatchee Redevelopment. The 2015 Sleepy Hollow Fires destroyed approximately 30 acres of industrial businesses in North Wenatchee. Combined with the vacation of property owned by WSDOT, the city developed a master redevelopment plan adopted in 2017 to support redevelopment. This support includes applying for grants to build infrastructure. The city will also be purchasing properties to establish road right of ways. After establishing right of way, the city anticipates surplussing remnant parcels to facilitate private investment.

North Wenatchee Redevelopment		Prior Years	2021 Budget	Future Years	Project Total
Project # 1712 Managing Fund: 304					
Resources					
304 Econ. Dev. Capital Projects	Reserve	11,333,930	1,000,500	720,000	13,054,430
Total resources		11,333,930	1,000,500	720,000	13,054,430

Confluence Parkway NEPA & Pre-Design. The City was awarded funding from the State of Washington to initiate NEPA for Confluence Parkway. In addition, \$100,000 of General Fund Reserves is committed to support the process. The city hired KPG Engineering in the fall of 2018 to perform this work.

Confluence Parkway NEPA & Pre-Design		Prior Years	2021 Budget	Future Years	Project Total
Project # 1804 Managing Fund: 304					
Resources					
001 General Fund	Reserves	100,000	-	-	100,000
304 Econ. Dev. Capital Projects	Reserves	30,000	100,000	100,000	230,000
304 Econ. Dev. Capital Projects	Street Overlay	950,000	261,000	-	1,211,000
304 Econ. Dev. Capital Projects	PWTF loan	200,000	-	-	200,000
304 Econ. Dev. Capital Projects	Donation	300,000	390,000	-	690,000
304 Econ. Dev. Capital Projects	State grant	400,000	-	-	400,000
410 Storm Drain Utility	Reserves	20,000	69,000	-	89,000
Total resources		2,000,000	820,000	100,000	2,920,000

LRF Waterfront Gateway Projects. The “gateway” improvements are intended to provide an aesthetic upgrade in the vicinity of the city’s waterfront. Preliminary concepts include aesthetic improvements around the Thurston Street railroad underpass and, budget permitting, landscaping on the west side of Piere Street between Fifth and Ninth Streets.

LRF Waterfront Gateway Projects		Prior Years	2021 Budget	Future Years	Project Total
Project # 1905 Managing Fund: 307					
Resources					
307 Local Revitalization Financ.	2016 bond proceeds	65,000	485,000	-	550,000
Total resources		65,000	485,000	-	550,000

Street Capital Projects

McKittrick Signal. The project will install a complete new traffic signal with new controllers, pre-emption, detection and radio control equipment. The project will also install ADA compliant curb returns with increased turning radii and new roadway striping. The project is currently an un-signalized three leg intersection that connects Wenatchee Ave to McKittrick St.

McKittrick Signal		Prior Years	2021 Budget	Future Years	Project Total
Project # 0623 Managing Fund: 109					
Resources					
109 Arterial Streets	Federal Grant	1,799,880	598,680	-	2,398,560
109 Arterial Streets	Reserves	269,690	178,320	-	448,010
Total resources		2,069,570	777,000	-	2,846,570

North Wenatchee Avenue Pedestrian & Median Improvements. This project includes pedestrian and median improvements on North Wenatchee Avenue in the vicinity of the McKittrick Street. Construction may be combined with the McKittrick Signal project to save costs and reduce traffic impacts.

North Wenatchee Pedestrian & Median Improv.		Prior Years	2021 Budget	Future Years	Project Total
Project # 1615 Managing Fund: 109					
Resources					
109 Arterial Streets	Federal Grant	70,010	674,970	-	744,980
109 Arterial Streets	Reserves	13,180	131,610	-	144,790
Total resources		83,190	806,580	-	889,770

9th Street BNSF Crossing Improvements. This project will improve safety at the 9th Street rail crossing for vehicles, bicyclists and pedestrians by clearly defining their crossing routes. Improvements will include new sidewalk, curb ramps, signage, pavement markings, and a landscaped median.

9th Street BNSF Crossing Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1801 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	65,550	81,240	-	146,790
109 Arterial Streets	Federal Grant	54,450	1,266,720	-	1,321,170
Total resources		120,000	1,347,960	-	1,467,960

Tacoma Avenue. This project will install curb, gutter, and sidewalk along the west side of Tacoma Avenue. It will also install curb and gutter on the east side of the roadway to collect stormwater and prevent errant on-street parking. In addition, bicycle lanes will be installed in both directions and illumination will be increased to current design standards.

Tacoma Avenue		Prior Years	2021 Budget	Future Years	Project Total
Project # 1907 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	57,000	210,030	-	267,030
109 Arterial Streets	TIB Grant	228,000	1,067,070	-	1,295,070
109 Arterial Streets	Chelan County PUD	25,000	430,000	-	455,000
405 Sewer Utility	Reserves	-	5,000	-	5,000
410 Storm Drain Utility	Reserves	-	55,000	-	55,000
Total resources		310,000	1,767,100	-	2,077,100

South Wenatchee Safety Improvements. This project will install curb bulb-outs, ADA ramps, signs, crosswalks and long line channelization on Spokane Street as well as centerline striping, stop bars, crosswalks and improved signing on Cascade Street.

South Wenatchee Safety Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1911 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	14,300	58,500	-	72,800
109 Arterial Streets	Federal Grant	30,000	195,000	-	225,000
Total resources		44,300	253,500	-	297,800

Miller & Montana Crossing Improvements. This project will install curb bulb-outs, rectangular rapid flashing beacons, and lighting at the intersection of Miller Street and Montana Street.

Miller & Montana Crossing Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1912 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	4,500	500	-	5,000
109 Arterial Streets	Federal Grant	40,000	204,400	-	244,400
Total resources		44,500	204,900	-	249,400

Methow Street Improvements. Install bicycle facilities on Methow St. between Crawford Ave. and Lincoln St. Additionally, construct a mini-roundabout at the intersection of Crawford Ave. and Methow St. to provide intersection control and increase pedestrian safety. Lastly, install new water main in Methow St. between Marjo St. and Lincoln St. per the Comprehensive Water System Plan."

Methow Street Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1916 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	101,200	85,700	-	186,900
109 Arterial Streets	Federal Grant	138,800	647,800	-	786,600
111 Street Overlay	Reserves	-	235,900	-	235,900
401 Water Utility	Reserves	32,000	250,500	-	282,500
405 Sewer Utility	Reserves	7,000	32,900	-	39,900
Total resources		279,000	1,252,800	-	1,531,800

Maple Street Improvements. This project will upgrade Maple Street between the Wenatchee Reclamation District Ditch and Gabriella Lane to typical urban standards. Proposed improvements include roadway widening, sidewalks, illumination, stormwater infrastructure, and sanitary sewer.

Maple Street Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1917 Managing Fund: 309					
Resources					
309 Foothills Streets	Bond proceeds	184,000	1,124,600	-	1,308,600
405 Sewer Utility	Reserves	-	139,230	-	139,230
Total resources		184,000	1,263,830	-	1,447,830

Columbia Street. This project will extend McKittrick Street east from Wenatchee Avenue and construct a new segment of Columbia Street. The McKittrick Street extension will be graded to allow for a future underpass of the BNSF Railway which will result in significant excavation and utility infrastructure.

Maple Street Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 1917 Managing Fund: 309					
Resources					
309 Foothills Streets	Bond proceeds	184,000	1,124,600	-	1,308,600
405 Sewer Utility	Reserves	-	139,230	-	139,230
Total resources		184,000	1,263,830	-	1,447,830

Complete Streets Program. This project consists of various improvements funded through the TIB Complete Streets grant.

Complete Streets Program		Prior Years	2021 Budget	Future Years	Project Total
Project # 2005 Managing Fund: 109					
Resources					
109 Arterial Street	TIB Grant	80,000	450,000	-	530,000
Total resources		80,000	450,000	-	530,000

Springwater Avenue. This project will upgrade Springwater Avenue between Woodward Drive and Western Ave. The Transportation Improvement Board was not able to fully fund the project as originally applied for, but was able to provide \$1.9M in grant funding. Therefore, the scope of improvements will be based on available funding. At a minimum, curb, gutter, and sidewalk will be installed on one side of the road. Stormwater infrastructure and an illumination system will also be installed.

Springwater Avenue		Prior Years	2021 Budget	Future Years	Project Total
Project # 2007 Managing Fund: 109					
Resources					
109 Arterial Streets	Reserves	-	112,000	374,980	486,980
109 Arterial Streets	TIB Grant	-	448,000	1,452,000	1,900,000
410 Storm Drain Utility	Reserves	-	-	70,000	70,000
Total resources		-	560,000	1,896,980	2,456,980

Utility Capital Projects

Regional Water Redundancy. The regional water system is operated by the City and supplies drinking water from the east bank aquifer to the City, the Chelan County PUD and East Wenatchee Water District. Regional partners started to evaluate additional sources since demand on the system from growth is approaching the capacity of the wellfield pumps. The purpose of this project is to evaluate an alternative water supply source through exploratory well drilling.

Regional Water Redundancy		Prior Years	2021 Budget	Future Years	Project Total
Project # 1302 Managing Fund: 415					
Resources					
415 Regional Water	Reserve	600,000	169,140	-	769,140
Total resources		600,000	169,140	-	769,140

WWTP Digester #4 Control Building. The new Digester 4 is planned to be sited on the north side of the WWTP adjacent to the existing solids handling building on an area previously used as municipal landfill which, although closed for decades, was never completely remediated. The capacity and size of Digester 4 will be the same as the existing Digester 3 (45 foot diameter, 25 foot height) and it will have the ability to operate independently of Digester 3. Structural and foundation design, gas handling improvements, boiler and heat exchanger upgrades, electrical and PLC system improvements, as well as mechanical system improvements for the digester system as a whole will all be part of the project scope.

WWTP Digester #4 Control Building		Prior Years	2021 Budget	Future Years	Project Total
Project # 1810 Managing Fund: 405					
Resources					
405 Sewer Utility	2018 Bond Proceeds	800,000	563,000	221,800	1,584,800
405 Sewer Utility	SRF Loan	-	3,120,000	6,340,000	9,460,000
Total resources		800,000	3,683,000	6,561,800	11,044,800

Peachey Street Basin Water Quality Retrofit. The Peachey street basin includes the oldest part of Wenatchee and is the most highly developed area of the city. The goal of the project is to add water quality treatment at key locations throughout the Peachey Street Basin. These facilities will remove total suspended solids, trash and metals.

Peachey Street Basin Water Quality Retrofit		Prior Years	2021 Budget	Future Years	Project Total
Project # 1903 Managing Fund: 410					
Resources					
410 Storm Drain Utility	Reserves	8,750	232,100	-	240,850
410 Storm Drain Utility	Ecology Grant	26,250	730,000	-	756,250
Total resources		35,000	962,100	-	997,100

Knowles Road Sanitary Sewer. Chelan County has initiated a county road project for Knowles Road, with this project the City will coordinate construction efforts with the County to utilize this design and construction project for placing Sanitary Sewer within Knowles Road.

Knowles Road Sanitary Sewer		Prior Years	2021 Budget	Future Years	Project Total
Project # 1908 Managing Fund: 405					
Resources					
405 Sewer Utility	Reserves	5,000	45,000	-	50,000
Total resources		5,000	45,000	-	50,000

Linwood & Rosewood Water Main Replacement. The project will replace the existing 1950-era steel water mains in Linwood and Rosewood Avenues between Stevens Street and Russell Street.

Linwood & Rosewood Water Main Replacement		Prior Years	2021 Budget	Future Years	Project Total
Project # 2001 Managing Fund: 401					
Resources					
401 Water Utility	Reserves	30,000	30,000	523,000	583,000
Total resources		30,000	30,000	523,000	583,000

Pershing & Poplar Sewer Extension. This project will install new sewer mains in Poplar Avenue north of Maple Street, Pershing Street between Maple Street and McKittrick Street, and Mulberry Lane between Poplar Avenue and Pershing Street.

Pershing & Poplar Sewer Extension		Prior Years	2021 Budget	Future Years	Project Total
Project # 2002 Managing Fund: 405					
Resources					
405 Sewer Utility	Reserves	55,000	25,000	1,036,000	1,116,000
Total resources		55,000	25,000	1,036,000	1,116,000

UV/WWTP Facility Plan Update. The City of Wenatchee's Waste Water Treatment plant is looking to do a study of the existing UV treatment facility. This study will identify the needed UV system expansion requirements to be able to adequately treat the City's Sanitary Sewer Waste. In conjunction with this study an update to the WWTP Facility Plan will be conducted to identify any other areas that need updated and/or expanded at the WWTP.

UV/WWTP Facility Plan Update		Prior Years	2021 Budget	Future Years	Project Total
Project # 2003 Managing Fund: 405					
Resources					
405 Sewer Utility	Reserves	-	220,000	-	220,000
Total resources		-	220,000	-	220,000

Springwater Stormwater. At the intersection of Western and Springwater there is a Stormwater pipe that goes from 36" to 10" in diameter. This abrupt decrease in pipe diameter caused capacity issues. This study aims to propose solutions for this issue by creating a less severe step down in pipe sizes to better serve the stormwater needs of this area.

Springwater Stormwater		Prior Years	2021 Budget	Future Years	Project Total
Project # 2004 Managing Fund: 410					
Resources					
410 Storm Drain Utility	Reserves	20,000	55,000	-	75,000
Total resources		20,000	55,000	-	75,000

Walla Walla Stormwater Retrofit. This project will improve water quality in the Columbia River through installation of BMPs including curb cuts, catch basins with sumps, infiltration trenches, and hydrodynamic separators along Walla Walla Ave.

Walla Walla Stormwater Retrofit		Prior Years	2021 Budget	Future Years	Project Total
Project # 2008 Managing Fund: 410					
Resources					
410 Storm Drain Utility	Reserves	-	17,500	234,300	251,800
410 Storm Drain Utility	Dept of Ecology	-	52,500	696,600	749,100
Total resources		-	70,000	930,900	1,000,900

North Wenatchee Avenue Sewer Repair. This project will reroute an existing sewer main in Wenatchee Avenue between Fifth Street and Seventh Street to increase capacity and reduce the potential for backups.

North Wenatchee Avenue Sewer Repair		Prior Years	2021 Budget	Future Years	Project Total
Project # 2010 Managing Fund: 405					
Resources					
405 Sewer Utility	Reserves	-	350,000	-	350,000
Total resources		-	350,000	-	350,000

Cascade Street Water Main Replacement. This project will replace the 1929 cast iron water main in Cascade Street between Peachey Street and Spokane Street.

Cascade Street Water Main Replacement		Prior Years	2021 Budget	Future Years	Project Total
Project # 2011 Managing Fund: 401					
Resources					
401 Water Utility	Reserves	-	41,000	218,000	259,000
Total resources		-	41,000	218,000	259,000

Snohomish Street Outfall Improvements. This project will improve the existing stormwater outfall at Snohomish Street to alleviate flooding and erosion.

Snohomish Street Outfall Improvements		Prior Years	2021 Budget	Future Years	Project Total
Project # 2012 Managing Fund: 410					
Resources					
410 Storm Drain Utility	Reserves	-	50,000	345,000	395,000
Total resources		-	50,000	345,000	395,000

Capital Budget Summary

The capital projects listed on the previous pages are summarized in the chart below. The 2021 budget column of the capital projects are also reflected in the individual department/fund budgets located in previous sections of this document.

	Fund	Prior Years	2021 Budget	Future Years
001	General Fund	1,922,610	107,000	855,000
103	Paths & Trails	-	20,000	-
109	Arterial Streets	2,991,560	6,840,540	1,826,980
111	Street Overlay	-	235,900	-
302	Governmental Capital Projects	2,723,000	3,994,990	-
304	Economic Dev Capital Projects	13,513,930	4,701,500	820,000
307	Local Revitalization Financing	65,000	485,000	-
308	New City Hall Remodel	2,432,000	7,500,000	1,980,000
309	Foothills Streets	184,000	1,274,600	-
401	Water Utility	449,350	321,500	741,000
405	Sewer Utility	1,200,590	5,549,130	7,597,800
410	Storm Drain Utility	354,060	2,406,100	1,345,900
415	Regional Water	600,000	169,140	-
	Parks - source to be determined	-	510,710	-
		26,436,100	34,116,110	15,166,680