



City of Carnation

# 2024 Annual Budget

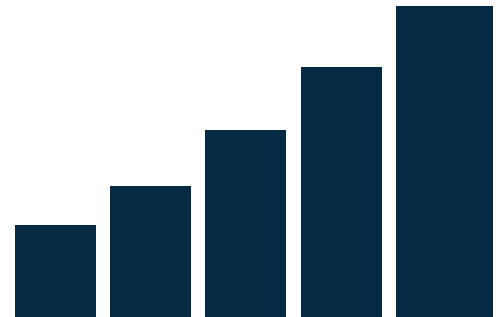
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# Table Of Contents

|   |          |
|---|----------|
| <b>City Manager Budget Message.....</b>               | <b>1</b> |
| <b>Vision and Goals.....</b>                          | <b>2</b> |
| <b>Organizational Chart &amp; Positions List.....</b> | <b>3</b> |
| <b>Salary Structure.....</b>                          | <b>4</b> |
| <b>Debt Schedule and Investments- partial.....</b>    | <b>5</b> |
| <b>FY 2024 Budget.....</b>                            | <b>6</b> |
| <b>General Fund Detail.....</b>                       | <b>7</b> |
| <b>Transfers in/out- pending.....</b>                 | <b>8</b> |
| <b>FY2024 Budget.....</b>                             | <b>9</b> |
| <b>Contact Us.....</b>                                | <b>9</b> |



# MESSAGE FROM THE CITY MANAGER

The FY2024 budget continues to honor principles laid out in FY2023, mainly, to live within our means. The expected revenues in 2024 determine expenditures in 2024. The budget does not take into consideration fund balances. I wanted to clearly illustrate for the Carnation community, the City Council and staff, that our operations are lean and efficient. This preliminary budget presents key elements:

## **General Fund**

The General Fund reflects increases in revenue later in 2024 due to new housing production and sales. The analysis used for this document reflects increases in real estate excise taxes, property taxes, utility taxes and miscellaneous revenues due to moderate growth.

## **Sewer, Water and Stormwater**

These funds were segregated in 2023 to better understand revenues and expenses. This separation has painted a more accurate picture of each utility. Water and Stormwater, for now, seem stable. Sewer on the other hand, will be carefully monitored in 2024 to confirm that expenses are sound and appropriate. At this point, the City Manager expects a multiyear rate increase. Such increase, if necessary, will be recommended in Quarter 1 of 2024 for implementation in July at the earliest.

## **Other notable elements in the FY2024 budget include:**

- Consolidation of Revenue Stabilization fund (002) and Contingency fund (005) into 002.
- Elimination of 106 Cemetery which is now incorporated in the General fund 001.
- Elimination of 003- ADP and 103 ARPA. These funds were created as placeholders and are no longer necessary.
- Earned Income: each functional team manager and the City Manager are required to **secure revenues to support their operations**. This is a unique step for a government agency and emulates the structure of consulting firms and nonprofits. Consulting firms depend on billable hours while nonprofits depend on grants. We will pursue both.
- Rate reduction for landfill. We project decreases in expenses and therefore decreases in rates.

*Ana Cortez*



# VISION & GOALS

## Vision

This budget supports the vision set by City Council through its list of priorities. This budget document supports the Council priorities by allocating funds for the following programmatic areas:

### **1. Succession and Capacity**

In 2023, the City of Carnation modified its salary structure to be more competitive in the region and it chose to continue offering its Cadillac benefits packages for all employees. These actions produced more qualified applicants for vacancies in 2023.

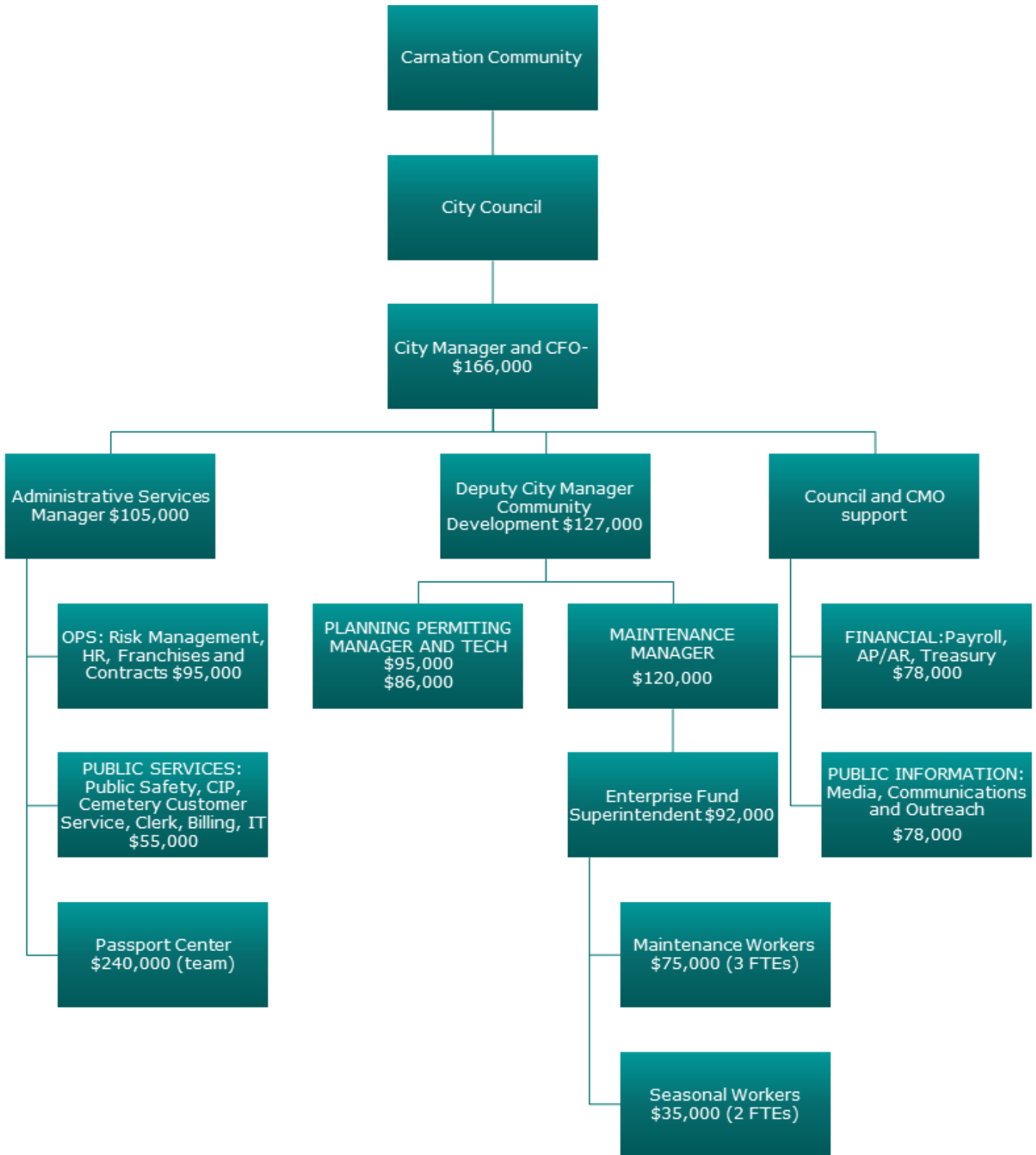
### **2. Economic Development**

The budget allocates resources to protect local business and to bring new vitality to Tolt Avenue. The City expects to invest in a business incubator in the near future and to start a new chapter for the local economy through the development of 100,000 square feet of light industrial uses. Important to residents and businesses is our complete streets infrastructure, new emergency operation center, transit connectivity and other activities that support community economic development.

## Goals

1. Improve roads, sidewalks, alleys and adopt a West Side Master Plan
2. Build a Civic Center Campus in 2024
3. Develop Schefer for commercial and light industrial uses
4. Increase blueprint of Carnation through sound annexations
5. Improve connectivity to public transit
6. Complete Administrative Documents: asset inventory and key policy documents
7. Improve aesthetic and safety through Code enforcement

# ORGANIZATION + POSITIONS + SALARIES



# SALARY STRUCTURE

The City of Carnation has two types of employee groups: 1. Represented/Hourly and 2. Non Represented/Salary.

Represented employees are part of Teamsters. Their salary structure is set through a Collective Bargaining Agreement (CBA). The latest CBA is for 2023, 2024 and 2025. The specific hourly rates for 2024 are in the table below. These salaries have been adjusted to reflect 4.6% cost of living adjustment.

|                                   | <b>2024 Rate</b> | <b>4.6% increase from 2023</b> |               |               |               |               |               |
|-----------------------------------|------------------|--------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                   | <b>STEP 1</b>    | <b>STEP 2</b>                  | <b>STEP 3</b> | <b>STEP 4</b> | <b>STEP 5</b> | <b>STEP 6</b> | <b>STEP 7</b> |
| <b>Maintenance Worker I</b>       | \$ 28.67         | \$ 29.82                       | \$ 31.01      | \$ 32.26      | \$ 33.56      | \$ 34.89      | \$ 36.29      |
| <b>Administrative Assistant I</b> | \$ 27.28         | \$ 28.36                       | \$ 29.50      | \$ 30.68      | \$ 31.91      | \$ 33.19      | \$ 34.52      |

Non represented positions are listed to the right. These positions do not receive automatic cost of living increases; instead these positions receive merit pay. The salary increases are determined by the supervisor and by budget constrains. These positions are at-will.

| <b>CLASSIFICATION</b>                            | <b>BASE</b>         | <b>TOP</b>           |
|--|---------------------|----------------------|
| <b>CITY MANAGER</b>                              | <b>Council Sets</b> | <b>Council Sets</b>  |
| <b>ASSISTANT TO</b>                              | <b>\$65,000.00</b>  | <b>\$81,250.00</b>   |
| <b>MANAGER/PRINCIPAL</b>                         | <b>\$95,000.00</b>  | <b>\$ 130,000.00</b> |
| <b>SUPERINTENDENT/ BUSINESS MANAGER/ PLANNER</b> | <b>\$80,000.00</b>  | <b>\$ 110,000.00</b> |
| <b>DEPUTY CITY MANAGER</b>                       | <b>\$125,000.00</b> | <b>\$ 145,000.00</b> |

# DEBT

|                       | Description   | DEBT         | Function-Fund        | Balance as of 1.1.2024 | Annual Payment (p+i) |
|-----------------------|---|--------------|----------------------|------------------------|----------------------|
| 2024-1-35             | Limited Tax General Obligations Bond - SR 203- 1.86%  | \$2,100,000  | Tolt Ave- 301        | \$1,725,000            | \$162,085            |
| 2024-2-36             | Limited Tax General Obligations Bond 2001- EOC- 1.60% | \$2,100,000  | EOC- 302             | \$2,100,000            | \$178,600            |
|                       | <b>TOTAL/ GENERAL FUND</b>                            |              |                      | <b>\$3,825,000</b>     | <b>\$340,685.00</b>  |
| 2024-4--28            | DEP OF ECOLOGY- VAC STATION- 0%                       | \$5,141,000  | Sewer- 407           | \$1,186,384.70         | \$263,641.02         |
| 2024-6--30            | PWTF-VAC STATION .5%                                  | \$4,155,965  | Sewer- 407           | \$1,071,797.05         | \$158,472.85         |
|                       | <b>TOTAL /SEWER</b>                                   |              |                      | <b>\$2,258,181.75</b>  | <b>\$422,113.87</b>  |
| 2024-7--20<br>YR TERM | PWTF-W- BRUMBAUGH-1.39%                               | \$1,623,000  | WATER/ASBE STOS- 404 | \$1,623,000            | \$93,511.00          |
| 2024-3-53             | 2013 USDA Water Bonds-3.125%                          | \$2,330,000  | Water-404            | \$2,009,526.77         | \$104,197.60         |
| 2024-5--29            | PWTF-W- 1%  | \$473,825.88 | Water- 404           | \$150,376.47           | \$26,566.60          |
|                       | <b>TOTAL/ WATER</b>                                   |              |                      | <b>\$3,782,903.24</b>  | <b>\$224,275.20</b>  |



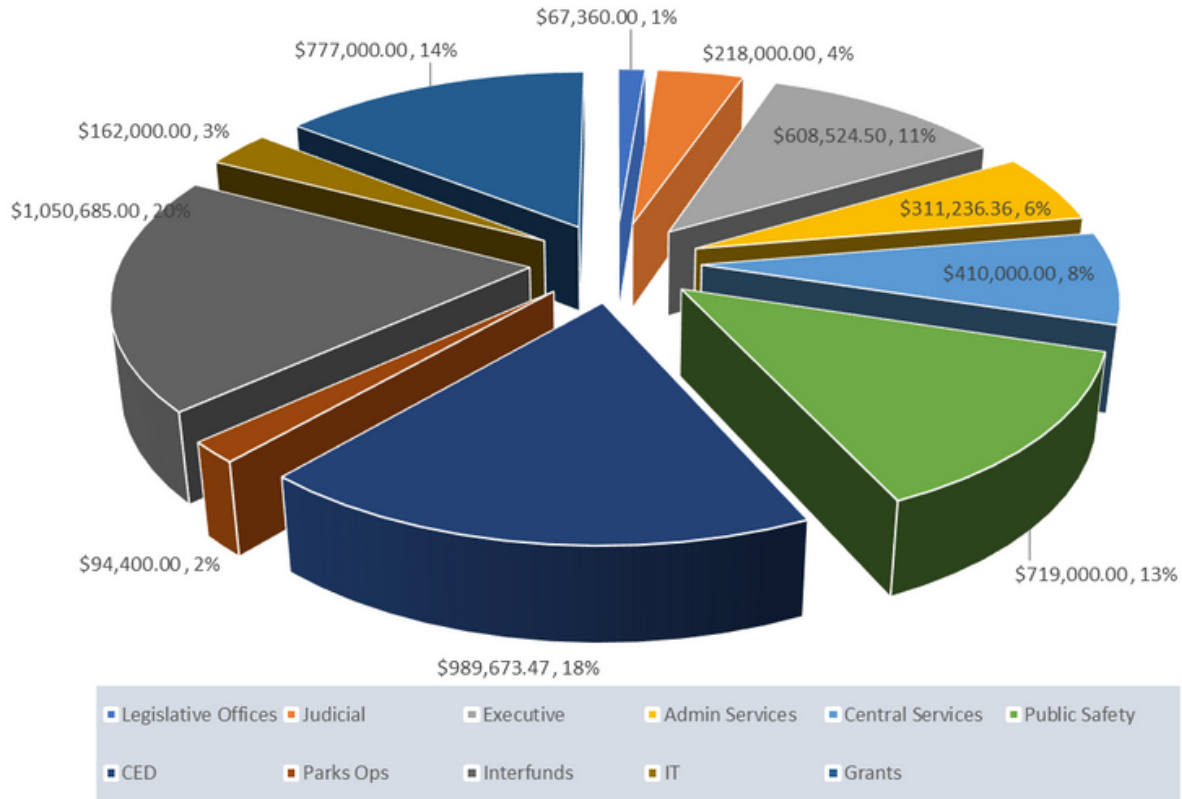
# FY 2024 BUDGET

| FUND         | PURPOSE                    | REVENUE              | EXPENDITURES         | FUND BALANCE        |
|--------------|----------------------------|----------------------|----------------------|---------------------|
| 001          | Municipal Services         | \$ 5,469,420         | \$ 5,407,879         | \$ 61,541           |
| 002          | Reserves                   | \$ 470,000           | \$ 470,000           | \$ -                |
| 201          | Debt: General Obligation   | \$ 340,685           | \$ 340,685           | \$ -                |
| 107          | Equipment                  | \$ 115,000           | \$ -                 | \$ 115,000          |
| 101          | Street Maintenance         | \$ 122,750           | \$ 120,000           | \$ 2,750            |
| 109          | Impact fee: Transportation | \$ 843,890           | \$ 831,000           | \$ 12,890           |
| 301          | CIP: Street                | \$ 4,963,000         | \$ 4,962,000         | \$ 1,000            |
| 108          | Impact fee: Park           | \$ 192,530           | \$ 165,000           | \$ 27,530           |
| 302          | CIP: Facilities            | \$ 6,120,000         | \$ 6,115,000         | \$ 5,000            |
| 406          | Landfill                   | \$ 352,769           | \$ 90,000            | \$ 262,769          |
| 409          | Stormwater                 | \$ 261,500           | \$ 245,733           | \$ 15,767           |
| 401          | Water Ops                  | \$ 2,616,317         | \$ 2,519,060         | \$ 97,257           |
| 402          | CIP: Water                 | \$ 2,247,000         | \$ 2,100,000         | \$ 147,000          |
| 404          | Debt: Water                | \$ 225,000           | \$ 225,000           | \$ -                |
| 405          | Water: Historical hold     | \$ 4,000             | \$ -                 | \$ 4,000            |
| 411          | Sewer                      | \$ 2,263,768         | \$ 2,088,073         | \$ 175,695          |
| 407          | Debt: Sewer                | \$ 422,114           | \$ 422,114           | \$ -                |
| 408          | CIP: Sewer                 | \$ 950,000           | \$ 950,000           | \$ -                |
| 306          | CIP: Cemetery              | \$ 15,000            | \$ 15,000            | \$ -                |
| 601          | Endowment                  | \$ 149,096           | \$ 15,000            | \$ 134,096          |
| 633          | Restricted Pass Through    | \$ 521,156           | \$ 521,156           | \$ -                |
|              | LGIP                       | \$ 2,329,968         | \$ 149,096           | \$ 2,180,872        |
| <b>TOTAL</b> |                            | <b>\$ 30,994,963</b> | <b>\$ 27,751,797</b> | <b>\$ 3,243,167</b> |



# General Fund Detail

## GENERAL FUND EXPENSES



| EXPENDITURES        |                 |       |
|---------------------|-----------------|-------|
| Legislative Offices | \$ 67,360.00    | 1.2%  |
| Judicial            | \$ 218,000.00   | 4.0%  |
| Executive           | \$ 608,524.50   | 11.3% |
| Admin Services      | \$ 311,236.36   | 5.8%  |
| Central Services    | \$ 410,000.00   | 7.6%  |
| Public Safety       | \$ 719,000.00   | 13.3% |
| CED                 | \$ 989,673.47   | 18.3% |
| Parks Ops           | \$ 94,400.00    | 1.7%  |
| Interfunds          | \$ 1,050,685.00 | 19.4% |
| IT                  | \$ 162,000.00   | 3.0%  |
| Grants              | \$ 777,000.00   | 14.4% |

# TRANSFERS IN/OUT



|                       | FROM | TO  | AMOUNT        | JUSTIFICATION         |
|-----------------------|------|-----|---------------|-----------------------|
| <b>SEWER</b>          | 411  | 001 | \$25,000.00   | Contribution to Legal |
|                       | 411  | 407 | \$422,113.00  | Debt                  |
|                       | 411  | 408 | \$200,000.00  | CIP CONTRIBUTION      |
| <b>WATER</b>          | 401  | 001 | \$25,000.00   | Contribution to Legal |
|                       | 401  | 404 | \$225,000.00  | Debt                  |
|                       | 401  | 402 | \$500,000.00  | CIP                   |
|                       | 401  | 408 | \$ 500,000.00 | Historical share      |
| <b>STORMWATER</b>     | 409  | 001 | \$10,000.00   | Contribution to Legal |
| <b>IMPACT: STREET</b> | 109  | 101 | \$80,000.00   | Impact/Street Ops     |
|                       | 109  | 411 | \$80,000.00   | Sewer/Street          |
|                       | 109  | 301 | \$200,000.00  | Impact/ Street CIP    |
|                       | 109  | 402 | \$147,000.00  | CIP                   |
|                       | 109  | 401 | \$147,000.00  | Water/Street          |
| <b>GENERAL FUND</b>   | 001  | 201 | \$340,685.00  | Debt                  |
|                       | 001  | 107 | \$10,000.00   | Equipment             |
|                       | 001  | 302 | \$600,000.00  | EOC/ARPA              |
|                       | 001  | 002 | \$100,000.00  | Allocation            |
| <b>CEMETERY</b>       | 601  | 306 | \$15,000.00   | Columbarium           |
|                       | LGIP | 601 | \$149,096.00  | Endowment             |



# FUND LEVEL INFORMATION

Information on specific revenues and expenditures can be found at [www.carnationwabudget.com](http://www.carnationwabudget.com)

## Contact Us



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