



To: City of Ruston Council and Ruston Residents

From: Mayor Bruce Hopkins

Date: November 19, 2024

RE: 2025 Budget

## Overview

The budget I am presenting this year shows a very modest 12% projected increase in revenues for 2025. Expenses in our General Fund continue to out pace our revenue growth and 77% of our expense is tied directly to public safety. The Levy LID lift that passed two years ago helped offset some of the increases however expenses continue to out pace revenue increases. In order to continue to support our public safety it will require deficit spending currently forecasted at \$100,000. Again this year I will not be forecasting any new business growth but remain hopeful that we will experience some. The beleaguered Point Ruston development continues to navigate some very complicated legal issues but we are confident 2025 will bring clear direction on the future direction of the site. The one building permit that was ready for pickup once payment was received expired. The permit was for Building 9 that would have had 69,000 sq ft of commercial space and 222 residential units. The new owner of this site can reapply once the foreclosure redemption period expires in July 2025. The majority of the Point Ruston properties in Ruston have been foreclosed upon and the lender have been in talks with the city about completing the project. We remain optimistic that they will move forward with the development and are optimistic that development begins in 2025. Obviously any development will help improve our revenue position.

The budget as presented also includes proposed rate increase in Storm Water rates that will be brought before council in early 2025. We need to continue to work on assessing and documenting our existing Storm Water System. We received a grant from Ecology that allowed us to evaluate approximately 10% of our system. We are in the process now of pursuing other grants but we need to be in a position to properly fund our contribution while still having the funds to maintain it.

This years budget includes a 4% COLA for all employees. This aligns with current CPI numbers. Our city employees are very dedicated and loyal and we need to do everything in our power to retain them. In 2025 we will be transitioning personnel. A new City Clerk Treasurer has joined us and our current Clerk Treasurer will move into the Assistant City Clerk role on a part-time

basis. This will again bolster our staffing position while providing us the the resources we have deserately been missing.

The five biggest sources of revenue for the city are (in order of dollar amount):

1. Property Taxes
2. Parking Tax
3. Sales & B&O taxes
4. Hotel/Motel Tax
5. Utility taxes

## **General Fund**

Property tax remains our number one source of revenue but we have additional sources that are helping us achieve a balanced budget.

The parking tax remains a strong contributor to our General Fund revenue sources and forecast to bring in \$280,000 in 2025. The Ruston Market and SilverCloud Hotel are the biggest sources of parking tax.

The city council continues to support our public safety departments to the best of our abilities. Council has made public safety a top priority and properly funding them has been a significant challenge. Currently public safety is responsible for 77% of our General Fund expenditures. This is an unsustainable distribution and will require deficit spending again this year to fully support law enforcement in the manner in which they are asking.

Computer Programming Services conitnues to be a focus for us with the launch of our Esri platform. Our migration to the AWS environment did not occur because of limitations we experienced with support of peripheral equipment. We will continue to monitor and hope to move if/when Amazon supports our needs. The city website remains a priority for us in 2025.

The Ruston School still has some office/retail space available but with the entire second floor now leased things are looking more positive.

## **Street Reserve Fund**

This is funded through our real estate excise tax and Fuel Tax. The revenue from these two areas is only enough to support very minor repairs. We look to other sources of funding for our larger street projects and they are handled through our Capital Construction Fund,

## **Capital Construction Fund**

We currently have identified several potentially large capital improvement projects. In 2025 we will be completing our Park Avenue project which we received a grant from TIB in 2022. We received grants for Highland and Shirley Streets - grind and overlay - from 51<sup>st</sup> to Park Avenue. We anticipate completing those projects in the summer of 2025.

The Community Center asks will be for ADA access (which will include an elevator), second floor egress from the Community Center and modernize the lower-level restrooms to make them ADA compliant as well.

## **Electric Fund**

The Electric Utility Fund remains healthy and continues to fund the modernization of our electrical grid by placing all utilities underground. This is obviously a long-term project however the result will be a very resilient transmission method for both electric and telecommunications that minimize our exposure to natural disasters. While minimizing our exposure to natural disasters it also dramatically reduces our long-term maintenance costs. Staff are currently in the design stages for the next phase of our underground plan. The next phase will be much larger and we will be submitting for grants that will be made available under the [“Preventing Outages and Enhancing the Resilience of the Electric Grid”](#) program that is administered through DOE’s “Building a Better Grid Initiative”. The state received \$2.3 billion from the federal government for this program. Ruston is extremely well positioned to receive some of this money given that we are well underway with our own Grid Resilience plan.

## **Sewer Fund**

The sewer fund is in good fiscal condition. We will be conducting a rate analysis this year to make certain our base and flow rates are adequate. With the entire system having been replaced it will be quite sometime before we anticipate any capital projects will be required. Our overall goal is to retire our sewer debt within the next 30 years.

## **Storm Water Fund**

The city continues to assess the condition of our storm water system, and we will continue to pursue grants to complete our entire as-built status so we can properly evaluate our existing system. The council did pass an increase in rates to help us conduct the assessment however they opted not to pursue the square footage rate approach until we can properly evaluate the state of our storm system.

## **School Building Maintenance Fund**

The school building received a completely new roof from a state of Washington appropriation. We will be pursuing additional funding to address the buildings ADA issues. There is still interest in the remaining space we have available in the building and we hope to have remaining offices leased in 2025.