

City of Roy
Preliminary Budget
2025

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Mayor's Budget Message

From the Office of Mayor Kimber Ivy - City of Roy

Dear Residents & Council of Roy,

As we look to the future, our team has crafted a FY2025 budget plan rooted in practical priorities and realistic projections, creating a blueprint for the coming year that ensures the best financial responsibility with what we are given and hopes to guide us toward a future with progress and sustainability. That being said we will be faced with difficult decisions along the way.

Building a Sustainable FY2025 Budget:

Our budget plan for FY2025 is based on the actual spending and costs from FY2024. However, we are facing some critical, long-term decisions. We need serious revenue growth if Roy is to have a sustainable future. We aim to build a stronger, unified, and fiscally responsible city that serves our residents today while setting the foundation for future generations.

Acknowledging Our Team's Dedication:

I would like to recognize the hard work and dedication our city staff has shown during this past year, a time of significant administrative change. This transition represents a new chapter in Roy's history. With this fresh start, my goal is to continue building a cohesive team that will tirelessly work to improve life for our residents while preserving the charm that makes Roy unique.

Budget Priorities for 2025:

Outlined below are the guiding principles for our 2025 budget, with key projects and focus areas that will drive our city forward will match the categories presented for FY2024; however, we will target our focus on direct projects outlined:

1. Investing in Infrastructure

Infrastructure is the backbone of our community, supporting everything from daily commutes to emergency response. In FY2024, we will prioritize our roads, chip sealing scheduled, and funding secured. We will see the work happen in 2025. Our water system has had plans and funding presented to the Council. We'll also complete a rate study to present to the Council, which will help support sustainable infrastructure maintenance in the future. In FY2025 we will continue to look for funding to complete the necessary work required to bring our water system up to date.

2. Enhancing Public Safety

The safety of our residents is our top priority. In FY2024 our police department has already seen success with increased training and grant achievements, and we're committed to building on this progress. A much-needed crosswalk will begin construction in FY2025 allowing our community safe crossing across

SR507. In FY2025, we will continue supporting our law enforcement with updated policies and resources to foster a secure environment.

3. Promoting Economic Development

A thriving local economy ensures our city's long-term viability. We aim to attract new businesses and support our existing ones, creating opportunities for economic growth that benefit everyone. In FY2024 we welcomed new businesses to Roy, strengthening our local economy and community.

4. Fostering Community Engagement

Active citizen participation is essential for a strong community. FY2024, we had events like Hometown Heroes, National Night Out, Muck Creek cleanup, and more. Our goal is to keep this momentum going, fostering an inclusive environment where every resident feels empowered to shape Roy's future.

5. Preserving Our Heritage

Our city's history and culture are central to Roy's identity. Through events, historical preservation, and community gatherings, we'll celebrate and honor our unique heritage. The establishment of a Historic Commission is just the start of our efforts to preserve what makes Roy special.

A Commitment to Fiscal Responsibility:

This budget represents our commitment to using tax dollars effectively and efficiently. It's designed to meet our city's immediate needs while planning responsibly for the future. I invite each of you to engage in this process; your feedback is invaluable as we work together to make Roy the best it can be.

In closing, I want to thank you for your support, patience, and understanding as we move forward. Together, we can make Roy a beacon of progress and opportunity while preserving the spirit that makes it a cherished home for all of us. The coming year will require tough decisions, and I am confident we can face these challenges together, as a community. Our vision is to see Roy thrive as a welcoming, vibrant city rich in history and community pride. To make this vision a reality, we need each of you – our residents, our neighbors, our community leaders – to actively engage, support, and empower each other.

Warm regards,

Mayor Ivy
City of Roy

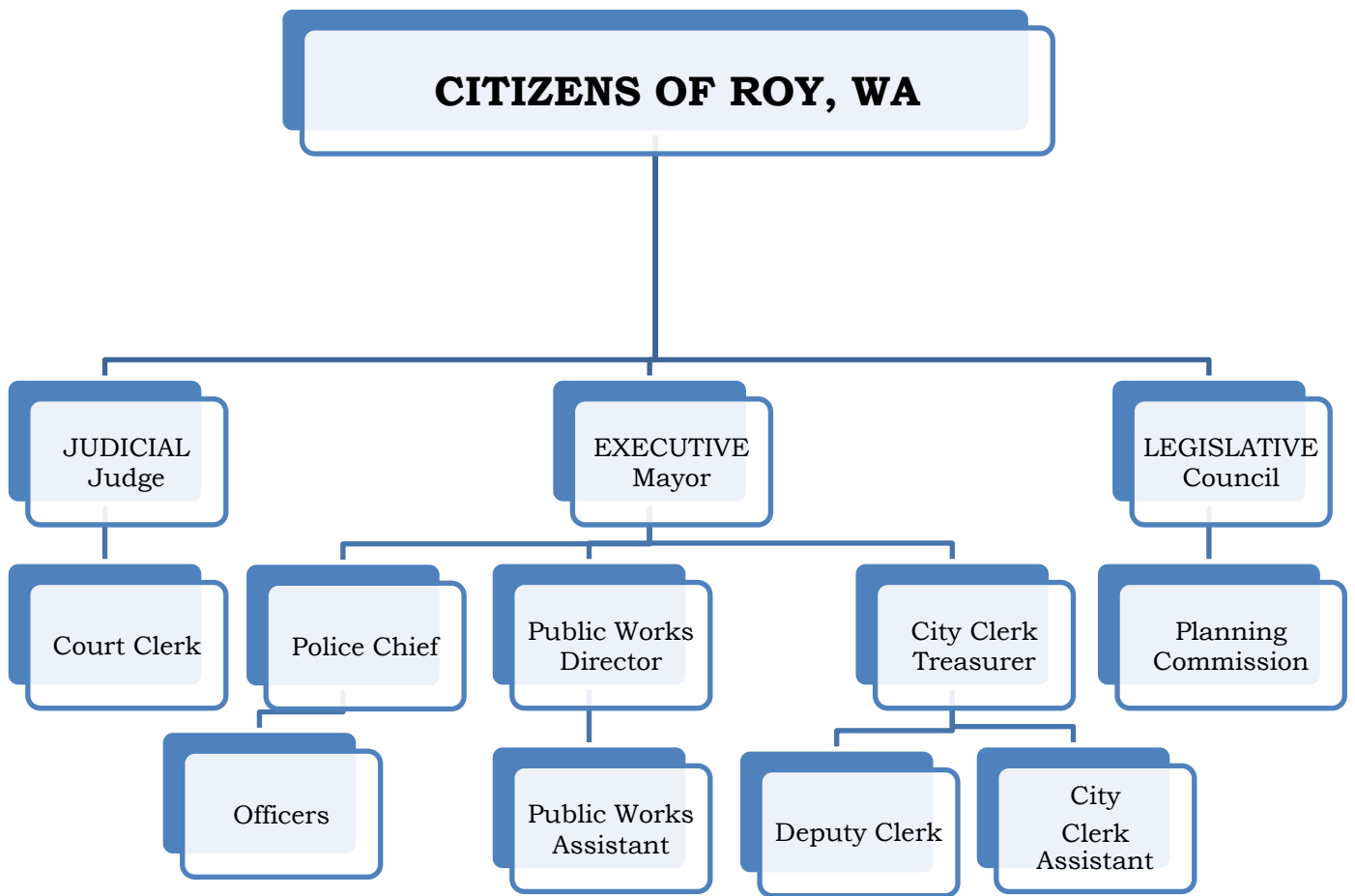
Elected Officials

		<u>Term Expires:</u>
Kimber Ivy	Mayor (Elected)	December 31, 2025
Edmund Dunn	Council Position #1	December 31, 2025
Yvonne Starks	Council Position #2	December 31, 2027
Jim Rotondo	Council Position #3	December 31, 2025
Ryan Muller	Council Position #4	December 31, 2027
William Starks, SR	Council Position #5	December 31, 2025

Staff

Paul Antista	Police Chief
Drew Pearson	Police Officer
Ryan Fuller	Public Works Director
Vacant	Public Works Assistant
Beth King	Acting City Clerk- Treasurer
Kim Bendel	Deputy Clerk
Vacant	City Clerk Assistant
Katy Henrickson	Court Clerk
Thomas Ellington	Court Judge

Organizational Chart



Budget Development Process

The budget includes financial planning and legal authority to obligate public funds. Additionally, the budget provides policy direction by the City Council to the staff and community.

The budget serves four functions:

It is a Policy Document

The budget functions as a policy document in that the decisions made within the budget will reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.

It is an Operational Guide

The budget of the city reflects its operations. Activities of each City fund or department have been planned, formalized and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and goals of the City Council.

It is a Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the city, the purpose of those activities, future implications, and the direct relationship to citizens.

It is a Legally Required Financial Planning Tool

Preparing and adopting a budget is a state law requirement of all cities as stated in Title 35A of the Revised Code of Washington (RCW). The budget must be adopted as a balanced budget and must be in place prior to the beginning of the City's fiscal year. The budget is the legal authority to expend public funds and controls those expenditures by limiting the amount of appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to determine funds available.

The City operates on a calendar-year basis. The city utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and based on needs defined by budget policies, emerging issues, Council goals and available resources.

Budget Calendar

November 4 – Mayor’s proposed budget + budget message filed with clerk and presented to Council.

November 4

- public hearing, revenue sources.
- public hearing on preliminary budget
- first read, property tax ordinance
- first read, budget ordinance

November 18

- second read, adoption, property tax ordinance.
- public hearing on final budget
- first read of budget ordinance

December 3

- budget amendments

December 9

- second read of budget ordinance (budget adoption).

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the City Clerk and department directors to ensure that funds are within the approved budget. As required by RCW 35A.33.140, the City Clerk provides the City Council with quarterly reports to keep them current with the City’s financial condition.

The Mayor is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, position titles, salary ranges or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance adopted by Council.

Budget Principles

General Principles

- Department directors have primary responsibility for formulating budget proposals in line with City Council and Mayor directions, and for implementing them once they are approved.

- The City Clerk Treasurer is responsible for coordinating the overall preparation and administration of the City's budget. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.

- The City Clerk Treasurer assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- If presented, Interfund charges will be based on recovery of costs associated with providing those services.
- Budget adjustments requiring City Council approval will occur through the ordinance process at the fund level prior to the end of the fiscal year.
- The City’s budget presentation will be directed at displaying the City’s budget in a Council and Citizen-friendly format.

Basis of Accounting

- Annual appropriated budgets are adopted for all funds on the cash basis of accounting.
- Budgets are adopted at the fund level that constitutes legal authority for expenditures. Annual appropriations lapse at the end of the fiscal period.
- The **General Fund** is the primary fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted or designated to finance certain activities. Special revenue funds include the following:
 - *City Streets Fund *Transportation Benefit District Fund
 - *Covid LRF Grant Fund
- **Capital Project Funds** account for major construction projects. Capital project funds include the following:
 - *Capital Improvement Fund *Park Impact Fee Fund
 - *Real Estate Excise Tax I *Real Estate Excise Tax II
- **Enterprise Funds** account for operations that provide goods and services to the general public and are supported primarily by user charges. Enterprise funds include the following:
 - *Water Operations & Maintenance Fund *Water Capital Improvement Fund
- The Equipment Replacement **Internal Service Fund** accounts for funding and replacement of vehicles and major equipment.
 - * Equipment Replacement

City-Wide Budget Summary

2025 Budget Summary

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
General	298,780	714,200	851,984	(137,784)	160,996
Donations to Roy	5	-	-	-	5
City Streets	9,523	241,200	248,170	(6,970)	2,552
Transportation Benefit District	125,651	16,300	18,000	(1,700)	123,951
Capital Improvement	61,565	-	-	-	61,565
Park Impact Fees	7,016	-	-	-	7,016
Real Estate Excise Tax I	186,193	11,900	-	11,900	198,093
Real Estate Excise Tax II	181,719	11,100	-	11,100	192,819
Water Operations	275,321	390,800	404,227	(13,427)	261,894
Water Capital Improvement	1,162,436	85,000	1,225,000	(1,140,000)	22,436
Equipment Replacement	8,913	-	-	-	8,913
Total	2,317,121	1,470,500	2,747,382	(1,276,882)	1,040,239

- **ARPA reallocation to General Fund – funds highlighted above will need adjustments**

- Employee salaries and benefits include the following changes:
 - Cost of living (COLA) adjustments: 5% for all positions.
 - Employees covered at 100% with spouses & dependents covered at 95% by the city.
 - Medical – 8.5%
 - Dental – 0%
 - Vision – 0%
- The proposed preliminary budget includes \$1.2 million for critical water infrastructure improvements.

Historical Staffing

Administration:	2021 Final	2022 Final	2023 Final	2024 Final	2025 Proposed
City Clerk-Treasurer	1	1	1	1	1
City Clerk Assistant	0	0.5	0	0	1
Deputy Clerk	1	0.5	0.5	1	1
Total Administration	2	2	1.5	2	3
Police:					
Police Chief	1	1	1	1	1
Police Officer	1	1	1	1	1
Total Police	2	2	2	2	2
Court:					
Judge	1	1	1	1	1
Court Clerk	0.55	0.55	0.55	0.55	0.55
Total Court	1.55	1.55	1.55	1.55	1.55
Public Works:					
Public Works Director	1	1	1	1	1
Public Works Assistant	1	1	1	1	1
Total Public Works	2	2	2	2	2
Elected:					
Mayor	1	1	1	1	1
City Council	5	5	5	5	5
Total Elected	6	6	6	6	6

Wage Scale

<u>Position</u>	<u>Annual Salary</u>	
Court Clerk Administrator (.55 FTE)	28,348	- 32,841
City Clerk Treasurer	86,360	- 93,303
Deputy Clerk	50,057	- 53,901
City Clerk Assistant	50,057	- 53,901
Public Works Director	68,250	- 79,126
Public Works Assistant	51,739	- 60,060
Chief of Police	113,072	- 121,766
Police Officer	84,543	- 93,781
Judge (.02 FTE)	13,810	
Mayor	12,000	
Council	\$25 per meeting	

- Adding the City Clerk Assistant will adjust the general fund totals.

General Fund

<u>Description</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	456,907	474,637	511,941	413,355	298,780
Taxes	532,677	592,610	567,606	581,930	582,000
Licenses & Permits	29,585	37,894	40,926	34,120	34,100
Intergovernmental Revenues	42,692	25,683	76,249	17,486	16,800
Charges For Services	10,962	22,142	48,427	4,359	4,300
Fines & Forfeitures	26,547	16,725	11,794	11,987	12,000
Misc Revenues	40,466	51,055	90,351	77,047	65,000
Non Revenues	11,266	6,105	12,940	-	-
Total Revenues	694,195	752,215	848,294	726,928	714,200
Council	4,806	4,752	15,383	2,636	8,351
Court	49,855	59,318	69,153	72,286	78,123
Mayor	12,318	14,914	18,477	16,306	14,918
Finance	144,781	121,670	138,194	166,127	123,173
Legal	12,413	21,619	44,515	63,333	73,400
Central Services	99,520	137,804	187,027	111,262	106,341
Law Enforcement	286,381	299,868	301,226	292,444	351,143
Fire	9,161	1,288	673	1,253	1,300
Building & Planning	8,906	16,844	136,571	56,968	57,000
Culture & Recreation	36,241	19,158	29,378	16,976	16,335
Misc	2,084	17,676	(8,717)	1,911	1,900
Transfer to Streets	10,000	-	15,000	40,000	20,000
Total Expenditures	676,465	714,912	946,879	841,503	851,984
Revenues less expenditures	17,730	37,303	(98,585)	(114,575)	(137,784)
Ending Fund Balance Balance	474,637	511,941	413,355	298,780	160,996
Ending Fund Balance as % of Expenditures	70%	72%	44%	36%	19%

Water Funds

<i>Water Operating</i>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	154,478	220,102	275,440	302,633	275,321
Base Rate	276,407	279,915	274,058	287,844	287,800
Capital	85,110	85,510	83,661	86,306	86,300
Other	22,461	14,256	23,221	16,677	16,700
Total Revenue	383,978	379,681	380,939	390,826	390,800
Admin	124,904	130,196	157,411	192,689	184,783
Operating Costs	88,318	108,593	109,835	141,450	135,445
Debt Service	19,801	-	2,800	-	-
Transfer to Capital	85,331	85,554	83,699	84,000	84,000
Total Expenditures	318,354	324,343	353,746	418,138	404,227
Increase (Decrease) in Fund Balance	65,624	55,338	27,194	(27,312)	(13,427)
Ending Fund Balance	220,102	275,440	302,633	275,321	261,894
Fund Balance as % of Expenditures	69%	85%	86%	66%	65%
<i>Water Capital</i>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	781,603	868,546	964,796	1,077,436	1,162,436
Total Revenue	86,944	96,250	112,639	85,000	85,000
Total Expenditures	-	-	-	-	1,225,000
Increase (Decrease) in Fund Balance	86,944	96,250	112,639	85,000	(1,140,000)
Ending Fund Balance	868,546	964,796	1,077,436	1,162,436	22,436

Remaining Funds

<i>Donations to Roy</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	5	5
Total Revenue	-	-
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	-	-
Ending Fund Balance	5	5
<i>City Streets</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	(6,049)	9,523
Intergovernmental Revenues	15,272	221,200
Transfers In	40,000	20,000
Total Revenue	55,272	241,200
Total Expenditures	39,700	248,170
Increase (Decrease) in Fund Balance	15,572	(6,970)
Ending Fund Balance	9,523	2,552

<i>Transportation Benefit District</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	109,295	125,651
Taxes	16,342	16,300
Miscellaneous	14	-
Total Revenue	16,355	16,300
Total Expenditures	-	18,000
Increase (Decrease) in Fund Balance	16,355	(1,700)
Ending Fund Balance	125,651	123,951

<i>Capital Improvement</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	61,565	61,565
Miscellaneous	-	-
Total Revenue	-	-
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	-	-
Ending Fund Balance	61,565	61,565

<i>Park Impact Fees</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	6,634	7,016
Miscellaneous	382	-
Total Revenue	382	-
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	382	-
Ending Fund Balance	7,016	7,016

<i>Real Estate Excise Tax I</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	174,273	186,193
Taxes	11,909	11,900
Intergovernmental	-	-
Miscellaneous	11	-
Total Revenue	11,920	11,900
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	11,920	11,900
Ending Fund Balance	186,193	198,093

<i>Real Estate Excise Tax II</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	170,574	181,719
Taxes	11,134	11,100
Miscellaneous	11	-
Total Revenue	11,145	11,100
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	11,145	11,100
Ending Fund Balance	181,719	192,819

<i>Equipment Replacement</i>	<u>2024 Projected</u>	<u>2025 Budget</u>
Beginning Fund Balance	8,913	8,913
Miscellaneous	-	-
Total Revenue	-	-
Total Expenditures	-	-
Increase (Decrease) in Fund Balance	-	-
Ending Fund Balance	8,913	8,913