



CITY OF TENINO

2023 Budget

Abstract

Following the end of a pandemic, Tenino preserved and remained balanced in the budget that supports the levels of service the Citizens of Tenino have come to expect.

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CITY OF TENINO

2023 BUDGET

This budget has been adopted as required by the Revised Code of Washington (RCW) for the operation of the City during the Fiscal Year, January 1, 2023 through December 31, 2023. This budget will assist you in understanding the budget process as required for a municipal government, as well as the goals and priorities for the City of Tenino.

This document contains basic information outlining the operating plan for the upcoming year and is designed as a working document for City staff as well as an informational tool for the citizens of Tenino. Included are fund explanations and spending parameters, which will assist the readers in understanding the budgeting philosophy and city management policies for this fiscal year.

Please feel free to contact Tenino City Hall at (360) 264-2368 if you have any questions. Your comments and suggestions for improvement are welcome.

The Budgeting Process

The City of Tenino Comprehensive Plan is the foundation for the City's operations. The annual operating budget is the primary tool for resourcing the goals and directives of the citizens of the community, as expressed by their elected representatives, the City Council, and articulated via the Comprehensive Plan. The Council and Mayor together establish the financial planning for the ensuing fiscal year informed by the Comprehensive Plan.

The City of Tenino is an optional code city, and is required to format, adopt and implement an operating budget under the Revised Code of Washington (RCW), Chapter 35A. The City, as is required by statute, operates under cash basis accounting principles. What this means is that revenues are recognized when received, and expenditures are recognized when paid (with the sole exception of a 20-day period after the close of any fiscal year in which expenditures are appropriately accounted for in the previous year). Revenues and expenditures, as appropriated, will determine the level of service provided by each department within the City.

Annual appropriated budgets for the City of Tenino are adopted by fund, and expenditures may not exceed the appropriations. The budget constitutes the legal authority for the expenditure of funds. These appropriations lapse at the end of each fiscal year and cannot be carried forward, except within the Capital accounts. This necessitates the adoption of a new budget for each year.

Legal Requirements

The official legal calendar for the development and adoption of a budget is specified by State statute. The process must begin by the second Monday in September and must be completed by the last day of the current year. The calendar for 2022 has already been prepared and is available from the Clerk/Treasurer upon request.

Budgeting Policies

The following Financial Policies have been adopted by the City Council in a separate Resolution available for download from the City's website at: www.cityoftenino.us and are summarized here:

- A. General Policies. The City of Tenino's general financial policy goals seek to: 1) ensure the financial integrity of the City; 2) manage the financial assets of the City in a sound and prudent manner; 3) improve financial information for decision makers at all levels; 4) maintain and further develop programs to ensure the long term ability to pay all costs necessary to provide the level and quality of service required by the citizens of Tenino; and 5) maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities.
- B. Cost Allocation Policy. All service rendered by, or property transferred from, one department, public improvement, undertaking, institution, or public service industry to another, shall be paid for at its true and full value by the department, public improvement, undertaking, institution, or public service industry receiving the same, and no department, public improvement, undertaking, institution, or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another. (RCW 43.09.210)
- C. Debt Management Policy. Guidelines for debt financing that provide needed capital for equipment or infrastructure improvements while minimizing the impact of debt payments on current revenues.
- D. Operating Budget Policy. Guidelines for the management of the City's funds, revenues, expenditures, and accounting practices.
- E. Fund Balance and Reserve Policy. Guidelines for the establishment and maintenance of reserves, contingencies, and ending fund balances of the various operating funds at levels sufficient to protect the City's credit as well as its financial position from emergencies.
- F. Investment Policy. Investing public funds is highly regulated. These guidelines ensure the City complies with all Washington State statutes, laws, and regulations when investing public funds, and are mandatory for use by City

Officials whose duties involve the investment of public funds, where those statutes, laws, and regulations allow for discretion on the part of the City.

- G. Procurement Policy. The City desires a fair and open process for procurement of goods and services that is free from the potential for bias and conflict of interest. In addition, the City desires consistent and appropriate practices for solicitations and contracting. These guidelines are mandatory for use by City Officials whose duties involve procuring goods and services on behalf of the city.
- H. Capital Improvement Policy. The City reviews its Capital Facilities Plan on an annual basis and monitors the state of the City's capital equipment and infrastructure on a daily basis. This review and monitoring help the City Council in setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources. These guidelines are mandatory for use by City Officials whose duties involve the operation and maintenance of City property, either real or personal property.
- I. Asset Management Policy. Once acquired, managing, and disposing of the City's property must be approached in as methodical a manner as the acquisition itself. These guidelines are mandatory for use by all City Officials, whether their duties specifically include the management of the City's assets, or not. All City Officials are charged with being ethical stewards of the public property entrusted to the City.

Budget Development Process

The budget is developed through the cooperation of all department heads within the City, in conjunction with the budgetary policies adopted by the Council. Although state law dictates the minimum criteria which must be met, the criteria mandated deals primarily with deadlines for submission of information, notices, holding of public meetings, and adoption of the completed budget by ordinance.

The process for the creation of a budget in any given fiscal year is:

Beginning in August –

Clerk-Treasurer

1. Reviews year-to-date revenues and expenditures, current fiscal year projected to represent a 12-month total.
2. Comparison of the previous four years expenditures and revenues on a line-item basis.
3. Evaluating any trends revealed through historical data.

4. Projection of adjustments to on-going/predictable expenditures such as salary, benefits, insurance, utilities, communications, leases and long-term debt.
5. Evaluation of whether expenditures are on-going or are one-time events.
6. Request information from Department Heads for their projected needs in the coming year.

Department Heads

1. Review historical data to project expenditures variances anticipated for upcoming budget year.
2. Analyze departmental needs for upgrade of equipment or facilities, maintenance or replacement of equipment, capital expenditures.
3. Identify any projects or unmet needs/goals from prior year.
4. Present requests to Clerk/Treasurer.

In September & October –

Clerk-Treasurer

1. Present to the Mayor for review a proposed preliminary budget for the upcoming fiscal year.
2. Budget discussions, negotiations and changes are made working with the Mayor and Department Heads.
3. Schedule and advertise workshops and Public Hearings to review budget requests, discuss financial options available, and determine if the budget requests from each department will allow the adoption of a balanced budget which will continue to provide an acceptable level of basic services.

Mayor

1. Present to the Council the Proposed Preliminary Budget along with the requests from the Department Heads.
2. Meet with the City Clerk/Treasurer and Department Heads to discuss, review and negotiate funding, projects and service parameters for the upcoming year.
3. Prepare a budget message to be included with the Preliminary Budget.

Department Heads

Meet with the Mayor and Clerk/Treasurer to review requests and discuss needs for the upcoming fiscal year; negotiate changes to the Proposed Preliminary Budget.

In November

1. Public hearings. By statute, the City must conduct a minimum of two Public Hearings in order to give the public an opportunity to comment.
2. Levy Certification. The Clerk/Treasurer must certify the Ad Valorem Tax Levy to the Clerk of the Board of the Thurston County Commission prior to the last day of November.

In December

1. The City Council must adopt a budget for the succeeding fiscal year by the last day of December of the current year.
2. The budget must be adopted by Ordinance, and the Ordinance must be given two readings prior to adoption.

*The Department Heads returned their Budget Estimates to the Clerk on **September 7, 2022**, and the Clerk provided revenue estimates to the Mayor on **September 21, 2022**. The Mayor presented the Executive Budget to the City Council at a Regular meeting thereof on September 22, 2022.*

*The first Public Hearing on the issue of Ad Valorem Taxes was held at a Regular Meeting of the City Council on November 8, 2022. The second Public Hearing occurred at a Regular City Council meeting on November 22, 2022. **Resolution 2022-06**.*

The first Public Hearing on the Proposed 2023 Budget was held at a Regular Meeting of the Tenino City Council on November 8, 2022. The second Public Hearing occurred at a Regular City Council meeting on November 22, 2022.

*The first reading of Ordinance **926**, the City of Tenino 2022 Budget, occurred on November 22, 2022. After a second reading on December 13, 2022, **Ordinance 926** was formally adopted during a Regular meeting of the Tenino City Council.*

GOVERNMENTAL STRUCTURE

Incorporated on July 19, 1906, Tenino operated under the laws applicable to a Fourth Class City until July 29, 1990. At that time, the Town of Tenino became a Non-Charter

Code City. This was accomplished by adopting Ordinance 479 following the proper referendum measures. As such, the City of Tenino functions under RCW, Chapter 35A.

The City of Tenino has a Mayor/Council form of municipal government. This means the Mayor is the Chief Executive of the City, and the Council, comprised of five positions at large, is the legislative arm of the City Government. In this form of government, policy and administration is separated. All legislative and policy-making powers are vested in the Council. The administrative authority, including a veto power, is vested in the Mayor. Council elects a Council member to serve as Mayor Pro-Tempore in the event the Mayor is unavailable. The following is a short description of the responsibilities of these elected officials.

Mayor: In the City of Tenino, the Mayor does not have regular working hours. To keep abreast of City business, the Mayor makes regular contact with the department heads: the Clerk-Treasurer, the Public Works Director, and the Police Chief.

The Mayor is the authorized signatory for the City for many purposes, including: checks, ordinances, minutes, resolutions, proclamations, and contractual agreements of any kind. The Mayor is responsible for the conduct of all regular and special meetings, executive sessions, and sometimes administering oaths of office. With proper written notice, the Mayor may call a special council meeting.

The Mayor is also responsible for ensuring departmental compliance with all statutes, ordinances, resolutions, and policies adopted by the City. At the discretion of the Mayor, all or some of these duties can be delegated to the appropriate department head. All city employees who are not protected by Civil Service guidelines are considered “at will”, and work at the pleasure of the Chief Executive, the Mayor.

The Mayor is the official representative of the City for various groups, committees and associations. A representative from the Council may be appointed by the Mayor to serve in his/her place in these various organizations.

Mayor Pro-Tempore: Each January, the Council elects one member from their number to serve as Mayor Pro-Tempore in the event the Mayor is not available. The Mayor Pro-Tempore presides at meetings of the council, administers oaths, and signs instruments in the absence of the Mayor. A council member acting as Mayor Pro-Tempore generally retains his/her council member vote. The Mayor Pro-Tempore generally serves only in a bona fide emergency situation, or when the Mayor’s absence is known beforehand and will be temporary. If a vacancy in the office of the Mayor occurs, a Temporary Mayor would be appointed by the council.

Council: The Council is comprised of five members at large, who are elected by the constituents of the City of Tenino. As such, they are the legislative body of the City. It is the duty of the Council to gather information, discuss and make decisions regarding official City policy and law (ordinance). Regular meetings are held twice a month on the

second and fourth Tuesdays. This schedule exceeds the state statutory requirements of a minimum of one meeting per month. Public hearings required by RCW 35A.33.070 are conducted by the Council and officiated by the mayor. Council also adopts ordinances; passes resolutions; sets utility rates, user fees, license and permit fees, and ad valorem taxes; sets staffing levels and employee salaries; and authorizes the mayor to enter into contractual agreements. Council adopts the annual budget and reviews the annual report. All final decisions regarding annexations, zoning amendments, subdivisions, comprehensive plan amendments, and street vacations are made by Council. Payment of all vouchers is approved by Council. A majority vote of the Council, along with proper public notice, may call a special meeting or an executive session.

2023 Elected Officials and Terms of Office

Name	Position	Term
Wayne Fournier	Mayor	01/01/20 – 12/31/23
Linda Gotovac	Council No. 1	01/01/22 – 12/31/25
Elaine Klamn	Council No. 2	01/01/20 – 12/31/23
John O’Callahan	Council No. 3	01/01/22 – 12/31/25
Jason Lawton	Council No. 4	01/01/22 – 12/31/25
Rachel Davidson	Council No. 5	01/01/20 – 12/31/23

Fund Accounts

The City of Tenino is a general-purpose government that provides public safety, street improvements, parks and recreation, health and social services, and general administrative services. The City owns and operates both a water and a sewer utility system.

The accounts of the City are organized based on funds, each of which is considered a separate accounting entity, that identify the City's assets, liabilities, fund equity, revenues (income) and expenditures (expenses), as appropriate. The City resources are allocated to, and accounted for, in these individual funds, depending on their intended purpose. Governmental fund operating statements focus on measuring changes in financial position, rather than net income. They present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets (cash).

Governmental Type Fund (000 to 199 series):

These are the primary operating funds of the City of Tenino. The General Fund accounts for all financial resources except those required or elected to be accounted for

in another fund. By statute, all funds numbered 000-199 are “rolled” into a single fund for reporting purposes via the Annual Financial Report.

Fund 001 – General Fund

REVENUES

The general government fund is comprised of revenues received from a combination of taxes, state-shared revenues, and miscellaneous fees derived from charges for services. The following is a summary of these types of revenues:

TAXES

Property Taxes (Ad Valorem Tax)

The Thurston County Treasurer acts as the official agent to collect all property taxes levied within Thurston County for all taxing authorities. Collections are distributed by the 10th day of the month following the receipt of the collections. Property tax revenues are recognized when cash is collected. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

Retail Sales Taxes

The City of Tenino licensed approximately 119 businesses in 2018, 115 in 2017, and , 111 in 2016, and 90 in 2015. The retail sales tax rate within the City of Tenino is 8.0%, of which the City realizes 1.3%.

Gambling/Local Criminal Justice Taxes

There are three establishments in the City that currently offer pull-tab gaming. Predicting revenues from these have been difficult because of the uncertainty of the economy and the citizen participation in gambling.

Business Utility Taxes

Utility taxes vary on a year-to-year basis. The City assesses a 6% Utility Tax and a 2% Business & Occupation (B&O) Tax.

LICENSES/PERMITS

Business Licenses and Permits

Charges for business licenses are \$55 for a new license and \$45 per year. for renewals. The City is now a full partner in the Washington State Department of Revenue's Business License Service. The State Department of Revenue will issue a Tenino Endorsement to the State Business License and will remit all fees for the endorsements to the City.

Franchises

The City of Tenino currently has four telecommunication franchises: AT&T, Comcast, US Sprint, and Verizon for rights-of-way and cell tower land leases.

STATE SHARED REVENUES

The State of Washington acts as the Agent for the City in respect to the disbursement of the City's portion of State-generated revenues. The most significant of these revenues are:

City Assistance
DUI Enforcement

Criminal Justice
Liquor Excise Tax

Marijuana Enforcement
Liquor & Cannabis Board

CHARGES FOR SERVICES

General Services

The City of Tenino charges for services, such as providing police reports, fees for planning services and park facility charges.

FINES & FORFEITURES

Fines & Forfeitures

The City of Tenino collects some fees through the Municipal Court for individuals who have been found to have broken the law. Most of the fees charged are remitted to the State and the County; however, a portion is kept by the local jurisdiction.

MISCELLANEOUS REVENUE

Miscellaneous Revenue

The City of Tenino receives some miscellaneous income for things such as interest for investing resources, camping fees, use of the Quarry House, and miscellaneous donations. Additionally, beginning balances are considered “revenues” in the year in which they are carried forward.

EXPENDITURES

Legislative & Executive

Expenditures for the legislative branch of the City include a small salary for the Mayor, and Council as well as funding for Council supplies, training, travel, City advertising.

Municipal Court

The Municipal Court is responsible for the processing of all infractions and citations issued by the Tenino Police Department. This processing includes the scheduling of all court hearings for defendants, maintenance of all related case files including input into the DISCIS automated information system, preparation of all fine payment notices, receipt of payments made for court-imposed fines and forfeitures, reporting for the transmittal of fees to county and state agencies, maintenance of separate banking/checkbook functions, all resulting correspondence, as well as research and documentation of each case status.

Expenditures for this department are comprised of a part-time court clerk, plus a small percentage of the Administrative Clerks time to help with court and the Clerk/Treasurer’s time for administrative services. Also included are the costs of the court for the municipal judge, supplies, and small equipment, training, travel, printing, and communication expenses.

Administration

The Administration Department of the City of Tenino is responsible for the day-to-day operation of City Hall. The current staffing for City Hall is comprised of the Clerk/Treasurer and 2 clerks all sharing responsibilities for other departments.

The Administrative Department is responsible for customer service and assistance; receipting, depositing, investing, accounting for all funds received; budget preparation, monitoring and modifications; preparation of the annual report and assistance with biannual audits. They also are responsible for all Records Management and Secretarial duties. Additionally, processing of payroll, accounts payable, reservation of City facilities, and support services for the City Council.

Central Services

Central Services has been divided into three sections: 1) Central Services – Personnel, 2) Central Services – Maintenance, and 3) Central Services – General. The Personnel and General section is under the direction of the Clerk-Treasurer and the Maintenance section is under the Public Works Director. The Public Works Director is responsible for the maintenance, repair and improvement of all City owned buildings and grounds. These buildings include City Hall, Tenino Timberland Library, Police Department, Tenino Depot Museum, Quarry House, Maintenance Shop, and all other miscellaneous facilities. Additionally, Central Services tracks word processing, data processing and printing and copying costs for the City.

Law Enforcement

The 2023 Police Department consists of one full-time Police Chief, four full-time Police Officers, one full-time Police Clerk, and three reserve Officers. The reserve officers assist as a second officer in the patrol car and for special events. Reserve officers must maintain a degree of performance and 20 volunteer hours each month in order to remain certified. The Police Department provides a School Resource Officer to the Tenino School District under the terms of an Interlocal Agreement put into place in September of 2021.

Fire Services

The City was annexed into South Thurston Fire and EMS as of January 1, 2018. The City itself provides no Fire or Emergency Medical Services.

Physical Environment

Services for the physical environment of the City of Tenino include a contract with the Olympic Region Clear Air Agency.

Also included in physical environment services are animal control services for the community. Beginning in 2023, the City will contract with Joint Animal Services of Thurston County.

Community Development

The Tenino Building Department issues permits for construction and remodel projects and works with other City departments and the Planning Commission to ensure consistent and comprehensive compliance with the Tenino Municipal Code.

The City contracts with the Lacey-based firm of **SCJ Alliance** for its planning needs. The contract includes the presence of a professional Community Planner at Tenino City Hall on a regular basis. The City is also a member of the Thurston Regional Planning Council.

The City has its own Planning Commission, which is comprised of five members and is responsible for the review of all applications received for zoning and land use issues. These issues including zoning variances, conditional use permits, short plats, large lot subdivisions and boundary line adjustments. The Planning Commission presents recommendations to the Tenino City Council for final approval on all issues except street vacations. The Planning Commission meets on the second Wednesday of every month in Council Chambers at City Hall.

The City contracts with the Thurston Economic Development Council (EDC) for professional services related to the promotion of, and planning for, economic development within the Tenino Urban Growth Area.

The City also contracts with the Thurston Visitor and Convention Bureau, doing business as “Experience Olympia and Beyond” for advertising and marketing support.

Mental & Physical Health

Mental and Physical Health services are available to the citizens of Tenino through an intergovernmental agreement with the Thurston County Department of Social and Health Services. This agreement allows for social services to assist in the treatment of alcoholism and drug dependency.

Fees for public health services are calculated on a per capita basis. Social services are calculated based upon a percentage formula of the liquor excise taxes received by the City.

Culture and Recreation

There are three departments that provide culture and recreational facilities for the City of Tenino, not including the Parks Department, which follows this section. The three departments included in this section are:

Library

Library services for the City are obtained through an agreement with the Timberland Regional Library services. In exchange for building operation and maintenance by the City, materials and staffing are provided by the Timberland Regional Library.

Tenino Depot Museum

Staffed and operated through volunteer members of the South Thurston County Historical Society (S.T.C.H.S), the Tenino Depot Museum is housed in the former Burlington Northern Train Depot, which was donated to the City and relocated to its present location within the Tenino City Park. The Museum is constructed of Tenino Sandstone, and has been placed adjacent to the old, abandoned Burlington Northern

Tenino to Yelm Prairie Line. This abandoned rail spur was purchased by the Thurston County Parks and Recreation Department during 1994 to be used as part of the Rails-to-Trails program.

In 2002, the STCHS organization received a donation of a building that served as what is known as the Ticknor School from Thurston County Fire District #12. In 2003, the building was moved from its site in the Skookumchuck Valley to the Tenino City Park adjacent to the Depot Museum and has become part of that historic display.

Tenino Quarry House

The Tenino Quarry House serves as the Community Center for Tenino and is the meeting place for a variety of clubs and organizations. This building is located within the scenic City Park, adjacent to the Quarry Swimming Pool. The Quarry House was the original family home of the owners of the Tenino Sandstone Company and remains in its original location. The building was constructed with rough sandstone pillars at the entrance. A few paces from the steps are the remnants of a once elaborate sandstone porch. **Every Tuesday and Thursday, from 11:00 a.m. – 1:00 p.m.**, Senior Services of South Sound provides hot lunches for Senior Citizens using Quarry House facilities.

General Parks

The City of Tenino has approximately 44 acres of land designated as parks. The majority of this property is located along the southern boundary of the City and is bisected by the abandoned Tenino to Yelm Prairie Line, as described above. Tenino's park facilities meet the recommendations for park sizes as established by the National Recreation and Parks Association. The park facilities are maintained and under the supervision of the Public Works Department.

The City Park is the site of the former Tenino Stone Company quarry and office. In addition to park and recreation uses, with the former quarry office (Quarry House) being utilized as a community center, the city park is the site of the Quarry Swimming Pool.

In 2010 the land above the Quarry Pool was acquired from Weyerhaeuser to protect the forest and hillside behind the pool. This acquisition is the result of a multi-year project working with Weyerhaeuser; funding was provided by State and Federal Grants and fundraising activities of local volunteers.

There are also four ball fields, picnic/play areas, primitive overnight camping facilities, and the multi-user concession/bathroom facilities that were completed during 1994.

Staffing

Salaries, wages, and personnel-related benefits are largely paid from the General Fund, although cost-allocation policies require that some staffing costs are borne by the fund that is receiving the staff support. Regardless of which fund is being supported, the City has a single Salary Schedule that is approved by the City Council and is adopted along with this budget.

The 2023 budget features the addition of a fourth Maintenance Worker position to staff the City's Septage Receiving Facility located behind the Wastewater Treatment Plant.

Fund 002 - Pool

At the request of the City Council, the Quarry Pool is separated from the General Fund for accounting. The Quarry Pool is part of the Park System maintained and supervised by Public Works. This pool is the actual site of the sandstone quarry for the Tenino Stone Company. Abandoned when quarrying activities struck the aquifer, the old quarry has been developed into a swimming pool. The eastern end of the quarry has been filled and developed into a graduated depth wading pool, which qualifies as a swimming pool by the health department standards, including chlorinated water. The middle portion of the quarry remains in its natural state, with a depth of 25 feet, and is available for swimming during the operating hours of the pool. The remaining western end of the quarry is off limits, as portions of it are approximately 90 feet deep, and still contain the quarrying equipment that was abandoned when the aquifer was struck. Since the pool is fed by springs into the aquifer, it is classified as an inland lake. Funding to operate the pool is derived from donations, entrance fees during pool operating hours and transfers from the General Fund.

Fund 003 – Tenino Reserve Academy

Established in 2019, The Tenino Reserve Academy provides a regional training venue for Reserve Police Officers. The Academy is fully accredited by the Washington State Criminal Justice Training Commission and is operated as a cooperative venture with resources from cities and counties within an approximately 75-mile radius. The first graduating class saw **Reserve Officers from both the Lewis and Thurston Counties Sheriffs Departments, the Tenino Police Department, the Toledo Police Department,** and other regional law enforcement agencies. The Academy is funded primarily through tuition fees but is augmented by both monies and "in-kind" goods and services provided by participating agencies.

Special Revenue Fund Type (100):

These funds account for revenue that is legally restricted because they are derived from specific taxes, grants, or other sources and is designated to finance activities of the

City.

Fund 101 - Streets

There are approximately 17 miles of roadways within the city. These roadways are comprised of three functional classifications of: Minor Arterial, Major Collector, and Local Access Streets. There are 4 miles of roadways classified as Minor Arterial, for which the City is not responsible for the upkeep. The remaining 13 miles are comprised of 4 designated as Major Collector, and 9 as Local Access. The City is responsible for the maintenance of these roadways.

Most of the Local Access roadways within the city have a chip-sealed surface, and serve relatively light traffic loads, with the exception of Garfield, Howard, Lincoln and Central Streets, which are part of the local school bus route and receive heavy traffic.

Fund 102 – Additional Sales & Use Tax for Housing and Related Services

The Additional Sales & Tax for Housing and Related Services Fund is a Special Revenue Type Fund. The purpose of this fund is to provide

Fund 109 - Contingency

The Contingency Fund is a Special Revenue Fund. The purpose of this fund is to provide resources to funds, which cannot financially meet required expenses. Any use of these funds must be specifically approved by the City Council.

In previous years there have been modest amounts held in this fund to defray unexpected expenditures.

This is an important fiscally responsible tool. The City recognizes that it is especially important to have reserve funds in times of financial instability and commits to contributing to this fund on an annual basis even if the contribution is minimal.

Note: *The State Auditor requires that all “Special Revenue Funds” be “rolled up” and reported as part of the General Fund. So, even though Funds 002, 003, 101, 102, and 109 are managed on a day-to-day basis as separate funds, at the end of the year, the amounts in these funds are reported as part of the General Fund (001) as shown on the City’s Annual Financial Report.*

Capital Project Funds (300 series):

These funds account for financial resources which are designated for the acquisition or construction of general government capital improvements.

Fund 310 - Municipal Capital Improvement

The Municipal Capital Improvement Fund is a Capital Project type fund and is used to provide for the acquisition of capital assets, as well as the improvement or maintenance of existing capital assets.

The City receives a local real estate excise tax (REET) available to cities that are planning under the Growth Management Act. The City may collect up to a .5% tax that will help fund any capital purpose identified in a capital improvement plan.

The **Capital projects** for fiscal year 2023 include: Continued Renovation of the Quarry Pool, and

Capital expenditures include a new Street Sweeper and Vector Truck.

Proprietary Fund Type (400 series):

These funds are classified as Enterprise Funds and account for operations that are organized to be self-supporting through user charges. Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business, where the intent is that the costs of providing goods or services to the general public on a continuing basis must be financed or recovered through user charges. State law requires these funds to be totally self-supporting.

Fund 401 – Water Fund

The Water Fund is a proprietary fund type. This fund is used for the provision of water services, and the maintenance and upkeep of the City water system.

As a proprietary type fund, this Fund is required by state law to be totally self-supporting, through the implementation of user fees. Revenues are primarily based on fees for water; other revenue comes from hook-up charges, late fees, hydrant rentals, and investment interest. When necessary for capital projects, the Water Fund may legally apply for, and receive, loans and/or grants. Any such loans must be repaid from revenues received through the provision of services from the Fund. Appropriations for expenditures include supplies, utilities, salaries, benefits, inter-fund transfers, and miscellaneous charges.

Fund 402 - Water Capital Improvement

The Water Capital Improvement Fund is a Capital Project Fund type. As such, this fund will be used for the development and implementation of improved water facilities for the City of Tenino.

Revenue for the Fund are received from new hookup fees for new construction as well as transfers from Fund 401 and any interest earned from investments.

This year's budget includes funds for acquiring additional water rights, drilling an additional well (Well 3), installation of new radio frequency (RF) water meter reading tower, an emergency response vehicle, and water main replacement.

Fund 403 - Stormwater Fund

The Stormwater Fund is a Special Revenue Fund type. Created in 1995 as a result of identified needed capital facilities improvements through the Comprehensive Plan, this fund has been established for use in planning, design, and construction of a new stormwater drainage system.

Revenues received within this fund are through inter-fund transfers from Fund 401 and interest received from investments.

Stormwater work is often times part of street improvements.

Fund 410- Sewer Fund

The Sewer Fund is a proprietary fund type. This fund is used for the provision of sewer services and the maintenance and upkeep of the City sewer system.

As a proprietary type fund, this Fund is required by state law to be totally self-supporting, through the implementation of user fees. Revenues are primarily based on fees for sewer; other revenue comes from hook-up charges, late fees, and investment interest. When necessary for capital projects, the Sewer Fund may legally apply for, and receive, loans and/or grants. Any such loans must be repaid from revenues received through the provision of services from the Fund.

Appropriations for expenditures include supplies, utilities, salaries, benefits, inter-fund transfers, debt services and miscellaneous charges.

In 2022 the City of Tenino contracted for a utility rate study. The results of that study were provided to the City in December of 2022 and the recommendations of that study continue to be incorporated into this budget.

Fund 421 - Sewer Capital Improvement Fund

The Sewer Capital Improvement Fund is a Capital Project Fund type. This fund was created when the City was building its wastewater treatment plant and the sewer collection system to connect customers to the plant and was originally known as the

Sewer Construction Fund. Now that construction is complete, the system must be maintained and improved. As such, this fund is now used exactly like the other capital improvement funds, but for the express purpose of making capital expenditures to both the wastewater treatment plant, the collection system, and other capital expenditures in support of sewer operations.

This year, capital expenditures have been authorized to construct a **composting facility and procure an emergency response vehicle.**

Fund 422 - Sewer Reserve Fund

The Sewer Reserve Fund is a Debt Service Fund. This fund was created for the accumulation of resources to enable payments of principal, interest, and related costs for the city's outstanding long-term (bonded) debt from USDA Water and Sewer Bond.

Revenues for this fund are received through inter-fund transfers from Fund 410 (Sewer fund). All other revenues are received from investment interest only.

USDA requires a monthly transfer of funds from the Sewer Fund sufficient to cover the cost of all principal and interest payments for each year and to maintain a minimum balance in this fund of \$100,000.00.

Fund 631 – Municipal Court Trust Fund

The Court Trust Fund is a fiduciary type of fund that is used to account for assets held by the City as an agent of the State Court System.

Whenever the Tenino Municipal Court imposes a fine or fee, the City collects those fines or fees from the defendant and deposits those monies into the City's Court Trust Fund. Once a month, this fund is reconciled with the agencies in whose name the City is holding those funds in trust. Approximately 2/3's of these funds are then released to those agencies and approximately 1/3 is then disbursed to the City of Tenino General Fund.

Glossary of Terms

BARS	Budgeting, Accounting and Reporting System as developed by the State Auditor's Office. This system is required for all governmental entities within the State of Washington.
Benefit	In relation to benefits paid by the City for employees. These benefits include Retirement, Social Security, Medicare, Worker's Compensation, Medical Insurance, Vision Insurance and Dental Insurance.
Capital Facilities Plan	(CFP) The plan or schedule of project expenditures for public facilities and infrastructure sources of funding and timing of work over a multiple year period.
Capital Project	The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures and improvements thereon.
Capital Requirements	A plan or schedule of project expenditures for public facilities and infrastructure sources of funding and timing of work over a one-year period.
Cash Basis Accounting	Revenue is acknowledged when received. Likewise, expenses are recorded when payment is issued.
City Official(s)	This is a "catch all" term that includes both Elected and Appointed Councilmembers, Commission Members, Committee Members, Department Heads, and all other City employees, regardless of how they may be otherwise categorized.
Comprehensive Plan	Also known as the "Comp Plan." The City's long-term plan as required by the State's Growth Management Act. The purpose of the plan is to 1) catalog existing conditions within the City, 2) provide policy and direction regarding future development, and 3) specify how to get there from here. Updated on a regular basis, the Comp Plan is the official policy document that guides future development of the City of Tenino.
Clerk-Treasurer	Washington State Law requires each city or town to have a City Clerk to perform administrative operations for the entity. The City Clerk is the certifying official of the City. The City of Tenino has combined the functions of City Clerk with those of the City Treasurer, who is responsible for accurate financial records and handling of city investments.

Debt Service	The annual payment of principal and interest on the City's indebtedness. Bonds are issued to finance the construction of capital projects such as public buildings, parks, roads, storm sewers and water system improvements.
Fees	A general term used for any charge for services levied by government associated with providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include business and non-business licenses, fines, and user charges.
Fines and Forfeitures	Revenue category which primarily includes court, police, traffic and parking fines and forfeitures.
General Obligation Bond	Bonds for which the full faith and credit of the insuring government are pledged for payment.
Inter-Governmental Revenues	Revenue from other governments, primarily state shared revenue.
Legal Notices	The City is required to publish certain items in the official newspaper of record for the City. The Tenino Independent is the paper of record for the City. All Public Hearings, Ordinances, Requests for Project Bids, and certain Resolutions are required by RCW to be published.
Licenses and Permits	Revenue category that includes building permits, business and amusement licenses and any other miscellaneous license or permits.
LID	Local Improvement District or Special Assessments made against certain properties to defray part, or all of the cost of a specified improvement or service deemed to primarily benefit those properties.
Operating Expense	An operations plan, expressed in financial terms, by which an operating program is funded for a single fiscal year.
Preliminary Budget	The recommended and unapproved City budget submitted to the City Council and public in October and November of each year.
RCW	Revised Code of Washington; State Law or State Statute

Revenue	Income received by the City in support of the program of services to the community. Includes such items as property taxes, fees, user charges, grants, interest income and miscellaneous fees.
Revenue Bonds	Bonds issued pledging future revenues, usually water, sewer, garbage, or storm water charges to cover debt payments in addition to operating costs.
Salaries and Wages	All non-elected officials of the City are paid employees. Employees are categorized as either salaried or hourly. Salaried employees are further categorized as "Exempt," or "Non-Exempt," in reference to the federal Fair Labor Standards Act, which has been adopted by the State of Washington and which must be followed by the City. All part-time positions are paid hourly wages. Hourly and Non-Exempt employees are compensated by the payment of overtime or credited with compensatory time for any hours worked in excess of FLSA standards. Exempt employees are not entitled to overtime or compensatory time
Standard Work Year	2,080 hours, or 260 days, is the equivalent of one work year.
Supplemental Appropriation	An appropriation approved by the City Council after the initial budget appropriation. Supplemental appropriations are approved by Council during the year and a budget amendment ordinance is passed to amend the budget for those appropriations.
User Charges	The amount the City receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.