

# City of Cosmopolis 2024 Operating Budget



**Mayor** Kyle Pauley

**City Council**

Candice Makos  
Stana Carlisle  
Jim Ancich  
Ray Robinson

**Judge** Geoff Arnold

**City Administrator** Darrin Raines

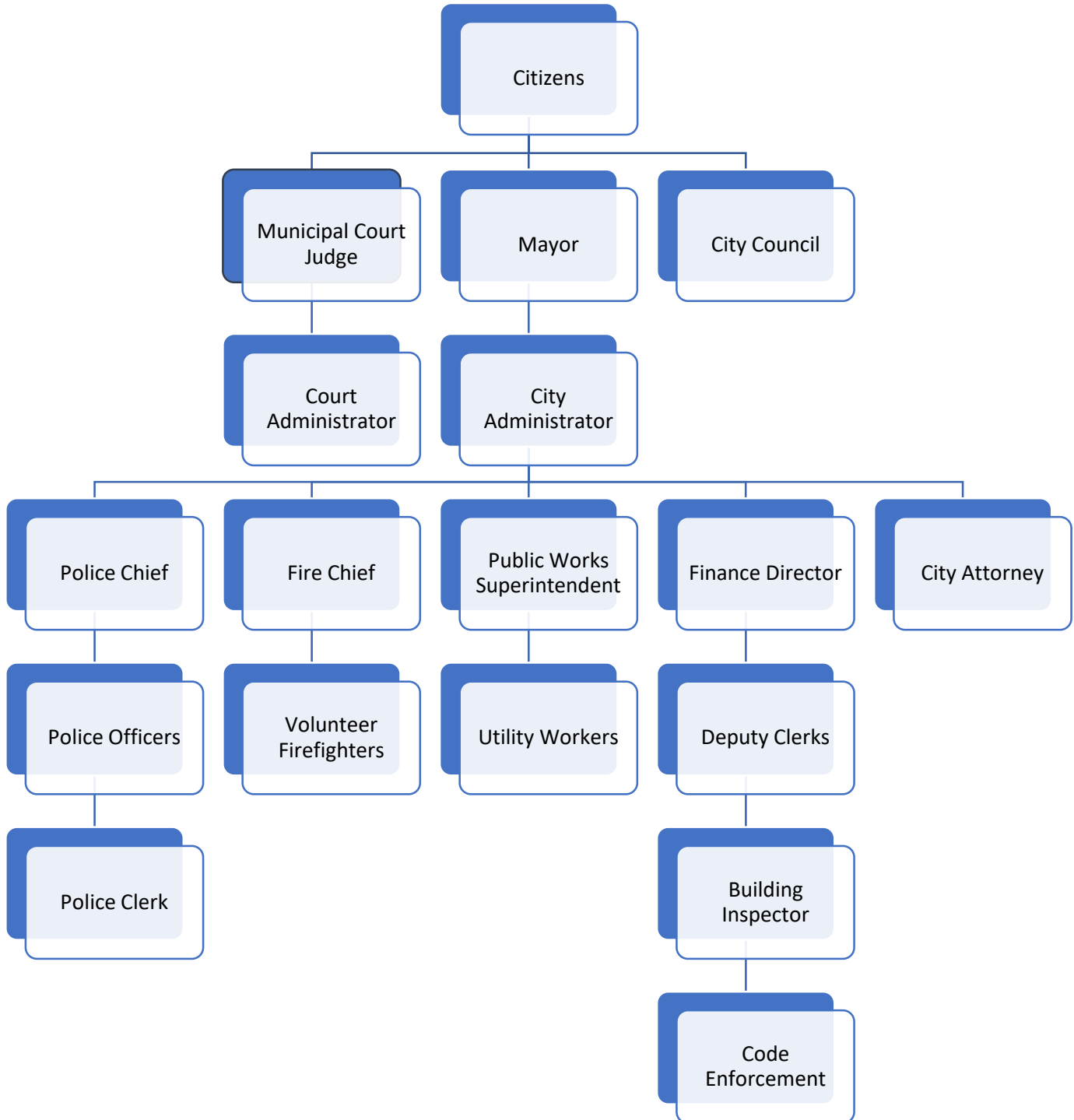
**Finance Director** Julie Pope

**Police Chief** Heath Layman

**Fire Chief** Nick Falley

**Public Works Superintendent** Jeff Nations

# Organizational Chart





## Letter from the Mayor - 2024 Budget

City Council, Department Heads, Staff, and Cosmopolis residents;

Working on the City budget over the last few years has been incredibly difficult due to issues outside of our control.

Whether it was due to the COVID-19 pandemic, resignations that forced us to outsource fire and EMS protection at a greatly increased cost, the continued closure of our lead economic driving business, or continued increases in costs for services we have been running a tight budget with cuts made at every level.

When we look at ways to adjust to these factors, there are very few options available to accommodate the costs of running a small city without eliminating staff or increasing taxes to our residents.

Neither of these are routes that I would want to undertake. Efforts have been made continually to avoid with the optimism that our woes will turn around. This unfortunately has not been the case. We have reached a point where difficult decisions need to be made in order to maintain our local autonomy as a municipality.

Residents are seeing increases on local property taxes and costs for all goods and services. Increases in taxes available to the City have already been introduced that allow for us to retain the ongoing staffing levels and operations. It is unrealistic of us to increase them to the level needed to both maintain the quality of services that residents desire without creating even more hardships to individuals and families. I do not see that as a reasonable solution.

Unfortunately, in order to maintain a budget while we continue awaiting full operations at Cosmo Specialty Fiber and other local projects that would bring economic stability to City function it means that we need to look at every available option. This includes reducing staffing levels to assist in balancing our budget, but it does not come without incredible fraught. Our paid staff and volunteers have been with us through these difficult times, and at levels that have needed increased staff in every department over decreases that will mean a slowing of projects and progress city-wide.

The proposed budget is being presented with a heavy heart, and my sincere hope is that 2024 and beyond will see economic recovery to allow for us to return to operations we would all prefer.

KYLE E. PAULEY, Mayor



## *2024 City Administrator Budget Message*

*Mayor Kyle Pauley and City Council*

As you are all very aware, 2023 has been an incredibly challenging year for everyone. With the loss of our largest tax base, an almost complete turnover in the city council, and essential budget cuts, many changes are before us. However, we have been through this several times before, and we have the experience and knowledge to get through it again.

I first want to thank the staff for their dedication and commitment to doing whatever it takes to help the city through this budget crisis. All nonunion employees voluntarily gave up their 3.5% wage increase for the second time in four years to help reduce the impact to the citizens during a time we have seen record increases in inflation. Their experience, tenure, and dedication keep us being able to operate with reduced staff.

Going forward, I am excited about what is on the horizon for the City of Cosmopolis. Cosmo Specialty Fibers is in the final stages of planning their reopening date, Paper Kenworth will be starting their major renovation to their building in 2024, and other waterfront development is in the planning process. Hopefully at this time next year we will be in a much better position.

For 2024, we will have a very bare bones budget that includes the layoff of some employees. These are very painful decisions that are extremely hard to make. We will be going into the new year with a balanced budget that will need to be reviewed monthly by the new Council with potential Supplemental Budgets adopted throughout 2024. We are holding \$120,000 of the projected 2024 General Fund Revenue to be placed into reserves; however, it will not meet our policy goal of 15% of General Fund Revenues be placed into reserves.

### **Projects**

In 2024, there will not be a lot of projects completed as we are primarily focused on recovering from the loss of revenue in 2023, and planning for future projects. Some of the projects planned are:

1. ***New Municipal Building*** - Completion of the New Municipal Building funded by a Municipal Bond approved in 2019.
2. ***Mill Creek Park Maintenance Grant*** - Begin work on the Mill Creek Park Deferred Maintenance Projects funded by a \$100,000 grant from Washington State Recreation and Conservation Office (RCO).
3. ***Mill Creek Multi Objective Plan*** - Finalize the Engineering Study of the Mill Creek Multi Objective Flood Control Study that looks at flood hazard reduction projects along Mill Creek. This study is funded by a \$170,000 grant from the Chehalis Basin Flood Authority.

4. ***Comprehensive Stormwater Plan*** - The City of Cosmopolis in cooperation with the cities of Aberdeen, and Hoquiam received a \$400,000 grant from the Chehalis Basin Flood Authority to draft Comprehensive Stormwater Plans for each city. The City of Cosmopolis is the lead agency on this project.
5. ***Fourth Street Paving*** - We are planning on seeking funding to pave Fourth Street from C Street to the Cosmopolis School Field. This project is our priority paving project.

### **Goals**

- Improve Communication with the residents of Cosmopolis so they are more aware of what is happening in their city.
- Continue to monitor the General Fund Budget to where we are no longer spending out of the reserves.
- Meet our Policy Goal of 15% of General Fund Revenues be placed into reserves.
- Get to a point where we can bring back any employees lost because of layoffs.

Lastly, I want to thank all the City Council and Mayor who are leaving us at the end of 2023 for their dedication and service. I appreciate all your assistance and the teamwork you showed the staff during your service.

Sincerely,



Darrin C. Raines  
City Administrator



Incorporated 1891



For your consideration, the 2024 proposed Annual Budget for the City of Cosmopolis.

Proposed expenditures for the forthcoming budget year are provided in the following table on a comparative basis with the current year's budget and previous year's actual expenditures:

<b>Fund</b>	<b>2023 YTD November</b>	<b>2023 Budget</b>	<b>Proposed Budget</b>
General Fund	1,934,990	2,601,559	1,800,438
Fire Equipment	32,883	34,000	33,250
Equipment Reserve	61,710	137,000	34,473
Drug Seizure Fund	0	705	0
Advanced Cemetery	0	10,138	0
Makarenko Park	7,483	0	10,500
Street Fund	117,021	171,366	133,150
Cemetery Perpetual Care	0	63,600	0
Real Estate Excise Tax	0	234,000	50,000
UTGO Bond Fund - 1997	0	50,335	0
UTGO Bond-2020	587,278	2,983,000	2,583,860
Water Fund	636,741	763,000	681,390
Sewer Fund	561,025	654,000	657,275
Special LID Fund	384	42,870	384
Stormwater Utility	36,326	131,700	61,250
Makarenko Park Reserve	18,222	273,000	20,000
<b>Grand Total</b>	<b>3,994,063</b>	<b>8,150,273</b>	<b>6,065,970</b>

The budget as proposed is approximately 23 percent lower than last year's. The annual inflation rate for the 12 months ended October 2023 is 3.2%.

Estimated revenues for the forthcoming budget are provided in the following table and last year's actual revenues received. These projections, current adopted budget, and prior year results are as follows:

<b>Fund</b>	<b>2023 YTD November</b>	<b>2023 Budget</b>	<b>Proposed Budget</b>
General Fund	2,222,795	2,601,559	2,000,438
Fire Equipment	41,961	34,000	42,370
Equipment Reserve	88,224	137,000	35,000
Drug Seizure Fund	705	705	705
Advanced Cemetery	8,988	10,138	9,000
Makarenko Park	14,709	0	22,000
Street Fund	145,113	171,366	183,098
Cemetery Perpetual Care	66,601	63,600	72,000
Real Estate Excise Tax	242,137	234,000	259,000

UTGO Bond Fund - 1997	50,334	50,335	50,335
UTGO Bond-New Facility	2,949,347	2,983,000	2,485,000
Water Fund	624,555	763,000	691,530
Sewer Fund	639,998	654,000	777,500
Special LID Fund	50,273	42,870	50,000
Stormwater Utility	127,079	131,700	161,760
Makarenko Park Reserve	255,706	273,000	308,000
Grand Totals	7,528,525	8,150,273	7,147,736

### **EQUIPMENT/IMPROVEMENT REQUESTS**

Due to budget constraints, there are no equipment purchased requested for 2023.

### **PERSONNEL**

Due to budget constraints, there will be no wage increases for City staff.

### **EMPLOYEE BENEFITS**

AWC administers the medical, dental, and vision benefits provided to City employees. An increase of 4.1% has been finalized for medical premiums. All other benefits are expected to remain the same.

# 2024 Budget by Fund and Department

001 General Expense Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	200,000.00
310 Taxes	1,420,000.00
320 Licenses & Permits	65,600.00
330 Intergovernmental Revenues	219,538.00
340 Charges For Goods & Services	28,950.00
350 Fines & Penalties	29,600.00
360 Interest & Other Earnings	27,660.00
380 Non Revenues	9,090.00
390 Other Financing Sources	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>2,000,438.00</b>
	EXPENDITURES
511 Legislative	23,500.00
512 Judicial	57,500.00
513 Executive	8,550.00
514 Financial, Recording & Elections	224,150.00
515 Legal Services	31,200.00
518 Centralized Services	67,001.00
521 Law Enforcement	634,850.00
522 Fire Control	393,335.00
523 Detention/Correction	5,000.00
524 Protective Inspections	34,653.00
525 Disaster Services	0.00
528 Dispatch Services	16,202.00
536 Cemetery	33,450.00
537 Garbage & Solid Waste	2,000.00
539 Irrigation And Reclamation	200.00
553 Conservation	1,450.00
558 Planning & Community Devel	31,917.00
566 Substance Abuse	400.00
573 Cultural & Community Activities	2,050.00
574	0.00
576 Park Facilities	81,269.00
580 Non Expenditures	140,800.00
591 Debt Service - Principal Repayment	10,961.00
594 Capital Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	200,000.00
<b>Fund Expenditures:</b>	<b>2,000,438.00</b>



## 002 Fire Equipment Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	9,120.00
310 Taxes	33,000.00
360 Interest & Other Earnings	250.00
380 Non Revenues	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>42,370.00</b>
	EXPENDITURES
522 Fire Control	0.00
580 Non Expenditures	0.00
591 Debt Service - Principal Repayment	32,883.00
597 Interfund Transfers	0.00
999 Ending Balance	9,487.00
<b>Fund Expenditures:</b>	<b>42,370.00</b>

## 007 Equipment Reserve Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	15,000.00
310 Taxes	20,000.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00
390 Other Financing Sources	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>35,000.00</b>
	EXPENDITURES
580 Non Expenditures	0.00
591 Debt Service - Principal Repayment	34,473.00
594 Capital Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	527.00
<b>Fund Expenditures:</b>	<b>35,000.00</b>

## 010 Drug Seizure Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	705.00
360 Interest & Other Earnings	0.00
<b>Fund Revenues:</b>	<b>705.00</b>
	EXPENDITURES
521 Law Enforcement	0.00
999 Ending Balance	705.00
<b>Fund Expenditures:</b>	<b>705.00</b>

## 011 Advance Payment Cemetery Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	9,000.00
340 Charges For Goods & Services	0.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00

**Fund Revenues:** **9,000.00**

	EXPENDITURES
580 Non Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	9,000.00

**Fund Expenditures:** **9,000.00**

## 012 Makarenko Park

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	7,000.00
360 Interest & Other Earnings	15,000.00
380 Non Revenues	0.00
397 Interfund Transfers	0.00

**Fund Revenues:** **22,000.00**

	EXPENDITURES
576 Park Facilities	10,500.00
580 Non Expenditures	0.00
594 Capital Expenditures	0.00
999 Ending Balance	11,500.00

**Fund Expenditures:** **22,000.00**

## 101 Street Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	20,000.00
310 Taxes	130,500.00
330 Intergovernmental Revenues	32,598.00
340 Charges For Goods & Services	0.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00
390 Other Financing Sources	0.00
397 Interfund Transfers	0.00

**Fund Revenues:** **183,098.00**

	EXPENDITURES
542 Streets - Maintenance	123,150.00
543 Streets Admin & Overhead	0.00
576 Park Facilities	0.00
580 Non Expenditures	10,000.00
591 Debt Service - Principal Repayment	0.00
594 Capital Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	49,948.00

**Fund Expenditures:** **183,098.00**

## 105 Cemetery Perpetual Care Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	67,000.00
340 Charges For Goods & Services	5,000.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>72,000.00</b>
	EXPENDITURES
536 Cemetery	0.00
999 Ending Balance	72,000.00
<b>Fund Expenditures:</b>	<b>72,000.00</b>

## 204 Utgo Bond Redemption Fund 1997

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	50,335.00
310 Taxes	0.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>50,335.00</b>
	EXPENDITURES
580 Non Expenditures	0.00
591 Debt Service - Principal Repayment	0.00
999 Ending Balance	50,335.00
<b>Fund Expenditures:</b>	<b>50,335.00</b>

## 205 UTGO Bond Redemption Fund 2020

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	2,300,000.00
310 Taxes	184,000.00
360 Interest & Other Earnings	1,000.00
390 Other Financing Sources	0.00
<b>Fund Revenues:</b>	<b>2,485,000.00</b>
	EXPENDITURES
515 Legal Services	0.00
591 Debt Service - Principal Repayment	183,860.00
594 Capital Expenditures	2,301,140.00
999 Ending Balance	0.00
<b>Fund Expenditures:</b>	<b>2,485,000.00</b>

## 305 Real Estate Excise Tax

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	244,000.00
310 Taxes	15,000.00
330 Intergovernmental Revenues	0.00
360 Interest & Other Earnings	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>259,000.00</b>

	EXPENDITURES
521 Law Enforcement	0.00
594 Capital Expenditures	50,000.00
999 Ending Balance	209,000.00
<b>Fund Expenditures:</b>	<b>259,000.00</b>

## 401 Water Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	10,000.00
340 Charges For Goods & Services	680,500.00
360 Interest & Other Earnings	1,030.00
380 Non Revenues	0.00
390 Other Financing Sources	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>691,530.00</b>

	EXPENDITURES
534 Water Utilities	650,100.00
580 Non Expenditures	0.00
591 Debt Service - Principal Repayment	31,290.00
594 Capital Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	10,140.00
<b>Fund Expenditures:</b>	<b>691,530.00</b>

## 402 Sewer Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	75,000.00
340 Charges For Goods & Services	702,500.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00
397 Interfund Transfers	0.00
<b>Fund Revenues:</b>	<b>777,500.00</b>

	EXPENDITURES
535 Sewer	657,275.00
580 Non Expenditures	0.00
591 Debt Service - Principal Repayment	0.00
594 Capital Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	120,225.00
<b>Fund Expenditures:</b>	<b>777,500.00</b>

## 404 Special Revenue Fund Lid 99-1

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	50,000.00
360 Interest & Other Earnings	0.00
380 Non Revenues	0.00
<b>Fund Revenues:</b>	<b>50,000.00</b>

	EXPENDITURES
514 Financial, Recording & Elections	384.00
538 Combined Utilities	0.00
580 Non Expenditures	0.00
597 Interfund Transfers	0.00
999 Ending Balance	49,616.00
<b>Fund Expenditures:</b>	<b>50,000.00</b>

## 410 Stormwater Utility

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	91,000.00
340 Charges For Goods & Services	70,760.00
360 Interest & Other Earnings	0.00
<b>Fund Revenues:</b>	<b>161,760.00</b>

	EXPENDITURES
531 Storm Water Services	61,250.00
553 Conservation	0.00
580 Non Expenditures	0.00
594 Capital Expenditures	0.00
999 Ending Balance	100,510.00
<b>Fund Expenditures:</b>	<b>161,760.00</b>

## 702 Makarenko Park Reserve Fund

01/01/2024 To: 12/31/2024

	REVENUES
308 Beginning Balances	258,000.00
360 Interest & Other Earnings	20,000.00
380 Non Revenues	30,000.00
<b>Fund Revenues:</b>	<b>308,000.00</b>

	EXPENDITURES
580 Non Expenditures	0.00
597 Interfund Transfers	20,000.00
999 Ending Balance	288,000.00
<b>Fund Expenditures:</b>	<b>308,000.00</b>