

2025 – Preliminary Budget Highlights

Summary of City Services

The City of Sumas was incorporated in 1891 and operates under the laws of the state of Washington applicable to a non-charter code city operating under the mayor-council plan of government. The City is a general-purpose local government and provides public safety, street improvements, parks and recreation, building inspection, municipal court, cemetery, and general administrative services. In addition, the City owns and operates public utilities for water, sewer, storm-sewer, and electric.

Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund (001)

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds (101-107)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Capital Projects Funds (301-302)

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds (401-412)

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges. These funds account for City owned utilities of water, sewer, storm sewer and electric.

FIDUCIARY FUND TYPES:

Custodial Funds (631-634)

These funds are used to account for assets that the government holds on behalf of others in a custodial capacity. *The City is not required to budget for fiduciary funds.*

Basis of Accounting

Financial statements are prepared using the cash basis of accounting. Revenues are recognized when cash is received, and expenditures are recognized when paid. In accordance with state law, the City also recognizes expenditures paid during twenty days after the fiscal year's close for claims incurred during the previous period.

Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

Budget

The City budgets at the fund level. The budget constitutes the legal authority for expenditures at that level. Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

Annual appropriations for these funds lapse at the fiscal year end.

The preliminary budget for 2025 is as follows:

FUND	2025 Estimated Beginning Balance	2025 Budgeted Revenues	2025 Budgeted Expenditures	2025 Estimated Ending Balance
001 Current Expense	\$1,962,996	\$2,144,006	\$2,692,779	\$1,414,223
101 Street	\$529,426	\$353,260	\$157,360	\$725,326
103 Cemetery	\$34,284	\$39,714	\$25,051	\$48,947
104 Economic Development	\$291,916	\$14,430	\$68	\$306,278
105 Civic Improvement	\$29,015	\$4,800	\$5,006	\$28,809
107 Criminal Justice Lo-Pop	\$13,339	\$3,769	\$4,934	\$12,174
301 REET I	\$498,000	\$56,750	\$153	\$554,597
302 REET II	\$537,523	\$56,250	\$144	\$593,629
401 Water-Sewer	\$391,856	\$1,864,433	\$1,953,868	\$302,421
403 Water-Sewer Hookups	\$1,156,907	\$91,900	\$85,366	\$1,163,441
410 Storm Sewer	\$365,075	\$71,180	\$51,668	\$384,587
411 Light	\$1,661,258	\$2,792,300	\$2,895,471	\$1,558,087
412 Light Deposits	\$43,520	\$13,000	\$8,500	\$48,020
Totals	\$7,515,115	\$7,505,792	\$7,880,368	\$7,140,539
Total Budget Revenues & Expenditures	\$15,020,907		\$15,020,907	

Employees, Salaries & Benefits

The City employs 16 Full-Time employees and 9 Part-Time or Seasonal employees. In order to retain qualified, professional, and dedicated employees, the City offers competitive salary and benefit packages and evaluates for necessary Cost of Living Adjustments (COLA) needed on an annual basis. **The COLA increase for 2025 is 2.5%.**

Overtime

Overtime hours are worked only upon approval by a Department Head and only for work that is necessary or in response to an emergency situation. Police Officers may work overtime shifts under the

Operation Stonegarden cooperative agreement. Stonegarden overtime is reimbursable to the City under sub-contract with Whatcom County Sheriff's Office.

Retirement

Substantially all full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS).

Public Employees' Retirement System (PERS), or
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

Medical/Dental/Vision

The City of Sumas is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). The City pays 100% of the premium charges for Medical, Dental, and Vision for employees and their qualifying spouse and dependents. The City also contributes \$50/month per employee towards an optional Aflac Insurance Plan of the employee's choice.

Medical insurance rate increases for 2025 are between 7.3%-8.2%. Dental insurance rate increases for 2025 are 6.9% and Vision rates will not increase in 2025.

Property and Liability Insurance

The City of Sumas is a member of the Washington Cities Insurance Authority (WCIA) which provides liability, property, and auto insurance coverage. Insurance rate increases for 2025 are between 2.5%-5%.

Budget Highlights of Specific Funds for 2025

Flooding in November 2021 continues to have a significant impact on the City, affecting our budget considerations. We are actively recovering, reconstructing, and planning for future mitigation.

001 General Fund

- **Revenues**

- Property Taxes (split between General Fund, Streets, Cemetery)
- Utility Taxes & Franchise Fees
- Grants – Stonegarden, Dept of Commerce, FEMA, MIL, TIB, WCIA –
- Charges for Services
 - Facility rentals, Passports, CPLs, Fingerprinting

- **Parks**

- User Fees increase as of Jan. 2025
- Summer Help – 2 positions in 2024, budgeting for 2 positions in 2025

- **Expenses**

- New Police vehicle in 2025
- ARPA Funds
- Focus on Flood Recovery projects
 - Cowling & Widner – FEMA Consultants (eventually reimbursable by FEMA)
- Whatcom County Fire District – Renegotiating Contract for a possible 5-year term (2025-2029) with annual increases.

101 Streets

- **Revenues**

- Property Taxes (split between General Fund, Streets, Cemetery)
- Local Fuel Tax
- **Expenses**
 - 2025 Street Improvements:
 - **Hovel Road to Boon Ave**– Adding a sidewalk connecting the two streets
 - **Focus on remaining Flood Damage Repairs (FEMA)** - 7 street projects in various stages

103 Cemetery

- **Revenues**
 - Property Taxes (split between General Fund, Streets, Cemetery)
 - Increase to plot purchase fees beginning in Jan. 2025
- **Expenses**
 - Paving driveway
 - Routine maintenance anticipated in 2025

104 Econ Dev. Fund

- **Economic Development Loan Funds available**
 - La Gloria (10-year loan 2021-2031)
Funds are used to promote business retention in Industrial and Commercial districts

401, 410, 411 – Utilities

- **Storm Sewer (410)**
 - Replace Catch Basin Drain, corner of Cherry St & Cleveland Ave (FEMA)
 - Alleyway Upgrades
 - Routine Maintenance
- **Water (401)**
 - P-FAS Testing – New State Required Water Testing
 - Routine Maintenance
 - Flood Damage Repairs – 1 FEMA project
- **Sewer (401)**
 - Flood Damage Repairs
- **Water/Sewer Hookups (403)**
 - 1 waterline replacement (Capital Projects)
 - New Pumps for Lift Station 7
- **Light (411)**
 - New Light Truck
 - Building capital fund for future capital projects
- **All Utilities** experience aging infrastructure, our goal is to budget for anticipated maintenance/repairs and factor those capital costs into our rate structures while trying to keep rates low for our customers.

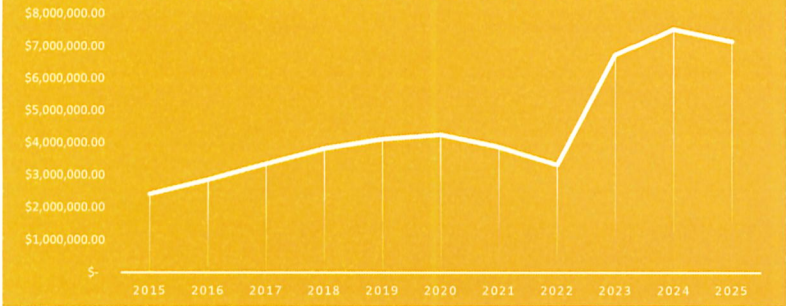
Questions

If you have questions about the City's budget, budget process, or budget document, please reach out to Mollie Bost, Finance Director, at mbost@cityofsumas.com or 360-988-5711.

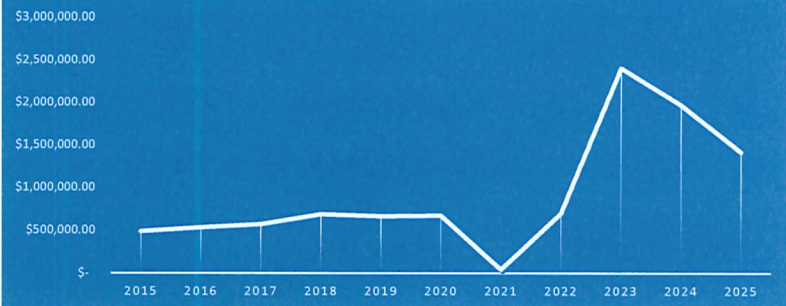
Cash and Inv Balance History 10-years

2015-2025											2024 Est. Remaining			2025 Proposed Budget		
Fund	2015 Actual Ending Balance	2016 Actual Ending Balance	2017 Actual Ending Balance	2018 Actual Ending Balance	2019 Actual Ending Balance	2020 Actual Ending Balance	2021 Actual Ending Balance	2022 Actual Ending Balance	2023 Actual Ending Balance	2024 Actual Balance thru Oct	2024 Estimated Revenue	2024 Estimated Expenditure	2024 Est. Ending/2025 Est. Beginning Balance	2025 Budgeted Revenue	2025 Budgeted Expenditure	2025 Estimated Ending Balance
001 Current Expense	\$482,570	\$530,245	\$565,541	\$680,728	\$657,141	\$666,362	\$41,590	\$84,881	\$ 2,400,158.65	\$1,930,696.11	\$448,991.49	\$416,692	\$1,962,996	\$2,144,006	\$2,692,779	\$1,414,223
101 Street	\$148,595	\$148,612	\$151,318	\$409,073	\$387,519	\$278,765	\$418,852	\$81,313	\$ 482,885.19	\$848,848.45	\$165,595.16	\$485,018	\$529,426	\$353,260	\$157,360	\$725,326
103 Cemetery	\$56,023	\$43,275	\$26,380	\$23,155	\$1,947	\$24,851	\$16,262	\$17,394	\$ 16,670.04	\$24,076.95	\$13,640.36	\$3,434	\$34,284	\$39,714	\$25,051	\$48,947
104 Ec. Dev. Fund	\$172,868	\$77,893	\$94,002	\$164,575	\$235,148	\$300,246	\$225,168	\$250,986	\$ 272,153.81	\$288,622.21	\$3,304.66	\$11	\$291,916	\$14,430	\$68	\$306,278
105 Civic Imp	\$14,611	\$14,891	\$15,491	\$14,599	\$18,340	\$21,047	\$23,656	\$24,762	\$ 26,454.75	\$28,087.93	\$927.55	\$1	\$29,015	\$4,800	\$5,006	\$28,809
107 C.J Lo-Pop	\$24,203	\$25,203	\$24,403	\$23,603	\$20,633	\$20,361	\$17,919	\$17,472	\$ 15,019.41	\$13,304.29	\$35.56	\$1	\$13,339	\$3,769	\$4,934	\$12,174
301 REET I	\$144,895	\$171,863	\$205,126	\$149,940	\$200,638	\$248,323	\$316,029	\$385,875	\$ 438,355.72	\$565,967.79	\$6,646.88	\$74,615	\$498,000	\$56,750	\$153	\$554,597
302 REET II	\$111,974	\$138,942	\$172,205	\$117,019	\$166,588	\$211,541	\$276,538	\$346,373	\$ 398,399.49	\$530,987.30	\$6,558.66	\$23	\$537,523	\$56,250	\$144	\$593,629
401 Water-Sewer	\$605,061	\$755,366	\$929,645	\$987,447	\$944,253	\$855,755	\$675,856	\$339,564	\$ 319,127.39	\$394,821.60	\$271,117.48	\$274,083	\$391,856	\$1,864,433	\$1,953,868	\$302,421
403 Water-Sewer Hookups	\$248,083	\$367,893	\$403,370	\$487,500	\$606,779	\$712,985	\$817,668	\$692,829	\$ 717,346.70	\$1,185,392.80	\$2,479.85	\$30,965	\$1,156,907	\$91,900	\$85,366	\$1,163,441
410 Storm Sewer Fund	\$31,944	\$44,864	\$61,057	\$72,485	\$73,008	\$51,036	\$58,312	\$73,358	\$ 407,456.83	\$379,727.57	\$6,407.21	\$21,060	\$365,075	\$71,180	\$51,668	\$384,587
411 Light	\$318,639	\$470,872	\$641,279	\$649,707	\$751,054	\$795,134	\$915,117	\$961,646	\$ 1,203,106.66	\$1,584,887.65	\$466,513.01	\$390,143	\$1,661,258	\$2,792,300	\$2,895,471	\$1,558,087
412 Light Deposits	\$0	\$0	\$0	\$38,400	\$38,030	\$41,775	\$38,250	\$31,720	\$ 39,100.00	\$42,800.00	\$2,150.00	\$1,430	\$43,520	\$13,000	\$8,500	\$48,020
	\$2,359,465	\$2,789,920	\$3,289,816	\$3,818,233	\$4,101,079	\$4,228,181	\$3,841,217	\$3,308,173	\$ 6,736,234.64	\$7,818,220.65	\$1,394,368	\$1,697,475	\$7,515,113	\$7,505,792	\$7,880,368	\$7,140,537

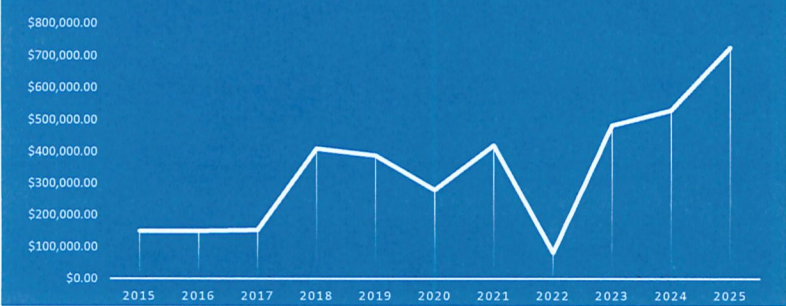
CASH & INVESTMENT BALANCE - ALL FUNDS



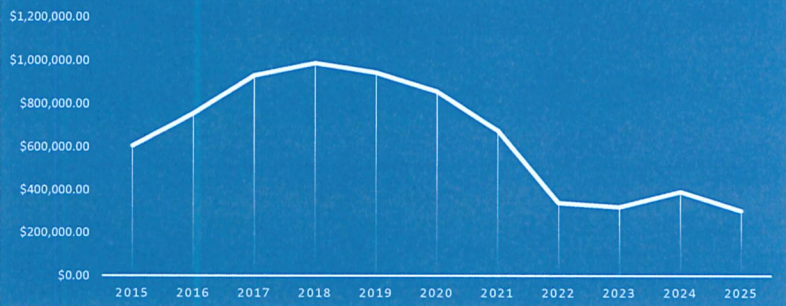
001 CURRENT EXPENSE FUND BALANCE



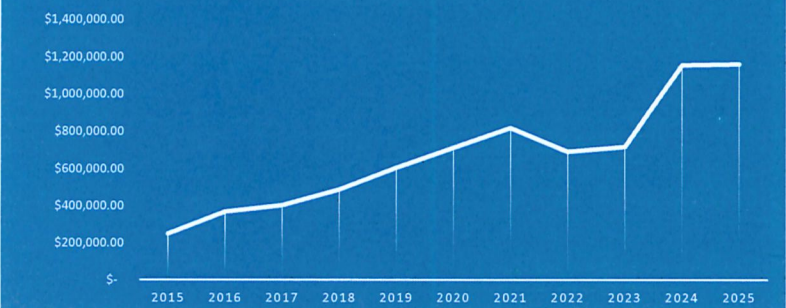
101 STREET FUND BALANCE



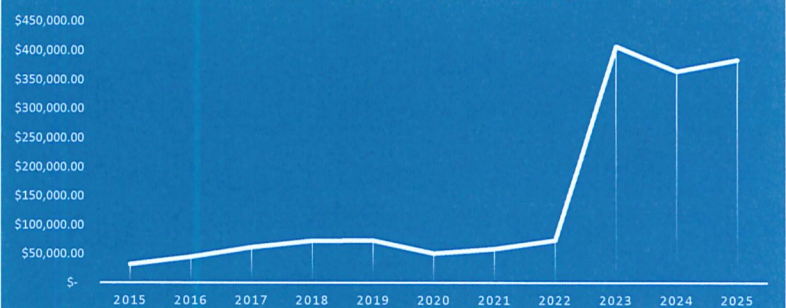
401 WATER SEWER FUND BALANCE



403 WATER-SEWER HOOKUPS



410 STORM SEWER FUND BALANCE



411 LIGHT FUND BALANCE

