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**Meeting Date:** November 4, 2024

**Subject:** Department Overview Budget Presentation

**Attachments:** PowerPoint Presentation

**Presented by:** Adam Vaughn, Finance Director

**Approved for Agenda by:** Dan Ford, City Manager

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**Discussion:**

As discussed in the budget schedule, the next item for budget presentation is the budget by department. When budgeting functions of the City we are required to follow the State's accounting method called "BARS" which categorizes certain activities together. This presentation separates out some of those functions for discussion purposes in a way that facilitates conversation from a budgeting perspective.

You will see from the presentation that a lot of the costs that the City has are fixed. In the City's General Fund Personnel costs make up about 65% (\$5,526,514) of the budget; contracts with agencies to provide court and dispatch services makes up about 13% (\$1,108,415); WCIA Insurance makes up about 5% (\$392,181); utility services, rent, and janitorial services make up about 4% (\$300,167). After all these costs there is only about 13% remaining. Some of the remaining costs are smaller amounts that are fixed by contract, and others are things staff use for their work, like fuel for our vehicles.

This is even more of an issue in our Utility funds which must pay debt service, taxes, and fees. The Utility fund's largest expense each year is the City's Utility Tax. 59% (\$4,682,011) of the Utility Funds budgets are spent on debt, taxes, and fees; 17% (\$1,377,936) on salaries and wages; 15% (\$1,231,107) on other; and 8% (\$655,825) on capital transfers.

In discussion about the 2025 budget, we will be sure to highlight the items that departments are working towards with their 2025 goals. We have accomplished a lot in the past year with progress on our Wastewater Treatment Plant, a new police building, bike and pedestrian improvements, financial operations, and code enforcement efforts. We are hopeful that this presentation will help to show how departments are effectively using their funds to work towards a better Toppenish.

**Fiscal Impact:** The City's FY2025 budget total is \$18,308,798

**Recommendation:** None at this time.

**Alternatives:** None at this time.