

Welcome!

Ellensburg Academy is a series of civic education workshops designed to inform residents and community stakeholders about the operations of City government and what is involved in delivering and maintaining services to the residents of Ellensburg. The series is free to attend and open to all.



How the City Pays for Things
Our Transportation System
About Ellensburg Central Transit
Now, we listen to you.

How the City Pays for Things



March 12, 2025

Heidi Behrends Cerniwey, City Manager
Jerica Pascoe, Finance Director

20,970
population

~\$126
million

70%
people

220
ft employees

10+
facilities

150
acres

6
utilities

11,000
customers

92.8
street miles



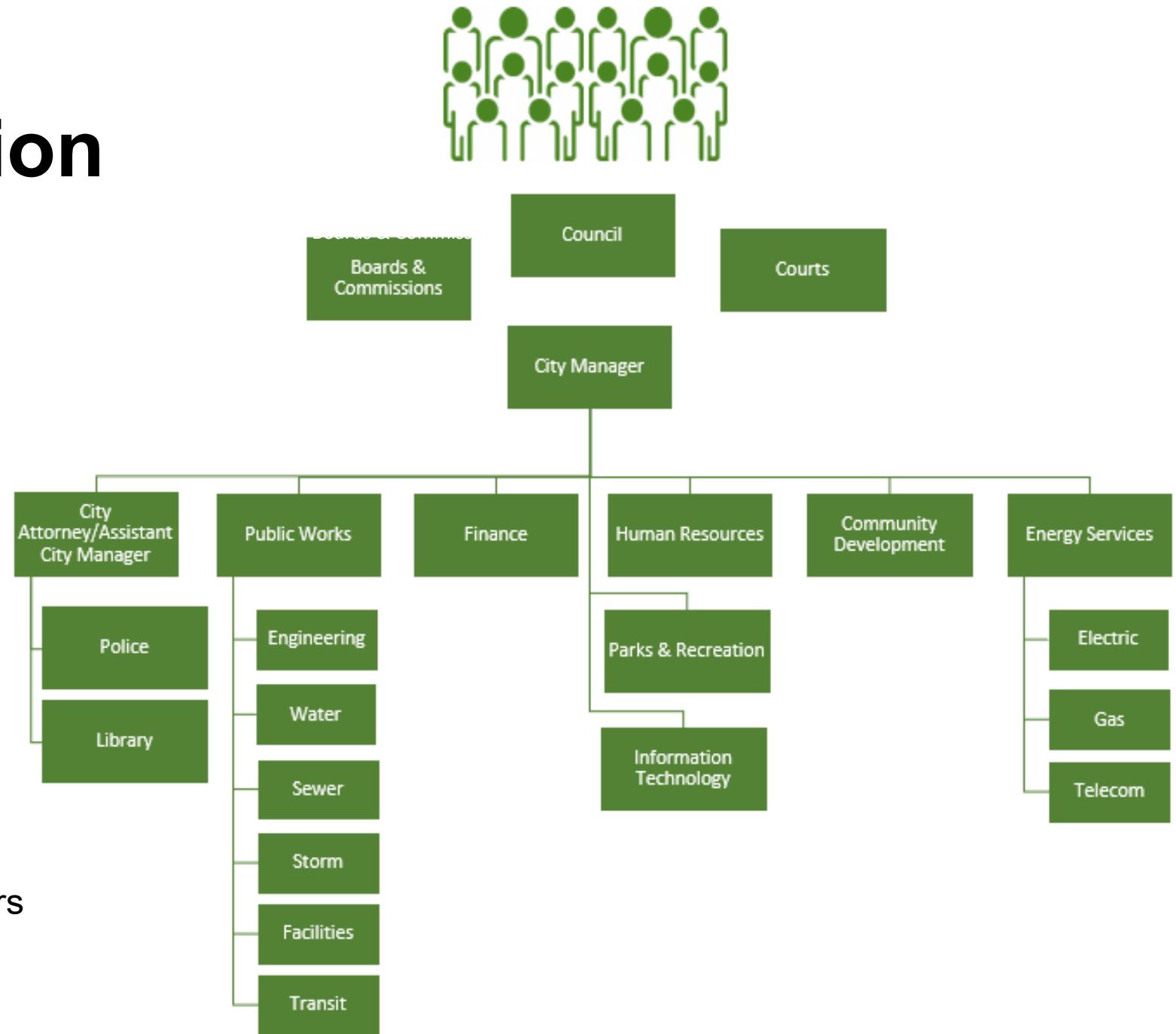
City Organization



RCW 35A.13 Council-Manager



Separation of Powers



What cities do:

- Infrastructure
- Essential services - water, sewer, gas, electric, etc.
- Transportation & Transit
- Clean Environment & Drinking Water
- Energy (electric, natural gas, solar)
- Public Safety
- Safe Buildings
- Quality of Life
- Community Building
- Justice
- Stable & Thriving Economy
- Land Use/Zoning/Permitting
- Balance the Budget

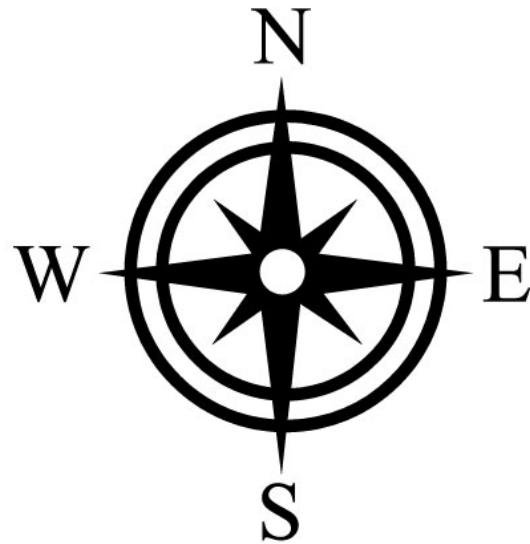
What cities don't do:

- Anything not delegated by the State or US Constitution (or prohibited otherwise)
- County statutory requirements (voting, public health, superior court)
- Determine business selection, investment, and location
- Schools
- Undermine property rights
- Make all the laws



Est. 2022

City Council's Strategic Vision 2024-2029



- Sustainable Economic Development
- Infrastructure and Energy
- Safety, Civic Engagement, and Cultural Inclusion
- Affordable Housing and Living
- Dedicated Parks and Recreation Resources

www.ellensburgwa.gov/strategicvision



Rich Elliott, Mayor



Sarah Beauchamp, Councilmember



Nancy Goodloe, Councilmember



Nancy Lillquist, Councilmember



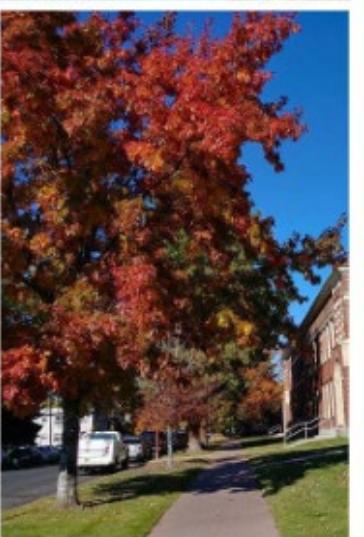
David Miller, Councilmember



Delano Palmer, Councilmember



Joshua Thompson, Councilmember



Biennial Budget

City Biennial Budget

- Total 2-year Biennial Budget
- Organized by funds - 56 “buckets” with reserve policies
- Audited by the State Auditor for State, Local, and Federal compliance
- One-time revenue to one-time expenses
- Basic revenue sources: taxes, fees for service (mostly inter-departmental), fines, and intergovernmental
- **Tax-payer supported for the public good and to be available as needed** (streets, police, parks, library)
- **User supported for individual good for on-demand services** (permits, utilities, recreation, inspections)
- The general tax capacity is heavily limited by State law – can only tax where City has authority
- Structural deficit of revenue growth not keeping pace with growth in expenditures

Budget Structure

Governmental Funds



General Fund

Restricted



Special Revenue Funds



Capital Project Funds



Debt Service Funds

Proprietary Funds



Enterprise Funds



Internal Service Funds

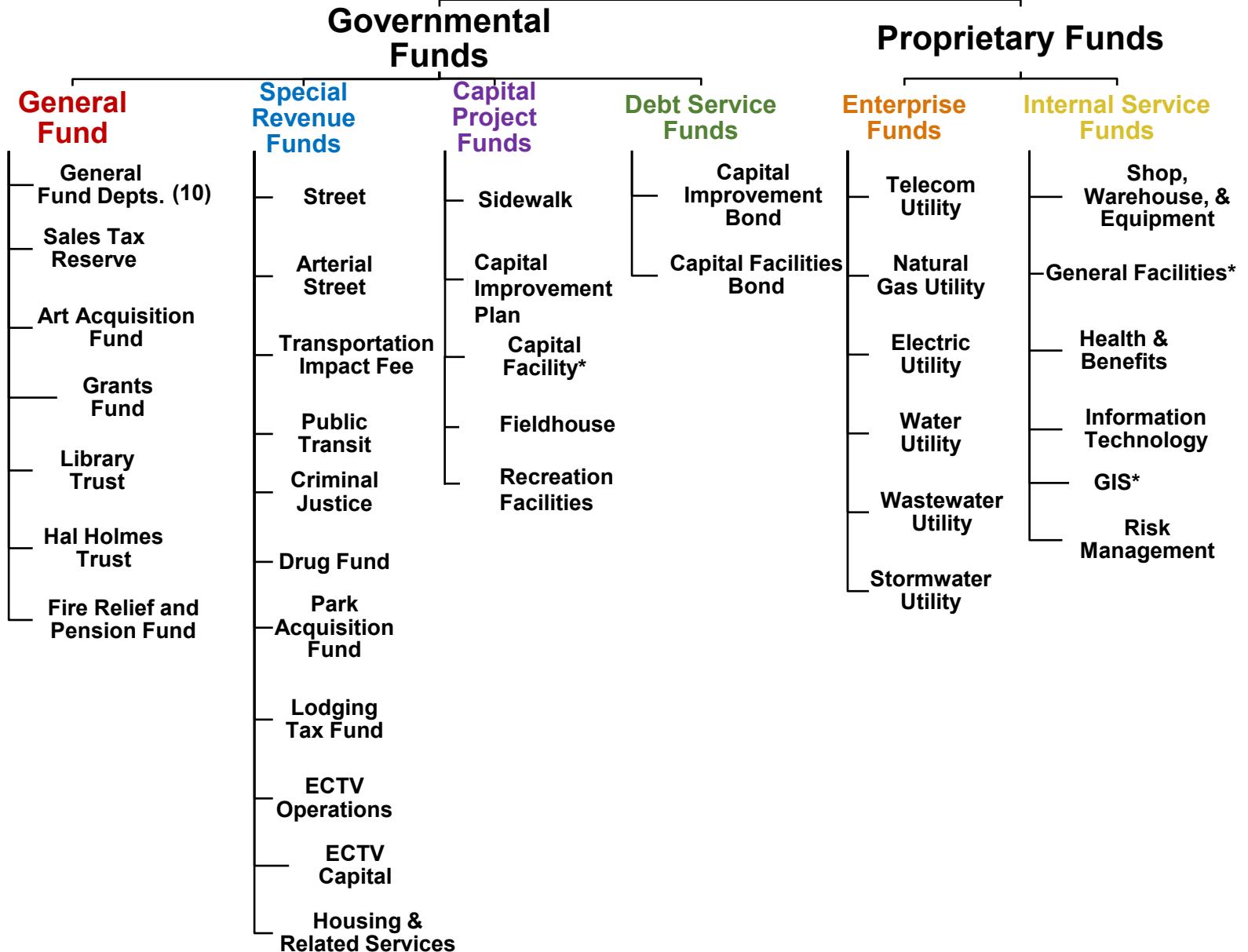


Budget Structure

- 56 Funds
- Restricted revenues
- Dedicated expenditures



Ellensburg Budgetary Funds



Governmental Funds

and challenges of the structural deficit



General Fund



**Special
Revenue Funds**



**Capital Project
Funds**



**Debt Service
Funds**

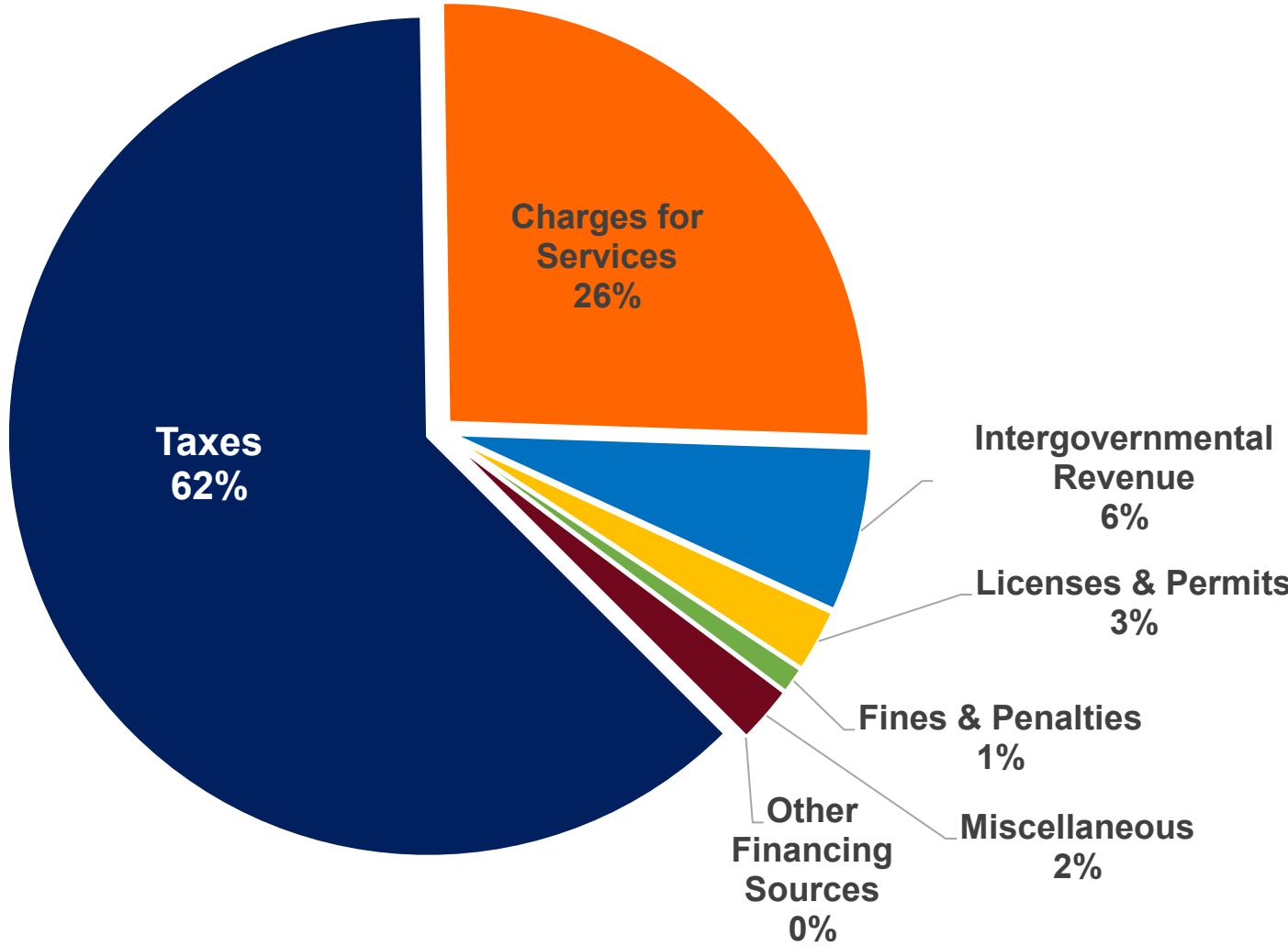
Governmental Fund Activities

- Council/City Management/Finance
- General Government
- Economic Development/Arts
- Community Development
- Parks & Recreation
- Library Services
- Engineering Services
- Library Services
- Public Safety
- Affordable Housing
- Streets
- Sidewalks
- Transit

Costs increase
~3% per year



General Fund Revenue – 2025 Adopted

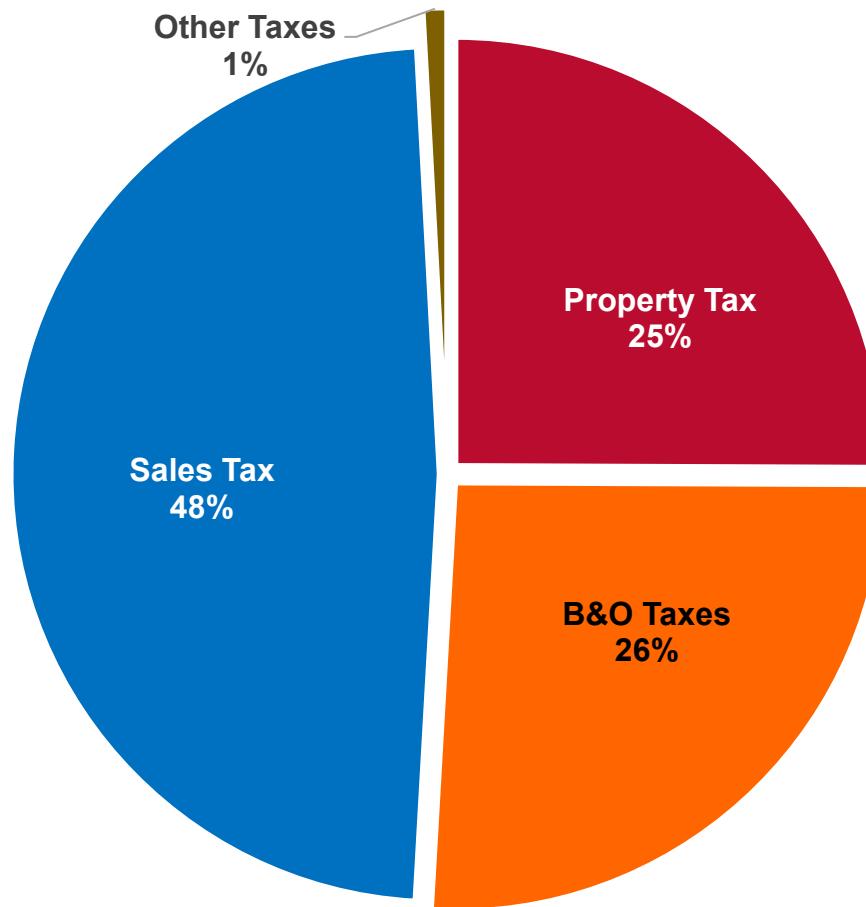


Taxes	\$ 14,695,741
Charges for Services	\$ 6,082,799
Intergovernmental Revenues	\$ 1,492,024
Licenses & Permits	\$ 568,828
Fines & Penalties	\$ 240,000
Miscellaneous	\$ 524,110
Other Financing Sources	\$ 0
Total Revenue	\$ 23,603,502
Est. Beginning Fund Balance	\$ 10,147,297
Total General Funding Sources	\$ 33,750,799

General Fund Tax Revenue – 2025 Adopted

Revenue Source	2025 Budgeted
Property Tax	\$ 3,683,517
B&O Taxes	\$ 3,796,910
Sales Tax *	\$ 7,090,314
Other Taxes	<u>\$ 125,000</u>
Total	\$ 14,695,741

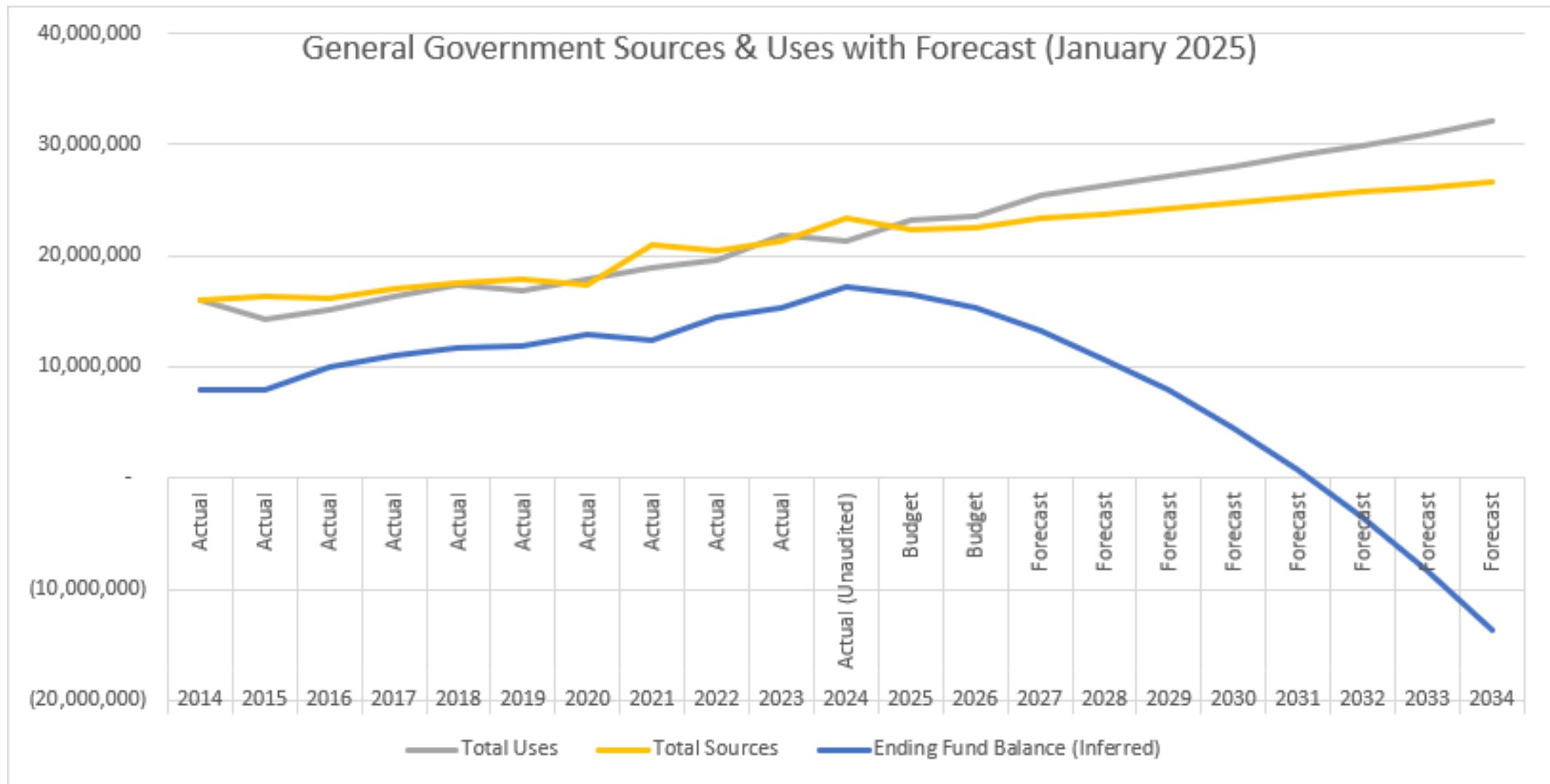
Elastic



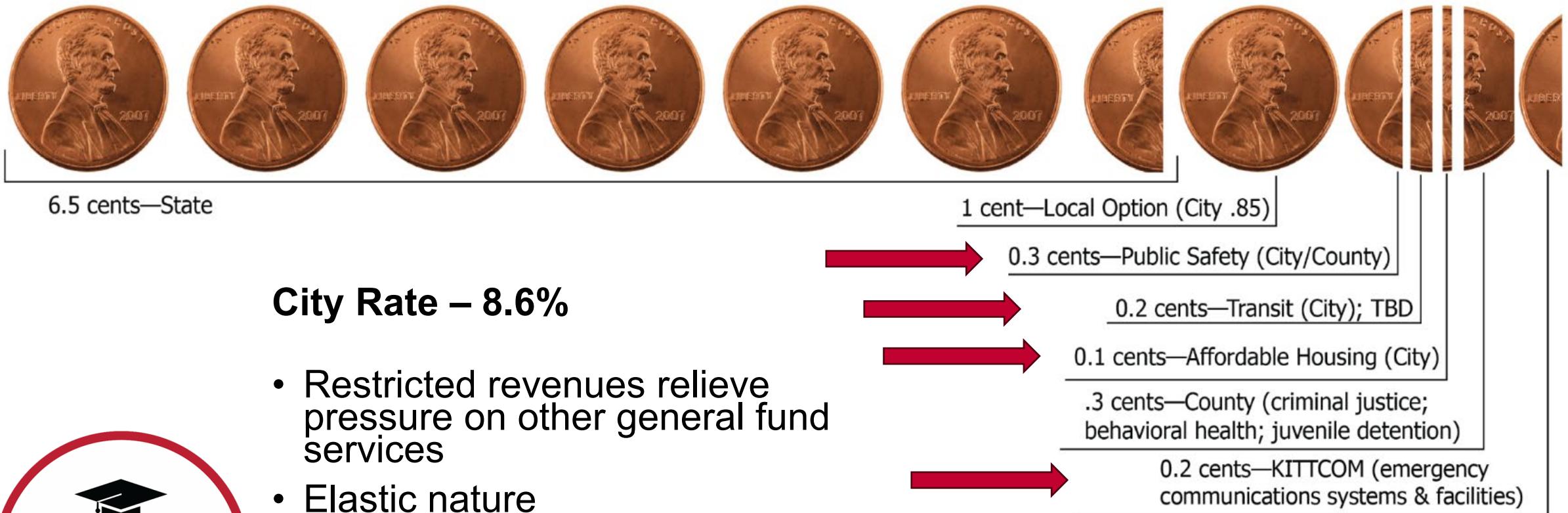
Levy amount limited
to 1% per year max.

B&O- Utility, Gambling, Cable, etc.
Other – Admission, Excise, Leasehold
*Sales Tax – includes 011 local criminal justice, but not 130 3/10 and 172 affordable housing

Structural Deficit



Sales & Use Tax



City Rate – 8.6%

- Restricted revenues relieve pressure on other general fund services
- Elastic nature
- Destination basis
- Construction



Property Tax

**Ellensburg Regular
Levy Rate (2024)
= \$1.314970 per
\$1,000.**

A homeowner with a home assessed at \$350,000 would have paid \$460.24 in 2024 for City portion.

This represents a decrease from 2023 when Ellensburg Library Levy was paid off.



State/McCleary
School Funding
25%

Local School District
(Bonds & Levies)
37%

Weed District
<1%
City 14%
Hospital District
<1%

Fire District
16%
Flood District
<1%
County
7.4%

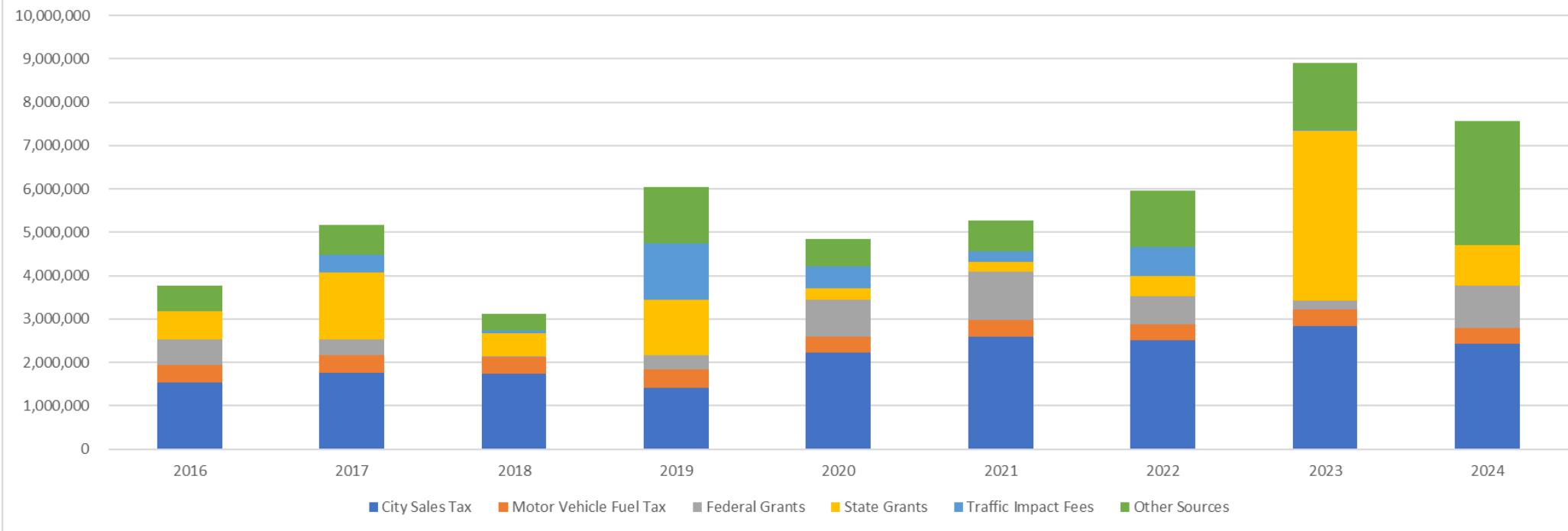
Infrastructure Projects

- Anderson Road Sewer*
- Water Street Overlay*
- 3rd Avenue Overlay*
- Sidewalk repair program
- Helena Avenue extension*
- Dolarway Substation
- Fieldhouse*
- Street Maintenance
- Redundancy, safety, maintenance, and reliability investments for utility systems
- Water Reservoir Property
- Wastewater Treatment Plant
- Grid Modernization/AMI*



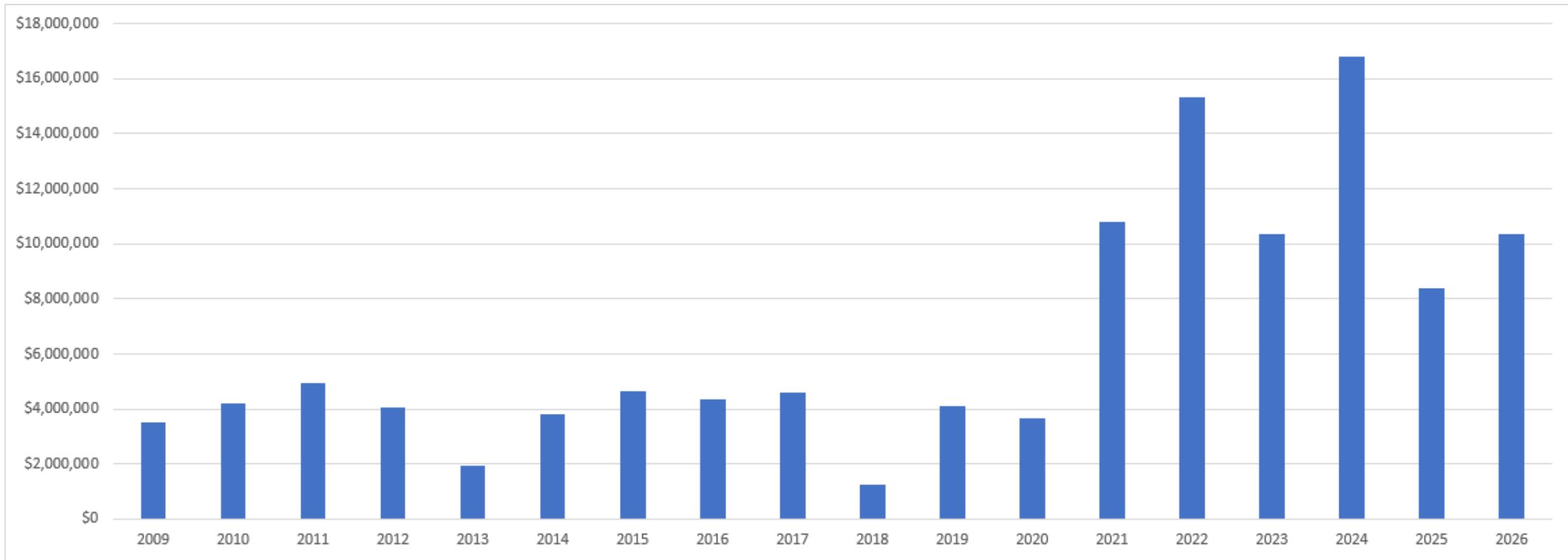
Capital
Projects

Revenue Sources: Transportation System Funding



Revenue Sources	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Sales Tax	1,540,000	1,753,259	1,740,300	1,420,300	2,228,300	2,598,512	2,508,067	2,828,000	2,433,333
Motor Vehicle Fuel Tax	404,437	416,562	394,230	412,413	365,837	386,972	364,903	385,791	368,337
Federal Grants	594,604	368,430	9,591	330,795	859,780	1,110,145	661,313	208,635	965,298
State Grants	639,074	1,544,158	522,916	1,288,201	257,570	220,473	449,847	3,927,880	928,660
Traffic Impact Fees	0	400,000	69,282	1,298,718	507,225	235,568	685,102	8,232	13,754
Other Sources	598,593	697,063	382,376	1,299,553	622,100	718,794	1,301,746	1,540,776	2,862,339
	3,776,708	5,179,473	3,118,696	6,049,980	4,840,811	5,270,463	5,970,978	8,899,314	7,571,721

Grants



Utilities



Enterprise
Funds

Understanding Your City of Ellensburg Utility Bill

We understand that utility bills can be confusing. To help you better comprehend the charges on your City of Ellensburg utility bill, we've prepared this guide to explain each section and offer tips on managing your utility costs.



Electricity Charges

a. Energy Consumption (kWh)

- **What it is:** The amount of electricity you use, measured in kilowatt-hours (kWh).
- **How it's calculated:** Your kWh usage is multiplied by the current rate per kWh.
- **Tip:** Save on electricity by turning off lights and unplugging devices when not in use.

b. Base Charge

- **What it is:** A fixed daily fee that helps cover the cost of maintaining the electrical system infrastructure.
- **Why it's charged:** Ensures reliable electricity service by funding system upkeep and improvements.

Natural Gas Charges

a. Gas Consumption (Ccf)

- **What it is:** The amount of natural gas you use, measured in hundred cubic feet (Ccf).
- **How it's calculated:** Your measured usage is multiplied by the current rate per Ccf for the following:
 - Base distribution Charge – Usage charge for the cost of operating the utility.
 - Purchased Gas Cost Adjustment – The wholesale cost of gas and transportation.
 - Greenhouse Gas Emissions Cap & Invest Charge – Covers the cost of compliance for the WA State Climate Commitment Act.
- **Tip:** Lower your thermostat when not at home, seal drafts, and maintain your heating system to reduce gas consumption.

b. Base Charge

- **What it is:** A fixed monthly fee that helps cover the cost of maintaining the natural gas distribution system.
- **Why it's charged:** Ensures safe and reliable gas service by funding system maintenance and improvements.

Water Charges

a. Water Usage

- **What it is:** The volume of water you consume, measured in gallons.
- **How it's calculated:** Your usage is converted to 1,000 gallons and multiplied by the water rate per 1,000/gal.



Why do my utility rates keep going up?



- Costs of operating the utilities go up 3-3.5% per year:
 - Inflation
 - Fuel & energy
 - Employees
- New customers (development) pays their share of system expansion
- Existing customers pay for operations, new requirements (\$2.81M for disinfection system), maintenance, replacement
- Utilities typically have only one major revenue source for operations: rates
- The combination of operation costs, new requirements, and major repair cause increase costs of 2.5-5% per year, depending on the utility
- Rates are based on cost-of-service principles

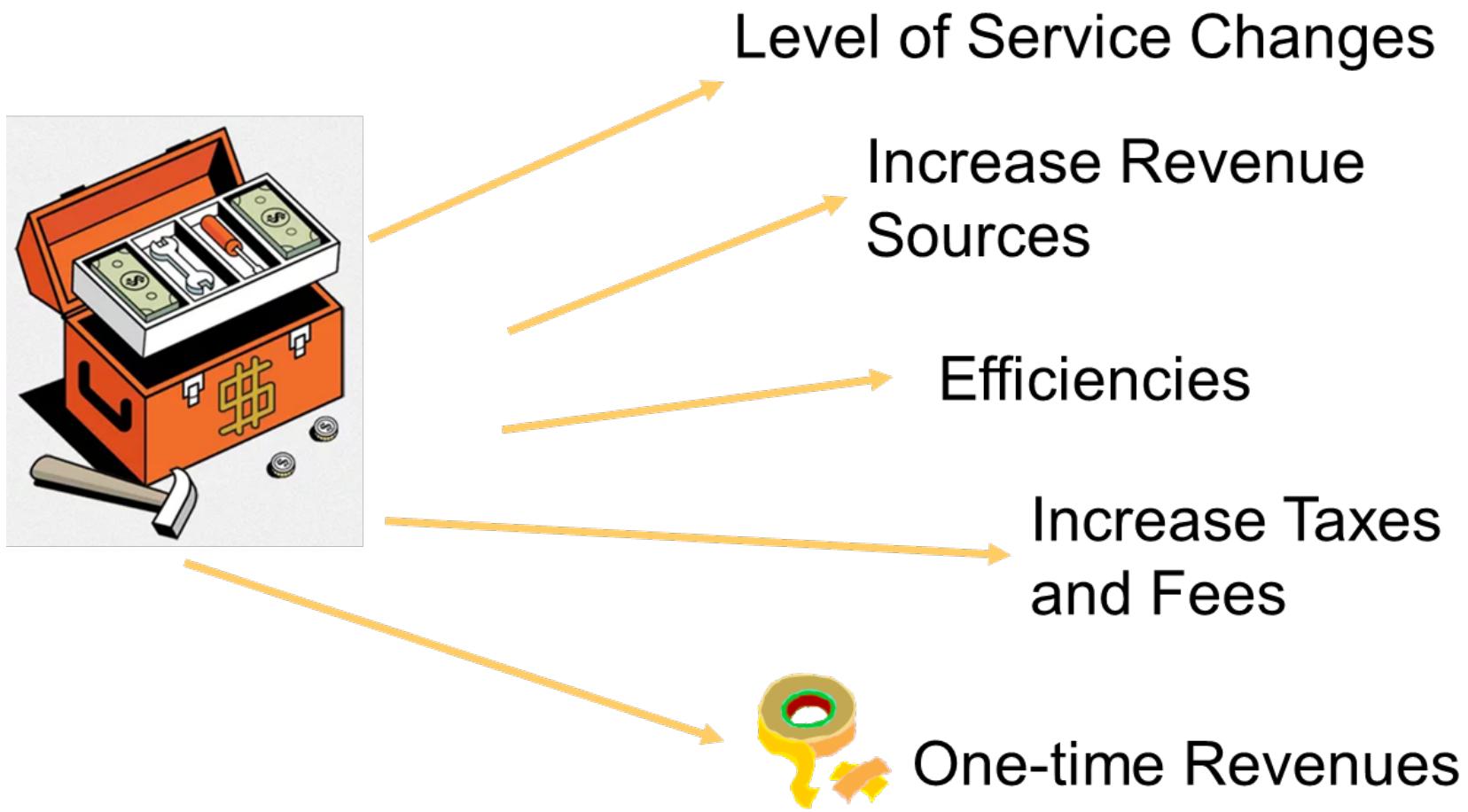
Internal Services



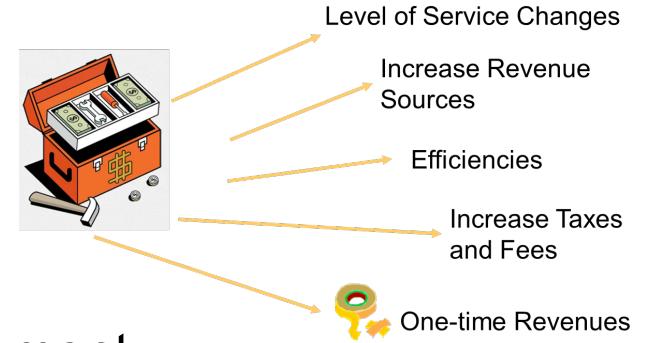
Internal Service Funds



How does the City balance the budget?



Budget Balancing Adaptations

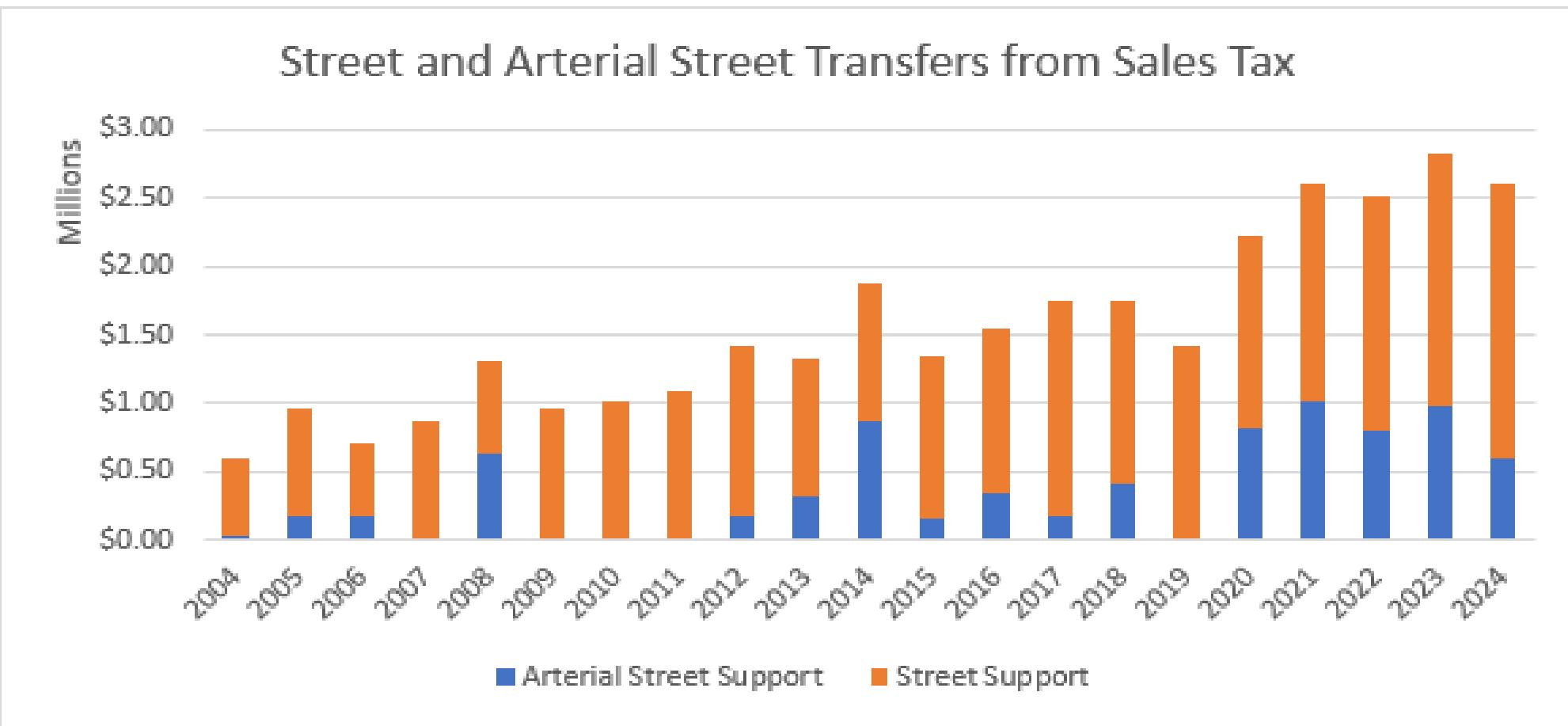


- Preserve 2024 Fund Balance
- Maximize use of Special (restricted) Revenues
- Chip Seal Program (2-day service reduction)
- Reduced Pool Hours (25K)
- Pool & exercise equipment
- Health Insurance Pool
- Slow Technology Pace

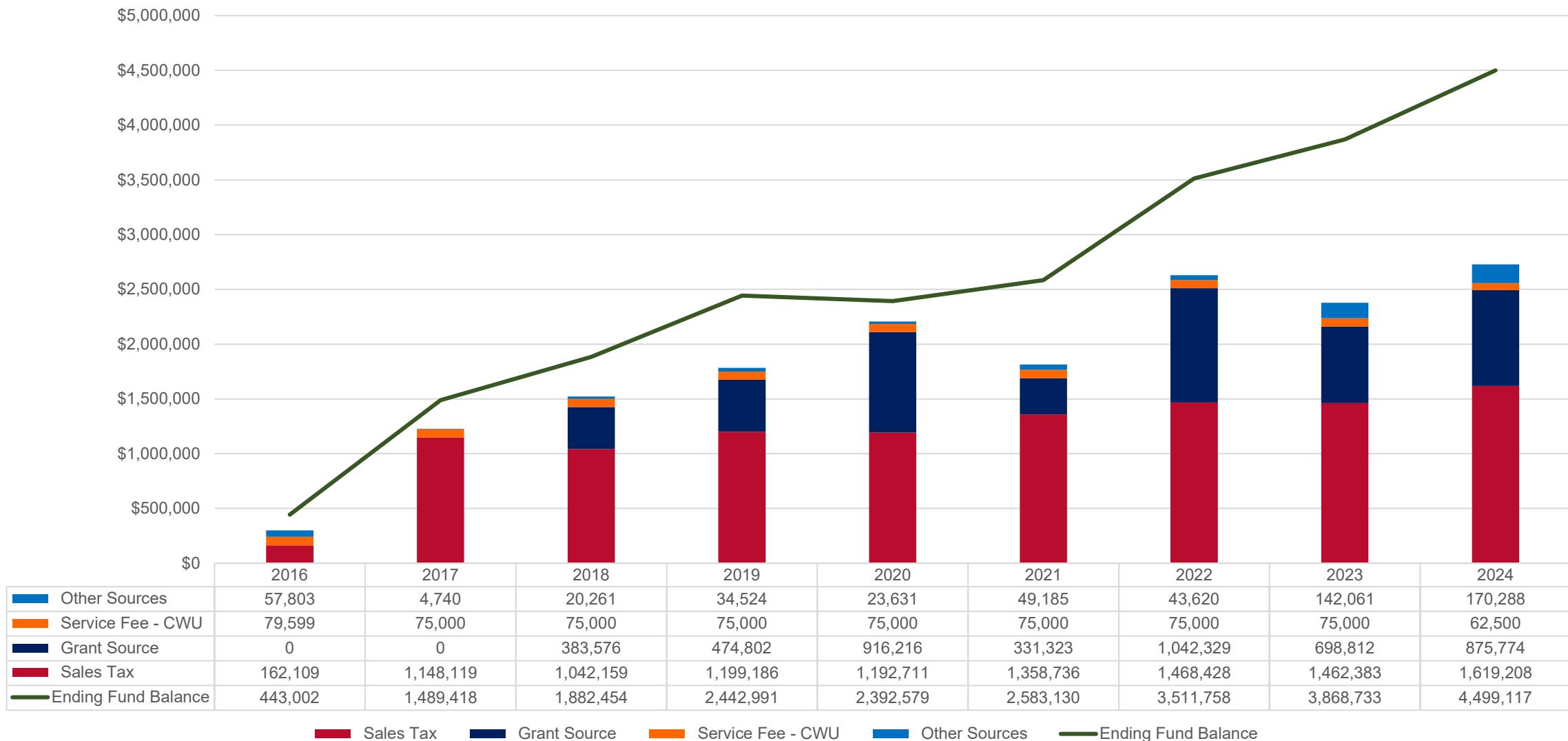
- Economic Development
- Library HVAC
- Deferred Maintenance
- Positions Unfunded
- Repurpose \$1M ARPA to General Fund
- Parks & CDD Fees
- Maximize Grants and Revenues
- Explore dedicated Parks funding
- Re-vote TBD and expand use to Transit and Transportation



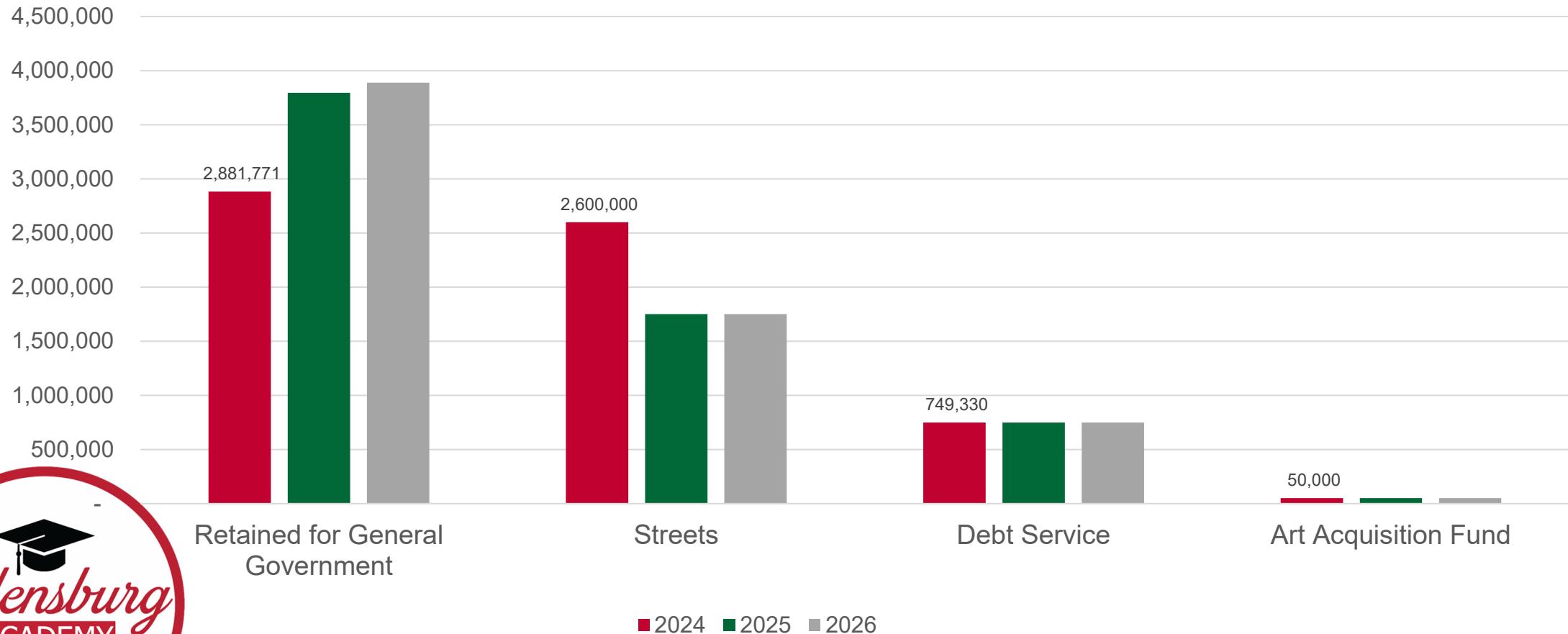
Sales Tax Support for Streets Trend



Public Transportation Revenue Sources - 2016 to 2024



Sales Tax Support – 2024, 2025, & 2026



Balancing the Budget – Renew TBD in 2025



Thank you!

Resources

Revenue Guide for Washington Cities and Towns



Now let's learn about our transportation system...