City of Airway Heights  
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November 1, 2014

Mayor Patrick Rushing and City Council Members  
City of Airway Heights  
1208 S. Lundstrom St.  
Airway Heights, WA 99001

Dear Mayor Rushing and Council Members:

It is my pleasure to submit the 2015 preliminary budget to the Airway Heights City Council. I am confident this budget allows the City to continue providing great service and positions the City to offer new programs to the community.

This balanced budget uses existing revenues and does not recommend imposing any taxes or levies. It makes targeted investments across several different areas to continue providing great service to the community. The budget begins to address financial planning for equipment replacement needs in different departments. It partially funds a backlog of equipment needs. It offers new services to senior citizens, and it makes adjustments to wages and benefits consistent with local bargaining unit contracts.

To begin with, the Current Expense Fund is balanced using a variety of funding sources, including a transfer of revenue from the Capital Improvement fund REET 1 and Admission Tax fund. This budget also uses $54,286 of Fund Balance. The proposed budget transfers $105,000 to the Street Fund to support street maintenance and operation activities. The Street Fund utilizes a transfer of $50,000 from the TBD fund and a $25,000 transfer from the Capital Improvement fund REET 2. The proposed budget uses $44,153 from Fund Balance to balance the Water-Sewer Fund. Concurrently, this budget also transfers $30,000 to the Executive Reserve fund pursuant to AHMC 3.84.010.

In addition, this budget takes the initial step toward developing a long-term financing plan to support ongoing equipment replacement. Since equipment requiring
replacement involves those items routinely used to provide services daily it is imperative that we develop a long-term strategy to provide for their timely replacement. Currently we rely upon emergency reserves to replace equipment when it fails. However, we need a long-term financing plan to address replacement before failure occurs. Through the adoption and funding of an equipment replacement program, the City could afford to replace aging equipment like patrol cars, fire engines, snow plows, and passenger vans. Such an equipment replacement program guards the City against untimely equipment failures occurring and the use of emergency funds to replace equipment. This budget takes the first step toward creating a replacement fund by placing $45,000 into two different reserve accounts to use for future equipment replacement when necessary. What is more, this budget partially funds some of the existing equipment needs across several departments.

For example, this budget provides equipment replacement within the Police department, Parks & Recreation department, Water & Sewer department and Street department. This investment ensures each department is able to continue operating daily without downtime and respond to calls for service when requested.

Moreover, the proposed budget provides funding for new senior citizen services. The City created a Senior Advisory Committee this year to provide recommendations to the City Council concerning services for seniors. Several seniors are involved with the advisory committee. The committee is actively meeting and discussing several ideas relating to services for seniors. This budget supports services develop to meet the needs and interest of seniors living within the community. It includes $2,000 that supports senior program expenses and $7,488 for support staff to implement the programs.

Finally, this budget makes modest adjustments to wages and benefits consistent with collective bargaining agreements. It proposes a 3% wage adjustment for public safety personnel, a 2% adjustment for non-uniform personnel, and a 2% adjustment for non-represented employees.

In conclusion, this budget preserves city services while enhancing others and it does so without raising taxes or increasing levies. It also provides the initial step necessary for developing an equipment replacement program to replace equipment so the City can continue to provide great service to the community.

Sincerely,

Albert Tripp
City Manager