

CITY OF RITZVILLE
CITY COUNCIL AGENDA
January 20, 2026

1. CALL COUNCIL TO ORDER 7:00pm
2. PLEDGE OF ALLEGIANCE
3. ACCEPTANCE OF THE CONSENT AGENDA
4. POLICE OFFICER OATH
 - A. Christopher Wardlaw
5. PUBLIC REQUESTS AND COMMENTS
6. ACTION AGENDA
 - A. Public Works Purchase-CAT 303.5 MHEX Mini Excavator
7. DISCUSSION AGENDA
 - A. Chapter 11.86 Impact Fees
 - B. 2023 Audit Exit Report
8. CORRESPONDENCE
 - A. Ritzville Museums 2025 Visitor Stats Report
9. REPORTS
 - A. Mayor
 - B. City Council Committees
 - C. City Attorney
 - D. Public Works
 - E. Police
 - F. Fire
 - G. Clerk-Treasurer
 - H. Community Development
10. ADJOURNMENT

CONSENT AGENDA

- Acceptance of the Agenda
- Minutes:
December 16, 2025
- Approval of Payables:
\$298,390.87

COUNCIL COMMITTEES

- License, Rules and Permits
- Finance and Employee Benefits
- Health and Wellness
- Public Safety
- Public Works
- Parks and Recreation
- Personnel Committee

Call Information

1-253-215-8782 United States Toll

Meeting ID: 273 377 5980

Passcode: 1930

View Meeting Online:

<https://us02web.zoom.us/j/2733775980?pwd=SU14WTVqdGJpYnVMeEYzV1pJOEFOQT09&omn=83580742735>

THE CITY OF RITZVILLE REMOTE/IN PERSON COUNCIL MEETING DECEMBER 16, 2025

OPENING OF COUNCIL MEETING

Mayor Yaeger opened the remote and in person council meeting at 7:00pm. The council members present were Michelle Plumb, Dennis Chamberlain, Jen Verhey, Jessica Quinn, Brooke Scheel, and Mike Schrag. Staff members in attendance were Clerk-Treasurer Julie Flyckt, Deputy Clerk Treasurer II Michelle Asmussen (remote), City Attorney John Kragt, Chief of Police Mike Suniga, and Community Development Director Tom Reese. City Fire Chief Joel Bell, Public Works Director Dave Breazeale, and Ky Beck-Gmeiner and were excused. Also present were Linda Schrag, Brian Bothun, Rick from the Cheney Free Press, Eric Ottmar and Rod Larse.

ACCEPTANCE OF THE CONSENT AGENDA

Mayor Yaeger asked if there were any corrections or additions to the consent agenda. Council Member Mike Schrag made a motion to accept the consent agenda as presented for December 16, 2025, with payables in the amount of \$105,074.06. Council Member Dennis Chamberlain seconded the motion. Motion passed 6-0.

RECOGNITION

- A. **Council Member Michelle Plumb**- Mayor Yaeger presented Council Member Michelle Plumb with a certificate of appreciation on behalf of the city and himself. Mayor Yaeger stated he would like to thank her for 9 years of great service to the council and the city. She has been very instrumental on projects and such as bringing technology to the city.

OATH OF OFFICE SHORT TERM POSITIONS

Clerk-Treasurer Julie Flyckt administered the oath of office for the two newly elected council ward members:

- A. Council at Large (2-year term)-Jen Verhey- Read and signed their Oath of Office
- B. Council at Large (4-year term)-Eric Ottmar-Read and signed their Oath of Office
- C. Council Ward 2-Brooke Scheel-Read and signed their Oath of Office
- D. Council Ward 5-Mike Schrag-Read and signed their Oath of Office

PUBLIC REQUESTS AND COMMENTS-Mayor Yaeger asked if there was anyone from the public who would like to comment. With no comments, he moved on.

ACTION AGENDA

- A. **Assumption of the Rights, Powers, Functions, and Obligations of a Transportation Benefit District Public Hearing, Ordinance No. 2203**- Mayor Yaeger opened the public hearing on the assuming the rights, powers, functions and obligations of the Ritzville Transportation Benefit District at 7:08pm. This hearing was to allow the public the opportunity to comment on the assumption. There were no written comments received by 5:00pm. There were no comments or questions from the public or the council. With no further testimony the public hearing was closed at 7:11pm. Council Member Dennis Chamberlain made a motion to approve Ordinance No. 2203, as ordinance of the City of Ritzville assuming the rights, powers, functions and obligations of the Ritzville

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Transportation Benefit District pursuant to RCW 36.74. Council Member Brooke Scheel seconded the motion. Motion passed 6-0.

B. **Street Fund Interfund Loan, Resolution No. 2025-16**-Clerk-Treasurer Julie Flyckt reported on the cash and investment activity and went over the proposed amendment to the budget. Anything that exceeds the expenditure budget amount, we have to amend. The current remaining balance for the city street 103 fund was \$4,506, and that's not a lot of money for an ending balance. We want to make sure there is enough balance in the fund to cover wages or possibly a retainage coming up that might need to get paid out for 1st Ave. Mayor Scott Yaeger and Flyckt requested an interfund transfer of \$75,000 from current expense to the street fund as a short-term loan. Council Member Brooke Scheel made a motion to adopt Resolution No 2025-16 a resolution of the City Council of the City of Ritzville authorizing an interfund loan from the current expense fund to the street fund and providing for repayment. Council Member Jen Verhey seconded the motion. Motion passed 6-0.

C. **2025 Budget Amendment Public Hearing, Ordinance No. 2204**-Mayor Yaeger opened the public hearing for the 2025 budget amendment at 7:17 pm. The purpose of this hearing was for the City Council to hear and consider the pertinent facts relating to the budget amendment. There were unanticipated expenses, which require the budget to be amended. At the time of the budget being approved, the council was not anticipating the expenses, therefore the need for an amendment. The 001 Current Expense fund: \$20,000 amendment for the interfund loan transfer to the street fund, potential DRS underpayment, and any unanticipated expenditures; 004 Cemetery fund: \$15,000 amendment for wages and utilities that will be expended by the end of the month and the \$5,125.75 variance; 006 City Memorial & Enhancement fund: \$2,000 amendment for the \$1,062.82 variance due to increased donations and expenditures; 103 Street fund: \$400,000 amendment due to non-budgeted street projects; 121 Public Safety Tax fund: \$20,000 amendment due to higher than estimated police officer pay; 304 Law & Justice Contributions fund: \$20,000 amendment for non-budgeted grant that was received and expended; 401 Water fund: \$150,000 amendment for increased expenses and to cover wages and unanticipated expenditures through the end of the year and the \$73,035.15 variance; 403 Sanitation fund: \$35,000 amendment to cover end of year expenditures for wages and utilities; 408 Sewer fund: \$40,000 amendment to cover wages and utilities for the end of the year; 425 DOE Debt Service fund: \$3,000 amendment for the \$2,602.56 variance due to loan payment amounts. There were no questions from the public. Council Member Brooke Scheel asked why the amendment on current expense is only \$20,000 and not more. Julie Flyckt stated right now the variance we have is not a negative. We have \$274,317 remaining before we hit the budget amount. With no further discussion, the public hearing was closed at 7:26pm. Council Member Mike Schrag made a motion to adopt Ordinance No. 2204 an ordinance amending the 2025 budget of the City of Ritzville as adopted in ordinance 2177 and amended in 2178 and 2183. The amendment is to appropriate funds for unanticipated revenues and allocations in city current expense, cemetery, city memorial & enhancement, street, public safety tax, law & justice contributions, water, sanitation, sewer, and DOE Debt Funds. Council Member Jessica Quinn seconded the motion. Motion passed 6-0.

• **2026 Final Budget Public Hearing, Ordinance No. 2205**-Mayor Yaeger opened the public hearing for the 2026 final budget at 7:28pm. The purpose of the hearing was for the City Council to hear and consider the pertinent facts relating to the city budget and fees. Overall, the 2026 budget impacts and projects include: liability insurance increase by 6%, reformatted wage scale to allow placement of new employees or the ability to reclassify existing employees to different ranges, reduced the steps to 6 by deleting the 2025 wage scale steps 1 and 2 and then renumbering the

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new steps 1-6, and decreased the Longevity time frame from 9 years of employment to 7 years; and numerous planning and improvement projects:

- Updating street name plates and centennial path signs.
- Repair and replace cemetery map kiosk.
- Completed safe streets for all plans.
- Replacing the police station HVAC system.
- Golf Course roof and Library entrance repair,
- Gazebo and fence repair and install softball at the city park.
- Water system plan update.
- Install plaza tree lights and bench,
- Develop and install Main Street education tree plaques.
- Implement Community Heart & Soul Program's initiatives.
- Dump vouchers for city clean up days.
- Water conservation plan,
- Install 1st Ave trees in front of old fire station and the Herd buildings.
- Grant to develop forestry policies, landscape and tree planting plans and manuals.
- Grant funded community outreach.
- Implement police technology updates; and
- Install fiber and VOIP to City Buildings.

Brian Bothun at 309 W. 5th Ave asked about fund 104 and if the \$120,000 was from the new Transportation Benefit District? Mayor Yaeger stated yes that it is from the Transportation Benefit District. Council Member Brooke Scheel stated she feels step increases need to be spelled out and should be based on their anniversary date. With no further discussion, the public hearing was closed at 7:39pm. Council Member Jen Verhey made a motion to approve Ordinance No 2205 an ordinance adopting the budget for the City of Ritzville for the fiscal year ending December 31, 2026 in the amount of \$7,884,480 and adoption of the city fees and wage scale, with the addition of the annual step increase notes on the wage scale. Council Member Dennis Chamberlain seconded the motion. Council Member Michelle Plumb opposed. Motion passed 5-1.

D. Ritzville Visitor Impact Grant Awards (110 Fund)-Clerk-Treasurer Julie Flyckt asked if the council was ready to move forward with the awards as they stand. Council Member Brooke Scheel made a motion to approve the 110 requested funds as outlined in the 2026 spreadsheet, with the exception of Ritzville United's Hometown 4th of July request, which will be earmarked as pending until they can provide a council approved plan, at which time those funds can be released for reimbursement, for a total of \$203,488.27. The council also requests quarterly reports from the Chamber of Commerce. Council Member Jessica Quinn seconded the motion.

Motion passed 6-0.

E. Official Newspaper Bids, Resolution No. 2025-17-Clerk-Treasurer Julie Flyckt stated bid notification was put in the city's current official newspaper, Adams County Journal. Flyckt also emailed the bid notification directly to Free Press Publishing and Columbia Basin Herald. They both said they appreciated the notification and that they would respond. The City only received a response back from the Free Press Publishing's Ritzville Adams County Journal which is attached to the resolution. Council Member Michelle Plumb made a motion to approve Resolution 2025-17 a resolution of the City of Ritzville selecting an official newspaper. Council Member Brooke Scheel seconded the motion. Motion passed 6-0.

F. Fiber Services Award-Mayor Yaeger stated the committee was made up of Clerk-Treasurer Julie Flyckt, Police Chief Mike Suniga and himself to review the RFPs. The recommendation is to award Eltopia/Pacific Northwest Networks the fiber services agreement. Chief Suniga stated essentially what they are going to do is activate a fiber node just for the police department so

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we can make an in-house network that reduces virtual firewalls or actual hardware firewalls for one system because it has to be on a separate network. We are going much higher than what some of our infrastructure can handle right now but it is building that base. To simplify it, instead of from city hall going to the internet and then over to the fiber node, we are going to get a straight shot to the fiber node that is totally ours. Council Member Brooke Scheel made a motion to approve the Fiber Service Award to Eltopia/Pacifica Northwest Networks for the City of Ritzville. Council Member Jen Verhey seconded the motion. Motion passed 6-0.

- G. TIB Updated Cost Estimate-1st Avenue Improvements**-Mayor Yaeger requested approval to receive the remaining \$18,000 for reimbursement. Council Member Michelle Plumb made a motion to approve the mayor to sign the TIB updated cost estimate for 1st Ave Improvements-Division St. to Palouse St. Council Member Jessica Quinn seconded the motion. Motion passed 6-0.
- H. Ritzville Food Pantry Street Closure Request-W. Broadway Avenue**-An email from Robert Shockley requested to block the street in front of the American Legion Hall on West Broadway between Adams St and Division St on Dec. 18th between 8am and 3pm to hand out Christmas boxes. Council Member Jessica Quinn made a motion to approve the closure. Council Member Dennis Chamberlain seconded the motion. Motion passed 6-0.
- I. Criminal Attorney Agreement-McGuire, DeWulf, Kragt & Johnson, P.S**-Mayor Yaeger stated the agreement was the same as the one with the prior criminal attorney, including the fee. Council Member Dennis Chamberlain made a motion to approve the mayor to sign the Criminal Attorney Fee Agreement for prosecution and legal assistance, between McGuire, DeWulf, Kragt & Johnson, P.S and the City of Ritzville. Council Member Mike Schrag seconded the motion. Motion passed 6-0.
- J. Financial Services Agreement-Tara Dunford, CPA**-Clerk-Treasurer Julie Flyckt stated this is the same agreement the City has had with Tara Dunford for finance consultant services. She helps to review the city's annual financial reports before the auditors do their review. She also provides support for any financial questions that might come up throughout the year. Council Member Brooke Scheel stated she felt her hourly rate and her travel rate was rather high. Council Member Dennis Chamberlain made a motion to approve the Financial Services Agreement between Tara Dunford, CPA, not to exceed 25 hours or \$5,125, with the City of Ritzville. Council Member Mike Schrag seconded the motion. Council Member Michelle Plumb opposed. Motion passed 5-1.

CORRESPONDENCE

- A. Public Development Authority Minutes for October 29, 2025 were provided in the packet.

MAYOR UPDATES-Mayor Yaeger stated he appreciates all the work the council has done on working on the budget and wished everyone a Merry Christmas and Happy Holidays!

COUNCIL COMMITTEE UPDATES:

- **Licenses, Rules and Permits**- Meeting on the 5th and reviewed the traffic impact fees.
- **Finance and Employee Benefits**-No Report.
- **Health and Wellness**- No Report.
- **Public Safety**- They met on December 4th and reviewed the police department requests, like the garage door opener.
- **Public Works**-No report.
- **Parks and Recreation**-No report.

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- **Personnel Committee**-No report.

DEPARTMENT UPDATES

- A. **City Attorney**-Attorney John Kragt stated his office meet with the outgoing prosecutor, and he has things set up efficiently, so he does not anticipate having to use much staff time at the city.
- B. **Public Works**-Public Works Director Dave Breazeale was excused.
- C. **Police Department**-Chief of Police Mike Suniga stated on Saturday they had the shop with a First Responder event. There were a lot of volunteers and a great time for all. He is moving forward with the lateral applicant as he did his psych evaluation today. The City does not have the results yet but if that's all good, the final step would be the physical and then get him started. Chief Suniga stated now the budget was passed he can actively start looking and getting a Sergeant on board.
- D. **Fire**-Chief Joel Bell was excused.
- E. **Clerk/Treasurer**-Clerk-Treasurer Julie Flyckt stated much of the work completed was on the agenda tonight. She thanked everyone for getting through this year's budget process and expressed a lot of good improvements to the process. The 2023 exit audit interview with the finance committee and the mayor is scheduled for January 9th.
- F. **Community Development**-Community Development Director Tom Reese stated Evergreen Rural did an in-person door knocking for the income study and had fairly good results. There are still not enough surveys so there will be another online survey. Flyckt stated there needs to be another 82 responses for the surveys to be valid, so we are looking at doing another targeted mailing. Reese thanked the council for approving the budget as it was a great first years' experience for him to go through it with them. Reese is continuing to work on development projects and boundary line adjustments. He is also processing some new development inquiries which are exciting.

ADJOURNMENT-With no further comments or business to come before the council, Mayor Yaeger adjourned the remote and in person meeting at 8:25pm.

Michelle Asmussen, Deputy Clerk-Treasurer



Pasco
2100 Frontier Loop Pasco, WA 99301
509.547.9541

SOLD TO:
City Of Ritzville
216 E Main Ave
Ritzville, WA 99169-1422

SHIP TO:
Office
216 E Main Ave
Ritzville, WA 99169-1422

SALES AGREEMENT

AGREEMENT: Q000453784-2

AGREEMENT DATE: 1/13/2026

AGREEMENT EXPIRES: 2/12/2026

WAREHOUSE: Pasco Machine Sales

CUSTOMER NO.: 7432970

CUSTOMER PO:

SALESMAN: Kelly O Hanson

Kelly.Hanson@wseco.com

ITEM DESCRIPTION	PRICE
2025 Caterpillar 303.5 Mini Excavator S/N: RE905938 SMU: 6 hrs ID:E0149293	\$64,225.00
● Caterpillar THUMB 304H S/N: A42554TH20360 ID: E0163546	
● Caterpillar HYD CPLR LOCK 303C-304.5E2 S/N: 313627204 ID: E0166771	
● EMS Basic	
● New Warranty - PREMIER - 60 MOS / 3K HRS	
Caterpillar 24" HD BKT 4.2CFT 303-304 C/E S/N: A4247BK31759 YEAR: 2024 ID: E0151132	\$1,225.00
Caterpillar 40" HD BKT 4.8CFT 303-304 C/E S/N: A4251DC20052 YEAR: 2025 ID: E0160696	\$1,075.00
Caterpillar 36" HD BKT 7.0CFT 303.5-304 D/E S/N: A4253BK30711 YEAR: 2025 ID: E0161375	\$1,485.00
Caterpillar 18" HD BKT 2.9CFT 303-304 C/E S/N: A4253BK31381 YEAR: 2025 ID: E0167579	\$1,110.00

Notes	Before Tax Balance	\$69,120.00
	Sales Tax	\$5,529.60
	Trade Payoff	\$0.00
	Downpayment	\$0.00
	Net Due	\$74,649.60

Western States Equipment Company	City Of Ritzville
Order Received by _____	Approved and Accepted by _____
Title _____ Salesman _____ Date _____	Title _____ Date _____
Warranty Document Received (initial) _____	

Trade Ins: All trade-ins are subject to equipment being in as Inspected condition by vendor at time of delivery of replacement machine purchase above. Purchaser hereby sells the trade in equipment described above to the vendor and warrants it to be free and clear of all claims, liens, and security interest except as shown above.

Warranty: By initialing above the customer acknowledges that they have received a copy of the Western States Equipment Company/Caterpillar Warranty and has read and understands said warranty. All used equipment is sold as is where is and no warranty is offered or implied except as specified above.

Terms & Conditions: Upon (a) the execution of this Sales Agreement, (b) your oral or physical acceptance of equipment, goods, or services to be performed as detailed in this Sales Agreement, or (c) receipt of equipment or goods, or commencement of services, as described herein, you consent and agree that the purchase of new and used equipment from Western States Equipment Company will be governed solely by Western States Equipment Company's Sales Agreement Terms and Conditions ("Terms and Conditions"), which are available at <https://www.westernstatescat.com/termsandconditions>. A hard copy of the Terms and Conditions is available upon written request to legal@wseco.com. Western States Equipment Company's Terms and Conditions are hereby incorporated by reference into this Sales Agreement and all other quotes, proposals, estimates, invoices, or documents related to your purchase of new and used equipment from Western States Equipment Company. By purchasing new and used equipment from Western States Equipment Company, you agree to be bound by the Terms and Conditions as exactly written.

The undersigned represents and warrants that he/she is authorized by Customer identified below to bind the Customer to the obligations and duties expressed herein and does so commit Customer to the terms and conditions of Sales Agreement by signing below.

WESTERN STATES EQUIPMENT COMPANY

By: _____

Print Name: _____

CUSTOMER: _____

By: _____

Print Name: _____



SALES AGREEMENT

NO.: Q000453784-2

EQUIPMENT DETAILS

5581751 303.5 07A CR HYD EXCAVATOR	5414787 FILM, PRODUCT LINK, ANSI
5421495 2 WAY CONTROL	5421504 FILM, INC. CANADA
5461520 HYDRAULIC OIL, STD	5571709 SOFTWARE, PROPORTIONAL CONTROL
5571710 SOFTWARE, STICK STEER CONTROL	5571713 SOFTWARE, CODED START
5581744 ALARM, TRAVEL	5581754 BOOM, STANDARD
5693572 INSTRUCTIONS, ANSI	5719088 LINKAGE, BUCKET, W/LIFTING EYE
5734364 DRAIN, ECOLOGY	5762961 ENGINE, EPA TIER 4F
5882227 ACCUMULATOR	6407505 303.5 07A CR MHE CFG4C
5739631 PRODUCT LINK, CELLULAR PL243	6412472 INTEGRATED RADIO V2
4218926 SERIALIZED TECHNICAL MEDIA KIT	0P2266 SHIPPING/STORAGE PROTECTION
0P4299 PACKING, LAST MILE PROGRAM	0P9002 LANE 2 ORDER
5199265 SEAT, SUSPENSION, FABRIC	5219512 LIGHTS, LED, FRONT&REAR
5254465 CAT KEY, WITH PASS CODE OPTION	5428886 BOOM LIGHT, LED
5581760 LINES, BOOM W/O BLCV	5581763 LINES, STICK W/O SLCV
5581770 CAB, WITH HEAT AND A/C	5662914 TRACK, 12", RUBBER
5685199 BLADE, ANGLE, BOCE	5685200 TRAVEL LEVERS AND PEDALS
5719661 STICK, LONG, W/ THUMB BRACKET	5719665 UNDERCARRIAGE, FIXED, ANGLE BLD
5752776 LINES, BUCKET, LONG STICK	5754420 CONTROL, 1ST AUX, JOYSTICK
5757225 LINES, 1ST AUX, LONG STICK	5780230 FILM, CAB A/C
5921442 CWT EXTRA, 550LBS	5925475 MONITOR NEXT GEN, CAMERA READY
5947890 FLOORFORMAT, CAB, W/TRAVEL	5953179 FILM, ROPS, ISO
5997202 SEAT BELT, 3" RETRACTABLE	6019418 CAMERA, CAB
0P0227	4522740 THUMB, HYDRAULIC, 3-
0P0227 MINI HYD EXCAVATOR WORK TOOLS	4855300 COUPLER, PG, HYDR.D.LOCK, 3-4T
0P0227	1542638 PINS, BUCKET, 40MM
4649904 BUCKET-HD, 24", 4.2	0P0227 MINI HYD EXCAVATOR WORK TOOLS
2794322 BUCKET-DC, 40", 4.8 FT3, 3T	1542638 PINS, BUCKET, 40MM
0P0227	1542638 PINS, BUCKET, 40MM
4649906 BUCKET-HD, 36", 7.0	0P0227
1542638 PINS, BUCKET, 40MM	4649902 BUCKET-HD, 18", 2.9

City of Ritzville Transportation Impact Fee Program

Council Discussion Session Overview

Community Development Department

Jan. 20, 2026



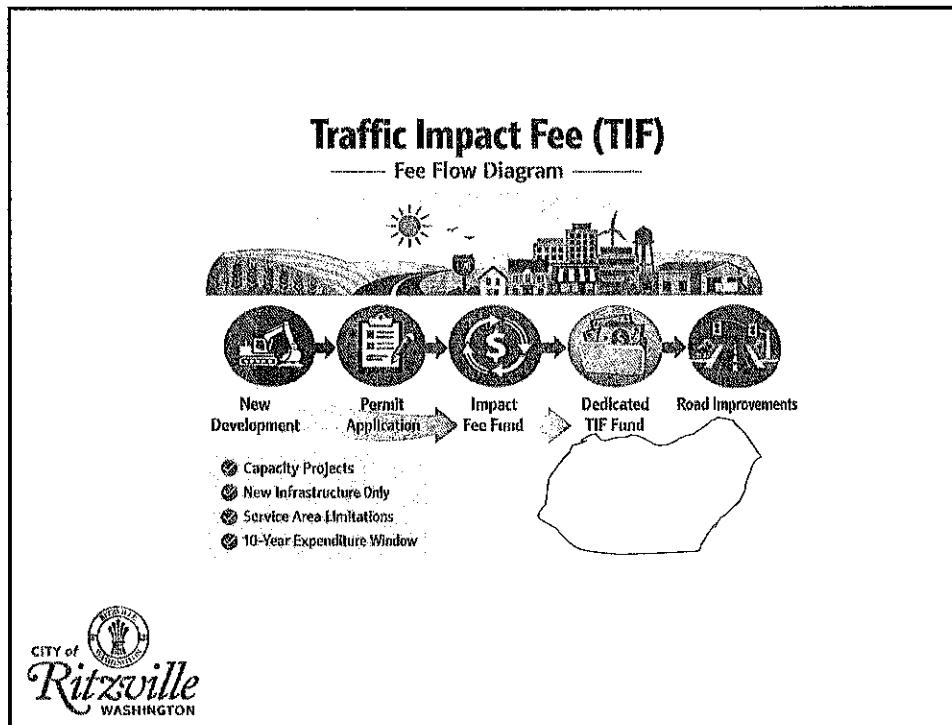
1

Why Are We Here – What Council Is Being Asked Today

- Introduce the Transportation Impact Fee (TIF) Program
- General policy discussion only – Chapter 11.86
- Answer Council questions
- No adoption action requested
- Provide policy direction to staff to create two implementation ordinances



2



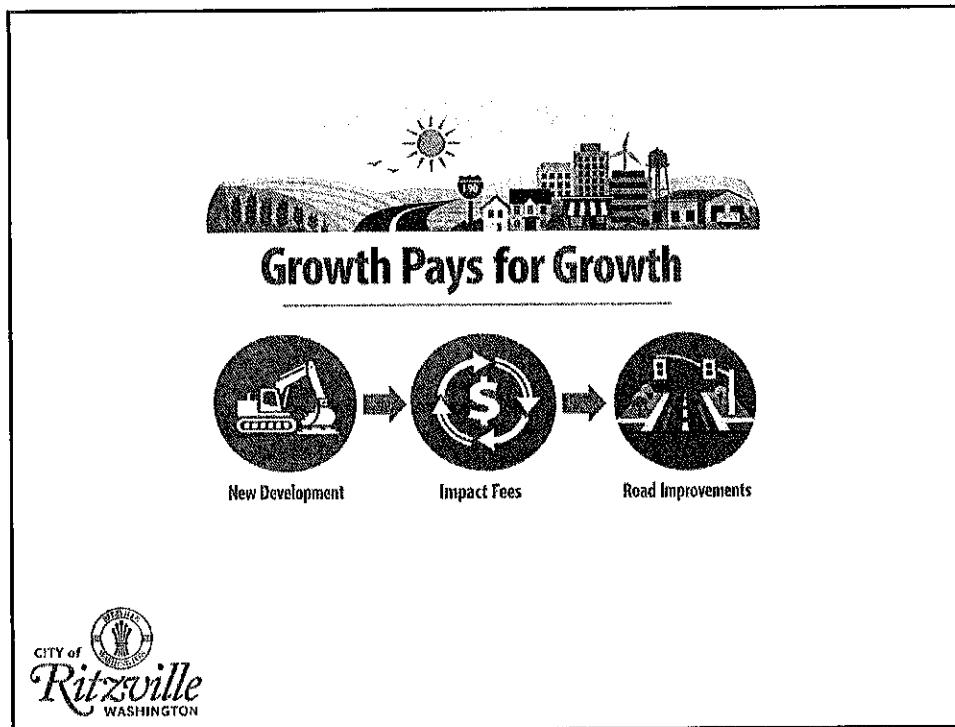
3

What is a Transportation Impact Fee?

- A one-time fee paid by new development – Helps fund transportation capacity improvements
- Authorized by Washington State law (RCW 82.02)
- Used statewide and local jurisdictions (Spokane & Spokane Valley, Liberty Lake, Tri-Cities, Wenatchee, Airway Heights)



4



5

Why Ritzville Needs a TIF Program

- Anticipated residential and industrial growth
 - The Grainery District
 - Future Annexations & Freeway Commercial
- Increased freight and commuter traffic
- Increased demand on arterials and infrastructure
- Need for predictable, sustainable funding source



6

What Can TIF Funds Be Used For?

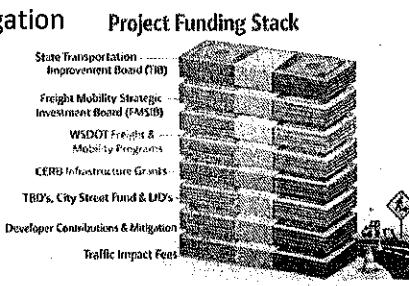
- Roadway capacity projects
- Intersection improvements
- Turn lanes and signals
- Freight route upgrades
- Cannot be used for maintenance, repairs or operations



7

How Road Projects Are Funded

- State Transportation Improvement Board (TIB)
- Freight Mobility Strategic Investment Board (FMSIB)
- WSDOT Freight & Mobility Programs
- CERB Infrastructure Grants
- TBD's, City Street Fund & LID's
- Developer Contributions & Mitigation
- Transportation Impact Fees



8

How the Program Works

- 1. Council adopts a TIF program ordinance, service area map and fee schedule
- 2. Council adopts Fund ordinance
- 3. Fee is collected at permit or plat
- 4. Funds deposited into the dedicated TIF fund
- 5. Used for eligible capital street projects



9

Why Two Ordinances

- **Transportation Impact Fee Program Ordinance (RMC Chapter 11.86)**
 - Establishes the Transportation Impact Fee program under RCW 82.02
 - Adopts the fee methodology and schedule
 - Defines service areas and eligible projects
 - Establishes collection, credits, appeals, and refunds
 - Provides the legal authority to charge the fee
- **Transportation Impact Fee Fund Ordinance**
 - Establishes a dedicated Transportation Impact Fee Fund and City budget line
 - Required for State accounting and audit compliance
 - Segregates impact fee revenue from all other City funds
 - Tracks interest, service areas, and refund timelines
 - Restricts expenditures to eligible capital street projects only

TIF Ordinance creates the regulatory program, Fund Ordinance creates the financial instrument that receives, holds, tracks, and allocates the money. Both required.



10

Next Steps If Council Supports

- Staff finalize the Chapter 11.86, TIF ordinance and the funding ordinance
- Complete Legal Review
- Staff prepare the SEPA Non-project Checklist and issue a DNS
- Set and hold public hearings (2)
- Present to Council for adoption
- Post in Newspaper





Staff Report

TO: Mayor and City Council
FROM: Tom Reese, Community Development Director
SUBJECT: Transportation Impact Fee (TIF) Program — Policy Discussion & Direction
DATE: January 20, 2026

1. RECOMMENDATION

Conduct a policy discussion regarding the proposed Transportation Impact Fee (TIF) Program and provide direction to staff on whether to proceed with ordinance development and public process. The proposed program follows the principle that growth should help pay for the infrastructure it requires.

No adoption action is requested at this meeting.

2. PURPOSE OF THE STUDY SESSION

The purpose of this study session is to:

- Introduce the Transportation Impact Fee (TIF) Program framework
- Provide a high-level policy overview
- Answer Council questions
- Discuss how transportation infrastructure is funded in Ritzville
- Receive Council policy direction on whether to proceed with implementation

This meeting is intended as a policy discussion only. Formal adoption would occur at a later date following SEPA review and public hearings.

3. WHAT IS A TRANSPORTATION IMPACT FEE?

A Transportation Impact Fee is a one-time fee paid by new development to help fund transportation system improvements needed to serve growth. The proposed program follows the principle that growth should help pay for the infrastructure it requires.

Transportation Impact Fees are:

- Authorized under RCW 82.02.050–090
- Used by cities and counties throughout Washington State
- Designed to ensure new development pays its proportionate share of infrastructure costs
- Implements the Ritzville Comprehensive Plan

Impact fees are not a tax. They are a regulatory fee tied directly to the impacts created by new development.

4. WHY RITZVILLE IS CONSIDERING A TIF PROGRAM

Ritzville is anticipating/experiencing steady growth driven by:

- Residential and mixed use development activity
- Industrial and logistics expansion
- Annexation expansion
- I-90 development
- Increased freight and commuter traffic

This growth places additional demand on:

- City arterials and collectors, state and federal routes
- Freight routes
- Intersections
- Access to industrial areas

Historically, transportation improvements have been funded through a combination of:

- State and federal grants
- Local street fund revenues
- Developer mitigation (SEPA)

A Transportation Impact Fee program provides a predictable, sustainable funding tool that ensures new development contributes directly to the infrastructure it requires.

5. WHAT TIF FUNDS CAN AND CANNOT BE USED FOR

Impact Fees May Be Used For:

- Roadway capacity projects
- Intersection improvements

- Turn lanes and signals
- Freight route upgrades
- New roadway connections
- Multimodal capacity improvements tied to vehicle trip reduction

Impact Fees May Not Be Used For:

- Maintenance
- Repairs
- Operations
- Pavement overlays
- Replacement of existing facilities

State law strictly limits impact fees to growth-related system capacity improvements only.

6. HOW THE PROGRAM WOULD WORK

If Council directs staff to proceed, the program would operate as follows:

- a) Council adopts the Transportation Impact Fee Program Ordinance (RMC Chapter 11.86)
- b) Council adopts a Transportation Impact Fee Fund Ordinance establishing a dedicated fund and budget line
- c) Council adopts a fee schedule and service area map
- d) Impact fees are collected at building permit issuance or final plat
- e) Fees are deposited into a dedicated Transportation Impact Fee Fund
- f) Funds are tracked by area and used only for eligible capital street projects

7. WHY TWO ORDINANCES ARE REQUIRED

Two ordinances are required to implement the program properly and comply with State law and audit standards.

a. Transportation Impact Fee Program Ordinance (RMC Chapter 11.86)

This ordinance:

- Establishes the TIF program under RCW 82.02
- Adopts the fee methodology and fee schedule
- Defines service areas and eligible capital projects
- Establishes collection, credits, appeals, and refund procedures
- Provides the legal authority to charge the fee

b. Transportation Impact Fee Fund Ordinance

This ordinance:

- Establishes a dedicated Transportation Impact Fee Fund and budget line
- Is required for State accounting and audit compliance
- Segregates impact fee revenue from all other City funds
- Tracks interest, service areas, and refund timelines
- Restricts expenditures to eligible capital street projects only

The Program Ordinance authorizes the fee.

The Fund Ordinance protects the money.

Together, they ensure the TIF program is both legally valid and financially compliant.

8. HOW ROAD PROJECTS ARE FUNDED

Transportation projects in Ritzville are typically funded through a layered funding approach:

- State Transportation Improvement Board (TIB)
- Freight Mobility Strategic Investment Board (FMSIB)
- WSDOT Freight & Mobility Programs
- CERB Infrastructure Grants
- Transportation Benefit Districts (TBDs)
- City Street Fund
- Local Improvement Districts (LIDs)
- Developer contributions and mitigation
- Transportation Impact Fees

Transportation Impact Fees are not intended to replace these sources — they are designed to close funding gaps and help deliver projects sooner.

9. DEVELOPER PERSPECTIVE

From a developer standpoint, a well-structured TIF program provides:

Benefits

- Predictable and transparent development costs
- Faster permitting
- Reduced SEPA negotiation
- Level playing field

- Infrastructure certainty
- Credit and reimbursement options

Concerns

- Increased upfront cost
- Impact on land pricing
- Cash flow timing

However, impact fees are standard practice across Washington and are generally expected by institutional developers and lenders. Predictability is preferred over discretionary mitigation.

10. DIRECT NEXUS REQUIREMENT

State law requires that all impact fees demonstrate a direct nexus between new development and the public facilities funded by the fee.

Under RCW 82.02.050–090, impact fees must meet three legal tests:

- a) Direct Relationship (Nexus)
There must be a reasonable connection between the impacts of development and the facilities funded by the fee.
- b) Proportionality
The fee must be proportionate to the development's impact on the transportation system.
- c) Benefit Relationship
The development must benefit from the improvements it is helping to fund.

In practical terms, this means:

- New development generates new vehicle trips
- New vehicle trips create demand for additional roadway and intersection capacity
- Impact fees fund system capacity projects that serve that new demand

Impact fees may only be used for growth-related transportation capacity improvements that serve the development paying the fee. They may not be used to correct existing deficiencies, fund maintenance, or replace existing infrastructure.

To ensure compliance with these requirements, the City's TIF program includes:

- Transportation service areas
- A defined list of eligible capital projects
- A proportionate share fee methodology
- A project benefit requirement
- An appeals process

These safeguards ensure that each development pays only its fair share and that the City complies with constitutional and statutory exaction standards.

11. PROFESSIONAL ENGINEER REQUIREMENT

Transportation Impact Analyses (TIAs), trip generation letters, and capacity determinations are regulated engineering documents under Washington law and must be prepared and certified by a licensed Professional Engineer (PE).

Under RCW 18.43 (Engineering Practice Act), the practice of engineering includes:

- Traffic engineering
- Transportation planning
- Capacity analysis
- Safety evaluation
- Infrastructure design
- Traffic modeling and forecasting

A Transportation Impact Analysis is an engineering determination involving:

- Trip generation
- Intersection capacity
- Level of service analysis
- Queuing and safety analysis
- Mitigation design
- Cost estimation

Only a licensed Professional Engineer may legally prepare and certify this work.

Requiring PE certification protects the City, Council, developers, and taxpayers by:

- Ensuring technical accuracy and standard of care
- Assigning professional liability to the engineer of record
- Providing defensible documentation for appeals and litigation
- Meeting audit and grant compliance requirements
- Supporting proportionality and nexus findings

For this reason, the TIF program requires that:

- All TIAs be prepared and stamped by a Washington-licensed PE
- Trip generation letters be certified by a PE
- Capacity determinations be prepared by a PE
- Improvement cost estimates be prepared by a PE

This requirement is consistent with best practices statewide and is standard for legally defensible impact fee programs.

12. SEPA REVIEW

Adoption of a Transportation Impact Fee program is a non-project legislative action and requires SEPA review.

This would be processed as:

- Non-project SEPA checklist
- Determination of Non-Significance (DNS)

The ordinance does not approve development or construction and typically qualifies for a DNS.

13. NEXT STEPS IF COUNCIL SUPPORTS MOVING FORWARD

If Council provides direction to proceed, staff would:

- a) Finalize the Program Ordinance (RMC Chapter 11.86)
- b) Draft the Fund Ordinance
- c) Finalize the fee schedule and service area map
- d) Complete SEPA review
- e) Conduct two public hearings
- f) Present ordinances to Council for adoption
- g) Publish required notices

14. CONCLUSION

The Transportation Impact Fee Program provides Ritzville with a legally defensible, fiscally responsible, and growth-supportive tool to fund transportation infrastructure.

It ensures:

- Growth pays for growth
- Infrastructure keeps pace with development
- Existing taxpayers are protected
- Grant funding is leveraged effectively
- Development costs are predictable

15. POLICY QUESTIONS FOR COUNCIL

Staff requests Council feedback on the following:

- a) Should staff proceed with updating RMC 11.86, the TIF Program Ordinance and the Fund ordinance development and completing SEPA
- b) Are there additional policy considerations Council would like addressed during implementation?

Chapter 11.86

IMPACT FEES

Sections:

- 11.86.010 Title.
- 11.86.020 Application.
- 11.86.030 Purpose.
- 11.86.040 Authority.
- 11.86.050 General Provisions. *[[ADD: Clarify that TIF projects shall not include improvements fully required by other agencies under RCW 39.92.030(9).]]*
- 11.86.060 Definitions.
- 11.86.070 Concurrency.
- 11.86.080 Assessment of impact fees.
- 11.86.090 Independent fee calculations. *[[ADD: Include language requiring that Trip Generation Letters be stamped by a professional engineer licensed in Washington consistent with RMC 19.10.040.]]*
- 11.86.100 Credits.
- 11.86.110 Administrative costs.
- 11.86.120 Impact fee appeals.
- 11.86.130 Establishment of impact fee accounts.
- 11.86.140 Refunds.
- 11.86.150 Use of funds.
- 11.86.160 Administrative guidelines.
- 11.86.170 Review of impact fees.
- ~~11.86.180 Residential single-family impact fee deferral. Remove from Sections list & renumber~~
- ~~11.86.190 Existing authority unimpaired.~~
- 11.86.190 Transportation impact fee. *[[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]*
- 11.86.200 Transportation impact fee project list.
- 11.86.210 Land use determination.
- 11.86.220 Impact area.
- 11.86.230 Annual review and adjustment.
- ~~11.86.250 Concurrency determination.~~
- ~~11.86.260 Concurrency approval criteria.~~
- ~~11.86.270 Traffic analysis.~~
- ~~11.86.280 Concurrency appeals.~~

11.86.010 – Title.

This chapter *shall* be called “Impact Fees.”

11.86.020 – Application.

This chapter *shall* apply to all impact fees in the city.

11.86.030 – Purpose.

The purpose of this chapter is to establish impact fee standards to ensure development occurring in the City of Ritzville pays its fair share of costs for the improvement of local transportation systems. In

addition, the standards for impact fees are established to protect the health and safety of the residents and users of the properties.

11.86.040 – Authority.

This chapter is adopted pursuant to the authority granted to the City of Ritzville by the Washington State Constitution as a second-class city, the provisions of RCW 35.23 et seq., RCW 35.63 et seq., the Planning Act set forth in RCW chapters 36.70 and 36.70A, RCW chapters 36.70B, 36.70C, 58.17 et seq., 35.21, 36.01, the Local Transportation Act set forth in RCW chapter 39.92, and other applicable laws, as these provisions now exist or as hereinafter amended.

11.86.050 – General Provisions. ~~[[ADD: Clarify that TIF projects shall not include improvements fully required by other agencies under RCW 39.92.030(9).]]~~

New development in -the City of Ritzville's impact area, as defined in 11.86.2230, shall pay its proportionate share of the cost of new or expanded public facilities necessary to serve that development.

Transportation Impact Fees (TIFs) are authorized under RCW 39.92 to allow for the joint public and private financing of transportation improvement projects. These fees are imposed only for improvements identified in the City's Transportation Improvement Program (TIP) and must be reasonably related to the transportation impact of new development.

Transportation Impact Fee (TIF) projects shall not include improvements or portions of improvements that are the responsibility of other governmental entities or agencies, including WSDOT, except where the City has entered into an interlocal agreement consistent with RCW 39.92.050(4).

- A. New residential, commercial, retail, office, industrial, and institutional development growth and development in the City of Ritzville creates additional demand and need for transportation facilities such as public streets, sidewalks, and related safety improvements in the City of Ritzville.
- B. The new growth and development should pay a proportionate share of the cost of new public land and facilities necessary to serve the new growth and development.
- C. Transportation Impact fees are authorized under RCW 39.92 (The Local Transportation Act) to allow for the joint public and private financing of transportation improvement projects. These fees are imposed only for improvements identified in the City's Transportation Improvement

Program (TIP) and must be reasonably related to the transportation impact of new development.

- D. The City has ~~conducted~~ requested studies documenting the procedures for measuring the impact of new growth and development that results in the need for new or improved public facilities.
- E. The financing for land and public facilities must provide a balance between impact fees and other sources of public funds consistent with the comprehensive plan.
- F. Whenever impact fees are imposed, the following shall apply:
 - i. The impact fees imposed for system improvements are reasonably related to the new development.
 - ii. The fees do not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and
 - iii. The fees will be used for system improvements that will reasonably benefit the new development.

11.86.060 – Definitions.

As used in this chapter, the following words and terms shall have the following meanings unless the context clearly requires otherwise. Terms otherwise not defined herein shall be defined pursuant to RCW 39.92.020 or given their usual and customary meaning.

- A. "Applicant" is a person, corporation, partnership, an incorporated association, or any other similar entity, or department or bureau of any governmental entity or municipal corporation commencing a land development activity that creates the demand for additional public facilities, and which requires the issuance of a building permit. "Applicant" includes an applicant for an impact fee credit.
- B. "Capital facilities" means the facilities or improvements included in the capital facilities plan.
- C. "Development activity" means any construction or expansion of a building, structure, or use, or any change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities.
- D. "Development approval" means any written authorization from the City that authorizes the commencement of development activity.

- E. "Encumbered" means to have reserved, set aside, or otherwise earmarked the impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for public facilities.
- F. "Impact fee account" or "account" means the account(s) established for each service area for the system improvements for which impact fees are collected. The accounts shall be established pursuant to this chapter and shall comply with the requirements of RCW 39.92.
- G. "Independent fee calculation" means the impact fee calculation prepared by an applicant or the City to support the assessment of an impact fee other than by the use of the adopted rate schedule. All independent fee calculations and trip generation letters shall be prepared and stamped by a professional engineer licensed in the State of Washington, consistent with RMC 19.10.040 and WAC 196-27A-020. This the ~~impact~~ fee calculation and or economic documentation prepared by an applicant to support the assessment of an impact fee other than by the use of the fee schedule set forth in RMC ~~11.86.200~~ [[DEL:RCC]] 11.86.200, or the calculations prepared by the Public Works Director. ~~none of the fee categories or fee amounts are otherwise established through ordinance.~~ ~~[[ADD: Include language requiring that Trip Generation Letters be stamped by a professional engineer licensed in Washington consistent with RMC 19.10.040.]]~~
[[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]
- H. "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.
- I. "Project improvements" means site improvements and facilities that are planned and designed to provide service for a particular development and that are necessary for the use and convenience of the occupants or users of the project, which are not system improvements. No improvement or facility included in the City's comprehensive plan, transportation plan, capital facilities plan, or transportation improvement plan shall be considered a project improvement.
- J. "Public facilities" means public parks, open space, and related facilities and/or publicly owned streets, including sidewalk, lighting, and related improvements, plus stormwater control required by the City's comprehensive plan and related development regulations.
- K. "Rate study" means the transportation impact fee rate study as updated and amended from time to time.
- L. "System improvements" means public facilities included in the transportation improvement plan that are designed to provide service to the community, in contrast to project improvements.
- M. "Transportation Impact Fee" means a fee imposed on development under RCW 39.92 for financing transportation facilities included in the City's adopted Transportation Improvement

Program (TIP) and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development.

11.86.070 – Concurrency.

~~The concurrency determination process is set forth in RCC 11.250 – RCC 11.280.~~

11.86.080 - Assessment of impact fees.

- A. The City shall collect impact fees, based on the schedule outlined in RMC ~~11.86.200~~ 11.86.200, or through an independent fee calculation as provided in RMC ~~11.86.090~~ 11.86.090, from an applicant seeking development approval from the City. The amount of impact fees are generated from the table set forth in the relevant rate study. Alternatively, the formula provided in the relevant rate study may be used for anything that is unclear in the table. Except as otherwise provided in this chapter, all new projects within the transportation impact fee service area approvals will be charged impact fees. ~~See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation). Impact fees shall be assessed prior to issuance of a building permit. For mixed-use developments impact fees shall be assessed proportionally based on the applicable unit of measurement in Appendix A.~~
- B. For purposes of this chapter only, the following shall not constitute development activity:
 - i. Replacement of a commercial structure with a new structure of the same size and use on the same site or lot. Replacement of a commercial structure with a new commercial structure of the same size shall be interpreted to include any structure for which the gross square footage of the building will not be increased by more than 120 square feet. It shall be the applicant's responsibility to establish the existence of a qualifying prior use to the *Administrator's* reasonable satisfaction.
 - ii. Expansions of existing residential structures that do not add residential dwelling units.
 - iii. Alteration of an existing nonresidential structure that does not expand the usable space, add any residential units, or result in a change in use.
 - iv. Miscellaneous improvements that do not create additional demand and need for public facilities, including, but not limited to, fences, walls, swimming pools, and signs.
 - v. Demolition or moving of a structure.
 - vi. Re-use or change in use of existing structure.
 - a. Re-use or change in use of an existing structure that does not create additional demand and need for public facilities (i.e., where the trip generation of the re-use is

equal to or less than trip generation of prior use) shall not constitute development activity for purposes of this chapter.

- b. It shall be the applicant's responsibility to establish the existence of a qualifying prior use to the *Administrator's* reasonable satisfaction.
- c. For a change in use of an existing structure that does create additional demand and need for public facilities (i.e., where the trip generation of the re-use is greater than the trip generation of the prior use), the City shall collect impact fees for the new use based on the schedule in RMC ~~11.86.200~~ 11.86.200, less the fees that would have been payable as a result of the prior use. [[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]

- C. The *Administrator* shall be authorized to determine whether a particular development activity is subject to the payment of impact fees under this chapter. Determinations of the *Administrator* shall be in writing and shall be issued within 28 days of the submittal of a complete application or the issuance of a notice of a complete application, whichever is later, and shall be subject to the appeal procedures set forth in RMC ~~11.86.120~~ 11.86.120, and may be appealed to the Ritzville City Council consistent with appeals of a Type I application.

- D. Impact fees shall be assessed prior to the issuance of a building permit for each unit in a development, using the City's impact fee schedule set forth in RMC ~~11.86.200~~ 11.86.200. Alternatively, at the election of the applicant, the applicant may conduct an independent fee calculation pursuant to the requirements set forth in RMC ~~11.86.090~~ 11.86.090. For commercial development involving multiple users, impact fees shall be assessed and collected prior to issuance of building permits that authorize completion of tenant improvements for each use. Furthermore, the City shall not accept an application for a building permit unless, prior to submittal or concurrent with submittal, the applicant submits complete applications for all other discretionary reviews needed including, but not limited to, the environmental checklist and determination. [[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]

- E. Except as set forth in RMC ~~11.86.090~~ 11.86.090, impact fees shall be collected from the applicant at the time the building permit is issued.

- F. For mixed use buildings or development, impact fees shall be imposed for the proportionate share of each land use based on the applicable unit of measurement found on the schedule in RMC ~~11.86.200~~ 11.86.200. [[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]

- G. The Administrator shall place a hold on permits for development unless and until the impact fees required by this chapter, less any permitted exemptions, credits, or deductions, have been paid.
- H. The transportation impact fee determined shall be payable for those designated transportation improvement projects constructed or to be constructed after the passage of this ordinance. The requirement to pay such fees shall apply even though the transportation project has been completed prior to development application or the due date of mitigation fee payments. Such requirement shall continue until the trips generated for a particular transportation improvement project from developments which have paid mitigation fees for that project equal the number of trips shown as mitigated volume on the transportation improvement mitigation list.
- I. Nothing herein shall prevent the city from approving local improvement districts, proposed transportation latecomer agreements, Transportation Benefit Districts, or other means of financing transportation improvements. Provided, however, that the developer or owner of properties shall be given credit against such other means of financing for mitigation fees paid under this chapter for the specific transportation improvement project to be financed.

11.86.090 - Independent fee calculations. [[ADD: Include language requiring that Trip Generation Letters be stamped by a professional engineer licensed in Washington consistent with RMC 19.10.040.]]

An independent fee calculation may be carried out by either the City of Ritzville's Administrator or the applicant, pursuant to the criteria set forth below:

- A. Independent Calculation by City.** If, in the reasonable judgment of the Administrator, a proposed development activity does not fall under one of the fee categories set forth in RMC [[DEL:RCC]] 11.86.200, the City may prepare require an independent fee calculation prepared by a professional engineer licensed in the State of Washington, and the Administrator may impose an alternative fee on a specific development based on those calculations. The alternative fee and the calculation shall be delivered in writing to the applicant. [[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]
- B. Independent Calculation by Applicant.** If an applicant believes that the applicant's proposed development activity does not fall under one of the fee categories set forth in the city's fee schedule, the applicant may, at the applicant's option, identify a development activity or refer to generally accepted publications which support a reasonable methodology to calculate an

impact fee (such as the land use code in the Institute of Transportation Engineers manual that most closely resembles the applicant's proposed development activity) and thereafter calculate the applicant's fees based on the development activity and traffic impact analysis each prepared and stamped by a licensed professional engineer in the State of Washington activity.

- i. When the applicant elects an independent fee calculation, the applicant shall prepare and submit an independent fee calculation prior to issuance of the building permit for the development. If the applicant elects to prepare its own independent fee calculation, the applicant must submit documentation showing the basis upon which the independent fee calculation was made. Independent fee calculations shall use the same formulas and methodology used by the City or other generally accepted and relevant practices found in Washington State which for transportation shall include mutual agreement with the City on adjustments in trip generation rates used in the rate study, and shall not include travel demand forecasts, trip distribution, transportation service areas, costs of road projects, or cost allocation procedures. [[ADD: Include language requiring that All Trip Generation Letters will be prepared and stamped by a professional engineer licensed in the State of Washington consistent with RMC 19.10.040.]]

- C. Any applicant electing an independent fee calculation shall be required to pay the City of Ritzville a fee to cover the cost of reviewing the independent fee calculation as established in the City's fee schedule under RMC 19.10. The applicant shall remit all remaining actual costs of the City's review of the independent fee calculation prior to and as a precondition of the City's issuance of the building permit. If the City's actual costs are lower than the deposit amount, the difference shall be remitted to the applicant.
- D. Determinations made by the Administrator pursuant to this section may be appealed to the City Council subject to the procedures set forth in RMC [[DEL:RCC]] 11.255.

11.86.100 - Credits.

- A. An applicant can request a credit for the total value of dedicated land or public facilities provided by the applicant if the land and public facilities are identified as system improvements or in cases where the Administrator, in the Administrator's discretion, determines that such dedication of land or public facilities would serve the goals and objectives of the transportation improvement plan or the transportation element of the City's comprehensive plan.
- B. To receive a credit for dedicated public facilities, which are reasonable and necessary system improvements, the applicant shall submit to the City a verified (under oath) declaration setting forth the incurred design and construction costs (including paid invoices) associated with the system improvement(s) and provided and certified by a licensed professional engineer.
Based upon a reasonable exercise of discretion, the City may accept all or part of the system

improvements constructed by the developer and determine the appropriate credit against impact fees.

- C. For a land dedication (or transfer) credit, under subsection (1) above, if appropriate, the Administrator shall select an appraiser, or the applicant may select an independent appraiser acceptable to the Administrator. The appraiser must be a Washington State certified appraiser or must possess other equivalent certification and shall not have a financial or personal interest in the property being appraised. A description of the appraiser's certification shall be included with the appraisal, and the appraiser shall certify that he/she does not have a fiduciary or personal interest in the property being appraised.
 - i. The appraiser shall be directed to determine the total value of the dedicated land and/or public facilities provided by the applicant on a case-by-case basis.
 - ii. The applicant shall pay for the cost of the appraisal. The applicant may request that the cost of the appraisal be deducted from the credit which the Administrator may be providing to the applicant, in the event thatif a credit is awarded.
 - iii. After receiving the appraisal, and where consistent with the requirements of this section, the Administrator shall provide the applicant with a letter setting forth the dollar amount of the credit, the reason for the credit, the legal description of the site donated where applicable, and the legal description or other adequate description of the project or development to which the credit may be applied. The applicant must sign and date a duplicate copy of such letter indicating their agreement to the terms of the letter or certificate, andcertificate and return such signed document to the Administrator before the impact fee credit will be awarded. The failure of the applicant to sign, date, and return such document within 60 calendar days shall nullify the credit. The credit must be used within 72 months of the award of the credit.
- D. Any claim for credit must be made prior to issuance of a building permit.
- E. In no event shall the credit exceed the amount of the impact fees that would have been due for the proposed development activity.
- F. No credit shall be given for project improvements.
- G. Determinations made by the Administrator pursuant to this section shall be subject to appeal before the City Council, as established in RMC [[DEL:RCC]] 11.255.

11.86.110 - Administrative costs.

- A. All development approvals subject to payment of impact fees under RMC [[DEL:RCC]] 11.86.200190. shall pay an administrative fee. The administrative fee shall be proportional to

the magnitude of the impact fee and shall be established by the City's Fee Schedule approved by City Ordinance. The administrative fee shall be no greater than two percent of the impact fees payable under this chapter ~~as a result of~~because of the development approval. The administrative fee shall be deposited in an administrative fee account within the impact fee account and shall be used ~~solely~~ to defray the City's costs of ~~processing and~~processing and accounting for impact fees and ~~other costs including~~ updates of the rate study. Payment of the administrative fee does not constitute payment of the fees relating to independent fee calculations as provided in RMC ~~[[DEL:RCC]]~~ 11.86.090. ~~[[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]~~

- B. Trip Generation and Distribution and TIA review fees shall be established under RMC 19.10 and are separate from this administrative fee. The administrative fee shall be paid by the applicant to the City no later than at the same time as the impact fee is paid.

11.86.120 - Impact fee appeals.

- A. The City Council shall have the authority to hear and decide appeals where it is alleged that the Administrator's determination of the impact fee imposed upon the development activity is not supported by the evidence, applicable law, or is otherwise in error, consistent with appeals of code interpretations under RMC ~~[[DEL:RCC]]~~ 11.255.010(1).
- B. The Administrator shall deliver to the City Council all files and records supporting the determination of the amount of the impact fee. Further review and processing of the development approval shall be suspended for the duration of the proceeding before the City Council.
- C. The City Council shall conduct an open record public hearing, give public notice, receive evidence, allow witness testimony, and decide the appeal within a reasonable period of time not to exceed 20 days following the hearing. The City Council may dismiss the appeal if the impact fee has not been deposited with the City.
- D. The City Council may reverse or affirm, wholly or in part, or may modify the determination of the amount of the impact fee upon issuance of findings of fact, conclusions of law, and an order.
- E. Any person (including the City of Ritzville) aggrieved by any decision of the City Council may seek review by a court with jurisdiction, in the manner provided by the laws of the state of Washington pursuant to RMC ~~[[DEL:RCC]]~~ 11.255.

11.86.130 - Establishment of impact fee accounts.

- A. Impact fee receipts shall be earmarked specifically and deposited in an interest-bearing account. The fees received shall be invested in a manner consistent with the investment policies of the City and State of Washington.
- B. There is hereby established an impact fee account for the fees collected pursuant to this chapter, known as the:
 - i. **Transportation impact fee account.** On an annual basis, the Administrator shall provide a report to the City Council on the account showing the source and amount of all moneys collected, earned, or received, and purchases and improvements that were financed in whole or in part by impact fees.
- C. Impact fees shall be expended or encumbered within six years of receipt, unless the council identifies through written findings an extraordinary and compelling reason or reasons for the City to hold the fees beyond ten-years per RCW 82.02, the six-year period. Under such circumstances, the council shall establish the period of time within which the impact fees shall be expended or encumbered.

11.86.140 - Refunds.

- A. If the City fails to expend or encumber the impact fees within 10six years of when the fees were paid, the current owner of the property may receive a refund of such fees. In determining whether impact fees have been expended or encumbered, impact fees shall be considered expended or encumbered on a first-in, first-out basis.
- B. The City shall notify potential claimants by normal mail deposited with the United States Postal Service at the last known address of the claimants.
- C. Property owners seeking a refund of impact fees must submit a written request for a refund of the fees to the Administrator within one year of the date the right to claim the refund arises or the date that notice is given, whichever is later. Any impact fees for which no application for a refund has been made within the one-year period shall be retained by the City and expended on the appropriate public facilities.
- D. Refunds of impact fees under this chapter shall include any interest earned on the impact fees by the City.
- E. An applicant may request and shall receive a refund, including interest earned on the impact fees, when the applicant and/or the applicant's successors do not proceed with the development activity and there has been no impact toon the City's transportation system. A request for a refund pursuant to this section must be accompanied by an acknowledgement

that the applicant's underlying development approval, including any associated permits, has expired and that any application to reinstate the development approval shall be subject to the payment of impact fees pursuant to this chapter.

11.86.150 - Use of funds.

Impact fees may be used only as allowed by RCW 39.92 and shall not replace project-specific mitigation required under SEPA or other local regulations.

Impact fees may be used only as allowed by RCW Chapter 39.92.

11.86.160 - Administrative guidelines.

The Administrator shall be authorized to adopt forms, applications, and guidelines for the implementation of this chapter.

11.86.170 – Review of impact fees.

The fees established by this chapter in the City's fee schedule may be reviewed and updated in conjunction with the regular update of the City's fee schedule, and/or the annual update of the transportation improvement plan, and/or any updates to the transportation element of the City's comprehensive plan, adjusted based on the Washington State Department of Transportation Construction Cost Index (CCI). Adjustments shall not result in a decrease solely due to CCI decline.

11.86.~~190~~180 - Existing authority unimpaired.

Nothing in this chapter shall preclude the City from requiring project-specific mitigation under RCW 39.92.030(3) or the State Environmental Policy Act (SEPA) (RCW 43.21C) based on the environmental documents accompanying the underlying development approval process.

However, transportation impact fees collected under this chapter shall only be used within the TIF service area from which they are collected for improvements outlined in the Transportation Improvement Program (TIP). These fees shall not be used as a substitute for project-specific mitigation measures required under SEPA or other local development regulations.

11.86.~~200~~190 - Transportation impact fee. [[ADD: See Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation).]]

The Traffic Impact Fee (TIF) Technical Memo is hereby adopted for the purpose of establishing the transportation impact fee set forth herein. The transportation impact fees are based upon the formula

and methodology set forth in the TIF Memo, which shall be the transportation impact fee assessed upon new developments, changes in use, and other related matters as set forth in RMC ~~[[DEL:RCC]]~~ 11.86.080 and the City's fee schedule. (See Appendix A Rate Schedule and Appendix B Land Use Trip Generation.) The Traffic Impact Fee Technical Memorandum and supporting rate study are adopted by reference. The adopted Appendix A (Rate Schedule) and Appendix B (Land Use Trip Generation) form the basis for all TIF assessments. These appendices may be updated by Council resolution concurrent with the annual TIP adoption.

Commented [1]:

11.86.20010 - Transportation impact fee project list.

The City will maintain a transportation impact fee project list based upon the ~~Ritzville Six-Year Transportation Improvement Plan, the City Capital Improvement Plan, and the Comprehensive Plan.~~ The project list will be affirmed by City Council on a biannual ~~basis, but~~^{basis but} may be updated annually at the City Council's discretion.

Commented [2]:

11.86.220-210 - Land use determination.

The transportation impact fee rate will be compared against methodology adopted by the Institute of Transportation Engineers (ITE) Trip Generation Manual by reference to the transportation impact fee land use categories. For convenience, the commonly recognized land uses are set forth in the table below. Any land use not identified below may be compared directly against the trip generation rates of the current ITE Trip Generation Manual. The proposed land use will be compared with either the base transportation impact fee rate or based on an independent trip generation forecast/study provided ~~by the applicant and through the concurrency evaluation. This should be~~ stamped by a professional engineer licensed in the State of Washington The Administrator may make adjustments to the transportation impact fee based upon reasonable judgment and accepted methodologies.

Categories and Land Use		
Residential	Commercial, Retail, and Service	Institutional
<ul style="list-style-type: none">Single-FamilyStudent, MultifamilyMobile Home ParkSenior Housing	<ul style="list-style-type: none">Shopping CenterDiscount/Box StoreSupermarketPharmacy/DrugstoreHome Improvement StoreFast-Food RestaurantSit-Down RestaurantMarijuana DispensaryDrive-Thru Bank	<ul style="list-style-type: none">Clinic/HospitalAnimal/Vet ClinicElementary SchoolHigh SchoolMiddle SchoolCollege/UniversityDay CareChurchLibrary

Professional	<ul style="list-style-type: none"> Automobile Sales Auto Part Sales Tire Store Furniture Store Hotel/Motel 	Recreational
Commercial, Industrial	<ul style="list-style-type: none"> Light Industrial Industrial Park Manufacturing Warehousing/Storage Data Center 	<ul style="list-style-type: none"> Park Camping/RV Golf Course Athletic Fields Movie Theater Bowling Alley Health Club Recreational Center

11.86.~~230~~220 - Impact area.

The TIF Service Area shall be coterminous with the City's Urban future Growth Area as adopted in the Comprehensive Plan, unless otherwise delineated by Council resolution. ~~All~~All new-to-network vehicle trips generated by a proposed development project will be assumed to impact all projects on the transportation impact fee project list unless a traffic study approved by the City demonstrates otherwise. Project developers will be responsible for the entire traffic impact fee associated with each project on the list unless a separate development agreement that establishes specific off-site mitigation is in place.

11.86.~~230~~40 - Annual review and adjustment.

Subject to the review provisions set forth in RMC [[DEL:RCC]] 11.86.170, the transportation impact fees may be adjusted annually 1) in accordance with the Washington State Department of Transportation Construction Cost Index ("CCI"), and 2) to update transportation projects included in the transportation impact fee calculation, with the first such increase taking effect within two years of adoption of this chapter and with subsequent increases to coincide with the City's annual adoption of its six-year transportation improvement plan, provided the impact fees shall never be reduced solely because of a decline in the CCI.

11.86.250—Concurrency Determination.

~~The concurrency determination shall ensure that the proposed development does not cause the level of service on a transportation facility to decline below levels of service standards adopted in the City of Ritzville's Comprehensive Plan, unless the transportation improvements or strategies to accommodate the new development are made "concurrent with the development" as defined in RCW 36.70A.070(6)(b). Concurrency requires that land use development shall have supportive transportation facilities.~~

11.86.260 – Concurrency approval criteria.

The Administrator will provide determination as follows:

- A. The streets and local transportation facilities that are subject to concurrency, including the established level of service.
- B. Whether the proposal causes the level of service on a transportation facility to decline below adopted levels of service.
- C. What transportation improvements or strategies are required of the applicant in order to maintain the level of service on the transportation facility.
- D. The length of time that the concurrency determination will remain effective to include requirements for development progress necessary to maintain the approval.
- E. The concurrency management system shall include provisions that demonstrate a project has met the concurrency requirement through the project review process or through a separate certificate of concurrency.
 - i. A transportation concurrency review shall be performed for the specific property, proposed uses, densities, and other information provided by the applicant/property owner.
 - ii. The Administrator shall notify the applicant/property owner of the results of the concurrency determination within 30 days of receipt of the request for transportation concurrency review. If additional information is needed to determine concurrency, such additional information may be requested by the Administrator.
 - iii. The project permit may be conditioned as necessary to ensure that improvement(s) to satisfy concurrency and/or transportation system management strategy will be completed.
 - iv. If the proposed project passes the concurrency test, a concurrency certificate shall be issued to the applicant/property owner. Any capacity that is not used because all or part of the development is not built shall be returned to the pool of available capacity.
 - v. A concurrency certificate shall: only be issued upon payment of any concurrency fee established by the City's Fee Schedule and City Ordinance; be specific to the land uses, densities, intensities and project described in the application and project permit; not be transferable to other property, but may be transferred to new owners of the same property; remain valid so long as the accompanying project permit has not expired or been revoked; and be valid for any modification of the permits for which the certificate

~~was issued so long as such modification does not require the applicant to obtain a new project permit.~~

- ~~F. If the established level of service (LOS) cannot be met or appropriately mitigated, then the proposed development shall not be constructed unless improvements or strategies to accommodate the impacts of the development activity are made concurrent with the development activity.~~
- ~~G. The concurrency requirement is satisfied if the required system improvements are in place prior to completion and occupancy of the development activity or a financial commitment is in place, which shall include the impact fees anticipated to be generated by the development. Any combination of the following shall constitute a "financial commitment" for the purposes of this chapter:~~

 - ~~i. The City has received voter approval of and/or has bonding authority.~~
 - ~~ii. The City has received approval for federal, state, or other funds.~~
 - ~~iii. The City has received a secured commitment guaranteeing the construction of the required public facilities and/or system improvement(s), and the City has found such public facilities and/or system improvement(s) to be acceptable and consistent with its transportation improvement plan; and/or~~
 - ~~iv. The City has other assured funding, including, but not limited to, impact fees that have been paid or that shall be payable as a result of the development approval.~~
- ~~H. To implement this section, the City Council may adopt policies which provide measurement methodologies for level of service standards to govern the City's concurrency management system. The policies should set forth the procedures and process to determine whether the transportation facilities have adequate capacity to accommodate the proposed development, the response when capacity is not adequate to accommodate the proposal and capacity allocation procedures. If there is a decrease below the accepted level of service, improvements or strategies should be in place to accommodate the impacts of the development. Strategies may include increased public transportation service, ride-sharing programs, and other transportation management strategies.~~

11.86.270 - Traffic analysis.

~~The applicant is responsible for the cost of any traffic impact analysis necessary to determine that the traffic forecast to be generated by the development will not cause the level of service on affected transportation facilities to decline below the adopted level of service standards.~~

11.86.280 — Concurrency Appeals.

- A. ~~The City Council shall have the authority to hear and decide appeals where it is alleged that the Administrator's determination of the concurrency is not supported by the evidence, applicable law, or is otherwise in error, consistent with appeals of code interpretations under RCC 11.255.010(1).~~
- B. ~~An applicant may appeal a concurrency determination by filing a written notice of appeal to the Administrator. Notice of appeal must be filed within ten days of issuance of the concurrency determination. For the purpose of this section, the date on which a concurrency determination is issued is when the applicant is given a copy of the determination or three days after the written determination is mailed to the applicant by regular U.S. Mail to the applicant's last known address, whichever is first. The notice of appeal must specify the grounds of the appeal.~~
- C. ~~The Administrator shall deliver to the City Council all files and records supporting the concurrency determination. Further review and processing of the development approval shall be suspended for the duration of the proceeding before the City Council.~~
- D. ~~The City Council shall conduct an open record public hearing, give public notice, receive evidence, allow witness testimony, and decide the appeal within a reasonable period of time not to exceed 20 days following the hearing. The burden of proof shall be on the applicant to show by preponderance of evidence that the concurrency determination was in error. The decision of the City Council shall be considered a final land use decision.~~
- E. ~~The City Council may reverse or affirm, wholly or in part, or may modify the determination of the concurrency upon issuance of findings of fact, conclusions of law, and an order.~~
- F. ~~Any person (including the City of Ritzville) aggrieved by any decision of the City Council may seek review by a court with jurisdiction, in the manner provided by the laws of the state of Washington pursuant to RCC 11.255.~~

Things to Reconcile

Title 11

1) My first question is in regard to RCW 39.92.030(9) which specifically seems to prohibit the inclusion of projects that are required by other government agencies, which both of the projects in our TIF are based on? I would request clarification/interpretation please.

FEE SCHEDULE

- a) Where does the Trip Generation and Distribution Letter Review fee come from? Which part of the code? Same with TIA Chapter 19? Please reference if so.
- b) Administrative Costs are spelled out in the chapter @ 2% of the TIF. Airway Heights has a not to exceed amount.

Impact Fee Memo

"The base fee rate for the City of Ritzville Traffic Impact Fee (TIF) is calculated at \$1,902.2 per PM peak hour trip to participate in Capital Improvement needs for the dedicated service area shown on the next page identified as "Additional City Growth" in Figure 1. The base fee rate can be used for any land use not addressed with these tables, as calculated versus an accepted PM peak hour trip generation estimate."

Could alternatively word this as a reference to Chapter 11.xx Appendix A/B and remove table and map?

MAP NOTE: There was some confusion about the map since the city outline color is called the "TIF Service Area" on the legend, but we are only focusing on projects in the "Growth Area." We either need to make corrections to the map before this is finalized, or change the wording as suggested above.

The "base fee rate can be used..." language comes from Ardurra's memo, last sentence of the first paragraph in Land Use Schedule.

Please note, there are errors in the table provided in the fee schedule. Please see:

-Coffee/Donut Shop: superscript 3 is a reference to fueling position but it is using ksf, so superscript should be 1

-Convenience Store/Gas: superscript 1 is a reference to ksf but it is using fp, so superscript should be 3
-Service/Gas Station: superscript 1 is a reference to ksf but it is using fp, so superscript should be 3.

How do we include the language from the *Trip Generation Letter* paragraph of Ardurra's Memo in the Traffic Impact Fee chapter that doesn't create issues with the wording in chapter 19? I especially want to see inclusion of the language in that last sentence "This should be stamped by an engineer licensed in Washington." somewhere in this when referencing Trip Generation Letters.

For the ordinances, check copy and paste items.

Adding chapter to development code ordinance:

-There are still references to 39.92.030(4) and 39.92.030(5). I think these are meant to be 39.92.030(4) and 39.92.030(5), respectively? This document says Ordinance 2185 on the bottom left, but I don't think it has a number yet?

-I don't know if Section 1 should say "consistent with portions of the City's adopted Transportation Improvement Program (TIP)" instead?

Fund establishment ordinance:

-I would delete everything past "for traffic impact fees received by developers" since the projects don't need to be listed. It's a TIF fund, that's the extent of it, no?

-Section 1. Ritzville City Ordinance 2175 (no number established yet, and doesn't even match the one in the chapter ordinance)



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: City of Ritzville

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Financial statement and federal grant compliance audits for January 1, 2023 through December 31, 2023
 - see draft report.

Audit Highlights

- We appreciate the City's continued efforts in resolving prior audit recommendations regarding the preparation of the financial statements.
- We would like to thank Julie Flyckt, Clerk Treasurer, and City staff for their professionalism and for working diligently to provide us with requested documents.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or noncompliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Status of Prior Management Letter items

Brief Description	Resolved	Unresolved
<u>Procurement Policy</u> Our 2022 audit found the City's documented procurement procedures did not conform to the procurement standards identified in Title 2 US Code of Federal Regulations (CFR) §200.318.327.		X

Financial Statement Audit Communication

We would like to bring the following to your attention:

- We didn't identify any material misstatements during the audit.
- Uncorrected misstatements in the audited financial statements are listed below. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements. However, the conditions that led to these misstatements may result in more significant misstatements if not corrected.

<u>Lease Liability</u> - missing from schedule	Schedule of Liabilities
• Beginning balance should be \$1,819 and reductions should be \$1,819 for an ending balance of \$0.	

- The audit addressed the following risks, which required special consideration:
 - Due to the possibility that management may be able to circumvent certain controls, standards require the auditor to assess the risk of management override.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you by email when audit reports are released or posted to our website. You can sign up for this convenient service at <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations received from management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$24,500 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in January 2026 and will cover the following general areas:

- Accountability for public resources
- Financial statement
- Federal programs

The estimated cost for the next audit based on current rates is \$35,500 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

Working Together to Improve Government

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally, this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation at the Office of the Washington State Auditor offers services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean process improvement, peer-to-peer networking, and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

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Erin Serpa, Audit Lead, (509) 517-5638, Erin.Serpa@sao.wa.gov

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Ritzville January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Ritzville are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies*: We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses*: We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies*: We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses*: We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
10.760	Water and Waste Disposal Systems for Rural Communities

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

City of Ritzville January 1, 2023 through December 31, 2023

This schedule presents the status of findings reported in prior audit periods.

Audit Period:	Report Ref. No.:	Finding Ref. No.:
January 1, 2022 through December 31, 2022	1036161	2022-001
Finding Caption:		
The City's internal controls were inadequate for ensuring accurate financial reporting.		
Background: During 2022, the City did not have an effective process in place to adequately research accounting requirements over infrequent and complex financial activity, specifically related to the proper classification and reporting of prior period adjustments and federal loan transactions. The City's review of the financial statements, schedules and notes was not effective to identify and correct errors related to these complex transactions. The City uses a financial consultant to review the financial statements. When the City received interim financing for a USDA Rural Development Loan, neither the City nor its consultant knew the correct way to report the Rural Development Loan transactions on the financial statements, Schedule of Liabilities or Schedule of Expenditures of Federal Awards (SEFA). Additionally, the City was unaware of how to record adjustments to cash and investments.		
Status of Corrective Action: (check one) <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>The City is now aware of how to report the USDA RD loan on Schedule 9, SEFA, and Notes to Financial. The annual reports are reviewed by the City's finance consultant to ensure they are reported correctly.</i> <i>The City's Clerk-Treasurer attends all training courses provided by the State Auditor Office each year.</i>		

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Ritzville **January 1, 2023 through December 31, 2023**

Mayor and City Council
City of Ritzville
Ritzville, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Ritzville, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 9, 2026.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this

report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Pat McCarthy".

Pat McCarthy, State Auditor

Olympia, WA

January 9, 2026

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

City of Ritzville

January 1, 2023 through December 31, 2023

Mayor and City Council
City of Ritzville
Ritzville, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the City of Ritzville, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor
Olympia, WA
January 9, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Ritzville January 1, 2023 through December 31, 2023

Mayor and City Council
City of Ritzville
Ritzville, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Ritzville, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Ritzville, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Ritzville, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule

of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2026 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

January 9, 2026

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov



January 9, 2026

Office of the Washington State Auditor
3200 Capitol Blvd
P.O. Box 40031
Olympia, WA 98504-0031

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of City of Ritzville for the period from January 1, 2023 through December 31, 2023. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available all relevant and requested information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
 - d. Communications from regulatory agencies, government representatives or others concerning possible noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
 - e. Related party relationships and transactions.
 - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.

2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations, safeguarding of public resources, and financial reporting, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to provide reasonable assurance of compliance with applicable laws and regulations, safeguarding of public resources, and accurate financial reporting.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records, notwithstanding immaterial uncorrected items referenced below.
10. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings, and we have provided you with all the information on the status of the follow-up on prior audit findings.

Additional representations related to the financial statements:

11. We acknowledge our responsibility for fair presentation of the financial statements and believe financial statements are fairly presented in accordance with the *Budgeting, Accounting and Reporting Standards Manual* (BARS Manual), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
12. The financial statements properly classify all funds and activities.
13. Revenues are appropriately classified by fund and account in accordance with the BARS Manual.
14. Expenses are appropriately classified by fund and account, and allocations have been made on a reasonable basis.

15. Ending cash and investments are properly classified as nonspendable, restricted, committed, assigned, and unassigned.
16. The methods, data and significant assumptions we used in making accounting estimates and related disclosures are appropriate and free from intentional bias.
17. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
 - a. Interfund, internal, and intra-entity activity and balances.
 - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - c. Joint ventures and other related organizations.
 - d. Guarantees under which the government is contingently liable.
 - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
 - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements and other loss contingencies.
18. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
19. We acknowledge our responsibility to include all necessary and applicable disclosures required by the BARS Manual, including:
 - a. Description of the basis of accounting, summary of significant accounting policies and how this differs from Generally Accepted Accounting Principles (GAAP).
 - b. Disclosures similar to those required by GAAP to the extent they are applicable to items reported in the financial statements.
 - c. Any additional disclosures beyond those specifically required by the BARS Manual that may be necessary for the statements to be fairly presented.
20. We acknowledge our responsibility for reporting supplementary information for the Schedule of Liabilities and the Schedule of Expenditures of Federal Awards in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
21. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.

22. We believe the effects of uncorrected financial statement misstatements summarized below are not material, both individually and in the aggregate, to the financial statements taken as a whole.

<p>Lease Liability - Completely missing from Schedule.</p> <ul style="list-style-type: none"> • Beginning balance should be \$1,819 and reductions should be \$1,819 for an ending balance of \$0. 	<p>Schedule of Liabilities</p>
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23. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

Additional representations related to expenditures under federal grant programs:

24. We acknowledge our responsibility for complying, and have complied, with the requirements of 2 CFR § 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.

25. With regards to your audit of federal grant programs, we have made available all relevant and requested information of which we are aware, including:

- a. All federal awards and related grant agreements (including amendments, if any), contracts with pass-through entities, service organizations and contractors, and correspondence.
- b. All communications from federal awarding agencies, contractors, service organizations or pass-through entities concerning possible noncompliance.
- c. All information regarding corrective actions taken and management decisions or follow-up work performed by federal or pass-through agencies on any findings reported in the past.
- d. All documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- e. Interpretations or other support for any situations where compliance with requirements might be questionable or unclear.

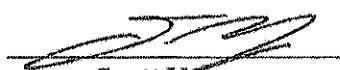
26. We have identified and complied with all direct and material compliance requirements of federal awards.

27. Management is responsible for establishing effective internal control and has maintained sufficient control over federal programs to provide reasonable assurance that awards are managed in compliance with laws, regulations, contracts or grant agreements that could have a material effect on each of our federal awards.

28. Federal program financial reports and claims for advances and reimbursements are supported by the accounting records from which the basic financial statements have been

prepared, and are prepared on a basis consistent with the Schedule of Expenditures of Federal Awards.

29. Copies of federal program reports provided to you are true copies of the reports submitted, or electronically transmitted, to federal agencies or pass-through agencies, as applicable.
30. We are responsible for, and will accurately prepare, the auditee section of the Data Collection Form as required by the Uniform Guidance.



Scott Yaeger
Mayor



Julie Flyckt
Clerk Treasurer

January 9, 2026

TO: Mayor Yaeger, and Ritzville City Council

FROM: Ritzville Museums

RE: 2025 Visitor States

We are pleased to share with you our 2025 visitor stats.

We logged a combined total of 813 visitors between the two museums.

The depot saw 604 visitors, or 74 percent; while the Burroughs Home hosted 209 people, or 26 percent.

More than half of our visitors — 453 people, or 55.7 percent — reported traveling more than 50 miles to visit Ritzville.

A total of 88 people, or 10.8 percent, reported staying overnight in Ritzville.

We saw a spike in visitors whenever there was an event downtown, such as the music event.

Attached please find a detailed breakdown of stats for each museum, including a list of where visitors traveled from, and comments visitors left.

We appreciate the city's continued support of the museums.

Regards,



Brian Bothun
Museum Board Member

Ritzville Museums Visitor Stats

January 1 to December 31, 2025

In 2025 the museums logged a combined total of 813 visitors.

- Of those, 604, or 74 percent, visited the depot; 209, or 26 percent, visited the Burroughs Home.
- A total of 88 people, or 10.8 percent, reported staying overnight in Ritzville.
- A total of 453 visitors, or 55.7 percent, reported traveling more than 50 miles to visit Ritzville.
- Of those who traveled more than 50 miles, 293 reported living in Washington. That's 36 percent of our total visitor count.
- A combined total of 65 visitors shared their e-mail addresses.
- A total of 29 people visited in the pre-season, before May 23.
- A total of 149 people visited during the post-season, after Labor Day.
- Alumni Saturday on May 24 saw a combined total of 139 visitors. Of those, 94 visited the depot, where we had a blacksmithing demonstration; and 45 logged in at the Burroughs Home, where we had the Cornhole tournament.
- We logged a combined total of 38 visitors on Aug. 2, when the downtown music event was held. Thirty-five of them at the depot.
- August's rodeo parade day saw a total of 28 visitors logged. Of those, 27 visited the depot.
- The depot logged 67 visitors at the two December events; 15 on Dec. 6, and 52 on Dec. 13 when we hosted the gingerbread house contest.
- Other than Washington State, visitors reported coming from 18 different states, plus Australia, British Columbia, China, and the European Union.

A detailed breakdown by museum is attached.

— Compiled by Brian Bothun

2025 Ritzville Museums Visitor Data

January 1 to December 31, 2025

CATEGORY	BURROUGHS	DEPOT	TOTAL
TOTAL VISITORS	209	604	813
OVERNIGHT STAY	24	64	88
MORE THAN 50 MILES	118	335	453
WA MORE THAN 50	62	231	293
SHARED E-MAIL	13	52	65
PRE-SEASON	9	20	29
POST-SEASON	32	117	149
ALUMNI SATURDAY	45	94	139
MUSIC DOWNTOWN	3	35	38
RIDEO PARADE DAY	1	27	28
XMAS 1 December 6	0	15	15
XMAS 2 December 13	0	52	52
NON-WA PLACES	10	20	Combined 22

Where Visitors Came From

BURROUGHS	DEPOT
	Australia
	British Columbia
	European Union
	China
Arizona	Arizona
Colorado	Colorado
Idaho	Idaho
Indiana	Indiana
	Maine
Maryland	
	Minnesota
	Missouri
Montana	Montana
	New Jersey
	New Mexico
	Nevada
Oregon	Oregon
	Pennsylvania
South Carolina	South Carolina
Texas	Texas
Utah	
	Wyoming

Comments From Visitors

Comments in parenthesis indicate docent remarks

DEPOT VISITOR COMMENTS

(Count includes 8 who didn't sign log)

(Dale verified visit; didn't sign log.)

(Here for job interview at high school)

(Listed as two, but three names.)

(Pete Spain's cousin)

(Ritzville towing?)

(Wants to volunteer at museums)

(Weber school)

<Smiley face>

6 in our party. Thank You

Adventure

Amazing

Amazing!

Amazing!

Awesome

Awesome collection! Kind staff.:-)

Awesome!

Beautiful

Been here before, awsome place

Birthday visit

Cle Elum Depot appreciates your help

Cool

Cool place

Cool!

Excellent!

FAB!

Fun!

Got 2,690 points on pinball

Great

Great

Great as always

Great exhibits of train artifacts. Worth the visit.

Great grandpa had stuff here years ago

Great museum. love EV charger too.

Great place

Great!

Here for Milwaukee Road convention in Moses Lake

I bought my first car here in 1989

Love this town

Love to visit here

Love to visit here & see the history

Love trains

Loved all the old stuff

Loved it

nice
Nice museum
Outstanding
Outstanding
Return visit
Ritzville towing
So fascinating! Thank you for having us!
Thank you
Thank you for being here
Thank you for the show
Thank you for welcoming our group
Thank you so much & god bless you
Thank You!
Thank You!
Very Nice
very nice, friendly
Very nicely displayed
We work for BNSF. Love this cute depot
Wonderful visit
wonderful, educational, great volunteers
Wow
Wow!!

BURROUGHS VISITOR COMMENTS

(Name illegible)
(Showed up during virtual tour filming)
(Showed up during virtual tour filming)
(Some from Portland, Michelle Plumb from Ritzville.)
Awsome furnishings and wallpaper
Beautiful house
It's Cool!
Love it! X2!
Love the museum
Love the museum & host
Love the way it's been restored
Love, Love, Love!
Museum!!!!
Thank you!
the docent is adorable
Very cool and interesting
wonderful (509-750-6320) call when animal museum open)
Wonderful house & staff
Wonderful house & volunteer
Wonderful museum
Wonderful volunteer