

City of Napavine 2011 Budget



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BUDGET MESSAGE

TO: The Legislative Body
 FROM: Mayor Nicholas Bozarth
 SUBJECT: Budget Request – 2011

I am pleased to submit for your consideration the 2011 proposed Annual Budget for the City of Napavine.

Proposed expenditures for 2011, stated on a comparative basis with 2010 and with actual expenditures for 2009 are as follows:

32 Hrs City Wide	Expenditures 2009	Budget 2010	Proposed 2011
General Government Services	161,116	158,898	195,634
Public Safety	310,144	319,897	253,448
Physical Environment	751	832	858
Community Development	30,329	53,920	37,655
Parks	8,347	17,800	9,300
Non-Expenditures	87,603	82,877	34,616
Debt Service	1,264,532	68,146	70,146
Transfers	4,250	9,000	4,500
Total Appropriations	1,867,072	711,370	606,157
STREET FUND			
Road/Street Maintenance	181,541	139,595	151,040
Administration	73,382	28,229	19,350
Non-Expenditures	4,766	25,173	21,673
Transfers	5,597	20,500	21,000
Total Appropriations	265,286	213,497	213,063
WATER FUND			
Physical Environment	4,618	10,000	5,000
Salaries & Administration	164,752	178,037	158,650
Maintenance & Operation	75,684	223,410	169,950
Debt Service	66,266	55,001	54,132
Transfers	23,771	33,771	31,500
Total Appropriations	335,091	500,219	419,232
WASTEWATER FUND			
General Government	2,981	10,000	5,000
Salaries & Administration	161,125	168,585	152,080
Maintenance & Operation	137,606	176,835	150,534
Debt Service	272,358	272,424	271,249
Transfers	11,500	21,500	6,500
Total Appropriations	585,570	649,344	585,363
Grand Total Uses	3,053,019	2,074,430	1,823,815

The budget as proposed is roughly 12 percent lower than 2009 primarily because the city hall building was purchased in 2009 and decrease in revenues and reducing anticipated expenditures for 2011. The proposed expenditures are with city wide reduced hours, which reduces salaries and levels of service to a city wide closure on Fridays.

The estimated yield from retail sales and use taxes is \$168,000, 9% lower than anticipated for 2010. It is difficult to predict sales tax revenue due to economic fluctuations and construction projects in the city.

Estimated General Fund Revenues for 2011 compared to amounts received in 2009 and the latest estimates for 2010 are as follows:

	Actual 2009	Estimated 2010	Estimated 2011
Estimated Beginning Fund Balance	94,781	124,649	38,482
Taxes	404,014	392,316	412,779
Licenses and Permits	26,373	13,642	15,540
Intergovernmental Revenue	44,695	51,481	37,179
Charges for Goods & Services	16,260	8,444	9,400
Fines & Forfeitures	48,167	33,397	34,900
Miscellaneous Revenues	4,499	89,302	86,822
Non-Revenues	1,346,373	58,658	19,857
Total Estimated Revenues	1,890,381	647,240	616,477
Total All Estimated Resources	1,985,162	771,889	654,959

The actual revenue in 2009 is considerably higher due to the financing received to purchase the city hall building.

PERSONNEL

Personnel changes in the budget of “Reduced Hours” consist of the Public Works and Police Officers reduced to a 32 hour work week for the year 2011. The Clerk’s Office is already on a 32 hour work week. Also suggested is to reduce the Court’s budget, due to the impact of the reduced hours of the police officers this would produce less citations filed with the court. However, any reduction in court staff does fall under the judicial branch of government.

GENERAL

The following fees are based on population: \$557.50 for the city’s contribution to the SW Air pollution control authority, \$845 for AWC Service Fee, and \$8,265 for Emergency Preparedness. The dispatch fee is based on calls for service with the Lewis County E911 Communications center which is \$25,954.39, down from \$53,543.93 for 2010.

The city of Napavine is a member of Cities Insurance Association of Washington, which the city joined in January 1, 2004. On January 15, 2010, the Office of Financial Management (OFM) issued a cease and desist order against the Cities Insurance Association of Washington (CIAW). This order was issued based upon a projected funding shortfall for potential unpaid claims liabilities for the fiscal years 2003-2007. On February 25, 2010, the CIAW submitted a plan to

OFM (Office of Financial Management) to address the concerns raised in the cease and desist order. Included in the plan was a reassessment of \$986,214 to be charged back to all participating cities during the years in question. Each city will have 5 years to repay their proportionate share of the reassessment. The city's assessment for the next four years is \$1,296.45.

EQUIPMENT PURCHASE

The city is looking to purchase a used vacuum sewer cleaner vehicle in 2011, which can be utilized in all areas of the public works scope of work, i.e., clean storm drains, sewer manholes and pot hole for water leaks, water lines and locates.

CAPITAL IMPROVEMENTS

The 2011 budget does not set the appropriations by project but rather a lump sum appropriation. The city appropriates a lump sum; however, the city historically has not spent the full amount appropriated within a year, and most years do not spend at all from the capital improvement funds. In 2010 four separate accounts were created for each area of capital projects, i.e., Parks, Streets, Water and Wastewater. A capital improvement program should not be "cast in concrete." Economic and environmental conditions will change, and those changes should result in modifications to the capital improvements program, accelerating, delaying, reprioritizing, and even canceling scheduled improvements. The reason for this is that an emergency situation may arise and the project will change within that year's budget and staff could proceed with the project without going before council to ask for a budget amendment.

Very truly yours,

Nicholas W. Bozarth

Mayor Nicholas W. Bozarth

DIRECTORY OF OFFICIALS

City of Napavine
407 Birch Ave SW
P O Box 810
Napavine, WA 98565

Clerk's Office
360-262-3547
Fax: 360-262-9199

Public Works-
Community Development
360-262-9344
Fax: 360-262-9199

Police Department
360-262-9888
Fax: 360-262-9885

Municipal Court
360-262-9231
Fax: 360-262-9885

City Council Meetings
2nd & 4th Tuesday
~ 6:30 p.m. ~

Planning Commission
3rd Tuesday
~ 6:30 p.m. ~

Office Hours:
Monday – Thursday
8:00 am – 12:00 pm
1:00 pm – 5:00 pm

Mayor
Nicholas W. Bozarth
Four year term
December 31, 2011

City Council
Position No. 1
Richard Rouse
Four year term
December 31, 2013

Position No. 2
Aaron Brandt
Four year term
December 31, 2013

Position No. 3
John Sayers
Four year term
December 31, 2011

Position No. 4
Robert Wheeler
Four year term
December 31, 2013

Position No. 5
Lionel Pinn
Four year term
December 31, 2011

Department Directory
Clerk-Treasurer
Mary Todd

Public Works –
Community Development
Director
Steve Ashley

Municipal Court Judge
Joseph Mano

Court Administrator
Katie Lentz

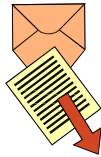
Police Department
Officer – in – charge
D. Silas Elwood

Other Officials
City Attorney
Dana L. Williams
Williams & Johnson

Legislative District 20
Senator Dan Swecker
Representatives:
Richard DeBolt
Gary Alexander

Congressional District 3
Representative:
Brian Baird

HOW DOES A CITY CREATE A LAW?



Issue or concern brought to staff's attention

- ★ ★ ★ ★ ★ ★ ★ ★ ★ ★
- Citizens can:
1. Make contact with staff to voice a concern.
 2. Present an issue at the Citizen Business portion of any council meeting.
 3. Contact an elected official to voice a concern.
- ★ ★ ★ ★ ★ ★ ★ ★ ★ ★



Staff researches issues/concern and bring to the attention of the Mayor for placement on the agenda

If any code revision or creation is proposed, the city attorney reviews the proposal for legal content prior to council review



Council holds any subsequent meetings or public hearings

Council reviews the issue with subsequent staff report and recommendation of action



City Council takes action or no action as appropriate

Yes vote initiates the law 5 days after notice is published in newspaper

No vote means no change in current law



2011 Budget Calendar

- ✓ September 13-Request by the city clerk to department heads and those in charge to prepare detailed estimates of revenues and expenditures for 2011.
- ✓ September 27-Estimates are filed with the city clerk.
- ✓ October 1-Estimates are presented to Mayor for modifications, revisions or additions. City Clerk must submit to Mayor proposed preliminary budget setting forth the complete financial program, showing expenditures requested by each department and sources of revenue by which each such program is proposed to be financed.
- ✓ October 4-Mayor prepares preliminary budget and budget message and files with the city council and city clerk.
- ✓ Mayor provides the council with current information on estimates of revenues from all sources as adopted in the budget for the current year. Mayor also provides the legislative body with the clerk's proposed preliminary budget setting forth the complete financial program, showing expenditures requested by each department and sources of revenue by which each such program is proposed to be financed.
- ✓ Before council votes on property tax levy-hold a public hearing on revenue sources for the coming year's budget, including consideration of possible increases in property tax revenues.
- ✓ November 2 - November 13-Clerk publishes notice of filing of preliminary budget with city clerk and publishes notice of public hearing on final budget once a week for two consecutive weeks.
- ✓ November 30-City Council sets property tax levies.
- ✓ November 2-November 30-Council or committee thereof must schedule hearings on the budget or parts of the budget and may require the presence of department heads.
- ✓ November 19-Copies of proposed preliminary budget made available to the public.
- ✓ December 6-Final hearing on proposed budget.
- ✓ Day of public hearing through December 31-Adoption of 2011 budget.
- ✓ After adoption-Copies of final budget to be transmitted to the State Auditor's Office and to MRSC.

PLANNING COMMISSION

The Napavine Planning Commission was formed in the early 1970's. It is comprised of five members. The members are appointed by the Mayor and select their own chair from amongst the members. The Planning Commission is an advisory committee to the city council. The Commission meets monthly on the third Tuesday at city hall, 6:30 p.m. Their various responsibilities include:

- Propose amendments to meet requirements for Growth Management Act (GMA)
- Propose amendments to Comprehensive Plan goals and standards
- Propose amendments to Zoning standards and development regulations to comply with Comprehensive Plan
- Review and recommend design and development standards and establish criteria for subdivision applications

Budgeting is an essential element of the financial planning, control, and evaluation processes of government. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs or functions.

Financial control and evaluation procedures typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures.

The budget authorizes and provides control of financial operations during the fiscal year. Upon adoption, the expenditure estimates, as modified by the Council are enacted into law through the passage of an appropriations ordinance.

The appropriations constitute maximum expenditure authorizations during the fiscal year, and cannot legally be exceeded until subsequently amended by the Council. Expenditures are monitored through the accounting system to assure budgetary compliance.

The City of Napavine's accounting and budgeting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities.

The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington (RCW).

While typically thought of as a financial activity done to satisfy state law, budgeting is the process of planning. Fiscal planning involves all elements of government and should be considered one of the most important functions for city officials.

The process of budgeting will not only allocates fiscal resources to meet needs and provide services, but will set a direction for the future. The elements of good planning include identifying community needs, city resources, the capability to meet community needs, and a plan to match such resources to the needs.

The planning for this document starts in late August. The department heads are asked to submit their requests for the preliminary budget to the city clerk by the first part of September. The clerk prepares the estimates and presents them to the Mayor by Oct. 1. By the first Monday in October, the Mayor presents the legislative body with estimates from all revenue sources as well as the proposed preliminary budget showing expenditures requested by each department.

There are two public hearings held on the budget; one on the estimated revenues, and one on the final budget. This budget was adopted on first and Second reading on December 28, 2010.

Concurrent with this process is the City's Capital Finance Plan as required under the Growth Management Act (GMA). This plan has significant requirements in the area of facilities planning and capital improvement financing. The GMA is to ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use, without decreasing current service levels below locally established minimum standards.

The Capital Finance Plan (CFP) is segregated in six major categories:

1) Water System, 2) Parks and Recreation, 3) Street System, 4) Public Service Facilities, 5) Wastewater System, and 6) Pedestrian Routes. Because this plan is an integral part of the annual budget, the process is simultaneous.

BUDGET PROCESS

This budget document is developed in a manner to study and review the direction of the City of Napavine. This document outlines the manner in which financial resources will be managed during the fiscal year. The course the City is taking can be changed through the allocation of financial resources. The major groups who participate in the budget process are the Mayor, Council, City Clerk-Treasurer, Department Heads, City Staff, and interested citizens.

The budget document is read by a diverse audience. The budget must describe clearly and completely the nature and scope of policies, plans and programs for the year. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future implications and relationships of policies, plans and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City Staff during the year. The City of Napavine's budget process is designed to provide the essential structure for the financial planning, control, and evaluation process of government, presenting a forecast of expected resources and the purposeful distribution of those resources.

Once adopted, the budget is a formal expression of public policy on the City's objectives and priorities and on how resources will be provided to meet those objectives. State law establishes the budget process and time limits. The calendar for the City of Napavine's 2011 budget is on a preceding page.

The financial aspects of the budget are monitored in regular monthly reports issued by the City Clerk-Treasurer, comparing actual expenditures and revenues with the budget. In these reports, financial data is presented at the same level of detail as the final budget.

The budget can be changed (amended) at any time after it is adopted by the City Council passing another ordinance in an open public meeting. Normally, the budget is reviewed during the year to identify any adjustments.

BUDGET POLICY

In the City of Napavine, policy begins with general direction provided by the City Council. The City budget process serves the function of creating a framework to implement the policies set forth by that body to administer the City organization and deliver the various services to the community.

Under the general guidance of the Mayor, department directors have primary responsibility for formulating budget proposals in line with Council priorities. Budget policy begins with an understanding

of the needs and issues important to the community that the government serves. General goals and priorities are identified in order to apply the available financial resources of the City for specific funding proposals. Previous budgets are considered in this process, thereby providing continuity with previous programming.

The Clerk's Office is responsible for coordinating all aspects of the budget process on behalf of the Mayor, analyzing department budget information, preparing budget revenue estimates, assembling the budget document and providing overview financial monitoring and reporting once the budget is adopted. The Clerk's Office assists in identifying budget problems, formulating solutions and alternatives, and implementing corrective action approved by the Mayor.

The City's budget and financial statements for governmental funds have been prepared on a single entry, cash basis of accounting which is a departure from generally accepted accounting principles (GAAP). The City uses a line-item budget approach and uses that level of detail as a backbone to the actual budget document. However, the budget is adopted at the fund level.

This budget seeks to achieve these four interrelated functions:

I. A POLICY TOOL

The City's budget process is conducted in a manner which allows the City's policy officials an opportunity to comprehensively review the direction of the City and to redirect its activities by means of the allocation of financial resources. On this basis, the budget sets policy for the following year. This budget also facilitates the evaluation of City programs by providing a means to measurably examine the financial activities of the City departments over time.

II. AN OPERATIONS GUIDE

This budget provides financial control by setting forth both legislative and administrative guidance to City employees regarding the character and scope of their activities. This direction is set forth in both summary and detail form in the various products of the budget process.

III. A FINANCIAL PLAN

The budget outlines the manner in which the financial resources of the City will be managed during the budget period. This allocation of resources is based on understanding both the current year's needs and a long-term view of the development of the City's programs. The budget takes into account unforeseen contingencies and provides for the need for periodic adjustments.

IV. A COMMUNICATION MEDIUM

This budget provides management information as a comprehensive tabulation of information regarding both the character and scope of City activity. No budget can be effective unless it communicates. Since this budget has a diverse audience, it seeks to communicate at several levels and for several purposes. It seeks to communicate clear policy at a usable level of detail to City employees, to communicate significant policy issues and options in a form that can be acted on by policy officials, and to communicate the plans of the City to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

BUDGET POLICIES

Financial Stability Policy

- The City will strive to maintain the governmental reserve fund balance of 8% to provide a fiscal cushion that meets seasonal cash flow shortfalls, and faces emergency conditions.

Revenue Policies

- Aggressive collection efforts.
- User charges for services will be proportional to costs.
- Fees and tax rates will be proportionate to the existing market.

Capital Budget Policy

- The City will designate funds from General, Street, Water, and Wastewater systematically to Parks, Street, Water System, and Wastewater System Capital Improvement for capital projects.
- The City designates the ¼ of one percent Excise Tax generated on sale of property in the city limits to the Project Planning Fund. This fund is a capital account designated to fund planning of capital projects.

Debt Policy

- The City will strive to improve its bond rating.
- The City will maintain adequate available debt capacity for specific priority projects.
- Inter-fund borrowing shall be used where such borrowing is effective.

Investment Policy

- The City will strive to maximize the return on its investment portfolio with the primary objective of preserving the principal of the investment.

Financial Reporting Policy

- The City will strive to improve reporting and enhance comprehension to the user and reader.
- The City will perform ongoing monitoring of financial trends and evaluation of financial conditions.

Operating Budget Policies

- The City will update its goal issues each year. Staff will use these goals for development of the coming year's budget.

BUDGET SUMMARY

While the budget planning and adoption process is discussed above, there are many issues that are important to discuss in order to understand the dynamics of this document. For financial and accounting purposes, municipal operations are divided into three broad categories: Governmental Fund Types, Proprietary Fund Types, and Fiduciary Fund Types. Budgets are established for all funds. There are 16 budgeted funds in the City of Napavine, and they are classified within five basic fund groups, as described below.

Governmental Fund Types include:

- General Government (General Expense Fund, Substance Abuse Fund and Park Construction Fund),
- Special Revenue Funds (Street Fund and Street Construction Fund),
- Capital Projects Funds (Parks Improvement, Street Improvement and Project Planning Fund),

Proprietary Funds include the following:

- Enterprise Funds (Water, Sewer, Refuse),
- Water System Capital Improvement and Wastewater System Capital Improvement Funds
- Internal Service Funds (Internal Service).

Fiduciary Funds include the following:

- Expendable Trust Funds (Unemployment Fund, Water Deposit Fund),
- Fiduciary Trust Funds (USDA Bond Reserve Fund).

General Governmental Funds provides basic city services such as city administration, legislative, legal, personnel services, risk management, financial services, judicial, public safety, street maintenance, community development, planning, engineering, building, zoning, parks and recreation, facilities, and associated support functions. The resources to support these activities are primarily taxes and user fees.

Special revenue funds account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulations. The special revenue funds include the street fund and the street construction fund.

Debt service funds accumulate resources and account for the payment of principal and interest for the city's general obligation long-term debt and special assessment debt. The city pledges its full faith and credit for payment of these obligations.

Resources for redemption of council-approved (limited) issues are usually from the general property tax levy. Resources for payment of special assessment debt are from assessments levied against benefited properties. The city has one special assessment at this time for the Rush Road Waterline recorded at the Lewis County Auditor's Office as the Latecomer/Reimbursement Agreement with Hamilton Walnut Shade LLC. Capital project funds account for the acquisition or development of major capital facilities, except those projects financed by the enterprise funds. Sources of revenue for these funds can include general monies, federal/state grants, general property tax, interest earnings, and transfers from other funds. The capital project funds are the Parks Capital Improvement Fund, Street Capital Improvement Fund and Project Planning Fund. Each category has its own revenue and expenditures. The Project Planning Fund accounts for expenditures for planning of capital projects. Generally, grants do not include the planning process. By setting aside funds, planning processes for capital projects can be done without budgeting from other funds. Revenues from this fund come from the ¼ of one percent excise tax generated from the sale of property in the city limits, and interest on the balance of the fund.

Enterprise funds are established for government activities that are financed and operate in a manner similar to private business. These funds primarily finance a city project to provide better services to the general public. There are three of these types of funds. They are the Water Fund, Wastewater Fund, and Refuse Fund.

Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. The city's internal service fund was created in 2000 and provides for long-term planning for vehicle replacement, computer technology and other capital expenditures.

Fiduciary funds include expendable and non-expendable trust funds which are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

The city has three such funds:

- Water Deposit
- USDA Bond Reserve
- Unemployment Fund

2011 REVENUE SOURCES

1. PROPERTY TAX

Property taxes are collected based on 100 percent of assessed valuation (A.V.) as determined by the Lewis County Assessor's Office set by state law.

In 2010, Napavine's levy rate was \$1.90 per \$1,000.00 of assessed valuation, which yielded a sum of \$242,605. For forecasted purposes, this figure should be reduced by 5% to get a more conservative outlook of actual revenues and allow for the fact that some taxes will not be paid, therefore go through the collection or lien process. 2010 rate is 1.901548341083, yield approximately at \$242,823. Based on Washington State law, Napavine can increase its revenue from property taxes by 1% above the previous year's determined and fixed sum.

The property tax revenues increase by 1% annually. The city has banked capacity from not raising property taxes in 2010, however there will be no increase for 2011 and will yield \$242,823. The levy amount will be determined by the county, taking into account new construction and increased property values. 2011 city limits area has an assessed valuation of \$126,472,152 and will yield approximately \$248,443 in property taxes taking into consideration the new construction and the state assessed utilities. The city is eligible for an administrative refund for 2011 in the amount of \$1,255.82.

The 2011 budget shows the property tax split between the General Fund and the Street Fund, 50% to each.

	Assessed Valuation	Prop. Tax	Rate per 1000
2008	91,370,810	211,422	2.31
2009	123,770,161	232,334.22	1.87
2010	127,697,574	242,823.11	1.90
2011		249,699	

2. RETAIL SALES & USE TAX

Napavine levies a basic sales tax of .7% and an additional rate of .51%.

Based on Municipal Research Center's data collection from the CPI (Consumer Price Index), the IPD (Implicit Price Deflector), and statewide consumer consumption these factors project an adjusted growth rate increase a little over 1%.

Sales Tax Revenues by Month:

	2009	2010
January	11,044	10,442
February	17,863	14,413
March	14,434	12,269
April	12,780	12,657
May	10,742	15,590
June	15,145	12,164
July	8,826	14,371
August	15,274	15,689
September	18,146	15,401
October	20,670	15,676
November	14,657	15,863
December	1,9505	12,435
Totals	179,086	167,110

We have taken a more conservative approach and forecast a decline based on the trend of sales tax revenue from 2010, and recognizing one-time sales tax revenue from housing construction has slowed tremendously. Also taking into consideration Rush Road Travel Center will be closed during the construction of the Loves Travel Center in early 2011.

Budgeted sales tax revenue for 2011 is \$168,000. The sales tax revenue has been steadily declining since 2008 when Uhlmann RV relocated to Chehalis. Since then other businesses have closed causing a significant drop in sales tax revenue. However, on the horizon we had the Ramblin Jack's Rib Eye, Sahara's Pizza, Frank's Barber Shop and Green Seed Nursery opened in 2010 and Love

INC. will be coming in 2011.

3. LOCAL CRIM. JUSTICE

Napavine, along with Lewis County and other cities in Lewis County have opted to levy a 1/10 of 1% tax on sales. The revenues from all entities participating are pooled and the county gets 15% starting January 2011. Legislation made two changes in the existing statute in 2010. The total rate of this tax may not exceed 0.3 percent. With the city levying the tax at 0.1 percent and if the county passes a 0.3 percent tax, then the total tax paid by the city will be 0.3 percent, with 0.1 percent going to the city and 0.2 percent going to the county. In 2011, we project to receive \$20,680.00.

Using the basis for forecasting revenues as outlined for sales tax; we have conservatively estimated the revenue for 2011 to be \$20,680.00.

4. UTILITY TAXES

By ordinance the City of Napavine levies a 5% utility tax on electrical, telephone, Cable TV and Cellular services.

Type	2008	2009	10/2010
Telephone	31,710	37,309	31,149
Cable	2,221	2,093	2,427
Electric	47,653	46,854	41,480

Using the revenues received from Lewis County PUD through August 2010, and projected additional revenue from services added and the rate increase of LC PUD, we project 2011 PUD utility tax at \$51,000.00.

The 5% utility tax imposed on water and sewer revenue goes to the street fund. The projection for 2011 is \$45,000.

5. FRANCHISE TAX

The City of Napavine has a franchise agreement with LeMay Garbage Service. They pay 3% of the dumpster revenue they collect from the service to customers in the city limits of Napavine. This amount along with the 3% the city retains from the refuse service the city bills to utility customers is projected to be \$4,250.00. The franchise/B&O tax is receipted into the general fund.

6. BUSINESS LICENSES

Napavine charges \$50.00 for a new business license. Each year business licenses are renewed at a fee of \$25.00. Based on an estimated 78 businesses in the city limits, and 13 new businesses, revenue of \$2,500.00 is anticipated.

7. GAMING TAXES

Napavine levies a 1% tax on Gross revenues less the cost of the boards for punchboards and pull tabs. Currently only two businesses located in Napavine city limits operate pull tabs. The estimated collection for 2011 is \$2,500.00. 2010 legislation must use this revenue for public safety purposes.

8. ANIMAL LICENSES

Napavine requires all dogs over the age of four months to be licensed. The rates for 2011 are as follows:

	Neutered	Unaltered
1 st Dog	\$25.00	10.00
Low Inc/Sen	5.00	5.00
Late Reg.	25.00	25.00
Kennel Fee over 4 dogs		100.00

The projected revenue for 2011 from dog licenses is \$1,200.00. Additional revenue is generated from impounds fees. The impound fee of a dog is \$35.00 for the first day and \$10 for each additional day. An estimated \$100.00 will be collected in 2011.

9. PUD PRIVILEGE TAX - RCW 14.28

The PUD is levied a 2% tax on gross revenues derived by the district from the sale of all electrical energy which is distributed to consumers who are served by a distribution system owned by the district, and a 5% tax on the first four mills per kilowatt hour of wholesale value of self-generated energy distributed to consumers by a district, and 5% percent of the first four mills per kilowatt hour of revenue obtained by the district from the sale of self-generated energy for resale.

After computing the tax imposed, the Department of Revenue shall instruct the State Treasurer, after placing 37.6% in the State General Fund (to be dedicated for the benefit of the public schools), to distribute the balance to each county in proportion to the gross revenues from sales made within each county.

The County Commissioners shall direct the County Treasurer to deposit the funds to each taxing district in the county, other than school districts, according to the manner they deem most equitable; except not less than an amount equal of $\frac{3}{4}$ of 1 percent of gross revenues obtained by a district from the sale of electric energy within any incorporated city or town shall be remitted to each city or town.

Based on $\frac{3}{4}$ of 1%, Napavine received \$7,306.47 for PUD Privilege Tax in 2010. A conservative figure for 2011 revenues has been budgeted at \$7,300.00.

10. CRIMINAL JUSTICE LOW POPULATION (LO-POP)

Seventy percent of the revenue distributed under RCW 82.14.330 is handed out on per capita basis. RCW 82.14.330 (1) (b) distributes 16% of the pot on a per capita basis, with each city receiving a minimum of \$1,000.00 no matter how small the population.

Municipal Research anticipates that the prorated share will be \$.24 per capita. However, since the RCW also provides that no city will receive less than \$1,000.00, Napavine will get that amount allotted.

11. CRIMINAL JUSTICE SPECIAL PROGRAMS

These funds are distributed by the State Treasurer's Office on a per capita basis of .81. The 2011 budget reflects \$1,389.00 for anticipated revenue based on the April 1, 2010, estimated population of Napavine by the Office of Financial Management. These funds must be spent on some combination of innovative law enforcement programs, domestic violence prevention programs and child abuse prevention programs.

12. LIQUOR EXCISE TAX

Municipal Research takes responsibility for these forecasts. In 2009, liquor excise tax receipts grew by 3.1 percent compared to 2008. The Liquor Board is forecasting a 3.2 percent increase for 2011. The projected revenue is on a per capita basis of 4.98.

The projected revenue for 2011 is \$8,540.00 for the City of Napavine.

13. LIQUOR BOARD PROFITS

Liquor board profits are the difference between the revenue from alcohol sales and the expenditures of the Liquor Control Board. The Liquor Control Board forecasts these profits through their Revenue Forecast Model.

The liquor profits forecasts for 2010 and 2011 include \$18.7 million that the 2009 legislature appropriated for cities and counties from a markup on liquor sales. The state General Fund receives 50% of the revenue, cities get 40% and counties receive 10% share.

The portion per capita estimated by Municipal Research is \$7.34 for 2011. This results in \$12,605.00 for the City of Napavine.

14. GAS TAX (Unrestricted)

City and county gasoline and diesel fuel tax receipts for 2009 were 1.8% less than forecast in Budget Suggestions for 2010 by Municipal Research. The primary reason is gasoline prices are 5% and diesel fuel prices are 7% higher than the forecast was made last year. However personal income has remained much the same and has led to decreased sales of fuel. Consumption of gasoline is 3.5% less than forecasted and diesel fuel consumption is down 5%.

In 2011, gasoline and diesel fuel prices are expected to increase by 6.7 and 8.7 percent. Countering the negative effect of these higher prices on the growth of fuel sales and fuel taxes; motor vehicle fuel taxes are expected to increase by 1.6%

It is estimated by Municipal Research that the revenue per capita is 21.44. The estimated revenue for Napavine in 2011 is \$36,769.00

15. CITY ASSISTANCE

ESSB 6050, ch 450, Laws of 2005, established the city-county assistance account in RCW 43.08.290, which received 1.6% of the state real estate excise tax. This account provides assistance from the lost funding of the motor vehicle excise tax (MVET) was repealed in 2000. The projected revenue from this source in 2011 is \$6,000.00.

16. BUILDING PERMIT FEES

In 2006 the city began issuing building permits. Because of the slowing economy and the decrease in the housing market the city conservatively estimates revenue of building permits, plan review and inspections services for 2011 at \$19,000.00.

17. ZONING FEES

Miscellaneous fees collected for permits, applications for variances, conditional use, subdivisions and other zoning issues. These collections have been nominal in the past and a conservative estimate is \$2,000.00 for 2011.

18. TRAFFIC FINES

The city of Napavine maintains its own Municipal Court. Tickets that are not contested are collected through the court's office. Tickets that are either mitigated or contested go before the Judge at Napavine Municipal Court. Of the fine amount, a portion is sent to the State as follows:

St. Gen Fund 40 (PSEA1)	RCW 3.62.090(1)
St. Gen Fund 50 (PSEA2)	RCW 3.62.090(1)
Trauma Care	RCW 46.63.110
Auto Theft Prevention	RCW 46.63.110(7b)
Brain Injury Trauma	RCW 46.63.110
Crime Victims	
School Zone Safety	RCW 46.61.440
State Patrol Highway	RCW 46.61.5054
Death Investigation	RCW 46.61.5054

Judicial Info System	Ch 572, Laws of 2009
St. Gen Fund 54 (PSEA3)	RCW 3.62.090(1)

Projected revenue for the City of Napavine in 2011 is \$34,900.

19. INTEREST ON CD

Napavine maintains investments in Sterling Savings Bank, and the State Investment Pool. Presently, the amount held in the Investment pool is approximately \$762,902.81 (9/30/10). The remainder of the surplus cash is in Sterling Savings Bank. The total amount invested as of 9/30/10 is \$150,410.32. Napavine has one CD remaining in the amount of \$5,000.00 at Wells Fargo Bank. The money invested is surplus cash from each fund (that portion they are not currently using). The interest earned on these investments is distributed to the various funds according to the percentage of their balance.

If we receive an interest payment of \$735.82 the distribution would be made as follows if the fund balances were as shown:

FUND	%	INTEREST
GENERAL	8.69%	63.94
SUBSTANCE	0.41%	3.04
STREET	1.39%	10.26
CAPITAL IMPROVEMENT		
PARKS	3.02%	22.23
STREETS	8.90%	65.47
WATER	17.02%	125.20
WASTEWATER	28.11%	206.84
PROJECT PLANNING	3.57%	26.29
WATER	17.63%	129.75
WASTEWATER	5.14%	37.85
USDA BOND RESERVE	1.98%	14.58
INTERNAL SERVICE	4.13%	30.37

20. SALES INTEREST

During the time the state holds the sales tax collected by the city of Napavine, it draws interest. This is a nominal amount. We have budgeted \$250 for 2011.

21. LEASE AGREEMENT REVENUE

Napavine leased the old city hall to Julie’s Little Tykes for \$800 month. This will generate \$9,600.00 a year in lease agreement revenue. The leasee also pays the Leasehold Excise Tax on the rent paid.

22. RENTAL & EASEMENT

Napavine owns the railroad spur off Burlington Northern. It was leased to Cowlitz Stud for \$300.00 a year. Currently Hamilton Lumber uses the railroad spur, which the city is currently working with the city attorney to collect past due lease revenue.

Napavine allows different organizations to use city hall on a first come basis for \$10 per use. The forecasted revenue for 2011 is \$250.00

23. INTERNAL FACILITIES RENT

The city charges each department rent on the portion of the city hall that they occupy. Taking the square footage of each department divided by the total square footage of the building determines each department's percentage share of the cost of the annual loan payments of city hall. The anticipated revenue for 2011 is \$70,146.60.

24. RECORDS REQUESTS

The city receives records requests for various records within the city government. The anticipated revenue from records requests for 2011 is \$125.00

25. SALE/SCRAP AND JUNK

Surplus items are advertised for sale to the highest bidder and the revenue is deposited in this line item. This category is hard to forecast because surplus items are not disposed of on an annual basis, therefore no revenue is forecasted for 2011.

26. COPY & FAX FEES

Napavine provides a service to the citizens to make photo copies and send faxes. These proceeds are deposited in this line item. Napavine anticipates revenues for 2011 to be \$50.00.

27. MISCELLANEOUS

Revenue received that doesn't fit any other category is deposited in this miscellaneous line item; such as refunds, rebates etc. The 2011 estimate is \$1,200.00

28. LOCAL EXCISE TAX

Local Excise Tax is collected on the sale of real property in the city of Napavine at the rate of ¼ on one percent. This revenue has to be placed in the Capital Improvement Fund for Capital Projects, as prioritized by the city council. Napavine also collects another ¼ of one percent, to be placed in Project Planning. With the downturn of the housing market, the city has conservatively projected the anticipated revenue for 2011 at \$12,000 the income is projected at \$6,000 for Capital Improvement split 50% between Parks Capital Improvement and Street Capital Improvement and another \$6,000 for Project Planning.

29. LOCAL EXCISE TAX INTEREST

An amount of interest is collected on Local Excise Tax and remitted to the city of Napavine. There is no budgeted amount for 2011.

30. SOLID WASTE SERVICES

The City of Napavine contracts with City Sanitary (commonly referred to as LeMay) to supply garbage service to city residents. Napavine does the billing, retaining \$.70 per customer for administrative costs. Note: See Administrative Costs #34.

The City retains 3% of the revenue and the rest is remitted to City Sanitary. The 3% is deposited into the General Fund under Franchise Fee.

31. REFUSE TAX

This is "flow through" revenue. Refuse tax is collected from the customer at the rate of .036 of the amount of garbage, and .036 is remitted to the state of Washington.

32. WATER SERVICE

Revenue from this source is from water service charges. A rate increase is budgeted for 2011 for .25 per 100 cubic feet consumption of water. The basic service fee is \$20.00 with a zero base. It is the base fee

plus \$4.00 per hundred cubic feet. Increases in water service fee projections mainly fund the repayment of the loan taken for the water improvement project which included replacement of lines, a new water storage facility, and looping of the system. *See Water Improvement Fund Revenues. Also, in 2002 a loan was taken from the Department of Ecology to fund a stormwater plan as mandated by the State of Washington. Future mandates will call for installation of a stormwater system. Those costs will be borne by the users.

33. METER SALES

The water connection charge for 2011 is \$4,500 which includes a \$1,000 water connection-improvement for infrastructure. Connections to the water system are estimated for 2011 to be \$35,000. This represents 10 meter sales. This figure could be nothing or considerably more than \$35,000, depending on the number of new hookups. The revenue from water meter sales is split 50/50 between the water fund and the water capital improvement fund. The anticipated revenue into the water capital improvement fund-Improvement (Infrastructure) is \$10,000.

34. ADMINISTRATION COSTS

The \$.70 per customer, per month, from garbage service represents the revenue collected for administration costs. This is receipted to the refuse fund.

35. LATE CHARGES

Late charges are collected on past due water bills. \$35.00 is collected on accounts that are not paid by the due date, plus a 10% of the balance if they go past the shut off date. This revenue is receipted to the water fund. Anticipated revenue for 2011 is \$20,000.00.

36. WATER DEPOSITS

Water deposits are collected from rental utility customers of \$100. This amount is held in a trust account called Water Deposit Fund, to be returned when the service is disconnected, or in the event of non-payment, applied to the balance.

37. WATER IMPROVEMENT FUND

The Water Improvement Fund receives and disburses the funds for water improvement projects. A project was completed in 2000 replacing lines, construction of new storage facility and booster pump station. Note: As a part of Water Improvement Project funding requirements, a Water Improvement Reserve fund was established. This fund has been renamed to USDA Bond Reserve Fund. In 2009 the total amount receipted into this fund equals one year's payment.

38. WASTEWATER SERVICE

The city of Napavine has a collection system and contracts with the city of Chehalis for treatment. Sewer rates will remain at the 2010 rates. Mandates that were passed down by state agencies regarding the treatment of sewer caused the significant rate increases in wastewater. Estimated revenue from sewer service for 2011 is \$589,923.

39. SEWER CONNECTIONS

Sewer connection fees are \$6,500.00 for 2011. The fees collected from sewer connections are receipted 50/50 into the Wastewater Capital Improvement Fund and the Wastewater Service Fund. The estimated revenue for 10 connections for 2011 is \$55,000.00 this figure could be nothing or considerably more than \$55,000, depending on the number of new connections. The connection fee includes a \$1,000.00 fee for Wastewater connection-Improvement for the infrastructure which is receipted into the wastewater capital improvement fund. The 2011 anticipated revenue is \$10,000.00.

40. DONATIONS

The city receives donations from citizens for the use of the Mayme Shaddock Park, which is used to maintain the city park. The anticipated revenue from the donations for 2011 is \$100.00.

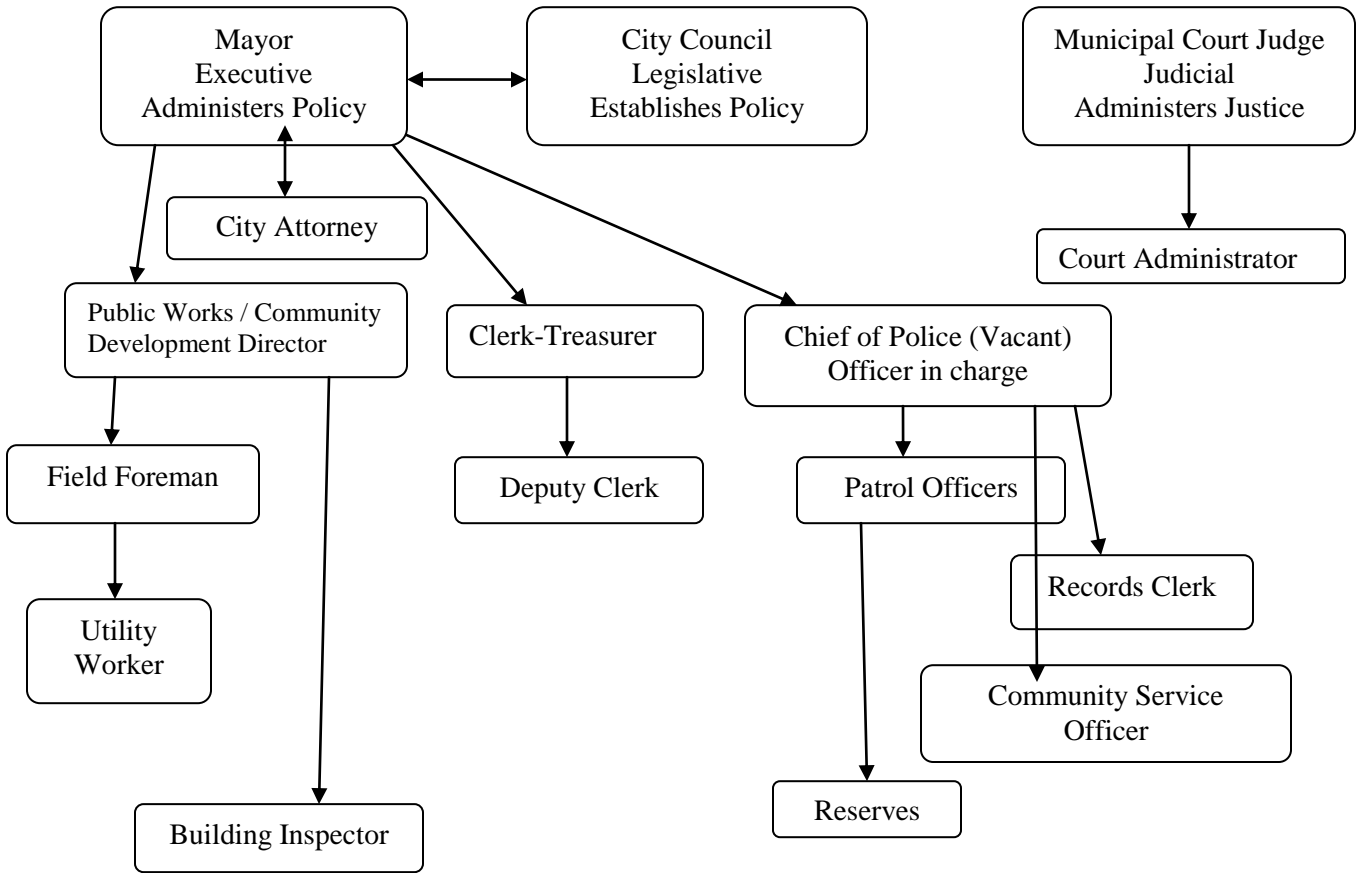
41. CRIMINAL COSTS

The Substance Abuse Fund was established in 1999. Part of the revenue from this fund comes from fines levied against drug offenders in court. The revenue for 2011 is estimated to be \$400.00.

42. SALE OF CONFISCATED PROPERTY

Property that is seized in drug related cases can legally be claimed by the city of Napavine. This money is to be used to fund drug related needs.

CITY OF NAPAIVINE'S FLOW CHART



ADMINISTRATION

The Council is the legislative branch of the city government within the City of Napavine. Policy making is one of the most important aspects of the City Council. The city of Napavine is a Code City, governed by Chapter 35A of the RCW's (Revised Code of Washington.) The general power and duties of this body are provided in RCW Chapter 35A.

The Napavine City Council members also serve on various committees. They are appointed to specific departments and attend meetings of interest to that department. They make reports to the rest of the council at the regular monthly meetings.

The 2011 legislative budget includes:

- Travel
- Conference/Training
- Office Supplies
- Financing for legislative functions such as awards, reception
- Annual Assessment for AWC Dues

The Mayor of a code city is the Chief Executive Officer, and, as such, is responsible for carrying out the policies of the Council. The Mayor, as Chief Executive Officer is the head of the staff. In this capacity, the Mayor provides overall administration of the affairs of the city. This includes enacting the policies and officially representing the city to the public and other governmental entities.

ONGOING FUNCTIONS

- General administrative duties of city government;
- Compile all city council and committee agendas;
- Provide direction in development of the annual budget and capital facilities plan;
- Make recommendations to the council concerning the affairs of the city as appropriate;
- Keep the Council advised of the future needs of the city;
- Coordinate departmental strategies for carrying out Council priorities;
- Prepare recommendations, policies, procedures and programs requested by the Council;
- Maintain accountability, integrity and communication with the citizens of Napavine;
- Promote professional growth for all city employees;
- Evaluate departmental performances;
- Ensure compliance with all laws, ordinances and policies;
- Appoint and replace members of the City's advisory boards;
- Promote and recognize citizen and business contributions;
- Promote healthy partnerships between business and government;
- Coordinate council functions as necessary;
- Inform the citizens of Napavine, in a timely manner, of any issues of public concern and interest;
- Promote citizen involvement in city processes and programs through education and effective information dissemination;
- Promote and recognize citizen and business contributions;
- Promote healthy partnerships between business and government;
- Coordinate council functions as necessary;
- Inform the citizens of Napavine, in a timely manner, of any issues of public concern and interest;
- Promote citizen involvement in city processes and programs through education and effective information dissemination;

LEGAL DEPARTMENT

Legal services are provided on a retainer basis, with representation for both civil and criminal issues that include prosecution of all misdemeanor, criminal, and traffic violations of the Napavine Municipal Code. This legal retainer also provides legal advice and opinions to the Mayor, Council, and staff as needed. Driven by the needs of the city, excess work load is performed on a per need basis at additional cost.

ONGOING FUNCTIONS

- Municipal prosecution and law enforcement support;
- Provide general civil legal services;
- Responsible for prosecutor services;
- Prepare and/or review all ordinances, contracts and other legal documents to which the City of Napavine is a party, for legal sufficiency;
- Maintain up-to-date legal research materials, including pending and adopted State legislation which impacts cities;
- Continued assistance in resolving legal issues regarding GMA compliance and related impact fee issues;
- Provide necessary legal support, including legal defense, as issues and problems arise during the year;
- Provide legal support for development regulations;

CLERK'S OFFICE

The Clerk's Office provides for five different divisions:

1. Financial Services
2. Records Management
3. Personnel Records/Management
4. Administrative Services/Risk Management
5. Internal Services

FINANCIAL RECORDS

The function of the Clerk's Office in relation to financial records includes:

- Investment Management
- Debt Management
- Budget preparation and administration
- Annual Financial report preparation;
- Business License issuance and monitoring
- Dog License issuance
- Excise Tax reporting
- Grant management
- Utility billing (water, sewer, and garbage)
- Accounts receivable
- Monthly financial reporting
- Payroll
- Accounts Payable

RECORDS MANAGEMENT / SECRETARIAL SUPPORT

The Clerk's Office records management includes responsibility for:

- Supervision and monitoring of the minutes of:
- The city council;
- Prepares and distributes packets for city council meetings;
- Maintenance of the official public records, ordinances, resolutions, legal notices and municipal code;
- Archival and destruction responsibilities of the official public records;
- Secretarial Support for the Mayor's Office and Council correspondence.

PERSONNEL RECORDS MANAGEMENT

The Clerk's Office is responsible for maintaining all personnel, training, and medical records.

The Personnel division of the Clerk's Office activities include recruitment and selection of employees, labor relations and negotiations for the bargaining unit, administration of the City's employee benefit program, classification and pay administration, training and medical records for all employees, employee relations, personnel policy development and administration, equal employment opportunity administration, and coordination of the City's compliance with the American's with Disabilities Act (ADA).

Mission Statement:

The Clerk's Office will provide the citizens of Napavine with a variety of services in the most efficient and effective manner possible. Clerk staff is dedicated to provide quality customer service with honesty, integrity and flexibility. We value a positive attitude, trust, initiative and compassion with a high standard of professionalism and open communication.

Responsibilities:

The Clerk-Treasurer is charged with and ensures the safe-keeping of all official city records, provides public information and services, and coordinates all functions of the city with the Mayor, city council, other city departments and staff.

The Clerk-Treasurer provides the city with a full range of financial and accounting services and is responsible for the fiscal activities of the city. The Clerk-Treasurer serves a key role in the budgeting process including budget coordination with all departments, preparation and administration, revenue forecasting and financial planning, debt management and preparation of annual financial reports.

ADMINISTRATIVE SERVICES/RISK MANAGEMENT

This division of the Clerk's Office provides:

- Central reception and telephone services;
- Processing of the city's incoming and outgoing mail;
- Overall management of the department;
- Developing work programs;
- Maintaining ongoing relationships with the other city departments.
- The insurance program provides monitoring and reporting responsibilities of the comprehensive and economical liability insurance that covers:
 - Personal injury;
 - Property damage;
 - Comprehensive general liability;
 - Auto liability;
 - Stop gap coverage;
 - Error/Omissions liability coverage.

Also provided in this program is the:

- Boiler and Machinery;
- Fidelity Insurance

Since January 1, 2004, the city contracts with Canfield and Associates for their insurance needs. This program is through Cities Insurance and provides insurance coverage as well as offering different risk management programs at no cost. The rate of 2011 is \$32,667.00.

On January 15, 2010, the Office of Financial Management (OFM) issued a cease and desist order against the Cities Insurance Association of Washington (CIAW). This order was issued based upon a projected funding shortfall for potential unpaid claims liabilities for the fiscal years 2003-2007. On February 25, 2010, the CIAW submitted a plan to OFM to address the concerns raised in the cease and desist order. Included in the plan was a reassessment of \$986,214 to be charged back to all participating cities during the years in question. Each city will have 5 years to repay their proportionate share of the reassessment. The city of Napavine's share of this assessment is an additional \$1,296.45 annually for 5 years.

The line of coverage consists of:

- Property Blanket Limit Addressing Buildings and Contents
- Scheduled Equipment
- Business Auto
- Boiler and Machinery
- General Liability
- Employee Benefits Liability
- Public Officials Liability
- Law Enforcement Liability
- Public Employee Blanket Bond
- Forgery and Alteration
- Theft, Disappearance and Destruction
- Robbery and Safe Burglary

INTERNAL SERVICES

The Internal Service Fund is a fund established in 1999 to provide for the accumulation of funds to purchase major items such as vehicles, computer technology, and other equipment. Transfers from General, Water, Street and Wastewater will allow long term planning for major items. This fund will also accumulate interest. The budget for 2011 is \$63,500.00.

Each department is expected to set priorities for accumulating and spending these funds. Anything that is necessary to spend outside the priorities set and approved by the council are to be visited by the council for approval before purchasing.

Priorities set and approved for the year 2011 are:

PRIORITY LIST-TECHNOLOGY					
EXPENDITURES	2010	2011	2012	2013	2014
Telephone Equipment			-		
Security Equipment					
PA System	-	2,000.00			
Time Clock					
Telemetry Upgrade/Sewer					
Total Expenditures	-	2,000.00	-		

PRIORITY LIST-POLICE					
EXPENDITURES	2010	2011	2012	2013	2014
Vehicles/Equipment	5,956.88	12,000.00			
Radio			5,000.00		
Computer	1,886.34				
Laptop/MDC		6,000.00			
Tasers					
Shelves					
Rifle Plates/Body Armor				1,200.00	
Total Expenditures	7,843.22	18,000.00	5,000.00		

PRIORITY LIST-PUBLIC WORKS					
EXPENDITURES	2010	2011	2012	2013	2014
Back Hoe				45,000.00	
Truck	27,543.05		10,000.00		
Vac Truck		35,000.00			
Portable Generator				12,000.00	
Dump Truck					
Asphalt Cutter					
Mower for Trac Hoe			8,000.00		
Total Expenditures	27,543.05	35,000.00	18,000.00	57,000.00	

PRIORITY LIST-CLERKS					
EXPENDITURES	2010	2011	2012	2013	2014
Digital Recorder					
Computer			1,200.00		1,200.00
Budget Software		3,200.00	3,200.00	3,200.00	3,200.00
Shredder					
Dot Matrix Printer					
Software					
Table/chairs					
Records Storage					
Cash Register	345.26				
Total Expenditures	345.26	3,200.00	4,400.00	3,200.00	4,400.00

PRIORITY LIST-MUNICIPAL COURT					
EXPENDITURES	2010	2011	2012	2013	2014
Court Window	792.13				
Computer					
Digital Recording/PA System		2,750.00			
Laser Printer	323.09				
Debit/Credit Card Machine	95.00				
Safe	336.01				
Total Expenditures	1,546.23	2,750.00			

PRIORITY LIST-FACILITIES					
EXPENDITURES	2010	2011	2012	2013	2014
Gutters		450.00			
Carpet				2,500.00	
Paint			1,000.00		
Back Steps					
Facilities	414.18				
Concrete Pads		600.00			
Total Expenditures	414.18	1,050.00	1,000.00	2,500.00	

PRIORITY LIST-COMMUNITY DEVELOPMENT					
EXPENDITURES	2010	2011	2012	2013	2014
Map Racks			500.00		
Platter					
Comp Plan					
File Cabinet					
Records Storage					
Computer			-	1,200.00	
Total Expenditures			500.00	1,200.00	

PRIORITY LIST-PARKS					
Expenditures	2010	2011	2012	2013	2014
Dugout Covers		1,500.00			
			-		
Total	-	1,500.00	-	-	-

ONGOING FUNCTIONS

- Compile and produced the annual financial report;
- Complete the annual city budget;
- Provide regular and accurate financial information to the Council, Administration, Department , Directors, and Citizens;
- Continue to provide accurate and timely monthly financial reports;
- Maximize the City’s investment income;
- Monitor the annual budget, monthly;
- Continue to provide central telephone and reception;
- Continue to process claims timely;
- Continue to provide accurate timely utility billings, excise tax reporting and business licensing;
- Continue to provide mail processing and purchasing;
- Continue to provide Personnel Management;
- Continue to maintain Risk Management requirements;
- Maintain and enhance productive relationship between the city and its employee labor union;
- Continue to meet or exceed all needs of the City in the assigned areas of department responsibility;

Staffing Authorization in FTE				
Position	2008	2009	2010	2011
Clerk-Treasurer	1	0.8	0.8	0.8
Deputy Clerk	1	0.8	0.8	0.8
Total Staffing	2	1.6	1.6	1.6

Prior to the reorganization of departments within the city in 2006 and 2007, the Clerk’s Office consisted of 2.55 FTE’s with the clerk treasurer as one full-time employee, deputy clerk at 0.8 FTE and clerk assistance at 0.75. In 2006 the Clerk’s Office consisted of four employees or 2.50 FTE’s with the clerk-treasurer working 20 hours per week (.50 fte), deputy clerk at 32 hours per week (.80 fte), clerk assistant at 40 hours per week (1 fte) and clerk assistant at 8 hours per week (.20 fte).

MUNICIPAL COURT

Napavine municipal court was established in 1954, and was transferred to Lewis County District Court in April of 1980.

Mission Statement

The Napavine Municipal Court is dedicated to promote justice and fairness for all persons appearing in court, and to handle each case with efficiency and professional excellence, acting with integrity, respecting and protecting individual rights, with a goal of earning the trust and confidence of the public.

In 2000, Mayor Gary McGuire, along with the help of then Police Chief Larry Rives, organized the effort to provide court services for the city of Napavine. Lewis County District Court projected budget increases for court service to all the small cities and the jail costs were continuing to escalate which adversely affected the budget. The court's first day of operation was February 4, 2001, with 17 cases calendared.

The court currently hears 15-30 cases per court session. Napavine Municipal Court is held the first and third

Thursday of every month. Additionally, the court processes defendants that are in custody, at the jail on a daily basis. The judge is on call seven (7) days per week, 24 hours per day for all in custody matters.

Steven R. Buzzard was appointed as Napavine Municipal Court's first judge. Judge Buzzard was reappointed beginning January 1, 2006 and remained in office until his resignation in May 2009. Joseph M. Mano Jr. was appointed as Napavine Municipal Court Judge in August 2009 and was reappointed to a four-year term beginning January 1, 2010.

In 2007, Napavine Municipal Court and other city departments had undergone a reorganization process which established a new department and changed several staff responsibilities. The reorganization evaluated the level of service needed within each department. It was determined that both the community development department/public works department and the court staff would receive an increase in full-time employment (fte's). As a result, the court was authorized a full time court administrator and part time court clerk/jury coordinator. The part time court clerk/jury coordinator position filled a thirty-two (32) hour work week. Since that time the staffing level within the city was reduced significantly due to the economic down turn of the city. The court reduced the court administrator to a 32-hour work week which is equivalent to .80 fte's. The court clerk/jury coordinator position was reduced to 10 hour work week equivalent to .25 (fte) until the position was vacated at the end of July 2009.

Staffing by FTE				
Position	2008	2009	2010	2011
Judge	0.1	0.1	0.1	0.1
Court Administrator	1	0.8	0	0.8
Court Clerk/Jury Coordinator	0.8	0.25	.80	0
Total Staffing	1.9	1.15	0.9	0.9

ONGOING FUNCTIONS

- Prepare Court Calendar;
 - Case filing and records management;
 - Collections of fines;
 - Budget Management;
 - Recoup cost incurred for attorney fees, court costs & jail costs;
 - Monitor compliance requirements with sentencing;
 - Participate in ongoing required training;
 - File required reports with Administrator of the Court, Department of Licensing
- Monitor Community Service;
 - Provide full accounting services;
 - Jury Coordinating;

COMMUNITY DEVELOPMENT

The Community Development Department has responsibility for providing a wide variety of services to citizens. The Department has four major categories of duties:

- 1) Administrative/Long Range Planning;
- 2) Facilities;
- 3) Parks;
- 4) Review Building Permit Applications & Issue Building Permits.

The budget for Community Development is part of the General Fund as a department of the governmental services. The revenue associated with the Community Development consists of the Building Permits, Zoning Fees and other fees as a result of doing business.

ADMINISTRATIONS/LONG RANGE PLANNING

Administration of the Community Development Department provides the overall personnel supervision, program management, policy implementation and various duties delegated to this department by the Community Development Director.

The Long Range Planning category provides the required implementation of all comprehensive planning efforts, Zoning Code text and map amendments, tracking/monitoring of the Growth Management legislation, and special policy projects as assigned by the Community Development Director.

ONGOING FUNCTIONS

- Provide staff support to various Comprehensive Plan provisions;
- Provide staff support to the City Council and Planning Commission;
- Continue to seek grant funding for major projects;
- Continue to timely process annexation requests
- Building permit review and Inspections
- Planning Commission

Staffing by FTE			
Position	2009	2010	2011
Community Development Director	.2	.2	.2
Building Inspector	.4	.4	.2
Clerical Support	0	0	.05
Total Staffing	.6	.6	.45

POLICE DEPARTMENT

The Police Department is responsible for maintaining law and order and providing police services to the community under the direction of the Chief Law Enforcement Officer. Currently the city has not filled the position of Chief Law Enforcement Officer due to the economic downturn of the nation and city. Currently the city has appointed Officer Silas Elwood as the Officer in Charge. The agency provides for the preservation of life, protection of property and reduction of crime. The department consists of two (2) full-time officers, a part-time records clerk/evidence custodian working 19 hours per week and a part-time community service officer at 10 hours per week. The Police Department is located at the Napavine City Hall.

DECLARATION OF MISSION

We, the Napavine Police Department do hereby recognize that we are empowered by our community to carry out certain duties and functions of government.

Paramount amongst these, is protection of life and property; the preservation of peace, order and safety; enforcement of laws and ordinances; execution of orders of the courts and the safeguarding of civil rights, which provide liberty and freedom for all people.

The philosophy of community oriented policing is the foundation for our actions. We stride to provide an improved quality of life in our community, investigating problems and incidents, seeking solutions and providing those services necessary to foster a sense of cooperation and security in our neighborhoods.

We recognize a shared responsibility with the citizens, agencies of government and other service providers for the quality of life and co-production of order within the City of Napavine.

We establish public trust by holding ourselves to the highest standards of professional performance and ethics. We are dedicated to development of each individual in our organization through effective training, education and progressive leadership.

The city contracts with the Lewis County Jail for incarceration of defendants, Lewis County Dispatch for all Public Safety dispatch needs and contracts with Lewis County Animal Shelter for services. The part-time Community Service Officer is responsible for dog control, as well as code enforcement in other areas. The licensing of dogs is handled through the clerk's office. The city has a temporary animal facility located adjacent to the old city jail on Birch Street.

The Patrol Officers deter and detect crime, apprehend violators and render other services designated to provide public protection and assistance. This is accomplished by preventive patrol, response to calls for service and preliminary investigation and follow-up of reports and crimes. Patrol Officers promote traffic safety and reduce traffic incidents. This is accomplished by enforcement of traffic laws, investigation of traffic accidents and public education.

The Patrol Officers conduct follow-up activities for serious cases and investigate major crime scenes. They also enforce narcotic violations; provide crime analysis through the Chief's office and present information to the prosecutor's office for filing of criminal proceedings.

Staffing by FTE				
Position	2008	2009	2010	2011
Chief of Police	1*	Vacant	Vacant	Vacant
Patrol Officers	3	2*	2	2
Records Clerk/Evidence	1	.8	.48	.48
Community Service Officer	.25	.38	.30	.25
Total Staffing	5.25	3.18	2.78	2.73

*Note: Chief of Police position remains vacant as well as Patrol Officer 3 due to budget restraints.

PUBLIC WORKS

The City of Napavine provides water service to more than 599 customers within the city limits, and a limited number out of city limits.

The Public Works Department is responsible for providing a wide variety of services to the citizens of Napavine.

This department crosses funding sources from the Street Fund to all of the city's utility funds. The Public Works Department is divided into three major divisions; Street, Water, and Wastewater.

Public Works is responsible for overall management of the Public Works Capital Facilities Plan Projects; in conjunction with the Planning Department. Public Works is responsible for the maintenance, operation and repair of the city's streets, water system, and wastewater collection system.

Engineering contracts are advertised on a yearly basis. For 2011 the engineering firms are Gibbs and Olson, Gray and Osborne, and RB Engineering. Engineering firms are responsible for providing total project management for the funding, design and implementation of the public works projects and programs identified in the Capital Facilities Plan in conjunction with the Planning Department

Existing—the system facilities include 4 groundwater wells, 2 above ground water storage tanks (one tank and one tower), booster pump station, and water line network.

SOURCE OF WATER SUPPLY

All of the city's water is supplied by wells from an aquifer. Wells are located at Rowell Street, Front Street (2), and Birch Street. The city has a test well located on Rush Road and working on obtaining funding to bring this well on line. Water sampling of the wells and water system is performed on a monthly basis.

COMMERCIAL (NON-RESIDENTIAL DEMANDS)

All non-residential users fall under the commercial customer classification according to Napavine's billing system.

The major commercial users serviced by Napavine Water System are Long John's Laundromat, Wild Turkey Cafe, Plaza Jalisco Restaurant, Ramblin Jack's Rib-Eye Restaurant and the school district. Commercial and Schools account for approximately 10 percent of all users within Napavine's water system.

Unlike residential demand, water demand from these customers is more uniform throughout the year, with the exception of the school district, failing to exhibit significant demand peaks during the summer.

The entire city is metered with an electronic radio read meter system that is captured electronically on a hand held computer system and downloaded to the billing program.

WATER RATES AND CHARGES

All meter sizes are charged a monthly base rate, plus an additional fee for water consumption. A new rate schedule was adopted in 2003, designed to encourage water conservation. The current overage is charged at \$4.00 per 100 cu. ft. The basic service rate is \$20.00 per month. Connection fees to the system for new development are imposed according to a set chart in the municipal

code.

The City's governing regulation is Chapter 13.04 of the Napavine Municipal Code. The city is also bound to regulations from the Washington Administrative Code (WAC), Revised Code of Washington (RCW), Department of Health (DOH), Department of Ecology (DOE), Environmental Protection Agency (EPA), and assistance from the Lewis County Health Department.

In 1999, the State mandated a Consumer Confidence Report that is required to be done on an annual basis.

WASTEWATER SYSTEM

Napavine's wastewater system consists of a collection system and an interceptor line that transports sewage to the city of Chehalis for treatment. The service area of the existing collection system is the city limits, excluding the northeast corner of the city, and several out of city hookups.

To serve these users, the system consists of approximately 26,725 feet of gravity sewer lines and 8,500 feet of pressure lines. Gravity lines vary in size from 8 to 10 inches in diameter. Pressure lines vary in size from 4 to 6 inches in diameter. The system also contains 6 pumping stations. They are located at Rush Road, Hamilton Road, Jefferson, Washington, Grand and 2nd Place NW, and Napa Estates. Currently the Napa Estates station is being upgraded to avoid pump failure. There is also a privately owned pumping station at Rib Eye on the east side and Shell on the west side of Rush Road.

WASTEWATER RATES AND CHARGES

A charge for sanitary wastewater collection is levied against all residential users at a monthly rate. A new rate schedule was adopted in 2003 which provided for a zero base. This schedule was implemented to encourage water conservation, and will effectively benefit lower water users. The 2011 usage rate is \$4.90 per 100 cu. ft of water consumption. The monthly basic service rate is \$47.00 per month. The city council passed Ordinance 479 freezing the 2010 wastewater rates for one year and will re-evaluate the rates during the 2012 budget process.

Out of town connections are made only with the signing of a developer's agreement with the city to petition in favor of annexation to the city at the city's request. Rate increases have been determined by estimating flow. The city transferred substantial amounts to the Capital Improvement fund in 2006 in anticipation of the costs of the mandates connected to TMDL (Total Maximum Daily Load). The city continues to implement methods to reduce the amount of water that gets into the sewer to reduce flow charges to Napavine from the city of Chehalis.

TOTAL MAXIMUM DAILY LOAD (TMDL)

In 1976, the city of Napavine, at the behest of the Washington State Department of Ecology (DOE), the Department of Health (DOH), the U.S. Department of Housing and Urban Development (HUD), entered into a Sewer Services Agreement with the city of Chehalis and Lewis County Sewer District No. 1 to establish a Regional Wastewater Treatment Plan (RWTP). As a part of that agreement, the city of Napavine agreed to pay for any upgrades to the RWTP required by federal, state, or local regulations in proportion to the capacity of each entity as allocated. In 1996, the DOE, in conjunction with the Environmental Protection Act (EPA) filed an order directing the city of Chehalis to cease discharging treated wastewater into the Chehalis River during the months of April, May, June, July, August and September. The DOE had conducted studies on the portion of the Chehalis River known as the Centralia Reach and determined that the discharge during the summer months exceeded the Total Maximum Daily Load (TMDL) mandates. After many months of legal maneuvering, DOE and the City of Chehalis reached an agreement and negotiated a Consent Decree. As part of the Consent Decree, the City of Chehalis made improvements to the RWTP to come into compliance with TMDL mandates and Clean Water Act legislation. The City of Chehalis also eliminated discharge into the Chehalis River during certain times based on river flow data

The cost of the RWTP upgrade and the pipeline was done at a cost of \$32 million dollars. The City of Napavine owns 12% of Regional Wastewater Treatment Plant located in Chehalis at a cost of 3.84 million dollars. The annual payment of this ownership is \$208,034 over a 20 year term, which began in 2008. The City of Napavine has examined every feasible solution to our sewage treatment problem and has determined the best strategy is to continue working with Chehalis through the Sewer Operating Board. The city will also continue to address and solve any Infiltration & Inflow issues in the sewer system as we are charged on a flow basis.

STREET

There are approximately five miles of city streets in the city of Napavine. They consist mainly of asphalt. City crew's maintenance consists mostly of patching. Right of Ways' are maintained by the city crew. The annexed property at Exit 72 added less than one additional mile to city streets. The portion of Rush Road from the bridge to the intersection, the portion from Bethel Church (Kirkland Rd) around in front of Rib Eye will also be maintained by the City of Napavine. Bond Road will also be part of Napavine's responsibility.

Major street projects are funded with grants through program by TIB. There are also funds available for low interest loans through other programs, such as CTED, Public Works Trust Fund and Development Loan Fund. The city actively pursues grants for funding of improvements to city streets. The city participates in a Six-Year Street Improvement Program mandated by the state. Through these priorities, funds are applied for to fund, or partially fund, improvement projects.

City sidewalks are a goal for the city. In the past few years, sidewalks have been installed in different areas that have been developed or improved. In the future, the goal is to link pedestrian areas with sidewalks. Grant and loan funds are available for this purpose. Some needed improvements to waterlines in different areas hinder building of sidewalks. Note that part of the Public Works budget also includes the Clerk's Office for the administration of these departments.

ONGOING FUNCTIONS

- Maintain wells, pumps and distribution lines
- Install new water lines
- Read water meters with hand held system
- Plan projects in conjunction with community development department
- Oversee projects
- Purchasing
- Maintain Inventory
- Maintain sewer lift stations
- Maintain sewer distribution system
- Inspect grease traps and oversee maintenance
- Maintain all streets and sidewalks
- Maintain play equipment
- Maintain park rest rooms
- Maintain city facilities

FACILITIES

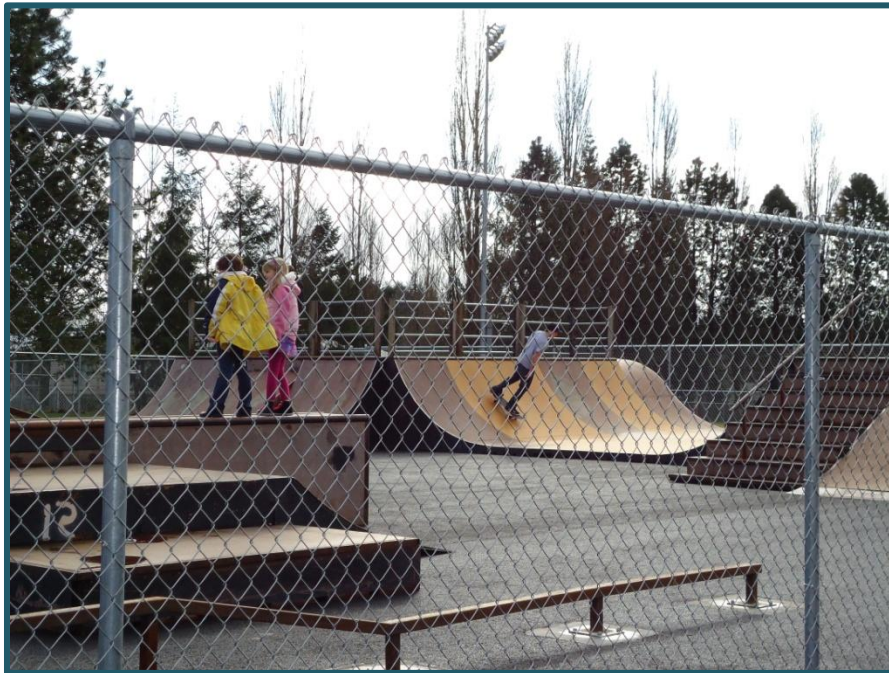
The facilities category primary function is the on-going maintenance and operation of city hall, and all other city-owned properties.

PARKS

The Parks category primary function is the on-going maintenance and operation of city parks. The city purchased a used skate park in 2009 for \$2,500.00 from a private citizen in the city of Tacoma. A Capital Improvement project in 2010 to complete the skatepark at the entrance of the Community Park located at 207 W. Washington Street was obtained with donations, in-kind donations, and help from the community. The skatepark was opened to the public on January 22, 2011. The total project cost \$46,304.00, which the Park Improvement Fund total was \$22,768.00 and \$23,536.00 was in donations and in-kind donations.

The city is seeking funding sources to create trails at the rear of the community park around the wetland areas.

Public Works FTE Staffing				
Position	2008	2009	2010	2011
Public Works Director	1	1	1	.8
Field Foreman	1	1	1	.8
Utility Worker 1	1	1	1	.8
Utility Worker 11	.4	.4	.4	.6
Utility Worker III	Vacant	Vacant	Vacant	Vacant
Public Works Clerk	.60	.60	Vacant	Vacant
Total Staffing	4	4	3.4	3



Napavine Skate Park located at 207 W Washington Street

CAPITAL IMPROVEMENT

The Capital Improvement Fund was reorganized in 2010 creating new funds to facilitate the general governmental and transportation portion of the six-year Capital Facilities Plan (CFP).

The revenues come from several different sources. The first one is the Real Estate Excise Tax (R.E.E.T). This tax is levied on all sales of real estate, measured by the full selling price, including any liens mortgages and other debts given to secure the purchase. The state levies this tax at the rate of 1.28 percent. A locally imposed tax is also authorized. In 1990 and 1992, the State Legislature made a number of changes in the locally imposed R.E.E.T. As Napavine is required to plan under the regulations of the Growth Management Act (GMA), new language was enacted regarding the first quarter (.025) percent of the tax. Based on GMA, Napavine was also given the option of levying a second quarter percent to help defray the costs of implementing the Growth Management Act. This Budget has the second quarter of R.E.E.T. The first quarter percent of the R.E.E.T. receipts must be spent solely on capital projects that are listed in the Capital Facilities Plan element of the comprehensive plan. Capital projects are defined as follows: “Those public work projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and parks recreational facilities; fire/protections facilities, trails; libraries; administration judicial facilities; and river and/or water flood control.” (RCW 82.46.035)

The second quarter percent of the R.E.E.T. that is levied and is part of this budget, can only be levied by those cities that are required to plan under GMA. In this quarter percent of R.E.E.T. “capital projects” mean: “Those public work projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.”

Revenue is generated from transfers. Transfers are made from the general, street, water, and wastewater funds per the amount set by budget each year. These transfers benefit as follows:

- PARKS CAPITAL IMPROVEMENT: Park Projects
- STREET CAPITAL IMPROVEMENT: Street Projects
- WATER SYSTEM CAPITAL IMPROVEMENT: Water Projects
- WASTEWATER SYSTEM IMPROVEMENT: Wastewater Projects

2011 Budget year has transfers as follows:

- GENERAL: None due to the economic downturn of the city
- STREET: \$10,000.00
- WATER: \$20,000.00
- WASTEWATER: None due to the financial condition of the fund

RESERVE FUNDS

The city of Napavine obtained funding to upgrade the water system and construct a water storage facility funded by USDA Rural Development. Part of the letter of conditions requires the city reserve a balance equal to one annual payment in the amount of \$22,710.

PUBLIC WORKS TRUST FUND LOAN

The city executed a loan with Public Works Trust Fund in 1995 to construct Phase I of a Water improvement project. This project provided another well, and new lines. Phase II of the project constructed a water storage facility, improvements to water lines and looping of the system. Phase I of this project was finance with a loan from Public Works in the amount of \$215,822.96. This loan is for twenty years at 2% interest. Payments on this loan are made from the revenues from the water fund. The annual principal payment is \$11,882.30 with a payment in full date of 2013.

PUBLIC WORKS TRUST PHASE II/USDA RURAL DEVELOPMENT LOAN

In 1998, the city entered into an agreement with Public Works for another loan to complete the project. The life of this loan would have been for twenty years. However, in the meantime, the city received a grant from Rural Development in the amount of \$354,000, and Rural Development agreed to finance the remainder of the project with a loan of \$500,000 for twenty years at 3.25% interest. The annual principal payment is \$22,710.00 with a final loan payment if 2039.

PUBLIC WORKS TRUST FUND LOAN #3

The city executed a third loan with PWTF for the water reservoir. The loan was executed in 1998 for \$506,000. The actual amount drawn down for this project was \$455,850.00. This loan is for forty years at 1% interest with annual principal payment is \$15,192 with a payment in full date of 2018.

RESERVE POLICY

Local governments are operating in an increasingly difficult fiscal environment that has been made worse by the effects of an economic slowdown. Of particular concern is the loss of revenue sources, budget shortfalls, and deficits of not only the Federal Government, but also the state.

The constant imposition of mandates by the federal and state governments often has uncertain financial impacts. These problems have resulted in cutbacks in state and federal aid.

A number of actions can be taken to seek improvement in avoiding financial difficulty during periods of sluggish or negative economic growth; one of which is the establishment of a "Reserve Fund Policy."

The development of a policy that establishes the appropriate level of unreserved fund balance is a difficult task. Complicating this issue is the fact that there is no nationally uniform standard regarding the appropriate level of unreserved fund balance that local governments should maintain nor does the State Auditor's Office provide guidelines.

Because of the importance of the reserves in fund balance to credit rating agencies in the evaluation of the city's creditworthiness, it is appropriate to discuss their views regarding the subject. The rating agencies' primary concern is that local governments have an adequate level of financial resources to ensure the timely payment of principal and interest on their outstanding debt. A reserve that decreases in size from year to year is sometimes seen as a problem or fiscal weakness. A small reserve fund under 5 percent is also looked at negatively, especially if the community has experienced financial difficulties in the past. Even though investor services take similar approaches to the issue of adequate reserves, there are differences among them. Traditionally, two methods have been used in determining the appropriate size of reserves:

- Allocating financial resources equal to a percentage of annual operating expenditures;
- Allocating financial resources equal to a certain number of month's operating expenditures.

Is there a level of reserve that is considered to be excessive? An informal standard that is utilized by some, hold that a reserve in excess of 10 percent of annual operating expenditures should be examined carefully.

The general feeling is that if a reserve is in excess of 10 percent, there should be some notion as to what the resources will be used for. For governments facing a high degree of uncertainty, however, a reserve in excess of 10 percent may not be high enough. The appropriate level of reserve is known to be an art, not a science. Past experience can be used as a guide, with particular attention paid to the following:

- More volatile revenue structures will need a larger reserve than others to provide some stability;
- Dependency on one or two major revenue sources may need a larger reserve;
- Larger entities, which possess broader and deeper tax bases, may be able to function with a smaller reserve;
- Even cash flows can minimize the need for larger reserve.

Sufficient levels of reserves can help to ensure the continued orderly operation of government and provision of services to residents. The maintenance of such stability is a particularly important factor considered by the rating agencies in their evaluation of the creditworthiness of the city debt.

GOALS

- The city will strive to maintain General Fund reserve (ending balance) at a level at least equal of 10% of the total operating current fund budget, excluding enough to provide for sufficient cash flow to meet financial demands.
- The city will strive to maintain Street Fund reserve (ending balance) at a level at least equal to 10% of the total operating current fund budget, excluding enough to provide for sufficient cash flow to meet financial demands.
- For proprietary funds, the city will maintain at least a 10% operating reserve (ending balance) to provide sufficient cash flow to meet daily financial needs.
- Surplus treasurer's cash shall be invested in CD's or State Investment Pool. Interest derived from these sources benefit each fund on a basis of their balances.
- These reserves (ending balances) shall be created and maintained to provide the capacity to:
 - Offset significant downturns and revisions in any general municipal purpose fund; and
 - Provide a sufficient flow for daily financial needs at all times.

For the internal service fund, the city will maintain a cast reserve sufficient to meet schedules equipment replacement so as to sustain a sufficient level of municipal services and prevent a physical deterioration of city assets.

REFERENCES

The policy which you have reviewed was developed from several sources including the city's budgets (Past and present), city's annual financial reports, and policies from other municipalities.

AMORTIZATION SCHEDULES

WELL #4 & R/R CROSSING		263.67			
PUBLIC WORKS TRUST FUND LOAN #1					
PW 5-93-280-027					
Estimated repayment schedule for the Public Works Trust fund Loan for finishing					
Well No. 4 and replacing the line under the railroad tracks at the Washington Street crossing.					
	Draws	Principal	Interest	Payment	Balance
1994	55,200		1,049	1,049	55,200
1995		2,905	1,104	4,009	52,295
1996	144,240	10,919	1,543	12,461	185,616
1997	16,383	11,882	3,846	15,728	190,117
1998		11,882	3,802	15,685	178,235
1999		11,882	3,565	15,447	166,352
2000		11,882	3,327	15,209	154,470
2001		11,882	3,089	14,972	142,588
2002		11,882	2,852	14,734	130,705
2003		11,882	2,614	14,496	118,823
2004		11,882	2,376	14,259	106,941
2005		11,882	2,139	14,021	95,058
2006		11,882	1,901	13,783	83,176
2007		11,882	1,664	13,546	71,294
2008		11,882	1,426	13,308	59,412
2009		11,882	1,188	13,071	47,529
2010		11,882	951	12,833	35,647
2011		11,882	713	12,595	23,765
2012		11,882	475	12,358	11,882
2013		11,882	238	12,120	-
Total	215,823	215,823	39,861	255,684	

RESERVOIR						
PUBLIC WORKS TRUST FUND #3						
PW-98-791-043						
Estimated repayment schedule for loan taken to cover the over estimate cost of Water Improvement Project. Interest Rate 3%, revised Int rate 1% from 2002 forward.						
	Draws	Refund	Interest	Principal	Payment	Balance
						-
1999	75,975		2,533		2,533	75,975
2000	379,875		9,307	23,992	33,299	431,858
2001			12,956	23,992	36,948	407,866
2002		149,600	2,869	15,192	167,662	243,074
2003			2,431	15,192	17,623	227,882
2004			2,279	15,192	17,471	212,690
2005			2,127	15,192	17,319	197,497
2006			1,975	15,192	17,167	182,305
2007			1,823	15,192	17,015	167,113
2008			1,671	15,192	16,863	151,921
2009			1,519	15,192	16,711	136,729
2010			1,367	15,192	16,559	121,537
2011			1,215	15,192	16,407	106,345
2012			1,063	15,192	16,256	91,153
2013			912	15,192	16,104	75,961
2014			760	15,192	15,952	60,769
2015			608	15,192	15,800	45,576
2016			456	15,192	15,648	30,384
2017			304	15,192	15,496	15,192
2018			152	15,192	15,344	(0)
Totals	455,850	149,600	48,326	306,250	504,176	

Water Reservoir					3.25% INTEREST RATE	
Rural Development Loan #3					12/20/1999	
#56-021-0911104580					1999 - 2039	
PMT	Year	Loan Bal	Payment	Interest	Principal	Loan Balance
17	Jun-2008	449,685	11,355	7,287	4,068	449,675
18	Dec-2008	449,675	11,355	7,261	4,094	441,513
19	Jun-2009	441,513	11,355	7,155	4,200	437,313
20	Dec-2009	437,313	11,355	7,126	4,229	433,084
21	Jun-2010	433,084	11,355	7,018	4,337	428,747
22	Dec-2010	428,747	11,355	6,986	4,369	424,378
23	Jun-2011	424,378	11,355	6,896	4,459	419,920
24	Dec-2011	419,920	11,355	6,824	4,531	415,388
25	Jun-2012	415,388	11,355	6,750	4,605	410,783
26	Dec-2012	410,783	11,355	6,675	4,680	406,103
27	Jun-2013	406,103	11,355	6,599	4,756	401,348
28	Dec-2013	401,348	11,355	6,522	4,833	396,515
29	Jun-2014	396,515	11,355	6,443	4,912	391,603
30	Dec-2014	391,603	11,355	6,364	4,991	386,611
31	Jun-2015	386,611	11,355	6,282	5,073	381,539
32	Dec-2015	381,539	11,355	6,200	5,155	376,384
33	Jun-2016	376,384	11,355	6,116	5,239	371,145
34	Dec-2016	371,145	11,355	6,031	5,324	365,821
35	Jun-2017	365,821	11,355	5,945	5,410	360,411
36	Dec-2017	360,411	11,355	5,857	5,498	354,913
37	Jun-2018	354,913	11,355	5,767	5,588	349,325
38	Dec-2018	349,325	11,355	5,677	5,678	343,646
39	Jun-2019	343,646	11,355	5,584	5,771	337,876
40	Dec-2019	337,876	11,355	5,490	5,865	332,011
41	Jun-2020	332,011	11,355	5,395	5,960	326,051
42	Dec-2020	326,051	11,355	5,298	6,057	319,995
43	Jun-2021	319,995	11,355	5,200	6,155	313,840
44	Dec-2021	313,840	11,355	5,100	6,255	307,584
45	Jun-2022	307,584	11,355	4,998	6,357	301,228
46	Dec-2022	301,228	11,355	4,895	6,460	294,768
47	Jun-2023	294,768	11,355	4,790	6,565	288,203
48	Dec-2023	288,203	11,355	4,683	6,672	281,531
49	Jun-2024	281,531	11,355	4,575	6,780	274,751
50	Dec-2024	274,751	11,355	4,465	6,890	267,860
51	Jun-2025	267,860	11,355	4,353	7,002	260,858
52	Dec-2025	260,858	11,355	4,239	7,116	253,742
53	Jun-2026	253,742	11,355	4,123	7,232	246,510
54	Dec-2026	246,510	11,355	4,006	7,349	239,161
55	Jun-2027	239,161	11,355	3,886	7,469	231,693
56	Dec-2027	231,693	11,355	3,765	7,590	224,103
57	Jun-2028	224,103	11,355	3,642	7,713	216,389
58	Dec-2028	216,389	11,355	3,516	7,839	208,551
59	Jun-2029	208,551	11,355	3,389	7,966	200,585
60	Dec-2029	200,585	11,355	3,259	8,096	192,489

PUBLIC WORKS TRUST FUND							
Dept. of Community, Trade & Economic Development							
RUSH RD FORCE MAIN UPGRADE PROJECT (WASTEWATER)							
PW-04-691-049							
Public Works Board Amortization Schedule 20 Term @ 1% Interest							
Year	Due	Draws	Refunds	1% Interest	Principal	Payment	Balance
1	2005	312,778.00		1,789.79		1,789.79	312,778.00
2	2006	1,172,917.50	432,107.96	11,103.38	55,451.98	498,663.32	998,135.56
3	2007			9,981.36	55,451.97	65,433.33	942,683.59
4	2008	-	-	9,426.84	55,451.98	64,878.82	887,231.61
5	2009	-	-	8,872.32	55,451.97	64,324.29	831,779.64
6	2010	-	-	8,317.80	55,451.98	63,769.78	776,327.66
7	2011	-	-	7,763.28	55,451.97	63,215.25	720,875.69
8	2012	-	-	7,208.76	55,451.98	62,660.74	665,423.71
9	2013	-	-	6,654.24	55,451.97	62,106.21	609,971.74
10	2014	-	-	6,099.72	55,451.98	61,551.70	554,519.76
11	2015	-	-	5,545.20	55,451.97	60,997.17	499,067.79
12	2016	-	-	4,990.68	55,451.98	60,442.66	443,615.81
13	2017	-	-	4,436.16	55,451.97	59,888.13	388,163.84
14	2018	-	-	3,881.64	55,451.98	59,333.62	332,711.86
15	2019	-	-	3,327.12	55,451.97	58,779.09	277,259.89
16	2020	-	-	2,772.60	55,451.98	58,224.58	221,807.91
17	2021	-	-	2,218.08	55,451.97	57,670.05	166,355.94
18	2022	-	-	1,663.56	55,451.98	57,115.54	110,903.96
19	2023	-	-	1,109.04	55,451.97	56,561.01	55,451.98
20	2024	-	-	554.52	55,451.98	56,006.50	-
Total		1,485,695.50	432,107.96	107,716.05	1,053,587.54	1,593,411.55	

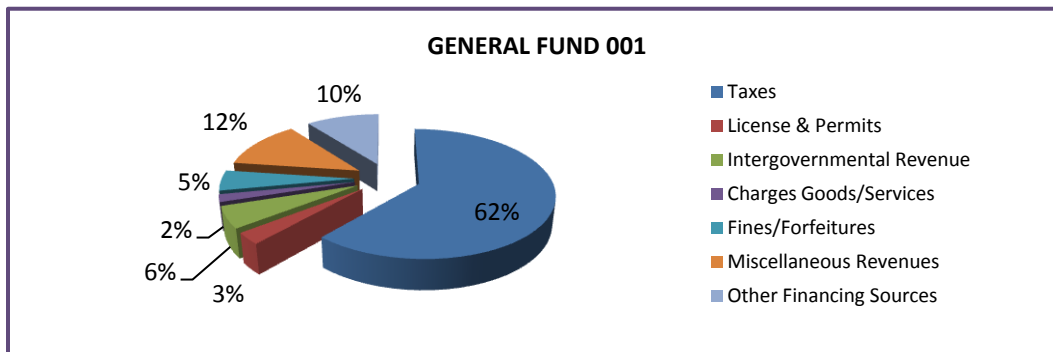
The City of Napavine purchased 12% of the Regional Wastewater Treatment Plant located in Chehalis and maintained by the City of Chehalis. The construction of the Chehalis Regional Water Reclamation Facility (CRWRF) project was completed in June 2008 and payments began June 23, 2008. The city's annual payment is \$208,033.76 for 20 years until December 2027. The payment is broken into two annual payments of \$104,016.88 due June 23rd and December 23rd of each year. The total cost to the city is \$4,160,675.20.

"RD" Amortization Table			USDA RURAL DEVELOPMENT			
City Hall Purchase			Date of Loan		8/18/2009	2049
			Payments Yr	2		
		Outstanding	Amo Factor:	26.59		
		Loan	Term:	40		Loan
	Payment	Balance	Rate:	4.375%		Balance
	Date	BOP	Payment	Interest	Principal	EOP
1	Feb-10	1,125,000.00	\$29,914.00	\$24,609.38	\$5,304.63	1,119,695.38
2	Aug-10	1,119,695.38	\$29,914.00	24,493.34	5,420.66	1,114,274.71
3	Feb-11	1,114,274.71	\$29,914.00	24,374.76	5,539.24	1,108,735.47
4	Aug-11	1,108,735.47	\$29,914.00	24,253.59	5,660.41	1,103,075.06
5	Feb-12	1,103,075.06	\$29,914.00	24,129.77	5,784.23	1,097,290.83
6	Aug-12	1,097,290.83	\$29,914.00	24,003.24	5,910.76	1,091,380.06
7	Feb-13	1,091,380.06	\$29,914.00	23,873.94	6,040.06	1,085,340.00
8	Aug-13	1,085,340.00	\$29,914.00	23,741.81	6,172.19	1,079,167.81
9	Feb-14	1,079,167.81	\$29,914.00	23,606.80	6,307.20	1,072,860.61
10	Aug-14	1,072,860.61	\$29,914.00	23,468.83	6,445.17	1,066,415.44
11	Feb-15	1,066,415.44	\$29,914.00	23,327.84	6,586.16	1,059,829.27
12	Aug-15	1,059,829.27	\$29,914.00	23,183.77	6,730.23	1,053,099.04
13	Feb-16	1,053,099.04	\$29,914.00	23,036.54	6,877.46	1,046,221.58
14	Aug-16	1,046,221.58	\$29,914.00	22,886.10	7,027.90	1,039,193.68
15	Feb-17	1,039,193.68	\$29,914.00	22,732.36	7,181.64	1,032,012.04
16	Aug-17	1,032,012.04	\$29,914.00	22,575.26	7,338.74	1,024,673.30
17	Feb-18	1,024,673.30	\$29,914.00	22,414.73	7,499.27	1,017,174.03
18	Aug-18	1,017,174.03	\$29,914.00	22,250.68	7,663.32	1,009,510.71
19	Feb-19	1,009,510.71	\$29,914.00	22,083.05	7,830.95	1,001,679.76
20	Aug-19	1,001,679.76	\$29,914.00	21,911.74	8,002.26	993,677.50
21	Feb-20	993,677.50	\$29,914.00	21,736.70	8,177.30	985,500.20
22	Aug-20	985,500.20	\$29,914.00	21,557.82	8,356.18	977,144.02
23	Feb-21	977,144.02	\$29,914.00	21,375.03	8,538.97	968,605.04
24	Aug-21	968,605.04	\$29,914.00	21,188.24	8,725.76	959,879.28
25	Feb-22	959,879.28	\$29,914.00	20,997.36	8,916.64	950,962.64
26	Aug-22	950,962.64	\$29,914.00	20,802.31	9,111.69	941,850.94
27	Feb-23	941,850.94	\$29,914.00	20,602.99	9,311.01	932,539.93
28	Aug-23	932,539.93	\$29,914.00	20,399.31	9,514.69	923,025.24
29	Feb-24	923,025.24	\$29,914.00	20,191.18	9,722.82	913,302.42
30	Aug-24	913,302.42	\$29,914.00	19,978.49	9,935.51	903,366.91
31	Feb-25	903,366.91	\$29,914.00	19,761.15	10,152.85	893,214.06
32	Aug-25	893,214.06	\$29,914.00	19,539.06	10,374.94	882,839.12
33	Feb-26	882,839.12	\$29,914.00	19,312.11	10,601.89	872,237.23
34	Aug-26	872,237.23	\$29,914.00	19,080.19	10,833.81	861,403.42
35	Feb-27	861,403.42	\$29,914.00	18,843.20	11,070.80	850,332.62
36	Aug-27	850,332.62	\$29,914.00	18,601.03	11,312.97	839,019.64
37	Feb-28	839,019.64	\$29,914.00	18,353.55	11,560.45	827,459.20
38	Aug-28	827,459.20	\$29,914.00	18,100.67	11,813.33	815,645.87
39	Feb-29	815,645.87	\$29,914.00	17,842.25	12,071.75	803,574.12
40	Aug-29	803,574.12	\$29,914.00	17,578.18	12,335.82	791,238.30
41	Feb-30	791,238.30	\$29,914.00	17,308.34	12,605.66	778,632.64

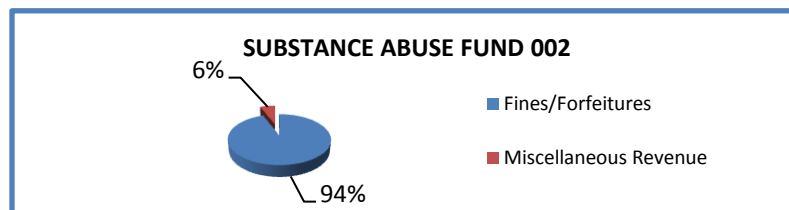
In 2009, City of Napavine purchased the new city hall located at 407 Birch Ave SW. The city obtained financing from USDA – Rural Development for \$1,125,000.00 and from the Lending Network for \$125,000.00. The loan with The Lending Network is a 20 year term, renewable every five years. The annual interest rate is 5.50% with monthly payments in the amount of \$859.86. The total interest over the term of the loan is \$81,366.02. This loan should be paid in full by 2029.

2011 BUDGET - REVENUES

Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
GENERAL FUND 001					
Beginning Cash Balance	94,781	94,728	119,597	119,597	148,076
Taxes	418,511	403,386	410,300	362,569	416,029
License & Permits	6,579	27,001	23,950	14,178	19,790
Intergovernmental Revenue	53,515	44,695	45,839	48,820	37,179
Charges Goods/Services	1,557	16,260	11,250	12,527	12,875
Fines/Forfeitures	55,663	48,167	56,000	29,083	34,900
Miscellaneous Revenues	51,868	4,499	74,000	75,160	83,447
Other Financing Sources	112,785	1,346,373	200	64,277	70,757
Total Actual Revenue	700,478	1,890,381	621,539	606,614	674,977
Grand Total General Fund Resources	795,259	1,985,109	741,136	726,211	823,053

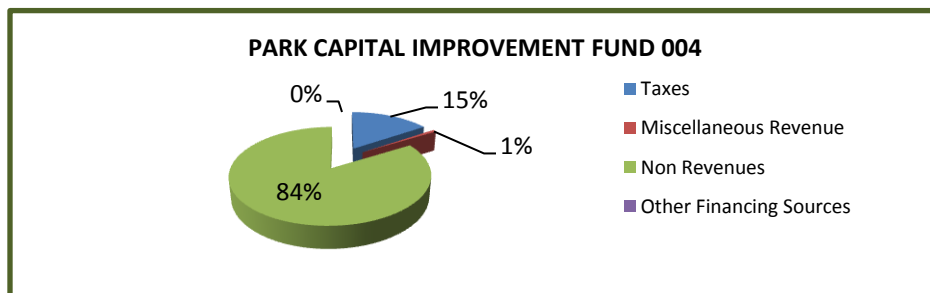


SUBSTANCE ABUSE FUND 002	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
Beginning Cash Balance	3,812	4,387	5,052	5,052	5,512
Fines/Forfeitures	442	620	300	460	400
Miscellaneous Revenue	136	45	50	18	25
Total Actual Revenue	578	665	350	478	425
Grand Total Substance Abuse Resources	4,390	5,052	5,402	5,529	5,937

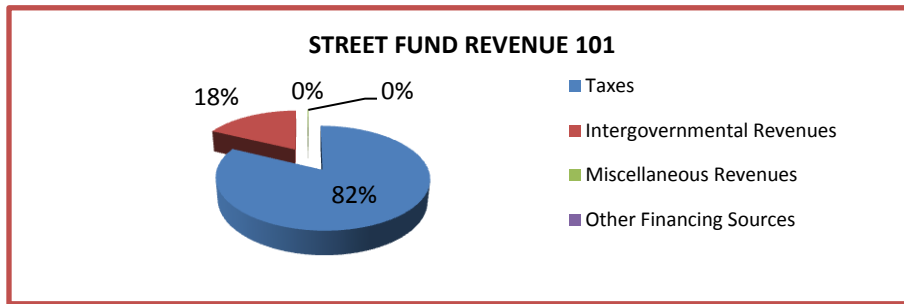


Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
MAYME SHADDOCK MAINT FUND 003			Fund Dissolved 2009		
Estimated Beginning Cash Balance	378	307			
Miscellaneous Revenue	194	261			
Other Financing Sources		250			
Total Actual Revenue	194	511			
Grand Total Mayme Shaddock Fund	572	818			

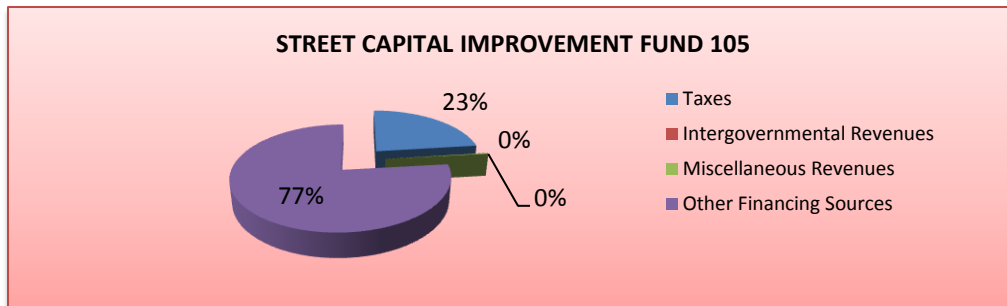
PARK CAPITAL IMPROVEMENT FUND 004					
Beginning Cash Balance			-	-	33,426
Taxes			7,500	490	3,000
Miscellaneous Revenue			234	32	150
Non Revenues			16,184		16,184
Other Financing Sources			25,694	39,147	
Total Actual Revenue	-	-	49,612	39,669	19,334
Grand Total Park CI Resources	-	-	49,612	39,669	52,760



Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
STREET FUND REVENUE 101					
Beginning Cash Balance	61,724	54,400	37,239	37,239	34,915
Taxes	137,511	147,202	168,000	144,410	171,279
Intergovernmental Revenues	47,468	45,101	38,245	35,640	36,769
Miscellaneous Revenues	2,559	6,671	2,200	326	350
Other Financing Sources	-	49,138	-	-	-
Total Actual Revenue	187,538	248,112	208,445	180,376	208,398
Grand Total Street Fund Resources	249,262	302,512	245,684	217,615	243,313

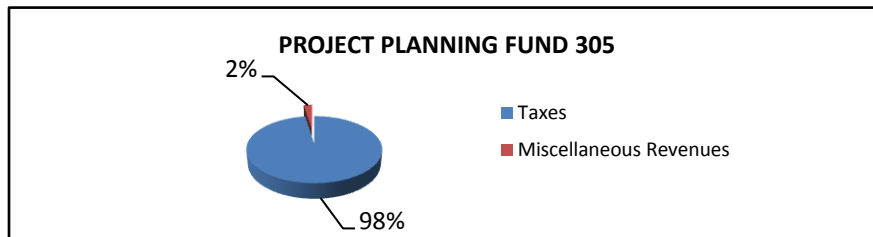


Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
STREET CAPITAL IMPROVEMENT FUND 105					
Beginning Cash Balance	-	63,843	-	-	18,841
Taxes	-	-	7,500	490	3,000
Intergovernmental Revenues	932,572	533,441		-	-
Miscellaneous Revenues	-	-	42	14	30
Other Financing Sources	79,765	57,698	13,645	15,317	10,000
Total Actual Revenue	1,012,337	591,139	21,187	15,821	13,030
Grand Total Street CI Resources	1,012,337	654,982	21,187	15,821	31,871

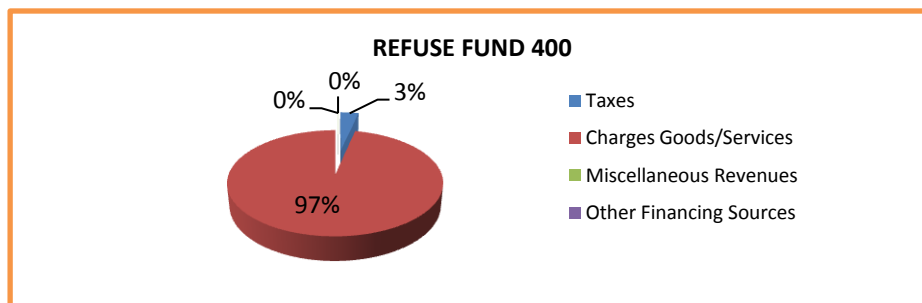


Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
CAPITAL IMPROVEMENT FUND 301					
Beginning Cash Balance	449,882	510,473	530,397	530,397	0
Taxes	14,429	13,930	12,034	12,034	-
Miscellaneous Revenue	13,724	4,975	1,424	1,424	-
Capital Contributions	99,150	113,950	25,600	25,600	-
Non-Revenues	23,753	30,906	44,873	44,873	-
Other Financing Sources	145,000	10,000	35,000	35,000	-
Total Actual Revenue	296,056	173,761	118,931	118,931	-
Grand Total Capital Improvement Fund	745,938	684,234	649,328	649,328	-

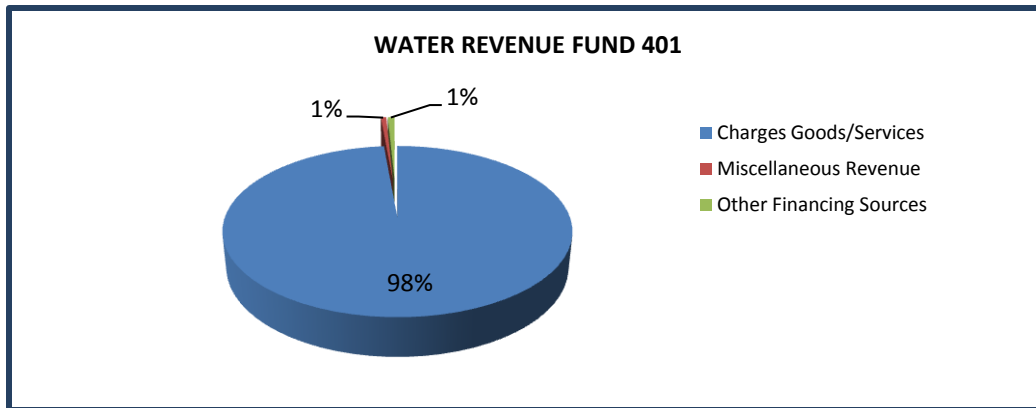
Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
PROJECT PLANNING FUND 305					
Beginning Cash Balance	42,752	51,268	42,478	42,478	40,368
Taxes	14,429	13,930	15,000	13,014	6,000
Miscellaneous Revenues	2,344	532	600	148	150
Total Actual Revenue	16,773	14,462	15,600	13,162	6,150
Grand Total Project Plan Resources	59,525	65,730	58,078	55,640	46,518



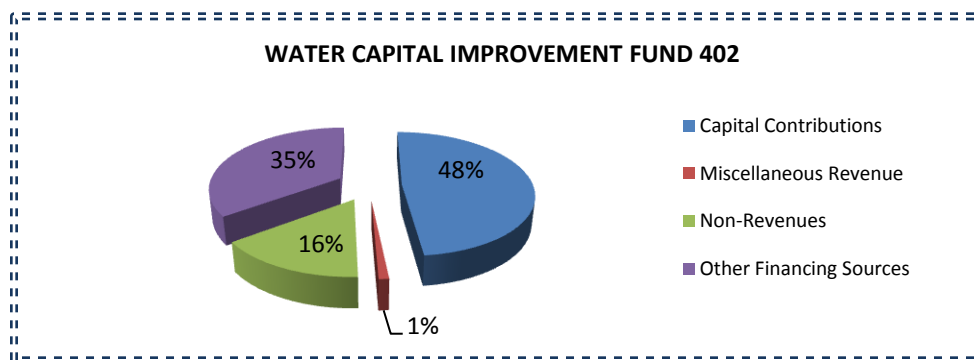
Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
REFUSE FUND 400					
Beginning Cash Balance	19,862	50,923	24,878	24,878	26,372
Taxes	3,786	3,999	4,500	3,641	4,194
Charges Goods/Services	102,462	108,993	122,400	99,652	118,950
Miscellaneous Revenues	530	32	-	59	50
Other Financing Sources	-	-	-	1,630	-
Total Actual Revenue	106,778	113,024	126,900	104,982	123,194
Grand Total Refuse Fund Resources	126,640	163,947	151,778	129,860	149,566



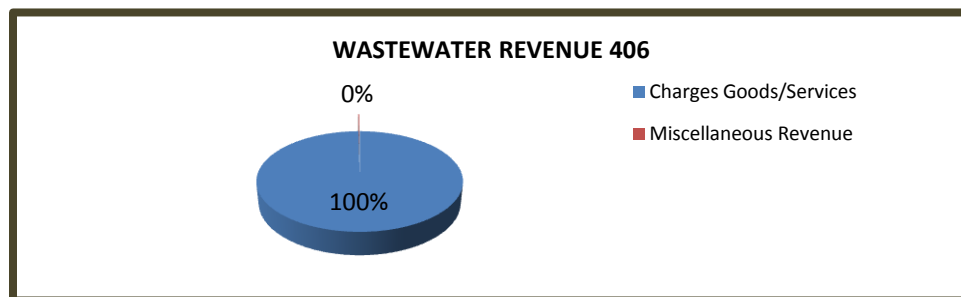
Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
WATER REVENUE FUND 401					
Beginning Cash Balance	325,222	275,181	274,739	274,739	269,143
Charges Goods/Services	321,041	328,988	402,825	306,142	378,188
Miscellaneous Revenue	16,860	5,547	7,000	2,271	2,400
Other Financing Sources	-	37	-	-	2,997
Total Actual Revenue	337,901	334,572	409,825	308,413	383,585
Grand Total Water Fund Resources	663,123	609,753	684,564	583,152	652,728



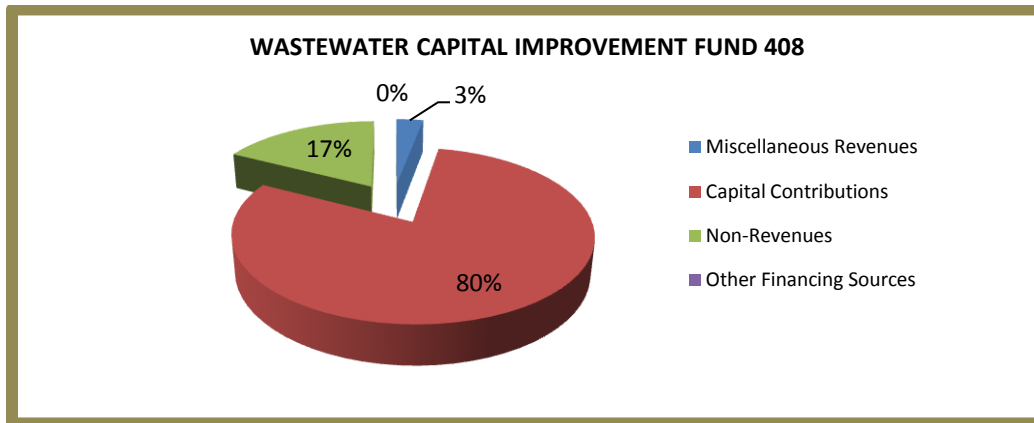
Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
WATER CAPITAL IMPROVEMENT FUND 402					
Beginning Cash Balance	-	-	-	-	218,000
Capital Contributions	-	-	39,750	2,700	27,500
Miscellaneous Revenue	-	-	2,064	195	600
Non-Revenues	-	-	8,836	-	8,836
Other Financing Sources	-	-	202,271	220,523	20,000
Total Actual Revenue	-	-	252,921	223,418	56,936
Grand Total Water CI Resources	-	-	252,921	223,418	274,936



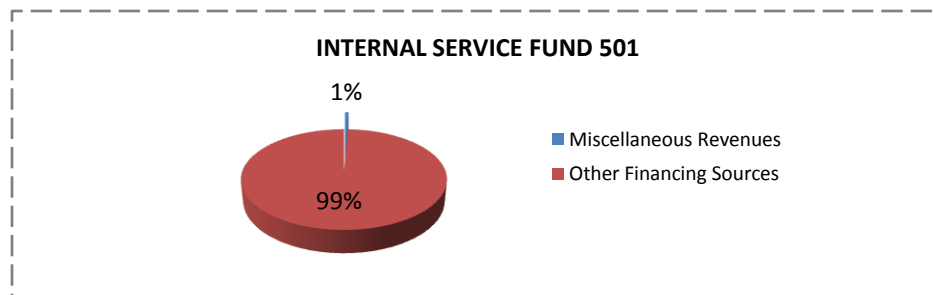
Adopted 12/28/2010	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
USDA BOND RESERVE 403					
Beginning Cash Balance	20,217	23,124	25,625	25,625	25,707
Miscellaneous Revenue	636	242	200	81	-
Other Financing Sources	2,271	2,271	2,271	-	-
Total Actual Revenue	2,907	2,513	2,471	81	-
Grand Total USDA Bond Reserve Resources	23,124	25,637	28,096	25,706	25,707
WATER DEPOSIT REVENUE 404					
Beginning Cash Balance	11,340	12,340	12,540	12,540	12,840
Non-Revenues	5,000	3,700	4,000	3,500	3,500
Total Actual Revenue	5,000	3,700	4,000	3,500	3,500
Grand Total Water Deposit Resources	16,340	16,040	16,540	16,040	16,340
WATER IMPROVE FUND 405					
	Fund Dissolved 2009				
Beginning Cash Balance	37	37	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Actual Revenue	-	-	-	-	-
Grand Total Fund 405 Revenue	37	37	-	-	-
WASTEWATER REVENUE 406					
Beginning Cash Balance	385,936	155,156	49,682	49,682	28,972
Charges Goods/Services	432,727	472,050	622,801	496,591	602,476
Miscellaneous Revenue	11,080	7,909	2,500	8,341	1,200
Total Actual Revenue	443,807	479,959	625,301	504,932	603,676
Grand Total Wastewater Resources	829,743	635,115	674,983	554,614	632,648



WASTEWATER CAPITAL IMPROVEMENT FUND 408	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
Beginning Cash Balance	-	-	-	-	351,073
Miscellaneous Revenues	-	-	3660	323	1,396
Capital Contributions	-	-	55,500	3,700	37,500
Non-Revenues	-	-	19,852	-	8,190
Other Financing Sources	-	-	343,788	364,306	-
Total Actual Revenue	-	-	422,800	368,329	47,086
Grand Total Wastewater CI Resources	-	-	422,800	368,329	398,159



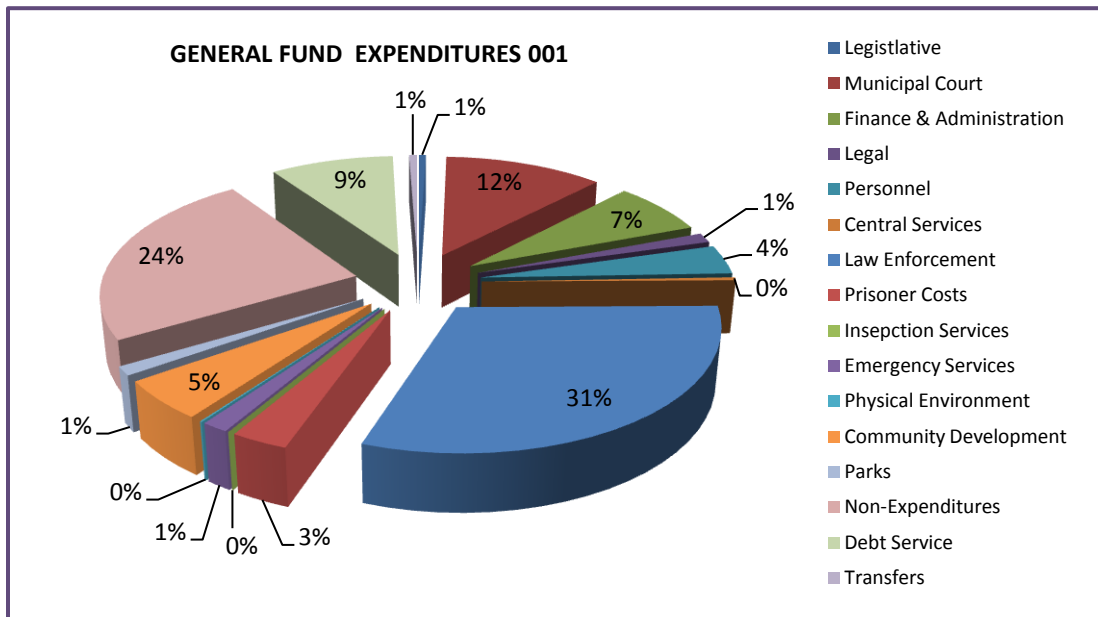
INTERNAL SERVICE FUND 501	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
Beginning Cash Balance	89,948	42,844	72,149	72,149	54,178
Miscellaneous Revenues	19,891	4,256	1,130	5,702	211
Other Financing Sources	35,633	29,000	33,000	14,000	30,000
Total Actual Revenue	55,524	33,256	34,130	19,702	30,211
Grand Total Internal Service Resources	145,472	76,100	106,279	91,851	84,389



UNEMPLOYMENT COMPENSATION 621	2008	2009	2010	2010	2011
	Actual	Actual	Estimate	ytd 11/10	Estimate
Beginning Cash Balance	10,141	6,925	836	836	3,336
Other Financing Sources	4,000	3,500	3,500	3,500	3,500
Total Actual Revenue	4,000	3,500	3,500	3,500	3,500
Grand Total Unemployment Comp Resources	14,141	10,425	4,336	4,336	6,836
TREASURER'S SURPLUS FUND 999					
Investments Sold	353,279	511,750	-	45,002	-
Total Treasurer's Investment Fund	353,279	511,750	-	45,002	-
GRAND TOTAL ALL RESOURCES	4,685,903	5,235,491	4,112,724	3,707,120	3,444,761

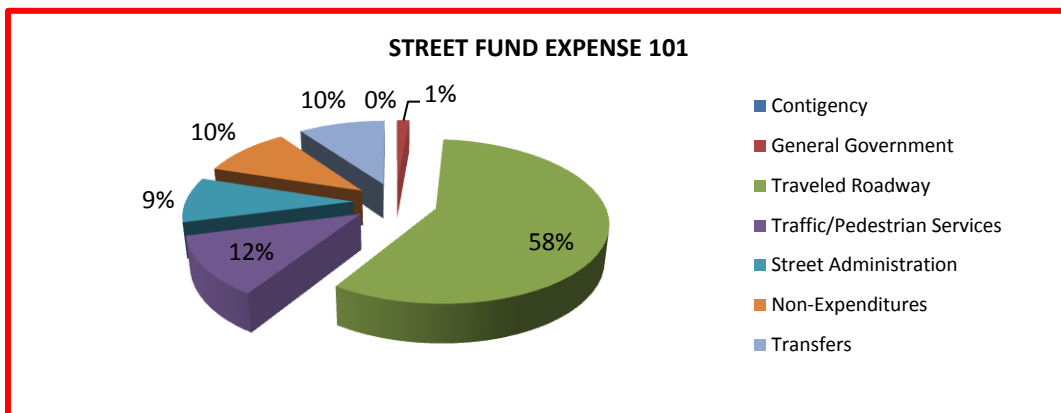
2011 BUDGET - EXPENDITURES

Adopted 12/28/2010	2008	2009	2010	2010	2011
DESCRIPTION	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
GENERAL FUND 001					
Contingency	-	-	-		
GENERAL GOVERNMENT SERVICES					
Legislative	-	3,905	1,000	-	4,000
Municipal Court					
Salaries & Benefits	130,888	68,233	49,902	45,769	58,030
Operating Expenses	10,055	19,359	24,300	20,443	32,567
Total Municipal Court	140,943	87,592	74,202	66,212	90,597
Finance & Administration					
Salaries & Benefits	28,815	18,767	26,204	22,799	34,525
Operating Expenses	10,268	13,739	13,950	15,653	19,845
Total Finance & Admin	39,083	32,506	40,154	38,452	54,370
Legal	15,131	10,929	15,000	4,066	10,000
Personnel	23,012	19,257	27,000	22,861	30,050
Central Services	31,137	6,928	1,543	2,334	3,120
Total General Govm't Svcs	249,306	161,117	158,899	133,925	192,137
PUBLIC SAFETY					
Law Enforcement					
Salaries & Benefits	297,255	182,420	170,297	150,441	153,700
Operating Expenses	76,683	86,548	110,404	95,344	82,900
Total Law Enforcement	373,938	268,968	280,701	245,785	236,600
Prisoner Costs	22,666	33,699	31,300	20,773	24,000
Inspection Services	-	41	-	-	-
Emergency Services	6,767	7,436	7,896	5,922	11,265
Total Public Safety	403,371	310,144	319,897	272,480	271,865
PHYSICAL ENVIRONMENT					
Pollution Control	462	492	532	531	558
Animal Control	342	258	300	71	300
Total Physical Environment	804	750	832	602	858
Community Development					
Salaries & Benefits	-	26,961	39,170	36,238	30,520
Operating Expenses	-	3,369	14,750	11,974	9,820
Total Community Dev.	-	30,330	53,920	48,212	40,340
Parks	5,450	8,348	17,800	11,548	9,300
Non-Expenditures	74,657	87,602	82,876	44,830	184,791
Other Financing Uses					
Debt Service	-	1,264,533	68,147	69,286	70,146
Transfers	18,000	4,250	9,000	9,000	4,500
Total Other Finance Uses	18,000	1,268,783	77,147	78,286	74,646
Total Appropriated City Uses	751,588	1,867,074	711,371	589,883	773,937
Payroll Account	172	(1,561)	-	-	-
Grand Total General Fund Expend.	751,760	1,865,513	711,371	589,883	773,937
Ending Cash/Investment Balance	43,499	119,596	29,765	136,328	49,116
GRAND TOTAL GENERAL FUND	795,259	1,985,109	741,136	726,211	823,053



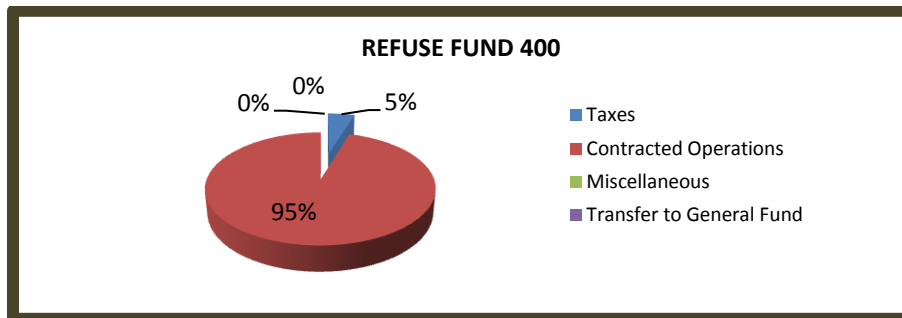
SUBSTANCE ABUSE 002	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Expenditures	-	-	5,100	53	5,000
Total Substance Abuse Fund Expend.	-	-	5,100	53	5,000
Ending Cash/Investment Balance	4,390	5,052	302	5,477	937
GRAND TOTAL SUBSTANCE ABUSE FUND	4,390	5,052	5,402	5,530	5,937
MAYME PARK MAINT FUND 003			Fund Dissolved 2009		
Ending Cash Balance	307				
Expenditures	265	818			
Total Park Expenditures	572	818			
GRAND TOTAL MAYME PARK FUND	572	818			
PARKS CAPITAL IMPROVEMENT FUND 004					
CAPITAL PROJECTS					
Skate Park Project			25,000	9,688	-
Community Park Dugouts Project			7,500	-	-
Park Improvement Projects			-	-	20,000
Total Park Improvement Expenditures	-	-	32,500	9,688	20,000
Ending Cash Balance	-	-	17,112	29,981	32,760
GRAND TOTAL PARKS CI FUND	-	-	49,612	39,669	52,760

STREET FUND EXPENSE 101	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Contingency			4,000		
Street General Government	5,875	5,275	3,250	2,539	3,000
FEMA Disaster Grant	12,675	5,860			
Traveled Roadway					
Salaries & Benefits	48,321	68,467	57,345	53,267	64,640
Operating Expenses	38,349	79,425	54,000	29,772	58,300
Total Roadway	86,670	147,892	111,345	83,039	122,940
Traffic/Pedestrian Services	17,319	22,514	25,000	19,688	25,100
Total Road/Street Maintenance	122,539	181,541	143,595	105,266	151,040
Road/Street Administration					
Salaries & Benefits	34,404	27,792	14,829	12,802	12,850
Operating Expenses	7,410	45,590	13,400	15,776	6,500
Total Road/Street Administration	41,814	73,382	28,229	28,578	19,350
Non-Expenditures		4,766	25,173	28,285	21,673
Total Appropriated City Uses	164,353	259,689	196,997	162,129	192,063
Other Financing Uses	30,500	5,597	20,500	10,500	21,000
Total Street Expenditures	194,853	265,286	217,497	172,629	213,063
Ending Cash/Investment Balance	54,409	37,226	28,187	44,986	30,250
GRAND TOTAL STREET FUND	249,262	302,512	245,684	217,615	243,313



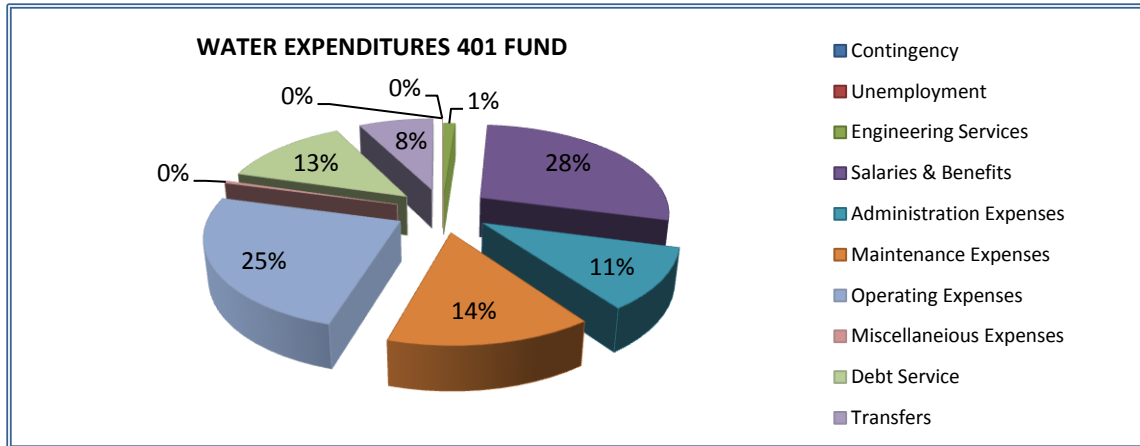
STREET CAPITAL IMPROVEMENT FUND 105	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Street Improvement Projects	38,160	-	18,895	-	28,000
Engineering	65,427	35,820	-	-	-
Construction Second Ave NE	420,042	619,162	-	-	-
Pedestrian Overpass	98,280				
Total Street CI Expenditures	621,909	654,982	18,895	-	28,000
Transfer/Street Construction	-		-		
Miscellaneous to Street	-		-		
Ending Cash/Investment Balance	390,428	0	2,292	15,821	3,871
GRAND TOTAL STREET CI FUND	1,012,337	654,982	21,187	15,821	31,871

CAPITAL IMPROVEMENT FUND 301	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Utility Improvement Projects	50,621	82,053	5,404	5,404	-
Street Improvement Projects	0	4,766			
Parks & Recreation Improvement Projects	12,609	402	4,631	4,631	
Non-Expenditures	45,000	49,382			
Transfers	127,235	22,000	639,293	639,293	
Total Capital Improvement Expenditures	235,465	153,837	649,328	649,328	0
Ending Cash Balance	510,473	530,397	0	0	0
GRAND TOTAL FUND 301 EXPENDITURES	745,938	684,234	649,328	649,328	-
PROJECT PLANNING 305 FUND					
Expenditures	8,237	23,253	58,076	15,272	40,000
Ending cash/Investment balance	51,288	42,477	2	40,368	6,518
GRAND TOTAL 305 EXPENDITURES	59,525	65,730	58,078	55,640	46,518
REFUSE FUND 400					
Taxes	3,650	5,432	6,500	4,765	5,500
Contracted Operations	71,537	133,620	120,000	78,103	113,005
Miscellaneous	530	65	-	-	-
Transfer to General Fund	-	-	2,330	2,330	-
Total Refuse Expenditures	75,717	139,117	128,830	85,198	118,505
Ending Cash /Investment Balance	50,923	24,830	22,948	44,662	31,061
GRAND TOTAL REFUSE FUND	126,640	163,947	151,778	129,860	149,566



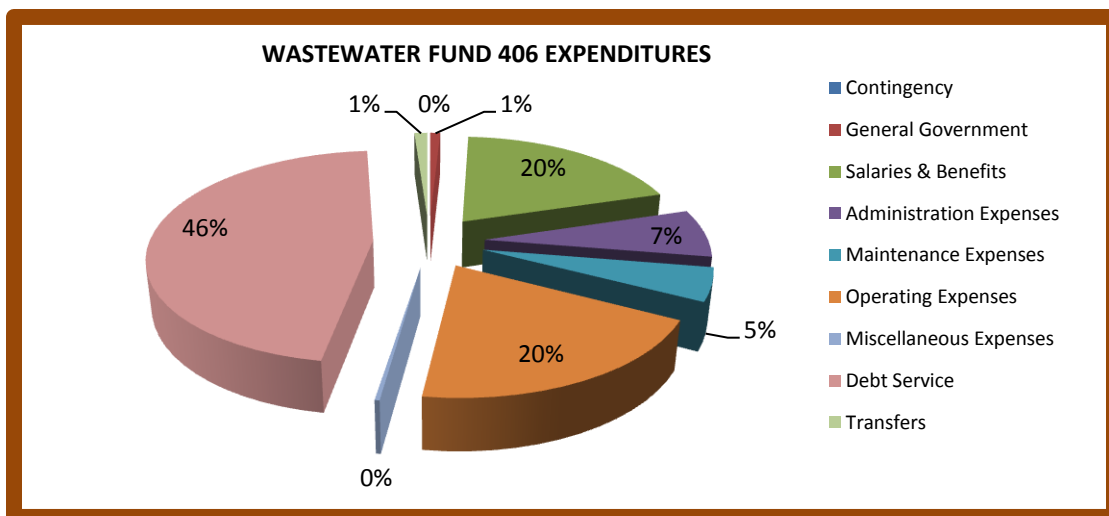
WATER EXPENDITURES 401 FUND	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Contingency	-	-	5,000	-	-
Unemployment	-	2,981	-	-	-
Engineering Services	-	1,638	5,000	-	5,000
Water Utilities					
Salaries & Benefits	148,774	117,673	124,885	114,549	117,195
Administration Expenses	41,857	47,079	53,152	41,474	45,825
Maintenance Expenses	31,004	13,976	67,000	23,149	60,515
Operating Expenses	18,467	59,652	154,500	74,612	103,415
Miscellaneous Expenses	14,125	2,056	1,910	1,431	1,650

WATER EXPENDITURES 401 FUND	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	APPROPRIATED	ytd 11/31	Estimate
Total Appropriated City Uses	254,227	245,055	411,447	255,215	333,600
Debt Service	55,300	66,265	55,000	43,166	54,132
Transfers	78,271	23,771	35,401	33,130	31,500
Total Water Expenditures	387,798	335,091	501,848	331,511	419,232
Ending Cash/Investment Balance	275,325	274,662	182,716	251,641	233,496
GRAND TOTAL WATER FUND	663,123	609,753	684,564	583,152	652,728

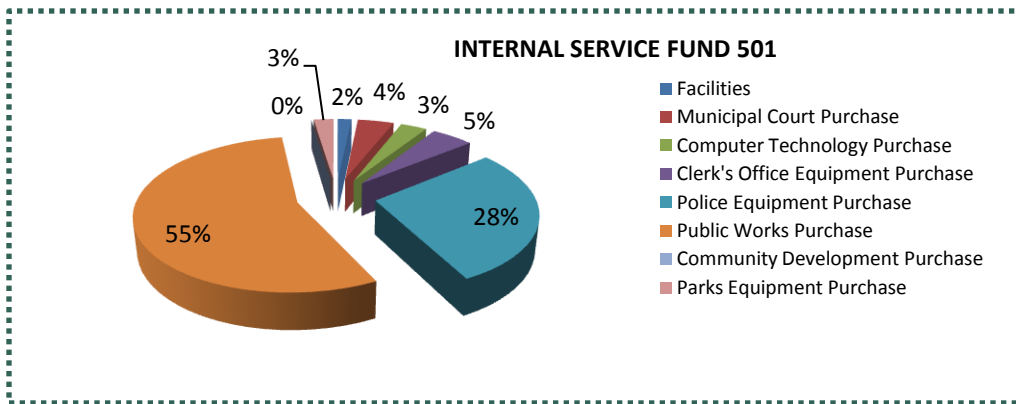


WATER CAPITAL IMPROVEMENT FUND 402	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	AMENDED	ytd 11/31	Estimate
Water Improvement Projects	-	-	256,107	5,403	250,000
Non-Expenditures	-	-	-	-	-
Total Water Cap Imp Expenditures	-	-	256,107	5,403	250,000
Ending Cash Water	-	-	(3,186)	218,015	24,936
GRAND TOTAL WATER CAP IMPROV FUND	-	-	252,921	223,418	274,936
USDA BOND RESERVE FUND 403					
Expenditures	-	-	28,071	-	-
Transfer to Water Fund	-	-	-	-	2,997
Total USDA Bond Reserve Expenditures	-	-	28,071	-	2,997
Ending Cash/Investment Balance	23,124	25,637	25	25,706	22,710
GRAND TOTAL USDA BOND RESERVE FUND	23,124	25,637	28,096	25,706	25,707
WATER DEPOSIT FUND 404					
Refunds	87	419	5,000	185	5,100
Transfers	3,913	3,081	11,440	3,715	11,240
Total Water Deposit Expenditures	4,000	2,500	16,440	3,900	16,340
Ending Cash/Investment Balance	12,340	13,540	100	12,140	-
GRAND TOTAL WATER DEPOSIT FUND	16,340	16,040	16,540	16,040	16,340

WATER IMPROVEMENT FUND 405	2008	2009	Fund Dissolved 2009		
	ACTUAL	ACTUAL			
Ending Cash/Investment Balance	37	-	-	-	-
Transfer to Water		37		-	-
GRAND TOTAL WATER IMPROVEMENT FUND	37	37	-	-	-
WASTEWATER FUND 406 EXPENDITURES					
Contingency	-	-	5,000	-	-
General Government	-	2,981	5,000	-	5,000
Sewer Utilities					
Salaries & Benefits	150,092	117,590	117,285	107,156	113,910
Administration Expenses	37,693	43,534	51,300	39,894	42,425
Maintenance Expenses	10,645	21,900	37,000	10,021	29,245
Operating Expenses	133,014	109,131	138,200	125,050	115,284
Miscellaneous Expenses	9,177	6,575	1,635	8,339	1,750
Total Wastewater Enterprise Expenditures	340,621	301,711	355,420	290,460	307,614
Debt Service					
Debt Service	272,913	272,358	272,424	167,787	271,249
Transfers	61,000	11,500	21,500	1,500	6,500
Total Wastewater Expenditures	674,532	585,569	649,344	459,746	585,363
Ending Cash/Investment Balance					
Ending Cash/Investment Balance	155,210	49,545	25,639	94,868	47,285
GRAND TOTAL WASTEWATER FUND	829,742	635,114	674,983	554,614	632,648



WASTEWATER CAPITAL IMPROVEMENT 408	2008	2009	2010	2010	2011
	ACTUAL	ACTUAL	AMENDED	ytd 11/31	Estimate
Wastewater Improvement Projects	-	-	165,000	17,256	350,000
Non-Expenditures	-	-	-	-	-
Total Wastewater Cap Imp Expenditures	-	-	165,000	17,256	350,000
Endings Cash/Investment Balance	-	-	257,800	351,074	48,159
GRAND TOTAL WASTEWATER CAP IMP FUND	-	-	422,800	368,329	398,159
INTERNAL SERVICE FUND 501					
Facilities	69	-	3,150	418	1,050
Municipal Court Purchase	482	-	4,450	1,546	2,750
Computer Technology Purchase	412	612	1,500	-	2,000
Clerk's Office Equipment Purchase	-	2,800	400	345	3,200
Police Equipment Purchase	50,981	-	23,700	7,843	18,000
Public Works Purchase	49,772	-	59,100	27,543	35,000
Community Development Purchase	913	491	600	-	-
Parks Equipment Purchase	-	-	-	-	1,500
Total Internal Service Expenditures	102,629	3,903	92,900	37,695	63,500
Ending Cash Balance	42,843	72,197	13,379	54,156	20,889
GRAND TOTAL INTERNAL SERVICE FUND	145,472	76,100	106,279	91,851	84,389
UNEMPLOYMENT COMPENSATION FUND 621					
Unemployment Compensation	7,216	9,588	3,497	1,000	5,000
Total Unemployment Comp. Expend.	7,216	9,588	3,497	1,000	5,000
Ending Cash/Investment Balance	6,925	837	839	3,336	1,836
GRAND TOTAL UNEMPLOYMNT COMP FUND	14,141	10,425	4,336	4,336	6,836
TREASURER'S INVESTMENT FUND 999					
Investments Purchased	36,262	151,056	-	152,249	-
Total Treasurer's Investment Fund	36,262	151,056	-	152,249	-
GRAND TOTAL ALL FUNDS	4,685,903	5,235,491	4,112,724	3,707,120	3,444,761



EMPLOYEE SCHEDULE

PERSONNEL SERVICE

The City of Napavine will provide quality services and programs for its citizens with a responsive staff of 7 full-time budgeted positions for 2011. In addition, there are three part time budgeted positions. The hours of all full-time staff had their hours reduced to 32 hours per week, with the exception of the two police officers. Napavine has a competitive, market-based salary and benefits package and our goal is to maintain this advantage. Salary and benefits make up a major portion of the operating budgets.

There have been no pay raises within the city since 2008, due to the economic downturn of the city, state and nation. The benefit cap for medical was set at \$800.00 in 2005.

The city provides employees the option to contribute to a Deferred Compensation Plan with tax deferred dollars. The city contributes a 25% match to the contributions, up to \$150.00 per month per employee. Another benefit for employees is vision insurance through the Teamsters. This benefit is not funded by the city, but deducted from employee salaries. Other benefits for employees include vacation and sick leave and paid holidays and longevity pay. These benefits are prorated for part time employees over 20 hours per week.

Employees may qualify for additional types of leave, such as jury, administration, and family medical leave. The City provides medical benefits to its retired LEOFF I employee. The city participates in social security for employees who do not qualify for PERS or LEOFF, and Medicare social security for all employees. The City contributes 5.31% to State PERS retirement (Plans I, II and III), and 8.62% to LEOFF II plans. Employee contributions are taxed. The City provides worker's compensation and has a self-funded unemployment compensation budget.

The City currently has vacancies in all departments, which the funds have not been budgeted in the 2010 or 2011 budgets. Overtime is budgeted on a departmental basis, collected on a case by case basis. It is the City Council's objective to provide sufficient funding for recruiting and maintaining highly qualified personnel.

Employee Contribution Rates			
Classification	Current rate to 6/30/11	Adopted 7/1/11 – 6/30/13	Projected 7/1/15 – 6/30/15
PERS 2 Members	3.90%	4.59%	5.97%
PERS 3 Members			
LEOFF 2 Members	8.46%	8.46%	8.46%

Employer Contribution Rates					
Classification	In Effect 9/1/10-6/30/11	Adopted 7/1/11 – 6/30/12	Adopted 7/1/12- 6/30/13	Projected 7/1/13- 6/30/14	Projected 7/1/14 – 6/30/15
PERS 1, 2, & 3 Members	5.31%	8.61%	9.30%	11.52%	11.57%
LEOFF 2 Members	8.62%	8.62%	8.62%	8.62%	8.62

BARGAINING UNITS

· Teamster's Local Union 252-(7 members, contract expires December 31, 2011.) The classification salary schedule set out in the union contract is as follows:

	Step A	Step B	Step C	Step D	Step E
Classification	0-6m	7-12m	13-24m	25-36m	37m+
Police Chief	\$3,592.22	\$3,738.55	\$3,983.47	\$4,216.92	\$4,529.44
Field Foreman	\$3,166.80	\$3,385.20	\$3,494.40	\$3,603.60	\$3,712.80
Patrol Officer	\$2,758.75	\$2,911.13	\$3,141.88	\$3,449.93	\$3,678.32
Utility Worker	\$2,589.29	\$2,742.57	\$2,972.43	\$3,081.92	\$3,508.88
Deputy Clerk	\$2,589.29	\$2,742.57	\$2,972.43	\$3,081.92	\$3,508.88
Clerk	\$2,132.28	\$2,250.87	\$2,420.61	\$2,660.12	\$2,848.46
Planner	\$2,912.00	\$3,166.80	\$3,276.00	\$3,494.40	\$3,712.80
Court Administrator	\$3,063.63	\$3,168.18	\$3,409.21	\$3,613.76	\$3,866.72
Court Clerk	\$2,256.32	\$2,374.91	\$2,544.66	\$2,784.16	\$2,972.50
Building Inspector	\$3,166.80	\$3,385.20	\$3,494.40	\$3,603.60	\$3,712.80

The 2011 budget adds no FTE. The public works department funds two full-time employees at 32 hours per week, one employee is split 40% public works and 20% with the community development department. (Note: currently the public works is operating with an equivalent of 2 full time employees.) The community development department funds a part-time building inspector 20%. The court funds one full-time court administrator (32 hrs per week) and contracts the judge position at \$1,100.00 per month. The police department budget funds two full-time officers, a part-time records clerk (19 hrs) which is not a part of the bargaining unit until the hours are 20 hours per week or more. The clerk's office funds one full-time position at 32 hrs per week. The city received a PERC ruling in early 2010 that department heads are not a part of the collective bargaining unit.

The majority of city employees who are eligible under state law to be represented by a Labor organization are employed under provisions on such matters as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The City strives to complete these agreements in a timely manner, consistent with all applicable state law and promote labor relations policies mutually beneficial to Administrative management and employees. Substantially all City full-time and qualifying part-time employees participate in either the Public Employees Retirement System (PERS) or the Law Enforcement Officers and Fire Fighter's Retirement Systems (LEOFF). PERS and LEOFF are statewide local government retirement systems administered by the Department of Retirement Systems. All employees who do not qualify for either of these systems receive social security benefit.

GLOSSARY

ACCOUNT GROUPS: Accounting entities used to establish control over accountability for the government's general fixed assets and the unmatured principal of its general long-term debt, including special assessment debt for which the government is obligated in some manner. The most common groups are called, General Long Term debt Accounting Group (GLTDAG) and, General Fixed Assets Accounting Group (GFAAF).

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

ACCOUNTS PAYABLE: A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE: An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments.)

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received) (whether cash disbursements are made at that time or not).

AD VALOREM TAXES: A tax levied on the assessed value of real property.

ALLOCATION: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

AMORITIZATION: The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL DEBT SERVICE: The amount required to be paid in a calendar year for (1) interest on all parity bonds then outstanding; (2) principal of all Parity Bonds then outstanding, but excluding any outstanding term bonds, and (3) payments into any Sinking Fund Account for the amortization of outstanding parity bonds divided by the number of calendar years to the last maturity or mandatory redemption date thereof.

ANNUAL FINANCIAL REPORT: (AFR) The official annual report of a government. It includes (a) the five combined financial statements in the combined statements—overview and their related notes and (b) combined statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

APPROPRIATION: An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

APPROPRIATIONS ORDINANCE: The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION: The estimated value placed upon real and personal property by the Lewis County Assessor as the basis for levying property taxes.

ASSETS: Property owned by a government, which has monetary value.

ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT POOL: (AWC) AWC Risk Management is a group of cities across the state that provides pooled and self-insurance services for liability, auto, property, and all other insurance coverages.

AUDIT: A systemic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- Ascertain whether financial statements fairly present financial position and result of operations;
- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures;
- Ascertain whether transactions have been recorded accurately and consistently; and
- Ascertain stewardship of officials responsible for governmental resources.

AUDITOR'S REPORT: In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with generally accepted accounting practices or some other comprehensive basis system of accounting.

BALANCE SHEET: A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BARS: The State of Washington prescribed Budgeting, Accounting, Reporting System Manual required for all governmental entities in the state of Washington.

BASE BUDGET: Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

BASIC FINANCIAL STATEMENTS: Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance sheet, an "all-inclusive" operating statement, a budget comparison statement "for all government funds for which annual appropriated budgets are adopted", and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

BASIS OF ACCOUNTING: A term used to refer to when revenues, expenditures, expenses and transfers-and the related assets and liabilities-are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

BOND: (Debt Instrument) A written promise to pay (debt a specified sum of money) called principal or face value) at a specified future date (called the maturity date along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

BOND ANTICIPATION NOTES: (BANS) Short-term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue from which they are related.

BOND REGISTRAR: The fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, maintaining the bond register, effecting transfer of ownership of the bonds and paying interest on an principal of (and any premium pursuant to call on) the bonds.

BUDGET (Operating): A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET CALENDAR: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT: The official written statement prepared by the Clerk-Treasurer and supporting staff for the mayor which presents the proposed budget to the City Council.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Facilities Plan (CFP).

CAPITAL FACILITIES PLAN: A plan of proposed capital expenditures to be incurred each year over a period of six future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY: Expenditures, which result in the acquisition of or additions to fixed assets. Examples include land, building, machinery and equipment, and construction projects.

CAPITAL PROJECTS: Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land or construction of a building or facility, with a life expectancy of more than 10 years.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CASH FLOW BUDGET: (Cash Budget) A projection of the cash receipts and disbursements anticipated during a given time period.

CDBG: Community Development Block Grants-grant funds administered through Department of Community Trade and Economic Development (CTED) of the State of Washington.

CENTENNIAL CLEAN WATER PROGRAM: CCWP) In 1986, legislation was passed which provides grants to public entities for financing water pollution control activities and facilities to protect surface and underground water from pollution. In addition, a state revolving loan program was established to provide loans or combinations of grants/loans to finance public facilities.

CERTIFICATE OF DEPOSIT: A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

COLA: Cost of Living Allowance.

CONCURRENT/ CONCURRENCY: The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established maximum standards.

CONTINGENCY: A budgetary reserve set-aside for emergencies or unforeseen expenditures not

otherwise budgeted for.

COST ACCOUNTING: Accounting which assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

COUNCILMANIC BONDS: Council manic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds which must be approved by vote of the public. Council manic bonds must not exceed 1.50 percent of the assessed valuation, and voted bonds 2.50 percent.

CPI: Consumer Price Index is a measure of the change in prices over time for a fixed market basket of goods and services.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT LIMITS: The maximum amount of gross or net debt, which is legally permitted.

DEBT SERVICE: Payment of interest and repayment of principal to holders of the City's debt instruments.

DEBT SERVICE FUND: A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFICIT: The excess of an entity's liabilities over its assets (See Fund Balance). The excess of expenditures or expenses over revenues during a single accounting period.

DELINQUENT TAXES: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Facilities Plan (CFP).

DEMAND DEPOSIT: A deposit of monies where the monies are payable by the bank upon demand.

DEPRECIATION: Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset, which is charged as an expense during a particular period.

DEVELOPMENT ACTIVITY: Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

DOUBLE BUDGETING: The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell.) This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

DUE FROM OTHER FUNDS: An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not inter-fund loans

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They

cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE: The cash balance remaining at the end of the fiscal year available for appropriation in future years.

ENTERPRISE FUND: Separate financial accounting used for government operations that are financed and operate in a manner similar to business enterprises, and for which preparation of an income statement is desirable.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments of the above purposes are made.

FEDERAL AID URBAN SYSTEM: (FAUS) Provides funds for the construction, reconstruction, and improvement of urban streets and roads. A local match of 16.6 percent is required.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For Napavine, the fiscal year is the same as the calendar year (also called budget year.)

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include building, equipment, improvements other than buildings and land.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FTE: Full-time equivalent employee.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and /or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GAAFR: "Governmental Accounting, Auditing and Financial Reporting." The "blue book" published by the Government Finance Officers Association to provide guidance for the application of accounting principles for governments.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments.

GASB: Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FIXED ASSETS: Capital assets that are not a part of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

GENERAL FUND: The fund supported by taxes, fees and other revenues that may be used for any lawful purpose; also known as Current Expense.

GENERAL OBLIGATION BONDS: Bonds for which the full faith and credit of the insuring government are pledged for payment.

GOALS: The objective of specific tasks and endeavors.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

GUARANTY FUND: A fund established by a bond issuer, which is pledged, as security for the payment of one or more bond issues. Normally used for local improvement districts. (LID).

IAC: Interagency Committee for Outdoor Recreation.

ISTEA: Inter-modal Surface Transportation Efficiency Act.

IMPACT FEES: A fee assessed on new development that creates additional demand and need for public facilities.

INFRASTRUCTURE: The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems.

INTERFUND PAYMENTS: Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance.

INTERGOVERNMENTAL COSTS: Costs or expenses paid from one government to another government for services. These costs include, but are not limited to, such things as: dispatch and jail services, animal control services, audit and voter costs.

INTERGOVERNMENTAL SERVICES: Intergovernmental purchases of those specialized services typically performed by local governments.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals and base payments.

IPD: Implicit Price Deflator.

LATECOMER FEES: Fees paid by developers or future service users for their share of past improvements financed by others.

LEASING: A financial technique whereby ownership of the project or equipment remains with the financing entity, and where title may or may not transfer to the City at the end of the lease.

LEOFF: Law Enforcement Officers and Firefighters Retirement System provided in the State of Washington.

LEVY: (1) To impose taxes, special assessments or service charges for the support of government activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LIABILITY: Debt or other legal obligations arising out of transactions in the past which must be liquidated renewed or refunded at some future date.

LOCAL IMPROVEMENT DISTRICT: (LID) Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

MATURITIES: The dates on which the principal or stated values of investment or debt obligations mature and may be reclaimed.

MILL: The property tax rate, which is based on the valuation of property. A tax rate of one mill produces on dollar of taxes on each \$1,000 of property valuation.

MITIGATION FEES: Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the City's facilities generated from the development.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NET REVENUE: The revenue of the system less the cost of maintenance and operation of the system.

NOTES TO THE FINANCIAL STATEMENTS: The SSAP and other disclosures required for a fair presentation of the financial statements of government in conformity with GAAP and not included on the face of the financial statements themselves.

OBJECT: As used in expenditures classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures).

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A statute or regulation enacted by City Council.

OTHER SERVICES & CHARGES: A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental and costs (ER & R), insurance, public utility services, repairs and maintenance.

PARITY BOND: Any and all water and sewer revenue bonds of the City the payment of which, both principal and interest, constitutes a lien and charge upon the revenue of the system and upon assessments equal in rank with the lien and charge on such revenue of the system and assessments for payments required to pay and secure the payment of the bonds.

PERS: Public Employees Retirement System provided for, other than Police and Fire, by the State of Washington.

PERSONNEL BENEFITS: Those benefits paid by the City as part of the conditions of employment. Examples include insurance and retirement benefits.

PERSONNEL COSTS: Costs that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employee costs.

PROCLAMATION: An official act by the Mayor or Executive Officer made through a public forum.

PROGRAM: A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT: Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM MEASURES: A unit of standard used for the quantitative comparison in the manner of functioning to capacity or quantity as determined.

PROGRAM REVENUE: These are revenues which are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges recreational activities), or revenues dedicated to a specific use (i.e. grants taxes or debt funds).

PROPRIETARY FUND TYPES: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

PUBLIC FACILITIES: The capital owned or operated by the City or other governmental entities.

PUBLIC WORKS TRUST FUND: (PWTF) Is a low-interest revolving loan fund which helps local governments finance critical public works needs. To be eligible for trust fund financing, the applicant must be a local government entity, with a long-term plan for financing public works needs. If the applicant is a city or county, it must be imposing the optional one-quarter percent real estate excise tax for capital purposes. Eligible projects include streets and roads, bridges, storm sewers, sanitary sewers, and water systems. Loans will only be made for the purpose of repair, replacement, reconstruction, or improvement of existing eligible public works systems to meet current standards and to adequately serve the needs of the existing populations. New capital improvement projects are not eligible. The maximum loan amount has been one million with a minimum local match of ten percent. Interest rates vary from one to three percent, depending on the match.

RCW: Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

REET: (Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

RESERVE: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESOLUTION: A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

REVENUE: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE BONDS: Bond issued pledging future revenues, usually water, and sewer or drainage charges, to cover debt payments in addition to operating costs.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SALARIES AND WAGES: Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts.

SINGLE AUDIT: An audit performed in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or required governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties from earnings of enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

SPECIAL REVENUE BOND: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure or specified purposes.

STREET FUND: Operation and maintenance fund for city streets. Revenue is derived mainly from Motor Vehicle tax and Property tax.

STREET CONSTRUCTION FUND: Provides funding for transportation projects through programs such as TIB, or other grants. Urban projects must be attributable to congestion caused by economic growth. They must be consistent with state, regional and local selection processes. The TIB requires multi-agency planning and coordination and public/private cooperation to further the goal of achieving a balanced transportation system in Washington State.

SUPPLEMENTAL APPROPRIATION: An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES: A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory or resale items, and small tools and equipment.

SURETY BOND: Any letter of credit, insurance policy, surety bond or other equivalent credit facility or any combination thereof issued to the City to satisfy all or part of the amount required to be maintained in the Reserve Account to make such payments of principal and interest as the same become due at maturity or on any mandatory redemption date.

TAX: Charge levied by a government to finance services performed for the common benefit.

TAX LEVY ORDINANCE: An ordinance through which taxes are levied.

TAX RATE LIMIT: The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TRANSPORTATION IMPROVEMENT BOARD: (TIB) The purpose of the TIB is to administer funding for local governments for transportation projects. Revenues are from the state fuel tax, local matching funds, and private sector contributions.

TRUST FUND: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, and/or other funds.

UTILITY LOCAL IMPROVEMENT DISTRICTS: (ULID) Created only for improvement to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

WAC: Washington Administrative Code.

YIELD: The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.

Exhibit A – Salary Schedule

Position	Salary	Longevity	Total	Ret'mt	Med/Dent	S/S	Medicare	L & I	Def Com	Total Benefits	Total
Court											
Judge	13,200	-	13,200	-	-	818	191	23	-	1,033	14,233
Court Administrator	29,999	-	29,999	2,583	9,600	-	435	406	-	13,024	43,023
Total Court	43,199	-	43,199	2,583	9,600	818	626	430	-	14,057	57,256
Clerk's Office											
Clerk/Treasurer 32 hrs-30%	13,045	447	13,492	1,162	2,880	-	196	122	68	4,427	17,918
Deputy Clerk-32 hrs -10%	3,369	-	3,369	290	960	-	49	41	15	1,354	4,723
Total Clerk's Office	16,413	447	16,860	1,452	3,840	-	244	162	83	5,781	22,641
Community Development											
Director-20% OCC Pay	10,871	-	10,871	936	1,920	-	158	713	240	3,966	14,837
Inspector-20%	8,911	66	8,977	773	1,920	-	130	570	180	3,573	12,550
Deputy Clerk - 5%	1,684	-	1,684	145	480	-	24	20	8	677	2,362
Total Comm Development	21,466	66	21,532	1,854	4,320	-	312	1,303	428	8,217	29,748
Police											
Police Chief	-	-	-	-	-	-	-	-	-	-	-
Patrolman I - 40 hrs	44,140	390	44,530	2,329	9,600	-	646	3,101	-	15,676	60,206
Patrolman II - 40 hrs	52,968	350	53,318	2,789	9,600	-	773	3,101	-	16,263	69,581
Records Clerk-19 hrs	12,834	-	12,834	-	-	796	186	241	-	1,223	14,057
CSO - 10 Hours	5,959	-	5,959	-	-	369	86	891	-	1,347	7,306
Total Police	109,942	740	110,682	5,117	19,200	796	1,691	6,443	-	34,508	151,149
Street											
Clerk-Treasurer - 20%	8,697	298	8,995	774	1,920	-	130	81	45	2,951	11,946
Director 33.33%	18,116	743	18,859	1,624	2,560	-	273	1,188	400	6,045	24,904
Inspector - 60%	26,732	264	26,996	2,324	7,680	-	391	2,281	720	13,397	40,393
Total Street	53,545	1,305	54,850	4,723	12,160	-	795	3,550	1,165	22,393	77,243
Water											
Director 33.34%	18,121	743	18,865	1,624	2,560	-	274	1,188	400	6,046	24,911
Field Foreman	35,643	1,250	36,893	3,176	9,600	-	535	2,851	225	16,387	53,280
Clerk-Treasurer 25%	10,871	373	11,243	968	2,400	-	163	102	56	3,689	14,932
Deputy Clerk 42.5%	14,316	-	14,316	1,233	4,080	-	208	173	64	5,757	20,073
Total Water	78,951	2,366	81,317	7,001	18,640	-	1,179	4,313	745	31,879	113,196
Sewer											
Director 33.33%	18,116	743	18,859	1,624	2,560	-	273	1,188	400	6,045	24,904
Utility Worker	33,685	100	33,785	2,909	9,600	-	490	2,851	375	16,225	50,010
Clerk-Treasurer 25%	10,871	373	11,243	968	2,400	-	163	102	56	3,689	14,932
Deputy Clerk 42.5%	14,316	-	14,316	1,233	4,080	-	208	173	64	5,757	20,073
Total Sewer	76,988	1,216	78,204	6,733	18,640	-	1,134	4,313	895	31,715	109,919
Grand Total	400,504	6,140	406,644	29,463	86,401	1,614	5,983	20,514	3,315	148,551	561,154

Exhibit B - General Fund Projections

CITY OF NAPA VINE	2011 GENERAL FUND PROJECTIONS						
GENERAL FUND	12/8/2010						
	2009	2010	2011	2012	2013	2014	2015
	12/31/2009	Nov-31					
Expenditures:							
Contingency	-	-	-	-	-	-	-
Legislative	3,905	-	4,000	1,200	4,000	1,200	4,000
Municipal Court							
Salaries & benefits	68,233	45,769	58,030	59,771	61,564	63,411	65,313
Operating Expenses	19,359	20,443	32,567	33,200	33,200	33,300	33,300
Finance/Administrative							
Salaries & benefits	18,767	22,799	34,525	36,597	37,694	38,825	39,990
Operating Expenses	13,740	15,653	19,845	20,000	20,000	20,000	20,000
Legal	10,929	4,066	10,000	15,000	15,000	15,000	15,000
Personnel	19,256	22,861	30,050	31,000	31,500	31,500	31,500
Central Services	6,927	2,334	3,120	3,100	3,000	3,000	3,000
Law Enforcement							
Salaries & benefits	182,422	150,441	153,700	198,700	200,000	206,000	212,180
Operating Expenses	86,547	95,344	82,900	85,000	85,000	85,000	85,000
Prisoner/Med/Indigent Atty	33,699	20,773	24,000	24,000	25,000	26,000	27,000
Emergency Services	7,478	5,922	11,265	13,500	13,700	13,800	13,900
Physical Environment	751	602	858	900	950	975	1,000
Community Development							
Salaries & benefits	26,960	36,238	30,520	31,436	33,322	34,321	35,351
Operating Expenses	3,369	11,974	9,820	9,800	10,000	10,000	10,000
Park Maintenance	8,348	11,548	9,300	9,400	9,500	9,500	9,500
Non-Expend. Uses	87,602	44,830	184,791	18,500	18,500	18,500	18,500
Debt Service	1,264,533	69,286	70,146	70,146	70,146	70,146	70,146
Transfers	4,250	9,000	4,500	9,000	10,000	10,000	10,000
Payroll Account	(1,561)						
Total Expenditures	1,865,513	589,883	773,937	670,249	682,076	690,479	704,681
Revenue:							
Property Tax	112,148	107,071	124,849	126,097	127,358	128,632	129,918
Sales Tax	179,086	154,675	175,000	185,000	190,000	195,000	200,000
Other Taxes	112,152	100,823	116,180	120,500	120,500	120,500	120,500
Licenses/Permits	27,001	14,178	19,790	19,000	19,000	19,000	19,000
City Assistance	15,206	6,392	6,000	6,000	6,000	6,000	6,000
State Shared Revenue	29,489	42,428	31,179	32,000	32,000	33,000	33,000
Goods/Services	16,260	12,527	12,875	13,000	13,000	13,000	13,000
Fines/Forfeitures	48,167	29,083	34,900	35,000	35,000	35,000	35,000
Miscellaneous	4,499	75,160	83,447	83,000	83,000	83,000	83,000
Other Financing Sources	1,346,373	64,277	70,757	19,900	19,900	19,900	19,900
Interfund Loan/Cap Imp	-	-			-	-	-
Total Revenue	1,890,382	606,614	674,977	639,497	645,758	653,032	659,318
Beginning Cash Balance	94,728	119,597	136,328	37,368	6,616	(29,702)	(67,149)
Contingency	-	-	-	-	-	-	-
Non-Budgeted Revenue							
Expense over revenue	(25,967)	16,731	(98,960)	(30,752)	(36,318)	(37,447)	(45,362)
Ending Cash Balance	119,597	136,328	37,368	6,616	(29,702)	(67,149)	(112,511)

Exhibit C – Street Fund Projections

CITY OF NAPA VINE	2011 Street Projections						
STREET FUND	12/31/09	11/30/10	12/8/2010				
EXPENDITURES	2009	2010	2011	2012	2013	2014	2015
Contingency	-	-					
General Government	5,275	2,539	3,000	3,500	3,500	3,500	3,500
Physical Environment	5,860	-	-	-	-	-	-
Salaries & Benefits	68,467	53,267	64,640	66,579	69,242	72,012	74,172
Operating Expenditures	79,425	29,772	58,300	50,200	56,000	56,000	56,000
Traffic/Pedestrian Services	22,514	19,688	25,100	26,100	26,100	29,100	29,100
Administration							
Salaries & Benefits	27,792	12,802	12,850	13,236	13,765	14,316	14,745
Operating Expenditures	45,590	15,776	6,500	8,500	8,500	8,500	8,500
Non-Expenditures	4,766	28,285	21,673	17,673	-	-	-
Transfers	5,597	10,500	21,000	20,500	20,500	20,500	20,500
Total Expenditures	265,286	172,629	213,063	206,287	197,607	203,928	206,517
REVENUES							
Property Taxes	112,148	107,071	124,849	126,097	127,358	128,632	129,918
Utility Taxes	35,054	37,339	46,430	45,500	46,000	46,500	47,000
Gas Tax	35,025	33,422	36,769	37,000	37,300	37,600	37,900
Total Taxes	182,227	177,832	208,048	208,597	210,658	212,732	214,818
Public Assist Disaster Grant	10,076	2,218	-	-	-	-	-
Interfund loan	49,138						
Miscellaneous Revenue	6,671	326	350	500	500	500	500
Total Revenue Sources	248,112	180,376	208,398	209,097	211,158	213,232	215,318
Beginning Cash Balance	54,400	37,226	44,973	40,308	43,118	56,669	65,974
Revenues	248,112	180,376	208,398	209,097	211,158	213,232	215,318
Expenditures	265,286	172,629	213,063	206,287	197,607	203,928	206,517
Ending Cash Balance	37,226	44,973	40,308	43,118	56,669	65,974	74,775
Profit/Loss	(17,174)	7,747	(4,665)	2,810	13,551	9,304	8,801

Exhibit D – Water Fund Projections

CITY OF NAPA VINE	2011 WATER FUND PROJECTIONS						
WATER FUND	12/31/09	11/30/10	12/8/2010				
EXPENDITURES	2009	2010	2011	2012	2013	2014	2015
Contingency	-	-	-	5,000	5,000	5,000	5,000
Unemployment	2,981	-	-	-	-	-	-
Engineering Services	1,638	-	5,000	5,000	5,000	5,000	5,000
Salaries & Benefits	117,673	114,549	117,195	124,227	127,954	131,792	135,746
Administration Expenses	47,079	41,474	45,825	48,000	48,000	48,000	48,000
Maintenance	13,976	23,149	60,515	63,000	63,000	63,000	63,000
Operation Expenses	59,652	74,612	103,415	105,000	105,000	105,000	105,000
Miscellaneous	2,056	1,431	1,650	2,000	2,000	2,000	2,000
Total Utility Enterprise	245,055	255,215	333,600	347,227	350,954	354,792	358,746
Debt Service							
PWTF 5-93-280-027	13,070	11,882	12,595	12,595	12,595	12,595	12,595
PWTF 98-791-043	16,947	17,510	16,407	16,407	16,407	16,407	16,407
Rural Development	34,065	11,355	22,710	22,710	22,710	22,710	22,710
Ecology Loan	2,183	2,419	2,420	2,420	2,420	2,420	2,420
Total Debt Service	66,265	43,166	54,132	54,132	54,132	54,132	54,132
Transfers	23,771	33,130	31,500	31,500	31,500	31,500	31,500
Total Expenditures	335,091	331,511	419,232	432,859	436,586	440,424	444,378
REVENUES							
Water Service	274,183	269,033	338,688	342,989	356,141	370,656	387,180
Connections	28,100	8,500	17,500	23,000	23,500	24,000	24,500
Late Charges	18,249	25,161	20,000	20,000	20,000	20,000	20,000
Shut Offs	1,950	1,473	1,500	1,700	1,700	1,700	1,700
Other Fees	778	345	500	500	1,000	1,000	1,000
Investment Interest	2,580	831	900	900	900	1,000	1,000
NSF Fees	563	580	500	500	500	500	500
Miscellaneous	2,404	860	1,000	1,000	1,000	1,000	1,000
Fire Hydrant Maintenance	3,475	-	-	-	-	-	-
Garbage Administration Fee	2,253	1,630	-	-	-	-	-
Transfers	37	-	2,997	-	-	-	-
Total Revenues	334,572	308,413	383,585	390,589	404,741	419,856	436,880
Profit/Loss from Operations	(519)	(23,098)	(35,647)	(42,270)	(31,845)	(20,568)	(7,498)
Basic Rate - 0 Consumption	17.00	20.00	20.00	20.00	21.00	22.00	23.00
Per 100 cu ft consumption	3.00	3.75	4.00	4.00	4.00	4.00	4.00
Connection Rate	3,200	4,400	4,500	4,600	4,700	4,800	4,900
Add'l Connection rates	1,800	1,900	2,000	2,100	2,200	2,300	2,400
Customer base	595	623	630	638	648	660	675
Cash Reserves	274,662	251,564	215,917	173,647	141,802	121,233	113,735
Contingency	6,000	5,000					
Beginning Cash Balance	275,181	274,662	251,564	215,917	173,647	141,802	121,233
Revenues	334,572	308,413	383,585	390,589	404,741	419,856	436,880
Expenditures	335,091	331,511	419,232	432,859	436,586	440,424	444,378
Ending Cash Balance	274,662	251,564	215,917	173,647	141,802	121,233	113,735

Exhibit E – Wastewater Fund Projections

CITY OF NAPAIVINE	2011 WASTEWATER FUND PROJECTIONS						
WASTEWATER FUND	12/30/09	11/30/10	12/8/2010				
EXPENDITURES	2009	2010	2011	2012	2013	2014	2015
General Government	2,981	-	5,000	5,000	5,000	5,000	5,000
Salaries & Benefits	117,590	107,156	113,910	120,745	124,367	128,098	134,503
Administration Expenses	43,534	39,894	42,425	44,000	45,000	46,000	47,000
Maintenance Expenses	21,900	10,021	29,245	33,500	33,500	33,500	3,350
Operating Expenses	109,131	125,050	115,284	144,000	144,000	144,000	144,000
Miscellaneous Expenses	6,575	8,339	1,750	1,800	2,000	2,000	2,000
Total Operate Expenses	301,711	290,460	307,614	349,045	353,867	358,598	335,853
Debt Service							
PWTF Loan	64,324	63,770	63,215	63,000	62,800	62,600	62,400
12% Reg. Treatmnt Plant	208,034	104,017	208,034	208,034	208,034	208,034	208,034
Transfers	11,500	1,500	6,500	30,000	30,000	30,000	30,000
Total Expenditures	585,569	459,747	585,363	650,078	654,701	659,232	636,287
REVENUES							
Wastewater Service	432,250	477,941	574,976	608,911	618,500	648,724	671,568
Wastewater Connections	39,800	18,650	27,500	41,250	42,000	42,750	43,500
Investment Interest	1,489	209	200	250	250	300	300
Miscellaneous	6,420	8,132	1,000	1,000	1,200	1,200	1,200
Total Revenue	479,959	504,932	603,676	651,411	661,950	692,974	716,568
Profit/Loss Operations	(105,610)	45,185	18,313	1,333	7,250	33,742	80,281
Base Rate 0 Consumption	32.00	47.00	47.00	50.00	50.00	52.00	53.00
Per 100 cu ft consumption	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Hookup rates	5200	5300	5400	5500	5600	5700	5800
Additional hookup rates	2000	2000	2100	2100	2100	2100	2100
Customer Base	583	610	623	635	645	660	675
Contingency			5,000				
Cash Reserves	49,546	94,731	108,044	114,377	121,627	155,369	235,650
Beginning Cash Balance	155,156	49,546	94,731	113,044	114,377	121,627	155,369
Revenues	479,959	504,932	603,676	651,411	661,950	692,974	716,568
Expenditures	585,569	459,747	585,363	650,078	654,701	659,232	636,287
Ending Cash Balance	49,546	94,731	113,044	114,377	121,627	155,369	235,650

ORDINANCE No. 482

AN ORDINANCE OF THE CITY OF NAPAVINE, WASHINGTON, ADOPTING THE BUDGET OF THE CITY OF NAPAVINE, WASHINGTON, FOR THE YEAR 2011, AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

An ordinance adopting the budget for the City of Napavine, Washington, for the fiscal year ending December 31, 2011.

WHEREAS, the Mayor of the city of Napavine, Washington completed and placed on file with the city clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said city for the fiscal year ending December 31, 2011, and a notice was published that the council of said city would meet on the 2nd Tuesday of December, 2010, at the hour of 6:30 p.m., in the council chambers of city hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Napavine for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said city for said year and being sufficient to meet the various needs of said city during said period.

NOW, THEREFORE, the City Council of the City of Napavine do ordain as follows:

Section 1. The budget for the City of Napavine, Washington, for the year 2011 is hereby adopted at the fund level in its final form and content as set forth in the document entitled 2011 Budget, three copies of which are on file in the Office of the Clerk.

Section 2. Estimated resources for each separate fund of the City of Napavine, and aggregate appropriations for all such funds for the year 2011 are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 2011 as set forth in the 2011 Budget.

Fund/Fund #	Estimated Resources	Appropriations
General Fund (Current)/001	823,052	773,937
Substance Abuse Fund/002	5,937	5,000
Park Improvement Fund/004	52,760	20,000
Street Fund/101	243,313	213,063
Street Improvement Fund/105	31,871	28,000
Project Planning Fund/305	46,518	40,000
Refuse Fund/400	149,566	118,505
Water Fund/401	652,728	419,232
Water System Improvement Fund/402	274,936	250,000
USDA Bond Reserve Fund /403	25,707	2,997
Water Deposit Fund/404	16,340	16,340
Wastewater Fund/406	632,648	585,363
Wastewater System Improvmnt Fund/408	398,159	350,000
Internal Service Fund/501	84,389	63,500
Unemployment Compensation Fund/621	6,836	5,000
Grand Total All Funds	3,444,760	2,890,937

Section 3. The city clerk is directed to transmit a certified copy of the budget hereby adopted to the State Auditor's Office and to the Association of Washington Cities.

Section 4. This ordinance shall be in force and take effect five (5) days after its publication according to law.

PASSED by the council and **approved** by the Mayor this 28th day of December, 2010.

Nicholas W. Bozarth
Mayor

Attest:

Mary Todd
City Clerk-Treasurer

Approved as to form:

Dana L. Williams
City Attorney