

CITY OF NAPAVINE

2021

BUDGET



FOR THE FISCAL YEAR
January 1, 2021
Through
December 31, 2021

Adopted: _____

The City of Napavine is an equal opportunity employer and provider.

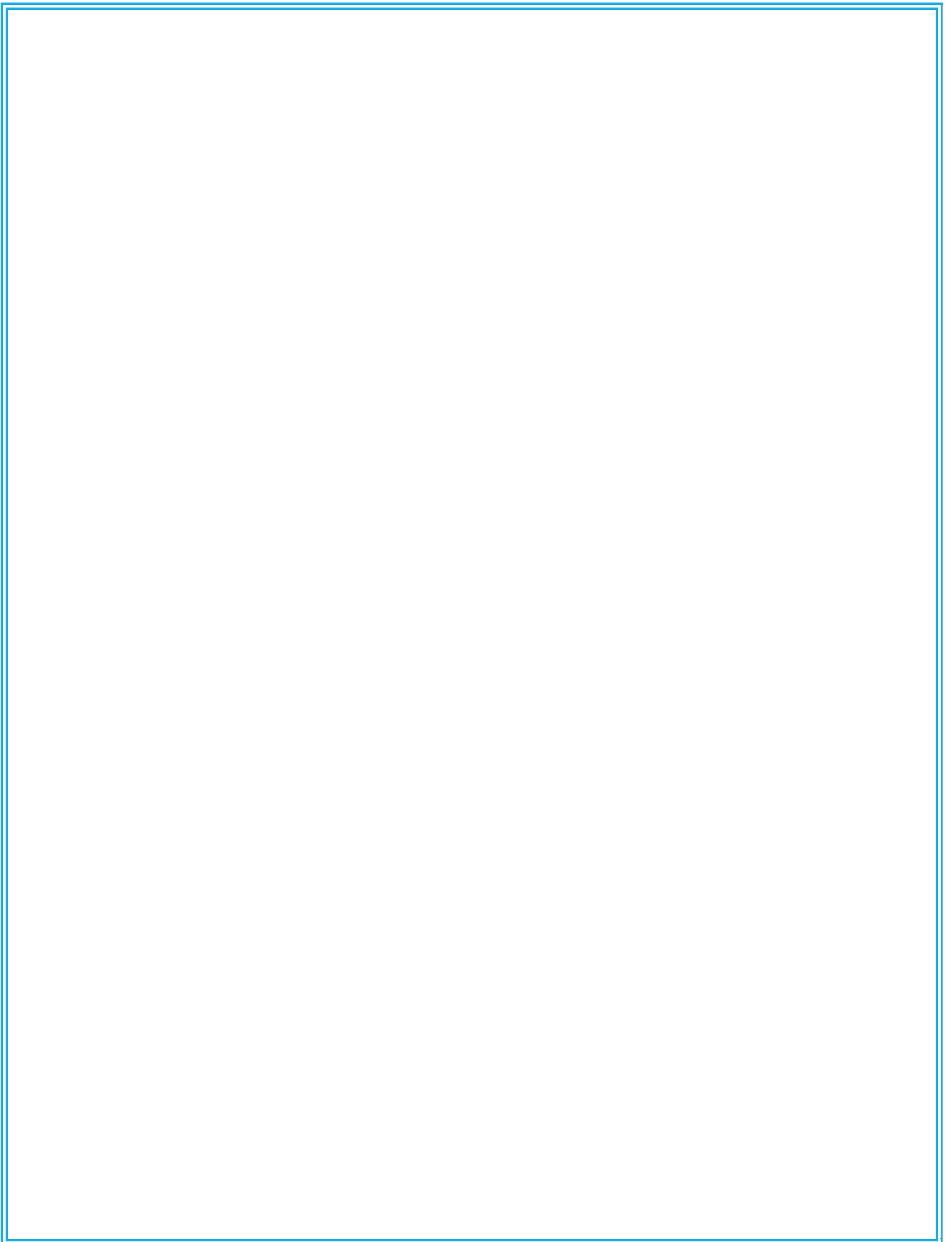
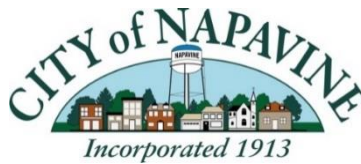


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MAYOR'S BUDGET MESSAGE

TO: The Legislative Body and Citizen of Napavine
From: Mayor, Shawn O'Neill
Subject: Recommended Final Budget Proposal for 2021

I am pleased to submit for your consideration the 2021 Proposed Annual Budget for the City of Napavine.

Proposed expenditures for the forthcoming budget year are provided in the following table on a comparative basis with the current year's budget and previous year's actual expenditures:

	Previous Year Actual Expenditures	Current Budget	Proposed Budget
General Government Services	\$261,245	\$322,340	\$317,675
Public Safety	\$398,184	\$599,895	\$559,605
Substance Abuse	\$75	\$6,600	\$2,000
Criminal Justice Policing	\$9,162	\$40,900	\$31,000
Transportation	\$234,163	\$288,430	\$205,435
Economic Development	\$94,418	\$171,370	\$164,110
Mental Health Services	\$695	\$535	\$550
Culture & Recreation	\$6,206	\$10,775	\$9,725
Enterprise Water Services	\$314,468	\$428,205	\$391,015
Enterprise Sewer Services	\$444,862	\$566,385	\$531,155
Total Operating Appropriations	\$1,763,478	\$2,435,435	\$2,212,270
Estimated Other Financing Uses:			
Debt/Capital/Transfers Out	\$1,390,537	\$1,897,185	\$1,592,600
Total Estimated Uses:	\$3,154,015	\$4,332,620	\$3,804,870

The overall budget as proposed is approximately 13.87% lower than last year's primarily due to cutting the 2021 Budget down to bare bones in all departments except for the capital project expenditures for park improvement and street capital project, shoreline update, salary increase of \$200 per month for all employees and associated benefits for the increase, other agency increases in fees, maintenance of city hall and capital equipment and an upgrade to the payroll and billing software.

The budget includes a proposed levy increase of 1% levy increase of \$3,209 with a total levy budget of \$334,000 to allow for the maximum levy for Napavine to include new construction and improvements which is split 50/50 with General Fund and Street Fund. The anticipated tax rate for 2021 is 1.539577056767 per \$1,000 of assessed property value. The 2021 assessed value of the Napavine City District is \$216,521,634. The increased assessments within the city's district lowered the rate per \$1,000 by 0.106625401766.

The estimated revenue from retail sales and use taxes is \$415,000, 6.02% higher than current years anticipated revenues. It is difficult to predict sales tax revenue due to economic fluctuations, internet sales and one-time construction projects within the city.

Budgeted funds include the use of estimated fund balance to be carried over from the primary funds such as general fund, street fund, water, and sewer utility funds.

City of Napavine, does impose utility taxes on electric, cable television and telephone communications at a rate of 6%, the maximum allowed for cities. The city does not impose a utility tax on natural gas, it is not anticipated there will be any significant increases in revenue from any source other than property taxes for the budget year.

Estimated revenues for the forthcoming budget are compared to projections for the current year and last year's actual revenues received. These projections, current adopted budget, and prior year results are as follows:

	Previous Years Actual Revenues	Current Budget Projections	Revenue Estimates for Budget Period
Estimated Beginning Fund Balance	3,749,818	3,891,930	3,782,309
Taxes	1,043,014	1,036,500	1,071,960
Licenses and Permits	46,130	39,845	48,285
Intergovernmental Revenues	474,917	591,775	845,510
Charges for Goods and Services	1,265,186	1,328,645	1,326,420
Fines and Penalties	31,118	32,080	33,365
Miscellaneous Revenues	307,970	176,680	170,930
Disposition of Capital Assets	-	55,000	-
Total Estimated Revenues	3,168,334	3,260,525	3,496,470
Total Other Estimated Financing Sources	123,862	193,700	90,740
	3,292,196	3,454,225	3,587,210
Total All Estimated Resources	7,042,013	7,346,155	7,369,519

PERSONNEL

Personnel changes in the budget include maintaining staffing levels at 40 hours per week except for Municipal Court staff remaining at 32 hours per week. The budget includes the position of Public Works/Community Development Director, who is the supervisor for all public works maintenance activities and oversees the Community Development Department which oversees economic development, land use and building permitting. The Police Department has three full time commissioned police officers, commissioned Chief of Police and an Executive Assistant.

The Union contract was ratified in 2020 to provide a wage increase for all employees in the amount of \$200 per month. The budget also provides for any salary the normal progressive step increases for those not presently at the top of their position class range.

LAW ENFORCEMENT

Total costs for law enforcement is down 7.02 percent from \$563,345 to \$543,140 with the hiring of a 4th officer in 2020 and cutting the department's budget.


GENERAL

\$1,090 is appropriated for the city's contribution to the air pollution control authority which is based on 2021 population estimate of 2,010. A small increase over the prior year's budget. \$550 is budgeted for public health and alcoholism programs which is 2% of liquor state shared profits and excise tax as mandated by law to receive these funds.

Two major capital improvement projects are included in this budget proposal consisting of:

- Safe Routes to School sidewalks along Fourth Ave NE;
- Park improvements of a new kitchen at Mayme Shaddock Park

Very truly yours,



Shawn O'Neill

City of Napavine, Washington



The City of Napavine was incorporated November 21, 1913 and operates under the laws of the state of Washington applicable to a Mayor-Council form of government. The City of Napavine uses single-entry, cash basis accounting and reporting.

The City of Napavine is a general-purpose government that provides police services, municipal court services, community parks, land use planning, building plan review and code enforcement, street maintenance, water distribution, wastewater collection and general administrative services.

PRINCIPAL OFFICIALS

ELECTED CITY OFFICIALS

(City Council)

Shawn O'Neill, Mayor Term Expiration 12/31/2023
Don Webster, Council Position #1 Term Expiration 12/31/2021
Larry Stafford, Council Position #2 Term Expiration 12/31/2021
LaVerne Haslett, Council Position #3 Term Expiration 12/31/2023
Heather Stewart, Council Position #4 Term Expiration 12/31/2021
James Haslett, Council Position #5 Term Expiration 12/31/2023

DEPARTMENT HEADS/APPOINTED CITY OFFICIALS

James M. B. Buzzard City Attorney
Sharri Salyers City Clerk
Mary Wood City Treasurer
Bryan Morris Public Works Community Development Director
Chris Salyers Police Chief
Joseph Mano Municipal Court Judge
Katie Clark Court Administrator

PLANNING COMMISSION

Deborah Graham
Larry Hamilton, Chair

Bob Bozarth
Brandon Torgerson

Arnold Haberstroh

Mailing Address

P O Box 810
Napavine, WA 98565

Physical Address

407 Birch Ave SW
Napavine, WA 98565

Phone

360-262-3547

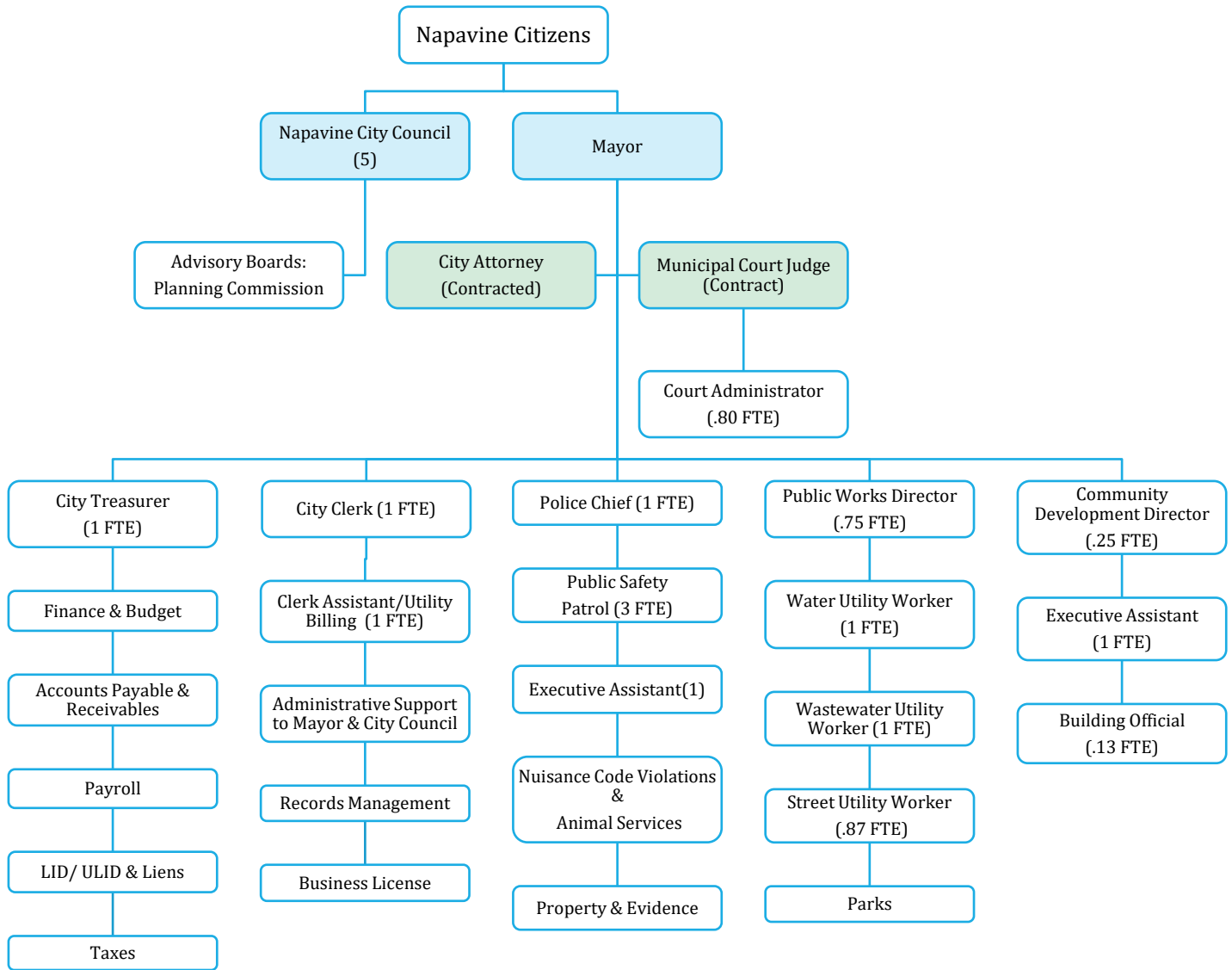
Fax

360-262-9199

Home Page

www.cityofnapavine.com

CITY-WIDE ORGANIZATION CHART



Napavine is served by Lewis County Fire District #5

Elected Officials
 Contract

ORDINANCE ADOPTING 2021 BUDGET

ORDINANCE NO. 618

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF NAPAVINE, WASHINGTON, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021

WHEREAS, the City of Napavine, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of moneys required to meet the public expenses, bond retirement and interest, reserve funds, and expenses of government of the City for the fiscal year ending December 31, 2021; and

WHEREAS, a notice was published that the City Council would meet on December 3, 2020 at 6:00 p.m., in the council chambers of city hall for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of the City an opportunity to be heard in a public hearing upon said budget; and

WHEREAS, the City Council did hold a public hearing at that time and place and did then consider the matter of the proposed budget for the fiscal year 2021 on December 8, 2020; and

WHEREAS, the proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City for the purposes set forth in the budget, and the estimated expenditures set forth in the budget being all necessary to carry on the government of the City for the fiscal year 2021 and being sufficient to meet the various needs of the City during that 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 2021 is hereby adopted at the fund level in its final form and content as set forth in the comprehensive budget document, "City of Napavine 2021 Budget", copies of which are on file in the Office of the City Clerk.

SECTION 2. Estimated resources, including fund balances for each separate fund of the City of Napavine, for the year 2021 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2021 as set forth in the City of Napavine 2021 Budget.

Fund	Estimate Begin Balance	Estimated Revenues	Appropriations/ Expenditures	Estimated Ending Fund Balance
General Fund 001	672,224	1,045,300	1,040,740	676,784
Substance Abuse Fund 002	6,334	20	2,000	4,354
Park Improvement Fund 004	127,099	278,940	355,405	50,634
General Govmmt Equipment Fund 005	61,771	-	27,260	34,511
Street Fund 101	169,046	217,130	220,435	165,741
Street Capital Equipment Fund 102	16,000	15,000	-	31,000
Street Improvement Fund 105	172,945	493,390	498,525	167,810
Criminal Justice Funds 110	65,493	44,025	81,000	28,518
Project Planning Fund 305	206,590	40,325	75,000	171,915
Water Fund 401	739,000	478,150	451,500	765,650
Water System Improvement Fund 402	395,689	30,700	40,000	386,389
Water Deposit Trust Fund 404	7,615	-	7,600	15
Wastewater Fund 406	281,934	823,980	822,330	283,584
Wastewater System Improve Fund 408	465,451	37,425	70,000	432,876
Sewer Capital Equipment Fund 409	21,000	10,000	-	31,000
Water Capital Equipment Fund 411	16,000	15,000	-	31,000
LID 2011-1 Bond Redemption Fund 415	299,982	57,825	81,075	276,732
Private-Purpose Trust Funds 621	34,836	-	32,000	2,836
Total All Funds	3,759,009	3,587,210	3,804,870	3,541,349

SECTION 3. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the State Auditors' Office, MRSC and to the Association of Washington Cities.

SECTION 4. Effective Date. This ordinance shall be in full force and take effect on January 1, 2021, pursuant to RCW 35A.12.130.

Passed by the City Council, of City of Napavine, at a regular open public meeting thereof this 8th day of December, 2020.

Mayor, Shawn O'Neill

Approved as to form:

Attest:

City Attorney, James M. B. Buzzard, WBA# 33555

City Clerk, Sharri Salyers

PASSED: _____

PUBLISHED DATE: _____

EFFECTIVE DATE: _____

2020 ESTIMATED YEAR END BALANCES

2020 Estimated Year End										
Fund	Beginning		Transfers	Transfers		Ending	Committed		Unreserved	
	Cash & Invest	Revenues	In	Expenditures	Out	Cash & Invest	Restricted \$		Balance	
001	General Fund 001	680,519	1,037,065	0	1,040,360	5,000	672,224	105,796		566,428
002	Substance Abuse Fund	6,625	30		321		6,334	6,334		0
004	Park Improvement Fund 004	108,149	20,050		1,100		127,099	124,025		3,074
005	Gen Gov Capital Equip Fund	2,151	55,000	5,000	380		61,771			61,771
101	Street Fund 101	252,076	165,170		237,200	11,000	169,046	14,848		154,198
102	Street Capital Equipment Fund	5,000		11,000	0	0	16,000			16,000
105	Street Improvement Fund 105	152,875	20,070		0		172,945	54,606	30,990	87,349
110	Criminal Justice Funds	31,953	42,260		8,720		65,493	63,878		1,616
305	Project Planning Fund	166,145	40,445		0		206,590	200,595		5,995
401	Water Fund 401	782,930	465,060		397,990	111,000	739,000			739,000
402	Water System Improvement Fund	601,274	26,935	100,000	332,520		395,689			395,689
403	USDA Bond Reserve Fund	22,710	0		0		22,710	22,710		0
404	Water Deposit Trust Fund	7,815	0		200		7,615	7,615		0
406	Wastewater Fund 406	346,649	793,680		792,395	66,000	281,934			281,934
408	Wastewater System Improve Fund	378,361	37,090	50,000	0		465,451			465,451
409	Sewer Capital Equipment Fund	5,000		16,000	0		21,000			21,000
411	Water Capital Equipment Fund	5,000		11,000	0		16,000			16,000
415	LID 2011-1 Bond Redemption Fund	296,742	85,025		81,785		299,982	299,982		0
502	Private-Purpose Trust Funds	34,836	0	0	0		34,836	34,836		0
631	Agency Funds	1,187					1,187	750		437
632	Municipal Court Trust Fund	1,913	26,455		26,965		1,403			1,403
	Total	3,889,910	2,814,335	193,000	2,919,936	193,000	3,784,309	935,974	30,990	2,817,345
			3,007,335		3,112,936					

2020 YEAR END RESTRICTED REVENUES

2020 Restricted Revenues								
Fund:	General Fund							
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
11,660	Liquor Excise Tax	70.96A.087	2% Substance abuse treatments	233				
15,900	Liquor Board Profits	70.96A.085	2% Substance abuse treatments	318	(0)	551	551	(0)
-	Liquor Control Board Profits	66.24.065	20.23% Public Safety	3,217	0	3,217	3,217	(0)
	Sale Proceeds RR Spur	Res 14-07-62	Future Capital Needs	105,796	105,796	105,796	-	105,796
27,560			Total Restricted Funds	109,564	105,796	109,564	3,768	105,796

Two percent (2%) of the total amount of liquor excise tax and liquor board profits must be spent on substance abuse treatment programs. Programs must be approved by the board authorized by RCW 70.96A.300 and the Secretary of the Department of Social and Health Services. In addition, Initiative 1183 added \$10 million dollars to the distribution for enhancing public safety programs. In percentage terms, this means 20.23 percent (20.23%) of the distribution must be spent for programs that enhance public safety. With the privatization of liquor sales, the liquor control board profits are the state distribution of a portion of beer tax and spirit fees. Distribution is based on population.

Fund:	Substance Abuse Fund							
Estimate Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
30	Seizure, Drug Fines & Interest	572	Care Evidence, Training, Investigative	30.00	6,624.67	6,654.67	320.66	6,334.01

Napavine City Council adopted Ordinance 572 on December 12, 2017 to restrict the use of the Substance Abuse Fund to offset investigation expenses, purchase materials and supplies for care and custody of evidence, public education items for the furtherance of restriction of alcohol and drug abuse, facilitation of officer training in the area of drug and alcohol awareness, and investigations of substance abuse and alcohol related offenses.

Fund: Park Improvement Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
20,000	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan Capital Projects	20,000	105,028	125,028	1,100	123,928
50	Investment Interest			50	47	97	0	97
20,050			Total Restricted Funds	20,050	105,075	125,125	1,100	124,025

Real Estate Excise tax is restricted for capital projects that are recognized in the city’s Capital Facilities Plan which meets capital threshold of \$5,000 or more based on the city’s Capital Asset Policy that was adopted in 2012. The city is saving funds from the Real Estate Excise tax revenues for an upgrade to the kitchen area at Mayme Shaddock Park with enclosed restrooms and heating by building a new facility.

RCW 82.46.015 provides for twenty-five percent (25%) of available funds for the maintenance of capital projects if the city will have adequate funding from all sources of public funding to pay for all capital projects as defined in RCW 82.46.010, which are identified in the Capital Facilities Plan for the succeeding two-year period. Maintenance means the use of funds for labor and materials that will preserve, prevent the decline of, or extend the useful life of a capital project. Maintenance does not include labor or material costs for routine operations of a capital project.

Fund: Street Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
2,695	Multimodal Transportation City	47.66.070	Transportation purpose only	2,695	12,153	14,848	-	14,848

Multimodal transportation funds are a part of the transportation package that was passed in 2015 legislative session in Section 405 of Engrossed Substitute House Bill 2524, Chapter 14, Laws of 2017 and Section 331 of 2ESSB 5987, Chapter 44, Laws 15. RCW 47.66.070 provides for the multimodal transportation account and states that the funds may be used only for transportation purposes. Transportation is defined as “the movement of people, animals and goods from one location to another.” The Increased Motor Vehicle Fuel Tax funds are restricted for highway purposes and the Multimodal Transportation Tax Funds are restricted for any transportation purposes. That system includes public roads, ferries, public transportation, aviation, freight and passenger rail, ports, and bicycles and pedestrian facilities.

Fund: Street Improvement Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
20,000	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan/Capital Projects	20,000	79,248	99,248	45,325	53,923
70	Investment Interest			70	612	682		682
-	HH Napavine 16		Developers Agreement Starbucks/HH Napavine 16	0	15,000	15,000	0	15,000
-	HH Napavine 16		Developers Agreement Taco Bell	0	15,990	15,990	0	15,990
20,070			Total Restricted Funds	20,070	110,851	130,921	45,325	85,596

Real Estate Excise tax is restricted for capital projects that are recognized in the city’s Capital Facilities Plan which meets capital threshold of \$5,000 or more based on the city’s Capital Asset Policy that was adopted in 2012. The city maintains this fund for future street projects listed in the Capital Facilities Plan which was updated and approved at an open public council meeting on October 27, 2020.

The city entered into two separate Developers Agreements to commit funds held in the Street Improvement Fund. A Developers Agreement with H&H Napavine 16, LLC in the amount of \$15,000 as an “Impact Mitigation Fee” is restricted in its use for lay-out, excavation and trenching, 60 feet of curb and gutter, 300 square feet of sidewalk, drainage, restoration, and lighting. This agreement was made on June 4, 2014 that H&H shall pay this sum in lieu of constructing Street Improvements in cash in advance, in accordance with the terms of the Agreement , and allow the City to undertake the Street Improvements at a later date as part of a larger street improvement program to improve the threat to public health and safety.

The City entered into a Development Agreement with Taco Bell of America, LLC on September 22, 2016 to impose new or different regulations to the extent required by the serious threat to public health and safety, including the need to install traffic control devices. Taco Bell paid in advance with the agreement for future traffic control devices in the amount of \$15,990 based on a Developer’s Traffic Impact Analysis (“TIA”) shared cost of \$325,000. The term of this agreement is for ten (10) years to construct traffic control devices at the intersection of Rush Road and Hamilton Road and/or at the nearby entrance and exit interchanges to Interstate 5 the Impact Mitigation Fee shall be applied toward the cost of the project. If the funds are not expended the amount shall be refunded to Taco Bell with accrued interest around September 22, 2026.

Fund: Criminal Justice Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
1,000	Criminal Justice Lo-Pop	82.14.330	Criminal Justice purpose non-recurring (Purchase police cars)	1,000	1,238	2,238	0	2,238
2,220	CJ-Special Programs	82.14.330 (2)(b)	Innovative Law Strategies, At-Risk Children, Child Abuse, Domestic Violence	2,220	13,248	15,468	1,020	14,448
285	DUI - Cities		DUI OT Enforcement	285	3,812	4,097	0	4,097
38,770	CJ - Sales Tax	82.14.340	Criminal Justice Purposes	38,770	7,325	46,095	3,000	43,095
42,275			Total Restricted Funds	42,275	25,623	67,898	4,020	63,878

The term *criminal justice purposes* indicate a broad definition which would encompass all costs incurred in connection with the administration and enforcement of criminal laws, including those systems for dealing with persons suspected of, accused of, charged with, or convicted of crimes and domestic violence services. Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures such as purchase patrol vehicles.

Fund: Project Planning								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
40,000	2nd Quarter Real Estate Excise Tax	82.46.035 (2)	Capital Facilities Plan/Capital Projects	40,000	159,676	199,676	-	199,676
350	Investment Interest			350	568.92	919		919
40,350				40,350	160,245	200,595	-	200,595

The city imposes an additional excise tax on each sale of real property in the in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Real Estate Excise Tax is restricted in its use by RCW 82.46.03 (3) must be used by cities solely for financing capital projects specified in a capital facility plan element of a comprehensive plan. Capital Project means those public works 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.

The Agency Fund holds a deposit on behalf of the Napavine Youth Baseball in the amount of \$750.00 for damage to the facilities, key deposit and the electric reimbursement to the city. This deposit will be held over to the next year for an indefinite period.

2021 BUDGET SUMMARY

2021 Estimated Ending Cash Balances										
Fund	Beginning	Transfers			Transfers	Ending		Restricted \$	Committed	Unreserved
	Cash & Invest	Revenues	In	Expenditures	Out	Cash & Invest	Balance			
001	General Fund 001	672,224	1,015,300	30,000	1,040,740	0	676,784	105,796		570,988
002	Substance Abuse Fund	6,334	20		2,000		4,354	4,354		0
004	Park Improvement Fund	127,099	278,940		355,405		50,634	47,560		3,074
005	Gen Gov Capital Equip Fund	61,771	0	0	27,260		34,511			34,511
101	Street Fund 101	169,046	217,130		205,435	15,000	165,741	17,543		148,198
102	Street Capital Equipment Fund	16,000	0	15,000	0		31,000			31,000
105	Street Improvement Fund	172,945	493,390		498,525		167,810	49,471	30,990	87,349
110	Criminal Justice Funds	65,493	44,025		51,000	30,000	28,518	26,903		1,616
305	Project Planning Fund	206,590	40,325		75,000		171,915	165,920		5,995
401	Water Fund 401	739,000	478,150		426,500	25,000	765,650			765,650
402	Water System Improvement Fund	395,689	20,700	10,000	40,000		386,389			386,389
403	USDA Bond Reserve Fund	22,710	0		0		22,710	22,710		0
404	Water Deposit Trust Fund	7,615	0		7,600		15	15		0
406	Wastewater Fund 406	281,934	823,980		802,330	20,000	283,584			283,584
408	Wastewater System Improve Fund	465,451	27,425	10,000	70,000		432,876			432,876
409	Sewer Capital Equipment Fund	21,000	0	10,000	0		31,000			31,000
411	Water Capital Equipment Fund	16,000	0	15,000	0		31,000			31,000
415	LID 2011-1 Bond Redemption Fund	299,982	57,825		81,075		276,732	276,732		0
502	Private-Purpose Trust Funds	34,836	0		32,000		2,836	2,836		0
631	Agency Funds	1,187	0				1,187	750		437
632	Municipal Court Trust Fund	1,403	0				1,403	1,403		
	Total	3,784,309	3,497,210	90,000	3,714,870	90,000	3,566,649	721,992	30,990	2,813,667
			3,587,210		3,804,870					

2021 RESTRICTED FUNDS

General Fund

Fund: General Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
11,375	Liquor Excise Tax	70.96A.087	2% Substance abuse treatments	228				
15,900	Liquor Board Profits	70.96A.085	2% Substance abuse treatments	318	(0)	545	545	0
-	Liquor Control Board Profits	66.24.065	20.23% Public Safety	3,217	(0)	3,217	3,217	(0)
	Sale Proceeds RR Spur	Res 14-07-62	Future Capital Needs	105,796	105,796	105,796	-	105,796
27,275			Total Restricted Funds	109,558	105,796	109,558	3,762	105,796

Substance Abuse Fund

Fund: Substance Abuse Fund								
Estimate Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
20	Seizure, Drug Fines & Interest	572	Care Evidence, Training, Investigative	20.00	6,334.01	6,354.01	2,000.00	4,354.01

Park Improvement Fund

Fund: Park Improvement Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
20,000	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan Capital Projects	20,000	123,928	143,928	96,405	47,523
40	Investment Interest			40	97	137	100	37
20,040			Total Restricted Funds	20,040	124,025	144,065	96,505	47,560
Note: Recreation Grant Match \$86,503 for the Kitchen Construction at Mayme Shaddock Park								

Street Fund

Fund:	Street Fund							
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
2,695	Multimodal Transportation City	47.66.070	Transportation purpose only	2,695	14,848	17,543	-	17,543

Street Improvement Fund

Fund:	Street Improvement Fund							
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
20,000	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan/Capital Projects	20,000	53,923	73,923	25,000	48,923
40	Investment Interest			40	682	722	175	547
-	HH Napavine 16		Developers Agreement Starbucks/HH Napavine 16	0	15,000	15,000	0	15,000
-	HH Napavine 16		Developers Agreement Taco Bell	0	15,990	15,990	0	15,990
20,040			Total Restricted Funds	20,040	85,596	105,636	25,175	80,461

Note: TIB Match \$24,915

Criminal Justice Fund

Fund: Criminal Justice Fund								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
1,000	Criminal Justice Lo-Pop	82.14.330	Criminal Justice purpose non-recurring (Purchase police cars)	1,000	2,238	3,238	3,000	238
2,350	CJ-Special Programs	82.14.330 (2)(b)	Innovative Law Strategies, At-Risk Children, Child Abuse, Domestic Violence	2,350	14,448	16,798	8,000	8,798
275	DUI - Cities		DUI OT Enforcement	275	4,097	4,372	4,000	372
40,400	CJ - Sales Tax	82.14.340	Criminal Justice Purposes	40,400	43,095	83,495	66,000	17,495
44,025			Total Restricted Funds	44,025	63,878	107,903	81,000	26,903
Transfer \$30,000 to General Fund								

Project Planning Fund

Fund: Project Planning								
Estimate Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	Balance Restricted
40,000	2nd Quarter Real Estate Excise Tax	82.46.035 (2)	Capital Facilities Plan/Capital Projects	40,000	199,676	239,676	74,000	165,676
325	Investment Interest			325	919	1,244	1000	244
40,325				40,325	200,595	240,920	75,000	165,920

FINANCIAL SECTION

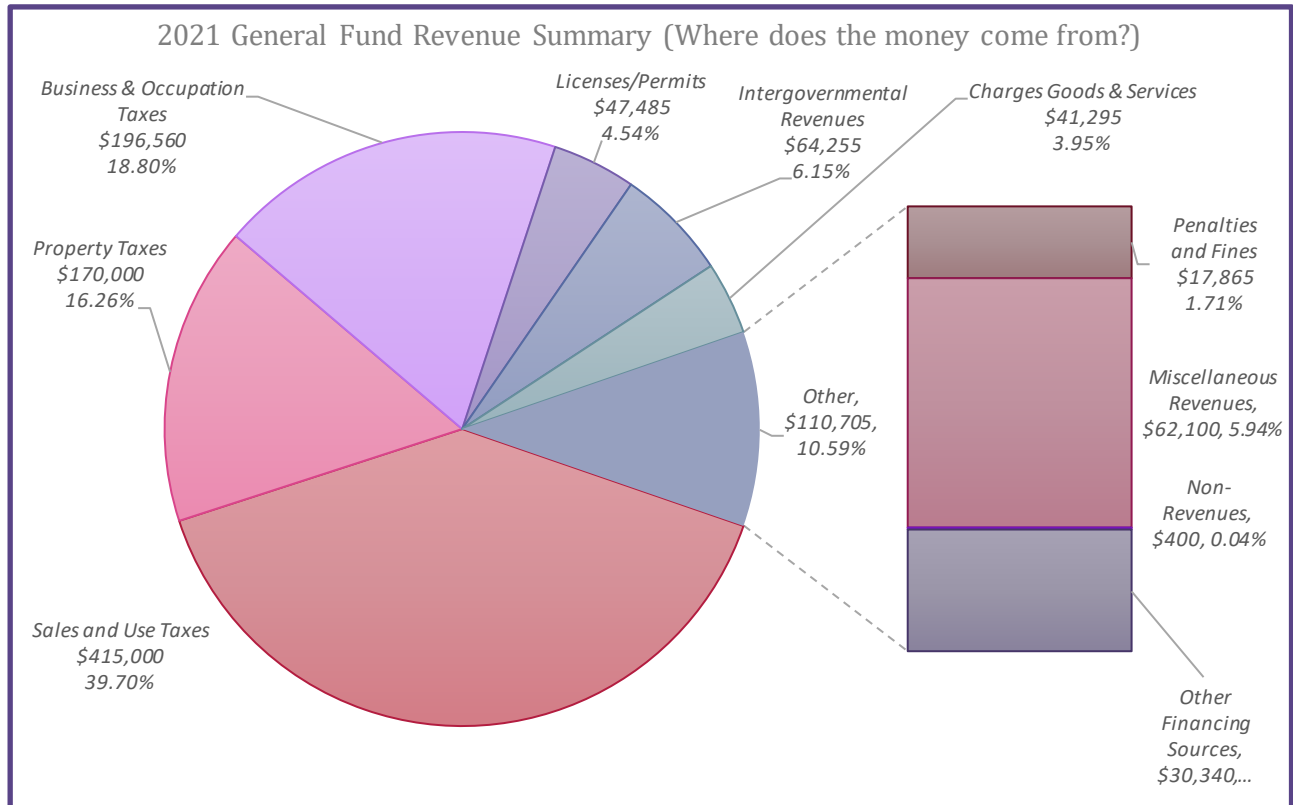
GOVERNMENTAL FUND TYPES

All governmental funds share a common measurement focus and basis of accounting. Under the current financial resource's measurement focus, the object of the operating statement is to report near-term inflows and out-flows of financial or spendable resources.

GENERAL FUND

This is the main Operating Fund of the City which includes revenues and expenditures not required by codes to be accounted for separately.

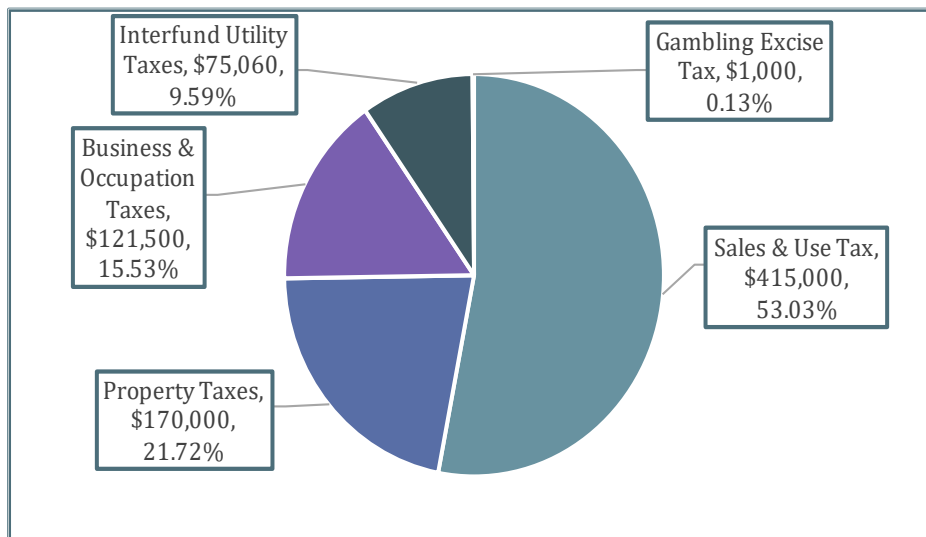
General Fund Summary Review



Tax Revenues

- Retail Sales Tax estimated in the amount of \$415,000 for 2021.
- Property Taxes the 2021 Levy is estimated in the amount of \$334,000 split 50/50 with the Street Fund. The anticipated General Fund property levy share is \$167,000. The State Assessed Utilities value increased \$264,647 over 2020 allowing for an increase in the property tax levy by \$436. The 2020 actual levy amount for City of Napavine was \$320,907.94. The allowable 1% increase over 2020 highest lawful levy limit is \$3,213.06. The value of the new construction in 2020 was \$5,403,238 X last year's levy rate (2020) of \$1.646202458533 allows an increase in property levy for new construction in the amount of \$8,895. The county's real and personal property value is \$216,521,634 plus state assessed utilities at \$4,684,417 for City of Napavine for the 2021 levy amount to budget for round up to \$334,000. The estimated levy rate for the 2021 levy is \$1.539577056767 per \$1,000. The city is not eligible to receive an administrative refund 2021 tax year. The estimated delinquent property tax levy amount is \$3,000.
- Utility Taxes include telephone, cable, and electric utilities at a 6% rate. While reviewing revenues for the General Fund, the telephone utility tax has varied over the past four years. The city anticipates receiving \$24,00 in telecommunications, electric \$93,000 and cable \$3,500, water utility tax \$26,400 and sewer utility tax \$48,900 for a grand total of \$195,560 in business & occupation taxes.
- Gambling Excise Tax based on 1% of gross receipts. (Gross sales less prize awards) with anticipated revenue in the amount of \$1,000.

The total estimated tax revenue for 2021 is \$781,560 in the General Fund.



Licenses and Permits

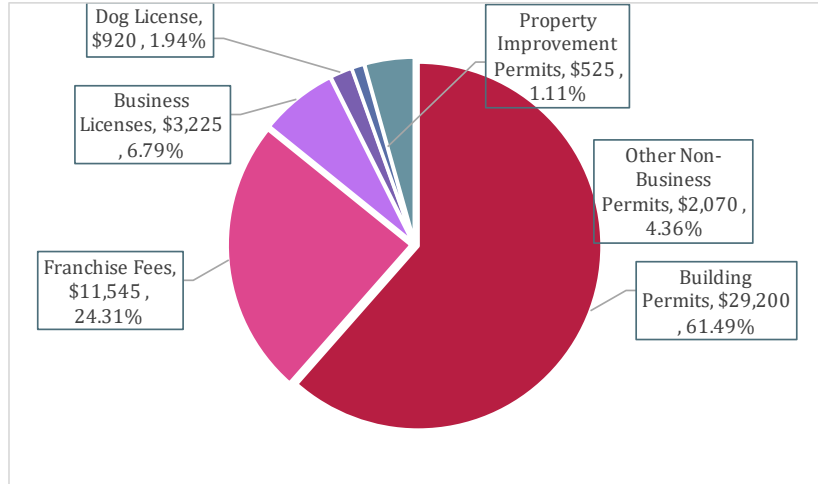
- The City of Napavine partnered with the Department of Revenue's Business Licensing Service (BLS). The partnership allows City of Napavine customers a "one-step shopping" when maintaining or renewing state or city licenses. Existing, new, and expanding business can apply or renew their City license online along with other state and local licenses that partner with BLS. The expiration date of all business licenses is the following year to date of when the business initially applied for their state business license. Non-residential business whose annual value of products, gross proceeds of sales, or gross income of the business in the City is equal to or less than \$2,000 are exempt in the business license fee.
 - New business license fee is \$50.00

- Renewal business license fee is \$25.00

The city estimates to receive \$3,225 in business license fees.

Franchise Fees are generated by a Franchise Agreements with the City by Ordinance. We have agreements with LeMay Enterprises for Refuse pickup, Wave Broadband for Cable TV Services and Lightspeed Network for Telecommunications Services.

- Franchise Fees are anticipated from cable service \$3,440, refuse (garbage) service \$6,700 and light speed network \$1,405;
- Building Permit fees for new constructions, remodels, property improvements are estimated in the amount of \$29,225;
- Animal License for new dog tags and renewals \$920;
- Miscellaneous Permits for fill & grade, zoning and non-business permits, gun permits \$2,570;



The total estimated license and permit fees \$47,485

Intergovernmental Revenue

- Indirect Federal Grants
- State Grants (Department of Ecology \$11,200 to update the Napavine Shoreline Master Plan
- State Shared Revenues:
 - PUD Privilege \$12,500
 - City Assistance

CITY- ASSISTANCE DISTRIBUTIONS per the 2021 Budget Suggestions Booklet provided by MRSC. RCW 82.45.060 imposes a real estate excise tax (REET) on each sale of real property within Washington State. ESSB 5998, adopted in the 2019 legislative session, changed the state excise tax from a flat rate to a graduated rate scale, depending upon the selling price effective January 1, 2020. The new scaled tax is:

- 1.1% on sales of real property of \$500,000 and less
- 1.28% on sales greater than \$500,000 and less than or equal to \$1.5 million (plus all timberland and agricultural lands regardless of value)
- 2.75% on sales greater than \$1.5 million and less than or equal to \$3.0 million
- 3.0% on sales greater than \$3.0 million

The graduated scale for the state excise tax will be reviewed and adjusted every fourth year beginning July 1, 2022 based upon the growth of the CPI for shelter or 5% percent, whichever is less. If the growth is equal to or less than 0%, the current selling price thresholds will remain unchanged.

A portion of the state REET is deposited into the city-county assistance account (RCW 43.08.290) to provide assistance for certain cities and counties that meet the statutory qualifications. Effective January 1, 2020, ESSB 5998 reduced this portion from 1.6% to 1.4% due to the projected increase in real estate excise tax revenues resulting from the new graduated REET scale.

These funds were originally intended to mitigate the loss of the motor vehicle excise tax (MVET) that was

distributed to local governments as a means of equalization of sales tax.

The formula used to allocate city funding is based on a sales and property tax equalization formula and the 2005 MVET backfill levels. The maximum distribution for any eligible city was originally capped at \$100,000, to be increased each year by the increase in the July implicit price deflator (IPD) for personal consumption expenditures. The 2020 cap is \$128,726.

City Assistance Distributions

City/Town Population	Distribution Formula
5,000 or less	Greater of
Only eligible if per capita assessed value is less than 2x the statewide average for all cities	<ul style="list-style-type: none">• 55% sales tax equalization on “first half” local sales tax;• 55% property tax equalization based on per capita assessed values (per \$1,000 AV); or• 2005 MVET backfill

If there are not enough revenues to fund the city distributions, then they will be reduced proportionately. If there are more revenues than necessary to fund the above distributions, the excess is to be distributed proportionately on the basis of population among those cities that have qualified for city-county assistance and impose the full second half-cent of the sales and use tax under RCW 82.14.030(2).

The city anticipates receiving \$13,300. The city assistance funds are distributed quarterly on January, April, July and October. For funds to be distributed on those dates, the transfers must be made in the previous month. January payment is remitted in December of the year in which the certification is made, then in March, June and September of the coming year. This means that, for budgeting purposes, cities are dealing with two different certification years (2021-2022).

Liquor Excise Tax

The formula works as follows: 1.) 35% of liquor excise tax collected is deposited in the “liquor excise tax fund” for distribution to cities, towns, and counties. (RCW 82.08.160(1)). 2.) \$2.5 million each quarter (\$10 million per year) shall be deducted from the liquor excise tax fund and remitted to the state general fund. (RCW 82.08.170(3)). 3.) Of the remaining amount, 80% of the liquor excise tax is distributed to cities (based on population) and 20% to counties (based on unincorporated population).

The June 2020 forecasts by the Economic and Revenue Forecast Council (ERFC) projects a fair increase (7%) in liquor excise tax collections, resulting in an increase in distributions. The revised forecast for 2020 distributions is \$28,926,158 for cities and \$6,584,025 for counties.

For calendar year 2021 the ERFC projects a 2.5% decrease to liquor excise tax revenues that are to be deposited into the liquor excise tax fund. After deductions, the total local government distributions are estimated to be \$28,227,818 for cities and \$6,409,440 for counties.

The estimated 2021 distribution for cities is \$5.66 per capita. Office of Financial Management (OFM) estimates Napavine’s 2021 population at 2,010. The anticipated revenue in this category is \$11,375. At least 2% must be used for an approved alcohol or drug addiction program, which the city remits the 2% (\$228) and the remaining 98% (\$11,148) may be used for lawful governmental purpose.

Liquor Board Profits

Initiative 1183 not only privatized liquor sales in Washington, but it also changed the types of liquor revenues collected by the state. The state is now collecting revenue in the form of license fees from distributors and retailers, rather than profits from the state-run liquor stores. However, the Liquor and Cannabis Board (LCB) continues to call these funds “liquor profits.” A portion of these collections go to cities, counties, and border jurisdictions. Codified as RCW 66.24.065, it reads:

The distribution of spirits license fees under RCW 66.24.630 and 66.24.055 through the liquor revolving fund to border areas, counties, cities, towns, and [MRSC] must be made in a manner that provides that each category of recipients receive, in the aggregate, no less than it received from the liquor revolving fund during comparable periods prior to December 8, 2011. An additional distribution of ten million dollars per year from the spirits license fees must be provided to border areas, counties, cities, and towns through the liquor revolving fund for the purpose of enhancing public safety programs.

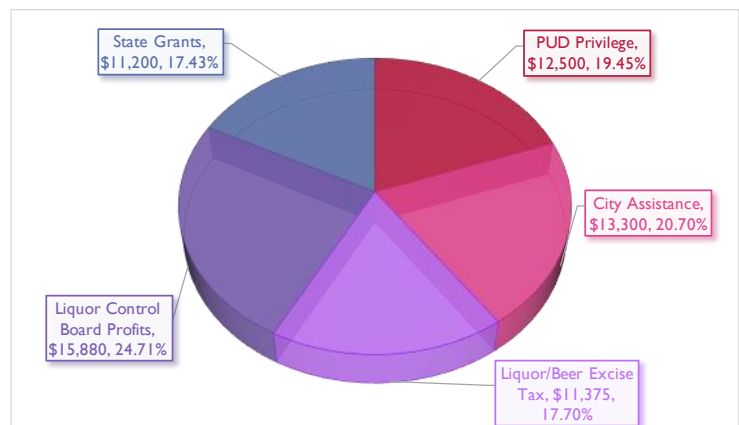
The “comparable periods prior to December 8, 2011” were determined by the Office of Financial Management (OFM) to be December 2010, March 2011, July 2011, and September 2011. The liquor profit revenue for cities, counties, and border areas for those four quarters was \$39,438,000. To this amount, LCB adds the \$10 million to enhance public safety programs for a total liquor profits distribution of \$49,438,000 each year. Of that amount, 0.3%, which equals \$148,314, is distributed to border cities and counties based on traffic totals, crime statistics, and per capita law enforcement spending. The remaining \$49,289,686 is distributed as follows:

- Cities receive 80%, or \$39,431,748 annually, distributed proportionately by population.
- Counties receive 20%, or \$9,857,936 annually, distributed proportionately by unincorporated population.

As noted in the statute, \$10 million of the \$49,438,000 – just under 20.23% – must be spent on “enhancing public safety programs.” We recommend that each city or county split its distribution so that it can account separately for the portion that must be spent on public safety. To calculate the portion that must be used for public safety purposes, multiply your distribution by 20.23%, or 0.2023. In addition, at least 2% of your distribution must be used for a licensed or certified alcohol or drug addiction program under RCW 71.24.555.

When forecasting liquor profits beyond next year’s budget it’s important to note that the total local distributions (\$39,431,748 for cities and \$9,857,936 for counties) will remain the same from year to year unless the legislature amends the statute. The initiative did not include any measures to account for inflation. They have incorporated a per capita ratio value and will vary slightly each year due to population changes.

“The 2021 estimated distribution is \$7.90 per capita. This distribution is also based on population estimates for 2021 of 2,010 for an anticipated revenue amount of \$15,880 which \$3,212 is restricted for public safety purposes and \$318 is restricted for alcohol and drug addiction programs, the remaining amount of \$12,350 may be used for lawful governmental purpose.



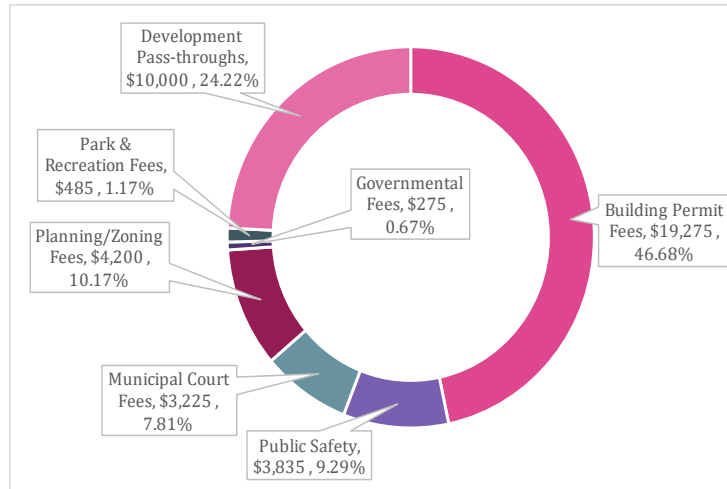
The following Intergovernmental Revenues are restricted in their use by state law:

- Two percent (2%) of liquor taxes and profits must be devoted to support an approved alcoholism or drug addiction program per RCW 70.96A.087. (Note: Cities that do not have their own facility or program for the treatment and rehabilitation of alcoholics and other drug addicts may share in the use of a facility or program maintained by another city or county so long as it contributes no less than 2% of its share of *liquor taxes and profits* to the support of the facility or program) in order to be eligible to receive these distributions. The 2% amount of liquor taxes and profits restricted is estimated in the amount of \$545 which the city of Napavine remits to Lewis County for alcoholism or drug addiction programs.

The total estimated Intergovernmental Revenues is \$64,255

Charges for Goods and Services

- Building Code Fees: plan review, inspections \$19,275
- Development Pass Through Plan Reviews \$10,000
- Municipal Court Fees \$3,225
- Public Safety (Fire Hydrants) \$3,835
- Planning Fees (SEPA, zoning and other development fees) anticipated revenue \$4,200
- Park & Recreation Fees reimburse electrical \$485
- Governmental Fees for abatement of nuisances, dog impounds, public records \$275

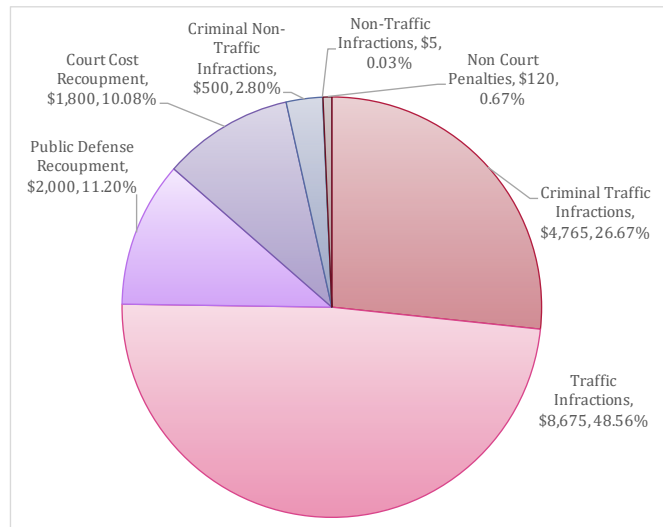


The total estimated Charges for Goods and Services \$41,295

Court Fines & Penalties

- Criminal Traffic Fines \$4,765
- Traffic Infraction Fines \$8,675
- Court Costs \$1,800
- Public Defense Recoupment \$2,000
- Criminal Non-Traffic Fines \$500
- Non-Traffic Fines \$5
- Court Fine Fees \$15
- Penalties on city fees \$120

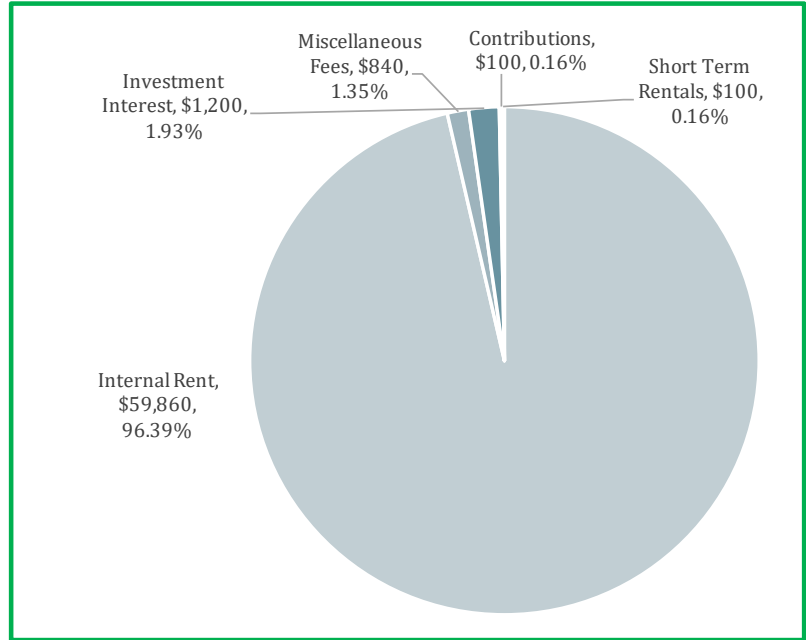
The total estimated Court Fines & Penalties \$16,430



Miscellaneous Revenues

- Internal Rent \$59,860
- State Sales Interest \$1,200
- Miscellaneous Fees \$840
- Investment Interest \$2,100
- Donations \$100
- Short-term Rentals \$100

The total estimated Miscellaneous Revenues \$63,320

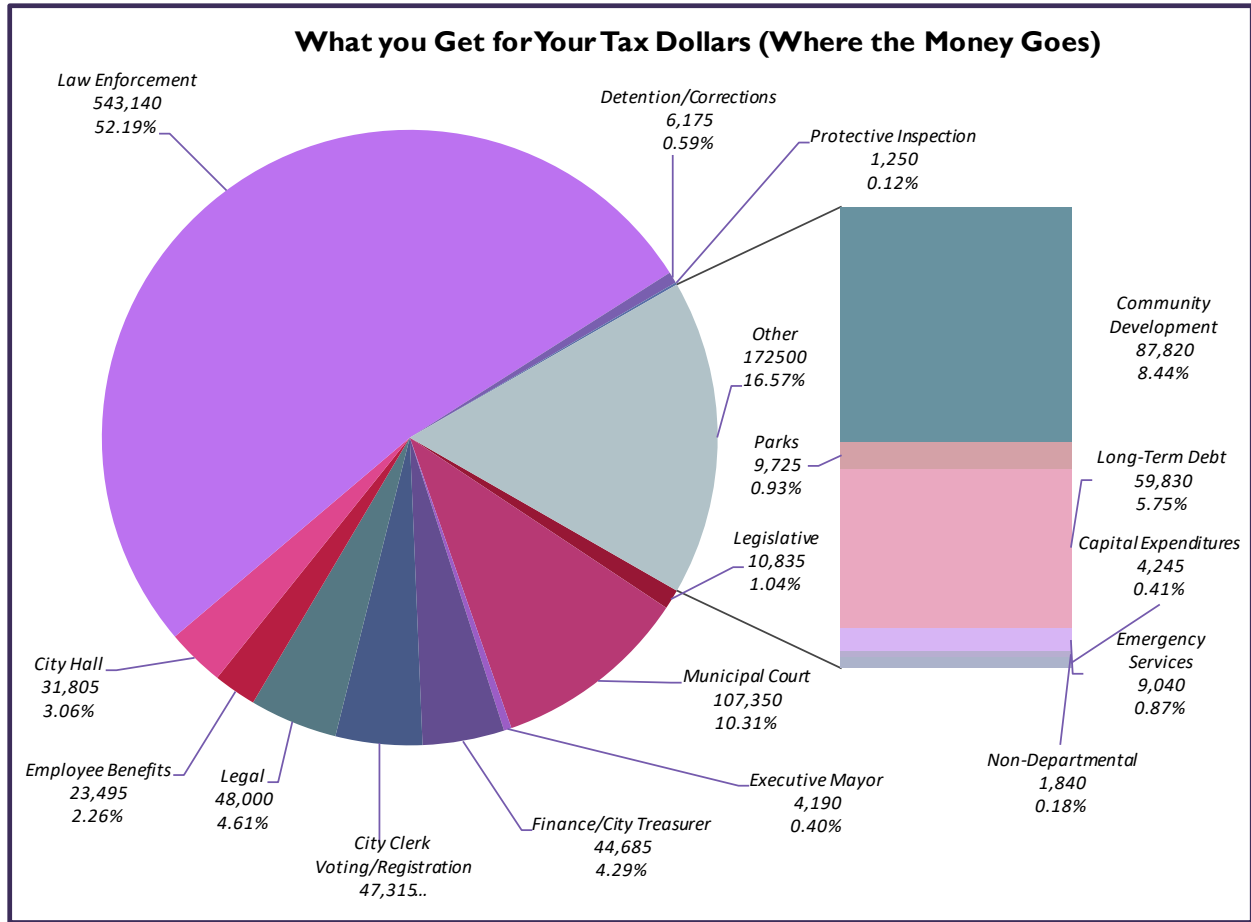


Non-Revenues

- Timber Excise Tax collected by Lewis County revenue is estimated at \$360

General Fund Expenditure Summary

Departments supported by the General Fund include: Legislative (City Council), Municipal Court, Executive (Mayor's Office), Treasurer's Office, Clerk's Office, Legal (City Attorney), Police Department, Protective Inspection Services, Community Development, Parks, City Hall Maintenance and Debt Services.



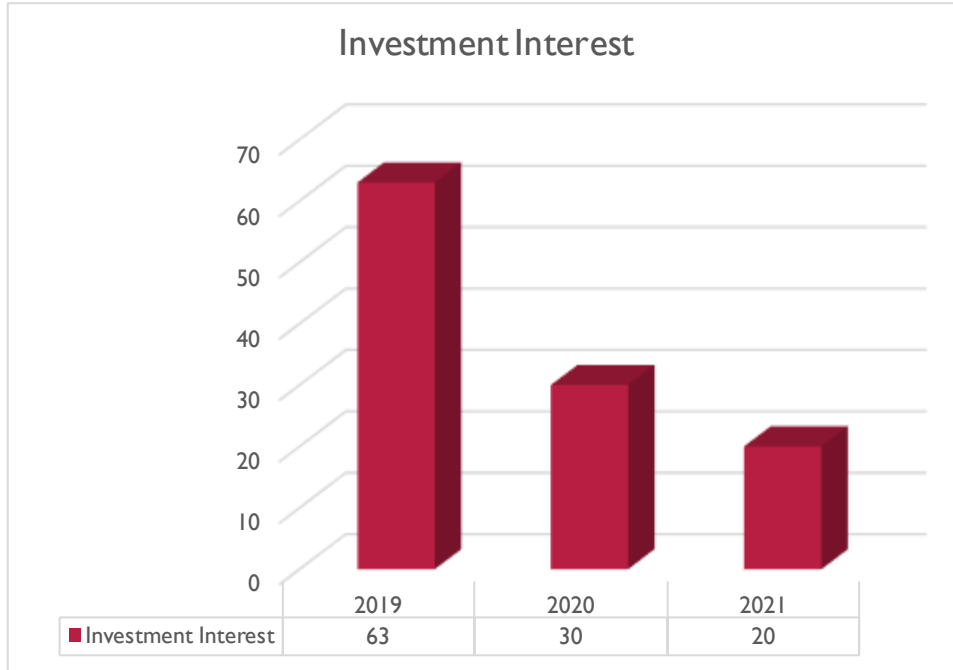
GENERAL FUND BUDGET SUMMARY

2021- General Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	522,743	612,199	648,589	680,519	672,224	3.64%
Taxes:						
General Property Taxes	161,250	155,046	196,350	185,225	170,000	-13.42%
Retail Sales and Use Taxes	371,000	402,351	390,000	425,000	415,000	6.41%
Business and Occupation Taxes	189,550	190,716	199,000	190,085	196,560	-1.23%
Total Taxes	721,800	748,113	785,350	800,310	781,560	-0.48%
Licenses and Permits	35,050	45,355	39,195	47,470	47,485	21.15%
Intergovernmental Revenues	59,000	60,885	73,015	67,465	64,255	-12.00%
Charges for Goods and Services	23,655	41,955	37,535	42,195	41,295	10.02%
Fines and Penalties	23,685	15,182	16,430	15,905	17,865	8.73%
Miscellaneous Revenues	72,900	72,338	64,755	62,880	62,100	-4.10%
Nonrevenues	275	362	360	500	400	11.11%
Other Financing Sources	-	-	340	340	340	0.00%
Transfers In	-	-	-	-	30,000	N/A
Total General Fund Revenues 001	936,365	984,191	1,016,980	1,037,065	1,045,300	2.78%
Total Resources	1,459,108	1,596,390	1,665,569	1,717,584	1,717,524	3.12%
Expenditures	2019	2019	2020	2020	2021	% change
Legislative	13,865	7,818	12,800	11,100	10,835	-15.35%
Municipal Court	107,845	103,544	109,675	108,345	107,350	-2.12%
Mayor/Executive	4,440	3,799	4,010	3,560	4,190	4.49%
Treasurer Financial Services	45,625	41,471	59,720	57,050	44,685	-25.18%
City Clerk, Election, Voter Registration	37,845	31,991	41,895	41,130	47,315	12.94%
Legal	47,620	38,691	42,120	48,790	48,000	13.96%
Employee Benefits	17,245	9,028	17,495	9,995	23,495	34.30%
Centralized Services (City Hall)^	33,310	24,903	34,625	33,365	31,805	-8.14%
Police/Public Safety (Law Enforcement)	443,490	380,674	563,345	536,135	543,140	-3.59%
Detention & Correction (Prisoner Costs)	13,450	9,469	10,870	8,800	6,175	-43.19%
Protective Inspection Services-CSO	520	124	15,400	21,190	1,250	-91.88%
<i>Emergency Services 525</i>	9,150	7,917	10,280	9,280	9,040	-12.06%
<i>Conservation 553 (Flood/Pollution)</i>	1,010	1,007	1,030	1,030	1,090	5.83%
<i>Animal Control 554(Environmental Svcs)</i>	325	322	325	300	200	-38.46%
Community Development	84,475	93,089	105,015	82,460	87,820	-16.37%
<i>Chemical Dependency (2% Liquor Revenue)</i>	520	695	535	535	550	2.80%
Historical Buildings	-	122	125	-	125	0.00%
Parks & Recreation	10,840	6,084	10,650	7,465	9,600	-9.86%
NonExpenditures	-	95	-	-	-	N/A
Long-Term Debt	102,465	102,454	16,535	16,535	17,265	4.41%
Interest & Debt Service	47,820	46,574	43,300	43,295	42,565	-1.70%
Capital Expenditures*	-	-	-	-	4,245	N/A
TOTAL OPERATING BUDGET	1,021,860	909,871	1,099,750	1,040,360	1,040,740	-5.37%
Transfers Out	6,000	6,000	5,000	5,000	-	-100.00%
TOTAL APPROPRIATIONS	1,027,860	915,871	1,104,750	1,045,360	1,040,740	-5.79%
ENDING FUND BALANCE:	431,248	680,519	560,819	672,224	676,784	20.68%
*Capital Expenditure for update Payroll software w/timecard				Eliminate Transfer to Gen Fund Capital Equip		

SUBSTANCE ABUSE FUND

This fund was established from the proceeds of seized evidence from drug trafficking cases and establishing a fine for all drug cases that was prosecuted by the Napavine Police Department. The resources in this fund may be used for the care and custody of evidence, training and education related to drugs.

- Investment Interest has declined drastically since 2019 as indicated by the chart below



2021 - Substance Abuse Summary						
Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	6,129	6,636	8,766	6,625	6,335	-27.73%
Fines & Penalties	5	-	-	-	-	N/A
Investment Interest	45	63	55	30	20	-63.64%
Total Revenues	50	63	55	30	20	-63.64%
Total Resources	6,179	6,700	8,821	6,655	6,355	-27.96%
EXPENDITURES						
Property Room Equipment	2,500	75	6,600	320	2,000	-69.70%
Total Expenditures	2,500	75	6,600	320	2,000	-69.70%
ENDING FUND BALANCE:	3,679	6,625	2,221	6,335	4,355	96.08%

PARK IMPROVEMENT FUND

This fund is used for capital improvement to the city's parks. This fund is used to account for one-half the money collected from the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2). The revenues from this tax must be used by any city or county with a population of five thousand or less and any city or county that does not plan under RCW 36.70A.040 for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040. The REET Tax is split 50/50 with Street Improvement Fund 105 estimates 2021 revenue for the Park Improvement Fund \$20,000. This amount could fluctuate depending on home sales.

City of Napavine applied for a State Grant from Washington State Recreation and Conservation Office to construct a new Kitchen with restrooms at the Mayme Shaddock Park location. The grant funding program is called WWRP-Local Parks which the grant funds amount to \$258,900 with a city match of \$86,503 or 25.04%. The total project cost estimate is \$355,405.

2021 - Park Improvement Summary						
Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	82,074	83,185	109,245	108,149	127,099	16.34%
REET Tax	10,600	24,867	20,000	20,000	20,000	0.00%
Intergovernmental Revenues	-	-	-	-	258,900	N/A
Miscellaneous Revenue	35	97	40	50	40	0.00%
Total Revenue	10,635	24,964	20,040	20,050	278,940	1291.92%
Transfers In	-	-	-	-	-	
TOTAL REVENUES & TRANSFERS-IN	10,635	24,964	20,040	20,050	278,940	1291.92%
Total Resources	92,709	108,149	129,285	128,199	406,039	214.07%
EXPENDITURES						
General Parks	-	-	-	100	-	N/A
Community Park Dugouts	-	-	-			N/A
Park Building Imprvmnt Project	43,500	-	53,500	1,000	355,405	564.31%
Park Improvements						N/A
Park Capital Equipment						N/A
Total Expenditures	43,500	-	53,500	1,100	355,405	564.31%
ENDING FUND BALANCE:	49,209	108,149	75,785	127,099	50,634	-33.19%



GENERAL GOVERNMENT EQUIPMENT FUND

The council established the General Government Equipment Fund by Ordinance 588 to reserve funds for capital equipment needs. The city will establish a priority list for future use. The Capital Facilities Plan will establish all future needs of the city which is updated annually which is due every August. The resources for this fund started with transfers from the General Fund and the proceeds from the sale of the old City Hall in 2020.

2021 - Gen Gov Equipment Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	-	-	2,150	2,151	62,151	2790.74%
REVENUES						N/A
Other Financing Sources	-	-	55,000	55,000	-	-100.00%
Transfers In	5,000	5,000	5,000	5,000	-	-100.00%
Total Revenues	5,000	5,000	60,000	60,000	-	-100.00%
Total Resources	5,000	5,000	62,150	62,151	62,151	0.00%
EXPENDITURES						
Centralized General Services (City Hall)	-	-	10,000	-	15,000	50.00%
Other Financing Uses	-	-	385	380	-	-100.00%
Capital Equipment	3,000	2,849	10,000	-	12,260	22.60%
Total Expenditures	3,000	2,849	10,000	-	12,260	22.60%
ENDING FUND BALANCE:	2,000	2,151	52,150	62,151	49,891	-4.33%

SPECIAL REVENUE FUND TYPES

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. *Restricted* revenues are resources externally restricted by creditors, grantors, contributors or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation. *Committed* revenues are resources with limitations imposed by the highest level of the government (city council) through a formal action of resolution or ordinance and where the limitations can be removed only by a similar action of the city council. Revenues do not include other financing sources (long-term debt, transfers, etc.)

STREET FUND

This fund is used to account for the City's share of motor vehicle fuel tax, Multi-modal distribution, increased gas tax 2ESSB 5987 and 50% property tax revenue and general fund resources designated to the maintenance of city streets.

Street Fund Revenues

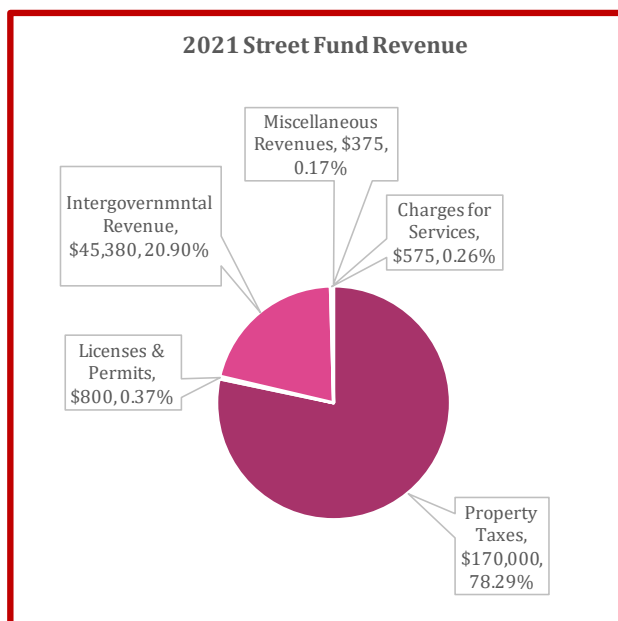
- Property Taxes 50 percent of the 2021 property tax levy was budgeted \$167,000
- Delinquent Property Tax estimate for 2021 is \$3,000
- License & Permits for Right of Way in the amount of \$800
- Intergovernmental Revenue (State Gas Tax) estimate based on population of 2,010 \$40,340
- Multimodal Transportation City based on population (for further explanation see below) \$2,690
- MVA Transpo City \$2,350
- Goods/Services for reimbursement for private streetlights \$575
- Miscellaneous Revenue consisting of Investment Interest, sale of surplus property, judgements & settlements and miscellaneous revenue for \$375

All cities, towns and counties receive three separate transportation distributions. The first is the motor vehicle fuel tax (MVFT), which is distributed as a percentage of the total fuel taxes collected statewide. The other two, the "increased motor fuel tax" and "multi-modal" distributions, were created in 2015 by 2ESSB 5987 and consist of direct transfers from the state transportation fund, so those allocations are not impacted by actual fuel tax collections.

MVFT and increased MVFT distributions must be used for highway purposes, while the multi-modal funds may be used for any transportation purpose.

Fuel taxes in Washington are assessed as cents per gallon, so motor vehicle fuel tax (MVFT) revenues – and therefore the MVFT distributions to cities and counties – depend on the number of gallons sold, not the dollar value of the sales.

Transportation and revenue forecasts are released each quarter by the Transportation Revenue Forecast Council. Each year, we use the calendar year second quarter as the basis for forecasting the MVFT distributions for cities and counties. The June 2020 forecast provides a forecast span of 10 years plus a look back of two years and uses multiple factors in the process.



The key conclusion drawn from the June forecast is that overall transportation revenues for the current biennium (2019-21) are down by 7.7% compared to the February forecast, primarily due to the reduced transportation demand resulting from COVID-19, which is having a significant impact on revenue streams.

Looking forward, the 10-year trend, including the current year, indicates a continued downward trend in the fuel tax forecast for 2020, with a minor rebound projected for 2021 and a general decrease in MVFT distributions to cities and counties of less than 0.1% per year.

The primary variables affecting fuel consumption include gasoline and diesel fuel price projections, Washington personal income, and inflation. Other factors affecting gasoline sales and tax collections include unemployment rates, fuel efficiency, and sales of alternative fuel vehicles such as electric cars. But a key variable right now is the impact of COVID-19. The transportation projections currently anticipate the resumption of normal activity in the spring of 2021. It is interesting to note that the long-range transportation forecasts do not consider changes to telecommuting or modified transportation demand as a result of the pandemic.

For both cities and counties, it is worth noting that the tax revenue forecasts provided by WSDOT are updated each quarter and often vary slightly from earlier projections. Last year the gas taxes collected and distributed to cities, towns, and counties were 5.4% lower than projected primarily due to the impacts of significant snowstorms, and this year gas tax collections and distributions are continuing to run over 5% below projections due primarily to COVID-19.

The Transportation Revenue Forecast Council table on the next page shows the projected impact of COVID-19 on statewide transportation revenues and anticipates a continued decline in gross fuel tax that will require close monitoring, with the potential of revising projections in the middle of the budget year depending upon the evolution of the COVID-19 pandemic and other factors. It is important to factor these variables into your revenue projections.

All cities, towns and counties receive three separate transportation distributions. The first is the motor vehicle fuel tax (MVFT), which is distributed as a percentage of the total fuel taxes collected statewide. The other two, the "increased motor fuel tax" and "multi-modal" distributions, were created in 2015 by 2ESSB 5987 and consist of direct transfers from the state transportation fund, so those allocations are not impacted by actual fuel tax collections.

MVFT and increased MVFT distributions must be used for highway purposes, while the multi-modal funds may be used for any transportation purpose. Cities and towns receive MVFT distributions on a per capita basis under RCW 46.68.090(2)(g), (4)(a), and (5)(a), less state adjustments found in RCW 46.68.10(1) and (2) and the Small City Pavement and Sidewalk account. The estimated 2021 distribution for cities is \$20.07 per capita for motor vehicle fuel tax. City of Napavine anticipates receiving \$40,340 for MVFT. The Increased Motor Vehicle Fuel Tax estimate for the 2021 distribution for cities is \$1.17 per capita with Napavine receiving an estimate of \$2,350. The Multi-Modal Transportation fuel tax is estimated for 2021 distribution at \$1.34 per capita with Napavine receiving an estimate of \$2,690.

2021 - Street Operating Fund Summary

Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	235,326	296,659	194,779	252,076	169,046	-13.21%
Property Taxes	161,250	155,046	132,150	124,315	170,000	28.64%
Licenses & Permits	425	775	650	925	800	23.08%
Intergovernmental Revenue	45,230	43,586	44,765	38,900	45,380	1.37%
Charges for Services	560	1,383	560	545	575	2.68%
Miscellaneous Revenues	645	2,172	820	485	375	-54.27%
Disposition of Capital Assets/Insurance	-	-	-	-	-	N/A
Insurance Recoveries	-	-	-	-	-	N/A
TOTAL REVENUES	208,110	202,961	178,945	165,170	217,130	21.34%
Total Resources	443,436	499,620	373,724	417,246	386,176	3.33%
EXPENDITURES						
Maintenance	216,835	178,188	218,165	170,000	140,720	-35.50%
Administration	59,350	54,815	68,265	67,200	64,715	-5.20%
Planning Operations	2,000	1,160	2,000	-	-	-100.00%
Capital Expenditures	10,000	7,882	-	-	-	N/A
Total Operating Budget	288,185	242,044	288,430	237,200	205,435	-28.77%
Transfers Out	5,500	5,500	11,000	11,000	15,000	36.36%
Total Expenditures	293,685	247,544	299,430	248,200	220,435	-26.38%
ENDING FUND BALANCE:	149,751	252,076	74,294	169,046	165,741	123.09%
Notes for Street Fund:						
In litigation for 2nd Ave NE Fire for damages in the amount of \$73,396.70 unknown of outcome, therefore not in budget.						
Capital Expenditure for update Payroll software w/timecard						

STREET CAPITAL EQUIPMENT FUND

The Napavine City Council established the Street Capital Equipment Fund by Ordinance 588 to reserve funds for capital equipment needs. The city will establish a priority list for future use. The Capital Facilities Plan will establish all future needs of the city which is updated annually which is due every August. The resources for this fund will be transfers from the Street Operating Fund.

2021 - Street Cap Equipment Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	-	-	5,000	5,000	21,000	320.00%
REVENUES						
Transfers In	5,000	5,000	11,000	11,000	15,000	36.36%
Total Revenues	5,000	5,000	11,000	11,000	15,000	36.36%
Total Resources	5,000	5,000	16,000	16,000	36,000	125.00%
EXPENDITURES						
Capital Equipment	-	-	-	-	-	N/A
Total Expenditures	-	-	-	-	-	N/A
ENDING FUND BALANCE:	5,000	5,000	16,000	16,000	36,000	125.00%

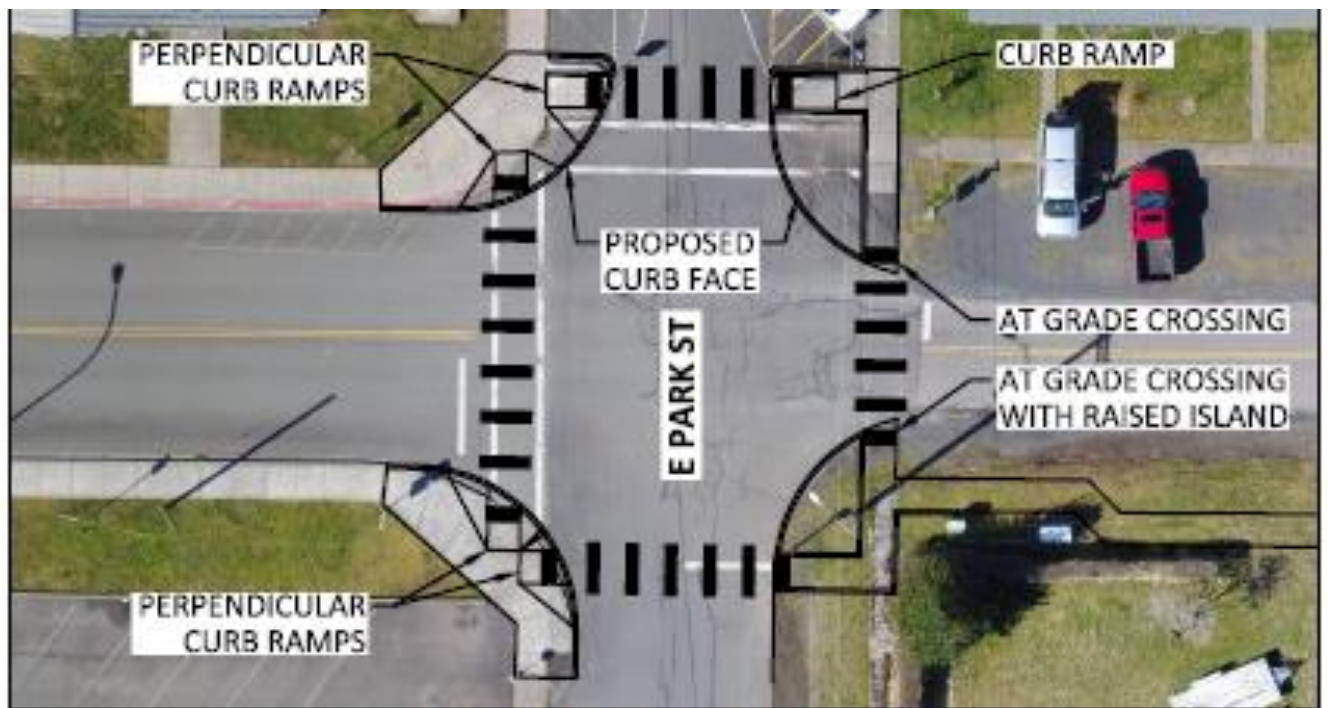
STREET IMPROVEMENT FUND

This fund is used to account for one half of the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2) and special grants that are legally restricted to the construction or maintenance of state highways within the City's boundaries. These proceeds were required to be used "solely for financing capital projects specified in a Capital Facilities Plan element of a Comprehensive Plan." The REET Tax is split 50/50 with Park Improvement Fund 004. The city estimates 2021 revenue for the Park Improvement Fund \$20,000. This amount could fluctuate depending on home sales.

This fund also recognizes the funds received from developer's agreements from HH Napavine 16 in the amount of \$15,000 for street improvements as a cash in advance for 60 feet of curb & gutter, 200 square feet of sidewalk, drainage, restoration, and lighting Exit 72. Taco Bell entered into a Developer's Agreement for a 10 year period at 1234 Rush Rd for traffic impacts of the development, including the need to install traffic control devices impacted by Taco Bell's development, which will expire on September 22, 2026. The agreement shall reserve the authority to impose new or different regulations to the extent required by the serious threat to public health and safety.

The City of Napavine received a Fuel Tax Agreement from Transportation Improvement Board (TIB) a state grant for Safe Routes to School for street improvements and sidewalks on 4th Ave NE, E Park St to E Stella St and add solar-powered signage consisting of Rapid Flashing Crossing at 2nd Ave NE & E Park St. The total project cost is estimated at \$498,265 with a city match of 5% equal to \$24,913 and \$473,352 in TIB Funds. The city has received notification that the grant application was approved and awarded for 2020/2021.

2021 - Street Improvement Fund Summary						
Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	145,676	140,666	153,941	152,875	203,935	32.48%
REET Taxes	10,600	24,867	20,000	20,000	20,000	0.00%
TIB Grant Funds	783,705	349,091	470,505	-	473,350	0.60%
Natural & Economic Environment	-	-	-	-	-	N/A
Miscellaneous Revenue	35	612	35	70	40	14.29%
TOTAL REVENUE	794,340	374,570	490,540	20,070	493,390	0.58%
Transfers In	-	-	-	-	-	N/A
Total Revenue & Transfers	794,340	374,570	490,540	20,070	493,390	0.58%
Total Resources	940,016	515,236	644,481	172,945	697,325	8.20%
EXPENDITURES:						
Engineering	71,950	44,720	71,950	-	57,495	-20.09%
Advertising Professional Services	1,000	225	1,000	-	250	-75.00%
Street Improvements	464,130	317,416	-	-	-	N/A
Engineering Sidewalks	54,960	-	57,595	-	57,495	-0.17%
Safe Routes Sidewalk 4th Ave NE	201,520	-	383,285	-	383,285	0.00%
Street Lighting Improvements	2,000	-	-	-	-	N/A
Total Expenditures	795,560	362,361	513,830	-	498,525	-2.98%
ENDING FUND BALANCE:	144,456	152,875	130,651	172,945	198,800	52.16%
<i>Restricted Revenues: Developers Agreements: HH Napavine 16 \$15,000 and Taco Bell \$15,990</i>						



4TH AVE AND E PARK ST

CRIMINAL JUSTICE FUNDS

The Criminal Justice Funds are restricted in their use by the Revised Code of Washington, in 2016 the revenues and expenditures of this nature were moved to the Criminal Justice Fund 110.

With the repeal of the motor vehicle excise tax, the only money that cities receive by statute comes from language that says that beginning July 1, 2000; a transfer would be made from the general fund to both city accounts under RCW 82.14.320 and RCW 82.14.330. Each transfer was appropriated originally at \$4.6 million, to be increased each July by “the fiscal growth factor” in RCW 43.135.025, which is the average growth in state personal income for the prior ten years. By 2015, the distributions had grown to \$8.2 million.

Seventy percent (70%) of the revenue distributed under RCW 82.14.330 (1) (a) (ii) is handed out on a purely per capita basis.

- Criminal Justice Lo-Pop which each city receiving a minimum of \$1,000, no matter how small their population.
 - Criminal Justice Lo-Pop is restricted per RCW 82.14.330 for criminal justice purposes; may not replace or supplant existing criminal justice funding.

RCW 82.14.330 (2) (a) (ii) allocates 54 percent to innovative law enforcement strategies, programs to help at-risk children or child abuse victim response programs and programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims. The funds for these areas are distributed by the Office of the State Treasurer on a strictly per capita basis. While there is a requirement that these funds be spent in these specific areas, there is not a requirement of how much must be spent in each area. All of the distribution could be spent in one area if the city wishes.

- Criminal Justice Special Programs
 - The Criminal Justice Special Programs, formerly referred to as CTED Funds is restricted per RCW 82.14.330 (2)(b) for Innovative Law Enforcement Strategies, programs for At-Risk Children, Child Abuse Victims, or Domestic Violence.
- Dui Cities
 - Dui Cities and Criminal Justice Sales tax may be used for criminal justice purposes with a broad use of these funds.

The city also receives 1% sales tax for Local Criminal Justice which may be used for criminal justice purposes as law enforcement deems necessary. Currently the city is utilizing the local criminal justice funds for the purchase of patrol vehicle and equipment.

2021 - Criminal Justice Fund Summary

Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	50,410	50,328	34,919	31,953	65,494	87.56%
Taxes:						
Local Criminal Justice	35,000	40,388	39,000	38,770	40,400	3.59%
Total Taxes	35,000	40,388	39,000	38,770	40,400	3.59%
State Shared Revenues:						
Federal Indirect Grant	12,075	12,071	-	-	-	N/A
CJ LoPop	1,000	1,000	1,000	1,000	1,000	0.00%
CJ Special Programs	2,115	2,092	2,215	2,215	2,350	6.09%
CJ DUI & Other Assistance	275	270	275	275	275	0.00%
Local Grants & Entitlements	6,190	5,921	-	-	-	N/A
Total Intergovernmental Revenues	21,655	21,354	3,490	3,490	3,625	3.87%
Miscellaneous Revenue-Sale Surplus	-	-	-			N/A
TOTAL REVENUES	56,655	61,742	42,490	42,260	44,025	3.61%
Total Resources	107,065	112,070	77,409	74,213	109,519	41.48%
EXPENDITURES						
Police Administration	-	-	1,000	-	3,000	200.00%
Police Operations	7,460	8,040	15,575	3,000	15,000	-3.69%
Crime Prevention	7,500	1,073	15,240	1,020	8,000	-47.51%
Training	1,000	-	1,000	4,700	1,000	0.00%
Traffic Policing	3,500	49	8,085	-	4,000	-50.53%
Capital Equipment	70,975	70,955	-	-	20,000	N/A
TOTAL EXPENDITURES	90,435	80,117	40,900	8,720	51,000	24.69%
Transfers Out			-	-	30,000	N/A
TOTAL APPROPRIATIONS	90,435	80,117	40,900	8,720	81,000	98.04%
ENDING FUND BALANCE:	16,630	31,953	36,509	65,493	28,519	-21.89%

CAPITAL PROJECT FUND TYPES

Capital project funds account for financial resources which are designated for the acquisition, construction, renovation, or major maintenance of general government capital assets.

Project Planning Fund

EHB 1219 affects the use of revenues for the “second quarter percent” real estate excise taxes (“REET 2”), which may only be imposed by cities and counties fully planning under the Growth Management Act. The bill amends RCW 82.46.035 (REET 2) and RCW 82.46.037 (REET 2-Maintenance) by removing the “housing for the homeless” previously placed in RCW 82.46.037(1)(b), expanding the definition, and placing it within RCW 82.46.035(5). There will now be three distinct groups of capital projects within subsection (5) of the REET 2 statute.

The most significant change to the statute is the inclusion of subsection (c), which adds homelessness and affordable housing projects, and while there are no changes to the original definition of capital projects provided in the REET 2 statute (RCW 82.46.035), it’s interesting to note the separation of this definition into categories between transportation, water, storm and sewer infrastructure, and parks. Here are the three new subsections for REET 2 allowed projects:

- RCW 82.46.035(5)(a): 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.
- RCW 82.46.035(5)(b): Planning, construction, reconstruction, repair, rehabilitation, or improvement of parks; and
- RCW 82.46.035(5)(c): Until January 1, 2026, planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects.

Additionally, the bill adds subsections (6) and (7), which provide some limitations and reporting requirements for the use of REET 2 monies for affordable housing and homelessness projects as defined in subsection (5)(c). These new subsections are essentially the same requirements that were previously stated in RCW 82.46.037. In summary, these new subsections require:

- A county or city may use the greater of \$100,000 or 25% of available funds, but not to exceed \$1 million, for capital projects as defined in subsection (5)(c)” (i.e. affordable housing and homelessness projects).
- The limits do not apply to any county or city that used revenue under this section for the acquisition, construction, improvement, or rehabilitation of facilities to provide housing for the homeless prior to June 30, 2019.
- A county or city using funds for uses in subsection (5)(c) must document in its capital facilities plan (RCW 36.70A.070(3)) that it has funds during the next two years for capital projects in subsection (5)(a) of this section (see above).

2021 - Project Planning Summary

Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	101,265	115,842	168,337	166,145	206,590	22.72%
REVENUES						
REET Taxes	21,200	49,734	40,000	40,000	40,000	0.00%
State Grants	0	0	0	0	0	N/A
Investment Interest	240	569	400	445	325	-18.75%
Total Revenue	21,440	50,303	40,400	40,445	40,325	-0.19%
Total Resources	122,705	166,145	208,737	206,590	246,915	18.29%
EXPENDITURES:						
Planning	8,000	-	35,000	-	55,000	57.14%
Economic Development	20,000	-	30,000	-	20,000	-33.33%
Total Expenditures	28,000	-	65,000	-	75,000	15.38%
ENDING FUND BALANCE:	94,705	166,145	143,737	206,590	171,915	19.60%

PROPRIETARY FUND TYPES

Proprietary funds are used to account for a government's business-type activities.

ENTERPRISE FUNDS

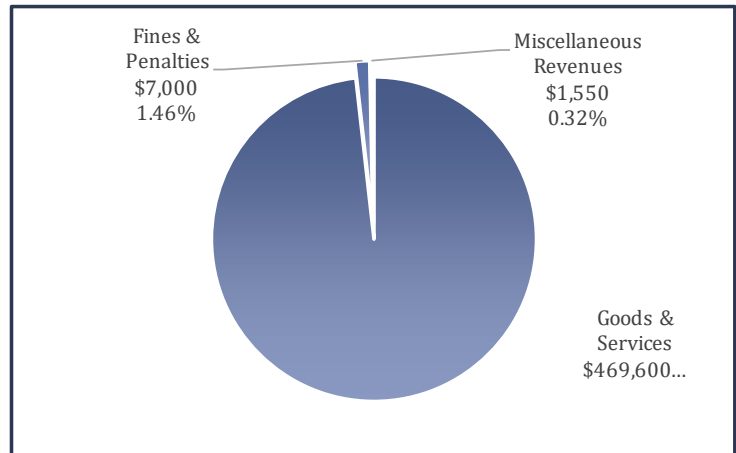
Enterprise funds account for resources that are supported with user fees for goods or services, such as water service, wastewater (sewer) service, which provides a service to customers.

WATER FUND

This fund is used to account for the operations of the City's water utility.

Water Fund Revenues

- Goods & Services:
- Water Demand base rates have not increased since 2010
- A Senior Citizen and Disabled Citizen discount was approved in October 2018 providing a 50% discount on base rate.
- Water Connection Fees (No fee increases for 2021; 50% of connection fee is recorded in the Water Fund and 50% in the Water System Improvement Fund)
- The city adopted Ordinance 597 to provide a discount on Single Family Homes to benefit from the multiple connections discount when purchased in a one lump sum within the jurisdiction of the City. The rate for multiple connections is \$2,100 for 2-20. Each dwelling will be charged for the \$1,000 infrastructure fee.
- Fines & Penalties: On February 29, 2020, Governor Inslee proclaimed a State of Emergency for all counties in Washington State due to the spread of COVID-19 and directed that plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented. On March 16, 2020, the Board of Lewis County Commissioners declared a State of Emergency, implementing the County's Comprehensive Emergency Management Plan. The City of Napavine declared a State of Emergency under the authority of Chapter 38.52 RCW, by adopting an Emergency Proclamation 2020-02 on March 18, 2020. The Governor's order and the Proclamation adopted by the Napavine City Council suspends all actions to collect on overdue utility accounts, B & O Taxes, or other arrearages and will cease charging interest on any such account.
- The City has not billed late fees to customers since February 2020. The 2021 Budget does include late fees and shut offs; however at this time we do not know how long the Emergency Declaration will be in place to prevent the city to charges these fees at the time of preparing the 2021 Budget.
- Late Fees - 10% of balance owed as of the 26th of the billing month with a minimum fee of \$5.00. Fee is based on the balance due for the water service. Due to COVID-19, Governor Inslee's Proclamation 20-23.12 under RCW 43.06.220(1)(h), prohibits cities from charging late fees are extended until the termination of the COVID-19 State of Emergency or midnight December 31, 2020, whichever comes first.
- Shut off Fees \$25.00 with a turn on fee of \$10 for nonpayment on account and \$10 turn on fee for customer request. Due to COVID-19 the city is prohibited from disconnecting service to any residential customer that have contacted the utility to request assistance by the Governor Orders by Proclamation 20-23.12.



- Proclamation 20-23.12 provides for utility customers to make arrangements to pay their utility bill over a longer period of time for those are experiencing financial hardship caused by layoffs, reduced hours, or other circumstances caused by the COVID-19 pandemic. The Proclamation does not relieve customer from the obligation to pay for utility services.
- Additional federal funding may become available for utility bill assistance, Governor Inslee directed Office of Financial Management to allocate appropriate funding for this purpose.
- Other Fees (Provide landlord with copies of tenant's utility bill & any other non-usage fees)
- Miscellaneous Revenue from Investment Interest and other Miscellaneous Revenues.

2021 - Water Operating Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	648,627	727,731	767,181	782,930	739,000	-3.67%
Revenues						
Intergovernmental Resources	-	-	-	700	-	N/A
Goods and Services	430,340	442,034	455,600	457,435	469,600	3.07%
Fines & Penalties	10,050	7,226	7,000	2,840	7,000	0.00%
Miscellaneous Revenues	5,480	7,525	5,100	4,085	1,550	-69.61%
Total Revenues	445,870	456,785	467,700	465,060	478,150	2.23%
Total Resources	1,094,497	1,184,516	1,234,881	1,247,990	1,217,150	-1.44%
EXPENDITURES						
Administration	283,985	252,023	339,535	311,625	322,495	-5.02%
Engineering	5,000	-	5,000	-	50	-99.00%
Maintenance	46,150	25,211	29,000	11,300	18,400	-36.55%
Utility Operating Expenditures	46,970	37,234	54,670	49,530	50,070	-8.41%
Non-Expenditures	-	1,590	-	-	-	N/A
Total Enterprise Expenses	382,105	316,058	428,205	372,455	391,015	-8.69%
LONG-TERM DEBT:						
USDA - Water Reservoir	22,715	22,710	23,105	23,105	22,715	-1.69%
Dept of Ecology-Stormwater Study	2,430	2,420	9,680	2,430	7,275	-24.85%
Total Debt	25,145	25,130	32,785	25,535	29,990	-8.53%
Capital Expenditures	29,500	4,399	4,000	-	5,495	37.38%
Total Operating Budget	436,750	345,587	464,990	397,990	426,500	-8.28%
Transfers Out	56,000	56,000	111,000	111,000	25,000	-77.48%
Total Expenditures	492,750	401,587	575,990	508,990	451,500	-21.61%
ENDING FUND BALANCE:	601,747	782,930	658,891	739,000	765,650	16.20%
Capital Expenditure for update Payroll software w/timecard as well as the Utility Billing Software.						

The administration budget decreased by \$17,040, maintenance decreased by \$10,600 and operations by \$4,600.

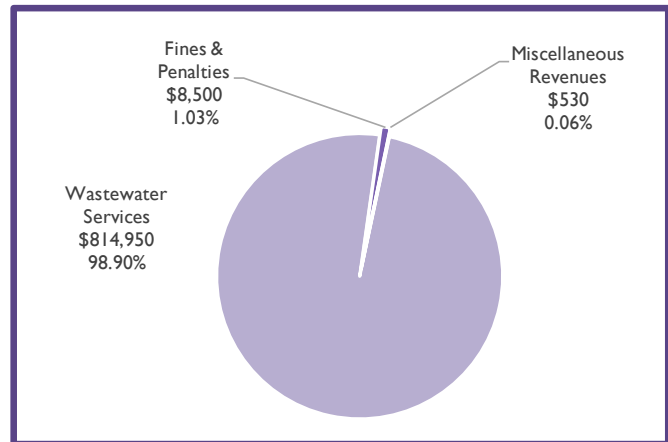
Transfers: \$10,000 to Water Capital Improvement Fund, \$15,000 to Water Capital Equipment Fund.

WASTEWATER FUND

This fund is used to account for the operations of the City's wastewater (sewer) utility.

Wastewater Fund Revenue

- Goods & Services:
- Wastewater Service (Rates were increased in 2015 which became effective on the August billing) Base rates were increased from \$47 per month to \$58 per month and the consumption rate for customers using 0-3,499 CF is \$4.50 per 100 CF and customers using greater than 3,500 CF is \$5.00 per 100 CF. A senior citizen rate was established for those that meet the criteria of an age and income bracket.
- Wastewater connection Fee (No fee increases for 2016, 50% of connection fee is received into the Wastewater Fund and 50% in the Wastewater System Improvement Fund)



- The city adopted Ordinance 598 to provide a discount on Single Family Homes to benefit from the multiple connections discount when purchased in a one lump sum within the jurisdiction of the City. The rate for multiple connections is \$2,500 for 2-20. Each dwelling will be charged for the \$1,000 infrastructure fee.
- Fines & Penalties: On February 29, 2020, Governor Inslee proclaimed a State of Emergency for all counties in Washington State due to the spread of COVID-19 and directed that plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented. On March 16, 2020, the Board of Lewis County Commissioners declared a State of Emergency, implementing the County's Comprehensive Emergency Management Plan. The City of Napavine declared a State of Emergency under the authority of Chapter 38.52 RCW, by adopting an Emergency Proclamation 2020-02 on March 18, 2020. The Governor's order and the Proclamation adopted by the Napavine City Council suspends all actions to collect on overdue utility accounts, B & O Taxes, or other arrearages and will cease charging interest on any such account.

The City has not billed late fees to customers since February 2020. The 2021 Budget does include late fees and shut offs; however at this time we do not know how long the Emergency Declaration will be in place to prevent the city to charges these fees at the time of preparing the 2021 Budget.

- Late Fees - 10% of balance owed as of the 26th of the billing month with a minimum fee of \$5.00. Fee is based on the balance due for the water service. Due to COVID-19, Governor Inslee's Proclamation 20-23.12 under RCW 43.06.220(1)(h), prohibits cities from charging late fees are extended until the termination of the COVID-19 State of Emergency or midnight December 31, 2020, whichever comes first.
- Miscellaneous Revenue consisting of Investment Interest

2021 - Wastewater Operating Fund Summary

Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021	% of Change
Beginning Cash & Investments	292,612	329,872	345,097	346,649	281,934	-18.30%
REVENUES						
Intergovernmental Revenues	-	-	-	700	-	N/A
Goods and Services	764,250	779,814	834,950	787,940	814,950	-2.40%
Fines & Penalties	11,900	8,530	8,500	3,780	8,500	0.00%
Miscellaneous Revenues	610	2,277	915	1,260	530	-42.08%
Total Revenue	776,760	790,621	844,365	793,680	823,980	-2.41%
Total Resources	1,069,372	1,120,493	1,189,462	1,140,329	1,105,914	-7.02%
EXPENDITURES						
Administration	266,570	244,212	340,215	330,780	329,535	-3.14%
Engineering	5,000	-	5,000	-	500	-90.00%
Maintenance	41,600	17,019	26,250	9,300	12,500	-52.38%
Utility Operating Expenditures	192,190	183,631	194,920	186,050	188,620	-3.23%
Non Expenditures	-	1,770	-	-	-	N/A
Total Operating Expenses	505,360	446,632	566,385	526,130	531,155	-6.22%
LONG-TERM DEBT:						
PPWTF -Rush Rd Force Main	58,785	58,779	58,230	58,230	57,675	-0.95%
12% Regional Wastewater Plant	208,035	208,034	208,035	208,035	208,035	0.00%
Total Debt	266,820	266,813	266,265	266,265	265,710	-0.21%
Capital Expenditures	29,500	4,399	4,000	-	5,465	36.63%
Total Operating Budget	801,680	717,844	836,650	792,395	802,330	-4.10%
Transfers Out	56,000	56,000	66,000	66,000	20,000	-69.70%
Total Expenditures	857,680	773,844	902,650	858,395	822,330	-8.90%
ENDING FUND BALANCE:	211,692	346,649	286,812	281,934	283,584	-1.13%
Capital Expenditure for update Payroll software w/timecard & upgrade Utility Billing Software						

The administration budget decreased by \$10,680, engineering by \$4,500, maintenance by \$13,750 and operations by \$6,300.

Transfer funds: \$10,000 to Wastewater System Improvement Fund, \$10,000 to Wastewater Capital Equipment Fund.

WATER DEPOSIT TRUST FUND

This fund is used to account for utility deposits placed with the City by utility customers, which are not funds that belong to the City. Ordinance 520 established the “customer” and/or “user” as the “property owner” and the responsible party for the utility billing on all properties, which was adopted on April 23, 2013. On April 23, 2013, the City Council eliminated the requirement of utility deposits with Ordinance 521 and the current deposits held by the city will remain until such time as the utility account is closed.

2021 - Water Deposit Trust Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	7,915	8,115	7,715	7,815	7,615	-1.30%
Ordinance 521 on 4/23/13 suspended deposits						
REVENUES						
Utility Deposits	-	-	-	-	-	
Total Revenues	-	-	-	-	-	
Total Resources	7,915	8,115	7,715	7,815	7,615	-1.30%
EXPENDITURES						
Refunds	100	200	500	-	500	0.00%
Transfers	7,800	100	7,200	200	7,100	-1.39%
Total Expenditures	7,900	300	7,700	200	7,600	-1.30%
ENDING FUND BALANCE:	15	7,815	15	7,615	15	0.00%

USDA BOND RESERVE FUND

This fund is used to account for the reserved amount required by USDA-Rural Development for the loan the City obtained in 1999 for the Reservoir Capital Project. The balance of this account must equal a one-year payment in the amount of \$22,710. The funds in this account must remain for the life of the loan, which is anticipated to mature in 2039.

2021 - USDA Bond Reserve Fund					
Description	Budget 2019	Actual 2019	Budget 2020	Est Y/E 2020	Budget 2021
Beginning Cash & Investments	22,710	22,710	22,710	22,710	22,710
REVENUES					
Transfers In	-	-	-	-	-
Total Revenues	-	-	-	-	-
Total Resources	22,710	22,710	22,710	22,710	22,710
EXPENDITURES					
Transfers Out	-	-	-	-	-
Total Expenditures	-	-	-	-	-
ENDING FUND BALANCE:	22,710	22,710	22,710	22,710	22,710
Hold in reserve until debt is paid in full, per amortization schedule this will be June 2039					
Once USDA RD loan is paid in full, transfer back to Water Operating Fund or to Capital Improvement					

PROPRIETARY CAPITAL FUNDS

These funds account for capital projects to upgrade the water system, referred to as Water System Improvement Fund and the wastewater system referred to as the Wastewater System Improvement Fund.

WATER SYSTEM IMPROVEMENT FUND

This fund is to account for capital expenditures to upgrade the water system, which funds are supported from 50% of connection fees for new connections to the water system and an infrastructure fee of \$1,000 per connection and transfers from the Water Fund.

2021 - Water System Improvement Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	723,286	714,805	686,683	601,274	395,689	-42.38%
REVENUES						
<i>Miscellaneous Revenues:</i>						
Investment Interest	1,220	1,894	1,400	835	750	-46.43%
Water Connection Fees	9,250	25,850	12,950	16,100	12,950	0.00%
Water Infrastructure	5,000	12,000	7,000	10,000	7,000	0.00%
Washington St Water Imp	-	500	-	-	-	N/A
Total Miscellaneous Revenue	15,470	40,244	21,350	26,935	20,700	-3.04%
Non Revenues	-	-	-	-	-	N/A
Total Revenues	15,470	40,244	21,350	26,935	20,700	-3.04%
Transfers In	50,000	50,000	100,000	100,000	10,000	-90.00%
Total Revenues & Transfers	65,470	90,244	121,350	126,935	30,700	-74.70%
Total Resources	788,756	805,049	808,033	728,209	426,389	-47.23%
EXPENDITURES						
Non Expenditures	-	-	-			
<i>Capital Expenditures:</i>						
Well #6 Supplies	-	-	-	3,080	-	N/A
Well #6 Treatment Equipment	-	-	-	500	-	N/A
Engineering Services	50,000	66,069	40,000	5,000	-	-100.00%
Misc. Professional Services	-	3,196	3,200	-	-	-100.00%
Land & Land Improvements	33,600	-	33,600	1,110	-	-100.00%
Water Rights Purchase	100,000	-	100,000	-	-	-100.00%
Water System Improvements	212,545	-	212,545	307,880	40,000	-81.18%
Capital Equipment	230,585	134,510	185,755	14,950	-	-100.00%
Total Capital Expenditures	626,730	203,775	575,100	332,520	40,000	-93.04%
Total Expenditures	626,730	203,775	575,100	332,520	40,000	-93.04%
ENDING FUND BALANCE:	162,026	601,274	232,933	395,689	386,389	65.88%

In 2020 Well #6 Treatment Plant project was completed and Well #6 is now online servicing all the properties along Rush Road north of the 1000 block, businesses at Exit 72, Kirkland and Bond Road. The 5% retainage is budgeted in 2021. No projects are planned.

LID 2011-1 REDEMPTION FUND

This fund accounts for the loan repayment established through a LID (Local Improvement District). Property owners' assessments are based on buildable square footage of land (wetlands and stream buffers removed) with the property owners paying back 50% of the project cost (since WSDOH/Commerce made 50% of the loan forgivable, basically a 50% grant). The project included installing water main, equipping a well, constructing a booster pump station and a water storage reservoir. The total project cost was \$2,832,000, resulting in a loan repayment of \$1,416,000 at a 1% interest rate over a 20-year period. The third installment of assessments on the assessment roll were mailed out on November 15, 2018. The City Treasurer's notice was for an annual payment consisting of the annual assessment on the property plus a 1% interest on the unpaid balance due. Any assessment not paid annually is subject to a 10% late penalty and after two years delinquent is subject to foreclosure. Annually thereafter each succeeding installment shall become due and payable in a 30-day period of November/December 2021.

2021 - LID 2011-1 Bond Redempt Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	273,502	330,657	292,290	296,742	299,982	2.63%
REVENUES						
Non Court Penalties	300	178	150	670	-	-100.00%
Investment Interest	-	819	630	425	600	-4.76%
Accrued Interest	-	(34)	-	(10)	-	N/A
Gains on Bonds	-	1,214	-	155	-	N/A
Assessment Interest	9,000	14,322	8,260	8,080	8,060	-2.42%
Special Assessments	61,605	115,278	45,020	75,705	49,145	9.16%
Total Revenues	70,905	131,778	54,060	85,025	57,805	6.93%
Total Resources	344,407	462,435	346,350	381,767	357,787	3.30%
EXPENDITURES						
Debt Redemption	142,230	142,226	71,115	71,115	71,115	0.00%
Interest	23,470	23,467	10,670	10,670	9,960	-6.65%
Total Expenditures	165,700	165,693	81,785	81,785	81,075	-0.87%
ENDING FUND BALANCE:	178,707	296,742	264,565	299,982	276,712	4.59%

WATER CAPITAL EQUIPMENT FUND

The Napavine City Council established the Water Capital Equipment Fund by Ordinance 588 to reserve funds for capital equipment needs. The city will establish a priority list for future use. The Capital Facilities Plan will establish all future needs of the city which is updated annually which is due every August. The resources for this fund will be transfers from the Water Operating Fund.

2021 - Water Capital Equip Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	-	-	5,000	5,000	16,000	220.00%
REVENUES						
Transfers In	5,000	5,000	11,000	11,000	15,000	36.36%
Total Revenues	5,000	5,000	11,000	11,000	15,000	36.36%
Total Resources	5,000	5,000	16,000	16,000	31,000	93.75%
EXPENDITURES						
Capital Equipment	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	
ENDING FUND BALANCE:	5,000	5,000	16,000	16,000	31,000	93.75%

WASTEWATER SYSTEM IMPROVEMENT FUND

This fund accounts for the capital expenditures to upgrade the wastewater system, which funds are supported from 50% of connection fees for new connections to the wastewater system and an infrastructure fee of \$1,000 per connection.

Wastewater System Improvement Revenue

- Capital Contributions
 - Connection Fees
 - Infrastructure Fees
- Miscellaneous Revenue
 - Investment Interest
 - Loan Interest
- Interfund Loan Repayment
- Transfers In

2021 - Wastewater System Improvement Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	285,264	277,888	376,053	378,361	465,451	23.77%
REVENUES						
Investment Interest	925	1,423	1,350	540	475	-64.81%
Wastewater Connection Fees	14,250	27,050	19,950	26,550	19,950	0.00%
Infrastructure Fee	5,000	12,000	7,000	10,000	7,000	0.00%
Total Revenue	20,175	40,473	28,300	37,090	27,425	-3.09%
Transfers In	50,000	50,000	50,000	50,000	10,000	-80.00%
Total Revenues & Transfers	70,175	90,473	78,300	87,090	37,425	-52.20%
Total Resources	355,439	368,361	454,353	465,451	502,876	10.68%
EXPENDITURES						
Pumpstation Equipment						
Professional Services	5,000	-	5,000	-	20,000	300.00%
Wastewater Improve Projects	30,000	-	30,000	-	30,000	0.00%
Capital Equipment Purchases	20,000	-	20,000	-	20,000	0.00%
Total Expenditures	55,000	-	55,000	-	70,000	27.27%
ENDING FUND BALANCE:	300,439	368,361	399,353	465,451	432,876	8.39%

SEWER CAPITAL EQUIPMENT FUND

The Napavine City Council established the Sewer Capital Equipment Fund by Ordinance 588 to reserve funds for capital equipment needs. The city will establish a priority list for future use. The Capital Facilities Plan will establish all future needs of the city which is updated annually which is due every August. The resources for this fund will be transfers from the Wastewater Operating Fund.

2021 - Sewer Capital Equip Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	-	-	5,000	5,000	21,000	320.00%
REVENUES						
Transfers In	5,000	5,000	16,000	16,000	10,000	-37.50%
Total Revenues	5,000	5,000	16,000	16,000	10,000	-37.50%
Total Resources	5,000	5,000	21,000	21,000	31,000	47.62%
EXPENDITURES						
Capital Equipment	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	
ENDING FUND BALANCE:	5,000	5,000	21,000	21,000	31,000	47.62%

FIDUCIARY FUND TYPES

Fiduciary Funds account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) investment trust funds, (b) pension (and other employee benefit) trust funds, (c) private-purpose trust funds, and (d) agency funds.

UNEMPLOYMENT COMPENSATION (PRIVATE-PURPOSE TRUST FUND)

This fund accounts for the accumulation of resources for unemployment compensation to qualified employees terminated from employment. The City is self-insured for unemployment benefits.

2021 - Unemployment Comp Fund Summary						
Description	Budget	Actual	Budget	Est Y/E	Budget	% of
	2019	2019	2020	2020	2021	Change
Beginning Cash & Investments	31,336	31,336	34,836	34,836	34,836	0.00%
REVENUES						
Transfers In	3,500	3,500	-	-	-	N/A
Total Revenues						
Total Resources	31,336	31,336	34,836	34,836	34,836	0.00%
EXPENDITURES						
Unemployment Compensation	25,000	-	30,000	-	32,000	6.67%
Total Expenditures	25,000	-	30,000	-	32,000	6.67%
ENDING FUND BALANCE:	6,336	31,336	4,836	34,836	2,836	-41.36%

MUNICIPAL COURT TRUST FUND

The Municipal Court Trust Fund is used for reporting purposes to account for the monetary transactions of the Napavine Municipal Court.

AGENCY FUND TYPES AGENCY FUNDS

The City Agency Fund –is used to report resources held by the government in a purely custodial capacity (assets and liabilities). Agency funds typically involve only the receipts, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

CITY AGENCY FUND

This fund is used primarily to account for municipal court funds of the state share of court fines and crime victim court fines that is remitted to Lewis County Treasurer. This fund also accounts for state share of the building permit fees, concealed pistol license, state sales tax and leasehold excise tax and Community Park Deposit fund.

**These transactions were previously reported in the General Fund as Non-Revenues and Non-Expenditures.*

DEBT SCHEDULE

SCHEDULE OF LONG TERM DEBT									
2021 BUDGET									
Loan/Year & Project/Fund#/Interest Rate	Original Loan Amt	Bal 1/1/2020	Payments 2020	2021	2022	2023	2024	2025-2049	Final Year
Color Key: GENERAL FUND	CRIMINAL JUSTICE	STREET	WATER	WASTEWATER (SEWER)			Princ Bal		
General Fund									
USDA-RD-GO Bond/2009-City Hall Purchase/001/4.375%	1,125,000	993,743	59,830	59,830	59,830	59,830	59,830	905,264	2049
Total General Fund Loans	1,125,000	993,743	59,830	59,830	59,830	59,830	59,830	905,264	
Criminal Justice Fund									
	-	-	-	-	-	-	-	-	
Total Criminal Justice Fund	-	-	-	-	-	-	-	-	
Water Fund									
PW10-952-006 Rush Rd LID 2011-1/1%	2,832,000	1,066,693	86,410	81,780	81,069	80,358	79,646	687,986	2034
USDA -RD-1999 - 350,000 Gal Reservoir/401/3.25%	500,000	332,006	22,710	22,710	22,710	22,710	22,710	260,858	2039
Dept of Ecology/2004 -Stormwater Study/401/1.5%	40,617	9,359	2,260	7,100	-	-	-	(1)	2021
Total Water Fund Loans	540,617	1,408,059	111,380	111,590	103,779	103,068	102,356	948,843	
Wastewater Fund									
PWTF Loan/2004 - Rush Rd Force Main/406/1%	1,067,080	277,260	58,225	57,670	57,116	56,561	56,007	-	2024
City of Chehalis/2008 - 12% Regional Wastewater Plant/406/0.5%	4,160,675	1,664,270	208,034	208,034	208,034	208,034	208,034	832,135	2028
Total Wastewater Loans	5,227,755	1,941,530	266,259	265,704	265,150	264,595	264,041	832,135	
Compensated Absences		23,614							
Net Pension Liability		197,713							
Grand Total City Debt	6,893,372	4,343,331	437,469	437,124	428,758	427,493	426,227	2,686,242	

SCHEDULE OF TRANSFERS

CITY OF NAPA VINE			
2021 BUDGET			
SCHEDULE OF TRANSFERS			
TRANSFERS IN	AMOUNT	TRANSFERS OUT	AMOUNT
General Fund	30,000	General Fund	-
General Governmnt Capital Equipment	-		
Street Fund	-	Street Fund	15,000
Street Capital Equipment Fund	15,000	Criminal Justice Fund	30,000
Street Improvement Fund	-		
Water System Improvement Fund	10,000	Water Fund	10,000
Wastewater System Improvement Fund	10,000	Wastewater Fund	10,000
Water Capital Equipment Fund	15,000	Water Fund	15,000
Sewer Capital Equipment Fund	10,000	Wastewater Fund	10,000
		General Fund	-
Unemployment Compensation Fund	-	Street Fund	-
		Water Fund	-
		Wastewater Fund	-
Total Transfers In	90,000	Total Transfers Out	90,000
Recap by Fund:			
General Fund	30,000	General Fund	-
General Gov Capital Equipmnt	-	Criminal Justice Fund	30,000
Street Fund	-	Street Fund	15,000
Street Capital Equipment Fund	15,000	Street Improvement Fund	-
Street Improvement Fund	-		
Water Capital Equipment Fund	15,000	Water Fund	25,000
Water System Improvement Fund	10,000	Water System Improvement Fund	-
Sewer Capital Equipment Fund	10,000	Wastewater Fund	20,000
Wastewater System Improvement Fund	10,000	Wastewater System Improvement Fund	-
LID 2011-1 Redmeption Fund	-	LID 2011-1 Redmeption Fund	-
Unemployment Compensation Fund	-	Unemployment Compensation Fund	-
Total by Fund	90,000		90,000

SALARY SCHEDULE

The salary and hourly amounts include a \$200 per month cost of living increase for all members in the Teamsters bargaining unit and non-union employees. The city has increased all staff to 40 hours per week except for Municipal Court at 32 hours per week.

2021 Salary Schedule						
Union Positions	Step A	Step B	Step C	Step D	Step E	FTE
Department Head	4,640	4,813	5,102	5,378	5,747	1.0
Police Chief	5,378	5,489	5,696	5,747	6,042	1.0
Field Foreman	4,360	4,599	4,718	4,837	4,957	0.0
Patrol Officer	3,914	4,081	4,333	4,669	4,919	3.0
Utility Worker	3,729	3,897	4,148	4,267	4,734	2.87
Deputy Clerk	3,729	3,897	4,148	4,267	4,734	0.0
Clerk	3,230	3,359	3,545	3,807	4,012	1.0
Planner	4,082	4,360	4,479	4,718	4,957	0.0
Court Administrator	4,247	4,381	4,625	4,848	5,125	0.8
Court Clerk	3,365	3,495	3,680	3,942	4,151	0.0
Building Inspector	4,360	4,599	4,718	4,837	4,957	0.13
CSO/Parks/Maint	3,729	3,897	4,148	4,267	4,734	0.0
Police Clerk	3,365	3,495	3,680	3,942	4,148	0.0
Administrative Asst	3,358	3,506	3,663	3,828	4,003	0.0
Executive Assistant	3,729	3,897	4,148	4,267	4,734	2.0
						11.8
NON-UNION DEPARTMENT HEADS:	<u>SALARY</u>	<u>Longevity</u>	<u>Total</u>	<u>Hour rate</u>	<u>FTE</u>	
City Treasurer	\$ 5,746.80	\$ 220.00	\$ 5,966.80	\$33.15	1.0	40 hrs wk
City Clerk	\$ 5,746.80	\$ -	\$ 5,746.80	\$33.15	1	40 hrs wk
City Attorney			Contracted \$190 Hourly Rate			
Municipal Court Judge			Contracted (\$1,100 month)			
Union Positions:	<u>Salary</u>	<u>Longevity</u>	<u>Total</u>	<u>Hourly rate</u>	<u>FTE</u>	
Chief of Police	\$ 6,042.43	\$ 40.00	\$ 6,082.43	\$ 34.86	1.0	40 hrs wk
Clerk Assistant - Step D/E	\$ 4,012.30	\$ -	\$ 4,012.30	\$ 23.15	1.0	40 hrs wk
Director of PW	\$ 5,746.80	\$ 120.00	\$ 5,866.80	\$ 33.16	1.0	40 hrs wk
Community Development Stipend	\$20,000.00		\$20,000.00			Included
Patrol Officer Step E	\$ 4,919.02	\$ -	\$ 4,919.02	\$ 28.38	1.0	40 hrs wk
Patrol Officer - Step D/E	\$ 4,919.02	\$ -	\$ 4,919.02	\$ 28.38	1.0	40 hrs wk
Patrol Officer - Step C	\$ 4,332.90	\$ -	\$ 4,332.90	\$ 25.00	1.0	40 hrs wk
Police Executive Asst Step E	\$ 4,733.89	\$ 20.00	\$ 4,753.89	\$ 27.32	1.0	40 hrs wk
Utility Worker #1 @ Step E	\$ 4,733.89	\$ 110.00	\$ 4,843.89	\$ 27.32	1.0	40 hrs wk
Utility Worker #2 @ Step E	\$ 4,733.89	\$ -	\$ 4,733.89	\$ 27.32	1.0	40 hrs wk
Court Administrator Step E	\$ 4,099.90	\$ 90.00	\$ 4,189.90	\$ 23.66	0.8	32 hrs wk
Building Inspector - Step A	\$ 4,360.12	\$ -	\$ 4,360.12	\$ 25.16	1.0	40 hrs wk
CD Executive Assistant Step D/E	\$ 4,267.38	\$ -	\$ 4,267.38	\$ 24.62	1.0	40 hrs wk

SALARY FUND ALLOCATION

City of Napavine										
Salary Allocation By Fund										
	2020					2021				
	Budget					Budget				
	General	Street	Water	Waste-		General	Street	Water	Waste-	
Fund	Fund	Fund	water	Total	Fund	Fund	Fund	water	Total	
NON-UNION POSITIONS										
City Clerk						35.0%	5.0%	30.0%	30.0%	100.0%
City Treasurer	25.0%	10.0%	27.5%	27.5%	90.0%	35.0%	10.0%	30.0%	25.0%	100.0%
UNION POSITIONS										
Deputy Clerk	20.0%	0.0%	40.0%	40.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deputy Clerk (Finance)						0.0%				
Clerk Assistant (Finance)	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	0.0%	45.0%	45.0%	
Clerk Assistant	15.0%	0.0%	42.5%	42.5%	100.0%	2.0%	0.0%	0.0%	0.0%	100.0%
Police Chief	100.0%				100.0%	100.0%				100.0%
Patrol Officer I	100.0%				100.0%	100.0%				100.0%
Patrol Officer II	100.0%				100.0%	100.0%				100.0%
Patrol Officer III	0.0%				0.0%	100.0%				100.0%
Police Executive Asst	100.0%				100.0%	100.0%				100.0%
Court Administrator	100.0%				100.0%	100.0%				100.0%
Community Development Stipend						100.0%				100.0%
Public Works Director	0.0%	33.0%	34.0%	33.0%	100.0%	0.0%	33.0%	34.0%	33.0%	100.0%
Executive Assistant	40.0%	10.0%	25.0%	25.0%	100.0%	30.0%	10.0%	30.0%	30.0%	100.0%
Building Inspector	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%
Utility Worker I	0.0%	33.0%	34.0%	33.0%	100.0%	0.0%	33.0%	34.0%	33.0%	100.0%
Utility Worker II	0.0%	33.0%	33.0%	34.0%	100.0%	0.0%	33.0%	33.0%	34.0%	100.0%
Building Ins/Utility Worker III	13.0%	29.6%	28.7%	28.7%	100.0%	13.0%	29.6%	28.7%	28.7%	100.0%

PRIORITY LIST

Administration & Police Department

2021 PRIORITY LIST								
General Government								
Administrative Services								
PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	Total
Community Development: Platter	Purchase New	GF Equipment	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		\$ 4,000.00
Clerks Office: Computers	Replace Existing	GF Equipment		\$ 8,000.00	\$ 8,000.00	\$ 8,000.00		\$ 24,000.00
Server Upgrade	Replace Existing	GF Equipment	\$ 12,258.00					\$ 12,258.00
Court/Council/Planning Mixer/Sound Equipment	Replace Existing	General Fund	\$ 5,300.00	\$ 1,700.00				\$ 7,000.00
Community Development: Computers	Replace Existing	FTE Cost Allocation		\$ 8,000.00				\$ 8,000.00
Mayor Laptop	Replace Existing	General Fund					\$ 5,000.00	\$ 5,000.00
Billing Software	Upgrade	Water/Sewer	\$ 7,000.00					\$ 7,000.00
Time Card Software	Upgrade	Payroll, FTE Cost Allocation	\$7,500.00					\$ 7,500.00
TOTAL Administrative Services			\$ 33,058.00	\$ 18,700.00	\$ 9,000.00	\$ 9,000.00	\$ 5,000.00	\$ 74,758.00
Police Department								
PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
Office Computers	Purchase of Office Computers	Criminal Justice Fund	\$ 10,000.00					\$ 10,000.00
	Purchase of Vehicle Laptops	Criminal Justice Fund				\$ 10,000.00		\$ 10,000.00
Vehicle Purchase	Routine Purchase of patrol vehicles	Criminal Justice Fund		\$ 60,000.00	\$ 60,000.00			\$ 120,000.00
TOTAL Administrative Services			\$ 10,000.00	\$ 60,000.00	\$ 60,000.00	\$ 10,000.00	\$ -	\$ 140,000.00

Community Development

2021 PRIORITY LIST

2021 PRIORITY LIST								
Community Services								
Parks and Public Facilities								
PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
West Side Park 2" asphalt overlay	Pave City Park Birch St. Entrance and Parking Lot	Park Improvement Fund/Donations		\$ 26,000.00				\$ 26,000.00
West Side Park 2" asphalt mat on walking paths	Pave internal walking paths	Park Improvement Fund/Donations		\$ 8,300.00				\$ 8,300.00
City Hall	Carpet	General Capital Equip Fund	\$ 10,000.00					\$ 10,000.00
City Hall	Repaint Exterior	General Capital Equip Fund	\$ 6,200.00					\$ 6,200.00
Mayme Shaddock/ West Side Park	Picnic Tables 10 @ \$800 ea	Parks Maint.	\$ 2,000.00					\$ 2,000.00
Mayme Shaddock	Build or reconstruct kitchen area to be enclosed with bathroom facilities and heating	Capital facilities Park & Grants, and/or donations	\$ 350,000.00					\$ 350,000.00
TOTAL - Community Services			\$ 368,200.00	\$ 34,300.00	\$ -	\$ -	\$ -	\$ 402,500.00

Public Works – Sewer System & Streets

2021 PRIORITY LIST

Public Works

Sewer System

PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
Rush Rd Sewer Station	Reconstruction	Sewer .Capital Imp.						
		Fund/Grants		\$ 100,000.00				\$ 100,000.00
TOTAL - Sewer				\$ 100,000.00	\$ -	\$ -		\$ 100,000.00

Street System

PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
4th Ave	Widen, overlay,	Street, Capital	\$ 520,000.00					\$ 520,000.00
Park Street to Stella Street	sidewalks both sides curb gutter lighting stormdrain	Improvement, Grants						
All Arterial Roads	Restripe	Streets, Capital Improvement, Grants	\$ 20,000.00					\$ 20,000.00
Rush Rd. (Bridge to Interstate)	Grind Reasphalt 8" depth	Steet, Capital Improvement, Grants or Development	\$ 100,000.00					\$ 100,000.00
TOTAL - Street			\$ 640,000.00	\$ -	\$ -	\$ -	\$ -	\$ 640,000.00

Pedestrian Routes

PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
W. Washington from Birch Ave to 8th	Lighting	Grants Capital Improv.			\$ 130,000.00			\$ 130,000.00
Branch Ave to 3rd Ave	Construct 5 foot sidewalks on one side of the street.	Street Improvmnt fund TIB State Grant		\$ 40,000.00				\$ 40,000.00
TOTAL - Pedestrian Routes			\$ -	\$ 40,000.00	\$ 130,000.00	\$ -	\$ -	\$ 170,000.00

Water System

2021 PRIORITY LIST								
Water								
PROJECT	DESCRIPTION	REVENUE SOURCE	2021	2022	2023	2024	2025	TOTAL
Reservoir #1 Tower	Resurface the interior and exterior of Reservoir	Enterprise Funds/ LID			\$ 409,000.00			\$ 409,000.00
3rd Ave. NW Main (WA to Vine)	Replace undersize mains to 8" lines - Connect to existing 8" line on 3rd NW	Water Utility Fund ULID		\$ 18,500.00				\$ 18,500.00
Well 6 Treatment Plant Rush Road	Consturction Water Treatment Plant	Water System Improvement Fund						
TOTAL - Water System			\$ -	\$ 18,500.00	\$ 409,000.00	\$ -	\$ -	\$ 427,500.00

DETAILED SALARY SCHEDULE

Position	Salary	Longevity	Total	Certs	Ret'mt	Med/Dent	Medicare	L & I	Def Com	Accrual Liab	Total Benefits	Total
Municipal Court												
Court Administrator-32 hrs @ 29.57	49,204.48	1,200.00	50,404.48		12.97%	\$900 CAP	0.0145	0.12415		Term Liability	20,674.81	71,079.29
Total Court	49,204.48	1,200.00	50,404.48		6,537.46	10,800.00	765.17	206.59	-	2,365.60	20,674.81	71,079.29
Treasurer's Office												
City-Treasurer - 40 hrs @ \$33.15	68,952.00	2,760.00	71,712.00		9,301.05	10,800.00	1,087.89	258.23	750.00	3,315.00	25,512.17	97,224.17
City Clerk - 40hrs Step D/E @ 33.15	68,952.00	140.00	69,092.00		8,961.23	10,800.00	1,021.06	258.23	300.00	1,326.00	22,666.53	91,758.53
Clerk Assistant 40 hrs Step D/E @ 23.15	46,962.00	-	46,962.00		6,090.97	10,800.00	694.38	258.23	300.00	926.00	19,069.58	66,031.58
Overtime -	900.00	-	900.00		116.73	-	13.05	6.21	-	-	135.99	1,035.99
Total Finance & Administration	185,766.00	2,900.00	188,666.00		24,469.98	32,400.00	2,816.38	780.90	1,350.00	5,567.00	67,384.26	256,050.26
Police												
Chief - 40 hrs Step E @ \$34.86	76,134.24	600.00	76,734.24		0.0533			1.27735				
Patrolman 1- 40 hrs Step E @ 28.38	61,981.92	-	61,981.92		4,089.93	10,800.00	1,142.97	2,789.73	2,100.00	2,091.60	23,014.24	99,748.48
Patrolman II - 40 hrs Step E @ \$28.38	61,981.92	-	61,981.92		3,303.64	10,800.00	915.20	2,789.73	-	1,135.20	18,943.77	80,925.69
Patrolman III - 40 hrs Step C @ 25.00	54,600.00	-	54,600.00		3,303.64	10,800.00	915.20	2,789.73	-	1,135.20	18,943.77	80,925.69
Patrolman III - 40 hrs Step C @ 25.00	54,600.00	-	54,600.00		2,910.18	10,800.00	806.20	2,789.73	-	1,000.00	18,306.11	72,906.11
Police OnCall Pay	10,000.00	-	10,000.00		-	-	145.00	-	-	-	145.00	10,145.00
Call Out & Overtime	10,000.00	-	10,000.00		533.00	-	145.00	531.38	-	-	1,209.38	11,209.38
Executive Asst 40 hrs Step E \$27.31	56,804.80	360.00	57,164.80		7,414.27	10,800.00	852.65	258.23	-	1,638.60	20,963.76	78,128.56
Total Police Dept.	331,502.88	960.00	332,462.88		21,554.66	54,000.00	4,922.22	11,948.54	2,100.00	7,000.60	101,526.02	433,988.90
Community Development												
Director	20,000.00	-	20,000.00		2,594.00	-	290.00	396.45	-	-	3,280.45	23,280.45
Exec Assistant - 40 hrs Step E @ 27.31	48,817.60	-	48,817.60		6,331.64	10,800.00	721.47	258.23	900.00	938.80	19,950.14	68,767.74
Inspector - Step C 5 hrs 13% @ 27.22	7,077.20	-	7,077.20		917.91	1,404.00	104.67	198.22	-	141.54	2,766.35	9,843.55
Total Community Development	75,894.80	-	75,894.80		9,843.56	12,204.00	1,116.14	852.90	900.00	1,080.34	25,996.94	101,891.74
Public Works												
PW Director-40 hrs @ 33.15	68,952.00	1,560.00	70,512.00		0.76240							
Utility Worker I -Step E 40 hrs @27.31	56,804.80	240.00	57,044.80		9,145.41	10,800.00	1,060.88	1,585.79	900.00	2,652.00	26,144.08	96,656.08
Utility Worker II -Step E 40 hrs @ 27.31	56,804.80	1,440.00	58,244.80	600.00	7,398.71	10,800.00	842.99	1,585.79	300.00	1,092.40	22,019.89	79,064.69
Utility Worker III - Step C 35 hrs @ 27.22	49,540.40	-	49,540.40		7,632.17	10,800.00	884.93	1,585.79	1,800.00	2,184.80	24,887.69	83,732.49
Overtime	1,000.00	-	1,000.00		6,425.39	9,396.00	732.07	1,387.57	-	947.26	18,888.28	68,428.68
Oncall Pay (Weekends/Holidays)	8,790.00	-	8,790.00		129.70	-	14.50	38.12	-	-	182.32	1,182.32
Total Public Works	241,892.00	3,240.00	245,132.00	600.00	31,871.44	41,796.00	3,662.82	6,183.06	3,000.00	6,876.46	93,389.78	339,121.78
Grand Total	884,260.16	8,300.00	892,560.16	600.00	94,277.10	151,200.00	13,282.73	19,972.00	7,350.00	22,890.00	308,971.82	1,202,131.98

GLOSSARY OF TERMS

Adopted Budget – Appropriations adopted by the governing body which forms the fiscal plan for the budget period.

Allocate – To divide a lump-sum appropriation which is designed for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Annual/Biennial Appropriated Budget – A fixed budget adopted for the government's fiscal period. The appropriated budget was traditionally used to determine a government's property tax levy, and a ceiling on expenditures was made absolute so that the expenditures of a government unit would not exceed its revenues. This budget was also historically a balanced budget, estimated revenues equaling appropriations. The appropriated budget is still used to set tax levies and some budget statutes still require balanced budgets, but it is more generally used to authorize a specific amount of expenditures regardless of whether estimated resources meet or exceed that amount. Appropriated budgets are required by statute in cities (Chapter 35.32A RCW, Chapter 35.33 RCW and Chapter 35A.33 RCW), counties (Chapter 36.40 RCW), and most other local governments in Washington State. These budgets are also called legal budgets, adopted budgets, or formal budgets. The appropriated budgets should be adopted by ordinance or resolution.

Appropriation – An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one-year period. Spending should not exceed this level without prior approval of the governing body.

Assessed Value – The value of real and personal taxable property as a basis for levying Ad Valorem (property) taxes.

Assets – Resources acquired or purchased by the City with a monetary value.

Audit – Conducted by the Washington State Auditor's Office. The primary objective of an audit is to determine if the City's financial statements are presented fairly, in all material respects the respective financial position of the government.

Balanced Budget – A budget in which planned expenditures do not exceed projected funds available.

BARS - Budgeting, Accounting, and Reporting System (BARS) prescribed by the Washington State Auditor and designed to promote uniformity among cities and counties in Washington.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, together with periodic interest at a specified rate.

Budget – Written report showing the City's fiscal plans for the budget period. It includes a balanced statement of actual revenues and expenditures during the last two periods, estimated revenues and expenditures during the current period, and estimated revenues and expenditures, as budgeted, for the upcoming period.

Capital Improvement Budget – Consists of two elements: the annual/biennial portion of capital projects and annual/biennial appropriations for the purchase, construction or replacement of major fixed assets in the current fiscal period.

Capital Outlay/Capital Expenditures – Funds expended for the acquisition or maintenance of fixed assets such as land, infrastructure, equipment, vehicles or buildings.

Comprehensive Budget – A government-wide budget that includes all resources the government expects and everything it intends to spend or encumber during a fiscal period. The comprehensive budget contains annual/biennial appropriated budgets, the annual/biennial portion of continuing appropriations such as the capital improvement projects, debt amortization schedules, and grant projects, flexible budgets and all non-budgeted funds.

Comprehensive Plan – The plan, or portions thereof, which have been adopted by the City Council. It is a land use policy statement that guides future growth of the City.

Continuing Appropriation – A fixed budget which authorizes expenditures for a fiscal period that differs from the government’s fiscal year, such as capital projects, debt issues, grant awards, and other service projects. These expenditures require an ordinance or resolution to authorize the project, establish the assessment roll, adopt the debt amortization schedule, or accept the grant award. Such ordinances or resolutions set an absolute maximum or ceiling on the expenditures, but the time period for incurring expenditures does not coincide with the government’s fiscal year; it may even cover several years. The major difference between annual/biennial appropriated budgets and continuing appropriations is that the latter do not lapse at fiscal period end; this implies that no legislative action is required to amend the annual/biennial portion of a continuing appropriation, unless the total authorized expenditures would exceed the entire appropriation.

Debt Service Fund – A fund used to account for the monies set aside for the payment of principle and interest on City debt.

Department – An organization unit of the City which has been assigned responsibility for an operation or group of related operations within a functional area.

Encumbrances – Commitments related to unperformed (executory) contracts for goods or services should be utilized to the extent necessary to assure effective budgetary control and to facilitate cash planning. Encumbrances outstanding at year end represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed; they do not constitute expenditures or liabilities.

Enterprise Fund – A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities, utilities and services which are entirely or predominately self-supporting by user charges and fees.

Expenditures – The outlay of funds paid or to be paid to obtain an asset, good or service.

Fixed Budget – Those budgets which set an absolute maximum or ceiling on the expenditures of a fund, department, or other specific category. A fixed budget can be either an annual/biennial appropriated budget or a continuing appropriation. Fixed budgets must be adopted by ordinance or resolution, either for the government’s fiscal period or at the outset of a service project, debt issue, grant award, or capital project.

Flexible Budgets – Are usually regarded as managerial tools, which do not set a ceiling on expenses or expenditures but establish a plan for them at various levels of service. They are especially appropriate for the day-to-day operations of a public utility where it is essential to plan fluctuations in the demand for services and where revenues will automatically increase with demand, so that a balanced budget does not depend on establishing a ceiling for expenses.

FTE – Full time equivalent – the combination of one or more employees whose work hours equal that of a full-time position, 2080 hours, or 40 hours a week, 52 weeks a year.

Final Amended Budget – The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of operations. (January 1 through December 31 for the City)

Fixed Assets – Assets (land, infrastructure, equipment, vehicles or buildings) that generally have a value of \$5,000 or more and a useful life of more than 1 year.

Franchise Fee – A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable TV.

Fund – A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund Balance – The excess of a funds’ total assets over its total expenditures. A negative fund balance is often referred to as a deficit.

GAAP – Generally Accepted Accounting Principles is a collection of commonly-followed accounting rules and standards for financial reporting. GAAP is adopted by the U.S. Securities and Exchange Commission, The Financial Accounting Standards Board, and The Governmental Accounting Standards Board.

GASB – The Governmental Accounting Standards Board is the organization whose mission is to improve and create financial reporting standards for state and local governments.

General Fund – Accounts for all financial transactions relating to governmental activities that are not required to be accounted for in another fund, such as special revenue funds, debt service fund, and capital projects fund.

Governmental Funds – Funds that are typically used to account for most of a government’s activities, including those that are tax supported.

Grant – Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose or activity.

Growth Management – State requirements related to development and population growth and its impact on public infrastructure.

Infrastructure – The portion of a City’s assets located at or below ground level, including the water, street, and storm systems.

Interfund Transactions – Amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Investment Revenue – Revenue received as interest and dividends from the investment of idle funds not immediately required to meet cash flow obligations.

LEOFF I and II – Law Enforcement Officers and Fire Fighters Retirement System plan.

Operating Budget – Presents the estimated expenditures and available resources necessary to provide the services for which the government was created. An operating budget will contain flexible budgets and fixed budgets; the fixed budgets will include annual/biennial appropriations for services and the annual/biennial portion of continuing appropriations for debt service and for service projects.

Original Budget – The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law.

PERS – Public Employees Retirement System.

Proposed Budget – Financial plan prepared by the City’s Finance Department and Budget Advisory Committee and submitted to the public and Council for review.

RCW – Revised Code of Washington which contains all laws of a general and permanent nature enacted by the State.

REET – Real Estate Excise Tax. A tax charged on the sale of real estate. The City collects 0.50% on each sale. Revenue from this tax is restricted for capital projects per state statute.

Reserves – A portion of a fund set aside by policy for a specific purpose, i.e. operating reserves, debt service, revenue stabilization and capital repair and replacement. Reserve amounts are generally not available for use unless designated by policy or Council action.

Revenues – All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers.

Special Revenue Fund – An account established to collect proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

System Development Charges (SDC) – A fee charged on new development to finance growth related water infrastructure projects.

Tax Levy Rate – A rate applied to all taxable property to set property tax levy amounts. It is derived by dividing the total tax levy by the taxable net property valuation.

Taxes – Compulsory charges levied by a government for the purpose of financing services provided for the common benefit of the citizens.

TIF – Transportation Impact Fees. Fees charged to new residential and commercial development. Revenues are restricted for expenditure on new transportation infrastructure to support the growth created by development.

Washington Administrative Code (WAC) – Laws adopted by State agencies to implement State Legislation.

Working Capital Budget – Combines flexible and fixed budget elements in one document for enterprise and internal service funds. Current operations are flexibly budgeted based on the estimated level of services to be provided and long-range sources and uses of assets are controlled by annual/biennial appropriations and continuing appropriations.