

# CITY OF NAPA VINE 2022 BUDGET

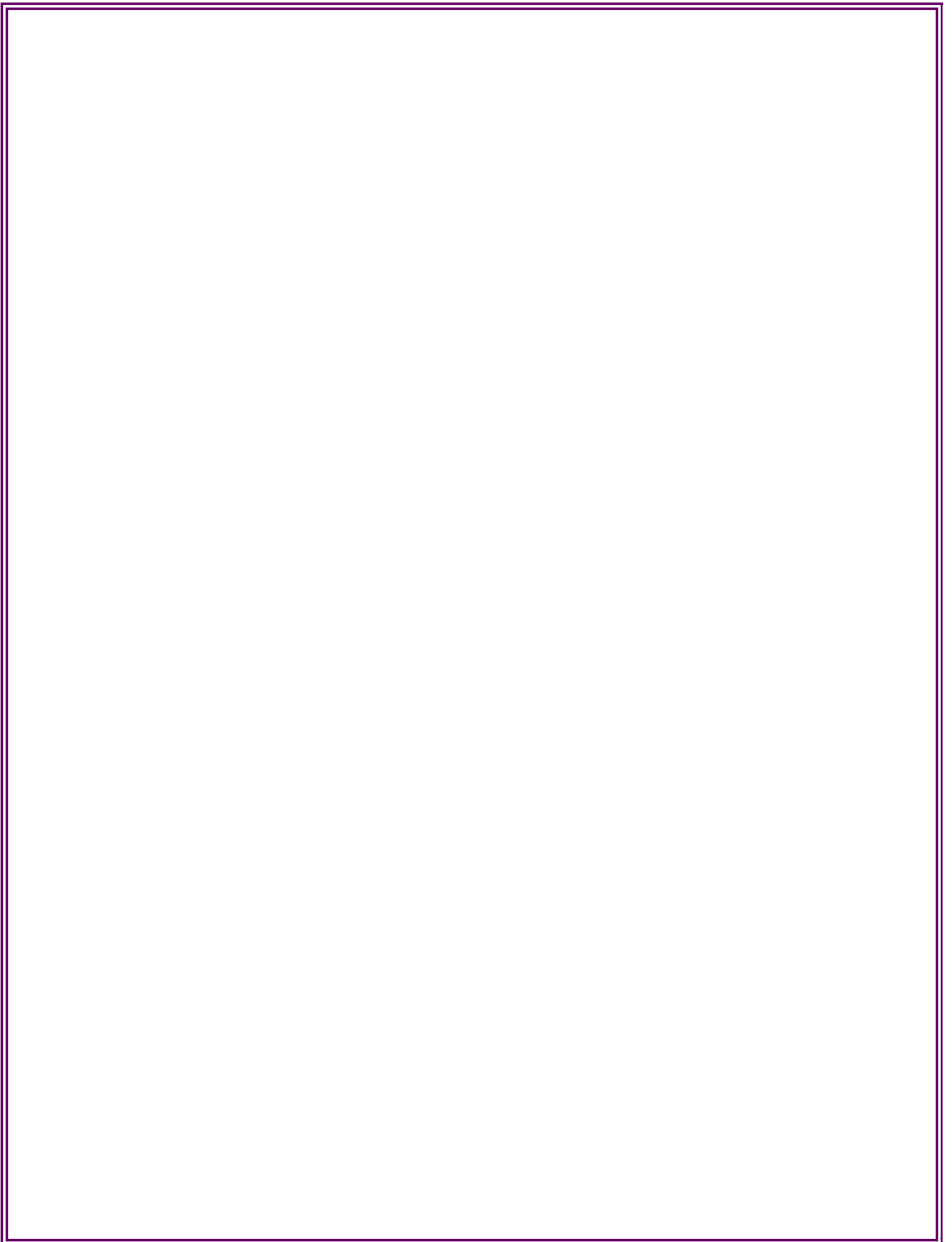
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FOR THE FISCAL YEAR  
January 1, 2022  
Through  
December 31, 2022



**Adopted:** December 14, 2021

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



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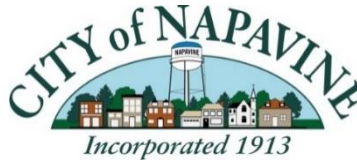
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## MAYOR'S BUDGET MESSAGE

**TO:** The Legislative Body and Citizen of Napavine  
**From:** Mayor, Shawn O'Neill  
**Subject:** Recommended Final Budget Proposal for 2022

I am pleased to submit for your consideration the 2022 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:

Operating Budget	Previous Year Actual Expenditures	Current Budget YE Est 2021	Proposed Budget 2022
General Government Services	\$293,406	\$336,810	\$377,495
Public Safety	\$496,722	\$478,730	\$625,265
Substance Abuse	\$394	\$435	\$2,500
Criminal Justice Policing	\$7,487	\$16,810	\$45,845
Transportation	\$218,246	\$228,730	\$225,760
Economic Development	\$78,705	\$112,650	\$248,895
Mental Health Services	\$567	\$550	\$580
Culture & Recreation	\$6,444	\$9,330	\$10,250
Enterprise Water Services	\$347,811	\$385,750	\$463,195
Enterprise Sewer Services	\$494,379	\$517,905	\$572,565
<b>Total Operating Appropriations</b>	<b>\$1,944,162</b>	<b>\$2,087,700</b>	<b>\$2,572,350</b>
Estimated Other Financing Uses:			
Debt/Capital/Transfers Out	\$945,557	\$1,164,300	\$2,383,640
<b>Total Estimated Uses:</b>	<b>\$2,889,720</b>	<b>\$3,252,000</b>	<b>\$4,955,990</b>

The overall budget as proposed is approximately 34.38% percent higher than last year's primarily due to updating the Comprehensive Plan, capital project expenditures for park improvement and street improvement, purchasing a new city backhoe, replacing two patrol vehicles using the Criminal Justice Fund, replace carpeting in the council chambers, a 3% COLA salary increase for union employees and an increase for two non-union employees, other agency increase in fees, maintenance of city hall and training a new City Treasurer with the resignation of the current City Treasurer and establish a LEOFF I Retiree Trust Fund for long-term care as mandated by the LEOFF I Board by transferring \$100,000 from the General Fund. The 2022 final Budget includes appropriating \$400,000 of the ARPA Funds.

The budget includes a proposed levy increase of 1% levy increase of \$3,334 with a total levy budget of \$360,000 to allow for the maximum estimated levy for Napavine to include new construction, improvements and state assessed utilities which is split 50/50 with General Fund and Street Fund. The anticipated tax rate for 2022 is 1.449715009990 per \$1,000 of assessed property value. The 2022 assessed value of the Napavine City District is \$248,324,669. The increased assessments within the city's district lowered the rate per \$1,000 by 0.088856502748.

The estimated revenue from retail sales and use taxes is \$525,000, 20.48% higher than current years anticipated revenues. It is difficult to predict sales tax revenue due to economic fluctuations, new businesses, internet sales and one-time construction projects within the city.

The state shared revenues were reduced due to the delayed release of the 2020 US Census data (Public Law 94-117). The estimates released on June 30, 2021, are superseded by the estimates released on November 30, 2021, by

Washington State Office of Financial Management. Napavine’s population went from 2,030 to 1,895 that influenced state shared revenues in the General Fund, Street Fund and Criminal Justice Fund.

Budgeted funds include the use of estimated beginning 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. The revenues include the federal COVID ARPA funds the city received in 2021 and 2022 which will need to be expended by December 31, 2026. These projections, current adopted budget, and prior year results are as follows:

	Previous Years Actual Revenues	Current Budget Estimated YE	Revenue Estimates for 2022
Estimated Beginning Fund Balance	4,020,257	4,567,070	5,377,109
Taxes	1,091,257	1,227,885	1,264,900
Licenses and Permits	52,246	80,155	112,760
Intergovernmental Revenues	116,732	1,164,736	1,119,065
Charges for Goods and Services	502,357	1,492,415	1,444,565
Fines and Penalties	22,497	16,530	30,585
Miscellaneous Revenues	311,407	537,265	230,010
Disposition of Capital Assets	-	-	-
<b>Total Estimated Revenues</b>	<b>2,096,496</b>	<b>4,518,986</b>	<b>4,201,885</b>
Total Other Estimated Financing Sources	193,000	112,470	225,000
	<b>2,289,496</b>	<b>4,631,456</b>	<b>4,426,885</b>
<b>Total All Estimated Resources</b>	<b>6,309,753</b>	<b>9,198,526</b>	<b>9,803,994</b>

**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 is budgeted for three full time commissioned police officers, commissioned Chief of Police, and an Executive Assistant.

The Union contract was open for wages for 2022 and was ratified in 2021 to include a 3% COLA per month for cost-of-living increase for all members in the Teamsters bargaining unit. Non-union employees include an increase to bring the positions to a marketable median wage using the AWC Salary Survey of 2021. The city staff are budgeted at 40 hours per week except for Municipal Court at 32 hours per week.

**LAW ENFORCEMENT**

Total costs for law enforcement are up by 12.07% from \$543,140 to \$608,720 with the increase of the Police Chief Salary, legislative mandates for law enforcement accountability, replacing two officers that resigned in 2021, updating police uniforms.

**GENERAL**

\$1,100 is appropriated for the city's contribution to the air pollution control authority which is based on 2022 population estimate of 2,030. A small increase over the prior year's budget; \$580 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:

- Resurface city arterial streets within the city
- 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  
Duane Crouse, Council Position #5 ..... Term Expiration 12/31/2023

### **DEPARTMENT HEADS/APPOINTED CITY OFFICIALS**

James M. B. Buzzard ..... City Attorney  
Rachelle Denham ..... City Clerk  
Mary Wood ..... City Treasurer  
Bryan Morris ..... Public Works / Community Development Director  
John Brockmueller ..... 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

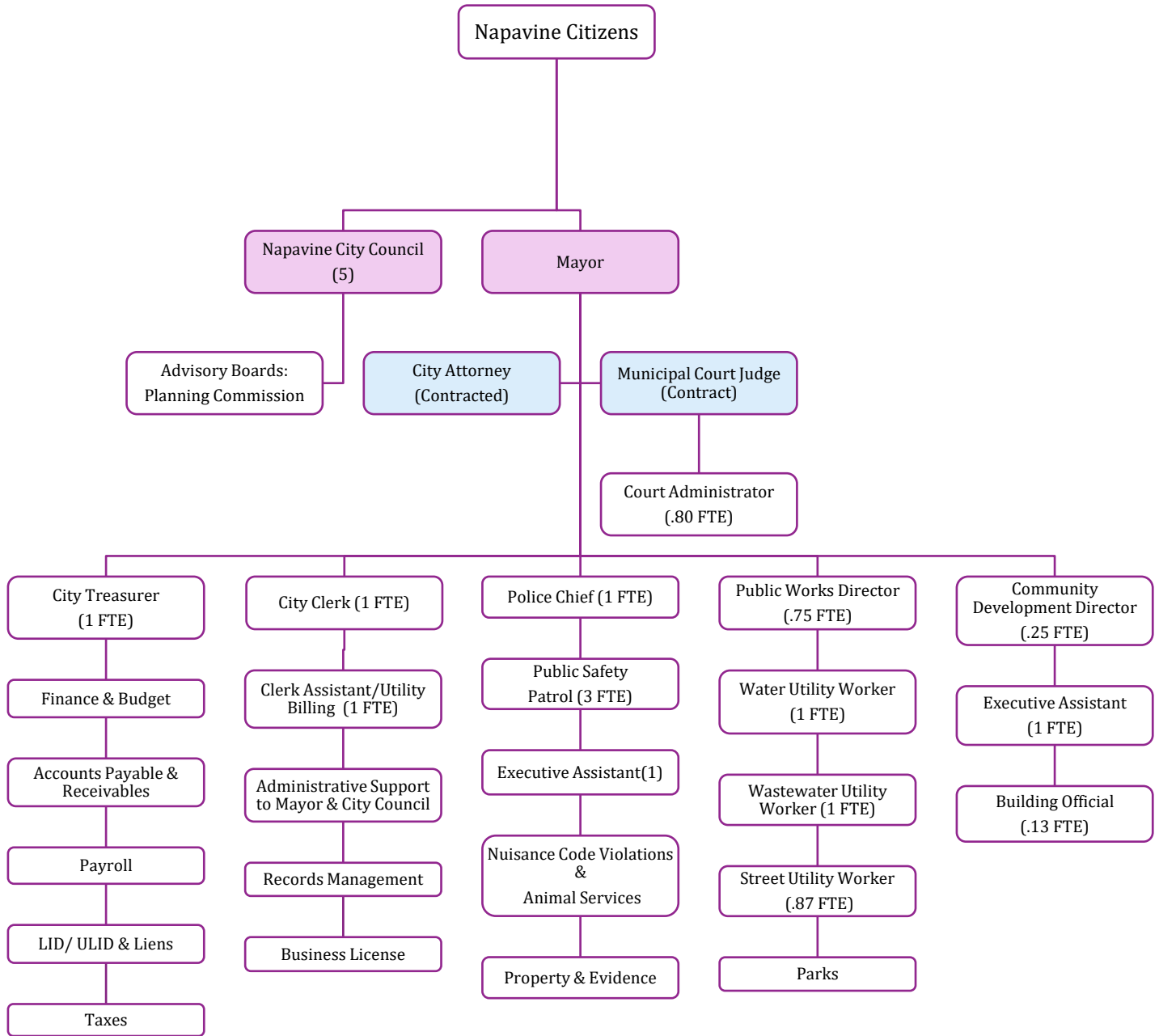
#### **Fax**

360-262-9199

#### **Home Page**

[www.cityofnapavine.com](http://www.cityofnapavine.com)

# CITY-WIDE ORGANIZATION CHART



Napavine is served by Lewis County Fire District #5

Elected Officials  
 Contract

## **ORDINANCE ADOPTING 2022 BUDGET**

### **ORDINANCE NO. 628**

#### **AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF NAPAVINE, WASHINGTON, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022**

**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, 2022; and

**WHEREAS**, notice was published that the City Council would hold a public hearing on December 14, 2021 at 5:30 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 2022 during the regular city council meeting at 6:00 p.m.; and

**WHEREAS**, the City Council finds 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 2022 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 2022 is hereby adopted at the fund level in its final form and content as set forth in the comprehensive budget document, "City of Napavine 2022 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 2022 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2022 as set forth in the City of Napavine 2022 Budget.

Fund	Estimate Begin Balance	Estimated Revenues	Appropriations/ Expenditures	Estimated Ending Fund Balance
General Fund 001	980,514	1,254,400	1,402,275	832,639
Substance Abuse Fund 002	5,830	5	2,500	3,335
Park Improvement Fund 004	168,382	288,950	355,405	101,927
General Govrnmt Equipment Fund 005	37,901	-	22,000	15,901
LEOFF I Retiree Trust Fund	-	100,000	-	100,000
Street Fund 101	189,276	244,595	250,760	183,111
Street Capital Equipment Fund 102	31,000	15,000	31,000	15,000
Street Improvement Fund 105	271,136	545,040	588,235	227,941
Criminal Justice Funds 110	99,922	51,585	115,845	35,662
Local Recovery Fiscal Fund 115	279,561	279,290	400,000	158,851
Project Planning Fund 305	281,529	60,130	80,000	261,659
Water Fund 401	869,841	518,025	518,345	869,521
Water System Improvement Fund 402	503,117	58,665	65,000	496,782
Water Deposit Trust Fund 404	7,615	-	5,500	2,115
Wastewater Fund 406	416,761	855,235	867,720	404,276
Wastewater System Improve Fund 408	609,507	54,735	30,000	634,242
Sewer Capital Equipment Fund 409	31,000	15,000	31,000	15,000
Water Capital Equipment Fund 411	31,000	15,000	46,000	-
LID 2011-1 Bond Redemption Fund 415	502,516	71,230	110,365	463,381
Private-Purpose Trust Funds 621	34,836	-	34,000	836
<b>Total All Funds</b>	<b>5,351,242</b>	<b>4,426,885</b>	<b>4,955,950</b>	<b>4,822,177</b>

**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, 2022, pursuant to RCW 35A.12.130.

**SECTION 5.** Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbers, section/subsection numbers, and any references thereto.

**Passed** by the City Council, of City of Napavine, at a regular open public meeting thereof this 14th day of December, 2021.

\_\_\_\_\_  
Mayor, Shawn O'Neill

Approved as to form:

Attest:

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

\_\_\_\_\_  
City Clerk, Rachele Denham

PASSED: 12/14/2021

PUBLISHED DATE: \_\_\_\_\_

EFFECTIVE DATE: 1/1/2022

## 2021 ESTIMATED YEAR END BALANCES

2021 Estimated Year End Balance							
Fund		Beginning		Transfers		Transfers	Ending
		Cash & Invest	Revenues	In	Expenditures	Out	Cash & Invest
001	General Fund 001	815,768.73	1,168,530.00	1,435.00	1,005,215.00	-	980,518.73
002	Substance Abuse Fund	6,259.51	5.00		435.00		5,829.51
004	Park Improvement Fund 004	128,237.14	40,145.00		-		168,382.14
005	Gen Gov Capital Equip Fund	61,770.95	15.00		23,885.00		37,900.95
101	Street Fund 101	197,290.66	220,700.00		213,715.00	15,000.00	189,275.66
102	Street Capital Equipment Fund	16,000.00		15,000.00			31,000.00
105	Street Improvement Fund 105	173,910.74	601,280.00		504,055.00		271,135.74
110	Criminal Justice Funds	68,101.67	48,630.00		15,375.00	1,435.00	99,921.67
115	Local Recovery Fiscal Fund	-	279,561.00				279,561.00
305	Project Planning Fund	208,518.58	80,235.00		7,225.00		281,528.58
401	Water Fund 401	764,810.59	546,415.00		416,385.00	25,000.00	869,840.59
402	Water System Improvement Fund	413,601.91	116,595.00	10,000.00	37,080.00		503,116.91
403	USDA Bond Reserve Fund	22,710.00	-		-		22,710.00
404	Water Deposit Trust Fund	7,615.03	-		-		7,615.03
406	Wastewater Fund 406	326,361.44	899,480.00		789,080.00	20,000.00	416,761.44
408	Wastewater System Improve Fund	465,442.41	134,065.00	10,000.00	-		609,507.41
409	Sewer Capital Equipment Fund	21,000.00		10,000.00	-		31,000.00
411	Water Capital Equipment Fund	16,000.00		15,000.00	-		31,000.00
415	LID 2011-1 Bond Redemption Fund	393,275.65	222,260.00		113,020.00		502,515.65
502	Private-Purpose Trust Funds	34,836.47		-	-		34,836.47
631	Agency Funds	2,682.12	20,780.00		20,780.00		2,682.12
632	Municipal Court Trust Fund	514.74	28,640.00		28,680.00		474.74
	Grand Total	4,144,708.34	4,407,336.00	61,435.00	3,174,930.00	61,435.00	5,377,114.34
				4,468,771.00		3,236,365.00	

## 2021 YEAR END RESTRICTED REVENUES

<b>Fund:</b>	<b>General Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
13,949.40	Liquor Excise Tax	<b>70.96A.087</b>	2% Substance abuse treatments	279				
15,879.00	Liquor Board Profits	<b>70.96A.085</b>	2% Substance abuse treatments	318	-	597	597	(0)
	Liquor Control Board Profits	<b>66.24.065</b>	20.23% Public Safety	3,212	-	3,212	3,212	0
8,017.00	CL & CJ Leg One time Cost		Police Accountability Legislative Bill	8,017		8,017	8,017	0
-	Sale Proceeds RR Spur	Res 14-07-62 Committed	Future Capital Needs Assigned	-	105,796	105,796	-	105,796
<b>37,845.40</b>			<b>Total Restricted Funds</b>	<b>11,826</b>	<b>105,796</b>	<b>117,622</b>	<b>11,826</b>	<b>105,796</b>

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.

<b>Fund:</b>	<b>Substance Abuse Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
5.00	Seizures, Drug Fines, Interest	572	Care Evidence, Training, Investigative	5	6,260	6,265	435	5,830
<b>5.00</b>			<b>Total Restricted Funds</b>	<b>5</b>	<b>6,260</b>	<b>6,265</b>	<b>435</b>	<b>5,830</b>

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.

<b>Fund:</b>	<b>Park Improvement Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
40,000.00	Real Estate Excise Tax	<b>82.46.010 (2)</b>	Capital Facilities Plan Capital Projects	40,000	125,064	165,064	-	165,064
105.00	Investment Interest			105	99	204	-	204
<b>40,105.00</b>			<b>Total Restricted Funds</b>	<b>40,105</b>	<b>125,163</b>	<b>165,268</b>	<b>-</b>	<b>165,268</b>

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.

<b>Fund:</b>	<b>Gen Gov Capital Equip Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
-	Sale Old City Hall	610	Maintain CH, Capital Equipment		61,771	61,771	23,885	37,886
15.00	Investment Interest			15		15		15
<b>15.00</b>			<b>Total Committed Funds</b>	<b>15</b>	<b>61,771</b>	<b>61,786</b>	<b>23,885</b>	<b>37,901</b>

City adopted Ordinance 610 on August 25, 2020, to reserve the fund for future general government capital equipment, small and attractive asset equipment for the offices of Municipal Court, City Clerk/Treasurer and Community Development of the General Fund and maintenance of City Hall.

<b>Fund:</b>	<b>Street Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
2,695.00	Multimodal Transportation City	<b>47.66.070</b>	Transportation purpose only	2,695	14,852	17,547	-	17,547
5,241.24	Retainage Bond		Jim Powe Paving	5,241	-	5,241	-	5,241
<b>7,936.24</b>			<b>Total Restricted Funds</b>	<b>7,936</b>	<b>14,852</b>	<b>22,788</b>	<b>-</b>	<b>22,788</b>

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.

<b>Fund:</b>	<b>Street Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
15,000.00	Transfers from Street Fund	588	Capital Equipment	15,000	16,000	31,000	-	31,000
<b>15,000.00</b>			<b>Total Committed Funds</b>	<b>15,000</b>	<b>16,000</b>	<b>31,000</b>	<b>-</b>	<b>31,000</b>

The city council approved Ordinance 588 on December 26, 2018, to create the Street Capital Equipment Fund for the restricted use of reserving necessary funds for the sole purpose of saving, budgeting, and disbursing funds specifically for capital equipment for city streets.

<b>Fund:</b>	<b>Street Improvement Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
40,000.00	Real Estate Excise Tax	<b>82.46.010 (2)</b>	Capital Facilities Plan/Capital Projects	40,000	100,209	140,209	29,945	110,264
73.13	Investment Interest			73	687	760	760	0
50,588.50	Performance Bond Agreement		Trailer Station Street Lights	50,589	-	50,589	-	50,589
31,000.00	Retainage Deposits		Klein Street Lights	31,000	-	31,000	-	31,000
6,267.50	Retainage Deposits		Clark Street Lights	6,268	-	6,268	-	6,268
-	HH Napavine 16		Developers Agreement	-	15,000	15,000	-	15,000
-	HH Napavine 16 Taco Bell		Developers Agreement	-	15,990	15,990	-	15,990
<b>127,929.13</b>			<b>Total Restricted Funds</b>	<b>127,929</b>	<b>131,886</b>	<b>259,816</b>	<b>30,705</b>	<b>229,111</b>

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 26, 2021.

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.

The city has agreements with Trailer Station and owner James Fine, Tim Klein, and Brad Clark for streetlight improvements at 173 Hamilton Road, Koontz Road and 208 Fenway Dr in the form of retainage deposits. Once the streetlights become available, they are to be installed at this location and the retainage deposit will be used for this allocation and allow them to obtain final occupancy for the business.

<b>Fund:</b>	<b>Criminal Justice Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
1,000.00	Criminal Justice Lo-Pop	<b>82.14.330</b>	Criminal Justice purpose non-recurring (Purchase police cars)	1,000	2,238	3,238	590	2,648
2,350.00	CJ-Special Programs	<b>82.14.330 (2)(b)</b>	Innovative Law Strategies, At-Risk Children, Child Abuse,	2,350	14,998	17,348	1,125	16,223
275.00	DUI - Cities		DUI OT Enforcement	275	4,100	4,375	-	4,375
45,000.00	CJ - Sales Tax	<b>82.14.340</b>	Criminal Justice Purposes	45,000	43,782	88,782	13,660	75,122
<b>48,625.00</b>			<b>Total Restricted Funds</b>	<b>48,625</b>	<b>65,118</b>	<b>113,743</b>	<b>15,375</b>	<b>98,368</b>

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.

<b>Fund:</b>	<b>Local Fiscal Recovery Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
279,561.00	COVID-19 ARPA Federal		<i>Covid-19 ARPA Fiscal Recovery</i>	279,561		279,561		279,561
279,561.00			<b>Total Restricted Funds</b>	279,561	-	279,561	-	279,561

The period of performance for this award ends on December 31, 2026. The city may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends of December 31, 2024. Costs sharing or matching funds are not required to be provided by the Recipient (City of Napavine). The funds may be used to make necessary investments in water, sewer, or broadband infrastructure.

<b>Fund:</b>	<b>Project Planning</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
80,000.00	2nd Quarter Real Estate Excise Tax	<b>82.46.035 (2)</b>	Capital Facilities Plan/Capital Projects	80,000	201,597	281,597	7,225	274,372
235.00	Investment Interest			235	1,021	1,256	-	1,256
<b>80,235.00</b>			<b>Total Restricted Funds</b>	<b>80,235</b>	<b>202,618</b>	<b>282,853</b>	<b>7,225</b>	<b>275,628</b>

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.

<b>Fund:</b>	<b>Sewer Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
10,000.00	Transfers from Street Fund	588	Capital Equipment	10,000	21,000	31,000	-	31,000
<b>10,000.00</b>			<b>Total Committed Funds</b>	<b>10,000</b>	<b>21,000</b>	<b>31,000</b>	<b>-</b>	<b>31,000</b>

The city council approved Ordinance 588 on December 26, 2018, to create the Sewer Capital Equipment Fund for the restricted use of reserving necessary funds for the sole purpose of saving, budgeting, and disbursing funds specifically for capital equipment for the sewer system.

<b>Fund:</b>	<b>Water Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
15,000.00	Transfers from Street Fund	588	Capital Equipment	15,000	16,000	31,000	-	31,000
<b>15,000.00</b>			<b>Total Committed Funds</b>	<b>15,000</b>	<b>16,000</b>	<b>31,000</b>	<b>-</b>	<b>31,000</b>

The city council approved Ordinance 588 on December 26, 2018, to create the Water Capital Equipment Fund for the restricted use of reserving necessary funds for the sole purpose of saving, budgeting, and disbursing funds specifically for capital equipment for the water system.

<b>Fund:</b>	<b>Agency Fund</b>	Non-spendable donation						
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
-	NYB Deposit	Donation	Damage/Electric/Key Deposit	-	750	750	-	750
<b>-</b>			<b>Total Restricted Funds</b>	<b>-</b>	<b>750</b>	<b>750</b>	<b>-</b>	<b>750</b>

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.

## 2022 BUDGET SUMMARY

2022 Estimated Year End Balances							
Fund		Beginning		Transfers		Transfers	Ending
		Cash & Invest	Revenues	In	Expenditures	Out	Cash & Invest
001	General Fund 001	980,518.73	1,254,400.00		1,252,275.00	150,000.00	832,643.73
002	Substance Abuse Fund	5,829.51	5.00		2,500.00		3,334.51
004	Park Improvement Fund 004	168,382.14	288,950.00		355,405.00		101,927.14
005	Gen Gov Capital Equip Fund	37,900.95	0.00		22,000.00		15,900.95
006	LEOFF 1 Retiree Trust Fund	0.00		100,000.00	0.00		100,000.00
101	Street Fund 101	189,275.66	234,595.00	10,000.00	235,760.00	15,000.00	183,110.66
102	Street Capital Equipment Fund	31,000.00		15,000.00	31,000.00		15,000.00
105	Street Improvement Fund 105	271,135.74	505,040.00	40,000.00	588,235.00		227,940.74
110	Criminal Justice Funds	99,921.67	51,585.00		115,845.00		35,661.67
115	Local Recovery Fiscal Fund	279,561.00	279,290.00		400,000.00		158,851.00
305	Project Planning Fund	281,528.58	60,130.00		80,000.00		261,658.58
401	Water Fund 401	869,840.59	518,025.00		488,345.00	30,000.00	869,520.59
402	Water System Improvement Fund	503,116.91	43,665.00	15,000.00	65,000.00		496,781.91
403	USDA Bond Reserve Fund	22,710.00	0.00		0.00		22,710.00
404	Water Deposit Trust Fund	7,615.03	0.00		5,500.00		2,115.03
406	Wastewater Fund 406	416,761.44	855,235.00		837,720.00	30,000.00	404,276.44
408	Wastewater System Improve Fund	609,507.41	39,735.00	15,000.00	30,000.00		634,242.41
409	Sewer Capital Equipment Fund	31,000.00		15,000.00	31,000.00		15,000.00
411	Water Capital Equipment Fund	31,000.00		15,000.00	46,000.00		0.00
415	LID 2011-1 Bond Redemption Fund	502,515.65	71,230.00		110,365.00		463,380.65
502	Private-Purpose Trust Funds	34,836.47	0.00		34,000.00		836.47
631	Agency Funds	2,682.12	0.00		0.00		2,682.12
632	Municipal Court Trust Fund	474.74	0.00		0.00		474.74
	<b>Grand Total</b>	5,377,114.34	4,201,885.00	225,000.00	4,730,950.00	225,000.00	4,848,049.34
				4,426,885.00		4,955,950.00	

## 2022 RESTRICTED FUNDS

### General Fund

<b>2022 Estimated Restricted Funds</b>								
Fund:	General Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
12,185.00	Liquor Excise Tax	<b>70.96A.087</b>	2% Substance abuse treatments	243.70				
14,725.00	Liquor Board Profits	<b>70.96A.085</b>	2% Substance abuse treatments	294.50	-	538.19	538.19	-
	Liquor Control Board Profits	<b>66.24.065</b>	20.23% Public Safety	2,978.87	-	2,978.87	2,978.87	(0.00)
-	Sale Proceeds RR Spur	Res 14-07-62 Committed	Future Capital Needs Assigned	-	105,796.20	105,796.20	-	105,796.20
<b>26,910.00</b>			<b>Total Restricted Funds</b>	<b>3,517.07</b>	<b>105,796.20</b>	<b>109,313.26</b>	<b>3,517.06</b>	<b>105,796.20</b>

### Substance Abuse Fund

Fund:	Substance Abuse Fund							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
5.00	Seizures, Drug Fines, Interest	572	Care Evidence, Training, Investigative	5.00	5,829.51	5,834.51	2,500.00	3,334.51
<b>5.00</b>			<b>Total Restricted Funds</b>	<b>5.00</b>	<b>5,829.51</b>	<b>5,834.51</b>	<b>2,500.00</b>	<b>3,334.51</b>

### Park Improvement Fund

Fund:	Park Improvement Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
30,000.00	Real Estate Excise Tax	<b>82.46.010 (2)</b>	Capital Facilities Plan Capital Projects	30,000.00	165,063.99	195,063.99	95,000.00	100,063.99
50.00	Investment Interest			50.00	204.07	254.07	250.00	4.07
<b>30,050.00</b>			<b>Total Restricted Funds</b>	<b>30,050.00</b>	<b>165,268.06</b>	<b>195,318.06</b>	<b>95,250.00</b>	<b>100,068.06</b>

**Street Fund**

<b>Fund:</b>	<b>Street Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
	Retainage Bond		Jim Powe Paving		5,241.24	5,241.24	5,241.24	-
2,680.00	Multimodal Transportation City	<b>47.66.070</b>	Transportation purpose only	2,680.00	17,547.15	20,227.15	-	20,227.15
<b>2,680.00</b>			<b>Total Restricted Funds</b>	<b>2,680.00</b>	<b>17,547.15</b>	<b>20,227.15</b>	<b>-</b>	<b>20,227.15</b>

**Street Capital Equipment Fund**

<b>Fund:</b>	<b>Street Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
15,000.00	Transfers from Street Fund	588	Capital Equipment	15,000.00	31,000.00	46,000.00	31,000.00	15,000.00
<b>15,000.00</b>			<b>Total Committed Funds</b>	<b>15,000.00</b>	<b>31,000.00</b>	<b>46,000.00</b>	<b>31,000.00</b>	<b>15,000.00</b>

**Street Improvement Fund**

<b>Fund:</b>	<b>Street Improvement Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
30,000.00	Real Estate Excise Tax	<b>82.46.010 (2)</b>	Capital Facilities Plan/Capital Projects	30,000.00	105,264.16	135,264.16	25,375.00	109,889.16
40.00	Investment Interest			40.00	0.41	40.41		40.41
-	Performance Bond Agreement		Trailer Station Street Lights	-	50,588.50		50,588.50	
-	Retainage Deposits		Klein Street Lights	-	31,000.00		31,000.00	
-	Retainage Deposits		Clark Street Lights	-	6,267.50	6,267.50	6,267.50	-
-	HH Napavine 16		Developers Agreement	-	15,000.00	15,000.00	-	15,000.00
-	HH Napavine 16 Taco Bell		Developers Agreement	-	15,990.00	15,990.00	-	15,990.00
<b>30,040.00</b>			<b>Total Restricted Funds</b>	<b>30,040.00</b>	<b>224,110.57</b>	<b>172,562.07</b>	<b>113,231.00</b>	<b>140,919.57</b>

### Criminal Justice Fund

<b>Fund:</b>	<b>Criminal Justice Fund</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
1,000.00	Criminal Justice Lo-Pop	<b>82.14.330</b>	Criminal Justice purpose non-recurring (Purchase police cars)	1,000.00	2,648.35	3,648.35	3,645.00	3.35
2,310.00	CJ-Special Programs	<b>82.14.330 (2)(b)</b>	Innovative Law Strategies, At-Risk Children, Child Abuse, Domestic Violence	2,310.00	16,222.51	18,532.51	16,700.00	1,832.51
275.00	DUI - Cities		DUI OT Enforcement	275.00	4,374.80	4,649.80	4,645.00	4.80
48,000.00	CJ - Sales Tax	<b>82.14.340</b>	Criminal Justice Purposes	48,000.00	75,122.43	123,122.43	90,855.00	32,267.43
<b>51,585.00</b>			<b>Total Restricted Funds</b>	<b>51,585.00</b>	<b>98,368.09</b>	<b>149,953.09</b>	<b>115,845.00</b>	<b>34,108.09</b>

### Local Fiscal Recovery Fund

<b>Fund:</b>	<b>Local Fiscal Recovery Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
279,290.00	COVID-19 ARPA Federal	623	<i>Covid-19 ARPA Fiscal Recovery</i>	279,290.00	279,561.00	558,851.00	400,000.00	158,851.00
279,290.00			<b>Total Restricted Funds</b>	279,290.00	279,561.00	558,851.00	400,000.00	158,851.00

### Project Planning Fund

<b>Fund:</b>	<b>Project Planning</b>							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
60,000.00	2nd Quarter Real Estate Excise Tax	<b>82.46.035 (2)</b>	Capital Facilities Plan/Capital Projects	60,000.00	257,147.16	264,372.16	79,000.00	185,372.16
130.00	Investment Interest			130.00	1,255.93	1,385.93	1,000.00	385.93
<b>60,130.00</b>			<b>Total Restricted Funds</b>	<b>60,130.00</b>	<b>258,403.09</b>	<b>265,758.09</b>	<b>80,000.00</b>	<b>185,758.09</b>

**Sewer Capital Equipment Fund**

<b>Fund:</b>	<b>Sewer Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
15,000.00	Transfers from Street Fund	588	Capital Equipment	15,000.00	31,000.00	46,000.00	31,000.00	15,000.00
<b>15,000.00</b>			<b>Total Committed Funds</b>	<b>15,000.00</b>	<b>31,000.00</b>	<b>46,000.00</b>	<b>31,000.00</b>	<b>15,000.00</b>

**Water Capital Equipment Fund**

<b>Fund:</b>	<b>Water Capital Equipment Fund</b>							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
15,000.00	Transfers from Street Fund	588	Capital Equipment	15,000.00	31,000.00	46,000.00	46,000.00	-
<b>15,000.00</b>			<b>Total Committed Funds</b>	<b>15,000.00</b>	<b>31,000.00</b>	<b>46,000.00</b>	<b>46,000.00</b>	<b>-</b>

**Agency Fund**

<b>Fund:</b>	<b>Agency Fund</b>	Non-spendable donation						
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
-	NYB Deposit	Donation	Damage/Electric/Key Deposit	-	750.00	750.00	-	750.00
-			<b>Total Restricted Funds</b>	<b>-</b>	<b>750.00</b>	<b>750.00</b>	<b>-</b>	<b>750.00</b>

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# FINANCIAL SECTION

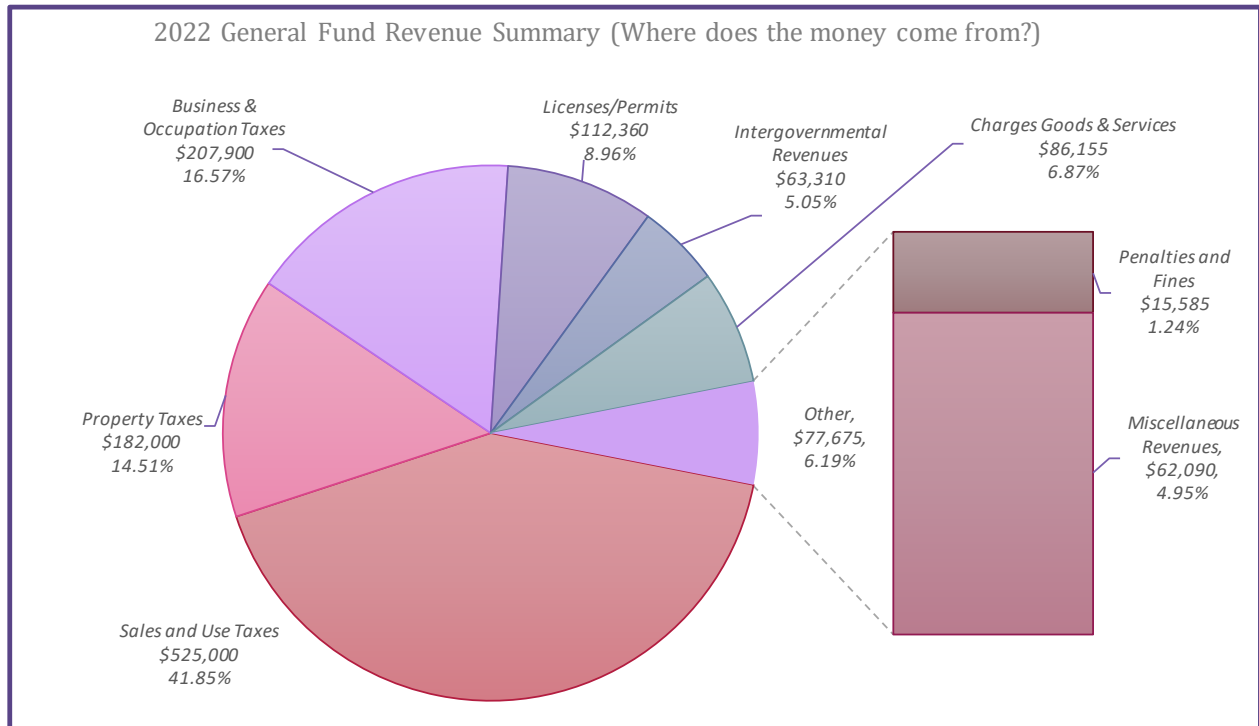
## GOVERNMENTAL FUND TYPES

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.

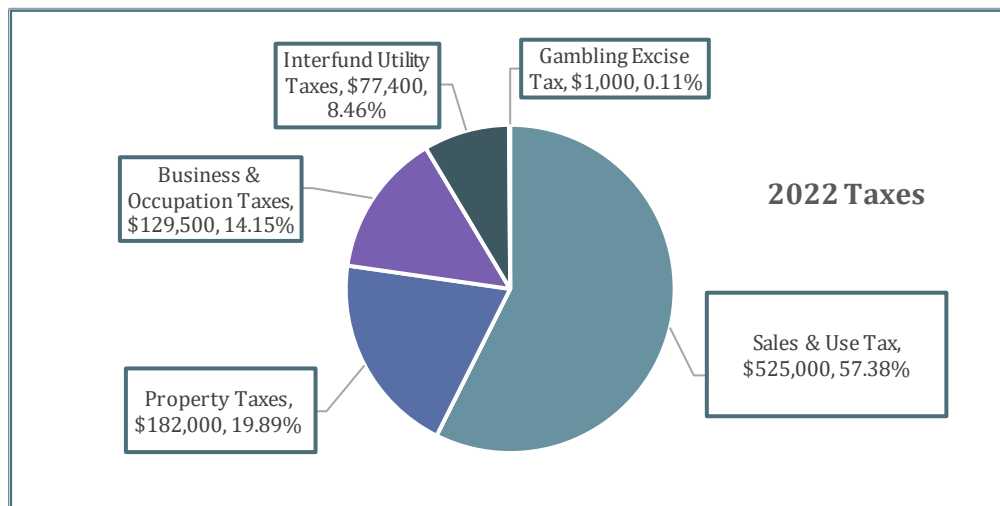
### **General Fund Summary Review**



### Tax Revenues

- Retail Sales Tax estimated in the amount of \$525,000 for 2022 due to new retail businesses in the city limits and an increase in destination-based sales tax.
- Property Taxes the 2022 Levy is estimated in the amount of \$360,000 split 50/50 with the Street Fund. The anticipated General Fund property levy share is \$180,000. The State Assessed Utilities value increased \$655,839 over 2021 allowing for an increase in the property tax levy by \$1,009. The 2021 actual levy amount for City of Napavine was \$333,011.84. The allowable 1% increase over 2021 highest lawful levy limit is \$3,314.14. The value of the new construction in 2021 was \$6,030,700 X (times) last year's levy rate (2021) of \$1.538571512738 allows an increase in property levy for new construction in the amount of \$9,279. The county's real and personal property value is \$248,324,669 plus state assessed utilities at \$5,043,053 for City of Napavine for the 2022 levy amount to budget for round up to \$360,000. The estimated levy rate for the 2022 levy is \$1.449715 per \$1,000. The city is eligible to receive an administrative refund in 2022 tax year in the amount of \$1,408.47. The estimated delinquent property tax levy amount is \$4,000.
- 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 \$28,00 in telecommunications, electric \$98,000 and cable \$3,500, water utility tax \$28,500 and sewer utility tax \$48,900 for a grand total of \$206,900 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 2022 is \$914,900 in the General Fund.



### Licenses and Permits

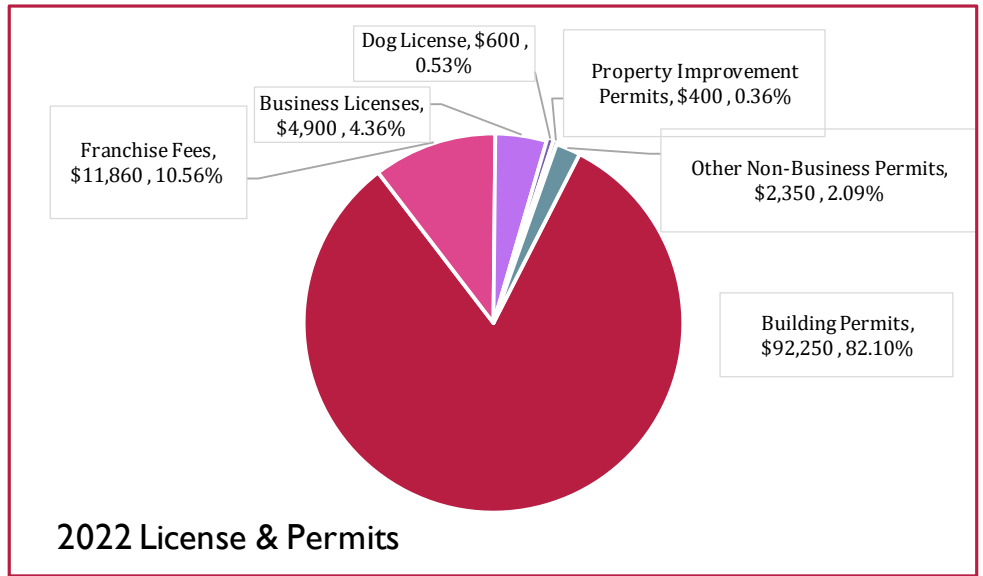
- The City of Napavine partnered with the Department of Revenue's Business Licensing Service (BLS). The partnership allows City of Napavine customers a "one-step shopping" when maintaining or renewing state or city licenses. Existing, new, and expanding business can apply or renew their city license 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 \$4,900 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.

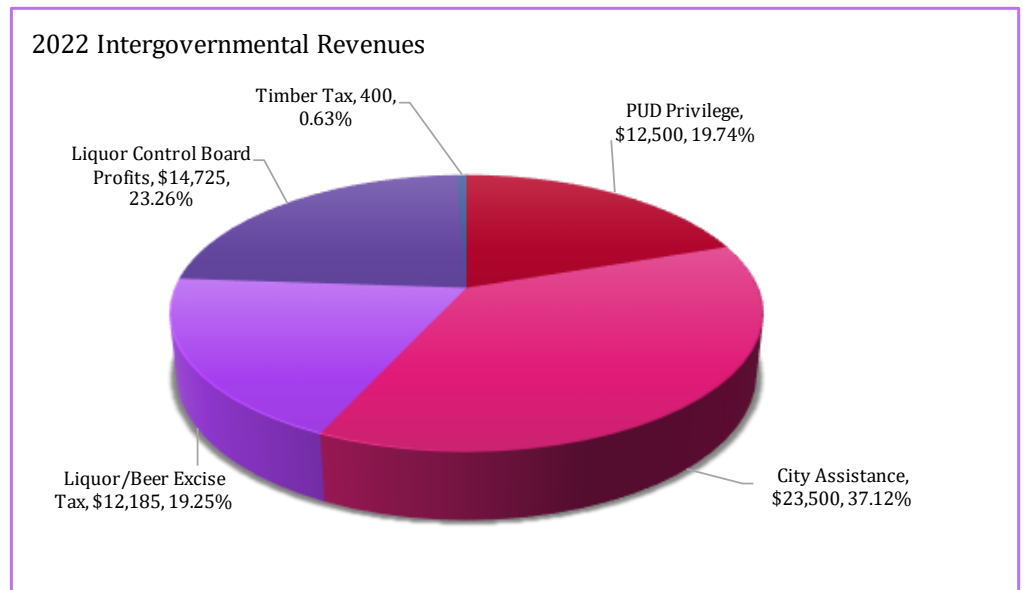
- Franchise Fees are anticipated from cable service \$3,000, refuse (garbage) service \$8,500 and light speed network \$360;
  - Building Permit fees for new constructions, remodels, property improvements are estimated in the amount of \$92,250;
  - Animal License for new dog tags and renewals \$600;
  - Miscellaneous Permits for fill & grade, zoning and non-business permits, gun permits \$2,750;
- The total estimated license and permit fees \$112,360



**Intergovernmental Revenue**

- Indirect Federal Grants
- State Grants
- State Shared Revenues:
  - PUD Privilege \$12,500
  - City Assistance
- CITY-ASSISTANCE DISTRIBUTIONS per the 2022 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 in addition to any local real estate excise taxes. 1.4% of the state REET is deposited into the city-county assistance account to provide assistance for certain cities and counties that meet the statutory qualifications. Half of these



funds are distributed to cities and the other half to the counties.

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 the 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 2021 cap is \$129,501.

<b>City Assistance Distributions</b>	
City/Town Population	Distribution Formula
<b>5,000 or less</b>	<b>Greater of</b>
Only eligible if per capita assessed value is less than 2x the statewide average for all cities	<ul style="list-style-type: none"> <li>• 55% sales tax equalization on “first half” local sales tax;</li> <li>• 55% property tax equalization based on per capita assessed values (per \$1,000 AV); or</li> <li>• 2005 MVET backfill</li> </ul> <i>Not to exceed \$129,501 (in 2021)</i>

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 based on 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 \$23,500. 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 (2022-2023).

### **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 2021 forecasts by the ERFC project a fair increase (7%) in liquor excise tax collections, resulting in an increase in distributions. The revised forecast for 2021 distributions is \$34,652,337 for cities and \$8,015,569 for counties.

For calendar year 2022 the ERFC projects a 5.8% 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 \$32,645,124 for cities and \$7,513,766 for counties.

The estimated 2022 distribution for cities is \$6.45 per capita. Office of Financial Management (OFM) estimates Napavine’s updated 2022 population at 1,895. The anticipated revenue in this category is \$12,185. Per RCW 71.24.555 no less than 2% shall be devoted to support a substance use disorder program licensed or certified

by the department of health, which the city remits the 2% (\$245) to Lewis County Treasurer and the remaining 98% (\$11,940) 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 \$39,431,749 annually, distributed proportionately by population.
- Counties receive 20%, or \$9,857,937 annually, distributed proportionately by unincorporated population.

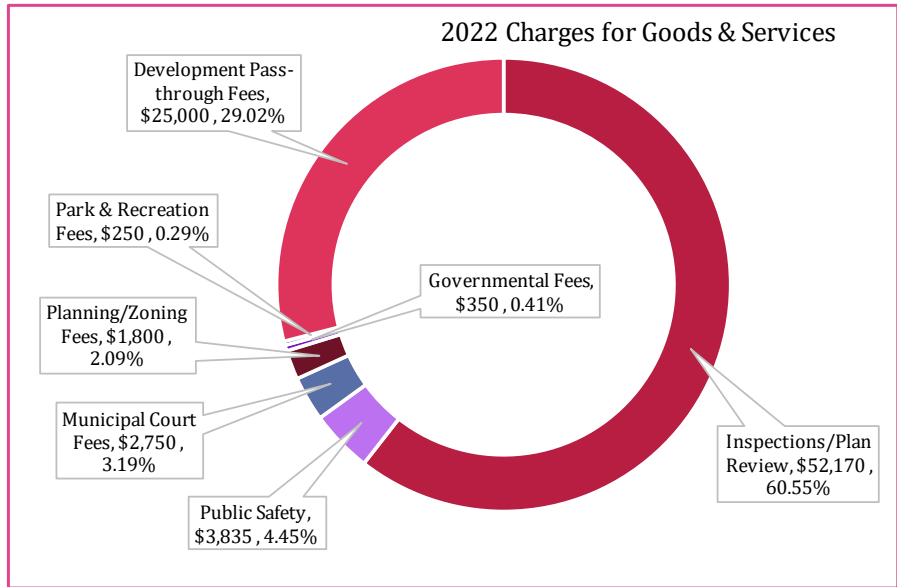
As noted in the statute, \$10 million of the \$49,438,000 – just under 20.23% – must be spent on “enhancing public safety programs.” We recommend that each city or county split its distribution so that it can account separately for the portion that must be spent on public safety. To calculate the portion 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 2022 estimated distribution is \$7.79 per capita. This distribution is also based on the updated population estimates for 2022 of 1,895 for an anticipated revenue amount of \$14,725 which \$2,980 is restricted for public safety purposes and per RCW 71.24.555 no less than 2% shall be devoted to support a substance use disorder program licensed or certified by the department of health, which the city remits 2% or \$295 is restricted for alcohol and drug addiction programs, the remaining amount of \$11,450 may be used for lawful governmental purpose. The total estimated Intergovernmental Revenues is \$63,310

### Charges for Goods and Services

- Building Code Fees: plan review, inspections \$52,170
- Development Pass Through Plan Reviews \$25,000
- Municipal Court Fees \$2,750
- Public Safety (Fire Hydrants) \$3,835
- Planning Fees (SEPA, zoning and other development fees) anticipated revenue \$1,800
- Park & Recreation Fees reimburse electrical \$250
- Governmental Fees for abatement of nuisances, dog impounds, public records \$350

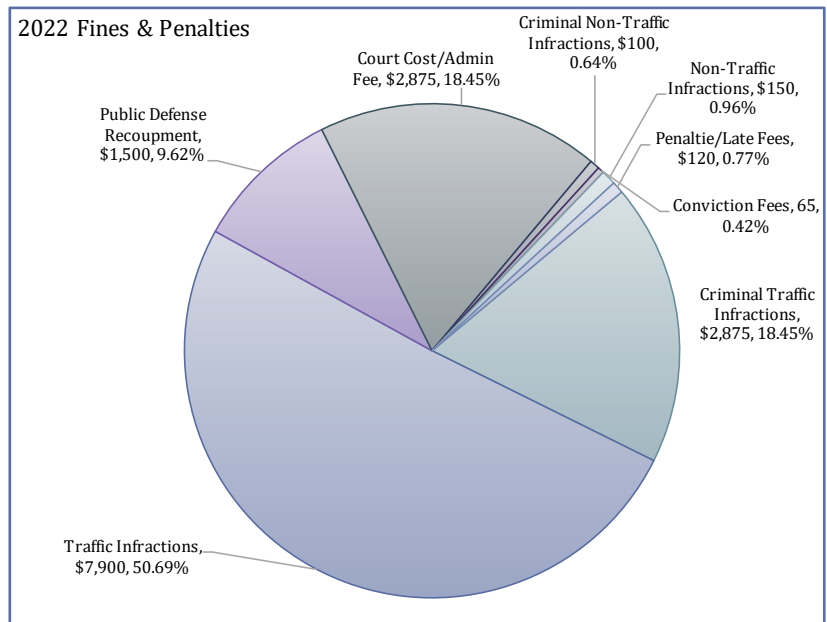


The total estimated revenue for Charges of Goods and Services \$86,155

### Court Fines & Penalties

- Criminal Traffic Fines \$2,875
- Traffic Infraction Fines \$7,900
- Court Costs \$2,875
- Public Defense Recoupment \$1,500
- Criminal Non-Traffic Fines \$100
- Non-Traffic Fines \$150
- Court Conviction Fees \$65
- Penalties on city fees \$120 on dog license, accounts receivable late fees

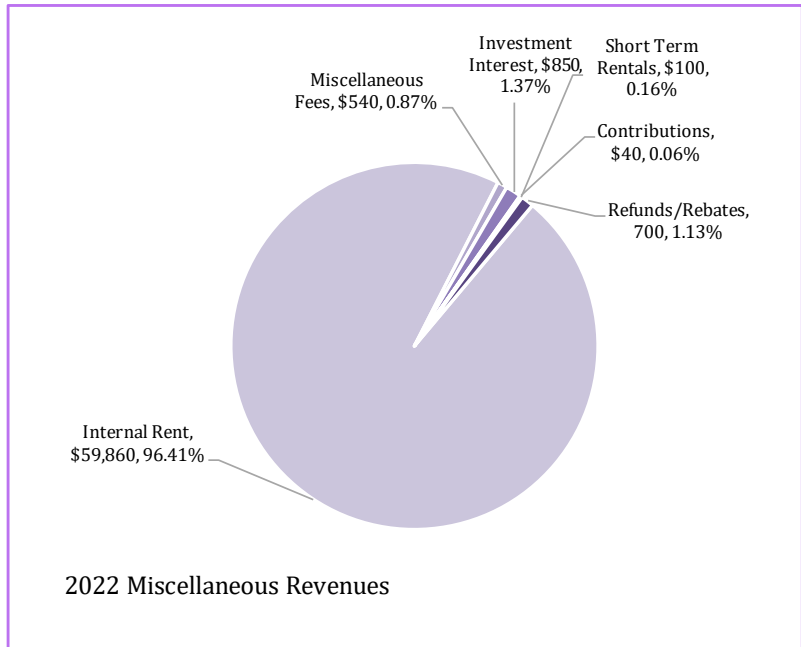
Total estimated revenue for court fines and general penalties is \$15,585



### Miscellaneous Revenues

- Internal Rent \$59,860
- State Sales Interest \$350
- Miscellaneous Fees \$540
- Investment Interest \$500
- Donations \$40
- Short-term Rentals \$100
- Refunds/Rebates \$700

The total estimated Miscellaneous Revenues \$62,090

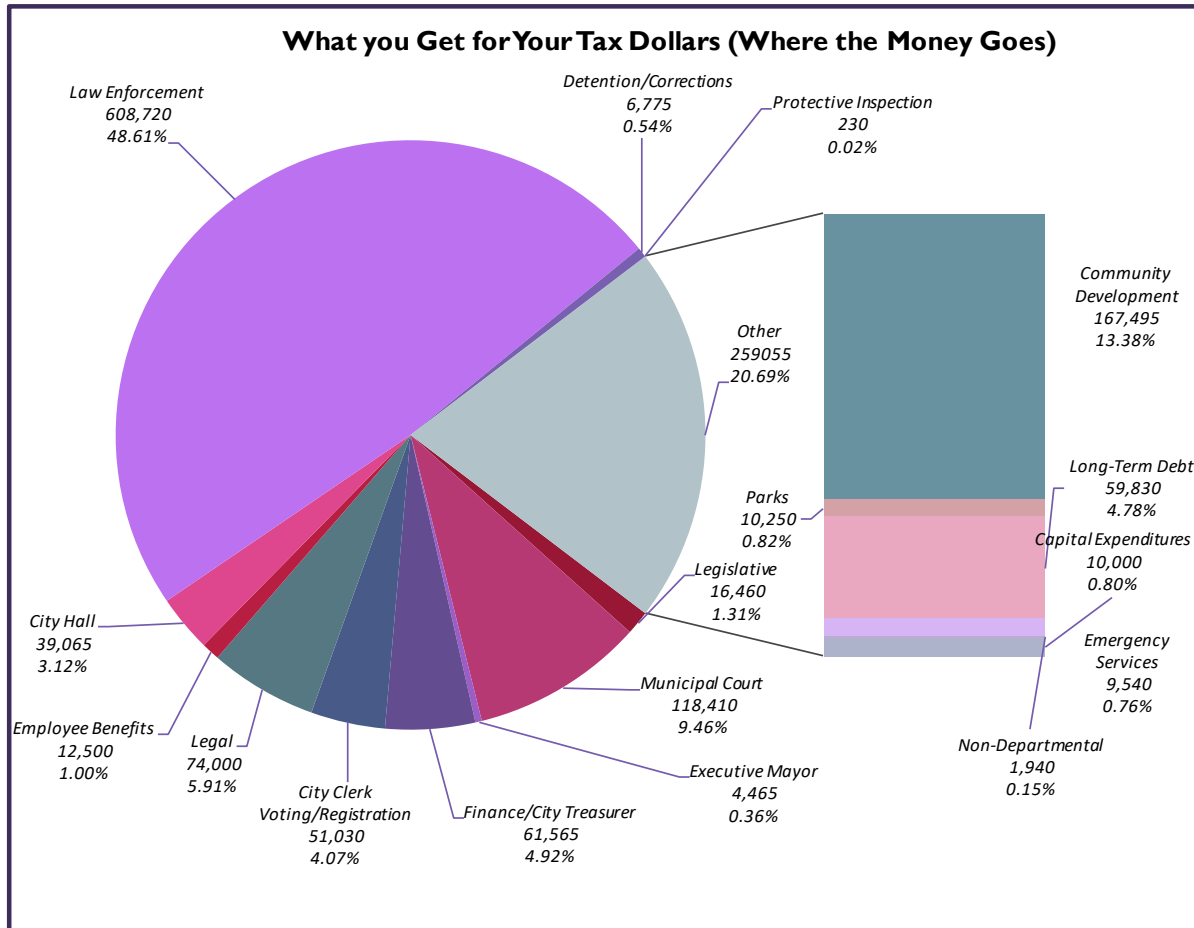


### Non-Revenues

- 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**

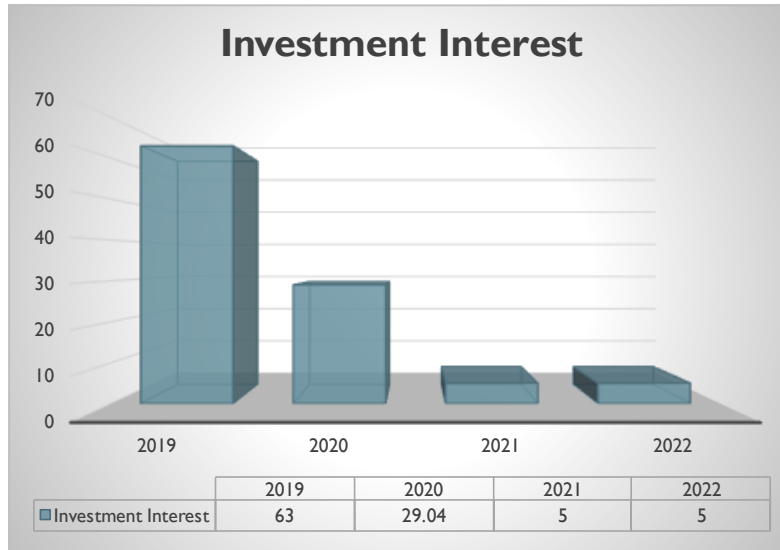
# 2022- General Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>648,589</b>	<b>680,519</b>	<b>672,224</b>	<b>815,769</b>	<b>980,519</b>
Taxes:					
General Property Taxes	196,350	197,761	170,000	174,280	182,000
Retail Sales and Use Taxes	371,000	402,351	415,000	500,000	525,000
Business and Occupation Taxes	189,550	190,716	196,560	198,230	207,900
<b>Total Taxes</b>	<b>756,900</b>	<b>790,828</b>	<b>781,560</b>	<b>872,510</b>	<b>914,900</b>
Licenses and Permits	39,195	51,246	47,485	79,910	112,360
Intergovernmental Revenues	73,375	72,073	64,655	88,470	63,310
Charges for Goods and Services	37,535	43,836	41,295	48,915	86,155
Fines and Penalties	16,430	15,205	17,865	17,320	15,585
Miscellaneous Revenues	65,095	63,281	62,440	61,405	62,090
Transfers In	-	-	30,000	1,435	-
<b>Total General Fund 001</b>	<b>988,530</b>	<b>1,036,470</b>	<b>1,045,300</b>	<b>1,169,965</b>	<b>1,254,400</b>
<b>Total Resources</b>	<b>1,637,119</b>	<b>1,716,988</b>	<b>1,717,524</b>	<b>1,985,734</b>	<b>2,234,919</b>
Legislative	12,800	11,206	10,835	12,395	16,460
Municipal Court	109,675	104,084	107,350	107,860	118,410
Mayor/Executive	4,010	3,941	4,190	4,300	4,465
Treasurer Financial Services	59,720	52,767	44,685	47,630	61,565
City Clerk, Election, Voter Registration	41,895	34,897	47,315	41,850	51,030
Legal	42,120	47,769	48,000	72,000	74,000
Employee Benefits	17,495	9,201	23,495	17,205	12,500
Centralized Services (City Hall)^	34,625	29,542	31,805	33,570	39,065
Police/Public Safety (Law Enforcement)	563,345	456,571	543,140	474,185	608,720
Detention & Correction (Prisoner Costs)	10,870	7,985	6,175	5,550	6,775
Protective Inspection Services-CSO	15,400	21,061	1,250	250	230
Emergency Services 525	10,280	11,105	9,040	9,040	9,540
Conservation 553 (Flood/Pollution)	1,030	1,028	1,090	1,050	1,100
Animal Control 554(Environmental Svcs)	325	104	200	250	300
Community Development	105,015	77,573	87,820	104,125	167,495
Chemical Dependency (2% Liquor Revenue)	535	567	550	550	540
Historical Buildings	125	-	125	-	125
Parks & Recreation	10,650	6,444	9,600	9,330	10,125
NonExpenditures	-	-	-	-	-
Long-Term Debt	16,535	16,525	17,265	17,080	17,080
Interest & Debt Service	43,300	43,303	42,565	42,750	42,750
Capital Expenditures	-	-	4,245	4,245	10,000
<b>TOTAL OPERATING BUDGET</b>	<b>1,099,750</b>	<b>935,673</b>	<b>1,040,740</b>	<b>1,005,215</b>	<b>1,252,275</b>
Transfers Out	5,000	5,000	-	-	150,000
<b>TOTAL APPROPRIATIONS</b>	<b>1,104,750</b>	<b>940,673</b>	<b>1,040,740</b>	<b>1,005,215</b>	<b>1,402,275</b>
<b>ENDING FUND BALANCE:</b>	<b>532,369</b>	<b>776,315</b>	<b>676,784</b>	<b>980,519</b>	<b>832,644</b>
Notes for General Fund					
Transfer \$100,000 to establish a Trust Fund for LEOFF 1					Eliminate Transfer to Gen Fund Capital Equip
Transfer \$50,000 for streets					Community Development add Platter & Comp Plan Update

## 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



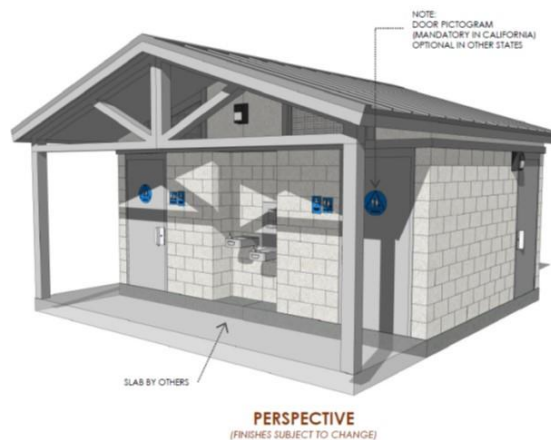
<h2>2022 - Substance Abuse Summary</h2>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>6,616</b>	<b>6,625</b>	<b>6,335</b>	<b>6,260</b>	<b>5,830</b>
Investment Interest	55	29	20	5	5
<b>Total Revenues</b>	<b>55</b>	<b>29</b>	<b>20</b>	<b>5</b>	<b>5</b>
<b>Total Resources</b>	<b>6,671</b>	<b>6,654</b>	<b>6,355</b>	<b>6,265</b>	<b>5,835</b>
<b>EXPENDITURES</b>					
Property Room Equipment	6,600	394	2,435	435	2,500
<b>Total Expenditures</b>	<b>6,600</b>	<b>394</b>	<b>2,435</b>	<b>435</b>	<b>2,500</b>
<b>ENDING FUND BALANCE:</b>	<b>71</b>	<b>6,260</b>	<b>3,920</b>	<b>5,830</b>	<b>3,335</b>

## 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 2022 revenue for the Park Improvement Fund \$30,000. 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.

<b>2022 - Park Improvement Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>109,245</b>	<b>108,149</b>	<b>127,099</b>	<b>128,237</b>	<b>168,382</b>
REET Tax	20,000	20,961	20,000	40,000	30,000
Intergovernmental Revenues	-	-	258,900	-	258,900
Miscellaneous Revenue	40	52	40	145	50
<b>Total Revenue</b>	<b>20,040</b>	<b>21,013</b>	<b>278,940</b>	<b>40,145</b>	<b>288,950</b>
Transfers In	-	-	-	-	-
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>20,040</b>	<b>21,013</b>	<b>278,940</b>	<b>40,145</b>	<b>288,950</b>
<b>Total Resources</b>	<b>129,285</b>	<b>129,162</b>	<b>406,039</b>	<b>168,382</b>	<b>457,332</b>
<b>EXPENDITURES</b>					
General Parks	-	-	-	-	-
Community Park Dugouts	-	-	-	-	-
Park Building Imprvmnt Project	43,500	-	53,500	-	355,405
Park Improvements					
Park Capital Equipment					
<b>Total Expenditures</b>	<b>43,500</b>	<b>-</b>	<b>53,500</b>	<b>-</b>	<b>355,405</b>
<b>ENDING FUND BALANCE:</b>	<b>85,785</b>	<b>129,162</b>	<b>352,539</b>	<b>168,382</b>	<b>101,927</b>
RCO Grant Project Mayme Shaddock Park Kitchen					



## 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 2021.

<b>2022 - Gen Gov Equipment Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>\$2,150</b>	<b>\$2,151</b>	<b>\$61,771</b>	<b>\$61,771</b>	<b>\$37,901</b>
<b>REVENUES</b>					
Miscellaneous Revenue	-	(0)	-	15	-
Other Financing Sources	55,000	55,000	-	-	-
Transfers In	5,000	5,000	-	-	-
<b>Total Revenues</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>15</b>	<b>-</b>
<b>Total Resources</b>	<b>62,150</b>	<b>62,151</b>	<b>61,771</b>	<b>61,786</b>	<b>37,901</b>
<b>EXPENDITURES</b>					
Centralized General Services (City Hall)	10,385	380	15,000	10,000	22,000
Other Financing Uses	10,000	-	12,260	-	-
Capital Equipment	10,000	-	12,260	13,885	-
<b>Total Expenditures</b>	<b>30,385</b>	<b>380</b>	<b>39,520</b>	<b>23,885</b>	<b>22,000</b>
<b>ENDING FUND BALANCE:</b>	<b>31,765</b>	<b>61,771</b>	<b>22,251</b>	<b>37,901</b>	<b>15,901</b>
Council/Court Recording Equipment					
Replace carpet in council/court chambers					

## LEOFF I RETIREE OPEB TRUST FUND

This fund was established by ordinance to establish a trust fund for the city's liability for LEOFF I Retiree's other post-employment benefits other than pension. The city is responsible for all medical, prescriptions, hearing aids, and long-term care for the life of a retiree from the LEOFF I Retirement System Plan 1 pursuant to RCW 41.26. The Washington State Actuary OPEN liability online calculator tool determines the city's liability. The city is establishing the fund with a transfer from the General Fund in the amount of \$100,000.

<b>2022 - LEOFF 1 RETIREE TRUST FUND</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	-	-	-	-	-
<b>REVENUES</b>					
Transfers In					100,000
<b>Total Revenues</b>	-	-	-	-	<b>100,000</b>
<b>Total Resources</b>	-	-	-	-	<b>100,000</b>
<b>EXPENDITURES</b>					
LEOFF I Retiree Long-term Care					-
LEOFF I Retiree Medical Expenses					-
<b>Total Expenditures</b>					-
<b>ENDING FUND BALANCE:</b>					<b>100,000.00</b>

## SPECIAL REVENUE FUND TYPES

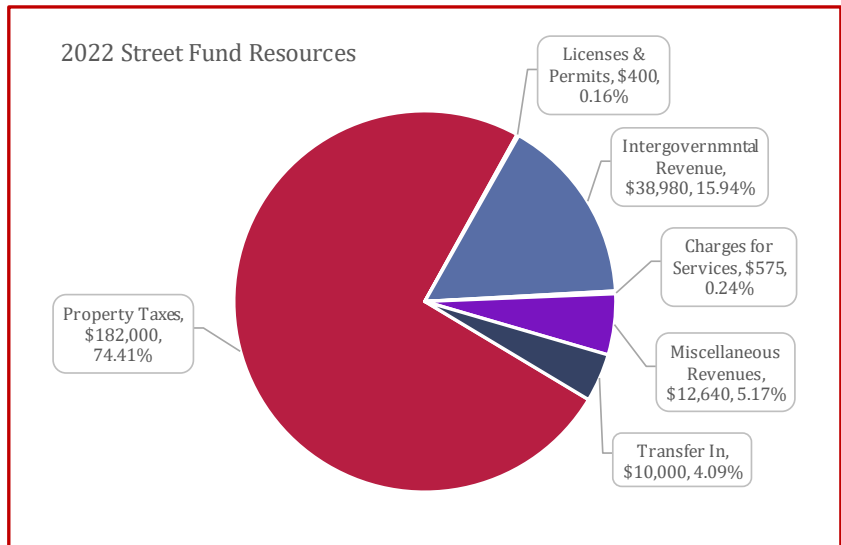
Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. *Restricted* revenues are resources externally restricted by creditors, grantors, contributors or laws 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 2022 property tax levy was budgeted \$180,000
- Delinquent Property Tax estimate for 2022 is \$2,000
- License & Permits for Right of Way in the amount of \$400
- Intergovernmental Revenue (State Gas Tax) estimate based on population of 1,895 \$34,300
- Multimodal Transportation City based on population (for further explanation see below) \$2,500
- MVA Transpo City \$2,180
- Goods/Services for reimbursement for private streetlights \$575
- Miscellaneous Revenue consisting of Investment Interest, sale of surplus property, judgements & settlements, and miscellaneous revenue for \$12,640
- Other Financing Uses Transfer In from General Fund \$10,000



#### **Motor Vehicle Fuel Tax**

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 46.68.110(1) and (2) and the Small City Pavement and Sidewalk account.

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 2021 forecast provides a forecast span of 10 years plus a look back of two years and uses multiple factors in the process.

For cities, WSDOT is projecting total gas tax distributions of \$91,914,993 in calendar year 2022 and \$92,782,358 in 2023. For counties, WSDOT projects total distributions of \$138,931,073 in calendar year 2022 and \$139,239,029 in 2023. However, the tax revenue forecasts provided by WSDOT are updated each quarter and often vary slightly from earlier projections. Unexpected events such as major snowstorms and the COVID-19 pandemic have significantly reduced gas tax collections in the past.

Motor Vehicle Fuel Tax	
Eligible jurisdictions	All cities, towns, and counties
Estimated 2022 distribution	Cities: \$18.15 per capita
Payments Received	At the end of every month
Revenue must be used for	Highway purposes

**Increased Motor Vehicle Fuel Tax and Multi-Modal Funds**

In addition to the monthly gas tax distributions, counties, cities, and towns receive a share of the multi-modal funds and the 2015 increase in fuel tax (RCW 46.68.126). This legislation provides over \$25 million annually to counties, cities, and towns, allocated as follows:

- Increased MVFT: \$11,719,000 per year
- Multi-modal funds: \$13,393,000 per year

These revenues are split equally between cities and counties and are not impacted by actual fuel sales. City distributions are based on population, while county distributions are established by the same CRAB formula as the MVFT described earlier (RCW 46.68.120(4)) and set at the annual CRAB board meeting in late July, following the release date of Budget Suggestions.

Increased Motor Vehicle Fuel Tax	
Eligible jurisdictions	All cities, towns, and counties
Estimated 2022 distribution	Cities: \$1.16 per capita
Payments Received	Quarterly at the end of March, June, September, and December
Revenue must be used for	Highway purposes

Multimodal Transportation	
Eligible jurisdictions	All cities, towns, and counties
Estimated 2022 distribution	Cities: \$1.32 per capita
Payments Received	At the end of every month Quarterly at the end of March, June, September, and December
Revenue must be used for	Any transportation purposes

The estimated 2022 distribution for cities is \$18.15 per capita for motor vehicle fuel tax. City of Napavine anticipates receiving \$34,300 for MVFT. The Increased Motor Vehicle Fuel Tax estimate for the 2022 distribution for cities is \$1.16 per capita with Napavine receiving an estimate of \$2,180. The Multi-Modal Transportation fuel tax is estimated for 2022 distribution at \$1.32 per capita with Napavine receiving an estimate of \$2,500.

## 2022 - Street Operating Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>194,779</b>	<b>252,076</b>	<b>169,046</b>	<b>197,291</b>	<b>195,516</b>
Property Taxes	132,150	133,100	170,000	174,280	182,000
Licenses & Permits	650	1,000	800	400	400
Intergovernmental Revenue	44,765	39,288	45,380	40,140	38,980
Charges for Services	560	580	575	575	575
Miscellaneous Revenues	820	494	375	35	12,640
Disposition of Capital Assets/Insurance	-	-	-	-	-
NonRevenues - Retainage Deposit	-	-	-	11,510	-
<b>TOTAL REVENUES</b>	<b>178,945</b>	<b>174,461</b>	<b>217,130</b>	<b>226,940</b>	<b>234,595</b>
Transfers In			-	-	10,000
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>178,945</b>	<b>174,461</b>	<b>217,130</b>	<b>226,940</b>	<b>244,595</b>
<b>Total Resources</b>	<b>373,724</b>	<b>426,537</b>	<b>386,176</b>	<b>424,231</b>	<b>440,111</b>
<b>EXPENDITURES</b>					
Maintenance	218,165	154,561	140,720	131,665	152,610
Administration	68,265	63,686	64,715	73,765	73,150
Planning Operations	2,000	-	-	-	-
Capital Expenditures	-	-	10,000	8,285	10,000
<b>Total Operating Budget</b>	<b>288,430</b>	<b>218,246</b>	<b>215,435</b>	<b>213,715</b>	<b>235,760</b>
Transfers Out	11,000	11,000	15,000	15,000	15,000
<b>Total Expenditures</b>	<b>299,430</b>	<b>229,246</b>	<b>230,435</b>	<b>228,715</b>	<b>250,760</b>
<b>ENDING FUND BALANCE:</b>	<b>74,294</b>	<b>197,291</b>	<b>155,741</b>	<b>195,516</b>	<b>189,351</b>
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 Equipment Stripper Machine					

### 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.

## 2022 - Street Cap Equipment Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>5,000</b>	<b>5,000</b>	<b>16,000</b>	<b>16,000</b>	<b>31,000</b>
<b>REVENUES</b>					
Transfers In	11,000	11,000	15,000	15,000	15,000
<b>Total Revenues</b>	<b>11,000</b>	<b>11,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Resources</b>	<b>16,000</b>	<b>16,000</b>	<b>31,000</b>	<b>31,000</b>	<b>46,000</b>
<b>EXPENDITURES</b>					
Capital Equipment	-	-	-	-	31,000
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>
<b>ENDING FUND BALANCE:</b>	<b>16,000</b>	<b>16,000</b>	<b>31,000</b>	<b>31,000</b>	<b>15,000</b>
Replace Backhoe for a 2021 John Deere 310SL Backhoe Loader					

## STREET IMPROVEMENT FUND

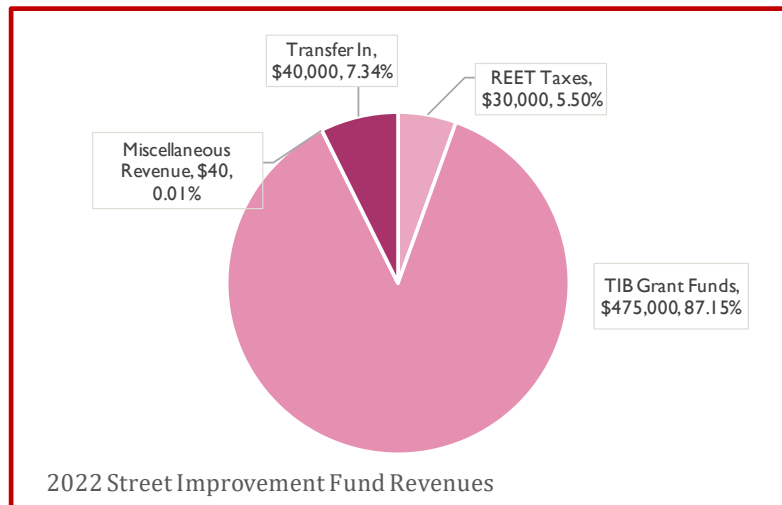
This fund is used to account for one half of the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2) and special grants that are legally restricted to the construction or maintenance of state highways within the City's boundaries. These proceeds were required to be used "solely for financing capital projects specified in a Capital Facilities Plan element of a Comprehensive Plan."

The City of Napavine will be applying for a Transportation Improvement Board grant in 2022 to resurface all arterial streets in the city limits of Napavine. The total project cost is estimated at \$500,000 with a city match of 5% equal to \$25,000 and \$475,000 in TIB Funds.

The city has established a process for retainage bonds or aka performance bonds to developers to allow them to complete their project enough to obtain occupancy rights without delay due to the shortage and delay in streetlights availability. The city has received cash bonds/deposits from developers in the amount of about \$87,855 for streetlights which are held in the Street Improvement Fund.

### Street Improvement Revenues

- Real Estate Excise Tax
- Intergovernmental Grants
- Investment Interest
- Retainage/Performance Bonds
- Transfers In





## 2022 - Street Improvement Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>153,941</b>	<b>152,875</b>	<b>172,945</b>	<b>173,911</b>	<b>271,136</b>
REET Taxes	20,000	20,961	34,675	40,000	30,000
TIB Grant Funds	470,505	-	473,350	473,350	475,000
Miscellaneous Revenue	35	75	40	75	40
Non Revenues (Retainage/Performance Bonds)	-	-	50,590	87,855	-
<b>TOTAL REVENUE</b>	<b>490,540</b>	<b>21,036</b>	<b>508,065</b>	<b>601,280</b>	<b>505,040</b>
Transfers In	-	-	-	-	40,000
<b>Total Revenue &amp; Transfers</b>	<b>490,540</b>	<b>21,036</b>	<b>508,065</b>	<b>601,280</b>	<b>545,040</b>
<b>Total Resources</b>	<b>644,481</b>	<b>173,911</b>	<b>681,010</b>	<b>775,191</b>	<b>816,176</b>
<b>EXPENDITURES:</b>					
Engineering	71,950	-	63,000	63,000	50,000
Advertising Professional Services	1,000	-	250	275	375
Street Improvements	-	-	-	-	450,000
Engineering Sidewalks	57,595	-	57,495	57,495	-
Safe Routes Sidewalk 4th Ave NE	383,285	-	383,285	383,285	-
Street Lighting Improvements	-	-	50,590	-	87,860
<b>Total Expenditures</b>	<b>513,830</b>	<b>-</b>	<b>554,620</b>	<b>504,055</b>	<b>588,235</b>
<b>ENDING FUND BALANCE:</b>	<b>130,651</b>	<b>173,911</b>	<b>126,390</b>	<b>271,136</b>	<b>227,941</b>

*Restricted Revenues: Developers Agreements: HH Napavine 16 \$15,000 and Taco Bell \$15,990*

*Retainage Bond for Trailer Station \$50,590, Tim Klein Koontz Rd \$31,000 and Brad Clark 208 Fenway \$6,267.50*

## CRIMINAL JUSTICE FUNDS

The Criminal Justice Fund was established in 2016 to simplify the tracking of the restricted criminal justice funds in their use by the Revised Code of Washington.

There are two separate criminal justice distributions for cities, created by RCW 82.14.320 and 82.14.330. Each program originally (in state fiscal year 2000) appropriated a total of \$4.6 million, to be increased each July by the “fiscal growth factor” set forth in RCW 43.135.025. The fiscal growth factor is the average annual growth in state personal income for the prior ten fiscal years, and the distributions have now grown to total \$10,829,607 (as of 2021) for each of these two separate criminal justice resources. The amount to be distributed for 2022 will be \$11,456,641 for each program, an increase of 5.79%.

Criminal justice revenues created by RCW 82.14.320 – the “Criminal Justice – High Crime” distributions – are distributed partially based on crime rates and we cannot forecast them. The cities that may qualify for these funds know who they are and are aware of the problems they have in forecasting these revenues. As mentioned earlier, HB 1069 temporarily allows these funds to supplant existing revenues through December 31, 2023.

Criminal justice funds created by RCW 82.14.330 have four different components for distribution:

- **Population:** 16%, or \$1,833,063, is distributed to all cities and towns on a per capita basis, with each city receiving a minimum of \$1,000 no matter how small its population.
  
- **Special Programs:** 54%, or \$6,186,586, is distributed to all cities and towns on a strictly per capita basis to be used for innovative law enforcement strategies, programs to help at-risk children or child abuse victims, and programs to reduce the level of domestic violence or to provide counseling for domestic violence victims. While these funds must be spent in these specific areas, there is no requirement for how much must be spent in each area. The city’s entire distribution could be spent in only one of these areas if the city wishes.
  
- **Contracted Services:** 10%, or \$1,145,664, goes to cities that contract with another governmental agency for the majority of their law enforcement services. Cities that qualify for this distribution must notify the Department of Commerce by **November 30, 2021**, to receive 2022 distributions. Cities are responsible for notifying Commerce of any changes regarding these contractual relationships. However, any cities that are added to or removed from this list will only impact distributions for the next calendar year, and no adjustments will be made retroactively.
  
- **Violent Crime:** 20%, or \$2,291,328, goes to cities with a three-year average violent crime rate (per 1,000 population) above 150% of the three-year statewide average. No city may receive more than \$1.00 per capita.

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 a new patrol vehicles.

City Criminal Justice - Population	
Eligible jurisdictions	All cities and towns
Estimated 2022 distribution	\$0.35 per capita; minimum distribution of \$1,000 per city/town, which is factored into MRSC calculations.
Payment Received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Criminal justice purposes; may temporarily replace or supplant existing criminal justice funding through December 31, 2023.

City Criminal Justice – Special Programs	
Eligible jurisdictions	All cities and towns
Estimated 2022 distribution	\$1.24 per capita;
Payment Received	Quarterly at the end of January, April, July, and October
Revenue must be used for	Innovative law enforcement strategies, programs for child abuse victims/at-risk children, and/or domestic violence programs

## 2022 - Criminal Justice Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
Beginning Cash & Investments	34,919	31,953	65,494	68,102	99,922
<b>Taxes:</b>					
Local Criminal Justice	39,000	40,127	40,400	45,000	48,000
<b>Total Taxes</b>	<b>39,000</b>	<b>40,127</b>	<b>40,400</b>	<b>45,000</b>	<b>48,000</b>
<b>State Shared Revenues:</b>					
CJ LoPop	1,000	1,000	1,000	1,000	1,000
CJ Special Programs	2,215	2,220	2,350	2,310	2,310
CJ DUI & Other Assistance	275	288	275	320	275
<b>Total Intergovernmental Revenues</b>	<b>3,490</b>	<b>3,508</b>	<b>3,625</b>	<b>3,630</b>	<b>3,585</b>
Miscellaneous Revenue-Sale Surplus	-	-	-		
<b>TOTAL REVENUES</b>	<b>42,490</b>	<b>43,635</b>	<b>44,025</b>	<b>48,630</b>	<b>51,585</b>
<b>Total Resources</b>	<b>77,409</b>	<b>75,588</b>	<b>109,519</b>	<b>116,732</b>	<b>151,507</b>
<b>EXPENDITURES</b>					
Police Administration	1,000	-	1,000	3,000	-
Police Operations	15,575	3,670	15,575	11,250	23,000
Crime Prevention	15,240	470	15,240	1,125	16,700
Training	1,000	3,347	1,000	-	1,500
Traffic Policing	8,085	-	8,085	-	4,645
Capital Equipment			-	-	70,000
<b>TOTAL EXPENDITURES</b>	<b>40,900</b>	<b>7,487</b>	<b>40,900</b>	<b>15,375</b>	<b>115,845</b>
Transfers Out			30,000	1,435	-
<b>TOTAL APPROPRIATIONS</b>	<b>40,900</b>	<b>7,487</b>	<b>70,900</b>	<b>16,810</b>	<b>115,845</b>
<b>ENDING FUND BALANCE:</b>	<b>36,509</b>	<b>68,102</b>	<b>38,619</b>	<b>99,922</b>	<b>35,662</b>
Replace 2014 Dodge Charger & 2015 Dodge Charger					

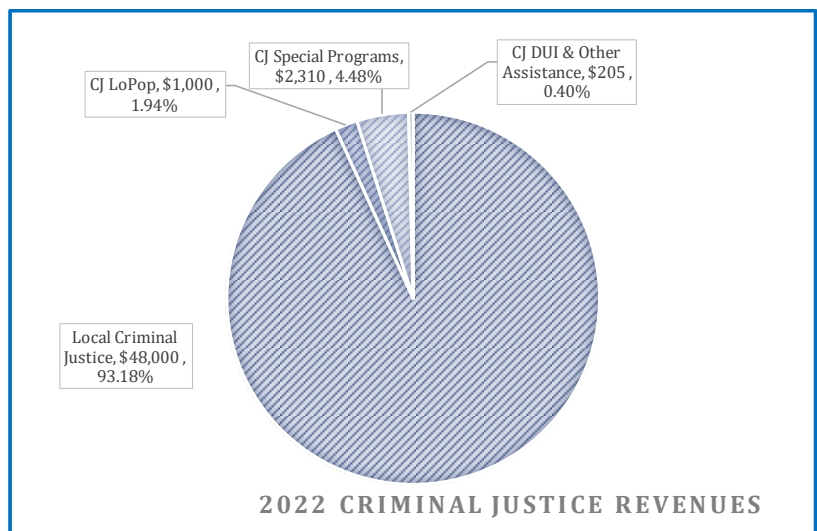
### Criminal Justice Revenues

#### Taxes

- Local Criminal Justice Sales Tax

#### Intergovernmental Revenue

- Lo-Pop
- Special Programs
- DUI



## LOCAL FISCAL RECOVERY FUND

On March 11, 2021, the President of the United States signed into law the American Rescue Plan Act (“ARPA”), which included \$362 billion in federal fiscal recovery aid to the state and local governments. City of Napavine was notified by the Washington State Office of Financial Management that its share of the Fund for Nonentitlement Units of Local Government (NEUs) will be approximately \$558,575, where funds will be distributed in two equal payments, occurring in 2021 and 2022, to be distributed through the State of Washington.

The city may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends of December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024, must be expended by December 31, 2026. Any funds not used must be returned to Treasury as part of the award closeout process pursuant to 2 C.F.R. 200.344(D). Costs sharing or matching funds are not required to be provided by the Recipient (City of Napavine). The funds may be used to make necessary investments in water, sewer, or broadband infrastructure. Any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose.

<b>2022 - LOCAL FISCAL RECOVERY FUND SUMMARY</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	-	-	-	-	<b>279,591</b>
Intergovernmental Revenues					
COVID-19 ARPA Fiscal Recovery				279,591	279,290
Total Intergovernmental Revenues	-	-	-	279,591	279,290
<b>Total Local Fiscal Recovery Fund</b>	-	-	-	279,591	279,290
<b>Total Resources</b>	-	-	-	<b>279,591</b>	<b>558,881</b>
<b>EXPENDITURES</b>					
Internet Infrastructure Improvement					100,000
Water Infrastructure Improvement					100,000
Sewer Infrastructure Improvement					200,000
<b>Total Capital Expenditures</b>					<b>400,000</b>
<b>ENDING FUND BALANCE:</b>				279,591	158,881

## 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:

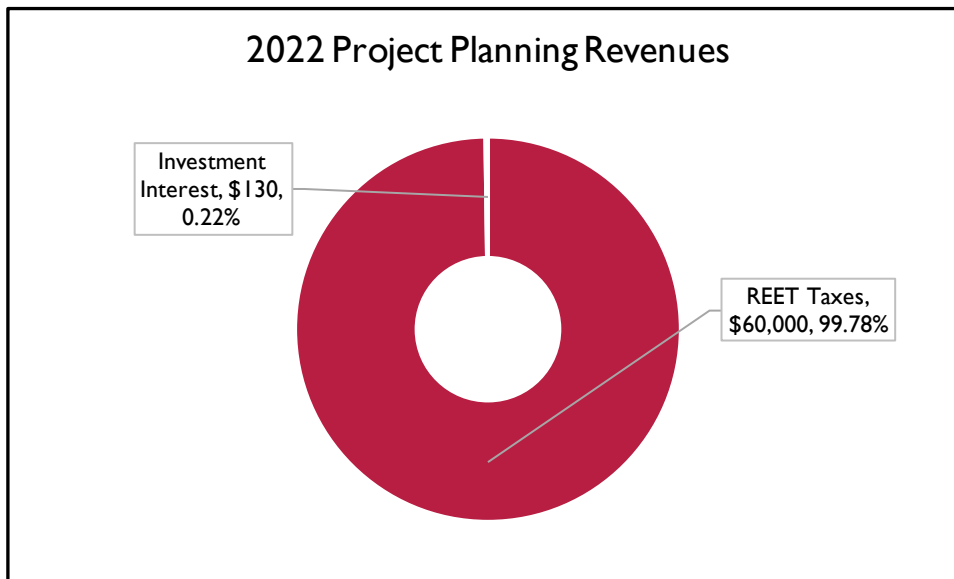
- A county or city may use the greater of \$100,000 or 25% of available funds, but not to exceed \$1 million, for capital projects as defined in subsection (5)(c)” (i.e. affordable housing and homelessness projects).
- The limits do not apply to any county or city that used revenue under this section 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).

## 2022 - Project Planning Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>168,337</b>	<b>166,145</b>	<b>206,590</b>	<b>208,519</b>	<b>281,529</b>
<b>REVENUES</b>					
REET Taxes	40,000	41,921	40,000	80,000	60,000
Investment Interest	400	452	325	235	130
<b>Total Revenue</b>	<b>40,400</b>	<b>42,373</b>	<b>40,325</b>	<b>80,235</b>	<b>60,130</b>
<b>Total Resources</b>	<b>208,737</b>	<b>208,519</b>	<b>246,915</b>	<b>288,754</b>	<b>341,659</b>
<b>EXPENDITURES:</b>					
Planning	35,000	-	55,000	1,225	30,000
Economic Development	30,000	-	20,000	6,000	50,000
<b>Total Expenditures</b>	<b>65,000</b>	<b>-</b>	<b>75,000</b>	<b>7,225</b>	<b>80,000</b>
<b>ENDING FUND BALANCE:</b>	<b>143,737</b>	<b>208,519</b>	<b>171,915</b>	<b>281,529</b>	<b>261,659</b>

### Project Planning Revenues

Real Estate Excise Tax 2  
Investment Interest



## PROPRIETARY FUND TYPES

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

### ENTERPRISE FUNDS

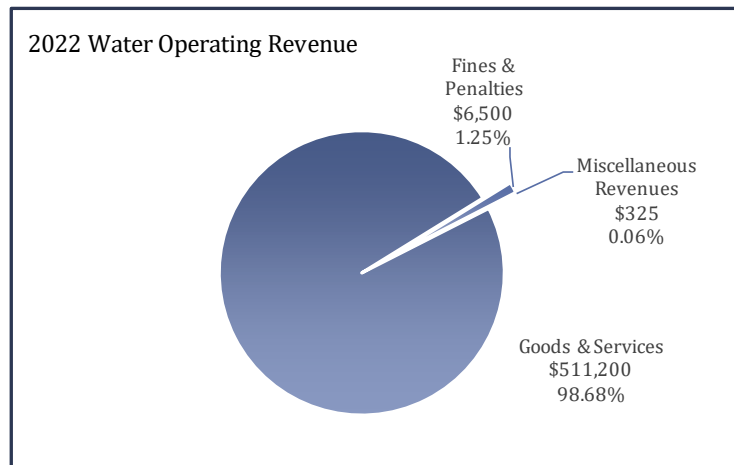
Enterprise funds account for resources that are supported with user fees for goods or services, such as water service, wastewater (sewer) service, which provides a service to customers.

### 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 are set to increase \$1 per month, effective date of January 1, 2022, which have not increased in 11 years.
  - A Senior Citizen and Disabled Citizen discount is 50% off the demand rate.
  - Water Connection Fees (No fee increases for 2022; 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:** The Governor's order and the Proclamation prohibiting late fees and disconnections fees expired September 30, 2021, therefore, the city may start imposing late fees and disconnection fees starting with the December 2021 billing cycle. The city has not billed late fees to customers since February 2020. The 2022 Budget does include late fees and shut offs.
  - Late Fees - 10% of balance owed as of the 26<sup>th</sup> of the billing month with a minimum fee of \$5.00. Fee is based on the balance due for the water service.
  - Shut off Fees \$25.00 with a turn on fee of \$10 for nonpayment on account and \$10 turn on fee for customer request
  - Other Fees (Provide landlord with copies of tenant's utility bill & any other non-usage fees)
  - Miscellaneous Revenue:
    - Investment Interest
    - Miscellaneous Revenue



## 2022 - Water Operating Fund Summary

Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>767,181</b>	<b>782,930</b>	<b>739,000</b>	<b>764,811</b>	<b>869,841</b>
Revenues					
Intergovernmental Resources	-	931	-	-	-
Goods and Services	455,600	457,941	469,600	544,270	511,200
Fines & Penalties	7,000	2,843	7,000	135	6,500
Miscellaneous Revenues	5,100	4,105	1,550	1,955	325
Non Revenues	-	-	-	55	-
<b>Total Revenues</b>	<b>467,700</b>	<b>465,821</b>	<b>478,150</b>	<b>546,415</b>	<b>518,025</b>
<b>Total Resources</b>	<b>1,234,881</b>	<b>1,248,751</b>	<b>1,217,150</b>	<b>1,311,226</b>	<b>1,387,866</b>
<b>EXPENDITURES</b>					
Administration	339,535	291,774	322,495	308,795	370,320
Engineering	5,000	-	50	-	1,000
Maintenance	29,000	9,933	18,400	13,100	26,300
Utility Operating Expenditures	54,670	46,103	50,070	63,855	65,575
Non-Expenditures			-	-	-
<b>Total Enterprise Expenses</b>	<b>428,205</b>	<b>347,811</b>	<b>391,015</b>	<b>385,750</b>	<b>463,195</b>
<b>LONG-TERM DEBT:</b>					
USDA - Water Reservoir	23,105	22,710	22,715	22,715	22,720
Dept of Ecology-Stormwater Study	9,680	2,420	7,275	2,425	2,430
<b>Total Debt</b>	<b>32,785</b>	<b>25,130</b>	<b>29,990</b>	<b>25,140</b>	<b>25,150</b>
Capital Expenditures	4,000	-	5,495	5,495	-
<b>Total Operating Budget</b>	<b>464,990</b>	<b>372,940</b>	<b>426,500</b>	<b>416,385</b>	<b>488,345</b>
Transfers Out	111,000	111,000	25,000	25,000	30,000
<b>Total Expenditures</b>	<b>575,990</b>	<b>483,940</b>	<b>451,500</b>	<b>441,385</b>	<b>518,345</b>
<b>ENDING FUND BALANCE:</b>	<b>658,891</b>	<b>764,811</b>	<b>765,650</b>	<b>869,841</b>	<b>869,521</b>

### 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 Demand rates are \$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 50% of connection fee is receipted 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:** The Governor's order and the Proclamation prohibiting late fees and disconnections fees expired September 30, 2021, therefore, the city may start imposing late fees and disconnection fees starting with the December 2021 billing cycle. The city has not billed late fees to customers since February 2020. The 2022 Budget does include late fees and shut offs.
  - Late Fees - 10% of balance owed as of the 26<sup>th</sup> of the billing month with a minimum fee of \$5.00. Fee is based on the balance due for the water service.



- Shut off Fees \$25.00 with a turn on fee of \$10 for nonpayment on account and \$10 turn on fee for customer request
- Other Fees (Provide landlord with copies of tenant's utility bill & any other non-usage fees)
- **Miscellaneous Revenue:**
  - Investment Interest
  - Miscellaneous Revenue



<b>2022 - Wastewater Operating Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>345,097</b>	<b>346,649</b>	<b>281,934</b>	<b>326,361</b>	<b>416,761</b>
<b>REVENUES</b>					
Intergovernmental Revenues	-	931	-	-	-
Goods and Services	834,950	800,376	814,950	898,815	846,635
Fines & Penalties	8,500	3,780	8,500	125	8,500
Miscellaneous Revenues	915	1,263	530	485	100
Non Revenue	-	-	-	55	-
<b>Total Revenue</b>	<b>844,365</b>	<b>806,350</b>	<b>823,980</b>	<b>899,480</b>	<b>855,235</b>
<b>Total Resources</b>	<b>1,189,462</b>	<b>1,152,999</b>	<b>1,105,914</b>	<b>1,225,841</b>	<b>1,271,996</b>
<b>EXPENDITURES</b>					
Administration	340,215	301,819	329,535	324,135	366,670
Engineering	5,000	-	500	-	1,000
Maintenance	26,250	7,942	12,500	7,900	13,500
Utility Operating Expenditures	194,920	184,618	188,620	185,870	191,395
Non Expenditures			-	-	-
<b>Total Operating Expenses</b>	<b>566,385</b>	<b>494,379</b>	<b>531,155</b>	<b>517,905</b>	<b>572,565</b>
<b>LONG-TERM DEBT:</b>					
PPWTF -Rush Rd Force Main	58,230	58,225	57,675	57,675	57,120
12% Regional Wastewater Plant	208,035	208,034	208,035	208,035	208,035
<b>Total Debt</b>	<b>266,265</b>	<b>266,258</b>	<b>265,710</b>	<b>265,710</b>	<b>265,155</b>
Capital Expenditures	4,000		5,465	5,465	-
<b>Total Operating Budget</b>	<b>836,650</b>	<b>760,638</b>	<b>802,330</b>	<b>789,080</b>	<b>837,720</b>
Transfers Out	66,000	66,000	20,000	20,000	30,000
<b>Total Expenditures</b>	<b>902,650</b>	<b>826,638</b>	<b>822,330</b>	<b>809,080</b>	<b>867,720</b>
<b>ENDING FUND BALANCE:</b>	<b>286,812</b>	<b>326,361</b>	<b>283,584</b>	<b>416,761</b>	<b>404,276</b>

## 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.

<b>2022 - USDA Bond Reserve Fund</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>
<b>REVENUES</b>					
Transfers In	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Total Resources</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>
<b>EXPENDITURES</b>					
Transfers Out	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-
<b>ENDING FUND BALANCE:</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>	<b>22,710</b>
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					

## 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.

<b>2022 - Water Deposit Trust Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>7,715</b>	<b>7,815</b>	<b>7,615</b>	<b>7,615</b>	<b>7,615</b>
Ordinance 521 on 4/23/13 suspended deposits					
<b>REVENUES</b>					
Utility Deposits	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Total Resources</b>	<b>7,715</b>	<b>7,815</b>	<b>7,615</b>	<b>7,615</b>	<b>7,615</b>
<b>EXPENDITURES</b>					
Refunds	500	0	500	-	500
Transfers	7,200	200	7,100	-	5,000
<b>Total Expenditures</b>	<b>7,700</b>	<b>200</b>	<b>7,600</b>	<b>0</b>	<b>5,500</b>
<b>ENDING FUND BALANCE:</b>	<b>15</b>	<b>7,615</b>	<b>15</b>	<b>7,615</b>	<b>2,115</b>

## 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.

<b>2022 - Water System Improvement Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>686,683</b>	<b>601,274</b>	<b>395,689</b>	<b>413,602</b>	<b>503,117</b>
<b>REVENUES</b>					
<i>Miscellaneous Revenues:</i>					
Investment Interest	1,400	830	750	325	115
Water Connection Fees	12,950	16,100	12,950	86,270	35,550
Water Infrastructure	7,000	10,000	7,000	30,000	8,000
<b>Total Miscellaneous Revenue</b>	<b>21,350</b>	<b>26,930</b>	<b>20,700</b>	<b>116,595</b>	<b>43,665</b>
Non Revenues	-	-	-	-	-
<b>Total Revenues</b>	<b>21,350</b>	<b>26,930</b>	<b>20,700</b>	<b>116,595</b>	<b>43,665</b>
Transfers In	100,000	100,000	10,000	10,000	15,000
<b>Total Revenues &amp; Transfers</b>	<b>121,350</b>	<b>126,930</b>	<b>30,700</b>	<b>126,595</b>	<b>58,665</b>
<b>Total Resources</b>	<b>808,033</b>	<b>728,204</b>	<b>426,389</b>	<b>540,197</b>	<b>561,782</b>
<b>EXPENDITURES</b>					
Non Expenditures	-	-	-		
<i>Capital Expenditures:</i>					
Well #6 Supplies	-	2,210	-		-
Well #6 Treatment Equipment	-	493	-		-
Engineering Services	40,000	1,672			
Misc. Professional Services	3,200	-			
Land & Land Improvements	33,600	1,108			
Water Rights Purchase	100,000	-		22,800	-
Water System Improvements	212,545	294,173	40,000	14,280	65,000
Capital Equipment	185,755	14,946	-	-	-
Capital Leases					
<b>Total Capital Expenditures</b>	<b>575,100</b>	<b>314,602</b>	<b>40,000</b>	<b>37,080</b>	<b>65,000</b>
<b>Total Expenditures</b>	<b>575,100</b>	<b>314,602</b>	<b>40,000</b>	<b>37,080</b>	<b>65,000</b>
<b>ENDING FUND BALANCE:</b>	<b>232,933</b>	<b>413,602</b>	<b>386,389</b>	<b>503,117</b>	<b>496,782</b>

No major projects are planned for 2022, just maintenance on Well 6 Treatment Plant for an auto back wash and new drivers as well as a booster pumps for the water telemetry system.

## 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 2022.

<b>2022 - LID 2011-1 Bond Redempt Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>292,290</b>	<b>296,742</b>	<b>299,982</b>	<b>393,276</b>	<b>502,516</b>
<b>REVENUES</b>					
Fines & Penalties	150	669	-	-	-
Investment Interest	630	421	600	1,100	900
Accrued Interest	-	(11)	-	(500)	
Gains on Bonds	-	156	-	685	
Assessment Interest	9,260	7,866	8,080	7,335	7,200
Special Assessments	45,020	169,214	213,580	213,640	63,130
<b>Total Revenues</b>	<b>55,060</b>	<b>178,314</b>	<b>222,260</b>	<b>222,260</b>	<b>71,230</b>
<b>Total Resources</b>	<b>347,350</b>	<b>475,055</b>	<b>522,242</b>	<b>615,536</b>	<b>573,746</b>
<b>EXPENDITURES</b>					
Reimburse Hamilton Walnut Shade	-	-	32,000	31,945	30,000
Debt Redemption	71,115	71,113	71,115	71,115	71,115
Interest	10,670	10,667	9,960	9,960	9,250
<b>Total Expenditures</b>	<b>81,785</b>	<b>81,780</b>	<b>113,075</b>	<b>113,020</b>	<b>110,365</b>
<b>ENDING FUND BALANCE:</b>	<b>265,565</b>	<b>393,276</b>	<b>409,167</b>	<b>502,516</b>	<b>463,381</b>

## 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.

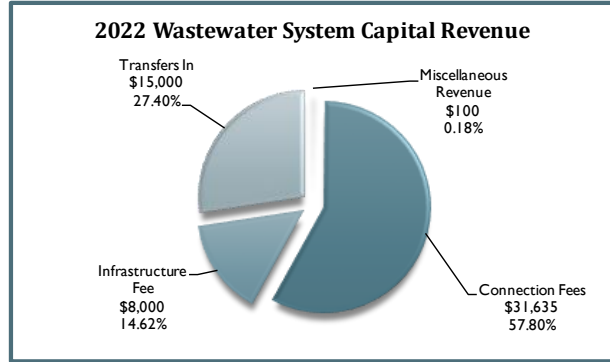
<b>2022 - Water Capital Equip Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>5,000</b>	<b>5,000</b>	<b>16,000</b>	<b>16,000</b>	<b>31,000</b>
<b>REVENUES</b>					
Transfers In	11,000	11,000	15,000	15,000	15,000
<b>Total Revenues</b>	<b>11,000</b>	<b>11,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Resources</b>	<b>16,000</b>	<b>16,000</b>	<b>31,000</b>	<b>31,000</b>	<b>46,000</b>
<b>EXPENDITURES</b>					
Capital Equipment	-	-	-	-	46,000
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,000</b>
<b>ENDING FUND BALANCE:</b>	<b>21,000</b>	<b>21,000</b>	<b>31,000</b>	<b>31,000</b>	<b>-</b>
Replace Backhoe for a 2021 John Deer 310SL Backhoe Loader			31,000		
Upgrade Well 6 Treatment Plant Drivers			15,000		

## 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
- Transfers In



<b>2022 - Wastewater System Improvement Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>376,053</b>	<b>378,361</b>	<b>465,451</b>	<b>465,442</b>	<b>609,507</b>
<b>REVENUES</b>					
Investment Interest	1,350	532	475	250	100
Wastewater Connection Fees	19,950	26,550	19,950	103,815	31,635
Infrastructure Fee	7,000	10,000	7,000	30,000	8,000
<b>Total Revenue</b>	<b>28,300</b>	<b>37,082</b>	<b>27,425</b>	<b>134,065</b>	<b>39,735</b>
Transfers In	50,000	50,000	10,000	10,000	15,000
<b>Total Revenues &amp; Transfers</b>	<b>78,300</b>	<b>87,082</b>	<b>37,425</b>	<b>144,065</b>	<b>54,735</b>
<b>Total Resources</b>	<b>454,353</b>	<b>465,442</b>	<b>502,876</b>	<b>609,507</b>	<b>664,242</b>
<b>EXPENDITURES</b>					
Pumpstation Equipment					
Professional Services	5,000	-	20,000	-	-
Wastewater Improve Projects	30,000	-	30,000	-	30,000
Capital Equipment Purchases	20,000	-	20,000	-	-
<b>Total Expenditures</b>	<b>55,000</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>30,000</b>
<b>ENDING FUND BALANCE:</b>	<b>399,353</b>	<b>465,442</b>	<b>432,876</b>	<b>609,507</b>	<b>634,242</b>

## 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.

<b>2022 - Sewer Capital Equip Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	<b>5,000</b>	<b>5,000</b>	<b>21,000</b>	<b>21,000</b>	<b>31,000</b>
<b>REVENUES</b>					
Transfers In	11,000	11,000	15,000	15,000	15,000
<b>Total Revenues</b>	<b>11,000</b>	<b>11,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Resources</b>	<b>16,000</b>	<b>16,000</b>	<b>36,000</b>	<b>36,000</b>	<b>46,000</b>
<b>EXPENDITURES</b>					
Capital Equipment	-	-	-	-	31,000
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>
<b>ENDING FUND BALANCE:</b>	<b>21,000</b>	<b>21,000</b>	<b>36,000</b>	<b>36,000</b>	<b>15,000</b>
Replace Backhoe for a 2021 John Deer 310SL Backhoe Loader					

## INTERNAL SERVICE FUNDS

Internal Service Funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the government, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the predominant participant in the activity.

The city's unemployment expenses are on a cost-reimbursement basis; therefore, the fund was changed to an internal service 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.

## UNEMPLOYMENT COMPENSATION

<b>2022 - Unemployment Comp Fund Summary</b>					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
<b>Beginning Cash &amp; Investments</b>	34,836	34,836	34,836	34,836	34,836
REVENUES					
Transfers In					
<b>Total Revenues</b>					
<b>Total Resources</b>	34,836	34,836	34,836	34,836	34,836
EXPENDITURES					
Unemployment Compensation	30,000		32,000		34,000
<b>Total Expenditures</b>	30,000	-	32,000	-	34,000
<b>ENDING FUND BALANCE:</b>	4,836	34,836	2,836	34,836	836

## FIDUCIARY FUND TYPES

Fiduciary Funds are resources that are held by a government for the benefit of others. If activity is determined to be fiduciary, the funds should be reviewed for trust arrangements and equivalents. The three criteria for determining if a fiduciary activity is a trust are:

- 1) The government itself is not a beneficiary
- 2) Dedicated to providing benefits in accordance with the benefit terms
- 3) Legally protected from the government's creditors

Fiduciary Funds should be used to account for assets held by a government in a trustee capacity or as a custodian 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) custodial funds.

## CUSTODIAL FUNDS

Custodial Funds should be used to report all fiduciary activities that are **not** required to be reported in pension (and other employee benefit) trust funds, investment trust funds or private purpose trust funds. Custodial funds are required to be used by business-type activities and enterprise funds, except when the resources will normally be held for less than ninety (90) days.

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



## MUNICIPAL COURT TRUST FUND

**Municipal Court Trust Fund** - this fund is used primarily to financially account for municipal court transactions, which are non-revenue and non-expenditure type transactions.

## DEBT SCHEDULE

SCHEDULE OF LONG TERM DEBT									
2022 BUDGET									
Loan/Year & Project/Fund#/Interest Rate	Original Loan Amt	Bal 1/1/2021	Payments 2021	2022	2023	2024	2025	2026-2049	Final Year
Color Key: GENERAL FUND	CRIMINAL JUSTICE	STREET	WATER	WASTEWATER (SEWER)				Princ Bal	
<b>General Fund</b>									
USDA-RD-GO Bond/2009-City Hall Purchase/001/4.375%	1,125,000	977,218	59,830	59,830	59,830	59,830	59,830	884,736	2049
<b>Total General Fund Loans</b>	<b>1,125,000</b>	<b>977,218</b>	<b>59,830</b>	<b>59,830</b>	<b>59,830</b>	<b>59,830</b>	<b>59,830</b>	<b>884,736</b>	
<b>Criminal Justice Fund</b>									
		-	-	-	-	-	-	-	
<b>Total Criminal Justice Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Water Fund</b>									
DOH 10-952-006 Rush Rd LID 2011-1/1%	2,832,000	995,580	81,069	80,358	79,646	78,935	78,224	640,016	2034
USDA -RD-1999 - 350,000 Gal Reservoir/401/3.25%	500,000	319,989	22,710	22,710	22,710	22,710	22,710	246,510	2039
Dept of Ecology/2004 -Stormwater Study/401/1.5%	40,617	7,072	2,420	2,420	2,419	-	-	-	2023
<b>Total Water Fund Loans</b>	<b>540,617</b>	<b>1,322,641</b>	<b>106,198</b>	<b>105,487</b>	<b>104,776</b>	<b>101,645</b>	<b>100,934</b>	<b>886,526</b>	
<b>Wastewater Fund</b>									
PWTF Loan/2004 - Rush Rd Force Main/406/1%	1,067,080	221,808	57,670	57,116	56,561	56,007	-	-	2024
City of Chehalis/2008 - 12% Regional Wastewater Plant/406/0.5%	4,160,675	1,456,236	208,034	208,034	208,034	208,034	208,034	416,068	2028
<b>Total Wastewater Loans</b>	<b>5,227,755</b>	<b>1,678,044</b>	<b>265,704</b>	<b>265,150</b>	<b>264,595</b>	<b>264,041</b>	<b>208,034</b>	<b>416,068</b>	
<b>Compensated Absences</b>		<b>23,614</b>							
<b>Net Pension Liability</b>		<b>197,713</b>							
<b>Grand Total City Debt</b>	<b>6,893,372</b>	<b>3,977,903</b>	<b>431,732</b>	<b>430,467</b>	<b>429,201</b>	<b>425,516</b>	<b>368,798</b>	<b>2,187,330</b>	

## SCHEDULE OF TRANSFERS

<b>CITY OF NAPA VINE</b>			
<b>2022 BUDGET</b>			
<b>SCHEDULE OF TRANSFERS</b>			
TRANSFERS IN	AMOUNT	TRANSFERS OUT	AMOUNT
General Fund	-	General Fund	150,000
General Governmnt Capital Equipment	-	Street Fund	15,000
Street Fund	10,000	Criminal Justice Fund	-
Street Capital Equipment Fund	15,000	Water Fund	30,000
Street Improvement Fund	40,000	Wastewater Fund	30,000
Water System Improvement Fund	15,000		
Wastewater System Improvement Fund	15,000		
Sewer Capital Equipment Fund	15,000		
Water Capital Equipment Fund	15,000		
Unemployment Compensation Fund	-		
Leoff I Retiree Trust Fund	100,000		
<b>Total Transfers In</b>	<b>225,000</b>	<b>Total Transfers Out</b>	<b>225,000</b>
Recap by Fund:			
General Gov Capital Equipmnt	-	General Fund	150,000
Street Fund	10,000		-
Street Improvement Fund	40,000		
Leoff I Retiree Trust Fund	100,000		
General Fund		Criminal Justice Fund	
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	30,000
Water System Improvement Fund	15,000		-
Sewer Capital Equipment Fund	15,000	Wastewater Fund	30,000
Wastewater System Improvement Fund	15,000		-
			-
<b>Total by Fund</b>	<b>225,000</b>		<b>225,000</b>

## SALARY SCHEDULE

The salary and hourly amounts include a 3% COLA per month for cost-of-living increase for all members in the Teamsters bargaining unit that was effective on October 1, 2021. Non-union employee's salary includes an increase to bring the positions to a marketable median wage using the AWC Salary Survey of 2021. The city staff are budgeted at 40 hours per week except for Municipal Court at 32 hours per week.

2022 Salary Schedule (3% COLA Increase)						
Union Positions	Step A	Step B	Step C	Step D	Step E	FTE
<b>Department Head</b>	<b>4,780</b>	<b>4,958</b>	<b>5,255</b>	<b>5,539</b>	<b>5,919</b>	1.0
<b>Police Chief</b>	<b>6,917</b>	<b>7,090</b>	<b>7,267</b>	<b>7,448</b>	<b>7,635</b>	1.0
Field Foreman	4,491	4,737	4,860	4,982	5,105	0.0
<b>Patrol Officer</b>	<b>4,032</b>	<b>4,203</b>	<b>4,463</b>	<b>4,810</b>	<b>5,067</b>	3.0
<b>Utility Worker</b>	<b>3,841</b>	<b>4,013</b>	<b>4,272</b>	<b>4,395</b>	<b>4,876</b>	2.87
<b>Deputy Clerk</b>	<b>3,841</b>	<b>4,013</b>	<b>4,272</b>	<b>4,395</b>	<b>4,876</b>	0.0
<b>Clerk</b>	<b>3,327</b>	<b>3,460</b>	<b>3,651</b>	<b>3,921</b>	<b>4,133</b>	1.0
Planner	4,204	4,491	4,614	4,860	5,105	0.0
<b>Court Administrator</b>	<b>4,375</b>	<b>4,513</b>	<b>4,764</b>	<b>4,994</b>	<b>5,279</b>	0.8
Court Clerk	3,466	3,600	3,791	4,060	4,276	0.0
<b>Building Inspector</b>	<b>4,491</b>	<b>4,737</b>	<b>4,860</b>	<b>4,982</b>	<b>5,105</b>	0.13
CSO/Parks/Maint	3,841	4,013	4,272	4,395	4,876	0.0
<b>Police Clerk</b>	<b>3,466</b>	<b>3,600</b>	<b>3,791</b>	<b>4,060</b>	<b>4,272</b>	0.0
<b>Administrative Asst</b>	<b>3,459</b>	<b>3,611</b>	<b>3,772</b>	<b>3,943</b>	<b>4,123</b>	0.0
<b>Executive Assistant</b>	<b>3,841</b>	<b>4,013</b>	<b>4,272</b>	<b>4,395</b>	<b>4,876</b>	2.0
						11.8
<b>NON-UNION DEPARTMENT HEADS:</b>	<u>SALARY</u>	<u>Longevity</u>	<u>Total</u>	<u>Hour rate</u>	<u>FTE</u>	
City Treasurer Step E	\$ 6,248.09	\$ 230.00	\$ 6,478.09	\$36.05	1.0	40 hrs wk
City Treasurer Step B/C	\$ 5,510.81		\$ 5,510.81	\$31.79	1.0	40 hrs wk
City Clerk Step D/E	\$ 6,125.58	\$ -	\$ 6,125.58	\$35.34	1.0	40 hrs wk
City Attorney			Contracted \$200 Hourly Rate			
Municipal Court Judge			Open Contract			
<b>Union Positions:</b>	<u>Salary</u>	<u>Longevity</u>	<u>Total</u>	<u>Hourly rate</u>	<u>FTE</u>	
Chief of Police - Step C/D	\$ 7,448.42	\$ -	\$ 7,448.42	\$ 42.97	1.0	40 hrs wk
Police Executive Asst Step E	\$ 4,875.91	\$ 40.00	\$ 4,915.91	\$ 28.13	1.0	40 hrs wk
Patrol Officer Step E	\$ 5,066.59	\$ 20.00	\$ 5,086.59	\$ 29.23	1.0	40 hrs wk
Patrol Officer - Step E	\$ 5,066.59	\$ -	\$ 5,066.59	\$ 29.23	1.0	40 hrs wk
Patrol Officer - Step D	\$ 4,462.89	\$ -	\$ 4,462.89	\$ 27.75	1.0	40 hrs wk
Director of PW	\$ 5,919.20	\$ 140.00	\$ 6,059.20	\$ 34.15	1.0	40 hrs wk
<b>Community Development Stipend</b>	<b>\$ 20,000.00</b>		<b>\$ 20,000.00</b>			<b>Included</b>
Utility Worker #1 @ Step E	\$ 4,875.91	\$ 130.00	\$ 5,005.91	\$ 28.13	1.0	40 hrs wk
Utility Worker #2 @ Step C/D	\$ 4,395.40	\$ -	\$ 4,395.40	\$ 25.36	1.0	40 hrs wk
Building Inspector - Step C/D	\$ 4,982.50	\$ -	\$ 4,982.50	\$ 28.75	1.0	40 hrs wk
CD Executive Assistant Step E	\$ 4,875.91	\$ 20.00	\$ 4,895.91	\$ 28.13	1.0	40 hrs wk
Clerk Assistant - Step E	\$ 4,132.67	\$ 20.00	\$ 4,152.67	\$ 23.84	1.0	40 hrs wk
Court Administrator Step E	\$ 4,222.89	\$ 110.00	\$ 4,332.89	\$ 30.45	0.8	32 hrs wk

## SALARY FUND ALLOCATION

City of Napavine										
Salary Allocation By Fund										
	2021					2022				
	Budget					Budget				
	General	Street	Water	Waste-		General	Street	Water	Waste-	
	Fund	Fund	Fund	water	Total	Fund	Fund	Fund	water	Total
<b><u>NON-UNION POSITIONS</u></b>	<b><u>NON-UNION POSITIONS</u></b>					<b><u>NON-UNION POSITIONS</u></b>				
City Clerk	30%	5%	30%	30%		35.0%	5.0%	30.0%	30.0%	100.0%
City Clerk (Finance)	5%				100%					
City Treasurer	35.0%	10.0%	30.0%	25.0%	100.0%	35.0%	10.0%	30.0%	25.0%	100.0%
<b><u>UNION POSITIONS</u></b>	<b><u>UNION POSITIONS</u></b>					<b><u>UNION POSITIONS</u></b>				
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 (Clerk)	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	0.0%	45.0%	45.0%	
Clerk Assistant (Finance)	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%
<b>Community Development Stipend</b>						<b>100.0%</b>				<b>100.0%</b>
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%	10.0%	45.0%	45.0%	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 & Community Development Departments

<b>General Government 2022 Priority List</b>									
<b>Administrative Services</b>									
PROJECT	DESCRIPTION	REVENUE SOURCE	2022	2023	2024	2025	2026	2027	Total
<b>Clerks Office</b>									
Computers	Replace Existing	General Fund/GF Capital Equip Fund	\$ 2,000	\$ 2,000	\$ 2,000				\$ 6,000
<b>Court/Council/Planning</b>									
Mixer/Sound Equipment	Replace Existing	General Fund/GF Capital Equip Fund	-	3,000					3,000
<b>Comm. Development</b>									
Computers	Replace Existing	General Fund	-		8,000				8,000
<b>Community Development/Public Works</b>									
Platter / Computer	Purchase New	General Fund	8,000						8,000
Comp Plan Update	Update	General Fund	60,000						60,000
<b>Mayor's Office</b>									
Laptop	Replace Existing	General Fund				2,000			2,000
<b>TOTAL</b>	<b>Administrative Services</b>		<b>68,000</b>	<b>-</b>	<b>8,000</b>	<b>2,000</b>			<b>78,000</b>

## Parks and Public Facilities

Community Services 2022 Priority List									
PARKS AND PUBLIC FACILITIES									
PROJECT	DESCRIPTION	REVENUE SOURCE	2022	2023	2024	2025	2026	2027	TOTAL
<b>PARKS</b>									
<b>West Side Park</b>	Pave City Park	Park Improvement							
2" asphalt overlay	Birch St. Entrance and Parking Lot	Fund/Donations						26,000	26,000
<b>West Side Park</b>	Pave internal	Park Improvement							
2" asphalt mat on walking paths	walking paths	Fund/Donations					8,300		8,300
<b>West Side Park</b>	Cont. Building Nature	Park Improvement							
Add Nature Walking Trails	trails w/view stations & oxbows	Fund/Donations			15,500				15,500
<b>Mayme Shaddock/ West Side Park</b>	Picnic Tables 10 @ \$800 ea	Parks Maint.							-
<b>Mayme Shaddock</b>	Build or reconstruct kitchen area to be enclosed with bathroom facilities and heating	Park Capital facilities RCO Grant donations	346,000						346,000
<b>TOTAL - Park Facilities</b>			<b>346,000</b>	<b>-</b>	<b>15,500</b>	<b>-</b>	<b>8,300</b>	<b>26,000</b>	<b>395,800</b>

## Public Facilities (City Hall)

PUBLIC FACILITIES - City Hall 2022 Priority List									
PROJECT	DESCRIPTION	REVENUE SOURCE	2022	2023	2024	2025	2026	2027	TOTAL
<b>City Hall</b>	Carpet	General Fund Capital Equip	15,000	15,000	7,000				37,000
<b>City Hall</b>	Repaint Exterior	General Fund Capital Equip		7,000					7,000
<b>TOTAL - Public Facilities</b>			<b>15,000</b>	<b>22,000</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,000</b>

**Police Department**

<b>General Government 2022 Priority List</b>									
<b>POLICE DEPARTMENT</b>									
PROJECT	DESCRIPTION	REVENUE SOURCE	2022	2023	2024	2025	2026	2027	Total
Vehicle Laptops	Replace Vehicle Laptops	Criminal Justice Fund			15,000				15,000
Vehicle Purchase	Replace patrol vehicles as needed	Criminal Justice Fund	70,000	35,000		60,000			105,000
<b>TOTAL</b>	<b>Police Department</b>		70,000	35,000	-	60,000	-	-	105,000

**Public Works - Capital Equipment**

<b>PUBLIC WORKS - 2022 Priority List</b>									
<b>CAPITAL EQUIPMENT</b>									
PROJECT	DESCRIPTION	REVENUE SOURCE	2022	2023	2024	2025	2026	2027	Total
Backhoe	Replace Backhoe	Street, Water, Sewer Capital Equipment Funds	135,000						135,000
Striper	New Equipment	Street Fund or Capital Equipment Funds	8,000						8,000
<b>TOTAL</b>	<b>Public Works</b>		143,000	-	-				143,000



**Public Works – Street System**

<b>PUBLIC WORKS - 2022 Priority List</b>									
<b>STREET SYSTEM</b>									
<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>REVENUE SOURCE</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>TOTAL</b>
<b>All Arterial Roads</b>	Chip Seal & Restripe	Streets, Street Improvement Fund, Grants	20,000	250,000					270,000
<b>Rush Rd (Bridge to I-5)</b>	Grind Reasphalt 8" depth	Street Improvement Fund, Grants		200,000					200,000
<b>Rush Rd Stella to Bridge</b>	Pre Level, Chip Seal & Stripe	TIB Grant	5,000	75,000					80,000
<b>Mill Road from Wash. to City Limits</b>	Re-construction roadway, drainage and street lighting	Dedicated Fund Grant/LID or Development						130,000	130,000
<b>Skinner Road</b>	2" asphalt overlay construction of roadway drainage sidewalks curbing and street lights	Street, Capital Improvement, Grants or Development						258,000	258,000
<b>TOTAL - Street</b>			25,000	525,000	-	-	-	388,000	938,000

**Public Works – Water System**

<b>PUBLIC WORKS - 2022 Priority List</b>									
<b>WATER SYSTEM</b>									
<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>REVENUE SOURCE</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>TOTAL</b>
<b>Reservoir #1 Tower</b>	Resurface Interior & exterior of reservoir	Water Improvement Fund, Grants						409,000	409,000
<b>3rd Ave. NW Main (WA to Vine)</b>	Replace undersize mains to 8" lines - Connect to existing 8" line on 3rd Ave NW	Water Operating Fund		18,500					18,500
<b>Well 6</b>	Auto Back Wash	Water Improvement Fund	10,000						10,000
<b>Booster Pumps</b>	Telemetry	Water Improvement Fund	10,000						10,000
<b>Well 6 Treatment Plant Rush Rd</b>	New Drivers	Water Capital Equipment Fund	15,000						15,000
<b>TOTAL - Water System</b>			<b>35,000</b>	<b>18,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,000</b>	<b>462,500</b>

**Public Works - Wastewater System**

<b>PUBLIC WORKS - 2022 Priority List</b>									
<b>SEWER SYSTEM</b>									
<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>REVENUE SOURCE</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>TOTAL</b>
<b>Jefferson St Sewer Station</b>	Reconstruction	LC EDC/.09 Funds & Wastewater System Improvement Fund		1,200,000					1,200,000
<b>Rush Rd Sewer Station</b>	Reconstruction	Wastewater System Improvement Fund		500,000					500,000
<b>TOTAL - Sewer</b>			-	1,700,000	-	-	-	-	1,700,000

## DETAILED SALARY-BENEFIT SCHEDULE

Position	Salary	Longevity	Total	Certifications	Ret'mt	Med/Dent	Medicare	L & I	Def Com	Accrual Liab	Total Benefits	Total
<b>Municipal Court</b>												
Court Administrator-32 hrs @ 30.45	52,617.60	1,320.00	53,937.60		10.25%	\$900 CAP	0.0145	0.14245		Term Liability	19,828.17	73,765.77
<b>Total Court</b>	<b>52,617.60</b>	<b>1,320.00</b>	<b>53,937.60</b>		<b>5,528.60</b>	<b>10,800.00</b>	<b>817.42</b>	<b>246.15</b>	<b>-</b>	<b>2,436.00</b>	<b>19,828.17</b>	<b>73,765.77</b>
<b>Treasurer's Office</b>												
City-Treasurer - 40 hrs @ \$36.05	34,608.00	1,150.00	35,758.00		3,665.20	4,500.00	643.95	136.75	375.00	8,652.00	17,972.89	53,730.89
City Treasurer - 40 hrs Step B/C \$31.79	58,194.80	-	58,194.80		5,964.97	9,900.00	862.26	267.81		1,271.60	18,266.64	76,461.44
City Clerk - 40hrs Step D/E @ \$35.34	72,519.60	-	72,519.60		7,433.26	10,800.00	1,072.03	307.69	3,600.00	1,413.60	24,626.58	97,146.18
Clerk Assistant 40 hrs Step E @ 23.84	51,494.40	120.00	51,614.40		5,290.48	10,800.00	762.24	307.69	300.00	953.60	18,414.00	70,028.40
Overtime -	1,000.00	-	1,000.00		102.50	-	14.50	7.12	-	-	124.12	1,124.12
<b>Total Finance &amp; Administration</b>	<b>217,816.80</b>	<b>1,270.00</b>	<b>219,086.80</b>		<b>22,456.40</b>	<b>36,000.00</b>	<b>3,354.98</b>	<b>1,027.06</b>	<b>4,275.00</b>	<b>12,290.80</b>	<b>79,404.24</b>	<b>298,491.04</b>
<b>Police</b>												
Chief - 40 hrs Step C/D @ 42.97	88,762.40	-	88,762.40		4,704.41	10,800.00	1,311.98	3,630.39	1,200.00	1,718.80	23,365.57	112,127.97
Patrolman I- 40 hrs Step E @ 29.23	66,293.64	80.00	66,373.64		3,517.80	10,800.00	979.37	3,630.39	-	1,169.20	20,096.76	86,470.40
Patrolman II - 40 hrs Step E @ \$29.23	64,365.84	-	64,365.84		3,411.39	10,800.00	950.26	3,630.39	1,200.00	1,169.20	21,161.24	85,527.08
Patrolman III - 40 hrs Step D @ \$27.75	56,700.00	-	56,700.00		3,005.10	10,800.00	838.25	3,630.39	-	1,110.00	19,383.73	76,083.73
Police OnCall Pay	10,000.00	-	10,000.00		-	-	145.00	-	-	-	145.00	10,145.00
Call Out & Overtime	15,000.00	-	15,000.00		795.00	-	217.50	691.50	-	-	1,704.00	16,704.00
Executive Asst 40 hrs Step E \$28.13	58,989.60	480.00	59,469.60		6,095.63	10,800.00	886.78	307.69	-	1,687.80	19,777.91	79,247.51
<b>Total Police Dept.</b>	<b>360,111.48</b>	<b>560.00</b>	<b>360,671.48</b>		<b>21,529.33</b>	<b>54,000.00</b>	<b>5,329.13</b>	<b>15,520.74</b>	<b>2,400.00</b>	<b>6,855.00</b>	<b>105,634.21</b>	<b>466,305.69</b>
<b>Community Development</b>												
Director	20,000.00	-	20,000.00		2,050.00	-	290.00	486.64	-	-	2,826.64	22,826.64
Exec Assistant - 40 hrs Step E @ 28.13	60,760.80	180.00	60,940.80		6,246.43	10,800.00	899.96	307.69	1,200.00	1,125.20	20,579.28	81,520.08
Inspector - Step D 5 hrs 13% @ \$28.75	7,762.50	-	7,762.50		795.66	1,404.00	114.72	252.68	39.00	149.50	2,755.56	10,518.06
<b>Total Community Development</b>	<b>88,523.30</b>	<b>180.00</b>	<b>88,703.30</b>		<b>9,092.09</b>	<b>12,204.00</b>	<b>1,304.68</b>	<b>1,047.01</b>	<b>1,239.00</b>	<b>1,274.70</b>	<b>26,161.48</b>	<b>114,864.78</b>
<b>Public Works</b>												
PW Director-40 hrs @ 34.15	73,764.00	1,680.00	75,444.00		7,733.01	10,800.00	1,133.55	2,021.44	900.00	2,732.00	25,320.00	100,764.00
Utility Worker I -Step E 40 hrs @ \$28.13	60,760.80	1,560.00	62,320.80	600.00	6,449.38	10,800.00	944.98	2,021.44	300.00	2,250.40	22,766.20	85,687.00
Utility Worker II -Step C/D 40 hrs @ \$25.36	54,777.60	-	54,777.60		5,614.70	10,800.00	808.98	2,021.44	1,800.00	1,014.40	22,059.52	76,837.12
Utility Worker III - Step D 35 hrs @ \$28.75	54,337.50	-	54,337.50		5,569.59	9,396.00	802.40	1,768.76	261.00	1,000.50	18,798.25	73,135.75
Overtime	1,000.00	-	1,000.00		102.50	-	14.50	46.79	-	-	163.79	1,163.79
OnCall Pay (Weekends/Holidays)	9,105.00	-	9,105.00		933.26	-	132.02	-	-	-	1,065.29	10,170.29
<b>Total Public Works</b>	<b>253,744.90</b>	<b>3,240.00</b>	<b>256,984.90</b>	<b>600.00</b>	<b>26,402.45</b>	<b>41,796.00</b>	<b>3,836.44</b>	<b>7,879.86</b>	<b>3,261.00</b>	<b>6,997.30</b>	<b>90,173.05</b>	<b>347,757.95</b>
<b>Grand Total</b>	<b>972,814.08</b>	<b>6,570.00</b>	<b>979,384.08</b>	<b>600.00</b>	<b>85,008.88</b>	<b>154,800.00</b>	<b>14,642.65</b>	<b>25,720.83</b>	<b>11,175.00</b>	<b>29,853.80</b>	<b>321,201.16</b>	<b>1,301,185.24</b>

## GLOSSARY OF TERMS

**Account** – A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses

**Administrative Services Departments** – Refers to organizational units or departments that primarily provide services to other departments or divisions. These include:

- **Legislative** – city council and its functions;
- **Financial Services** – the accounting, financial reporting, customer service, and treasury functions;
- **Personnel Services** – provides centralized personnel services to all city operations;
- **Administrative Services** – provides supervision of financial services and personnel services as well as budget, fiscal planning, tax and license, data processing, risk management, and other general administrative services;
- **Civil Service** – the independent panel that works with personnel/ hiring issues for the Public safety departments.

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

**Agency Fund** – A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another

**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 Valuation** – The value assigned to properties within the city that is used in computing the property taxes to be paid by property owners. (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.

**Benefits** – City-provided employee benefits, such as social security insurance, retirement, worker’s compensation, life insurance, medical insurance, vision insurance. and dental insurance

**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 Program (CIP)** – The element of the budget that deals with the expenditure of funds on durable capital facilities and equipment, typically with a value of more than \$5,000.

**Capital Outlay**– A budget category that may be a part of a capital improvement program, or in the case of expending less than \$5,000 but more than \$500, is a part of the operating budget.

**Capital Project** – A single project within the Capital Improvements Program.

**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.

**Cost Allocation** - The assignment of applicable costs incurred by a central services department (like “administrative services”) to a fund based on the benefit to the fund being assessed using a methodology to formulate the cost of individual departments.

**Councilmanic Bonds** – Bonds that can be authorized by the city council without a vote of the public in an amount up to .75 percent of the assessed valuation of the city.

**Current Expense Fund** – See “General Fund”

**Debt Service** – Interest and principle payments on debt.

**Debt Service Fund** – – The type of fund that accounts for the payment of debt service on general obligations of the city

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

**Designated Fund Balance** – A portion of fund balance that has been designated by past council action for a specific purpose.

**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.

**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.

**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.

**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** – The fund of the city that accounts for all activity not specifically accounted for in other funds, includes such operations as police, fire, engineering, planning, parks, museums and administration.

**General Obligations** – Bonds or other indebtedness of the city for which the pledge made for repayment is the full faith and credit of the city.

**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.

**Intergovernmental Revenues** – Interfund charges to pay for quasi-external transactions of the fund.

**Internal Controls** – A system of controls established by the city that are designed to safeguard the assets of the city and provide reasonable assurances as to the accuracy of financial data.

**Internal Service Funds** – A type of proprietary fund that accounts for the goods and services provided to other units of the city. Payment by the benefiting unit is intended to fund the costs of providing such services.

**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.

**Levy Rate** – The property tax percentage rate used in computing the property tax amount to be paid. Licenses and Permits – A revenue category of the city derived from business licenses and building or development permits.

**LID – "Local Improvement Districts."** A financing mechanism that permits the building of public infrastructure improvements which benefit a confined area and where the costs for those improvements are to be paid by the benefiting area land owners

**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.

**Preliminary Budget** – That budget which is proposed by staff to the council and has not yet been adopted by the council

**Proprietary Funds** – A group of funds that account for the activities of the city that are of a proprietary or "business" character. See "Enterprise Fund."

**Public Safety** – A term used to define the combined budget of the police and fire departments.

**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** – General government funds for which the source of monies is dedicated to a specific purpose.

**Standard Work Year** – 2,080 hours a year, 260 days (except leap year)

**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** – The year-end balance of current assets less current liabilities.

**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.