

CITY OF NAPAVINE

2023

BUDGET

FOR THE FISCAL YEAR

January 1, 2023

Through

December 31, 2023



Adopted: December 17, 2022

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

407 Birch Ave SW, P. O. Box 810

Napavine, WA 98565

Phone: (360) 262-3547



Shawn O’Neill, Mayor

Rachelle Denham, City Clerk

Michelle Whitten, City Treasurer

MAYOR’S BUDGET MESSAGE

To: **The Legislative Body**
From: **Mayor, Shawn O’Neill**
Subject: **Budget Proposal for 2023**

I am pleased to submit for your consideration the 2023 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 2022	Proposed Budget 2023
General Government Services	\$311,564	\$356,811	\$403,492
Public Safety	\$472,517	\$604,050	\$707,399
Substance Abuse	\$432	\$244	\$2,500
Criminal Justice Policing	\$11,674	\$4,500	\$37,645
Transportation	\$190,822	\$193,220	\$252,993
Economic Development	\$126,578	\$208,195	\$245,957
Mental Health Services	\$594	\$550	\$540
Culture & Recreation	\$8,281	\$7,080	\$10,543
Enterprise Water Services	\$367,932	\$454,892	\$582,326
Enterprise Sewer Services	\$497,888	\$508,340	\$577,519
Total Operating Appropriations	\$1,988,282	\$2,337,882	\$2,820,914
Estimated Other Financing Uses: Debt/Capital/Transfers Out	\$1,037,851	\$1,246,809	\$2,972,694
Total Estimated Uses:	\$3,026,133	\$3,584,691	\$5,793,608

The overall budget as proposed is approximately the same as last year’s primarily due to projects not completed such as: updating the Comprehensive Plan, capital project expenditures for park improvement and street improvement, purchasing a new city backhoe, replacing a patrol vehicle using the Criminal Justice Fund, and expending ARPA Funds, a 10%/13% COLA salary increase for union employees and an increase for two non-union employees, other agency increase in fees, maintenance of city hall.

The budget includes a proposed levy increase of 1% levy increase of \$3,469 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 2023 assessed value of the Napavine City District is \$305,204,841.

The estimated revenue from retail sales and use taxes is \$542,000, 3% 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 the 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. The 2023 new population allocation is 1,995.

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. These projections, current adopted budget, and prior year results are as follows:

	Previous Years Actual Revenues	Current Budget Estimated YE	Revenue Estimates for 2023
Estimated Beginning Fund Balance	4,144,710	5,384,452	5,862,041
Taxes	1,298,590	1,284,364	1,305,900
Licenses and Permits	72,970	65,239	72,535
Intergovernmental Revenues	816,092	410,664	1,406,306
Charges for Goods and Services	1,434,992	1,575,457	1,480,905
Fines and Penalties	18,463	42,195	40,690
Miscellaneous Revenues	419,539	530,981	405,955
Disposition of Capital Assets	-	5,617	-
Total Estimated Revenues	4,060,645	3,914,517	4,712,291
Total Other Estimated Financing Sources	138,134	256,000	228,651
	4,198,779	4,170,517	4,940,942
Total All Estimated Resources	8,343,489	9,554,969	10,802,983

PERSONNEL

Personnel changes in the budget include maintaining staffing levels at 40 hours per week including an increase to Municipal Court staff to 40 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 negotiations for 2023-2025 wages and other minor changes. The 2023 wages was ratified to provide a wage increase for all union employees with a 10% increase to union employees and

13% increase to Police Sargent and Police Officers and an addition to the Community Development Stipend to \$22,500 per the year 2023. Additional 6% increases to the 2024 and 2025 wages with additional increases to the health insurance benefit to employees.

The two non-union positions include a 10% wage increase based on the 2022 Union Negotiations and an additional benefit for medical/dental/vision insurance for 2023, per Mayor and Council.

LAW ENFORCEMENT

Total costs for law enforcement are up by 9.7% from \$623,385 to \$683,954 with the increase of Salaries and Benefits, along with legislative mandates for law enforcement accountability,

GENERAL

\$1,042 is appropriated for the city's contribution to the air pollution control authority which is based on 2023 population estimate of 1,995.

Three 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
- Jefferson Station Sewer Improvements

Very truly yours,



Shawn O'Neill

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Shawn O'Neill, Mayor
Rachelle Denham, City Clerk
Michelle Whitten, City Treasurer
Bryan Morris, Public Works Director

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
Brian Watson, Council Position #1	Term Expiration 12/31/2025
Ivan Weidiger, Council Position #2	Term Expiration 12/31/2023
Don Webster, Council Position #3	Term Expiration 12/31/2023
Heather Stewart, Council Position #4	Term Expiration 12/31/2025
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
Michelle Whitten.....	City Treasurer
Bryan Morris	Public Works / Community Development Director
John Brockmueller.....	Police Chief
Allen Unzelman.....	Municipal Court Judge
Lacie Dewitt.....	Court Administrator

PLANNING COMMISSION

Deborah Graham, Chair
Amy Morris

Amy Hollinger
Scott Collins

Arnold Haberstroh

Mailing Address

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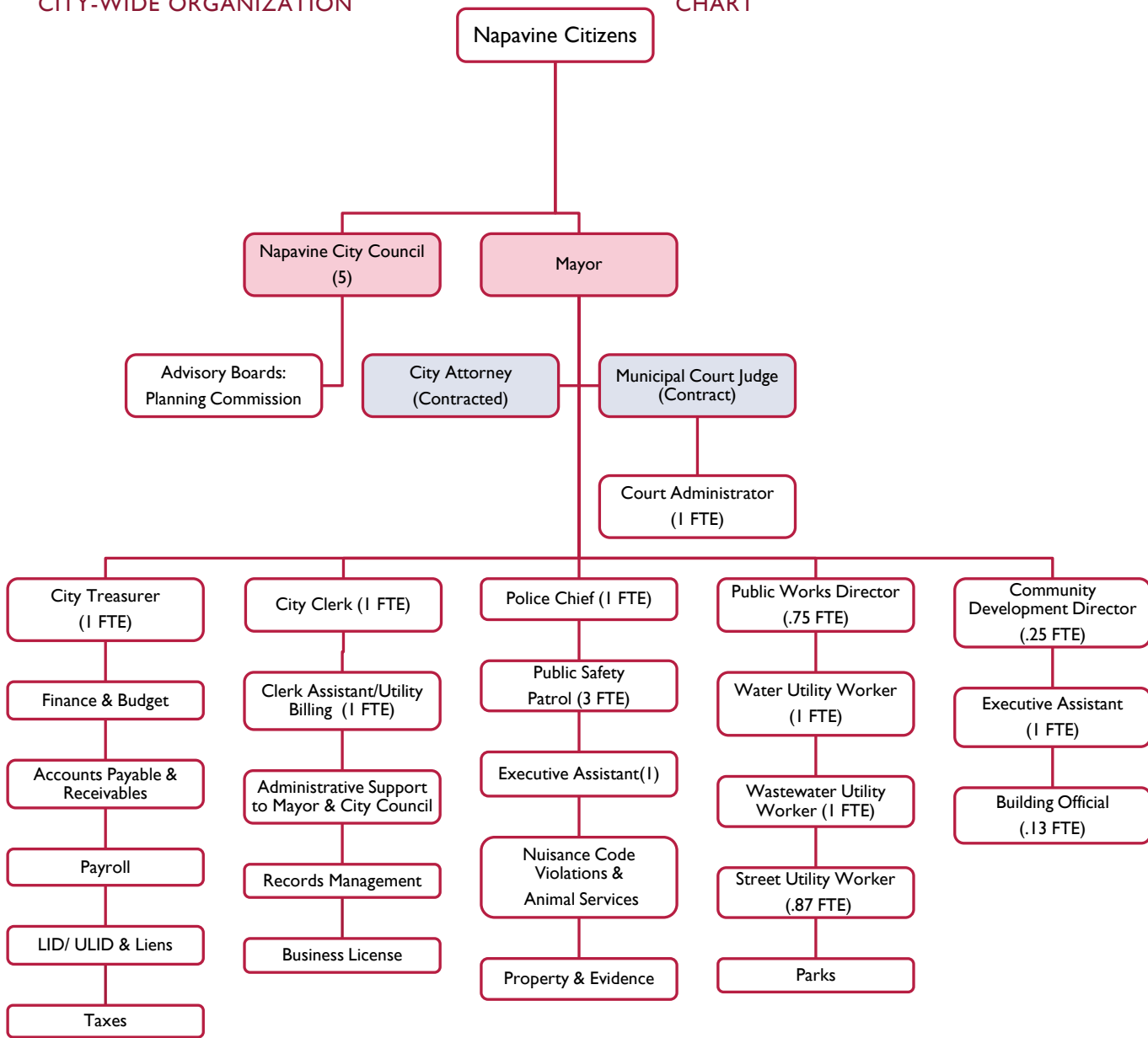
360-262-9199

Home Page

www.cityofnapavine.com

CITY-WIDE ORGANIZATION

CHART



Napavine is served by Lewis County Fire District #5

Elected Officials
 Contract

ORDINANCE ADOPTING 2023 BUDGET

BUDGET ORDINANCE

ORDINANCE NO. 638

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF NAPAVINE, WASHINGTON, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023

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, 2023; and

WHEREAS, notice was published that the City Council would hold a public hearing on December 27, 2022, at 6:00 p.m., in the council chambers of city hall for the purposes 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 2023 during a 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 2023 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 2023 is hereby adopted at the fund level in its final form and content as set forth in the comprehensive budget document, "City of Napavine 2023 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 2023 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2023 as set forth in the City of Napavine 2023 Budget.

Fund	Estimate Begin Balance	Estimated Revenues	Appropriations/ Expenditures	Estimated Ending Fund Balance
General Fund 001	919,081	1,376,762	1,450,405	845,438
Substance Abuse Fund 002	7,296	520	2,500	5,316
Park Improvement Fund 004	194,065	763,950	825,405	132,610
General Govnmnt Equipment Fund 005	43,820	43,445	65,445	21,820
LEOFF Retiree Fund	100,000	7,000		107,000
Street Fund 101	154,051	217,130	220,435	150,746
Street Capital Equipment Fund 102	46,000	15,000	60,000	1,000
Street Improvement Fund 105	307,696	589,109	611,154	285,651
Local Fiscal Recovery Fund	405,797		276,522	129,275
Criminal Justice Funds 110	66,762	51,758	107,645	10,875
Project Planning Fund 305	348,861	70,150	80,000	339,011
Water Fund 401	897,458	499,195	652,456	744,197
Water System Improvement Fund 402	549,041	34,065	65,000	518,106
Water Deposit Trust Fund 404	5,115	-	2,500	2,615
Wastewater Fund 406	468,032	845,420	876,619	436,833
Wastewater System Improve Fund 408	652,441	41,050	60,000	633,491
Sewer Capital Equipment Fund 409	44,787	15,000	59,786	1
Water Capital Equipment Fund 411	44,787	15,000	59,786	1
LID 2011-1 Bond Redemption Fund 415	435,464	191,120	80,365	546,219
Private-Purpose Trust Funds 621	34,836	-	32,000	2,836
Total All Funds	5,725,390	4,775,674	5,588,023	4,913,041

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

SECTION 4. Effective Date. This ordinance shall be in full force and take effect on January 1, 2023, 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 27th day of December, 2022.

Mayor, Shawn O'Neill

Approved as to form:

Attest:

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

City Clerk, Rachelle Denham

PASSED: 12/27/2022

PUBLISHED DATE: 1/4/2023

EFFECTIVE DATE: 1/1/2023

2022 ESTIMATED YEAR END BALANCES

2022 Estimated Year End Balance							
Fund		Beginning	Revenues	Transfers	Expenditures	Transfers	Ending
		Cash & Invest		In		Out	Cash & Invest
001	General Fund 001	1,028,964.71	1,294,323.00	-	1,182,834.00	150,000.00	990,453.71
002	Substance Abuse Fund	5,832.55	1,477.00		250.00		7,059.55
004	Park Improvement Fund 004	170,064.72	32,834.00		12,205.00		190,693.72
005	Gen Gov Capital Equip Fund	47,794.79	25.00		3,000.00		44,819.79
6	LEOFF I Trust Fund	-		100,000.00			100,000.00
101	Street Fund 101	206,876.28	219,617.00	10,000.00	215,404.00	15,000.00	206,089.28
102	Street Capital Equipment Fund	31,000.00		15,000.00	1215		44,785.00
105	Street Improvement Fund 105	267,536.17	115,488.00	42,000.00	108,840.00		316,184.17
110	Criminal Justice Funds	106,135.73	47,523.00		103,140.00	-	50,518.73
115	Local Recovery Fiscal Fund	279,561.00	279,561.00		153,000.00		406,122.00
305	Project Planning Fund	290,866.71	65,509.00		-		356,375.71
401	Water Fund 401	862,486.83	547,000.00		472,029.00	30,000.00	907,457.83
402	Water System Improvement Fund	469,123.34	85,100.00	15,000.00	-		569,223.34
403	USDA Bond Reserve Fund	22,710.00	-		-		22,710.00
404	Water Deposit Trust Fund	7,615.03	-		2,100.00		5,515.03
406	Wastewater Fund 406	416,092.44	901,963.00		781,283.00	30,000.00	506,772.44
408	Wastewater System Improve Fund	572,412.25	70,350.00	15,000.00	-		657,762.25
409	Sewer Capital Equipment Fund	31,000.00		15,000.00	1,213.00		44,787.00
411	Water Capital Equipment Fund	31,000.00		15,000.00	1,213.03		44,786.97
415	LID 2011-1 Bond Redemption Fund	501,094.30	225,689.00		280,357.00		446,426.30
502	Private-Purpose Trust Funds	34,836.47		-	-		34,836.47
631	Agency Funds	933.08	14,557.00		13,850.00		1,640.08
632	Municipal Court Trust Fund	514.74	28,725.00		23,827.00		5,412.74
Grand Total		5,384,451.14	3,929,741.00	227,000.00	3,355,760.03	225,000.00	5,960,432.11

2022 YEAR END RESTRICTED REVENUES

2022 Actual Restricted Funds								
Fund:	General Fund							
Actual Amount	Resource	RCW	Use	Re- stricted \$	Prior Bal- ance	Total	Expended	End Balance
13,398.10	Liquor Excise Tax	70.96A.087	2% Substance abuse treatments	267.96	-			
14,697.06	Liquor Board Profits	70.96A.085	2% Substance abuse treatments	293.94	-	561.90	-	561.90
	Liquor Control Board Profits	66.24.065	20.23% Public Safety	2,973.22	-	2,973.22	2,973.22	(0.00)
	CL & CJ Leg One time Cost		Police Accountability Legislative Bill (Body Cams)			-		0.00
	Sale Proceeds RR Spur	Res 14-07-62 Committed	Future Capital Needs Assigned	-	105,796.20	105,796.20	-	105,796.20
28,095.16			Total Restricted Funds	3,535.12	105,796.20	109,331.32	2,973.22	106,358.10

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

Fund:	Substance Abuse Fund							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Bal- ance	Total	Expended	End Balance
1,483.62	Seizures, Drug Fines, Interest	572	Care Evidence, Training, Investigative	1,483.62	5,832.55	7,316.17	243.59	7,072.58
1,483.62			Total Restricted Funds	1,483.62	5,832.55	7,316.17	243.59	7,072.58

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

Fund:	Park Improvement Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
32,645.37	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan Capital Projects	32,645.37	166,990.64	199,636.01	12,250.28	187,385.73
140.00	Donations		Donations for Mayme Kitchen	140.00	40.00	180.00		180.00
53.84	Investment Interest			53.84	202.39	256.23	-	256.23
32,839.21	Total Restricted Funds			32,839.21	167,233.03	200,072.24	12,250.28	187,821.96

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

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

Fund:	Gen Gov Capital Equip Fund							
Actual Amount	Resource	Ordinance	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
-	Sale Old City Hall	610	Maintain CH, Capital Equipment		47,779.79	47,779.79	2,162.83	45,616.96
24.58	Investment Interest			24.58	15.00	39.58		39.58
24.58	Total Committed Funds			24.58	47,794.79	47,819.37	2,162.83	45,656.54

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.

Fund:	Street Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
2,495.93	Multimodal Transportation City	47.66.070	Transportation purpose only	2,495.93	17,502.43	19,998.36	-	19,998.36
	Retainage Bond		Jim Powe Paving	-	5,241.24	5,241.24	11,508.74	(6,267.50)
2,495.93			Total Restricted Funds	2,495.93	22,743.67	25,239.60	11,508.74	13,730.86

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

Fund:	Street Capital Equipment Fund							
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	1,213.03	44,786.97
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	1,213.03	44,786.97

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.

Fund:	Street Improvement Fund							

Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
32,645.36	Real Estate Excise Tax	82.46.010 (2)	Capital Facilities Plan/Capital Projects	32,645.36	120,524.46	153,169.82		153,169.82
45.06	Investment Interest			45.06	760.41	805.47	-	805.47
-	Performance Bond Agreement		Trailer Station Street Lights	-	50,588.50	50,588.50	50,008.28	580.22
	Retainage Deposits		Clark Street Lights	-	6,267.50	6,267.50	-	6,267.50
	Retainage Deposits		Klein Street Lights		16,381.00	16,381.00	15,331.22	1,049.78
	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
40,000.00	Transfer in from General Fund			40,000.00		40,000.00		40,000.00
72,690.42			Total Restricted Funds	72,690.42	225,511.87	298,202.29	65,339.50	232,862.79

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.

Fund:	Criminal Justice Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
1,000.00	Criminal Justice Lo-Pop	82.14.330	Criminal Justice purpose non-recurring (Purchase police cars)	1,000.00	2,651.10	3,651.10		3,651.10
2,309.25	CJ-Special Programs	82.14.330 (2)(b)	Innovative Law Strategies, At-Risk Children, Child Abuse, Domestic Violence	2,309.25	15,971.40	18,280.65	3,773.74	14,506.91
217.01	DUI - Cities		DUI OT Enforcement	217.01	4,422.81	4,639.82	347.62	4,292.20
48,070.47	CJ - Sales Tax	82.14.340	Criminal Justice Purposes	48,070.47	81,540.42	129,610.89	99,018.87	30,592.02
51,596.73			Total Restricted Funds	51,596.73	104,585.73	156,182.46	103,140.23	53,042.23

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

Fund:	Local Fiscal Recovery Fund							
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>	279,561.00	279,561.00	559,122.00	141,487.59	417,634.41
279,561.00			Total Restricted Funds	279,561.00	279,561.00	559,122.00	141,487.59	417,634.41

The period of performance for this award ends on December 31, 2024. 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 or where the city had a loss of revenue

Fund:	Project Planning							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
65,290.75	2nd Quarter Real Estate Excise Tax	82.46.035 (2)	Capital Facilities Plan/Capital Projects	65,290.75	283,713.25	349,004.00	-	349,004.00
259.19	Investment Interest			259.19	1,252.97	1,512.16	-	1,512.16
65,549.94			Total Restricted Funds	65,549.94	284,966.22	350,516.16	-	350,516.16

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.

Fund:	Sewer Capital Equipment Fund							
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	1,213.03	44,786.97
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	1,213.03	44,786.97

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.

Fund:	Water Capital Equipment Fund							
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	1,213.03	44,786.97
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	1,213.03	44,786.97

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.

Fund:	Agency Fund	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
-			Total Restricted Funds	-	750	750	-	750

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.

2023 BUDGET SUMMARY

Fund	Estimate Begin Balance	Estimated Revenues	Appropriations/ Expenditures	Estimated Ending Fund Balance
General Fund 001	919,081	1,376,762	1,450,405	845,438
Substance Abuse Fund 002	7,296	520	2,500	5,316
Park Improvement Fund 004	194,065	763,950	825,405	132,610
General Govrnmt Equipment Fund 005	43,820	43,445	65,445	21,820
LEOFF Retiree Fund	100,000	7,000		107,000
Street Fund 101	154,051	217,130	220,435	150,746
Street Capital Equipment Fund 102	46,000	15,000	60,000	1,000
Street Improvement Fund 105	307,696	589,109	611,154	285,651
Local Fiscal Recovery Fund	405,797		276,522	129,275
Criminal Justice Funds 110	66,762	51,758	107,645	10,875
Project Planning Fund 305	348,861	70,150	80,000	339,011
Water Fund 401	897,458	499,195	652,456	744,197
Water System Improvement Fund 402	549,041	34,065	65,000	518,106
Water Deposit Trust Fund 404	5,115	-	2,500	2,615
Wastewater Fund 406	468,032	845,420	876,619	436,833
Wastewater System Improve Fund 408	652,441	41,050	60,000	633,491
Sewer Capital Equipment Fund 409	44,787	15,000	59,786	1
Water Capital Equipment Fund 411	44,787	15,000	59,786	1
LID 2011-1 Bond Redemption Fund 415	435,464	191,120	80,365	546,219
Private-Purpose Trust Funds 621	34,836	-	32,000	2,836
Total All Funds	5,725,390	4,775,674	5,588,023	4,913,041

2023 RESTRICTED FUNDS

General Fund

2023 Estimated Restricted Funds								
Fund:	General Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
12,185.00	Liquor Excise Tax	70.96A.087	2% Substance abuse treatments	243.70				
14,725.00	Liquor Board Profits	70.96A.085	2% Substance abuse treatments	294.50	-	538.19	538.19	-
	Liquor Control Board Profits	66.24.065	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
26,910.00			Total Restricted Funds	3,517.07	105,796.20	109,313.26	3,517.06	105,796.20

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
5.00			Total Restricted Funds	5.00	5,829.51	5,834.51	2,500.00	3,334.51

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	82.46.010 (2)	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
30,050.00			Total Restricted Funds	30,050.00	165,268.06	195,318.06	95,250.00	100,068.06

Street Fund

Fund:	Street Fund							
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	47.66.070	Transportation purpose only	2,680.00	17,547.15	20,227.15	-	20,227.15
2,680.00			Total Restricted Funds	2,680.00	17,547.15	20,227.15	-	20,227.15

Street Capital Equipment Fund

Fund:	Street Capital Equipment Fund							
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
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	31,000.00	15,000.00

Street Improvement Fund

Fund:	Street Improvement Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
30,000.00	Real Estate Excise Tax	82.46.010 (2)	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
30,040.00			Total Restricted Funds	30,040.00	224,110.57	172,562.07	113,231.00	140,919.57

Criminal Justice Fund

Fund:	Criminal Justice Fund							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
1,000.00	Criminal Justice Lo-Pop	82.14.330	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	82.14.330 (2)(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	82.14.340	Criminal Justice Purposes	48,000.00	75,122.43	123,122.43	90,855.00	32,267.43
51,585.00			Total Restricted Funds	51,585.00	98,368.09	149,953.09	115,845.00	34,108.09

Local Fiscal Recovery Fund

Fund:	Local Fiscal Recovery Fund							
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			Total Restricted Funds	279,290.00	279,561.00	558,851.00	400,000.00	158,851.00

Project Planning Fund

Fund:	Project Planning							
Actual Amount	Resource	RCW	Use	Restricted \$	Prior Balance	Total	Expended	End Balance
60,000.00	2nd Quarter Real Estate Excise Tax	82.46.035 (2)	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
60,130.00			Total Restricted Funds	60,130.00	258,403.09	265,758.09	80,000.00	185,758.09

Sewer Capital Equipment Fund

Fund:		Sewer Capital Equipment Fund						
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
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	31,000.00	15,000.00

Water Capital Equipment Fund

Fund:		Water Capital Equipment Fund						
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	-
15,000.00			Total Committed Funds	15,000.00	31,000.00	46,000.00	46,000.00	-

Agency Fund

Fund:		Agency Fund						
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
-			Total Restricted Funds	-	750.00	750.00	-	750.00

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FINANCIAL SECTION

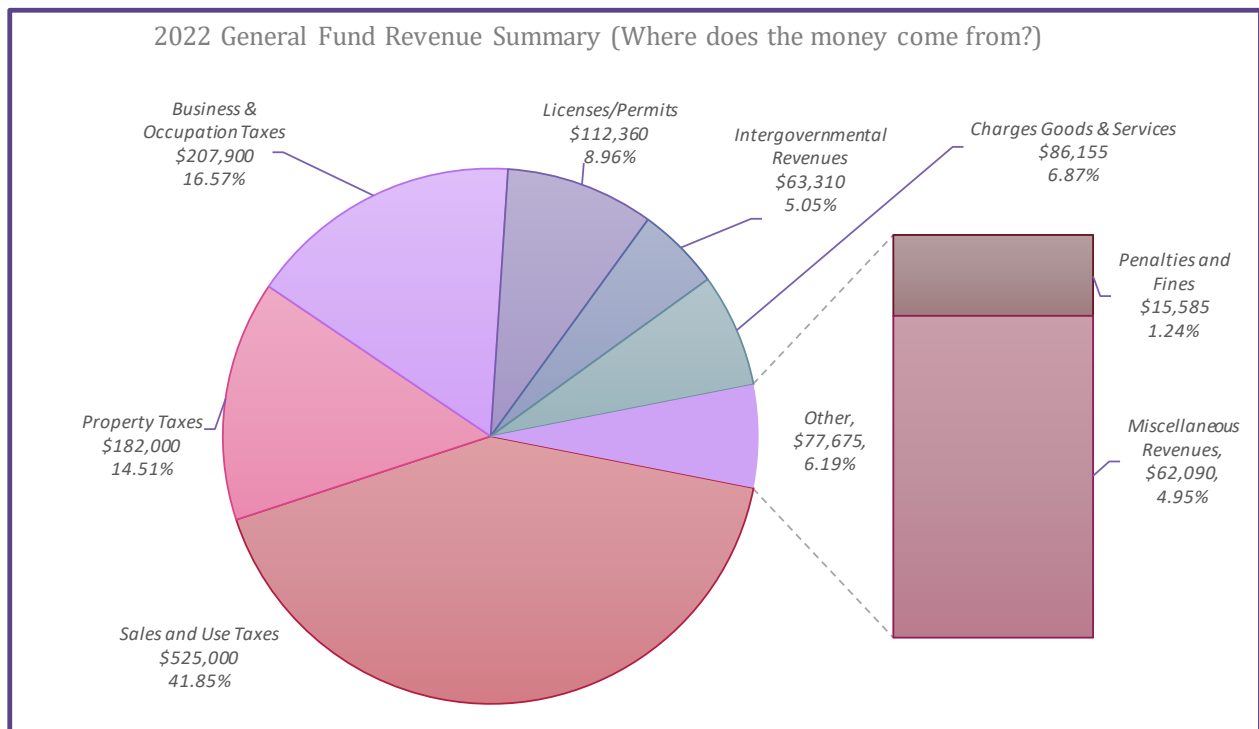
GOVERNMENTAL FUND TYPES

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.

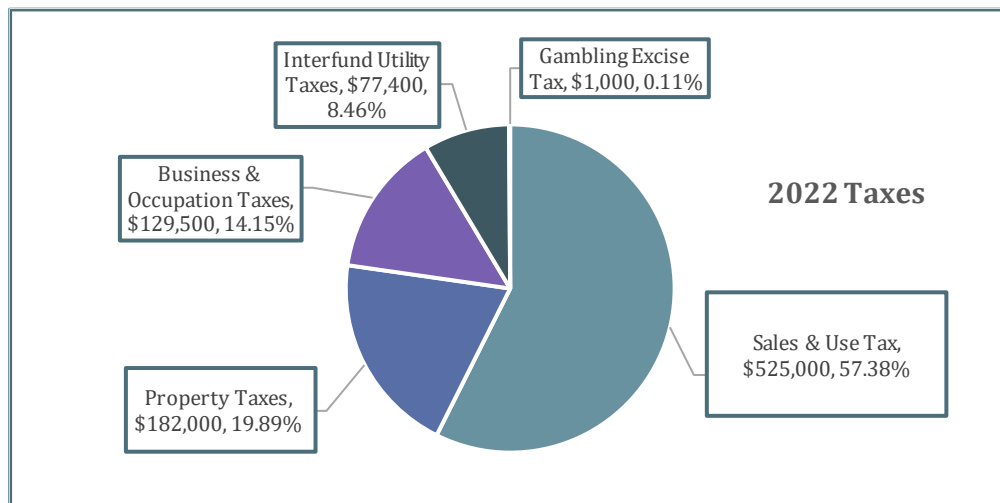
GENERAL FUND SUMMARY REVIEW



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.

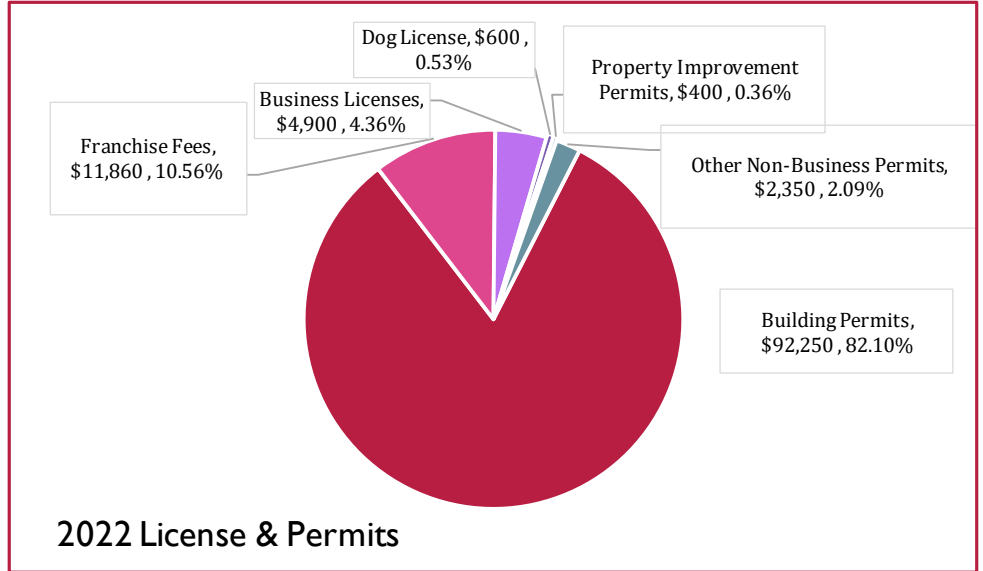
- New business license fee is \$50.00
- Renewal business license fee is \$25.00

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 Light-speed 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

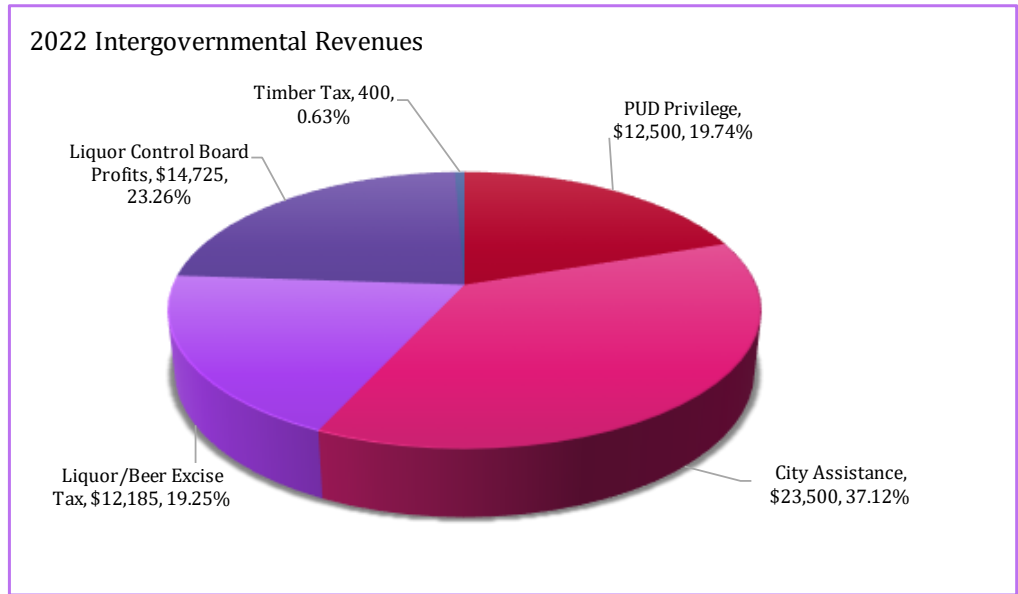


INTERGOVERNMENTAL REVENUE

- 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.

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

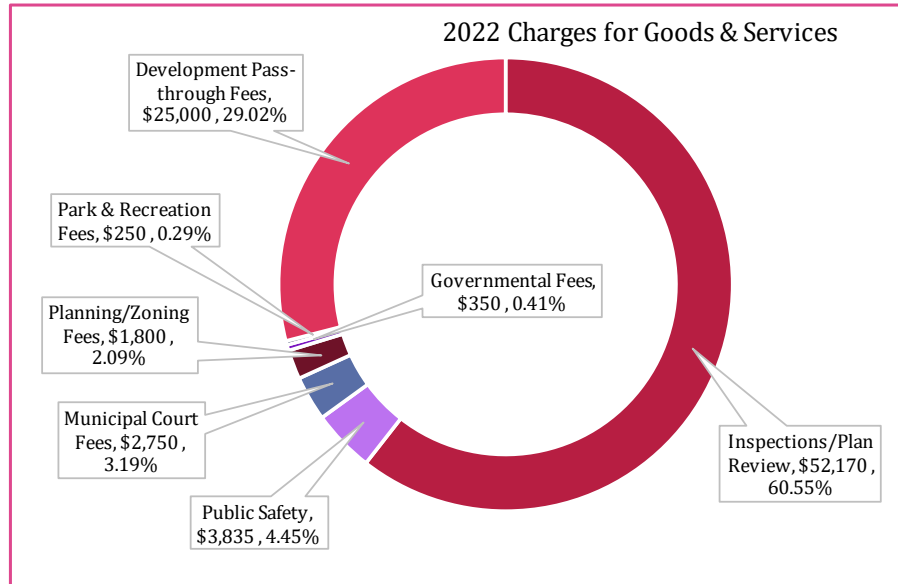
When forecasting liquor profits beyond next year’s budget it’s important to note that the total local distributions (\$39,431,748 for cities and \$9,857,936 for counties) will remain the same from year to year unless the legislature amends the statute. The initiative did not include any measures to account 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

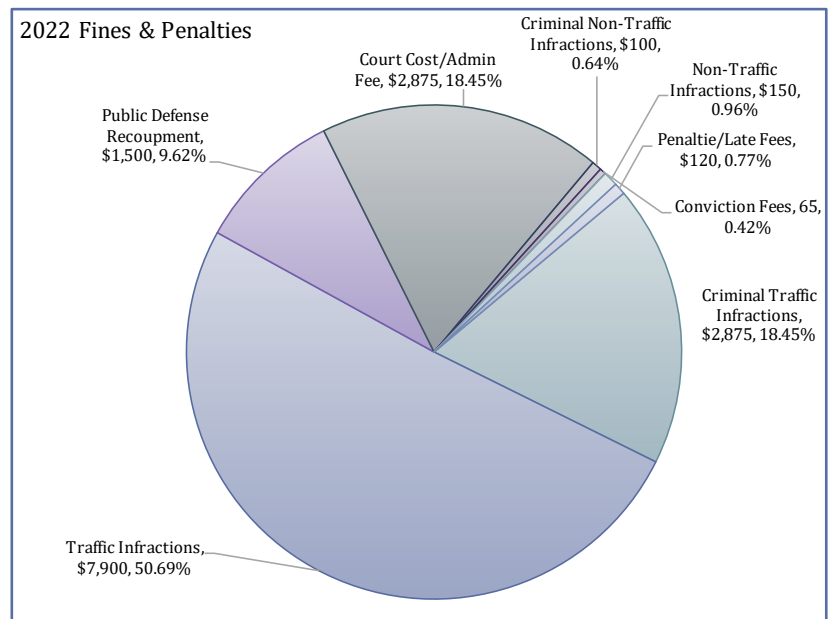


The total estimated revenue for Charges of Goods and Services \$86,155

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 on dog license, accounts receivable late fees \$120

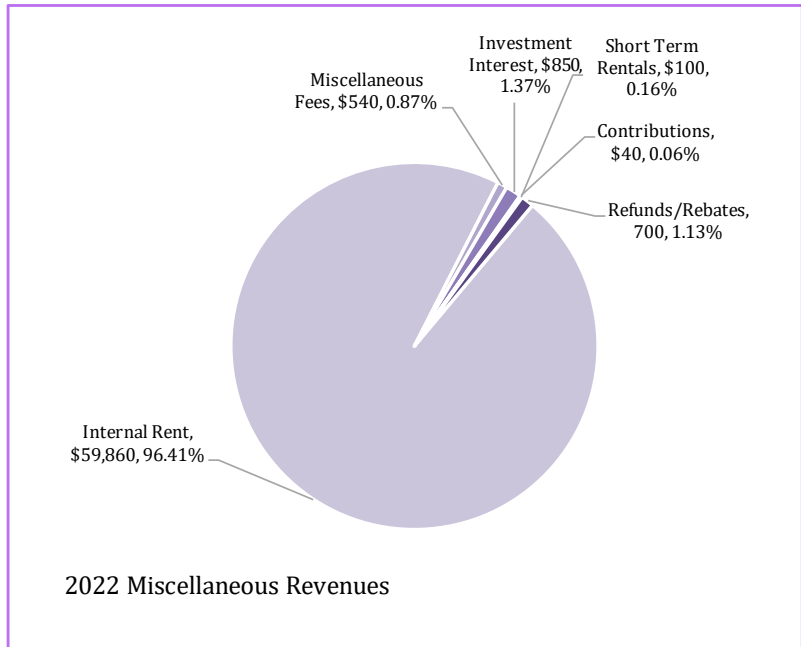
Total estimated revenue for court fines and general penalties is \$15,585



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

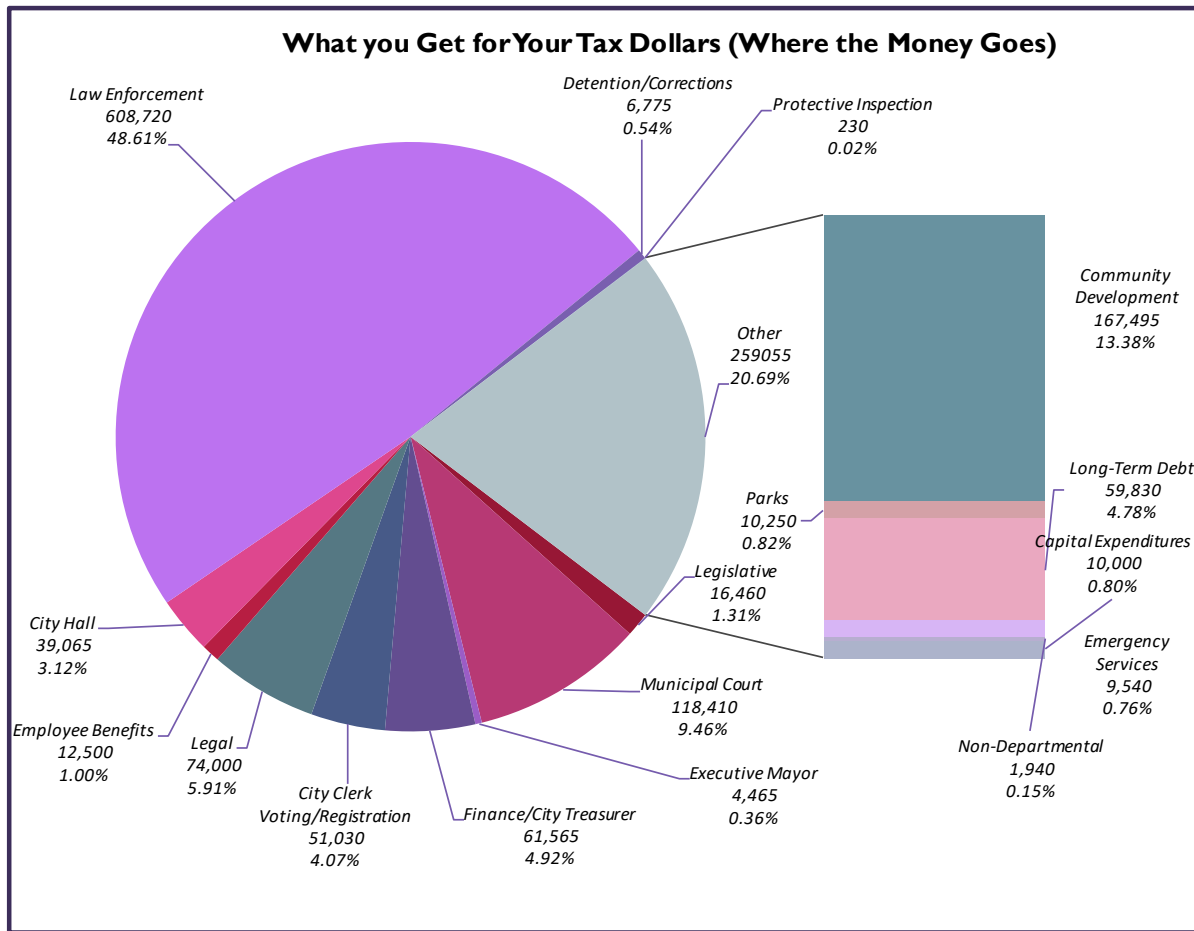


NON-REVENUES

- 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.



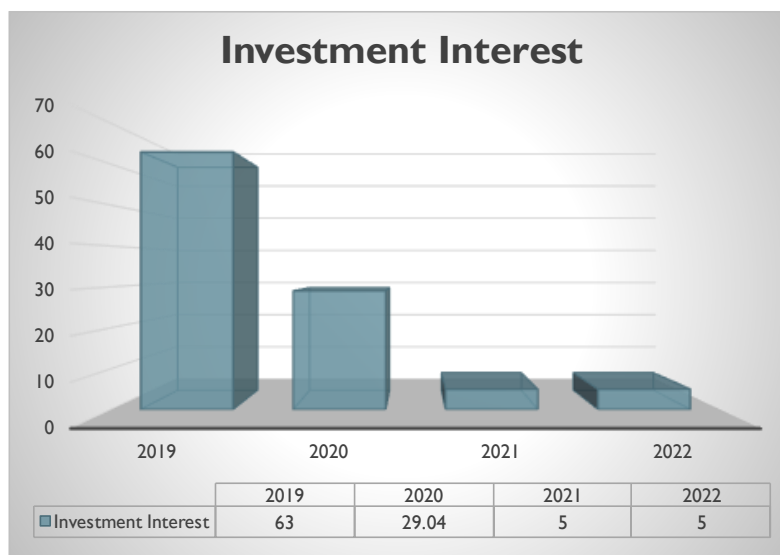
GENERAL FUND BUDGET SUMMARY

<h1>2023- General Fund Summary</h1>					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	672,224	815,768	980,519	1,028,964	840,350
Taxes:					
General Property Taxes	170,000	177,644	182,000	177,820	182,000
Retail Sales and Use Taxes	415,000	532,086	525,000	549,164	542,000
Business and Occupation Taxes	195,560	196,815	206,900	198,000	206,900
Total Taxes	780,560	906,545	913,900	924,984	930,900
Licenses and Permits	48,485	73,175	115,010	68,245	77,135
Intergovernmental Revenues	64,655	89,945	138,310	52,438	120,267
Charges for Goods and Services	41,295	43,352	154,350	152,964	156,780
Fines and Penalties	17,865	17,959	17,610	17,393	17,965
Miscellaneous Revenues	62,440	61,305	73,545	48,350	73,715
Transfers In	30,000	1,434	-	-	-
Total General Fund 001	1,045,300	1,193,715	1,412,725	1,264,374	1,376,762
Total Resources	1,717,524	2,009,483	2,393,244	2,293,338	2,217,112
Legislative	10,835	8,531	16,460	12,550	17,205
Municipal Court	107,350	104,133	123,670	118,222	139,213
Mayor/Executive	4,190	3,628	4,465	3,820	4,539
Treasurer Financial Services	44,685	45,946	66,650	62,345	59,448
City Clerk, Election, Voter Registration	47,315	39,015	53,115	51,298	57,317
Legal	48,000	66,792	74,000	62,000	74,000
Employee Benefits	23,495	15,598	12,500	9,200	12,500
Centralized Services (City Hall)^	31,805	27,722	42,165	38,646	39,270
Police/Public Safety (Law Enforcement)	543,140	459,780	623,385	580,300	683,954
Detention & Correction (Prisoner Costs)	6,175	4,574	12,775	12,500	13,675
Protective Inspection Services-CSO	1,250	121	230	8	230
<i>Emergency Services 525</i>	9,040	8,040	9,540	81,250	9,540
<i>Conservation 553 (Flood/Pollution)</i>	1,090	1,049	1,100	1,085	1,100
<i>Animal Control 554(Environmental Svcs)</i>	200	107	300	67	300
Community Development	87,820	126,578	178,055	196,827	245,957
<i>Chemical Dependency (2% Liquor Revenue)</i>	550	594	540	540	540
Historical Buildings	125	-	125	-	125
Parks & Recreation	9,600	8,281	10,125	6,300	10,418
NonExpenditures	-	-	-	-	-
Long-Term Debt	17,265	17,256	17,080	17,080	18,423
Interest & Debt Service	42,565	42,572	42,750	42,750	41,406
Capital Expenditures	4,245	-	14,245	6,200	14,245
TOTAL OPERATING BUDGET	1,040,740	980,317	1,303,275	1,302,988	1,443,405
Transfers Out	-	-	150,000	150,000	7,000
TOTAL APPROPRIATIONS	1,040,740	980,317	1,453,275	1,452,988	1,450,405
ENDING FUND BALANCE:	676,784	1,029,166	939,969	840,350	766,707
Notes for General Fund					

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



2023 - Substance Abuse Summary

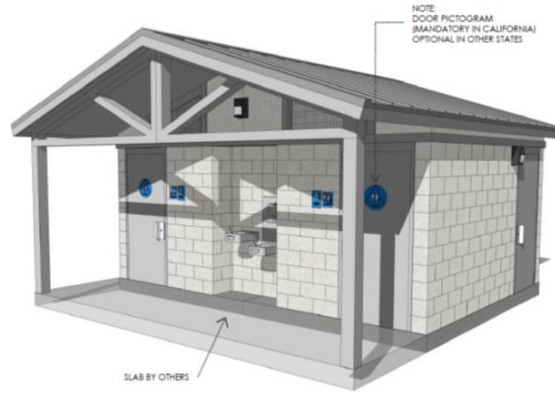
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	6,335	6,260	5,830	5,833	7,297
Fines & Penalties	-	-	1,399	1,451	500
Investment Interest	20	5	5	13	20
Total Revenues	20	5	1,404	1,464	520
Total Resources	6,355	6,265	7,234	7,297	7,817
EXPENDITURES					
Property Room Equipment	2,435	432	2,500	-	2,500
Total Expenditures	2,435	432	2,500	-	2,500
ENDING FUND BALANCE:	3,920	5,833	4,734	7,297	5,317

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 2023 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.

2023 - Park Improvement Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	127,099	128,237	168,382	170,065	198,651
REET Tax	20,000	41,684	30,000	28,548	35,000
Intergovernmental Revenues	258,900	-	728,900	-	728,900
Miscellaneous Revenue	40	51	50	38	50
Total Revenue	278,940	41,735	758,950	28,586	763,950
Transfers In	-	-	-	-	-
TOTAL REVENUES & TRANSFERS-IN	278,940	41,735	758,950	28,586	763,950
Total Resources	406,039	169,972	927,332	198,651	962,601
EXPENDITURES					
General Parks	-	-	-	-	-
Community Park Dugouts	-	-	-		
Park Building Imprvmnt Project	355,405	-	825,405	-	825,405
Park Improvements					
Park Capital Equipment					
Total Expenditures	355,405	-	825,405	-	825,405
ENDING FUND BALANCE:	50,634	169,972	101,927	198,651	137,196
RCO Grant Project Mayme Shaddock Park Kitchen					



PERSPECTIVE
(FINISHES SUBJECT TO CHANGE)

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.

2023 - Gen Gov Equipment Fund Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	\$61,771	\$61,771	\$37,901	\$47,795	\$43,820
REVENUES					
Miscellaneous Revenue	-	15	-	25	-
Other Financing Sources	-	-	43,445	-	43,445
Transfers In	-	-	-	-	-
Total Revenues	-	15	43,445	25	43,445
Total Resources	61,771	61,786	81,346	47,820	87,265
EXPENDITURES					
Centralized General Services (City Hall)	15,000	-	22,000	4,000	22,000
Other Financing Uses	-	-	-	-	-
Capital Equipment	12,260	13,991	58,445	-	43,445
Total Expenditures	27,260	13,991	80,445	4,000	65,445
ENDING FUND BALANCE:	34,511	47,795	901	43,820	21,820
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 I 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.

2023 - LEOFF 1 RETIREE TRUST FUND

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	-	-	-	-	100,000
REVENUES					
Transfers In			100,000	100,000	7,000
Total Revenues	-	-	100,000	100,000	7,000
Total Resources	-	-	100,000	100,000	107,000
EXPENDITURES					
LEOFF I Retiree Long-term Care					-
LEOFF I Retiree Medical Expenses					-
Total Expenditures					-
ENDING FUND BALANCE:				100,000	107,000.00

SPECIAL REVENUE FUND TYPES

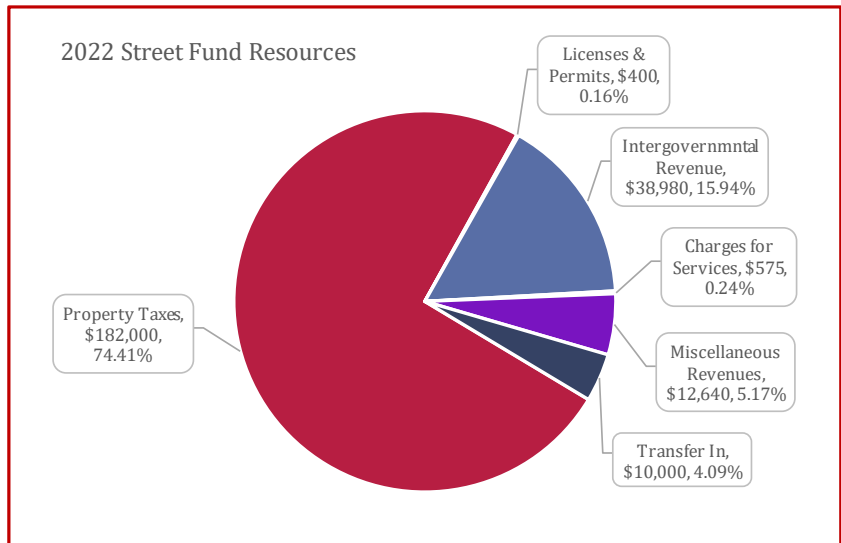
Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. *Restricted* revenues are resources externally restricted by creditors, grantors, contributors or laws 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 2023 property tax levy was budgeted \$180,000
- Delinquent Property Tax estimate for 2023 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.

2023 - Street Operating Fund Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	169,046	197,288	189,275	206,876	194,747
Property Taxes	170,000	177,171	182,000	174,280	182,000
Licenses & Permits	800	425	400	650	400
Intergovernmental Revenue	45,380	40,210	38,980	36,639	40,352
Charges for Services	575	605	575	500	575
Miscellaneous Revenues	375	38	12,640	124	12,740
Disposition of Capital Assets/Insurance	-	-	-	-	-
NonRevenues - Retainage Deposit	-	5,241	-	-	-
TOTAL REVENUES	217,130	223,690	234,595	212,193	236,067
Transfers In			10,000	10,000	-
TOTAL REVENUES & TRANSFERS	217,130	223,690	244,595	222,193	236,067
Total Resources	386,176	420,978	433,870	429,069	430,814
EXPENDITURES					
Maintenance	140,720	117,929	155,515	131,665	176,056
Administration	64,715	72,893	76,180	71,266	76,937
Planning Operations	-	-	-	11,509	-
Capital Expenditures	10,000	8,283	26,710	4,882	26,710
Total Operating Budget	215,435	199,105	258,405	219,322	279,703
Transfers Out	15,000	15,000	15,000	15,000	15,000
Total Expenditures	230,435	214,105	273,405	234,322	294,703
ENDING FUND BALANCE:	155,741	206,873	160,465	194,747	136,111
Notes for Street Fund: surplus of boom truck					
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 Striper 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.

2023- Street Cap Equipment Fund Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	16,000	16,000	31,000	31,000	46,000
REVENUES					
Transfers In	15,000	15,000	15,000	15,000	15,000
Total Revenues	15,000	15,000	15,000	15,000	15,000
Total Resources	31,000	31,000	46,000	46,000	61,000
EXPENDITURES					
Capital Equipment	-	-	-	-	60,000
Total Expenditures	-	-	-	-	60,000
ENDING FUND BALANCE:	31,000	31,000	46,000	46,000	1,000

STREET IMPROVEMENT FUND

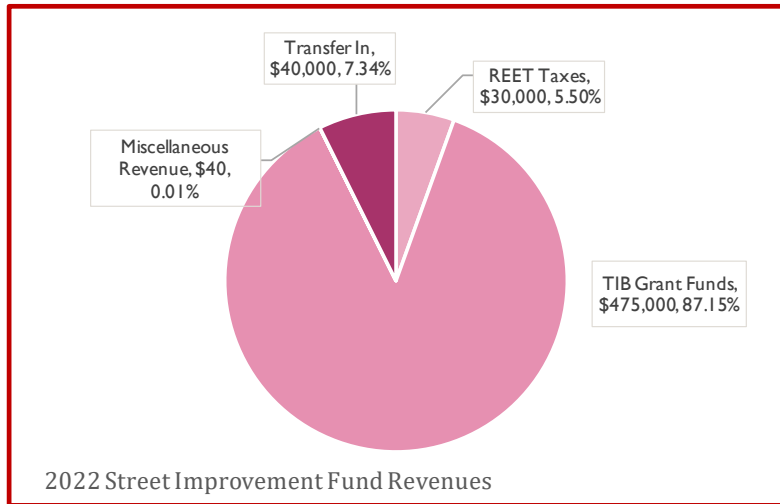
This fund is used to account for one half of the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2) and special grants that are legally restricted to the construction or maintenance of state highways within the City's boundaries. These proceeds were required to be 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



2023 - Street Improvement Fund Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	172,945	173,911	402,160	267,536	273,163
REET Taxes	34,675	41,685	30,000	29,125	35,000
TIB Grant Funds	473,350	400,879	513,029	40,498	513,029
Miscellaneous Revenue	40	73	20,080	20,085	20,090
Non Revenues (Retainage/Performance Bonds)	50,590	87,856	(20,040)	(17,740)	18,990
TOTAL REVENUE	558,655	530,493	543,069	71,968	587,109
Transfers In	-	-	42,000	42,000	2,000
Total Revenue & Transfers	558,655	530,493	585,069	113,968	589,109
Total Resources	731,600	704,404	987,229	381,504	862,272
EXPENDITURES:					
Engineering	63,000	87,329	50,000	373	50,000
Advertising Professional Services	250	270	375	-	375
Street Improvements	-	302,240	488,029	42,629	488,029
Engineering Sidewalks	57,495	-	-	-	-
Safe Routes Sidewalk 4th Ave NE	383,285	32,409	-	-	-
Street Lighting Improvements	50,590	14,619	61,785	54,379	61,785
Refund on Retainage			10,965	10,960	10,965
Total Expenditures	554,620	436,867	611,154	108,341	611,154
ENDING FUND BALANCE:	176,980	267,537	376,075	273,163	251,118
<i>Restricted Revenues: Developers Agreements: HH Napavine 16 \$15,000 and Taco Bell \$15,990</i>					
<i>Retainage Bond for Trailer Station \$50,590</i>					

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

2023 - Criminal Justice Fund Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	65,494	68,102	99,922	106,136	68,940
Taxes:					
Local Criminal Justice	40,400	47,508	48,000	43,996	48,000
Total Taxes	40,400	47,508	48,000	43,996	48,000
State Shared Revenues:					
CJ LoPop	1,000	1,000	1,000	1,000	1,000
CJ Special Programs	2,350	2,311	2,310	2,309	2,483
CJ DUI & Other Assistance	275	323	275	217	275
Total Intergovernmental Revenues	3,625	3,634	3,585	3,526	3,758
Miscellaneous Revenue-Sale Surplus	-	-	-		
TOTAL REVENUES	44,025	51,142	51,585	47,522	51,758
Total Resources	109,519	119,244	151,507	153,658	120,698
EXPENDITURES					
Police Administration	3,000	304	-	-	-
Police Operations	15,000	10,031	23,000	-	23,000
Crime Prevention	8,000	1,337	16,700	4,500	8,500
Training	1,000	-	1,500	-	1,500
Traffic Policing	4,000	-	4,645	348	4,645
Capital Equipment	20,000	-	70,000	79,870	70,000
TOTAL EXPENDITURES	51,000	11,672	115,845	84,718	107,645
Transfers Out	30,000	1,434	-	-	-
TOTAL APPROPRIATIONS	81,000	13,106	115,845	84,718	107,645
ENDING FUND BALANCE:	28,519	106,138	35,662	68,940	13,053
Replace 2014 Dodge Charger & 2015 Dodge Charger					

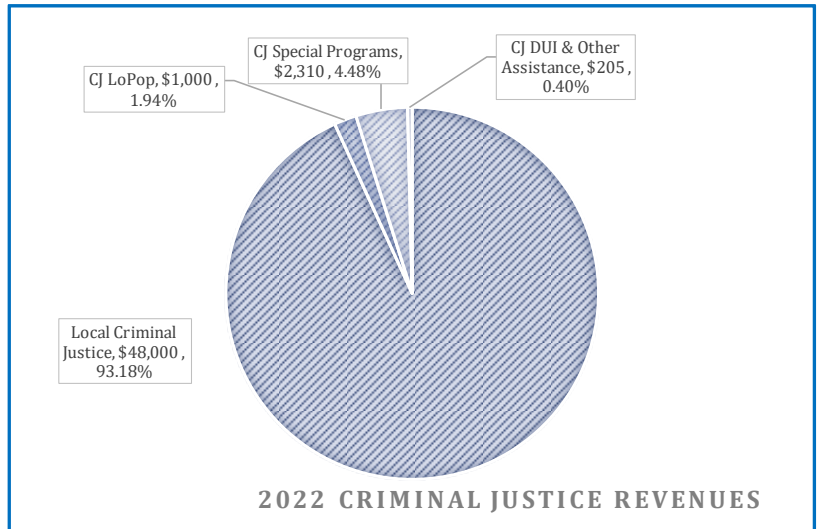
CRIMINAL JUSTICE REVENUES

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.

2023 - LOCAL FISCAL RECOVERY FUND SUMMARY					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	-	-	279,561	279,561	347,122
Intergovernmental Revenues					
COVID-19 ARPA Fiscal Recovery		279,561	279,290	279,561	-
Total Intergovernmental Revenues	-	279,561	279,290	279,561	-
Total Local Fiscal Recovery Fund	-	279,561	279,290	279,561	-
Total Resources	-	279,561	558,851	559,122	347,122
EXPENDITURES					
Capital Equipment/City Hall			287,558	212,000	126,522
Internet Capital			50,000		50,000
Water Infrastructure Improvement			50,000		50,000
Sewer Infrastructure Improvement			50,000		50,000
Total Capital Expenditures			437,558	212,000	276,522
ENDING FUND BALANCE:		279,561	121,293	347,122	70,600

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).

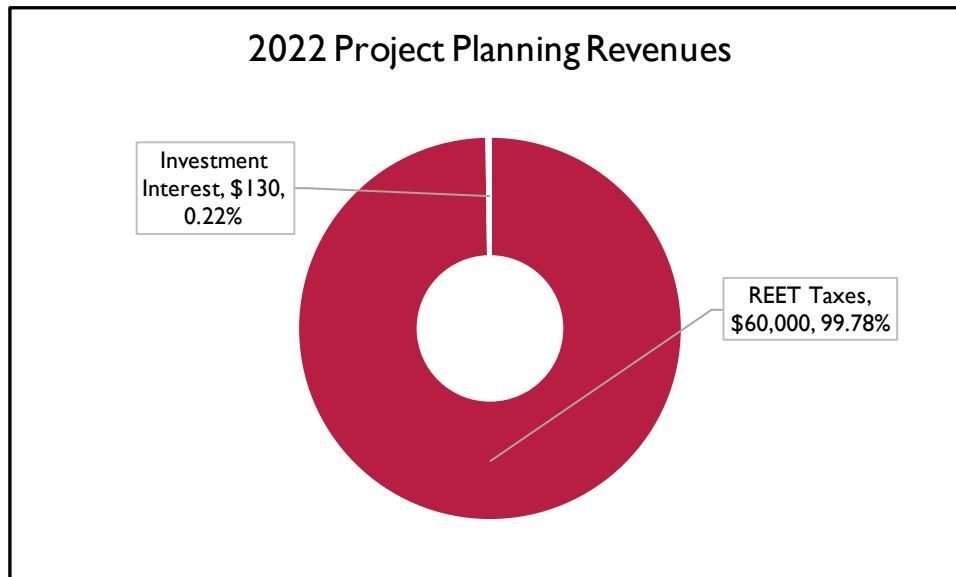
2023 - Project Planning Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	206,590	208,519	281,528	290,867	347,813
REVENUES					
REET Taxes	40,000	83,368	60,000	56,816	70,000
Investment Interest	325	232	130	130	150
Total Revenue	40,325	83,600	60,130	56,946	70,150
Total Resources	246,915	292,119	341,658	347,813	417,963
EXPENDITURES:					
Planning	55,000	1,253	30,000	-	30,000
Economic Development	20,000	-	50,000	-	50,000
Total Expenditures	75,000	1,253	80,000	-	80,000
ENDING FUND BALANCE:	171,915	290,866	261,658	347,813	337,963

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.

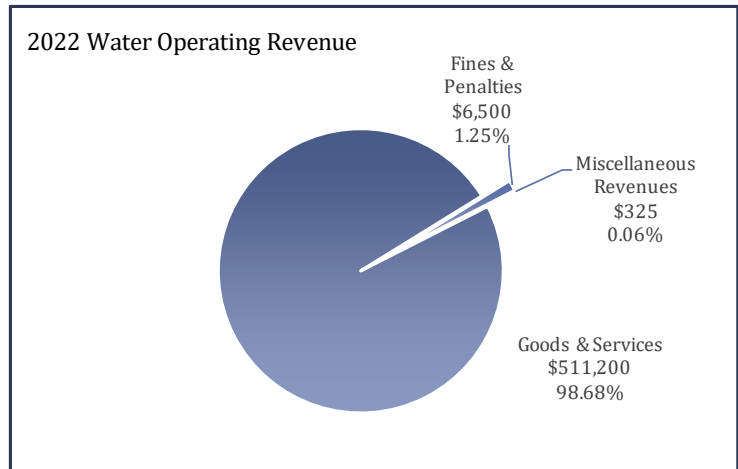
WATER FUND

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 26th 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



2023 - Water Operating Fund Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	739,000	764,811	869,841	862,487	851,855
Revenues					
Intergovernmental Resources	-	931	-	-	-
Goods and Services	469,600	515,979	556,200	534,350	488,600
Fines & Penalties	7,000	245	9,000	10,304	10,000
Miscellaneous Revenues	1,550	2,230	595	1,494	595
Non Revenues	-	-	-	55	-
Total Revenues	478,150	519,385	565,795	546,203	499,195
Total Resources	1,217,150	1,284,196	1,435,636	1,408,690	1,351,050
EXPENDITURES					
Administration	322,495	295,155	471,990	380,165	479,001
Engineering	50	-	-	-	-
Maintenance	18,400	13,064	20,000	17,280	25,100
Utility Operating Expenditures	50,070	59,713	99,075	97,050	78,225
Non-Expenditures			-	-	-
Total Enterprise Expenses	391,015	367,932	591,065	494,495	582,326
LONG-TERM DEBT:					
USDA - Water Reservoir	22,715	22,710	22,720	22,720	22,710
Dept of Ecology-Stormwater Study	7,275	2,420	2,430	2,420	2,420
Total Debt	29,990	25,130	25,150	25,140	25,130
Capital Expenditures	5,495	2,717	8,400	7,200	15,000
Total Operating Budget	426,500	395,779	624,615	526,835	622,456
Transfers Out	25,000	25,000	30,000	30,000	30,000
Total Expenditures	451,500	420,779	654,615	556,835	652,456
ENDING FUND BALANCE:	765,650	863,417	781,021	851,855	698,594

WASTEWATER FUND

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

WASTEWATER FUND REVENUE

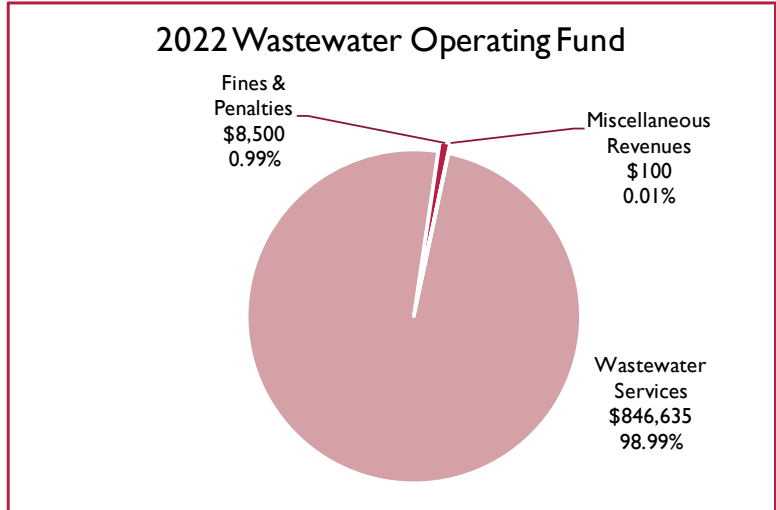
- Goods & Services:
- Wastewater Service Demand rates are \$58 per month and the consumption rate for customers using 0-3,499 CF is \$4.50 per 100 CF and customers using greater than 3,500 CF is \$5.00 per 100 CF. A senior citizen rate was established for those that meet the criteria of an age and income 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 26th 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



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.

2022 - USDA Bond Reserve Fund					
Description	Budget 2020	Actual 2020	Budget 2021	Est Y/E 2021	Budget 2022
Beginning Cash & Investments	22,710	22,710	22,710	22,710	22,710
REVENUES					
Transfers In	-	-	-	-	-
Total Revenues	-	-	-	-	-
Total Resources	22,710	22,710	22,710	22,710	22,710
EXPENDITURES					
Transfers Out	-	-	-	-	-
Total Expenditures	-	-	-	-	-
ENDING FUND BALANCE:	22,710	22,710	22,710	22,710	22,710
Hold in reserve until debt is paid in full, per amortization schedule this will be June 2039					
Once USDA RD loan is paid in full, transfer back to Water Operating Fund or to Capital Improvement					

2023 - Water System Improvement Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	395,689	413,602	503,117	469,123	553,772
REVENUES					
<i>Miscellaneous Revenues:</i>					
Investment Interest	750	331	115	349	115
Water Connection Fees	12,950	54,270	80,550	56,300	12,950
Water Infrastructure	7,000	28,000	13,000	13,000	6,000
Total Miscellaneous Revenue	20,700	82,601	93,665	69,649	19,065
Non Revenues	-	-	-	-	-
Total Revenues	20,700	82,601	93,665	69,649	19,065
Transfers In	10,000	10,000	15,000	15,000	15,000
Total Revenues & Transfers	30,700	92,601	108,665	84,649	34,065
Total Resources	426,389	506,203	611,782	553,772	587,837
EXPENDITURES					
Non Expenditures	-	-	-	-	-
<i>Capital Expenditures:</i>					
Well #6 Supplies	-	-	-	-	-
Well #6 Treatment Equipment	-	-	-	-	-
Engineering Services	-	-	-	-	-
Misc. Professional Services	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-
Water Rights Purchase	-	-	-	-	-
Water System Improvements	40,000	37,080	65,000	-	65,000
Capital Equipment	-	-	-	-	-
Capital Leases	-	-	-	-	-
Total Capital Expenditures	40,000	37,080	65,000	-	65,000
Total Expenditures	40,000	37,080	65,000	-	65,000
ENDING FUND BALANCE:	386,389	469,123	546,782	553,772	522,837

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.

2023 - Water Deposit Trust Fund Summary

Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	7,615	7,615	7,615	7,615	5,615
Ordinance 521 on 4/23/13 suspended deposits					
REVENUES					
Utility Deposits	-	-	-	-	-
Total Revenues	-	-	-	-	-
Total Resources	7,615	7,615	7,615	7,615	5,615
EXPENDITURES					
Refunds	500	0	500	1,553	500
Transfers	7,100	0	5,000	447	2,000
Total Expenditures	7,600	0	5,500	2,000	2,500
ENDING FUND BALANCE:	15	7,615	2,115	5,615	3,115

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.

2023 - Wastewater System Improvement Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	465,451	465,442	609,507	572,412	656,329
REVENUES					
Investment Interest	475	50	100	230	100
Wastewater Connection Fees	19,950	68,814	70,480	60,900	19,950
Infrastructure Fee	7,000	28,000	11,000	9,000	6,000
Total Revenue	27,425	96,864	81,580	70,130	26,050
Transfers In	10,000	10,000	15,000	15,000	15,000
Total Revenues & Transfers	37,425	106,864	96,580	85,130	41,050
Total Resources	502,876	572,306	706,087	657,542	697,379
EXPENDITURES					
Pumpstation Equipment					
Professional Services	20,000	-	30,000	-	30,000
Wastewater Improve Projects	30,000	-	-	-	30,000
Capital Equipment Purchases	20,000	-	-	1,213	-
Total Expenditures	70,000	-	30,000	1,213	60,000
ENDING FUND BALANCE:	432,876	572,306	676,087	656,329	637,379

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.

2023 - LID 2011-1 Bond Redempt Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	299,982	393,276	502,515	501,094	435,464
REVENUES					
Fines & Penalties	-	-	2,225	2,226	2,225
Investment Interest	600	1,083	900	1,628	1,850
Accrued Interest	-	(499)	-	-	
Gains on Bonds	-	687	-	-	
Assessment Interest	8,080	4,868	4,675	6,197	4,675
Special Assessments	213,580	214,691	182,370	204,679	182,370
Total Revenues	222,260	220,830	190,170	214,730	191,120
Total Resources	522,242	614,106	692,685	715,824	626,584
EXPENDITURES					
Reimburse Hamilton Walnut Shade	32,000	31,943	-	-	-
Debt Redemption	71,115	71,113	271,115	271,115	71,115
Interest	9,960	9,956	9,250	9,245	9,250
Total Expenditures	113,075	113,012	280,365	280,360	80,365
ENDING FUND BALANCE:	409,167	501,094	412,320	435,464	546,219

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.

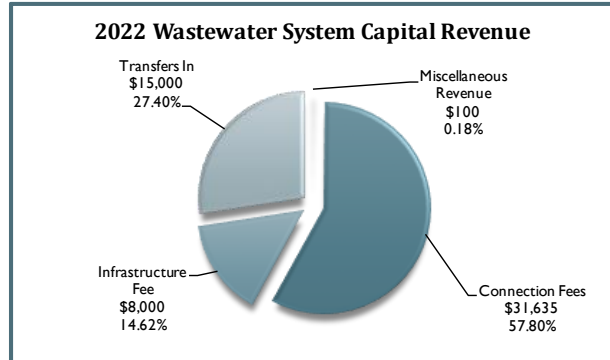
2023 - Water Capital Equip Fund Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	16,000	16,000	31,000	31,000	44,787
REVENUES					
Transfers In	15,000	15,000	15,000	15,000	15,000
Total Revenues	15,000	15,000	15,000	15,000	15,000
Total Resources	31,000	31,000	46,000	46,000	59,787
EXPENDITURES					
Capital Equipment	-	-	31,000	1,213	59,786
Total Expenditures	-	-	31,000	1,213	59,786
ENDING FUND BALANCE:	47,000	47,000	15,000	44,787	1
Replace Backhoe for a 2021 John Deer 310SL Backhoe Loader			59,786		

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



2023 - Wastewater System Improvement Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	465,451	465,442	609,507	572,412	656,329
REVENUES					
Investment Interest	475	50	100	230	100
Wastewater Connection Fees	19,950	68,814	70,480	60,900	19,950
Infrastructure Fee	7,000	28,000	11,000	9,000	6,000
Total Revenue	27,425	96,864	81,580	70,130	26,050
Transfers In	10,000	10,000	15,000	15,000	15,000
Total Revenues & Transfers	37,425	106,864	96,580	85,130	41,050
Total Resources	502,876	572,306	706,087	657,542	697,379
EXPENDITURES					
Pumpstation Equipment					
Professional Services	20,000	-	30,000	-	30,000
Wastewater Improve Projects	30,000	-	-	-	30,000
Capital Equipment Purchases	20,000	-	-	1,213	-
Total Expenditures	70,000	-	30,000	1,213	60,000
ENDING FUND BALANCE:	432,876	572,306	676,087	656,329	637,379

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.

2023 - Sewer Capital Equip Fund Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	21,000	21,000	31,000	31,000	46,000
REVENUES					
Transfers In	10,000	10,000	15,000	15,000	15,000
Total Revenues	10,000	10,000	15,000	15,000	15,000
Total Resources	31,000	31,000	46,000	46,000	61,000
EXPENDITURES					
Capital Equipment	-	-	31,000	-	61,000
Total Expenditures	-	-	31,000	-	61,000
ENDING FUND BALANCE:	52,000	52,000	15,000	46,000	-
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

2023 - Unemployment Comp Fund Summary					
Description	Budget 2021	Actual 2021	Budget 2022	Est Y/E 2022	Budget 2023
Beginning Cash & Investments	34,836	34,836	34,836	34,836	34,836
REVENUES					
Transfers In					
Total Revenues					
Total Resources	34,836	34,836	34,836	34,836	34,836
EXPENDITURES					
Unemployment Compensation	32,000		34,000		34,000
Total Expenditures	32,000	-	34,000	-	34,000
ENDING FUND BALANCE:	2,836	34,836	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									
2023 BUDGET									
Loan/Year & Project/Fund#/Interest Rate	Original Loan Amt	Bal 1/1/2022	Payments 2022	2023	2024	2025	2026	2027-2049	Final Year
Color Key: GENERAL FUND	CRIMINAL JUSTICE	STREET	WATER	WASTEWATER (SEWER)				Princ Bal	
General Fund									
USDA-RD-GO Bond/2009-City Hall Purchase/001/4.375%	1,125,000	917,388	59,830	59,830	59,830	59,830	59,830	824,906	2049
Total General Fund Loans	1,125,000	917,388	59,830	59,830	59,830	59,830	59,830	824,906	
Criminal Justice Fund									
Total Criminal Justice Fund	-	-	-	-	-	-	-	-	
Water Fund									
DOH 10-952-006 Rush Rd LID 2011-1/1%	2,832,000	1,076,649	80,358	79,646	78,935	78,224	77,724	562,292	2034
USDA -RD-1999 - 350,000 Gal Reservoir/401/3.25%	500,000	297,279	22,710	22,710	22,710	22,710	22,710	223,800	2039
Dept of Ecology/2004 -Stormwater Study/401/1.5%	40,617	4,652	2,420	2,419	-	-	-	-	2023
Total Water Fund Loans	540,617	1,378,580	105,488	104,775	101,645	100,934	100,434	786,092	
Wastewater Fund									
PWTF Loan/2004 - Rush Rd Force Main/406/1%	1,067,080	164,138	57,116	56,561	56,007	-	-	-	2024
City of Chehalis/2008 - 12% Regional Wastewater Plant/406/0.5%	4,160,675	1,248,202	208,034	208,034	208,034	208,034	208,034	208,034	2028
Total Wastewater Loans	5,227,755	1,412,340	265,150	264,595	264,041	208,034	208,034	208,034	
Compensated Absences		23,614							
Net Pension Liability		197,713							
Grand Total City Debt	6,893,372	3,708,308	430,468	429,200	425,516	368,798	368,298	1,819,032	

SCHEDULE OF TRANSFERS

CITY OF NAPA VINE			
2023 BUDGET			
SCHEDULE OF TRANSFERS			
TRANSFERS IN	AMOUNT	TRANSFERS OUT	AMOUNT
General Fund	-	General Fund	7,000
General Governmnt Capital Equipment	-	Street Fund	15,000
Street Fund	-	Criminal Justice Fund	-
Street Capital Equipment Fund	15,000	Water Fund	30,000
Street Improvement Fund	-	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	7,000		
Total Transfers In	82,000	Total Transfers Out	82,000
 Recap by Fund:			
General Gov Capital Equipmnt	-	General Fund	7,000
Street Fund	-		-
Street Improvement Fund	-		
Leoff I Retiree Trust Fund	7,000		
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		-
			-
Total by Fund	82,000		82,000

SALARY SCHEDULE

The salary and hourly amounts include a 10% Wage increase for all employees and an additional amount for police officers for all members in the Teamsters bargaining unit that was effective on January 1, 2023. Non-union employee's salary received the same cost-of-living increases. The city staff are budgeted at 40 hours per week.

2023 Salary Schedule						
Union Positions	Step A	Step B	Step C	Step D	Step E	FTE
Director of PW	5,258	5,463	5,781	6,093	6,511	1.0
Police Chief	7,608	7,799	7,994	8,193	8,398	1.0
Field Foreman	4,940	5,210	5,346	5,481	5,616	0.0
Police Sgt	5,239	5,462	5,800	6,250	6,584	1.0
Patrol Officer	4,556	4,750	5,043	5,435	5,725	2.0
Utility Worker	4,225	4,415	4,699	4,835	5,364	2.87
Deputy Clerk	4,225	4,415	4,699	4,835	5,364	0.0
Clerk Asst	3,659	3,806	4,016	4,313	4,546	1.0
Planner	4,625	4,940	5,075	5,346	5,616	0.0
Court Administrator	4,812	4,964	5,240	5,493	5,806	0.8
Court Clerk	3,813	3,960	4,170	4,466	4,703	0.0
Building Inspector	4,940	5,210	5,346	5,481	5,616	0.13
CSO/Parks/Maint	4,225	4,415	4,699	4,835	5,364	0.0
Police Clerk	3,805	3,960	4,170	4,466	4,699	0.0
Administrative Asst	3,805	3,972	4,150	4,337	4,535	0.0
Executive Assistant	4,255	4,415	4,699	4,835	5,364	2.0
						11.8
NON-UNION DEPARTMENT HEADS:	<u>SALARY</u>	<u>Longevity</u>	<u>Total</u>	<u>Hour rate</u>	<u>FTE</u>	
City Treasurer	\$ 6,872.89	\$ -	\$ 6,872.89	\$39.65	1.0	40 hrs wk
City Clerk	\$ 6,738.13	\$ -	\$ 6,738.13	\$38.87	1	40 hrs wk
City Attorney			Contracted \$200 Hourly Rate			
Municipal Court Judge			Contracted (\$1,000 month)			
Union Positions:	<u>Salary</u>	<u>Longevity</u>	<u>Total</u>	<u>Hourly rate</u>	<u>FTE</u>	
Chief of Police	\$ 8,398.09	\$ -	\$ 8,398.09	\$ 48.45	1.0	40 hrs wk
				\$ -		
Clerk Assistant - Step E	\$ 4,545.94	\$ -	\$ 4,545.94	\$ 26.23	1.0	40 hrs wk
Director of PW	\$ 6,511.12	\$ 120.00	\$ 6,631.12	\$ 37.56	1.0	40 hrs wk
Community Development						
Stipend	\$22,500.00		\$ 22,500.00			Included
Patrol Sgt Step E	\$ 6,584.04	\$ 20.00	\$ 6,604.04	\$ 37.98	1.0	40 hrs wk
Patrol Officer - Step D/E	\$ 5,725.25	\$ -	\$ 5,725.25	\$ 33.03	1.0	40 hrs wk
Patrol Officer - Step C/D	\$ 5,434.80	\$ -	\$ 5,434.80	\$ 31.35	1.0	40 hrs wk
Police Executive Asst Step E	\$ 5,363.50	\$ 40.00	\$ 5,403.50	\$ 30.94	1.0	40 hrs wk
Utility Worker #1 @ Step E	\$ 5,363.50	\$ 130.00	\$ 5,493.50	\$ 30.94	1.0	40 hrs wk
Utility Worker #2 @ Step C	\$ 4,699.40	\$ -	\$ 4,699.40	\$ 27.11	1.0	40 hrs wk
Court Administrator Step D	\$ 4,394.66	\$ -	\$ 4,394.66	\$ 25.35	0.8	32 hrs wk
Building Inspector - Step D/E	\$ 5,615.93	\$ -	\$ 5,615.93	\$ 32.40	1.0	40 hrs wk
CD Executive Assistant Step E	\$ 5,363.50	\$ 20.00	\$ 5,383.50	\$ 30.94	1.0	40 hrs wk

SALARY FUND ALLOCATION

City of Napavine										
Salary Allocation By Fund										
	2022					2023				
	Budget					Budget				
	General	Street	Water	Waste-water		General	Street	Water	Waste-water	
	Fund	Fund	Fund	Fund	Total	Fund	Fund	Fund	Fund	Total
NON-UNION POSITIONS	NON-UNION POSITIONS					NON-UNION POSITIONS				
City Clerk	35%	5%	30%	30%	100%	35.0%	5.0%	30.0%	30.0%	100.0%
City Clerk (Finance)	0%									
City Treasurer	35.0%	10.0%	30.0%	25.0%	100.0%	35.0%	10.0%	30.0%	25.0%	100.0%
UNION POSITIONS	UNION POSITIONS					UNION POSITIONS				
Deputy Clerk	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deputy Clerk (Finance)						0.0%				
Clerk Assistant (Clerk)	8.0%	0.0%	45.0%	45.0%	98.0%	8.0%	0.0%	45.0%	45.0%	
Clerk Assistant (Finance)	2.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%	100.0%
Police Chief	100.0%				100.0%	100.0%				100.0%
Patrol Officer I	100.0%				100.0%	100.0%				100.0%
Patrol Officer II	100.0%				100.0%	100.0%				100.0%
Patrol Officer III	0.0%				0.0%	100.0%				100.0%
Police Executive Asst	100.0%				100.0%	100.0%				100.0%
Court Administrator	100.0%				100.0%	100.0%				100.0%
Community Development Stipend						100.0%				100.0%
Public Works Director	0.0%	33.0%	34.0%	33.0%	100.0%	0.0%	33.0%	34.0%	33.0%	100.0%
Executive Assistant	30.0%	10.0%	30.0%	30.0%	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%	10.0%	45.0%	45.0%	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

General Government									
Administrative Services									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	Total
Clerks Office									
Computers	Replace Existing	General Fund/GF Capital Equip Fund	\$ -	\$ 2,000	\$ 2,000	\$ 2,000			\$ 6,000
Court/Council/Planning									
Mixer/Sound Equipment	Replace Existing	General Fund/GF Capital Equip Fund	43,445	-					43,445
Comm. Development									
Computers	Replace Existing	General Fund	-		8,000				8,000
Community Development/Public Works									
		General Fund	-						-
Comp Plan Update	Update	General Fund	130,000	50,000					180,000
Mayor's Office									
Laptop	Replace Existing	General Fund				2,000			2,000
TOTAL	Administrative Services		130,000	50,000	8,000	2,000			190,000

PARKS AND PUBLIC FACILITIES

Community Services									
PARKS AND PUBLIC FACILITIES									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	TOTAL
PARKS									
West Side Park	Pave City Park	Park Improvement							
2" asphalt overlay	Birch St. Entrance and Parking Lot	Fund/Donations					26,000	-	26,000
West Side Park	Pave internal	Park Improvement							
2" asphalt mat on walking paths	walking paths	Fund/Donations				8,300	-		8,300
West Side Park	Cont. Building Nature	Park Improvement							
Add Nature Walking Trails	trails w/view stations & oxbows	Fund/Donations		15,500	-				15,500
Mayme Shaddock/ West Side Park	Picnic Tables	Parks Maint.							-
	10 @ \$800 ea								
Mayme Shaddock	Build or reconstruct	Park Capital facilities							
	kitchen area to be	RCO Grant							
	enclosed with bathroom	donations	970,000						970,000
	facilities and heating								
TOTAL - Park Facilities			970,000	15,500	-	8,300	26,000	-	1,019,800

PUBLIC FACILITIES (CITY HALL)

PUBLIC FACILITIES									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	TOTAL
City Hall		General Fund Capital Equip	-	15,000	7,000				22,000
City Hall	Repaint Exterior	General Fund Capital Equip		7,000					7,000
TOTAL - Public Facilities			-	22,000	7,000	-	-	-	29,000

POLICE DEPARTMENT

General Government									
POLICE DEPARTMENT									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	Total
Vehicle Laptops	Replace Vehicle Laptops	Criminal Justice Fund			-		35,000		35,000
Office Desktops	Replace Desktop computers	Criminal Justice Fund			-	18,000	-		18,000
Vehicle Purchase	Replace patrol vehicles as needed	Criminal Justice Fund	70,000	-	65,000	-			135,000
TOTAL Police Department			70,000	-	65,000	18,000	35,000	-	188,000

PUBLIC WORKS – CAPITAL EQUIPMENT

PUBLIC WORKS									
CAPITAL EQUIPMENT									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	Total
Backhoe	Replace Backhoe	Street, Water, Sewer Capital Equipment Funds	135,000						135,000
Sweeper	New Equipment	Water/Sewer/Streets		50,000					50,000
Pickup	Replace	Street Water, Sewer Capital			25,000				25,000
TOTAL	Public Works		135,000	50,000	25,000				210,000

PUBLIC WORKS – STREET SYSTEM

STREET SYSTEM									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	TOTAL
All Arterial Roads	Chip Seal & Restripe	TIB	-	-		50,000	400,000		450,000
Rush Rd (Bridge to I-5)	Grind Reasphalt 8" depth	TIB	200,000	-					200,000
Rush Rd Stella to Bridge	Grind Reasphalt	TIB Grant	80,000	-					80,000
Mill Road from Wash. to City Limits	Re-construction roadway	Dedicated Fund Grant/LID or Development					130,000	-	130,000
Bridge to Hamilton int	Traffic Control Devices	Developer fees	60,000					-	60,000
Rush Rd to Stella Bridge	Sidewalks	Sidewalks Improvement, Grants or Development						-	-
	Bike Lanes				1,500,000	1,500,000			3,000,000
	Grind Asphalt								
TOTAL - Street			340,000	-	1,500,000	1,550,000	530,000	-	3,920,000

PUBLIC WORKS – WATER SYSTEM

PUBLIC WORKS									
WATER SYSTEM									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	TOTAL
Reservoir #1 Tower	Resurface Interior & exterior of reservoir	Water Improvement Fund, Grants					409,000	-	409,000
3rd Ave. NW Main (WA to Vine)	Replace undersize mains to 8" lines - Connect to existing 8" line on 3rd Ave NW	Water Operating Fund		18,500					18,500
Water System Plan		Water Improvement Fund	150,000						150,000
Booster Pumps	Telemetry	Water Improvement Fund	-						-
Well 6 Treatment Plant Rush Rd	New Drivers	Water Capital Equipment Fund	15,000						15,000
TOTAL - Water System			165,000	18,500	-	-	409,000	-	592,500

PUBLIC WORKS – WASTEWATER SYSTEM

PUBLIC WORKS									
SEWER SYSTEM									
PROJECT	DESCRIPTION	REVENUE SOURCE	2023	2024	2025	2026	2027	2028	TOTAL
Jefferson St Sewer Station	Reconstruction	LC EDC/.09 Funds & Wastewater System Improvement Fund	1,170,000	2,000,000					3,170,000
Rush Rd Sewer Station	Reconstruction	Wastewater System Improvement Fund		500,000					500,000
TOTAL - Sewer			1,170,000	2,500,000	-	-	-	-	3,670,000

DETAILED SALARY-BENEFIT SCHEDULE

Position	Salary	Longevity	Total	Certs	Ret'mt	Med/Dent	Medicare	L & I	Def Com	Accrual Liab	Total Benefits	Total
Municipal Court												
Court Administrator-32 hrs @ 30.23/31.69	51,330.56	-	51,330.56		10.39%	\$950 CAP	0.0145	0.12415		Term Liability		
					5,333.25	11,400.00	771.86	214.53	2,550.00	1,901.40	22,171.04	73,501.60
Total Court	51,330.56	-	51,330.56		5,333.25	11,400.00	771.86	214.53	2,550.00	1,901.40	22,171.04	73,501.60
Treasurer's Office												
City-Treasurer - 40 hrs @ \$39.65	82,472.00	-	82,472.00		8,568.84	11,400.00	1,230.34	119.18	3,600.00	2,379.00	27,297.36	109,769.36
City Clerk - 40hrs Step E @ \$38.87	80,849.60	-	80,849.60		8,400.27	11,400.00	1,194.86	268.16	3,600.00	1,554.80	26,418.10	107,267.70
Clerk Assistant 40 hrs Step E @ 26.22	54,537.60	300.00	54,837.60		5,697.63	11,400.00	826.02	268.16		2,129.60	20,321.42	75,159.02
Overtime -	900.00	-	900.00		93.51	-	13.05	6.21	-	-	112.77	1,012.77
Total Finance & Administration	218,759.20	300.00	219,059.20		22,760.25	34,200.00	3,264.28	661.72	7,200.00	6,063.40	74,149.65	293,208.85
Police												
					0.0530			1.27735				
Chief - 40 hrs Step D/E @ 47.26/48.45	98,919.60	-	98,919.60		5,242.74	11,400.00	1,475.18	2,897.03	1,800.00	2,817.00	25,631.95	124,551.55
Sgt 1- 40 hrs Step E @ 37.98	78,998.40	260.00	79,258.40		4,200.70	11,400.00	1,182.29	2,897.03	-	2,278.80	21,958.81	101,217.21
Patrolman II - 40 hrs Step E @ \$33.03	68,702.40		68,702.40		3,641.23	11,400.00	1,024.92	2,897.03	1,200.00	1,981.80	22,144.98	90,847.38
Patrolman III - 40 hrs Step D/E @ 31.35/33.03	66,888.00		66,888.00		3,545.06	11,400.00	998.61	2,897.03	600.00	1,981.80	21,422.51	88,310.51
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	551.82	-	-	1,564.32	16,564.32
Executive Asst 40 hrs Step E \$30.94	64,355.20	560.00	64,915.20		6,744.69	11,400.00	965.74	268.16	-	1,687.80	21,066.40	85,981.60
Total Police Dept.	402,863.60	820.00	403,683.60		24,169.41	57,000.00	6,009.25	12,408.10	3,600.00	10,747.20	113,933.96	517,617.56
Community Development												
								0.76240				
Director	22,500.00	-	22,500.00		2,337.75	-	326.25	396.45	-	-	3,060.45	25,560.45
Exec Assistant - 40 hrs Step E @ 30.94	64,355.20	320.00	64,675.20		6,719.75	11,400.00	955.74	268.16	1,200.00	1,237.60	21,781.25	86,456.45
Inspector - Step D/E 5 hrs 13% @ \$31.61/32.	8,374.60		8,374.60		870.12	1,482.00	123.60	205.85		149.50	2,831.07	11,205.67
Total Community Development	95,229.80	320.00	95,549.80		9,927.62	12,882.00	1,405.59	870.46	1,200.00	1,387.10	27,672.77	123,222.57
Public Works												
								0.76240				
PW Director-40 hrs @ 37.56	78,124.80	1,760.00	79,884.80		8,300.03	11,400.00	1,201.90	1,646.78	1,800.00	3,004.80	27,353.51	107,238.31
Utility Worker I -Step E 40 hrs @ \$30.94	64,355.20	1,620.00	67,175.20	1,200.00	7,104.18	11,400.00	1,018.36	1,646.78	2,400.00	1,856.40	25,425.73	93,800.93
Utility Worker II -Step c 40 hrs @ \$27.11	56,388.80	-	56,388.80	-	5,858.80	11,400.00	833.36	1,646.78	300.00	1,084.40	21,123.34	77,512.14
Utility Worker III - Step D/E 35 hrs @ \$31.61	58,622.00	-	58,622.00		6,090.83	9,918.00	866.36	1,440.94	300.00	1,127.17	19,743.29	78,365.29
Overtime	1,000.00	-	1,000.00		103.90	-	14.50	38.12		-	156.52	1,156.52
Oncall Pay (Weekends/Holidays)	9,105.00	-	9,105.00		946.01	-	132.02	-	-	-	1,078.03	10,183.03
Total Public Works	267,595.80	3,380.00	272,175.80	1,200.00	28,403.75	44,118.00	4,066.50	6,419.41	4,800.00	7,072.77	94,880.43	368,256.23
Grand Total	1,035,778.96	4,820.00	1,041,798.96	1,200.00	90,594.28	159,600.00	15,517.48	20,574.22	19,350.00	27,171.87	332,807.84	1,375,806.80
<i>Total Salaries & benefits</i>												

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.