

City of Royal City



2012 ANNUAL BUDGET

MESSAGE FROM THE MAYOR

"After living more than twelve years in Royal City, I can't think of a better place to live and raise my family. I'm convinced some of the finest people in America live in our community. Royal City is an agriculturally minded community, built on the principles of hard work and determination.

Royal City has a strong school district that excels in all aspects of education and student development. Royal School District has one of the finest campuses in the Columbia Basin.

If the outdoors is what you enjoy, the Potholes Reservoir is just 20 minutes away to the East and the Columbia River is 20 minutes away to the West. Both are excellent for hunting, fishing, boating and family water sports.

Royal City will continue to use the same principles of hard work and determination as we look to the future to provide a community that we can all be proud of. Stop in and meet some of the finest people in America!"

Justin Jenks

Mayor

City of Royal City

MISSION STATEMENT

We are dedicated to serving the needs and desires of our citizens by:

- Offering excellent professional services to all customers.
- Establishing, improving and maintaining City infrastructure.
- Providing a safe, healthy environment.
- Creating a sense of community.
- Maintaining the small-town, rural character of Royal City.

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City and other Local Officials

Mayor

Justin Jenks

Council Members

Kent Andersen

Brian Evans

Rick Farrer

Hector Rodriguez

Mike Stark

Finance Director

Kelly Collins

Police Chief

Darin Smith

Public Works Director

John Lasen

Deputy City Clerk

Sherrie Rodriguez

Public Works

Keith Hebdon

Mauricio Romero

Police Officers

Korey Judkins

Reynaldo Rodriguez

City Attorney

Katherine Kenison

City Engineers

Gray & Osborne, Inc.

City Planner

Plan It Consulting

Darryl Piercy

City Building Official

The Permit Center

Darryl Piercy

Librarian

Shannon Stewart

Municipal Court Services

Grant County District Court

Grant County Commissioner

District 3

Cindy Carter

Grant County Dist 10 Fire Chief

Brian Evans

Grant County Sheriff

Tom Jones

Legislative District: 13

Senator: Janea Holmquist Newbry

Representatives: Judy Warnick &

Bill Hinkle

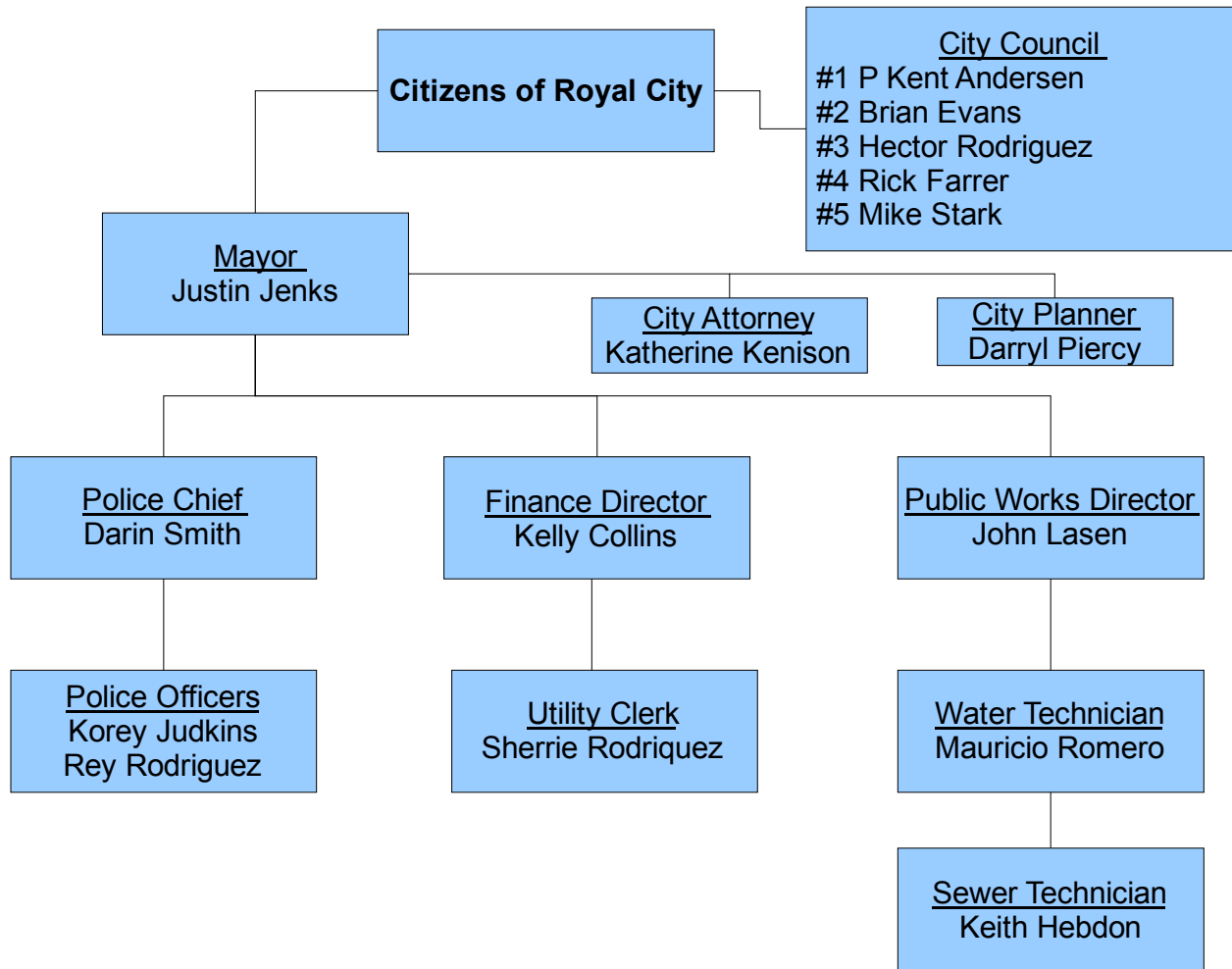
Congressional District: 4

U.S. Senators: Patty Murray &

Maria Cantwell

Representative: Doc Hastings

CITY OF ROYAL CITY ORGANIZATIONAL CHART



CONTACT INFORMATION

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Email Addresses

Chief Smith: 7R1@royalcitywa.org
 John Lasen: rcpw@royalcitywa.org
 Kelly Collins: kelly@royalcitywa.org
 Sherrie Rodriguez: sherrie@royalcitywa.org

BUDGET MESSAGE

Budgeting is the Art of Accomplishing the Goals and Priorities of the City Using the Limited Revenue Available to the City.

Budgeting is an essential element of the financial planning, control and evaluation processes of government. The process involves establishing goals and priorities, and determining the types and levels of services to be provided. Then a forecast of the revenues that will be available to the City in the future is made. That anticipated revenue must be allocated among various departments, programs, or functions in the most effective way to accomplish the goals and provide the services that were identified during the planning process. In recent years, it has been quite common that the revenues available are not adequate to accomplish all of City's goals and projects.

Currently the City of Royal City provides the following services and facilities:

- Law Enforcement
- Municipal Water System
- Municipal Sewer System
- Solid Waste Collection
- Street and Road Maintenance
- Library
- Parks
- Community Center
- Animal Control
- Economic/Community Development
- Planning and Zoning
- Building Inspection
- Emergency Preparedness

The City's Budget and Accounting Systems are Organized on a Fund Basis

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

This is an important concept. It means that the City's budget is different from a household budget or even the budgets of most businesses. To put the fund concept in perspective, a fund to a local government is what a subsidiary corporation is to a business conglomerate. Like the subsidiary, the fund is independent. Each fund has its own purpose and is accounted for as a separate entity. Each fund must balance on its own. A shortfall in one fund cannot be offset by an excess in another fund.

State law requires that funds are budgeted on a cash basis.

The Budget Provides a Control Mechanism throughout the Year

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

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

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

Budgeting is Planning

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

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

The two primary and most important functions of a City Council are (1) to set goals and policies for the City and (2) adopt an annual budget for the City. Throughout the year,

the City Council considers a variety of proposals and suggested goals and policies. What is important to remember is that there is a direct relation of the adopted goals and policies to the budget.

The primary functions of the City Council – budget and setting policy – are closely interrelated. The priorities and policies set by the Council direct where the City's money will go. The policies adopted by a City Council are empty unless they are funded through the budget, and the most important policies should receive the first funding. Likewise, the budget is not just numbers to be shifted and juggled. The real consequence of the budget is a street that is paved or remains full of potholes; a public concern, such as emergency preparedness, that is addressed or not; and public services that are antiquated or safe and efficient.

The Budget is presented to reveal the Planning that Underlies Budget Development

Traditionally, budgets have been presented as rows of numbers aligned in several columns across numerous pages. Many communities now believe that this traditional presentation is unrepresentative, even misleading. Pages and pages of numbers tend to draw attention to the numbers themselves and away from the larger policies and goals of a community.

The two primary functions of a City Council are (1) to set goals and policies for the City and (2) adopt an annual budget for the City. The budget document should show the link between those functions – a street repaired, a leaking water main fixed, emergency preparedness, parks maintained, law enforcement services provided, and the host of other services and facilities. The budget should show the goals and priorities of the Council. The most important policies should receive the first funding, and the budget document should show that.

In short, the budget document is the link to the other primary function of the City Council, establishing goals and policies for the City; the budget is not presented only as pages full of numbers, but as projects to be accomplished or to be shelved for the future.

What the Budget has done: 2011 Accomplishments

- Maintained basic services for citizens – law enforcement, water system, sewer, garbage, park, planning, building inspection, etc.
- Set aside contingency reserves in order to maintain fund balances
- Funded capital transfers and City debt obligations
- Purchased a new patrol vehicle
- New Community Center Building
- Funded yard waste program
- Provided for continuing education and certification of City Council Members and City Staff
- Continued the annual street maintenance program

What the Budget Can Do: 2012 Goals

- Maintain basic services for citizens – law enforcement, water system, sewer, garbage, park, planning, building inspection, etc.
- Complete Well No. 4 Project
- Make repairs to certain City streets as a part of continued repair and maintenance and set aside funds for major street improvements
- Set aside contingency reserves in order to maintain fund balances
- Fund capital transfers and City debt obligations
- Set aside funds for the development of future water and sewer systems
- Provide for continuing education of Council Members and City Staff

City Funds:

CURRENT EXPENSE – This is Fund No. 001 in the Budget.

What is paid from this Fund: The Current Expense Fund is the most active fund. It is the general purpose fund. This fund provides money for several different functions within the City, including Mayor/Council; Administration; Police; Planning & Building; Parks and Community Center

Summary of Revenue Sources for this Fund: (Reference Notes & Comments)

Beginning Net Cash & Investments	\$450,000
Taxes	
Real & Personal Property Taxes	
Retail Sales & Use Tax	
Utility Taxes	\$ 414,897
Licenses & Permits	
Business Licenses	
Building Permits	
Dog Licenses	
Misc. Licenses/Permits	\$ 13,160
Intergovernmental Revenue	
PUD Privilege Tax	
City Assistance	
Criminal Justice	
Judicial Salary Contribution	
PILOT Grant Co Housing	
Liquor Board Profits	
Liquor Excise Taxes	\$ 83,240
Charges for Services	
Copies, Faxes	
Zoning & Subdivision Costs	
Plan Check Fees	
Other Planning & Development	
Hearing Examiner	\$ 3,750
Fines & Forfeits	
Traffic Infraction Penalties	
Parking Infraction Penalties	
Ordinance Violation Penalties	\$ 2,550

Misc. Revenue

Investment Interest	
Sales Tax Interest	
Park Rental	
Community Center Rental	
Library Lease	
Sale of Surplus	
Misc. Revenue	\$ 19,116

Non Revenues

Irrigation Pass Thru	
State Building Code Fee	
Leasehold Tax	\$ 1,829

Total Revenues (Including Beginning Fund Balance) \$988,542

Notes & Comments

Beginning Net Cash & Investments – Each fund throughout the budget has an ending cash balance to be carried over to the next fiscal year. Beginning Net Cash and Investments is the anticipated amount that is expected to carry over from the current year. This balance should never be zero. At a minimum, sound fiscal management requires that there be at least an unreserved cash balance at the end of each year. This provides a cushion for the uncertainties of the budget process and for emergencies. Also, there are often unexpended funds that had been designed for a specific purpose but, for whatever reason, were not spent. Thus, the total carryover from one year to the next is a combination of unreserved cash plus the unexpended portion of various individual plans and projects.

Real & Personal Property Taxes are a tax based on the assessed value of all property subject to taxation. Each year the Council sets a tax levy amount, which is determined by taking the City required tax levy and dividing that number by the assessed valuation of all real and personal property within the City’s Taxing District; resulting in the corresponding tax levy per thousand dollars of assessed valuation as indicated by the following example:

2012 Tax Levy (**\$56,847**)/Total Assessed Value of the City’s Taxing District (**\$37,965,554**) = Tax Levy per thousand dollars assessed valuation (**\$1.49732/\$1,000 a.v.**)

The tax levy increase for 2012 is an increase of 1% over the prior year with 100% of levy staying the general fund. Total tax expected to be collected includes new construction assessments, changes in state assessed values.

The Grant County Treasurer acts as the City’s agent to collect property taxes levied in the County for all taxing authorities. Taxes are due in two equal installments on April 30

and October 31. Collections are remitted to the City in month following collections by the County Treasurer to the appropriate taxing district by the County Treasurer. Property taxes are shared by multiple agencies. The majority of tax dollars received by Grant County based on evaluations within the City of Royal City are used for school district funding.

The City is permitted by law to levy up to \$3.375 per \$1,000 of assessed valuation for general government services. By state initiative, property tax is currently capped at a 1% increase plus the value of any annexations, new construction and changes in state assessed values.

Business & Occupation Taxes are a utility charge on all telephone and electric businesses conducted within the City. The amount is 6% of gross income generated by the business within the City limits. This is a tax on the business, not the customer. However, the Washington Utilities and Transportation Commission does allow businesses to take into consideration taxes paid in establishing rates.

Similar to B&O Taxes, the City imposes a 10% utility tax on gross sales of its own utilities. These monies are transferred out monthly from the Water and Sewer Fund by the City Treasurer into the General Fund and then 4% is transferred to the Capital Improvement Fund.

Criminal Justice funding is grant funding used to assist local governments with funding to meet rising criminal justice needs. The grant funding is provided by the State's General Fund. The grant amount is established by CTED and is distributed quarterly.

Liquor Excise Taxes are a tax distributed per capita from a tax on liquor sales. By statute, 2% of the allocation is redistributed, as prescribed by law, to the County to be used on alcoholism treatment programs. Liquor Board Profits are monies residing in the State Liquor Revolving Fund. 40% of the total distribution to cities is ratable on the basis of population. 2% of the City's allocation, by statute, is redistributed to the County to be used for alcoholism treatment programs.

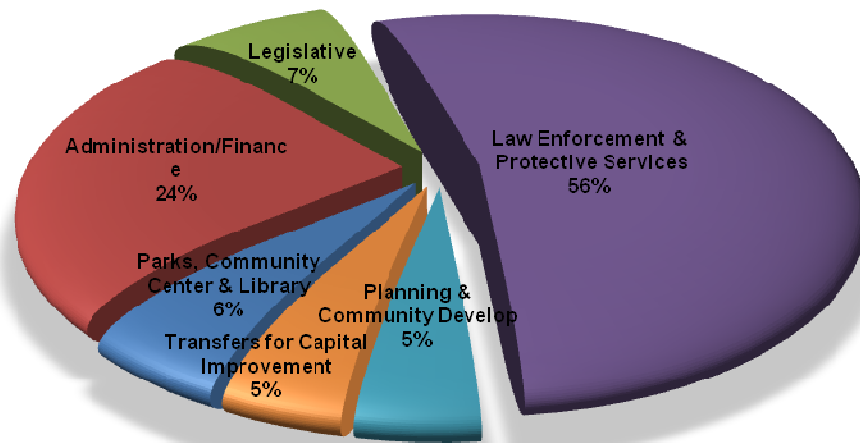
Investment Interest is a rate of return that the City receives on investments. City Finance Director advises that interest rates are at historically low levels; and interest revenue projections for all funds are based on a ½ to 1% return rate. With the current market conditions, the returns for 2012 are expected to be similar in profit as 2011. The City of Royal City invests with the State Investment Pool and the Grant County Investment Pool.

Summary of Programs be financed by the Current Fund in 2012:

Programs

Legislative/Judicial	\$ 35,880
Judicial	\$ 1,200
Finance	\$130,330
General Government Service	\$ 2,309
Law Enforcement	\$280,007
Fire Hydrants	\$ 6,300
Protective Inspections	\$ 3,000
Emergency Services	\$ 50
Animal Control	\$ 450
Vehicle Storage Building	\$ 1,950
Planning & Community Dev	\$ 22,400
Public Health	\$ 2,510
Library	\$ 3,850
Community Center	\$ 1,000
Parks	\$ 26,769
Non Expenditures	\$ 1,784
Debt Service	\$ 4,493
Capital Expenditures	\$ 1,500
Transfers	\$ 25,360
<u>Total Program Expenditures</u>	\$551,142
Beginning Fund Balance	\$450,000
Total Estimated Revenues	\$538,542
Total Estimated Expenditures	\$551,142
<u>Ending Fund Balance</u>	<u>\$437,400</u>

Current Expense Fund - Expenses



STREET FUND– This is Fund No. 101 in the Budget.

What is paid from this Fund: The Street Fund is used for maintenance and repairs of all City streets and arterials located within the City limits. It also pays for street lighting costs.

Revenue Sources for this Fund: (Reference Notes & Comments)

Beginning Net Cash & Investments	\$ 50,000
Taxes	
Franchise Fees	\$ 13,520
Intergovernmental Revenue	
Motor Vehicle Fuel Taxes	\$ 43,000
State Transportation Portion (STP)	\$ 20,000
Charges for Services	
Street Cutting Fee/Repair	\$ 100
Misc. Revenue	
Investment Interest	
Other	\$ 600
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$127,220</u>

Notes and Comments

Motor Vehicle Fuel Taxes are taxes on motor vehicle fuels from the prior month's collection that are to be used for the construction, improvements, and repairs of streets and roads. The monthly distribution is based on population ratio. The City of Royal City actively maintains its City street system through a series of crack and chip sealing, hot and cold patches, road reconstruction, gravel conversions and overlays.

Summary of Programs to be financed by the Street Fund in 2012:

<u>Programs</u>	
Street Maintenance	\$ 49,518
Capital Expenditures	\$ 9,119
Transfer to Street Construction	\$ 15,000
<u>Total Program Expenditures</u>	\$ 73,637
Beginning Fund Balance	\$ 50,000
Total Estimated Revenues	\$ 77,220
Total Estimated Expenditures	\$ 73,637
<u>Ending Fund Balance</u>	<u>\$ 53,583</u>

STREET CONSTRUCTION – This is Fund No. 102 in the Budget.

What is paid from this Fund: The Street Construction Fund is used for Capital Expenditures on City streets and arterials located within the City limits.

Revenue Sources for this Fund: (Reference Notes & Comments)

Beginning Net Cash & Investments	\$ 48,300
Grants (None anticipated in 2012)	
Investment Interest	\$ 700
Transfers in from Street Fund	\$ 15,000
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$ 64,000</u>

Notes and Comments

In 2011, the City of Royal City was awarded a grant from the Washington State Transportation Improvement Board for \$109,192 for Royal Avenue Overlay Project.

Summary of Programs to be financed by the Street Fund in 2012:

Programs

Capital Expenditures	\$ 0
<u>Total Program Expenditures</u>	<u>\$ 0</u>
Beginning Fund Balance	\$ 48,300
Total Estimated Revenues	\$ 15,700
Total Estimated Expenditures	\$ 0
<u>Ending Fund Balance</u>	<u>\$ 64,000</u>

PARK PURCHASE FUND– This is Fund No. 105 in the budget.

What is paid from this Fund: These funds are set aside to purchase a city park.

Revenue Sources for this Fund: (Reference Comments & Notes)

Beginning Net Cash & Investments	\$ 16,900
Investment Interest	\$ 300
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$ 17,200</u>

Comments & Notes

In 1975 City of Royal City received a grant from IAC in the amount of \$4,920 to acquire 8.2 acres of land for future development of a city park. In 1994 the undeveloped land was sold for low income housing development which put the city in a land conversion position with IAC. Mayor Jenks is currently working to resolve this issue with Leslie Ryan-Connelly from RCO (Recreation and Conservation Office which has replaced the IAC). The city must replace the park land property at the fair market value at the time of the conversion of the park land in 1994. New information is that the city can purchase property from itself (fund to fund). Currently we are looking into the General Fund purchasing the spray field from the Sewer Fund to develop a city soccer complex.

Programs to be financed by the Municipal Capital Improvement Fund in 2012:

<u>Programs</u>	
Capital Expenditures/Park Purchase	\$ 17,200
<u>Total Expenditures</u>	\$ 17,200
Beginning Fund Balance	\$ 16,900
Total Estimated Revenues	\$ 300
Total Estimated Expenditures	\$ 17,200
<u>Ending Fund Balance</u>	<u>0</u>

CAPITAL IMPROVEMENT – This is Fund No. 107 in the budget.

What is paid from this Fund: The Municipal Capital Improvement Fund finances, depending on availability of funds, local improvements to City buildings and land.

Revenue Sources for this Fund: (Reference Comments & Notes)

Beginning Net Cash & Investments	\$ 56,000
Taxes	
Real Estate Excise	\$ 1,000
Grants	
Traffic Safety Comm Grant	\$ 2,000
Fines & Forfeitures	\$ 566
Misc. Revenue	
Investment Interest	\$ 1,000
Transfers from Current Expense Fund	
4% Utility Tax	\$ 3,360
Administration	\$ 1,000
Police	\$ 10,000
Animal Control	\$ 250
Library	\$ 500
SIP Loan Community Center	\$ 10,000
Park	\$ 250
 <u>Total Revenues (Including Beginning Fund Balance)</u>	 <u>\$ 85,926</u>

Comments & Notes

Real Estate Excise Tax is the local portion (1/4 of 1%) of a tax that is collected upon the sale of real and personal property (land and/or structures) within Royal City. This tax is collected by the Grant County Treasurer and distributed to the City monthly. Its main purpose is to help pay for capital improvements for city parks.

Programs to be financed by the Capital Improvement Fund in 2012:

<u>Programs</u>	
SIP Loan Payment/Community Ctr	\$ 10,000
PD Capital Exp (Traffic Safety Grant)	\$ 2,000
Park Equipment	\$ 1,500
City Beautification Projects	\$ 5,000
<u>Total Expenditures</u>	\$ 18,500
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Beginning Fund Balance	\$ 56,000
Total Estimated Revenues	\$ 29,926
Total Estimated Expenditures	\$ 18,500
Ending Fund Balance	\$67,426
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WATER – This is Fund No. 401 in the budget.

What is paid from this Fund: The Water Fund maintains our water system.

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments **\$195,000**

Charges for Services

Water Sales	\$ 374,000
Cut In/Cut Out Fees	\$ 99
Water Connection Fees	\$ 850
Fire Hydrants (General Fund Rent from Water)	\$ 6,300

Misc. Revenue

Miscellaneous	\$ 25
NSF Fees	\$ 20
Investment Interest	\$ 9,000
Water User Penalties	\$ 10,000
Cash Over/Under	\$ 5

Total Revenues (Including Beginning Fund Balance) **\$ 595,299**

Summary of Programs and Continuing Governmental Obligations to be financed by the Water Fund in 2012:

<u>Programs</u>	
Administration	\$120,992
Maintenance	\$ 49,376
Operations	\$ 88,955
Debt Service	\$ 63,806
Capital Expenditures	\$ 2,119
Transfer out to Water Capital Imprv	\$ 75,000
<u>Total Water Expenditures</u>	\$400,248

Beginning Fund Balance	\$195,000
Total Estimated Revenues	\$400,299
Total Estimated Expenditures	\$400,248
Ending Fund Balance	\$195,051

Comments & Notes

The City's water rates support all water related functions, including overhead costs, transfers out to capital funds, utility taxes, and water-related debt service. In 2012, the water fund will transfer out to other funds \$93,100 (\$18,100 for utility taxes to the Current Expense Fund and \$75,000 to the Water System Capital Fund for reserve set asides for future infrastructure improvements).

SEWER – This is Fund No. 402 in the budget.

What is paid from this Fund: The Sewer Fund maintains our water system.

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments	\$ 166,000
Charges for Services	
Sewer Receipts	\$ 318,000
Sewer Connection Fees	\$ 550
Misc. Revenue	
Investment Interest	\$ 2,709
Spray Field Lease	\$ 519
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$487,778</u>

Summary of Programs and Continuing Governmental Obligations to be financed by the Sewer Fund in 2012:

<u>Programs</u>	
Administration	\$ 95,418
Maintenance	\$ 50,566
Operations	\$105,326
Debt Service	\$ 51,163
Capital Expenditures	\$ 4,207
Transfer out to Sewer Capital Imprv	\$ 5,000
Transfer out to WRF Equipment	\$ 16,000
<u>Total Water Expenditures</u>	\$327,680
<hr/>	
Beginning Fund Balance	\$166,000
Total Estimated Revenues	\$321,778
Total Estimated Expenditures	\$327,680
Ending Fund Balance	\$160,098

Comments & Notes

The City's sewer rates support all sewer related functions, including overhead costs, transfers out to capital funds, utility taxes, and sewer-related debt service. In 2012, the sewer fund will transfer out to other funds \$27,310 (\$6,310 going to the Current Expense Fund for utility taxes, \$5,000 going to the Sewer System Capital Fund for reserve set asides for future infrastructure improvements, and \$16,000 to the WRF Equipment Replacement Fund).

WATER CONSTRUCTION FUND– This is Fund No. 405 in the budget.

What is paid from this Fund: Water System Construction

Revenue Sources for this Fund: (Reference Comments & Notes)

Beginning Net Cash & Investments	\$ 117,000
CDBG Loan Proceeds	\$1,052,000
Transfer from Water Capital Improvement	\$ 29,000

Total Revenues (Including Beginning Fund Balance) **\$ 1,198,000**

Comments & Notes

This fund is used when there is an active water capital improvement project. The current project is Well No. 4 equipping and well house.

Programs to be financed by the Water Capital Improvement Fund in 2012:

<u>Programs</u>	
Capital Outlay Well No. 4	\$1,052,000
<u>Total Expenditures</u>	\$1,052,000

Beginning Fund Balance	\$ 117,000
Total Estimated Revenues	\$1,081,000
Total Estimated Expenditures	\$1,052,000
<u>Ending Fund Balance</u>	<u>\$ 146,000</u>

REFUSE – This is Fund No. 415 in the budget.

What is paid from this Fund: The Refuse Fund maintains administration of the refuse collection.

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments	\$ 19,000
Charges for Services	
Refuse Receipts	\$185,500
Yard Waste Fees	\$ 600
Misc. Revenue	
Investment Interest	\$ 400
<u>Total Revenues(Including Beginning Fund Balance)</u>	<u>\$205,500</u>

Summary of Programs and Continuing Governmental Obligations to be financed by the Water Sewer in 2012:

	<u>Programs</u>	
Refuse Expenses		\$185,599
	<u>Total Refuse Expenditures</u>	\$185,599
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Beginning Fund Balance		\$ 19,000
Total Estimated Revenues		\$186,500
Total Estimated Expenditures		\$185,599
Ending Fund Balance		\$ 19,901

Comments & Notes

The City's refuse rates support all refuse related functions, including the yard waste facility, and to pay for the contracting services of Consolidated Disposal.

CONSUMER DEPOSIT FUND – This is Fund No. 420 in the budget.

What is paid from this Fund: Customer utility deposits

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments	\$ 24,500
Customer Deposits	\$ 600
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$ 25,100</u>

Summary of Programs:

<u>Programs</u>	
Customer Deposit Refunds	\$ 600
<u>Total Refuse Expenditures</u>	<u>\$ 600</u>

Beginning Fund Balance	\$ 24,500
Total Estimated Revenues	\$ 600
Total Estimated Expenditures	\$ 600
Ending Fund Balance	\$ 24,500

Comments & Notes

Utilities Deposits are held and refunded in this fund.

WATER AND SEWER BOND RESERVE FUND – This is Fund No. 435 in the budget.

Purpose of this Fund: The Water/Sewer Bond Redemption Fund maintains a reserve balance totaling a one-year payment for each bond. The balance is a legal requirement intended to provide security in the event of unforeseen hardship.

Beginning Net Cash	\$ 51,785
Ending Net Cash	\$ 51,785

WATER CAPITAL IMPROVEMENT – This is Fund No. 437 in the budget.

What is paid from this Fund: The Water System Capital Fund was established to finance capital water system improvements.

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments	\$383,000
Water System Development Fees	\$ 2,700
Investment Interest	\$ 7,000
Transfers In from Water Fund	\$ 75,000
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$467,700</u>

Capital Improvement Projects to be financed by the Water System Capital Improvement Fund in 2012:

<u>Programs</u>	
Meter Replacement Schedule	\$ 5,000
Transfer to Water Construction	\$ 29,000
Total Expenditures	\$ 34,000
Beginning Fund Balance	\$383,000
Total Estimated Revenues	\$ 84,700
Total Estimated Expenditures	\$ 34,000
Ending Fund Balance	<u>\$433,700</u>

Comments & Notes

System Development Fees in the amount of \$122,960 were received in 2009 from the Catholic Charities Housing Development.

SEWER CAPITAL IMPROVEMENT – This is Fund No. 439 in the budget.

What is paid from this Fund: The Sewer System Capital Fund was established to finance capital sewer system improvements.

Revenue Sources for this Fund (Reference Comments & Notes):

Beginning Net Cash & Investments	\$166,700
Sewer System Development Fees	\$ 1,950
Transfers In from Sewer Fund	\$ 5,000
Investment Interest	\$ 3,500
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$177,150</u>

Programs and Continuing Governmental Obligations to be financed by the Sewer System Capital Improvement Fund in 2012:

<u>Programs</u>	
Sewer Manhole Installation	\$ 3,200
Total Expenditures	\$ 3,200
Beginning Fund Balance	\$166,700
Total Estimated Revenues	\$ 10,450
Total Estimated Expenditures	\$ 3,200
Ending Fund Balance	<u>\$173,950</u>

Comments & Notes

System Development Fees in the amount of \$83,096 were received in 2009 from the Catholic Charities Housing Development.

WRF Equipment Replacement Fund – This is Fund No. 440 in the budget.

What is paid from this Fund: Replacement equipment for the Water Reclamation Facility.

Revenue Sources for this Fund:

Beginning Net Cash & Investments	\$253,000
Intergovernmental Revenue	
Transfer from Sewer Fund 402	\$ 16,000
Misc. Revenue	
Investment Interest	\$ 5,000
<u>Total Revenues (Including Beginning Fund Balance)</u>	<u>\$274,000</u>

Programs and Continuing Governmental Obligations to be financed by the Sewer Capital Maintenance Fund in 2012:

Total Expenditures	\$ 0
Beginning Fund Balance	\$253,000
Total Estimated Revenues	\$ 21,000
Total Estimated Expenditures	\$ 0
Ending Fund Balance	\$274,000

Comments & Notes

A requirement of the USDA Rural Development Letter of Conditions for the 1999 Sewer Revenue Bond is that the city set aside \$16,000 per year for Water Reclamation Facility equipment replacement.

ORDINANCE 11-10

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF ROYAL CITY, WASHINGTON, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2012

WHEREAS, the Mayor of the City of Royal City, Washington, completed and placed on file with the City Finance Director a proposed budget and estimate of the amount of the moneys required to meet the public expenses, reserve funds and expenses of government of said city for the fiscal year ending December 31, 2012, and a notice was published that the Council of said city would meet on the 6th day of December, 2011, at 7:00 pm, at the council chambers in the City Hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and

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

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

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

Section 1: That the budget for the City of Royal City, Washington, for the year 2012 is hereby adopted at the fund level in its final form and content as set forth in the document entitled City of Royal City 2012 Annual Budget, three copies of which are on file in the Office of the City Finance Director

Section 2: Estimated resources for each separate fund of the City of Royal City, and aggregate expenditures for all such funds for the year 2012 are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 2012 as set forth in the City of Royal City 2012 Annual Budget.

<u>Fund</u>	<u>Appropriated Revenues</u>	<u>Appropriated Expenditures</u>
001 Current Expense	988,542.00	988,542.00
101 Streets	127,220.00	127,220.00
102 Street Construction	64,000.00	64,000.00
105 Park Purchase Fund	17,200.00	17,200.00
107 C/E Reserve Fund	85,926.00	85,926.00
401 Water	595,299.00	595,299.00
402 Sewer	487,778.00	487,778.00
405 W/S Construction	1,198,000.00	1,198,000.00
415 Refuse	205,500.00	205,500.00
420 Consumer Deposit Fund	25,100.00	25,100.00
435 81/99 Bond Reserve Fund	51,785.00	51,785.00
437 Water Capital Improvement Fund	467,700.00	467,700.00
439 Sewer Capital Improvement Fund	177,150.00	177,150.00
440 WRF Equip Replacement Fund	<u>274,000.00</u>	<u>274,000.00</u>
Totals:	4,765,200.00	4,765,200.00

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

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

2012 Salary Schedule

<u>Elected Officials</u>	<u>Maximum</u>
Mayor	\$ 7,200.00
Council Members	\$ 1,440.00

<u>Classification</u>	<u>Maximum</u>
Finance Director	\$54,931.00
Police Chief	\$62,418.00
Police Officer	\$41,499.00
Police Officer	\$41,499.00
Deputy Clerk	\$37,387.00
Public Works Director	\$48,898.00
Public Works Water	\$39,915.00
Public Works Sewer	\$39,915.00

**2012 Salary Schedule
Division of Payroll & Benefits**

Finance Director:	CE – 100%		
Police:	CE – 100%		
Mayor/Council:	CE – 100%		
Public Works Director:	Water – 50%	Sewer – 41.67%	Streets – 8.33%
Public Works/Water Tech:	Water – 58.33%	Sewer – 16.68%	Streets – 8.33%
	Parks – 15%	Refuse – 1.66%	
Public Works/Sewer Tech:	Water – 16.66%	Sewer – 83.34%	
Deputy Clerk:	Water – 33.33%	Sewer – 33.33%	Refuse – 1.67%
	CE – 31.67%		

PASSED by Council and APPROVED by the Mayor this 20th day of December 2011.

APPROVED:

Justin Jenks, Mayor

ATTEST:

Kelly Collins, Finance Director

APPROVED AS TO FORM:

Katherine Kenison, City Attorney

PASSED the 20th day of December, 2011
APPROVED the 20th day of December, 2011
PUBLISHED the 27th day of December, 2011