

The City of Chelan

2016 Budget Document

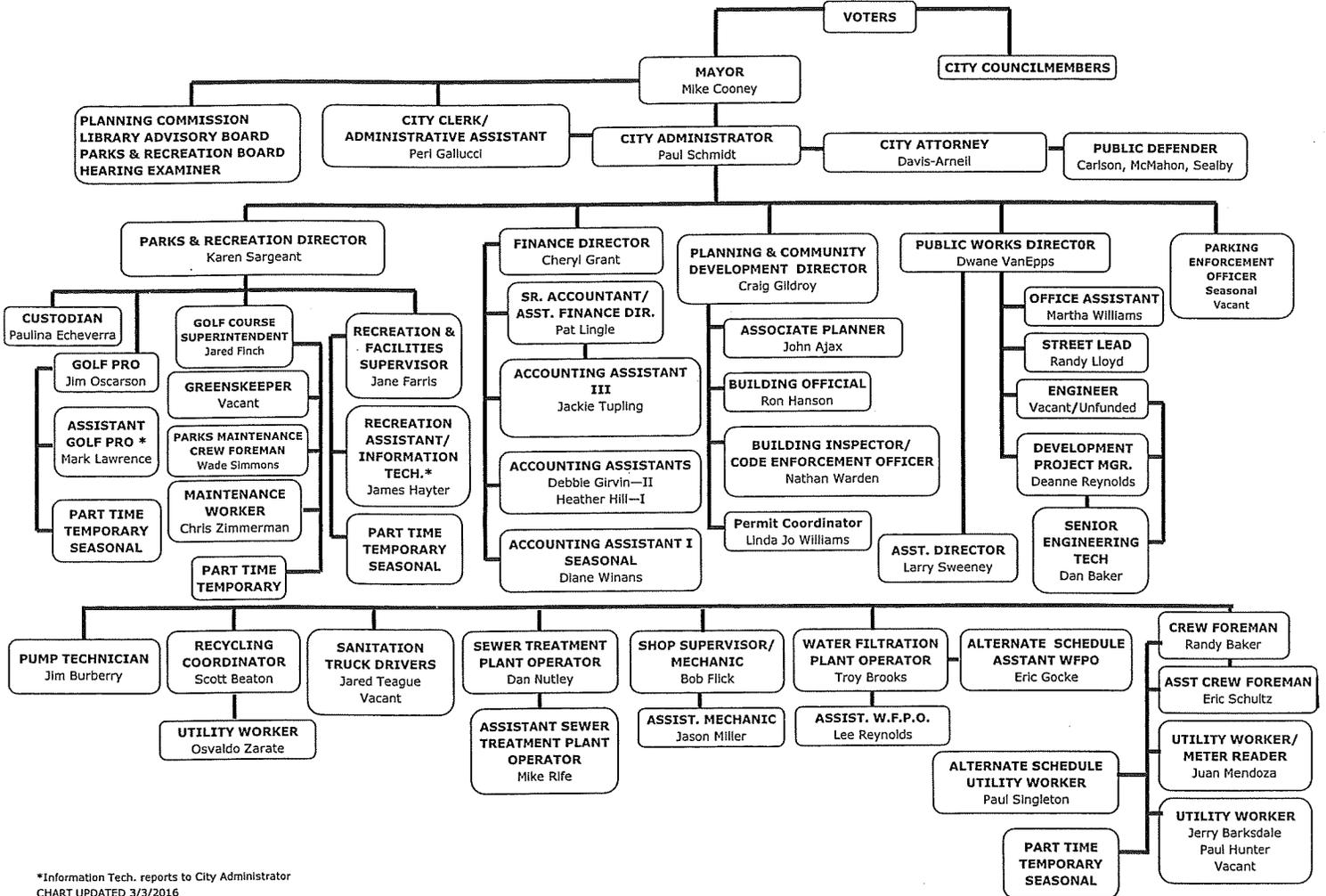


Summary: The following document is an overview of the financial budget and includes the Amended/Adopted budget for 2014 – 2016 and the actual amount spent for 2014 & 2015

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City of Chelan Organization Chart



*Information Tech. reports to City Administrator
CHART UPDATED 3/3/2016

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Mayor's Message

December 17, 2015

To: Chelan City Council
From: Mayor Bob Goedde
Subject: 2016 Budget Message

As I look back on this past year of 2015, it was a very challenging time for our community while at the same time a productive year for our City. The wildfires this past summer proved our Chelan community is resolute and can come together in times of need to assist each other. Hopefully we will avoid such a fire season in 2016, but we do need to remain vigilant on being prepared for the worst. In doing so, the City of Chelan is prepared to join with our fellow emergency entities to update our emergency communication capabilities and improve on our responsiveness to future wildfires.

There were positive accomplishments that we can point to for 2015. The Golf Course Road Sewer Project was completed on time and on budget early in 2015. This \$300,000+ Project involved extending 1000 lineal feet of new sewer line in the right-of-way of Highway 150. This Project will now provide sewer gravity flow to the City's sewer system from the Golf Course Road area.

Another item that came up but wasn't planned was the demolition of the Don Morse Parks Office Building. This old building had served its time through the years and the decision to demolish the facility came quickly when mold was discovered growing in the walls. City Council was generous with a budget allocation of \$400,000 to build a new administration building at the same location. The new building is scheduled to begin construction early in the spring of 2016 and be completed by September. City Parks Staff are excited to have a new home that will be very functional, much more cost effective to operate and without any mold.

The Energy Audit Project that began in 2014 was completed early September in 2015. Because of this Project, the City of Chelan can now boast of having the largest solar panel in Chelan County, which was installed at the Lake Chelan Golf Course. This solar panel will generate electricity whenever the sun is shining which will be credited against the City's electric bill from the Chelan County PUD. Also included in the Energy Audit Project was the conversion of 110 street illumination lights to LED technology. These new street lights will last up to 20-25 years and will require considerably less energy to operate. Finally, the Energy Audit Project also converted the Don Morse Park irrigation back to "lake water" as a water source instead of potable water. This conversion will save the Parks considerable money for irrigation and free up potable water for other uses.

For the upcoming year of 2016, I'm pleased to present to the City Council and community a proposed budget that continues to provide the optimum levels of service we are all accustomed to and also includes significant capital investments in a number of crucial areas. We are very fortunate to have a local economy that continues to purr along with a stable agricultural component and a growing tourism segment that appears to be extending into a true six month

economy. One of the significant projects to be built in 2016 will be the “East Woodin Ave Sidewalk Construction Project”. This \$400,000 Project will install sidewalks on the South side of Woodin Ave East from Robinson Street up to past the Les Schwab Tire Center. The sidewalks will be primarily five (5) feet in width with new curb and gutter. Funding will be provided in part by WSDOT (\$250,000) and the rest from our Street Fund.

The City Wastewater Department is planning in 2016 to make a significant investment in a sewer collection system for the Lord Acres Development. This Project anticipates installing a regional lift station and force main piping to serve this large area that could eventually serve up to 830 single family connections. The total cost of this investment is expected to cost \$1.8 million, with future connection fees planned to cover these costs. Also, the Wastewater Department will begin a phased updating of a number of existing lift stations throughout the City in order to provide long term continuous and reliable sewer service. It is estimated the phased updating of lift stations will eventually cost a total of approximately \$2.7 million.

The City Parks Department will also realize some capital investments in various areas of our Parks for 2016. The real benefit of the City Council decision to invest in our Parks in this manner is the return on the investment for years to come. The Parks Maintenance Shop is planned to be improved and expanded for a cost of \$150,000. This investment provides a better environment to maintain equipment and a more functional space for employees to operate within.

Another planned upgrade will be to convert more Lakeshore RV Park electrical hookups from 30 amp capacity to 50 amp capacity. This investment keeps up with the demand for larger RV units which keeps the Lakeshore RV Park one of the top RV parks in the Northwest.

Included in the RV Park upgrade will also be more irrigation area converted from manual sprinkler heads to automatic sprinkler system, which saves both water and labor costs for many years to come. Lastly, the irrigation pipe that feeds the Lake Chelan Golf Course will be extended to the new irrigation pump recently installed in the Parks, which will assure the Golf Course will no longer have to use potable water during low lake level periods. These improvements to the RV Park and irrigation extension to the Lake Chelan golf Course have been budgeted for the amount of \$400,000, which will be a sound investment in these valuable City assets.

On the Administrative side of things, the City Council deliberated at length on a “Tourism Promotion” 2016 budget amount for the Lake Chelan Chamber of Commerce. This budget amount determined specifically each year and did garner more attention this fall due to the increase in promotional marketing because of the wildfires in August. After considerable discussion, the City Council chose to budget approximately the same as in 2015 (\$530,000) in order to maintain Chelan’s current market presence.

Planning efforts for 2016 will include the beginning stages of updating the City’s Comprehensive Plan. This vitally important document will reset the stage on how this community will want to direct growth in both direction and scope. The Comprehensive Plan will need to be complete and adopted by 2017 to stay current with State Growth Management Act requirements. But more

importantly, a good responsive Comprehensive Plan must have citizen input, so please keep an eye out for upcoming calls for public involvement. Another very important planning effort planned for in 2016 will be to upgrade our Emergency Management Plan through our partnership with the Chelan Fire and Rescue and the Chelan County Sheriff's Office. This joint effort will be undertaken to better prepare our respective agencies and overall community for communication, protection and responsiveness to those type emergencies we experienced firsthand from last summer's wildfires. This Emergency Management Plan will be an active and ongoing effort to remain prepared as best we can for the various emergency situations that could come our way at any time.

In summary, 2015 was a good year for the City of Chelan and a challenging year for the City of Chelan. I am ending my final year as your Mayor and have been honored to serve the good people of Chelan. I intend to stay active in my community and urge you to do the same, as good communities don't just happen, they happen with hard work under your watchful eye. Thank you.

A handwritten signature in black ink, appearing to read "L. Wilson", is centered on the page.

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2016 City of Chelan Adopted Budget



To the reader:

Following is the 2016 adopted budget for the City of Chelan. As seen from the Table of Contents, the budget is broken down by funds into the following categories; Maintenance & Operations; Capital; Debt Service; and Other. This format was first implemented in 2012 and staff believes it gives the viewer a better understanding of what constitutes the costs of maintenance versus other costs, including capital expenses and debt.

Department/Fund budgets are organized first by a brief narrative, then a summary budget, and finally the detailed revenues/expenditures of the budget. An explanation of what is included in the line items (for example, "Other Services & Charges includes utilities, consultants, advertising, etc.) can be found in the Glossary.

As you read through the text please be aware that the narratives and the plans in them were presented during the preliminary budget process and may have changed slightly upon adoption of the budget, i.e. perhaps a project described in the preliminary narrative did not make it to the final budget.

For historical purposes, each budget not only provides the reader with the current year adopted budget, but budgets and actual revenues/expenditures for the two prior years.

Several graphs and charts are included throughout the budget to provide both historical and additional information regarding revenues/financing sources and expenditures of the city. This information includes how much each type of revenue makes up of total General Fund revenues, how much certain revenue types have grown, and what the make-up of different expenditure categories are to the whole of the budget(s).

Readers who have questions or concerns regarding any part of this budget document are encouraged to contact city staff.

Respectfully submitted,

Cheryl A. Grant
Finance Director
City of Chelan

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Ordinance / Resolution No. 2015-1499
RCW 84.55.120

WHEREAS, the City Council of the City of Chelan has met and considered its budget for the calendar year 2016; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 1,204,935.91; and,

WHEREAS, the population of this district is less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2016 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 12,049.36 which is a percentage increase of 1% from the previous year.

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 12 day of November, 2015.

Handwritten signature in blue ink.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th.

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

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ORDINANCE NO. 2015-1504

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, ADOPTING A FINAL BUDGET PURSUANT TO RCW 35.A.33.075 FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2016 AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on or before the first business day in the third month prior to the beginning of the fiscal year of 2016, the Finance Director submitted to the Mayor the estimates of revenues and expenditures for the next fiscal year as required by law; and

WHEREAS, the Mayor reviewed the estimates and made such revisions and/or additions as deemed advisable and prior to sixty days before January 1, 2016, filed said revised preliminary budget with the Finance Director and the City Council together with his budget message, and his recommendation for the final budget; and

WHEREAS, the Finance Director provided sufficient copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers and published and posted notice of the availability of the preliminary budget, together with the date of a public hearing for the purpose of fixing the final budget, all as required by law; and

WHEREAS, the City Council scheduled hearings on the preliminary budget for the purpose of providing information regarding estimates and programs, at which hearings all taxpayers were heard who appeared for or against any part of said budget; and

WHEREAS, following conclusion of said hearings, the City Council made such changes as it deemed necessary and proper; and

WHEREAS, the City Council met on December 10th, 2015 for the purpose of fixing a final budget; now, therefore,

THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The final budget for the fiscal year 2016, a copy of which is on file with the office of the Finance Director, by this reference is hereby incorporated herein as if set forth in full and such final budget shall be and the same is hereby adopted in full.

Section 2. Pursuant to RCW 35A.33.075, a summary of the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are set forth on Exhibit "A" which is attached hereto and incorporated herein by this reference.

Section 3. A salary schedule for all full time employees is attached hereto as Exhibit “B” and incorporated herein by this reference.

Section 4. A salary schedule for all part time/seasonal employees is attached hereto as Exhibit “C” and incorporated herein by this reference.

Section 5. A complete copy of the final budget for 2016 shall be transmitted by the Finance Director to the division of municipal corporations of the office of the State Auditor, and the Association of Washington Cities pursuant to RCW 35A.33.075.

Section 6. This Ordinance, being an Ordinance appropriating money, is exempt from the requirements of RCW 35A.11.090 and shall take effect five (5) days after passage and publication of the Ordinance or a summary thereof consisting of the title.

APPROVED:



Robert Goedde, Mayor

ATTEST:



Peri Gallucci, City Clerk

FILED WITH THE CITY CLERK: December 1, 2015
PASSED BY THE CITY COUNCIL: December 10, 2015
PUBLISHED: December 16, 2015
EFFECTIVE DATE: December 21, 2015
ORDINANCE NO.: 2015-1507

EXHIBIT "A"
CITY OF CHELAN
2016 BUDGET

Fund #	Fund Name/Type	Beginning Cash	Revenues	Transfers In	Expenditures	Transfers Out	Ending Cash
1	General (Current Expense)	\$3,920,000	\$3,201,899		\$3,457,757	\$1,189,308	\$2,474,834
	<u>Special Revenue Funds</u>						
101	Street	\$337,700	\$1,023,516		\$823,349	\$158,786	\$379,081
103	Stadium (Tourism Promotion)	\$633,300	\$885,500		\$560,000	\$458,300	\$500,500
110	Recreation	\$636,000	\$2,321,775	\$70,000	\$2,721,349		\$306,426
	<u>Debt Service Funds</u>						
201	Councilmanic	\$1,605		\$167,200	\$167,200		\$1,605
203	Special Assessment	\$125,800					\$125,800
	<u>Capital Projects Funds</u>						
301	Capital Improvement	\$588,400	\$201,000	\$134,000	\$347,000	\$428,900	\$147,500
302	Street Projects	\$175,100	\$242,092	\$653,000	\$1,005,200		\$64,992
310	Parks & Rec Capital Improve	\$30,200	\$200	\$1,125,000	\$983,500		\$171,900
	<u>Enterprise Funds</u>						
400	Sewer	\$460,000	\$1,587,500		\$1,054,034	\$646,563	\$346,903
401	Water	\$613,000	\$1,701,000		\$1,169,972	\$650,586	\$493,442
403	Sanitation	\$47,000	\$1,133,640		\$1,027,539	\$66,274	\$86,827
402	Water/Sewer Bond Redemptio	\$8,290		\$1,035,910	\$1,035,910		\$8,290
406	Water Capital	\$2,503,000	\$126,000	\$600,000	\$1,645,865	\$378,211	\$1,204,924
407	Sewer Capital	\$2,630,000	\$307,100	\$600,000	\$2,780,317	\$657,699	\$99,084
	<u>Internal Service Funds</u>						
502	Equipment Replacement	\$1,264,700	\$284,950	\$249,517	\$697,600		\$1,101,567
	Total Budget	\$13,974,095	\$13,016,172	\$4,634,627	\$19,476,592	\$4,634,627	\$7,513,675

EXHIBIT "B"
CITY OF CHELAN
2016 SALARY SCHEDULE ELECTED/FULL TIME POSITIONS

ELECTED OFFICIALS + \$25 per meeting (excluding council
Mayor \$1,572 meetings) up to 3 per month
Councilmembers (7) \$400 Base \$400 per mth + \$50 per meeting/
maximum of 3 meetings per month

ADMINISTRATION AND FINANCE	Grade	Monthly Salary Range
City Administrator	39	\$8,924 - \$10,794
City Clerk/Administrative Assistant	27	\$5,074 - \$6,116
Finance Director	32	\$6,410 - \$7,741
Sr. Accountant/Assistant Finance Director	27	\$5,074 - \$6,116
Accounting Assistant (2)	18-20	\$3,342 - \$4,398
Accounting Assistant (1)	22	\$4,011 - \$4,826
Parking Enforcement Officer (1/2 FTE)	17	Vacant
BUILDING/PLANNING		
Community Development Director	32	\$6,410 - \$7,741
Associate Planner	26	\$4,826 - \$5,814
Building Official	27	\$5,054 - \$6,092
Bldg Inspector/Code Enforcement Officer	22	\$4,011 - \$4,826
Permit Coordinator	21	\$3,831 - \$4,606
PUBLIC WORKS		
Public Works Director	32	\$6,410 - \$7,741
Assistant Public Works Director	27	\$5,074 - \$6,116
City Engineer	28	\$5,295 - \$6,385
Senior Engineering Technician I	24	\$4,398 - \$5,295
Administrative Assistant	20	\$3,660 - \$4,398
Street Lead Person	22	\$4,011 - \$4,826
Public Works Crew Foreman	22	\$4,011 - \$4,826
Assistant Public Works Crew Foreman	21	\$3,831 - \$4,606
Utility Worker (3)	20	\$3,660 - \$4,398
Water Treatment Plant Operator	22	\$4,011 - \$4,826
Assistant Water Treatment Plant Operator	21	\$3,831 - \$4,606
Utility Worker/Meter Reader	20	\$3,660 - \$4,398
Sewer Treatment Plant Operator	23	\$4,200 - \$5,054
Assistant Sewer Treatment Plant Operator	22	\$4,011 - \$4,826
Pump Technician	21	\$3,831 - \$4,606
Recycling Coordinator	20	\$3,660 - \$4,398
Recycling Utility Worker	20	\$3,660 - \$4,398
Sanitation Truck Driver (2)	20	\$3,660 - \$4,398
Shop Supervisor/Mechanic	22	\$4,011 - \$4,826
PARKS AND RECREATION		
Parks & Recreation Director	32	\$6,410 - \$7,741
Recreation & Facilities Supervisor	25	\$4,606 - \$5,548
Recreation Assistant/IT Specialist	21	\$3,831 - \$4,606
Golf Pro/Manager	25	\$4,606 - \$5,548
Assistant Golf Professional (9 months)	15	\$2,920 - \$3,497
Assistant Golf Professional (3 months)	17	\$3,194 - \$3,831
Golf Maintenance Supervisor	25	\$4,606 - \$5,548
Greenskeeper	21	\$3,830 - \$4,606
Parks Maintenance Foreman	22	\$4,011 - \$4,826
Parks Maintenance Worker	20	\$3,660 - \$4,398
Custodian	17	\$3,194 - \$3,831

FTEs = 44 PTEs = 1

Per union contract, employees working out of class receive a one (1) grade increase

**2016 SALARY SCHEDULE
PART TIME/SEASONAL**

EXHIBIT "C"

	Hourly Wage or Range	Maximum Annual Hours		Hourly Wage or Range	Maximum Annual Hours
ADMINISTRATION AND FINANCE					
Seasonal Accounting Assistant	\$19.24-\$23.11	800			
PARKS AND RECREATION					
Facility Maintenance	\$10.75 - \$12.50	1560	PARKS AND RECREATION		
Mower Maintenance	\$10.75 - \$12.75	992	Attendant 1	\$10.00 - \$11.75	760
Grounds Maintenance 1	\$10.00 - \$11.75	1040	Attendant 2	\$10.00 - \$11.50	680
Restroom Maintenance 1	\$11.00 - \$12.75	1040	Attendant 3	\$10.00 - \$11.50	480
Restroom Maintenance 2	\$11.00 - \$12.75	920	TOTAL MARINA		1920
Pay Parking #1	\$11.25 - \$13.00	760	Youth Coordinator	\$13.25 - \$15.25	780
Lakeside Patrol/Maintenance	\$11.25 - \$12.75	600	TOTAL RECREATION		780
Security 1	\$11.25 - \$12.25	840	Office Worker	\$10.75 - \$12.75	1360
Landscape Maintenance	\$10.50 - \$11.50	1240	Office Worker	\$10.75 - \$12.75	1280
Landscape Downtown	\$10.50 - \$11.25	760	Office Worker	\$10.75 - \$12.75	896
Landscape Downtown	\$10.00 - \$11.25	680	Office Worker	\$9.47 - \$10.75	576
TOTAL GENERAL PARKS		10432	Office Worker 5	\$9.47 - \$10.75	576
Irrigation Maintenance	\$11.50 - \$13.50	1560	Cart Attendant	\$9.47	816
Grounds Maintenance 3	\$10.00 - \$11.75	1400	Cart Attendant	\$9.47	780
Restroom Maintenance 2	\$11.00 - \$12.75	1040	Cart Attendant	\$9.47	576
RV Office 2	\$10.25 - \$11.75	840	TOTAL GOLF GENERAL OPERATIONS		6860
RV Office 3	\$10.25 - \$11.75	840		Maximum Hrly	
RV Office 4	\$10.25 - \$11.50	640	Mechanic	\$13.00	1440
Office Lead	\$12.50 - \$15.00	1560	Assistant Superintendent	\$14.00	1520
Security 2	\$10.25 - \$11.75	840	Equipment Operator	\$13.00	1520
TOTAL R.V. PARK		8720	Equipment Operator	\$12.50	1360
Greens Maintenance	\$14.75 - \$16.25	1400	Greenskeeper	\$13.25	1360
Office Clerk 1	\$10.00 - \$10.75	840	Greenskeeper	\$14.00	680
Office Clerk 2	\$10.00 - \$10.75	760	Greenskeeper	\$13.50	680
Office Clerk 3	\$10.00 - \$10.75	544	Greenskeeper	\$13.00	580
Office Clerk 4	\$10.00 - \$10.50	384	Greenskeeper	\$12.50	580
Office Clerk 5	\$10.00 - \$10.50	384	Greenskeeper	\$12.50	580
TOTAL PUTTING COURSE		4312	Greenskeeper	\$11.75	360
			Greenskeeper	\$11.75	360
			TOTAL GOLF MAINTENANCE		11380

**Departments may adjust total hours worked to provide for staff shortages/additional coverage and may split positions, provided there is no increase in total wages/benefits expended and adjustments are authorized by the City Administrator.

**Intermittent Employees-Departments may hire intermittent employees with authorization from the City Administrator. Wage range \$8.55 - \$30 per hour. Total intermittent expenditures shall not exceed \$10,000 (all departments combined).

**SUMMARY OF ORDINANCE NO. 2015-1504
of the City of Chelan, Washington**

On the 10th day of December, 2015, the City Council of the City of Chelan, Washington, passed Ordinance No. 2015-1504. A summary of the content of said Ordinance provides as follows:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF CHELAN, WASHINGTON, ADOPTING A FINAL
BUDGET PURSUANT TO RCW 35.A.33.075 FOR THE
FISCAL YEAR COMMENCING JANUARY 1, 2016 AND
ESTABLISHING AN EFFECTIVE DATE**

The full text of the Ordinance will be mailed upon request.

DATED this 11th day of December, 2015

Peri S. Gallucci
City Clerk

Published in the Lake Chelan Mirror on December 16, 2015

Budget at a Glance:

The budget, because it consists of so many components, can be looked at many ways. It can be viewed as a whole, meaning all funds within the city as shown by the first of the following charts. This chart shows all of the funds within the city and the expenses of each. It also includes the transfers out to other funds. The next two charts are broken down by all revenues and all expenditures, each also by fund.

Another way to look at the budget is by task, as shown by the charts indicating M & O (maintenance and operations) by Fund, Capital by Fund, and Debt Service by Fund. Each of these represents tasks that the budget is intended to accomplish. In addition, M & O can further be broken down by manner of expense, as represented in the chart titled M & O by Type. This chart shows what the maintenance money is to be spent on, such as wages, supplies, utilities, machinery, etc. Each of these charts gives a slightly different perspective of the budget.

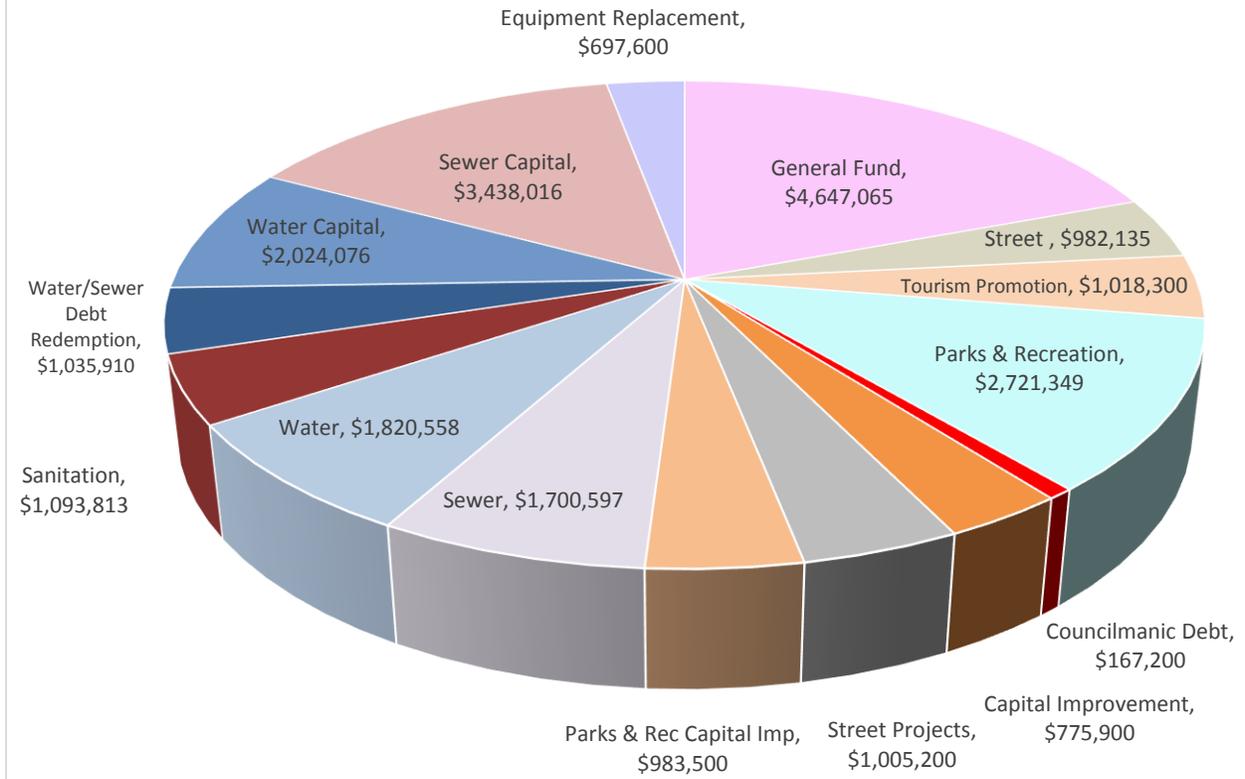
Maintenance and operations accounts for the largest portion of the city's budget. This part of the budget includes all of the activities necessary to continue providing a certain level of service from administrative functions to parks & recreation, public safety, and utility services. Because much of that service is provided by city employees, wages and benefits make up the largest share of expenses. Charges for services is next and is a broad category that includes payment of utilities, advertising, repairs and maintenance, and professional services (legal services, engineers, consultants, IT services, etc.). Intergovernmental agreements (district court, law enforcement, custody of prisoners, etc.) and supplies make up the balance of these costs. Detail of expenses can be found within each fund and department's budget.

For 2016 the Chelan City Council has chosen to make a substantial investment in capital. The projects are numerous and spread throughout all capital funds. A list of all capital follows the capital graph and more about these purchases and projects can be found in the Capital section of the budget.

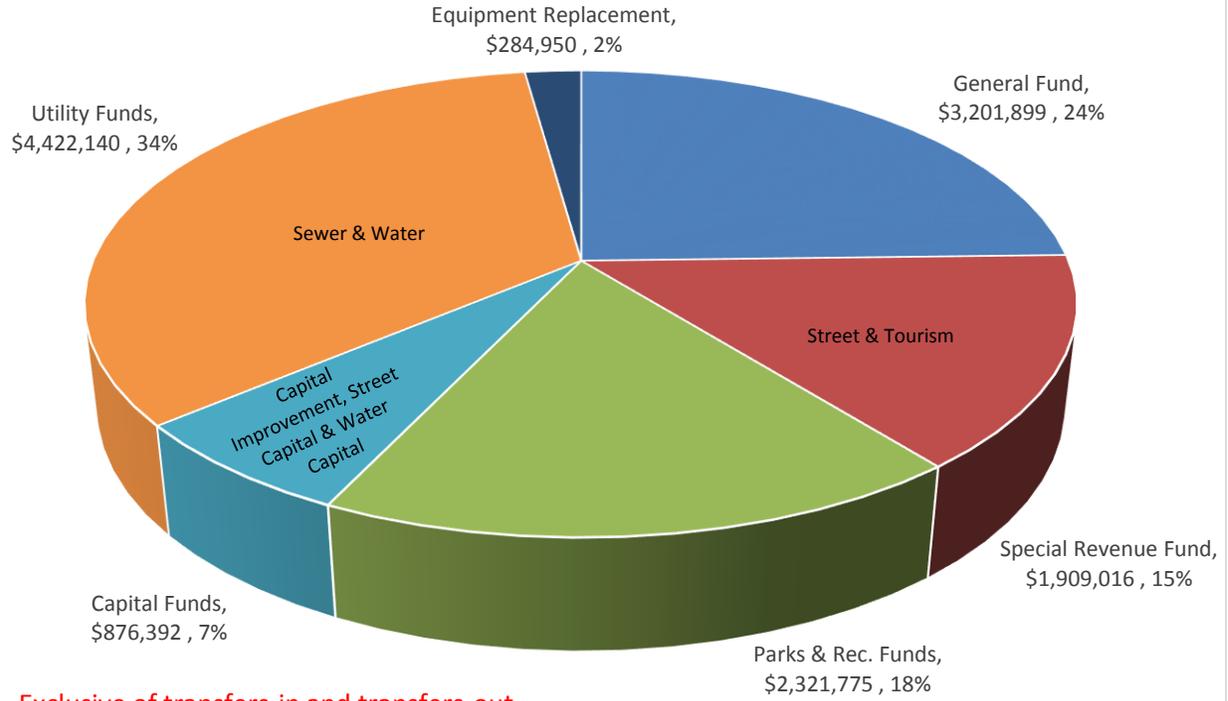
The final piece of the budget is debt. Each budget places a high priority on making timely payments to the city's outstanding debt. Detail of the city's debt payment requirements are found in the debt portion of the budget.

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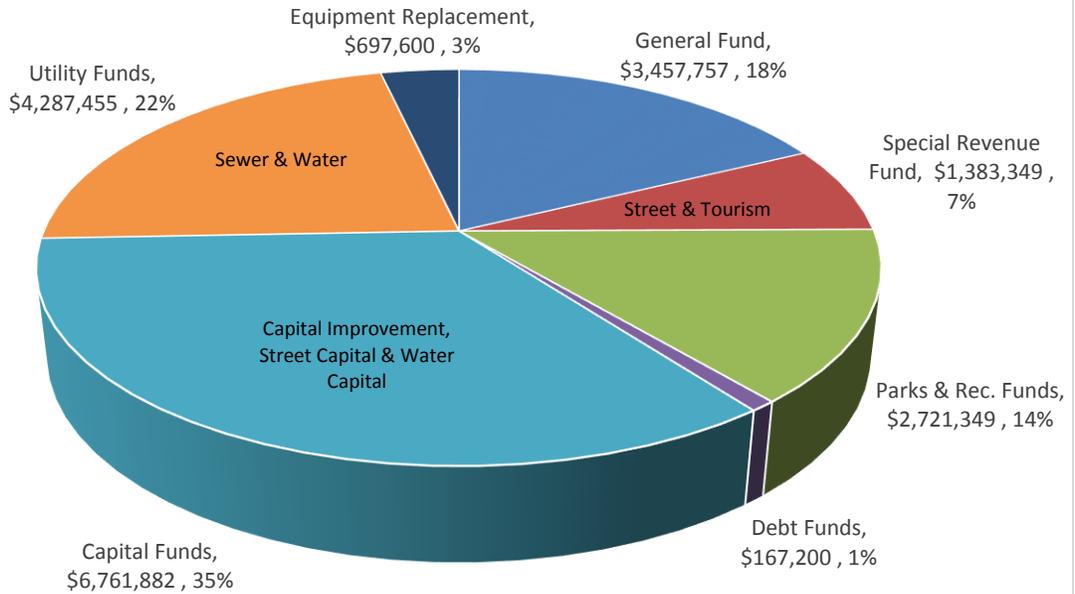
2016 Expenditure Budget at a Glance by Fund



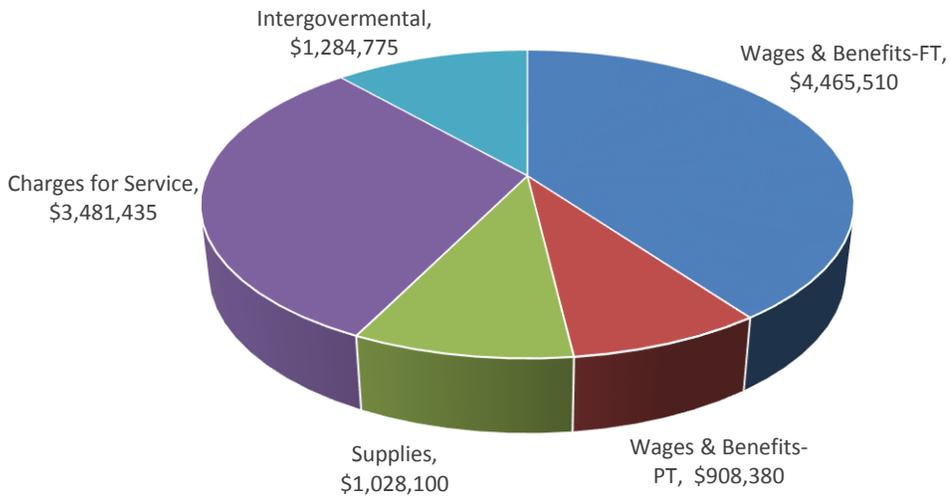
2016 Revenues Budget
\$13,016,172



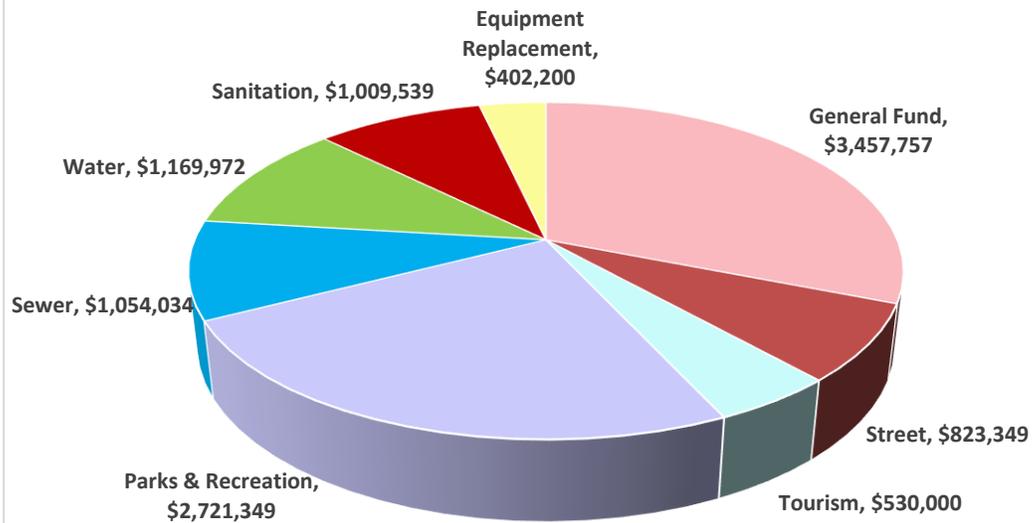
2016 Expenditures Budget
\$19,476,592



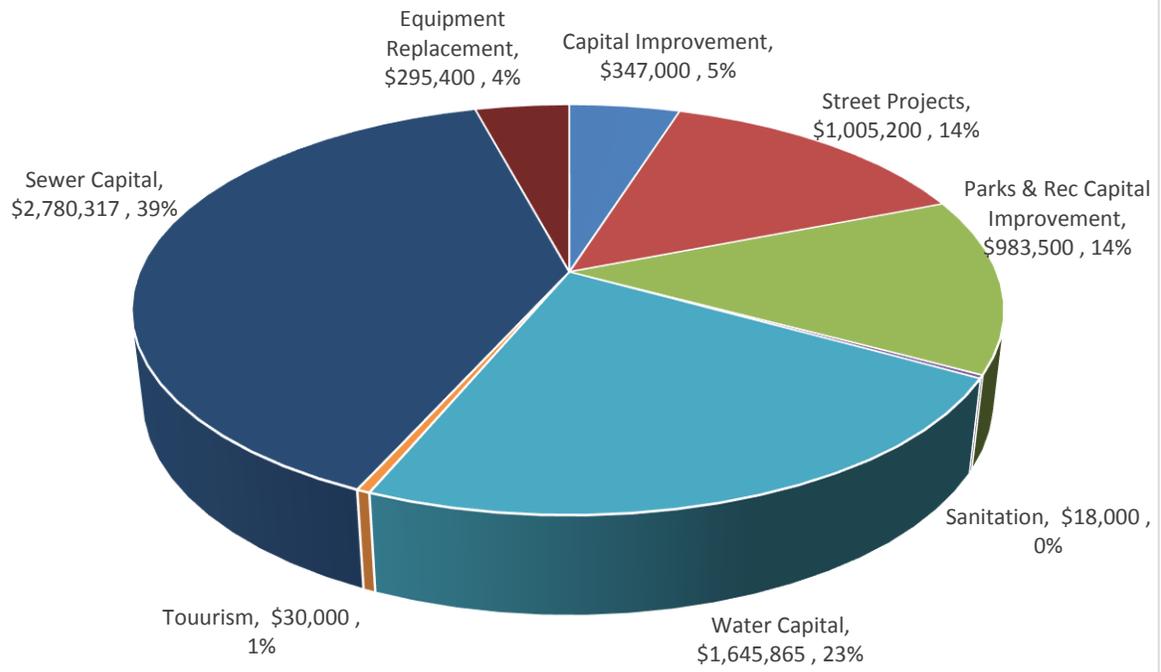
**M & O Expenditures by Type
2016 Budget \$11,168,200**



**M & O Expenditures by Fund
2016 Budget \$11,168,200**



Capital Expenditures by Fund 2016 Budget \$7,105,282



-Includes land purchase debt service payment

Description	Total Cost
CAPITAL IMPROVEMENT FUND	
iCompass agenda management software	4,000
Accounting software/hardware upgrades - Finance	60,000
Replace desktop computers (2) - Finance	5,400
Update city web site	34,000
International building code books - Building	4,200
Mobile devices (10 I-Pads) - Mayor/Council/Administration	8,000
Computer monitor - Planning	600
I-Pad replacement - Building	800
Replace computers (2) - Permit Tech/Bldg Inspector-Code Enforcement	3,000
Library basement improvements	14,000
Land Purchase (PUD Property) Payment	<u>213,000</u>
	347,000
STADIUM (TOURISM) FUND	
Wayfinding signs	<u>30,000</u>
	30,000
STREET CAPITAL FUND	
City wide resurfacing	70,000
New sidewalks - East Woodin Avenue (TIB grant for \$250,000)	355,000
Woodin Avenue bridge infrastructure improvements	540,000
Parking kiosks - PUD lot/Lakeside Park	33,000
Sidewalk grinder	6,200
Motorized pruning saw	<u>1,000</u>
	1,005,200
PARKS & RECREATION CAPITAL FUND	
RV Park Wi-Fi service	20,000
Replace parks administration office	400,000
Electrical/Irrigation design & upgrades RV Park	225,000
Parks maintenance shop - Design for replacement	15,000
Additional Marina office	25,000
Improvements to volleyball court	30,000
Electric irrigation valves & programmer for downtown irrigation	1,600
Automatic door locks for old Chamber and all parks restrooms	10,600
Utility cart-Downtown watering	8,700
Ford Ranger (yellow) pickup from Planning	<u>2,000</u>
	737,900
Golf course irrigation improvement-Source line replacement	200,000
Clubhouse deck and carpet	25,000
Proshop carpet replacement	14,000
Proshop point of sale (POS) computers (4)	2,400

Clubhouse attic and ductwork insulation	<u>4,200</u>
	245,600

SEWER CAPITAL FUND

Engineering-Design lift stations (carried forward)	125,000
Sewer pipeline improvements - Eng \$61,000/Construction \$671,000	732,000
NoSeeUm utilities - Engineering/Design	38,000
Lord Acres regional lift station and piping (Eng \$262,000/Const \$1.5M)	1,762,000
RBC bearing replacement	40,792
Flyght 5 HP pumps (2)	18,000
Ultrasonic level controller CC1	<u>2,500</u>
	2,718,292

WATER CAPITAL FUND

Automated meter reading study (carried over)	30,000
NoSeeUm utilities - Engineering/Design	25,000
Highway 150 waterline (carried forward)	25,000
Bogey Blvd pump station - Eng \$61,000/Construction \$397,000	458,000
Booster station improvements - Eng \$118,000/Construction \$889,000	1,007,000
Water comprehensive plan	60,000
Alum tank	5,000
High Street backup pump	2,500
IEM actuators for backwashing (2)	<u>11,340</u>
	1,623,840

SANITATION FUND

Dumpsters	<u>18,000</u>
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SHARED CAPITAL ITEMS

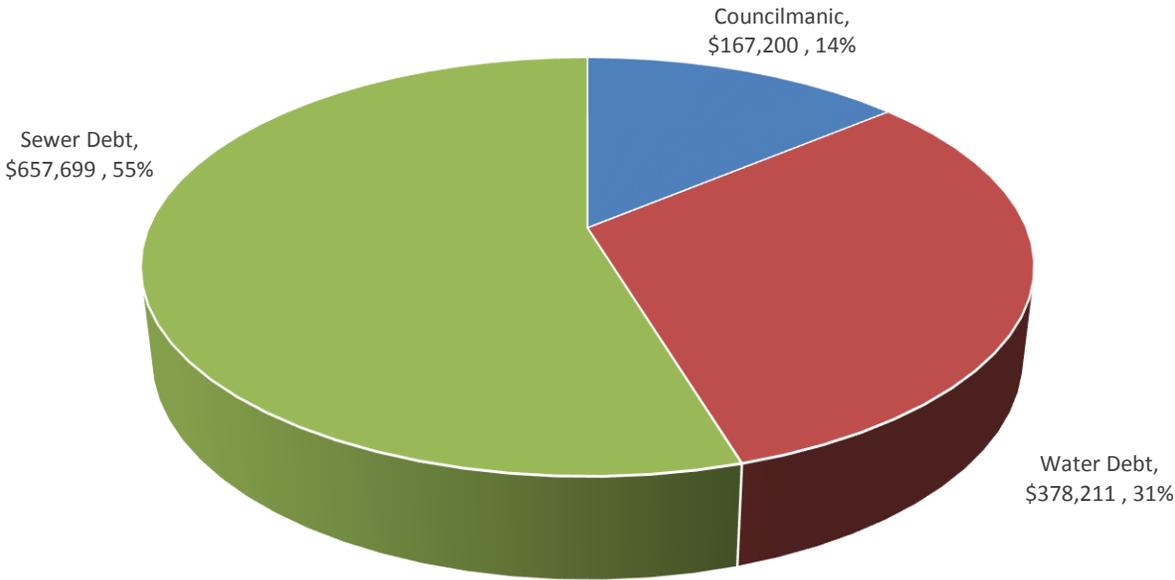
2 Bay covered storage building (25% Water Capital/75% Sewer Capital)	80,000
Payment drop box (50% Water Capital/50% Sewer Capital)	1,550
Computers (50% each Water Capital/Sewer Capital)	<u>2,500</u>
	84,050

EQUIPMENT REPLACEMENT FUND

Sewer service truck (1 ton)	43,000
Water service truck (treatment plant)	25,000
Utility service truck (1 ton)	34,000
Backhoe	75,400
Service vehicle (Engineers)	26,000
Hook lift truck (recycle)	44,000
Forklift truck (recycle)	27,000
Utility truck (1 ton-shop)	<u>21,000</u>
	295,400

GRAND TOTAL ALL CAPITAL 7,105,252

**Debt Service by Fund
2016 Budget \$1,203,110**



- Excludes land purchase debt service payment

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A Bit of Information About Property Taxes



Property taxes are utilized by many entities as a means to fund the services they provide. Aside from cities, property taxes are utilized by counties, school districts, and many special purpose districts (parks, fire, library, hospital, cemetery, ports) for which property taxes are their main or only source of revenue. Common questions asked with regards to property taxes are:

HOW IS THE AMOUNT I PAY IN PROPERTY TAXES DETERMINED?

HOW MUCH GOES TO MY CITY?

WHERE DO THE OTHER PROPERTY TAXES GO?

Property taxes are based on the assessed value of your property, which may or may not be the same as the market value. Each year the city passes an ordinance setting the amount to be collected in property taxes. That amount cannot exceed 1% of the highest lawful levy amount, ** plus new construction and refunds. A copy of the levy ordinance for 2016 is listed in the Table of Content as Ordinance No. 2015-1499.

Once the levy amounts are determined, the levy rate is set. This is the amount per thousand of assessed value that is used to calculate your share of city property taxes. The following information shows the taxes that would be assessed on a property inside the city limits of the City of Chelan.**

For 2016 the tax assessment looks somewhat like this:

Total assessed value of properties in the City of Chelan:	\$854,462,552
City taxes for 2016 (1.472751915 levy rate x assessed value): Amount to be collected	\$1,258,411
Taxes assessed on a property valued at: ***	\$250,000

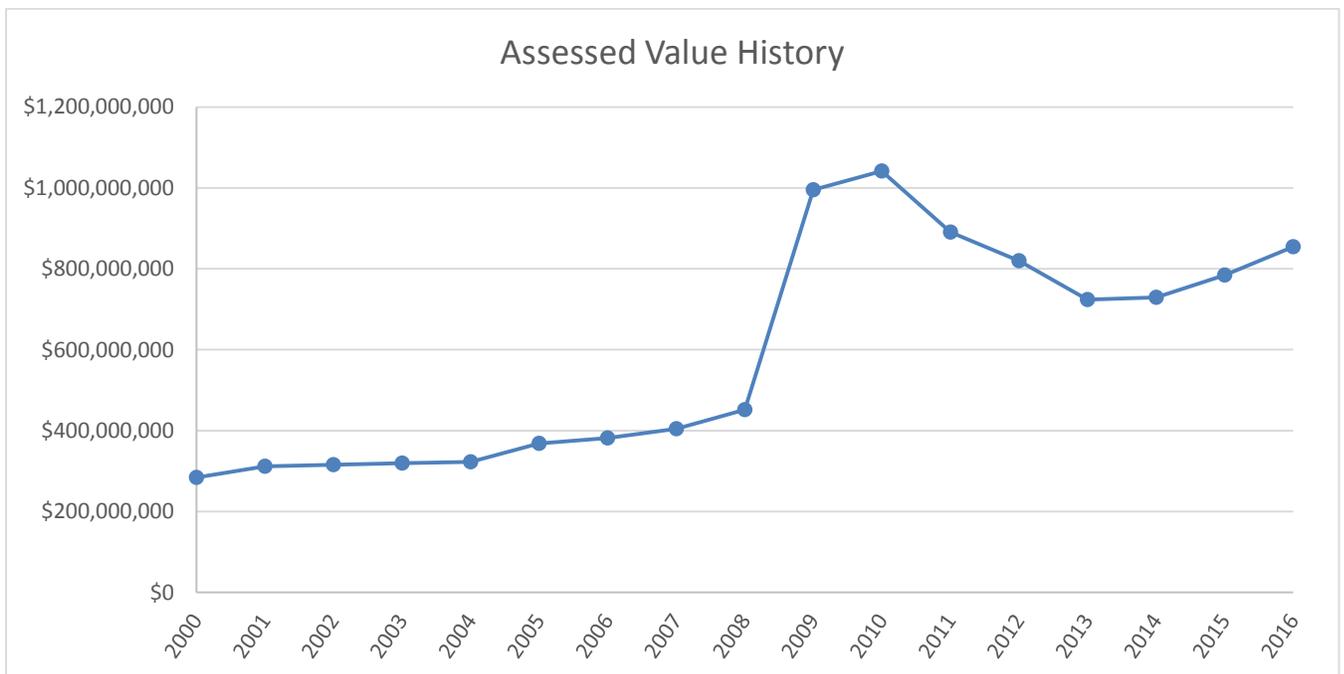
	Levy Rate	Tax Amount
State Schools	\$2.28590	\$571.47
County Current Expense	\$1.23103	\$307.76
County Mental Health	\$0.02500	\$6.25
Regional Library	\$0.42926	\$107.31
County Flood Control	\$0.06767	\$16.92
Chelan County Port District	\$0.26884	\$67.21
Chelan School District-M & O	\$1.63858	\$409.65
Chelan School District-Cap Improvements	\$0.67239	\$168.10
Hospital District #2-General	\$0.27487	\$68.72
Hospital District #2-EMS	\$0.31000	\$77.50
Cemetery District #4	\$0.06183	\$15.46
Fire District #7	\$1.01296	\$253.24
City of Chelan	\$1.47275	\$368.19
Total Taxes	\$9.75109	\$2,437.77

***These are estimates only and not meant to be an exact amount of taxes due. Not all taxes are due by all individuals and not all taxes may apply to each individual. Voted debt is not included. For more information on property taxes, visit the Chelan County Assessor's website.

Assessment History

The information below shows how total city property values have changed over the years, and how those values affect levy rates.

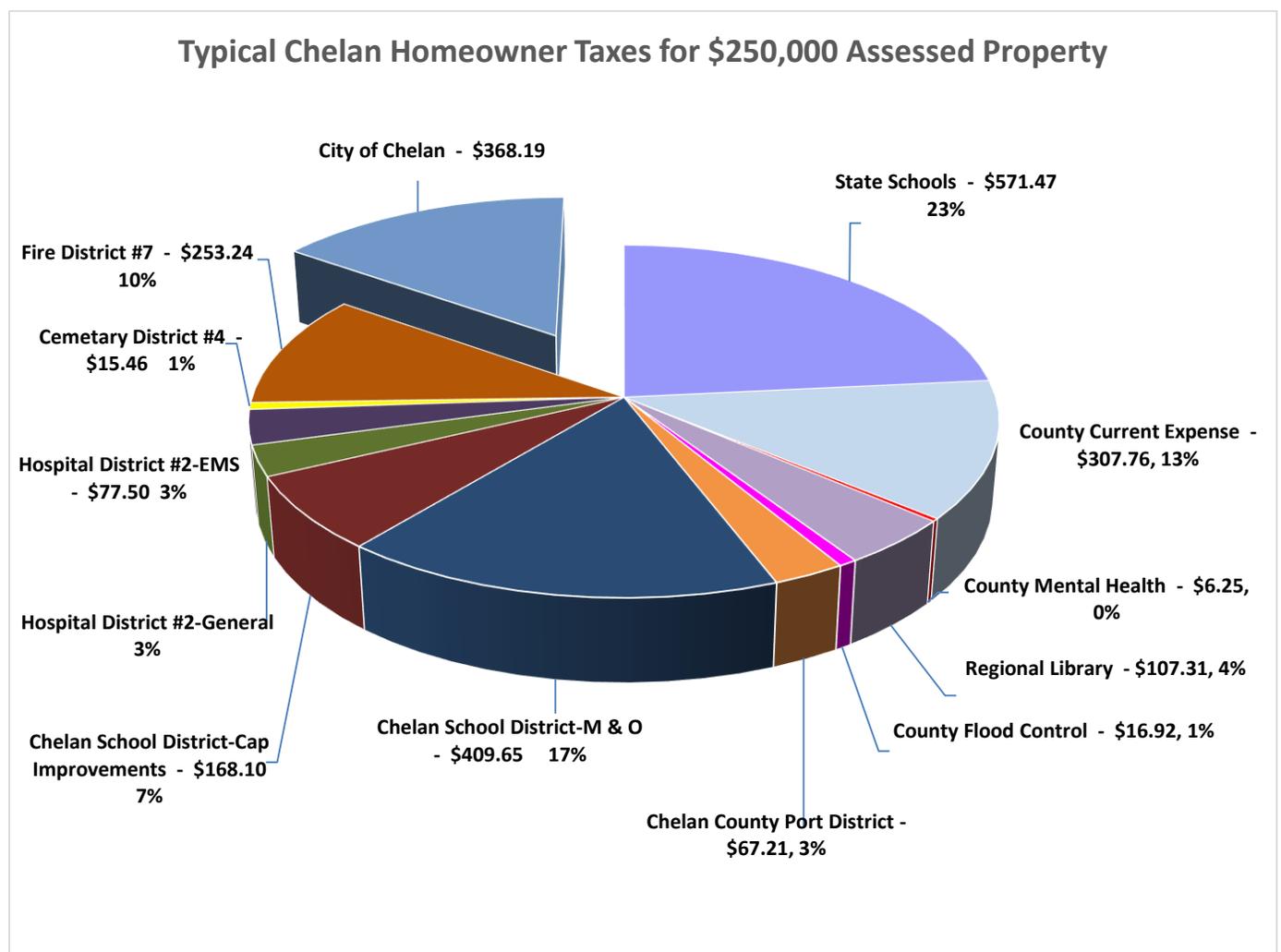
YEAR	ASSESSED VALUE	LEVY RATE	Annual Property Taxes	TAX INCREASES 2000 TO 2016 (Includes new construction)
2000	\$283,874,814	\$2.77856	\$788,763	
2001	\$311,409,149	\$2.76785	\$862,158	\$73,395
2002	\$315,724,481	\$2.87292	\$907,051	\$44,893
2003	\$319,483,880	\$2.55308	\$815,668	-\$91,383
2004	\$322,683,799	\$2.50372	\$807,910	-\$7,758
2005	\$367,915,260	\$2.55296	\$939,273	\$131,363
2006	\$381,935,480	\$2.53084	\$966,618	\$27,345
2007	\$404,098,470	\$2.52657	\$1,020,983	\$54,365
2008	\$451,311,570	\$1.17081	\$528,400	-\$492,583
2009	\$995,588,318	\$1.01295	\$1,008,486	\$480,086
2010	\$1,041,540,339	\$1.01348	\$1,055,583	\$47,097
2011	\$890,301,611	\$1.21389	\$1,080,732	\$25,149
2012	\$820,077,264	\$1.32564	\$1,087,125	\$6,393
2013	\$723,538,382	\$1.51147	\$1,093,610	\$6,485
2014	\$729,189,867	\$1.61273	\$1,175,984	\$82,374
2015	\$784,536,131	\$1.53586	\$1,204,936	\$28,952
2016	\$854,462,552	\$1.47275	\$1,258,411	\$53,475



City's Share of Property Taxes

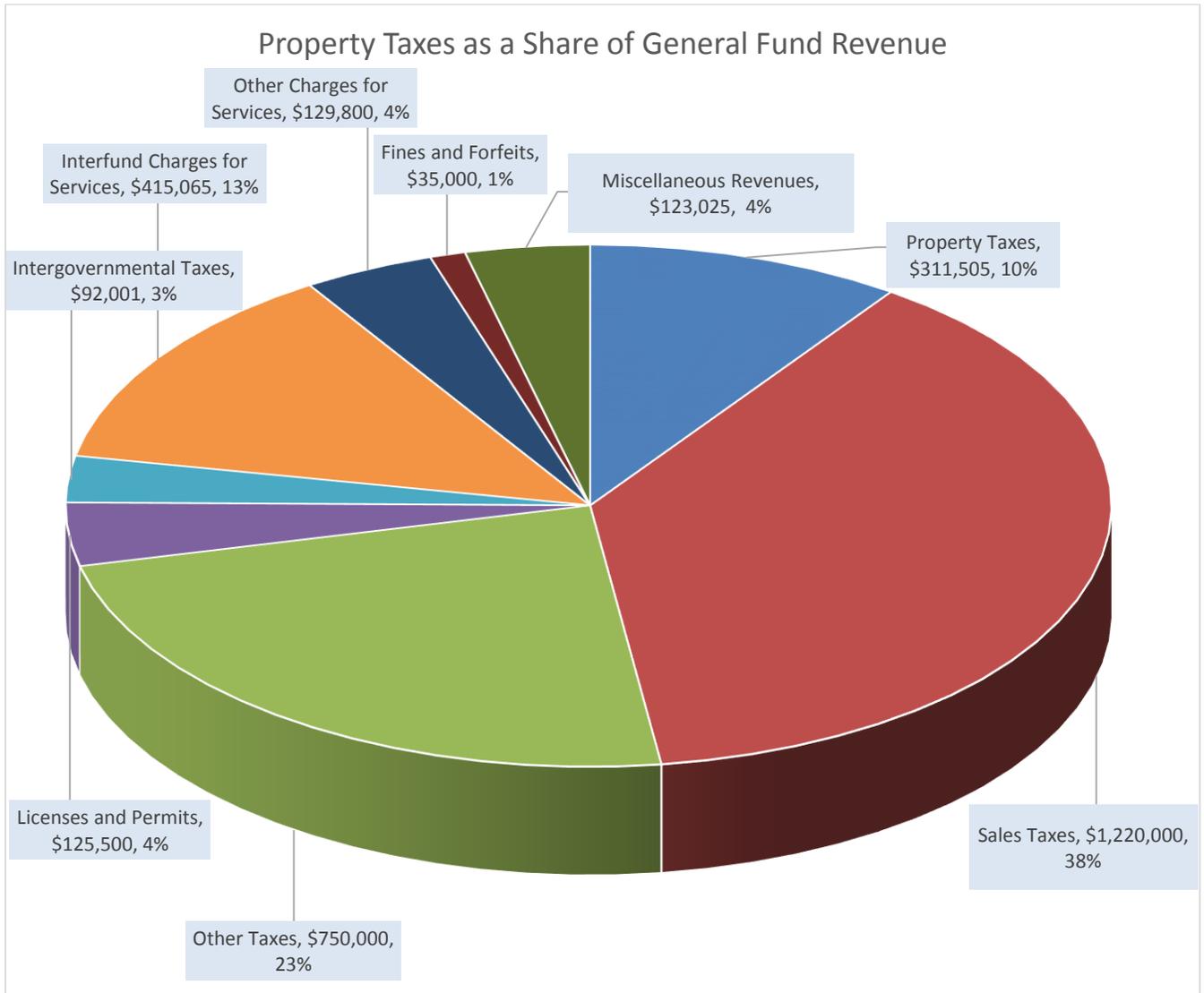
Property taxes are one of the larger sources of revenue for the City of Chelan. The city's share of property taxes are portioned out to both the General Fund, for general operations of the city, and Street Fund, for road, sidewalk, and street maintenance. Currently the division rate is 25% to the General Fund and 75% to the Street Fund.

As explained previously, a "typical" homeowner of a home assessed at \$250,000 could pay about \$2,400 in property taxes. As shown below, the city's portion would be roughly 15%. Of that, about \$92 will be used to support the General Fund and \$276 will be used for street maintenance.



Property Taxes in the General Fund

As a share of the General Fund, property taxes make up less than 10% of the total revenue for 2016. The Street Fund, which gets 75% of all property tax revenues, relies on these for over 90% of its total.



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Economic Impacts on Revenues to the City of Chelan:

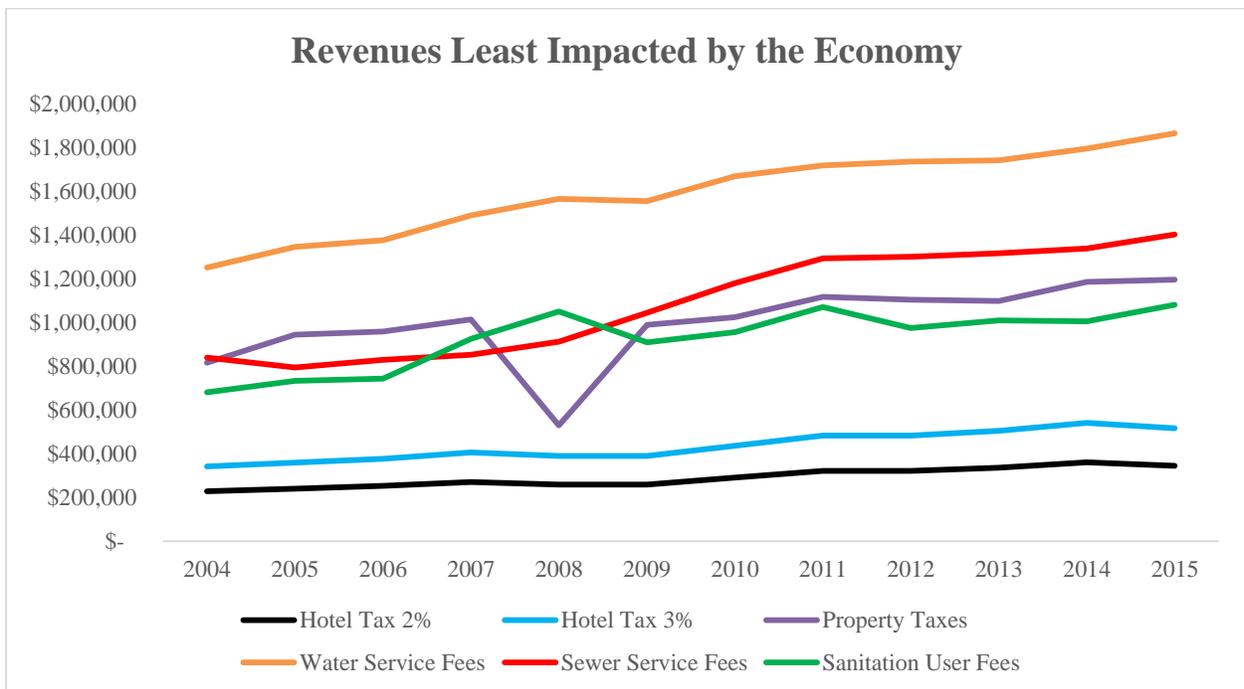
FISCAL POLICY



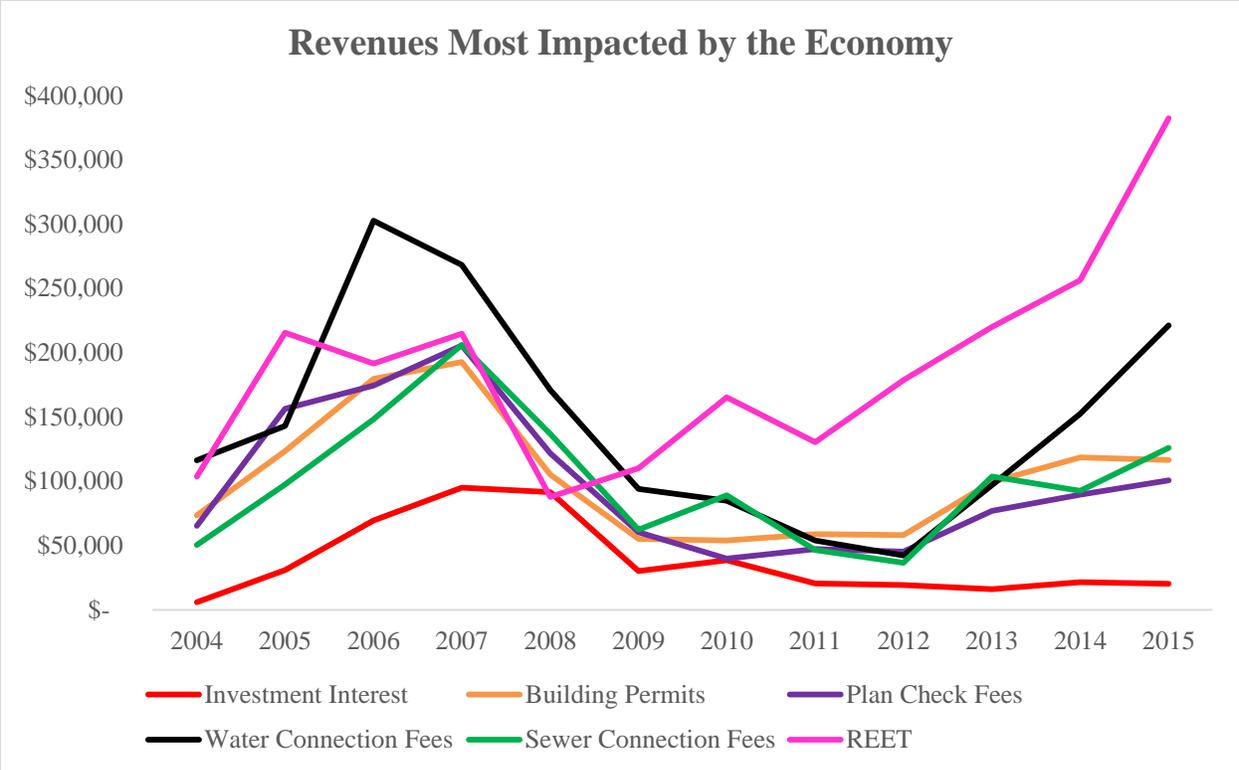
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As shown on the three following charts, some revenues are more heavily influenced by turns in the economy than others. Logically, user fees to utilities (water, sewer, garbage) and property taxes generally do not show much fluctuation during economic downturns.

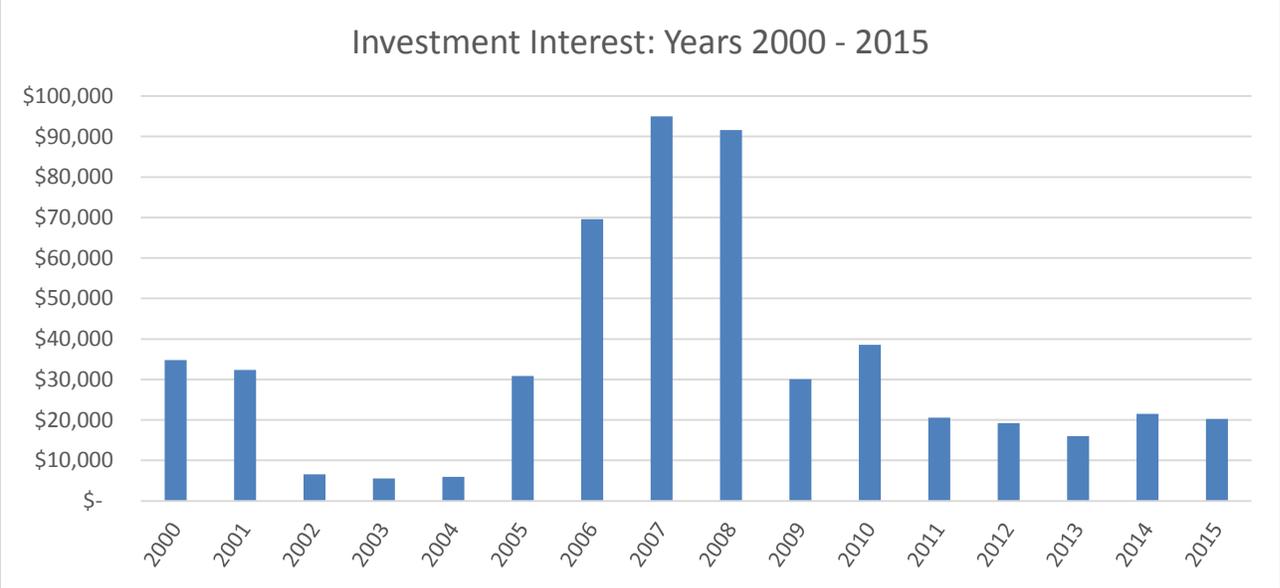
There were, however, in the time period shown two major impacts to revenues. One was in sanitation fees and one was to property taxes. The sanitation increase in revenues was due to a major renovation that occurred at Chelan Shores. This generated a very large volume of construction debris and additional revenues to the city. The second impact was a decrease to property taxes in 2008. This was due to Chelan Fire District #7 passing a voter approved levy lid lift. Because the lid lift affected the \$3.60 cap of combined levy amounts, the city's levy rate was forced down to accommodate the increase in the fire district rate. This caused a movement of property taxes from the city to the fire district. Rates were adjusted the following year due to re-assessments and increases in property values. With those adjustments the city was able to move its total property tax levy back to where it had been prior to the lid lift.



Looking at the second chart, you can see the revenue streams that are most affected by changes to the economy. These revenues all have a common thread, which is building. Water and sewer connection fees, building permits and plan check fees, and sales taxes are all directly tied to new construction, both commercial and housing. With regards to sales taxes, the city did not suffer nearly as badly as other cities during the last recession due to the timing of Wal-Mart's opening of its new store occurring just as the economy was taking a downturn in the building arena.



Historical investment interest information represents the third chart. Chelan has been very fortunate for many years to have a considerable amount of cash on hand and that cash has always been invested. The two primary investments have been with the LGIP (Local Government Investment Pool), run by the State Treasurer’s Office, and with a local bank. The city also invests in insured bonds on the secondary market. The large decline over the years of investment income is in no way tied to a decline in available cash to invest. In fact, the city has steadily increased its cash reserves over the years. Rather, it is a result of record low interest rates that have continued for several years.



A Word About Sales Taxes:

You just got your income tax refund and have decided to treat yourself. On June 16 you go to the outdoor store and buy a new set of patio furniture. Then you go to the hardware store and buy yourself some new fishing gear and life jackets for the boat. Today you spent \$2,000 for your items and \$164 in sales tax (\$2,000 x 8.2%, the tax rate in Chelan). You take your new purchases home and forget about the \$164, but where did that money go?

- 1) The sales tax was collected by the stores but it doesn't belong to them. The stores will hold that money until they prepare their excise tax returns for the month. They then submit their return and remit payment, typically by the 25th of the following month.
- 2) The Department of Revenue receives the completed tax form and the remittance. They keep their share of the funds then remit the balance to the entities that the funds belong to, typically at the end of the following month.
- 3) The entities receive notification from the State Treasurer's Office that money will be deposited into their bank account on the last day of the month.

So the \$164 in sales tax you paid on June 16 goes to the state by July 25 and your city by August 30. Who else get that money? All calculations below **total \$164**, and the respective totals are a percentage of \$2,000 and are located in parentheses.

Total Taxes = \$164



State (6.5%) = \$130



City of Chelan (.85%) = \$17



LINK Transit (.4%) = \$8



Chelan County (.15%) = \$3



River Comm (.10%) = \$2



PFD (.10%) = \$2



City of Chelan (.10%) = \$2
Juvenile justice



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2016 City of Chelan Detailed Budget By Task

Maintenance and Operations:



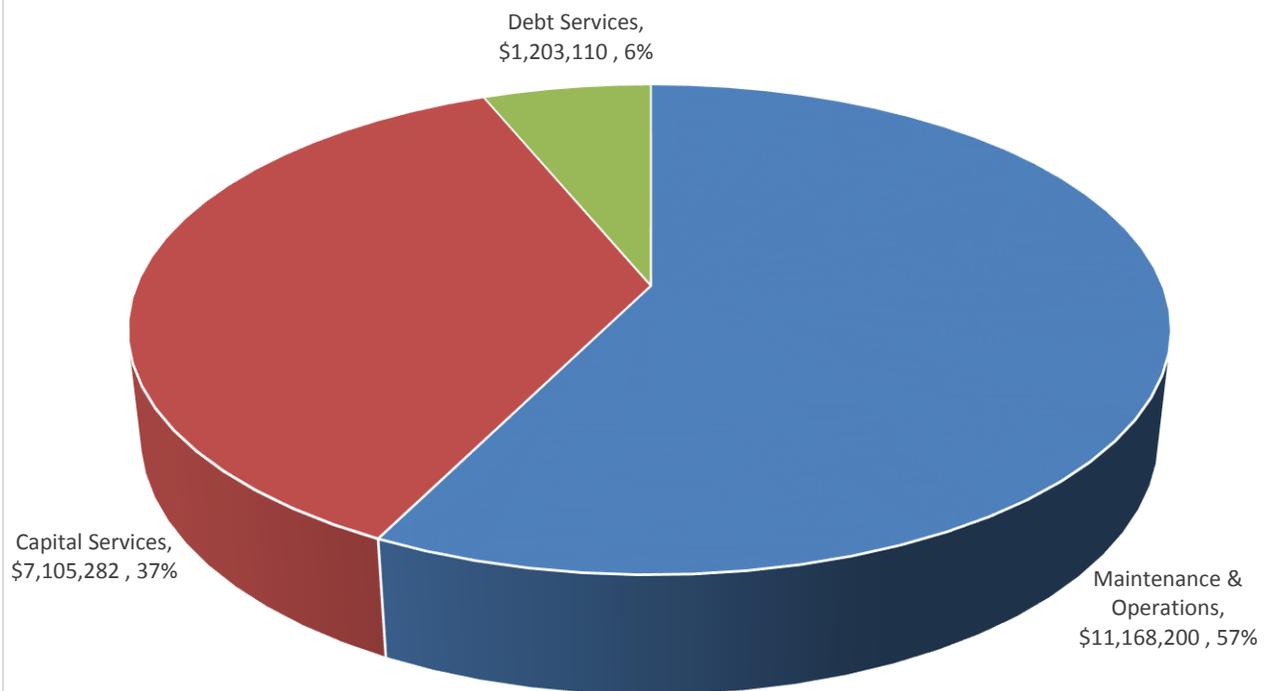
Capital:



Debt:

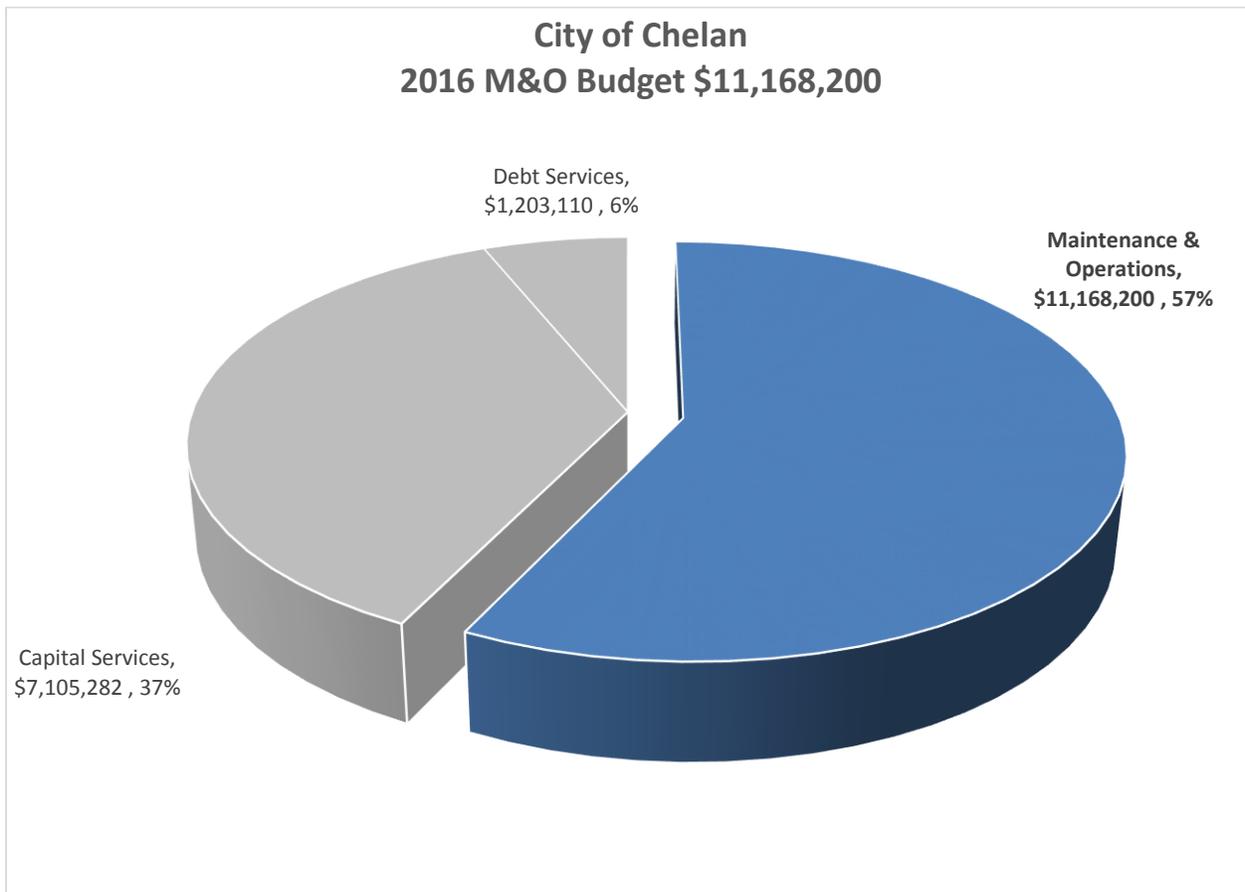


City of Chelan
2016 Budget \$19,476,592



MAINTENANCE & OPERATION:

Maintenance and operations accounts for the largest portion of the city's budget. This category includes wages and benefits for all employees, the purchase of supplies, payment of utilities, advertising, repairs and maintenance, professional services (attorneys, engineers, consultants, IT services, etc.), intergovernmental agreements (district court, law enforcement, custody of prisoners, etc.) among other costs. Detail of expenses can be found within each fund and department budget.



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General Fund #001

Maintenance & Operations	\$3,457,757
Transfers to Other Funds	\$1,189,308

The General Fund, as the name implies, accounts for many departments within city government that are “general” in nature. These departments provide essential services to the citizens of Chelan. They may or may not generate revenue and if revenue is generated it is likely insufficient to provide the department with the ability to be self-sufficient. The departments within the General Fund are supported by a combination of taxes (sales, property and utility), licenses and permits (business and building), intergovernmental revenues (state shared, charges to other departments), charges for services, fines, and miscellaneous revenues.

The General Fund is the only fund in the city that can provide financial support to other, unrelated funds, which it does. In the past, support was routinely provided to the library, at the time a separate fund. In 2007 the Library Fund was eliminated and the Library became a department within the General Fund. Financial support has also been provided to the Parks & Recreation and Street Funds and their capital funds. That will continue in 2016 with substantial contributions to both. The Street Capital Fund is slated to receive \$573,000 for improvements to be made to the Woodin Avenue Bridge. The Parks & Recreation Capital Fund is budgeted to receive \$425,000. These funds are intended to address electrical and irrigation issues at the RV Park and irrigation issues at the golf course.

While each department within the General Fund has its own budget, Council adopts the budget at the fund level, meaning if one department exceeds its budget, it would not necessarily require a budget amendment to be in compliance with expenditures as a whole.

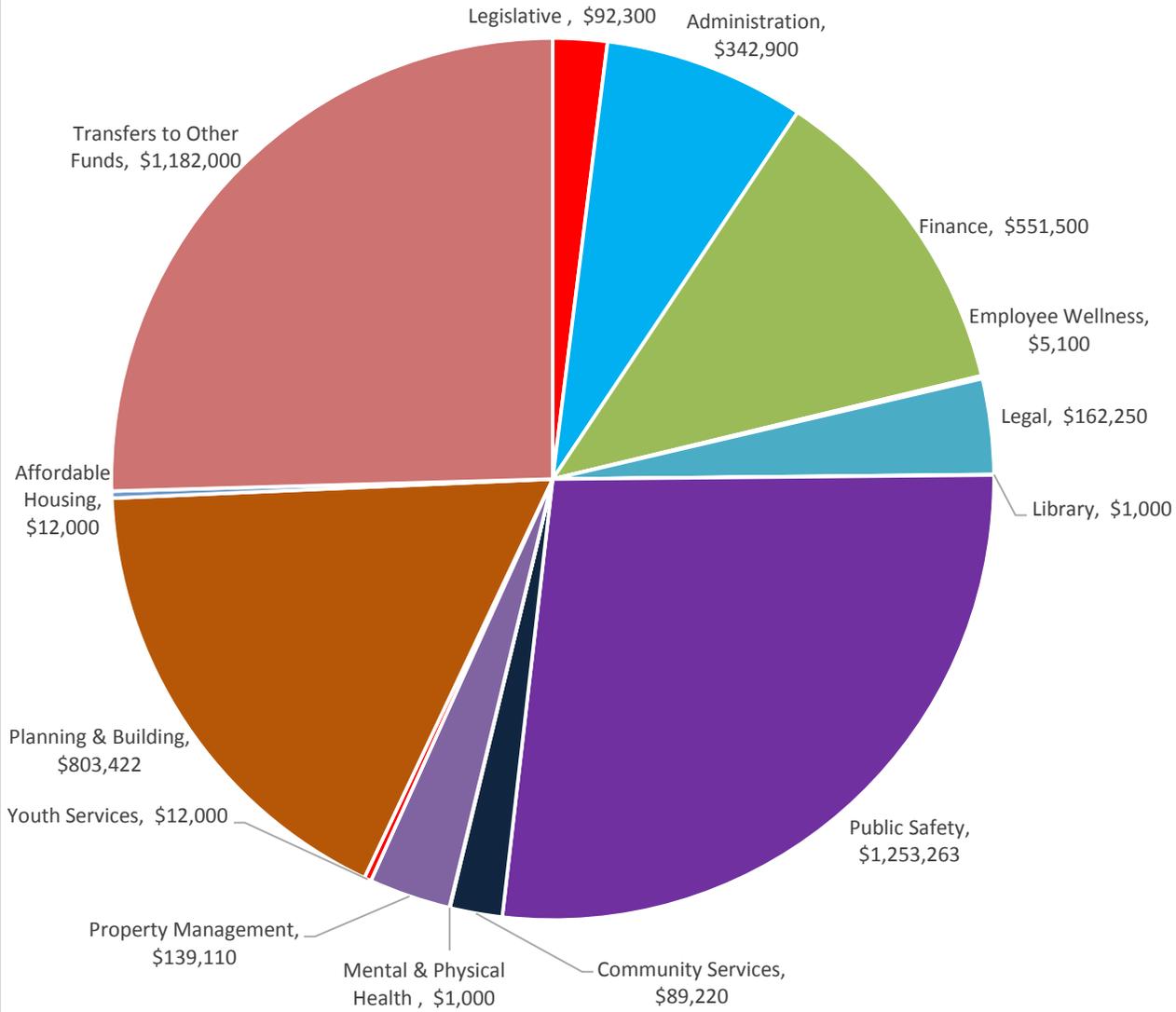
The General Fund is comprised of the following departments:

Legislative	Administration	Finance	Legal
Employee Wellness	Property Management	Public Safety	Community Services
Planning & Building	Affordable Housing	Library	Youth Services

Mental & Physical Health

The following pages consists of the summary budget of the General Fund. Each department budget follows, preceded by a brief description explaining its functions. Charts and graphs are inserted where appropriate to provide historical and/or additional information.

General Fund 2016 Budget
\$4,647,065



GENERAL FUND - #001	2014	2014	2015	2015	2016
2016 SUMMARY BUDGET	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Cash Balance	3,103,000	3,164,238	3,371,700	3,519,245	3,920,000
Revenues:					
Taxes	2,229,979	2,454,857	2,311,954	2,547,476	2,281,505
Licenses and Permits	119,500	176,493	120,500	178,863	125,500
Intergovernmental	79,447	82,673	84,915	88,068	92,001
Interfund Charges for Services	415,065	415,065	415,065	415,065	415,065
Other Charges for Services	112,425	194,116	116,850	207,722	129,800
Fines & Forfeits	35,000	52,415	35,000	60,287	35,000
Miscellaneous (Lease & Rental Income)	81,180	84,686	84,370	102,312	105,128
Other Miscellaneous	32,900	108,129	14,900	23,547	17,900
Operating Transfers In/Non-Revenues	10,406	10,961	750,000	2,992	0
Total Revenues/Other Financing Sources	3,115,902	3,579,396	3,933,554	3,626,332	3,201,899

Expenditures:	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Total Wages/Benefits Elected	49,800	46,910	49,800	45,666	49,800
Total Wages FT	887,700	850,056	917,600	898,032	1,007,860
Total Wages PT	23,100	15,130	16,700	13,794	16,700
Total Overtime	2,100	618	1,000	2,567	1,000
Total Benefits FT	324,600	304,154	336,700	324,955	395,200
Total Benefits PT	4,100	2,648	3,000	2,490	3,000
Total Benefits Retired Personnel	80,000	69,028	61,000	47,605	61,000
Total Wages & Benefits	1,371,400	1,288,545	1,385,800	1,335,109	1,534,560

Total Supplies	35,700	35,212	38,000	37,626	38,000
Total Other Services & Charges	519,727	486,244	526,612	434,832	577,435
Total Intergovernmental Services	1,220,565	1,188,919	1,288,274	1,245,414	1,304,162
Total Interfund Payments	11,058	9,178	11,058	8,556	10,908
Capital Expenditures	0	243	0	0	0
Other Miscellaneous				6	
Transfer to #110 Rec Fund for M & O	50,000	50,000	50,000	50,000	50,000
Transfer to #301 for Capital	278,750	163,944	52,705	25,972	134,000
Transfer to #302 Street Cap					573,000
Transfer to #310 Rec Cap					425,000
Agency Fees out	0	2,105	0	2,383	0
Total Expenditures/ Financing Sources	3,487,200	3,224,390	3,352,449	3,139,899	4,647,065
Ending Cash Balance	2,731,702	3,519,244	3,952,805	4,005,678	2,474,834

GENERAL FUND #001	2014	2014	2015	2015	2016
#001	Budget	Actual	Budget	Actual	Budget
Beginning Fund Balance	3,103,000	3,164,238	3,371,700	3,519,245	3,920,000
NON SPECIFIC REVENUES					
TAXES					
Property Taxes	293,979	296,880	301,454	299,329	311,505
Local Sales Tax	1,190,000	1,367,071	1,242,000	1,465,603	1,220,000
UTILITY TAXES					
Cable Television (1%)	4,500	6,169	5,000	6,966	5,000
Telephone-6%	135,000	103,060	140,000	98,193	100,000
P.U.D.	175,000	208,659	175,000	172,306	175,000
Water Utility Tax-9.5%	158,000	170,025	160,000	175,936	162,000
Sewer Utility Tax-9.5%	121,000	127,382	127,000	135,157	134,000
Sanitation Utility Tax-9.5%	80,000	87,262	87,000	95,007	94,000
OTHER TAXES					
Leasehold Excise	6,500	8,129	6,500	10,494	8,000
BUS LICENSES & PERMITS					
General Business Licenses	24,000	26,103	25,000	26,763	25,000
Cable Franchise Fees (5%)	25,000	31,413	25,000	34,736	30,000
MISCELLANEOUS					
P.U.D. Privilege Tax	23,000	23,011	23,000	25,308	23,000
Investment Interest	10,000	21,522	12,000	20,255	15,000
Sales Tax Interest	200	291	200	631	200
Leases-Campbell's Access	1,240	1,222	1,240	1,243	1,240
Short Term Rentals/ Dock Rentals	240	248	280	253	250
Leases-Cell Towers	17,000	18,294	17,000	18,182	18,000
Other Miscellaneous	500	637	500	0	500
Total Non-specific Revenues	2,265,159	2,497,379	2,348,174	2,586,361	2,322,695

LEGISLATIVE Expense Budget - \$92,300

The Legislative Department’s budget covers expenses of the Chelan City Council. Council is responsible for setting the overall policy of the city, adopts ordinances and resolutions, adopts long range goals and objectives, and approves the annual budget. Salaries, benefits, and travel expenses for seven council members are budgeted here, as are the updating of the Chelan Municipal Code and publication of ordinances, public notices, etc. Election and voter registration costs billed from Chelan County Auditor’s Office are also paid from this department.

LEGISLATIVE REVENUES	2014	2014	2015	2015	2016
REVENUES	Budget	Actual	Budget	Actual	Budget
Election Filing Fees	0	0	0	472	0
EXPENDITURES					
Official Publication Services	2,000	2,598	1,200	4,234	2,000
Council Salaries	46,200	43,550	46,200	42,400	46,200
Council Benefits	3,600	3,360	3,600	3,266	3,600
Supplies	2,200	1,965	2,200	2,930	2,200
Professional Services	2,500	2,597	7,500	5,414	7,500
Communication	600	498	600	493	600
Lodging/Meals/Mileage	6,000	3,971	6,000	1,292	6,000
Rentals & Leases	500	74	500	23	500
Insurance	4,760	4,117	4,530	4,253	4,700
Repairs and Maintenance	500	450	500	321	500
Misc-Dues/subscriptions/registrations	2,500	3,095	2,500	1,556	2,500
Miscellaneous	3,000	603	2,000	0	2,000
Election Costs	8,000	0	8,000	1,631	8,000
Voter Registration	6,000	5,745	6,000	11,777	6,000
Total Legislative	88,360	72,624	91,330	79,589	92,300

ADMINISTRATION Expense Budget - \$342,900

The Administration Department consists of the Mayor, City Administrator, and City Clerk. The Mayor is the Chief Administrative Officer and the City Administrator is responsible to the Mayor for carrying out city policies and goals of the Council. The Administrator and Mayor also develop policies and legislation to bring before Council and are involved in intergovernmental relations, economic development, community information, human resources, and general research.

The City Clerk's office is responsible for the needs of the public and internal offices. Included in those responsibilities are preparation of council agendas, minutes, timely and appropriate response to records requests, accepting claims against the city, and records preservation and destruction.

Salaries and benefits make up the largest portion of these costs. This budget also covers supplies, legal services, and travel and training expenses, among other things. A portion of these costs are recovered from other departments/funds, as appropriate.

ADMINISTRATION REVENUES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Admin Services - Lake Chelan Airport	3,500	3,500	3,500	3,500	3,500
Admin Services - Interfund	163,900	163,900	163,900	163,900	163,900
Total Revenues	167,400	167,400	167,400	167,400	167,400
EXPENDITURES					
Salaries	218,900	218,760	221,000	219,352	231,500
Benefits	66,700	66,471	68,500	67,617	75,700
Supplies	2,500	2,474	3,000	3,386	3,000
Small Tools/Minor Equipment	500	766	1,000	270	1,000
Professional Services	0	796	11,000	3,241	1,000
Communication-Phone/fax/postage	3,500	3,529	3,500	3,590	3,500
Lodging/Meals/Mileage	6,000	5,596	6,000	4,427	6,000
Advertising	500	0	500		500
Rentals & Leases	500	22	500	23	500
Insurance	8,890	7,680	8,500	7,932	8,700
Repairs & Maintenance	2,000	111	1,000	122	1,000
Misc - Dues/subscriptions/registrations	10,500	5,187	10,500	4,536	10,500
Total Administrative	320,490	311,393	335,000	314,497	342,900

FINANCE Expense Budget - \$551,500

The Finance Department serves as a supporting department for all other departments and funds within the City of Chelan. The services provided include, but are not limited to, accounts payable and receivable (utilities, licenses, permits, etc.); payroll; assistance with budget preparation; and preparation and submission of the city's annual financial report. The Finance Department also prepares budgets and annual reports for two other entities; the Lake Chelan Airport, jointly owned by the city and Chelan County Port District; and the Lake Chelan Sewer District. In addition, the Finance Department is responsible for the safe and responsible investment of excess city funds and the establishment and proper use of petty cash and charge accounts. These duties are carried out by the Finance Director, Assistant Finance Director, three Accounting Assistants plus a seasonal employee.

The Finance Department interacts daily with other departments and considers city employees, along with the general public, its customers. With this in mind, we have developed the following mission statement:

It is the purpose of the Finance Department to protect and properly account for city funds and to provide excellent customer service to both internal and external clients in a professional, courteous and efficient manner. To this end, we will strive to provide support, information, advice, direction and assistance to our clients and we will work to implement and improve efficiencies to protect and enhance the finances of the city.

In 2015 Finance staff played a key role in several city projects, including rebuilding of the city's website (ongoing), construction of a new parks administration building (ongoing), assessing the benefits of a radio read water meter system (ongoing), and overseeing the accounting for a \$700,000+ DES energy grant (ongoing) and \$600,000+ FAA land purchase grant for the Lake Chelan Municipal Airport. In addition, Finance provided additional assistance to the Parks Department during the budget process due to the city being without a Parks and Recreation Director at that time.

One area that has taken considerable staff time over the past couple of years has been understanding and implementing the requirements of the Affordable Care Act. Due to the large number of 7-9 month seasonal employees the city hires each year, the city is deemed a "large employer" for ACA purposes. Making the determination of which employees must be offered insurance and when, what the reporting requirements are, and what the potential costs are, have all proven to be challenging. The city is now moving forward in 2016 with offering insurance coverage for those employees deemed eligible under the Affordable Care Act.

Another area that has become more complex is that of credit card acceptance. The city is now required to perform or have performed an assessment of its risk as it pertains to credit card security and to remedy any shortfalls identified. Due in part to this requirement, the Finance Department is pursuing the option of having a third party vendor provide servicing of all credit card transactions within the utility billing/receipting system. One of the more exciting benefits of this transition is the ability to expand services in the future to include e-mailing of bills, direct posting of payments to customer accounts by the vendor, the ability of customers to look up current and past bills/payments, and a host of other features. We are excited with the notion of bringing this technology forward to our customers.

FINANCE	2014	2014	2015	2015	2016
REVENUES	Budget	Actual	Budget	Actual	Budget
Financial Services - LCA	7,000	7,000	7,000	7,000	7,000
Outside Accting Svcs-LCSD/Reclam	35,000	38,341	35,000	40,721	36,000
Copywork	250	701	250	722	250
Finance Services	251,165	251,165	251,165	251,165	251,165
Other Penalties & Charges (utilities)	25,000	36,429	25,000	43,807	25,000
Credit/Debit card fees	2,200	2,560	2,200	2,653	2,200
Judgement/Settlement/Non-revenue	20,000	83,118		8	
Total Revenues	340,615	419,315	320,615	346,077	321,615
EXPENDITURES					
Salaries-FTEs	293,700	283,005	309,000	302,048	313,400
Overtime	500	0	0	439	
Salaries-PTEs	23,100	15,130	16,700	13,794	16,700
Benefits-FTEs	105,300	104,628	111,100	113,908	124,300
Benefits-PTEs	4,100	2,648	3,000	2,490	3,000
Supplies	8,500	10,173	9,000	8,203	10,000
Small Tools/Minor Equipment	500	806	2,000	1,797	2,000
Professional Services	2,500	909	1,000	1,937	3,500
Communication-Phone/fax/postage	4,600	5,132	4,600	5,206	5,500
Lodging/Meals/Mileage	5,000	2,199	5,000	2,230	5,000
Advertising	200	152	200	0	200
Rentals & Leases (copier/postage)	900	1,053	1,000	1,151	1,500
Insurance	13,200	11,402	12,600	11,777	12,600
Repairs & Maintenance	11,000	16,566	15,000	9,931	15,000
Misc (dues, registrations, bank fees)	5,000	5,269	5,000	3,360	6,000
Debit/Credit Card/Bank Fees	8,700	6,282	8,700	7,034	8,700
Audit Costs	29,500	23,582	24,000	0	24,000
External (excise) taxes	100	99	100	6	100
Total Expenditures Finance Dept.	516,400	489,037	528,000	485,311	551,500

LEGAL Expense Budget - \$162,250

The city contracts for all legal services, which include contracts for city attorney, prosecuting attorney, and indigent defense. Funding is also budgeted for services outside the scope of any of these contracts. These may include personnel matters, attorney conflicts for indigent defense, claims brought against the city, and other city matters.

LEGAL DEPARTMENT Expenses	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Prosecutor	44,100	44,100	44,100	44,100	44,100
Public Defender	58,850	53,344	58,850	49,804	58,850
Conflict Counsel Reserve	10,000	6,446	10,000	6,162	10,000
City Attorney	21,000	21,000	21,300	21,275	21,300
Legal-Legislative	5,000	1,264	5,000	6,688	5,000
Legal-Administration	10,000	19,219	10,000	21,251	18,000
Legal - Personnel	10,000	1,215	5,000	3,068	5,000
Total Legal Department	158,950	146,588	154,250	152,348	162,250

EMPLOYEE WELLNESS PROGRAM Expense Budget- \$5,100

For several years city employees have been involved in a wellness program through the city’s medical insurance provider, Association of Washington Cities, which is offered to all entities contracting with AWC for insurance services. Participating entities have the ability to receive a 2% discount on premiums if employees participate in a number of activities during the year. Successful cities are awarded a “Well City” designation in addition to the discount. This budget provides the funding necessary to carry out those activities.

EMPLOYEE WELLNESS PROGRAMS	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Supplies	2,500	2,571	2,500	3,557	3,000
Lodging/Meals/Mileage	1,000	737	1,000	0	1,000
Misc (dues, registrations, payments)	500	0	500	0	500
Misc (gym reimbursements)	600	300	600	240	600
Total Employee Wellness Programs	4,600	3,608	4,600	3,797	5,100

PROPERTY MANAGEMENT Expense Budget - \$137,110

The property management budget has developed over the past few years as a means to clearly and readily identify expenses related to the operations, repairs, and maintenance of some of the city's buildings. The buildings covered in this department include city hall, the library, the old library building (which is slated to be sold in 2016), and the former Chamber building and parking lot, which was owned by Chelan County PUD and purchased by the city in 2014. Expenses include such items as utilities, insurance, cleaning, and maintenance supplies.

PROPERTY MANAGEMENT/CITY HALL REVENUES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Rental from DOL/HDCA/Chamber	22,100	24,308	22,316	31,569	33,440
Rental from Sheriff's Office	11,200	11,520	11,200	11,520	11,520
Rental from Library Building			23,838	31,039	38,230
Rental from Chelan Valley Hope	8,400	7,090	8,496	8,508	2,448
Total Revenues	41,700	42,918	65,850	82,635	85,638

CITY HALL BUILDING EXPENDITURES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Salaries CH 33.75% DOL 2.5%	28,900	28,444	29,200	24,128	16,800
Overtime	500	329	500	1,034	500
Benefits	16,600	16,437	17,500	14,466	10,350
Supplies	6,000	5,390	6,000	4,388	6,000
Small Tools/Minor Equipment	300	595	500	0	0
Professional Services	500	72	500	73	500
Communication-Phone/fax/postage	600	403	600	404	600
Lodging/Meals/Mileage	1,000	1,753	1,500	1,738	1,500
Rentals & Leases	150	116	150	35	150
Insurance	13,500	11,635	12,800	12,018	13,300
Utilities-W/S/G/Electricity	27,018	24,719	25,000	22,727	25,000
Repairs & Maintenance	17,105	16,315	10,000	4,779	8,000
Miscellaneous	200	0		65	200
Total City Hall	112,373	106,209	104,250	85,853	82,900

LIBRARY BUILDING EXPENDITURES					
	2014 Budget	2014 Budget	2015 Budget	2015 Budget	2016 Budget
Salaries			5,000	4,826	14,500
Benefits			2,000	2,865	9,000
Supplies			1,500	3,479	1,500
Small Tools/Minor Equipment			500	0	0
Professional Services			1,200	378	1,200
Communications (elevator/alarm)			1,500	1,321	1,500
Rentals & Leases			300	525	300
Insurance			1,200	0	1,200
Utilities-W/S/G/Electricity			12,000	5,350	9,000
Repairs & Maintenance			5,000	3,600	5,000
Miscellaneous			200	871	200
Total Library Building			30,400	23,216	43,400
OLD LIBRARY BUILDING (CV HOPE) EXP					
Utilities			900	0	0
Repairs & Maintenance			3,000	433	2,000
Total Old Library Building			3,900	433	2,000
OLD PUD BUILDING/LOT EXPENDITURES					
Salaries					2,360
Benefits					1,450
Supplies			500	716	500
Small Tools/Minor Equipment			500	0	0
Professional Services			500	1,953	500
Communications			0	0	
Rentals & Leases			500	243	500
Insurance			1,200	0	1,200
Utilities-W/S/G/Electricity			3,200	2,314	3,200
Repairs & Maintenance			1,000	1,971	1,000
Miscellaneous			100		100
Total Old PUD Bldg/Lot Building			7,500	7,196	10,810
Total Building Wages			34,200	28,954	33,660
Total Building Overtime			500	1,034	500
Total Building Benefits			19,500	17,331	20,800
Total Building Supplies			9,500	8,583	8,000
Total Building Other Services & Charges			82,350	60,797	76,150
TOTAL USES	112,373	106,209	146,050	116,699	139,110

PUBLIC SAFETY Expense Budget - \$1,253,263

Public Safety includes law enforcement activities and fire services. The City of Chelan contracts with the Chelan County Sheriff's Office for law enforcement services and is annexed into Chelan County Fire District #7. Expenses for law enforcement include patrol and investigative services, dispatch through River Comm, medical premiums and expenses for retired LEOFF I (Law Enforcement and Fire Fighters) employees, and jail services through the Chelan County Regional Justice Center.

PUBLIC SAFETY GRANTS: Revenue	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Local Criminal Justice Sales Tax	66,000	80,220	68,000	88,484	72,000
DUI Cities	600	712	700	609	700
Criminal Justice-Population	1,000	1,052	1,005	1,074	1,132
Criminal Justice - Special Programs	3,440	3,768	3,570	3,936	3,923
Liquor Excise Tax	4,700	7,432	10,890	10,945	17,919
Liquor Board Profits	35,150	35,142	35,250	35,224	34,827
Total Revenues	110,890	128,325	119,415	140,272	130,501

POLICE DEPT. EXPENDITURES

Contract with Chelan County Sheriff	919,440	919,440	956,218	956,218	994,466
RiverComm	92,825	92,824	96,561	96,561	101,797
Total Salaries/Contracted Services	1,012,265	1,012,264	1,052,779	1,052,779	1,096,263
Personnel Benefits					
Retired LEOFF I medical expenses	80,000	69,028	61,000	47,605	61,000
Total Benefits	80,000	69,028	61,000	47,605	61,000
Marine Patrol	2,000				
Total Supplies	2,000	0	0	0	0
Drug Enforcement Services	5,000	5,000	5,000	0	5,000
Total Other Services	5,000	5,000	5,000	0	5,000
Chelan County Contract - Jail	80,000	66,560	122,000	117,490	90,000
Total Detention Services	80,000	66,560	122,000	117,490	90,000
Investigative Services	3,000	926	2,000	0	1,000
Total Fire Services	3,000	926	2,000	0	1,000
Total Public Safety Operations	1,182,265	1,153,778	1,242,779	1,217,874	1,253,263

COMMUNITY SERVICES Expense Budget - \$81,853

This department covers a range of contracted services and is also the department for downtown parking enforcement. The city contracts with the Wenatchee Valley Humane Society for animal control and with Chelan County Emergency Services for emergency preparedness planning and operations. The city also has a funding agreement with Okanogan Transportation & Nutrition to provide meals to seniors and disabled/homebound Chelan residents. Due to the large number of seniors and disabled served by this program Chelan Council approved an increase in the budget from \$3,350 to \$4,020.

The city also regulates parking in the downtown core and in city owned parking lots during the busier summer months. A seasonal parking enforcement officer is hired to enforce parking time limits on city streets and in city owned lots (if limited) and areas outside of the parks system. The 2016 budget for parking enforcement outside of the parks system is \$26,856. The Parks & Recreation Fund hires its own parking enforcement staff for parking within the parks system.

COMMUNITY SERVICE DEPT.	2014	2014	2015	2015	2016
REVENUES	Budget	Actual	Budget	Actual	Budget
Parking/Other Infractions	10,000	15,986	10,000	16,480	10,000
TOTAL REVENUES	10,000	15,986	10,000	16,480	10,000
EXPENDITURES					
Contract with Humane Society	45,594	45,594	46,962	46,962	47,665
Intergovernmental Services -Sr. Meals	3,000	3,000	3,350	3,350	4,020
Chelan Co. Dept. of Emergency.	8,900	8,899	10,945	10,934	10,679
Regular Earnings FTE/PTE	22,600	10,930	15,000	10,888	15,000
Overtime	100	289	500	668	500
Benefits FTE/PTE	10,500	2,798	4,000	2,863	4,200
Unemployment			3,000	1,440	
Office & Operating Supplies	350	237	350	478	350
Small Tools/Minor Equipment	100	0	100	0	100
Parking Ticket Admin-District Court	7,500	5,892	4,000	2,424	4,000
Communication-Cell Phone	120	0	120	0	120
Interfund Fuel	600	0	600	0	600
Interfund Equipment Repairs	150	0	150	360	500
Interfund Equip Replacement Reserve	1,486	1,486	1,486	1,486	1,486
Total Community Svcs Department	101,000	79,125	90,563	81,853	89,220

PLANNING & BUILDING Expense Budgets

Planning Expenses \$525,772
Building Expenses \$277,650

Mission Statement

Provide exceptional customer service to the citizens of the City of Chelan relating to land use planning, building construction, and fire & life safety issues, by providing the technical and professional assistance to meet the needs of the citizens and the development community.

The Planning & Building Department is comprised of Long Range Planning, Current Planning, Building and Code Enforcement. The department serves the community through implementation of the Comprehensive Plan, responding to code complaints & violations and processing various permit applications. Staff includes the Director, Building Official, Associate Planner, Building Inspector/Code Compliance Officer and Permit Coordinator. All positions are currently filled and are cross trained within the department in order to provide the best customer service possible.

Long Range Planning:

The City plans under the Growth Management Act (GMA) which requires an update of the Comprehensive Plan by June 30, 2017. This update is for GMA compliance and is an opportunity to evaluate the Comprehensive Plan for community vision. City Council held a capital improvement plan workshop where staff presented two update proposals. The first included a new vision which would result in a new Comprehensive Plan. The second was updating the land use plan to provide affordable housing areas, review of the Urban Growth Boundary and GMA compliance. This budget includes the second option.

Current Planning:

The City in 2013 saw an increase in single family building permits which continued through 2015. The same level of development is anticipated for 2016. Staff workload has been high and the department has completed efforts to streamline permitting and review. It is anticipated that additional staffing is necessary to meet statutory deadlines and resources to focus on affordable housing, economic development, and exhaustive land use review and code development. The Downtown Land Development Code and the new Shoreline Master Program have added responsibilities to current planning staff.

ECONOMIC DEVELOPMENT REVENUES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Building Permits	70,000	118,576	70,000	116,510	70,000
Other Permits	500	400	500	855	500
Sale of Merchandise (plan holders)	800	1,560	600	1,640	800
Annexation Fees	250	0	250	0	250
Weed Control Services				487	
Zoning & Subdivision Fees	10,000	43,398	15,000	45,821	15,000
Plan Check Fees	50,000	89,551	55,000	100,624	55,000
Special Assessment-Technology Fee			0	8,095	12,500
Hearing Examiner Fees	10,625	14,469	5,250	4,375	4,500
Total Revenues	142,175	267,953	146,600	278,407	158,550

PLANNING DEPARTMENT EXPENSES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Salaries-FTE	155,500	141,557	166,000	165,348	237,400
Overtime	500	0		407	0
Benefits-FTE/Unemployment	58,000	52,881	61,300	59,651	96,800
Office & Operating Supplies	2,750	2,316	2,750	3,265	2,750
Small Tools/Minor Equipment	500	341	500	469	500
Professional Services	25,000	37,998	30,000	9,319	10,000
Nuisance Abatement	1,500	0	1,500	487	2,500
Junk Abatement	1,000	0	1,500	0	2,500
Prof Services-GMA Update	0		3,000		75,000
Prof Services-Legal	65,000	68,800	50,000	54,762	50,000
Communication-Phone/fax/postage	2,500	2,883	3,000	2,780	3,000
Lodging/Meals/Mileage	4,500	2,445	5,500	3,608	5,500
Advertising	3,000	6,247	3,000	5,450	3,000
Rentals & Leases	500	22	500	23	100
Insurance	9,150	7,907	8,700	8,167	9,000
Repairs & Maintenance	15,000	11,735	15,000	11,552	15,000
Misc-Dues/Registrations/Subscriptions	4,000	2,387	3,000	2,451	3,000
Interfund Fuel	1,000	0	1,000	403	1,000
Equipment Repairs Actual	500	148	500	0	500
Equipment Replacement Reserves	3,222	3,222	3,222	3,222	3,222
Hearing Examiner	11,150	12,191	5,250	8,125	5,000
Total Planning	364,272	353,082	365,222	339,489	525,772

Code Enforcement:

Code enforcement activities focused on fire and junk vehicle abatement in 2015. The majority of complaints are citizen initiated. The 2016 budget assumes the same level of service with a small increase in the nuisance and junk abatement line items since the 2015 wildfire have identified those needs. As code enforcement is part of the building inspector responsibilities, the inspector has a high work load due to the number of single family building permits being issued which is expected to continue in 2016.

Building Department:

The Building Department conducts all plan review and building inspections. With the increase in permit activity, the City has implemented new building permit software and process. The building department is now an electronic application submittal only which reduces costs of staff time, storage requirements and review time. The City is scheduled to adopt the newest versions of the International Building Codes as requirement by the State. New codes books are within the budget which include an electronic version. Staff is working on ways to provide code books to contractors and the general public online.

BUILDING DEPARTMENT EXPENSES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Salaries-FTE	168,100	167,359	172,400	171,444	176,900
Overtime	500	0		20	
Benefits-FTE/Unemployment	67,500	60,938	69,300	62,145	73,400
Office & Operating Supplies	2,500	2,555	2,500	2,554	2,500
Small Tools/Minor Equipment	500	660	1,100	593	600
Resale Items (Plan boxes)	500	436	500	567	1,000
Professional Services	500	282	500	298	500
Professional Services-Plan Checks	500	0	500	0	500
Communication-Phone/fax/postage	1,250	1,893	1,250	2,428	1,400
Lodging/Meals/Mileage	3,500	1,445	3,500	1,326	3,500
Advertising	500	0	500	0	500
Rentals & Leases	400	22	400	23	250
Insurance	8,320	7,679	8,500	7,932	8,500
Repairs & Maintenance	2,000	1,765	2,000	2,060	2,000
Misc-Dues/Registrations/Subscriptions	2,500	1,804	2,500	1,710	2,500
Equipment Replacement Reserves	2,600	2,600	2,600	2,600	2,600
Interfund Fuel	1,000	1,532	1,000	485	1,000
Equipment Repairs Actual	500	190	500	0	
Total Building Dept	263,170	251,162	269,550	256,191	277,650

AFFORDABLE HOUSING Expense Budget - \$12,000

Every year the city receives, in quarterly installments, a share of funds collected by the county for the recording of documents. By state law these funds are required to be used for affordable housing and their use is very restrictive. In the past the city has provided funds to Habitat for Humanity to assist with payment of building permits or utility connection fees on new houses. The city also works with the Housing Authority of Chelan County and the City of Wenatchee, who own and manage low income housing in Chelan. The city has provided reimbursement for work on these buildings, including new doors, fencing, security cameras, and painting. The city anticipates continuing this partnership with the housing authority to maintain these properties.

AFFORDABLE HOUSING REVENUES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Recording Surcharges	4,500	3,968	4,500	4,643	4,500
Total Revenues	4,500	3,968	4,500	4,643	4,500
EXPENDITURES					
Contributions to Affordable Housing	4,600	0	3,400		2,000
Contributions-Maintenance subsidies	12,000	12,000	5,000		10,000
Total Expenditures	16,600	12,000	8,400	0	12,000

LIBRARY Expense Budget - \$1,000

While the library building is accounted for in the Property Management Department, other needs of the library are expensed from this department. Purchases are determined by the Library Advisory Board. In 2015 a projector was purchased and for 2016 plans are underway to construct an “internet table” where patrons can use library facilities to access the internet using their own laptops.

LIBRARY REVENUES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Copywork/ Sale of Electricity/Donations	1,000	2,130	1,000	593	1,000
Rental from NCW Regional Library	21,000	22,005			
CDBG Planning Only Grant	1,057	1,057		0	0
Total Revenues	23,057	25,192	1,000	593	1,000
EXPENDITURES					
Office Supplies	3,000	3,925	1,000	974	1,000
Small Tools/Minor Equipment	500				
Professional Services	1,200	409			
Communications (elevator/alarm)	1,500	1,138			
Rentals & Leases	0	214			
Utilities-W/S/G/Electricity	8,070	5,232			
Repairs & Maintenance	2,500	5,723			
Capital Outlay		243			
Total Expenditures	16,770	16,884	1,000	974	1,000

YOUTH SERVICES Expense Budget - \$12,000

The Chelan Teen Center provides a place for youth to receive mentorship, assistance with homework, guidance and support. For many years the City of Chelan has been a strong supporter of the Chelan Teen Center, particularly for their work with at risk and low income youth. That support continues with the 2016 budget.

YOUTH SERVICES					
Contribution to Teen Center	12,000	12,000	12,000	12,000	12,000

MENTAL HEALTH SERVICES Expense Budget - \$1,000

The City of Chelan receives liquor excise and liquor board profits from the State of Washington. Distribution is based on population and requires that 2% of funds received are spent on substance abuse programs. The city forwards those funds to Chelan County to be used in its mental health division.

MENTAL & PHYS HEALTH Expenses	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Chelan Co Alcohol Program	1,200	851	1,000	923	1,000

INTERFUND TRANSFERS Expense Budget - \$1,182,000

Each year City Council determine the amount of support to be provided to other funds from the General Fund and which capital purchases/projects will move forward in the coming year. For 2016 funds will be utilized to support maintenance and operations in the Parks Fund, capital purchases from departments in the General Fund, work on the Woodin Avenue Bridge, the purchase of parking kiosks, and major projects in the Parks and Recreation Capital Improvement Fund. Additional information about these projects can be found in the narratives for those funds.

OTHER FINANCING USES	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Tran to Recreation Fund-M & O	50,000	50,000	50,000	50,000	50,000
Tran to Cap Imp Fund - Capital	278,750	163,944	52,705	25,972	134,000
Tran to Street Cap - Woodin Bridge					540,000
Tran to Street Cap - Kiosks					33,000
Tran to Rec Cap - Cap Projects					425,000
Total Other Financing Uses	328,750	213,944	102,705	75,972	1,182,000

Street Fund #101:

Maintenance & Operations	\$ 902,135
Transfers to Street Capital	\$ 80,000

The City's street system is comprised of 32 miles of paved roadway and the Street Fund provides for ongoing maintenance and operation services for all facets of the City's street system that can be expressed as individual maintenance and service programs. The list of programmatic services is as follows:

- Road maintenance and pothole repair
- Line striping
- Weed control
- Street cleaning
- Alley maintenance
- Traffic sign installation and repair
- Street light repair & banner installation
- Sidewalk repair & cleaning
- Storm drain repair and maintenance & storm water cleanup
- Snow and ice control
- Administration of overlay program
- Administration of capital facilities plan
- Project administration
- Grant writing

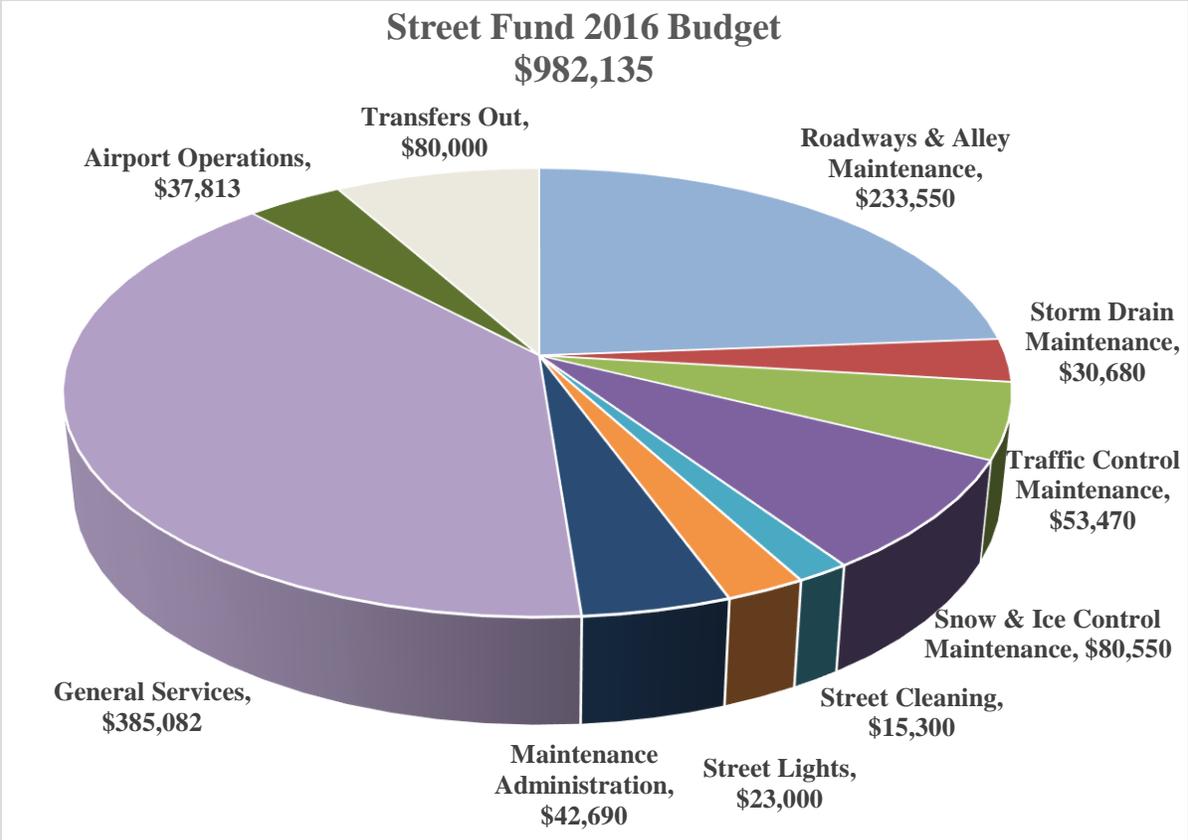
The Street Fund also provides the City's share of funding for the Lake Chelan Airport in partnership with the Port of Chelan County.

The main source of revenue in the Street Fund is City property tax with 75% of all the property taxes collected by the City used in maintaining City streets. In 2014, the Council approved the collection of the 1% option on property taxes. The banked capacity for the 1% option resulted in an additional \$62,000 coming to the Street Fund, a significant amount, which allowed for the continuation of the street overlay program. The second largest revenue source, intergovernmental revenue, represents the 7.38% share of the 23 cents per gallon motor vehicle fuel tax collected by the state that is distributed to cities on a per capita basis.

As staff reported at budget meetings, the revenues for this fund are not sufficient to cover the costs of operation and all identified capital improvements and if additional funding is not secured the City will be faced with declining reserve funds and consideration of lowering the level of service and/or curtailing capital projects. Staff will continue to seek and secure grant funding in order to maximize use of local funds through leveraging.

The budget as presented is meant to continue with the current level of service while expanding our service to newly developed areas.

Street Fund 2016 Budget
\$982,135



STREET FUND - #101	2014	2014	2015	2015	2016
2016 SUMMARY BUDGET	As Amended	Actual	As Amended	Actual	As Adopted
Actuals Through 12/31/2015					
Beginning Cash Balance	428,000	402,352	420,000	430,833	337,700
Revenues:					
Taxes	881,937	890,640	904,361	897,987	934,516
Intergovernmental Revenue	80,682	81,582	81,565	84,709	87,250
Licenses & Permits	250	180	250	1,376	250
Miscellaneous	2,000	3,053	2,000	4,115	1,500
Other Financing Sources/Transfers	9,975	12,043	0	379	0
Total Revenues/Other Financing Sources	974,844	987,498	988,176	988,566	1,023,516
Expenditures:					
	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	Ad Adopted
Total Wages-FT	322,830	322,639	331,000	329,452	336,970
Total Wages-PT	17,600	14,703	22,500	16,764	15,200
Total Overtime	3,450	4,778	5,000	8,131	5,000
Total Benefits-FT	132,330	126,982	136,200	133,482	141,830
Total Benefits-PT	6,610	3,518	7,600	4,216	7,900
Total Wages & Benefits	482,820	472,619	502,300	492,045	506,900
Total Supplies	61,800	52,805	57,300	47,962	58,300
Total Other Services & Charges	114,000	75,901	99,200	81,503	77,800
Total Interfund Payments	231,322	230,713	221,322	183,273	221,322
Contribution-Lake Chelan Airport	46,979	46,979	37,813	37,813	37,813
Operating Transfers Out	80,000	80,000	240,000	240,000	80,000
Other Miscellaneous	0	0	0	18	0
Total Expenditures/Other Financing Uses	1,016,921	959,017	1,157,935	1,082,614	982,135
Revenues Above (Below) Expenditures	(42,077)	28,481	(169,759)	(94,049)	41,381
Ending Cash Balance	385,923	430,833	250,241	336,785	379,081

STREET FUND	2014	2014	2015	2015	2016
#101	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Fund Balance	428,000	402,352	420,000	430,833	337,700
REVENUES					
TAXES (Property Tax)	881,937	890,640	904,361	897,987	934,516
INTERGOVERNMENTAL REVENUE					
Motor Vehicle Fuel Tax	80,682	81,582	81,565	84,709	87,250
<i>Total Intergov Revenue</i>	80,682	81,582	81,565	84,709	87,250
LICENSES & PERMITS					
Street Excavation Permits	250	180	250	200	250
Inspection Fees				1,176	
<i>Total Licenses & Permits</i>	250	180	250	1,376	250
MISCELLANEOUS REVENUE					
Investment Interest	1,000	609	1,000	820	500
Interdepartmental W.O.'s				1,603	
Cemetery	1,000	923	1,000	1,227	1,000
Other Miscellaneous Revenue		1,521		464	
<i>Total Misc Revenue</i>	2,000	3,053	2,000	4,115	1,500
Total Revenues	964,869	975,455	988,176	988,187	1,023,516
OTHER FINANCING SOURCES					
Insurance Recoveries		2,068		379	
Transfer in fm Longevity 2014	9,975	9,975		0	0
Total Other Financing Sources	9,975	12,043	0	379	0
Total Revenues/Other Sources	1,402,844	1,389,851	1,408,176	1,419,399	1,361,216

STREET FUND	2014	2014	2015	2015	2016
EXPENDITURES	As Amended	Actual	As Amended	Actual	As Adopted
ROAD & STREET MAINTENANCE					
ROADWAYS & ALLEYS					
Salaries-FTE	116,600	116,532	119,300	118,960	121,700
Overtime	1,000	2,650	2,500	4,250	2,500
Salaries-PTE	17,600	14,703	22,500	16,764	15,200
Benefits-FTE	51,500	49,491	53,000	51,669	53,250
Benefits-PTE	3,610	3,518	5,600	4,216	5,900
Unemployment	3,000	0	2,000	0	2,000
Office & Operating Supplies	5,000	5,012	5,000	4,508	5,000
Road Patch Materials	13,000	11,004	13,000	14,967	13,000
Chemicals for Weed Control	5,000	4,728	5,000	8,047	6,000
Small Tools/ Minor Equipment	1,000	1,418	1,000	572	1,000
Professional Services	5,000	2,151	5,000	6,604	5,000
Rentals & Leases	1,500	812	1,500	1,994	1,500
Solid Waste Fees	100	0	100	0	100
Repairs & Maintenance	400	481	400	3,092	400
Welding/Fabrication	1,000	712	1,000	1,812	1,000
TOTAL ROADWAYS	225,310	213,213	236,900	237,455	233,550

STORM DRAINS					
Salaries-FTE	17,750	17,733	18,200	18,017	18,300
Overtime	200	385	500	678	500
Benefits-FTE	7,970	7,555	8,400	7,857	8,480
Office & Operating Supplies	1,000	0	500	0	500
Culvert Materials	4,000	584	2,000	0	2,000
Rentals & Leases	500	298	500	0	500
Repairs & Maintenance	400	0	400	109	400
Miscellaneous				70	
TOTAL STORM DRAINS	31,820	26,555	30,500	26,732	30,680

TRAFFIC CONTROL					
Salaries-FTE	24,600	24,565	25,200	25,043	25,410
Overtime	150	534	300	597	300
Benefits-FTE	10,800	10,521	11,200	11,021	11,760
Striping Paint	5,000	2,795	5,000	3,832	5,000
Posts/Signs	10,000	11,011	10,000	5,307	10,000
Utilities (power for speed signs)	800	669	800	670	800
Miscellaneous				18	
Welding/Fabrication	200	0	200	0	200
TOTAL TRAFFIC CONTROL	51,550	50,096	52,700	46,488	53,470

STREET FUND	2014	2014	2015	2015	2016
SNOW & ICE CONTROL	As Amended	Actual	As Amended	Actual	As Adopted
Salaries-FTE	46,650	46,770	47,800	47,539	46,500
Overtime	2,000	958	1,500	1,904	1,500
Benefits-FTE	21,170	19,343	21,000	20,307	21,150
Road Sand	10,000	10,464	10,000	5,016	10,000
Rentals & Leases	1,000	0	500	0	500
Repairs & Maintenance	1,000	0	500	0	500
Welding/Fabrication	400	0	400	0	400
TOTAL SNOW & ICE CONTROL	82,220	77,536	81,700	74,766	80,550

STREET CLEANING					
Salaries-FTE	10,280	10,256	10,500	10,420	10,900
Overtime	100	232	100	431	100
Benefits-FTE	3,850	3,784	4,200	3,945	4,300
TOTAL STREET CLEANING	14,230	14,273	14,800	14,795	15,300

STREET LIGHTS					
Utilities-W/S/G/Electricity	36,000	34,296	36,000	27,494	20,000
Repairs & Maintenance	6,000	6,051	1,000	360	1,000
Street Light Replacement Supplies	5,000	2,009	8,000	672	2,000
TOTAL STREET LIGHTS	47,000	42,356	45,000	28,526	23,000

MAINTENANCE ADMINISTRATION					
Salaries-FTE	28,920	28,786	29,700	29,570	30,000
Benefits-FTE	10,160	10,291	10,900	10,871	11,690
Office & Operating Supplies	500	35	500	90	500
Travel & Training	1,000	0	500	63	500
TOTAL MAINTENANCE ADMIN	40,580	39,112	41,600	40,594	42,690
TOTAL ROAD & STREET MAINT	492,710	463,140	503,200	469,355	479,240

STREET FUND	2014	2014	2015	2015	2016
GENERAL SERVICES	As Amended	Actual	As Amended	Actual	As Adopted
Salaries-FTE	78,030	77,997	80,300	79,903	84,160
Overtime		19	100	271	100
Benefits-FTE	26,880	25,995	27,500	27,813	31,200
Supplies	7,000	5,664	5,000	5,396	5,000
Small Tools/Minor Equipment	300	89	300	227	300
Professional Services	20,000	880	12,000	8,932	12,000
Communication-Phone/fax/postage	3,000	3,152	3,000	3,096	3,000
Lodging/Meals/Mileage	700	262	700	462	700
Advertising	1,000	118	500	144	500
Leases & Rentals	500	893	1,000	2,607	1,000
Insurance	22,000	16,055	17,700	16,582	18,300
Insurance Auto	3,100	2,260	2,600	2,335	2,600
Utilities-W/S/G/Electricity	2,500	3,837	4,000	3,447	4,000
Repairs & Maintenance	500	280	500	1,938	500
Miscellaneous	2,000	1,397	2,000	833	2,000
Admin Services	28,242	28,242	28,242	28,242	28,242
Finance Services	21,569	21,569	21,569	21,569	21,569
Fuel	25,000	26,387	25,000	16,615	25,000
Equipment Replacement Fund	78,786	78,786	78,786	78,786	78,786
Equipment Repairs Actual	76,125	75,017	66,125	36,249	66,125
TOTAL GENERAL SERVICES	397,232	368,898	376,922	335,446	385,082

LAKE CHELAN AIRPORT					
Operations	46,979	46,979	37,813	37,813	37,813
TOTAL AIRPORT FACILITY	46,979	46,979	37,813	37,813	37,813
TOTAL EXPENDITURES	936,921	879,017	917,935	842,614	902,135

OTHER FINANCING USES					
Trans Out to Street Capital Fund	80,000	80,000	240,000	240,000	80,000
Total Other Financing Uses	80,000	80,000	240,000	240,000	80,000
Total Expenditures/Other Uses	1,016,921	959,017	1,157,935	1,082,614	982,135

Stadium (Tourism) Promotion Fund #103:

Maintenance & Operations	\$560,000
Transfers to Other Funds	\$458,300

The Stadium (Tourism) Promotion Fund was established to receive the basic 2% excise tax and special 3% tax levied by the City on the sale of transient lodging.

Cities have had the authority to levy a “hotel-motel” or lodging tax of 2% since 1973. This basic 2% tax represents a credit against the 6.5% state sales tax. In 1995, the State legislature (SSB 5551) provided cities additional taxing authority not exceeding 3% on the sale of transient lodging. This tax would be in addition to the prevailing sales tax rate. Chelan City Council enacted this new tax at 3% effective November 1, 1995.

When first enacted, state statutes stipulated that the funds collected could be used solely for paying for tourism promotion and for the acquisition and/or operation of tourism related facilities. “Tourism Promotion” is defined as:

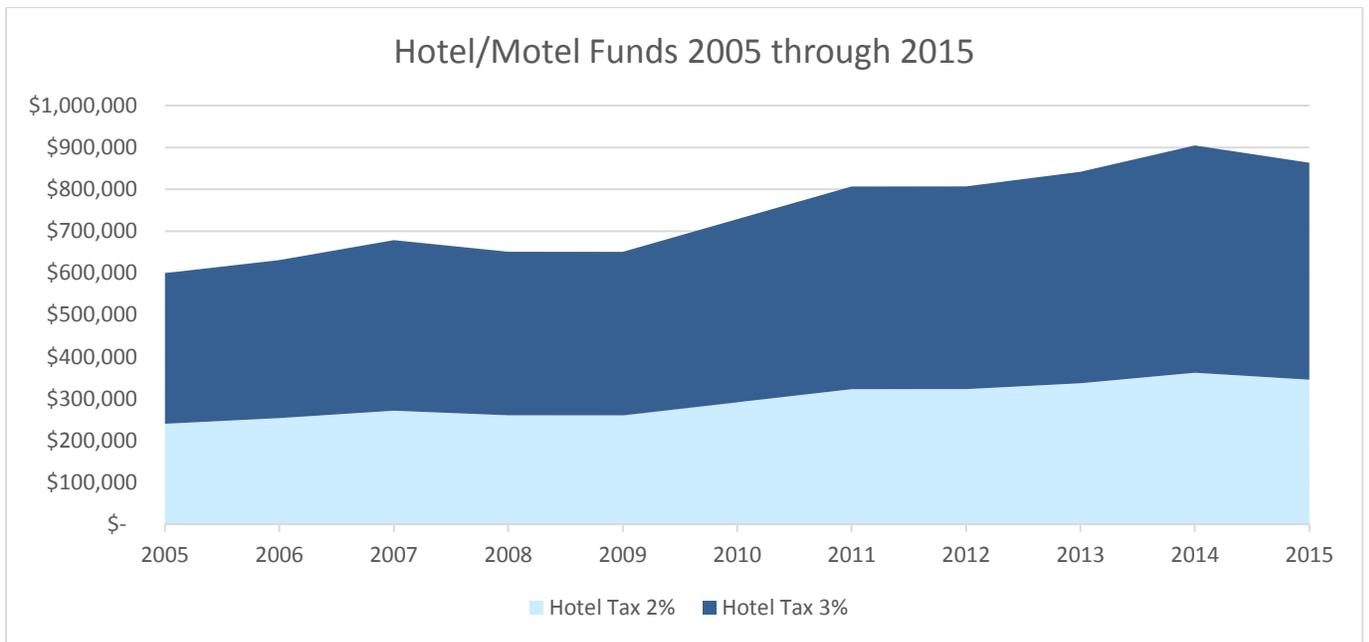
- Activities and expenditures designed to increase tourism, including but not limited to advertising;
- Publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists;
- Developing strategies to expand tourism;
- Operating tourism promotion agencies;
- Funding marketing of special events and festivals designed to attract tourists.

In recent years the legislature has expanded the uses of lodging tax funds to include financial support for actual events and festivals and financial support for maintenance and operations of entity owned facilities. The expenditure of funds for such purposes does, however, have additional reporting requirements to the state. These expanded uses were set to expire as of July 1, 2013, however action by the legislature maintained entities’ authority for the expanded uses.

As of 2013 the Lake Chelan Tourism Promotion Group (LCTPG) is under the oversight of the Lake Chelan Chamber of Commerce. This group will continue to provide advertising for Chelan and its special events. The Lake Chelan Chamber also provides tourism promotion and marketing services through its visitor information center. The funds used to provide these services are the 3% special excise taxes collected by the City and the amount allocated is approved each year by the Council during the budget process.

The 2016 budget provides \$530,000 for tourism promotion, marketing, and the operation of the visitors' information center. 2% funds have been designated for debt repayment for the shoreline restoration/beach enhancement/marina expansion project in the amount of \$138,300. The sum of \$300,000 has been allocated for transfer to the Parks Capital Projects Fund to fund several capital projects planned for 2016. This was accomplished by utilizing cash reserves in the Parks and Recreation Fund rather than having support from the Tourism Fund for one year.

The graph below provides an 11-year history of 2% and 3% lodging tax funds:



TOURISM PROMOTION FUND #103	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Balance 2% Funds	656,000	662,575	566,500	572,022	375,523
Beginning Balance 3% Funds	374,000	443,188	477,200	455,506	257,777
REVENUES					
Taxes:					
Basic 2%	320,000	361,940	350,000	345,368	353,000
Optional 3%	512,000	542,741	525,000	518,015	530,000
Miscellaneous:					
Interest & Miscellaneous	1,800	5,573	2,000	4,051	2,500
TOTAL	833,800	910,253	877,000	867,434	885,500
Total Resources	1,863,800	2,016,016	1,920,700	1,894,962	1,518,800
EXPENDITURES - Tourism Promotion					
Marketing Group (budgeted)	532,000	530,422	709,000	707,983	530,000
Total Marketing Promotion	532,000	530,422	709,000	707,983	530,000
Advertising -Golf Course 2%			2,400	9,148	
Total Small Festivals & Events	532,000	530,422	711,400	717,131	530,000
EXPENDITURES - Facilities					
Wayfinding signs	35,000	0	50,000	0	30,000
Trf to Recreation Cap Fund - Reserves	50,000	50,000	130,000	130,000	300,000
Trf to Debt Service Fund-Beach/Marina	138,100	138,066	138,140	138,140	138,300
Trf To Rec Fund - Restroom Maint.	20,000	20,000	20,000	20,000	20,000
Trf to Recreation Fund-M & O	250,000	250,000	250,000	250,000	0
Total Facilities & Transfers	493,100	458,066	588,140	538,140	488,300
Total Expenditures	1,025,100	988,488	1,299,540	1,255,271	1,018,300
Revenues Over Expenditures	-191,300	-78,235	-422,540	-387,837	-132,800
Ending Balance (2% funds)	484,700	572,022	330,360	383,301	242,723
Reserved Ending Balance (3% funds)	354,000	455,506	294,217	265,537	257,777
Total Ending Fund Balance	838,700	1,027,528	621,160	639,690	500,500

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Parks & Recreation Fund #110:

Expense Budget - \$2,721,349

Parks and Recreation Department Mission Statement:

We look forward to a very exciting 2016 for the City of Chelan Parks and Recreation Department. At the top, we will welcome a new Parks, Recreation and Community Services Director. This position is vital to the future success of the Department. The Parks Director prepares annual operating and capital budgets for the Department, represents the Parks Department at all levels of interaction internally and externally with all entities of interest and assures the Chelan community that recreation opportunities are available for all age groups.

Projects to be completed in 2016 will include a new Parks and Recreation office that will be finished in the fall. This project began in the spring of 2015 when black mold was discovered in the old parks office building. After demolishing the old building, the City Council wisely decided to construct a new building on the exact same site, using surplus REET funds in the amount of \$400,000. Forte Architects from Wenatchee was the Architectural Firm selected to design the 1600 square foot office building. The new City of Chelan Parks Office Building will be energy efficient, have lots of natural lighting, and will be an attractive looking facility while at the same time easy to maintain.

Another significant project that will be underway is the upgrade of the electrical service in the Lakeshore RV Park. Many new and larger RVs' coming to the Park now demand 50 amp electrical service making it necessary to convert many of the older 30 amp electrical service panels to 50 amp. In addition, the City Council also approved funds to replace the old manual irrigation system in the RV Park with a new automatic irrigation system that will be much more efficient on water use and labor costs. Finally, under the same capital budget line item, the City Council included funds to extend the main irrigation line (irrigation main line) from Lake Chelan to the City's Golf Course irrigation system. This irrigation main line extension will allow the golf course to use Lake Chelan water rather than potable City water during low lake levels in the spring, thereby realizing operational cost savings for the golf course and potable water capacity for the City water system. The cost for these improvements in 2016 is estimated to be \$400,000 and will come from surplus ending cash balance from the General Fund.

Another new improvement in the Parks Department for 2016 will be the volley ball court. The City Council was approached by the Kahiau Volleyball Club and it was suggested to improve the existing volley ball court to a more "acceptable" design and with more "acceptable materials". The City Council approved \$30,000 for the improvement(s) which will include new approved sand and new net assemblies.

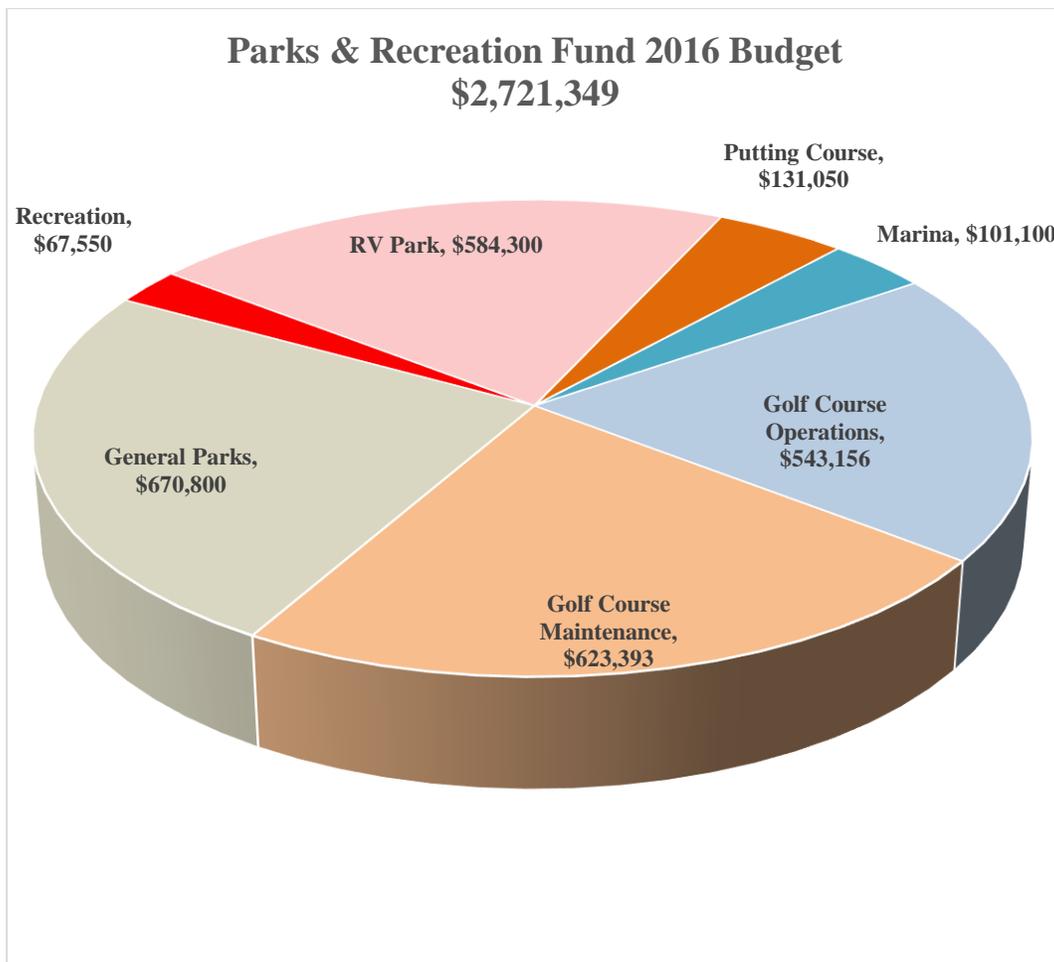
The Lake Chelan Golf Course continues to make improvements over previous years. For 2016, a construction trailer was purchased which will allow material to be hauled on the course to construct new tee boxes. The new tee boxes will provide the opportunity to make the course more playable for younger golfers and hopefully to keep our younger generation interested in golf. Also, thoughts for 2016 are to possibly add "foot golf" on the front nine as an additional activity. "Foot golf" is the combination of soccer and golf and is becoming popular with the younger crowd.

Another change on the golf scene is to move the responsibility of the maintenance of the Putting Course in Don Morse Park to the Lake Chelan Golf Course. With the expertise in greens maintenance and redundancy in equipment and materials, it became apparent it would be more efficient to have the Putting Course under the auspice of the Lake Chelan Golf Course.

The Lakeside Park is still a very popular park and the City Council is moving to make accommodations to manage the impact of the many visitors that park receives every summer. For 2016, it is planned to install paid parking kiosks at the Lakeside Park to assure that more efficient parking will occur. It has been observed that many vehicles park in the Lakeside Parking lot all day with little turnover.

Finally, the City Council did approve the concession contracts for another three years for the four individual concessionaires in the City of Chelan Parks (Rally Alley, Lakerider Sports, CJ's Concessions and Shoreline Watercraft & Boat Rental).

We look forward for a very good and prosperous 2016 in the City of Chelan Parks and Recreation



PARK & RECREATION FUND - #110

2016 SUMMARY BUDGET

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Cash Balance	281,459	282,393	593,700	602,018	636,000
Revenues:					
General Parks	452,346	465,434	426,495	439,339	220,495
Recreation	36,300	41,461	45,750	47,154	39,900
R V Park	726,000	856,503	808,000	660,065	808,000
Putting Course	150,000	148,848	165,000	135,042	145,000
Marina	76,270	83,484	93,840	78,605	84,750
Bumper Boats					
Golf Course	1,160,550	1,116,276	1,130,450	1,034,293	1,093,330
Investment Interest	0	554	200	1,139	300
Total Revenues/Other Financing Sources	2,601,466	2,712,558	2,669,735	2,395,638	2,391,775

Expenditures:

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Total Wages FTE	529,900	525,809	545,600	531,084	560,500
Total Wages PT	530,243	433,844	535,530	431,571	537,300
Total Overtime	38,200	41,842	30,200	41,764	31,000
Total Benefits FTE	214,700	207,091	223,100	215,122	241,700
Total Benefits PT	123,400	94,836	115,400	94,496	174,400
Unemployment	90,500	63,390	90,500	58,134	83,500
Total Wages and Benefits	1,526,943	1,366,813	1,540,330	1,372,171	1,628,400
Total Supplies	362,500	359,765	376,500	331,838	388,700
Total Other Services & Charges	558,224	510,825	571,375	513,950	547,100
Total Intergovernmental Charges (Pking Tks)	9,000	7,824	5,000	6,912	5,000
Total Interfund Charges	141,399	141,159	142,099	139,486	141,599
Total Intergovernmental Taxes	10,500	6,548	9,900	5,378	10,550
Total Capital Expenses	0	0	0	0	0
Transfers Out to Other Funds	0	0	0	0	0
Non Expenditures (Sales Taxes)	0	0	0	1,550	0
Total Expenditures/Other Financing Uses	2,608,566	2,392,933	2,645,204	2,371,284	2,721,349
Revenues Above (Below) Expenditures	(7,100)	319,625	24,531	24,354	(329,574)
Ending Cash Balance	274,359	602,018	618,231	626,372	306,426

PARKS & RECREATION FUND

#110

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
GENERAL PARKS REVENUES					
Parking Fines	38,300	40,749	20,000	22,093	15,000
Don Morse Parking Lot Fees	35,000	40,113	32,000	38,257	35,000
Marina Parking Lot (50%)	15,000	18,404	17,000	16,508	17,000
Local Use Fees	2,000	3,036	3,000	3,688	4,000
Shelter Rentals	2,000	1,493	1,200	920	1,200
Rally Alley Concession	12,000	12,000	12,000	12,000	12,000
Food Concession	2,000	1,500	1,500	1,500	1,500
LC Leasing/Byquist	14,245	14,246	14,245	13,115	14,245
Lakeview Drive In Lease	42,800	43,800	42,800	43,800	42,800
Trampoline Extreme - Lakerider Sports	6,750	6,750	6,750	6,174	6,750
Misc		1,092	6,000	7,727	1,000
Surplus Property Sales				20	
Insurance Reimbursement-Storm Damage				3,538	
Tran In-Fm General Fund-M & O	50,000	50,000	50,000	50,000	50,000
Tran In-Fm Tourism Fund-Restroom M & O	20,000	20,000	20,000	20,000	20,000
Tran In-Fm Tourism Fund-M & O	200,000	200,000	200,000	200,000	
Tran in-Unemploy 2012/Longevity 2014	12,251	12,251		0	0
Total Revenues	452,346	465,434	426,495	439,339	220,495

**GENERAL PARKS
EXPENDITURES**

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Salaries & Wages					
Salaries - full time	114,600	114,629	127,900	122,450	154,900
Overtime - full time	4,000	3,688	4,000	5,373	4,500
Salaries - part time	119,123	92,640	120,830	106,044	127,700
Overtime - part time	3,500	6,960	3,500	10,046	3,500
Total Salaries & Wages	241,223	217,917	256,230	243,913	290,600
Benefits					
Full time Benefits	41,600	40,892	48,300	45,896	62,200
Part time Benefits	26,400	21,965	24,600	26,662	42,300
Unemployment Benefits	18,000	11,978	18,000	20,416	18,000
Total Benefits	86,000	74,834	90,900	92,974	122,500
Supplies					
Office & Operating	16,000	17,772	16,000	21,372	18,000
Irrigation Parts	6,700	6,470	5,000	7,069	6,500
Downtown Expenditures	4,000	4,436	4,000	5,063	4,000
Restroom Supplies	4,000	2,362	8,500	11,185	10,000
Facility	16,000	9,040	29,000	13,609	18,000
Fertilizers & Chemicals	6,000	6,256	10,000	2,924	15,000
Equipment Parts	5,000	6,513	7,000	8,435	7,000
Supplies-Fuel Consumed	16,000	18,122	17,000	13,719	15,000
Small Tools & Equipment	5,000	3,793	5,000	4,207	5,000
Total Supplies	78,700	74,765	101,500	87,582	98,500

Other Services & Charges

Professional Services	15,000	11,772	15,000	13,447	15,000
Communication	3,000	2,619	3,000	2,564	3,000
Travel & Training	5,000	2,787	5,000	2,430	4,000
Advertising	7,000	7,663	7,000	7,111	7,000
Leases & Rentals	2,000	7,007	10,000	7,116	7,000
Insurance	32,570	28,151	31,000	29,077	32,000
Utilities-W/S/G/Electricity	50,000	47,893	50,000	46,733	45,000
Repairs & Maintenance	17,500	21,548	15,000	24,307	15,000
Repairs & Maintenance (Spray Program)	3,000	0	1,000	0	1,000
Miscellaneous	2,000	4,304	2,000	3,185	2,000
Parking ticket administration	9,000	7,824	5,000	6,912	5,000
External (excise) taxes	200	311	200	7,242	200
Total Other Services	146,270	141,881	144,200	150,123	136,200

Interfund Payments

Administration	6,700	6,700	6,700	6,700	6,700
Finance Services	14,100	14,100	14,100	14,100	14,100
Vehicle Fuel	200	0	200	87	200
Welding & Fabrication	1,800	1,760	2,500	0	2,000
Total Interfund Payments	22,800	22,560	23,500	20,887	23,000
Total Expenditures	574,993	531,957	616,330	595,478	670,800
Revenues Over Expenses	(122,647)	(66,523)	(189,835)	(156,140)	(450,305)

RECREATION REVENUES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
AAU Cards	6,000	4,794	5,000	4,692	5,000
Pop Sales/Little League Candy Sales	500	1,336	500	1,518	1,200
Ice Sales	12,000	11,352	15,000	11,658	15,000
Pop Machine Contract			6,000	6,000	
Program Fees/ Lessons	8,000	14,972	10,000	13,605	10,000
Basketball Tournaments	6,000	5,021	5,000	6,220	5,500
Ballfield Revenues	1,000	764	1,000	611	700
Ballfield Tournaments	300	650	750	650	0
Special Events/Recreation Sponsors	2,500	2,400	2,500	2,200	2,500
Restitution-Sale of Surplus Equipment		171			
Total Revenues	36,300	41,461	45,750	47,154	39,900

RECREATION EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Salaries & Wages					
Salaries - full time	16,400	16,387	16,800	16,267	9,700
Overtime - full time	500	1,255	500	1,543	1,500
Salaries - part time	11,700	10,670	11,700	11,785	11,900
Total Salaries & Wages	28,600	28,313	29,000	29,595	23,100
Full time Benefits	6,000	6,079	6,300	6,449	3,850
Part time Benefits	2,900	1,536	2,700	1,594	1,650
Unemployment Benefits				80	
Total Benefits	8,900	7,615	9,000	8,123	5,500

Supplies

Office & Operating/Small Tools	1,500	433	1,500	107	1,000
Athletic Equipment	2,000	2,272	2,000	1,660	2,000
Program Supplies	4,000	4,225	4,000	2,900	4,000
Resale Supplies Ice	8,000	7,689	8,500	8,314	8,500
AAU Cards	5,000	4,558	5,000	4,122	5,000
Total Supplies	20,500	19,178	21,000	17,102	20,500

Other Services & Charges

Professional Services	7,500	3,310	7,500	5,358	7,000
Communication	1,000	1,358	1,000	1,385	1,000
Advertising	500	500	500	0	500
Rentals & Leases	1,000	106	1,000	24	500
Utilities-W/S/G/Electricity	3,500	3,369	3,500	3,323	3,500
Miscellaneous	900	932	800	1,605	1,000
Total Other Services	14,400	9,575	14,300	11,695	13,500

Administration Charges	750	750	750	750	750
Financial Services	4,000	4,000	4,000	4,000	4,000
Excise Taxes	200	405	200	308	200
Total Other Services & Charges	4,950	5,155	4,950	5,058	4,950
Total Expenditures	77,350	69,837	78,250	71,574	67,550
Total Disbursements	77,350	69,837	78,250	71,574	67,550
REVENUES OVER EXPENDITURES	(41,050)	(28,376)	(32,500)	(24,420)	(27,650)

RV PARK	2014	2014	2015	2015	2016
REVENUES	As Amended	Actual	As Amended	Actual	As Adopted
RV Park Fees	718,000	847,405	800,000	652,432	800,000
Showers	7,000	7,302	7,000	6,132	7,000
Holding Tank Dump Fees	1,000	1,096	1,000	992	1,000
Over/Short & Misc Revenues		700		509	
Total Revenues	726,000	856,503	808,000	660,065	808,000

RV PARK	2014	2014	2015	2015	2016
EXPENDITURES	As Amended	Actual	As Amended	Actual	As Adopted
Salaries - full time	112,200	112,171	114,500	108,577	123,600
Overtime - full time	6,000	5,673	6,000	7,198	6,000
Salaries - part time	110,200	110,074	107,500	98,813	111,700
Overtime - part time	13,000	14,163	5,000	10,278	5,000
Total Salaries & Wages	241,400	242,081	233,000	224,867	246,300

Personnel Benefits

Full time Benefits	40,500	40,614	43,400	41,744	48,500
Part time Benefits	25,000	26,413	23,600	22,222	38,000
Unemployment Benefits	25,000	11,752	25,000	13,556	18,000
Total Benefits	90,500	78,779	92,000	77,522	104,500

Supplies

Office & Operating	8,000	5,775	5,000	4,672	5,000
Irrigation Parts	3,000	2,737	4,000	1,141	3,000
Restroom Supplies	8,500	11,163	3,000	3,737	4,000
Facility	9,000	4,676	9,000	695	8,000
Fertilizers & Chemicals	1,000	0	1,000	0	1,000
Small Tools & Minor Equipment	2,000	660	2,000	643	1,000
Total Supplies	31,500	25,011	24,000	10,889	22,000

Other Services & Charges

Professional Services	2,000	671	10,500	5,786	10,500
Communication	7,500	6,796	7,500	7,061	7,500
Travel & Training	1,500	0	1,000	108	1,000
Advertising	1,500	1,500	1,500	1,500	1,500
Advertising-HDCA	1,986	1,986	0	1,986	
Rentals & Leases	500	2,624	2,500	0	1,500
Insurance	32,600	28,151	31,000	29,077	32,000
Utilities-W/S/G/Electricity	89,000	89,065	93,000	94,490	85,000
Repairs & Maintenance	4,000	3,552	4,000	1,335	4,000
Repairs & Maintenance-Spray Program	7,500	352	2,000	0	2,000
Miscellaneous/ Credit Card Fees	25,000	28,265	33,000	24,338	33,000
External (excise) taxes	3,500	1,857	3,500	1,737	3,500
Total Other Services	176,586	164,818	189,500	167,416	181,500

Interfund

Administration Charges	7,800	7,800	7,800	7,800	7,800
Financial Services	22,200	22,200	22,200	22,200	22,200
Sales Tax/Refunds				106	
Total Overhead	30,000	30,000	30,000	30,106	30,000
Total Expenditures	569,986	540,690	568,500	510,799	584,300
REVENUES OVER EXPENDITURES	156,014	315,813	239,500	149,266	223,700

PUTTING COURSE REVENUES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Putting Course Fees	150,000	147,347	165,000	133,677	145,000
Over/Short-Miscellaneous		-49		-186	
Sales Tax/Other Non-Revenues		1,550	0	1,550	
Total Revenues	150,000	148,848	165,000	135,042	145,000

PUTTING COURSE EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Salaries & Wages					
Salaries - full time	25,200	25,080	25,800	24,951	12,500
Overtime - full time	1,000	1,502	1,000	1,611	1,000
Salaries - part time	50,100	45,752	52,500	45,018	53,900
Overtime - part time	1,500	1,621	1,500	1,824	1,500
Total Salaries & Wages	77,800	73,956	80,800	73,404	68,900

Benefits	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Full time Benefits	9,400	9,437	9,600	10,347	4,950
Part time Benefits	10,500	7,563	9,900	8,034	13,100
Unemployment Benefits	6,000	5,613	6,000	5,653	6,000
Total Benefits	25,900	22,613	25,500	24,034	24,050

Supplies	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Office & Operating	1,500	3,021	2,000	1,983	2,000
Irrigation Parts	500	120	1,000	176	1,000
Landscaping Supplies	1,500	1,722	2,000	67	2,000
Facility	2,500	136	2,500	487	1,500
Fertilizers & Chemicals	4,600	4,518	7,000	4,901	7,000
Small Tools & Minor Equipment	500	1,058	1,200	367	1,000
Total Supplies	11,100	10,574	15,700	7,980	14,500

Other Services & Charges	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Professional Services	500	232	500	209	500
Communication	500	676	500	867	500

Advertising	500	500	1,000	1,000	1,000
Utilities-W/S/G/Electricity	3,500	3,232	3,500	3,866	3,500
Repairs & Maintenance	1,000	1,041	1,000	4,749	2,000
Miscellaneous		40	100	70	100
Total Other Services	6,000	5,721	6,600	10,760	7,600
Overhead					
Administration Charges	5,400	5,400	5,400	5,400	5,400
Financial Services	9,900	9,900	9,900	9,900	9,900
B & O Taxes-External Tax	650	694	700	623	700
Total Overhead	15,950	15,994	16,000	17,473	16,000
Total Expenditures	136,750	128,858	144,600	133,652	131,050
REVENUES OVER EXPENSES	13,250	19,990	20,400	1,390	13,950

MARINA	2014	2014	2015	2015	2016
REVENUES	As Amended	Actual	As Amended	Actual	As Adopted
Indirect Federal Grant-Clean Vessel	770	779	840	846	750
Marina Parking Lot (50%)	15,000	18,404	17,000	16,508	17,000
Moorage Fees	40,000	47,167	42,000	36,038	42,000
Launch Fees	3,000	2,150	3,000	2,449	3,000
Transient (2 week) moorage	3,500	1,629	3,000	0	0
Seasonal Moorage	14,000	13,354	28,000	22,764	22,000
Total Revenues	76,270	83,484	93,840	78,605	84,750

MARINA	2014	2014	2015	2015	2016
EXPENDITURES	As Amended	Actual	As Amended	Actual	As Adopted
Salaries & Wages					
Salaries - full time	35,200	35,120	36,000	33,067	35,000
Overtime - full time	700	1,438	700	1,836	1,500
Salaries - part time	21,200	14,007	23,000	14,086	22,300
Overtime - part time	500	131	500	521	500
Total Salaries & Wages	57,600	50,696	60,200	49,509	59,300
Benefits					
Full time Benefits	12,300	12,194	12,500	12,006	13,500
Part time Benefits	3,800	2,453	3,600	2,045	4,450
Unemployment Benefits	500	0	500	598	500
Total Benefits	16,600	14,648	16,600	14,649	18,450
Supplies					
Office & Operating	1,500	1,396	1,500	2,095	2,000
Facility	2,500	2,474	2,000	583	2,000
Small Tools & Minor Equipment	100	0	200	326	200
Total Supplies	4,100	3,871	3,700	3,004	4,200
Other Services & Charges					
Professional Services	6,500	1,812	6,500	1,539	6,500
Communication	500	676	500	867	500
Advertising	500	500	500	500	500
Rentals & Leases	500	114	500	0	500
Public Utilities	500	523	500	513	500
Repairs & Maintenance	4,500	4,752	5,000	1,262	4,000
Miscellaneous	500	1,683	1,000	1,300	1,000
External (excise) taxes			650	287	
Total Other Services	13,500	10,059	15,150	6,267	13,500

Overhead

Administration Charges	1,300	1,300	1,300	1,300	1,300
Financial Services	3,700	3,700	3,700	3,700	3,700
B & O Taxes/External Taxes	650	825			650
Total Overhead	5,650	5,825	5,000	5,000	5,650
Total Expenditures	97,450	85,099	100,650	78,429	101,100
ALL PARK REV OVER EXPENDITURES	(15,613)	239,289	30,755	(29,728)	(256,655)

GOLF COURSE	2014	2014	2015	2015	2016
Revenues	As Amended	Actual	As Amended	Actual	As Adopted
Charges for Services					
Pro Shop Sales	110,000	102,349	110,000	94,352	110,000
Gift Certificates		-11,681		3,554	
R.O.A. Charges		18,642		13,653	
Daily Greens Fees	546,000	509,146	528,000	451,859	538,000
Family Annual	79,000	64,449	65,000	56,895	58,980
Annual Single	77,000	81,066	80,000	90,881	90,000
Annual Junior	1,000	1,204	1,000	2,054	2,000
Daily Range Fees	32,000	33,677	30,000	29,477	30,000
Annual Range Fees	10,500	7,650	7,500	7,950	8,000
Lessons	5,000	4,048	5,000	2,780	5,000
Rental Clubs	6,500	7,947	6,500	5,496	6,500
Pull Carts	3,000	2,178	2,500	2,048	2,200
Golf Cart Rental	185,000	189,748	190,000	172,995	190,000
Annual Cart Usage	21,600	21,340	21,600	20,954	21,000
Annual Cart Storage	25,200	21,535	24,000	19,718	22,000
Food Concession	5,250	5,625	5,250	5,625	5,250
Food Concession Utilities (W/S/G/Elect)	3,500	3,250	3,500	3,250	3,500
Cash over/short		1,490		76	
Miscellaneous		1,034		48	300
Restitution		580	600	628	600
Security Deposit/ Concession		1,000		0	
Interfund Contribution from Tourism #103	50,000	50,000	50,000	50,000	
Total Golf Resources	1,160,550	1,116,276	1,130,450	1,034,293	1,093,330

GOLF EXPENDITURES	2014	2014	2015	2015	2016
General Operations	As Amended	Actual	As Amended	Actual	As Adopted
Salaries & Wages					
Salaries - full time	96,100	93,642	96,100	96,510	97,400
Overtime - full time	2,500	2,573	2,500	709	2,500
Salaries - part time	75,400	52,307	77,000	50,197	78,700
Overtime - part time	1,500	1,987	1,500	648	1,500
Lessons	5,000	2,465	5,000	2,108	5,000
Total Salaries	180,500	152,973	182,100	150,172	185,100
Personnel Benefits					
FTE Benefits	44,900	40,093	46,000	42,888	48,200
PTE Benefits	18,100	9,619	17,500	9,417	26,600
Lesson Benefits	1,500	1,144	1,500	1,021	1,500
Unemployment Benefits	7,000	5,259	7,000	0	7,000
Total Benefits	71,500	56,114	72,000	53,326	83,300
Supplies					
Office & Operating	8,000	4,047	8,000	5,683	8,400
Range	3,600	3,550	3,600	3,833	4,000
Building Materials	1,000	0	1,000	0	0
Golf Car Parts	1,000	3,251	1,000	2,284	1,000
Resale - Pro Shop	75,000	81,787	80,000	74,646	80,000
Rental Carts/Clubs	2,500	2,291	2,500	0	2,600
Small Tools & Minor Equipment	3,500	0	1,500	0	1,500
Total Supplies	94,600	94,926	97,600	86,446	97,500

Other Services & Charges

Professional Services	2,100	1,104	2,100	3,172	2,100
Communication	10,500	7,761	10,500	7,908	10,000
Travel & Training	2,650	921	2,650	1,022	2,800
Advertising	10,000	10,646	10,000	6,325	10,000
Advertising-HDCA	2,443	2,443		2,443	
Rentals & Leases	1,600	719	1,600	726	1,600
Rentals & Leases-Golf Carts	40,000	39,809	40,000	34,609	40,000
Insurance	29,900	25,830	28,500	26,679	29,400
Utilities-W/S/G/Electricity	12,500	10,025	12,500	9,786	12,500
Repairs & Maintenance	6,825	4,803	6,825	6,059	7,100
Credit Card Fees	26,250	26,207	26,250	22,162	27,500
Dues/Memberships/Misc	2,100	1,471	2,100	1,439	2,200
B & O Taxes/External Taxes	5,500	2,766	5,500	2,603	5,500
Total Other Services	152,368	134,506	148,525	124,932	150,700

Interfund Payments

Admin Services	8,454	8,454	8,454	8,454	8,454
Financial Services	18,102	18,102	18,102	18,102	18,102
Total Interfund Payments	26,556	26,556	26,556	26,556	26,556

TOTAL GENERAL OPERATIONS EXPENSES	525,524	465,074	526,781	441,431	543,156
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2014	2014	2015	2015	2016
As Amended	Actual	As Amended	Actual	As Adopted

Salaries & Wages				
Salaries - Full Time	125,200	126,314	123,500	127,154
Overtime - full time	1,500	788	1,500	137
Salaries - part time	142,520	108,394	143,000	105,627
Overtime - part time	2,000	64	2,000	41
Total Salaries	271,220	235,560	270,000	232,959

Personnel Benefits

Benefits - Full time	58,500	56,638	55,500	54,770
Benefits - Part Time	36,700	25,286	33,500	24,521
Unemployment Benefits	34,000	28,790	34,000	17,833
Total Benefits	129,200	110,714	123,000	97,124

Supplies

Office & Operating	9,000	12,401	9,000	8,247
Irrigation	5,000	2,108	5,000	8,187
Equipment Parts	15,000	25,745	15,000	22,619
Building Materials	1,000	386	1,000	129
Chemicals	45,000	42,610	45,000	49,440
Horticulture	11,000	9,971	11,000	6,653
Fuel	34,000	33,917	25,000	20,862
Small Tools/Minor Equipment	2,000	4,303	2,000	2,697
Total Supplies	122,000	131,441	113,000	118,835

Other Services & Charges

Professional Services	5,000	1,850	5,000	1,780	4,000
Communication	1,200	2,658	1,200	2,734	1,200
Travel & Training	2,500	374	2,500	194	2,500
Advertising		92		0	
Rentals & Leases	1,000	1,134	1,000	1,287	1,000
Insurance	29,900	25,830	29,900	26,679	29,400
Public Utilities	6,000	3,723	6,000	4,046	4,000
Utilities-Irrigation	10,000	15,539	10,000	15,539	12,000
Repairs & Maintenance	10,000	3,824	10,000	233	2,500
Miscellaneous	1,500	1,689	1,500	1,517	1,500
Total Other Services	67,100	56,712	67,100	54,008	58,100

Interfund Payments

Administration Charges	14,394	14,394	14,394	14,394	14,394
Financial Services	22,599	22,599	22,599	22,599	22,599
Total Interfund Payments	36,993	36,993	36,993	36,993	36,993
TOTAL GROUNDS EXPENSES	626,513	571,419	610,093	539,919	623,393
Total Operating Expenses	1,152,037	1,036,493	1,136,874	981,350	1,166,549
ALL GOLF REVENUES OVER EXPENSES	8,513	79,782	(6,424)	52,943	(73,219)

Sewer Fund #400:

Maintenance & Operations \$1,100,597

Transfers to Sewer Capital \$ 600,000

The Sewer Fund is an enterprise fund with its own source of revenue, independent of the General Fund. This fund provides for the operation and maintenance of the waste water treatment facility and sewer collection system as well as transfers funds to pay debt service to existing loans relating to past capital projects through the Water/Sewer Debt Redemption Fund. It is assumed that future capital projects will be funded, in part, through the Sewer Capital Fund with the collection of general facility charges, but a contribution from monthly service fees is also indicated to pay for those capital improvements that are a benefit to existing customers, therefore, any reserve funds beyond prudent cash flow reserves will be transferred to the Capital Fund. Additional funds are collected from the Lake Chelan Sewer District and the Lake Chelan Reclamation District for the treatment of their wastewater in the form of a rate per thousand gallons treated.

The City's wastewater collection system includes over 28 miles of gravity sewer mains, 12 miles of force mains, 11 sewage lift stations, and an associated telemetry and control system. The treatment facilities include the primary plant on the Chelan River below the dam and the secondary plant on the Columbia River with the average daily flow of 1.3 million gallons per day (mgd) and a maximum flow of 2.1 mgd. Details of plant capacity and planned improvements are discussed within the Sewer Capital Fund.

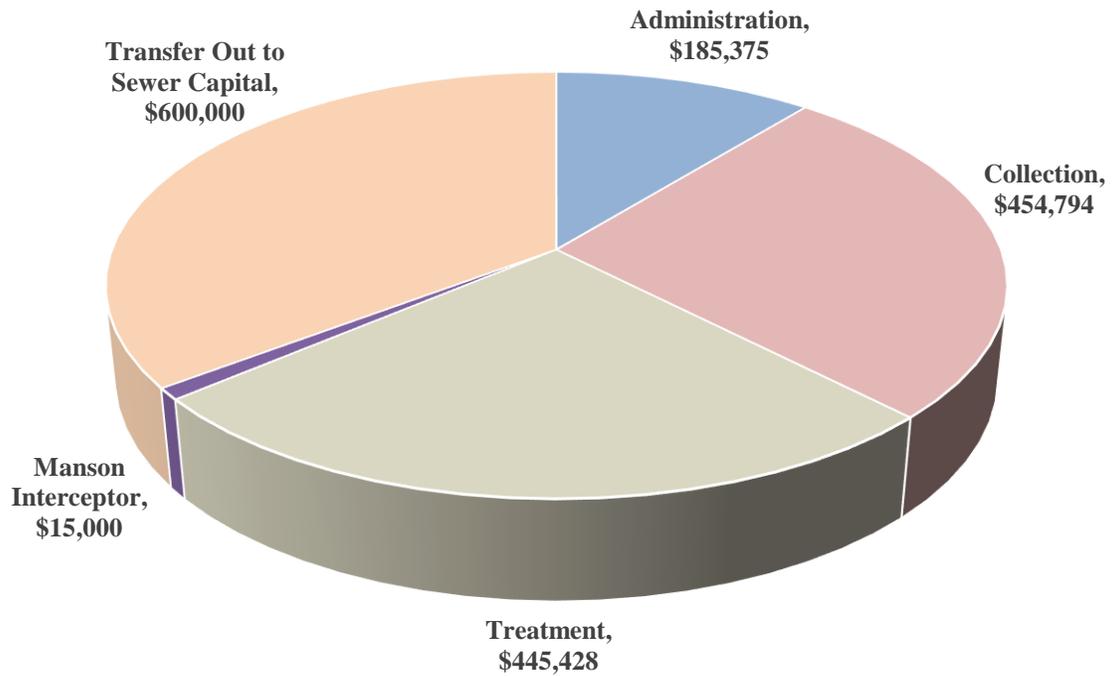
The sewer system accommodates 3,482 equivalent residential units (ERUs) within the City of Chelan, 504 ERUs from the Lake Chelan Sewer District on the South Shore and 1,500 ERUs from the Lake Chelan Reclamation District in Manson for a total of 5,486 ERUs.

In 2014 the General Facility Charge Study was conducted to update the capital facility plan and was meant to provide guidance in establishing a rate structure that would provide for operations and help fund future capital projects. The results of this study indicated a rate increase of 5.2% per year for the next 5 years using the growth rate assumptions currently used for planning purposes.

Staff has recommended that an additional treatment plant operator be hired with approximately 40% of that person's time to be spent within the sewer facilities. This person will provide weekend operation of the sewer treatment plant, reducing overtime costs.

The spending levels indicated in the budget are meant to support continuation of the current level of service, continued compliance with state rules regarding pollution control, and optimization of all wastewater facilities sufficient to assure continued recognition by DOE through its 100% compliance award.

**Sewer Fund 2016 Budget
\$1,700,597**



SEWER FUND - #400
2016 SUMMARY BUDGET

Beginning Cash Balance

Revenues:

Charges for Services

Miscellaneous

Total Revenues/ Financing Sources

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Cash Balance	605,635	610,085	615,000	623,054	460,000
Charges for Services	1,461,800	1,520,378	1,540,800	1,603,894	1,586,500
Miscellaneous	15,153	19,266	1,500	2,837	1,000
Total Revenues/ Financing Sources	1,476,953	1,539,644	1,542,300	1,606,730	1,587,500

Expenditures:

Total Wages

Total Overtime

Total Benefits

Total Wages & Benefits

Total Supplies

Total Other Services & Charges

Total Intergovernmental Services

Total Interfund Payments

LCSD/Chelan-Manson Interceptor

Capital Expenditures

Operating Transfers Out

Total Expenditures/ Financing Sources

Revenues Above (Below) Expenditures

Ending Cash Balance

Ending Fund Balance

	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Total Wages	364,920	364,705	374,300	372,193	399,900
Total Overtime	18,100	13,390	20,200	24,376	20,200
Total Benefits	158,700	150,369	164,900	157,249	183,000
Total Wages & Benefits	541,720	528,463	559,400	553,817	603,100
Total Supplies	97,000	62,191	110,500	90,039	110,500
Total Other Services & Charges	206,323	172,677	173,600	182,595	163,360
Total Intergovernmental Services	39,000	22,967	42,000	27,076	42,000
Total Interfund Payments	145,874	119,424	190,137	171,458	166,637
LCSD/Chelan-Manson Interceptor	22,000	20,953	15,000	9,154	15,000
Capital Expenditures	0	0	0	0	0
Operating Transfers Out	600,000	600,000	700,000	700,000	600,000
Total Expenditures/ Financing Sources	1,651,917	1,526,675	1,790,637	1,734,139	1,700,597
Revenues Above (Below) Expenditures	(174,964)	12,969	(248,337)	(127,409)	(113,097)
Ending Cash Balance	430,671	623,054	366,663	495,645	346,903
Ending Fund Balance	430,671	623,054	366,663	495,645	346,903

SEWER FUND #400	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	605,635	610,085	615,000	623,054	460,000
SEWER COLLECTIONS REVENUES					
Inspection Fees				225	
Sewer Service Fees	1,290,800	1,339,314	1,351,300	1,403,049	1,411,000
Lake Chelan Sewer Dist. Treatment	45,000	49,342	59,000	65,917	45,000
Lake Chelan Reclam Dist. Treatment	125,000	130,526	130,000	134,306	130,000
Sewer Test/Inspection/Repair Fees	1,000	1,196	500	396	500
Total Sewer Collections	1,461,800	1,520,378	1,540,800	1,603,894	1,586,500
MISCELLANEOUS REVENUE					
Investment Interest	3,000	1,002	1,500	1,560	1,000
Other Miscellaneous -2014 longevity	12,153	18,264		1,277	
Total Misc. Revenue	15,153	19,266	1,500	2,837	1,000
Total Revenues	1,476,953	1,539,644	1,542,300	1,606,730	1,587,500
Total Revenues/Other Sources	2,082,588	2,149,729	2,157,300	2,229,784	2,047,500
EXPENDITURES					
ADMINISTRATION					
Wages & Benefits					
Wages - FTE	49,600	49,596	51,000	50,562	51,800
Overtime - FTE	100	70	200	318	200
Benefits - FTE	18,400	17,878	19,000	19,016	20,500
Total Wages & Benefits	68,100	67,543	70,200	69,896	72,500
Supplies					
Office & Operating	2,500	1,110	2,500	1,357	2,500
Small Tools/Minor Equipment	500	82	500	108	500
Total Supplies	3,000	1,192	3,000	1,464	3,000
Other Services & Charges					
Professional Services	15,000	4,351	15,000	17,064	15,000
Professional Services-Rate Study	16,635	11,984			
Communication	5,000	4,521	5,000	8,966	6,000
Travel & Training	1,000	368	1,000	120	1,000
Advertising/2013 HDCA	18,818	18,818		18,818	
Rentals & Leases	1,400	1,888	2,500	2,030	2,500
Insurance	25,000	19,785	21,800	20,436	22,500
Insurance Vehicle	970	755	800	780	860
Utilities-W/S/G/Electricity	4,000	800	2,000	670	2,000
Repairs & Maintenance		216	500	461	500
Miscellaneous	500	340	500	257	500
Total Other Services	88,323	63,827	49,100	69,601	50,860
Intergovernmental Services					
External Taxes	39,000	22,967	42,000	27,076	42,000
Total Intergovern Services	39,000	22,967	42,000	27,076	42,000
Interfund Payments					
Administrative Services	9,767	9,767	9,767	9,767	9,767
Interfund Fuel	3,000	3,774	3,000	3,251	3,000
Equipment Replacement Fund	1,800	1,800	1,248	1,248	1,248
Equip Rental Repairs	6,500	442	6,500	1,505	3,000
TOTAL ADMINISTRATION	219,490	171,312	184,815	183,808	185,375

EXPENDITURES	2014	2014	2015	2015	2016
SEWER COLLECTION	As Amended	Actual	As Amended	Actual	As Adopted
Wages & Benefits					
Wages - FTE	179,120	179,074	184,000	182,986	185,500
Overtime - FTE	6,000	3,539	8,000	6,257	8,000
Benefits	78,000	73,628	81,000	77,124	84,000
Total Wages & Benefits	263,120	256,242	273,000	266,366	277,500
Supplies					
Office & Operating	3,000	2,396	3,000	3,999	3,000
Equipment Parts	2,000	2,760	22,000	14,302	22,000
Sewer Line	3,000	3,750	5,000	3,684	5,000
Sewer Pump Parts	20,000	5,445	0	0	0
Chemicals	10,000	2,574	10,000	10,196	10,000
Small Tools/Minor Equipment	2,000	483	2,000	897	2,000
LCSD Supplies				4,205	
Total Supplies	40,000	17,407	42,000	37,284	42,000
Other Services & Charges					
Professional Services	4,000	2,025	4,000	3,105	6,000
Communication	6,000	9,440	7,000	5,472	7,000
Travel & Training	1,000	1,258	1,000	524	1,000
Rentals & Leases	500	42	500	0	500
Utilities-W/S/G/Electricity	7,000	6,969	7,000	6,859	7,000
Repairs & Maintenance	5,000	1,111	19,000	17,086	5,000
Miscellaneous		425	500	270	500
Total Other Services	23,500	21,270	39,000	33,316	27,000
Interfund Payments					
Administrative Services	9,767	9,767	9,767	9,767	9,767
Finance Services	29,942	29,942	29,942	29,942	29,942
Interfund Fuel	8,000	3,967	8,000	2,916	8,000
Equipment Replacement Fund	13,920	13,920	42,985	42,985	42,985
Welding/Fabrication	600	0	600	268	600
Equip Rental Repairs	13,225	11,784	37,000	39,389	17,000
Repairs & Maint - Interfund					
Longevity Contribution					
Total Interfund Payments	75,454	69,380	128,294	125,267	108,294
TOTAL SEWER COLLECTION	402,074	364,298	482,294	462,234	454,794

EXPENDITURES	2014	2014	2015	2015	2016
SEWER TREATMENT	As Amended	Actual	As Amended	Actual	As Adopted
Wages & Benefits					
Wages-FTE	136,200	136,034	139,300	138,645	162,600
Overtime-FTE	12,000	9,781	12,000	17,801	12,000
Benefits-FTE	62,300	58,863	64,900	61,108	78,500
Total Wages & Benefits	210,500	204,678	216,200	217,555	253,100
Supplies					
Office & Operating	3,000	2,950	3,000	3,885	3,000
Building Materials	1,000	46	1,000	329	1,000
Lab Supplies	3,500	4,299	3,500	2,008	3,500
Electrical Inventory	500	461	0		0
Equipment Parts	20,000	15,948	35,000	29,309	35,000
Grounds Maintenance	3,000	2,836	3,000	3,153	3,000
Sewer Pump Parts	3,000	0	0		0
Chemicals	17,000	16,290	17,000	11,412	17,000
Small Tools/Minor Equipment	3,000	761	3,000	1,195	3,000
Total Supplies	54,000	43,592	65,500	51,290	65,500
Other Services & Charges					
Professional Services	6,000	6,177	6,000	4,045	6,000
Professional Services - Biosolids	3,000	4,030	3,000	2,248	3,000
Communication	3,000	4,307	4,000	4,609	4,000
Travel & Training	1,000	575	1,000	493	1,000
Advertising	500	0	500		500
Rentals & Leases	1,500	1,978	1,500	1,654	1,500
Utilities-W/S/G/Electricity	48,000	48,341	48,000	48,224	48,000
Repairs & Maintenance/Inc bearing R&M	12,000	5,733	2,000	4,161	2,000
DOE Discharge Permit	19,000	16,165	19,000	13,651	19,000
Miscellaneous-Due/Reg/Subscriptions	500	274	500	593	500
Total Other Services	94,500	87,580	85,500	79,679	85,500
Interfund Payments					
Administrative Services	9,767	9,767	9,767	9,767	9,767
Finance Services	12,831	12,831	12,831	12,831	12,831
Interfund Fuel	8,000	3,838	8,000	2,448	8,000
Equipment Replacement Fund	5,130	5,130	2,330	2,330	2,330
Welding/Fabrication	400	0	400		400
Equip Rental Repairs	13,225	2,695	8,000	3,044	8,000
Total Interfund Payments	49,353	34,261	41,328	30,420	41,328
TOTAL SEWER TREATMENT	408,353	370,111	408,528	378,943	445,428
Chelan Manson Sewer Interceptor	22,000	20,953	15,000	9,154	15,000
Total Expenditures	1,051,917	926,675	1,090,637	1,034,139	1,100,597

Other Financing Uses	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Operating Transfers Out					
Sewer Capital	600,000	600,000	700,000	700,000	600,000
Total Other Financing Uses	600,000	600,000	700,000	700,000	600,000
Total Expenditures/Other Uses	1,651,917	1,526,675	1,790,637	1,734,139	1,700,597
Revenues over Expenditures	-174,964	12,969	-248,337	-127,409	-113,097
Ending Fund Balance	430,671	623,054	366,663	495,645	346,903

Water Fund #401:

Maintenance & Operations	\$1,220,558
Transfers to Water Capital	\$ 600,000

The Water Fund is categorized as an enterprise fund, meaning it operates somewhat like a business. This fund provides for the operation and maintenance of the water treatment facility and water distribution system as well as transfers funds to pay debt service to existing loans relating to past capital projects through the Water/Sewer Debt Redemption Fund. It is assumed that future capital projects will be funded, in part, through the Water Capital Fund with the collection of general facility charges, but a contribution from monthly service fees are also indicated to pay for those capital improvements that are a benefit to existing customers, therefore, any reserve funds beyond prudent cash flow reserves will be transferred to the Capital Fund.

The City currently has approximately 1,880 water connections with 2,570 ERUs (equivalent residential use), all of which are billed monthly.

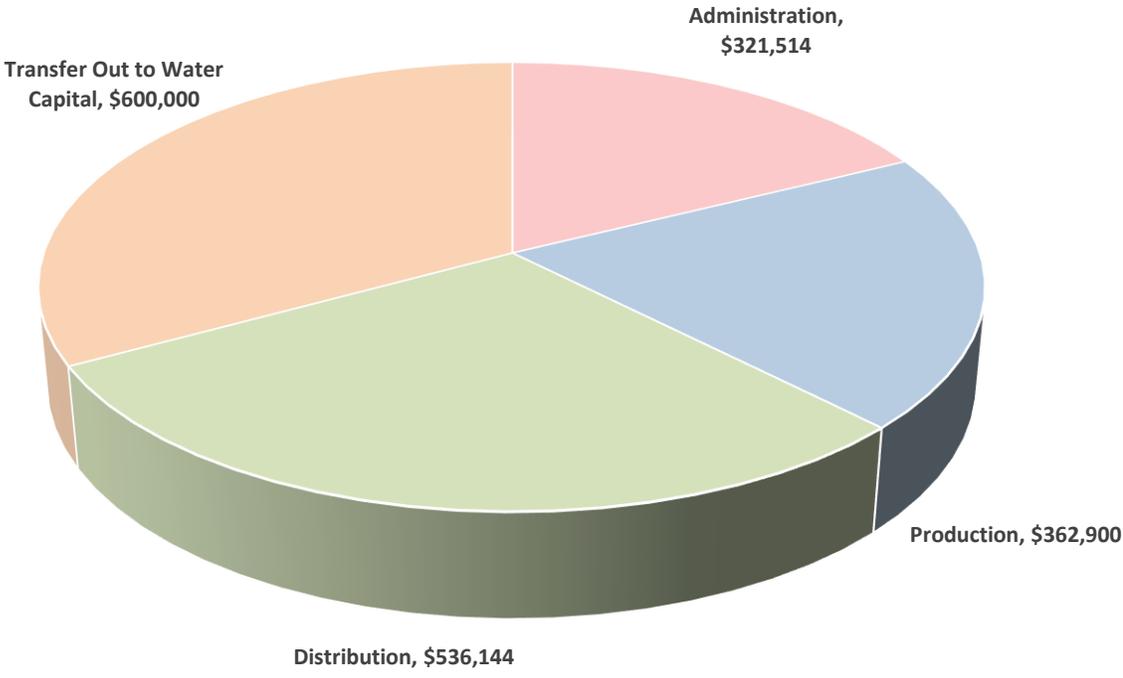
The infrastructure of the Water Fund consists of approximately 36 miles of pipe, from 3/4" to 12" in size; 13 reservoirs capable of storing 6.4M gallons of water; 26 booster pumps used to assist water flow to users up and down lake; and the water treatment plant. The water treatment plant produces on average 2.1 million gallons of water per day, with a peak performance level of 4.2 million.

The 2014 General Facility Charge Study indicated a suggested increase to the monthly user fees in the amount of 1.55% per year for the next 5 years. This increase is meant to cover anticipated operational costs as well as future capital projects well into the future.

Staff has recommended increasing the number of treatment plant operators from two to three. The additional operator's work schedule will include the weekend in order to address concerns of the Department of Health and reduce overtime costs, as well as perform routine maintenance in the treatment and distribution system. Approximately 40% of this person's responsibility will be in the wastewater system and the proposed budget reflects this cost distribution.

The proposed 2016 budget is meant to provide for the continuation of the current level of service as well as maintain, replace and repair components of the system.

**Water Fund 2016 Budget
\$1,820,558**



WATER FUND - #401	2014	2014	2015	2015	2016
2016 SUMMARY BUDGET	As Amended	Actual	As Amended	Actual	As Adopted
Actuals Through 12/31/2015					
Beginning Cash Balance	501,635	536,771	613,500	620,212	613,000
Revenues:					
Charges for Services	1,680,445	1,796,368	1,695,500	1,866,441	1,700,000
Miscellaneous	10,793	12,665	2,000	1,903	1,000
Total Revenues/ Financing Sources	1,691,238	1,809,034	1,697,500	1,868,345	1,701,000
Expenditures:					
	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Total Wages	380,100	379,812	391,200	388,367	418,300
Total Overtime	22,200	22,368	22,200	32,046	22,200
Total Benefits	171,100	162,829	177,800	168,641	198,900
Total Wages & Benefits	573,400	565,009	591,200	589,055	639,400
Total Supplies	131,500	107,239	131,500	88,191	132,000
Total Other Services & Charges	254,035	211,092	199,200	227,291	173,400
Total Intergovernmental Services	92,000	62,990	92,000	66,250	92,000
Total Interfund Payments	183,893	179,263	183,758	182,629	183,758
Operating Transfers Out	600,000	600,000	700,000	700,000	600,000
Total Expenditures/ Financing Uses	1,834,828	1,725,593	1,897,658	1,853,415	1,820,558
Revenues Above (Below) Expenditures	(143,590)	83,440	(200,158)	14,930	(119,558)
Ending Cash Balance	358,045	620,212	413,342	635,142	493,442

WATER FUND #401	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	501,635	536,771	613,500	620,212	613,000
Water Collections Revenues					
Water Service Fees	1,680,445	1,796,368	1,695,500	1,866,219	1,700,000
Repairs & Lines				223	
Total Water Collections	1,680,445	1,796,368	1,695,500	1,866,441	1,700,000
MISCELLANEOUS REVENUE					
Investment Interest	4,000	928	2,000	1,678	1,000
Sale of Metal				40	
Other Miscellaneous		944		185	
Tran In-Fm #106 Longevity Closeout	10,793	10,793			
Total Miscellaneous Revenue	14,793	12,665	2,000	1,903	1,000
Total Revenues	1,695,238	1,809,034	1,697,500	1,868,345	1,701,000
Total Revenues/Other Resources	2,196,873	2,345,805	2,311,000	2,488,557	2,314,000

EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
ADMINISTRATION					
Wages & Benefits					
Wages-FTE	109,000	108,965	112,500	111,838	115,000
Overtime-FTE	200	78	200	449	200
Benefits	39,000	38,036	40,300	40,418	44,000
Total Wages & Benefits	148,200	147,078	153,000	152,705	159,200
Supplies:					
Office & Operating	4,000	1,835	4,000	2,719	4,000
Small Tools/Minor Equipment	500	98	500	117	500
Total Supplies	4,500	1,933	4,500	2,836	4,500
Other Services & Charges					
Professional Services	15,000	3,297	15,000	7,631	5,000
Prof Services-2013 Rate Study	16,635	11,984			
Communication	8,000	7,840	8,000	7,928	8,000
Travel & Training	4,000	0	4,000	871	2,000
Advertising	500	0	500	0	500
Advertising - HDCA	49,200	49,200		49,200	
Rentals & Leases	1,200	880	1,200	991	1,200
Insurance	24,800	19,785	21,800	20,436	22,500
Vehicle Insurance	1,500	1,055	1,500	1,089	1,200
Utilities-W/S/G/Electricity	4,000	800	2,000	670	2,000
Repairs & Maintenance	2,000	0	2,000	923	1,000
Miscellaneous	4,000	2,134	4,000	4,482	4,000
Total Other Services	130,835	96,975	60,000	94,223	47,400
Intergovernmental Services					
External Taxes	92,000	62,990	92,000	66,250	92,000
Total Intergovernmental Services	92,000	62,990	92,000	66,250	92,000
Interfund Payments:					
Administrative Services	10,684	10,684	10,684	10,684	10,684
Finance Services					
Interfund Fuel	500	790	2,000	632	2,000
Equipment Replacement Fund	6,900	6,900	1,130	1,130	1,130
Equip Rental Repairs	4,600	1,678	4,600	5,911	4,600
Total Interfund Payments	22,684	20,052	18,414	18,357	18,414
Total Administration	398,219	329,028	327,914	334,371	321,514

WATER PRODUCTION	2014	2014	2015	2015	2016
Salaries & Wages	As Amended	Actual	As Amended	Actual	As Adopted
Wages-FTE	90,800	90,624	92,700	92,084	124,200
Overtime-FTE	15,000	14,828	15,000	19,926	15,000
Benefits	47,600	44,591	50,500	44,684	68,000
Total Wages & Benefits	153,400	150,042	158,200	156,694	207,200
Supplies:					
Office & Operating	6,000	5,870	6,000	8,042	6,000
Building Materials	1,000	765	1,000	1,401	1,000
Lab/Water Pilot Plant	2,000	2,058	2,000	1,434	2,000
Water Pump Parts	4,000	2,445	4,000	3,806	4,000
Chemicals	28,000	30,622	28,000	29,871	28,000
Small Tools/Minor Equipment	3,000	1,493	3,000	2,102	2,000
Total Supplies:	44,000	43,252	44,000	46,655	43,000
Other Services & Charges:					
Professional Services	3,000	2,019	3,000	3,740	3,000
Communication	4,000	4,676	4,000	4,821	5,500
Travel & Training	2,500	1,927	2,500	2,209	2,500
Advertising	400	0	400	0	400
Rentals & Leases	200	71	200	370	500
Utilities-W/S/G/Electricity	45,000	41,687	45,000	43,003	45,000
Repairs & Maintenance	8,000	4,984	8,000	2,545	6,000
Miscellaneous	5,000	5,072	5,000	5,140	5,000
Total Other Services:	68,100	60,437	68,100	61,827	67,900
Interfund Payments:					
Administrative Services	10,684	10,684	10,684	10,684	10,684
Finance Services	12,756	12,756	12,756	12,756	12,756
Interfund Fuel	5,000	5,182	5,000	3,403	5,000
Equipment Replacement Fund	4,303	4,303	10,360	10,360	10,360
Equip Rental Repairs	5,990	4,471	6,000	7,475	6,000
Longevity Contribution					
Total Interfund Payments	38,733	37,397	44,800	44,678	44,800
Total Water Production	304,233	291,128	315,100	309,854	362,900

WATER DISTRIBUTION	2014	2014	2015	2015	2016
Wages & Benefits	As Amended	Actual	As Amended	Actual	As Adopted
Wages-FTE	180,300	180,224	186,000	184,446	179,100
Overtime-FTE	7,000	7,463	7,000	11,671	7,000
Benefits	84,500	80,203	87,000	83,539	86,900
Total Wages & Benefits	271,800	267,889	280,000	279,656	273,000
Supplies					
Office & Operating	2,000	2,586	2,000	3,859	3,500
Valves, Hydrants & Water Line Parts	35,000	24,337	35,000	16,526	35,000
Water Meter Parts	40,000	31,328	40,000	14,263	40,000
Water Pump Parts	4,000	2,618	4,000	3,717	4,000
Small Tools/Minor Equipment	2,000	1,184	2,000	334	2,000
Total Supplies	83,000	62,053	83,000	38,699	84,500
Other Services & Charges:					
Professional Services	12,000	11,750	12,000	9,656	12,000
Communication	2,000	3,712	5,000	3,621	5,000
Travel & Training	2,000	1,366	2,000	951	2,000
Leases & Rentals	1,000	1,547	1,000	3,821	1,000
Public Utilities	23,000	22,662	23,000	25,324	23,000
Repairs & Maintenance	15,000	12,282	28,000	27,697	15,000
Miscellaneous	100	360	100	171	100
Total Other Services:	55,100	53,680	71,100	71,241	58,100
Interfund Payments					
Administrative Services	10,684	10,684	10,684	10,684	10,684
Finance Services	29,764	29,764	29,764	29,764	29,764
Interfund Fuel	12,000	14,497	12,000	9,703	12,000
Equipment Replacement Fund	22,578	22,578	39,096	39,096	39,096
Welding/Fabrication	1,000	450	1,000	239	1,000
Equipment Repair	46,450	43,842	28,000	30,108	28,000
Total Interfund Payments	122,476	121,815	120,544	119,594	120,544
Total Water Distribution	532,376	505,438	554,644	509,190	536,144
Total Expenditures	1,234,828	1,125,593	1,197,658	1,153,415	1,220,558

WATER FUND	2014	2014	2015	2015	2016
Capital Outlays	As Amended	Actual	As Adopted	To Date	As Adopted
Operating Transfers Out					
Water Capital	600,000	600,000	700,000	700,000	600,000
Total Transfers Out	600,000	600,000	700,000	700,000	600,000
Total Expenditures/Other Uses	1,834,828	1,725,593	1,897,658	1,853,415	1,820,558
Revenues over Expenditures	(139,590)	83,440	(200,158)	14,930	(119,558)
Ending Fund Balance	362,045	620,212	413,342	635,142	493,442

Sanitation Fund #403:

Maintenance & Operations/Collection Services	\$743,409
Capital Expenses	\$ 18,000

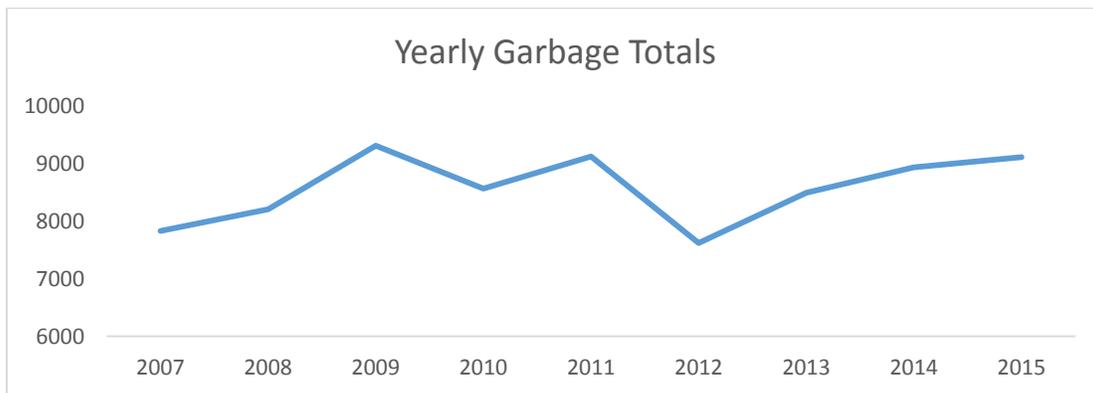
The Sanitation Department provides garbage collection and disposal service for the residents of Chelan and operates a recycling facility to the benefit of the North County Area.

The City maintains an exclusive franchise for the collection and disposal of garbage in Chelan. Garbage is currently hauled to the transfer station located on the east side of town. The Sanitation Department provides and maintains dumpster bins to meet the needs of commercial customers, as well as offering weekend service during the busier summer season. The Sanitation Department also collects and disposes of litter from sidewalk units in the downtown business district as a community service.

In 2014 a rate and fee analysis was conducted on sanitation and it recognized a shortfall in revenues and the system was not sustainable at the current rates. Council approved increasing the collection fees consistent with the recommendations of the report in the amount of 8% per year for the next 5 years.

The budget as presented is meant to continue with the current level of service while expanding our service to newly developed areas.

Following is a chart showing the yearly garbage totals in compacted cubic yards;



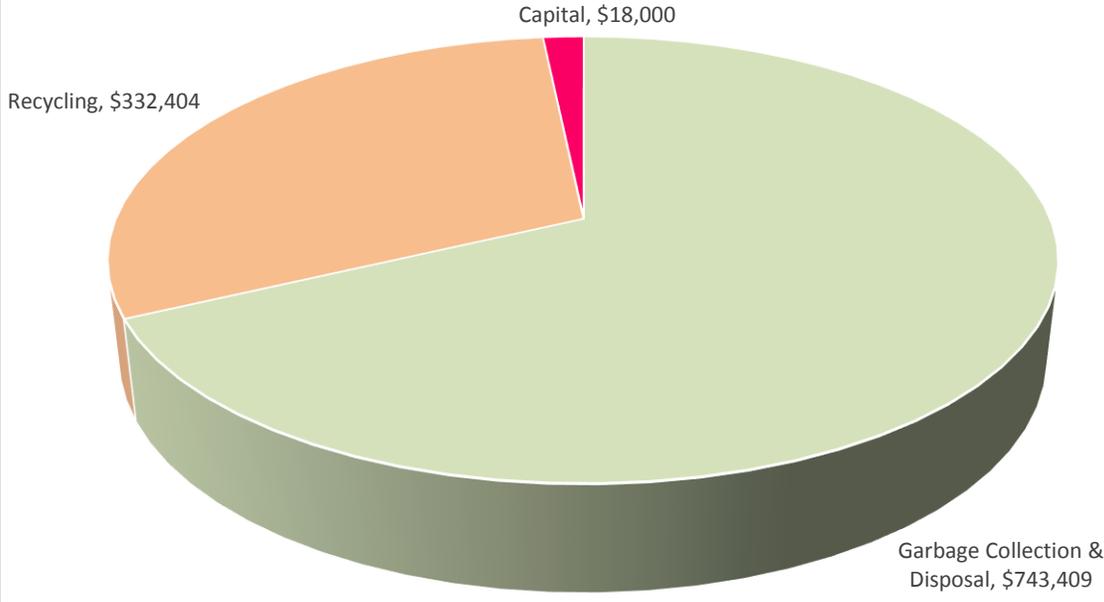
Maintenance & Operations/Recycling \$332,404

The Recycle Center provides service to the North Chelan County area by providing a drop-off site for Chelan residents at the Recycle Center and pick-up of containers in the Manson area. This program also picks up recyclables from over 170 businesses.

In 2013 Chelan County began charging for the disposal of brush in an effort to make up for dwindling grant funds which had previously funded the service. It is anticipated that this arrangement will continue in 2016.

Staff, at Council's request, has re-budgeted \$25,000 to do further cost benefit analysis in the recycling department to evaluate efficiencies and curb side pickup.

**Sanitation Fund 2016 Budget
\$1,093,813**



SANITATION FUND - #403	2014	2014	2015	2015	2016
2016 BUDGET SUMMARY	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Cash Balance	138,060	142,318	145,000	145,818	47,000
Revenues:					
Intergovernmental Revenues	0	0	1,180	1,849	0
Charges for Services	993,000	1,006,300	1,038,000	1,082,575	1,111,440
Miscellaneous	20,200	24,828	22,200	26,217	22,200
Other Financing Sources	4,084	4,084	0	0	0
Total Revenues/ Financing Sources	1,017,284	1,035,211	1,061,380	1,110,641	1,133,640

Expenditures:	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Total Wages-FT	189,900	189,513	195,200	194,003	192,130
Total Wages-PT	29,600	29,099	22,500	16,683	22,700
Total Overtime	1,400	1,874	3,500	4,054	3,500
Total Benefits FT	86,700	86,600	89,700	86,113	92,500
Total Benefits PT	8,100	7,968	5,600	4,255	10,200
Total Wages & Benefits	315,700	315,054	316,500	305,108	321,030

Total Supplies	20,500	13,528	22,000	16,084	21,300
Total Other Services & Charges	483,498	446,653	537,340	488,954	451,400
Total Intergovernmental Services	61,600	49,186	61,600	53,985	61,600
Total Interfund Payments	213,483	201,099	223,483	233,841	220,483
Capital Expenditures	12,200	6,193	14,475	13,929	18,000
Total Expenditures/ Financing Uses	1,106,981	1,031,711	1,175,398	1,111,901	1,093,813
Revenues over Expenditures	(89,697)	3,500	(114,018)	(1,260)	39,827
Ending Cash Balance	48,363	145,818	30,982	144,557	86,827

SANITATION FUND #403	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Fund Balance	138,060	142,318	145,000	145,818	47,000
Intergovernmental Revenue					
DES Grant-Energy Project/HVAC			1,180	1,849	
Total Intergovernmental Revenue			1,180	1,849	
Charges for Services					
Sale of Recycled Materials	120,000	131,541	115,000	100,972	115,000
Garbage Collection Fees	873,000	874,759	918,000	970,025	991,440
Sale of Recycled Computers			5,000	11,461	5,000
Dumpster Repair				116	
Total Charges for Services	993,000	1,006,300	1,038,000	1,082,575	1,111,440
Miscellaneous Revenues:					
Investment Interest	200	258	200	295	200
Dumpster Rentals	20,000	24,490	22,000	24,235	22,000
Other Miscellaneous Revenues		80		1,686	
Total Miscellaneous Revenues	20,200	24,828	22,200	26,217	22,200
Tran In-Or Other Non-Revenues	4,084	4,084			
Total Revenues	1,017,284	1,035,211	1,061,380	1,110,641	1,133,640
Total Revenues/Other Resources	1,155,344	1,177,529	1,206,380	1,256,458	1,180,640

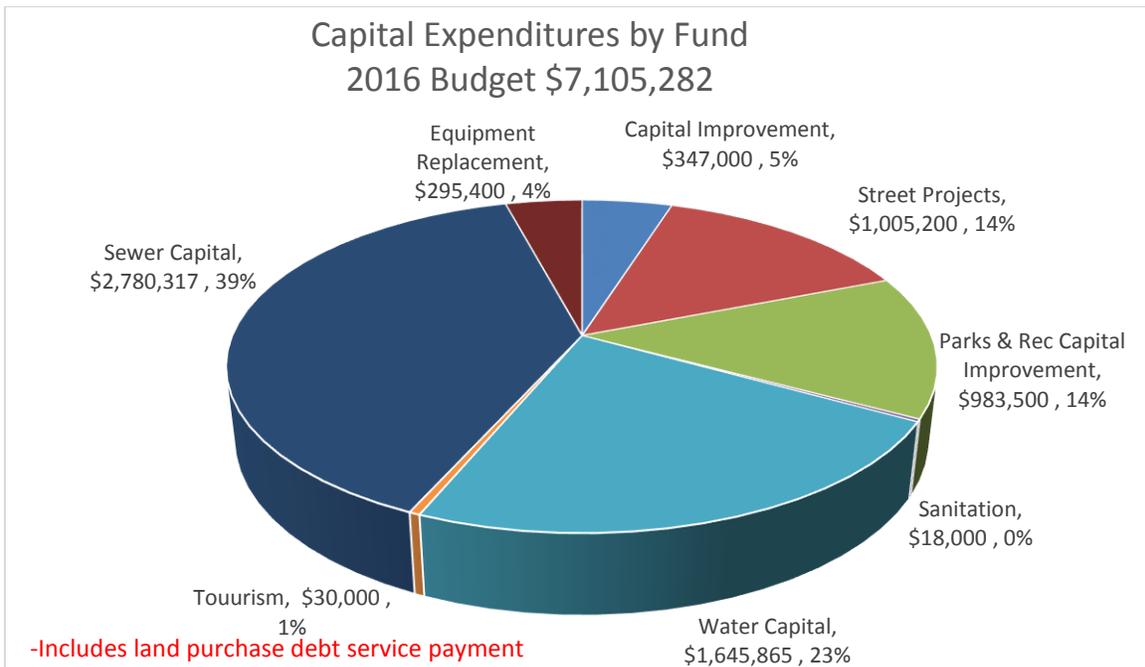
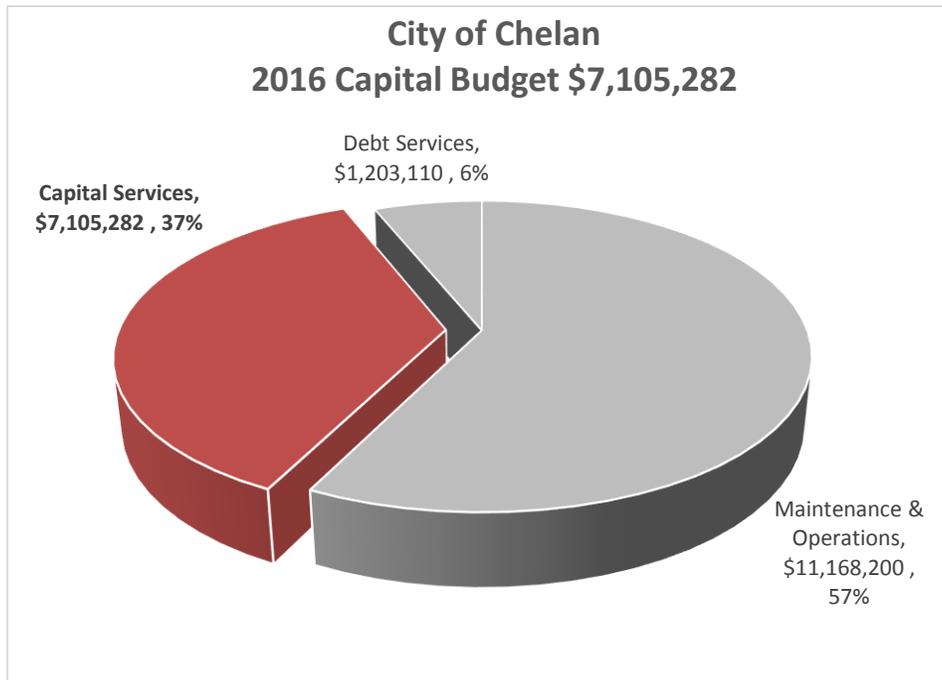
EXPENDITURES	2014	2014	2015	2015	2016
COLLECTION/DISPOSAL	As Amended	Actual	As Amended	Actual	As Adopted
Wages & Benefits					
Wages - FTE	76,500	76,392	81,200	80,585	74,310
Overtime - FTE	1,000	1,450	3,000	3,629	3,000
Benefits - FTE	33,000	32,541	34,700	34,478	29,750
Total Wages & Benefits	110,500	110,383	118,900	118,692	107,060
Supplies					
Office & Operating	2,500	1,104	2,500	1,243	1,800
Dumpster Parts	2,000	1,522	2,000	4,895	2,000
Small Tools/Minor Equipment	500	125	500	108	500
Total Supplies	5,000	2,751	5,000	6,245	4,300
Other Services & Charges					
Professional Services	2,000	1,058	2,000	769	2,000
Prof Services - Rate Study	7,350	4,013		7,553	
Communication	3,500	5,677	5,000	5,767	5,000
Travel & Training	600	0	600	300	600
Advertising	100	0	100		100
Advertising - HDCA	7,553	7,553			
Rentals & Leases	1,000	308	1,000	346	1,000
Insurance	10,230	8,844	9,800	9,135	10,050
Vehicle Insurance	1,600	1,206	1,600	1,246	1,380
Solid Waste Disposal	408,000	392,879	465,000	438,247	380,000
Utilities-PW bldg/shop	500	800	800	670	800
Repairs & Maintenance	500	59	500	606	500
Total Other Services	442,933	422,398	486,400	464,640	401,430
Intergovernmental Services					
County Solid Waste	6,000	5,600	6,000	5,600	6,000
External Taxes	55,000	43,272	55,000	47,893	55,000
Total Services	61,000	48,872	61,000	53,493	61,000
Interfund Payments					
Administrative Services	10,007	10,007	10,007	10,007	10,007
Finance Services	29,368	29,368	29,368	29,368	29,368
Vehicle Fuel	25,000	24,257	25,000	20,011	25,000
Equipment Replacement Fund	58,744	58,744	58,744	58,744	58,744
Welding/Fabrication	500	876	500	724	500
Equipment Repairs	46,000	39,755	56,000	60,824	46,000
Total Interfund Payments	169,619	163,007	179,619	179,678	169,619
TOTAL COLLECTION/DISPOSAL	789,052	747,411	850,919	822,748	743,409

EXPENDITURES	2014	2014	2015	2015	2016
RECYCLING	As Amended	Actual	As Amended	Actual	As Adopted
Wages & Benefits					
Wages - FTE	113,400	113,120	114,000	113,418	117,820
Overtime - FTE	300	130	500	256	500
Wages - PTE	29,600	29,099	22,500	16,683	22,700
Overtime - PTE	100	294		169	
Benefits - FTE	53,700	54,059	55,000	51,635	62,750
Benefits - PTE	8,100	7,968	5,600	4,255	10,200
Total Wages & Benefits	205,200	204,670	197,600	186,416	213,970
Supplies					
Office & Operating	5,000	5,178	7,000	6,139	7,000
Equipment Parts	1,500	315	1,000	303	1,000
Fuel	3,000	2,834	3,000	1,914	3,000
Resale Materials	5,000	2,450	5,000	1,483	5,000
Small Tools/Minor Equipment	1,000	0	1,000		1,000
Total Supplies	15,500	10,777	17,000	9,839	17,000
Other Services & Charges					
Professional Services	1,000	389	1,000	9,320	1,000
Professional Services - Rate Study/Recycle	14,710	7,971	25,000	328	25,000
Comm-Phone/Fax/Postage	3,000	1,847	3,000	1,869	3,000
Travel-Lodging/Meals/Mileage	600	0	600	15	600
Advertising	400	0	400		400
Rentals & Leases	2,500	0	2,500	267	1,000
Insurance	8,615	7,448	8,200	7,692	8,470
Vehicle Insurance	1,240	980	1,240	1,012	1,200
Utilities-W/S/G/Electricity	4,500	5,062	5,000	3,486	5,000
Repairs & Maintenance	4,000	494	4,000	35	4,000
Misc-Dues/Registrations		64		290	300
Total Other Services	40,565	24,255	50,940	24,315	49,970
External Taxes	600	314	600	492	600
Interfund Payments					
Finance Services	3,334	3,334	3,334	3,334	3,334
Vehicle Fuel	6,000	5,705	6,000	4,013	6,000
Equipment Replacement Fund	7,530	7,530	7,530	7,530	7,530
Welding/Fabrication	5,000	7,657	5,000	14,665	12,000
Vehicle Repairs	22,000	13,866	22,000	24,620	22,000
Total Interfund Payments	43,864	38,091	43,864	54,163	50,864
TOTAL RECYCLING	305,729	278,107	310,004	275,224	332,404
Total Expenditures	1,094,781	1,025,518	1,160,923	1,097,972	1,075,813

OTHER FINANCING USES	2014	2014	2015	2015	2016
Capital Outlay	As Amended	Actual	As Amended	Actual	As Adopted
Recycling Center	12,200	5,876			
Bldg/Struct-Energy Project/HVAC			1,695	2,452	
Dumpsters			11,530	11,477	18,000
Computer/Server Replacement (25%)		304	1,250		
Fueling station video surveillance (25%)		14			
Total Capital Outlay	12,200	6,193	14,475	13,929	18,000
Total Other Financing Uses	12,200	6,193	14,475	13,929	18,000
Total Expenditures/Other Uses	1,106,981	1,031,711	1,175,398	1,111,901	1,093,813
Revenues over Expenditures	(89,697)	3,500	(114,018)	(1,260)	39,827
Ending Fund Balance	48,363	145,818	30,982	144,557	86,827

CAPITAL FUNDS:

Capital expenses account for 36% of the City of Chelan’s 2016 budget. Capital includes machinery and equipment costing more than \$500 with a life expectancy of over 2 years, land acquisition and improvements, building and structures purchases and improvements, and other improvements such as new water or sewer lines, sidewalks, retaining wall, etc.



Capital Improvement Fund #301:

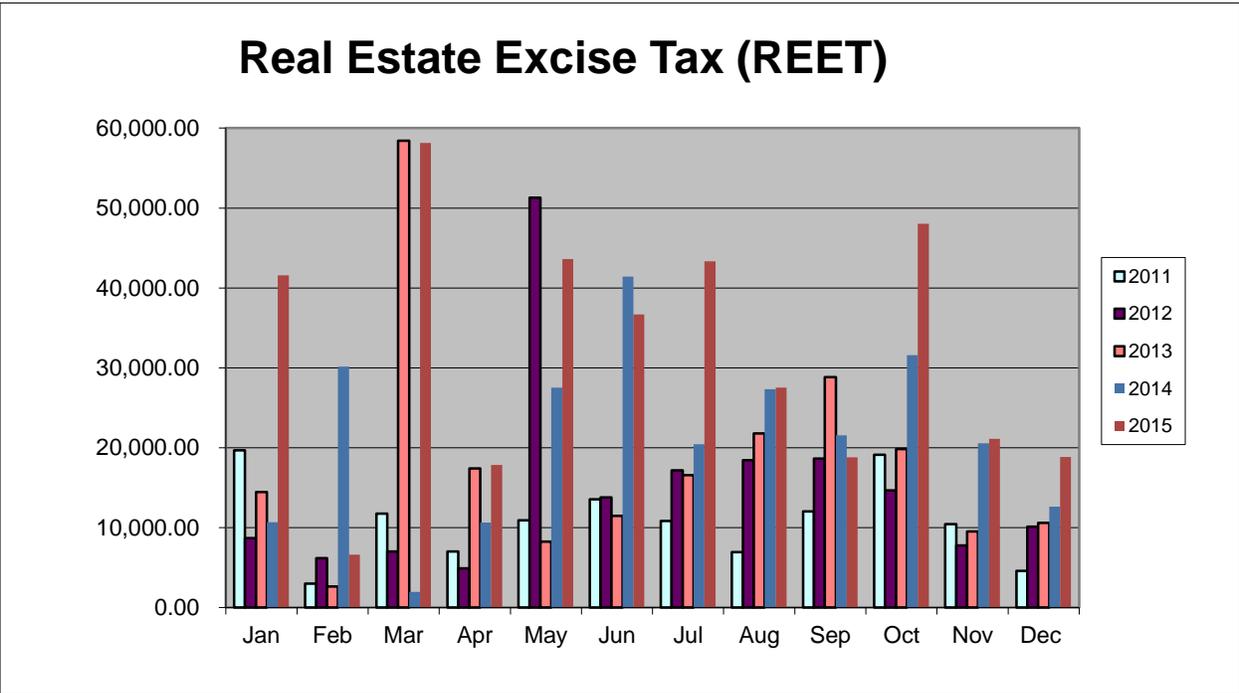
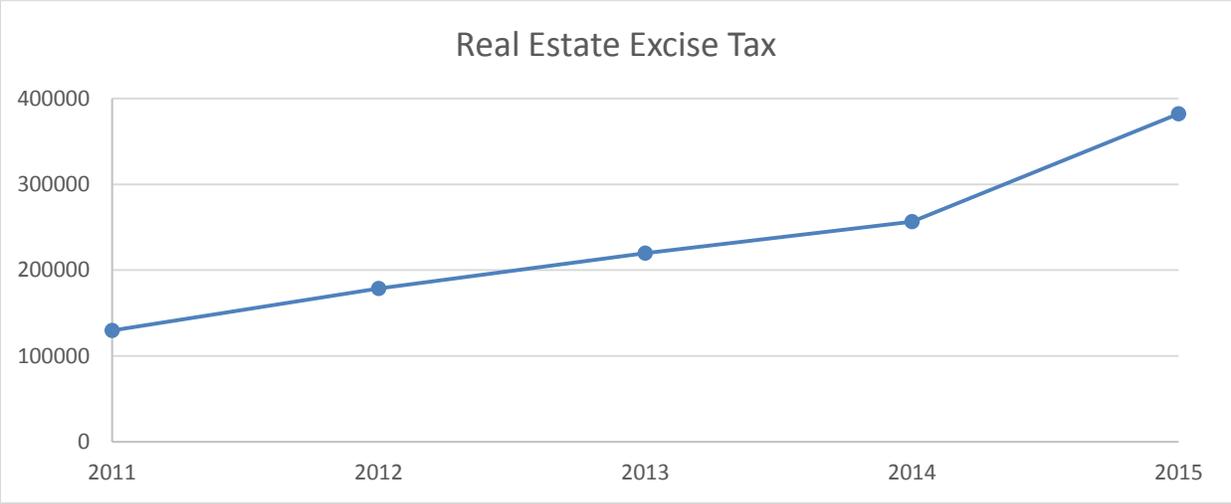
Capital Expenses	\$347,000
Transfers to Other Funds	\$428,900

The Capital Improvement Fund was established to account for the financial resources to be used for the acquisition, construction, or improvements of major facilities not otherwise provided for in other specific funds. Effective with the 2012 budget, staff moved all General Fund capital expenses to the Capital Improvement Fund.

The primary source of revenue for this fund is the real estate excise tax (REET) imposed on the sale of real property within the corporate limits of the City as provided in RCW 82.46.010 and RCW 82.46.035. Taxes collected are required to be placed in a municipal capital improvement fund and used only for capital purposes as provided in the enabling chapter of the state statutes. The city has imposed both ¼% taxes authorized by law since 2009. Capital expenses that do not fit the criteria for REET funding are funded by a transfer from the General Fund to the Capital Improvement Fund.

The city has seen strong sales of real estate since 2011 and expects this to continue for the foreseeable future. However, because this revenue source is volatile (the effects of the recession were quickly seen through a considerable drop in housing sales), projects are typically not funded based fully on anticipated REET funds, but rather on a combination of anticipated and revenue already received.

The 2016 budget reflects two ongoing projects, which are the debt service payments on the Masonic Temple building (new library) in the amount of approximately \$28,800 annually for the life of the bond and the building and parking lot purchased from Chelan County PUD. The PUD property was acquired in 2014 and has annual debt payment requirement of approximately \$213,000 through 2017. The third large project is the construction of a new parks administration building located in Don Morse Park. REET funds will be transferred to the Parks Capital Improvement Fund for the completion of this project. Several smaller capital expenses, including equipment purchases, are covered by a transfer from the General Fund.



CAPITAL IMPROVEMENT FUND #301	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	407,000	450,196	457,500	474,077	588,400
REVENUES					
Real Estate Excise Tax (1st 1/4%)	60,000	128,207	65,000	191,242	100,000
Real Estate Excise Tax (2nd 1/4%)	60,000	128,207	65,000	191,242	100,000
Interest	1,000	762	1,000	1,293	1,000
TOTAL REVENUES	121,000	257,175	131,000	383,778	201,000
OTHER SOURCES					
Grant: FAA			683,775	566,799	
Grant: CDBG for Library	24,500	0	24,500	24,500	
Grant: WSDOT			36,338	31,489	
Contribution from LC Airport			39,637	39,637	
Grant: State Grant-DES/Energy			249,973	248,023	
From Gen Fund/Interfund Loan			750,000		
Tran In-Fm General Fund for Capital	278,750	163,944	52,705	25,972	134,000
Total Other Sources	303,250	163,944	1,836,928	936,420	134,000
Total Revenues/Other Sources	831,250	871,314	2,425,428	1,794,275	923,400
Capital Expenditures:					
City website design upgrade					34,000
Clerk-Agenda Management Software					4,000
Computer Replacement-City Mayor '14	1,770	1,763	620	615	
Computer Replacement-Finance	2,600	2,587		0	5,400
Computer Replacements - Bldg-Planning	7,500	5,073	2,150	1,466	
Computer Monitor-Planning					600
Mobile Device (Ipad) Replace-Building					800
Computer Replace & Code Enforce					3,000
Printer Replacements-Finance	2,000	1,931		0	
Accounting software & computers-Finance	56,400	0	60,000	0	60,000
Server Replacement	1,520	1,516		0	
City Hall Network Router			3,000	1,913	
International Building Code books					4,200
Permitting Software-Planning Dept	60,000	60,079		0	
Time & Attendance System			12,380	4,224	
Mobile Devices-Mayor/Council/Admin					8,000
Bldg Improvements-Masonic Temple for Library	35,000	1,400	15,000	13,469	
Bldg Improvements-Library HVAC Fencing			2,000	1,359	
Bldg Improvements-Library Basement			5,000	2,925	14,000
Land Improvements-Library Irrigation System	3,500	2,155		0	
Bldg Improvements-City Hall Imp/Remodel	11,280	5,704	22,000	0	
Bldg Improvements-Energy Project/New HVAC	72,430	85,290	241,785	231,215	
Property Purchase-Runway Realignment			759,750	684,982	
Property Purchase-PUD Bldg/Parking Lot	205,000	200,959	213,000	212,118	213,000
Other Improvements-Gateway Design	20,000	0	20,000	0	
Other Improvements-DMP Implementation	15,000	0		0	
Land Improvements-Riverwalk Park Ent Const	56,000	0	56,000	16,446	
Total Capital	550,000	368,457	1,412,685	1,170,733	347,000
Transfers Out					
Tran Out-To Gen Fund/Interfund Loan Repay			750,000		
Tran Out-To Rec Capital Fund-Parks Bldgs					400,000
Tran Out-To Debt Service-2012 Masonic Temp	28,800	28,781	28,790	28,790	28,900
Total Transfers Out	28,800	28,781	778,790	28,790	428,900
Total Expenditures/Other Uses	578,800	397,238	2,191,475	1,199,523	775,900
Ending Fund Balance	252,450	474,077	233,953	594,752	147,500

Street Capital Fund #302:

Street Capital Expense: \$1,005,200

The purpose of the Street Capital Fund is to provide a method of funding street-related capital improvements including street construction projects and the City's street overlay program.

The design of the East Woodin Avenue Sidewalk Project is nearly complete and construction will occur in the spring of 2016. This project was made possible by a \$250,000 grant from the Transportation Improvement Board.

The 2015 street overlay project consisted of the repair of 1/2 mile of Golf Course Road. The project consisted of asphalt pre-leveling followed by a chip seal. This project will serve as a test bed for the new chip seal technology and may be employed in future projects. This body of work was made possible with the additional funds secured through the banked capacity for the 1% option on property taxes as described in the Street Operations Fund.

The Street Overlay Program started in 1998 and is an ongoing, systematic approach to assuring well maintained roads by applying funds to street repairs and overlays consistent with a prioritized list of projects developed through a street rating system. This program has been very successful in bringing the City's streets up to a high level of serviceability and continued funding of this program is necessary to maintain the streets to this level.

To date the program has provided for the overlay of approximately 25 miles of roadway out of the 32 miles within the City's inventory. It is estimated that approximately one million dollars worth of future projects will be necessary to bring all roads above a rating of 65, which is the threshold used in determining road repairs.

The 2016 budget reflects the expenditure of \$70,000 for the street overlay program, the same as 2015.

STREET CAPITAL FUND #302	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	371,000	370,242	108,250	104,552	175,100
Intergovernmental Revenue					
TIB Grant Woodin Ave. East			250,000	14,773	242,092
Indirect Fed N. Bradley Street	368,176	321,826	7,900	44,937	
DES Grant - Street Light LEDs			200,357	194,310	
<i>Total Intergovernmental Revenue</i>	368,176	321,826	458,257	254,021	242,092
Miscellaneous Revenue					
Interest & Miscellaneous Revenues	500	344	500	344	
Contributions	14,617	14,618			
<i>Total Miscellaneous Revenue</i>	15,117	14,962	500	344	0
Other Financing Sources					
Insurance Recoveries	10,668	10,669			
Trans In-Fm General Fund-Bridge					540,000
Trans In-Fm General Fund-Kiosks					33,000
Trans In- Fm Street Fund	80,000	80,000	240,000	240,000	80,000
Total Other Financing Sources	90,668	90,669	240,000	240,000	653,000
TOTAL REVENUES	473,961	427,457	698,757	494,365	895,092
Total Revenues/Other Sources	844,961	797,699	807,007	598,916	1,070,192

EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Street Capital					
Bldg Imp-Energy Project-New HVAC	5,250	5,867			
Other Imp-DES Grant/Street Light LED			277,643	239,205	
Other Imp-Light pole replaced	10,600	10,510			
Banner Brackets		5			
Computer/Server Replacement (25%)		0	1,250		
Fueling station video surveillance (25%)		14			
Electric Car Charging Stations (2)	12,700	12,685			
Traffic Control Trailer (33% w/sewer-st)	1,700	1,579			
Radar speed control signs-Bridge			13,000		
Thermal Plastic Lay-down Torch			1,100	1,015	
Shop Crane Upgrade	1,000				
Computer Replacements (33% W/S/St)	1,700	304			
Trailer Mounted Man Lift	8,700	6,258			
Pressure Washer w/ attachments			9,000	7,027	
GPS survey equip/GIS software (1/3)			6,667		
Kiosks (2)-Lakeside Park/PUD lot					33,000
Sidewalk Grinder					6,200
Motorized Pruning Saw					1,000
City Wide Resurfacing	70,000	47,423	70,000	63,316	70,000
Johnson Avenue landscaping	2,400	2,401			
Prof Services - Bridge Study	4,145	4,133			
Woodin Ave. Bridge Improvements					540,000
Woodin Ave. East Sidewalk-TIB Grant			397,161	42,749	355,000
Woodin/Sanders Signalization Project	108,575	108,574			
N. Bradley Street (Safe Routes)	493,026	493,394	7,080	7,055	
Total Construction	719,796	693,147	782,901	360,366	1,005,200
Total Expenditures/Other Uses	719,796	693,147	782,901	360,366	1,005,200
Ending Fund Balance	125,165	104,552	24,106	238,550	64,992

Recreation Capital #310:

Recreation Capital: \$983,500

The Recreation Capital Improvement Fund was established to account for expenses related to the maintenance and improvements of the city’s parks, golf course, and recreational facilities.

This fund does not generate its own revenue, rather it relies on support from the General Fund, Parks and Recreation Fund, and Tourism Fund. Several years ago Council took action to increase from \$30,000 to \$50,000 an annual transfer amount from the Tourism Fund. This was done in an effort to build reserves so that major equipment purchases and infrastructure issues could be addressed, which has occurred as funding allowed.

The 2016 budget focuses on three major infrastructure improvements. These include a new parks administration building located in Don Morse Park; electrical and irrigation improvements at the RV Park; a new marina office located in closer proximity to the marina, and irrigation and clubhouse improvements at the golf course. The total budget for these items is \$893,200. There is an additional \$90,300 for replacement/new machinery and equipment and computer hardware/software upgrades.

Funding for these particular projects is the result of contributions from the Tourism Fund, General Fund, and Capital Improvement Fund (REET money).

RECREATION CAPITAL FUND #310	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
SOURCES OF FUNDS					
Beginning Fund Balance	346,000	240,176	285,000	270,760	30,200
Tran In-From Stadium Fund	50,000	50,000	130,000	130,000	300,000
Tran In-From Capital Improvement					400,000
Tran In-From General Fund					425,000
Contributions from Public/Private		350		0	0
Investment Interest		463		561	200
Total General Sources	50,000	50,813	130,000	130,561	1,125,200
Specific Project Funds					
State Grant	123,017	124,290		0	0
State Grant	45,000	48,673		0	0
State Grant-DES Energy Projects			253,096	162,013	
Total Specific Project Funds	168,017	172,963	253,096	162,013	0
Total Revenues/Other Sources	564,017	463,952	668,096	563,334	1,155,400

EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
RV Park					
Land Improve-Electrical/Irrigation					225,000
Computer replacement	3,350	2,395	1,500	1,483	
Software/Hardware Upgrades			5,000	1,135	
Wi-Fi Internet					20,000
Office Chair			750	749	
Total	3,350	2,395	7,250	3,367	245,000
General Park					
Prof Serv-Design Maint Shop					15,000
Improvements to Volleyball Courts					30,000
Land Improve-Electrical/Irrigation			316,067	239,995	
Replace Parks Admin Building			31,000	28,253	400,000
Bldg/Struct-DES Project-HVAC/Light				5,151	
Lawn Mower	600	584		0	
Cart			8,400	8,277	8,700
Turf Aerator			8,900	8,517	
4x4 Pickup	32,000	15,143		0	
Light Duty Pickup	15,000	14,268		0	2,000
12' Dump Trailer			6,000	5,626	
3 Point Spreader			2,900	2,409	
Quik Cut Saw	1,200	1,022		0	
Computer replacement-Asst R&F			1,500	1,244	
Downtown irrigation valves					1,600
Automatic restroom door locks					10,600
Prof Services-Park Plan	50,000	31,095	38,000	13,675	
Improve to Bldg/Energy HVAC	23,360	24,583	15,000	0	
Asphalt Coat Lakeside Park	8,000	8,263		0	
Total	130,160	94,958	427,767	313,148	467,900
Putting Course					
Greens Mower			12,500	12,463	
Replace Pumps for Water Feature			2,200	1,530	
Total	0	0	14,700	13,993	0
Marina					
Additional Marina Office					25,000
Stairs at Marina	30,000	795	52,000	51,936	0
Total	30,000	795	52,000	51,936	25,000
TOTAL PARK AREA USES	163,510	98,147	501,717	382,444	737,900

EXPENDITURES	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Golf Course					
Bldg/Struct-DES Project-Lighting			31,930	53,283	
Greens Mower			60,214	58,544	
Fairway Mower			46,000	43,544	
Dump Trailer			14,500	13,649	
Bedknife Grinder	19,500	15,042		0	
Spin/Relief Grinder	42,000	35,895		0	
Aerator	27,000	23,757		0	
Debris Blower	7,500	7,225		0	
Sprayer	15,000	10,243		0	
Irrigation Improvements					200,000
POS software/hardware upgrades			8,300		2,400
Clubhouse/Maintenance bldg Improve					43,200
Golf Ball Washer			2,540	2,540	
Sandwich Refrigerator	2,900	2,883		0	
Ice Storage Bin-Concession Area	1,400	0		0	
Total	115,300	95,046	163,484	171,559	245,600
Total Expenditures/Other Uses	278,810	193,193	665,201	554,003	983,500
Ending Fund Balance	285,207	270,760	2,895	9,331	171,900

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Water Capital Fund #406:

Capital Expenses	\$1,645,865
Transfer to Debt Redemption	\$ 378,211

This fund provides for capital improvements within the water system and is financed through a combination of general facility charges (GFCs) and monthly rate revenue transferred from the Water Fund. Consistent with the 2014 Rate and General Facility Charge Study assumptions, all revenue collected through GFCs will be deposited directly into this fund.

In 2012 the GFC rates were reduced to pre-GFC levels in an effort to promote development in the city. Rates were reduced from \$5,168 to \$1,742 in the Downtown area and from \$7,695 to \$2,742 in the Uplake area. With more development occurring in 2014 and concern with the financial means to construct improvements to accommodate the growth, the Council authorized a Rate and General Facility Charge Study to re-assess demands on the infrastructure and update growth assumptions. The study, conducted by Gray and Osborne, updated the capital facility plan and provided a recommendation to adjust both user rates and GFCs. As a result, the user fees were increased by 1.55%, and GFCs increased to 50% of maximum charge, from \$1,742 to \$4,955 in the Downtown Area and from \$2,742 to \$7,501 in the Uplake Area.

In 2015, engineering and design was started for the upgrade of a number of water booster stations including the new Bogey Booster, generator at Darnell's Booster, and improvements to the Highland and Boyd Road Booster stations. Our consultants also began a feasibility study in the contemplation of converting to a radio read water meter system. These engineering efforts will continue into the first part of 2016 with the intention of constructing the improvements later in the year.

Preliminary estimates of the cost of water improvements to occur in 2016 including design and construction are \$1,868,000. Sufficient funds are available in the cash reserves for this fund to pay for the improvements outright.

The City will be required to update the Water Comprehensive Plan in 2016 and a line item in the amount of \$60,000 has been created in the budget. Other smaller capital items include the replacement of some equipment within the treatment and distribution facilities.

It is possible that other water improvements may be necessary to accommodate new development, but it is difficult to predict the timing of when these improvements will need to be constructed. If any development occurs in the next year that requires infrastructure improvement, the associated project, cost and financing will be identified through the SEPA process.

WATER CAPITAL FUND #406	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Fund Balance	1,604,830	1,617,950	1,990,400	2,005,749	2,503,000
REVENUES					
DES Grant-Energy Upgrades			4,140	3,784	
CERB Grant-Water Feasibility Study			22,500		
Contribution from Airport			2,500	2,500	
Contribution from Port of Chelan Co			2,500	2,500	
New Connection Surcharge Fees	40,000	152,321	50,000	221,277	100,000
Interest	5,000	12,074	6,000	11,666	6,000
Special Assessment - Reservoir	0	14,000	20,000	26,060	20,000
TOTAL REVENUES	45,000	178,395	107,640	267,787	126,000
OTHER SOURCES					
Transfer In-From Water Fund	600,000	600,000	700,000	700,000	600,000
TOTAL OTHER SOURCES	600,000	600,000	700,000	700,000	600,000
Total Revenues/Other Sources	2,249,830	2,396,345	2,798,040	2,973,537	3,229,000
EXPENDITURES					
Eng Servs-2015/Design Booster-SEPA			130,500	35,736	118,000
Construction-Booster Station Improve					889,000
Prof Serv-Cost Analysis Study Auto			63,600	27,621	30,000
Prof Serv-Airport Water Line Feasibility			30,000	30,000	
Prof Serv-Water Comp Plan					60,000
Storage Bldg 25% share			12,500		20,000
Prof Svs.- Booster Station Upgrade			58,000		61,000
Prof Svs-NoSeeUm Utilities					25,000
Construction-Bogey Blvd pump station					397,000
Chlorine chart graph recorders - 2			600	598	
Improvements to Reservoir	1,030	1,804			
Bldg Improvements/Energy/ HVAC	5,255	5,873			
Chelan Shores-PRV	40,000	0	40,000	33,533	
Electricians Kit			545	543	
Trench Compactor (50% w/sewer)	1,000	1,000			
Concrete Mixer	800	800			
Traffic Control Trailer (33% w/sewer-st)	1,700	1,561			
Shop Crane Upgrade (33%)	1,000	0			
Computer Replacements	1,700	304	1,250	742	
Trailer Mounted Man Lift (33%)	8,700	6,258			
Electrical Upgrades - Pump Stations	30,000	13,094			
Computer/Server Replacement (25%)					1,250
GPS/GIS Equip-Hardware/Software			6,700		
Alum Tank					5,000
Backup Pump - High Street					2,500
Fueling station video surveillance (25%)		14			
IEM Actuators for Backwashing (2)					11,340
Meter Reading Wand	1,800	1,780		1,575	
Payment Drop Box-1/2 water 1/2 sewer					775
Highway 150 waterline			50,000	1,203	25,000
Trans Out - W & S Bond Redemption	358,382	358,108	352,415	342,700	378,211
Total Expenditures/Other Uses	451,367	390,596	746,110	474,251	2,024,076
Non-Expenditure				2,742	
Ending Fund Balance	1,798,463	2,005,749	2,051,930	2,496,543	1,204,924

Sewer Capital Fund #407:

Capital Expenses	\$2,780,317
Transfers to Debt Redemption Fund	\$ 657,699

This fund provides for capital improvements within the wastewater collection and treatment facilities, and is financed through a combination of general facility charges (GFCs) and monthly rate revenue transferred from the Sewer Fund. Consistent with the GFC rate study assumptions, all revenue collected through GFCs will be deposited directly into this fund.

With the Waste Water Treatment Plant Phase 2 Upgrade completed in 2014, staff worked with consulting engineers in developing a list of collection system improvements identified in the comprehensive plan. Out of that list a number of projects were chosen to be completed in 2016. Pre-design reports and design was started in 2015 and preliminary cost estimates were developed for the 2016 budget. Two projects were identified to be completed in 2016, the Lord Acres Regional Lift Station and piping, and a sewer pipe upgrade on the North Shore with a total estimated cost of \$2.58 million.

The Sewer Capital Fund currently has \$2.5 million in cash reserves and it is planned to pay for the upcoming projects through a combination of cash contribution and utility bond funding. Staff will be working concurrently with design in putting together the funding package.

It is possible that other wastewater improvements may be necessary to accommodate new development, but it is difficult to predict the timing of when these improvements will need to be constructed. If any development occurs in the next year that requires infrastructure improvement, the associated project, cost and financing will be identified through the SEPA process.

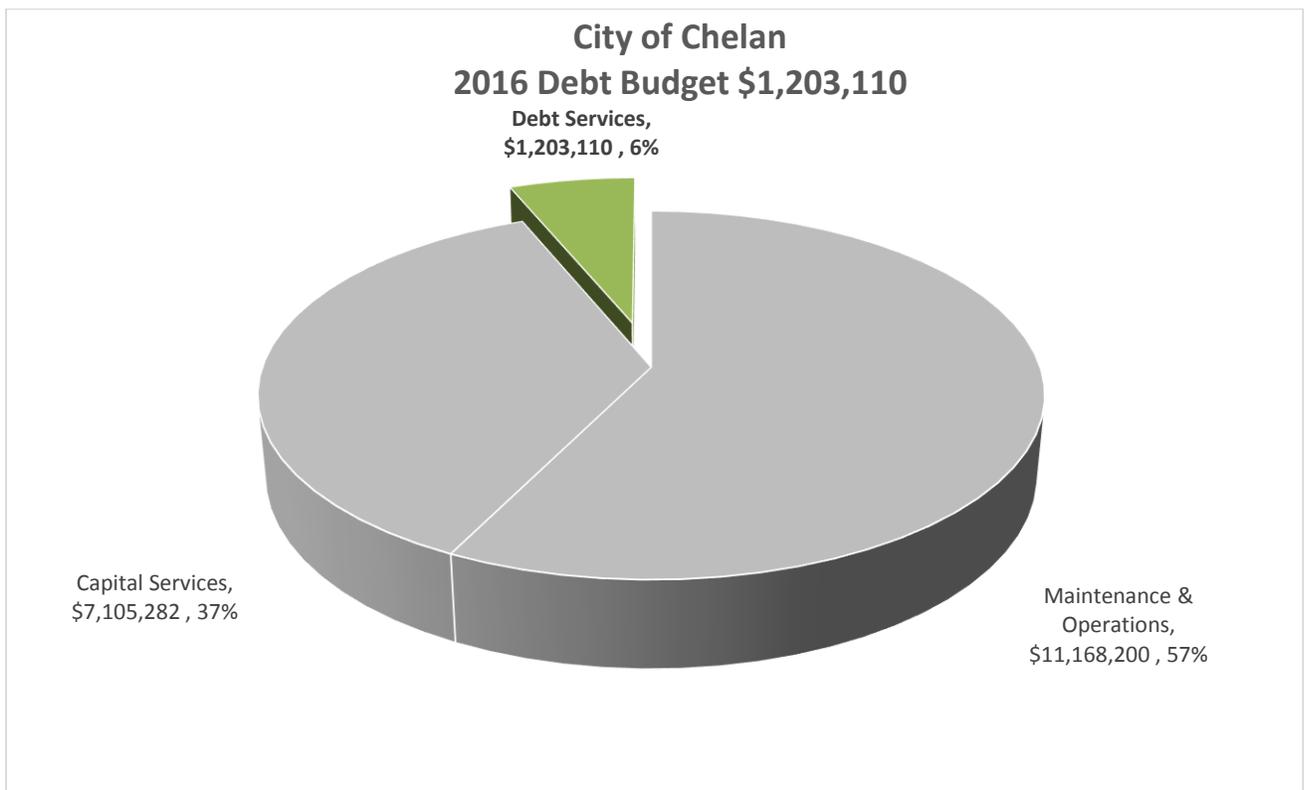
SEWER CAPITAL FUND #407	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Fund Balance	2,573,230	2,696,815	2,601,600	2,626,694	2,630,000
REVENUES					
DES Grant-Energy Project			5,500	3,784	
Surcharge (.50 per ERU)	22,000	22,467	22,000	22,774	22,000
Intergovernmental: LCSD					
LCSD (Pump Station 2)	15,633	14,657	15,633	13,973	13,900
LCSD 2001 Phase I	26,334	26,205	26,334	26,002	26,000
LCSD 2008 Phase II Design	3,750	3,683	3,750	3,593	3,500
LCSD 2012 Phase II Construction	17,511	17,545	17,511	16,726	16,700
LCRD 2001 Phase I	43,385	43,174	43,385	42,838	42,500
LCRD 2008 Phase II Design	12,919	12,689	12,919	12,381	12,000
LCRD 2012 Phase II Construction	60,340	60,453	60,340	57,633	57,500
Investment Interest/Other Misc.	6,000	10,137	6,000	12,315	8,000
Connection Fees	40,000	92,604	40,000	125,811	80,000
Capital Contributions-LCRD/WSDOT					25,000
Total	225,872	281,146	225,872	311,272	285,100
Other Sources					
Tran In-Fm #400 Sewer Fund	600,000	600,000	700,000	700,000	600,000
PWTF Loan-Phase II construction	267,870	127,715	47,800	47,831	
Total Other Sources	867,870	727,715	747,800	747,831	600,000
Total Revenues/Other Sources	3,688,972	3,728,143	3,602,772	3,712,355	3,537,100

EXPENDITURES:	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Prof Serv-Eng/Design Line Improvements			85,000	33,834	61,000
Construction-Line Improvements					671,000
Prof Serv-Eng/Design Lift Stations			159,000	37,369	125,000
Prof Serv-NoSeeUm Utilities Design					38,000
Prof Serv-Eng/Design Golf Course Road	12,500	529	33,100	33,481	
Bldg/Structures-Storage Bldg 75% cost			37,500		60,000
Bldg Improve-Energy Project/HVAC	5,250	5,867			
South Chelan Sewer Line Replacement	300,000	5,907			
Lakeside Sewer Line Replacement	11,050	11,049			
Lords Acres Lift Station Eng/Design	90,000	0			262,000
Construction-Lord Acres lift station					1,500,000
Other Imp-Line Extension Golf Course Rd			300,000	205,731	
Mach/Equip-Portable Sewer Camera			14,000	12,524	
Mach/Equip-GPS/SIS Equip & Software			6,700		
Mach/Equip-Unit Heater	740	674			
Mach/Equip-IBC Bearing Replacement					40,792
Mach/Equip-Flyght 5 HP Pumps (2)					18,000
Mach/Equip-Ultrasonic Level Controller					2,500
Mach/Equip-Payment Drop Box (1/2)					775
Mach/Equip-Backup Pumps			17,000	13,847	
Mach/Equip-Pump for Station #4	69,740	69,735			
Mach/Equip-LC-150 Pump Controller			2,000	1,636	
Pump Control Interface					
Computer/Server Replacement (25%)		304			1,250
Fueling station video surveillance (25%)		14			
Mach/Equip-Alum Tank & Pumps			13,200	10,831	
Trench Compactor (50% w/sewer)	1,000	1,000			
Traffic Control Trailer (33% w/sewer-st)	1,700	1,561			
Mach/Equip-Digital DO/PH Met	1,000	0	2,200	2,182	
Shop Crane Upgrade	1,700		1,250		
Computer Replacements (33% w/s/street)			17,000	15,294	
Mach/Equip-Elect Controller			9,000		
Mach/Equip-Odor Control Medi	8,700	6,258			
WWTP Phase II Design	279,570	283,726	8,100	8,091	
Yearly debt-North Shore Project	35,200	35,019	35,200	34,733	
Tran Out-To #402 W & S Debt Redemp	683,509	679,806	660,910	659,796	657,699
Total Expenditures/Other Uses	1,501,659	1,101,449	1,401,160	1,069,350	3,438,016
Non-Expenditures				1,900	
Ending Fund Balance	2,187,313	2,626,694	2,201,612	2,641,105	99,084

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DEBT FUNDS

Debt Service Funds are utilized to account for the accumulation of resources necessary for the payment of the city's long term debt. Resources come from a variety of revenues depending upon the type of debt. Examples of resources include general revenues, tourism funds, water/sewer connection fees, water/sewer utility fees, and special levies approved by voters. These funds are used to pay principal and interest on debt plus any other debt costs. The city currently has general obligation debt for its library building, PUD property, and the shoreline restoration/marina enhancement projects. The Water and Sewer Funds each have debt related to improvements to their respective plants.



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Councilmanic Debt Fund #201:

COUNCILMANIC DEBT SERVICE: \$167,200

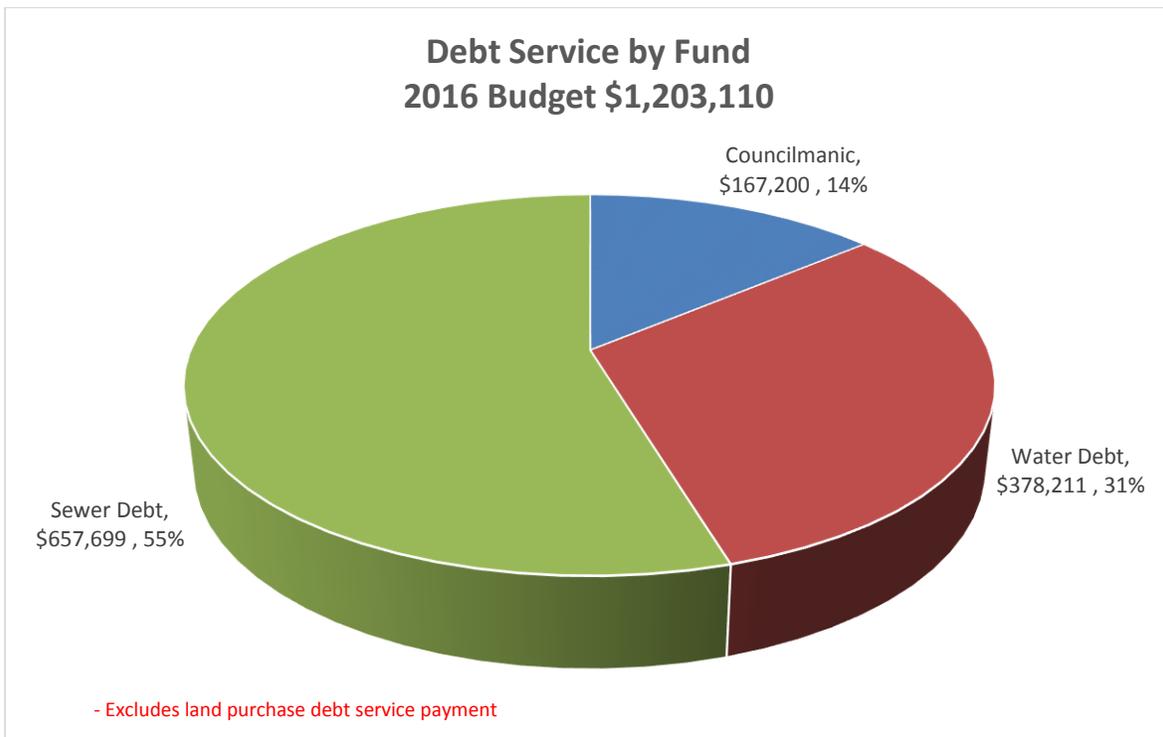
DEBT ISSUES:

In 2012 the city issued bonds for its portion of the shoreline restoration/beach enhancement and marina expansion project. This \$3.2 million project was funded at \$1.5 million by two state grants and the balance of \$1.7 million by these bonds. Work was completed in 2013.

In addition to this issuance, the city took the opportunity to also finance its purchase of the Masonic Temple building, rolling that debt into the same bond issue. This action reduced the interest rate from 4.5% to 2.85% and will save approximately \$40,000 in interest costs over the life of the debt. In 2013 the Masonic Temple building was extensively remodeled and is now the new home of the library, which roughly doubled its usable space.

This entire bond issue is held by North Cascades National Bank. Annual payments will be made from the Capital Improvement Fund (real estate excise tax monies) for the Masonic Temple building and the Tourism Fund (2% sales tax diversion funds) for the beach enhancement/shoreline restoration and marina expansion projects.

As of December 31, 2015 the outstanding debt is \$1,613,557.



COUNCILMANIC DEBT FUND #201	2014 As Adopted	2014 Actual	2015 As Adopted	2015 Actual	2016 As Adopted
Beginning Fund Balance	1,500	1,604	1,604	1,605	1,605
SOURCES OF FUNDS					
Transfers-In:					
Tran In-Fm #301 Cap Imp/Library	28,800	28,781	28,790	28,790	28,900
Tran In-Fm #103 Tourism/Marina	97,630	97,622	97,680	97,680	97,700
Tran In-Fm #103 Tourism/Shoreline	40,470	40,444	40,460	40,460	40,600
Total Transfers In	166,900	166,847	166,930	166,930	167,200
Total Revenues/Other Sources	168,400	168,451	168,534	168,535	168,805
DEBT SERVICE					
2012 GO Principal/Library	19,920	19,909	20,490	20,482	21,100
2012 GO Principal/Marina	67,530	67,529	69,480	69,474	71,500
2012 GO Principal/Shoreline	27,980	27,976	28,790	28,782	29,700
2012 GO Interest/Library	8,880	8,872	8,300	8,299	7,800
2012 GO Interest/Marina	30,100	30,093	28,200	28,148	26,200
2012 GO Interest/Shoreline	12,490	12,467	11,670	11,661	10,900
Total Expenditures/Other Uses	166,900	166,846	166,930	166,846	167,200
Ending Fund Balance	1,500	1,605	1,604	1,688	1,605

Special Assessment Fund #203:

Special Assessment Debt Services: \$0

The Special Assessment Debt Service Fund was established to collect assessment payments and pay the special assessment debt. It also funds a guaranty account to provide a two year protection period during possible foreclosure of any special assessment properties.

Special assessment debt has financed several local improvement districts within the City. Upon closing of a project, property owners are given a 30-day prepayment period. Amounts not paid in 30 days are due in annual installments with interest beginning one year from project closing. Debt service on this debt is redeemed annually as special assessments are received. The special assessment guaranty account will be funded at a sufficient and prudent level to pay any annual payment of principal and interest on the bonds in the event there are insufficient moneys in the Special Assessment Debt Service Fund. The amount of the guaranty account in any one year shall not exceed twelve percent of the outstanding obligations. LIDs match the financial obligation to the property owners that receive a direct benefit from the improvements. The use of local improvement districts to provide additional financing for City projects will continue to be sought where appropriate.

Third Street Sidewalk Improvements – In 2005 the City constructed sidewalk improvements in the 400 block of Third Street and the property owners were to pay assessment costs for their share of these improvements over an eight-year period commencing November 1, 2005. These assessments bore interest at the rate of 4.5%. At the end of each year the amount that was collected from property owners was transferred out of the Assessment Fund and into the Street Capital Fund for repayment of the costs of the project. This project paid off in 2014.

Because there are no longer any LID projects, it is anticipated this fund will be eliminated in 2016 and the proceeds will be transferred to the appropriate fund(s). A budget amendment later in the year will be required to authorize this transfer.

SPECIAL ASSESSMENT FUND #203	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	125,400	125,401	125,580	125,595	125,800
REVENUES					
Investment Interest	200	194	200	274	0
Total Revenues/Other Sources	125,600	125,595	125,780	125,869	125,800
Total Expenditures/Other Uses	0	0	0	0	0
Ending Balance	125,600	125,595	125,780	125,869	125,800

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Water & Sewer Debt Redemption Fund #402:

Water/Sewer Debt Redemption: \$1,035,910

The Water/Sewer Debt Redemption Fund was created to account for payment of principal and interest on long-term debt from the issuance of water and sewer revenue bonds. It has since grown to include debt for loans, including loans from the State Drinking Water State Revolving Fund (DWSRF) and the Public Works Trust Fund (PWTF).

In 1998 the City completed construction of a 6.7 mgd Water Filtration Plant with raw water pumping stations and water mains. Distribution improvements were also made to the Darnell's Booster Station, Chelan Hills Reservoir and the Pinnacle Place Booster Station. The total project cost was \$10.8 million. The project included the following financing means:

- 1998A bonds in the amount of \$3,957,000 at 4.5% interest with a maturity date of 2022 (Annual payments of approximately \$214,232)
- 1999 Drinking Water State Revolving Fund (DWSRF) loan in the amount of \$2,040,000 at 2.5% with a maturity date of 2020 (Annual payments of \$107,368 plus interest)
- Public Works Trust Fund (PWTF) loan in the amount of \$2,405,000 at 1% with a maturity date of 2014 (Annual payments of \$142,269 plus interest)

In 2002 a Public Works Trust Fund loan in the amount of \$4,969,000 was taken out for the upgrade and expansion of the City's wastewater treatment facility, replacement of two existing lift stations within the sewage collection system with two new lift stations; and re-lining of two steel sewage siphons. The project also included improvements to Lift Stations Nos. 6 and 8. This 0.5% financing loan has a maturity date of 2022.

In 2009 the city refinanced the 1998 USDA bonds, which resulted in significant savings and a decrease in the length of time on the debt service.

In 2010 the city drew on a previously awarded PWTF loan for engineering work for Phase II of the wastewater treatment plant upgrade. The total amount of this loan was \$600,270 and it will be paid back over eight years.

In 2011 the city was awarded a \$10,000,000 PWTF loan for completion of the Phase II wastewater treatment plant upgrade. Terms of the loan are extremely favorable at ½% to ¾% and thirty years. Work started on the project in 2012 with draws on the loan starting at that time. A portion of the debt service is paid by GFCs (general facilities charges). In addition, both the Lake Chelan Sewer District and the Lake Chelan Reclamation District are assessed pro-rated shares of this debt over the life of the loan.

Annual debt service in 2015 for the above bonds and loans totaled \$980,586 in principal and \$55,174 in interest. Outstanding balances as of December 31, 2015 are as follows:

Source of loan	Original amount	Balance as of December 31, 2015
PWTF:	\$ 4,969,000	\$ 1,527,890
DWSRF:	\$ 2,040,000	\$ 536,841
2009 W/S Revenue Bonds:	\$ 1,400,000	\$ 210,000
PWTF:	\$ 600,270*	\$ 276,978
PWTF:	\$ 9,096,903	\$ 8,219,703

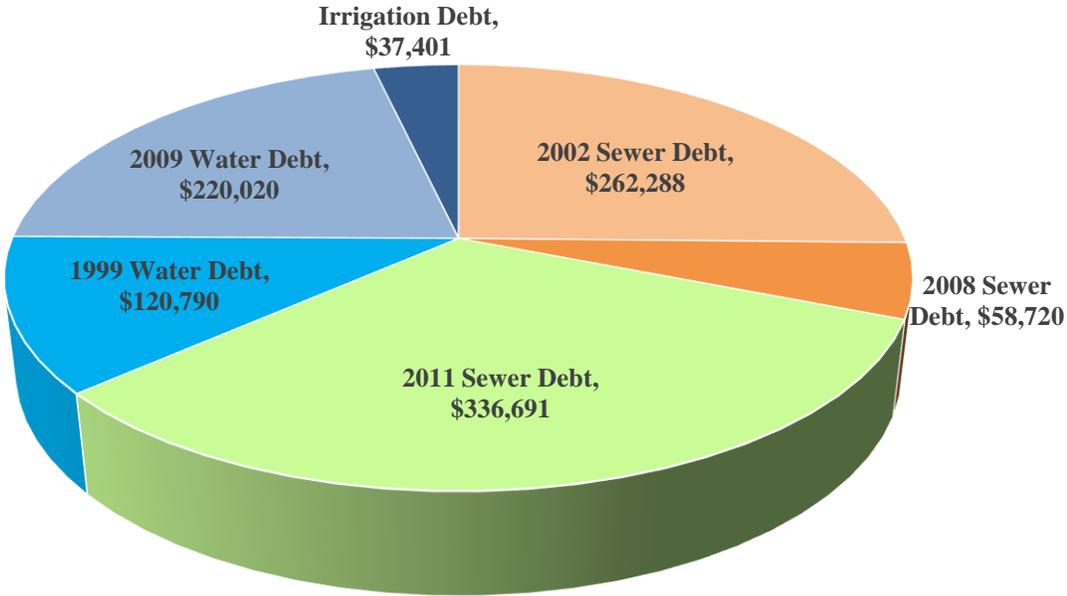
*Original loan awarded for \$850,000. Draws totaled \$637,500 and \$37,230 was refunded back to PWB making loan amount as stated above.

In addition and through a Domestic Water System Agreement, in 2008 the City assumed the assets, accounts and debt of the Chelan/Isenhardt Irrigation District's domestic water system only. This resulted in an additional 147+- water accounts being added to the city and the following debt:

Source of loan	Original amount	Balance as of December 31, 2015
PWTF:	\$ 60,000	\$ 0
PWTF:	\$ 226,200	\$ 0*
PWTF:	\$1,553,989	\$ 37,030

* Because this loan bore interest at the rate of 3% and the city had available funds, it was retired early and paid off in 2012.

Water/Sewer Debt Redemption Fund 2016 Budget
Water \$378,211/Sewer \$657,699



WATER/SEWER DEBT FUND #402	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Beginning Fund Balance	17,669	17,724	17,700	17,723	8,290
REVENUES					
Transfers-In:					
Water Capital Fund	358,382	358,108	352,415	342,700	378,211
Sewer Capital Fund	683,509	679,806	660,910	659,796	657,699
Total Transfers	1,041,891	1,037,914	1,013,325	1,002,496	1,035,910
Total Revenues/Other Sources	1,059,560	1,055,638	1,031,025	1,020,219	1,044,200

EXPENDITURES:	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
DEBT SERVICE					
2002 PWTF Sewer					
Principal (pays off 2021)	254,649	254,648	254,649	254,648	254,649
Interest	10,186	10,186	8,913	8,170	7,639
2008 PWTF Sewer Design					
Principal (pays off 2018)	55,396	55,396	55,396	55,396	55,396
Interest	5,540	5,540	4,432	4,062	3,324
2009 Refunding Bonds (W/S)					
Principal (pays off 2016)	195,000	195,000	200,000	200,000	210,000
Interest	27,060	27,060	18,870	18,870	9,870
Other Debt Service Costs	350	78	350	425	150
2011 PWTF WWTP Phase II					
Principal (pays off 2041)	313,805	311,628	316,143	316,142	316,142
Interest	43,933	42,408	21,377	21,377	20,549
1999 DWSRF Water					
Principal (pays off 2020)	107,369	107,368	107,369	107,368	107,369
Interest	18,790	18,789	16,106	16,105	13,421
Irrigation District Loans					
1999 Loan Principal (2019)	9,257	9,257	9,257	9,257	37,030
1999 Loan Interest	556	555	463	424	371
Total Expenditures/Other Uses	1,041,891	1,037,914	1,013,325	1,012,245	1,035,910
Ending Fund Balance	17,669	17,724	17,700	7,974	8,290

OTHER FUNDS:

Equipment Replacement Fund #502 Expense Budget:

Maintenance & Operations	\$402,200
Capital Expenses	\$295,400

The Equipment Replacement Fund is an internal fund responsible for purchasing and maintaining City vehicles and heavy equipment. This fund is broken into two areas.

City Shop - Provides garage services, including repairs and maintenance of the City's fleet, fueling, welding and fabrication and other related services. Responsible for keeping reliable maintenance records and billing other City departments. Purchases vehicles and equipment for all City departments consistent with an established replacement schedule. Repairs and maintains all City vehicles and equipment, ranging from mowers to backhoes. Utilizes a computer-based fleet management system for maintenance and inventory control.

Equipment Replacement - Provides a method of saving sufficient funds to replace vehicles. Once purchased, vehicles are placed on a replacement schedule and an annual pro-rated amount is charged the department to which the vehicle belongs.

Historically, repair cost over-runs have eaten into the cash reserves meant for equipment replacement. Staff will address this by separating the maintenance operation budget from the equipment replacement fund. In addition, an additional charge will be placed on repair costs to reimburse the replacement fund.

EQUIPMENT REPLACEMENT FUND #502

2016 SUMMARY BUDGET	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
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Beginning Cash Balance	1,344,602	1,376,536	1,482,300	1,457,874	1,264,700
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Revenues: 2009 Grant - Fm Chelan County	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Intergovernmental Charges for Services	265,000	297,606	277,950	292,576	277,950
Equipment Rental/Reserve	206,999	206,999	249,517	249,517	249,517
Investment Interest/Other Miscellaneous	3,500	9,971	3,500	8,145	7,000
Sale of Assets/Insurance Recoveries	0	2,552	0	0	0
Transfers in	1,948	1,948	0	0	0
Total Revenues/ Financing Sources	477,447	519,077	530,967	550,238	534,467

Expenditure:	2014 As Amended	2014 Actual	2015 As Amended	2015 Actual	2016 As Adopted
Total Wages	53,600	53,295	54,700	54,293	93,700
Total Overtime	200	58	200	976	200
Total Benefits	27,100	19,662	28,000	23,654	46,600
Total Wages & Benefits	80,900	73,015	82,900	78,922	140,500

Total Supplies	182,000	190,712	196,500	184,983	180,500
Total Other Services & Charges	44,420	40,665	44,400	47,993	44,700
Total Interfund Payments	36,500	36,500	36,500	36,500	36,500
Capital Expenditures	367,550	96,847	446,700	403,529	295,400
Total Expenditures/ Financing Sources	711,370	437,739	807,000	751,926	697,600
Revenues Above (Below) Expenditures	(233,923)	81,338	(276,033)	(201,688)	(163,133)
Ending Cash Balance	1,110,679	1,457,874	1,206,267	1,256,185	1,101,567

EQUIPMENT REPLACEMENT FUND #502	2014	2014	2015	2015	2016
	As Amended	Actual	As Amended	Actual	As Adopted
Beginning Fund Balance	1,344,602	1,376,536	1,482,300	1,457,874	1,264,700
Charges for Services:					
Vehicle Repairs	175,000	193,889	175,000	209,485	175,000
Fuel Sales		268	300	1,238	300
Interfund Fuel Sales	80,000	91,995	92,650	64,025	92,650
Welding/Fabrication/Other	10,000	11,455	10,000	17,829	10,000
Total Charges for Services	265,000	297,606	277,950	292,576	277,950
Miscellaneous:					
Interest	3,500	8,115	3,500	8,145	7,000
Equipment Replacement Reserve	206,999	206,999	249,517	249,517	249,517
Other Miscellaneous		1,857			
Total Miscellaneous	210,499	216,970	253,017	257,662	256,517
TOTAL REVENUES	475,499	514,576	530,967	550,238	534,467
OTHER FINANCING SOURCES					
Insurance Recovery		2,552			
Transfers-In:					
Transfer In-FM #106 Longevity	1,948	1,948			
TOTAL OTHER FINANCING SOURCES	1,948	4,500	0	0	0
Total Revenues/Other Sources	1,822,049	1,895,613	2,013,267	2,008,112	1,799,167

EXPENDITURES	2014	2014	2015	2015	2016
CITY SHOP & FABRICATION	As Amended	Actual	As Amended	Actual	As Adopted
Salaries & Wages	53,600	53,295	54,700	54,293	93,700
Overtime Wages	200	58	200	976	200
Personnel Benefits	27,100	19,662	28,000	23,654	46,600
Total Salaries & Wages	80,900	73,015	82,900	78,922	140,500
Supplies					
Office & Operating	10,000	11,913	10,000	20,035	11,000
Lubricants	6,000	6,596	6,000	5,216	6,000
Vehicle Parts	57,000	62,868	72,000	85,611	55,000
Fuel Purchased for Resale	85,000	85,834	85,000	53,856	85,000
Small Tools/Minor Equip	1,500	1,157	1,500	2,203	1,500
Fabrication	2,000	331	2,000	390	2,000
Welding	500	983	1,000	650	1,000
Tires	20,000	21,031	19,000	17,022	19,000
Total Supplies	182,000	190,712	196,500	184,983	180,500
Other Services					
Professional Services	600	1,396	600	942	600
Communication	2,000	1,171	2,000	1,211	2,000
Travel & Training	1,000	1,544	1,000	982	1,000
Advertising			0		0
Leases & Rentals	300	0	300		300
Public Utilities	10,000	8,574	10,000	11,650	10,000
Repairs & Maintenance	20,000	19,110	20,000	24,127	20,000
Miscellaneous		45	0		0
Crane Inspection	600	1,028	1,000	1,028	1,000
Hazardous Waste Fee					
Total Other Services	34,500	32,868	34,900	39,940	34,900
Interfund Payments					
Administrative Services	19,500	19,500	19,500	19,500	19,500
Finance/Clerical Services	17,000	17,000	17,000	17,000	17,000
Longevity					
Total Interfund Payments	36,500	36,500	36,500	36,500	36,500
TOTAL CITY SHOP & FABRICATION	333,900	333,095	350,800	340,345	392,400

EQUIPMENT REPLACEMENT FUND	2014	2014	2015	2015	2016
EQUIP REPLACEMENT SERVICES	As Amended	Actual	As Amended	Actual	As Adopted
Other Services & Charges					
Insurance	9,020	7,796	8,600	8,053	8,900
Miscellaneous:	900	0	900		900
Total Other Services	9,920	7,796	9,500	8,053	9,800
Capital Expenditures					
Mechanic Service Truck					21,000
Engineer's Vehicle (Jeep Cherokee)					26,000
Bldg/Planning Vehicle	0	0	26,000	24,940	
Sewer Service Truck					43,000
Water Service Truck					25,000
Utility Service Truck					34,000
8/10 Yard Dump Truck	135,000	0	135,000	95,853	
Battery Charger	550	545			
Forklift (County reimbursed)					27,000
Hook Lift Truck (recycling)					44,000
Diagnostic Tool			5,700	3,798	
Sewer Camera Van	22,000	21,944			
Sewer Jet	73,000	74,328			
Garbage Truck			280,000	278,938	
Backhoe					75,400
Recycle Forklift	27,000	0			
Sewer Vac Truck	110,000	0			
Large Rolloff Truck	0	30			
Total Capitalized Expenditures	367,550	96,847	446,700	403,529	295,400
Total Equipment Replacement Svcs	377,470	104,643	456,200	411,582	305,200
Total Expenditures/Other Uses	711,370	437,739	807,000	751,926	697,600
Ending Fund Balance	1,110,679	1,457,874	1,206,267	1,256,185	1,101,567

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Information and Glossary of Terms:

General Information

The City of Chelan is a cash basis city for budgeting, accounting and reporting purposes. The city budgets, accounts for, and reports according to requirements of state law and the Washington State Auditor's Office. The accounts of the city are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures. The City of Chelan's resources are allocated to and accounted for in individual funds depending on what they are to be spent for and how they are controlled. The following are the fund types and account groups used by the City of Chelan:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund (Fund No. 001)

This fund is the general operating fund of the city. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds (Funds in the 100 series)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the city. These funds include Street Fund, Tourism Fund, and Parks & Recreation Fund.

Debt Service Funds (Funds in the 200 series)

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt. The city has a Councilmanic Debt Fund to pay debt service on the library building and parks improvements. There is also an LID guarantee fund that is anticipated to be eliminated in 2016 as it is no longer needed.

Capital Improvement Funds (Funds in the 300 series)

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets. The city has three capital funds. The Capital Improvement Fund has REET (Real Estate Excise Tax) funds as its primary source of revenue and, as such, projects are limited to what state law allows REET funds to be used for. For the purchase of equipment used in the General Fund, a transfer is made from the General Fund to the Capital Fund during the budget process. The city also has a Street Capital Fund and a Parks & Recreation Capital Fund to account for major projects and machinery/equipment purchases by those funds.

PROPRIETARY FUND TYPES:

Enterprise Funds (Funds in the 400 series)

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges. It is intended that these funds be self-supporting through user fees/charges for services. These are the funds of the city that are run most like a business. The city

operates three enterprise maintenance and operations funds (Water Fund, Sewer Fund, Sanitation Fund) and two enterprise capital funds (Water Capital and Sewer Capital). There is also a debt redemption fund (Water/Sewer Debt Redemption Fund) which is used to accumulate the funds necessary to pay debt attributable to water and sewer projects.

Internal Service Funds (Funds in the 500 series)

These funds account for operations that provide goods or services to other departments or funds of the city on a cost-reimbursement basis. The city operates an Equipment Repair and Replacement Fund.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City of Chelan in a trustee capacity or as an agent on behalf of others.

Agency Funds (Funds in the 600 series)

These funds are used to account for assets the city holds for others in an agency capacity.

The city has a trust fund for the receipt of funds that do not belong to it such as sales tax and the state portion of building permit fees. The city also has a developer deposit fund and a fund for the Lake Chelan Sewer District, both of which are trust funds.

Budgets

The City of Chelan prepares its budget in accordance with state law for cash basis entities. The city approves a budget calendar, holds workshops and public hearings, sets the property tax levy by ordinance, and adopts a balanced budget prior to years' end. The city adopts annual appropriated budgets at the fund level for all funds. The budget constitutes the legal spending authority at that level. Budgets may, however, be amended due to unanticipated expenses arising during the course of the year. Annual appropriations for all funds lapse at year end.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in financial statements. Revenues are recognized only when received in cash and expenditures are recognized when paid, including those properly chargeable against the report year(s). In accordance with state law, the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

DETAIL EXPENDITURE CATEGORIES:

Wages/Benefits – Includes base salaries and benefits of all full/part time City of Chelan employees, including elected officials. Wages include regular wages, holiday, vacation, sick and longevity pay, and overtime. Benefits include (where applicable) the employer share of social security, retirement, labor & industries premiums, medical, dental, vision premiums.

Supplies – Consist of tangible items that are consumed during the fiscal year. They include office supplies (ink cartridges, paper, file folders, etc.), parts for repairing and maintaining equipment and vehicles, fertilizers and chemicals and many other products to keep the city operating. Small tools and minor equipment (drills, computer monitors, chainsaws, etc.) are also included in this category.

Other Services and Charges – This is a broad category that covers utilities (water, sewer, garbage, electrical), communications (land lines and cell phones, fax, postage), legal notice publishing and advertising, and professional services. Professional services are generally costs the city incurs for outside legal counsel, engineering, and planning expertise. Costs for third party repairs and maintenance and training (registrations, mileage, meals, lodging) are also included in this category.

Intergovernmental Services – These costs are those paid by the city to other governmental units. The recipient entities include Chelan County and the State of Washington. County costs include contracts with the Chelan County Sheriff's Office, services provided by the prosecutor's office, jail services, district court for administration of parking citations, and RiverComm. Payments to the State of Washington are for the city's B&O and utility taxes.

Interfund Services/Taxes – Because one fund cannot support another, the city charges each fund for services and/or supplies provided by another. Included are costs charged by the General Fund for administrative and financial services and costs charged by the Equipment Replacement Fund for equipment replacement reserves, fuel and equipment repairs.

Interfund Transfers – Interfund transfers occur when one fund provides financial support to another fund, such as the support provided by the General Fund to the Parks and Recreation Fund. Funds transferred from the Water and Sewer Funds to the Water/Sewer Debt Redemption Fund and from the General Fund to the Councilmanic Debt Fund are also classified as interfund transfers.

Capital Expenses – For budgeting and tracking purposes, the city has determined that a single item costing \$500 or more with a useful life expectancy of two or more years is a capital purchase. Most computer purchases, all vehicle purchases and many other items fall into this category. In addition, land purchases and/or improvements, building and structure purchases and/or improvements, and other large projects (sidewalks, street resurfacing, water and sewer line replacements) are considered capital expenses.