City of Wenatchee, Washington
Principal Officials

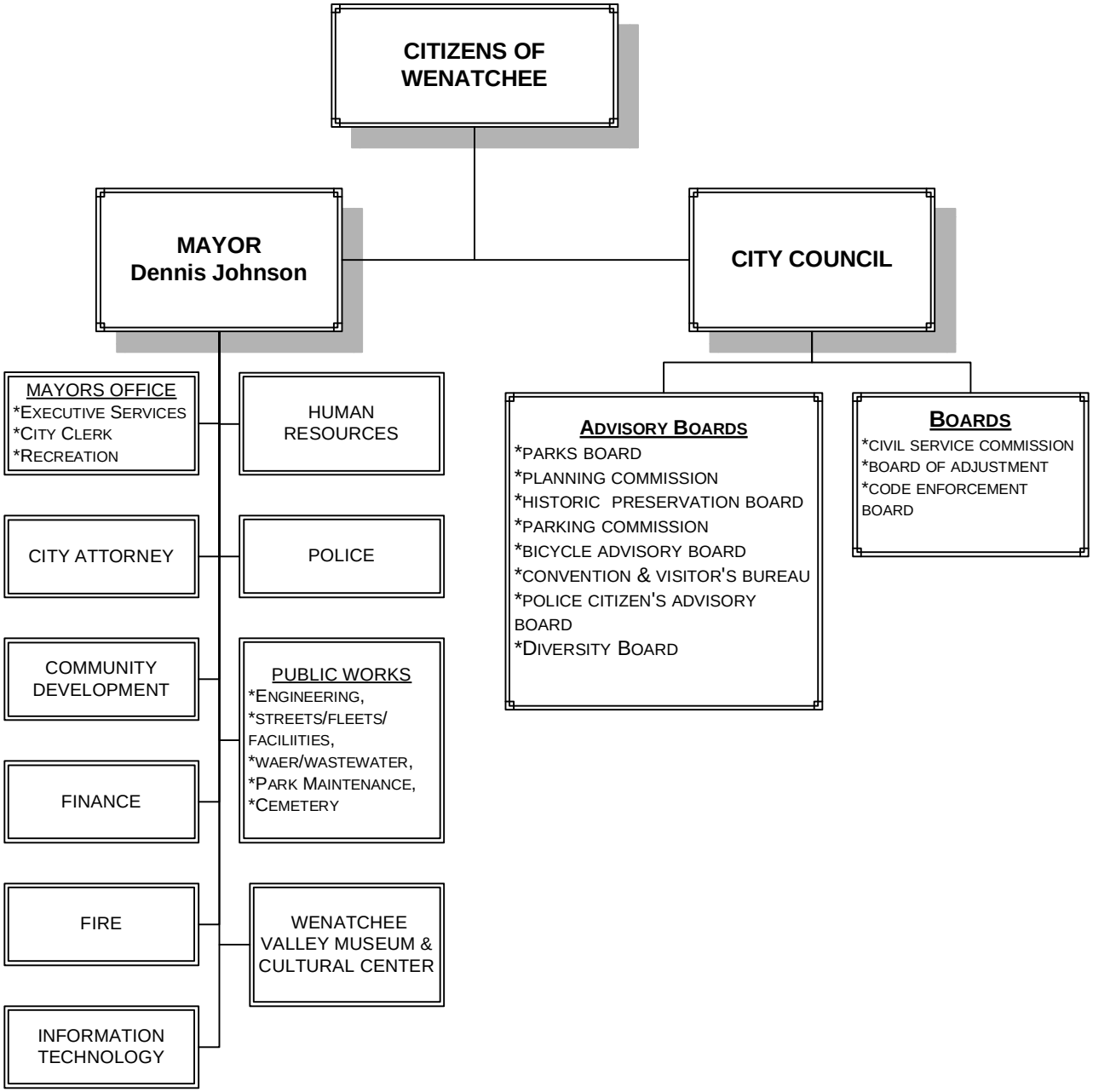
CITY COUNCIL

Mayor	Dennis Johnson Second term expires: December 31, 2007
Council Position #1	Frank Kuntz Second term expires: December 31, 2009
Council Position #2	Craig Larson Second term expires: December 31, 2009
Council Position #3	Christy Filby First term expires: December 31, 2007
Council Position #4	Doug Miller First term expires: December 31, 2009
Council Position #5	Mark Kulaas First term expires: December 31, 2007
Council Position #6	Don Gurnard Second term expires: December 31, 2007
Council Position #7	Carolyn Case First term expires: December 31, 2007

CITY ADMINISTRATION

Attorney	Steve Smith
City Clerk	Vicki Reister
Community Development Director	David Stalheim
Executive Service Director	Allison Williams
Finance Director	Mark Calhoun
Fire Chief (Interim)	Stan Smoke
Human Resource Director	Sandra Smeller
Information Technology Director	Dale Cantrell
Museum Director	Brenda Abbney
Police Chief	Tom Robbins
Public Works Director	Don McGahuey

CITY OF WENATCHEE
ORGANIZATIONAL CHART



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Part 1. Budget Message

City of Wenatchee, WA
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Honorable City Council
and Citizens of Wenatchee
City of Wenatchee, Washington

February 2007

Submitted herewith is the final budget for the City of Wenatchee's fiscal year 2007. The budget is submitted consistent with RCW 35.33.051 and prior practice of the City with respect to budget preparation. The enclosed financial and narrative data reflect the budget that was adopted by the Wenatchee City Council via Ordinance #2006-41, on December 14, 2006. While the budget ordinance is the legal authority to expend public moneys, much more goes into developing and implementing the mix of public services found in Wenatchee. The remainder of this document describes the 2007 budget development process and resulting programs and services.

BUDGET PRIORITIES

Consistent with prior year's practice, the City's budget was prepared with the input of the Mayor, City Council, and Staff. The first step of the 2007 Budget development process began in a February 2006 retreat attended by the Mayor and City Council where the future direction of the City and service priorities were discussed at length. The next step was a June 2006 meeting hosted by the Mayor that included City Council members and City Staff where staff were given the opportunity to discuss the delivery of City services as they currently existed and their vision of how the services could be improved and/or expanded and the resources that would be necessary to accomplish this. At the conclusion of this meeting staff were instructed to prepare initial budgets that included their requests for enhanced services and over the ensuing months, the Mayor, Finance Director and City Staff worked towards the completion of the budget itself. Updates on the budget development process were provided to the council members at meetings that were held on October 19, November 16, and December 14, 2006. At each meeting the council members and public were given the opportunity to address the progress to date and provide input into the process itself.

KEY BUDGET ISSUES

Throughout the budget process, a number of topics were discussed that tended to be more related to long-term policy issues rather than concerns of day-to-day operations. The solutions to these issues require the involvement of the Mayor, Council and Staff and are presented in detail below.

1. ECONOMIC DEVELOPMENT WITHIN THE CITY OF WENATCHEE

Ongoing discussions between the Mayor, Council and City Staff have repeatedly identified economic development as the primary concern for the future fiscal health of the City. Given the tax structure in the City of Wenatchee where nearly 39% of general fund recurring revenues are derived from sales tax, it is essential that the City encourage retail development. If it does not hold a leadership position in retail sales, the City could be in danger of becoming an area where the population lives and demands services such as public safety, streets, and parks, but which has its population spending their sales tax dollars elsewhere. We believe it is not possible for the

City to remain static in such an environment and that significant retail growth outside the City limits will draw shopper traffic and sales tax dollars from our existing base with the potential result of reductions in historical levels of City services.

Following is a history of sales tax receipts for the years 1993 through 2007:

Year	Sales Tax Received	$ Change	% Change
1993	3,935,345	---	---
1994	4,081,160	145,815	3.71%
1995	4,240,545	159,385	3.91%
1996	4,359,737	119,192	2.81%
1997	4,712,930	353,193	8.10%
1998	4,920,261	207,331	4.40%
1999	4,922,102	1,841	0.04%
2000	4,978,163	56,061	1.14%
2001	5,084,281	106,118	2.13%
2002	5,240,679	156,398	3.08%
2003	5,462,849	222,170	4.24%
2004	6,125,712	662,863	12.13%
2005	6,328,397	202,685	3.31%
2006	7,058,900	730,503	11.54%
2007	7,364,266	305,366	4.33%

--1993 through 2005 represent actual collections
--2006 and 2007 represent budget estimates

At the writing of this document, we have not yet received the December 2006 sales tax figures but through November 2006 collections are running 12.71% ahead of those from the previous year. Much of the growth in 2004 through 2006 has been related to construction activities throughout our community but we are also experiencing increases among many categories of business which is reflective of a very robust economy.

Streamlined Sales Tax Project

At the writing of this message the Washington State Legislature is again considering the adoption of a “Streamlined Sales Tax” bill that is based upon a Streamlined Sales Tax Project (SSTP) which is a national effort by a coalition of states to make sales taxes simpler and more uniform. Once Washington adopts this legislation, it qualifies to join the SSTP governing board that will decide the rules for future streamlined sales tax provisions. A desired outcome of the SSTP is to convince Congress to pass enabling legislation allowing states to collect sales tax on remote sales (e.g. mail-order, internet, or television sales by persons with no physical presence in the state), because as they continue to grow, sales tax losses to local governments and states are expected to be substantial.

If the conditions of the SSTP were to be adopted by the State of Washington this would mean the future distribution of sales taxes would be based upon a “sourcing concept” where the jurisdiction receiving the sales tax dollars would be at the point of delivery as opposed to the point of sale. In the case of internet sales this would be a benefit to most cities in Washington, however an unexpected outcome of this legislation is that sales made within a particular city but delivered elsewhere would be credited to the jurisdiction where the delivery takes place. A study directed by the Washington Legislature and done by the Department of Revenue determined that sourcing rule changes would cause a loss of revenue for nearly 140 cities, counties, and transit agencies,

and that the City of Wenatchee's annual loss would be approximately $56,700 (approximately 1% of annual collections).

Because the State of Washington is expected to collect nearly $250 million annually from remote sellers, Cities that are negatively impacted by destination based sourcing are proposing a mitigation plan where the State would provide equalization funds to at least in-part reimburse them for anticipated losses. Leading up to the 2007 Washington State Legislative session, members of coalitions representing positively and negatively impacted cities met on a number of occasions and finally agreed upon a mitigation plan that both sides would support. At the writing of this document the Streamlined Sales Tax legislation is working its way through the legislative process.

Economic Development

In the late 1990's Wenatchee's primary industry, agriculture, went through a major shift. As a result, it forced the city and partners to take a step back and look at how we were approaching economic development. If the agricultural industry was going to continue to struggle, what were our options? Was the elusive manufacturer out there who would bring us 200 jobs? Did we have the land base even to support such a recruit? How were we supporting those industries already here? What was in store for our future? In 1999, the city hired the Center for the New West to carry out a High Performance Community Strategy. This effort brought together our leaders, gave us focus and provided us with a road map for our future community and economic development. The analysis resulted in 16 recommendations, which our leaders are still following, even though some actions have been completed:

1. Build and sustain work force education and training capacity that teaches and/or updates computer and information technology skills.
2. Provide access to the growing Hispanic community and others for whom the "digital divide" is a reality by equipping a community center in South Wenatchee with advanced telecomputing capabilities.
3. Create a one-stop business center to improve the delivery of services to the small business community.
4. Deploy NxLevel Entrepreneur training programs for business start-ups, agriculture/food specialty companies, micro-enterprises, youth entrepreneurs. Spanish versions of these training programs should be made available to Hispanic entrepreneurs.
5. Pursue the recommendation of the SCORE incubator study team "to further quantify the community's need, expected payoff and degree of community support" for one or more incubators.
6. Develop an Internet/information technology cluster in the Wenatchee area.
7. Implement an opportunity assessment initiative to identify upstream, downstream and spin-off business opportunities and other economic activities, e.g. research, that may exist in companies, institutions or organizations already in the community.
8. Refocus current industrial recruitment efforts on those that build on local networks and relationships
9. Animate the downtown and Columbia River areas with commercial, housing, recreational and cultural activities that will bring people to these areas.
10. Explore the development of a Public Development Authority, comprised of multiple jurisdictions, to purchase and manage Mission Ridge as a community-owned ski area.
11. Examine ways to improve the aesthetics of gateways into the city, either through landscaping or incorporation of the thematic "fruitful" street signs recently erected.
12. Implement programs to enhance the supply of housing suitable for LMI families.
13. Start a leadership training program that informs participants about governance and development issues pertinent to the region as well as providing them with leadership skills.
14. Develop regional approaches to multi-jurisdictional problems.
15. Launch an ongoing "community forum" process that enables civic leaders and citizens to meet and address issues, solve problems, or think about the future.
16. Begin long-term planning for infrastructure improvements that are critical to the region's full participation in the global economy.

The focus provided by this effort has yielded great results as several of the recommendations have been implemented by many of the entities. The Wenatchee Community Center is now operating and is providing a focal point for job training and economic support of our most at risk populations. The implementation of a new vision for the city's waterfront is underway, and as of December 2006, over $346 million in private reinvestment projects were approaching building permit submission. This new vision for the waterfront and reinvestment in the city's urban core will enable Wenatchee to achieve a vision for its foothills and recreational assets that prove to be a business and professional recruitment calling card. In fact, in 2006, Yahoo and Ask.com became new recruits for the valley, based on what our valley was able to offer. In 2007 the city has several infrastructure projects to implement the waterfront plan. They include:

- TIB Grant received for Riverside Drive, the centerpiece of the waterfront plan, bordering over 20 acres of private property that will be redeveloped. Private plans call for approximately 1 million square foot in mixed use development complementing the waterfront. (Riverside Drive project Phase 1 is $3.34 million for design and ROW is underway and construction funding was awarded in November 2006)
- Enabling legislation to form a Public Facilities District was secured in 2006 and the PFD district comprised of 9 jurisdictions was formed in June 2006. This new organization will purchase a completed Greater Wenatchee Regional Events Center in late 2007, which will include the city's relocated ice arena and will add a 5,000 square foot multipurpose events center that will also be home to a semi-pro hockey and arena football team. Contracts are signed with Global Entertainment to manage the facility and over 150 jobs are expected as a result.
- A $10 million grant with the Washington State Community Economic Revitalization Board is pending in the 2007 Legislative Session. $8.3 million is designated to be provided to the PFD Board to assist in the acquisition of the events center and $1.7 is designated for improvements to Walla Walla Street which will be completed in 2007.
- TIB Grant received for the realignment of Hawley and Walnut at the northern gateway to the waterfront and construction is expected in 2007
- IAC funds, coupled with funds from the Port of Chelan County, will construct the Orondo Avenue Day Use Moorage and Parking Expansion project.

The philosophy of the city with regard to economic development is to be a catalyst, to continually maintain and upgrade city infrastructure and to enhance the community's overall presence in order to attract new business development. As a result, new activities include:

- In 2007, the city will look to provide $700,000 in technology upgrades to the Stanley Civic Center/ Wenatchee Convention Center and will be working with stakeholders to look at further upgrades to the center.
- Another activity directly related to economic development involves the City's promotion of tourism throughout the Wenatchee Valley. In 1996 the City Commission appointed a Tourism Advisory Committee whose mission was to explore (and ultimately recommend) options leading to a marketing plan to attract both visitors and conventions. The efforts of this group came to fruition in 1998 with the creation of the Wenatchee Valley Convention and Visitors Bureau. This organization will develop and maintain a marketing plan aimed at bringing both conventions and visitors to our community. Funding of the Convention and Visitors Bureau is estimated at $310,000 in 2007 which represents 40% of the City's hotel/motel tax. In addition, this group asked to have the city designate a Tourism Promotion Area, this new assessment will provide additional funds for marketing Wenatchee as a convention and visitor destination.
- In 2006, the city underwent a process to update its overall Comprehensive Plan, as a part of this effort, several long range projects were identified including new enhancements to downtown Wenatchee, new parks acquisition and facility/trails enhancements for the city and Urban Growth Area.
- The city will look to upgrade and add new facilities including a future expansion of the Wenatchee Valley Museum and Cultural Center and a new headquarter Fire Station.

Economic development is a topic that will continue to be at the forefront of Council and Staff discussions and will be included in the development of subsequent budgets and identified long range in the adopted Capital Facilities Plan for the city.

2. CAPITAL FACILITIES

For many years, the City budget was focused almost exclusively on the operation of various programs at the expense of capital outlay costs to maintain and/or upgrade existing infrastructure or replace facilities when necessary. As our buildings have aged it has become apparent that we must be more intentional in developing maintenance programs and begin to plan for future renovation and replacement.

- **Facility Maintenance**
  During 1996, the City developed a program that provides for the repair and maintenance of all City facilities. The program was accomplished through the efforts of one full-time employee who worked 12 months of the year and three full-time Parks Department employees who worked at this task between November and February each year (three employees for four months each equals a second full-time employee). The 1998 Budget development process revised this program and released the three Parks Department employees from facility maintenance activities and returned them to late fall and early spring functions of the Parks Department as well as snow removal efforts throughout the City during winter months. In 1998 the City added a second full-time employee and in 2005 a third full-time employee whose efforts have been dedicated to the continuance of the City's facility maintenance program.

- **Facility Renovation and Replacement**
  Planning for the eventual renovation and/or replacement of existing facilities began in the summer of 1995 when the City Commission appointed a 24-member citizen advisory committee to work with an architectural firm that was hired to conduct a comprehensive facility study. This study would was carried out through three phases. Phase 1 developed a "space needs assessment" for the police, fire, public works and city hall buildings and was completed in December 1995. Phases 2 and 3 were carried out during the first half of 1996 and addressed how to solve the "space needs deficiencies" identified in Phase 1. The end product of these efforts was a recommendation by the Citizens Advisory Committee that the City pursue the following:
  - Replace the existing fire station with a new facility located at another site.
  - Replace the existing police station.
  - Renovate portions of the museum building.
  - Renovate portions of the ice arena.

  Since that time there has been a concerted effort and financial commitment by the City to address these concerns. Following is a summation of progress made to date:

  Police Station
  - In 1998 a parcel of land adjacent to city hall and the police station was acquired at a cost of $644,000.
  - On September 18, 2001, a proposition to issue $4,800,000 in bonds for the construction of a police station was approved by nearly 68% of the voters. The bonds were issued in the latter part of 2001 and the facility was operational by May 2004.

  Ice Arena
  - Between 2002 and 2004 City spend approximately $900,000 towards the renovation of its Ice Arena including the addition of insulation, upgrade of the dehumidification and ventilation systems and installation of new flooring. This renovation extended the period of time we can maintain ice in the facility and attract additional hockey and figure skating events to our community.

Public Works/Community Development Facility

- In 2005 the City expended a total of $680,000 from General Fund reserves including $611,000 to acquire a 3.35 acre parcel and another $69,000 to begin preliminary design work for an alternate site to which these operations could be relocated.
- In 2006 the City provided an additional $1,810,000 (including $574,000 from the General Fund and $1,236,000 from the Water/Sewer Fund) to accommodate additional design, land acquisition and site development costs.
- In 2007 City Staff will present the Mayor and Council a complete master plan that includes not only the facility design but also a financing package that will detail facility construction costs in 2007 and 2008 as well as a funding mechanism (which will likely include a combination of cash reserves from various funds, the issuance of LTGO and revenue bonds, and the related rate increase necessary to fund the additional debt service on those revenue bonds).

Fire Station

- At its' February 2007 retreat the Mayor and Council determined that the replacement of a nearly 80-year old main fire station was a priority and it is expected that substantial progress will be made towards this objective this year. It is likely that any new facility will be financed through the issuance of a voter approved (UTGO) bond.

Park Facilities

- During 2006 the City completed a comprehensive Parks and Recreation Plan that was financed by the General Fund at a cost of nearly $31,000. The plan recommended park land additions and improvements of $14 million. At this point the Mayor and City Council await specific recommendations from the Parks Board as to a prioritization of projects.

Museum Facility

- The City Council has begun preliminary discussions on expansion and renovation projects at the Museum that are expected to cost approximately $4.8 million.

3. WASHINGTON STATE INITIATIVES AND REFERENDUMS

In recent years, cities in the State of Washington have struggled with the financial impacts resulting from the passage of a number of citizen sponsored initiatives and referendums.

- **Initiative 695 (I695)**

  In November 1999, the citizens of the State of Washington voted to approve I695. This initiative impacted the State, counties, special taxing districts and cities, and resulted in three significant changes:

  1. Repealed the motor vehicle excise tax (MVET).
  2. Increased the registration fee (license tab fee) to $30 for passenger cars, cabs, motor homes, travel trailers, motorcycles and other trailers and tow trucks (the registration fee was $27.75 for first-time registrations and $23.75 for subsequent annual renewals).
  3. Required that any tax or fee increase imposed by the State (or City) shall require voter approval.

  I695 was subsequently declared unconstitutional in its entirety by the Washington State Supreme Court, but during the 2000 Washington State Legislative Session, the Legislature passed a law that repealed the MVET and set the registration fee for vehicles at $30.

  The immediate impact on the City of Wenatchee as a result of the passage of I695 (and ultimately the Legislatures action repealing the MVET) was the loss of $410,000 in Washington State remitted MVET money that was earmarked for the purpose of financing criminal justice activities (police operations). Although the $410,000 of MVET money that was lost was dedicated to police operations, the City chose to not simply reduce the Police Department budget by $410,000. Instead, every attempt was made to minimize the impact

on criminal justice activities by cutting back on other City programs that were deemed less essential. Ultimately, expenditure reductions came in the form of the elimination of some existing programs and what would have been enhancements to various levels of service beginning with the 2000 Budget.

Calendar year 2007 will be the eighth consecutive year in which the City of Wenatchee will operate without the benefit of MVET money, which is estimated to be a cumulative loss of approximately $3,280,000 since 2000.

- **Referendum 47**
  Voter passage of Washington State Referendum No. 47 in November 1997 restricted a city's ability to increase property taxes during the 4-year period it was in effect (1998 – 2001). The impact of this referendum was that the maximum amount the regular property tax levy could be increased in any year by a simple majority vote of the legislative body would be the lesser of six percent or the rate of inflation. Inflation was defined as the increase in the implicit price deflator (IPD) published by the Bureau of Economic Analysis in September of each year. With a finding of "substantial need", the legislative body is allowed to increase the total levy by as much as six percent with a majority vote plus one.

  In 1997 the IPD was computed as 1.9% for the 1998 Budget. During the 1998 Budget development process, the City Commission determined that there was a "substantial need" for more than the IPD increase due to the City's street overlay program and set the tax increase at 6%. Of the total 6%, one-half (or $96,253) was dedicated to debt service on bonds issued with the remainder supporting continuing General Fund operations.

  In 1998 the IPD was computed as .85% for the 1999 Budget. During the 1999 Budget development process, the City Commission again determined that there was a substantial need for more than the IPD increase, again due to the City's street overlay program and set the tax increase at 4%. Of the total 4%, three-fourths (or $105,513) was dedicated to debt service on bonds issued with the remainder supporting continuing General Fund operations.

  In 1999 the IPD was computed as 1.42% for the 2000 Budget. During the 2000 Budget development process, the City Commission determined that a substantial need existed simply in order to provide existing levels of service in the General Fund because the City's actual cost increases far exceeded 1.42%. Wage increases alone representing 69% of General Fund expenditures were expected to increase from 2.5 to 3.0% due to contractual language with the City's labor unions. As a result of this determination, the Commission voted to raise property taxes by 2% (exceeding the IPD by .58%).

  Referendum 47 was replaced by Initiative 747.

- **Initiative 747 (I747)**
  In November 2001, voters in the State of Washington approved Initiative 747 (I747) which limits the increase in property tax to the lower of 101% or the IPD (Implicit Price Deflator). Local Increases in excess of 1% are allowed if the *citizens* of Wenatchee vote to approve a levy lid lift. As a result of this newest initiative, the City has raised property taxes by just 1% in each of the years 2002 through 2007.

  City officials are concerned that levels of service will quickly erode in an environment where the annual cost of service increases by approximately 3%, yet the revenues that support those services grow by only 1%. Following is a history of the financial impact of I747 since its inception:

			Property Tax Loss						
Year	Initiative 747 Increase of 1%	Average CPI Increase of 3%	2002	2003	2004	2005	2006	2007	Cumulative Prop. Tax Loss
2002	$41,000	$123,000	($82,000)	$0	$0	$0	$0	$0	($82,000)
2003	$42,000	$126,000	($82,000)	($84,000)	$0	$0	$0	$0	($166,000)
2004	$43,000	$129,000	($82,000)	($84,000)	($86,000)	$0	$0	$0	($252,000)
2005	$44,000	$132,000	($82,000)	($84,000)	($86,000)	($88,000)	$0	$0	($340,000)
2006	$46,000	$138,000	($82,000)	($84,000)	($86,000)	($88,000)	($92,000)	$0	($432,000)
2007	$47,500	$142,500	($82,000)	($84,000)	($86,000)	($88,000)	($92,000)	($95,000)	($527,000)
			($492,000)	($420,000)	($344,000)	($264,000)	($184,000)	($95,000)	($1,799,000)

Although one would reasonably argue that the calendar year 2007 loss of $527,000 (and cumulative loss of $1,799,000 over 6-years) that remains in the direct control of the tax payer is good for them, the City finds itself in the position of facing the elimination of a like amount of existing services because we are unable to keep-up with rising costs. These annual revenue losses will continue to compound in subsequent years due to the disparity between the reality of a consumer price index (CPI) averaging 3%, and a 1% limit in this particular source of revenue. It is likely the City may have to periodically request a voter approved levy lid lift in order to maintain acceptable levels of service.

No matter the outcome of any future referendums or initiatives that arise in the future, we will endeavor to provide the highest levels of service possible while at the same time abiding by the constraints imposed by law.

4. STREET OVERLAY PROGRAM

During 1996 the City's Public Works Department developed a street overlay program designed to repave all City streets over a 15-year repeating cycle. A citizens advisory committee was appointed by the City Commission to review the plan and make recommendations as to how funding could be obtained in order to implement the program. The Committee accepted the plan as prepared by the Public Works Department and recommended a number of voter approved tax increases dedicated to overlay projects.

During 1998 the City issued $4.1 million in non-voted general obligation bonds whose proceeds were used to eliminate the backlog of streets in immediate need of overlay. Debt service on these bonds is approximately $376,000 per year through the year 2014. The payments come from a number of sources that include:

- A dedication of 3% of the 6% property tax increase taken in 1998 – or $96,253 per year.
- A dedication of 3% of the 4% property tax increase taken in 1999 – or $105,513 per year.
- A dedication of approximately $174,000 of the 1st ¼ of 1% real estate tax.

In 2005, the City Public Works Department performed an evaluation of the existing program with the goals of evaluating pavement performance, determining future pavement overlay cycles, evaluating alternative maintenance practices, and arriving at an updated cost for the most efficient pavement preservation program. The results of this study recommended life cycles based on the use and type of street. The program also recommended crack sealing and intersection repairs as maintenance tools that extend the life cycle of overlays. Future overlays result in much higher costs due to the need from grinding existing asphalt; therefore, extending overlay life cycles have a significant impact on future costs.

The 2005 overlay evaluation mapped out costs versus time in order to project the annualized cost to the City. (Recurring revenue needed to build reserves in order to fund future overlay needs). The study recommended funding $1,500,000 per year with a portion of the fund going into reserves. The actual project cost needs for 2007 is approximately $400,000 which is shown in this budget. The 2007 revenue estimate includes $500,000 from the 2nd ¼% real estate excise tax and $32,000 of interest income. The LTGO bonds that were issued in 1998 will be fully repaid in 2014, and it is likely the City will again issue bonds to keep up with the overlay program. A

projection of Street Fund financial activity over the period 2007-2015 is presented within the Capital Facilities Plan portion of this budget document on pages 5-17 and 5-18.

5. MUSEUM OPERATIONS

Operations of the Wenatchee Valley Museum and Cultural Center have, for many years been included as a part of the City's General Fund budget in partnership with the North Central Washington Museum Association. As a part of this arrangement, the City has provided the physical facility (buildings), a core of regular full-time staff, and a large portion of the operating and maintenance budget necessary for their many exhibitions and programs. The NCW Museum Association owns the exhibits, covers a portion of the operation and maintenance costs, and provides a large volunteer staff.

Over the past few years there has been a continuing debate over the City's level of financial involvement. On the one hand, proponents of the Museum operations would like to see the City's participation expanded, however there has been another school of thought that would argue the City's limited resources could be better spent elsewhere. As a result of the ongoing struggle to adopt a balanced General Fund budget during the period 1998-2005 the Museum operations, although recognized as being valuable, were deemed less essential to City operations than services delivered by police, fire, etc. As a result, the Museum budget was either frozen or reduced during that period of time. A summary of budgetary impacts on the Museum operations are as follow:

- During 1998 the City Commission elected to freeze the City's contribution to Museum operations at the "dollar level" of the 1998 budget, or $505,000. The $505,000 City contribution to Museum operations remained in place for the three-year period 1998 through 2001.
- The 2002 Budget allowed for some increases in budgetary line items but eliminated a customer service position (1.0 FTE).
- The 2003 Budget further reduced the City's funding of programming costs and also cut the work week of the 6 full-time Museum employees from 40-hours per week to 32-hours per week resulting in the equivalent loss of 1.2 FTEs. The limited 32-hour work week remained in place through 2005.
- During the 2006 Budget development process the City found itself in a stronger financial position as a result of consecutive years of robust sales tax collections, and opted to bring 5 of the Museum staff back to full-time/40 hour per week employment. The Museum Director was the only Museum employee that continued to be budgeted at .8 FTE or 32 hours per week.
- During 2006 the City's Museum Director of 18-years retired and at the point his replacement was appointed the decision was made to bring this position back up to a 40-hour per week position.

6. ICE ARENA OPERATIONS

As recently as 1996, the Ice Arena was operated under the umbrella of the General Fund Parks and Recreation Department with related revenues being credited to the General Fund, and during this period of time the operations of the Ice Arena were heavily subsidized through the use of tax revenues. In recent years, there has been a concerted effort to help the Ice Arena become a self-supporting entity. This has involved a number of rate increases and changes in operations that have resulted in a more efficient and effective "business-like" approach to managing the facility. Because the operations of the Ice Arena are fairly material in terms of budget (approximately $240,000 per year in operating revenues and expenditures), and because there has been an interest in future improvements to the facility, it was determined that the creation of a separate self-supporting fund would be appropriate. The 2007 Budget marks the eleventh year the Ice Arena has operated as a separate fund (a special revenue fund) outside the General Fund.

In the years since the Ice Arena has been operated as a Special Revenue Fund, the following General Fund subsidies have been necessary:

- In 1997 the General Fund provided a $99,000 subsidy consisting of a $30,000 contribution to provide for cash flow plus an additional $69,000 to cover costs related to repairing snow damage to the facility roof and making up for revenues lost due to closures.
- In 1998 no subsidy was budgeted for and none was necessary.
- In 1999 a subsidy of $25,600 was necessary to partially cover a 1999 operating deficit of $44,900.
- In 2000 the General Fund provided $40,000 for the purpose of making facility improvements and purchasing new rental skates.
- In 2001 the General Fund provided $50,000 to cover operating deficits.
- In 2002 the General Fund provided $50,000 to cover operating deficits.
- In 2003 the General Fund provided $25,000 to cover operating deficits.
- Finally, in 2004 the Ice Arena operation evolved to a point where no General Fund subsidy was necessary and 2007 marks the fourth year in which this has been the case. We believe the $900,000 of arena improvements previously referred to in this message are in large part responsible for making this a self-supporting facility where operating costs are met with operating revenues.

Of special note in the writing of this budget message is that we anticipate the Ice Arena will cease to exist at the end of the 2006/2007 season as a result of the improved and enhanced facility that is currently being constructed by the Greater Wenatchee Regional Events Center Public Facilities District (see page 1-4 of this document for a more in-depth discussion on this topic).

7. TAXATION ISSUES

It is likely it will always be difficult to balance the City's General Fund budget whose primary source of funding is from various local tax sources. Following is an analysis of the impact tax revenues will have on 2007 General Fund programs:

$ 3,325,900	17.52%
7,364,266	38.78%
4,657,200	24.53%
47,000	0.25%
$ 15,394,366	81.08%
3,593,435	18.92%
$ 18,987,801	100.00%

Because there are so many demands of government services and a finite source of funding, the City Council will be constantly evaluating the merits of the many worthwhile programs the City might undertake. Consequently, the utilization of tax moneys for public services involves a good deal of scrutiny from both the City Council and Citizens of Wenatchee.

Tax increases that have been put in place in recent years to finance General fund operations have been limited to property taxes. Following is an analysis of property tax increases over the past nine years as compared to the implicit price deflator discussed earlier in this budget message. Also included is the purpose behind each increase.

Year	Increase Taken	IPD	Purpose of Increase
1998	3.00%	1.90%	to finance ongoing operations
1999	1.00%	0.85%	to finance ongoing operations
2000	2.00%	1.42%	to finance ongoing operations
2001	1.71%	2.66%	to finance ongoing operations
2002	1.00%	1.89%	to finance ongoing operations
2003	1.00%	1.16%	to finance ongoing operations
2004	1.00%	1.84%	to finance ongoing operations
2005	1.00%	2.39%	to finance ongoing operations
2006	1.00%	2.54%	to finance ongoing operations
2007	1.00%	3.42%	to finance ongoing operations

Tax increases that have been put in place during the 11-year period 1996-2006 to finance non-General Fund operations have been limited to:

- In 2006 the City Council adopted Ordinance #2006-29 which established a Tourism Promotion Area and imposed a $1 per hotel room per night tax, the proceeds of which will be used for the sole purpose of tourism promotion. The Council approved this legislation only after being petitioned by the Wenatchee Hotel-Motel Association and the Wenatchee valley Convention and Visitors Bureau to do so.
- In 1999 the City Commission implemented a 5% cable TV tax whose proceeds were dedicated to the City's street overlay program. In response to a series of revenue reducing initiatives (discussed earlier in this message) and a desire to maintain existing core services, the City Council opted to divert the entire cable TV tax to the General Fund beginning in 2003.
- In 1999 the City Commission implemented a ¼% real estate excise tax whose proceeds were dedicated to the City's street overlay program.
- For 1999 property tax collections, in addition to the 1% property tax increase necessary to finance ongoing General Fund operations, an additional 3% property tax increase was imposed to in-part finance the City's street overlay program previously discussed in this message.
- For 1998 property tax collections, in addition to the 3% property tax increase necessary to finance ongoing General Fund operations, an additional 3% property tax increase was imposed to in part finance the City's street overlay program previously discussed in this message.
- In 1997 the Commission imposed an additional two-percent (2%) hotel/motel tax (bringing the total to 6%) in order to generate additional moneys for tourism promotion for the Wenatchee Valley. The local hotel/motel industry initiated and supported the increase of this new tax for the aforementioned uses.
- In 1996 the Commission imposed an additional two-percent hotel/motel tax (bringing the total to 4%) in order to generate additional moneys for expansion of the City Convention Center. The local hotel/motel industry supported the increase of this tax for the aforementioned use.

8. COSTS RELATED TO HEALTH CARE, LONG-TERM CARE AND RETIREMENT BENEFITS FOR LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS (LEOFF) HIRED PRIOR TO OCTOBER 1977

RCWs 41.16 and 41.18 require cities, counties and fire districts in the State of Washington to pay the costs of health care and long-term care (LTC) for police officers and firefighters hired prior to October 1, 1977. Further, they require cities and fire districts to share in a portion of the retirement benefits paid out to certain firefighters. At the time the Washington State Legislature added these features to the benefit package of eligible employees, they failed to follow through with a source of funding with which cities, counties or fire districts could cover these added costs.

As a result of this unfunded mandate, the City of Wenatchee is required to set aside money each year to cover the cost of these benefits. The source of money for these benefits comes from tax revenues that would otherwise be dedicated to ongoing General Fund operations. In 2007 alone, the costs to provide these benefits are as follows:

Health care	$ 580,000	*see page 8-29 for related discussion*
Long-term care	120,000	*see page 8-17 for related discussion*
Retirement benefits	452,600	*see page 13-2 for related discussion*
Total	$1,152,600	

The following table displays the LEOFF 1 population that benefits from the provision of health and long-term care as of December 31, 2006 that is served by these appropriations:

LEOFF 1 Population		
Retirees		
Fire	23	
Police	20	43
Active Duty		
Fire	2	
Police	3	5
		48

9. INTERLOCAL AGREEMENT BETWEEN THE CITY OF WENATCHEE, CHELAN COUNTY AND PUD #1 OF CHELAN COUNTY

- Interlocal Agreement with the Chelan County PUD (effective 9/1/2004)
  Under this agreement, the PUD transferred to the City a sewer collection system located to the north of the City limits referred to as the Olds Station and Sunnyslope area. At the point of the transfer the City began providing sewer service to 84 existing commercial/industrial customers, and this customer base is expected to increase in subsequent years. Benefits of this agreement to the City include additional collection and treatment revenue to the Water/Sewer Fund and additional utility tax revenue to the General Fund. Revenues received by the City over the years 2004 through 2006 are as follow:

Year	Water/Sewer Fund Utility Revenue	General Fund Utility Tax Revenue
2004	71,759	10,764
2005	387,111	58,067
2006	431,706	64,756

- Interlocal Agreement with Chelan County (effective 1/1/2005)
  Under this agreement, the City agreed to provide sewer service to the Olds Station and Sunnyslope area without the condition of annexation into the City, while at the same time the County agreed to process an application by the City to amend the comprehensive plan to include the Olds Station and Sunnyslope areas as part of the Wenatchee Urban Growth Area. The agreement recognized that the extension of the City's sanitary sewer system into this area will likely benefit the County with respect to increased revenue from property and sales taxes. In order to establish favorable consideration in return for sewer extension and the resultant increase in County revenue, the City and County agreed to the following revenue sharing arrangements:

- The County will pay the City a total of $264,000 over the 10-year period 2006-2015, as a reimbursement of regional capital infrastructure. Payments began at $48,000 in 2006 and will decline by $4,800 each year until the final 2015 payment.

Year	Annual Amount
2006	48,000
2007	43,200
2008	38,400
2009	33,600
2010	28,800
2011	24,000
2012	19,200
2013	14,400
2014	9,600
2015	4,800
	264,000

- Beginning in 2006, the County will pay the City 15% of the growth in sales tax collections within the Olds Station and Sunnyslope area, using 2004 as a base year in making the computation. There is no sunset to this provision. At the writing of this document this payment has not yet been made as we await the final 2006 sales tax figures from the State of Washington.
- Beginning in 2006, the County will pay the City 15% of the growth in property tax collections within the Olds Station and Sunnyslope area, using 2004 as a base year in making the computation. There is no sunset to this provision. The first payment received in 2006 was $725.

10. CEMETERY OPERATIONS

The Cemetery Fund has experienced consecutive years where operating expenses have exceeded the combination of operating revenues and interest earnings from the Cemetery Endowment Fund. The cumulative losses over the years had placed the Cemetery Fund in the precarious financial position where soon it would have consumed all reserves and been in a position where it was unable to continue with operations. In order to circumvent this event the City Council has opted to transfer General Fund reserves to the Cemetery Fund in order to:

- Cover anticipated operating deficits, and
- Finance a number of capital improvements including the construction of a niche wall, development of a scattering garden and a cemetery expansion. It is hoped that these will help the Cemetery Fund to generate additional revenue and thus alleviate the General Fund of the need to subsidize future operations.

General Fund subsidies by year and amount are as follows:

2004	$ 46,800
2005	$ 86,600
2006	$ 35,400
2007	$117,791

Through 2006 the Cemetery Fund was also the recipient of interest earnings from the Cemetery Endowment Fund (see page 13-1 of this budget document for related discussion) and these proceeds were used to offset operational costs. Beginning in 2007 however the Endowment Fund will retain all interest earnings in order to build a stronger reserve for future needs.

PRESENTING A BALANCED 2007 BUDGET

The following table is lifted from City Ordinance Number 2006-41, which adopted the 2007 City budget and depicts a total of thirty (33) funds for which budget authority was granted. This represents all funds of the City with the exception of those with a continuing appropriation that either reflects the accumulation of moneys for the payment of related debt (LID debt service), or where the budget is related to a capital construction project that extends into another calendar year.

Annual Appropriation Funds	Fund No.	Estimated Beginning Fund Balance	Revenue	Total Sources	Appropriations	Estimated Ending Fund Balance
General	001	4,410,289	19,120,665	23,530,954	19,578,965	3,951,989
Public Art	101	40,788	42,000	82,788	42,000	40,788
Paths and Trails	103	13,899	3,105	17,004	4,000	13,004
Hotel/Motel - Capital	105	14,586	171,000	185,586	185,586	0
Convention Center	106	229,845	736,586	966,431	758,542	207,889
Hotel/Motel - Tourism	107	42,939	312,500	355,439	310,000	45,439
Streets	108	550,598	1,822,712	2,373,310	1,872,697	500,613
Arterial Street	109	142,828	10,794,167	10,936,995	10,834,822	102,173
Long-Term Care - LEOFF 1	110	448,709	148,000	596,709	120,000	476,709
Street Overlay	111	483,204	532,000	1,015,204	400,000	615,204
Ice Arena	112	200,650	123,150	323,800	121,368	202,432
Housing Rehabilitation	113	121,858	263,000	384,858	347,000	37,858
Community Center Operations	114	197,022	97,016	294,038	84,047	209,991
CDBG Entitlement	115	246,570	552,500	799,070	552,500	246,570
Health Insurance - LEOFF 1	116	156,740	592,000	748,740	580,000	168,740
Homeless Housing	117	95,860	175,000	270,860	155,500	115,360
Debt Service - UTGO Bonds	201	(14,208)	365,465	351,257	365,465	(14,208)
Debt Service - Councilmanic Bond	205	20,363	712,192	732,555	712,192	20,363
R.E. Capital Projects	301	633,572	722,000	1,355,572	372,560	983,012
Pedestrian Overpass	302	126,190	0	126,190	77,058	49,132
Ice Arena Renovation	303	50,061	0	50,061	0	50,061
Swimming Pool Slide	307	120,852	0	120,852	0	120,852
Public Works Facility Construction	308	0	0	0	0	0
Orondo Boat Moorage	309	0	380,610	380,610	315,500	65,110
Total Annual Appropriation Funds			37,665,668		37,789,802	

Working Capital Funds	Fund No.	Estimated Beginning Working Capital	Revenue	Total Sources	Appropriations	Estimated Ending Working Capital
Water/Sewer	401	3,375,749	10,078,392	13,454,141	11,181,502	2,272,639
Storm Drain	410	865,790	934,600	1,800,390	1,433,753	366,637
Regional Water	415	972,315	1,384,400	2,356,715	1,668,138	688,577
Solid Waste	420	150,007	1,679,800	1,829,807	1,679,060	150,747
Cemetery	430	35,137	301,091	336,228	316,228	20,000
City Services - Equip. O&M	501	319,259	854,671	1,173,930	764,813	409,117
City Services - Equip. Replace.	503	1,017,287	474,154	1,491,441	762,910	728,531
City Services - Facilities	504	55,389	315,700	371,089	309,414	61,675
Self - Insurance	502	1,855,094	1,124,200	2,979,294	709,000	2,270,294
Information Systems	505	144,477	1,024,300	1,168,777	1,022,097	146,680
Cemetery Endowment	610	678,083	37,500	715,583	0	715,583
Firemen's Pension	611	2,869,725	571,700	3,441,425	127,600	3,313,825
Total Working Capital Funds			18,780,508		19,974,515	
Total of all Funds			56,446,176		57,764,317	

SUMMARY ANALYSIS OF THE GENERAL FUND

Within the Financial Section of this document are detailed operational descriptions of each General Fund department (Part 7) and for each fund thereafter (Parts 8-13). Listed below is an overview of the General Fund.

The General Fund accounts for all receipt and disbursement transactions of ordinary City operations that are not required to be accounted for in another fund. Primary sources of revenue are property taxes, sales tax and utility taxes. Expenditures of this fund consist of a number of City functions including fire and police protection, museum, planning, engineering, parks, legislative and administrative services. This fund is always the most difficult to bring into balance because of the variety of services it supports with limited tax resources.

The General Fund budget is presented in terms of recurring and nonrecurring revenues and expenditures. The recurring classification includes those activities that we expect will continue from year to year while the nonrecurring classification includes those activities that are one-time in nature. As we develop the General Fund budget, we do so with two primary goals:

- First, present a budget with recurring revenues in excess of recurring expenditures.
- Second, maintain a year-end reserve balance that is equivalent to at least 14% of recurring appropriations. The rational behind this goal is a direct result of our cash flow experience in previous years and the recognition that in the months of April and October we are financing operations from reserves as we await semi-annual property tax receipts.

The 2007 Budget as adopted estimates recurring revenues and expenditures to be balanced at $18,987,801 each (see page 4-4), and estimated non-recurring revenues of $132,864 offset by nonrecurring expenditures of $591,164 (see page 4-5) for a draw against reserves of $458,300. With both recurring and non-recurring revenues and expenditures considered we anticipate that the reserve balance will be drawn down by a total of $458,300 during calendar year 2007. This will leave a calendar year-end reserve balance of $3,951,989, which reflects a reserve of 20.81% (= total 2007 estimated ending fund balance of $3,951,989 divided by total 2007 recurring appropriations of $18,987,801). This reserve will allow the City to maintain the second goal mentioned previously, that is, to maintain a reserve that is at least 14% of recurring expenditures.

CONCLUSION

Although the City of Wenatchee's financial condition has been solid through past years we recognize there are a number of issues that must be dealt with in order to remain on firm financial footing. Given the fact that financial health is at the core of providing good public services we believe our greatest challenges revolve around the ongoing expansion of our economic base. Specifically, we must continue to discuss and plan for:

1. The potential loss of $56,700 in sales tax revenues as a result of the Streamlined Sales Tax Project.
2. The potential loss of revenues that may result from future voter approved revenue reducing initiatives.
3. Absorbing the revenue losses that continue to build as a result of Initiative #747.
4. Continuation of the riverfront development process including
   - Completion of $5,352,200 Riverside Drive project.
   - Completion of the $1,637,464 Walla Walla Street improvement project
   - Beginning the $631,000 Orondo Avenue Day Use Moorage and Parking Expansion project.

In summary, the most important budgetary objective is to provide the highest possible level of service to our citizens while the City maintains its sound financial condition. The 2007 Budget development process was again a meaningful way to involve the Council, City Staff and Citizens in making recommendations regarding policy matters. City programs will continually be reexamined and reassessed to make sure we are best utilizing available resources. This budget continues that commitment.

ACKNOWLEDGMENTS
We would like to express our thanks to the Directors, Division Managers and Staff for their effort in developing budgetary programs that reflects the needs of their departments and meet the expectations of the City Council and citizens of Wenatchee. Through this process, we believe the individuals involved have developed a more meaningful appreciation of how their department fits into the overall City operation.

We would also like to thank the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Dennis Johnson
Mayor

Mark S. Calhoun
Finance Director

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Part 2. User Guide

HOW TO READ AND UNDERSTAND THE CITY BUDGET

This operating budget and capital facilities program is the City of Wenatchee's comprehensive financial and operational plan for 2007. Because of the amount of information contained herein it can be an imposing document. The reader should keep in mind that the primary intent of this document is to answer two basic questions: "Where is the City's money coming from?" and "How will that money be used?"

There are many ways to present the information that answers these questions but this budget focuses on the City's fund structure. All of the information presented is organized by the fund that is responsible for providing a service or activity. For example, money that the City collects from its customers for their water consumption is spent on providing water service through the Water/Sewer Fund.

The 2007 Budget is divided into sections by fund and includes information on each of the City's funds so that the reader can better understand how the fund works, its financial condition, the services that are financed by that fund and the departments that deliver those services.

THE CITY'S FUND STRUCTURE

The City of Wenatchee uses basic fund accounting practices in its budgeting and accounting procedures that conform to standards established by the Governmental Accounting Standards Board (GASB). Fund accounting is based on the concept that certain types of revenue should be used only for certain types of expenses.

The City utilizes fund accounting by establishing numerous separate funds in its accounting system. One way to describe the City's fund structure is that each fund is like its own business with its own set of accounting records detailing its financial condition. Thus, it is possible for some City funds to be financially healthy while others may struggle with operating deficits. A major difference between the City and a private company is that while the company can move money from a healthy enterprise to one that is not doing well, the City is generally prohibited from doing so. For example, revenue collected from payment of water bills may only be used to pay for costs associated with the provision of water service and cannot be used to subsidize unrelated City operations such as hiring police officers or purchasing fire trucks.

Fund accounting provides for three different types of funds. A brief description of these fund types and the City's use of them are as follows:

A. GOVERNMENTAL FUNDS (4 Types)

1) The General Fund accounts for all receipt and disbursement transactions of ordinary City operations that are not required to be accounted for in another fund. Primary sources of revenue are property taxes, sales taxes and utility taxes. Expenditures of this fund consist of fire and police protection, parks and recreation, museum, community development, engineering, human resources, finance and mayor/council.

2) Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

3) Debt Service Funds account for the accumulation of resources for and the payment of general obligation and special assessment bonds. The amount of bonds outstanding is recognized in the General Long-Term Debt Account Group.

4) Capital Projects Funds account for the acquisition and construction of capital facilities (except for those financed by proprietary funds). Primarily general obligation bonds,

special assessments, federal and state grants and contributions from other funds finance these funds.

B. PROPRIETARY FUNDS (2 Types)
1) Enterprise Funds are established for government activities that are financed and operated in a manner similar to private business. Costs of providing services to the general public are financed through user fees.

2) Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to another department or agency of the City.

C. FIDUCIARY FUNDS (3 Types)
These funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other government and/or other funds. These funds are classified as:
1) Agency Funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

2) Non-Expendable Trust Funds and Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

3) Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

ABOUT THE BUDGET AND THE BUDGET PROCESS

I. WHAT IS A BUDGET?

The budget is a multi-faceted event for City government in Wenatchee. In addition to providing the obvious financial planning and legal authority to obligate public funds, the budget provides significant policy direction by the City Council to the staff and the community. As a result, the City Council, staff and public are all involved in the process of budget development. The budget provides four functions:

A. A Policy Document
The budget functions as a policy document in that the decisions made within the budget will “reflect the general principles or plans that guide the actions taken for the future”. The specific programs that are described within the budget will be reflective of the plans for the future of the City government as they are approved and put into place. Recognizing this, the budget for the City will work to be a good policy document and make specific attempts to link desired goals and policy direction to the actual day-to-day activities of City staff.

B. An Operational Tool
The budget of the City will reflect its operations. More than a numbers document, you will find that the activities of each City function and organization have been planned, debated and formalized within the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and the goals of the City Council. In this effort, the budget addresses areas, which may not be traditional budget document topics. These include: debt management, staffing levels for now and the future, long-range planning, capital spending plans, the tax base and its relationship to the provision of services. A statistical section is added to provide the additional information sometimes needed to understand the environment of budget deliberations.

C. A Link with the General Public

Many times the day-to-day activities of local governments are overlooked until a crisis or critical point is reached. To attempt to gather information from all the various levels of government and their operations would be exhaustive and not very productive. This is true even of the media who spend many hours familiarizing themselves with the differing aspects of local government. Recognizing this, the budget provides a unique opportunity to allow and encourage public review of City operations. The budget must fully and clearly describe the activities of the City, the reason or cause for those activities, the future implications and the direct relationship to the citizenry. In our budget we have included an introductory section for each department within the general fund and for each fund thereafter.

D. A Legally Required Financial Planning Tool

The budget is also, of course, a financial planning tool, which has been its most traditional use. In this light, the budget is a state law requirement of all cities as stated in RCW 35A. As a part of the requirement, the budget must be adopted as a balanced budget (although prior years cash carry-forward can be used in this balancing process) and must be in place prior to the expenditure of any City funds. In this light, the budget is the legal authority to expend public moneys and controls those expenditures by limiting the amount of the appropriation at the fund level. The revenues of the City are estimated along with available cash carried-forward to the indicated funds available while the staff requests for appropriations comprise the disbursement side of the preliminary budget.

E. How does the Budget Compare to the Annual Report?

As previously stated, the budget is an extended and in-depth operational and financial planning process that looks to the future and ultimately leads to the document you are now reading. The annual report is a document that summarizes the financial aspects of the operational activities of the previous year. It is prepared following a strict set of guidelines called generally accepted accounting principles (GAAP) which are established by the Governmental Accounting Standards Board (GASB). Each year the annual report is subjected to review by independent auditors who express an opinion as to the fair presentation of the financial statements included within that document. Throughout the annual report actual revenues and expenditures are compared to budget. The annual report uses the modified accrual basis of accounting for governmental funds and full accrual accounting for proprietary fund types. The budget uses the modified accrual basis of accounting for all funds. This causes the proprietary fund budgets to budget for debt issue, debt service and capital expenditures, which are non-income statement items for the annual report.

II. WHY IS A BUDGET PREPARED?

As previously mentioned, the budget is a requirement of state law. But more than that, the budget for the City of Wenatchee is an important planning process that shapes the future for departmental operations and direction. As a result, much effort is expended to ensure the budget planning process best utilizes available City resources towards the goals and policies established by the Mayor and City Council.

III. HOW IS THE BUDGET PREPARED - WHAT IS THE BUDGET PROCESS?

A. Determining Policies and Goals

At the beginning of each budget cycle a calendar is developed which sets timelines for the various components of the budget preparation process. The 2007 Budget Calendar is presented at the end of this section.

The budget process for the City of Wenatchee is in many respects an ongoing,

year-round activity. The formal budget planning begins in the spring with discussions between the Mayor, City Council, and Department Directors as to the current status of on-going programs, new challenges and future considerations. Through these discussions the concerns of the departments are blended with the desired direction for City government on behalf of the City Council. The result is the determination of budget goals and policies for the coming budget year.

B. Staff Planning and Preparation

Once the Mayor and City Council have provided the general direction and desired service levels for departmental budgets, the staff can begin to prepare the detailed plans for maintaining the current services where appropriate, deleting outdated services when necessary and planning for the addition of new services to meet the current needs. This involves the Finance Department preparing a guide as to how to prepare the budget from the mechanical side (which forms to use, what rates for inflationary costs, etc.). A meeting of department directors and division managers is then held within each department to review the specific guidelines and to discuss and gain understanding as to the City Council policies and goals. At this point, City staff formulates the individual budget for which they are responsible. These budgets are reviewed and refined by the departmental directors and submitted to the Finance Department for consolidation into one document for review.

C. City Council and General Public Review

During the fall of the year the Mayor and Finance Director present the budget to the City Council on at least three separate occasions. Each presentation takes place in a public meeting and Citizens are given the opportunity to comment on the process and the budget itself.

The first budget presentation takes place in early October where a *preliminary unbalanced budget* is presented which reflects revenue estimates for all operations in all funds and all appropriations (expenditure requests) from each City department which includes existing operations, potential expansions of service levels, new programs, new personnel and capital requests. At this point in time the appropriation requests normally far exceed estimated revenues, but the Council has the opportunity to again deliberate priorities of City programs and the related levels of service that they collectively desire. After this meeting the Mayor and Finance Director, with the assistance of department directors, will meet throughout the month of October to examine appropriation requests and determine which will be granted and those that will be either reduced or eliminated altogether.

The second budget presentation takes place in early November where a *preliminary balanced budget* is presented which reflects a budget for all funds where estimated revenues (including estimated beginning fund balances) are expected to equal or exceed appropriations. At this time the Council and citizens again have an opportunity to evaluate whether the budget as presented meets the desired levels of service. Based upon the results of this meeting the Mayor and Finance Director will again reconvene through the month of November to further refine the budget.

The third budget presentation takes place in late November or early December where a *balanced budget* and budget ordinance are presented, and the Council and Citizens are again provided with an opportunity to comment. Provided the budget receives Council endorsement, they will vote to approve the budget ordinance. The Council can however, at its' option, request that the Mayor and City staff continue to work on the budget. The City must have a Council approved budget in place prior to January 1.

D. Adoption of the Budget

It is required that a notice of public hearing on the budget be published once a week beginning two weeks prior to the council meeting and for the 2007 Budget this occurred on November 30 and December 7, 2006. A public hearing was then held December 14, 2006 when the budget was adopted.

E. How can the Budget be Changed After Adoption?

From beginning to end, the budget development process covers a period of approximately five-months (July through November), and is prepared with the best information we have available at that time. As we proceed through the budget year in question, we sometimes encounter unforeseen circumstances that result in either a service costing more than we had anticipated, or an expansion of services beyond what we had initially planned for. When possible, we will attempt to accommodate these changes within the existing budget, but this is not always possible. The budget can be changed (amended) by an ordinance of the City Council. This process begins with department directors submitting detailed budget amendment requests to the Mayor and/or Council where they may be approved in concept but through no formal legislative action. This allows departments to proceed with their plans prior to the formal Council adoption of an ordinance. Periodically the Finance Department summarizes into ordinance format both the budget amendment motions previously granted as well as those that represent new requests. At that point the Mayor and Council will take action to approve the amendment either in whole or in part.

F. Budget Calendar

At the beginning of each budget cycle a calendar is developed which sets timelines for the various components of the budget preparation process. The 2007 Budget Calendar is presented on the following page.

CITY OF WENATCHEE, WA
2007 BUDGET CALENDAR

When	What	Who
6/27/2006	Budget planning information and forms distributed to City Staff.	Finance
July-Sept.	Finance compiles data for inclusion in budget	Finance
July-Sept.	Mayor and Finance meet with Directors to discuss programs and priorities	Mayor/Finance/ Directors
8/1/2006	HR provides Finance with results of reclassification of AFSCME wages (section 15.8(d) of AFSCME labor contract)	HR
8/11/2006	Capital and Personnel request forms returned to Finance.	Departments
8/11/2006	Expense line item changes returned to Finance.	Departments
8/11/2006	Departmental revenue estimates returned to Finance.	Departments
8/25/2006	2005 Budget amendment requests due to Finance.	Directors
10/16/2006	Preliminary 2007 Budget distributed to Council	Finance
10/19/2006	Council Meeting --Review of Preliminary 2007 Budget *(copies available to public)*	Mayor/Council/ Directors
10/20-11/3	Budget meetings to follow-up 10/19/2006 Council meeting.	Mayor/Finance/ Directors
10/20-11/12	Preparation of Revised Preliminary 2007 Budget	Finance
11/9/2006	Publish notice of 11/16/2006 hearing on ad valorem (property) taxes	Clerk
11/13/2006	Revised Preliminary Budget distributed to Council (copies available to public)	Finance
11/16/2006	Council Meeting --Ordinance #2006-39 - Setting 2007 property tax levy --Resolution #2006-45 - Requesting Chelan County Assessor to collect sufficient funds to addrress 2007 debt service requirements on the 2001 UTGO (Police Station) bonds. *(Property tax legislation due at Assessor's by November 30)* --Review Revised Preliminary Budget *(copies available to public)*	Mayor & Council
11/30/2006	Publish 1st notice of 12/14/2006 public hearing on 2007 Budget	Clerk
12/7/2006	Publish 2nd notice of 12/14/2006 public hearing on 2007 Budget	Clerk
12/11/2006	Final 2007 Budget distributed to Council *(copies available to public)*	Finance
12/14/2006	Council Meeting: -Ordinance #2006-40 - 2006 Budget amendment adoption -Public hearing on 2007 Budget -Ordinance #2006-41 - 2007 Budget adoption	Mayor & Council
12/22/2006	2007 Budget narratives and changes in organizational charts due to Finance.	Directors, Managers & Staff

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Part 3. Governmental Revenues

REVENUE ESTIMATES FOR ALL GOVERNMENTAL FUNDS

This section provides information on the more significant sources of revenue the City of Wenatchee receives in its' governmental funds in a given year. Included herein is a discussion on property taxes, sales taxes and utility taxes, which collectively account for over 80% of General Fund recurring revenues, as well as a variety of other types of major revenue sources. The following table provides information on the types of tax and tax rates charged by the City of Wenatchee over the 5-year period 2003 through 2007:

Major Tax Sources	2003	2004	2005	2006	2007	Maximum Rate
Property Tax (levy / $1,000)	2.99331	3.02847	3.06700	2.99107	2.68284	3.10000
Sales Tax	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Electric Utility Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Water Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Sewer Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Garbage Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Telephone Utility Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Gas Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cable TV Utility Tax	5.00%	5.00%	5.00%	5.00%	5.00%	n/a
Cable TV Franchise Fee	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%
Real Estate Excise Tax	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Following is an analysis of those governmental revenues that are most significant to the City of Wenatchee. This presentation is not all-inclusive. These are sources of revenue over which the City of Wenatchee Council have limited control through either the imposition of taxes or fees. The bulk of these are revenues utilized in the operations of the General Fund.

PROPERTY TAXES

What: Property tax is a tax on real property for the full-assessed value. Revenue derived from this tax is devoted to the state, cities, counties, schools and libraries. Assessed value is determined by the Chelan County Assessor's Office, which makes a reevaluation of each property every four years. Some categories of property exempt from this tax are business inventories; intangibles, currency, bank deposits, stocks and bonds; household goods and personal items, and certain agriculture, timber mineral or metallic manufactured products.

How Much: The tax is limited to $3.60 per thousand dollars of assessed valuation for cities. Additionally, in Wenatchee, the City is annexed to the library district thus making the maximum tax rate available to the City only $3.10 since $.50 per thousand goes to the library system.

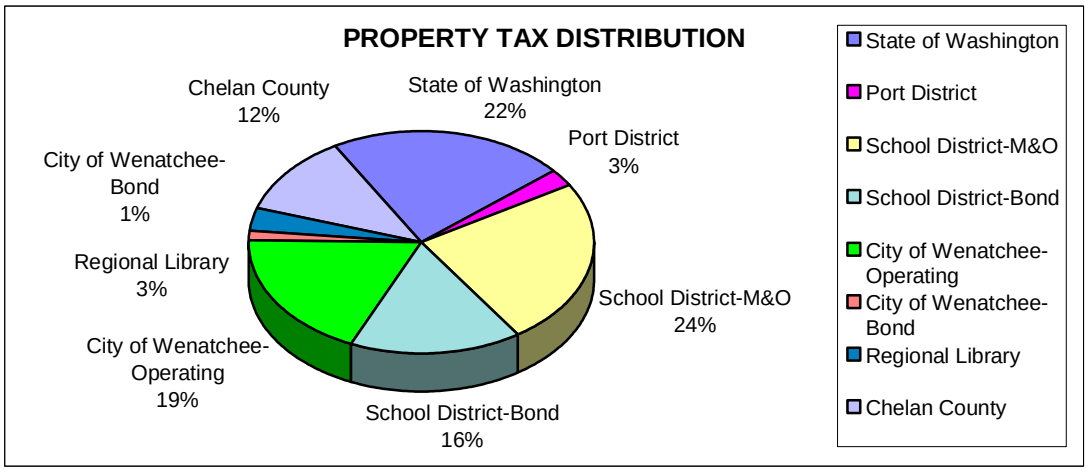
In November 2001, voters approved Initiative 747 which limits the increase in property tax to the lower of 101% or the rate of inflation as measured by the implicit price deflator. Please refer to Section 1-Budget Message for more discussion of the effects of this initiative on future property tax revenues.

Where the revenue is used: This tax is currently used to support the General Fund, Streets Fund and Firemen's Pension Fund. The Council has total discretion as to the use of this tax source. In 2007, the General Fund is to receive 67.26%, the Streets Fund is to receive 23.59% and the Firemen's Pension Fund is to receive 9.15% of total allocations.

The following table provides an seven-year summary of information pertaining to property tax levies:

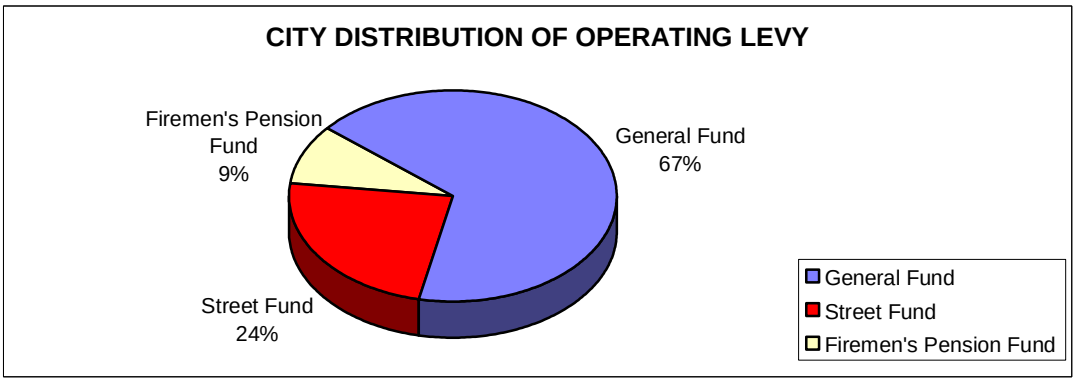
	A Previous Year Revenue	B Current Year Increase	C Preliminary Current Year Revenue (=A+(AxB)		D New Construction and Annexations	E Total Current Year Revenue (=C+D)	F Assessed Value (by Chelan County Assessor)	G Levy Rate per $1,000 of Assessed Value (=(E/F)x1,000)	Police Station Construction Levy (per $1,000)	
2000 levy for 2001 taxes *(2001 City Budget)*	$3,931,416	1.71% $67,227	$3,998,643		$76,320	$4,074,963	$1,314,504,217	$3.10000		Phase 4 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.
- Assessed value increased by			$19,784,492	or	1.53%					
- Total revenue increased by			$143,547	or	3.65%	(including 1.71% increase and new construction)				
- Rate per $1,000 increased			$0.06350	or	2.09%					
2001 levy for 2002 taxes *(2002 City Budget)*	$4,074,963	1.00% $40,750	$4,115,713		$59,102	$4,174,815	$1,359,914,615	$3.06991	$0.27114 generates a bond payment of $361,823	Phase 1 of Chelan County Assessors Office includes reassessments in the City approximately south of Orondo.
- Assessed value increased by			$45,410,398	or	3.45%					
- Total revenue increased by			$90,852	or	2.45%	(including 1% increase and new construction)				
- Rate per $1,000 decreased			$0.03009	or	0.97%					
2002 levy for 2003 taxes *(2003 City Budget)*	$4,174,815	1.00% $41,748	$4,216,563		$86,628	$4,303,191	$1,437,602,975	$2.99331	$0.25746 generates a bond payment of $363,358	Phase 2 of Chelan County Assessors Office includes reassessments in the City approximately north of Orondo.
- Assessed value increased by			$77,688,360	or	5.71%					
- Total revenue increased by			$128,376	or	3.08%	(including 1% increase and new construction)				
- Rate per $1,000 decreased			$0.07660	or	2.50%					
2003 levy for 2004 taxes *(2004 City Budget)*	$4,303,191	1.00% $43,032	$4,346,223		$73,522	$4,417,194	$1,458,556,964	$3.02847	$0.25470 generates a bond payment of $364,278	Phase 3 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.
- Assessed value increased by			$20,953,989	or	1.46%					
- Total revenue increased by			$114,003	or	2.65%	(including 1% increase and new construction)				
- Rate per $1,000 increased			$0.03516	or	1.17%					
2004 levy for 2005 taxes *(2005 City Budget)*	$4,419,745	1.00% $44,197	$4,463,942		$128,277	$4,592,219	$1,497,299,979	$3.06700	$0.24870 generates a bond payment of $368,590	Phase 4 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.
- Assessed value increased by			$38,743,015	or	2.66%					
- Total revenue increased by			$175,025	or	3.96%	(including 1% increase and new construction)				
- Rate per $1,000 increased			$0.03853	or	1.27%					
2005 levy for 2006 taxes *(2006 City Budget)*	$4,592,219	1.00% $45,922	$4,638,141		$115,492	$4,753,633	$1,589,277,760	$2.99106	$0.23410 generates a bond payment of $367,115	Phase 1 of Chelan County Assessors Office includes reassessments in the City approximately south of Orondo.
- Assessed value increased by			$91,977,781	or	6.14%					
- Total revenue increased by			$161,414	or	3.51%	(including 1% increase and "new construction)				
- Rate per $1,000 decreased			-$0.07594	or	-2.48%					
2006 levy for 2007 taxes *(2006 City Budget)*	$4,753,633	1.00% $47,536	$4,801,169		$143,831	$4,945,000	$1,843,196,025	$2.68284 *(estimated)*	$0.19828 generates a bond payment of $365,465	Phase 2 of Chelan County Assessors Office includes reassessments in the City approximately north of Orondo.
- Assessed value increased by			$253,918,265	or	15.98%					
- Total revenue increased by			$191,367	or	4.03%	(including 1% increase and new construction)				
- Rate per $1,000 decreased			-$0.30822	or	-10.30%					

The following information reflects an estimate of the property taxes that will be paid by the citizens of Wenatchee in 2007 and is based upon the City of Wenatchee property tax levy adopted by the Wenatchee City Council in November 2006. The City levied $4,945,000 in general property taxes and an additional $365,465 to repay bonds issued in 2001 for the construction of a new police station.



Levy Rate per $1,000 of Assessed Property Value		Home w/ Assessed Value of $ 100,000	$ 200,000	2007 Revenue Forecast*
State of Washington	$3.18811	$318.81	$637.62	$5,876,000
Port District	0.36554	36.55	73.11	674,000
School District-M&O	3.44454	344.45	688.91	6,349,000
School District-Bond	2.33978	233.98	467.96	4,313,000
City of Wenatchee-Operating	2.68284	268.28	536.57	4,945,000
City of Wenatchee-Bond	0.19828	19.83	39.66	365,465
Regional Library	0.48000	48.00	96.00	885,000
Chelan County	1.65510	165.51	331.02	3,051,000
Total	$14.35419	$1,435.41	$2,870.85	$26,458,465

**Forecast is based upon the City of Wenatchee's estimated 2007 levy and the actual levy rates used for all other taxing districts in 2006.*



	City Distribution	2007 Revenue Forecast
General Fund	67.26%	$ 3,325,900
Street Fund	23.59%	$ 1,166,500
Firemen's Pension Fund	9.15%	$ 452,600
Total	100.00%	$ 4,945,000

SALES TAXES

What: Sales/Use tax is a tax collected by businesses on the retail sales of tangible personal property and certain services within the State. Exceptions to the retail sale tax include groceries, prescription drugs, certain government activities, and newspapers. Businesses do not pay sales and use tax on the purchase of materials that are to become components of finished products for sale.

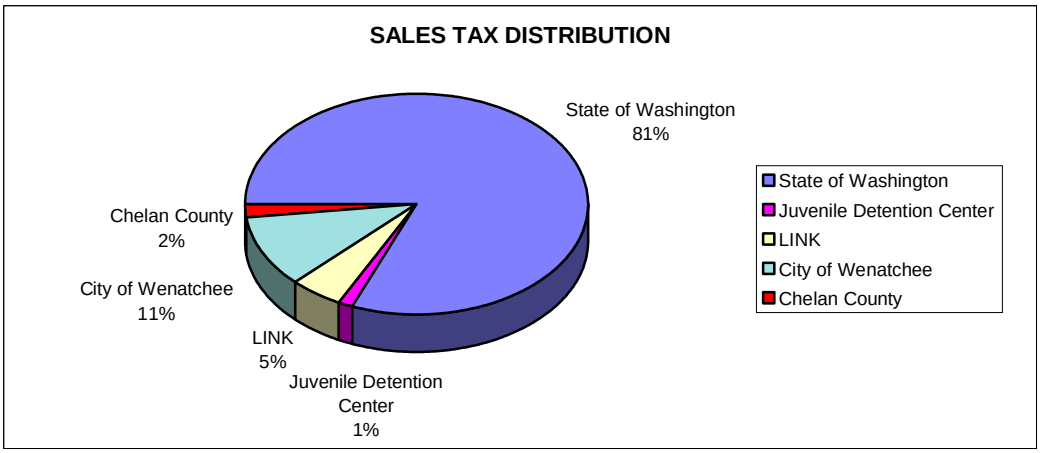
How Much: The total tax is 8.00%. Of this, the State collects 6.50%, the City .85%, LINK (for local transit) .40%, Chelan County .15% for operations and .10% for debt service on bonds used to construct a juvenile detention center.

Where the City's sales tax revenue is used: The Council has total discretion as to the use of this tax source and has historically dedicated 100% of this tax to support General Fund operations.

The following table summarizes the sales tax revenue (actual and budgeted) for the 5-year period 2003 through 2007:

	Actual			Budget	Budget
Sales Taxes	**2003**	**2004**	**2005**	**2006**	**2007**
Tax Received	5,462,851	6,125,712	6,328,398	7,058,900	7,364,266
Percentage Change	4.24%	12.13%	3.31%	11.54%	4.33%

The following chart reflects an estimate of sales taxes that will be collected throughout the City of Wenatchee in calendar year 2007. The forecast for all entities is based upon a City estimate of 2007 sales tax remittances totaling $7,364,266.



Sales Tax Collection Rate by Entity within the City of Wenatchee		2007 Revenue Forecast*
State of Washington	6.50%	56,315,000
Juvenile Detention Center	0.10%	866,000
LINK	0.40%	3,466,000
City of Wenatchee	0.85%	7,364,266
Chelan County	0.15%	1,300,000
	8.00%	69,311,266

UTILITY TAXES

What: Utility taxes are applied to utilities providing services within the corporate limits of the City of Wenatchee (i.e. water, sewer, garbage, telephone, electricity, gas and cable television).

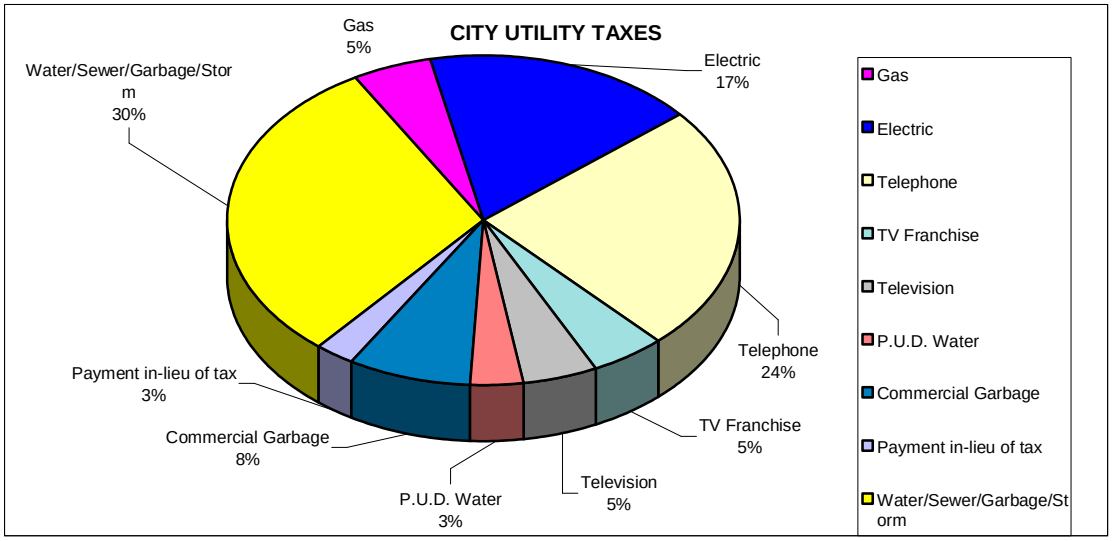
How Much: The tax amount varies from a low of 5% for the cable franchise fee to a high of 15% for water, sewer and garbage services

Where the revenue is used: This tax is currently used to benefit only the General Fund. The City Council has total discretion as to the use of this tax source.

The following table summarizes the types and amounts of utility tax revenue (actual and budgeted) for the 5-year period 2003 through 2007:

	Actual			Budget	Budget
Utility Taxes	**2003**	**2004**	**2005**	**2006**	**2007**
Gas (6%)	178,758	216,478	192,156	210,000	230,000
Electric (6%)	747,898	770,558	767,655	825,000	800,000
Telephone (6%)	1,068,115	1,032,647	1,100,138	1,138,000	1,130,000
TV Franchise (5%)	181,290	197,499	204,283	210,000	220,000
Television (5%)	181,290	217,521	225,491	210,000	220,000
P.U.D. Water (15%)	122,982	160,980	160,147	155,000	160,000
Commercial Garbage (15%)	298,498	323,838	326,547	342,000	354,000
Payment in-lieu of property tax	0	0	118,900	120,600	119,800
Water/Sewer/Garbage/Storm (15%)	1,005,483	1,212,543	1,285,877	1,387,000	1,423,400
Total	3,784,314	4,132,064	4,381,194	4,597,600	4,657,200
Percentage Change	11.79%	9.19%	6.03%	4.94%	1.30%

The following charts reflect an estimation of the utility taxes that will be paid by the citizens of Wenatchee in 2007.



City Utility Taxes and Rates	2007 Revenue Forecast
Gas	$230,000
Electric	$800,000
Telephone	$1,130,000
TV Franchise	$220,000
Television	$220,000
P.U.D. Water	$160,000
Commercial Garbage	$354,000
Payment in-lieu of tax	$119,800
Water/Sewer/Garbage/Storm	$1,423,400
Total	$4,657,200

REAL ESTATE EXCISE TAXES

What: A tax on the transfer of real property, which is paid by the seller at the time of closing.

How Much: There are two ¼ % portions available to the City totaling ½ of 1% of the sales price of real estate transactions within the City.

- The first ¼ % may be spent towards "local capital improvements" which may include streets, parks, sewers, water mains, swimming pools and gymnasiums, etc.
- The second ¼ % may only be spent towards capital projects of a public works nature such as streets, roads, lighting, water systems, storm and sanitary systems and park *construction or reconstruction* (the acquisition of park land is not permitted for the second ¼ %).

Where the revenue is used: The City of Wenatchee assesses both quarter percents for a total of ½ of 1%:

- The first ¼ % is used to repay a portion ($174,061 of a $375,827payment in 2007) of the 1998 L.T.G.O. Bonds (otherwise known as Councilmanic or non-voted bonds) that were issued to finance street overlays throughout the City plus a variety of other capital projects. This revenue is recorded in the Real Estate Excise Tax Fund (See Part 10-Capital Project Funds-Fund 301).
- The second ¼ % is used to fund the City's ongoing street overlay program (See Part 8-Special Revenue Funds-Fund 111).

The table below summarizes the collections for the first ¼ and second ¼ of 1% Real Estate Excise Tax received (actual and budgeted) for the 5-year period 2003 through 2007:

Real Estate Excise Tax	Actual 2003	Actual 2004	Actual 2005	Budget 2006	Budget 2007
1st 1/4% Tax Received (Fund 301)	298,137	392,519	473,359	525,000	500,000
2nd 1/4% Tax Received (Fund 111)	298,141	392,524	472,730	525,000	500,000
Percentage Change	26.61%	31.66%	20.43%	11.06%	-4.76%

BUSINESS LICENSES

What: A license fee for the privilege of conducting business within the City of Wenatchee.

How Much: A graduating scale starting at $50 per year and increasing based upon the number of employees to a high of $380 for more than 50 employees.

Where the revenue is used: The revenue is currently used to benefit the General Fund. The table below summarizes the business license revenue received:

Business Licenses	Actual 2003	Actual 2004	Actual 2005	Budget 2006	Budget 2007
License Revenue	151,645	157,685	160,925	158,000	160,000
Percentage Change	1.27%	3.98%	2.05%	-1.82%	1.27%

PLANNING AND BUILDING PERMITS

What: Permits are granted for building and construction, which accounts for much of this type of revenue received by the City. The permit process is designed to enforce minimum standard codes and the process is partially paid for by the fees charged for issuance of the permits and enforcement of codes. The City also receives permits revenue from the issuance of Fire and Concealed Weapon permits.

How Much: The fees for building and construction are from a complex schedule that includes State assessments. Many permits are based upon the value of construction. The permit fees for Fire and Concealed Weapons are based on a flat fee.

Where the revenue is used: This revenue is currently used to benefit the General Fund. The following table summarized the revenue received:

Planning and Building Permits	Actual 2003	Actual 2004	Actual 2005	Budget 2006	Budget 2007
Fees	587,115	640,752	614,033	503,000	530,000
Percentage Change	25.88%	9.14%	-4.17%	-18.08%	5.37%

CHARGES FOR SERVICES

What: This category includes all service charges for outside customers and where one department of the City becomes a customer of another. Park fees and service charges are included in this category.

How Much: Charges vary based upon the type of service being delivered.

Where the revenue used: This source of revenue is typically utilized to recoup the cost of delivery of service. The General Fund is the only governmental fund, which provides this type of service therefore any revenue earned is used to benefit this fund.

Fees charged to the public are based upon predetermined rate schedules. Fees charged for utility administration and engineering services are based upon an estimate of actual time spent on projects for the City's utilities. Engineering services fluctuate from year to year based upon the number and magnitude of construction projects.

Charges for Services	Actual 2003	Actual 2004	Actual 2005	Budget 2006	Budget 2007
Miscellaneous Park Fees	98,099	88,643	79,683	85,500	87,000
District Court Admin Fees	19,819	18,510	15,782	22,100	35,600
Zoning/Subdivision/Engineering Svc	73,544	46,934	84,289	46,500	50,500
Engineering Services	385,348	371,243	373,248	330,000	350,000
Utility Administration	680,380	745,292	741,826	815,930	839,790
Recycle Revenue	20,314	24,518	22,222	24,000	22,445
Fire Protection Services	30,608	30,784	32,553	30,000	33,000
Police - School Rsrc & Event Security	25,551	29,628	37,637	32,000	62,000
Total	1,333,663	1,355,551	1,387,240	1,386,030	1,480,335
Percentage Change	11.57%	1.64%	2.34%	-0.09%	6.80%

FINES & FORFEITS

What: This category includes all revenues received by the City from fines, forfeitures and/or assessments. These revenues are mostly generated by the Police Department.

How Much: The amount varies depending upon the infraction.

Where the revenue is used: The revenue derived from fines and forfeitures is used to support General Fund Operations.

The City of Wenatchee contracts with Chelan County District Court for court services related to non-felony violations and the Chelan County Treasurer collects the fines and remits them to the City on a monthly basis. Although the City actually records revenues by fine type as they are received we do not budget in this manner due to the unpredictability of the revenue sources. The budget simply attempts to put an estimated dollar figure to the total revenues we anticipate we will receive.

Fines & Forfeits	Actual 2003	Actual 2004	Actual 2005	Budget 2006	Budget 2007
Fines & Forfeits/District Court	7,135	11,688	8,136	500,000	440,000
Investigative Fund Penalty	3,335	4,489	8,291	0	0
Proof of Insurance Penalty	3,125	2,732	1,510	0	0
Traffic Infractions	224,862	200,654	165,790	0	0
Non-Parking Infractions	7,847	6,182	8,636	0	0
Parking Infractions	93,694	92,110	95,167	100,000	90,000
DUI Fines	44,217	34,876	41,640	0	0
Other Criminal Traffic Fines	53,091	46,086	27,456	0	0
Other Criminal Non-Traffic Fines	58,969	53,843	45,650	0	0
Court Costs Recouped	28,342	17,989	16,830	0	0
Jury and Witness Costs	188	0	2,444	0	0
Public Defense Costs	38,560	41,102	32,002	0	0
Total	563,365	511,751	453,552	600,000	530,000
Percentage Change	-5.35%	-9.16%	-11.37%	32.29%	-11.67%

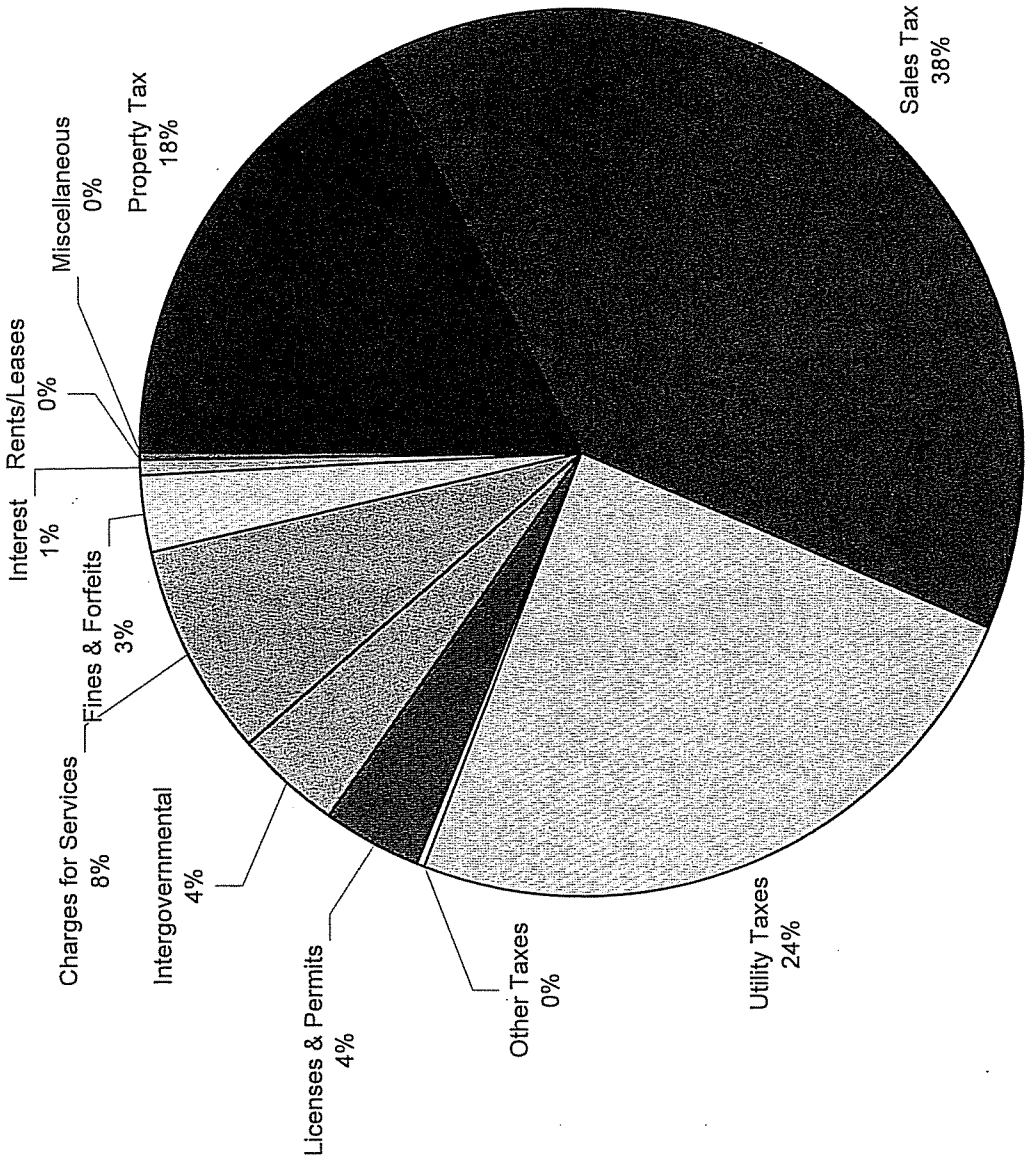
The following table and chart portray a percentage analysis of the anticipated 2007 recurring General Fund revenues:

CITY OF WENATCHEE, WA

Analysis of 2007 General Fund Budget

Recurring Revenues

Source	Amount	% of Total	
Property Tax	3,325,900	17.5%	
Sales Tax	7,364,266	38.8%	80.8%
Utility Taxes	4,657,200	24.5%	
Other Taxes	47,000	0.2%	
Licenses & Permits	707,000	3.7%	
Intergovernmental	700,500	3.7%	
Charges for Services	1,480,335	7.8%	
Fines & Forfeits	530,000	2.8%	
Interest	140,000	0.7%	
Rents/Leases	15,600	0.1%	
Miscellaneous	20,000	0.2%	
Total	18,987,801	100.0%	


Sales Tax
38%
Utility Taxes
24%
Other Taxes
0%
Licenses & Permits
4%
Intergovernmental
4%
Charges for Services
8%
Fines & Forfeits
3%
Interest
1%
Rents/Leases
0%
Miscellaneous
0%
Property Tax
18%

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Part 4. Budget Summary

2007 Budget Summary

The following pages reflect a summary of the City of Wenatchee's 2007 Budget for each of the 33 funds for which a budget was prepared and adopted via City Ordinance #2006-41. Included in this summary are estimated revenues, appropriations (expenditures) and an analysis of either fund balance or working capital balance. We have also included a comparison to the 2006 Amended Budget with an analysis of both dollar and percentage changes for both revenues and expenditures.

Listed below is a brief overview of a number of important points:

- Ordinance #2006-41 adopts the 2007 Budget for 33 City funds for total appropriations (expenditures) of $57,764,317.

- A comparison of the 2006 and 2007 Budgets as initially adopted is as follows:

Budget for all Funds			Increase (Decrease)	
	2006	2007	$	%
(As Initially Adopted)				
Operating expenses	36,503,760	41,257,530	4,753,770	13.02%
Capital Expenses	12,522,417	16,506,787	3,984,370	31.82%
Total appropriations	49,026,177	57,764,317	8,738,140	17.82%

- A comparison of the General Fund Budget for 2007 and 2006 as finally amended follows:

General Fund Budget			Increase (Decrease)	
	2006	2007	$	%
(As Finally Amended)				
Recurring revenues	18,433,903	18,987,801	553,898	3.00%
Recurring expenses	17,675,343	18,987,801	1,312,458	7.43%

- The 2007 Budget includes 198.14 FTEs as compared to 187.94 FTEs in the 2006 Budget (Section 3 of the budget document) for a net increase of 10.2 FTEs.

FTEs @ 1/1/2006		187.94
2006 FTE Additions:		
Admin. Assist. - Mayor/Council	0.75	
Community Center Coordinator	1	
Museum Director from .8 to 1.0	0.2	1.95
Current FTEs		189.89
2007 FTEs requests/eliminations:		
General Fund	5.25	
Convention Center Fund	0.25	
Street Fund	0.8	
Water/Sewer Fund	1	
Storm Drain Fund	0.2	
City Svc Equip O&M Fund	0.3	
City Svc Equip Replace. Fund	0.2	
City Svc Facility Maint. Fund	0.25	8.25
FTEs @ 1/1/2007		198.14

- The 2007 Budget includes capital awards of $16,506,787 partially consisting of:
  - $ 150,000 for Broadview Road Access
  - $ 199,000 for IT capital expenditures including:
    - $100,000 for web site development costs
    - $ 52,500 for phone system upgrades
    - $ 30,000 for Council Chamber technology upgrades
  - $ 75,000 of improvements and equipment upgrades at the Convention Center,
  - $8,339,000 of Arterial Street Fund projects
  - $ 400,000 in street overlays
  - $ 400,600 for Peachey Street Sidewalks (Phase 2)
  - A City/IAC contribution of $198,500 towards a $403,500 Rotary Park Phase 2 project
  - $ 315,500 for the Orondo Boat Moorage & Parking Project
  - $4,200,000 for water and sewer capital including:
    - $100,000 to complete the AMR system
    - $300,000 for a new vactor truck
    - $1,500,000 for reservoir repairs
    - $ 300,000 for a Walla Walla Street water line
    - $ 250,000 for sewer collection main line repairs and replacements
    - $ 750,000 for a pump station rehabilitation at Olds Station
    - $ 900,000 for the construction of an equipment garage
  - $ 625,000 for storm drain projects
  - $ 750,000 for a disinfection facility at Regional Water
  - $ 50,000 of capital improvements at the cemetery including $40,000 for the construction of a new crypt wall
  - $ 673,657 of replacements of various pieces of rolling stock

Through the balance of this section:

- Pages 4-4 through 4-18 present a summary by fund of the 2007 Budget as adopted by the City Council on December 14, 2006, as well as the 2006 Budget as initially adopted and finally amended.

- Page 4-19 provides a summary of full-time equivalent (FTE) employees by fund over the 10-year period 1998 through 2007 including a description of the specific changes that occurred between 2006 and 2007.

- Pages 4-21 and 4-22 present General Fund recurring revenues by source in both a number and chart format. The chart provides a telling picture of the importance of the tax revenues necessary to provide city services.

- Pages 4-23 and 4-24 present General Fund recurring expenditures by function rather than the typical view of cost by department as presented on pages 4-4 through 4-18.

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
GENERAL FUND						
RECURRING REVENUES						
Taxes:						
Property Tax	3,193,100	(14,367)	3,178,733	3,325,900	147,167	4.63%
Sales & Use Tax	6,358,900	700,000	7,058,900	7,364,266	305,366	4.33%
Utility Taxes	4,597,600	0	4,597,600	4,657,200	59,600	1.30%
Other Taxes	37,200	0	37,200	47,000	9,800	26.34%
Total Taxes	14,186,800	685,633	14,872,433	15,394,366	521,933	3.51%
Other Revenue:						
Licenses & Permits	697,600	0	697,600	707,000	9,400	1.35%
Intergovernmental	671,740	66,900	738,640	700,500	(38,140)	(5.16%)
Charges for Services	1,376,030	10,000	1,386,030	1,480,335	94,305	6.80%
Fines & Forfeits	600,000	0	600,000	530,000	(70,000)	(11.67%)
Interest	97,000	0	97,000	140,000	43,000	44.33%
Rents/Leases/Concessions	22,200	0	22,200	15,600	(6,600)	(29.73%)
Miscellaneous	20,000	0	20,000	20,000	0	0.00%
Total Other Revenue	3,484,570	76,900	3,561,470	3,593,435	31,965	0.90%
Total Recurring Revenues	17,671,370	762,533	18,433,903	18,987,801	553,898	3.00%
RECURRING EXPENDITURES						
Mayor / Council	406,383	1,880	408,263	525,434	117,171	28.70%
Finance	909,735	0	909,735	973,350	63,615	6.99%
Human Resources	235,427	0	235,427	224,251	(11,176)	(4.75%)
City Attorney	215,000	0	215,000	225,000	10,000	4.65%
Code Enforcement	322,066	0	322,066	339,550	17,484	5.43%
Planning	528,342	0	528,342	712,302	183,960	34.82%
Engineering	504,591	0	504,591	560,688	56,097	11.12%
Recreation/Swimming Pool	430,152	42,396	472,548	492,234	19,686	4.17%
Parks Maintenance	761,900	21,700	783,600	793,305	9,705	1.24%
Museum	439,333	0	439,333	489,126	49,793	11.33%
Fire	3,494,103	0	3,494,103	3,612,952	118,849	3.40%
Fire - Retiree Medical	310,677	0	310,677	310,562	(115)	(0.04%)
Police	5,186,872	175,667	5,362,539	5,621,724	259,185	4.83%
Police - Retiree Medical	231,823	0	231,823	269,438	37,615	16.23%
Public Defender/District Court	405,000	0	405,000	426,000	21,000	5.19%
Chelan County Regional Jail	981,700	0	981,700	1,250,500	268,800	27.38%
Rivercom	860,000	(37,171)	822,829	800,200	(22,629)	(2.75%)
Civil Service	17,500	0	17,500	17,500	0	0.00%
Other Administrative	1,170,747	59,520	1,230,267	1,343,685	113,418	9.22%
Total Recurring Expenditures	17,411,351	263,992	17,675,343	18,987,801	1,312,458	7.43%
RECURRING REVENUES OVER (UNDER) RECURRING EXPENDITURES	260,019	498,541	758,560	0		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
GENERAL FUND - continued						
NONRECURRING REVENUES						
Police - Grants	27,800	126,942	154,742	28,000	(126,742)	(81.91%)
Planning - Grants	30,000	0	30,000	0	(30,000)	(100.00%)
Rec/Pool - Grants	0	13,500	13,500	0	(13,500)	(100.00%)
PFD Reimbursements	0	31,454	31,454	94,364	62,910	200.01%
Contributions	0	2,500	2,500	0	(2,500)	(100.00%)
Operating Transfers In	0	25,834	25,834	10,500	(15,334)	(59.36%)
Sale of General Fixed Assets	0	63,000	63,000	0	(63,000)	(100.00%)
Total Revenue	57,800	263,230	321,030	132,864	(188,166)	(58.61%)
NONRECURRING EXPENDITURES						
Police - Grant	27,800	130,937	158,737	28,000	(130,737)	(82.36%)
Planning - Grants	30,000	0	30,000	0	(30,000)	(100.00%)
Rec/Pool - Grants	0	6,000	6,000	0	(6,000)	(100.00%)
PFD expenses	0	98,654	98,654	94,364	(4,290)	(4.35%)
Other Administrative	682,400	39,424	721,824	187,500	(534,324)	(74.02%)
IT Equipment Additions	0	0	0	81,300	81,300	#DIV/0!
Capital Outlay	60,000	0	60,000	200,000	140,000	233.33%
Total Non-Recurring Expenditures	800,200	275,015	1,075,215	591,164	(484,051)	(45.02%)
NONRECURRING REVENUES OVER (UNDER) NON-RECURRING EXPENDITURES	(742,400)	(11,785)	(754,185)	(458,300)		
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	(482,381)	486,756	4,375	(458,300)		
Fund Balance January 1,	4,405,914		4,405,914	4,410,289		
Fund Balance December 31	3,923,533		4,410,289	3,951,989		

Reserve as a percentage of recurring expenditures = *20.81%*

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
SPECIAL REVENUE FUNDS						
PUBLIC ART						
Revenues	40,600	51,944	92,544	42,000	(50,544)	(54.62%)
Expenditures	40,600	56,900	97,500	42,000	(55,500)	(56.92%)
Revenues over (under) expenditures	0	(4,956)	(4,956)	0		
Fund Balance January 1,	45,744		45,744	40,788		
Fund Balance December 31	45,744		40,788	40,788		
PATHS AND TRAILS						
Revenues	2,000	0	2,000	3,105	1,105	55.25%
Expenditures	0	0	0	4,000	4,000	#DIV/0!
Revenues over (under) expenditures	2,000	0	2,000	(895)		
Fund Balance January 1,	11,899		11,899	13,899		
Fund Balance December 31	13,899		13,899	13,004		
CONVENTION CENTER						
Revenues						
Hotel/Motel Tax	290,000	0	290,000	310,000	20,000	6.90%
Chelan County	50,000	0	50,000	50,000	0	0.00%
West Coast	179,000	0	179,000	176,000	(3,000)	(1.68%)
Miscellaneous	11,200	0	11,200	15,000	3,800	33.93%
Transfer from Hotel Tax-Capital	170,681	0	170,681	185,586	14,905	8.73%
Total Revenues	700,881	0	700,881	736,586	35,705	5.09%
Expenditures						
Operating	353,447	20,000	373,447	359,313	(14,134)	(3.78%)
Capital	85,000	93,000	178,000	75,000	(103,000)	(57.87%)
Debt Service	323,305	0	323,305	324,229	924	0.29%
Total Expenditures	761,752	113,000	874,752	758,542	(116,210)	(13.28%)
Revenues over (under) expenditures	(60,871)	(113,000)	(173,871)	(21,956)		
Fund Balance January 1,	403,716		403,716	229,845		
Fund Balance December 31	342,845		229,845	207,889		
HOTEL/MOTEL TAX - CAPITAL						
Revenues	160,600	0	160,600	171,000	10,400	6.48%
Expenditures						
Trasnsfer to Convention Center	170,681	0	170,681	185,586	14,905	8.73%
Revenues over (under) expenditures	(10,081)	0	(10,081)	(14,586)		
Fund Balance January 1,	24,667		24,667	14,586		
Fund Balance December 31	14,586		14,586	0		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
SPECIAL REVENUE FUNDS - Continued						
HOTEL/MOTEL TAX - TOURISM						
Revenues	292,200	0	292,200	312,500	20,300	6.95%
Expenditures	310,531	0	310,531	310,000	(531)	(0.17%)
Revenues over (under) expenditures	(18,331)	0	(18,331)	2,500		
Fund Balance January 1,	61,270		61,270	42,939		
Fund Balance December 31	42,939		42,939	45,439		
STREETS						
Revenues						
Property Taxes	1,147,900	0	1,147,900	1,166,500	18,600	1.62%
MVFT	411,600	0	411,600	421,912	10,312	2.51%
Billed to Storm Drain Fund	123,600	0	123,600	196,300		
Miscellaneous	15,000	0	15,000	38,000	23,000	153.33%
Total Revenues	1,698,100	0	1,698,100	1,822,712	124,612	7.34%
Expenditures						
Operating	1,698,052	0	1,698,052	1,822,697	124,645	7.34%
Capital	45,000	45,000	90,000	50,000	(40,000)	(44.44%)
Operating Transfers Out	121,517	0	121,517	0	(121,517)	(100.00%)
Total Expenditures	1,864,569	45,000	1,909,569	1,872,697	(36,872)	(1.93%)
Revenues over (under) expenditures	(166,469)	(45,000)	(211,469)	(49,985)		
Fund Balance January 1,	762,067		762,067	550,598		
Fund Balance December 31	595,598		550,598	500,613		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
SPECIAL REVENUE FUNDS - Continued						
ARTERIAL STREETS						
Revenues						
MVFT ($.0246/gallon)	191,100	0	191,100	195,887	4,787	2.50%
MVFT ($.0025+$.0025/gallon)	91,900	0	91,900	126,099	34,199	37.21%
Fed Pass Through	0	0	0	248,639	248,639	#DIV/0!
TIB	2,644,960	(1,386,458)	1,258,502	4,552,020	3,293,518	261.70%
CTED/CERB	0	0	0	1,772,464	1,772,464	#DIV/0!
Chelan County	30,000	0	30,000	150,000	120,000	400.00%
LINK	0	0	0	40,000	40,000	#DIV/0!
PUD	0	0	0	0	0	#DIV/0!
Interest	2,000	0	2,000	0	(2,000)	(100.00%)
Private contributions	1,200,000	(1,200,000)	0	1,200,000	1,200,000	#DIV/0!
Miscellaneous/In-Kind	0	0	0	13,266	13,266	#DIV/0!
Interfund loans received	0	2,495,792	2,495,792	0	(2,495,792)	(100.00%)
Proceeds from sale of land	0	0	0	2,495,792	2,495,792	#DIV/0!
Operating Transfers In	121,517	0	121,517	0	(121,517)	(100.00%)
Total Revenue	4,281,477	(90,666)	4,190,811	10,794,167	6,603,356	157.57%
Expenditures						
Capital construction	4,302,200	(230,932)	4,071,268	8,339,030	4,267,762	104.83%
Interfund loans repaid	0	0	0	2,495,792	2,495,792	#DIV/0!
Total Expenditures	4,302,200	(230,932)	4,071,268	10,834,822	6,763,554	166.13%
Revenues over (under) expenditures	(20,723)	140,266	119,543	(40,655)		
Fund Balance January 1,	23,285		23,285	142,828		
Fund Balance December 31	2,562		142,828	102,173		
LEOFF 1 - LONG-TERM CARE						
Revenues						
Operating Transfer from Fund 001	0	0	0	120,000	120,000	#DIV/0!
Miscellaneous	11,000	0	11,000	28,000	17,000	154.55%
Total Revenue	11,000	0	11,000	148,000	137,000	1245.45%
Expenditures	110,000	42,900	152,900	120,000	(32,900)	(21.52%)
Revenues over (under) expenditures	(99,000)	(42,900)	(141,900)	28,000		
Fund Balance January 1,	590,609		590,609	448,709		
Fund Balance December 31	491,609		448,709	476,709		
STREET OVERLAY						
Revenues						
2nd 1/4% R.E.E.T.	400,000	125,000	525,000	500,000	(25,000)	(4.76%)
Miscellaneous	18,000	0	18,000	32,000	14,000	77.78%
Total Revenue	418,000	125,000	543,000	532,000	(11,000)	(2.03%)
Expenditures	700,000	0	700,000	400,000	(300,000)	(42.86%)
Revenues over (under) expenditures	(282,000)	125,000	(157,000)	132,000		
Fund Balance January 1,	640,204		640,204	483,204		
Fund Balance December 31	358,204		483,204	615,204		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
SPECIAL REVENUE FUNDS - Continued						
ICE ARENA						
Revenues						
Operating	246,350	0	246,350	123,150	(123,200)	(50.01%)
Operating Trans.-In	0	0	0	0	0	#DIV/0!
Total Revenue	246,350	0	246,350	123,150	(123,200)	(50.01%)
Expenditures						
Operating	222,408	0	222,408	121,368	(101,040)	(45.43%)
Capital	0	0	0	0	0	#DIV/0!
Total Expenditures	222,408	0	222,408	121,368	(101,040)	(45.43%)
Revenues over (under) expenditures	23,942	0	23,942	1,782		
Fund Balance January 1,	176,708		176,708	200,650		
Fund Balance December 31	200,650		200,650	202,432		
HOUSING REHABILITATION						
Revenues	442,800	54,909	497,709	263,000	(234,709)	(47.16%)
Expenditures	555,000	(49,410)	505,590	347,000	(158,590)	(31.37%)
Revenues over (under) expenditures	(112,200)	104,319	(7,881)	(84,000)		
Fund Balance January 1,	129,739		129,739	121,858		
Fund Balance December 31	17,539		121,858	37,858		
COMMUNITY CENTER OPERATIONS						
Revenues						
Operating	75,900	0	75,900	58,100	(17,800)	(23.45%)
Operating transfer in - #115	0	8,000	8,000	33,916		
Miscellaneous	0	0	0	5,000	5,000	#DIV/0!
Total Revenue	75,900	8,000	83,900	97,016	13,116	15.63%
Expenditures						
Operating	75,900	0	75,900	84,047	8,147	10.73%
Operating transfers out	0	83,472	83,472	0	(83,472)	(100.00%)
Total Expenditures	75,900	83,472	159,372	84,047	(75,325)	(47.26%)
Revenues over (under) expenditures	0	(75,472)	(75,472)	12,969		
Fund Balance January 1,	272,494		272,494	197,022		
Fund Balance December 31	272,494		197,022	209,991		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
SPECIAL REVENUE FUNDS - Continued						
CDBG ENTITLEMENT						
Revenues	685,000	(232,581)	452,419	552,500	100,081	22.12%
Expenditures						
Operating	101,500	(9,000)	92,500	117,984	25,484	27.55%
Capital	283,500	(263,500)	20,000	400,600	380,600	1903.00%
Operating transfers out	300,000	39,919	339,919	33,916	(306,003)	(90.02%)
Total Expenditures	685,000	(232,581)	452,419	552,500	100,081	22.12%
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	246,570		246,570	246,570		
Fund Balance December 31	246,570		246,570	246,570		
LEOFF 1 - HEALTH INSURANCE						
Revenues	542,500	0	542,500	592,000	49,500	9.12%
Expenditures	542,500	0	542,500	580,000	37,500	6.91%
Revenues over (under) expenditures	0	0	0	12,000		
Fund Balance January 1,	156,740		156,740	156,740		
Fund Balance December 31	156,740		156,740	168,740		
HOMELESS HOUSING						
Revenues	0	230,000	230,000	175,000	(55,000)	(23.91%)
Expenditures	0	134,140	134,140	155,500	21,360	15.92%
Revenues over (under) expenditures	0	95,860	95,860	19,500		
Fund Balance January 1,	0		0	95,860		
Fund Balance December 31	0		95,860	115,360		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
DEBT SERVICE FUNDS						
UTGO BONDS						
Revenues	367,115	0	367,115	365,465	(1,650)	(0.45%)
Expenditures	367,115	0	367,115	365,465	(1,650)	(0.45%)
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	(14,208)		(14,208)	(14,208)		
Fund Balance December 31	(14,208)		(14,208)	(14,208)		
COUNCILMANIC (LTGO) BONDS						
Revenue	773,818	0	773,818	712,192	(61,626)	(7.96%)
Expenditures						
Operating	769,818	0	769,818	712,192	(57,626)	(7.49%)
Operating Transfers Out	0	0	0	0	0	#DIV/0!
Total Expenditures	769,818	0	769,818	712,192	(57,626)	(7.49%)
Revenues over (under) expenditures	4,000	0	4,000	0		
Fund Balance January 1,	16,363		16,363	20,363		
Fund Balance December 31	20,363		20,363	20,363		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
CAPITAL PROJECTS FUNDS						
REAL ESTATE EXCISE TAX						
Revenue						
1st 1/4% R.E.E.T.	400,000	125,000	525,000	510,000	(15,000)	(2.86%)
Interest	3,100	0	3,100	13,500	10,400	335.48%
Operating Transfers in	0	0	0	0	0	#DIV/0!
IAC Grant	198,500	(198,500)	0	198,500	198,500	#DIV/0!
DOE Grant	0	0	0	0	0	#DIV/0!
Total Revenues	601,600	(73,500)	528,100	722,000	193,900	36.72%
Expenditures						
Capital Outlay	198,500	(198,500)	0	198,500	198,500	#DIV/0!
Debt Service	175,208	0	175,208	174,060	(1,148)	(0.66%)
Total Expenditures	373,708	(198,500)	175,208	372,560	197,352	112.64%
Revenues over (under) expenditures	227,892	125,000	352,892	349,440		
Fund Balance January 1,	280,680		280,680	633,572		
Fund Balance December 31	508,572		633,572	983,012		
PEDESTRIAN OVERPASS						
Revenues	0	0	0	0	0	#DIV/0!
Expenditures (Op Trans to 309)	0	0	0	77,058	77,058	#DIV/0!
Revenues over (under) expenditures	0	0	0	(77,058)		
Fund Balance January 1,	126,190		126,190	126,190		
Fund Balance December 31	126,190		126,190	49,132		
ICE ARENA RENOVATION						
Revenues	0	0	0	0	0	#DIV/0!
Expenditures	0	0	0	0	0	#DIV/0!
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	50,061		50,061	50,061		
Fund Balance December 31	50,061		50,061	50,061		
COMMUNITY CNTR./MEMORIAL HALL						
Revenues						
Grants	110,000	0	110,000	0	(110,000)	(100.00%)
Insurance proceeds	0	0	0	0	0	#DIV/0!
Local	42,000	0	42,000	0	(42,000)	(100.00%)
Community Action (Gates)	285,000	0	285,000	0	(285,000)	(100.00%)
Miscellaneous	1,000	0	1,000	0	(1,000)	(100.00%)
Sale of Fixed Assets	320,000	0	320,000	0	(320,000)	(100.00%)
Operating transfers in	374,000	91,472	465,472	0	(465,472)	(100.00%)
Total Revenues	1,132,000	91,472	1,223,472	0	(1,223,472)	(100.00%)
Expenditures	1,170,000	0	1,170,000	0	(1,170,000)	(100.00%)
Revenues over (under) expenditures	(38,000)	91,472	53,472	0		
Fund Balance January 1,	225,681		225,681	279,153		
Fund Balance December 31	187,681		279,153	279,153		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
CAPITAL PROJECTS FUNDS - continued						
SWIMMING POOL SLIDE						
Revenues	0	0	0	0	0	#DIV/0!
Expenditures	0	0	0	0	0	#DIV/0!
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	120,852		120,852	120,852		
Fund Balance December 31	120,852		120,852	120,852		
PUBLIC WORKS FACILITY CONSTRUCTION						
Revenues						
Operating transfers from #001	511,000	63,000	574,000	0	(574,000)	(100.00%)
Operating transfers from #401	0	1,236,348	1,236,348	0	(1,236,348)	(100.00%)
Total Revenue	511,000	1,299,348	1,810,348	0	(1,810,348)	(100.00%)
Expenditures	511,000	1,299,348	1,810,348	0	(1,810,348)	(100.00%)
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	0		0	0		
Fund Balance December 31	0		0	0		
ORONDO BOAT MOORAGE						
Revenues						
Grants	0	0	0	216,885	216,885	#DIV/0!
Interlocal - Port	0	0	0	86,667	86,667	#DIV/0!
Interlocal - PUD	0	0	0	0	0	#DIV/0!
Loan from General Fund	0	0	0	0	0	#DIV/0!
Operating transfers in-from 302	0	0	0	77,058	77,058	#DIV/0!
Total Revenue	0	0	0	380,610	380,610	#DIV/0!
Expenditures						
Capital	0	0	0	315,500	315,500	#DIV/0!
Loan repayment to General Fund	0	0	0	0	0	#DIV/0!
Total Expenditures	0	0	0	315,500	315,500	#DIV/0!
Revenues over (under) expenditures	0	0	0	65,110		
Fund Balance January 1,	0		0	0		
Fund Balance December 31	0		0	65,110		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
ENTERPRISE FUNDS						
WATER / SEWER						
Revenues:						
Operating	7,246,400	0	7,246,400	7,292,200	45,800	0.63%
Non-operating	191,500	0	191,500	290,400	98,900	51.64%
Bond / Loan Proceeds	0	129,700	129,700	0	(129,700)	(100.00%)
Loan repayment from Arterial Strt	0	0	0	2,495,792	2,495,792	#DIV/0!
Total Revenues	7,437,900	129,700	7,567,600	10,078,392	2,510,792	24.91%
Expenses:						
O & M	5,158,075	0	5,158,075	5,697,435	539,360	10.46%
Capital Outlay	2,534,000	(1,034,000)	1,500,000	4,200,000	2,700,000	180.00%
Loan to Arterial Steets	0	2,495,792	2,495,792	0	(2,495,792)	(100.00%)
Operating transfers out to #308	0	1,236,348	1,236,348	0	(1,236,348)	(100.00%)
SRF Loan Interest	113,534	0	113,534	110,986	(2,548)	(2.24%)
SRF Loan Principal	327,325	(327,325)	0	319,978	319,978	#DIV/0!
Bond Interest	209,740	(113,534)	96,206	191,302	95,096	98.85%
Bond Principal (12/1)	730,252	0	730,252	661,801	(68,451)	(9.37%)
Total Expenses	9,072,926	2,257,281	11,330,207	11,181,502	(148,705)	(1.31%)
Change in Net Working Capital	(1,635,026)	(2,127,581)	(3,762,607)	(1,103,110)		
Beginning Working Cap.	7,138,356		7,138,356	3,375,749		
Ending Working Cap.	5,503,330		3,375,749	2,272,639		
STORM DRAIN UTILITY						
Revenues:						
Operating	715,500	0	715,500	874,600	159,100	22.24%
Miscellaneous	62,000	0	62,000	60,000	(2,000)	(3.23%)
Total Revenues	777,500	0	777,500	934,600	157,100	20.21%
Expenses:						
O&M	307,200	0	307,200	556,714	249,514	81.22%
Capital Outlay	600,000	(325,000)	275,000	625,000	350,000	127.27%
Bond Interest	117,441	0	117,441	111,206	(6,235)	(5.31%)
Bond Principal (12/1)	135,417	0	135,417	140,833	5,416	4.00%
Total Expenses	1,160,058	(325,000)	835,058	1,433,753	598,695	71.70%
Change in Net Working Capital	(382,558)	325,000	(57,558)	(499,153)		
Beginning Working Cap.	923,348		923,348	865,790		
Ending Working Cap.	540,790		865,790	366,637		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
ENTERPRISE FUNDS - Continued						
REGIONAL WATER						
Revenues						
Operating	1,296,900	0	1,296,900	1,359,400	62,500	4.82%
Non-operating	14,000	0	14,000	25,000	11,000	78.57%
Total Revenues	1,310,900	0	1,310,900	1,384,400	73,500	5.61%
Expenses:						
O&M	432,909	0	432,909	467,654	34,745	8.03%
Capital Outlay	585,000	(535,000)	50,000	750,000	700,000	1400.00%
Bond Interest	66,495	0	66,495	53,951	(12,544)	(18.86%)
Bond Principal (12/1)	506,415	0	506,415	396,533	(109,882)	(21.70%)
Total Expenses	1,590,819	(535,000)	1,055,819	1,668,138	612,319	57.99%
Change in Net Working Capital	(279,919)	535,000	255,081	(283,738)		
Beginning Working Cap.	717,234		717,234	972,315		
Ending Working Cap.	437,315		972,315	688,577		
SOLID WASTE						
Revenues	1,579,400	0	1,579,400	1,679,800	100,400	6.36%
Expenses						
O & M	1,581,560	0	1,581,560	1,679,060	97,500	6.16%
Transfers Out	0	0	0	0	0	#DIV/0!
Total Expenses	1,581,560	0	1,581,560	1,679,060	97,500	6.16%
Change in Net Working Capital	(2,160)	0	(2,160)	740		
Beginning Working Cap.	152,167		152,167	150,007		
Ending Working Cap.	150,007		150,007	150,747		
CEMETERY						
Revenues						
Operating	175,000	0	175,000	180,000	5,000	2.86%
Miscellaneous	900	0	900	3,300	2,400	266.67%
Operating Trans In-Fund 610	30,000	0	30,000	0	(30,000)	(100.00%)
Op Trans In- GF for operations	57,400	(22,000)	35,400	67,791	32,391	91.50%
Op Trans In- GF for capital	0	0	0	50,000	50,000	#DIV/0!
Total Revenues	263,300	(22,000)	241,300	301,091	59,791	24.78%
Expenses:						
O & M	232,812	0	232,812	266,228	33,416	14.35%
Capital Outlay	52,000	(22,000)	30,000	50,000	20,000	66.67%
Total Expenses	284,812	(22,000)	262,812	316,228	53,416	20.32%
Change in Net Working Capital	(21,512)	0	(21,512)	(15,137)		
Beginning Working Cap.	56,649		56,649	35,137		
Ending Working Cap.	35,137		35,137	20,000		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
INTERNAL SERVICE FUNDS						
CITY SERVICES - Equip. O&M						
Revenues						
Operating	686,145	0	686,145	736,589	50,444	7.35%
Fire truck replacement	90,372	0	90,372	93,082	2,710	3.00%
Non-operating	15,000	0	15,000	25,000	10,000	66.67%
Residual equity transfer in	0	0	0	0	0	#DIV/0!
Total Revenue	791,517	0	791,517	854,671	63,154	7.98%
Expenses:						
O & M	714,728	26,000	740,728	764,813	24,085	3.25%
Capital Outlay	0	0	0	0	0	#DIV/0!
Bond Interest	0	0	0	0	0	#DIV/0!
Bond Principal (12/1)	0	0	0	0	0	#DIV/0!
Total Expenses	714,728	26,000	740,728	764,813	24,085	3.25%
Change in Net Working Capital	76,789	(26,000)	50,789	89,858		
Beginning Working Cap.	268,470		268,470	319,259		
Ending Working Cap.	345,259		319,259	409,117		
CITY SERVICES - Equip. Replacement						
Revenues						
Operating	377,779	0	377,779	424,154	46,375	12.28%
Non-operating	32,000	0	32,000	50,000	18,000	56.25%
Total Revenue	409,779	0	409,779	474,154	64,375	15.71%
Expenses:						
O & M	19,077	0	19,077	36,753	17,676	92.66%
Capital Outlay	772,117	(217,411)	554,706	673,657	118,951	21.44%
Operating transfer out-to IT	0	0	0	52,500	52,500	#DIV/0!
Total Expenses	791,194	(217,411)	573,783	762,910	189,127	32.96%
Change in Net Working Capital	(381,415)	217,411	(164,004)	(288,756)		
Beginning Working Cap.	1,181,291		1,181,291	1,017,287		
Ending Working Cap.	799,876		1,017,287	728,531		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
INTERNAL SERVICE FUNDS - Continued						
CITY SERVICES - Facilities						
Revenues						
Operating	281,972	0	281,972	302,400	20,428	7.24%
Child Care Center Rent	3,000	0	3,000	6,300	3,300	110.00%
Non-operating	5,000	0	5,000	7,000	2,000	40.00%
Total Revenue	289,972	0	289,972	315,700	25,728	8.87%
Expenses:						
O & M	286,972	20,000	306,972	309,414	2,442	0.80%
Capital Outlay	40,000	0	40,000	0	(40,000)	(100.00%)
Total Expenses	326,972	20,000	346,972	309,414	(37,558)	(10.82%)
Change in Net Working Capital	(37,000)	(20,000)	(57,000)	6,286		
Beginning Working Cap.	112,389		112,389	55,389		
Ending Working Cap.	75,389		55,389	61,675		
SELF - INSURANCE						
Revenues:						
Property/Casualty	1,066,700	0	1,066,700	1,074,200	7,500	0.70%
Interest	34,000	0	34,000	50,000	16,000	47.06%
Total Revenue	1,100,700	0	1,100,700	1,124,200	23,500	2.14%
Expenses:						
Property/Casualty	733,000	0	733,000	709,000	(24,000)	(3.27%)
Operating Transfer to Fund 110	0	0	0	0	0	#DIV/0!
Operating Transfer to Fund 116	0	0	0	0	0	#DIV/0!
Total Expenses	733,000	0	733,000	709,000	(24,000)	(3.27%)
Change in Net Working Capital	367,700	0	367,700	415,200		
Beginning Working Cap.	1,487,394		1,487,394	1,855,094		
Ending Working Cap.	1,855,094		1,855,094	2,270,294		
INFORMATION TECHNOLOGY						
Revenues						
Operating	712,650	0	712,650	741,600	28,950	4.06%
Interest income	5,000	0	5,000	10,000	5,000	100.00%
IT Equipment Additions	0	0	0	82,700	82,700	#DIV/0!
Operating Transfers In-from GF	0	0	0	137,500		
Operating Transfers In-from 503	0	0	0	52,500	52,500	#DIV/0!
Total Revenue	717,650	0	717,650	1,024,300	306,650	42.73%
Expenses:						
O & M	844,075	0	844,075	823,097	(20,978)	(2.49%)
Capital Outlay	0	0	0	199,000	199,000	#DIV/0!
Total Expenses	844,075	0	844,075	1,022,097	178,022	21.09%
Change in Net Working Capital	(126,425)	0	(126,425)	2,203		
Beginning Working Cap.	270,902		270,902	144,477		
Ending Working Cap.	144,477		144,477	146,680		

	2006 Budget			2007	Difference	
	As Initially Adopted	Amendments & Adjustments	Final	Budget	$	%
FIDUCIARY FUNDS						
CEMETERY TRUST						
Revenues	38,000	0	38,000	37,500	(500)	(1.32%)
Expenses	30,000	0	30,000	0	(30,000)	(100.00%)
Revenues over (under) expenditures	8,000	0	8,000	37,500		
Fund Balance January 1,	670,083		670,083	678,083		
Fund Balance December 31	678,083		678,083	715,583		
FIREMEN'S PENSION						
Revenues						
Property taxes	427,000	0	427,000	452,600	25,600	6.00%
Miscellaneous	84,664	0	84,664	119,100	34,436	40.67%
Total Revenue	511,664	0	511,664	571,700	60,036	11.73%
Expenses	151,700	0	151,700	127,600	(24,100)	(15.89%)
Revenues over (under) expenditures	359,964	0	359,964	444,100		
Fund Balance January 1,	2,509,761		2,509,761	2,869,725		
Fund Balance December 31	2,869,725		2,869,725	3,313,825		

City of Wenatchee
Full Time Equivalent Employee Comparison

		1998 Budget	1999 Budget	2000 Budget	2001 Budget	2002 Budget	2003 Budget	2004 Budget	2005 Budget	2006 Budget	2007 Budget	
General Fund												
Excluding Public Safety												
Commission		4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	
Mayor's Office		0.00	0.00	2.00	3.00	3.00	3.00	3.00	3.000	3.000	4.500	*(1)*
City Administrator		1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	
Finance		11.10	11.10	11.00	11.00	10.50	10.50	10.50	10.500	11.500	11.500	
Human Resources		1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.000	2.000	2.000	
Code Enforcement		5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.000	4.000	4.000	
Planning		6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.000	5.640	8.040	*(2,3)*
Engineering		7.80	7.80	7.80	6.75	5.75	5.25	5.10	5.375	5.375	5.525	*(3)*
Parks & Recreation		11.05	11.05	11.05	11.05	10.10	0.00	0.00	0.000	0.000	0.000	
Recreation & Swimming Pool		0.00	0.00	0.00	0.00	0.00	2.35	2.35	2.350	2.850	3.225	*(4)*
Park Maintenance		0.00	0.00	0.00	0.00	0.00	7.55	7.55	7.575	7.575	7.575	
Museum		8.00	7.50	7.50	7.00	6.00	4.80	4.80	4.800	5.800	6.000	*(5)*
Total excluding public safety		55.85	55.35	53.35	51.80	47.35	45.45	45.30	45.600	47.740	52.365	
Fire												
Fire Administration		2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.000	2.000	2.000	
Firefighters		32.00	32.00	32.00	33.00	34.00	34.00	34.00	34.000	34.000	34.000	
Fire-911 Dispatchers		5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	
Total Fire Department		39.50	34.50	34.50	35.50	36.00	36.00	36.00	36.000	36.000	36.000	
Police												
Police Officers	**	36.00	36.00	36.00	38.00	39.00	39.00	40.00	40.000	40.000	42.000	*(6)*
Admin. Support		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	
Parking Enforcement		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	
Dispatch & Records Supervisor		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	
Clerks/Records/Evidence		5.00	5.00	5.00	6.00	5.00	5.00	6.00	7.000	8.000	8.000	
Dispatchers		7.00	13.00	13.00	13.00	14.00	13.00	6.50	0.000	0.000	0.000	
Total Police Department		51.00	57.00	57.00	60.00	61.00	60.00	55.50	50.000	51.000	53.000	
General Fund Total		146.35	146.85	144.85	147.30	144.35	141.45	136.80	131.600	134.740	141.365	
All Other Funds												
Criminal Justice Fund	**	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.000	0.000	0.000	
Convention Center Fund		1.15	1.15	1.15	1.35	1.35	1.30	1.30	1.800	1.875	2.125	*(3)*
Streets Fund		13.10	13.10	12.10	12.10	12.10	11.80	11.80	11.000	11.900	12.800	*(3)*
Ice Arena Fund		0.95	0.95	0.95	0.95	0.90	0.75	0.75	0.750	0.750	0.375	*(4)*
Housing Rehabilitation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.270	*(7)*
Community Center Operations		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.500	*(7)*
CDBG Entitlement		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.230	*(7)*
Water/Sewer Fund		21.00	21.50	22.80	22.35	22.35	22.15	23.15	23.400	23.400	24.050	*(3)*
Regional Water Fund		3.15	2.65	1.45	1.45	1.45	1.45	1.55	1.450	1.450	1.450	
Sanitation Fund		0.10	0.10	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	
Storm Drain Fund		0.10	0.10	0.10	0.10	0.10	0.10	0.15	2.350	1.450	1.850	*(3)*
Cemetery Fund		3.00	3.00	3.00	2.00	2.00	2.05	2.05	2.050	2.050	2.050	
Equip Rental - O & M Fund		3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.700	3.500	3.800	*(3)*
Equip Rental - Replacement Fund		0.35	0.35	0.25	0.25	0.25	0.15	0.15	0.200	0.250	0.450	*(3)*
Facilities Maintenance Fund		2.20	2.20	2.20	2.00	2.00	1.95	1.95	2.500	2.575	2.825	*(3)*
Data Processing Fund		1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.500	4.000	4.000	
Columbia River Drug Task Force Fund												
Police Officers	**	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000	0.000	0.000	
Admin. Support		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000	0.000	0.000	
Total excluding general fund		53.75	54.75	53.65	52.20	50.15	49.35	50.50	53.700	53.200	56.775	
Total Full Time Equivalent Employees		200.10	201.60	198.50	199.50	194.50	190.80	187.30	185.300	187.940	198.140	
*** Total police officers*		*39.00*	*39.00*	*39.00*	*41.00*	*40.00*	*40.00*	*41.00*	*41.00*	*40.00*	*42.00*	

FTE Changes from 2006 Budget Adoption to 2007 Budget Request
(changes that are not specifically noted indicate a redistribution of position responsibilities)

(1) Reflects the mid-2006 addition of a .75 FTE Administrative Assistant and a 2007 addition of a .75 FTE Project Manager for the Event Center construction project. We anticipate the cost of the Project Manager to be $94,364 in 2007 and that the entire amount will be reimbursed to the City of Wenatchee by the Greater Wenatchee Regional Events Center Public Facility District.

(2) Reflects the 2007 addition of 2.0 FTE Planner positions.

(3) Reflects the 2007 reorganization of the Public Works and Community Development Departments resulting in the following position changes:
+1.00 FTE City Services Supervisor (allocated amongst numerous departments and funds).
+1.00 FTE Contracts Administrator (allocated amongst numerous departments and funds).
+1.00 FTE Secretary (allocated amongst numerous departments and funds).
+1.00 FTE Utility Worker in the Street Fund
+1.00 FTE Waste Water Operator in the Water/Sewer Fund
-1.00 FTE Administrative Assistant (allocated amongst numerous departments and funds).
- .50 FTE Grounds Maintenance position from the Water/Sewer Fund.

(4) Recognizing that the Ice Arena will be open for a short season due to the construction of the Event Center, we are transferring 1/2 of the FTEs from the Ice Arena to the Recreation/Swimming Pool Department where the duties of the employee will be reevaluated. This results in the reassignment of .375 FTE in 2007. The remaining .375 FTE will be absorbed by the General Fund in 2008.

(5) Reflects the 4th quarter 2006 upgrade of the Museum Director from .8 to 1.0 FTE.

(6) Reflects the 2007 addition of 2.0 FTE Police Officer positions.

(7) Reflects the 2007 addition of a 1.0 FTE Community Center Coordinator.

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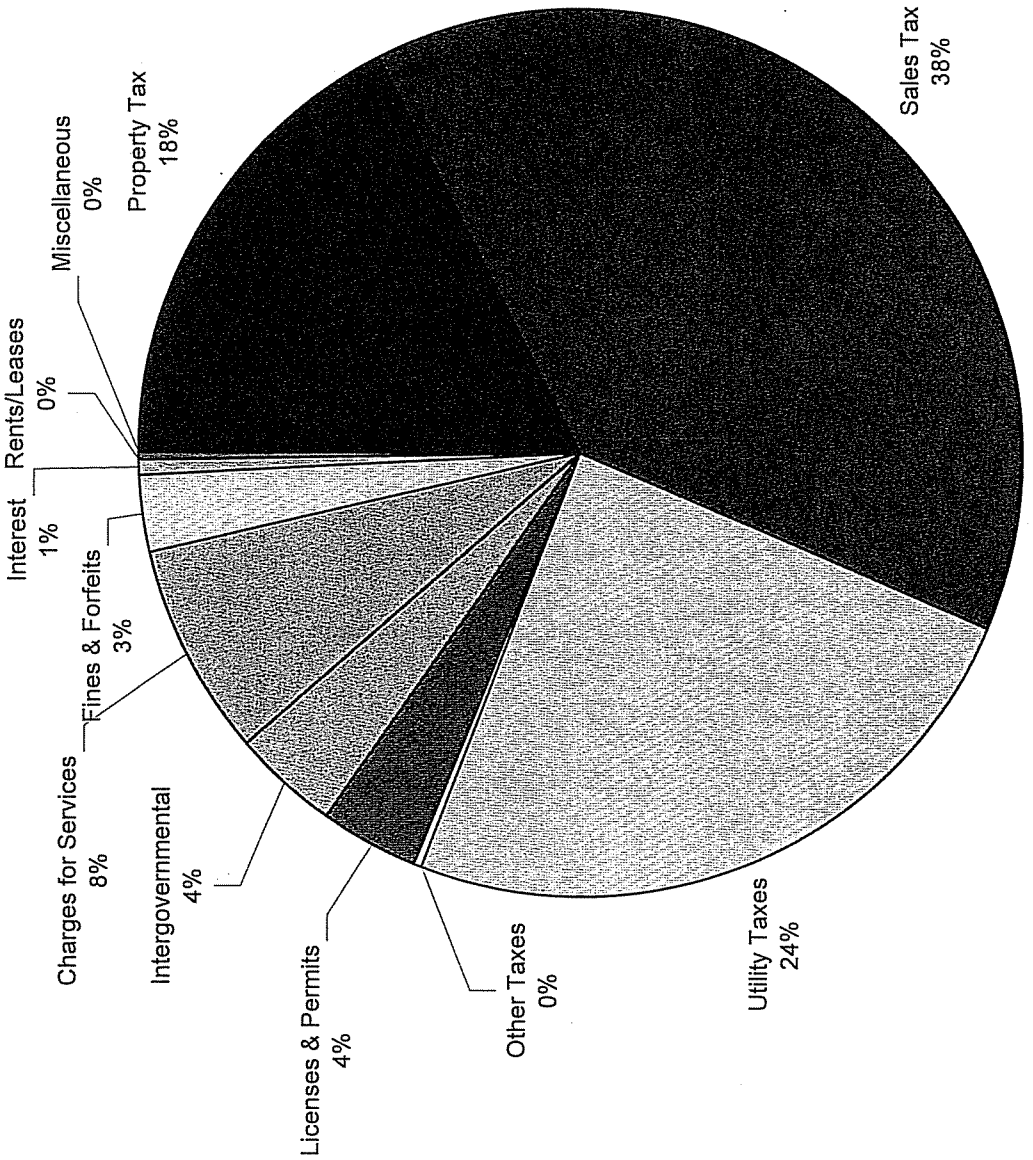
CITY OF WENATCHEE, WA

Analysis of 2007 General Fund Budget

Recurring Revenues

Source	Amount	% of Total	
Property Tax	3,325,900	17.5%	80.8%
Sales Tax	7,364,266	38.8%	
Utility Taxes	4,657,200	24.5%	
Other Taxes	47,000	0.2%	
Licenses & Permits	707,000	3.7%	
Intergovernmental	700,500	3.7%	
Charges for Services	1,480,335	7.8%	
Fines & Forfeits	530,000	2.8%	
Interest	140,000	0.7%	
Rents/Leases	15,600	0.1%	
Miscellaneous	20,000	0.2%	
Total	18,987,801	100.0%	


Sales Tax
38%
Utility Taxes
24%
Other Taxes
0%
Licenses & Permits
4%
Intergovernmental
4%
Charges for Services
8%
Fines & Forfeits
3%
Interest
1%
Rents/Leases
0%
Miscellaneous
0%
Property Tax
18%

CITY OF WENATCHEE, WA

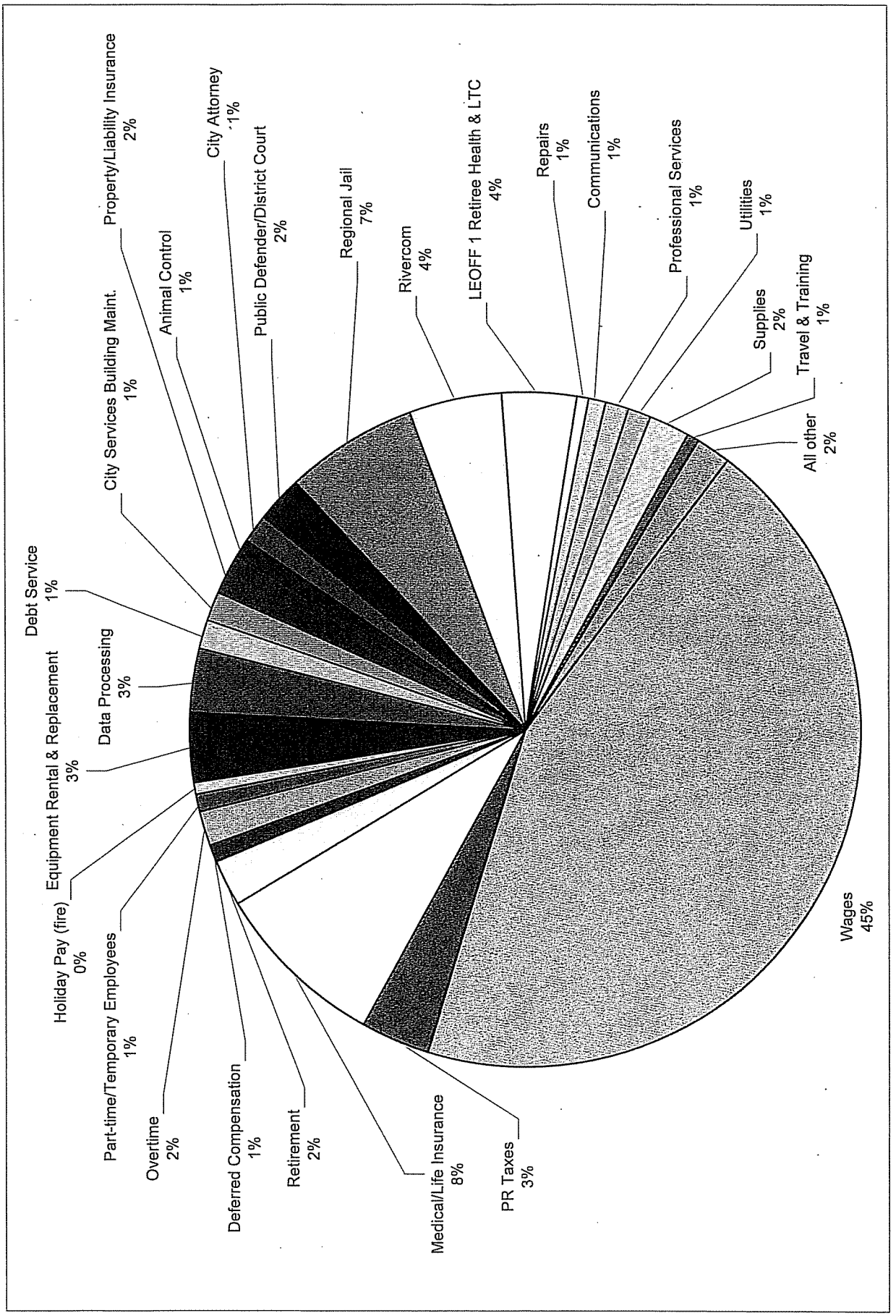
Analysis of 2007 General Fund Budget

Recurring Expenditures

Payroll related expenditures		
Wages	8,443,106	44.5%
PR Taxes	623,160	3.3%
Medical/Life Insurance	1,549,064	8.2%
Retirement	430,023	2.3%
Deferred Compensation	148,548	0.8%
Overtime	332,300	1.8%
Part-time/Temporary Employees	147,560	0.8%
Holiday Pay (fire)	80,300	0.4%
Total payroll related	11,754,061	61.9%
Non-payroll related expenditures		
Equipment Rental & Replacement	648,526	3.4%
Data Processing	589,700	3.1%
Debt Service	248,545	1.3%
City Services Building Maint.	257,000	1.4%
Property/Liability Insurance	398,700	2.1%
Animal Control	166,749	0.9%
City Attorney	225,000	1.2%
Public Defender/District Court	426,000	2.2%
Regional Jail	1,250,500	6.6%
Rivercom	800,200	4.2%
LEOFF 1 Retiree Health Ins & LTC.	700,000	3.7%
Repairs	125,816	0.7%
Communications	111,113	0.6%
Professional Svc.	206,339	1.1%
Utilities	216,900	1.1%
Supplies	388,549	2.0%
Travel & Training	103,744	0.5%
All other	370,359	2.5%
Total non-payroll related	7,233,740	38.6%
Total Recurring Expenditures	18,987,801	100.0%

OT	
Fire	150,000
Police	167,000
	317,000

Part-time	
Rec	53,000
Pool	48,960
Parks	28,000
	129,960


Property/Liability Insurance 2%
City Attorney 1%
Public Defender/District Court 2%
Regional Jail 7%
Rivercom 4%
LEOFF 1 Retiree Health & LTC 4%
Repairs 1%
Communications 1%
Professional Services 1%
Utilities 1%
Supplies 2%
Travel & Training 1%
All other 2%
Wages 45%
PR Taxes 3%
Medical/Life Insurance 8%
Retirement 2%
Deferred Compensation 1%
Overtime 2%
Part-time/Temporary Employees 1%
Holiday Pay (fire) 0%
Equipment Rental & Replacement 3%
Data Processing 3%
Debt Service 1%
City Services Building Maint. 1%
Animal Control 1%

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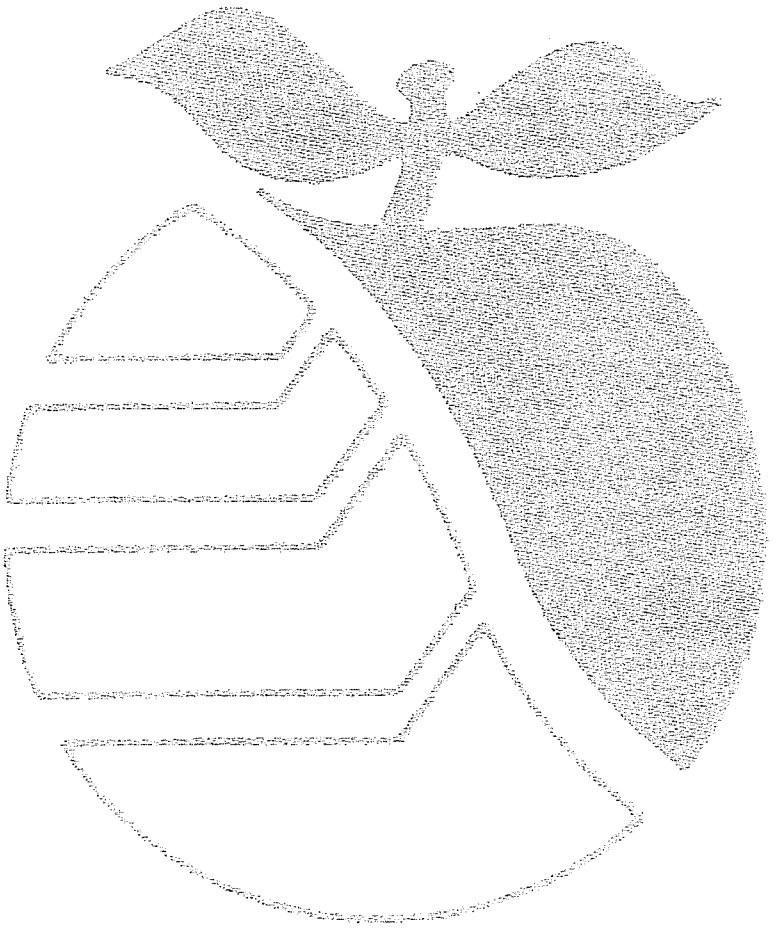
Part 5. Capital Facilities Plan



Included in this portion of the 2007 Budget document is a detailed description of the City of Wenatchee's capital facilities plan.

Pages 2 through 8 of this section reflect the capital expenditures that the City of Wenatchee plans to make in 2007.

- Page 2 of this section reflects a summary of capital awards sorted by fund and categorized by type of purchase.
- Pages 3 of this section reflect a detailed description of general equipment purchases.
- Page 4 reflects scheduled replacements of portions of the City's fleet.
- Pages 5 & 6 reflect the purchase of additional data processing equipment that reflects an expansion of the existing hardware and software currently in use throughout the various City departments.
- Pages 7 & 8 reflect capital construction projects.

The remainder of this section contains the City of Wenatchee Capital Facilities Plan for the years 2007 through 2012 that is expected to be presented to the Wenatchee City Council for approval sometime during late February or early March of 2007.

CITY OF WENATCHEE, WA
2007 Budget
Capital Outlay Requests

12/5/2006

		Equipment and Repairs	ERR Scheduled Equip Replace.	Department IT Equip. Requests	Capital Facilities Plan	Total Requests by Fund	Currently Included in 2007 Budget	Not in Budget at this Time
General Fund	001							
Mayor/Council		0	0	16,800	0	16,800	16,800	0
Finance		0	0	700	0	700	700	0
Planning		0	0	27,500	0	27,500	27,500	0
Engineering		0	0	12,400	0	12,400	12,400	0
Recreation		32,000	0	200	0	32,200	10,200	22,000
Museum		30,000	0	0	0	30,000	30,000	0
Park Maintenance		10,000	0	0	0	10,000	10,000	0
Fire		0	0	2,100	0	2,100	2,100	0
Police		0	0	21,600	0	21,600	21,600	0
Broadview Road Access		0	0	0	150,000	150,000	150,000	0
		72,000	0	81,300	150,000	303,300	281,300	22,000
Public Art	101	30,500	0	0	0	30,500	30,500	0
Convention Center	106	75,000	0	0	0	75,000	75,000	0
Street O&M	108	0	0	0	50,000	50,000	50,000	0
Arterial Streets	109	0	0	0	8,339,030	8,339,030	8,339,030	0
Street Overlay	111	0	0	0	400,000	400,000	400,000	0
CDBG Entitlement	115	0	0	0	400,600	400,600	400,600	0
1st 1/4% REET	301	0	0	0	198,500	198,500	198,500	0
Fire Station		0	0	0	9,000,000	9,000,000	0	9,000,000
Public Works Relocation	308	0	0	0	12,107,200	12,107,200	0	12,107,200
Orondo Moorage & Parking	309	0	0	0	315,500	315,500	315,500	0
Water/Sewer	401	400,000	0	1,400	3,800,000	4,201,400	4,201,400	0
Storm Drain	410	0	0	0	625,000	625,000	625,000	0
Regional Water	415	0	0	0	750,000	750,000	750,000	0
Cemetery	430	0	0	0	50,000	50,000	50,000	0
Equip. Replacement	503	0	673,657	0	0	673,657	673,657	0
Facility Maintenance	504	0	0	0	0	0	0	0
Information Technology	505	199,000	0	0	0	199,000	199,000	0
Total requests by type		776,500	673,657	82,700	36,185,830	37,718,687	16,589,487	21,129,200

Note: On the following pages those items that are currently included in the 2007 Budget are displayed in normal type face. Those requests that are not currently included are in ***italicized & bold type face***.

CITY OF WENATCHEE, WA
2007 Budget
GENERAL EQUIPMENT AND REPAIR COSTS

12/5/2006

General Fund		
Recreation		
- ***15 Passenger Recreation Van***	***22,000***	
- New restroom in Carnegie Building	10,000	32,000
Museum		
- New HVAC units		30,000
Park Maintenance Department		
- Playground equipment improvements		10,000
Total General Fund		72,000
Special Rev. Funds		
Fund 101 Public Art Fund		
- Purchase of Miscellaneous Sculptures		30,500
Fund #106 - Convention Center Fund		
- Miscellaneous annual equipment replacement/upgrades		75,000
Proprietary Funds		
Fund #401 Water/Sewer		
Water Division		
- Automatic Meter Reading (AMR) System Installation	100,000	
Sewer Division		
- Vactor Truck	300,000	400,000
Fund #505 Information Technology		
- Web Site Development	100,000	
- Telephone System Upgrade	52,500	
- Council chambers tech upgrades	30,000	
- Eden Parcel Manager Software for Community Development	16,500	199,000
Total 2007 General Equipment and Repair Requests		776,500

CITY OF WENATCHEE, WA
2007 Budget
City Services - Equipment Replacement Fund

12/5/2006

SCHEDULED EQUIPMENT REPLACEMENTS

General Fund		
Code Enforcement		
- 6-5 Pick-up or Small SUV		24,489
Fire Department		
- 3-2 Upgrade to 4X4 Full Size SUV		29,093
Parks Department		
- 8-3 Wide Area Mower	91,124	
- 8-15 1/2 ton 4X4 Pickup w/plow	40,611	131,735
Police Department		
- 1-12 Patrol Vehicle	24,480	
- 1-16 Patrol Vehicle	24,492	48,972
Total General Fund Replacements		234,289
Street Fund		
- 7-4 3/4 Ton Cab & Chassis w/work box	30,865	
- 7-33 1 1/2 Ton Cab & Chassis w/Dump Bed	38,493	
- 7-35 Vacuum Street Sweeper	132,147	
- 7-38 Flusher Truck	123,750	325,255
Water/Sewer Fund		
- 4-2 Ext Cab 4X4 Puickup	23,833	
- 4-11 1 1/2 Cab & Chassis (reuse box)	30,301	
- 4-19T 5 Yard Dump Trailer	22,989	77,123
Cemetery Fund		
- *9-15* Casket lowering Equipment Canvas Only	4,140	
- *9-10* Lawn Sweeper	22,850	26,990
Miscellaneous		
- Fleet repair and incidental maintenance		10,000
Total 2007 Scheduled Equipment Replacements		673,657

CITY OF WENATCHEE, WA
2007 Budget
New IT Equipment & Software Requests
Budget Line Items: 505.0000.001.518.80.64.30 - IT Equipment Additions for Departments
505.0000.001.594.10.64.00 - Software - Eden Parcel Manager

8/24/2006

Department	Hardware/Software	Departmental Description for Business Need	I.S. Comments	Hardware Budget	Software Budget	Capital Budget	Total Budget
Engineering	1 - PC & Monitor	Workstation for new personnel request.	Need new equipment if the position is added.	$1,200	$1,200	$0	$2,400
Engineering	1 - PC & Monitor	Workstation for new personnel request.	Need new equipment if the position is added.	$1,200	$300	$0	$1,500
Engineering/Planning	1 - 36" x 42" Scanner	Help with records management of engineering and planning department drawings.	The two departments will split the costs 50/50. Will provide quicker access to large departmental documents.	$8,500	$0	$0	$8,500
							$12,400
Finance	3 - Bar Code Scanners	Scan bar codes on utility bills	Will increase productivity and accuracy for the data entry of utility bills.	$700	$0	$0	**$700**
Fire	1 - Laptop	Will provide staff vehicle with mapping, pre-incident information, and CAD call information for Command Level response	A mobile data terminal (MDT) would be helpful to Fire as Stan explains in the business need column.	$1,800	$300	$0	**$2,100**
Mayor/Council	8 - Laptops		Will provide laptops to Mayor/Council for electronic council packets, email access, and other data access.	$14,400	$2,400	$0	**$16,800**
Parks	1 - Printer	Will keep Sarah from running from office to office.	There is no centralized network printer in Parks.	$200	$0	$0	**$200**
Planning	ArcGIS Spatial Analyst software extension	With the software you can find suitable locations, perform land use analysis, predict fire risk, analyze transportation corridors, determine pollution levels, perform demographic analysis, etc.	Will allow Planning to extend the analysis of the data currently in GIS.	$0	$2,500	$0	$2,500
Planning	Eden Parcel Manager	Use the software to track growth by district as required by the CERB grant	Parcel Manager maintains a comprehensive database of property information that potentially could be used for other purposes besides the departmental need.	$0	$0	$16,500	$16,500
Engineering/Planning	1 - 36" x 42" Scanner	Help with records management of engineering and planning department drawings.	The two departments will split the costs 50/50. Will provide quicker access to large departmental documents.	$8,500	$0	$0	$8,500
							$27,500

CITY OF WENATCHEE, WA
2007 Budget
New IT Equipment & Software Requests
Budget Line Items: 505.0000.001.518.80.64.30 - IT Equipment Additions for Departments
505.0000.001.594.10.64.00 - Software - Eden Parcel Manager

8/24/2006

Department	Hardware/Software	Departmental Description for Business Need	I.S. Comments	Hardware Budget	Software Budget	Capital Budget	Total Budget
Police	30 - USB Card readers	Multi media card readers will allow employees to view and print pictures from their work stations and electronically transfer their pictures to our records department.	Will provide easy access to pictures on SD & CF cards without hooking up cameras to the PCs.	$1,000	$0	$0	$1,000
Police	6 - Dual Monitors	With one monitor committed to Spillman Mobile and the other montior available for the workstation, it allows the supervisor to conduct normal business while constantly monitoring field activities.	One monitor will be replaced out of the I.S. replacement budget. The second comes from this line item.	$1,800	$0	$0	$1,800
Police	2 - 24" Monitors	With one monitor committed to Spillman Mobile and the other montior available for the workstation, it allows the supervisor to conduct normal business while constantly monitoring field activities.	Adding to increase productivity.	$1,700	$0	$0	$1,700
Police	8 - Laptops		Replacement of mobile data terminals (MDTs) in Police cars. Never was added to the I.S. Replacement cycle.	$17,100	Included in Dept Rates	$0	$17,100
							$21,600
Waste Water	1 - PC & Monitor		Replacement of PC in Waste Water's camera truck. Never was added to the I.S. Replacement cycle.	$1,200	Included in Dept Rates	$0	$1,200
Waste Water	1 - Printer		Replacement of printer in Waste Water's camera truck. Never was added to the I.S. Replacement cycle.	$200	$0	$0	$200
							$1,400
Totals				$59,500	$6,700	$16,500	**$82,700**

CITY OF WENATCHEE, WA
2007 Budget
CAPITAL FACILITIES PLAN

12/5/2006

		Amount	Total by Fund	Account Number
General Fund				
Community Development				
- Broadview Road Access		150,000	150,000	001.0000.020.594.11.63.00
Street Fund				
- Miscellaneous Sidewalk Replacements		10,000		108.0000.001.595.61.63.00
- Downtown Crosswalk Replacements		40,000		108.0000.001.595.61.63.00
Total Street Fund			50,000	
Arterial Street Fund				
- Riverside Drive		5,352,200		109.0000.001.595.30.63.00
- Okanogan SW		176,850		109.0000.001.595.30.63.00
- Hawley/Walnut		843,500		109.0000.001.595.30.63.00
- Walla Walla		1,637,464		109.0000.001.595.30.63.00
- Washington-Miller Signal		54,000		109.0000.001.595.30.63.00
- McKittrick Signal		126,750		109.0000.001.595.30.63.00
- Brick Streets		98,266		109.0000.001.595.30.63.00
- Miscellaneous		50,000		109.0000.001.595.30.63.00
Total Arterial Street Fund			8,339,030	
Street Overlay Fund				
- Street Overlay			400,000	111.0000.001.594.42.63.00
CDBG Entitlement Fund				
- Peachey Street Sidewalks-Phase 2			400,600	115.0000.001.594.59.63.00
1st 1/4% R.E.E.T.				
- Rotary Park Phase II				
Total project to cost	403,500			
Rotary Club contribution	205,000			
City/IAC	198,500		198,500	301.0000.001.594.16.63.00
Fire Department Const. Fund				
- Fire Station / Training Facility Construction			***9,000,000***	
Public Works Facility Const. Fund				
- PW Facility ($9,967,913 in '07 and $2,139,289 in '08)			***12,107,200***	308.0000.001.594.32.61.00
Orondo Moorage and Parking				
- Orondo Moorage & Parking Project			315,500	309.0000.001.594.76.62.00

The projected cost for the Orondo Moorage and Parking project is $631,0000 with $315,500 expected to be expended in both 2007 and 2008. Sources of funding for this project will come in over a 3-year period 2007-2009, with $216,885 from IAC, $260,000 from the Port of Chelan County (committed over the 3-years 2007-2009); $78,058 from excess reserves from the Pedestrian Overpass project, and the balance of $77,057 from the Chelan County PUD.

CITY OF WENATCHEE, WA
2007 Budget
CAPITAL FACILITIES PLAN

12/5/2006

	Amount	Total by Fund	Account Number
Water / Sewer Fund			
Water Division			
- Fire Hydrant Replacements	50,000		
- Reservoir Repairs	1,500,000		
- Service Line Replacement	50,000		
- Walla Walla Street Water Line	300,000		
Total Water Division	1,900,000		401.0000.001.594.34.63.00
Sewer Division			
- Sewer Collection Main Line Repair & Replace	250,000		
- Olds Station Pump Station (Rehab)	750,000		
- Construct Equipment Garage	900,000		
Total Sewer Division	1,900,000		401.0000.001.594.35.63.00
Total Water/Sewer Fund		3,800,000	
Storm Drain Fund			
- Comprehensive Plan Update	250,000		
- Linden Tree Outfall	300,000		
- Miscellaneous Storm drain Improvements	75,000		
Total Storm Drain Fund		625,000	410.0000.001.594.38.63.00
Regional Water Fund			
- Disinfection Facility		750,000	415.0000.001.594.34.63.00
Cemetery Fund			
- New Crypt Wall	40,000		
- Improvements in Veterans Section	10,000	50,000	430.0000.001.594.36.63.00
Total Cemetery			
Total Capital Facilities Plan		36,185,830	

CITY OF WENATCHEE
CAPITAL FACILITIES PLAN

2007-2012

Approved: _____

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Introduction

The purpose of a Capital Facilities Plan (CFP) is to provide adequate facilities that are (1) consistent with the projected population growth and land use plan; (2) concurrent with, or within 6 years of the impacts of new development in order to achieve and maintain adopted level of service standards; and (3) based on sound fiscal policies for the city.

The Growth Management Act of 1990 requires that a CFP consist of (1) an inventory of existing capital facilities; (2) a forecast of the future needs for such facilities; (3) the proposed locations and capacities of expanded or new facilities; (4) at least a six-year plan that will finance such facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (5) a requirement to reassess the land use element if funding falls short of meeting existing needs.

The city-owned public capital facilities encompassed by this plan include the following:

- streets
- sidewalks, paths and trails
- street and road lighting systems
- traffic signals
- domestic water system
- storm sewer system
- sanitary sewer system
- parks and recreation facilities
- general administrative facilities
- vehicles (over $10,000 and a useful life of over 10 years)
- museum
- convention center
- cemetery

The Capital Facilities Plan is also important for seeking other funding sources, such as grants and loans. The city must have an approved Capital Facilities Plan to be eligible for Public Works Trust Fund program, Distressed County Funds, and other programs.

Under Growth Management, the city's Capital Facilities Plan must also be coordinated and consistent with CFP's of other public facility providers. Some of those providers within the Wenatchee Urban Area include: Wenatchee School District (schools), Chelan County P.U.D. (electrical, water and sewer, parks and recreation), Department of Transportation (highways), Wenatchee Reclamation District (irrigation water), Fire District No. 1 (fire protection), Chelan County (streets, solid waste, storm sewer, lighting, traffic signals, law and justice).

The Capital Facilities Plan must be updated annually. Updates to the CFP should immediately precede the city's budget cycle so that capital improvements can be incorporated into the annual budget.

Definitions

The following definitions will help in understanding how this Capital Facilities Plan is put together and read.

Capital Facility: Capital facilities are structures, improvements, equipment, or other major assets (including land) with a useful life of at least ten (10) years. Capital improvements are projects that create, expand, or modify a capital facility. This definition applies to projects cost that cost more than ten thousand ($10,000) dollars.

Public Facility: The city-owned public capital facilities encompassed by this plan includes the following: streets, sidewalks, paths and trails, street and road lighting systems, traffic signals, domestic water system, storm sewer system, sanitary sewer system, parks and recreation facilities, general administrative facilities, vehicles, convention center, museum, and cemetery.

Level of Service: Levels of service are usually quantifiable measures of the amount of public facilities that are provided to the community. Measures of levels of service are typically expressed as ratios of facility capacity to demand by actual or potential users. Sometimes, level of service standards are based on the public service, such as police protection, rather than on the facility that houses the service (e.g. police station).

Concurrency: This is a term that requires public facilities and services necessary to serve development be in place at the time of development or a financial commitment is made to provide the facility within a certain period of time. Growth Management requires concurrency on transportation facilities, while all other public facilities must be "adequate." The Wenatchee Urban Area Comprehensive Plan, however, makes concurrency a requirement for city public facilities.

CFP Organization

This Capital Facilities Plan is organized around each of the public facilities provided by the City. Because the city wants to make sure that the Capital Facilities Plan is based on sound fiscal policy, all capital facilities for which city funds would be expended are included in the CFP, not just those facilities required to accommodate future growth. The CFP is based on the following categories:

- General Facilities (fire, police, administrative offices, maintenance, community facilities)
- Parks and Recreation
- Stormwater
- Water
- Sewer
- Street Overlay
- Arterial Street
- Convention Center
- Regional Water
- Cemetery
- Museum
- Vehicles

Level of Service Standards

The Level of Service Standards for Public Facilities and Services identified in the Wenatchee Urban Area Comprehensive Plan are as follows:

Schools

K-1	26 students per basic education (BEA) classroom
2-4	27 students per BEA classroom
4-5	29 students per BEA classroom
6-8	28 students per BEA classroom
Comprehensive	
9-12	28 students per BEA classroom
Alternative	
9-12	24 students per BEA classroom
Ancillary Facilities	
Administration Center	1 per district
Transportation Center	1 per district
Maintenance Shop/Office	1 per district
Football Stadium	1 per district
Baseball Stadium	1 per district
Swimming Pool	1 per district
Outdoor Agricultural Lab	1 per district

Fire Protection

6-minute response time or less

Police Protection

All calls for assistance will be answered within a reasonable time consistent with the nature of the call.

Parks and Recreation

See plan for level of service standards

Water Supply

Based on Uniform Fire Code requirements

Sanitary Sewer

Daily load demand times 2.5 for collection system
Daily load demand for treatment capacity

Storm Water

Ten-year storm

Transportation

LOS "D" for signalized intersections
LOS "C" for all functional classes of arterials and collectors when measured over a minimum length of one mile

Financial Constraints

In order to be considered in the city's annual budget, a project that meets the definition of Capital Facility must be included in the city's Capital Facilities Plan. But first, here are some of the goals of the CFP planning process:

Financial: In the past, the Capital Facilities Plan was not financially realistic. The projected expenditures of general fund money were well beyond any reasonable expectation of the city unless new financial sources were obtained or identified. There also was never any correlation between a new capital program and annual operating costs. Therefore, in this plan, the following guidelines are set:

- the first 3 years must be fiscally constrained. This means projects cannot be incorporated in the first three years unless they include one or more of the following:
    - they are from an existing, dedicated city fund
    - a grant has been approved for the expenditure (not just an application)
    - annual operation and maintenance costs have been budgeted, or are a reasonable increase over prior year's expenditures
    - the project financing may include the issuance of revenue bonds, voter approved bonds (UTGO), or non-voter approved/Councilmanic (LTGO) bonds
- the second 3 years have to be reasonably constrained. That means projects can be put in the CFP if:
    - grant sources are reasonably likely to approve an application
    - new funding sources, such as development impact fees, have been reviewed and discussed with advisory bodies and City Council
    - annual operation and maintenance costs are reasonable (while not limited to a 3% increase over current budget, there needs to be some reasonable expectation of how the increase would be covered)

Timelines

This Capital Facilities Plan update is being done in conjunction with the development of the annual city budget.

Overall Plan

EXPENSES (2007 - 2012)

Public Facilities Type	Total
Arterial Street	13,765,380
Cemetery	225,000
Convention Center	1,150,000
General Facilities	27,734,413
Parks and Recreation	9,363,500
Regional Water	5,148,000
Sewer	3,188,600
Stormwater	625,000
Street Overlay	2,850,000
Street Maintenance	190,000
Vehicles	300,000
Water	4,900,000
Discretionary Projects	315,000
TOTAL	**$ 69,754,893**

2007 Projects

The following projects are requests for consideration in the 2007 budget:

Facility Type	Project Name	Amount	Revenue Source
Arterial Street	Riverside Drive	3,746,540	Grant - State Transportation
Arterial Street	Riverside Drive	1,200,000	Private
Arterial Street	Riverside Drive	40,000	Intergovernmental (local)
Arterial Street	Riverside Drive	365,660	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Okanogan Sidewalk	141,480	Grant - State Transportation
Arterial Street	Okanogan Sidewalk	35,370	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Hawley-Walnut	150,000	Intergovernmental (local)
Arterial Street	Hawley-Walnut	664,000	Grant - State Transportation
Arterial Street	Hawley-Walnut	29,500	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Walla Walla	1,637,464	State CERB Grant
Arterial Street	Washington-Miller	47,250	Federal Safety Grant
Arterial Street	Washington-Miller	6,750	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	McKittrick-Wen. Ave	109,639	Federal STP Funds
Arterial Street	McKittrick-Wen. Ave	17,111	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Brick Streets	85,000	Grant - State Transportation
Arterial Street	Brick Streets	13,266	Inkind
Arterial Street	Miscellaneous / Minor / Undefined	50,000	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street Total		**8,339,030**	
Cemetery	Veterans section improvements	10,000	General Fund
Cemetery	Crypt/Plaza	40,000	General Fund
Cemetery Total		**50,000**	
Convention Center	Upgrade or replace aging or defective equipment	75,000	Convention Center Revenue/Reserves -- Fund 106
Convention Center	Facility Wide Audio, Video and signage upgrade	700,000	Convention Center LTGO Bonds -- Fund 106
Convention Center Total		**775,000**	
General Facilities	Headquarters Fire Station	9,000,000	Bonds-Voter Approved
General Facilities	Public Works Facility	500,000	Fund 301 Excess REET Reserves
General Facilities	Public Works Facility	3,115,000	LTGO Bond issue (REET)
General Facilities	Public Works Facility	800,000	Surplus Property Sale (Walnut)
General Facilities	Public Works Facility	871,023	Water Sewer Reserves
General Facilities	Public Works Facility	3,976,790	Water Sewer Bond
General Facilities	Wenatchee Riverfront Day Moorage	86,667	Intergovernmental (local)
General Facilities	Wenatchee Riverfront Day Moorage	77,058	Fund 302
General Facilities	Wenatchee Riverfront Day Moorage	216,885	Grant -- IAC

Facility Type	Project Name	Amount	Revenue Source
General Facilities	Peachey Street Sidewalk Project	100,000	CDBG Entitlement 2006
General Facilities	Peachey Street Sidewalk Project	29,050	CDBG Entitlement 2007
General Facilities	Peachey Street Sidewalk Project	271,550	WSDOT S/W Imp. Prog. Grant
General Facilities Total		**19,044,023**	
Parks and Recreation	Regional Events Center	8,300,000	State CERB Grant
Parks and Recreation	Playground Equipment Improvements	10,000	General Fund
Parks and Recreation	Rotary Park Phase II	205,000	Donation - Rotary
Parks and Recreation	Rotary Park Phase II	198,500	Grant -- IAC
Parks and Recreation Total		**8,713,500**	
Regional Water	Disinfection Facility	750,000	Water -- Regional Reserves -- Fund 415
Regional Water	Begin Design Work for 5th high capacity well	34,000	Water -- Regional Reserves -- Fund 415
Regional Water Total		**784,000**	
Sewer	Comprehensive Plan 4 Sanitary Sewer Service Area	188,600	Sewer - Reserves -- Fund 401
Sewer	Increase Capacity/Reliability of Olds Station PS	250,000	Sewer - Reserves -- Fund 401
Sewer	Rehabilitate/Replace Sewer Mains	250,000	Sewer - Reserves -- Fund 401
Sewer Total		**688,600**	
Stormwater	Comprehensive Plan Update	250,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Linden Tree Stormwater Improvements	300,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Miscellaneous Stormwater Improvements	75,000	Storm Sewer - Reserves -- Fund 410
Stormwater Total		**625,000**	
Street Overlay	Street Overlay	400,000	Tax - REET - 2nd 1/4
Street Overlay Total		**400,000**	
Streets	Reconstruct 2 concrete crosswalks on Wen Ave.	35,000	Street Fund -- Fund 108
Streets	Replace misc. sidewalk sections throughout City	10,000	Street Fund -- Fund 108
Streets Total		**45,000**	
Vehicles	Combination Sewer Jet/Vacuum Truck	300,000	Reserves -- Sewer Fund 401 & Stormwater Fund 410
Vehicles Total		**300,000**	
Water	FH Replacement Program	50,000	Water - Reserves -- Fund 401
Water	Main Replacement	300,000	Water - Reserves -- Fund 401
Water	Replace Galvanized Service Lines	50,000	Water - Reserves -- Fund 401
Water	Repairs to 4 MG Reservoir	1,500,000	Water - Reserves -- Fund 401
Water Total		**1,900,000**	
Grand Total		**$41,664,153**	

General Facilities

General facilities covers administrative offices, public works buildings, and other community projects that do not have dedicated fund sources, such as water and sewer systems.

The focus of the 6-year capital facilities financing plan for general facilities is on four areas:

1. Implementation of the Wenatchee Waterfront Subarea plan which includes:
    a. Completion of the Greater Wenatchee Regional Events Center
    b. Walla Walla Street improvements (in Arterial)
    c. The Orondo Day Use Moorage and Parking Expansion Project
    d. Relocation of the city's Public Works facility off of the Riverfront and corresponding construction of the new Public Works building.
2. Maintenance of city-owned facilities, including museum, fire station, and city hall.
3. Construction of a new Headquarters Fire Station.
4. Peachey Street Sidewalks Project as part of our Safe Walking Route Program.

2006 was an eventful year for the city as the Waterfront Subarea Plan began to come to fruition. The Greater Wenatchee Regional Events Center is funded through the newly created Greater Wenatchee Regional Events Center Public Facilities District which receives a rebate of .03% of the district's sales taxes that are sent to the state, revenues from the facility itself and a city supported $10 million grant ($8.3 of which supports the events center and $1.7 supports the Walla Walla Street improvements) pending with the Legislature. The project is ranked #4 on the CERB list. The City will also continue to apply to Chelan County for LOTS Funding to support the Events Center project as a critical economic development project for our region.

Another waterfront project is the Orondo Moorage and Parking Expansion project which is supported substantially by a grant from the Interagency Committee for Outdoor Recreation and a $260,000 commitment from the Port of Chelan County.

The final piece of the city's plan to revitalize the waterfront calls for relocation of the city's Public Works facility. The city has acquired property on McKittrick Street for this purpose. Half street improvements have been completed on Stella and McKittrick and site work is underway. A master plan has been completed for the construction of the Public Works facility. The facility plan, design and construction are currently estimated at $15,393,074. Funding for this is proposed to come from the sale of the existing property, water and sewer funds, and the city's Real Estate Excise Tax. An option for financing the facility would be a public voted bond.

Fire Station #1 is planned for replacement. Work is ongoing to evaluate the needs of the department and how to approach a potential public vote on regional fire services and a new fire station.

In 2005, the City became a CDBG Entitlement Community. For 2007, the Phase II Peachey Street Sidewalk WSDOT Safe Walking Route will be completed.

Museum additions and improvements serve to create ADA compliant entry and access to public areas, tie the museum plaza to the existing downtown park creating a complex to make efficient use of space and resources. Of this $6 million dollar project, a successful campaign already provided $1.2 million in improvements. It is the goal to complete the remaining $4.8 million project between 2009-2010.

GENERAL FACILITIES

Year	Project	Funding Source	Fund Amount
2007	Headquarters Fire Station	Bonds-Voter Approved	**$9,000,000**
2007	Public Works Facility	Fund 301 Excess REET Reserves	500,000
		LTGO Bond issue (REET)	3,115,000
		Surplus Property Sale (Walnut)	800,000
		Water Sewer Reserves	871,023
		Water Sewer Bond	3,976,790
	Public Works Facility Total 2007		**$9,262,813**
2008	Public Works Facility	Sale of Existing PW Property	1,140,000
		Fund 301 Excess REET Reserves	500,000
		Surplus Property Sale (pit)	2,000,000
	Public Works Facility Total 2008		**$3,640,000**
2007	Wenatchee Riverfront Day Moorage	Grant -- IAC	216,885
		Fund 302	77,058
		Intergovernmental (local)	86,667
	Wenatchee Riverfront Day Moorage Total 2007		**$380,610**
2008	Wenatchee Riverfront Day Moorage	Intergovernmental (local)	**$163,723**
2009	Wenatchee Riverfront Day Moorage	Intergovernmental (local)	**$86,667**
2007	Peachey Street Sidewalk Project	CDGB - Comp. Sidewalk Grant	
		CDBG Entitlement 2006	100,000
		CDBG Entitlement 2007	29,050
		WSDOT S/W Imp. Prog. Grant	271,550
	Peachey Street Sidewalk Project Total		**$400,600**
2009	Museum Remodel	Bonds-Voter Approved	**$4,800,000**
TOTAL			**$27,734,413**

Parks and Recreation

In 2006 the City adopted a new Parks and Recreation Comprehensive Plan. This plan addresses every type of recreational facility and recreational activity available and analyzed the deficiencies compared with recreational standards. Overall, the community's residents are blessed with a wide variety of recreational opportunities. Many agencies and groups provide outstanding facilities and programs separate from those of the city.

The comprehensive plan contains a Funding Plan (Chapter VI) which details both the proposed capital improvements as well as funding mechanisms available to finance the improvements. This funding plan is far reaching ($14.5 million over the next 6 years) and, depending on the amount and type of financing secured, will require prioritization of needs by staff, Parks Board, community members, city finance personnel, Mayor and the City Council. Other government jurisdictions will also need to be involved in helping solve the community's needs, plus private and non-profit groups.

For the purposes of this year's CFP, those projects with funding identified are included in the plan: Phase II improvements at Rotary Park, at the corner of Western and Mulberry, are well underway and will continue in 2007. The city has received funding from the Interagency Committee for Outdoor Recreation (IAC) for these Phase II improvements, to be matched by the three Wenatchee area Rotary Clubs.

Construction of a Multi Purpose Events Center is also currently underway. This new facility will replace the City's current ice arenas. This facility will provide one full time sheet of ice and one multipurpose 5000 seat "bowl" which could be used for any arena style of activity including basketball, hockey, indoor motocross, concerts and many more. Our prior CFP had shown the full anticipated $32 million cost, however, a Public Facilities District was created to enable the region to recapture a portion of the locally generated sales tax to fund this project. $8.3 million remains as a city commitment of pass through funds to be received through CERB, and the city will continue to apply to Chelan County for LOTS funding to support the project.

Maintenance of existing city parks is also proposed to replace aging equipment in the parks.

For years, 2008-2013, it is anticipated that the Wenatchee Parks Board will identify funding sources and prioritize projects to amend this CFP based on the newly adopted Parks Comprehensive Plan.

PARKS AND RECREATION FACILITIES

Year	Project	Funding Source	Fund Amount
2007	Multi-Purpose Regional Events Center	City Portion - CERB Grant	8,300,000
		LOTS Grant	200,000
			$ 8,500,000
2008	Multi-Purpose Regional Events Center	LOTS Grant	**$ 200,000**
2009	Multi-Purpose Regional Events Center	LOTS Grant	**$ 200,000**
2007	Playground Equipment Improvements	General Fund	**$ 10,000**
2007	Rotary Park Phase II	Donation - Rotary	205,000
		IAC Grant	198,500
	Rotary Park Phase II Total		**$ 403,500**
2008	Playground Equipment Improvements	General Fund	**$ 10,000**
2009	Playground Equipment Improvements	General Fund	**$ 10,000**
2010-12	Playground Equipment Improvements	General Fund	**$ 30,000**
TOTAL			**$ 9,363,500**

Stormwater

The intent of projects in this program is to provide an infrastructure capable of handling a 10-year storm by installing new storm drains or adding to the capacity of existing systems. Consideration is given to the condition of the existing street surface, so that storm water projects will occur at least one year prior to the street being overlaid or during the last few years of the asphalt surface life expectancy. The next logical project at this time is the north Miller Street project, although there are insufficient funds at this time to construct this project. Due to the requirements of the National Pollution Discharge Elimination (NPDES), which has been a moving target, an update to the Stormwater Comprehensive Plan is planned. Funds will also be used in conjunction with city upgrades to arterial streets. Finally, a new Vactor truck is necessary to meet federal stormwater requirements and has been budgeted for in 2007.

These projects are required to meet the City's adopted LOS standards. The City has adopted a 10-year storm as the design standard. A 10-year storm is defined as a storm that can be expected to occur on average once every 10 years, based on empirical data. Parts of the existing system, particularly in the residential areas, were designed for a 5-year storm. Also, storm sewer systems were generally not installed in the areas above the Reclamation District Canal. As these areas are brought up to standards, and as new developments occur that increase the runoff to the existing system, a large number of the existing trunk lines will be under capacity. The intent of this program is to update or install new storm sewer mains in a timely manner so that the ultimate build out of the valley is accommodated in regards to a 10-year storm.

The Storm Drain Utility Fund is a special revenue fund designed to account for the financial activities related to the City's ongoing improvement and expansion of the storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit". The equivalent residential unit is an impervious surface of 3,000 square feet.

Storm sewer fees were previously collected outside the City of Wenatchee's corporate limits but within the City's urban growth boundary. The collection of these stormwater utility fees was suspended several years ago, pending review of the needs and funding program. The city recently completed a fee study, which resulted in an increase in the stormwater charges. The City has been meeting with Chelan County regarding developing a joint program to address NPDES issues. The discussions include re-establishing the fee collection outside the city limits by the County and providing a portion of these funds to the City for NPDES program administration.

Storm Drain (#410)

Year	Project	Funding Source	Fund Amount
2007	Comprehensive Plan Update	Storm Sewer - Reserves – Fund 410	250,000
2007	Linden Tree Stormwater Improvements	Storm Sewer - Reserves – Fund 410	300,000
2007	Miscellaneous Stormwater Improvements	Storm Sewer - Reserves – Fund 410	75,000
TOTAL			**$ 625,000**

	2007	2008	2009	2010	2011	2012
Revenue						
Operating	874,600	974,500	1,003,700	1,033,800	1,064,800	1,096,700
Interest earnings	60,000	11,000	15,700	21,000	26,700	33,000
Revenue bonds	0	0	0	0	0	0
Total revenues	934,600	985,500	1,019,400	1,054,800	1,091,500	1,129,700
Projects						
Operating	556,714	573,415	590,618	608,336	626,587	645,384
Bond payments	252,039	255,238	253,188	255,903	252,983	254,695
Linden Tree	300,000	0	0	0	0	0
Miscellaneous	75,000	0	0	0	0	0
Comp Plan Update	250,000	0	0	0	0	0
Comp plan projects	0	0	0	0	0	0
Total projects	1,433,753	828,653	843,806	864,239	879,570	900,079
Revenues over (under) projec	-499,153	156,847	175,594	190,561	211,930	229,621
Beginning fund balance	865,790	366,637	523,484	699,078	889,638	1,101,569
Ending fund balance	366,637	523,484	699,078	889,638	1,101,569	1,331,190
Rate study growth fac	19.47%	8.42%	0.00%	0.00%	0.00%	0.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Service Payments						
1998 Bonds	252,039	255,238	253,188	255,903	252,983	254,695
Bond issue #1	0	0	0	0	0	0
Bond issue #2	0	0	0	0	0	0
Bond issue #3	0	0	0	0	0	0
Bond issue #4	0	0	0	0	0	0
Bond issue #5	0	0	0	0	0	0
	252,039	255,238	253,188	255,903	252,983	254,695

Water/Sewer

The major emphasis in the water distribution system over the next six years will be on upgrading fire flow capacity in those areas identified in the Comprehensive Water Plan as being deficient, replacing aging steel water mains in streets scheduled for ACP overlay and reservoir rehabilitation of the 4 and 8 million gallon reservoirs.

The second major emphasis in the water system will be on water system improvements to accommodate developments on the City's water front along Walla Walla Street.

The major emphasis in the waste water system will be on planning and design for the expanded sewer service area out to the UGB west of highway 97 and improvements to the collection system and pump station in the industrial Olds Station area that the City of Wenatchee purchased from the Chelan County PUD.

Ongoing annual maintenance and rehabilitation of the collection system main lines, manholes and pump stations will be required over the next six years as more areas of need are identified through the City's continuing video inspection program.

Utility rate increases recently adopted by the City Council provide the necessary funding for the capital improvements.

System	Year	Project	Fund Source	Project Cost
Water	2007	FH Replacement Program	Water - Reserves – Fund 401	50,000
Water	2007	Main Replacement	Water - Reserves – Fund 401	300,000
Water	2007	Replace galvanized service lines	Water - Reserves – Fund 401	50,000
Water	2007	Repairs to 4 MG Reservoir	Water - Reserves – Fund 401	1,500,000
Water	2008	FH Replacement Program	Water - Reserves – Fund 401	50,000
Water	2008	Main Replacement	Water - Reserves – Fund 401	500,000
Water	2008	Replace galvanized service lines	Water - Reserves – Fund 401	50,000
Water	2009	Main Line installations / Replacements	Water - Reserves – Fund 401	500,000
Water	2009	Replace galvanized service lines	Water - Reserves – Fund 401	50,000
Water	2009	FH Replacement Program	Water - Reserves – Fund 401	50,000
Water	2010-12	FH Replacement Program	Water - Reserves – Fund 401	150,000
Water	2010-12	Main Replacement	Water - Reserves – Fund 401	1,500,000
Water	2010-12	Replace galvanized service lines	Water - Reserves – Fund 401	150,000
Water Total				**$4,900,000**
Sewer	2007	Comprehensive Plan 4 Sanitary Sewer Service Area	Sewer - Reserves – Fund 401	188,600
Sewer	2007	Increase Capacity/Reliability of Olds Station PS	Sewer - Reserves – Fund 401	250,000
Sewer	2007	Rehabilitate/Replace Sewer Mains	Sewer - Reserves – Fund 401	250,000
Sewer	2008	Replace/Rehabilitate Sewer Mains	Sewer - Reserves – Fund 401	200,000
Sewer	2009	Replace/Rehabilitate Sewer Mains	Sewer - Reserves – Fund 401	200,000
Sewer	2010-12	Construct 4th Anaerobic Digester	Sewer - Reserves – Fund 401	1,500,000
Sewer	2010-12	Replace/Rehabilitate Sewer Mains	Sewer - Reserves – Fund 401	600,000
Sewer Total				**$3,188,600**

Water/Sewer (#401)

In addition to the projects shown on the previous page, the city's Public Works office is also proposed for relocation. Funds from the city sewer and water funds would be spent in proportion to their use of that facility.

	2007	2008	2009	2010	2011	2012
Revenue						
Operating	7,292,200	7,948,500	8,584,400	8,841,900	9,107,200	9,380,400
Non-operating	290,400	68,200	63,300	72,000	83,100	97,100
Revenue bond/loan proceeds	3,976,790	0	0	0	0	0
Loan repmt from Arterial Steet	2,495,792	0	0	0	0	0
Total revenues	14,055,182	8,016,700	8,647,700	8,913,900	9,190,300	9,477,500
Projects						
Operating	5,697,435	5,868,400	6,044,500	6,225,800	6,412,600	6,605,000
Bond payments	1,284,067	1,512,144	1,512,796	1,515,723	1,513,509	951,117
Capital projects - PW bldg	3,976,790	0	0	0	0	0
Capital projects - water	2,000,000	600,000	600,000	600,000	600,000	600,000
Capital projects - sewer	2,200,000	200,000	200,000	200,000	200,000	200,000
Capital projects - WWTP	0	0	0	0	0	1,500,000
Total projects	15,158,292	8,180,544	8,357,296	8,541,523	8,726,109	9,856,117
Revenues over (under) projects	-1,103,110	-163,844	290,404	372,377	464,191	-378,617
Beginning fund balance	3,375,749	2,272,639	2,108,795	2,399,199	2,771,576	3,235,767
Ending fund balance	2,272,639	2,108,795	2,399,199	2,771,576	3,235,767	2,857,150
Rate study growth factor	0.00%	6.00%	5.00%	0.00%	0.00%	0.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Bond coverage	1.468	1.421	1.721	1.773	1.835	3.020
Debt Service Payments						
2004 Bonds	649,600	562,414	562,296	564,688	562,274	0
1998 Bonds	203,503	199,666	200,436	200,971	201,171	201,053
SRF Loan repayment	430,964	430,964	430,964	430,964	430,964	430,964
PW Building Bonds	0	319,100	319,100	319,100	319,100	319,100
	1,284,067	1,512,144	1,512,796	1,515,723	1,513,509	951,117

PW Facility Bond amount	$3,976,790
Years on bond issue	20
Annual interest rate	5.00%
Annual payment	$319,108

Regional Water (Fund 415)

Three major projects are planned for the Regional system in the future.

The first is a change in the chlorination system from one ton pressurized gas cylinder system to a liquid injection system. At this time, on-site generation of a hypochlorite solution is the preferred option.

The second major project is a fourth high capacity well. Additional capacity will be needed as the East Wenatchee Water District (EWWD) expands and the demand for water increases from the East Bank Aquifer. Depending on growth rate of the EWWD and the Chelan County PUD a second 30 inch diameter transmission main will be needed from the aquifer to the EWWD connection near Odabashian Bridge. This project is actually scheduled for sometime after 2011 but increased growth may cause this project to occur sooner.

Year	Project	Fund Source	Project Cost
2007	Disinfection Facility - Install On Site Generation of Hypochlorite	Water -- Regional Reserves -- Fund 415	750,000
2007	Begin Design Work for 5th high capacity well	Water -- Regional Reserves -- Fund 415	34,000
2008	Install Fifth Well at Regional Well Field	Water -- Regional Reserves -- Fund 415	864,000
2009-11	Install Second Transmission line to EWWD	EWWD and Regional Fund 415	3,500,000
TOTAL			**$ 5,148,000**

Street Overlay

The intent of this annual project is to overlay all of the City streets based on their respective maintenance cycle. In addition to pavement condition, consideration is given to the need to upgrade the water, sewer, storm drain and other utilities so that the overlay will occur at least one year after excavation for utility updates.

For the most part, the overlay program is a maintenance issue. It is related to Level of Service (LOS) standards in that if the maintenance issue is not addressed in a timely manner, roadways will deteriorate to the point where total reconstruction is necessary, at which time LOS to the public is lowered.

The Street Overlay Fund is a special revenue fund designed to account for financial activities related to the City's ongoing street overlay program. The Street Overlay Program was developed by the Public Works Department in 1996 and provided for the overlay of all City streets over a 15-year repeating cycle. The Street Overlay Program was looked at again by the Public Works Department in 2005. The overlay cycle was evaluated for categories of City Streets in an effort to more accurately predict overlay cycles. Some maintenance work such as crack sealing was added to the program resulting in extended overlay cycles. This analysis indicates that more than $1,500,000 needs to be annually allocated to this fund. The largest differences between the 1996 and 2005 evaluations are inflation due to the rising cost of oil prices, and a closer examination of other issues such as grinding, and intersection repairs.

Revenue sources consist of funds generated from the city's 2nd ¼ of 1% Real Estate Excise Tax. Previously, funds from the city's 5% Cable TV tax was dedicated to the overlay program, but budget priorities in 2003 reallocated those funds to general city expenses. The current revenue is only $500,000 per year.

Street Overlay (#111)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue									
2nd 1/4% REET	500,000	515,000	530,500	546,400	562,800	579,700	597,100	615,000	633,500
Miscellaneous	32,000	18,500	34,500	45,400	58,700	50,300	33,200	41,600	11,800
L.T.G.O. Bond	-	-	-	-	-	-	-	-	2,500,000
Total revenues	532,000	533,500	565,000	591,800	621,500	630,000	630,300	656,600	3,145,300
Projects									
Overlays	400,000	0	200,000	150,000	900,000	1,200,000	350,000	1,650,000	2,000,000
Total projects	400,000	0	200,000	150,000	900,000	1,200,000	350,000	1,650,000	2,000,000
Revenues over (under) projects	132,000	533,500	365,000	441,800	-278,500	-570,000	280,300	-993,400	1,145,300
Beginning fund balance	483,204	615,204	1,148,704	1,513,704	1,955,504	1,677,004	1,107,004	1,387,304	393,904
Ending fund balance	615,204	1,148,704	1,513,704	1,955,504	1,677,004	1,107,004	1,387,304	393,904	1,539,204

The budget shown above includes the actual amounts of overlays estimated to be necessary over the next nine years. These estimates are based on the Public Works Department's analysis of life cycle of city streets. In some years, additional overlays are not anticipated, or are severely reduced in scope. However, due to the large amount of work done in 1998 and 1999, which were financed by bonds, annual project costs are anticipated to significantly increase in 2014.

In 2014, when the city's existing bonds for the overlay program are paid off, the city can either re-issue bonds for another large push, or the city could add the revenue from the 1st ¼% Real Estate Excise Tax to the Overlay program.. An alternative would be to ask the voters for additional authority to pay for street overlays, or additional funding options that might be provided by the state legislature for preservation of city streets.

Arterial Streets

Many arterial street projects planned, only a few of which has funding in place. Arterial street projects are typically funded by 80% grant and 20% coming from the Arterial Street fund. The City has been aggressive in pursuing and successfully securing these grants.

The following table illustrates funded project with expenditures shown in 2007 through 2009. Dollars shown in the 2010 through 2012 column are currently not funded but are a priority.

The following projects improve roadway functionality and safety by widening, adding bike lanes and sidewalks and improving channelization.

The following projects improve circulation and capacity.

- Extension of Hawley Street to Pine Street
- Walla Walla Avenue reconstruction
- McKittrick Street/Wenatchee Avenue Signal
- Washington Street/Miller Street Signal
- New Riverside Drive and Piere Street improvements
- Extension of right turn lane on North Wenatchee Avenue between Horse Lake Road and Maiden Lane
- Mission Street widening at Crawford – includes northbound and southbound turn lanes
- Western Avenue widening and right turn lanes at Fifth Street
- Chelan Avenue widening and right turn lane at Orondo Avenue
- Elliott Street connection between Fifth Street and Orchard Avenue

In previous plans, the SR285 Bridge Approach Phase I was shown as a project. This project has now been completely funded with State and Federal funds. The Washington State Department of Transportation is taking the lead on this project. SR 285 Phase II is still shown as a future project.

Signal projects proposed for funding include: Miller Street and 1st Street , Maple and Western, Wenatchee Avenue and Ferry Street, Wenatchee Avenue and Thurston, and Crawford and Okanogan.

Other miscellaneous programmed projects include:

- Railroad grade separation on Hawley Street.
- Railroad grade crossing modifications – train whistle ban mitigation
- Traffic signal radio interconnect and optimization
- Signal light upgrade to L.E.D. bulbs

One transportation planning study is proposed during this period. The North Wenatchee Corridor study would analyze the corridor to explore options to improve circulation, relieve congestion and document the environmental impact of any action.

The City of Wenatchee receives a portion of the State's ½ cent gas tax, approximately $283,000 annually, which is dedicated to Arterial Streets. It is proposed to use this revenue as matching money for these projects. However, there are more projects than funds available. The list of projects identifies a need for approximately $6.4 million of gas tax revenue over a twenty year

period, the city would anticipate collecting approximately $4.5 million in gas tax revenue based on current rates. Thus, over a twenty year period, the projects on the list are short of city matching revenue by $1.9 million. At this time, there is literally no projected fund balance in the Arterial Street fund that could be used for the projects. If revenues fall short of the budget, and if the city were successful in obtaining all of the grants, the Mayor and City Council would need to prioritize projects and identify other funding sources in order to accomplish all of the projects in this CFP.

The primary source of the grant funds is the Transportation Improvement Board (TIB). The City of Wenatchee competes with other agencies for these funds. The TIB rates each of the applications based on specific criteria, including safety, mobility, structural condition, congestion, width, multimodal components and project cost. A secondary source of funds is Federal Transportation bill monies issued to local agencies through the Washington State Department of Transportation. The availability of these funds for projects in the City of Wenatchee is subject to the Metropolitan Planning Organization who collaboratively establishes project prioritization in the Wenatchee Valley.

Arterial Street Fund (#109)

		2007	2008	2009	20010-12
Revenue					
	Motor vehicle fuel tax	321,987	322,000	322,000	966,000
	Intergovernmental	40,000			
	Grants - State	4,552,020	890,499		2,512,000
	Grants - Fed	248,639	612,544		
	Federal STP				
	WA DOT				
	Chelan County	150,000			
	Private (LID, etc)	1,200,000			
	CERB	1,772,464			
	Storm drain fund				
	Miscellaneous	13,266	155,000		
	Total revenues	8,298,376	1,980,043	322,000	3,478,000
Projects					
	Riverside Drive	5,352,200	1,366,600		
	Okanogan Sidewalk	176,850			
	Hawley-Walnut	843,500			
	Walla Walla	1,637,464			
	Washington-Miller	54,000	296,000		
	McKittrick-Wen. Ave	126,750	373,750		
	Brick Streets	98,266			
	Unfunded Projects				3,140,000
	Misc. Minor	50,000	50,000	50,000	150,000
	Total projects	8,339,030	2,086,350	50,000	3,290,000
Revenues over (under) projects		-40,654	-106,307	272,000	188,000
Beginning fund balance		142,828	102,174	-4,133	267,867
Ending fund balance		102,174	-4,133	267,867	455,867

Priority			TOTAL COST	Grant - Federal Transportation	Grant - State Transportation	Intergovern-mental	Private	Sewer - Reserves	Storm Sewer - Reserves	Tax - 1/2 Cent Gas	WSDOT	Running Total 1/2 Cent Gas
1		Hawley Street Extension	843,500		1,440,000	180,000				(776,500)		(776,500)
2		Riverside Drive	6,718,800		4,700,000		1,200,000			818,800		42,300
3		Wenatchee Avenue and Thurston Signal	250,000		200,000					50,000		92,300
4		McKittrick Wenatchee Signal	500,000	432,500						67,500		159,800
5	07	Washington Miller Signal	350,000	343,250						6,750		166,550
6		Brick Streets	98,266	85,000						13,266		179,816
7	to	McKittrick Street Improvements	1,750,000		1,400,000	50,000				300,000		479,816
8		North Wenatchee Turn Lane	300,000		240,000					60,000		539,816
9	12	Wenatchee Avenue and Ferry Signal	300,000		240,000					60,000		599,816
10		Okanogan Sidewalk	176,850		141,480					35,370		635,186
11		Walla Walla Street	1,637,464		1,700,000					(62,536)		572,650
12		Miscellaneous Projects	300,000							300,000		872,650
13		Pedestrian Safety Improvements	540,000		432,000					108,000		980,650
14		Miscellaneous Projects	650,000							650,000		1,630,650
15		Hawley Street Grade Separatoin	16,000,000		2,000,000					14,000,000		15,630,650
16		North/South Corridor Analysis	2,000,000		1,800,000	100,000				100,000		15,730,650
17		Chelan and Orondo Right Turn Lane	250,000		200,000					50,000		15,780,650
18		Red Apple Road Phase 1	1,000,000		800,000					200,000		15,980,650
19		Red Apple Road Phase 2	1,000,000		800,000					200,000		16,180,650
20	2012	Maple/Western Signal	250,000		200,000					50,000		16,230,650
21		Traffic Signal Interconnect and Optimization	200,000		160,000					40,000		16,270,650
22		Fifth & Western Turn Lane	400,000		320,000					80,000		16,350,650
23	to	First and Miller Signal	300,000		240,000					60,000		16,410,650
24	2025	Railroad Crossings	100,000		80,000					20,000		16,430,650
25		Mission/Crawford Intersection	100,000		80,000					20,000		16,450,650
26		Crawford and Okanogan Traffic Signal	400,000		320,000					80,000		16,530,650
27		Walla Walla Improvements	1,400,000		1,120,000					280,000		16,810,650
28		Pine Avenue Improvements	1,800,000		1,400,000		180,000			220,000		17,030,650
29		Walla Walla to Hawley Connection	550,000		440,000					110,000		17,140,650
30		Elliot Street Connection	500,000							500,000		17,640,650
31		Western Avenue/Number Two Canyon	1,200,000		960,000					240,000		17,880,650
32		SR 285 Phase II	23,700,000	21,000,000	2,000,000					700,000		18,580,650
			$ 65,564,880	$ 21,860,750	$ 23,413,480	$ 330,000	$ 1,380,000	$ -	$ -	$ 18,580,650	$ -	
							SUBTOTAL		TOTAL			
			2007	2008	2009	2010-2012	2007-2012	2013-2026	2007-2026			
		REVENUE - 1/2 Cent Gas	322,000	322,000	322,000	966,000	1,932,000	4,508,000	6,440,000			

Street Maintenance Projects

Two types of projects are proposed with street maintenance funds: replacement of concrete crosswalks in the central business district and replacement of defective sidewalks in various areas around the City. The downtown crosswalks have required replacement due to deterioration and settlement of the brick boarders as well as deterioration of the concrete. City crews have used a stamped, colored concrete system to replace the bricks and concrete materials in the original installation. There are nine crosswalks left to complete: three at the Orondo and Wenatchee Avenue intersection, two at Wenatchee Avenue mid-block locations and four additional crosswalks at side streets approaching Wenatchee Avenue.

Year	Project	Fund Source	Project Cost
2007	Reconstruct 2 concrete crosswalks on Wen Ave.	Street Fund – Fund 108	35,000
2007	Replace misc. sidewalk sections throughout City	Street Fund – Fund 108	10,000
2008	Reconstruct 2 concrete crosswalks on Wen Ave.	Street Fund – Fund 108	35,000
2008	Replace misc. sidewalk sections throughout City	Street Fund – Fund 108	10,000
2009	Reconstruct crosswalks on cross streets in CBD	Street Fund – Fund 108	20,000
2009	Replace misc. sidewalk sections throughout City	Street Fund – Fund 108	10,000
2010-12	Replace misc. sidewalk sections throughout City	Street Fund – Fund 108	30,000
2010-12	Reconstruct crosswalks on cross streets in CBD	Street Fund – Fund 108	40,000
TOTAL			**$ 190,000**

Convention Center

The Convention Center is a city-owned facility that is operated under agreement with WestCoast Hotels. Revenue from the operation of the facility and revenue from lodging taxes are used to operate and maintain the facility as well as pay off long-term capital debt and provide for facility and equipment upgrades and replacements.

The original portions of the Convention Center were built and equipped in 1980. As the facility has aged it has become necessary to replace much of the original equipment especially in high use area like the food service facilities and common areas. In 2005 and 2006 substantial investments have been made with the purchase of new equipment and furnishings. In 2007 these investments will continue with the $75,000 appropriated for replacement of aging kitchen equipment and HVAC equipment.

In 2006 the City engaged CH Johnson Consulting to provide an analysis of the current convention center facilities and amenities as they relate to business retention and competition with newly constructed and renovated facilities throughout Washington. This analysis yielded the recommendation that the City provide upgraded audio, video and signage amenities immediately. Additionally, the consultant's report provided a list of recommended architectural and aesthetic improvements as well as long term plans for the expansion of the convention center. In 2007 approximately $700,000 will be needed to implement immediately necessary improvements. This will require some type of increased debt service through either a bank loan or a bond issue.

The six-year budget summary, shown on the next page, shows that the fund balance in the Convention Center Fund will continue to decrease after 2007. This is partially attributed to the loss of the approx. $50,000 in revenue from the unincorporated hotel tax, the agreement for which expires after 2007. This budget summary does not include the anticipated debt service for the 2007 audio and video upgrades

Year	Project	Fund Source	Project Cost
2007	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	75,000
2007	Facility Wide Audio, Video and signage upgrade	Convention Center LTGO Bonds – Fund 106	700,000
2008	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	75,000
2008	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	75,000
20010-12	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	225,000
Total			**$ 1,150,000**

Convention Center Fund
Estimated Revenues, Expenses and Changes in Fund Balance
For the years 2007 through 2012

	Note	2007	2008	2009	2010	2011	2012
Revenues							
Hotel / Motel Tax (40% to 106)	1	310,000	319,300	328,900	338,800	349,000	359,500
Hotel / Motel Tax (20% to 105)	1	155,000	159,700	164,500	169,400	174,500	179,700
Chelan County	3	50,000	0	0	0	0	0
West Coast commissions	1	176,000	181,300	186,700	192,300	198,100	204,000
Interest Income	5	16,000	8,300	1,000	-3,600	-8,100	-13,300
East Wenatchee Hotel/Motel Tax	4	15,000	15,500	16,000	16,500	0	0
L.T.G.O. Bonds		700,000	0	0	0	0	0
Total revenues		1,422,000	684,100	697,100	713,400	713,500	729,900
Expenses							
Operating	1	359,313	370,100	381,200	392,600	404,400	416,500
Capital		75,000	77,300	79,600	82,000	84,500	87,000
2007 Technology Uprgades		700,000	0	0	0	0	0
Debt Service	6	324,229	420,100	351,831	350,331	353,446	355,761
Total expenses		1,458,542	867,500	812,631	824,931	842,346	859,261
Revenues over (under) expenses		-36,542	-183,400	-115,531	-111,531	-128,846	-129,361
Fund balance, January 1		244,431	207,889	24,489	-91,042	-202,574	-331,420
Fund balance, December 31		207,889	24,489	-91,042	-202,574	-331,420	-460,781

Assumptions

1 *Revenues increase by* 3%
2 *Expenses increase by* 3%
3 *Chelan County ceases to pay after 2007 contract expiration*
4 *East Wenatchee ceases to pay after 2010 contract expiration*
5 *Interest earned on previous year FB* 4%

6 *Debt Service Detail*	2007	2008	2009	2010	2011	2012
1993 LTGO Bonds	*66,166*	*67,019*	0	0	0	0
1997 LTGO Bonds	*258,063*	*262,428*	*261,178*	*259,678*	*262,793*	*265,108*
2007 LTGO Bonds	*0*	*90,653*	*90,653*	*90,653*	*90,653*	*90,653*
Total	*324,229*	*420,100*	*351,831*	*350,331*	*353,446*	*355,761*

Cemetery

The Cemetery Advisory Board was formed in 2004 to identify needs at the City's 34-acre facility and develop a plan for remedying the project budgetary shortfalls in the coming years. The Board identified a lack of certain commodities such as cremation niches, a scattering garden, full interment crypts and side-by-side full interment graves that have hurt the Cemetery's ability to generate revenue. Also, the City's rates for goods and services at the Cemetery had not kept place with inflationary pressures.

In 2007 $50,000 has been budgeted for additional capital improvements. This includes improvement to the veteran's section and crypt and plaza development. This will provide more marketable spaces for the facility.

The long term Cemetery capital plan includes improvements to the Home of Peace mausoleum on Miller Street and the installation of additional facilities at the Cemetery including crypt walls, roadway drainage improvements, Veterans Section improvements and eventually opening of a new full interment section.

Year	Project	Fund Source	Project Cost
2007	Veterans section improvements	General Fund	10,000
2007	Crypt/Plaza	General Fund	40,000
2008	Home of Peace Repairs	Other – undetermined	10,000
2009	Mausoleum crypt wall	Other – undetermined	40,000
2009	Scattering Garden Water Feature	Other – undetermined	10,000
2010-12	Cemetery Drainage	Other – undetermined	75,000
2010-12	Veterans Section Improvements	Other – undetermined	40,000
Total			**$ 225,000**

Vehicles

Most vehicles in the city's fleet are part of the Equipment Revolving and Replacement Fund (ER&R). Those vehicles with a useful life of at least ten years are considered as capital assets. The following vehicles have been identified for purchase above and beyond the annual replacement schedule.

Year	Project	Fund Source	Project Cost
2007	Combination Sewer Jet/Vacuum Truck	Sewer & Storm Sewer	300,000
Total			**$ 300,000**

Real Estate Excise Tax

The State Legislature authorized cities to impose an excise tax that is paid by the seller of a piece of real estate. The authorization is in two separate sections, with two separate sets of limitations. The authorization (RCW 82.46) has specific limitations and responsibilities for jurisdictions planning under the Growth Management Act.

The 1st quarter of 1% Real Estate Excise Tax has less limitations, but still must be used for projects included in the Capital Facilities Plan. This tax was first enacted by the city in 1996. The city of Wenatchee has used this funding to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

The 2nd quarter of 1% Real Estate Excise Tax has more limitations. The list of capital projects is not as inclusive as the 1st Quarter. This tax was first enacted by the city in 1999. The city has previously dedicated this entire portion of the Real Estate Excise Tax to the Street Overlay program, which is authorized under the legislation.

Below is an overview of the two different legislative authorizations:

1st Quarter of 1% -- RCW 82.46.010

The legislative authority of any city may impose an excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. After April 30, 1992, revenues generated from the tax imposed under RCW 82.46.010 in cities over five thousand population that are required or choose to plan under RCW 36.70A.040 shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. However, revenues (a) pledged by such counties and cities to debt retirement prior to April 30, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to April 30, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from the tax authorized by this section for such purposes; and, until December 31, 1995, housing projects for those jurisdictions that, prior to June 11, 1992, have expended or committed to expend funds derived from the tax authorized by this section or the tax authorized by RCW 82.46.035 for such purposes.

1st Quarter of 1% Projects

In 2007 the City anticipates it will receive $500,000 from the 1st quarter percent real estate excise tax. This tax was first enacted by the city in 1996. The city of Wenatchee has used approximately $170,000 per year from this funding source to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

The relocation of the city's proposed Public Works facility is proposed, bonding the funds in excess of the long-term debt service requirement for the 1998 Street Overlay bonds. The anticipated bond amount would be approximately $1.7 million, with annual payments around $121,000.

If the funds are dedicated to the Public Works facility, there are not any additional funds for other uses until the fund either grows in revenue or the 1998 Street Overlay bonds are retired.

1st 1/4% REET	2007	2008	2009	2010	2011	2012
Revenue						
1st 1/4% REET	510,000	525,300	541,100	557,300	574,000	591,200
IAC Grant	198,500	0	0	0	0	0
Interest income	13,500	14,500	10,600	14,500	19,200	24,400
Total revenues	722,000	539,800	551,700	571,800	593,200	615,600
Projects						
Bond payments	174,060	170,036	420,461	417,301	418,381	418,512
Rotary park	198,500	0	0	0	0	0
1-time PW Build contribution	500,000	500,000	0	0	0	0
Total projects	872,560	670,036	420,461	417,301	418,381	418,512
Revenues over (under) projects	-150,560	-130,236	131,239	154,499	174,819	197,088
Beginning fund balance	633,572	483,012	352,776	484,015	638,514	813,333
Ending fund balance	483,012	352,776	484,015	638,514	813,333	1,010,421
		CPI	CPI	CPI	CPI	CPI
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Service Payments						
1998 LTGO Bonds	174,060	170,036	170,461	167,301	168,381	168,512
2008 LTGO Bonds	0	0	250,000	250,000	250,000	250,000
	174,060	170,036	420,461	417,301	418,381	418,512

2008 LTGO Bond amount	$3,115,000
Length of bond (years)	20
Annual interest rate	5.00%
Annual payment	$249,956

2nd Quarter of 1%-- RCW 82.46.035

The legislative authority of any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Revenues generated from the tax imposed RCW 82.46.035 shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

2nd Quarter of 1% Projects

The 2nd Quarter of 1% Real Estate Excise Tax is proposed to be used primarily for the city's street overlay program. In 2006, the city is forecasting revenues of $400,000.

Discretionary Projects

There are several projects that have identified either city General Fund or Other fund sources for the project. The council has the opportunity to review those requests and prioritize them.

In addition to this list of projects, several funds show needs are greater than funding. These funds include Arterial Streets and Street Overlay.

Year	Facility Type	Project	Fund	Amount
2007	Cemetery	Major repairs to building at Home of Peace	Other – Undetermined Source	10,000
2007	Cemetery	Construct crypt wall behind mausoleum	Other – Undetermined Source	40,000
2007	Cemetery	Install water feature in scattering garden	Other – Undetermined Source	10,000
2009-11	Cemetery	Cemetery Drainage Improvements – Design/construct street drainage improvements	Other – Undetermined Source	75,000
2009-11	Cemetery	Expand Mausoleum to add interior/exterior niches/crypts	Other – Undetermined Source	100,000
2009-11	Cemetery	Veterans Section Improvements – Expand and construct improvements in Veterans Sec.	Other – Undetermined Source	40,000
2007	Parks and Recreation	Playground Equipment Improvements – Risk management improvements to aging equipment	General Fund	10,000
2008	Parks and Recreation	Playground Equipment Improvements – Risk management improvements to aging equipment	General Fund	10,000
2009-11	Parks and Recreation	Playground Equipment Improvements – Risk management improvements to aging equipment	General Fund	20,000
TOTAL				**$ 315,000**

Part 6. Debt Issues

DEBT MANAGEMENT ISSUES

Current Outstanding Debt

As of December 31, 2006 the City has a number of debt issues outstanding including:

- Three revenue bond issues and one State Revolving Fund Loan that are secured by the revenues of the City's Water/Sewer, Regional Water and Storm Drain Funds.
- Three Limited Tax General Obligation (LTGO) or non-voted issues that are secured by the full faith and credit of the City (see Part 9 of this document for further information).
- One Unlimited Tax General Obligation (UTGO) or voted bond issue that is secured by the full faith and credit of the City (see Part 9 of this document for further information).
- One Loan Guarantee for a portion of bonds issued in 2002 by Chelan County for the construction of the Rivercom (a two County emergency services dispatch center).

As a part of the bond issuance process, for each bond issued since 1997 the City has met with representatives of Moody's and Standard and Poor's in order to make rating presentations and ultimately receive a rating. A summary of the ratings the City currently carries on each of the bond issue types (UTGO, LTGO and Revenue) follows:

Bond Type	Moody's	Standard & Poor's
Revenue Bonds	A3	A
UTGO Bonds	A2	A
LTGO Bonds	A3	A

A summary of *estimated* outstanding debt at the end of 2006 follows (final figures for year-end are not available at the writing of this document):

Debt Type	Interest Rates	Maturity	Authorized	Outstanding Jan. 1, 2006	Issued	Redeemed	Outstanding Dec. 31, 2006
Revenue Bonds:							
1998 Water/Sewer	3.90-5.25%	12/1/2023	$ 2,720,000	$ 2,260,000	$ 0	$ 0	$ 2,260,000
1998 Storm Drain	3.90-5.15%	12/1/2018	3,190,000	2,385,000	0	135,000	2,250,000
2004 Water/Sewer	2.50-3.50%	12/1/2011	8,205,000	5,760,000	0	1,260,000	4,500,000
SRF Loan	1.50%	12/30/2026	8,459,000	7,161,384	237,679	0	7,399,063
			$ 22,574,000	$ 17,566,384	$ 237,679	$ 1,395,000	$ 16,409,063
G.O. Bonds:							
1993 LTGO	3.25-5.75%	12/1/2008	800,000	210,000	0	65,000	145,000
1997 LTGO	3.70-5.60%	12/1/2021	4,000,000	2,805,000	0	165,000	2,640,000
1998 LTGO	3.85-5.05%	12/1/2014	4,085,000	2,650,000	0	245,000	2,405,000
2001 UTGO	2.10-4.90%	12/1/2021	4,800,000	4,105,000	0	190,000	3,915,000
2002 Chelan County/Rivercom Loan Guarantee	1.80-4.90%	12/1/2022	640,000	590,000	0	26,250	563,750
			$ 14,325,000	$ 10,360,000	$ 0	$ 691,250	$ 9,668,750

Future Debt Plans

Each year a number of smaller capital improvement projects are financed with current year revenues, however due to the magnitude of opportunities/challenges faced by the City (see the Budget Message in Part 1 of this document for further discussion as well as Part 5 for the City's Capital Facilities Plan) it is widely acknowledged that the necessary renovations or replacements of buildings and/or infrastructure must be financed through the issuance of long-term debt. Depending upon the nature of the capital project and the source of funds for the eventual repayment of any money borrowed, the City will likely issue debt in a number of forms including LTGO (non-voted), UTGO (voted) and Revenue Bonds.

Debt Capacity

Washington State law provides that general obligation debt cannot be incurred in excess of the following percentages of the value of taxable property of the City:

- A total of 2.5% for General Purpose allocated between:
  - Up to 1.5% without a public vote (councilmanic or LTGO).
  - Up to 1.0% with a public vote (UTGO).
- A total of 2.5% for utility purposes with a public vote.
- A total of 2.5% for open space, park and capital facilities with a public vote.

At December 31, 2006, the *estimated* debt limits for the City are as follows (final figures for year-end are not available at the writing of this document):

	2.5% General Purpose		With a Public Vote		
	Without a Public Vote 1.50%	With a Public Vote 1.00%	Utility Purpose 2.50%	Open Space, Park, and Capital Facilities 2.50%	Total
Legal Limit	27,647,940	18,431,960	46,079,901	46,079,901	138,239,702
Outstanding Indebtedness	(5,753,750)	(3,915,000)	0	0	(9,668,750)
Margin Available	21,894,190	14,516,960	46,079,901	46,079,901	128,570,952
The margin available is based upon the Chelan County Assesor's Office *preliminary* estimate of 2006 assessed values for 2007 levies and taxes			$1,843,196,025		

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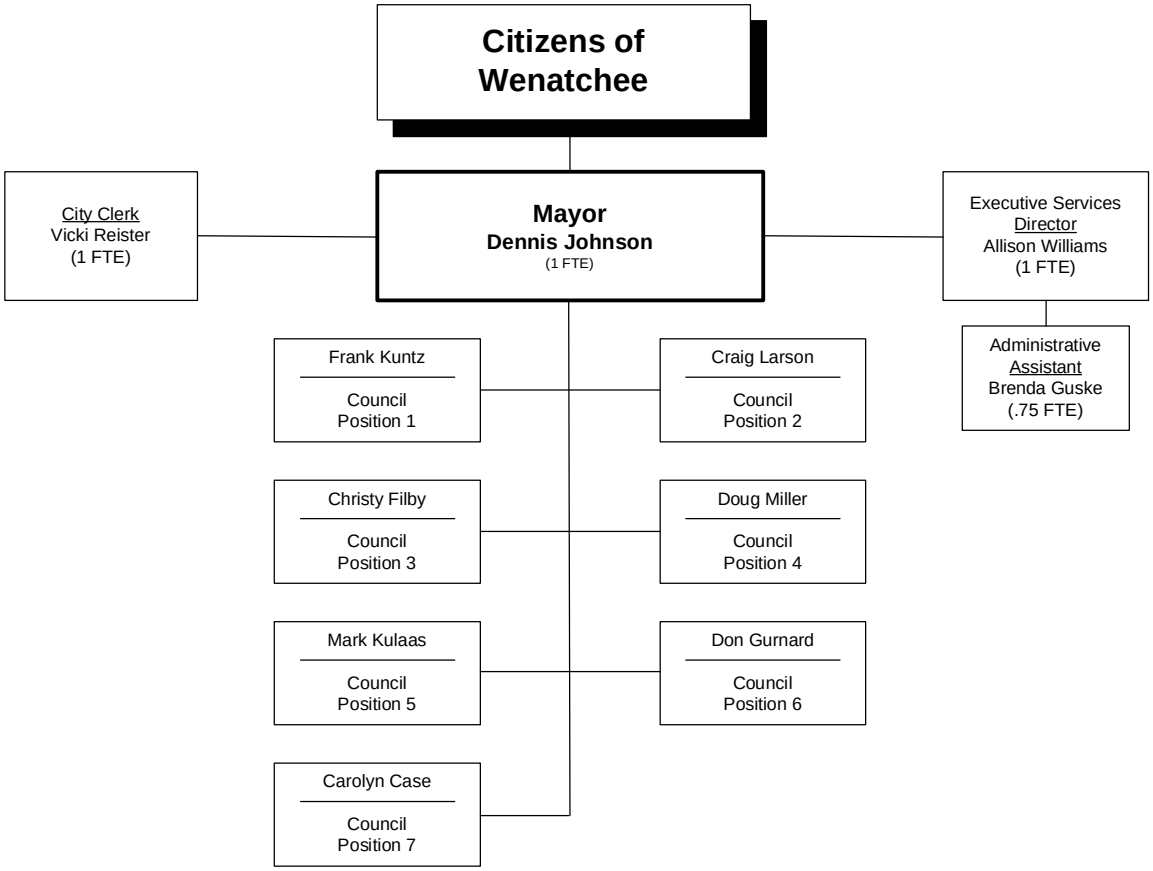
Part 7. General Fund

Mayor/Council
Total 2007 Appropriations $525,434
3.75 FTE



Department Description

Under the Mayor/Council form of government the Mayor is the official and ceremonial head of the City. He serves as the chief executive officer and is charged with the responsibility of ensuring that all policies, laws and ordinances enacted by the Council are carried out. The Mayor sets the agenda for, and presides over, all City Council meetings and reports to the Council regarding City affairs including operational, financial and other needs. He also makes recommendations for Council consideration and action. Additionally, the Mayor is responsible for the creation and presentation of the City's annual operating and capital budgets.

The City Council is comprised of seven members who represent the needs and concerns of citizens. Through legislative action the Council sets policy and provides direction to be carried out by the Mayor and appointed staff. Among other things, the Council is responsible for establishing and prioritizing levels of service for all City operations and for the adoption of the City's annual operating and capital budgets. Council members and the Mayor represent the city in serving on various community boards and councils.

The Executive Services Director and City Clerk, work for the Mayor and City Council. The City Clerk carries out the administrative functions of the office, keeping official city files, recording documents, managing contracts and providing information resource and referral for citizens and city staff. The Executive Services Director acts as a lead for the city on economic development

and long range planning projects and provides staff for the city's Neighborhood Program and Diversity Initiative. This position also serves as a liaison between the public, Mayor, City Council and city departments. In 2006, a new position was created to support the work of the Executive Services Director and provide back up to the City Clerk, Administrative Assistant.

The City Council generally meets in the Council Chambers at Wenatchee City Hall on three evenings each month at 5:15 p.m. Work sessions are held on the third Thursday of the month while regular meetings are held on the second and fourth Thursdays of each month. A brief description of these meetings is outlined below:

- Work Session: Work Sessions are reserved for the education of the City Council members by either City staff or community organizations and are intended to create a dialogue and understanding of issues that may require future City Council action. No formal or public comment is taken at the Work Sessions.

- Regular Meeting: Regular City Council meetings are held to discuss and deliberate agenda items that require formal City Council action, although other issues and topics may be presented and discussed. Any member of the public may address the Mayor and Council at the regular meetings.

2006 Accomplishments

- A successful effort to extend Public Facilities District Legislation, during a short session (thank you NCW Legislators!), and the facilitation of the creation of the Greater Wenatchee Regional Events Center Public Facilities District (GWRPFD) in June 2006 – a partnership between 9 jurisdictions
- Lease-Option and Management Agreements were signed by the GWRPFD supported by the City Council and construction of the $44.5 million multipurpose events center began in September 2006, with the official groundbreaking on September 12, 2006
- As a result of the city's work on the implementation of the Waterfront Sub Area Plan, over $300 million in projects are either underway or close to building permit status
- The Mayor participated traveled with a delegation to Yahoo headquarters prior to their announcement of their investment in NCW at the Confluence Technology Center
- The City's new draft Comprehensive Plan is going through the formal adoption process including a new Parks Comprehensive Plan and a new Downtown Vision and Subarea Plan
- The City's Diversity Advisory Council formalized their Vision and Mission and the first two Diversity Matching Grant awards were given out leveraging $6800 in diversity programming in the community
- Awards of three more neighborhood matching grants, bringing the total of grants awards to $25,225 since 1999 leveraging over $467,041 in investment in the city of Wenatchee
- Grant writing assistance for various city projects, bringing new resources into the city for the waterfront ($10 million CERB Grant pending) Riverside Drive, downtown Wenatchee, Wenatchee Valley Trails Coalition, Wenatchee Valley Farmer's Market, Orondo Moorage and Parking Expansion project and potentially the Public Defense Grant
- Successful contract negotiations with the Public Defender and City Attorney Contracts
- New Directors were hired for the Information Systems Department and Wenatchee Valley Museum and Cultural Center
- Welcome of the Misawa Delegation to Wenatchee during the Washington State Apple Blossom Festival
- Christy Filby was appointed as a City Council person after the resignation of Anne Temte who moved to Minnesota

Expenditure Summary

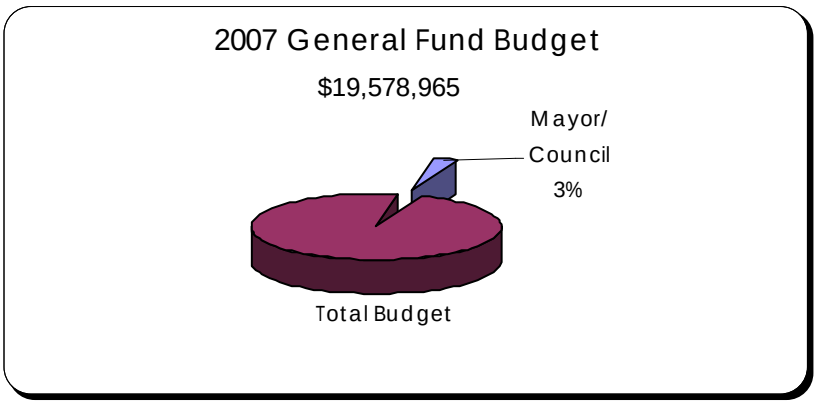
Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries & Wages	$173,697	$208,991	$207,178	$258,713	$357,819	$99,106	38.31%
Payroll Taxes & Benefits	34,836	40,813	39,720	52,823	70,424	17,601	33.32%
Supplies	5,214	4,047	10,387	17,700	18,750	1,050	5.93%
Other Services & Charges	46,594	54,216	69,061	127,681	124,605	(3,076)	-2.41%
Intergovernmental	61,430	35,764	43,297	50,000	65,000	15,000	30.00%
Total Expenditures	$321,771	$343,830	$369,643	$506,917	$636,598	$129,681	25.58%
Less nonrecurring expenditures:							
Public Facility District	0	0	0	98,654	94,364	(4,290)	-4.35%
Information Technology Additions	0	0	0	0	16,800	16,800	#DIV/0!
Total nonrecurring expenditures	0	0	0	98,654	111,164	12,510	12.68%
Total Recurring Expenditures	321,771	343,830	369,643	408,263	525,434	117,171	28.70%

Personnel Summary

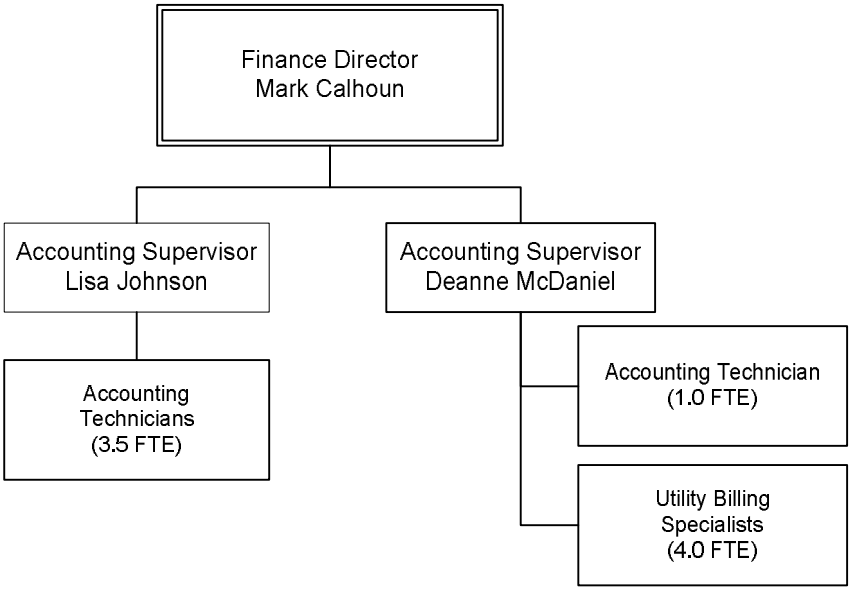
Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Mayor	1	1	1	1	1
Council Members*	7	7	7	7	7
Director of Administrative Svcs	1	1	1	1	0
Executive Services Director	0	0	0	0	1
City Clerk	1	1	1	1	1
Administrative Assistant	0	0	0	0	0.75
Total Personnel	3	3	3	3	3.75

* Council members are compensated at the rate of $550 per month and are not included as FTEs.

Percentage of General Fund Budget



Finance Department
Total 2007 Appropriations $973,350
11.5 FTE



Department Description

The Finance Department is charged with the responsibility of the administration, coordination, supervision and control of all financial, accounting, treasury, debt and purchasing service activities of the City. These functions are performed through a combination of interrelated activities including financial management, general accounting and customer services.

Financial management responsibilities include activities such as budget development and monitoring, treasury control and management of the City's cash and investment portfolio, debt financing and management. Additionally, with the Human Resources department, collectively administers the City's risk management and self-insurance programs.

General accounting responsibilities include activities such as internal and external financial reporting, general ledger accounting, audit coordination, cash receipting, payroll processing, accounts payable and accounts receivable.

Customer services are provided to the public directly and indirectly through support of other City departments. Direct contact with the public comes through annual local improvement district (LID) billings, utility billing and collection, business license issuance, and information services provided through the main phone switchboard and customer service counter.

The goal of this Department is to assist the Mayor, Council, City Staff and Citizens in the areas of financial planning, budgeting, reporting and overall stewardship of the City's resources.

2006 Accomplishments

- Completed the 2005 Annual Financial Report in compliance with Governmental Accounting Standards Board (GASB) Statement #34.
- Received a “clean audit opinion” from the Washington State Auditor’s Office on the 2005 Annual Financial Report.
- Prepared periodic financial reports and other project specific reports as requested for use by the Mayor, Council and Directors.
- Payroll cycles were completed in an accurate and timely manner.
- City bills were paid in a timely manner and cash discounts were taken on a regular basis.
- Billings for utility services were completed in a timely manner.
- Developed a revised purchasing policy for use by City departments.
- Developed a request for proposal for banking services and anticipate the selection of a bank in early 2007.
- Successfully upgraded the Quadrant cash receipting software.
- Assisted the Mayor’s office in the development of the Greater Wenatchee Regional Events Center Public Facilities District.

2007 Goals

- Complete the 2007 Budget document by March 1, 2007 (within 3-months of the 12/14/2006 adoption).
- Complete the 2006 Annual Financial Report by May 30, 2007, and receive a “clean audit opinion” from the Washington State Auditors Office.
- Complete payroll cycles in an accurate and timely manner.
- Pay City bills in a timely manner and continue to take advantage of all available cash discounts.
- Prepare billings for utility services in a timely manner.
- Provide financial information to the Mayor, Council and Staff as needed.
- Prepare periodic financial reports for use by the Mayor, Council and Staff.
- Continue to follow and /or improve the guidance of the policies we have developed in recent years for purchasing, utility billing and collection, and investments.
- Complete the banking request for proposal process which began in the latter part of 2006 by selecting a bank by early 2007.
- Develop a 2006 annual financial report for the first time for the Greater Wenatchee Regional Events Center Public Facilities District.
- Work with the City Council and board of the PFD to develop an accounting system for the Events Center.

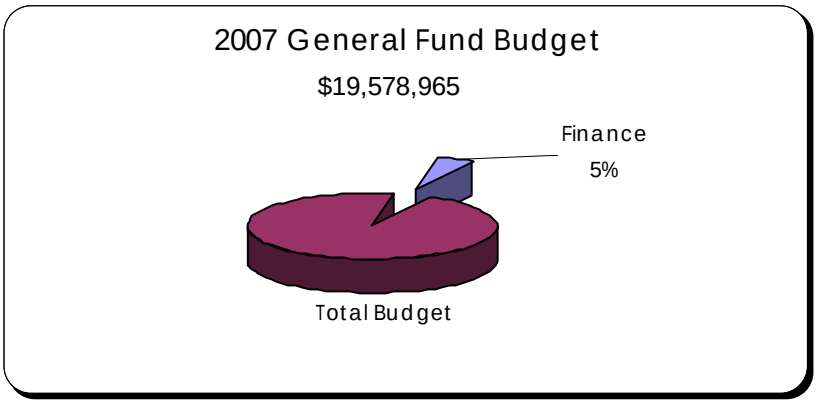
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries & Wages	$487,834	$485,479	$501,692	$560,331	$580,824	$20,493	3.66%
Payroll Taxes & Benefits	126,333	138,258	143,720	188,900	221,379	32,479	17.19%
Supplies	19,011	22,880	19,726	22,000	22,000	0	0.00%
Other Services & Charges	94,720	105,279	112,528	138,504	149,847	11,343	8.19%
Total Expenditures	$727,898	$751,896	$777,665	$909,735	$974,050	$64,315	7.07%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	700	700	#DIV/0!
Total Recurring Expenditures	$727,898	$751,896	$777,665	$909,735	$973,350	$63,615	6.99%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Finance Director	1	1	1	1	1
Asst. Finance Director	1	0	0	0	0
Accounting Supervisor	0	2	2	2	2
Staff Accountant	1	0	0	0	0
Accounting Technician	3.5	3.5	3.5	3.5	3.5
Accounting Technician - Utilities	0	0	0	1	1
Utility Billing Specialist	4	4	4	4	4
Total Personnel	10.5	10.5	10.5	11.5	11.5

Percentage of General Fund Budget



Human Resources
Total 2007 Appropriations $224,251
2 FTE

Department Description

The Human Resource department is located in City Hall. Following the Human Resource guideline of one HR professional to every 100 employees we have a Director and a Specialist. One goal is to attract and retain qualified employees, and to create a work environment which promotes excellent service to our customers and excellent work opportunities for employees. We are part of the non-represented Management/Administrative group and negotiate labor contracts with three unions. A good deal of our effort is spent in support of personnel policy development, administration of and compliance with labor contracts and administering employee benefits. Duties include:

- Writing job descriptions, overseeing recruiting and hiring processes, providing guidance on staffing decisions, and providing performance evaluations.
- We oversee wage development via job reclassifications for job and salary review, plus work with vendors on insurance and other employee benefits. The Human Resource Specialist coordinates the LEOFF I Disability Board and the Firemen's Pension Fund.
- We work with labor unions on contract negotiation and administration.
- Assist City personnel in fostering fair workplace rules and maintaining good employee relations.
- Ensure compliance with personnel policies, state and federal laws.
- Advise managers on employment law and counsel with employees and supervisors on disciplinary and other matters.

2006 Accomplishments

- **Staffing Changes & New Hires**: Many new hiring, promotional or transfer opportunities occurred this year across all labor groups. These opportunities were filled by thirty-six (36) employees and/or new hires. Included were the filling of two Director positions for Information Services and the Museum. Working with the Mayor's appointed Selection Committee we also conducted an executive search for Fire Chief in December.

- **Labor Contract Negotiations**:
  - The Wenatchee Police Guild contract was settled for 2005-2007.
  - The International Association of Firefighters contract is, we trust, on the way to settlement as we close out the year. Our apparent agreement will run for the maximum allowable duration of 3 years.

- **Training Provided & Taken**:
  - Working with the Accounting Supervisors the HR Director conducted workplace video training for Finance personnel.
  - HR hosted supervisory trainers on Employee Accountability and issues for Commercial Driver License holders.
  - HR staff attended the AWC Wellness Academy and the WAPELRA Fall Conference on labor relations. The Director regularly attends quarterly WAPELRA seminars and monthly meetings with the Wenatchee Valley Personnel Management Group and training with the Apple Valley Human Resource Association including a diversity seminar in September.
- **Policy Development:** For 2007 we revised our Employment Handbook, updating policy statements and new labor law introduced since 2000, the date of last revision. The handbook outlines rules, procedures and guidelines for employee behavior, code of conduct, ethics in public service, policy and practices, employee benefits, explanation of payroll taxes and leave time, disciplinary guidelines. Our revision meets the recommendation of the Association of Washington Cities risk manager.
- **Professional Development:** Activities for the HR Director included service as Past President with the Washington Public Employer Labor Relations Association, appointment to the Training Committee for the National Public Employer Labor Relations Association, and appointment to the Association of Washington Cities Risk Management Services Association.

2007 Goals

- Negotiate a 3-year contract with AFSCME (the Association of Federal, State, County and Municipal Employees).
- Finalize a tentative contract settlement with the IAFF.
- Seek Council approval for the 2007 edition of the Employment Handbook. Publish and distribute the handbook to employees.
- In 2007 we look forward to overseeing the hiring process for eight new hires including a Fire Chief, Community Development Director, and Public Works Director.

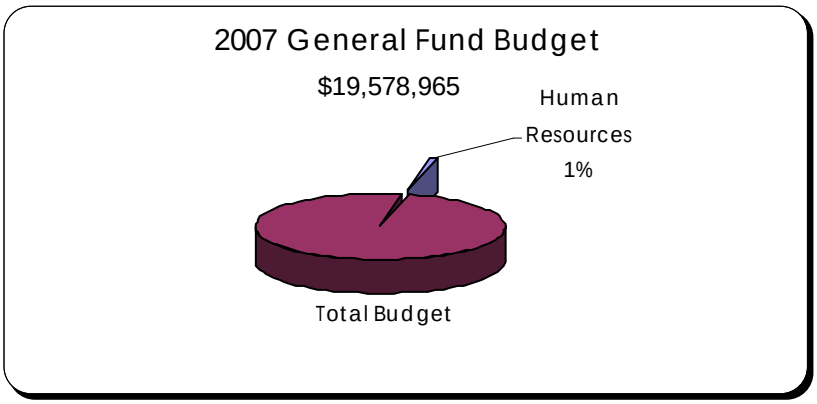
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries & Wages	$ 120,835	$ 123,361	$ 126,445	$ 130,620	$ 138,456	$ 7,836	6.00%
Payroll Taxes & Benefits	25,945	27,880	27,457	31,839	37,317	5,478	17.21%
Supplies	1,240	731	2,699	3,000	3,000	0	0.00%
Other Services & Charges	29,671	85,164	51,178	69,968	45,478	(24,490)	-35.00%
Total Expenditures	$ 177,691	$ 237,136	$ 207,779	$ 235,427	$ 224,251	(11,176)	-4.75%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Human Resource Director	1	1	1	1	1
Human Resource Specialist	1	1	1	1	1
Total Personnel	2	2	2	2	2

Percentage of General Fund Budget



Legal Services
Total 2007 Appropriations $225,000
0 FTE

Department Description

For legal counsel the City of Wenatchee utilizes the firm of Johnson, Gaukroger, Drewelow, Crossland & Woolett. The firm represents the City in civil legal matters and provides legal advice on a variety of subjects. Additionally, the firm prosecutes persons for violations of City ordinances and laws. Steve Smith, a principal partner in the firm has been designated "City Attorney" by the City Council.

The City recently entered into a four-year contract renewal with the firm and 2007 reflects the first year of that contract. The City's 2007 contractual payment was fixed at $259,345 and the payment in 2008 will increase by 5% to $272,312. Payments for the years 2009 and 2010 will be negotiated and agreed to between the firm and City no later than October 15, 2008. In the past such increases have been based upon the CPI, Pacific Cities and U.S. City Average, August to August, All Items Indexes, All Urban Consumers (CPI-U, West B/C).

Of the 2007 payment of $259,345, we anticipate the General Fund's share of the cost will be $225,000. The balance of the payment ($34,345) will be allocated to other City funds based upon their respective use of attorney time.

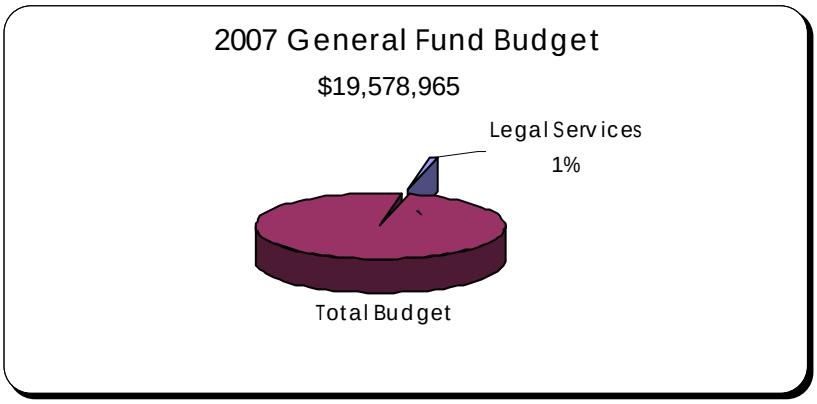
Finally, the 2007 payment of $259,345 is premised upon the existing level of service that has historically been provided. In the event of extenuating circumstances requiring additional legal services to be performed outside the present level of service, the City and Attorneys have agreed to negotiate in good faith to achieve a resolution of the additional services to be provided and the compensation to be paid.

Expenditure Summary

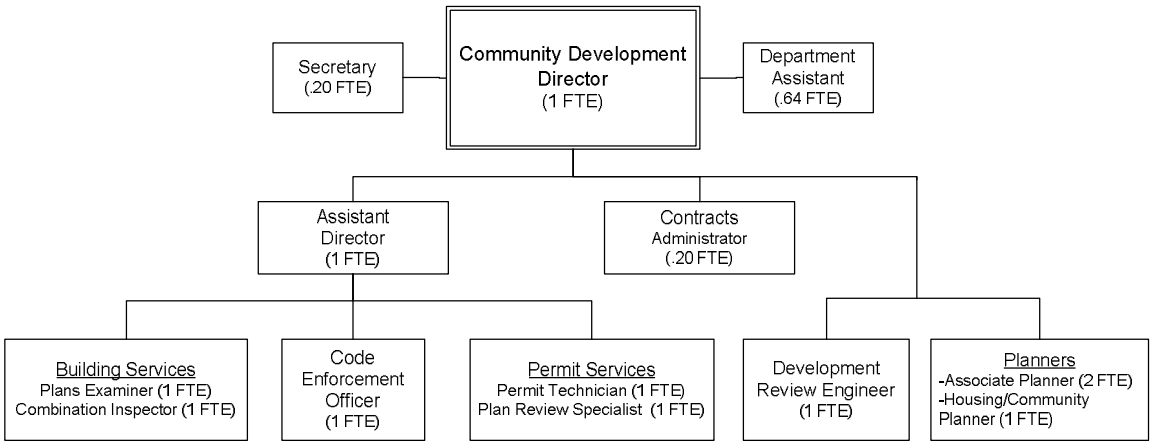
Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Professional Services	$0	$0	$0	$215,000	$225,000	$10,000	4.65%
Professional Svc/Admin	29,323	27,111	34,894	0	0	0	N/A
Professional Svc/Fire	1,200	2,041	1,476	0	0	0	N/A
Professional Svc/Police	7,056	4,700	4,942	0	0	0	N/A
Professional Svc/Police Court	262,496	247,506	214,189	0	0	0	N/A
Professional Svc/Parks	6,198	2,374	1,608	0	0	0	N/A
Professional Svc/Planning	26,062	27,400	27,680	0	0	0	N/A
Professional Svc/Civil Service	308	98	0	0	0	0	N/A
Professional Svc/Personnel	2,401	286	4,866	0	0	0	N/A
Professional Svc/Museum	0	970	797	0	0	0	N/A
Professional Svc/Engineering	4,589	3,992	4,043	0	0	0	N/A
Credit to Achieve Contract Pmt	154,687	(103,048)	(79,186)	0	0	0	N/A
Total Expenditures	$494,320	$213,429	$215,309	$215,000	$225,000	$10,000	2.02%

The Legal Department expenditures are charged to the various departments as they are incurred, but are budgeted for as one line item.

Percentage of General Fund Budget



Community Development-Code Enforcement Division
Total 2007 Appropriations $339,550
4 FTE



Department Description

This Division is responsible for enforcement of the International Building, Mechanical, Fuel Gas Codes and the Uniform Plumbing Code; the State Residential Energy Code, and the State Non-residential Energy Code, as well as the National Electrical Code as adopted by the City of Wenatchee.

The Division's work consists of receiving plans and applications, providing a complete plan review, issuing permits, and field inspections. This includes receiving comprehensive plan sets for all new commercial, residential, and public construction, as well as, additions and alterations to existing buildings. The division is responsible for overseeing the routing of all construction projects through the various departments with jurisdiction in order to provide a complete plan review package for applicants.

2006 Accomplishments

- Managed through to completion the construction and occupancy of the Wenatchee Community Center
- Continued to provide professional and efficient service to the general public with continued increase in permit activity over previous year.
- Continued to provide training to further knowledge and maintain certifications.
- Helped with the Housing Rehabilitation program by doing house inspections.

2007 Goals

- Continue to provide opportunities for professional development and certification of professional staff.
- Continue to provide assistance with city projects for city buildings and parks.
- Facilitate timely processing of development permits for waterfront projects

	2003	% change	2004	% change	2005	% change	2006	% change
Building Permits								
Building	479	*8.10%*	517	*7.90%*	498	*-3.70%*	479	*-3.82%*
Electrical*	776	*16.50%*	844	*8.80%*	317	*-62.40%*	0	*-100.00%*
Mechanical**	193	*-9.40%*	199	*3.10%*	167	*-16.10%*	89	*-46.71%*
Plumbing**	225	*29.30%*	278	*23.60%*	300	*7.90%*	147	*-51.00%*
Planning Permits								
Conditional Use	19	*280.00%*	10	*-47.40%*	20	*100.00%*	18	*-10.00%*
Rezone	2	*100.00%*	4	*100.00%*	3	*-25.00%*	1	*-66.67%*
Shoreline	0	*0.00%*	1	*0.00%*	1	*0.00%*	1	*0.00%*
Short Plat	10	*42.90%*	7	*-30.00%*	8	*14.30%*	7	*-12.50%*
Subdivision Applications	6	*100.00%*	4	*-33.30%*	3	*-25.00%*	7	*133.33%*
Subdivision -- Lots Created	126	*80.00%*	134	*6.30%*	158	*17.90%*	121	*-23.42%*
Variance	1	*-50.00%*	4	*300.00%*	1	*-75.00%*	2	*100.00%*
Public Works Permits								
Right of Way**	270	*1.50%*	369	*36.70%*	302	-18.20%	69	*-77.15%*
TOTAL PERMITS	2107	*13.90%*	2237	*6.20%*	1620	*-27.60%*	941	*-41.91%*
REVENUE								
Permits*	393,121	*21.50%*	424,890	*8.10%*	423,703	*-0.30%*	349,777	*-17.45%*
Public Works Permits	9,028	*-3.60%*	15,642	*73.30%*	17,177	*9.80%*	12,671	*-26.23%*
Plan Check	152,857	*36.20%*	162,792	*6.50%*	146,289	*-10.10%*	119,518	*-18.30%*
Public Works Review	4,025	*8.80%*	8,478	*110.60%*	11,253	*32.70%*	5,220	*-53.61%*
Planning Fees	925	*-2.60%*	8,225	*789.20%*	25,017	*204.20%*	9,032	*-63.90%*
TOTAL REVENUE	$559,956	*24.50%*	$620,027	*10.70%*	$623,439	*0.60%*	$496,218	*-20.41%*

*Electrical program transferred to Washington State in 2005 resulted in a decline in permits

**Late 2005 these permits were issued with the building permit instead of individually

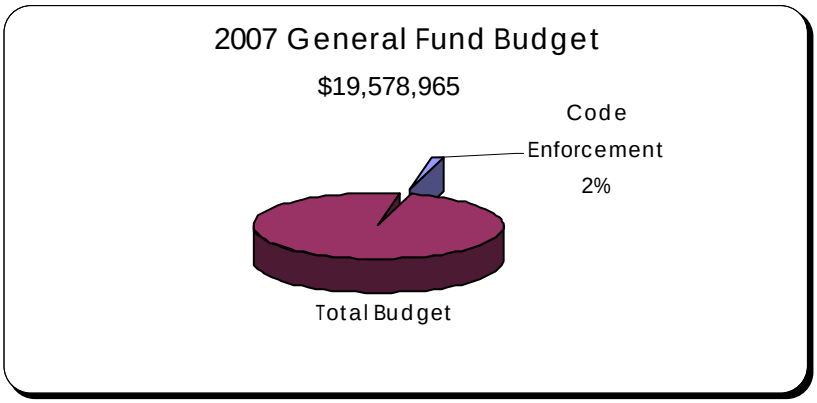
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries & Wages	$ 188,492	$ 196,090	$ 204,233	$ 197,620	$ 207,422	$ 9,802	4.96%
Payroll Taxes & Benefits	52,785	55,558	55,881	65,407	74,140	8,733	13.35%
Supplies	7,381	4,945	4,509	8,209	8,209	0	0.00%
Other Services & Charges	39,386	41,692	46,896	50,829	49,779	(1,050)	-2.07%
Total Expenditures	$ 288,044	$ 298,285	$ 311,519	$ 322,065	$ 339,550	$ 17,485	5.43%

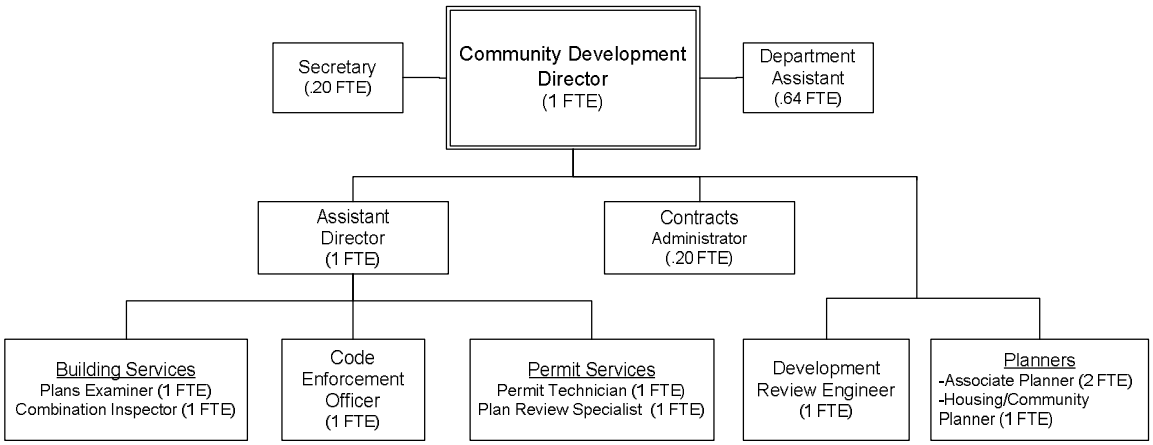
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Plans Examiner	1	1	1	1	1
Combination Inspector	1	1	1	1	1
Permit Specialist	1	1	1	1	1
Permit Review Specialist	0	0	0	1	1
Electrical Inspector	1	1	1	1	0
Total Personnel	4	4	4	5	4

Percentage of General Fund Budget



Community Development-Planning Division
Total 2007 Appropriations $712,302
8.04 FTE



Department Description

This Division is responsible for providing planning services to the City, including review of development projects and community planning.

The Senior Planner within the Division is responsible for managing development project review and the customer service team. The customer service team includes one Permit Specialist and a Department Assistant that provide information to the public and review of development projects. An Associate Planner also provides support to the Senior Planner in providing the services in this area. This team ensures that quality development takes place in a timely and lawful manner consistent with development regulations.

The Department Director and Community Planner are responsible for formulating long-range community plans that guide the community and improve the quality of life and economic health of the community.

2006 Accomplishments

- Hired a Development Review Engineer to help facilitate timely review of private development proposals.
- Completed construction of the Wenatchee Community Center, a $2 million renovation project
- Worked on implementation of the waterfront plan, including efforts to obtain funding for Riverside Drive and other public improvements
- Continued implementation of south Wenatchee revitalization strategy, including work with housing rehabilitation program and community center construction
- Administered grant program for sidewalk construction in south Wenatchee
- Implement Five Year HUD Consolidated Plan for CDBG Funds and create one year action
- Began full scale update to the Wenatchee Urban Area Comprehensive Plan as required by Growth Management Act
- Adopted Grandview Historic Overlay District to assist preservation of historic resources
- Continue to monitor annexation issues and implement as needed
- Continued review of Environmental Assessment documents for SR 285 Senator Sellar bridge approach
- Continued enforcement of code violations, with particular emphasis on south Wenatchee area

- Began work on development regulations to implement new comprehensive plan zoning designations
- Continued work on a master plan for the new Public Works Facility

2007 Goals

- Continue implementation of south Wenatchee revitalization strategy, including work with Habitat for Humanity and housing rehabilitation program
- Complete the update to the comprehensive plan and development regulations as required by Growth Management Act
- Continue to monitor annexation issues and implement as needed
- Assist displaced mobile home residents and owners to the best of our ability
- Improve staffing levels by filling two new planner positions authorized by Council
- Update Resource Lands and Critical Areas Ordinance

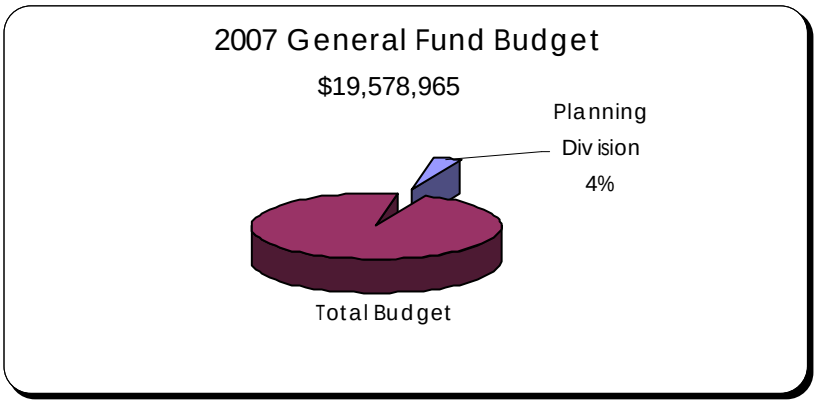
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Salaries & Wages	$ 314,523	$ 324,491	$ 258,080	$ 333,145	$ 463,267	$ 130,122	39.06%
Payroll Taxes & Benefits	77,045	82,680	60,734	98,687	156,809	58,122	58.90%
Supplies	6,134	4,862	7,020	11,337	11,337	0	0.00%
Other Services & Charges	73,367	58,138	64,232	85,173	108,389	23,216	27.26%
Grant Funded Programs	0	0	0	0	0	0	
Total Expenditures	$ 471,069	$ 470,172	$ 390,066	$ 528,342	$ 739,802	$ 211,460	40.02%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	27,500	27,500	#DIV/0!
Total Recurring Expenditures	$471,069	$470,172	$390,066	$528,342	$712,302	$183,960	34.82%

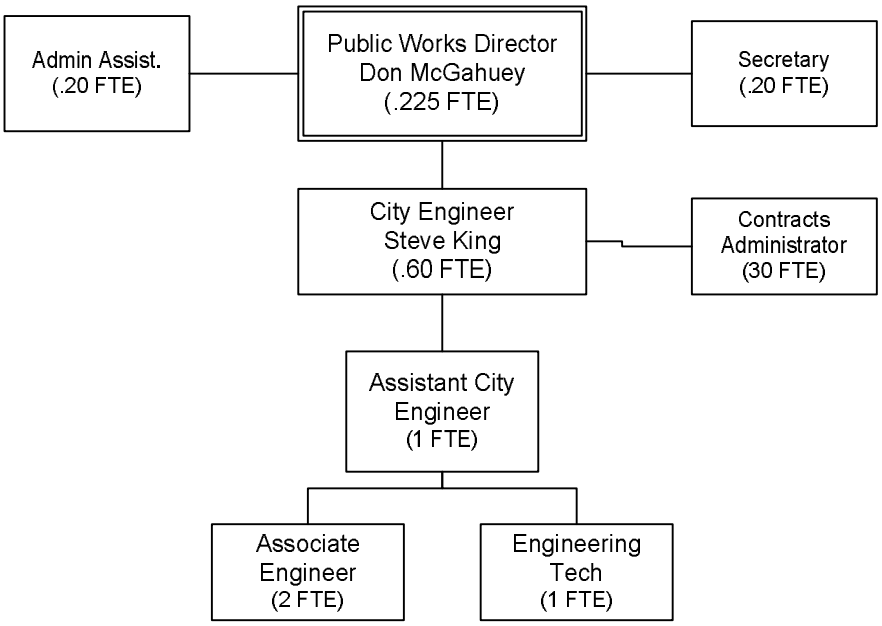
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Community Dev. Director	1	1	1	1	1
Senior Planner	1	1	1	1	1
Code Enforcement Officer	1	1	1	1	1
Administrative Assistant	0	0	0	0.64	0.64
Development Review Engineer	0	0	0	1	1
Associate Planner	0	0	0	1	2
Assistant Planner	1	1	1	0	0
Housing/Community Planner	1	1	1	0	1
Permit Specialist	1	1	1	0	0
Contracts Administrator	0	0	0	0	0.2
Secretary	0	0	0	0	0.2
Total Personnel	6	6	6	5.64	8.04

Percentage of General Fund Budget



Public Works Department-Engineering Division
Total 2007 Appropriations $560,688
5.525 FTE



Department Description

The Engineering Division of the Public Works Department provides engineering services in terms of design and construction management for the City of Wenatchee infrastructure, which includes the domestic water, sanitary sewer, storm sewer and signal and lighting systems. This division is also responsible for review and inspection of the infrastructure for new subdivisions.

2006 Accomplishments

- Designed and completed of the 2006 Street Overlay project. The streets that were overlaid included Washington Street between King and Miller, portions of Castlerock Ave, Crawford Street between Mission and Wenatchee Ave., Sunrise Circle, Sutton Place, and portions of South Wenatchee Avenue. Two blocks of Washington Street had to be entirely reconstructed since due to road damage beyond repair. Total project cost was $662,346.
- Designed and completed the South Wenatchee Ave. and Crawford Water and Storm Project. This project involved installing a 16" water main between Spokane Street and Ferry Street. Total project cost was $1,035,616.
- Managed the design and construction of the Peachy Street sidewalk project.
- Managed the environmental and initial design process for the Linden Tree outfall project.
- Managed the design and oversaw construction of the McKittrick and Stella Street improvements project. Total project costs were $322,370.
- Managed the design of the New Public Works Facility.
- Designed the Okanogan and Orondo Sidewalk project.
- Managed the initial phases of two projects on the water front. Design of the Walla Walla project and Riverside Drive project was awarded to RH2 Engineering.
- Assisted the water resources division in the initial phases of the sewer comprehensive plan development.
- Managed HDR Engineering in the design of the Hawley and Walnut Intersection project.

- Designed and completed the Wenatchee Convention Center Sanitary Sewer Upgrade. Total project costs were $91,472.
- Secured funds and installed school flashing beacons. The total cost was $15,000.
- City staff successfully hired a new development review engineer.
- Initiated development of a prototype snow melt facility.
- Maintained maps for the city's infrastructure. There continues to be a backlog of work in this area (estimated at 1 man year). One of the technicians on our staff has substantial CAD expertise and if time permits, this expertise l be utilized to work on the back log and make improvements to our existing mapping efforts.
- Gathered traffic data for the City of Wenatchee street network and made signal timing modifications.
- Managed the development and completion of a new aerial photograph of the City.
- Reviewed subdivisions and provided engineering review in the development.
- Completed the construction of the Columbia Thurston Project. Total projects costs were $1,009,219.
- Participated in the Wenatchee Valley Transportation Council and the WSDOT efforts to find solutions to the South End West Sellar Bridge approach project.
- Active participant in the Wenatchee Valley Transportation Council Technical Advisory Committee.
- Active participant in the multi-jurisdictional development of stormwater regulations for Eastern Washington (Phase 2).
- Completed phase I of the signal LED bulb replacement project.
- Submitted a successful grant application for Riverside Drive, Piere, and Worthen improvements Phase II.
- Submitted grant other grant applications that were unsuccessful. Continued efforts to secure funding will be a priority for 2007.

2007 Goals

- Perform contract management of a City wide crack sealing project. This project is part of the City's street preservation and maintenance program (Overlay program).
- Oversee the completion of the Hawley/Walnut project.
- Oversee the completion of the Walla Walla Street reconstruction project.
- Oversee the design and right of way acquisition for the Riverside Drive project.
- Complete the Okanogan and Orondo Sidewalk project.
- Oversee the completion of the Peachy Street Phase II project
- Oversee the design and environmental review of the Washington and Miller intersection improvements project.
- Oversee the design and environmental review of the McKittrick Street and Wenatchee Avenue Signal project.
- Oversee the environmental review and construction of the Brick Street project.
- Provide oversight for the addition of a water feature to Rotary Park.
- Assist with the development of the Orondo Boat Basin.
- Provide oversight and assist with the LED signal bulb replacement project.
- Complete design of the North Miller Storm project and suspend construction until funding permits.
- Provide oversight of the Stormwater Comprehensive Plan update.
- Complete the Linden Tree Stormwater outfall project.
- Prepare an updated six year street construction program (2007-2011) by June 30, 2006.
- Assist the WSDOT and WVTC with the South end George Sellar Bridge approach project.
- Continue to review new subdivisions for conformance with City of Wenatchee standards and ordinances.
- Perform grant applications for street, signal, sidewalk, and utility projects.
- Continue involvement in the Eastern Washington Stormwater NPDES permit development and compliance.

- Continue work with Chelan County to establish an Urban area Stormwater Utility.
- Provide oversight of the New Public Works building design and construction.
- Continue to provide support to City departments for engineering needs and contracting needs.
- Continue to work on the City's infrastructure records management and updating. Explore the use of GIS as a management tool.
- Continue work on the development of a sidewalk repair and maintenance program.
- Assist the Community Development Department in the re-write of the City development codes.

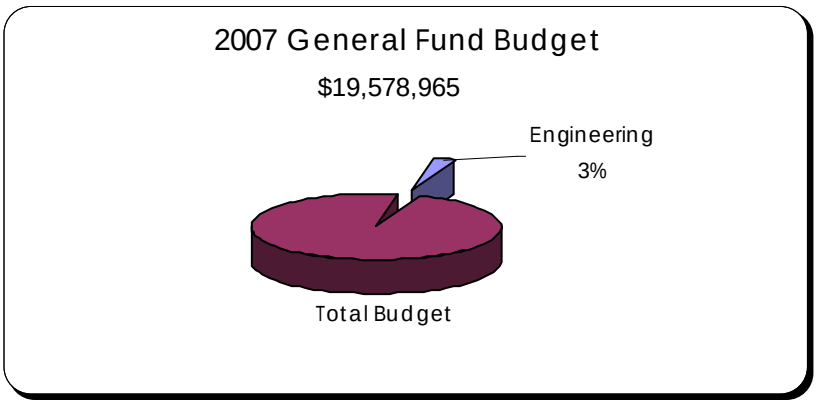
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$ 298,927	$ 299,943	$ 304,958	$ 319,324	$ 352,756	$ 33,432	10.47%
Payroll Taxes & Benefits	71,297	73,078	69,122	82,307	100,034	17,727	21.54%
Supplies	4,673	2,828	5,606	7,435	7,435	0	0.00%
Other Services & Charges	56,485	57,715	64,887	95,525	112,863	17,338	18.15%
Intergovernmental	0	0	0	0	0	0	n/a
Total Expenditures	$ 431,382	$ 433,564	$ 444,574	$ 504,591	$ 573,088	$ 68,497	13.57%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	12,400	12,400	#DIV/0!
Total Recurring Expenditures	$431,382	$433,564	$444,574	$504,591	$560,688	$56,097	11.12%

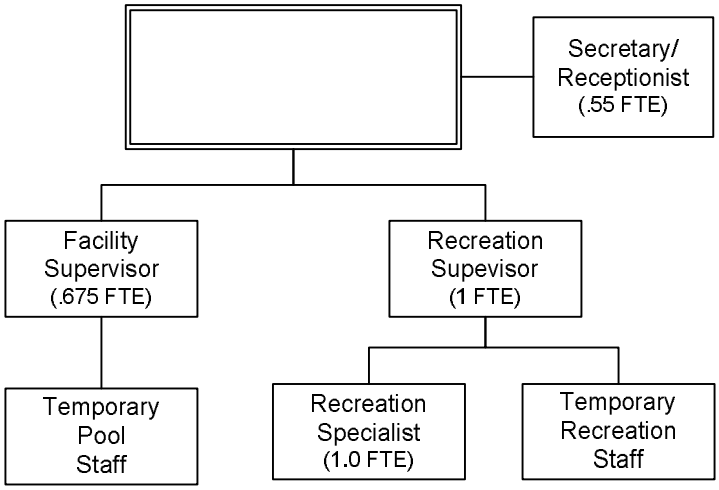
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Director of Public Works	0.15	0	0	0	0.23
City Engineer	1	0.8	0.8	0.6	0.6
Asst. City Engineer	0	0.85	0.7	1	1
Office Engineer	1.33	0	0	0	0
Associate Engineer	2	2	2	2	2
Engineering Technician	1	1	1	1	1
Adminsitrative Assistant	0.15	0.15	0.15	0	0.2
Admin. Assist./Capital Projects	0.45	0.45	0.45	0.4	0
Secretary	0	0	0	0	0.2
Contract Administrator	0	0	0	0	0.3
Total Personnel	6.08	5.25	5.1	5	5.53

Percentage of General Fund Budget



Recreation/Swimming Pool
Total 2007 Appropriations $492,234
3.225 FTE



Department Description

The City of Wenatchee Recreation Division is responsible for providing management and operation of the City Swimming Pool, Ice Arena and a full range of recreation programs and special events.

Parks and Recreation provide a stable influence in our lives, and are vital to the health of a community. Recreation helps to build strong families and a strong society by reducing alienation, loneliness, and anti-social behaviors. National data demonstrate that recreation programs function to reduce many of the problems facing our youth, including teen pregnancy, delinquency, and poor academic performance. Meaningful leisure activity is an essential source of self-esteem, and providing preventative recreation programs is a cost effective alternative to the costs associated with juvenile correction.

Structured time in community recreation programs offer youth the opportunities to make friends, develop relationships with adult role models, and develop the skills critical to healthy youth development. The City's 2006 summer recreation programs proudly served over 4,600 youth in our community.

A second principal goal of the City's recreation division has been to promote investment within the City. The Ice Arena and City Pool host multiple tournaments each year that bring athletes and their families to Wenatchee throughout the winter and summer months. Additionally, the City's strong recreation programs have attracted State competitions to Wenatchee, including the State Special Olympics Winter Games, which the City will be hosting for the 16th consecutive year in 2006. Further, the City hopes to add additional aquatic features at the City Pool in the near future that will serve as a draw for both residents and visitors alike.

2006 Accomplishments

- Highly successful special events, including the Fourth of July celebration (10,000 participants), Winter Flake Festival (2,000), and Halloween Carnival (1,000) Washington State Special Olympics Winter Games (2500)
- Served over 4,600 youth in summer recreation programs

- With the help of the community, park board, staff and consultant, the Parks and Recreation Comprehensive Plan was updated and adopted.
- Several new programs were put in place and huge success including Special Olympics Golf, family hands on art program, vendors added to summer concert series and special needs fitness class.
- Hosted the 2006 State Hershey Track and Field meet with over 800 athletes attending from around the State of Washington.

2007 Goals

- Work on priorities within the updated Parks and Recreation comprehensive plan for future implementation.
- Continue to increase participation in the Recreation Programs and Pool users.
- Continue to utilize Community Center to enhance existing and new programming.

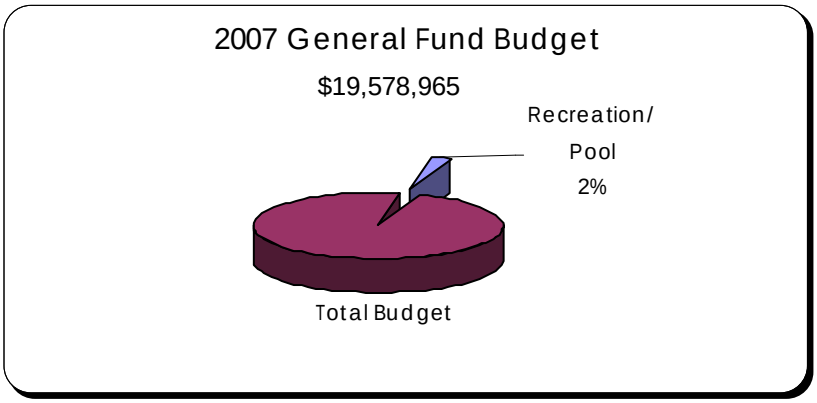
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$ 200,269	$ 213,192	$ 217,336	$ 241,306	$ 269,206	$ 27,900	11.56%
Payroll taxes & Benefits	44,527	43,923	49,719	45,605	58,981	13,376	29.33%
Supplies	40,747	34,981	44,074	53,700	74,691	20,991	39.09%
Other Services & Charges	74,534	79,504	89,299	131,937	89,556	(42,381)	-32.12%
Intergovernmental	338	396	471	0	0	0	N/A
Total Expenditures	$ 360,415	$ 371,995	$ 400,899	$ 472,548	$ 492,434	$ 19,887	4.21%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	200	200	#DIV/0!
Total Recurring Expenditures	$360,415	$371,995	$400,899	$472,548	$492,234	$19,687	4.17%

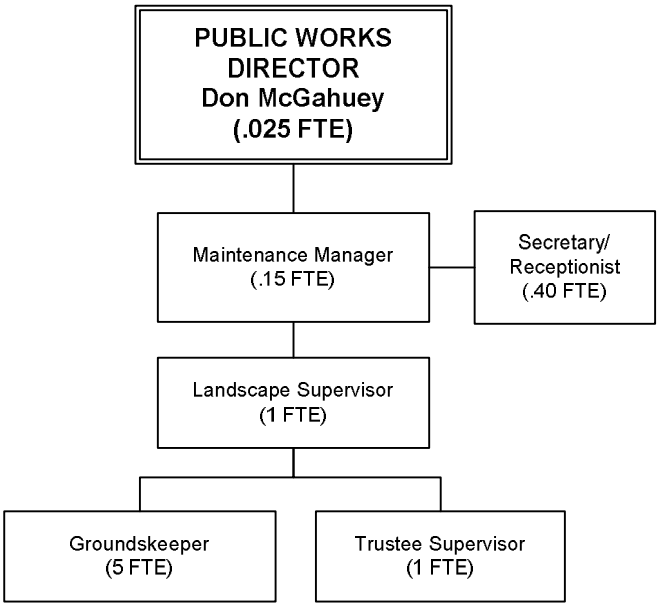
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Parks & Recreation Director	0	0	0	0	0
Recreation Supervisor	1	1	1	1	1
Recreation Specialist	0.5	0.5	0.5	1	1
Facility Supervisor	0.35	0.35	0.35	0.35	0.675
Secretary/Receptionist	0.5	0.5	0.5	0.5	0.55
Total Personnel	2.35	2.35	2.35	2.85	3.225

Percentage Utilized of Total Budget



Public Works Department – Parks Maintenance
Total 2007 Appropriations $793,305
7.575 FTE



Department Description

This division of the Public Works Department has the responsibility for the operation and maintenance of the City's park system. This includes 13 City parks and the landscaping at various locations throughout the City. The Parks Maintenance Division plants and maintains over 100 floral baskets in the downtown core and prunes, maintains and decorates over 300 trees along downtown arterials. The parks crew also maintains the landscaping around city buildings and the Convention Center. The Parks Maintenance Division also provides assistance to the Cemetery Maintenance crew when necessary.

In the winter the Parks Maintenance Division is responsible for snow and ice control for the walkways within the parks as well as all of the sidewalks that adjoin City property. The parks crew also clears the snow and ice at all of the City's buildings including City Hall, the new and old Police Stations, Public Works, the Museum, the Community Center and the Convention Center.

One of the emerging areas of importance for the Parks Maintenance Division is assessing and mitigating the risk exposure in the City's parks. Whether the risk is aging play equipment, changing requirements for ground covering or overhead tree hazards, the Parks Maintenance Division is assessing the risk and attempting to lessen the City's exposure.

The majority of the appropriations for this division (66%) are for wages and benefits. The 2007 budget appropriations have increase over the 2006 appropriations due to additional summer temporary labor and increased operational costs for fuel, fertilizer and maintenance supplies.

2006 Accomplishments

- Completed a pruning program of over 300 street trees.
- Worked with the street department and the YMCA to reconfigure the landscaping at the Police Department parking lot.

- Worked with volunteers to complete the plantings and irrigation improvements for phase two of Rotary Park.
- Assembled and placed additional picnic tables at Rotary Picnic Shelter.
- Upgraded “Soft-Fall” safety ground covering around a majority of the playground equipment throughout the City.
- Continued to work on drainage issues at Rotary Park.
- Constructed site landscaping and irrigation system for the new Community Center.
- Assisted Cemetery with landscape and maintenance work
- Coordinated Make a Difference Day projects at several City facilities.
- Worked collaboratively with the Recreation Division and the City’s consultant on the development of a new Parks and Recreation Comprehensive Plan.
- Made performance improvements to the Wenatchi (Foothills) park irrigation system.
- Completed application to become designated as a Tree City USA.

2007 Goals

- Replace deficient swings and swing equipment throughout the parks.
- Anchor additional picnic tables to concrete pads at various parks to decrease damage.
- Participate in the implementation of the Parks and Recreation Comprehensive Plan.
- Additional training in the area of playground equipment inspection.
- Install new playground equipment at Pioneer Park.
- Replace non-compliant backflow devices.
- Develop a Tree Standards guide as part of the City’s Tree City USA Program

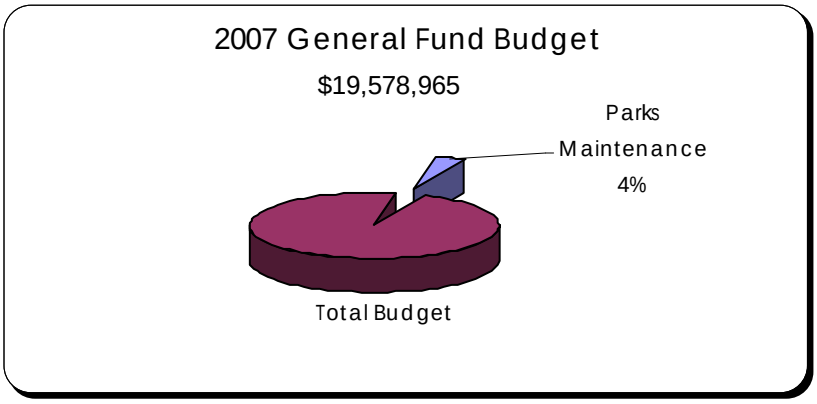
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$ 347,825	$ 348,969	$ 363,441	$ 383,714	$ 402,117	$ 18,403	4.80%
Payroll taxes & Benefits	99,529	106,407	105,222	121,399	140,373	18,974	15.63%
Supplies	48,022	49,900	52,876	98,570	76,870	(21,700)	-22.01%
Other Services & Charges	154,963	183,370	167,223	179,917	173,945	(5,972)	-3.32%
Intergovernmental	164	0	0	0	0	0	N/A
Total Expenditures	$ 650,503	$ 688,646	$ 688,762	$ 783,600	$ 793,305	$ 9,705	1.24%

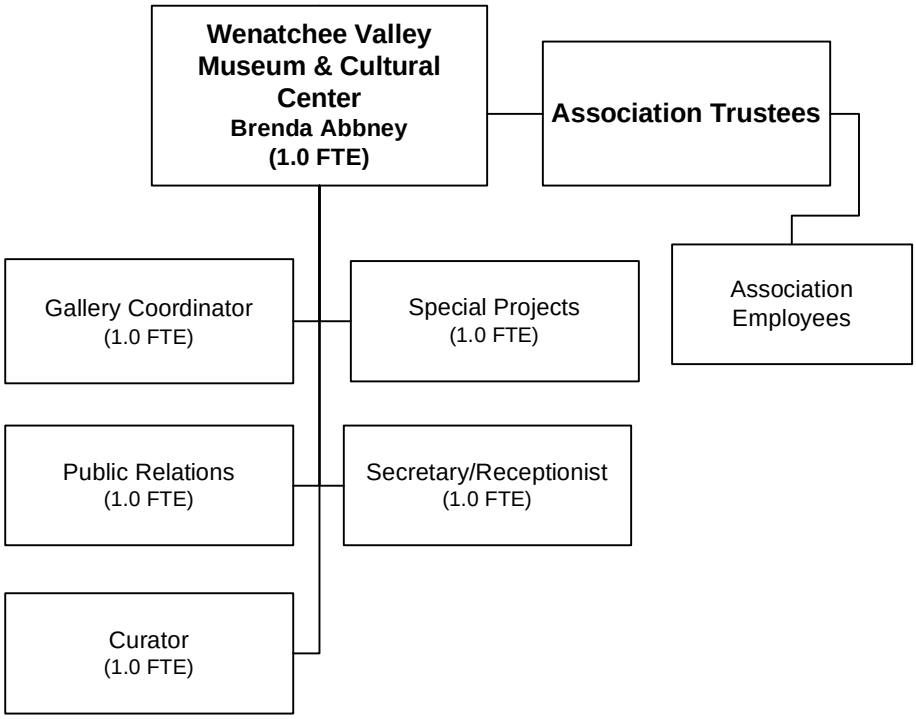
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Parks & Recreation Director	0.8	0	0	0	0
Public Works Director	0	0.15	0.15	0.025	0.025
Maintenance Manager	0	0	0	0.15	0.15
Landscape Supervisor	1	1	1	1	1
Facility Supervisor	0	0	0	0	0
Trustee Coordinator	1	1	1	1	1
Utility Worker/Parks	5	5	5	5	5
Secretary/Receptionist	0.4	0.4	0.4	0.4	0.4
Total Personnel	8.2	7.55	7.55	7.575	7.575

Percentage Utilized of Total Budget



Wenatchee Valley Museum and Cultural Center
Total 2007 Appropriations $489,126
6.0 FTE



Department Description

The Wenatchee Valley Museum and Cultural Center, a department of the City of Wenatchee, provides a wide variety of educational services to Wenatchee and the regional community. The museum's stated mission is to gather and educate people to celebrate and preserve the history, arts, sciences and rich diversity of this region and its people. This mission is fulfilled through a broad spectrum of activities including educational exhibits, lectures and programs that provide enjoyment and education to thousands of people ranging in age from senior to youth and reflecting a diversity of cultures. Museum programs have received statewide recognition for excellence by the Washington State Preservation Office and the Washington Museum Association. Our core function is to interpret, preserve and care for historical artifacts and archives relating to North Central Washington, with an emphasis on the Wenatchee Valley.

The City of Wenatchee provides the facility and basic operating staff under a partnership agreement with the Wenatchee Valley Museum and Cultural Center Association, a 501-c-3 non-profit organization. The Association raises funds for additional staff to coordinate educational programs, manage volunteers, provide maintenance and event support. Volunteers provide an average of 14,000 hours of donated service each year – the equivalent of almost seven full time staff members. Funding from the association serves educational programs, exhibits and preservation of the collections. The community generously supports these activities through donations of time, funds, goods and services. By leveraging the budget provided by the city, the association is able to offer quality public programs that serve the community, making the museum a successful example of a public-private partnership.

The Museum is located in two historic buildings that house three floors of programming space, collections storage and interpretive exhibits on local history, ethnography, natural history and art, at 127-125 South Mission in downtown Wenatchee. A successful capital campaign by the museum association garnered more than $1.2 million in capital improvements to the facilities. These include installing a catering kitchen, handicap accessible restroom facilities, improvements to collection storage and essential repairs to the structure and support systems in the building. Permanent exhibits focus on Native American and pioneering heritage of the region including the historic apple industry, and Great Northern Railroad. The museum also has regular program of changing exhibits, a functional 1919 theater pipe organ, a variety of multimedia programs, large auditorium, catering kitchen, public meeting rooms, and gift shop.

Services provided by the Museum include historic preservation coordination, cultural tourism, community educational programs and mission related events. Topics include regional history, art, culture, multicultural programs, and related educational activities. The museum acts as a support organization for such diverse affiliated groups as Sunshine Institute, Fiestas Mexicanas, Gee Whiz Productions, the Opera Guild and Playback Theater to name a few. The museum is proud to have nurtured groups through the affiliate program which have become successful independent organizations, such as Art on The Avenues and the Upper Valley Museum at Leavenworth.

The museum's impact extends throughout the community with our cooperative partnerships and outreach programs. The museum provides historical interpretive signage in downtown and the riverfront parks system. Historical displays have been placed in City Hall, Chelan County Courthouse, and Chelan and Douglas Port Districts. Museum staff has spearheaded the development of community assets like the Memorial Park Cannon Plaza, Centennial Park, Centennial Park Clock, Wenatchee Riverfront Railroad and a variety of public art pieces. The museum achieved national recognition by coordinating the creation of a Guinness World Record Largest Apple Pie (34,000 lbs) – a record which still stands today. More than 1000 people and hundreds of local businesses gathered to bake a huge pie and through this effort, build community pride.

The programs of the Wenatchee Valley Museum and Cultural Center focus on education. All of our activities are aimed at promoting a spirit of interest and an enthusiasm for life-long learning among the general public. Our relationship with the Wenatchee School District is uniquely focused upon youth—our regional community's future.

The museum currently provides "Museum-to-You" boxes on fifteen different topics. These portable educational programs are prepared with the participation of teachers, and are presented in school classrooms throughout the North Central Washington region. Teachers have the option to have the program presented by museum staff and volunteers or they can be checked out for extended use. These capsule programs are very popular with area teachers, and influence thousands of children each year.

Beginning in 1994, the museum initiated a youth summer enrichment series which expanded in 1997 through partnerships with Wenatchee Valley College and Wenatchee School District. Now named "Super Summer Adventures", the program continues to grow as a major summer program for local youth. Schools also take advantage of our museum through field trips and educational tours of the museum exhibits. The museum has a team of trained docents who guide the visiting school tour groups. Each of these docents attends eight weeks of training prior to leading a group and add tremendous educational value to the tour. The tours are especially valuable to the students whose teacher has checked out the appropriate "Museum-to-You" box and prepared their students prior to the visit. The Wenatchee Valley Museum and Cultural Center offers public and continuing education opportunities for teachers. Lectures, symposia, workshops, and internships are all a part of our general programming. We actively support lifelong learning.

The Wenatchee Valley Museum and Cultural Center, a public/private partnership, represents the City of Wenatchee's leadership role in education and recreation through the presentation of cultural and heritage programs. The museum is one of the city's prime assets for community development and cultural tourism and supports the city's mission to enhance the quality of lives. The Museum's active programs specifically address the city's desire for lifelong learning, providing cultural and recreational opportunities, and creating a sense of history as set forth in the Vision Wenatchee statement.

Wenatchee Valley Museum and Cultural Center:

Ongoing Museum Functions

- Provide public access, interpretation and care of the historic buildings, museum exhibits and collections in trust at the museum for the benefit of the community.
- Provide heritage, arts, cultural, and natural history programming as education and entertainment for a diverse range of visitors and residents served by the museum.
- Act as an anchor for cultural tourism within the community through our own efforts and in partnership with other community organizations.
- Serve as a resource in Historic Preservation for the city's Certified Local Government status and encourage historic re-use of Wenatchee's built environment.
- Assist and advise the City government on issues related to heritage, culture and the arts.

2005-2006 Accomplishments

- Actively engaged more than 27,000 visitors and residents through educational programming and exhibits related to art, culture, history, natural history and ethnography. Particular successes realized through the presentation of "River of Memory", a history of the Columbia River and its associated series of educational lectures and related events.
- Served local youth by providing recreation and educational experiences through partnership with the Wenatchee School District. An average of 5% growth has been seen in our popular summer program.
- Enhanced Historic Preservation activities in community, achieving a benchmark of seven properties added to the Register of Historic Places with more than $1 million in special valuation improvements to properties.
- Completed Phase I capital improvements to facilities with private, corporate and foundation donation and Washington State grant funding totaling $1.2 million.
- Advise and assist city on art, heritage and cultural issues through the Historic Preservation Board, Arts Commission and Museum staff.
- Acted as a partner to 14 community groups and projects serving various community constituents, facilitating a variety of programs including multicultural events, music, theater, literature, arts and history projects.
- Completed major original traveling exhibit, "River of Memory" and began circulating it to Pacific Northwest venues.
- Completed high security display of original Clovis era archeological material.

2007 Goals

- Engage in long-range and strategic planning to strengthen the effectiveness of museum efforts, including marketing, programming and administration.
- Strengthen partnerships with a variety of community organizations to collaborate for the benefit of our mutual constituents.
- Provide leadership and support for multicultural programs that celebrate cultural diversity.
- Increase museum general membership and attendance by 10%.
- Improve entry and exhibit areas with signage, displays and interactive elements.
- Partner with cultural organizations and community groups to broaden program offerings.

- Bring regional attention and appreciation for the Wenatchee area through programs and events such as the traveling River of Memory exhibit and hosting Washington Museum Association conference at the museum.
- Focus on providing quality changing exhibits & programs which engage diverse segments of the community – youth, multicultural, local artists, seniors and families.

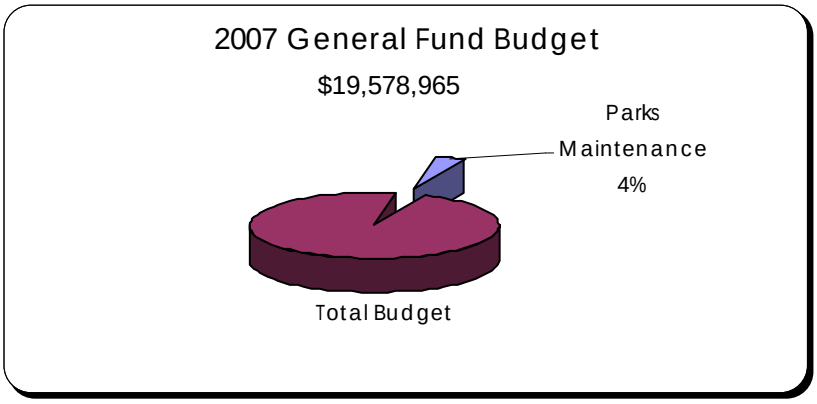
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$ 234,287	$ 239,296	$ 245,354	$ 300,529	$ 318,809	$ 18,280	6.08%
Payroll Taxes & Benefits	56,016	54,987	48,233	75,256	96,778	21,522	28.60%
Supplies	5,547	2,407	5,932	15,046	15,046	0	0.00%
Other Services & Charges	60,637	59,407	67,291	48,502	58,493	9,991	20.60%
Intergovernmental	0	0	0	0	0	0	N/A
Total Expenditures	$ 356,487	$ 356,096	$ 366,810	$ 439,333	$ 489,126	$ 49,793	11.33%

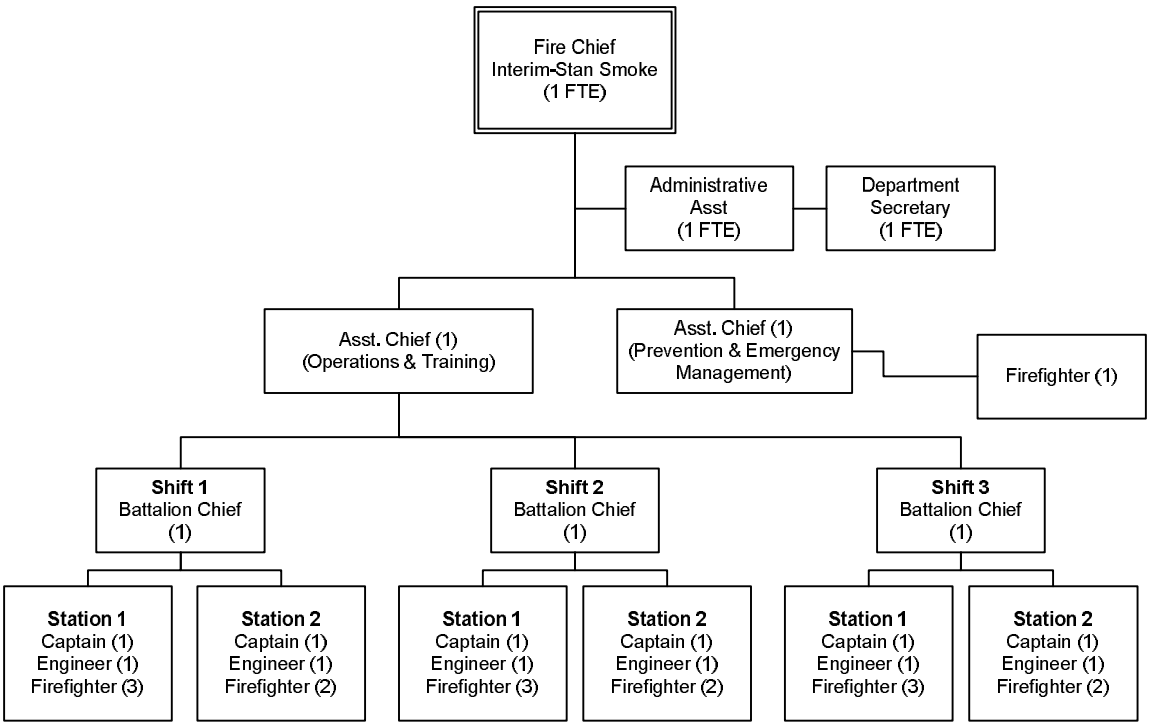
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Museum Director	0.8	0.8	0.8	0.8	1
Museum Curator	0.8	0.8	0.8	1	1
Project Coordinator	0.8	0.8	0.8	1	1
Public Relations Coordinator	0.8	0.8	0.8	1	1
Gallery Coordinator	0.8	0.8	0.8	1	1
Secretary	0.8	0.8	0.8	1	1
Total Personnel	4.8	4.8	4.8	5.8	6

Percentage Utilized of Total Budget



Fire Department
Total 2007 Appropriations $3,923,514
36 FTE



Administration Division
This division provides direction, administration and management of the department. The departments work plan reflects both short and long term goals and objectives to maximize the use of available resources and provide quality fire, EMS, and other fire protection services to the community.

Operation and Training Division
This division is responsible for coordinating the department's emergency and non-emergency operations. Levels of service and protection of life and property in the City is provided through the management and maintenance of the departments resources that include personnel, facilities, apparatus, and equipment. Emergency response includes fire, EMS as well as hazardous materials and technical rescue.

Operations personnel are responsible for ensuring code compliance in all commercial occupancies through the department's fire and life safety inspection program.

This division is also responsible for ensuring that all firefighters are meeting the required department, state and federal training standards both for individuals and at the company level.

Prevention and Emergency Management Division
This division enforces the International Fire Code and applicable laws and standards through fire and life safety inspections; plan reviews of sites, buildings and fire protection systems; and investigation of fires.

This division also coordinates local emergency management planning, NIMS (National Incident Management System) compliance, and regional collaboration with other emergency management agencies.

Public information and education programs include fire safety, injury prevention, and disaster preparedness.

2006 Accomplishments

- Revised and updated the department's Standard Operating Procedures and Guidelines.
- Completed promotional exams and established current eligibility lists for Assistant Chief and Battalion Chief positions.
- Implemented cooperative service programs of Shared Command and improved joint training with Chelan County Fire District #1.
- Coordinated 2006 NIMS compliance for City.
- Hosted Washington State Fire Chief's Conference (July 11-14).
- Hosted 30th annual Wenatchee Fire Department Softball Tournament.
- Updated department Responsibility / Accountability Model.
- Completed department strategy and tactics training with Stewart Rose (Three 2–day classes).
- Purchased and started implementation of Firehouse records management system.
- Updated incident reporting procedures to meet State reporting requirements.
- Participated in regional hazardous materials and technical rescue training and exercises.
- Completed selection process for the position of Fire Chief.

2007 Goals

- Continue department SOP/SOG update program and complete computer access program.
- Complete implementation of Firehouse records management program.
- Complete promotional exams and establish current eligibility lists for Captain and Engineer positions.
- Promote development of Professional Qualification Standards within the Department and implement a mentoring program for acting officers.
- Continue cooperative services with CCFD#1 through the Fire Service Committee.
- Coordinate 2007 NIMS compliance for City.
- Continue Labor/Management meetings and other improved communication forums with Local 453 leadership and members.
- Host annual Wenatchee Fire Department Softball Tournament.
- Establish new 2007 Fire Administration team with new Fire Chief, new Administrative Assistant and other Chief Officers.
- Begin the process to develop a three to five year strategic plan for the Department.

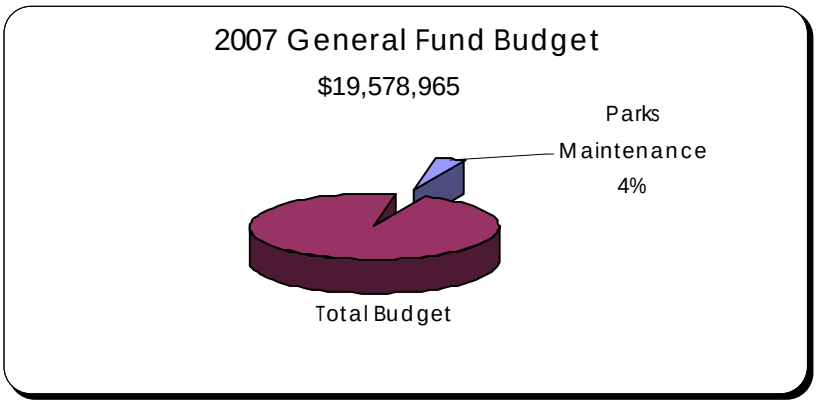
Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$2,205,701	$2,269,983	$2,329,980	$2,343,279	$2,439,718	$96,439	4.12%
Payroll Taxes & Benefits	524,334	593,595	577,797	682,029	691,411	9,382	1.38%
Supplies	73,646	71,124	75,572	89,469	89,469	0	0.00%
Other Services & Charges	268,372	279,085	306,868	379,326	394,454	15,128	3.99%
Interfund Payment for Services	299,400	419,200	306,315	310,677	310,562	(115)	-0.04%
Grant Funded Programs	0	0	0	0	0	0	n/a
Total Expenditures	$3,371,453	$3,632,987	$3,596,532	$3,804,780	$3,925,614	$120,834	3.18%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	2,100	2,100	#DIV/0!
Total Recurring Expenditures	$3,371,453	$3,632,987	$3,596,532	$3,804,780	$3,923,514	$118,734	3.12%

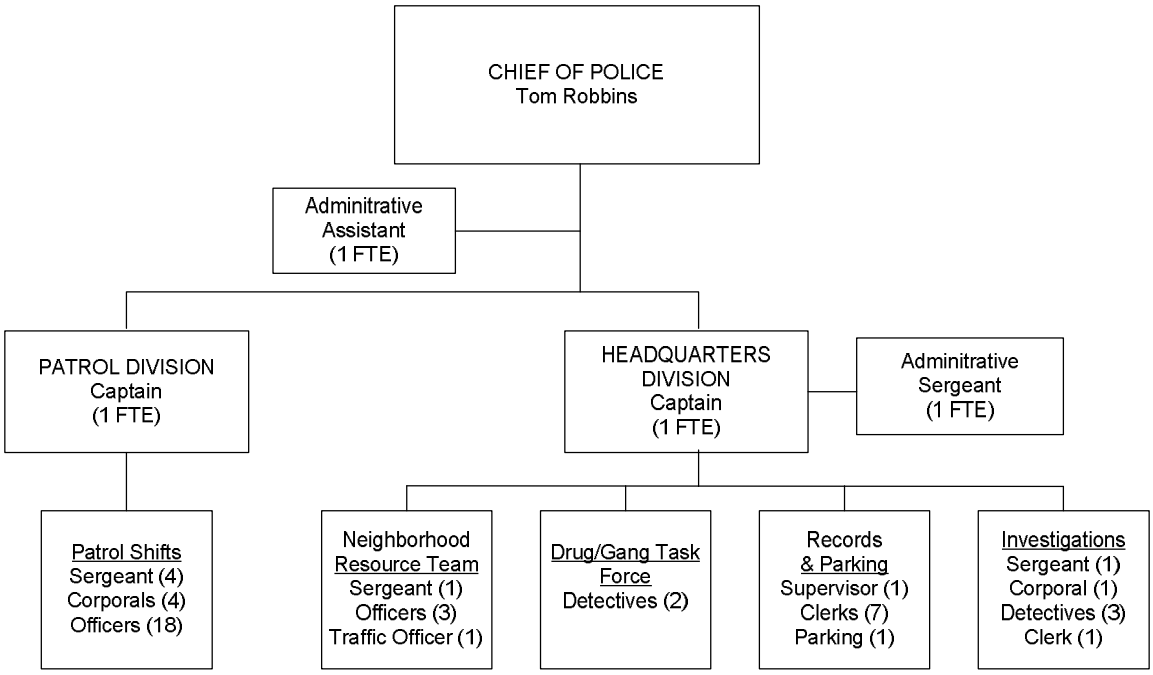
Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Fire Chief	1	1	1	1	1
Administrative Aide to the Chief	1	1	1	1	1
Asst Chief (Operations & Training)	1	1	1	1	1
Asst Chief (Prev. & Emerg. Mgmt)	1	1	1	1	1
Battalion Chief	4	3	3	3	3
Supression Captains	8	7	7	6	6
Supression Engineers	8	6	6	6	7
Supression Fire Fighters	11	15	15	16	15
Fire Prevention Secretary	1	1	1	1	1
Total Personnel	36	36	36	36	36

Percentage of General Fund Budget



Police Department
Total 2007 Appropriations $5,891,162
53 FTE



Mission
We promote a safe community and quality of life through protection and service.

ADMINISTRATION
The Police Department Administration consists of the Chief, two Captains, one Administrative Assistant and one Administrative Sergeant.

The Captains are responsible for the Patrol Bureau and the Administrative Bureau respectively.

The Administrative Assistant is assigned to the Office of the Chief, and is responsible for all related administrative functions.

The Administrative Sergeant is responsible for Asset Management, Evidence System, Public Information, Training, Recruit/Volunteer Background Investigations, Assistant Accreditation Manager, Newsletter and other administrative functions as necessary.

PATROL DIVISION
The four sergeants, four corporals and eighteen officers who make up this division, are responsible for high profile street level law enforcement and public safety service in our community.

They seek community partnerships and practice a problem solving approach in addressing safety and law enforcement related issues. These personnel enforce all state and local statutes and ordinances.

NEIGHBORHOOD RESOURCE TEAM (NRT)

This Unit includes one sergeant and four officers. These personnel take the lead role in practicing the department's Community Oriented Policing process. It is their responsibility to facilitate the community based problem solving process throughout the agency.

They take a collaborative approach with the community, forming strategic partnerships to address critical issues through a problem solving approach. These officers are highly visible in the community and are actively involved with community groups, neighborhoods, schools, media organizations, businesses and other public agencies.

The following functions and personnel are under the supervision of the Neighborhood Resource Team:

Crimestoppers

The Police Department takes the lead in collaboration with the local Crimestoppers Chapter, and allied agencies. The Community Services Officer is responsible to receive Crimestoppers calls and provide information to other departments as appropriate. He coordinates activities and monetary rewards with the Crimestoppers Board of Directors.

Sub-station

The Sub-station is located in the Wenatchee Community Center and is staffed by two Volunteers in Police Service. This venue provides a place for youth to become involved in supervised and productive after school activities. They get the opportunity to interact on a positive basis with Police Department personnel and become involved in many activities such as; games, videos, computer use, homework assistance and others.

School Resource Officers

Two School Resource Officers are members of the Neighborhood Resource Team and are assigned to the Wenatchee Public Schools during the school year. They work on campus at the schools and address all law enforcement related issues. In addition, they provide support and counsel to the students as appropriate.

Traffic Officer

The department has one officer dedicated to Traffic Law Enforcement within the City. This officer is a member of the Neighborhood Resource Team and focuses on school zone enforcement and other hazardous traffic violations.

Traffic Safety/DUI Task Force

The Police Department is the host agency for the Chelan/Douglas County Traffic Safety/DUI Task Force and houses a part time contractor sponsored by the Washington Traffic safety Commission. The individual coordinates the traffic safety related programs and grants awarded to area agencies.

Reserve Program

The agency is fortunate to have a Police reserve program, made up of twenty individuals who volunteer their time to undergo the required training, and perform specific reserve related police functions and assist regular officers as necessary.

Volunteers in Police Service (VIPS)

The department has fifteen citizen volunteers who make up our VIPS. This is a nationally recognized program under Homeland Security, highlighted on a national web-site.

These volunteers provide public safety related service to the community on behalf of the Police Department, that limited resources would not otherwise allow. They perform functions such as; citizens patrol, residential security, crime prevention ac, fingerprinting for employment requirements and concealed firearms permits, traffic control,

management of speed monitoring trailer, graffiti watch/cleanup, enforcement of parking restrictions on residential streets and store parking lots and other duties as necessary.

INVESTIGATIONS DIVISION

One Detective Sergeant, one Detective Corporal, three detectives and one clerk are assigned to the Investigations Division. This division is responsible for investigation of all major crimes, and criminal acts requiring follow-up beyond that which the uniformed officer provides. They also serve as a resource in the Community Oriented Policing effort, working with business, community groups and neighborhoods in an effort to make our city more crime resistant.

Columbia River Drug task Force

(Police Department personnel are administratively supervised by the Investigations Division)

The Task Force is a partnership between the Wenatchee Police Department and the Chelan and Kittitas County Sheriffs Offices. It is primarily funded by the jurisdictions involved and a State Grant managed by the Department of Trade and Economic Development.

This Task Force is staffed with two members from the Police Department, one member from the Kittitas County Sheriffs Office, three members from the Chelan County Sheriffs Office, including a supervisor. One civilian clerk/analyst performs the clerical and analytical functions. The scope of their work includes all levels of drug investigations, gang interdiction and felony case assistance.

The two personnel assigned to the Drug Task Force are administratively assigned to the Police Department Investigative Division. The Gang Officer maintains intelligence on local gang activities coordinates gang interdiction activities with Gang Officers on Patrol Shifts and provides gang related public education programs as necessary.

RECORDS DIVISION

The Records Division consists of one supervisor and seven clerks, including one that serves as a lead worker. These personnel process and maintain all documents generated by the Police Department. They are responsible for the integrity and legal dissemination of the information contained in the Police Records System.

One clerk functions as the agency Evidence Officer.

Parking Enforcement

(Supervised by the Records Division)

The civilian Parking Enforcement Officer is responsible for enforcement of “timed and restricted parking”, ordinances within the commercial district of the City. This is a self supporting position

2006 Accomplishments

- Continued to expand and upgrade Regional Training in department
- Continued to develop and provide Police Training Officer (PTO) Program
- Assisted throughout the valley with Gang Interdiction, Training and Enforcement
- Participated in illegal drug investigations with two personnel in the Columbia River Drug Task Force
- Conducted two Citizens Academies
- One Officer completed Total Emersion Spanish Course at Wenatchee Valley College
- Continued to support Trauma Intervention Program (TIP)
- Participated in Crisis Intervention Team (CIT) training, now 53% of officers trained

- A Patrol Squad conducted a pro-active Crosswalk Education/Enforcement Project
- VIPS Personnel conducted a Neighborhood Graffiti Cleanup Project throughout the year
- Obtained Homeland Security Grant funded equipment for Emergency Operations Center
- Incorporated Police Sub-station into Wenatchee Community Center
- Completed OJJDP Gang Assessment and final report
- A Patrol Squad conducted a comprehensive cleanup project in the area of the Salvation Army Lodge
- Promoted two replacement Sergeants from the Civil Service Promotional List
- Conducted Selection Process and promoted a Captain to head the Patrol Bureau
- Conducted Community based Strategic Planning Process (Plan to be complete February 2007)
- Acquired eleven new X26Tasers funded by a Block Grant
- Completed required National Incident Management System (NIMS) Training within the department
- Hired two lateral entry and one entry level officers for backfill of open positions
- Purchased new computer based Polygraph and trained operator
- Two additional Police Officers authorized in 2007 Budget
- New Patrol Bicycles authorized in replacement budget
- Spillman Mobile Digital Terminal System with Voice Over capability for Patrol Cars authorized in Budget Amendment
- New Mobile Digital Terminals authorized in replacement budget
- Office Computer equipment to support Spillman Mobile System authorized in replacement budget
- In-Car Video Systems authorized in replacement budget
- Retrofitted and provided Less Lethal Shotguns for each Patrol Car

2007 Goals

- Coordinate with City Attorney's Office to update RCW's and Ordinances
- Complete Re-Accreditation Process in cooperation with the guidelines and timeline provided by the Washington Association of Sheriffs and Police Chiefs Association
- Complete 12 hour shift contract changes in conjunction with 2008-2010 Guild Collective Bargaining Agreement
- Continue Glock Firearm transition
- Complete Police Department interactive link to City of Wenatchee Web-Site
- Continue progressive Traffic Safety Program
- Conduct a Vehicle Hulk removal program within the City
- Partner with other City Department's and other community groups to provide necessary assistance to the homeless and people with mental disabilities
- Coordinate a Lateral Entry Officer Examination with Civil Service
- Continue working with Public Safety Testing.com and Civil Service in an effort to recruit qualified candidates to include minorities and protected class
- Coordinate with Civil Service to conduct a Sergeant/Corporals Promotional Examination to establish an Eligibility List
- Promote two Corporal Positions from 2007-2008 Civil Service Eligibility List
- Continue to seek Homeland Security Grant opportunities to support street level law enforcement operations
- Receive twenty Kenwood TK-5710BK-10FMSH Police Car Radios through the Chelan County Sheriffs Office funded by Homeland Security Interoperability Grant
- Complete training to support LinX System
- Coordinate with City Human Resources Department to develop Pandemic Flu Contingency Plan
- Coordinate with Wenatchee School District to review and conduct an Exercise using the School Emergency Response Plans
- Research Red Light Camera enforcement program

- Review the possibility of restructuring the Neighborhood Resource Team to better meet the department and community needs
- Continue to request grant funding to add operating equipment to the Emergency Operations Center in the Police Department Training Room
- Continue to increase the level of quality Regional Training available in the Police Facility
- Follow the new Strategic Plan in identifying and prioritizing progressive functions and activities to reach our goals for 2007

Expenditure Summary

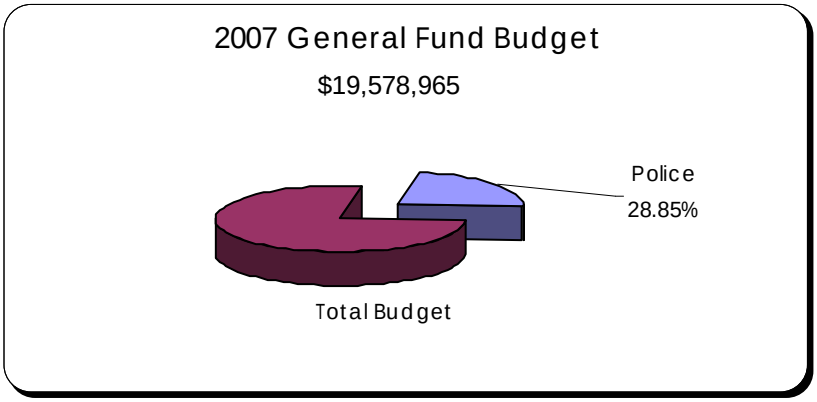
Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Salaries	$3,511,217	$3,269,462	$3,040,984	$3,289,812	$3,472,871	$183,059	5.56%
Payroll Taxes & Benefits	1,001,960	1,019,192	942,245	1,091,308	1,174,996	83,688	7.67%
Supplies	60,873	64,492	73,950	83,003	86,603	3,600	4.34%
Other Services & Charges	481,983	780,360	733,922	898,416	908,854	10,438	1.16%
Intergovernmental	306	378	458	0	0	0	N/A
Interfund Payment for Services	154,193	203,398	276,778	231,823	269,438	37,615	16.23%
Total Expenditures	$5,210,532	$5,337,282	$5,068,338	$5,594,362	$5,912,762	$318,400	5.69%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	0	0	21,600	21,600	#DIV/0!
Total Recurring Expenditures	$5,210,532	$5,337,282	$5,068,338	$5,594,362	$5,891,162	$296,800	5.31%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Police Chief	1	1	1	1	1
Captain	2	2	2	2	2
Sergeant	8	7	7	7	7
Corporal	3	4	4	5	5
Officer	26	27	27	25	27
Total police officers	40	41	41	40	42
Records Supervisor	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Dispatcher	13	6.5	0	0	0
Clerk	5	6	7	7	7
Evidence Technician	1	1	1	1	1
Parking Enforcement	1	1	1	1	1
Total support staff	22	16.5	11	11	11
Total Personnel	62	57.5	52	51	53

Note: During the years 2003 through 2005 the wage costs for 1 sergeant and 1 clerk were charged against the Columbia River Drug Task Force.

Percentage of General Fund Budget



Public Defender/District Court
Total 2007 Appropriations $426,000
0 FTE

Description
This portion of the General Fund budget consists of three items, which include expenses related to public defense, district court services and jury/witness fees.

Public Defender
State Law requires the City of Wenatchee to provide legal representation in all criminal matters for which the Chelan County District Court, on behalf of the City, makes an appointment for an attorney on the basis of the person's indigence (inability to pay). In the latter part of 2006 the City entered into a four-year contract covering calendar years 2007-2010 for public defender services with the law offices of Woods & Brangwin, and Bell & Tibbits. The contract provides for total compensation in 2007 to the two firms of $201,137.83, and $221,251.61 in 2008 that will be split equally between them. Payments for the years 2009 and 2010 will be the same as the previous year, plus an increase equal to any cost of living increase given the City's non-union employees.

Additionally, in 2007 another $30,362.17 is budgeted to cover other responsibilities assigned to the City including interpreter costs, expert witness fees, costs of copying audio and video tapes, blood tests and conflict of interest attorneys.

District Court
Rather than operate a municipal court of its' own, the City of Wenatchee contracts with the Chelan County District Court for court services pertaining to non-felony violations. The 2007 Budget marks the second year of a four-year agreement between the City and County for these services. Under the contract, the City will be billed for court services each month based upon the number of case filings multiplied by a predetermined case filing fee. Fees through the life of the contract are as follows:

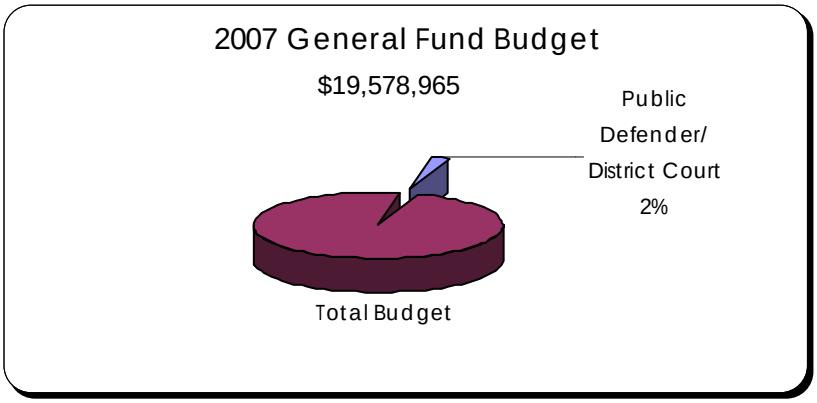
	Traffic Infractions		Non-Traffic Infractions	
	Filing Fee	% Increase	Filing Fee	% Increase
2005	$40.00	-----	$41.00	-----
2006	$41.50	3.75%	$42.50	3.66%
2007	$43.00	3.61%	$44.00	3.53%
2008	$44.50	3.49%	$45.50	3.41%
2009	$46.00	3.37%	$47.00	3.30%

Jury/Witness Fees
Jury and witness fees are assessed by the Chelan County District Court based upon the cost of jury's that are seated for cases involving misdemeanors or gross misdemeanors, and those cases that require professional witness testimony.

Historical costs incurred for each of these services, as well as the 2007 budget are as follows:

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Public Defender	$ 204,431	$ 213,002	$ 217,703	$ 222,000	$ 231,500	$ 9,500	4.28%
District Court	156,310	157,970	156,926	175,000	185,000	10,000	5.71%
Jury Fees	4,011	7,110	10,691	7,000	8,500	1,500	21.43%
Witness Fees	245	722	528	1,000	1,000	-	0.00%
Total Expenditures	$ 364,997	$ 378,804	$ 385,848	$ 405,000	$ 426,000	$ 21,000	5.19%

Percentage of General Fund Budget



Chelan County Regional Justice Center (the jail) Total 2007 Appropriation $1,250,500 0 FTE

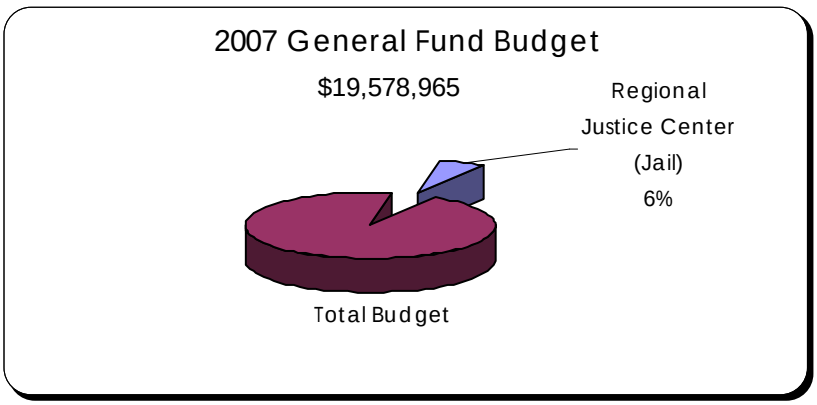
Description

The City of Wenatchee is a partner with Chelan and Douglas Counties in the operation and maintenance of the Chelan County Regional Justice Center. The jail structure itself is owned and operated by Chelan County. The share of operating and maintenance costs borne by each partner in a given year is determined by that partners' share of prisoners relative to the total prisoner population. The City's costs related to this program are reflective of rapidly increasing costs of operations coupled with a greater population of "City" prisoners. A fifteen-year history of City costs follows:

		Difference	
Year	Amount	$	%
1993	335,544		
1994	358,724	23,180	6.91%
1995	392,397	33,673	9.39%
1996	377,369	(15,028)	-3.83%
1997	523,352	145,983	38.68%
1998	601,252	77,900	14.88%
1999	611,381	10,129	1.68%
2000	623,918	12,537	2.05%
2001	633,759	9,841	1.58%
2002	675,588	41,829	6.60%
2003	762,900	87,312	12.92%
2004	852,828	89,928	11.79%
2005	982,179	129,351	15.17%
2006	981,700	(479)	-0.05%
2007	1,250,500	268,800	27.38%

1993 through 2005 are actual operating costs and 2006 and 2007 are budgeted.

Percentage of General Fund Budget



Rivercom
Total 2007 Appropriation $800,200
0 FTE

Description

Within the Wenatchee geographic area, dispatch services for public safety (police, fire, sheriff and ambulance companies) had historically been provided by a number of agencies:

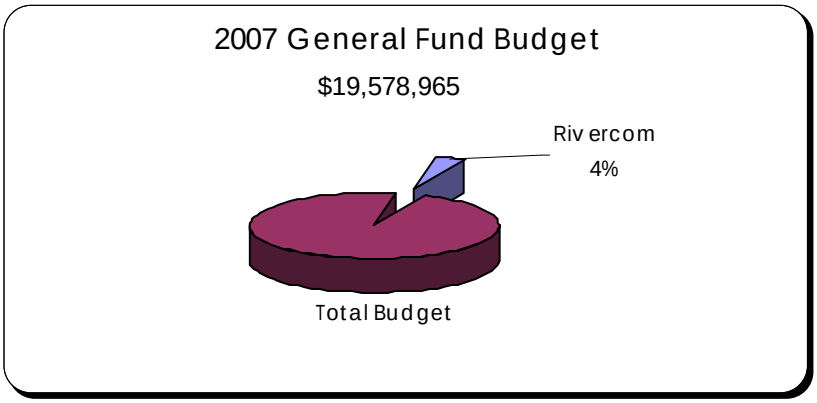
- The City of Wenatchee dispatched for City police and fire, ambulance companies, and a number of fire districts located in Chelan and Douglas Counties.
- Chelan County dispatched for their sheriffs office.
- Douglas County dispatched for their sheriffs office, the City of East Wenatchee police department and a number of fire districts.
- The City of Chelan dispatched for their own police department.

Over the years it was recognized that it would be more efficient if dispatch services were provided by a single agency and after much effort by each of the aforementioned organizations a single entity known as Rivercom was created and became operational on July 1, 2004.

The cost of operating Rivercom is allocated among each of the benefiting agencies based upon their relative share of dispatches applied as a percentage of the total operating budget. The City of Wenatchee's cost for dispatch services under Rivercom has been as follows:

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Payroll Taxes & Benefits	$0	$0	$0	$0	$0	$0	NA
Supplies	0	0	0	0	0	0	#DIV/0!
Other Services & Charges	0	453,054	906,108	822,829	800,200	(22,629)	-2.75%
Intergovernmental	0	0	0	0	0	0	NA
Capital Outlay	0	0	0	0	0	0	NA
Total Expenditures	$0	$453,054	$906,108	$822,829	$800,200	($22,629)	-2.75%

Percentage of General Fund Budget



Civil Service
Total 2007 Appropriations $17,500
0 FTE

Department Description

One of the more obvious functions of the Civil Service Commission is their charge to provide the police and fire departments with a slate of candidates to fill vacant police officer and firefighter positions. The Commission is composed of three City residents who are recommended by the Mayor and approved by the City Council. Activities of the Civil Service Commission include the creation and enforcement of rules and regulations regarding examinations, appointments, promotions, suspensions and discharges as well as investigating matters concerning the applications of the civil service ordinance.

Expenditure Summary

Expenditure by Object	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget	
						Amount	Percent
Payroll Taxes & Benefits	$ -	$ -	$ -	$ -	$ -	$ -	NA
Supplies	3,122	1,457	382	6,745	6,745	0	0.00%
Other Services & Charges	9,425	7,879	11,905	10,755	10,755	0	0.00%
Intergovernmental	0	0	0	0	0	0	NA
Capital Outlay	0	0	0	0	0	0	NA
Total Expenditures	$ 12,547	$ 9,336	$ 12,287	$ 17,500	$ 17,500	$ -	0.00%

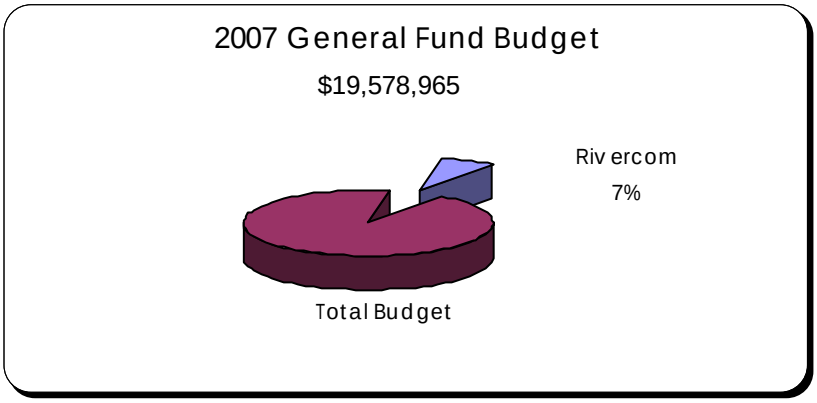
Other Administrative
Total 2007 Appropriations $1,531,185
0 FTE

Department Description

The Other Administrative portion of the General Fund accounts for those activities that are not specific to the functions of any particular General Fund departmental operation. Expenditures recorded here are composed of debt service payments for councilmanic (nonvoted) bond issues, physical support of existing City facilities, property/casualty insurance premiums and support of agencies external to the City that provide social, cultural, recreational and economic development services to the City populace. For a more in depth discussion regarding the debt service payments that will be made during 2007 please reference Part 9 of this budget document.

The City has designated appropriations in this portion of the budget into what we consider as either recurring or non-recurring activities. Those appropriations that are of a recurring nature represent long-term obligations of the City. Those appropriations that are nonrecurring in nature represent commitments that are evaluated on an annual basis or are clearly “one-time” expenditures.

Percentage of General Fund Budget



Following is a list of all such expenditures for the 5-year period 2003 through 2007:

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Recurring					
Debt Service					
'89 Councilmanic Bonds	0	0	0	0	0
'93 Councilmanic Bonds	11,884	12,207	12,480	11,926	12,137
'97 Councilmanic Bonds	59,463	57,213	54,963	57,613	0
'98 Councilmanic Bonds	201,766	201,766	201,766	201,766	201,766
Cemetery Trust Fund for Perf. Arts Cntr.	37,371	36,083	36,165	34,642	34,642
Total debt service	310,484	307,269	305,374	305,947	248,545
City Services Building Maintenance	186,300	188,772	223,104	239,700	257,000
Property/Liability Insurance	271,416	379,896	398,700	398,700	398,700
Animal Control	139,949	143,167	147,605	151,600	166,749
Hospitality House	13,848	11,689	14,326	14,000	15,500
Women's Resource Center	5,000	5,000	6,039	6,000	6,000
Wenatchee Downtown Assoc.	10,000	15,000	15,000	20,000	20,000
Senior Center	2,500	2,500	2,500	3,200	3,200
North Central Regional Library	24,230	29,904	28,853	43,120	40,200
Fund 206 - LID 314/316	0	0	0	48,000	0
Long-Term Care Costs for Retired Police and Fire	99,996	99,996	105,000	0	120,000
Operating Transfer to Fund #430-Cemetery	0	0	0	0	67,791
Opeating Transfer to Fund #112-Ice Arena	25,000	0	0	0	0
Total Recurring	1,088,723	1,183,193	1,246,501	1,230,267	1,343,685
Nonrecurring					
Operating Transfers Out					
Trans. To Fund #308-PW Facility	0	0	0	574,000	0
Trans. To Fund #301-Rotary Park	0	14,504	0	0	0
Trans. To Fund #307-Swimming Pool Slide	0	15,700	0	0	0
Trans. To Fund #430-Cemetery	0	46,700	86,600	35,400	50,000
Trans. To Fund #502-Self Insurance-Medical	0	52,302	0	0	0
Trans. To Fund #306-Police Station Construction	0	0	39,169	0	0
Trans. To Fund #304-Community Cntr. Contructio	42,039	0	51,000	74,000	0
Trans. To Fund #505-Information Systems	0	0	0	0	137,500
Trans. To Fund #113-Housing Rehab. Fund	0	0	0	8,424	0
Total Operating Transfers Out	42,039	129,206	176,769	691,824	187,500
WDA - BID Feasibility Study	0	0	0	10,000	0
Planning - Aerial Orthophoto	0	0	0	20,000	0
Department of Retirement Systems	0	9,235	0	0	0
Total Nonrecurring	42,039	138,441	176,769	721,824	187,500
Total	1,130,762	1,321,634	1,423,270	1,952,091	1,531,185

Capital Outlay
Total 2007 Appropriations $200,000
0 FTE

Department Description

For the purposes of budgeting and financial reporting, the City of Wenatchee defines capital outlay as the purchase or construction of a fixed asset with a cost of at least $5,000 and an estimated useful life of at least four (4) years. The following schedule provides a list of award amounts by General Fund department for the years 2003 through 2007:

	Budget Amount Awarded				
Department	**2003**	**2004**	**2005**	**2006**	**2007**
Mayor/Council	5,000	0	0	25,000	150,000
Planning	0	0	5,125	0	0
Fire	0	5,000	0	0	0
Museum	12,000	0	0	0	30,000
Recreation/Pool	0	45,900	25,000	0	10,000
Parks Maintenance	10,100	0	42,500	10,000	10,000
Library	0	0	0	25,000	0
PW Building Land Acquisition	0	0	700,000	0	0
Police	0	0	240,000	0	0
Facility Rapairs	0	0	68,750	0	0
Total Expenditures	$27,100	$50,900	$1,081,375	$60,000	$ 200,000

The capital budget requests awarded in 2007 total $200,000 and consist of:

- $10,000 to the Recreation Department to renovate restrooms in the Carnegie Building.
- $30,000 to the Museum Department for new HVAC units.
- $10,000 to the Parks Maintenance Department for playground equipment.
- $150,000 for a Broadview Development road access.

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Part 8. Special Revenue Funds

Public Arts Fund
Total 2007 Appropriations $42,000
0 FTE

Description
City of Wenatchee Ordinance # 99-35 mandates that one-percent of construction costs for projects in excess of $25,000 (not including LID's) be set aside for "public arts projects". The term "projects" has been interpreted to mean either the construction of assets that have an artistic element or the acquisition of individual pieces of art.

The City Council appoints a Public Arts Commission that is comprised of nine community members who provide recommendations as to how accumulated money should be spent.

In 1995, the Public Arts Commission began to promote the "Art on the Avenue" program. This program invites artists to display sculptures throughout the Wenatchee Valley for a period of one-year beginning each spring. As a result of this program, the City has used money from this fund to purchase sculptures during the years 1996-2006 and it is likely that further purchases of this type will be made in 2007.

Expenditure Summary

Public Arts Fund	Fund Number 101

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Miscellaneous	18,722	5,999	6,533	2,544	40,000	37,456	1472.33%
Interest	957	983	1,826	90,000	2,000	(88,000)	-97.78%
Total Revenues	19,679	6,982	8,359	92,544	42,000	(50,544)	-54.62%
Expenditure by Object							
Culture & Recreation	5,764	13,439	6,278	11,500	11,500	0	0.00%
Capital Outlay	16,708	1,500	17,700	86,000	30,500	(55,500)	N/A
Total Expenditures	22,472	14,939	23,978	97,500	42,000	(55,500)	-132.14%
Net Increase (Decrease) in Fund Balance	(2,793)	(7,957)	(15,619)	(4,956)	0	4,956	-100.00%
Beginning Fund Balance	72,113	69,320	61,363	45,744	40,788	(4,956)	-10.83%
Ending Fund Balance	69,320	61,363	45,744	40,788	40,788	0	0.00%

Paths and Trails Fund
Total 2007 Appropriations $4,000
0 FTE

Description
The Paths and Trails Fund source of revenue is .42% of the total money received from the Motor Vehicle Fuel Tax (RCW 46.68.090). This money is restricted for the construction and/or improvement of paths and trails within the City. Because the cost of such projects is typically much larger than the funds generated in a single year we typically leave the fund balance untouched until an adequate fund balance is available.

The 2007 Budget includes an appropriation of $4,000 that will be used to stripe Skyline Drive for bicycles and pedestrians.

Expenditure Summary

Paths & Trails	Fund Number 103

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Miscellaneous	1,689	1,690	1,700	1,700	2,605	905	53.24%
Interest	80	125	350	300	500	200	66.67%
Total Revenues	1,769	1,815	2,050	2,000	3,105	1,105	55.25%
Expenditure by Object							
Operating	0	0	0	0	4,000	4,000	#DIV/0!
Capital Outlay	0	0	0	0	0	0	#DIV/0!
Total Expenditures	0	0	0	0	4,000	4,000	#DIV/0!
Other Financing Sources (Uses)							
Fixed Asset Disposition	0	0	0	0	0	0	N/A
Operating Transfer In	0	0	0	0	0	0	N/A
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Fund Balance	1,769	1,815	2,050	2,000	(895)	(2,895)	-144.75%
Beginning Fund Balance	6,265	8,034	9,849	11,899	13,899	2,000	16.81%
Ending Fund Balance	8,034	9,849	11,899	13,899	13,004	(895)	-6.44%

Hotel/Motel Tax-Capital Fund
Total 2007 Appropriations $185,586
0 FTE

Description

During 1974, the City Commission passed Ordinance No. 2160, which allowed the City to levy a hotel/motel tax of two percent (2%). This tax has been used to partially offset the cost of operations of the City's Convention Center that we account for in fund number 106.

During 1995, the City Commission passed Ordinance No. 3137, which allowed the City to levy an additional hotel/motel tax of two percent (2%). This tax has been allocated with 60% going towards the expansion of the Convention Center (we have accounted for this portion in fund number 105), and 40% going towards tourism promotion (we have accounted for this portion in fund number 107).

In 1997, the City Commission passed Ordinance No. 97-12, which levied a hotel/motel tax of six percent (6%), and this rate was reaffirmed in 1998 with Ordinance #98-44. Distribution of the tax is as follows:

- Four percent (4%) of the six percent (6%) total is a re-enactment of each of the two percent (2%) taxes previously approved via Ordinances 2160 and 3137. The allocation of this four percent (4%) is 30% to Fund 105 for expansion of the Convention Center, 50% to Fund 106 for operations of the Convention Center, and 20% to Fund 107 for tourism promotion.
- The remaining two percent (2%) will be allocated at a rate of 20% to Fund 106 for operations of the Convention Center, and 80% to Fund 107 for tourism promotion.

The distribution viewed from a percentage perspective is as follows:

		Distribution			
		105	106	107	
	Tax Levy	Capital Expenses	Convention Center Operation	Tourism Promotion	Total
Prior Rate & Distribution					
Ordinance #2160	2%	0%	100%	0%	100%
Ordinance #3137	2%	60%	0%	40%	100%
	4%	30%	50%	20%	100%
Current Rate & Distribution					
Ordinance #97-12 & #98-44	4%	30%	50%	20%	100%
Ordinance #97-12 & #98-44	2%	0%	20%	80%	100%
	6%	20%	40%	40%	100%

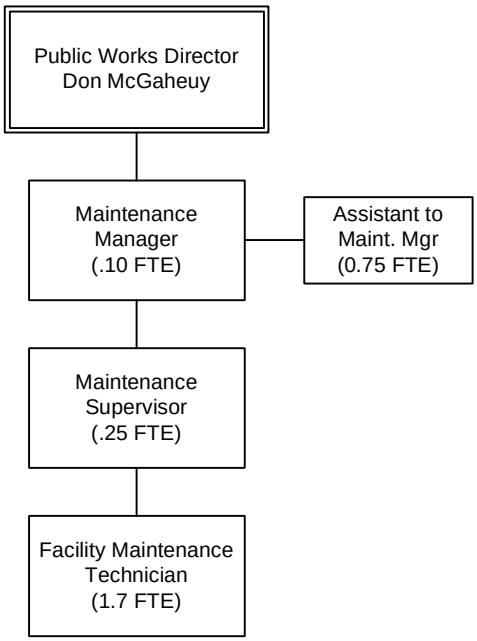
For 2007 we anticipate revenues of this fund will be comprised of $155,000 of hotel/motel taxes earned in the City of Wenatchee, and an additional $15,000 from the City of East Wenatchee (who through an interlocal agreement signed in 1996 will contribute 60% of the same tax source through 2010). The sole expenditure in 2007 of $185,586 reflects a transfer all estimated revenues and reserve balances to the Convention Center operating fund that will partially offset the annual debt service payment on LTGO bonds issued in 1997 for a renovation and expansion of the facility.

Expenditure Summary

Hotel/Motel Tax-60% Capital	Fund Number 105

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Hotel/Motel Taxes	162,243	166,802	168,800	160,000	170,000	10,000	6.25%
Interest	2,031	1,119	2,694	600	1,000	400	66.67%
Total Revenues	164,275	167,921	171,494	160,600	171,000	10,400	6.48%
Expenditure by Object							
Capital Outlay	0	0	0	0	0	0	N/A
Total Expenditures	0	0	0	0	0	0	N/A
Other Financing Sources (Uses)							
Operating Transfer In							
Operating Transfer Out	(170,629)	(188,574)	(169,182)	(170,681)	(185,586)	(14,905)	8.73%
Total Other Sources (Uses)	(170,629)	(188,574)	(169,182)	(170,681)	(185,586)	(14,905)	8.73%
Net Increase (Decrease) in Fund Balance	(6,354)	(20,653)	2,312	(10,081)	(14,586)	(4,505)	44.69%
Beginning Fund Balance	49,363	43,009	22,355	24,667	14,586	(10,081)	-40.87%
Ending Fund Balance	43,009	22,355	24,667	14,586	0	(14,586)	-100.00%

Public Works Department-Convention Center Fund
Total 2007 Appropriations $758,542
2.125 FTE



Facility Description

The Convention Center facility was constructed in 1980 through an Economic Development Administration grant in the amount of $2.6 million. At the initial point of construction the facility was comprised of 2 levels of 25,000 square feet each and included a combination of exhibition and "break-out" rooms as well as a full kitchen facility. Since that time a number of additions and renovations have taken place including:

- In 1989 a plaza fountain was added to the facility at a cost of $276,000.
- In 1993 the Convention Center underwent an extensive remodel that among other things resulted in improvements to the heating, ventilation and air conditioning system, and the replacement of the sound system, carpet and windows. The total cost of this renovation was $676,000 and was financed through the issuance of 15-year LTGO bonds.
- In 1997 the City issued $3,550,000 in 20-year LTGO bonds whose proceeds were used to add a 14,000 square foot exhibition hall and renovate 11,000 square feet of existing meeting space.

Facility Operations

The Convention Center Fund accounts for operations of the City's Convention Center and the facility itself is managed on behalf of the City by the Coast Hotel. This management contract was initially signed in 1980 and lasted for a period of seven years. The contract also included options for three extensions of seven years each that were exercised in 1987, 1994 and 2001. The final contract extension in which we are now in will expire in 2008 and a new management contract will have to be negotiated with either the Coast Hotel or possibly a new management team. The operations of this fund are closely tied to the Hotel/Motel Tax - Capital and Tourism Funds (fund numbers 105 and 107).

Primary revenue sources for 2007 include:

- Hotel/motel taxes collected and disbursed by the State of Washington estimated at $310,000 (see the narratives for Hotel/Motel Tax - Capital and/or Tourism for a detailed explanation).
- A 20% portion of the hotel/motel taxes (estimated at $50,000) earned by Chelan County on hotels located within the County but not within any City (this arrangement is per Chelan County Resolution No. 96-67 and runs from 1998 through 2007).
- Commissions earned from the West Coast as a part of their management contract in which they remit predetermined percentages of operating revenues - estimated by the City at $176,000 for 2007. Commission types and percentages are as follow:
    - Food - 10%
    - Beverage - 10%
    - Room Rent - 25%
    - Vending - 25%
    - Miscellaneous – 25%
- An operating transfer in of $185,586 from Fund 105 - Hotel/Motel Tax - Capital which will be used towards servicing debt related to the 1997 councilmanic bonds whose proceeds were used in the 1997 expansion of the Center.

Expenditures of the fund revolve around the operations and maintenance of the facility. The single largest expenditure is reported as an "operating transfer out", and represents debt service on the 1993 LTGO bonds used towards remodeling, and the 1997 LTGO bonds used towards expansion.

2006 Accomplishments

- Replaced walk-in cooler and walk-in freezer.
- Purchased new wheel chair ramp for stage
- Replaced kitchen steamer
- Replaced ballasts in Fuji/Gala Lobby
- Replaced lights in fountain.
- Replaced many broken doors and door hardware.
- Partial re-key of Convention Center to Best Lock system.
- Replaced some old wooden doors that have obsolete locking mechanisms.
- Installed grease interceptor to come into compliance with City waste water pre-treatment regulations.
- Began Ceiling tile replacement program in the Golden Delicious and Red Delicious rooms.
- Repainted entire Exhibit Hall.
- Replaced Lobby Furniture.
- Repaired/replaced fire door hardware in cooperation with the Performing Arts Center of Wenatchee (PACW).
- Provided technical support for the PACW HVAC system and provided control options for solutions to their long term operational needs.

2007 Goals

- Repair and repaint upper floor.
- Install sanitary wall board to needed areas in kitchen and paint remaining walls.
- Continue ceiling tile replacement with work in the Red Delicious, Blossom/Harvest Rooms and all pre-function areas.
- Continue interior door and hardware upgrades.
- Replace restroom sinks, countertops and dispensers with more durable materials.
- Replace restroom partitions in selected areas.
- Complete a facility wide audio, video and signage upgrade.
- Repaint Grand Ballroom and pre-function areas.
- Construct acoustical improvements in Ballroom and Exhibit Hall
- Repair potential trip hazards on the facility's exterior walkways.

Expenditure Summary

Convention Center	Fund Number 106

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Hotel/Motel Taxes	333,885	352,468	351,993	340,000	360,000	20,000	5.88%
West Coast Commissions	189,292	148,811	168,162	179,000	176,000	(3,000)	-1.68%
Interest	7,537	9,260	12,073	11,200	15,000	3,800	33.93%
Miscellaneous	0	0	569	0	0	0	#DIV/0!
Total Revenues	530,714	510,538	532,797	530,200	551,000	20,800	3.92%
Expenditure by Object							
Culture & Recreation	243,910	257,959	390,408	373,447	359,313	(14,134)	-3.78%
Capital Outlay	293,908	197,994	56,518	178,000	75,000	(103,000)	-57.87%
Total Expenditures	537,818	455,953	446,926	551,447	434,313	(117,134)	-21.24%
Other Financing Sources (Uses)							
Fixed Asset Disposition	475	0	470	0	0	0	N/A
Operating Transfer In	170,629	188,574	169,182	170,681	185,586	14,905	8.73%
Operating Transfer Out	(321,787)	(324,274)	(326,261)	(323,305)	(324,229)	(924)	N/A
Total Other Sources (Uses)	(150,683)	(135,700)	(156,609)	(152,624)	(138,643)	13,981	-9.16%
Net Increase (Decrease) in Fund Balance	(157,787)	(81,115)	(70,738)	(173,871)	(21,956)	151,915	-87.37%
Beginning Fund Balance	713,356	555,569	474,454	403,716	229,845	(173,871)	-43.07%
Ending Fund Balance	555,569	474,454	403,716	229,845	207,889	(21,956)	-9.55%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Maintenance Manager	0.1	0.1	0.1	0.1	0.1
Maintenance Supervisor	0	0	0	0	0.25
Assistant to ER&R	0	0	0	0.075	0.075
Facility Maintenace Tech	1.2	1.2	1.7	1.7	1.7
Total Personnel	1.3	1.3	1.8	1.875	2.125

Hotel/Motel Tax-Tourism Fund
Total 2007 Appropriations $310,000
0 FTE

Description

During 1974, the City Commission passed Ordinance No. 2160, which allowed the City to levy a hotel/motel tax of two percent (2%). This tax has been used to partially offset the cost of operations of the City's Convention Center that we account for in fund number 106.

During 1995, the City Commission passed Ordinance No. 3137, which allowed the City to levy an additional hotel/motel tax of two percent (2%). This tax has been allocated with 60% going towards the expansion of the Convention Center (we have accounted for this portion in fund number 105), and 40% going towards tourism promotion (we have accounted for this portion in fund number 107).

In 1997, the City Commission passed Ordinance No. 97-12, which levied a hotel/motel tax of six percent (6%), and this rate was reaffirmed in 1998 with Ordinance #98-44. Distribution of the tax is as follows:

- Four percent (4%) of the six percent (6%) total is a re-enactment of each of the two percent (2%) taxes previously approved via Ordinances 2160 and 3137. The allocation of this four percent (4%) is 30% to Fund 105 for expansion of the Convention Center, 50% to Fund 106 for operations of the Convention Center, and 20% to Fund 107 for tourism promotion.
- The remaining two percent (2%) will be allocated at a rate of 20% to Fund 106 for operations of the Convention Center, and 80% to Fund 107 for tourism promotion.

The distribution viewed from a numbers perspective is as follows:

		Distribution			
		105	106	107	
	Tax Levy	Capital Expenses	Convention Center Operation	Tourism Promotion	Total
Prior Rate & Distribution					
Ordinance #2160	2%	0%	100%	0%	100%
Ordinance #3137	2%	60%	0%	40%	100%
	4%	30%	50%	20%	100%
Current Rate & Distribution					
Ordinance #97-12 & #98-44	4%	30%	50%	20%	100%
Ordinance #97-12 & #98-44	2%	0%	20%	80%	100%
	6%	20%	40%	40%	100%

During 1997 the Wenatchee City Commission and East Wenatchee City Council appointed an eight member Tourism Advisory Committee to research and advise as to how the tax dollars collected may best be used for the purpose of advertising and marketing tourism for the greater Wenatchee area.

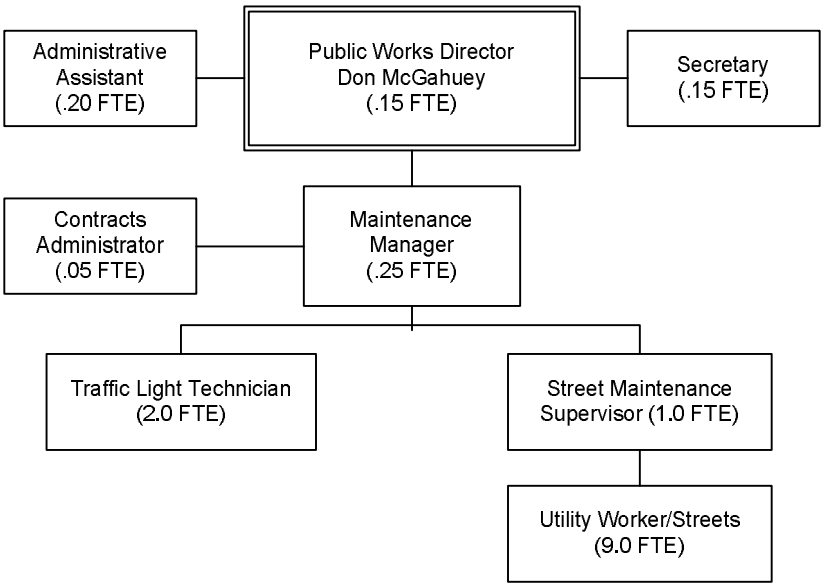
As a result of the efforts of this committee the Wenatchee Valley Convention and Visitors Bureau was created during the latter half of 1998 and an executive director was appointed to develop a marketing plan. The 2007 appropriation reflects the anticipated cost of running this program.

Expenditure Summary

Hotel/Motel Tax-40% Tourism	Fund Number 107

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Hotel/Motel Taxes	282,777	301,344	301,835	290,000	310,000	20,000	6.90%
Miscellaneous	0	0	0	0	0	0	N/A
Interest	1,059	1,189	2,778	2,200	2,500	300	13.64%
Total Revenues	283,836	302,534	304,613	292,200	312,500	20,300	6.95%
Expenditure by Object							
Culture & Recreation	282,777	301,344	301,835	310,531	310,000	(531)	-0.17%
Capital Outlay	0	0	0	0	0	0	N/A
Total Expenditures	282,777	301,344	301,835	310,531	310,000	(531)	-0.17%
Other Financing Sources (Uses)							
Fixed Asset Disposition	0	0	0	0	0	0	N/A
Operating Transfer In	0	0	0	0	0	0	N/A
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Fund Balance	1,059	1,189	2,778	(18,331)	2,500	20,831	-113.64%
Beginning Fund Balance	56,244	57,303	58,492	61,270	42,939	(18,331)	-29.92%
Ending Fund Balance	57,303	58,492	61,270	42,939	45,439	2,500	5.82%

Public Works Department-Street Fund
Total 2007 Appropriations $1,872,697
12.8 FTE



FUND DESCRIPTION

The Street Fund is a special revenue fund that accounts for revenues and expenditures associated with the maintenance of City streets. The primary source of revenue for this fund is property tax, sales tax and motor vehicle fuel tax.

STREET DIVISION (001)

Description

The Street Division of the Public Works Department has the responsibility for the maintenance of the City's streets and alleys. The Street Division maintains over 250 lane miles of streets utilizing nearly 40 pieces of street equipment. The Street Division is responsible for snow and ice control on all City streets along with those sections of the state highways that run through the City. The street crews also sweep and clean all city streets and maintain pavement markings and signage. In addition, the Street Division maintains those portions of the sidewalks that are the responsibility of the City and cleans and maintains the structures comprising the City's storm drainage system.

2006 Accomplishments

- Completed hot mix maintenance of asphalt for the Street Division, and for the Water Division.
- Completed the pavement markings.
- Enhanced our existing snow and ice control program by expanding the use of washed sand.
- Poured new sidewalks back for Water Division new chamber locations and service upgrades.
- Continued to consolidate street name signs to stop sign locations minimizing pole maintenance.
- Continued to inventory and build database for all pavement markings.
- Refined system for tracking inventory of de-icer, washed sand and maintenance sand.
- Inspect all stop signs for reflectivity and condition and enter data on database.
- Replaced on crosswalk on Wenatchee Avenue on the north side of Orondo Avenue.

- Remove debris and vegetation and clean drainage ditch at Maiden/Horse Lake/North Wenatchee Avenue storm drainage.
- Worked with WWTP to replaced worn storm and sewer manhole lids and rings.
- Modified sweeper program to available funding.
- Continued program to make ADA sidewalk ramps accommodate the visually impaired.
- Evaluated and repair trip hazards on all sidewalks that abut City owned properties.
- Set up traffic control for special events and parades.
- Remove and replaced Woodward Bridge and repaved approach.
- Redevelop storm water retention pond in Broadview subdivision.
- Removed concrete in east/west alley between Yakima and Orondo and prepared for pavement.
- Widened radius at Wenatchee Avenue and Thurston as part of truck route.
- Designed and began construction of snow melting facility.
- Assist with clearing and site preparation of the new Public Works site.

2007 Goals

- Continue to refine and document the programs and levels of service related to the street patching program, street maintenance program and vegetation control program as funding allows.
- Evaluate service level of the storm maintenance program.
- Re-evaluate residential sweeper routes, add annexed streets and notify the citizens of sweeping schedules.
- Continue to work with Code Enforcement's program on nuisance abatement.
- Continue to enhance snow removal program by refining routes and including annexed streets.
- Complete snow melting facility.
- Continue to explore options for road waste dumpsites.
- Continue to research recycling program for asphalt and concrete waste.
- Refine de-icer program with information gathered on new database.
- Continue to maintain an inventory of all snow and ice control products used.
- Replace two crosswalks on Wenatchee Avenue in Streetscape area.
- Continue to maintain and improve storm drainage at Maiden/Horse Lake/North Wenatchee Avenue storm drainage and retention pond in Broadview.
- Continue to work with the WWTP to replace worn storm and sewer manhole lids and rings.
- Continue to maintain pedestrian flags for crossing on Mission at Bridge, Benton and Peachy.

TRAFFIC DIVISION (002)

Description

The traffic fund is a special revenue fund accounting for revenues and expenditures for the maintenance of City owned traffic signals and illumination systems. The primary sources of revenue are property taxes and state levied gasoline taxes.

Major Service

The Traffic Division is responsible for the repair and maintenance of 46 traffic signals and approximately 1900 street lights within the City.

The activities of the Traffic Division also include working directly with the other Public Works divisions and the other City Departments to ensure the accomplishment of department goals.

Summary

The 2007 Traffic Division maintenance budget request is identical to the 2006 budget with the exception of an additional $12,000 requested for a spare signal control cabinet. This budget also includes a $30,000 capital request for LED signal display bulb conversions as was requested in 2006. This request is the 2nd of 3 needed to convert the entire City to LED bulbs. This project will

bring the City traffic signal system up to industry standards which results in increased reliability (safety) and decreased maintenance. Over forty percent (40%) of the remaining maintenance budget covers electrical service for the street lights. Total end of the year expenditures may vary depending upon whether or not there is an increase in the PUD electrical power rates and the number of vehicle accidents inflicting damage to either street lights or signal system equipment.

2006 Accomplishments

- The first phase of the LED bulb replacement program was implemented by City crews. All of the Red signal bulbs were replaced in the City resulting in a reduction in risk of traffic accidents and in staff callouts resulting from burnouts.
- Continued traffic volume data collection.
- Continued collecting and analyzing data for implementing various changes to the traffic signal systems.
- Received a grant to reconstruct a signal at the Washington and Miller Street.
- Hired a new traffic technician to replace Jay O'Connel.
- Applied for grants for improvements to the following intersections: Installation of a new traffic signal at Thurston and Wenatchee Avenue, modifications to the Orondo Chelan signal and intersection, and installation of new traffic signal at Benton and Mission.

2007 Goals

- Continue the traffic signal preventative maintenance and record keeping system.
- Analyze and possibly Implement several different time of day plans for the coordinated signal systems based on fluctuating traffic patterns. Perform traffic analysis and traffic counting to assist with modeling.
- Construct new signals at the intersection of Hawley Street and Walnut Street, and at the intersection of the new regional events center and Walla Walla Avenue.
- Complete phase 2 of the LED signal bulb replacement project.

Expenditure Summary

Streets	Fund Number 108

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Taxes	1,084,356	1,015,507	1,092,055	1,147,900	1,166,500	18,600	1.62%
Intergovernmental Revenue	400,351	400,714	403,407	411,600	421,912	10,312	2.51%
Charges for Services	350	0	2,792	123,600	196,300	72,700	N/A
Interest	9,793	9,734	20,378	15,000	28,000	13,000	86.67%
Miscellaneous	21,546	5,464	44,939	0	10,000	10,000	N/A
Total Revenues	1,516,396	1,431,419	1,563,571	1,698,100	1,822,712	124,612	7.34%
Expenditure by Object							
Transportation	1,396,447	1,475,692	1,467,763	1,698,052	1,822,697	124,645	7.34%
Capital Outlay	29,157	36,129	19,620	90,000	50,000	(40,000)	-44.44%
Total Expenditures	1,425,604	1,511,821	1,487,383	1,788,052	1,872,697	84,645	4.73%
Other Financing Sources (Uses)							
Fixed Asset Disposition	0	0	0	0	0	0	N/A
Operating Transfer In	0	26,955	0	0	0	0	#DIV/0!
Operating Transfer Out	0	(100,000)	0	(121,517)	0	121,517	N/A
Total Other Sources (Uses)	0	(73,045)	0	(121,517)	0	121,517	-100.00%
Net Increase (Decrease) in Fund Balance	90,792	(153,447)	76,188	(211,469)	(49,985)	161,484	-76.36%
Beginning Fund Balance	748,534	839,326	685,879	762,067	550,598	(211,469)	-27.75%
Ending Fund Balance	839,326	685,879	762,067	550,598	500,613	(49,985)	-9.08%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0	0.15	0.15
Administrative Assistant	0.55	0.55	0.55	0.5	0.2
Contracts Administrator	0	0	0	0	0.05
Secretary	0	0	0	0	0.15
Faciltiy Manager	0.25	0.25	0.25	0.25	0.25
Street Maintance Supervisor	1	1	1	0	0
Electric Tech. Supervisor	1	1	1	1	1
Utility Workers/Streets	8	8	7.2	8	9
Traffic Lighting Technican	1	1	1	2	2
Total Personnel	11.8	11.8	11	11.9	12.8

Public Works Department-Arterial Street Fund
Total 2007 Appropriations $10,834,822
0 FTE

Description

The Arterial Street Fund is a special revenue fund that accounts for revenues and expenditures associated with providing safe and well-constructed traffic corridors for the traveling public. Recurring fund revenues (those we expect to see each year) are comprised of a portion of the state motor vehicle gas tax that is distributed to cities on a per capita basis. In 2005, the state motor vehicle gas tax revenue increased resulting from the passage of additional state gas tax. Non-recurring revenues (those that are one-time in nature) include grants from federal, state and local agencies that are applied to specific construction projects.

In 2006, several major arterial street improvement projects were designed including the reconstruction of Walla Walla Street, the construction of Riverside Drive, the realignment of Walnut street to Hawley Street, and improvements to sidewalks on Okanogan Street and Orondo Avenue. The goals for 2007 include constructing all of the afore mentioned projects in their entirety except for the Riverside Drive project which is scheduled to occur in 2008. In addition, design of the Washington/Miller and McKittrick/Wenatchee Avenue signal project are slated to begin this year.

An additional transaction that is unique to the 2006 and 2007 Budgets is the purchase of land that is necessary for the Hawley/Walnut project. Details of the unique nature of this transaction are as follows:

- In 2006 the Water/Sewer Fund loaned $2,495,792 to the Arterial Street Fund to acquire land.
- In 2007 it is anticipated that the Arterial Street Fund will recover the entire $2,495,792 through a combination of grant reimbursements and the sale of the portion of land remaining at the conclusion of the project. The loan from the Water/Sewer Fund will be repaid at that point.

Arterial Street project expenses and related revenues for 2007 are as follows (Note that many projects span more than one year and that figures presented below reflect only the activity we anticipate will occur in 2007):

ESTIMATED REVENUES			
Recurring			
Motor Vehicle Fuel Tax			321,986
Non-Recurring			
State and Federal Grants			
TIB	4,552,020		
CTED/CERB	1,772,464		
Federal Pass-Through	248,639	6,573,123	
Local Grants			
Chelan County	150,000		
LINK	40,000	190,000	
Interfund Sources			
Street Fund	0		
Sewer Fund	0		
Storm Drain Fund	0	0	
Other			
LID Bonds/Contributions	1,213,266		
Proceeds from Sale of Land	2,495,792		
Interest income	0	3,709,058	10,472,181
Total estimated revenues			10,794,167
PROJECT APPROPRIATIONS			
Riverside Drive		5,352,200	
Okanogan SW		176,850	
Hawley/Walnut		843,500	
Walla Walla		1,637,464	
Washington - Miller Signal		54,000	
McKittrick Signal		126,750	
Brick Streets		98,266	
Miscellaneous/Minor		50,000	
Interfund Loan Repayment		2,495,792	
Total appropriations			10,834,822
Revenues over (under) expenditures			(40,655)
Estimated fund balance @ 12/31/06			142,828
Estimated fund balance @ 12/31/07			102,173

Expenditure Summary

Arterial Streets	Fund Number 109						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Intergovernmental Revenue	1,513,673	1,963,208	1,205,337	1,571,502	7,085,109	5,513,607	350.85%
Interest	9,174	2,996	(531)	2,000	0	(2,000)	-100.00%
Miscellaneous	0	0	0	0	1,213,266	1,213,266	#DIV/0!
Proceeds from Sale of Land	0	0	0	0	2,495,792	2,495,792	#DIV/0!
Interfund Loans Received	0	0	0	2,495,792	0	(2,495,792)	-100.00%
Total Revenues	1,522,847	1,966,203	1,204,806	4,069,294	10,794,167	6,724,873	165.26%
Expenditure by Object							
Transportation	0	0	3,783	0	0	0	#DIV/0!
Capital Outlay	1,567,208	2,627,407	1,313,668	1,575,476	8,339,030	6,763,554	429.30%
Land Acquisition	0	0	0	2,495,792	0	(2,495,792)	-100.00%
Interfund Loans Repaid	0	0	0	0	2,495,792	2,495,792	#DIV/0!
Total Expenditures	1,567,208	2,627,407	1,317,451	4,071,268	10,834,822	6,763,554	166.13%
Other Financing Sources (Uses)							
Operating Transfer In	0	0	0	121,517	0	(121,517)	-100.00%
Operating Transfer Out	0	0	0	0	0	0	#DIV/0!
Total Other Sources (Uses)	0	0	0	121,517	0	(121,517)	-100.00%
Net Increase (Decrease) in Fund Balance	(44,361)	(661,204)	(112,645)	119,543	(40,655)	(160,198)	-134.01%
Beginning Fund Balance	841,495	797,134	135,930	23,285	142,828	119,543	513.39%
Ending Fund Balance	797,134	135,930	23,285	142,828	102,173	(40,655)	-28.46%

LEOFF 1 - Long-Term Care Fund
Total 2007 Appropriations $120,000
0 FTE

Description

RCWs 41.16 and 41.18 require cities in the State of Washington to pay for long-term care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees *for as long as they live* (LEOFF is an acronym for law enforcement officers and firefighters. Pre-LEOFF refers to those employees hired prior to March 1, 1970, while LEOFF 1 refers to those employees hired between March 1, 1970 and September 30, 1977). As of December 31, 2006, the City had 48 individuals (combined active and retired) that are eligible for this benefit:

	Active	Retired	Total	Medicare Eligible
Fire	2	23	25	15
Police	3	20	23	12
	5	43	48	27

At the time the Washington State Legislature added this feature to the benefit package of eligible employees and retirees, they failed to follow through with a source of funding with which cities, counties, or fire districts could cover the added costs of operations. As a result of this unfunded mandate the City has investigated how to responsibly provide this benefit to eligible individuals in the most cost effective manner possible. The alternatives we have considered range as follows:

- A “pay as you go” approach where we pay for the LTC costs from annual revenues of the General Fund. This was the method of funding used by the City of Wenatchee and most other employers in the State for a number of years. The problem with this approach is that it ignores the future where the population of eligible beneficiaries attains an age where they are more likely to utilize this benefit. If multiple beneficiaries utilize the benefit in a single year, ongoing General Fund operations are placed in jeopardy.
- Purchase LTC insurance that will provide the benefit to eligible individuals with the City paying nothing more than annual premiums. This represents the preferred alternative but unfortunately does not completely solve the problem of covering all eligible individuals because the insurance provider refuses to “cover” everyone. From our experience the insurance carriers will provide coverage to approximately 75% of individuals eligible for the benefit but will not cover the 25% who are most likely to use the benefit (those who are oldest or ailing). In the short run this is the most expensive means of addressing the benefit because it requires an expenditure for both the purchase of the insurance coverage (for those individuals least likely to utilize the benefit) and directly paying for the cost of care for those individuals that are uninsurable.
- The alternative we ultimately chose to address the State mandate to provide this LTC benefit was to establish a “self-funding program”, which is a compromise between the two that were previously discussed. In September 2000, the City created this special revenue fund as a means of setting money aside to finance current and future claims, and to provide an accounting for the LTC costs incurred. The typical source of funding for this program is an annual operating transfer from the General Fund. During 2005 however, the City closed-out the medical portion of its Self-Insurance Fund and transferred excess reserves of $205,951 to this Fund. Consequently, the City Council chose to forgo the 2006 General Fund operating transfer but recognized the need to continue with this transfer in subsequent years beginning again in 2007.

Annual contributions towards this fund are as follows:

Year	General Fund	Self Insurance Fund Reserves	Total
2000	250,000	0	250,000
2001	96,000	0	96,000
2002	96,000	0	96,000
2003	100,000	0	100,000
2004	100,000	0	100,000
2005	105,000	179,722	284,722
2006	0	0	0
	747,000	179,722	926,722

On June 19, 2000, the City of Wenatchee Disability Board adopted a Long-Term Care policy in order to provide coverage for members eligible for this benefit. This policy requires that after the initial Board approval of the request for long-term nursing assistance, the maximum monthly benefit will be based on the average cost of three (3) nursing care facilities within the Greater Wenatchee Ares. This cost is based on 24-hour care in a semi-private room. The Disability Board will determine the three nursing facilities to be used in this computation and will notify all eligible LEOFF members each year of the maximum monthly benefit. The maximum benefit in 2007 is $5,360 per month (or $64,320 per year) for in-facility care, and $4,000 per month ($48,000 per year) for in-home care.

Expenditure Summary

LEOFF 1 - LONG-TERM CARE	Fund Number 110

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Miscellaneous	3,654	5,360	13,797	11,000	28,000	17,000	154.55%
Total Revenues	3,654	5,360	13,797	11,000	28,000	17,000	154.55%
Expenditure by Object							
LTC Benefits	48,074	64,903	95,021	152,900	120,000	(32,900)	-21.52%
Total Expenditures	48,074	64,903	95,021	152,900	120,000	(32,900)	-21.52%
Other Financing Sources (Uses)							
Operating Transfer In	99,996	99,996	310,951	0	120,000	120,000	#DIV/0!
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	99,996	99,996	310,951	0	120,000	120,000	#DIV/0!
Net Increase (Decrease) in Fund Balance	55,576	40,453	229,727	(141,900)	28,000	169,900	-119.73%
Beginning Fund Balance	264,853	320,429	360,882	590,609	448,709	(141,900)	-24.03%
Ending Fund Balance	320,429	360,882	590,609	448,709	476,709	28,000	6.24%

Public Works Department-Street Overlay Fund
Total 2007 Appropriations $400,000
0 FTE

Description

The Street Overlay Fund is a special revenue fund designed for the City's ongoing street overlay program. The street overlay program was developed by the City Public Works Department in 1996 and provided for the overlay of all City streets over a 15-year repeating cycle. At that time the estimated cost of the overlay program was over $8,000,000 over the life of the cycle with about $4,000,000 considered in immediate need of overlay.

During 1998 the City issued $4,085,000 in councilmanic bonds (non-voted) whose proceeds are to be used to both reduce a portion of the backlog of streets considered in immediate need of overlay, and finance other street improvements as deemed necessary by the City. Debt service on these bonds will be paid with a combination of property tax and real estate excise tax money that will be received in subsequent years (see the Debt Service Funds section of this budget document for further explanation).

In 2005, the City Public Works Department performed an evaluation of the existing program with the goals of evaluating pavement performance, determining future pavement overlay cycles, evaluating alternative maintenance practices, and arriving at an updated cost for the most efficient pavement preservation program. The results of this study recommended life cycles based on the use and type of street. The program also recommended crack sealing and intersection repairs as maintenance tools that extend the life cycle of overlays. Future overlays result in much higher costs due to the need from grinding existing asphalt; therefore, extending overlay life cycles have a significant impact on future costs.

The 2005 overlay evaluation mapped out costs versus time in order to project the annualized cost to the City. (Recurring revenue needed to build reserves in order to fund future overlay needs). The study recommended funding $1,500,000 per year with a portion of the fund going into reserves. The actual project cost needs for 2007 is approximately $400,000 which is shown in this budget. The 2007 revenue estimate includes $500,000 from the 2nd ¼% real estate excise tax and $32,000 of interest income. It is anticipated that additional bond issues will be necessary approaching the year 2014 based on real estate excise tax revenue projects.

2006 Accomplishments include: Reconstruction of two blocks of Washington Street and overlay between King and Miller Streets. Approximately half of this project involved grinding asphalt off of existing concrete and repaving with asphalt. Other streets overlaid include Castlerock Avenue west of Western Avenue, Sunrise Circle, South Wenatchee Ave. from Marr to Crawford, Crawford Ave. between Mission and Wenatchee Ave., and a short section of South Columbia Ave. between Snohomish and Marr Streets.

2007 goals are focused on a large crack sealing project. One of the recommendations of the 2005 analysis is to implement a crack sealing program to help extend the life of City streets. Crack sealing has not been performed for many years in the City, so this year is critical in terms of catching up.

Expenditure Summary

Street Overlay	Fund Number 111

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Taxes	288,041	364,963	472,730	525,000	500,000	(25,000)	-4.76%
Intergovernmental Revenue	0	0	0	0	0	0	N/A
Bond Proceeds	0	0	0	0	0	0	N/A
Miscellaneous	7,073	9,484	23,895	18,000	32,000	14,000	77.78%
Total Revenues	295,114	374,447	496,625	543,000	532,000	(11,000)	-2.03%
Expenditure by Object							
Transportation	0	0	0	0	0	0	N/A
Capital Outlay	266,998	309,107	436,966	700,000	400,000	(300,000)	-42.86%
Debt Issue Costs	0	0	0	0	0	0	N/A
Total Expenditures	266,998	309,107	436,966	700,000	400,000	(300,000)	-42.86%
Other Financing Sources (Uses)							
Claim for Street Utility Refund	0	0	0	0	0	0	N/A
Operating Transfer In	0	0	0	0	0	0	N/A
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Fund Balance	28,116	65,340	59,659	(157,000)	132,000	289,000	-184.08%
Beginning Fund Balance	487,089	515,205	580,545	640,204	483,204	(157,000)	-24.52%
Ending Fund Balance	515,205	580,545	640,204	483,204	615,204	132,000	27.32%

Ice Arena Fund
Total 2007 Appropriations $121,368
.375 FTE

Description

The City's Riverfront Park Ice Arena provides two full-size rinks, which will be open from mid-September through April 2007 with the new events center to open Fall of 2007. The new Events Center will be the new home of the two sheets currently at the Riverfront Park site.

2004 saw the second major renovation at the Ice Arena in the last three years. Board improvements were made to both rinks, providing for a very competitive facility. These major renovations, combined with Wenatchee's central location in the State of Washington, will greatly compliment recruitment efforts for additional tournaments, competitions, and camps.

Programs include men's, women's, and youth hockey, figure skating, private parties, public and private lessons, and daily public skates. The Ice Arena serves as a significant recreational draw for the community, and provides substantial economic benefit to area businesses through the hosting of the Special Olympics Winter Games, numerous hockey tournaments, and figure skating competitions and events.

2006 Accomplishments

- Maintained Financial Self-Sufficiency
- Increased Participation Levels in Learn to Skate Programs
- Continued to improve maintenance and quality of facility
- Improved communication with user groups by a weekly email update and posting schedules for all to access.
- New management greatly enhanced the daily operation.

2007 Goals

- Keep improving service and efficiency with user groups and the public for the final spring season.

Expenditure Summary

Ice Arena	Fund Number 112

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Charges for Service	85,025	95,421	102,338	80,850	39,650	(41,200)	-50.96%
Miscellaneous	151,803	188,904	168,673	165,500	83,500	(82,000)	-49.55%
Total Revenues	236,828	284,325	271,011	246,350	123,150	(123,200)	-50.01%
Expenditure by Object							
Culture & Recreation	238,076	233,802	254,124	222,408	121,368	(101,040)	-45.43%
Capital Outlay	0	0	0	0	0	0	N/A
Total Expenditures	238,076	233,802	254,124	222,408	121,368	(101,040)	-45.43%
Other Financing Sources (Uses)							
Operating Transfer In	25,000	0	4,320	0	0	0	N/A
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	25,000	0	4,320	0	0	0	N/A
Net Increase (Decrease) in Fund Balance	23,752	50,523	21,207	23,942	1,782	(22,160)	-92.56%
Beginning Fund Balance	81,226	104,978	155,501	176,708	200,650	23,942	13.55%
Ending Fund Balance	104,978	155,501	176,708	200,650	202,432	1,782	0.89%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Park & Recreation Director	0	0	0	0	0
Rink/Pool/Recreation Supervisor	0.65	0.65	0.65	0.65	0.325
Skating Instructor	0.75	0	0	0	0
Secretary/Receptionist	0.1	0.1	0.1	0.1	0.05
Total Personnel	1.5	0.75	0.75	0.75	0.375

Housing Rehabilitation Fund
Total 2007 Appropriations $347,000
.27 FTE

Description

The Housing Rehabilitation Fund 113 receives revenue from two sources including: SHB 2060, which established a $10 surcharge on all documents recorded at a county auditor's office, and a $750,000 Community Development Block Grant (CDBG) awarded in 2003.

SHB 2060 Recording Fee

The $10 recording surcharge fee, created by the Washington State Legislature in 2002 (SHB 2060), is dedicated to funding housing programs for the extremely low and very low-income persons. The fee is assessed by the Chelan County Auditor on all document recordings. Of that amount, $5.70 is retained by the County for local housing needs, $3.80 is remitted to the State, and $.50 is retained by the County to cover administrative expenses. Of the $5.70 retained by the County, 47% (or approximately $2.68) is remitted to the City of Wenatchee based upon a population formula for each urban growth area in the County. 2006 revenue approximated $43,000; with $14,000 deposited to the fund in January 2007. For the rest of 2007, this income source is anticipated to generate approximately $50,000.

Expenditures of the funds are limited to:

- Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income persons with incomes at or below fifty percent of the area median income;
- Supporting building operation and maintenance costs of housing projects or units within housing projects built with housing trust funds, that are affordable to very low-income persons, and that require a supplement to rent income to cover ongoing operating expenses;
- Rental assistance vouchers for housing projects or units within housing projects that are affordable to very low-income persons, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with HUD's section 8 rental assistance voucher program standards; and
- Operating costs for emergency shelters and licensed overnight youth shelters.

No projects were funded in 2006. Projects that are being funded in 2007 include:

- Habitat for Humanity - $50,000 to go towards purchasing land or materials for a new home
- Chelan-Douglas Community Action Council - $40,000.00 to complete eighteen (18) kitchen upgrades and exterior painting of units located at Crescent Village – a transitional housing unit for the homeless located in south Wenatchee.
- City of Wenatchee/9th St Alternatives Group - $45,000 to provide assistance to help relocate tenants displaced from the anticipated Ninth Street trailer park closure.

Community Development Block Grant (CDBG)

The City obtained a Community Development Block Grant (CDBG) of $750,000 that has been used for three purposes, including:

1. rehabilitation of homes in south Wenatchee for owner-occupied housing,
2. construction of a sidewalk on Peachey Street,
3. alley paving and street lighting in south Wenatchee to help clean up the neighborhood and improve safety.

The City has completed the rehabilitation of eleven homes total through the CDBG program thus far and will finish an additional five homes by June 2007.

In 2006, the City completed construction of Phase I of the Peachey Street sidewalk improvement project as well as some alley paving in south Wenatchee and street lighting in the area of the new Wenatchee Community Center.

This program utilizing the $750,000 CDBG grant through the State will end, closing out in June of this year.

Expenditure Summary

Housing Rehabilitation	Fund Number 113

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Chelan County	22,022	53,358	56,658	60,000	60,000	0	0.00%
CDBG	90,842	48,087	137,490	375,900	170,000	(205,900)	-54.78%
Other Grants	0	0	0	30,000	27,000	(3,000)	-10.00%
Miscellaneous	293	3,543	11,281	11,500	6,000	(5,500)	-47.83%
Total Revenues	113,157	104,988	205,429	477,400	263,000	(214,400)	-44.91%
Expenditure by Object							
Housing Acquisition	50,000	24,247	311	75,000	150,000	75,000	100.00%
CDBG Housing Rehab	21,820	48,088	149,369	400,590	197,000	(203,590)	-50.82%
Grant Programs	0	0	0	30,000	0	(30,000)	-100.00%
Total Expenditures	71,820	72,335	149,680	505,590	347,000	(158,590)	-31.37%
Other Financing Sources (Uses)							
Operating Transfer In	0	0	0	20,309	0	(20,309)	-100.00%
Operating Transfer Out	0	0	0	0	0	0	#DIV/0!
Total Other Sources (Uses)	0	0	0	20,309	0	(20,309)	-100.00%
Net Increase (Decrease) in Fund Balance	41,337	32,653	55,749	(7,881)	(84,000)	(76,119)	965.85%
Beginning Fund Balance	0	41,337	73,990	129,739	121,858	(7,881)	-6.07%
Ending Fund Balance	41,337	73,990	129,739	121,858	37,858	(84,000)	-68.93%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Community Center Coordinator	0	0	0	0	0.27
Total Personnel	0	0	0	0	0.27

Community Center Operations Fund
Total 2007 Appropriations $84,047
.50 FTE

Description

The Community Center Operations Fund a special revenue fund that accounts for the operation of the new Wenatchee Community Center. This facility opened in May of 2006 and consists of four buildings and associated amenities. These include the Veteran's Hall which houses the Veteran's services office and a meeting/assembly room, the Social Hall which included the main assembly area and a kitchen and is the home of the Wenatchee Food Bank and the Wenatchee Police Substation, the Learning Center which houses Wenatchee Valley College offices and classrooms and the final building is home to the Head Start program.

The revenues for this fund are derived from long term leases (Wenatchee Valley College, Head Start, Food Bank, Police Substation and Veteran's Services) and one-time rentals. The revenue from one-time rentals is projected to increase as the availability of the Community Center's facilities becomes better known throughout the valley.

The expenditures from this fund go to provide operations and maintenance for the facilities. This includes utilities, janitorial (in common areas) and routine maintenance.

2006 Accomplishments

- Hired a Community Center Coordinator,
- Completed the facility for May Grand Opening.
- Constructed arcade roof with cooperation from the Facility Maintenance Division
- Constructed safety improvements at the east entrance of the Social Hall.
- Installed addition computer and Audio/Video equipment in the Social Hall

2007 Goals

- Aggressively market one-time rentals of the facility.
- Provide additional amenities in all available rental spaces.
- Continue to maintain the facility to be in a 'like-new' condition

Expenditure Summary

Community Center Operations	Fund Number 114

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
One-Time Rentals	0	0	0	16,900	14,900	(2,000)	N/A
Leases	0	0	4,570	46,000	43,200	(2,800)	N/A
Miscellaneous	0	5,259	11,586	13,000	5,000	(8,000)	N/A
Total Revenues	0	5,259	16,156	75,900	63,100	(12,800)	N/A
Expenditure by Object							
Housing and Community Development	0	3,082	11,178	75,900	84,047	8,147	N/A
Miscellaneous	0	0	0	0	0	0	N/A
Total Expenditures	0	3,082	11,178	75,900	84,047	8,147	N/A
Other Financing Sources (Uses)							
Operating Transfer In	0	0	0	8,000	33,916	25,916	N/A
Operating Transfer Out	0	0	(180,000)	(83,472)	0	83,472	N/A
Insurance Recoveries	0	445,339	0	0	0	0	N/A
Total Other Sources (Uses)	0	445,339	(180,000)	(75,472)	33,916	109,388	N/A
Net Increase (Decrease) in Fund Balance	0	447,516	(175,022)	(75,472)	12,969	88,441	N/A
Beginning Fund Balance	0	0	447,516	272,494	197,022	(75,472)	N/A
Ending Fund Balance	0	447,516	272,494	197,022	209,991	12,969	6.58%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Community Center Coordinator	0	0	0	0	0.5
Total Personnel	0	0	0	0	0.5

CDBG Entitlement Fund
Total 2007 Appropriations $552,500
.23 FTE

Description

Wenatchee is now a federal HUD "Entitlement" community, receiving a direct allocation of Community Development Block Grant funds from HUD, rather than competing for the funds through the State of Washington. The city's first 5-year Consolidated Plan was completed in 2005 and serves as the basis for annual plans.

The 2006 Annual Action Plan provided the city with $345,759. The list of planned 2006 projects included the following:

- Women's Resource Center: Renovation of Bruce Housing
- Wenatchee Community Center Board: Volunteer Coordinator for south Wenatchee cleanup
- To be determined: Housing Fund – reserved for acquisition or development of new affordable housing opportunities in the city.
- City of Wenatchee: Phase II of the Peachey Street sidewalk in south Wenatchee
- City of Wenatchee: Completion of an Analysis of Impediments to Fair Housing
- Women's Resource Center: Capital Needs Assessment of Bruce Housing
- City of Wenatchee: Administration of the program

With the HUD contract signed by the Mayor in April 2006, work began on the process of developing contracts and monitoring procedures for the agencies that will utilize these funds. These projects will be ongoing in 2007.

The 2007 Annual Action Plan lists anticipated 2007 projects, which includes:

- To be determined: Housing Fund – reserved for acquisition or development of new affordable housing opportunities in the city.
- City of Wenatchee: Peachey, Alaska, Spokane sidewalks
- City of Wenatchee: Housing Rehabilitation Program
- City of Wenatchee: CDBG Planning
- City of Wenatchee: Administration of the program

No projects will be undertaken without a signed contract between HUD and the City.

Expenditure Summary

CDBG Entitlement	Fund Number 115

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
CDBG	0	0	285,409	452,419	280,950	(171,469)	-37.90%
DOT Grant	0	0	0	0	271,550	271,550	#DIV/0!
Miscellaneous	0	0	0	0	0	0	#DIV/0!
Total Revenues	0	0	285,409	452,419	552,500	100,081	22.12%
Expenditure by Object							
Operating	0	0	38,839	92,500	117,984	25,484	27.55%
Capital	0	0	0	20,000	400,600	380,600	1903.00%
Total Expenditures	0	0	38,839	112,500	518,584	406,084	360.96%
Other Financing Sources (Uses)							
Operating Transfer In	0	0	0	0	0	0	#DIV/0!
Operating Transfer Out	0	0	0	(339,919)	(33,916)	306,003	-90.02%
Total Other Sources (Uses)	0	0	0	(339,919)	(33,916)	306,003	-90.02%
Net Increase (Decrease) in Fund Balance	0	0	246,570	0	0	0	#DIV/0!
Beginning Fund Balance	0	0	0	246,570	246,570	0	0.00%
Ending Fund Balance	0	0	246,570	246,570	246,570	0	0.00%

Personnel Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Community Center Coordinator	0	0	0	0	0.23
Total Personnel	0	0	0	0	0.23

LEOFF 1 – Health Care Fund
Total 2007 Appropriations $580,000
0 FTE

Description

RCWs 41.16 and 41.18 require cities in the State of Washington to pay for most health care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees *for as long as they live* (LEOFF is an acronym for law enforcement officers and firefighters. Pre-LEOFF refers to those employees hired prior to March 1, 1970, while LEOFF 1 refers to those employees hired between March 1, 1970 and September 30, 1977). As of December 31, 2006, the City had 48 individuals (combined active and retired) that are eligible for this benefit:

	Active	Retired	Total	Medicare Eligible
Fire	2	23	25	15
Police	3	20	23	12
	5	43	48	27

At the time the Washington State Legislature added this feature to the benefit package of eligible employees and retirees, they failed to follow through with a source of funding with which cities, counties, or fire districts could cover the added costs of operations. As a result of this unfunded mandate the City has investigated how to responsibly provide this benefit to eligible individuals in the most cost effective manner possible. Ultimately we arrived at a solution that provides total coverage through three separate programs, each of which is financed by the City of Wenatchee.

1. The City pays the Part B premium for those 27 individuals that are Medicare eligible, which results in Medicare being the primary payer for related medical claims. We anticipate the total premium cost in 2007 will be $32,049.

2. The City pays for medical insurance coverage for all 48 individuals through the Association of Washington Cities Employee Benefits Trust (AWC), which is a fully insured indemnity plan that offers specific coverage for particular maladies. If the individual is Medicare eligible, the AWC coverage is considered the secondary payer, if they are not Medicare eligible, AWC is considered primary. We anticipate the total premium cost in 2007 will be $445,461.

3. Finally, the City is self-insured for those medical claims that are not covered by either Medicare or AWC. We anticipate our total out-of-pocket expenses in 2006 will be $102,490.

The City created this special revenue fund in 2006 as a means of setting money aside to finance current and future claims, and to provide an accounting for the medical claims costs incurred. The typical source of funding for this program will be an annual operating transfer from the General Fund. During 2005 however, the City closed-out the medical portion of its Self-Insurance Fund (see Part 12 of this document for a more in-depth discussion) and transferred excess reserves of $156,418 to this Fund.

Annual contributions to this fund are as follows:

Year	General Fund	Self Insurance Fund Reserves	Total
2005	0	156,418	156,418
2006	542,500	0	542,500
2007	580,000	0	580,000
	1,122,500	156,418	1,278,918

Expenditure Summary

LEOFF 1 - Health Insurance	Fund Number 116

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Miscellaneous	0	0	322	0	12,000	12,000	#DIV/0!
Total Revenues	0	0	322	0	12,000	12,000	#DIV/0!
Expenditure by Object							
AWC Insurance Premiums	0	0	0	419,719	445,461	25,742	6.13%
Medicare Part B Premiums	0	0	0	26,639	32,049	5,410	20.31%
City Out-of-Pocket Expenses	0	0	0	96,142	102,490	6,348	6.60%
Total Expenditures	0	0	0	542,500	580,000	37,500	6.91%
Other Financing Sources (Uses)							
Operating Transfer In - General Fund	0	0	0	542,500	580,000	37,500	6.91%
Operating Transfer In - Self-Ins. Fund	0	0	156,418	0	0	0	#DIV/0!
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	156,418	542,500	580,000	37,500	6.91%
Net Increase (Decrease) in Fund Balance	0	0	156,740	0	12,000	12,000	#DIV/0!
Beginning Fund Balance	0	0	0	156,740	156,740	0	0.00%
Ending Fund Balance	0	0	156,740	156,740	168,740	12,000	7.66%

Homeless Housing Fund
Total 2007 Appropriations $155,500
0 FTE

Description

In 2006, an Interlocal Cooperation Agreement between Chelan and Douglas Counties and the Cities of East Wenatchee and Wenatchee was created for the purpose of Administering and Distributing "Homelessness Funds" created by HB 2163 in accordance with the Joint Homelessness Plan.

Washington State legislature passed Engrossed Second Substitute House Bill 2163 on April 7, 2005. ESSB 2163 directed local government entities to prepare and enact a ten-year homeless housing strategic plan with a minimum goal of reducing homelessness by fifty percent by July 1, 2015 and authorized the collection of an additional ten-dollar surcharge under RCW 36.22.178 on documents recorded in County Auditor offices. ESSB 2163 specifies that 60% of the ten dollar surcharge monies shall be applied to the completion of tasks and attainment of the goals and objectives of the ten-year homeless housing strategic plan and held in a separate fund for that purpose, with 6% of that fund applied to administrative costs associated with the plan

The parties to the interlocal agreement engaged in a joint collaborative public process with a Local Homeless Housing Task Force to complete the "Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties" in December 2005 and the referenced ten dollar surcharge is being collected in the Chelan and Douglas County Auditor's offices and held by the Treasurers' of the two counties; balances are transferred to the City of Wenatchee biannually. Additionally, the Homeless Housing Task Force updated the "Plan to End Homeless in Chelan and Douglas Counties" in January 2007.

The agreement identifies the City of Wenatchee as the lead entity for the expenditure of ESSB 2163 – Homelessness Plan Funds in accordance with the "Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties". Chelan and Douglas Counties have transferred their rights to retain six percent (6%) of ESSB 2163 – Homelessness Funds for administrative costs to the City of Wenatchee.

The fund is estimated to receive approximately $175,000 in 2007; while expending approximately $276,000 on identified projects. The annual Homelessness Work Plan projects for 2007 include:

- Chelan-Douglas Community Action Council: Hire and supervise a bilingual (English and Spanish) staff person to administer a resident survey of the Ninth Street Mobile Home Park in Wenatchee, slated for closure in 2007 resulting in the potential for residents to become homeless. Staff person will assist residents in identifying relocation options and will provide residents with assistance in completing required forms for assistance.
- Women's Resource Center of NCW: Hire a housing specialist to locate available rental units and to secure at least ten (10) units of housing affordable to very low income families. A housing specialist will assist homeless families in applying and qualifying for housing, including home ownership opportunities. WRC staff will conduct Family Needs Assessments for each family asking for assistance; lead adults in developing a plan to attain self-sufficiency; and assist participants in accessing additional community resources.
- City of Wenatchee/9th St Alternatives Group: Direct assistance to residents of the Ninth Street trailer park:
    - Relocation/Demolition Assistance: up to $3,000 for a single wide & $6,000 for a double wide to assist in relocation/demolition expenses; to be reimbursed to the fund through the state Mobile Home Relocation Program once funds are available (est. 2011).
    - Rental Assistance: Provide money to pay for first and last month's rent and damage deposit on a new rental; up to $1,500 per rental unit.

- o Homeownership Down Payment Assistance: Households who can qualify for a home loan may apply for down payment assistance; up to a $5,000 loan per family unit.

- City of Wenatchee/CC Consulting: Administration of the program/implementing the Act.

Expenditure Summary

Homeless Housing Fund	Fund Number 117

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Homeless Housing - Chelan County	0	0	0	170,000	100,000	(70,000)	-41.18%
Homeless Housing - Douglas County	0	0	0	60,000	75,000	15,000	25.00%
Miscellaneous	0	0	0	0	0	0	N/A
Total Revenues	0	0	0	230,000	175,000	(55,000)	-23.91%
Expenditure by Object							
Operating	0	0	0	120,340	145,000	24,660	20.49%
Capital	0	0	0	0	0	0	#DIV/0!
Total Expenditures	0	0	0	120,340	145,000	24,660	20.49%
Other Financing Sources (Uses)							
Operating Transfer In	0	0	0	0	0	0	N/A
Operating Transfer Out	0	0	0	(13,800)	(10,500)	0	N/A
Total Other Sources (Uses)	0	0	0	(13,800)	(10,500)	0	N/A
Net Increase (Decrease) in Fund Balance	0	0	0	95,860	19,500	(76,360)	N/A
Beginning Fund Balance	0	0	0	0	95,860	95,860	#DIV/0!
Ending Fund Balance	0	0	0	95,860	115,360	19,500	20.34%

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Part 9. Debt Service Funds

UTGO Bonds-Police Station Construction
Total 2007 Appropriations $365,465
FTE 0

Description

This fund is used to account for the accumulation of resources for, and the payment of all taxpayer approved debt issues of the City. Debt that will be serviced from this fund includes bonds that were issued by the City in 2001. These are unlimited tax general obligation (UTGO) bonds, and as such the full faith, credit and resources of the City have been irrevocably pledged for their prompt payment. For as long as the Bonds are outstanding, the City irrevocably pledges to levy taxes annually without limitation as to rate or amount on all taxable property within the City in an amount sufficient, together with other money legally available and to be used therefore, to pay the principal of and interest on the Bonds when due.

Summary

Unlimited tax general obligation (UTGO) bonds were issued December 1, 2001, in the amount of $4,800,000 to finance the acquisition, design, construction and equipping of a new police station. The City's authority to issue the bonds was provided by the citizens of Wenatchee on September 18, 2001, when a proposition to issue the bonds was approved by a voter turnout of 7,726 (representing 57.4% of the voter turnout at the preceding general election), with 67.93% (5,248) of the voters voting for the Bonds and 32.07% (2,478) of the voters voting against the Bonds. These are twenty-year bonds requiring annual payments of principal and interest, and are due to be paid-off in 2021.

Expenditure Summary

UTGO Bonds - Police Station Const.	Fund Number 201						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2006 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Property Taxes	359,020	363,244	368,095	367,115	365,465	(1,650)	-0.45%
Interest Income	753	0	0	0	0	0	N/A
Total Revenues	359,773	363,244	368,095	367,115	365,465	(1,650)	-0.45%
Expenditure by Object							
Debt Service Payments	363,357	364,580	368,894	367,115	365,465	(1,650)	-0.45%
Operating Transfers Out	0	0	0	0	0	0	N/A
Total Expenditures	363,357	364,580	368,894	367,115	365,465	(1,650)	-0.45%
Net Increase (Decrease) in Fund Balance	(3,584)	(1,336)	(799)	0	0	0	N/A
Beginning Fund Balance	(8,489)	(12,073)	(13,409)	(14,208)	(14,208)	0	0.00%
Ending Fund Balance	(12,073)	(13,409)	(14,208)	(14,208)	(14,208)	0	0.00%

Councilmanic Bonds
Total 2007 Appropriations $712,192
0 FTE

Description

This fund is used to account for the accumulation of resources for, and the payment of all nonvoted debt issues of the City. Debt that will be serviced from this fund includes councilmanic bonds, which were issued by the City in 1993, 1997 and 1998. The term "councilmanic" means bonds issued at the discretion of the City Council and not requiring a vote of the populace. These are limited tax general obligation (LTGO) bonds and as such, the full faith, credit and resources of the City have been irrevocably pledged for the timely payment of principal and interest, within the constitutional and statutory limitations pertaining to non-voted general obligations.

Summary

During 1993, The City Commission voted to issue $800,000 in councilmanic bonds to finance improvements at the Wenatchee Convention Center and the municipal swimming pool. The source of funding for debt service on these bonds is 15.5% from the General Fund and 84.5% from the Convention Center. These are fifteen year bonds and are due to be paid-off in 2008.

During 1997, the City Commission voted to issue $4,000,000 in councilmanic bonds. The proceeds of this issue were used to finance a $3,550,000 expansion of the City Convention Center and a $450,000 acquisition of land for future park development.

- The Convention Center Fund will provide funding for debt service on the $3,550,000 convention center expansion. These are twenty-five year bonds and are due to be paid-off in 2021.
- The General Fund provided funding for debt service on the $450,000 park land element of this issuance. These were ten year bonds and were paid-off in 2006.

During 1998, the City Commission voted to issue $4,085,000 in councilmanic bonds. The proceeds of this issue were used to finance street overlay projects in 1998, 1999 and 2000 (see Part 9 of this budget document – "Street Overlay Fund" for a detailed explanation of the street overlay program). These are sixteen-year bonds and will be paid-off in 2014. The 2007 payment reflects principal of $255,000 and interest of $120,826 for a total payment of $375,826. The source of funding for the payment is:

- A dedication of ½ of the 6% property tax increase taken in 1998 equal to $96,253.
- A dedication of ¾ of the 4% property tax increase taken in 1999 equal to $105,513.
- A portion of the first ¼% Real Estate Excise Tax for the balance of the payment, which in 2007 is $174,060.

The Councilmanic Bond Fund accumulates on a monthly basis the money necessary to make semi-annual interest payments, annual principal payments, and debt service costs. Each year enough money is transferred from various City funds to exactly meet principal and interest payments, and the debt service costs are met with interest earnings.

Expenditure Summary

LTGO - Councilmanic Bonds	Fund Number 205

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Operating Transfers In	769,708	765,808	766,027	769,818	712,192	(57,626)	-7.49%
Interest Income	2,006	3,744	0	4,000	0	(4,000)	N/A
Total Revenues	771,714	769,552	766,027	773,818	712,192	(61,626)	-7.96%
Expenditure by Object							
Debt Service Payments	800,010	767,087	766,812	769,818	712,192	(57,626)	-7.49%
Operating Transfers Out	0	0	0	0	0	0	N/A
Total Expenditures	800,010	767,087	766,812	769,818	712,192	(57,626)	-7.49%
Net Increase (Decrease) in Fund Balance	(28,296)	2,465	(785)	4,000	0	(4,000)	N/A
Beginning Fund Balance	42,979	14,683	17,148	16,363	20,363	4,000	24.45%
Ending Fund Balance	14,683	17,148	16,363	20,363	20,363	0	0.00%

Part 10. Capital Project Funds

Real Estate Excise Tax
Total 2007 Appropriations $372,560
0 FTE

Description

The Real Estate Excise Tax Fund collects revenues via a ¼ of one percent real estate excise tax that is paid by the seller of a piece of real estate. Of the $510,000 expected to be received from this tax in 2007, $174,060 will be transferred to the Councilmanic Bond Debt Service Fund to pay a portion of the debt service on the 1998 councilmanic bonds (see Section 9 of this document for more).

The 2007 Budget also includes grant revenues of $198,500 from the Interagency Committee on Outdoor Recreation (IAC) to cover the City's share of a $403,500 Phase 2 development of Rotary Park. Beyond the $198,500 portion budgeted in the City's books, the Rotary Club will directly pay for $205,000 of the project costs. Phase 1 of the project was complete in 2004 and 2005 where the City's share of the cost of the project was $466,195 ($327,195 in 2004 and $139,000 in 2005) and included remediation and grading of the underlying land (a former orchard) and road and sidewalk construction.

Real Estate Excise Tax	Fund Number 301						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Real Estate Excise Tax	299,527	408,584	475,696	525,000	510,000	(15,000)	-2.86%
Interest	1,183	1,868	4,340	3,100	13,500	10,400	335.48%
Grants	0	109,225	(100,000)	0	198,500	198,500	#DIV/0!
Miscellaneous	0	10,000	0	0	0	0	#DIV/0!
Total Revenues	300,710	529,677	380,036	528,100	722,000	193,900	36.72%
Expenditure by Object							
Debt Service	174,808	170,348	170,557	175,208	174,060	(1,148)	-0.66%
Capital Outlay	0	327,195	164,969	0	198,500	198,500	#DIV/0!
Miscellaneous	0	0	0	0	0	0	#DIV/0!
Total Expenditures	174,808	497,543	335,526	175,208	372,560	197,352	112.64%
Other Financing Sources (Uses)							
Operating Transfer In	0	14,504	0	0	0	0	#DIV/0!
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	14,504	0	0	0	0	#DIV/0!
Net Increase (Decrease) in Fund Balance	125,902	46,638	44,510	352,892	349,440	(3,452)	-0.98%
Beginning Fund Balance	63,630	189,532	236,170	280,680	633,572	352,892	125.73%
Ending Fund Balance	189,532	236,170	280,680	633,572	983,012	349,440	55.15%

Pedestrian Overpass
Total 2007 Appropriations $77,058
0 FTE

Description

During the years 2001 through 2003 the City accumulated funds from a number of sources including State and Federal grants and local contributions (City, County, LINK) in order to construct a pedestrian overpass that spanned the distance between the Convention Center in downtown Wenatchee and Riverfront Park that runs along the Columbia River (a distance of approximately 900 feet). At the completion of the project in 2003 there were some residual funds that the City has held for future use, and the 2007 Budget appropriated a $77,058 transfer of this amount to partially match a State IAC grant and other local funding sources to construct a new dock facility and parking area on the Columbia River located at the foot of Orondo Avenue (see page 10-6 of this document for further discussion on this topic). It is anticipated that this fund will carry residual reserve balance of approximately $49,000 once this 2007 transfer is made.

Swimming Pool Slide
Total 2007 Appropriations $0
0 FTE

Description

During the development of the 2004 Budget the City Council considered the addition of a water slide at the outdoor swimming pool located in Pioneer Park and began setting money aside for its eventual design and construction. In addition to these City transfers there have also been some contributions by citizens of our community. During 2006 the City developed a Comprehensive Park Plan with suggested park improvements of in excess of $14 million (copies of which may be obtained at the City Recreation Department) that among other things incorporated improvements to the City pool. The City Council is expected to further consider this project through 2007 with a possible outcome being the completion of the pool slide with the use of General Fund reserves and/or the proceeds of a future voter approved bond.

Following is a summary of revenues and expenditures incurred to date:

Swimming Pool Slide	Fund Number 307			
	2004 Actual	2004 Actual	2006 Estimated Actual	Total
Revenues				
Transferred from General Fund	15,700	0	0	15,700
Transferred from Street Fund	100,000	0	0	100,000
Interest Income	0	4,207	4,992	9,199
Contributions	819	126	453	1,398
Total revenues	116,519	4,333	5,445	126,297
Expenses				
Design Fees	0	0	0	0
Capital Construction	0	0	0	0
Total expenses	0	0	0	0
Revenues over (under) expenses	116,519	4,333	5,445	126,297
Beginning Fund Balance	0	116,519	120,852	0
Ending Fund Balance	116,519	120,852	126,297	126,297

Public Works Facility Construction
Total 2007 Appropriations $0
0 FTE

Description

In 1999 the City contracted with the Center for the New West to carry out a High Performance Community Strategy that considered the City's future in terms of how we were approaching economic development. A product of the analysis was 16 recommendations for community action including the

> "…animation of the downtown and Columbia River areas with commercial, housing, recreational and cultural activities that will bring people to the areas".

The City has embraced this strategy and is focusing a great deal of effort into redevelopment of our downtown and riverfront areas (see a more detailed description in the Budget Message located in Part 1 of this document). As a result, the Mayor and Council have expressed their desire to relocate the City's Public Works and Community Development Departments which are currently housed in a facility located adjacent to the Columbia River.

To that end in 2005 the City budgeted $700,000 in its General Fund to acquire land for an alternate site to which the Public Works/Community Development operations could be relocated, and in early 2005 the City paid $611,000 for a 3.35 acre parcel and committed up to $89,000 for a preliminary design of such a facility. The 2006 Budget included an additional $1,810,348 of appropriations (financed through a $574,000 transfer of General Fund reserves and $1,236,348 of Water/Sewer Fund reserves) to be used for additional expenditures including further land acquisition, orchard clearing, street improvements, the demolition of a home located on the property, and site preparation.

No appropriation currently exists in 2007 for this project but it is a topic the City Council will consider as a part of the Capital Facilities Plan discussion (see Part 5 of this budget document). Following is an excerpt from the CFP that provides potential revenue sources and the anticipated expenditures necessary to bring this project to fruition.

Public Works Facility Construction — **Fund Number 308**

	2005 Actual	2006 Estimated	2007 Proposed	2008 Proposed	Total
Project Revenues					
2005 General Fund	679,913	0	0	0	679,913
2006 General Fund	0	511,000	0	0	511,000
2006 Ferry Street Vacation	0	63,000	0	0	63,000
Sale of Existing PW Property	0	0	0	1,140,000	1,140,000
Fund 301 Excess REET Reserves	0	0	500,000	500,000	1,000,000
LTGO Bond issue (REET)	0	0	3,115,000	0	3,115,000
Surplus Property Sale (pit)	0	0	0	2,000,000	2,000,000
Surplus Property Sale (Walnut)	0	0	800,000	0	800,000
Water Sewer Reserves	0	1,236,348	871,023	0	2,107,371
Water Sewer Bond	0	0	3,976,790	0	3,976,790
Total Revenues	679,913	1,810,348	9,262,813	3,640,000	15,393,074
Project Expenditures					
McKittrick Property Purchase	611,092	0	0	0	611,092
Other Property Purchase	0	0	175,000	0	175,000
Other Property Development	0	0	344,015	0	344,015
Master Plan	68,821	0	0	0	68,821
Schematic Design	0	300,000	0	0	300,000
Design Development	0	407,156	0	0	407,156
Stella / McKittrick Engineering	0	50,000	0	0	50,000
Site Work Const. Eng.	0	67,500	67,500	0	135,000
Building Const. Eng.	0	0	765,600	191,400	957,000
Stella / McKittrick Construction	0	323,917	0	0	323,917
Site Work Construction	0	233,186	699,558	0	932,743
Building Construction	0	0	5,785,800	3,857,200	9,643,000
Building Construction - Misc.	0	0		456,600	456,600
Vactor Building (incl. engineering)	0	0	871,023		871,023
Administration	0	0	0	0	0
Art Fund	0	5,571	73,564	38,572	117,707
Project Expenditures	679,913	1,387,330	8,782,059	4,543,772	15,393,074
Revenues over (under) expenditures	0	423,018	480,754	(903,772)	0
Beginning fund balance	0	0	423,018	903,772	0
Ending fund balance	0	423,018	903,772	(0)	0

Orondo Boat Moorage
Total 2007 Appropriations $315,500
0 FTE

Description

The Orondo Day Use Moorage and Parking Expansion Project will be built beginning the fall of 2007, with completion in the spring of 2008. The project provides for the construction of 200 linear feet of day use moorage, accessed by a fixed pier and gangway, connecting a newly expanded vehicle/trailer parking area with 10 new stalls (increasing our capacity by one-third) in conjunction with the Orondo Avenue boat ramp. The project is a part of the adopted Wenatchee Waterfront Subarea Plan (adopted February 2004) and will create the only day-use moorage along the Columbia River and Riverfront Park in the Wenatchee urban area. Cost estimates put the project at $631,000. The project will be bid in spring 2007. Funding is provided by the Interagency Committee for Outdoor Recreation ($216,885), the Port of Chelan County ($260,000), the Chelan County Public District ($77,057), and the City of Wenatchee ($77,058).

Orondo Boat Moorage	Fund Number 309

	2007 Budget	2008 Budget	2009 Budget	Total
Revenues				
IAC	216,885	0	0	216,885
Port of Chelan County	86,667	86,667	86,666	260,000
PUD No. 1 of Chelan County	0	77,057	0	77,057
Op Trans In - From Fund 302	77,058	0	0	77,058
Loan from General Fund	0	86,666	0	86,666
Total revenues	380,610	250,390	86,666	717,666
Expenses				
Capital construction	315,500	315,500	0	631,000
Loan payment to General Fund	0	0	86,666	86,666
Total expenses	315,500	315,500	86,666	717,666
Revenues over (under) expenses	65,110	(65,110)	0	0
Beginning Fund Balance	0	65,110	0	0
Ending Fund Balance	65,110	0	0	0

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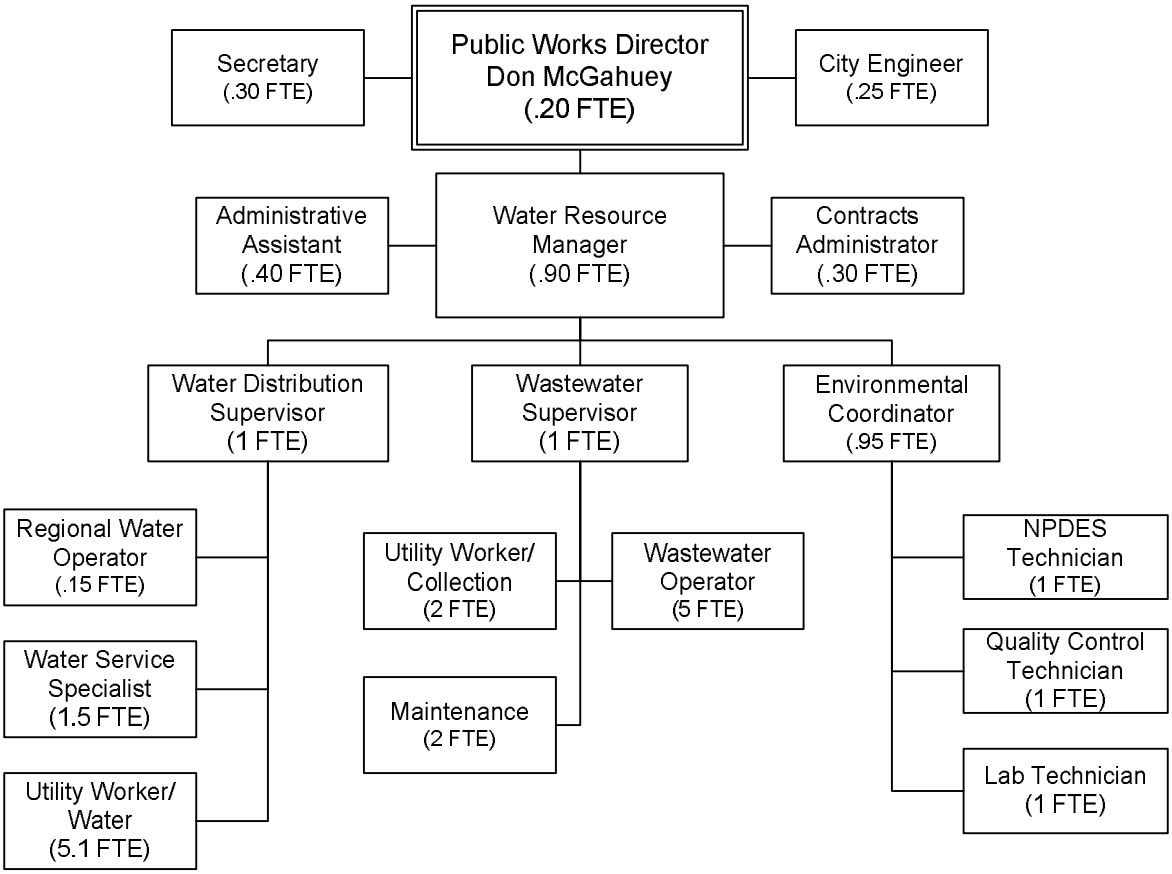
Part 11. Enterprise Funds

Public Works Department-Water/Wastewater Utility
Total 2007 Appropriations $11,181,502
24.05 FTE



Description

The Water/Wastewater Division of the Public Works Department provides water and sanitary sewer services for the City of Wenatchee and sewer service to the Olds Station area and Sunnyslope located outside City limits but within the Urban Growth Boundary. This division is funded solely through utility rates along with other fees for miscellaneous services rendered as well as interest revenue generated from invested cash reserves.

2006 Accomplishments

Water Distribution:

- Reached 95% completion by installing over 3,500 new AMR installations; nearly one full year ahead of schedule.
- Provided domestic drinking water to City customers with no violations of Department of Health regulations.
- Installed 28 new service connections.
- Replaced six galvanized service lines.
- Installed 21 old fire hydrants.
- Installed 30 new water chambers replacing the old style cans.
- Published annual Water Quality Report.

- Set up a booth at the 2006 KPQ Home & Garden Show educating public on water related issues for the community.
- Published the second annual Water Resources Review, Volume II.
- Collected & analyzed over 300 drinking water samples for coliform bacteria.
- Inspected 186 backflow valve installations.
- Received and reviewed tests for 931 backflow valves.
- Responded to 31 drinking water complaints, 44 storm water complaints, and 3 sewer complaints.
- Participated in 2006 "Kids in the Creek" with Chelan County Conservation District and Wenatchee Public Schools.
- Staff received training in Spanish to assist customers.

Wastewater:

- Local Limits Monitoring & Emerging Pollutant Testing at WWTP
- Monthly FOG samples at WWTP
- Achieved 100% compliance with grease trap/interceptor installation requirement reached on July 31, 2006. Monitoring indicated a significant reduction in the FOG entering the WWTP.
- Administered the FOG reduction program by completing two rounds of grease inspections (March & September).
- Inspected all of the City's permitted dischargers (1 metal manufacturer and 9 fresh fruit packing facilities).
- Completed Pretreatment Program SOP Book for FOG and Permitted Facility Inspections
- VOC Monitoring – continued reductions in perc levels found in the collection system
- Completed 16 surveys of commercial/industrial customers including industrial user survey updates many of which were located in Olds Station
- Developed brochures for residential FOG reduction and Lift Station preventative maintenance addressing discharge of prohibited products both in English and Spanish
- Staff attended PNPCA Pretreatment Conference and participation with a presentation of City's toxicity testing
- Lab Waste Disposal – properly disposed of 30 years of accumulated waste
- Installed SCADA/ Radio alarm system in all 5 sewage lift stations
- Landscape improvements inside the WWTP grounds.
- Storm drain cleaning of 200 plus hours
- Hydraulically cleaned over 50 miles of sewer main line throughout the City.

2007 Goals for Water and Wastewater

Management & Administration:

- Continue to emphasize safety awareness and related training for all employees.
- Continue progress towards completion the CIPs identified in the 2004 comprehensive water plan.
- Continue Implementation of the cross connection control program.
- Complete the Sanitary Sewer Comp Plan (General Sewer Plan) for the Urban Growth Boundary.
- Implement new General Facilities Charges and Miscellaneous fees identified in the 2003 rate study.
- Complete the rehabilitation of the roof on the 4 Million Gallon reservoir.
- Work with the PUD and EWWD managing the East Bank Aquifer with the primary goal of identifying the capacity of the aquifer to enhance future planning efforts to ensure adequate water quantity and quality for the Wenatchee area.
- Generate the third edition of the Water Resource Review public education publication.
- Complete the City's Facility Plan for the WWTP.
- Represent the City for watershed planning efforts in the area

Operations and Maintenance Goals:

- Continue with the division's preventative maintenance programs for water distribution, the wastewater treatment facility and the sewer collection system.
- Operate both the water and wastewater systems within regulatory guidelines.

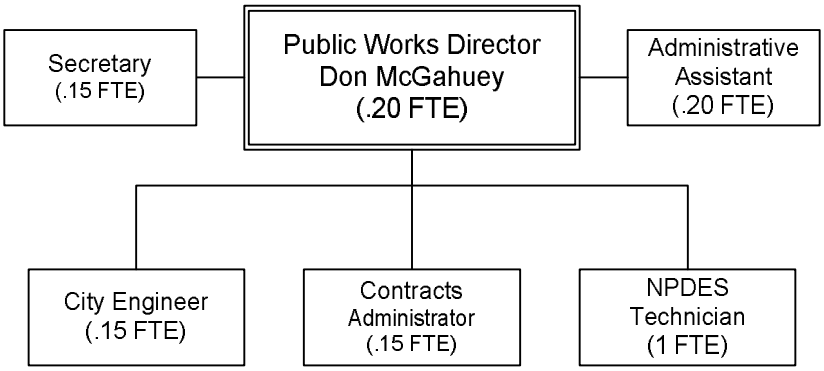
- Assist with W/S capital improvement projects.
- Complete AMR installations (there are approximately 400 services to connect).
- Continue to administer the City's pretreatment program to protect and insure the longevity of the WWTP and collection system.
- Videotape all sanitary sewer lines located in the planned street overlay areas.
- Represent the City on the Chelan County Solid Waste Advisory Committee.
- Hydraulically clean approximately 50 miles of the City's sanitary sewer collection system.
- Hydraulically clean sections of the City's storm sewer system.
- Repair damaged sanitary main lines identified from the video record.

Water/Sewer Utility	Fund Number 401						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Utility Sales	5,814,013	6,506,274	6,799,467	7,246,400	7,292,200	45,800	0.63%
Interest Revenue	150,930	158,722	245,141	155,100	253,000	97,900	63.12%
Loan Repayment from Arterial Street Fund	0	0	0	0	2,495,792	2,495,792	#DIV/0!
Miscellaneous	29,668	42,792	43,016	36,400	37,400	1,000	2.75%
Total Revenues	5,994,611	6,707,788	7,087,624	7,437,900	10,078,392	2,640,492	35.50%
Expenditure by Object							
Operations and Maintenance	2,667,885	2,697,599	2,720,712	3,391,075	3,784,801	393,726	11.61%
General Administration	1,303,122	1,323,756	1,550,648	1,767,000	1,912,634	145,634	8.24%
Bond Interest Expense & Related Charges	438,638	405,599	228,416	96,206	191,302	95,096	98.85%
SRF Loan Interest	0	12,388	84,028	113,534	110,986	(2,548)	N/A
Amortization of Debt Discount and Exp	9,520	11,694	12,695	0	0	0	N/A
Total Expenditures	4,419,165	4,451,036	4,596,499	5,367,815	5,999,723	631,908	11.77%
Revenues Over (Under Expenses)	1,575,446	2,256,752	2,491,125	2,070,085	4,078,669	2,008,584	97.03%
Other Financing Sources (Uses)							
Capital Outlay	(874,925)	(6,080,141)	(3,541,173)	(1,500,000)	(4,200,000)	(2,700,000)	180.00%
Operating Transfer In (Out)	(3,475)	0	0	(1,236,348)	0	1,236,348	N/A
Residual Equity Transfer In (Out)	0	46,258	0	0	0	0	N/A
Loan to Arterial Street Fund	0	0	0	(2,495,792)	0	2,495,792	N/A
Bond Proceeds/SRF Loan	0	3,995,102	3,069,866	129,700	0	(129,700)	-100.00%
SRF Loan Principal	0	0	0	0	(319,978)	(319,978)	N/A
Bond Principal Retirement	(638,685)	(802,458)	(726,315)	(730,252)	(661,801)	68,451	-9.37%
Total Other Activities	(1,517,085)	(2,841,239)	(1,197,622)	(5,832,692)	(5,181,779)	650,913	-11.16%
Net Increase (Decrease) in Working Capital	58,361	(584,487)	1,293,503	(3,762,607)	(1,103,110)		
Beginning Working Capital				7,138,356	3,375,749		
Ending Working Capital				3,375,749	2,272,639		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0.2	0.2	0.2
Water Resource Manager	0.9	0.9	0.9	0.9	0.9
City Engineer	0.1	0.1	0.25	0.25	0.25
Assistant City Engineer	0.1	0.1	0	0	0
Administrative Assistant	0.85	0.85	0.85	0.85	0.4
Contracts Administrator	0	0	0	0	0.3
Secretary/Receptionist	0	0	0	0	0.3
Water Distribution Supervisor	1	1	1	1	1
Utility Worker/Water	5	6	5	5	5.1
Water Service Specialist (Meter Reader)	1.5	1.5	1.5	1.5	1.5
Regional Water Operators	0.75	0.75	0.75	0.25	0.15
Wastewater Supervisor	1	1	1	1	1
Utility Worker/Collection	3	2	2	2	2
Wastewater Operator	6	5	5	4	5
Wastewater Maintenance	1	1	1	2	2
Environmental Coordinator	0.95	0.95	0.95	0.95	0.95
Quality Control Technician	0	1	1	1	1
Lab Technician	0	1	1	1	1
NPDES Technician	0	0	1	1	1
Grounds Maintenance	0	0	0	0.5	0
Total Personnel	22.15	23.15	23.4	23.4	24.05

Public Works Department-Storm Drain Utility
Total 2007 Appropriations $1,433,753
1.85 FTE



Description

The purpose of the Storm Drain Utility Fund is to provide an account for funds related to the maintenance, improvement, and expansion of the City's storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit." The equivalent residential unit is an impervious surface of 3,000 square feet.

Due to the National Pollutant Discharge Elimination System (NPDES) regulations, utility funds are being used to fund maintenance associated with keeping stormwater clean. Such maintenance activities include public education, street sweeping, catch basin cleaning, and more. The City has not had a strict maintenance program in the past and any work done was performed under the Street budget. This year, is the second year that formal accounting will be performed to track maintenance of the system and costs associated with pollution control.

2006 Accomplishments

- Installed a new trunk line in Crawford Avenue between Methow Street and Mission Street. This trunk line ties into a system that was constructed in 2005 completing the comprehensive plan goals for this area.
- Worked with the Wenatchee Valley Stormwater Technical Advisory Committee on the development of a Stormwater Management Plan necessary to comply with NPDES.
- Participated with Chelan County in a study to establish a stormwater utility in the unincorporated UGA.
- Two staff members obtained certification in Erosion and Sediment Control.
- Sweeped City streets with vacuum type machines to clean storwmater runoff.
- Cleaned catch basins and stormwater trunklines.
- Initiated design of the Linden Tree Outfall project.
- Completed mapping of over 90% of the stormwater facilities in the City.

2007 Goals

- Complete permitting associated with the maintenance requirements at the Ninth Street Stormwater outfall, known as the Linden Tree outfall.
- Perform miscellaneous improvements to fix existing drainage problems associated with the street maintenance program.
- Initiate a comprehensive plan update process.
- Perform maintenance activities to improve water quality including street sweeping and catch basin cleaning.

- Continue development of a stormwater management program in compliance with the state wide NPDES Phase II permit.

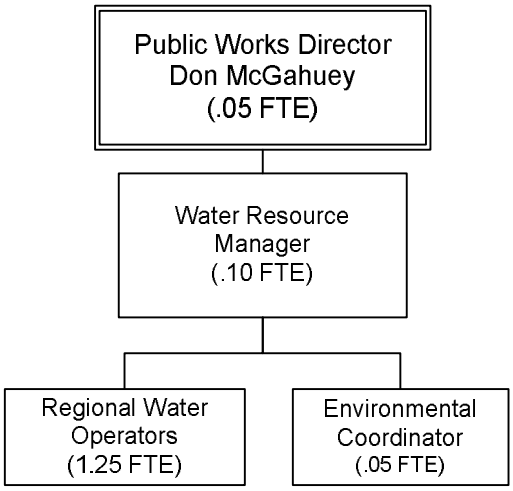
Storm Drain Utility	Fund Number 410

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Utility Sales	394,385	466,157	578,579	715,500	874,600	159,100	22.24%
Interest Revenue	37,285	39,335	59,413	62,000	60,000	(2,000)	-3.23%
Miscellaneous	0	32	32	0	0	0	N/A
Total Revenues	431,670	505,524	638,024	777,500	934,600	157,100	20.21%
Expenditure by Object							
Operations and Maintenance	80,484	72,479	191,400	307,200	556,714	249,514	81.22%
General Administration	0	0	0	0	0	0	N/A
Interest Expense & Related Charges	134,393	129,636	123,683	117,441	111,206	(6,235)	-5.31%
Amortization of Debt Discount and Exp	3,704	3,704	3,704	0	0	0	N/A
Arbitrage Rebate Tax	(57,163)	0	0	0	0	0	N/A
Total Expenditures	161,418	205,819	318,787	424,641	667,920	243,279	57.29%
Revenues Over (Under Expenses)	270,252	299,705	319,237	352,859	266,680	(86,179)	-24.42%
Other Financing Sources (Uses)							
Capital Outlay	(123,640)	(1,062,038)	(1,164,251)	(275,000)	(625,000)	(350,000)	127.27%
Bond Principal Retirement	(120,417)	(125,417)	(130,000)	(135,417)	(140,833)	(5,416)	4.00%
Total Other Activities	(244,057)	(1,187,455)	(1,294,251)	(410,417)	(765,833)	(355,416)	86.60%
Net Increase (Decrease) in Working Capital	26,195	(887,750)	(975,014)	(57,558)	(499,153)		
Beginning Working Capital				923,348	865,790		
Ending Working Capital				865,790	366,637		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0.2	0.2	0.2
City Engineer	0	0	0.15	0.15	0.15
Administrative Assistant	0	0	0.1	0.1	0.2
Contracts Administrator	0	0	0	0	0.15
Secretary	0	0	0	0	0.15
NPDES Technician	0	0	1	1	1
Street Maintenance Supervisor	0	0	0.1	0	0
Utility Worker/Streets	0	0	0.8	0	0
Public Works Co-Director	0.05	0.05	0	0	0
Assistant City Engineer	0.05	0.1	0	0	0
Total Personnel	0.1	0.15	2.35	1.45	1.85

Public Works Department-Regional Water Fund
Total 2007 Appropriations $1,668,138
1.45 FTE



Description

The Wenatchee Regional Water System supplies water to systems operated by the City of Wenatchee, the Chelan County Public Utility District (PUD) and the East Wenatchee Water District (EWWD). The City of Wenatchee is responsible for the day to day operation and maintenance of the system which includes monitoring and maintaining the transmission line, pumps, meters, valves, chlorination equipment and telemetry equipment. Oversight of the system is exercised by an advisory committee composed of staff from each of the three partners, and includes the provision of budgetary, policy, and operational guidance.

2006 Accomplishments

- Wellhead Protection Meeting with Lincoln Rock State Park Staff-emphasis on Spill Response.
- Developed brochures for Spill Response at the East Bank Aquifer as part of the ongoing Wellhead Protection Program.
- Continued work to transfer the combined water rights from the three Regional partners to the East Bank Aquifer
- Installed updated SCADA software from Wonderware to enhance data management.
- Installed Aquifer monitoring and tied it into the SCADA data management system.
- Delivered over 3.3 billion gallons of water meeting the water demands of the three Regional partners.
- Completed the installation of the redesigned Pump No.1 so that it can now operate in conjunction with the other pumps.

2007 Goals

- Construct a new hypochlorite disinfection system.
- Continue implementation of the Wellhead Protection Program to protect the East Bank Aquifer.
- Improve monitoring of the East Bank Aquifer.
- Administer preventative maintenance programs
- Meet water demands of the partners.
- Operate within State Department of Health regulations 24/7.
- Install new mag-meters on all large metered connections for more accurate and reliable billing.

Regional Water	Fund Number 415

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Utility Sales	1,247,733	1,325,663	1,398,036	1,296,900	1,359,400	62,500	4.82%
Interest Revenue	20,469	15,692	25,707	14,000	25,000	11,000	78.57%
Miscellaneous	0	0	231	0	0	0	N/A
Total Revenues	1,268,202	1,341,355	1,423,974	1,310,900	1,384,400	73,500	5.61%
Expenditure by Object							
Operations and Maintenance	447,912	441,996	483,058	432,909	467,654	34,745	8.03%
Interest Expense & Related Charges	239,814	210,223	87,956	66,495	53,951	(12,544)	-18.86%
Amortization of Debt Discount and Exp	3,829	5,322	5,971	0	0	0	N/A
Total Expenditures	691,555	657,541	576,985	499,404	521,605	22,201	4.45%
Revenues Over (Under Expenses)	576,647	683,814	846,989	811,496	862,795	51,299	6.32%
Other Financing Sources (Uses)							
Capital Outlay	(518,563)	(13,662)	0	(50,000)	(750,000)	(700,000)	1400.00%
Residual Equity Transfer In (Out)	0	0	0	0	0	0	N/A
Bond Principal	(387,148)	(497,543)	(503,685)	(506,415)	(396,533)	109,882	-21.70%
Total Other Activities	(905,711)	(511,205)	(503,685)	(556,415)	(1,146,533)	(590,118)	106.06%
Net Increase (Decrease) in Working Capital	(329,064)	172,609	343,304	255,081	(283,738)		
Beginning Working Capital				717,234	972,315		
Ending Working Capital				972,315	688,577		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0.05	0.05	0.05
Water Resource Manager	0.1	0.1	0.1	0.1	0.1
Regional Water Operators	1.25	1.25	1.25	1.25	1.25
Environmental Coordinator	0.05	0.05	0.05	0.05	0.05
City Engineer	0.05	0.05	0	0	0
Assistant City Engineer	0	0.1	0	0	0
Total Personnel	1.45	1.55	1.45	1.45	1.45

Public Works Department-Solid Waste Fund
Total 2007 Appropriations $1,679,060
0 FTE

Description

Garbage services are provided to the citizens of Wenatchee through a contract with Waste Management, Inc. that runs through the year 2020. Based upon the provisions of the contract, Waste Management collects all solid waste throughout the City for both residential and commercial customers. While Waste Management bills and collects from commercial customers, the City bills and collects from residential customers. Included in the City bill is an administrative fee to recover the cost of maintenance and billing of accounts. The City is then in turn billed by Waste Management for their total residential collections.

As a part of the contract with Waste Management it was agreed that they will receive annual rate increases (applied to both residential and commercial collections) which are based upon the Department of Labor, Bureau of Labor Statistics CPI for All Urban Consumers, Class D Cities as compared from July to July. Typically the City will pass the Waste Management rate increase on to our residential customers but in some years we are able to absorb them based upon our assessment of fund revenues, expenses and the adequacy of fund reserves. For 2007 the rate increase the City will pay to Waste Management is 3.0%, but the rate increase the City will pass on to its residential customers is 6.21%. The reason behind a 6.21% rate increase is that for a number of years the City did not pass through the entire rate increase contractually awarded to Waste Management, and consequently we've reached a point where this increase is necessary to cause fund revenues to exceed expenses in the 2007 Budget.

The following table provides an 8-year history of residential rates, residential rate increases, and rate increases paid to Waste Management:

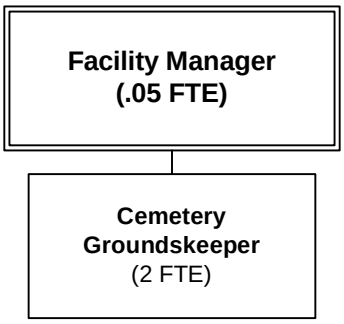
Residential Garbage Collection Rates						
				Actual Increase Passed through to Residential Customers		Contractual Increase Paid to Waste Management
Year	Collection Fee	SWAC	Total Monthly Fee	$	%	
2007	$16.57	$0.20	$16.77	$0.98	6.21%	3.0000%
2006	$15.59	$0.20	$15.79	$0.42	2.73%	2.8778%
2005	$15.15	$0.22	$15.37	$0.00	0.00%	2.6620%
2004	$15.15	$0.22	$15.37	$0.01	0.07%	1.5540%
2003	$15.14	$0.22	$15.36	$0.09	0.59%	0.6560%
2002	$15.04	$0.23	$15.27	$0.00	0.00%	0.9100%
2001	$15.04	$0.23	$15.27	$0.14	0.93%	0.0000%
2000	$14.90	$0.23	$15.13	---	---	---

Total dollar increase from 2000 to 2007 is	$1.64
Total percent increase from 2000 to 2007 is	10.84%
Average annual rate increase from 2000 to 2007 is	1.481%

Solid Waste	Fund Number 420

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Utility Sales	1,454,821	1,491,607	1,503,383	1,574,900	1,673,800	98,900	6.28%
Interest Revenue	1,594	2,305	4,994	4,500	6,000	1,500	33.33%
Miscellaneous	0	0	47	0	0	0	N/A
Total Revenues	1,456,415	1,493,912	1,508,424	1,579,400	1,679,800	100,400	6.36%
Expenditure by Object							
Operations and Maintenance	41,500	41,500	41,500	41,500	41,500	0	0.00%
Contract Operations	1,208,109	1,252,504	1,318,071	1,348,800	1,424,500	75,700	5.61%
General Administration	158,794	184,784	191,667	191,260	213,060	21,800	N/A
Total Expenditures	1,408,403	1,478,788	1,551,238	1,581,560	1,679,060	97,500	6.16%
Revenues Over (Under Expenses)	48,012	15,124	(42,814)	(2,160)	740	2,900	-134.26%
Other Financing Sources (Uses)							
Capital Expenditure	0	0	0	0	0	0	N/A
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Activities	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Working Capital	48,012	15,124	(42,814)	(2,160)	740		
Beginning Working Capital				152,167	150,007		
Ending Working Capital				150,007	150,747		

Public Works Department-Cemetery Fund
Total 2007 Appropriations $316,228
2.05 FTE



Description

This division of the Public Works Department has the responsibility for the administration, operation and maintenance of the City's cemetery. The scope of services offered by the Wenatchee Cemetery includes all burial services from full ground interment to cremation niche wall interment. The cemetery staff is responsible for the sales of burial plots and cremation niches, sales of burial containers and memorial markers, coordination of burial arrangements with local funeral directors, grave site opening and closing services and the grounds maintenance of the entire 34 Acre Site. There are currently over 18,500 interred at the cemetery and the facility has been averaging nearly 200 services per year.

The Cemetery Fund derives its operating revenue from two sources. The first source is the fees charged for services provided. The second source is provided by the sales of burial plots, cremation spaces, memorial markers and other products. Through 2006 the Cemetery Fund was also the recipient of interest earnings from the Cemetery Endowment Fund (see page 13-1 of this budget document for related discussion) and these proceeds were used to offset operational costs. Beginning in 2007 however the Endowment Fund will retain all interest earnings in order to build a stronger reserve for future needs.

The Cemetery Fund has experienced consecutive years where operating expenses have exceeded the combination of operating revenues and interest earnings from the Cemetery Endowment Fund. The cumulative losses over the years had placed the Cemetery Fund in the precarious financial position where soon it would have consumed all reserves and been in a position where it was unable to continue with operations. In order to circumvent this event the City Council has opted to transfer General Fund reserves to the Cemetery Fund in order to:

- Cover anticipated operating deficits, and
- Finance a number of capital improvements including the construction of a niche wall, development of a scattering garden and a cemetery expansion. It is hoped that these will help the Cemetery Fund to generate additional revenue and thus alleviate the General Fund of the need to subsidize future operations.

General Fund subsidies by year and amount are as follows:

2004	$ 46,800
2005	$ 86,600
2006	$ 35,400
2007	$117,791

2006 Accomplishments

- Continued to upgrade irrigation on an attrition basis. Irrigation components in need of repair are being replaced with updated components.
- Continued development of the Mausoleum Plaza and Niche Walls.
- Cemetery Advisory Board and Cemetery staff completed at Capital Facilities project list.

2007 Goals

- Continued upgrades to the irrigation system – as necessary.
- Continue Cemetery facility planning
- Completion of the plaza surrounding the new columbarium walls.
- Construction of a scattering garden.
- Development of additional in-ground burial plots.
- Increase marketing of Cemetery goods and services.

Cemetery	Fund Number 430

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Charges for Services	165,600	141,412	169,920	175,000	180,000	5,000	2.86%
Interest Revenue	884	959	2,396	900	3,300	2,400	266.67%
Miscellaneous	1	0	5,520	0	0	0	N/A
Total Revenues	166,485	142,371	177,836	175,900	183,300	7,400	4.21%
Expenditure by Object							
Operations and Maintenance	210,191	218,485	217,398	232,812	266,228	33,416	14.35%
General Administration	0	0	0	0	0	0	N/A
Debt Service & Interest Expense	0	0	0	0	0	0	N/A
Total Expenditures	210,191	218,485	217,398	232,812	266,228	33,416	14.35%
Revenues Over (Under Expenses)	(43,706)	(76,114)	(39,562)	(56,912)	(82,928)	(26,016)	45.71%
Other Financing Sources (Uses)							
Operating Transfers In - Fund 610	23,862	16,171	24,139	30,000	0	(30,000)	-100.00%
Operating Transfers In - Fund 001	0	46,700	86,600	35,400	117,791	82,391	232.74%
Residual Equity Transfer In	0	6,915	0	0	0	0	#DIV/0!
Capital Outlay	0	(9,228)	(32,838)	(30,000)	(50,000)	(20,000)	66.67%
Total Other Activities	23,862	60,558	77,901	35,400	67,791	32,391	91.50%
Net Increase (Decrease) in Working Capital	(19,844)	(15,556)	38,339	(21,512)	(15,137)		
Beginning Working Capital				56,649	35,137		
Ending Working Capital				35,137	20,000		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Facility Manager	0.05	0.05	0.05	0.05	0.05
Groundskeeper	2	2	2	2	2
Total Personnel	2.05	2.05	2.05	2.05	2.05

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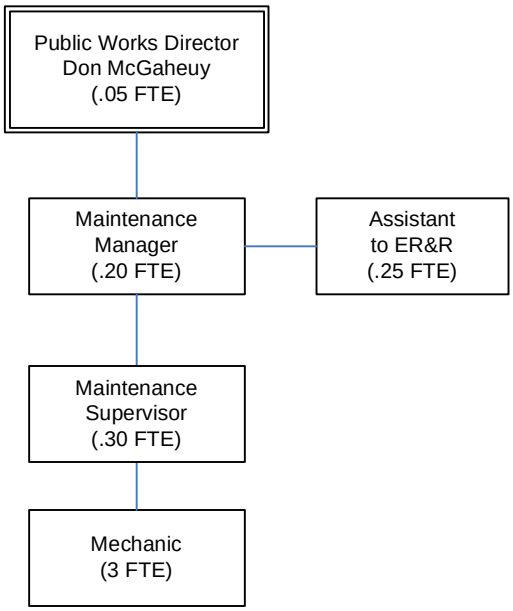
Part 12. Internal Service Funds

Public Works Department-Equipment Operations & Maintenance Fund

Total 2007 Appropriations $764,813
3.8 FTE



Description

This division of the Public Works Department has the responsibility for the initial setup, preventive and ordinary maintenance and repair of the entire City fleet of vehicles and equipment. Vehicle and equipment maintenance costs were up in 2006 as the City looks to extended vehicle and equipment replacement schedules to reduce yearly capital costs. The fleet budget was severely affected again in 2006 by the drastic increase in fuel prices during the summer. 2007 appropriations have increased for parts and supplies due to increased steel and oil prices. Increased appropriations for training were also included in the 2007 budget to allow the technicians to keep up to date with the changes in automotive technology.

2006 Accomplishments

The fleet department continues to offer a value added service to all City departments by setting up all new vehicles with the specialized tools and equipment necessary for each vehicle to function effectively. With upgrades in technology the process of setting up new vehicles for the emergency services departments (Police and Fire) has become increasingly complex. The fleet department accomplishes these setups at a very competitive cost. In 2006 the fleet department set up 12 new vehicles while maintaining a fleet of over 200 vehicles and pieces of equipment. Major projects in 2006 for the fleet division included completion of safety testing and repair of Fire Department aerial equipment, installation of specialty equipment in two police vehicles, complete in-frame engine rebuild of the 1973 Galion Grader, completed rebuild of a 1976 John Deere Backhoe and extensive electronic engine control repairs of street sweepers and fire trucks.

2007 Goals

In 2007 the fleet division will strive to maintain a high level of service while endeavoring to increase efficiency. We will review the preventive maintenance functions and repair capabilities of the maintenance shop in an attempt to offer a more diverse range of services while decreasing the use of high cost outsourcing. We will also assess if opportunities exist to provide more cost effective outsourced services.

This year will again present a challenge to the fleet division as the new vehicle and equipment schedule for 2007 includes twenty six new pieces of equipment, many of which will require extensive setup services.

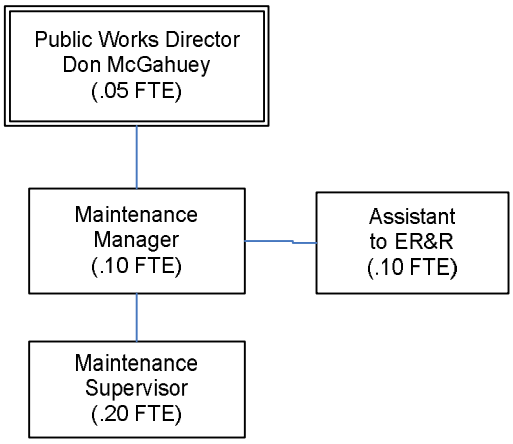
City Services - Equipment O & M	Fund Number 501

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Charges for Services	576,069	614,248	659,736	686,145	736,589	50,444	7.35%
Fire Truck Replacement	82,572	86,803	89,614	90,372	93,082	2,710	3.00%
Interest Revenue	5,642	7,447	18,737	15,000	25,000	10,000	66.67%
Miscellaneous	6,943	400	2,087	0	0	0	N/A
Bond Proceeds	0	0	0	0	0	0	N/A
Total Revenues	671,226	708,898	770,174	791,517	854,671	63,154	7.98%
Expenditure by Object							
Operations and Maintenance	553,923	620,387	666,294	740,728	764,813	24,085	3.25%
General Administration	0	0	0	0	0	0	N/A
Interest Expense & Related Charges	6,173	4,257	2,053	0	0	0	#DIV/0!
Total Expenditures	560,096	624,644	668,347	740,728	764,813	24,085	3.25%
Revenues Over (Under Expenses)	111,130	84,254	101,827	50,789	89,858	39,069	76.92%
Other Financing Sources (Uses)							
Capital Outlay	0	0	0	0	0	0	N/A
Bond Principal Retirement	(35,000)	(40,000)	(40,000)	0	0	0	#DIV/0!
Residual Equity Transfer In	0	10,125	0	0	0	0	N/A
Residual Eq Transfer Out - Cash & Equip	0	0	0	0	0	0	N/A
Total Other Activities	(35,000)	(29,875)	(40,000)	0	0	0	#DIV/0!
Net Increase (Decrease) in Working Capital	76,130	54,379	61,827	50,789	89,858		
Beginning Working Capital				268,470	319,259		
Ending Working Capital				319,259	409,117		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0.2	0.2	0.05	0.05	0.05
Maintenance Manager	0.2	0.2	0.2	0.2	0.2
City Services Supervisor	0	0	0	0	0.3
Assistant to Equip. Rental & Replacmt	0.45	0.45	0.45	0.25	0.25
Mechanic	3	3	3	3	3
Total Personnel	3.85	3.85	3.7	3.5	3.8

Public Works Department- Equipment Replacement Fund
Total 2007 Appropriations $762,910
.45 FTE



Description

The Equipment Rental & Replacement fund is the City's revolving fund which is designed to provide the capital funds necessary to purchase new vehicles and equipment at predetermined life cycles. This fund operates by charging each City department a monthly rental rate for the equipment and vehicles that they use. The fee is structured on the estimated life of the vehicle or equipment and its replacement cost. This method of asset management allows all of the City departments to budget vehicle and equipment costs as a reoccurring expense rather than intermittent capital expenses that may be subject to fluctuations in reoccurring revenue.

The ER&R Staff constructs purchasing specifications and conditions to ensure that all vehicle and equipment purchases meet with the standards of the City and the particular department for which the vehicle or equipment is being purchased. ER&R staff also ensures that all vehicle and equipment specifications are met for the most competitive price available.

2006 Accomplishments and 2007 Goals

In 2006 the ER&R fund continued to maintain the asset management system and evaluate vehicle and equipment needs. In 2007 the ER&R fund will continue to analyze the capital and life-cycle costs of existing and new vehicles and make recommendations regarding service life and replacement equipment. ER&R will also strive to keep the capital costs and rental rates low by conducting a financial analysis of the asset management system and "in service" equipment costs.

2006 was an interesting year in that many of the pieces of equipment that were scheduled for replacement could not be replaced due to the dramatic increase in costs of heavy equipment. This increase has been attributed to large increases in the price of steel and fuel. Rental rates and expected life cycles for those items are being amended to reflect this increase in replacement costs. The ER&R staff will be challenged again this year to procure 26 replacement vehicles and pieces of equipment (over double the 2005 procurement) that meet the needs of the users of the equipment at the most competitive cost.

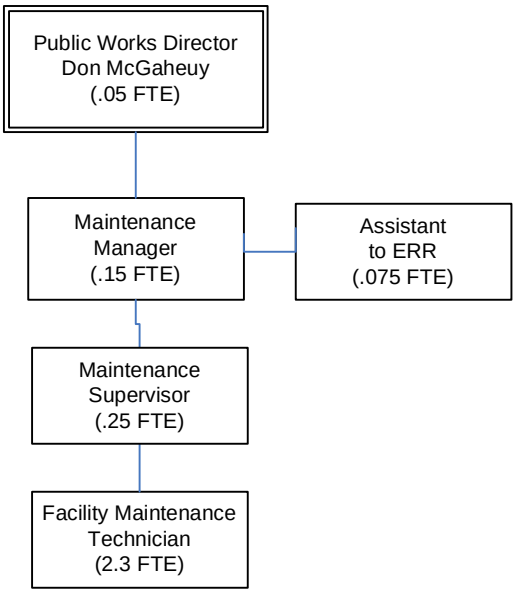
City Services - Equip. Replacement	Fund Number 503

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Charges for Services	342,978	341,148	339,149	377,779	424,154	46,375	12.28%
Interest Revenue	11,107	15,975	36,447	32,000	50,000	18,000	56.25%
Miscellaneous	1,863	33,863	17,372	0	0	0	N/A
Total Revenues	355,948	390,986	392,968	409,779	474,154	64,375	15.71%
Expenditure by Object							
Operations and Maintenance	17,366	29,135	31,093	19,077	36,753	17,676	92.66%
Miscellaneous	0	0	0	0	0	0	N/A
Total Expenditures	17,366	29,135	31,093	19,077	36,753	17,676	92.66%
Revenues Over (Under Expenses)	338,582	361,851	361,875	390,702	437,401	46,699	11.95%
Other Financing Sources (Uses)							
Capital Outlay	(64,015)	(216,944)	(232,469)	(554,706)	(673,657)	(118,951)	21.44%
Residual Eq Transfer Out - Cash & Equip	0	(179,255)	0	0	(52,500)	(52,500)	N/A
Total Other Activities	(64,015)	(396,199)	(232,469)	(554,706)	(726,157)	(171,451)	30.91%
Net Increase (Decrease) in Working Capital	274,567	(34,348)	129,406	(164,004)	(288,756)		
Beginning Working Capital				1,181,291	1,017,287		
Ending Working Capital				1,017,287	728,531		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0.05	0.05	0.05
Maintenance Manager	0.1	0.1	0.1	0.1	0.1
City Services Supervisor	0	0	0	0	0.2
Assistant to Equip. Rental & Replacmt	0.05	0.05	0.05	0.1	0.1
Total Personnel	0.15	0.15	0.2	0.25	0.45

Public Works Department-Facility Maintenance Fund
Total 2007 Appropriations $309,414
2.825 FTE



Description

The Facility Maintenance department is responsible for the building maintenance for all of the City facilities. This includes City Hall, the new and old Police Stations, the Public Works Complex, the Museum, the Community Center, the two Fire Stations, the Ice Arena, the City Pool and Bathhouse and some of the work at the buildings in City parks. This fund operates by charging each City department a monthly fee for facility maintenance and upkeep. The fee is based upon the previous year's expenditures as well as any program enhancements included in the new operating budget.

The facility maintenance crew also provides tenant improvement services for City departments such as remodels of existing spaces, or expansions to accommodate departmental growth.

2006 Accomplishments

- Completed Facility Maintenance Shop.
- Continued to complete ADA accessibility upgrades.
- Completed office construction for new IS Director
- Completed ongoing roof repair at Museum,
- Completed roof repair at old Police Station.
- Major repairs of roof at ER&R shop and Parks shop at Public Works.
- Completed several projects at the Community Center:
    - HVAC upgrades in conjunction with new construction.
    - Relocation of 70' flag pole from old Memorial Hall to Community Center.
    - Finish carpentry in Veterans Hall.
    - Constructed Arcade roof with materials donated from the Lions Club.
- Completed emergency lighting project at Fire Station #1.
- Constructed new handicap ramp, stairs and planters at City Hall entrance.
- Painted interior of Fire Station #2
- Completed small asbestos abatement project at Fire Station #1
- Completed major repairs to the interior of the swimming pool.
- Worked extensively with the architect on the design of the new Public Works facility.

2007 Goals

- Continue to provide a rapid response to emerging maintenance issues.
- Replace small HVAC unit in Fire Station #1
- Replace three HVAC Units at the Museum.
- Perform additional preventative roof repairs at Museum.
- Construct new restroom and rehabilitate old restrooms in Carnegie Building.
- Pedestrian bridge plank repair.
- Lincoln Park picnic shelter roof repair.
- Construct City Hall Audio/Video upgrades.
- Rehabilitate boilers in Police Station.
- City Hall HVAC and interior finish improvements
- Continue with accessibility upgrades in all facilities.

Facility Maintenance	Fund Number 504						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Charges for Services	207,000	219,504	263,256	281,972	302,400	20,428	7.24%
Interest Revenue	2,022	2,529	5,981	5,000	7,000	2,000	40.00%
Child Care Center Rent	6,276	6,276	6,798	3,000	6,300		
Miscellaneous	0	31,696	348	0	0	0	N/A
Total Revenues	215,298	260,005	276,383	289,972	315,700	25,728	8.87%
Expenditure by Object							
Operations and Maintenance	248,983	211,826	259,374	306,972	309,414	2,442	0.80%
General Administration	0	0	0	0	0	0	N/A
Total Expenditures	248,983	211,826	259,374	306,972	309,414	2,442	0.80%
Revenues Over (Under Expenses)	(33,685)	48,179	17,009	(17,000)	6,286	23,286	-136.98%
Other Financing Sources (Uses)							
Capital Outlay	0	(27,701)	0	(40,000)	0	40,000	-100.00%
Operating Transfer In (Out)	3,475	0	0	0	0	0	N/A
Total Other Activities	3,475	(27,701)	0	(40,000)	0	40,000	-100.00%
Net Increase (Decrease) in Working Capital	(30,210)	20,478	17,009	(57,000)	6,286		
Beginning Working Capital				112,389	55,389		
Ending Working Capital				55,389	61,675		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Public Works Director	0	0	0.05	0.05	0.05
City Services Manager	0.15	0.15	0.15	0.15	0.15
City Services Supervisor	0	0	0	0	0.25
Facility Maintenance Technician	1.8	1.8	2.3	2.3	2.3
Assistant to Equip. Rental & Replacmt	0	0	0	0.075	0.075
Total Personnel	1.95	1.95	2.5	2.575	2.825

Self Insurance Fund
Total 2007 Appropriations $709,000
0 FTE

The Self-Insurance Fund provides property/casualty insurance that covers all City assets and programs. This fund has also previously accounted for the provision of medical coverage for all City employees and all police officers and firefighters hired prior to October 1, 1977 (see related discussions in Part 8 of this budget document for the LEOFF 1 – Long-Term Care Fund and the LEOFF 1 – Health Care Fund).

Property & Casualty Coverage

The City of Wenatchee is exposed to risks of loss related to a number of sources including tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself against potential loss by employing a three-tier risk management approach. First, the City shares risk of losses through membership in the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Second the City reserves the right to utilize the provisions of RCW 35A.31.060-070 to fund catastrophic or uninsured losses. This State statute allows cities to levy a non-voted property tax increase to pay for uninsured claims. Third, the City has a Safety Committee that is responsible for monitoring the safety of both employees and visitors. The Safety Committee reviews accidents and potential hazards and provides related reports to the Mayor and Management for any necessary action.

Authorization for the creation of the AWC RMSA is provided by Chapter 48.62 RCW which allows the governing body of any one or more government entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Government Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, 73 municipalities participate in the pool (as of December 31, 2005). The City of Wenatchee joined the AWC RMSA May 1, 1993.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The City has elected to retain a $25,000 indemnity deductible on all liability coverages. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials liability, employee fidelity and faithful performance, and boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier, as of June 1, 2005, and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to $300,000 for liability and $25,000 for property, and thereafter purchases excess liability insurance through NLC Mutual Insurance Company, up to $1 million, and CV Starr, from $1 million to $5 million. The excess property coverage is purchased through Affiliated FM, using the Pool's broker, Willis of Seattle, Inc. Since the AWC RMSA is a cooperative program, the members of the AWC RMSA are jointly liable.

Members contract to remain in the pool a minimum of one year and must give one-year notice before terminating participation. The Interlocal Government Agreement is renewed automatically each year. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Government

Agreement. The Pool is governed by a board of directors serving ex-officio as the AWC Board of Directors.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The City has also established a liability for outstanding property/casualty claims as of December 31, 2005. The specific financial of the AWC RMSA can be seen in the Annual Report on file in the Finance Department of the City of Wenatchee.

Revenues for this portion of the fund are obtained from monthly assessments against many City funds and departments. Expenses include the annual premium payment to AWC RMSA as well as money paid for the occasional claims settlements and other miscellaneous services.

Medical, Dental & Vision Coverage:

Employee Coverage

During the period July 1, 1991 through June 30, 2004, the City of Wenatchee was self-insured for the coverage of medical insurance for all employees. Under this arrangement the City plan provided medical, vision and dental coverage subject to deductibles and co-pays for various services. Stop-loss insurance was purchased to cover individual claims exceeding $100,000 and plan claims exceeding 125% of the actuarially estimated medical claims paid in any plan year. Premium payments for this plan were shared by the City and employees and deposited into, and all medical expenses were paid from the Self-Insurance Fund.

Beginning July 1, 2004, the City converted its medical insurance from a self-funded plan to a fully insured indemnity plan offered by the Association of Washington Cities Employee Benefits Trust. As a consequence medical premiums were no longer recorded as revenue to this fund but instead sent directly to AWC. By the same token, medical expenses are now paid directly by AWC and not run through this fund at all.

In the first fiscal year following the City's conversion to AWC coverage (that is, from July 1, 2004 through June 30, 2005) this fund was responsible for the "run-out" payment of all claims costs incurred prior to July 1, 2004. At the expiration of the run-out period we determined that enough excess fund reserves existed to provide a one-month "premium holiday" where fund reserves paid the City's and employee's medical insurance premium at a total cost of $146,934.

LEOFF 1 Actively Employed and Retiree Coverage

As a result of actions taken by the Washington State Legislature (RCWs 41.16 and 41.18), all cities, counties and fire districts in the State are required to pay for long-term care and health care costs incurred by police officers and/or firefighters hired prior to October 1, 1977.

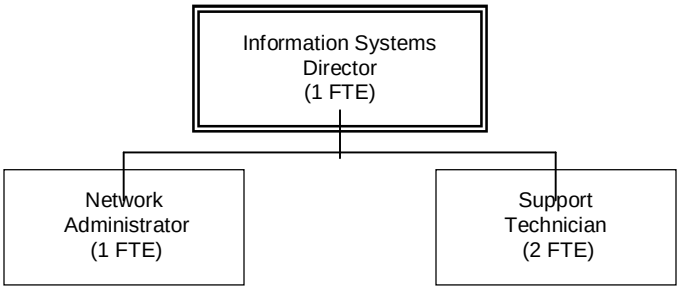
- The costs related to the provision of long-term care coverage have been financed through the LEOFF 1 – Long-term Care Fund since calendar year 2000 (a Special Revenue Fund reported in Part 8 of this budget document).
- The costs related to the provision of health care coverage were also paid from the Self-Insuarnce Fund (financed from annual General Fund operating transfers) through 2005. Beginning in 2005 the City created the LEOFF 1 – Health Insurance Fund to account for these costs (a Special Revenue Fund reported in Part 8 of this budget document).

At the conclusion of 2005 we determined excess fund reserves of $362,369 existed in the Self-Insurance Fund that were dedicated to the provision of long-term and health care for the LEOFF 1 active and retired individuals. These were transferred out of this fund as follows:

- $205,951 was transferred to the LEOFF 1- Long-term Care Fund. This figure represents the reserves that remained prior to July 1, 2004, which were generated during the period in which we were self-insured.
- $156,418 was transferred to the LEOFF 1 – Health Insurance Fund, which represents the reserves that were generated between July 1, 2004 and December 31, 2005.

Self-Insurance	Fund Number 502						
	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Property/Casualty	750,358	1,034,521	1,102,949	1,066,700	1,074,200	7,500	0.70%
Medical/Dental/Vision	2,045,193	1,522,819	637,411	0	0	0	#DIV/0!
Interest Income	17,568	18,075	49,995	34,000	50,000	16,000	47.06%
Total Revenues	2,813,119	2,575,415	1,790,355	1,100,700	1,124,200	23,500	2.14%
Expenditure by Object							
Property/Casualty	889,058	685,515	714,843	733,000	709,000	(24,000)	-3.27%
Medical/Dental/Vision	2,272,676	1,203,590	567,231	0	0	0	#DIV/0!
Operating Transfer to 110	0	0	205,951	0	0	0	#DIV/0!
Operating Transfer to 116	0	0	156,418	0	0	0	#DIV/0!
Wellness	2,751	343	0	0	0	0	#DIV/0!
Total Expenditures	3,164,485	1,889,448	1,644,443	733,000	709,000	(24,000)	-3.27%
Revenues Over (Under Expenses)	(351,366)	685,967	145,912	367,700	415,200	47,500	12.92%
Beginning Working Capital	986,881	635,515	1,321,482	1,467,394	1,835,094		
Ending Working Capital	635,515	1,321,482	1,467,394	1,835,094	2,250,294		

Data Processing Fund
Total 2007 Appropriations $1,022,097
4 FTE



Description

The Information Systems department's mission is to proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer support to the departments of the City of Wenatchee. The Information Systems department designs, maintains, and monitors the City's data network. The department orders, delivers, repairs, and maintains all desktop and handheld personal computers. They insure the integrity and security of data operations, and oversee and manage the City's data center. Primary computer applications, such as financial, payroll, utilities, permitting, and public safety and related database systems, are maintained and supported by the Information Systems department. The department also manages the City's Internet web site.

2006 Accomplishments

- Upgraded Exchange, SQL, file, and application servers
- Installed new file server for Public Works building
- Created distributed file system between file servers at Public Works and IS
- Upgraded switches in IS, City Hall, Police, Fire, and Public Works to gigabit speed
- Installed fiber between IS and the City Hall and Police buildings
- Installed Category 5e wiring in new Community Center and VFW Hall
- Added the Community Center to the City network via PUD fiber
- Installed a disk backup solution to supplement tape backup
- Upgraded to an IP based KVM switch
- Upgraded PCs in Fire, Parks, and Public Works
- Upgraded most desktops to flat screen monitors
- Installed bar code readers in Finance
- Created Technology Purchasing Policy
- Created Hardware and Software Purchasing Form
- Created an Inventory Records Policy
- Created Inventory database
- Signed Microsoft Enterprise Agreement
- Replaced spam filter software with Postini
- Replaced web filter software with Surfcontrol
- Replaced patch management software with Microsoft Update Services
- Replaced VPN software with Microsoft ISA server
- Upgraded to Microsoft Operations Manager software
- Upgraded Citrix remote access software
- Upgraded Blackberry Enterprise Server software
- Added Blackberry licenses for Fire and Police
- Upgraded Fire to Firehouse software
- Provided Microsoft eLearning to City staff
- Assisted in completion of City employee directory database
- Implemented IS budget meetings with end user departments
- Recycled obsolete computer equipment through Chelan County program
- Hired 501 Consultants to report on web site redevelopment process

2007 Goals

- Add Museum to the City network
- Install fiber between IS and Museum
- Upgrade City Hall phone system
- Complete RFP for web site redevelopment
- Select contractor for web site redevelopment
- Complete web site redevelopment
- Upgrade presentation environment in the City Council chambers
- Select and install digital recording solution for the City Council chambers
- Laptops for Council members
- Install Layer 3 switches for multiple routing between IS and Public Works
- Create Technology Future Projects Master List
- Upgrade city PCs to Microsoft Vista
- Upgrade city PCs to Microsoft Office 2007
- Upgrade to Internet Explorer 7
- Select and Install failover software for SQL & Exchange
- Begin operation of Public Access TV equipment

Data Processing	Fund Number 505

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Charges for Services	398,660	502,130	551,208	712,650	741,600	28,950	4.06%
Transfers-In from Other Funds	0	0	0	0	272,700	272,700	N/A
Interest Revenue	3,325	2,126	7,042	5,000	10,000	5,000	100.00%
Miscellaneous	1,201	687	377	0	0	0	N/A
Total Revenues	403,186	504,943	558,627	717,650	1,024,300	306,650	42.73%
Expenditure by Object							
Operations and Maintenance	437,448	539,404	412,272	844,075	823,097	(20,978)	-2.49%
General Administration	0	0	0	0	0	0	N/A
Total Expenditures	437,448	539,404	412,272	844,075	823,097	(20,978)	-2.49%
Revenues Over (Under Expenses)	(34,262)	(34,461)	146,355	(126,425)	201,203	327,628	-259.15%
Other Financing Sources (Uses)							
Capital Outlay	(31,216)	(65,092)	(29,100)	0	(199,000)	(199,000)	#DIV/0!
Residual Equity Transfer In - Cash	0	0	0	0	0	0	N/A
Total Other Activities	(31,216)	(65,092)	(29,100)	0	(199,000)	(199,000)	#DIV/0!
Net Increase (Decrease) in Working Capital	(65,478)	(99,553)	117,255	(126,425)	2,203		
Beginning Working Capital				270,902	144,477		
Ending Working Capital				144,477	146,680		

Personnel FTE Summary

Position	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Information Systems Director	0	0	0	1	1
Data Processing Coordinator	1	1	1	1	1
Data Processing Technician	1	1	1.5	2	2
Total Personnel	2	2	2.5	4	4

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Part 13. Fiduciary Funds

Cemetery Endowment Fund
Total 2007 Appropriations $0
0 FTE

Description

This fund is used to account for principal trust amounts received through sales of graves, crypts and niches in the Cemetery Enterprise Fund. At the point the existing City cemetery is at full capacity the interest earnings on the corpus of this fund will be used for the operation and maintenance of that facility, however the corpus may not be spent. Historically the interest earnings of this fund have been transferred to the Cemetery Enterprise Fund to offset operational costs but beginning with the 2007 Budget we will retain the earnings in the Endowment Fund in order to build a stronger reserve for future needs.

This fund is reported as a Permanent Fund for financial reporting purposes.

Cemetery Endowment	Fund Number 610

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Variance 2007 vs. 2006 Budget Percent
Revenues							
Proceeds from Cemetery	9,211	7,480	11,311	8,000	12,500	4,500	56.25%
Interest Income	19,013	16,180	24,746	30,000	25,000	(5,000)	-16.67%
Miscellaneous	0	0	0	0	0	0	N/A
Total Revenues	28,224	23,660	36,057	38,000	37,500	(500)	-1.32%
Expenses							
Operating Transfer Out	23,862	16,172	24,139	30,000	0	(30,000)	-100.00%
Total Expenses	23,862	16,172	24,139	30,000	0	0	0.00%
Revenues over (under) expenses	4,362	7,488	11,918	8,000	37,500	29,500	368.75%
Beginning Working Capital	646,315	650,677	658,165	670,083	678,083	8,000	1.19%
Ending Working Capital	650,677	658,165	670,083	678,083	715,583	37,500	5.53%

Firemen's Pension Fund
Total 2007 Appropriations $127,600
0 FTE

Description

RCW 3.24.380 established the authority to create a Firemen's Pension Fund to meet the requirement of Washington State Law to provide pension and related benefits to fire department employees. The system is a closed pension system and membership is limited to firemen hired prior to March 1, 1970.

As of December 31, 2004, there were a total of 28 retirees or beneficiaries eligible for retirement benefits. Of these 28, the State of Washington pays the pension benefits of 7; the City pays the pension benefits of 4; the State and the City share the pension benefits of 17. The Firemen's Pension Fund is a closed group, thus no new members are permitted.

An actuarial study of the system was conducted by Milliman and Robertson, Inc. as of June 30, 1993, to determine the funding requirements. As of that date, the actuarial present value of fund assets was $172,000 and the actuarial present value of future benefits was $2,786,000 leaving an unfunded pension benefit obligation of $2,614,000. As a result of this study, the City increased the property tax levy distributed to this fund in order to amortize the actuarial deficiency. As of December 31, 2005, the unfunded pension benefit obligation decreased to $276,239.

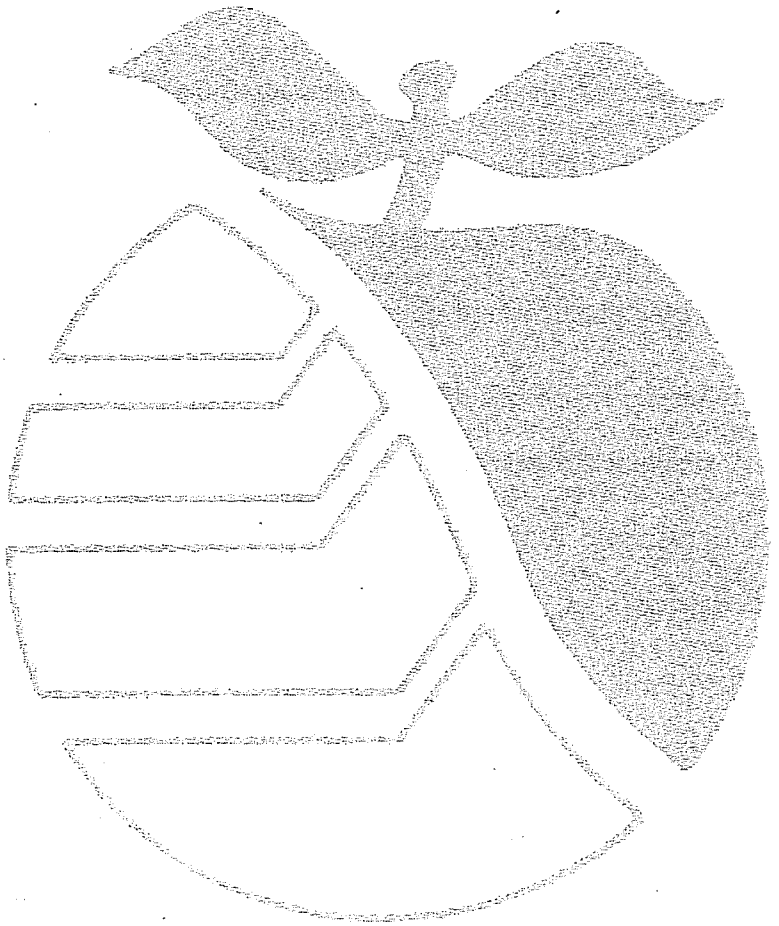
Major revenue sources of this fund consist of:

- A portion of property tax revenues estimated at $452,600 (9.15% of total collections in 2007 or approximately $.2455 per $1,000 of assessed valuation).
- The State of Washington collects a two percent tax on premiums of all fire insurance policies written. Some of this money is distributed to cities and fire districts that had a pension system for firemen before the state-wide LEOFF (law enforcement officers and firefighters) system was initiated on March 1, 1970 (see Long-Term Care – LEOFF 1 discussion in Part 8 of this document for related discussion). A particular city's share of these taxes is a function of the number of paid firefighters in the city as a percent of total paid firefighters in all the cities and fire districts that qualify to receive this tax. The City of Wenatchee's estimated share in 2007 is $24,100.

Firemen's Pension	Fund Number 611

	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget	Variance 2007 vs. 2006 Budget Amount	Percent
Revenues							
Property Taxes	362,405	381,536	402,046	427,000	452,600	25,600	6.00%
Fire Insurance Premiums	18,626	22,748	23,224	23,664	24,100	436	1.84%
Interest Income	22,368	29,937	74,023	61,000	95,000	34,000	55.74%
Total Revenues	403,399	434,221	499,293	511,664	571,700	60,036	11.73%
Expenses							
Retirement Benefits	127,687	133,527	143,864	146,900	122,800	(24,100)	-16.41%
Medical Benefits	12,350	21,761	0	0	0	0	#DIV/0!
General Administration	148	207	450	4,800	4,800	0	0.00%
Total Expenses	140,185	155,495	144,314	151,700	127,600	(24,100)	-15.89%
Revenues over (under) expenses	263,214	278,726	354,979	359,964	444,100	84,136	23.37%
Beginning Working Capital	1,612,842	1,876,056	2,154,782	2,509,761	2,869,725	359,964	14.34%
Ending Working Capital	1,876,056	2,154,782	2,509,761	2,869,725	3,313,825	444,100	15.48%

Part 14. Budget Ordinance



ORDINANCE NO. 2006-41

AN ORDINANCE, adopting the Final Budget for the City of Wenatchee for the year 2007.

WHEREAS, the Mayor of the City of Wenatchee, Washington, completed and placed on file with the City Clerk a proposed budget and estimate of the amount of monies required to meet the public expense, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2007, and a notice was published that the City Council would meet on the 14th day of December, 2006, at the hour of 5:15 p.m., at the Council Chambers in the City Hall of said City for the purpose of making and presenting a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

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

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

THE CITY COUNCIL OF THE CITY OF WENATCHEE DO ORDAIN as follows:

SECTION I

The budget for the City of Wenatchee, Washington, for the year 2007 is hereby adopted at the fund level in its final form and content as set forth in the document entitled "2007 City Budget", copies of which are on file in the Office of the Clerk.

SECTION II

Estimated resources, including fund balances or working capital for each separate fund of the City of Wenatchee, and aggregate totals for all such funds combined, for the year 2007 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2007 as found in Exhibit "A".

SECTION III

The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporation in the Office of the State Auditor and to the Association of Washington Cities.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 14 day of December, 2006.

CITY OF WENATCHEE, a Municipal Corporation

By: Dennis Johnson
DENNIS JOHNSON, Mayor

ATTEST:

By: Vicki Reister
VICKI REISTER, City Clerk

APPROVED:

By: Steve D. Smith
STEVE D. SMITH, City Attorney

CITY OF WENATCHEE, WA
2007 Budget Ordinance
Ordinance #2006-41
Exhibit A

12/5/2006

Annual Appropriation Funds	Fund No.	Estimated Beginning Fund Balance	Revenue	Total Sources	Appropriations	Estimated Ending Fund Balance
General	001	4,410,289	19,120,665	23,530,954	19,578,965	3,951,989
Public Art	101	40,788	42,000	82,788	42,000	40,788
Paths and Trails	103	13,899	3,105	17,004	4,000	13,004
Hotel/Motel - Capital	105	14,586	171,000	185,586	185,586	0
Convention Center	106	229,845	736,586	966,431	758,542	207,889
Hotel/Motel - Tourism	107	42,939	312,500	355,439	310,000	45,439
Streets	108	550,598	1,822,712	2,373,310	1,872,697	500,613
Arterial Street	109	142,828	10,794,167	10,936,995	10,834,822	102,173
Long-Term Care - LEOFF 1	110	448,709	148,000	596,709	120,000	476,709
Street Overlay	111	483,204	532,000	1,015,204	400,000	615,204
Ice Arena	112	200,650	123,150	323,800	121,368	202,432
Housing Rehabilitation	113	121,858	263,000	384,858	347,000	37,858
Community Center Operations	114	197,022	97,016	294,038	84,047	209,991
CDBG Entitlement	115	246,570	552,500	799,070	552,500	246,570
Health Insurance - LEOFF 1	116	156,740	592,000	748,740	580,000	168,740
Homeless Housing	117	95,860	175,000	270,860	155,500	115,360
Debt Service - UTGO Bonds	201	(14,208)	365,465	351,257	365,465	(14,208)
Debt Service - Councilmanic Bonds	205	20,363	712,192	732,555	712,192	20,363
R.E. Capital Projects	301	633,572	722,000	1,355,572	372,560	983,012
Pedestrian Overpass	302	126,190	0	126,190	77,058	49,132
Ice Arena Renovation	303	50,061	0	50,061	0	50,061
Swimming Pool Slide	307	120,852	0	120,852	0	120,852
Public Works Facility Construction	308	0	0	0	0	0
Orondo Boat Moorage	309	0	380,610	380,610	315,500	65,110
Total Annual Appropriation Funds			37,665,668		37,789,802	

Working Capital Funds	Fund No.	Estimated Beginning Working Capital	Revenue	Total Sources	Appropriations	Estimated Ending Working Capital
Water/Sewer	401	3,375,749	10,078,392	13,454,141	11,181,502	2,272,639
Storm Drain	410	865,790	934,600	1,800,390	1,433,753	366,637
Regional Water	415	972,315	1,384,400	2,356,715	1,668,138	688,577
Solid Waste	420	150,007	1,679,800	1,829,807	1,679,060	150,747
Cemetery	430	35,137	301,091	336,228	316,228	20,000
City Services - Equip. O&M	501	319,259	854,671	1,173,930	764,813	409,117
City Services - Equip. Replace.	503	1,017,287	474,154	1,491,441	762,910	728,531
City Services - Facilities	504	55,389	315,700	371,089	309,414	61,675
Self - Insurance	502	1,855,094	1,124,200	2,979,294	709,000	2,270,294
Information Systems	505	144,477	1,024,300	1,168,777	1,022,097	146,680
Cemetery Endowment	610	678,083	37,500	715,583	0	715,583
Firemen's Pension	611	2,869,725	571,700	3,441,425	127,600	3,313,825
Total Working Capital Funds			18,780,508		19,974,515	
Total of all Funds			56,446,176		57,764,317	

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Part 15. Pay Plans

City payroll costs are comprised of a number of elements including wages and a variety of payroll taxes and employee benefits. Following is a brief description of the compensation components paid to City employees.

Labor Groups - The City of Wenatchee has four (4) labor groups:

- Management/Administrative – a non-represented, (non-union) group with employees in every city department.
- AFSCME, the Association of Federal, State, County & Municipal Employees – this union has employees in every city department.
- IAFF, the International Association of Firefighters – this union represents commissioned firefighters up through the rank of Battalion Chief. The Deputy Chiefs and the Fire Chief are in the Management/Administrative group.
- The Wenatchee Police Guild – this union represents commissioned police officers up through the rank of Sergeant. Captains and the Police Chief are in the Management/Administrative Group.
- Union groups have labor contracts with a maximum duration of three (3) years. We change working conditions, salaries and benefits with the unions through the process of negotiation, mediation and/or binding-arbitration.
- The Management/Administrative group has historically received similar benefits and the same annual cost-of-living adjustments (COLAS) as the AFSMCE union.

Salary Schedules

- The Management/Administrative salary schedule has five step increases which apply on the employee's hiring anniversary (see page 15-2).
- The AFSCME union has four step increases which apply on the employee's hiring anniversary (see page 15-3).
- The IAFF union has fixed salaries based on rank. Firefighters receive step increases if they move to a new rank from Firefighter Recruit through Battalion Chief (see page 15-4).
- The Police Guild union has fixed salaries based on rank. Officers receive step increases if they move to a new rank from Police Recruit through Sergeant (see page 15-5).
- Historically all labor groups receive an annual cost of living adjustment.

Employee Benefits

While there are variations among the labor groups, employee benefits basically include:

- Mandatory retirement contributions from employees and the City for the Washington State Department of Retirement Systems.
- Optional participation for a Deferred Compensation retirement program. The city contributes up to a 2% match of employee contributions.
- Paid Leave including sick leave, vacation, and paid holidays.
- Medical, dental, vision health insurance (see pages 15-6 through 15-11 for calendar year 2007 details).
- Employee Assistance Program for relational, legal and financial counseling.
- Flexible Spending Account for pre-tax savings on healthcare and childcare.
- Term life insurance and accidental death and dismemberment insurance paid for by the city. There are also supplemental plans which employees can self-pay.
- The City of Wenatchee Employment Handbook and labor contracts go into greater detail about employee benefits which include a listing of protections through Federal and State laws, for example, the Family and Medical Leave Act (FMLA) and Health Care Continuation Coverage (COBRA).

City of Wenatchee
Management/Administrative Group Pay Plan
January 2007 COLA = 3.4% 01/01/07

POSITION	Step 1	1 year Step 2 105%	1 year Step 3 105%	1 year Step 4 105%	1 year Step 5 106%	
Public Works Director	6,942.59	7,289.72	7,654.20	8,036.91	8,519.13	
Police Chief	6,557.87	6,885.76	7,230.05	7,591.56	8,047.05	
Finance Director	6,398.45	6,718.38	7,054.29	7,407.01	7,851.43	
Community Development Director	6,273.58	6,587.26	6,916.62	7,262.45	7,698.20	
Deputy Public Works Director	6,273.58	6,587.26	6,916.62	7,262.45	7,698.20	(2)
Fire Chief	6,273.58	6,587.26	6,916.62	7,262.45	7,698.20	
City Engineer	6,172.40	6,481.02	6,805.07	7,145.33	7,574.05	
Museum Director	5,692.82	5,977.46	6,276.34	6,590.15	6,985.56	
Executive Services Director	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Human Resource Director	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Information Systems Director	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Police Captain	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Assistant Fire Chief	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Public Works Maintenance Manager	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Water Resources Manager	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Development Review Engineer	5,579.32	5,858.28	6,151.20	6,458.76	6,846.28	
Assistant City Engineer	5,112.10	5,367.70	5,636.09	5,917.89	6,272.96	
Network Administrator	5,109.59	5,365.07	5,633.33	5,914.99	6,269.89	
Wastewater System Superintendent	4,759.03	4,996.98	5,246.83	5,509.17	5,839.72	
Accounting Supervisor	4,759.03	4,996.98	5,246.83	5,509.17	5,839.72	
Assistant Community Development Director	4,710.91	4,946.46	5,193.78	5,453.47	5,780.68	
Water Distribution Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Street Maintenance Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Recreation Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Police Records Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Environmental Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Fleet & Facilities Supervisor	4,335.43	4,552.20	4,779.81	5,018.80	5,319.93	
Ice Arena & Pool Supervisor	4,088.46	4,292.88	4,507.53	4,732.90	5,016.88	
Landscape Supervisor	4,088.46	4,292.88	4,507.53	4,732.90	5,016.88	
City Clerk	4,088.46	4,292.88	4,507.53	4,732.90	5,016.88	
Contract Coordinator	4,088.46	4,292.88	4,507.53	4,732.90	5,016.88	
Associate Planner	3,906.06	4,101.37	4,306.43	4,521.76	4,793.06	
Housing/Community Planner	3,906.06	4,101.37	4,306.43	4,521.76	4,793.06	
Plans Examiner	3,906.06	4,101.37	4,306.43	4,521.76	4,793.06	
Combination Inspector	3,906.06	4,101.37	4,306.43	4,521.76	4,793.06	
Human Resource Specialist	3,824.15	4,015.35	4,216.12	4,426.93	4,692.54	
Administrative Assistant to Police Chief	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
Administrative Assistant to Fire Chief	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
Administrative Assistant/Public Works	3,528.63	3,705.06	3,890.32	4,084.83	4,345.57	(1)
Administrative Asst. to Executive Services Director	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	(4)
Administrative Assistant/Community Development	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	(3)
Capital Projects/Administrative Assistant	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
Code Compliance Inspector	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
IS Support Technician II	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
Community Center Coordinator/Housing Rehab.	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
Assistant Planner	3,528.63	3,705.06	3,890.32	4,084.83	4,329.92	
IS Support Technician I	2,999.29	3,149.25	3,306.71	3,472.05	3,680.37	

(1) Individual in this position receives more than regular Step 5 as they did not receive the 106% Step 5 increase 1/1/97 as their longevity pay (which was eliminated) was greater than the 1% increase. As this position changes due to termination/retirement salary will be adjusted back to the regular Step 5.

(2) This position will revert back to Water Resource Manager when the individual in this position retires

(3) Current employee works .64%/month. Actual salary is adjusted to reflect part-time

(4) Current employee works 30 hours/week. Actual salary is adjusted to reflect part-time

CITY OF WENATCHEE
PUBLIC WORKS (AFSCME)
3.4% COLA effective 1/1/07

	STEP 1	2 YEAR STEP 2 105%	3 YEAR STEP 3 105%	4 YEAR STEP 4 105%
Associate Engineer	4,188.54	4,397.96	4,617.85	4,848.76
Regional Water Operator	3,777.74	3,966.62	4,164.95	4,373.20
Maintenance Worker/WWTP	3,777.74	3,966.62	4,164.95	4,373.20
Engineer Technician	3,729.89	3,916.38	4,112.21	4,317.82
Museum Curator	3,729.89	3,916.38	4,112.21	4,317.82
Traffic Light Technician	3,729.89	3,916.38	4,112.21	4,317.82
Museum Projects Coordinator	3,722.78	3,908.92	4,104.37	4,309.59
Quality Control Technician	3,717.24	3,903.10	4,098.25	4,303.17
Environmental Technician	3,717.24	3,903.10	4,098.25	4,303.17
Plan Review Specialist	3,710.75	3,896.28	4,091.11	4,295.66
WWTP Operator	3,677.57	3,861.45	4,054.52	4,257.26
WWTP Operator/Collections	3,677.57	3,861.45	4,054.52	4,257.26
Regional Operator/Utility Worker/Water	3,677.57	3,861.45	4,054.52	4,257.26
Lab Technician	3,648.47	3,830.90	4,022.44	4,223.56
Facility Maintenance Technician-HVAC Specialist	3,648.47	3,830.90	4,022.44	4,223.56
Mechanic	3,580.24	3,759.25	3,947.22	4,144.57
Facility Maintenance Technician-Generalist	3,456.30	3,629.10	3,810.57	4,001.09
Gallery Coordinator	3,399.39	3,569.36	3,747.83	3,935.22
Utility Worker/Water	3,361.89	3,529.98	3,706.49	3,891.81
Utility Worker/Streets	3,361.89	3,529.98	3,706.49	3,891.81
Water Service Specialist	3,361.89	3,529.98	3,706.49	3,891.81
Utility Worker/Parks	3,292.60	3,457.23	3,630.10	3,811.61
Cemetery Groundskeeper	3,292.60	3,457.23	3,630.10	3,811.61
Museum P.R. Coordinator	3,292.60	3,457.23	3,630.10	3,811.61
Trustie Coordinator	3,292.60	3,457.23	3,630.10	3,811.61
Permit Specialist	3,238.81	3,400.75	3,570.80	3,749.33
Accounting Technician	3,202.06	3,362.16	3,530.27	3,706.78
Fleet & Facilities Specialist	3,202.06	3,362.16	3,530.27	3,706.78
Police Records Specialist	3,042.94	3,195.08	3,354.84	3,522.57
Recreation Specialist	2,920.80	3,066.85	3,220.19	3,381.20
Museum Secretary	2,901.38	3,046.45	3,198.77	3,358.71
Utility Billing Specialist	2,901.38	3,046.45	3,198.77	3,358.71
Traffic Bureau Clerk	2,874.21	3,017.92	3,168.82	3,327.25
Police Records Specialist II	2,779.70	2,918.69	3,064.62	3,217.84
Fire & Rescue Secretary	2,711.49	2,847.07	2,989.42	3,138.89
Parks & Recreation Secretary	2,711.49	2,847.07	2,989.42	3,138.89
Public Works Secretary	2,711.49	2,847.07	2,989.42	3,138.89
Parking Control Officer	2,711.49	2,847.07	2,989.42	3,138.89
Customer Service Representative	2,497.81	2,622.71	2,753.85	2,891.54

NOTE: The IAFF contract expired on December 31, 2005. Labor negotiations are under way, but there has been no contract settlement as of the printing of this budget document.

2005 IAFF (Fire Union) Pay Plan
(2.5% COLA effective January 1, 2005)

	Monthly Rate	% of Base
Battalion Chief	$5,421.52	120
1st Step Battalion Chief	5,195.62	115
Captain/Lieutenant	4,969.72	110
1st Step Captain/Lieutenant	4,879.36	108
Firefighter Engineer (Alarm Sup./Sec./Mechanic)	4,743.83	105
Firefighter (1st Class)	4,517.93	100
Firefighter (2nd Class)	3,840.24	85
Firefighter (3rd Class)	3,614.34	80
Firefighter (Recruit)	3,388.45	75

Wenatchee Police Guild Wages
4.25% COLA Effective January 1, 2007

	Monthly Rate	Percent of Base
Sergeant	$5,885.68	115
Corporal	$5,501.83	107.5
Police Officer, First Class	$5,117.98	100
Police Officer, Second Class	$4,606.18	90
Police Officer, Third Class	$4,350.28	85
Police Officer, Recruit	$3,940.84	77

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

AFSCME & MGMT/NONREP

Monthly 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	408.15	816.30	1,005.90	1,169.65	597.75	761.50
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	471.28	926.61	1,169.32	1,333.07	713.99	877.74
City Pays	471.28	812.78	994.81	1,117.62	653.31	776.13
Employee Pays	0.00	113.83	174.51	215.45	60.68	101.61

Annual 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	4,897.80	9,795.60	12,070.80	14,035.80	7,173.00	9,138.00
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	5,655.36	11,119.32	14,031.84	15,996.84	8,567.88	10,532.88
City Pays	5,655.36	9,753.36	11,937.72	13,411.44	7,839.72	9,313.56
Employee Pays	0.00	1,365.96	2,094.12	2,585.40	728.16	1,219.32

City pays: 100.0% for employee medical, dental and vision
75.0% for dependent medical, dental and vision

2007 Premium Elements	Medical-B	Dental	Vision
Ee	408.15	47.46	15.67
Sp	408.15	47.18	0.00
1st depend	189.60	53.11	0.00
2+ depend	163.75	0.00	0.00

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

AFSCME & MGMT/NONREP

Assumes employees work 20-hours per week
(City therefore pays 50% of normal contribution)

Monthly 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	408.15	816.30	1,005.90	1,169.65	597.75	761.50
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	471.28	926.61	1,169.32	1,333.07	713.99	877.74
City Pays	235.64	406.39	497.41	558.81	326.66	388.06
Employee Pays	235.64	520.22	671.91	774.26	387.33	489.68

Annual 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	4,897.80	9,795.60	12,070.80	14,035.80	7,173.00	9,138.00
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	5,655.36	11,119.32	14,031.84	15,996.84	8,567.88	10,532.88
City Pays	2,827.68	4,876.68	5,968.92	6,705.72	3,919.92	4,656.72
Employee Pays	2,827.68	6,242.64	8,062.92	9,291.12	4,647.96	5,876.16

City pays: 50.0% for employee medical, dental and vision
37.5% for dependent medical, dental and vision

2007 Premium Elements	Medical-B	Dental	Vision
Ee	408.15	47.46	15.67
Sp	408.15	47.18	0.00
1st depend	189.60	53.11	0.00
2+ depend	163.75	0.00	0.00

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

MANAGEMENT - LEOFF 1

Monthly 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	573.20	981.35	1,170.95	1,334.70	762.80	926.55
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	636.33	1,091.66	1,334.37	1,498.12	879.04	1,042.79
City Pays	636.33	977.83	1,159.86	1,282.67	818.36	941.18
Employee Pays	0.00	113.83	174.51	215.45	60.68	101.61

Annual 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	6,878.40	11,776.20	14,051.40	16,016.40	9,153.60	11,118.60
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	7,635.96	13,099.92	16,012.44	17,977.44	10,548.48	12,513.48
City Pays	7,635.96	11,733.96	13,918.32	15,392.04	9,820.32	11,294.16
Employee Pays	0.00	1,365.96	2,094.12	2,585.40	728.16	1,219.32

City pays: 100.0% for employee medical, dental and vision
75.0% for dependent medical, dental and vision

2007 Premium Elements	Medical-A	Dental	Vision
Ee - A	573.20	47.46	15.67
Sp - B	408.15	47.18	0.00
1st dep - B	189.60	53.11	0.00
2+ dep - B	163.75	0.00	0.00

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

POLICE GUILD - LEOFF 1

Monthly 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	573.20	981.35	1,170.95	1,334.70	762.80	926.55
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	636.33	1,091.66	1,334.37	1,498.12	879.04	1,042.79
City Pays	636.33	1,046.13	1,264.57	1,411.94	854.77	1,002.14
Employee Pays	0.00	45.53	69.80	86.18	24.27	40.65

Annual 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	6,878.40	11,776.20	14,051.40	16,016.40	9,153.60	11,118.60
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	7,635.96	13,099.92	16,012.44	17,977.44	10,548.48	12,513.48
City Pays	7,635.96	12,553.56	15,174.84	16,943.28	10,257.24	12,025.68
Employee Pays	0.00	546.36	837.60	1,034.16	291.24	487.80

City pays: 100.0% for employee medical, dental and vision
90.0% for dependent medical, dental and vision

2007 Premium Elements	Medical-A	Dental	Vision
Ee - A	573.20	47.46	15.67
Sp - B	408.15	47.18	0.00
1st dep - B	189.60	53.11	0.00
2+ dep - B	163.75	0.00	0.00

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

POLICE GUILD - LEOFF 2

Monthly 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	408.15	816.30	1,005.90	1,169.65	597.75	761.50
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	471.28	926.61	1,169.32	1,333.07	713.99	877.74
City Pays	471.28	881.08	1,099.52	1,246.89	689.72	837.09
Employee Pays	0.00	45.53	69.80	86.18	24.27	40.65

Annual 2007 Medical Premiums	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	4,897.80	9,795.60	12,070.80	14,035.80	7,173.00	9,138.00
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	5,655.36	11,119.32	14,031.84	15,996.84	8,567.88	10,532.88
City Pays	5,655.36	10,572.96	13,194.24	14,962.68	8,276.64	10,045.08
Employee Pays	0.00	546.36	837.60	1,034.16	291.24	487.80

City pays: 100.0% for employee medical, dental and vision
90.0% for dependent medical, dental and vision

2007 Premium Elements	Medical-B	Dental	Vision
Ee	408.15	47.46	15.67
Sp	408.15	47.18	0.00
1st depend	189.60	53.11	0.00
2+ depend	163.75	0.00	0.00

CITY OF WENATCHEE, WA
2007 Health Insurance Premiums

1/16/2007

FIRE UNION - LEOFF 2

Monthly 2007 Medical Premiums

	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	448.00	883.25	1,080.75	1,255.80	645.50	820.55
Dental	47.46	94.64	147.75	147.75	100.57	100.57
Vision	15.67	15.67	15.67	15.67	15.67	15.67
Total Cost	511.13	993.56	1,244.17	1,419.22	761.74	936.79
City Pays	511.13	945.32	1,170.87	1,328.41	736.68	894.22
Employee Pays	0.00	48.24	73.30	90.81	25.06	42.57

Annual 2007 Medical Premiums

	Ee only	Ee + Sp	Ee+Sp+1Ch	Ee+Sp+2+Ch	Ee+1Ch	Ee+2+Ch
Medical	5,376.00	10,599.00	12,969.00	15,069.60	7,746.00	9,846.60
Dental	569.52	1,135.68	1,773.00	1,773.00	1,206.84	1,206.84
Vision	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	6,133.56	11,922.72	14,930.04	17,030.64	9,140.88	11,241.48
City Pays	6,133.56	11,343.84	14,050.44	15,940.92	8,840.16	10,730.64
Employee Pays	0.00	578.88	879.60	1,089.72	300.72	510.84

City pays: 100.0% for employee medical, dental and vision
90.0% for dependent medical, dental and vision

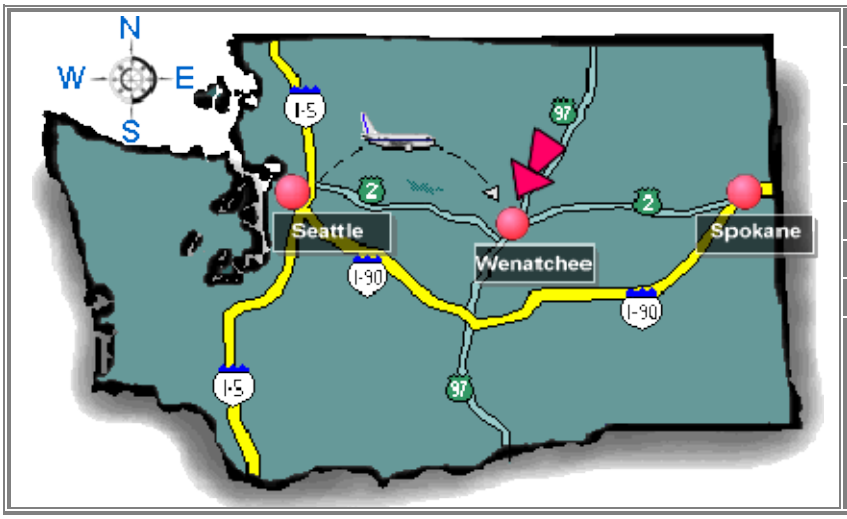
2007 Premium Elements

	Medical-A	Dental	Vision
Ee	448.00	47.46	15.67
Sp	435.25	47.18	0.00
1st depend	197.50	53.11	0.00
2+ depend	175.05	0.00	0.00

Part 16. Statistical Information

ABOUT THE CITY OF WENATCHEE

The City of Wenatchee was founded in 1892. Local Indian lore claims that Wenatchee's name comes from a poetic description of the area, *Wa-Nat-Chee*, meaning *robe of the rainbow*. It is located in Chelan County and has become the population and trade center for North Central Washington. North Central Washington is connected to Interstate 90 via U.S. 97 over Blewett Pass or via U.S. 28 and 281 through Quincy intersecting with George at Interstate 90. Destination, in miles, from Wenatchee to some of the other cities in the state is as follows:



Bellingham	184
Chelan	38
Ellensburg	82
Issaquah	121
Leavenworth	22
Portland	290
Seattle	138
Spokane	165
Yakima	106

A diverse economy is the key factor in maintaining steady population growth and high quality of life. Agriculture, health care, retail trade services and tourism are the main sources of revenue for the area. Agriculture is the largest and most influential of these on Wenatchee's economy.

Located 651 feet above sea level, the Wenatchee Valley is surrounded by mountains reaching peak elevations of 8,000 feet. The city itself has a population of 29,920 while the Greater Wenatchee Area boasts a population of approximately 70,000. This Area includes the cities of Entiat and Chelan to the north along the Columbia River; Cashmere and Leavenworth to the west; and East Wenatchee, which is located on the east side of the Columbia River.

Protected by the neighboring Cascade Mountain Range, the Wenatchee Valley features a 180-day growing season. The climate is dry with abundant sunshine and four distinct seasons. Annual rainfall averages approximately 9 inches. With the aid of irrigation, however, lush vegetation is able to flourish from spring to summer. Summer temperatures typically climb into the 90's by mid-July with a few 100-degree days in August. The winter season typically has temperatures of 25-35 degrees. Average annual snowfall is 37 inches.

Economy

The apple crop is the primary source of agricultural revenue for the Wenatchee valley. Other important fruit crops include cherries, pears and peaches. Wenatchee is an ideal location for new or expanding ag-related businesses. There is an existing base of skilled workers, fruit processors, packagers and support industries. The **Washington State University Tree Fruit Research Center** and the **Washington Apple Commission** are also based here.
Other major employers, other than agriculture, are medical services, manufacturers, utilities and government agencies. A dependable labor force, low utility cost, and easy availability of natural resources combine to make the area attractive to a wide range of businesses and organizations.

The following table reflects the average employment by sector:

Industry	Percentage
Agriculture	22.83%
Utilities	2.14%
Construction	4.55%
Manufacturing	5.27%
Wholesale Trade/Retail Trade	15.13%
Transportation & Warehousing	2.82%
Information	1.52%
Finance & Insurance, Real Estate	3.25%
Profesional & Techical Services	1.77%
Administrative & Waste Services	1.45%
Educational Services	7.16%
Health Care & Social Assistance	13.14%
Arts/Entertainment/Recreation	1.28%
Accommodation & Food Service	9.20%
Other Services (Except Public Admin)	2.99%
Government	5.34%

Source: Offfice of Financial Management (update 2004)

Downtown

Our historic downtown is the regional center for specialty stores, restaurants, and cultural activities. The downtown area has a growing workforce of 3,500 according to the Wenatchee Downtown Association. The Port of Chelan County conducted a survey of visitors (June 2000) to Chelan County and found that 29% of the visitors were 35 - 54 (average age was 34.5); the average income was $72,244 and 83% of the visitors to Wenatchee were from the Seattle metropolitan area. The Wenatchee Valley Museum and Cultural Center, Wenatchee Children's Discovery Museum and the Riverside Playhouse call downtown home. The Wenatchee Downtown Association, an economic development organization, is the support organization for the downtown community. The WDA plans an annual calendar of events such as Washington Harvest Festival, Finish Line Fest and Holiday Community Tree Lighting Ceremony. For more information regarding the WDA and services they provide, please visit their web-site at www.wendowntown.org.

Recreation

The Wenatchee Valley has much to offer in the way of recreational opportunities for residents of the North Central Washington area. The valley's four distinct seasons and sunny climate encourage residents and visitors alike to get out and enjoy the numerous outdoor recreational opportunities.

The Columbia River attracts boaters, water-skiers, and wind surfers. Anglers seek trophy salmon, sturgeon, and walleye from the Columbia River, as well as steelhead, trout, whitefish and other game fish from the Wenatchee, Entiat and Methow river systems. Golfing can be enjoyed on any of the regions eight golf courses, including Desert Canyon Golf Resort, which has twice hosted the PGA Northwest Open. Wenatchee also has beautiful city parks that offer a variety of activities. **Ohme Gardens**, a nine-acre garden just outside the city limits, offers visitors shady forest groves, waterfalls, rustic shelters and stone formations rising from rich greenery.

Winter sports include downhill and cross-country skiing, snowmobileing, ice-climbing and ice fishing. **Mission Ridge**, located 12 miles from Wenatchee, offers 30 major ski runs that are spread over 12,000 acres. Crisp, cold winters and dry powdery snow conditions create some of the best downhill ski conditions in the Northwest.

The following pages provide additional statistical information related to the City of Wenatchee.

CITY OF WENATCHEE, WA
COMMUNITY PROFILE

Date of Incorporation	1892
Form of Government	Mayor/Council
Number of Employees (excluding Police & Fire)	109.14
Population	29,920
Area in Square Miles	7.5685
Area in Acres	4,572
City of Wenatchee Facilities & Services:	
Miles of Streets	110.0
Culture and Recreation:	
Parks	12
Park Acreage	100
Swimming Pools	1
Ice Rinks/Sheets of Ice	1/2
Tennis Courts	8
Museums	1
Square footage of exhibit space	50,000
Fire Protection:	
Number of Stations	2
Number of Fire personnel and officers	36
Police Protection:	
Number of Stations	1
Number of Police personnel and officers	53
Sewerage System:	
Miles of sanitary sewers	115
Miles of storm sewers	124
Number of residential customers	8490
Number of commercial customers	1683
Daily average treatment in gallons	3.1 million
Maximum daily capacity of treatment (gal)	5 million

Water System:

Miles of water mains	103.24
Number of residential customers	8,224
Number of commercial customers	1,660
Number of fire hydrants	888
Daily average City consumption (in gallons)	5.15 million
Daily average Regional Water consumption (in gallons)	10.05 million
Total Chlorine (pounds per day)	37
Maximum daily capacity of plant (in gallons)	22 million

Facilities and Services not included in reporting entity:

Education:

Number of elementary schools	7
Number of middle schools	3
Number of high schools	1
Average student population	7,617
Number of community colleges (Wenatchee Campus)	1
Average district community college enrollment (per quarter)	2,777

Hospitals/Clinics:

Number of hospitals	2
Number of Hospital Beds	228
Number of clinics	3

2004 Average Employment by Industry
Chelan County

Industry	2004 Average
Agriculture	8,323
Utilities	782
Government	1,949
Health Care & Social Assistance	4,792
Wholesale/Retail Trade	5,518
Accommodation & Food Service	3,355
Manufacturing	1,920
Construction	1,658
Other Services (Except Public Admin)	1,092
Finance & Insurance, Real Estate	1,185
Transportation & Warehousing	1,028
Profesional & Techical Services	644
Administrative & Waste Services	528
Educational Services	2,611
Information	553
Arts/Entertainment/Recreation	468
Total	36,406

**Figures for Chelan County as most recently reported by Office of Financial Management, Databook*

CITY OF WENATCHEE
Demographic Statistics
Previous Ten Fiscal Years

Fiscal Year	(1) Population	Per Capita Income (2)	Median Household Income (3)	School Enrollment (4)	Unemployment Rate (5)
1996	24,670	$ 22,284	$ 33,895	6,948	10.70%
1997	25,160	$ 22,968	$ 35,634	6,848	7.90%
1998	25,292	$ 23,877	$ 37,130	6,652	8.70%
1999	25,620	$ 23,823	$ 37,316	7,208	8.60%
2000	27,856	$ 25,106	$ 39,137	7,389	6.40%
2001	27,930	$ 25,013	$ 39,611	7,283	7.80%
2002	28,270	$ 26,938	$ 39,330	7,272	8.30%
2003	28,470	$ 27,311	$ 39,340	7,357	8.20%
2004	28,760	$ 28,815	$ 40,389	7,451	6.70%
2005	29,320	n/a	$ 41,778	7,422	5.80%
2006	29,920	n/a	$ 43,368	7,617	6.10%

Data Sources
(1) Bureau of the Census.
(2) Bureau of Economic Analysis - Chelan County
(3) WA State Office of Financial Management - Chelan County
(4) Office of Superintendent of Public Instruction
(5) Washington State Employment Security Department

City of Wenatchee
Assessed Value of Taxable Property

Fiscal Year	Estimated Assessed Value
1997	1,169,219,791
1998	1,251,892,105
1999	1,294,719,725
2000	1,314,504,217
2001	1,359,914,615
2002	1,437,602,975
2003	1,458,556,964
2004	1,497,299,979
2005	1,589,277,760
2006 (preliminary)	1,843,196,025

Source: Chelan County Assessor's Office

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Part 17. Glossary

Account - A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues and expenses.

Accrual Basis - Refers to the accounting of revenues and expenditures on the basis of when they are incurred or committed, rather than when they are made or received. All funds except the governmental funds are accounted on this basis and the governmental funds are accounted on a modified accrual basis.

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

Appropriation - The legal spending level authorized by an ordinance of the City Commission. Spending should not exceed this level with prior approval of the Commission.

Assessed Valuation - The value assigned to properties within the City which is used in computing the property taxes to be paid by property owners.

BARS - The Budgeting, Accounting and Reporting System for accounting systems prescribed by the Washington State Auditor's Office.

Benefits - The City provided employee benefits such as social security insurance, retirement, worker's compensation, life insurance, medical insurance and dental insurance.

Budget - A financial plan of operations for the City. It is a plan, not a list of accounts and amounts.

Capital Project - A single project within the Capital Financing Plan.

Costs Allocation - The assignment of applicable costs incurred by a central services department (like Finance or Human Resources) to a fund based on the benefit to the fund being assessed.

Councilmanic Bonds - Non-voted bonds, which can be authorized by the Commission in an amount up to 1.50 percent of the assessed valuation of the City.

Current Expense Fund - See "General Fund

Debt Service - Interest and principle payments on debt.

Debt Service Funds - The type of fund, which accounts for the payment of debt service on general obligations of the City.

Designated Fund Balance - A portion of fund balance, which has been designated by past Commission action as designated for a specific purpose.

Encumbrances – The amount of funds committed to vendors for goods and services received or to be received by the City as specified in a City purchase order.

Enterprise Fund - A type of proprietary fund which contains the activities of funds where the intent is for the direct beneficiaries are to pay for all costs of the fund through fees or where a periodic determination of revenues and expenses is desired by management.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year.

Expenditure – Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

Fund – An independent fiscal and accounting entity with a self balancing set of accounts recording cash and/or resources together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – The excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

GAAP - "Generally Accepted Accounting Principles" GAAP for governments are mostly determined by the GASB.

GASB - "Governmental Accounting Standards Board" Determines the underlying principles to be used in accounting for governmental activities.

General Fund - The fund of the City that accounts for all activity not specifically accounted for in other funds. It is a fund supported by taxes, fees and other miscellaneous revenues. Includes such operations as police, fire, engineering, planning, parks, museum and administration.

General Obligations - Bonds or other indebtedness of the City for which the pledge made for repayment is the full faith and credit of the City.

Governmental Fund Types - Funds that provide general government services. These include the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

Grant – A payment from one level of government to another or from one government to a private organization. Practically all federal aid to state and local governments are in this form. Grants are usually made for specific purposes.

Intergovernmental Revenues – Revenue received from other governments in the form of grants, shared revenues or payments in lieu of taxes.

Intergovernmental Services – Intergovernmental purchases of those specialized services typically performed by local governments (usually recorded in the Internal Service Funds)

Internal Controls - A system of controls established by the City designed to safe guard the assets of the City and provide reasonable assurances as to the accuracy of financial data.

Internal Service Funds - A type of proprietary fund which accounts for the goods and services which are provided to other units of the City and payment by the benefiting unit is intended to fund the costs of providing such services.

LEOFF(Law Enforcement Officer and Fire Fighter) - A retirement system of the State which provides for law enforcement and fire fighter personnel of the City.

Levy Rate - The property tax rate used in computing the property tax amount to be paid.

Licenses and Permits - A revenue category of the City derived from business licenses, building and development permits.

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

Long Term Debt – Debt with a maturity of more than one year after the date of issuance.

Operating Budget - The annual appropriation to maintain the provision of City services to the public. This document contains the operating budget of the City.

PERS (Public Employee Retirement System) - The state prescribed system for public employment retirement applicable to City employees except where LEOFF is applicable.

Preliminary Budget - That budget which is proposed by staff to the Commission and has not yet been adopted by the Commission.

Proprietary Funds - A group of funds that account for the activities of the City, which are of a proprietary or "business" character. See Enterprise Fund.

Public Safety - A term used to define the combined budget of the Police and Fire Departments.

Revenue Bonds - Bonds sold by the City that are secured only by the revenues of a particular system, usually the Water/Sewer Fund and the Regional Water Fund.

Special Revenue Funds - General government funs where the source of moneys is dedicated to a specific purpose.

Standard Work Year - 2080 hours a year or 260 days.

Taxes – Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g. sewer service charges).

Working Capital - The year-end balance of current assets less current liabilities.

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