

**City of Connell  
2012 Budget**



**Eastern Washington's Harvestland  
City of Connell  
104 East Adams St.  
Connell, WA 99326**

# City of Connell-2012 Budget

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## Community Profile

Connell is a thriving rural community with a population of 5,150 and is located in the Columbia Basin of Eastern Washington. The community was established in the mid to late 1800's as a railroad stop called Palouse Junction.

Much of the old town was destroyed by fire in 1880. The community later became known as Connell; named after a local Northern Pacific trainman residing in the community at that time.

The Town of Connell was incorporated in 1910 and was later established as a Non-Charter Code City in 1985 with a Mayor-Council form of government. The City celebrated its Centennial in 2010 and unveiled world-class bronze sculptures along Main Street to mark the occasion.



**Connell Fire Hall**

The primary industrial base is food processing and agricultural chemicals. The City also hosts Coyote Ridge Corrections Center, with medium and minimum security units totaling 2,648 beds. Coyote Ridge is Connell's largest employer with roughly 700 employees. The North Franklin School District maintains a High School, Junior High, Grade School and Administrative offices in Connell. Both the State and County have transportation facilities in the community.

The community is very proud of the number of Parks that it has and the care that is lavished upon them.

City athletic fields range from general purpose open space, to soccer and baseball fields.

There is a broad choice of housing styles and prices for residents with the potential for a golf course/housing development lurking in the wings.

The City has recently purchased additional water rights and has abundant water for future growth in residential, commercial and industrial activities.

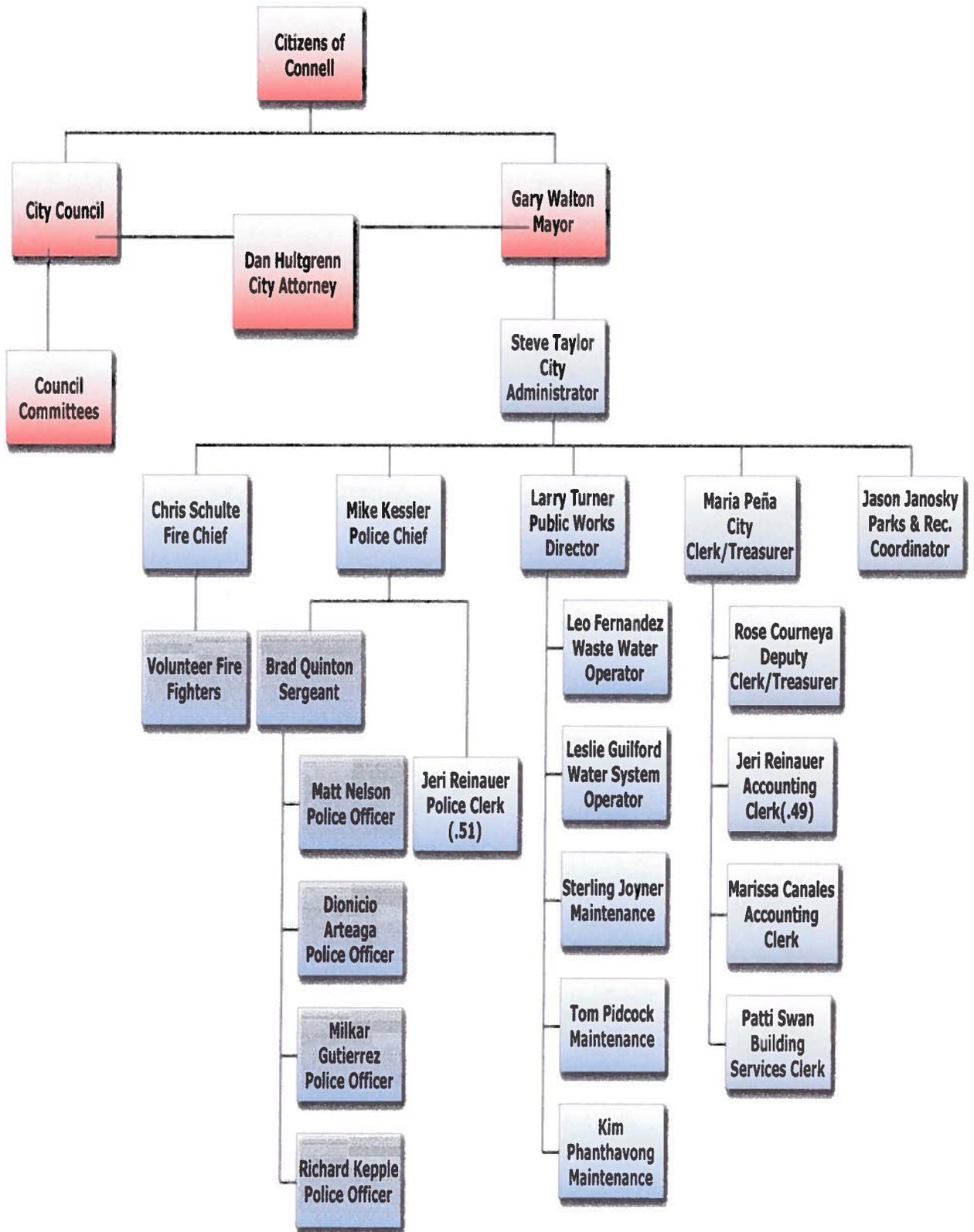
An expanded wastewater treatment facility has been completed with significant investments from the Department of Corrections and the City's Sewer Utility, and additional storage and new waterlines have been installed to replace aging pipes.

Even with these timely improvements, the City will continue to experience some of the lowest water and sewer charges in the state.

During the last ten years the City has rebuilt Columbia Avenue, the main thoroughfare; reconstructed it's industrial street which connects the downtown to Highway 260 on the west side of town, and serves the Junior and Senior High Schools and administration buildings for the school district.

Connell has grown 74% since the 2000 census and is a vibrant progressive community that is poised for significant growth and opportunity in the years ahead.

# City Organization





## Mayoral Message

To the Citizens of Connell,

Working in city government for the past 25 years, I have seen and experienced quite a few changes. Unfunded federal and state mandates, reductions in revenues and restrictions for how public funds may be spent have made it more difficult over time to maintain the high levels of service the City provides. Despite these challenges, the public servants working on behalf of the City and the residents of Connell have forged ahead to improve the quality of life of our fine community.

I want to say Thank You to the Park Board and citizen volunteers for their efforts in communicating the importance of the Parks and Recreation Levy Lid Lift. My extended thanks as well to the Connell community for its appreciation and support of City parks and recreation programs, especially the pool and water slides. The ballot measure approved by voters last fall will keep these amenities available to the public and in good repair.

We have a lot of work ahead of us this coming year. The City will be continue updating the Connell Municipal Code, making the rules and regulations governing the operations of the City less confusing and easier to understand.

The 2012 Budget is significantly greater than last year's. This is due to several capital projects being budgeted for this year. Water distribution and sewer forcemain replacement, West Adams Street reconstruction, East Date Street sidewalk upgrade, and enhancements to the Connell Industrial Area are just a few of the projects planned.

Our Budget remains solid as the City Council and staff perform their due diligence to manage operations within the resources that are provided and establish financial reserves that ensure against the unexpected while allowing us to take advantages of special opportunities when they arise.

My thanks and gratitude to all the volunteers of the Police Reserves, Fire Department, Park Board, Planning Commission, and Civil Service Commission as well as the community-wide service organizations for all the hours they put in to make our jobs easier. Also, thanks to the City Council for working with the citizens to take care of their needs.

Thank you all for making my position as Mayor complete.

Sincerely,

A handwritten signature in blue ink, which appears to read "Garland Walton".

Mayor Garland (Gary) Walton



# City of Connell

EASTERN  
WASHINGTON'S  
HARVESTLAND

TO: Mayor and Councilmembers, City Employees, and Citizens of Connell

FROM: Steve Taylor, City Administrator

SUBJECT: City of Connell Proposed 2012 Budget – Final Update

I am pleased to submit for your consideration the proposed 2012 Budget for the City of Connell.

## Summary

The proposed budget is in balance as required of all municipalities by Washington State law. The City's financial condition is approaching sustainability following several years of modest revenue growth and savings realized through staff reductions and service modifications. While much of the state continues to struggle in the aftermath of the Great Recession, the Tri-Cities region including its surrounding agricultural areas has been largely insulated from the overall stagnant economic environment.

Connell has benefited from its diversified economic base of agricultural processing industries, correctional institution, and K-12 education facilities. Coyote Ridge reached capacity in 2011 incarcerating over 2,500 offenders and employing nearly 700. The North Franklin School District completed the new Connell Elementary School and will completely renovate the Junior High School throughout the remainder of 2011 and 2012. These elements, in addition to an expanding population (5,150 in 2011) have resulted in an increase of general fund and utility rate revenues that are necessary to sustain basic municipal services. The budget has nineteen (19) full-time equivalent positions, even with 2011 FTE's.

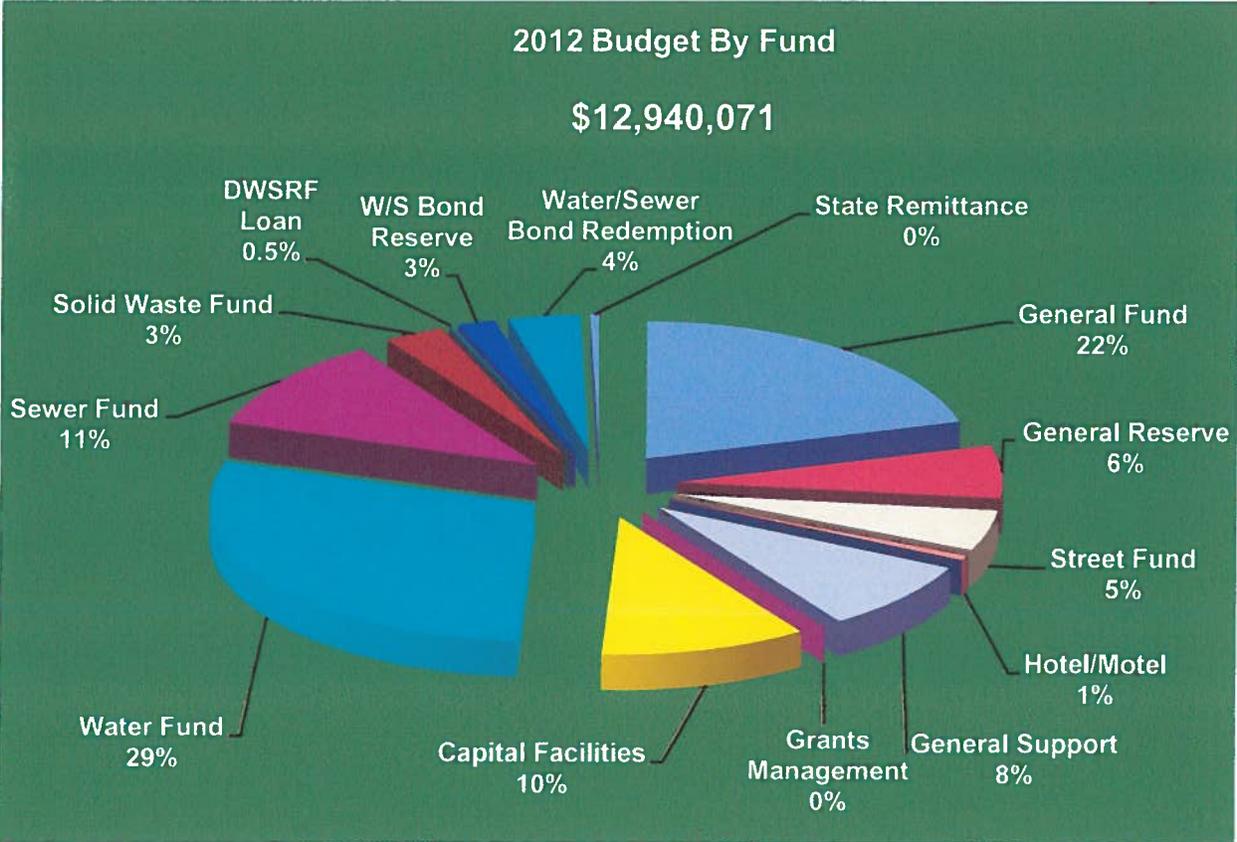
The entire budget including all funds will total \$12,940,071 in Fiscal Year 2012 as compared to the Fiscal Year 2011 budgeted \$10,686,641, and the Fiscal Year 2010 actual budget of \$11,727,248. The General Fund budget is \$2,668,100 in FY2012 as compared to the FY2011 budgeted \$2,363,335, and the FY 2010 actual budget of \$2,429,902.

The FY2012 budget is 21.1% greater and the General Fund budget is 12.9% greater than 2011 respective amounts. The increase in the overall budget is due to the number of significant street, water, and sewer capital projects slated for construction in FY2012 in comparison with the projects funded in 2011. The increase in the General Fund is attributed to a higher beginning balance and greater net revenues received from sales taxes, utility taxes, and permitting revenues.

In November 2011, voters in Connell approved a property tax levy lid lift ballot measure for parks and recreation purposes, and Franklin County voters approved a 0.3% increase in the sales tax to fund criminal justice programs. The combined impact of these measures will net the General Fund an additional \$125,000 in FY2012. Increased expenditures in the General Fund relate to general cost increases in personnel salaries and benefits, liability insurance, emergency communication services, and operating capital. The General Fund ending balance is also sixty percent (60%) greater than 2011.

The General Fund beginning balance is estimated at \$749,000 in FY2012 with the ending balance anticipated to be \$749,985 (28% of the FY2012 General Fund budget). Similar to the previous year, the FY2012 budget does not anticipate an infusion from the General Support Fund.

The City budgets all resources for expenditure contained within each fund. It is recognized that all resources will not be spent in a given budget year, with unspent resources reserved in each respective fund's ending balance without restrictions.



**Fund Changes**

The City receipts revenues and makes expenditures through a series of funds. No significant changes were made to the administration of these funds in 2011. Separate operating and capital reserve accounts were established in the Street, Water, Sewer, and Solid Waste Funds to segregate those monies necessary to operate the services as compared to balances retained for current and future capital investment. Operating reserves are funded to sustain general service operations for a specified period of time (30-45 days) in case of a significant drop or interruption of revenues.

The Capital Facilities Fund will retain all real estate excise tax funds in separate accounts distinguishing the first and second portions of the authorized tax.

**City of Connell  
2012 Budget Summary (by Fund)**

<b>Fund</b>	<b>Estimated Beginning Fund Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Anticipated Fund Balance 12/31/2012</b>
1 General Fund	\$ 749,000	\$ 1,919,100	\$ 2,668,100	\$ 749,985
2 General Reserve Fund	\$ 720,000	\$ 81,430	\$ 801,430	\$ 749,430
101 Street Fund	\$ 290,000	\$ 339,750	\$ 629,750	\$ 131,730
104 Hotel/Motel	\$ 57,500	\$ 12,100	\$ 69,600	\$ 46,300
111 General Support	\$ 1,000,000	\$ 76,800	\$ 1,076,800	\$ 1,076,800
300 Capital Facilities	\$ 115,000	\$ 1,218,910	\$ 1,333,910	\$ 125,410
401 Water Fund	\$ 720,000	\$ 3,047,760	\$ 3,767,760	\$ 627,584
402 Sewer Fund	\$ 715,740	\$ 691,050	\$ 1,406,790	\$ 652,900
403 Solid Waste Fund	\$ 82,000	\$ 307,100	\$ 389,100	\$ 74,100
414 DWSRF Loan	\$ -	\$ 29,390	\$ 29,390	\$ -
415 Water/Sewer Bond Reserve	\$ 245,440	\$ -	\$ 245,440	\$ 245,440
416 Water/Sewer Bond Redemption	\$ 97,900	\$ 367,701	\$ 465,601	\$ 97,890
633 State Remittance	\$ 8,300	\$ 48,100	\$ 56,400	\$ 5,450
	<b>\$ 4,800,880</b>	<b>\$ 8,139,191</b>	<b>\$ 12,940,071</b>	<b>\$ 4,583,019</b>
		<b>\$ 4,800,880</b>		
	<b>Total Resources</b>	<b>\$ 12,940,071</b>		

**Expenditures**

Proposed expenditures for 2012, stated by fund and compared with 2011 budgeted and 2010 actual expenditures are as follows:

<b>General Fund</b>	<b>2012</b>	<b>2011</b>	<b>2010 (actual)</b>
Legislative/Executive	109,050	105,900	94,019
Judicial	31,500	24,000	50,063
Administration	154,030	161,310	158,412
Legal Services	44,000	90,500	127,360
Other Administration	8,050	7,950	15,715
Central Services	54,650	47,250	47,376
General Government	215,800	190,260	187,023
Law Enforcement	710,150	690,820	619,097
Fire Control	185,860	188,460	63,021
Protective Inspections	46,800	55,470	56,593
Parks & Recreation	180,325	161,255	367
Environment & Natural Resources	10,000	18,000	54,593
Planning & Community Dev.	51,300	58,590	6,633
Transfers	101,000	93,200	274,198
Non Expenditures	15,600		15,140
Ending Balance	749,985	470,370	660,292
<b>Total General Fund</b>	<b>2,668,100</b>	<b>2,363,335</b>	<b>1,769,610</b>
<b>Other Funds</b>	<b>2012</b>	<b>2011</b>	<b>2010 (actual)</b>
2 General Reserve	801,430	798,240	-
101 Street Fund	629,750	528,200	178,768
102 Park/Rec	-	-	138,433
103 Comm. Police	-	-	11,253
104 Hotel/Motel	69,600	58,150	27,536
108 Contingency	-	-	43,741
111 General Support	1,076,800	1,525,655	-
199 Grants Management	-	-	311,877
203 Park Bond Redemp	-	-	7,887
300 Capital Facilities	1,333,910	210,000	1,594,041
401 Water Fund	3,767,760	2,334,455	1,112,372
402 Sewer Fund	1,406,790	1,168,280	1,094,973
403 Solid Waste Fund	389,100	397,130	313,360
414 DWSRF Loan	29,390	29,990	30,582
415 Water/Sewer Bond Reserve	245,440	251,617	-
416 Water/Sewer Bond Redemption	465,601	965,189	240,720
633 State Remittance	56,400	56,400	32,146
<b>Total All Funds</b>	<b>12,940,071</b>	<b>10,686,641</b>	<b>6,907,300</b>

General Fund services levels will generally be in line with those provided in 2011. No change in full-time equivalent employees is proposed. Parks and recreation operating expenditures are budgeted approximately eight percent (8%) above 2011 levels.

General Fund capital expenditures include the purchase of three law enforcement patrol vehicles and equipment to replace aging vehicles currently in the fleet, parks and pool improvements recommended by the Parks and Recreation Advisory Board, personal protective equipment for the Volunteer Fire Department, and payment for municipal water rights purchased from a private party in 2007 and closed on in 2011 after receiving approval for their transfer by the Department of Ecology.

Property and liability insurance expenses increased approximately eight percent (8%) due to the growth in number and valuation of City facilities requiring coverage and a general rate adjustment applied to all members of the Cities Insurance Association of Washington (CIAW) pool. The CIAW established a retrospective assessment for its membership in 2010 to establish reserve levels within the pool that satisfy new statutory requirements. The CIAW membership has a period of five years to attain the reserve levels, and the City of Connell's share in 2012 represents an approximate three percent (3%) increase of its annual premium.

The FY2012 budget proposes a 2% cost of living adjustment in compensation for non-represented city employees. No changes in health benefit coverage or the employee's share of premiums are proposed in 2012. In 2011, non-represented employees moved from the Association of Washington Cities Employee Benefit Trust (AWC EBT) Medical Plan B to the HealthFirst 250 Plan that resulted in premium cost savings of approximately 8% from 2010 AWC Plan B premiums. The HealthFirst 250 Plan premium will increase 11% in 2012; however, the City was pleased to earn the AWC Well City award for 2012 which will reduce the cost of medical insurance premiums by two percent (2%) for the year. The budget proposes continuing to pay the employee's full medical, dental, and vision premium, with the employee paying 20% of the medical premium for spouse and dependents. The consistent upward trend in health insurance premiums continues to be a significant driver of personnel costs and challenges the City's ability to balance the budget.

A new collective bargaining agreement with the Teamsters Union that represents the City's law enforcement officers was reached in 2011. Represented employees' wages will increase by 1.5% in 2012, and the union agreed to move to Teamsters Medical Plan B in 2012 representing a cost savings of approximately 6% from 2011 Plan A rates. The total Teamsters benefit package approved within the collective bargaining agreement decreased 5.9% from 2011 plan offerings. The City currently pays the entire medical, dental, and vision insurance premium for represented employees. Represented employees will begin paying five percent (5%) of their total benefit package costs beginning in 2013.

Expenses for legal services are significantly reduced in FY2012 reflecting the settlement of litigation in 2011 in which the City was engaged. Municipal legal service costs remain even with prior years' budgets. The city will not be engaging the government affairs consulting firm in FY2012 that assisted the City in obtaining impact funds in the 2011 legislative session. These services will be considered again leading up to the 2013 session.

District Court, County Prosecutor, and Public Defender services are budgeted either even or slightly higher than 2011 levels. Incarceration costs remain even with 2011 at \$22,000.

Funds have been allocated for an overhaul of the City's website to allow for easier content maintenance by staff and greater interaction with the public. Ten thousand dollars has been budgeted in the General Fund with \$5,000 from the Hotel/Motel Fund to supplement the tourism component of the site.

General Fund transfer expenses are budgeted at \$101,000, an eight percent (8%) increase from 2011. Transfers to the Fire Protection Reserve doubled to \$20,000 and the Civic Facility Reserve remained even at \$15,000. The General Fund support to the Street Fund operating account in FY2012 remains even with 2011 at \$66,000.

The General Reserve Fund will make interfund transfer expenditures of \$52,000 in FY2012 compared with \$91,300 budgeted in 2011 representing a forty-three percent (43%) decrease. Parks Capital expenditures in the General Fund make up \$42,000 of the transfer with the Fire Protection Reserve Account transferring \$10,000 to the General Fund for equipment expenditures. In 2011, the City transferred \$106,477 in Real Estate Excise Tax revenues to a separate account in the Capital Facilities Fund in order to meet statutory accounting requirements.

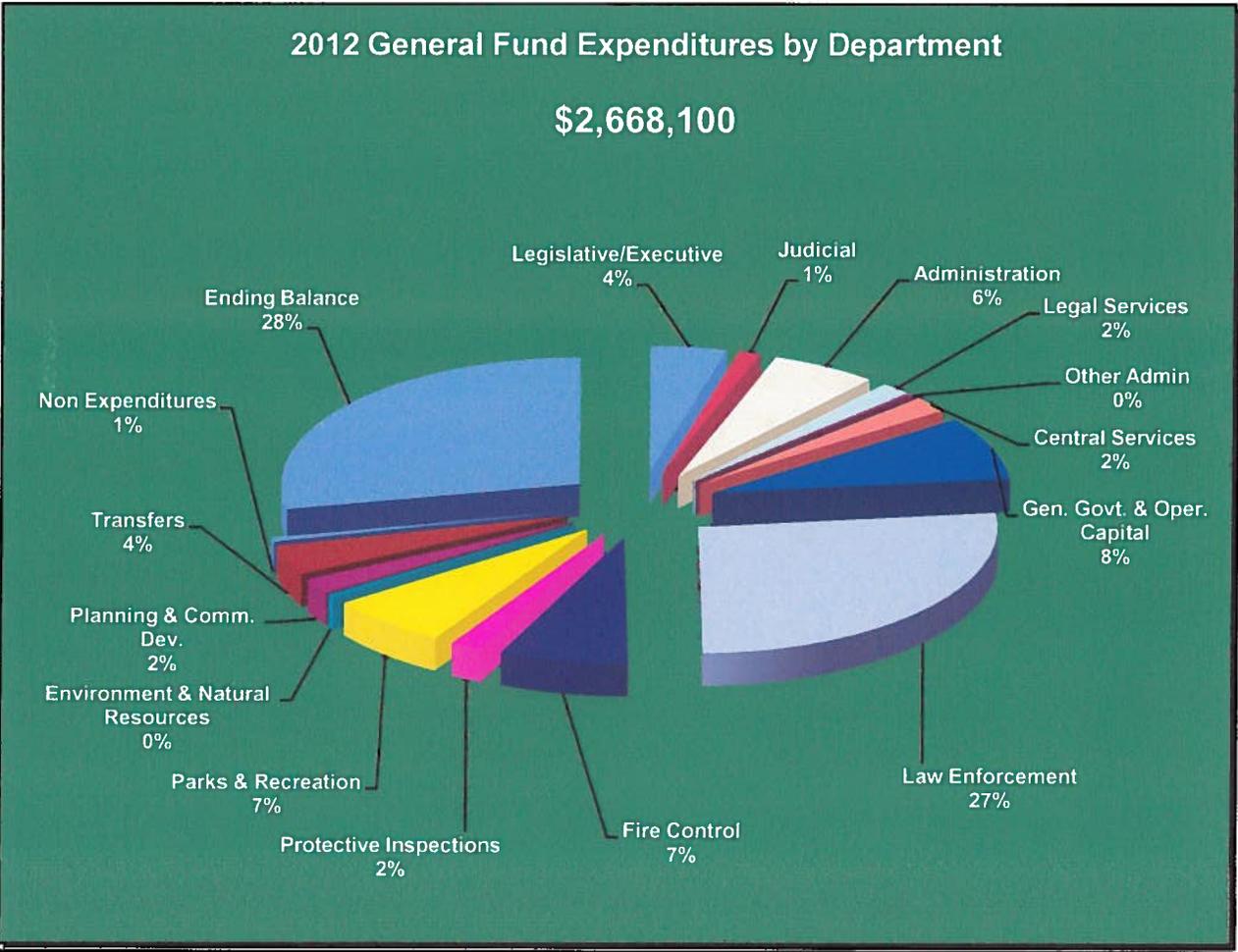
Street Fund service levels will generally remain constant with 2011, however, street striping was funded for FY2012. The Street Capital Reserve Account includes matching dollars for the Date Street Sidewalk Improvement funded by the federal STP Transportation Enhancement program, the West Adams Street Reconstruction funded by the Transportation Improvement Board, Connell Industrial Area Access Road funded by the Hanford Area Economic Investment Fund, and TIB applications for East Birch Street reconstruction and the Columbia Avenue Sealcoat projects. The Capital Facilities Fund will only administer street capital projects in FY2012. Water, Sewer, and Solid Waste capital projects are administered within their respective enterprise funds.

The Water Fund budget is sixty-one percent (61%) greater than 2011 due to \$2 million in capital projects, larger beginning and ending balances, and additional transfers allocated to debt redemption. The Klindworth & Campbell Neighborhoods water main replacement project is funded in FY2012 through a Public Works Trust Fund loan and \$540,000 grant approved by the legislature in 2011. Operation expenditures are two percent (2%) higher than 2011 due to increases in personnel costs and equipment maintenance. \$45,000 is budgeted for well pump and well house replacement. A new public works vehicle will be purchased and split between the Water, Sewer, and Street Funds.

The Sewer Fund budget is twenty percent (20%) higher than 2011 due to capital project construction, vehicle and sewer cleanout equipment, higher beginning and ending balances. Sewer revenues will retire the \$200,000 General Support Fund loan authorized in 2009 by making a final payment of \$67,340 in FY2012. Funds have been budgeted to replace 3,000 feet of sewer forcemain extending from Lift Station No. 4 following resolution in 2010 of a dispute with the contractor and engineering firm that installed the line.

The Solid Waste Fund is two percent (2%) lower than 2011 and continues to operate within margin. No major capital expenditures are budgeted in FY2012. The City is analyzing the feasibility of operating a community wood waste chipping program beginning in 2012 and is pursuing grant funding to help purchase appropriate equipment. The operating costs of the program will be added to the budget pending Council’s approval of the program and operating policies.

The Hotel/Motel Fund is twenty percent (20%) greater than 2011 due to higher lodging tax collections and retained balances from prior years. Coulee Corridor promotional funding is continued and \$12,000 is budgeted for Lodging Tax Advisory Committee allocation. As mentioned previously, \$5,000 is allocated for tourism-related content and design updates for the City’s website.



**Revenues**

Proposed revenues for 2012, compared with 2011 budgeted and 2010 actual revenues are as follows:

<b>General Fund</b>	<b>2012</b>	<b>2011</b>	<b>2010 (actual)</b>
Beginning Balance	749,000	530,000	633,208
Property Tax	420,000	345,000	325,380
Sales Tax	370,000	252,000	252,136
Local Criminal Justice Tax	50,000	42,000	44,439
Utility Taxes	572,500	518,250	491,955
Charges for Services	144,400	135,960	115,755
Licenses & Permits	52,450	48,065	94,359
State Generated Revenues	172,250	211,760	197,273
Fines & Forfeitures	31,000	45,000	36,962
Miscellaneous and Other Reve	54,500	144,000	166,422
Interfund Transfers	52,000	91,300	72,013
<b>Total General Fund</b>	<b>\$ 2,668,100</b>	<b>\$ 2,363,335</b>	<b>\$ 2,429,902</b>
<b>Other Funds</b>	<b>2012</b>	<b>2011</b>	<b>2010 (actual)</b>
2 General Reserve	801,430	798,240	881,152
101 Street Fund	629,750	528,200	373,865
102 Park/Rec	-	-	138,433
103 Comm. Police	-	-	11,253
104 Hotel/Motel	69,600	58,150	82,743
108 Contingency	-	-	43,741
111 General Support	1,076,800	1,525,655	1,577,823
199 Grants Management	-	-	311,877
203 Park Bond Redemp	-	-	7,887
300 Capital Facilities	1,333,910	210,000	1,594,041
401 Water Fund	3,767,760	2,334,455	1,530,948
402 Sewer Fund	1,406,790	1,168,280	1,655,058
403 Solid Waste Fund	389,100	397,130	391,351
414 DWSRF Loan	29,390	29,990	30,584
415 Water/Sewer Bond Reserve	245,440	251,617	276,622
416 Water/Sewer Bond Redemptio	465,601	965,189	352,856
633 State Remittance	56,400	56,400	37,112
<b>Total Other Funds</b>	<b>\$ 10,271,971</b>	<b>\$ 8,323,306</b>	<b>\$ 9,297,345</b>
<b>Total All Funds</b>	<b>\$ 12,940,071</b>	<b>\$ 10,686,641</b>	<b>\$ 11,727,248</b>

General Fund revenues are increased from 2011 reflecting stronger sales and utility tax receipts due to significant construction projects within the City, Coyote Ridge Corrections Center

reaching capacity, and a healthy agri-business environment. Property tax projections are twenty-one percent (21%) higher than 2011 estimates following the approval of the parks and recreation levy lid lift by the voters in November 2011. Sales tax assumptions are up forty-seven percent (47%) from 2011 due to anticipated one-time increases attributed to the North Franklin School District Junior High Renovation and Concession Stand projects in 2012 and the City's portion of revenues from the Franklin County criminal justice sales tax that was approved by voters in 2011.

Building permit revenue is projected nine percent (9%) higher in FY2012 as the majority of the NFSD school construction permitting was completed in 2010 and 2011. Charges for Services revenue increased six percent (6%) over 2011 due to an increase in funding received from the state for providing Coyote Ridge Corrections Center with fire protection services. Miscellaneous and Other revenue is down significantly from 2011 due to the City having received its full reimbursement of \$110,000 from the Public Works Board pertaining to the closeout of the Local Infrastructure Grant awarded to the City for the purchase and construction of emergency services infrastructure.

Utility taxes are projected ten percent (10%) higher than 2011. The increase is due to growth in utility use at Coyote Ridge, residential and industrial growth, and higher rates charged for City utility services. Natural gas utility tax revenue receipts that support the General Fund, Street Capital, and Parks & Recreation Capital programs are projected ten percent (10%) higher than 2011 due to overall growth in industrial, institutional, and residential sectors.

Revenue from interfund transfers revenue is down forty-three (43%) from 2011. \$52,000 will be transferred from the General Reserve Fund's Parks Capital and Fire Protection Reserve Accounts to the General Fund for budgeted capital expenditures.

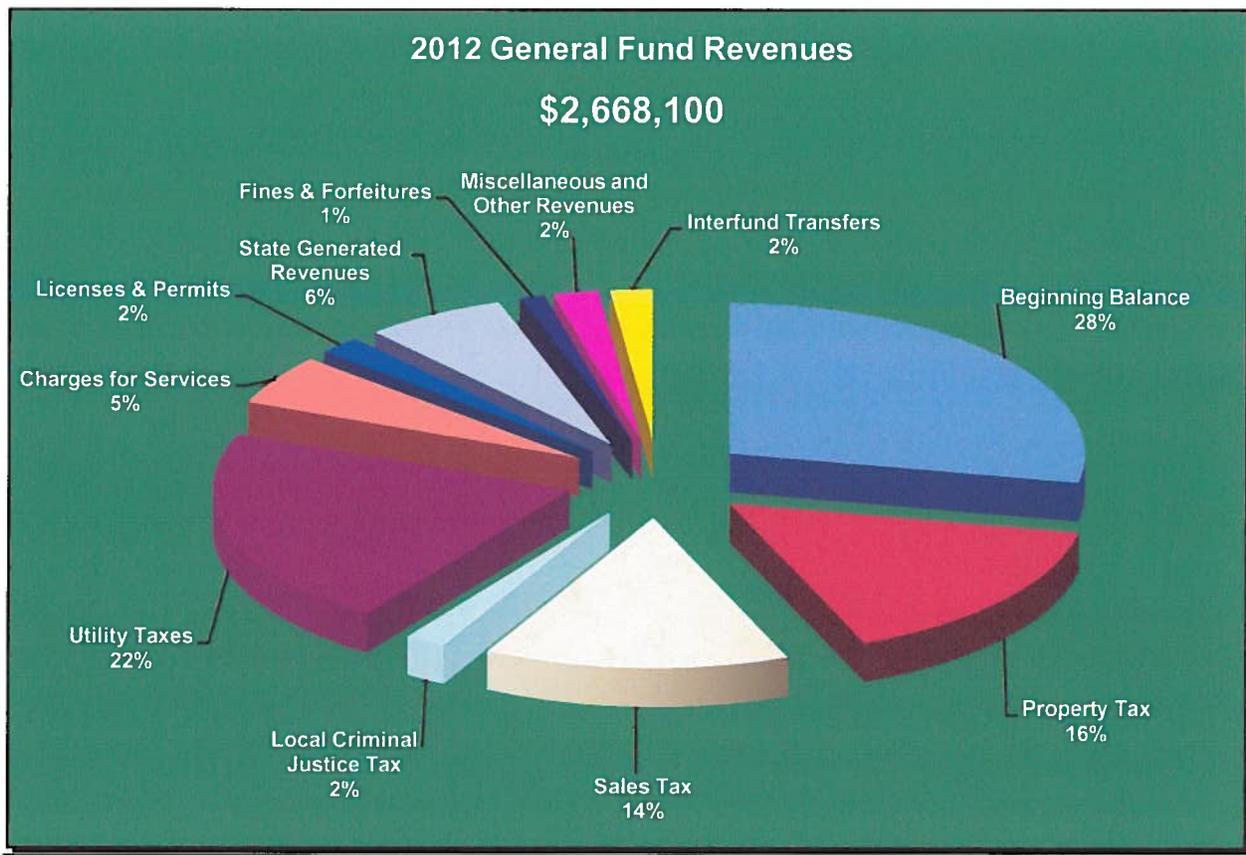
The Street Fund anticipates a twenty-five percent (25%) increase in motor vehicle fuel tax receipts. As stated above, General Fund of street operating expenses will remain even with 2011 transfers totaling \$66,000. A separate dedicated source of revenue is necessary to ensure the integrity and preservation of this vital infrastructure network.

The City incurred a General Fund debt obligation in 2011 when it closed on its purchase of 1,579 acre/feet of municipal water rights from a private party for \$777,650. After earnest money and an initial payment totaling \$52,500 were paid to the seller, the City owed \$725,150 that is due and payable in full in 2019. The balance is currently being financed by the seller at an annual interest rate of five percent (5%) with a minimum annual payment of \$59,062.50. The City's Water Fund received an interfund loan from the General Support Fund in the amount of \$648,000 to redeem the remaining amount owed on the Series A taxable revenue debt obligation related to the previous purchase of the City Farm on Highway 260. The term of the loan was eleven (11) years at a rate of one percent (1%) annual interest. In 2012, the Water Fund will incur a debt obligation from the Public Works Trust Fund in the amount of \$1,359,000 for the construction of the Klindworth/Campbell Neighborhoods Water Efficiency Project. The loan terms provide an interest rate of one-half of one percent (0.5%) for thirty (30) years.

Revenues from interest-bearing accounts have been pared back further in FY2012 from 2011 levels across all funds reflecting the low interest rates offered for demand deposits and the Local Government Investment Pool.

The city continues to take a conservative approach in forecasting water and sewer service revenues in FY2012. Following water and sewer rate increases in 2009 and 2010 that were established to implement the FCS Group Rate Study recommendations, the increase in revenue collections and the trimming of operational costs suggest a financial stabilization within both enterprise funds. Water and Sewer operating and capital reserves continue to grow with new projects financed from both these funds and with assistance from state grants and low-interest loans. Revenue growth trends are steady based on consistent collections from the City's industrial and institutional sectors. No increase in water and sewer rates is proposed for 2012. Barring unforeseen economic conditions that would result in lower water and sewer service usage, the utilities appear to be positioned to operate sustainably with future rate increases moderated to meet inflation beginning in 2013.

The City has benefited from a number of state-funded grants and direct appropriations in the past several years. Obtaining legislative approval for one-time impact funding related to the Coyote Ridge expansion has been the primary focal point of the City's legislative efforts. The City was successful in acquiring a \$540,000 grant authorized in the 2011 legislative session to be applied to the Klindworth & Campbell Neighborhoods Water Efficiency Project. The grant, coupled with a 30-year, 0.5% interest loan from the Public Works Trust Fund for \$1,358,000, will allow the City to replace and upgrade water mains throughout two older neighborhoods and expand service capacity to accommodate growth resulting from the prison expansion. Advocacy efforts will continue for the remaining impact funds agreed to by the City and Department of Corrections related to law enforcement services.



**Conclusion**

The City of Connell will head into 2012 in a stronger financial condition as compared to the last three years. The difficult decisions made in prior budgets resulting in revenue and utility rate adjustments, streamlining of service delivery models, and the acquisition of external capital funding has set the City on a sustainable course for the future. Numerous challenges facing both Connell and local governments across the state such as reductions in state-shared revenues, new unfunded mandates and regulations, and increased personnel and maintenance costs will require continued flexibility, innovation, and willingness to establish partnerships with other service providers. However, by adjusting service levels and staffing to maximize efficiency within existing revenue streams, the City has maintained its substantial financial reserves, reduced its bonded indebtedness, and focused on long-term capital investments.

At the close of FY2012, the City will have reconstructed West Adams Street that leads to a newly-renovated Junior High School, completed the water main upgrades in Klindworth & Campbell neighborhoods, installed a new sidewalk on E. Date Street, improved parks and pool facilities, and built a new access road to prepare for future development at the Connell Industrial Area. The City's elected leaders and staff strive to maintain the high quality of life expected by its residents and better position the community for future growth and economic development. The investments made and services provided in the proposed 2012 budget reflect that commitment.

## A GUIDE TO CITY OF CONNELL BUDGET

The 2012 Budget is an annual budget which includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides for significant policy direction by the City Council to the staff and the community. As a result, the City Council, Staff, and public are involved in establishing the budget for the City of Connell.

### **What is a Budget?**

The annual budget of the City of Connell is a formal statement of the financial policy and plan for the City for the calendar year. The Budget document presents in detail the financial plan of the City, including its various sources of revenues and the allocation of these resources to the various programs.

### **What is Revenue?**

The 300 series of accounts categorizing all resources received through taxes, licenses and permits, intergovernmental sources, charges for goods and services, fines and penalties, miscellaneous and other financing sources (Transfers-in and Debt Proceeds) that a political unit receives into the treasury for public use.

### **What is Expenditures?**

The 500 series of accounts categorizing expenditures decreasing the net of current assets including debt service, capital outlays, and those current operating cost which require the use of current assets. Expenditures occur when the City buys goods and/or services and pays its employees. Operating expenditures are sorted by function, activity and character: General Government, Public Safety, Utilities and Environment, Transportation, Economic Environment, Mental and Physical Health, Cultural and Recreational. Expenditures should be classified according to the function and activity it supports, regardless of the department that incurs it.

### **Accounting Policy**

The City of Connell operates on the Washington State Governmental accounting system called Cash Basis accounting. A cash basis accounting is under which transactions are recognized only when cash is received or disbursed in/out of a fund.

Cash Basis Accounting formula:  $\text{Revenues} - \text{Expenditures} = \text{Cash} + \text{Investments}$ .

### **What is a Fund?**

The City is financially organized into separate fiscal and accounting entities. Each Fund is a separate division for accounting and budgetary purposes. The Fund accounting process allows the City to budget and account for revenues and expenditures.

The City of Connell 2012 Budget includes 13 separate funds. Each fund can be reviewed as a separate account to be used for specific purpose.

**General Fund: 000-099** The General Fund finances most services that the City provides. This includes law enforcement, fire protection, courts, parks and recreation, community development and administrative activities. The General Fund is, essentially a "catch-all" fund for accounting for City operations that are not required to be in a separate fund. The General Fund receives all property taxes, except those that are voter approved for the repayment of debt.

**Special Revenue Funds: 100's** Funds used to set aside for certain revenue sources for specific purposes.

**Debt Service Funds: 200's** Funds used to set aside resources to meet current and future debt service requirements on general long-term debt.

**Capital Project Funds: 300's** This Fund is used to account for and report financial resources that are restricted, committed, or assigned to a expenditure for a capital project including the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). A plan for capital expenditures can be incurred each year over a fixed period of years to meet capital related expenditures.

**Enterprise Funds: 400's** Funds to account for operations that are financed and operated similar to private business, where the intent of the governing body is cost recovery or where the governing body has decided that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability of other purposes.

**Trust/Agency Funds: 600's** These funds are used to account for assets held by the City on behalf of outside parties, including other governments, or other funds within the City. For example, the State Remittance Fund.

#### **Summary of the Budget Process**

The City of Connell's budgetary process follows the provision of the Revised Code of Washington (RCW), Chapter 35.33.

During the summer months departments begin preparation of their budget requests for the coming year. Throughout this process meeting are held with appropriate staff and with the City Administrator and Clerk/Treasurer to review the budget requests. After compiling the data, the Preliminary Budget document is prepared. This document then is reviewed by the Finance Committee before being presented to the City Council.

The preliminary budget includes the annual operating expenditures and estimated revenues, as well as the current period appropriation of the City's six year Capital Improvement Plan. The City holds several public hearings on the Annual Budget and then the Budget is formally adopted by Council.

## EXPLANATION OF MAJOR REVENUE SOURCES

### General Fund Revenues:

#### Property Tax Revenue

Property taxes play an essential role in the finances of the municipal budget. State law limits the City to \$3.60 levy per \$1,000 assessed valuation, deducting from there the levy of \$0.50 for the Mid-Columbia Library District, which leaves the City with the authority to levy \$3.10 for its own purposes. The levy amount must be established by ordinance by November 30<sup>th</sup> prior to the levy year. Voters approved a levy lid lift of \$0.40/\$1,000 assessed value for Parks and Recreation Services in November.

#### Local Retail Sales and Use Tax

The local retail sales and use tax is comprised of two separate 0.5% options with Franklin County receiving 15% of each 0.5%. After deducting 0.01% as a County administrative fee, the City's effective rate is 0.84%. In November 2011, Franklin County voters approved a 0.3% increase in sales tax to be devoted to criminal justice purposes. The County receives 60% of this amount with the remaining apportioned to the cities based upon population.

#### Local Criminal Justice Sales Tax

Local Sales Tax for Criminal Justice funding is to be used solely for criminal justice purposes, such as expenses related to equipping and fielding a professional police force. This tax is authorized at 1/10 of 1% of retail sales transacted in the County. Of the total amount collected, the State distributes 10% to the County, with the remainder being distributed by population to the cities and the unincorporated areas of the County.

#### Utility Business and Occupation Taxes

The City of Connell levies utility taxes on the gross operating revenues earned by private utilities from operations within City boundaries and the City's own municipal utilities. A 6% tax is levied on natural gas, cable television, telephone, electricity, sewer, and solid waste utilities. A 9% tax is levied on the City's water utility. Natural gas and cable television utility tax revenues are divided as follows: 20% General Fund, 20% Parks & Recreation Reserve Account within the General Reserve Fund, 60% Street Improvement Reserve within the Street Fund.

#### State-Shared Revenues

State-shared revenues are received from liquor sales and motor vehicle excise taxes. These taxes are collected by the State of Washington and shared with local governments based on population. The 2010 population figure used in the 2011 City Budget is 4,220 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of State-shared revenues on a per capita basis.

#### Liquor Board Profits and Liquor Excise Tax

Cities receive a share of both liquor board profits and liquor excise tax receipts. To be eligible to receive these revenues, a city must devote at least two percent of the distribution to support an approved alcoholism or drug addiction program. The passage of I-1183 privatizing the distribution and sale of liquor and pending legislative action may have significant impact on the amounts of funding the City will receive in 2012.

Service Revenues

Fees are charged for services rendered by the City of Connell. Most of these fees in the General Fund are construction inspections and permits related to services such as planning, zoning and building. The City has an agreement to provide fire protection services to the Coyote Ridge Corrections Center for an agreed sum. The agreement is authorized by state law to compensate the City due to the facility's exemption from paying property taxes.

Fines and Forfeitures

Fines and penalties are collected as a result of Municipal Court rulings and other miscellaneous rule infractions. All court fines and penalties are shared with the State, with the City, on average, retaining less than 50% of the amount collected.

Recreation Program Fees

The Parks and Recreation Department charges fees for selected recreation programs. These fees offset direct costs related to providing the program.

Community Center Fees

The City charges fees for the use of the Connell Community Center. Uses include regional meetings, weddings, receptions, and banquets. Rental rooms include meeting rooms, kitchen, and dining rooms.

Investment Interest

The City earns investment interest on sales tax, property tax, and fund investments.

**OTHER FUND REVENUES:**

**GENERAL RESERVE FUND:**

Utility Taxes

See "Utility Business and Occupation Taxes" above for distribution of these taxes within the General Reserve Fund.

Real Estate Excise Tax

Under Washington State Law, RCW 82.46.010, the City imposes excise tax on each sale of real property at the rate of one-half of one percent of the selling price. The revenue generated is used for financing capital projects as specified in the capital facilities plan under the Growth Management Act.

**STREET FUND:**

Motor Vehicle Fuel Excise Tax (gas tax)

The City receives gas tax based on population. Gas tax must be spent on streets. The gas tax has decreased each year for several years. The higher cost of gasoline has resulted in users cutting back on the amount they buy which ultimately reduces the tax received by the City.

Utility Taxes

See "Utility Business and Occupation Taxes" above for distribution of these taxes within the Street Fund.

Franklin County Surface Transportation Program Allocation

The City has an interlocal agreement with Franklin County to receive a portion of the County's share of motor vehicle fuel taxes in an amount equivalent to the portion of funding the City could expect to receive from the Federal Surface Transportation Program Rural Distribution. As part of the agreement, the City does not compete for STP grant funds for road projects. The agreement allows for maximum flexibility of the use of these funds. The City deposits these funds in the Street Improvement Reserve.

HOTEL/MOTEL FUND:

This fund receives all revenue resulting from the Hotel/Motel Tax levied upon charges made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and other transient accommodations in the City. The tax rate is 2 percent of the selling price or charge made for lodging. It is collected and administered by the Washington State Department of Revenue. State law requires that these taxes be credited to a special fund with limitations on use, principally to generate tourism activities that bring new visitors to our area, as prescribed by RCW 67.28.310.

UTILITY FUNDS (WATER, SEWER, SOLID WASTE):

The City's operates and administers three utility enterprises (water, sewer, and solid waste services) and charges rates set by ordinance and codified in the Connell Municipal Code to recover the costs associated with providing these services.

INTERFUND TRANSFERS:

Many funds receive their revenues from other funds in the form of an interfund transfer. These transfers may represent payments for service, an operating transfer, or a concentration of revenues for a specific project.

**City of Connell  
2012 Budget  
Detail Revenues by Type**

<b>General Fund Revenues</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Budgeted</b>
<u>Beginning Fund Balance</u>	\$ 633,208	\$ 660,292	\$ 749,000
<u>Property Tax</u>	\$ 325,380	\$ 331,653	\$ 420,000
<u>Sales Taxes</u>			
Retail Sales And Use Tax	252,136	346,698	370,000
Local Criminal Justice Tax	44,439	55,745	50,000
Local Leasehold	-	12	-
	<u>296,575</u>	<u>402,456</u>	<u>420,000</u>
<u>Utility Occupational Taxes</u>			
Natural Gas Utility Tax (20%)	41,470	41,584	44,000
Water User Fee	50,673	104,380	86,000
Sewer User Fee	28,256	43,804	38,000
Solid Waste User Fee	14,963	18,773	19,000
Cable Tv Utility Tax 20%	641	547	500
Telephone Utility Tax	44,671	54,140	55,000
PUD Occupational Tax	311,281	351,063	330,000
	<u>491,954</u>	<u>614,291</u>	<u>572,500</u>
<u>Licenses &amp; Permits</u>			
Business Licenses	6,100	7,488	6,000
Building Permits	86,422	76,925	45,500
Infrastructure Permits	1,231	-	300
Animal Licenses/tags	299	543	400
Weapons Permits	307	430	250
	<u>94,359</u>	<u>85,385</u>	<u>52,450</u>
<u>State Generated Revenues</u>			
US Econ Dev Administration Grant	-	-	17,000
Secretary Of State Grant	-	6,108	-
OFM Reimbursement	-	-	-
Department Of Ecology Grant	23,059	26,941	-
Traffic Safety Comm Reimbursement	-	934	-
Franklin PUD Privilege	51,377	56,493	55,000
City Assistance	77,433	52,630	51,000
Criminal Justice Special Programs	-	3,531	3,000
DUI-Cities/Criminal Justice Assistance	636	889	750
Liquor Excise Tax	16,996	20,671	18,500
Liquor Board Profits	27,437	29,351	27,000
	<u>196,937</u>	<u>197,549</u>	<u>172,250</u>

**City of Connell  
2012 Budget  
Detail Revenues by Type**

	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Budgeted</b>
<b><u>Charges for Services</u></b>			
Franklin Co PUD Services	24,000	24,000	24,000
CRCC Expansion Admin Fee (DOC)	14,822	226	-
Mesa Court Services	-	-	-
Reserve Officer Security	2,625	2,205	2,500
Fire Protection Services	31,250	79,167	86,000
Animal Control & Shelter	-	124	-
Zoning-subdivision-plat Review	1,100	450	1,500
Site Plans - Appeals - Plan Reviews	36,124	33,855	7,900
Conditional Use - Variance	-	250	500
Community Improvement Fee	5,834	5,406	3,100
SEPA	-	225	500
Pool Passes & Daily Receipts	-	9,248	9,000
Rentals, Lessons, Lf Grd Trng	-	7,345	7,000
P&R Program Fees	-	1,315	2,400
	115,755	163,816	144,400
<b><u>Fines &amp; Forfeitures</u></b>			
Court Receipts: City	36,962	32,192	31,000
<b><u>Miscellaneous</u></b>			
Interest Earned On Investments	1,420	1,126	1,000
Sales Interest	665	345	300
Community Center Rental	13,723	17,530	16,000
Pharmacy Bldg Lease	5,776	6,825	-
Contributions/Donations	12,566	9,598	2,700
Port of Pasco Economic Grant	-	-	17,000
Litigation Settlement	110,000	-	-
Revenue Overage/shortage	(5.63)	(41)	-
Other Miscellaneous Revenue	2,649	3,983	2,000
Surplus Equipment Sales	4,361	-	-
Firemen Membership Dues	30	845	500
Other Non-revenue Receipts	15,253	16,960	15,000
Land Sales	-	-	-
Public Works Board - DOC Impacts	-	110,000	-
Compensation For Loss/Impairment	320	1,610	-
	166,758	168,781	54,500

**City of Connell  
2012 Budget  
Detail Revenues by Type**

	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Budgeted</b>
<b><u>Interfund Transfers</u></b>			
Transfer From Contingency	43,741	-	-
Transfer From Community Policing Fund	10,050	-	-
Transfer From Grants Management	18,222	-	-
Transfer From Fire Reserve	-	-	10,000
Transfer From Economic Development	-	41,500	-
Transfer From Park & Rec Reserve	-	34,072	42,000
	<u>72,013</u>	<u>75,572</u>	<u>52,000</u>
Total General Fund Revenue	<u>\$ 1,796,693</u>	<u>\$ 2,071,694</u>	<u>\$ 1,919,100</u>
Total General Fund Revenue and Beginning Fund Balance	<u>\$ 2,429,902</u>	<u>\$ 2,731,986</u>	<u>\$ 2,668,100</u>

**Other Fund Revenues**

**002 General Reserve Fund**

Beginning Fund Balance	-	881,152	720,000
Investment Interest	-	1,181	930
Taxes	10,352	52,149	44,500
Land Sales (Econ Dev Reserve)	-	14,113	-
State Revenues - Criminal Justice	-	1,000	1,000
Real Estate Excise Tax	1,448	71	-
Transfers	869,352	74,000	35,000
	<u>881,152</u>	<u>1,023,665</u>	<u>801,430</u>

**101 Street Fund**

Beginning Fund Balance	12,818	195,097	290,000
Motor Fuel (Gas) Tax	74,293	88,374	90,000
Utility Taxes	18,033	126,392	133,500
Investment Interest	-	260	250
Transfer from General Fund	60,000	60,550	66,000
Transfer from Street Improvement	207,994	-	-
Port of Pasco Grant - E. Date St.	-	-	10,000
Fr Co STP Allocation	-	48,579	40,000
Miscellaneous	726	-	-
	<u>373,865</u>	<u>519,253</u>	<u>629,750</u>

**102 Parks & Recreation Fund**

Beginning Fund Balance	-	-	-
Recreation Activity & Program Fees	15,115	-	-
Transfer from P/R Improvement Reserve	-	-	-
Transfer from General Fund	123,198	-	-
Miscellaneous	70	-	-
	<u>138,383</u>	<u>-</u>	<u>-</u>

**City of Connell  
2012 Budget  
Detail Revenues by Type**

	2010 Actual	2011 Actual	2012 Budgeted
<b><u>103 Community Policing Fund</u></b>			
Beginning Fund Balance	11,231	-	-
Interest Earnings	21	-	-
	11,252	-	-
<b><u>104 Hotel/Motel Fund</u></b>			
Beginning Fund Balance	68,875	55,208	57,500
Hotel/Motel Tax	13,685	15,187	12,000
Interest Earnings	183	104	100
	82,743	70,498	69,600
<b><u>108 Contingency Fund</u></b>			
Beginning Fund Balance	43,649	-	-
Interest Earnings	91	-	-
	43,741	-	-
<b><u>111 General Support Fund</u></b>			
Beginning Fund Balance	1,505,352	1,577,823	1,000,000
Interest Earnings	4,467	2,592	2,300
Interest from Interfund Loans	2,000	2,650	7,160
Interfund Loan Principal Repayment	66,004	-	67,340
	1,577,823	1,583,066	1,076,800
<b><u>199 Grants Management Fund</u></b>			
Beginning Fund Balance	31	-	-
Public Works Board - DOC Impacts	292,595	-	-
Grant Proceeds	16,043	-	-
Miscellaneous	3,208	-	-
Transfer from General Fund	-	-	-
	311,877	-	-
<b><u>203 Park Bond Redemption Fund</u></b>			
Beginning Fund Balance	7,869	-	-
Taxes	19	-	-
	7,887	-	-
<b><u>300 Capital Facilities Fund</u></b>			
Beginning Balance	1,149,544	-	115,000
Interest Earnings	2,763	140	150
Taxes	140,139	-	-
Real Estate Excise Taxes	10,806	10,793	10,000
Fr Co STP Allocation	40,039	-	-
Grant Proceeds	5,978	11,506	911,760
Public Works Board - DOC Impacts	224,884	-	-
Transfers	18,887	133,304	297,000
Miscellaneous	1,000	-	-
	1,594,041	155,743	1,333,910

**City of Connell  
2012 Budget  
Detail Revenues by Type**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>
<b><u>401 Water Fund</u></b>			
Beginning Fund Balance	405,926	418,576	720,000
Water Charges	1,012,553	1,047,401	992,500
Surcharges	73,932	164,190	140,000
System Connection Charges	36,183	10,864	11,000
Interest Earnings	988	696	460
Farm Agreement	-	264,560	-
PWTF Loan (Klind/Campbell Prjct)	-	-	1,358,800
St. Grant (Klind/Campbell Prjct)	-	-	540,000
Interfund Loan from General Support	-	648,000	-
Misc & Fees	1,365	13,233	5,000
	<b>1,530,948</b>	<b>2,567,520</b>	<b>3,767,760</b>
<b><u>402 Sewer Fund</u></b>			
Beginning Fund Balance	494,120	560,084	715,740
Sewer Charges	576,222	620,090	595,000
Surcharges	40,898	67,533	69,000
System Connection Charges	20,220	65,766	11,000
DOC Infrastructure	359,633	4,566	-
Interest Earnings	812	878	750
Miscellaneous	163,153	20,680	15,300
	<b>1,655,058</b>	<b>1,339,598</b>	<b>1,406,790</b>
<b><u>403 Solid Waste Fund</u></b>			
Beginning Fund Balance	79,942	77,991	82,000
Sanitation Charges	285,197	267,494	265,000
Surcharges	21,360	43,475	42,000
Interest Earnings	172	110	100
Miscellaneous	4,680	6,511	-
	<b>391,351</b>	<b>395,580</b>	<b>389,100</b>
<b><u>414 DWSRF Loan Fund</u></b>			
Beginning Fund Balance	1	1	-
Transfer From Water	30,583	29,990	29,390
	<b>30,584</b>	<b>29,991</b>	<b>29,390</b>
<b><u>415 Water/Sewer Bond Reserve Fund</u></b>			
Beginning Fund Balance	276,622	276,622	245,440
	<b>276,622</b>	<b>276,622</b>	<b>245,440</b>

**City of Connell  
2012 Budget  
Detail Revenues by Type**

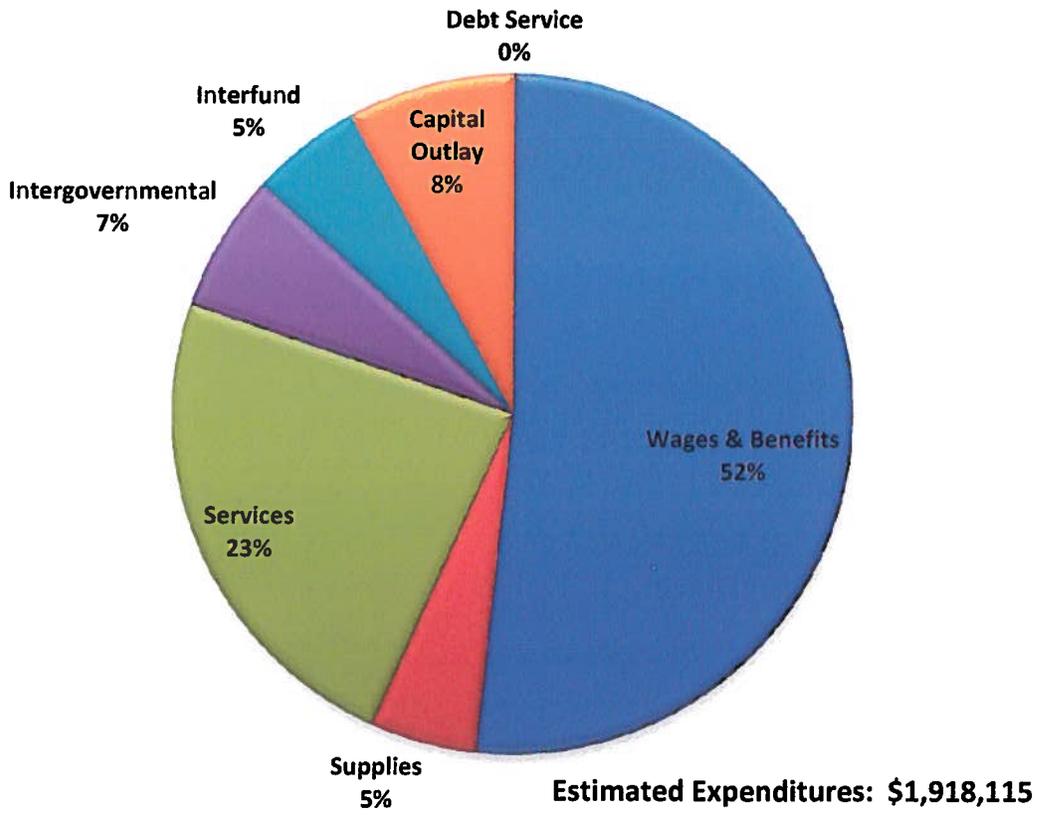
	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>
<b><u>416 Water/Sewer Bond Redemption Fund</u></b>			
Beginning Balance	244,953	112,136	97,900
Interest Earnings	1,143	603	600
Transfer from Water Fund	106,760	852,510	367,101
Transfer from 415 Bond Reserve Fund	-	31,182	-
	<u>352,856</u>	<u>996,431</u>	<u>465,601</u>
<b><u>633 State Remittance Fund</u></b>			
Beginning Fund Balance	6,890	4,965	8,300
State Remitted Revenues	30,221	30,551	48,100
	<u>37,111</u>	<u>35,516</u>	<u>56,400</u>
Total Gen Fund & Beg Balance Revenue	<u>\$ 2,429,902</u>	<u>\$ 2,731,986</u>	<u>\$ 2,668,100</u>
All Other Funds	<u>9,297,294</u>	<u>8,993,484</u>	<u>10,271,971</u>
<b>Total Revenues</b>	<b><u><u>\$ 11,727,196</u></u></b>	<b><u><u>\$ 11,725,470</u></u></b>	<b><u><u>\$ 12,940,071</u></u></b>

**General Fund Expenditures by Department by Type  
2012 Budget**

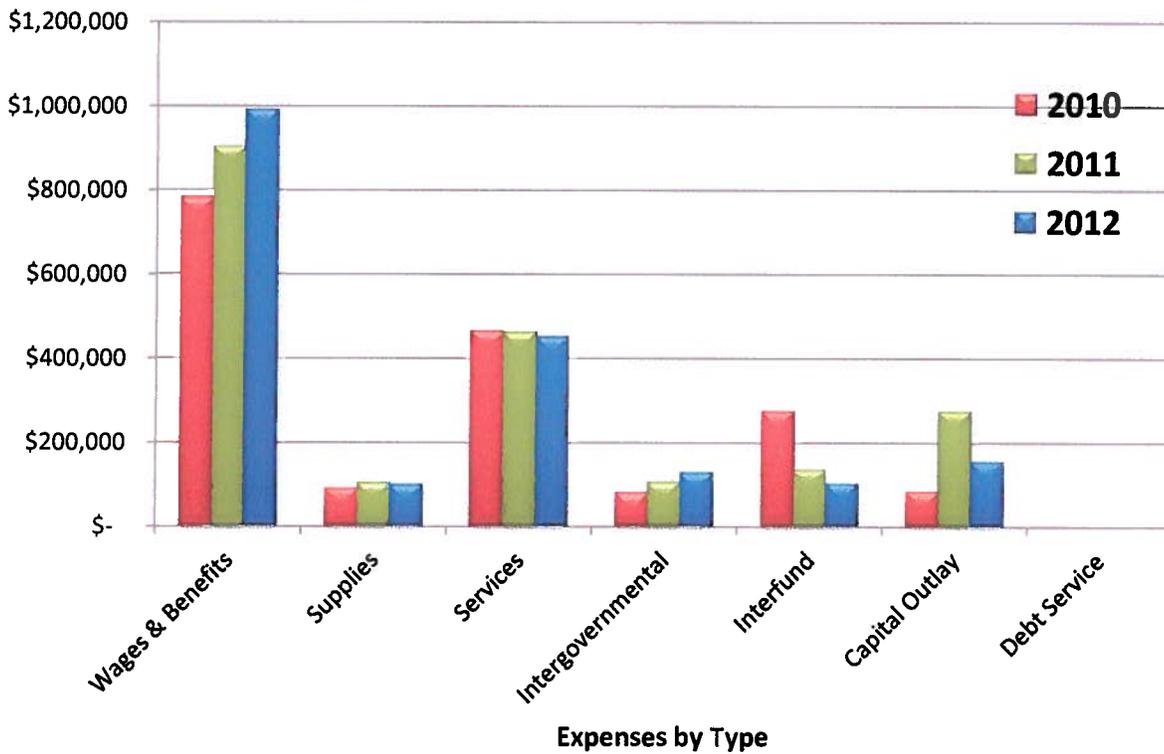
General Fund Expenditures by Department by Type  
2012 Budget

<u>General Fund</u>	<u>Wages &amp; Benefits</u>	<u>Supplies</u>	<u>Services</u>	<u>Intergovernmental</u>	<u>Interfund</u>	<u>Capital Expenditures</u>	<u>Debt Service</u>	<u>Total</u>
Executive/Legislative	\$ 86,900	\$ 1,950	\$ 35,200	\$ -	\$ -	\$ -	\$ -	\$ 124,050
Judicial	-	-	21,500	24,000	-	-	-	45,500
Administration	99,730	4,050	53,300	-	-	-	-	157,080
Police Department	524,700	39,000	47,950	98,000	-	40,000	-	749,650
Fire Protection	106,760	13,300	66,400	-	-	12,000	-	198,460
Parks & Recreation	91,450	26,200	61,975	700	-	42,000	-	222,325
Building & Planning	40,300	1,500	86,800	-	-	-	-	128,600
General Government	40,950	10,700	73,800	3,000	101,000	59,000	-	288,450
Library	-	500	3,500	-	-	-	-	4,000
<b>Total General Fund</b>	<b>\$ 990,790</b>	<b>\$ 97,200</b>	<b>\$ 450,425</b>	<b>\$ 125,700</b>	<b>\$ 101,000</b>	<b>\$ 153,000</b>	<b>\$ -</b>	<b>\$ 1,918,115</b>
<b>Other Funds</b>								
002 General Reserve Fund	-	-	-	-	52,000	-	-	52,000
101 Street Fund	59,620	26,850	64,050	-	297,000	50,500	-	498,020
104 Hotel/Motel Fund	-	-	23,300	-	-	-	-	23,300
111 General Support Fund	-	-	-	-	-	-	-	-
199 Grants Management Fund	-	-	-	-	-	-	-	-
300 Capital Facilities Fund	-	-	-	-	-	-	-	-
401 Water Fund	247,670	57,500	320,700	135,450	396,491	1,208,500	-	1,208,500
402 Sewer Fund	212,760	47,700	180,510	58,000	-	1,974,635	7,750	3,140,176
403 Solid Waste Fund	43,600	700	230,200	35,500	-	186,900	68,020	753,890
414 DWSRF Loan Fund	-	-	-	-	-	5,000	-	315,000
415 Water/Sewer Bond Reserve Fund	-	-	-	-	-	-	29,390	29,390
416 Water/Sewer Bond Redemption Fund	-	-	-	-	-	-	-	-
633 State Remittance Fund	-	-	-	50,950	-	-	367,711	367,711
<b>Total All Funds</b>	<b>\$ 1,554,440</b>	<b>\$ 229,950</b>	<b>\$ 1,269,185</b>	<b>\$ 405,600</b>	<b>\$ 846,491</b>	<b>\$ 3,578,535</b>	<b>\$ 472,851</b>	<b>\$ 8,357,052</b>

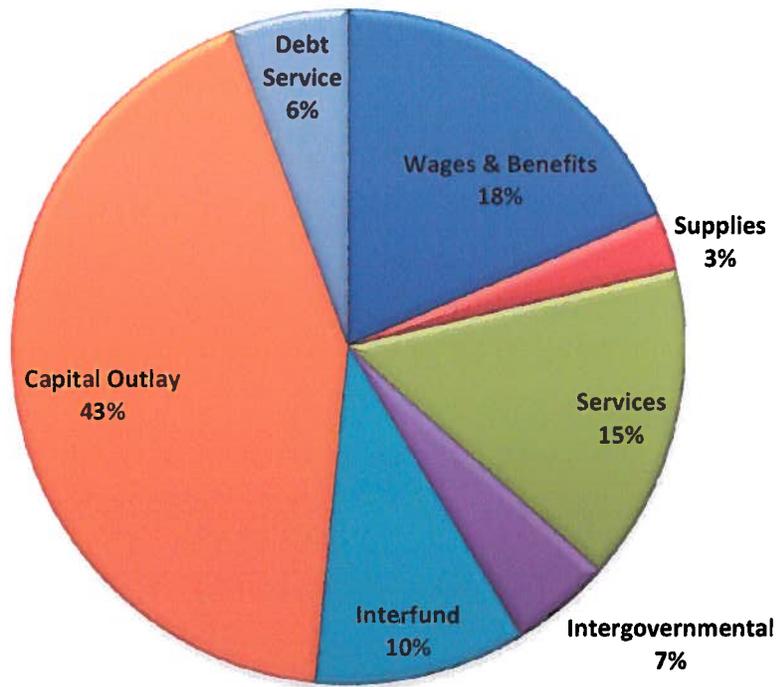
## Connell 2012 General Fund Expenditures by Type



## Connell General Fund Expenses 2010-12

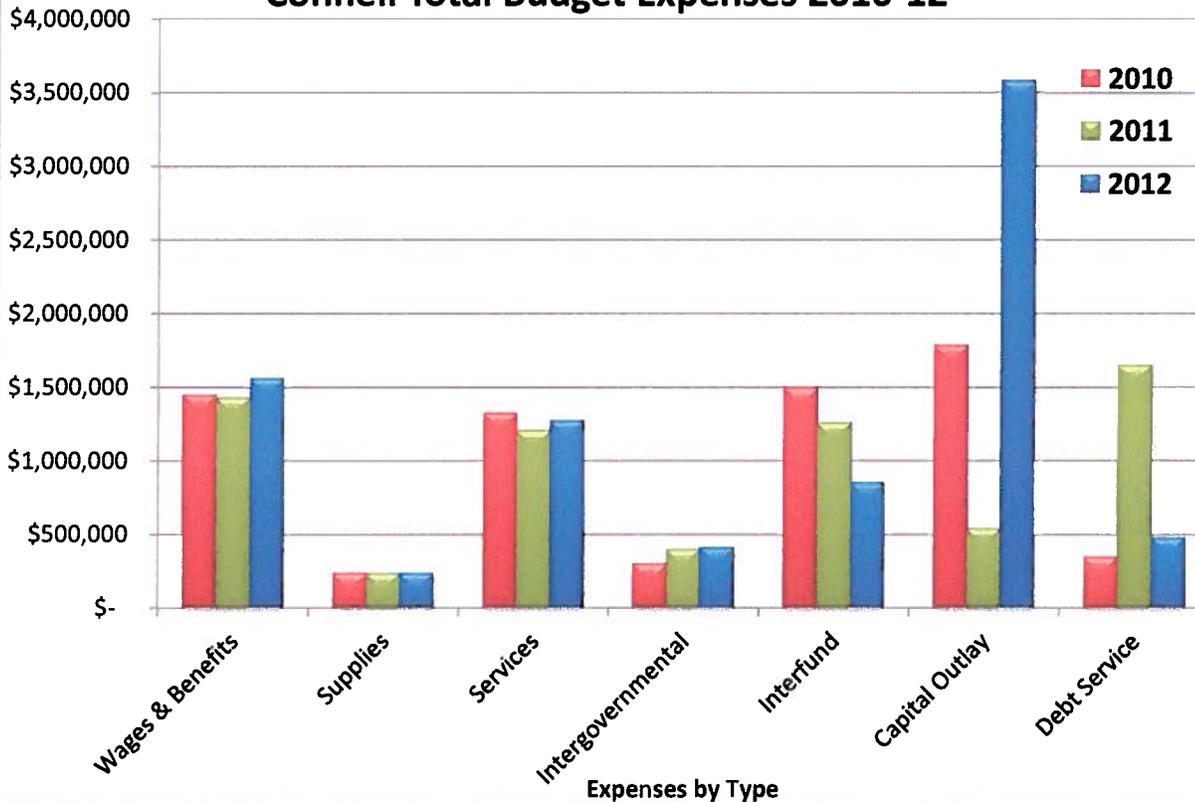


## Connell 2012 Total Budget Expenditures by Type



Estimated Expenditures: \$8,357,052

## Connell Total Budget Expenses 2010-12



**Council**

The Council consists of five elected citizens and is responsible for all legislative actions and policy-making for the City. The Council is empowered with the authority to enact ordinances and policies to protect the rights of the citizens and allocate resources through a public budget process to provide for municipal services.

**Mayor**

The Mayor is the elected Chief Executive Officer of the City and is responsible for executing the policies and implementing the goals adopted by the City Council within the constraints of the resources allocated through the City budget.

**Administrator**

The City Administrator is responsible for carrying out the directives of the Mayor and policies adopted by the City Council. The Administrator is accountable to the Mayor and coordinates work with all City departments and employees.

**Accomplishments for 2011**

- **Infrastructure Funding** – Received legislative approval for a Public Works Trust Fund loan and additional \$540,000 grant for the Klindworth & Campbell Neighborhoods Water Efficiency Project which upgrades the water distribution and fire suppression capacity of a significant portion of the City's residential area.
- **Parks and Recreation Funding** – Received voter approval for property tax levy lid lift raising revenue for parks and recreation operations, maintenance, and capital purposes.
- **Municipal Code Updates** – Adopted and implemented new water utility regulations and established a master fee schedule for all City fees and utility rates. Drafted a new streamlined development code and received recommendation from Planning Commission for adoption. Adopted code amendments covering legislative, administrative, and financial operations. Amendments to sewer facilities and operations were drafted and await review in 2012.
- **Grant Application and Awards** – Applied for grant funding for transportation infrastructure, law enforcement, and fire protection. Awarded HAEIFC grant to build access road to the Connell Industrial Area and U.S. EDA grant to conduct an industrial area feasibility study.
- **Legislative Advocacy** – Successfully advocated passage of state legislation allowing the City to maintain its "small city" status for certain purposes by exempting the CRCC-housed offenders from the City's official population count. The new law allows the City Council to retain its existing size and maintain eligibility for small city transportation-related grants.
- **Parks and Recreation Comprehensive Plan Update** – Completed update of Park Plan and included 20-year Capital Improvement Plan that identifies priorities for future projects.

**Personnel** – Negotiated three-year collective bargaining agreement with City police officers. Hired the City's first full-time fire chief. Updated employee job classifications to better reflect City staffing needs. Amended personnel policies to provide better incentives for employees receiving internal promotions.

**Wellness Program** – Administered the first year of the City's Wellness Program and received the AWC Well City Designation.

- **Debt Restructuring** – Retired higher interest revenue debt with interfund loan from the City's General Support Fund to achieve significant savings in interest costs.

**Executive and Legislative**

**Goals for 2012**

- **Development and Utility Code Update** – Continue municipal code update focusing on development standards, sewer utility regulations, industrial zoning, and other administrative areas.
- **Complete Connell Industrial Area Feasibility Study** – Utilize federal and local grant funding to conduct marketing and feasibility study on the Connell Industrial Area located to the east of SR-395.
- **2012 Capital Improvement Projects** – Administer construction of West Adams Street Reconstruction, Klindworth/Campbell Water Efficiency, Connell Industrial Area Access Road, Lift Station No. 4 Sewer Forcemain, East Date Street Sidewalk, and Connell Pool Slide Improvement projects.
- **Comprehensive Plan Update** – Conduct limited Comprehensive Plan Update amending population, demographic, and environmental data.
- **Adopt Capital Improvement Plan** – Complete and adopt city-wide capital improvement plan including general government, utilities, and civic facility needs.
- **City Communications** – Overhaul and update City website and establish regular information maintenance program. Release periodic community newsletter to inform citizens of city organization goals and policies.
- **Comprehensive Financial Policies** – Establish formal financial policies related to budgeting, purchasing, appropriation, and debt financing.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Mayor	1	1	1
Councilmembers	5	5	5
City Administrator	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
<b>Total FTE's:</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 78,312	\$ 82,177	\$ 86,900
Supplies	\$ 231	\$ 1,232	\$ 1,950
Services & Charges	\$ 17,263	\$ 13,253	\$ 35,200
Capital Outlay	-	-	-
Interfund Charges	-	-	-
<b>Total Executive/Legislative Branch</b>	<b>\$ 95,805</b>	<b>\$ 96,661</b>	<b>\$ 124,050</b>

Fund 001	General Fund Administration	City of Connell Budget 2012
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**Administration**

The general administration department is responsible for, accounting and reporting, payroll, human resources, accounts receivable, accounts payable, records management and customer service.

**Accomplishments for 2011**

- Updated water utility chapters in Connell Municipal Code.
- Implemented filing and records retention system update.
- Reviewed all BARS codes for accuracy.
- Completed detailed work flows of utility billing, end-of-month, payroll, and vouchers processes.
- Filed all state-required reports accurately and within established timeframes.

**Goals for 2012**

- Update sewer utility chapters in Connell Municipal Code.
- Continue with filing and records retention system update.
- Set up new BARS system for 2013
- Draft and adopt comprehensive Financial Policies for the City.
- Continue to file all state-required reports accurately and within established timeframes.
- Maintain complete and accurate files for Grants.

**Budget Summary**

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
City Clerk-Treasurer	.5	.5	.5
Deputy Clerk/Treasurer	.5	.5	.5
Accounting/Records Clerks	<u>.7</u>	<u>.25</u>	<u>.25</u>
<b>Total FTE's:</b>	<b>1.7</b>	<b>1.25</b>	<b>1.25</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 101,227	\$ 86,708	\$ 99,730
Supplies	\$ 4,291	\$ 2,693	\$ 4,050
Services & Charges	\$ 65,979	\$ 56,098	\$ 53,300
Intergovernmental Charges	\$ 62	\$ 0	\$ -
<b>Total Executive/Legislative Branch</b>	<b>\$ 171,559</b>	<b>\$ 145,499</b>	<b>\$ 157,080</b>

Fund 001	General Fund Judicial	City of Connell Budget 2012
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**Judicial**

The Judicial Department previously administered Connell's Municipal Court processing infractions and criminal offenses committed within City boundaries. In 2010, the City began contracting for municipal court services with Franklin County District Court, Franklin County Prosecutor, and Franklin County Office of Public Defense.

**Budget Summary**

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel –Full Time Equivalent</u></b>			
Court Clerks	<u>1.6</u>	-	-
<b>Total FTE's</b>	<b>1.6</b>	<b>-</b>	<b>-</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, Benefits	\$ 37,752	\$ -	\$ -
Supplies	129	-	-
Services & Charges	15,680	15,216	21,500
Intergovernmental Charges	-	19,010	24,000
<b>Total Judicial</b>	<b>\$ 57,018</b>	<b>\$ 34,227</b>	<b>\$ 45,500</b>

Fund 001	General Fund Police Department	City of Connell 2012 Budget
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**Police Department**

The Connell Police Department provides services and security to the community. The Police Department staff consists of a Police Chief, a Sergeant, and 4 Patrol Officers. The police department strives for a "community oriented" police department. The main idea is to create partnerships between law enforcement and the community in an effort to improve the quality of life for all.

**Accomplishments for 2011**

- Maintained 24/7 coverage for the Community.
- Completed the Lexipol online Policy Manual.
- Continued to work on enhancing connectivity between Franklin County and Connell PD leading to a savings of time in officers completing police reports.

**Goals for 2012**

- Complete the connectivity project between Franklin County IS and Connell City Hall.
- Enhance radio communications by separating Connell PD and Pasco PD on the current radio system, thereby increasing officer safety.
- Upgrade the current dog holding facilities.
- Construct a building at the City Shop yard to house police vehicles and equipment.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Police Chief	1	1	1
Police Sergeant	1	1	1
Police Patrolman	4	4	4
Police Clerk	-	<u>.51</u>	<u>.51</u>
<b>Total FTE's:</b>	<b>6.0</b>	<b>6.51</b>	<b>6.51</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 461,636	\$ 495,782	\$ 524,700
Supplies	\$ 43,585	\$ 39,010	\$ 39,000
Services & Charges	\$ 42,973	\$ 42,393	\$ 47,950
Capital Outlay	-	\$ 37,769	\$ 40,000
Intergovernmental Charges	\$ 72,211	\$ 81,895	\$ 98,000
<b>Total Police Department</b>	<b>\$ 620,405</b>	<b>\$ 696,848</b>	<b>\$ 749,650</b>

Fund 001	General Fund Fire Department	City of Connell Budget 2012
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**Fire Department**

The City of Connell Fire Department protects life property and resources through efficient fire suppression, prevention and education. The Fire Department is also responsible for administration and enforcement of the International Fire Code and applicable local codes or ordinances that come under the jurisdiction of the fire department. The City of Connell Fire Department is a volunteer based program with one full time position (Fire Chief) and 2 volunteers that are on a small monthly salary that compensates them for their contributions

**Accomplishments for 2011**

- Acquired additional Safety and Personal Protective Equipment (PPE) which greatly improved equipment provided to all personnel.
- Delivered wild land fire and numerous additional training sessions that improved amount of adequate training required to assure safe and well trained workforce.
- Delivered Fire Prevention inspections to numerous businesses in the City of Connell while establishing foundation for successful future commitment to continued community inspections.
- Acquired additional equipment for existing apparatus that increases, safety, efficiency and effectiveness of operations. (e.g. repaired foam delivery system, converted to 5" supply line, gas detector, thread adaptors, etc.)
- Collected additional references to compliment and maintain a library of important publications, training materials and professional technical publications.
- Purchased and partially installed light and communications package equipment necessary to complete commission of 'Command 10' vehicle for chief.
- Purchased all necessary uniform components for Fire Chief.
- Provided salary and cost to the government for all departmental personnel.
- Began efforts to develop a Capitol Investment Plan for the annual and long term budget needs of the City of Connell Fire Department.

**Goals for 2012**

- Continue to provide required Safety and Personal Protective Equipment (PPE) to all personnel.
- Develop and implement an annual training plan that provides adequate training required to assure safe, compliant and well trained workforce.
- Continued to deliver a fire prevention inspection program that visits numerous businesses in the City of Connell while building on the existing success and future commitment to a proactive community fire prevention inspection program.

- Provide equipment for facility and existing apparatus that increases safety, efficiency and effectiveness of operations.
- Continue to build and maintain a library of important references, training materials and professional technical publications.
- Establish vehicle and equipment maintenance procedures while also improving documentation for these important activities.
- Provide clearer direction and expectations to improve contributions from stipendiary personnel.
- Complete development of a Capitol Investment Plan for the annual and long term budget needs of the City of Connell Fire Department.
- Improve purchasing procedures and documentation to improve efficiency and accuracy of municipal records.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Fire Chief	-	<u>1</u>	<u>1</u>
<b>Total FTE's:</b>	-	<b>1.0</b>	<b>1.0</b>

**Budget Detail**

Salaries, Wages, & Benefits	\$ 20,882	\$ 89,817	\$ 106,760
Supplies	\$ 4,642	\$ 12,830	\$ 13,300
Services & Charges	\$ 36,192	\$ 61,946	\$ 66,400
Capital Outlay	\$ 1,304	\$ 82,921	\$ 12,000
<b>Total Fire Department</b>	<b>\$ 63,021</b>	<b>\$ 247,513</b>	<b>\$ 198,460</b>

Fund 001	General Fund Park and Recreation	City of Connell Budget 2012
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**Accomplishments for 2011**

**Administration:** The park board updated the Parks and Recreation Comprehensive Plan to stay in compliance and be able to receive grants from the Recreation and Conservation Office (RCO). During this process a 20 year project list was created. The recreation department worked with the budget allotted to provide parks and recreation activities as well as swimming pool needs. The department was able to do this by working with the Park Board and City staff to identify recreation needs. These needs included identifying recreation programs for the community, uses for the parks, identifying improvements and future additions to the parks, and addressing current safety issues. The Recreation Department also managed the use of the public pool by being pool supervisor, hiring pool staff, scheduling lessons and working with pool operators to make sure pool operated efficiently.

**Recreation Coordination:** Recreation Department provided and publicized a variety of recreation opportunities to Connell residents. Some of the activities included Zumba fitness, futsal (specialized indoor soccer), basketball open gym, youth arts and crafts, beading, sewing and disc golf instruction. The director recruited local community members to teach classes, worked with other groups to enhance activities, such as bring the Easter Bunny to the the annual Easter egg hunt, and conducted activities himself.

**Parks:** Pea Gravel surface was added to and expanded around play equipment throughout the city parks. Public swim was expanded to include a Sunday public open swim. Through the Levy Lid Lift passed by Connell residence, the blue slide at the city swimming pool will be repaired and up and running for the 2012 swim season.

**Goals for 2012**

- Remove park shelters at Pioneer Park and construct new more accessible shelters.
- Increase pool swim pass sales.
- Add pool programs to recreation schedule.
- Increase recreation use at the community center.
- Continue to promote the use of disc golf course and teach the community the basic s of the game.
- Continue to work with community groups to enhance their events and efforts.

**Budget Summary**

Parks & Recreation Fund 102 was deleted in 2010.  
Parks and Recreation Department within the General Fund was established in 2011.

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Maintenance II	-	.20	.65
Parks & Recreation Coordinator	-	.35	.5
<b>Total FTE's:</b>	-	<b>2.9</b>	<b>2.85</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ -	\$ 72,587	\$ 91,450
Supplies	\$ -	\$ 25,179	\$ 26,200
Services & Charges	\$ 367	\$ 56,985	\$ 61,975
Intergovernmental Charges		\$ 661	700
Capital Outlay	\$ -	\$ 34,086	\$ 42,000
<b>Total Sewer Department</b>	<b>\$ 367</b>	<b>\$ 189,499</b>	<b>\$ 222,325</b>

Fund 001	General Fund Building and Planning Services	City of Connell Budget 2012
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**Building and Planning Services**

This division is responsible for development, zoning, SEPA, subdivision, planned unit development, conditional use, variance, short plat, comprehensive plan update & amendment, binding site plan, annexation, zoning map, street vacation and code enforcement. This department follows legal requirements for all land use, including issuance of building permits.

**Accomplishments for 2011**

**Building Permits**

- Issued 63 permits, over \$116,552 fees received, including 12 new homes.
- NFSD CUP – Jr. High expansion
- Oasis Village – lot sales and home construction proceeding.
- ConAgra Lamb Weston – expansion approved and construction in progress.

**Planning & Zoning**

- Park and Recreation Comprehensive Plan adoption.
- Major re-write to City of Connell Development Code (80% completion).

**Code Enforcement**

- Issued 36 citations – Coordinated with Police Dept & Public Works.

**Economic Development**

- Initiated Connell Industrial Area Feasibility Study.

**Goals for 2012**

**Building Permits**

- Revamp application procedures to ensure efficient customer service.

**Planning & Zoning**

- Update City of Connell Comprehensive Plan
- Create Capital Facilities Improvement Plan
- Update Park and Recreation Capital Improvement Plan
- Outline Site Review process.

**Code Enforcement**

- Update Nuisance Code.
- Streamline process in accordance with updated Nuisance Code.

**Economic Development**

- Market advantages of Connell.
- Work with local agencies on area-wide marketing strategies.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Building Service Clerk	.5	.5	.5
Public Works Director	.15	.15	.10
Assistant Clerk	.2	.2	-
<b>Total FTE's:</b>	<b>0.85</b>	<b>0.85</b>	<b>0.60</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 50,698	\$ 44,321	\$ 40,300
Supplies	\$ 478	\$ 1,950	\$ 1,500
Services & Charges	\$ 89,007	\$ 133,828	\$ 86,800
Capital		\$ 30,675	
<b>Total Planning and Comm. Dev.</b>	<b>\$ 140,182</b>	<b>\$ 210,774</b>	<b>\$ 128,600</b>

Fund 001	General Fund General Government	City of Connell Budget 2012
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**General Government**

The General Government Department comprises activities that encompass services to multiple departments. Included in this department are special legal services, City building maintenance and repair, management information systems, association and intergovernmental memberships, economic development, and interfund transfers.

**Budget Summary**

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Maintenance II	0.55	0.55	0.60
<b>Total FTE's:</b>	<b>0.55</b>	<b>0.55</b>	<b>0.60</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 30,322	\$ 30,961	\$ 40,950
Special Legal Services	120,405	26,315	30,000
Legislative Advocacy	20,830	10,303	-
Computer Software & Equipment	14,784	9,845	11,600
Network & Website Maintenance	2,948	3,209	3,000
Other Supplies	3,291	3,048	3,700
Equipment Repair/Replacement	618	585	1,000
Other Services	259	1,444	1,000
Assn of Wash. Cities Dues	1,602	2,078	3,200
Benton/Franklin Council of Governments	1,724	2,017	2,500
Other Memberships	-	-	-
Property Assessments	1,789	1,784	2,000
Esquatzel Coulee Flood/Weed Control	38,273	14,671	2,500
Engineering Services - Facilities	2,568	-	5,000
City Hall Maintenance Prof. Serv.	193	2,158	-
Building Maintenance & Repair	15,529	2,798	4,500
Inmate Work Crew Charges – City Hall	-	-	1,000
Comm. Advertising, Postage & Travel	16	153	-
Municipal Vehicles/Equipment	-	336	500
Alcoholism Intergovernmental Service	853	995	1,000
Ambulance Purchase (PWB – Gen. Fund)	72,581	38,087	-
Water Rights Purchase – Econ. Dev.	-	50,056	59,000
Non-expenditures	15,140	16,205	15,000

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Interfund Transfers</u>			
To Comm. Development Reserve	-	9,000	-
To Civic Facility Reserve	-	35,000	15,000
To Police Improvement Reserve	5,000	-	-
To Fire Protection Reserve	30,000	10,000	20,000
To Street Fund	60,000	60,550	66,000
To Economic Development Reserve	50,000	20,000	-
To Community Center Reserve	6,000	-	-
To Parks & Recreation Fund	123,198	-	-
<b>Total General Government</b>	<b>\$ 617,922</b>	<b>\$ 351,598</b>	<b>\$ 288,450</b>

Fund 001	General Fund Library	City of Connell Budget 2012
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**Library**

The City of Connell has a contract with the Mid-Columbia Library District for operations and management of the Connell Library. The City provides the building and pays all necessary maintenance and utility costs.

**Budget Summary**

<u>Budget Detail</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>
Supplies	\$ 185	\$ 618	\$ 500
Services & Charges	\$ 3,147	\$ 4,467	\$ 3,500
<b>Total Library</b>	<b>\$ 3,332</b>	<b>\$ 5,085</b>	<b>\$ 4,000</b>

Fund 002	General Reserve Fund	City of Connell Budget 2012
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**General Reserve**

General Reserve Fund was established in 2010, into which shall be paid monies as the City now holds or may hereafter receive or set aside and retain for general fund activities and other activities deemed appropriate by the City Council and consistent with the State of Washington. The Clerk/Treasurer shall maintain separate accounts within the fund.

<b>Reserve Account</b>	<b>2012 Account Balance</b>
• Civic Facilities	\$ 109,040
• Community Development	\$ 40,262
• Economic Development	\$ 425,976
• Law Enforcement	\$ 10,733
• Fire Protection	\$ 154,096
• Parks & Recreation	\$ 85,820
• Storm Water	\$ 15,689
• Real Estate Excise Reserve	\$ 0
<b>Total:</b>	<b>\$ 841,616</b>

**Budget Summary**

<b><u>Budget Detail</u></b>	<b><u>2010 Actual</u></b>	<b><u>2011 Actual</u></b>	<b><u>2012 Budget</u></b>
Transfer from Econ. Dev. Reserve to General Fund	\$ -	\$ 41,500	-
Transfer from Parks & Rec Reserve To General Fund	-	\$ 34,072	\$ 42,000
Fire Protection Reserve to General Fire Equipment			\$ 10,000
Transfer from REET 1 to Capital Fund	-	\$ 106,477	
<b>Total General Reserve Fund</b>	<b>\$ -</b>	<b>\$ 182,049</b>	<b>\$ 52,000</b>

Fund 101	Streets	City of Connell Budget 2012
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**Street**

The Street Departments day-to-day activities includes: patching, striping, sweeping, seal coating, signage and sidewalk maintenance. Preservation and beautification our City is also performed by our street department with the help from our CRCC work crew.

**Accomplishments for 2011**

- Engineering and Design of sidewalk on East Date Street.
- Engineering and Design West Adams Reconstruction Project.
- Engineering and Design for entrance into our Connell Industrial Area.

**Goals for 2012**

- West Adams Street Reconstruction from Columba Avenue to Sixth Street to start late spring – early summer.
- Reconstruction of sidewalk on East Date Street to start in Late Spring.
- Continue seal coating program-Look for funding on Columbia Ave.
- Add new entrance into the CIA to start by mid-summer.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Public Work Director	.25	.25	.20
Public Works Supervisor	.5	-	-
Maintenance	<b><u>1.05</u></b>	<b><u>1.05</u></b>	<b><u>.60</u></b>
<b>Total FTE's:</b>	<b>1.55</b>	<b>1.30</b>	<b>.80</b>

**Budget Detail**

Salaries, Wages, & Benefits	\$ 98,265	\$ 79,365	\$ 59,620
Supplies	29,307	28,805	26,850
Services & Charges	51,176	40,754	64,050
Intergovernmental Payment	20	-	-
Capital Expenditures	-	36,762	50,500
Interfund Charges	-	26,827	297,000
<b>Total Street Fund</b>	<b>\$ 178,768</b>	<b>\$ 212,513</b>	<b>\$ 498,020</b>

Fund 102	Park /Recreation Fund	City of Connell Budget 2012
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**Park and Recreation Fund**

The Parks & Recreation Fund is a special reserve fund for which receipt, disbursement and accounting of all funds appropriated by the City Council and any gifts, donations, government grants, or other funds specifically earmarked for municipal park and recreation programs are received and disbursed. The Parks & Recreation Fund was closed at the end of 2010 and all proceeds were deposited into the General Fund.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
Maintenance II	0.4	-	-
<b>Total FTE's:</b>	<b>0.4</b>	<b>-</b>	<b>-</b>

**Budget Detail**

Salaries, Wages, & Benefits	\$ 61,457	\$ -	\$ -
Supplies	\$ 12,117	-	-
Services & Charges	\$ 57,776	-	-
Intergovernmental Charges	\$ 877	-	-
Capital Outlay	\$ 351	-	-
<b>Total Parks &amp; Recreation</b>	<b>\$ 132,578</b>	<b>\$ -</b>	<b>\$ -</b>

Fund 103	Community Policing Fund	City of Connell Budget 2012
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**Community Policing Fund**

The Community Policing Fund was into which shall be paid and deposited all moneys from any source, including, but not limited to, appropriations by the City Council, donations, and proceeds from the sale of merchandise which has been designated for use in administering community policing activities and programs including the D.A.R.E. program within the City. The Community Policing Fund was closed at the end of 2010 and all proceeds were deposited into the General Fund.

**Budget Summary**

<u>Budget Detail</u>	2009 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Budget</u>
Services	\$ 1,203	\$ -	\$ -
Transfer to General Fund	\$ 10,050	-	-
<b>Total Community Policing Fund</b>	<b>\$ 11,253</b>	<b>\$ -</b>	<b>\$ -</b>

Fund: 104	Hotel/Motel Fund	City of Connell Budget 2012
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**Hotel/Motel Fund**

The Hotel/Motel Fund accounts for the receipt and expenditure of a special excise tax of two percent on the sale or charge made for the furnishing of lodging under the Revised Code of Washington 82.08. These funds will be used solely for the purpose of paying all or any part of the cost of tourist promotion, acquisition or operation of tourism-related facilities, and marketing of special events and festivals designed to attract tourists.

**Budget Summary**

<u>Budget Detail</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>
Tourism Promotion	\$ 27,536	\$13,199	\$ 23,300
<b>Total Hotel/Motel Fund</b>	<b>\$ 27,536</b>	<b>\$ 13,199</b>	<b>\$ 23,300</b>

Fund 108	Contingency Fund	City of Connell Budget 2012
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**Contingency Fund**

Contingency Fund is a special fund set up to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget. The Contingency Fund was closed at the end of 2010 and all proceeds were deposited into the General Fund.

**Budget Summary**

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Budget Detail</u></b>			
Transfer to General Fund	\$ 43,741	\$ -	-
<b>Total Contingency Fund</b>	<b>\$ 43,471</b>	<b>\$ -</b>	<b>\$ -</b>

Fund 111	General Support Fund	City of Connell Budget 2012
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**General Support**

The General Support Fund is used for the segregation, budgeting, expenditure and accounting for monies received from various activities of the general fund, and to create a tool for the express purpose of establishing current and future revenue support for general fund activities and other activities deemed appropriate by the City Council and consistent with the laws of the State of Washington.

**Budget Summary**

<u>Budget Detail</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Budget</u>
Debt Service – Loan to Water Fund	\$ -	\$ 648,000	\$ -
<b>Total General Support Fund</b>	<b>\$ -</b>	<b>\$ 648,000</b>	<b>\$ -</b>

Fund 199	Grant Management Fund	City of Connell 2012 Budget
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**Grants Management Fund**

The Grant Management Fund was established in order to effectively track, monitor and manage specific grant activity as it relates to projects by department within a fund.

**Budget Summary**

<u>Budget Detail</u>	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Budget</u>
Public Works Board – Fire Hall Impr.	\$ 175,972	-	-
Public Works Board - Ambulance	\$ 117,684	-	-
Interfund Transfer to General Fund	\$ 18,222	-	-
<b>Total Executive/Legislative Branch</b>	<b>\$ 311,877</b>	<b>\$ -</b>	<b>\$ -</b>

Fund 203	Park Bond Redemption	City of Connell Budget 2012
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**Park Bond Redemption**

The Park Bond Redemption Fund was established to collect revenues from a voted levy to repay debt issued for city park improvements. The bonds were repaid in 2007, but the fund continued to receive delinquent property tax revenues through 2010. The fund was closed in 2010 and the remaining balance was transferred to the Parks & Recreation Reserve Account.

**Budget Summary**

	2010	2011	2012
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
<u>Budget Detail</u>			
Transfer to Parks & Rec Reserve	\$ 7,887	\$ -	\$ -
<b>Total Park Bond Redemption Fund</b>	<b>\$ 7,887</b>	<b>\$ -</b>	<b>\$ -</b>

Fund 300	Capital Fund	City of Connell Budget 2012
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**Capital Facilities Fund**

Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Reserve Accounts previously held within this fund were moved to the General Reserve Fund and Street Fund in 2011.

**Capital Program**

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other long term expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditure.

**Goals for 2012**

- TIB- West Adams Street improvements.
- Date Street Sidewalk STP-Transportation Enhancement improvements.
- Chip Seal Program
- Connell Industrial Area –Access Road Construction

**Budget Summary**

<u>Budget Detail</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>
Supplies	\$ 2,877	\$ -	\$ -
Services & Charges	\$ 4,149	\$ 5,084	\$ -
Capital Outlay	\$ 589,669	\$ 33,249	\$ 1,208,500
Interfund Charges	\$ 997,346	\$ -	\$ -
<b>Total Executive/Legislative Branch</b>	<b>\$ 1,594,041</b>	<b>\$ 38,333</b>	<b>\$ 1,208,500</b>

Fund 401	Water	City of Connell Budget 2012
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**Water**

The Water Department provides planning and maintenance of water lines, wells, booster stations, reservoirs, and meters within the City. The Water Department does daily and monthly water sampling to insure the quality of the City's water supply. Once a month meters are read by the Water Department for consumer billing.

**Accomplishments for 2011**

- Engineering and Design for Klindworth/Campbell water line project.

**Goals for 2012**

- Rebuild Well 4
- Klindworth/Campbell water line project to start late spring to early summer.

**Budget Summary**

	<b><u>2010</u></b> <b><u>Actual</u></b>	<b><u>2011</u></b> <b><u>Actual</u></b>	<b><u>2012</u></b> <b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
City Administrator	.2	.2	.2
City Clerk/Treasurer	.2	.2	.2
Public Works Director	.35	.35	.35
Public Works Supervisor	.4	-	-
Building Service Clerk	.3	.3	.3
Maintenance	1.4	1.4	1.65
Deputy Clerk/Treasurer	.25	.25	.25
Accounting Clerks	<u>.60</u>	<u>.50</u>	<u>.50</u>
<b>Total FTE's:</b>	<b>3.7</b>	<b>3.2</b>	<b>3.45</b>

**Budget Detail**

Salaries, Wages, & Benefits	\$ 236,962	\$ 207,717	\$ 247,670
Supplies	\$ 59,148	\$ 64,156	\$ 57,500
Services & Charges	\$ 336,391	\$ 290,540	\$ 320,700
Capital Outlay	\$ 236,128	\$ 109,516	\$ 1,974,635
Intergovernmental Charges	\$ 106,400	\$ 161,708	\$ 135,450
Interfund Charges	\$ 137,343	\$ 882,500	\$ 396,491
Debt Service	\$ -	\$ 2,650	\$ 7,730
<b>Total Water Department</b>	<b>\$ 1,112,372</b>	<b>\$ 1,718,787</b>	<b>\$ 3,140,176</b>

Fund 402	Sewer	City of Connell Budget 2012
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**Sewer**

The Sewer Department provides for the collection and treatment of sewage. It continuously monitors and cleans sewer lines, and 6 lift stations, as well as running the Waste Water Plant with two irrigation circles.

**Accomplishments for 2011**

- Perform a sewer capacity study to be completed in 2012
- Engineering and design to replace 3000' of force main line from Clark Street going north past McGregor's.

**Goals for 2012**

- Replace 3000' of force main line from Clark Street going north past McGregor's starting early spring.
- Complete sewer capacity study.

**Budget Summary**

	<b><u>2010</u></b> <b><u>Actual</u></b>	<b><u>2011</u></b> <b><u>Actual</u></b>	<b><u>2012</u></b> <b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
City Administrator	.20	.20	.20
City Clerk/Treasurer	.15	.15	.15
Public Works Director	.25	.25	.35
Public Works Supervisor	.35	-	-
Building Service Clerk	.20	.20	.20
Wastewater Treatment Operator	1.0	1.0	.9
Maintenance II	.60	.60	.55
Deputy Clerk/Treasurer	.15	.15	.15
Accounting Clerks	<u>.45</u>	<u>.35</u>	<u>.35</u>
<b>Total FTE's:</b>	<b>3.35</b>	<b>2.9</b>	<b>2.85</b>

**Budget Detail**

Salaries, Wages, & Benefits	\$ 225,926	\$ 197,828	\$ 212,760
Supplies	\$ 35,287	\$ 31,246	\$ 47,700
Services & Charges	\$ 131,875	\$ 169,198	\$ 180,510
Capital Outlay	\$ 586,442	\$ 64,051	\$ 186,900
Intergovernmental Charges	\$ 47,439	\$ 62,689	\$ 58,000
Debt Service	\$ 68,004	\$ 68,004	\$ 68,020
<b>Total Sewer Department</b>	<b><u>\$ 1,094,973</u></b>	<b><u>\$ 593,017</u></b>	<b><u>\$ 753,890</u></b>

Fund 403	Solid Waste	City of Connell Budget 2012
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**Solid Waste**

The Solid Waste is an enterprise fund, accounting for operations much in the same way as a private business. The objective of an enterprise fund is to be self-supporting; this is accomplished by charging user fees. The City has entered into a contract with Basin Disposal, Inc. of Pasco, Washington, for collection and disposal services.

**Budget Summary**

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Personnel – Full-Time Equivalent</u></b>			
City Clerk/Treasurer	.15	.15	.15
Deputy Clerk/Treasurer	.1	.1	.1
Accounting Clerks	<u>.45</u>	<u>.39</u>	<u>.39</u>
<b>Total FTE's:</b>	<b>0.7</b>	<b>.64</b>	<b>.64</b>
<b><u>Budget Detail</u></b>			
Salaries, Wages, & Benefits	\$ 41,784	\$ 39,204	\$ 43,600
Supplies	\$ 482	\$ 546	\$ 700
Services & Charges	\$ 233,203	\$ 226,482	\$ 230,200
Capital Outlay	\$ 5,973	\$ 19,386	\$ 5,000
Intergovernmental Charges	\$ 31,918	\$ 33,748	\$ 35,500
<b>Total Solid Waste Department</b>	<b><u>\$ 313,360</u></b>	<b><u>\$ 319,365</u></b>	<b><u>\$ 315,000</u></b>

Fund 414	Drinking Water State Revolving Fund	City of Connell Budget 2012
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**DWSRF**

The DWSRF (Drinking Water State Revolving Fund) loan was taken for a waterline project within the City. This fund is a debt service fund used to set aside resources to meet current and future debt service requirements on general long-term debt.

**Budget Summary**

<u>Budget Detail</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>
Debt Service	\$ 30,582	\$ 29,983	\$ 29,390
<b>Total General Reserve Fund</b>	<b>\$ 30,582</b>	<b>\$ 29,983</b>	<b>\$ 29,390</b>

Fund 415	Water/Sewer Bond Reserve	City of Connell Budget 2012
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**Water/Sewer Bond Reserve Fund**

The Water/Sewer Bond Reserve Fund is a debt service fund used to set aside resources to meet current and future debt service requirements on general long-term debt. The fund is mandate by the ordinance authorizing the issuance of revenue bonds to pay for certain water infrastructure improvements.

**Budget Summary**

	<b><u>2010 Actual</u></b>	<b><u>2011 Actual</u></b>	<b><u>2012 Budget</u></b>
<b><u>Budget Detail</u></b>			
Transfer to Water/Sewer Bond	\$ 0	\$ 31,182	\$ 0
Redemption Fund		-	
<b>Total Water/Sewer Bond Reserve</b>	<b>\$ 0</b>	<b>\$ 31,182</b>	<b>\$ 0</b>

Fund 416	Water/Sewer Bond Redemption	City of Connell Budget 2012
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**Water/Sewer Bond Redemption**

This fund is a debt service fund used to set aside resources to meet current and future debt service requirements on general long-term debt. The City currently makes principal and interest payments on outstanding debt related to water infrastructure improvements including private and USDA-Rural Development debt from this fund.

**Budget Summary**

	<b><u>2010</u></b> <b><u>Actual</u></b>	<b><u>2011</u></b> <b><u>Actual</u></b>	<b><u>2012</u></b> <b><u>Budget</u></b>
<b><u>Budget Detail</u></b>			
USDA Debt Service	\$ 106,760	\$ 106,760	\$ 106,770
Farm Bond Debt Service	\$ 133,355	\$ 791,205	\$ 260,331
Bond Administration Expense	605	604	610
<b>Total Water/Sewer Bond Redemp</b>	<b>\$ 240,720</b>	<b>\$898,569</b>	<b>\$ 367,711</b>

**State Remittance**

The State Remittance Fund is used to account for assets held by the City of Connell in an agency capacity for others.

**Budget Summary**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b><u>Budget Detail</u></b>			
Intergovernmental Charges	\$ 32,146	\$ 31,013	\$ 50,950
<b>Total Community Policing Fund</b>	<b>\$ 32,146</b>	<b>\$ 31,013</b>	<b>\$ 50,950</b>

**WATER SYSTEM  
DEBT OBLIGATION PROJECTIONS**

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Farm Bonds (1.75 mil) Variable Interest Rate</b>											
Principal	215,000.00										
Interest	40,576.25	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50
Sub-Total	255,576.25	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50	34,737.50
Principal Balance	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00	665,000.00
<b>Waterline DWSRF Loan @ 2.5%</b>											
Principal	23,986.19	23,986.19	23,986.19	23,986.20	23,986.19	23,986.19	23,986.19	23,986.19	23,986.19	23,986.19	23,986.19
Interest	5,396.89	4,797.24	4,197.58	3,597.93	2,998.28	2,398.61	1,798.97	1,199.31	599.65		
Sub-Total	29,383.08	28,783.43	28,183.77	27,584.13	26,984.47	26,384.80	25,785.16	25,185.50	24,585.84		
Principal Balance	191,889.53	167,903.34	143,917.15	119,930.95	95,944.76	71,958.57	47,972.98	23,986.19	0.00		
<b>USDA water/Bonds (2 mil @ 4.375%)</b>											
Principal	25,991.52	27,128.65	28,315.53	29,554.33	30,847.34	32,196.91	33,605.52	35,075.76	36,610.33	38,212.03	39,883.81
Interest	80,768.48	79,631.35	78,444.47	77,205.67	75,912.66	74,563.09	73,154.48	71,684.24	70,149.67	68,547.97	66,876.19
Sub-Total	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00	106,760.00
Principal Balance	1,820,145.13	1,793,016.48	1,764,700.95	1,735,146.62	1,704,299.28	1,672,102.37	1,638,496.85	1,603,421.09	1,566,810.76	1,528,598.73	1,488,714.92
<b>Public Works Board Loan @ .50% 30yrs</b>											
Principal	1,250.00										
Interest	1,250.00										
Sub-Total	1,250.00										
Principal Balance	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00	1,358,800.00
<b>Water Right Purchase @ 5%</b>											
Principal	22,680.00	23,814.00	25,004.70	26,254.93	27,567.68	28,946.07	30,393.37	31,919.25	33,534.25	35,249.25	37,064.25
Interest	36,382.50	35,248.50	34,057.80	32,807.57	31,494.82	30,116.43	28,669.13	27,149.46	25,584.25	24,000.00	22,500.00
Sub-Total	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50	59,062.50
Principal Balance	704,970.00	681,156.00	658,151.30	629,896.37	602,328.69	573,382.62	542,989.25				
<b>General Support loan to Water @ 1%</b>											
Principal	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00
Interest	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00
Sub-Total	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00	648,000.00
Principal Balance											
<b>General Support loan to Sewer @ 1%</b>											
Principal	67,331.12										
Interest	673.31										
Sub-Total	68,004.43										
Principal Balance											
<b>Capital Leases</b>											
Police Dept Vehicles	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00	38,000.00
Public Works Dept Vehicles	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08	54,139.08
Total	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08	92,139.08
<b>TOTAL REMAINING PRINCIPAL</b>	5,388,804.66	5,313,875.82	5,236,569.40	5,156,773.94	5,074,372.73	4,989,243.56	4,901,258.48	4,299,207.28	4,238,610.76	4,200,398.73	3,512,514.92
<b>TOTAL YEARLY OBLIGATION</b>	618,575.34	327,882.51	327,282.85	324,544.13	323,944.47	323,344.80	322,745.16	743,221.71	172,483.34	147,897.50	795,897.50

**WATER SYSTEM  
DEBT OBLIGATION PROJECTIONS**

**Farm Bonds:**

In 2000 the City issued bonds for the purchase of the Rodstol Farm. These were redeemed in 2005 and newbonds were issued. In 2011 the City retired Series A of the bonds through an interfund loan from the General Support Fund.

**DWSRF Loan:**

In 2001 the City obtained a loan for the replacement of a mainline on the east side of town and the replacement of existing waterlines in Striker.

**USDA Bonds:**

In 2004 the City issued bonds for improvements to the water system that included a waterline from the farm and improvements to Terrace Hights and Sagewood.

**PWB Loan:**

In 2011 the City entered into a loan agreement, for \$1,358,800, with the Public Works Board to replace deteriorated water lines in the Kindworth and Campbell additions. Actual payment amounts will not be known until project closeout in 2012.

**Water Rights:**

In 2007 the City entered into a Purchase and Sale Agreement with the Hardungs to purchase water rights. The first payment was made in 2011, subsequent payments are due on the annual anniversary date of each year until the eighth year at which time the entire remaining balance shall be paid in full.

**General Support loan-Water:**

In 2011 Council approved an interfund loan from General Support to the Water fund to retire the 2005A Bond Series. The loan for \$648,000 @ 1% per annum on the outstanding principal balance shall not exceed eleven years.

**General Support loan-Sewer:**

In 2009 Council approved an interfund loan from the General Support to the Sewer fund in the amount of \$200,000 at 1% for three years.

**Capital Leases**

The Police Dept will acquire three new full size pursuit police vehicles with police equipment in 2012. The actual payment amounts are not know at this time.

Year	LONG TERM DEBT							Total Debt
	Farm Bonds	DWSRF	USDA Bonds	PWB	Water Rights	Water Loan		
2012	255,576.25	29,383.08	106,760.00	1,250.00	59,062.50	6,400.00	458,431.83	
2013	34,737.50	28,783.43	106,760.00		59,062.50	6,400.00	235,743.43	
2014	34,737.50	28,183.77	106,760.00		59,062.50	6,400.00	235,143.77	
2015	34,737.50	27,584.13	106,760.00		59,062.50	6,400.00	234,544.13	
2016	34,737.50	26,984.47	106,760.00		59,062.50	6,400.00	233,944.47	
2017	34,737.50	26,384.80	106,760.00		59,062.50	6,400.00	233,344.80	
2018-2022	173,687.50	75,556.50	533,800.00		629,201.21	680,000.00	2,092,245.21	
2023-2027	612,296.25		533,800.00				1,146,096.25	
2028-2032	171,855.00		533,800.00				705,655.00	
2033-2037			533,800.00				533,800.00	
2038-2042			533,800.00				533,800.00	
2043-2044			212,917.26				212,917.26	
<b>TOTALS</b>	<b>1,387,102.50</b>	<b>242,860.18</b>	<b>3,522,477.26</b>	<b>1,250.00</b>	<b>983,576.21</b>	<b>718,400.00</b>	<b>6,855,666.15</b>	

**CAPITAL FACILITIES PROJECTS**  
**FUNDS: #001, #101, #300, #401, #402, #403**

Capital expenditures are made across various funds and enterprises administered by the City. A narrative of the proposed capital expenditures in 2012 within each fund is provided below.

<b>FUND</b>	<b>NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>General 001</b>			
	<b>POLICE DEPARTMENT</b>		
	Bldg & Structures	Misc. Structure repairs & projects	2,000.00
	Machinery & Equipment	Vehicle Purchase	38,000.00
		<b>SUB-TOTAL</b>	<b>40,000.00</b>
	<b>FIRE PROTECTION</b>		
	Bldg & Structures	Fire Hall Improvements	2,000.00
	Machinery & Equipment	Cascade Air system/SCBA upgrade	10,000.00
		<b>SUB-TOTAL</b>	<b>12,000.00</b>
	<b>PARKS &amp; RECREATION</b>		
	Bldg & Structures	Basketball Court Resurfacing	3,000.00
	Other Improvements	Pool- Blue Slide	15,000.00
	Other Improvements	Striker Pavilion	3,000.00
	Other Improvements	Clark Park Trees	1,000.00
	Other Improvements	Old Town Pic Tables, Trees, Landscape	5,000.00
	Other Improvements	Playground Equipment Replacement	5,000.00
	Other Improvements	Pool Equipment	1,000.00
	Other Improvements	Pioneer Pavilion Sidewalks	4,000.00
	Machinery & Equipment	Mower Lease Payment	5,000.00
		<b>SUB-TOTAL</b>	<b>42,000.00</b>
	<b>GENERAL GOVERNMENT</b>		
		Water Rights Payment	59,000.00
		<b>SUB-TOTAL</b>	<b>59,000.00</b>
		<b>Total General Fund</b>	<b>153,000.00</b>
<b>Capital Facilities 300</b>			
		West Adams Engineering	90,000.00
		West Adams Construction	820,000.00
		Chip Seal Program	70,000.00
		East Date Street Sidewalk	53,500.00
		Connell Industrial Area Access Road	100,000.00
		East Birch Street TIB Match	75,000.00
		<b>Total Capital Facilities Fund</b>	<b>1,208,500.00</b>

<b>FUND</b>	<b>NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>Water 401</b>			
	<b>WATER IMPROVEMENT</b>		
	Construction and Engineering	Klindworth/Campbell Con. & Eng Loan	1,358,800.00
	Construction and Engineering	Klindworth/Campbell C&E Grant	540,000.00
	Bldgs & Structures	Well House Upgrade	45,000.00
	Machinery & Equip	Equipment Lease payment-includes new PW Vehicle	30,835.00
		<b>Total Water Fund</b>	<b>1,974,635.00</b>
<b>Sewer 402</b>			
	<b>WASTE WATER IMPROVEMENT</b>		
	City Engineering		16,000.00
	Buildings & Structures	Replacement of A/C in Lift Station # 5	10,000.00
	Buildings & Structures	Sewer Line Replacement	85,000.00
	Machinery & Equip	Lease payment, new jet rodder and vehicle	75,900.00
		<b>Total Sewer Fund</b>	<b>186,900.00</b>
<b>Solid Waste 403</b>			
	<b>SOLID WASTE MGMNT</b>		
	Other Improvements	Waste Receptacles & Equipment	5,000.00
		<b>Total Solid Waste Fund</b>	<b>5,000.00</b>
<b>Street Fund 101</b>			
	Other Improvements	Signage & Equipment Lease	50,500.00
		<b>Total Street Fund</b>	<b>50,500.00</b>
<b>TOTAL CAPITAL PROJECTS EXPENDITURES</b>			<b>3,578,535.00</b>

## Appendix

- A. Ordinance No. 915- Annual Budget Adoption
- B. Resolution No. 2011-16 Salary Schedules
- C. Ordinance No. 914 –Valorem General Property taxes and Levy Certification
- D. Directory of Officials
- E. Glossary of Budget Terms

CITY OF CONNELL, WASHINGTON

ORDINANCE NO. 915

AN ORDINANCE OF THE CITY OF CONNELL, WASHINGTON, ADOPTING THE ANNUAL BUDGET OF THE CITY OF CONNELL FOR THE 2012 FISCAL YEAR IN THE TOTAL AMOUNT OF \$12,940,071.00 FOR THE VARIOUS FUNDS COMBINED.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONNELL AS FOLLOWS:

**SECTION 1.** The annual budget for the City of Connell for the year 2012, and each and every item thereof as fixed and determined in the preliminary budget, as revised by the City Council, is hereby adopted. A copy of the detailed budget consisting of approximately 80 pages may be obtained from the Connell City Clerk during business hours. A summary of said budget is as follows:

FUND #	FUND TITLE	REVENUES	EXPENDITURES
001	General Fund	2,668,100.00	2,668,100.00
002	General Reserve Fund	801,430.00	801,430.00
101	Street Fund	629,750.00	629,750.00
104	Hotel/Motel Tax Fund	69,600.00	69,600.00
111	General Support Fund	1,076,800.00	1,076,800.00
300	Capital Facilities Fund	1,333,910.00	1,333,910.00
401	Water Utility Department Fund	3,767,760.00	3,767,760.00
402	Sewer Utility Department Fund	1,406,790.00	1,406,790.00
403	Solid Waste Fund	389,100.00	389,100.00
414	DWSRF Loan (CTED)	29,390.00	29,390.00
415	Water/Sewer Bond Reserve	245,440.00	245,440.00
416	Water/Sewer Bond Redemption	465,601.00	465,601.00
633	State Remittance Fund	56,400.00	56,400.00
	<b>TOTAL</b>	<b>\$12,940,071.00</b>	<b>\$12,940,071.00</b>

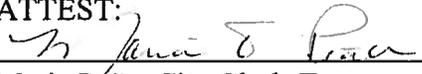
**SECTION 2.** The total of the estimated revenues and expenditures for the various funds combined of the City of Connell for the fiscal year ending December 31, 2012 are fixed at \$12,940,071.00.

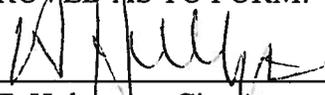
**SECTION 3.** This ordinance shall be in force and effect five days following the date of its passage and publication in the official newspaper of the City.

ORDINANCE NO. 915  
ADOPTING THE 2012 BUDGET  
Page 2.

PASSED by the City Council for the City of Connell, Washington, this 7 day of December, 2011; and APPROVED by the Mayor this 7 day of December, 2011.

  
\_\_\_\_\_  
Garland D. Walton, Mayor

ATTEST:  
  
\_\_\_\_\_  
Maria Peña, City Clerk-Treasurer

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
Dan F. Hultgren, City Attorney

INTRODUCED: 12/7/11  
ADOPTED: 12/7/11  
APPROVED: 12/7/11  
PUBLISHED: 12/15/11, 2011 in the Franklin County Graphic,

A COPY OF THIS ORDINANCE WAS SENT TO THE OFFICE OF THE STATE AUDITOR ON THE 8 DAY OF November, 2011.

**City of Connell, Washington**

**RESOLUTION NO. 2011-16**

**A RESOLUTION SETTING SALARY SCHEDULES FOR 2012.**

WHEREAS, the City Council of the City of Connell has discussed salaries for city employees for the year 2012, and

WHEREAS, salaries for said positions incorporated herein appear to be just and reasonable, and

NOW, THEREFORE, THE City Council of the City of Connell do resolve as follows:

SECTION 1: The salary matrix shall reflect a 2% Cost of Living Adjustment (COLA) upon the current 2011 salary matrix which has been established by council and discussed previously with employees to be for Non-Union employees. The Union salary negotiations have been finalized, the salaries set forth in this resolution reflect a 1.5% Cost of Living Adjustment (COLA) upon the current 2011 Union salary matrix. Employee salaries are also reflective of the increase by range and step; and various other adjustments as presented by department heads or by contract and approved by council.

<b><u>POSITION</u></b>	<b><u>MONTHLY SALARY RANGE</u></b>
City Administrator	6,345.94 – 7,577.39
City Clerk/Treasurer	4,509.94 – 5,385.11
Deputy City Clerk/Treasurer	3,205.13 – 3,827.10
Accounting Clerk	2,636.87 – 3,148.56
Accounting Clerk	2,636.87 – 3,148.56
Building Services Clerk	3,205.13 – 3,827.10
Park and Recreation Director (Reg. Part Time)	900.00 – 3,000.00
Fire Chief	4,972.21 – 5,937.08
Public Works Director	4,509.94 – 5,385.11
Wastewater Treatment Plant Operator	3,365.39 – 4,018.45
Maintenance Position III/Water Operator	3,052.51 – 3,644.85
Maintenance Position II	2,768.71 – 3,305.99
Maintenance Position II	2,768.71 – 3,305.99
Maintenance Position II	2,768.71 – 3,305.99
Maintenance Position II	2,768.71 – 3,305.99
Police Chief	5,220.82 – 6,233.94
Police Sergeant	4,102.82 – 4,617.76

<u>POSITION</u>	<u>MONTHLY SALARY RANGE</u>
Police Patrolman	3,716.95 – 4,183.46

SECTION 2: This resolution shall be in full force and effect January 1, 2012.

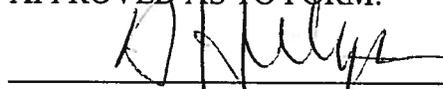
PASSED BY THE CITY COUNCIL of the City of Connell, Washington, and  
APPROVED by the Mayor this 7 day of December, 2011.

  
Garland D. Walton, Mayor

ATTEST:

  
\_\_\_\_\_  
Maria T. Peña, City Clerk-Treasurer

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Dan F. Hultgrenn, City Attorney

INTRODUCED:

12/7/11

ADOPTED:

12/7/11

APPROVED:

12/7/11

**CITY OF CONNELL, WASHINGTON**

**ORDINANCE NO. 914**

AN ORDINANCE OF THE CITY OF CONNELL, WASHINGTON,  
RELATING TO THE AMOUNT NECESSARY TO BE LEVIED BY AD  
VALOREM GENERAL PROPERTY TAXES.

**WHEREAS**, the City Council of the City of Connell, pursuant to RCW 84.55.120, gave proper notice for the public hearing on revenue sources; has met and considered it's budget and revenue sources for the 2012 calendar year; and

**WHEREAS**, the City of Connell's actual levy amount from the previous year was \$339,761.00; and

**WHEREAS**, the City Council adopted Ordinance No. 907 authorizing a ballot measure that would institute a property tax levy lid lift of \$0.40 per thousand dollars of assessed valuation (AV) for funding parks and recreation services; and

**WHEREAS**, Ordinance No. 907 specified the City Council's intent to increase the previous year's levy by one percent (1%) plus the value of new construction and add \$0.40 per thousand dollars AV to the levy; and

**WHEREAS**, Connell Proposition No. 1 was approved by voters authorizing the levy lid lift; and

**WHEREAS**, the population of the City of Connell is less than 10,000; and now, therefore,

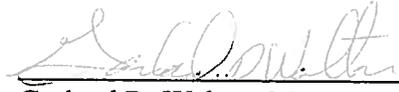
**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONNELL, WASHINGTON**, as follows:

Section 1. An increase in the regular property tax levy is hereby authorized for the levy to be collected for the 2012 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$56,323 which is a percentage increase of 16.57% from the previous year. The increase includes the maximum amount authorized for collection in 2012 under Chapter 84.55 RCW plus \$0.40 per \$1,000 of assessed value as authorized with the passage of Connell Proposition No. 1.

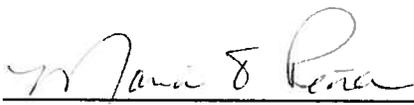
Section 2. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

ORDINANCE NO. 914  
AD VALOREM GENERAL PROPERTY TAXES  
Page 2.

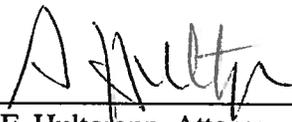
PASSED by the City Council for the City of Connell, Washington, this 7  
day of December, 2011; and APPROVED by the Mayor this 7 day of  
December, 2011.

  
\_\_\_\_\_  
Garland D. Walton, Mayor

ATTEST:

  
\_\_\_\_\_  
Maria T. Peña, City Clerk-Treasurer

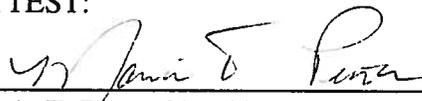
APPROVED AS TO FORM:

  
\_\_\_\_\_  
Dan F. Hultgren, Attorney

INTRODUCED: 12/7/11  
ADOPTED: 12/7/11  
APPROVED: 12/7/11  
PUBLISHED: 12/15/11 in the Franklin County graphic.

A copy of this Ordinance was mailed to the FRANKLIN COUNTY COMMISSIONERS,  
Franklin County, Washington, and the FRANKLIN COUNTY ASSESSOR, Franklin  
County, Washington on the 8 day of November, 2011.

ATTEST:

  
\_\_\_\_\_  
Maria T. Peña, City Clerk-Treasurer



# Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Maria T. Pena,  
(Name)

City Clerk Treasurer, for City of Connell, do hereby certify to  
(Title) (District Name)

the Franklin County legislative authority that the City Council  
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2012 as provided in the district's  
(Year of Collection)

budget, which was adopted following a public hearing held on 12/07/11 :  
(Date of Public Hearing)

Regular Levy: \$401,871.57  
(State the total dollar amount to be levied)

Excess Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Refund Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Signature: 

Date: 1/17/12

**CITY OF CONNELL**  
**2012 DIRECTORY OF OFFICIALS**

<u>Elected Officials</u>		<u>Position</u>	<u>Term</u>	<u>Expiration</u>
MAYOR	Garland "Gary" Walton	No. 1	4	December 2013
COUNCILMEMBER	Jared Broberg	No. 2	4	December 2013
COUNCILMEMBER	Rhonda Quinton	No. 3	4	December 2013
COUNCILMEMBER	Lee Barrow	No. 4	4	December 2013
COUNCILMEMBER	Jim Klindworth	No. 5	4	December 2015
COUNCILMEMBER	Monica Pruet	No. 6	4	December 2015

**Appointed**

CITY ADMINISTRATOR	Steve Taylor
CITY CLERK/TREASURER	Maria Peña
POLICE CHIEF	Michael Kessler
PUBLIC WORKS DIRECTOR	Larry Turner
FIRE CHIEF	Chris Schulte

**Park & Recreation Board Members**

Board Members	Term Ends
1. Helen Tobin	5/31/2014
2. Gene Stocking	5/31/2013
3. Carol Lindner	5/31/2012
4. Vacant	5/31/2016
5. Rhonda Quinton	5/31/2015

**Planning Commission Members**

Commission Members	Term Ends
1. Molly Kunkel	12/31/2014
2. Roger Bailie	12/31/2013
3. Bruce Bowen	12/31/2012
4. Darrell Ferguson	12/31/2017
5. Casey Hart	12/31/2016

**Mailing Address**

CITY HALL	104 E. Adams Street PO Box 1200 Connell, WA 99326-1200 Phone # (509) 234-2701 Fax # (509) 234-4140
CITY ATTORNEY	Dan Hultgren 1915 Sun Willows Blvd Suite A Pasco, WA 99301 Phone # (509) 545-8531

## Glossary of Budget Terms

**Accounting System** The total structure of records and procedures designed to discover, record, classify, summarize and report information on the financial position and results of operations of a government or any of its funds or organizational components.

**Accounting Period** A period at the end of which and for which financial statements are prepared.

**Annual Budget** A budget applicable to single fiscal year.

**Appropriation** A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

**Ad. Valorem Tax** (Property Tax): A tax levied on the assessed value of real property.

**Assessed Valuation** A valuation set upon real estate or other property by the County Assessor as a basis for levy property taxes.

**BARS** Budgeting, Accounting and Reporting System. Refers to the accounting rules established by the WA State Auditor's Office.

**Bond** A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest a specified rate.

**Budget** A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

**Capital Assets** Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

**Capital Outlay** Expenditures which result in the acquisition of or addition to capital assets.

**Capital Project Fund** Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

**Cash Basis** The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

**Debt** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, warrants, contracts, accounts payable, and notes.

**Debt Service** Payment of interest and principal on borrowed money according to a predetermined payment schedule.

**Ending Fund Balance** The cash balance remaining at the end of the fiscal year available for appropriation in future years.

**Expenditures** Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

**Fiscal Year** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations.

## **Glossary of Budget Terms**

**Fund** A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, and related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

**General Ledger** A book, file, or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity.

**Grant** An external contribution of gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility.

**Infrastructure** Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

**Internal Control** Internal control comprises the plan of organization, and all of the coordinate methods and measures adopted within a government to accomplish its objectives.

**Interfund Transfers** The movement of monies between funds of the same governmental entity.

**Levy** (*verb*) – To impose taxes, special assessments or service charges for the support of government activities. (*noun*) – The total amount of taxes, special assessments or service charges imposed by a government.

**Long-Term Debt** Debt with a maturity of more than one year after the date of issuance.

**Operating Budget** Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even when not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

**Ordinance** A statute or regulation enacted by City Council.

**Personnel Benefits** Those benefits paid by the City as part of the conditions of employment. Examples include insurance and retirement benefits.

**Revenues** Increase in the net current assets of a government fund type from other than expenditure refunds and residual equity transfers. Also, increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfer.