

2017 BUDGET CITY OF DAYTON



JANUARY 1, 2017 – DECEMBER 31, 2017

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MAYOR'S BUDGET MESSAGE

Coming Soon.

DRAFT

HISTORY OF DAYTON, WASHINGTON

Rich in history, Dayton was originally explored by Lewis and Clark during their expedition, Corps of Discovery. They camped on the Patit Creek just east of Dayton on their return in 1806. At that time Dayton's Main Street was a racetrack for regional Indian Tribes. The first settlers in 1859 used the land for grazing, but by 1861 had turned to farming wheat and other grain because of the highly fertile soil and the adequate rainfall. The town had been platted in 1871 by Jesse N. and Elizabeth Day and was officially incorporated by Jesse Day on November 10, 1881.

Dayton boasts the oldest train depot in the state (1881) and the oldest working county courthouse (1887). Both have been lovingly restored to their original splendor. Today, this thriving county seat honors its rich past with walking tours, annual festivals, home tours, and continued preservation and restoration of the community's history.

Dayton offers a warm and friendly rural, small town atmosphere with spectacular views of the Blue Mountains. The city is nestled in the foothills close to one of the most magnificent natural wonders of our region, Palouse Falls. Also, Dayton is within an easy drive to some of the most prestigious wineries in Washington State.



Location of Dayton, Columbia County, Washington

Coordinates: 46°19'11"N 117°58'40"W, Total Area of Land: 1.5 sq. miles,
Elevation: 1660 feet, Population: 2526 (2010 Census)

FORM OF GOVERNMENT

The City of Dayton is a “Code City” as described under Title 35A in the Revised Code of Washington. It operates under a mayor-council form of government with seven (7) elected council members serving various terms. The Mayor serves as the chief administrative officer of the City and the Council functions as the legislative body.

The City is also served by Congressional District 5 and Legislative District 16.

BUDGET PROCESS

Budgeting is an essential element of the financial planning, control and evaluation process of government. The planning process involves determining the types and levels of services to be provided by at the various departments, programs and functions.

The City of Dayton budgets annually on the calendar year beginning January 1 and ending December 31. Budget amendments are limited by state law (RCW 35A.33.120).

Allocations are made based on fund structure, limiting uses outside of each fund. Funds are segregated to carry on specific objectives and budgeted on a cash basis in accordance with the Revised Code of Washington, RCW 35.33.

Appropriations for each fund in the budget constitute maximum expenditure authorizations during the year and cannot be legally exceeded until subsequently amended by the City Council.



CABOOSE PARK

2016-2017 CITY OF DAYTON MAYOR AND CITY COUNCIL

Mayor

Craig George

Term expiring 12/31/2019

Council Members

V. Delphine Bailey

Term expiring 12/31/2017

Kathy A. Berg

Term expiring 12/31/2017

Michael Paris

Term expiring 12/31/2017

Dain Nysoe

Term expiring 12/31/2019

Zac Weatherford

Term expiring 12/31/2019

Byron Kaczmariski

Term expiring 12/31/2019

Christine Broughton

Term expiring 12/31/2017

***“Unity is strength... when there is teamwork and collaboration,
wonderful things can be achieved.”***

Mattie Stepanek

ORDINANCE NO. _____

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF DAYTON, WASHINGTON FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017.

WHEREAS, the Mayor of the City of Dayton, Washington completed and placed on file with the city clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said city for the fiscal year ending December 31, 2017 and a notice was published that the Council of said city would meet on the 28rd day of November, 2016, and the 5th day of December, 2016, at the hour of 6:00 p.m., or soon thereafter, at the Council Chambers in the City Hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and,

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

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

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

Section 1. The budget for the City of Dayton, Washington, for the year 2017 is hereby adopted at the fund level in its final form and content as set forth in the document entitled City of Dayton, 2017 Budget (Attachment "A"), three copies of which are on file in the Office of the Clerk.

Section 2. Estimated resources for each separate fund of the City of Dayton, and aggregate expenditures for all such funds for the year 2017 are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 2017 as set forth in the City of Dayton, 2017 Budget:

<u>FUND</u>	<u>RESOURCES/APPROPRIATIONS</u>
CURRENT EXPENSE	\$1,121,400
CITY STREET & ROAD	\$337,500
MOTEL/HOTEL EXCISE TAX	\$52,500
CAPITAL IMPROVEMENTS	\$978,300
SEWER REVENUE	\$1,005,700

<u>FUND</u>	<u>RESOURCES/APPROPRIATIONS</u>
SEWER CUMULATIVE RESERVE	\$410,400
WATER REVENUE	\$995,900
WATER CUMULATIVE RESERVE	\$279,800
W & S SYSTEM DEBT RESERVE	\$398,100
W & S SYSTEM DEBT SERVICE	\$641,800
CEMETERY ENDOWMENT	\$404,000
LIBRARY ENDOWMENT	\$168,900
PATHWAY ENDOWMENT	\$9,000
TOTAL 2017 BUDGET	\$6,803,300

Section 3. As prescribed by RCW 35A.33.075, the City Clerk-Treasurer is directed to transmit a certified copy of the budget hereby adopted to the Washington State Auditor's Office and to the Association of Washington Cities.

Section 4. The salaries and wages set forth in the City of Dayton, 2017 Budget constitute the appropriations for salaries and wages that will be paid to the legislative body and employees of the City of Dayton. The number of full-time positions as stated in the budget is, insofar as can be ascertained, the number of positions ordinarily filled. The compensation to each employee affected may differ from the amount specified in the budget, so long as the compensation does not exceed the amount appropriated in the 2017 budget.

Section 5. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council of the City of Dayton and approved by the Mayor on this ____ day of _____, 2016.

Craig George, Mayor

Attest:

Approved as to form:
Menke Jackson Beyer, LLP

Trina Cole, City Clerk-Treasurer

By: Quinn N. Plant, City Attorney

2017 Schedule of Sources and Uses

FUND	FUND NAME	2016 BUDGET	2017 BUDGET	DIFFERENCE Incr. (Decr.)	INCREASE/ DECREASE
001	CURRENT EXPENSE:				
	<u>Departments</u>				
	Non-Departmental	\$85,600	\$85,300	(\$300)	-0.35%
	General Govt.	\$67,200	\$51,000	(\$16,200)	-24.11%
	Judicial	\$103,600	\$104,700	\$1,100	1.06%
	Clerk/Treasurer	\$65,900	\$72,200	\$6,300	9.56%
	City Attorney	\$18,000	\$25,000	\$7,000	38.89%
	Levee Maintenance	\$24,000	\$15,600	(\$8,400)	-35.00%
	Code Enforcement	\$33,400	\$25,700	(\$7,700)	-23.05%
	Planning	\$68,500	\$71,600	\$3,100	4.53%
	Law Enforcement	\$377,300	\$375,900	(\$1,400)	-0.37%
	Animal Control	\$18,400	\$22,400	\$4,000	21.74%
	Parks	\$110,100	\$122,600	\$12,500	11.35%
	Pool	\$67,500	\$70,500	\$3,000	4.44%
	Cemetery	\$64,500	\$64,400	(\$100)	-0.16%
	Library	\$7,000	\$7,000	\$0	0.00%
	Delany Building	\$7,500	\$7,500	\$0	0.00%
	Total Current Expense	\$1,118,500	\$1,121,400	\$2,900	0.57%
103	CITY STREET & ROAD	\$298,000	\$337,500	\$39,500	13.26%
106	HOTEL MOTEL EXCISE TAX	\$59,500	\$52,500	(\$7,000)	-11.76%
301	CAPITAL IMPROVEMENTS	\$267,700	\$978,300	\$710,600	265.45%
401	SEWER REVENUE	\$1,049,500	\$1,005,700	(\$43,800)	-4.17%
402	SEWER CUMULATIVE RESERVE	\$235,000	\$410,400	\$175,400	74.64%
403	WATER REVENUE	\$972,700	\$995,900	\$23,200	2.39%
404	WATER CUMULATIVE RESERVE	\$312,000	\$279,800	(\$32,200)	-10.32%
413	WATER & SEWER SYSTEM RESERVE	\$398,100	\$398,100	\$0	0.00%
414	WATER & SEWER SYSTEM DEBT SERVICE	\$506,900	\$641,800	\$134,900	26.61%
601	CEMETERY ENDOWMENT	\$369,500	\$404,000	\$34,500	9.34%
602	LIBRARY ENDOWMENT	\$168,900	\$168,900	\$0	0.00%
603	HISTORIC PATHWAY ENDOWMENT	\$9,000	\$9,000	\$0	0.00%
	GRAND TOTAL ALL FUNDS	\$5,765,300	\$6,803,300	\$1,038,000	18.00%

2017 BUDGET
TOTAL ALL FUNDS
=
\$6,803,300

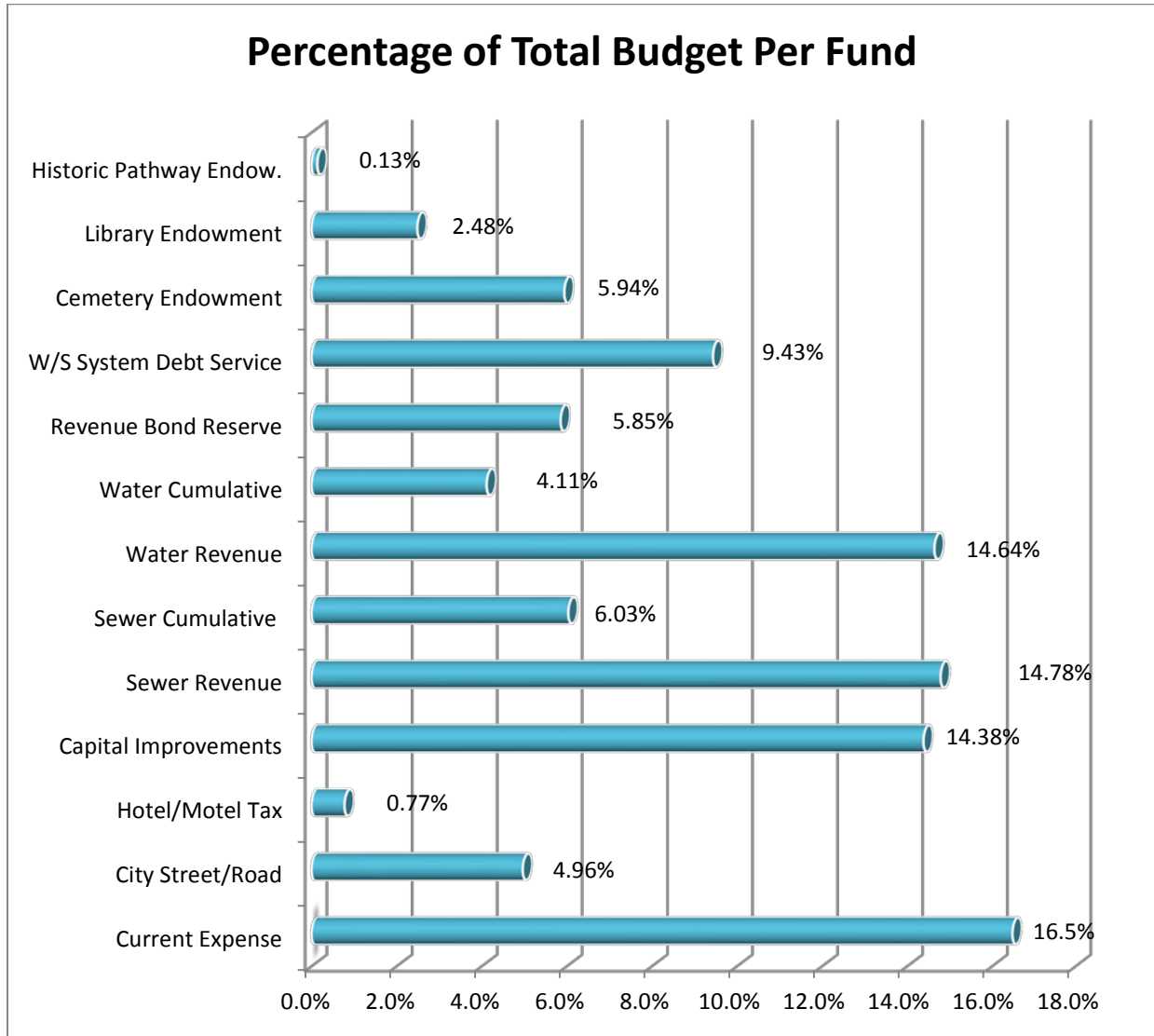
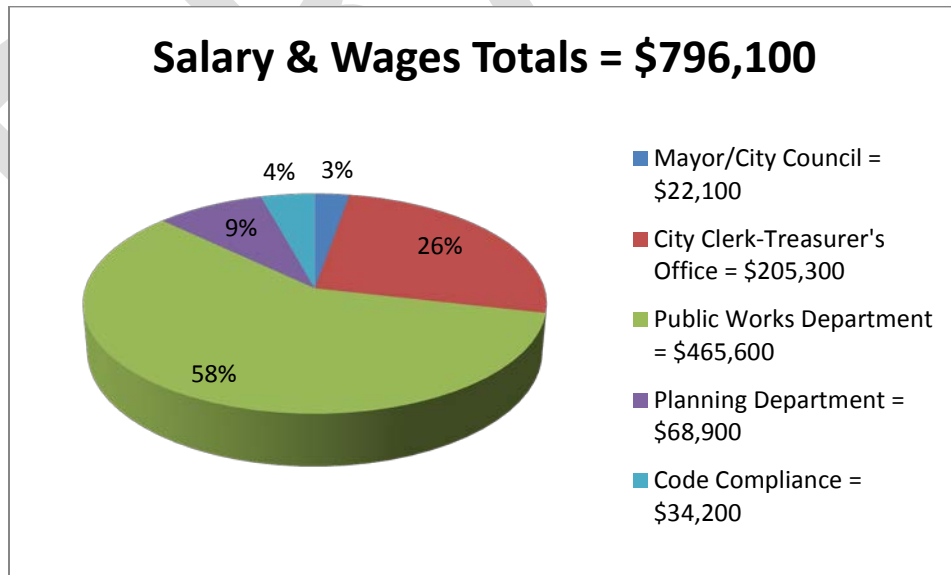


Figure A

2017 Employee Allocations by Funding Source

Coming Soon.



ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF DAYTON, WASHINGTON ADOPTING THE
2017 SALARY SCHEDULE FOR THE CITY OF DAYTON.**

Section 1. Salary Schedules for Non-Contractual Employees.

Position	Formal Salary Scale – Monthly	
	Low	High
Public Works Director	\$ 4,800	\$ 6,800
Public Works Foreman	\$ 3,950	\$ 5,600
City Clerk-Treasurer (Administrator)	\$ 4,850	\$ 6,450
Deputy City Clerk-Treasurer	\$ 3,800	\$ 5,250
Planning Director	\$ 4,100	\$ 5,750
Code Enforcement Officer	\$ 2,500	\$ 2,900
Hourly Wage Scale		
Seasonal/Part-time Positions	Maximum Wage Rate	\$13.00

SECTION 2. Appropriations. The salaries and wages set forth in the 2017 City of Dayton Budget constitute the appropriations for salaries and wages that will be paid to the legislative body and non-contractual and contractual (union) employees of the City of Dayton. The numbers of positions as stated in the budget are, insofar as can be ascertained, the number of positions ordinarily filled.

SECTION 3. Exclusions. The salary and wage schedules are exclusive of overtime, compensatory time and/or merit compensation as provided by the City of Dayton Personnel Policies effecting non-contractual, non-exempt employees or as specified in the current Union effecting contractual employees. As a result, the compensation to each employee affected may differ from the amount specified in this schedule, so long as the compensation does not exceed the amount appropriated in the 2017 City of Dayton Budget.

SECTION 4. Effective Date. A summary thereof of this Ordinance consisting of its title shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

Passed by the City Council of the City of Dayton on this _____ day of _____, 2016.

City of Dayton

By: Craig George, Mayor

Attest:

Trina Cole, City Clerk-Treasurer

Approved as to form:
Menke Jackson Beyer, LLP

By: Quinn N. Plant, City Attorney

DRAFT

001 CURRENT EXPENSE FUND

<u>REVENUES</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Fund Balances	\$ 203,000	\$ 226,100	\$ 383,907	\$ 182,688	\$ 251,849
Taxes	\$ 706,000	\$ 688,000	\$ 726,071	\$ 945,614	\$ 685,332
License and Permits	\$ 9,000	\$ 9,000	\$ 9,460	\$ 10,620	\$ 4,722
Intergovernmental Revenues	\$ 60,400	\$ 55,400	\$ 79,363	\$ 143,997	\$ 74,372
Charges for Goods & Services	\$ 38,000	\$ 38,500	\$ 40,584	\$ 70,897	\$ 335,141
Fines and Forfeitures	\$ 65,500	\$ 65,000	\$ 61,796	\$ 43,390	\$ 48,782
Miscellaneous Revenues	\$ 39,500	\$ 36,500	\$ 55,674	\$ 55,607	\$ 12,339
Total Current Expense Fund	\$ 1,121,400	\$ 1,118,500	\$ 1,356,854	\$ 1,452,813	\$ 1,412,537

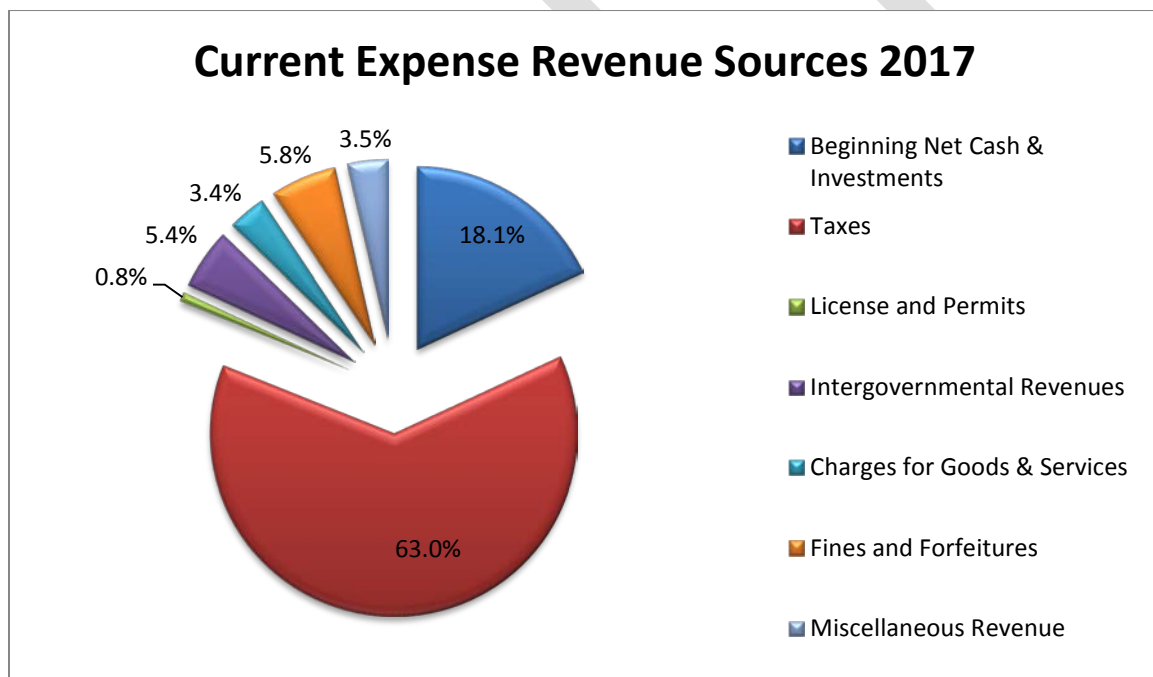


Figure B

NARRATIVE: Current Expense Fund revenues fund the various services accounted for in the Current Expense Fund, such as Legislative (Mayor-Council), Finance (Clerk-Treasurer), City Attorney, Law Enforcement, Municipal Court Services, Parks, Swimming Pool, a portion of Planning and Code Compliance, Cemetery, and Library/Delany Building contractual obligations . Most of these services are not self- supporting but rely upon the general taxation authority provided to cities which includes, but is not limited to Excise, Business & Occupation, Sales & Use, and Real & Personal Property Taxes. About 63%, or \$706,000, of the Current Expense's revenues is generated by these taxing authorities. Details are reflected in Figure C below.

**2017 CURRENT EXPENSE TAX AUTHORITY REVENUES =
\$706,000**

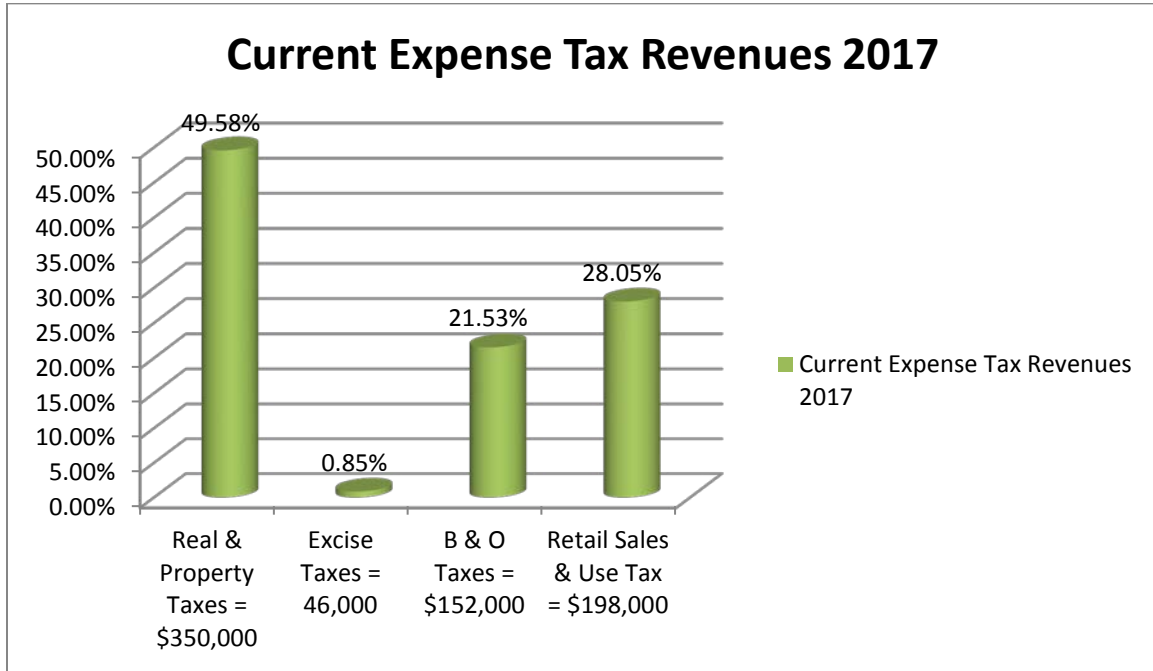


Figure C



CURRENT EXPENSE FUND - EXPENDITURES

NON-DEPARTMENTAL					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Fund Balance	\$ 44,800	\$ 42,600	\$ 153,327	\$ 383,737	\$ 150,359
Transfer to Cemetery	\$ -	\$ -	\$ 37,150	\$ -	\$ 15,594
ERR	\$ -	\$ -	\$ -	\$ -	\$ 600
Interfund Transfer to LEOFF 1 Reserve Fund	\$ 15,000	\$ 12,000	\$ -	\$ -	\$ -
Interfund Loan Repayments/Interest	\$ -	\$ -	\$ -	\$ 18,239	\$ 18,239
Intergovernmental Services	\$ 25,500	\$ 31,000	\$ 186,175	\$ 15,859	\$ 17,715
Total Non-Departmental Services	\$ 85,300	\$ 85,600	\$ 376,653	\$ 417,836	\$ 202,508

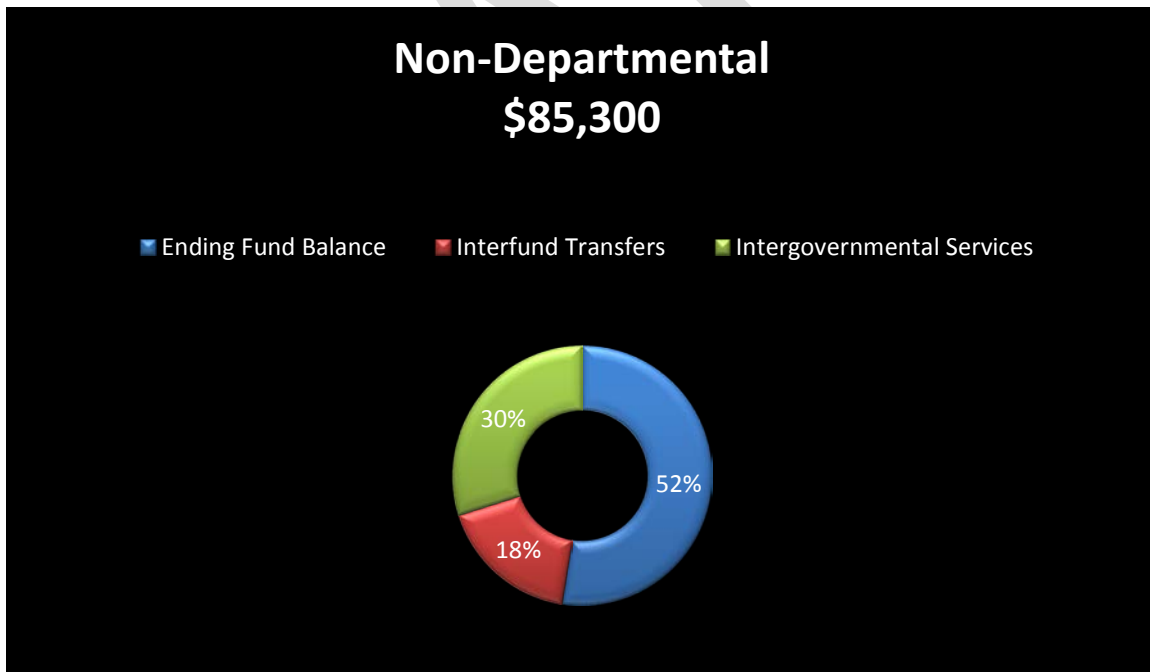


Figure D

GENERAL GOVERNMENT SERVICES - CITY COUNCIL					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 22,100	\$ 22,100	\$ 25,845	\$ 24,150	\$ 24,000
Benefits	\$ 2,000	\$ 2,000	\$ 2,027	\$ 1,845	\$ 1,871
Supplies	\$ 1,000	\$ 3,000	\$ 1,782	\$ 3,967	\$ 4,726
Other Services & Charges	\$ 15,300	\$ 30,500	\$ 24,257	\$ 18,174	\$ 36,658
Intergovernmental Services	\$ 10,600	\$ 9,600	\$ 834	\$ 6,423	\$ 6,585
Capital Expenditures	\$ -	\$ -	\$ 4,311	\$ -	\$ -
Total General Government Services	\$ 51,000	\$ 67,200	\$ 59,054	\$ 54,559	\$ 73,840

NARRATIVE: The General Government Services Department reports all costs associated with activities of the Mayor and Council and other general expenses of the local government. Some examples of the general expenses are legal publication services, election services, voter registration costs, and liability insurance.

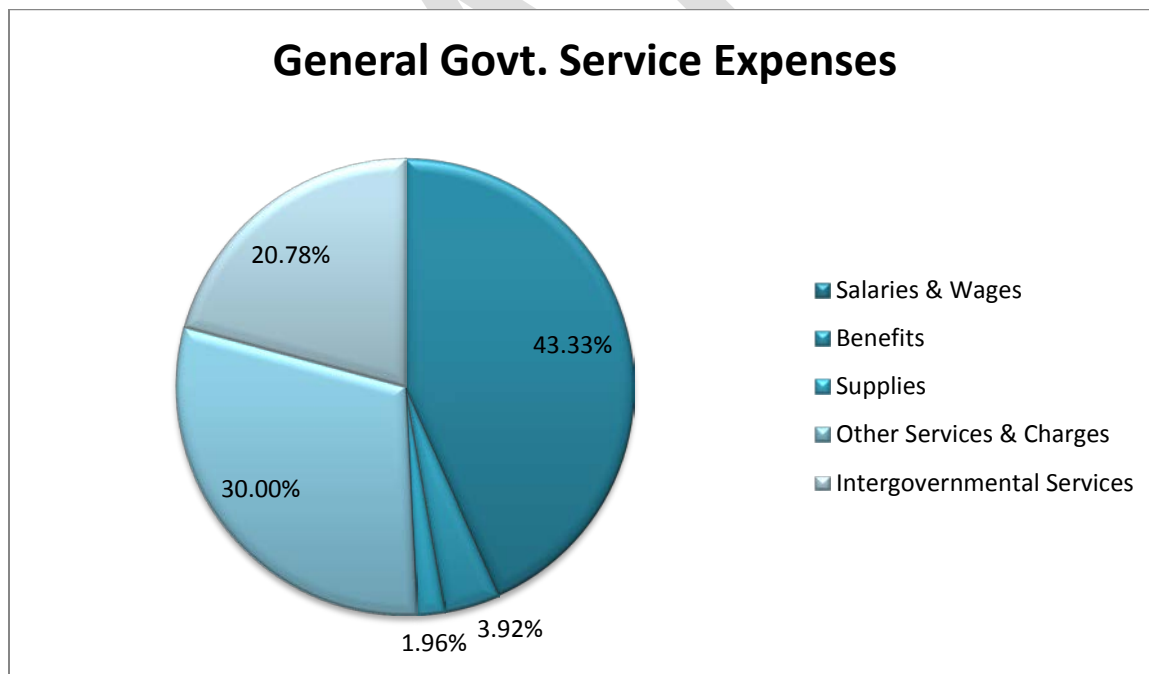
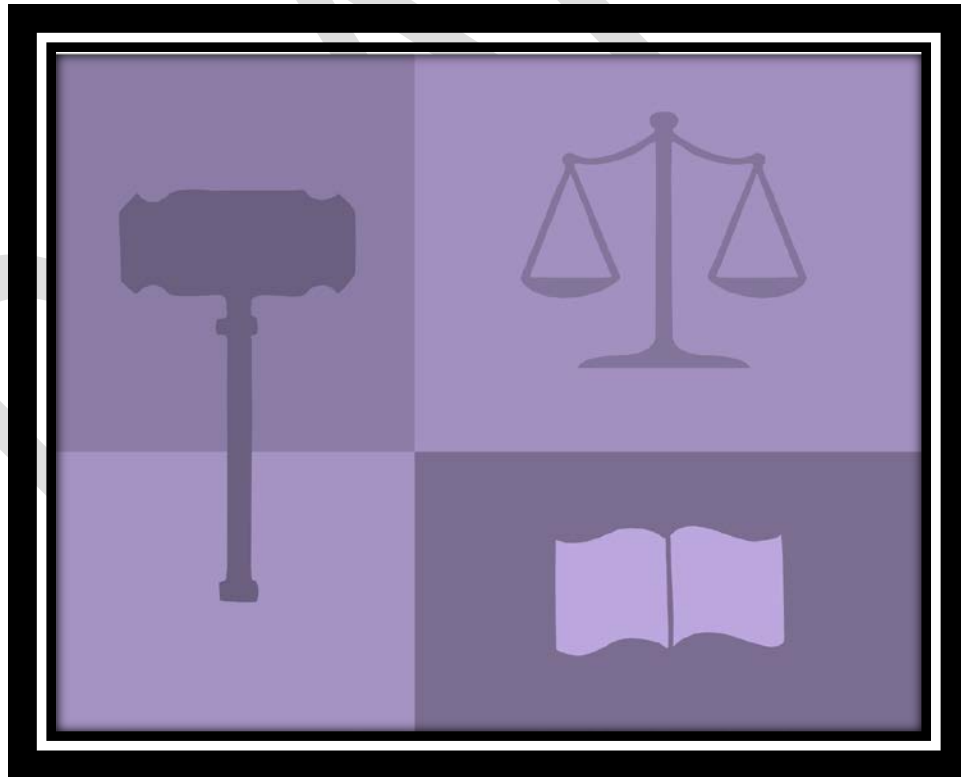


Figure E

MUNICIPAL COURT SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Intergovernmental Services	\$ 104,700	\$ 103,600	\$ 103,513	\$ 103,513	\$ 103,513
Total Municipal Court Department	\$ 104,700	\$ 103,600	\$ 103,513	\$ 103,513	\$ 103,513

NARRATIVE: The mission of any municipal court is to lawfully, ethically, and efficiently administer justice for misdemeanor, traffic and municipal code violations within the City.

The City continues to contract with Columbia County to provide Dayton with municipal court services. However, the City will begin negotiating a new interlocal agreement in 2017 for fiscal year 2018.



CITY CLERK-TREASURER					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 30,900	\$ 35,000	\$ 23,886	\$ 33,235	\$ 19,880
Benefits	\$ 13,300	\$ 8,200	\$ 8,577	\$ 9,328	\$ 5,358
Supplies	\$ 3,500	\$ 2,500	\$ 12,376	\$ 4,102	\$ 2,352
Other Services & Charges	\$ 12,500	\$ 19,700	\$ 19,445	\$ 32,295	\$ 5,505
Intergovernmental Services	\$ 12,000	\$ 500	\$ 1	\$ 1,011	\$ -
Total Clerk-Treasurer Services	\$ 72,200	\$ 65,900	\$ 64,284	\$ 79,971	\$ 33,095

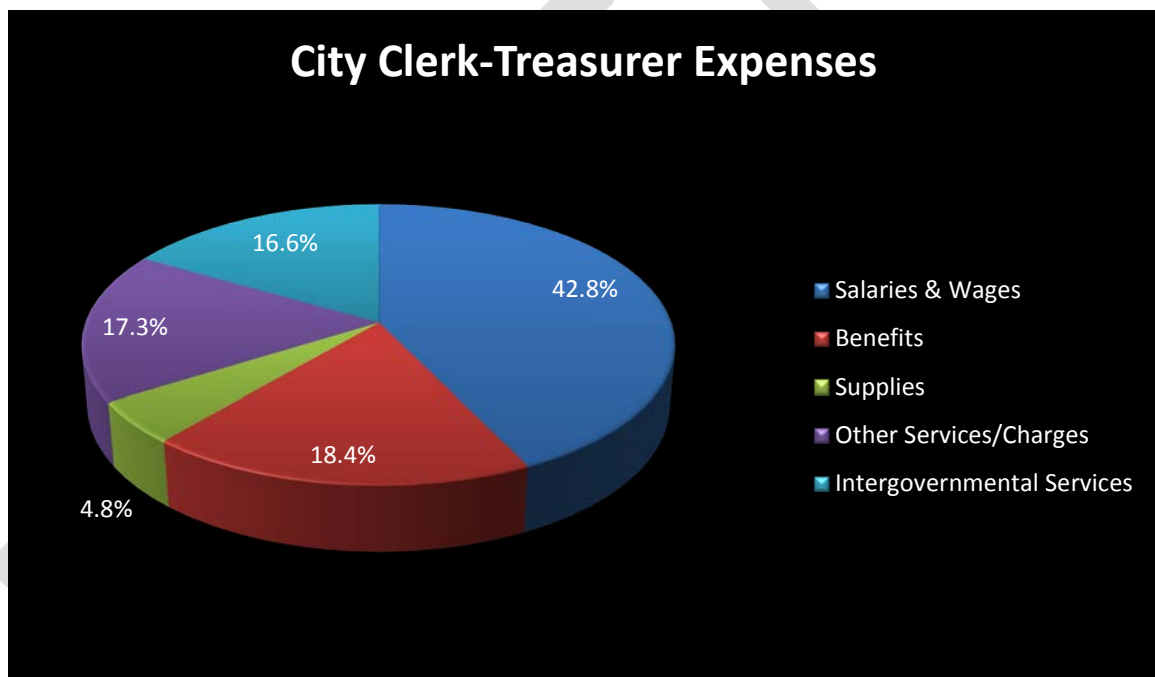


Figure F

NARRATIVE: The City Clerk-Treasurer Department serves as the chief advisory department to the legislative body, administration, and department staff on all municipal financial matters, provides leadership in the development of long- and short-term goals, including the city budget, and makes recommendations to the city council for action.

The employees of the City Clerk-Treasurer's Office play many roles and serve several varied functions, not only for the public, but for the municipality as well. Some functions of the department also include:

- Billing and collections of revenues for utilities and the cemetery;
- Preparing the bi-monthly payroll and associated reporting to state and federal agencies;
- Annual budget preparation and continued monitoring of the financial status of the City
- Preparation and processing of city vendor payments;

- Billing and collection of business and occupation, gambling and utility taxes;
- Processing and collection of animal license fees and fines;
- Preparation of council agenda packets and meeting minutes;
- Finalization and publication of all ordinances and resolutions;
- Central repository of city government records;
- Central depository for all city funds and responsible for investment of cash reserves;
- Utility accounting to include job costing, inventory control, collections and tax reporting;
- Receive and fulfill public records requests as prescribed by the Revised Code of Washington

CITY CLERK-TREASURER'S PRIMARY GOALS FOR 2017

1. *Add one additional staff position to assist with customer service needs, website management, potentially social media tools, and other administrative assistant needs.*
2. *Continue improving communication between the citizens and the City.*
3. *Maximize training opportunities for all personnel.*
4. *Review, research and update, if applicable, the City's overhead cost-allocation program.*
5. *Continue to improve City's public records filing system to easily access and fulfill public records requests including, but not limited to electronic/cloud storage options.*
6. *Continue to review and update Dayton Municipal Codes.*
7. *Resume work towards creating a successful cross-training program for all of the Clerk-Treasurer's Office functions.*
8. *Develop and implement an investment policy.*
9. *Research and create a street financing plan that includes capitalizing on outside resources in conjunction with leveraging funding from the recently created Transportation Benefit District.*
10. *Maintain work on creating a Street Policy that encompasses not only motorists, but bicyclists and pedestrians opening up the City's opportunity for additional grant funding through the Complete Streets State Grant Program.*
11. *Complete the Water Utility Rate Study that will assist in creating a financial plan to allow the continued implementation of the 2015 Water System Plan authorized by the City Council in September 2015.*
12. *Research and pursue Community Block Grant Funding to potentially assist in various programs such as affordable housing, water and sewer utility improvements, or economic improvement programs.*
13. *Work directly with the various state and federal agencies to successfully create and implement a large-scale street and utility improvement project.*
14. *Research funding options to implement the design of the levee deficiency correction allowing construction to begin in 2017 or 2018.*
15. *Research and surplus unused/unneeded city property.*
16. *Aggressively research grant opportunities to assist in planning and implementing capital improvement programs.*
17. *Assist in coordinating the Wastewater Treatment Plant Construction Project efforts.*
18. *Contribute staffing time towards the 2014-2016 State Auditor's 3-year Audit.*

CITY ATTORNEY					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Other Services & Charges	\$ 25,000	\$ 18,000	\$ 20,895	\$ 17,232	\$ 22,273
Total City Attorney Services	\$ 25,000	\$ 18,000	\$ 20,895	\$ 17,232	\$ 22,273

NARRATIVE: The City contracts for legal services with a Menke Jackson Beyer, LLP, on an hourly basis.

The City Attorney acts as the legal adviser to the Mayor, City Council and Staff. This includes reviewing ordinances, resolutions, the form of all contracts and insurance policies for the City. Also, the City Attorney is heavily involved in personnel issues, including hiring procedures, grievances, and disciplinary actions.

LEVEE MAINTENANCE					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 6,900	\$ 5,500	\$ 4,990	\$ 208	\$ 21,038
Benefits	\$ 3,200	\$ 3,000	\$ 2,586	\$ 40	\$ 3,604
Supplies	\$ 1,500	\$ 1,500	\$ 1,235	\$ -	\$ 5,641
Other Services & Charges	\$ -	\$ 6,000	\$ -	\$ 48,771	\$ 38,866
Intergovernmental Services	\$ 4,000	\$ 8,000	\$ -	\$ -	\$ -
Total Levee Maintenance	\$ 15,600	\$ 24,000	\$ 8,811	\$ 49,020	\$ 69,150

NARRATIVE: The City is required to operate and maintain its levee system along the Touchet River in compliance with the United States Army Corps of Engineers (USACE) levee requirements. The purpose of this levee is to protect our community in the event of a high water event. Failure to maintain the system in an adequate manner not only compromises the health, safety and welfare of our community, but also could result in decertification of our levee system by the USACE. Decertification would result in the loss of FEMA insurance coverage and/or assistance in the event of a natural disaster such as a high water event. Without such coverage, the City would not be in a financial situation to rebuild the community following an event such as the Flood of 1996.

Annually, USACE performs a levee inspection and submits a Continuing Eligibility Inspection (CEI) Report outlining the health of our levee system. Although our levee is considered acceptable, it is only marginally acceptable. The 2013 CEI Report outlined several deficiencies needing attention to maintain an acceptable rating. In 2014, the City hired Anderson Perry and Associates to prepare the Touchet River Levee Deficiency Correction and Prioritization Plan. This plan clearly outlines a maintenance and improvement program along with the associated costs. In 2016, the construction design engineering phase began with the intention of constructing the improvement

in 2017. However, construction may not begin until 2018. The program will also be funded through the Streets, Water and Sewer Funds due to the value of protection of the City's infrastructure in the event of a flood disaster.

In addition, the City will utilize the Washington State Department of Corrections to perform annual maintenance needs on the levee removing vegetation not only within the Touchet River system, but the Patit Creek as well. The City has allocated 20-days, with the help of Department of Corrections, towards the annual levee maintenance program.

Also, the City will continue to pursue flood control funding alternatives of maintenance and improvement programs.

In 2017, the City will continue working towards the creation of a flood control district to assist in maintaining and operating both the Touchet River and the Patit Creek river systems.

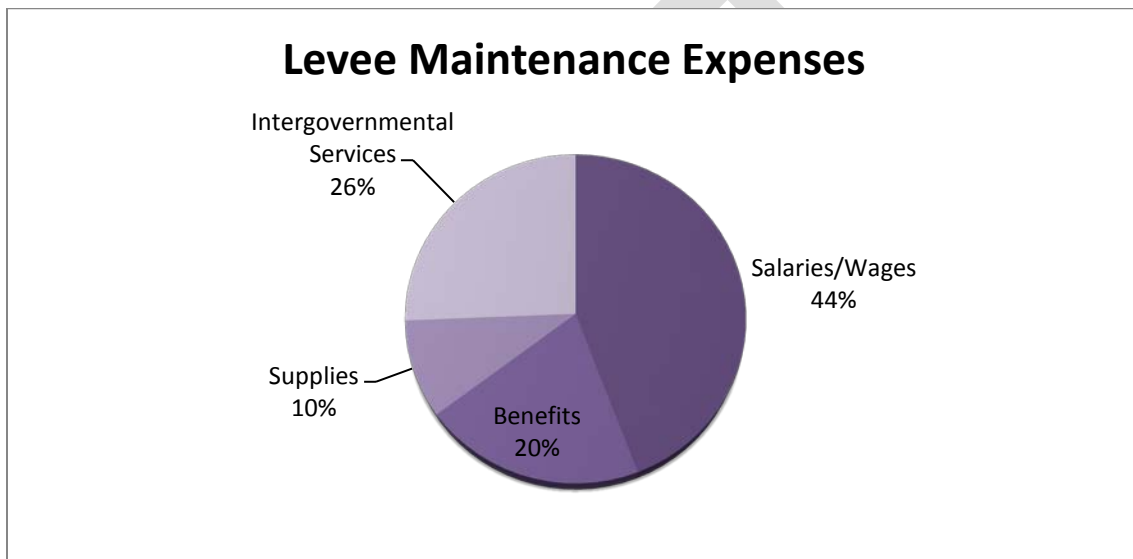


Figure G



CODE COMPLIANCE/NUISANCE ABATEMENT SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 11,500	\$ 23,000	\$ 5,886	\$ 9,969	\$ -
Benefits	\$ 8,400	\$ 7,900	\$ 1,976	\$ 3,197	\$ -
Supplies	\$ 900	\$ 1,300	\$ 186	\$ -	\$ -
Other Services & Charges	\$ 2,400	\$ 1,200	\$ 98	\$ 91	\$ -
Intergovernmental Services	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfer	\$ 2,500	\$ -	\$ -	\$ -	\$ -
Total Code Compliance/Nuisance Abatement Services	\$ 25,700	\$ 33,400	\$ 8,146	\$ 13,257	\$ -

NARRATIVE: Based on direction from the City Council following a budget workshop held in October 2016, the City's approach to code compliance and nuisance abatement will continue to pursue code compliance based on an aggressive approach. That is, the City's code compliance program will not only be driven on a complaint basis, but also, on an apparent violation basis that of which will be equitably enforced community-wide to the best of the City's ability.

The Code Enforcement Officer will be the primary contact for land use complaints while actively pursuing and enforcing City health, safety codes and ordinances. It is the City's intent that the new aggressive code compliance program will help the public understand their rights and obligations ensuring a stable improvement to the quality of life by providing stable improvement to the quality of our community's neighborhoods.

The code compliance program is partially funded through Streets, Water Revenue and Sewer Revenue Funds in addition to the Current Expense Fund.

CODE COMPLIANCE/NUISANCE ABATEMENT SERVICES PRIMARY GOALS FOR 2017

1. Establish new city codes to allow enforcement in areas that are not currently covered.
2. Promote the "See Something Say Something" campaign locally with partnerships between local law enforcement, health department, and schools.
3. Support current public committees and programs that are currently in place to promote a safe community.
4. Continue updating the tracking system to be able to track types and frequency of violations allowing for season and location specific programs.
5. Increase efficiency in information input and logging by having a portable computer for the compliance officer to take with them to investigate new and open cases.
6. Joint effort with animal control to purchase a net gun to update current animal capture equipment. This would make a safer and more efficient capture for both the officer and animal. With more fowl in the city it is a much safer way to capture.
7. Additional training in commercial and residential ICC building codes.
8. Increase education via the City's website.
9. Address vegetation overgrowth impeding the community's ability to safely travel along the right of ways, streets, alleyways and sidewalks.

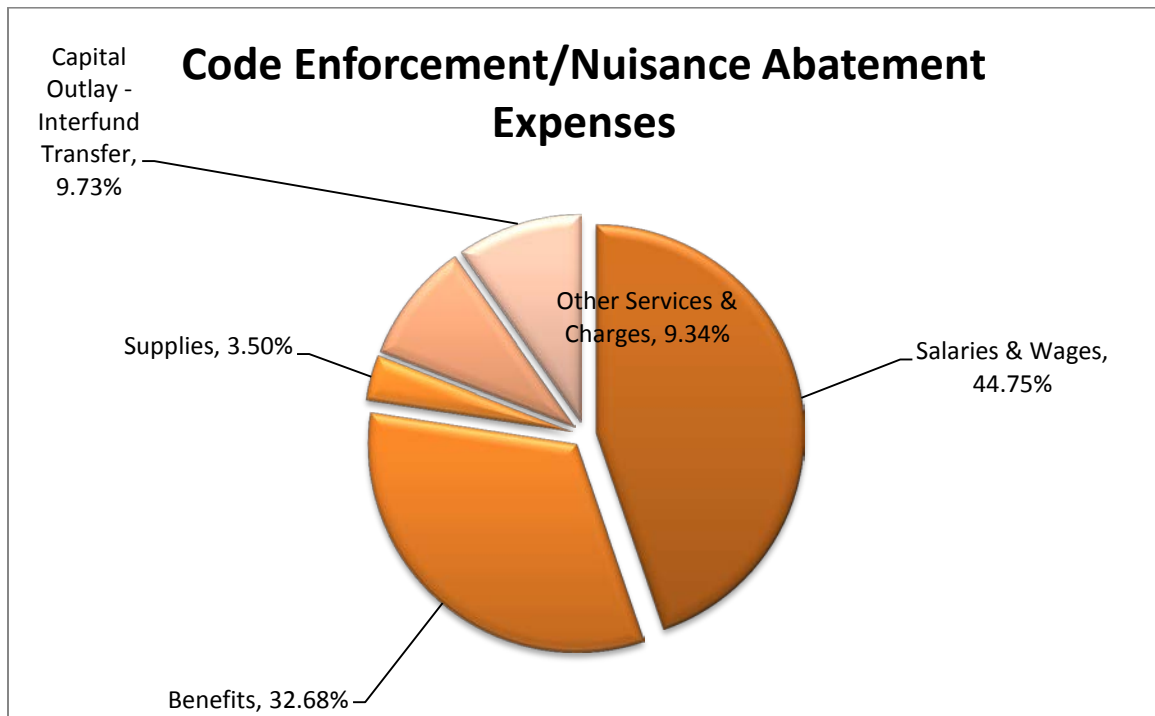


Figure H

PLANNING					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 34,500	\$ 39,000	\$ 35,895	\$ 23,304	\$ 17,230
Benefits	\$ 15,700	\$ 12,500	\$ 12,011	\$ 7,693	\$ 5,415
Supplies	\$ 2,500	\$ 4,600	\$ 5,858	\$ 1,849	\$ 3,069
Other Services & Charges	\$ 15,400	\$ 9,900	\$ 15,002	\$ 44,727	\$ 1,070
Intergovernmental Services	\$ 2,500	\$ 2,500	\$ -	\$ -	\$ -
Interfund Transfer - Equipment	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Total Planning & Community Development	\$ 71,600	\$ 68,500	\$ 68,766	\$ 77,574	\$ 26,784

NARRATIVE: The Planning Department's mission is to guide Dayton from its past and its present into the future, to advise and inform the public concerning policies that serve to protect the environment and to preserve the City's unique identity and quality of life. The Planning Department's main functions are long-range planning, current use planning, and historic preservation.

Long-Range Planning includes compliance with the Growth Management Act (GMA) and the development of the City's Comprehensive Plan. The Comprehensive Plan establishes the City's

goals and policies to guide the City in its decision making and provides a level of certainty for the private sector when making decisions. The "Comp Plan" is the community's basic guide to land use, economic development, housing, historic preservation, shorelines, capital facilities, transportation, utilities and parks.

The Dayton Planning Commission falls under the Planning umbrella. This is a Commission of five citizens, appointed by the Mayor and confirmed by City Council. The Planning Department presents proposed Comp Plan and development regulations for public hearing and consideration to the Planning Commission. The result of this process advises the City Council when they are considering formal action on policy and development code amendments and/or updates.

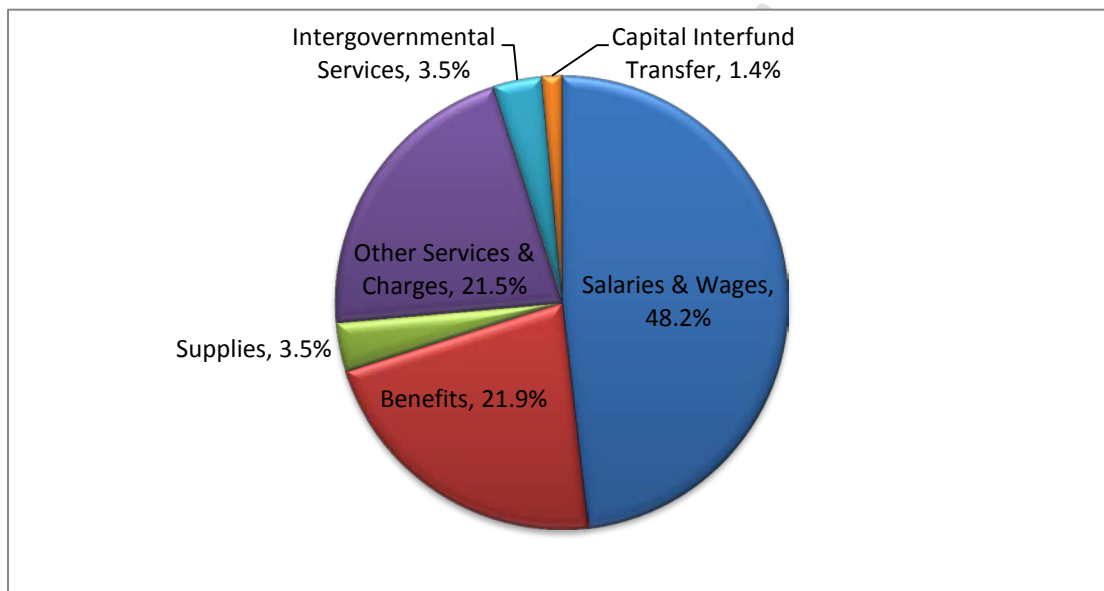
Current-Use Planning includes answering general zoning, land development and planning program questions, reviewing proposed annexations, land use and development permit for various types of development projects, compliance with the Comp Plan, zoning, land division, environmental regulations including State Environmental Policy Act (SEPA), shorelines and critical areas. The City also uses a Hearing Examiner for certain land-use applications.

Historic Preservation includes to facilitating Certificate of Appropriateness review, and implementing historic preservation programs. All of this is accomplished by the Dayton Historic Preservation Commission and the Planning Director. The Commission consists of seven members appointed by the Mayor and confirmed by City Council. Its responsibilities include identifying and actively encouraging the conservation of the City of Dayton's historic resources by initiating and maintaining a register of historic places and reviewing proposed changes to register properties; to raise community awareness of the City's history and historic resources; and to serve as the City's primary resource in matters of history, historic planning and preservation.

PLANNING DIRECTOR'S PRIMARY GOALS FOR 2017

1. *Prepare the Dayton Comprehensive Plan Periodic Update which began in 2016 and will extend to 2019 or 2020. This update will consider those topics to keep the City in compliance with the Growth Management Act (GMA), addition of policy to elevate the City's ability to receive award of grants. Focus of grants for infrastructure to promote healthy communities, complete streets, economic development, and land uses focusing on residential and industrial property usage.*
2. *Research and obtain grant resources for technical background data and writing to support Comprehensive Plan Periodic Update, Caboose Park, juvenile fish pond and other city planning or construction projects.*
3. *Coordinate a homeowner forum and website materials with Blue Mountain Action Council, Pacific Power, Dayton Historic Preservation Commission, Washington State Department of Archaeology and Historic Preservation (WADAHP). The forum is to assist low income families, aging seniors, and owners of historic homes to find resources to maintain, and/or modify their homes to meet their housing needs.*
4. *Maintain quick application review timelines associated with the processing of building permits and land use applications.*
5. *Develop informational assistance bulletins to assist citizens viewing the City website and provide information associated with zoning, building, historic preservation and shorelines management topics.*

6. Draft environmental documents to assist other City department's programs and projects, such as SEPA documents and programmatic best management practices for maintenance along shorelines and streams.
7. Revise Historic Preservation bylaws and application forms for consistency with new 2016 policies and codes.
8. Update Historic Preservation Records on new WADAHP WISAARD and City Inventory.
9. Create City Property GIS Overlay as a tool for easy access to City property mapping, tracking properties for surplus, and other information.



Planning Department Expenses - Figure I

LAW ENFORCEMENT AND DISPATCH SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Intergovernmental Services	\$ 337,500	\$ 337,500	\$ 337,428	\$ 337,428	\$ 337,428
Personnel Benefits (LEOFF 1 Retirees Only)	\$ 38,400	\$ 39,800	\$ 42,253	\$ 37,296	\$ 36,738
Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Total Law Enforcement Services	\$375,900	\$ 377,300	\$ 379,681	\$ 374,724	\$ 374,166

NARRATIVE: The City of Dayton contracts with Columbia County for law enforcement services. The contract provides for 24-7 law enforcement coverage and dispatch services for our citizens.

The City also continues to provide benefits (health care insurance, long-term care insurance and co-payment) support to LEOFF 1 Retirees. This program is mandated by State law. There are two (2) Retirees covered under these benefits.

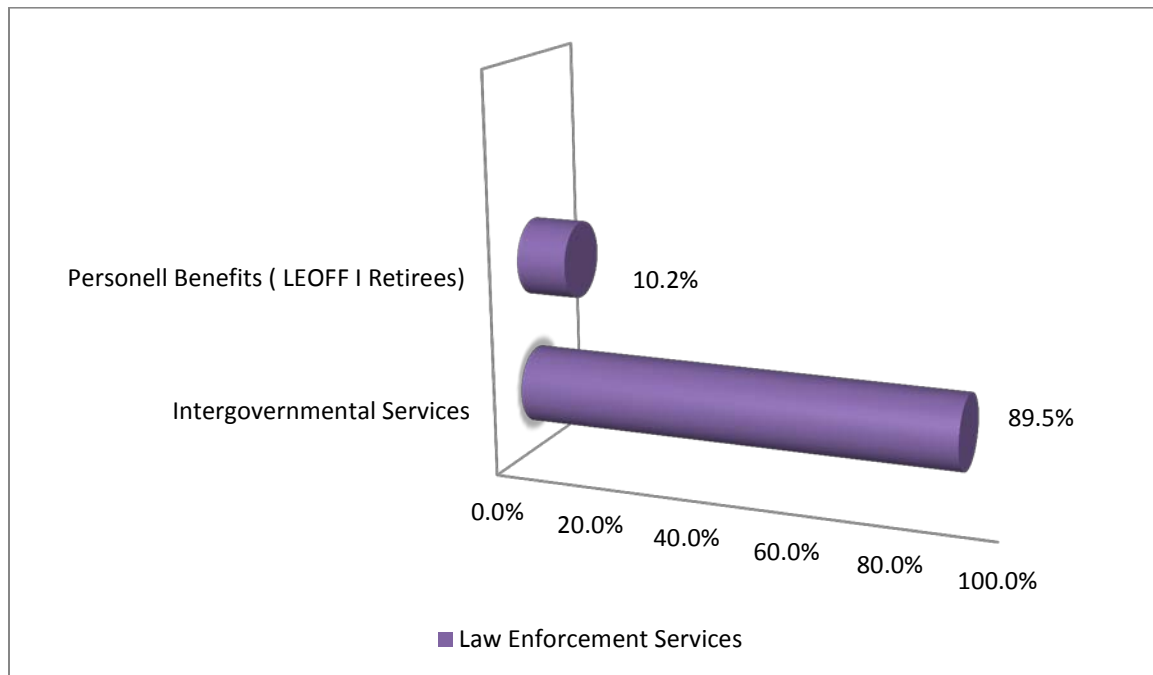


Figure J

ANIMAL CONTROL SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 11,600	\$ 11,000	\$ 12,221	\$ 11,404	\$ 8,326
Benefits	\$ 5,300	\$ 4,500	\$ 4,937	\$ 3,943	\$ 2,885
Supplies	\$ 1,200	\$ 1,200	\$ 579	\$ 552	\$ 1,409
Other Services & Charges	\$ 1,800	\$ 1,700	\$ 1,182	\$ 1,033	\$ 1,147
Capital - Equipment	\$ 2,500	\$ -	\$ -	\$ -	\$ -
Total Animal Control Services	\$ 22,400	\$ 18,400	\$ 18,919	\$ 16,931	\$ 13,767

NARRATIVE: The purpose of the City of Dayton Animal Control Office is to provide a safe community, free of stray and dangerous animals, by enforcing animal control ordinances and laws and by educating the public to be responsible pet owners.

The Animal Control Department consists of one Animal Control Officer (ACO). The City Clerk-Treasurer's Office provides licensing services.

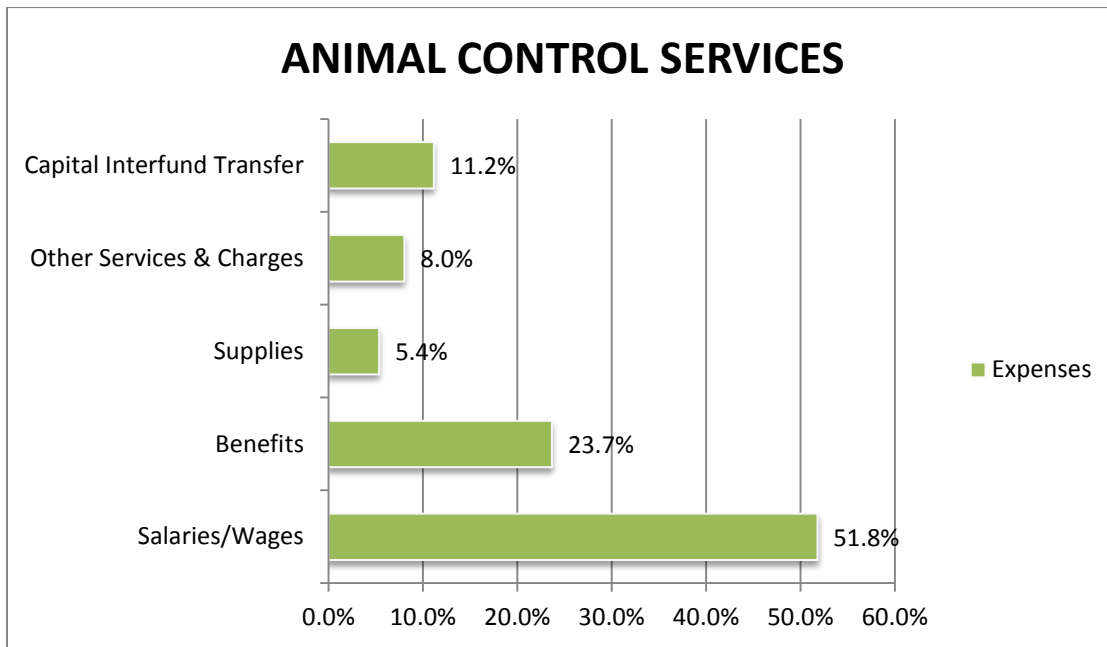


Figure K

ANIMAL CONTROL DEPT'S PRIMARY GOALS FOR 2017

1. Continue to increase responsible pet owner awareness.

CITY PARKS					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 56,500	\$ 41,000	\$ 51,053	\$ 38,129	\$ 38,455
Benefits	\$ 30,800	\$ 16,100	\$ 21,037	\$ 15,347	\$ 13,870
Supplies	\$ 7,000	\$ 20,200	\$ 8,099	\$ 6,503	\$ 9,192
Other Services & Charges	\$ 20,600	\$ 19,300	\$ 16,972	\$ 21,290	\$ 16,480
Intergovernmental Services	\$ -	\$ 6,000	\$ -	\$ -	\$ 870
Debt Service	\$ 7,700	\$ 7,500	\$ -	\$ -	\$ -
Total City Park Services	\$ 122,600	\$ 110,100	\$ 97,162	\$ 81,269	\$ 78,866

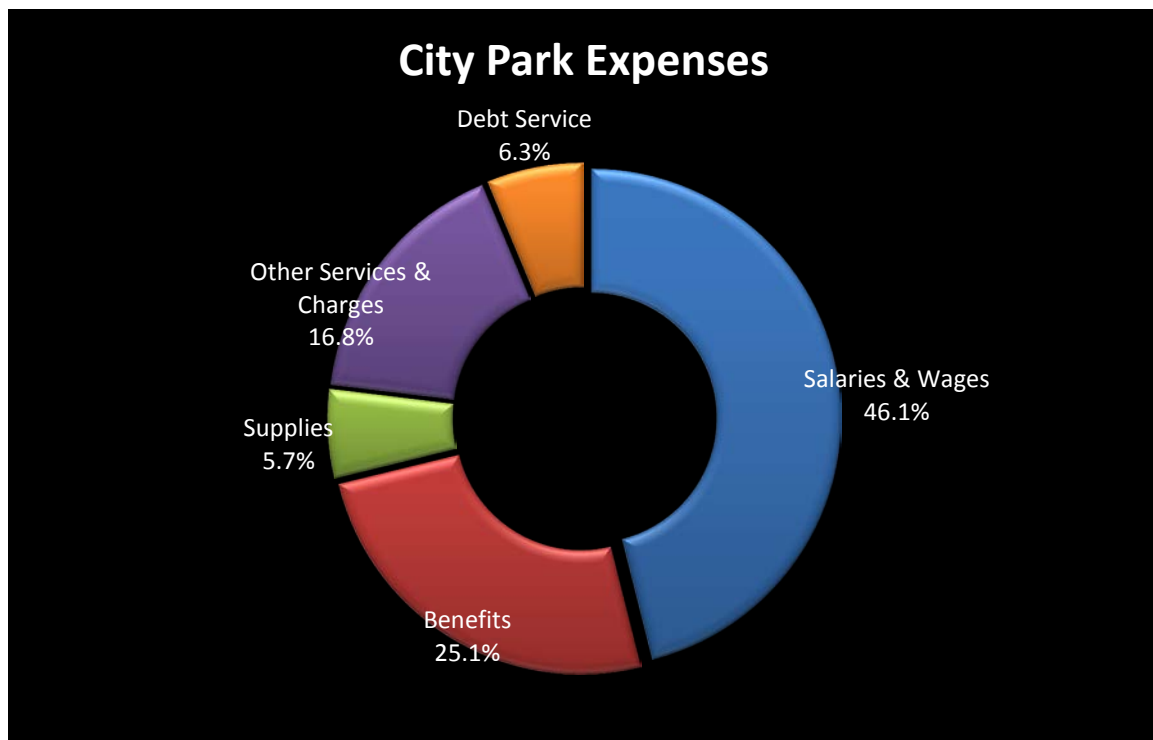


Figure L

PARKS DEPARTMENT'S PRIMARY GOALS FOR 2017

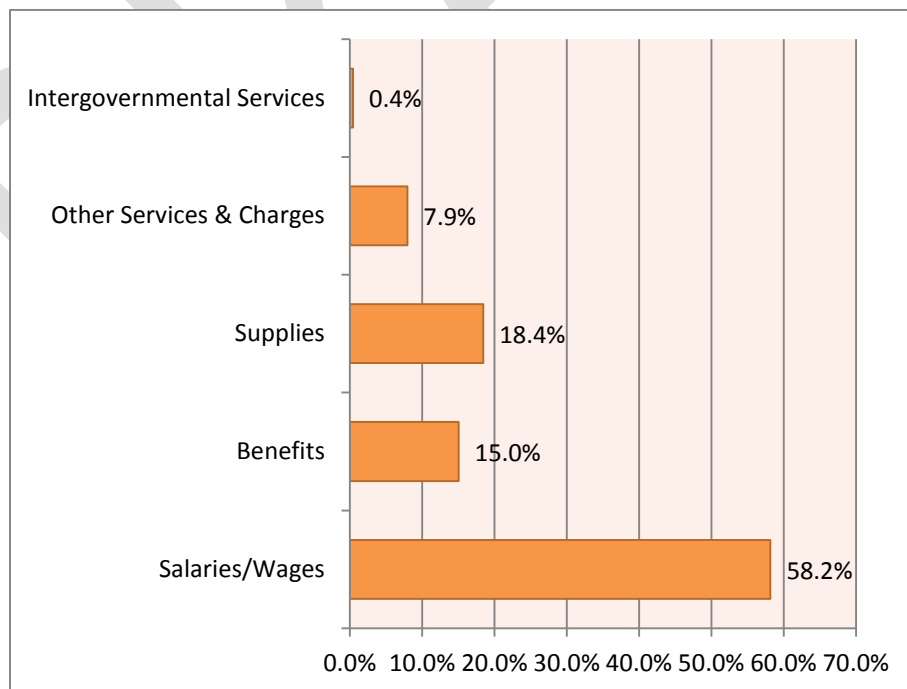
1. Final payment for interfund loan to Cemetery Endowment Fund for 2014 lawn mower purchase.
2. Utilize Washington State Department of Corrections to meet routine maintenance needs.

SWIMMING POOL SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 41,000	\$ 41,000	\$ 36,873	\$ 40,054	\$ 46,042
Benefits	\$ 10,600	\$ 9,800	\$ 9,179	\$ 8,410	\$ 8,990
Supplies	\$ 13,000	\$ 11,000	\$ 13,999	\$ 12,189	\$ 21,832
Other Services & Charges	\$ 5,600	\$ 5,400	\$ 5,538	\$ 5,472	\$ 4,809
Intergovernmental Services	\$ 300	\$ 300	\$ 320	\$ 173	\$ 277
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Swimming Pool Services	\$ 70,500	\$ 67,500	\$ 65,908	\$ 66,297	\$ 81,950

NARRATIVE: The mission of the City's Park Department is to serve the citizens with public recreational facilities and recreational programs that satisfy the leisure needs and desires of the community within available resources. City staff strives to do the following:

- Provide sufficient public recreational areas and facilities that are planned and designed to meet the needs and desires of all the residents of the City of Dayton which do not conflict with the responsibilities of Federal, State, Local, School District and private interests.

- Increase the efficiency of the parks program operation by reviewing all aspects of park operations and maintenance practices by replacing outdated and inefficient systems and equipment and keep staff up to date and informed on changes.
- Provide good public relations and to be a positive resource in the community.
- Work with youth and civic groups to encourage growth, civic pride, community spirit and a healthy life style.
- Offer the highest quality recreational resources and the widest range of recreational opportunities within the resources available, as identified in the City Comprehensive Plan.



Swimming Pool Services Expenses - Figure M

CEMETERY SERVICES					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 24,910
Salaries & Wages	\$ 14,000	\$ 14,000	\$ 31,446	\$ 31,746	\$ 26,859
Benefits	\$ 9,100	\$ 6,700	\$ 10,577	\$ 9,528	\$ 9,138
Supplies	\$ 3,700	\$ 6,500	\$ 6,474	\$ 10,167	\$ 8,320
Other Services & Charges	\$ 21,600	\$ 21,600	\$ 31,027	\$ 29,071	\$ 24,469
Intergovernmental Services	\$ 12,400	\$ 8,300	\$ 104	\$ 1,193	\$ 495
Debt Service	\$ 3,600	\$ 7,400	\$ 3,494	\$ -	\$ -
TOTAL CEMETERY FUND	\$ 64,400	\$ 64,500	\$ 83,121	\$ 81,706	\$ 94,190

NARRATIVE: The Dayton City Memorial Cemetery serves the community with respect and dignity in the time of personal need. The Dayton City Memorial Cemetery contains approximately 24 acres with twelve (12) plotted blocks. The Public Works Department is responsible for the maintenance of the grounds. Dayton City Hall is responsible for receiving customer calls, finding grave and plot locations, and making sales.

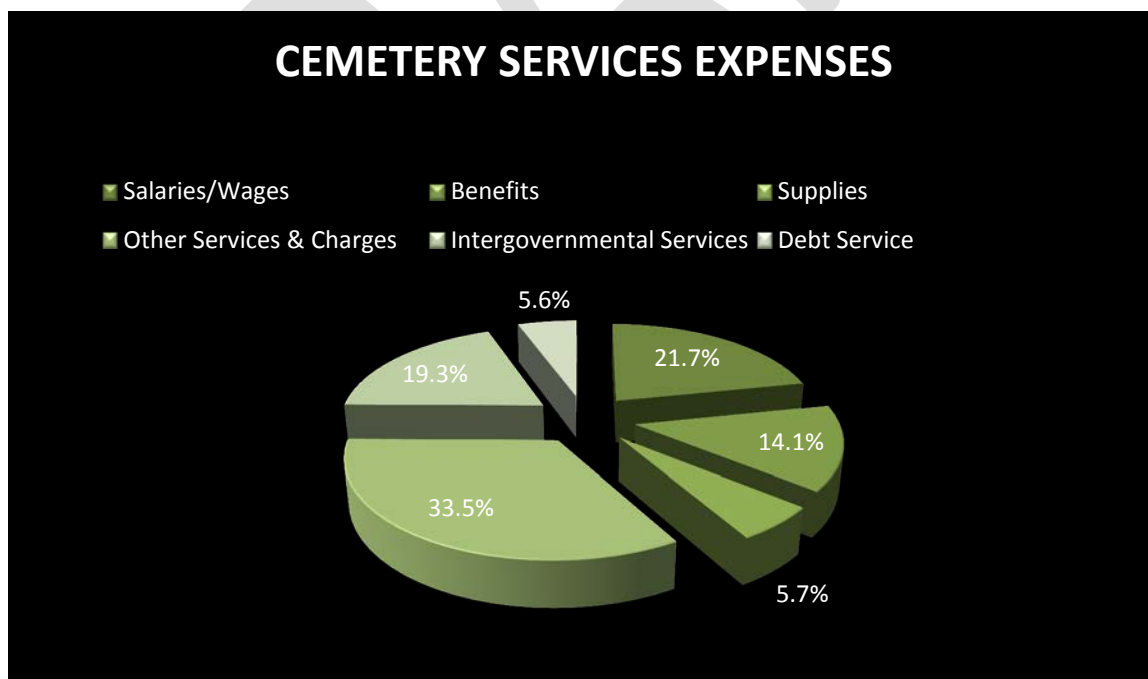


Figure N

CEMETERY DEPARTMENT'S PRIMARY GOALS FOR 2017:

1. Investigate funding options to recreate and preserve the existing, historic cemetery maps.
2. Utilize Washington State Department of Corrections to perform routine maintenance including annual tree trimming maintenance.
3. Research effective water conservation options for reducing water consumption by this facility.

LIBRARY					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Other Services & Charges	\$ 7,000	\$ 7,000	\$ 4,635	\$ 4,360	\$ 3,581
Total Library Fund	\$ 7,000	\$ 7,000	\$ 4,635	\$ 4,360	\$ 3,581
DELANY BUILDING					
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Unreserved Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 4,604
Other Services & Charges	\$ -	\$ -	\$ -	\$ -	\$ 1,865
Intergovernmental Services	\$ 7,000	\$ 7,500	\$ 8,554	\$ 4	\$ -
Total Delany Building Cumulative Fund	\$ 7,000	\$ 7,500	\$ 8,554	\$ 4	\$ 6,470

NARRATIVE: As part of the 2009 Annexation Agreement between the City and CCRLD, the City distributes all miscellaneous revenue (investment interest) generated by the Library, Delany Building Cumulative and Library Endowment Funds to CCRLD. The revenues must be used as prescribed by the agreement between the City and CCRLD.

CCRLD and the City will continue discussing the possibility of re-negotiating the existing contract to allow transferring the management of these miscellaneous revenues to CCRLD.

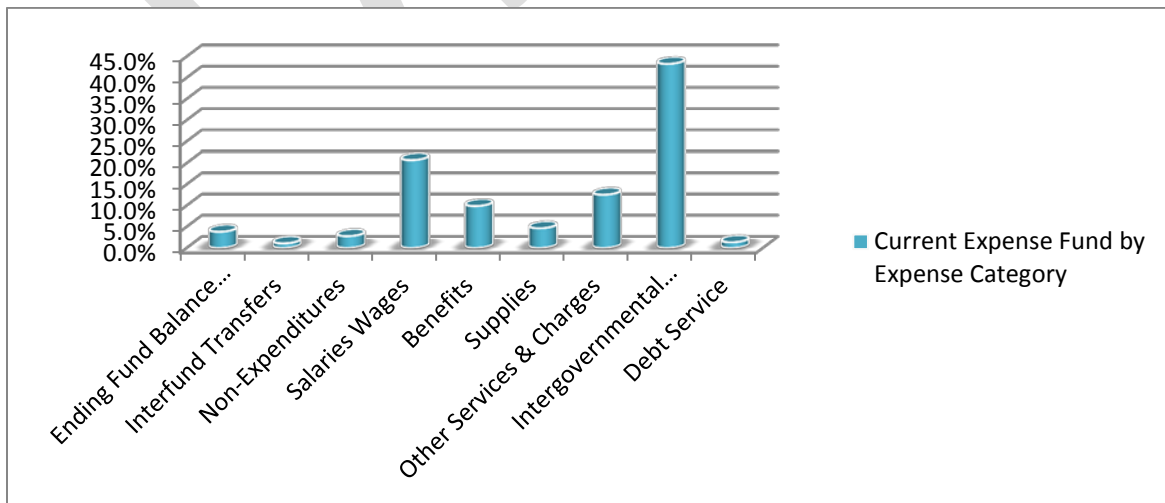


Figure 0

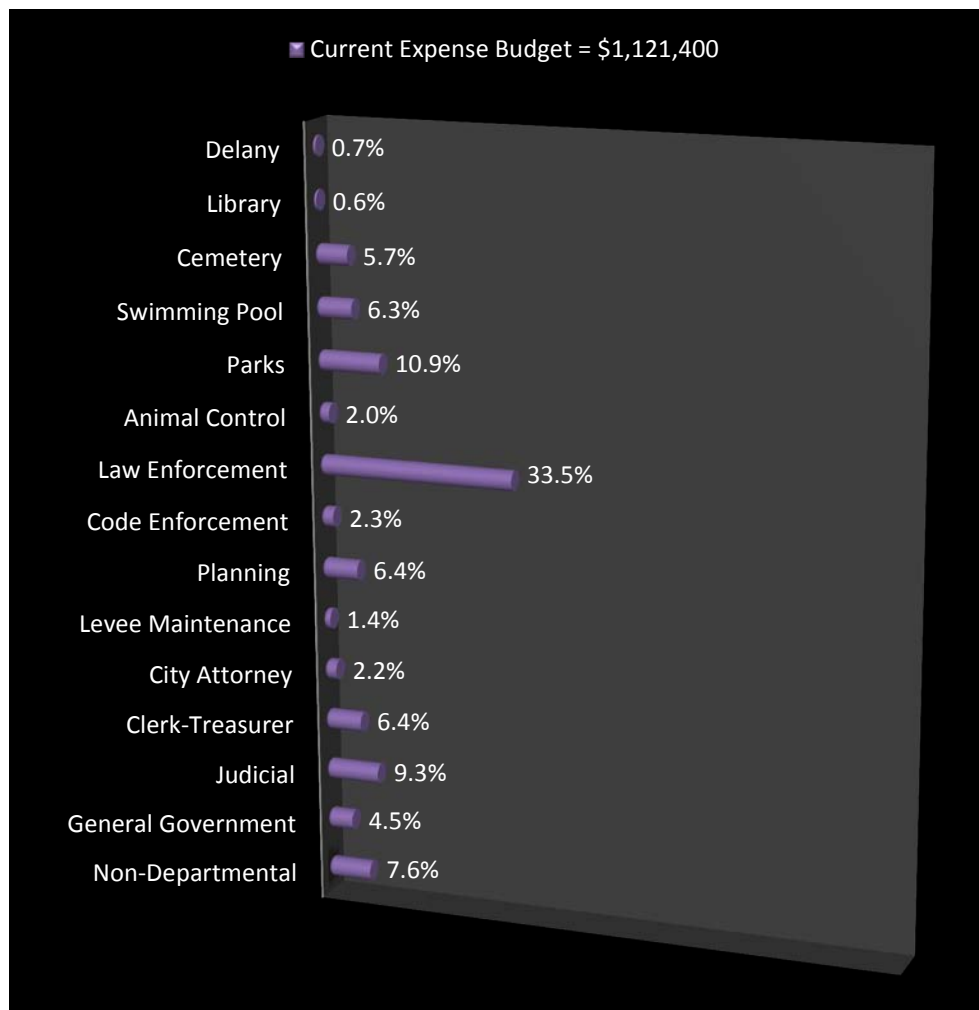


Figure P



103 CITY STREET AND ROAD FUND

NARRATIVE: The Street Department is a division of the Public Works Department. The Superintendent of Public Works is responsible for the maintenance functions relating to city streets.

The Public Works Department is responsible for the basic maintenance of the paved streets and roads within the city. Other responsibilities include signage, striping of curbs and crosswalks and exempt areas, vegetation control, street cleaning, patching of surfaced streets.

103 CITY STREET AND ROAD FUND					
REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 92,000	\$ 70,000	\$ 56,465	\$ 63,038	\$ 109,668
Taxes	\$ 188,000	\$ 177,000	\$ 203,959	\$ 190,898	\$ 181,782
License and Permits	\$ -	\$ -	\$ 255	\$ 10	\$ 1,092
Intergovernmental Revenues	\$ 57,500	\$ 51,000	\$ 53,628	\$ 52,497	\$ 52,406
Grants	\$ -	\$ -	\$ 274	\$ -	\$ 71,326
Charges for Goods & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ -	\$ -	\$ 2,210	\$ 33,628	\$ 1,652
Total City Street & Road Fund	\$ 337,500	\$ 298,000	\$ 316,791	\$ 340,071	\$ 417,925

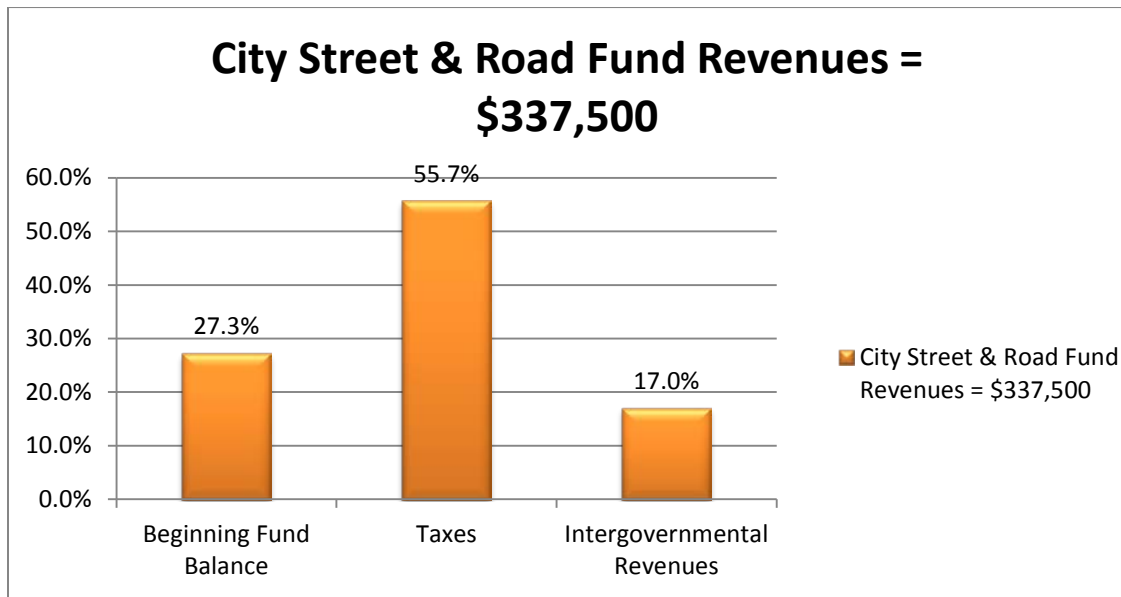


Figure Q

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Unreserved Ending Fund Balances	\$ 26,600	\$ 12,800	\$ 96,789	\$ 56,465	\$ 63,037
<u>City Street Ordinary Maintenance</u>					
Salaries & Wages	\$ 55,000	\$ 84,500	\$ 57,189	\$ 90,125	\$ 68,252
Benefits	\$ 37,800	\$ 37,200	\$ 31,436	\$ 32,280	\$ 28,110
Supplies	\$ 17,800	\$ 21,500	\$ 26,285	\$ 25,549	\$ 25,682
Other Services & Charges	\$ 700	\$ 7,600	\$ 3,331	\$ 4,609	\$ 5,575
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers - ERR	\$ -	\$ 3,600	\$ 4,000	\$ -	\$ -
Total City Street & Road Maintenance	\$ 111,300	\$ 154,400	\$ 122,241	\$ 152,564	\$ 127,619

Ordinary Street Maintenance

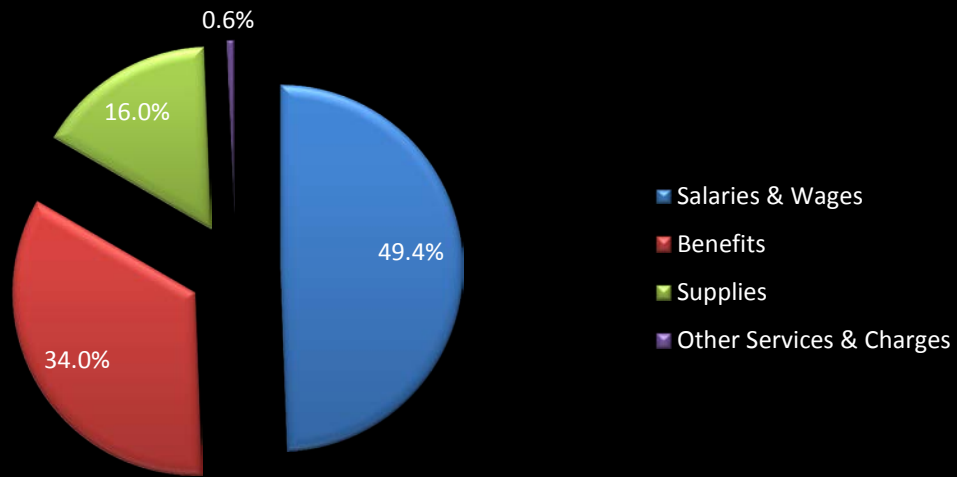


Figure R

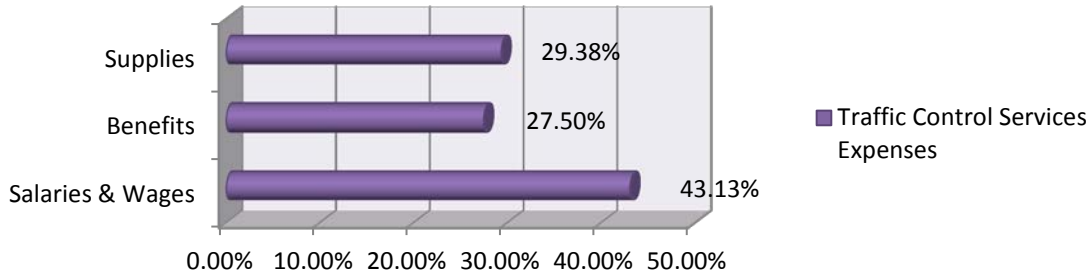
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Street Lighting Services</u>					
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 2,500	\$ 2,500	\$ 1,326	\$ 2,993	\$ 3,855
Other Services & Charges	\$ 28,000	\$ 28,000	\$ 27,572	\$ 23,211	\$ 31,313
Intergovernmental Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Street Lighting Services	\$ 30,500	\$ 30,500	\$ 28,898	\$ 26,204	\$ 35,168

Street Lighting Expenses



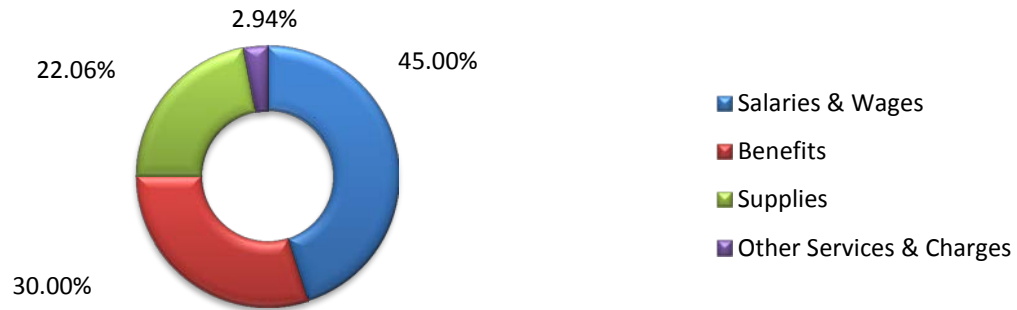
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Traffic Control Services</u>					
Salaries & Wages	\$ 13,800	\$ 9,200	\$ 5,463	\$ 84	\$ 902
Benefits	\$ 8,800	\$ 4,200	\$ 2,560	\$ -	\$ 179
Supplies	\$ 9,400	\$ 7,700	\$ 12,664	\$ 4,285	\$ 4,197
Other Services & Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Total Traffic Control	\$ 32,000	\$ 21,100	\$ 20,688	\$ 4,369	\$ 5,278

Traffic Control Services Expenses



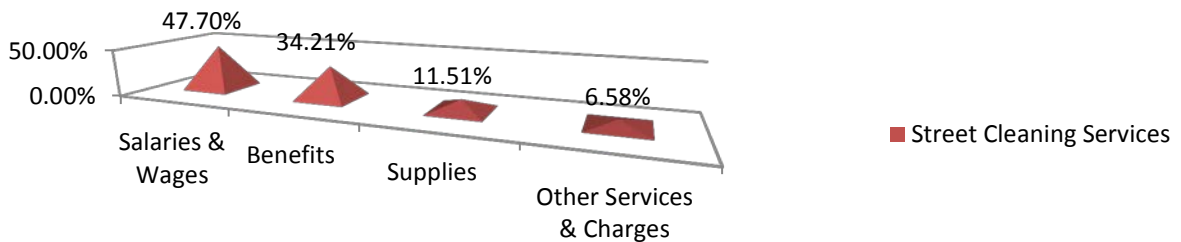
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Snow and Ice Control</u>					
Salaries	\$ 15,300	\$ 15,300	\$ -	\$ 3,165	\$ -
Benefits	\$ 10,200	\$ 6,600	\$ -	\$ 752	\$ -
Supplies	\$ 7,500	\$ 5,700	\$ 118	\$ 1,999	\$ 3,191
Other Services and Charges	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Snow and Ice Control	\$ 34,000	\$ 27,600	\$ 118	\$ 5,916	\$ 3,191

Snow & Ice Control Services



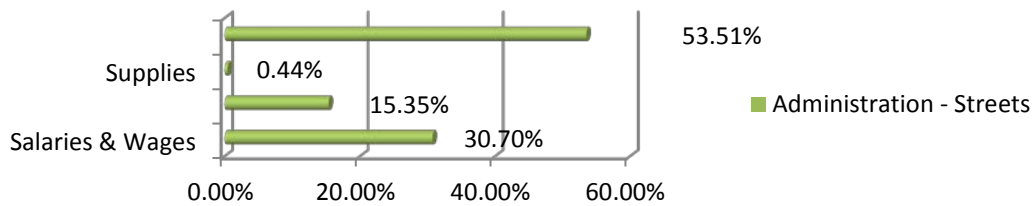
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Street Cleaning</u>					
Salaries	\$ 14,500	\$ 6,000	\$ 5,569	\$ 7,350	\$ 11,188
Benefits	\$ 10,400	\$ 3,200	\$ 2,657	\$ 2,808	\$ 3,984
Supplies	\$ 3,500	\$ 3,200	\$ 4,236	\$ 2,780	\$ 5,673
Other Services & Charges	\$ 2,000	\$ 1,000	\$ -	\$ -	\$ -
Total Street Cleaning	\$ 30,400	\$ 13,400	\$ 12,461	\$ 12,938	\$ 20,846

Street Cleaning Services



EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Road and Street Administration</u>					
Salaries	\$ 7,000	\$ 3,900	\$ 3,967	\$ 5,573	\$ 4,969
Benefits	\$ 3,500	\$ 1,800	\$ 1,400	\$ 1,732	\$ 1,399
Supplies	\$ 100	\$ 100	\$ 3,081	\$ 138	\$ 2,423
Other Services & Charges	\$ 12,200	\$ 7,200	\$ 7,354	\$ 6,135	\$ 13,650
Total Road & Street Administration	\$ 22,800	\$ 13,000	\$ 15,802	\$ 13,579	\$ 22,441

Administration - Streets



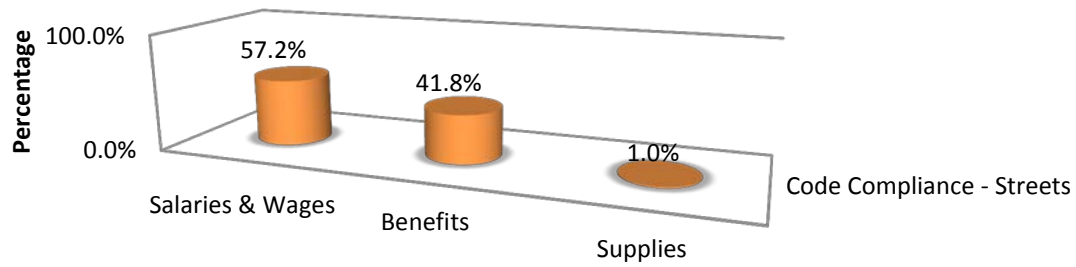
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Facilities					
Supplies	\$ 3,000	\$ 3,400	\$ 1,364	\$ -	\$ -
Other Services & Charges	\$ 1,500	\$ 900	\$ 1,291	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ 30,931	\$ -
Total Facilities	\$ 4,500	\$ 4,300	\$ 2,655	\$ 30,931	\$ -

Shop Facilities Maintenance



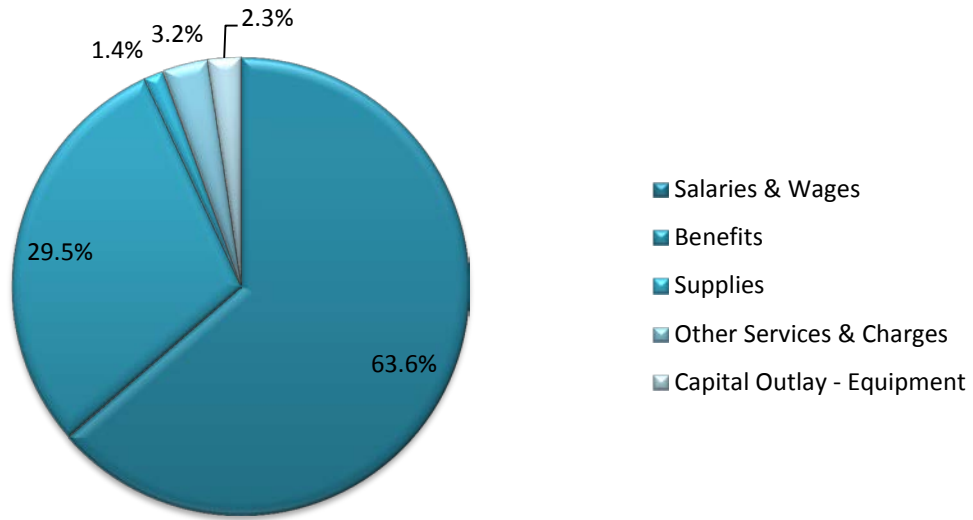
Code Compliance	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 11,500	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 8,400	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 200	\$ -	\$ -	\$ -	\$ -
Total Code Compliance	\$ 20,100	\$ -	\$ -	\$ -	\$ -

Code Compliance - Streets



EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Planning					
Salaries & Wages	\$ 13,800	\$ 9,100	\$ 7,995	\$ 8,428	\$ 10,383
Benefits	\$ 6,400	\$ 3,400	\$ 2,832	\$ 2,748	\$ 3,366
Supplies	\$ 300	\$ 900	\$ 611	\$ 393	\$ 698
Other Services & Charges	\$ 700	\$ 900	\$ 857	\$ 275	\$ 8,802
Capital Outlay - Equipment	\$ 500	\$ -	\$ -	\$ -	\$ -
Total Planning	\$ 21,700	\$ 14,300	\$ 12,294	\$ 11,844	\$ 23,248

Planning - Streets



EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
<u>Debt Service</u>					
Interfund Loan Repayments	\$ 3,600	\$ 3,600	\$ -	\$ 591	\$ 29,454
Total Debt Service	\$ 3,600	\$ 3,600	\$ -	\$ 16,881	\$ 29,454

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Total City Street & Road Fund	\$ 337,500	\$ 298,000	\$ 316,699	\$ 331,691	\$ 330,282

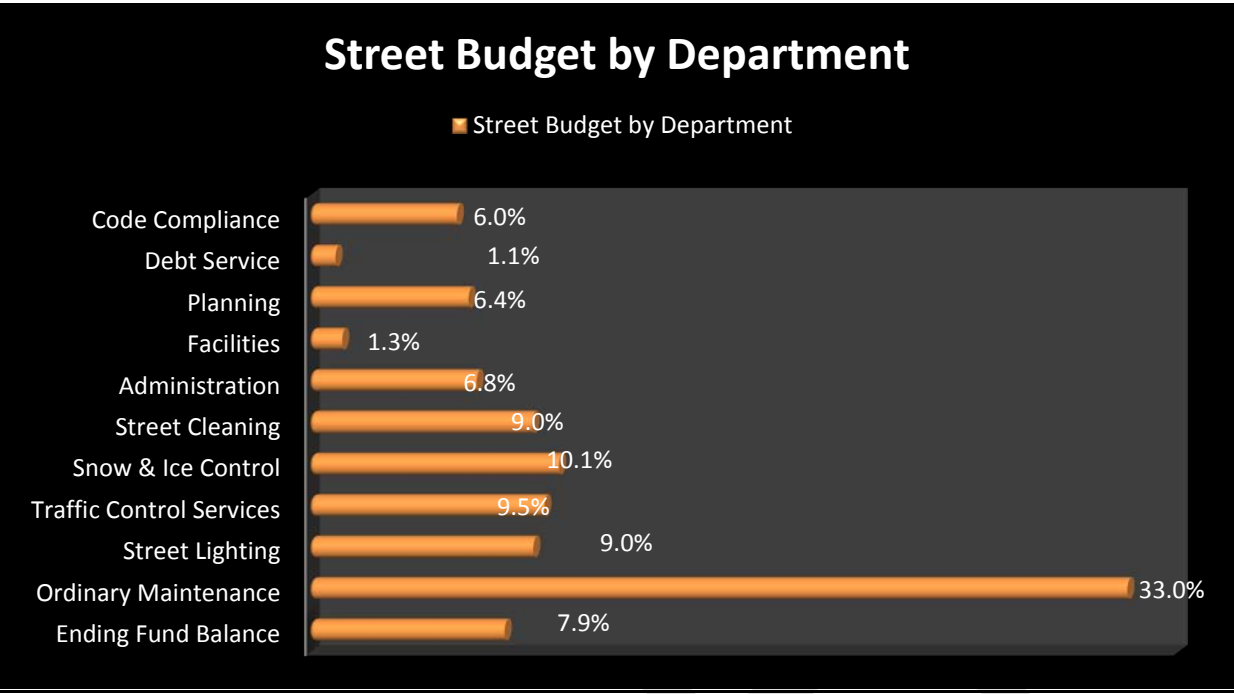


Figure S

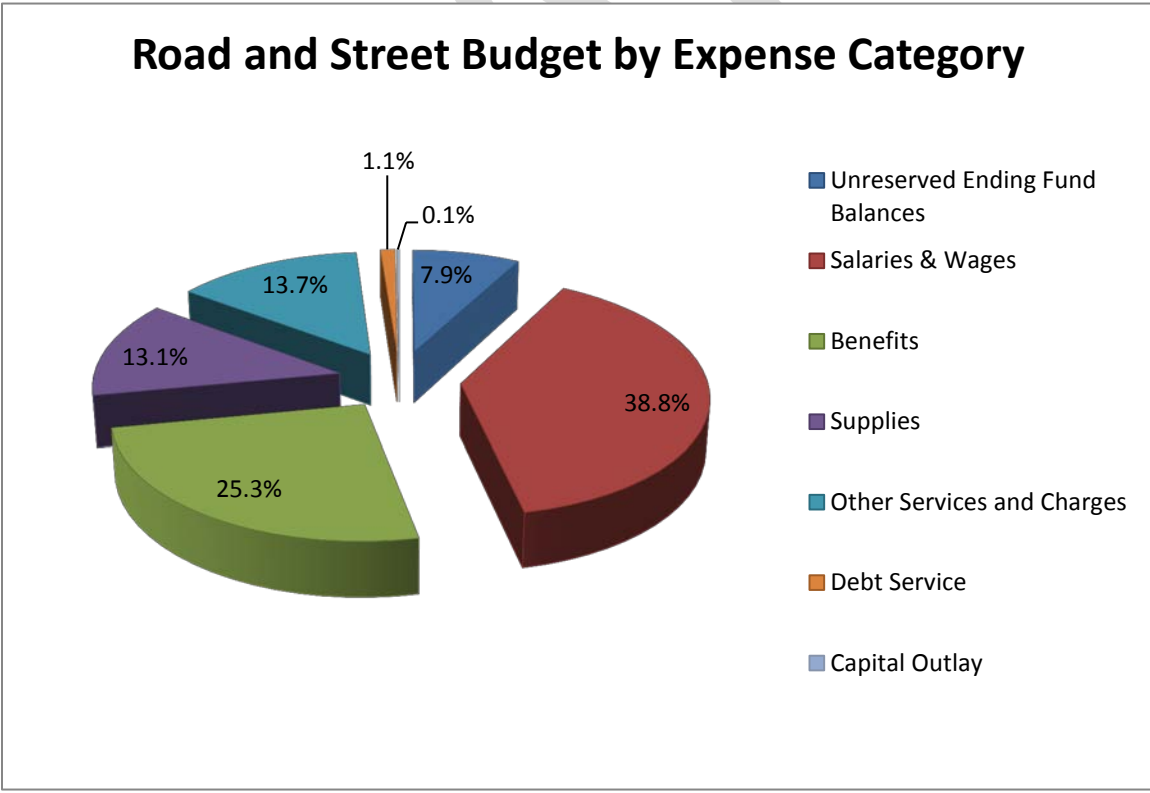


Figure T

STREET ADMINISTRATIONS PRIMARY GOALS FOR 2017

1. *Persistently research funding sources for street improvements such as general obligation bonds to perform significant street improvements and operation.*
2. *Replacing/relocating street signs, to meet Traffic Model Ordinance Requirements as established by the WSDOT and the City's needs.*
3. *Perform extensive alley re-conditioning to repair potholes such as grading and laying gravel.*
4. *Implement a scheduled street cleaning/sweeping program for all city streets.*
5. *Perform major crack seal repairs to various city streets and the levee trail.*
6. *Conduct a loss prevention inventory of all sidewalks within the City.*

Need pictures

HOTEL MOTEL EXCISE TAX

106 HOTEL MOTEL EXCISE TAX FUND					
REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 1,500	\$ 1,500	\$ 23,537	\$ 16,082	\$ 4,329
Taxes	\$ 51,000	\$ 58,000	\$ 61,206	\$ 66,997	\$ 40,224
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ 11	\$ 10
Total Hotel/Motel Excise Tax Fund	\$ 52,500	\$ 59,500	\$ 84,742	\$ 83,090	\$ 44,563

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Reserved Ending Fund Balance	\$ -	\$ -	\$ 9,846	\$ 23,537	\$ 16,082
Salaries	\$ 2,500	\$ 2,500	\$ 1,961	\$ 738	\$ -
Benefits	\$ 1,500	\$ 1,300	\$ 1,088	\$ 276	\$ -
Services	\$ 48,500	\$ 55,700	\$ 71,958	\$ 58,440	\$ 28,481
Total Hotel/Motel Excise Tax Fund	\$ 52,500	\$ 59,500	\$ 84,853	\$ 82,990	\$ 44,563

NARRATIVE: The Hotel Motel Excise Tax Fund's revenues come from the Motel/Hotel Lodging Excise Tax. The City collects a four percent special excise tax on charges for overnight lodging (RCW 67.28.181) inside the city limits.

These taxes can be used for tourism marketing, marketing and operations of special events and festivals, operations of tourism-related facilities owned or operated by nonprofit organizations, and operations and capital expenditures of tourism related facilities owned by the City of Dayton.

Historically the City has contracted with the Historic Dayton Chamber of Commerce for tourism promotion and marketing services. Also, the City uses a portion of this tax source to support the City's involvement in community events.

Motel Hotel Tax Funding is available to all non-profits through an annual application and review process that begins in August of each year.

301 CAPITAL IMPROVEMENTS FUND

301 CAPITAL IMPROVEMENTS FUND					
REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 143,000	\$ 141,700	\$ 114,993	\$ 69,947	\$ 48,542
Taxes	\$ 75,000	\$ 70,000	\$ 34,999	\$ 15,881	\$ 24,269
Grants	\$ 752,600	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ -	\$ -	\$ 8,214	\$ 108	\$ 83
Interfund Transfers	\$ 7,700	\$ 56,000	\$ 163,739	\$ -	\$ -
Total Capital Improvement Fund	\$ 978,300	\$ 267,700	\$ 321,944	\$ 85,936	\$ 72,893

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Fund Balance	\$ 47,800	\$ -	\$ 137,272	\$ 76,349	\$ 69,947
Salaries & Wages	\$ -	\$ -	\$ 2,597	\$ 4,468	\$ -
Benefits	\$ -	\$ -	\$ 855	\$ 963	\$ -
Supplies	\$ -	\$ -	\$ -	\$ 1,866	\$ -
Other Services & Charges	\$ -	\$ -	\$ -	\$ 2,291	\$ -
Capital Improvements	\$ 930,500	\$ 267,700	\$ 132,389	\$ -	\$ 2,947
Interfund Loan Repayments	\$ -	\$ -	\$ 2,648	\$ -	\$ -
Total Capital Improvement Fund	\$ 978,300	\$ 267,700	\$ 273,114	\$ 85,936	\$ 72,893

NARRATIVE: The Capital Improvements Fund's primary resources include Real Estate Excise Tax (REET) and Transportation Benefit District Sales Tax revenues. This Fund replaced the Current Expense Cumulative Reserve Fund and the Equipment Repair and Replacement Fund. It's limited by RCW and can only be utilized for capital improvements established within the City's Growth Management Comprehensive Plan and street improvement plans. This Fund will provide the following programs for 2017:

- 1) Annual loan payment towards the purchase of a new street sweeper (\$17,000).
- 2) Continued design engineering for levee improvements (\$15,000).
- 3) Complete the installation of the next phase of the automated sprinkler system in Pietryzcki Park (\$10,000).
- 4) Support the completion of the Dog Park project (\$2,500).
- 5) Complete the S. 1st Street Reconstruction Project.
- 6) Complete a portion of the crack seal project.
- 7) Installation of stop signs to meet the Model Traffic regulations.
- 8) Potential replacement of Main Street trees.

CITY OF DAYTON PUBLIC WORKS UTILITY DEPARTMENT

The Utility Department is a division of Public Works. The Utility Department budget covers administrative costs related to the oversight of departments that provide Water and Sewer to our citizenry.

The Public Works Director and his maintenance crew perform most of the activities funded in the Public Works Department budget. These employees play many roles and serve several varied functions, not only for the public, but for the municipality as well, including:

- Functions primarily as overseer of construction related activity within the city but also has a role in planning, facilities maintenance, environmental health and community development functions as well.
- Makes final determinations on behalf of the City regarding the interpretation and application of model codes.
- Accepts and reviews applications for right-of-way and grade and fill.
- Discusses and explains various code regulations with the City Council as necessary.
- Administers the laws found in the municipal code, works with the Army Corps of Engineers and the Department of Ecology to administer and enforce the Federal Water Pollution Control Act of 1972 and interacts with various other state and private agencies reviewing proposals and plans that occur within the public right-of-way.
- Works to protect the health, safety and welfare of the public.

401 Sewer Revenue Fund

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
UNRESERVED Beginning	\$	\$	\$	\$	\$
Net Cash & Investments	136,000	126,000	147,294	141,290	98,492
RESERVED Beginning Net	\$	\$	\$	\$	\$
Cash & Investments	-	107,500	-	-	-
	\$	\$	\$	\$	\$
Licenses and Permits	-	-	599	283	284
	\$	\$	\$	\$	\$
Charges for Goods & Services	869,700	816,000	822,136	817,413	787,608
		\$	\$	\$	\$
Miscellaneous Revenue		-	1,764	637	204
	\$	\$	\$	\$	\$
Total Sewer Revenue Fund	1,005,700	1,049,500	971,793	959,622	886,588

NARRATIVE: The Wastewater Treatment Plant sewer systems fall under the Public Works Department. The Public Works Department will consist of a Supervisor and eight (8) employees. The Wastewater Treatment Plant's wastewater permit limit allows for 750,000 gallons per day. The plant is impacted during rainy weather with peak inflow/infiltration (I/I) flows. In 2007, the City completed a Sewer Study

to ascertain areas of I/I and have established a plan to address those areas of most concern. However, with good operational procedures, the operators have successfully managed the I/I flows. The sanitary sewer collection system consists of approximately 86,514 lineal feet of collector mains. There are approximately 1329 sewer services.

WASTEWATER TREATMENT PLANT (WWTP) REPLACEMENT PROJECT

In 2012, the City began planning for the construction of a new wastewater facility in an effort to meet regulatory requirements established by Department of Ecology within the City's NPDES permit. Initially, DOE was requiring that the City lower TMDL levels by 2018. Fortunately, Mayor Craig George negotiated an extension and the new timeline requires that the City of Dayton construct a new facility that must be in operation no later than 2021. In 2016, the City completed its Wastewater Facilities Plan ("Plan").

The Plan provides for both an implementation and a financing program to accommodate DOE's regulatory requirements, or more precisely, having a new WWTP constructed and in operation by 2021. The City will be actively pursuing various financing opportunities, but the construction of a new WWTP will likely require sewer utility rate increases specific to the completion of this project.



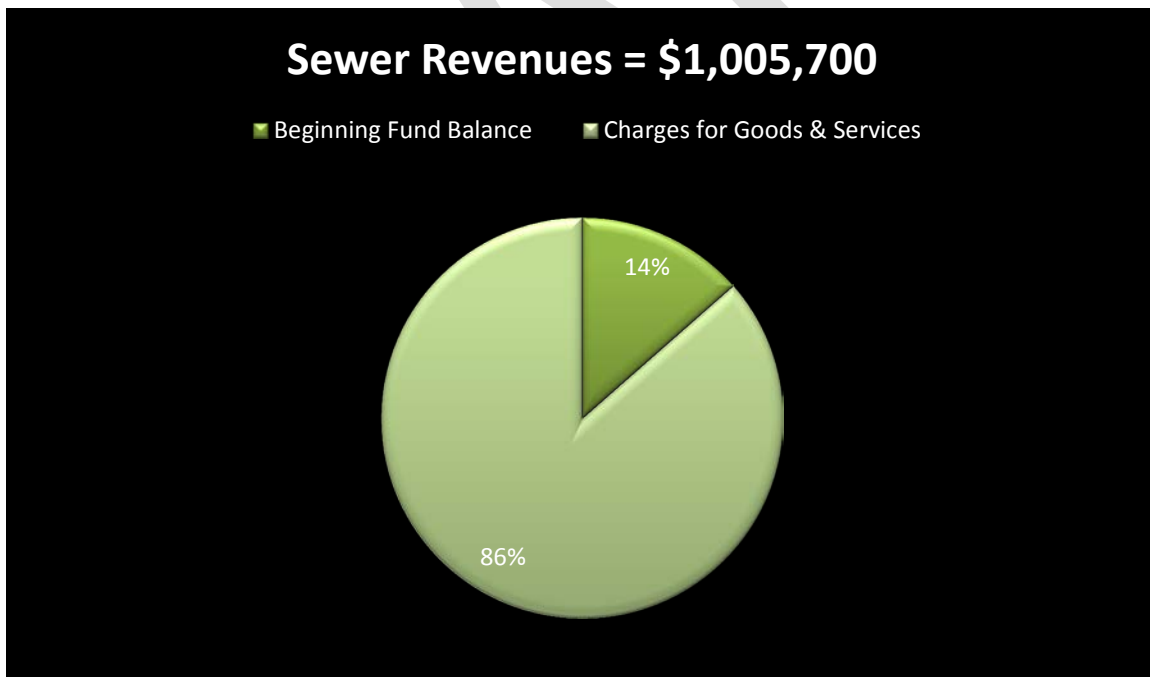
2017 SEWER UTILITY RATE INCREASES

The 2017 Budget proposes a *sewer rate increase* of approximately \$2.25 per month for a residential service located within city limits. The S. 1st Street Reconstruction Project includes improving the sewer main line located in S. 1st Street. As reported in the 2016 Budget, a portion of this sewer rate increase is to pay for this improvement.

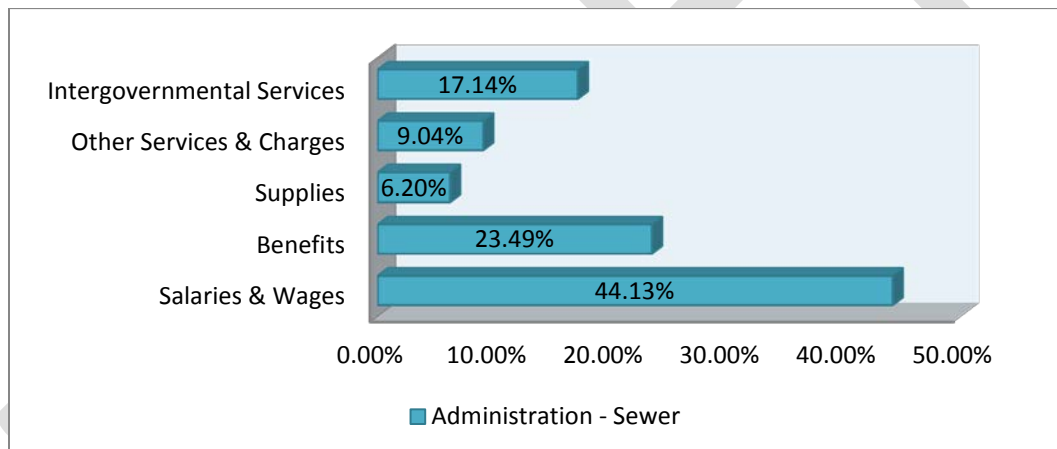
In addition, the City is currently in the midst of bargaining unit (union) negotiations. The outcome of the negotiation is undetermined at this time. However, the 2017 Budget does account for an increase in these expenses.

SEWER REVENUE FUND

401 SEWER REVENUE FUND					
REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
UNRESERVED Beginning Net Cash & Investments	\$ 136,000	\$ 126,000	\$ 147,294	\$ 141,290	\$ 98,492
RESERVED Beginning Net Cash & Investments	\$ -	\$ 107,500	\$ -	\$ -	\$ -
Licenses and Permits	\$ -	\$ -	\$ 599	\$ 283	\$ 284
Charges for Goods & Services	\$ 869,700	\$ 816,000	\$ 822,136	\$ 817,413	\$ 787,608
Miscellaneous Revenue	\$ -	\$ -	\$ 1,764	\$ 637	\$ 204
Total Sewer Revenue Fund	\$ 1,005,700	\$ 1,049,500	\$ 971,793	\$ 959,622	\$ 886,588

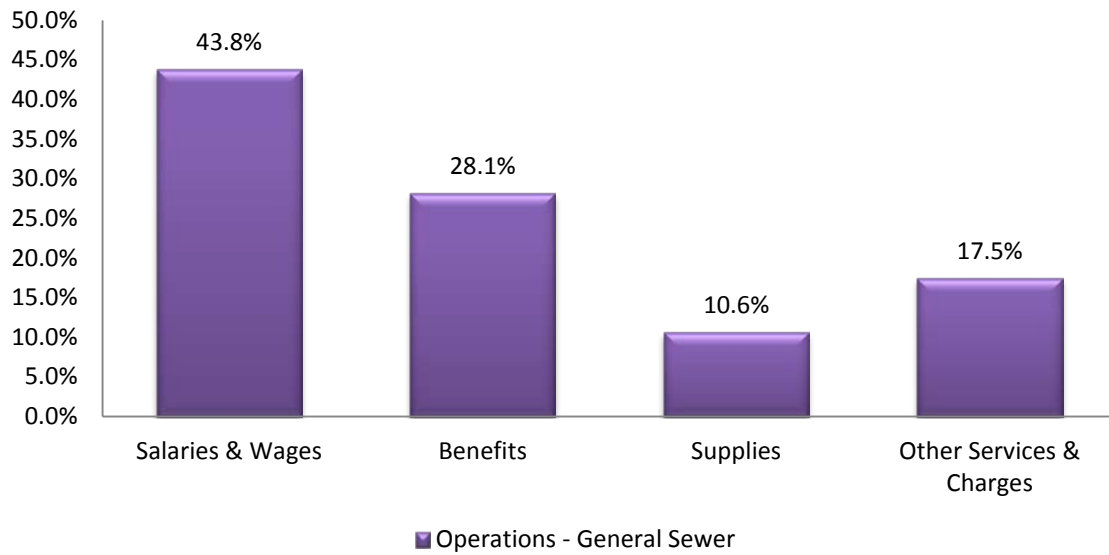


EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Fund Balance	\$ 26,400	\$ 84,300	\$ 323,346	\$ 147,294	\$ 141,290
<u>Administration - General</u>					
Salaries & Wages	\$ 60,500	\$ 49,100	\$ 52,705	\$ 40,880	\$ 37,243
Benefits	\$ 32,200	\$ 15,600	\$ 16,392	\$ 9,866	\$ 12,719
Supplies	\$ 8,500	\$ 4,000	\$ 8,837	\$ 2,698	\$ 2,396
Other Services & Charges	\$ 12,400	\$ 15,900	\$ 10,405	\$ 9,049	\$ 4,657
Intergovernmental Services	\$ 23,500	\$ 18,000	\$ 16,700	\$ 16,194	\$ 17,077
Sub-total Sewer Administration	\$ 137,100	\$ 102,600	\$ 105,039	\$ 78,687	\$ 74,092



<u>Operations-General</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 82,800	\$ 102,300	\$ 57,315	\$ 74,718	\$ 70,755
Benefits	\$ 53,200	\$ 42,800	\$ 31,031	\$ 29,164	\$ 24,427
Supplies	\$ 20,000	\$ 28,000	\$ 18,821	\$ 22,253	\$ 40,515
Other Services & Charges	\$ 33,000	\$ 31,500	\$ 21,896	\$ 21,710	\$ 3,516
Sub-total Operations-General	\$ 189,000	\$ 204,600	\$ 129,062	\$ 147,845	\$ 139,213

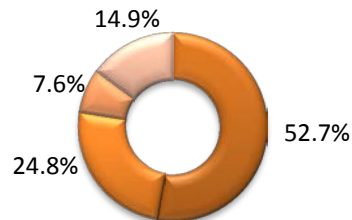
Operations - General Sewer



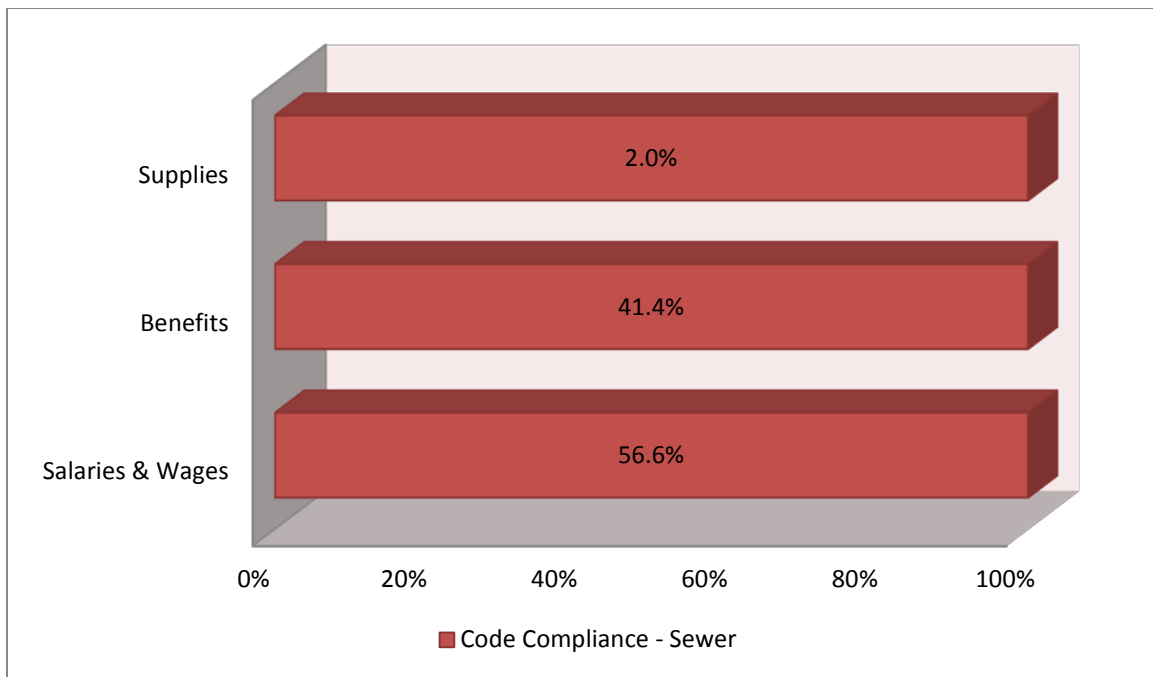
Planning	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 13,800	\$ 15,300	\$ 7,912	\$ 10,808	\$ 9,947
Benefits	\$ 6,500	\$ 7,300	\$ 4,225	\$ 3,509	\$ 3,184
Supplies	\$ 2,000	\$ 2,000	\$ 1,067	\$ 427	\$ 747
Other Services & Charges	\$ 3,900	\$ 4,900	\$ 1,198	\$ 258	\$ 206
Sub-total Sewer Planning	\$ 26,200	\$ 29,500	\$ 14,402	\$ 15,002	\$ 14,084

Planning - Sewer

■ Salaries & Wages
 ■ Benefits
 ■ Supplies
 ■ Other Services & Charges



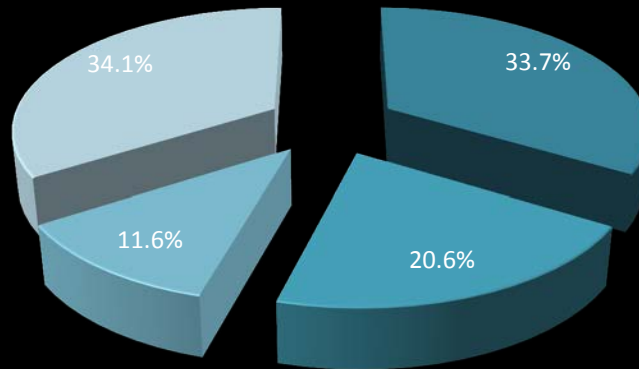
<u>Code Compliance -Sewer</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 5,600	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 4,100	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 200	\$ -	\$ -	\$ -	\$ -
Sub-total Code Compliance - Sewer	\$ 9,900	\$ -	\$ -	\$ -	\$ -



<u>Wastewater Treatment Plant Operations</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 84,500	\$ 78,000	\$ 81,169	\$ 65,884	\$ 63,151
Benefits	\$ 51,600	\$ 32,400	\$ 38,245	\$ 27,040	\$ 26,107
Supplies	\$ 29,200	\$ 42,900	\$ 18,638	\$ 19,514	\$ 19,792
Other Services & Charges	\$ 85,500	\$ 93,800	\$ 65,807	\$ 85,802	\$ 59,163
Sub-total Wastewater Treatment Plant	\$ 250,800	\$ 247,100	\$ 203,858	\$ 198,241	\$ 168,213

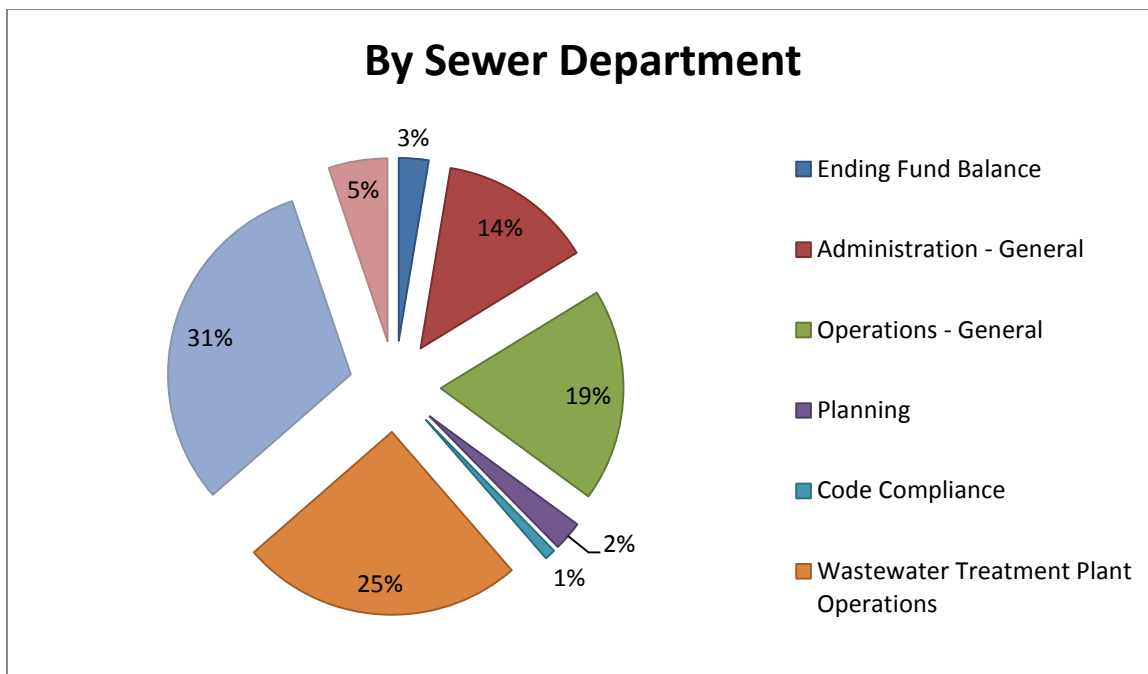
Wastewater Treatment Plant

■ Salaries & Wages
 ■ Benefits
 ■ Supplies
 ■ Other Services & Charges

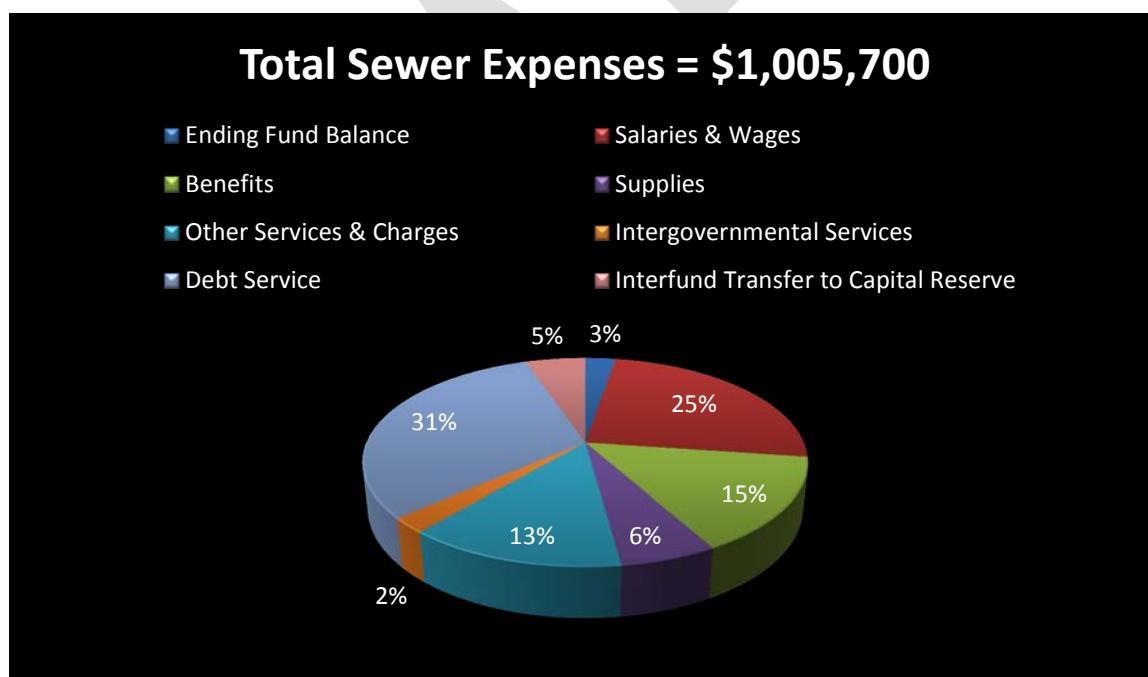


<u>Transfers</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Debt Service Redemption	\$ 300,100	\$ 284,200	\$ 129,017	\$ 316,675	\$ 306,400
Interfund Loan Repayment	\$ 13,800	\$ 15,200	\$ -	\$ -	\$ -
Capital Reserve	\$ 52,400	\$ 82,000	\$ 67,000	\$ 45,900	\$ 43,296
Sub-total Interfund Transfers	\$ 366,300	\$ 381,400	\$ 196,017	\$ 362,575	\$ 349,696

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Total Sewer Revenue Fund	\$ 1,005,700	\$ 1,049,500	\$ 971,725	\$ 949,644	\$ 886,588



FIGURE



Figure

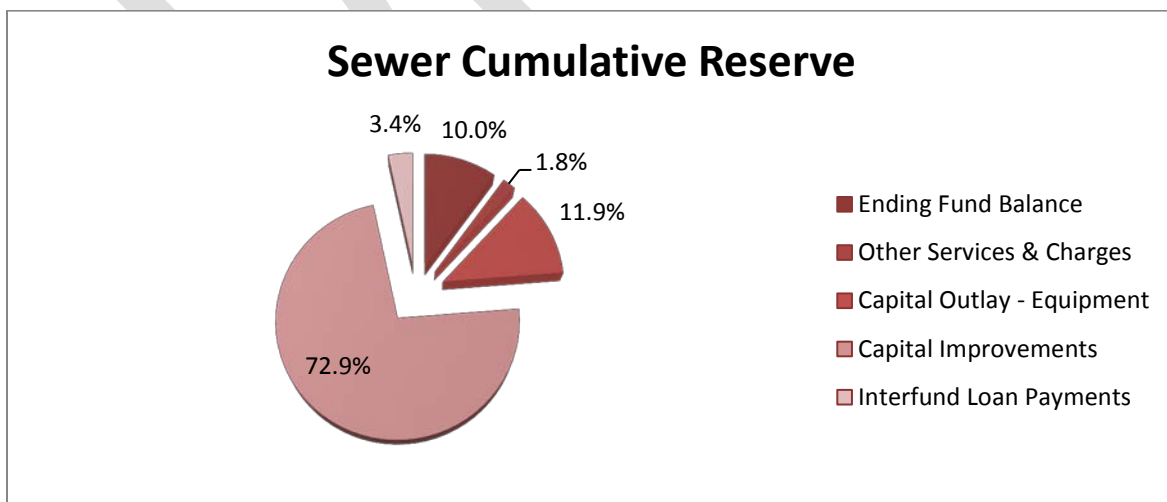
402 SEWER CUMULATIVE RESERVE FUND

402 SEWER CUMULATIVE RESERVE FUND					
REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 144,200	\$ 170,000	\$ 141,998	\$ 106,629	\$ 89,882
Miscellaneous Revenue	\$ -	\$ -	\$ 154	\$ 155	\$ 120
Capital Contributions	\$ 200,000	\$ -	\$ 3,312	\$ 1,250	\$ 2,500
Interfund Transfers	\$ 66,200	\$ 65,000	\$ 67,000	\$ 45,900	\$ 43,296
Total Sewer Cumulative Reserve Fund	\$ 410,400	\$ 235,000	\$ 212,464	\$ 153,934	\$ 135,798

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Fund Balance	\$ 41,000	\$ 72,000	\$ 153,578	\$ 141,997	\$ 106,628
Other Services & Charges	\$ 7,500	\$ 64,600	\$ -	\$ -	\$ 14,785
Capital Outlay - Equipment	\$ 49,000	\$ 34,000	\$ -	\$ -	\$ -
Capital Improvements	\$ 299,100	\$ 64,400	\$ 46,885	\$ 11,937	\$ 14,385
Interfund Loan Payments	\$ 13,800	\$ -	\$ 12,287	\$ -	\$ -
Total Sewer Cumulative Reserve Fund	\$ 410,400	\$ 235,000	\$ 212,750	\$ 153,934	\$ 135,798

NARRATIVE: The Sewer Cumulative Reserve Fund serves as a sewer capital improvement fund. The City continues to make wastewater treatment plant capital improvements to meet the needs of the facility and Department of Ecology's permit requirements.

The City anticipates completing the Wastewater Treatment Facility Plant constructed and in operation by 2021.



Figure

403 WATER REVENUE FUND

NARRATIVE: The primary function of the Water Department is to provide the citizens of Dayton with quality potable water supply, while keeping within the Washington Administrative code (WAC) 245-290 related to the Washington State Department of Health (DOH). The physical facilities of the Department consist of three (3) wells, each with their own filtration system, a 220,000 gallon Standpipe and Water Reservoir with a 2 million gallon storage capacity. The operational portion of the Water Department falls under the auspices of the Public Works Department and administration falls under the City Clerk-Treasurer Department.

The Water system consists of approximately 131,525 lineal feet of water distribution lines ranging in size from ½ inch to 12 inches in diameter. The Water Department maintains the system distribution lines, service lines and physical facilities. Service is provided to the property line for approximately 1,350 service connections within and outside the corporate city limits. The Department also maintains, replaces and installs new fire hydrants on an as needed basis in conjunction with the Fire Department's needs and good engineering practice. We also have an active Cross-Connection Control Program that protects the public water system from contamination through the elimination of any actual or potential physical connection between the water distribution system and the consumer's water system source of non-potable liquid, solid, or gas that could contaminate the potable water by backflow. Sampling stations are located throughout the distribution system to monitor water quality and chlorine residual.

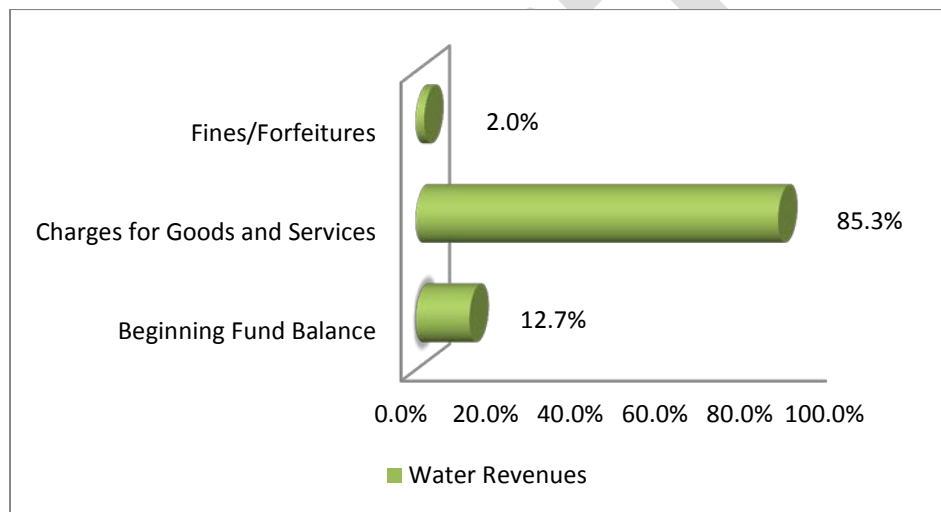
WATER UTILITY RATE INCREASES

There will be a water utility rate increase of \$3.40 for a ¾ inch – 1 inch residential meter connection located inside city limits. The City has not increased rate for three consecutive years. In an effort to maintain operation and maintenance levels an increase is necessary.

Also, in 2016, the City Council adopted the 2015 Water System Plan. The City is required by Department of Health to work towards improving our water system based on the priorities established within that plan. In 2016, the City applied for a Drinking Water State Revolving Fund loan to construct a new 1300' water main line referred to as the Patit Avenue Water Main Line. In addition, the City will be replacing the water line in S. 1st Street as part of the S. 1st Street Reconstruction Project.

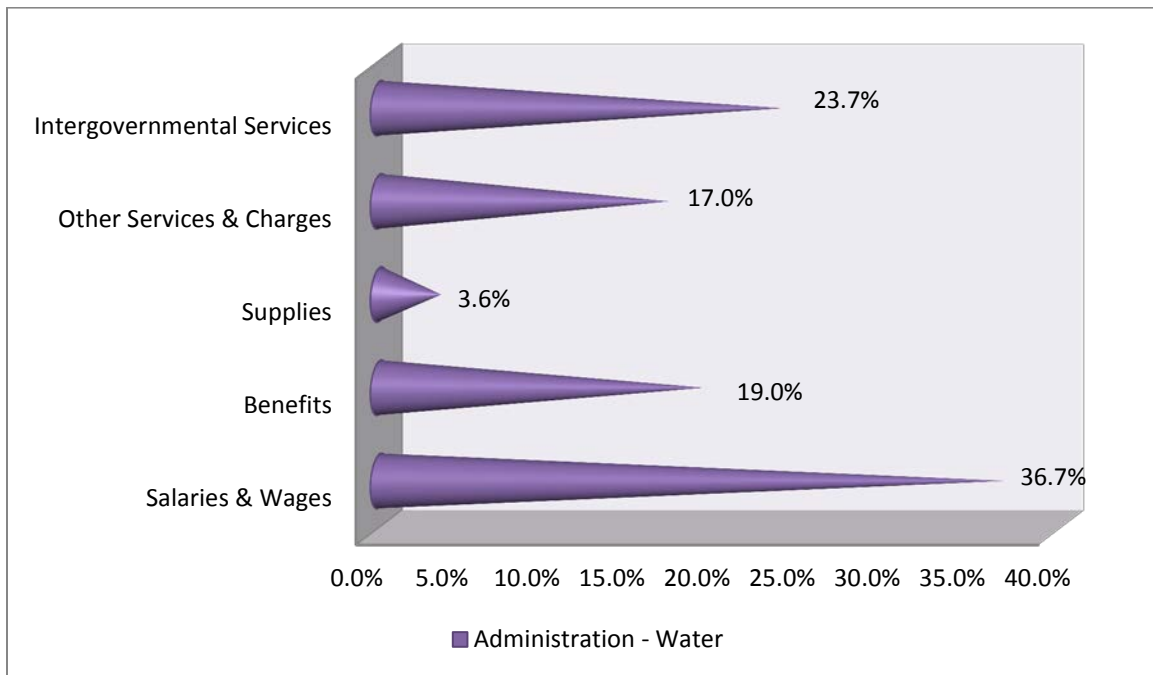
Additionally, the City is currently in the midst of bargaining unit (union) negotiations. The outcome of the negotiation is undetermined at this time. However, the 2017 Budget accounts for an increase in these expenses.

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Unreserved Beginning Net Cash & Investments	\$ 126,000	\$ 167,100	\$ 148,695	\$ 148,154	\$ 141,914
Reserved Beginning Net Cash & Investments	\$ -	\$ 38,100	\$ -	\$ -	\$ -
Licenses and Permits	\$ -	\$ -	\$ 461	\$ 410	\$ 441
Charges for Goods & Services	\$ 849,900	\$ 749,500	\$ 816,745	\$ 811,142	\$ 753,833
Fines/Forfeitures	\$ 20,000	\$ 18,000	\$ 26,856	\$ 27,343	\$ 24,790
Miscellaneous Revenue	\$ -	\$ -	\$ 2,723	\$ 1,663	\$ 194
Total Water Revenue Fund	\$ 995,900	\$ 972,700	\$ 995,481	\$ 988,711	\$ 921,171



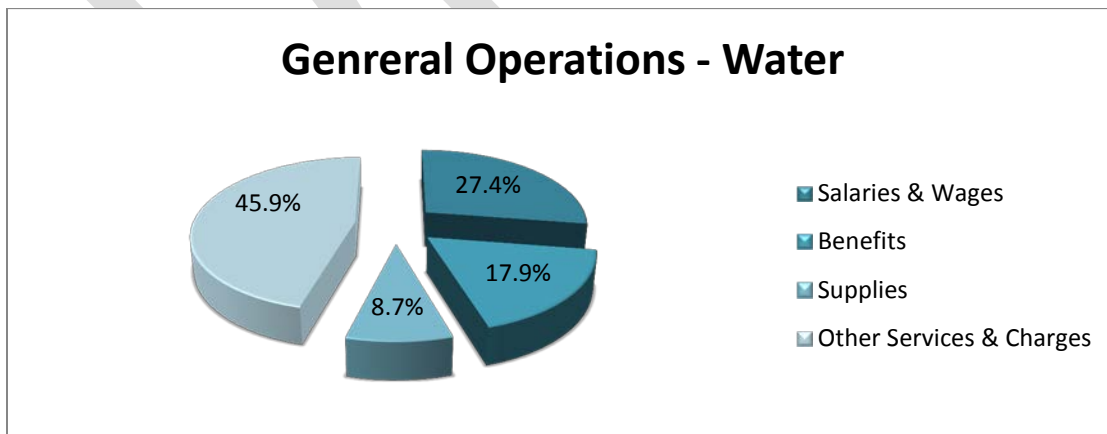
Figure

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Unreserved Ending Fund Balance	\$ 79,700	\$ 64,500	\$ 188,971	\$ 148,695	\$ 148,154
<u>Administration - General</u>					
Salaries & Wages	\$ 60,500	\$ 50,000	\$ 51,840	\$ 47,103	\$ 46,229
Benefits	\$ 31,400	\$ 16,000	\$ 18,549	\$ 68	\$ 16,371
Supplies	\$ 6,000	\$ 6,000	\$ 8,551	\$ 2,313	\$ 2,875
Other Services & Charges	\$ 28,000	\$ 27,400	\$ 12,001	\$ 10,758	\$ 6,312
Intergovernmental Services	\$ 39,000	\$ 39,000	\$ 40,734	\$ 39,726	\$ 33,526
Sub-total Administration	\$ 164,900	\$ 138,400	\$ 131,676	\$ 99,968	\$ 105,313



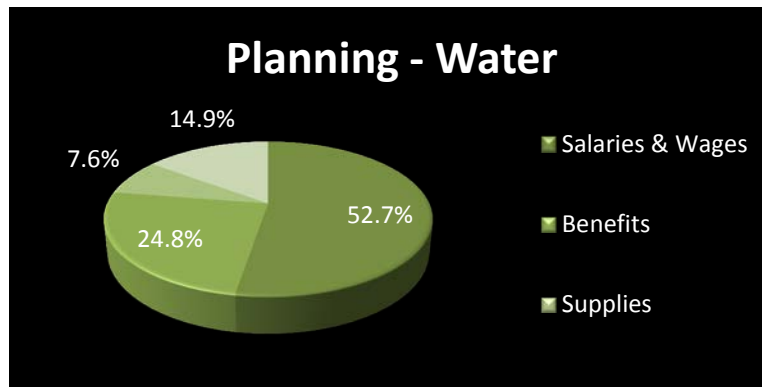
Figure

<u>Operations-General</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 108,000	\$ 135,000	\$ 131,900	\$ 159,879	\$ 148,428
Benefits	\$ 70,600	\$ 67,500	\$ 67,639	\$ 72,681	\$ 52,026
Supplies	\$ 34,300	\$ 42,800	\$ 41,435	\$ 35,210	\$ 32,558
Other Services & Charges	\$ 180,600	\$ 188,000	\$ 175,141	\$ 147,682	\$ 165,385
Sub-total Operations	\$ 393,500	\$ 433,300	\$ 416,115	\$ 415,452	\$ 398,397



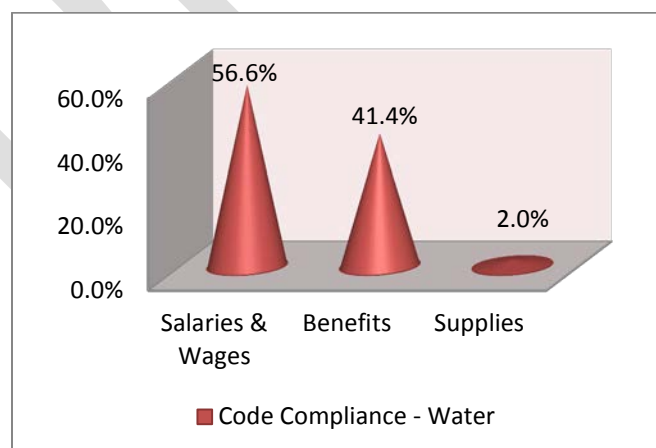
Figure

<u>Planning</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 13,800	\$ 15,300	\$ 9,813	\$ 10,808	\$ 9,947
Benefits	\$ 6,500	\$ 7,300	\$ 8,764	\$ 3,509	\$ 3,184
Supplies	\$ 2,000	\$ 2,000	\$ 1,166	\$ 427	\$ 747
Other Services & Charges	\$ 3,900	\$ 4,900	\$ 854	\$ 258	\$ 206
Sub-total Sewer Planning	\$ 26,200	\$ 29,500	\$ 20,598	\$ 15,002	\$ 14,084



Figure

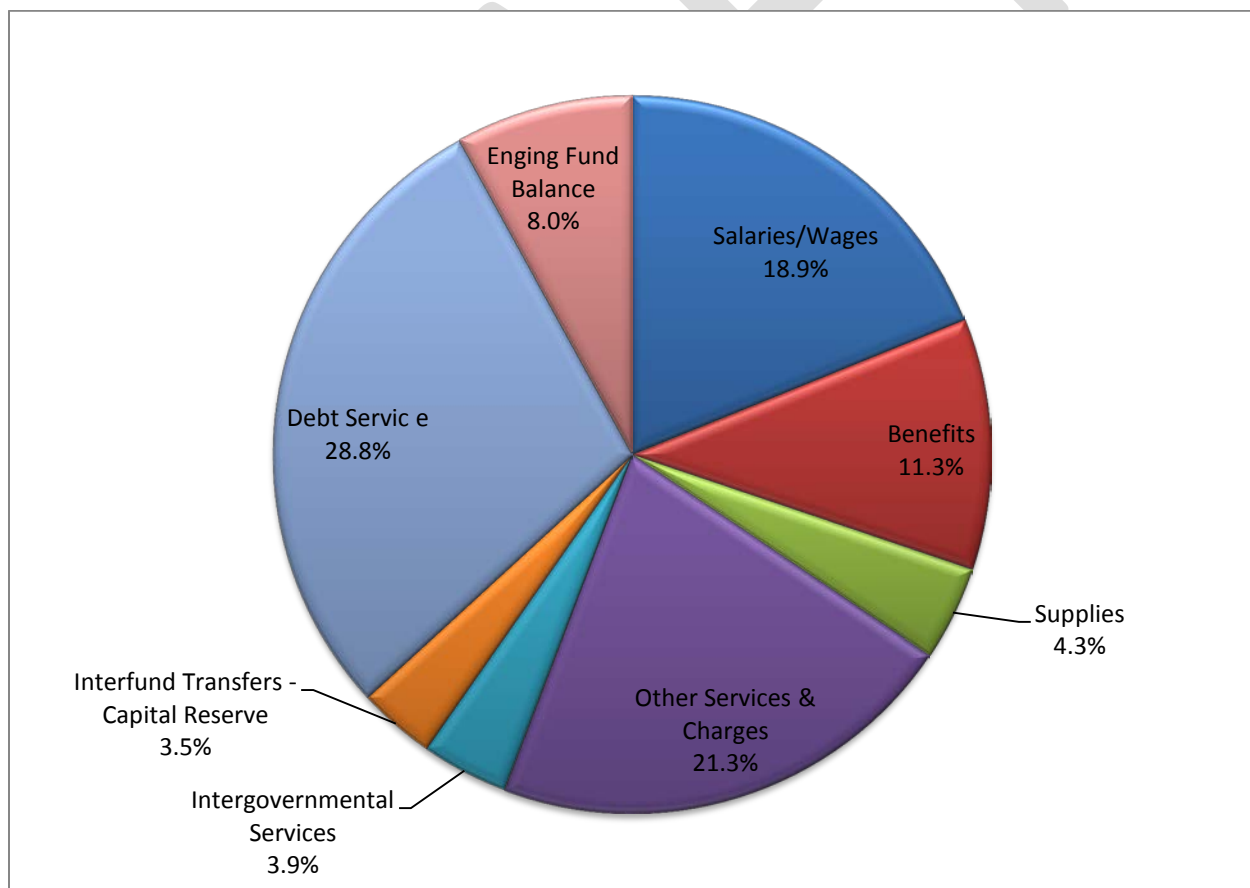
<u>Code Compliance</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Salaries & Wages	\$ 5,600	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 4,100	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 200	\$ -	\$ -	\$ -	\$ -
Sub-total Code Compliance	\$ 9,900	\$ -	\$ -	\$ -	\$ -



Figure

<u>Interfund Transfers</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Interfund Transfer to ERR	\$ 17,000	\$ 17,000	\$ -	\$ -	\$ -
Debt Service	\$ 271,700	\$ 222,700	\$ 221,155	\$ 250,808	\$ 237,173
Interfund Loan Repayment	\$ 15,200	\$ 15,200	\$ -	\$ -	\$ -
Transfer to Capital Reserve	\$ 17,800	\$ 50,000	\$ 17,000	\$ 59,300	\$ 17,400
Sub-total Interfund Transfers	\$ 321,700	\$ 304,900	\$ 238,155	\$ 310,108	\$ 254,573

<u>EXPENDITURES</u>	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Total Water Revenue Fund	\$ 995,900	\$ 970,600	\$ 995,515	\$ 989,226	\$ 920,522



Figure

404 WATER CUMULATIVE RESERVE FUND

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 245,000	\$ 245,000	\$ 244,429	\$ 231,164	\$ 238,522
Miscellaneous Revenue	\$ -	\$ -	\$ 1,130	\$ 331	\$ 293
Capital Contributions			\$ 3,357	\$ 6,628	\$ 103,550
Interfund Transfers	\$ 34,800	\$ 67,000	\$ 66,800	\$ 59,300	\$ 17,400
Total Water Cumulative Reserve Fund	\$ 279,800	\$ 312,000	\$ 315,716	\$ 297,423	\$ 359,765

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Unreserved Fund Balance	\$ -	\$ -	\$ 229,048	\$ 244,429	\$ 231,165
Other Services & Charges	\$ -	\$ 7,500	\$ -	\$ 32,474	\$ -
Capital Improvements - Bond Covenants	\$ 200,000	\$ 202,500	\$ -	\$ -	\$ 128,600
Engineering/Financial Services	\$ 15,000	\$ 30,000	\$ 21,640	\$ -	\$ -
Capital Improvements - Facilities	\$ -	\$ 10,000	\$ 21,182	\$ 20,520	\$ -
Capital Outlay - Equipment/Software	\$ -	\$ 15,000	\$ 28,082	\$ -	\$ -
Capital Purchases - Rolling Stock	\$ 64,800	\$ 47,000	\$ 15,782	\$ -	\$ -
Total Water Cumulative Reserve Fund	\$ 279,800	\$ 312,000	\$ 315,735	\$ 297,423	\$ 359,765

NARRATIVE: The Water Cumulative Reserve Fund serves as a water capital improvement fund. The United States Department of Agriculture (USDA), as part of the debt issuance covenants, required that the City establish a Cumulative Reserve Fund to meet future capital improvement/maintenance needs. This Fund allows for the City to meet these requirements of long-term debt obligations administered by the USDA.

WATER SYSTEM CUMULATIVE RESERVE'S PRIMARY GOALS FOR 2017

1. Continue updating the water system's asset inventory.
2. Assisting with the design phase of the levee improvement program.
3. Finish the Water Utility Rate Study and begin implementing the 2015 Water System Plan.
4. Repaying 2015 interfund loan for the backhoe purchase.
5. Continuing the water meter replacement program.

“Water is the driving force of all nature.”

Leonardo da Vinci

413 WATER & SEWER SYSTEM RESERVE FUND

NARRATIVE: As required by the United States Department of Agriculture, the City must maintain a debt reserve totaling approximately one full payment for each bond obligation. The principal balance of this fund must remain intact until all of the City’s USDA bond obligations are met.

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 398,100	\$ 398,100	\$ 398,179	\$ 398,179	\$ 398,179
Total Debt Service Reserve Fund	\$ 398,100	\$ 398,100	\$ 398,179	\$ 398,179	\$ 398,179

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Reserved Fund Balance	\$ 398,100	\$ 398,100	\$ 398,179	\$ 398,179	\$ 398,179
Total Debt Service Reserve Fund	\$ 398,100	\$ 398,100	\$ 398,179	\$ 398,179	\$ 398,179

414 WATER & SEWER SYSTEM DEBT SERVICE FUND

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 70,000	\$ -	\$ 287,985	\$ 92,671	\$ 102,499
Miscellaneous Revenue	\$ -	\$ -	\$ 2,429	\$ 2,548	\$ 1,712
Interfund Transfers	\$ 571,800	\$ 506,900	\$ -	\$ 342,200	\$ 312,062
Total Water & Sewer Debt Service Fund	\$ 641,800	\$ 506,900	\$ 290,414	\$ 437,419	\$ 416,273

EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Reserved Ending Fund Balance	\$ 70,000	\$ -	\$ 88,727	\$ 142,931	\$ 92,671
Non-Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ 571,800	\$ 506,900	\$ 201,699	\$ 294,552	\$ 323,602
Total Water & Sewer Debt Service Fund	\$ 641,800	\$ 506,900	\$ 290,426	\$ 437,483	\$ 416,273

NARRATIVE: The Debt Service Fund is also required by the USDA Revenue Bond covenants. Payments towards the City's revenue bond obligations and other utility debt service obligations are met from this Fund.

The City has three (3) outstanding Water and Sewer Revenue Bonds, four (4) Public Works Board Loans consisting of water and sewer debt, and one private sewer loan through Umpqua Bank. The following table provides a list of these debts and the principal balances owing as of 12/31/2016:

Bond	2017 Payments including Principal & Interest	Principal Balance as of 12/31/2017	Pay-Off Date
Water and Sewer Refunding Bonds, Series 2010	\$ 202,310	\$ 1,625,000	12/01/23
USDA Water Revenue Bond, Phase I	\$ 13,767	\$ 218,584	02/25/34
USDA Water Revenue Bond, Phase II	\$ 81,525	\$ 1,259,332	10/27/34
2007 S. 3rd Street Sewer Reconstruction Project	\$ 14,322	\$ 61,773	03/15/22
Public Works Board - 1998 Wastewater Treatment Plant Rehab Project	\$ 137,725	\$ 134,583	06/01/18
Public Works Board - 1997 Wastewater Treatment Plant Rehab Project - Preconstruction	\$ 16,911	\$ -	06/01/17
2001 Water System Improvements Project- Preconstruction	\$ 26,724	\$ 104,289	06/01/21
2004 Water System Improve. Project	\$ 12,287	\$ 54,854	06/01/22
Totals	\$ 505,571	\$ 3,458,415	

Although several of these loans will be paid off starting in 2017 and thereafter in 2018, 2021, and 2022, the principal and interest that will no longer be obligated to those specific loans will become

obligated to the Water and Sewer Refunding Bonds, Series 2010. As a result, the City will not see a reduction in debt payments until 2024.

601 CEMETERY ENDOWMENT FUND

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 369,500	\$ 335,000	\$ 406,878	\$ 368,004	\$ 321,840
Charges for Goods & Services	\$ -	\$ -	\$ 500	\$ 800	\$ -
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Repayments	\$ 34,500	\$ 34,500	\$ 41,117	\$ 38,074	\$ 44,914
Total Cemetery Endowment Fund	\$ 404,000	\$ 369,500	\$ 448,495	\$ 406,878	\$ 366,754
EXPENDITURES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Ending Reserved Fund Balance	\$ 404,000	\$ 369,500	\$ 334,940	\$ 401,100	\$ 368,004
Interfund Loan	\$ -	\$ -	\$ 113,555	\$ -	\$ -
Total Cemetery Endowment Fund	\$ 404,000	\$ 369,500	\$ 448,495	\$ 401,100	\$ 368,004

NARRATIVE: The City charges a perpetual care fee on the sale of all cemetery plots. The money is deposited and held in the City Cemetery Endowment Fund. The City utilizes principal income from this fund to support its obligations associated with the upkeep of the Dayton City Cemetery.

602 LIBRARY ENDOWMENT FUND

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Net Cash & Investments	\$ 168,900	\$ 168,900	\$ 168,943	\$ 168,943	\$ 168,943
Total Library Endowment Fund	\$ 168,900	\$ 168,900	\$ 168,943	\$ 168,943	\$ 168,943
EXPENDITURES					
Ending Reserved Fund Balance	\$ 168,900	\$ 168,900	\$ 168,943	\$ 168,943	\$ 168,943
Total Library Endowment Fund	\$ 168,900	\$ 168,900	\$ 168,943	\$ 168,943	\$ 168,943

NARRATIVE: The Library Endowment Fund holds the principal money the City received from the Hedwig Davis bequest in the amount of \$167,697.41 and other donations for the benefit of the Dayton Public Library. All interest or other earnings as earned upon the principal of this Library Endowment Fund shall be transferred to the Columbia Rural Library District. The principal balance of this fund must stay intact as provided in DMC 2-24.04.

603 PATHWAY ENDOWMENT FUND

REVENUES	2017 BUDGET	2016 BUDGET	2015 BUDGET	2014 BUDGET	2013 BUDGET
Beginning Fund Balance	\$ 9,000	\$ 9,000	\$ 9,002	\$ 9,002	\$ 9,002
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pathway Endowment Fund	\$ 9,000	\$ 9,000	\$ 9,002	\$ 9,002	\$ 9,002
EXPENDITURES					
Ending Reserved Fund Balance	\$ 9,000	\$ 9,000	\$ 9,002	\$ 9,002	\$ 9,002
Total Pathway Endowment Fund	\$ 9,000	\$ 9,000	\$ 9,002	\$ 9,002	\$ 9,002

NARRATIVE: In 2009, the Historic Pathway was constructed. In an effort to provide funding for long-term maintenance and operation the City established this fund and periodically accepts donations for this purpose.

GLOSSARY OF TERMS:

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 at a specified rate. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term budget is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether the appropriating body has approved it.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary.

These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance and revenue and borrowing measures will be necessary to put the budget into effect.

Budget Message

A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Business & Occupation Taxes

The City levy's a business and occupation tax, also known as a utility tax, on the total gross operating revenues derived from the operation of light and power, telegraph, telephone and cable television businesses within the City.

Capital Outlay

Expenditures which result in the acquisition of, rights to, or additions to capital assets, including incidental costs such as legal, appraisal and brokerage fees, land preparation and demolishing of structures including, but not limited to land and land improvements, building and structures,

machinery and equipment purchases and other improvements, ex. Storm drain construction, alley reconstruction, water and sewer improvements, etc.

Debt

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

Debt Service Fund

Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Debt Service Requirement

The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

Expenditures

Decreases in net current assets, expenditures include debt service, capital outlays, and those current operating costs, which require the use of current assets. The difference between expenditure and an expense is a difference in what is being measured. Expenditures measure current outlays (the flow of current resources) while expenses measure total costs (total resources used). For example, purchases of capital assets (buildings and equipment) and of inventories are expenditures at the date of purchase, because they cause the outflow or the tie up of current assets. They are not expenses, however, until they are used or used up, because they are still a resource until consumed.

Another example is depreciation, which is not an expenditure because no current assets are used when depreciation is incurred, but which is an expense because it allocates the total cost as the depreciable capital asset is used.

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Accounts

All accounts necessary to set forth the financial position and results of operations of a fund.

Fund Balance

The difference between assets and liabilities reported in a governmental fund.

Interfund Payments

Expenditures made to other funds or departments for services rendered. Interfund activity includes, but is not limited to the following:

- 1) Interfund loans – amounts provided with a requirement for repayment from the borrowing fund to the repaying fund.

- 2) Interfund transfers – flows of assets (such as cash or goods) without equivalent flows or assets in return and without requirement for repayment.

Intergovernmental Services

Expenditures made to other governmental entities for services rendered including, but not limited to services such as law enforcement and municipal court.

Maintenance

Activities that ensure that the right of-way and each type of roadway, roadway structure and facility remain, as nearly as practical, in its original, as constructed condition or its subsequent improved condition.

Nuisance Abatement

A civil action that can be pursued along with criminal prosecution. The potential outcome of a nuisance abatement action is a corrective, injunctive-type order issued by municipal court.

Reserved Fund Balance

Portion of fund balance that reflects constraints placed on the use of resources that are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Retail Sales & Use Tax

A tax on a tangible sale of personal property, services such as construction, improving real & personal property, amusement and recreational activities. The City currently has a rate of 7.9% and receives approximately 0.85 cents on the dollar is returned to the City monthly.

Other Services & Charges

This is a basic classification for services other than personal services which are needed by the government including but not limited to professional, communication, travel, advertising, insurance, utility services, contracted repairs and maintenance services.

Rolling Stock

Self-propelled (such as trucks and trains) or pulled (such as trailers and coaches) transportation equipment that moves on wheels.

Supplies

This is a basic classification of expenditures for articles and commodities purchased for consumption or resale including, but not limited to items such as office and operating supplies, fuel, small tools and minor equipment purchases.

Unreserved Ending Fund Balance:

The total of committed fund balance, assigned fund balance and unassigned fund balance.