



CITY OF BLAINE BUDGET | 2016

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CITY OF BLAINE, WASHINGTON
2016 BUDGET

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CITY OF BLAINE TRANSMITTAL MEMO



To: City Council and Blaine Citizens

From: David Wilbrecht, City Manager
Jeffrey Lazenby, Finance Director

Date: December 2015

Re: Presenting the 2016 Budget

Overview

Operating revenues are estimated at \$20,645,328; with beginning fund balances, it is \$32,464,616. The estimated operating revenue shows a slight decrease compared to the 2015 final estimate. Total operating expenditures are budgeted at \$16,003,703, a 3.4% increase from the 2015 final budget.

Revenue

General Fund Revenue

General fund operating revenue is expected to remain the same compared to the 2015 final budget.

Property Taxes

Per statute, cities with a population of under 10,000 are allowed a 1% increase per year plus value from any new construction. For 2016, the City took the 1% increase. The City's budgeted 2016 property tax revenue is \$965,939.

Currently, for every dollar of property tax paid to the city, 18 cents goes to support general fund operations, 12 cents to street operations, 14 cents to street overlays, and 56 cents pays for debt service on street capital improvements. An additional 16 cents goes to the payment on the capital bond used to build the fire station on O'Dell Rd. The excess levy was approved by the voters in 2002 and the bond matures in 2021. With the voted bond levy, the City's budgeted total 2016 property tax revenue is \$1,097,312.

Sales Taxes

Sales tax is one of the largest general fund revenue sources, accounting for 24% of total general fund revenue. Sales taxes can vary significantly from year to year. The difference often is the result in the amount of construction activity. However, since the State of Washington's adoption of streamlined sales tax (tax is paid at point of delivery instead of point of sale), Blaine has benefited significantly. The retail sales portion has increased by 80% over the past five years. The City anticipates an increase of 4% in sales tax revenue compared to the 2015 budget.

Interfund Transfers

Interfund transfers or charges account for 24% of the general fund revenues ranking it close to sales tax revenue. These transfers come from enterprise funds (water, sewer etc.) and non-general fund programs and are intended to pay for general fund support services. For example, the general fund receives funding for the financial services that are provided. The same is true of general administration. The cost allocation formula does not include all general fund programs, such as the police department.

Utility Taxes

A 6% tax is applied to all sales electric power, natural gas, telephone and garbage. A 9% tax is applied on all sales of the City water, sewer and stormwater. A one percent tax is levied on cable television. Cable TV also pays a 5% franchise fee. Utility tax rates are capped at 6% for all but City utilities of water and sewer. (All utility tax rates may be increased beyond the caps with voter approval.) Utility tax revenue from utilities is anticipated to increase by 1%.

Utility taxes generate 24% of the total general fund revenues. Together property tax, sales tax and utility tax account for 56% of total revenues to the general fund.

1 Cent per Gallon Gas Tax

The one cent per gallon gas tax has increased significantly over the last four years by an average of 138%. However, trends indicate that this source of revenue is decreasing due to fluctuations in the Canadian dollar exchange rate. The City has estimated a 20% decrease from 2015; this is a significant hit to the street fund. This source of revenue goes to the street fund and supports street maintenance and operations.

Hotel/Motel Tax

The hotel/motel tax supports the City's marketing and tourism activities, and the Visitor's Information Center (VIC); some of the activities include Fourth of July, the Drayton Harbor Music Festival, the Plover, and the Peace Arch Park Sculpture. The hotel/motel tax revenue exceeded expectations in 2014 and 2015. Trends indicate that this source revenue will continue to increase after a few years of decreases. The City estimates a 28% increase for this source of revenue for 2016. Aside from funding the VIC, some revenue will be available for tourism activity grants.

Real Estate Excise Tax

This source of revenue comes from sale of real estate. State law currently allows the use of Real Estate Excise Tax (REET) money to support on-going operations and maintenance on capital facilities. This allowed use sunsets in 2016. The City continues to use REET funds to support on-going park maintenance in the amount of \$55,000 and has allocated \$70,000 to street maintenance. Other than park and street maintenance, REET funds can only be used for funding capital projects. The REET trends indicate that home sales have begun to trend upward after several years of decreases.

Grant Funding

The City continues to apply for grants for many of its projects and equipment needs. However, as the state and federal budgets have their own difficulties, grant funding for local projects continues to decrease.

Utility Funds Revenue

No rate increases are planned for water, wastewater, and stormwater utilities in 2016. For these utilities, the City estimates that revenue will maintain and continue to fund current maintenance and operations levels. General Facility Fees (GFF) or connection fees for water and sewer were re-implemented in 2014. In 2016, these fees will continue to generate revenue for future water and sewer capital improvements.

For the Electric Utility, the Council adopted a 5% rate increase for 2016. This increase is needed in order for the utility to continue to meet operating costs, to meet operating and capital target balance requirements, and to meet needed capital improvements.

Expenditures

General Fund Expenditures

The general fund supports public safety, planning and building inspection, parks and cemetery operations, and general administrative services. On the operating expenditure side, the City has budgeted a 10% increase from the 2015 final budget.

Strategic Economic Initiative

In the 2016 budget, the City has initiated a process to evaluate the need for new and expanded community facilities. These include a wide range of items such as roadways, parks, and trails, as well as new or enhanced buildings, such as a visitor center, police station, library, and community center. This effort will include extensive public outreach, an assessment of needs, cost estimating for facilities, evaluation of community support, and evaluation of funding alternatives. This initiative will partially be funded by the City's Rural Economic Development (RED) fund.

Personnel

In the general fund, there are no anticipated changes to positions or full-time equivalents (FTEs). In terms of salaries and wages, all labor contracts are up for renegotiation for 2017. Progressive step increases for those not at the top step of their position salary range are currently budgeted.

Medical costs continue to increase on an average of 7% to 10% per year. Employer contributions to the public employees' retirement system (PERS) have increased by 5%.

General Fund Contributions

The City contracts with the Boys and Girls Club for after-school programs and provides funding for senior services. The City's financial contribution to the Boys and Girls Club is \$31,000 and to the Senior Center \$49,000—the same as the 2015 contributions.

Utility Funds Expenditures

The 2016 utility operating budgets represent basic maintenance and operations for the respective utilities—water, wastewater, electric, and storm—and the ongoing commitment to customer service.

The electric utility estimated operating expenses are up by 3% compared to the 2015 budget. A major project funded by the electric utility is the construction of a storage facility at the public works yard. The facility will be owned by the electric utility.

The water utility estimated operating expenses are down by 3%. The water budget continues to fund operations as well as continuing to fund the water capital and equipment reserves.

The sewer utility estimated expenses are down by 1% from 2015. Some of the expenses include a new staffing position or one additional FTE, equipment purchases, and mandated funding for future equipment replacement. Sewer debt service payments will continue to level off within the next couple of years.

Estimated expenses for the stormwater utility have decrease by 5%. This is due to changes in re-allocating staff time to other public work's operations.

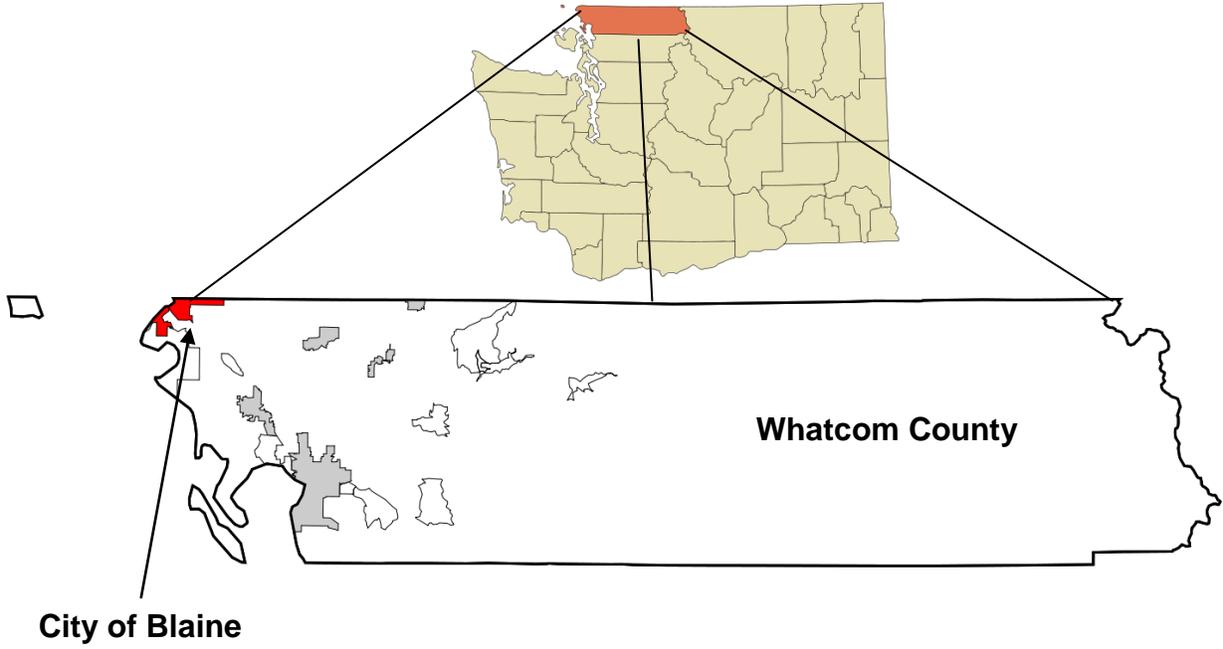
Capital Projects

In terms of capital projects planned for 2016, many needed projects such as storm, transportation, and park improvements are not included in the capital improvement plans due to lack of funding. Some improvements have been deferred into 2017 and beyond.

Some planned capital projects for 2016 include: sidewalk improvements to Mitchell Avenue; Bell Road/Peace Portal intersection improvements; water supply wells 5.1 and 8.1 upgrades; Pipeline Road electric transmission line upgrade; and wastewater service extension to the Vista Terrace neighborhood.

LOCATION OF BLAINE

Washington State



CITY OF BLAINE, WASHINGTON
DIRECTORY OF ELECTED OFFICIALS & ADMINISTRATION
CITY COUNCIL

Harry Robinson, Mayor	At-Large, Position 7
Paul Greenough, Mayor Pro Tem	Ward 3, Position 6
Steven Lawrenson	Ward 1, Position 1
Bonnie Onyon	Ward 1, Position 2
Dennis Olason	Ward 2, Position 3
Charlie Hawkins	Ward 2, Position 4
Mary Lou Steward	Ward 3, Position 5

CITY ADMINISTRATION

David Wilbrecht	City Manager
Michael Haslip	Public Safety Director
Michael Jones	Community Development Services Director
Jeffrey Lazenby	Finance Director
Sheri Sanchez	Administrative Services Director
Jon Sitkin	City Attorney
Ravyn Whitewolf	Public Works Director

CITY OF BLAINE SERVICES SUMMARY

The City provides a range of municipal services that include public safety, planning and building inspection, parks, street and transportation infrastructure, utilities, and general administrative services. The City owns and operates electric, water, wastewater, and stormwater utilities; the Blaine Public Library building; the Community Center building; City Hall; a cemetery; and nine park facilities.

ABOUT BLAINE

Incorporated in 1890, the City is located along the shores of Drayton Harbor, with marinas located near downtown and on the Semiahmoo Spit. Drayton Harbor provides 10.25 miles of shoreline within the city limits, which is a haven for multiple species of shorebirds. Blaine also features clamming and fishing beaches.

Blaine has a tourism and recreation economy centered on its historic downtown and the harbor area. Blaine is home to the third busiest Canada/U.S. border crossing and the community has an expanding commercial and industrial district largely tied to international trade and the movement of goods and services between the U.S. and Canada.

Blaine is known as the “Peace Arch City,” named after the Peace Arch monument, located in Peace Arch State Park. The park straddles the U.S./Canada border, allowing visitors the experience of strolling between countries while enjoying the park’s beautiful gardens.

The historic Plover foot ferry provides transportation between Blaine Harbor and Semiahmoo Spit. Blaine also boasts the number one and number two rated golf courses in Washington State: Loomis Trail Golf Club and Semiahmoo Golf & Country Club.

Year round outdoor recreational opportunities abound in both Whatcom County and the Lower Mainland of British Columbia. These include hiking, camping, sailing and fishing, and the foothills of the Cascade Mountain Range are 25 miles east with easy access to the Mt. Baker Wilderness and Mt. Baker Ski Area.

Blaine at a Glance

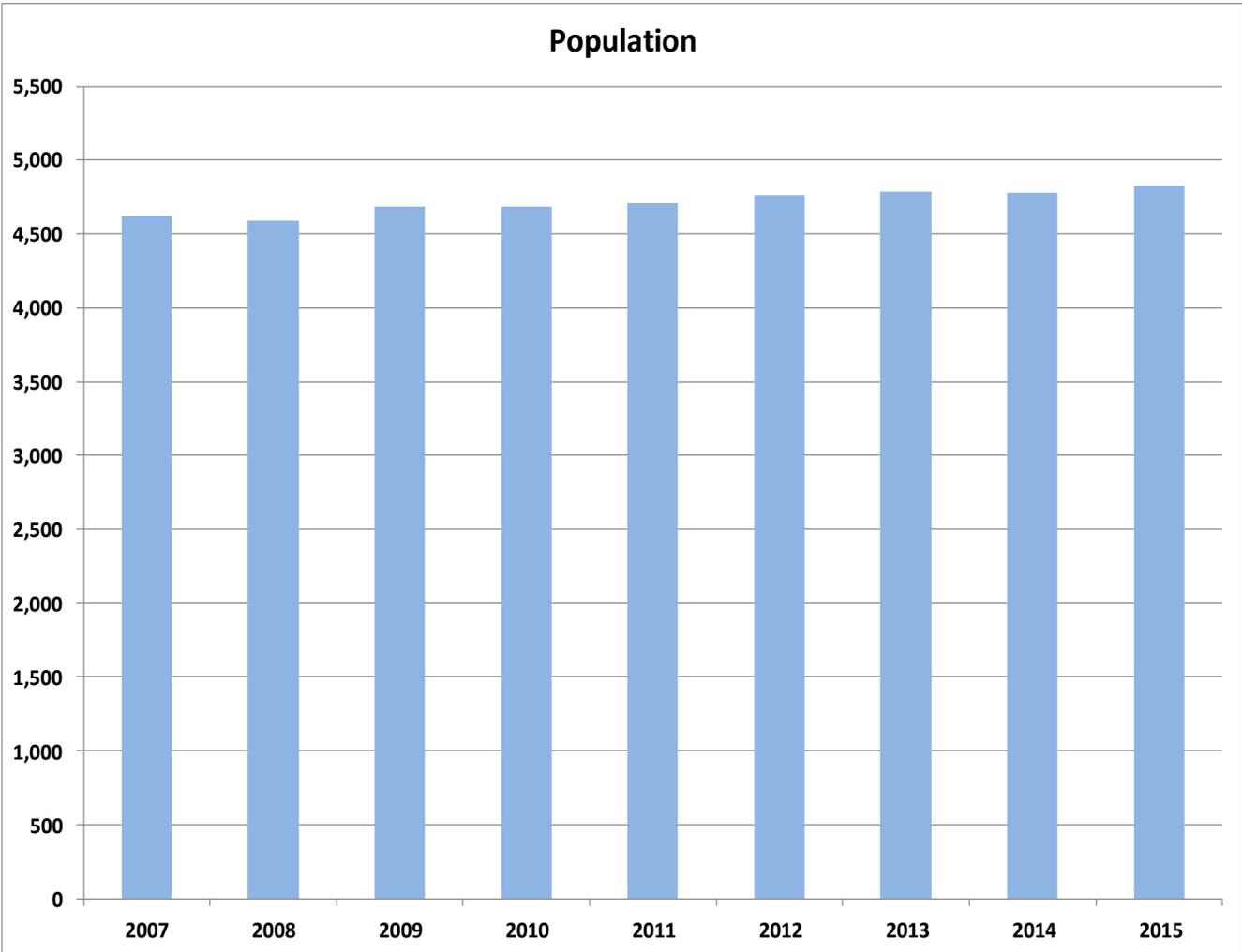
Elevation:	52 feet city center, 525 feet at highest point
Land Area:	8.4 square miles
Location:	110 miles north of Seattle & 35 miles south of Vancouver, BC
Average Annual Rainfall:	35-40 inches
Mean Temperature:	High 62F; Low 40F

Demographics *(from Office of Financial Management, U.S. Census Bureau & City-Data)*

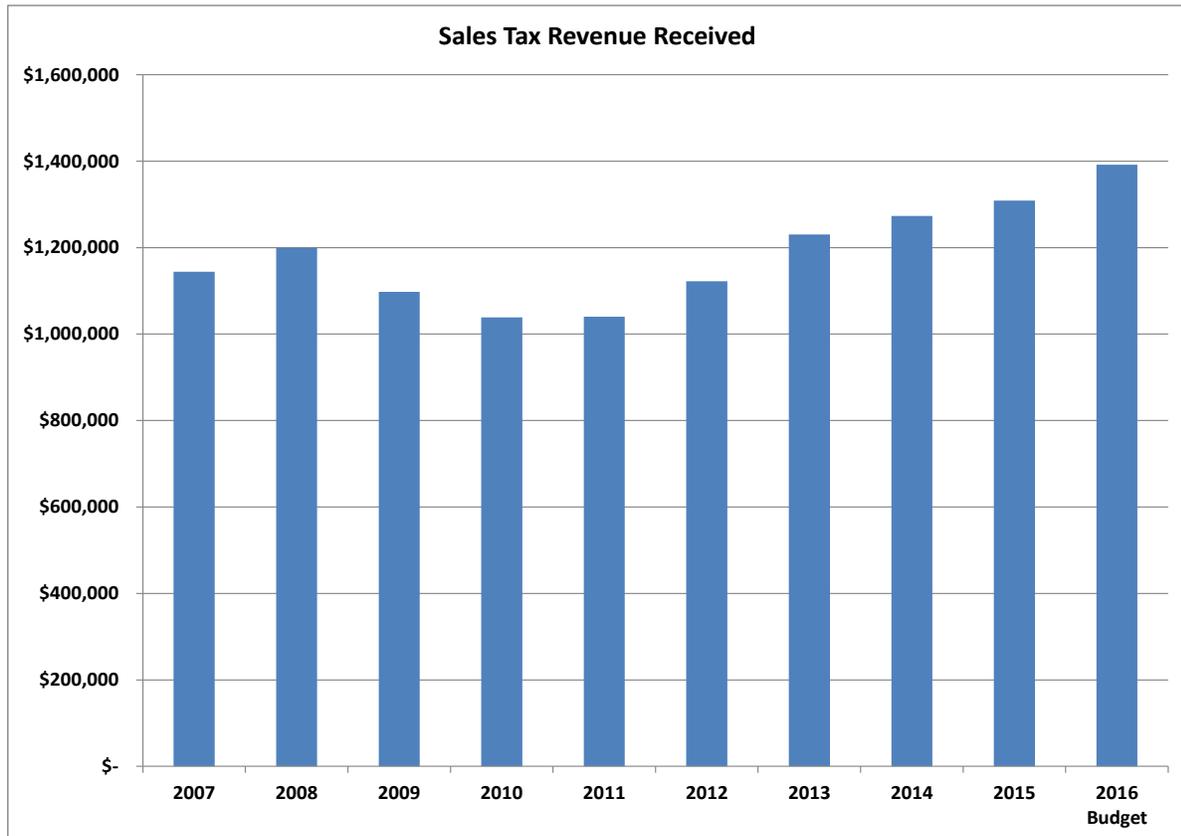
Population:	4,829
Density:	575 persons/square mile
Male/Female	48.9% / 51.1%
Median Age:	40.4 yrs.
Median Household Income:	\$55,229
Median Value of Housing Unit:	\$286,000
Total Housing Units:	2,450

LOCAL ECONOMIC INDICATORS

Population



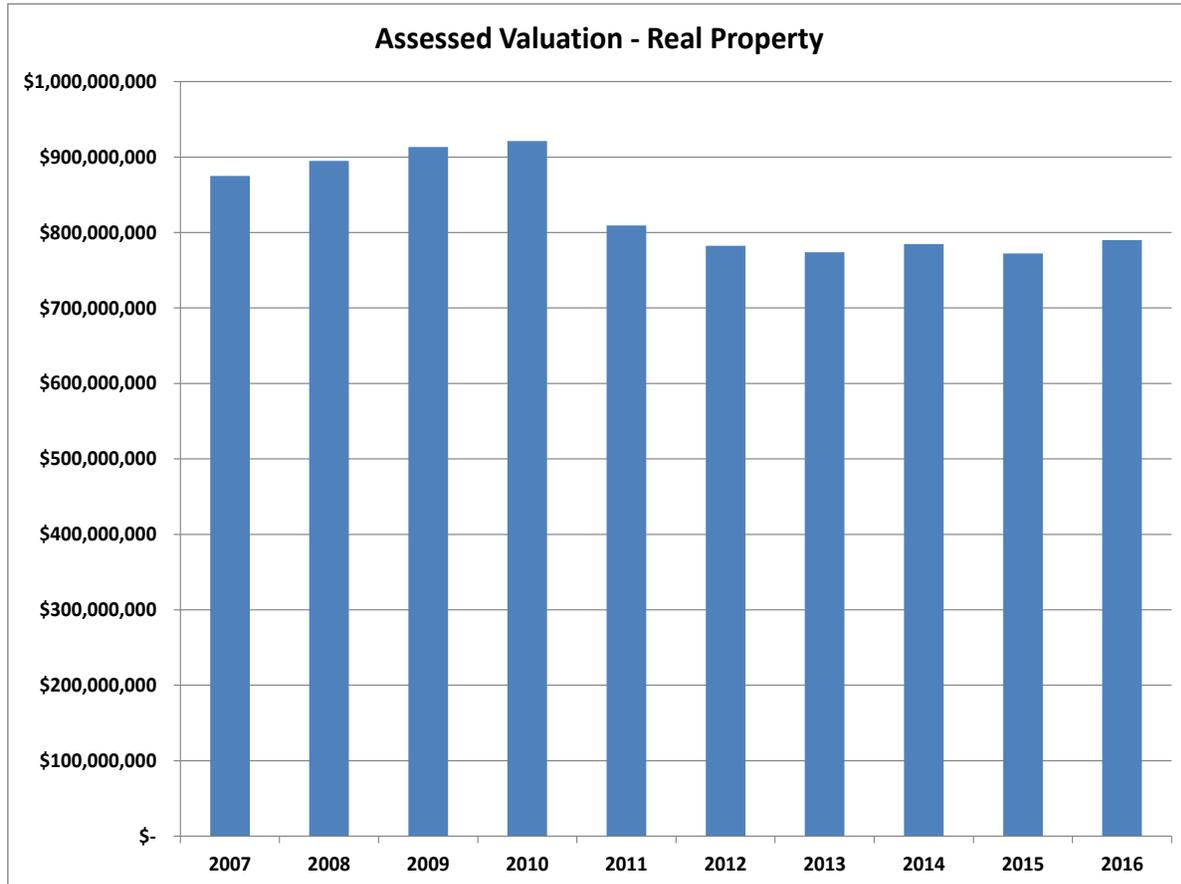
Sales Tax



Sales Tax Distribution Breakdown	
Tax Jurisdiction	Percentage
State	6.50%
City of Blaine	0.85%
Transit Authority	0.60%
Whatcom County	0.45%
Criminal Justice	0.10%
Total	8.50%

The sales tax rate within the City of Blaine is 8.5% of which 0.85% of total sales tax revenue is returned to the City. The remainder of the revenue goes to the State and other public agencies.

Property Tax



24 Largest Taxable Assessed Values in the City of Blaine - 2014 Tax Year					
Nature's Path Foods USA Inc	\$	23,330,272	Robinson Family Trust	\$	3,455,695
Resort Semiahmoo LLC	\$	19,800,000	Donald W & Shirley A Nelson	\$	2,796,535
DBW Whatcom LLC	\$	10,508,475	Grandis Pond LLC	\$	2,728,008
Blaine Station Inc	\$	8,755,121	Johnson's J B Investments LTD	\$	2,340,440
Sawan LLC	\$	7,584,350	Eugene & Edith Klein	\$	2,229,382
Hayes Development Group LLC	\$	7,580,355	Ammex Tax & Duty Free Shops West Inc	\$	2,203,205
Marin Condominiums LLC	\$	5,888,831	Leroy J & Janice L Wiebe	\$	2,171,368
Harbor Lands LP	\$	4,857,342	Douglas W & Louise B Connelly	\$	2,168,988
Union Bank NA	\$	4,577,689	Country Enterprises Inc	\$	2,054,249
Semiahmoo South LLC	\$	4,504,668	Totally Chocolate Inc	\$	2,003,943
Exports Inc	\$	4,053,803	BNSF Railway Company	\$	1,946,161
Semiahmoo LLC	\$	3,458,200	Trader Partnership	\$	1,888,347

Valuations provided by the Whatcom County Assessor's Office.



Assessed Home Value \$286,000

Tax District	Dollars	Percent
Blaine School District	\$838.50	28%
State	659.71	22%
Fire District	429.00	14%
City of Blaine	442.39	15%
Whatcom County	322.54	11%
Library District	141.85	5%
Port of Bellingham	79.06	3%
Flood Control	38.45	1%
Blaine-Birch Bay Parks & Rec District	28.24	1%
Conservation	11.94	0.4%

Property tax revenue funds general city services, street operations, street capital projects, and debt service on street capital projects. Real and personal property is assessed by the Whatcom County Assessor's Office. Of the total property taxes owed on a \$286,000 assessed value home, 14% goes to the City.



CITY OF BLAINE

Budget Process

Budget Method & Sequence

1. Finance Director calculates estimates for major revenue sources and reviews with City Manager.
2. City Council and management review City goals and objectives, establish service priorities, and budget linkage to the Strategic Plan and identify any changes to priorities.
3. Managers review general budget spending guidelines with Finance Director & City Manager.
4. Managers assess departmental needs and develop Departmental Budget Proposals, Capital Improvement Proposals, and justifications and revenue sources to support major budget additions for submission to the Finance Director/City Manager.
5. The Finance Department calculates and compiles the Departmental Budgets, reviews with City Manager, and develops a draft of the Preliminary Budget.
6. The City Manager/Finance Director files the Preliminary Budget with City Council.
7. The Preliminary Budget is presented to the City Council.
8. The Finance Director reviews and compiles a list of additions and reductions, based on any updated revenue projections and personnel expenses, and revises the Preliminary Budget. Revisions are reviewed with the City Manager.
9. The revised Preliminary Budget and property tax levy request are presented at the October City Council meeting for public hearing and adoption.
10. The City's levy request is submitted to the Whatcom County Assessor.
11. Final revenue certifications, City Council and management feedback are compiled and the Finance Department revises the Budget document.
12. The Final Budget is presented to the City Council for final review and adoption.
13. The Final Budget is published and available upon request or through the City's website.

2016 BUDGET CALENDAR

1. Finance Director calculates estimates for major revenue sources. July
2. Managers review general budget spending guidelines with Finance Director. August
3. Managers assess departmental needs & develop Departmental Budget Proposals. August – Sept.
4. Review of Preliminary Budget. August – Sept.
5. City Council conducts Strategic Plan workshop September 14
6. Preliminary Budget to City Manager **October 1**
7. City Council conducts workshops on the 2015 Budget. October 12 & 26
8. Property Tax Levy Public Hearing. October 26
9. City Manager/Finance Director files Preliminary Budget & budget message with City Council & City Clerk. **October 30**
10. Notice of filing of Preliminary Budget published with notice of public hearing on Final Budget once a week for 2 consecutive weeks. **November 2-13**
11. City Council conducts workshops on the 2015 Budget. November 9 & 23
12. First budget hearing. **November 9**
13. Adopt Property Tax Levy Ordinance. November 9
14. Second budget hearing. November 23
15. Submission of property tax certification to County Assessor. **November 30**
16. City Council conducts workshop on the 2015 Budget. December 14
17. Adoption of 2016 Budget. **December 14**

CITY OF BLAINE GOALS

VISION STATEMENT

The City of Blaine is an open and welcoming community located on beautiful Drayton Harbor and the border with British Columbia. This diverse community has an engaged population that is friendly to both older and younger citizens. Blaine is clean and safe. It has an excellent educational system and the community is particularly proud of the new high school and award winning vocational/technology program. Blaine has a growing economy with a vibrant downtown and a healthy business climate. The community is involved and approaches problem solving in a creative way. It embraces sustainability in all areas of community life as evidenced by the commitment to becoming a pedestrian friendly community and preserving its unique geographic location.

MISSION STATEMENT

The mission of the employees and elected officials of the City of Blaine is guided by the highest priorities of customer service, helpfulness and excellence in all that we do. We believe that achieving these priorities require that we work diligently to create and sustain a community that is, above all, safe and healthy, but also clean and attractive with well maintained infrastructure. We strive to help make Blaine “fertile soil” which will grow healthy families and successful businesses. In short, a place where people like to live.

CORE VALUES

Dedicated Staff and Elected Officials

Honest

Respectful

Competent

Caring

Rational

Helpful

Hard Working

Available

Accessible

GOALS

- The City of Blaine is an important part of a larger economic region and as such will work cooperatively with others in the region to develop and promote a sustainable economy. For the City of Blaine, sustainability means living in a way that balances social, economic, environmental and institutional considerations to meet our needs and those of the generations to come.
- The City will progressively maintain the installed capital assets for the City of Blaine.
- The City will explore and implement a variety of ways to involve the community in the public decision making process.
- The City will develop and market the City of Blaine as a vibrant, appealing, entertaining and interesting place to visit while maintaining the community's small town flavor and high quality of life.
- The City will foster collaborative working relationships among local, state, federal and international stakeholders/partners in community and economic development areas.
- The City will provide and preserve open space and shoreline access and expand the recreation services for citizens of all ages and interests.
- The City will foster pride in the physical appearance of our community through responsible property ownership and a strong commitment to making our community a healthy, safe and attractive place to live.
- The City will provide excellent stewardship of the City's financial resources.
- The City believes that preserving environmental quality and encouraging economic development are not mutually exclusive goals. They are interdependent and for Blaine to prosper and sustain its quality of life, we must integrate environmental preservation as a high priority in all we do.
- The City will protect the people and property in our community while promoting safety and sense of well being.
- The City will work in partnership with our community and area criminal justice agencies to protect life and property, solve neighborhood problems, and enhance the general quality of life in our City.
- The City will improve transportation systems (private and public) connecting Blaine with neighboring communities in the U.S. and British Columbia.
- The City will enhance the physical access to the marine shoreline and preserve critical marine view-sheds as a component of the City's recreation and community development strategy.
- The City will meet the needs of citizens in ways that do not compromise and limit future generations' ability to meet their own needs.

Summary of Financial Policies

Fund Reserves

The City will maintain a fund reserve (Fund 107) for the general fund to pay expenditures caused by unforeseen emergencies, for shortfalls caused by revenue declines and to eliminate any short-term borrowing for cash flow purposes. This reserve should be maintained at an amount that represents the equivalent of one year's property tax collections. This reserve will be separate from the carryover balance.

The City's general fund will maintain a year-to-year "carryover balance" in an amount necessary to maintain adequate cash flow and to reduce the demand for short-term borrowing. All other funds must never incur negative fund equity.

Contingencies and reserve funds in the Electric should equal 60 days operating revenues; and for Water, Wastewater, and Storm Water utility operating funds should be equal to 30 days operating revenues.

The City will maintain an equipment reserve fund, and will appropriate funds to it annually to provide for the timely replacement of equipment.

Utility Rates

Utility user charges for electric, water and wastewater will reflect cost of service and will be established so that operating revenues are at least equal to operating expenditures. A portion of user rates is designed to cover replacement of the utility facilities.

Each of the City utilities will periodically conduct a comprehensive rate study. In each of the intervening years, the staff will review and update the current study.

The administrative transfer fee is a payment from all Enterprise Funds to the Current Expense Fund for the cost of personnel, finance, general government, equipment, materials, facilities and service usage provided by general government funds. Consequently, the amount of each year's transfer fee will be based on the estimated General Fund expenditures that represent direct and indirect services provided to each enterprise fund, less those that are directly billed to those funds.

Each of the four City utilities will maintain a reserve fund to meet unforeseen emergencies. This reserve shall be separate from the carryover balance. The carryover balance should be sufficient to maintain adequate cash flow and to reduce the demand for short-term borrowing.

Budgeted Capital Asset Maintenance

The City shall continue to support a scheduled level of maintenance and replacement of its infrastructure and fleet.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and minimize future maintenance and replacement costs. The adopted

Summary of Financial Policies

operating budget will provide sufficient resources for the regular repair and maintenance of capital assets.

Debt

When authorized by the Council, the City will issue long-term debt for high cost long-lived capital projects/assets. The City will issue short-term debt only when it is impossible to fund a project/asset initially through long-term debt. Debt issuance will conform to the debt limitations as set by State of Washington statutes.

The issuance of short-term debt is limited to projects/assets that cannot be funded initially through long-term debt.

The issuance of long-term debt is limited to capital projects and assets that the City cannot finance from current revenues or resources. For purposes of this policy, current resources are defined as that portion of fund balance in excess of the required reserves (see 5.2.7 Fund Reserves). Every effort will be made to limit the payback period of the bonds to the estimated useful life of the capital projects or assets.

The City will use long-term debt financing when the following conditions exist:

- Non-continuous capital improvements are desired.
- Future citizens will receive a benefit from the improvement.

When the City utilizes long-term debt financing, it will ensure that the debt is financed soundly by:

- Conservatively projecting the revenue sources that will be utilized to repay the debt.
- Financing the improvement over a period not greater than the useful life of the improvement.
- Determining that the cost benefit of the improvement, including the interest cost, is positive.

Capital leases may be used to finance equipment purchases, rather than an outright purchase, anytime the total cost of the equipment purchases exceeds 12% of the applicable funds' budget.

The City will conform to the debt limitations as set forth by the State of Washington. Those limitations include:

Indebtedness for general purposes without a vote limited to 1.5% of taxable property value for the regular levy.

Indebtedness for general purposes with a vote limited to 2.5% of the taxable property value for the regular levy.

Summary of Financial Policies

Indebtedness for utility purposes with a 3/5 vote limited to 2.5% of the taxable property value for the regular levy.

Indebtedness for open space and parks with a 3/5 vote limited to 2.5% of the taxable property value for the regular levy.

The City will attempt to keep the average maturity of general obligation bonds at ten years.

All efforts will be made to limit the long-term debt maturity schedule to the estimated useful life of the capital asset constructed or purchased.

Annual budget appropriations shall include debt service payments and reserve requirements for all long-term debt outstanding, as set forth in the bond ordinances.

Debt issues will be sold on a competitive basis, except when conditions make a negotiated sale preferable, and awarded to the bidder who produces the lowest interest cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project speculative or complex, the issue is a refunding, or the market is unstable.

Internal Controls

The City will maintain internal controls sufficient as to prevent loss of City assets. These controls will be documented and reviewed on a periodic basis.

Any employee will be prosecuted to the extent of the law in any instance where the employee is proven to have committed an illegal act such as theft.

Financial Reporting

The Finance Department prepares monthly financial reports for the City Manager, City Council, and the department managers no later than the first Council meeting of each month.

An Annual Street Report is prepared and sent to the State Department of Transportation no later than May 31.

An Annual Financial Report is prepared for the State of Washington, and sent to the State Auditor's Office no later than May 29. This report is available to the City's Council, securities and bonding agencies, and citizens.

Purchasing Thresholds

All purchases of goods with an estimated total cost of \$15,000 or more require formal competitive sealed bids. Purchases with an estimated total cost of less than \$15,000 should be purchased in accordance with the adopted Purchasing and Procurement Policy 6-1. Under no circumstances should purchases be split to avoid bid limits.

Summary of Financial Policies

The City is authorized to use state contracts in lieu of issuing bids to vendors or buying locally when it is to the economic advantage of the City.

The City Clerk opens all bids. The City Council has the responsibility to award all formal bids.

Investments and Banking Services

State of Washington Statutes 35A.40.050 and 43.84.080 RCW authorize the City to invest in selected investment instruments. The City's investment policy is set forth in the Policies and Procedure Manual, Investment 4-6.

All cash and investments will be maintained in pooled accounts.

Periodically, as determined by the City, the finance department will issue a request for banking services to all qualified banks located within the City's geographic boundaries. The award of banking services will be made solely on the response to the request for proposal. After a depository is chosen, a banking service contract will be approved by the City Council.

Grant Funding

The City will seek state and federal grants and developer contributions for funding projects. Grants and contributions will not be budgeted unless the funding source has been identified and awards confirmed.

Basis of Accounting and Budgeting

The City's basis of accounting and budgeting is maintained in accordance with methods prescribed by the State Auditor under authority of Washington State statute. The City of Blaine follows the State's Budgeting, Accounting, and Reporting System (BARS) for library districts.

The City uses a cash basis of budgeting and accounting. The cash basis of accounting operates as follows: Revenues are recognized in the accounting period only when received in cash. Expenditures are recognized in the accounting period when they are actually paid. Encumbrances are recognized during the year; however, outstanding encumbrances at the end of the year are no longer considered expenditures and are re-appropriated in the following year. Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is recorded as operating expenditures when purchased.

Annually or biennially, the State Auditor's Office audits the City's Financial Statements, including the balances and financial activity related to cash and investments, revenues, expenditures, and overall presentation of the Financial Statements. The City's accountability and compliance with certain state laws and regulations and its own policies in the following areas are also evaluated during an audit: cash receipting and

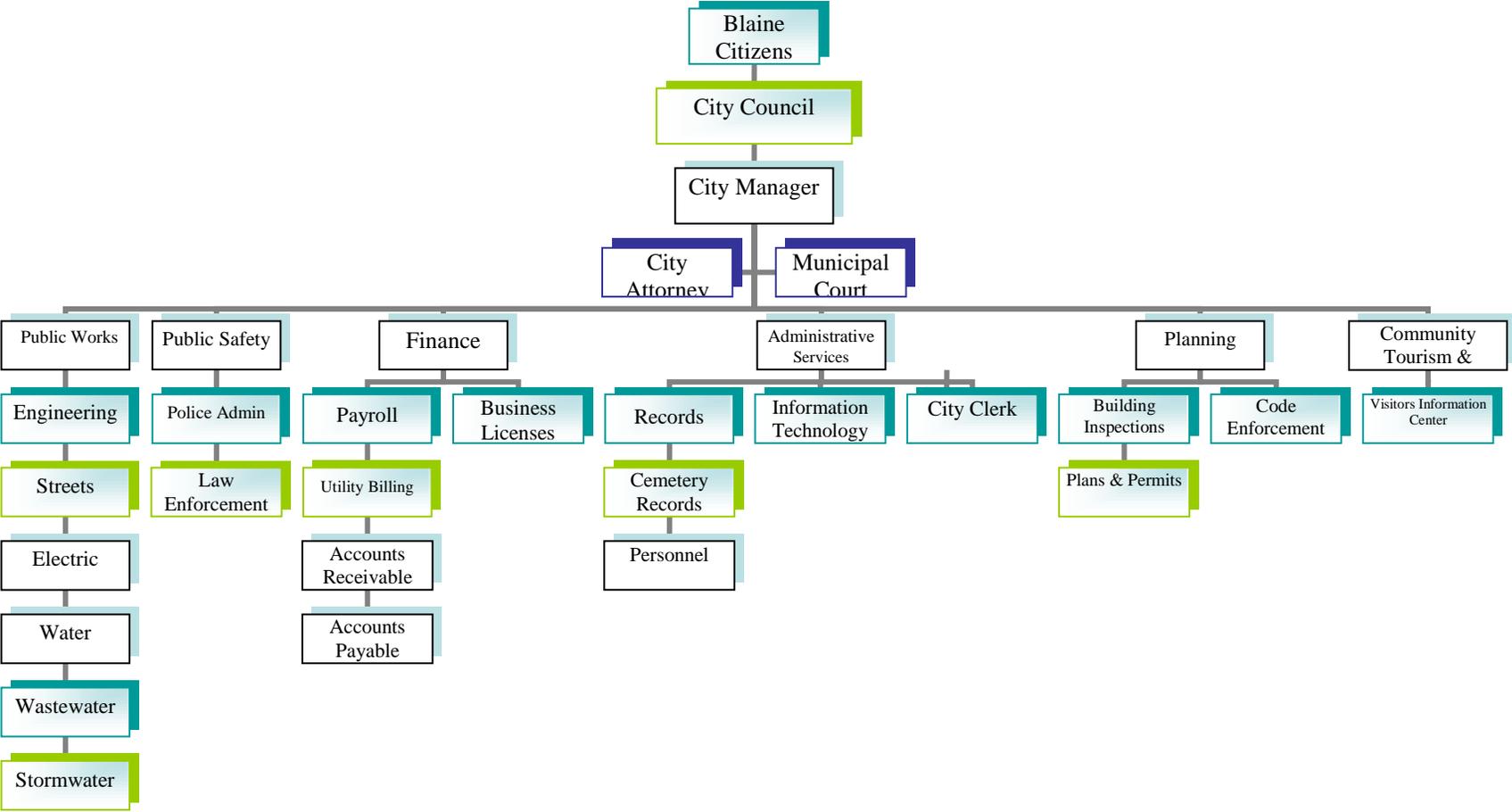
Summary of Financial Policies

revenues, contracts and agreements, purchases and payments, and open public meetings.

Fund Structure

The general fund is the general operating or current expense fund of the City. All current operating revenue and expenditures are accounted for in this fund. The enterprise funds consist of the City's four utility funds: electric, water, wastewater, and storm water. All current utility operating revenue and expenditures are accounted for in these funds. The capital funds are for the acquisition, enlargement or improvement of real or personal property for City purposes. All current capital project expenditures are accounted for in these funds. The cash basis of accounting is applied to all funds.

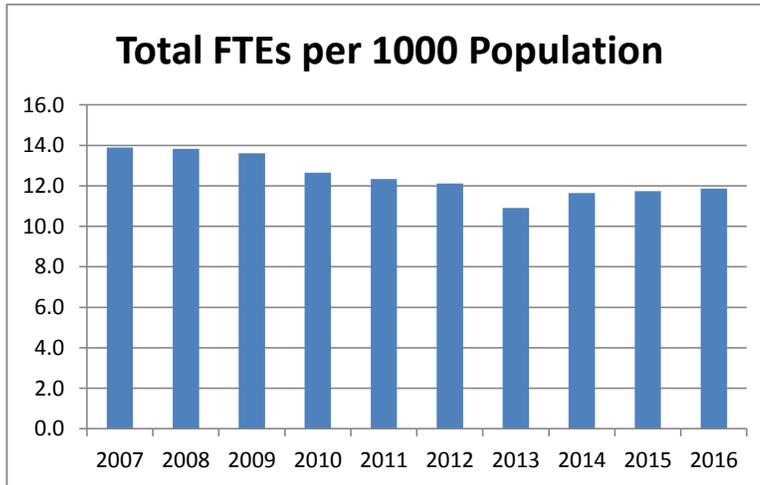
2016 CITY OF BLAINE ORGANIZATIONAL CHART



**City of Blaine
Staffing Comparison (Full Time Equivalents)**

Department/Division	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.4	1.4	1.0
Municipal Court	3.3	2.0	2.0	1.8	1.8	1.8	1.0	1.8	2.0	2.0
Finance	6.8	7.0	7.0	6.8	6.0	6.0	5.0	6.0	6.0	6.0
Administrative Services/City Clerk	2.3	2.5	2.5	2.2	2.2	2.2	2.0	2.0	2.0	2.0
Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities Maintenance	0.8	1.0	1.0	0.9	0.9	0.9	0.9	1.3	1.4	1.5
Police Department – Sworn	14.0	13.5	13.5	11.0	11.0	11.0	9.0	11.0	11.0	11.0
Police Department - Civilian	3.0	4.0	4.0	4.0	4.0	3.0	2.0	2.0	2.0	2.4
Planning/Building Inspection & Code Enforcement	5.4	5.9	5.9	3.9	3.9	3.9	3.9	4.3	4.3	4.9
Tourism/Community Development	1.8	2.0	2.0	1.8	1.8	1.8	1.2	1.4	1.4	1.4
Streets/Parks/Cemetery	2.5	2.9	2.9	2.3	2.3	2.3	2.3	2.4	2.4	3.0
Electric	6.3	5.9	5.9	6.3	6.3	6.3	7.0	5.8	5.8	5.7
Water	3.3	3.3	3.3	3.6	3.2	3.2	3.8	3.3	3.3	3.7
Wastewater	4.8	4.9	4.9	4.9	4.9	4.9	4.1	4.5	4.5	4.9
Storm Water	0.9	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.0	0.8
Public Works Administration	7.4	6.7	6.7	6.8	6.8	6.8	6.8	6.6	6.6	6.0
Total	64.6	64.5	64.5	59.2	58.0	57.0	51.9	55.7	56.1	57.3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total FTEs per 1000 Population	13.9	13.8	13.6	12.6	12.3	12.1	10.9	11.6	11.7	11.9



Revenue Type and Estimated Beginning Fund Balance Definitions

Estimated Beginning Fund Balance: The estimated difference between those revenues (assets) that can reasonably be expected to be available within the year, and those payables (liabilities) that can reasonably be expected to be spent during the year.

Taxes: Taxes levied by a government for the purpose of financing services performed for the common benefit. Examples include Property, Sales, and Utility Taxes.

Licenses and Permits: These include charges for issuance of licenses and permits, for example, Business Licenses. This category does not include inspection charges.

Intergovernmental Revenue: This revenue includes grants, entitlements, shared revenues, and payments for goods and services provided by one government to another.

Goods and Services Charges: Charges for services rendered or goods sold by the city except to other governments or another City department or group. Examples include electric, water, sewer, and storm water services.

Fines and Forfeitures: Fines are monetary judgments commonly imposed by the court; forfeitures are penalties by which one loses rights and interest in property because of commission of an offense or nonperformance of an obligation or duty. Examples include penalties collected for parking and traffic tickets.

Miscellaneous Revenues: Includes operating revenues not classified elsewhere, such as interest, rents, leases, concessions, and contributions from private sources. Examples include interest earnings and rental income.

Non-Revenues: These revenues are for items such as interfund loan proceeds and proceeds of long-term debt for proprietary funds.

Other Financing Sources: These are changes in current financial resources that are reported separately from revenues to avoid distorting revenue trends. Examples include sale of GO Bonds, proceeds from the disposition of capital assets, and operating transfers in.

Expenditure Type and Estimated Ending Fund Balance Definitions

Estimated Ending Fund Balance: The estimated difference between those revenues (assets) that can reasonably be expected to be available within the year, and those payables (liabilities) that can reasonably be expected to be spent during the year.

Salaries and Wages: This expenditure category includes amounts paid to City employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and stand-by hours.

Benefits: Those benefits paid by the City as part of the conditions of employment. Examples include health insurance, social security, and retirement system contributions.

Supplies: A basic classification of expenditures for items purchased for consumption. Examples include office and operating supplies, fuel, inventory or resale items, small tools and equipment.

Other Services and Charges: A basic classification for services other than personnel. Examples include professional and legal services, communication, travel, advertising, utilities, and insurance.

Intergovernmental Services: Purchases of specialized services typically performed by State or local governments. An example of this is jail services purchased from Whatcom County.

Non-Expenditures: This classification includes interfund loan payments, redemption of long-term debt for the enterprise funds, purchase of investments, and prior year corrections.

Debt Service: Payment of interest and principal to holders of the City's indebtedness.

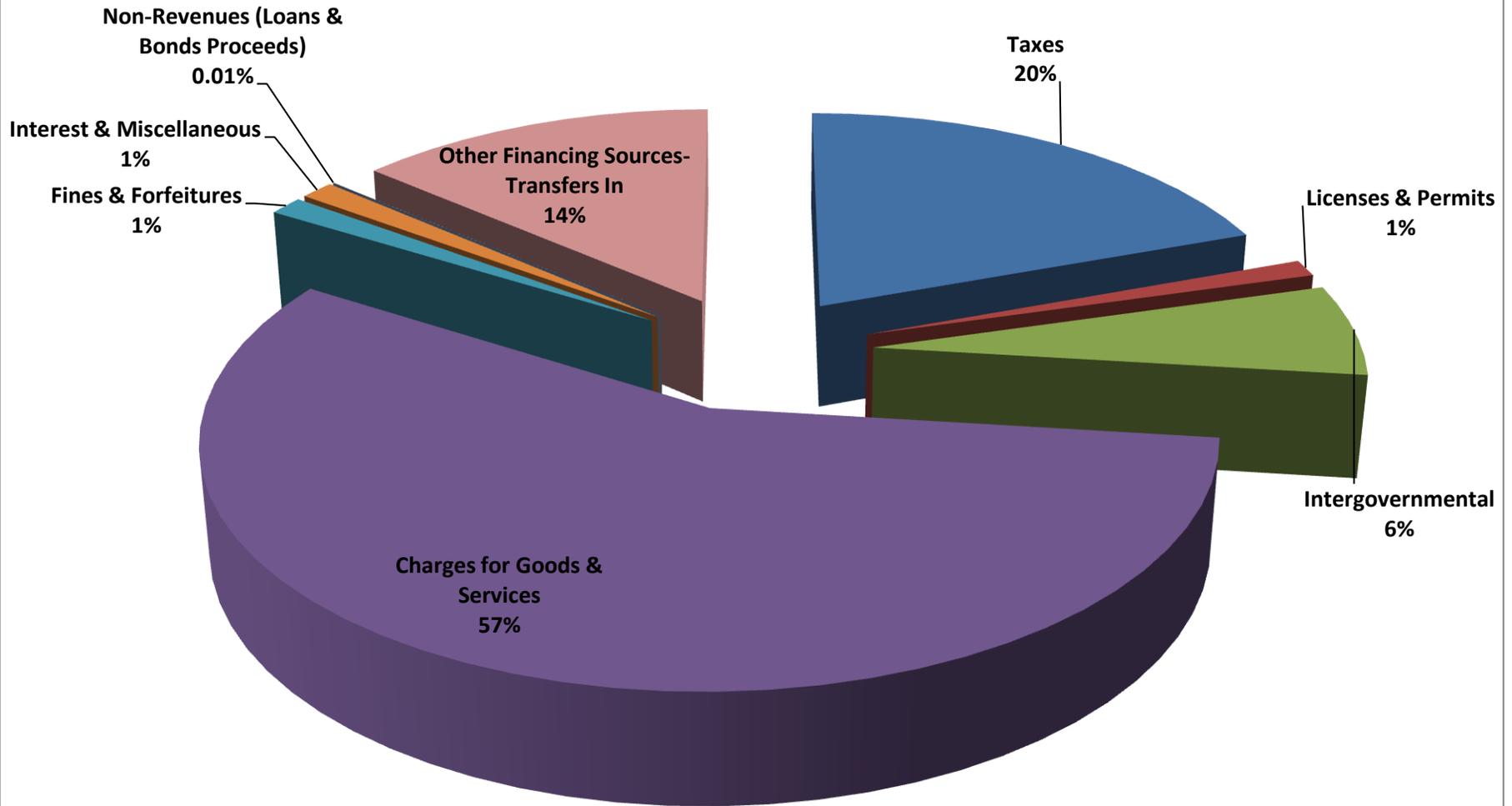
Capital Outlay: Expenditures for acquisition of or additions to assets such as land, buildings, machinery and equipment. The cost threshold for such expenditures to be classified as capital is \$5,000 and above.

Other Financing Uses: Reflects the purchase of services or supplies provided by another City group or department. Operating transfers in within the City from one fund to another are also included in this object.

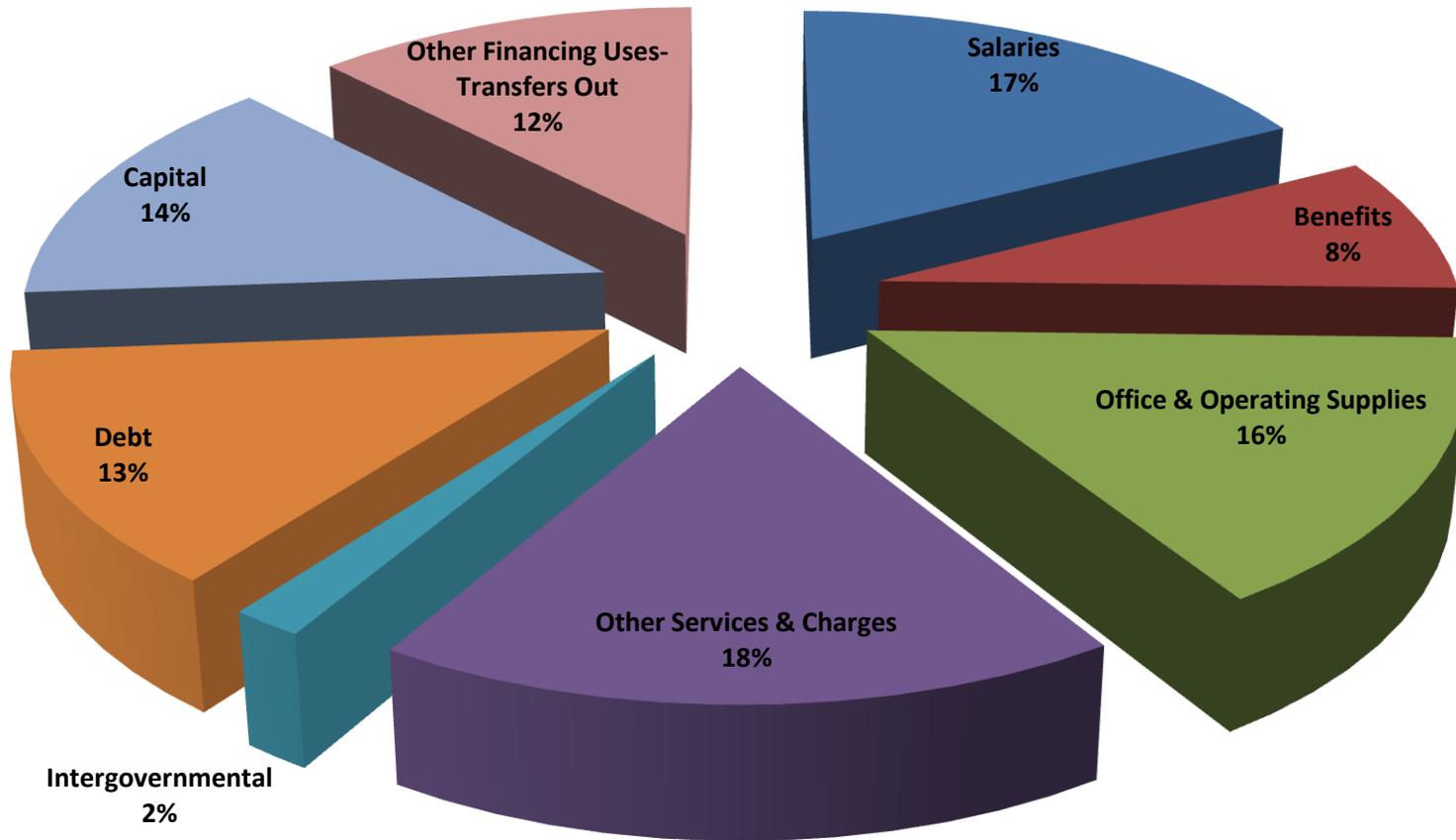
TOTAL REVENUES AND EXPENDITURES BY OBJECT

	2014 ACTUAL	2015 FINAL BUDGET	2016 BUDGET	\$ Increase (Decrease)	% Increase (Decrease)
Fund Balances--beginning January 1	14,994,447	12,571,280	11,819,288	(751,992)	-6%
REVENUES					
Taxes	4,487,211	4,582,523	4,651,660	69,137	2%
Licenses & Permits	240,631	272,000	274,000	2,000	1%
Intergovernmental	1,384,752	1,668,949	1,505,351	(163,598)	-10%
Charges for Goods & Services	12,108,653	13,265,916	13,595,867	329,951	2%
Fines & Forfeitures	322,209	308,600	311,800	3,200	1%
Interest & Miscellaneous	477,351	580,636	306,650	(273,986)	-47%
TOTAL OPERATING REVENUES	19,020,808	20,678,624	20,645,328	(33,296)	0%
TOTAL AVAILABLE RESOURCES	34,015,255	33,249,904	32,464,616	(785,288)	0%
EXPENDITURES					
Salaries	4,001,437	4,327,422	4,629,791	302,369	7%
Benefits	1,694,726	1,939,789	2,104,690	164,901	9%
Office & Operating Supplies	3,746,235	3,995,791	4,142,131	146,341	4%
Other Services & Charges	4,146,136	4,766,612	4,667,347	(99,265)	-2%
Intergovernmental	416,688	452,241	459,744	7,503	2%
TOTAL EXPENDITURES	14,005,221	15,481,854	16,003,703	521,849	3.4%
Excess (deficiency) of revenues over expenditures	5,015,586	5,196,770	4,641,625		
OTHER FINANCING SOURCES (USES)					
Non-Revenues (Loans & Bonds Proceeds)	428,530	28,158	2,000	(26,158)	-93%
Other Financing Sources-Transfers In	6,078,679	3,234,285	3,268,167	33,882	1%
Debt	(6,031,216)	(3,482,213)	(3,572,758)	(90,545)	3%
Capital	(3,391,521)	(4,657,860)	(3,684,818)	973,042	-21%
Other Financing Uses-Transfers Out	(2,922,951)	(2,947,028)	(3,258,763)	(311,735)	11%
Total other financing sources and uses	(5,838,478)	(7,824,658)	(7,246,172)	578,485	-7%
Net change in fund balances	(822,892)	(2,627,887)	(2,604,547)	23,340	-1%
Fund balances--ending December 31	14,171,555	9,943,392	9,214,741	(728,651)	-7%

2016 Total Estimated Revenue by Type



2016 Total Estimated Expenditures by Object



	2014 Actual	2015 Final Budget	2016 Budget		
	General Fund	General Fund	General Fund	\$ Increase (Decrease)	% Increase (Decrease)
Fund Balances--beginning January 1	731,718	479,510	550,518	71,008	15%
REVENUES					
Taxes					
Property Taxes	\$ 180,696	\$ 184,808	\$ 186,656	\$ 1,848	1%
Sales Taxes	1,405,560	1,463,750	1,527,618	63,868	4%
Utility Taxes	1,175,734	1,251,887	1,266,130	14,243	1%
Leasehold Excise	88,809	96,224	100,000	3,776	4%
Other	130	100	100	-	0%
Licenses & Permits	240,631	272,000	274,000	2,000	1%
Intergovernmental	365,592	241,000	252,883	11,883	5%
Charges for Goods & Services	1,280,214	1,374,420	1,364,632	(9,788)	-1%
Fines & Penalties	273,938	265,000	270,000	5,000	2%
Investment Earnings	33,297	23,000	20,000	(3,000)	-13%
Miscellaneous	12,818	5,060	7,150	2,090	41%
Lease Revenue	149,312	160,000	160,500	500	0%
Total Revenues	5,206,731	5,337,249	5,429,669	92,420	2%
Total Revenue & Beginning Fund Balance	5,938,449	5,816,759	5,980,187	163,428	3%
EXPENDITURES					
Needs Assessment	-	-	50,000	50,000	0%
Legislative	39,482	38,976	39,775	799	2%
Municipal Court	277,214	298,692	330,496	31,804	11%
City Manager	171,119	179,846	174,098	(5,748)	-3%
Finance	732,275	787,286	849,070	61,784	8%
Administrative Services	220,499	222,826	233,710	10,884	5%
Election Services	8,940	7,000	10,000	3,000	43%
Legal-Contract	43,206	35,000	35,700	700	2%
Personnel	25,131	33,050	33,550	500	2%
Facilities Maintenance	368,415	379,708	431,510	51,802	14%
Information Technology	212,644	278,746	260,503	(18,243)	-7%
General Government Services	5,965	5,236	5,382	146	3%
Public Safety	1,781,398	1,941,212	2,138,895	197,683	10%
Debt Service:					
Principal	14,790	14,000		(14,000)	-100%
Interest & other charges	1,207	2,000	969	(1,031)	-52%
Capital Outlay	203,884	50,000	86,000	36,000	72%
Environment, Planning & Building Inspection	503,152	530,778	628,511	97,733	18%
Senior Center-City Contract	49,000	49,000	49,000	-	0%
Senior Center-County Contract	58,750	58,750	58,750	-	0%
Boys & Girls Club-City Contract	31,000	31,000	31,000	-	0%
Tourism & Community Development	121,344	129,403	136,801	7,398	6%
Debt Service:					
Interfund Loan	20,000	9,834	9,834	-	0%
Total Expenditures	4,889,416	5,082,343	5,593,554	511,211	10%
Excess (deficiency) of revenues					
over expenditures	317,315	254,906	(163,885)		
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds			124,870	124,870	0%
Insurance recoveries	8,120	20,481	-	(20,481)	-100%
Transfers In-Hotel/Motel	90,062	66,384	69,967	3,583	5%
Transfer In-Reserve			20,000	20,000	0%
Transfer In-Rural Economic Development	-	-	104,500	104,500	0%
Pass-through (Whatcom County EMS)	(36,949)	(35,000)	(35,000)	-	0%
Transfers Out	(673,000)	(299,091)	(200,167)	98,924	-33%
Total other financing sources and uses	(611,767)	(247,227)	84,170	331,396	-134%
Net change in fund balances	(294,452)	7,679	(79,715)	(87,394)	-1138%
Fund Balances--ending December 31	\$ 437,266	\$ 487,189	\$ 470,803	(16,386)	-3%
Target balance (30 days of expenditures)	441,786	451,370	462,901		

PROGRAM TITLE:
CITY COUNCIL

PROGRAM NUMBER:
511

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PROGRAM DESCRIPTION

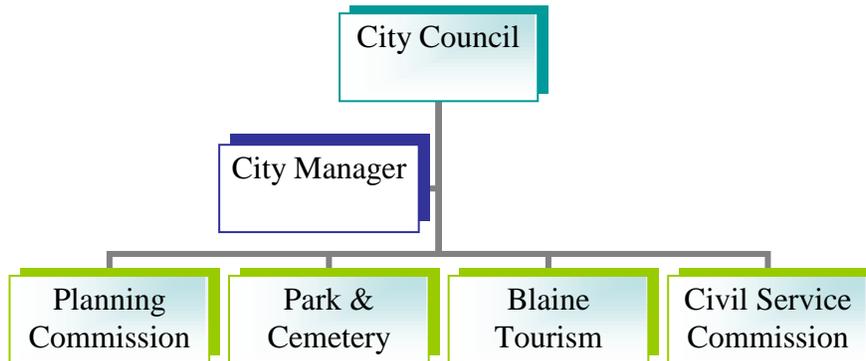
The City Council serves as the legislative and governing body of the City of Blaine and has the responsibility for establishing City policies, goals and enacting law. The Council is a sounding board for the community to address the needs and concerns of the residents, business community, and other interested parties affected by the actions of the City Government.

The City Council appropriates from the City Treasury the funds to conduct the business of the City. A budget is submitted annually for the City Council to review and approve establishing funding levels for the services the City provides. The City Council appoints the Mayor, the City Manager, as well as members of Blaine’s various Boards and Commissions.

PERSONNEL SUMMARY:

POSITION	2014	2015	2016
City Council	7	7	7

ORGANIZATIONAL CHART: COUNCIL



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Needs Assessment- Professional Services	-	-	50,000	50,000	0%
Salaries	27,817	27,600	27,600	-	0%
Benefits	2,313	2,401	2,300	(101)	-4%
Office & Operating Supplies	341	250	250	-	0%
Other Services & Charges	9,012	8,725	9,625	900	10%
Total Expenditures	39,482	38,976	39,775	799	2%

PROGRAM TITLE:
MUNICIPAL COURT

PROGRAM NUMBER:
512.50

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
MICHAEL BOBBINK

POSITION:
MUNICIPAL COURT JUDGE

PROGRAM DESCRIPTION

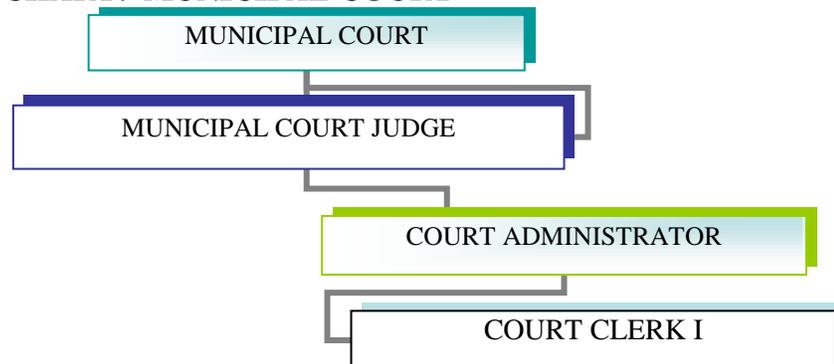
The Blaine Municipal Court is a court of limited jurisdiction over traffic infractions, criminal traffic, criminal non-traffic, and other criminal violations of City laws as well as State laws. The Municipal Court may issue temporary orders for protection for victims of domestic violence. The municipal court judge is appointed by the Council. The City contracts with Whatcom County for probation services which include probation supervision and pre-sentencing reports and recommendations. The City also contracts for prosecutorial and indigent defense services.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Judge*	0.06	0.06	0.06
Court Administrator	1.00	1.00	1.00
Office Specialist/Court Clerk 1	0.80	1.00	1.00
TOTAL	1.86	2.06	2.06

*The part-time municipal court judge position is a contracted position.

ORGANIZATIONAL CHART: MUNICIPAL COURT



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	129,490	144,382	153,556	9,174	6%
Benefits	52,188	61,560	65,840	4,280	7%
Office & Operating Supplies	2,654	3,500	3,500	-	0%
Other Services & Charges	92,881	89,250	107,600	18,350	21%
Total Expenditures	277,214	298,692	330,496	31,804	11%

PROGRAM TITLE:
CITY MANAGER

PROGRAM NUMBER:
513

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
DAVID WILBRECHT

POSITION:
CITY MANAGER

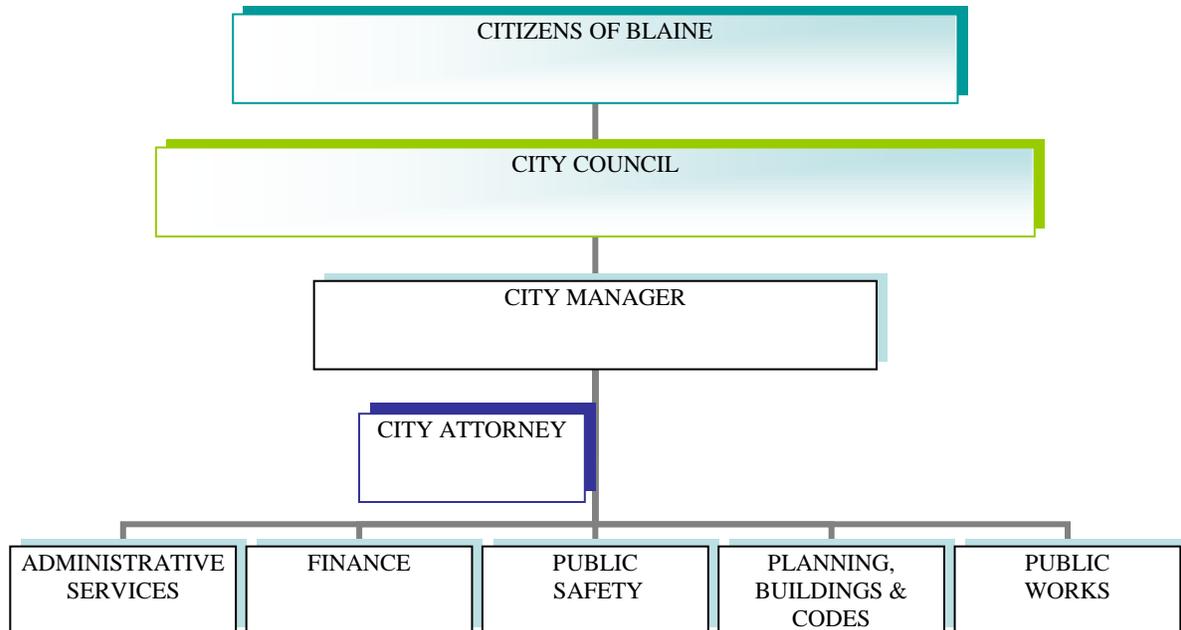
PROGRAM DESCRIPTION

The City Manager's Office is responsible for the overall administration of the city government in concert with the goals and policies as established by the City Council.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
City Manager	1	1	1
Public Administration Assistant	0.38	0.38	0
TOTAL	1.38	1.38	1

ORGANIZATION CHART: CITY MANAGER



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	124,953	128,161	123,122	(5,039)	-4%
Benefits	42,803	47,110	41,901	(5,209)	-11%
Office & Operating Supplies	475	500	500	-	0%
Other Services & Charges	2,888	4,075	8,575	4,500	110%
Total Expenditures	171,119	179,846	174,098	(5,748)	-3%

PROGRAM TITLE:
FINANCE

PROGRAM NUMBER:
514

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
JEFFREY LAZENBY

POSITION:
FINANCE DIRECTOR

PROGRAM DESCRIPTION

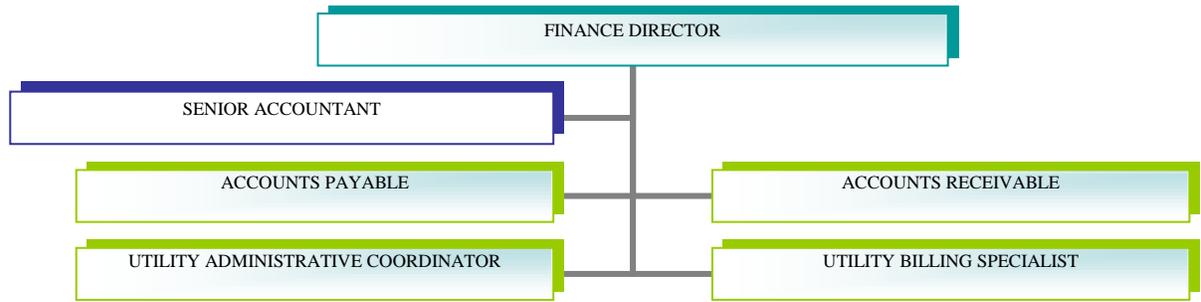
The Finance Department provides both external (public) and internal (City Council, City Departments, City Manager) support. The Department is comprised of three main functions: Budget/Fund Accounting, General Accounting, and Utility Billing. The department's operations are guided and mandated by Federal, State of Washington and City of Blaine codes as well as mandates from various other regulatory agencies.

Major responsibilities include: cash management and cash flow analysis; investment portfolio management; budget accounting and preparation; debt management; accounts payable and receivable; financial reporting for the State audit report; grant reports; miscellaneous department reports; and utility billing for the utility funds, customer service, information analysis and reporting as required by various departments and agencies.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Finance Director	1	1	1
Senior Accountant	1	1	1
Accounts Payable	1	1	1
Accounts Receivable	1	1	1
Utility Administrative Coordinator	1	1	1
Utility Billing Specialist	1	1	1
TOTAL	6.00	6.00	6.00

ORGANIZATIONAL CHART: FINANCE DEPARTMENT



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	369,047	392,845	411,259	18,414	5%
Benefits	170,330	193,941	200,641	6,700	3%
Office & Operating Supplies	20,271	22,000	22,000	-	0%
Other Services & Charges	172,493	178,250	214,970	36,720	21%
Intergovernmental	135	250	200	(50)	-20%
Total Expenditures	732,275	787,286	849,070	61,784	8%

PROGRAM TITLE:
ADMINISTRATIVE SERVICES

PROGRAM NUMBER:
514.30

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
SHERI SANCHEZ

POSITION:
ADMINISTRATIVE SERVICES DIRECTOR

PROGRAM DESCRIPTION

The Administrative Services office is committed to providing accountability and stewardship of the City’s public records in response to the needs of citizens, Council and City departments. The Administrative Services office is comprised of two regular full time personnel; including the Administrative Services Director and one full time Office Specialist.

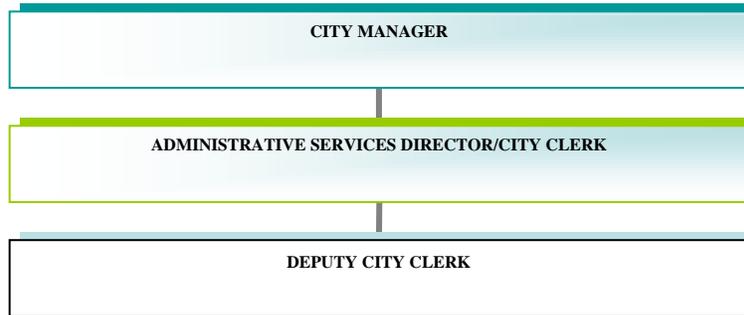
Under the direction of the Administrative Services Director, who also serves as the City Clerk, Civil Service Commission Secretary, Public Records Officer, and Elections Administrator, the Administrative Services office provides the City Council with centralized staff support including recording and maintaining the official records and legislative history of the City. The office serves as a document and information resource to the Council, all City departments, and the citizens of Blaine. The Administrative Services office performs all mandated functions under the US Constitution, the Constitution of the State of Washington, and the Blaine Municipal Code.

The Administrative Services office is responsible for information technology, records management, human resources, risk management, facility rentals, and the City’s Cemetery records, including deeds, database maintenance and coordination of burials. The Administrative Services office oversees the preparation of the City Council agendas, transcription of minutes, and other official proceedings of the City Council. The Administrative Services office supports the community by overseeing codification and publication of the Blaine Municipal Code and legal notices, as well as providing reception support. The Administrative Services office also provides support to Boards, Committees and Commissions.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Administrative Service Director	1	1	1
Office Specialist	1	1	0
Deputy City Clerk	0	0	1
TOTAL	2.0	2.0	2.0

ORGANIZATIONAL CHART: ADMINISTRATIVE SERVICES



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	143,142	145,436	160,949	15,513	11%
Benefits	59,874	65,790	61,161	(4,629)	-7%
Office & Operating Supplies	554	1,000	1,000	-	0%
Other Services & Charges	16,930	10,600	10,600	-	0%
Total Expenditures	220,499	222,826	233,710	10,884	5%

Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Election Costs	8,940	7,000	10,000	3,000	43%

PROGRAM TITLE:
LEGAL ADMINISTRATION

PROGRAM NUMBER:
515

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
JON SITKIN

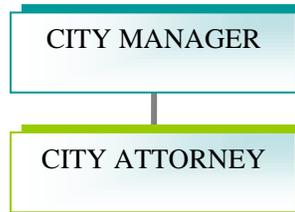
POSITION:
CITY ATTORNEY

PROGRAM DESCRIPTION

The City Attorney function is a contracted service. The City Attorney advises the City's elected and appointed officials regarding all matters of law pertaining to the business of the City. The Attorney prepares and/or reviews ordinances, resolutions, motions, bid documents, petitions, easements, vacations, contracts, deeds, notices and any other legal papers relating to federal, state and/or local law.

The City Attorney prosecutes or defends civil actions brought by or against the City, its officers and/or employees in the performance of their duties.

ORGANIZATIONAL CHART: LEGAL



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Professional Services-Legal	43,206	35,000	35,700	700	2%

PROGRAM TITLE:
PERSONNEL

PROGRAM NUMBER:
516

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON(S) RESPONSIBLE:
DAVID WILBRECHT
SHERI SANCHEZ

POSITION:
CITY MANAGER
ADMIN. SERVICES
DIRECTOR

PROGRAM DESCRIPTION

The City Manager and Administrative Services Director are responsible for the Personnel functions. The goal of Personnel is to provide a uniform system of personnel administration throughout the City and ensure that the City is in compliance with Federal, State and Local laws. Expenses budgeted in this program are utilized to administer personnel policies and procedures, recruitment, classification, training, employee communications, risk management, public information, organizational audits, and to assure effective relations with all employees.

PERSONNEL SUMMARY

There are no funded positions in this Department.

ORGANIZATIONAL CHART: PERSONNEL



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Office & Operating Supplies	-	250	250	-	0%
Other Services & Charges	25,131	32,800	33,300	500	2%
Total Expenditures	27,145	33,050	33,550	500	2%

PROGRAM TITLE:
FACILITIES MAINTENANCE

PROGRAM NUMBER:
518

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

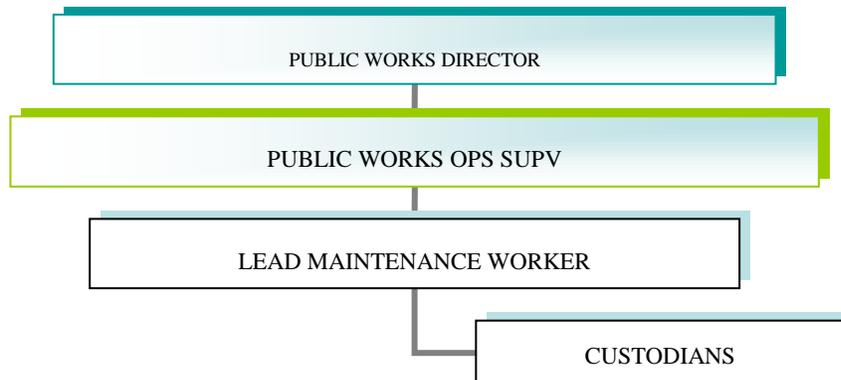
PROGRAM DESCRIPTION

The Public Works Operations Supervisor is responsible for daily oversight and maintenance of all municipal facilities. Maintenance and repair of the following facilities are included in this program: City Hall Annex, City Hall, two fire stations, The Lighthouse Point Water Reclamation Facility, Community/Senior Center, Boys and Girls Club, Visitor Information Center, and Library. The Public Works facilities maintenance costs are included in a separate program budget. The engineering staff provides design and construction support for capital improvements and large maintenance projects.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Public Works Ops Supervisor	0.05	0.00	0.00
Lead Maintenance Worker	0.40	0.64	0.64
Custodians	0.80	0.80	0.83
TOTAL	1.25	1.44	1.47

ORGANIZATION CHART: FACILITIES MAINTENANCE



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Property Management- Intergovernmental	3,355	500	500	-	0%
City Hall					
Salaries	61,470	64,982	72,046	7,064	11%
Benefits	31,444	34,487	45,092	10,605	31%
Office & Operating Supplies	21,515	24,000	21,000	(3,000)	-13%
Other Services & Charges	143,654	137,200	143,200	6,000	4%
Total Expenditures	258,084	260,669	281,338	20,669	8%
Public Safety					
Office & Operating Supplies	3,519	4,000	3,000	(1,000)	-25%
Other Services & Charges	20,335	24,500	23,100	(1,400)	-6%
Total Expenditures	23,853	28,500	26,100	(2,400)	-8%
Library					
Office & Operating Supplies	17	200	200	-	0%
Other Services & Charges	-	1,500	1,500	-	0%
Total Expenditures	17	1,700	1,700	-	0%
Community Center					
Salaries	33,183	37,130	39,915	2,785	8%
Benefits	15,589	17,609	26,257	8,648	49%
Office & Operating Supplies	3,631	4,000	4,000	-	0%
Other Services & Charges	30,702	29,600	51,700	22,100	75%
Total Expenditures	83,106	88,339	121,872	33,533	38%
Total Facilities Maintenance	368,415	379,708	431,510	51,802	14%

PROGRAM TITLE:
INFORMATION TECHNOLOGY

PROGRAM NUMBER:
518.80

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
SHERI SANCHEZ

POSITION:
ADMINISTRATIVE SERVICES DIRECTOR

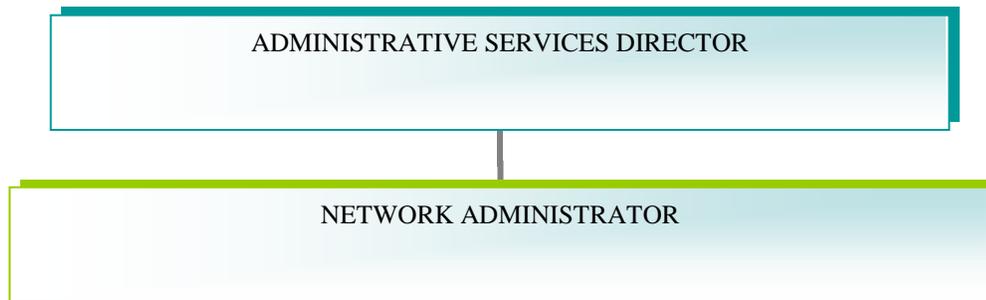
PROGRAM DESCRIPTION

The City-wide computer hardware, software, maintenance agreements and computer repairs have been consolidated into one area of the Budget, under Information Technology (IT). All IT related expenditures are reviewed and authorized prior to procurement by the Network Administrator to ensure uniformity of hardware, software, and IT services throughout the City.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Network Administrator	1	1	1
TOTAL	1	1	1

ORGANIZATION CHART: INFORMATION TECHNOLOGY



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	78,265	85,570	89,831	4,261	5%
Benefits	33,368	37,920	37,900	(20)	0%
Office & Operating Supplies	66,609	115,174	99,937	(15,237)	-13%
Other Services & Charges	34,401	40,083	32,835	(7,248)	-18%
Total Expenditures	212,644	278,746	260,503	(18,243)	-7%

PROGRAM TITLE:
PUBLIC SAFETY

PROGRAM NUMBER:
520

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
MICHAEL HASLIP

POSITION:
DIRECTOR OF PUBLIC SAFETY

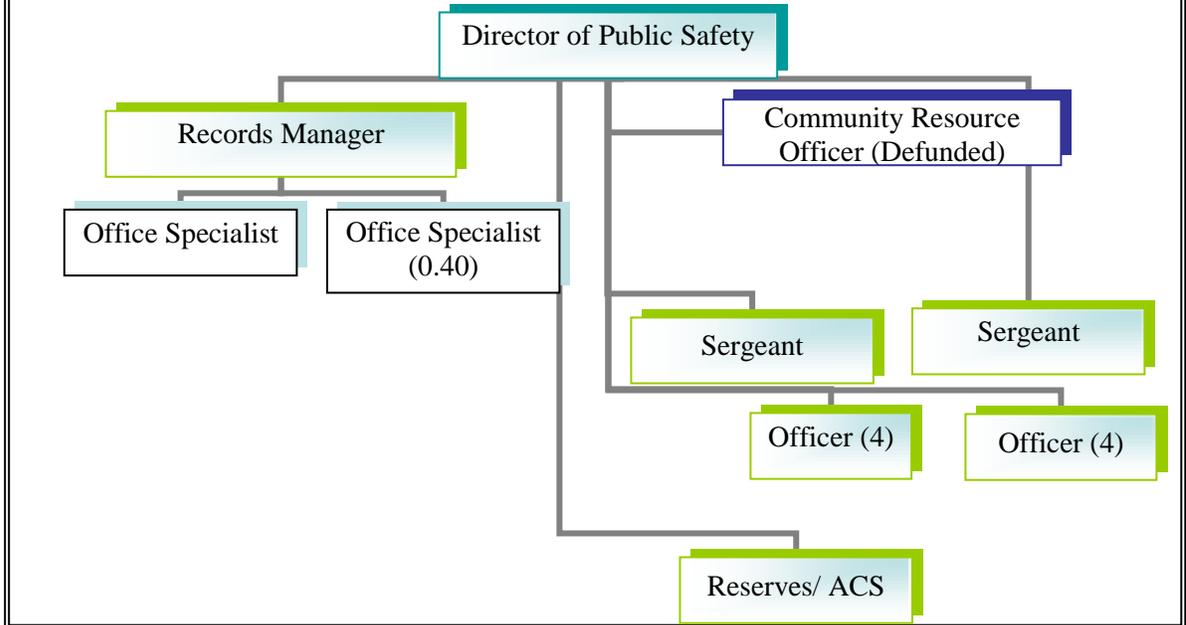
PROGRAM DESCRIPTION

The mission of the Department of Public Safety is to protect life and property, in order to enhance the quality of life of Blaine's residents and visitors. By ordinance the Public Safety Department provides law enforcement and emergency management coordination. The Department's officers and staff are committed to delivering professional policing and public safety services. The Department accomplishes this mission by working closely with the public and with neighboring local, state and federal agencies to meet the safety needs of our community.

PERSONNEL SUMMARY: PUBLIC SAFETY

POSITION	2014	2015	2016
<u>Civilian</u>			
Records Manager	1	1	1
Office Specialist	1	1	1.4
Civilian Totals	2	2	2.4
<u>Sworn</u>			
Police Chief / Director	1	1	1
Police Sergeant (2 Patrol)	2	2	2
Police Officer	8	8	8
Sworn Totals	11	11	11
TOTAL STAFFING	13	13	13.4

ORGANIZATION CHART: PUBLIC SAFETY



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	982,701	1,044,278	1,120,512	76,234	7%
Benefits	393,359	440,804	486,332	45,528	10%
Office & Operating Supplies	140,427	134,114	206,423	72,309	54%
Other Services & Charges	214,977	264,956	268,166	3,210	1%
Intergovernmental	49,934	57,060	57,462	402	1%
Debt Service	15,997	16,000	969	(15,031)	-94%
Capital	203,884	50,000	86,000	36,000	72%
Total Expenditures	2,001,279	2,007,212	2,225,864	218,652	11%

PROGRAM TITLE:
CDS PLANNING

PROGRAM NUMBER:
558

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
MICHAEL JONES

POSITION:
COMMUNITY DEVELOPMENT DIRECTOR

PROGRAM DESCRIPTION

The Community Development Services Department is responsible for both long range and current planning. Its emphasis is land use, community planning, development review and maintenance of the quality of the city's natural environment. The Department also works on economic development tasks and special projects as directed by the City Manager

Current planning tasks include day-to-day implementation of the Comprehensive Plan and implementing zoning regulations. Specific tasks include processing development permit applications, environmental review; shorelines permit review and enforcement of title 16 and 17. The Director and Community Planner work with the Planning Commission in the review and approval of development permits, and amendments and updates to the City's land use code.

Long Range planning tasks address substantial improvements and updates to the Comprehensive Plan and land use code. The Director functions as the long-range planner and is responsible for the development and implementation of the elements of the Comprehensive Plan.

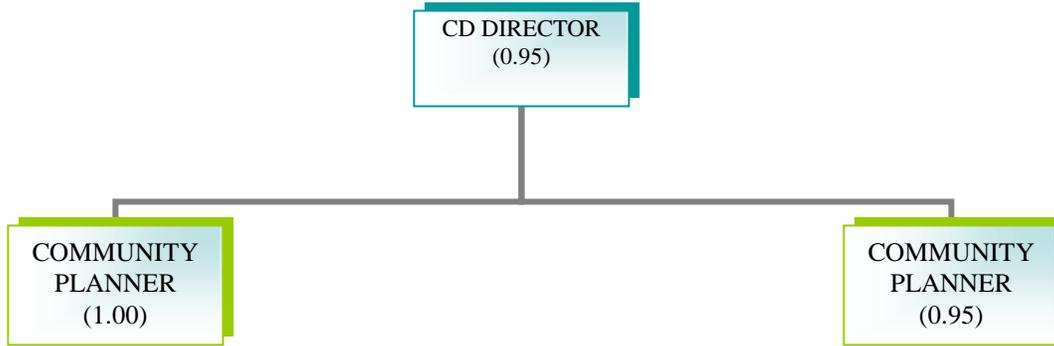
There are many other related tasks including the development and maintenance of land use information and maps, and assistance to developers and property owners on land use issues.

Consultant services are utilized when necessary to supplement staff work hours and to provide specialized services.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
CD Director	0.95	0.95	0.95
Community Planner II	0.95	0.95	0.95
Community Planner I	0.00	0.00	1.00
Office Technician	0.38	0.38	0.00
Permit Specialist	0.50	0.00	0.00
TOTAL	2.78	2.28	2.90

ORGANIZATION CHART: COMMUNITY DEVELOPMENT SERVICES DEPT.



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	209,382	172,799	218,705	45,906	27%
Benefits	87,536	71,644	107,602	35,958	50%
Office & Operating Supplies	2,289	2,000	2,000	-	0%
Other Services & Charges	74,421	83,000	62,500	(20,500)	-25%
Intergovernmental	100	150	150	-	0%
Total Expenditures	373,728	329,593	390,957	61,364	19%

PROGRAM TITLE:
TOURISM

PROGRAM NUMBER:
558.80

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
DEBBIE HARGER

POSITION:
COMMUNITY TOURISM & DEVELOPMENT COORDINATOR

PROGRAM DESCRIPTION

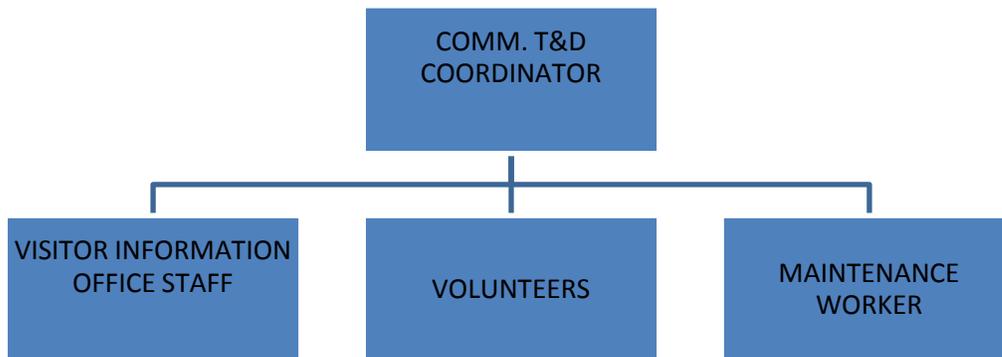
The City of Blaine provides professional management of the Visitor Information Center (VIC), as well as marketing and advertising for tourism. The objective of this program is to serve the needs of the traveling public while coordinating various tourism-related activities and goals as adopted by the Blaine Tourism Advisory Commission (BTAC). In addition, this program will strive to increase interest in traveling to Blaine and generate overnight stays at our local lodging establishments and enhance our area economy.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Community T&D* Coordinator	0.35	0.35	0.35
VIC Staff	0.20	0.38	0.38
Maintenance Worker	0.01	0.01	0.01
TOTAL	0.56	0.74	0.74

*Tourism & Development Coordinator

ORGANIZATIONAL CHART: TOURISM



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	35,140	36,735	39,080	2,345	6%
Benefits	11,543	14,199	15,387	1,188	8%
Office & Operating Supplies	708	500	500	-	0%
Other Services & Charges	13,765	14,950	15,000	50	0%
Total Expenditures	61,156	66,384	69,967	3,583	5%

PROGRAM TITLE:
COMMUNITY DEVELOPMENT

PROGRAM NUMBER:
558.90

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE: DEBBIE HARGER **POSITION:** COMMUNITY TOURISM & DEVELOPMENT COORDINATOR

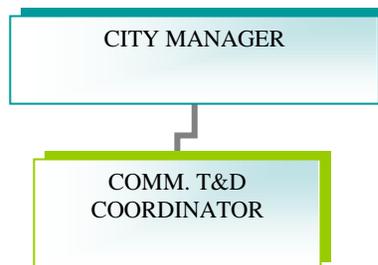
PROGRAM DESCRIPTION

This program was re-created in 2007 so that staffing can be dedicated in a more concerted manner to community development. The Community Tourism and Development Coordinator provides staff support to the City Manager on community development projects and works cooperatively with community groups. The objective of the program is to create a diverse base of industries and businesses to insure economic stability. One of the highest priorities of this program is to team with the public and private sectors to better achieve the City's objectives.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Community T&D Coordinator	0.65	0.65	0.65
TOTAL	0.65	0.65	0.65

ORGANIZATIONAL CHART: COMMUNITY DEVELOPMENT



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	40,251	40,354	42,396	2,042	5%
Benefits	18,230	20,065	21,338	1,273	6%
Office & Operating Supplies	196	500	1,000	500	100%
Other Services & Charges	461	1,000	1,000	-	0%
Total Expenditures	59,139	61,919	65,734	3,815	6%

PROGRAM TITLE:
BUILDING & CODE ENFORCEMENT PROGAM

PROGRAM NUMBER:
559

FUND TITLE:
GENERAL FUND

FUND NUMBER:
001

PERSON RESPONSIBLE:
MICHAEL JONES

POSITION:
COMMUNITY DEVELOPMENT DIRECTOR

PROGRAM DESCRIPTION

Services provided through the Building program include building permit processing, plans review, field inspection of buildings and other development projects, and enforcement of the International Building Code and other related codes. The primary function of the Building Official is to review construction plans and conduct field inspections. The Building Official also serves as the Code Enforcement Officer. However, time only allows him to function in this capacity on a limited scale. With the reinstatement of the Building Inspector position at a half time level in 2014, building code enforcement and the enforcement of nuisance regulation has increased. Efforts are expected to increase in 2015, provided the level of building and development allows for enforcement activity.

The Building Division is part of the Community Development Department. The Building Division continues to work closely with the Public Works Department and the Police Department to ensure coordination in enforcement of various City codes.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Building Official	1	1	1
Building Inspector	0.50	1	1
TOTAL	1.5	2	2

ORGANIZATION CHART: BUILDING & CODE ENFORCEMENT



Description	2014 Actual	2015 Final Budget	2016 Budget	\$ Change	% Change
Salaries	78,153	112,078	139,370	27,292	24%
Benefits	32,257	62,412	70,922	8,510	14%
Office & Operating Supplies	964	2,650	3,650	1,000	38%
Other Services & Charges	2,769	5,870	5,370	(500)	-9%
Total Expenditures	114,142	183,010	219,312	36,302	20%

PROGRAM TITLE:
PARKS

PROGRAM NUMBER:
070

FUND TITLE:
PARK FUND

FUND NUMBER:
104

PERSON RESPONSIBLE:
MICHAEL JONES

POSITION:
COMMUNITY DEVELOPMENT DIRECTOR

PROGRAM DESCRIPTION

Work with the Park & Cemetery Board to implement the 2004 Parks and Recreation Plan and the 2009 Non-motorized Transportation Plan, including manage, improve and beautify all public squares, recreation facilities, parks and trails in the City. Assist the Park & Cemetery Board in its communication with the Council to ensure that the city has a well-integrated and complete program for the use of its parks, playgrounds, and recreation areas.

Manage contractors to maintain park grounds and facilities. Work with the Public Works maintenance contact to establish annual projects & priorities for the operation, maintenance and capital improvements of the City's park and trail system. Manage consultants and contractors to develop the Parks Capital Improvement Plan, including facilities for park and trail improvements.

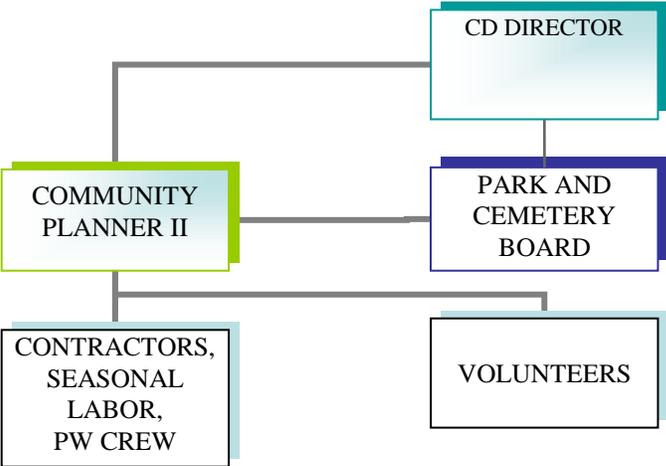
PERSONNEL SUMMARY

The Community Planner, under direction of the Community Development Director manages the parks and trail system and budget. Park planning is conducted by the Community Planner who coordinates with the Park & Cemetery Board on the implementation of the 2004 Parks and Recreation Plan, the Parks Capital Improvement Plan and the 2009 Non-motorized Transportation Plan. The personnel needed for some maintenance and capital improvements are acquired from Public Works field crews. The city utilizes part-time seasonal labor, and occasionally contracts for construction, repairs and maintenance. Contract labor is used for mowing, weeding and tree trimming services related to park facility maintenance.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
CDS Director	0.05	0.05	0.05
Community Planner	0.05	0.05	0.05
Public Works Ops Supervisor	0.01	0.00	0.00
Public Works Facilities Maintenance	0.09	0.10	0.10
Seasonal Worker	0.35	0.35	0.35
TOTAL	0.55	0.55	0.55

ORGANIZATIONAL CHART: PARKS



	2014 Actual	2015 Final Budget	2016 Budget		
	Park	Park	Park	\$ Increase (Decrease)	% Increase (Decrease)
Fund Balances--beginning January 1	\$ 4,757	\$ 8,400	\$ 10,000	1,600	19%
REVENUES					
Charges for Goods & Services	620	300	400	100	33%
Contributions & Donations	1,515	500	-	(500)	-100%
Total Revenues	2,135	800	400	(400)	-50%
Total Revenue & Beginning Fund Balance	6,893	9,200	10,400	1,200	13%
EXPENDITURES					
Personnel	27,246	30,131	34,851	4,720	16%
Supplies	1,872	5,573	6,100	527	9%
Professional Services	25,799	25,000	29,000	4,000	16%
Professional Services-General Fund	18,590	19,559	15,000	(4,559)	-23%
Training	-	-	2,000	2,000	0%
Property Insurance	16,578	16,801	18,000	1,199	7%
Utilities	2,711	3,500	3,500	-	0%
Repair & Maintenance	1,807	-	21,000	21,000	0%
Other	750	500	550	50	10%
Total Expenditures	95,354	101,064	130,001	28,937	29%
Excess (deficiency) of revenues over expenditures	(88,461)	(91,864)	(119,601)		
OTHER FINANCING SOURCES (USES)					
Transfer In-REET	50,000	55,000	55,000	-	0%
Transfer In-General Fund	50,000	50,000	50,000	-	0%
Transfer In-Reserve	-	-	15,000	15,000	0%
Transfer In-Water Fund	2,500	2,500	2,500	-	0%
Treansfer Out-Park Capital	-	(11,527)		-	0%
Total other financing sources and uses	102,500	95,973	122,500	26,527	28%
Net change in fund balances	9,281	(4,291)	(7,101)	(2,810)	65%
Fund Balances--ending December 31	\$ 14,039	\$ 4,109	\$ 2,899	(1,210)	-29%

PROGRAM TITLE:
CEMETERY OPERATIONS

PROGRAM NUMBER:
518

FUND TITLE:
GENERAL

FUND NUMBER:
105

PERSON RESPONSIBLE:
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

PROGRAM DESCRIPTION

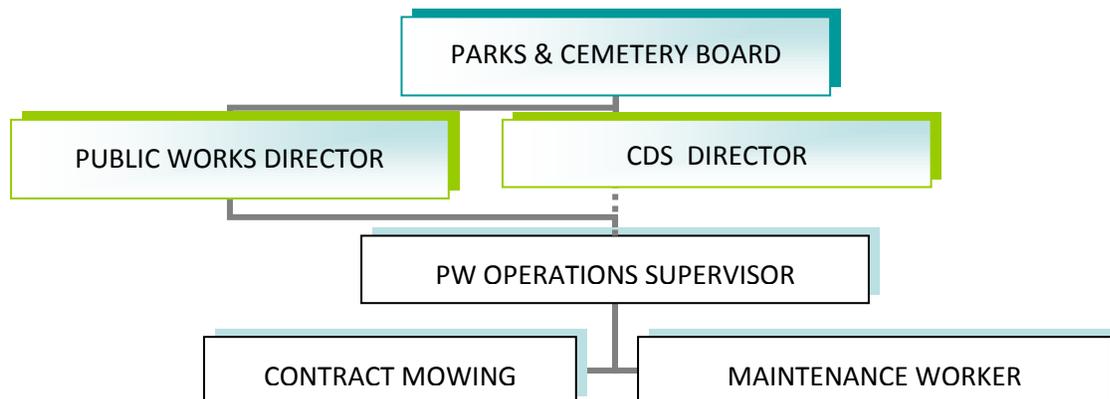
The City owns and operates the 7.8 acre Blaine Cemetery. Maintenance operations include mowing, tree trimming, trash removal and road maintenance. Interments include supply of grave liners, grave openings and closings, and lawn seeding.

The personnel need for this fund is provided by Public Works utility maintenance staff for repairs and maintenance not covered by contract for mowing or tree spraying and trimming services related to cemetery facility maintenance.

PERSONNEL SUMMARY

POSITION	2014	2015	2016
Public Works Ops Supervisor	0.01	0.00	0.00
Public Works Maintenance	0.04	0.04	0.05
TOTAL	0.05	0.05	0.05

ORGANIZATIONAL CHART: CEMETERY



	2015 Final				
	2014 Actual	Budget	2016 Budget		
	Cemetery	Cemetery	Cemetery	\$ Increase (Decrease)	% Increase (Decrease)
Fund Balances--beginning January 1	\$ 89	\$ 2,500	\$ 2,000	(500)	-20%
REVENUES					
Charges for Goods & Services	6,873	5,700	3,100	(2,600)	-46%
Total Revenues	6,873	5,700	3,100	(2,600)	-46%
Total Revenue & Beginning Fund Balance	6,962	8,200	5,100	(3,100)	-38%
EXPENDITURES					
Personnel	4,185	4,650	4,779	129	3%
Supplies	703	1,000	1,100	100	10%
Professional Services	14,523	15,557	15,868	311	2%
Repair & Maintenance	-	200	200	-	0%
Other	107	120	100	(20)	-17%
Total Expenditures	19,518	21,527	22,047	520	2%
Excess (deficiency) of revenues over expenditures	(12,645)	(15,827)	(18,947)		
OTHER FINANCING SOURCES (USES)					
Transfer In-General Fund	15,000	-	16,000	16,000	0%
Transfer In-Cemetery Endowment	-	16,000	3,000	(13,000)	-81%
Transfer Out-Cemetery Endowment	(300)	-	-	-	0%
Total other financing sources and uses	14,700	16,000	19,000	3,000	19%
Net change in fund balances	2,055	173	53	(120)	-69%
Fund balances--ending December 31	\$ 2,144	\$ 2,673	\$ 2,053	(620)	-23%

PROGRAM TITLE:
STREET OPERATIONS

PROGRAM NUMBER:
518

FUND TITLE:
STREETS

FUND NUMBER:
101

PERSON RESPONSIBLE:
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

PROGRAM DESCRIPTION

The Street Division provides maintenance of roadway, sidewalks, bike paths, shoulders, mowing/vegetation control, street signs, crosswalk and lane markings, snow/ice control and street lighting on all open, platted public rights-of-way.

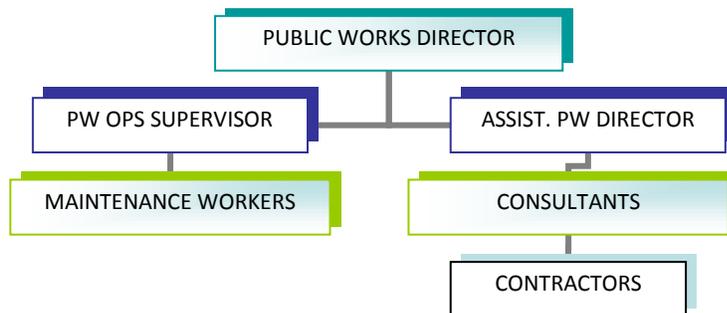
Maintenance staff assigned to the Street Division also performed work in other programs including cemetery, parks, stormwater collection and treatment, and facilities. Seasonal employees provide labor to augment street maintenance and assist with vegetation control.

The functions of this program relate only to maintenance and non-capitalized repairs to the street systems. Capital projects, although identified here, are funded out of the 300 series Capital Projects.

PERSONNEL SUMMARY: STREET OPERATIONS

POSITION	2014	2015	2016
PW Operations Supervisor	0.17	0.17	0.17
Lead Maintenance Workers	0.76	0.76	0.76
Maintenance Workers	1.00	1.00	1.17
Seasonal	0.25	0.32	0.37
TOTAL	2.18	2.15	2.47

ORGANIZATIONAL CHART: STREET OPERATIONS



	2014 Actual	2015 Final	2016 Budget	\$ Increase	% Increase
	Street Fund	Budget	Street Fund	(Decrease)	(Decrease)
	Street Fund	Street Fund	Street Fund	(Decrease)	(Decrease)
Fund Balances--beginning January 1	\$ 125,451	\$ 70,800	\$ 40,852	(29,948)	-42%
REVENUES					
Taxes					
Property Taxes	120,513	115,206	116,358	1,152	1%
Penny per Gallon Gas Tax	250,164	250,000	200,000	(50,000)	-20%
Penalties & Interest	954	1,000	500	(500)	-50%
Intergovernmental-State Fuel Tax	98,702	98,711	98,711	(0)	0%
Charges for Goods & Services	2,096	1,125	1,125	-	0%
Total Revenues	472,429	466,042	416,694	(49,348)	-11%
Total Revenue & Beginning Fund Balance	597,881	536,842	457,545	(79,297)	-15%
EXPENDITURES					
Roadway	70,710	73,702	84,732	11,030	15%
Traffic & Pedestrian (Sidewalks)	13,008	15,752	16,044	292	2%
Special Purpose Paths (Bike Paths)	7,033	7,376	17,522	10,146	138%
Street Lighting	37,370	37,372	37,372	-	0%
Traffic Control	45,913	51,785	55,332	3,547	7%
Snow & Ice	13,875	13,745	14,034	289	2%
Roadside Maintenance	93,204	108,200	102,012	(6,188)	-6%
Downtown Cleanup	176	200	900	700	350%
Maintenance Administration	193,404	197,620	188,642	(8,978)	-5%
Road & Street Facilities	31,622	37,504	30,064	(7,440)	-20%
Total Operating Expenditures	506,316	543,256	546,654	3,398	1%
Excess (deficiency) of revenues					
over expenditures	(33,886)	(77,214)	(129,960)	(52,746)	68%
OTHER FINANCING SOURCES (USES)					
Transfers In-REET	-	70,000	70,000	-	0%
Transfers In-Equipment Reserve	19,658	60,000	-	(60,000)	-100%
Transfers In-Street Overlays	-	-	68,000	68,000	0%
Sales of Assets	2,456	-	-	-	0%
Capital Outlay	(19,658)	(60,000)	-	60,000	-100%
Transfers Out	-	-	-	-	0%
Total other financing sources and uses	2,456	70,000	138,000	68,000	97%
Net change in fund balances	(31,430)	(7,214)	8,040	15,254	-211%
Fund balances--ending December 31	\$ 94,021	\$ 63,586	\$ 48,891	(14,695)	-23%
30 Day Operating Target Balance	42,193	45,271	45,555		

PROGRAM TITLE:
HOTEL/MOTEL PROGRAMS

PROGRAM NUMBER:
557

FUND TITLE:
HOTEL/MOTEL FUND

FUND NUMBER:
110

PERSON RESPONSIBLE:
BLAINE TOURISM ADVISORY COMMITTEE

PROGRAM DESCRIPTION

This program provides for the allocation of Hotel/Motel funds to projects that are reviewed annually by Blaine Tourism Advisory Committee (BTAC) and approved by City Council for the promotion of tourism to generate overnight hotel stays. The use of these funds is dictated by Revised Code of Washington (RCW) 67.28.180 and 67.28.210.

ORGANIZATIONAL CHART: HOTEL/MOTEL PROGRAM



Hotel/Motel Operating Fund	2015 Final		2016 Budget	\$ Increase (Decrease)	% Increase (Decrease)
	2014 Actual	Budget			
	Hotel/Motel	Hotel/Motel	Hotel/Motel		
Fund Balances--beginning January 1	\$ 52,344	\$ 18,219	\$ 41,091	22,872	126%
REVENUES					
Hotel/Motel Tax	137,956	125,000	160,000	35,000	28%
Interest Earnings	100	-	-	-	0%
Donations	64	-	-	-	0%
Total Revenues	138,120	125,000	160,000	35,000	28%
Total Revenue & Beginning Fund Balance	190,464	143,219	201,091	57,872	40%
EXPENDITURES					
Events & Programs	57,524	57,500	65,100	7,600	13%
Supplies	132	500	500	-	0%
Marketing	6,731	12,500	35,500	23,000	184%
Advertising	2,529	4,500	6,500	2,000	44%
Other	136	500	500	-	0%
Total Expenditures	67,052	75,500	108,100	32,600	43%
Excess (deficiency) of revenues over expenditures	71,068	49,500	51,900		
OTHER FINANCING SOURCES (USES)					
Transfer Out-General Fund	(66,938)	(66,384)	(69,967)	(3,583)	0%
Transfer Out-Hotel/Motel Reserve	(25,000)	-	(20,000)	-	0%
Total other financing sources and uses	(91,938)	(66,384)	(89,967)	(23,583)	36%
Net change in fund balances	(20,869)	(16,884)	(38,067)	(21,183)	125%
Fund balances--ending December 31	\$ 31,475	\$ 1,335	\$ 3,024	1,689	126%

PROGRAM TITLE:
DEBT SERVICE FUNDS

PROGRAM NUMBER:
580-590

FUND TITLE:
GENERAL OBLIGATION DEBT SERVICE FUNDS

FUND NUMBER:
201
203
204
207

EDI & CERB LOANS

202
236

PERSON RESPONSIBLE:
JEFFREY LAZENBY

POSITION:
FINANCE DIRECTOR

PROGRAM DESCRIPTION

Debt Service Funds account for the payments of principal and interest on various kinds of debt. This debt does not include the utility debt as that is shown in the individual utilities; those are classified as revenue bonds. Local Improvement District (LID) debt service is paid as assessments are collected. These bonds are callable according to what monies are available and are secured by the assessed valuation of the properties. Currently, all of the LID debt is paid in full.

The debt accounted for in these funds is general obligation debt. The obligation to pay for this liability was approved at the time of issuance of debt. The purpose of the budget is to monitor and record the debt activity.

SUMMARY OF EXPENDITURES: DEBT SERVICE

201 - 207 General Obligation Debt Service: General Obligation Debt Service is set at the time of issuance of the debt. It is usually non-callable for 10 to 20 years, and is secured by the full taxing authority of the City. The Library and Community Center bonds were paid off and Fire Station No. 3 was added in 2003. The 1994A General Obligation (GO) Bond was refunded in December 2007 and a Limited Tax General Obligation (LTGO) Bond was issued for Street Improvements. In 2012, a LTGO Bond was issued for the purchase and improvement of a new city hall building. The 2003 voted Unlimited Tax General Obligation Bond for Fire Station No. 3 was refunded (refinanced) in 2012.

In 2013, the City issued a limited tax general obligation bond in the aggregate principal amount of \$1,670,000 to provide funds necessary to finance the acquisition and installation of energy efficiency improvements to City facilities. The bond is also a qualified energy conservation bond, which provides a 70% interest payment subsidy on the bond to the City.

202 – Peace Portal Boardwalk Whatcom County Economic Development Incentive (EDI) Loan: This loan was made by Whatcom County for the Peace Portal Boardwalk and is repaid with REET I (Real Estate Excise Tax I) revenues.

236 – Community Economic Revitalization Board (C.E.R.B.) Loan: CERB 236 is paid from General Fund revenues.

2016 GENERAL OBLIGATION DEBT SERVICE BUDGET

	2016 Budget	2016 Budget	2016 Budget 203 Qualified Energy Conservation Bonds	2016 Budget 204 UTGO Bond- Fire Station	2016 Budget 207 LTGO Refunding	2016 Budget 236 CERB Loan- Odell Rd.
	<u>201 LTGO Bonds</u>	<u>202 EDI Loan</u>				
Fund Balances--beginning January 1	\$ 700	\$ 25,100	\$ -	\$ 45,300	\$ 29,900	\$ 9,000
REVENUES						
Property Taxes	-	-	-	131,373	-	-
QECB Federal Subsidy Payment	-	-	50,581	-	-	-
Investment Earnings	100	40	-	200	600	50
Total Revenues	<u>100</u>	<u>40</u>	<u>50,581</u>	<u>131,573</u>	<u>600</u>	<u>50</u>
Total Revenue & Beginning Fund Balance	<u>800</u>	<u>25,140</u>	<u>50,581</u>	<u>176,873</u>	<u>30,500</u>	<u>9,050</u>
EXPENDITURES						
Debt Service:						
Principal	78,868	43,184	96,660	109,738	555,000	21,921
Interest & other charges	38,637	7,684	91,387	21,635	63,800	1,534
Total Expenditures	<u>117,505</u>	<u>50,868</u>	<u>188,047</u>	<u>131,373</u>	<u>618,800</u>	<u>23,455</u>
Excess (deficiency) of revenues over expenditures	<u>(117,405)</u>	<u>(50,828)</u>	<u>(137,466)</u>	<u>200</u>	<u>(618,200)</u>	<u>(23,405)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In-General Fund	43,000	-	27,493	-	-	23,455
Transfers In-Sewer Fund	-	-	86,604	-	-	-
Transfers In-Electric Fund	-	-	23,369	-	-	-
Transfers In-Street Capital	-	-	-	-	618,800	-
Transfers In-Real Estate Excise Tax	75,000	50,868	-	-	-	-
Total other financing sources and uses	<u>118,000</u>	<u>50,868</u>	<u>137,466</u>	<u>-</u>	<u>618,800</u>	<u>23,455</u>
Net change in fund balances	<u>595</u>	<u>40</u>	<u>(0)</u>	<u>200</u>	<u>600</u>	<u>50</u>
Fund Balances--ending December 31	<u>\$ 1,295</u>	<u>\$ 25,140</u>	<u>\$ (0)</u>	<u>\$ 45,500</u>	<u>\$ 30,500</u>	<u>\$ 9,050</u>

PROGRAM TITLE:
ELECTRIC UTILITY

PROGRAM NUMBER:
533

FUND TITLE:
ELECTRIC

FUND NUMBER:
401

PERSON RESPONSIBLE:
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

PROGRAM DESCRIPTION

The mission of the Electric Utility is to provide reliable electrical services to Blaine’s utility customers at the lowest possible rates while operating within federal and state regulations and guidelines. Service includes the operation and maintenance of 67.5 miles of overhead and underground lines. Power purchased from BPA is served to Blaine’s 3,000 billed accounts through two substations with four primary 12,470 volt circuits.

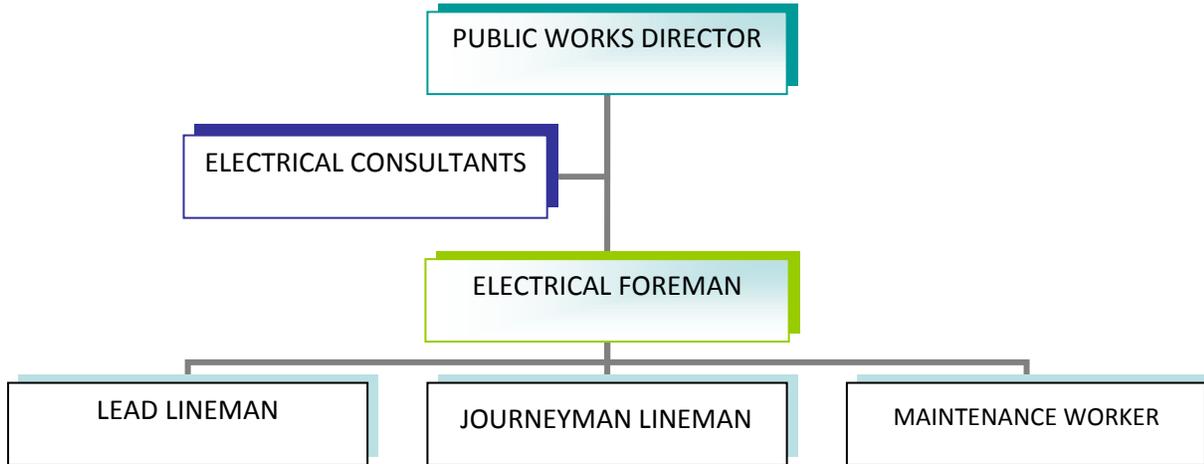
Additional responsibilities include the planning, design and expansion of the system in response to goals and objectives of the City Council, growth requirements on services, and capital projects identified in the 1995 Electrical Comprehensive Plan.

Services provided include field maintenance, new service inspection, contractor oversight, meter reading and calibration, billing, conservation augmentation, and customer services.

PERSONNEL SUMMARY: ELECTRIC UTILITY

POSITION	2014	2015	2016
Foreman	1	1	1
Lead Lineman	2	2	2
Journeyman Lineman	2	2	2
Maintenance Worker	0.45	0.45	0.59
Conservation Coordinator	0.20	0.20	0.00
Custodian (PW Building)	0.14	0.14	0.14
TOTAL	5.79	5.79	5.73

ORGANIZATIONAL CHART: ELECTRIC UTILITY



	2015 Final			\$ Increase (Decrease)	% Increase (Decrease)
	2014 Actual	Budget	2016 Budget		
	Light Fund	Light Fund	Light Fund		
Operating Revenues					
Charges for services	\$5,473,273	\$ 5,532,200	\$ 5,814,500	282,300	5%
Other revenue	121,843	87,454	84,910	(2,544)	-3%
Total Operating Revenues	5,595,116	5,619,654	5,899,410	279,756	5%
Operating Expenses					
Personnel services	696,306	881,868	948,990	67,122	8%
Supplies & materials	208,050	210,840	233,100	22,260	11%
Power purchased from Bonneville Power	2,960,776	3,090,000	3,189,570	99,570	3%
Professional services	732,634	786,573	750,521	(36,052)	-5%
Other operating expenses	102,432	112,120	113,981	1,861	2%
State use tax	191,507	216,150	226,958	10,808	5%
Total Operating Expenses	4,891,706	5,297,551	5,463,120	165,569	3%
Operating income (loss)	703,411	322,103	436,291	114,188	35%
Nonoperating Revenues (Expenses)					
Bond payment	(446,136)	(477,748)	(468,280)	9,468	-2%
Interest expense	(64,850)	(37,125)	(28,210)	8,915	-24%
Capital outlay	(61,434)	(362,000)	(445,000)	(83,000)	23%
Sales of Assets	3,688	-	-	-	0%
Transfers in	27,000	62,000	463,476	401,476	648%
Transfers out	(54,446)	(52,400)	(25,769)	26,631	-51%
Total Nonoperating Revenues (Expenses)	(596,180)	(867,273)	(503,783)	363,490	-42%
Change in net position	107,231	(545,170)	(67,493)	477,677	-88%
Total Operating Net position--beginning January 1	1,567,415	1,624,100	1,155,834	(468,266)	-29%
Total Operating Net position--ending December 31	\$1,674,646	\$ 1,078,930	\$ 1,088,342	9,412	1%
60 Day Operating Target Balance	1,027,471	1,027,471	1,071,730	44,259	4%
Capital Reserve (Operating Only)					
Nonoperating Revenues (Expenses)					
Interest Earnings	9,419	-	-	-	
Transfers in	-	20,000	-	(20,000)	-100%
Capital Outlay	(350,000)	-	(368,476)	(368,476)	
Total Nonoperating Revenues (Expenses)	(340,581)	20,000	(368,476)	(388,476)	-1942%
Change in net position	(340,581)	20,000	(368,476)	(388,476)	-1942%
Total Capital Reserve Net position--beginning January 1	1,261,623	917,000	937,000	20,000	2%
Total Capital Reserve Net position--ending December 31	\$ 921,042	\$ 937,000	\$ 568,524	(368,476)	-39%

	2014 Actual	2015 Final	2016 Budget	\$ Increase (Decrease)	% Increase (Decrease)
	Rural Economic Development Fund	Budget Rural Economic Development Fund	Rural Economic Development Fund		
Operating Revenues					
Interest Earnings	14,875	-	4,000	4,000	0%
Total Operating Revenues	14,875	-	4,000	4,000	0%
Operating Expenses					
Professional services	21,036	55,000	10,000	(45,000)	-82%
Adverstising	2,954	-	-	-	0%
Miscellaneous	-	-	-	-	0%
Total Operating Expenses	23,989	55,000	10,000	(45,000)	-82%
Operating income (loss)	(9,114)	(55,000)	(6,000)	49,000	-89%
Nonoperating Revenues (Expenses)					
Revolving Loans Issued	-	(50,000)	(50,000)	-	0%
Transfers Out-Wetland Mitigation Fund	(20,000)	-	-	-	0%
Transfers Out-General Fund	-	-	(104,500)	(104,500)	0%
Total Nonoperating Revenues (Expenses)	(20,000)	(50,000)	(154,500)	(104,500)	209%
Change in net position	(29,114)	(105,000)	(160,500)	(55,500)	53%
Total Operating Net position--beginning January 1	709,339	672,356	673,000	644	0%
Total Operating Net position--ending December 31	\$ 680,225	\$ 567,356	\$ 512,500	(54,856)	-10%

PROGRAM TITLE:
WATER UTILITY

PROGRAM NUMBER:
534

FUND TITLE:
WATER

FUND NUMBER:
410

PERSON RESPONSIBLE:
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

PROGRAM DESCRIPTION

Provide City retail and wholesale customers with quality domestic water service in compliance with federal and state regulations and the City's Water System Plan. Operate, maintain, and repair water utility infrastructure, which includes nine production wells, five pump stations, five storage reservoirs, over 350 fire hydrants, approximately 99 miles of water main, and water meters for each customer/account.

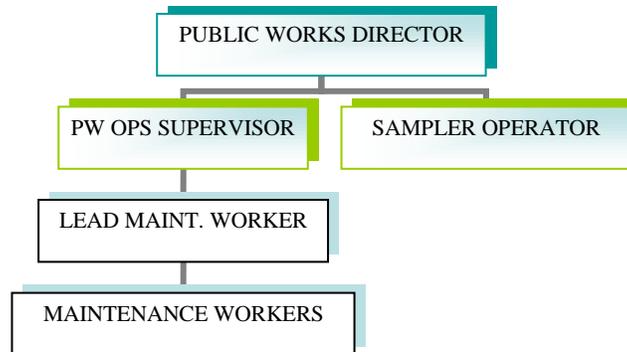
The City presently serves about 2,600 retail accounts. It also serves two wholesale accounts - Birch Bay Water and Sewer District and Bell Bay Jackson Water Association. Each year Blaine's wells produce about 550 million gallons of water.

Additional responsibilities include the planning, design, and expansion of the utility system in response to short- and long-term goals of the City, as well as existing and pending regulatory requirements, the replacement and upgrade of existing infrastructure, and meeting service demands of urban growth and Blaine's wholesale customers.

PERSONNEL SUMMARY: WATER UTILITY

POSITION	2014	2015	2016
Operations Supervisor	0.34	0.34	0.39
Lead Maintenance Worker	1.00	1.00	1.00
Maintenance Workers	1.80	1.80	1.80
Sampler/Operator	0.30	0.30	0.50
TOTAL	3.34	3.34	3.69

ORGANIZATIONAL CHART: WATER UTILITY



	2015 Final			\$ Increase (Decrease)	% Increase (Decrease)
	2014 Actual	Budget	2016 Budget		
	Water Fund	Water Fund	Water Fund		
Operating Revenues					
Charges for services	\$1,223,752	\$1,226,800	\$1,294,900	68,100	6%
Other revenue	69,510	55,900	54,600	(1,300)	-2%
Total Operating Revenues	1,293,262	1,282,700	1,349,500	66,800	5%
Operating Expenses					
Personnel services	312,593	338,724	391,974	53,250	16%
Supplies & materials	80,870	100,770	77,200	(23,570)	-23%
Professional services	430,331	526,373	454,943	(71,430)	-14%
Other operating expenses	160,040	155,664	157,374	1,710	1%
State use tax	38,426	38,000	38,000	-	0%
Total Operating Expenses	1,022,261	1,159,531	1,119,491	(40,040)	-3%
Operating income (loss)	271,000	123,169	230,009	106,840	87%
Nonoperating Revenues (Expenses)					
Bond payment	(10,000)	(10,000)	-	10,000	-100%
Interest expense	(882)	(378)	-	378	-100%
Capital outlay	(11,975)	(50,000)	(50,000)	-	0%
Transfers out	(137,500)	(327,500)	(227,500)	100,000	-31%
Total Nonoperating Revenues (Expenses)	(160,357)	(387,878)	(277,500)	110,378	-28%
Change in net position	110,644	(264,709)	(47,491)	217,218	-82%
Total Operating Net position--beginning January 1	420,803	500,000	625,042	125,042	25%
Total Operating Net position--ending December 31	\$ 531,447	\$ 235,291	\$ 577,551	342,260	145%
30 Day Operating Target Balance	98,552	128,951	116,416	(12,535)	-10%
Capital Reserve (Operating Only)					
Nonoperating Revenues (Expenses)					
Interest Earnings	18,392	-	-	-	0%
Connection Charges	37,908	-	-	-	0%
Transfers in	125,000	235,000	175,000	(60,000)	-26%
Capital Improvement Program	(20,000)	(420,000)	(175,000)	245,000	-58%
Total Nonoperating Revenues (Expenses)	161,300	(185,000)	-	185,000	-100%
Change in net position	161,300	(185,000)	-	185,000	-100%
Total Capital Reserve Net position--beginning January 1	2,066,080	2,167,826	1,934,134	(233,692)	-11%
Total Capital Reserve Net position--ending December 31	\$2,227,380	\$1,982,826	\$1,934,134	(48,692)	-2%

PROGRAM TITLE:
WASTEWATER UTILITY

PROGRAM NUMBER:
535

FUND TITLE
COLLECTION SYSTEM, LIFT STATIONS AND
WASTEWATER TREATMENT PLANT

FUND NUMBER:
420

PERSON RESPONSIBLE
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

PROGRAM DESCRIPTION

The mission of the Wastewater Utility is to collect and treat wastewater, and comply with federal and state regulations and the City's Wastewater General Sewer Plan. Services include the operation, maintenance and repair of the utility infrastructure, including 44 miles of sewer main, nine lift stations, and a 1.65 million gallons per day, new, state of the art membrane bioreactor (MBR) water reclamation facility which produces class A reclaimed water.

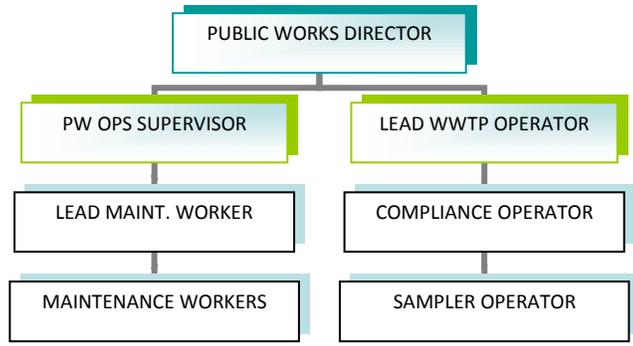
Additional responsibilities of the utility include the planning, design and expansion of the utility to meet demands of urban growth, changing regulations, and aging infrastructure.

PERSONNEL SUMMARY: WASTEWATER UTILITY

POSITION	2014	2015	2016
Public Works Ops Supervisor	0.26	0.26	0.26
Lead Maintenance Worker	0.55	0.55	0.55
Maintenance Workers	0.94	0.94	1.48
Lead WWTP* Operator	1.00	1.00	1.00
WWTP Compliance Operator	1.00	1.00	1.00
WWTP Sampler Operator	0.70	0.70	0.50
Custodian/Maintenance Worker	0.05	0.05	0.10
TOTAL	4.50	4.50	4.89

*Wastewater Treatment Plant

ORGANIZATIONAL CHART: WASTEWATER UTILITY



	2015 Final			\$ Increase (Decrease)	% Increase (Decrease)
	2014 Actual Sewer Fund	Budget Sewer Fund	2016 Budget Sewer Fund		
Operating Revenues					
Charges for services	\$3,885,678	\$ 3,951,100	\$ 4,017,200	66,100	2%
Other revenue	17,282	15,000	12,500	(2,500)	-17%
Total Operating Revenues	3,902,960	3,966,100	4,029,700	63,600	2%
Operating Expenses					
Personnel services	435,393	465,334	539,390	74,056	16%
Supplies & materials	96,527	138,560	143,700	5,140	4%
Professional services	740,244	892,523	862,073	(30,450)	-3%
Other operating expenses	482,538	525,265	458,824	(66,441)	-13%
State use tax	62,186	65,600	65,600	-	0%
Total Operating Expenses	1,816,888	2,087,282	2,069,587	(17,695)	-1%
Operating income (loss)	2,086,073	1,878,818	1,960,113	81,295	4%
Nonoperating Revenues (Expenses)					
Proceeds from sale of capital assets	3,000	-	-	-	0%
Bond & loan payments	(1,523,460)	(1,585,134)	(1,451,512)	133,622	-8%
Interest expense	(387,769)	(372,989)	(362,976)	10,013	-3%
Capital outlay	(89,797)	(50,000)	(30,000)	20,000	-40%
Transfers in	37,000	95,000	51,809	(43,191)	-45%
Transfers out	(165,304)	(139,538)	(261,636)	(122,098)	88%
Total Nonoperating Revenues (Expenses)	(2,126,331)	(2,052,661)	(2,054,316)	(1,655)	0%
Change in net position	(40,259)	(173,843)	(94,203)	79,640	-46%
Total Operating Net position--beginning January 1	544,471	525,000	578,507	53,507	10%
Total Operating Net position--ending December 31	\$ 504,212	\$ 351,157	\$ 484,305	133,148	38%
30 Day Operating Target Balance	328,602	344,995	347,976	2,981	1%
Capital Reserve (Operating Only)					
Nonoperating Revenues (Expenses)					
Interest earnings	3,695	-	-	-	0%
Connection Charges	51,628	-	-	-	0%
Transfers Out	-	-	(51,809)	(51,809)	0%
Capital Improvement Program	(35,000)	(35,000)	(450,000)	(415,000)	1186%
Total Nonoperating Revenues (Expenses)	20,322	(35,000)	(501,809)	(466,809)	1334%
Change in net position	20,322	(35,000)	(501,809)	(466,809)	1334%
Total Capital Reserve Net position--beginning January 1	403,650	407,411	497,674	90,263	22%
Total Capital Reserve Net position--ending December 31	423,972	372,411	(4,134)	(376,545)	-101%
USDA Reserve					
Nonoperating Revenues (Expenses)					
Interest earnings	5,439	-	-	-	0%
Transfers in	158,511	139,538	175,032	35,494	25%
Equipment purchases	-	(45,000)	-	45,000	-100%
Total Nonoperating Revenues (Expenses)	163,950	94,538	175,032	80,494	85%
Change in net position	163,950	94,538	175,032	80,494	85%
Total Capital Reserve Net position--beginning January 1	503,131	680,972	808,828	127,856	19%
Total Capital Reserve Net position--ending December 31	667,082	775,510	983,860	208,350	27%

PROGRAM TITLE:
STORMWATER UTILITY

PROGRAM NUMBER:
538

FUND TITLE
STORMWATER

FUND NUMBER:
425

PERSON RESPONSIBLE
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

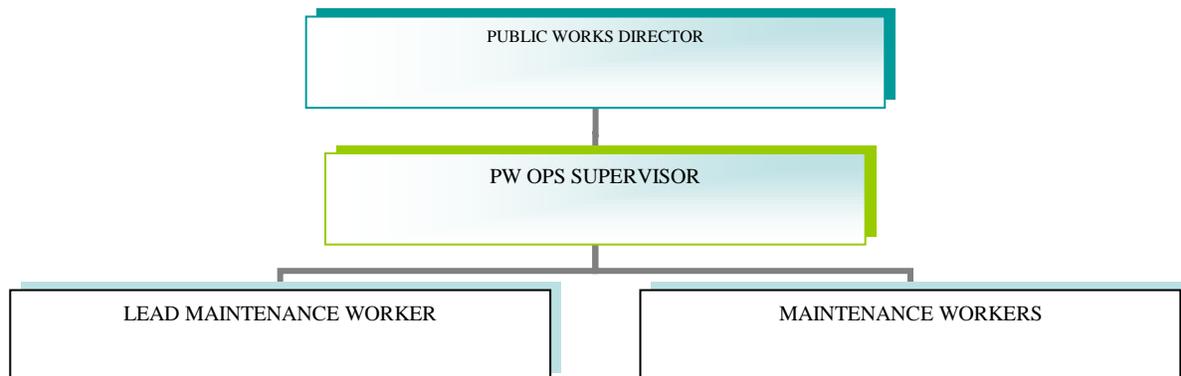
PROGRAM DESCRIPTION

The mission of the Stormwater Utility is to provide the citizens of Blaine with storm water management services. Services include compliance monitoring, street sweeping, the cleaning of catch basins and ditches, spoils disposal, and capital project development.

PERSONNEL SUMMARY: STORMWATER UTILITY

POSITION	2014	2015	2016
Public Works Ops Supervisor	0.18	0.18	0.18
Lead Maintenance Worker	0.15	0.15	0.15
Maintenance Workers	0.71	0.71	0.51
TOTAL	1.04	1.04	0.84

ORGANIZATIONAL CHART: STORMWATER UTILITY



	2015 Final			\$ Increase (Decrease)	% Increase (Decrease)
	2014 Actual	Budget	2016 Budget		
	Stormwater Fund	Stormwater Fund	Stormwater Fund		
Operating Revenues					
Charges for services	\$ 292,090	\$ 296,500	\$ 294,000	(2,500)	-1%
Other revenue	4,566	2,700	2,500	(200)	-7%
Total Operating Revenues	296,655	299,200	296,500	(2,700)	-1%
Operating Expenses					
Personnel services	94,099	99,413	85,500	(13,913)	-14%
Supplies & materials	19,427	18,930	15,150	(3,780)	-20%
Professional services	76,246	80,250	95,243	14,993	19%
Other operating expenses	20,108	27,746	20,172	(7,574)	-27%
State use tax	4,296	6,000	5,100	(900)	-15%
Total Operating Expenses	214,176	232,339	221,165	(11,174)	-5%
Operating income (loss)	82,479	66,861	75,335	8,474	13%
Nonoperating Revenues (Expenses)					
Bond & loan payments	(59,146)	(64,146)	(64,146)	-	0%
Interest expense	(11,074)	(9,028)	(6,782)	2,246	-25%
Capital outlay	-	-	-	-	-
Transfers in	60,525	63,525	61,325	(2,200)	-3%
Transfers out	(78,000)	(100,000)	(104,000)	(4,000)	4%
Total Nonoperating Revenues (Expenses)	(87,695)	(109,649)	(113,604)	(3,954)	4%
Change in net position	(5,216)	(42,788)	(38,269)	4,519	-11%
Total Operating Net position--beginning January 1	91,727	82,000	70,942	(11,058)	-13%
Total Operating Net position--ending December 31	\$ 86,511	\$ 39,212	\$ 32,673	(6,539)	-17%
30 Day Operating Target Balance	25,156	28,499	33,008		
Capital Reserve (Operating Only)					
Nonoperating Revenues (Expenses)					
Interest earnings	1,984	-	-	-	0%
Connection charges	3,161	-	-	-	0%
Transfers in	60,000	30,000	18,000	(12,000)	-40%
Capital Improvement Program	(50,000)	(52,878)	(30,000)	22,878	-43%
Total Nonoperating Revenues (Expenses)	15,145	(22,878)	(12,000)	10,878	-48%
Change in net position	15,145	(22,878)	(12,000)	10,878	-48%
Total Capital Reserve Net position--beginning January 1	213,735	221,990	212,174	(9,816)	-4%
Total Capital Reserve Net position--ending December 31	228,880	199,112	200,174	1,062	1%

PROGRAM TITLE:
PUBLIC WORKS ADMINISTRATION

PROGRAM NUMBER:
539

FUND TITLE
PUBLIC WORKS ADMINISTRATION

FUND NUMBER:
503

PERSON RESPONSIBLE
RAVYN WHITEWOLF

POSITION:
PUBLIC WORKS DIRECTOR

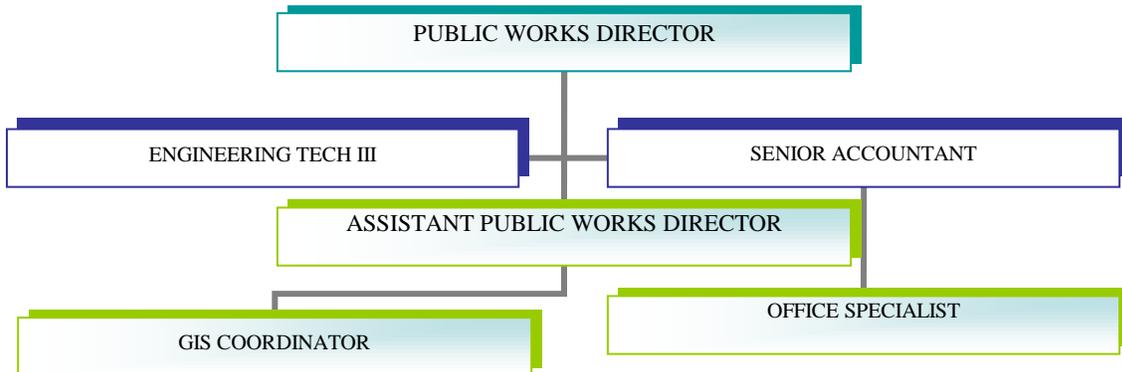
PROGRAM DESCRIPTION

Provide administrative, clerical, website, and engineering support services to the Electric, Water, Wastewater, and Storm Water Utilities, to Street Operations, and to General Government, including Community Development, Public Safety, Facilities, Parks, and Cemetery. Administrative and clerical support includes general management and office supervision, secretarial/reception, time-keeping, and customer service. Website support includes creating, updating, and maintaining current all Public Works information on the site. Engineering support includes research and response to public inquiries, development review, design calculations, capital project oversight, regulatory compliance, and mapping/geographic information systems (GIS).

PERSONNEL SUMMARY: PUBLIC WORKS ADMINISTRATION

POSITIONS	2014	2015	2016
Public Works Director	1	1	1
Assistant Public Works Director	1	1	1
Senior Accountant	1	1	1
GIS Coordinator	1	1	1
PW Office Specialist	1	1	1
Engineering Tech III	1	1	1
Conservation Coordinator	0.60	0.60	0.00
TOTAL	6.6	6.6	6.0

ORGANIZATIONAL CHART: PUBLIC WORKS ADMINISTRATION



	2014 Actual Public Works Admin Fund	2015 Final Public Works Admin Fund	2016 Budget Public Works Admin Fund	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues					
Charges for services	\$ 812,217	\$ 850,071	\$ 784,410	(65,661)	-8%
Other revenue	682	-	-	-	0%
Total Operating Revenues	812,899	850,071	784,410	(65,661)	-8%
Operating Expenses					
Personnel services	679,180	725,886	689,806	(36,080)	-5%
Supplies & materials	49,475	42,220	43,221	1,001	2%
Professional services	(652)	45,100	16,300	(28,800)	-64%
Other operating expenses	24,752	36,865	35,083	(1,782)	-5%
Total Operating Expenses	752,755	850,071	784,410	(65,661)	-8%
Operating income (loss)	60,144	-	-		
Nonoperating Revenues (Expenses)					
Capital outlay	(38,658)	-	-	-	0%
Transfers in	25,607	-	-	-	0%
Transfers out	(2,000)	-	-	-	0%
Total Nonoperating Revenues (Expenses)	(15,050)	-	-	-	0%
Change in net position	45,093	-	-	-	0%
Total Operating Net position--beginning January 1	44,634	-	-	-	0%
Total Operating Net position--ending December 31	\$ 89,727	\$ -	\$ -	-	0%

	2014 Actual Equipment/Fleet Reserve Fund	2015 Final Budget Equipment/Fleet Reserve Fund	2016 Budget Equipment/Fleet Reserve Fund	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues					
Interest income	5,977	-	-	-	0%
Total Operating Revenues	5,977	-	-	-	0%
Nonoperating Revenues (Expenses)					
Transfers in	100,901	200,000	136,000	(64,000)	-32%
Transfers out	(128,166)	(142,000)	(220,000)	(78,000)	55%
Total Nonoperating Revenues (Expenses)	(27,265)	58,000	(84,000)	(142,000)	-245%
Change in net position	(21,288)	58,000	(84,000)		
Total Operating Net position--beginning January 1	694,984	671,218	733,994	62,776	9%
Total Operating Net position--ending December 31	\$ 673,695	\$ 729,218	\$ 649,994	(79,224)	-11%

The Capital Facilities Plan

The Capital Facilities Plan (CFP) is a planning process identifying the capital investment a local government intends to make over a period of time. Capital for a local government constitutes the facilities and materials needed to perform the jurisdiction's function, and to produce and deliver the services expected of it. Generally speaking, Capital Facilities are a structure, improvement, pieces of equipment or other major assets having a useful life of at least five years. Capital Facilities are provided by or for public purposes and services.

While a CFP does not cover routine maintenance, it does include renovation, major repair or reconstruction of damaged or deteriorating facilities. While Capital Facilities do not usually include furniture and equipment, a Capital Project may include the furniture and equipment clearly associated with a newly constructed or renovated facility.

The planning period for a CFP is six years. The expenditures proposed for the first year of the program are incorporated into the Annual Budget as the Capital Budget.

One of the most important aspects of the CFP process is it is not a once a year effort, but an important ongoing part of the City's overall management process. New information and evolving priorities require continual review. Each time the review is carried out, it must be done comprehensively.

Several traditionally recognized benefits can accrue to the community as the result of preparing and maintaining a sound Capital Facilities Plan. These include:

1. The CFP shows citizens and city officials where and when projects are expected. This information is useful in coordinating public projects with the comprehensive plan. In addition, it ensures those making private development decisions are fully informed about the City's intentions as to the timing and location of public facility projects.
2. The CFP process serves as a basis for the management of projects. This includes the coordination of the efforts of various departments responsible for land acquisition, design, construction and operation of the new facility. It also includes the management of cash flow to ensure the funds are available and are used in the most effective possible way.
3. The Growth Management Act requires the City of Blaine to adopt a CFP and incorporate it as part of the City's Comprehensive Plan. The central set of priorities will be embodied in the City's Comprehensive Plan guiding decisions on land use issues.

4. The CFP establishes the relationship between desired levels of service and the ability of the City to fund public facility improvements. In this way, citizens are able to work with elected officials to determine how much improvement of the City's infrastructure is realistic in view of what the community is willing to pay through existing revenues, increased taxes, user fees and impact fees.
5. The CFP establishes a reasonable multi-year spending plan that can help keep the expectations for public facility construction within the City's ability to pay. Accordingly, agencies issuing bond ratings consider it very important for the City to have a well considered Capital Facilities Planning process, and to adopt and follow the program relatively closely.

The CFP ties the City's physical development to community goals and decisions expressed through hearings, citizen advisory groups and such documents as the Comprehensive Land Use Plan. Not only does the CFP identify projects to meet the goals, but it also matches projects with available funds ranging from property tax dollars and user fees to state and federal grants.

The CFP cycle incorporates key phases: planning, defining/formulating, program decision-making, and implementation.

<u>Planning</u>	<u>Defining/Formulating</u>	<u>Program Decision-Making</u>	<u>Implementation</u>
Long Term Vision	Needs Identified	Projects Reviewed	Projects Constructed, Operated & Maintained
Comprehensive Plan	Specific Project Proposals	Projects Evaluated Against Needs/Plans	
Facilities Plan	Project Financing	Adoption of Funding Package	

Council Annual Goals

Each phase offers opportunities for citizens to be involved in ways that provide understanding and a means to influence the outcome. In the planning phase, for example, input from the community is sought on refinements to the Comprehensive Land Use Plan and development of facility plans for such things as water and wastewater systems.

Policy-makers, boards and commissions, and staff seek public input in the development of specific project proposals for programs that comprise each six-year plan. Annual public meeting and hearings are held with the Planning Commission and Council. These projects are then evaluated against the vision for the community, council goals and other needs resulting from planned development and immediate capital needs.

List of Projects

This section contains the list of projects that have been identified in the elements of the Plan that are needed to obtain and sustain the adopted levels of services. The Six Year list of capital facilities will be reviewed, prioritized and revised annually, by the City Council. Projects may be exchanged between the current Six Year Capital Facilities Plan and this list as priorities are established.

The six-year citywide Capital Facilities Plans is not required to be financially balanced, under GMA requirements, the long term plan must have either a financing plan or strategy to finance the plan.

**CITY OF BLAINE
CAPITAL IMPROVEMENT PLAN FOR GENERAL GOVERNMENT**

Project Cost/Funding Sources	2015	2016	2017	2018	2019	2020	2021	6 Year Total
Project Cost								
Public Safety Evidence Room Upgrades	17,000							17,000
Funding Sources								
Beginning Fund Balance	17,000							17,000
Summary								
Project Costs	17,000							17,000
Funding Sources	17,000							17,000
Balance								

CITY OF BLAINE							
CAPITAL IMPROVEMENT PLAN FOR PARKS & CEMETERY							
Project Cost/Funding Sources	2016	2017	2018	2019	2020	2021	6 Year Total
Community Parks Improvement							
Marine Park Playground (site improvements)	\$20,000						\$20,000
Lincoln Park Facilities Upgrade					\$40,000		\$40,000
Neighborhood Park Improvement							
Drayton Reach Improvements	\$49,000						\$49,000
7th Street Greenway Paved Pathway				\$100,000			\$100,000
7th Street Greenway Playground					\$50,000		\$50,000
Cain Creek Park						\$100,000	\$100,000
Shoreline Use Areas							
Marine Park Shoreline Improvements			\$750,000				\$750,000
Special Projects							
Park Signage and Parklets Improvements		\$25,000					\$25,000
Interpretive Sign Route	\$18,000						\$18,000
Skate Park new equipment	\$35,000						\$35,000
Cemetery Projects							
Niche Wall		\$30,000					\$30,000
Funding Sources							
Beginning Fund Balance	\$38,000						\$38,000
Subdivision Performance Bond	\$49,000						\$49,000
Grants		\$5,000	\$750,000	\$20,000	\$20,000		\$795,000
Real Estate Excise Tax (REET)	\$15,000	\$30,000					\$45,000
Transportation Benefit District				\$80,000	\$20,000	\$60,000	\$160,000
Impact Fee Reserve	\$20,000	\$20,000			\$50,000	\$40,000	\$130,000
Summary							
Project Costs	\$122,000	\$55,000	\$750,000	\$100,000	\$90,000	\$100,000	\$1,217,000
Funding Sources	\$122,000	\$55,000	\$750,000	\$100,000	\$90,000	\$100,000	\$1,217,000
Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL IMPROVEMENT PLAN FOR TRANSPORTATION

Project Cost/Funding Sources	2016	2017	2018	2019	2020	2021	6 Year Total
Funded Projects							
Boblett Road Channelization and Corridor Improvements*		182,000	150,000	1,168,000			1,500,000
Hughes Intersection Re-alignment*	400,000	1,738,410					2,138,410
Mitchell Avenue Sidewalk Improvements*	514,386						514,386
Annual Pavement Preservation Program*	10,000	75,000	100,000	100,000	100,000	100,000	485,000
Annual Sidewalk Safety Program*	25,000	30,000	30,000	30,000	30,000	30,000	175,000
Bell Rd./Peace Portal Intersection Improvements*	100,000						100,000
H Street Plaza		40,000					40,000
Seal Coat Project, Multiple locations	121,532						121,532
Downtown Revitalization Program	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Marine Drive Phase III						3,600,000	3,600,000
I-274 Interchange Justification Report (IJR)			70,000				70,000
Street Operations Transfer	68,000	120,000	123,000	125,000	127,000	130,000	693,000
Debt Payments**	662,925	680,125					1,343,050
Funding Sources							
Beginning Fund Balance (332)	442,000						442,000
Beginning Fund Balance (333)	175,000	396,258	27,614	(105,386)	(719,386)	(786,386)	-1,012,286
Property Tax Levy (equals debt payment monies from 333 & 332)	662,925	680,125		-			1,343,050
Additional Monies from (332) to cover debt payments	-	-	-				
Street Reimbursement from Airport Sale						477,000	477,000
Developer Contribution or LID		83,000					83,000
Federal Grant Funding (MAP)							
Boblett Road Channelization and Corridor Improvements		117,000	130,000	535,000			782,000
Hughes Avenue Improvements	294,130	801,687					1,095,817
Future Federal funding							
State Grants							
Future CERB Funding Opportunity							
TIB Grants							
TIB Federal Funding Match (Boblett Rd. Channelization & Corr)		18,000	20,000	84,000			122,000
TIB (Hughes Intersection and Corridor Improvements)	136,000	632,079					768,079
TIB Mitchell Avenue Sidewalk Improvements	488,667						488,667
TIB Seal Coat Project, Multiple Locations	109,379						109,379
Future TIB Grant funding				?			?
Port of Bellingham							
Future Port Funding Opportunitites							
Marine Dr - West End - Phase III (100%)						3,600,000	3,600,000
Other Local Sources							
Northwest Park and Recreation District							
General Fund Allocation			?	?	?	?	?
REET		75,000	?				
Street Bond							
TBD		100,000	200,000	200,000	200,000	200,000	900,000
Summary							
Project Costs	1,911,843	2,875,535	483,000	1,433,000	267,000	3,870,000	10,840,378
Funding Sources	2,308,101	2,903,149	377,614	713,614	(519,386)	3,490,614	9,198,706
Balance	396,258	27,614	(105,386)	(719,386)	(786,386)	(379,386)	(1,641,672)

* Eligible for use of Traffic Impact Fees

**Debt on Limited Tax General Obligation Bond on 1994 Street & Stormwater Construction.

Reflects funding source not yet identified

**CITY OF BLAINE
CAPITAL IMPROVEMENT PLAN FOR ELECTRIC UTILITY**

Project Cost/Funding Sources	2016	2017	2018	2019	2020	2021	6 Year Total
Project Cost							
Pole Testing	31,000						31,000
Pole stubbing		8,000	8,300	8,600	8,900	9,200	43,000
Pipeline Rd UG from Odell Rd to Harvey Rd	135,700						135,700
Lomis Trail Service Loop	193,900						193,900
SR 548 relocation	32,300						32,300
Vista Terrace (part of sewer extension project)	129,200						129,200
Allan St extension (concurrent with Vista Terrace)	45,200						45,200
Lincoln Lane extension	38,800						38,800
H St and Terrace to Harvey Rd		96,100					96,100
Bell Rd to Peace Portal #2 OH to 4/0 UG upgrade		16,100					16,100
Circuit 11 to Circuits 15, 16, & 17 tie switch near Blane Substation for City load back-up		107,100					107,100
H St and Harvey Rd to Pipeline Rd reliability loop			131,200				131,200
Semiahmoo Spit to Fire Station replacement and reliability upgrade			249,600				249,600
Semiahmoo Fire Station to Lincoln Rd replacement and reliability upgrade				179,500			179,500
Blaine Substation Circuit 17 upgrade to Public Works and upgrade at Boblett Court					66,900		66,900
Circuit 16 upgrade to the Natures Path Industrial Park						15,400	15,400
East Blaine H Street 1100 home development*						154,100	154,100
Funding Sources							
Beginning Fund Balance (324)	652,000	45,900	218,600	29,500	41,400	165,600	1,153,000
Unknown Funding Source							
Grants							
Electric Capital Reserve Funds Transfer ***		400,000	200,000	200,000	200,000	200,000	1,200,000
Summary							
Project Costs	606,100	227,300	389,100	188,100	75,800	178,700	1,665,100
Funding Sources	652,000	445,900	418,600	229,500	241,400	365,600	2,353,000
Balance	45,900	218,600	29,500	41,400	165,600	186,900	687,900

*** See rate comparison handout

**CITY OF BLAINE
CAPITAL IMPROVEMENT PLAN FOR WATER UTILITY**

Project Cost/Funding Sources	Type	2016	2017	2018	2019	2020	2021	6 Year Total
Water Supply Improvements								
Instrumentation - Sustainable Yield, Wells, Pump	II			50,000				50,000
New Deep Well Prospecting & Water Rights <i>(Joint w/ BBW&S)</i>	ED/RC					200,000		200,000
Groundwater Monitoring Program	ED/RC		25,000		25,000		25,000	75,000
Well 5.1 Pump Capacity Upgrade/SCADA/VFD	ED/RC	180,000						180,000
Well 8.1 Construct Pumps/Piping/SCADA	ED/RC	200,000						200,000
Future Well Pump Replacement/Upgrades	ED/RC							
Distribution Systems Improvements								
Haynie Rd Booster Pump Station	II/RC				50,000	300,000		350,000
Harvey/Sweet Road Transmission Improvements (18")								
Design	RC					100,000		100,000
Phase 1 Construction <i>(Grant/Loan Dependent)</i>	RC							
Phase 2 Construction <i>(Grant/Loan Dependent)</i>	RC						2,000,000	2,000,000
Booster Pump Station (630 Zone)(E Blaine) <i>(Development Dependent)</i>	ED						500,000	500,000
	RC/II							
Water Line Replacement <i>(40 miles, 50 yr life, \$50/ft) w/ Streets</i>	II		130,000	150,000				280,000
Storage Improvements								
Water Tank Water Quality Improvements (mixing)	R							
Semiahmoo (330 zone)	R		40,000					40,000
Harvey Rd. (440 zone)	R		40,000					40,000
New Storage Tank (171' system)	II					400,000		400,000
New 630' Zone Reservoir (East Blaine)	II					1,500,000		1,500,000
Water Tank Rehabilitation - Harvey, Lincoln	II	25,000						25,000
Funding Sources								
Beginning Fund Balance (329)		350,000	120,000	55,000	75,000	270,000	290,000	1,160,000
Water Capital Reserve & Water Regional Capacity Charge Transfer In		155,000	150,000	200,000	250,000	300,000	350,000	1,405,000
Transmission Improvements Grant/Loan (TBD)							2,000,000	2,000,000
Department of Health Grant						200,000		200,000
Revenue Bond								
Birch Bay Water & Sewer District Regional Capacity Charge		20,000	20,000	20,000	20,000	20,000	20,000	120,000
Developer Contributions or ULID - Pump Station (E Blaine)						2,000,000		2,500,000
Developer Contributions or ULID - Storage (E Blaine)							500,000	500,000
Summary								
Project Costs		405,000	235,000	200,000	75,000	2,500,000	2,525,000	5,940,000
Funding Sources		525,000	290,000	275,000	345,000	2,790,000	3,660,000	7,885,000
Balance		120,000	55,000	75,000	270,000	290,000	1,135,000	1,945,000

TYPE LEGEND:

■ Funding source not identified yet, to be updated in comp plan

R = Regulatory (improvement required to meet health safety needs).

II = Infrastructure Improvements (improvements to provide system rehabilitation, service delivery or address age or system deficiencies).

RC = Regional Capacity - project that serves both City and Wholesale Water customers

ED = Economic Development - improvements that provide an economic return on investment (ROI) or facilitate growth; (include job creation, increased tax revenues and utility revenues).

**CITY OF BLAINE
CAPITAL IMPROVEMENT PLAN FOR WASTEWATER UTILITY**

Project Cost/Funding Sources	Type	2016	2017	2018	2019	2020	2021	6 Year Total
Project Cost								
Treatment								
Compactor	II	60,000						60,000
Backup power	R	25,000	500,000					525,000
Conveyance								
Pipe Replacement/Lining for I&I Removal, Rehabilitation	II		25,000	50,000	75,000	100,000	100,000	350,000
E. Blaine Sewer Extension	ED	350,000		400,000			1,000,000	1,750,000
Lift Station								
Lift Station capacity and instrumentation improvements	II	20,000	30,000	30,000	30,000	30,000	30,000	170,000
Royal Troon Lift Station Improvements (Semiahmoo)	II				75,000	500,000		575,000
Funding Sources								
Beginning Fund Balance (325)		30,000	25,000	25,000	20,000	15,000	-	115,000
Wastewater Capital Reserve Funds Transfer (420)		450,000	55,000	75,000	100,000	115,000	130,000	925,000
Latecomers								-
Unknown Source			500,000	400,000	75,000	500,000	1,000,000	2,475,000
Summary								
Project Costs		455,000	555,000	480,000	180,000	630,000	1,130,000	3,430,000
Funding Sources		480,000	580,000	500,000	195,000	630,000	1,130,000	3,515,000
Balance		25,000	25,000	20,000	15,000	-	-	85,000

TYPE LEGEND: ████████ Reflects funding source not yet identified

R = Regulatory (improvement required to meet health safety needs).

II = Infrastructure Improvements (improvements to provide system rehabilitation, service delivery or address age or system deficiencies).

ED = Economic Development - improvements that provide an economic return on investment (ROI) or facilitate growth; (include job creation, increased tax revenues and utility revenues).

**CITY OF BLAINE
CAPITAL IMPROVEMENT PLAN FOR STORM WATER UTILITY**

Project Cost/Funding Sources	2016	2017	2018	2019	2020	2021	6 Year Total
Project Cost							
Semiahmoo Spit Trail Erosion Control	35,000						35,000
Cain Creek Water Quality Improvements Ph I	75,000	75,000					150,000
Cain Creek Water Quality Improvements Ph 2			50,000	750,000			800,000
6th Street Storm Improvements	20,000						20,000
Drayton Harbor Water Quality Improvements		30,000		40,000		50,000	120,000
Regional Detention/Water Quality Enhancements						1,500,000	1,500,000
Beginning Fund Balance (328)							
Beginning Fund Balance (328)	50,000	25,000	30,000	25,000	35,000	85,000	250,000
Grants							
EDC Grant/Loan for Gateway Facility							
DOE Water Quality Grant	75,000	75,000		750,000		1,500,000	2,400,000
Port of Bellingham Small Cities Grant							
Developer Contributions							
Stormwater Capital Reserve Funds Transfer***	30,000	35,000	45,000	50,000	50,000	50,000	260,000
Summary							
Project Costs	130,000	105,000	50,000	790,000		1,550,000	2,625,000
Funding Sources	155,000	135,000	75,000	825,000	85,000	1,635,000	2,910,000
Balance	25,000	30,000	25,000	35,000	85,000	85,000	285,000

*** Rate Study Needed

Reflects funding source not yet identified

ORDINANCE 15-2871

AN ORDINANCE OF THE CITY OF BLAINE, WASHINGTON, RELATING TO THE SETTING OF THE AD VALOREM TAX LEVIES FOR 2016 AND SETTING FORTH THE INCREASE FOR THE REGULAR PROPERTY TAX LEVY

WHEREAS, the Blaine City Council, after hearing and after duly considering all relevant evidence and testimony presented, determined that the City of Blaine requires an increase in property tax revenue from the previous year, in addition to that resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City of Blaine and in its best interest; and

WHEREAS, the Blaine City Council will levy an excess levy as necessary to provide for the payment of the debt service on the 2002 General Obligation Bond for the Fire Station as passed on the September 18, 2001, Primary Election.

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

Section 1.

- A. That an increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state assessed property, is hereby authorized for the 2016 levy in the amount of \$10,550.70 which is a percentage increase of 1.00% from the previous year.
- B. To redeem the 2002 General Obligation Bond for the Fire Station as passed on September 18, 2001, an excess levy of approximately \$0.17 per \$1,000.00 of assessed valuation will be levied.

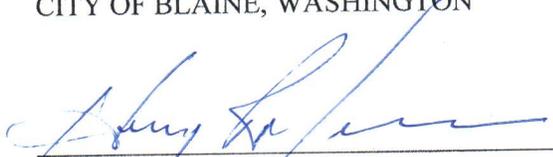
Section 2: If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 3: Any ordinance or parts of ordinances in conflict herewith are hereby repealed.

Section 4: This ordinance shall be in full force and in effect five (5) days after its passage, approval and publication as provided by law.

PASSED BY THE CITY COUNCIL OF BLAINE, WASHINGTON on the 23rd day of November, 2015, and approved by the Mayor on the same day.

CITY OF BLAINE, WASHINGTON


HARRY ROBINSON, Mayor

ATTEST:


SHERI SANCHEZ, City Clerk

CERTIFICATION

I, Sheri Sanchez, Administrative Services Director/City Clerk for the City of Blaine, Washington (the "City"), do hereby certify that the attached document "Ordinance No. 15-2871" adopted by the Blaine City council on November 23, 2015, is a photocopy of the original.

DATED this 24th day of November, 2015.

CITY OF BLAINE, WASHINGTON

By 
Sheri Sanchez,
Administrative Services Director/City Clerk

ORDINANCE NO. 15-2874

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON,
ADOPTING THE BUDGET FOR FISCAL YEAR 2016**

WHEREAS, pursuant to RCW 35A.33, State Law, requires the City to adopt an annual budget and provides procedures for the filing of estimates, a preliminary budget, deliberations, public hearing, and final fixing of the budget; and

WHEREAS, a Preliminary budget for the fiscal year 2016 has been prepared and filed; public hearings have been held for the purpose of fixing the final budget; and the City Council has deliberated and has made adjustments and changes deemed necessary and proper; and

WHEREAS, the proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Blaine for the purposes set forth in this budget, and the estimated expenditures set forth in this budget being all necessary to carry on the government of the City of Blaine for the year 2016, and sufficient to meet the various needs of the City of Blaine during the year 2016.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, DOES ORDAIN THAT THE 2016 BUDGET FOR THE CITY OF BLAINE SHALL BE AS FOLLOWS:

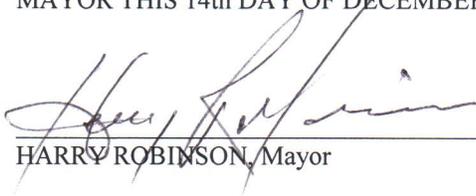
SECTION 1: 2016 BUDGET

Fund No.	Fund	FY 2016 Budget
001	General	6,299,524
101	Street Operations	595,546
102	Traffic Impact Reserve	60,900
103	Park Impact Reserve	20,000
104	Park	132,900
105	Cemetery	24,100
107	General Fund Reserve	900,000
108	Equipment/Fleet Reserve	869,994
110	Hotel/Motel	201,091
201	LTGO Bonds	118,800
202	Whatcom EDI Loan	76,008
203	Qualified Energy Conservation Bonds	188,047
204	2002 UTGO Fire Station Bond	176,873
207	LTGO 2007 Refunding	649,300
236	CERB Loan-Odell Rd	32,505
300	Municipal Capital Improvement	206,827
307	General Government Capital Improvement	17,000
308	Capital Facilities	292,971
314	Park Capital Improvement	122,000
332-333	Transportation Capital Improvement	2,308,101
401	Electric Operating & Capital Improvement	9,107,720
402	Rural Economic Development	677,000
410	Water Operating & Capital Improvement	4,433,676
420	Sewer Operating & Capital Improvement	6,621,550
425	Stormwater & Capital Improvement	813,940
503	Public Works Administration	784,410
505	Advance Travel	4,000
Total All Funds		35,734,783

SECTION 2: The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the State Auditor's Office, Municipal Research & Services Center of Washington, and Association of Washington Cities.

SECTION 3: This ordinance shall be in full force and in effect five (5) days after its passage, approval and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON AND APPROVED BY THE MAYOR THIS 14th DAY OF DECEMBER, 2015.



HARRY ROBINSON, Mayor

ATTEST:



SHERI SANCHEZ, City Clerk

GLOSSARY OF TERMS FOR OPERATING BUDGETS

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

ALLOCATION: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

APPROPRIATION: An authorization made by the legislative body of a government that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

ASSESSED VALUE (AV): The fair market value of both real (land and building), and personal property as determined by the Whatcom County Assessor's Office for the purpose of setting property taxes.

ASSETS: Property owned by a government that has monetary value.

ATTRITION: A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, retirement, transfer or means other than layoff.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial position and results of operations;
- test whether transactions have been legally performed;
- identify areas for possible improvements in accounting practices and procedures;
- ascertain whether transactions have been recorded accurately and consistently; and
- ascertain the stewardship of officials responsible for governmental resources.

BASELINE BUDGET: The cost to repeat the current level of service. Baseline includes inflation costs. They do not reflect increased levels of service.

BOND: A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date (s)) along with periodic interest paid at a specified percentage of the principal (interest rate).

BOND ANTICIPATION NOTES (BANS): Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

BUDGET (Operating): A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

BUDGET CALENDAR: The schedule of key date or milestones which a government follows in the preparation and adoption of the budget.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets may also be called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on a Capital Facilities Plan (CFP).

CAPITAL FACILITIES PLAN: A plan for capital expenditures to be incurred each year over a fixed project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAYS: Expenditures for the acquisition of capital items not included in the Capital Facilities Plan (desk, chairs, etc.). The useful life must be two years or more with a value of at least \$1,000.

CAPITAL PROJECTS: Projects which purchase or construct capital assets. typically a capital project encompasses a purchase of land and/or the construction of a building or facility, with a life expectancy of more than 10 years.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CASH FLOW BUDGET (CASH BUDGET): A projection of the cash receipts and disbursements anticipated during a given time period.

CERTIFICATE OF DEPOSIT: A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period at a specified rate of interest.

COLLECTIVE BARGAINING AGREEMENT: A legal contract between employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions salary, benefits and matters affecting health and safety of employees).

CONSUMER PRICE INDEX (CPI): A statistical description of price levels provided by the United States Department of Labor. The index is used as a measure of change in the cost of living.

CONTINGENCY: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

COST ACCOUNTING: Accounting which assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

COST OF LIVING ADJUSTMENT (COLA): An increase in salaries to offset the adverse effect of inflation on compensation.

DEBT SERVICE: Payment of interest and repayment of principal to holders of a government's debt instruments.

DEFICIT: (1) The excess of an entity's liabilities over its assets (See Fund Balance). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DEMAND DEPOSIT: A deposit of monies where the monies are payable by the bank upon demand.

DEPARTMENT BUDGET OVERVIEW: This is intended to explain major increases or decreases in the Requested Operating Budget.

DEPRECIATION: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

DOUBLE BUDGETING: The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENTERPRISE FUND ACCOUNTING: Accounting used for government operations that are financed and operated in a manner similar to business enterprises and for which preparation of an income statement is desirable.

EQUIPMENT RENTAL: The Equipment Rental Fund operates as a self sufficient motor and equipment pool. Customer departments pay for the equipment used through charges billed monthly. These charges include a form of depreciation which is accumulated as a sinking fund for future asset replacement, a factor for maintenance of the equipment and charges for fuel (if applicable).

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For Blaine, the fiscal year is the same as the calendar year (also called budget year).

FLOAT: The amount of money represented by checks outstanding and in the process of collection.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FULL-TIME EQUIVALENT (FTE): A position converted to the decimal equivalent of a full-time position based on 2080 hours worked per year.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are General Obligation (GO) Bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

INTERDEPARTMENTAL CHARGES: A revenue similar to program revenues but are paid by other units of the City of Blaine.

INTERFUND SERVICES/REVENUE: The term "interfund" refers to transactions between individual Funds of the City of Blaine (rather than transactions between the City and private companies, other governments or vendors). From a budgeting and accounting perspective, the service receiver must budget and pay for the service received. The service provider will budget for the cost of providing the service and receive a revenue in the form of a payment

from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Prime examples would be equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as “double budgeting”. (The term “interfund” is also referred to as “intracity”.)

INTERNAL CONTROL: A plan of organization for purchasing, accounting and other financial activities which, a month other things, provides that:

- The duties of employees are subdivided so that no single employee handles a financial action from beginning to end.
- Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

LIABILITY: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MATURITIES: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

OBJECT OF EXPENDITURE: Expenditure classifications based upon the types or categories of goods and services purchased. typical objects of expenditures include:

- personnel services (salaries and wages);
- contracted services (utilities, maintenance contracts, travel);
- supplies and materials; and
- capital outlays.

OPERATING TRANSFER IN: Transfer (payment) from other funds which are not related to rendering of services.

PERSONNEL SERVICES: Includes total wages and benefits.

PROGRAM: A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT: Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM REVENUE: These are revenues which are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (i.e. grants, taxes or debt funds).

RESERVE: An account used to indicate that a portion of Fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

REVENUE: The term designates an increase to a fund's assets which:

- does not increase a liability (e.g. proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital (i.e. taxes, grants, fines).

SERVICE MEASURES: Specific quantitative measures of work performed within an activity or program (e.g. total miles of streets clean). Also, a specific quantitative measure of results obtained through a program or activity (e.g. reduced incidence of vandalism due to new street lighting program).

SUPPLIES AND SERVICES: All supplies and services such as: office supplies, professional services and intergovernmental services.

TAX ANTICIPATION NOTES (TANS): Notes issued in anticipation of taxes which are retired usually from taxes collected (typically used by school districts).

TAX RATE LIMIT: The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

WARRANT: An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current or some future date.

YIELD: The rate earned on an investment based on the price paid for the investment, the interest earned during the period held and the selling price or redemption value of the investment.