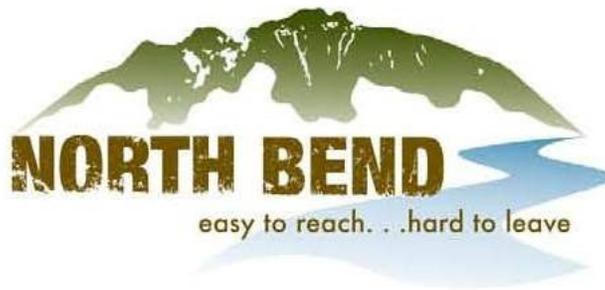


City of North Bend, Washington 2010 Budget





Mayor Ken Hearing and wife Marie walking in the 2009 Centennial Parade during the Festival at Mount Si.



Mayor's 2010 Budget Message

It is with great pleasure that I present the 2010 Budget Message for the City of North Bend, Washington. 2009 presented some unprecedented challenges, particularly in regards to budgeting and finance. The depth and impact of the on-going recession has changed the way that we now look at our revenues and expenditures; we have to do more with less. North Bend is a very fortunate community however; we are diversified in our revenue sources and we have been conservative in our spending practices. In 2010 we will be limited in the number of projects as a result of diminished revenues but we have ensured that there will be no interruption in the provision of core services that our citizens expect.

The City of North Bend celebrated its Centennial year in 2009 and it was a fantastic party. The major projects we identified were all completed and were a success. Our first Annual Block Party was a fun-filled event highlighted by the increased business for our downtown merchants and a concert by Northwest icons Spike and the Impalers. We offer our thanks to those same downtown merchants for their hard work in planning this event.

2009 also brought three projects to Torguson Park including the remodeling of the restrooms, the construction of a Tot Lot and the completion of the new Climbing Rock, our Centennial Legacy Project. Many people were involved with the efforts to make these ventures possible but special recognition must go to the Snoqualmie Valley Little League, the Snoqualmie Valley Soccer Association and the North Bend Parks Foundation. The members of these organizations were instrumental in raising funds for the renovation of Torguson Park and we thank you.



Mayor's Message - continued

Last, but certainly not least, was the Festival at Mt. Si where we unveiled the community quilt cake and celebrated our birthday in style! You would think that trying to meld together a Centennial Celebration with an annual community event would be loaded with complications. I am very happy to report that, with the assistance of our Citizens of the Year, Jill Massengill and Jan Marie Johnson, the communication and coordination of these events was flawless. Thanks also to Dick and Sallie Burhans for the Arts Hall constructed inside the Park District Headquarters and to the Snoqualmie Valley Historical Museum for the fabulous display of photos and exhibits in the park. Now we look ahead to our challenges in 2010.

I have directed the City Administrator and each of our department Directors to pare back expenditures this next year in order that we meet the Council's expectation that the City run very lean. The Council again this year decided that it would not impose the voter-authorized 1% property tax increase. I agree with the Council's decision in this regard. North Bend does have clear needs to be filled, especially in the area of transportation infrastructure; however, filling these needs should be balanced against the significant downturn in the economy and the struggles of our citizens. The Council felt that 2010 was not the year for a property tax increase and further determined that we must postpone all but the most critical infrastructure improvements to a later date.

The budget that the Council adopted concentrates on basic public safety provisions, however, we have not eliminated all capital improvements. Our new Park and Ride facility will be built this year near the western boundary of town on North Bend Way. It has taken 7 years to establish all of the funding for the project and it will be paid entirely with grant monies from the Federal Government and King County. The Council has authorized the expenditure of monies to conduct the surveying and initial engineering on the Pickett Avenue reconstruction and updates to both the Transportation and Storm Water elements to our Comprehensive Plan. We also have plans to



Mayor's Message - continued

finish improvements to some downtown sidewalks to make them ADA compliant.

While the City has a pretty firm grasp on the Expenditures portion of our 2010 budget, the Revenue portion is much more difficult to forecast. In addition to the instability brought about by the economy, the City is still emerging from its ten year moratorium and construction activity is just beginning to gear up. On top of that, the City annexed two large areas of property in the last year and we are uncertain about the exact amount of sales and B & O tax we can expect. This budget has projected these revenues conservatively in an effort to prevent any deficit spending.

We hope that one more source of revenue in 2010 will come from increased tourism generated from our recently completed branding study which resulted in our new City logo (seen at the top of this message) and our new tag line: "Easy to Reach...Hard to Leave".

Although 2010 presents significant challenges, we are attempting to maintain the positive momentum we have achieved over the last 5 years. Thank you to our Council and welcome to the two newest members, Jeanne Pettersen and Chris Garcia. Thank you to all the staff and citizens for making this City a great place to live and play.



Kenneth G. Hearing



Community Vision Statement

The vision the residents of North Bend put forth... is one of preservation and enhancement.

The community of North Bend wants to preserve its rural character, natural beauty and small town scale.

The residents of the community also have a desire for enhancing the existing built environment of the downtown, the riverfront and community parks, new and existing residential neighborhoods and the community's gateways.



Photograph by: Michael McDevitt



City's Mission Statement

The mission of the City of North Bend is to create a highly livable community by working in partnership with our citizenry to blend and balance the following principles:

- ◆ Provide high levels of police, fire and emergency medical services
- ◆ Build and maintain adequate infrastructure
- ◆ Deliver quality public services
- ◆ Encourage a strong local economy
- ◆ Preserve the rural character of the community



Photograph by: Duncan Wilson



Photograph by: Michael McDevitt

Mountains inspire awe in any human person who has a soul. They remind us of our frailty, our unimportance, of the briefness of our span upon the earth. They touch the heavens, and sail serenely at an altitude beyond even the imaginings of a mere mortal.

Elizabeth Aston



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Photograph by: Michael McDevitt

Be thou the rainbow in the storms of life. The evening beam that
smiles the clouds away, and tints tomorrow with prophetic ray.

Lord Byron



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Photograph by: Matt N. Johnson

Each man must look to himself to teach him the meaning of life. It is not something discovered: it is something molded.

Antoine De Saint-Exupery

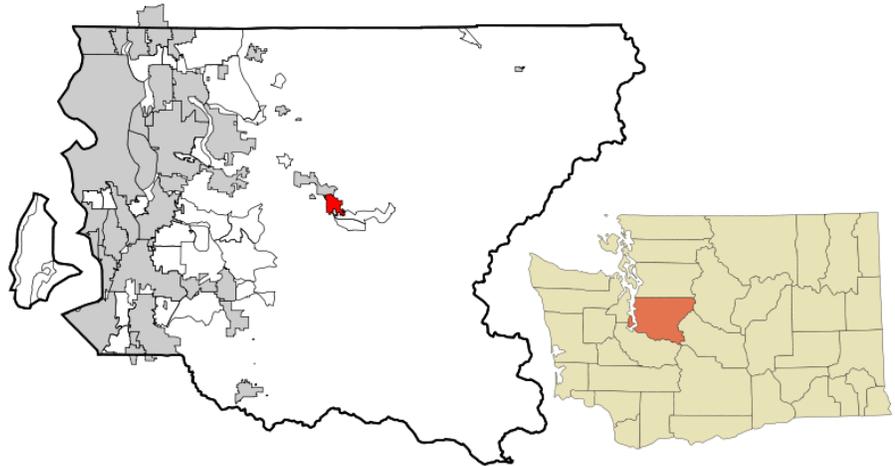


North Bend Information

Elevation.....440'
above sea level
Land Area.....1,900
Acres

Average Mean Tem-
perature/Moderate to
cool year round.

Average Precipitation/
Annual, Rainfall 65-
70.... Snowfall 4-6
inches.



Total Assessed Valuation of the City of North Bend for 2010 is: \$840,618,255

New Construction Value (included in the above total) for 2010 is: \$4,264,206.

The total Property Tax Levy Rate for 2010 is: 10.31779 per \$1,000, of which the City of North Bend receives: 1.42132 per \$1,000.

Real Estate Excise Tax .25% + .25%

Demographics:

As of the census of 2000, there were 4,746 people, 1,841 households, and 1,286 families residing in the city. The population density was 1,611.6 people per square mile (623.3/km²). There were 1,889 housing units at an average density of 641.4/sq mi (248.1/km²). The racial makeup of the city was 92.01% White, 0.70% African American, 1.03% Native American, 2.23% Asian, 0.17% Pacific Islander, 1.45% from other races, and 2.40% from two or more races. Hispanic or Latino of any race were 3.79% of the population. The estimated population at the end of 2009 was 5,750.

There were 1,841 households out of which 37.8% had children under the age of 18 living with them, 57.1% were married couples living together, 8.8% had a female householder with no husband present, and 30.1% were non-families. 23.7% of all households were made up of individuals and 10.8% had someone living alone who was 65 years of age or older. The average household size was 2.53 and the average family size was 3.01.



North Bend Information - continued

In the city the population was spread out with 27.3% under the age of 18, 6.7% from 18 to 24, 37.1% from 25 to 44, 18.4% from 45 to 64, and 10.6% who were 65 years of age or older. The median age was 34 years. For every 100 females there were 97.5 males. For every 100 females age 18 and over, there were 94.0 males.

The median income for a household in the city was \$61,534, and the median income for a family was \$69,402. Males had a median income of \$57,333 versus \$38,401 for females. The per capita income for the city was \$28,229. About 2.1% of families and 4.7% of the population were below the poverty line, including 5.1% of those under age 18 and 3.0% of those age 65 or over.

North Bend Parks:

E.J. Roberts	5 acres - playground equipment and gazebo
Gardiner Weeks Memorial	5.3 acres - picnic tables, benches & gazebo
Meadowbrook Farm*	450 acres of Open Space
Tanner Trail	2 miles - City Trail
Torguson Park	17.3 acres - Little League Fields, BMX track, skate park, climbing rock, tot lot
Tollgate Farm	205.74 acres - inside City limits
William Henry Taylor Park - Railroad Park	1 acre - picnic tables & benches

**owned jointly with the City of Snoqualmie*

Valley Information: For information about local events, recreation, lodging, shopping, and just about everything else that is offered by the Snoqualmie Valley businesses.

Snoqualmie Valley Chamber of Commerce



North Bend Information - continued

Schools: Snoqualmie Valley School District #410: 425 888-2334

North Bend: Two Elementary and one Alternative High School
Snoqualmie: Two Elementary, one Middle and one High School
Fall City: One Elementary and one Middle School
County: One Middle School

Service Organizations: Lions, Kiwanis, Rotary, & Mt. Si Senior Center.

North Bend Banks: Bank of America, Chase, Cascade Bank, Sterling Savings Bank
Credit Unions: Sno Falls Credit Union.

Shopping Malls: Factory Stores at North Bend, Mountain Valley Center, Mount Si Village, and QFC Plaza

Hospital: Snoqualmie Valley Hospital

Transportation: Highway: I-90 Rail: None

Airport: SeaTac International Airport is approximately 35 miles west of North Bend

Port: The Port of Seattle is approximately 30 miles west of North Bend.

Transit: Metro buses run approx. every 1/2 hour from North Bend during morning & evening rush hours and on varied schedules during the day.

Mount Si: Altitude: 4,190 ft.

National Scenic Byway: Mountains to Sound Greenway



Mayor

Kenneth G. Hearing

North Bend City Council

Jonathan Rosen, Mayor Pro Tem

David Cook

Alan Gothelf

Ross Loudenback

Dee Williamson

Jeanne Pettersen

Chris Garcia

North Bend Appointed Officials

Duncan C. Wilson, City Administrator

Michael Kenyon, City Attorney

Cheryl Proffitt-Schmidt, City Clerk

Gina Estep, Community and Economic Development Director

Elena Montgomery, Finance Director

Ron Garrow, Public Works Director

Planning Commission

Scott Laufer- Chair

Economic Development Commission

Terril Perrine - Chair

Parks Commission

Yvonne Dalke - Chair



Elected Officials



Mayor Ken Hearing



Councilmember Dee Williamson



Councilmember Alan Gothelf



Councilmember Jonathan Rosen



Councilmember David Cook



Councilmember Ross Loudenback



Councilmember Jeanne Pettersen



Councilmember Chris Garcia

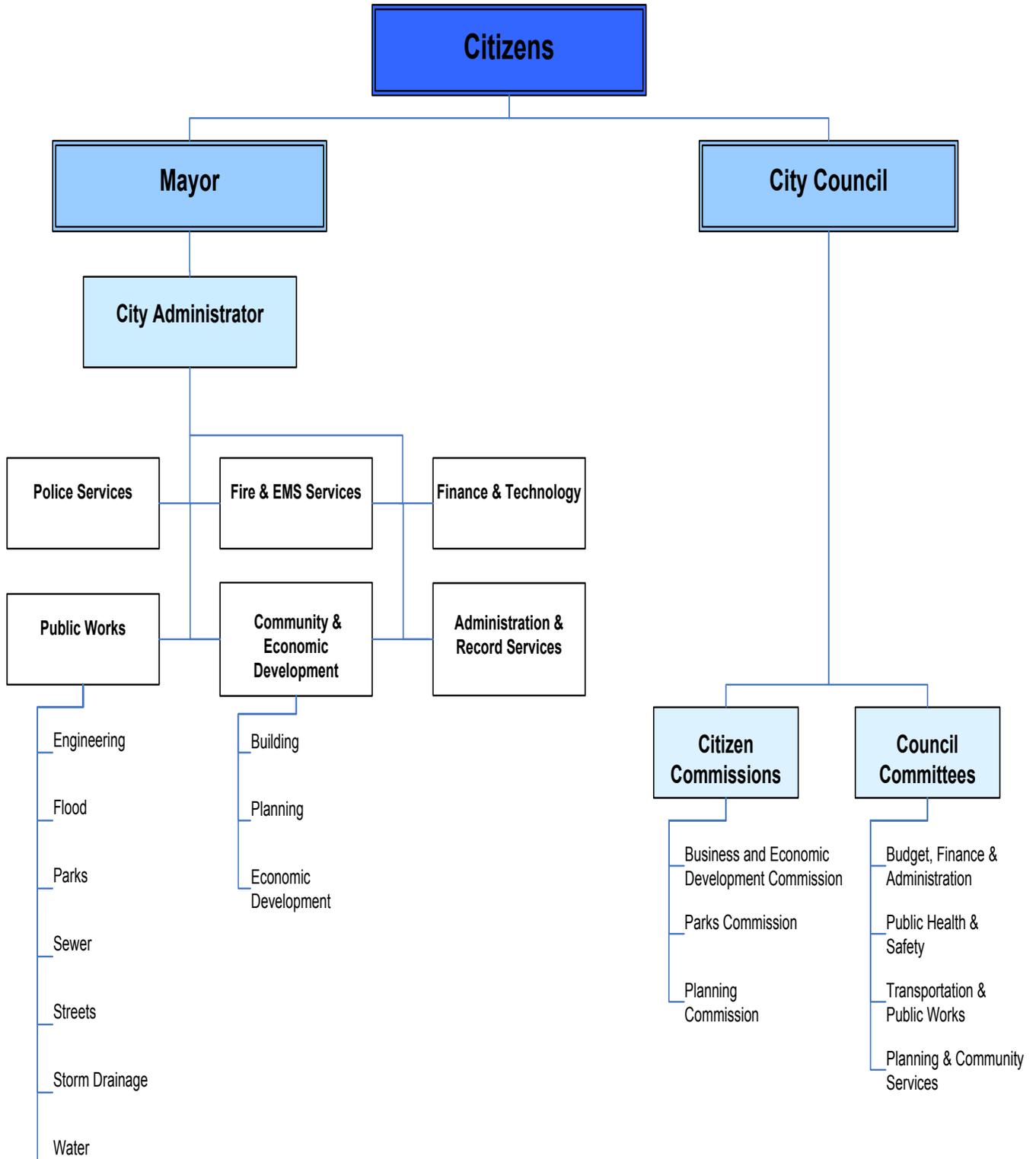


Photograph by: Matt N. Johnson

Nature is wont to hide herself
Heraclitus



City of North Bend Organization Chart





Photograph by: Matt N. Johnson

The goal of life is living in agreement with nature.
Zero



2009 North Bend Goals Report Card

	Grade		
	Complete	Ongoing	Incomplete
CITY WIDE			
Process request for grants for ULID #6 through the State Capital Budget	X		
Maintain meaningful communication with our community partners such as the Chamber of Commerce, Sallal Water Association, Tanner Electric, Puget Sound Energy, Nintendo, Snoqualmie Nation, Snoqualmie Valley School District, Snoqualmie Valley Hospital, Eastside Fire and Rescue, Si View Metropolitan Park District, Fire District #38 and the Cities of Snoqualmie, Carnation, Duvall, Issaquah and Sammamish		X	
Complete roof repair on Community and Economic Development Building and structural repairs to the CED Annex house	X		
Resolve Yourth Activity Center insurance dispute	X		
Work with CGI Communications to prepare videos of various aspects of life in North Bend for publication on the City's Website	X		
Complete negotiations on the Comcast Franchise		X	
Finalize negotiations with Nintendo to secure rights to public trail on south side of South Fork of the Snoqualmie River	X		
Assign recycling grant coordinator	X		
Create policy on mileage reimbursement		X	
Negotiate final interlocal agreement with Fire District 38 for station construction			X
Assist School District in preparing Twin Falls Middle School for emergency shelter		X	
Complete condemnation actions to acquire Downing Street Property	X		
Coordinate 2009 Centennial Celebration Events	X		
Work with Master Builders Association in joint Centennial project			X
ADMINISTRATION			
Complete City wide inventory and disposition of inactive records (CED & PW Departments)	X		
Complete City wide indexing and inventory of active records		X	
Review and update of City Property Files		X	
Compile City Annexation files for microfilm back-up and scanning	X		
Complete establishment and adoption of Records Management Program		X	
Provide Departmental training on retention/disposition of departmental records		X	
Update NBTV programming and music		X	
Provide support for Centennial event planning	X		
Complete the review and update of all City forms	X		



2009 North Bend Goals Report Card

	Grade		
	Complete	Ongoing	Incomplete
FINANCE			
Rate analysis, review and implementation during first quarter 2009:			
1. Water	X		
2. Sewer	X		
3. Storm Drain	N/A		
4. Flood	N/A		
5. Solid Waste and Recycling		X	
Develop Budget Process Manual		X	
Develop procedural manuals for:		X	
1. Utility Billing and Collections		X	
2. Accounts Payable Processing		X	
3. Payroll Processing		X	
4. Cash Receipting Processing		X	
5. Business Licensing Processing		X	
6. Business & Occupation Tax Processing		X	
7. Month End Processing		X	
Payroll Direct Deposit	X		
Credit card acceptance for utility payment		X	
Online utility billing payments		X	
Fund 125 (Development Projects) revision to be stand alone special revenue fund		X	
Financial Policy Review & Refresh		X	
Purchasing Policy Review		X	
Water meter change to cubic feet policy and implementation			X
Implement new Springbrook Business License and Business & Occupation Tax Module	X		
POLICE SERVICES			
Work with local retailers on shoplift reduction program		X	
Update Record Management System to Comply with current State Guidelines		X	
Work with the King County Sheriff's Office to develop departmental plan assuring the police force keeps pace with anticipated City growth			X



2009 North Bend Goals Report Card

	Grade		
	Complete	Ongoing	Incomplete
COMMUNITY & ECONOMIC DEVELOPMENT			
Planning			
Continue to implement "Year 2" goals of the Downtown Master Plan	X		
Efficiently process new development applications	X		
Update Parks Element of the Comp Plan	X		
Update / Create a transportation connectivity map for Comp Plan		X	
Establish framework for Sustainable Element of Comp Plan		X	
Economic Development			
Create a Business Recruitment and Expansion Plan		X	
Work with Outside Seattle to create a brand/image for North Bend to market	X		
Grow the Wayfinding sign program		X	
Continue to partner with Snoqualmie, Valley Wide EDC's and Chamber		X	
Installation of Webcam		X	
Building			
Digitize and catalog previously approved building plans utilizing new plotter/scanner		X	
Create a Green Building Incentive Program to work in concert with the Comprehensive Plan Sustainable Element. In 2009, create incentives related to permitting/reducing permit fees etc.		X	
Initiate the process for adopting the 2010 Building Code - Review and comment on proposed code changes		X	
Code Enforcement - Identify repeat nuisance offenders and conduct regular enforcement sweeps		X	
Prepare full range of options to deal with blight			X
GIS			
Collect remaining 20% of data needed for the water utility system data base and mapping. Coordinate with Public Works to establish the following:		X	
1. Public Works review and approval of the previous 80% data collected			X
2. A Public Works prior list for water utility layers			X
3. Assist Public Works in providing necessary missing information, i.e. underground materials, etc.			X
Support Annexations: annexation mapping, notification and census needs	X		
Create the 2009 Comprehensive Plan Transportation Connectivity map. Ongoing mapping of critical City infrastructure		X	



2009 North Bend Goals Report Card

	Grade		
	Complete	Ongoing	Incomplete
Permitting			
Implement Bitco Software for Land Use/Building permit tracking	X		
Create and implement and "Approved Plans Electronic Filing System"		X	
Refine permit transmittal process	X		
Work with Finance Department to implement a Project/Deposit accounting system by interfacing Bitco and Springbrook Software	X		
PUBLIC WORKS			
Capital Projects			
Boalch Avenue Bridge Repair	X		
Torguson Park Climbing Rock	X		
Start Construction of ULID No. 6	X		
Torguson Park Bathroom Repair	X		
Torguson Park Tot Lot	X		
Construct Phase 1 of Park & Ride		X	
EOC Amateur Radio Antenna	X		
Orchard Drive Sidewalk/Sewer	X		
Limited Downtown Tree Replacement		X	
Tanner Trail Phase 2 Appraisal		X	
Install Screening System at WWTP		X	
Install Strip Curtains at WWTP	X		



2009 North Bend Goals Report Card

Other	Grade		
	Complete	Ongoing	Incomplete
Update Emergency Management Plan to Include:			
1. Debris Management		X	
2. Evacuation Plan		X	
Establish Emergency Volunteer Resources Data Base		X	
Conduct ICS/EOC Interface Class for North Bend/Snoqualmie			X
WWTP Emergency Response Plan		X	
Water System Plan Update		X	
Purchase Dump Truck w/ Snow Plow Attachment	X		
Establish reverse notification system for community emergencies			X
Annexation of Tanner Area	X		
Annexation of Opstad Area		X	
Establish Documentation Process for Water & Sewer Certificates	X		
Establish Bench Mark Grid around town		X	
Establish SOP's for permitting process at Public Works		X	
Adopt Storm Drainage Swale Management Policy	X		
Renew franchise with King County for water		X	
Renew franchise with Puget Sound Energy		X	
Establish new franchise with King County for sewer		X	
Secure bids for roof replacement of CEDD Building	X		
Secure Bids for repairs to Planning Annex House	X		
TECHNOLOGY			
Implement copiers, network and equipment upgrades	X		
Purchase payment processing automation equipment and implement	X		
E-mail server installation and implementation		X	
Bitco PermitTrax Planning Software integration with Springbrook Financial Software	X		



Photograph by: Matt N. Johnson

One cannot fix one's eyes on the commonest natural
production without finding food for a rambling fancy.
Jane Austen



2010 Departmental Goals

Administration & Record Services

A. Administrator

- Participate in WSDOT grant requests for new parking facilities in Truck Town.
- Investigate and seek maximum rate of return on City investments.
- Assist the Senior Center in closing budget gaps for 2010 and 2011 budgets.
- Facilitate discussions between the Senior Center and Metropolitan Park District regarding senior programming and operations.
- Prepare formal cost estimates and preliminary design for new fire station.
- Chair Police Oversight Committee for King County Cities that Contract with the County and work on contract cost containment.
- Assist Directors in completing tasks identified by the Council at the City's 2010 retreat.
- Assist Mayor in research regarding the Wild and Scenic Rivers proposed designation along the Middle Fork of the Snoqualmie River.
- Investigate local option gas tax to fund City wide transportation infrastructure projects.
- Meet with and study options for City membership in ARCH to help promote affordable housing within the City
- Complete negotiations with Sallal Water Association regarding sale of City water and purchase of mitigation water.
- Become involved with the Puget Sound Regional Council Freight Mobility Study group to gain insight on trucking issues and impacts to Truck Town.
- Work with King County and Flood Control District to obtain upstream and downstream studies of the South Fork of the Snoqualmie River
- Maintain meaningful communication with our community partners such as the Chamber of Commerce, Sallal Water Association, Tanner Electric, Puget Sound Energy, Nintendo, Snoqualmie Nation, Snoqualmie Valley School District, Snoqualmie Valley Hospital, Eastside Fire and Rescue, Si View Metropolitan Park District, Fire District #38 and the Cities of Snoqualmie, Carnation, Duvall, Issaquah and Sammamish.
- Assist Youth Activity Center in their search for a permanent indoor and outdoor facility.
- Investigate new medical plans cost saving measures for employee benefit packages.
- Develop new Animal Control contract with King County or a regional consortium.



2010 Departmental Goals

- Complete and execute new Comcast Franchise.
- Finish negotiations and enter into new contract with King County for Jail Services.
- Assist School District in preparing Twin Falls Middle School for emergency shelter.
- Seek financing for construction of new traffic control facilities at the intersection of Downing Avenue, Park Avenue and North Bend Way.
- Conduct search and fill position of Finance Director and IT specialist.
- Address parking problems in Downtown and institute timed parking in appropriate areas.
- Enter AWC Annual Awards competition for City's Branding Effort and Centennial Legacy Project.
- Finalize new Puget Sound Energy Franchise Agreement.
- Participate in Standard and Poor's meetings to improve City's overall bond rating for issuance of new bonded indebtedness.
- Conduct monthly investigation of tax revenue collection to minimize reporting loss.
- Prepare new grant applications for City's Hazardous Waste Collection event and Yard Waste Collection program.
- Investigate opportunities for sale of City real properties to further goals of Council in Downtown redevelopment and to generate revenues for capital projects.
- Assist City Clerk/PIO in implementing a comprehensive Communications Plan, conducting outreach for additional users of system and expanding program offerings.
- Complete long-term Interlocal Agreement with the Si View Metropolitan Park District for park system improvements and maintenance at the Tollgate Central Meadow.
- Increase City participation and access to Snoqualmie/North Bend radio station.
- Obtain personal license for operation of City's Ham Radio system.
- Assist departmental directors in comprehensive overhaul of City's sign ordinance.
- Centralize and organize City's Policy handbooks and manuals; incorporate all existing policies.



2010 Departmental Goals

B. Clerk/Records

- Complete Public Works inventory and disposition of inactive records
- Complete city wide indexing and inventory of active records
- Complete review and update of City Property Files
- Prepare 2008-2009 permanent/essential records for microfilm back-up & release to Regional Archives
- Update Records Program to include electronic records management
- Provide departmental training on retention/disposition of departmental/electronic records
- Update/Enhance NBTV programming and music
- Update website design with new branding/marketing materials
- Add Human Services information to website
- Review & Update of City Job Descriptions
- Review of City Policies



2010 Departmental Goals

Finance

- Conduct rate analysis for solid waste/recycling & storm drain/flood
- Develop and publish budget process manual
- Develop and/or update procedural manuals for:
 1. Utility Billing and Collections
 2. Accounts Payable
 3. Payroll
 4. Cash Receipting
 5. Business Licensing
 6. Business & Occupation Tax
 7. Month end
- Merchant Card Services (accept Credit Cards) & Online Utility Payments
- Create Fund 125 (Development Projects) as a stand-alone special revenue fund
- Conduct Financial Policy Review and update as necessary
- Implement Springbrook's Business License and B&O Systems conversion from ASP.
- Set up management reports from the new Springbrook tax module.

Police Services

- Implementation of a Prescription Drug Disposal Program for the City and surrounding Community
 1. Educate the public on the dangers of Prescription Drug Abuses
 2. Provide safe options for disposal of Unused Prescription Drugs
 3. GOAL- reduce opportunity for prescription drug abuse, related crimes, and deaths
- Completion of Business Contact Updates
 1. Contact Each Business in the city to ensure our contact information is accurate (for emergency needs)
 2. Offer Crime Prevention assessment or survey if the Business is interested
 3. GOAL – improve communication between business and police; reduce commercial crime



2010 Departmental Goals

- Implementation of a Commercial Crime Victim Call Back Program
 1. Develop and implement a program to determine the feasibility and effectiveness of re-contacting every commercial victim of criminal activity to solicit additional leads or solution factors
 2. GOAL – Close a greater number of cases, thereby reducing calls for service on repeat locations
- Completion of School Threat Assessments
 1. Obtain Training that will enable the Police to review School Threat Assessment plans
 2. Work with the Schools to improve any current plans
 3. GOAL – Improve response to significant school situations
- Conduct Alcohol and Tobacco Emphasis Investigations
 1. Educate business on the sale of liquor and tobacco products to minors
 2. Conduct Sting operations to encourage compliance
 3. Use Media contacts to educate the public on the efforts
 4. GOAL – reduce opportunity for minors to acquire alcohol and tobacco
- Deployment of SECTOR
 1. Employ Washington State Patrol SECTOR System to improve efficiency in citation and accident reporting
 2. GOAL – Improve deputy and court efficiency while providing additional patrol time
- Completion of Community Art Display at the Police Station
 1. Provide space for local artists to display on a rotational basis
 2. GOAL – Improve community relations between police and community



2010 Departmental Goals

Community and Economic Development

A. Administration Goals: Office Coordinator/Permit Technician

- Refinement of tracking and accounting of all Developer Deposits
- Creation of a “Permit Center” section of the city’s website, identifying all various aspects and requirements for the Building and Planning permit process
- Creation of an Construction Plan Archival Center and archival and indexing of approximately 500 sets of construction plans
- Support Economic Development design of an “Economic Development” section for the city’s website
- Feasibility study of live webcam feed atop city owned water tower above Forster Woods and possible tie in to city’s website, local TV weather stations, etc.
- Rework Building Permit submittal requirements to include mandatory electronic Building Construction Plans by applicant after final of project

B. Community Development/Planning/Parks Goals

- Conduct a thorough evaluation of the North Bend Municipal Code as it relates to the new Tanner Annexation area and recommend and process necessary Code Amendments
- Complete NB Comprehensive Plan Update for Transportation Element and Stormwater Comp. Plan
- Complete Conceptual design for Downtown Plaza (1 and 2)
- Prepare an updated site plan for Torguson Park to consider improvements to landscaping, trails, pedestrian entrances, recently added facilities, location of the proposed picnic shelter, and safety netting adjacent to the tot lot.
- Prepare an adopt-a-park program for Council consideration to allow for limited volunteer participation in the maintenance of City parks and trails.
- Prepare recommendations for park and recreation development opportunities in the Tanner Annexation area.
- Complete application for grant funding for Boalch Trail at Meadowbrook Farm (construction anticipated in 2011)



2010 Departmental Goals

- Complete administration of 2010 grant-funded improvements to Tollgate Farmhouse, and application for grant for Tollgate Farmhouse electrical service connection
- C. Economic Development
- Create North Bend Brand Implementation and Marketing Plan
 - Carry out year 1 of the Brand Implementation and Marketing Plan
 - Organize and host the Downtown Block Party
 - Update City Website (Work with Cheryl, EDC, Permit Center and Marketing Team to update the North Bend City Website).
- D. Building Department
- Digitize and catalog previous approved building plans utilizing plotter/scanner
 - Create a Green Building Incentive Program
 - Code Enforcement –
 1. Identify repeat nuisance offenders and conduct regular enforcement sweeps
 2. Ensure the minimum maintenance ordinance of the Downtown North Bend is strictly enforced.
 3. Prepare a list of all Code Violations and non-conforming uses in the Tanner annexation area. Due by March 31st, 2010
 4. Prepare a bi-monthly “Code Enforcement Update Memo” each month for Management Staff and City Council (memo deadline – the 15th and end of each month)
- E. GIS
- Complete 2010 mapping needs for Shoreline Master Plan update
 - Complete Comprehensive Plan Update mapping support.
 - Complete data and mapping updates remaining from Tanner Annexation
 1. Addressing Map
 - a. Includes updating of street network data for address ranging and pavement type classification
 - b. Associate service addresses to parcel id number city wide
 - c. Identification and map placement of service addresses in use
 - d. Street inventory mileage update



2010 Departmental Goals

2. Prepare and implement addressing changes in the annexation area
 - a. Includes street name changes based on current policy
 3. Street Map
 4. Annexation History Map
 5. Most all existing Comprehensive Plan – usually on an “as needed” basis to support planning
 6. Most CAO Mapping
- Continual refinement of existing City GIS data layers. We have 30 general categories of data that contain several hundred individual data layers of specific information.
 - Initiate Commerce Area Mapping – Finance Department (Stan)

Public Works

A. Capital Projects

- Bid, award, and construct the Park & Ride
- Bid, award, and construct the pump station phase of ULID No 6
- Achieve 90% completion of the pipeline phase of ULID No 6
- Demolish or move buildings from Pfiffner Property
- Design, bid, award, and construct Downing Avenue Extension
- Design, bid, award, and construct ADA ramp improvements downtown
- Complete and close out the Hobo Springs and Centennial Well Projects
- Complete the telemetry system for Hobo Springs and start remote operations
- Conduct overlay of certain streets per Pavement Management Program
- Complete right-of-way plans and appraisals for Tanner Trail Phase 2.
- Purchase and install handrail along North Bend Way by Roundabout

B. Other

- Conduct limited downtown tree replacement
- Update the Transportation Element of the Comp Plan
- Finish Water Comp Plan Update



2010 Departmental Goals

- Update the Comprehensive Storm Water Plan
- Issue renewed franchise for PSE
- Issue new franchise for Sallal Water Association
- Finish negotiations and adopt water rates for service to Sallal
- Continue franchise renewal efforts for water with King County
- Continue franchise application for sewer with King County
- Update Emergency Management Plan for debris management
- Update Emergency Management Plan for evacuation plan
- Prepare a WWTP emergency response plan
- Complete Stilson area annexation
- Establish bench mark grid around town
- Establish SOP's for permitting process

Technology

- Perform computer equipment, network & telephone upgrades
- Enhance payment processing automation equipment & bank services
- Install new E-mail, Domain & SQL servers

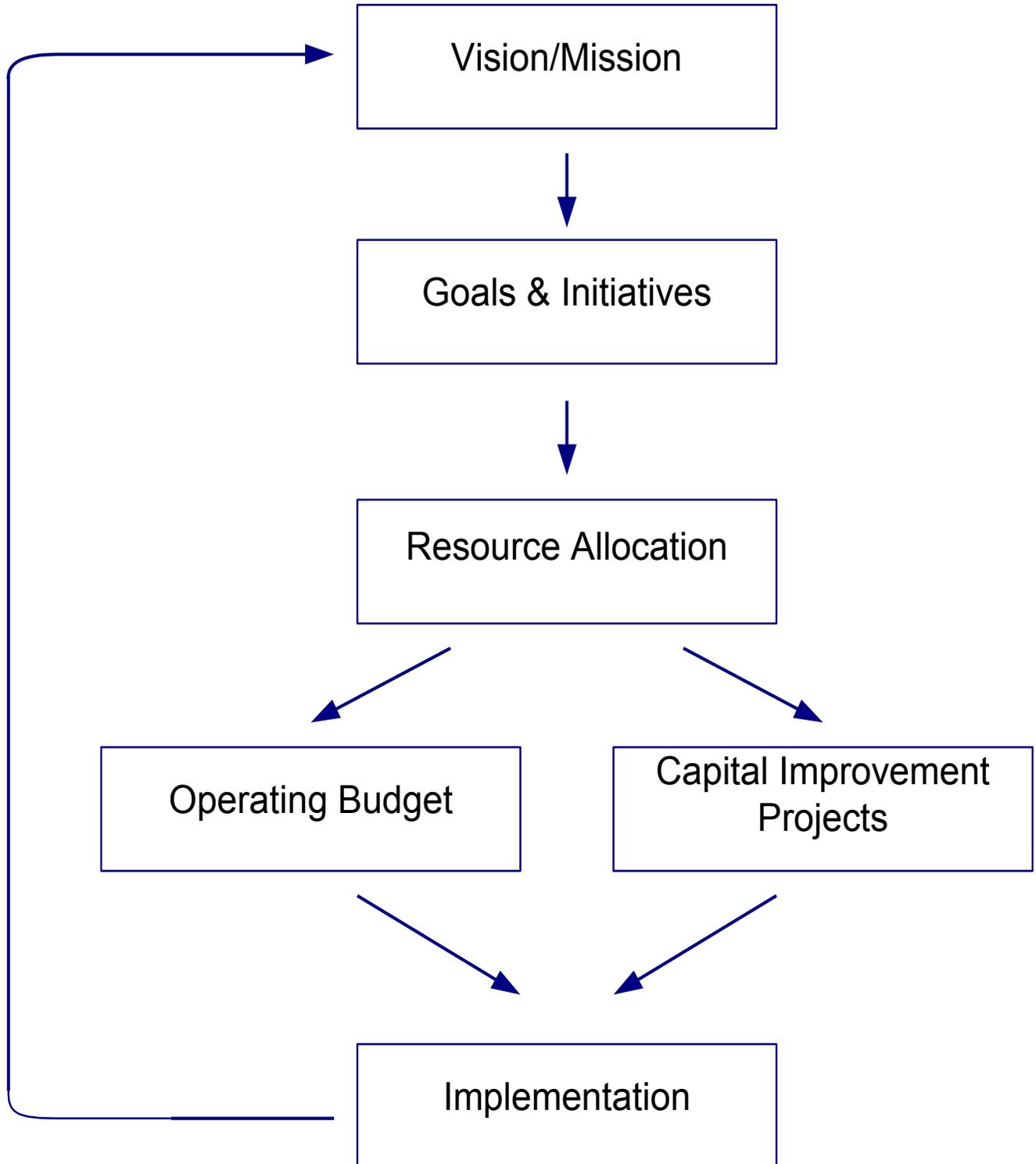


Photograph by: Michael McDevitt

What we see depends mainly on what we look for.
Sir John Lubbock



City of North Bend Budget Cycle





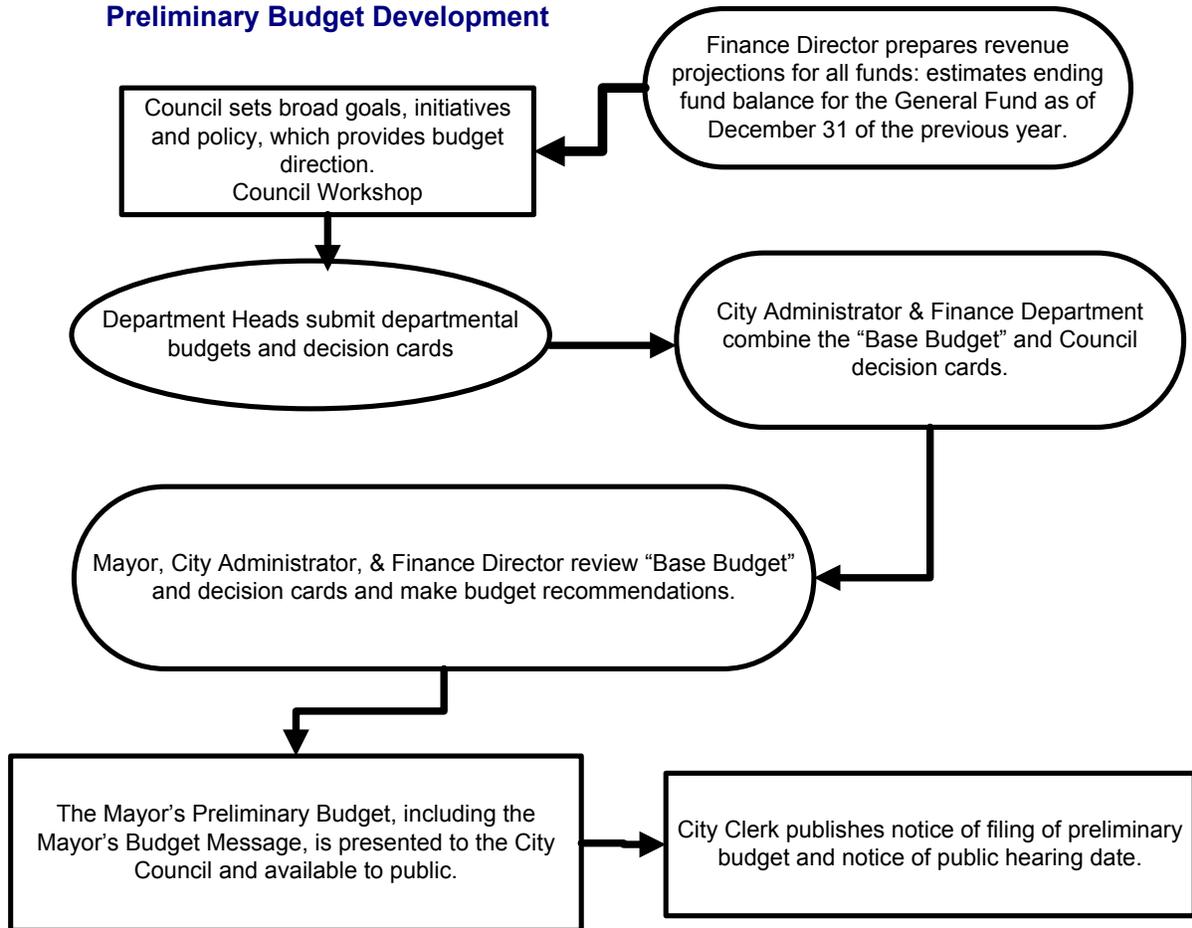
Photograph by: Matt N. Johnson

In all things of nature there is something of the marvelous.
Aristotle

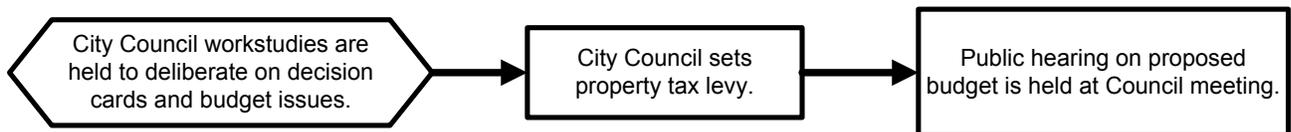


2010 Budget Process

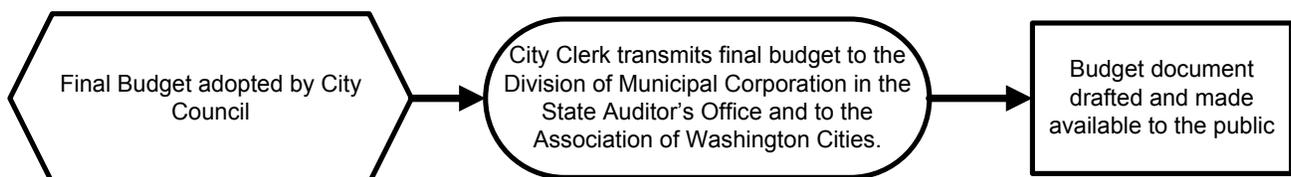
Preliminary Budget Development



Review/Discussion



Budget Adoption





2010 Budget Calendar

Date/2009	Time Limitations (State Law & NBMC)	Major Steps in Budget Preparation
July 31		Personnel projections for 2010
August 1		Finance Director formulates message to accompany budget requests
August 14	Second Monday in August (8/10)	Departmental budget requests distributed
August 31	October 3	Finance Director prepares revenue projections for all funds; estimate of ending balance for the General Fund on December 31, 2009
August 31	Fourth Monday in September (9/21)	Department Heads, Council Members and Administration submit budget requests to the Finance Department and the City Administrator that comprise the “base budget” and Council decision cards.
September 1 Council		Motion approving 2010 Budget Calendar at a regular Council Meeting. Mayor, City Administrator and Finance Director review “base budget” and Decision Cards.
September 1-30		<u>Finance Department Preparation for Preliminary Budget Booklet Publication:</u> Input numbers from accounting system for the “base budget”; fold in Mayor’s Introductory Message; fold in decision cards and miscellaneous relevant materials.
September 22 Workstudy		City Council Budget Workshop #1 – General Fund Base Budget and corresponding decision cards
October 1	On or before the first business day in the 3rd month prior to the next fiscal year (10/1)	Preliminary Budget delivered to the City Council and available to the public.
October 1	October 1	Publication of notice of availability of the 2010 Preliminary Budget for public review and Public Hearing notice for the same.
October 13 Special Budget Workstudy		Workshop #2 – Special Revenue Funds, Debt Fund and Non-Utility Capital Projects with Corresponding Decision Cards
October 27 th Workstudy		City Council Budget Workstudy #3: Utility Operations; Utility Capital Projects; Shop Operations; Technology Operations and Corresponding Decision Cards for all.



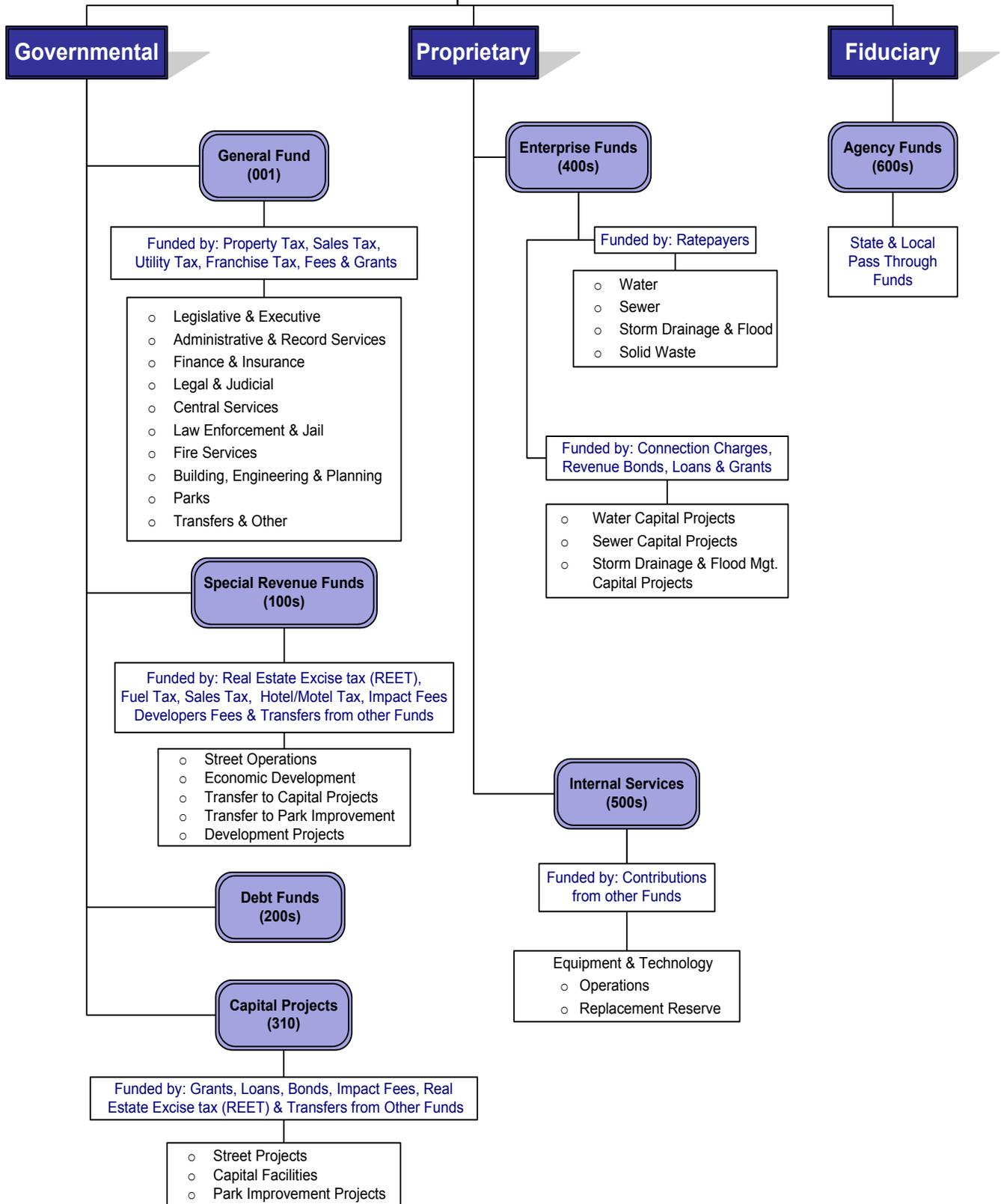
2010 Budget Calendar

November 3 Council		Presentation of the 2010 Preliminary Budget by Mayor Hearing and the Finance Director
November 17 Council	Public Hearing Notice to Paper 10/21 for 10/28 publication	First and Final Reading of Ordinance Setting Property Tax Levy for 2010 at a City Council Meeting
November 17 Council	Notice to Paper 10/21 for 10/28 publication	City Council Meeting; Public Hearing and first reading of the 2010 Budget Ordinance
December 15 Council	Following the Public Hearing and prior to the beginning of the ensuing fiscal year. (12/31)	City Council final adoption of the 2010 Budget at Regular Council Meeting.



Life is either a daring adventure or nothing.
Helen Keller

FUND TYPES





Photograph by: Matt N. Johnson

There is no happiness except in the realization that we
have accomplished something.

Henry Ford



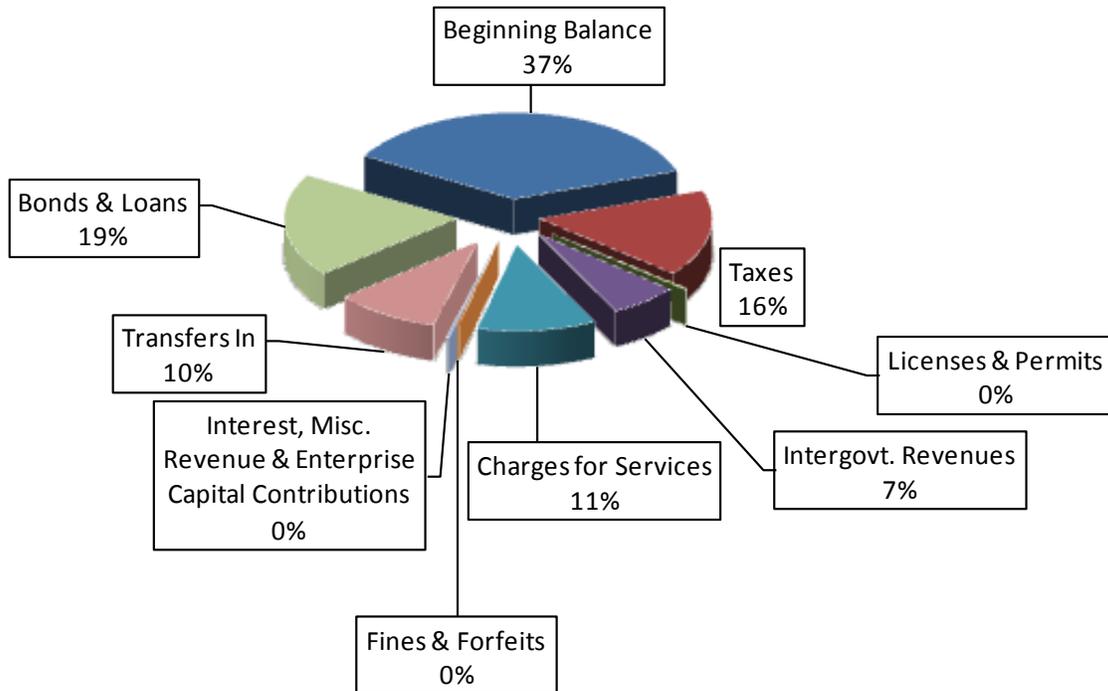
2010 Resources by Category

2010 RESOURCES BY CATEGORY (ALL FUNDS)

FUND TITLE	Fund #	Beginning Balance	Taxes	Licenses & Permits	Intergovt. Revenues	Charges for Services	Fines & Forfeits	Interest, Misc. Revenue & Enterprise Capital Contributions	Transfers In	Bonds & Loans	Total Budget
GENERAL FUND	001	\$ 1,266,388	\$4,864,200	\$ 74,350	\$ 81,860	\$ 53,345	\$60,300	\$ 58,400	\$ 164,637		\$ 6,623,480
SPECIAL REVENUE FUNDS											
City Streets	101	-	75,165	1,480	-	-	-	-	543,537	-	620,182
Arterial Streets	102	45,079	32,000	-	-	-	-	-	207,300	-	284,379
Impact Fees	106	-	-	-	-	-	-	-	-	-	-
Economic Development	108	31,385	3,600	-	-	-	-	-	62,055	-	97,040
Contingency	109	3,340	-	-	-	-	-	-	-	-	3,340
Capital Improvement	110	14,417	110,000	-	-	-	-	-	102,000	-	226,417
Park Improvement	116	74,579	10,820	-	-	-	-	-	-	-	85,399
Development Projects	125	60,628	-	-	-	100,000	-	-	-	-	160,628
DEBT SERVICE FUNDS											
LID #5 Bond Redemption	211	-	-	-	-	-	-	-	-	-	-
Tollgate Bond Redemption	214	-	-	-	-	-	-	-	113,900	-	113,900
Downing Street Property Loan	215	-	-	-	-	-	-	-	39,600	-	39,600
PWTF Debt Service	240	-	-	-	-	-	-	-	17,750	-	17,750
CONSTRUCTION FUNDS											
Municipal Capital Projects	310	-	-	-	1,929,388	-	-	-	189,574	-	2,118,962
ENTERPRISE FUNDS											
Water Operating	401	171,972	-	776	-	1,054,944	-	10,000	-	-	1,237,692
Sewer Operating	402	272,161	-	-	-	1,480,929	-	7,000	-	-	1,760,090
Storm Drainage	404	101,537	-	-	-	635,900	-	2,000	-	-	739,437
Flood	404	80,347	-	500	-	157,150	-	1,500	-	-	239,497
Solid Waste	405	51,750	-	-	13,800	4,000	-	250	-	-	69,800
Water Capital	411	549,650	-	-	-	-	-	-	-	-	549,650
Sewer Capital	412	-	-	-	-	-	-	-	-	-	-
Storm Drainage / Flood Capital	414	-	-	-	-	-	-	-	33,929	-	33,929
Clarifier Bond Redemption	427	-	-	-	-	-	-	-	118,800	-	118,800
Revenue Bonds Reserve	428	484,200	-	-	-	-	-	-	-	-	484,200
PW Shop Rev. Bond Rdmpt.	429	-	-	-	-	-	-	-	294,000	-	294,000
Storm Priority 1 Bond Rdpmt	430	-	-	-	-	-	-	-	116,170	-	116,170
ULID #6	450	8,100,000	-	-	-	-	-	-	-	6,000,000	14,100,000
ULID #6 Bond Redemption	451	-	-	-	-	-	-	-	540,000	-	540,000
INTERNAL SERVICE											
Shop/Equipment Operating	501	-	-	-	-	-	-	-	280,738	-	280,738
Technology Operating	501	-	-	-	-	-	-	-	148,670	-	148,670
Equipment Reserve	502	101,253	-	-	-	-	-	4,516	68,150	91,666	265,585
Technology Reserve	502	42,259	-	-	-	-	-	-	56,696	-	98,955
FIDUCIARY											
LID Guarantee	621	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL		\$11,450,945	\$5,095,785	\$ 77,106	\$2,025,048	\$3,486,268	\$60,300	\$ 83,666	\$3,097,506	\$ 6,091,666	\$31,468,290



2010 Resources by Category



The above graph represents the combined estimated resources of all funds for the City, broken down into revenue categories.

Beginning balance is the amount of cash considered to be on-hand at the beginning of 2010. The beginning balances of the funds combined account for 37% of the total resources. Bonds and Loans for the combined funds consist of 19% of the resource total and taxes account for another 16% of the total resources of the City.



2008-2010 Summary By Category Revenue

2008-2010 RESOURCES BY CATEGORY (ALL FUNDS)

FUND TITLE	2008 Revenue	2009 Resources (Un-audited)	2010 Projections
Beginning Balance	3,958,567	12,449,864	11,450,945
Taxes	4,551,881	4,460,693	5,107,815
Licenses & Permits	54,800	58,132	77,106
Intergovernmental Revenue	1,979,961	845,539	2,008,868
Charges for Services	2,546,952	3,160,541	3,470,268
Fines & Forfeits	63,941	54,643	80,450
Interest & Misc. Revenue	269,744	2,057,044	79,150
Interfund Transfers	3,882,615	3,396,407	3,097,506
Bonds & Loans	13,240,198	178,462	6,096,182
GRAND TOTAL	\$30,548,659	\$26,661,325	\$31,468,290



Photograph by: Michael McDevitt

Nature does nothing uselessly.
Aristotle



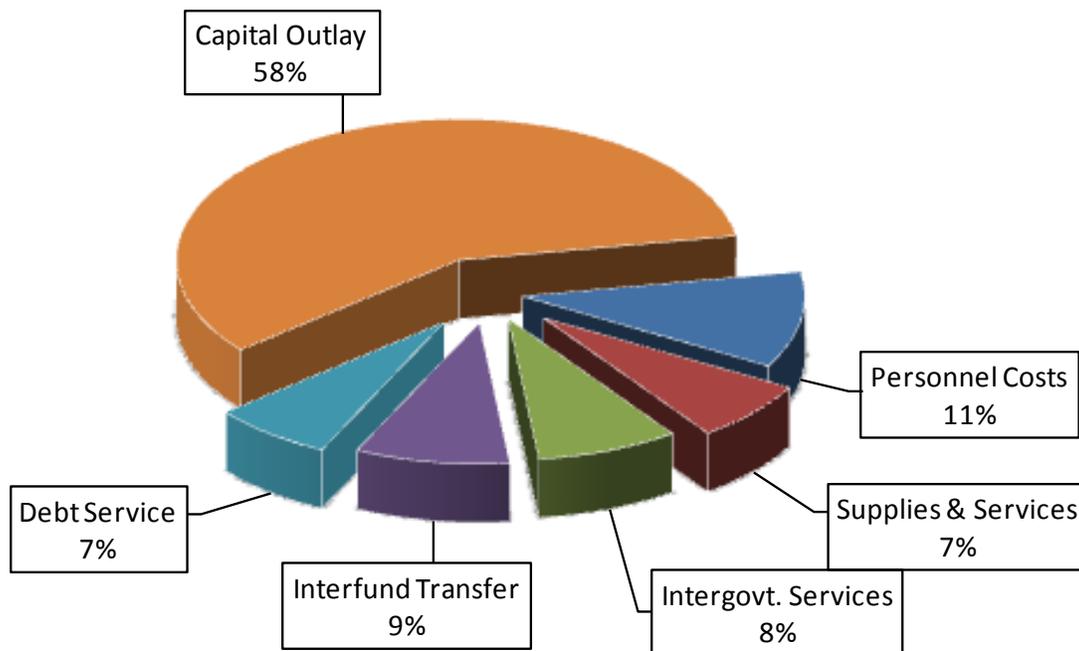
2010 Budget Expenditures

2010 BUDGETED EXPENDITURES CLASSIFICATION BY CATEGORIES (ALL FUNDS)									
FUND TITLE	Fund #	Personnel Costs	Supplies & Services	Intergovt. Services	Interfund Transfer	Debt Service	Capital Outlay	Ending Fund Balance	Total Budget
General Fund	001								
Legislative		\$ 40,304	\$ 60,460	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ 107,264
Admin., Financial & Insurance		520,193	144,060	13,000	-	-	-	-	677,253
Legal & Judicial		-	152,775	43,850	-	-	-	-	196,625
Central Services		8,671	82,660	-	119,938	-	4,720	-	215,989
Law Enforcement & Jail		109,909	106,860	1,287,692	-	-	5,000	-	1,509,461
Fire Services		10,056	-	795,096	-	-	-	-	805,152
Building & Planning		435,473	51,740	-	11,506	-	9,610	-	508,329
Parks, Culture & Recreation		360,092	79,240	2,000	69,567	-	5,084	-	515,983
Human/Community Service Grants		-	94,500	-	-	-	-	-	94,500
Other Expenditures & Transfers		-	8,600	-	821,692	17,500	-	-	847,792
Ending Fund Balance: Total GF		-	-	-	-	-	-	1,145,132	1,145,132
TOTAL GENERAL FUND		\$ 1,484,698	\$ 780,895	\$ 2,148,138	\$ 1,022,703	\$ 17,500	\$ 24,414	\$ 1,145,132	\$ 6,623,480
Special Revenue Funds									
City Streets	101	189,667	188,864	69,000	156,278	-	16,373	-	620,182
Arterial Streets	102	66,381	25,620	-	155,077	-	2,630	34,671	284,379
Impact Fees	106	-	-	-	-	-	-	-	-
Economic Development	108	33,783	61,636	-	1,530	-	-	91	97,040
Contingency	109	-	-	-	-	-	-	3,340	3,340
Capital Improvement	110	-	-	-	224,367	-	-	2,050	226,417
Park Improvement	116	-	56,323	-	29,076	-	-	-	85,399
Development Projects	125	-	100,000	-	60,628	-	-	-	160,628
Debt Funds									
LID #5 Bond Redemption	211	-	-	-	-	-	-	-	-
Tollgate Bond Redemption	214	-	-	-	-	113,900	-	-	113,900
Downing Street Property Loan	215	-	-	-	-	39,600	-	-	39,600
PWTF Debt Service	240	-	-	-	-	17,750	-	-	17,750
Const.									
Municipal Capital Projects	310	-	-	-	-	-	2,118,962	-	2,118,962
Enterprise Funds									
Water	401	464,623	219,280	35,000	165,022	43,660	8,343	301,764	1,237,692
Sewer	402	358,887	272,450	22,800	291,406	399,582	8,343	406,622	1,760,090
Storm Drainage / Flood	404	297,908	31,970	8,700	284,640	34,975	12,303	308,438	978,934
Solid Waste	405	12,276	21,800	-	-	-	-	35,724	69,800
Water Capital	411	-	-	-	-	171,300	-	378,350	549,650
Sewer Capital	412	-	-	-	-	-	-	-	-
Storm Drainage / Flood Capital	414	16,429	-	-	17,500	-	-	-	33,929
Clarifier Bond Redemption	427	-	-	-	-	118,800	-	-	118,800
Revenue Bonds Reserve	428	-	-	-	-	-	-	484,200	484,200
PW Shop Rev. Bond Rdmpt.	429	-	-	-	-	294,000	-	-	294,000
Storm Priority 1 Bond Rdmpt.	430	-	-	-	-	116,170	-	-	116,170
ULID #6	450	-	-	-	-	-	14,100,000	-	14,100,000
ULID #6 Bond Rdmpt.	451	-	-	-	-	540,000	-	-	540,000
Internal									
Shop/Equipment Operating	501	107,400	94,923	-	72,701	-	5,714	-	280,738
Technology Operating	501	52,982	95,688	-	-	-	-	-	148,670
Equipment Reserve	502	-	-	-	-	36,633	-	228,952	265,585
Technology Reserve	502	-	-	-	-	-	50,617	48,338	98,955
LID Guarantee Fund	621	-	-	-	-	-	-	-	-
GRAND TOTAL ALL FUNDS		\$ 3,085,034	\$ 1,949,449	\$ 2,283,638	\$ 2,480,928	\$ 1,943,870	\$ 16,347,699	\$ 3,377,672	\$ 31,468,290



2010 Budget Expenditures

EXPENDITURES FOR ALL FUNDS



The above graph illustrates the total combined expenditures of all City funds, broken out into expense categories. Capital Outlay expenditures account for 58% of the total City expenditures. Personnel costs combined amount to 11%, Intergovernmental Services account for 8% and Debt Services account for 7% of the City wide expenditures.



2008-2010 Summary By Category Expenditures

2008-2010 EXPENDITURES SUMMARY CLASSIFICATION BY CATEGORIES (ALL FUNDS)

FUND TITLE	2008 Actual	2009 Actual Un-audited	2010 Approved
Personnel Costs	2,723,010	2,936,471	3,082,534
Supplies & Services	2,070,652	2,084,967	1,973,526
Intergovernmental Services	1,961,312	2,011,713	2,145,672
Interfund Transfer	3,882,615	3,396,407	2,480,928
Debt Services	1,914,199	1,846,307	1,989,290
Capital Outlay	5,547,479	3,940,779	16,418,668
Ending Fund Balances	12,449,864	10,444,700	3,377,672
GRAND TOTAL ALL FUNDS	\$ 30,549,131	\$ 26,661,343	\$ 31,468,290



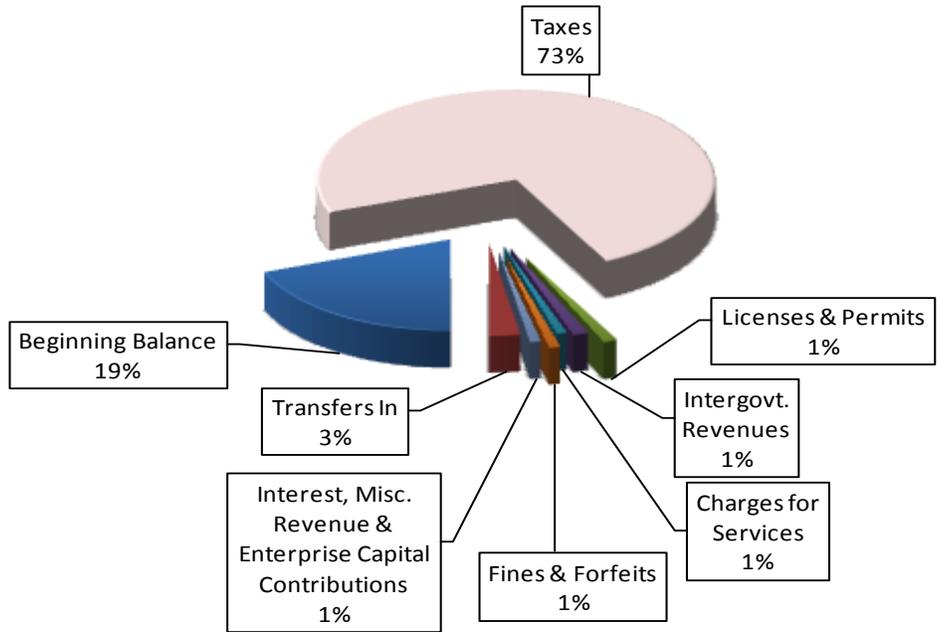
Centennial Climbing Rock

Strive not to be a success, but rather to be a value.
Albert Einstein

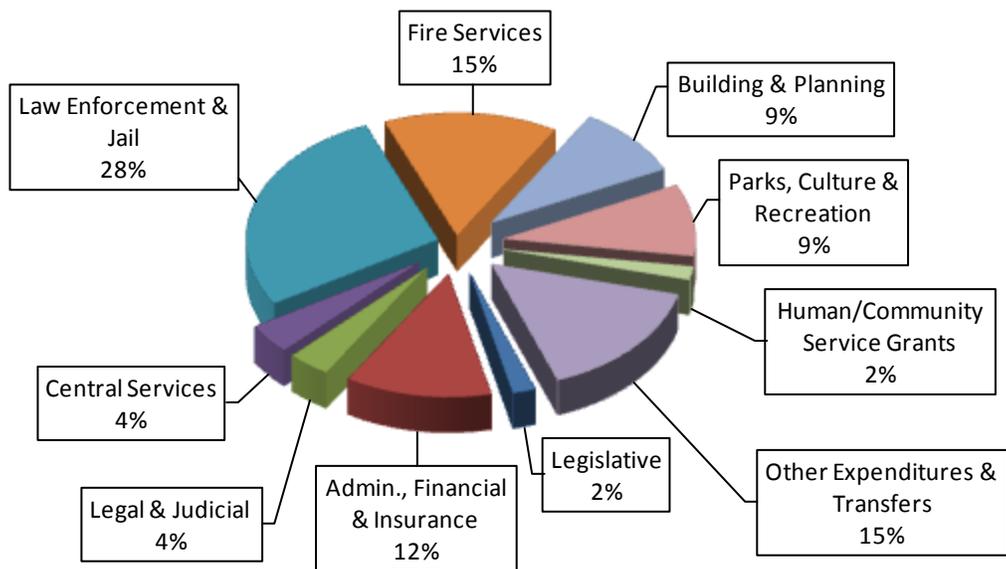


General Fund Summary

**Where does money come from?
General Fund Revenue**



**Where does money go?
General Fund Expenditures**





If you don't know where you are going, you'll end up some place else.
Yogi Berra



General Fund Summary 2008-2010

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted
10% Reserve	429,203	486,641	547,835
Carryover from previous year	596,494	290,641	718,553
Additional Carryover Set Aside			
Projected Revenues			
Property Tax	944,814	965,029	1,191,400
Sales Tax	1,679,484	1,542,832	1,706,700
Sales and Use Tax Per Capita	111,942	99,331	118,500
Business & Occupation Tax	752,953	754,613	759,000
Utility Taxes: Electricity, Gas, Phone, Cellular	488,256	567,531	688,500
Comcast Franchise Fees	57,891	59,680	86,000
Util Taxes: Water, Sewer & Solid Waste	189,883	209,080	250,000
Gambling & Other Taxes	46,236	50,462	59,950
B&O Penalties and Interest	5,263	3,886	4,150
Licenses & Permits	53,050	50,939	74,350
Intergovernmental	112,030	97,115	81,860
Charges for Services	41,192	42,543	53,345
Fines and Forfeitures	42,906	33,464	60,300
Investment Interest and Miscellaneous	77,646	48,189	58,400
Transfers from Other Funds for General Fund	96,195	147,105	164,637
Overhead			
Other One Time Financing Sources	-	1,621,493	-
Total Revenues	4,699,741	6,293,292	5,357,092
Total Revenues and Resources	5,725,438	7,070,574	6,623,480
Projected Expenditures			
Mayor & Council	316,585	43,711	107,264
District Court	32,357	25,158	43,850
Admin & Record Services	250,680	277,043	273,814
Financial Services	390,348	376,594	403,439
Legal	137,172	165,383	152,775
Central Services	162,018	224,203	215,989
Law Enforcement	1,281,644	1,318,699	1,432,461
Fire Services	742,039	770,624	805,152
Jail Contracts	72,231	74,079	77,000
Building	191,337	209,907	213,083
Community Organizations	37,817	41,824	39,200
Human Service Organizations	68,330	71,000	77,600
Engineering	12,216	-	-
Planning	272,870	320,973	295,246
Parks	498,091	513,427	502,283
Land & Building Management	-	851,474	17,500
Transfers			
To Street Operations - Pavement Mngmt	-	-	-
To Street Operations - General	314,449	456,417	474,537
To Capital Streets Improvements	126,385	131,214	126,000
To Economic Development Fund	32,000	40,000	62,055
To Capital Improvements (REET) (110)	-	50,000	102,000
Other Miscellaneous Transfers	10,060	213,394	57,100
Total Expenditures	4,948,628	6,175,126	5,478,348
10% Reserve	429,203	486,641	547,835
Total Expenditures & 10% Reserve	5,377,831	6,661,767	6,026,183
PROJECTED Discretionary Carryover	347,606	408,807	597,297

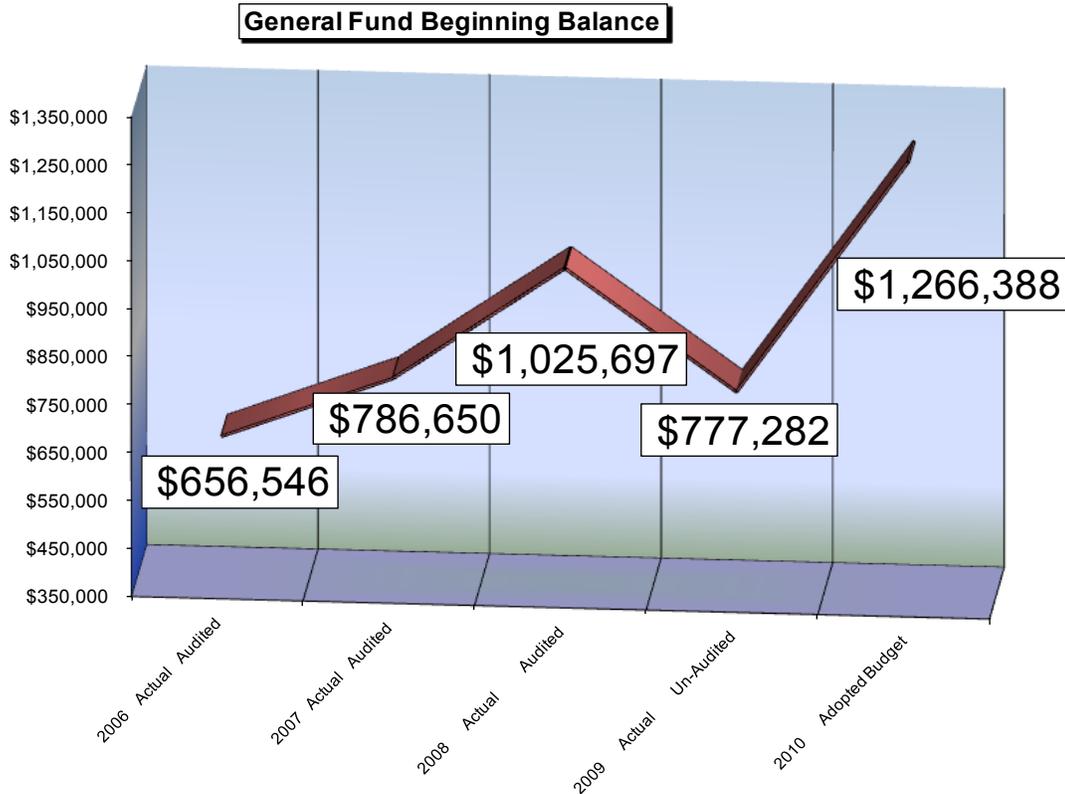
GENERAL FUND RESOURCES

Category	2006 Actual Audited	2007 Actual Audited	2008 Actual Audited	2009 Actual Un-Audited	2010 Adopted Budget
Beginning Fund Balance					
Prior Year: 10% Reserve or Less	413,664	437,934	429,203	486,641	547,835
Unencumbered Reserve	242,882	348,716	596,494	290,641	718,553
Grand Total	\$ 656,546	\$ 786,650	\$ 1,025,697	\$ 777,282	\$ 1,266,388
Revenues					
Taxes					
Property Tax	\$ 910,145	\$ 917,582	\$ 944,814	\$ 965,029	\$ 1,191,400
Sales Tax	1,616,795	\$ 1,794,742	1,791,427	1,642,163	1,825,200
B&O Tax	495,775	\$ 660,034	758,216	758,499	763,150
Utility Taxes	708,917	\$ 720,391	736,172	836,315	1,024,650
Gambling Tax	50,490	\$ 45,635	46,094	50,438	59,800
Licenses & Permits	62,826	\$ 77,030	53,050	50,939	74,350
Intergovt Revenues	61,883	\$ 75,874	112,030	97,115	81,860
Charges for Services	63,200	\$ 49,128	41,192	42,543	53,345
Fines & Forfeits	34,229	\$ 43,550	42,906	33,464	60,300
Interest & Miscellaneous	51,709	\$ 63,044	77,646	48,189	58,400
Transfers & Other	85,899	\$ 84,064	96,195	147,105	164,637
Land & Building Management				1,621,493	
Bonds & Loans	-	-			
Total Revenues	\$ 4,141,867	\$ 4,531,075	\$ 4,699,741	\$ 6,293,292	\$ 5,357,092
Total Resources					
	\$ 4,798,413	\$ 5,317,725	\$ 5,725,438	\$ 7,070,574	\$ 6,623,480
Total Program Expenditures					
	\$ 4,011,764	\$ 4,292,028	\$ 4,948,628	\$ 6,175,126	\$ 5,478,348
<i>Revenues - Expenditures =</i>					
	\$ 130,103	\$ 239,047	\$ (248,888)	\$ 118,166	\$ (121,256)

The 2010 overall total General Fund projected revenues reflect a 15% decrease in comparison to 2009 Actual Un-Audited receipts. In the following narrative, percentages that appear in resource headings refer to the percentages of total revenues represented by the revenue stream (without beginning cash balances). Total resources for the fund, as seen in the above chart, include both beginning fund balances and loans (both considered to be non-revenues when evaluating revenues versus expenditures for any fiscal year).



General Fund Revenues



Beginning Fund Balance

\$1,266,388

This is the amount of cash and investments considered to be on-hand in the General Fund at the beginning of 2010. The chart illustrates the 5 year trend for the General Fund's Beginning Fund Balance. This balance increased 19.82% in 2007 over 2006, increased 30.39% in 2008 but decreased 24.22% in 2009. **The beginning fund balance as projected in the adopted 2010 budget proved to be incorrect due to expenditures made just previous and after the adoption of the budget. At the end of the first quarter a budget amendment will adjust the General Fund total for 2010 inclusive of an adjustment of the beginning fund balance.

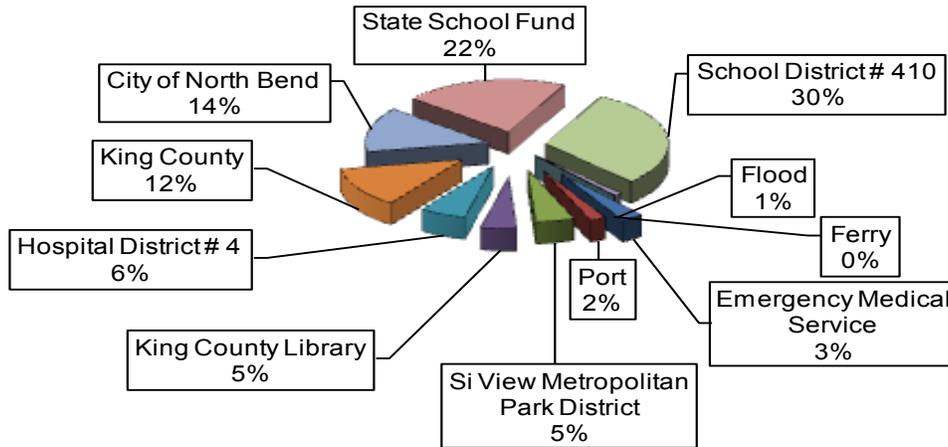
REVENUES

Taxes

Tax revenues account for 91% of General Fund revenues. These taxes include real and personal property taxes, business taxes and utility taxes.

- Real and Personal Property** **\$1,191,400** **22%**
 While the City receives revenues from property taxes, only a portion of the total property tax collected by the King County Assessor supports City activities. In fact, as of 2010, the total property tax levy for residents of North Bend is \$10.31779 per \$1,000 of assessed valuation. Of this, only \$1.42132 support municipal activities (see graph on the next page for complete break down of other property tax recipients). The maximum levy allowed for most cities within the State of Washington is \$3.3750 per \$1,000 of assessed valuation; North Bend is far below this maximum allowance at \$1.42132.

North Bend Property Tax: 2010 Distribution of \$1.00



Business Generated Taxes **\$2,849,850** **53%**

The City collects taxes through the business community operating within North Bend City limits. Retail Sales and Use taxes and Utility taxes support General Fund activities and are collected by businesses from consumers. The City of North Bend receives a .021 share of the overall 8.6% sales tax levied on sales within the City of North Bend. Utility taxes (6%) are also levied on water, sewer, solid waste (garbage), telephone, cellular phone, electric and natural gas businesses operating in North Bend and then passed on to the consumer. Projections indicate that taxes collected by businesses and paid for by consumers will increase by 15% in 2010. This is because, according to the City's Financial Policies, sales tax revenues need to be projected based on the last complete year.

Business Taxes **\$822,950** **15%**

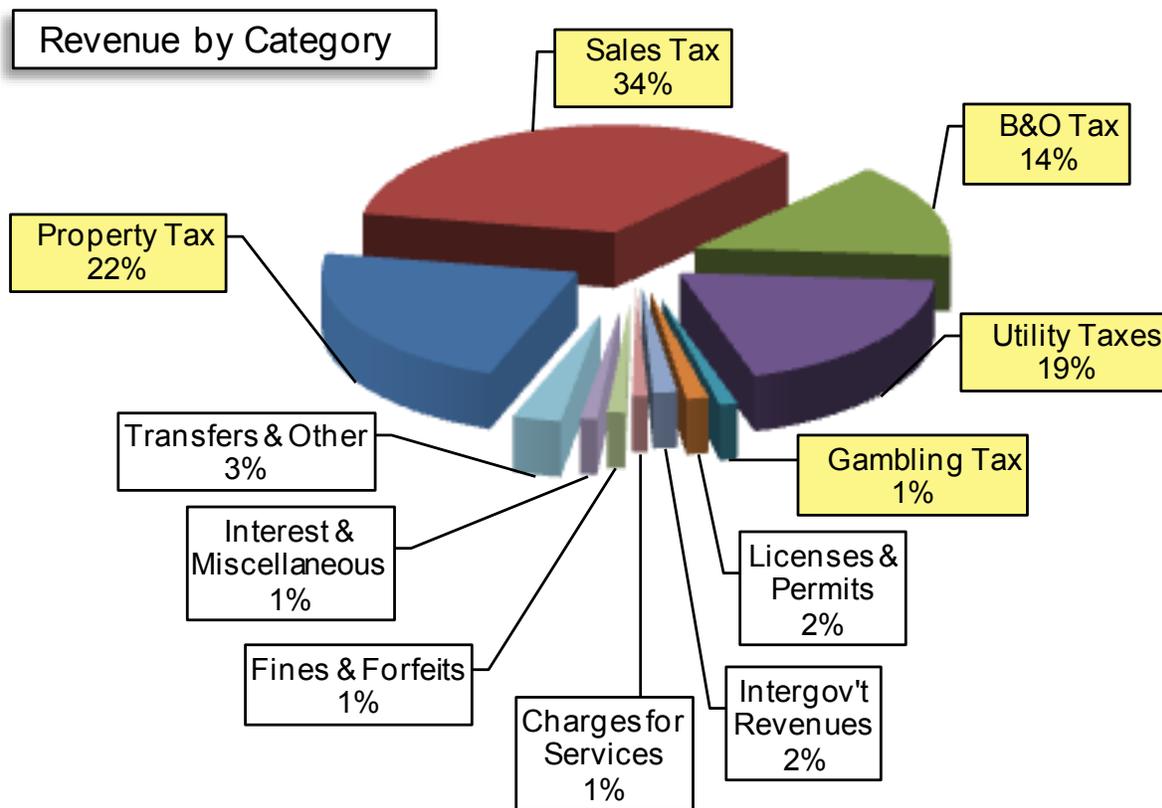
The City also collects taxes directly from the business community operating within the North Bend City limits; the Business and Occupation tax for all types of industry is capped by statute at .002%. The other business tax levied is a gambling tax (5%). Revenues from this tax are to be used: first, for the direct enforcement of gambling activities, second, for other police operations, and third, for other non-police activities.

Licenses and Permits **\$74,350** **2%**

Revenues from licenses and permits account for 2% of the General Fund revenues. The City of North Bend issues business licenses and collects a license fee from all businesses operating within the City limits. The City also requires a wide range of permits and collects fees to cover the cost of regulation, inspection, and review of applications and projects. Building permits, plumbing permits, and mechanical permits are all required

Intergovernmental Revenue **\$81,860** **2%**

The City of North Bend receives a proportion of some taxes collected by other jurisdictions; these intergovernmental revenues account for 2% of the General Fund revenue stream. The city receives a proportion of the Liquor Excise Tax and Liquor Board profits. Motor Vehicle Excise Tax, formerly received under this category, was eliminated by the implementation of Initiative 695 in 2000.



Charges for Services **\$53,345** **1%**

In some cases, the City is reimbursed for services performed. These fees collected are accounted for here and are used to support General Fund activities. Charges are assessed for the following: late charges on utility bills and engineering inspection, plat review & plan review services. Charges for services account for less than 1% of General Fund revenues. Other development related charges are collected in the Development Projects Fund (Fund #125).

Fines and Forfeits **\$60,300** **1%**

The City collects fines for traffic violations, traffic and parking infractions, misdemeanors, and DWI violations. This revenue stream accounts for 1% of all General Fund revenues.

Miscellaneous Transfers & Other Revenue **\$223,037** **4%**

This accounts for smaller revenue streams such as investment interest, facility rentals, and ball field rentals. Four percent of General Fund revenues are collected through these miscellaneous sources. Other revenues include transfers from other funds to help offset multi-fund expenses recorded in the General Fund.

Total General Fund Revenues	\$5,357,092	100%
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Executive and Legislative Departments

Executive (Mayor)

Executive Branch

The Mayor is the Chief Executive Officer of the City of North Bend. Allocations for the Mayor are imbedded in the Legislative Department Budget. The Mayor is directly elected by popular vote of the citizens of North Bend for a four-year term.

- Mayoral Duties**
- Oversee City administration
 - Preside over 2 Council meetings per month and public hearings
 - Sign and enforce all ordinances
 - Appoint and remove appointed officials
 - Sign contracts entered into by the City
 - Participate in regional organizations

Mayor
Kenneth G. Hearing
Term expires 12/31/2011

Legislative (City Council)

Legislative Branch

The legislative branch of the City Government consists of seven Councilmembers who are elected to serve four-year terms at large, representing all who live in the City. The Council accomplishes its business during two regular meetings and one work-study meeting each month. Additionally, Councilmembers serve on Council Committees, which meet monthly. The Mayor Pro Tem works with the Executive Department to set the meeting agendas.

- Council Duties**
- Set City policies
 - Approve annual budget
 - Authorize inter-local agreements, contracts, ordinances, and resolutions
 - Serve on regional committees
 - Mayor Protem presides over Council workstudies

- Ross Loudenback, Position 1
Term expires 12/31/2013
- Alan Gothelf Position 2
Term expires 12/31/2013
- Dee Williamson, Position 3
Term expires 12/31/2011
2010 Mayor Protem
- Jonathan Rosen, Position 4
Term expires 12/31/2011
- David Cook, Position 5
Term expires 12/31/2011
- Jeanne Pettersen, Position 6
Term expires 12/31/2011
- Chris Garcia, Position 7
Term expires 12/31/2011



Executive and Legislative Departments 2010 Council Committees

Mayor Pro-Tem

(Dee Williamson)

This position is responsible for presiding over Council work studies and working closely with the Mayor & City Administrator as Council liaison.

Budget, Finance and Administration

Chair: Councilmember Rosen

Attended by: Councilmember Cook and Councilmember Gothelf

This committee is responsible for developing policies relating to the following issues: administrative policy, fiscal management, technology, customer service, personnel, and economic analysis.

Community & Economic Development

Chair: Councilmember Cook

Attended by: Councilmember Garcia and Councilmember Rosen

This committee is responsible for developing policies relating to the following issues: planning, zoning, parks, recreation and economic development.

Public Health and Safety

Chair: Councilmember Gothelf

Attended by: Councilmember Pettersen and Councilmember Loudenback

This committee is responsible for developing policies relating to the following issues: fire protection and emergency medical services, law enforcement, public health, emergency management and special events.

Transportation and Public Works

Chair: Councilmember Garcia

Attended by: Councilmember Pettersen and Councilmember Loudenback

This committee is responsible for developing policies relating to the following issues: water, sewer, streets and drainage, park maintenance, engineering and inspections, solid waste and recycling, and equipment maintenance.

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Compensation	26,590	26,870	40,304	50%
Overhead	35,704	16,841	16,960	1%
Kowalsky Land Purchase	251,691 *	0	0	N/A
Houch Land Purchase	0	0	0	N/A
Council Contingency	2,600	50,000 **	50,000	N/A
Total	316,585	93,711	107,264	14%

* This property was purchased when it became available at the end of 2008 to incorporate into the Park & Ride Project currently being designed and constructed. In 2009, the purchase was transferred to a credit line and in 2010 will ultimately be financed through a 15 year Exempt Limited General Obligation Bond.

** Contingency funds spent on Centennial Climbing Rock, transferred out of General Fund as a Operating Transfer.



Administration and Record Services

Administration Functions:

- Ensure implementation of council policies and goals
- Oversee management of all City departments
- Personnel Management and Collective Bargaining Negotiations
- Oversee public safety services contracts with King County Sheriff's Office, King County District Court, Jail services and Eastside Fire & Rescue
- Manage grant program
- Policy development
- Emergency planning and emergency services
- Public outreach: cable access channel and website.
- Economic Planning and Development
- Webpage Staffing

Administrative and Record Services Staff

City Administrator	Duncan C. Wilson
City Clerk	Cheryl Proffitt-Schmidt
Deputy City Clerk	Susie Oppedal
Administrative Assistant/ Records Clerk	Juanita Smart



Administration and Record Services

Record Services Functions:

- Oversee city records: retention, destruction, and public disclosure requests
- Develop council agendas, packets, meeting minutes, and legal notices
- Coordinate office reception services and provide administrative support
- Coordinate local elections and voter registration
- Issue special events permits
- Officiate over bid openings
- Coordinate Central Services

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	222,753	259,865 *	262,144	1%
Overhead	27,927	17,178	11,670	-32%
Total	250,680	277,043	273,814	-1%

* New position added.



Finance Department

Financial and Accounting Services Functions:

- Lead role in Budget process
- Budget document preparation and monitoring
- Payroll and benefits administration
- Utility billing and accounting
- Business license administration
- Business and occupation tax collection
- Accounts Payable
- Management and investment of City funds
- Central cashiering
- Staff Finance Council Committee
- Financial reporting and projections
- Financing of public projects
- Technology development and management

For Technology Information,
See Internal Services

Finance Department Staff

Finance Director	Elena Montgomery
Assistant Finance Director	Stanley Lewis
Staff Accountant	Beth Waltz
Payroll Officer	Sheri Payne
Utilities Coordinator	Julie Posey
Business License & Tax Coordinator	Loretta Rodni



Finance Department

Department Statistics	2006 Actual	2007 Actual	2008 Actual	2009 Actual
Payroll Checks Written	1235	1262	1318	607
Claim Checks Written	1399	1404	1498	1498
Water Accounts	1711	1718	1720	1723
Sewer Accounts	950	958	954	954
Storm Drain & Flood Accounts	1811	2678	2740	3388
New Business License Issued	149	140	119	208
Number of Business Accounts Serviced	812	821	837	932
Annual Report to State Auditor	On Time	On Time	On Time	On Time
Washington State Audit Results	No Findings	No Findings	No Findings	No Findings
Quality of Budget Document	Not submitted for an award	WFOA Award	WFOA & GFOA Award	GFOA Award

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	231,176	247,481	258,049	4%
Overhead	60,573	18,281	22,700	24%
Insurance	98,599	110,833	122,690	11%
Total	390,348	376,594	403,439	7%



Law Enforcement

**Police Services contracted through
King County Sheriff's Office**
One Officer is provided 24/7 on a rotating basis, backed up by
a County Officer and supervised by a Police Chief (Sergeant)

Police Department Responsibilities

- Traffic enforcement
- Monitor jail contract
- Crime investigation
- Crime prevention
- Patrol
- Jail transports
- House and business security checks
- Issue concealed pistol licenses
- Issue specialized forest product permits

King County Sheriff's Office, Precinct 2 North Bend Sub-Station Staff

Chief of Police ServicesSergeant Mark Toner
Office SupervisorKym Smith
Administrative AssistantJennifer Bourlin



Law Enforcement

Department Statistics	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual
Dispatched Calls For Service	1495	1544	1463	1408	1638
Case Reports Written	754	802	761	608	772
False Alarm Responses	154	158	134	150	145
Traffic Enforcements	520	396	706	328	330
Parking Infractions	25	21	20	4	10
Criminal Traffic Citations	37	135	153	67	44
DUI Citations	3	9	12	5	12
Public Appearances	23	18	23	24	19
Crime Prevention Meetings	0	3	4	7	4
Jail Transports	29	23	32	48	56
Traffic Accident Investigations	68	65	79	64	77
Traffic Complaint Investigations	12	9	2	5	3
Arrests**	145	271	273	216	224
**Arrest counts are unofficial and those given are likely lower than actual.					

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	104,867	111,089	109,909	-1%
KC Contract	1,045,301	1,089,705	1,188,192 *	9%
Overtime	27,167	13,465	22,500	67%
Overhead	104,243	99,956	106,860	7%
Copier Lease	67	4,484	5,000	12%
Jail	72,231	74,079	77,000	4%
Total	1,353,875	1,392,778	1,509,461	8%

* Approximately 5% attributable to policy whereby all calls are responded to on a 3-year rolling average.



Fire & Emergency Medical Services

Fire Protection & Emergency Services contracted through Eastside Fire & Rescue
Station 87 services North Bend and Fire District 38

On January 1, 1999 the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire & Rescue. The agencies joining in this consolidation effort included King County, Washington Fire Districts 10 and 38 and the Cities of Issaquah and North Bend, with the City of Sammamish joining the consolidation in January 2000. A representative Regional Board governs Eastside Fire & Rescue. In 2008, this station had a total of 1,490 response calls, which included 644 service calls for the City of North Bend.

Fire Prevention and Suppression Services

- Fire suppression
- Rescue services
- Hazardous materials response
- Fire code enforcement
- Public education
- Building Plan Review

Emergency Medical Services (EMS)

- Advanced Life Support
- Basic Life Support

Training

- Firefighting training
- Emergency medical training
- Special operations training

Eastside Fire & Rescue North Bend Station 87	
Station Captain	Ron Walsh
Company Officer	Lt. Ben Husdon
Company Officer	Lt. Bill Pitt
Firefighter	Tom Little
Firefighter	Mike VanDenBergh
Firefighter	Bob Venera
Firefighter	Terry Cushman
Firefighter	Ben Hudson
Firefighter	Scott Foster
Firefighter	Bob Butterfield
Firefighter	Kyle Wood
Firefighter	Mark Vetter
Paramedics (Advanced Life Support)	(2) Assigned from Bellevue Fire Department
Reserve Staff.....	Approximately 3 volunteers



Fire & Emergency Medical Services

5 Year Emergency Response Summary					
Type of Response	2005 Responses	2006 Responses	2007 Responses	2008 Responses	2009 Responses
Automatic Fire Alarms	83	92	61	62	71
EMS Incidents	490	477	534	512	485
Fire - Non-Structure	15	24	17	24	30
Fire - Structure	14	7	5	12	8
Motor Vehicle Accident	22	27	29	28	26
Other	74	90	79	100	91
Rescue	2	2	0	0	2
TOTAL RESPONSES	700	719	725	738	713
Alarm Responses in FD #38	502	559	516	492	557
EFR Total Alarm Responses; FD #10, Issaquah, Snoqualmie, Carnation, Fall City, Snoqualmie Pass and out side of the Fire District	7783	8262	7745	7977	8248

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
EFR Contract	692,707	722,157	735,030	2%
EFR Equip Res	43,379	41,378	37,040	-10%
EFR Cap Maint Cont	5,953	7,089	6,150	-13%
Hydrant Maint & Ops	0	0	10,056	N/A
Dist 38 Annex Payment	0	0	16,876	N/A
Total	742,039	770,624	805,152	4%



Building Department

The City regulates building and associated construction activities to protect public health, safety and welfare pursuant to uniform construction codes adopted by the State of Washington (RCW 19.27) in addition to local codes governing land use and code enforcement (NBMC 20.10).

Building Department Functions:

- Plan review(s)
- Building permits
- Plumbing permits
- Mechanical permits
- Mobile home permits
- Building move permits
- Sign permits
- Inspections

Other Functions:

- Technical Review Committee
- Code enforcement
- Policy development
- Assigning addresses
- Business license review
- ADA reviews
- Energy reviews
- Indoor air quality reviews

Building Department Staff

Community & Economic Development Director	Gina Estep
Building Official	Greg Kirk
Permit Technician/Office Coordinator	Tom Meagher



Building Department

5 Year Permits Summary

Permit Type	2005 Issued	Improvement Valuation 2005	2006 Issued	Improvement Valuation 2006	2007 Issued	Improvement Valuation 2007	2008 Issued	Improvement Valuation 2008	2009 Issued	Improvement Valuation 2009
New Single Family	4	\$1,299,870	2	\$511,491	2	\$379,017	0	\$0	1	\$350,000
Single Family Additions and Alteration (Incl. Garages/Carports/Additions)	6	\$295,446	14	\$587,546	12	\$398,757	14	\$698,824	11	\$371,489
New Mobile Homes	0	\$0	2	\$12,000	0	\$0	0	\$0	0	\$0
Multi-Family Additions & Alterations	0	\$0	0	\$0	1	\$5,000	1	\$75,000	1	\$2,000
Residential Plumbing	8	N/A	11	\$44,876	3	\$21,552	2	\$22,000	2	\$1,000
Residential Mechanical	28	N/A	26	\$48,460	34	\$143,582	25	\$92,064	28	\$107,935
New Commercial	1	\$158,410	0	\$0	0	\$0	2	\$1,820,812	1	\$248,000
Commercial Additions/Alterations/Tenant Improvements	16	\$1,016,227	34	\$1,274,484	27	\$1,175,569	24	\$963,153	19	\$262,861
Commercial Mechanical	10	N/A	2	\$6,200	13	\$209,962	9	\$109,319	9	\$83,924
Commercial Plumbing	2	N/A	5	\$51,900	5	\$222,800	4	\$60,000	8	\$73,568
Signs	25	\$68,140	18	\$143,757	21	\$72,227	14	\$32,349	18	\$59,347
Demolitions	2	N/A	1	\$1,000	4	\$3,000	2	\$14,500	4	\$104,885
AG & UG Fuel Tanks	1	N/A	4	\$6,000	2	\$2,700	1	\$695	0	\$0
Grading & Clearing (Including Tree Permits)	5	N/A	12	\$51,820	9	\$8,350	9	\$108,100	19	\$3,956,058
Misc. (Re-roof, Siding, Façade, etc...)	8	N/A	13	\$224,677	12	\$107,723	9	\$110,122	8	\$363,312
TOTALS	116	\$2,838,093	144	\$2,964,211	145	\$2,750,239	116	\$4,106,938	129	\$5,984,379

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	161,962	175,738	175,006	0%
Overhead	29,161	31,352	20,087	-36%
Copier Lease	214	2,817	2,990	6%
Abatement	0	0	15,000	N/A
Total	191,337	209,907	213,083	2%



Planning Departments

The Planning Department prepares and administers plans, policies and regulations pursuant to authority in Federal and State laws to protect public health, safety and welfare. Primary state laws governing planning include the Growth Management Act RCW 36.70A, the Shoreline Management Act RCW 90.58 and the Platting requirements in RCW 58.17.

Planning Functions

- Planning under GMA
- Policy development
- Code development
- Moratorium response
- Endangered Species Act response
- Shoreline management
- Business license review
- Development Permit Center
- Technical Review Committee
- Concurrency Reviews

Planning Department Staff

Community & Economic Development Director	Gina Estep
GIS Technician	Marc Ramsey
Senior Planner	Jamie Burrell
Senior Planner	Mike McCarty
Permit Technician/Office Coordinator	Tom Meagher



Planning Departments

Regulatory Functions

- Rezones
- Lot line adjustments
- SEPA review
- Design and landscape review
- Conditional use permits
- Floodplain development permits
- Annexations
- Subdivisions
- Site plans
- Sensitive area review
- Variance/AATS
- Shoreline permits
- Mobile home parks

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	147,438 *	258,237	260,467	1%
Overhead	122,482	55,855	28,159	-50%
Copier Lease	2,950	6,881	6,620	-4%
Total	272,870	320,973	295,246	-8%

* Senior Planner position added in 2008.



Parks Departments

**The Public Works Department includes municipal operational and managerial responsibilities of the Parks Division.
(See Public Works)**

Parks Department Staff

		%FTE
Public Works Director	Ron Garrow	13%
Assistant City Engineer	Tom Mohr	10%
Public Works Office Coordinator	Barbara Greenwalt	17%
Lead Parks Technician	Mark Pray	100%
Maintenance Workers	Randy Grina	98%
Maintenance Workers	Steve Riggle	50%
Maintenance Worker	Derek Osborne	70%
Seasonal Workers (3).....	Unknown	100%



Parks Departments

Parks Department Functions

- Maintain clean and safe facilities
- Keep parks clear of litter
- Maintain irrigation systems, walkways, paths and play areas
- Maintain park grounds through mowing, fertilizing, pruning, watering, and weed control
- Coordinate the use of the North Bend Athletic Fields
- Maintain park buildings (including bathrooms) and gazebos

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	309,261	374,701 *	357,592	-5%
Overhead	158,421	137,936	139,607	1%
Chipper	30,408	0	0	N/A
Equipment Trailer	0	0	4,334	N/A
Copier	0	791	750	-5%
Total	498,091	513,427	502,283	-2%

* Parks Maintenance position added.



Legal and Court Services

Legal Services Responsibilities

- Represent the City in general civil matters
- Conduct criminal prosecutions
- Provide research, opinions and recommendations
- Prepare and review contracts, ordinances, and policies
- Assist the City with additional legal matters, as requested
- Prepares for issues to be heard before the Hearing Examiner
- Mediates in land use matters as necessary

Court Services Responsibilities

- Provide court services for citations, infractions, misdemeanors, and domestic violence cases
- Provide judges and staff
- Issue warrants on City's behalf
- Render probation services on City's behalf.

Legal Services Staff	
City Attorney	Michael R. Kenyon
Land Use Services Hearing Examiner	Sound Law Center
Court Services	Issaquah Municipal Court
Public Defender	Jacobson Law Group

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
City Attorney & Prosecutor	101,329	105,705	115,000	9%
Special Litigation	20,958	48,678 *	20,000	-59%
District Court	32,357	25,158	43,850	74%
Public Defender & Witness Fees	14,885	11,000	17,775	62%
Total	169,529	190,541	196,625	3%

* Additional attorney fees for purchase of properties dedicated to Park & Ride facility and construction of Downing Street extension.



Community Support

Each year, the North Bend City Council appropriates funds in support of social service agencies. The Council establishes funding levels during the budget cycle. Many of these funds go to local organizations established to meet the needs of the community; other funds support treatment activities.

Human services are defined as services that assist individuals in meeting their basic needs: food, shelter, clothing, medical assistance and safety from abuse.

North Bend also contributes to several community organizations that enrich the City and its quality of life.

Human Services	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Senior Services	30,000	30,000	30,000	0%
HUB Committee	8,000	-	-	N/A
Encompass	2,000	10,000	12,000	20%
Mt Si Helping Hands - Food Bank	23,330	20,000	24,000	20%
Hopelink	-	1,000	-	-100%
Eastside Domestic Violence	1,000	1,000	1,000	0%
Indoor Playground Program	1,000	1,000	1,000	0%
Network Services of Puget Sound	2,500	1,500	5,000	233%
Eastside Baby Services	-	1,500	1,500	0%
Human Services Reserve Fund	500	5,000	3,100	-38%
Totals	68,330	71,000	77,600	9%

Human Services	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Operation Santa Claus	300	300	300	0%
Community Service Awards	-	-	600	N/A
Meadowbrook Staffing	10,000	10,000	10,000	0%
Elk Management Group	-	-	3,500	N/A
Festival Overtime Wages	-	-	2,500	N/A
2009 Centennial Celebration	-	17,625	-	-100%
Downtown Block Party	-	-	7,000	N/A
Downtown Beautification	4,183	7,086	4,200	-41%
North Bend Historical Museum	1,875	3,125	2,500	-20%
Flood Conservation Grant Refund	17,996	-	-	N/A
King County Air Pollution Control	2,372	2,529	2,400	-5% (Mandatory)
King County Alcoholism Program	1,091	1,160	1,200	3% (Mandatory)
Totals	37,817	41,824	34,200	-18%



Central Services

The Central Services department serves as a cost center for activities that benefit all City Hall Departments and some city-wide functions. Such items are photocopying, general shared office supplies, telephone services, janitorial services, and facilities maintenance and repair.

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	16,012	17,562	8,671	-51%
Overhead	77,498	192,662 *	202,598	5%
Network/Tele Upgrade	14,200	0	0	N/A
VHF/UHF Emergency Radio	2,753	2,002	0	-100%
Emg Note/Tourism Radio	44,371	5,816	0	-100%
Copier Lease	7,183	6,160 **	4,720	-23%
Total	162,018	224,203	215,989	-4%

* Increased transfer to Technology Operations and Reserve.

** New City Hall copier lease.



Land & Building Management

The Land & Building Management department centralizes the land purchases made by the General Fund.

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
BOA Line of Credit Interest	0	3,724	17,500	370%
Houch Property	0	315,000 *	0	-100%
Pfiffner Property	0	532,750 *	0	-100%
Totals	0	851,474	17,500	-98%

* Property purchased for the Downing Avenue Extension Project



Torguson Park Tot Lot

Cherish your visions and your dreams as they are the children
of your soul; the blueprints of your ultimate achievements.
Napoleon Hill



Operating Transfers

In addition to supporting the expenses incurred by City departments, the General Fund also supports activities of other City funds.

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
GF transfer to Technology Reserve	10,060	0	0	N/A
GF transfer to Park Improvement Fund	0	0	0	N/A
GF transfer to Capital Improvement(110)	0	50,000	102,000	104%
GF Contribution to Streets Maintenance	314,449	456,417	474,537	4%
B&O Tax transfer to Trans Imp Program	126,385	131,214	126,000	-4%
GF transfer to Economic Dev (108)	0	8,000	30,055	276%
Sales Tax to Economic Dev (108)	32,000	32,000	32,000	0%
GF transfer to Tollgate Farmhouse	0	8,925	0	-100%
GF transfer to Climbing Rock	0	90,221	0	-100%
GF transfer to Torguson Bathrooms	0	45,223	0	-100%
GF transfer to Tot Lot	0	69,025	0	-100%
GF transfer to Pickett Ave.	0	0	17,500	N/A
GF transfer to Downing Street Prop Debt	0	0	39,600	N/A
Totals	482,894	891,025	821,692	-8%



Photograph by: Matt N. Johnson

Forget not that the earth delights to feel your bare
feet and the winds long to play with your hair.
Kahlil Gibran



Streets Operating Fund

Street Department Functions

- Street sweeping
- Asphalt paving, crack sealing and re-grading
- Traffic control
- Street sign maintenance
- Snow and ice removal
- Emergency response
- Curb and sidewalk repair
- Debris clearing
- Maintain street right of way
- Vegetation Control

The City Council approved an additional position effective April 1, 2010, recognizing that the annexation areas added to the City, increased the maintenance and repair work significantly.

Streets Department Staff		%FTE
Public Works Director	Ron Garrow	13%
Assistant City Engineer	Tom Mohr	10%
Public Works Office Coordinator	Barbara Greenwalt	17%
Lead Streets Technician.....	Larry Shaw	42%
Maintenance Worker	John Jackson	49%
Maintenance Worker	Steve Riggle	22.5%
Maintenance Worker	Derek Osborne	30%
Maintenance Worker	Unknown	50%

Street Inventory Report						
Type of Surface	Cement Concrete Pavement	Asphalt Plant or Road Mix	Bituminous Surface Treatment	Gravel or Crushed Rock	Dirt and Unimproved	Total Miles
Centerline Miles	0	31.71	0.5	1.05	0.58	33.84

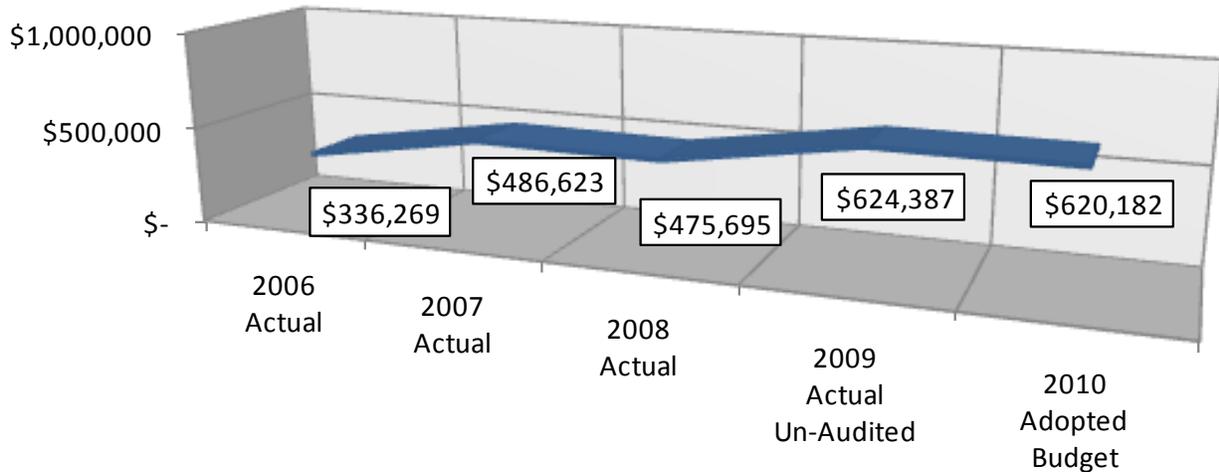


The supernatural is the natural not yet understood.
Elbert Hubbard



Streets Operating Fund

STREETS RESOURCES



2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Taxes	73,254	73,723	75,165	2%
Licenses & Permits	1,450	2,905	1,480	-49%
Grants & Miscellaneous	6,447	15,579	0	-100%
Transfer From General Fund	314,448	456,417	474,537	4%
Transfer From Streets Capital (Pavement Management)	80,094	75,763	69,000	-9%
Total	475,694	624,387	620,182	-1%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	116,302	148,041	189,667	28%
Overhead	229,686	181,153	232,325	28%
Street Lighting	42,086	56,527	70,100	24%
Street Overlay	80,094	75,763	69,000	-9%
Boalch Street Bridge Repair	359	112,079	0	-100%
Debt	7,168	50,824	55,090	8%
Streets/Storm Maintenance Truck	0	0	4,000	N/A
Total	475,694	624,387	620,182	-1%



Streets Capital Fund

The function of the Street Capital Projects Fund is to amass monies for the construction of street projects in the 6 year Transportation Improvement Program (TIP). The primary revenue streams are Gasoline and Fuel Excise Taxes and a portion of Business & Occupation Taxes transferred from the General Fund.

2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	189,622	164,855	45,079	-73%
Taxes	34,473	34,693	32,000	-8%
Interest & Misc. Revenue	0	5,833	0	-100%
B&O Tax from Gen Fund	126,385	131,214	157,300	20%
Cash flow reimbursements from Municipal Projects	289,489	26,873	0	-100%
Tr from REET for Transportation Improvement Plan (TIP)	50,000	50,000	50,000	0%
Total Resources	689,968	413,468	284,379	-31%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	48,137	54,950	66,381	21%
Overhead	27,808	65	620	849%
Annexation Study	7,000	0	0	N/A
Copier Lease	2,629	2,656	2,630	-1%
Transportation Comp Plan	0	0	25,000	N/A
Transfer to Transportation Improvement Plan (TIP)	359,445	174,528	86,077	-51%
Transfer to Streets Op Pavement Mgnt	80,094	75,763	69,000	-9%
Ending Fund Balance	164,855	105,506	34,671	-67%
Total Appropriated	689,968	413,468	284,379	-31%



Economic Development Fund

The resources in this fund are to be utilized for citywide economic planning including downtown revitalization and to create linkages between the interchange commercial and downtown areas. Some of the projects supported by this fund have been initiated by or tasked to the Economic Development Commission (EDC).

2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	57,753	37,567	31,385	-16%
Taxes	4,339	4,347	3,600	-17%
Interest & Misc. Revenue	0	5,833	0	-100%
Sales Tax from GF	32,000	32,000	32,000	0%
Tr from GF	0	8,000	30,055	276%
Total Resources	94,092	87,747	97,040	11%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	30,533	32,642	33,783	3%
Overhead	14,107	6,531	9,880	51%
Visitor Information Center	3,500	9,492	5,586	-41%
Arts Commission Supplies	-	-	3,000	N/A
Historical Arch Design	-	-	6,000	N/A
Downtown Master Plan	-	7,000	8,700	24%
Directional Signage	1,385	-	-	N/A
Annexation Study	7,000	-	-	N/A
Website Designs	-	-	30,000	N/A
Ending Fund Balance	37,567	32,081	91	-100%
Total Appropriated	94,092	87,747	97,040	11%



Capital Improvement Fund (REET)

This fund accounts for the Real Estate Excise Taxes (REET) collected by the City. A Real Estate Excise Tax is levied on all real estate transactions in the City; state law restricts the use of these revenues. The first ¼ of one percent is restricted to capital projects as outlined by state law. The second ¼ of one percent is restricted to capital projects identified in the Capital Facilities Plan of the City's Comprehensive Plan.

Once accounted for, these capital improvement funds are then transferred out to support allowed activities. Most of these funds are utilized for payments on capital City debt and to fund municipal projects.

2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	347,505	112,457	14,417	-87%
Taxes	145,709	74,919	110,000	47%
Transfer from GF	0	50,000	102,000	104%
Cash flow reimbursements from Municipal Projects	464,446	130,760	0	-100%
Total Resources	957,660	368,136	226,417	-38%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Planning Annex	16,920	18,894	0	-100%
Public Works Shop for Parks	42,378	42,189	42,717	1%
Tr Tollgate Bond Redemption	112,475	115,746	113,900	-2%
Tr Public-Safety Building	2,450	0	0	N/A
Tr Debt Srvc-NB Way	12,515	11,885	11,570	-3%
Tr Debt Srvc-NB Blvd	6,288	6,229	6,180	-1%
Tr 8th Street(Borst/Thr)	645	0	0	N/A
Tr Park & Ride	72,987	103,029	0	-100%
Tr Torguson Soccer	6,255	0	0	N/A
Tr Torguson Parking Lot	10,583	0	0	N/A
Tr Arterial (102) for TIP	50,000	50,000	50,000	0%
Tr Park & Bendigo Signalization	134,812	0	0	N/A
Tr CF/NB Way Improvements	375,128	0	0	N/A
Tr Downing Street Extention	1,767	0	0	N/A
Ending Fund Balance	112,457	20,163	2,050	-90%
Total Expenditures	957,660	368,136	226,417	-38%



Other Special Revenue Funds

Impact Fees & Mitigation Fund 106

Impact fees are charged to mitigate the impact of development upon public facilities and can be used only for designated purposes in a limited time from the date of collection. The City currently charges a park impact fee of \$4,054 per residential unit; no park impact fee is currently collected from commercial developments. Also, a Transportation Impact Fee of \$621 per residential unit is charged.

Park Improvement Fund 116

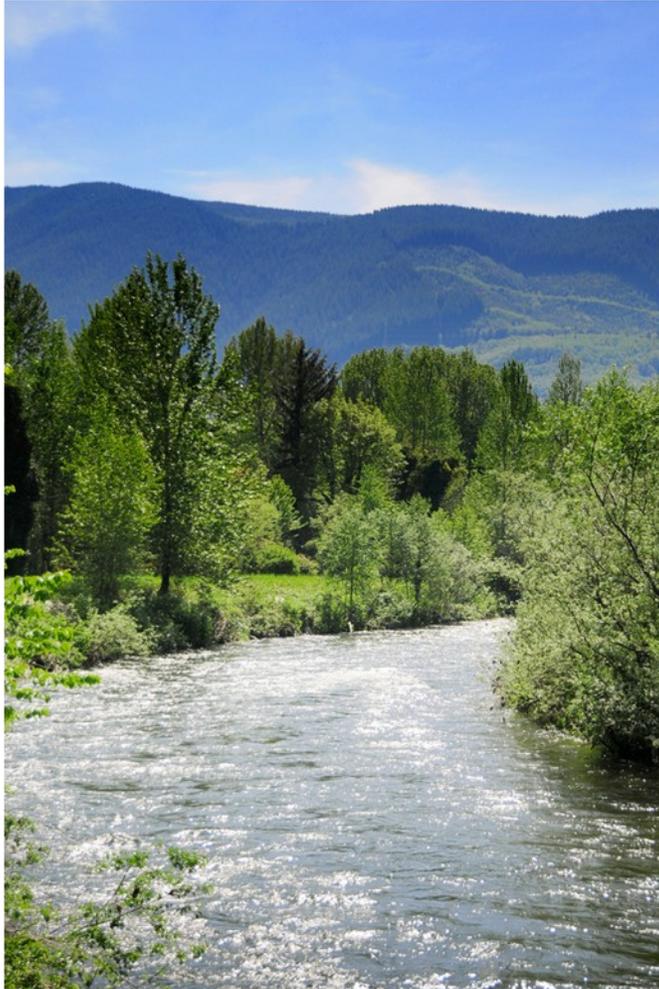
The North Bend Parks Commission is responsible for recommending park improvement activities to the City Council. The Council then appropriates funds from the Park Improvement Fund based on priorities set during the budget cycle.

Development Projects Fund 125

The Development Projects Fund was established by Council action in 1996 to adequately track development fees and deposits in an effort to separate them from regular City expenditures in the General Fund. In keeping with the policy that development “pay its own way”, the fund also gives the City an opportunity to bill developers for staff time associated with development projects. Those charges are transferred to the General Fund as revenue on a monthly basis.

2010 Resources By Category						
Fund #	Fund Name	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %	
106	Impact & Mitigation	182	182	0	-100%	
116	Park Improvement	50,210	100,444	85,399	-15%	
125	Development Projects	17,861	85,423	160,628	88%	

Expenditures						
Fund #	Fund Name	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %	
106	Impact & Mitigation	182	182	0	-100%	
116	Park Improvement	50,210	100,444	85,399	-15%	
125	Development Projects	17,861	85,423	160,628	88%	



Photograph by: Matt N. Johnson

Like water, be gentle and strong. Be gentle enough to follow
the natural paths of the earth, and strong enough to rise up
and reshape the world.
Brenda Peterson



Revenue Debt

Revenue Debt is a bond issue or loan whose principal and interest are payable exclusively from the revenue of a utility fund (i.e. Water, Sewer, Solid Waste, Storm Drain). There is no limit on the amount of Revenue debt a city may issue. However, the utilities must demonstrate a capacity to fund two-times the debt payments required. After the 2010 payments are applied, total outstanding Revenue Debt will be \$10,235,014.

Public Works Trust Fund (PWTF) Loans

The City of North Bend holds four utility related loans with the Public Works Trust Fund Agency for the State of Washington. The loans are “low-interest” and range from 0% to 5% with most at 3%, as compared to revenue bonds, which cost ratepayers approximately 6% in interest.

The City of North Bend established loans with the PWTF for the following projects:

“A” Sewer line improvement:

This loan was issued in 1991 to finance a major sewer trunk from South Fork Interchange to the wastewater treatment plant. The interest rate on this loan is 3%; payoff is scheduled in 2011.

1 Sewer A Loan			2010	2011
PWTF Loans	1,074,600	Beginning Balance	114,447	57,223
	3%	Draw		
Fund 402-040		Interest	3,433	1,717
		Principal	57,223	57,223
<i>Payoff Year: 2011</i>				
PW-5-91-280-041			Total Payment per Year	60,657
			Remaining Balance	57,223
				(0)

“B” Sewer line improvement:

This loan was issued in 1991 to finance emergency repairs of an older sewer trunk located in downtown. The interest rate on this loan is 5%; payoff is scheduled in 2011.

2 Sewer B Loan			2010	2011
PWTF Loans	176,149	Beginning Balance	13,441	6,721
	5%	Draw		
Fund 402-041		Interest	672	336
		Principal	6,721	6,721
<i>Payoff Year: 2011</i>				
PW-5-91-280-ELP-083			Total Payment per Year	7,393
			Remaining Balance	6,721
				0

Sewer Plant laboratory building:

This loan was issued in 1996 to finance the portion of the laboratory re-build (due-to fire) that was not covered by insurance. This loan financed 22.7% of the project. The interest rate on this loan is 5%; payoff is scheduled in 2015.

3 PWT Sewer Lab Building			2010	2011	2012	2013	2014
PWTF Loans	250,000	Beginning Balance	80,428	67,023	53,619	40,214	26,809
		Draws	-	-	-	-	-
Fund 402-44	5%	Interest	4,021	3,351	2,681	2,011	1,340
		Principal	13,405	13,405	13,405	13,405	13,405
<i>Payoff Year: 2015</i>							
PW-5-95-791-ELP-060			Total Payment per Year	17,426	16,756	16,086	15,415
			Remaining Balance	67,023	53,619	40,214	26,809
							13,405



Revenue Debt - continued

4 NB Water Source Development:

This loan was issued in 2006 to finance a portion of completion of the capital improvements needed to secure the City's water rights. The interest rate on this loan is 5%; payoff is scheduled in 2026.

4 NB Water Source Development			2010	2011	2012	2013	2014
PWTF Loans	3,398,267	Beginning Balance	3,133,461	2,949,139	2,764,818	2,580,497	2,396,176
4 NB Water Source Development		Draws					
Fund 401 & 411	0.5%	Interest	15,667	14,746	13,824	12,902	11,981
		Principal	184,321	184,321	184,321	184,321	184,321
<i>Payoff Year: 2026</i>		Total Payment per Year	199,989	199,067	198,145	197,224	196,302
PW-06-962-029		Remaining Balance	2,949,139	2,764,818	2,580,497	2,396,176	2,211,855

Washington State Revolving Fund Loans (SRF):

The funding sources of the following loans are from the Washington State Water Pollution Control Revolving Fund (SRF).

Inflow and Infiltration (I&I Project) - Phase I:

This loan was issued in 1998 to finance the replacement of sewer pipes that failed to perform. The I&I Project - Phase I replaced pipes that were not completely sealed. The interest rate on this loan is 4.4%; payoff is scheduled in 2018.

I&I Project - Phase 1			2010	2011	2012	2013	2014
Loan: State Revolving Fund (SRF)	902,061	Beginning Balance	468,575	425,105	379,701	332,277	282,744
Fund 402	4.40%	Interest	20,144	18,211	16,191	14,081	11,878
		Principal	43,470	45,404	47,424	49,533	51,737
<i>Payoff Year: 2018</i>		Total Payment per Year	63,614	63,614	63,615	63,614	63,614
		Remaining Balance	425,105	379,701	332,277	282,744	231,007

Inflow and Infiltration (I&I Project) - Phase II:

This loan was issued in 2004 to finance the replacement of additional sewer pipes that failed to perform. The I&I Project - Phase II, replaced pipes within the older downtown core that were not completely sealed. The interest rate on this loan is 1.5%; payoff is scheduled in 2023.

I&I Project - Phase 2			2010	2011	2012	2013	2014
Loan: State Revolving Fund (SRF)	938,850	Beginning Balance	502,540	470,026	437,022	403,522	369,518
Fund 402	1.50%	Interest	7,417	6,927	6,430	5,926	5,414
		Principal	32,514	33,003	33,500	34,005	34,517
<i>Payoff Year: 2023</i>		Total Payment per Year	39,931	39,931	39,930	39,931	39,931
		Remaining Balance	470,026	437,022	403,522	369,518	335,001

Wastewater Treatment Facility - Phase II (A, B & C):

This loan was executed in 2000 to finance additional improvements at the Wastewater Treatment Facility; most of the loan amount will be drawn on in 2005. The interest rate on this loan is 1.5%; payoff is scheduled in 2024.

WWTP Phase 2 (A, B & C)			2010	2011	2012	2013	2014
Loan: State Revolving Fund (SRF)	2,531,462	Beginning Balance	1,999,060	1,879,276	1,757,688	1,634,270	1,508,994
	1.50%	Draw					
CCWF-DOE - Fund 402		Interest	29,538	27,735	25,904	24,046	22,160
Washington State		Principal	119,784	121,588	123,418	125,276	127,163
Water Pollution Control (SRF)		Total Payment per Year	149,322	149,322	149,322	149,322	149,322
<i>Payoff Year: 2024</i>		Remaining Balance	1,879,276	1,757,688	1,634,270	1,508,994	1,381,831



Revenue Debt - continued

Drinking Water CT Piping Project:

This loan was executed in 2007 to finance improvements to the drinking water by increasing the chlorine contact time at the treatment facility. The interest rate on this loan is 1.5%; payoff is scheduled in 2026.

Drinking Water CT Piping Project			2010	2011	2012	2013	2014
Loan: State Revolving Fund (SRF)	226,220	Beginning Balance	202,408	190,502	178,595	166,689	154,783
		Draw					
	1.50%	Interest	3,036	2,858	2,679	2,500	2,322
Fund 401		Principal	11,906	11,906	11,906	11,906	11,906
Payoff Year: 2026		Total Payment per Year	14,942	14,764	14,585	14,407	14,228
Loan #05-96300-018		Remaining Balance	190,502	178,595	166,689	154,783	142,876

Bond Issues:

Clarifier Bond Redemption

A new clarifier facility was built at the Wastewater Treatment Plant in 1997. The Clarifier Bond Redemption Fund was established to pay back the \$1,320,000 debt from bonds issued to finance construction of the clarifier. All bonds will be redeemed by 2015; interest is 4.25-5.80% (Average Coupon).

1997 Clarifier Bond			2010	2011	2012	2013	2014
Bond Issue	1,320,000	Beginning Balance	585,000	500,000	410,000	315,000	215,000
	4.25 - 5.80%	Interest	33,243	28,525	23,485	18,118	12,418
Fund 427	(AVG Coupon)	Principal	85,000	90,000	95,000	100,000	105,000
Payoff Year: 2015		Total Payment per Year	118,243	118,525	118,485	118,118	117,418
BONY: NORWATSEW97		Remaining Balance	500,000	410,000	315,000	215,000	110,000

Public Works Shop Bond Redemption

A new Public Works Shop facility was built in 2002. The Public Works Shop Bond Redemption Fund was established to pay back the \$3,280,000 debt from bonds issued to finance construction of this facility and to purchase additional land for the Sewer utility. All bonds will be redeemed by 2021; interest is 3.75-5.10% (Average coupon).

Public Works Bldg. (429)			2010	2011	2012	2013	2014
Bond Issue	3,280,000	Beginning Balance	2,555,000	2,390,000	2,220,000	2,045,000	1,860,000
BONY: NORWATSEW01	3.75-5.10%	Interest	128,400	121,058	113,238	105,013	96,133
Parks (REET), Streets, Water,	Sewer = 27.35%	Principal	165,000	170,000	175,000	185,000	195,000
Sewer, Storm, SHOP (6-total)	Others = 14.53%	Total Payment per Year	293,400	291,058	288,238	290,013	291,133
Payoff Year: 2021		Remaining Balance	2,390,000	2,220,000	2,045,000	1,860,000	1,665,000

2006 Storm Drain (Priority 1)

\$1,500,000 worth of Bonds was issued in 2006 for construction of the Priority One Storm Drain Improvements. All bonds will be redeemed by 2026; interest is 4.45% (Average coupon).

2006 Storm Drain (Priority 1)			2010	2011	2012	2013	2014
Bond Issue	1,500,000	Beginning Balance	1,355,000	1,300,000	1,240,000	1,180,000	1,115,000
	4.45%	Interest	60,618	58,418	55,988	53,528	50,798
Fund 414-100-008	(AVG Coupon)	Principal	55,000	60,000	60,000	65,000	65,000
Payoff Year: 2026		Total Payment per Year	115,618	118,418	115,988	118,528	115,798
BONY:		Remaining Balance	1,300,000	1,240,000	1,180,000	1,115,000	1,050,000



Photograph by: Matt N. Johnson

No bird soars too high if he soars with his own wings.
William Blake



General Obligation (GO) Debt

GO debt is a bond issue or loan that rely on the full faith and credit of the City of North Bend for repayment; typically property taxes and all other taxes. For General Obligation debt, the City is restricted to a debt capacity of 2½% of the current assessed valuation. Of the 2½%, up to 1½% may be Councilmanic Bonds (passed by a vote of the Councilmembers) and the additional 1% must to be approved by the general public or the public can approve the entire 2½%.

	Non-voted	Voted
City's Assessed Valuation for 2010: \$840,618,255	1½%	1%
City of North Bend's Debt Capacity - 2010	\$12,609,274	\$8,406,183
Present Outstanding GO Debt as of 1/1/2010	< \$2,673,382 >	< 0 >
Outstanding Capacity Available as of 12/31/2010	\$9,935,892	\$8,406,183

After the 2010 principal payments are applied, total outstanding General Obligation Debt will be \$2,535,717.

Public Works Trust Fund (PWTF) Loans

North Bend Way improvements:

This loan was issued in 1991 to finance the traffic islands and lane channelization project on North Bend Way. The interest rate on this loan is 3%; payoff is scheduled in 2011.

North Bend Way			2010	2011
PWTF Road Improvement Loan	198,000	Beginning Balance	21,807	10,903
	3%	Draw		
Fund 240-42		Interest	654	327
		Principal	10,904	10,903
<i>Payoff Year: 2011</i>		Total Payment per Year	11,558	11,231
PW-5-91-280-042		Remaining Balance	10,903	(0)

North Bend Boulevard improvements:

This loan was issued in 1993 to finance sidewalk repairs and street resurfacing activities along North Bend Boulevard (now Bendigo Blvd). The interest rate on this loan is 1%; payoff is scheduled in 2013.

North Bend BLVD N/ Bendigo			2010	2011	2012	2013
PWTF Road Improvement Loan	112,716	Beginning Balance	23,730	17,797	11,865	5,932
	1%	Interest	237	178	119	59
Fund 240-43		Principal	5,932	5,932	5,932	5,932
<i>Payoff Year: 2013</i>		Total Payment per Year	6,170	6,110	6,051	5,992
PW-5-93-280-029		Remaining Balance	17,797	11,865	5,932	0



General Obligation (GO) Debt - continued

Purchase Lease Contracts

The City has lease contracts for a Street Sweeper and three copiers (City Hall, Police Department & Public Works Shop). All of these lease contracts include provisions to own the leased equipment at the end of the lease term (see GO debt schedule for detail).

Dump Truck/Snowplow			2010	2011	2012	2013
Purchase / Lease Contract	166,592	Beginning Balance	129,959	99,798	68,135	34,895
		Interest	6,472	4,970	3,393	1,738
Fund: 502		Principal	30,161	31,663	33,240	34,895
<i>Payoff Year: 2013</i>		Total Payment per Year	36,633	36,633	36,633	36,633
Key Bank		Remaining Balance	99,798	68,135	34,895	(0)

Canon Copier w/Color			2010	2011
Purchase / Lease Contract	22,085	Beginning Balance	6,258	1,840
<i>PW Shop</i>		Interest		
<i>Payoff Year: 2011 (May)</i>		Principal		
Central Services		Total Payment per Year	4,417	1,840
Parks, Streets, Water, Sewer, Storm, Flood, Shop		Remaining Balance	1,840	0

HP Z6100 Plotter & 4500 Scanner			2010
Purchase / Lease Contract	39,438	Beginning Balance	13,146
		Interest	
<i>CEDD / GIS</i>		Principal	
<i>Payoff Year: 2010 (June)</i>		Total Payment per Year	13,146
001 / 102 / 401 / 402 / 404		Remaining Balance	-

Xerox 7665 Color Copier			2010	2011	2012	2013
Purchase / Lease Contract	24,866	Beginning Balance	19,064	14,091	9,117	4,144
		Interest				
<i>CEDD</i>		Principal				
<i>Payoff Year: 2013 (October)</i>		Total Payment per Year	4,973	4,973	4,973	4,144
Building (40%) & Planning (60%)		Remaining Balance	14,091	9,117	4,144	-

Xerox 7665 Color Copier			2010	2011	2012	2013
Purchase / Lease Contract	24,866	Beginning Balance	19,064	14,091	9,117	4,144
		Interest				
<i>City Hall</i>		Principal				
<i>Payoff Year: 2014 (March)</i>		Total Payment per Year	4,973	4,973	4,973	4,144
Building (40%) & Planning (60%)		Remaining Balance	14,091	9,117	4,144	-

Xerox 7345 Color Copier			2010	2011	2012
Purchase / Lease Contract	14,551	Beginning Balance	10,307	6,669	3,032
		Interest			
<i>Police Department (50% Charged to King County)</i>		Principal			
<i>Payoff Year: 2012 (October)</i>		Total Payment per Year	3,638	3,638	3,032
Law Enforcement (100%)		Remaining Balance	6,669	3,032	-



General Obligation (GO) Debt - continued

Tollgate Bond Redemption

The Tollgate Farm Bond Redemption Fund is used to record the debt payments relating to the purchase of the “central meadow” portion of Tollgate Farm. This bond was issued in 2001. The interest rate on the bonds is 4.88%; payoff is scheduled in 2026.

Tollgate			2010	2011	2012	2013	2014
Bond Issue	1,635,000	Beginning Balance	1,290,000	1,240,000	1,185,000	1,130,000	1,075,000
	AVG 4.88%	Interest	63,343	61,193	58,773	56,353	53,878
Fund 214 (110, 116, 621)		Principal	50,000	55,000	55,000	55,000	60,000
<i>Payoff Year: 2026</i>		<u>Total Payment per Year</u>	<u>113,343</u>	<u>116,193</u>	<u>113,773</u>	<u>111,353</u>	<u>113,878</u>
BONY: NORG001		Remaining Balance	1,240,000	1,185,000	1,130,000	1,075,000	1,015,000

Land Purchases

This is a line of credit with Bank of America used to purchase properties for the Downing Street Extension and the Park & Ride Projects. The interest rate on the line is 5.5%. During 2010 the credit line will be refinanced as a limited exempt general obligation bond issued for 20 years at approximately 3.86% interest rate..

Downing Street Properties			2010	2011	2012	2013	2014
Land Purchase	1,153,000	Beginning Balance	1,153,000	1,139,644	1,106,960	1,072,478	1,036,100
	5.5%	Interest	43,801	62,680	60,883	58,986	56,985
<i>Streets: Multiple Properties</i>		Principal	13,356	32,684	34,482	36,378	38,379
<i>Payoff Year: 2020</i>		<u>Total Payment per Year</u>	<u>57,157</u>	<u>95,365</u>	<u>95,365</u>	<u>95,365</u>	<u>95,365</u>
		Remaining Balance	1,139,644	1,106,960	1,072,478	1,036,100	997,721



Special Assessment Debt & Interfund Loans

SPECIAL ASSESSMENT DEBT

Bonds payable from the proceeds of Special Assessments - A compulsory levy made against certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those properties.

LOCAL IMPROVEMENT DISTRICT (LID)

Guarantee Fund

A "Local Improvement District Guarantee Fund" is created in every city and town to guarantee the payment of local improvement bonds issued to pay for any local improvements, and require that cities and towns maintain funds in the account equal to any warrants issued against the account. To maintain the account, a city is required to provide a property levy of a sum sufficient to pay the warrants in a fiscal year. A "Local Improvement District Guarantee Fund" is a fund not to exceed 15 percent of the principal amount of the bonds, and is established to secure the payments on Local Improvement bonds.

Local Improvement District (LID) #6

A Bond Anticipation Note from Bank of America is the financing tool to be used in 2008, 2009 and 2010 by the City to pay for the construction of sewer collection and pumping stations and any other infrastructure necessary to extend the sewer system. The Local Improvement District #6 Bond Redemption Fund will track assessments to the property owners and payment of both interest and principal for the bonds issued by the City. The bonds will not be issued until the project is completed.

LIMITED IMPROVEMENT DISTRICTS (LID) #6			2010	2011	2012	2013	2014
	16,730,000	Beginning Balance	10,000,000	16,730,000	16,145,667	15,540,182	14,912,778
		Draw	6,730,000				
Fund 451	3.62%	Interest	365,000	605,626	584,473	562,555	539,843
Sewer Expansion/Tanner Annexation		Principal	-	584,333	605,485	627,404	650,116
Payoff Year: 2030		Total Payment per Year	365,000	1,189,959	1,189,959	1,189,959	1,189,959
		Remaining Balance	16,730,000	16,145,667	15,540,182	14,912,778	14,262,662



Special Assessment Debt & Interfund Loans

INTERFUND LOANS

Interfund Loans are temporary borrowings of cash or other assets usually between two funds. Loan duration is no longer than three years and transactions do not affect the operating statements.

Equipment Reserve to Sewer		2010	2011	
502 to 402 Operating Capital	2.46%	Beginning Balance	116,667	58,333
		Draw	-	-
		Interest	2,874	1,437
		Principal	58,333	58,333
		Total Payment per Year	61,207	59,770
<i>Payoff Year: 2011</i>		Remaining Balance	58,333	-

Equipment Reserve to Storm		2010	2011	
502 to 404 Operating Capital	2.46%	Beginning Balance	66,667	33,333
		Draw	-	-
		Interest	1,642	821
		Principal	33,333	33,333
		Total Payment per Year	34,975	34,154
<i>Payoff Year: 2011</i>		Remaining Balance	33,333	-



Photograph by: Matt N. Johnson

When I first open my eyes upon the morning meadows and
look upon the beautiful world, I thank God I am alive.

Ralph Waldo Emerson



2010 Capital Projects

Project Name	Total Budget	2010 Expenditures	Funding Source	Description
Fund 310 (General Projects)				
North Bend Park & Ride	2,000,000	1,247,000	Federal Appropriation (5309 Funds) & King County	Construct a 50 to 100 stall facility including a bus stop and associated roadway/pedestrian improvements.
Pickett Street Reconstruction	329,596	35,000	Streets Capital/Storm Capital	Design of roadway reconstruction
ADA Curb Ramp Installation Downtown	214,610	214,610	State Funding (TIB) , Streets Capital	Install 11 ADA compliant curb ramps at corners without existing ramps, replace 19 non-compliant ADA curb ramps, and retrofit 10 ADA compliant ramps with epoxy coated truncated domes.
Downing Avenue Extension	538,854	538,854	State Funding (TIB) , Streets Capital	Design and construction of an extension of Downing Avenue from 2 nd Street to North Bend Way.
Tollgate Farmhouse Renovation	40,000	39,422	King County, MPD, General Fund	Replacing a damaged section of front foundation wall and rim joists along the front of the home, and reconstructing a historically-accurate front porch.
Mt Si Complex Sidewalk Railing	39,422	39,422	Streets Capital	Placing approximately 200 feet of sidewalk railing along the newly constructed sidewalk in front of the Mt. Si Complex between Les Schwab and the 76 Gas Station.
Boalch Trail	29,076	29,076	King County, Parks Improvement	Design and construction of Boalch Trail between Snoqualmie City Limits to Meadowbrook Farm Interpretive Center.
Municipal Projects Total	\$ 3,162,482	\$ 2,114,308		

Water				
No Projects Planned				
<i>Water Total</i>	-	-		

Sewer				
ULID No. 6	17,000,000	14,100,000	Property owners benefiting from the Utility Limited Improvement	Construct collection infrastructure, pumping stations and any other infrastructure necessary to extend sewer service along North Bend Way to Edgewick Road.
<i>Sewer Total</i>	17,000,000	14,100,000		

Storm				
No Projects Planned				
<i>Storm Total</i>	-	-		

UTILITIES Capital Projects Total \$ 17,000,000 \$ 14,100,000



Photograph by: Matt N. Johnson

Behind every great achievement is a dreamer of great dreams.
Robert K. Greenleaf



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Transportation

Project Name: 2010 Pavement Overlay

Department Lead : Ron Garrow

Total Project Cost: 69,000

Non City Revenue: -

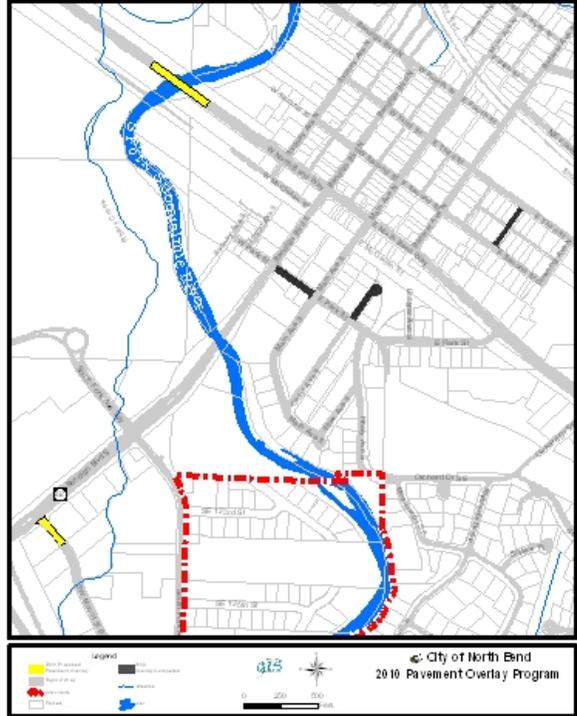
Net City Cost: 69,000

Project Description and Justification:

Pavement Management Program - Overlay the following designated streets by contracting with King County Road Division:

City Funded Streets

- Mt Si Blvd.
- North Bend Way (over bridge)



Project Financial Summary

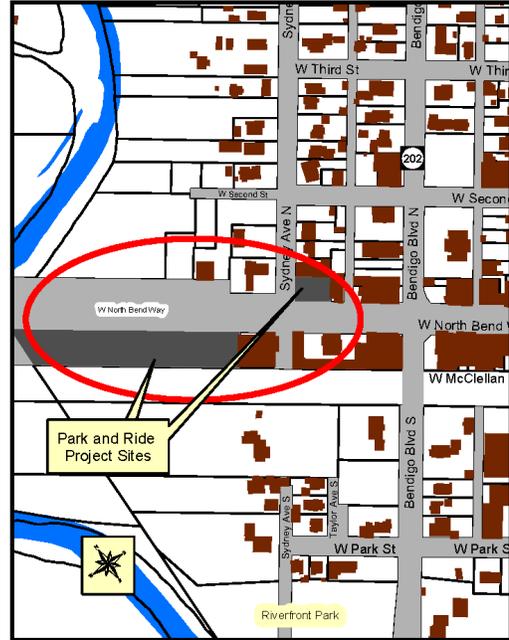
	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:						
Mgt & Eng						
Acquisition						
Construction	69,000					
Debt Service						
Total	69,000	-	-	-	-	-
Project Funding Sources:						
Federal Grants						
State Grants						
County Grants						
Developer Contributions						
City Contributions						
General Fund						
Street Fund	69,000					
Street Capital Fund						
Capital Improvement Fund						
Park Improvement Fund						
Water Capital Improvement Fund						
Sewer Capital Improvement Fund						
Storm Drainage Capital Improvement Fund						
Bond Proceeds						
Total	69,000	-	-	-	-	-



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Transportation
Project Name: North Bend Park and Ride
Department Lead : Tom Mohr
Total Project Cost: 1,730,323
Non City Revenue: 1,734,108
Net City Cost: -



Project Description and Justification:
 Design and construct a 50 to 100 stall facility including a bus stop and associated roadway/pedestrian improvements

Project Financial Summary

	Prior Years	2010 Budget	Total 2008-13	2008 Actual	2009 Actual	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast
Project Costs:									
Mgt & Eng	343,696		366,577	173,245	170,451	22,881			
Acquisition			-						
Construction		1,247,000	1,363,746			1,363,746			
Debt Service			-						
Total	343,696	1,247,000	1,730,323	173,245	170,451	1,386,627	-	-	-
Project Funding Sources:									
Federal Grants			1,417,651						
State Grants			-						
County Grants			316,457						
Developer Contributions			-						
City Contributions			-						
General Fund			-						
Street Fund			-						
Street Capital Fund			-						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	-	1,734,108	-	-	-	-	-	-



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Streets Capital/Sewer Capital Improvement

Project Name: Pickett Street Reconstruction

Department Lead : Ron Garrow

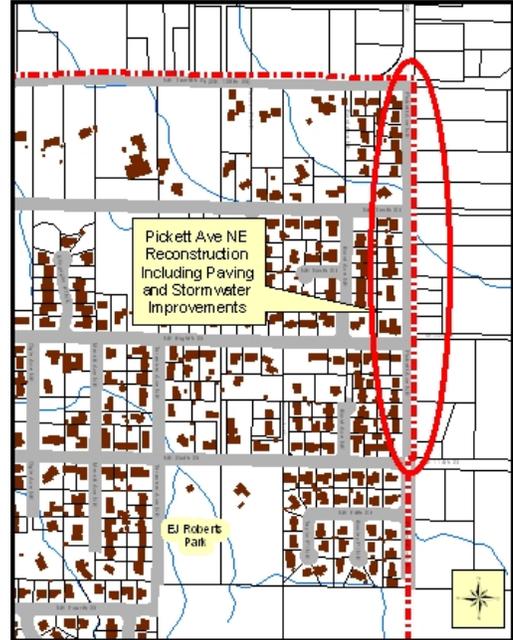
Total Project Cost: 329,596

Non City Revenue: -

Net City Cost: 329,596

Project Description and Justification:

The removal of the existing roadway materials, over excavation soft sub-base areas, re-grading, compacting and surfacing and constructing storm drainage infrastructure.



Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2010 Budgeted	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:									
Mgt & Eng		35,000	35,000	35,000					
Acquisition			-						
Construction			294,596		294,596				
Debt Service			-						
Total	-	35,000	329,596	35,000	294,596	-	-	-	-
Project Funding Sources:									
Federal Grants			-						
State Grants			-						
County Grants			-						
Developer Contributions			-						
City Contributions		35,000	329,596						
General Fund			-						
Street Fund			-						
Street Capital Fund			-						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	35,000	329,596	-	-	-	-	-	-



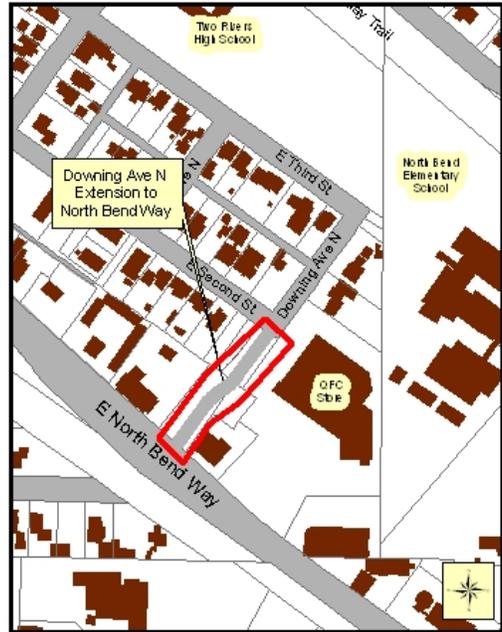
2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Streets Capital Improvement
Project Name: Downing Avenue Extension
Department Lead : Ron Garrow
Total Project Cost: 538,854
Non City Revenue: 484,969
Net City Cost: 53,885

Project Description and Justification:

Design and construction of an extension of Downing Avenue from 2nd Street to North Bend Way.



Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2009 Actual	2010 Budgeted	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast
Project Costs:									
Mgt & Eng	9,227	64,663	73,890	9,227	64,663				
Acquisition			-						
Construction		474,191	474,191		474,191				
Debt Service			-						
Total	9,227	538,854	548,081	9,227	538,854	-	-	-	-

Project Funding Sources:

Federal Grants			-						
State Grants			484,969						
County Grants			-						
Developer Contributions			-						
City Contributions									
General Fund			-						
Street Fund			-						
Street Capital Fund			53,885						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	-	538,854	-	-	-	-	-	-

Estimated Impact on Operating Budget			2400			600	600	600	600
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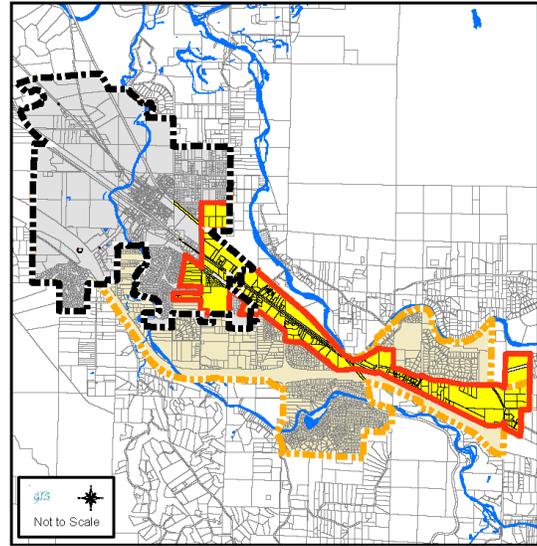
2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Sewer Capital Improvement
 Project Name: ULID No. 6
 Department Lead : Ron Garrow
 Total Project Cost: 17,000,000
 Non City Revenue: -
 Net City Cost: 17,000,000

Project Description and Justification:

Design and construct collection infrastructure, pumping stations and any other infrastructure necessary to extend sewer service along North Bend Way to Edgewick Road.



Project Financial Summary

	Prior Years	2010 Budget	Total 2008-13	2008 Actual	2009 Actual	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast
Project Costs:									
Mgt & Eng	2,055,464		2,055,464	916,561	1,138,903				
Acquisition	116,089		116,089		116,089				
Construction	380,727	14,100,000	14,480,727		380,727	14,100,000			
Debt Service	365,000		365,000		365,000				
Total	2,917,280	14,100,000	17,017,280	916,561	2,000,719	14,100,000	-	-	-

Project Funding Sources:

Federal Grants			-						
State Grants			-						
County Grants			-						
Developer Contributions			-						
City Contributions			-						
General Fund			-						
Street Fund			-						
Street Capital Fund			-						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds	10,000,000	8,000,000	18,000,000						
Total	10,000,000	8,000,000	18,000,000	-	-	-	-	-	-



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Park Improvement
Project Name: Tollgate Farmhouse Renovation
Department Lead : Mike McCarty
Total Project Cost: 40,000
Non City Revenue: 25,000
Net City Cost: 15,000



Project Description and Justification:

Replacing a damaged section of front foundation wall and rim joists along the front of the home and reconstructing a historically-accurate front porch.

Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2010 Budgeted	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:									
Mgt & Eng			-						
Acquisition			-						
Construction		39,422	39,422	39,422					
Debt Service			-						
Total	-	39,422	39,422	39,422	-	-	-	-	-
Project Funding Sources:									
Federal Grants			-						
State Grants			-						
County Grants			25,000						
Developer Contributions			-						
City Contributions									
General Fund			-						
Street Fund			-						
Street Capital Fund			-						
Capital Improvement Fund			-						
Park Improvement Fund			15,000						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	-	40,000	-	-	-	-	-	-



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Streets Capital Improvement

Project Name: ADA Curb Ramp Installation Downtown

Department Lead : Tom Mohr

Total Project Cost: 214,610

Non City Revenue: 182,419

Net City Cost: 32,191

Project Description and Justification:

Install 11 ADA compliant curb ramps at corners without existing ramps, replace 19 non-compliant ADA curb ramps, and retrofit 10 ADA compliant ramps with epoxy coated truncated domes.

Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:									
Mgt & Eng		14,610	14,610	14,610					
Acquisition			-						
Construction		200,000	200,000	200,000					
Debt Service			-						
Total	-	214,610	214,610	214,610	-	-	-	-	-
Project Funding Sources:									
Federal Grants			-						
State Grants		182,419	-						
Other Grants			-						
Developer Contributions			-						
City Contributions			-						
General Fund			-						
Street Fund			-						
Street Capital Fund		32,191	-						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	214,610	-	-	-	-	-	-	-
Estimated Impact on Operating Budget		0	0	0	0	0	0	0	0



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Streets Capital Improvement
Project Name: Mt Si Complex Sidewalk Railing
Department Lead : Tom Mohr

Total Project Cost: 39,422

Non City Revenue:

Net City Cost: 39,422

Project Description and Justification:

Placing approximately 200 feet of sidewalk railing along the newly constructed sidewalk in front of the Mt. Si Complex between Les Schwab and the 76 Gas Station.



Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:									
Mgt & Eng			-						
Acquisition			-						
Construction		39,422	39,422	39,422					
Debt Service			-						
Total	-	39,422	39,422	39,422	-	-	-	-	-
Project Funding Sources:									
Federal Grants			-						
State Grants			-						
Other Grants			-						
Developer Contributions			-						
City Contributions			-						
General Fund			-						
Street Fund			-						
Street Capital Fund		39,422	-						
Capital Improvement Fund			-						
Park Improvement Fund			-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	39,422	-	-	-	-	-	-	-
Estimated Impact on Operating Budget			0	0	0	0	0	0	0



2010 Capital Projects

CIP Project Form 2010 Budget

CIP Program: Park Improvement

Project Name: Boalch Trail

Department Lead : Mike McCarty

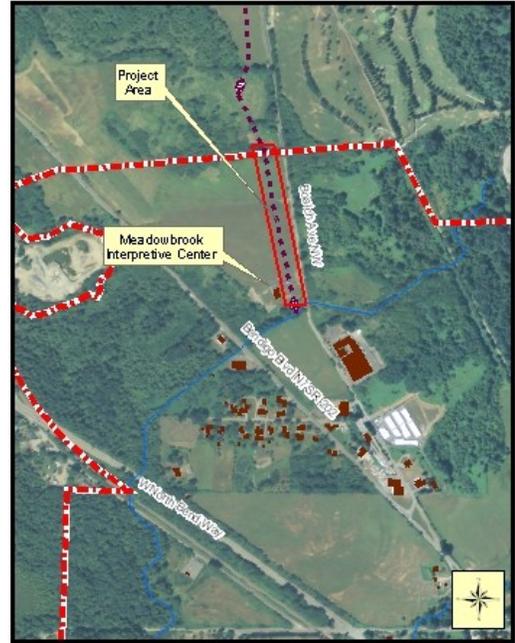
Total Project Cost: 36,000

Non City Revenue:

Net City Cost: 36,000

Project Description and Justification:

Design and construction of Boalch Trail between Snoqualmie City Limits to Meadowbrook Farm Interpretive Center.



Project Financial Summary

	Prior Years	2010 Budget	Total 2010-15	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Project Costs:									
Mgt & Eng			-						
Acquisition			-						
Construction		29,076	36,000	29,076	6,924				
Debt Service			-						
Total	-	29,076	36,000	29,076	6,924	-	-	-	-
Project Funding Sources:									
Federal Grants			-						
State Grants			-						
Other Grants			-						
Developer Contributions			-						
City Contributions			-						
General Fund			-						
Street Fund			-						
Street Capital Fund			-						
Capital Improvement Fund			-						
Park Improvement Fund		29,076	-						
Water Capital Improvement Fund			-						
Sewer Capital Improvement Fund			-						
Storm Drainage Capital Improvement Fund			-						
Bond Proceeds			-						
Total	-	29,076	-	-	-	-	-	-	-



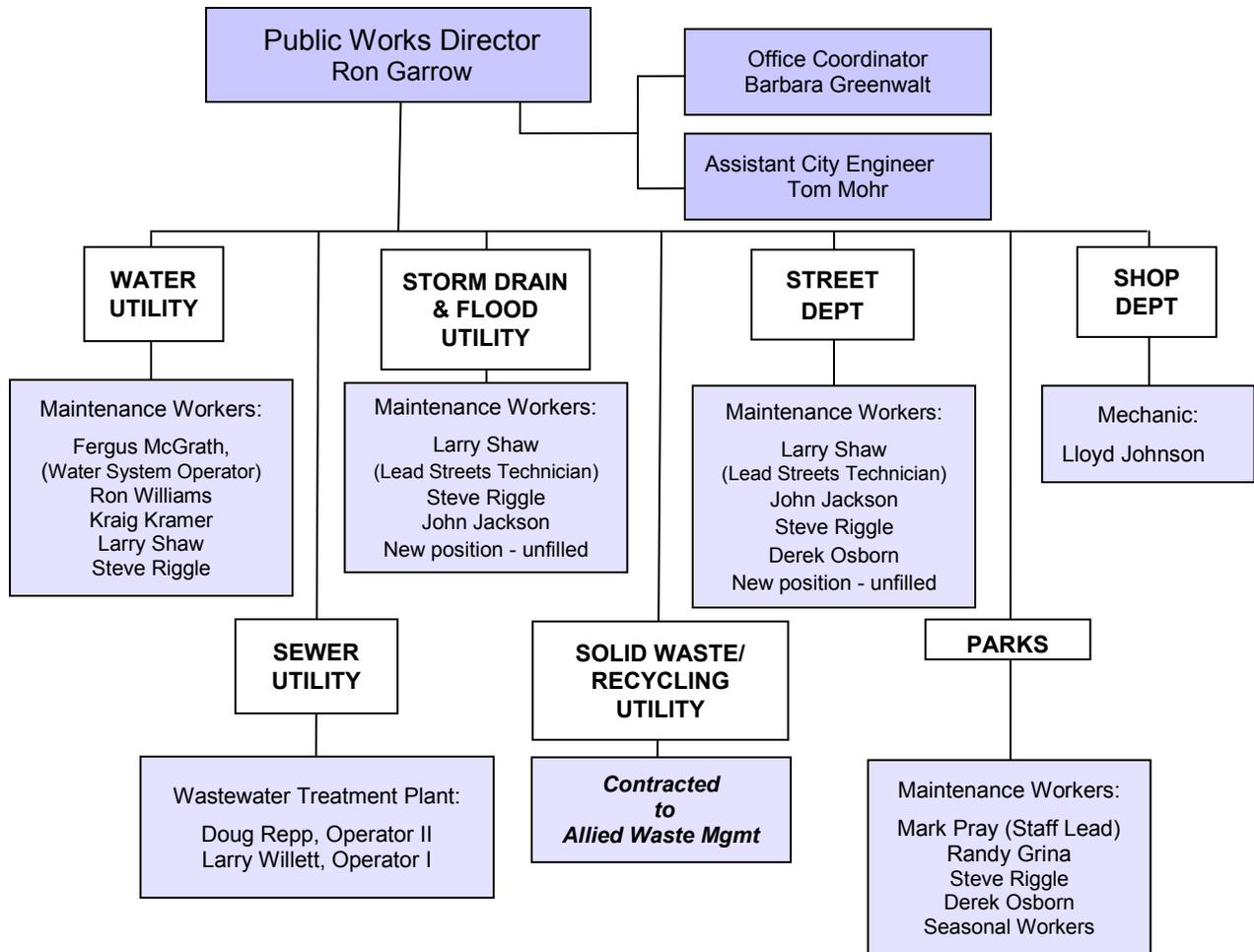
Photograph by: Matt N. Johnson

All the art of living lies in a fine mingling of letting go and holding on.
Henry Ellis



Public Works Organizational Chart

Utilities, Street & Maintenance Shop Departments



Regulatory Functions

- Engineering plan review (site plans, subdivisions)
- Developer extension agreements
- Clearing and grading permits
- Storm and drain permits
- Street use permits
- Water and sewer permits
- R/W & on-site civil inspections

Other Functions

- Capital project management
- Sewer/water availability certificates
- Utility franchise coordination
- Infrastructure planning (flood, sewer, storm, transportation, water)



Water Utility

Utility Functions

- Provide safe drinking water to customers
- Operate and maintain water source, pumping facilities, transmission and distribution system, and storage tanks
- Ensure water is readily available for fire suppression
- Bill and collect charges for service through the finance department

2009 Water Rates							
<u>Inside City Customers</u>				0 - 20 cm	21 - 30 cm	30 + cm	
Single Family Residential	\$8.13	\$18.36	\$35.43	\$55.91	\$0.77	\$1.01	\$1.24
Senior / Disabled *	\$4.07	\$9.18	\$17.72	\$27.96	\$0.39	\$0.51	\$0.61
Multi Family Residential (base rate charged per unit)	\$6.31	\$13.29	\$24.92	\$38.86	\$1.06	\$1.06	\$1.06
Commercial (base rate charged per unit)	\$12.00	\$28.05	\$54.78	\$86.87	\$0.86	\$0.86	\$0.86
Irrigation	\$1.91	\$2.81	\$4.31	\$6.11	0 - 85 cm	85 + cm	
					\$0.86	\$1.27	

<u>Outside City Customers</u>							
				0 - 20 cm	21 - 30 cm	30 + cm	
Single Family Residential	\$13.42	\$30.32	\$58.46	\$92.25	\$1.27	\$1.69	\$2.06
Multi Family Residential (base rate charged per unit)	\$10.42	\$21.93	\$41.10	\$64.12	\$1.74	\$1.74	\$1.74
Commercial (base rate charged per unit)	\$19.81	\$46.27	\$90.39	\$143.33	\$1.41	\$1.41	\$1.41

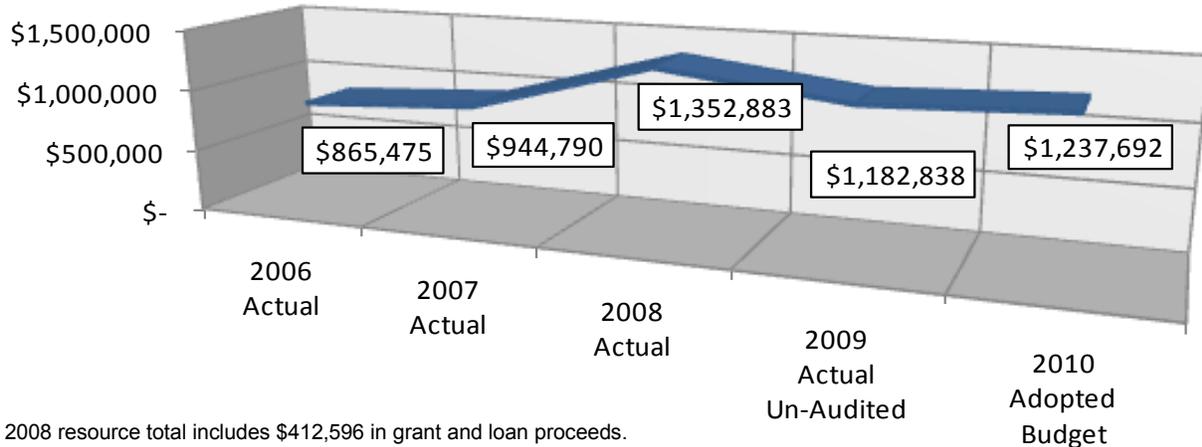
2010 Water Rates							
Ordinance #1245	Monthly Water Base Charge				Water Volume Charge		
	3/4" meter	1" meter	1.5" meter	2" meter	Block 1	Block 2	Block 3
<u>Inside City Customers</u>					0 - 20 cm	21 - 30 cm	30 + cm
Single Family Residential	\$9.15	\$20.68	\$39.90	\$62.96	\$0.87	\$1.14	\$1.40
Senior / Disabled *	\$4.58	\$10.34	\$19.96	\$31.49	\$0.43	\$0.58	\$0.69
Multi Family Residential (base rate charged per unit)	\$7.11	\$14.97	\$28.06	\$43.76	\$1.19	\$1.19	\$1.19
Commercial (base rate charged per unit)	\$13.51	\$31.58	\$61.69	\$97.82	\$0.96	\$0.96	\$0.96
Irrigation	\$2.15	\$3.17	\$4.86	\$6.88	0 - 85 cm	85 + cm	
					\$0.96	\$1.43	
<u>Outside City Customers</u>					0 - 20 cm	21 - 30 cm	30 + cm
Single Family Residential	\$15.12	\$34.14	\$65.83	\$103.88	\$1.43	\$1.90	\$2.32
Multi Family Residential (base rate charged per unit)	\$11.74	\$24.70	\$46.28	\$72.20	\$1.96	\$1.96	\$1.96
Commercial (base rate charged per unit)	\$22.30	\$52.10	\$101.79	\$161.40	\$1.59	\$1.59	\$1.59

Water Department Staff			%FTE
Public Works Director	Ron Garrow		14%
Assistant City Engineer	Tom Mohr		10%
Public Works Office Coordinator	Barbara Greenwalt		17%
Lead Water System Operator	Fergus McGrath		96%
Maintenance Worker	Ron Williams		96%
Maintenance Worker	Kraig Kramer		94%
Lead Streets Technician.....	Larry Shaw		4%
Maintenance Worker	Steve Riggle.....		5%



Water Utility

WATER RESOURCES



2008 resource total includes \$412,596 in grant and loan proceeds.

2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	140,895	214,520	171,972	-20%
Grants & PWTF Loan	412,596	5,833	0	-100%
Licenses & Permits	0	506	776	53%
Charges for Services	774,117	946,912	1,054,944	11%
Interest & Misc. Revenue	25,275	15,066	10,000	-34%
Total Resources	1,352,883	1,182,838	1,237,692	5%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	479,621	483,582	464,623	-4%
Overhead	246,003	279,342	291,585	4%
Source Development Projects	302,360	64,424	-	-100%
Mitigation Water Purchase	-	83,586	85,000	2%
Annexation Study	7,000	-	-	N/A
Debt	69,749	84,333	86,377	2%
Water Comp Plan	22,815	28,175	-	-100%
Equipment Trailer	-	-	4,333	N/A
Telemetry Sys:Add Re:H2O Rgt	3,723	-	-	N/A
Council/NBTV Equipment	1,281	-	-	N/A
CH Telephone System Replacement	2,669	-	-	N/A
Emergency Radio Upgrade	513	-	-	N/A
GIS Plotter/Scanner & Copier Lease	2,629	4,123	4,010	-3%
Ending Fund Balance	214,520	155,275	301,764	94%
Total Appropriated	1,352,883	1,182,838	1,237,692	5%



Sewer Utility

Utility Functions

- Operate and maintain wastewater collection and conveyance system
- Comply with Department of Ecology water quality standards
- Operate and maintain wastewater treatment plant and discharge facilities
- Bill and collect charges for service through the finance department

2009 Sewer Rates		
Ordinance #1314 June 17, 2008	Monthly Sewer Base Charge	Sewer Volume Charge (per cubic meter of water usage over the first ten CM)
Single Family Residential	\$57.07	\$0.59
Senior / Disabled	\$26.19	\$0.00
Multi Family Residential (base rate charged per unit)	\$57.07	\$0.59
Commercial/Inside City (base rate charged per unit)	\$57.07	\$2.18
Commercial/Outside City & all other users (base rate charged per unit)	\$87.63	\$2.68 (per cm)
2010 Sewer Rates		
Ordinance #1314 June 17, 2008	Monthly Sewer Base Charge	Sewer Volume Charge (per cubic meter of water usage over the first ten CM)
Single Family Residential	\$61.92	\$0.64
Senior / Disabled	\$28.42	\$0.00
Multi Family Residential (base rate charged per unit)	\$61.92	\$0.64
Commercial/Inside City (base rate charged per unit)	\$61.92	\$2.37
Commercial/Outside City & all other users (base rate charged per unit)	\$95.08	\$2.91 (per cm)

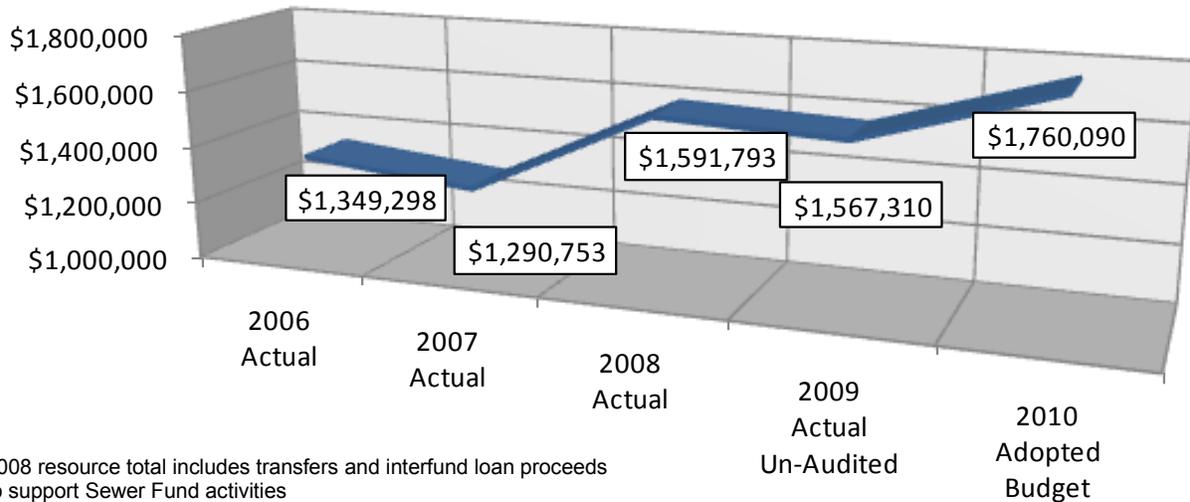
Sewer Department Staff

		%FTE
Public Works Director	Ron Garrow	22%
Assistant City Engineer	Tom Mohr	10%
Public Works Office Coordinator	Barbara Greenwalt	17%
Wastewater Treatment Plant Operator II	Doug Repp	100%
Wastewater Treatment Plant Operator I	Larry Willett	100%



Sewer Utility

SEWER RESOURCES



2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	31,673	3,294	272,161	8163%
Charges for Services	1,177,465	1,381,741	1,480,929	7%
Septic Waste Disposal Service	0	2,167	0	-100%
YAC Property Insurance Recovery	0	132,911	0	-100%
Interest & Misc. Revenue	382,655 *	47,197	7,000	-85%
Total Resources	1,591,793	1,567,310	1,760,090	12%

Expenditures	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	344,129	320,280	358,887	12%
Overhead	511,807	400,691	387,441	-3%
Annexation Study	7,000	0	0	N/A
Debt	717,041	601,084	598,797	0%
Telemetry System	1,596	0	0	N/A
Odor Control Equipment	0	0	0	N/A
Council/NBTV Equipment	1,238	0	0	N/A
CH Telephone System Replacement	2,562	0	0	N/A
Emergency Radio Upgrade	497	0	0	N/A
GIS Plotter/Scanner & Copier Lease	2,629	4,123	4,010	-3%
Equipment Trailer	0	0	4,333	N/A
YAC Settlement	0	21,500	0	-100%
Tr to Storm Capital	0	138,572	0	-100%
Ending Fund Balance	3,294	81,061	406,622	402%
Total Appropriated	1,591,793	1,567,310	1,760,090	12%

* Transfers and Interfund Loan proceeds to support Sewer Fund activities in 2008.



Storm Drain Utility

In 2001, the City of North Bend adopted a Storm Water Management Plan. This planning effort resulted in the development of a storm water utility, responsible for maintaining current storm drains and the construction of additional drains, where necessary, to handle excess surface water during storm events. The utility is funded by a rate structure, which began in June 2001, and was added to the City utility bill; the monthly fee is \$9.86 per month for storm drain for an individual residence.

Utility Functions

- Operate and maintain a stormwater collection and conveyance system
- Protect the environment with spill control and treatment facilities
- Bill and collect charges for service through the Finance Department

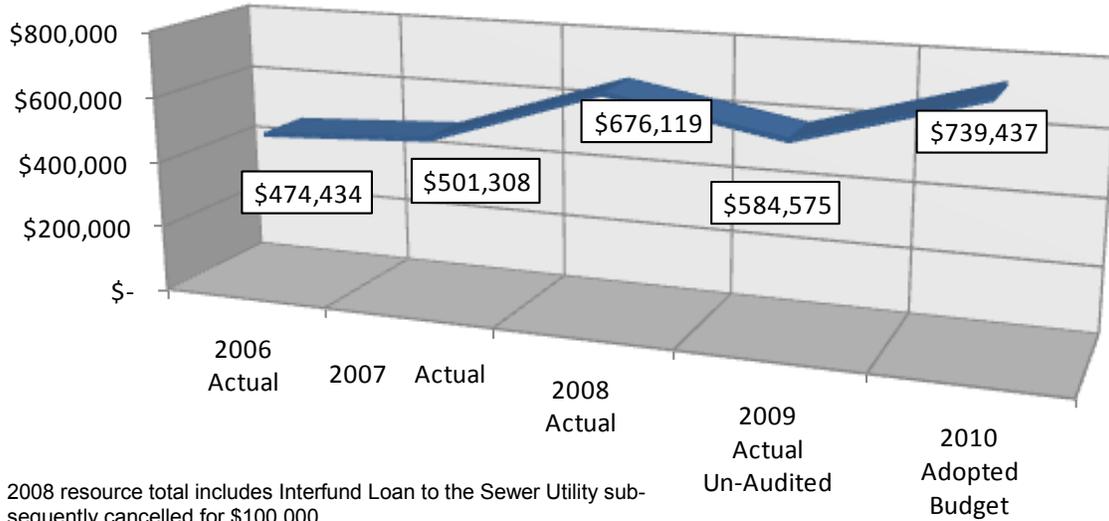
2010 Storm Drain & Flood Rates		
Ordinance #1117 May 1, 2001	Monthly Storm Drain/Flood Utility**	
	Storm Drain \$9.86 Flat Fee	Flood Management \$2.50 Flat Fee

Storm Drain Department Staff		
		%FTE
Public Works Director	Ron Garrow	10%
Assistant City Engineer	Tom Mohr	10%
Public Works Office Coordinator	Barbara Greenwalt	7.5%
Lead Streets Technician	Larry Shaw	49%
Maintenance Worker	Steve Riggle	22.5%
Maintenance Worker	John Jackson	49%
Maintenance Worker	Unknown	50%



Storm Drain Utility

STORM RESOURCES



2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	137,309	105,189	101,537	-3%
Licenses & Permits				N/A
Charges for Services	434,176	471,991	635,900	35%
Interfund Loan Payment	100,000			N/A
Interest & Misc. Revenue	4,634	7,395	2,000	-73%
Total Resources	676,119	584,575	739,437	26%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	193,490	196,960	235,418	20%
Overhead	119,047	97,445	118,486	22%
Debt	163,245	166,156	158,887	-4%
IF Loan		35,796	34,975	-2%
Annexation Study	7,000			N/A
Council/NBTV Equipment	734			N/A
CH Telephone System Replacement	1,495			N/A
Emergency Radio Upgrade	290			N/A
GIS Plotter/Scanner & Copier Lease	2,629	3,389	3,300	-3%
Streets/Storm Maintenance Truck			4,000	N/A
Equipment Trailer			4,333	N/A
Transfer to Storm Capital	83,000	27,954	33,929	21%
Ending Fund Balance	105,189	56,875	146,109	157%
Total Appropriated	676,119	584,575	739,437	26%



Flood Utility

In 2001, the City of North Bend adopted a Storm Water Management Plan. This planning effort resulted in the development of a storm water utility, as part of the storm water utility the flood utility is responsible for maintaining current storm drains and the construction of additional drains, where necessary, to handle excess surface water during storm events. The utility is funded by a rate structure, which began in June 2001, and was added to the City utility bill; the monthly fee is \$2.50 per month for flood management for an individual residence.

Utility Functions

Operate and maintain programs to address drainage and flooding problems
 Bill and collect charges for service through the Finance Department

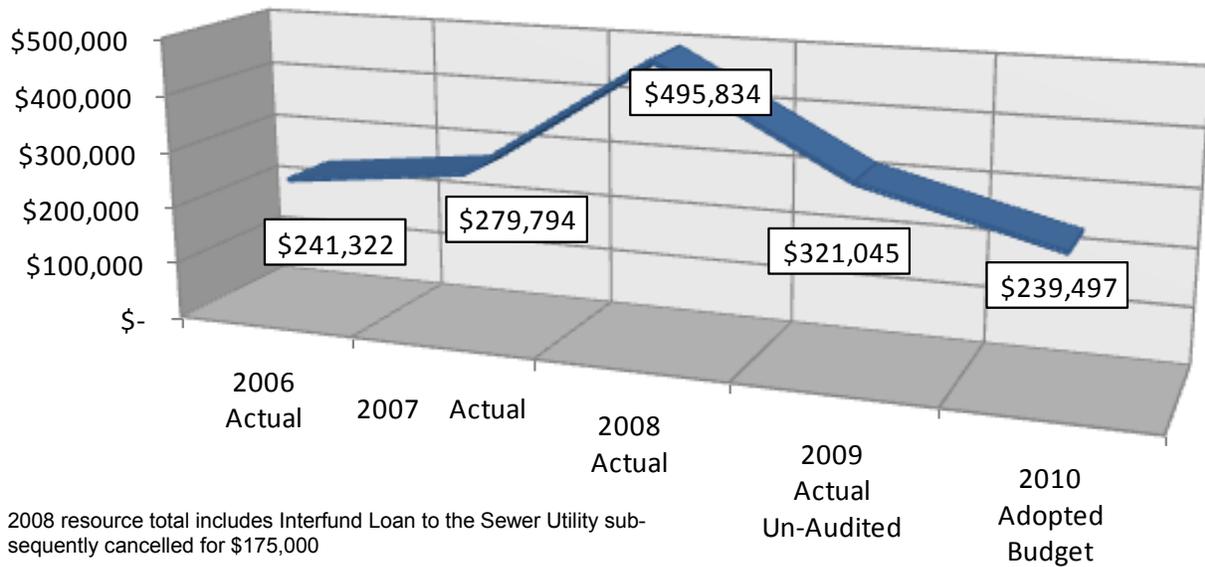
2010 Storm Drain & Flood Rates		
Ordinance #1117 May 1, 2001	Monthly Storm Drain/Flood Utility**	
	Storm Drain \$9.86 Flat Fee	Flood Management \$2.50 Flat Fee

Flood Department Staff		
		%FTE
Public Works Director	Ron Garrow	10%
Assistant City Engineer	Tom Mohr	10%
Public Works Office Coordinator	Barbara Greenwalt	7.5%



Flood Utility

FLOOD RESOURCES



2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	204,199	67,268	80,347	19%
Licenses & Permits	300	1,332	500	-62%
Charges for Services	109,889	118,694	157,150	32%
Interest & Misc. Revenue	181,446	133,751	1,500	-99%
Total Resources	495,834	321,045	239,497	-25%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	75,801	59,985	62,490	4%
Overhead	6,899	93,290	14,008	-85%
Debt	0	734	670	-9%
IF Loan to Sewer	175,000	0	0	N/A
Council/NBTV Equipment	171	0	0	N/A
CH Telephone System Replacement	427	0	0	N/A
Emergency Radio Upgrade	87	0	0	N/A
Tr to Storm Capital	170,181	0	0	N/A
Ending Fund Balance	67,268	167,037	162,329	-3%
Total Appropriated	495,834	321,045	239,497	-25%



Solid Waste & Recycling Utility

The City of North Bend contracts with Allied Waste Services to provide the following functions:

- Solid waste collection services within the City limits
- Curbside recycling services
- Curbside yard waste recycling services

Also, the City provides a seasonal yard waste recycling station at the Public Works Shop every Saturday starting in May and ending in October.

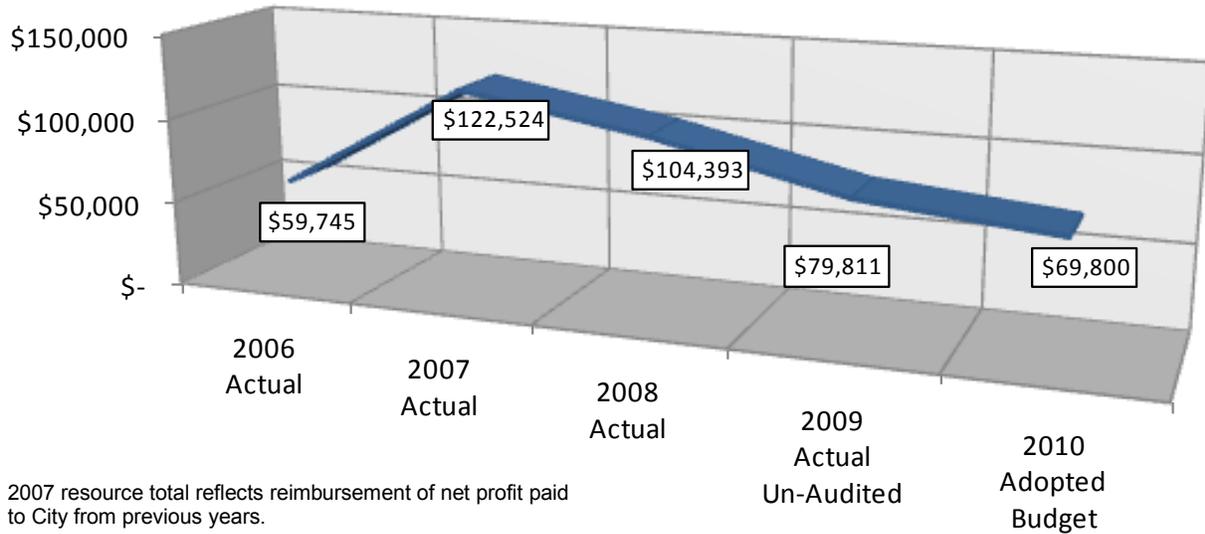
Solid Waste & Recycling Department Staff

	%FTE
Public Works Director.....Ron Garrow.....	1%



Solid Waste & Recycling Utility

SOLID WASTE RESOURCES



2010 Resources By Category	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	61,081	43,654	51,750	19%
Charges for Services (Net)	19,186	1,888	4,000	112%
Grant Revenues	22,281	33,608	13,800	-59%
Interest & Misc. Revenue	1,846	661	250	-62%
Total Resources	104,393	79,811	69,800	-13%

Description	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	15,152	12,199	12,276	1%
Yard Waste Collection	18,009	16,920	15,000	-11%
Recycling Activity	19,976	19,949	6,800	-66%
City's Overhead	7,601	24,953	0	-100%
Ending Fund Balance	43,654	5,790	35,724	517%
Total Appropriated	104,393	79,811	69,800	-13%



Photograph by: Matt N. Johnson

Spring is nature's way of saying "Let's party!!"
Robin Williams



Utilities' Capital Projects

Project Name	Total Budget	2010 Expenditures	Funding Source	Description
Water				
<i>Water Total</i>	-	-		
Sewer				
ULID No. 6	17,000,000	14,100,000	Property owners benefiting from the Utility Limited Improvement District	Construct collection infrastructure, pumping stations and any other infrastructure necessary to extend sewer service along North Bend Way to Edgewick Road.
<i>Sewer Total</i>	17,000,000	14,100,000		
Storm				
<i>Storm Total</i>	-	-		
UTILITIES Capital Projects Total	\$ 17,000,000	\$ 14,100,000		



Equipment Operating Fund (Shop)

Shop Department Functions

- Properly maintain all city equipment
- Purchase replacement equipment when necessary
- Provide repair services to City buildings

Shop Department Staff

		%FTE
Public Works Director	Ron Garrow	5%
Public Works Office Coordinator	Barbara Greenwalt	17%
Mechanic	Lloyd Johnson	98%



Equipment Operating Fund (Shop)

Through the City's Equipment Operating and Reserve Fund, the City maintains equipment and saves to replace current equipment to equalize equipment expenditures from year to year.

The organization chart and function description for the Shop is within the Public Works Department.

Equipment Operating

Shop Operating: Resources	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Miscellaneous Revenue	3,337	0	0	N/A
Transfers In From Participating Funds	315,383	281,726	280,738	0%
Total	318,720	281,726	280,738	0%

Shop Operating: Expenditures	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	109,580	103,559	107,400	4%
Overhead	166,762	134,511	124,907	-7%
Debt	42,378	43,656	44,097	1%
Equipment Trailer	0	0	4,334	N/A
Total	318,720	281,726	280,738	0%

Equipment Reserve

Equipment Reserve Fund: Resources	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	345,246	39,448	101,253	157%
Interest	0	0		N/A
Transfers In	0	0	68,150	N/A
Insurance Recovery	0	0		N/A
Interfund Loan Receipt	0	98,439	96,182	-2%
Total Resources	345,246	137,887	265,585	93%

Equipment Reserve Fund: Expenditures	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Interfund Loans	275,000	0	0	N/A
Equipment Replacements	30,798	0	0	N/A
Debt	0	36,633	36,633	0%
Ending Fund Balance	39,448	101,254	228,952	126%
Total Appropriated	345,246	137,887	265,585	93%



Technology Operating Fund Administered by the Finance Department

Through the city's Equipment Rental and Reserve Fund the City maintains technology equipment and saves money to replace current equipment, which equalizes technology expenditures from year to year.

Technology Services

- Maintain wide & local area networks
- E-Mail setup and maintenance
- Website development & management
- Hardware and software purchasing
- Long-term planning for system upgrades
- Centralized training for systems operation
- Employee/user support "Help-Desks"
- Centralized technology vendor contacts
- Maintain City's cable broadcasting station

Technology Department Staff

Administration / Management	(Sets Policy)
Technology Director	Elena Montgomery
City-Wide Technology Coordinator	Stan Lewis
Webmaster	Cheryl Proffitt
Help Desk - City Hall	Susie Oppedal
Help Desk - Community Services	Tom Meagher
Help Desk - Public Works.....	Larry Shaw



Technology Operating Fund

Technology Operating

Technology: Operating Resources	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	14,358	298	0	-100%
Transfers In	103,071	136,347	148,670	9%
Total	117,429	136,645	148,670	9%

Technology: Operating Expenditures	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Personnel	48,096	52,729	52,982	0%
Overhead	69,035	83,916	95,688	14%
Ending Fund Balance	298	0	0	N/A
Total	117,429	136,645	148,670	9%

Technology Reserve

Technology Reserve Fund: Resources	2008 Actual	2009 Actual (Un-audited)	2010 Estimated	Variance 09-10 %
Beginning Balance	14,476	18,973	42,259	123%
Interest				N/A
Transfers In	21,459	38,927	56,696	46%
Total Resources	35,935	57,900	98,955	71%

Technology Reserve Fund: Expenditures	2008 Actual	2009 Actual (Un-audited)	2010 Adopted	Variance 09-10 %
Equipment Replacements	16,962	15,771	50,617	221%
Ending Fund Balance	18,973	42,129	48,338	15%
Total Appropriated	35,935	57,900	98,955	71%



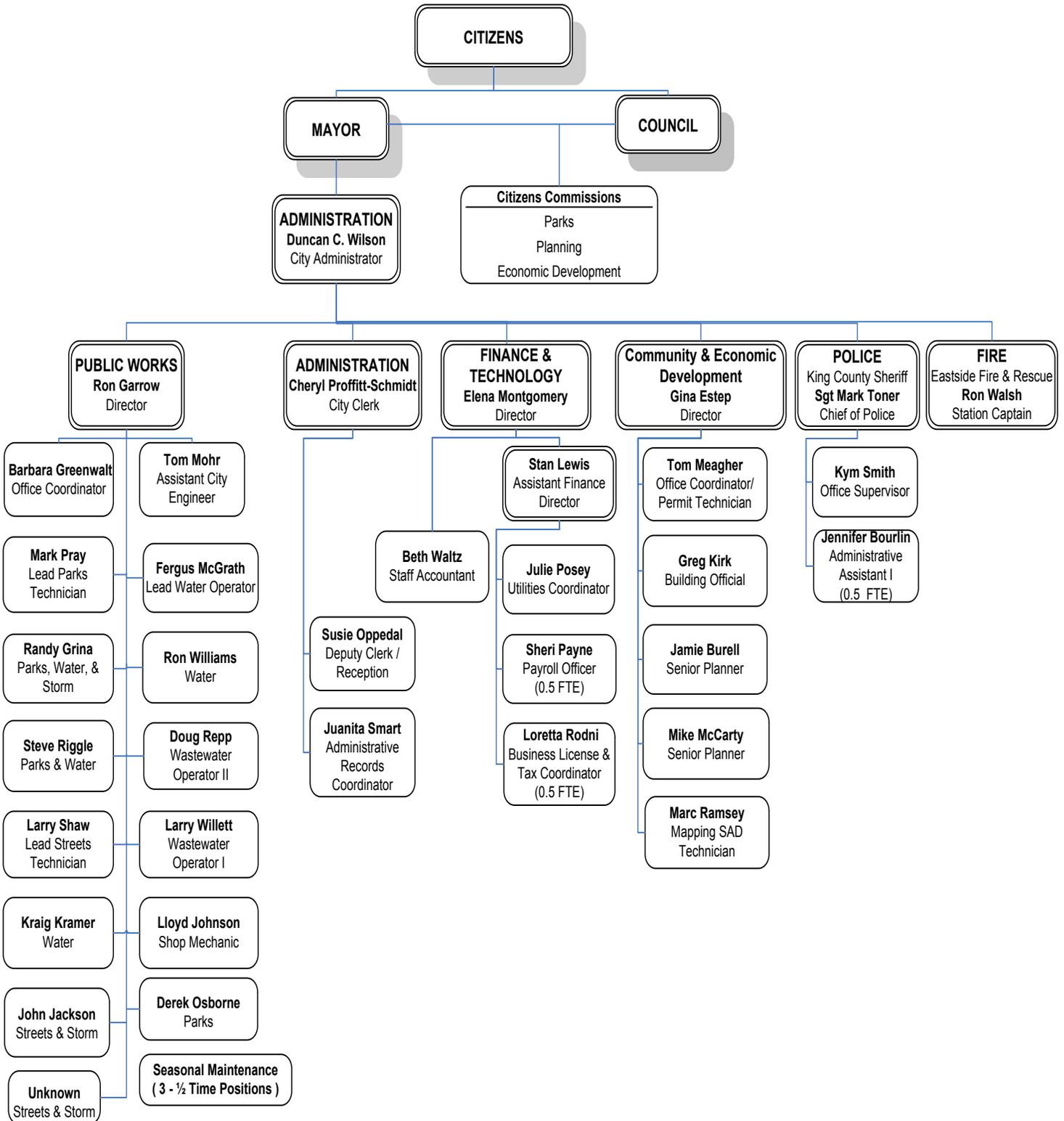
A truly American sentiment recognizes the dignity of labor and the
fact that honor lies in honest toil.
Grover Cleveland



**Employee of the Year
Larry Shaw - Lead Streets Technician**



Citywide Organizational Chart





Staff Directory



Duncan C. Wilson – City Administrator

Administrative Department



Cheryl Proffitt-Schmidt
City Clerk



Susie Oppedal
Deputy City Clerk



Juanita Smart
Administrative Records
Management



Elena Montgomery
Finance Director



Stan Lewis
Assistant Finance Director



Beth Waltz
Staff Accountant

Finance Department



Sheri Payne
Payroll Officer



Julie Posey
Utilities Coordinator



Loretta Rodni
Business License &
Tax Coordinator



Staff Directory



Sgt. Mark Toner
Chief of Police



Kym Smith
Police
Office Supervisor



Jennifer Bourlin
Police
Office Assistant

Public Safety



Ron Walsh
Fire Station Captain

Community & Economic Development Services



Gina Estep
Community & Eco-
nomic Development
Director



Greg Kirk
Building Official



Jamie Burrell
Senior Planner



Marc Ramsey
Mapping CAD Technician



Tom Meagher
Office Coordinator
Permit Technician



Mike McCarty
Senior Planner



Staff Directory



Ron Garrow
Public Works Director



Tom Mohr
Assistant City Engineer



Barbara Greenwalt
Public Works
Coordinator

Public Works Administration

Parks Department



Mark Pray
Parks - Lead



Randy Grina
Maintenance
(Journey)



Steve Riggle
Maintenance
(Journey)



Derek Osborn
Maintenance
(Journey)



Larry Shaw
Streets—Lead



John Jackson
Maintenance
(Journey)

Streets/Storm Department



Staff Directory

Water Department



Fergus McGrath
Water System
Operator - Lead



Ron Williams
Maintenance
(Journey)



Kraig Kramer
Maintenance
(Journey)



Doug Repp
Wastewater Operator II



Larry Willett
Wastewater Operator I

Sewer Department

Shop



Lloyd Johnson
Mechanic



Personnel History

DEPARTMENTS	2006	2007	2008	2009	2010
Administration	3.00	2.00	2.00	2.00	2.70
City Administrator	1.00	1.00	1.00	1.00	1.00
Community & Economic Development Services					
Director	1.00	1.00	1.00	1.00	1.00
Building	1.00	1.00	1.00	1.00	1.00
Planning	1.00	1.00	1.00	1.50	1.50
Support Staff	1.00	1.00	1.00	1.00	1.00
GIS Staff	1.00	1.00	1.00	1.00	1.00
Finance & Technology	4.20	4.20	4.00	4.00	4.00
Director	1.00	1.00	1.00	1.00	1.00
Police Administration	1.50	1.50	1.50	1.50	1.50
Public Works					
Director	1.00	1.00	1.00	1.00	1.00
Public Works Field Supervisor	1.00	1.00	1.00	1.00	0.00
Assistant City Engineer	1.00	1.00	1.00	1.00	1.00
Public Works Office Coordinator		1.00	1.00	1.00	1.00
Water	2.00	2.00	3.00	3.00	3.00
Sewer	2.00	2.00	2.00	2.00	2.00
Storm Drainage	1.00	1.00	1.00	1.00	1.00
Streets	1.00	1.00	1.00	1.00	2.00
Parks	3.00	3.00	4.00	5.00	4.00
Parks: <i>Seasonal</i>	1.00	2.00	2.00	1.50	1.50
Shop	1.00	1.00	1.00	1.00	1.00
TOTAL	29.70	30.70	32.50	33.50	33.20



In the end it's not the years in your life that count,
it's the life in your years.
Abraham Lincoln



2010 Budget Ordinance

ORDINANCE 1372

WHEREAS, as required by law the City Council held a Public Hearing for the 2010 Budget on November 17, 2009; the City Council now wishes to adopt by reference, in accordance with RCW 35A.33.075, a final budget which provides for total aggregate revenue and total aggregate expenditures; and the City Council desires to adopt a Salary Schedule for 2010.

Section 1. 2010 Budget Adoption. The following 2010 budget is hereby adopted:

Fund Name	Fund #	Estimated Revenues	Estimated Expenses
General Fund	1	\$6,623,480	\$6,623,480
Streets Operations	101	620,182	620,182
Capital Streets	102	284,379	284,379
Impact Fees	106	0	0
Economic Development	108	97,040	97,040
Contingency	109	3,340	3,340
Capital Improvement (REET)	110	226,417	226,417
Park Capital Improvement	116	85,399	85,399
Development Projects	125	160,628	160,628
LID #5 Bond Redemption	211	0	0
Tollgate Bond Redemption	214	113,900	113,900
Downing Street Property Loan Payment	215	39,600	39,600
Public Works Trust Fund Debt Service	240	17,750	17,750
Municipal Projects	310	2,118,962	2,118,962
Water Operations	401	1,237,692	1,237,692
Sewer Operation	402	1,760,090	1,760,090
Storm Drainage & Flood Management Operations	404	978,934	978,934
Solid Waste and Recycling Operations	405	69,800	69,800
Water Capital Improvements	411	549,650	549,650
Sewer Capital Improvements	412	0	0
Storm Drainage & Flood Capital Improvements	414	33,929	33,929
1997 Clarifier Bond Redemption	427	118,800	118,800
Revenue Bonds Reserve	428	484,200	484,200
Public Works Shop Bond Redemption	429	294,000	294,000
Storm Priority 1 Bond Redemption	430	116,170	116,170
ULID #6 Sewer Project	450	14,100,000	14,100,000
ULID #6 Bond Redemption	451	540,000	540,000
Equipment & Technology Operating	501	429,408	429,408
Equipment & Technology Reserve	502	364,540	364,540
LID Guaranty	621	0	0
TOTALS		\$31,468,290	\$31,468,290

A certified copy of this ordinance and the final 2010 Budget Document will be submitted to the State Auditor, Division of Municipal Corporations, and to the Association of Washington Cities. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on January 1, 2010.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 8th DAY OF DECEMBER, 2009.



Great changes may not happen right away, but
with effort even the difficult may become easy.
Bill Blackman



2010 Budget Ordinance: Salary Schedule

Position	Monthly Salary Range		Employees
	From	To	
Mayor and Council			
Mayor	\$ 2,000	N/A	Official
Council Member	400	N/A	Official
Management (Exempt)			
City Administrator	\$ 8,112	\$ 10,019	1
Public Works Director	7,031	8,683	1
Finance Director	6,760	8,346	1
Community & Economic Dev. Director	6,176	7,626	1
Assistant City Engineer	6,087	7,516	1
Assistant Finance Director	5,190	6,563	1
Building Official	4,913	6,067	1
City Clerk	4,702	5,807	1
Public Works Bargaining Unit			
Wastewater Operator II	4,635	5,475	1
Lead Water System Operator	4,532	5,270	1
Lead Parks Technician	4,387	5,125	1
Lead Streets Technician	4,387	5,125	1
Wastewater Operator I	4,297	5,080	1
Mechanic	3,910	4,823	1
Maintenance (Journey)	3,882	4,590	5
Maintenance (Entry)	3,304	3,542	2
Maintenance (Seasonal-3 Positions)	12/hr	15/hr	1.5
Professional, Technical, Clerical Bargaining Unit			
Senior Planner	4,850	5,900	1.5
Staff Accountant	4,360	5,306	1
Police Office Supervisor	3,823	4,745	1
Payroll Officer	3,823	4,745	0.5
Mapping CAD Technician	3,657	4,665	1
Utilities Coordinator	3,690	4,491	1
Public Works Office Coordinator	3,447	4,400	1
Office Coordinator / Permit Technician	3,447	4,400	1
Deputy Clerk	3,176	4,175	1
Business License & Tax Coordinator	3,176	4,175	0.5
Administrative Assistant I	2,918	3,621	1.2
Total FTEs			33.2



A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history.
Mohandas Gandhi



2009 Distinguished Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of North Bend
Washington**

For the Fiscal Year Beginning

January 1, 2009

President

Executive Director



The Budget Document

Authority and Guideline for Spending Public Funds

The budget is the legal authority to obligate public funds. It also provides policy direction by the City Council to the staff and community as well as a financial plan for the current year.

Preparation of the annual budget involves every City official and employee. Each member of the City team has the opportunity and responsibility to contribute suggestions for projects and processes that would improve the City or use the City's resources more efficiently. Budget preparation is difficult, time consuming and frustrating, yet valuable and rewarding. The end result is a collaborative, comprehensive set of plans and directives for the management of a large and diverse entity's activities and resources for the coming year and beyond. The budget provides four functions:

1. **The budget as a policy document:** Decisions made during the budget process and documented herein reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.
2. **The budget as a financial plan:** Financial planning is the most basic aspect of the budget process and is a requirement of state law. The budget must be adopted as a balanced budget and must be in place prior to the expenditure of any City funds. The budget is the legal authority to expend public monies, and controls those expenditures by limiting the amount of the appropriation at the fund level. Revenues and beginning cash balances are estimated to determine the resources available in each fund. Council and staff expenditure requests, other commitments such as debt service requirements, and desired ending cash reserves are balanced against available resources to determine department and fund appropriations.
3. **The budget as an operational guide:** The functions and/or goals of each department and fund are described in the following sections, along with the objectives planned for the current year to perform those functions and meet those goals. The expenditures are then summarized by department, fund and for the City as a whole. This process assists in maintaining an understanding of the various operations of the city and how they relate to each other and to the attainment of the policy issues and goals of the City Council.
4. **The budget as a communication device:** The budget provides a unique opportunity to allow and encourage public review of City operations. The budget document describes the activities of the City, the reason or cause for those activities and future implications. The budget process invites individual citizens to provide direct input to the budget. Citizens are always welcome to discuss problems, desires and opportunities with the Mayor, City Council and staff. These discussions frequently lead to budget objectives. Additionally, the City holds a public hearing on the budget where the public is formally invited to participate in the budget process.



The Budget Document

Authority and Guideline for Spending Public Funds

Basis of the Budget

The budget is prepared on the cash basis of accounting: 1. Revenues are recognized when they are collected and 2. Expenditures are recognized when payment is made.

The annual financial report of the City is prepared on the same basis for all fund types (the General Fund, Special Revenue funds, Debt Service funds, and Proprietary funds). The budget can be directly compared to the operating reports in the annual financial report for all funds.

The basis for budgeting is consistent with state law and is practical both for preparing and managing the budget. The basis for reporting, although not consistent with Generally Accepted Accounting Principles (GAAP), is acceptable for Cash Basis cities in the State of Washington.

Amending the budget

The City Administrator, Finance Director, or Mayor is authorized to transfer budget amounts between categories within funds or General Fund departments. However, any revisions that alter the total expenditures of a fund, or affect the number of authorized employee positions, salary ranges, hours or other conditions of employment, must be approved by the City Council. When the City Council determines that it is in the best interest of the city to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by one more than the majority of the City Council after holding a public hearing.



Financial Policies

Background and Purpose

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of North Bend. Therefore, the establishment and maintenance of wise fiscal policies enables City officials to protect public interests and ensure public trust.

This document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

Operating Budget Policies

The Municipal Budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

- The City Council will establish municipal service levels and priorities for the ensuing year prior to and during the development of the preliminary budget.
- The City Mayor shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.
- Adequate maintenance and replacement of the City's facilities, buildings, technology and equipment will be provided for in the annual budget.
- The current fiscal year budget shall be balanced with current year resources and any other resources available from previous years provided that adopted levels of reserve funds are not included in the available resources from prior years.

Revenue and Expenditure Policies

Annual revenues are conservatively estimated as a basis for preparation of the annual budget and City service programs.

Expenditures approved by the City Council in the annual budget define the City's spending limits for the upcoming fiscal year. Beyond the requirements of law, the City will maintain an operating philosophy of cost control and responsible financial management.

- The City will maintain revenue and expenditure categories according to state statute and administrative regulation.
- Current revenues should be sufficient to support current expenditures. In the event that a fund has a shortfall of revenues, resources from previous years may be used provided that adopted reserve levels for the fund are not utilized.



Financial Policies - continued

- All revenue forecasts will be performed utilizing accepted analytical techniques including three year trending, forecast based on per capita intergovernmental revenues, sales tax revenues extracted from the prior complete year, minus known one time lump sums for large construction projects.
- All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.
- Revenues of a limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.
- Grant applications to fund new service programs with state or federal funds will be reviewed by the City, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.
- The City of North Bend will establish and maintain Special Revenue Funds which will be used to account for proceeds from specific revenue sources to finance designated activities which are required by statute, ordinance, resolution or executive order.
- Annual expenditures will be maintained within the limitations of annual revenues or any previous year resources available outside of reserves adopted for the fund. The City will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.
- In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior complete year as a hedge against possible future economic events.
- Interest income revenue may be used to finance one-time capital or time-limited goods or services including debt service on councilmanic bond issues.
- All authorized positions will be budgeted for a full year unless specifically designated by the City Council as a partial-year position.



Financial Policies - continued

Accounting, Financial Reporting, and Auditing Policies

The City of North Bend will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles, the State of Washington Budgeting Accounting Reporting System (B.A.R.S.) and local regulations.

- A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.
- The City will meet the financial reporting standards set by the Governmental Accounting Standards Board.
- Full disclosure will be provided in all City financial reports and bond representations.
- An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion.



Financial Policies - continued

Reserve and Fund Balance Policies

Adequate fund balance and reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement for bond rating of the City's financial strength.

Maintenance of fund balance for each relevant accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages.

City and State regulations have been established to allow the City of North Bend to create and maintain specific reserve funds. Prudent use of reserve funds enables the City to defray future costs, take advantage of matching funds, and beneficial (but limited) opportunities.

Reserve funds provide the City with the ability to exercise flexible financial planning in developing future capital projects. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

- The City will establish minimum fund balance targets for each fund based on the cash flow requirements of the fund. The City will include all fund balances in the annual budget.
- The minimum fund balance will be attained and maintained through expenditure management, revenue management and/or contributions from the General Fund.
- All expenditures drawn from reserve accounts shall require prior Council approval unless previously authorized by the City Council for expenditure in the annual budget.
- A Contingency Reserve Fund may be maintained in accordance with RCW 35A.33.145 to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the annual budget. The target balance may be consistent with State law at \$.375 per \$1,000 of Assessed Valuation. Annual contributions to the Contingency Fund may be budgeted from interest income and General Fund resources. (\$196,516 for NB per AV).
- The City shall maintain a General Fund Operating Reserve to serve as a "Rainy Day Fund" to address temporary revenue shortfalls in an amount equivalent to 10% of the General Fund Operating Budget. Annual contributions will be budgeted from General Fund resources as available to attain and maintain an established reserve level.
- Additional reserve accounts may be created by Council to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the annual budget.



Financial Policies - continued

Enterprise Fund Policies

The City will establish enterprise funds for City services when 1) the intent of the City is that all costs of providing the service should be financed primarily through user charges; and/or 2) the City Council determines that it is appropriate to conduct a periodic review of net income for capital maintenance, accountability, or other public policy purposes.

- Enterprise funds will be established for City-operated utility services.
- Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.
- Each enterprise fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.
- Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.
- Enterprise fund services will establish and maintain reserves for general contingency and capital purposes consistent with those maintained for general governmental services.
- Revenue bonds shall be issued only when projected operating revenues are insufficient for the enterprise's capital financing needs.
- The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.
- The City will limit the maturities of all utility revenue bond issues to 25 years or less.

Cash Management and Investment Policies

Careful financial control of the City's daily operations is an important part of North Bend's overall fiscal management program. Achieving adequate cash management and investment control requires sound financial planning to ensure that sufficient revenues are available to meet the current expenditures of any one operating period. Once steps are taken to ensure that the City maintains a protected cash position in its daily operations, it is to the municipality's advantage to prudently invest idle funds until such time as they are required to make expenditures.

- The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
- The City will maintain a formal investment policy, which is reviewed and endorsed by state and national professional organizations.
- The City will invest all funds (in excess of current requirements) based upon the following order of priority: 1) legality; 2) safety; 3) liquidity; and 4) yield.
- Investments with City funds shall not be made for purposes of speculation.



Financial Policies - continued

The City is prohibited from investing in derivative financial instruments for the City's managed investment portfolio.

- Proper security measures will be taken to safeguard investments. The City's designated banking institution will provide adequate collateral to insure City funds.
- The City's investment portfolio will be reviewed every two years by a qualified portfolio valuation service to assess the portfolio's degree of risk and compliance with the adopted investment policies.
- An analysis of the City's cash position will be prepared at regular intervals throughout the fiscal year.
- The City Council will be provided with quarterly reports on the City's investment strategy and performance.
- Sufficient cash shall be maintained to provide adequate funds for current operating expenditures.
- Where permitted, the City will pool its cash resources from various funds ("Treasurer's Cash") for investment purposes.
- Net investment income from Treasurer's Cash will be allocated in accordance with RCW 5.24.060 considering 1) average cash balance of the participating fund and 2) the minimum cash balance needs of each fund as determined by the Finance Director. Net investment income is the amount of annual investment proceeds after an allocation is made to any enterprise funds and Council-directed obligations are met for General Fund purposes.
- The City of North Bend will select its official banking institution through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.

Debt Management Policies

The amount of debt issued by the City is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of North Bend uses debt in two ways: (1) as a mechanism to equalize the costs of needed improvements to both present and future citizens; and (2) as a mechanism to reduce the costs of substantial public improvements.

- City Council approval is required prior to the issuance of debt.
- An analytical review shall be conducted prior to the issuance of debt.
- The City will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.
- The City of North Bend will not use long-term debt to support current operations.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.



Financial Policies - continued

- Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- The City will use refunding bonds where appropriate, when restructuring its current outstanding debt.
- Reserves, interest costs, operating costs, and/or maintenance expenses will be capitalized only for enterprise activities; capitalized operating expenses will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The City will maintain a good credit rating at all times.
- Assessment bonds will be issued in place of general obligation bonds, where possible, to assure the greatest degree of public equity.
- Under most circumstances, the maturity of all assessment bonds shall not exceed 12 years.
- General Obligation bonds will be issued with maturities of 20 years or less.
- The voter approved general obligation debt of North Bend will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City.
- The following individual percentages shall not be exceeded in any specific debt category:
 - General Debt – 2.5% of assessed valuation
 - Utility Debt – 2.5% of assessed valuation
 - Open Space and Park Facilities – 2.5% of assessed valuation
- Limited-tax general obligation bonds will not exceed one and 1.5% of the City's current assessed property valuation.
- Limited-tax general obligation bonds will be issued only if:
 - A project requires funding not available from alternative sources;
 - Matching fund monies are available which may be lost if not applied for in a timely manner; or
 - Emergency conditions exist.



Financial Policies - continued

Capital Improvement Policies

North Bend's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future, therefore:

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared and updated biennially.
- The City Council will designate annual ongoing funding levels for each of the major project categories within the Capital Improvement Program.
- Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- An annual Capital Improvement Budget will be developed and adopted by the City Council as part of the annual budget.

The Capital Improvement Program will be consistent with the Capital Facilities Element of the Comprehensive Plan.



Glossary

Audit - An examination of the financial activities of an agency and the report based on such examination.

B & O - Business and Occupation Tax.

Balanced Budget - A budget in which estimated revenues equal estimated expenditures.

Bond - An interest bearing certificate issued by a government or business, redeemable on a specific date; used as a measure of raising funds for capital improvements.

Budget - A comprehensive financial plan to sustain municipal operations during a given year with related explanation.

Capital Improvement Program (CIP) - A plan for future capital expenditures which identifies each capital project, its anticipated start and completion, and allocates existing funds and known revenue sources over a six year period.

Capital Improvements - Projects to create, expand, or modify a capital facility. The project may include design, permitting, environmental analysis, land acquisition, construction, landscaping, site improvements, initial furnishings, and equipment.

Capital Outlay - Expenditures made to acquire fixed assets or additions to them usually made from the general fund or utility fund where the assets are to be used.

Community Development Block Grant (CDBG) - A federal funding program that provides annual funding for eligible local governments including housing and community development programs targeted primarily to low-income persons and neighborhoods.

D.A.R.E. - Drug Abuse Resistance Education.

Debt Limits - The maximum amount of debt that a governmental unit may incur under constitutional, statutory, or charter requirements.

Debt Management - Borrowing enables a jurisdiction to free itself from the constraints of current revenues, raise large sums of money, and obligate future citizens to repay the debt. To insure that the power to borrow is used prudently, it is carefully regulated and managed by a set of policies and procedures known as debt management.

Debt Service - Payments to creditors, primarily the holders of municipal bonds. Debt service includes principal, interest, and minor incidentals such as paying agents' fees.

D.O.E. – Department of Ecology

D.O.T. - Department of Transportation.

Effluent - The liquid that flows out of a facility or household into a water body or sewer system. For example, the treated liquid discharged by a wastewater treatment plant is the plant's effluent.

E.I.S. - Environmental Impact Statement.

E.M.S. - Emergency Medical Services.

Enterprise Funds - Used to finance and account for acquisition, operation and maintenance of water and sewer facilities that are supported by user charges; also waste disposal, other utilities.

Expenditures - The spending of money by the municipality for the programs and projects included within the approved budget.



Glossary - continued

F.E.M.A. - Federal Emergency Management Agency.

Fund Balance - The excess of fund assets over liabilities and reserves, also referred to as surplus.

Fund - A set of interrelated accounts to record revenues and expenditures for a specific purpose.

G.A.A.P. - Generally Accepted Accounting Principles.

G.O. - See General Obligation Debt.

General Fund - The general fund accounts for all financial activities not reported in some other type of fund; primarily used to account for the current operations of a jurisdiction's general-purpose departments.

General Obligation Debt - Local governments can raise revenues by selling tax-exempt municipal bonds and incurring debt. General obligation debt carries an unconditional promise by the local government to levy the taxes necessary to make the interest and principal payments required to retire the debt. In Washington State, general obligation debt can either be voted or non-voted (Councilmember) debt. Non-voted debt is limited to 1.5% of the assessed valuation, and total general obligation debt is limited to 2.5% of assessed valuation.

Interfund Transfer - Payment from one fund to another fund primarily for work or services provided.

Non-operating Expenditures - The costs of government services, which are not directly attributable to a specific municipal program or operation. Examples include debt service obligations and contributions to human service organizations.

Non-operating Revenues - The incomes received by the government, which are not directly attributable to providing a service. An example would be interest on investments.

Operating Expenses - Proprietary fund expenses that directly relate to the fund's service activities.

Operating Revenues - Proprietary fund revenues that directly relate to the fund's service activities.

Ordinance - An enforceable municipal law, statute or regulation, that applies to all citizens within that municipality; penalty provisions may apply.

Property Tax - A tax levied on the assessed value of real property.

R.C.W - Revised Code of Washington.

Revenue Bonds - Bonds sold for which the principal and interest are payable exclusively from the earnings of a specific revenue source and which do not pledge the property credit or general tax revenue of a city.

Revenues - Moneys received or anticipated by a local government from either tax or non-tax sources.

Tax Exempt Property - Property, which because of its ownership or use, is not subject to property taxation and meets state requirements for tax-exempt status.

Tax - An amount levied upon individuals or property to fund government goods and services.

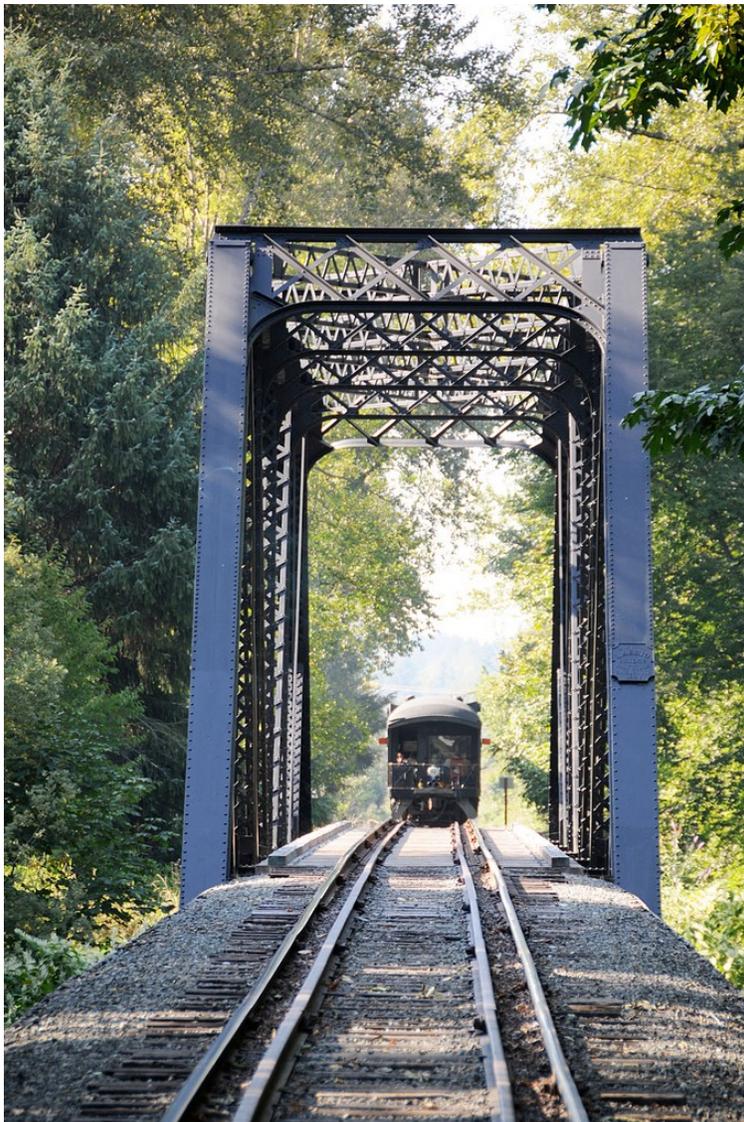
T.I.B. - Transportation Improvement Board.

U.F.I.C.S. - Utilities Facilities Implementation Concurrency Strategy. Phase 1 of North Bend UFICS study is a build-out analysis report based on current zoning and compared to growth targets adopted in the comprehensive plan.



Document Format

The budget document is developed in this manner to study and review the direction of the City of North Bend. Because a diverse audience reads the budget document, the budget must describe clearly and completely the nature and scope of policies, plans, and programs for the year. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future implications and relationships of policies, plans, and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City staff during the year.



Photograph by: Matt N. Johnson



2010 Budget

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For more information about the City of North Bend, please visit City Hall (211 Main Avenue North), our website (<http://ci.north-bend.wa.us/>) or call 425.888.1211