



# McCleary City Council

## PROPOSED AGENDA

March 25, 2009

6:30 Worksession

7:00 Council Meeting

Flag Salute  
Roll Call  
Minutes  
Public Comment  
Mayor's Report  
Staff Reports:

Busse Nutley, City Administrator  
Dan Glenn, City Attorney  
February Financial Report

Old Business: Water & Electric line replacement project – City Hall parking lot

New Business: Street Banner Rules  
MOU with Teamsters for Overtime Clarification

Ordinances:

Resolutions: Utility Deposits  
Voluntary Employee Beneficiary Association (VEBA)

Vouchers  
Mayor/Council Comments  
Public Comment  
Executive Session  
Adjournment

Americans with Disabilities Act (ADA)  
Accommodation is Provided Upon Request

Please Turn Off Cell Phones – Thank You

CITY OF McCLEARY  
March 11, 2009  
Public Hearing on Revised 6 Year Street Plan  
Regular Council Meeting

The regular meeting of the Council was called to order by Mayor Bentley with the flag salute.

Roll Call: Mayor Wallace Bentley  
Council Members: Hays, Lake, Vessey, Vatne, and Boling

Staff Present: Attorney Glenn, Administrator Nutley, Clerk-Treasurer Rostedt, Facilities Manager Baun, and Engineers Hinton and Bird

It was moved by Councilman Vessey, seconded by Councilman Boling, that the minutes of the last regular meeting be approved as distributed. Carried.

Mayor Bentley reported to the Council that there is a bill before the State Legislature that would increase the dollar amount of public works monies that can be spent on in-house projects.

Administrator Nutley reported that there had been two companies that have made a presentation to the office staff on computer systems: Visions and Bias. She will be preparing an RFP for purchase of a new accounting system in the near future. She pointed out that whatever system is purchased, it will need to be compatible with the new automatic meter reading system the City plans to purchase.

Mayor Bentley opened the Public Hearing on a Revision of the Six Year Street Plan. The Simpson Avenue sidewalk plan was taken off the last plan adopted, because we had already received a grant for the project, and had begun the engineering process. It now appears that the project is going to cost more than expected, and there is an anticipation of stimulus money becoming available to cities that could be used. In order to apply for funding for this project, it needs to be back on the 6 Year Street Plan. There were no further questions or comments. The Public Hearing was closed. Resolution No. 583 entitled, A RESOLUTION ADOPTING AN AMENDMENT TO THE SIX-YEAR STREET PLAN FOR THE CITY OF McCLEARY AS SET OUT IN RESOLUTION 566, was introduced. It was moved by Councilman Vatne, seconded by Councilman Vessey, that the resolution be adopted. Carried.

There was a lengthy discussion of a proposed street banner resolution. Items discussed included fees for City employees to put up and take down the banners, and the City's liability if someone was injured during the process or while the banners are up. The Council asked Administrator Nutley to develop some proposed rules and regulations to bring back to the Council for consideration. It was agreed that at this time, the proposed fee to be inserted in the resolution is \$20.00, or "such other amount as may be established" at a later date. Resolution No. 584, entitled A RESOLUTION IN RELATION TO THE PLACING OF STREET BANNERS; AUTHORIZING THE ISSUANCE OF ADMINISTRATIVE RULES; AND PROVIDING AN EFFECTIVE DATE, was introduced. It was moved by Councilman Vessey, seconded by Councilman Vatne, to adopt the resolution. Carried.

It was moved by Councilman Boling, seconded by Councilman Vatne, to authorize the Mayor to sign a \$50,000.00 PWTF loan document for the Storm Water Fund for six years at 0% interest. The purpose of the grant is to develop a Capital Improvement Plan. Carried.

It was moved by Councilman Boling, seconded by Councilman Vatne, to authorize the Mayor to sign a contract with Gray and Osborne in the amount of \$50,000.00 to develop the preceding proposed Storm Water project. Carried.

Administrator Nutley reported that money has been set aside to pave the back parking lot at the City Hall. It was moved by Councilwoman Lake, seconded by Councilman Vatne, to authorize the Mayor to sign a \$2,800.00 contract amendment with Gray and Osborne to prepare the bid specs for the paving project. Carried.

It was moved by Councilman Vessey, seconded by Councilman Boling, to authorize the Mayor to sign a contract to pay half the costs in the amount of \$1,637.50, for Jim Arthur to finalize the aquifer study. The County will assume the other half of the costs. Carried.

It was moved by Councilman Boling, seconded by Councilman Vatne, to authorize the Mayor to sign an agreement between the City and FEMA for cost reimbursement for damage done during the snow storm, and then the flooding, in December. Carried.

It was moved by Councilman Boling, seconded by Councilman Vatne, to approve the vouchers as audited. Carried.

It was moved by Councilman Vessey, seconded by Councilman Boling, to hold an executive session on ambulance contract negotiations between the City, the City of Elma, and Fire Districts #5 and #12. Carried. Estimated time of the session was 20 minutes. The session began 7:45 PM.

The Council came back into regular session at 8:05 PM. Resolution No. 585, entitled A RESOLUTION RELATING TO EMERGENCY MEDICAL SERVICE, ESTABLISHING AN EMERGENCY MEDICAL SERVICES UTILITY FEE PURSUANT TO AUTHORITY GRANTED IN RCW 35.21.766; REPEALING RESOLUTION 579; AND PROVIDING AN EFFECTIVE DATE, was introduced. An overview of contract changes were recited for those present and is attached to these minutes. It was moved by Councilwoman Lake, seconded by Councilman Vessey, that the resolution be adopted. Carried.

It was moved by Councilman Vatne, seconded by Councilman Boling, that the meeting be adjourned. Carried.

## **Ambulance Contract Overview of Changes**

1. Term: 4 years, eight months (to December 31, 2013)
2. Level of Service: At least 1 paramedic and 1 EMT at all times
3. Compensation:
  - 2009: \$4,824.58 per month; 8 month total is \$38,596.64
  - 2010 – 2013: CPI, no less than 1%, and no more than 4%
4. Allocation among the three entities is on the same basis as is currently utilized
5. District financial records available quarterly; District responds to requests for information
6. Advisory Board eliminated
7. Provision of any equipment or facilities by any of the contracting entities will be paid for through a reduction in its allocation payment
8. Request a response from the District by March 23, 2009

## **STAFF REPORT**

To: Mayor and City Council  
From: Busse Nutley, City Administrator  
Date: March 23, 2009  
Re: Current Non-Agenda Activity

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### **Ambulance Service**

The proposed contract terms approved by the Council at your last meeting were presented to Fire District 5 on March 12. That evening Fire District 12 approved the exact same terms, and Fire District 5 Commissioners also met. Fire District 5 provided information to us on March 13 that they wanted the contract to end on December 31, 2010, rather than 2013, and also raised some additional budget issues. Elma City Council met on March 16 and tabled the matter until April 6. We believe that all but one of the budget issues raised have now been resolved, but there still is not agreement about the length of the contract.

### **Electrical Rates**

BPA has alerted its customers that 2009 is expected to be a low-water year, coupled with cost increases. Following this report is a March 5 letter from BPA CEO Stephen Wright that provides details of the budget issues. We have been notified to expect a rate increase no earlier than October 1. Our Account Representative, Kirsten Watts, has indicated that although the first analyses show an increase to McCleary of as much as 11%, BPA is committed to find cost savings and is hopeful that the final increase will be in a single digit.

### **Sales Tax**

Last July a new law went into effect that fundamentally changed its distribution. In order to make it easier to collect taxes from internet sales, the state joined with other states and implemented the Streamlined Sales Tax. Instead of taxes going to the jurisdiction where the sale originated, the tax now goes to the entity where the product is delivered. Because McCleary has very few retail establishments, we are now collecting more sales tax than we would have under the previous system.

According to the Department of Revenue, our December 31 quarterly collection increase was \$4,530.48 and the March 31 quarterly distribution should be \$2,784.65 more than under the previous system. The Department of Revenue cautions us not to use this data to recreate our payment, as there are confidential records we would have to have in order to replicate these figures. So, since our sales tax revenues have increased, we will assume that it is due all or in part from the change in the law.

### **Wastewater Treatment Plant**

Although the January flood was a problem for the treatment plant, it still functioned well. As required, we reported that the flow exceeded our design capacity to the Department of Ecology. Following this report is a letter from Ecology acknowledging our report and indicating that they "...will not be using this data to evaluate compliance with your existing permit limits."

### **Simpson Sidewalks**

Because we have been approved to use some ARRA funds (stimulus money) for this project, it has become increasingly complicated as we learn what new federal requirements we now must follow. We still will not have sufficient funds to build the entire project, but more analysis must be completed before we will know how many blocks of sidewalk we actually will be able to construct this summer.

MAR 16 2009

RECEIVED

**Department of Energy**

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

March 5, 2009

In reply refer to: DK-7

Dear BPA Customers and Constituents:

I want to give you a status report on the Bonneville Power Administration's financial situation. We have seen a significant decline in our secondary power revenue forecast for Fiscal Year 2009 and potentially for FYs 2010-2011. This reduction has occurred since December, when we defined assumptions for our 2010 Wholesale Power Rate Case Initial Proposal.

Secondary revenues derive from our sales of surplus power – power not needed to meet our firm loads. After subtracting power purchase costs, net secondary revenues typically represent about 20 to 25 percent of our net power revenues. This reduces rates for our Northwest firm power customers. Keeping our firm power rates low also benefits residential exchange customers.

**Net secondary revenue expectations are declining**

Our secondary revenues vary widely with the volume and shape of Columbia River streamflows and with prices in the Western wholesale power market. We have had many low water years in the last decade. Normally, poor water in the Northwest tends to reduce supply in the power market, leading to higher prices. What we are experiencing now is an unusual combination of low water and reduced prices.

When FY 2009 began, we expected to make approximately \$400 million in net secondary revenues this year. In our initial rate proposal for FY 2010-2011, we lowered the FY 2009 net secondary revenue assumption to roughly \$270 million. Our current forecast is about \$100 million, a roughly \$300 million drop since the start of the fiscal year. If market prices continue to decline or dry conditions persist, our secondary revenues could worsen. Since we count on secondary revenues to help recover our costs, we are facing the likelihood of losing money in FY 2009 for the first time since the West Coast energy crisis.

**Dry year forecast**

This winter has seen below average precipitation across the Columbia River Basin. February has been particularly dry. The current forecast is for 79 percent of average January through July runoff. Where we had expected to sell 1,150 average megawatts of surplus power this year, we now expect surplus power sales will average 480 aMW. We are now late enough in the water year that it is unlikely that streamflows will recover to average.

**Market prices down**

Power market prices are driven primarily by natural gas prices, which have declined significantly as natural gas usage has decreased across the country. Our Final WP-07 Supplemental Power

Rate Case and our FY 2009 start-of-year revenue projection show market prices of about \$50 per megawatt-hour for flat energy, based on a natural gas price forecast of \$7.50 per million British thermal units. Many rate case parties criticized this assumption as too conservative. Our current market price expectation is closer to \$35 per MWh for the year. The trend has been down, and we expect to see much lower prices in the second half of the year than in the first half, although we all hope economic recovery will occur sooner rather than later.

### **A strong financial starting point**

Fortunately, we and our customers have worked together diligently since the West Coast energy crisis to restore BPA's financial health. We entered FY 2009 from a position of strength with healthy financial reserves, and there is a nearly 100 percent probability we will cover all our costs this year, including making our scheduled Treasury payment.

On the cost side of our business, we are tightening our belt. We will review our internal cost projections with you this spring in the second round of our Integrated Program Review for FYs 2010-2011. But we would remind you that our internal operating costs represent only about 6 percent of our power costs.

### **A challenge for 2010-2011 rates**

Our challenge will be to minimize the power rate increase for FYs 2010-2011. Key questions will include:

- What level of financial losses should be anticipated for 2009?
- How should we forecast secondary revenues for FY 2010-2011, a forecast that will be heavily dependent upon the timing of economic recovery?
- If secondary revenues are expected to be much lower for FY 2009-2011 than assumed in our initial rate proposal, what actions should be taken to assure a high probability of Treasury payment going forward?

Reducing rate case forecasts of secondary revenues could raise rates to public preference customers and direct-service industries and reduce benefits to utilities participating in the Residential Exchange Program. Slice customers receive a proportion of Federal surplus power to sell; when there is less surplus available, their revenues, like BPA's, can be expected to decline. Slice customers experience the same market effects as they sell into the same power market.

### **Borrowing authority helps capital construction**

While we are curbing BPA expenses, we believe we must increase Northwest capital investments, building electric power infrastructure that will promote job creation, keep long-term rates as low as possible, diminish greenhouse gas emissions, reduce dependence on non-secure sources of energy and establish the energy platform for a sustainable future.

The recently enacted American Recovery and Reinvestment Act will help. It includes a \$3.25 billion increase in the amount of money BPA can borrow from the U.S. Treasury. This supports our proposed expansion of capital investments in transmission, the Federal hydro power system, energy efficiency and fish and wildlife. It is money that must be paid back with interest. We must use this new authority wisely, but debt financing capital investments can help stimulate the economy without incurring substantial near-term rate impacts.

### **We'll keep you informed**

We know these issues are very important to you, as they are to us. We need to be mindful that BPA revenue forecasts and the issues associated with them, other than those dealt with through the upcoming Integrated Program Review, are subject to the *ex parte* restrictions of the current rate case. If you are a party to the rate case, please raise your concerns in that forum; we will be working collaboratively in the rate case to find the best solution. If you are not a party, please submit any comments by April 24 to BPA Public Involvement, 2010 Rate Case, at: <http://www.bpa.gov/applications/publiccomments/OpenCommentListing.aspx>

Given the importance of these issues, we will seek to keep you informed if there are significant changes in this picture. Certainly there will be more information publicly available when we release our FY 2009 Second Quarter Review results in April.

For now, let's all hope we get increased precipitation and a turnaround in the economy.

Sincerely,

/s/ Stephen J. Wright

Stephen J. Wright  
Administrator and Chief Executive Officer



STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

March 16, 2009

Mr. Vern Merryman  
Water/Wastewater Superintendent  
City of McCleary  
100 South 3<sup>rd</sup> Street  
McCleary, WA 98557



Your address  
is in the  
**Lower  
Chehalis  
watershed**

Re: National Pollutant Discharge Elimination System (NPDES) Permit No. WA0024040, City of  
McCleary Wastewater Treatment Plant

Dear Mr. Merryman:

As you know, in early January 2009 a major storm caused flooding on many rivers in Western Washington. Many publicly owned sewage treatment facilities observed very high or even record in-flows. As can happen at such times, influent and effluent values exceeded design standards and power outages interrupted operations, among other problems.

In your January 2009 Discharge Monitoring Report (DMR), you reported influent or effluent values that were above design values or effluent limits. We appreciate your recording these values and reporting them to us. They will be most useful in the future to consulting engineers who may be designing facilities for you, or to us in evaluating facility designs. However, we will not be using this data to evaluate compliance with your existing permit limits.

We appreciate all of the hard work that you and your staff put in during this difficult time. If you need our help on any permit or facility issues that have arisen because of the storm, please call me at 360-407-6368; or Carl Jones, Technical Outreach Specialist, at 360-407-6431.

Sincerely,

Gregory S. Zentner, P.E., Supervisor  
Municipal Operations Unit  
Water Quality Program  
Southwest Regional Office

GZ:CC(mccleary)

cc: Busse Nutley, City Administrator, City of McCleary  
Permit Compliance File

**MEMORANDUM**

TO: MAYOR AND CITY COUNCIL, City of McCleary  
FROM: DANIEL O. GLENN, City Attorney  
DATE: March 23, 2009  
RE: LEGAL ACTIVITIES as of MARCH 25, 2009.

THIS DOCUMENT is prepared by the City Attorney for utilization by the City of McCleary and its elected officials and is subject to the attorney-client privileges to the extent not inconsistent with laws relating to public disclosure.

1. **UTILITY DEPOSIT RESOLUTION**: This matter appears to have been last visited something over twenty years ago. Based upon the impacts of inflation and rate modifications, the deposit levels are viewed as no longer adequately protecting the utilities from customers who do not pay, vacate the premises, and sometimes, disappear. Thus the modified draft has modified monetary amounts recommended by Ms. Taylor as being adequate, albeit on the potentially low side.

I have tried to keep as much of the old resolution's protocols as possible, albeit with semantic modifications, since our system is set up to handle those protocols. However, based upon comments at the SAO's exit audit, I have added a section at the end to set up what they perceived we did not have, a formalized process for handling refunding of deposits and confirming accountability therefore. I am assuming the fact that they raised the issue suggests some entities have not been as fortunate as McCleary and have had monetary losses.

2. **STREET BANNER RULES**: Since the last meeting, Donnie provided the document to WCIA for review. Our representative had some questions to which I responded to her satisfaction. As you can imagine, since placement of the banners always presents a potential fiscal exposure from claims in the event of an accident arising from their placement, it is likely that they would prefer that we not allow them. However, they recognize that McCleary, along with a lot of other cities, undertakes this type of activity on a continuing basis as a service to groups.

3. QUIMBY v CITY OF McCLEARY, ET AL: As you are aware, this is a tort action brought against the City by an individual who feels she was harmed as the result of certain events involving the police department. The law firm representing the City at the authorization of WCIA has moved for summary judgment asking the Court to resolve the matter in favor of the City without the necessity of further proceedings, including trial. The matter was heard last Monday, as I understand it, and no ruling has yet been received. Upon its receipt, I will update you.

4. VEBA RESOLUTION: I have prepared for your review and consideration a draft resolution which would authorize City employees, normally upon retirement, to place certain funds, normally sick leave for which they would be entitled to a "buy out" into an account in a tax free manner. Those funds can then be utilized to pay the premiums for medical insurance upon the retiree and family. In some ways, it is similar to a Roth retirement contribution since no taxes are deducted from it at the time of deposit into the account, normally maintained in Washington by an entity headquartered in Spokane, and to the extent that a return is generated during the period it is held, no tax liability is generated by the gain.

Many municipal entities maintain this type of program for their employees. It is my understanding that Staff have met with the representative of the management entity and implementation and maintenance would pose no major problems.

I should note the draft has been undergoing review and modified deleting any indication the City would be making any type of contribution.

5. COMPREHENSIVE PLAN/ZONING CHANGE MATTERS: The matter of the clarification process when a request is made for changes in the City's land use protocols which requires both a change in the comprehensive plan and the zoning map was brought before the Planning Commission. I provided them written information from MRSC in relation to the alternative approach of utilizing the hearing examiner for that type of matter. It is my understanding their desire is that type of dual process be retained by the Commission, at the initial recommendatory stage.

I will be developing an ordinance for your review to clarify this area.

As always, this is not meant to be all inclusive. If you have any questions or comments, please direct them to me.

DG/le

CURRENT EXPENSE BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
<b>REVENUES</b>						
<b>Beginning Balance</b>						
Begin Net Cash - January 1	200,000.00			122,524.26	61.26%	
Begin Investments	190,000.00			190,000.00	100.00%	
Begin City Assistance	0.00			0.00	0.00%	
<b>Total Beginning Balance</b>	<b>390,000.00</b>			<b>312,524.26</b>	<b>80.13%</b>	
<b>General Property Tax</b>						
Real & Personal Property Tax	143,700.00	502.49	0.35%	1,470.06	1.02%	
Special Levy Property Tax	15.00	0.14	0.93%	0.18	1.20%	
<b>Total General Property Tax</b>	<b>143,715.00</b>	<b>502.63</b>	<b>0.35%</b>	<b>1,470.24</b>	<b>1.02%</b>	
<b>Retail Sales &amp; Use Tax</b>						
Private Harvest Tax	1,250.00	0.00	0.00%	0.00	0.00%	
Retail Sales & Use Tax	78,000.00	7,758.61	9.95%	19,665.97	25.21%	
C.J. Sales Tax from County	15,000.00	1,637.41	10.92%	2,838.40	18.92%	
<b>Total Retail Sales &amp; Use Tax</b>	<b>94,250.00</b>	<b>9,396.02</b>	<b>9.97%</b>	<b>22,504.37</b>	<b>23.88%</b>	
<b>Private Utility Tax</b>						
Natural Gas	12,500.00	2,127.03	17.02%	3,218.71	25.75%	
Television Cable	20,000.00	4,843.66	24.22%	4,843.66	24.22%	
Telephone Tax	13,000.00	0.00	0.00%	2,751.26	21.16%	
Cellular Telephone Tax	17,000.00	2,951.79	17.36%	6,125.47	36.03%	
<b>Total Private Utility Tax</b>	<b>62,500.00</b>	<b>9,922.48</b>	<b>15.88%</b>	<b>16,939.10</b>	<b>27.10%</b>	
<b>Total Public Utility Tax</b>	<b>198,000.00</b>	<b>25,102.68</b>	<b>12.68%</b>	<b>41,169.94</b>	<b>20.79%</b>	
<b>Licenses &amp; Permits</b>						
Building Permits	50,000.00	0.00	0.00%	378.50	0.76%	
Platting Fees	2,000.00	125.00	6.25%	125.00	6.25%	
Review Fees	30,000.00	1,311.91	4.37%	2,483.89	8.28%	
Plat Inspection Fees	8,000.00	0.00	0.00%	0.00	0.00%	
Animal Licenses	150.00	35.00	23.33%	80.00	53.33%	
<b>Total Licenses &amp; Permits</b>	<b>90,150.00</b>	<b>1,471.91</b>	<b>1.63%</b>	<b>3,067.39</b>	<b>3.40%</b>	
<b>Total Direct Federal Grants</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>State Entitlements</b>						
City Assistance	30,000.00	0.00	0.00%	0.00	0.00%	
Criminal Justice Pop	1,200.00	0.00	0.00%	250.00	20.83%	
CJ-CTED Programs 1-3	1,300.00	0.00	0.00%	311.00	23.92%	
DUI Cities	400.00	0.00	0.00%	69.23	17.31%	
Liquor Excise Tax	7,500.00	0.00	0.00%	1,845.92	24.61%	
Liquor Board Profits	10,000.00	0.00	0.00%	0.00	0.00%	
<b>Total State Entitlements</b>	<b>50,400.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>2,476.15</b>	<b>4.91%</b>	
<b>Total Interlocal Grants</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
Fire District 12	8,405.00	0.00	0.00%	0.00	0.00%	
Mason County Fire	735.00	0.00	0.00%	0.00	0.00%	
<b>Total Interlocal Gov Payments</b>	<b>9,140.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Charges for Services</b>						
Printing & Duplicating Services	300.00	18.73	6.24%	181.18	60.39%	
Animal Control & Shelter Fee	100.00	0.00	0.00%	20.00	20.00%	
<b>Total Charges for Services</b>	<b>400.00</b>	<b>18.73</b>	<b>4.68%</b>	<b>201.18</b>	<b>50.30%</b>	

**CURRENT EXPENSE BUDGET: 2009**

		FEBRUARY		YEAR TO DATE	
<b>Fines and Forfeits</b>					
Municipal Court	30,000.00	2,265.54	7.55%	3,435.10	11.45%
NSF Fines	800.00	32.00	4.00%	128.00	16.00%
<b>Total Fines and Forfeits</b>	<b>30,800.00</b>	<b>2,297.54</b>	<b>7.46%</b>	<b>3,563.10</b>	<b>11.57%</b>
<b>Miscellaneous Revenues</b>					
Interest Earnings - Investments	20,400.00	1,111.81	5.45%	1,397.15	6.85%
Interest - Prop Tax/ Real Estate	800.00	69.10	8.64%	104.37	13.05%
Rent - Cell Tower	11,500.00	0.00	0.00%	1,001.06	8.70%
Donations from Private Source	100.00	0.00	0.00%	0.00	0.00%
Surplus/Junk Sale	150.00	0.00	0.00%	0.00	0.00%
Other Misc. Revenues	1,500.00	0.00	0.00%	0.00	0.00%
<b>Total Miscellaneous Revenues</b>	<b>34,450.00</b>	<b>1,180.91</b>	<b>3.43%</b>	<b>2,502.58</b>	<b>7.26%</b>
<b>Non-Revenues</b>	<b>0.00</b>	<b>1,802.86</b>		<b>2,567.31</b>	
<b>Total Revenues (No Begin Bal)</b>	<b>713,805.00</b>	<b>51,695.76</b>	<b>7.24%</b>	<b>96,461.36</b>	<b>13.51%</b>
<b>TOTAL CURRENT EXPENSE REVENUES</b>	<b>1,103,805.00</b>	<b>51,695.76</b>	<b>4.68%</b>	<b>408,985.62</b>	<b>37.05%</b>
<b>EXPENDITURES</b>					
<b>Reserves</b>					
Ending Net Cash - February 28	42,818.00			57,047.82	133.23%
Ending Investments	190,000.00			190,000.00	100.00%
<b>Total Reserves</b>	<b>232,818.00</b>			<b>247,047.82</b>	<b>106.11%</b>
<b>Legislative/Council</b>					
Salaries & Wages	6,000.00	500.00	8.33%	1,000.00	16.67%
Personnel Benefits	600.00	48.90	8.15%	97.80	16.30%
Travel	200.00	0.00	0.00%	0.00	0.00%
Miscellaneous	500.00	0.00	0.00%	0.00	0.00%
Training	200.00	0.00	0.00%	0.00	0.00%
<b>Total Legislative/Council</b>	<b>7,500.00</b>	<b>548.90</b>	<b>7.32%</b>	<b>1,097.80</b>	<b>14.64%</b>
<b>Judicial</b>					
Salaries & Wages	33,910.00	2,825.50	8.33%	5,651.00	16.66%
Personnel Benefits	5,725.00	426.01	7.44%	870.59	15.21%
Office Supplies	1,200.00	231.86	19.32%	231.86	19.32%
Professional Services	1,000.00	0.00	0.00%	279.17	27.92%
Communication	1,500.00	100.00	6.67%	200.00	13.33%
Travel	500.00	0.00	0.00%	0.00	0.00%
Miscellaneous	500.00	0.00	0.00%	0.00	0.00%
Miscellaneous - Training	0.00	0.00	0.00%	0.00	0.00%
Miscellaneous - Dues	100.00	0.00	0.00%	62.33	62.33%
External Taxes	0.00	0.00	0.00%	0.00	0.00%
Capital Outlay	250.00	2,684.37	1073.75%	2,684.37	1073.75%
<b>Total Judicial</b>	<b>44,685.00</b>	<b>6,267.74</b>	<b>14.03%</b>	<b>9,979.32</b>	<b>22.33%</b>
<b>Executive/Mayor</b>					
Salaries & Wages	3,600.00	300.00	8.33%	600.00	16.67%
Personnel Benefits	400.00	31.48	7.87%	62.96	15.74%
Professional Services	50.00	0.00	0.00%	0.00	0.00%
Travel	150.00	0.00	0.00%	0.00	0.00%
Miscellaneous	300.00	0.00	0.00%	0.00	0.00%
Training	300.00	0.00	0.00%	0.00	0.00%
<b>Total Executive/Mayor</b>	<b>4,800.00</b>	<b>331.48</b>	<b>6.91%</b>	<b>662.96</b>	<b>13.81%</b>

Carpet replacement - flooding

**CURRENT EXPENSE BUDGET: 2009**

		FEBRUARY		YEAR TO DATE		
<b>Finance &amp; Administration</b>						
Salaries & Wages	9,600.00	790.80	8.24%	1,581.60	16.48%	
Personnel Benefits	4,850.00	284.33	5.86%	2,044.32	42.15%	
Supplies - Office	8,000.00	1,096.92	13.71%	1,881.03	23.51%	
Supplies - Other	9,000.00	1,587.40	17.64%	2,537.26	28.19%	
Professional Services	6,000.00	2,848.05	47.47%	8,166.33	136.11%	Audit - 2008
Professional Services - Elections	500.00	1,579.00	315.80%	1,579.00	315.80%	Voter registration - 2008
Communications	1,000.00	279.90	27.99%	279.90	27.99%	
Travel	2,000.00	0.00	0.00%	0.00	0.00%	
Miscellaneous	3,000.00	100.46	3.35%	225.46	7.52%	
Misc: Special Projects	0.00	0.00	0.00%	0.00	0.00%	
Miscellaneous - Dues	800.00	75.00	9.38%	75.00	9.38%	
Miscellaneous - Training	1,500.00	107.64	7.18%	107.64	7.18%	
Rental/Lease Equipment	5,000.00	228.55	4.57%	300.46	6.01%	
Advertising	3,000.00	109.16	3.64%	109.16	3.64%	
External Taxes	400.00	89.07	22.27%	103.32	25.83%	
Capital Outlay - Building	0.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Equipment	6,515.00	0.00	0.00%	382.50	5.87%	
<b>Total Finance &amp; Administration</b>	<b>61,165.00</b>	<b>9,176.28</b>	<b>15.00%</b>	<b>19,372.98</b>	<b>31.67%</b>	
<b>Legal</b>						
Professional Services	24,000.00	3,144.61	13.10%	5,975.43	24.90%	
Indigent Defense	7,200.00	600.00	8.33%	1,200.00	16.67%	
Codification	3,000.00	0.00	0.00%	0.00	0.00%	
Prosecution	7,200.00	434.70	6.04%	1,097.10	15.24%	
<b>Total Legal</b>	<b>41,400.00</b>	<b>4,179.31</b>	<b>10.09%</b>	<b>8,272.53</b>	<b>19.98%</b>	
<b>Other General Gov Services</b>						
Professional Services	12,000.00	875.00	7.29%	1,750.00	14.58%	
Rent - City Hall	720.00	60.00	8.33%	120.00	16.67%	
Insurance	23,252.00	0.00	0.00%	22,662.00	97.46%	
Misc - AWC/COG/EDC	7,200.00	1,000.00	13.89%	4,456.98	61.90%	
<b>Total Other General Gov Services</b>	<b>43,172.00</b>	<b>1,935.00</b>	<b>4.48%</b>	<b>28,988.98</b>	<b>67.15%</b>	
<b>Law Enforcement</b>						
Salaries & Wages	221,100.00	14,666.44	6.63%	28,858.94	13.05%	
Overtime Salaries & Wages	36,000.00	3,237.67	8.99%	7,095.28	19.71%	
Personnel Benefits	141,200.00	4,908.14	3.48%	13,868.24	9.82%	
Uniform Allowance	2,400.00	85.58	3.57%	192.12	8.01%	
LEOFF Retirees - Benefits	24,615.00	3,943.40	16.02%	3,943.40	16.02%	
Supplies - Office	6,000.00	24.77	0.41%	35.92	0.60%	
Fuel	12,000.00	403.51	3.36%	403.51	3.36%	
Professional Services	14,000.00	1,156.07	8.26%	1,754.83	12.53%	
Communications	7,000.00	642.47	9.18%	1,129.65	16.14%	
Travel	500.00	0.00	0.00%	0.00	0.00%	
Advertising	500.00	0.00	0.00%	0.00	0.00%	
Rental/Lease Equipment	1,300.00	113.62	8.74%	227.24	17.48%	
Insurance	5,600.00	0.00	0.00%	5,600.00	100.00%	
Utility Services	4,000.00	343.52	8.59%	807.46	20.19%	
Repair & Maintenance	5,000.00	723.07	14.46%	1,002.58	20.05%	
Miscellaneous	500.00	0.00	0.00%	0.00	0.00%	
Miscellaneous - Training	1,000.00	0.00	0.00%	0.00	0.00%	
External Taxes	500.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Building	0.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Equipment	6,500.00	0.00	0.00%	0.00	0.00%	
<b>Total Law Enforcement</b>	<b>489,715.00</b>	<b>30,248.26</b>	<b>6.18%</b>	<b>64,919.17</b>	<b>13.26%</b>	

**CURRENT EXPENSE BUDGET: 2009**

		FEBRUARY		YEAR TO DATE	
<b>Fire Control</b>					
Salaries & Wages	19,320.00	327.00	1.69%	654.00	3.39%
Personnel Benefits	3,150.00	55.18	1.75%	142.29	4.52%
Supplies - Operating	7,500.00	623.47	8.31%	623.47	8.31%
Fuel	1,200.00	85.19	7.10%	85.19	7.10%
FEMA Grant Expenditures	0.00	0.00	0.00%	0.00	0.00%
Professional Services	2,000.00	1,071.80	53.59%	1,350.97	67.55%
Communications	0.00	0.00	0.00%	0.00	0.00%
Travel	100.00	0.00	0.00%	0.00	0.00%
Rent	420.00	35.00	8.33%	70.00	16.67%
Insurance	5,600.00	0.00	0.00%	5,600.00	100.00%
Utility Services	2,000.00	381.18	19.06%	855.17	42.76%
Repair & Maintenance	3,000.00	0.00	0.00%	0.00	0.00%
Miscellaneous	500.00	0.00	0.00%	0.00	0.00%
Miscellaneous - Training	1,000.00	0.00	0.00%	0.00	0.00%
External Taxes	250.00	0.00	0.00%	0.00	0.00%
Capital Outlay - Building	3,500.00	0.00	0.00%	0.00	0.00%
Capital Outlay - Equipment	500.00	0.00	0.00%	0.00	0.00%
<b>Total Fire Control</b>	<b>50,040.00</b>	<b>2,578.82</b>	<b>5.15%</b>	<b>9,381.09</b>	<b>18.75%</b>
<b>Total Detention &amp; Correction</b>	<b>8,000.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>
<b>Development Services</b>					
Salaries & Wages	32,450.00	2,565.45	7.91%	5,130.90	15.81%
Personnel Benefits	12,300.00	861.87	7.01%	1,733.63	14.09%
Supplies - Operating	1,200.00	0.00	0.00%	5.19	0.43%
Fuel	800.00	56.25	7.03%	56.25	7.03%
Professional Services	2,500.00	0.00	0.00%	279.17	11.17%
Professional Services - Engineer	15,000.00	1,367.86	9.12%	1,367.86	9.12%
Prof Services - Review (Reimb)	30,000.00	791.06	2.64%	1,838.96	6.13%
Communications	500.00	35.70	7.14%	71.40	14.28%
Travel	1,000.00	0.00	0.00%	75.00	7.50%
Advertising - Public Notice	3,000.00	98.78	3.29%	98.78	3.29%
Repair & Maintenance	1,500.00	0.00	0.00%	112.14	7.48%
Misc. - Dues & Certifications	350.00	0.00	0.00%	95.19	27.20%
Miscellaneous - Training	2,500.00	0.00	0.00%	0.00	0.00%
Capital Outlay - Building	0.00	0.00	0.00%	0.00	0.00%
Capital Outlay - Equipment	3,300.00	0.00	0.00%	775.31	23.49%
<b>Total Development Services</b>	<b>106,400.00</b>	<b>5,776.97</b>	<b>5.43%</b>	<b>11,639.78</b>	<b>10.94%</b>
<b>Total Communications (E-911)</b>	<b>13,410.00</b>	<b>1,591.02</b>	<b>11.86%</b>	<b>3,182.01</b>	<b>23.73%</b>
<b>Total Pollution Control</b>	<b>700.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>700.00</b>	<b>100.00%</b>
<b>Non-Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3,741.18</b>	<b>0.00%</b>
<b>Total Expenses (No End Bal)</b>	<b>870,987.00</b>	<b>62,633.78</b>	<b>7.19%</b>	<b>161,937.80</b>	<b>18.59%</b>
<b>TOTAL CURRENT EXPENSE EXPENDITURES</b>	<b>1,103,805.00</b>	<b>62,633.78</b>	<b>5.67%</b>	<b>408,985.62</b>	<b>37.05%</b>

PARK & CEMETERY FUND BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Beginning Net Cash - January 1	17,000.00			24,658.63	145.05%	
Beginning Investments	65,000.00			65,000.00	100.00%	
<b>Beginning Fund Balance</b>	<b>82,000.00</b>			<b>89,658.63</b>	<b>109.34%</b>	
<b>Real &amp; Personal Property Taxes</b>	<b>66,000.00</b>	<b>231.92</b>	<b>0.35%</b>	<b>678.49</b>	<b>1.03%</b>	
<b>Intergovernmental Grants</b>	<b>60,940.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Cemetery Fees</b>	<b>3,500.00</b>	<b>523.00</b>	<b>14.94%</b>	<b>970.78</b>	<b>27.74%</b>	
Interest Earnings - Investments	1,200.00	228.74	19.06%	228.74	19.06%	
Rent - Equipment	500.00	100.00	20.00%	100.00	20.00%	
Rent - Community Center	3,500.00	385.00	11.00%	560.00	16.00%	
Donations - Private Source	100.00	0.00	0.00%	0.00	0.00%	
Other Miscellaneous Revenue	500.00	0.00	0.00%	0.00	0.00%	
<b>Miscellaneous Revenues</b>	<b>5,800.00</b>	<b>713.74</b>	<b>12.31%</b>	<b>888.74</b>	<b>15.32%</b>	
<b>Transfer from REET</b>	<b>30,000.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Non-Revenues</b>	<b>0.00</b>			<b>0.00</b>	<b>0.00%</b>	
<b>Total Revenue (No Begin Bal)</b>	<b>166,240.00</b>	<b>1,468.66</b>	<b>0.88%</b>	<b>2,538.01</b>	<b>1.53%</b>	
<b>TOTAL PARK AND CEMETERY FUND REVENUES</b>	<b>248,240.00</b>	<b>1,468.66</b>	<b>0.59%</b>	<b>92,196.64</b>	<b>37.14%</b>	
Ending Net Cash - February 28	2,570.00			11,170.74	434.66%	
Ending Investments	65,000.00			65,000.00	100.00%	
<b>Ending Fund Balance</b>	<b>67,570.00</b>			<b>76,170.74</b>	<b>112.73%</b>	
Salaries & Wages	20,700.00	1,548.91	7.48%	3,081.60	14.89%	
Personnel Benefits	11,200.00	580.41	5.18%	1,165.13	10.40%	
Supplies	11,000.00	3,052.68	27.75%	3,218.87	29.26%	
Fuel	1,500.00	169.28	11.29%	169.28	11.29%	
Professional Services	9,000.00	132.25	1.47%	690.59	7.67%	
Communications	200.00	30.52	15.26%	48.37	24.19%	Underbudgetted
Travel	100.00	0.00	0.00%	0.00	0.00%	
Advertising	0.00	0.00	0.00%	0.00	0.00%	
Rental, Lease Equipment	4,000.00	19.95	0.50%	19.95	0.50%	
Insurance	5,600.00	0.00	0.00%	5,600.00	100.00%	
Utility Services	7,200.00	671.92	9.33%	1,345.83	18.69%	
Repair & Maintenance	3,000.00	204.69	6.82%	351.54	11.72%	
Miscellaneous	500.00	0.00	0.00%	115.40	23.08%	
Miscellaneous - Training	200.00	0.00	0.00%	0.00	0.00%	
External Taxes	500.00	0.00	0.00%	9.34	1.87%	
Capital Outlay - Building	12,200.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Equipment	2,670.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Other	91,100.00	0.00	0.00%	0.00	0.00%	
<b>Non-Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>210.00</b>	<b>0.00%</b>	
<b>Total Expenses (No End Bal)</b>	<b>180,670.00</b>	<b>6,410.61</b>	<b>3.55%</b>	<b>16,025.90</b>	<b>8.87%</b>	
<b>TOTAL PARKS AND CEMETERY EXPENSES</b>	<b>248,240.00</b>	<b>6,410.61</b>	<b>2.58%</b>	<b>92,196.64</b>	<b>37.14%</b>	

STREET FUND BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Beginning Net Cash - January 1	120,000.00			94,122.32	78.44%	
Beginning Investments	160,000.00			160,000.00	100.00%	
<b>Beginning Fund Balance</b>	<b>280,000.00</b>			<b>254,122.32</b>	<b>90.76%</b>	
<b>Real &amp; Personal Property Taxes</b>	<b>10,750.00</b>	<b>38.65</b>	<b>0.36%</b>	<b>113.08</b>	<b>1.05%</b>	
Street & Curb Permits	0.00	0.00	0.00%	0.00		
Grants	196,000.00	2,331.16	1.19%	0.00	0.00%	
Motor Vehicle Fuel Tax	38,000.00	0.00	0.00%	4,991.41	13.14%	
<b>Total Intergovernmental Revenue</b>	<b>234,000.00</b>	<b>2,331.16</b>	<b>1.00%</b>	<b>4,991.41</b>	<b>2.13%</b>	
Investment Interest	2,800.00	563.18	20.11%	563.18	20.11%	
Other Miscellaneous Revenue	500.00		0.00%	0.00	0.00%	
<b>Total Miscellaneous Revenues</b>	<b>3,300.00</b>	<b>563.18</b>	<b>17.07%</b>	<b>563.18</b>	<b>17.07%</b>	
<b>Non-Revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Total Revenue (No Begin Bal)</b>	<b>248,050.00</b>	<b>2,932.99</b>	<b>1.18%</b>	<b>5,667.67</b>	<b>2.28%</b>	
<b>TOTAL STREET FUND REVENUES</b>	<b>528,050.00</b>	<b>2,932.99</b>	<b>0.56%</b>	<b>259,789.99</b>	<b>49.20%</b>	
Ending Net Cash - February 28	45,555.00			77,409.43	169.93%	
Ending Investments	160,000.00			160,000.00	100.00%	
<b>Ending Fund Balance</b>	<b>205,555.00</b>			<b>237,409.43</b>	<b>115.50%</b>	
Salaries & Wages	24,900.00	2,212.70	8.89%	4,251.81	17.08%	
Personnel Benefits	14,175.00	967.64	6.83%	1,918.15	13.53%	
Supplies	11,000.00	4,408.65	40.08%	4,689.32	42.63%	
Fuel	4,000.00	140.85	3.52%	227.44	5.69%	
Professional Services	12,000.00	1,131.53	9.43%	1,410.70	11.76%	
Communications	200.00	30.52	15.26%	48.37	24.19%	Underbudgetted
Travel	0.00	0.00	0.00%	0.00	0.00%	
Advertising	100.00	0.00	0.00%	0.00	0.00%	
Rental/Lease Equipment	1,000.00	19.95	2.00%	19.95	2.00%	
Insurance	5,600.00	0.00	0.00%	5,300.00	94.64%	
Utility Services	5,300.00	443.36	8.37%	1,045.59	19.73%	
Repair & Maintenance	7,500.00	3,284.97	43.80%	3,353.83	44.72%	
Miscellaneous	500.00	0.00	0.00%	115.40	23.08%	
Miscellaneous - Training	500.00	0.00	0.00%	0.00	0.00%	
External Taxes	250.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Building	200.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Other Improvements	201,600.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Other Imp. - Roadways	30,000.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Equipment	3,670.00	0.00	0.00%	0.00	0.00%	
<b>Non-Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Total Revenue (No End Bal)</b>	<b>322,495.00</b>	<b>12,640.17</b>	<b>3.92%</b>	<b>22,380.56</b>	<b>6.94%</b>	
<b>TOTAL STREET FUND EXPENSES</b>	<b>528,050.00</b>	<b>12,640.17</b>	<b>2.39%</b>	<b>259,789.99</b>	<b>49.20%</b>	

LIGHT & POWER FUND BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Beginning Net Cash - January 1	500,000.00			585,462.56	117.09%	
Beginning Investments	150,000.00			150,000.00	100.00%	
Rural Development Investment	100,000.00			100,000.00	100.00%	
<b>Beginning Fund Balance</b>	<b>750,000.00</b>			<b>835,462.56</b>	<b>111.40%</b>	
BPA Conservation	(300.00)	(190.21)	63.40%	(190.21)	63.40%	
Sales of Electricity	2,500,000.00	254,460.51	10.18%	440,634.98	17.63%	
Charges for Services & Parts	50,000.00	2,005.00	4.01%	7,225.44	14.45%	
<b>Total Physical Environment</b>	<b>2,549,700.00</b>	<b>256,275.30</b>	<b>10.05%</b>	<b>447,670.21</b>	<b>17.56%</b>	
<b>Total Interest Earnings</b>	<b>9,400.00</b>	<b>1,804.92</b>	<b>19.20%</b>	<b>1,804.92</b>	<b>19.20%</b>	
Equip, Pole & Vehicle Lease	8,000.00	0.00	0.00%	0.00	0.00%	
City Hall Rent	2,040.00	170.00	8.33%	340.00	16.67%	
<b>Total Rents &amp; Royalties</b>	<b>10,040.00</b>	<b>170.00</b>	<b>1.69%</b>	<b>340.00</b>	<b>3.39%</b>	
Sales of Junk Material	1,000.00	0.00	0.00%	0.00	0.00%	
Other Miscellaneous Revenue	3,000.00	0.00	0.00%	0.00	0.00%	
<b>Total Other Miscellaneous Revenues</b>	<b>4,000.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Non-Revenues</b>	<b>0.00</b>	<b>8.35</b>	<b>0.00%</b>	<b>8.35</b>	<b>0.00%</b>	
<b>Total Revenue (No Begin Bal)</b>	<b>2,573,140.00</b>	<b>258,258.57</b>	<b>10.04%</b>	<b>449,823.48</b>	<b>17.48%</b>	
<b>TOTAL LIGHT &amp; POWER FUND REVENUES</b>	<b>3,323,140.00</b>	<b>258,250.22</b>	<b>7.77%</b>	<b>1,285,286.04</b>	<b>38.68%</b>	
Ending Net Cash - February 28	439,737.00			650,107.19	147.84%	
Ending Investment	150,000.00			150,000.00	100.00%	
REED Fund	70,000.00			100,000.00	142.86%	
<b>Ending Fund Balance</b>	<b>659,737.00</b>			<b>900,107.19</b>	<b>136.43%</b>	
Salaries & Wages	540,150.00	40,370.52	7.47%	76,524.62	14.17%	
Personnel Benefits	229,425.00	15,460.88	6.74%	30,467.50	13.28%	
Supplies - Operating	55,000.00	1,657.66	3.01%	2,309.85	4.20%	
Supplies - Office	1,000.00	348.78	34.88%	490.77	49.08%	
Fuel	7,500.00	387.98	5.17%	387.98	5.17%	
Power Purchased for Resale	1,080,000.00	84,153.00	7.79%	188,405.00	17.44%	
Transmission Costs	210,000.00	14,839.00	7.07%	36,588.00	17.42%	
BPA Conservation	0.00	0.00	0.00%	0.00	0.00%	
Professional Services	45,000.00	2,878.98	6.40%	3,529.07	7.84%	
Professional Services - Legal	25,000.00	1,583.00	6.33%	3,166.00	12.66%	
Communications	1,000.00	841.59	84.16%	1,185.47	118.55%	Budget error, should be 10,000
Travel	500.00	0.00	0.00%	0.00	0.00%	
Advertising	500.00	0.00	0.00%	0.00	0.00%	
Rental/Lease Equipment	5,000.00	19.95	0.40%	68.00	1.36%	
Insurance	23,253.00	0.00	0.00%	23,253.00	100.00%	
Utility Services	25,000.00	2,253.19	9.01%	5,336.41	21.35%	
Repair & Maintenance	10,000.00	3,228.22	32.28%	4,726.14	47.26%	
Miscellaneous	500.00	198.20	39.64%	264.26	52.85%	
Miscellaneous - Training	1,000.00	0.00	0.00%	0.00	0.00%	
Miscellaneous - Dues	500.00	0.00	0.00%	115.40	23.08%	
External Taxes	100,000.00	0.00	0.00%	6,598.50	6.60%	
Capital Outlay - Building	10,000.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Library	0.00	0.00	0.00%	0.00	0.00%	
Capital Outlay - Equipment	133,075.00	0.00	0.00%	1,762.88	1.32%	
Capital Outlay - Other Improvements	160,000.00	0.00	0.00%	0.00	0.00%	
<b>Non-Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	
<b>Total Revenue (No End Bal)</b>	<b>2,663,403.00</b>	<b>168,220.95</b>	<b>6.32%</b>	<b>385,178.85</b>	<b>14.46%</b>	
<b>TOTAL LIGHT &amp; POWER FUND EXPENSES</b>	<b>3,323,140.00</b>	<b>168,220.95</b>	<b>5.06%</b>	<b>1,285,286.04</b>	<b>38.68%</b>	

GARBAGE FUND BUDGET: 2009						
DESCRIPTION	2009 PROPOSED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Beginning Net Cash - January 1	7,000.00			13,056.99	186.53%	
Beginning Investments	7,000.00			7,000.00	100.00%	
<b>Beginning Fund Balance</b>	<b>14,000.00</b>			<b>20,056.99</b>	<b>143.26%</b>	
<b>Garbage Fees &amp; Service Charge</b>	<b>232,000.00</b>	<b>20,169.07</b>	<b>8.69%</b>	<b>39,591.77</b>	<b>17.07%</b>	
Investment Interest	200.00	44.04	22.02%	44.04	22.02%	
Non-Revenues	0.00	0.00	0.00%	0.00	0.00%	
<b>Total Revnue (No Begin Bal)</b>	<b>232,200.00</b>	<b>20,213.11</b>	<b>8.71%</b>	<b>39,635.81</b>	<b>17.07%</b>	
<b>TOTAL GARBAGE FUND REVENUES</b>	<b>246,200.00</b>	<b>20,213.11</b>	<b>8.21%</b>	<b>59,692.80</b>	<b>24.25%</b>	
Ending Net Cash - February 28	9,825.00			33,992.45	345.98%	
Ending Investments	7,500.00			7,000.00	93.33%	
<b>Ending Fund Balance</b>	<b>17,325.00</b>			<b>40,992.45</b>	<b>236.61%</b>	
Salaries & Wages	2,020.00	159.08	7.88%	318.16	15.75%	
Personnel Benefits	625.00	49.96	7.99%	101.20	16.19%	
Supplies - Office	50.00	0.00	0.00%	0.00	0.00%	
Professional Services	211,000.00	0.00	0.00%	17,984.69	8.52%	
Communications	0.00	0.00	0.00%	0.00	0.00%	
Advertising	0.00	0.00	0.00%	0.00	0.00%	
Rent - City Hall	180.00	15.00	8.33%	30.00	16.67%	
External Taxes	14,000.00	0.00	0.00%	266.30	1.90%	
Capital Outlay - Equipment	1,000.00	0.00	0.00%	0.00	0.00%	
Non-Expenditures	0.00		0.00%	0.00	0.00%	
<b>Total Expenses (No End Bal)</b>	<b>228,875.00</b>	<b>224.04</b>	<b>0.10%</b>	<b>18,700.35</b>	<b>8.17%</b>	
<b>TOTAL GARBAGE FUND EXPENSES</b>	<b>246,200.00</b>	<b>224.04</b>	<b>0.09%</b>	<b>59,692.80</b>	<b>24.25%</b>	

REAL ESTATE EXCISE FUND BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Begin Net Cash - January 1	197,000.00			195,587.54	99.28%	
Begin Investments	0.00			0.00	0.00%	
<b>Beginning Fund Balance</b>	<b>197,000.00</b>			<b>195,587.54</b>	<b>99.28%</b>	
1/4% Real Estate Excise Tax	10,000.00	1,728.43	17.28%	2,917.06	29.17%	
<b>TOTAL REET REVENUES</b>	<b>207,000.00</b>	<b>1,728.43</b>	<b>0.83%</b>	<b>198,504.60</b>	<b>128.45%</b>	
Ending Net Cash - February 28	177,000.00			198,504.60	112.15%	
Ending Investments	0.00			0.00	0.00%	
<b>Ending Fund Balance</b>	<b>177,000.00</b>			<b>198,504.60</b>	<b>112.15%</b>	
Capital Outlay - Other Improvements	30,000.00	0.00	0.00	0.00	0.00%	
<b>TOTAL REET EXPENSES</b>	<b>207,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>198,504.60</b>	<b>95.90%</b>	

FIRE MITIGATION FUND BUDGET: 2009						
DESCRIPTION	2009 ADOPTED	FEBRUARY		YEAR TO DATE		COMMENTS
		ACTUAL	% OF BUDGETED	ACTUAL	% OF BUDGETED	
Begin Net Cash - January 1	79,000.00			78,874.70	99.84%	
Begin Investments	0.00			0.00	0.00%	
<b>Beginning Fund Balance</b>	<b>79,000.00</b>			<b>78,874.70</b>	<b>99.84%</b>	
<b>TOTAL FIRE MITIGATION REVENUES</b>	<b>79,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>78,874.70</b>	<b>99.84%</b>	
Ending Net Cash - February 28	59,000.00			78,874.70	133.69%	
Ending Investments	0.00			0.00	0.00%	
<b>Ending Fund Balance</b>	<b>59,000.00</b>			<b>78,874.70</b>	<b>133.69%</b>	
Professional Services	20,000.00	0.00	0.00	0.00	0.00%	
<b>TOTAL FIRE MITIGATION EXPENSES</b>	<b>79,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>78,874.70</b>	<b>99.84%</b>	

**CASH, INVESTMENTS AND CAPITAL PROJECTS: FEBRUARY 2009**

	Beginning Balance - January 1			Ending Balance - February 28				
	Beginning Net Cash	Beginning Investments	Rural Development Investment	Total Beginning Balance	Ending Net Cash	Ending Investments	Rural Development Investment	Total Ending Balance
<b>CURRENT EXPENSE</b>	122,524.26	190,000.00		<b>312,524.26</b>	67,985.84	190,000.00		<b>257,985.84</b>
<b>PARK &amp; CEMETERY</b>	24,628.63	65,000.00		<b>89,628.63</b>	16,112.69	65,000.00		<b>81,112.69</b>
<b>STREETS</b>	94,122.32	160,000.00		<b>254,122.32</b>	87,116.61	160,000.00		<b>247,116.61</b>
<b>LIGHT &amp; POWER</b>	585,462.56	150,000.00	100,000.00	<b>835,462.56</b>	560,069.57	150,000.00	100,000.00	<b>810,069.57</b>
<b>GARBAGE</b>	13,056.99	7,000.00		<b>20,056.99</b>	14,003.38	7,000.00		<b>21,003.38</b>
<b>WATER</b>	(4,129.00)	75,000.00		<b>70,871.00</b>	(9,671.75)	75,000.00		<b>65,328.25</b>
<b>WASTE WATER</b>	145,737.60	62,500.00		<b>208,237.60</b>	136,810.59	62,500.00		<b>199,310.59</b>
<b>STORM</b>	55,542.39	0.00		<b>55,542.39</b>	56,146.74	0.00		<b>56,146.74</b>
<b>AMBULANCE</b>	3,283.21	0.00		<b>3,283.21</b>	(1,297.35)	0.00		<b>(1,297.35)</b>
<b>REAL ESTATE EXCISE TAX</b>	195,587.54	0.00		<b>195,587.54</b>	196,776.17	0.00		<b>196,776.17</b>
<b>FIRE MITIGATION</b>	78,874.70	78,874.70	78,874.70	<b>236,624.10</b>	78,874.70	78,874.70	78,874.70	<b>236,624.10</b>

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator   
Date: March 23, 2009  
Re: City Hall Parking Lot Utility Upgrade

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At the last Council worksession we presented you with an idea to upgrade water and electrical service to the city hall area by increasing the water line size to 6 inches and providing enhanced electrical service. We did not have all the information at that time and you asked us to refine the proposal.

Although the staff has continued to work on alternatives, the proposal was not completed by the time this packet is to be sent out.

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator  
Date: March 23, 2009  
Re: Street Banner Rules

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At the last Council meeting, you adopted a Resolution governing the use of street banners to advertise community events. Section III. A. requires the City Administrator to establish standards for the banners, and to submit the proposed standards to the Council for its review. The Council may reject the proposed effective date and the standards may not take effect until Council approval, or if the Council takes no action, the standards go into effect as proposed by the City Administrator.

I have met with this year's Bear Festival Chair who indicated that their budget is extremely tight and they are hopeful that their banner can continue to be displayed without much cost. She suggested \$1.00. I also met with the Chamber of Commerce. Members indicated that Elma does not charge, so why is McCleary doing so? The representative from the Hospital did not object to the \$20.00 fee included in the Resolution.

The standards/rules that your staff is proposing are attached. Applicants must complete an application form and must provide a banner that meets the material and size criteria.

### **Requested Action:**

Ratify the Proposed Standards and Application

# **CITY OF McCLEARY**

## **Street Banner Specifications**

Any banner placed upon the City's poles and light standards for display shall relate only to the specific events scheduled to occur within the corporate limits and the area generally surrounding McCleary or Grays Harbor County. The City will install banners in compliance with the following standards:

1. Applicant shall be either a public agency or a non-profit entity
2. Submit application with visual representation of the banner and fee paid 30 days or more prior to the display date for approval by the City Administrator
3. Certificate of Liability Insurance, with the City named as additionally insured, for one-million dollars (\$1,000,000.00)
4. Dimensions :  
Height: 2'-0" (no more, no less)  
Maximum Length: 20'-0
5. Material:  
Heavy Vinyl, 14oz minimum weight or better  
Wind holes or slits required
6. Mounting Hardware supplied by applicant:  
Metal grommets at 24" on center, on both top and bottom of banner  
3" carabineers for each grommet
7. Banners will be removed within a few days after the event or 30 days from the installation date, whichever comes first, and returned to the Building Department for the applicant to pick up

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator  
Date: March 23, 2009  
Re: Teamsters Overtime MOU

---

When we negotiated the new Teamsters contract we included a provision that they could earn double overtime when they worked during a FEMA disaster. FEMA does not like that provision at all, although they are sympathetic with what we were trying to accomplish. When Light & Power restores power due to an outage during non-working hours, they receive double overtime. During big storms, such as the one a year ago, most of the Public Works crew helped them with debris removal and flagging. The Public Works crew received only time and a half overtime pay.

The solution is to amend the Teamsters contract and remove any reference to FEMA. The Memorandum of Understanding amends the language in Section 8.5, substituting "unanticipated overtime".

### **Requested Action:**

Authorize the Mayor to sign the MOU with the Teamsters to amend Section 8.5.

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MEMORANDUM OF UNDERSTANDING  
TO THE  
AGREEMENT  
BY AND BETWEEN  
CITY OF McCLEARY  
AND  
TEAMSTERS LOCAL NO. 252

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It is understood and agreed by the parties signatory hereto that Section 8.5 shall be amended as follows:

SECTION 8.5 OVERTIME — When an employee is required by the Employer to work in excess of the established work week, the Employer shall authorize compensatory time accrual. Compensatory time shall be accrued at the rate of one and one-half (1½) hours for each hour worked in excess of the standard forty (40) hours per week. All unanticipated overtime work shall be accrued at two (2) times the employee's base rate of pay. Use of compensatory time off shall be subject to the approval of the Employer, and may only be used in increments of no less than one (1) hour at a time.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008/9

FOR THE CITY OF McCLEARY

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,  
LOCAL 252

\_\_\_\_\_  
Mayor Wallace Bentley

\_\_\_\_\_  
Darren O'neil, Secretary-Treasurer

Attest:

\_\_\_\_\_  
City Clerk

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator   
Date: March 23, 2009  
Re: Joint Electrical Project with School

---

McCleary School is undergoing extensive remodeling, including major electrical work. The current overhead service to the play shed and new music building presents maintenance and safety issues for the Light & Power crew.

Light & Power believes that the new service should be converted from overhead to underground, which is more expensive. Because the City will benefit from this change and it is not required from the school's perspective, it is proposed that the cost of the upgrade be split with the school. Paul's detailed explanation is attached for your review.

### **Requested Action:**

Approve a joint electrical upgrade project with McCleary School for a total estimated cost of \$8,248.99, with one-half (\$4,124.49) paid by the school.

# Memo

**To:** Busse  
**From:** Paul  
**CC:**  
**Date:** 3/18/2009  
**Re:** School electrical service

---

Busse,

As you are aware the school is in the process of remodeling. The project has also included a re-design of the electrical service. The main portion of the electrical service cutover work has been completed. The purpose of this memo is to advise you of a secondary project that will provide electrical service to the play shed and new music building.

The old primary service feed to the school came from Fourth Street, overhead for one span to a pole located adjacent to the football field. This has always been a maintenance and safety issue for the City.

-First as far as safety; the overhead primary wires ran over the top of the old preschool building and are also located in close proximity to the roof of the play shed.

-Second as far as maintenance; to access this pole for past maintenance, the crew was required to drive the line equipment over the track and also the football field. In the dry months this is not too big of an issue, but in the wet months we tend to do damage to both the track and the football field. It is also a problem to access this pole when school is in session.

The school is requesting that the new service (transformer) be installed on this pole located by the football field. (This is the most "economical" solution for the school) We are proposing that the service be converted to an underground service and that the new underground transformer is located adjacent to the fire lane and the pole and overhead wires be removed. We feel that by locating the transformer in this location and by constructing this project underground that it would benefit all parties involved, more so the City than the school. It will eliminate the need to drive on the football field and track and more importantly it will eliminate the safety hazard of the overhead electrical wires.

Since the school already has the means to provide the service from the pole located by the football field and we feel that it would be in the best interest of the City to change the service to underground then we also feel that the cost should be split equally between both entities. After your and my discussion about this, I discussed it with Dan and he would also agree to share the cost of this project.

If you have any more questions feel free to contact me...

Paul



City of McCleary  
Home of the McCleary Bear Festival

# CITY OF McCLEARY

100 SOUTH 3RD STREET  
McCLEARY, WASHINGTON 98557  
360-495-3667 FAX 360-495-3097

## ESTIMATE

### CUSTOMER

NAME: McCleary School Dist  
 ADDRESS: 611 w Main  
 CITY: McCleary WA ZIP 98557  
 PHONE: \_\_\_\_\_

DATE: 3/18/2009  
 ESTIMATE #: 03.19.09  
 New UG Played

QTY	UNITS	DESCRIPTION	UNIT PRICE	TOTAL
6		Labor	190.00	\$ 1,140.00
2		Manlift	30.00	\$ 60.00
2		Boom Truck	30.00	\$ 60.00
1		Backhoe	30.00	\$ 30.00
				\$ -
300		15 KV EPR	3.73	1,119.00
100		350-350-4/0	4.31	\$ 431.00
10		#4 Bare CU	0.50	\$ 5.00
25		#2 Bare CU	1.53	\$ 38.25
40		#2 THHN	1.97	\$ 78.80
4		Ground Rod	17.71	\$ 70.84
1		100 A Cut Out	107.03	\$ 107.03
1		Hot line Clamp	11.55	\$ 11.55
1		Surge Arrestor 3 KV	45.35	\$ 45.35
1		Outdoor Terminator	27.72	\$ 27.72
1		Stem Cohnector	6.01	\$ 6.01
1		Load Break Elbow	45.82	\$ 45.82
1		Park Stand	55.83	\$ 55.83
2		Protective Cap	35.40	\$ 70.80
1		Cold Shrink	13.48	\$ 13.48
29		2" #40 PVC	16.02	\$ 464.58
1		2" #80 PVC	18.48	\$ 18.48
10		2 1/2" #40 PVC	12.40	\$ 124.00
3		2" 90° Bend	15.40	\$ 46.20
2		2" 90° Bend	21.95	\$ 43.90
2		2" Bell End	2.50	\$ 5.00
1		2 1/2" Bell End	2.85	\$ 2.85
8		#2 Fargo	4.08	\$ 32.64
1		Vault 3642 w/ Cover	611.38	\$ 611.38
1		25 KVA DX Padmount XFMR	3,483.48	\$ 3,483.48
		<b>NOTE: Customer to provide all ditching and excavation for vault.</b>		\$ -
				\$ -
		<b>SUBTOTAL</b>		\$ 8,248.99
		<b>REQUIRED DEPOSIT</b>		
		<b>TOTAL</b>		\$ 8,248.99

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator   
Date: March 23, 2009  
Re: Utility Deposits

---

When new accounts are opened, customers are required to deposit \$195.00, which they can get back when the account is either closed or they have held it for a period of time. Unfortunately, inflation has raised the average utility bill to more than \$250.00. When a renter leaves they may leave the landlord with a hefty bill, if the customer cannot be located for collection.

At our last audit, we learned we should have a written policy for how deposits are returned.

**Requested Action:**

Adopt the Resolution

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RELATING TO UTILITY DEPOSITS,  
ESTABLISHING AMOUNTS AND PROTOCOLS, REPEALING  
RESOLUTION 240, AND PROVIDING FOR TRANSITION.

R E C I T A L S:

1. Pursuant to the provisions of Chapter 13.20 MMC, utility deposits are required as a general principal.

2. The protocols governing the amounts required and other operational factors were implemented through the adoption of Resolution 240.

3. In the interim, a variety of factors have made it necessary and appropriate to modify the terms of that resolution as well as to clarify certain procedures to be followed in the event of a request for a return of a deposit.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: Those certain deposits required for commencement of utility services shall be as follows:

A. Non-commercial Services:

1. When only electrical utility service is provided by the City: \$250.00

2. When multiple utility service is provided by the City: \$300.00

B. Commercial Service:

1. If comparable service has been provided to the service location during a prior twelve month period, an amount equal to the average charge for a two month billing period.

2. If the provisions of sub-section 1 are not applicable, an amount no less than \$1,500.00 if electrical service only is provided or \$2,000.00 if multiple utility services are provided.

SECTION II: In lieu of the deposit required pursuant to the provisions of Section I, the Applicant may:

A. Provide such deposit waiver as may be from time-to-time authorized by the City Administrator which has been executed by an individual or entity who or which meets the following criteria:

1. Has had a utility service account of comparable nature with the City for a period of no less than twelve consecutive months within the last twelve (12) months and own their own home and receive their power from McCleary Light and Power.

2. Owns the property to which the services are rendered.

3. Has a record of payment with the City which shows no evidence of delinquency or deficiency within the most recent twelve month period prior to the date the request for waiver is submitted.

4. Acknowledges continuing direct responsibility for payment in the event the applicant fails to pay a bill for utility service to the subject property and further that the property served shall be subject to such lien, whether in the form of denial of service or otherwise, as may be authorized by the laws of the State of Washington for such services.

SECTION III: In relation to the matter of the transfer or refund of accounts of deposits held by the City pursuant to the provisions of the Code and this Resolution, the following provisions shall apply:

A. As to any customer who or which, at the time of the request for transfer and until the actual date of transfer of service meets the criteria which would authorize that customer to execute a waiver of deposit for another customer, there shall be no additional deposit required to implement a transfer of utility service: PROVIDED THAT, as to any obligation existing at the prior service, that obligation shall be paid in full in a timely manner or a deposit may be required to continue service.

B. As to any customer who or which does satisfy the

criteria set out in subparagraph A, any deposit then held by the City upon the existing account may be transferred from the existing account upon its closing to the newly established account: PROVIDED THAT the transfer shall be implemented and the new account opened upon the basis of that transfer only after the existing account has been paid in full. In the event that the deposit required to establish the new account, as determined pursuant to the provisions of Section I, is greater than the amount being transferred, the difference shall be paid prior to the opening of the new account.

SECTION IV: In the event that a deposit required pursuant to the provisions of this Resolution is to be returned to the customer, the following provisions shall apply.

A. A written request shall be submitted to the Office of the Clerk-treasurer upon such form as may be established by that Office.

B. A written confirmation of the amount of deposit held, the eligibility of the account for such return or release, and the party by who or which it was paid shall be issued.

C. Prior to the issuance of any refund, the documentation shall be submitted to the Clerk Treasurer for approval.

D. Upon a quarterly basis or such more frequent basis

as may be requested by the Finance Committee, a written summary setting forth in reasonable detail the names, dates, basis for request, and amounts of deposits released or refunded shall be submitted to the Finance Committee by the Office of the Clerk-treasurer.

SECTION V: Resolution 240 shall be repealed as of the date of adoption of this resolution: PROVIDED THAT, any deposit made and held pursuant to the provisions of Resolution 240 shall continue to be held and shall hereafter be subject to the provisions of this Resolution.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009, by the City Council of the City of McCleary, and signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF McCLEARY:

\_\_\_\_\_  
WALLACE BENTLEY, Mayor

ATTEST:

\_\_\_\_\_  
DONNIE ROSTEDT, Clerk-Treasurer

APPROVED AS TO FORM:  
  
\_\_\_\_\_

DANIEL O. GLENN, City Attorney

RESOLUTION -A- 6  
3/21/2009  
DG/ie

100 SOUTH MCDONNELL STREET  
McCLEARY, WASHINGTON 98557

## STAFF REPORT

To: City Council  
From: Busse Nutley, City Administrator   
Date: March 23, 2009  
Re: VEBA

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Section 501(c) (9) of the IRS Code provides for Voluntary Employee Beneficiary Associations (VEBA). The purpose of these organizations is to pay life, sick, accident, and similar benefits to members or their dependents. Typical expenses include co-pays; coinsurance; deductibles; prescriptions; medical, dental vision and long-term care premiums; and Medicare supplement plans. Most often these plans are used by retirees to pay for medical expenses that were covered by their employer-paid plans.

VEBA accounts are tax-free: contributions to the plan are tax-free; investment earnings are tax-free; and reimbursements for healthcare expenses are tax-free. In other words, funds going into the plan, earning interest while held in the plan, and being paid out from the plan are all tax-exempt.

Interestingly, this plan has no cost to the employer, and, in fact, provides some small savings because of the tax-free aspects of the plan. Plans are funded through monthly payroll deduction contributions and most often, by the one-time payouts of sick leave and vacation accruals that employers are obligated to cash out when employees leave service.

Not all employees need to enroll for some to receive these benefits. However, all employees within identifiable groups, such as collective bargaining units, or exempt employees, must enroll for the plan to be activated.

To start, McCleary's four exempt employees (Donnie, Jennie, George and Busse) would like to take advantage of this program. If the Council adopts the Resolution, then they have decided to contribute \$50.00 per month, plus vacation and sick leave buy-outs.

### **Requested Action:**

Adopt the Resolution

# What is HRA VEBA?

A tax-free  
health reimbursement  
arrangement for  
public employees in  
the Northwest

## Summary of Benefits *for pre-enrollment education*

- ▶ Health care costs are a growing problem for public employees
- ▶ Start saving now
  - Contributions are tax-free
  - Earnings are tax-free
  - Withdrawals (claims) are tax-free
- ▶ Speak with your employer and/or union leadership today about adding HRA VEBA to your benefits package

For more information, visit  
[www.hraveba.org](http://www.hraveba.org)

## What is a health reimbursement arrangement?

A health reimbursement arrangement (HRA) is a type of health plan that reimburses out-of-pocket health care costs incurred by you, your spouse, and qualified dependents. All contributions, investment earnings, and withdrawals (claims) are tax-free!

The HRA VEBA plan is offered by the non-profit HRA VEBA Trust<sup>1</sup>. HRA VEBA has been adopted by over 250 governmental employers in Washington, Oregon, and Idaho.

## Why should I have an HRA?

Public employees everywhere are struggling to cope with the soaring cost of health care, particularly after retiring. Many who are eligible to retire keep working. Why? Because their retirement pensions and other taxable retiree income sources aren't enough.

Don't become job-locked. You work hard and deserve to enjoy a stress-free retirement. A properly funded HRA can help.

An HRA allows you to save a portion of what you earn today for when you need it most.

<sup>1</sup> The HRA VEBA Trust was formed in 1990 and is a voluntary employees' beneficiary association (VEBA) authorized by section 501(c)(9) of the Internal Revenue Code. The HRA VEBA Trust is managed by a board of trustees elected by the plan participants.

<sup>2</sup> Depending on your employer's plan design, account usage may be subject to vesting or post-separation coverage only.

## Plan Benefits:

- Pay no tax on contributions
- Pay no tax on investment earnings
- Pay no tax on withdrawals (claims)
- Use your account now or save it for when you retire<sup>2</sup>
- Reimburse health care expenses and premiums for you, your spouse, and qualified dependents
- No contribution limits
- Account balances carryover from year to year (no "use-it-or-lose-it" requirement)
- Participant-directed investment funds, including four professionally designed pre-mixed portfolios
- Upon death, remaining funds can continue to be used by your surviving spouse and qualified dependents

## Tax-free Contributions

HRA/VEBA is completely *tax-free*. Contributions to *tax-deferred* programs (IRA, 457, 401(k), 403(b), pension plans) are subject to FICA tax, and federal income tax is merely postponed until withdrawals are made.

Exchanging taxable wages for tax-free HRA/VEBA contributions has significant tax-saving benefits— even better than your tax-deferred investments!

Below are several of the most common HRA/VEBA funding sources<sup>3</sup>:

1. Mandatory employee contributions (no individual elections permitted)
2. Sick leave, vacation, personal, and other leave cash outs
3. Part or all of a future pay raise or COLA
4. Unused monthly benefit dollars
5. Premium savings from lower-cost medical plans
6. Other eligible sources

## Here's how the tax savings<sup>4</sup> work:

	\$100 Monthly Contribution Estimated Tax Savings = \$33		Cumulative Growth Comparison \$100 per month; 5.00% return (net of fees)	
	Without HRA/VEBA	With HRA/VEBA	Taxable Equivalent <sup>4</sup>	HRA/VEBA
Monthly Amount	\$100	<b>\$100</b>	\$ 825	<b>\$ 1,234</b>
25% Federal Income Tax	<25>	<b>0</b>	4,522	<b>6,977</b>
7.65% FICA Tax	<8>	<b>0</b>	10,183	<b>16,388</b>
Amount You Keep	\$ 67	<b>\$100</b>	26,140	<b>46,204</b>
			51,145	<b>100,452</b>

Oregon and Idaho participants also save approximately 8% state income tax on contributions.

## Enrollment

After your employer group adopts HRA/VEBA and you become eligible to participate, you will be asked to submit a completed and signed Membership Enrollment Form to your employee benefits office. All employee group members defined as eligible must participate per IRS rules.

<sup>3</sup> If you need to confirm how mandatory employee contributions (or other contributions) to HRA/VEBA may affect your pension benefit, contact your employer or your state's retirement system.

<sup>4</sup> Tax savings examples (1) are for illustrative purposes only and vary based on your personal tax situation; and (2) assume 25% federal income tax on contributions and earnings and 7.65% FICA tax on contributions. You should consult a professional advisor regarding your personal tax situation.

AMOUNT TODAY'S AVERAGE PUBLIC RETIREE AND SPOUSE  
WILL SPEND ON HEALTH CARE DURING RETIREMENT:

**\$300,000+**

## Tax-free Investments

Invest your account by choosing either one of two options. You can change your investment decision as often as monthly. Fund management fees vary by fund(s) selected.

### Option A: Do-it-yourself

Build your own asset allocation portfolio with funds from seven individual asset classes.

- Stable Value
- Total Return Bond
- Balanced
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity

### Option B: Choose a pre-mix

Select any one of four professionally designed pre-mixed asset allocation portfolios.

Each pre-mixed portfolio's risk level gives strong consideration to your projected time horizon (i.e. the length of time until you expect to begin filing claims).

- Immediate Use (0-1 years)
- Short-term Use (2-3 years)
- Medium-term Use (4-5 years)
- Long-term Use (5+ years)

## Online Account Access

Online account access allows you to:

- Check your account balance and transaction history
- Review and/or change your investments
- Print Claim Forms
- Change your address

## Tax-free Withdrawals (Claims)

### It's easy to file a claim

After becoming eligible to file claims, simply submit a properly completed and signed Claim Form along with proof of expense. Claims are processed daily.

Use a Systematic Payment Form to request automatic reimbursement (or payment) of recurring qualified insurance premiums.

### Direct deposit is fast and secure

Sign up for direct deposit. It's a faster and more secure way to receive reimbursements.

## Survivor Benefit

If you pass away, remaining funds in your account may continue to be used by your surviving spouse, qualified dependents, or heirs to reimburse eligible health care expenses and premiums.

NOTE: IRS Revenue Ruling 2006-36 requires HRA/VEBA to discontinue providing reimbursements to non-dependent heirs for expenses incurred on or after October 1, 2009. This ruling only affects benefits paid to non-dependent heirs; benefits on behalf of a surviving spouse or dependent(s) will continue to be available.

To learn more, or to schedule a group presentation, contact:

**VEBA Service Group, LLC**

Western Washington  
1-800-422-4023

Eastern Washington, Oregon & Idaho  
1-800-888-VEBA (8322)



## STAFF REPORT

To: City Council

From: Busse Nutley, City Administrator 

Date: March 23, 2009

Re: TIB Grant – Authorize Mayor to Release Payments

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With the addition of federal funds into the Simpson Sidewalk project, there are new “hoops” to jump through. As the Council packet was being prepared, we received information from our city engineer that we will need to authorize the Mayor to release payments in a different way than we have used before. Dan is reviewing the materials and we hope to have something for your consideration at the meeting.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE ESTABLISHMENT  
OF A HEALTH REIMBURSEMENT ARRANGEMENT /  
VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
("HRA VEBA") PLAN.**

**R E C I T A L S :**

1. The Internal Revenue Code Section 501(c)(9) allows for the creation of a voluntary employees' beneficiary association which is a tax-exempt health and welfare trust.

2. IRS guidelines and regulations allow an employer to offer health reimbursement arrangement (HRA) plans and such HRA plans are available to governmental employers in the Northwest.

3. The Voluntary Employees' Beneficiary Association for Public Employees in the Northwest Trust ("Trust") offers and will administer an HRA entitled "Voluntary Employees' Beneficiary Association Medical Expense Plan for Public Employees in the Northwest as Amended and Restated January 1, 2005" ("Plan").

4. The City of McCleary ("Employer") has determined that establishing an HRA plan which provides a tax-free defined contribution account for employees to pay for medical, dental, vision and tax qualified long-term care premiums and non-covered

healthcare expenses is in the best interest of the Employer and its employees and thus the Employer desires to establish an HRA plan for its employees.

5. The Employer desires to use the services of the Trust to administer such Plan and such HRA established by the Employer will be administered in accordance with the Plan documents provided by the Trust on file in the Employer's office.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: Effective the \_\_\_\_ day of \_\_\_\_\_, 2009, the Employer hereby elects to participate in the Plan and Trust as presently constituted or hereafter amended using the Trust as its plan administrator for the benefit of eligible employees as defined by Employer policies or collective bargaining agreements.

SECTION II: The Plan will be funded with Employee and Employer contributions in amounts determined from time to time pursuant to applicable law as well as Employer policies and collective bargaining agreements.

SECTION III: The Mayor is authorized to execute documents and establish procedures consistent with Plan and Trust provisions and applicable Employer polices and collective

bargaining agreements necessary to effect the adoption and administration of the Plan.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
2009, by the City Council of the City of McCleary, and signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_,  
2009.

CITY OF McCLEARY:

\_\_\_\_\_  
WALLACE BENTLEY, Mayor

ATTEST:

\_\_\_\_\_  
DONNIE ROSTEDT, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
DANIEL O. GLENN, City Attorney