



CITY OF PROSSER, WA
2017 PROPOSED BUDGET



MESSAGE FROM THE ADMINISTRATOR

Strategic Well-Managed Growth through Stable Funding, Efficiency, and Innovation

September 23, 2016

Dear Citizens, City Council, and Mayor of the City of Prosser, Washington

Prosser is growing. The addition of Shopko to our community in 2015 brought a local retail option for many of the products we buy throughout the year. It also brought stable revenue to the City of Prosser through a significant increase of locally collected sales tax. Many new businesses and restaurants also opened their doors in 2016, with the majority of those businesses off to a profitable start. In terms of new construction, 2015 saw the 2nd largest growth in Prosser's history. How did Prosser follow-up such an incredibly successful 2015? By **producing what looks to be the largest growth rate in Prosser's history in 2016!** Much of that growth comes from Love's joining our community, but is diversified in new or expanded retail, housing, restaurants, industrial, commercial, or tourism related services.

Growth for growth's sake often ends poorly; for businesses or for governments. But, **strategically managed growth that is founded on clear goals and objectives and rooted in community direction and sentiment is a formula for success.** I am happy to report that Prosser demonstrates a strategic and well managed approach to growth. The City of Prosser, and our partners, work diligently to manage the demand for growth, while also working to protect the small town charm that is at the core of Prosser living and often the very reason people enjoy to live in a "Pleasant Place with Pleasant People." The City Council's adopted 2016 – 2019 Council Goals are a good testament of how we anticipate managing growth and also provide staff with clear direction in carrying out the services of the City.

2016 also saw the return of FruitSmart and increased services from other industrial leaders of the community. In anticipation and support of industrial, commercial, residential, and other growth in Prosser, we expanded our waste water facilities; the result of a multi-year project. This \$7 million community investment added 50%-60% increases in capacity, depending on the provided service. In addition, it also replaced aging mechanical processes with new technologies, increasing the efficiency of overall operations. **This improvement to our community is reason for celebration, but the party must be short lived.** This improvement has added much needed capacity, but the demand for waste water services still out-paces the capacity. The 2017 budget utilizes Economic Development funds from the Rural County Capital Fund for the design and ultimate further expansion of our waste water system. We anticipate these additional improvements, likely completed by the end of 2018, will result in additional industrial and commercial jobs and increase economic sustainability for Prosser and will bring us to the level of service needed for the next 20-25 years.

Prosser's population continues to rise and **I anticipate a population growth rate that Prosser has never seen before.** From 2010 to 2015, Prosser's population grew from 5,714 to 5,869 (*US Census data*), or 155 persons or 2.7% over five years. In 2016 alone, I estimate that Prosser's population has grown by more than 70 persons, or 1.2% in one year. I expect an even greater growth rate to continue each year over the next five years, or approximately 7.2% from 2017 through 2021, resulting in a population of more than 6,300 people by the year 2021.

The 2017 budget begins the work necessary to prepare for the population, industrial, and commercial growth of tomorrow. Improvements to 7th Street (\$1.1 million), Highland Drive Mainline Expansion (\$13,000), updates to our Irrigation Plan (\$67,000), Irrigation Consultation Services (\$15,000), and Design Work for the expansion of our Waste Water System (\$50,000) demonstrate our commitment to investing in expanding our infrastructure to meet current and future demand. The increase in funding and an organizational change to Streets that will add more than 4,000 hours of assigned work to Streets will also equate to better improved sidewalks in some areas and increased preventative and ongoing maintenance to our road system. These improvements complement the significant investments made to streets and waste water in 2016. Our Streets exhibit critical deferred maintenance, but we are making significant strides in 2017 to address those maintenance deficits. Further additional resources will continue to be necessary over the next five years to bring the quality of our streets up to the level we all expect. **The decision of Council in 2016 to allocate more than \$300,000 in dedicated funds to long-term improvement projects will provide us the grant match requirements to continue to make multi-million dollar repairs to our streets each year over the next five years.** This exciting time for significant street improvements will begin this year with the 7th Street Improvement Project.

With an increase in population and commerce, comes the necessity to increase our investment in public safety. The International City/County Management Association (ICMA) Center for Public Safety Management (CPSM) as part of a joint study with the International Association of Chiefs of Police (IACP) recommends utilization of the **Actual Workload Staffing Model** (*Analysis of Police Department Staffing, McCabe, 2013*). By following this model as related to current and anticipated population growth and workload, Prosser is in need of additional patrolling officers. The 2017 budget hires two additional officers in October 2017 as well as promotes one of the Sergeant positions to Lieutenant; which would continue patrol duties as well as alleviate some of the growing administrative duties from the Police Chief. These two additional hires would come after the probationary period ends for our 2016 hires. **The addition of two additional patrolling officers will help Council achieve their Council's Goal of "at a minimum, maintain the 2016 current public safety level of services and funding and, when resources allow, increase level of services"** and will also result in meeting additional Council Goals for a Safe Community. Staff anticipates long-term sustainable funding to be able to fund these two additional positions for at least the next seven years and hopes to be able to identify funding for these positions to continue beyond 2023.

Adequate and comprehensive long-range planning is vital to maintaining strategic and well-managed growth. The 2017 budget continues our investment in the update of Prosser's Comprehensive Plan. **Though the mandate to update our Comprehensive Plan from the State provided no State funding, we should take pride knowing that Prosser has been able to dedicate the funds necessary to complete this important plan that will guide our development over the next 20 years.** The cliché "if you fail to plan, you plan to fail" is true, so our investment in long-range planning provides the counter truth and is a good recipe for success. We can expect the commercial and residential zoned acreage located outside of city limits, but inside our Urban Growth Area, to be annexed into the City as part of the processes necessary to update the Comprehensive Plan. That will also result in the need for Water, Waste Water, Irrigation, and other non-city provided utility services to expand north of Interstate 82. Funds for planning and design of this expansion are also included in the 2017 budget.

The 2017 budget helps meet Council Goals by investing "in City staff... training, in technology that makes public records and other City services easily available to the public online," and by continuing to partner and invest our "involvement in outside organizations and committees." **The City of Prosser is proud to be able to not only provide staff resources to our partners, but also to provide financial and other**

resources also. Investments in all-new online facilities (Parks) reservation software and to a nationally proclaimed online employment application system should prove to be considerable improvements to how we interact with our customers.

The City is making significant strides in 2017 to build our reserves. **For the first time in the City of Prosser's history, we have been able to establish a Fleet Replacement Program!** These newly established replacement reserve funds will add long-term stability to the ebbs-and-flows of year-over-year budgeting and ensure that our City's fleet is well-maintained and a safe resource to provide our services to the public. The program is anticipated to be fully funded over four years (we are making 125% yearly payments over the next four years in order to "catch-up" from the previous four years of not participating in the program). This significant investment will improve the quality and even quantity of delivered services to the public, as well as improve employee job satisfaction. Additional increases to the General Fund Reserve, IT Reserve, Water Reserve, and Waste Water Reserve are also included in the 2017 budget. These investments allow us to meet Council's Goals of "maintain[ing] a healthy prudent reserve of at least 15% by... 2019," and by "establish[ing] a Fleet Replacement Fund and continue to build IT reserves..."

Prosser is, without a doubt, growing. **Through the strategic vision and commitment of the City Council and Mayor, and the discipline, care, and cooperation of Prosser's leaders and staff, we have a proposed budget that recognizes our inevitable growth while advancing and improving the range of services our citizens and visitors require and deserve.** I am confident in our staff's dedication and expertise to deliver and coordinate these services. I especially thank them for their continued commitment to enhance their skills, listen to the community, follow the direction of Council, and find ever-improving ways to provide our services to our community. I also thank the City Council for creating the 2016 – 2019 Council Goals to provide staff with specific direction for the next three years.

Sincerely,

Dave Stockdale
City Administrator

CITY COUNCIL

CITY COUNCIL MEETINGS:

Day: 1st, 2nd & 4th Tuesday monthly
Time: 7:00 P.M.
Place: City Hall Council Chambers
601 7th Street • Prosser • WA

ELECTED OFFICIALS

<u>Position</u>	<u>Name</u>	<u>Term</u>	<u>Expiration</u>
Mayor	Randy Taylor	4 Years	Dec 31, 2019
Position #1	Don Aubrey	4 Years	Dec 31, 2017
Position #2	Morgan Everett (Mayor Pro-Tem)	4 Years	Dec 31, 2017
Position #3	Rob Siemens	4 Years	Dec 31, 2017
Position #4	Bob Elder	4 Years	Dec 31, 2019
Position #5	Mary Ruth Edwards	4 Years	Dec 31, 2019
Position #6	Steve Becken	4 Years	Dec 31, 2019
Position #7	Stephanie Groom	4 Years	Nov 30, 2017

FORM OF GOVERNMENT

The City of Prosser operates under a Strong Mayor-Council form of government. This governmental structure is based upon distinct executive and legislative branches that are elected independently of each other, and provides for prescribed checks and balances, much like the federal government. In Prosser, the Mayor is elected and serves as the Chief Executive of the government. The legislative branch is represented by the members of the Prosser City Council. There are 7 City Council Members and each Council Member must live within the city limits of Prosser. The Mayor and City Council Members are elected to four-year terms.

The Mayor is responsible for the administration of the executive government, which includes 5 business units. The Mayor appoints the Department Directors and other senior officials, many of whom must be confirmed by the City Council. The Mayor also has veto authority over legislation passed by the City Council.

The Prosser City Council enacts legislation to provide for the needs of the City. While the Mayor is required to propose a City budget each year, the Council is responsible for adopting the budget. The City Council elects from amongst its members a Mayor Pro Tem to conduct meetings in absence of the Mayor. The City Council meetings at 7 p.m. on the first, second, and fourth Tuesday of each month in its chambers in City Hall. Citizens are encouraged to attend and participate in meetings, and meeting agendas may be obtained online at www.cityofprosser.com.

PROSSER AT A GLANCE

The Economy



• Employment

- (2016 Average)
- Prosser Unemployment Rate 6.7%
- State 5.9%
- National 4.9%

• Income

- Median Household income \$53,736
- 12% persons in poverty

The People



• Population

- 5869 (2015 Estimate)
- 39.2% under 18 years old
- 47.3% between 19 and 64 years old
- 13.5% over 65
- 58% White
- 37% Hispanic or Latino
- 328 Veterans
- Person per household 2.6

• Education

- 80% of persons 25 and older are high school graduates
- 20% of persons 25 and older have Bachelor degree or higher

• Civic Participation

- (Benton County)
- 244 Precincts
- 102,501 Registered Voters
- Voter Turn Out (8/2016 Primary) 33.5%

The Land



• Area

- 4.5 square miles
- 705 ft above sea level

• Weather

- Average annual high temperature is 65 degrees Fahrenheit with summer highs usually in the mid 90 degrees.
- Average annual low temperature is 39 degrees Fahrenheit with winter lows in the mid to low 20 degrees.
- Approximately 8" of annual precipitation.

• Housing

- 1756 Dwelling Units in City Limits
- Median home value is \$215,600
- Median price per square foot \$155

BUDGET PROCESS

City departments submit budgets to the City's Finance Department. After the departments work with finance staff on each plan, the proposals are formally presented to the City Administrator.

The Administrator, working with the departments and finance staff, drafts the proposed budget and presents it to the City Council. At the same time, the proposed budget is made available to the public for review and comment. The City Council holds at least two Public Hearings on the proposed budget, as amended before its adoption. Citizens are invited to share their input during City Council meetings.

In accordance with the law, the final budget must be approved by December 31st.

BUDGET CALENDAR

September

- 27th : Proposed Budget presented to Council and made available to public

October

- 4th: Revenue Sources Public Hearing
- 4th: Review of Debt Service, Reserves, and Project Funds
- 11th: Budget Hearing #1
- 11th: Budget Discussion with Departments
- 25th: Budget Discussion with Departments

November

- 1st: Budget Hearing #2
- 1st: Budget Discussion with Departments
- 8th: Budget Discussion with Departments
- 8th: Property Tax Levy Ordinance
- 22nd: Budget Discussion with Departments

December

- 6th: Final Budget Hearing
- 6th: Budget Adoption

HOW DOES THE CITY SPEND ITS ANNUAL BUDGET?

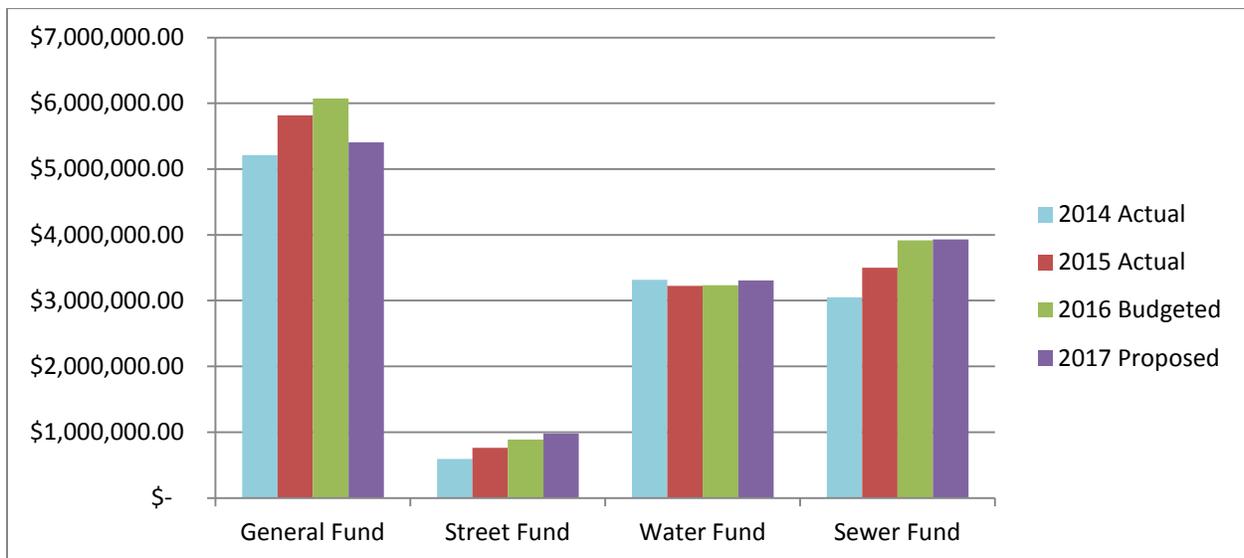
The City of Prosser provides law enforcement, parks, water, sewer, garbage, library, administrative, and community and economic development programs. The City budget has five groups which designate money for specific purposes. They are the General Fund, Enterprise Funds, Debt Service Funds, Special Revenue Funds, and Project Funds. The General Fund is the City's primary operating fund and represents resources that are fully discretionary and may be used as appropriated by the Council. This fund is also one of the chief indicator's of the City's financial health. Special Revenue Funds have legal restrictions and must be used for a designated purpose. An example would be funds received from the State for public safety, like Criminal Justice Funds. Enterprise Funds include departments that operate almost exclusively on fees charged to the public or customers. Examples of these are the water and sewer funds. There are several ways someone can look at how the City will spend its budget in 2017. The following section explains the budget according to departments, program area, and category with the breakdown of expense by fund.

CITY DEPARTMENTS BY FUNDING SOURCE

General Fund	Enterprise Funds	Debt Service Funds	Special Revenue Funds	Project Funds
\$6,160,695	\$12,036,300	\$1,241,200	\$5,942,300	\$1,351,650
<ul style="list-style-type: none"> • Administration • City Council • Legal Services • Finance • City Clerk • Building • Code Enforcement • Police • Parks • Planning • Aquatic Center • Community Center • Economic Development • Recreation • Streets 	<ul style="list-style-type: none"> • Water Fund (and reserves) • Sewer Fund (and reserves) • Garbage Fund 	<ul style="list-style-type: none"> • LID 10-23 • 2011 General Obligation Bond (PAC) • North Prosser Debt • 2015 Water Revenue Bond • 2015 Sewer Revenue Bond 	<ul style="list-style-type: none"> • Street Fund • Criminal Justice Fund • Municipal Capital Improvements • Public Safety Sales Tax • REET Fund • Drug Free Community Grant • CPWI Grant 	<ul style="list-style-type: none"> • 7th Street Improvement Project • Closure of Energy Project • Closure of Crosswalk Project • Closure of Restroom Project

Departments serve community needs by providing specific services. Some departments have several divisions or “sub-departments”. For example, the Public Works Department is made up of the Water Department, Sewer Department, Street Department and Parks Department. “Non-Departmental” refers to line items in the General Fund budget which are not under the control of a particular department. The following table shows the departments within the City, the proposed 2017 budget for each, and the percentage of each department towards the overall budget

Departments	2017 Proposed Budget	Full Time Equivalents	% of Overall Budget
Administration	\$165,650	1	0.6%
Finance	\$402,500	4.25	1.5%
Clerk	\$178,120	1.8	0.7%
Facilities	\$183,150	0	0.7%
IT	\$134,755	0	0.5%
Police	\$3,064,350	15	11.5%
Building/Code Enforcement	\$205,450	2	0.8%
Planning	\$208,750	1.5	0.8%
Parks & Recreation	\$798,935	10	3%
Streets	\$2,817,700	4.2	10.5%
Water	\$5,183,800	5.6	21.7%
Sewer	\$7,195,700	7.2	24.7%
Garbage	\$1,357,700	.5	5.1%
Non-Departmental	\$4,835,585		18%
TOTAL 2017 Proposed Budget	\$26,732,145	53	



This chart illustrates the budgets and activity in the designated funds over the last few years. It can be helpful to review and identify trends.

CITY COUNCIL GOALS

The City Council sets policy direction to guide staff implementation of these goals. Council's goals are to serve as a long-term vision for Prosser and the associated Work Plan serves as those policies necessary to achieve the vision. It is the objective to staff and Council to develop a budget which reflects these goals.



Goal #1: Livability & Quality of Life

Sustain and improve the City's livability and quality of life for Prosser residents and visitors by increasing safety and health and by creating a more vibrant community.

Proposed Projects, Operations, or Expenditures:

Purchase new Police Patrol Car	Purchase of Mower for Parks
Add 2 new Police Officer Positions (<i>October</i>)	MDT Replacement
Re-Establish Parks Department	Increased Maintenance to Parks Facilities
Increased Funding for Events	Financial and Other Support to Community Partners
Establish New Tourism Promotion Area Funding Opportunities	



Goal #2 Financial Sustainability

Sustain and improve the City's financial position through review and updates to City-wide policies and cost of service delivery.

Proposed Projects, Operations, or Expenditures:

Establish Vehicle Replacement Funds	Increase General Fund Reserve
No Reduction in Services	Increase Utilities Reserves
Invest in Software Solutions to Increase Efficiencies	Increase IT Fund Reserve



Goal #3: Promote Economic Development and Jobs

Create a strategy and implement actions that promote collaborative efforts and partnerships to sustain and expand the City's economy and promote job growth.

Proposed Projects, Operations, or Expenditures:

Comprehensive Plan Update	Contract with Prosser Economic Dev. Assoc.
Contract with Historic Downtown Prosser Assoc.	Expansion of Water and Waste Water Utilities
Review & Updates to Prosser Municipal Code	Partner with Port of Benton
Begin Draft of Prosser Economic Development Strategic Plan	Establish City-Administered Tourism Promotion Area Grant Program



**Goal #4:
Infrastructure &
Transportation**

Invest in the expansion of infrastructure services to meet diverse demands, establish preventative maintenance schedules, and establish a Citizen’s Advisory Committee for streets.

Proposed Projects, Operations, or Expenditures:

Increase Staff Time to Streets by Over 4,000 Hours	7 th Street Improvement Project
Increase Streets Materials Budget	Irrigation System Plan
Highland Mainline Project	Source Meter Replacement
Filter Medial Replacement	Pole Building for Equipment Storage
Engineer Designs for Water and Waste Water Utilities to Expand North of the Interstate	Lease/Purchase of Fruit Smart’s Waste Water Facility
Add 2 New Waste Water Positions (<i>October</i>)	Chip Seal
Allocated Funds for Sidewalk and Pedestrian Path Improvements & Repairs	Review & Updates to Prosser Municipal Code



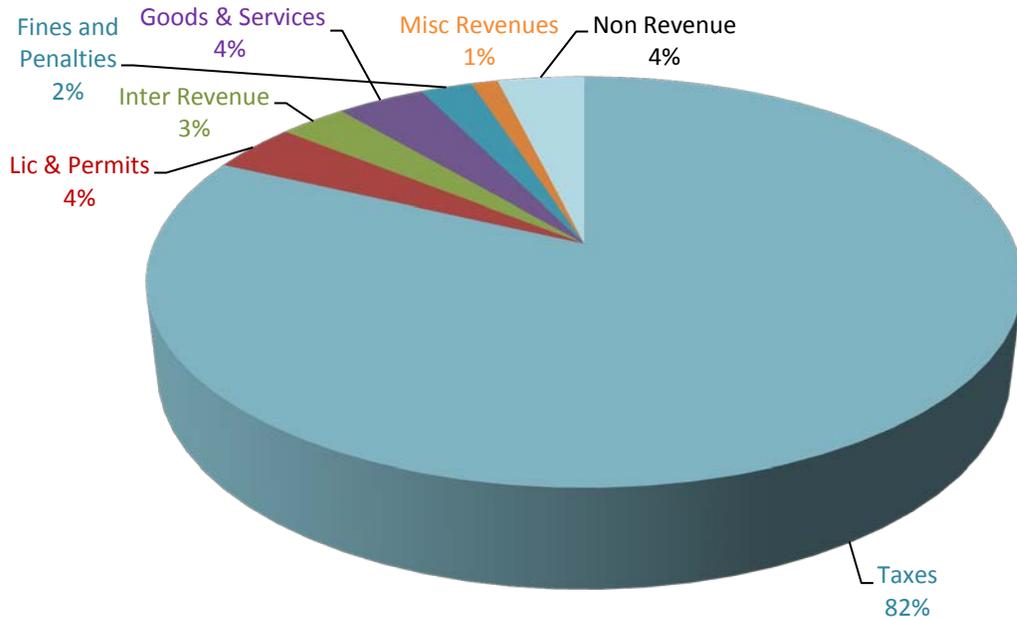
**Goal #5:
Operational Excellence
& Communications**

Provide exceptional service that exceeds the public’s expectations, invest in staff training, promote diversity, and establish heightened transparency and communication with the public and media.

Proposed Projects, Operations, or Expenditures:

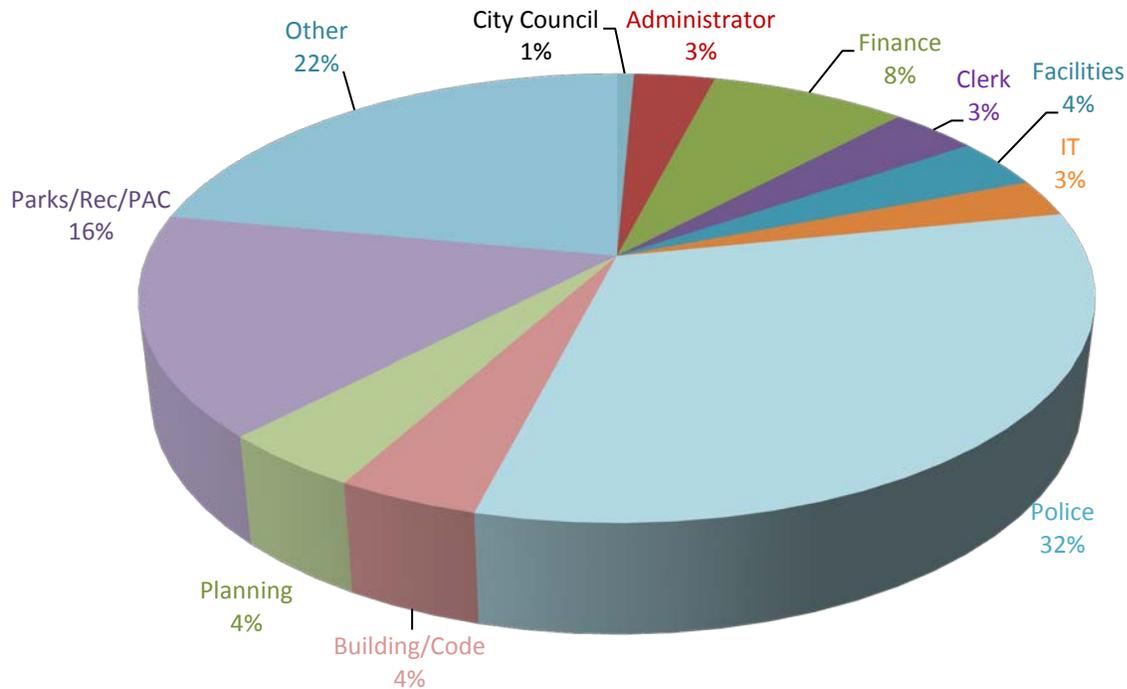
Purchase and Implementation of Program Registration and Facility Reservation Software	Online Employment Application Program
Purchase of Rapid Restore for Emergency Management	Increase Staff Training Budget by Nearly 5%
Addition of 2 New Police Officers and 2 New Waste Water Employees	Create Promoted Police Lieutenant Position from Sergeant Position
Memberships with Association of Washington Cities, National Recreation & Parks Association, Government Finance Officers Association, Washington Finance Officers Association, Washington Municipal’s Clerk Association and International Institute of Municipal Clerks, Washington Association of Public Records Officers, American Public Works Association, International Cities/Counties Management Association, Washington Cities/Counties Management Association, Municipal Research and Services Center, and Several Others	Purchase and Implementation of Fleet Management Software System

GENERAL FUND- REVENUE



Revenue Type	2016 Budget	2017 Proposed	% change
Taxes	\$3,923,040	\$4,147,000	6%
Licenses & Permits	\$171,350	\$194,000	13%
Intergovernmental Revenue	\$143,400	\$150,500	5%
Charges for Goods and Services	\$249,340	\$195,950	-21%
Fines and Penalties	\$106,200	\$115,800	9%
Misc Revenue	\$66,365	\$59,345	-10%
Non-Revenue	\$139,500	\$193,700	39%
TOTAL	\$4,799,195	\$5,056,295	5%

GENERAL FUND - EXPENDITURES



GENERAL FUND BY DEPARTMENT

	2014 Actual	2015 Actual	2016 Budgeted	2017 Proposed	% Change
City Council	\$120,635	\$128,938	\$35,100	\$35,100	0%
personnel	\$109,993	\$110,400	\$29,100	\$29,100	0%
M&O	\$10,642	\$18,538	\$6,000	\$6,000	0%
Administrator	\$0	\$0	\$174,700	\$165,650	-5%
personnel	\$0	\$0	\$160,200	\$151,500	-5%
M&O	\$0	\$0	\$14,500	\$14,150	-2%
Finance	\$435,938	\$454,209	\$431,800	\$402,500	-7%
personnel	\$387,839	\$409,159	\$379,000	\$365,000	-4%
M&O	\$48,099	\$45,050	\$52,800	\$37,500	-29%
Clerk	\$101,402	\$109,843	\$162,650	\$178,120	10%
personnel	\$83,079	\$90,079	\$142,250	\$154,200	8%
M&O	\$18,322	\$19,764	\$20,400	\$23,920	17%
Facilities	\$239,987	\$204,658	\$231,100	\$183,150	-21%
personnel	\$43,534	\$45,503	\$48,200	\$0	-100%
M&O	\$196,453	\$159,155	\$182,900	\$183,150	0%

	2014 Actual	2015 Actual	2016 Budgeted	2017 Proposed	% Change
IT	\$70,287	\$72,723	\$118,425	\$134,755	14%
personnel	\$18,661	\$12,798	\$0	\$0	0%
M&O	\$51,626	\$59,926	\$118,425	\$134,755	14%
Police	\$1,392,510	\$1,343,162	\$1,557,450	\$1,627,800	5%
personnel	\$1,230,044	\$1,200,276	\$1,355,500	\$1,421,700	5%
M&O	\$162,465	\$142,886	\$201,950	\$206,100	2%
Building/Code	\$159,555	\$171,971	\$178,350	\$205,450	15%
personnel	\$146,300	\$156,798	\$155,100	\$185,500	20%
M&O	\$13,255	\$15,173	\$23,250	\$19,950	-14%
Planning	\$168,644	\$164,889	\$184,400	\$208,750	13%
personnel	\$72,278	\$79,272	\$91,000	\$102,600	13%
M&O	\$96,152	\$85,036	\$92,900	\$106,150	13%
Parks/Rec/PAC	\$571,347	\$577,707	\$734,325	\$798,935	9%
personnel	\$240,352	\$254,358	\$417,150	\$467,500	12%
M&O	\$330,996	\$323,349	\$317,175	\$331,435	4%
Transfer to Streets	\$12,050	\$28,898	\$124,500	\$91,900	
Other	\$1,187,828	\$1,284,717	\$1,766,849	\$1,019,995	-42%
Total	\$ 4,460,183	\$ 4,541,715	\$ 5,699,649	\$ 5,052,105	-11%

GENERAL FUND – BUDGET REQUESTS

Status	Request #	Description	Fund	Total	Previously Requested
Funded	2017.16	Reservation and Registration Software	1	\$ 25,000	
Deferred	2017.14	City Hall Exterior	1	\$ 25,000	
Amended	2017.22	Police Staff – 3 FTE	1	\$ 382,000	
Amended	2017.22.a	Police Staff – 2 FTE and Lt	1	\$ 220,000	
Funded	2017.22.b	Police Staff - 2 FTE and Lt (October start)	1	\$ 70,000	
Funded	2017.2	Lawn Mower	1	\$ 17,000	2016.14
Funded	2017.15	Online Application	1	\$ 11,500	
Funded	2017.19	Rapid Restore Server	1	\$ 7,500	

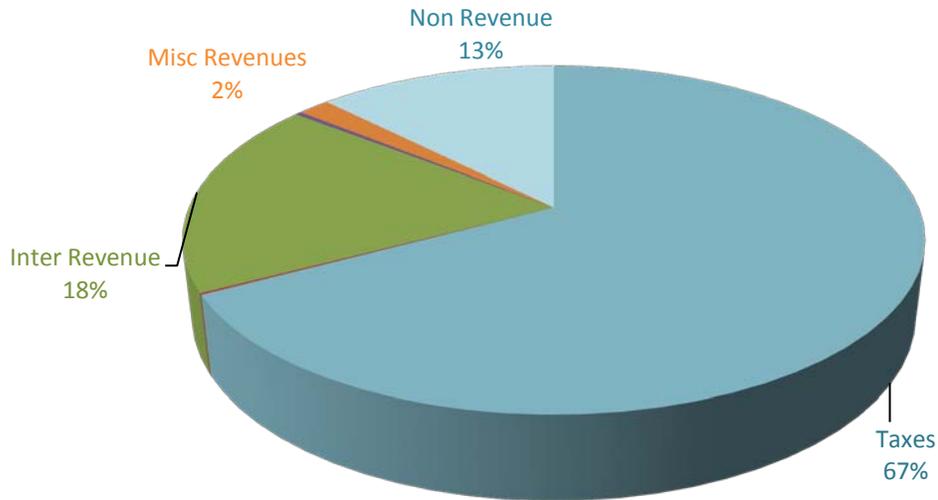
GENERAL FUND – DEBT SERVICE

	2017 Payment	Outstanding Principal as of 12/31/2017	Anticipated Completion Date
Aquatic Center (fund 233)	\$130,000	\$1,490,000	12/2035

GENERAL FUND - RESERVES

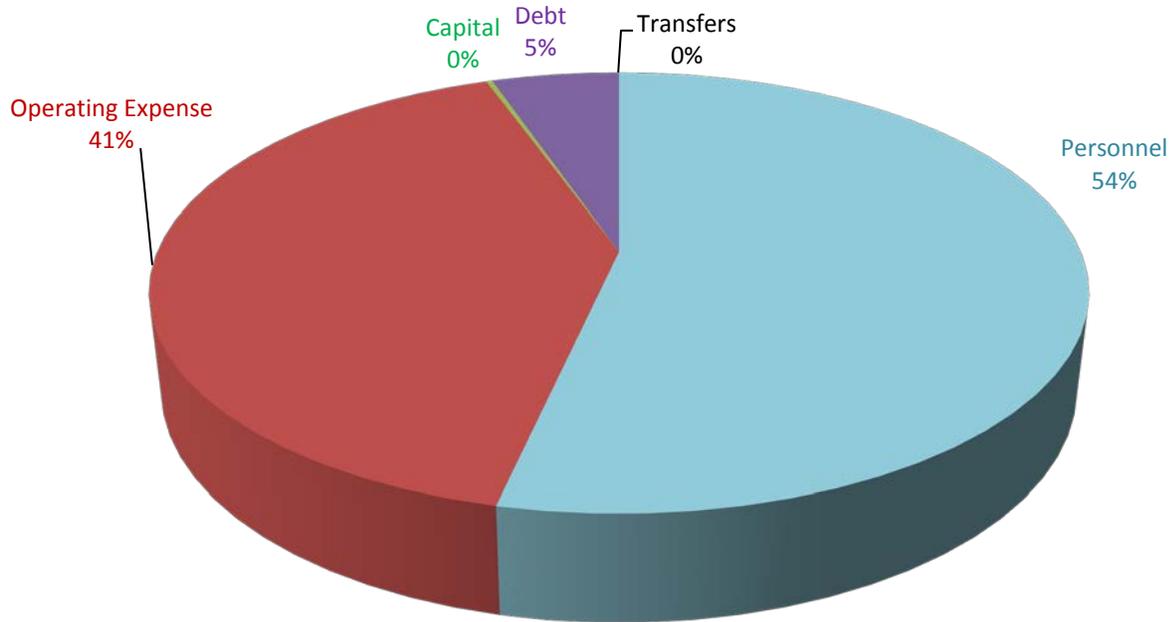
According to the Council’s Goals, the City shall maintain a healthy prudent reserve of at least 15% by 2019. It is projected that by the end of 2017 that approximately \$581,000, or 12% of the General Fund’s operating budget will be reserved. Additionally, in 2017 the Proposed Budget includes an allocation of \$85,000 for vehicle replacement and repairs. Fund number 108 will be established to manage the City’s Vehicle Replacement and Repair Program. Allocations are based upon vehicles purchased since 2013. “Catch up” payments have been broken down into quarters and will be included in the next three budgets as well. While it will take some time to convert all of our existing equipment into this program, it will ultimately ensure that equipment is replaced regularly without significant impact to the Fund.

STREET FUND- REVENUE



Revenue Type	2016 Budget	2017 Proposed	% change
Taxes	\$494,550	\$522,000	6%
Licenses & Permits	\$1,200	\$1,200	0%
Intergovernmental Revenue	\$126,100	\$142,000	13%
Charges for Goods and Services	\$0	\$2,500	%
Fines and Penalties	\$0	\$0	0%
Misc Revenue	\$750	\$13,000	%
Non-Revenue	\$124,500	\$96,900	-22%
TOTAL	\$747,100	\$777,600	4%

STREET FUND - EXPENDITURES



STREET FUND – EXPENDITURE BY TYPE

Category	2014 Actual	2015 Actual	2016 Budget	2017 Proposed	% Change
Personnel	\$230,959	\$239,523	\$262,500	\$397,850	52%
Operating Expense	\$239,603	\$333,462	\$288,900	\$305,105	6%
Capital	\$12,050	\$0	\$120,500	\$1,875	-98%
Debt	\$6,465	\$14,793	\$40,075	\$38,975	-3%
Transfers	\$0	\$0	\$0	\$0	%
TOTAL	\$498,078	\$587,778	\$711,975	\$743,805	4%

STREET FUND – BUDGET REQUESTS

Status	Request #	Description	Fund	Total	Previously Requested
2016	2017.25	Small 6x4 Ranger	102	\$ 18,000	2016.4
Deferred	2017.17	Security System - Shop	102	\$ 25,000	
Deferred	2017.21	Street Staff - .75 FTE	102	\$ 59,700	2016.7
Deferred	2017.21.a	Street Staff - seasonal	102	\$ 14,700	
2016	2017.24	Tree Audit	102	\$ 15,000	

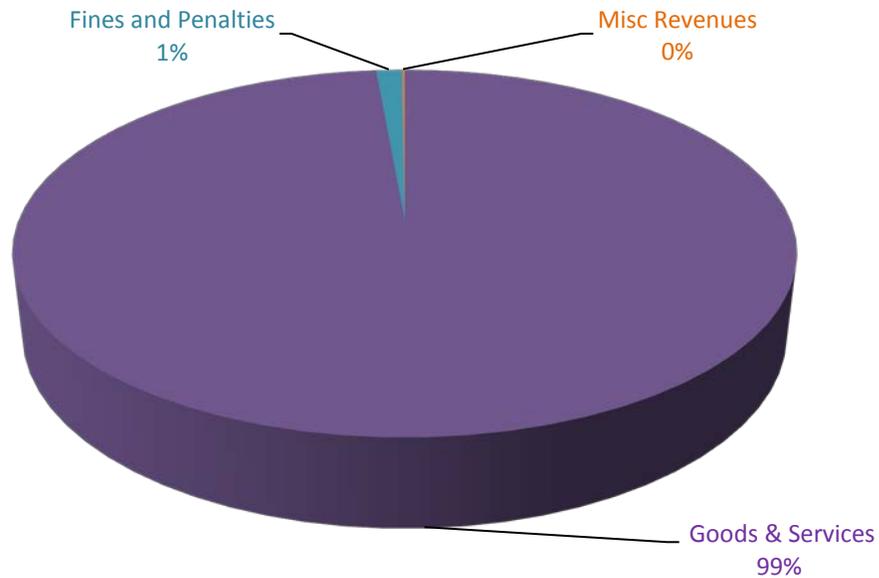
STREET FUND – DEBT SERVICE

	2017 Payment	Outstanding Principal	Anticipated Completion Date
North Prosser Industrial Park	\$6,475	\$94,134	Jul-22
Energy Efficiency Project	\$32,500	\$490,000	Jun-27
Village Park LID 10-23	\$1,695	\$21,610	Dec-32
Total Street Fund Debt	\$40,654	\$605,744	

STREET FUND – RESERVES

According to the Council's Goals, the City shall maintain a healthy prudent reserve of at least 15% by 2019. Additional funding for streets can be found in some of the related funds like the Transportation Benefit District (103), Arterial Street Fund (110) and Infrastructure Development Reserve Fund (152). The Street Fund Reserve is at 43% (\$320,000). Council's direction has been to spend/leverage these funds on future improvement projects that would include those listed on our Capital Improvement Plan (CIP), Six Year Transportation Improvement Plan (STIP), and/or other opportunistic priorities. The Street Fund Reserve will not drop below 15% unless otherwise directed by Council.

WATER FUND- REVENUES

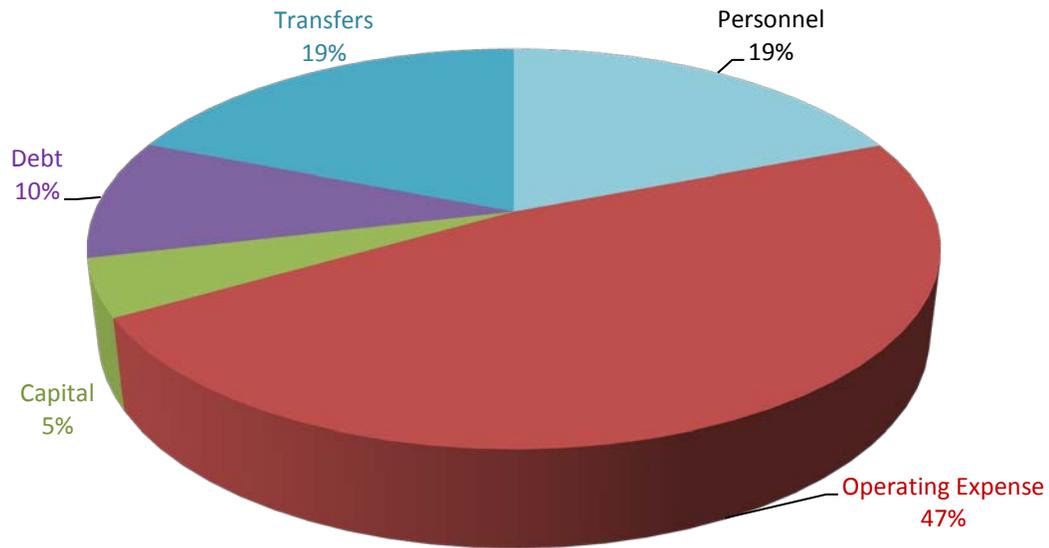


Revenue Type	2016 Budget	2017 Proposed	% change
Taxes	\$0	\$0	0%
Licenses & Permits	\$0	\$0	0%
Intergovernmental Revenue	\$0	\$0	0%
Charges for Goods and Services	\$2,418,000	\$2,497,000	3%
Fines and Penalties	\$32,500	\$32,500	0%
Misc Revenue	\$0	\$3,000	%
Non-Rvenue	\$0	\$0	0%
TOTAL	\$2,450,500	\$2,532,500	3%

WATER FUND – RATE

The proposed budget includes a 3% water revenue and 5% irrigation revenue increase for 2017. As part of the budget process, staff will present different rate structures for Council’s review.

WATER – EXPENDITURES



WATER FUND – EXPENDITURE BY TYPE

Category	2014 Actual	2015 Actual	2016 Budget	2017 Proposed	% Change
Personnel	\$558,496	\$642,747	\$577,000	\$528,500	-8%
Operating Expense	\$1,345,440	\$4,682,491	\$1,219,907	\$1,317,215	8%
Capital	\$1,821,877	\$417,358	\$213,000	\$128,875	-39%
Debt	\$64,858	\$218,198	\$263,105	\$268,445	2%
Transfers	\$623,580	\$303,828	\$320,500	\$526,500	64%
TOTAL	\$ 4,414,251	\$ 6,264,621	\$ 2,593,512	\$ 2,769,535	7%

WATER FUND – BUDGET REQUESTS

Status	Request #	Description	Fund	Total	Previously Requested
Deferred	2017.8	Diesel Truck	403	\$ 50,000	
Funded	2017.3	Source Meters (4)	403	\$ 20,000	
Funded	2017.4	Filter Media	403	\$ 30,000	
Funded	2017.5	Fire Hydrants	403	\$ 20,000	2016.20

Funded	2017.6	HVAC Unit at Well 5	403	\$ 17,000	
Funded	2017.9	Highland Mainline	403	\$ 13,000	
Funded	2017.10	Pole Building for Equipment	403	\$ 65,000	
Funded	2017.27	Irrigation Water Recycling	403	\$ 15,000	Funded
Funded	2017.28	Irrigation Water Plan	403	\$ 67,000	Funded
Reserving	2017.7	Chlorine Analyzer	403	\$ 115,000	Reserving

WATER FUND – DEBT SERVICE

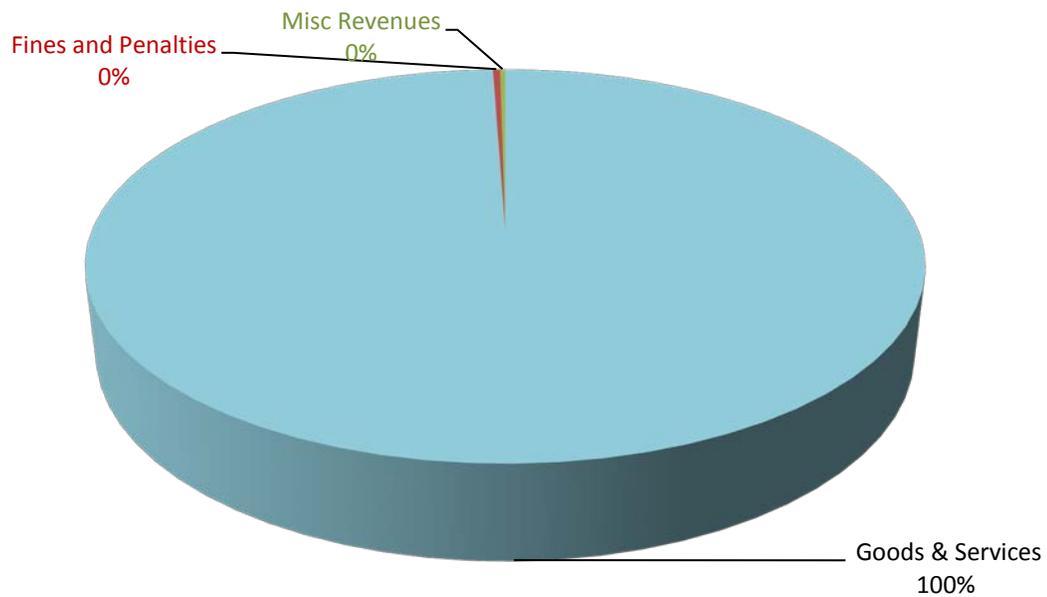
	2017 Payment	Outstanding Principal	Anticipated Completion Date
North Prosser Industrial Park	\$6,475	\$94,134	Jul-22
East Prosser Industrial Park	\$6,474	\$0	Jan-17
Well No. 4	\$49,862	\$228,722	Oct-22
Water Disinfection and Filtration Improvements	\$126,982	\$1,699,830	Oct-35
2015 Water Revenue Bond	\$217,750	\$3,075,000	Dec-34
Energy Efficiency Project	\$25,509	\$490,000	Jun-27
North Prosser Water System	\$153,782	\$3,458,716	Dec-54
Zone 2.5 Water System Improvements	\$44,449	\$827,662	Jan-39
15 Water Revenue Bonds	\$223,975	\$2,855,000	Dec-34
Total Water Fund Debt	\$855,248	\$12,729,064	

WATER FUND – RESERVES

According to the Council's Goals, the City shall maintain a healthy prudent reserve of at least 15% by 2019. It is proposed in the budget that by the end of 2017 that approximately \$902,000, or 32% of the water funds operating expenditures, will be held for future improvements as listed in the Capital Facilities and Water Plan.

In addition to this operational reserve, the City is required to maintain certain reserve funds associated with debt requirements.

SEWER FUND

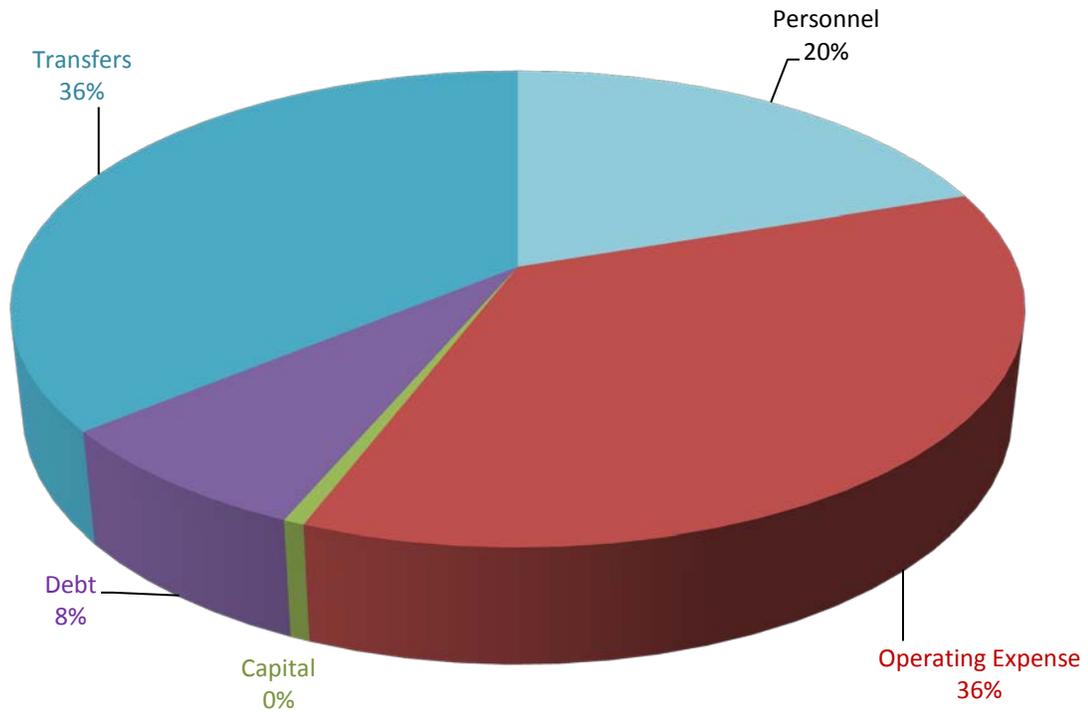


Revenue Type	2016 Budget	2017 Proposed	% change
Taxes	\$0	\$0	0%
Licenses & Permits	\$0	\$0	0%
Intergovernmental Revenue	\$0	\$0	0%
Charges for Goods and Services	\$2,365,500	\$2,447,450	3.7%
Fines and Penalties	\$10,000	\$8,000	-20%
Misc Revenue	\$900	\$5,900	%
Non-Revenue	\$0	\$0	0%
TOTAL	\$2,376,400	\$2,461,350	4%

SEWER FUND – RATES

The proposed budget includes a 3.7% sewer revenue increase for 2017. As part of the budget process, staff will present different rate structures for Council's review.

SEWER FUND – EXPENDITURE



Category	2014 Actual	2015 Actual	2016 Budget	2017 Proposed	% Change
Personnel	\$512,197	\$520,495	\$583,750	\$684,500	17%
Operating Expense	\$1,200,132	\$1,291,740	\$1,199,700	\$1,247,625	4%
Capital	\$0	\$63,744	\$79,000	\$19,875	-75%
Debt	\$86,750	\$86,615	\$307,009	\$264,125	-14%
Transfers	\$0	\$0	\$281,000	\$1,245,000	%
TOTAL	\$ 1,799,079	\$ 1,962,594	\$ 2,450,459	\$ 3,461,125	41%

SEWER FUND – BUDGET REQUESTS

Status	Request #	Description	Fund	Total	Previously Requested
2016	2017.12	Forklift	407	\$ 25,000	
Deferred	2017.11	Pickup	407	\$ 38,000	
Amended	2017.20	Sewer Staff – 2 FTE	407	\$ 158,000	
Amended	2017.20.b	Sewer Staff – 1 FTE	407	\$ 79,000	
Funded	2017.20.a	Sewer Staff - 2 FTE (start date 10/2017)	407	\$ 57,000	
Funded	2017.13	Small 6x4 Ranger	407	\$ 18,000	

SEWER FUND – DEBT SERVICE

	2017 Payment	Outstanding Principal	Anticipated Completion Date
North Prosser Industrial Park	\$6,475	\$94,134	Jul-22
East Prosser Industrial Park	\$6,474	\$0	Jan-17
Wastewater Treatment Plant Upgrade	\$56,093	\$269,231	Nov-22
Wastewater Treatment Plant Improvements	\$17,464	\$68,152	Jun-21
Waste Water Facility Improvements	\$176,417	\$3,846,782	Jun-34
2015 Sewer Revenue Bond	\$98,950	\$1,440,000	Dec-39
Total Sewer Fund Debt	\$361,863	\$5,718,299	

SEWER FUND – RESERVES

According to the Council's Goals, the City shall maintain a healthy prudent reserve of at least 15% by 2019. It is projected that by the end of 2017 that \$2,337,000 will be reserved in the Sewer Facilities Reserve Fund or 50% of the sewer funds operating expenditures. It is important to note that this fund also gathers funds for future capital improvements.

In addition to this operational reserve, the City is required to maintain certain reserve funds associated with debt requirements.

DEBT SERVICE

The necessity to incur debt in order to finance capital outlay carries with it the obligation to manage debt payment effectively. The level of outstanding debt and the City's ability to incur and repay additional debt requires scrutiny.

GENERAL OBLIGATION BONDS

Sometimes called GO Bonds, General Obligation Bonds are issued as a promissory note to repay a debt. They are bought and sold by banks & individuals as tax-exempt investments backed by the full faith and credit of the government.

Current GO Bonds:

Project	12/31/2017 Outstanding Balance	Anticipated Term
Energy Efficiency Improvement Project	\$490,000	6/2027
Prosser Aquatic Center	\$1,490,000	12/2035

REVENUE BONDS

Revenue Bonds are a special type of municipal bond distinguished by its guarantee of repayment solely from revenue generated by the entity (water/sewer) associated with the purpose of the bond, rather than from a tax.

Current Revenue Bonds:

Project	12/31/2017 Outstanding Balance	Anticipated Term
East Prosser Industrial Park	\$0	1/2017
Wastewater Treatment Plant Improvements	\$68,152	6/2021
North Prosser Industrial Park	\$94,134	7/2022
Well 4B	\$228,722	10/2022
Wastewater Treatment Plant Upgrade	\$269,231	11/2022
2015 Wastewater Treatment Plant Improvement	\$3,846,782	6/2034
Water Disinfection and Source Improvements	\$1,699,830	10/2035
2015 Water Revenue Bond	\$2,855,000	12/2035
Zone 2.5 Water Improvement Project	\$827,662	1/2039
2016 Sewer Revenue Bonds	\$1,440,000	12/2039
North Prosser Water System Improvements	\$3,458,716	12/2054

OTHER DEBT

Occasionally, the City can incur debt for other reasons such as to support Local Improvement Districts or LIDs. In these cases, the debt is supported by annual payments made by the impact property owners.

Current Other Debt:

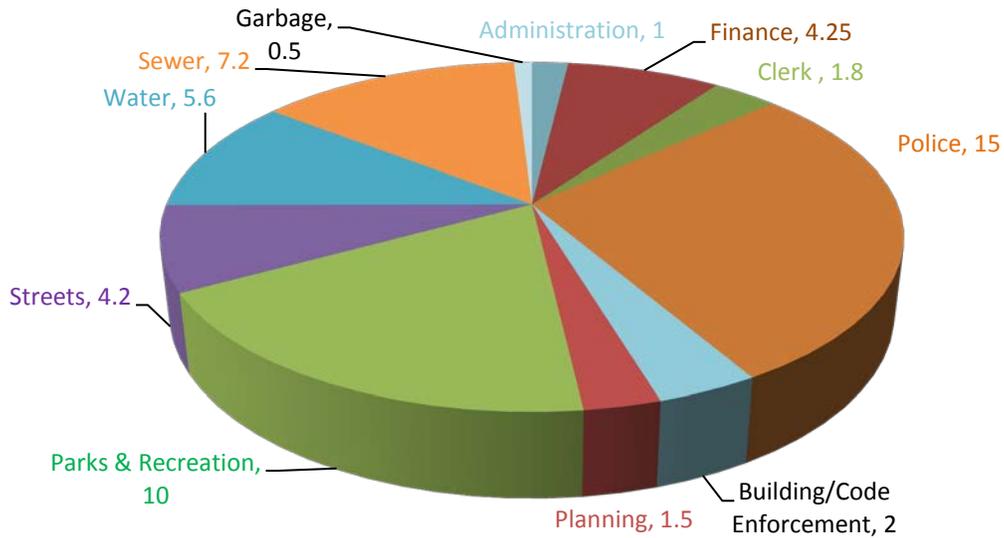
Project	12/31/2017 Outstanding Balance	Anticipated Term
LID 10-23 (Village Park)	\$21,610	12/2032

PER CAPITA

The 2016 population is 5,940. Based upon this figure the per capita indebtedness is \$2,826.

2016 Population	5,940
2016 Total Indebtedness	\$16,789,840
Debt Per Capita	\$2,826

PERSONNEL



Department	Regular Wages	Benefits	Seasonal	Seasonal Benefits	FT EE's	Total
MAYOR/CITY COUNCIL	\$27,000	\$2,066	\$0	\$0	-	\$29,066
CITY ADMINISTRATOR	\$101,140	\$36,900	\$0	\$0	1.00	\$138,039
FINANCE	\$236,876	\$127,877	\$0	\$0	4.25	\$364,753
CITY CLERK	\$101,579	\$52,240	\$0	\$0	1.80	\$153,819
CUSTODIAL	\$0	\$0	\$0	\$0	-	\$0
POLICE DEPARTMENT	\$943,003	\$412,920	\$0	\$0	13.13	\$1,439,713
BUILDING AND CODE ENFORCEMENT	\$127,343	\$57,883	\$0	\$0	2.00	\$185,225
PLANNING	\$59,574	\$28,110	\$15,600	\$1,533	1.50	\$104,817
RECREATION	\$53,956	\$26,970	\$0	\$0	1.00	\$80,926
POOL (PAC)	\$0	\$0	\$133,800	\$21,780	5.17	\$155,580
PARKS	\$117,933	\$60,681	\$40,654	\$7,208	3.77	\$228,842
STREETS MAINTENANCE	\$262,828	\$126,199	\$0	\$0	4.00	\$397,647
STREETS ADMINISTRATION	\$11,259	\$5,144	\$0	\$0	0.17	\$16,402
WATER	\$287,087	\$147,560	\$0	\$0	4.86	\$451,239
IRRIGATION	\$50,392	\$24,597	\$0	\$0	0.78	\$77,768
SEWER	\$436,602	\$222,833	\$0	\$0	7.16	\$696,877
GARBAGE	\$32,716	\$14,946	\$0	\$0	0.49	\$47,662
Public Safety Sales Tax Fund	\$148,739	\$62,929	\$0	\$0	2.00	\$219,747
Totals	\$2,998,026	\$1,409,856	\$190,054	\$30,520	53.1	\$4,788,123

Position	2016 Rate	2016 Salary	2017 Rate	2017 Salary
City Administrator				
Per Contract	\$45.67	\$95,000	\$46.59	\$96,900
Finance Director				
1	\$38.61	\$80,302	\$39.38	\$81,908
2	\$40.55	\$84,341	\$41.36	\$86,028
3	\$42.58	\$88,557	\$43.43	\$90,329
4	\$44.70	\$92,985	\$45.60	\$94,845
5	\$46.94	\$97,635	\$47.88	\$99,587
Public Works Director				
1	\$34.18	\$71,098	\$34.87	\$72,519
2	\$35.90	\$74,673	\$36.62	\$76,167
3	\$37.70	\$78,426	\$38.46	\$79,994
4	\$39.59	\$82,355	\$40.39	\$84,002
5	\$41.58	\$86,483	\$42.41	\$88,212
Police Chief				
1	\$42.99	\$89,418	\$43.85	\$91,207
2	\$45.14	\$93,889	\$46.04	\$95,767
3	\$47.40	\$98,584	\$48.34	\$100,555
4	\$49.77	\$103,513	\$50.76	\$105,583
5	\$52.25	\$108,688	\$53.30	\$110,862
Building Official				
1	\$30.55	\$63,534	\$31.16	\$64,805
2	\$32.15	\$66,878	\$32.80	\$68,216
3	\$33.85	\$70,398	\$34.52	\$71,806
4	\$35.63	\$74,103	\$36.34	\$75,585
5	\$37.50	\$78,003	\$38.25	\$79,564
Planner				
1	\$23.35	\$48,558	\$23.81	\$49,529
2	\$24.57	\$51,114	\$25.07	\$52,136
3	\$25.87	\$53,804	\$26.38	\$54,880
4	\$27.16	\$56,494	\$27.70	\$57,624
5	\$28.52	\$59,319	\$29.09	\$60,505

Position	2016 Rate	2016 Salary	2017 Rate	2017 Salary
City Clerk				
1	\$27.87	\$57,959	\$28.42	\$59,118
2	\$29.33	\$61,010	\$29.92	\$62,230
3	\$30.88	\$64,221	\$31.49	\$65,505
4	\$32.42	\$67,432	\$33.07	\$68,781
5	\$34.04	\$70,803	\$34.72	\$72,220
Finance Manager				
1	\$29.87	\$62,133	\$30.47	\$63,376
2	\$31.44	\$65,404	\$32.07	\$66,712
3	\$33.10	\$68,846	\$33.76	\$70,223
4	\$34.75	\$72,288	\$35.45	\$73,734
5	\$36.49	\$75,903	\$37.22	\$77,421
Parks and Rec Manager				
1	\$24.52	\$51,003	\$25.01	\$52,023
2	\$25.81	\$53,687	\$26.33	\$54,761
3	\$27.10	\$56,371	\$27.64	\$57,499
4	\$28.46	\$59,190	\$29.03	\$60,374
5	\$29.88	\$62,150	\$30.48	\$63,393
SEASONAL/TEMPORARY STAFF	Maximum		Minimum	Maximum
Administrative Support	\$18.00		\$10.00	\$20.00
Clerk	\$13.25		\$10.00	\$13.25
Seasonal Parks Laborer	\$11.50		\$10.00	\$11.50
Recreation Assistant	\$12.75		\$10.75	\$12.75
Pool Manager (salary)	\$18.50		\$12.50	\$18.50
Assistant Pool Manager	\$13.75		\$10.75	\$13.75
Lifeguards	\$11.25		\$10.00	\$11.25

UNION STAFF	2016 Rate	2016 Salary	2017 Rate	2017 Salary
Officer				
1A	\$24.10	\$50,128	\$24.83	\$51,646
1B	\$25.31	\$52,645	\$26.07	\$54,224
2	\$26.58	\$55,286	\$27.38	\$56,945
3	\$27.89	\$58,011	\$28.73	\$59,752
4	\$29.31	\$60,965	\$30.19	\$62,794
5	\$30.76	\$63,981	\$31.68	\$65,900
Sergeant/Detective				
1	\$32.30	\$67,184	\$33.27	\$69,200
2	\$33.27	\$69,202	\$34.27	\$71,278
3	\$34.28	\$71,302	\$35.31	\$73,441
Police Records Clerk				
1	\$18.56	\$38,613	\$18.93	\$39,385
2	\$19.53	\$40,616	\$19.92	\$41,429
3	\$20.53	\$42,710	\$20.94	\$43,564
4	\$21.62	\$44,962	\$22.05	\$45,861
5	\$22.73	\$47,281	\$23.19	\$48,226
Accounting Tech				
1	\$17.25	\$35,888	\$17.60	\$36,606
2	\$17.76	\$36,946	\$18.12	\$37,685
3	\$18.33	\$38,117	\$18.69	\$38,880
4	\$18.91	\$39,333	\$19.29	\$40,120
5	\$19.47	\$40,504	\$19.86	\$41,314
Senior Admin Secretary				
1	\$17.25	\$35,888	\$17.60	\$36,606
2	\$17.76	\$36,946	\$18.12	\$37,685
3	\$18.33	\$38,117	\$18.69	\$38,880
4	\$18.91	\$39,333	\$19.29	\$40,120
5	\$19.47	\$40,504	\$19.86	\$41,314
Admin Secretary				
1	\$15.65	\$32,556	\$15.97	\$33,207
2	\$16.13	\$33,547	\$16.45	\$34,218
3	\$16.63	\$34,582	\$16.96	\$35,274
4	\$17.12	\$35,618	\$17.47	\$36,330
5	\$17.67	\$36,744	\$18.02	\$37,479

	2016 Rate	2016 Salary	2017 Rate	2017 Salary
Office Clerk (Part-Time 20 hr/wk)				
1	\$13.05	\$13,568	\$13.31	\$13,840
2	\$13.82	\$14,369	\$14.09	\$14,657
3	\$14.60	\$15,181	\$14.89	\$15,484
4	\$15.41	\$16,025	\$15.72	\$16,345
5	\$16.31	\$16,966	\$16.64	\$17,305
Custodian				
1	\$11.08	\$23,055	\$11.31	\$23,516
2	\$11.45	\$23,820	\$11.68	\$24,297
3	\$11.78	\$24,496	\$12.01	\$24,986
4	\$12.13	\$25,239	\$12.38	\$25,744
5	\$12.44	\$25,869	\$12.69	\$26,387
Code Enforcement Officer				
1	\$18.25	\$37,960	\$18.61	\$38,719
2	\$18.76	\$39,018	\$19.13	\$39,798
3	\$19.27	\$40,076	\$19.65	\$40,877
4	\$19.79	\$41,157	\$20.18	\$41,980
5	\$20.32	\$42,260	\$20.72	\$43,105
Waste Water 1				
1	\$20.13	\$41,877	\$20.54	\$42,715
2	\$21.65	\$45,029	\$22.08	\$45,930
3	\$23.26	\$48,384	\$23.73	\$49,352
4	\$24.90	\$51,784	\$25.39	\$52,819
Waste Water 2				
1	\$25.64	\$53,337	\$26.16	\$54,404
2	\$26.41	\$54,936	\$26.94	\$56,034
3	\$27.25	\$56,676	\$27.79	\$57,810
Waste Water Supervisor				
1	\$30.94	\$64,347	\$31.55	\$65,634
2	\$31.87	\$66,283	\$32.50	\$67,609
3	\$32.82	\$68,264	\$33.48	\$69,630
Utility Worker				
Utility Worker 1	\$20.80	\$43,273	\$21.22	\$44,139
Utility Worker 2	\$22.92	\$47,663	\$23.37	\$48,617
Utility Worker 3	\$24.70	\$51,378	\$25.20	\$52,406
Utility Worker 4	\$27.24	\$56,669	\$27.79	\$57,803

Position	2016 Rate	2016 Salary	2017 Rate	2017 Salary
Public Works Field Leader	\$28.40	\$59,078	\$28.97	\$60,260
Public Works Supervisor - Water Division	\$30.94	\$64,347	\$31.55	\$65,634
Public Works Supervisor - Streets Division	\$30.94	\$64,347	\$31.55	\$65,634
Public Works Supervisor - Parks Division	\$30.94	\$64,347	\$31.55	\$65,634

BUDGET SUMMARY – ALL FUNDS

Fund #	Fund Name	Proposed Budget
1	General Fund	\$5,406,295
	City Council	\$35,100
	Administrator	\$165,650
	Finance	\$402,500
	Clerk	\$178,120
	Facilities	\$183,150
	IT	\$134,755
	Police	\$1,627,800
	Building/Code Enforcement	\$205,450
	Planning	\$208,750
	Parks & Recreation	\$798,935
	Other	\$1,111,895
102	Street Fund	\$977,600
103	Transportation Benefit District	\$285,000
104	Street & Transportation Reserve	\$309,300
105	Small Project Reserve	\$0
107	IT Reserve	\$13,750
108	General Fund Vehicle Replacement and Repair	\$85,500
110	Arterial Street Fund	\$116,750
111	Municipal Capital Improvement	\$1,102,300
115	General Fund Reserve	\$581,100
116	City Facilities Reserve	\$25,500
117	Employee Benefit Trust	\$68,500
119	Parks Reserve Fund	\$5,150
130	Hotel Motel Fund	\$101,000
131	Tourism Promotion Area	\$20,000
144	Public Safety Program Enhancement Fund	\$58,250
146	Drug Enforcement Fund	\$12,900
147	Police Investigative Fund	\$46,100
148	Criminal Justice Fund	\$1,065,100
149	Public Safety Sales Tax Fund	\$254,200
150	Forfeitures and Seizures Fund	\$0
151	Drug Free Communities Grant	\$155,100
152	Infrastructure Development Reserve Fund	\$508,000
153	Community Action Fund	\$160,100
221	LID Guarantee Fund	\$56,900
233	11 GO Bond Fund	\$133,100

Fund #	Fund Name	Proposed Budget
234	LID 10-23	\$9,700
301	REET First Quarter Percent	\$72,500
302	OIE Improvement Fund	\$0
303	7th Street ADA Project Fund	\$1,129,050
304	OIE Phase 2 Project Fund	\$0
305	ESCO Project	\$200,000
306	Wine Country Rd Crosswalk	\$0
307	City Park Restroom Project	\$17,600
403	Water Fund	\$3,307,500
404	Water Vehicle Replacement and Repair	\$14,700
407	Sewer Fund	\$3,931,350
408	Sewer Vehicle Replacement and Repair	\$96,350
420	Zone 2.5 Water Improvement Project	\$0
448	Garbage Fund	\$1,356,000
451	Water Facilities Reserve	\$902,500
452	Sewer Facilities Reserve	\$2,337,000
453	N Prosser Debt Redemption Reserve	\$188,000
454	N Prosser Debt Reserve	\$194,500
455	Irrigation Reserve Fund	\$89,100
456	2015 Water Revenue Bond Redemption	\$224,500
457	2015 Water Revenue Bond Reserve	\$263,000
458	2015 Sewer Plant Revenue Bond Redemption	\$99,000
459	2015 Sewer Plant Revenue Bond Reserve	\$132,000
460	Garbage Vehicle Replacement and Repair	\$1,700
470	Wastewater Improvement Project	\$600,000
603	Consumer Utility Deposit Fund	\$18,600
	Total Budget	\$26,732,145