RIDGEFIELD CITY COUNCIL
MEETING AGENDA

Thursday, July 26, 2018
Ridgefield Community Center
210 N. Main, Ridgefield, WA 98642

I. GENERAL SESSION CALL TO ORDER - 6:30 PM

1. **Flag Salute**
2. **Roll Call**
3. **Late changes to the agenda**

II. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and address. Comments are limited to three minutes. Written comments may be submitted to the City Clerk prior to the meeting.

III. CONSENT AGENDA

1. **Approval of Claims And/Or Payroll**
2. **Approval of Minutes from July 12, 2018 Meeting**

IV. PRESENTATION

1. **Introduction to 2019 Budget and Economic Update - Kirk Johnson, Finance Director**

V. BUSINESS

1. **Resolution No. 541 – Approval of Amendment to Financial Policy #01: Financial Management - Kirk Johnson, Finance Director**
2. **Resolution No. 542 – Approval of Amendment to Financial Policy #07: Budget - Kirk Johnson, Finance Director**

VI. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and address. Comments are limited to three minutes. Written comments may be submitted to the City Clerk prior to the meeting.

VII. COUNCIL/PRESIDING OFFICER/STAFF REPORTS

1. **Council**
2. **Mayor**

   Appointment of two Council members to serve on the 2019 Budget Advisory Committee

   Appointment of a Citizen to Serve on 2019 Budget Advisory
3. **City Manager**

VIII. ADJOURN

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE:	July 26, 2018
ITEM:	CONSENT AGENDA
AGENDA ITEM TITLE:	Approval of Claims And/Or Payroll

GOVERNING LEGISLATION:

Revised Code of Washington Title 35A

PREVIOUS COUNCIL ACTION TAKEN:

City Council approves claims and/or payroll of the City on a regular basis

BACKGROUND:

Vendor claims

BUDGET/FINANCIAL IMPACTS:

See vendor detail attached

RECOMMENDED ACTION OR MOTION:

Staff recommends Council approve the claims and/or payroll by making the following motion:

“I move to approve the consent agenda as presented”

STAFF CONTACT:	Kirk Johnson, Finance Director
ATTACHMENTS:	July 26 2018 Claims Report (PDF)

City of Ridgefield

Claims Payment Report

For Approval on: July 26th, 2018

Sum of Amount Vendor Name	Vendor Number	Invoice Number	Resp. Department	Description	Total
ANN WALKINS	3026	3026-2018	Genl Govt/Facilities	Park Refundable Deposit	50.00
		3026-201807	Genl Govt/Facilities	Park Refundable Deposit and Fees Refund	200.00
ANN WALKINS Total					**250.00**
ARAMARK UNIFORM SERVICES	32	863525221	Genl Govt/Facilities	PW Uniforms and Floor Mats	2.40
			Public Works	PW Uniforms and Floor Mats	50.30
			Community Development	PW Uniforms and Floor Mats	7.73
		863535407	Genl Govt/Facilities	PW/CDD Uniforms and Floor Mats	2.22
			Public Works	PW/CDD Uniforms and Floor Mats	45.76
			Community Development	PW/CDD Uniforms and Floor Mats	7.73
		863535406	Genl Govt/Facilities	City Hall/PW/CDD/PD Floor Mats	7.09
			Public Safety	City Hall/PW/CDD/PD Floor Mats	4.47
			Public Works	City Hall/PW/CDD/PD Floor Mats	3.91
			Community Development	City Hall/PW/CDD/PD Floor Mats	3.92
		863525220	Genl Govt/Facilities	City Hall/PW/CDD/PD Floor Mats	7.09
			Public Safety	City Hall/PW/CDD/PD Floor Mats	4.47
			Public Works	City Hall/PW/CDD/PD Floor Mats	3.91
			Community Development	City Hall/PW/CDD/PD Floor Mats	3.92
ARAMARK UNIFORM SERVICES Total					**154.92**
ASSOCIATED CONSULTANTS INC.	1030	18-171-02	Community Development	The Vancouver Clinic Plan Review	1,190.00
		18-152-02	Community Development	Trimaco Development - Building "A" Plan Review	850.00
		18-153-02	Community Development	Bed Tech BTS - Building "B" Plan Review	1,020.00
		18-156-02	Community Development	Ridgefield High School Expansion Plan Review	1,275.00
ASSOCIATED CONSULTANTS INC. Total					**4,335.00**
B AND L PAPER COMPANY	2165	26366	Public Works	Abrams Park Operational Supplies	111.21
		26377	Public Safety	Operational Supplies - Bathroom	110.89
		26375	Public Works	Abrams Park Operational Supplies	31.69
B AND L PAPER COMPANY Total					**253.79**
BLUEFIN PAYMENT SYSTEMS	2827	2827-201807	Public Works	Citizen Payment Processing Fees	449.61
BLUEFIN PAYMENT SYSTEMS Total					**449.61**
BLUMENTHAL UNIFORMS AND EQUIPMENT	54	10209911	Public Safety	Uniforms	78.49
BLUMENTHAL UNIFORMS AND EQUIPMENT Total					**78.49**
BOSTEC INC.	3023	12017	Genl Govt/Facilities	Dry Gas Standard - 108 Liter	(12.94)
			Public Safety	Dry Gas Standard - 108 Liter	166.94
BOSTEC INC. Total					**154.00**
CITY OF BATTLE GROUND	92	1010	Judicial	June 2018 Court Costs	9,718.85
		1012	Public Safety	Patrol Coverage Officer Seifert	327.73
CITY OF BATTLE GROUND Total					**10,046.58**
CLARK COUNTY	102	230002351	Public Safety	2nd Qtr MDC's/Netmotion License	5,116.24
		160003498	Community Development	Sprinkler System Flowtest - Dawdy	100.00
		160003497	Community Development	Final Fire Inspection Hookum	125.00
		110016503	Judicial	Probable Cause Hearing	389.63
CLARK COUNTY Total					**5,730.87**

Attachment: July 26 2018 Claims Report (Approval of Claims And/Or Payroll)

City of Ridgefield

Claims Payment Report

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CLARK COUNTY TREASURERS OFFICE	**554**	SIF201806-01	**Genl Govt/Facilities**	Monthly School Impact Fees	177,099.46
CLARK COUNTY TREASURERS OFFICE Total					**177,099.46**
CLARK PUBLIC UTILITIES	**110**	110-7448-974-1	**Public Works**	N 35th Ave and Pioneer St - Electricity	49.68
		110-7123-806-7	**Public Works**	Pioneer St. & Gee Creek Loop - Electricity	27.23
		110-7122-942-1	**Public Works**	3701 N 3rd Cir - Electricity	26.66
		110-7206-555-0	**Public Works**	109 W Division St - Electricity	1,053.70
		110-7453-365-4	**Public Works**	535 N Abrams Park Rd - Electricity	39.11
		110-7126-408-9	**Public Works**	2300 N 3rd Way Bellwood Trail Lights	28.29
		110-7124-838-9	**Public Works**	Overlook Park - Electricity	55.80
		110-7122-944-7	**Public Works**	512 N Allen Dr - Electricity	26.83
		110-7207-401-6	**Public Works**	800 NE 264 St Intertie 1 - Water	607.17
CLARK PUBLIC UTILITIES Total					**1,914.47**
CLARK REGIONAL WASTEWATER DISTRICT	**741**	0741-032695-201807	**Public Works**	109 W Division WWTP - Sewer	280.12
		0741-032664-201807	**Public Works**	301 N 3rd Ave CDD - Sewer	27.10
			Community Development	301 N 3rd Ave CDD - Sewer	21.30
		0741--032712-201807	**Public Safety**	116 N Main Ave PD - Sewer	46.59
		0741-032894-201807	**Public Works**	Abrams Park Kitchen - Sewer	39.60
		0741-035480-201807	**Public Works**	255 S 56th Pl Well & Reservoir - Sewer	39.60
		0741-032895-201807	**Public Works**	Abrams Park Restrooms - Sewer	72.60
		0741-032899-201807	**Public Works**	Abrams Park Former Mgr House - Sewer	42.96
		0741-032752-201807	**Genl Govt/Facilities**	230 Pioneer St City Hall - Sewer	148.23
CLARK REGIONAL WASTEWATER DISTRICT Total					**718.10**
COLUMBIA RESOURCE COMPANY	**114**	20548	**Public Works**	Abrams Park Silt Disposal	50.66
COLUMBIA RESOURCE COMPANY Total					**50.66**
COLUMBIA WEST ENGINEERING INC.	**1446**	16046B-1	**Public Works**	RORC Frontage Improvements	600.00
		16046A-1	**Public Works**	RORC Construction Engineering	6,178.20
COLUMBIA WEST ENGINEERING INC. Total					**6,778.20**
COLUMBIAN PUBLISHING	**116**	3459693	**Community Development**	SEPA Determination Notice PLZ-18-0047	135.00
COLUMBIAN PUBLISHING Total					**135.00**
COMCAST	**2271**	2271-201807-109	**Public Works**	Communications 109 Division	357.61
		2271-201807-210	**Genl Govt/Facilities**	Internet Communications July 2018	223.56
			Community Development	Internet Communications July 2018	55.90
		2271-201807-230	**Genl Govt/Facilities**	Internet Services JUL 2018	290.37
		2271-201807-116	**Public Safety**	Internet Communications July 2018	338.16
COMCAST Total					**1,265.60**
COMCAST BUSINESS	**1666**	67468544	**Genl Govt/Facilities**	Internet Services - 230 Pioneer St	363.46
COMCAST BUSINESS Total					**363.46**
COMDATA NETWORK INC.	**1101**	20295696	**Genl Govt/Facilities**	Fuel CDD/PW XN 173	61.30
			Public Works	Fuel CDD/PW XN 173	851.98
			Community Development	Fuel CDD/PW XN 173	219.12
		20295695	**Public Safety**	PD Fuel XN795	905.17
COMDATA NETWORK INC. Total					**2,037.57**
CORE & MAIN LP	**2906**	J166521	**Public Works**	FLG Meter Adapt	177.89
		J166068	**Public Works**	FLG Meter Adapt	171.46
CORE & MAIN LP Total					**349.35**

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DAVID M. COREY	530	2746	Public Safety	Post-offer Evaluations	420.00
DAVID M. COREY Total					420.00
DEPARTMENT OF LICENSING	154	RG0000268-2018	Genl Govt/Facilities	CPL Original - White	18.00
		RG0000269-2018	Genl Govt/Facilities	CPL Original - Jones	18.00
DEPARTMENT OF LICENSING Total					36.00
DICK'S TIRE FACTORY	158	D99250	Public Safety	PD Vehicle Maint	40.21
		D98983	Public Safety	PD Vehicle Maint	40.21
DICK'S TIRE FACTORY Total					80.42
E2 LAND USE PLANNING SERVICES LLC	485	0485-201807B	Community Development	Professional Plan Review Services	5,879.00
E2 LAND USE PLANNING SERVICES LLC Total					5,879.00
ECIVIS INC.	2316	2018-101288	Public Safety	AED Grant Request	500.00
ECIVIS INC. Total					500.00
ELCOR INC	2081	MSP-10670	Public Safety	Computer Maint and IT Services June 2018	1,820.44
			Public Works	Computer Maint and IT Services June 2018	1,536.13
			Community Development	Computer Maint and IT Services June 2018	1,711.84
			Information Technology	Computer Maint and IT Services June 2018	3,426.97
ELCOR INC Total					8,495.38
GERARDO CALDERON	3029	3029-2018	Genl Govt/Facilities	Ethnic Music Performance Multicultural Festival	450.00
GERARDO CALDERON Total					450.00
GRAINGER	206	9840868757	Public Works	Elbow 900 Water Operational Supplies	14.16
		9842201916	Public Works	PVC Water Utility Operational Supplies	2.23
		9841186522	Public Works	PVC BV Union Socket Water Utility Supplies	95.27
		9841261192	Public Works	Water Utility Operational Supplies	176.57
		9841322085	Public Works	Reducer Bushing Water Operational Supplies	18.19
GRAINGER Total					306.42
GRAY AND OSBORNE INC	207	18254.00-1	Community Development	Cloverhill Phase 6 Professional Eng Svcs	564.31
		18229.00-4	Public Works	Cemetery Booster Pump Station and NR Wtr Mn Pjct	3,277.46
		17292.00-4	Community Development	Sevel Wells Subdivision	133.63
GRAY AND OSBORNE INC Total					3,975.40
GROVER ELECTRIC AND PLUMBING	210	HA73527	Public Works	Parks Supplies	28.89
		HA73688	Public Works	Parks Supplies Return	(4.43)
		HA73628	Public Works	Parks Operational Supplies	47.26
		HA73689	Public Works	Parks Operational Supplies	60.12
GROVER ELECTRIC AND PLUMBING Total					131.84
GSI WATER SOLUTIONS INC.	2971	0727.001-5	Public Works	Hydrological Study	1,923.50
GSI WATER SOLUTIONS INC. Total					1,923.50
H.D. FOWLER COMPANY	2036	I4884311	Public Works	Parks Supplies	114.19
H.D. FOWLER COMPANY Total					114.19
HARRY'S LAWN AND POWER EQUIPMENT	214	144779	Public Works	Drive tube w/liner and drive shaft services	268.49
		144781	Public Works	Streets	8.56
HARRY'S LAWN AND POWER EQUIPMENT Total					277.05
HERON RIDGE HOA	2863	2863-201807-2	Genl Govt/Facilities	Abrams Park Refundable Deposit	100.00
HERON RIDGE HOA Total					100.00
HOME DEPOT CREDIT CARD SERVICES	1805	4071376	Public Safety	Lock for PD - Home Depot	32.50
HOME DEPOT CREDIT CARD SERVICES Total					32.50

Attachment: July 26 2018 Claims Report (Approval of Claims And/Or Payroll)

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JANEAN Z PARKER	**2199**		2	**Community Development**	June Legal Services	750.00
		2199-2		**Legal**	June Legal Services	4,000.00
JANEAN Z PARKER Total						**4,750.00**
JEANIE GRIGGS	**3031**	3031-2018		**Genl Govt/Facilities**	Park Refundable Deposit	100.00
JEANIE GRIGGS Total						**100.00**
JESSICA KIPP	**2099**	2099-201807-2		**Genl Govt/Facilities**	Mileage Reimbursement - Kipp	60.23
JESSICA KIPP Total						**60.23**
KENYON DISEND PLLC	**1746**		187217	**Community Development**	Prof Attorney Svcs	179.64
KENYON DISEND PLLC Total						**179.64**
LARCH CORRECTIONS CENTER	**2088**	LCC1806.640		**Public Works**	City Clean Up	1,666.62
LARCH CORRECTIONS CENTER Total						**1,666.62**
LARRY MCDONALD	**3030**	ENG-18-0081		**Genl Govt/Facilities**	Refund for Encroachment Permit	150.00
LARRY MCDONALD Total						**150.00**
MASONS SUPPLY COMPANY	**2051**	6032061-00		**Public Works**	Parks Supplies	27.90
MASONS SUPPLY COMPANY Total						**27.90**
METROPOLITAN TRANSPORTATION COMMISSION	**2115**	4926-AR10843		**Public Works**	Street Saver Annual Subscription	1,500.00
METROPOLITAN TRANSPORTATION COMMISSION Total						**1,500.00**
MR. SPRINKLER INC.	**1097**		14429	**Public Works**	303 Maple NE Repair	559.34
MR. SPRINKLER INC. Total						**559.34**
NAPA AUTO PARTS	**498**		62917	**Genl Govt/Facilities**	Operational Supplies	5.11
				Public Works	Operational Supplies	71.00
				Community Development	Operational Supplies	3.34
			62772	**Public Safety**	2015 Ford Explorer Maint	14.25
NAPA AUTO PARTS Total						**93.70**
NORTHWEST STAFFING	**522**		4092139	**Public Works**	Temp Services - Schiermeyer	755.74
				Finance	Temp Services - Schiermeyer	39.78
NORTHWEST STAFFING Total						**795.52**
NW OCCUPATIONAL MEDICAL CENTER	**794**		43601	**Genl Govt/Facilities**	Dot Exam- James Strickler	1.50
				Public Works	Dot Exam- James Strickler	73.50
NW OCCUPATIONAL MEDICAL CENTER Total						**75.00**
OTAK INC.	**1787**		71800095	**Public Works**	RORC Project Management	51,888.67
OTAK INC. Total						**51,888.67**
PBS ENGINEERING AND ENVIRONMENTAL	**342**	HDJ4083.002-29		**Public Works**	35th and Pioneer Roundabout	7,812.17
		0070940.001-20		**Public Works**	RORC Phase II and Hillhurst Signal	50,863.31
PBS ENGINEERING AND ENVIRONMENTAL Total						**58,675.48**
PLATT ELECTRIC SUPPLY	**766**	R749777		**Public Works**	Operational Supplies	17.84
		R780087		**Public Works**	Credit Memo for returned parks supplies	(2.91)
PLATT ELECTRIC SUPPLY Total						**14.93**
PORTLAND ENGINEERING INC	**2082**		7896	**Public Works**	Water SCADA System Upgrade	17,627.80
			7897	**Public Works**	Engineering Services for controls and SCADA	490.25
PORTLAND ENGINEERING INC Total						**18,118.05**
RICOH USA INC.	**1662**		100765805	**Public Safety**	PD Copier	217.16
RICOH USA INC. Total						**217.16**
RIDGEFIELD COMMUNITY CENTER	**373**	0373-201807		**Genl Govt/Facilities**	Community Center Rental June 2018	562.50
				Community Development	Community Center Rental June 2018	187.50

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RIDGEFIELD COMMUNITY CENTER Total					**750.00**
RIDGEFIELD HARDWARE	**376**	0376-201807	**Genl Govt/Facilities**	Operational Supplies	49.81
			Public Safety	Operational Supplies	21.85
			Public Works	Operational Supplies	1,624.98
		0376-201806	**Genl Govt/Facilities**	Operational Supplies	18.99
			Public Works	Operational Supplies	9.00
			Community Development	Operational Supplies	9.88
RIDGEFIELD HARDWARE Total					**1,734.51**
RIDGEFIELD MAIN STREET	**2212**	2212-201807	**Genl Govt/Facilities**	Big Paddle Professional Services	515.00
				Main Street Moola	125.00
RIDGEFIELD MAIN STREET Total					**640.00**
RIDGEFIELD SCHOOL DISTRICT	**378**	1001700084	**Public Works**	RORC Engineering Const Management	343,013.21
RIDGEFIELD SCHOOL DISTRICT Total					**343,013.21**
SANDRA DAY	**1838**	1838-201807	**Council**	Mileage Reimbursement - Day	316.65
SANDRA DAY Total					**316.65**
SANDY'S SIGN AND DESIGN	**556**	401-18	**Public Works**	18X12 Inch Metal Signs for Trails	108.40
SANDY'S SIGN AND DESIGN Total					**108.40**
SHANNON CAHOON	**3028**	3028-2018	**Genl Govt/Facilities**	Park Refundable Deposit	100.00
SHANNON CAHOON Total					**100.00**
SHRM	**1083**	9007581457	**Human Resources**	2018-2019 SHRM Membership-Blehm	209.00
SHRM Total					**209.00**
SIGNS AND MORE	**2061**	91438	**Genl Govt/Facilities**	Sponsor Signs Big Paddle 2018	153.93
SIGNS AND MORE Total					**153.93**
SMARSH	**2550**	INV00383327	**Information Technology**	Email and Social Media Archiving June 2018	267.20
SMARSH Total					**267.20**
SPOK INC.	**295**	B0364104S	**Public Works**	Communications WWTP	26.02
SPOK INC. Total					**26.02**
TAKOHACHI INC.	**3025**	18-0901	**Genl Govt/Facilities**	Multicultural Festival Performance	650.00
TAKOHACHI INC. Total					**650.00**
THE PARR COMPANY	**964**	26414459	**Community Development**	CDD Supplies	54.17
THE PARR COMPANY Total					**54.17**
THE PIN CENTER	**2748**	718043	**Genl Govt/Facilities**	Logo Lanyards	297.50
THE PIN CENTER Total					**297.50**
TOKAY SOFTWARE	**1167**	107815	**Genl Govt/Facilities**	Web Tests	(8.15)
			Public Works	Web Tests	105.15
TOKAY SOFTWARE Total					**97.00**
URBAN NORTHWEST HOMES LLC	**2263**	PLZ-18-0060	**Genl Govt/Facilities**	Refund for PLZ-18-0060 lot determination	450.00
URBAN NORTHWEST HOMES LLC Total					**450.00**
US BANK	**2237**	2237-201807	**Finance**	Secure Custody Charges June 2018	24.00
US BANK Total					**24.00**
VANCOUVER AUTO GROUP	**451**	107901	**Public Safety**	2014 Explorer Maint	28.42
VANCOUVER AUTO GROUP Total					**28.42**
VERIZON WIRELESS	**452**	9809937428	**Genl Govt/Facilities**	Communications June 2018	117.55
			Public Safety	Communications June 2018	968.57
			Public Works	Communications June 2018	1,086.36

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VERIZON WIRELESS	**452**	9809937428	**Community Development**	Communications June 2018	268.41
			Finance	Communications June 2018	35.68
			Administration	Communications June 2018	35.68
			Executive	Communications June 2018	35.68
			Council	Communications June 2018	280.07
VERIZON WIRELESS Total					**2,828.00**
WALLIS ENGINEERING	**464**	13883	**Public Works**	S 8th Ave Improvements	8,378.27
WALLIS ENGINEERING Total					**8,378.27**
WELLS FARGO	**1681**	201807-8764	**Genl Govt/Facilities**	June 2018 Stmt - Knottnerus Ridgefield Floral Events - May 1st S	105.69
			Information Technology	June 2018 Stmt - Knottnerus Amazon Web Services Website Back-Up	0.44
			Human Resources	June 2018 Stmt - Knottnerus Ridgefield Floral Employee Relations	162.60
				June 2018 Stmt - Knottnerus Marriott Indy Training	645.24
		201807-5494	**Genl Govt/Facilities**	June2018 Stmt-Kipp Mistake - Please Invoice for this Expenditure	4.85
				June2018 Stmt-Kipp 4th of July	1,025.88
				June2018 Stmt-Kipp F2T Menu Illustration	48.79
				June2018 Stmt-Kipp Event Marketing	58.00
				June2018 Stmt-Kipp Big Paddle	135.44
				June2018 Stmt-Kipp Tuesdays in the park	16.49
				June2018 Stmt-Kipp F2T	27.09
				June2018 Stmt-Kipp F2T Marketingmissing receipt	50.00
				June2018 Stmt-Kipp 1st Saturday	126.93
		201807-1133	**Genl Govt/Facilities**	June 2018 Stmt - Brunson Staples Battery backup for CDD	(8.40)
				June 2018 Stmt - Brunson Staples Clip boards PW Utilities	(1.14)
			Public Works	June 2018 Stmt - Brunson Staples Clip boards PW Utilities	14.72
			Community Development	June 2018 Stmt - Brunson Staples Battery backup for CDD	108.39
		201807-7296	**Genl Govt/Facilities**	June 2018 Stmt - Rhine Clark County Health Temp Food Permit for	160.00
			Public Safety	June 2018 Stmt - Rhine WA DOL Fee for use of charge card to pur	2.00
				June 2018 Stmt - Rhine 76 United Pacific Fuel-gas card not issue	48.68
				June 2018 Stmt - Rhine U-Haul Wiring/plug mount with replacement	9.65
				June 2018 Stmt - Rhine Tony's Auto Parts Glass Cleaner for fleet	3.24
				June 2018 Stmt - Rhine WA DOL Vehicle License plate/fees 2014 F	47.25
				June 2018 Stmt - Rhine Shell Oil Fuel-gas card not issued yet. 6	53.51
		201807-9760	**Public Safety**	June 2018 Stmt - Hoots GALLS Wrong Size Duty belt returned	(33.50)
				June 2018 Stmt - Hoots AMAZON MKTPLACE 3 Rolls of yellow Police	48.78
				June 2018 Stmt - Hoots SAFARILAND LLC 3 Methamphetimine Test Kit	82.92
				June 2018 Stmt - Hoots USPS Cell phone found - rtned to owner-po	7.20
				June 2018 Stmt - Hoots AMAZON MKTPLACE Magnetic signs for Gator	26.78
				June 2018 Stmt - Hoots USPS Roll of stamps for PD	50.00
				June 2018 Stmt - Hoots GALLS Duty Belt for Officer Ferriss	33.50
				June 2018 Stmt - Hoots TLO Trans Union Back Ground Investigation	55.18
				June 2018 Stmt - Hoots AMAZON MKTPLACE Trash Bags for PD	16.25
				June 2018 Stmt - Hoots AMAZON MKTPLACE Disposable Medical Exam G	12.95
		201807-1889	**Genl Govt/Facilities**	June 2018 Stmt - Stuart Bavarian Autoworks MISTAKE - invoice Cit	366.93
			Executive	June 2018 Stmt - Stuart El Rancho Viejo Meeting with residential	14.82
				June 2018 Stmt - Stuart Country Cafï¿½ Meeting with City Councilor	56.85

City of Ridgefield

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WELLS FARGO	**1681**	201807-1889	**Executive**	June 2018 Stmt - Stuart Eatery at the Grant House Meeting with S	18.18
				June 2018 Stmt - Stuart El Rancho Viejo Meeting with Mayor to di	23.95
				June 2018 Stmt - Stuart End of the Road Grill Meeting re: RORC u	21.07
				June 2018 Stmt - Stuart LAVA JAVA Meeting with legislator to dis	6.48
				June 2018 Stmt - Stuart El Rancho Viejo Meeting with RORC user r	14.82
				June 2018 Stmt - Stuart Billygans Meeting with industrial proper	17.61
				June 2018 Stmt - Stuart Dragon Fly Cafï¿½ Clark County Correctiona	10.80
				June 2018 Stmt - Stuart Sun Moutain Lodge Lodging for WA City Ma	180.00
				June 2018 Stmt - Stuart Adobe Acropro Subs Monthly subscription	16.25
				June 2018 Stmt - Stuart Seasons Coffee Meeting with RORC user re	9.59
				June 2018 Stmt - Stuart Seasons Coffee Meeting with commercial d	11.44
				June 2018 Stmt - Stuart Fuel Bistro Meeting re: food hub develop	23.51
				June 2018 Stmt - Stuart WCMA Registration for WA City Managers C	325.00
				June 2018 Stmt - Stuart Sportsman Steakhouse Meeting with City C	31.94
				June 2018 Stmt - Stuart Peets Meeting with Ridgefield property o	5.26
		201807-4015	**Genl Govt/Facilities**	June 2018 Stmt - Arends Wal Mart gatorade crew hydration	2.02
				June 2018 Stmt - Arends Prodryers Overlook-toilet repair use/sal	(7.32)
			Public Works	June 2018 Stmt - Arends Wal Mart gatorade crew hydration	28.13
				June 2018 Stmt - Arends Prodryers Overlook-toilet repair	94.43
				June 2018 Stmt - Arends Eastside Steel street bollards	191.73
			Community Development	June 2018 Stmt - Arends Wal Mart gatorade crew hydration	1.33
		201807-2960	**Community Development**	June 2018 Stmt - Johnson Springhill Suites NORL National Plannin	1,064.28
			Finance	June 2018 Stmt - Johnson Government Finance Off. GFOA CAFR Award	435.00
				June 2018 Stmt - Johnson Panera Bread Lunch during visit to Clar	23.79
				June 2018 Stmt - Johnson Ridgefield Pioneer Ice cream for staff	9.78
				June 2018 Stmt - Johnson Costco.com Chair mat for Finance Direct	54.19
			Council	June 2018 Stmt - Johnson Red Lion Inn AWC Annual Conference Hote	1,477.80
		201807-2495	**Community Development**	June 2018 Stmt - Niten Sportsman Steakhouse Main Street meeting	11.22
				June 2018 Stmt - Niten Teriyaki Thai Plans Examiner candidate lu	38.89
		201807-4056	**Genl Govt/Facilities**	June 2018 Stmt - Ferriss Seasons Coffee Management Team Retreat	17.35
				June 2018 Stmt - Ferriss Fuel Bistro Management Team Retreat	100.36
				June 2018 Stmt - Ferriss Fred Meyer Management Team Retreat	27.15
				June 2018 Stmt - Ferriss Wal Mart Council 4th of July	35.01
				June 2018 Stmt - Ferriss Dungeon Donuts Management Team Retreat	9.74
			Public Works	June 2018 Stmt - Ferriss OVS McMinnville Rounabout Grapes Suppli	118.80
				June 2018 Stmt - Ferriss Wilco-Battle Ground Rounabout Grapes Su	58.79
				June 2018 Stmt - Ferriss Starliner Food Market Cups for Parks Mt	2.17
				June 2018 Stmt - Ferriss Costco Wholesale Abrams Park Storage Ra	162.59
			Community Development	June 2018 Stmt - Ferriss Starliner Food Market Cups for Planning	2.16
				June 2018 Stmt - Ferriss USPS Ship CDD hard drive back to Freedo	7.34
			Administration	June 2018 Stmt - Ferriss CKE* Fuel Bistro Admin Team Retreat	58.14
			Council	June 2018 Stmt - Ferriss Brown Paper Tickets Com CREDC Luncheon	15.00
				June 2018 Stmt - Ferriss Starliner Food Market Cups for Council	2.16
		201807-8989	**Public Safety**	June 2018 Stmt - Brooks Cov Parking Payst Parking for CFAC Mtg	4.55
				June 2018 Stmt - Brooks 5.11 Tactical.com Uniform Shirt	86.71

City of Ridgefield

Claims Payment Report

For Approval on: July 26th, 2018

WELLS FARGO	**1681**	201807-8989		**Public Safety**	June 2018 Stmt - Brooks El Rancho Viejo NNO Lunch	26.11
					June 2018 Stmt - Brooks Signs & More Police Signs for Gator	32.52
		201807-8453		**Genl Govt/Facilities**	June 2018 Stmt - Kast Dry Box PW Storage	5.14
				Public Works	June 2018 Stmt - Kast Dry Box PW Storage	77.66
					June 2018 Stmt - Kast Sportsman Steakhouse Mtg w/ Sewer Dist.	73.42
				Community Development	June 2018 Stmt - Kast Dry Box PW Storage	3.92
		201807-1117		**Genl Govt/Facilities**	June 2018 Stmt - Blehm Ridgefield Pioneer Water City Hall	7.58
					June 2018 Stmt - Blehm Peter Corvallis Farm to Table	380.54
					June 2018 Stmt - Blehm Comfort Inn Suites Brenda Howell training	17.06
					June 2018 Stmt - Blehm Amazon Game-Events	75.33
					June 2018 Stmt - Blehm Wal Mart 4th of July Float	12.26
					June 2018 Stmt - Blehm Peter Corvallis Farm to Table - use/sales	(29.49)
					June 2018 Stmt - Blehm Shutterstock 4th of July Float - use/sale	(4.12)
					June 2018 Stmt - Blehm Shutterstock 4th of July Float	53.12
				Public Works	June 2018 Stmt - Blehm Comfort Inn Suites Brenda Howell training	170.63
				Community Development	June 2018 Stmt - Blehm Comfort Inn Suites Brenda Howell training	153.56
					June 2018 Stmt - Blehm PayPal Membership to WAPT for Yonya DeShi	35.00
				Human Resources	June 2018 Stmt - Blehm Costco All Hands Meeting	55.54
					June 2018 Stmt - Blehm LAVA JAVA All Hands Meeting	30.41
					June 2018 Stmt - Blehm Fred Meyer Wellness	289.50
					June 2018 Stmt - Blehm Costco Wellness	472.69
WELLS FARGO Total						**10,371.57**
WM. H. REILLY AND CO.	**826**		1514	**Public Works**	LMPU Pump and Parts	2,066.30
WM. H. REILLY AND CO. Total						**2,066.30**
Grand Total						**746,323.22**

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: July 26, 2018

ITEM: CONSENT AGENDA

AGENDA ITEM TITLE: Approval of Minutes from July 12, 2018 Meeting

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AGENDA ITEM TITLE:

Approval of minutes from the following meeting(s) of the council:

GOVERNING LEGISLATION:

Not applicable

PREVIOUS COUNCIL ACTION TAKEN:

Not applicable

SUMMARY/BACKGROUND:

Staff has prepared the minutes for Council consideration of adoption for the Council meeting(s)

BUDGET/FINANCIAL IMPACTS:

Not applicable

RECOMMENDED ACTION OR MOTION:

Staff recommends Council approve the minutes by making the following motion:

1. **"I move to approve the consent agenda"**

STAFF CONTACT: Julie Ferriss, City Clerk

ATTACHMENTS: 07-12-2018 (PDF)

CITY OF RIDGEFIELD, WASHINGTON
City Council MEETING MINUTES
July 12, 2018

Regular Meeting - 6:30 PM

GENERAL SESSION CALL TO ORDER - 6:30 PM - 6:30 PM

FLAG SALUTE

ROLL CALL

Attendee Name	Title	Status	Arrived
Ron Onslow	Councilor	Present	
David Taylor	Councilor	Present	
Lee Wells	Councilor	Present	
Don Stose	Mayor	Present	
Darren Wertz	Councilor	Present	
John Main	Councilor	Present	
Sandra Day	Councilor	Present	

LATE CHANGES TO THE AGENDA

PUBLIC COMMENT - 6:34 PM

Former Mayor Tevis Laspa was acknowledged by Mayor and City Council for his generous donation of the bronze dog statue located outside of City Hall.

Tevis Laspa - Resident
Thank you for kind words and framed photo.
Economic Catalyst Program - how are you going to pay for it, was not included in the packet. How will funds be reimbursement?

John Nohr - Clark County Fire and Rescue
Provided an update on how 4th of July event went for Clark County Fire & Rescue
Thank you for the opportunity to be part of the community

Lucas Allmaras and Kamble Mcmaking - Resident
Proposing to the City to build a better skate part, current park is not safe and dangerous. Ramps are made from steel.
When traveling to other Cities to use their skate park we are taking our business to them and not staying in Ridgefield.

Tevis Laspa - Resident

Skate Park was constructed when I was Mayor. What would you propose for better ramps?

Lucas Allmaras and Kamble Mcmaking - Resident
Recommend concrete ramps with steel coping.

Council member Onslow arrived to the meeting 6:39PM.

CONSENT AGENDA - MOTION TO APPROVE AS PRESENTED.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	David Taylor, Councilor
SECONDER:	Sandra Day, Councilor
AYES:	Onslow, Taylor, Wells, Stose, Wertz, Main, Day

1. **Approval of Claims And/Or Payroll**
2. **Approval of Minutes from June 21, 2018 Meeting**

BUSINESS

1. **Motion - Approval of Economic Catalyst Program** - 6:40 PM

For the Economic Catalyst program the development must be located within either the Junction sub-area or the 45th and Pioneer sub-area. The proposed economic catalyst is located within the boundaries of the 45th and Pioneer sub-area. A market analysis produced by ED Hovee & Company dated June 23, 2015 identified the sub-area as the best opportunity for a grocery anchored community retail development. Additionally the Hovee analysis found “Retail leakage for grocery is estimated at $35 million for the primary trade area (truncated at the county line) - the most leakage of any store type and likely adequate to support a significant grocery store. Because there are no national/regional grocery operators as yet located in Ridgefield or La Center, grocery sales leakage currently exceeds 90% of locally generated resident demand

City Council conducted discussion.

MOTION: MOVED TO DESIGNATE PHASE 1 OF THE DISCOVERY RIDGE DEVELOPMENT AS A CATALYST PROJECT AND DIRECT THE CITY MANAGER TO WAIVE DEVELOPMENT FEES FOR THE PROJECT IN THE AMOUNT OUTLINED IN THE STAFF REPORT.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Ron Onslow, Councilor
SECONDER:	John Main, Councilor
AYES:	Onslow, Taylor, Wells, Stose, Wertz, Main, Day

PUBLIC HEARING/BUSINESS

1. **Public Hearing and Approval of Resolution No. 540 – 2019-2024 Transportation Improvement Program - Brenda Howell, Staff Engineer**

Per RCW 35.77.010, the legislative body of each city and town, pursuant to one or more public hearings thereon, shall prepare and adopt a comprehensive transportation program for the ensuing six calendar years. The six-year program shall specifically set forth those projects and programs of regional significance for inclusion in the transportation improvement program within that region.
City Council conducted discussion.

Mayor opened the hearing 7:07PM

Roy Garrison - Resident
In the past during public hearing on transportation topic there would a presented displayed on the screen for citizens to follow, not everyone can get packets online.

Mayor closed the hearing 7:08PM

MOTION: MOVED TO APPROVE RESOLUTION NO. 540 AS PRESENTED.
Council conducted discussion prior to a vote regarding the visuals of the projects and timing of the Resolution adoption.

RESULT:	**ADOPTED [6 TO 1]**
MOVER:	Ron Onslow, Councilor
SECONDER:	John Main, Councilor
AYES:	Onslow, Taylor, Wells, Stose, Main, Day
NAYS:	Wertz

PUBLIC COMMENT

None received.

COUNCIL/PRESIDING OFFICER/STAFF REPORTS - 7:15 PM

Council

Council Member Main - Attended 4th of July event, great to see C-TRAN participating in the parade.
Council Member Taylor - Attended 4th of July event and parade.
Council Member Wertz - 4th of July event and parade, suggest sending a thank you letter to the individual who provided the ambulance for the parade.
Council Member Wells - Attended 3 pre-app conferences, public hearing on Ridgefield Crossing PUD.
Council Member Day - Attended 4th of July event and parade, first Saturday event, national conference call with America Walks. Friends of the refuge auction dinner is July 20th,
Council Member Onslow - Attended 4th of July event and parade, AWC Conference, AWC board meetings, conservation futures meeting, testified at OTC tolling meeting in downtown Portland.

Mayor

Attended 4th of July event and parade, first Saturday event, school board meeting.

City Manager

City Manager Steve Stuart - provided an update on Ridgefield Outdoor Recreation Complex construction project.

Community Development Director Jeff Niten - Community Development update provide, new plans examiner employee is staring on July 23.

Finance Director Kirk Johnson- 2019 budget updates provided.

Deputy City Manager Lee Knottnerus - Main Street Day event update provided, Tuesdays in the park are starting July 24.

Police Chief John Brooks- provided an update on 4th of July event for the department, participated in HOA block parties. AED grant was awarded, all police vehicles will now have AED's.

ADJOURN - 7:44 PM

____________________________________ ____________________________________

Julie Ferriss, City Clerk Don Stose, Mayor

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: July 26, 2018

ITEM: PRESENTATION

AGENDA ITEM TITLE: Introduction to 2019 Budget and Economic Update

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GOVERNING LEGISLATION:

RCW 35A.33; Budgets in Code Cities, City of Ridgefield Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

Adopt annual budget. The 2018 budget was adopted on December 7, 2017

SUMMARY/BACKGROUND:

Economic update presentation and introduction to the 2019 budget

BUDGET/FINANCIAL IMPACTS:

None

RECOMMENDED ACTION OR MOTION:

No action taken – presentation on current economic update and introduction to 2019 budget calendar

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS: Budget Calendar - 2019 (PDF)
2019 Budget Economic Report (PDF)

			July					Aug				Sept				Oct					Nov				Dec			
Week of	May	June	2	9	16	23	30	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	2
City Council Goals/Retreat																												
Management Initiatives/Goals Retreat																												
Review Budget and Financial Policies																												
Review Economic Conditions						26th																						
Determine Baseline Assumptions																												
Develop Proposed Budget																												
Levels of Service																												
Baseline/Beginning Budget																												
New Programs or Initiatives																												
Update Indirect Cost Plan																												
Update Equipment Replacement Fund																												
Preliminary Budget																												
Operating																												
Capital																												
Update Financial Forecast																			25th									
Adopt Final Budget																												
Conduct Hearing on Revenue Sources																				1st								
Draft Final Budget																												
Adopt Property Tax Levy																				1st		15th						
Update Utility Rates																				1st		15th						
Final Budget and Conduct Hearings																						15th			6th			
Executive Management Meetings (10 am)						24th			14th				11th					16th			6th							
Budget Advisory Committee Meetings (10 am)									16th				13th					18th			8th							
City Council Work Sessions						26th				23rd					27th				25th									

July 26 council presentation - Economic update and introduction to budget process and calendar
August 23 work session - Present baseline budget
September 27 work session - Present special revenue, capital and operating initiatives budget
October 25 work session - Update economic forecast and present preliminary budget

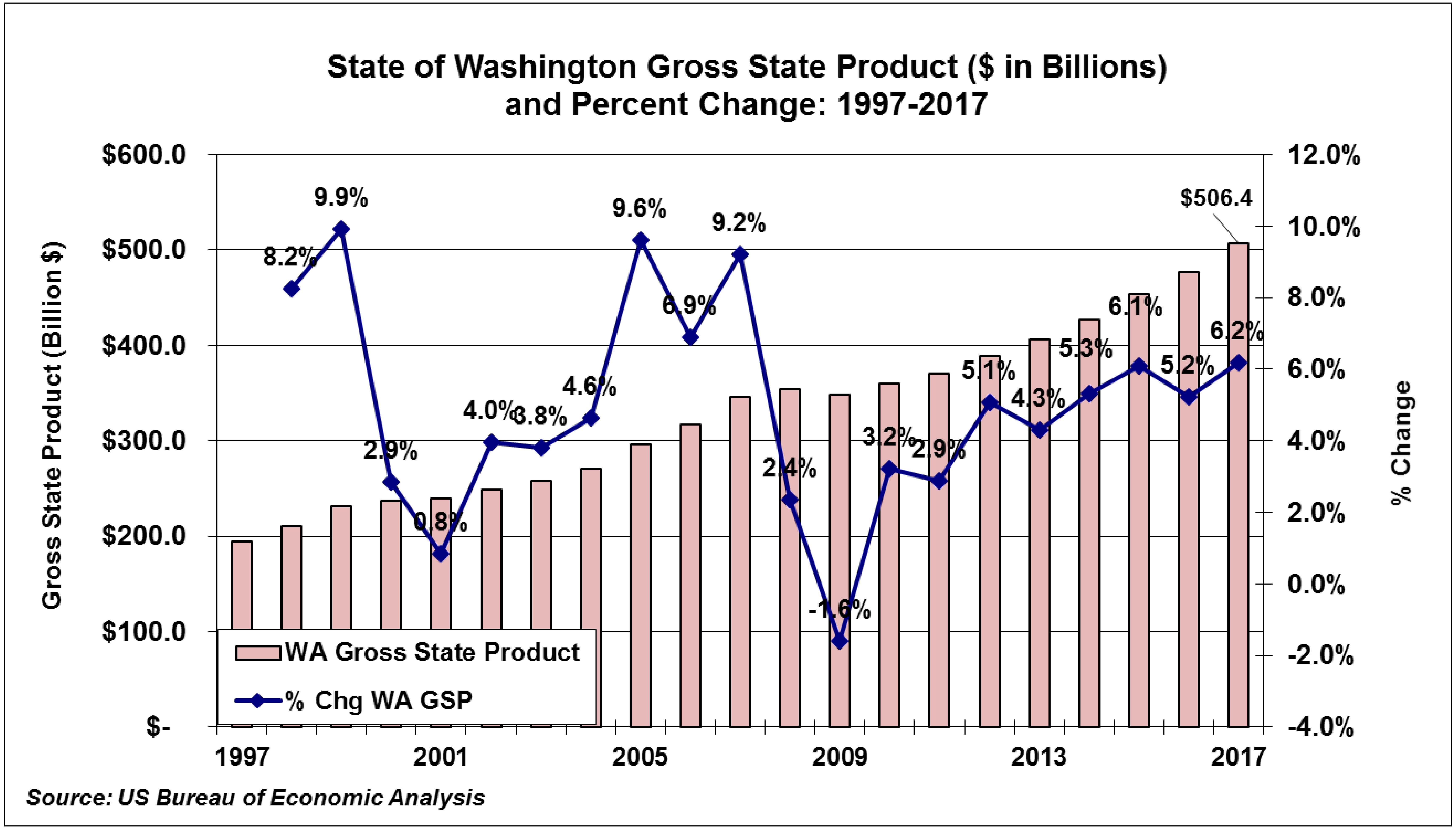
2019 Budget Economic Update

Agenda

- Gross State Product
- Clark County Jobs & Unemployment
- Clark County Median Income
- Inflation – West Region CPI-U
- County Real Estate Market
- SFR Building Permit Activity
- Population Changes
- Retail Sales Tax
- Property Tax – Assessed Valuation and New Construction

Economic Update

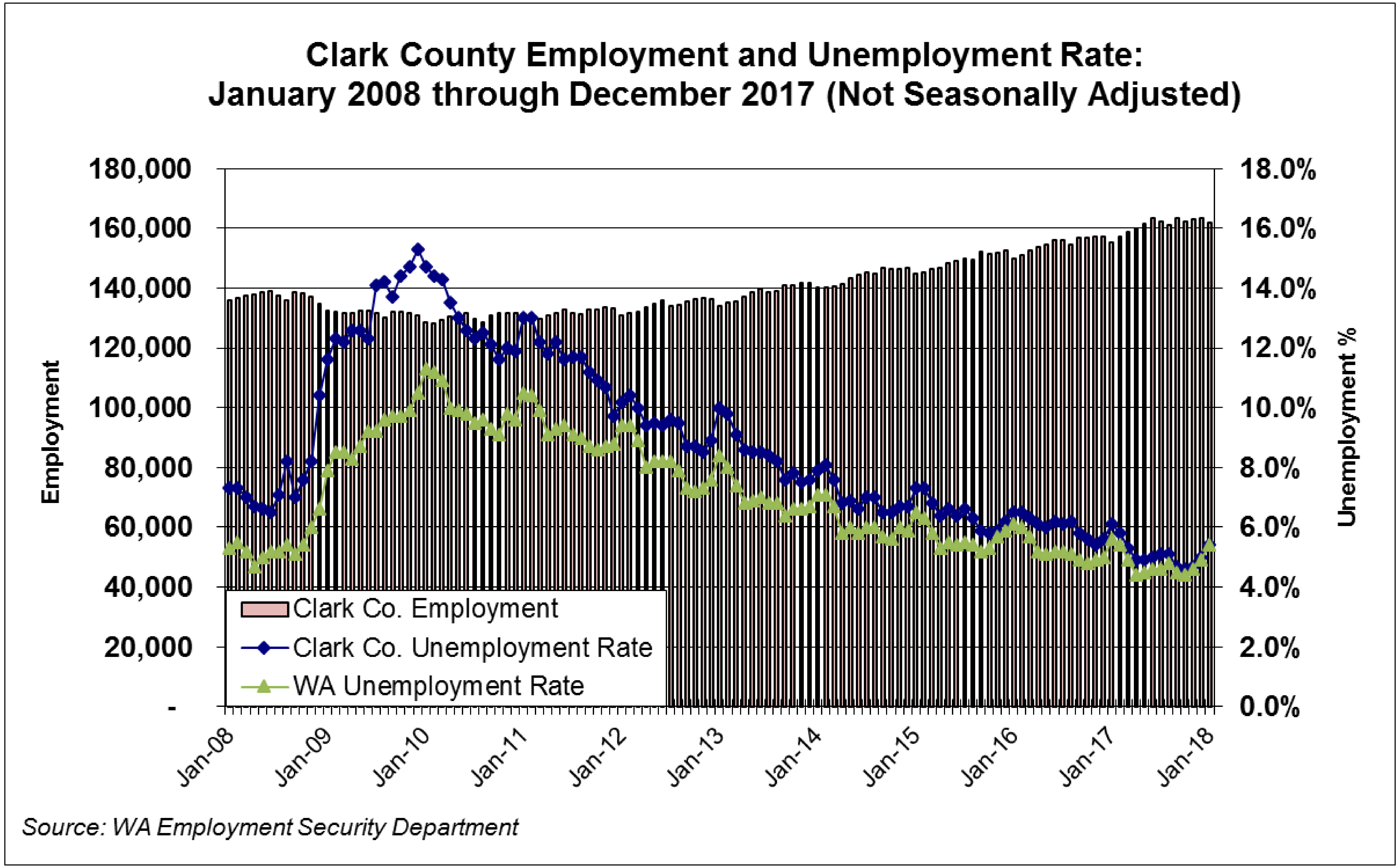
Gross State Product



Gross State Product
In Billions

- 2017 $506.4
- 2016 $476.9
- 2015 $453.2
- 2014 $427.2
- 2013 $405.6

Economic Update
Clark County Jobs & Unemployment



Employment Clark County
- 2017 – 227,119
- 2016 – 220,790
- 2015 – 214,351

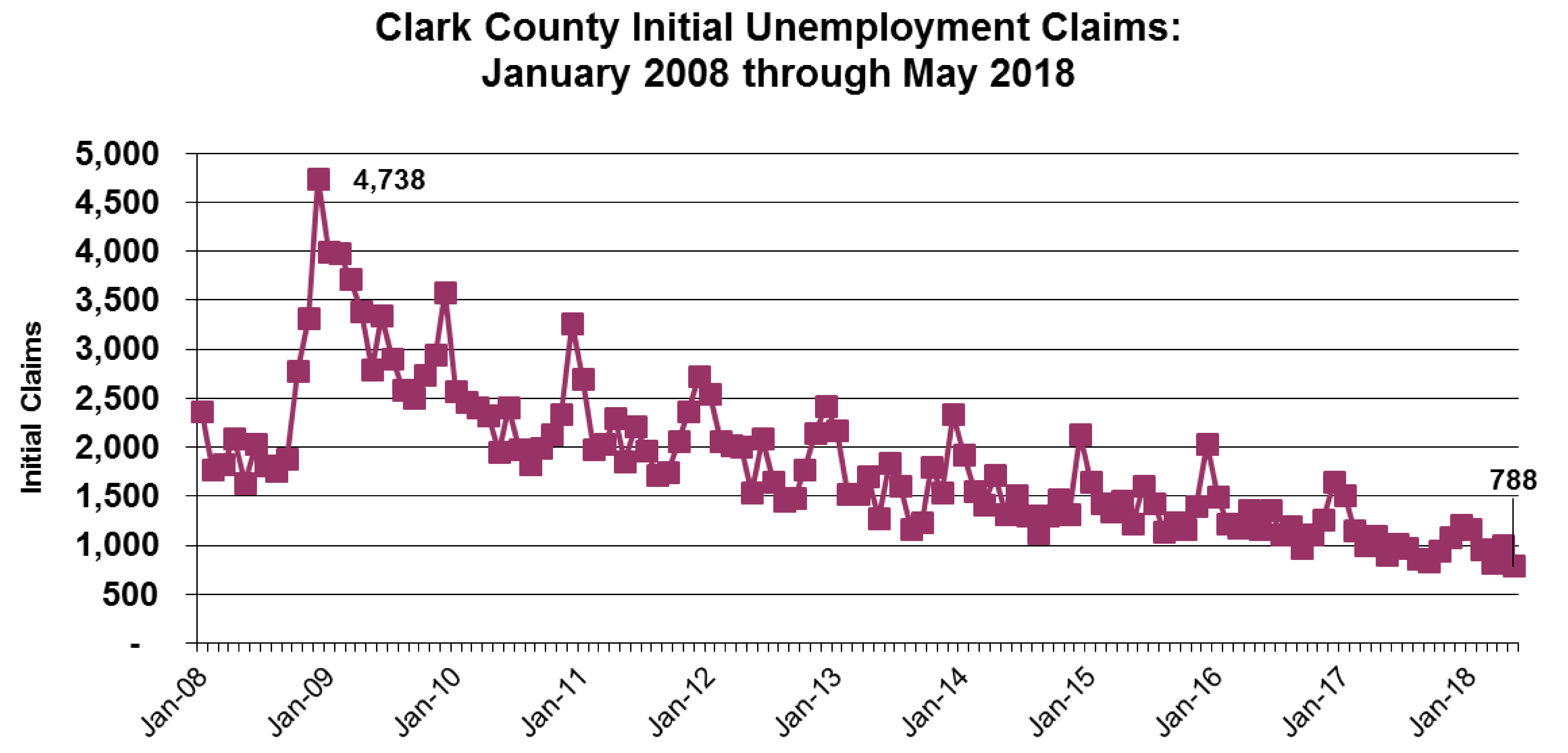
Employed in Clark County
- 2017 – 163,600
- 2016 – 157,300
- 2015 – 152,500

Unemployed in Clark County
- 2017 – 11,887
- 2016 – 11,600
- 2015 – 13,276

May Unemployment Rate
- Clark County – 4.8%
- Washington – 4.4%
- Portland Metro – 3.4%
- United States – 3.8%

Economic Update

Initial Unemployment Claims

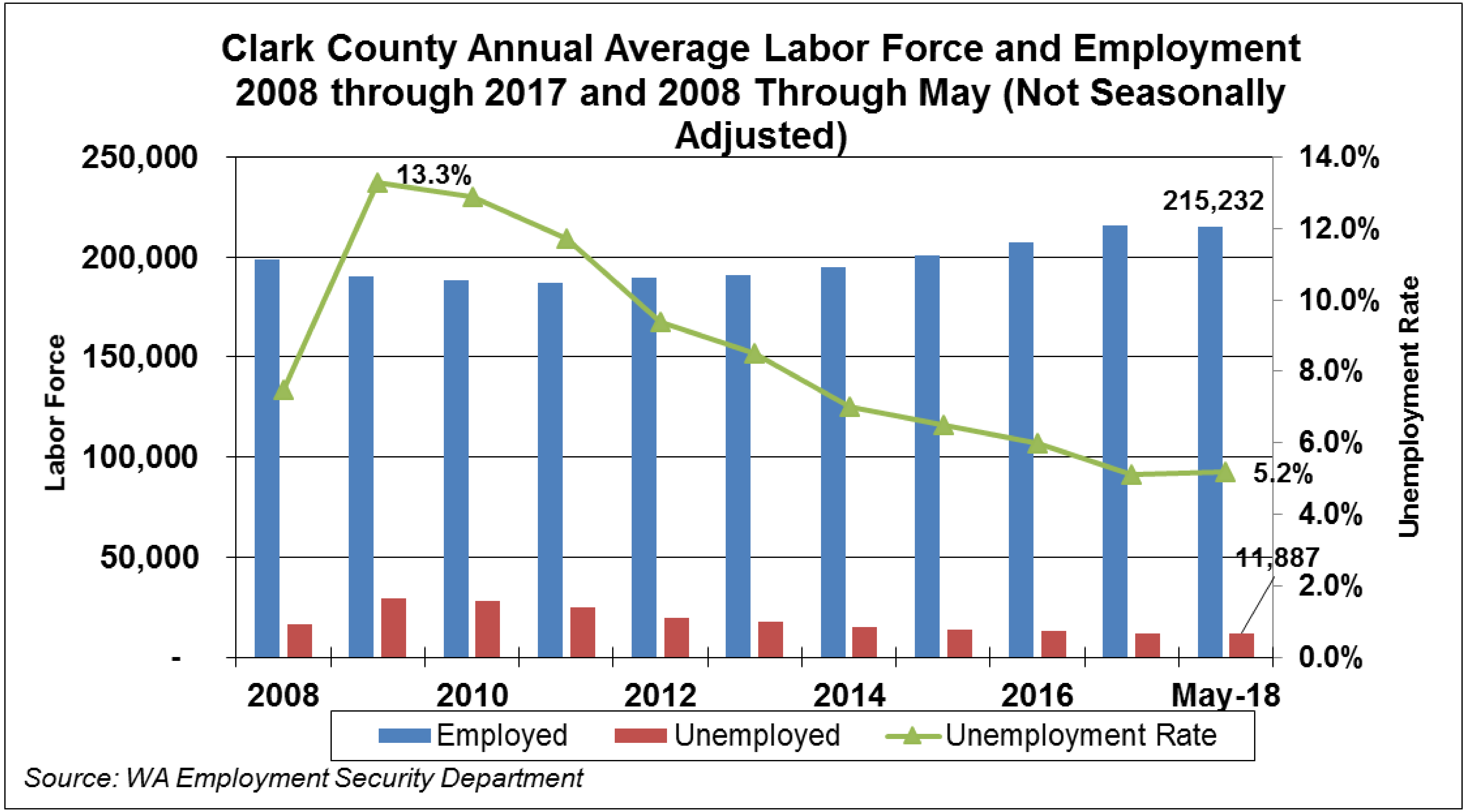


Source: WA Employment Security Department

Continuing Claims
- May 2018 – 2,010
- Jan 2018 – 2,515
- Jan 2017 – 3,069
- Jan 2016 – 3,293

Initial Unemployment Claims
- May 2018 - 788
- Jan 2018 – 1,162
- Jan 2017 – 1,506
- Jan 2016 – 1,495

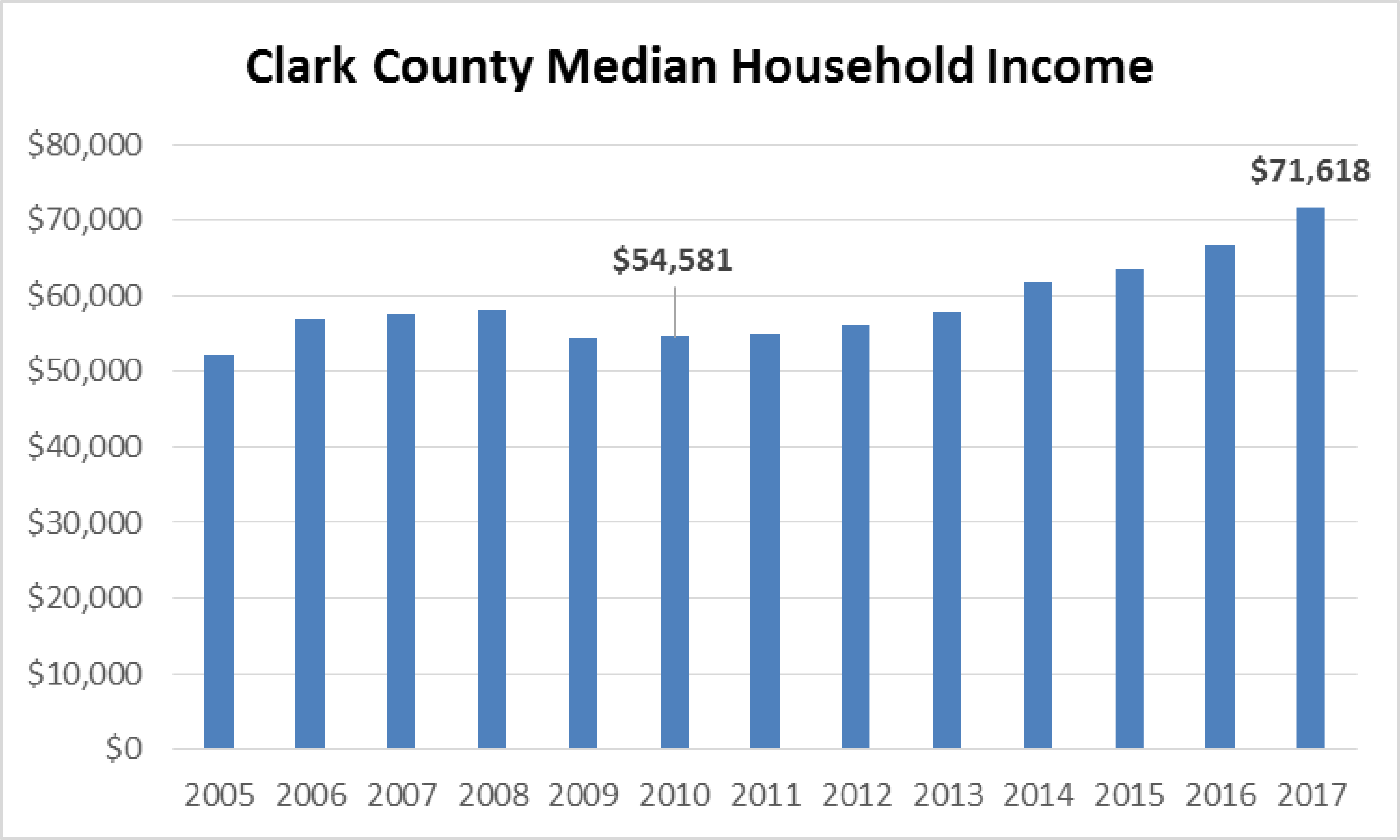
Economic Update
Labor Force & Employment Annual Average



May Unemployment Rate
- Clark County – 4.8%
- Washington – 4.4%
- Portland Metro – 3.4%
- United States – 3.8%

Employed in Clark County
- Jan 2018 – 161,700
- Jan 2017 – 155,300
- Jan 2016 – 150,000

Economic Update
Median Income - Annualized



Source: Washington State Office of Financial Management

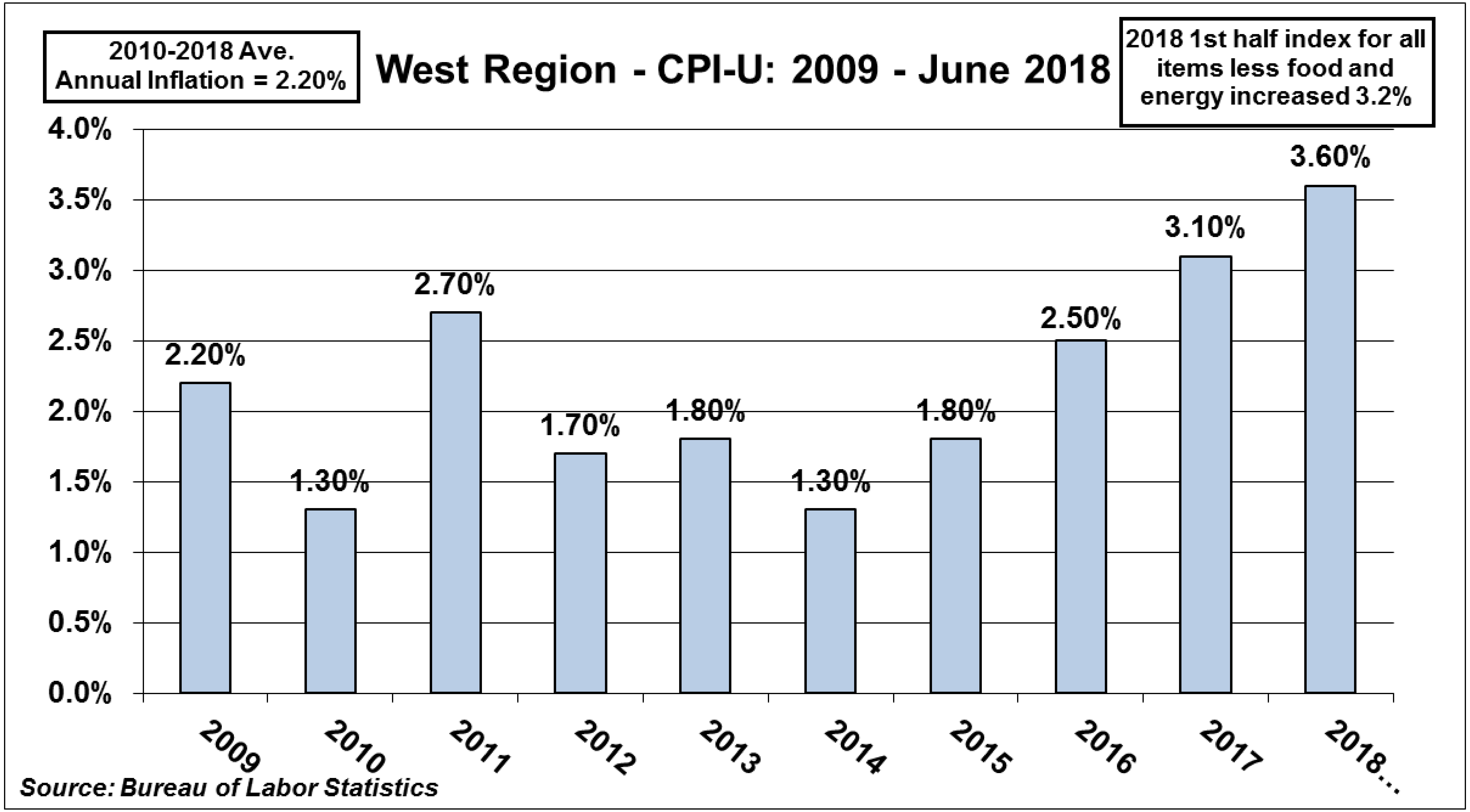
Percentage Increase
- 2017 – 7.24%
- 2016 – 4.94%
- 2015 – 3.12%
- 2010-2017 31.21%

Median Household Income Ridgefield
- 2016 - $88,286

Source: U.S. Census Bureau

Economic Update

Inflation

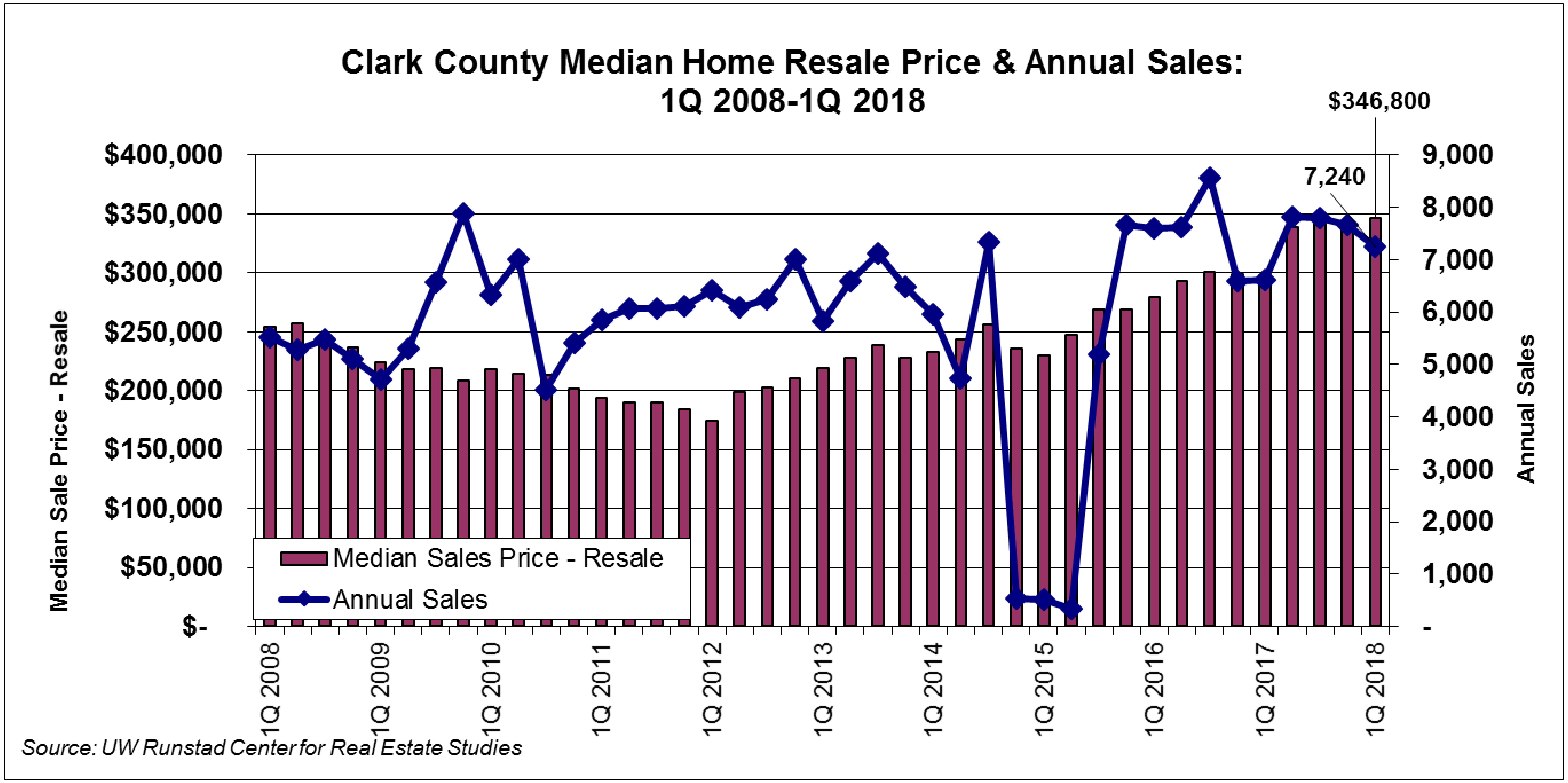


2018 Inflation Factors last 12 months

- CPI-U All items > 3.6%
- All items less food & energy > 3.2%
- Energy > 14%
    - Gas > 24.3%
    - Electricity > 2.1%
    - Nat Gas < 4.1%
- Medical > 4%
- Shelter > 4.6%
- Food – Away > 3.6%
- Food – Home < NC
- Apparel < 1.3%

Economic Update

County Home Sales & Prices



Home Sales

- 1Q 2018 – 7,240
- 2017 – 30,370
- 2016 – 30,370
- 2015 – 13,720
- 2014 – 18,550
- 2013 – 26,020

Average Resale

- 1Q 2018 – $346,800
- 2017 – $329,050
- 2016 – $293,025
- 2015 – $253,800
- 2014 – $241,950
- 2013 – $228,375

Economic Update
County Housing Market

The Clark County, Washington real estate marketplace has some unique characteristics. There is a much higher proportion of active residential listings in Clark County that are Proposed, defined as "not yet under construction", than exists in any other RMLS™ area. This means that there are fewer homes listed as Active that are ready to move into in an immediate timeframe.

Total Active Listings	1,462
Listings with Purchase Contingencies	-45
Available Listings	1,417
Under Construction	-125
Proposed	-120
Total Available Listings for Move In	1,172
Monthly Inventory Move In Ready	1.5

Clark County Stats 2018 YTD May

- Sales – 3,303
- Pending Sales – 3,791
- New Listings – 4,860
- Total Inventory – 1.8 Mo
- Days on Market - 52
- Avg. Sales Price - $385,600
- 10.8% increase from 2017

Ridgefield Stats 2018 YTD May

- Active Listings May - 91
- SFR Sales – 129
- Pending Sales – 172 < 11.3%
- New Listings – 262
- Days on Market - 52
- Avg. Sales Price - $409,800
- Commercial Avg. Sale Price $398,000 – 1 Sale
- Land Avg. Sale Price $2,347,000 – 2 Sales

Source: RMLS™ Regional Multiple Listing Service, Portland Oregon

Economic Update

County Housing Market

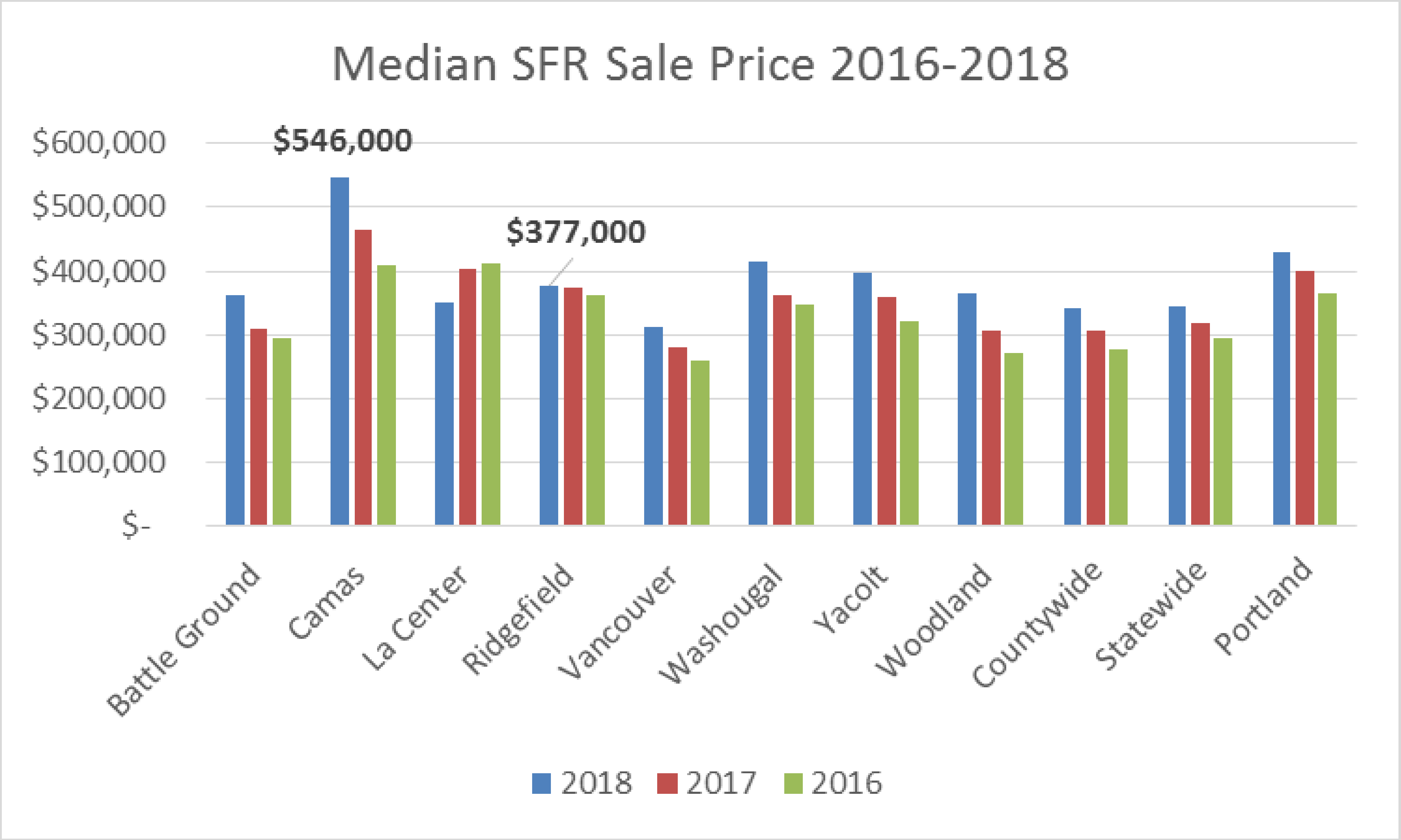
According to a report from the National Association of Home Builders (NAHB) confidence remains elevated yet builders are concerned that tariffs on steel, aluminum, and lumber are making construction more expensive, limiting the number of properties built. Indeed, record high lumber prices have increased the cost of a single-family home by $9,000 since January of 2017. According to the NAHB report: “Builders are encouraged by growing housing demand, but they continue to be burdened by rising construction material costs.”

Source: National Association of Home Builders

June housing starts are down 12.3% from May according to the U.S. Census Bureau

Economic Update

Median Sale Price 2016-2018



Clark County median sales price has increased 9% in 2018 compared to 2017.

Portland Metro median price $231 per square foot.

Clark County median price $203 per square foot.

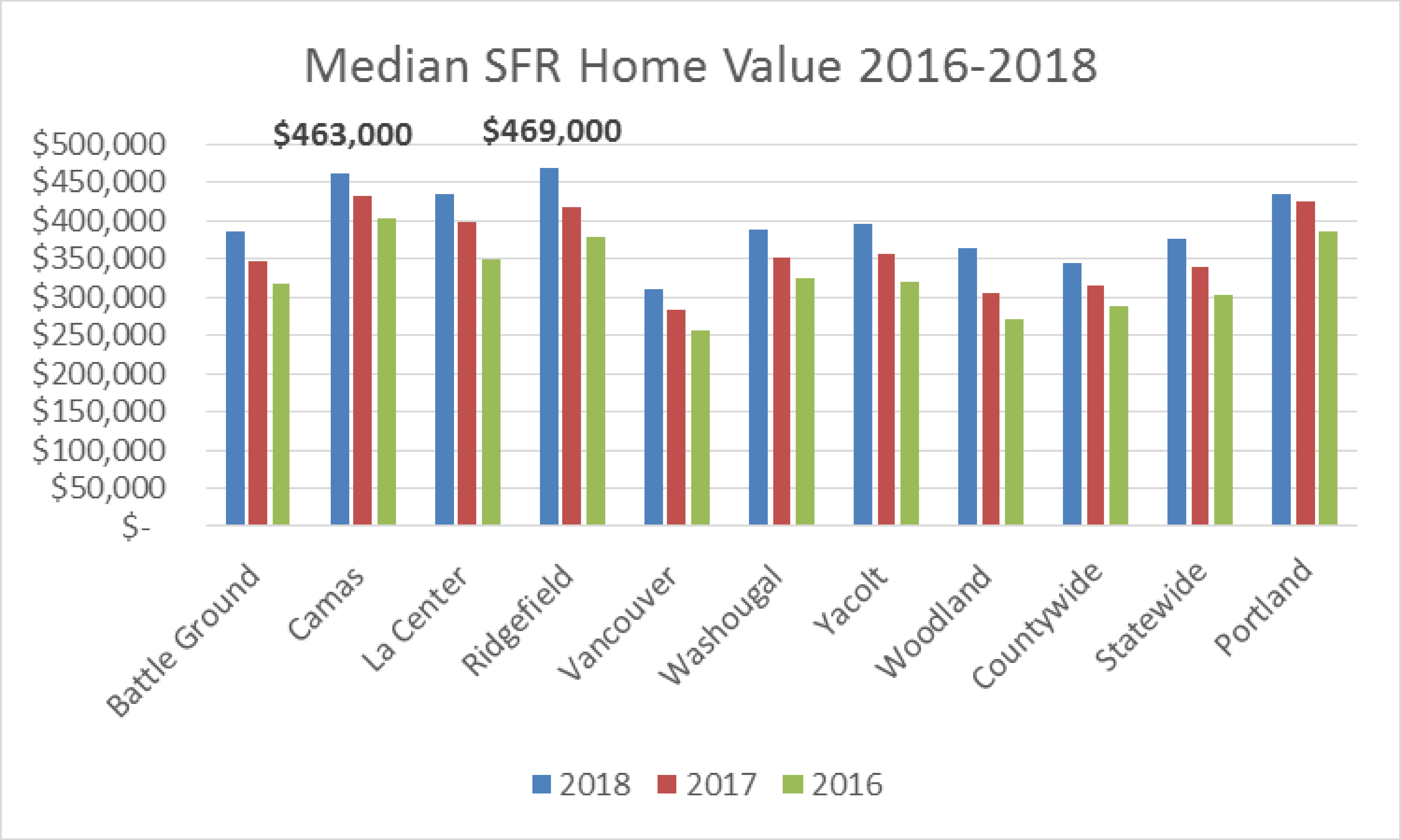
Ridgefield median price $201 per square foot in Ridgefield.

Ridgefield median price of homes currently listed $445,500

Ridgefield median price of homes currently sold $378,100

Source: Zillow Home Value Index

Economic Update
Median Home Value 2016-2018



Ridgefield Median Home Value has increased 12% in 2018 compared to 2017.

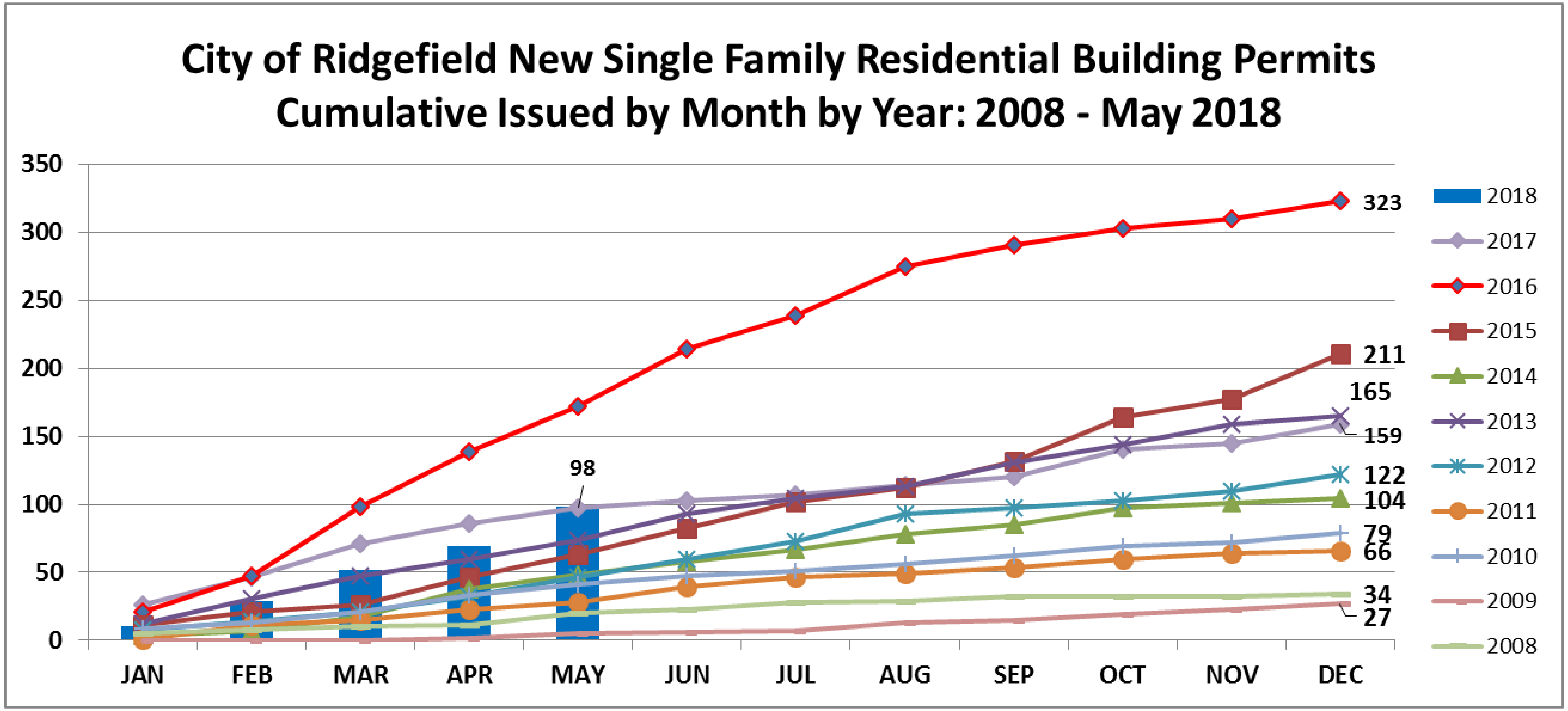
Clark County average is 9%.

Ridgefield median home value of all homes $457,500.

Source: Zillow Home Value Index

Economic Update

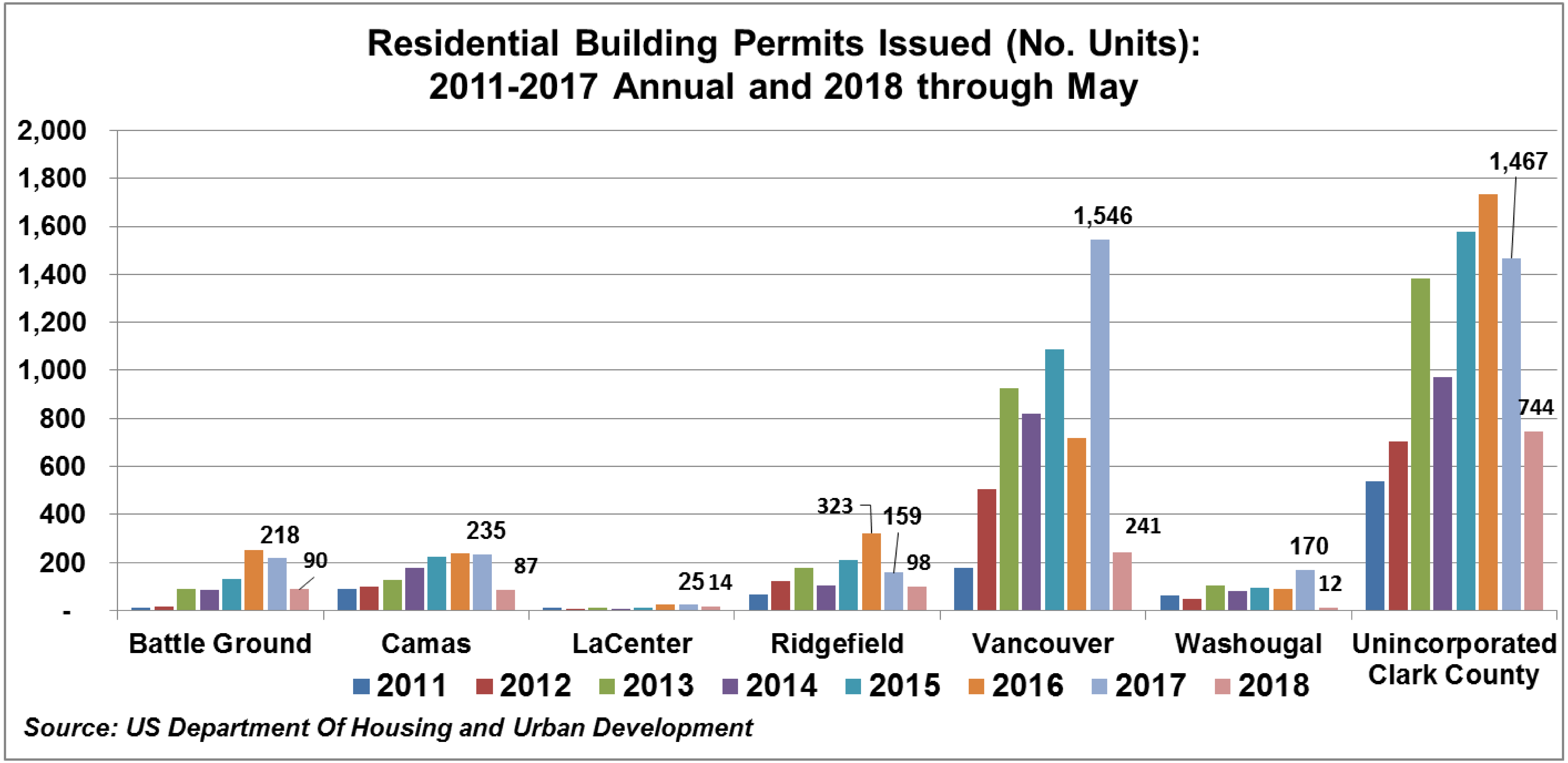
Residential Building Permit Activity



May Permit Numbers
- 2018 - 98
- 2017 – 97
- 2016 – 172
- 2015 – 63
- 2014 – 48
- 2013 – 74

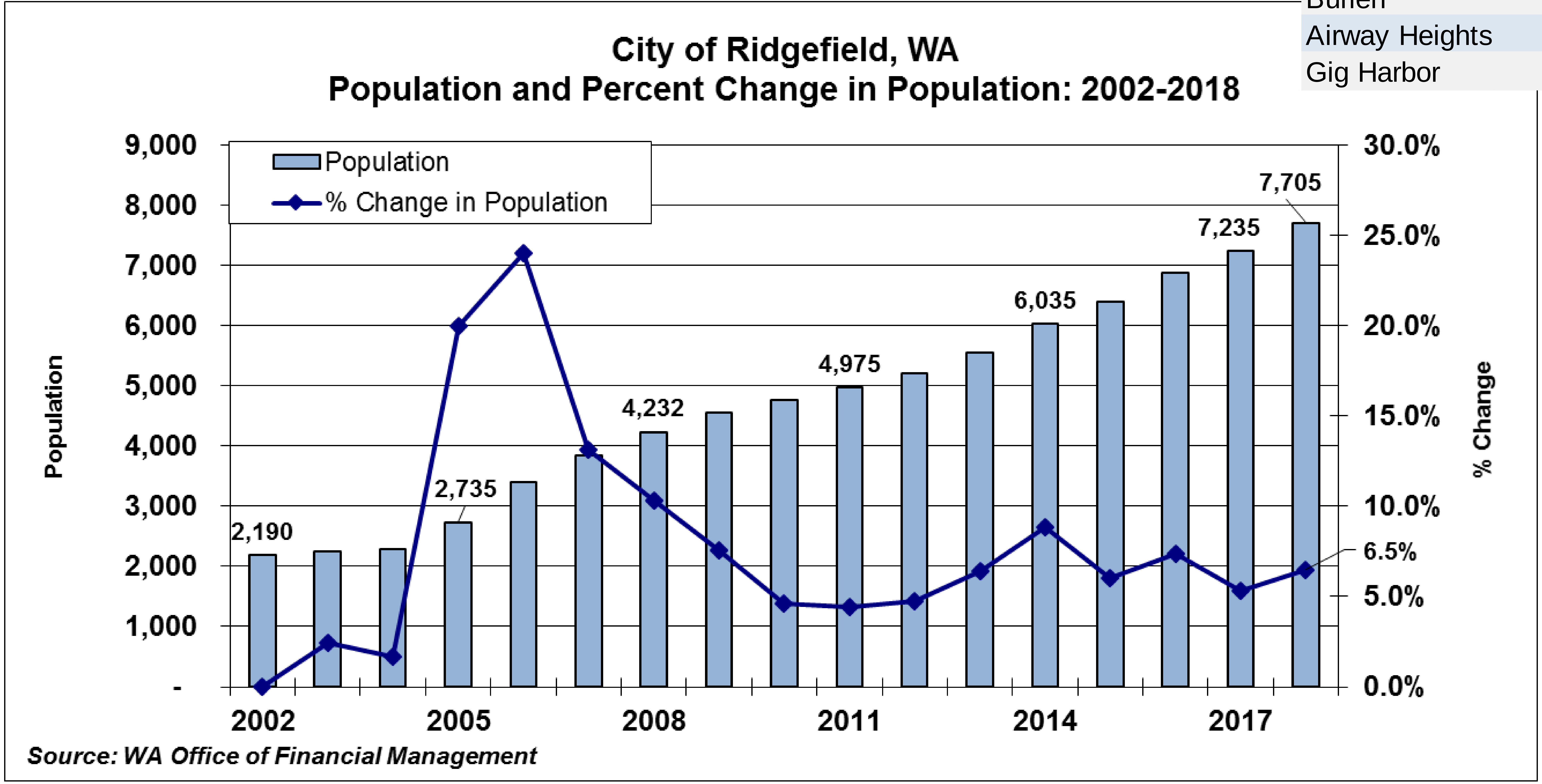
Source: State of the Cities Data Systems
U.S. Department of Housing and Urban Development

Economic Update
Residential Building Permit Activity



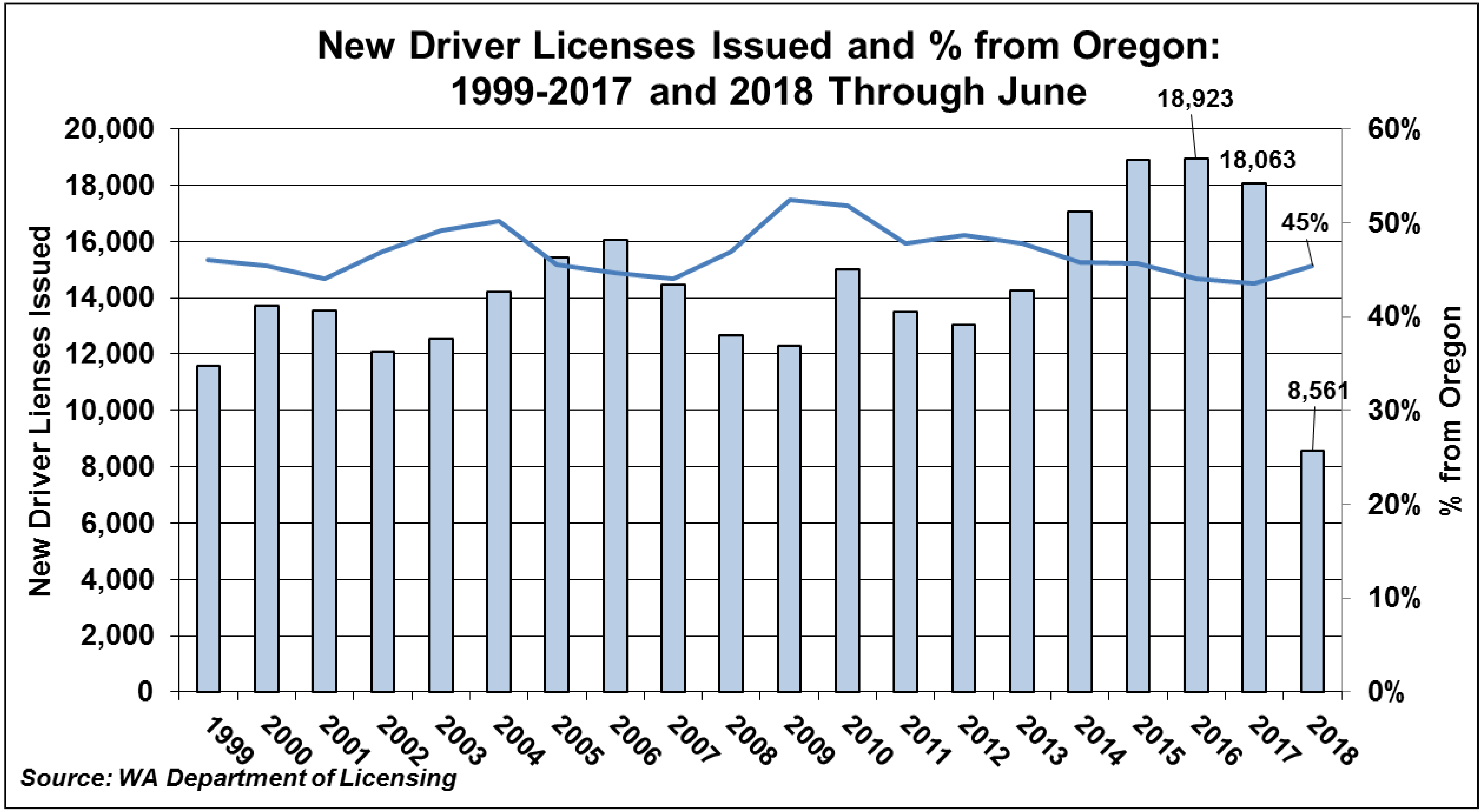
Economic Update
Population

City	2017 Population	2010-2017 Population Increase
Kirkland	87,240	78.82%
Ridgefield	7,705	61.77%
Burien	51,850	55.64%
Airway Heights	9,085	48.59%
Gig Harbor	10,320	44.82%



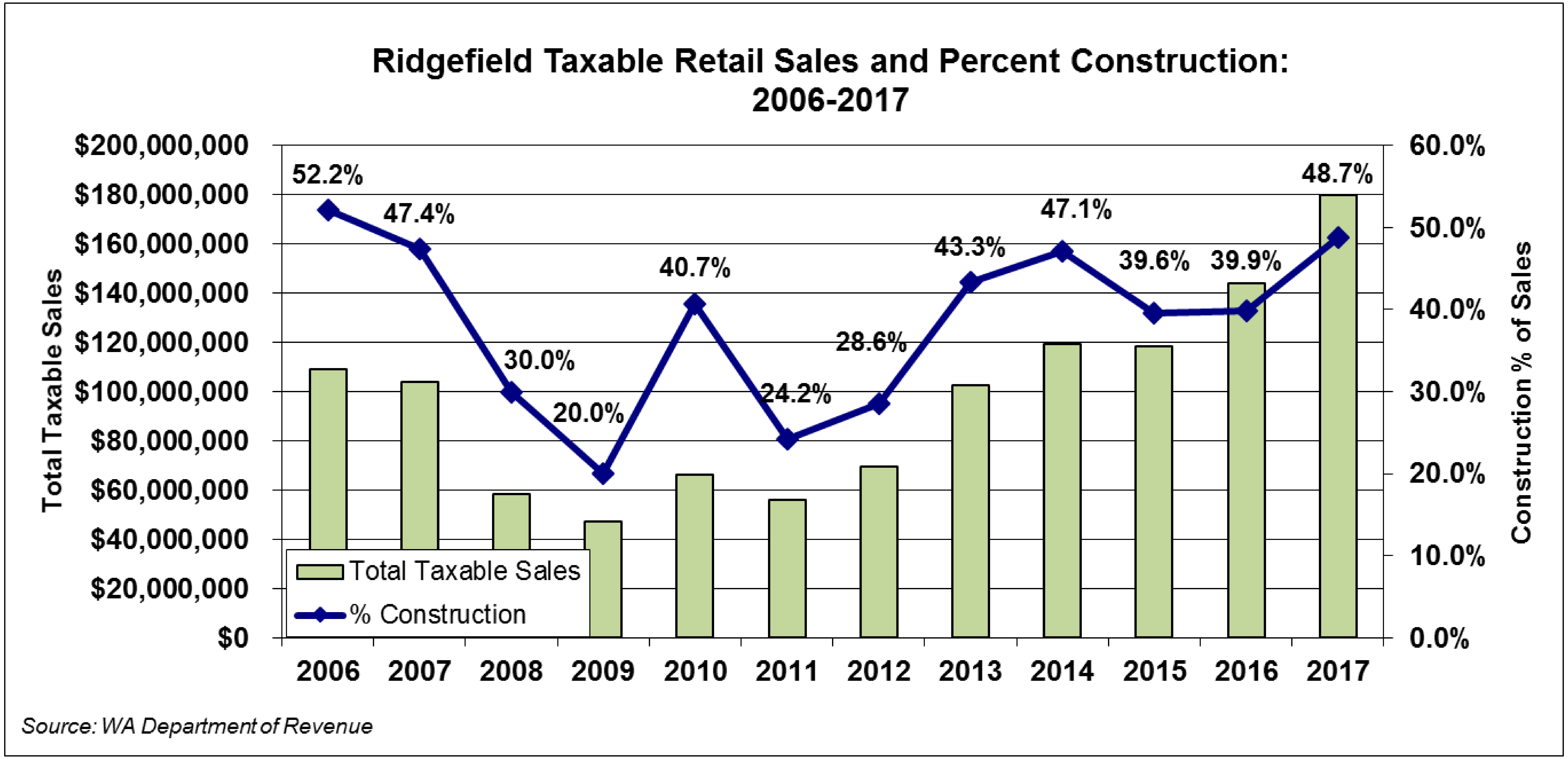
Population Change
- Since 2010 – 2,942
- 2018 - 470
- 2017 – 365
- 2016 – 470
- 2015 – 365
- 2014 – 490
- 2013 – 335
- 2012 – 235
- 2011 – 212

Economic Update
County in Migration



Top 5 Locations - 2018
- Oregon 45%
- California 17%
- Texas 4%
- Arizona 3%
- Florida 3%

Economic Update
Retail Sales Tax Base



Retail Sales Tax Receipts

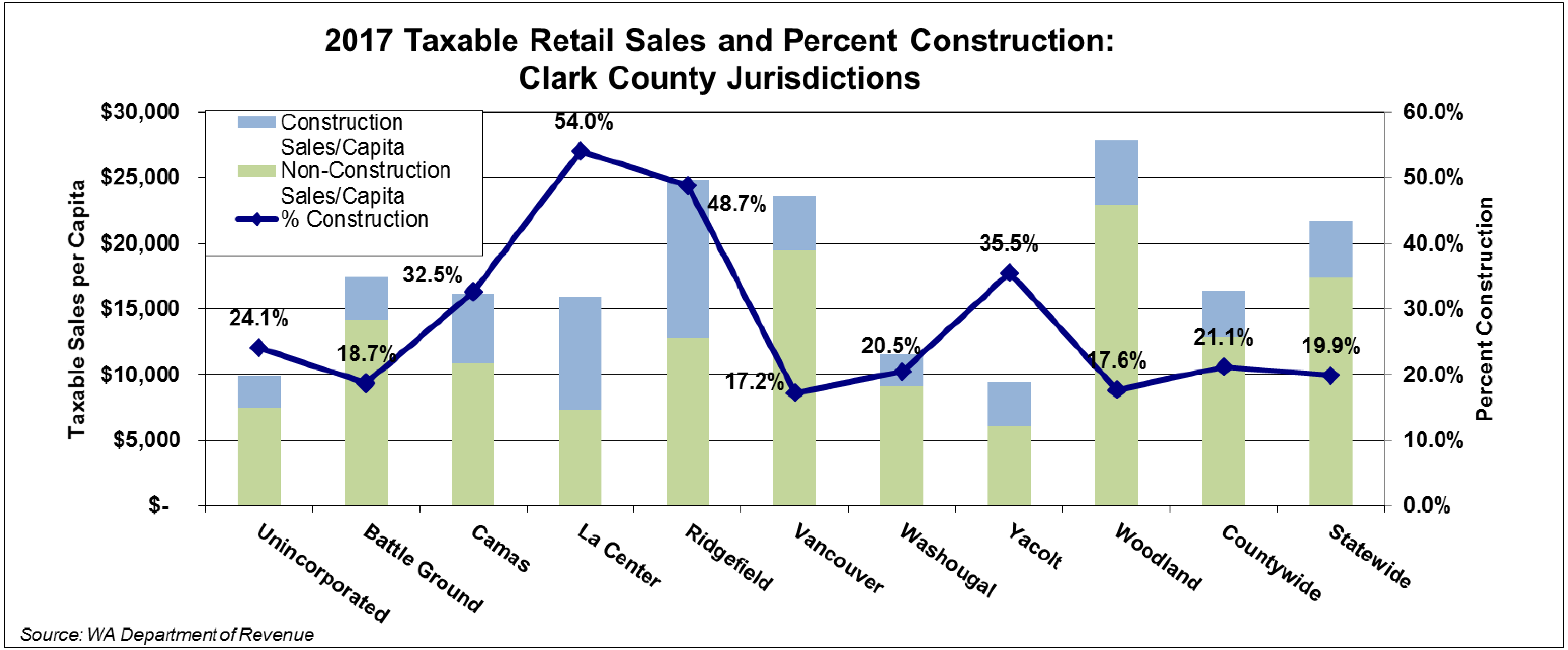
- 2017 $1,451,377
- 2016 $1,279,081
- 2015 $1,045,648
- 2014 $1,066,066
- 2013 $810,274
- 2012 $600,720

Construction
Retail Sales Tax Receipts

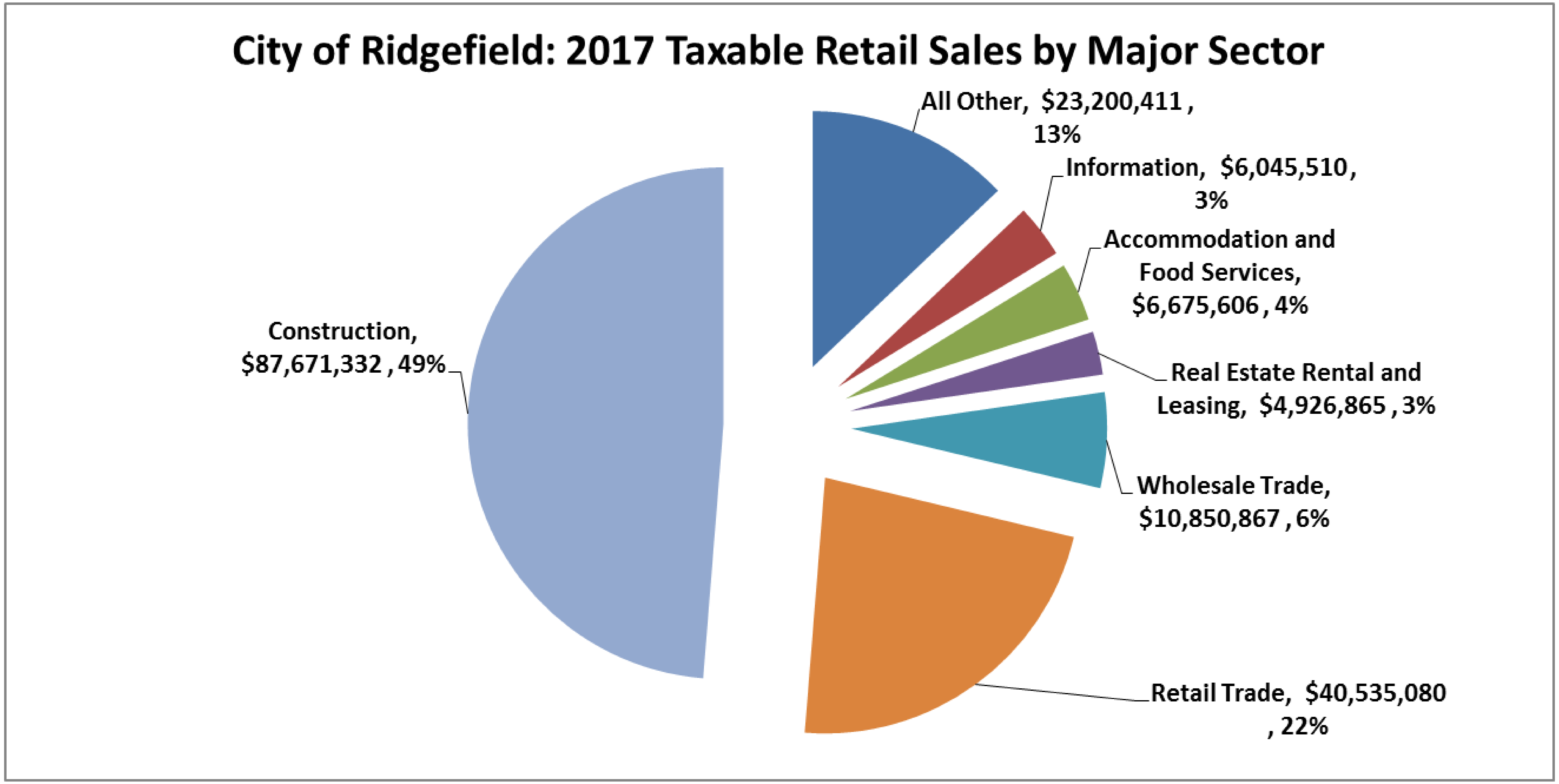
- 2017 $706,821
- 2016 $510,353
- 2015 $414,077
- 2014 $502,117
- 2013 $350,849
- 2012 $171,806

Economic Update

Retail Sales Tax Base Clark County Comparison



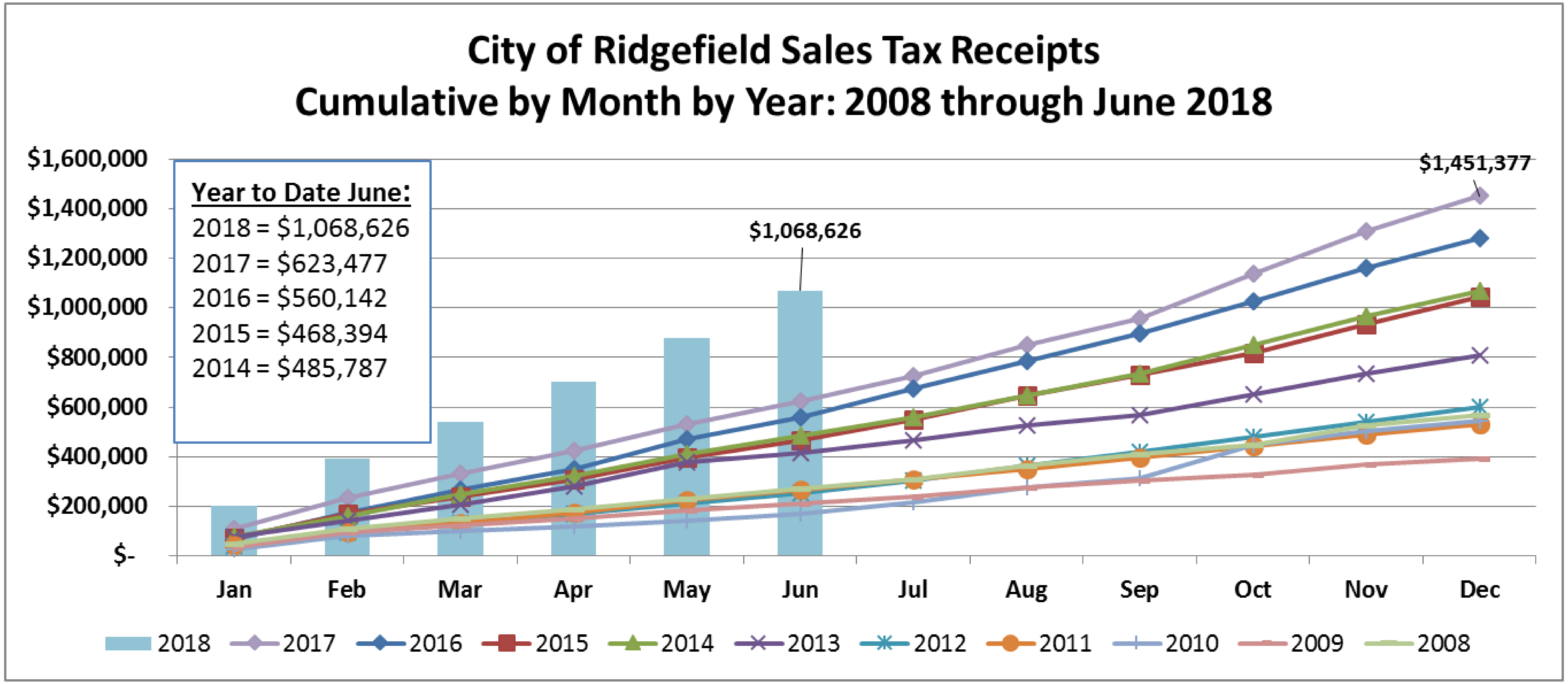
Economic Update
Retail Sales Tax Base



Annual Change
- All Sectors > 25.1%
- Construction > 52.8%
- RE Rental/Lease > 34.4%
- Information > 15.6%
- Wholesale Trade > 13.9%
- All Other > 10.8%
- Accom. & Food > 2.9%
- Retail Trade < 0.01%

Economic Update

Retail Sales Tax Receipts



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Retail Sales Tax Receipts

- 2017 $706,821
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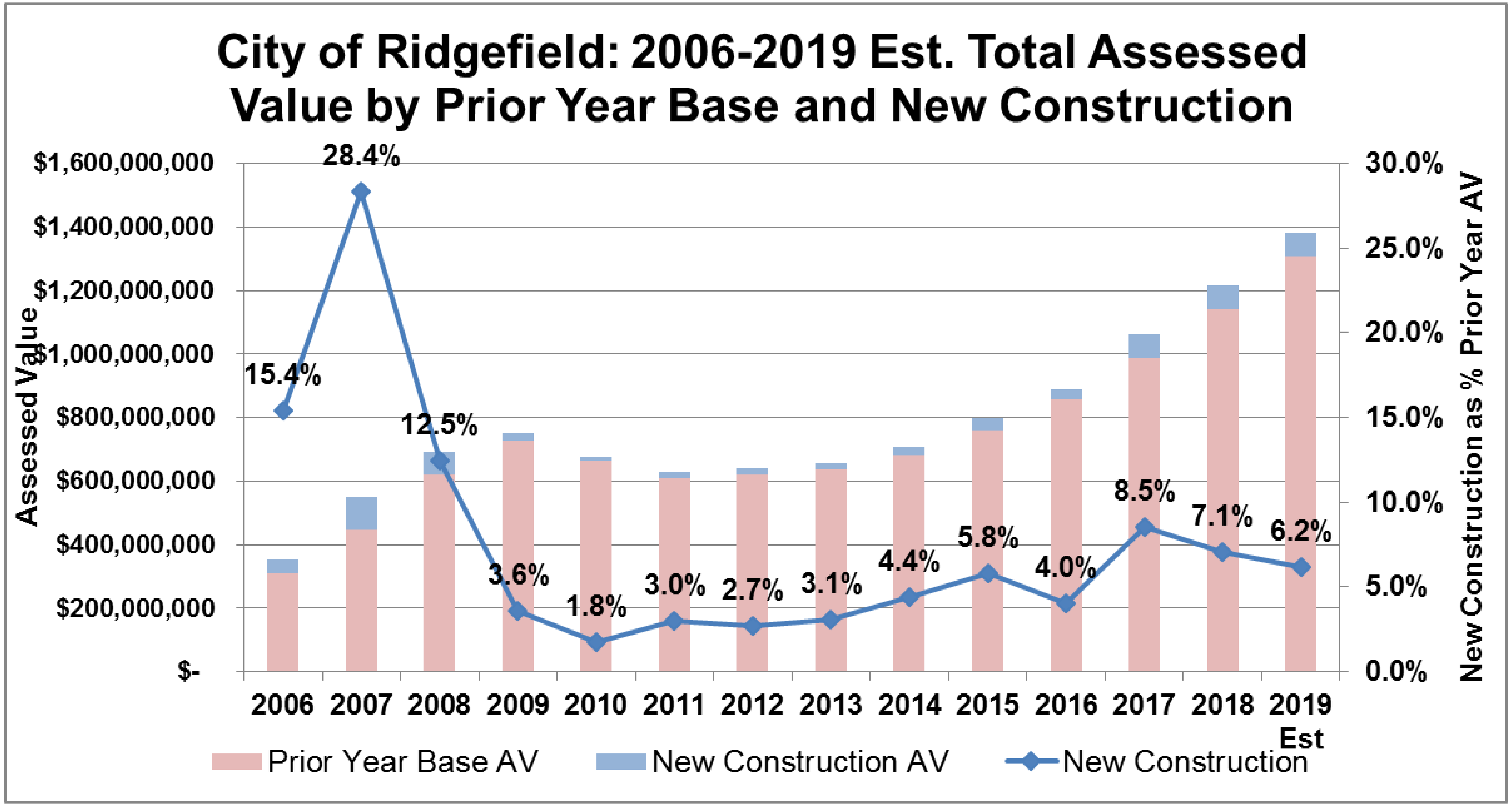
- 2014 $502,117
- 2013 $350,849
- 2012 $171,806

Economic Update
Property Tax Base



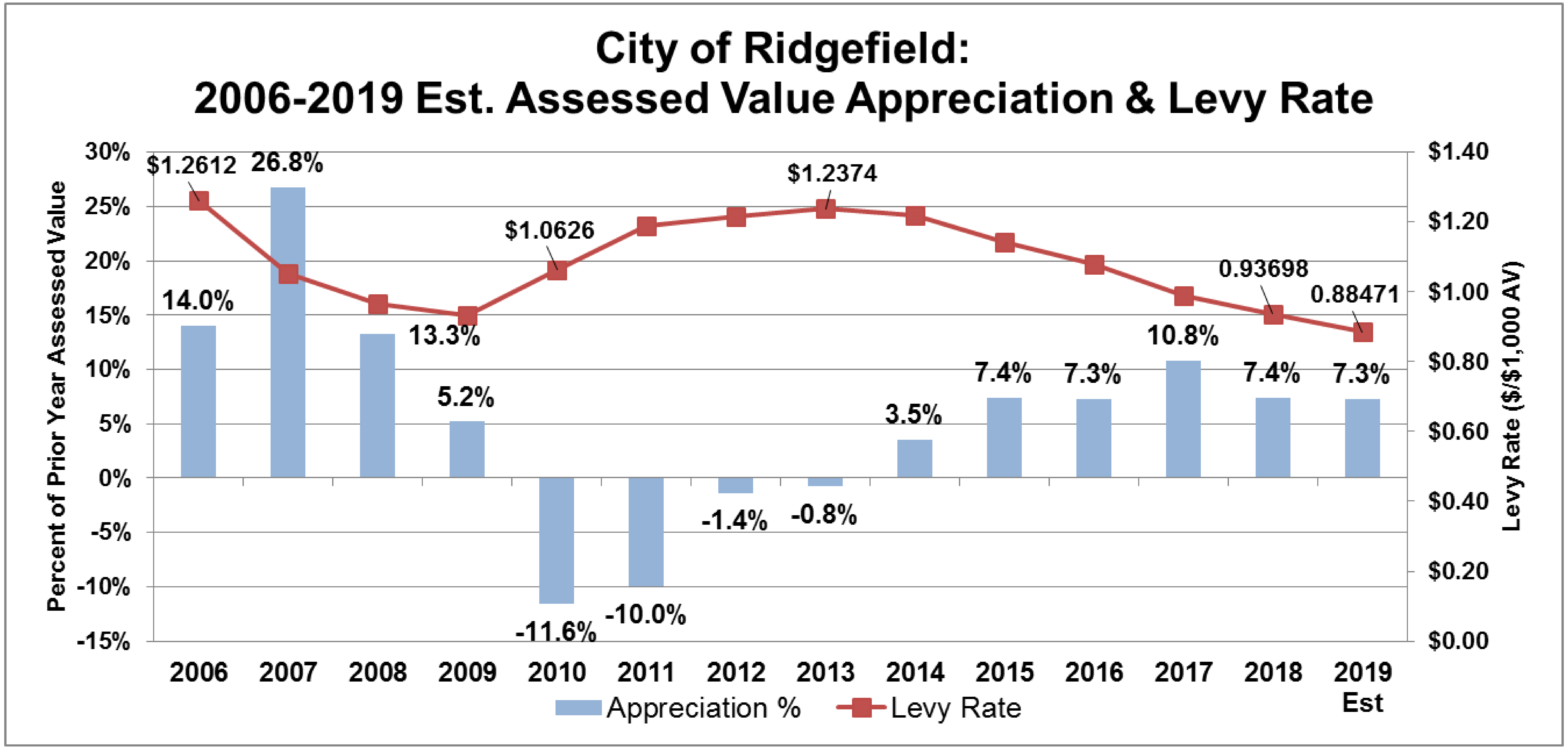
Assessed Values

- 2018 $1,216,398,789
- 2017 $1,062,451,903
- 2016 $890,239,033
- 2015 $799,996,361
- 2014 $707,009,098
- 2013 $655,058,366
- 2012 $639,677,608
- 2011 $630,256,002
- 2010 $677,079,521

New Construction Assessed Value

- 2018 $75,209,344
- 2017 $75,688,703
- 2016 $32,136,747
- 2015 $40,770,111
- 2014 $28,873,444
- 2013 $19,767,481
- 2012 $17,183,667
- 2011 $20,338,583
- 2010 $13,328,631

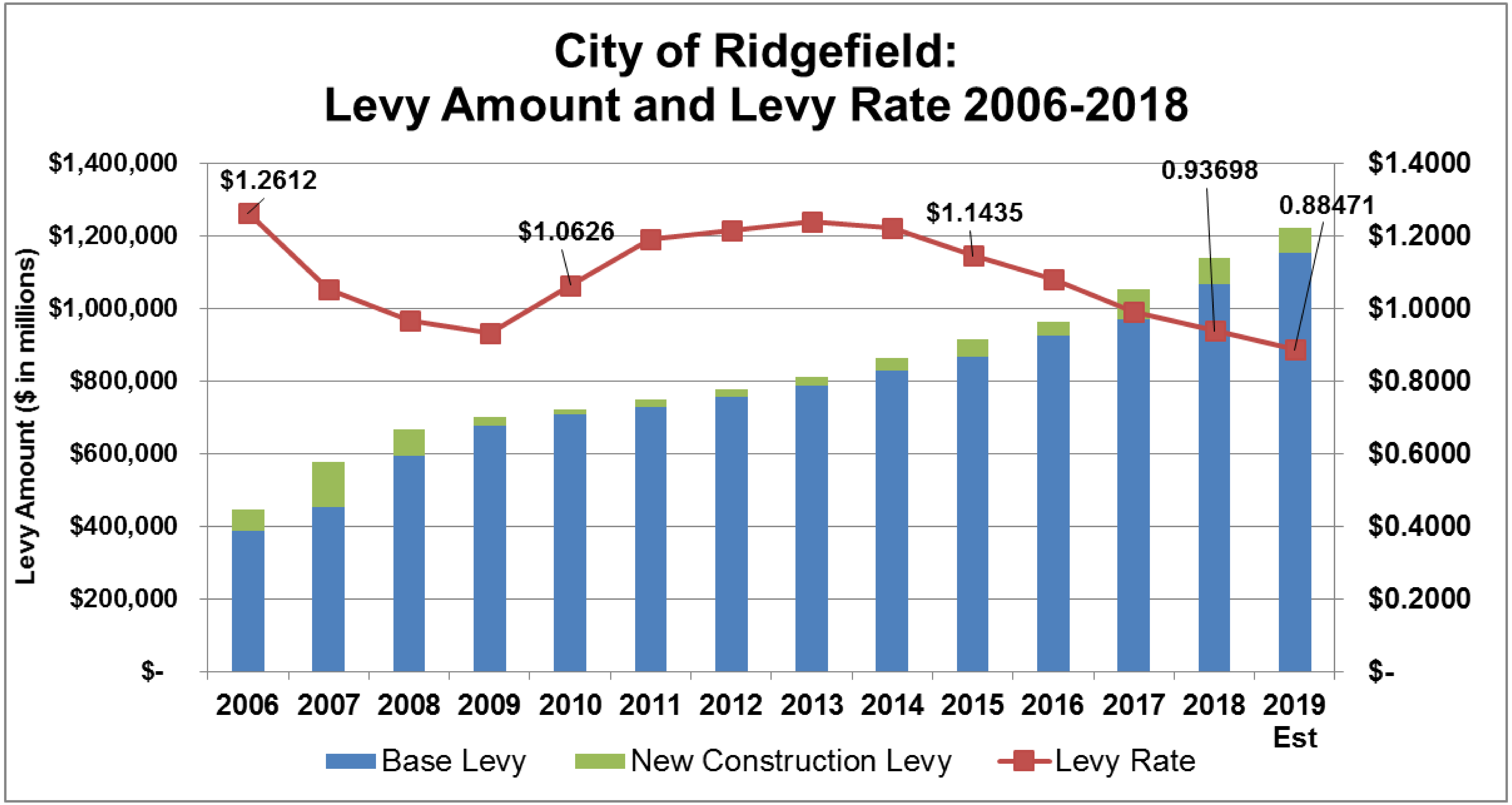
Economic Update
Property Tax Base



Appreciation in Assessed Value

- 2018 $78,737,542
- 2017 $96,524,167
- 2016 $58,105,925
- 2015 $52,217,152
- 2014 $23,077,288
- 2013 ($4,386,723)
- 2012 ($7,762,061)
- 2011 ($67,162,102)
- 2010 ($87,872,297)

Economic Update
Property Tax Base



Levy Amounts

- 2018 $1,139,742
- 2017 $1,052,384
- 2016 $960,587
- 2015 $914,806
- 2014 $862,535
- 2013 $810,569
- 2012 $777,418
- 2011 $750,130
- 2010 $719,477


THANK YOU

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: July 26, 2018

ITEM: BUSINESS

AGENDA ITEM TITLE: Amendment to Financial Policy #01: Financial Management

GOVERNING LEGISLATION:
State of Washington Budgeting, Accounting and Reporting System Manual and Government Accounting Standards Board – Pronouncement No. 54 pertaining to fund balance. City of Ridgefield Financial Policy #01: Financial Management.

PREVIOUS COUNCIL ACTION TAKEN:
Council originally adopted Financial Management Policies by Resolution No. 324 on August 24, 2006. Council subsequently amended the policy on January 11, 2011 by Resolution No. 396; and on October 9, 2014 by Resolution No. 466; and on August 27, 2015 by Resolution No. 493; and on August 25, 2016 by Resolution No. 512.

SUMMARY/BACKGROUND:
Per the City's formal budget policy both financial and budget policies are reviewed each year during the budget process. Revisions in the Financial Management Policy have been made to reflect language changes in guidance documents from the Governmental Accounting Standards Board. These changes mainly cover the language Fixed Assets changing to Capital Assets. Staff reviewed the policy to insure best practice and industry standards are up to date.

The main update to the policy is the addition of section XIV on page 13 "Measurement Focus, Basis of Accounting and Financial Statement Presentation. This section is from the annual financial statements and specifies how the city measures the receipt and timing for accrual of revenues and expenses. Staff are recommending adding the section related to the timing and accrual of invoices received after the end of the fiscal year. The addition of the measurement basis related to expense will help facilitate timely completion of annual financial statements and reduce the possibility of error from multiple revisions for late invoices from city vendors.

City staff also removed reference to sewer fund operating revenue as it is no longer applicable with the transfer of operations to Discovery Clean Water Alliance and Clark Regional Waste Water District.

BUDGET/FINANCIAL IMPACTS:
No financial impacts are anticipated

RECOMMENDED ACTION OR MOTION:

Staff recommends that Council adopt Resolution No. 541 as presented by making the following motion:

"I move to adopt Resolution No. 541 as presented."

STAFF CONTACT:	Kirk Johnson, Finance Director
ATTACHMENTS:	Policy #01 Financial Management Policies 2018 Redlined (DOCX) Policy #01 Financial Management Policies 2018 Clean (PDF)

Resolution No.541

AMENDMENT TO FINANCIAL POLICY #01: FINANCIAL MANAGEMENT

WHEREAS**,** the City of Ridgefield established financial management policies by the adoption of Resolution No. 324 on August 24, 2006; and amended the policies by the adoption of Resolution No. 396 on January 27, 2011; and amended the policies by the adoption of Resolution No. 466 on October 9, 2014; and amended the policies by the adoption of Resolution No. 493 on August 27, 2015; and amended the policies by the adoption of Resolution No. 512 on August 25, 2016; and

WHEREAS, the City deems it necessary to update these financial management policies by amending the policy to provide a more detailed document matching industry standards and best practices; and

WHEREAS, these policies provide the guidelines for City Council to use in making policy decisions that can have significant fiscal impact on the City; and

WHEREAS, these policies are designed to promote sound financial management, minimize financial risk, and maintain appropriate financial capacity to meet current and future financial needs.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ridgefield approves the updated version of the financial management policies, a copy of which is attached and referenced as Exhibit A.

Section 2. The City Manager, Finance Director, and Deputy City Manager are hereby authorized to implement such policies as necessary to carry out the directions of this Resolution.

Section 3. Effective date of this Resolution shall be in full force and effect on the date adopted by the City Council.

ADOPTED AT A REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 26TH DAY OF JULY, 2018.

CITY OF RIDGEFIELD

____

Don Stose, Mayor

ATTEST:

____

Julie Ferriss,

City Clerk

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
Replaces and Cancels: Replaces Financial Policy #01: Financial Management; ~~August 27, 2015~~August 25, 2016
References:

PURPOSE

To provide the necessary tools to ensure the City is capable of meeting its immediate and long-term financial and service level objectives. These policies serve as guidelines for both financial planning and internal financial management of the City.

The City of Ridgefield is accountable to its citizens for the use of public dollars. Resources must be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.

OBJECTIVES

1. To guide City Council in management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To implement balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
Replaces and Cancels: Replaces Financial Policy #01: Financial Management; ~~August 27, 2015~~August 25, 2016
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Financial Policy #01: Financial Management

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Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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I. GENERAL INFORMATION

The City of Ridgefield uses the Washington State Auditor's Office prescribed B~~b~~udgetary, A~~a~~ccounting and R~~r~~eporting S~~s~~ystem (BARS) for local governments.

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

Fund Types:

General Government Funds:
General Government funds are accounted for on a modified accrual basis of accounting. Following are the General Government funds used by the City.

General Fund: The General Fund is used to account for all of the financial resources of the government, except those required to be accounted for in another fund.

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific special revenue sources legally restricted or committed to expenditures for specific purposes.

Debt Service Funds: Debt Service funds are used to account for accumulation of resources for and payment of general government long-term debt principal and interest. It does not include the payment of principal and interest on debt associated with an enterprise fund.

Capital Projects Funds: Capital projects funds are used to account for financial resources used in the acquisition or construction of capital facilities or infrastructure not financed by proprietary or trust funds.

Proprietary (Business Type) Funds:
Proprietary funds are used to account for the proprietary or business-type activities for the City. Proprietary funds consist of enterprise funds and internal service funds. Enterprise funds are accounted for on a full accrual basis of accounting.

Enterprise Funds: Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are maintained on a full accrual basis of accounting.

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis. The City's Equipment Replacement Fund is established as an Internal Service Fund.

II. BUDGET MANAGEMENT

Budget Development
Refer to ***Financial Policy #07: Budget*** for more detailed information.

Department directors have primary responsibility for formulating budget proposals in accordance with City Council and City Manager priority direction, and for implementing the budget once they are adopted.

The Finance Department is responsible for conducting the overall preparation and administration of the City's budget. This includes providing information on revenues and expenditures, updating costs and revenues, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department assists department management in developing their budget proposals including identifying and analyzing budget issues, formulating solutions and alternatives, and implementing any necessary changes.

The budget is prepared and implemented on an annual basis in accordance with RCW 35A.33. The budget includes revenue and expenditure categories that correspond to the State's Budgeting, Accounting and Reporting System (BARS) categories.

The City develops budgets for the General and Enterprise operating funds, Special Revenue, and Equipment Replacement funds of the City. Budgets are also developed in the Debt Service fund to account for principal and interest payments and in the Capital Project fund to account for capital expenditures and associated capital funding sources.

Budget Adjustments and Amendments
The City Council adopts the budget at the fund level. Budget amendments are needed when total expenditures in a fund are expected to exceed the adopted budget for that fund. This may occur due to policies or programs approved by the City Council after the budget was adopted or due to unanticipated expenses. In addition, the City Council may choose to amend the budget in the event of a material change in the City's revenue sources during the year. Minor changes to anticipated revenues or expenditures do not require City Council to adopt a budget amendment. Budget amendments are authorized by City Council through an ordinance.

Budget adjustments within the City Council adopted budget for a fund proceed as follows:

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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- The Finance Department receives a request for a budget adjustment from a department. Budget changes can also occur based on new information or documentation that the Finance Department receives directly.
- The Finance Department reviews the request. Adjustments that simply move budget amounts within a department and that do not represent a change in a policy or program are processed by the Finance Department. Budget adjustments that increase the budgeted amount for one department that are offset by decreases in another department are reviewed by the City Manager or other designated person. If approved, the Finance Department makes the requested adjustment as long as it does not change the total budget for the fund.
- Council approval is required if the requested adjustment changes the total budget for a fund. The Finance Department will verify whether there are sufficient resources for the adjustment, and prepare a budget adjustment and ordinance for Council approval.

Budget Monitoring
Budgets are developed and monitored at the line item level, but are managed at the fund level. A department director can overspend on one line item within their department without the need for a budget adjustment as long as it is balanced out by an under expenditure on another line item. The total expenditures for a fund cannot exceed the total budget for the fund.

Department directors are responsible and accountable for their department budget.

Monthly reports that compare budget to actual will be created by the Finance Department and provided to the appropriate department director for review and response if large discrepancies are identified.

City Positions and Staffing Levels
The budget approved by the City Council will fund a number of authorized full time equivalent City positions. The City's authorized positions, will be included in the budget document and/or included in labor agreements approved by City Council. City Council will approve any new permanent City positions prior to the positions being filled. Temporary and seasonal positions do not require City Council approval as long as the expenditure to support them is provided for in the adopted budget.

III. REVENUES

The City will strive to maintain a diversified and stable revenue system to shield the City from short-term fluctuations from any one revenue source.

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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References:

The City will work to develop and maintain sustainable revenue sources to ensure its viability over the long term.

Revenue estimates adopted by City Council should be made with consideration to the sensitivity of both local and regional economic activities.

The City will establish all user charges at a level associated with the cost of providing the service.

The City will set fees and user charges for each enterprise fund, such as Water, and Storm Water Drainage, at a level that, along with other anticipated revenue, fully supports the total direct and indirect cost of the activity provided.

Grant revenue sources will be acquired and used whenever possible.

IV. EXPENDITURES

The City will only propose ongoing operating expenditures that can be supported by ongoing operating revenues.

The City will maintain a level of expenditures consistent with the level of services that will meet the goals and mission of the City as approved by the City Council.

Expenditures funded by one-time only sources, such as grants, must be identified and noted as such. Expenditures funded by these sources will not be included in subsequent budgets once the funding source no longer exists.

The City will maintain expenditure categories according to State statute and administrative regulation.

Expenditures associated with a grant revenue source will be identified and recorded against the corresponding grant.

V. ~~FIXED~~ CAPITAL ASSETS

Refer to ***Financial Policy #09: Capitalization of Assets*** for more detailed information.

The City of Ridgefield will maintain a ~~fixed~~ capital asset system that meets Generally Accepted Accounting Principles (GAAP) ~~and GASB 34~~ reporting requirements.

A ~~fixed~~ capital asset system will be maintained to identify all City assets and their condition.

~~Fixed~~ Capital assets are maintained for both the General Government and Enterprise funds.

Straight line depreciation will be calculated and charged appropriately against the asset.

VI. FUND BALANCE

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
Replaces and Cancels: Replaces Financial Policy #01: Financial Management; ~~August 27, 2015~~August 25, 2016
References:

Fund balances are created and maintained to provide capacity to:

1. Offset significant downturns in the economy.
2. Provide sufficient cash flow to meet daily financial needs.
3. Meet all statutory and City Council approved loan covenant requirements for required debt reserves to pay debt service.
4. Maintain the ability to meet scheduled equipment repair and replacement needs that sustain city services at an acceptable level to prevent physical deterioration of city assets.
5. Provide the capacity to pay large unanticipated expenses, such as the payment of vacation and sick leave balances for employees that retire or leave employment with the City.

Fund Balance represents the difference between the fund's assets and the fund's liabilities. A positive fund balance should be maintained to properly manage a fund.

Reserves are a portion of the fund balance that is restricted or categorized to use for a designated purpose. The following definitions (though the City may not use all of these categories at any one time) are published by the Governmental Accounting Standards Board – Pronouncement No. 54:

- Non-spendable: Amounts that cannot be spent due to form; for example, inventories, prepaid amounts, long-term and notes receivables, and other restricted items. Also includes amounts that must be maintained intact legally or contractually.
- Restricted: Amounts constrained for a specific purpose by external parties, or constitutional provision, such as a requirement for revenue bonds to set aside funds in a debt service reserve account.
- Committed: Amounts constrained or restricted for a specific purpose by a government using its highest level of decision-making authority. Action by the legislative authority is required to remove or change this amount.
- Assigned: Used for funds to classify any remaining positive amounts not identified as non-spendable, restricted or committed. These amounts should not result in a deficit in unassigned fund balance.
- Unassigned (remaining fund balance that is not reserved): This is the excess or residual amount of resources that exceed the amount expended, less amounts identified as non-spendable, restricted, committed or assigned. If the residual amount is negative, the assigned amount should be reduced accordingly.

The City has determined the need to create the following reserves and fund balances with the priority identified:

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Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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Priority #1- Debt Service Reserve:
Purpose: This reserve account will be established by any fund that budgets debt service, as an expense item in the fund. The purpose of this account is to create the financial ability to pay for principal and interest due on outstanding debt.
Amount: The amount allocated will be determined by bond issuance and/or loan covenant requirements and adjusted annually. The amount will come from a portion of the annual operating revenue generated in the fund that pays debt service.

Category: Identified as a "Committed" fund balance.

Priority #2 - Operations and Maintenance Reserve:
Purpose: This reserve account will be established by any fund that budgets ongoing operations and maintenance. The purpose of this account is to create the financial ability to pay operating expenses from month to month given the routine and seasonal fluctuations in the City's revenue and expenses.

Amount: The General Fund and Street Fund operations and maintenance reserve will be set at 60 days of prior year actual operating expenses. The operations and maintenance reserve for Enterprise Funds (water and storm water) will be set at 90 days of prior year actual operating expenses. Reserve amounts will be updated annually during the budget process. The source of the operations and maintenance reserve will come from the amount of annual operating revenue that exceeds the annual operating expenses for a fund.

Category: Identified as "Unassigned" fund balance.

Priority #3 - Revenue Stabilization Reserve:
Purpose: This reserve account will be established in the General Fund. The purpose of this reserve account is to provide the financial ability to cover operating expenses during a longer term revenue shortfall due to reduced ongoing revenue receipts or a downturn in the economy. This reserve will allow the City to sustain service levels while the City Council implements policies that respond to and mitigate the revenue shortfall.

Amount: The amount will be calculated annually at 10% of the prior year actual revenues less any one-time revenues such as grant allocations and inter-fund transfers.

Category: Identified as "Unassigned" fund balance.

Priority #4 - Capital Reserve:
Purpose: This reserve account will be used by any fund that budgets capital and/or large maintenance projects as an expense item in the fund or uses a capital projects fund to budget and pay for these expenses. The purpose of this account is to create the financial ability to pay for unanticipated capital needs typically resulting from a natural disaster or other unanticipated

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event that damages City infrastructure. This fund may with specific appropriation by City Council be used for investment in revenue producing capital projects.

Amount: The amount allocated will be calculated at 1% of prior year net ~~fixed~~ capital assets. The amount will come from a portion of the annual operating revenue generated in the fund that pays for these types of projects.

Category: Identified as "Assigned" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

Priority #5 - Capital Repair and Replacement Reserve (Enterprise Funds)
Purpose: This reserve account will be used to set aside funds for future repair and replacement of utility infrastructure. The purpose of this account is to create the financial ability to pay for repair or replacement of existing utility infrastructure at the end of the assets useful life, or in the event of a failure of the asset. Use of these funds for specific repair and replacement projects must be appropriated by City Council through the budget process or by emergency declaration in the event of a significant failure of the asset.

Amount: The amount will be allocated on an annual basis as 5% of the previous year utility receipts from rates and will be deposited into a separate fund balance. The minimum target fund balance for this account is 2% of the historical cost for infrastructure, not to include machinery and equipment which is included in the Equipment Replacement Fund Reserve in the accompanying utility fund.

Replenishment of Reserves – The following criteria will be used to restore the Capital Repair and Replacement Reserve Fund based upon the minimum reserve guideline:

1. If the reserves are drawn down by 25-50% of reserve fund balance, then a budgetary plan shall be implemented to return the reserve level to between 75-100% of the minimum reserve balance over a 5-7 year period.
2. If the reserves are drawn down by 10-25% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 3-5 year period.
3. If the reserves are drawn down by 0-10% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 1-3 year period.

Category: Identified as "~~Assigned~~Unrestricted" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

Priority #6 - Equipment Repair and Replacement Reserve:

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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References:

Purpose: This reserve account will be set-up as a separate fund to account for equipment replacement for existing City equipment and vehicles. The purpose of this fund is to create the financial flexibility to plan for replacement of these types of expenses, maintaining the City assets at an acceptable level to prevent physical deterioration.

Amount: The amount allocated will be determined by a financial model used to track the funds needed to replace existing vehicles and equipment at the end of their useful life. The amount allocated to the reserves will be updated annually during the budget process.

Category: Identified as “Assigned” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

The City will make every effort to create and maintain the fund balances and reserves identified above and based on the priorities established. The City is aware that needs may change over time and fund balance reserve amounts may be redistributed within a fund to meet the needs that occur at a given time. If it is determined that funds need to be redistributed within a fund, the fund balance with the lowest priority will be redistributed first to allow the ability to meet the need of a higher priority fund balance. In all cases, council approval or budget enactment is required before changing or redistributing the amounts allocated to a reserve account.

VII. PURCHASING

Refer to ***Financial Policy #04: Procurement of Goods and Services*** for more detailed information.

The City shall commit to the following guidelines:

- Comply with all federal, state, and local laws, adopted codes, ordinances, and stated policies in its procurement process.
- Buy competitively and wisely to obtain maximum value for the public resource dollars spent.
- Afford all bidders an equal opportunity to quote and compete on equal terms.
- Initiate and promote good, continuous vendor relations, as well as, reliable alternate sources of supply.
- Buy from suppliers who maintain adequate financial strength, high ethical standards, a record of adhering to specifications and who will maintain integrity in payment terms, delivery and service.

VIII. CAPITAL IMPROVEMENTS

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
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The City will make capital improvements in accordance with an adopted capital improvement plan.

The capital investment program and the base operating budget will be reviewed at the same time. This will insure that the City's capital and operating needs are balanced with each other.

The City will develop a multi-year plan for capital improvements including operations and maintenance costs and update it every two years or sooner if needed. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in the economic base will be calculated and included in the capital budget projections.

The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental grants, loans and other outside resources whenever possible.

IX. LOCAL IMPROVEMENT DISTRICTS (LID):

LID's are formed to provide an alternative means of financing for property owners, within a defined geographical area, to make improvements benefiting their property.

Improvements financed by the Local Improvement District (LID) may include street and sidewalk construction, construction of water distribution and storm water collection facilities. Assessments are determined by the size and location of each property in relation to the improvement and the benefit to the property.

An LID may be initiated by City Council resolution or by petition of the majority of property owners along the frontage of the improvement, within the boundaries of the district. Refer to RCW 35.43 for authority.

The formation of a Local Improvement District is limited to specific instances and can apply as follows:

- When a group of property owners wish to accelerate development of a certain improvement; or
- When a group of property owners desire a higher standard of improvement than the City's project contemplates; or
- When a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements.

LID projects may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall request it from the City Council (through the City Clerk) in writing before the LID promotion activity begins.

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X. LATECOMER AGREEMENTS

Refer to Ridgefield Municipal Code chapter 3.90 for more detailed information.

As a source of financing capital improvements, the City may work with private developers to construct projects identified in the capital facilities plan.

The City shall collect a connection or impact fee from future developers that utilize the capital improvement and reimburse the developer that built the initial capital improvement.

Construction projects considered under this agreement:

- The project must be a project identified in the adopted capital facilities plan
- The project extension must serve anticipated future development.
- The project requires prior approval by the Community Development Director or Public Works Director.
- The latecomer agreement must be approved by City Council prior to construction.

Payment of any latecomer fee shall occur within 15 years of final acceptance of construction.
Documentation of the actual project costs and the agreement with current participants must be made prior to any reimbursements.

The reimbursements shall not exceed that amount which brings participant costs equal to zero.

XI. DEBT MANAGEMENT

Refer to ***Financial Policy #10: Debt Management*** for more detailed information.

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

XII. INVESTMENTS

Refer to ***Financial Policy #08: Investments*** for more detailed information.

The policy on investment applies to the investment of all City funds excluding pension funds or trust accounts. The primary objective of investment activities shall be: 1) Safety of principal that seeks to minimize potential losses; 2) Liquidity of cash to sufficiently meet all operating requirements; and 3) Return on investment that allows for the highest market rate of return throughout budgetary and economic cycles.

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The City of Ridgefield authorized investment officers will perform their duties in a manner consistent with the standard of a "prudent person," as defined in RCW 43.250.040. A prudent person is defined as "exercising the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital." The investment officer is the Finance Director.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The City may invest in any of the securities identified as eligible investments as defined by RCW's: 35A.40.050, 39.59, 43.250, and 43.84.080. These include: Certificates of Deposit, United States Securities, Bankers' Acceptances, Repurchase Agreements and Certificates, and Notes and Bonds of the State of Washington. The City may also create investment accounts with the Clark County Treasurer's Office per RCW 36.29.020, and the Local Government Investment Pool per RCW 43.250.040. Speculative investments are not allowed.

Investment transactions shall be conducted with approved broker/dealers selected by credit worthiness and other selection criteria. Broker/dealers must be registered to provide investment services in the State of Washington.

The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

XIII. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with ~~-~~Generally A~~a~~ccepted Accounting Principles~~standards for local government accounting~~ and the State of Washington Budgeting, Accounting, and Reporting Systems.

Regular monthly, quarterly and annual financial reports will present a summary of financial activity by major types of funds. Monthly reports will also include a summary of the investment activities by type of investment.

Where feasible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and, if necessary, by fund.

The State Auditor's Office will audit City records annually or biannually, depending upon audit requirements, and will issue a financial opinion.

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Financial Policy #01: Financial Management

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References:

MEASUREMENT

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~~C.~~XIV. ~~MEASUREMENT~~ FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

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Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers taxes as available if they are collected within 60 days after year end. Expenditures are accrued to the period the liability is incurred if the invoice is received within 60 days of the end of the current fiscal period for all amounts, when received between day 61 and day 75 invoices exceeding $25,000 will be accrued, and no accrual will occur after day 75 in order to facilitate preparation of financial statements and the year-end close ~~generally are recorded when a liability is incurred, as under accrual accounting~~. ~~However, d~~Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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As a general rule the effect of interfund activity ~~has been~~is eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, and storm water ~~and sewer~~ function and various other

Financial Policy #01: Financial Management

Effective Date: ~~August 25, 2016~~July 26, 2018 Resolution No. 541
Replaces and Cancels: Replaces Financial Policy #01: Financial Management; ~~August 27, 2015~~August 25, 2016
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functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Storm Water Funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. ~~The principal operating revenue of the Sewer Fund is Management Fee revenue received from operating the treatment plant owned by the Alliance. Operating expenses for these funds include the cost of managing the treatment plant and capital equipment and infrastructure purchased/constructed for the Alliance.~~ All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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Financial Policy #01: Financial Management

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PURPOSE

To provide the necessary tools to ensure the City is capable of meeting its immediate and long-term financial and service level objectives. These policies serve as guidelines for both financial planning and internal financial management of the City.

The City of Ridgefield is accountable to its citizens for the use of public dollars. Resources must be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.

OBJECTIVES

1. To guide City Council in management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To implement balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.

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Financial Policy #01: Financial Management

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I. GENERAL INFORMATION

The City of Ridgefield uses the Washington State Auditor's Office prescribed Budgetary, Accounting and Reporting System (BARS) for local governments.

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

Fund Types:

General Government Funds:
General Government funds are accounted for on a modified accrual basis of accounting. Following are the General Government funds used by the City.

General Fund: The General Fund is used to account for all of the financial resources of the government, except those required to be accounted for in another fund.

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific special revenue sources legally restricted or committed to expenditures for specific purposes.

Debt Service Funds: Debt Service funds are used to account for accumulation of resources for and payment of general government long-term debt principal and interest. It does not include the payment of principal and interest on debt associated with an enterprise fund.

Capital Projects Funds: Capital projects funds are used to account for financial resources used in the acquisition or construction of capital facilities or infrastructure not financed by proprietary or trust funds.

Proprietary (Business Type) Funds:
Proprietary funds are used to account for the proprietary or business-type activities for the City. Proprietary funds consist of enterprise funds and internal service funds. Enterprise funds are accounted for on a full accrual basis of accounting.

Enterprise Funds: Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are maintained on a full accrual basis of accounting.

Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis. The City's Equipment Replacement Fund is established as an Internal Service Fund.

II. BUDGET MANAGEMENT

Budget Development

Refer to ***Financial Policy #07: Budget*** for more detailed information.

Department directors have primary responsibility for formulating budget proposals in accordance with City Council and City Manager priority direction, and for implementing the budget once they are adopted.

The Finance Department is responsible for conducting the overall preparation and administration of the City's budget. This includes providing information on revenues and expenditures, updating costs and revenues, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department assists department management in developing their budget proposals including identifying and analyzing budget issues, formulating solutions and alternatives, and implementing any necessary changes.

The budget is prepared and implemented on an annual basis in accordance with RCW 35A.33. The budget includes revenue and expenditure categories that correspond to the State's Budgeting, Accounting and Reporting System (BARS) categories.

The City develops budgets for the General and Enterprise operating funds, Special Revenue, and Equipment Replacement funds of the City. Budgets are also developed in the Debt Service fund to account for principal and interest payments and in the Capital Project fund to account for capital expenditures and associated capital funding sources.

Budget Adjustments and Amendments

The City Council adopts the budget at the fund level. Budget amendments are needed when total expenditures in a fund are expected to exceed the adopted budget for that fund. This may occur due to policies or programs approved by the City Council after the budget was adopted or due to unanticipated expenses. In addition, the City Council may choose to amend the budget in the event of a material change in the City's revenue sources during the year. Minor changes to anticipated revenues or expenditures do not require City Council to adopt a budget amendment. Budget amendments are authorized by City Council through an ordinance.

Budget adjustments within the City Council adopted budget for a fund proceed as follows:

- The Finance Department receives a request for a budget adjustment from a department. Budget changes can also occur based on new information or documentation that the Finance Department receives directly.
- The Finance Department reviews the request. Adjustments that simply move budget amounts within a department and that do not represent a change in a policy or program are processed by the Finance Department. Budget adjustments that increase the budgeted amount for one department that are offset by decreases in another department are reviewed by the City Manager or other designated person. If approved, the Finance Department makes the requested adjustment as long as it does not change the total budget for the fund.
- Council approval is required if the requested adjustment changes the total budget for a fund. The Finance Department will verify whether there are sufficient resources for the adjustment, and prepare a budget adjustment and ordinance for Council approval.

Budget Monitoring

Budgets are developed and monitored at the line item level, but are managed at the fund level. A department director can overspend on one line item within their department without the need for a budget adjustment as long as it is balanced out by an under expenditure on another line item. The total expenditures for a fund cannot exceed the total budget for the fund.

Department directors are responsible and accountable for their department budget.

Monthly reports that compare budget to actual will be created by the Finance Department and provided to the appropriate department director for review and response if large discrepancies are identified.

City Positions and Staffing Levels

The budget approved by the City Council will fund a number of authorized full time equivalent City positions. The City's authorized positions, will be included in the budget document and/or included in labor agreements approved by City Council. City Council will approve any new permanent City positions prior to the positions being filled. Temporary and seasonal positions do not require City Council approval as long as the expenditure to support them is provided for in the adopted budget.

III. REVENUES

The City will strive to maintain a diversified and stable revenue system to shield the City from short-term fluctuations from any one revenue source.

The City will work to develop and maintain sustainable revenue sources to ensure its viability over the long term.

Revenue estimates adopted by City Council should be made with consideration to the sensitivity of both local and regional economic activities.

The City will establish all user charges at a level associated with the cost of providing the service.

The City will set fees and user charges for each enterprise fund, such as Water, and Storm Water Drainage, at a level that, along with other anticipated revenue, fully supports the total direct and indirect cost of the activity provided.

Grant revenue sources will be acquired and used whenever possible.

IV. EXPENDITURES

The City will only propose ongoing operating expenditures that can be supported by ongoing operating revenues.

The City will maintain a level of expenditures consistent with the level of services that will meet the goals and mission of the City as approved by the City Council.

Expenditures funded by one-time only sources, such as grants, must be identified and noted as such. Expenditures funded by these sources will not be included in subsequent budgets once the funding source no longer exists.

The City will maintain expenditure categories according to State statute and administrative regulation.

Expenditures associated with a grant revenue source will be identified and recorded against the corresponding grant.

V. CAPITAL ASSETS

Refer to ***Financial Policy #09: Capitalization of Assets*** for more detailed information.

The City of Ridgefield will maintain a capital asset system that meets Generally Accepted Accounting Principles (GAAP) reporting requirements.

A capital asset system will be maintained to identify all City assets and their condition.

Capital assets are maintained for both the General Government and Enterprise funds.

Straight line depreciation will be calculated and charged appropriately against the asset.

VI. FUND BALANCE

Fund balances are created and maintained to provide capacity to:

1. Offset significant downturns in the economy.
2. Provide sufficient cash flow to meet daily financial needs.

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3. Meet all statutory and City Council approved loan covenant requirements for required debt reserves to pay debt service.
4. Maintain the ability to meet scheduled equipment repair and replacement needs that sustain city services at an acceptable level to prevent physical deterioration of city assets.
5. Provide the capacity to pay large unanticipated expenses, such as the payment of vacation and sick leave balances for employees that retire or leave employment with the City.

Fund Balance represents the difference between the fund's assets and the fund's liabilities. A positive fund balance should be maintained to properly manage a fund.

Reserves are a portion of the fund balance that is restricted or categorized to use for a designated purpose. The following definitions (though the City may not use all of these categories at any one time) are published by the Governmental Accounting Standards Board – Pronouncement No. 54:

- Non-spendable: Amounts that cannot be spent due to form; for example, inventories, prepaid amounts, long-term and notes receivables, and other restricted items. Also includes amounts that must be maintained intact legally or contractually.
- Restricted: Amounts constrained for a specific purpose by external parties, or constitutional provision, such as a requirement for revenue bonds to set aside funds in a debt service reserve account.
- Committed: Amounts constrained or restricted for a specific purpose by a government using its highest level of decision-making authority. Action by the legislative authority is required to remove or change this amount.
- Assigned: Used for funds to classify any remaining positive amounts not identified as non-spendable, restricted or committed. These amounts should not result in a deficit in unassigned fund balance.
- Unassigned (remaining fund balance that is not reserved): This is the excess or residual amount of resources that exceed the amount expended, less amounts identified as non-spendable, restricted, committed or assigned. If the residual amount is negative, the assigned amount should be reduced accordingly.

The City has determined the need to create the following reserves and fund balances with the priority identified:

Priority #1- Debt Service Reserve:
Purpose: This reserve account will be established by any fund that budgets debt service, as an expense item in the fund. The purpose of this account is to create the financial ability to pay for principal and interest due on outstanding debt.

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Amount: The amount allocated will be determined by bond issuance and/or loan covenant requirements and adjusted annually. The amount will come from a portion of the annual operating revenue generated in the fund that pays debt service.

Category: Identified as a "Committed" fund balance.

Priority #2 - Operations and Maintenance Reserve:
Purpose: This reserve account will be established by any fund that budgets ongoing operations and maintenance. The purpose of this account is to create the financial ability to pay operating expenses from month to month given the routine and seasonal fluctuations in the City's revenue and expenses.

Amount: The General Fund and Street Fund operations and maintenance reserve will be set at 60 days of prior year actual operating expenses. The operations and maintenance reserve for Enterprise Funds (water and storm water) will be set at 90 days of prior year actual operating expenses. Reserve amounts will be updated annually during the budget process. The source of the operations and maintenance reserve will come from the amount of annual operating revenue that exceeds the annual operating expenses for a fund.

Category: Identified as "Unassigned" fund balance.

Priority #3 - Revenue Stabilization Reserve:
Purpose: This reserve account will be established in the General Fund. The purpose of this reserve account is to provide the financial ability to cover operating expenses during a longer term revenue shortfall due to reduced ongoing revenue receipts or a downturn in the economy. This reserve will allow the City to sustain service levels while the City Council implements policies that respond to and mitigate the revenue shortfall.

Amount: The amount will be calculated annually at 10% of the prior year actual revenues less any one-time revenues such as grant allocations and inter-fund transfers.

Category: Identified as "Unassigned" fund balance.

Priority #4 - Capital Reserve:
Purpose: This reserve account will be used by any fund that budgets capital and/or large maintenance projects as an expense item in the fund or uses a capital projects fund to budget and pay for these expenses. The purpose of this account is to create the financial ability to pay for unanticipated capital needs typically resulting from a natural disaster or other unanticipated event that damages City infrastructure. This fund may with specific appropriation by City Council be used for investment in revenue producing capital projects.

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Amount: The amount allocated will be calculated at 1% of prior year net capital assets. The amount will come from a portion of the annual operating revenue generated in the fund that pays for these types of projects.

Category: Identified as “Assigned” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

Priority #5 - Capital Repair and Replacement Reserve (Enterprise Funds)
Purpose: This reserve account will be used to set aside funds for future repair and replacement of utility infrastructure. The purpose of this account is to create the financial ability to pay for repair or replacement of existing utility infrastructure at the end of the assets useful life, or in the event of a failure of the asset. Use of these funds for specific repair and replacement projects must be appropriated by City Council through the budget process or by emergency declaration in the event of a significant failure of the asset.

Amount: The amount will be allocated on an annual basis as 5% of the previous year utility receipts from rates and will be deposited into a separate fund balance. The minimum target fund balance for this account is 2% of the historical cost for infrastructure, not to include machinery and equipment which is included in the Equipment Replacement Fund Reserve in the accompanying utility fund.

Replenishment of Reserves – The following criteria will be used to restore the Capital Repair and Replacement Reserve Fund based upon the minimum reserve guideline:

1. If the reserves are drawn down by 25-50% of reserve fund balance, then a budgetary plan shall be implemented to return the reserve level to between 75-100% of the minimum reserve balance over a 5-7 year period.
2. If the reserves are drawn down by 10-25% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 3-5 year period.
3. If the reserves are drawn down by 0-10% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 1-3 year period.

Category: Identified as “Unrestricted” fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as “Committed” fund balance.

Priority #6 - Equipment Repair and Replacement Reserve:
Purpose: This reserve account will be set-up as a separate fund to account for equipment replacement for existing City equipment and vehicles. The purpose of this fund is to create the

financial flexibility to plan for replacement of these types of expenses, maintaining the City assets at an acceptable level to prevent physical deterioration.

Amount: The amount allocated will be determined by a financial model used to track the funds needed to replace existing vehicles and equipment at the end of their useful life. The amount allocated to the reserves will be updated annually during the budget process.

Category: Identified as "Assigned" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

The City will make every effort to create and maintain the fund balances and reserves identified above and based on the priorities established. The City is aware that needs may change over time and fund balance reserve amounts may be redistributed within a fund to meet the needs that occur at a given time. If it is determined that funds need to be redistributed within a fund, the fund balance with the lowest priority will be redistributed first to allow the ability to meet the need of a higher priority fund balance. In all cases, council approval or budget enactment is required before changing or redistributing the amounts allocated to a reserve account.

VII. PURCHASING

Refer to ***Financial Policy #04: Procurement of Goods and Services*** for more detailed information.

The City shall commit to the following guidelines:

- Comply with all federal, state, and local laws, adopted codes, ordinances, and stated policies in its procurement process.
- Buy competitively and wisely to obtain maximum value for the public resource dollars spent.
- Afford all bidders an equal opportunity to quote and compete on equal terms.
- Initiate and promote good, continuous vendor relations, as well as, reliable alternate sources of supply.
- Buy from suppliers who maintain adequate financial strength, high ethical standards, a record of adhering to specifications and who will maintain integrity in payment terms, delivery and service.

VIII. CAPITAL IMPROVEMENTS

The City will make capital improvements in accordance with an adopted capital improvement plan.

The capital investment program and the base operating budget will be reviewed at the same time. This will insure that the City's capital and operating needs are balanced with each other.

The City will develop a multi-year plan for capital improvements including operations and maintenance costs and update it every two years or sooner if needed. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in the economic base will be calculated and included in the capital budget projections.

The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental grants, loans and other outside resources whenever possible.

IX. LOCAL IMPROVEMENT DISTRICTS (LID):

LID's are formed to provide an alternative means of financing for property owners, within a defined geographical area, to make improvements benefiting their property.

Improvements financed by the Local Improvement District (LID) may include street and sidewalk construction, construction of water distribution and storm water collection facilities. Assessments are determined by the size and location of each property in relation to the improvement and the benefit to the property.

An LID may be initiated by City Council resolution or by petition of the majority of property owners along the frontage of the improvement, within the boundaries of the district. Refer to RCW 35.43 for authority.

The formation of a Local Improvement District is limited to specific instances and can apply as follows:

- When a group of property owners wish to accelerate development of a certain improvement; or
- When a group of property owners desire a higher standard of improvement than the City's project contemplates; or
- When a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements.

LID projects may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall request it from the City Council (through the City Clerk) in writing before the LID promotion activity begins.

X. LATECOMER AGREEMENTS

Refer to Ridgefield Municipal Code chapter 3.90 for more detailed information.

As a source of financing capital improvements, the City may work with private developers to construct projects identified in the capital facilities plan.

The City shall collect a connection or impact fee from future developers that utilize the capital improvement and reimburse the developer that built the initial capital improvement.

Construction projects considered under this agreement:

- The project must be a project identified in the adopted capital facilities plan
- The project extension must serve anticipated future development.
- The project requires prior approval by the Community Development Director or Public Works Director.
- The latecomer agreement must be approved by City Council prior to construction.

Payment of any latecomer fee shall occur within 15 years of final acceptance of construction. Documentation of the actual project costs and the agreement with current participants must be made prior to any reimbursements.

The reimbursements shall not exceed that amount which brings participant costs equal to zero.

XI. DEBT MANAGEMENT

Refer to ***Financial Policy #10: Debt Management*** for more detailed information.

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

XII. INVESTMENTS

Refer to ***Financial Policy #08: Investments*** for more detailed information.

The policy on investment applies to the investment of all City funds excluding pension funds or trust accounts. The primary objective of investment activities shall be: 1) Safety of principal that seeks to minimize potential losses; 2) Liquidity of cash to sufficiently meet all operating requirements; and 3) Return on investment that allows for the highest market rate of return throughout budgetary and economic cycles.

The City of Ridgefield authorized investment officers will perform their duties in a manner consistent with the standard of a “prudent person,” as defined in RCW 43.250.040. A prudent person is defined as “exercising the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital." The investment officer is the Finance Director.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The City may invest in any of the securities identified as eligible investments as defined by RCW's: 35A.40.050, 39.59, 43.250, and 43.84.080. These include: Certificates of Deposit, United States Securities, Bankers' Acceptances, Repurchase Agreements and Certificates, and Notes and Bonds of the State of Washington. The City may also create investment accounts with the Clark County Treasurer's Office per RCW 36.29.020, and the Local Government Investment Pool per RCW 43.250.040. Speculative investments are not allowed.

Investment transactions shall be conducted with approved broker/dealers selected by credit worthiness and other selection criteria. Broker/dealers must be registered to provide investment services in the State of Washington.

The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

XIII. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with Generally Accepted Accounting Principles and the State of Washington Budgeting, Accounting, and Reporting Systems.

Regular monthly, quarterly and annual financial reports will present a summary of financial activity by major types of funds. Monthly reports will also include a summary of the investment activities by type of investment.

Where feasible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and, if necessary, by fund.

The State Auditor's Office will audit City records annually or biannually, depending upon audit requirements, and will issue a financial opinion.

XIV. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

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Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers taxes as available if they are collected within 60 days after year end. Expenditures are accrued to the period the liability is incurred if the invoice is received within 60 days of the end of the current fiscal period for all amounts, when received between day 61 and day 75 invoices exceeding $25,000 will be accrued, and no accrual will occur after day 75 in order to facilitate preparation of financial statements and the year-end close.. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and will be recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity is eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, and storm water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Storm Water Funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: July 26, 2018

ITEM: BUSINESS

AGENDA ITEM TITLE: Amendment to Financial Policy #07: Budget

GOVERNING LEGISLATION:
RCW 35A.33 – Budgets in Code Cities, City of Ridgefield Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:
Council originally adopted Budget Policies and Procedures by Resolution No. 319 on June 8, 2006. Council subsequently amended the Policies and Procedures on August 27, 2015 by Resolution No. 492.

SUMMARY/BACKGROUND:
Per the City's formal budget policy both financial and budget policies are reviewed each year during the budget process. Staff reviewed the policy to insure best practice and industry standards are up to date. The following changes are recommended:

General Guidelines
Adding the term designee to language for authority to alter appropriations within a department or fund that does not impact the total expenditures of the department or fund. This matches language in the Financial Management Policy that allows the Finance Department to reallocate budget amounts within a department and/or fund that do not alter the overall budget amount, or change a program or policy.

Add a new paragraph to page 2 that the Finance Department will prepare a 6 year revenue and expense forecast for ongoing operations and maintenance at current service levels.

Expenditure Guidelines
Page 3 - remove reference to Portland consumer price index and replace with reference to the West Region consumer price index.

Page 3 - add more detailed information regarding the financial model used for allocating indirect cost.

Page 3 - revise language to match Governmental Accounting Standards Board capital assets in place of fixed assets.

Overall Process
Page 3 - Add 6 year revenue and expense forecast to procedures and timeline.

BUDGET/FINANCIAL IMPACTS:
No financial impacts are anticipated

RECOMMENDED ACTION OR MOTION:
Staff recommends that Council adopt Resolution No. 542 as presented by making the following motion:

"I move to adopt Resolution No. 542 as presented."

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:
Policy #07 Budget Policies 2018 Redlined (DOCX)
Policy #07 Budget Policies 2018 Clean (PDF)

Resolution No.542

AMENDMENT TO FINANCIAL POLICY #07: BUDGET

WHEREAS, the City of Ridgefield established budget policies and procedures by the adoption of Resolution No. 319 on June 8, 2006; and

WHEREAS, the City of Ridgefield amended the budget policies and procedures by the adoption of Resolution No. 492 on August 27, 2015; and

WHEREAS, the City deems it necessary to update these budget policies and procedures by amending the policy to provide a more detailed document matching industry standards and best practices; and

WHEREAS, these policies provide guidelines for the preparation and management of the budget process that can have significant fiscal impact on the City; and

WHEREAS, these policies are designed to promote sound financial management, minimize financial risk, and maintain appropriate financial capacity to meet current and future financial needs.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ridgefield approves the updated version of the budget policies, a copy of which is attached and referenced as exhibit A.

Section 2. The City Manager, Finance Director and Deputy City Manager are hereby authorized to implement such policies as necessary to carry out the directions of this Resolution.

Section 3. Effective date of this Resolution shall be in full force and effect on the date adopted by the City Council.

ADOPTED AT A REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 26TH DAY OF JULY, 2018.

CITY OF RIDGEFIELD

____

Don Stose, Mayor

ATTEST:

____

Julie Ferriss,

City Clerk

Financial Policy #07: Budget

Effective Date: ~~August 27, 2015~~July 26, 2018; Resolution No. 542
Replaces and Cancels: Budget Policies ~~September 2012~~August 27, 2015
References: RCW 35A.33; Financial Policy #01: Financial Management Policies

PURPOSE
To establish the framework for overall fiscal planning and management. The budget policies set forth guidelines for both current and long-range planning activities. The policies are reviewed annually for adherence and relevance, and provide standards against which current budgetary performance can be measured and proposals for future programs evaluated.

BACKGROUND
Chapter 35A.33 of the Revised Code of Washington (RCW) mandates the city's budget process. The annual budget begins January 1 and lapses December 31 of each fiscal year. The budget, as adopted annually by the City Council, constitutes the legal authority for expenditures. The City's budget is adopted at the fund level and expenditures may not legally exceed appropriations at that level of detail.

Budgeted amounts are authorized to be transferred by the City Manager or designee between departments within any fund and among object classes within departments. However, any revisions that alter the total expenditures of a fund or that affect the number of authorized full time equivalent positions, labor agreements, or contracts for employment must be approved by the City Council.

Once adopted, the budget becomes the formal expression of the City's objectives and priorities for the forthcoming year and how the resources will be used to meet those objectives.

OBJECTIVES
1. To establish general guidelines for the budget process.
2. To establish revenue guidelines for the budget process.
3. To establish expenditure guidelines for the budget process.
4. Define the overall process for establishing a budget.
5. Define the role of the budget advisory committee.

GENERAL GUIDELINES
The City of Ridgefield's accounting and budgeting systems are organized and operated on a fund level basis. A fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. Each fund is balanced, meaning total revenues equal total expenditures. The budgeted funds are grouped into five categories: General, Special Revenue, Debt Service, Capital Projects and Enterprise.

The budget is proposed by the City Manager and adopted by the City Council with legal budgetary control at the fund level. Expenditures may not exceed appropriations. Unexpended appropriations lapse at the end of the budget year.

Any budget adjustments between funds shall be approved by the City Council. Budget adjustments between departments that do not alter the total appropriations at the fund level shall be approved by the City Manager or designee. Budget adjustments within a department that do not alter the total appropriations at the department level may be approved by the City Manager or Finance Director.

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The City will strive to ensure that City service priorities keep pace with the needs of the community by incorporating a service level needs review as part of the budget process.

The City budget will support City Council goals and priorities and the needs of the community.

Department Directors have primary responsibility for formulating budget proposals in line with City Council, Management Team, and City Manager direction and priorities. Department Directors are responsible for implementation and management of the adopted department budgets under their control.

The Finance Department is responsible for preparation and administration of the City's budget. This includes maintaining up to date information on revenues and expenditures, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department will prepare a 6 year revenue and expense forecast, for ongoing operations and maintenance at current service levels. The 6 year forecast will assist City Council in laying the strategic foundation for the new budget year.

The Finance Department assists City Management in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions as directed by City Council.

Revenues and expenditures shall be coded to the appropriate fund, department, and Budgeting, Accounting and Reporting System (BARS) account code as prescribed by the Washington State Auditor's Office, and not to accounts where an excess of funds may exist.

The City will routinely evaluate its service delivery system to maximize efficiency and effectiveness.

REVENUE GUIDELINES:
Revenue forecasts will be updated and prepared on an annual basis. Forecasts shall be conservatively estimated and subject to revision.

The City utilizes a historic trend analysis to establish baseline estimates of major revenues including incorporating proposed rate increases where applicable.

Utility rates and fees will be reviewed annually and updated and changed as deemed appropriate by City Council. Fees shall be established to recover all appropriate costs for providing the service.

Rate studies for revenues that support Enterprise Funds shall be conducted at least every five years to update assumptions and ensure that revenues are sufficient to recover operating costs, provide for capital improvements that maintain existing levels of service and provide for anticipated growth.

One-time revenues will be used only for one-time expenditures.

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EXPENDITURE GUIDELINES:

The Finance Department will provide to each Department Director a baseline budget, reflective of the current level of service adjusted for inflation, as calculated using the ~~Portland~~ West Region consumer price index for all urban consumers (CPI-U), and exclusive of any one-time only expenditures.

Salaries and benefits will be updated by the Finance Department and included in the baseline budget. The updated amounts will be based upon collectively bargained labor contracts and input from the City Manager and Budget Advisory Committee.

Changes to the baseline budget must be requested and clearly identified, by program, as an Additional Funds Request. Additional Funds Requests will be evaluated by the City Manager and, if approved, incorporated into the City Manager's proposed budget presented to the Budget Advisory Committee and the City Council.

Priorities in evaluating Additional Funds Requests will be given to those proposals that:

1. Are, and will continue to be, self-funding from external sources or are funded through realignment of the existing department budget;
2. Directly serve to satisfy one or more Council goals;
3. Will reduce existing costs of staffing, maintenance, and operation through efficiencies or cost avoidance; and
4. Are necessary to maintain the City's existing investment in facilities and capital structures.

The authorized Full Time Equivalents (FTE) for staffing needs will be established by City Council.

City Council approval is required for all capital purchases.

The City will allocate indirect and administrative costs to funds and departments based on a financial model prepared by the Finance Department. The financial model will use ~~-~~actual data from the most recent fiscal year-end, for the following budget cycle (i.e. 2017 actuals for 2019 budget), ~~an estimate of~~to determine the benefit~~s~~ received by each fund or department. ~~-An~~ The ~~estimate of the benefits received will be developed by the Finance Department using an i~~Indirect c~~C~~ost ~~-Plan~~allocation ~~financial model and~~will be incorporated into the City Manager's proposed budget.

Capital improvement projects will be prioritized and funded based upon the approved Capital Facilities Plan and available funding. Additionally, the Capital Projects funds will be budgeted to account for the construction of capital projects and/or the purchase of ~~fixed~~ capital assets.

Grant funded projects will be funded and prioritized based upon the grant award and contract.

The City develops a budget for the Debt Service fund to account for the payment of principal and interest.

OVERALL PROCESS:

Financial Policy #07: Budget

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The budget will be conducted in accordance to the procedures and timelines established in RCW 35A.33 pertaining to budgets in code cities and will follow the general process listed below.

1. Prepare/update 6 year revenue and expense forecast for ongoing operations and maintenance.
2. ~~1.~~2. Establish Budget Advisory Committee. This committee will meet on an on-going basis and will provide input and guidance throughout the budget process.
3. ~~2.~~3. Prepare budget calendar for review and notice.
4. ~~3.~~4. Prepare and update the baseline budget. The baseline budget will include preliminary estimates for revenues and expenditures and will be organized by fund and department.
5. ~~4.~~5. Provide appropriate copies of the baseline budget to department directors for review and input.
6. ~~5.~~6. Meet with budget advisory committee to review baseline budget. Obtain input and recommendation for submission to City Council.
7. ~~6.~~7. Conduct work session/meeting with City Council. The work session or meeting should include the Budget Advisory Committee, City Manager, Department Directors and other appropriate staff. The main purpose of the meeting is to provide a draft of the baseline budget, provide economic updates, and share information and make known any issues or concerns.
8. ~~7.~~8. The Finance Department works with the City Manager and Department Directors and compiles the preliminary budget including the baseline budget and any additional funds requests for review by the Budget Advisory Committee.
9. ~~8.~~9. The City Manager presents the draft Preliminary Budget to the Budget Advisory Committee and City Council for review. The draft Preliminary Budget is also made available to the public.
10. ~~9.~~10. An ordinance is prepared to set the property tax levy. A public hearing is conducted on revenues and the property tax ordinance.
11. ~~10.~~11. The Final Budget is completed and City Council holds a public hearing before considering it for adoption.
12. ~~11.~~12. The Final Budget is adopted by Council and published accordingly.

BUDGET ADVISORY COMMITTEE:
The main role of the Budget Advisory Committee is to serve in an advisory capacity to assist in development of an annual budget that reflects the City's top priorities. The Budget Advisory Committee also provides open and transparent communication among the participants and the citizens of Ridgefield.

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The Budget Advisory Committee is charged with giving feedback on budget requests and on the top priorities of the City. In addition to considering requests for funding new initiatives the Committee will advise the City Council on rate increases. The Committee is asked to provide feedback on maintaining a balance between keeping fees for services affordable and providing the resources needed to continue to maintain and improve the level of services for City programs and services.

The Budget Advisory Committee will consist of two City Council members, City Manager, Finance Director, Deputy City Manager, Public Works Director, Chief of Police, Community Development Director and one citizen at large appointed by Council.

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The Budget Advisory Committee will consist of two City Council members, City Manager, Finance Director, Deputy City Manager, Public Works Director, Chief of Police, Community Development Director and one citizen at large appointed by Council.

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE:	July 26, 2018
ITEM:	COUNCIL/PRESIDING OFFICER/STAFF REPORTS
AGENDA ITEM TITLE:	Appointment of a Citizen to Serve on 2019 Budget Advisory Committee

Appointment of a Citizen to Serve on 2019 Budget Advisory Committee

STAFF CONTACT:	Julie Ferriss, City Clerk
ATTACHMENTS:	Budget Advisory Application (PDF)

City of Ridgefield
230 Pioneer Street
P.O. Box 608
Ridgefield, WA 98642

Telephone: (360) 887-3557
Facsimile: (360) 887-0861
https://ridgefieldwa.us

Application for Appointment to the Budget Advisory Committee

NAME: Clyde Burkle

STREET ADDRESS: [redacted] P.O. BOX #: N.A.

TELEPHONE #: [redacted] LINE OF WORK: Retired

EMAIL ADDRESS: CBurkle@msw.com

Are you a registered voter? ☒YES ☐NO Do you live within city limits? ☒YES ☐NO

Please give a brief summary for reasons you would like to be appointed:
Have Lived in Ridgefield for 15 years. Served on the Civil Service Commission, Salary Commission, Member of the Lion's Club,

Background/resume: Worked 40 plus year's in the Big Box Retail Business. At time's was in charge of up to 63 Big Box Stores in the Midwest

I am an applicant for a position on the City of Ridgefield's Budget Advisory Committee. I understand the authority and responsibilities (as outlined below).

I certify that the information contained in this application is accurate and complete. I understand providing false or misleading information will result in my disqualification from appointment to the Budget Advisory Committee.

Authority and Responsibilities

The main role of the Budget Advisory Committee is to serve in an advisory capacity to assist in development of an annual budget that reflects the City's top priorities. The Budget Advisory Committee also provides open and transparent communication among the participants and the citizens of Ridgefield.

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Signature: [signature] Date: 06-21-2018

Please return your Completed Application to:
Julie Ferriss, City Clerk, Ridgefield City Hall
230 Pioneer Street, P.O. Box 608, Ridgefield, WA 98642
Julie.Ferriss@ci.ridgefield.wa.us

Last Updated: June 2018