



PACIFIC CITY COUNCIL AGENDA
Council Chambers - City Hall. 100 3rd Ave. SE

February 21, 2017
Tuesday

Workshop
6:30 p.m.

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL OF COUNCIL MEMBERS**
- 3. ADDITIONS TO/APPROVAL OF AGENDA**
- 4. DISCUSSION ITEMS**
 - (2) **A. AB 17-025:** Fourth Quarter Financial Reports (10 min.)
(Richard Gould)
 - (11) **B. AB 17-026: Resolution No. 2017-405:** Creating a policy and procedure (5 min.)
for inventorying small and attractive assets that the City of Pacific
considers vulnerable to loss.
(Richard Gould)
 - (17) **C. AB 17-027: Ordinance No. 2017-1954 and Ordinance No. 2017-1955** (10 min.)
Amending the Pacific Municipal Code as it pertains to the Real Estate
Excise Taxes 1 and 2, what funds they are placed in and how they are
used.
(Richard Gould)
 - (24) **D. AB-17-028: Discussion of Council Rules and Procedures** (10 min.)
- 5. ADJOURN**



Agenda Bill No. 17-025

TO: Mayor Guier and City Council Members

FROM: Richard A. Gould, City Administrator

MEETING DATE: February 21, 2017

SUBJECT: Motion to approve the 2016 Fourth Quarter financial reports

ATTACHMENTS:

2016 Fourth Quarter Financial Reports, which include:

- Cash flow report
- Fourth Quarter Summary Financial Report
- Grant Report
- Investment Report
- Narrative for the quarterly report.

Previous Council Review Date: The Finance Committee Meeting on January 25, 2016

Summary: The Finance Committee met with staff on Wednesday, January 25th to discuss the 2016 Fourth quarter financial reports. Staff has reviewed these reports with the Mayor and City Administrator during the week of the Finance Committee and City Council.

Recommendation/Action: Staff recommends that the City Council approve the 2016 Fourth quarter financial reports.

Motion for Consideration: I move to approve the 2016 Fourth Quarter Financial Reports as reviewed by the Finance Committee and staff.

Budget Impact: N/A

Alternatives: N/A

2016 FUND TOTALS

City Of Pacific
MCAG #: 0423

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REVENUES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
001 General Fund	2,363,868.65	337,701.91	256,153.55	542,754.82	545,616.88	290,955.91	474,733.53	305,227.72	243,540.96	524,252.30	512,749.58	276,384.83	6,673,940.64	6,627,946.94	101%
098 General Fund Equipment Reserve	22,053.54	10,073.83	10,064.96	10,083.09	10,069.32	10,088.68	10,065.52	10,062.50	10,062.50	10,062.50	10,062.50	60,062.50	182,811.44	236,979.67	77%
099 General Fund Cumulative Reserv	380,708.00	0.15	36.29	218.26	273.12	178.00	39.02	237.87	27.06	379.05	274.94	166.82	382,538.58	383,073.15	100%
101 Street	297,365.24	30,930.85	33,702.60	38,937.50	36,608.63	80,999.85	49,183.14	35,128.45	56,324.63	49,449.10	42,176.57	-209,868.57	540,937.99	855,055.16	63%
107 Tourism	111,292.59	958.03	938.18	1,441.91	1,242.90	1,415.61	1,196.78	2,105.24	2,571.94	2,928.50	2,419.83	1,335.80	129,847.31	160,034.61	81%
206 LID 3 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0%
209 LID 6 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,100,000.00	0%
210 LID 6 Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	579,000.00	0%
300 Municipal Capital Improvements	435,351.37	489.74	41.54	249.88	312.67	203.78	44.67	272.32	30.97	433.95	43,784.72	185,263.30	666,478.91	534,521.24	125%
301 Roads Capital Improvements	298,861.46	226.77	19.24	114.11	142.79	92.21	16.39	120.23	13.01	177.01	124.12	187,514.29	487,421.63	397,165.80	123%
305 Parks Capital Improvement	113,880.35	154.78	12.74	531.01	1,015.18	2,860.04	1,582.69	72.29	476.22	1,051.65	1,488.56	51.93	123,177.44	143,743.61	86%
308 Valentine Road Project	81,044.05	11,597.14	10,508.21	10,555.42	10,576.00	10,554.43	14,888.01	14,963.56	1,761.13	10,657.64	10,621.91	10,578.54	198,306.04	269,582.15	74%
309 West Valley	30,771.93	4,409.61	4,377.54	4,386.81	4,375.00	17,350.98	0.00	0.00	13,125.00	4,375.00	4,375.00	54,375.58	141,922.45	176,537.28	80%
310 Stewart/Thornton Ave Rd Projec	918.47	0.00	0.00	174,943.64	93,224.63	25.59	5.61	32.90	1.74	24.40	40,017.69	50,002.77	359,197.44	325,918.47	110%
333 Fire Capital Improvement	76,273.11	85.79	7.28	536.78	1,041.13	2,994.39	1,402.28	51.34	498.84	1,068.31	1,539.42	37.30	85,535.97	101,197.31	85%
401 Water	699,120.44	91,064.40	76,611.58	77,920.76	89,118.27	114,850.64	89,811.03	101,519.81	96,789.41	39,885.26	84,633.22	79,451.44	1,640,776.26	1,792,590.98	92%
402 Sewer	164,920.37	171,248.80	161,690.62	165,882.69	175,501.51	167,268.95	163,965.11	180,410.19	179,924.76	190,141.06	168,072.03	162,116.08	2,051,142.17	2,300,429.61	89%
403 Garbage	276,194.47	310.69	26.35	158.52	198.37	129.28	28.34	172.76	19.65	275.30	16,892.12	125.01	294,530.86	325,920.01	90%
406 Water Capital Improvement	1,470,136.02	5,054.88	195.06	5,861.20	11,079.66	30,722.37	420,966.57	1,206.70	5,190.96	10,551.62	310,597.84	470.85	2,272,033.73	2,369,505.96	96%
408 Sewer Cumulative Fund	622,601.62	6,008.07	61.17	2,371.68	4,471.23	12,312.04	6,070.29	2,436.41	2,050.25	4,712.45	6,524.36	323.65	669,943.22	771,982.92	87%
409 Storm	884,276.37	64,572.51	59,845.16	58,078.73	61,259.15	61,312.39	56,630.71	65,207.09	60,790.55	60,742.36	63,894.10	62,020.57	1,558,629.69	1,721,820.04	91%
410 Stormwater Facility Fund	173,985.67	12,722.86	12,726.14	13,272.67	13,760.84	15,514.08	13,633.09	12,867.73	13,177.37	13,888.05	14,271.02	12,825.98	322,645.50	386,117.06	84%
411 Pierce County Water Area	145,161.05	0.00	13.50	80.21	99.12	63.78	13.80	83.05	9.32	75,814.10	146.68	54.07	221,538.68	295,016.79	75%
499 Utilities Equipment Reserve	351,441.55	21,666.67	21,698.19	21,860.53	21,923.96	21,844.46	21,707.07	21,926.51	21,697.77	22,123.79	22,010.43	-28,115.34	541,785.59	604,447.16	90%
601 Customer Deposits	5,159.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,159.91	5,159.91	100%
630 Developer Deposit	68,705.78	600.00	3,400.00	5,120.00	3,150.00	0.00	250.00	2,250.00	1,870.00	600.00	500.00	4,000.00	90,445.78	102,955.78	88%
635 Pacific Court	58,121.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58,121.39	83,121.39	70%
640 Algona Court	17,303.84	11,058.19	16,584.64	11,475.80	12,556.66	14,856.94	9,515.76	12,445.49	12,089.50	13,612.83	12,325.44	10,252.68	154,077.77	208,354.25	74%
800 Payroll EE Benefit Clearing	10,915.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,915.18	10,915.18	100%
	9,160,432.42	780,935.67	668,714.54	1,146,836.02	1,097,617.02	856,594.40	1,335,749.41	768,800.16	722,043.54	1,037,206.23	1,369,502.08	919,430.08	19,863,861.57	26,871,092.43	74%
EXPENDITURES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
001 General Fund	294,310.16	486,967.44	322,413.41	352,300.82	309,137.88	476,862.72	315,712.33	378,677.23	412,209.20	345,790.16	363,628.44	514,126.74	4,572,136.53	4,600,000.00	99%
098 General Fund Equipment Reserve	0.00	0.00	0.00	36,567.08	-36,474.97	36,474.97	90,034.11	20,779.68	282.51	1,685.40	0.00	486.57	149,835.35	185,000.00	81%
101 Street	19,303.61	37,824.95	37,557.97	21,857.75	27,217.22	28,010.44	37,015.88	24,942.25	25,683.12	77,227.48	43,299.85	45,393.35	425,333.87	550,000.00	77%
107 Tourism	0.00	0.00	0.00	25.09	0.00	0.00	470.00	3,837.86	0.00	0.00	0.00	6,031.88	10,364.83	20,000.00	52%
206 LID 3 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,536.92	0%
209 LID 6 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,300,000.00	0%
300 Municipal Capital Improvements	0.00	0.00	0.00	96.42	0.00	0.00	0.00	13.90	0.00	13,104.29	30,730.30	20,875.11	64,820.02	100,000.00	65%
301 Roads Capital Improvements	97,271.90	0.00	2,776.74	44.09	1,823.13	37,362.15	-32,571.62	9,431.81	5,260.80	5,924.45	353.03	67,624.73	195,301.21	200,000.00	98%
305 Parks Capital Improvement	0.00	4,144.47	0.00	0.00	0.00	0.00	0.00	3.69	0.00	0.00	0.00	21,750.67	25,898.83	50,000.00	52%
308 Valentine Road Project	0.00	6,464.21	0.00	1,264.37	0.00	0.00	0.00	4.53	0.00	0.00	0.00	90.67	7,823.78	100,000.00	8%
309 West Valley	0.00	8,541.29	10,410.75	36,703.94	9,034.18	12,292.04	0.00	8,313.36	920.89	0.00	0.00	1,597.21	87,813.66	125,000.00	70%
310 Stewart/Thornton Ave Rd Projec	973.00	0.00	0.00	213,300.95	0.00	0.00	2,104.83	28,217.61	0.00	0.00	58,251.83	3.20	302,851.42	325,000.00	93%
333 Fire Capital Improvement	0.00	0.00	0.00	16.84	0.00	0.00	0.00	2.62	0.00	0.00	0.00	43.06	62.52	15,000.00	0%
401 Water	54,416.97	101,115.02	106,760.85	69,377.43	156,141.51	125,582.22	71,213.88	78,125.74	243,019.05	76,921.11	-1,532.20	89,420.49	1,170,562.07	1,350,000.00	87%
402 Sewer	52,515.16	175,709.58	165,569.88	272,665.52	165,536.70	61,060.06	167,370.00	164,118.28	162,170.60	168,588.47	170,069.33	288,403.46	2,013,777.04	2,250,000.00	90%

2016 FUND TOTALS

City Of Pacific
MCAG #: 0423

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EXPENDITURES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
403 Garbage	0.00	0.00	0.00	61.29	0.00	0.00	0.00	8.82	0.00	0.00	16,092.44	144.30	16,306.85	30,000.00	54%
406 Water Capital Improvement	13,125.00	13,125.00	13,125.00	16,961.48	13,125.00	13,125.00	13,125.00	14,921.10	1,293,473.05	13,125.00	13,125.00	162,325.35	1,592,680.98	1,600,000.00	100%
408 Sewer Cumulative Fund	0.00	0.00	0.00	143.56	0.00	0.00	0.00	22.29	0.00	0.00	0.00	373.60	539.45	100,000.00	1%
409 Storm	62,189.40	72,851.58	62,301.44	86,648.20	61,444.37	60,498.06	61,343.13	64,367.70	66,116.71	63,420.54	82,838.46	101,207.35	845,226.94	850,000.00	99%
410 Stormwater Facility Fund	0.00	0.00	0.00	44.09	0.00	0.00	0.00	8.13	0.00	0.00	40,000.00	56,504.50	96,556.72	100,000.00	97%
411 Pierce County Water Area	1,750.00	1,750.00	1,750.00	1,781.00	1,750.00	1,750.00	1,750.00	1,754.24	1,750.00	1,750.00	80,047.24	1,812.42	99,394.90	150,000.00	66%
499 Utilities Equipment Reserve	42,250.00	0.00	14,370.12	1,275.45	0.00	7,640.34	0.00	13.29	0.00	4,693.36	0.00	138,583.39	208,825.95	275,000.00	76%
630 Developer Deposit	0.00	250.00	5,250.00	4,000.00	2,500.00	1,000.00	2,000.00	2,000.00	2,250.00	500.00	4,950.00	2,750.00	27,450.00	50,000.00	55%
635 Pacific Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,307.78	9,307.78	25,000.00	37%
640 Algona Court	0.00	8,949.59	11,058.19	16,750.69	11,427.15	12,556.66	14,856.94	9,515.76	12,445.49	12,401.45	13,613.31	22,600.38	146,175.61	200,000.00	73%
800 Payroll EE Benefit Clearing	289.80	-902.13	-1,093.20	2,547.32	-1,147.81	-1,120.48	413.06	1,199.46	-1,096.28	1,073.08	-883.10	305.13	-415.15	0.00	0%
	638,395.00	916,791.00	752,251.15	1,134,433.38	721,514.36	873,094.18	744,837.54	810,279.35	2,224,485.14	786,204.79	914,583.93	1,551,761.34	12,068,631.16	17,551,536.92	69%
FUND GAIN/LOSS:	8,522,037.42	-135,855.33	-83,536.61	12,402.64	376,102.66	-16,499.78	590,911.87	-41,479.19	-1,502,441.60	251,001.44	454,918.15	-632,331.26	7,795,230.41		
FUND NET POSITION:	8,522,037.42	8,386,182.09	8,302,645.48	8,315,048.12	8,691,150.78	8,674,651.00	9,265,562.87	9,224,083.68	7,721,642.08	7,972,643.52	8,427,561.67	7,795,230.41			

Fund	Project	Grant Funding Source	Year of Award	Grant/Loan Contract Number	Grant/Loan Award Amount	2013 Reimbursements	2014 Reimbursements	2015 Reimbursements	2016 Reimbursements	Required Matching Funds	Total Combined Revenues	2013 Expenses	2014 Expenses
310	Stewart	Transp. Improvement Boa	2011	8-1-117(005)-1	\$ 4,170,021.00		\$ 1,386,997.00	\$ 1,916,404.78		\$ 1,138,652.00	\$ 4,442,053.78	\$ 96,223.28	\$ 1,391,676.21
308	Valentine	PWTF	2012	PR13-961-053	\$ 425,842.29								
310	Stewart	Public Works Trust Fund	2012	PR13-951-087	\$ 300,000.00		\$ 300,000.00			N/A	\$ 300,000.00		
310	Stewart (8th St E)	Transp. Improvement Board		8-1-117 (005)-1					\$ 174,943.64				
301	3rd Avenue	Transp. Improvement Boa	2013	3-P-117(002)-1	\$ 254,100.00		\$ 237,545.00	\$ 119,162.77		\$ 34,580.00	\$ 391,287.77		
301	Milwaukee Blvd	WA Dept Transportation	2009	STPUL-017(008) LA-7567	\$ 53,118.00	\$ 25,429.00	\$ 27,536.00	\$ 38.35	\$ 2,366.36	\$ 8,290.00	\$ 63,659.71	\$ 39,101.22	\$ 26,561.24
	Stewart & 8th St. Corri	WA Dept Transportation		LA5163		\$ 5,803.00		\$ 142,949.35			\$ 148,752.35		
309	West Valley - King Co	WA Dept Transportation	2012	STPUL-047(005) LA-8448	\$ 157,010.00		\$ 75,418.00	\$ 88,662.00	\$ 6,488.00		\$ 170,568.00	\$ 5,011.13	\$ 121,937.64
309	West Valley - Pierce Co	WA Dept Transportation	2014	STPUS-3229(002) LA - 8236	\$ 110,000.00		\$ 110,000.00	\$ 75,093.00	\$ 6,487.98	\$ 17,168.00	\$ 208,748.98		\$ -
	Generator	WA Dept of Commerce							\$ 43,479.39				
308	Valentine	CERB	2007	J2011-011	\$ 3,309,000.00	\$ 375,610.35					\$ 375,610.35	\$ 37,479.97	\$ 237,965.03
	Corrosion Control	Public Works Trust Fund	2000							N/A	\$ -		
	Reservoir and BPS	Public Works Trust Fund	2004		\$ 3,054,685.00					N/A	\$ -		
406	Stewart Road	Public Works Trust Fund	2011		\$ 800,000.00	\$ 30,679.36	\$ 466,607.32	\$ 154,073.41		N/A	\$ 651,360.09	\$ -	\$ 473,731.00
	Valentine	Public Works Trust Fund	2011		\$ 2,014,117.00					N/A	\$ -		
	Valentine	WA Dept of Ecology	2011		\$ 687,077.00					N/A	\$ -		
	NPDES - Annual	WA Dept of Ecology	Annual	G1400291	\$ 50,000.00	\$ 19,146.00				N/A	\$ 19,146.00		
409	NPDES - Retrofit	WA Dept of Ecology	2013	G1400291-01	\$ 120,000.00		\$ 14,942.03	\$ 138,196.97		N/A	\$ 153,139.00	\$ 59,721.26	\$ 184,904.78
001	GMA	WA Dept of Commerce		5414009			\$ 14,400.00	\$ 3,600.00			\$ 18,000.00		
	Interurban Trail	WA Dept of Transportation	2000	STPE-0950(001) TA2140	\$ 130,000.00					\$ 50,000.00	\$ 50,000.00		
001	Radar Grant						\$ 2,000.00				\$ 2,000.00		
001	Swing Gate						\$ 12,637.00				\$ 12,637.00		
001	Reader Board	WA Military Dept	2013	97.042		22010					\$ 22,010.00		
001	Handheld Radar	WA Assoc Sheriffs/Chiefs	2015					\$ 6,242.12			\$ 6,242.12		
305	Hatch Habitat	King County	2014		\$ 80,000.00		\$ 61,628.14				\$ 61,628.14		\$ 132,379.77
											\$ -		
001	FEMA Grant	WA Military Dept						\$ 43,112.69			\$ 43,112.69		
	CDBG	King County	2015	B-15-UY-53-0001	\$ 145,300.00				88508	0	\$ 88,508.00		

2015 Expenses	2016 Expenses	Total Expenses to Date	Balance
\$ 1,074,457.76		\$ 2,562,357.25	\$ 1,879,696.53
		\$ -	\$ 300,000.00
	\$ 214,273.95		
		\$ -	\$ 391,287.77
\$ 44.34		\$ 65,706.80	\$ (2,047.09)
		\$ -	\$ 148,752.35
\$ 59,266.22		\$ 186,214.99	\$ (15,646.99)
\$ 44,042.45		\$ 44,042.45	\$ 164,706.53
\$ 188,768.77		\$ 464,213.77	\$ (88,603.42)
		\$ -	\$ -
		\$ -	\$ -
		\$ 473,731.00	\$ 177,629.09
		\$ -	\$ -
		\$ -	\$ -
		\$ -	\$ 19,146.00
\$ 9,249.69		\$ 253,875.73	\$ (100,736.73)
		\$ -	\$ 18,000.00
		\$ -	\$ 50,000.00
		\$ -	\$ 2,000.00
		\$ -	\$ 12,637.00
		\$ -	\$ 22,010.00
\$ 5,742.12		\$ 5,742.12	\$ 500.00
\$ (410.62)		\$ 131,969.15	\$ (70,341.01)
		\$ -	\$ -
		\$ -	\$ 43,112.69
		\$ -	\$ 88,508.00
		\$ -	\$ -

Investment Schedule

LGIP Cash and Investment Balances

December 31, 2016

Instrument Type	Settlement Date	Investment Cost	Yield To Maturity	Maturity Date	Annualized Interest	Annualized Interest at LGIP rate (.4694%)
FNMA (Fannie Mae)	11/21/14	992,712	1.2430%	05/21/18	12,339.41	4,659.38
FICO STRIP PRN-3	01/15/15	598,038	0.9733%	11/30/17	5,820.50	2,806.94
FFCB-Fed Farm Credit	04/07/16	1,002,902	1.1230%	04/07/20	11,262.59	4,707.21
FFCB-Fed Farm Credit	08/16/16	1,002,378	1.4400%	08/16/21	14,434.24	4,704.74
FNMA (Fannie Mae)	09/07/16	1,002,737	1.1500%	08/23/19	11,531.48	4,706.43

<i>Sub Total</i>		4,598,768			55,388.23	21,584.70
Average Maturity (days)				332		
Average Yield to Maturity			1.2044%			
State Investment Pool		1,063,200	0.4694%	1		
Total Investments		5,661,968				

Note: Yield to Maturity for the State Investment Pool is a 12 month average.

Portfolio Diversification

<u>Instrument Type</u>	<u>Percentage</u>	<u>Amount</u>
Certificate of Deposit	1%	33,922.89
FFCB-Fed Farm Credit	18%	1,002,902.44
FNMA (Fannie Mae)	17%	992,712.00
FICO STRIP	10%	598,038.30
FFCB-Fed Farm Credit	18%	1,002,378.00
FNMA (Fannie Mae)	18%	1,002,737.22
State Investment Pool	19%	1,063,199.61
Total Investments	100%	5,695,890.46

Cash inBank	
General Account	2,039,353.56
Columbia Webstone	0.00
Columbia Court	58,121.39
Sweep Account	
Net Cash in Bank	2,099,339.95

Total Cash	7,795,230.41
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2016 BUDGET POSITION TOTALS

City Of Pacific
MCAG #: 0423

Time: 12:14:25 Date: 02/07/2017

Page: 1

Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General Fund	6,627,946.94	6,702,449.62	101.1%	4,600,000.00	4,572,517.98	99.4%
005 Parks	0.00	0.00	0.0%	0.00	0.00	0.0%
007 Tourism	0.00	0.00	0.0%	0.00	0.00	0.0%
098 General Fund Equipment Reserve	236,979.67	182,811.44	77.1%	185,000.00	149,835.35	81.0%
099 General Fund Cumulative Reserve	383,073.15	382,538.58	99.9%	0.00	0.00	0.0%
100 Springbrook GF	0.00	0.00	0.0%	0.00	0.00	0.0%
101 Street	855,055.16	540,937.99	63.3%	550,000.00	425,385.46	77.3%
107 Tourism	160,034.61	129,847.31	81.1%	20,000.00	10,364.83	51.8%
206 LID 3 Redemption	2,000.00	0.00	0.0%	1,536.92	0.00	0.0%
207 LID 3 Reserve	0.00	0.00	0.0%	0.00	0.00	0.0%
208 2000 Fire GO Bond	0.00	0.00	0.0%	0.00	0.00	0.0%
209 LID 6 Redemption	5,100,000.00	0.00	0.0%	4,300,000.00	0.00	0.0%
210 LID 6 Reserve	579,000.00	0.00	0.0%	0.00	0.00	0.0%
300 Municipal Capital Improvements	534,521.24	666,478.91	124.7%	100,000.00	64,820.02	64.8%
301 Roads Capital Improvements	397,165.80	487,421.63	122.7%	200,000.00	195,301.21	97.7%
305 Parks Capital Improvement	143,743.61	123,177.44	85.7%	50,000.00	25,898.83	51.8%
308 Valentine Road Project	269,582.15	198,306.04	73.6%	100,000.00	7,823.78	7.8%
309 West Valley	176,537.28	141,922.45	80.4%	125,000.00	87,813.66	70.3%
310 Stewart/Thornton Ave Rd Project	325,918.47	359,197.44	110.2%	325,000.00	302,851.42	93.2%
333 Fire Capital Improvement	101,197.31	85,535.97	84.5%	15,000.00	62.52	0.4%
401 Water	1,792,590.98	1,612,267.28	89.9%	1,350,000.00	1,170,613.66	86.7%
402 Sewer	2,300,429.61	2,051,142.17	89.2%	2,250,000.00	2,013,828.63	89.5%
403 Garbage	325,920.01	294,530.86	90.4%	30,000.00	16,306.85	54.4%
406 Water Capital Improvement	2,369,505.96	2,272,033.73	95.9%	1,600,000.00	1,592,680.98	99.5%
408 Sewer Cumulative Fund	771,982.92	669,943.22	86.8%	100,000.00	539.45	0.5%
409 Storm	1,721,820.04	1,558,629.69	90.5%	850,000.00	845,278.53	99.4%
410 Stormwater Facility Fund	386,117.06	322,645.50	83.6%	100,000.00	96,556.72	96.6%
411 Pierce County Water Area	295,016.79	221,538.68	75.1%	150,000.00	99,394.90	66.3%
499 Utilities Equipment Reserve	604,447.16	541,785.59	89.6%	275,000.00	208,825.95	75.9%
601 Customer Deposits	5,159.91	5,159.91	100.0%	0.00	0.00	0.0%
630 Developer Deposit	102,955.78	90,445.78	87.8%	50,000.00	27,450.00	54.9%
635 Pacific Court	83,121.39	58,121.39	69.9%	25,000.00	9,307.78	37.2%
640 Algona Court	208,354.25	154,077.77	73.9%	200,000.00	146,175.61	73.1%
800 Payroll EE Benefit Clearing	10,915.18	10,915.18	100.0%	0.00	-415.15	0.0%
	<u>26,871,092.43</u>	<u>19,863,861.57</u>	<u>73.9%</u>	<u>17,551,536.92</u>	<u>12,069,218.97</u>	<u>68.8%</u>

2016 Fourth Quarter Financial Reports

Enclosed are the fund reports as of December 31st (year to date) 2016.

Staff is presenting the summary reports for the City Council's review. The line item reports are in greater detail and reviewed by the Mayor and City Administrator. Then they are distributed to the department heads to review with the City Administrator and Mayor once again over each area of control. The Finance Committee has reviewed the Fund level reports at the Committee meeting on January 25th and approved them to go to the Council for review and a motion to approve (February 21st 2017).

The 2016 numbers are in line with budgeted expectations for the most part. The cash position for 2016 is down by \$577K. This was due largely to the receipt of the Public Works Trust Fund deposits for the water component (Fund 406) of the Stewart and Valentine projects in 2015 (over \$1M). In 2016 those loan proceeds were paid out to meet our obligations as both projects were completed. If we remove the impact by the Water Capital Fund (406) of a \$700K decrease, then the impact on cash position for 2016 is a positive \$123K. That is why I am not concerned with the City of Pacific's cash position decrease in 2016.

- The General Fund (001) is up by \$64.6K due to revenues exceeding budget by 6%.
- The Street Fund (101) is down by \$139.4K. This is due to the Real Estate Excise Tax (REET) changes made in Olympia (legislative) which limits these funds to capital maintenance. These changes lead to a prior period adjustment (2015) reallocating the REET placed in the Street Fund to the Municipal Capital Fund (300) as well as the Capital Roads Fund (301). This will further necessitate a budget amendment for 2017 to reclass any capital maintenance such as overlays and chip seal from Streets to Roads Capital.
- The Municipal Capital Improvement Fund (300) is in the "black" \$167K due to the REET revenue reallocation (see the above explanation in Streets Fund).
- The Roads Capital Improvement Fund (301) is down by \$5K due to the Interurban trail right of way acquisition and engineering costs for the Stewart/Interurban Trail Right of Way trail upgrade (\$107K). This was started in 2015 and completed in 2016.
- The Parks Capital Improvement Fund (305) is down by \$16.4K as a result of the final Morgan Property purchase (\$12K) and interurban trail work performed in 2016.
- The Water (401) Fund is ended up decreasing by \$192.3K in 2016. This is due to rate increases not keeping pace with annual expenditure growth along with infrastructure repairs. This trend should be reversed with the significant rate increases in 2017.
- The Sewer Fund (402) is up by \$30K, however this is misleading as two interfund transfers were reversed saving the fund \$129K which would put this fund in the red, again a problem caused by the lack of rates keeping up with expenditures, annually. Something which the rate increases are projected to do away with in 2017.
- The Water Capital Improvement Fund (406) is down by \$700K due to the \$1.2M payment to the City of Sumner for the water infrastructure related to the Valentine Roads Project. This was funded by Public Works Trust Fund loans of which \$800K was received in 2015, so this drop is not unexpected.
- The Stormwater (409) Fund is down by \$109K due to the lack of rates keeping up with expenditures, annually.
- The Pierce County Water Area Fund (411) is down by \$23K as this fund is now paying for a portion of the debt expense (\$78K) related to the water related upgrades within the Valentine Project.

These numbers were all planned for in the 2016 budget and the overall results from this past year was that the local economy continued the current (recent) trend of rebounding (Sales Taxes up by over 15% over those of 2015) since 2013.

Please feel free to contact me to discuss any matters with this report.

Richard A. Gould
City Administrator

Fund Cash change:

Fund	2015	2016	Net Gain (loss)
001 General Fund	\$ 2,027,946.94	\$ 2,092,561.77	\$ 64,614.83
098 General Fund Equipment Reserve	\$ 11,979.67	\$ 32,976.09	\$ 20,996.42
099 General Fund Cumulative Reserve	\$ 380,573.15	\$ 382,538.58	\$ 1,965.43
101 Street Fund	\$ 255,055.16	\$ 115,604.12	\$ (139,451.04)
107 Tourism Fund	\$ 110,034.61	\$ 119,482.48	\$ 9,447.87
209 LID 6 Redemption Fund	\$ -	\$ -	\$ -
210 LID 6 Reserve Fund	\$ -	\$ -	\$ -
300 Municipal Capital Improvements F	\$ 434,521.24	\$ 601,658.89	\$ 167,137.65
301 Stewart/8th St Corridor Fund	\$ 297,165.80	\$ 292,120.42	\$ (5,045.38)
305 Parks Capital Improvement Fund	\$ 113,743.61	\$ 97,278.61	\$ (16,465.00)
308 Valentine Road Project Fund	\$ 69,582.15	\$ 190,482.26	\$ 120,900.11
309 West Valley	\$ 26,357.28	\$ 54,108.79	\$ 27,751.51
310 Stewart/Thornton Ave Rd Project	\$ 918.47	\$ 56,346.02	\$ 55,427.55
333 Fire Capital Improvement	\$ 76,197.31	\$ 85,473.45	\$ 9,276.14
401 Water Fund	\$ 592,590.97	\$ 400,214.19	\$ (192,376.78)
402 Sewer Fund	\$ 429.61	\$ 27,365.13	\$ 26,935.52
403 Garbage Fund	\$ 275,920.01	\$ 278,224.01	\$ 2,304.00
406 Water Capital Improvement Fund	\$ 1,469,505.96	\$ 769,352.75	\$ (700,153.21)
408 Sewer Cumulative Fund	\$ 621,982.92	\$ 669,403.77	\$ 47,420.85
409 Stormwater Fund	\$ 821,820.04	\$ 712,645.09	\$ (109,174.95)
410 Stormwater Facility Fund	\$ 161,117.06	\$ 226,088.78	\$ 64,971.72
411 Pierce County Water Area Fund	\$ 145,016.79	\$ 122,143.78	\$ (22,873.01)
499 Utilities Equipment Reserve Fund	\$ 329,447.16	\$ 332,959.64	\$ 3,512.48
601 Customer Deposits Fund	\$ 5,159.91	\$ 5,159.91	\$ -
630 Developer Deposits Fund	\$ 67,955.78	\$ 62,995.78	\$ (4,960.00)
635 Pacific Court	\$ 58,121.39	\$ 48,813.61	\$ (9,307.78)
640 Algona Court Fund	\$ 8,354.25	\$ 7,902.16	\$ (452.09)
800 Payroll EE Benefit Clearing	\$ 10,915.18	\$ 11,330.33	\$ 415.15
	\$ 8,372,412.42	\$ 7,795,230.41	\$ (577,182.01)



Agenda Bill No. 17-026

TO: Mayor Guier and City Council Members

FROM: Richard A. Gould, City Administrator

MEETING DATE: February 21, 2017

SUBJECT: Resolution establishing the City's small and attractive fixed assets policy and procedures.

ATTACHMENTS:

- Resolution 2017-405
- Exhibit A Small and Attractive Fixed Assets Policy and Procedures.

Previous Council Review Date:

Summary: This policy is intended to create a procedure for inventorying small and attractive assets that the City of Pacific ("City") considers particularly vulnerable to loss and thus necessitating special property control. Staff is aware that the State Auditors have this is on their list to review when auditing the City of Pacific this fall. It is necessary for accountability in the purchase and management of small fixed assets.

Recommendation/Action: Vote to authorize the Mayor to sign the Resolution establishing the criteria for "inventorying" small and attractive fixed assets as policy and procedures.

Motion for Consideration: Motion to approve resolution adopting a small and attractive assets policy and procedures.

Budget Impact: none

Alternatives: none

CITY OF PACIFIC, WASHINGTON

RESOLUTION NO. 2017-405

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC, WASHINGTON, ADOPTING A SMALL AND ATTRACTIVE ASSETS POLICY AND PROCEDURES.

WHEREAS, the City Council of the City of Pacific intends to create a procedure for inventorying small and attractive assets that the City of Pacific (“City”) considers particularly vulnerable to loss and thus necessitating special property control; and

WHEREAS, a small and attractive items system gathers information allowing investigation of items missing that would otherwise not be noticed. The system should provide adequate stewardship over its resources through control and accountability; and

WHEREAS, the City staff has identified this a necessary policy for purchasing, tracking and replacing City assets;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC, WASHINGTON, AS FOLLOWS:

Section 1. The small and attractive assets policy and procedures attached hereto as “Exhibit A”, and by this reference incorporated herein, is hereby adopted as the official small and attractive assets policy of the City of Pacific.

Section 2. This Resolution shall take effect and be in force immediately upon its passage.

PASSED BY THE CITY COUNCIL AT ITS REGULAR MEETING THEREOF ON THE 27TH DAY OF FEBRUARY 2017.

CITY OF PACIFIC

Leanne Guier, Mayor

ATTEST:

Amy Stevenson-Ness, City Clerk

Approved as to Form:

Sarah Hale, Attorney

CITY OF PACIFIC

SMALL AND ATTRACTIVE ASSETS

POLICY AND PROCEDURES

This policy is intended to create a procedure for inventorying small and attractive assets that the City of Pacific (“City”) considers particularly vulnerable to loss and thus necessitating special property control.

I. POLICY

It is the intent of the City to maintain accountability over Small and Attractive Assets, as defined below, that are particularly vulnerable to loss. This Policy applies to all City Departments. Each Department shall establish an internal control structure for Capital Assets and Small and Attractive Assets that provides reasonable assurance of effective and efficient operations, reliable tracking and reporting, and compliance with applicable laws and regulations.

A. PURPOSE

A small and attractive items system gathers information allowing investigation of items missing that would otherwise not be noticed. The system should provide adequate stewardship over its resources through control and accountability.

B. DEFINITIONS:

A Small and Attractive Asset costing less than \$5,000 that are particularly vulnerable to loss such as electronic devices (e.g. computers, printers, cell phones). It may also include assets that would not be missed immediately upon disappearance and could be replaced without suspicion during voucher audits. Examples include, but are not limited to cameras, guns, shop tools, etc.

II. IMPLEMENTATION

A. RISK ASSESMENT

An annual risk assessment shall be completed to determine which assets are Small and Attractive Assets. The assessment shall be conducted by each Department Head or their designee, who will prepare and maintain a list quarterly the Department’s Small and Attractive Assets. Each Department Director is responsible for providing the list of its Small and Attractive Assets

to the City Treasurer/Finance Director by **January 31st** each calendar year for monitoring.

If an item is deleted, the Department Head will note the reason and/or means of disposal, in accordance with the procedures below.

B. INVENTORY

Each Department Small and Attractive Assets list will contain the serial, model, or other identifying information.

Whenever feasible, each piece of property will be engraved or marked with the city's name. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of.

1. ADDITIONS

The City may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the purchasing Department /fund will add it to their Small and Attractive Assets Inventory List and follow the procedures for identifying such assets.

2. DELETIONS

When the City has determined it no longer needs a Small and Attractive Asset, it will be subject to the following procedure. The Department Director must approve the disposition of all Small and Attractive Assets prior to the asset being removed from the Inventory List. Once removed from the Inventory List, the Department Director or his/her designee must list the item on a "Retired Assets" list. Prior to disposition, all tags and other information identifying the City will be removed, to the extent practicable.

Items disappearing mysteriously may require additional reports to the police department, CMO and WCIA (insurance). Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.

3. TRANSFERS

Occasional transfers of property between departments, individuals within a department or funds will occur. The original controlling department /fund is accountable for all items and for initiating a notice of transfer.

Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer) need to have a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of fixed assets. Interdepartmental transfers or intergovernmental (i.e. city to County or State) do not require the city to declare the item surplus or to do a public notice.

D. LOST OR STOLEN ASSETS

Whenever an item has mysteriously disappeared and all efforts have failed to recover it, the controlling department /fund shall notify the fiscal department, who will give a copy to the CMO and the Police Chief, using the form (to be prepared). Ninety days after notification, if the item hasn't been found, the Department Head will send a memo informing the CMO, the City Clerk, and the Finance Department.

E. DONATED ASSETS

Assets are sometime donated to the City. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as revenue (367 contribution and donations from private sources) in governmental funds; in proprietary funds, such donations are treated as contributed capital.



Agenda Bill No. 17-027

TO: Mayor Guier and City Council Members

FROM: Richard A. Gould, City Administrator

MEETING DATE: February 21, 2017

SUBJECT: Ordinance Amending City Code related to the collection and use of Real Estate Excise Tax 1 & 2 (REET).

ATTACHMENTS: Ordinance Numbers:

- 2017-1954
- 2017-1955

Previous Council Review Date:

Summary: The City Attorney found some inconsistencies in the Pacific Municipal Code as it relates to the use of the Real Estate Excise Taxes both REET 1 and 2. The City Administrator recommends amending this code to allow for depositing the REET2 into the Capital Roads Fund (301) to remain consistent with the State Code.

Recommendation/Action: Accept this as the first reading of Ordinance Nos. 2017-1954 and 2017-1955 amending the Pacific Municipal Code as it pertains to the Real Estate Excise Taxes 1 & 2, what funds they are placed in and how they are used and moving them forward to February 27, 2017, for first reading.

Motion for Consideration:

Budget Impact: none

Alternatives: none

CITY OF PACIFIC, WASHINGTON
ORDINANCE NO. 2017-1954

AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON, RELATING TO THE REAL ESTATE EXCISE TAX, UPDATING THE REFERENCE IN SECTION 3.34.040 TO THE APPLICABLE STATE LAW WHICH DESCRIBES THE MANNER IN WHICH CAPITAL IMPROVEMENT FUNDS MAY BE USED BY THE CITY, AMENDING PACIFIC MUNICIPAL CODE SECTION 3.34.040(B).

WHEREAS, state law establishes the uses for which the City may devote its portion of the Real Estate Excise Tax collected; and

WHEREAS, the City has adopted chapter 3.34 in the Pacific Municipal Code to reflect the acceptable uses, which must be placed in the City's municipal capital improvements fund; and

WHEREAS, a change in PMC Section 3.34.040(B) must be made to reflect the state law which lists the uses to which such funds may be used; Now, Therefore,

IT IS HEREBY ORDAINED BY THE PACIFIC CITY COUNCIL AS FOLLOWS:

Section 1. Section 3.34.040 of the Pacific Municipal Code is hereby amended to read as follows:

3.34.040 Distribution of tax proceeds and limiting use thereof.

A. The county treasurer shall place one percent of the proceeds of the taxes imposed in this chapter in the county current expense fund to defray the costs of collection.

B. The remaining proceeds from city taxes imposed in this chapter shall be distributed to the city monthly and those taxes imposed under PMC Section 3.34.010 shall be placed by the finance director in a municipal capital improvements Funds ~~(REET1)~~ or roads capital improvements funds (REET2). These capital improvements funds shall be used by the city for local improvements, including those listed in ~~RCW 35.43.040~~ RCW 82.46.010 as it now exists or is hereafter amended.

C. This section shall not limit the existing authority of this city to impose special assessments on property benefited thereby in the manner prescribed by law.

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect five days after publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF PACIFIC AT A REGULAR MEETING THEREOF ON THE 13th DAY OF MARCH, 2017.

Leanne Guier, Mayor

AUTHENTICATED:

Amy Stevenson-Ness, City Clerk.

APPROVED AS TO FORM:
Office of the City Attorney

Carol Morris, City Attorney

ORDINANCE NO.: 2016-_____
PUBLISHED: December __, 2016
EFFECTIVE DATE: January 1, 2017

CITY OF PACIFIC, WASHINGTON
ORDINANCE NO. 2017-1955

AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON, RELATING TO THE MUNICIPAL CAPITAL IMPROVEMENT FUND, AMENDING SECTION 3.40.040 OF THE PACIFIC MUNICIPAL CODE TO REFLECT THE AUTHORIZED USES OF THE REAL ESTATE EXCISE TAX AND MONEY FROM STREET VACATIONS AS SET FORTH IN RCW 35.79.030, RCW 82.46.035 AND RCW 82.46.010.

WHEREAS, the Pacific Municipal Code, Section 3.40.040, currently specifies two possible uses of the money in the Municipal Capital Improvement Fund; and

WHEREAS, there is no reference in PMC Section 3.40.040 of the fact that the Real Estate Excise Tax collected under chapter 3.34 PMC is deposited in the Municipal Capital Improvement Fund; and

WHEREAS, the language in PMC Section 3.40.040 does not reflect the language of recent state law, such as RCW 35.79.030, 82.46.035 and 82.46.010, which describe the manner in which such funds may be spent; Now, Therefore,

IT IS HEREBY ORDAINED BY THE PACIFIC CITY COUNCIL AS FOLLOWS:

Section 1. Section 3.40.030 of the Pacific Municipal Code shall be amended to read as follows:

3.40.030 Source of Funds. All moneys received from the Real Estate Excise Tax (chapter 3.34 PMC), the sale of surplus rights-of-way, easements, and public properties owned by the City of Pacific shall be deposited into the municipal capital improvement fund. ~~for public facilities.~~

Section 2. Section 3.40.040 of the Pacific Municipal Code shall be amended to read as follows:

3.40.040 Use of funds. The moneys placed into the municipal capital improvement fund ~~for public facilities~~ shall be used as follows: for the purchase of:

A. One half of the revenue received by the City as compensation for a street vacation shall be dedicated to the acquisition, improvement, development and related maintenance of public open space or transportation capital projects within the City, as required by RCW 35.79.030;

B. Proceeds from the REET tax collected under PMC Section 3.34.040 shall be used by the City solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440. "Capital project" means those public works projects of the City for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative facilities, judicial facilities, river flood control projects, waterway flood control projects by those jurisdictions that, prior to June 11, 1992 have expended funds derived from the tax authorized by Section 3.34.040 for such purposes, and technology infrastructure that is integral to the capital project.

C. Proceeds from the REET tax collected under PMC 3.34.025 shall be used by the City for capital projects such as those City public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair rehabilitation or improvement of parks.

Property necessary for public facilities; and construction of public facilities

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect five days after publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF PACIFIC AT A REGULAR MEETING THEREOF ON THE 13th DAY OF MARCH, 2017.

Leanne Guier, Mayor

AUTHENTICATED:

Amy Stevenson-Ness, City Clerk.

**APPROVED AS TO FORM:
Office of the City Attorney**

Carol Morris, City Attorney

**ORDINANCE NO.: 2016-_____
PUBLISHED: December __, 2016
EFFECTIVE DATE: January 1, 2017**



Agenda Bill No. 17-028

TO: Mayor Guier and City Council Members

FROM: Amy Stevenson-Ness, City Clerk

MEETING DATE: February 21, 2017

SUBJECT: Council Rules Discussion

ATTACHMENTS:

Previous Council Review Date: N/A

Summary: This discussion was requested at the workshop held on February 6, 2017.

Recommended Action:

Motion for Consideration:

Budget Impact:

Alternatives: