

## **APPENDIX B**

### **Financial Baseline Technical Memorandum**



## Final Financial Baseline Technical Memorandum

*Prepared for*

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## ACRONYMS

CERB	Community Economic Revitalization Board
CTED	State Department of Community Trade & Economic Development
CWCOG	Cowlitz-Wahkiakum Council of Governments
EDA	Federal Economic Development Administration
FHWA	Federal Highway Administration
HUD	Federal Department of Housing and Urban Development
LIFT	Local Infrastructure Finance Tool
MVFT	Motor Vehicle Fuel Tax
O&M	Operations and Maintenance
PWB	Public Works Board
RDA	Revenue Development Area
TIB	Transportation Improvement Board
WSDOT	Washington State Department of Transportation



# 1. INTRODUCTION

This technical memorandum addresses funding issues as a part of the City of Woodland Transportation Infrastructure Strategic Plan (TSIP). The transportation network in Woodland includes city-owned streets, Cowlitz County-owned roadways, state-owned Highway SR 503, and the Interstate 5 freeway. Financially, the City is responsible for all of its owned streets and associated assets such as signage, lighting, and traffic control devices. The City also bears some financial responsibility to participate in and coordinate with the state and county on improvements to state and county roadways within the City. The City has no financial responsibility at this time for the rail, airport, port, or mass transit (bus) services that operate in the City.

This memorandum discusses historical and current funding, and identifies possible opportunities for additional funding. A future memorandum will evaluate funding options as the larger strategic planning effort progresses and specific future capital improvements are identified.

Section 2 provides a short financial history of Woodland's transportation funding by sources and the uses of funding for operations and maintenance (O&M) and capital improvements. Section 3 identifies the current list of state and federal funding available to cities like Woodland. In Section 4, possible future funding sources and constraints are addressed.



## 2. TRANSPORTATION FUNDING

### 2.1 OVERVIEW

Table 2-1 is a recent history of revenues, expenses, and capital improvements (2003 to 2007). Appendix A shows a combining statement for each year. In general, the City accounts for transportation funding with the Street Fund for O&M and multiple special project funds for major reconstruction and new construction. For example, in 2006, the City had 7 transportation-related funds—the Street fund for all O&M revenues and expenses, and 6 construction funds (Dike Road, Davidson Avenue, SR503, Dunham Avenue, TIB Sidewalks, and Schurman Way).

The Street Fund is a recurring or “permanent” fund, while the special project funds come and go as projects are planned, implemented, and completed. Any net revenue (net of repayments to the funding state or federal agencies) from these special project funds reverts to the Street Fund. Once the City puts revenue into a transportation-related fund, it does not revert to any other group of funds; therefore, unspent revenues do accumulate for future transportation projects.

### 2.2 HISTORY OF TRANSPORTATION CASH FLOWS—2003 THROUGH 2007

Table 2-1 shows cash flow history from 2003 through 2007. The cash flows from 2003 through 2006 are compiled financial statements of actual revenues and expenses. Data for 2007 are budget estimates. The annual percentage changes over the period from 2003 through 2006.

Table 2-1 is divided into 5 major sets of activities:

- Cash Flows From Operating Activities,
- Cash Flows From Non-Capital Financial Activities,
- Cash Flows From Capital-Related Activities,
- Cash Flows From Investing Activities, and
- Cash at the beginning and end of the year.

This accounting is not standard for the City, but it was chosen to make several important points that will be discussed in turn.

#### 2.2.1 Cash Flows from Operating Activities

*Cash Flows from Operating Activities* include both of the recurring sources of revenues—transfers from the General Fund and the state-shared motor vehicle fuel tax (MVFT) revenues.

The City Council allocates 23% of its property tax revenues from the general fund to transportation. This percentage is down from 25% a few years ago—1% has been retained by the general fund and 1% now goes to the Equipment Reserve fund. The City does not levy any other tax or fee for transportation services. For the current fiscal year 2007 the City expects this allocation will be \$266,000.

The allocation of state-shared MVFT revenues makes up the other ongoing source of revenues. In the current fiscal year 2007, the City expects to receive \$118,000, about .01% of

**Table 2-1. Cash Flow History of Transportation-Related Funds**

	2003	2004	2005	2006	2007 Budget	AAPC
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Property tax, City	220,604	212,477	214,118	242,283	266,320	3%
Fuel tax	82,217	83,838	88,453	101,568	118,014	7%
Street / Curb permits	6,120	2,935	17,165	6,420	15,000	2%
Payments to suppliers and contractors	2,106	2,545	18,582	34,475	35,025	154%
Payments to employees	221,113	224,335	218,192	264,758	193,765	6%
Operating expenses	173,180	169,996	106,898	218,889	162,790	8%
Net cash from operating activities	(87,458)	(97,627)	(23,936)	(167,851)	7,754	
<b>CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES</b>						
Miscellaneous receipts	183	2,603	1,435	24,548	1,000	
Other non-revenue	-	-	-	50,000	233,436	
Project management	-	-	-	-	16,000	
Interfund transfers in	709,487	449,230	252,519	350,148	297,150	
Interfund transfers out	(460,770)	(126,264)	(11,500)	(116,150)	(159,312)	
Net cash from noncapital financing activities	248,900	325,569	242,454	308,546	388,274	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of property, plans and equipment	(3,656)	(21,565)	(11,246)	(83,173)	(138,950)	
Payments to suppliers and contractors	(2,646)	(120,784)	(15,781)	(1,400)	(95,736)	
Capital Improvement expenses	(1,177,344)	(542,676)	(211,600)	(87,408)	(90,430)	
Interfund loan - principal paid out	(83,116)	(235,179)	(33,412)	-	-	
Interfund loan - interest paid	(3,158)	(908)	(194)	-	-	
Interfund loan - principal received	34,000	287,400	2,068	-	-	
Interfund loan - interest earned	-	477	-	-	-	
Proceeds from grants	767,155	418,019	247,331	117,779	250,000	
Net cash from capital and related financing activities	(468,765)	(215,217)	(22,834)	(54,202)	(75,116)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	5,267	3,911	9,206	21,702	14,800	60%
<b>NET INCREASE (DECREASE) IN CASH</b>						
	(302,056)	16,637	204,890	108,195	335,712	
<b>CASH, BEGINNING OF YEAR</b>						
	515,643	213,584	230,222	415,205	490,178	-7%
<b>CASH, END OF YEAR</b>						
	213,587	230,221	435,112	523,399	825,889	35%

Source: See Appendix A.

the state-collected motor fuel tax—which is about the same percentage of the state’s total population.

Expenses include payment to administrative and public works staff, which is billed out on an actual hours-worked basis. The City contracts with the County for chip sealing, pavement repair, and striping. It contracts with either the County or private operators for street cleaning. The contracts are based on price per quantity of service provided.

Operating costs are paid before any capital improvements are made or debt service is paid. The logic of this statement (while not always practiced) is that a city has to maintain the streets it already has before setting money aside for new streets or to expand existing streets. Table 1.1 shows that in each year the City spent more than it took in from the General Fund and shared fuel tax revenues. It makes up this difference in the cash flows from non-capital activities.

## 2.2.2 Cash Flows from Non-Capital Activities

*Cash Flows from Non-Capital Activities* are transfers among transportation-related funds and between City funds external to transportation, such as sales tax revenues from the general fund and sewer and water revenues. Generally, the City manages all of its funds to maximize the use of general fund revenues for all City functions including transportation. Annually, the City decides how much revenue, in addition to the transfer of 23% of the property tax revenue, needs to be transferred from the General Fund to balance the transportation budget. This amount may include savings for specific planned transportation improvements. Since this transfer is not a specific obligation (e.g., 23% of the property tax revenues, or dedicated fuel tax revenues), it is not included in Cash Flows for Operating Activities.

For the years shown on Table 2-1, the transfers are positive and greater than the losses from Cash Flows from Operating Activities. For example, in 2006 the City had negative operating revenues of \$167,851 which were more than offset by the transfers of \$308,546. The City transferred \$289,148 from its sales tax revenues (part of City’s General Fund) and \$50,000 was contributed from a private developer for improvements to SR 503. The net revenues from these activities are available for Cash Flows From Capital-Related Activities.

## 2.2.3 Cash Flows from Capital-Related Activities

*Cash Flows from Capital-Related Activities* include expenditures for capital improvements and debt service (principal and interest) on long-term debts. Revenues are from loans and grants for capital improvements. For the 5-year period shown in Table 2-1, these activities spent more than they took in. In part, the City expected net income from its operating and non-capital activities to cover most of the losses in the capital-related activities, and in 2003 this was the case. In 2003 the City made \$1,177,344 in capital improvements primarily to Davidson Avenue, and received \$767,155 in state and federal grants. The \$410,189 balance was paid from cash reserves (Cash, Beginning of Year) and net cash from Operating and Non-capital Activities.

## 2.2.4 Cash Flows from Investing Activities

*Cash Flows from Investing Activities* are the interest earnings on idle cash. The City invests its cash in interest bearing accounts. Interest earnings increase with the market rate of interest and with the amount of cash invested.

Net Increase (Decrease) In Cash is the annual sum of the net revenues from the previous 4 activities—Operating, Non-Capital, Capital-Related, and Investing. For the 5-year period shown in Table 2-1 the net was positive except in 2003. In that year the City spent \$302,056

more than it took in. As a result the City used part of its beginning cash balance to cover the loss.

### **2.2.5 Cash, Beginning and End of Year**

*Cash, Beginning and End of Year* is the amount of cash available on the first and last days of the year. Beginning cash is the ending cash from the previous year. In 2003, the sum of beginning and the Net (Decrease) In Cash resulted in \$213,587. By the end of 2006, cash had increased to \$523,399, a 35 percent per year increase. Most of this cash at the end of 2006—\$406,516—is held in the Street fund to pay for future O&M expenses or capital expenditures. The balance is held in individual construction funds: \$72,442 for SR503, \$33,221 for Davidson Avenue, \$10,271 for Schurman Way, and the \$949 balance in the remaining four construction funds.

### **2.3 SUMMARY**

In 2003 the City began the year with \$515,643 in cash and ended the year with only \$213,587. The difference was spent on capital improvements, primarily for Davidson Avenue. By the end of 2006, the City had regained the 2003 beginning cash, \$522,480. Between 2003 and 2006, the City limited the number of capital projects and increasing transfers from the General Fund, primarily with sales-tax revenue.

With this current strategic planning effort, the City is poised to begin another cycle of building up cash reserves for major capital improvements. In the following chapter, currently available federal and state funding programs for which Woodland may be eligible are described. In a future report, an evaluation will be made to determine which of these programs will best suit the specific improvement projects identified through the planning process

### **3. CAPITAL IMPROVEMENTS FUNDING**

Local and regional capital improvement projects are independent of O&M and are eligible for both state and federal funding. In this chapter, EFA describes the various federal and state grant programs.

From 2003 through 2006 the City spent \$2,019,028 on capital improvements and paid for them with \$1,550,284 in grants and the balance with City funds. Grants paid for nearly 80 percent of all transportation improvements. The availability of these funds and Woodland's eligibility may change in the future. Following is a description of the current programs available. As some of the descriptions reveal, the programs are in flux as the US Congress and state Legislature change funding priorities and levels.

#### **3.1 FEDERAL FUNDING**

State-administered federal grants for local transportation improvements are available from the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), the Department of Housing and Urban Development (HUD), and the U.S. Economic Development Administration (EDA).

##### **3.1.1 Federal Highway Administration (FHWA)**

The FHWA makes capital improvement grants to states. These grants fall under federal programs such as Metropolitan Planning (23 USC 134; 49 USC 5305(d)), Statewide Planning & Research (23 USC 104(f); 49 USC 5305(e)), National Highway System (23 USC 103), Surface Transportation (23 USC 133), and Highway Safety Improvement (23 USC 148).

The National Highway System funds are retained for interstate highways and freeways. The Metropolitan Planning and Statewide Planning & Research funding is retained by the state for its use, and none of these funds are re-distributed to local and regional governments. Funds from the Surface Transportation and Highway Safety Improvement programs (STP) are distributed to the state, through the Safe, Accountable, Flexible and Efficient Transportation Equity Act (SAFETEA formerly TEA-21). States may use these funds for state projects or as pass-through grants to local and regional governments for capital improvements. Both I-5 and SR 503 are on the state highway system and, therefore, eligible for funding through the Surface Transportation Program. In 2003 Woodland received \$740,000 in STP funding for its Davidson Avenue project.

##### **3.1.2 Department of Housing and Urban Development (HUD)**

HUD distributes funds to states through its formula grant program, Community Development Block Grant (CDBG), which funds technical assistance and construction for infrastructure projects, including transportation. A minimum of 70% of these funds must serve low- and moderate-income communities or address urgent safety concerns. In Washington, the state Community, Transportation and Economic Development department (CTED) administers the CDBG program for local governments with a population of less than 50,000. Since 2003 Woodland has received a total of \$583,747 in CDBG grants for its Bozarth Street, Dike Road, and Dunham Avenue improvement projects.

##### **3.1.3 Economic Development Administration (EDA)**

The EDA sponsors grants for projects that attract new industry and encourage business expansion. Eligible projects include facilities construction such as access roads for new

commercial and industrial uses. To date, Woodland apparently has not qualified for these funds.

## 3.2 STATE FUNDING

The State of Washington Department of Transportation, operating under the direction and concurrence of the Governor's Office, the Transportation Commission, and the Senate and House Transportation Committees, collects taxes and fees dedicated to transportation purposes. The Washington State Transportation Improvement Board (TIB) and Department of Community, Trade, and Economic Development (CTED) administer the federal grants for transportation improvements that are in part shared with cities and counties. These same bodies biannually craft a spending plan for the revenues, many of which include projects originating from cities such as Woodland. Over the years, the need for special purposes and special interests has resulted in a complex array of funding possibilities for Woodland. To understand its funding options, we must first outline the State's funding.

Washington State's Transportation Budget includes three major funds with multiple accounts: the Motor Vehicle Fund with fourteen accounts, the Multimodal Transportation Fund with nine accounts, and Other Funds with only two accounts. Table 3-1 describes the funds and their primary sources of revenue. Table 3-2 identifies the taxes and fees from which revenues are generated for the funds and accounts shown in Table 3-1. Table 3-2 shows the accounts to which the revenues are deposited. These programs are administered by TIB and WSDOT.

In addition to these state dedicated Department of Transportation (DOT) sources of revenues, funds and accounts, the State provides loans for transportation projects through the Public Works Board (PWB), the Transportation Improvement Board (TIB), and the Community Economic Revitalization Board (CERB).

### 3.2.1 Washington State Department of Transportation (WSDOT)—Transportation Funds, Accounts, Taxes and Fees

Table 3-1 below lists the various State transportation funds and accounts that contribute to funding of capital transportation improvements. Table 3-2 lists the transportation sources of revenues from taxes and fees.

The state distributes the collection of state and federal pass-through money under the auspices of three policy boards: the Public Works Board (PWB), the Transportation Improvement Board (TIB), and the Community Economic Revitalization Board (CERB). Each of these boards receives loan and grant requests from local and regional governments.

### 3.2.2 Public Works Board (PWB)—Loan Applications

Four types of loans are available for financing transportation capital improvements.

- *Trust Fund Planning Loan.* This zero percent loan gives local governments the funding necessary to plan capital facilities projects
- *Trust Fund Planning Program.* This program provides low-interest loans to finance capital facilities plans. Eligible projects include roads and bridges.
- *Trust Fund Pre-Construction Loan.* This low-interest loan pays for the pre-construction phase of infrastructure projects—final engineering, land acquisition, and financing.

**Table 3-1. State of Washington Transportation Funds and Accounts, 2006**

Fund	Account	Source(s) of Revenue	Permitted Uses and Restrictions
<b>Motor Vehicle Fund</b>			
MV1	Motor Vehicle	37.5% of gas tax, vehicle licenses, permits, & fees	State DOT highway programs and Department of Licensing programs
MV2	Transportation 2003 account (Nickel)	\$0.05 of the gas tax or 16.5% of gas tax revenues, portion of gross weight fees on trucks	Dedicated to specific projects identified in the 2003 funding package
MV3	Special Category C account	2.7% of gas tax	Special high-cost projects that require borrowing; annual appropriation used to pay debt service
MV4	State Patrol Highway Acct	\$30 new and renewal vehicle registration fee; 23.677% of combined licensing fee; 50% of \$10 terminal safety inspection fee	Highway activities of WA State Patrol
MV5	Dept of Licensing Services Acct	\$0.50 fee on vehicle registrations	Information and service delivery systems of the DOL and reimbursement of county licensing activities
MV6	Puget Sound Capital Construction Acct	2.0% of gas tax	Ferry vessel and terminal construction programs
MV7	Puget Sound Ferry Operations Acct	1.9% of gas tax; 1.521% of combined licensing fee; ferry fares	Operations and maintenance of WA State Ferry System
MV8	Transportation Improvement Acct	4.77% of gas tax	Local grants for projects addressing congestion caused by economic development or growth
MV9	Urban Arterial Trust Acct	6.4% of gas tax	Local grants for construction and improvement of arterials within cities and county urban areas
MV10	Rural Arterial Trust Acct	2.1% of gas tax	Local grants for construction and reconstruction of county arterials and collectors in rural areas
MV11	County Arterial Preservation Acct	1.6% of gas tax	Preservation of county paved arterials
MV12	Recreational Vehicle Acct	\$3 surcharge collected from RV owners at annual registration	Construction and maintenance of RV sanitary disposal systems at rest areas on federal-aid highways
MV13	Puyallup Tribal Settlement Acct	Treasury deposit earnings	Roadway improvements in the SR 509 corridor (Tacoma tide flats)
MV14	Highway Infrastructure Acct	Federal funds and loan repayments	Support for issuance of public or private debt, credit enhancements for debt, and direct loans to public or private entities

**Table 3-1. State of Washington Transportation Funds and Accounts, 2006 Continued**

Fund Account	Source(s) of Revenue	Permitted Uses and Restrictions
<b>Multimodal Transportation Fund</b>		
MT1 Multimodal Transportation Acct	Car rental tax; \$2 motor vehicle filing fee; interest on emergency reserve acct	General transportation purposes; not subject to 18th Amendment restrictions
MT2 Essential Rail Assistance Acct	General Fund bond proceeds; loan repayments	Preservation of current rail lines or corridors for future rail service
MT3 Highway Safety Acct (Highway Safety Fund)	Driver-related licenses and fees	Driver-related DOL programs; state match for Traffic Safety Commission federal grants
MT4 Motorcycle Safety Education Acct	Motorcycle operator license fees	Motorcycle driver licensing and safety education
MT5 Aeronautics Acct	\$0.10 aircraft fuel tax; \$15 aircraft registration fee; \$7 of aircraft pilot registration fee; 10% of aircraft excise tax	Supports DOT's Aviation Division and state and local airports
MT6 Aircraft Search and Rescue Safety and Education Acct	\$8 of aircraft pilot registration fee	Search and rescue of lost and downed aircraft; aviation safety and education
MT7 Impaired Driving Safety Acct	63% of \$150 drivers license reinstatement fees for alcohol- and drug-related driving arrests	Projects to reduce impaired driving; offsets local law enforcement costs related to impaired driving and boating
MT8 Pilotage Acct	Vessel pilot license fees	Licensing of marine pilots in Puget Sound and adjacent waterways, Grays Harbor and Willapa Bay; supports Board of Pilotage Commissioners
MT9 Washington Fruit Express Acct	Charges and misc revenue	Operations of the Washington fruit express and east-west passenger rail
<b>Other Funds</b>		
O1 Grade Crossing Protective Acct	80% of treasury deposit earnings	Installation and maintenance of railroad signals and administration costs of Utilities and Transportation Commission
O2 School Zone Safety Acct	Speeding fines in school zones	Used by community organizations for safety improvements near school zones

Source: State of Washington, Legislative Transportation Committee, *Transportation Resource Manual*

**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate 2005-07	Forecast 2007-09		% Total
Motor Vehicle Fuel Tax and Special Fuel Tax	Gas and diesel consumers	\$0.34/gal thru 6/30/07; \$0.36/gal 7/1/07-6/30/08; \$0.375/gal 7/1/08-	MV1; MV2; MV3; MV6; MV7; MV8; MV9; MV10; MV11; other - unclaimed nonhighway use refunds	Admin; refunds/transfers; city streets; county roads; funded programs; ferry operations; ferry capital construction; state highways;	\$2,098,000,000	\$2,528,000,000	60.53%	\$389.64
Combined Licensing Fee	Vehicle owner: trucks ≥4,000 lbs gross wt; commercial trailers; prorated trailers; vehicles (interstate)	\$40 - \$3,402/yr for trucks (based on gross wt) + proportionate share of fee for miles driven in WA for prorated trucks; \$36/yr for commercial trails + \$36 one-time fee for trailers registered in combination with power units > 40,000 lbs	Multimodal Transportation (County) - \$2; remainder - MV1 59.5%; MV4 22.36%; MV7 1.38%; MV2 5.24%; Transportation Partnership 11.53%	Highway-related purposes; State Patrol; WA State Ferries	\$323,000,000	\$349,000,000	8.36%	\$53.79
Ferry Fares	People using ferries	Set by Transportation Commission; may change during biennium	MV7	Ferry system operations	\$290,451,000	\$314,462,000	7.53%	\$48.47
Motor Vehicle Registration Fee	Vehicle owners, excluding personal trailers and combined licensing vehicles based on gross wt	\$30/yr	1st year: MV4 \$20.35; MV7 \$2.02; MV1 \$7.63. Annual renewal: MV4 \$20.35; MV7 \$0.93, MV1 \$8.72	State Patrol; ferry operations; highway-related purposes	\$284,000,000	\$297,000,000	7.11%	\$45.78
Driver License Fee	Drivers	\$25 per 5-yr license	MT3	General government and driver-related purposes	\$111,528,725	\$112,778,200	2.70%	\$17.38
Vehicle Weight Fee	Vehicles licensed under 46.16.0621	Weight fee minus \$30 basic fee (most passenger vehicles are	Freight Mobility Multimodal - \$6 million; MT1 -	Mitigates impact of vehicle loads on state roads and	\$77,400,000	\$111,400,000	2.67%	\$17.17



**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate 2005-07	Forecast 2007-09		% Total
Driver License Examination Fee	Individuals applying for new license	\$20/exam	MT3	Driver-related programs	\$18,474,197	\$19,618,000	0.47%	\$3.02
Special Permit Fee for Oversize/Overweight Movements	Oversize/Overweight vehicles using state highways	Oversize: \$10/single trip, \$10-\$20 per 30-day permit, \$100-\$150 1-year permit; overweight: \$70-\$90 per 30-day permit; overweight garbage trucks \$42/1000 lbs; oversized farm equipment: farmers \$10 for 3 mo, \$25 for 1 yr; sales, repairs \$25 for 3 mos, \$100 for 1 yr	MV1	Highway-related purposes	\$14,500,000	\$12,800,000	0.31%	\$1.97
Motor Home Weight Fee	All motor homes	\$75/yr	MT1	Mitigates impact of vehicle loads on state roads and highways	\$8,700,000	\$12,000,000	0.29%	\$1.85
ReflectORIZED Plate Fee	Vehicle owners	\$2/plate	MV1	Highway-related purposes	\$9,400,000	\$11,300,000	0.27%	\$1.74
Single-Axle Trailer Fee	Private-use single-axle trailers ≤2000 lbs	\$15/yr	MV1 59.5%; MV4 22.36%; MV7 1.38%; MV2 2003 5.28%; Transportation Partnership 11.53%	Highway-related purposes; State Patrol; WA State Ferries	\$8,700,000	\$10,600,000	0.25%	\$1.63
Driver License Reinstatement Fee	Drivers who have had licenses suspended	\$75 (nonalcohol related offense); \$150 (alcohol-related offense)	MT3; MT7	Driver-related programs	\$7,732,731	\$10,528,700	0.25%	\$1.62
Driver Instruction Permit	Individuals learning to drive	\$20/permit	MT3	Driver-related programs	\$8,097,370	\$7,671,300	0.18%	\$1.18
Trip Permit Fee and Surcharge	Vehicle owners temporarily	\$20 (\$3 filing fee; \$11 admin fee; \$1 excise	\$20 (MV1 \$16; MT3 \$3;	Highway-related purposes; drivers	\$6,700,000	\$7,100,000	0.17%	\$1.09

**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate 2005-07	Forecast 2007-09		% Total
Duplicate Driver License Fee	moving unlicensed vehicle Individuals replacing lost/destroyed permits, ID cards, licenses	tax; \$5 surcharge) \$15 per license/permit/ID card	General Fund \$1) MT3	programs; general government Driver-related programs	\$7,484,555	\$7,023,900	0.17%	\$1.08
Personalized Plates	Vehicle owners	\$40 first year; \$30/yr thereafter; \$10 transfer	Wildlife Fund (transfer fee MV1)	DOL admin costs; DFW wildlife protection and enhancement	\$5,900,000	\$6,700,000	0.16%	\$1.03
Vessel Registration Fee	Owners of registered vessels	\$10.50/yr	General Fund	Revenue >\$1.1 million/FY is allocated to counties for boating safety and education programs	\$6,200,000	\$6,300,000	0.15%	\$0.97
Aircraft Fuel Tax	Aircraft fuel users	\$0.11/gal	MT5	Aviation Division administration; airport construction / maintenance; local airport aid	\$5,498,494	\$5,977,300	0.14%	\$0.92
Commercial Driver License	Operators of specialized vehicles (large trucks, buses, etc)	\$10 instruction permit; \$25 drivers license; \$30 every 5 yrs \$10/vehicle; fee	MT3	Commercial drivers license administration	\$3,240,339	\$3,325,100	0.08%	\$0.51
Commercial Vehicle Safety Inspection Fee	Commercial motor vehicle carriers with WA terminals	apportioned for interstate vehicles operating under International Registration Plan	MV4	Highway-related purposes	\$3,100,000	\$3,200,000	0.08%	\$0.49
Off-Road Vehicle Use Permit	Off-road vehicle owners	\$18/annual permit; \$7 for 60-day temporary permit; \$10 transfer fee	Nonhighway and Off-Road Vehicle Activities:	Outdoor recreation and highway-related purposes	\$3,057,427	\$3,164,200	0.08%	\$0.49

**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate	Forecast		
					2005-07	2007-09	Total	
Motorcycle Endorsement Fee/Instruction Permit	Motorcycle drivers	\$10 initial endorsement + \$5 exam fee; \$25 renewal every 5 yrs; \$15 instruction permit	NOVA Acct 82%: Motor Vehicle 18%	Motorcycle safety education	\$2,991,170	\$3,026,800	0.07%	\$0.47
Vehicle Dealer (Group IV)	Businesses that sell / manufacture vehicles (see also hulk haulers, scrap processors, wreckers, tow truck operators, transporters)	Orig: dealer (principal) \$750, dealer (subagency) \$100, dealer (temp subagent) \$125, manufacturer \$750. Annual renewal: dealer (principal) \$250, dealer (subagency) \$25, manufacturer \$250	MT4	Highway-related purposes	\$2,900,000	\$2,800,000	0.07%	\$0.43
Farm Vehicle (On-Road) Gross Weight Fee	Farmers (vehicles transporting own or neighboring farmer's products)	Combined licensing fee, less \$23, divided by two, plus \$23; paid annually	MV1	Highway-related purposes	\$2,300,000	\$2,300,000	0.06%	\$0.35
Collegiate License Plates	Collegiate plate purchasers	\$40 first yr; \$30/yr thereafter	MV1	\$2 admin (\$12 for initial plates); remainder less cost of production goes to corresponding collegiate license plate funds	\$1,121,440	\$1,263,700	0.03%	\$0.19
Natural Gas and Propane Fee	Vehicles powered by natural gas or propane	Indexed annual fee, by gross wt: \$145.63 per vehicle up to 6,000 lbs. to \$786.25 >36,001 lbs	MV1	Highway-related purposes	\$866,000	\$1,002,000	0.02%	\$0.15
Monthly Combined Licensing Fee	Vehicle owners purchasing licenses for <1 yr, for vehicles with a gross wt >12,000 lbs	Monthly portion of combined licensing fee + \$2 admin fee + \$2/mo in use	MV1	Highway-related purposes	\$1,100,000	\$1,000,000	0.02%	\$0.15

**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate 2005-07	Forecast 2007-09		
International Fuel Tax Agreement Decal	Motor carriers	\$10/yr per set of decals	MV1	18th Amendment funds to be used for highway purposes	\$694,483	\$731,500	0.02%	\$0.11
Aircraft Excise Tax	Aircraft owners	\$20 to \$150 per aircraft per year	General Fund 90%; MT5 10%	General Fund 90%; DOT Aviation Division 10%	\$568,252	\$579,292	0.01%	\$0.09
Mobile Home Title Elimination Fees	Applicant for vehicle elimination title when mobile home is affixed to land	\$25/application	MV1	Highway-related purposes	\$533,354	\$548,400	0.01%	\$0.08
Special Fuel Single Trip Permit	Commercial special fuel users in state max 3 days	\$25 (\$1 filing fee; \$10 admin fee; \$9 excise tax; \$5 surcharge)	MV1	Highway-related purposes	\$524,000	\$524,000	0.01%	\$0.08
Occupational Driver License Fee	Drivers who have had licenses suspended for work-related purposes	\$100/app	MT3	Driver-related programs	\$585,851	\$449,800	0.01%	\$0.07
Vessel Pilot License Fee	Pilots licensed to pilot out-of-state ships through WA waters	\$3,000/yr	MT8	Board of Pilotage Commissioners admin and operations	\$318,000	\$318,000	0.01%	\$0.05
Stadium License Plates	Commemorative baseball stadium plates	\$40 first year; \$30/renewal + regular registration fees	DOL - \$2 admin (\$12/initial plates); MV1 - admin costs; remainder - King County (pmt of debt service)	Highway-related purpose; repay bonds to construct stadium	\$264,930	\$275,100	0.01%	\$0.04
Camper Registration Fee	Vehicle owners	\$4.90 first year; \$3.50/yr thereafter	MV1	Highway-related purposes	\$215,491	\$223,400	0.01%	\$0.03
Aircraft Registration Fee	Aircraft owners	\$15/yr per aircraft	MT5	DOT Aviation Division	\$174,321	\$177,707	0.00%	\$0.03

**Table 3-2. State of Washington Transportation Sources of Revenues from Taxes and Fees**

Name	Taxes	Tax Rate	Account	Use	Biannual Revenue		Per Capita Population <sup>^</sup>	
					Estimate 2005-07	Forecast 2007-09		% Total
For-Hire Business Permit and Vehicle Certificate	Owners of for-hire businesses and vehicles	Business permit \$5 (one-time charge); vehicle certificate \$20/yr	MT3	Driver-related programs	\$80,527	\$83,779	0.00%	\$0.01
Tow Truck Capacity Fee	Fixed-load vehicle equipped for lifting/towing	\$25/yr + basic motor vehicle registration	MV1	Highway-related purposes	\$79,500	\$80,800	0.00%	\$0.01
Farm Vehicle Licensing Fee	Owners of farm vehicles incidentally used on public highways	\$5 one-time charge; valid as long as vehicle is used as farm vehicle	MV1	Highway-related purposes	\$16,000	\$16,000	0.00%	\$0.00
International/Nonresident Vessel ID Fee	Vessels owned by nonresidents in WA no more than 6-months in a continuous 12-month period	\$30/issuance	Treasurer's Office	Allocated to counties for approved boating safety programs	\$13,142	\$12,000	0.00%	\$0.00
Aircraft Dealers License Fee	Aircraft dealers	\$75/yr; \$10/yr ea add'l certificate	MT5	Administration for Aeronautics Division of DOT	\$8,070	\$8,070	0.00%	\$0.00
Farm Vehicle Trip Permit Fee	Farm vehicles - alternative to monthly fee for 1st partial month	\$6.25/partial month, up to 4 per year	MV1 59.5%; MV4 22.36%; MV7 1.38%; MV2 5.24%; Transportation Partnership 11.53%	Highway-related purposes; State Patrol; WA State Ferries	\$2,246	\$3,792	0.00%	\$0.00
Totals					\$3,619,660,022	\$4,176,453,940	100%	
Per Capita								\$644

<sup>^</sup> State of Washington, Office of Financial Management, estimate as of April 1, 2007

- *Trust Fund Construction Loan.* This is a revolving low-interest loan (0.5% to 2% depending on local match) that allows local governments to finance critical public works projects such as road repair, replacement and improvements.

### 3.2.3 Transportation Improvement Board (TIB)—Grant Applications

#### 3.2.3.1 Matching Grants

The state Transportation Improvement Board (TIB) provides the local match for federal SAFETEA grants under the Surface Transportation and Highway Safety Improvement programs. These formula grants are authorized under the Intermodal Surface Transportation Efficiency Act (ISTEA) and SAFETEA.

#### 3.2.3.2 Small City and Urban Programs

Washington State has implemented the Small City Program and Urban Program for local government transportation funding. These programs are administered and funded by TIB. Cities with a population under 5,000 are eligible for Small City grants; urban areas with populations of 5,000 or more are eligible for Urban Program grants.

The state’s official population estimate for Woodland is 4,960 as of April 2007. At the rate Woodland is growing, it will exceed 5,000 people by the end of this year, 2007. As a result, the City’s eligibility for TIB grants will change from the Small City Program to the Urban Program, impacting the funding available to the City. For this reason we are outlining the differences between the two programs.

**Table 3-3. Number of Cities by Population Categories**

Size by Population	Cities		Population in Cities by Size	
	Number	%	Population	%
Less than 5,000	169	60%	247,110	6%
5,000 or more	112	40%	3,727,085	94%
Totals	281	100%	3,974,195	100%

Source: State of Washington Estimates as of April 2007.

#### Small City Grants

The Small City sub-programs are as follows:

- *Small City Arterial Program (SCAP).* This program is funded largely by a federal SAFETEA formula grant for projects that improve safety and roadway conditions. The federal program requires a 20% match, a portion of which is provided by the State of Washington. In 2003, Woodland received \$115,490 in matching grants from TIB for its Davidson Avenue project.
- *Small City Preservation Program (SCPP).* TIB provides funding for rehabilitation and maintenance of the small city roadway system, in some cases in partnership with WSDOT or county paving projects.
- *Small City Sidewalk Program (SCSP).* This TIB grant provides funding for sidewalk projects that improve safety and connectivity. From 2003-2006, TIB provided a total of \$104,661 for the Woodland Sidewalk project.

## Urban Grants

The Urban Programs are funded through the 3-cent tax and local financial participation. Except for the Sidewalk Program, a match of 10-20% is required depending on assessed value of the local agency. Urban Programs are as follows:

- *Urban Arterial Program (UAP)*. The UAP receives a portion of the 1.7 cents distributed into the Urban Arterial Trust Account from the state's MVFT. TIB grants are for roadway projects that improve safety and mobility.
- *Urban Corridor Program (UCP)*. This program receives 1.3 cents from the state's MVFT, and approximately 20 percent of the funds are used for debt service. UCP projects are typically larger and often cross jurisdictional boundaries, requiring a great deal of coordination. TIB provides grants for roadway projects that expand capacity. Projects are typically funded by multiple partners.
- *Sidewalk Program (USP)*. State funds for the Urban Sidewalk Program are shared with the Small City Program. Grants fund sidewalk projects that improve safety and connectivity. Urban areas with a population over 500 provide a 5% match.

## Other Grants

Other grant programs include the following:

- *Route Jurisdiction Transfer (RJT)*. This program is funded by 1% of the funds distributed to cities through direct distribution. Cities with a population less than 20,000 are eligible for funding to offset the extraordinary costs associated with the transfer of a roadway.
- *Route Transfer Program (RTP)*. RTP grants are funded in part by the FTA Flexible Funding program. The state contributes 1% of the funds distributed to cities through direct distribution. Funds are used to rehabilitate state highways that are transferred to local jurisdictions. Only cities with a net gain in cost responsibility and which have a population of 15,000 are eligible to participate.

## 3.2.4 Community Economic Revitalization Board (CERB)—Loan Applications

### 3.2.4.1 Local Infrastructure Finance Tool (LIFT)

This tool is primarily aimed at economic development through improved infrastructure—sewer and water systems, streets, and storm drainage. Capital transportation improvements are also eligible to the extent they are needed to attract private investment in a local economy (as measured by the number of new jobs).

A city the size of Woodland can use the tool, as can counties, Tribal governments, or a combination of local governments. The local government must establish a specific geographic Revenue Development Area (RDA) that may be a whole city or portion of a city with an average assessed value not more than \$70 per square foot—an indication of an economically depressed area.

After setting up the RDA, the city (or other local government) borrows money from CERB and promises to repay the loan over the next 25 years from increased property tax revenues. Capital improvements are expected to induce new private investments, which in turn are expected to increase assessed value of the taxable land in the RDA and to increase the number of jobs. As the assessed value increases, so do the annual tax revenues. The increase in tax revenues between the formation of the RDA and the completion of the capital

improvement is then pledged to repay the loan. The maximum loan amount per project is \$1 million.

CERB limits funding to one project per county with two exceptions: (1) counties with an identified pilot project may be allowed an additional project; and (2) cities that are in more than one county, such as Woodland, may receive funding for two projects—one in each county.

Applications from local governments are accepted annually in June, and CERB awards loans based on the merits of the applications.<sup>1</sup> In 2007, the legislature capped the total cost of all LIFT projects at \$7.5 million.

### **3.3 ROLE OF THE COWLITZ-WAHKIAKUM COUNCIL OF GOVERNMENTS (CWCOG)**

The Cowlitz-Wahkiakum Council of Governments (CWCOG) is a voluntary regional organization, assists its members in development of long-range regional transportation plans. It serves as the Longview-Kelso-Rainier Metropolitan Planning Organization (MPO) and the Southwest Washington Regional Transportation Organization with responsibilities to coordinate and develop the Regional Transportation Plan, of which Woodland is a part. CWCOG is a resource to and assists its members with federal and state funding for transportation projects.

### **3.4 SUMMARY**

In summary, the City depends heavily on federal and state grants to fund its capital improvements. The sources of these grants is complicated by the array of federal programs earmarked for special transportation purposes and by the process and further delineation of program purposes by the state agencies responsible for transportation funding. The complexity of the funding is not likely to be reduced and the array of programs is likely to change as priorities for transportation purposes change.

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<sup>1</sup> Presumably, a number of applications would be received each year—there are 509 potential local governments with less than 50,000 population that may qualify to apply to the CERB for a LIFT project.

## 4. FUTURE FUNDING AND CONSTRAINTS

The City could adopt new charges and become more of a partner with private developers to increase funding of capital improvements. In a preliminary evaluation of the City's current finances and legal means of assessing charges, we have identified three possible new sources of revenues.

### 4.1 TRANSPORTATION BENEFIT DISTRICTS (TBD)

In July 2007, the Washington State Legislature amended a 1987 law (RCW 36.73) that authorizes the formation of Transportation Benefit Districts (TBDs). TBDs are independent taxing districts that provide local governments the option of imposing taxes and fees to fund transportation improvements. Historically, counties have had exclusive authority to form TBDs. However, the July 2007 amendment allows cities to form TBDs, as well—either alone or jointly with counties to address inter-jurisdictional needs.

#### 4.1.1 Eligibility

TBD projects must meet the following requirements: (1) they must be identified in a local, regional or state transportation plan, and (2) must address increased congestion levels, either existing or foreseen. Eligible improvements include maintenance or construction of roads and public transportation facilities, and implementation of traffic management plans.

Additionally, (1) revenue rates cannot be increased without voter approval; (2) a public hearing must be held to resolve project costs that exceed 20% of the original approval; (3) TBDs must issue annual reports that include cost status, revenues, expenditures and construction schedules; and (4) they must be dissolved after project completion.

#### 4.1.2 Revenue Options

Until July 2007, all TBD-imposed taxes and fees required voter approval. Now, under certain circumstances, taxes and fees may be imposed without a public vote.

Voter-approved revenue options include the following, and may not be increased without a subsequent vote:

1. Property Taxes (1-year excess levy);
2. Sales and Use Tax (up to 0.2%);
3. Vehicle Fees (annual fees up to \$100 per vehicle registered in the district); and
4. Vehicle tolls.

Revenue options that are *not* subject to voter approval follow, along with the conditions listed below:

1. Vehicle Fees (annual fees up to \$20 per vehicle); and
2. Transportation Impact Fees (commercial and industrial uses only).

*Conditions for revenue not subject to voter approval:*

- TBD's boundaries must be county- or city-wide.
- The TBD-imposed \$20 vehicle fee must first attempt to be shared with cities through an Interlocal Agreement. If an agreement is not reached, the fee may be imposed only in unincorporated areas of the county.
- Credits must be provided for previously-imposed TBD vehicle fees. (These credits are not required for voter-approved fees.)

- If a county or city imposes Transportation Impact Fees (discussed below), credits must be provided for commercial and industrial TIFs that have been previously imposed by the respective city or county.

## 4.2 TRANSPORTATION IMPACT FEES (TIF)

Presently, the City does not have a transportation system development charge. It does have SDCs for sewer, water, parks, schools, police, and fire.

This source of revenue would impose a charge on any new real estate development that increases traffic flow, including expansion of existing uses and conversion of a building use from a use with low-traffic intensity to higher intensity (e.g., a professional office building converted to a drive-through bank). Under Washington law, the City would need to develop a methodology that justifies the amount and application of the SDC and adopt it by ordinance.

The fee must be reasonably related to new development and proportional to the impact of new development on the transportation system. The revenues can be spent only for the transportation purposes they were collected for, and cannot be used for improvements that remediate an existing deficiency. The money must be spent in a reasonable amount of time, and they cannot be used for O&M.

Since Woodland is growing, an SDC could produce significant revenue to use as match for larger grants.

## 4.3 LATECOMER AGREEMENTS

The City can adopt late comer agreements to help new developments recoup their cost of building roadways that exceed the needs of their own developments. In these agreements, a private developer builds a roadway that links its development to the rest of the street system but in the process builds roadways that benefit other nearby properties. The City can act as a banker or broker by collecting a proportionate fee from these other nearby properties when they develop and pass the money through to the original developer. The City typically retains a small percentage of the payments to recoup its cost of administration.

Agreements of this nature are few because the original development must be large enough to afford the original investment in roadways, and to be able to front the money for the construction. The affected parties, including the City, developer, and owners of nearby property, must agree on a formula to distribute the cost of the roadway to all of the parties.

## 4.4 GENERAL OBLIGATION BONDS

Within its bonding limitations, the City can issue general obligation (GO) bonds to construct transportation improvements and repay the bonds with special property tax assessments. It can issue two types of GO bonds—Non-voted and voted.

Non-voted bonds do not require a vote of the electorate, but the amount of the outstanding bonds is limited to 1.5% of the City's assessed value. The City may not assess additional property taxes to repay these bonds. It has to use its general property tax revenues; therefore, by issuing bonds it reduces the amount of cash available annually for other city uses.

Voted bonds require an affirmative vote of the public and the outstanding bonds are limited to 2.5% of the Assessed Value. To repay these bonds, the City may assess additional property taxes up to the total annual amount of the principal and interest due.

In 2007, the City's Assessed Value is \$449,287,628, so the maximum bonds it could issue would be \$6,739,314 for non-voted bonds and \$4,492,876 for voted bonds. This limitation applies to all uses of GO bonds issued by the City.

The City has \$955,674 outstanding in non-voted bonds as of December 31, 2006. This year the remaining bond capacity is approximately \$10.3 million. As the City repays current bonds and as the assessed value increases, the bonding limit in dollars also increases.

**Table 4-1. General Obligation Bonding Limits**

Type of GO Bond	Assessed Value		GO Limit	Outstanding	Balance
	2007	Tax Limit			
NonVote	\$449,287,628	1.50%	\$6,739,314	(\$955,674)	\$5,783,640
Vote	\$449,287,628	1.00%	4,492,876		4,492,876
Total		2.50%	\$11,232,191	(\$955,674)	\$10,276,517

In summary, as the strategic planning process continues, further research into these possible funding sources will be conducted, and evaluate will be made to identify options for using current revenues to pay for future capital improvements by using a combination of cash and future debts.



## **APPENDIX A**

**Cash Flow Combining Statements, 2003 - 2007**



2003

	104	307	310	315	316	318	320	323	2003 Combined Totals
	Streets	Dike Rd	Davidson Ave	Bozarth St	SR 503	Dunham Ave	TIB Sidewalks	Schurman Way	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Property tax, City	220,604								220,604
Fuel tax (shared from state)	82,217								82,217
Street / Curb permits	6,120								6,120
Payments to suppliers / contractors (prof svcs)	2,106								2,106
Payments to employees (salaries+benefits)	221,113								221,113
Operating expenses	173,180								173,180
Net cash from operating activities	(87,458)	-	-	-	-	-	-	-	(87,458)
<b>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</b>									
Miscellaneous receipts	183								183
Other non-revenue									
Project management	204,487		455,000			50,000			709,487
Interfund transfers in	(431,000)		(16,000)	(13,770)					(460,770)
Interfund transfers out									
Net cash from non-capital financing activities	(226,330)	-	439,000	(13,770)	-	50,000	-	-	248,900
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition of property, plans and equipment (capital outlay)	(3,656)								(3,656)
Payments to suppliers and contractors (professional svcs)						(1,938)	(708)		(2,646)
Capital Improvement expenses (construction, engineering, admin)			(1,177,344)						(1,177,344)
Interfund loan - principal paid out	(34,000)			(49,116)					(83,116)
Interfund loan - interest paid				(3,158)					(3,158)
Interfund loan - principal received			33,000				1,000		34,000
Interfund loan - interest earned									-

Proceeds from grants	701,155	66,000								767,155
Net cash from capital and related financing activities	(37,656)	(443,189)	13,726	(1,938)	292					(468,765)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Interest on investments	3,968	60	8	1,019	212					5,267
<b>NET INCREASE (DECREASE) IN CASH – 2003</b>	(347,476)	(4,129)	(36)	1,019	48,274	292				(302,056)
<b>CASH, BEGINNING OF YEAR</b>	453,953	4,608	44	57,038	-	-				515,643
<b>CASH, END OF YEAR</b>	106,477	479	8	58,057	48,274	292				213,587
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Property tax, City	212,477									212,477
Fuel tax (shared from state)	83,838									83,838
Street / Curb permits	2,935									2,935
Payments to suppliers / contractors (prof svcs)	2,545									2,545
Payments to employees (salaries+benefits)	224,335									224,335
Operating expenses	169,996									169,996
Net cash from operating activities	(97,627)	-	-	-	-	-	-	-	-	(97,627)
<b>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</b>										
Miscellaneous receipts	2,603									2,603
Other non-revenue	-									-



	Streets	Dike Rd	Davidson Ave	Bozarth St	SR 503	Dunham Ave	TIB Sidewalks	Schurman Way	2005 Combined Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Property tax, City	214,118								214,118
Fuel tax (shared from state)	88,453								88,453
Street / Curb permits	17,165								17,165
Payments to suppliers / contractors (prof svcs)	18,582								18,582
Payments to employees (salaries+benefits)	218,192								218,192
Operating expenses	106,898								106,898
Net cash from operating activities	(23,936)	-	-	-	-	-	-	-	(23,936)
<b>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</b>									
Miscellaneous receipts	1,435								1,435
Other non-revenue									-
Project management									-
Interfund transfers in	251,519	1,000							252,519
Interfund transfers out	(11,500)								(11,500)
Net cash from non-capital financing activities	241,454	1,000	-	-	-	-	-	-	242,454
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition of property, plans and equipment (capital outlay)	(11,246)								(11,246)
Payments to suppliers and contractors (professional svcs)		(2,831)				(11,000)	(1,950)		(15,781)
Capital Improvement expenses (construction, engineering, admin)		(93,603)				(20,000)	(97,997)		(211,600)
Interfund loan - principal paid out	(1,032)		(31,348)				(1,032)		(33,412)
Interfund loan - interest paid			(189)				(5)		(194)
Interfund loan - principal received	1,036						1,032		2,068
Interfund loan - interest earned									-
Proceeds from grants		96,169	62,209				88,953		247,331

Net cash from capital and related financing activities	(11,242)	(265)	30,672	-	-	(31,000)	(10,999)	-	(22,834)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest on investments	6,448	15	1,139	-	1,505	-	99	-	9,206
<b>NET INCREASE (DECREASE) IN CASH – 2005</b>	212,724	750	31,811	-	1,505	(31,000)	(10,900)	-	204,890
<b>CASH, BEGINNING OF YEAR</b>	105,048	-	-	-	49,017	65,052	11,105	-	230,222
<b>CASH, END OF YEAR</b>	317,772	750	31,811	-	50,522	34,052	205	-	435,112

	2006								
	104	307	310	315	316	318	320	323	2006 Combined Totals
	Streets	Dike Rd	Davidson Ave	Bozarth St	SR 503	Dunham Ave	TIB Sidewalks	Schurman Way	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Property tax, City	242,283								242,283
Fuel tax (shared from state)	101,568								101,568
Street / Curb permits	6,420								6,420
Payments to suppliers / contractors (prof svcs)	34,475								34,475
Payments to employees (salaries+benefits)	264,758								264,758
Operating expenses	218,889								218,889
Net cash from operating activities	(167,851)	-	-	-	-	-	-	-	(167,851)
<b>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</b>									
Miscellaneous receipts	24,548								24,548
Other non-revenue					50,000				50,000
Project management									-

Interfund transfers in	289,148	1,000	50,000	10,000	350,148
Interfund transfers out	(70,500)		(45,650)		(116,150)
Net cash from non-capital financing activities	243,196	1,000	100,000	10,000	308,546
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of property, plans and equipment (capital outlay)	(3,313)		(79,860)		(83,173)
Payments to suppliers and contractors (professional svcs)		(1,400)			(1,400)
Capital Improvement expenses (construction, engineering, admin)		(87,408)			(87,408)
Interfund loan - principal paid out					-
Interfund loan - interest paid					-
Interfund loan - principal received					-
Interfund loan - interest earned					-
Proceeds from grants		87,779	30,000		117,779
Net cash from capital and related financing activities	(3,313)	(1,029)	(79,860)	-	(54,202)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	16,712	15	1,410	9	21,702
<b>NET INCREASE (DECREASE) IN CASH – 2006</b>					
	88,745	(13)	21,919	9	108,195
<b>CASH, BEGINNING OF YEAR</b>	317,772	750	50,522	204	415,205
<b>CASH, END OF YEAR</b>	406,517	736	72,442	213	523,399
<b>2007</b>					
	104	307	310	315	320
					323

	Streets	Dike Rd	Davidson Ave	Bozarth St	SR 503	Dunham Ave	TIB Sidewalks	Schurman Way	2007 Combined Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Property tax, City	266,320								266,320
Fuel tax (shared from state)	118,014								118,014
Street / Curb permits	15,000								15,000
Payments to suppliers and contractors (professional svcs)	35,025								35,025
Payments to employees (salaries+benefits)	193,765								193,765
Operating expenses	162,790								162,790
Net cash from operating activities	7,754	-	-	-	-	-	-	-	7,754
<b>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</b>									
Miscellaneous receipts	1,000								1,000
Other non-revenue	33,436			200,000					233,436
Project management	16,000								16,000
Interfund transfers in	277,150						5,000	15,000	297,150
Interfund transfers out	159,108						(204)		(159,312)
Net cash from non-capital financing activities	168,478	-	-	-	200,000	-	4,796	15,000	388,274
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition of property, plans and equipment (capital outlay)	(58,950)				(25,000)		(55,000)		(138,950)
Payments to suppliers and contractors (professional svcs)		(736)			(75,000)			(20,000)	(95,736)
Capital Improvement expenses (construction, engineering, admin)								(90,430)	(90,430)
Interfund loan - principal paid out									
Interfund loan - interest paid									
Interfund loan - principal received									
Interfund loan - interest earned									
Proceeds from grants				100,000			50,000	100,000	250,000
Net cash from capital and	(58,950)	-	-	-	-	-	(5,000)	(10,430)	(75,116)

related financing activities

	(736)					
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						14,800
Interest on investments	14,000	-	-	500	-	300
<b>NET INCREASE (DECREASE) IN CASH – 2007</b>	131,282	(736)	-	200,500	-	4,870
<b>CASH, BEGINNING OF YEAR</b>	406,517	736	-	72,442	-	10,270
<b>CASH, END OF YEAR</b>	537,799	(0)	-	272,942	-	15,140
						335,712
						490,178
						825,889