



2016 CITY OF MUKILTEO
ANNUAL BUDGET



CITY OF
MUKILTEO

MAYOR JENNIFER GREGERSON
FINANCE DIRECTOR DOUG VOLESKY

11930 CYRUS WAY | MUKILTEO, WA 98275 • (425) 263-8000



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PRINCIPAL CITY OFFICIALS

Elected Officials

Mayor	Jennifer Gregerson
Council President	Bob Champion
Council Vice President	Steve Schmalz
Councilmember	Christine Cook
Councilmember	Richard Emery
Councilmember	Randy Lord
Councilmember	Ted Wheeler
Councilmember	Scott Whelpley

Executive Staff

Management Services Director	Chris Phillips
Finance Director	Doug Volesky
Planning & Community Development Director	Patricia Love
Police Chief	Charles Macklin
Fire Chief	Chris Alexander
Public Works Director	Rob McGaughey
Recreation & Cultural Services Director	Jennifer Berner



CITY ORGANIZATION STRUCTURE FOR CITY BUDGET

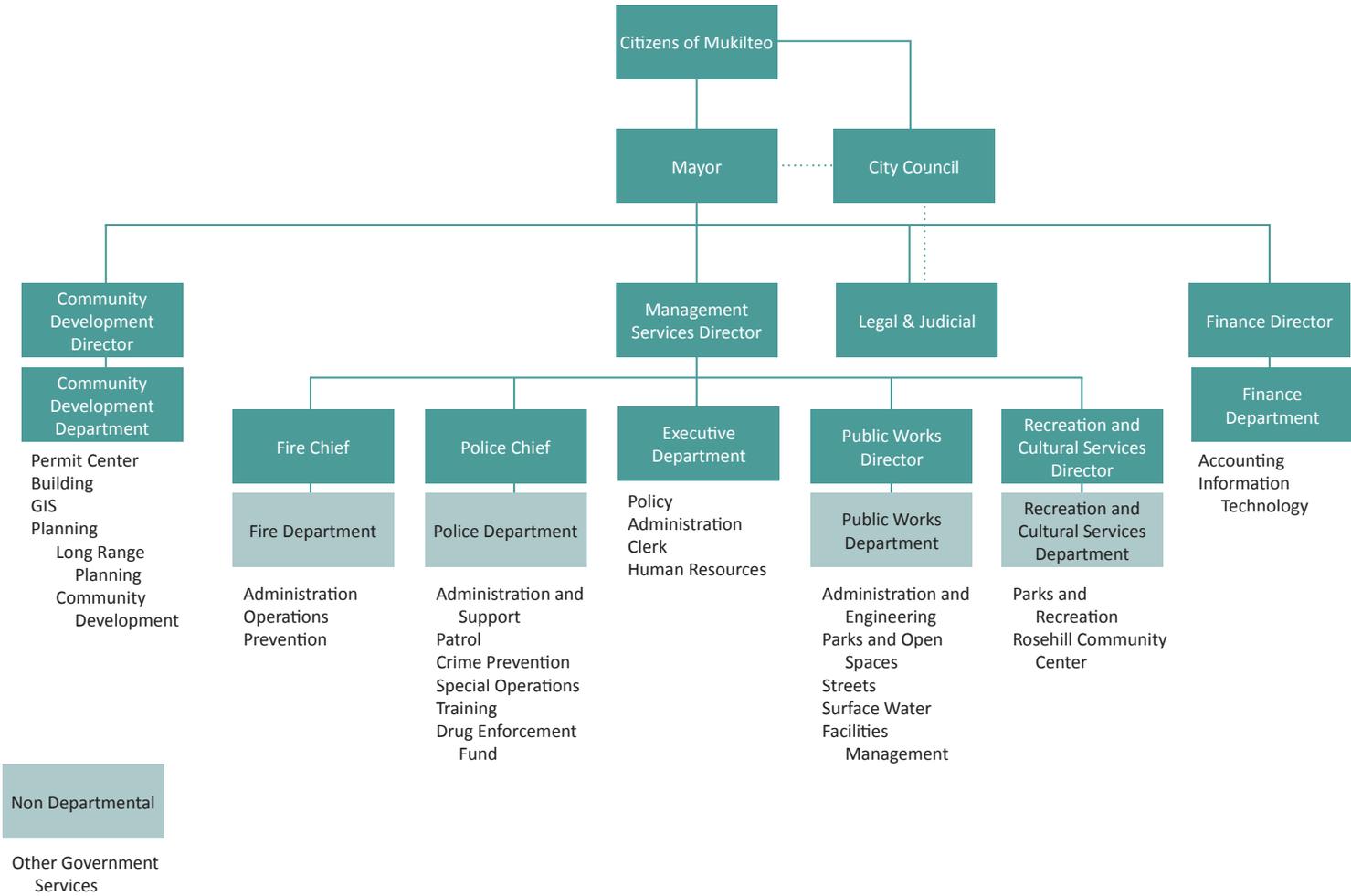


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CITY OF MUKILTEO

January 11, 2016

Re: Final 2016 Budget Message

Dear Mukilteo Residents and Members of the Public,

Mayor Gregerson and I would like to thank the City Council, City staff, and the public for the in-depth review of the preliminary budget as we worked to approve the final budget. The city Council held public hearings on the preliminary budget on November 2, 9, 10, 16, 23 and 30, where we heard from residents about various elements of the Mayor's proposal. We then held hearings on the final budget on November 30, December 2 and 7. In conjunction with these hearings, the Council's Finance Committee met to review the budget; Councilmembers asked hundreds of questions and received volumes of information from the City staff.

We are pleased to report that this in-depth review and partnership with the Mayor and the City staff resulted in thorough budget deliberations. We can all be proud of the rigor and analytical detail that the final budget has undergone. The process resulted in a budget which our residents can be assured is thoughtful and prudent.

The City Council did make changes to the preliminary budget and we would like to highlight some with further explanation. The initial budget proposal is described in the Mayor's Message.

The most significant changes the City Council made were in the city's revenue assumptions. While the Council appreciated the thoughtful review of the City's revenues by the Mayor and City staff, they determined it would be more prudent to lower the revenue expectations for 2016. Accordingly, the City Council reduced forecasted sales tax and development revenues by \$438,438 requiring changes to the proposed budget.

In making changes to compensate for lower revenue expectations, the City Council asked the city staff to review all departments for savings and reductions. The Council is grateful for the work of the department directors and we truly thank them for their efforts. The Council also looked for additional sources of revenue, since many of the expenditure cuts that were proposed would have led to reductions in the levels of city services.

The City Council chose to increase paid parking rates at the waterfront and the monthly charges for commuter parking spaces. Council also increased non-resident community center room rates. These revenue changes added \$163,400 in additional revenue to balance the reductions.

To balance the budget, the City Council did make expenditure reductions as well. Working with the City, Council eliminated the city newsletter, assumed a higher vacancy rate than the preliminary budget, delayed hiring a new assistant fire chief position, reduced overtime, travel

and training in the Fire Department, transferred two Parks workers to Surface Water duties for two months, and made several other changes which are summarized in the Final Budget.

The Council did add three additional expenditures into the Final Budget as well. Due to the expectations for public transparency, the City Council added funding for City-issued cell phones and tablets for Councilmembers to properly separate public and private business and ensure communications are available for public review. The Council also restored the large item pickup to an annual event, instead of a biennial event as proposed in the preliminary budget. Finally, the Council added funding for an annual event to honor volunteer board and commission members for their service to the City. The end result of these deliberations is a Final Budget that is balanced.

The Mayor and Council share a commitment to ensuring that General Fund expenditures do not exceed revenues. The Council accepted the Mayor's recommendation for a one-time \$500,000 spend down of the city's ending fund balance to capitalize a Facility Renewal Fund in preparation for the future capital needs of City facilities.

In closing, we thank you for your attention to this important document, the 2016 Budget. We are both committed to a budget process for 2017 that begins earlier and allows for thorough review and public input next year as well.

Sincerely,



Jennifer Gregerson
Mayor



Bob Champion
City Council President

CHANGES FROM PRELIMINARY BUDGET

<u>Revenue Changes</u>	<u>Preliminary</u>	<u>Revised</u>	<u>Change</u>
Sales Tax	\$ 2,794,000	\$ 2,500,500	\$ (294,000)
Other Taxes	510,206	475,618	(34,588)
Parking & Boat Launch Fees	518,575	661,975	143,400
Franchise Fees	691,352	697,195	5,843
Building & Other Permits	243,904	182,304	(61,600)
Other Intergovernmental Revenue	152,750	105,250	(47,500)
Development Revenues	156,300	108,050	(48,250)
Community Center Room Rentals	410,000	430,000	20,000
Total Revenue Changes			\$ (316,695)

<u>Budget Changes</u>	<u>Change</u>
Reduce Extra Ending Fund Balance Cushion	\$ (34,909)
Eliminate City Newsletter	(15,000)
Reduce Paine Field Legal Defense	(10,000)
Increase Vacancy Rate	(140,000)
Reduce Supplies & Misc. Charges in Finance	(15,000)
Delay Hiring New Assistant Fire Chief for two Months	(8,288)
Reduce Overtime, Travel & Training in Fire Department	(9,500)
Transfer two Parks Crew to Surface Water for two Months	(26,000)
Reduce Other Prof Services (Midtown Mukilteo/UW)	(6,000)
Eliminate General Fund Equipment Replacement	(50,000)
Eliminate Council Retreat Funding for Facilitator	(2,000)
Increase for Large Item Pickup	40,000
Increase for Boards, Commissions & Volunteer Appreciation	1000
Increase for Council Cell Phones	2000
Decrease Fire Department Emergency Generator	(50,000)
Reduce Tuition Reimbursement Expense	(15,000)
Total Budget Changes	\$ (338,697)

MAYOR'S 2016 BUDGET MESSAGE

November 14, 2015

Mukilteo City Council
City of Mukilteo
11930 Cyrus Way
Mukilteo, WA 98275

Dear Council President Champion and Members of the City Council:

I am pleased to present my second budget for your review and consideration. It builds on my first budget that focuses on continuing to make prudent financial decisions while investing in our community's priorities. The cornerstone of this budget is my vision for Mukilteo: I am committed to ensuring that we are a sustainable, well-run city with safe, strong neighborhoods.

My 2016 Budget outlines how we will pay for our essential City services while investing in important capital projects that will advance our community. Our residents, businesses and visitors rely on the City to protect public safety, maintain infrastructure and ensure that Mukilteo is a livable and vibrant community. I would like to outline some of the key priorities I have included in this budget.

Our budget is balanced. For the second year in a row, I am presenting a balanced budget that meets our needs without exceeding the resources we have available.

Take a break from tax increases. When I first took office, I promised that we would take a break from the tax increases we had seen in past years. This budget continues this promise. My budget does not propose any tax increases to support City services. While our revenue growth has continued, our costs continue to grow as well. This budget continues to trim costs where we can and redeploy resources to core priorities. In this way, we can continue to ensure that Mukilteo is an affordable place to live, work and do business.

Build a community partnership to empower our seniors. For several years, our older residents have been asking for a dedicated space for recreation, health, nutrition and cultural activities. Although this budget no longer includes funding to build a dedicated senior center space within the Mukilteo Boys and Girls Club's new Shin Center in Harbour Pointe, I am glad this conversation has been initiated, and I look forward to future opportunities to keep this concept on the table for discussion.

Align services with priorities. This budget proposes some reductions in service to trim costs and live within our means. As I have made these decisions, I have been guided by a priorities-based approach—we must target scarce resources to meet our community's most important needs. One realignment I am proposing is moving to a biennial large item pickup, which recognizes that the costs of this service have been increasing. By better aligning services and costs, we can ensure that our budget is on a sustainable course.

Ensure our community is safe. Every time I swear in a new police officer or firefighter, I am reminded of our core responsibility to protect public safety. This budget makes targeted investments in prevention-oriented public safety, intended to prevent injuries and accidents before they happen. We also continue to

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invest in youth substance abuse prevention, providing support to victims of domestic violence, and paying our first responders what they deserve for the important work they do for us.

Prepare for a rainy day. My budget fully funds our City Reserve fund at \$1 million and exceeds our City's General Fund two-month reserve target. Last year, our reserves totaled nearly 30%, a funding level that far exceeds prudent financial planning requirements and adopted Council policy. My budget makes targeted one-time investments to use some of these excess reserves for important projects that will make our community stronger and reflects a council priority to preserve and maintain our city facilities.

Support local businesses. My budget includes recommendations for business license fee reform to ensure that our smallest businesses aren't unduly burdened by complying with our City's licensing system. By eliminating FTE fees for our smallest businesses, we can streamline the process and make life a little simpler for our smallest and newest entrepreneurs. We also fund tourism grants that will draw visitors and business opportunities to support our homegrown businesses grow and thrive.

Invest in our community. Our city depends on safe, well-maintained infrastructure for our quality of life. My budget continues investments in streets, sidewalks, bicycle paths, storm drains, parks and City buildings. This budget includes \$2.5 million for important new investments into our capital assets. I am also proposing the creation of a Facility Renewal Fund to begin saving up for the upgrades and improvements our City buildings will need as they begin to age. While this budget makes important investments in our transportation system, they are not adequate to the needs our community faces. I look forward to working with the Council in 2016 to chart a sustainable course for our transportation system.

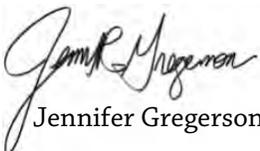
There is much more to this budget than I can cover in this message, but I wanted to share my major priorities with you. I look forward to your review and to the public hearings that will help us craft a final budget. Our City is in strong financial condition and I am confident that the long-term decisions we have made in the past few years have placed us on a more sustainable path for the future.

As always, this budget would not be possible without tremendous collaboration between our department directors, the Finance Department staff and our budget team. They have worked tirelessly to develop recommendations for me to consider, which have shaped the budget that I am proposing to you today.

I also want to acknowledge the public feedback that has shaped this budget. I was proud to host my second annual Budget Town Hall last month, which created a special opportunity for me to hear from our residents. Dozens of community members turned out to express their support for new parks and recreation facilities, I took all that feedback into consideration as I prepared this budget for your consideration.

This budget marks the starting point for your deliberations. I look forward to our work together in the next few weeks that will culminate in our final budget. I am joined by our City staff in offering our support and assistance as you complete this important task. As always, it is an honor and privilege to serve with you. Thank you for your hard work and dedication to our community.

Sincerely,



Jennifer Gregerson, Mayor

BUDGET BUILDING PROCESS

This section is intended to briefly discuss the process behind the creation of the 2016 Final Budget.

Creating a budget, as we all know, requires that revenues and expenditures be projected as accurately as possible. Finance staff, working with the other Departments, project revenues for the General Fund and all other Funds. On the expenditure side, each Department prepares expenditure estimates for operations and Public Works, primarily, develops the proposed capital improvement portion of the Preliminary Budget.

The Preliminary Budget identifies the Mayor's operating and capital priorities for the upcoming year. As the City's Chief Executive Officer, the Mayor is responsible for presenting an annual budget to the City Council by October 31st for the subsequent year beginning January 1st.

The City uses a Baseline Budget approach to begin the process of developing the expenditure side of the Budget. A Baseline Budget is each Department's minimum dollar amount needed to perform their respective functions without reducing services.

In addition to the Baseline Budget process, the City also utilizes New Budget Items (NBIs). NBIs are prepared to identify the nature and cost of requested additions to the Baseline Budget that have a significant cost - \$2,500 or more. These additional expenditure requests typically result from identified needs to maintain basic operations as well as improvements to or enhancements of operations. Requests costing less than \$2,500 are included in the Baseline Budget.

A NBI identifies the specific operating request, which Fund will incur the cost, the purpose of and justification for the expenditure, whether the request will be ongoing or one time, alternatives, and related revenue, if any. The completed NBI form is included in the Preliminary Budget.

In addition to NBIs for operating expenditures, the budget process also utilizes NBIs for capital purposes such as capital projects or the purchase of equipment. In addition to the information provided for NBIs related to operating expenditures noted above, capital NBIs identify the impact on operating expenditures, whether previous approval has been received from the City Council, the amount previously approved, dollar amount requested for 2016, and estimates of the cost of future related requests. For example, a new capital project may require a multi-year process to complete. The initial amount needed will be budgeted in 2016 and additional amounts needed to complete the project will be budgeted in future fiscal years. The NBI identifies the total estimated cost of a project together with alternatives and additional related revenue, if any.

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In regards to capital projects approved by the City Council in prior fiscal years, the 2016 Preliminary Budget no longer includes NBIs requesting the City Council to reapprove the unspent balances for these capital projects. Unspent budgets for specific capital projects will be “carried forward” to subsequent fiscal years until the projects are completed. At that time, the remaining budget for any completed projects will be cancelled. This simplifies the budget process for capital projects.

The budget for the General Fund is presented first, followed by various Reserve Funds, Special Revenue Funds, Capital Projects Funds, the one Debt Service Fund, the one Enterprise Fund, and the City’s three Internal Service Funds. Each of the City’s twenty budgeted Funds is a separate fiscal entity with its respective revenues and expenditures. NBIs for the various General Fund Departments and other Funds are presented following the respective budgets for each Department and Fund.

BUDGET AND FINANCIAL POLICIES

The summary of budget policies listed below creates a general framework of budgetary goals and objectives. They provide standards against which current budgetary performance can be measured and proposals for future programs are evaluated. The policies included are approved and updated, as needed, by the City Council.

BALANCED BUDGET

A balanced budget is one where operating revenues and sources equal or exceed operating expenditures and uses. In compliance with state law, the City's 2016 adapted budget is a balanced budget.

BUDGET RESOURCES

Expenditures from special revenue funds supported by intergovernmental revenues and special purpose taxes are limited strictly to the mandates of the funding source. Addition of personnel will only be requested to meet program initiatives and policy directives after service needs have been thoroughly examined.

REVENUE ESTIMATION

During the budget process, revenues are projected for the year. Budgeted revenues are reviewed by the City Council on a quarterly basis and are adjusted as deemed necessary.

LEGAL COMPLIANCE AND FINANCIAL MANAGEMENT – FUND ACCOUNTING

To ensure legal compliance and financial management for the various restricted revenues and program expenditures, the City's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. For example, Special Revenue Funds are used to account for expenditures of restricted revenues, while Enterprise Funds are used to account for self-sustaining "business" related activities for which a fee is charged to cover all costs associated with that business.

BUDGET POLICY

These general Budget Policies are the basis on which staff develops budget recommendations and establishes funding priorities within the limited revenues the City has available to provide municipal services.

Operating Budgets¹ – Overall

- The budget should be a performance, financing and spending plan agreed to by the City Council and Mayor. It should contain information and data regarding expected revenues, expected expenditures and expected performance.
- The Finance Director shall prepare and present the annual budget preparation calendar to Council, Mayor and staff by the end of March each year.
- Annually, the Mayor will prepare and refine written policies and goals to guide the preparation of performance, financing and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.
- As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association: public policies, and Long-Range Financial Plan.
- The City's annual budget presentation should display the City's service/delivery performance plan in a Council Constituent-friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of the City operations. The City will also prepare the line item format materials for those who wish to review that information.
- Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.
- Mayor has primary responsibility for: a) formulating budget proposals in line with City Council priority directions; and b) implementing those proposals once they are approved.

Fiscal Integrity

- Ongoing operating expenditure budgets will not exceed the amount of ongoing revenue budgets to finance these costs. New program request costs will have to identify either a new ongoing source of revenue or identify offsetting/ongoing expenditures to be eliminated.
- In years when City Council approves operating budgets with ongoing costs exceeding ongoing revenues, the City's "Gap Closing" Policy must be invoked.
- Any available carryover balance will only be used to offset one-time or non-recurring costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring costs.²
- The City will maintain the fiscal integrity of its operating and capital improvement budgets which provide services and maintain certain public facilities, streets and utilities. It is the City's intent to maximize the level of public goods and services while minimizing the level of debt.
- Mitigation fees shall be used only for the project or purpose for which they are intended.
- The City will maintain a balanced budget which is defined as planned funds available equal planned expenditures and ending fund balance.

¹Operating Budgets Include: General Fund, Street Fund, Recreation and Cultural Services Fund, Emergency Medical Services Fund & Facilities Maintenance Fund.

²Carryover balances can only be calculated in years when revenues exceed expenditures & actual revenues exceed budgeted revenues

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Revenues

- Generally revenues estimates shall not assume growth rates in excess of inflation and scheduled rate increases. Actual revenues that are over estimates will be recognized through budgetary adjustments only after it takes place. This minimizes the likelihood of either a reduction in force or service level in the event revenues would be less than anticipated.
- Investment income earned shall be budgeted on the allocation methodology, i.e., the projected average monthly balance of each participating fund.

Internal Services Charges

- Depreciation of equipment, furnishings and computer software will be included in the service charges paid by departments to the Equipment Replacement Fund. This will permit the accumulation of cash to cost effectively replace these assets and smooth out budgetary impacts.

Reporting

- A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.
- Each quarter, staff will produce a “Quarterly Financial Report” comparing current year to past year actual revenue and expenditure and present the data to City Council.
- Semi-annually, staff will provide revenue and expenditure projections for the next five years (General Fund Projection Model.) Projections will include estimated operating costs for future capital improvements that are included in the capital budget. This data will be presented to the City Council in a form to facilitate annual budget decisions, based on a multi-year strategic planning perspective.

Citizen Involvement

- Citizen involvement during the budget process shall be encouraged through public hearings, work sessions, website and surveys.
- Involvement shall also be facilitated through Council appointed boards, commissions and committees that serve in an advisory capacity to the Council and staff.

Fees

- Fees shall be to cover 100% of the costs of service delivery, unless such amount prevents an individual from obtaining essential services. Fees or service charges should not be established to generate money in excess of the cost of providing service.
- Fees may be less than 100% if other factors, e.g., market forces, competitive position, etc., need to be recognized.

Capital Budget – Fiscal Policies

- Capital project proposals should include as complete, reliable and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. (Project cost estimates included in the City’s Capital Facilities Six Year Plan should be as reliable as possible, recognizing that Year 1 or Year 2 project cost estimates will be more reliable than cost estimates in the later years.)
- Proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, a timeline and financing strategies to be employed. The plan should indicate resources necessary to complete any given phase of the project, e.g., design, rights-of-way acquisition, construction, project management, sales taxes, contingency, etc.

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- Capital project proposals should include a discussion on level of service (LOS). At a minimum, the discussion should include current LOS level associated with the proposal and level of LOS after completion of proposal. Proposals with low level LOS will receive higher priority than those with higher levels of LOS. Capital project proposals that either have a current LOS level of 100% or higher or will have an LOS level of 100% or higher after completion of the proposal must include a discussion on impacts to other services that have an LOS level below 100%.
- All proposals for capital projects will be presented to the City Council within the framework of a Capital Budget. Consideration will be given to the commitment of capital funds outside the presentation of the annual capital budget review process for emergency capital projects, time sensitive projects, projects funded through grants or other non-city funding sources and for projects that present and answer the following questions for Council consideration:
 - Impacts to other projects
 - Funding sources
 - Capital project proposals shall include all reasonably attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.
 - Major changes in project cost must be presented to the City Council for review and approval. Major changes are defined per City's Procurement Policies & Procedures as amounts greater than \$30,000 for single craft or trade and greater than \$50,000 for two or more crafts or trades.
 - At the time of project award, each project shall have reasonable contingencies also budgeted:
 - The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of contract as otherwise determined by the City Council.
 - Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
 - For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.
 - Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
 - The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period. The detail sheet for each project shall contain a project schedule with milestones indicated.
 - Capital projects that are not expensed during the budget period will be re-budgeted or carried over to the next fiscal period except as reported to the City Council for its approval. Multi-year projects with unexpended funds will be carried over to the next fiscal period.
 - If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, or reduce property taxes revenues (for property purchases within the City), mitigation of the negative impact will become part of the proposed capital project costs.
- A capital project will not be budgeted unless there is a reasonable expectation that funding is available.

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Debt Policies

- Debt will not be used for operating costs.
- Whenever possible, the City shall identify alternative sources of funding and availability to minimize the use of debt financing.
- Whenever possible, the City shall use special assessment, revenue or other self-supporting debt instead of general obligation debt.
- Tax Anticipation Notes will be issued only when the City's ability to implement approved programs and projects is seriously hampered by temporary cash flow shortages.
- Long-term general obligation debt will be issued when necessary to acquire land and/or fixed assets, based upon the City's ability to pay. Long-term general obligation debt will be limited to those capital projects that cannot be financed from existing revenues and only when there is an existing or near-term need for the acquisition or project. The acquisition or project should also be integrated with the City's Long-range Financial Plan and the Capital Facilities Plan.
- The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.
- Current revenues or ending fund balance shall be set aside to pay for the subsequent two year's debt service payments. This is intended to immunize the City's bondholders from any short-term volatility in revenues.
- The City shall establish affordability guidelines in order to preserve credit quality. One such guideline, which may be suspended for emergency purposes or unusual circumstances, is as follows: Debt service as a percent of the City's operating budget should not exceed ten percent (10%).

GAP CLOSING POLICY

“Gap” refers to any one year when anticipated expenditures exceed anticipated revenues in any of the next three years.

A. Purpose

The Gap Closing Policy is established to ensure that the City can sustain on-going operations. It will trigger measures to ensure that gaps in the General Fund are dealt with in a timely, prudent and cost effective manner. The Gap Closing Policy sets forth guidelines for City Council, Mayor and staff to use to identify and close spending gaps.

The intent of the Gap Closing Policy is to:

- Inform Mayor, City Council and Citizens of impending financial threats to City’s ability to sustain on-going operations;
- Establish trigger points implementing Gap Closing Plan;
- Promote consistency and continuity in the decision making process;
- Demonstrate a commitment to long-range financial planning objectives, and
- Ensure that budgetary decisions are incorporated into long-range financial planning.

B. Implementation

The City’s Finance Director shall inform Council during the Quarterly Financial Update whether the General Fund is expected to experience a “Gap.” If a Gap is expected, the Finance Director must inform Council which level of severity is anticipated. There are three levels of severity:

- Watch – Gap exceeds 1%, but less than 3% of General Fund Expenditures
- Moderate – Gap exceeds 3%, but less than 5% of General Fund Expenditures
- Severe – Gap exceeds 5% of General Fund Expenditures

C. Gap Reporting

If a Gap has been reported, Mayor and City Council must receive a quarterly report on the status of the Gap. The report must identify the severity of the Gap and whether the Gap is growing, stable or declining.

D. Gap Closing Strategy

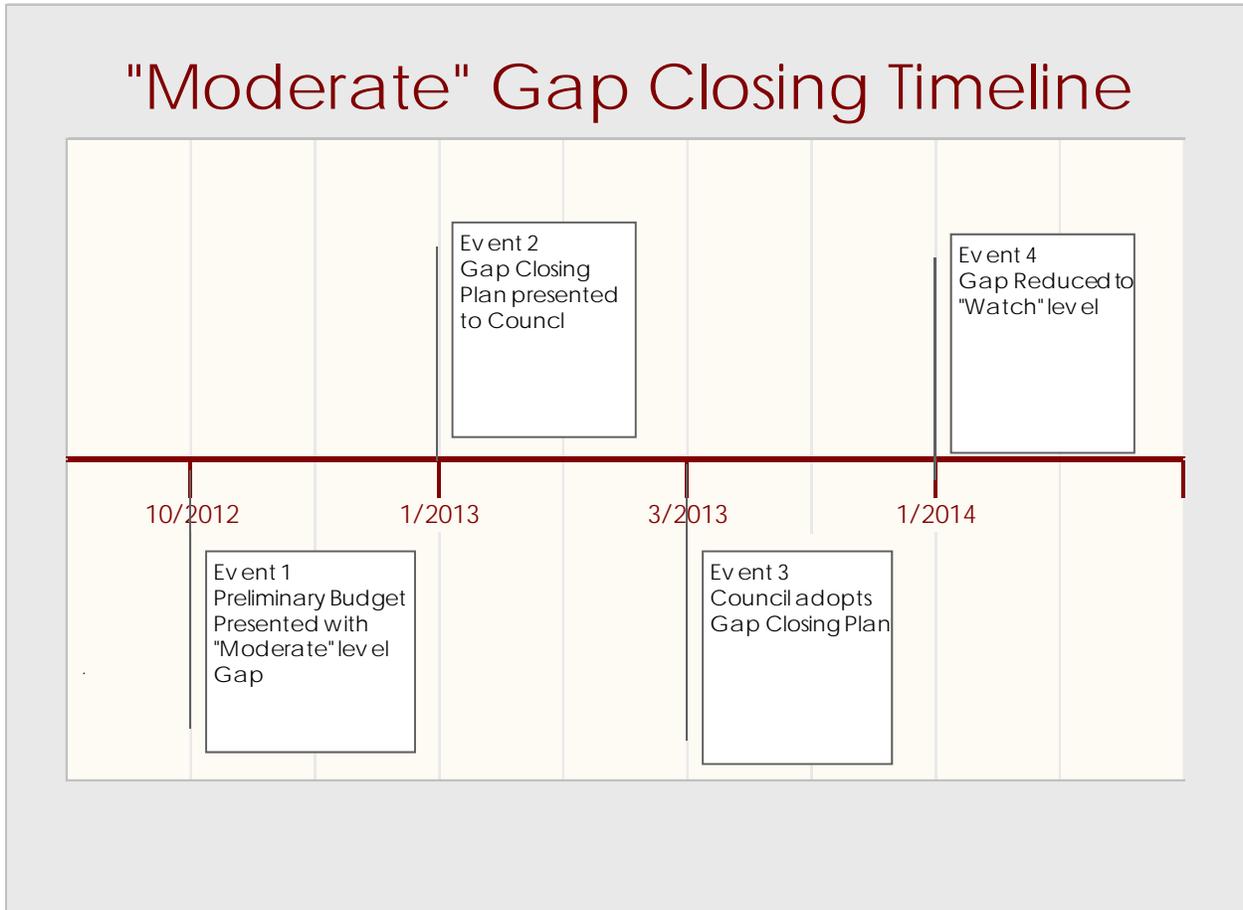
The severity of the Gap will dictate how to address the Gap.

- Watch –If the Gap stays less than 3%, nothing more than an acknowledgement that a Gap exists has to be included in the Quarterly Financial Update.

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- Moderate – The Mayor or Mayor’s designee has to present a Gap Closing Plan to Council within three months of Finance Director’s initial Gap report indicating that a “Moderate” Gap is anticipated within one of the next three years. The plan must include details explaining how the City will move the Gap from a “Moderate” level into a “Watch” level within the next twelve months. Council must adopt a Gap Closing Plan within two months after receipt of the Plan.

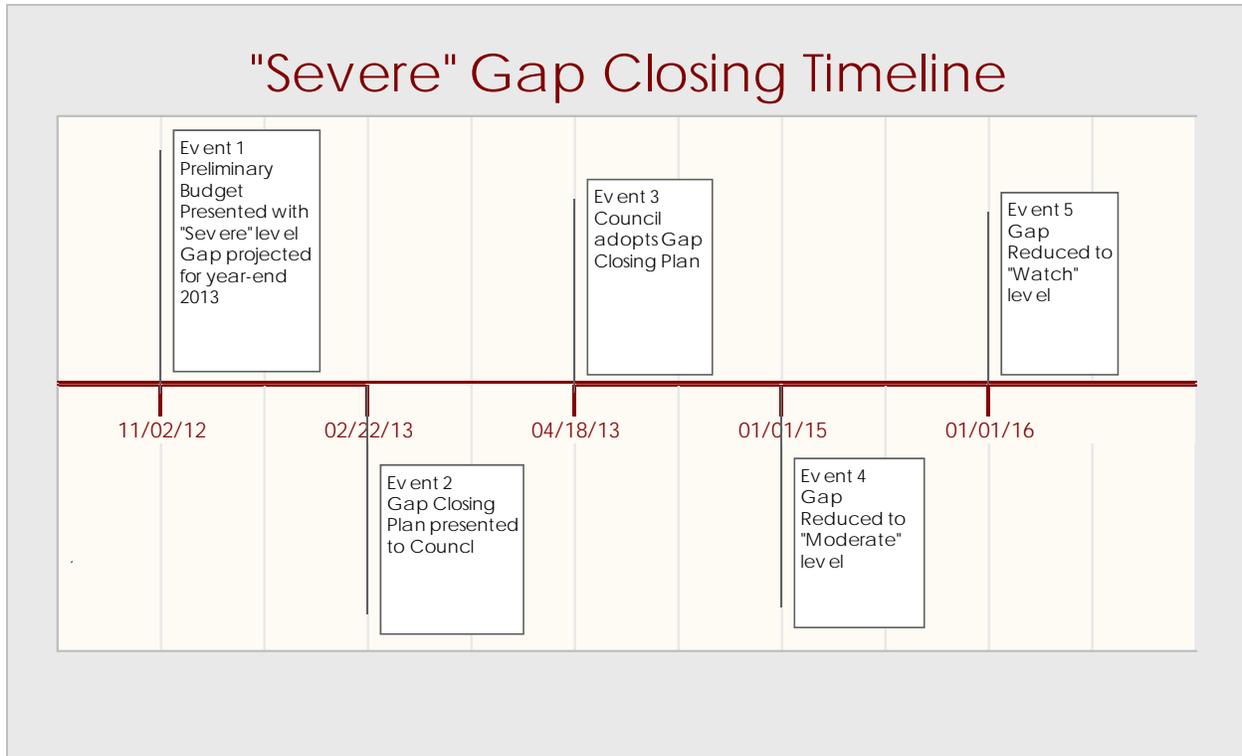
The timeline for closing the “Moderate” level gap could look like the following chart:



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- Severe – The Mayor or Mayor’s designee has to present a Gap Closing Plan to Council within three months of Finance Director’s initial Gap report indicating a “Severe” Gap is anticipated within one of the next three years. The plan must include details explaining how the City will move the Gap from a “Severe” level into a “Moderate” level within the next twenty-four months. Council must adopt a Gap Closing Plan within two months after receipt of the Plan.

The timeline for closing the “Severe” level gap could look like the following chart:



E. Mayor’s Recommended Gap Closing Plan

Gap Closing Plan must include:

- Gap level being addressed and year(s) Gap is anticipated to occur
- Timeline the Plan covers
- Primary causes for Gap
- Assumptions used for revenues, expenditures and operating reserve balances
- Mayor’s recommendation identifying all potential new sources of revenue and discuss the related impact of each on citizens and/or users
- A list of expenditure reductions by type with discussion on impacts to the related Level of Service and how the reduction affects the Council’s Budget Priorities
- How the use of reserves can help close the Gap and if reserves are a part of the solution, the Plan must provide a repayment schedule to restore all reserves used.

FUND BALANCE RESERVE POLICY

Fund balance is the uncommitted resources of a fund. It is the policy of the City to construct the various fund budgets in such a way that there will be sufficient uncommitted resources to cover cash flow needs at all times, regardless of seasonal fluctuations in expenditures or revenues, to provide adequate reserves for emergency needs, and to provide on-going investment earnings.

Adequate fund balance and reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Maintenance of fund balance for each accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

The City maintains reserves required by law, ordinance and/or bond covenants. All expenditures drawn from reserve accounts require prior Council approval unless previously authorized by the City Council for expenditure within the City's annual budget. If reserves and/or fund balances fall below the required levels as set by the policy, the City shall include within its annual budget a plan to restore reserves and/or fund balance to the required levels.

The Fund Balance Reserve Policy specifies individual fund requirements as follows:

- **Contingency Fund Reserves:** The City maintains a Contingency Fund reserve equal to \$1,000,000 to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of landslides, earthquake or other natural disaster.
- **General Fund Operating Reserves:** The City maintains a General Fund Operating Reserve to provide for adequate cash flow, budget contingencies, and insurance reserves. The cash flow reserve within the General Fund is an amount equal to two months of budgeted operating expenditures.
- **Hotel/Motel Lodging Tax Reserves:** The City maintains a Hotel/Motel Lodging Tax Reserve in an amount equal to one prior complete year's revenues in ending fund balance. (For example, the 2011 budgeted expenditures cannot exceed the 2009 actual revenues receipted into the fund.)
- **Technology Replacement Reserves:** The City maintains a Technology Replacement Reserve for replacement of entity-wide computer hardware, software, or telephone equipment identified in the City's Technology Replacement listing. The required level of reserve will equal each year's scheduled replacement costs. For example, if the 2011 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000.

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- **Health Self-Insured Administration Reserves:** The City maintains a Health Self-Insured Administration Reserve to provide Washington State mandated reserves for the City's self-insured dental and vision benefits for City Employees. The City maintains a reserve equal to 16 weeks of budgeted expense as required by Washington State's Office of Financial Management. The City reviews the required reserve level annually and adjusts it to meet the State's requirements (Washington Administrative Code, WAC 82.60).
- **Equipment and Vehicle Replacement Reserves:** The City maintains fully funded reserve for the replacement of vehicles and equipment identified on the City's equipment replacement listing. The required level of reserve equals each year's scheduled replacement costs. For example, if the 2013 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000. Contributions are made through assessments to the using funds and are maintained on a per asset basis.
- **Surface Water Utility Fund Reserves:** The City maintains an operating reserve within the Surface Water Utility Fund of an amount equal to no less than 20% of budgeted operating revenues.

EXPLANATION OF BUDGET EXHIBITS

The following pages present a variety of budgetary information for the 2016 Final Budget that incorporates the budget changes made by the City Council during their budget deliberations. The following information is intended to assist the reader in understanding the eleven exhibits that follow:

- **BUDGET SUMMARY BY FUND** (Exhibit 1) - Provides a recap for each of the City's 23 budgeted Funds of estimated beginning fund balance, revenues and transfers in which constitute total sources, expenditures and transfers out which constitute total uses, and projected ending fund balance as of the end of 2016.
- **REVENUE AND EXPENDITURE SUMMARY ALL FUNDS** (Exhibit 2) – Provides the following revenue and expenditure information for each Fund: 2014 estimated actual amounts, 2015 amended Budget, 2015 estimates, the 2016 Budget, and two columns reflecting the dollar and percentage changes comparing the 2015 amended Budget to the 2016 Budget. Transfers in and out are excluded as they do not constitute revenues or expenditures.
- **TOTAL REVENUES AND EXPENDITURES FOR ALL FUNDS** (Exhibit 3) – Provides 2016 revenue and expenditure information for all Funds by categories of revenues and expenditures together with estimated actual amounts for 2014, amended Budget for 2015 and 2015 estimates, and two columns reflecting the dollar and percentage changes comparing the 2015 amended Budget to the 2016 Budget.
- **GENERAL FUND REVENUES AND EXPENDITURES** (Exhibit 4) – Provides similar information as Exhibit 3 for the General Fund only.
- **GENERAL FUND EXPENDITURES** (Exhibit 5) – Provides additional 2016 General Fund expenditure information by Division and Department. Please note that the Emergency Medical Services Fund (EMS) is excluded from this chart as EMS is a Fund separate from the General Fund. Also excluded is expenditure information for separate operating Funds administered by the Public Works Department: Street Fund, Surface Water Management Fund, and Facilities Maintenance Fund.
- **OPERATING EXPENDITURES FOR ALL FUNDS** (Exhibit 6) – Provides a breakdown of operating expenditures for the General Fund, EMS Fund, Street Fund, Surface Water Management Fund, Facilities Maintenance Fund, and the Recreation & Cultural Services Fund.
- **GENERAL FUND REVENUE SUMMARY** (Exhibit 7) – Provides a further breakdown of the General Fund's various revenue categories.
- **2016 TOP 10 GENERAL FUND REVENUES** (Exhibit 8) – Provides information on the most significant General Fund revenue sources accounting for 82.5% of General Fund revenue
- **TRANSFERS BETWEEN FUNDS** (Exhibit 9) – Provides detailed information on transfers between Funds. Transfers in and out are not considered revenues and expenditures for budget and accounting purposes.
- **2016 NEW BUDGET ITEMS** (Exhibit 10) – Provides a list of NBIs included in budget.
- **CAPITAL PROJECT CARRY FORWARDS** (Exhibit 11) – Provides a list of capital projects budgeted in previous years, estimated expenditures in 2015, and estimated amounts to be carried forward to 2016.

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EXHIBIT 1 - BUDGET SUMMARY BY FUND

Fund Description	Beginning Fund Balance	Revenues [A]	Transfers-in [B]	Total Sources [A + B]	Expenditures [C]	Transfers-out [D]	Total Uses [C + D]	Ending Fund Balance
General	\$ 4,235,686	\$ 13,798,672	\$ 229,967	\$ 14,028,639	\$ 13,533,836	\$ 994,085	\$ 14,527,921	\$ 3,736,404
City Reserve	1,000,000	-	-	-	-	-	-	1,000,000
Paine Field Emergency Reserve	-	-	-	-	-	-	-	-
LEOFF I Reserve	63,842	-	-	-	36,400	-	36,400	27,442
Health Insurance Administration	-	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-
Drug Enforcement	34,662	-	-	-	22,953	-	22,953	11,709
Street	-	490,100	336,040	826,140	826,140	-	826,140	-
Recreation & Cultural Services	-	682,480	108,045	790,525	790,525	-	790,525	-
Hotel/Motel Lodging Tax	189,605	251,250	-	251,250	317,950	-	317,950	122,905
Emergency Medical Services	-	2,366,700	-	2,366,700	2,264,399	102,301	2,366,700	-
Limited Tax General Obligation Bond	8,656	-	901,000	901,000	909,262	-	909,262	394
Park Acquisition & Development	33,357	15,000	-	15,000	30,300	-	30,300	18,057
Transportation Impact Fee	1,397,150	140,000	-	140,000	-	1,025,000	1,025,000	512,150
Real Estate Excise Tax I	3,210,326	700,000	-	700,000	-	831,623	831,623	3,078,703
Real Estate Excise Tax II	981,365	3,085,675	950,000	4,035,675	3,933,125	96,243	4,029,368	987,672
Municipal Facilities	-	-	-	-	-	-	-	-
Surface Water Management	812,351	4,267,100	-	4,267,100	4,447,459	325,800	4,773,259	306,192
Surface Water Reserve	-	-	300,000	300,000	-	-	-	300,000
Technology Replacement	36,500	24,500	50,000	74,500	111,000	-	111,000	-
Equipment Replacement Reserve	2,141,676	465,819	-	465,819	581,490	-	581,490	2,026,005
Facilities Maintenance	66,250	607,600	-	607,600	607,600	-	607,600	66,250
Facility Renewal	-	-	500,000	500,000	142,850	-	142,850	357,150
TOTALS	\$ 14,211,426	\$ 26,894,896	\$ 3,375,052	\$ 30,269,948	\$ 28,555,289	\$ 3,375,052	\$ 31,930,341	\$ 12,551,033

Note: General Fund expenditures and transfers-out (C+D) include a one-time drawdown of the fund balance for one-time expenditures, for the Facility Renewal Capitalization new budget item.

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EXHIBIT 2 – REVENUE SUMMARY ALL FUNDS (excludes Transfers-in)

Fund Description	2014	2015	2015	2016	Budget \$ Change	Budget % Change
	Estimated Actuals	Amended Budget	Estimated Actuals		Budget	2016 - 2015
General	\$ 12,837,901	\$ 14,281,285	\$ 13,172,919	\$ 13,798,672	\$ 625,753	4.75%
City Reserve	169,754	-	42,259	-	(42,259)	-100.00%
Paine Field Emergency Reserve	-	-	-	-	-	-
LEOFF I Reserve	423	250	-	-	-	-
Health Insurance Administration	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Drug Enforcement	661	100	19,043	-	(19,043)	-100.00%
Street	417,942	476,100	502,252	490,100	(12,152)	-2.42%
Arterial Street	-	-	-	-	-	-
Recreation & Cultural Services	731,159	574,530	566,600	682,480	115,880	20.45%
Hotel/Motel Lodging Tax	226,391	241,200	243,507	251,250	7,743	3.18%
Emergency Medical Services	1,875,875	1,961,753	2,250,396	2,366,700	116,304	5.17%
Limited Tax General Obligation Bond	1,575	-	-	-	-	-
Park Acquisition & Development	370,910	91,600	24,294	15,000	(9,294)	-38.26%
Transportation Impact Fee	139,836	1,094,000	1,185,230	140,000	(1,045,230)	-88.19%
Real Estate Excise Tax I	4,757,107	615,350	717,481	700,000	(17,481)	-2.44%
Real Estate Excise Tax II	471,533	618,075	1,036,567	3,085,675	2,049,108	197.68%
Municipal Facilities	861	-	-	-	-	-
Surface Water Management	1,734,741	2,278,119	2,015,550	4,267,100	2,251,550	111.71%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	18,987	20,650	13,916	24,500	10,584	76.06%
Equipment Replacement Reserve	599,022	631,060	289,240	465,819	176,579	61.05%
Facilities Maintenance	287	-	565,268	607,600	42,332	7.49%
Facility Renewal	-	-	-	-	-	-
Totals	\$ 24,354,965	\$ 22,884,072	\$ 22,644,522	\$ 26,894,896	\$ 4,250,374	18.77%

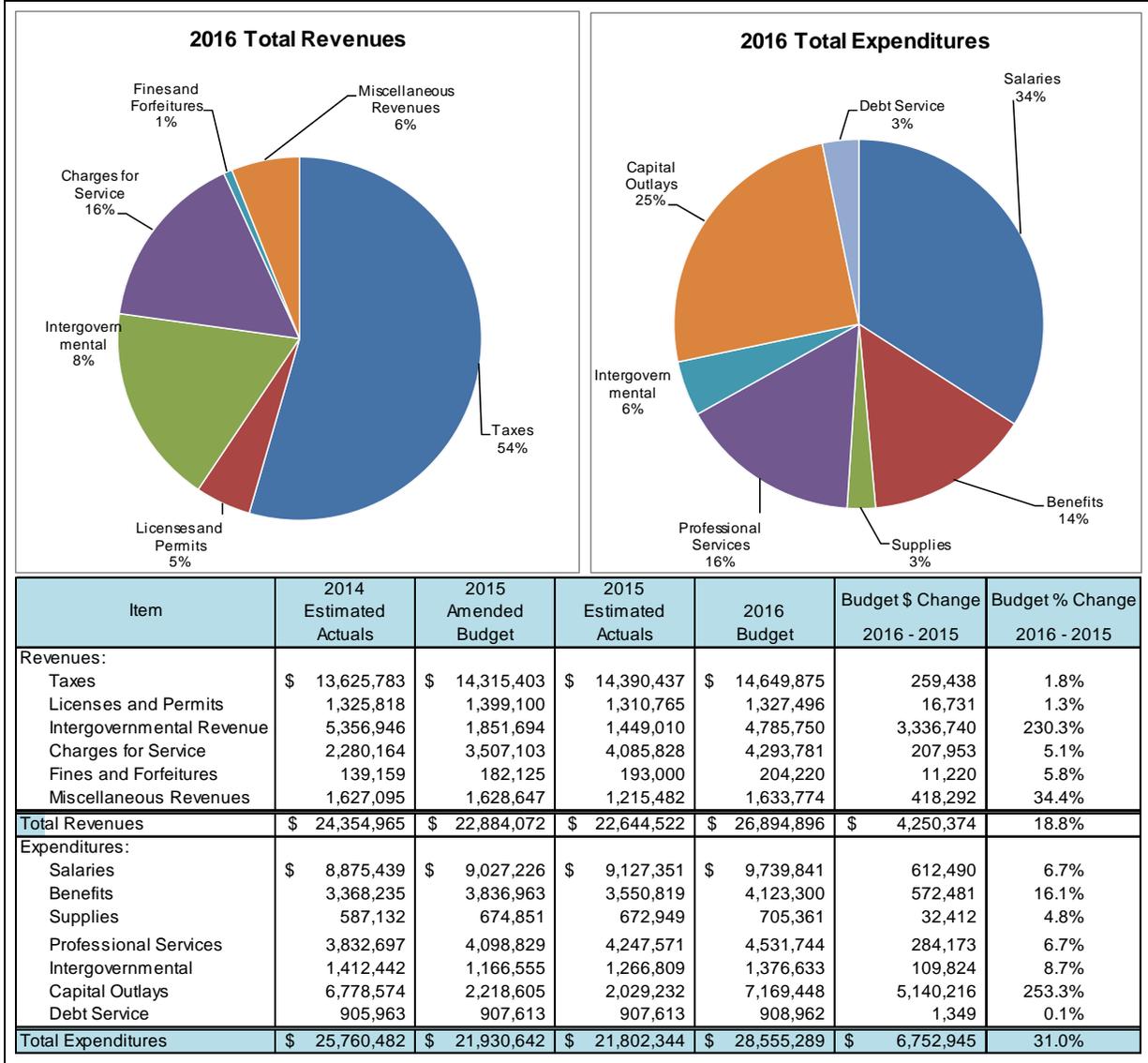
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EXHIBIT 2 – EXPENDITURE SUMMARY ALL FUNDS (excludes Transfers-out)

Fund Description	2014	2015	2015	2016	Budget \$ Change	Budget % Change
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	2016 - 2015	2016 - 2015
General	\$ 11,707,576	\$ 12,817,223	\$ 12,914,512	\$ 13,533,836	\$ 619,324	4.8%
City Reserve	354,461	109,512	113,422	-	(113,422)	-100.0%
Paine Field Emergency Reserve	81,182	110,000	90,000	-	(90,000)	-100.0%
LEOFF I Reserve	35,484	36,400	9,750	36,400	26,650	273.3%
Health Insurance Administration	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Drug Enforcement	-	17,900	12,900	22,953	10,053	77.9%
Street	825,227	836,695	807,410	826,140	18,730	2.3%
Arterial Street	-	-	-	-	-	-
Recreation & Cultural Services	799,243	738,379	723,687	790,525	66,838	9.2%
Hotel/Motel Lodging Tax	225,073	245,450	246,040	317,950	71,910	29.2%
Emergency Medical Services	2,067,172	2,048,700	2,110,900	2,264,399	153,499	7.3%
Limited Tax General Obligation Bond	906,317	907,913	907,913	909,262	1,349	0.1%
Park Acquisition & Development	450,000	30,000	30,300	30,300	-	0.0%
Transportation Impact Fee	-	-	-	-	-	-
Real Estate Excise Tax I	4,763,225	81,400	76,769	-	(76,769)	-100.0%
Real Estate Excise Tax II	61,747	778,450	777,671	3,933,125	3,155,454	405.8%
Municipal Facilities	219,034	-	-	-	-	-
Surface Water Management	2,178,190	2,213,695	1,958,646	4,447,459	2,488,813	127.1%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	158,499	116,210	116,210	111,000	(5,210)	-4.5%
Equipment Replacement Reserve	394,082	205,200	334,948	581,490	246,542	73.6%
Facilities Maintenance	533,970	637,515	571,265	607,600	36,335	6.4%
Facility Renewal	-	-	-	142,850	142,850	-
Totals	\$ 25,760,482	\$ 21,930,642	\$ 21,802,343	\$ 28,555,289	\$ 6,752,946	31.0%

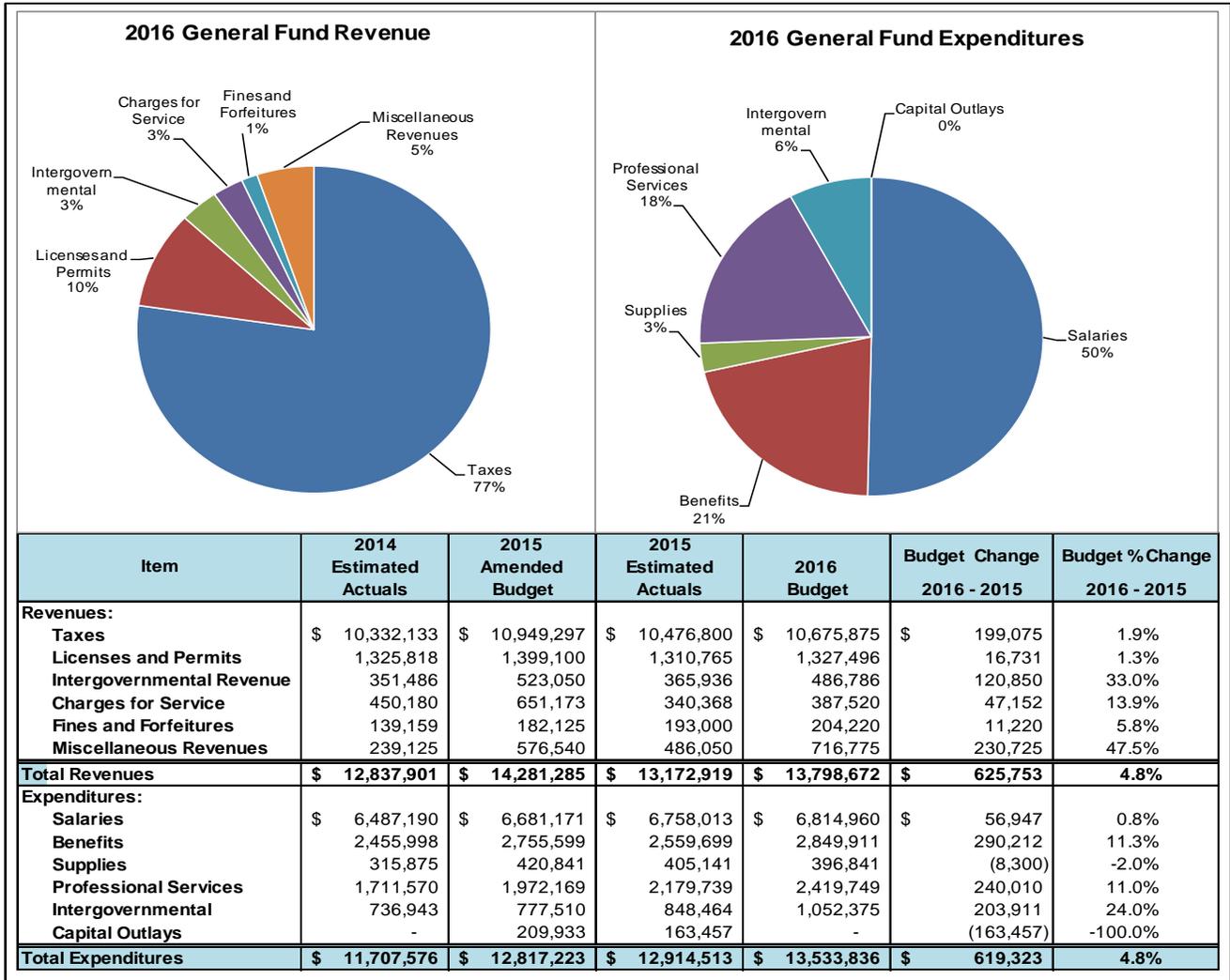
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EXHIBIT 3 – TOTAL REVENUES AND EXPENDITURES FOR ALL FUNDS



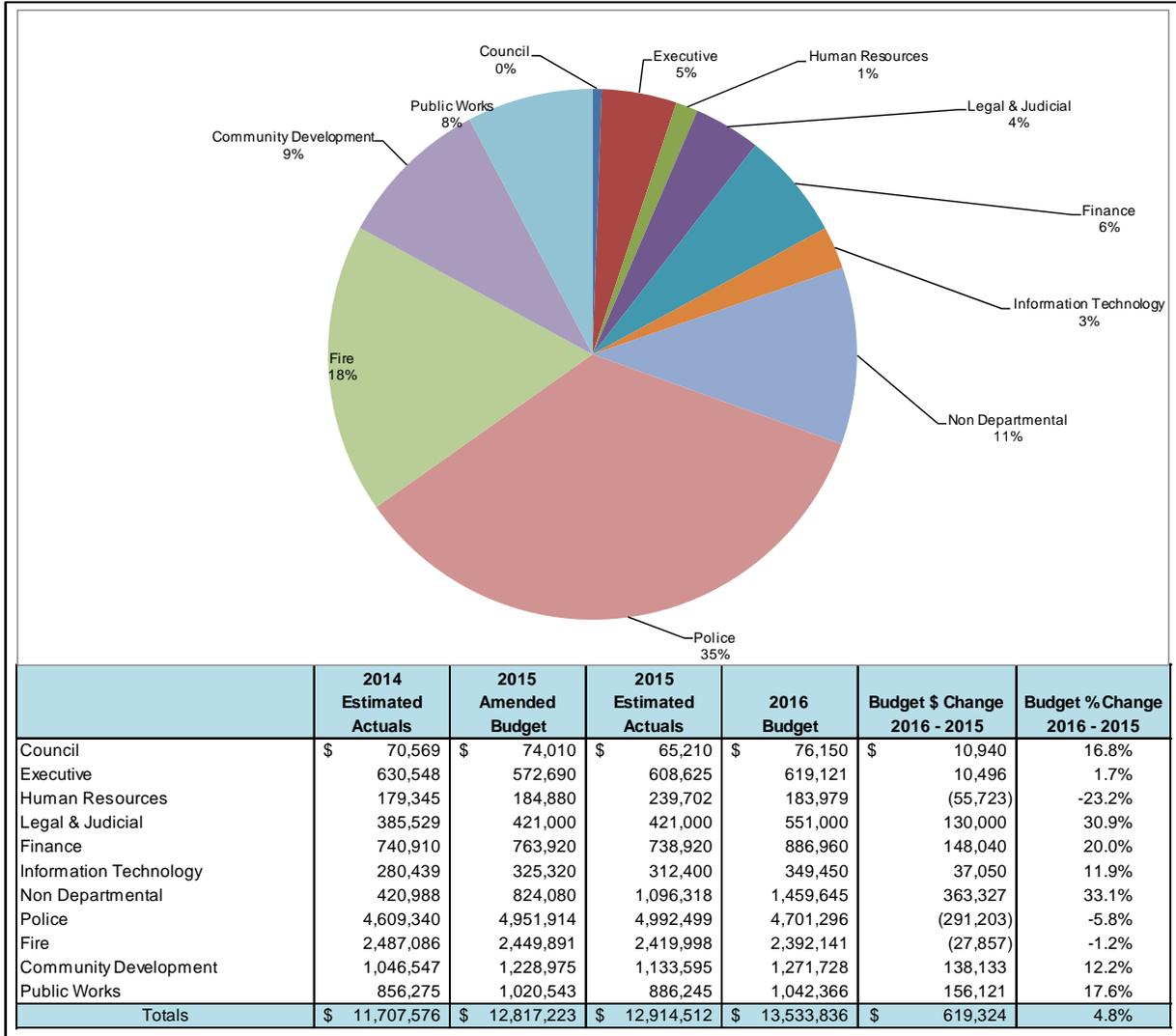
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EXHIBIT 4 – GENERAL FUND REVENUES AND EXPENDITURES



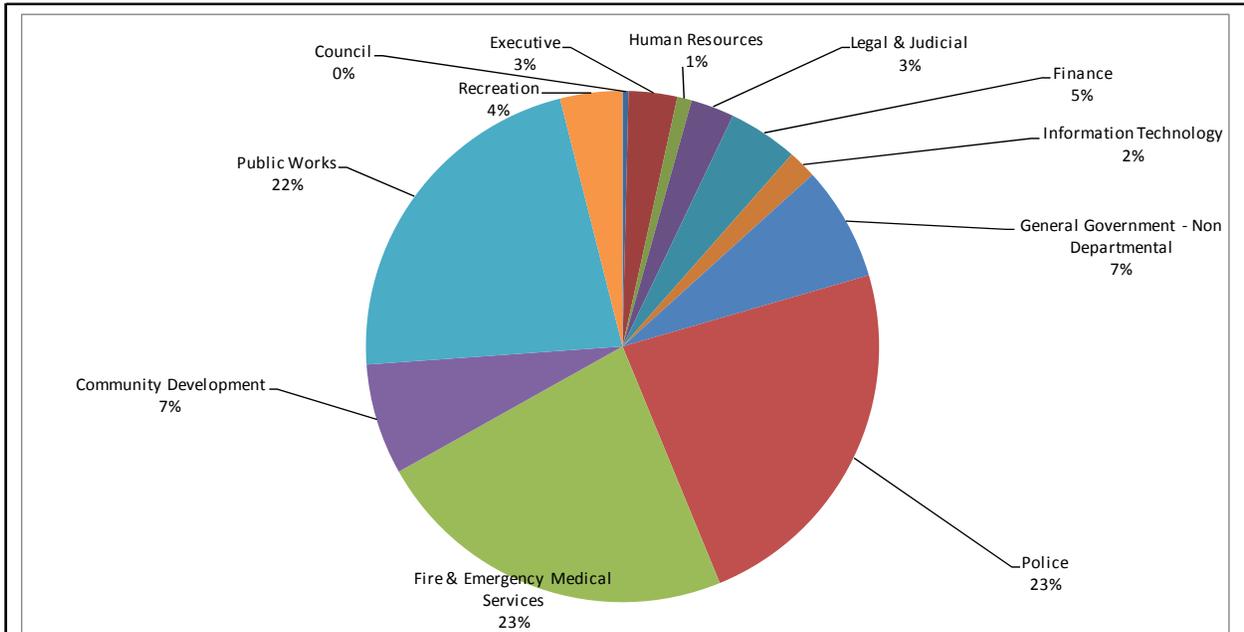
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EXHIBIT 5 – GENERAL FUND EXPENDITURES



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EXHIBIT 6 – OPERATING EXPENDITURES FOR ALL FUNDS (Excludes Transfers-out)



	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Budget Change 2016 - 2015	Budget % Change 2016 - 2015
Council	\$ 70,569	\$ 74,010	\$ 65,210	\$ 76,150	\$ 10,940	16.8%
Executive	630,548	572,690	608,625	619,121	10,496	1.7%
Human Resources	179,345	184,880	239,702	183,979	(55,723)	-23.2%
Legal & Judicial	385,529	421,000	421,000	551,000	130,000	30.9%
Finance	740,910	763,920	738,920	886,960	148,040	20.0%
Information Technology	342,315	339,920	327,000	364,050	37,050	11.3%
General Government - Non Departmental	420,988	824,080	1,096,318	1,459,645	363,327	33.1%
Police	4,609,340	4,959,414	4,999,999	4,708,796	(291,203)	-5.8%
Fire & Emergency Medical Services	4,554,258	4,498,591	4,530,898	4,656,540	125,642	2.8%
Community Development	1,046,547	1,228,975	1,133,595	1,417,245	283,650	25.0%
Public Works	3,653,426	3,966,748	3,753,566	4,487,982	734,416	19.6%
Recreation	799,243	738,379	723,687	790,525	66,838	9.2%
Totals	\$ 17,433,018	\$ 18,572,607	\$ 18,638,520	\$ 20,201,993	\$ 1,563,473	8.4%

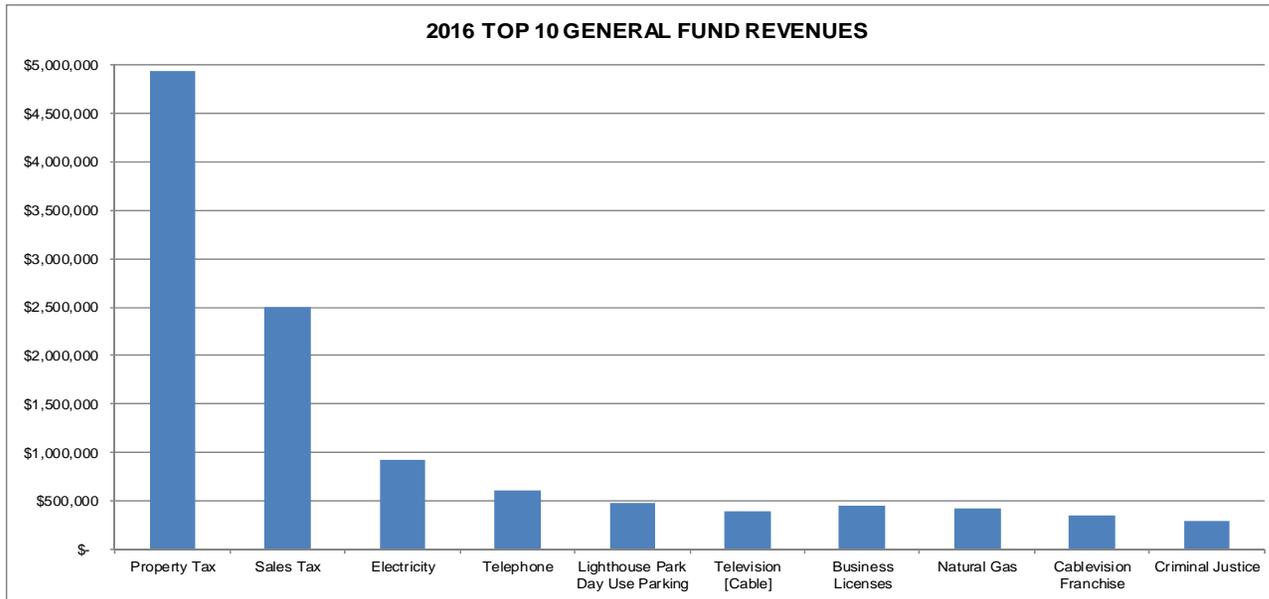
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EXHIBIT 7 – GENERAL FUND REVENUE SUMMARY

GENERAL FUND	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Change Budget - Actual 2016 - 2015	%Change Budget - Actual 2016 - 2015
TAXES						
Property Taxes	\$ 4,842,788	\$ 4,892,495	\$ 4,892,494	\$ 4,940,000	\$ 47,506	1.0%
Sales Tax	2,420,262	2,794,635	2,450,000	2,500,000	50,000	2.0%
Utility Taxes	2,657,177	2,790,722	2,650,802	2,760,257	109,455	4.1%
Other Taxes	411,906	471,445	483,504	475,618	(7,886)	-1.6%
Total Taxes	10,332,133	10,949,297	10,476,800	10,675,875	199,075	1.9%
LICENSES & PERMITS						
Business Licenses	417,261	428,100	428,100	448,000	19,900	4.6%
Franchise Fees	684,813	657,200	684,755	697,192	12,437	1.8%
Building & Other Permits	223,744	313,800	197,910	182,304	(15,606)	-7.9%
Total Licenses & Permits	1,325,818	1,399,100	1,310,765	1,327,496	16,731	1.3%
INTERGOVERNMENTAL REVENUES						
Liquor Board Profits	146,477	182,600	144,000	179,949	35,949	25.0%
Liquor Excise Tax	24,861	36,000	51,898	92,587	40,689	78.4%
PUD Privilege Tax	108,756	105,700	105,700	109,000	3,300	3.1%
Other Intergovernmental Revenue	71,392	198,750	64,338	105,250	40,912	63.6%
Total Intergovernmental Revenues	351,486	523,050	365,936	486,786	120,850	33.0%
CHARGES FOR SERVICE						
Ambulance Fees	109,817	196,000	-	-	-	-
Development Revenues	152,281	204,250	100,200	108,050	7,850	7.8%
Overhead Cost Recovery	175,500	190,000	190,000	250,000	60,000	31.6%
Miscellaneous Services	12,582	60,923	50,168	29,470	(20,698)	-41.3%
Total Charges For Service	450,180	651,173	340,368	387,520	47,152	13.9%
FINES & FORFEITURES						
Traffic Violations	118,163	122,000	122,000	123,220	1,220	1.0%
Parking Fines	19,943	59,125	70,000	80,000	10,000	14.3%
Other Fines	1,053	1,000	1,000	1,000	-	-
Total Fines & Forfeitures	139,159	182,125	193,000	204,220	11,220	5.8%
MISCELLANEOUS REVENUES						
Parking & Boat Launch Fees	167,286	480,780	430,000	661,975	231,975	53.9%
Rental Income	18,204	20,000	18,000	20,000	2,000	11.1%
Interest Income	16,429	20,500	20,750	20,500	(250)	-1.2%
Other Miscellaneous Revenue	37,206	55,260	17,300	14,300	(3,000)	-17.3%
Total Miscellaneous Revenues	239,125	576,540	486,050	716,775	230,725	47.5%
Total General Fund	\$ 12,837,901	\$ 14,281,285	\$ 13,172,919	\$ 13,798,672	\$ 625,753	4.8%

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EXHIBIT 8 – 2016 TOP 10 GENERAL FUND REVENUES



Top 10 General Fund Revenues	2015 Budget	2015 Estimated Actuals	2016 Budget	2016 Budget % of Total Revenues	2016 Budget to 2015 Actual Growth
Property Tax	\$ 4,892,495	\$ 4,892,494	\$ 4,940,000	35.8%	1.0%
Sales Tax	2,794,635	2,450,000	2,500,000	18.1%	2.0%
Electricity	917,558	908,571	926,733	6.7%	2.0%
Telephone	704,764	601,987	615,000	4.5%	2.2%
Lighthouse Park Day Use Parking	277,530	275,000	477,575	3.5%	73.7%
Television [Cable]	426,000	400,472	400,000	2.9%	-0.1%
Business Licenses	428,100	428,100	448,000	3.2%	4.6%
Natural Gas	420,000	414,539	424,200	3.1%	2.3%
Cablevision Franchise	351,200	351,200	354,712	2.6%	1.0%
Criminal Justice	328,510	293,362	294,118	2.1%	0.3%
Total Top 10 General Fund Revenues	11,540,792	11,015,726	11,380,338	82.5%	3.3%
Remaining General Fund Revenues	2,740,493	2,157,193	2,418,334	17.5%	12.1%
Total General Fund Revenues	\$ 14,281,285	\$ 13,172,919	\$ 13,798,672	100%	4.8%

all totals and calculations exclude transfers in

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EXHIBIT 9 – TRANSFERS BETWEEN FUNDS

Fund Receiving Transfer	General	Emergency Medical Services	Transportation Impact Fee	REET I	REET II	Surface Water Management	Total Transfers-in by Fund
General Fund	\$ -	\$ 102,301	\$ 75,000	\$ -	\$ 26,866	\$ 25,800	\$ 229,967
Street	336,040	-	-	-	-	-	336,040
Recreation & Cultural Services	108,045	-	-	-	-	-	108,045
Limited Tax General Obligation Bond	-	-	-	831,623	69,377	-	901,000
REET II	-	-	950,000	-	-	-	950,000
Surface Water Reserve	-	-	-	-	-	300,000	300,000
Technology Replacement	50,000	-	-	-	-	-	50,000
Facility Renewal	500,000	-	-	-	-	-	500,000
Total Transfers-out by Fund	\$ 994,085	\$ 102,301	\$ 1,025,000	\$ 831,623	\$ 96,243	\$ 325,800	\$ 3,375,052

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EXHIBIT 10 – 2016 NEW BUDGET ITEMS

2016 New Budget Items

Page Number	Department	Description	Council Approval/ Discussion	New Revenue	Fund					Cost to Fund
					General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Internal Service Funds	
174	Non-departmental	Facility Renewal Fund Capitalization		-	500,000	-	-	-	-	500,000
				500,000	-	-	-	-	-	(500,000)
26	Finance	Finance Department Rate Setting Study		-	15,000	-	-	-	-	15,000
140	Community Development	Waterfront Promenade Design		40,000	-	-	80,000	-	-	40,000
75	Community Development	Planning Department Reorganization		-	4,100	-	-	14,400	-	18,500
76	Community Development	Parking Facility Feasibility Study	4/20/2015	47,500	47,500	-	-	-	-	-
142	Community Development	Tank Farm Remediation		242,500			242,500			-
141	Community Development	Mukilteo Ballfields Project		1,275,000			1,275,000			-
164	Police	Vehicle Replacement Request (Equipment Replacement Reserve)		-	-	-	-	-	112,890	112,890
175	Fire	Emergency Generator (Facilities Renewal Fund)		-	-	-	-	-	50,000	50,000
163	Fire	Purchase of EMS Medic Unit (Equipment Replacement Reserve)	9/8/2015	-	-	-	-	-	358,600	358,600
55	Fire	Assistant Chief - Administration	8/17/2015	-	48,628	67,772	-	-	-	116,400
54	Fire	Wellness Program		-	10,000	-	-	-	-	10,000
165	Public Works	Purchase Used Public Works Bucket Truck (Equipment Replacement Reserve)		-	-	-	-	-	80,000	80,000
65	Public Works	Capital Project Engineer (Multi)		127,666	127,666	-	-	-	30,000	30,000
				-	-	101,866	25,800		127,666	
64	Public Works	BNSF Mount Baker Quiet Zone Annual Maintenance Fee	✓	7,100	7,100	-	-	-	-	-
131	Public Works	5th Street & Harbour Pointe Blvd Pavement Preservation (REET II)	7/20/2015	646,000	-	-	747,000	-	-	101,000
132	Public Works	ADA Transition Plan & Replacement of Curb Ramps for Public Right-of-Way (REET II)	✓	-	-	-	50,000	-	-	50,000
137	Public Works	Annual Bike Path Construction (REET II)	✓	-	-	-	50,000	-	-	50,000
138	Public Works	Annual Sidewalk Construction (REET II)	✓	-	-	-	50,000	-	-	50,000

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EXHIBIT 10 – 2016 NEW BUDGET ITEMS (Continued)

Page Number	Department	Description	Council Approval/ Discussion	New Revenue	Fund					Cost to Fund
					General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Internal Service Funds	
174	Non-departmental	Facility Renewal Fund Capitalization		-	500,000	-	-	-	-	500,000
				500,000	-	-	-	-	-	(500,000)
26	Finance	Finance Department Rate Setting Study		-	15,000	-	-	-	-	15,000
140	Community Development	Waterfront Promenade Design		40,000	-	-	80,000	-	-	40,000
75	Community Development	Planning Department Reorganization		-	4,100	-	-	14,400	-	18,500
76	Community Development	Parking Facility Feasibility Study	4/20/2015	47,500	47,500	-	-	-	-	-
142	Community Development	Tank Farm Remediation		242,500			242,500			-
141	Community Development	Mukilteo Ballfields Project		1,275,000			1,275,000			-
164	Police	Vehicle Replacement Request (Equipment Replacement Reserve)		-	-	-	-	-	112,890	112,890
175	Fire	Emergency Generator (Facilities Renewal Fund)		-	-	-	-	-	50,000	50,000
163	Fire	Purchase of EMS Medic Unit (Equipment Replacement Reserve)	9/8/2015	-	-	-	-	-	358,600	358,600
55	Fire	Assistant Chief - Administration	8/17/2015	-	48,628	67,772	-	-	-	116,400
54	Fire	Wellness Program		-	10,000	-	-	-	-	10,000
165	Public Works	Purchase Used Public Works Bucket Truck (Equipment Replacement Reserve)		-	-	-	-	-	80,000	80,000
65	Public Works	Capital Project Engineer (Multi)		127,666	127,666	-	-	-	30,000	30,000
				-	-	-	101,866	25,800	-	127,666
64	Public Works	BNSF Mount Baker Quiet Zone Annual Maintenance Fee	✓	7,100	7,100	-	-	-	-	-
131	Public Works	5th Street & Harbour Pointe Blvd Pavement Preservation (REET II)	7/20/2015	646,000	-	-	747,000	-	-	101,000
132	Public Works	ADA Transition Plan & Replacement of Curb Ramps for Public Right-of-Way (REET II)	✓	-	-	-	50,000	-	-	50,000
137	Public Works	Annual Bike Path Construction (REET II)	✓	-	-	-	50,000	-	-	50,000
138	Public Works	Annual Sidewalk Construction (REET II)	✓	-	-	-	50,000	-	-	50,000

2016 Annual Budget

EXHIBIT 10 – 2016 NEW BUDGET ITEMS (Continued)

Page Number	Department	Description	Council Approval/ Discussion	New Revenue	Fund					Cost to Fund
					General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Internal Service Funds	
139	Public Works	Annual Street Preservation (REET II)	✓	-	-	-	135,000	-	-	135,000
136	Public Works	School Zone Pedestrian Safety (REET II)		-	-	-	10,000	-	-	10,000
130	Public Works	Harbour Pointe Blvd Widening - Engineering Services (REET II)	7/20/2015	167,175	-	-	278,625	-	-	111,450
135	Public Works	Lighthouse Facility Repairs (REET II)		15,000	-	-	20,000	-	-	5,000
133	Public Works	Pavement Condition Index (PCI) Rating Update (REET II)	✓	-	-	-	20,000	-	-	20,000
134	Public Works	Traffic Calming (REET II)	✓	-	-	-	25,000	-	-	25,000
151	Public Works	61st Place W. Soldier Pile Wall Replacement	6/22/2015	875,000	-	-	-	924,250	-	49,250
150	Public Works	Decant Station & Settling Vault	9/14/2015	968,989	-	-	-	1,291,989	-	323,000
126	Public Works	Harbour Reach Drive Extension Engineering Services (Multi)		950,000	-	-	950,000	-	-	-
149	Public Works	Surface Water Comprehensive Plan Implementation	11/9/2015	1,139,008				1,139,008		-
176	Police	Security Gate Replacement (Facilities Renewal Fund)			-	-	-	-	15,000	15,000
177	Police, Fire, Public Works	Security Replacement & Improvements (Facilities Renewal Fund)		-	-	-	-	-	77,850	77,850
105	Recreation and Cultural Services	Rosehill Staff Reorganization		-	-	5,300	-	-	-	5,300

2016 Annual Budget

EXHIBIT 11 – 2015 CAPITAL PROJECT CARRY FORWARDS

2015 Capital Projects Carried Forward	Description	Prior Budgeted Amount	2015 Estimated Actuals	2016 Carry Forward
REET II	Annual Bike Path Construction	\$ 25,000	\$ -	\$ 25,000
REET II	SR 526 Shared Use Path	210,698	80,000	130,698
REET II	ADA Ramps & Sidewalks Repairs (Waterford Park)	25,000	6,208	18,792
REET II	Annual ROW ADA Improvements (i.e. Transition Plan)	15,000	13,000	2,000
REET II	Annual Sidewalk Construction	125,000	-	125,000
REET II	Annual Street Patching & Repairs	180,000	80,000	100,000
REET II	Annual Street Preservation (2015 BWC)	500,800	358,800	142,000
REET II	Facility Renewal	68,000	-	68,000
REET II	Harbour Pointe Blvd & 5th Street BWC	50,000	-	50,000
REET II	Harbour Point Blvd Widening	308,625	32,000	276,625
Surface Water Management	61st Place Culvert	262,500	61,000	201,500
Surface Water Management	Lighthouse Park Tide Gate	50,000	-	50,000
Surface Water Management	Naketa Beach Storm Pipe Repairs	356,379	55,000	301,379
Total 2015 Capital Projects Carried Forward		\$ 2,177,002	\$ 686,008	\$ 1,490,994

2016 Annual Budget

GENERAL FUND

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 4,397,925	\$ 4,097,420	\$ 4,338,500	\$ 4,235,686	\$ (102,814)
Revenue and transfers-in					
Taxes	\$ 10,332,133	\$ 10,949,297	\$ 10,476,800	\$ 10,675,875	199,075
Licenses & permits	1,325,818	1,399,100	1,310,765	1,327,496	16,731
Intergovernmental revenue	351,486	523,050	365,936	486,786	120,850
Charges for services	450,180	651,173	340,368	387,520	47,152
Fines and forfeitures	139,159	182,125	193,000	204,220	11,220
Other miscellaneous revenue	239,125	576,540	486,050	716,775	230,725
Transfers-in	-	115,041	320,552	229,967	(90,585)
Total revenue and transfers-in	<u>\$ 12,837,901</u>	<u>\$ 14,396,326</u>	<u>\$ 13,493,471</u>	<u>\$ 14,028,639</u>	<u>\$ 535,168</u>
Total resources	<u>\$ 17,235,826</u>	<u>\$ 18,493,746</u>	<u>\$ 17,831,971</u>	<u>\$ 18,264,325</u>	<u>\$ 432,354</u>
Expenditures and transfers-out					
Council	\$ 70,569	\$ 74,010	\$ 65,210	\$ 76,150	\$ 10,940
Executive					-
Judicial	385,529	421,000	421,000	551,000	130,000
Executive	630,548	572,690	608,625	619,121	10,496
Human Resources	179,345	184,880	239,702	183,979	(55,723)
Finance & IT					-
Accounting	740,910	763,920	738,920	886,960	148,040
Information Technology	280,439	325,320	312,400	349,450	37,050
Community Development					-
Permits	288,108	301,640	277,835	311,050	33,215
Planning	629,764	797,255	727,745	736,472	8,727
Building	128,675	130,080	128,015	131,800	3,785
GIS	-	-	-	92,406	92,406
Public Works					-
Administration	200,523	328,823	279,105	414,951	135,846
Parks	655,752	691,720	607,140	627,415	20,275
Police					-
Administration	1,324,601	1,401,355	1,450,771	1,100,515	(350,256)
Patrol	2,657,441	2,637,435	2,555,290	2,658,250	102,960
Special Operations	439,758	402,625	493,585	537,900	44,315
Crime Prevention	140,993	136,805	130,460	141,540	11,080
Rangers	-	312,955	310,479	209,241	(101,238)
Training	46,547	60,739	51,914	53,850	1,936
Fire					-
Administration	270,215	218,565	347,478	247,757	(99,721)
Operations	1,968,347	1,985,025	1,868,423	1,983,500	115,077
Prevention	248,524	246,301	204,097	160,884	(43,213)
Other governmental	420,988	824,080	1,096,318	1,459,645	363,327
Transfers-out	1,189,750	1,598,806	681,773	994,085	312,312
Total expenditures and transfers-out	<u>\$ 12,897,326</u>	<u>\$ 14,416,029</u>	<u>\$ 13,596,285</u>	<u>\$ 14,527,921</u>	<u>\$ 931,636</u>
Ending fund balance	<u>\$ 4,338,500</u>	<u>\$ 4,077,717</u>	<u>\$ 4,235,686</u>	<u>\$ 3,736,404</u>	<u>\$ (499,282)</u>
Revenue/Expense Difference \$	\$ (59,425)		\$ (102,814)	\$ (499,282)	\$ (396,468)
Revenue/Expense Difference %	-0.46%		-0.76%	-3.44%	
% of Fund Balance Reserve	33.64%		31.15%	25.72%	

CITY COUNCIL

Purpose:

The City Council is responsible for establishing policy direction for the City through the adoption of laws, policies, procedures, and programs. The City Council is authorized to: adopt local laws, which are called ordinances; adopt resolutions, which are formal statements of the Council’s policy direction; approve agreements for services, supplies, or programs; approve and adopt an annual budget which appropriates funds for City programs; and approve payment of City monies.

The City Council meets several times each month at regularly scheduled meetings to discuss special interest matters. City Councilmembers are elected by “position number” to four year overlapping terms, so that three to four Councilmembers are up for election every two years. Annually, the City Council selects a President and Vice President from among its membership, assigns Councilmembers as representatives to outside agencies, approves organizational work plans and priorities, and meets with County, Regional, State, and Federal representatives to secure legislation beneficial to Mukilteo.

Position Summary:

Position Title	2015	2016
Councilmember	7.0	7.0
Total	7.0	7.0

Expenditure Summary:

	2014		2015		2015		2016		\$ Increase/ (Decrease)
	Estimated	Actuals	Amended Budget	Estimated Actuals	Estimated Actuals	Budget	Budget		
Council	\$	70,569	\$	74,010	\$	65,210	\$	76,150	\$ 10,940
Total Departmental Summary	\$	70,569	\$	74,010	\$	65,210	\$	76,150	\$ 10,940

Budget Highlights:

- Software Upgrade for Council Chamber computers, which have reached the end of their useful life
- Adjusted City Council Retreat funding to historical norms.

2016 Annual Budget Legislative Department

City Council

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Part Time Employees	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ -
Total Salaries & Wages	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ -
Benefits					
	\$ 3,448	\$ 3,260	\$ 3,260	\$ 3,600	\$ 340
Total Benefits	\$ 3,448	\$ 3,260	\$ 3,260	\$ 3,600	\$ 340
Total Salaries & Benefits	\$ 46,048	\$ 45,860	\$ 45,860	\$ 46,200	\$ 340
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 128	\$ 250	\$ 250	\$ 1,250	\$ 1,000
Meeting Costs & Council Retreat	1,737	3,500	700	500	(200)
Total Supplies	\$ 1,865	\$ 3,750	\$ 950	\$ 1,750	\$ 800
Other Services & Charges					
Travel & Subsistence Expense	\$ 12,401	\$ 14,000	\$ 8,000	\$ 14,000	\$ 6,000
Cell Phone	-	-	-	2,000	2,000
Legal Publications	1,341	1,400	1,400	1,200	(200)
Publication of Agendas	2,856	3,000	3,000	3,000	-
Training & Registration Costs	4,985	3,000	3,000	3,000	-
Software	-	-	-	2,000	2,000
City Code Revision	1,073	3,000	3,000	3,000	-
Total Other Services & Charges	\$ 22,656	\$ 24,400	\$ 18,400	\$ 28,200	\$ 9,800
Total Operating Expenses	\$ 24,521	\$ 28,150	\$ 19,350	\$ 29,950	\$ 10,600
Total City Council	\$ 70,569	\$ 74,010	\$ 65,210	\$ 76,150	\$ 10,940

EXECUTIVE DEPARTMENT

Purpose:

The Executive Department provides overall management direction to the City organization. The Department is responsible for implementing policy direction, overseeing, managing, coordinating and evaluating City operations and programs.

The Department prepares and recommends an annual budget, executes all City contracts, maintains the City’s official public records, provides Risk Management services, and prepares analyses and reports as necessary to help optimize City operations and clarify policy direction. It also provides all Human Resource Management services which include attracting and retaining a skilled professional staff, administering employee benefits, updating the City’s classification and compensation program, employee wellness program and directing labor relations as it relates to formal grievances, arbitration actions and contract negotiation efforts. Additionally, the Executive Department administers the City’s legal functions, which are provided by contract.

The Executive Department consists of the Executive and Legal Divisions, which are described within this section.

Organization Chart:



Position Summary:

Position Title	2015	2016
Mayor	1.0	1.0
Management Services Director	1.0	1.0
City Clerk	1.0	1.0
Human Resources Manager	1.0	1.0
Executive Assistant	1.0	1.0
Policy Analyst	1.0	1.0
Department Assistant	0.5	0.5
Total	6.5	6.5

Expenditure Summary:

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Executive	\$ 630,548	\$ 572,690	\$ 608,625	\$ 619,121	\$ 10,496
Judicial	\$ 385,529	\$ 421,000	\$ 421,000	\$ 551,000	\$ 130,000
Human Resources	\$ 179,345	\$ 184,880	\$ 239,703	\$ 183,979	\$ (55,724)
Total Departmental Summary	\$ 1,195,422	\$ 1,178,570	\$ 1,269,328	\$ 1,354,100	\$ 84,772

Budget Highlights:

- Expenditure increases are largely due to the move of Paine Field legal expenses into the Legal and Judicial division

EXECUTIVE

Purpose:

The Mayor serves as Chief Executive Officer and manages and directs the operations of the City. Mayor Jennifer Gregerson was elected to a four-year term beginning January 1, 2014. The Mayor oversees the long-term vision of the City directly and manages day-to-day operations through the Management Services Director.

The Executive Department is responsible for policy analysis and coordination among the City's departments, public outreach and community involvement, and provides direct staff support to the Mayor and City Council. The Department also maintains the City's official public records, coordinates and processes liability claims and lawsuits involving the City, and provides human resources services to all City departments.

2015 Accomplishments:

- Created the Rosehill Community Board
- Created and supported the Wise Investment in Transportation Committee
- Created an Employee Innovation and Recognition Program
- Developed a Capital Equipment Replacement Program, Facility Renewal Program and IT Asset Management Program
- Recruited and hired qualified candidates for position vacancies
- Ongoing review and/or updates to the City's Personnel Manual
- Conducted ongoing review of employee benefit packages
- Complied with state and federal employee regulations, providing updated material and programs for employees
- Updated and aided in implementation of year-round wellness program

2016 Goals & Objectives

- Support the City Council in setting policy direction for the City
- Continue highly effective two-way communications with residents and encourage full participation in City government
- Continue activities to protect the community from commercial air service at Paine Field
- Budget efficiently and effectively to align with our priorities
- Empower city employees to collaborate, support and serve
- Continue transparency by providing open access to public records
- To recruit and hire qualified candidates
- Ongoing review and/or updates to the City's personnel policies
- To develop and update the employee performance appraisal program
- To conduct ongoing review of employee benefit packages
- To comply with state and federal employee regulations

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are increasing in this division due to salary and benefits increases, and incorporation of the Human Resources department.
- Most of the Human Resources division was consolidated into the overall Executive budget in recognition of the integration of the Human Resources Manager within the Executive Department. Some legal and central services previously included in the Human Resources Division have been moved to other divisions as appropriate.

2016 Annual Budget

Executive Department

Executive

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 409,656	\$ 375,725	\$ 403,000	\$ 398,128	\$ (4,872)
Part Time Employees	24,325	25,965	33,100	26,100	(7,000)
Special Assignment Pay & Overtime	5,371	-	-	-	-
Total Salaries & Wages	\$ 439,352	\$ 401,690	\$ 436,100	\$ 424,228	\$ (11,872)
Benefits	\$ 131,209	\$ 129,750	\$ 133,800	\$ 153,093	\$ 19,293
Total Benefits	\$ 131,209	\$ 129,750	\$ 133,800	\$ 153,093	\$ 19,293
Total Salaries & Benefits	\$ 570,561	\$ 531,440	\$ 569,900	\$ 577,321	\$ 7,421
Operating Expenses					
Supplies	\$ 4,727	\$ 4,700	\$ 6,000	\$ 8,000	\$ 2,000
Total Supplies	\$ 4,727	\$ 4,700	\$ 6,000	\$ 8,000	\$ 2,000
Other Services & Charges					
Consulting Services	\$ 14,540	\$ 5,000	\$ 5,000	\$ 5,000	-
Other Professional Services	24,712	12,100	12,025	12,100	75
Communication Expenses	2,364	3,450	2,700	2,200	(500)
Travel & Subsistence Expense	7,716	10,000	5,500	8,000	2,500
Assoc. Dues & Memberships	1,741	1,000	1,000	500	(500)
Training & Registration Costs	4,187	5,000	6,500	6,000	(500)
Tuition Reimbursement	-	-	-	-	-
Total Other Services & Charges	\$ 55,260	\$ 36,550	\$ 32,725	\$ 33,800	\$ 1,075
Total Operating Expenses	\$ 59,987	\$ 41,250	\$ 38,725	\$ 41,800	\$ 3,075
Total Executive	\$ 630,548	\$ 572,690	\$ 608,625	\$ 619,121	\$ 10,496

Human Resources

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ -	\$ 86,320	\$ 87,850	\$ 94,372	\$ 6,522
Total Salaries & Wages	\$ -	\$ 86,320	\$ 87,850	\$ 94,372	\$ 6,522
Benefits	\$ 52,724	\$ 32,560	\$ 75,295	\$ 37,207	\$ (38,088)
Total Benefits	\$ 52,724	\$ 32,560	\$ 75,295	\$ 37,207	\$ (38,088)
Total Salaries & Benefits	\$ 52,724	\$ 118,880	\$ 163,145	\$ 131,579	\$ (31,566)
Operating Expenses					
Supplies	\$ 3,051	\$ 6,500	\$ 1,500	\$ -	\$ (1,500)
Total Supplies	\$ 3,051	\$ 6,500	\$ 1,500	\$ -	\$ (1,500)
Other Services & Charges					
Other Professional Services	\$ 103,621	\$ 35,500	\$ 54,932	\$ 30,000	\$ (24,932)
AWC Wellness Program	2,499	2,500	2,500	2,500	-
Communication Expenses	232	1,500	800	900	100
Travel & Subsistence Expense	171	2,000	2,000	2,000	-
Classified Advertising	2,983	2,000	500	500	-
Assoc. Dues & Memberships	700	1,000	500	500	-
Training & Registration	13,364	15,000	13,826	1,000	(12,826)
Tuition Reimbursement	-	-	-	15,000	15,000
Total Other Services & Charges	\$ 123,570	\$ 59,500	\$ 75,058	\$ 52,400	\$ (22,658)
Total Operating Expenses	\$ 126,621	\$ 66,000	\$ 76,558	\$ 52,400	\$ (24,158)
Total Human Resources	\$ 179,345	\$ 184,880	\$ 239,703	\$ 183,979	\$ (55,724)

LEGAL & JUDICIAL

Purpose:

The Legal Division provides legal services to the City, in the form of the City Attorney and Judicial Divisions.

City Attorney services include providing legal advice to the Mayor, City Council, City Commissions and Boards, and City Departments. The City Attorney defends the City against claims not covered by the City's liability insurance program, represents the City in grievance and interest arbitration with its employee unions, and represents the City in general litigation matters. City Attorney services include prosecution of civil or criminal matters related to violations of the Mukilteo Municipal Code. City Attorney services are provided by contract with several private law firms.

The Judicial Division provides court services to the community which includes the cost of hearing criminal and civil traffic infraction cases filed by the City. The Division provides these services through an Interlocal agreement with the Snohomish County District Court. In addition to district court functions, the Division includes costs to provide constitutionally-required public defender services for indigent defendants.

2015 Accomplishments:

- Indigent legal services were provided to over 200 defendants.
- City Attorney provided sound legal advice on a variety of topics that significantly reduced the City's exposure to claims or arbitration.

2016 Goals & Objectives

- Provide sound legal advice to inform City operations and decision making.
- Ensure that City ordinances and regulations are properly enforced.
- Protect constitutionally-guaranteed rights to due process of law and fair trial.
- Ensure that indigent defendants receive adequate counsel
- Continue to invest and support efforts to oppose commercial air service at Paine Field Airport.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are increasing in this division due to the incorporation of attorney costs for labor negotiations and Paine Field legal defense, both of which were budgeted in other divisions previously.
- The Indigent Defense Attorney line item reflects the actual costs of complying with indigent defense standards.
- Paine Field Legal Defense and Human Resources legal support were consolidated into the Legal budget to provide increased transparency for the City's overall legal costs.

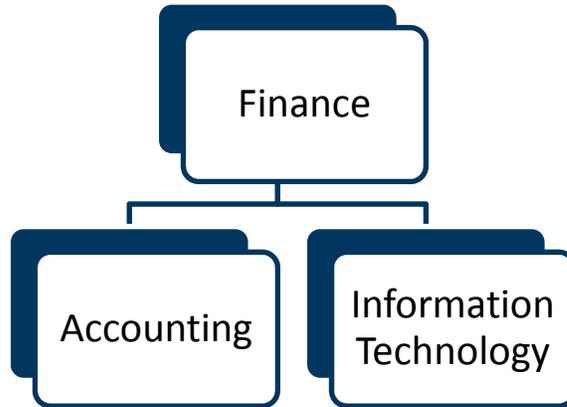
Judicial Services

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Operating Expenses					
Other Services & Charges					
Indigent Defense Attorney	\$ 34,898	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
City Attorney	141,032	110,000	110,000	110,000	-
City Attorney Other Services	52,755	50,000	50,000	50,000	-
Labor Negotiations	-	-	-	30,000	30,000
City Prosecuting Attorney	57,750	60,000	60,000	60,000	-
Paine Field Legal Defense	-	-	-	100,000	100,000
Total Other Services & Charges	\$ 286,435	\$ 320,000	\$ 320,000	\$ 450,000	\$ 130,000
Intergovernmental Services					
Interlocal Extradition	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Everett District Court	99,094	100,000	100,000	100,000	-
Total Intergovernmental Services	\$ 99,094	\$ 101,000	\$ 101,000	\$ 101,000	\$ -
Total Operating Expenses	\$ 385,529	\$ 421,000	\$ 421,000	\$ 551,000	\$ 130,000
Total Judicial Services	\$ 385,529	\$ 421,000	\$ 421,000	\$ 551,000	\$ 130,000

FINANCE

The Finance Department consists of the Accounting and Information Technology Divisions. Narratives for these two Divisions follow on subsequent pages.

Organization Chart:



Position Summary:

Position Title	2015	2016
Finance Director	1.0	1.0
Accounting Manager	1.0	1.0
Staff Accountant	1.0	1.0
Accounting Technician	3.0	3.0
I.T. Systems Administrator	1.0	1.0
Computer Support Technician	1.0	1.0
Total	8.0	8.0

Expenditure Summary:

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated	Actuals	Amended Budget	Estimated Actuals	Budget	Budget	Budget			
Finance	\$	740,910	\$	763,920	\$	738,920	\$	886,960	\$	148,040
Information Technology										
Information Technology	\$	280,439	\$	325,320	\$	312,400	\$	349,450	\$	37,050
Technology Replacement		61,876		14,600		14,600		14,600		-
Total Information Technology	\$	342,315	\$	339,920	\$	327,000	\$	364,050	\$	37,050
Total Departmental Summary	\$	1,083,225	\$	1,103,840	\$	1,065,920	\$	1,251,010	\$	185,090

New Budget Item Summary

- A **Rate Setting Study** will develop a cost allocation model and help the City follow guidance provided by the State Auditor and provide a sound basis for shared indirect overhead costs amongst departments and funds.

Finance Department Rate Setting Study

Brief Description:

New Item

Indirect cost allocation analysis/plan.

Fund Name

General

Amount Requested

\$15,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

The City incurs costs in the General Fund that effect all City operations, including Surface Water. Such costs include departmental services and expenditures for information technology, finance, human resources, legal, and executive, as well as shared expenditures such as insurance, select employee benefit programs, and municipal facility replacement charges. We would like to have a firm prepare an indirect cost allocation plan, in accordance with guidance given by the Washington State Auditor's Office, to allocate Surface Water and other funds their portion of shared expenditures. This would essentially reduce or eliminate the General Fund's subsidy to Surface Water. The plan could also provide useful information on the cost to run all departments in the City, which in turn could provide relevant information for setting rates in the future (recreation, permits, parking tickets, etc).

Alternatives and Potential Costs

The alternative to creating an indirect cost allocation plan would be to continue to subsidize the Surface Water fund for all shared services and expenditures.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The first year there would be a larger cost to set up the plan; this would require work by individual departments to identify appropriate cost driving factors. In subsequent years the cost would be significantly less because only updates on cost drivers would be necessary. Every few years an evaluation would need to be done to determine if the current cost drivers are still relevant, if a new assessment is required in future years, it would require similar study costs to this proposal.

Expenditure Account # & Title	Amount
011.14.514.230.4106	\$ 15,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
GF Efficiencies and Revenue Growth	\$ 15,000
	\$ -
	\$ -
	\$ -

Department:	Finance
Division:	Accounting
Prepared by:	Andrea Dowell



ACCOUNTING DIVISION

Purpose:

The Accounting Division fulfills all accounting and treasury functions, which include general accounting, accounts payable, accounts receivable, payroll, cash management, purchasing, auditing, investing, budgeting, and financial reporting. The Division also issues all business licenses and some specialty licenses.

2015 Accomplishments:

- Completed 2013 Washington State and GASB 68 State Pension Audits
- Completed the EMS services lock box billing process
- Developed and instituted the Paid Parking Deposit Program
- Instituted the Departmental Quarterly Financial Reporting process
- Developed and instituted a comprehensive Monthly Financial Accountability Report
- Completed the Standards and Poor's Bond Rating Report

2016 Goals & Objectives

- Reinstitute the City's Long Range Financial Plan
- Evaluate, update and implement the Finance Department standard operating procedures and internal controls.
- Evaluate the funding procedures for the Capital Equipment Replacement Fund
- Develop a funding strategy for the Facility Renewal Capital Plan
- Evaluate staffing fund allocations amongst other funds
- Complete the 2014 Washington State Audit
- Prepare for the 2015 Washington State Audit
- Evaluate all revenue sources to ensure accurate data and collection procedures

Budget Highlights

- The 2016 budget for the Accounting Division reflects no change in staffing levels.
- One new budget item is included in the requested expenditure, the **Rate Setting Study**.
- Compared to the 2015 budget, expenditures are increasing in this division due to banking fee charges related to the Paid Parking Program, staff training and travel expenses, and State Audit fees.
- The 2016 Accounting Budget includes additional funding for EDEN and CAFR module maintenance; staff participation in Government Finance Officers Association and Washington Finance Officers Association conference training opportunities; and Washington State Audit service fees

Accounting Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 414,468	\$ 433,500	\$ 386,655	\$ 433,900	\$ 47,245
Special Assignment Pay	-	-	2,500	-	(2,500)
Overtime	1,098	1,630	1,630	1,500	(130)
Total Salaries & Wages	\$ 415,566	\$ 435,130	\$ 390,785	\$ 435,400	\$ 44,615
Benefits	\$ 187,385	\$ 197,930	\$ 167,808	\$ 229,800	\$ 61,992
Total Benefits	\$ 187,385	\$ 197,930	\$ 167,808	\$ 229,800	\$ 61,992
Total Salaries & Benefits	\$ 602,951	\$ 633,060	\$ 558,593	\$ 665,200	\$ 106,607
<u>Operating Expenses</u>					
Supplies	\$ 4,437	\$ 2,800	\$ 2,800	\$ 3,650	\$ 850
Total Supplies	\$ 4,437	\$ 2,800	\$ 2,800	\$ 3,650	\$ 850
Other Services & Charges					
Other Professional Services	\$ 17,136	\$ 1,500	\$ 26,500	\$ 26,510	\$ 10
Communication Expenses	4,258	4,600	4,600	4,600	-
Travel & Subsistence	6	1,000	1,000	1,000	-
Equipment Replacement Charges	2,044	-	-	-	-
Accounting System Maintenance	36,143	34,750	37,789	38,000	
Training, Registration & Dues	1,778	1,000	4,230	6,000	1,770
Banking Fees	22,425	20,000	38,198	32,000	(6,198)
Total Other Services & Charges	\$ 83,790	\$ 62,850	\$ 112,317	\$ 108,110	\$ (4,207)
Intergovernmental Services					
State Auditor Audit	\$ 49,732	\$ 65,210	\$ 65,210	\$ 110,000	\$ 44,790
Total Other Services & Charges	\$ 49,732	\$ 65,210	\$ 65,210	\$ 110,000	\$ 44,790
Total Operating Expenses	\$ 137,959	\$ 130,860	\$ 180,327	\$ 221,760	\$ 41,433
Total Accounting Division	\$ 740,910	\$ 763,920	\$ 738,920	\$ 886,960	\$ 148,040

INFORMATION TECHNOLOGY DIVISION

Purpose:

The Information Technology (IT) Division manages all aspects of the City's technology infrastructure. Core components of this infrastructure include: firewalls, switches, routers, security/network appliances, servers, a VOIP telephone system, mobile technology devices, workstations and peripheral devices.

The IT Division ensures a reliable and secure infrastructure that is responsible for ensuring data integrity, and provides archival, backup, business continuity, and disaster recovery of City data. IT provides all internal technology support including server infrastructure, networking operations, help desk support, as well as device and software management.

The IT Division coordinates with SNOCOM Emergency 911 services to maintain a secure and reliable connection for the transmission of data from both fixed and mobile units for the City's first responders.

The IT Division maintains awareness of current and upcoming technology trends and performs analysis of those trends to make recommendations to the City. Through this analysis, the IT division is able to assist other Departments in using technology to their greatest advantage. One of the ways in which this is achieved is through end-user education and by identifying subject-matter experts who can assist in the process of developing new workflows.

The IT Division continues to focus upon business continuity and disaster recovery as a primary goal for the City and its infrastructure. Over the course of 2015, the City has continued to explore options area of business continuity and the continuation of services in the face of a catastrophic event. The City has successfully deployed and maintained a disaster recovery site in Eastern Washington, and has continued to take steps to harden the internal infrastructure and its ability to stay viable during a catastrophic event.

2015 Accomplishments:

- Prepared Public Safety vehicles for the roll out of New World scheduled for late October, 2015.
- Deployed business continuity infrastructure between City Hall and Public Safety.
- Deployed Microsoft System Center, which included Endpoint Protection, Online Email Archiving and Exchange Online Protection.
- Continued upgrades to virtualized platforms with the replacement of server and storage infrastructure.

2016 Goals & Objectives

- Continue to deploy upgrades to the Disaster Recovery and Business Continuity infrastructure.
- Perform a telephony analysis and RFP process for replacement of phone system in 2017.

- Continued upgrades to servers, workstations, and communication systems.
- Deploy SharePoint and Lync internally to City Staff.
- Continue focus on network security, data integrity and training of staff and end users.

Budget Highlights

- The 2016 budget for the IT Division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are increasing in this division due to software maintenance fees related to Microsoft Office 365 migration, and staff training and travel expenses.
- The 2016 IT Budget begins to operationalize the 6-year IT plan and incorporates a variety of elements that include upgrading, extending or replacing required equipment based upon its useful life; Council Chamber sound, video and workstation upgrades; extending the Microsoft Enterprise Agreement which expands the City's server capacity and provides for a seamless transition to Office 365 in 2018; and a variety of telephony, network and data security initiatives.

Information Technology Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 62,622	\$ 77,710	\$ 110,440	\$ 122,300	\$ 11,860
Part Time Employees	31,773	33,980	-	-	-
Overtime	-	2,000	2,000	2,000	-
Total Salaries & Wages	\$ 94,395	\$ 113,690	\$ 112,440	\$ 124,300	\$ 11,860
Benefits					
Total Benefits	\$ 42,320	\$ 54,855	\$ 54,020	\$ 61,800	\$ 7,780
Total Salaries & Benefits	\$ 136,715	\$ 168,545	\$ 166,460	\$ 186,100	\$ 19,640
<u>Operating Expenses</u>					
Supplies					
Total Supplies	\$ 13,763	\$ 14,250	\$ 13,750	\$ 14,250	\$ 500
Other Services & Charges					
Consulting Services	\$ 45,090	\$ 45,200	\$ 45,200	\$ 45,200	\$ -
Other Professional Services	1,029	-	-	-	-
Communication Expenses	36,705	41,600	41,740	40,050	(1,690)
Computer System Maintenance	29,110	30,650	30,250	30,250	-
Software Maintenance	13,731	19,350	9,350	25,700	16,350
Training, Registration & Dues	575	1,225	1,150	3,150	2,000
Offsite Data Storage	3,721	4,500	4,500	4,750	250
Total Other Services & Charges	\$ 129,961	\$ 142,525	\$ 132,190	\$ 149,100	\$ 16,910
Total Operating Expenses	\$ 143,724	\$ 156,775	\$ 145,940	\$ 163,350	\$ 17,410
Total Information Technology	\$ 280,439	\$ 325,320	\$ 312,400	\$ 349,450	\$ 37,050

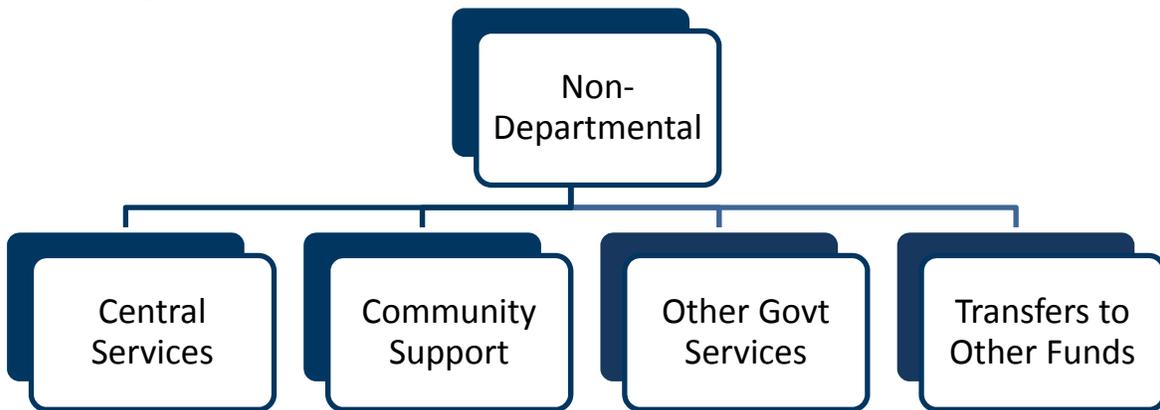
NON-DEPARTMENTAL

Purpose:

Non-departmental services represent a mix of services that support internal and external partnerships to support the City and its operations, and include the following elements: Central Services, Other Governmental Services and Community Support. Central Services includes City-wide services that support all departments and are consolidated for efficiency and transparency. Other Governmental Services Division includes services which support City operations through interdepartmental cooperation within the City and regional partnerships with outside agencies. Community Support Division includes efforts to engage residents in City operations through public outreach and the City newsletter. Also included are large item pickup and community support grants, which improve the quality of life for residents and visitors.

The Non-Departmental budget also includes a variety of transfers from the General Fund to other City Funds.

Organization Chart:



Expenditure Summary:

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated	Amended	Estimated	Budget	
	Actuals	Budget	Actuals		
Other Governmental	\$ 420,988	\$ 824,080	\$ 1,096,318	\$ 1,459,645	\$ 363,327
Transfers	\$ 1,189,750	\$ 1,598,806	\$ 681,773	\$ 994,085	\$ 312,312
Total Departmental Summary	\$ 1,610,738	\$ 2,422,886	\$ 1,778,091	\$ 2,453,730	\$ 675,639

Budget Highlights

- The 2016 budget does not reflect any change in staffing levels, and no new budget items.
- Unemployment Compensation, Workers Compensation, AWC Wellness Program and HR Tuition Reimbursement budget line items have been centrally relocated to Central Services. This results in an addition of \$50,095 to the Non-Departmental Budget.
- SNOCOM – 911 Dispatch, New World and SERS budget line items have been centrally relocated to Intergovernmental Services. This results in an addition of \$556,300 to the Non-Departmental Budget.
- Parks Special Projects budget has been reduced by \$5,000.
- 2016 Large Item Pick-up is not funded, and is transitioned to biannual program, with the next event anticipated in 2017.
- In the 2016 budget a reduction of \$210,000, approximately 3%, was applied to salaries and benefits expenses. This will more closely align budgeted numbers to actual expenditures. When an employee leaves employment the City has obligations for payouts such as sick leave and vacation, and \$50,000 has been set aside to help fund these expenditures.

2016 Annual Budget

Non-Departmental

Non Departmental - Other Governmental Services

	2014		2015		2015		2016		\$ Increase/ (Decrease)
	Estimated	Actuals	Amended Budget	Estimated Actuals	Estimated Actuals	Budget	Budget		
Salaries & Benefits									
Salaries & Wages	\$	-	\$	-	\$	-	\$	(259,000)	\$ (259,000)
Total Salaries & Wages	\$	-	\$	-	\$	-	\$	(259,000)	\$ (259,000)
Benefits	\$	11,993	\$	10,500	\$	10,500	\$	(84,905)	\$ (95,405)
Total Benefits	\$	11,993	\$	10,500	\$	10,500	\$	(84,905)	\$ (95,405)
Total Salaries & Benefits	\$	11,993	\$	10,500	\$	10,500	\$	(343,905)	\$ (354,405)
Operating Expenses									
Supplies									
Paper Stock	\$	3,206	\$	5,000	\$	5,000	\$	5,000	\$ -
Operating Supplies		742		1,400		1,400		1,000	(400)
Total Supplies	\$	3,948	\$	6,400	\$	6,400	\$	6,000	\$ (400)
Other Services & Charges									
Records Services	\$	-	\$	7,000	\$	7,000	\$	-	(7,000)
Postage		326		350		350		350	-
Website Hosting		1,800		1,000		1,000		2,000	1,000
Office Equipment Rents		1,203		1,300		1,300		2,000	700
Office Equipment M&R		15,396		7,500		7,500		8,000	500
City Letterhead & Envelopes		1,642		1,200		1,200		1,200	-
Public Affairs & Community Outreach		34,077		20,000		20,000		20,000	-
Youth Advisory Council		534		1,500		1,500		1,000	(500)
Travel & Subsistence		443		2,500		2,500		2,500	-
Equipment Replacement Charges		-		313,030		-		-	-
Facilities Maintenance Charges		-		-		565,268		607,600	42,332
Insurance		139,737		140,000		140,000		301,400	161,400
Vehicle R&M		-		93,250		93,250		93,250	-
ECityGov Alliance Contract		2,400		2,500		2,500		2,500	-
Training & Registration		515		2,500		2,500		2,500	-
Emergency Mgmt Misc		4,561		3,500		3,500		3,500	-
City Newsletter		17,037		17,500		17,500		-	(17,500)
Community Support Grants		17,956		10,000		10,000		10,000	-
Parks Special Projects		-		10,000		10,000		5,000	(5,000)
Large Item Pickup		26,550		20,000		40,000		40,000	-
AWC Wellness Program		-		-		-		-	-
Tuition Reimbursement		-		-		-		-	-
Total Other Services & Charges	\$	264,177	\$	654,630	\$	926,868	\$	1,102,800	\$ 175,932
Total Operating Expenses	\$	268,125	\$	661,030	\$	933,268	\$	1,108,800	\$ 175,532

Non Departmental - Other Governmental Services (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Alcohol Program	\$ 4,408	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Election Services	6,765	15,000	15,000	15,000	-
Emergency Services	52,348	49,000	49,000	30,000	(19,000)
Commute Trip Reduction	50	3,000	3,000	5,000	2,000
Assoc Wash Cities	13,893	14,200	14,200	14,500	300
Puget Sound Clean Air Agency	12,591	13,000	13,000	18,500	5,500
Puget Sound Region Council	8,126	8,500	8,500	8,500	-
Snohomish County Tomorrow	3,595	4,500	4,500	4,000	(500)
Voter Registration	25,988	30,000	30,000	30,000	-
WA ST Purchasing COOP	-	1,000	1,000	1,000	-
National League of Cities	1,861	2,000	2,000	2,000	-
Economic Alliance - Snohomish County	10,000	5,000	5,000	2,500	(2,500)
Snohomish County Cities	-	100	100	200	100
Interjurisdictional Housing Program	1,245	1,250	1,250	1,250	-
SNOCOM - Dispatch	-	-	-	451,500	451,500
New World	-	-	-	49,800	49,800
SERS	-	-	-	55,000	55,000
Total Intergovernmental Services	\$ 140,870	\$ 152,550	\$ 152,550	\$ 694,750	\$ 542,200
Total Intergovernmental Services	\$ 140,870	\$ 152,550	\$ 152,550	\$ 694,750	\$ 542,200
Total Non Departmental - Other Governmental Services	\$ 420,988	\$ 824,080	\$ 1,096,318	\$ 1,459,645	\$ 363,327

TRANSFERS TO OTHER FUNDS

Purpose:

General Fund transfers to other City funds are not considered expenditures for budgeting and financial reporting purposes. The General Fund has budgeted transfers to four City funds: Street Fund, Recreation & Cultural Services Fund, Technology Replacement Fund, and Facility Renewal Fund.

The transfers to the Street Fund and Recreation & Cultural Services Fund are intended to subsidize the operations of those funds with the goal of a zero dollar fund balance in those funds at the end of the year. This ensures the financial viability of these funds while minimizing the General Fund's financial commitment.

The transfer to the Technology Replacement Fund is intended to set aside resources in that Fund for future expenditures contained in the six year IT Asset Management Plan.

Budget Highlights

- No anticipated 2016 general fund transfer to the Emergency Medical Services Fund.

New Budget Item Summary

- **Facility Renewal Fund Capitalization** has been created to maintain, rehabilitate and renovate City buildings.

Non Departmental - Transfers-out

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
Transfers-out					
City Reserve	\$ 38,750	\$ 219,200	\$ 216,334	\$ -	\$ (216,334)
Paine Field Reserve	100,000	110,000	101,483	-	(101,483)
LEOFF 1	25,000	-	-	-	-
Health Insurance Reserve	1,000	-	-	-	-
Street	100,000	360,595	273,265	336,040	62,775
Recreation & Cultural Services	170,000	122,449	55,171	108,045	52,874
Hotel/Motel Lodging	5,000	-	-	-	-
Emergency Medical Services	100,000	86,947	-	-	-
Technology Replacement	110,000	62,100	35,520	50,000	14,480
Facilities Maintenance	540,000	637,515	-	-	-
Facility Renewal	-	-	-	500,000	500,000
Total Transfers-out	\$ 1,189,750	\$ 1,598,806	\$ 681,773	\$ 994,085	\$ 312,312

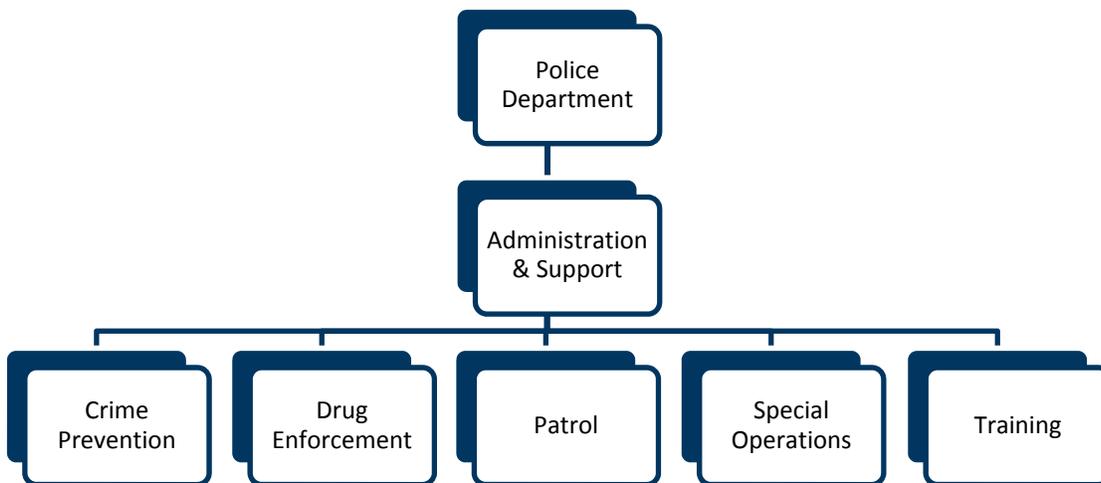
POLICE DEPARTMENT

Purpose:

The Police Department provides services for the protection of persons and property. These activities include general law and traffic enforcement, criminal investigations, animal control, and emergency service coordination and support.

The Police Department consists of six divisions: Administration and Support Services, Crime Prevention, Patrol, Training, Special Operations, and Drug Enforcement, as shown below.

Organization Chart:



Position Summary:

Position Title	2015	2016
Police Chief	1.0	1.0
Commander	1.0	1.0
Sergeant	4.0	4.0
Detective Sergeant	1.0	1.0
Detective	3.0	3.0
Crime Prevention Officer	1.0	1.0
Police Officer	17.0	17.0
Office Supervisor	1.0	1.0
Community Support Officer	3.0	3.0
Support Services Technician	2.0	2.0
Department Assistant	1.0	1.0
Total	35.0	35.0

Expenditure Summary:

	2014		2015		2015		2016		\$ Increase/ (Decrease)
	Estimated	Actuals	Amended	Budget	Estimated	Actuals	Budget		
Police Department									
Administration	\$	1,324,601	\$	1,401,355	\$	1,450,771	\$	1,100,515	\$ (350,256)
Patrol		2,657,441		2,637,435		2,555,290		2,658,250	102,960
Special Operations		439,758		402,625		493,585		537,900	44,315
Crime Prevention		140,993		136,805		130,460		141,540	11,080
Rangers		-		312,955		310,479		209,241	(101,238)
Training		46,547		60,739		51,914		53,850	1,936
Drug Enforcement		-		7,500		7,500		7,500	-
Total Departmental Summary	\$	4,609,340	\$	4,959,414	\$	4,999,999	\$	4,708,796	\$ (291,203)

New Budget Item Summary

- In the Equipment Replacement Fund section: purchase of **two new police vehicles**.
- In the Facility Renewal Fund section: **Security Replacement and Improvements** at the Police Station.

ADMINISTRATION AND SUPPORT SERVICES DIVISION

Purpose:

The Administration and Support Services Division provides overall management of the Police Department and coordinates department activities with other City departments and outside law enforcement agencies.

Included in the Division are costs for interlocal services agreements for jail fees and animal control.

The Division manages and performs clerical and record keeping duties; updates computerized criminal justice databases; issues concealed weapon and other licenses; provides fingerprinting services; maintains evidence and property room security; provides information and assistance to the public regarding law enforcement matters; and manages the Electronic Home Monitoring Detention Program.

2015 Accomplishments:

- Installed and implemented evidence bar coding system.
- Completed first year with full-time Department Assistant leading to greatly increased operational efficiency and a significant reduction in out dated records in storage. This position also allowed for better collections on past due citations and the increase in parking tickets from the new parking program.
- Transitioned to New World CAD/RMS software.
- Continued program for disposal and storage program achieving proper records and files retention.
- Continued replacement of obsolete police fleet vehicles with new, more fuel efficient vehicles.
- Continued evidence and records training program for new officers.

2016 Goals & Objectives

- Recruit, hire, and train a new Support Services Supervisor.
- Complete evidence manual.
- Continue to successfully utilize the New World CAD/RMS software.
- Complete policy manual rewrite and training for all staff using Lexipol systems.
- Prepare and publish strategic plan.

Budget Highlights

- The 2016 budget for the Administration and Support Services Division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are changing in this division due to the inclusion of a full year Community Services Resource Officers' salary and benefits. All other expenditures have remained flat.

Police Department - Administration & Support Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 518,673	\$ 540,971	\$ 573,060	\$ 583,800	\$ 10,740
Part Time Employees	40,201	23,550	-	-	-
Special Assignment Pay	952	3,700	3,060	4,000	940
Education Premium Pay	827	-	2,780	3,200	420
Acting Supervisor Pay	300	-	160	-	(160)
Merit/Longevity Pay	1,056	1,500	780	800	20
Overtime	1,968	5,700	5,700	5,700	-
Total Salaries & Wages	\$ 563,977	\$ 575,421	\$ 585,540	\$ 597,500	\$ 11,960
Benefits	\$ 210,341	\$ 263,534	\$ 229,940	\$ 250,540	\$ 20,600
Total Benefits	\$ 210,341	\$ 263,534	\$ 229,940	\$ 250,540	\$ 20,600
Total Salaries & Benefits	\$ 774,318	\$ 838,955	\$ 815,480	\$ 848,040	\$ 32,560

Operating Expenses

Supplies

Office Supplies	\$ 15,709	\$ 13,800	\$ 13,800	\$ 13,800	\$ -
Reference Material	43	500	500	500	-
Clothing/Boots	1,208	3,500	3,500	3,500	-
Motor Fuel	6,559	7,400	7,400	7,400	-
Small Items of Equipment	6,012	8,000	8,000	8,000	-
Total Supplies	\$ 29,531	\$ 33,200	\$ 33,200	\$ 33,200	\$ -

Police Department - Administration & Support Division (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 12,016	\$ 19,050	\$ 19,050	\$ 21,240	\$ 2,190
Telephone	14,467	15,900	15,900	15,900	-
Postage	2,521	3,000	3,000	3,000	-
New World Project Connectivity	6,076	5,500	5,500	5,500	-
Cell Phones	12,127	10,600	10,600	10,600	-
Travel & Subsistence	1,467	2,000	2,000	2,000	-
Office Equipment Rental	1,007	900	900	900	-
Equipment Replacement Charges	6,614	-	-	-	-
Equipment R&M	536	3,400	3,400	3,400	-
Vehicle R&M	8,956	-	-	-	-
Software Maintenance & Support	-	800	800	810	10
Assoc.Dues & Memberships	1,080	1,100	1,100	1,100	-
Printing & Binding	558	2,000	3,937	2,000	(1,937)
Concealed Pistol License	6,200	6,300	6,300	6,300	-
Total Other Services & Charges	\$ 73,625	\$ 70,550	\$ 72,487	\$ 72,750	\$ 263
Total Operating Expenses	\$ 103,156	\$ 103,750	\$ 105,687	\$ 105,950	\$ 263
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Home Detention	\$ 8,539	\$ 1,000	\$ 2,559	\$ 2,525	\$ (34)
Jail	51,617	55,000	126,000	130,000	4,000
Animal Shelter Fees	16,840	14,000	14,000	14,000	-
Narcotics Task Force	5,381	-	-	-	-
Dawson Place Child Interview Specialist	1,817	1,500	-	-	-
Other Intergovernmental Services	362,933	387,150	387,045	-	(387,045)
Total Intergovernmental Services	\$ 447,127	\$ 458,650	\$ 529,604	\$ 146,525	\$ (383,079)
Total Intergovernmental Services	\$ 447,127	\$ 458,650	\$ 529,604	\$ 146,525	\$ (383,079)
Total Police Department - Administration & Support Division	\$ 1,324,601	\$ 1,401,355	\$ 1,450,771	\$ 1,100,515	\$ (350,256)

Police Department - Rangers Division

	2014		2015		2015		2016		\$ Increase/ (Decrease)
	Estimated	Actuals	Amended	Budget	Estimated	Actuals	Budget		
Salaries & Benefits									
Salaries & Wages									
Full Time Employees	\$	-	\$	53,355	\$	53,355	\$	99,900	\$ 46,545
Overtime		-		3,000		3,000		1,000	(2,000)
Total Salaries & Wages	\$	-	\$	56,355	\$	56,355	\$	100,900	\$ 44,545
Benefits	\$	-	\$	42,722	\$	42,722	\$	62,400	\$ 19,678
Total Benefits	\$	-	\$	42,722	\$	42,722	\$	62,400	\$ 19,678
Total Salaries & Benefits	\$	-	\$	99,077	\$	99,077	\$	163,300	\$ 64,223
Operating Expenses									
Supplies									
Office Supplies	\$	-	\$	2,604	\$	2,604	\$	2,604	\$ -
Operating Supplies		-		17,287		17,287		17,287	-
Clothing/Boots		-		4,000		4,000		4,000	-
Motor Fuel		-		2,600		2,600		2,600	-
Small Items of Equipment		-		6,000		6,000		4,000	(2,000)
Total Supplies	\$	-	\$	32,491	\$	32,491	\$	30,491	\$ (2,000)
Other Services & Charges									
Other Professional Services	\$	-	\$	14,454	\$	14,454	\$	14,450	\$ (4)
Cell Phone		-		1,000		1,000		1,000	-
Training & Registration		-		2,000		-		-	-
Total Other Services & Charges	\$	-	\$	17,454	\$	15,454	\$	15,450	\$ (4)
Total Operating Expenses	\$	-	\$	49,945	\$	47,945	\$	45,941	\$ (2,004)
Capital Outlay									
Downtown Paid Parking Program	\$	-	\$	163,933	\$	163,457	\$	-	\$ (163,457)
Total Capital Outlay	\$	-	\$	163,933	\$	163,457	\$	-	\$ (163,457)
Total Police Department - Rangers Division	\$	-	\$	312,955	\$	310,479	\$	209,241	\$ (101,238)

CRIME PREVENTION DIVISION

Purpose:

The Crime Prevention Division facilitates Police – Community partnerships through community education and outreach programs.

Activities include media releases, conducting Citizen Police Academies, coordinating the City's National Night Out against Crime Event. The Crime Prevention Officer also makes presentations to schools, civic clubs and homeowner associations.

This Officer conducts the False Alarm Reduction Program and performs Crime Trend Analysis. The Crime Prevention officer works with Block Watch groups and supervises the Volunteer Program.

2015 Accomplishments:

- Continued training and building volunteer program. Added one volunteer and one police chaplain
- Organized four Women's Self-Defense workshops with 80 attendees and hosted one advanced Women's Self-Defense class
- Held one Citizen's Academy presentation for 20 participants
- Held three Crime Prevention workshops for the general public focusing on Burglary Prevention, Identity Theft, and issues impacting youth
- Continued training to Mukilteo School District employees on active incident management. Three presentations on active-shooters and worked with the local high school to institute more complicated lockdown drills
- Increased Block Watch program to a total of 48 groups
- Trained volunteer program member to assist with the department training program
- Presented National Night Out to over 1,200 residents

2016 Goals & Objectives

- Continue building a strong Police Volunteer Program adding new members
- Hold National Night-Out Against Crime Event
- Conduct at least one Citizens' Police Academy
- Help establish new Block Watch groups
- Work with Mukilteo School District on safety issues
- Participate in the bi-annual Chief for a Day celebration
- Continue with Women's Self-Defense classes & Crime Prevention Awareness workshops

Budget Highlights

- The 2016 budget for the Crime Prevention Division reflects no change in staffing levels.
- Compared to the 2015 budget, Crime Prevention expenditures have remained relatively flat with the only noteworthy increase for additional Public Affairs and Community Outreach related to National Night Out.
- Our Crime Prevention program will concentrate on maintaining relationships with our different schools' administrations.

Police Department - Crime Prevention Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 78,992	\$ 78,980	\$ 78,980	\$ 79,500	\$ 520
Special Assignment Pay	3,772	3,700	3,890	4,000	110
Education Premium Pay	3,004	3,000	3,120	3,200	80
Merit/Longevity Pay	382	-	780	800	20
Overtime Pay	1,805	4,000	4,000	4,000	-
Overtime - Special Events	3,576	-	-	-	-
Total Salaries & Wages	\$ 91,531	\$ 89,680	\$ 90,770	\$ 91,500	\$ 730
Benefits	\$ 29,445	\$ 32,125	\$ 32,690	\$ 34,140	\$ 1,450
Total Benefits	\$ 29,445	\$ 32,125	\$ 32,690	\$ 34,140	\$ 1,450
Total Salaries & Benefits	\$ 120,976	\$ 121,805	\$ 123,460	\$ 125,640	\$ 2,180
Operating Expenses					
Supplies					
Office Supplies	\$ 4,905	\$ 5,500	\$ 2,500	\$ 5,000	\$ 2,500
Clothing/Boots	1,564	3,400	1,400	3,400	2,000
Motor Fuel	837	2,000	2,000	1,000	(1,000)
Small Items of Equipment	126	-	-	-	-
Total Supplies	\$ 7,432	\$ 10,900	\$ 5,900	\$ 9,400	\$ 3,500
Other Services & Charges					
Travel & Subsistence	\$ 1,167	\$ 2,900	\$ 900	\$ 1,500	\$ 600
Equipment Replacement Charges	2,631	-	-	-	-
Vehicle R&M	7,977	-	-	-	-
Printing & Binding	810	1,200	200	1,000	800
Public Affairs & Community Outreach	-	-	-	4,000	4,000
Total Other Services & Charges	\$ 12,585	\$ 4,100	\$ 1,100	\$ 6,500	\$ 5,400
Total Operating Expenses	\$ 20,017	\$ 15,000	\$ 7,000	\$ 15,900	\$ 8,900
Total Police Department - Crime Prevention Division	\$ 140,993	\$ 136,805	\$ 130,460	\$ 141,540	\$ 11,080

PATROL DIVISION

Purpose:

The Patrol Division provides 24-hour per day active police patrol service to the community.

Activities include uniformed police patrol; arrest of suspected criminals; traffic enforcement; responding to calls for service; crime prevention, detection, and investigation; traffic collision investigation; and citizen assistance.

The Division works with neighborhoods, citizens, businesses, and community groups to identify and resolve community problems.

2015 Accomplishments:

- Conducted additional squad level defensive tactics training
- Recertified our Master level Defensive Tactics Instructor
- Staff members received training with the New World Systems records management system
- Achieved full staffing for the department
- Recruited, hired, and trained two new Community Service Officer-Rangers
- Officer participating in the Violent Offender Task Force
- One Officer joined the regional SWAT Team

2016 Goals & Objectives

- Train additional officers in defensive tactics
- Complete full implementation of New World Systems records management program
- Complete updated manual and train staff
- Continue directed patrols and emphasis for deterrence and community problem solving

Budget Highlights

- The 2016 budget for the Patrol Division reflects no change in staffing levels.
- We intend to train more with squads in 2016 than we were able to in 2015. This will increase our safety and effectiveness.

2016 Annual Budget

Police Department

Police Department - Patrol Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,574,710	\$ 1,654,410	\$ 1,561,410	\$ 1,613,700	\$ 52,290
Special Assignment Pay	24,292	15,200	19,690	15,900	(3,790)
Education Incentive Pay	35,318	38,800	35,970	38,000	2,030
Acting Supervisor Pay	-	600	-	-	-
Merit/Longevity Pay	17,198	6,700	26,340	30,600	4,260
Overtime Pay	119,097	90,000	90,000	91,000	1,000
Overtime - Special Events	12,014	11,500	11,500	12,000	500
Total Salaries & Wages	\$ 1,782,629	\$ 1,817,210	\$ 1,744,910	\$ 1,801,200	\$ 56,290
Benefits	\$ 660,436	\$ 701,075	\$ 701,230	\$ 747,900	\$ 46,670
Total Benefits	\$ 660,436	\$ 701,075	\$ 701,230	\$ 747,900	\$ 46,670
Total Salaries & Benefits	\$ 2,443,065	\$ 2,518,285	\$ 2,446,140	\$ 2,549,100	\$ 102,960
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 1,222	\$ 2,400	\$ 2,400	\$ 2,400	\$ -
Clothing/Boots	16,744	30,000	30,000	30,000	-
Motor Fuel	48,470	55,000	55,000	45,000	(10,000)
Small Items of Equipment	9,704	7,000	7,000	7,000	-
Total Supplies	\$ 76,140	\$ 94,400	\$ 94,400	\$ 84,400	\$ (10,000)
Other Services & Charges					
Travel & Subsistence	\$ 1,380	\$ 2,250	\$ 2,250	\$ 2,250	\$ -
Work Equip & Machine Rental	4,982	-	-	-	-
Equipment Replacement Charges	99,743	-	-	-	-
Equipment R&M	9,127	20,000	10,000	20,000	10,000
Vehicle R&M	20,984	-	-	-	-
Laundry Services	2,020	2,500	2,500	2,500	-
Total Other Services & Charges	\$ 138,236	\$ 24,750	\$ 14,750	\$ 24,750	\$ 10,000
Total Operating Expenses	\$ 214,376	\$ 119,150	\$ 109,150	\$ 109,150	\$ -
Total Police Department - Patrol Division	\$ 2,657,441	\$ 2,637,435	\$ 2,555,290	\$ 2,658,250	\$ 102,960

SPECIAL OPERATIONS DIVISION

Purpose:

The Special Operations Division provides follow up investigation of all major crimes and supplemental law enforcement services.

Follow-up investigations of numerous felony and certain misdemeanor crimes, incorporates many of the following: crime scene investigation; identifying, developing, and pursuing leads; preparing and serving search warrants; conducting surveillance or undercover activities; interviewing suspects and victims; preparing suspect composite drawings; gathering and processing evidence; recovering stolen property; arresting and/or transporting suspects; and preparing cases for presentation in court.

The Division monitors registered sex offenders, and conducts background checks on prospective department members and City employees.

2015 Accomplishments:

- Continued participation in Regional Police Intelligence (RIG) Group
- Added a detective to the SMART Team
- Detective joined the Child Abduction Response Team (CART)
- Tested and selected new Detective
- Coordinated with Crime Prevention Officer on Crime Trend Analysis using burglary location maps to investigate incidents.

2016 Goals & Objectives

- Perform proactive operations as time allows
- Continue participation in Regional Police Intelligence (RIG) Group
- Provide additional support and training to Patrol
- Increase training for investigators

Budget Highlights

- The 2016 budget for the Special Operations Division reflects no change in staffing levels.
- Compared to the 2015 budget, Special Operations Division expenditures have changed due to a correction made to the salary and benefit formula.
- We are utilizing \$5,000 from the Drug Enforcement fund to offset overtime costs directly related to drug investigations.

Police Department - Special Operations Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 248,412	\$ 250,640	\$ 293,830	\$ 332,300	\$ 38,470
Special Assignment Pay	11,836	11,840	14,230	16,600	2,370
Education Incentive Pay	6,433	4,740	9,240	10,100	860
Merit/Longevity Pay	4,210	3,000	4,310	4,100	(210)
Overtime Pay	10,664	-	-	-	-
Overtime - Shift Cover	4,238	8,500	20,000	3,500	(16,500)
Total Salaries & Wages	\$ 285,793	\$ 278,720	\$ 341,610	\$ 366,600	\$ 24,990
Benefits	\$ 115,428	\$ 106,305	\$ 139,100	\$ 153,700	\$ 14,600
Total Benefits	\$ 115,428	\$ 106,305	\$ 139,100	\$ 153,700	\$ 14,600
Total Salaries & Benefits	\$ 401,221	\$ 385,025	\$ 480,710	\$ 520,300	\$ 39,590
Operating Expenses					
Supplies					
Operating Supplies	\$ 477	\$ 1,000	\$ 500	\$ 1,000	\$ 500
Clothing/Boots	1,161	1,900	1,900	1,900	-
Motor Fuel	3,466	6,500	6,500	6,500	-
Small Items of Equipment	1,669	500	1,375	500	(875)
Total Supplies	\$ 6,773	\$ 9,900	\$ 10,275	\$ 9,900	\$ (375)
Other Services & Charges					
Travel & Subsistence	\$ 487	\$ 2,000	\$ 500	\$ 2,000	\$ 1,500
Equipment Replacement Charges	14,942	-	-	-	-
Equipment R&M	257	500	500	500	-
Vehicle R&M	9,694	-	-	-	-
Laundry Services	-	200	100	200	100
Investigation Costs	6,384	5,000	1,500	5,000	3,500
Total Other Services & Charges	\$ 31,764	\$ 7,700	\$ 2,600	\$ 7,700	\$ 5,100
Total Operating Expenses	\$ 38,537	\$ 17,600	\$ 12,875	\$ 17,600	\$ 4,725
Total Police Department - Special Operations Division	\$ 439,758	\$ 402,625	\$ 493,585	\$ 537,900	\$ 44,315

TRAINING DIVISION

Purpose:

The Training Division, under the supervision of the Police Commander, ensures that all employees of the Police Department receive both mandated as well as supplemental training.

The Training Division also maintains officers' training records and certifications, participates in the hiring process, and facilitates the Field Training Program for newly hired officers.

2015 Accomplishments:

- Increased overall training for non-commissioned staff to include new member
- Completed New World System Training for all police department personnel
- Performed two range qualifications for commissioned staff increasing firearm safety incorporating use of force review and scenario based training methods
- Hired and trained one lateral officer and two new Rangers
- Completed defensive tactics training for commissioned staff as well as assisting Crime Prevention with off-site Women's Defense classes in partnership with local providers
- Successfully met all RCW training hour requirements for commissioned staff per Criminal Justice Training Commission standards
- Successfully completed FEMA Incident Command System training for all staff per the Comprehensive Emergency Management Plan

2016 Goals & Objectives

- Assure minimum required training hours are met
- Meet standards for safety training requirement

Budget Highlights

- The 2016 budget for the Training Division reflects no change in staffing levels.
- Compared to the 2015 budget, Training Division expenditures have decreased due to a reduced training requirement for New World System.
- We implemented the New World program in 2015 and concluded all staff training for the program reducing the overall overtime costs in the training division.

2016 Annual Budget

Police Department

Police Department - Training Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Overtime	\$ 14,484	\$ 9,100	\$ 16,000	\$ 18,000	\$ 2,000
OT - New World Systems Training	-	15,000	10,000	-	(10,000)
Total Salaries & Wages	\$ 14,484	\$ 24,100	\$ 26,000	\$ 18,000	\$ (8,000)
Benefits	\$ -	\$ 7,725	\$ -	\$ 3,150	\$ 3,150
Total Benefits	\$ -	\$ 7,725	\$ -	\$ 3,150	\$ 3,150
Total Salaries & Benefits	\$ 14,484	\$ 31,825	\$ 26,000	\$ 21,150	\$ (4,850)
<u>Operating Expenses</u>					
Supplies					
Ammunition	\$ 12,101	\$ 12,400	\$ 12,400	\$ 12,900	\$ 500
Small Items of Equipment	1,143	800	800	2,800	2,000
Total Supplies	\$ 13,244	\$ 13,200	\$ 13,200	\$ 15,700	\$ 2,500
Other Services & Charges					
Other Professional Services	\$ 4,522	\$ 5,500	\$ 5,500	\$ 5,500	\$ -
Travel & Subsistence	3,046	5,000	2,000	5,000	3,000
Training & Registration	11,251	5,214	5,214	6,500	1,286
Total Other Services & Charges	\$ 18,819	\$ 15,714	\$ 12,714	\$ 17,000	\$ 4,286
Total Operating Expenses	\$ 32,063	\$ 28,914	\$ 25,914	\$ 32,700	\$ 6,786
Total Police Department - Training Division	\$ 46,547	\$ 60,739	\$ 51,914	\$ 53,850	\$ 1,936

FIRE DEPARTMENT

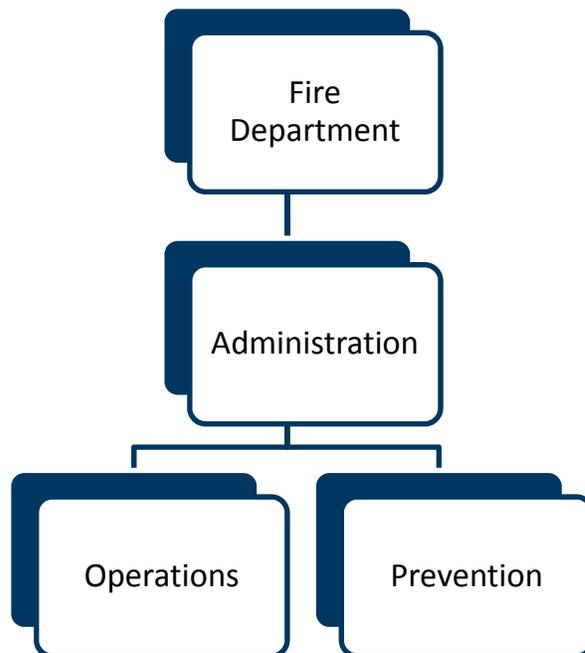
Purpose:

The Mukilteo Fire Department began a multi-year reorganization process under the guiding vision “Excellence in Public Service.” Duties and responsibilities of the department include prevention services, fire suppression services, fire cause and origin investigation, emergency medical services, disaster preparedness and response, and other special operations

The Fire Chief is the administrative head of the department. In 2015, the authorized strength of 28.5 personnel respond from two stations, Station 24 in Old Town and Station 25 in Harbour Pointe. Each station has three personnel on duty around the clock. Those personnel staff a fire engine or an ambulance, depending on the emergency. In addition to the Fire Chief, 2015 administrative staff positions include an Assistant Chief, a Senior Administrative Assistant, a Part-time Department Assistant and a Training Captain. In 2015, a contract Fire Marshal was available twenty hours per week to handle fire prevention responsibilities.

The department receives funds from the General Fund, Emergency Medical Services levy and billing for ambulance transports.

Organization Chart:



Position Summary:

Position Title	2015	2016
Fire Chief	1.0	1.0
Assistant Fire Chief	1.0	2.0
Training Captain	1.0	1.0
Fire Captain	6.0	6.0
Firefighter/EMT	9.0	9.0
Firefighter/Paramedic	9.0	9.0
Senior Department Assistant	1.0	1.0
Department Assistant	0.5	0.0
Total	28.5	29

Expenditure Summary:

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Fire Department					
Fire					
Administration	\$ 270,215	\$ 218,565	\$ 347,478	\$ 247,757	\$ (99,721)
Operations	1,968,347	1,985,025	1,868,423	1,983,500	115,077
Prevention	248,524	246,301	204,097	160,884	(43,213)
EMS	2,067,172	2,048,700	2,289,250	2,374,901	85,651
Total Departmental Summary	\$ 4,554,258	\$ 4,498,591	\$ 4,709,248	\$ 4,767,042	\$ 57,794

New Budget Item Summary

- **Fire Department Wellness Program** in partnership with the Mukilteo YMCA.
- **Fire Department Assistant Chief-Administration:** (previously discussed by Council) This fire prevention position also includes operations funds to provide training for citizen responders under the Community Emergency Response Team (CERT) program.
- In the Equipment Replacement Fund section: purchase of a **medic unit** to replace a 2004 unit.
- In the Facility Renewal Fund section: **Security Replacement and Improvements** at both Stations.

Wellness Program

Brief Description:

New Item

Fire Department Wellness Program

Fund Name

General

Amount Requested

\$10,000

Nature of the expenditure? **Ongoing**

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

Fire Department Wellness Program will provide the tools for department personnel to be ready to respond to the physical and mental aspects of emergency response. Program costs include funds for annual physical exams for all personnel and access to the Mukilteo YMCA fitness equipment and trainers. The city's cost for the annual physicals will only be the costs not covered by the employee's insurance.

Alternatives and Potential Costs

Provide fitness equipment in the stations at an estimated cost of \$20,000.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Expenditure Account # & Title Amount

Other Professional Services	\$ 10,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

GF Efficiencies and Revenue Growth	\$ 10,000
	\$ -
	\$ -
	\$ -

Department:	Fire Chief
Division:	Administrative
Prepared by:	Fire Chief



Fire Assistant Chief-Administration

Brief Description:

Previously Discussed
By Council
8/17/15
AB 15-84

Assistant Chief-Administration

Fund Name

Split

Amount Requested

\$ **134,687**

Nature of the expenditure?

Ongoing

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

Fire Department command staff member dedicated to prevention, public education, and community outreach. The Assistant Chief-Administration will be responsible for management of the department's fire inspection/life safety program, outreach to children and seniors, and facilitating Citizen Emergency Response Team (CERT) training for adults. This position would also be cross-trained to cover operational issues when the Assistant Chief-Operations is unavailable. Initiative includes training supplies for the prevention classes and programs offered by the department.

This position was recommended as part of the 2015 Citygate study

Alternatives and Potential Costs

Do not refill this 2014- authorized position. The department will need an alternative means to provide fire marshal services, public education, and outreach to meet the prevention goals set forth for the department.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

In the 2015 budget, the department allocated \$66,506 for a contract, part-time fire marshal. This professional services line item has been reduced to 2014 levels.

Expenditure Account # & Title Amount

EMS Adm Salaries and Benefits	\$ 76,378
Fire Adm Salaries and Benefits	\$ 55,309
EMS Prev. Supplies	\$ 2,000
Fire Training Supplies	\$ 1,000

Revenue Account # & Title Amount

EMS Efficiencies and Revenue Growth	\$ 78,378
GF Efficiencies and Revenue Growth	\$ 56,309
	\$ -
	\$ -

Department:	Fire
Division:	Administration
Prepared by:	Fire Chief



ADMINISTRATION DIVISION

Purpose:

Fire Administration provides administrative and managerial direction for the Fire Department. Under the direction of the Fire Chief, the responsibilities assigned to Administration are budget development and management, strategic planning, personnel management, operational performance reporting, and coordination with outside entities. The Fire Chief is also the City's designated Emergency Management Coordinator and directs disaster planning and response.

2015 Accomplishments:

- Fire Chief Alexander assumed leadership of the department.
- Vision, Mission and Values statements were updated.
- Citygate, a consulting firm, completed an assessment on the department with recommendations for the future.
- Deployment standards were updated to include turnout and response times measured at the 90th percentile, and monthly performance measures were implemented.
- Facility renewal of both fire stations was begun in conjunction with Public Works.
- The vehicle exhaust system in both fire stations authorized to maintain a healthy environment for personnel and visitors.
- Prevention outreach efforts were done through community presentations, participation in National Night Out with the Police Department, and health screenings for seniors.

2016 Goals & Objectives

- Honor the department's history while making changes in the physical environment, ourselves and operations to prepare the department for the future.
- Ensure compliance with WAC 296-305 Safety Standards for Firefighters.
- Initiate a quartermaster system for uniform replacement.
- Improve the city's ability to respond to a large-scale incident or disaster in partnership with Snohomish County Department of Emergency Management.
- Monitor inter-local agreements to insure service to the city.
- Initiate a wellness/fitness program consistent with NFPA 1500

Budget Highlights

- The 2016 budget for this division reflects a decrease of one part-time position, and the addition of the Assistant Chief- Administration position to provide fire marshal services.
- The budget includes two new budget items:
 - **Fire Department Wellness Program** in partnership with the Mukilteo YMCA.
 - **Fire Department Assistant Chief-Administration.** Within this item are funds to provide training for citizen responders under the Community Emergency Response Team (CERT) program.
- Compared to the 2015 budget, Fire Administration Division expenditures have decreased due to the elimination of the part-time administrative assistant.
- Adjustments made throughout the budget to match anticipated expenses. Funds moved from other lines within the overall budget, resulting in no net change.

2016 Annual Budget

Fire Department

Fire Department - Administration

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 164,797	\$ 112,945	\$ 207,264	\$ 152,762	\$ (54,502)
Overtime	672	300	280	300	20
Total Salaries & Wages	\$ 165,469	\$ 113,245	\$ 207,544	\$ 153,062	\$ (54,482)
Benefits	\$ 50,004	\$ 81,920	\$ 57,144	\$ 53,995	\$ (3,149)
Total Benefits	\$ 50,004	\$ 81,920	\$ 57,144	\$ 53,995	\$ (3,149)
Total Salaries & Benefits	\$ 215,473	\$ 195,165	\$ 264,688	\$ 207,057	\$ (57,631)
Operating Expenses					
Supplies					
Office Supplies	\$ 1,140	\$ 1,000	\$ 1,520	\$ 1,600	\$ 80
Purchase of Forms	793	500	500	500	-
Supplies - Administration	379	300	855	300	(555)
Clothing/Boots	394	2,000	4,125	2,100	(2,025)
Motor Fuel	6,014	6,500	4,350	5,000	650
Small Items of Equipment	2,123	200	500	200	(300)
Total Supplies	\$ 10,843	\$ 10,500	\$ 11,850	\$ 9,700	\$ (2,150)
Other Services & Charges					
Other Professional Services	\$ 31,736	\$ 5,000	\$ 65,000	\$ 25,000	\$ (40,000)
Communications Expense	2,430	3,100	2,540	2,600	60
Equipment Replacement Charges	3,383	-	-	-	-
Vehicle & Work Equipment R&M	3,520	500	500	500	-
Assoc. Dues & Memberships	2,062	2,500	2,500	2,500	-
Laundry Services	768	1,800	400	400	-
Total Other Services & Charges	\$ 43,899	\$ 12,900	\$ 70,940	\$ 31,000	\$ (39,940)
Total Operating Expenses	\$ 54,742	\$ 23,400	\$ 82,790	\$ 40,700	\$ (42,090)
Total Fire Department - Administration	\$ 270,215	\$ 218,565	\$ 347,478	\$ 247,757	\$ (99,721)

OPERATIONS DIVISION

Purpose:

Fire Operations is responsible for the emergency and non-emergency services provided to the community. Under the direction of the Assistant Chief-Operations, the division provides fire suppression, basic and advanced emergency medical services, hazardous materials, and technical rescue services to the City. Personnel participate in local and regional training to maintain skills and enhance the response to emergencies in conjunction with regional partners.

2015 Accomplishments:

- Two new fire engines were placed in service.
- Equipment standardization was done on all three fire engines, two primary and one reserve.
- Washington Survey and Ratings Bureau completed an assessment on the fire suppression response capabilities in the City in order to update their fire risk rating for the City.
- The department's Bike Team was activated to provide special events coverage.
- Implement monthly reporting of response activities.

2016 Goals & Objectives

- Initiate split deployment of personnel to increase advanced life support availability in the city utilizing existing resources.
- Equipment standardization on all three ambulances, two primary and one reserve.
- Take delivery of an ambulance specifically designed for the department's deployment that is safer for patients and personnel.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- The budget includes one new budget item, the purchase of a **medic unit** to replace a 2004 unit, funded in the Equipment Replacement Fund.
- Compared to the 2015 budget, Fire Operations Division expenditures have remained relatively flat year-to-year with an increase of less than 1%.
- Expense lines for medical supplies and billing services changed in line with actuals. Funds moved from other lines within the Operations budgets.
- EMS billing rates adjusted for changes in the cost of goods to provide the service.

2016 Annual Budget

Fire Department

Fire Department - Operations

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,067,300	\$ 1,104,660	\$ 1,154,829	\$ 1,165,900	\$ 11,071
Education Incentive	6,823	6,900	8,600	9,900	1,300
Acting Supervisor Pay	2,878	3,800	3,448	3,900	452
Paramedic Incentive	17,683	17,000	16,590	21,900	5,310
Merit/Longevity Pay	19,851	-	22,533	23,700	1,167
Fire - Holiday Buy Back	19,008	29,000	29,000	29,000	-
Overtime	169,538	133,000	121,946	131,200	9,254
Total Salaries & Wages	\$ 1,303,081	\$ 1,294,360	\$ 1,356,946	\$ 1,385,500	\$ 28,554
Benefits	\$ 450,014	\$ 500,715	\$ 401,112	\$ 489,600	\$ 88,488
Total Benefits	\$ 450,014	\$ 500,715	\$ 401,112	\$ 489,600	\$ 88,488
Total Salaries & Benefits	\$ 1,753,095	\$ 1,795,075	\$ 1,758,058	\$ 1,875,100	\$ 117,042
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 360	\$ 500	\$ 1,170	\$ 500	\$ (670)
Supplies - Fire Suppression	7,136	6,500	8,000	7,500	(500)
Clothing/Boots	17,777	20,000	20,000	25,000	5,000
Motor Fuel	6,826	6,500	5,690	6,000	310
Small Items of Equipment	38,685	56,000	56,000	56,000	-
Total Supplies	\$ 70,784	\$ 89,500	\$ 90,860	\$ 95,000	\$ 4,140
Other Services & Charges					
Professional Services	\$ 2,548	\$ 4,000	\$ 4,000	\$ 5,000	\$ 1,000
Communications Expense	8,947	41,350	4,315	4,800	485
Equipment Replacement Charges	113,731	-	-	-	-
Equipment & Vehicle R&M	12,311	3,000	3,000	3,000	-
Software Maintenance	-	600	600	600	-
Laundry Services	6,931	5,500	7,590	-	(7,590)
Total Other Services & Charges	\$ 144,468	\$ 54,450	\$ 19,505	\$ 13,400	\$ (6,105)
Total Operating Expenses	\$ 215,252	\$ 143,950	\$ 110,365	\$ 108,400	\$ (1,965)
<u>Capital</u>					
Capital Outlay					
Vehicular Equipment	\$ -	\$ 46,000	\$ -	\$ -	\$ -
Total Capital Outlay	\$ -	\$ 46,000	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ 46,000	\$ -	\$ -	\$ -
Total Fire Department - Operations	\$ 1,968,347	\$ 1,985,025	\$ 1,868,423	\$ 1,983,500	\$ 115,077

PREVENTION DIVISION

Purpose:

Fire Prevention is responsible for all prevention, training, safety, and community education efforts in the department. Under the direction of the Assistant Chief-Administration, the division oversees fire safety inspections, public education programs, special events planning, and training for department personnel. The department utilizes classroom and computer-based training, evolutions, and multi-company operation drills to maintain and enhance skills. The Assistant Chief-Administration also serves as the City's Fire Marshal, responsible for the application of the fire code to new and existing structures. The Training Captain also serves as the department's Safety Officer with responsibilities for emergency scene safety as well as personnel health and safety and risk management.

2015 Accomplishments:

- Instituted an online program to track life safety system inspections in the City.
- Continued the fire and life safety inspection program.
- Provided training to meet requirements and maintain job skills.
- Maintained regional training activity with neighboring fire departments.
- Participated in multi-company operations drills at the state fire academy.
- Continued with JATC apprentice program participation.
- Implemented monthly reporting of prevention and training activities.

2016 Goals & Objectives

- Revamp the recruit training program to provide consistent, appropriate training for all new hires.
- Insure annual inspections are completed on commercial occupancies in the City.
- Raise the department's visibility to the community through a robust public education program including fire safety, injury prevention, and disaster resilience.
- Develop a monthly practical evolution training schedule.

Budget Highlights

- Compared to the 2015 budget, Fire Operations Division expenditures have remained relatively flat year-to-year with an increase of less than 1%.
- Funds for Training classes changed through reallocation to strengthen knowledge, skills and abilities.

2016 Annual Budget

Fire Department

Fire Department - Prevention

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 133,134	\$ 58,865	\$ 55,050	\$ 39,200	\$ (15,850)
Special Assignment Pay	5,612	-	2,699	2,000	(699)
Education Premium Pay	1,052	1,045	-	-	-
Merit/Longevity Pay	1,389	-	2,159	1,600	(559)
Overtime	22,373	40,000	5,455	40,800	35,345
Total Salaries & Wages	\$ 163,560	\$ 99,910	\$ 65,363	\$ 83,600	\$ 18,237
Benefits	\$ 46,930	\$ 26,915	\$ 14,588	\$ 15,660	\$ 1,072
Total Benefits	\$ 46,930	\$ 26,915	\$ 14,588	\$ 15,660	\$ 1,072
Total Salaries & Benefits	\$ 210,490	\$ 126,825	\$ 79,951	\$ 99,260	\$ 19,309
Operating Expenses					
Supplies					
Office Supplies	\$ 120	\$ 1,000	\$ 1,185	\$ 1,500	315
Reference Material	622	2,500	1,367	2,500	1,133
Supplies - Fire Prevention & Training	5,269	4,500	4,816	4,500	(316)
Clothing/Boots	838	1,100	1,222	1,750	528
Motor Fuel	986	2,000	-	1,000	1,000
Small Items of Equipment	212	1,500	810	1,500	690
Total Supplies	\$ 8,047	\$ 12,600	\$ 9,400	\$ 12,750	\$ 3,350
Other Services & Charges					
Other Professional Services	\$ 6,042	\$ 78,506	\$ 78,506	\$ 17,000	\$ (61,506)
Communications Expense	1,203	2,620	1,773	2,120	347
Travel & Subsistence	8,721	12,000	15,525	14,000	(1,525)
Equipment Replacement Charges	3,548	-	-	-	-
Equipment & Vehicle R&M	2,431	900	900	904	4
Assoc. Dues & Memberships	510	850	850	850	-
Laundry Services	574	1,000	192	-	(192)
Training & Registration	6,958	11,000	17,000	14,000	(3,000)
Total Other Services & Charges	\$ 29,987	\$ 106,876	\$ 114,746	\$ 48,874	\$ (65,872)
Total Operating Expenses	\$ 38,034	\$ 119,476	\$ 124,146	\$ 61,624	\$ (62,522)
Total Fire Department - Prevention	\$ 248,524	\$ 246,301	\$ 204,097	\$ 160,884	\$ (43,213)

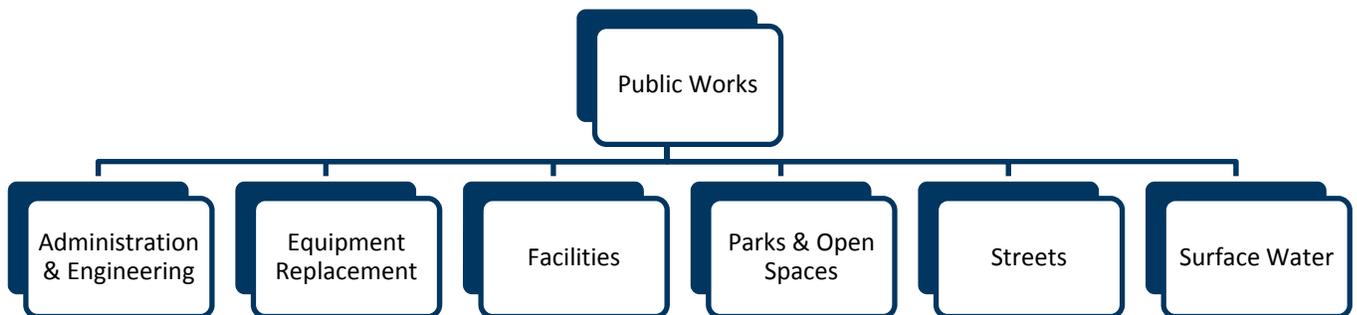
PUBLIC WORKS

Purpose:

The Public Works Department is responsible for the planning, design, construction and maintenance of City-owned infrastructure facilities and buildings as well as approval of all engineering aspects of development – public and private within the City of Mukilteo. This work takes place on or involves:

- 67 centerline miles of City streets and State highways, 45 miles of sidewalks, 3.4 miles of bike lanes
- Two traffic signals and school zone flashers and rectangular rapid flashing beacons (RRFB's)
- 35 miles of storm drains, 65 miles of ditches, 4842 catch basins and 120 public detention pond facilities
- 620 acres of parklands and landscaped areas, including tidelands
- 75 vehicles and pieces of equipment – excluding police and fire
- 23 municipal buildings – including two Fire Stations, a Police Station, three Public Works buildings, City Hall, the four Lighthouse buildings, Lighthouse Park (6), 92nd Street Park (1), Rosehill Community Center, the Boys and Girls Club building in Old Town, and the Chamber of Commerce facility
- 1,486 Street lights (City owned: 310; PUD owned: 1,176) The City monitors the operation of all street lights, regardless of ownership (PUD or City)

Organization Chart:



Position Summary:

Position Title	2015	2016
Public Works Director	1.0	1.0
Assistant City Engineer	1.0	1.0
Senior Engineering Technician	1.0	1.0
Surface Water Technician	1.0	1.0
Superintendent	1.0	1.0
Lead Supervisor	1.0	1.0
Maintenance Lead	5.0	5.0
Maintenance Worker II	6.0	6.0
Maintenance Worker I	1.0	1.0
Custodial Worker	1.5	1.5
Senior Department Assistant	1.0	1.0
Total	20.5	20.5

Expenditure Summary:

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Public Works					
Administration	\$ 200,523	\$ 328,823	\$ 279,105	\$ 414,951	\$ 135,846
Parks	655,752	691,720	607,140	627,415	20,275
Streets	825,227	836,695	807,410	826,140	18,730
Surface Water	2,228,190	2,263,695	2,118,259	4,627,742	2,509,483
Facilities Maintenance	533,970	637,515	571,265	607,600	36,335
Total Departmental Summary	\$ 4,443,662	\$ 4,758,448	\$ 4,383,179	\$ 7,103,848	\$ 2,720,669

New Budget Item Summary

Operations

- **BNSF Mt Baker Quiet Zone Annual Maintenance Fee:** As part of the Quiet Zone agreement the City pays an annual maintenance fee to BNSF at the Mt. Baker crossing, the City has a separate agreement with the Port of Everett to repay these costs (previously discussed by Council).

Capital Projects

- **Capital Project Engineer:** due to the increase in grant funded capital projects it is necessary to add a new staff member to administer these projects. This position will be funded as long as grant-funded projects continue. Current projects should last for the next five years.
- In the Facility Renewal Fund section: **Security Replacement and Improvements.**
- In the Equipment Replacement Fund section: purchase of a used **bucket truck.**

BNSF Mount Baker Quiet Zone Annual Maintenance Fee

Brief Description:

Previously Discussed
by Council

BNSF Mount Baker Quiet Zone Annual Maintenance Fee, fully repaid via agreement with the Port of Everett

Fund Name

General

Amount Requested

\$7,100

Nature of the expenditure? Ongoing

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

The City has an agreement for the construction and maintenance of safety improvements related to the quiet zone at the Mt. Baker Avenue crossing. This agreement is exclusively with BNSF and the City of Mukilteo. Article II § 3 of this agreement states:

City shall pay to BNSF the City's share of the annual Inspection, Maintenance and Replacement (Causality/Capital) costs for the following specific components of the Project's Safety Improvements: (A) "Exit Gates 3 or 4 Quad" = 9 AAR (American Association of Railroads) units per gate mech., (B) "Exit Gate timing/logic controller" = 10 AAR units, (C) "Interconnection to road authority vehicle detection system", = 2 AAR units as invoiced pursuant to Article I, Section 3 of this Agreement. Costs have been calculated per Crossing Signal AAR unit to maintain highway/rail grade automated crossing warning systems. These costs are to be adjusted annually and the Parties agree to review the AAR units to ensure their appropriateness every three years.

Inspection/Maintenance of active warning device equipment, including the 4 quad system. The 2016 annual cost for BNSF to maintain the safety signals at the Mount Baker quiet zone is \$7,071.90.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The City and the Port of Everett also have an exclusive agreement where the Port of Everett has set aside \$600,000 to fund the construction and other cost associated with the quiet zone. According to this agreement the Port of Everett only has responsibility to fund \$600,000 toward the quiet zone and when these funds have been exhausted the Port is relieved of any further responsibility toward the quiet zone. This is clearly stated in the Inter Local Agreement for the Establishment of Railroad Quiet Zone between the City and the Port.

Expenditure Account # & Title Amount

Other Professional Services	\$ 7,100
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

Port of Everett Interlocal Agreement	\$ 7,100
	\$ -
	\$ -
	\$ -

Department:	Public Works
Division:	Administrative
Prepared by:	Rob McGaughey



Capital Project Engineer

Brief Description:

New Item

Temporary, grant-funded full time capital projects engineer to manage capital projects. Funding provided via project budgets.

Fund Name

Split

Amount Requested

\$ 157,666

Nature of the expenditure? **Ongoing**

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

This is a new temporary full-time position that will be funded from five grant funded capital projects. When the grant funded capital projects are complete in 2019, this position will be removed from the Public Works organization.

The five grant funded capital projects include the following:

1. 5th Street & Harbor Pointe Blvd Pavement Preservation
2. Harbour Pointe Widening
3. 61st Place W. Soldier Pile Wall Replacement
4. Harbour Reach Drive Extension
5. Decant Station and Settling Vault

The grant funded capital projects are planned to be completed in 2019.

The 2016 cost break down for this position is:
 Salary and Benefits: \$127,066
 Vehicle: \$30,000 (one-time cost)
 Cell Phone: \$600

Alternatives and Potential Costs

Hire consultants to perform the work estimated at a cost of \$362,880 annually.

Alternately, perform work using current engineering staff. This would result in lengthening the amount of time to review permits for development applications, up to a two month timeframe instead two weeks. Additionally, other projects and priorities would be impacted. Very few traffic calming assessments would be able to be completed, for instance.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This will be an ongoing cost for the next four years while the five capital projects mentioned above are implemented. Revenues from the capital projects and in-kind match for the City will cover the cost of the Capital Project Engineer.

Expenditure Account # & Title	Amount
PW Admin Salaries and Benefits	\$ 127,066
PW Admin Cell Phone	\$ 600
Equipment Replacement	\$ 30,000
	\$ -

Revenue Account # & Title	Amount
REET Projects	\$ 26,266
Traffic Impact Fees	\$ 75,000
Surface Water	\$ 25,800
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



ADMINISTRATION AND ENGINEERING DIVISION

Purpose:

The Administration and Engineering Division of Public Works performs the following core functions:

- Manages current operations and plans future operations for all five of the Department's operating divisions (Engineering, Surface Water, Streets, Parks, and Facilities)
- Oversees the administration of the City's Equipment Replacement fund
- Manages public works projects that maintain the City's capital assets or build new capital facilities
- Performs development review relative to City infrastructure and engineering standards.
- Establishes standards for development of infrastructure and applies those standards and policies to regulate the use of the City's right-of-ways
- Provides support to the Public Works O&M divisions, Community Development Department, the Police and Fire Departments
- Oversees the Public Works role as a first responder in the event of an emergency that requires traffic control devices, storm debris removal, or snow and ice removal
- Manages the City's right-of-way permit program
- Manages the City's National Pollutant Discharge Elimination System (NPDES) Permit
- Responds to drainage complaints and provides spill and illicit discharge response
- Manages the City's street light program through agreements for service with Snohomish County PUD and Snohomish County Public Works, and manages the City's traffic signals and school zone flashers
- Is responsible for the City's transportation plan and assists with the development and implementation of the City's Capital Improvement Program
- Programs funding for Capital Projects using City funds, and State and Federal grants

2015 Accomplishments:

- Continued implementation of the NPDES Phase II permit requirements
- Completed the Comprehensive Surface Water Management Plan Update, including the Rate Study for the Surface Water Utility
- Completed a City-wide GIS inventory of curb ramps as part of the City's ADA Transition Plan self-assessment
- Updated the 6-year Transportation Improvement Plan
- Renewed the BNSF Quiet Zone Agreement
- Prepared a citywide Pavement Management Plan using five scenarios
- Received the award of a Transportation Improvement Board grant to fund the design and construction of the Harbour Pointe Boulevard Widening Project
- Received the award of a Department of Ecology grant to fund the purchase of a vector truck and the design and construction of a new decant facility
- Completed engineering and design for Naketa Beach Storm Drainage Project and 61st Place Culvert Replacement
- Constructed the 44th Ave Bioretention Swale, 49th Ave Bioretention Swale, 50th Street detention pond retrofit. Naketa Beach Storm Pipe Extension, and Emergency Repairs to Harbour Heights Storm Drainage System
- Maintained 1.6 lane miles of City streets utilizing Ultra Thin Bonded Wearing Coarse (BWC) pavement preservation technique, as well as .27 lane miles utilizing standard Hot Mix Asphalt (HMA)
- Executed the citywide program for Street Sign Retro-Reflectivity management

- Implemented the City's Traffic Calming Strategy and conducted 11 speed studies
- Inventoried all of the City's curb ramps for the ADA Transition Plan

2016 Goals & Objectives

- Continue code updates/reviews: stormwater, grading and geological sensitive area regulations
- Continue updating the GIS system to include all City assets (streets, storm water, parks, and buildings)
- Continue implementation of the NPDES Phase II permit requirements
- Update the pavement condition index (PCI) rating for all City streets, to inform the pavement management system program
- Prepare an ADA Transition plan for City Public Rights-of-Way

Budget Highlights

- The budget includes two new budget items:
 - **Capital Project Engineer**; due to the increase in grant funded capital projects it is necessary to add a new staff member to administer these projects. This position will be funded as long as grant-funded projects continue. Current projects should last for the next five years.
 - **BNSF Mount Baker Quiet Zone annual maintenance fee.**
- Compared to the 2015 budget, Administration and Engineering Division expenditures have changed due to annual salary step and benefits increases.

Public Works - Administration & Engineering Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 106,907	\$ 160,820	\$ 160,820	\$ 246,200	\$ 85,380
Part Time Employees	14,493	17,555	4,000	-	(4,000)
Overtime	887	1,015	500	1,000	500
Total Salaries & Wages	\$ 122,287	\$ 179,390	\$ 165,320	\$ 247,200	\$ 81,880
Benefits	\$ 45,261	\$ 100,558	\$ 64,910	\$ 125,956	\$ 61,046
Total Benefits	\$ 45,261	\$ 100,558	\$ 64,910	\$ 125,956	\$ 61,046
Total Salaries & Benefits	\$ 167,548	\$ 279,948	\$ 230,230	\$ 373,156	\$ 142,926
Operating Expenses					
Supplies					
Total Supplies	\$ 2,856	\$ 9,050	\$ 9,050	\$ 7,950	\$ (1,100)
Other Services & Charges					
Engineering & Architect Services	\$ 7,710	\$ 14,980	\$ 14,980	\$ 10,000	\$ (4,980)
Other Professional Services	3,321	3,400	3,400	5,500	2,100
Communications Expense	3,642	3,850	3,850	3,850	-
Travel & Subsistence	1,191	3,100	3,100	1,500	(1,600)
Equipment Replacement & Vehicle R&M	9,786	-	-	-	-
Computer System Maint & Subscriptions	1,656	8,695	8,695	8,695	-
Assoc. Dues & Memberships	794	900	900	900	-
File, Recording Fees	121	400	400	400	-
Printing & Binding	464	500	500	500	-
Training & Registration Costs	1,314	3,900	3,900	2,400	(1,500)
Total Other Services & Charges	\$ 29,999	\$ 39,725	\$ 39,725	\$ 33,745	\$ (5,980)
Intergovernmental Services					
MRSC Small Works Roster Fee	\$ 120	\$ 100	\$ 100	\$ 100	\$ -
Total Intergovernmental Services	\$ 120	\$ 100	\$ 100	\$ 100	\$ -
Total Operating Expenses	\$ 32,975	\$ 48,875	\$ 48,875	\$ 41,795	\$ (7,080)
Total Public Works - Admin & Engineering Division	\$ 200,523	\$ 328,823	\$ 279,105	\$ 414,951	\$ 135,846

PARKS AND OPEN SPACE DIVISION

Purpose:

The Parks and Open Space Division maintains all City-owned parklands, landscaped areas and building grounds. Two new facilities have been added to the Parks and Open Space Division of Public Works this year; Japanese Gulch and Edgewater Beach Park. Maintenance and improvement activities take place on 620 acres of parks and open space, including seven municipal facilities with grounds (Police Station, Fire Stations 24 & 25, City Hall, the Chamber of Commerce building, Rosehill Community Center and the Public Works Shop). Year-round maintenance activities include: mowing, fertilizing, pruning, weeding, planting, spraying of herbicides and insecticides, daily cleaning of park and landscaped areas (at Lighthouse Park and 92nd St. Park) and maintaining of park structures including restrooms, play structures, picnic shelters, barbecue grills, fire pits, benches and tables.

Improvement work is generally in the form of minor additions to a park, replanting, or clearing of an area and repairs to park equipment and features.

2015 Accomplishments:

- Preserved existing park assets with an emphasis on Lighthouse Park, Rosehill Community Center, and 92nd St Park
- Maintained the level of service to all areas
- Implemented a recycling program at Lighthouse Park
- Implemented a green waste recycling program by making mulch from tree and brush trimmings for use in park flower beds
- Cleaned up storm debris from two severe windstorms

2016 Goals & Objectives

- Continue to maintain existing level of service to all areas currently maintained by Parks Staff.
- Preserve existing park assets with an emphasis on Lighthouse Park, Rosehill Community Center, and 92nd St Park.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, Parks and Open Spaces Division expenditures have changed due to annual salary step and benefits increases.

Public Works - Parks Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 266,181	\$ 274,430	\$ 274,430	\$ 259,600	\$ (14,830)
Part Time Employees	59,503	55,875	40,000	55,000	15,000
Acting Supervisor Pay	1,223	500	7,000	7,000	-
Overtime	6,442	3,500	7,000	7,000	-
Standby Pay	7,466	4,600	7,000	7,000	-
Total Salaries & Wages	\$ 340,815	\$ 338,905	\$ 335,430	\$ 335,600	\$ 170
Benefits	\$ 150,905	\$ 163,480	\$ 143,210	\$ 173,515	\$ 30,305
Total Benefits	\$ 150,905	\$ 163,480	\$ 143,210	\$ 173,515	\$ 30,305
Total Salaries & Benefits	\$ 491,720	\$ 502,385	\$ 478,640	\$ 509,115	\$ 30,475

Operating Expenses

Supplies

Office Supplies	\$ -	\$ 250	\$ 250	\$ 250	\$ -
Operating Supplies	18,251	19,000	19,000	24,000	5,000
Clothing/Boots	5,231	5,500	5,500	5,500	-
Building Maintenance Supplies	603	2,500	2,500	2,500	-
Signs	1,805	1,000	1,000	1,000	-
Landscape Materials	13,900	13,000	13,000	3,000	(10,000)
Flower Basket Program	86	1,000	1,000	1,000	-
Motor Fuel	8,860	7,650	5,150	3,000	(2,150)
Small Items of Equipment	3,715	5,000	5,000	5,000	-
Total Supplies	\$ 52,451	\$ 54,900	\$ 52,400	\$ 45,250	\$ (7,150)

Public Works - Parks Division (Continued)

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated	Amended	Estimated	Budget	
	Actuals	Budget	Actuals		(Decrease)
Other Services & Charges					
Other Professional Services	\$ 5,624	\$ 20,623	\$ 2,000	\$ 2,000	\$ -
Telephone	771	1,200	1,200	1,200	-
Cell Phone	2,407	1,500	2,100	3,000	900
Travel & Subsistence Expense	184	2,000	2,000	2,000	-
Legal Publications	108	250	250	-	(250)
LandRental	2,149	2,150	2,150	2,150	-
Work Equip & Machine Rental	6,306	3,800	3,800	5,000	1,200
Equipment Replacement Charges	24,448	29,000	-	-	-
Natural Gas	1,273	2,000	2,000	-	(2,000)
Electricity	5,587	5,000	5,000	5,680	680
Sewer Service	11,104	11,700	11,700	6,620	(5,080)
Garbage Service	169	-	-	1,000	1,000
Hazardous Waste Disposal	122	-	-	-	-
Water Service	16,304	13,000	13,000	5,100	(7,900)
Storm Drainage Charges	13,535	13,000	13,000	20,000	7,000
Brush Disposal	756	1,000	1,000	1,000	-
Construction Debris Disposal	660	-	-	-	-
Equipment R&M	4,678	5,000	5,000	5,000	-
Other Maintenance & Repair	1,457	13,100	3,100	3,100	-
Vehicle R&M	11,711	-	-	-	-
Dog Park Maintenance	-	1,312	-	1,400	1,400
Laundry Service	1,320	1,300	1,300	1,300	-
Training & Registration Costs	908	2,500	2,500	2,500	-
HP Maintenance Assn Dues	-	5,000	5,000	5,000	-
Total Other Services & Charges	\$ 111,581	\$ 134,435	\$ 76,100	\$ 73,050	\$ (3,050)
Total Operating Expenses	\$ 164,032	\$ 189,335	\$ 128,500	\$ 118,300	\$ (10,200)
Total Public Works - Parks Division	\$ 655,752	\$ 691,720	\$ 607,140	\$ 627,415	\$ 20,275

PLANNING & COMMUNITY DEVELOPMENT

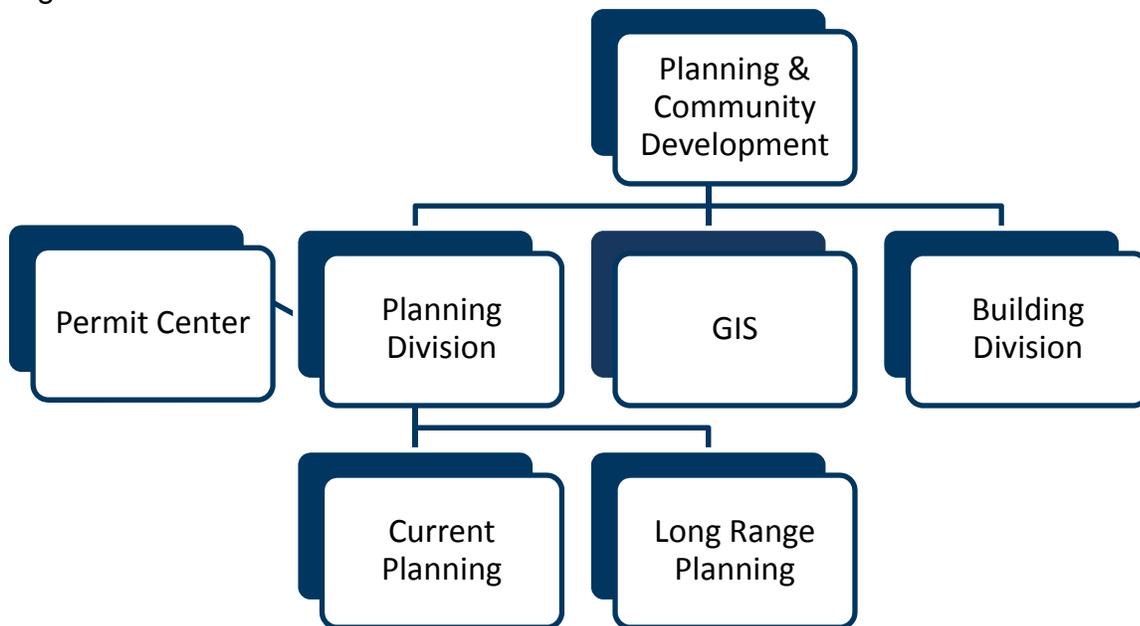
Purpose:

The Planning and Community Development Department is responsible for guiding the physical development of the City to achieve the vision of its residents, businesses and property owners. The department is divided into four divisions, one of which is composed of two sections.

The Planning Division creates the tools to move the community’s vision from wants to possibilities and then uses those tools to transform that vision into reality. The Long Range Planning section of the Planning Division researches, drafts and processes land use plans and development regulations. The Community Development section implements those plans and regulations by reviewing development proposals for compliance with the Mukilteo Municipal Code and enforcing the code’s land use regulations. The Building Division’s role is to review building construction plans for compliance with relevant building codes and to inspect the projects during construction to ensure conformance with the approved building plans. The GIS Division provides mapping and GIS support to all city departments. The Permit Center is the public’s first point of contact for most visitors to City Hall by providing front counter reception and permit application intake services. In addition, they are the clerical staff support to the other divisions of the department and to the Engineering Division of the Public Works Department.

The Planning & Community Development staff’s work load extends beyond the department’s boundaries and supports not only the rest of City Hall but also the Police, Fire and Recreation Departments.

Organization Chart:



Position Summary:

Position Title	2015	2016
Community Development Director	1.0	1.0
Planning Manager	1.0	1.0
Senior Planner	0	1.0
Associate Planner	2.0	2.0
Assistant Planner	1.0	0
Permit Services Supervisor	1.0	1.0
Permit Services Assistant	2.0	2.0
Building Official	1.0	1.0
GIS	1.0	1.0
Total	10.0	10.0

Expenditure Summary:

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Community Development					
Permits	\$ 288,108	\$ 301,640	\$ 277,835	\$ 311,050	\$ 33,215
Planning	629,764	797,255	727,745	736,472	8,727
Building	128,675	130,080	128,015	131,800	3,785
GIS - General Fund	-	-	-	92,406	92,406
GIS - Surface Water Fund	-	-	-	145,517	145,517
Total Departmental Summary	\$ 1,046,547	\$ 1,228,975	\$ 1,133,595	\$ 1,417,245	\$ 283,650

2016 Goals & Objectives

- The 2016 budget for the Planning and Community Development Department proposes a minor reorganization to the planning division to allow more flexibility in the assignment of work load as well as helps to retain our staff. This request is to raise one Associate Planner position to a Senior Planner, one Assistant Planner to an Associate Planner and upgrade the GIS position to full time.
- The City's current code enforcement procedures manual has been in place since 1994 and is managed on a complaint basis. This year staff would like to revise our code enforcement program to create a third party, non-biased, review process which involves a violation hearing held by the City's Hearing Examiner, beginning in 2017.
- In 2016 staff will be working on two planning studies that were approved in 2015 but not yet completed: Bike, Transit, Walking – An Active Transportation Plan and the parking feasibility study with Sound Transit, Island County and Port of South Whidbey.

New Budget Item Summary

- **Department Reorganization:** The Planning Department has been working on a mentoring program to support our staff and provide professional growth within our organization. We would like to continue this good work by providing professional growth opportunities within our organization at a relatively low cost.
- **Parking Study:** In 2015 the Council approved an Interlocal Agreement with Sound Transit, Port of South Whidbey and Island County funding a parking feasibility study to study parking facility options for waterfront visitors.

Planning Department Reorganization

Brief Description:

New Item

Reorganize the Planning Department positions to provide a higher level of work responsibilities for the planners and enhance GIS services.

Fund Name

Split

Amount Requested

\$18,500

Nature of the expenditure? **Ongoing**

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

The Planning Department has been working on a mentoring program to support our staff and provide professional growth within our organization. This has included the opportunity to work on projects that would not normally be available to Assistant and Associate planner levels- such as the Downtown Waterfront Master Plan, the Japanese Gulch Master Plan, the Comprehensive Plan Update, and multiple agency coordination for GIS work. We would like to continue this good work by providing professional growth opportunities within our organization at a relatively low cost. This request is to raise one Associate Planner position to a Senior Planner, one Assistant Planner to an Associate Planner and upgrade the GIS position to full time. The result would be two Associate Planners, one Senior Planner, and one full time GIS Tech.

The GIS/CAD Tech position was created in 2014 with 3/4 of the positions time spent on City GIS and CAD (computer aided drafting) projects and 1/4 of the time spent working for Mukilteo Water & Wastewater District (the City sends the District a monthly invoice to be reimbursed for the technician's work). By having a dedicated GIS staff person, even at only 3/4 time, the City was able to embark on a program to more fully utilize our investment in GIS software. By the end of 2015 deployment of interactive maps to staff (via an intranet site) was implemented. In 2016, we'd like to go public (via the city web site) with the web site and that, along with planned NPDES projects to inventory city assets, will increase the demand for GIS expertise necessitating the need to allow the GIS Tech to spend all of his time on City GIS projects. This position is currently being funded 3/4 time out of the general fund; the proposed 1/4 time increase will be paid out of the surface water fund.

This reorganization allows for more flexibility in the assignment of work load as well as helps to retain our staff.

Alternatives and Potential Costs

Keep positions as currently listed and risk losing staff to other agencies providing professional growth opportunities.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The reorganization results in a department increase of \$18,500. Planning Department savings resulted out of transferring 25% (\$24,507) of the Planning Managers salary to the surface water fund, acknowledging work performed by the Planning Manager on surface water tasks.

Expenditure Account # & Title	Amount
011.58.558.600.1101 Salaries	\$ 18,500
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
GF Efficiencies and Revenue Growth	\$ 4,100
Surface Water	\$ 14,400
	\$ -
	\$ -

Department:	Planning and Community Development
Division:	Planning
Prepared by:	Patricia Love, Community Development Director



Parking Facility Feasibility Study

Brief Description: Sound Transit, the Port of South Whidbey, Island County and the City have entered into an agreement to fund and prepare a feasibility study to determine the need, size, and potential location for a Mukilteo Parking Facility.

Previously Approved by Council 4/20/15 AB 15-46

All costs are matched by other agencies, with the requirement for city staff time to help manage the study.

Fund Name
General

Amount Requested
\$47,500

Nature of the expenditure? One-Time **Any Additional Revenue? If Yes, Identify Below** Yes

Expenditure Purpose and Justification

On April 20, 2015 the Council approved an Interlocal Agreement (ILA) with Sound Transit, Port of South Whidbey and Island County in the amount of \$47,500 to fund a parking facility feasibility study. The purpose of the study is to identify the location(s), costs, and constructability of a future shared use parking facility in Mukilteo. Users of the parking facility would include Sound Transit riders, Whidbey Island day and overnight commuters, park users, Business patrons, Downtown Business District employee parking, and potentially Washington State Ferries employee parking. Our agencies have agreed to fund the study according to the following formula:

Sound Transit: \$35,000
 Port of South Whidbey: \$10,000
 Island County: \$2,500
 City of Mukilteo: Staff Time to Manage the Project

Alternatives and Potential Costs

N/A - This item was already approved by Council with funds being spent in 2016.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Funding for this project is being provided by our partnering agencies.

Expenditure Account # & Title	Amount
011.58.558.600.4106 Other Prof. Service	\$ 47,500
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Interlocal Agreement - Parking Study	\$ 47,500
	\$ -
	\$ -
	\$ -

Department:	Planning and Community Development
Division:	Planning
Prepared by:	Patricia Love, Community Development Director



PLANNING DIVISION

Purpose:

The role of the Planning Division is to help transform the possibilities described in the community's vision into probabilities.

The Long Range Planning Section is responsible for leading the city's planning efforts as required by the State's Growth Management Act and is responsible for maintaining the City's Comprehensive Plan and the many functional plans that support the Comprehensive Plan. Staff drafts new development regulations and updates existing codes to implement the policies in those plans. They also assist with economic development efforts, from working on retaining city businesses safe guarding neighborhoods and overseeing waterfront redevelopment. The section's focus in 2015 will be coordinating waterfront development projects. The section also provides staff support to the City Council and Planning Commission, including general and specialized land use research, drafting ordinances, policies and programs, and facilitating large-scale and multi-agency development projects.

The Community Development Division's purpose is to implement the rules and policies developed by the Long Range Planning Section and to ensure compliance with federal, state, and local laws. It also provides staff support to the City Council and Hearing Examiner. The section's staff serves as project managers of all land use projects to assess their impact on the environment and compliance with Mukilteo Municipal Code. They also serve as the City's land use code compliance officers.

2015 Accomplishments:

- Completed the 2015-2035 Comprehensive Plan update, and won the Planning Association of Washington Award for best Comprehensive Plan update for cities with a population under 40,000.
- Completed the Downtown Waterfront Master Plan.
- Staffed the Japanese Gulch Master Planning process.
- Negotiated and facilitated the adoption of three Interlocal Agreements: Paine Field Traffic Mitigation ILA, the Mukilteo Ballfields Project ILA with Snohomish County, and Joint Parking Study ILA with Sound Transit, Island County and Port of South Whidbey.
- Managed the adoption and implemented of the Downtown Paid Parking Program.
- Conducted two land use appeal hearings.
- Processed three Major Development Agreements: Electroimpact, Pacific Seafood, and Sector 15 Village Center.
- Staffed the Hearing Examiner meetings, Planning Commission, Council Economic Development Subcommittee and Council Sustainability Subcommittee. Provided staff support to the Parks and Arts Commission as needed.
- Provided on-going project review of the Washington State Ferry Multimodal project and continued to meet with the Mukilteo Tank Farm Coordination Group monthly.
- Supported Public Works GPS field data collection.

- Provided widespread mapping support for multiple large scale planning projects.

2016 Goals & Objectives

- Maintain processing times for development applications and report to the State on 120 day compliance or non-compliance as mandated for cities over 20,000 population using the on-line permit tracking system.
- Improve public information and outreach efforts.
- Provide oversight & coordination of waterfront projects.
- Lead the redevelopment efforts on the Tank Farm.
- Transfer title portions of the Tank Farm to City ownership.
- Adopt the Active Transportation Plan.
- Continue staff support for Planning Commission, Hearing Examiner & Council Sustainability subcommittee.

Budget Highlights

- The budget includes one new requested budget item:
 - **Planning Department Reorganization**
- Compared to the 2015 budget, expenditures have changed in this division due to the proposed department reorganization.
- This budget proposes to increase the current $\frac{3}{4}$ time GIS Technician position to full time.

Planning Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 399,593	\$ 459,760	\$ 455,000	\$ 430,515	\$ (24,485)
Overtime	2,732	3,560	4,500	5,700	1,200
Total Salaries & Wages	\$ 402,325	\$ 463,320	\$ 459,500	\$ 436,215	\$ (23,285)
Benefits					
	\$ 150,148	\$ 177,585	\$ 172,620	\$ 176,697	\$ 4,077
Total Benefits	\$ 150,148	\$ 177,585	\$ 172,620	\$ 176,697	\$ 4,077
Total Salaries & Benefits	\$ 552,473	\$ 640,905	\$ 632,120	\$ 612,912	\$ (19,208)
<u>Operating Expenses</u>					
Supplies					
	\$ 1,237	\$ 2,500	\$ 2,415	\$ 1,850	\$ (565)
Total Supplies	\$ 1,237	\$ 2,500	\$ 2,415	\$ 1,850	\$ (565)
Other Services & Charges					
Other Professional Services	\$ 30,340	\$ 106,300	\$ 52,500	\$ 82,000	\$ 29,500
Reimbursable Consulting	-	6,500	6,500	6,500	-
Reimbursable Copies	180	1,000	500	500	-
Communication Expense	4,752	4,700	4,710	4,710	-
Travel & Subsistence Expense	2,407	2,300	2,300	2,500	200
Legal Publications	3,548	3,000	3,000	3,000	-
Equipment Replacement Charges	3,245	-	-	-	-
Software Maintenance	3,335	7,200	7,200	-	(7,200)
Assoc. Dues & Memberships	1,585	4,000	2,500	2,500	-
Training & Registration Costs	3,020	3,350	4,000	4,500	500
Hearing Examiner	23,642	15,500	10,000	15,500	5,500
Total Other Services & Charges	\$ 76,054	\$ 153,850	\$ 93,210	\$ 121,710	\$ 28,500
Total Operating Expenses	\$ 77,291	\$ 156,350	\$ 95,625	\$ 123,560	\$ 27,935
Total Planning Division	\$ 629,764	\$ 797,255	\$ 727,745	\$ 736,472	\$ 8,727

GIS Division

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated Actuals		Amended Budget		Estimated Actuals		Budget			
Salaries & Benefits										
Salaries & Wages										
Full Time Employees	\$	-	\$	-	\$	-	\$	150,363	\$	150,363
Total Salaries & Wages	\$	-	\$	-	\$	-	\$	150,363	\$	150,363
Benefits										
Total Benefits	\$	-	\$	-	\$	-	\$	68,060	\$	68,060
Total Salaries & Benefits	\$	-	\$	-	\$	-	\$	218,423	\$	218,423
Operating Expenses										
Supplies										
Total Supplies	\$	-	\$	-	\$	-	\$	13,200	\$	13,200
Other Services & Charges										
Communication Expense	\$	-	\$	-	\$	-	\$	800	\$	800
Travel & Subsistence		-		-		-		3,000		3,000
Assoc. Dues & Memberships		-		-		-		600		600
Training & Registration Costs		-		-		-		900		900
Printing & Binding		-		-		-		1,000		1,000
Total Other Services & Charges	\$	-	\$	-	\$	-	\$	6,300	\$	6,300
Total Operating Expenses	\$	-	\$	-	\$	-	\$	19,500	\$	19,500
Total GIS Division	\$	-	\$	-	\$	-	\$	237,923	\$	237,923

PERMIT CENTER DIVISION

Purpose:

The Permit Center of the Planning & Community Development Department manages and staffs the City Hall front counter and reception area (both over the counter and telephone). They are generally the first contact the public has when conducting business at City Hall. In addition, the center acts as City Hall's central cashier and issues permits once they are approved.

The Permit Center provides clerical and staff support services for both the Planning & Community Development Department and the Public Works Department. As such, they are responsible for producing, distributing and publishing departments' documents and for keeping the departments' web sites up to date. They are also responsible for ensuring the departments are properly supplied.

Permit Center staff act as the Planning Commission and the Parks & Arts Commission secretary, so they are responsible for noticing, producing, distributing and publishing their monthly meeting packets and for taking and drafting the minutes for those meetings.

The Permit Center also administers and maintains the City's digital permit tracking system and data bases. They are responsible for records management for the planning and public works departments. In addition, the Permit Center administers the City's residential, business, commuter and boat launch parking permit programs.

2015 Accomplishments:

- Issued over four hundred permits.
- Responded to over 5,500 phone calls; an increase of approximately 22% over 2015.
- Provided customer support to over 6,000 walk in customers at the front counter; an increase of approximately 50% over 2015.
- Issued over 3,700 residential parking passes.

2016 Goals & Objectives

- Maintain our strong customer service commitment.
- Continue to track, evaluate, and improve processing time for permit issuance.
- Provide public information brochures, handouts and application packets.
- Update the Planning, Building and Permit Center webpage using the new format.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are increasing approximately 4% in this division due to nominal salary and benefit increases and providing additional overtime to cover Council meetings.

Permit Center Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 174,483	\$ 183,765	\$ 163,500	\$ 181,400	\$ 17,900
Acting Supervisor Pay	101	1,015	-	-	-
Overtime	6,505	5,000	8,800	10,800	2,000
Total Salaries & Wages	\$ 181,089	\$ 189,780	\$ 172,300	\$ 192,200	\$ 19,900
Benefits	\$ 83,072	\$ 85,600	\$ 79,580	\$ 95,840	\$ 16,260
Total Benefits	\$ 83,072	\$ 85,600	\$ 79,580	\$ 95,840	\$ 16,260
Total Salaries & Benefits	\$ 264,161	\$ 275,380	\$ 251,880	\$ 288,040	\$ 36,160
Operating Expenses					
Supplies	\$ 3,312	\$ 5,000	\$ 5,000	\$ 4,000	\$ (1,000)
Total Supplies	\$ 3,312	\$ 5,000	\$ 5,000	\$ 4,000	\$ (1,000)
Other Services & Charges					
Communication Expense	\$ 624	\$ 700	\$ 700	\$ 700	\$ -
Travel & Subsistence	2	400	300	600	300
Equipment M&R	19,436	19,500	19,500	17,000	(2,500)
Training, Registration & Dues	573	660	455	710	255
Total Other Services & Charges	\$ 20,635	\$ 21,260	\$ 20,955	\$ 19,010	\$ (1,945)
Total Operating Expenses	\$ 23,947	\$ 26,260	\$ 25,955	\$ 23,010	\$ (2,945)
Total Permit Center Division	\$ 288,108	\$ 301,640	\$ 277,835	\$ 311,050	\$ 33,215

BUILDING DIVISION

Purpose:

The Building Division reviews and approves construction plans and inspects new construction to ensure all development complies with the relevant codes and approved plans. The Building Official works in close coordination with the City Fire Marshal and Community Development staff.

The Division is also responsible for reviewing and approving right-of-way permit applications and for the City's street addressing program.

The Division assists the public by answering questions regarding building code requirements and construction best practices.

The Division investigates complaints regarding illegal, unsafe and non-code-compliant structures, and when necessary, initiates code enforcement orders against violators.

2015 Accomplishments:

- Reviewed over 300 permit applications.
- Conducted approximately 1,300 building inspections.

2016 Goals & Objectives

- Utilize online electronic application submittals, permit issuance and inspections.
- Maintain permit flow / turn-around times.
- Maintain pro-active stance and oversight during the development of critical / difficult sites.
- Issue Right-of-way permits in conjunction with PW Engineering.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, expenditures are increasing approximately 1.3% in this division due to changed salary and benefits.

Building Division

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated Actuals		Amended Budget		Estimated Actuals		Budget			
<u>Salaries & Benefits</u>										
Salaries & Wages										
Full Time Employees	\$	68,214	\$	71,195	\$	70,500	\$	70,700	\$	200
Special Assignment Pay		10,023		10,150		10,150		10,600		450
Total Salaries & Wages	\$	78,237	\$	81,345	\$	80,650	\$	81,300	\$	650
Benefits	\$	34,935	\$	36,485	\$	36,170	\$	38,900	\$	2,730
Total Benefits	\$	34,935	\$	36,485	\$	36,170	\$	38,900	\$	2,730
Total Salaries & Benefits	\$	113,172	\$	117,830	\$	116,820	\$	120,200	\$	3,380
<u>Operating Expenses</u>										
Supplies	\$	1,434	\$	4,300	\$	3,300	\$	3,400	\$	100
Total Supplies	\$	1,434	\$	4,300	\$	3,300	\$	3,400	\$	100
Other Services & Charges										
Contract Services	\$	8,460	\$	5,000	\$	5,000	\$	5,000	\$	-
Communication Expense		1,150		1,500		1,520		1,750		230
Equipment Replacement & Vehicle R&M		3,131		-		-		-		-
Assoc. Dues & Memberships		480		400		400		400		-
Travel, Training & Registration Costs		848		850		775		850		75
Printing & Binding		-		200		200		200		-
Total Other Services & Charges	\$	14,069	\$	7,950	\$	7,895	\$	8,200	\$	305
Total Operating Expenses	\$	15,503	\$	12,250	\$	11,195	\$	11,600	\$	405
Total Building Division	\$	128,675	\$	130,080	\$	128,015	\$	131,800	\$	3,785

RESERVE FUNDS

- City Reserve
- Paine Field Emergency Reserve
- LEOFF I Reserve
- Health Insurance Administration Reserve
- Unemployment Compensation Reserve

CITY RESERVE FUND

Purpose:

Adequate fund balances and reserve levels are necessary for the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength.

Maintenance of fund balance in each Fund assures adequate resources for cash flow purposes and serves to mitigate short-term effects of revenue shortfalls or timing differences between the receipt of revenue and expenditures. Reserve funds are also necessary to enable the City to respond to unforeseen emergencies or downturns in the economy that reduce revenues.

The purpose of the City Reserve Fund is to maintain compliance with the City's Fund Balance Reserve Policy. This policy requires maintenance of a \$1 million balance in the City Reserve Fund. This Fund provides a financial cushion to cover revenue shortfalls resulting from economic changes or recessionary periods and also provides resources in the event of major unplanned expenditures the City could face such as a landslide, earthquake, or other disaster.

Budget Highlights

- With a final budget amendment in 2015, the Reserve Fund will be restored to \$1 million, in compliance with the Policy noted above, as a result of transfers from the Surface Water Management Fund and the General Fund.

City Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 753,173	\$ 730,804	\$ 695,216	\$ 1,000,000	\$ 304,784
Revenue and transfers-in					
Insurance reimbursement	\$ 169,754	\$ -	\$ 42,259	\$ -	\$ (42,259)
Transfers-in	126,750	269,200	375,947	-	(375,947)
Total revenue and transfers-in	<u>\$ 296,504</u>	<u>\$ 269,200</u>	<u>\$ 418,206</u>	<u>\$ -</u>	<u>\$ (418,206)</u>
Total resources	<u>\$ 1,049,677</u>	<u>\$ 1,000,004</u>	<u>\$ 1,113,422</u>	<u>\$ 1,000,000</u>	<u>\$ (113,422)</u>
Expenditures and transfers-out					
Emergency projects	\$ 354,461	\$ 109,512	\$ 113,422	\$ -	\$ (113,422)
Total expenditures and transfers-out	<u>\$ 354,461</u>	<u>\$ 109,512</u>	<u>\$ 113,422</u>	<u>\$ -</u>	<u>\$ (113,422)</u>
Ending fund balance	<u>\$ 695,216</u>	<u>\$ 890,492</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

PAINE FIELD EMERGENCY RESERVE FUND

Purpose:

The purpose of the Paine Field Emergency Reserve Fund is to set aside funds for the payment of legal or other costs deemed necessary by the City Council to oppose commercial expansion of Paine Field.

Budget Highlights

- The 2016 Budget includes the closure of the Paine Field Emergency Reserve Fund and transfer of the associated activities to the Legal division to improve transparency of the City's overall legal costs.
- Paine Field legal costs will continue to be funded at \$110,000, in the Legal and Judicial services budget.

Paine Field Emergency Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ (30,301)	\$ -	\$ (11,483)	\$ -	\$ -
Revenue and transfers-in					
Transfers-in	\$ 100,000	\$ 110,000	\$ 101,483	\$ -	\$ (101,483)
Total revenue and transfers-in	<u>\$ 100,000</u>	<u>\$ 110,000</u>	<u>\$ 101,483</u>	<u>\$ -</u>	<u>\$ (101,483)</u>
Total resources	<u>\$ 69,699</u>	<u>\$ 110,000</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ (101,483)</u>
Expenditures and transfers-out					
Professional services	\$ 81,177	\$ 110,000	\$ 90,000	\$ -	\$ (90,000)
Interfund loan interest	5	-	-	-	-
Transfers-out	-	-	-	-	-
Total expenditures and transfers-out	<u>\$ 81,182</u>	<u>\$ 110,000</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ (90,000)</u>
Ending fund balance	<u>\$ (11,483)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAW ENFORCEMENT OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM (LEOFF 1) RESERVE FUND

Purpose:

The purpose of the LEOFF 1 Reserve Fund is to set aside funds to be used for the payment of health care premiums and expenses for LEOFF 1 retirees pursuant to State law. At this time, the City has two retirees who are eligible and participate. No other retirees or current City employees are eligible for this benefit as it only applies to public safety employees hired prior to October 1, 1977.

Budget Highlights

- 2016 budgeted benefits for the two retirees total \$35,000, with fund balance being sufficient to cover anticipated 2016 expenses.

Law Enforcement Officers' and Firefighters' Retirement System (LEOFF 1) Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 117,210	\$ 106,107	\$ 107,149	\$ 63,842	\$ (43,307)
Revenue and transfers-in					
Investment interest	\$ 423	\$ 250	\$ -	\$ -	\$ -
Transfers-in	25,000	-	-	-	-
Total revenue and transfers-in	<u>\$ 25,423</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 142,633</u>	<u>\$ 106,357</u>	<u>\$ 107,149</u>	<u>\$ 63,842</u>	<u>\$ (43,307)</u>
Expenditures and transfers-out					
Personnel benefits	\$ 34,084	\$ 35,000	\$ 8,350	\$ 35,000	\$ 26,650
OFM assessment fee	1,400	1,400	1,400	1,400	-
Transfers-out	-	33,557	33,557	-	(33,557)
Total expenditures and transfers-out	<u>\$ 35,484</u>	<u>\$ 69,957</u>	<u>\$ 43,307</u>	<u>\$ 36,400</u>	<u>\$ (6,907)</u>
Ending fund balance	<u>\$ 107,149</u>	<u>\$ 36,400</u>	<u>\$ 63,842</u>	<u>\$ 27,442</u>	<u>\$ (36,400)</u>

HEALTH INSURANCE RESERVE FUND

Purpose:

The City is self-insured for dental and vision benefits for City staff. Per State of Washington Office of Financial Management guidelines, the City is required to maintain a reserve balance in an amount not less than eight weeks of program expenses. This additional contingency reserve established by the City Council is not required.

Budget Highlights

- No revenues are budgeted for 2016. This fund has been determined to be unnecessary and is being closed and transferred to the general fund.

Health Insurance Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 66,296	\$ 67,296	\$ 67,296	\$ -	\$ (67,296)
Revenue and transfers-in					
Transfers-in	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 67,296</u>	<u>\$ 67,296</u>	<u>\$ 67,296</u>	<u>\$ -</u>	<u>\$ (67,296)</u>
Expenditures and transfers-out					
Transfers-out	\$ -	\$ 25,996	\$ 67,296	\$ -	\$ (67,296)
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ 25,996</u>	<u>\$ 67,296</u>	<u>\$ -</u>	<u>\$ (67,296)</u>
Ending fund balance	<u>\$ 67,296</u>	<u>\$ 41,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNEMPLOYMENT COMPENSATION RESERVE FUND

Purpose:

The Unemployment Compensation Reserve Fund sets aside funds to be used for the payment of unemployment claims submitted to the City for payment. The City's historical practice has been to charge any claims to Funds other than this Fund. Staff is not aware of any State requirement to maintain this Fund. As a result, there is no need for it to exist and the fund balance of \$40,488 is being transferred to the General Fund in 2015 and used to help replenish the City Reserve Fund as a one-time use.

Budget Highlights

- No revenues are budgeted for 2015.
- This fund was closed in 2015, but is required by accounting practices to still be reflected in the 2016 budget.

Unemployment Compensation Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 40,488	\$ 40,488	\$ 40,488	\$ -	\$ (40,488)
Revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 40,488	\$ 40,488	\$ 40,488	\$ -	\$ (40,488)
Expenditures and transfers-out					
Transfers-out	\$ -	\$ 40,488	\$ 40,488	\$ -	\$ (40,488)
Total expenditures and transfers-out	\$ -	\$ 40,488	\$ 40,488	\$ -	\$ (40,488)
Ending fund balance	\$ 40,488	\$ -	\$ -	\$ -	\$ -

SPECIAL REVENUE FUNDS

- Street
- Arterial Street
- Recreation & Cultural Services
- Hotel/Motel Lodging Tax
- Emergency Medical Services
- Drug Enforcement

STREET FUND

Purpose:

The purpose of the Street Fund is to account for revenues generated from the commercial parking tax and State Motor Vehicle fuel tax. These revenues are then used to maintain the City's street system. To the extent that revenues are not sufficient to cover the cost of all expenditures, the General Fund provides an annual operating subsidy.

The Streets Maintenance Division maintains the City's street system, (except for the pavement on SR 525 and 526, which are maintained by WSDOT), sidewalks, curbs, gutters, crosswalk and school zone flashers, signs, vegetation in the right-of-ways and removes and disposes of illegally dumped waste in City right-of-ways.

This work includes: fixing potholes; painting pavement markings; repair, replacement, and installation of all City owned signs; mowing of shoulders and snow and ice removal.

There are 13 traffic signals with in the City of Mukilteo, two are owned by the City. Washington State Department of Transportation owns the remaining 11 traffic signals, as well as the traffic signage on SR 525 and SR 526.

2015 Accomplishments:

- Implemented retro-reflectivity monitoring program and continue street sign replacement and repair program
- Prepare 3-5 miles of streets for surface maintenance
- Manage contracts/agreements for street striping, vegetation control

2016 Goals & Objectives

- Prepare a GIS inventory of all City owned street signs
- Complete the implementation of the retro-reflectivity monitoring program
- Install thermal plastic crosswalk markings
- Perform street tree trimming and street repairs as needed
- Prepare Harbour Pointe Blvd and 5th Street for resurfacing

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- Compared to the 2015 budget, Public Works Streets Division expenditures have decreased year-to-year. There were nominal increases to salary and benefits, machinery and street light maintenance costs; however, corresponding nominal decreases to electricity, fuel and insurance costs.

2016 Annual Budget

Special Revenue Funds

Street Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 115,660	\$ -	\$ 31,893	\$ -	\$ (31,893)
Revenue and transfers-in					
Commercial parking tax	\$ 33,215	\$ 55,600	\$ 51,000	\$ 40,000	\$ (11,000)
Street fuel tax	384,236	420,400	422,500	450,000	27,500
Other charges for services	-	-	28,752	-	(28,752)
Investment interest	439	100	-	100	100
Other miscellaneous revenue	52	-	-	-	-
Transfers-in	323,518	360,595	273,265	336,040	62,775
Total revenue and transfers-in	<u>\$ 741,460</u>	<u>\$ 836,695</u>	<u>\$ 775,517</u>	<u>\$ 826,140</u>	<u>\$ 50,623</u>
Total resources	<u>\$ 857,120</u>	<u>\$ 836,695</u>	<u>\$ 807,410</u>	<u>\$ 826,140</u>	<u>\$ 18,730</u>
Expenditures and transfers-out					
Salaries & wages	\$ 306,422	\$ 288,960	\$ 292,100	\$ 316,300	\$ 24,200
Personnel benefits	141,915	150,045	150,010	160,000	9,990
Supplies	66,272	68,500	68,500	63,600	(4,900)
Other services & charges	285,379	281,190	213,300	226,240	12,940
Intergovernmental services	16,483	48,000	77,000	54,000	(23,000)
Capital outlay	8,756	-	6,500	6,000	(500)
Total expenditures and transfers-out	<u>\$ 825,227</u>	<u>\$ 836,695</u>	<u>\$ 807,410</u>	<u>\$ 826,140</u>	<u>\$ 18,730</u>
Ending fund balance	<u>\$ 31,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2016 Annual Budget

Special Revenue Funds

Arterial Street Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 123,518	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 123,518	\$ -	\$ -	\$ -	\$ -
Expenditures and transfers-out					
Transfers-out	\$ 123,518	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	\$ 123,518	\$ -	\$ -	\$ -	\$ -
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Public Works - Streets Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 295,308	\$ 277,600	\$ 277,600	\$ 301,800	\$ 24,200
Overtime	6,088	6,000	6,000	6,000	-
Acting Supervisor Pay	1,806	1,300	4,500	4,500	-
Standby Pay	3,220	4,060	4,000	4,000	-
Total Salaries & Wages	\$ 306,422	\$ 288,960	\$ 292,100	\$ 316,300	\$ 24,200
Benefits	\$ 141,915	\$ 150,045	\$ 150,010	\$ 160,000	\$ 9,990
Total Benefits	\$ 141,915	\$ 150,045	\$ 150,010	\$ 160,000	\$ 9,990
Total Salaries & Benefits	\$ 448,337	\$ 439,005	\$ 442,110	\$ 476,300	\$ 34,190
Operating Expenses					
Supplies					
Operating Supplies	\$ 6,840	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Clothing/Boots	2,650	3,000	3,000	3,000	-
Aggregate	8,178	7,000	7,000	7,000	-
Traffic Control Device Supply	22,744	30,000	30,000	30,000	-
Motor Fuel	14,572	13,500	13,500	8,600	(4,900)
Small Items of Equipment	5,546	5,000	5,000	5,000	-
Street Lighting Equipment	5,742	4,000	4,000	4,000	-
Total Supplies	\$ 66,272	\$ 68,500	\$ 68,500	\$ 63,600	\$ (4,900)

Public Works - Streets Division (Continued)

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
Other Services & Charges					
Equipment Replacement Charges	\$ 67,890	\$ 67,890	\$ -	\$ 67,890	\$ 67,890
Contract Services	26,635	30,000	30,000	30,000	-
Telephone	771	1,200	1,200	820	(380)
Cell Phone	1,701	1,500	1,500	1,500	-
Travel & Subsistence	409	1,200	1,200	1,200	-
Work Equip & Machine Rental	4,960	2,000	2,000	2,000	-
Insurance	40,439	40,500	40,500	-	(40,500)
Hazardous Waste Disposal	227	-	-	-	-
Electricity Street Lights	117,128	112,500	112,500	98,530	(13,970)
Brush Disposal	3,181	-	-	-	-
Construction Debris Disposal	672	1,000	1,000	1,000	-
Equipment R&M	14,519	8,000	8,000	8,000	-
Vehicle R&M	6,084	12,000	12,000	12,000	-
Laundry Services	1,441	1,400	1,400	1,300	(100)
Training & Registration	(678)	2,000	2,000	2,000	-
Total Other Services & Charges	\$ 285,379	\$ 281,190	\$ 213,300	\$ 226,240	\$ 12,940
Total Operating Expenses	\$ 351,651	\$ 349,690	\$ 281,800	\$ 289,840	\$ 8,040
 Intergovernmental Services					
Intergovernmental Services					
Lane Striping & Marking	\$ 929	\$ 29,000	\$ 29,000	\$ 29,000	\$ -
Street Light Maintenance	15,554	16,000	45,000	22,000	(23,000)
Repairs in Row	-	1,000	1,000	1,000	-
Row Veg Maintenance	-	2,000	2,000	2,000	-
Total Intergovernmental Services	\$ 16,483	\$ 48,000	\$ 77,000	\$ 54,000	\$ (23,000)
Total Intergovernmental Services	\$ 16,483	\$ 48,000	\$ 77,000	\$ 54,000	\$ (23,000)

Public Works - Streets Division (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Capital					
Capital Outlay					
Other Machinery & Equipment	\$ 8,756	\$ -	\$ 6,500	\$ 6,000	\$ (500)
Total Capital Outlay	\$ 8,756	\$ -	\$ 6,500	\$ 6,000	\$ (500)
Total Capital	\$ 8,756	\$ -	\$ 6,500	\$ 6,000	\$ (500)
Total Public Works - Streets Division	\$ 825,227	\$ 836,695	\$ 807,410	\$ 826,140	\$ 18,730

RECREATION & CULTURAL SERVICES

Purpose:

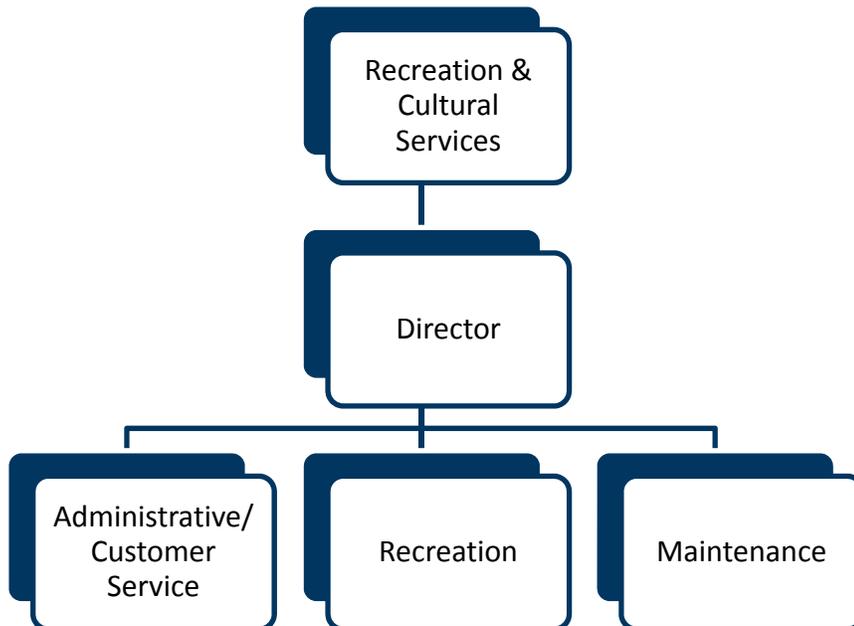
From preschoolers to older adults the Recreation and Cultural Services Department provides numerous benefits to the participants and the community. Individual benefits include improved fitness levels, development of physical/social skills, reduction in stress, and increased self-esteem/self-reliance. Community benefits include connecting families, supporting youth, offering lifelines for older adults, and providing a positive economic impact within the community.

The philosophy of recreation programming is to plan and coordinate quality programs as a direct facilitator or in partnerships that encourage the arts, environmental awareness, lifelong learning, enrichment, and a healthy community. Special events and volunteer opportunities help build and enhance a sense of community spirit.

The Rosehill Community Center fills many roles in the community: it is a community gathering place, provides community enrichment opportunities, is a place to hold events, celebrations, public meetings and workshops, is an information center, and spurs economic development in Mukilteo.

The Department also inspires community involvement in the arts through a variety of mediums including dance, drama/theater, music, visual arts, and performing arts.

Organization Chart:



Position Summary:

Position Title	2015	2016
Recreation & Cultural Services Director	1.0	1.0
Facility Maintenance Worker	1.0	1.0
Recreation Coordinator	1.0	1.0
Recreation Programmer	0.6	0.75
Office Technician	2.75	0
Administrative Support Coordinator	0	1.0
Administrative Support Technician	0	1.25
Customer Service Clerk	2.5	0
Administrative Support Assistants	0	3.0
Total	8.85	9.00

Expenditure Summary:

	2014 Estimated	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Recreation	799,243	738,379	723,687	790,525	\$ 66,838
Total Departmental Summary	\$ 799,243	\$ 738,379	\$ 723,687	\$ 790,525	\$ 66,838

New Budget Item Summary

- Rosehill Staff Reorganization:** the retirement of a staff member at Rosehill presented an opportunity to reorganize the staffing model. The reorganization is converting the salary and benefits of a 20 hour a week part-time position into 32.5 part-time hours spread over 6 existing part-time positions and one full-time position. The reorganization provides better customer service at peak hours/days, creates a deputy position and provides for additional recreation programming hours.

Rosehill Staff Reorganization

Brief Description:

New Item

Staff Reorganization for Rosehill Community Center to balance workloads, provide better service for arts and seniors programming and better customer service

Fund Name

Recreation & Cultural Services

Amount Requested

\$5,300

Nature of the expenditure? **Ongoing**

Any Additional Revenue? **If Yes, Identify Below**

No

Expenditure Purpose and Justification

The retirement of a staff member at Rosehill presented an opportunity to reorganize the staffing model. The proposed new staffing model provides for a deputy position that will help balance workloads and provide better continuity with supervising staff. By increasing the hours of 5 Customer Service Clerk positions the Center will be able to provide better customer service during peak days and times and allow the deputy position to move to the back office to work. The reorganization will increase the Recreation Programmer's hours by 5 hours to help meet the demand of expanding senior and arts programming. The reorganization is converting the salary and benefits of a 20 hour a week part-time position into 32.5 part-time hours spread over 6 part-time positions and one full-time position. The reorganization provides better customer service, creates a deputy position and provides for additional recreation programming hours.

Alternatives and Potential Costs

Alternatives: Keep staffing levels at status quo or reduce the number of positions effected by the reorganization i.e. eliminate the increase in hours for the Recreation Programmer to ensure no impact to the general fund.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This is an ongoing expense.

Expenditure Account # & Title	Amount
114.71.575.500.2105	\$ 5,300
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Efficiencies and Revenue Growth	\$ -
	\$ -
	\$ -
	\$ -

Department:	Recreation and Cultural Services Department
Division:	
Prepared by:	Jennifer Berner, Recreation & Cultural Services Department



RECREATION & CULTURAL SERVICES

Purpose:

The mission of the Recreation and Cultural Services Department is to provide premium services and facilitate safe, quality leisure services, programs, and facilities while preserving and enhancing natural resources and stimulating the economic vitality of the community. The Center will be a leader in promoting community health and well-being through fun, progressive and memorable parks, arts, and recreation experiences and activities for everyone.

2015 Accomplishments:

- In support of the Arts, held four Gallery Openings in the first quarter featuring Mukilteo School District art students', started the Cultural Arts Master Plan committee and researched percent for arts programs, held two Shakespeare in the Park events on the Rosehill plaza and one theatre production in the Point Elliott Room.
- In support of connecting families and building community spirit, offered 15 free community events at the Rosehill Community Center in 2015 (two Movies in the Park, four Gallery Openings, Touch A Truck, Boo Bash, Tree Lighting, three Community Orchestra Concerts, and Community Garage Sale). Approximately 8,000 people attended these events.
- Coordinated with 8 community groups on co-sponsored events. (Farmers Market, Kamiak Show Band, Holiday Art Mart, Waterfront Art Festival, Lighthouse Festival, Wildlife Habitat presentation, Garden & Quilt Tour and Mukilteo Seniors Association).
- Offered 14 summer camps with 9 of them reaching maximum enrollments serving 203 children.
- Developed tracking system with Mukilteo hotels to track overnight stays generated from rentals at the Rosehill Community Center. Generated more than 500 overnight stays.
- Established the Rosehill Community Board.
- Developed a Business Plan to guide the department by completing the Community Recreation Inventory leading to the restructuring of Recreation Division. Developed and adopted the Recreation Pricing Policy and finishing the Recreation Program Service Analysis.
- Implemented impromptu service policy for room use at Rosehill.
- Partnered with Mukilteo Senior Association to further develop senior recreation programming.
- Created a Recreation Program Scholarship Program for families in need.

2016 Goals & Objectives

- Continue researching recreation software options
- Identify and prioritize community volunteer projects
- Develop volunteer stewardship program for Japanese Gulch & Big Gulch
- Continue examining recreation program offerings, in consultation with the Rosehill Board, as well as other community and non-profit organizations
- Examine marketing techniques to achieve greater participation in programs and rentals
- Develop a comprehensive sponsorship package
- Expand recreation programming in the areas of theater, seniors, outdoor adventures, teens and special needs

- Develop marketing campaign to obtain funding for the Recreation Scholarship Program

Budget Highlights

- The 2016 budget for this division reflects a change in the staffing model by converting a 20 hour a week position into 32.5 part-time hours spread over 6 existing part-time positions and one full-time position. The proposed reorganization would provide better front desk coverage for greater customer service during peak days/hours and expand programming for seniors and arts.
- The Hotel/Motel Lodging Tax Fund continues to provide a \$30,000 transfer to provide for additional staff time to continue to build the rental market for Rosehill Community Center. This reflects the City's priority to support subsidized or free community programs through paid rentals and tourism uses of the center.
- Compared to the 2015 budget, Recreation and Cultural Services Department expenditures have changed due to a correction made to the salary and benefit formula. However, transfers from the General Fund have decreased by 50%, other professional services, insurance and utility fees/charges have also been reduced.
- Lastly, the budgeted 2016 operating transfer from the General Fund is \$128,045 – the amount necessary in order that revenues + transfer in = expenditures. Fund balance at the end of 2016 will be \$0.

2016 Annual Budget

Special Revenue Funds

Recreation & Cultural Services

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ 11,400	\$ 101,916	\$ -	\$ (101,916)
Revenue and transfers-in					
Grants	\$ -	\$ -	\$ 30,000	\$ 39,300	\$ 9,300
Recreation program fees	145,605	155,000	110,000	150,000	40,000
Alcohol use fee	-	-	14,000	10,000	(4,000)
Other charges for services	2,325	2,050	4,000	3,550	(450)
Community center room rentals	521,329	368,000	365,000	430,000	65,000
Outdoor community center rentals	9,650	6,400	6,400	6,000	(400)
Weight room rentals	11,990	10,500	10,000	11,000	1,000
Picnic shelter rentals	15,645	12,700	12,500	12,700	200
Light Station rentals	3,485	3,500	2,200	3,500	1,300
Parking space rentals	13,110	10,080	7,000	10,080	3,080
Investment interest	1,028	800	-	800	800
Sponsorships	6,950	5,500	5,500	5,500	-
Other miscellaneous revenue	42	-	-	50	50
Transfers-in	170,000	152,449	55,171	108,045	52,874
Total revenue and transfers-in	<u>\$ 901,159</u>	<u>\$ 726,979</u>	<u>\$ 621,771</u>	<u>\$ 790,525</u>	<u>\$ 168,754</u>
Total resources	<u>\$ 901,159</u>	<u>\$ 738,379</u>	<u>\$ 723,687</u>	<u>\$ 790,525</u>	<u>\$ 66,838</u>
Expenditures and transfers-out					
Salaries & wages	358,935	350,670	373,300	407,900	34,600
Personnel benefits	127,596	140,874	130,050	149,000	18,950
Supplies	15,205	18,060	17,860	20,375	2,515
Other services & charges	297,507	228,775	202,477	213,250	10,773
Total expenditures and transfers-out	<u>\$ 799,243</u>	<u>\$ 738,379</u>	<u>\$ 723,687</u>	<u>\$ 790,525</u>	<u>\$ 66,838</u>
Ending fund balance	<u>\$ 101,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Recreation Department

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 253,654	\$ 257,910	\$ 241,000	\$ 212,900	\$ (28,100)
Part Time Employees	\$ 104,749	\$ 92,260	\$ 132,000	\$ 194,500	\$ 62,500
Overtime	532	500	300	500	200
Total Salaries & Wages	\$ 358,935	\$ 350,670	\$ 373,300	\$ 407,900	\$ 34,600
Benefits	\$ 127,596	\$ 140,874	\$ 130,050	\$ 149,000	\$ 18,950
Total Benefits	\$ 127,596	\$ 140,874	\$ 130,050	\$ 149,000	\$ 18,950
Total Salaries & Benefits	\$ 486,531	\$ 491,544	\$ 503,350	\$ 556,900	\$ 53,550
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 4,534	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Operating Supplies	7,397	7,210	7,210	9,785	2,575
Small Items of Equip and Misc.	3,274	5,850	5,650	5,590	(60)
Total Supplies	\$ 15,205	\$ 18,060	\$ 17,860	\$ 20,375	\$ 2,515

Recreation Department (Continued)

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated	Actuals	Amended Budget	Estimated	Actuals	Budget	Estimated	Actuals	Budget	(Decrease)
Other Services & Charges										
Other Professional Services	\$	47,537	\$	16,400	\$	6,000	\$	8,700	\$	2,700
Instructors Professional Services		88,992		97,000		97,000		97,000		-
WSU Beach Watchers - Other Prof Services		8,004		7,500		7,500		7,500		-
Communication Expense		11,765		12,700		13,038		13,040		2
Travel & Subsistence Expense		537		1,100		900		1,800		900
Advertising		3,036		3,274		3,274		4,600		1,326
Community Advertising - Recreation Guide		31,025		26,000		22,000		26,000		4,000
Work Equip & Machine Rental		744		500		500		1,600		1,100
Short-Term Facility/Field Rental		180		400		520		5,000		4,480
Insurance		17,391		17,391		18,235		-		(18,235)
Utilities		45,831		-		-		-		-
Office Equipment M&R		4,468		8,000		4,000		6,400		2,400
Other Maintenance & Repair		3,591		1,000		1,000		1,000		-
Assoc. Dues & Memberships		783		600		600		700		100
Printing and Binding		597		1,710		1,710		2,710		1,000
Contractual Services		31,841		34,000		25,000		34,000		9,000
Training & Registration		638		600		600		2,600		2,000
Miscellaneous		547		600		600		600		-
Total Other Services & Charges	\$	297,507	\$	228,775	\$	202,477	\$	213,250	\$	10,773
Total Operating Expenses	\$	312,712	\$	246,835	\$	220,337	\$	233,625	\$	13,288
Total Recreation Department	\$	799,243	\$	738,379	\$	723,687	\$	790,525	\$	66,838

HOTEL/MOTEL LODGING TAX FUND

Purpose:

This Fund receives the 2% hotel/motel tax assessed on room stays at hotels/motels within the City. State law restricts the use of this tax revenue to fund promotion of tourism, related operations, and maintenance of tourism facilities in the City. The City has established a Lodging Tax Advisory Committee to advise the City Council on the effective use of the Funds assets.

Each year, the Committee solicits grant applications to fund promotional opportunities within the City for tourism. The Committee reviews the applications and then presents recommendations to the City Council.

Budget Highlights

- \$250,000 of Hotel/Motel tax revenue is projected for 2016.
- All expenditures from this fund are dependent on recommendations from the Lodging Tax Committee. The notes below assume approval of several City grant applications to the Committee.
- Budgeted expenditures total \$317,950 for 2016 including a \$27,000 grant to the General Fund to support Lighthouse Festival overtime costs and an additional \$30,000 transfer to the Recreation & Cultural Services Fund. Staff there will be able to focus on expanded marketing efforts, interfacing with Mukilteo motels/hotels, and programming for seniors and arts.
- The projected 2016 ending fund balance is \$122,905 .

Hotel/Motel Lodging Tax Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 185,820	\$ 189,251	\$ 192,138	\$ 189,605	\$ (2,533)
Revenue and transfers-in					
Hotel/motel transient tax	\$ 225,251	\$ 240,000	\$ 243,507	\$ 250,000	\$ 6,493
Investment interest	1,140	1,200	-	1,250	1,250
Transfers-in	5,000	-	-	-	-
Total revenue and transfers-in	<u>\$ 231,391</u>	<u>\$ 241,200</u>	<u>\$ 243,507</u>	<u>\$ 251,250</u>	<u>\$ 7,743</u>
Total resources	<u>\$ 417,211</u>	<u>\$ 430,451</u>	<u>\$ 435,645</u>	<u>\$ 440,855</u>	<u>\$ 5,210</u>
Expenditures and transfers-out					
Community organization support	\$ 152,135	\$ 244,950	\$ 245,845	\$ 317,950	\$ 72,105
Insurance	186	500	195	-	(195)
Interfund loan repayment	72,469	-	-	-	-
Interfund loan interest	283	-	-	-	-
Transfers-out	-	45,000	-	-	-
Total expenditures and transfers-out	<u>\$ 225,073</u>	<u>\$ 290,450</u>	<u>\$ 246,040</u>	<u>\$ 317,950</u>	<u>\$ 71,910</u>
Ending fund balance	<u>\$ 192,138</u>	<u>\$ 140,001</u>	<u>\$ 189,605</u>	<u>\$ 122,905</u>	<u>\$ (66,700)</u>

EMERGENCY MEDICAL SERVICES

Purpose:

The EMS Fund accounts for property tax revenue generated from the EMS levy and charges for service. To the extent these revenue sources are not sufficient to pay for all expenditures of the Fund, a transfer is made from the General Fund.

The Emergency Medical Services (EMS) Division of the Fire Department provides Basic and Advanced Life Support (BLS/ALS) services to the community.

Please refer to the Fire Department Operations section to review department goals and accomplishments related to Emergency Medical Services.

Emergency Medical Services Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 130,151	\$ -	\$ 38,854	\$ -	\$ (38,854)
Revenue and transfers-in					
EMS Levy	\$ 1,712,708	\$ 1,800,106	\$ 1,800,106	\$ 1,834,000	\$ 33,894
Grants	11,905	-	-	-	-
Charges for Services	150,946	161,430	450,000	532,500	82,500
Investment interest	316	217	26	200	174
Other miscellaneous revenue	-	-	264	-	(264)
Transfers-in	100,000	86,947	-	-	-
Total revenue and transfers-in	<u>\$ 1,975,875</u>	<u>\$ 2,048,700</u>	<u>\$ 2,250,396</u>	<u>\$ 2,366,700</u>	<u>\$ 116,304</u>
Total resources	<u>\$ 2,106,026</u>	<u>\$ 2,048,700</u>	<u>\$ 2,289,250</u>	<u>\$ 2,366,700</u>	<u>\$ 77,450</u>
Expenditures and transfers-out					
Salaries & wages	\$ 1,181,636	\$ 1,067,220	\$ 1,127,378	\$ 1,282,623	\$ 155,245
Personnel benefits	372,793	462,675	435,000	434,047	(953)
Supplies	69,527	74,500	84,498	88,500	4,002
Other services & charges	259,669	252,060	271,779	349,229	77,450
Intergovernmental services	183,547	192,245	192,245	110,000	(82,245)
Transfers-out	-	-	178,350	102,301	(76,049)
Total expenditures and transfers-out	<u>\$ 2,067,172</u>	<u>\$ 2,048,700</u>	<u>\$ 2,289,250</u>	<u>\$ 2,366,700</u>	<u>\$ 77,450</u>
Ending fund balance	<u>\$ 38,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fire Department - Emergency Medical Services

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated	Amended	Estimated	Budget	
	Actuals	Budget	Actuals		(Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 921,246	\$ 865,385	\$ 913,616	\$ 1,089,814	\$ 176,198
Part Time Employees	40,282	25,960	25,958	-	(25,958)
Special Assignment Pay	3,786	-	1,800	2,710	910
Education Premium Pay	7,861	8,100	7,498	7,000	(498)
Acting Supervisor Pay	2,779	3,875	1,973	3,900	1,927
Paramedic Incentive Pay	48,039	51,000	49,767	49,900	133
Merit/Longevity Pay	11,292	-	13,037	14,400	1,363
Fire - Holiday Buy Back	12,653	22,900	22,900	23,100	200
Overtime	133,698	90,000	90,829	100,000	9,171
Total Salaries & Wages	\$ 1,181,636	\$ 1,067,220	\$ 1,127,378	\$ 1,290,824	\$ 163,446
Benefits	\$ 372,793	\$ 462,675	\$ 435,000	\$ 434,047	\$ (953)
Total Benefits	\$ 372,793	\$ 462,675	\$ 435,000	\$ 434,047	\$ (953)
Total Salaries & Benefits	\$ 1,554,429	\$ 1,529,895	\$ 1,562,378	\$ 1,724,871	\$ 162,493
Operating Expenses					
Supplies					
Office & Training Supplies	\$ 1,915	\$ 1,500	\$ 2,000	\$ 3,500	\$ 1,500
Supplies - EMG Medical Services	29,579	20,000	31,000	30,000	(1,000)
Clothing/Boots	12,537	10,000	10,578	14,000	3,422
Motor Fuel	14,012	12,000	9,920	10,000	80
Small Items of Equipment	11,484	31,000	31,000	31,000	-
Total Supplies	\$ 69,527	\$ 74,500	\$ 84,498	\$ 88,500	\$ 4,002
Other Services & Charges					
Billing Services	\$ 21,574	\$ 15,000	\$ 35,017	\$ 35,000	\$ (17)
Professional Services	14,082	16,000	16,000	16,000	-
Communication Expense	18,850	7,100	2,920	3,100	180
Equipment Replacement Charges	162,122	176,860	176,860	278,629	101,769
Insurance	11,201	17,100	23,490	-	(23,490)
Hazardous Waste Disposal	-	500	500	500	-
Equipment & Vehicle R&M	29,941	16,000	15,272	16,000	728
Laundry Services	1,899	3,500	1,720	-	(1,720)
Total Other Services & Charges	\$ 259,669	\$ 252,060	\$ 271,779	\$ 349,229	\$ 77,450

Fire Department - Emergency Medical Services (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Intergovernmental Services	\$ 183,547	\$ 192,245	\$ 192,245	\$ 110,000	\$ (82,245)
Total Intergovernmental Services	\$ 183,547	\$ 192,245	\$ 192,245	\$ 110,000	\$ (82,245)
Total Operating Expenses	\$ 512,743	\$ 518,805	\$ 548,522	\$ 547,729	\$ (793)
<u>Non-Operating Expenses</u>					
Transfers-out	\$ -	\$ -	\$ 178,350	\$ 102,301	\$ (76,049)
Total Transfers-out	\$ -	\$ -	\$ 178,350	\$ 102,301	\$ (76,049)
Total Non-Operating Expenses	\$ -	\$ -	\$ 178,350	\$ 102,301	\$ (76,049)
Total Fire Department - Emergency Medical Services	\$ 2,067,172	\$ 2,048,700	\$ 2,289,250	\$ 2,374,901	\$ 85,651

DRUG ENFORCEMENT

Purpose:

The Drug Enforcement Fund is specifically regulated under Washington State law RCW 69.50 which relates to seizures and forfeitures of illegal drug case proceeds. The Fund may only be used for drug enforcement equipment, investigations, education or similar purposes as defined by state law. A portion of all monies forfeited is submitted to the State of Washington or applicable federal agency.

2015 Accomplishments:

- MPD held one forfeiture hearing in 2015 resulting in 100% findings for the City.
- MPD had two cases resulting in seizures for 2015.

2016 Goals & Objectives

- Continue to investigate drug cases.
- Continue to comply with RCW 69.50 as the law relates to seizures and forfeitures.
- Conduct a community outreach program that meets the RCW requirements, to support the prevention of youth substance abuse.

Budget Highlights

- Compared to the 2015 budget, expenditures are increasing approximately in this division due to special operations overtime being budgeted here.
- \$5,000 of the Drug Enforcement fund will pay for overtime from Detectives in the Special Operations division investigating drug related cases.

Drug Enforcement Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 27,858	\$ 22,363	\$ 28,519	\$ 34,662	\$ 6,143
Revenue and transfers-in					
Investment interest	\$ 111	\$ 100	\$ -	\$ -	\$ -
Other miscellaneous revenue	550	-	19,043	-	(19,043)
Total revenue and transfers-in	<u>\$ 661</u>	<u>\$ 100</u>	<u>\$ 19,043</u>	<u>\$ -</u>	<u>\$ (19,043)</u>
Total resources	<u>\$ 28,519</u>	<u>\$ 22,463</u>	<u>\$ 47,562</u>	<u>\$ 34,662</u>	<u>\$ (12,900)</u>
Expenditures and transfers-out					
Supplies	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Public affairs	-	5,000	-	5,000	5,000
Special operations	-	-	-	5,000	5,000
Narcotics task force	-	5,400	5,400	5,453	53
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ 17,900</u>	<u>\$ 12,900</u>	<u>\$ 22,953</u>	<u>\$ 10,053</u>
Ending fund balance	<u>\$ 28,519</u>	<u>\$ 4,563</u>	<u>\$ 34,662</u>	<u>\$ 11,709</u>	<u>\$ (22,953)</u>

DEBT SERVICE FUNDS

- Limited Tax General Obligation Bond

LIMITED TAX GENERAL OBLIGATION BOND FUND

Purpose:

The purpose of this Fund is to account for the annual principal and interest (debt service) payments. The City issued \$12,585,000 in General Obligation bonds in 2009 to fund the construction of the Rosehill Community Center. Limited tax general obligations of the City are payable from taxes levied upon all the taxable property in the City, and may be imposed by the City Council without a vote of the people.

These General Obligation bonds have a 20-year maturity (2029). The annual debt service ranges from \$904,800 - \$909,313. Interest payments are made semi-annually in June and December; principal payments are made annually in December. The funding source to make debt service payments has historically come from transfers in from the Real Estate Excise Tax I and II Funds (REET) although funding is not required to be limited to this sole source.

Budget Highlights

- During 2015 City Council resolved to spend REET I funds only on this debt service obligation, and to fund capital projects with REET II funds. In addition, 7.5% of the bond payment is made by REET II.

2016 Annual Budget

Debt Service Funds

Limited Tax General Obligation Bond Fund

	2014	2015	2015	2016	
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	Increase/ (Decrease)
Beginning fund balance	\$ 7,228	\$ -	\$ 8,656	\$ 8,656	\$ -
Revenue and transfers-in					
Investment interest	\$ 1,575	\$ -	\$ -	\$ -	\$ -
Transfers-in	906,170	907,913	907,913	901,000	(6,913)
Total revenue and transfers-in	<u>\$ 907,745</u>	<u>\$ 907,913</u>	<u>\$ 907,913</u>	<u>\$ 901,000</u>	<u>\$ (6,913)</u>
Total resources	<u>\$ 914,973</u>	<u>\$ 907,913</u>	<u>\$ 916,569</u>	<u>\$ 909,656</u>	<u>\$ (6,913)</u>
Expenditures and transfers-out					
Administration fee	\$ 354	\$ 300	\$ 300	\$ 300	\$ -
Bond principal	510,000	525,000	525,000	545,000	20,000
Bond interest	395,963	382,613	382,613	363,962	(18,651)
Total expenditures and transfers-out	<u>\$ 906,317</u>	<u>\$ 907,913</u>	<u>\$ 907,913</u>	<u>\$ 909,262</u>	<u>\$ 1,349</u>
Ending fund balance	<u>\$ 8,656</u>	<u>\$ -</u>	<u>\$ 8,656</u>	<u>\$ 394</u>	<u>\$ (8,262)</u>

CAPITAL PROJECTS FUNDS

- Park Acquisition & Development
- Transportation Impact Fee
- Real Estate Excise Tax I
- Real Estate Excise Tax II
- Municipal Facilities

PARK ACQUISITION & DEVELOPMENT FUND

Purpose:

The purpose of this Fund is to account for the receipt of Park Mitigation Fees on new development within the City.

The demand for park and recreation facilities generated by residential growth is greater than what can be supported by the City's General Fund. Park and recreation facilities need to be developed to serve this need and, as a result, new residential developments pay an impact fee to provide a portion of increased park and recreation needs due to growth.

A park impact mitigation fee is charged by the City on new single family and multifamily residential projects to pay for the costs of providing additional public facilities or improving existing facilities needed as a result of new development. Projects such as remodels or renovation permits which do not result in additional dwelling units are excluded from paying the impact fee.

In February 2014, the City Council authorized the purchase of Japanese Gulch. Part of the funding for this acquisition was a \$300,000 inter-fund loan from the Equipment Replacement Fund with repayment scheduled over ten years.

Budget Highlights

- 2016 expenditures include \$30,000 for the second of ten annual payments to the Equipment Replacement Fund to continue the repayment of the 2014 inter-fund loan noted above.

2016 Annual Budget

Capital Projects Funds

Park Acquisition & Development Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 118,453	\$ 1,753.00	\$ 39,363	\$ 33,357	\$ (6,006)
Revenue and transfers-in					
Park mitigation fees	\$ 68,264	\$ 91,300	\$ 24,294	\$ 15,000	\$ (9,294)
Interfund loan proceeds	300,000	-	-	-	-
Investment interest	2,646	300	-	-	-
Total revenue and transfers-in	<u>\$ 370,910</u>	<u>\$ 91,600</u>	<u>\$ 24,294</u>	<u>\$ 15,000</u>	<u>\$ (9,294)</u>
Total resources	<u>\$ 489,363</u>	<u>\$ 93,353</u>	<u>\$ 63,657</u>	<u>\$ 48,357</u>	<u>\$ (15,300)</u>
Expenditures and transfers-out					
Interfund loan repayment	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Interfund loan interest	-	-	300	300	-
Capital outlay	450,000	-	-	-	-
Total expenditures and transfers-out	<u>\$ 450,000</u>	<u>\$ 30,000</u>	<u>\$ 30,300</u>	<u>\$ 30,300</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 39,363</u>	<u>\$ 63,353</u>	<u>\$ 33,357</u>	<u>\$ 18,057</u>	<u>\$ (15,300)</u>

TRANSPORTATION IMPACT FEE FUND

Purpose:

The purpose of this Fund is to account for street mitigation fees collected by the City as authorized by the State Environmental Policy Act and the Growth Management Act to help offset the cost of roads and other transportation infrastructure resulting from new growth and development.

Budget Highlights

- The primary revenue for this Fund is street mitigation fees which are projected to be \$91,900 for 2016 – the same as the estimated amount for 2015.
- In 2016, \$950,000 in impact fee funds will be spent on the **Harbour Reach Drive Extension** project, to begin preliminary design efforts, ensuring the City is ready when State Connecting Washington funds are available in 2017. Funds (\$75,000) will also be used to pay for a portion of the Capital Project Engineer's salary and benefits.

Harbour Reach Drive Extension Engineering Services

Brief Description:

Previously Discussed
by Council
7/20/15
AB 15-62

Harbour Reach Drive Extension Engineering Services
for Plans, Specifications and Cost Estimate,
using grant funds and traffic impact fees

**Dept Ranking
Recommendation**
5

Fund Name
Transportation Impact
Fee

Amount Requested
\$950,000

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below **Yes**

Expenditure Purpose and Justification

The City received \$15,100,000 of State Connecting Washington funding to construct the Harbour Reach Drive Extension project and \$1,000,000 from Paine Field in traffic impact mitigation fees. The State funding requires construction to begin in 2017. In order to meet the funding schedule, the project design and engineering must start in early 2016. The Engineering Services contract for this project will provide construction documents that are bid ready and include the following: preparation of geometric roadway design; geotechnical engineering; environmental permitting; structural engineering and design of retaining walls and bridge structures; preparation of engineer's cost estimate; preparation of specifications and special provisions for contract documents.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The cost of engineering services are eligible for reimbursement from State Connecting Washington funding.

Expenditure Account # & Title	Amount
323 Transportation Impact Fee	\$950,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Transportation Impact Fee Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 92,084	\$ 164,685.00	\$ 211,920	\$ 1,397,150	\$ 1,185,230
Revenue and transfers-in					
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Street mitigation fees	139,162	1,091,900	1,185,230	140,000	(1,045,230)
Investment interest	674	2,100	-	-	-
Total revenue and transfers-in	<u>\$ 139,836</u>	<u>\$ 1,094,000</u>	<u>\$ 1,185,230</u>	<u>\$ 140,000</u>	<u>\$ (1,045,230)</u>
Total resources	<u>\$ 231,920</u>	<u>\$ 1,258,685</u>	<u>\$ 1,397,150</u>	<u>\$ 1,537,150</u>	<u>\$ 140,000</u>
Expenditures and transfers-out					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers-out	20,000	-	-	1,025,000	1,025,000
Total expenditures and transfers-out	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,000</u>	<u>\$ 1,025,000</u>
Ending fund balance	<u>\$ 211,920</u>	<u>\$ 1,258,685</u>	<u>\$ 1,397,150</u>	<u>\$ 512,150</u>	<u>\$ (885,000)</u>

REAL ESTATE EXCISE (REET) I & II FUNDS

Purpose:

The purpose of these two Funds is to account for the proceeds of the Real Estate Excise Tax. The Tax is levied on the sale of real property within the City at a total rate of 0.5% of the selling price. Use of the tax proceeds is limited to capital projects. Tax proceeds are allocated equally to the two Funds – REET I and II.

Budget Highlights for Both Funds

- REET I & II revenue for 2016 is estimated to total \$ 1,400 and is allocated equally between both Funds.
- The REET I Fund will transfer the LTGO Debt Service Fund the amount needed to fund the annual debt service payments for the 2009 bond issue used to construct the Rosehill Community Center.
- Fund balances at the end of 2016 are projected to be for the REET I Fund and for the REET II Fund.

New Budget Item Summary

- A State Transportation Improvement Board grant will fund the **Harbour Pointe Blvd Widening** project, with the first phase beginning in 2016 with engineering services (previously discussed).
- The **5th Street and Harbour Pointe Blvd Pavement Preservation** project will resurface these roads, replace curb ramps to meet ADA standards, replace street signage to meet retro reflectivity standards, and replace guard rail to meet current safety standards, as well as provide funding for bike lanes on both sides of Harbour Pointe Blvd (previously discussed).
- The **Public Right of Way ADA Transition Plan** is the next phase in our compliance with federal rulings regarding non-compliant curb ramps. In 2015, the inventory was completed, and will be used to prepare the plan in 2016 (previously discussed).
- An update of the City's **Pavement Condition Index (PCI) Rating** is recommended by the Pavement Management Program, since the last rating was conducted in 2014 (continuation of item previously discussed).
- Several annual programs are continuing with funds set aside in the 2016 budget: **Traffic Calming, Bike Path Construction Program, Sidewalk Construction Program** and the **Street Preservation Program**.
- A small investment in **Lighthouse Facility repairs** will be matched by a 75% grant from the Lodging Tax fund and allow for needed repairs to the Lighthouse, Quarters and Shed buildings.
- The **School Zone Pedestrian Safety** investment will fund a pedestrian activated flashing lights at the crosswalk at Lumley Avenue and 70th Street SW, which is used by students from Olympic View Middle School and Mukilteo Elementary School.
- **Waterfront Promenade Design:** The City's waterfront will be undergoing significant changes in the next few years. The Waterfront Master Plan envisions a 15 foot wide promenade along the entire waterfront with viewpoints and shoreline access to the beach.

This request is to fund a portion of the promenade design along the waterfront from Park Avenue to Edgewater Beach, preparing the City for future grant funding opportunities.

- **Tank Farm Site Remediation:** using a state appropriation, without a required match, this project will allow the removal of some of the structures on the tank farm, to help begin preparing the property for development of the Waterfront Redevelopment Master Plan.
- **Mukilteo Ballfields Project:** the City will shepherd one state RCO grant and one County REET fund grant on a reimbursement basis for the Boys and Girls Club to construct ball fields at the Shin Center property in Harbour Pointe.

Harbour Pointe Blvd Widening - Engineering Services

Brief Description:

Previously Discussed
by Council
7/20/15
AB 15-62

Harbour Pointe Blvd Widening Engineering Services, funded via grants and including a City match of \$111,450

Fund Name

Real Estate Excise
Tax II

Amount Requested

\$278,625

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

The Harbour Pointe Widening project has been funded by a TIB Grant that includes 40% city match requirement. This budget item consists of two project phases: design and ROW acquisition. The design phase consists of roadway geometric and intersection design, utility relocate coordination, environmental permitting. The ROW phase will purchase necessary easements to accommodate the roadway widening. Both of these project phases must be completed in 2016 because TIB grant funds identified for construction must be programmed/utilized by the end of 2017. The city will utilize consultant engineering services to complete the design and ROW requirements. The 40% City match for the TIB Grant is \$111,450 and the TIB grant revenues are estimated to be \$167,175.

This project includes a sidewalk gap-fill project that will fill the gap of the shared use path on the south side of Harbour Pointe Blvd from Cyrus Way to SR 525. The project will be identified the Bike Transit Walk Plan.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The City has been awarded a TIB grant that will reimburse the City for 60% of the project cost. Future construction will be funded if grant applications are successful.

Expenditure Account # & Title	Amount
332 REET II	\$ 278,625
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
TIB Grant	\$ 167,175
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



5th Street and Harbour Pointe Blvd Pavement Preservation

Brief Description:

Previously Discussed
by Council
7/20/15
AB 15-62

Design and construction of 5th Street and Harbour Pointe Blvd
Pavement Preservation, using grant funds and a City match of \$101,000,
for a total of \$747,000

Fund Name
Real Estate Excise
Tax II

Amount Requested
\$747,000

Nature of the expenditure? **One-Time** Any Additional Revenue? If Yes, Identify Below **Yes**

Expenditure Purpose and Justification

The 5th Street and Harbour Pointe Blvd Pavement Preservation project is a grant funded project with a minimum 13.5% City funding match. On November 20, 2014 PSRC awarded the City a Federal Surface Transportation Grant for Pavement Preservation for the amount of \$646,000. The City's matching contribution to this project is \$101,000. The REET II Fund will be used for this match. The grant fund is only for the construction phase of the project.

This project will rehabilitate the paving on 5th Street from SR 525 to the city limits. Harbour Pointe Blvd will have the pavement rehabilitated from Cyrus Way to SR 525. Street signs along both routes will be brought up to the Federal Retro-reflectivity standard, curb cuts at intersection will be modified to comply with the 2010 ADA regulations, guard rails on 5th Street will also be brought up to the Federal standard.

Included as part of this project is a bike lane project that will be installed on both sides of the street and will run the full length of Harbour Pointe Blvd. The is project is included in the BTW Plan that is currently under development.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Grant revenue from Federal Surface Transportation grant in the amount of \$646,000. This grant is for the construction phase of the project.

Expenditure Account # & Title	Amount
332 REET II	\$747,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
STP Grant	\$646,000
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Public Right of Way ADA Transition Plan

Brief Description:
 Previously Discussed by Council
 Continuation of 2015 Plan

Continued implementation of transition plan to comply with ADA regulations regarding curb ramps.

Fund Name
 Real Estate Excise Tax II

Amount Requested
\$50,000

Nature of the expenditure? **One-Time** Any Additional Revenue? If Yes, Identify Below **No**

Expenditure Purpose and Justification

In 2015 the City began preparing an ADA Transition Plan for Public Right-of-Way. The City with assistance from the on-call engineering consultant developed a GIS data collection tool to map, inventory and measure 30 different elements to check ADA compliance of existing curb cut ramps throughout the City. The inventory of curb cut ramps in the City found 1219 ramps.

The City has a federal mandate via the Department of Justice to repair or replace all ramps that do not comply with the 2010 ADA regulations. Since it will be too costly to address all of the non-compliant curb ramps in one year the DOJ is allowing municipalities to prepare a Transition Plan that will phase the curb ramp compliance. In order to get this plan written the City will engage consultant services to review the data collected in 2015 and prepare the plan. It is mandatory to have a ADA Transition Plan.

This budget item also includes funding to replace one to two curb ramps that may be requested.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Once the plan is completed, future capital projects will implement ADA improvements, as funding allows, and with Council approval.

Expenditure Account # & Title	Amount
REET II	\$ 50,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Pavement Condition Index (PCI) Rating Update

Brief Description:
New Item, Continuation
of Program

Bi-annual Pavement Condition Index (PCI) Rating Update, last conducted in 2014, which helps inform Pavement Preservation Program

Fund Name
Real Estate Excise
Tax II

Amount Requested
\$20,000

Nature of the expenditure? **Ongoing** Any Additional Revenue? If Yes, Identify Below **No**

Expenditure Purpose and Justification

The City's Pavement Management Plan uses PCI data collected every two years as a data point to rate the condition of City streets. The last time the City conducted a system wide PCI rating was 2014. This information is used in the Street Saver Program to target streets that require pavement preservation treatment and determines the type of pavement preservation treatment to be utilized.

Alternatives and Potential Costs

Use less data, and conduct the PCI rating in later years.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Plan is to conduct PCI ratings on city streets every 2 years

Expenditure Account # & Title	Amount
332 REET II	\$ 20,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Traffic Calming

Brief Description:

Previously Discussed
by Council

2016 Traffic Calming Program Funds, available as projects qualify based on the traffic calming program procedures

Fund Name

Real Estate Excise
Tax II

Amount Requested

\$25,000

Nature of the expenditure? **Ongoing**

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

In 2015 Council adopted a Traffic Calming program via Resolution 2015-07. Included in this program are traffic calming devices such as signs, radar speed indicator signs, construction materials for lane striping, raised crosswalks, and speed humps. This program has a short history, therefore, to estimate the annual budget based on the City's historical experiential factor is practical at this time. This budget covers capital improvements; it does not cover the staff time to administer this program.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

No other revenue source has been identified for this project.

Expenditure Account # & Title	Amount
332 REET II	\$ 25,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Lighthouse Facility Repairs

Brief Description:

New Item

2016 Lighthouse Facility Repairs

Fund Name
Real Estate Excise
Tax II

Amount Requested
\$20,000

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below **Yes**

Expenditure Purpose and Justification

The Lighthouse facility is iconic for the City of Mukilteo. Being a historical facility it is in constant need of maintenance and repair. For 2016 the following repairs to the Lighthouse facility are recommended:

1. Replace seven windows: casing in the Lighthouse, Quarters and Shed buildings
2. Clean roofs and repair the leaky roof in the Lighthouse building
3. Replace the furnace in the Lighthouse and Quarters A building
4. Replace the Shed rolling door

The City has applied for a Lodging Tax grant to share 75% of this cost.

Alternatives and Potential Costs

Defer the maintenance.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The total project cost is estimated to be \$20,000. A Lodging Tax Grant application has been submitted to cover 75% of this project cost (\$15,000). We expect to receive the results of this grant application in November 2015.

Expenditure Account # & Title	Amount
332 REET II	\$ 20,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Hotel-Motel Lodging Tax Grant	\$ 15,000
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



School Zone Pedestrian Safety

Brief Description:

New Item

Pedestrian Activated Solar Powered Crosswalk Flashing Light System

Fund Name

Real Estate Excise
Tax II

Amount Requested

\$10,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

This request is to continue our plan to improve safety in and around our schools. This request will allow the installation of a pedestrian activated crosswalk flashing lights at the intersection of Lumley Avenue and 70th Street SW. This is a major crossing for children from the Goat Trail Loop neighborhood to and from Olympic View Middle School and Mukilteo Elementary School. The City has received a number of requests for a flasher at this location as it is a mid-block crosswalk and vehicles do not always stop for children. By adding a pedestrian activated crosswalk flasher at this location, drivers would become more aware of this crossing. The Elliot Point Home Owners Association and individual citizens living in this area have expressed their desire for a crosswalk flasher. This request is consistent with the City's efforts to improve the safety of school children. Lastly, there is no record/history of accidents at this location.

Alternatives and Potential Costs

Do not purchase and install a pedestrian activated crosswalk flasher.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This is a one time expenditure.

Expenditure Account # & Title Amount

REET II	\$ 10,000

Revenue Account # & Title Amount

Department:	PW
Division:	Operations
Prepared by:	Rick Hill, Public Works Superintendent



Annual Bike Path Construction Program

Brief Description:
Continuation of Annual Program

The design and construction of new bike path amenities for the enhancement of the City's non-motorized system.

Dept Ranking Recommendation
10

Fund Name
Real Estate Excise Tax II

Amount Requested
\$50,000

Nature of the expenditure? **Ongoing** Any Additional Revenue? If Yes, Identify Below **No**

Expenditure Purpose and Justification

Bike paths provide connectivity throughout the City and allow cyclists to safely travel between locations. The purpose of annually allocating REET II funds for bike path construction is to build a reserve to construct bike paths projects that have been identified in the City's Bike Transit Walk Plan. Bike path construction projects cost between \$250,000 and \$6 million, therefore, it will take several years to accumulate sufficient funds to construct a project.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This is an on-going funding requests to build up sufficient capital reserve to cost bike path projects.

Expenditure Account # & Title	Amount
REET II	\$ 50,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	
Prepared by:	Rob McGaughey



Annual Sidewalk Construction Program

Brief Description:

Continuation of Annual Program

The design and construction of new sidewalk amenities for the enhancement of the City's nonmotorized system. Candidate projects under this program will be selected using the City's adopted Sidewalk Priority Policy.

Fund Name

Real Estate Excise Tax II

Amount Requested

\$50,000

Nature of the expenditure?

Ongoing

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

Sidewalks provide connectivity throughout the City and allow pedestrians to safely travel between locations. The purpose of annually allocating REET II funds for sidewalk construction is to build a reserve to construct sidewalk projects that have been identified in the City Sidewalk prioritization list. Sidewalk construction projects cost between \$195,000 and \$3.1 million, therefore, it will take several years to accumulate sufficient funds to construct a project.

Alternatives and Potential Costs

None

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This is an on-going funding requests to build up sufficient capital reserve to cost sidewalk projects.

Expenditure Account # & Title	Amount
REET II	\$ 50,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	
Prepared by:	Rob McGaughey



Annual Street Preservation

Brief Description:
Continuation of Annual Program
Investment in pavement preservation: these additional funds will total a \$900,000 commitment to pavement preservation in the 2016 budget

Fund Name
Real Estate Excise Tax II

Amount Requested
\$135,000

Nature of the expenditure? Ongoing **Any Additional Revenue? If Yes, Identify Below** No

Expenditure Purpose and Justification

The Pavement Preservation Program has been reviewed by the Council's Transportation Committee and the Wise Investment in Transportation Taskforce. All scenarios currently recommend at least a \$900,000 annual investment to pavement preservation. This funding, paired with the Harbour Pt Blvd and 5th Street project and the Pavement Condition Index rating comprise a total 2016 investment of \$900,000.

The Public Works Department is responsible for approximately 62 centerline miles of asphalt streets throughout the City. The annual pavement preservation program is designed to maintain pavement surfaces, thus reducing costly repairs resulting from total road failure. This program utilizes a decision tree based on target treatment and current PCI of the subject street and annual budget size to select streets to receive a surface maintenance treatment. Under the current decision tree of maintaining a system wide PCI of 73 the City will have a maintenance backlog of \$5.4 million.

Alternatives and Potential Costs

If not funded the deferred cost of pavement surface maintenance will increase over time.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This is an ongoing program. Revenue from the Street Fund is not enough to sustain the street preservation program.

Expenditure Account # & Title	Amount
REET II	\$ 135,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Waterfront Promenade Design

Brief Description:

New Item

Hire a professional consultant to prepare civil and architectural design plans for the downtown waterfront promenade, allowing pursuit of grants for construction in 2018.

Fund Name

Split

Amount Requested

\$80,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

The City's waterfront will be undergoing significant changes in the next few years. With the relocation of the ferry terminal and the transfer of the Tank Farm property, City began working on a new Master Plan. The Master Plan creates a 15 foot wide promenade along the entire waterfront with viewpoints and shoreline access to the beach. This new waterfront access, that has been closed to public use for the last 50 years, will provide additional public access along the waterfront complementing and expanding on the uses at the Mukilteo Lighthouse. This request is to fund a portion of the promenade design along the waterfront from Park Avenue to Edgewater Beach.

This request takes priority over other items in the REET II fund because of the unique opportunity to pursue grant funds in 2016. Having a design in place will help the City obtain development grants for the 2017-18 construction season. This would enable to interim promenade to be completed at the same time as the new Mukilteo multimodal ferry terminal. The total cost of the project is \$80,000; \$40,000 of this will be provided by a 2016 lodging tax grant.

Alternatives and Potential Costs

Delay implementation of the Waterfront Master Plan.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Full implementation of the Downtown Waterfront Master Plan is expected to take up to 20 years. The priority of the subcommittee was to open access to the waterfront and beach as soon as possible. With a design in hand the City will be able to apply for RCO grants in 2016 to fund the construction phase of the project in 2017.

Expenditure Account # & Title Amount

58.558.600.4106 Other Professional Ser	\$ 80,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

2016 Lodging Tax Grant	\$ 40,000
REET II	\$ 40,000
	\$ -

Department:	Planning and Community Development
Division:	Planning
Prepared by:	Patricia Love, Community Development Manager



Mukilteo Ballfields Project

Brief Description:

Previously Discussed
by Council
September 21, 2015
AB 15-65

Construction of Mukilteo Ballfields Project, using grant funds of \$1,275,000 from Snohomish County and the Washington State Recreation and Conservation Office

Fund Name

Real Estate Excise
Tax II

Amount Requested

\$1,275,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

The Boys and Girls Club of Snohomish County is an important part of our local community; they provide convenient and affordable family support services through their daycare, sports programs, and summer camps. The City owns 12 acres of property on 47th Place West which is dedicated for future use by the Boys and Girls Club for recreation purposes serving school-aged child with designated space for ballfields.

The City has received two grants totaling \$1,275,000 for construction of the ballfields on the property owned by the City and leased to the Boys and Girls Club of Snohomish County. The first grant is for \$775,000 from Snohomish County and the second grant is from the Washington State Recreation and Conservation Office in the amount of \$500,000. Both of these grants are reimbursable grants; meaning that the Boys and Girls Club will construct the improvements, provide copies of the invoices to the City and we will reimburse them for their expenditures. The City will then submit for reimbursement through Snohomish County and RCO.

Alternatives and Potential Costs

None; Council previously approved an ILA with Snohomish County and tentatively the RCO funds through a lease agreement with the Boys and Girls Club of Snohomish County on September 21, 2015.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

None

Expenditure Account # & Title	Amount
332 REET II	\$ 1,275,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Snohomish County Grant	\$775,000
WA State RCO Grant	\$500,000
	\$ -
	\$ -

Department:	Planning and Community Development
Division:	Planning
Prepared by:	Patricia Love, Community Development Director



Tank Farm Site Remediation

Brief Description:

New Business Item

Demolition of Tank Farm structures with a grant from the Department of Commerce in the amount of \$242,500.

Fund Name
Real Estate Excise
Tax II

Amount Requested
\$242,500

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below **No**

Expenditure Purpose and Justification

In 2015 the City of Mukilteo received a direct appropriations grant from the legislature, via Washington State Department of Commerce, in the amount of \$242,000 (\$250,000 minus an administrative fee) for demolition of structures on the Tank Farm site. Because these buildings were built in the early 1950's they contain hazardous materials, such as asbestos, lead paint, and mercury; all of which were common in building materials of the day. The Environmental Protection Agency has conducted the hazardous materials assessment needed to demo the buildings through their technical assistance support to the City. These state funds will be used to abate the hazardous materials on site and remove the derelict buildings on the property so that the site can developed according to the City's Downtown Waterfront Master Plan. There is no match required for these grant funds.

Alternatives and Potential Costs

Return the grant to the state of Washington.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The City is working with the Port of Everett on a Department of Defense grant for up to \$3 million to help complete the demolition and redevelopment of the property.

Expenditure Account # & Title	Amount
332 REET II	\$ 242,500
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
WA State Dept. of Commerce	\$242,500
	\$ -
	\$ -

Department:	Planning and Community Development
Division:	Planning
Prepared by:	Patricia Love, Community Development Director



Real Estate Excise Tax (REET) I Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 4,267,855	\$ 3,096,301	\$ 3,407,547	\$3,210,326	\$ (197,221)
Revenue and transfers-in					
Real estate excise tax	\$ 469,120	\$ 425,000	\$ 698,262	\$ 700,000	\$ 1,738
Grants	971,018	172,350	19,219	-	(19,219)
Interlocal agreement	3,297,411	-	-	-	-
PUD Rebate	8,561	-	-	-	-
Investment interest	10,997	18,000	-	-	-
Transfers-in	20,000	-	-	-	-
Total revenue and transfers-in	<u>\$ 4,777,107</u>	<u>\$ 615,350</u>	<u>\$ 717,481</u>	<u>\$ 700,000</u>	<u>\$ (17,481)</u>
Total resources	<u>\$ 9,044,962</u>	<u>\$ 3,711,651</u>	<u>\$ 4,125,028</u>	<u>\$3,910,326</u>	<u>\$ (214,702)</u>
Expenditures and transfers-out					
Capital outlay	\$ 4,763,225	\$ 81,400	\$ 76,769	\$ -	\$ (76,769)
Transfers-out	874,190	837,933	837,933	831,623	(6,310)
Total expenditures and transfers-out	<u>\$ 5,637,415</u>	<u>\$ 919,333</u>	<u>\$ 914,702</u>	<u>\$ 831,623</u>	<u>\$ (83,079)</u>
Ending fund balance	<u>\$ 3,407,547</u>	<u>\$ 2,792,318</u>	<u>\$ 3,210,326</u>	<u>\$3,078,703</u>	<u>\$ (131,623)</u>

Real Estate Excise Tax (REET) II Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 552,643	\$ 262,963	\$ 792,449	\$ 981,365	\$ 188,916
Revenue and transfers-in					
Real estate excise tax	\$ 469,120	\$ 425,000	\$ 698,262	\$ 700,000	\$ 1,738
Grants	-	185,175	338,305	2,385,675	2,047,370
PUD Rebate	-	5,000	-	-	-
Investment interest	2,413	2,900	-	-	-
Transfers-in	-	-	-	950,000	950,000
Total revenue and transfers-in	<u>\$ 471,533</u>	<u>\$ 618,075</u>	<u>\$ 1,036,567</u>	<u>\$ 4,035,675</u>	<u>\$ 2,999,108</u>
Total resources	<u>\$ 1,024,176</u>	<u>\$ 881,038</u>	<u>\$ 1,829,016</u>	<u>\$ 5,017,040</u>	<u>\$ 3,188,024</u>
Expenditures and transfers-out					
Professional services	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Capital outlay	61,747	778,450	777,671	3,913,125	3,135,454
Transfers-out	169,980	69,980	69,980	96,243	26,263
Total expenditures and transfers-out	<u>\$ 231,727</u>	<u>\$ 848,430</u>	<u>\$ 847,651</u>	<u>\$ 4,029,368</u>	<u>\$ 3,181,717</u>
Ending fund balance	<u>\$ 792,449</u>	<u>\$ 32,608</u>	<u>\$ 981,365</u>	<u>\$ 987,672</u>	<u>\$ 6,307</u>

Municipal Facilities Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 219,034	\$ -	\$ 861	\$ -	\$ (861)
Revenue and transfers-in					
Investment Interest	\$ 861	\$ -	\$ -	\$ -	\$ -
Transfers-in	-	-	-	-	-
Total revenue and transfers-in	<u>\$ 861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 219,895</u>	<u>\$ -</u>	<u>\$ 861</u>	<u>\$ -</u>	<u>\$ (861)</u>
Expenditures and transfers-out					
Capital outlay	\$ 219,034	\$ -	\$ -	\$ -	\$ -
Transfers-out		-	861	-	(861)
Total expenditures and transfers-out	<u>\$ 219,034</u>	<u>\$ -</u>	<u>\$ 861</u>	<u>\$ -</u>	<u>\$ (861)</u>
Ending fund balance	<u>\$ 861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUNDS

- Surface Water Management
- Surface Water Reserve

SURFACE WATER UTILITY

Purpose:

The Surface Water Management Division of Public Works provides surface/storm water control for the community through the maintenance of the City's drainage system (pipes, ditches, culverts, catch basins, detention facilities). The Surface Water Division crew primary focus is to implement the performance measures contained in the City's Comprehensive Surface Water Management Plan that are designed to maintain and operate the City's Surface Water system in accordance with the NPDES permit. Street sweeping is one such activity along with catch basin and pipe cleaning paid for from this fund since the primary purpose to improve water quality by reducing the amount of contamination (street contaminated sand, dirt, organic matter, and litter), getting into the City's streams and the Puget Sound.

2015 Accomplishments:

- Fixed several small drainage issues by installing new pipe and catch basins
- Kept our streets well swept
- Cleaned over 1432 catch basins
- Located 68 catch basins previously not in inventory
- Identified 49 catch basins needing repair
- Located two sewer cross connections and worked in conjunction with the Mukilteo Water Wastewater District to make repairs
- Completed 22 repairs from the 2015 Jan-March inspections

2016 Goals & Objectives

- Comply with all NPDES Permit Phase II requirements.
- Construct new Decant Facility
- Purchase a Vactor Truck for catch basin and pipe clean for NPDES Phase II permit requirements
- Develop a stormwater ditch inspection and maintenance program
- Verify GIS locations and vertical data for 50% of the City owned catch basins and 50% of the permanent stormwater treatment and flow control BMPs/facilities
- Record street sweeping efforts in lane miles per year, identify which streets are swept and the frequency
- Clean 100% of City owned catch basins
- Train stormwater staff in NPDES permit requirements and compliance

Budget Highlights

- The budget includes the following new budget items:
 - The **61st Place Soldier Pile Wall Replacement** project is grant funded by FEMA. The project will repair the soldier pile wall on the lower portion of 61st Place West and reopen both lanes of the road (previously discussed).
 - Funded via a Department of Ecology grant, the **Decant Station and Settling Vault** will remove sediment from water generated from soils removed from catch

basins and stormwater ponds allowing the City to discharge this water to the sanitary sewer (previously discussed).

- o Adjustments to accommodate the Council-approved rate increase, including NPDES permit compliance and four new employees.

Expenditure Summary:

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated	Actuals	Amended Budget	Estimated	Actuals	Budget	Estimated	Actuals	Budget	(Decrease)
Surface Water Fund										
Public Works	\$	2,228,190	\$	2,263,695	\$	2,118,259	\$	4,627,742	\$	2,509,483
GIS		-		-		-		145,517		145,517
Total Departmental Summary	\$	2,228,190	\$	2,263,695	\$	2,118,259	\$	4,773,259	\$	2,655,000

Surface Water Comprehensive Plan Implementation

Brief Description:

Previously Discussed
by Council
10/19/15
AB 15-75

To implement the Council approved Surface Water Comprehensive Plan, and comply with NPDES Phase II permit requirements the City will have to add 4 FTEs to the Surface Water Utility and associated operating expenditures and fund capital projects

Fund Name

Surface Water

Amount Requested

\$ 1,139,008

Nature of the expenditure? **Ongoing**

Any Additional Revenue? **Yes**

If Yes, Identify Below

Expenditure Purpose and Justification

The City Council adopted a Surface Water Comprehensive Plan to manage the City's surface water utility sustainably over the long term. The Plan fully complies with the Clean Water Act's NPDES Phase II requirements and ensures that the City is investing in the ongoing operations and capital projects needed to effectively manage stormwater. In order to implement the Plan, the City Council approved new surface water charges for 2016 that provide additional resources for operations and capital projects. The City will add 4 new positions, one Surface Water Program Manager, one GIS Coordinator, and two Maintenance Worker positions. This new business item also includes the operations and maintenance expenses associated with these positions and the expanded responsibilities under the Comprehensive Plan. The City Council also directed the creation of an Emergency Reserve Fund of \$300,000 for unanticipated costs to replace damaged or destroyed infrastructure or emergency operating costs. In addition, this item fully funds the City's surface water operating reserve of 20% of operating expenditures. The City Council's adopted charges for 2016 include sufficient funding to capitalize a Surface Water Capital Project Fund to set aside funds for the Comprehensive Plan's 15-year Capital Project Plan. The first project will likely be constructed in 2017-2018.

Alternatives and Potential Costs

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

This will be an on-going expense. The additional expenditures are supported by an increase in surface water utility charges.

Expenditure Account # & Title	Amount
Salary & Benefits	\$ 403,889
Operations and Maintenance Costs	\$ 221,775
Emergency Reserve	\$300,000
Capital Project Funding	\$ 213,344

Revenue Account # & Title	Amount
New Surface Water Fee Revenue	\$ 1,139,008
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Surface Water
Prepared by:	Rob McGaughey



Decant Station and Settling Vault

Brief Description:

Previously Discussed
by Council
9/14/15
Budget Priorities

Decant Station and Settling Vault, funded 75% by grant and requiring \$323,000 City match via Surface Water fund.

Fund Name

Surface Water Management

Amount Requested

\$1,291,989

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below **Yes**

Expenditure Purpose and Justification

This project will construct a decant station to remove liquid waste from material vactored from catch basins, pipe cleaning, and pond dredging operations performed by the City's Surface Water Crew. This facility is an integral part of the City's future ability to comply with the NPDES Phase II requirements. This facility will also remove suspended solids from the liquid waste allowing the liquid waste to be discharged to the sanitary sewer. Once the liquid has been removed from the soil material, the soil will be disposed of at a treatment facility or soil processor. Part of this grant also includes purchase of a vactor truck.

This project was awarded \$968,989 in grant funds from the Department of Ecology 2016 Water Quality Grant. This grant has a 25% matching funds requirement. Therefore, the City will match this grant with \$323,000 from the Surface Water Management Fund.

The Decant Facility and Vactor Truck has been part of the discussion with Council during the development of the update to the City's Surface Water Management Plan. The Decant Facility had Vactor Truck were discussed in detail at the April 13 and July 27, 2015 Council Work Session and on September 21, 2015 at the regular Council meeting that adopted the Update to the Surface Water Management Plan.

Alternatives and Potential Costs

Contract with Snohomish County to decant the City's water laden material generated from surface water maintenance operations. The City would lose efficiencies in maintaining the Surface Water system due to the time to transfer material to the County's decant facility. The City would also bear all of the cost to rent or purchase a vactor truck. Additionally, the City does not have a facility to store non-decanted material.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The City has been awarded a grant from the Department of Ecology for the amount of \$968,989. This grant requires a City match of 25% (\$323,000)

Expenditure Account # & Title	Amount
Surface Water Management Fund	\$ 1,291,989
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
DOE 2016 Water Quality Grant	\$ 968,989
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



61st Place W. Soldier Pile Wall Replacement

Brief Description:

Previously Discussed
by Council
6/22/15
AB 15-69

61st Place W. Soldier Pile Wall Replacement, using a FEMA grant, requiring a City net match of \$49,250 of 2016 Surface Water funds.

Fund Name
Surface Water
Management

Amount Requested

\$924,250

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

This project has been awarded a Hazard Mitigation Grant (HMG) from FEMA to repair slide damage that occurred from a severe rain storm in March of 2011. On June 22, 2015 Council authorized the Mayor to accept the HMG grant from FEMA. The project was originally budgeted for \$1,000,000. To date the project has incurred council-authorized expenditures of \$158,624 for geotechnical and preliminary engineering services. In 2014 the project was put on hold until the HMG was awarded.

The remaining engineering phase of the project will develop bid ready plans and specifics, environmental permitting and acquisition of sub-terrain ROW for wall anchors. The construction phase of the project is also included in the remaining project budget of \$875,000. The HMG has a 12.5% City funding match requirement, therefore, \$109,375 is the amount the City will match using the Surface Water Management Fund. The FEMA HMG will fund \$765,625 of the remaining project cost. Of the \$158,624 spent on the project to date, \$109,375 will be reimbursed by the HMG to the City Surface Water Management Fund.

Alternatives and Potential Costs

None.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

The project has \$109,375 of previously expended funds from previous project expenditures that are eligible to be reimbursed. The Hazard Mitigation Grant (HMG) from FEMA is for the amount of \$875,000

Expenditure Account # & Title	Amount
440 Surface Water Management Fund	\$ 924,250
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Hazard Mitigation Grant from FEMA	\$875,000
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey



Surface Water Management Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 1,408,509	\$ 279,070	\$ 915,060	\$ 812,351	\$ (102,709)
Revenue and transfers-in					
Grants	\$ 413,979	\$ 941,119	\$ 659,119	\$ 1,843,989	\$ 1,184,870
Interlocal agreement	11,147	-	6,431	-	(6,431)
Storm drainage fees & charges	1,305,245	1,334,000	1,350,000	2,423,111	1,073,111
Investment interest	4,331	3,000	-	-	-
Other miscellaneous revenue	39	-	-	-	-
Transfers-in	-	-	-	-	-
Total revenue and transfers-in	<u>\$ 1,734,741</u>	<u>\$ 2,278,119</u>	<u>\$ 2,015,550</u>	<u>\$ 4,267,100</u>	<u>\$ 2,251,550</u>
Total resources	<u>\$ 3,143,250</u>	<u>\$ 2,557,189</u>	<u>\$ 2,930,610</u>	<u>\$ 5,079,451</u>	<u>\$ 2,148,841</u>
Expenditures and transfers-out					
Salaries & wages	\$ 421,339	\$ 462,260	\$ 433,060	740,458	\$ 307,398
Personnel benefits	179,866	198,405	206,150	385,142	178,992
Supplies	27,917	41,500	45,500	89,395	43,895
Other services & charges	524,876	466,430	507,036	433,376	(73,660)
City overhead charge	190,000	190,000	190,000	250,000	60,000
Intergovernmental services	102,712	113,400	113,400	119,505	6,105
Capital outlay	731,480	741,700	463,500	2,429,583	1,966,083
Transfers-out	50,000	50,000	159,613	325,800	166,187
Total expenditures and transfers-out	<u>\$ 2,228,190</u>	<u>\$ 2,263,695</u>	<u>\$ 2,118,259</u>	<u>\$ 4,773,259</u>	<u>\$ 2,655,000</u>
Ending fund balance	<u>\$ 915,060</u>	<u>\$ 293,494</u>	<u>\$ 812,351</u>	<u>\$ 306,192</u>	<u>\$ (506,159)</u>

Public Works - Surface Water Maintenance

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 403,906	\$ 420,040	\$ 420,040	\$ 609,777	\$ 189,737
Part Time Employees	4,329	30,660	-	30,000	30,000
Overtime	8,862	6,500	8,120	8,000	(120)
Acting Supervisor Pay	386	1,000	840	1,000	160
Standby Pay	3,856	4,060	4,060	4,000	(60)
Total Salaries & Wages	\$ 421,339	\$ 462,260	\$ 433,060	\$ 652,777	\$ 219,717
Benefits	\$ 179,866	\$ 198,405	\$ 206,150	\$ 344,407	\$ 138,257
Total Benefits	\$ 179,866	\$ 198,405	\$ 206,150	\$ 344,407	\$ 138,257
Total Salaries & Benefits	\$ 601,205	\$ 660,665	\$ 639,210	\$ 997,184	\$ 357,974
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 429	\$ 500	\$ 500	\$ 13,000	\$ 12,500
Reference Material	-	500	500	1,500	1,000
Operating Supplies	5,487	10,000	10,000	10,900	900
Vehicle R&M Tools/EQ	-	250	250	1,250	1,000
Clothing/Boots	2,970	3,750	3,750	7,600	3,850
Aggregate	3,449	6,500	6,500	12,185	5,685
Motor Fuel	12,347	12,000	12,000	17,000	5,000
Small Items of Equipment	3,235	8,000	12,000	12,960	960
Total Supplies	\$ 27,917	\$ 41,500	\$ 45,500	\$ 76,395	\$ 30,895

Public Works - Surface Water Maintenance (Continued)

	2014	2015	2015	2016	\$ Increase/ (Decrease)
	Estimated Actuals	Amended Budget	Estimated Actuals	Budget	
Other Services & Charges					
Equipment Replacement Charges	\$ -	\$ 36,080	\$ 36,080	89,000	\$ 52,920
Other Professional Services	327,938	300,000	300,000	75,000	(225,000)
City Atty. Other Services	5,994	-	3,000	-	(3,000)
Hazardous Waste Testing	3,120	2,800	2,800	5,680	2,880
Contract Services	959	3,500	3,500	4,470	970
Telephone	771	1,000	1,000	1,010	10
Cell Phones	1,395	1,200	1,200	3,260	2,060
Travel & Subsistence	67	2,500	2,500	4,500	2,000
Legal Publications	499	600	600	600	-
Work Equip & Machine Rental	5,029	12,000	12,000	60,000	48,000
Equipment Replacement Charges	36,077	-	-	-	-
Insurance	35,865	-	37,606	-	(37,606)
Hazardous Waste Disposal	31,721	30,000	30,000	42,800	12,800
Brush Disposal	14,892	4,000	4,000	7,900	3,900
Equipment R&M	5,683	5,000	5,000	21,250	16,250
Vehicle R&M	33,445	30,000	30,000	67,150	37,150
Computer System Maint & Subscriptions	1,656	1,850	1,850	2,500	650
Laundry Services	1,411	1,400	1,400	1,680	280
Training & Registration	353	2,500	2,500	5,475	2,975
Permit Fees	-	10,000	10,000	15,000	5,000
Vactor Service	18,001	22,000	22,000	22,000	-
Total Other Services & Charges	\$ 524,876	\$ 466,430	\$ 507,036	\$ 429,275	\$ (77,761)
Total Operating Expenses	\$ 552,793	\$ 507,930	\$ 552,536	\$ 505,670	\$ (46,866)

Public Works - Surface Water Maintenance (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Mukilteo Water District	\$ 47,278	\$ 48,000	\$ 48,000	\$ 51,520	\$ 3,520
Snohomish County - ILA	-	2,000	2,000	2,020	20
WRIA ILA	7,236	10,000	10,000	11,900	1,900
Dept of Ecology	25,703	26,400	26,400	27,335	935
Taxes & Assessments	22,495	27,000	27,000	26,730	(270)
Total Intergovernmental Services	\$ 102,712	\$ 113,400	\$ 113,400	\$ 119,505	\$ 6,105
Total Intergovernmental Services	\$ 102,712	\$ 113,400	\$ 113,400	\$ 119,505	\$ 6,105
<u>Payments for Services</u>					
Payments for Services					
Overhead Costs	\$ 190,000	\$ 190,000	\$ 190,000	\$ 250,000	\$ 60,000
Total Payments for Services	\$ 190,000	\$ 190,000	\$ 190,000	\$ 250,000	\$ 60,000
Total Payments for Services	\$ 190,000	\$ 190,000	\$ 190,000	\$ 250,000	\$ 60,000
<u>Capital Outlay</u>					
Capital Outlay	\$ 731,480	\$ 741,700	\$ 463,500	\$ 2,429,583	\$ 1,966,083
Total Capital Outlay	\$ 731,480	\$ 741,700	\$ 463,500	\$ 2,429,583	\$ 1,966,083
Total Capital Outlay	\$ 731,480	\$ 741,700	\$ 463,500	\$ 2,429,583	\$ 1,966,083
<u>Transfers-out</u>					
Transfers-out	\$ 50,000	\$ 50,000	\$ 159,613	\$ 325,800	\$ 166,187
Total Transfers-out	\$ 50,000	\$ 50,000	\$ 159,613	\$ 325,800	\$ 166,187
Total Transfers-out	\$ 50,000	\$ 50,000	\$ 159,613	\$ 325,800	\$ 166,187
Total Public Works - Surface Water Maintenance	\$ 2,228,190	\$ 2,263,695	\$ 2,118,259	\$ 4,627,742	\$ 2,509,483

GIS Division (Surface Water Fund)

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated	Actuals	Amended Budget	Estimated	Actuals	Budget	Estimated	Actuals	Budget	
<u>Salaries & Benefits</u>										
Salaries & Wages										
Full Time Employees	\$	-	\$	-	\$	-	\$	87,680	\$	87,680
Total Salaries & Wages	\$	-	\$	-	\$	-	\$	87,680	\$	87,680
Benefits										
Total Benefits	\$	-	\$	-	\$	-	\$	40,737	\$	40,737
Total Salaries & Benefits	\$	-	\$	-	\$	-	\$	128,417	\$	128,417
<u>Operating Expenses</u>										
Supplies										
Total Supplies	\$	-	\$	-	\$	-	\$	13,000	\$	13,000
Other Services & Charges										
Communication Expense	\$	-	\$	-	\$	-	\$	700	\$	700
Travel & Subsistence		-		-		-		1,500		1,500
Assoc. Dues & Memberships		-		-		-		300		300
Training & Registration Costs		-		-		-		600		600
Printing & Binding		-		-		-		1,000		1,000
Total Other Services & Charges	\$	-	\$	-	\$	-	\$	4,100	\$	4,100
Total Operating Expenses	\$	-	\$	-	\$	-	\$	17,100	\$	17,100
Total GIS Division (Surface Water Fund)	\$	-	\$	-	\$	-	\$	145,517	\$	145,517

Surface Water Reserve Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Investment interest	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers-in	-	-	-	300,000	300,000
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Total resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Expenditures and transfers-out					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

INTERNAL SERVICE FUNDS

- Technology Replacement Reserve
- Equipment Replacement Reserve
- Facilities Maintenance
- Facility Renewal Reserve

TECHNOLOGY REPLACEMENT FUND

Purpose:

The purpose of the Technology Replacement Fund is to set aside funds for the acquisition and replacement of a variety of computer hardware, software, mobile technology, and related items.

Budget Highlights

- This Fund's financing is derived from two sources: 5% of General Fund revenues derived from building permits, zoning & subdivision fees, plan checking fees, and similar revenues is annually allocated to this Fund; and an additional operating transfer from the General Fund is made each year.

2016 Annual Budget

Internal Service Funds

Technology Replacement Fund (120)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 132,786	\$ 137,031	\$ 103,274	\$ 36,500	\$ (66,774)
Revenue and transfers-in					
Investment interest	\$ 550	\$ 400	\$ -	\$ -	\$ -
5% Administrative fee	18,437	20,250	13,916	24,500	10,584
Transfers-in	110,000	62,100	35,520	50,000	14,480
Total revenue and transfers-in	<u>\$ 128,987</u>	<u>\$ 82,750</u>	<u>\$ 49,436</u>	<u>\$ 74,500</u>	<u>\$ 25,064</u>
Total resources	<u>\$ 261,773</u>	<u>\$ 219,781</u>	<u>\$ 152,710</u>	<u>\$ 111,000</u>	<u>\$ (41,710)</u>
Expenditures and transfers-out					
Small items of equipment	\$ 61,876	\$ 14,600	\$ 14,600	\$ 14,600	\$ -
Capital outlay	96,623	101,610	101,610	96,400	(5,210)
Total expenditures and transfers-out	<u>\$ 158,499</u>	<u>\$ 116,210</u>	<u>\$ 116,210</u>	<u>\$ 111,000</u>	<u>\$ (5,210)</u>
Ending fund balance	<u>\$ 103,274</u>	<u>\$ 103,571</u>	<u>\$ 36,500</u>	<u>\$ -</u>	<u>\$ (36,500)</u>

EQUIPMENT REPLACEMENT RESERVE FUND

Purpose:

The Equipment Replacement Fund was established to set aside funds for the periodic replacement of the City's vehicles and equipment. Revenue generated by the Fund is derived principally from equipment replacement charges paid by the General, EMS, Street, and Surface Water Management Funds.

Public Works is responsible for the maintenance of all vehicles except for public safety vehicle using warranties, local repair shops and some minor work is done by City maintenance works. The Police department uses a private maintenance shop and the Fire department uses the Paine Field Fire Department maintenance shop.

Monies expended in this Division are derived from equipment maintenance charges, funded depreciation replacement charges, transfers or set-asides that are made over the useful life of the related vehicle/heavy equipment.

2015 Accomplishments:

- Purchased large chipper for Public Works and two replacement service trucks for Surface Water and Streets
- Implemented a citywide preventive maintenance inspection program
- Developed a vehicle maintenance tracking system to insure that maintenance is performed in a timely manner
- Created a 6-year master plan for vehicle replacement
- Installed hazardous material kits in all Public Works vehicles

2016 Goals & Objectives

- Update the equipment inventory and replacement schedule
- Develop an equipment maintenance tracking system to minimize repair costs and maintain optimal operational efficiency
- Continue to research cost efficient ways of maintaining the City's vehicles and equipment through the use of regional partnerships
- Maintain all city owned equipment and vehicles such that reliability and life cycles are maximized

Budget Highlights

- During 2015, staff reviewed the equipment replacement schedule to determine if the equipment & vehicle inventory list is current, that estimated useful lives are appropriate, and that the amount of revenue generated from equipment replacement charges is appropriate to meet the City's long-term replacement needs.
- The following vehicles are recommended for replacement:

- **EMS Medic Unit:** The EMS Vehicle purchase replaces an ambulance added to the fleet in 2007 and has reached its service life. EMS Fund contributions to the Equipment Replacement Fund have been utilized for this purchase (previously discussed).
- **Two Police Vehicles:** The Police Vehicle purchase replaces two police vehicles added to the fleet in 2013 and have reached their service life with an excess of 150,000 engine miles.
- **Bucket Truck:** The Bucket Truck purchase provides an asset that will be utilized for emergent Emergency Management uses, tree trimming maintenance, building gutter and roof maintenance, window cleaning, flower basket hanging, Holiday and other routine maintenance activities. This replaces requirement to utilize a variety of rental truck options that at times are very difficult to book.

Purchase of EMS Medic Unit

Brief Description:

Previously Discussed
by Council:
9/8/15
AB 15-81

Purchase a Medic Unit to replace a vehicle that is past its useful mission life.

Fund Name
Equip. Repl.
Reserve

Amount Requested

\$ 358,600

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

This EMS Vehicle contract has previously been approved by the City Council. It will replace the 2004 EMS Medic Unit that has reached its industry standard service and city useful mission life. The 2004 vehicle will be transferred to the PW Dept and will be converted to a dump truck in 2017.

Alternatives and Potential Costs

Do not contract for the vehicle. Note that the EMS Fund has previously contributed approximately \$176,000 in 2014 and 2015 to pay for this vehicle.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Cost of sales tax has been included in the requested amount.

Expenditure Account # & Title	Amount
Equipment Replacement Reserve	\$ 358,600
510.38.594.480.6408	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	Fire
Division:	Emergency Medical Services
Prepared by:	MSD



Police Department Vehicle Replacement Request

Brief Description:

New Item

To purchase two Police vehicles and replace two mission vehicles that have reached their industry/city recommended standard service life.

Fund Name
Equipment Replacement Reserve

Amount Requested
\$112,890

Nature of the expenditure? **One-Time** Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

To purchase and replace 2 police vehicles that have reached their industry standard service life and have met the criteria established in the Council approved Capital Asset: Vehicle and Equipment Replacement program. The mission vehicles will have all mission equipment removed and offered to other city departments for use or they will be surplus.

Alternatives and Potential Costs

Do not contract for the vehicles.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Expenditure Account # & Title	Amount
Equipment Replacement Reserve	\$ 112,890
510.38.594.480.6408	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	Police
Division:	Police - Patrol
Prepared by:	MSD



Purchase of Used Public Works Bucket Truck

Brief Description:

New Item

Purchase a used bucket truck for Public Works to aid in parks, facilities and streets work.

Fund Name

Equipment Replacement Reserve

Amount Requested

\$80,000

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

Currently, staff rents bucket trucks. However, they are very popular in the spring and summer and difficult to schedule, requiring a 30 day lead time. Work can sometimes be delayed several days or even a couple weeks because of availability challenges. It is also not readily available for emergency needs. For instance, after the wind storm in the late summer, work was lined up waiting for the rental to be available. This truck would be utilized 12 months out of the year for brush removal and tree trimming within the ROW and in parks, streetlight banners, building maintenance such as gutter cleaning, window washing, roof access, maintenance structures and vertical work such as cleaning of totem pole and hanging Christmas lights. In the height of summer with the growth in roadside vegetation we would utilize the bucket truck up to 50% of its availability. The truck will also be used for City owned street light repairs and bulb replacement, school zone flasher repairs and maintenance, changing and maintenance of street signs, vegetation removal for visibility for street light, signals and signs, facility repairs

Alternatives and Potential Costs

Alternatively, we could continue to rent the vehicle. Rental is \$1,050 per week or \$3,100 per month. We rent the truck for a minimum 2 weeks at a time and occasionally have it for a month. A typical year is 40-50 days total. On an annual basis we could spend as much as \$10,500 in rental fees. The business case for the truck is the value of having the truck readily accessible for the crews to use when the work has been scheduled. This will increase crew work efficiency, which will result in more meaningful vegetation management work being accomplished. The trees removed earlier this year along South Road and Harbour Reach Drive are a good example.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Purchase of a new bucket truck is budgeted for \$80,000. The annual operating cost is estimated to be \$1,500. Initially if we purchased a refurbished bucket truck the annual maintenance should only consist of preventative maintenance items of engine oil, hydraulic system and transmission service estimated at \$500 a year.

Expenditure Account # & Title	Amount
Equipment Replacement Reserve	\$ 80,000
510.38.594.480.6408	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	Public Works
Division:	Public Works
Prepared by:	MSD



2016 Annual Budget

Internal Service Funds

Equipment Replacement Reserve Fund (510)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 1,982,444	\$ 1,856,585	\$ 2,187,384	\$ 2,141,676	\$ (45,708)
Revenue and transfers-in					
Investment interest	\$ 4,902	\$ 7,200	\$ -	\$ -	\$ -
Interfund loan interest	283	-	300	300	-
Interfund loan repayment	-	30,000	30,000	30,000	-
Equipment replacement charges	593,837	593,860	212,940	435,519	222,579
Other miscellaneous revenue	-	-	46,000	-	(46,000)
Total revenue and transfers-in	<u>\$ 599,022</u>	<u>\$ 631,060</u>	<u>\$ 289,240</u>	<u>\$ 465,819</u>	<u>\$ 176,579</u>
Total resources	<u>\$ 2,581,466</u>	<u>\$ 2,487,645</u>	<u>\$ 2,476,624</u>	<u>\$ 2,607,495</u>	<u>\$ 130,871</u>
Expenditures and transfers-out					
Interfund loan	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Vehicle equipment removal	834	9,200	8,645	-	(8,645)
Capital outlay	93,248	196,000	326,303	581,490	255,187
Total expenditures and transfers-out	<u>\$ 394,082</u>	<u>\$ 205,200</u>	<u>\$ 334,948</u>	<u>\$ 581,490</u>	<u>\$ 246,542</u>
Ending fund balance	<u>\$ 2,187,384</u>	<u>\$ 2,282,445</u>	<u>\$ 2,141,676</u>	<u>\$ 2,026,005</u>	<u>\$ (115,671)</u>

FACILITIES MAINTENANCE FUND

Purpose:

The Facilities Maintenance Division is staffed by two employees of the Public Works Department who maintain 23 buildings. Expenditures for this division are financed entirely by an annual transfer from the General Fund.

General facility maintenance and operation activities include: inspection and coordination of custodial service, HVAC service, security systems, and elevators; inspection and coordination of contracts for small capital improvements to buildings; minor building repairs (electrical, plumbing, painting, locks, etc.); minor interior remodeling; ordering all building cleaning and operating supplies.

The Facilities Maintenance Division maintains 23 City buildings, including:

- City Hall
- Fire Stations 24 & 25
- Police Station
- Three Public Works Department buildings (new and old shops and equipment building)
- Community Center
- Four Lighthouse buildings
- Six buildings and structures at Lighthouse Park
- One building at the 92nd St. Park
- Mukilteo Visitor Center/Chamber of Commerce building
- Garage on Beverly Park Road

2015 Accomplishments:

- Began the process of developing a long range repair and replacement fund for high cost facilities items (roof replacements, HVAC replacements, carpet, etc.).
- Implemented short range building maintenance practices that assure the highest practical level of asset protection and longevity for City facilities

2016 Goals & Objectives

- Reduce the amount of time to respond to employee requests for building problems.
- Convert all building cleaning and operating supplies to "green" products
- Centralize the purchasing of supplies for all city facilities
- Continue developing a long range repair and replacement fund for high cost facilities items
- Continue implementing short range building maintenance practices that assure the highest practical level of asset protection and longevity for the City.

Budget Highlights

- The 2016 budget for this division reflects no change in staffing levels.
- In 2015 the Facilities Division budget was increased to fund 1.5 FTEs to provide the City janitorial services. This budget continues to include 1.5 FTEs for janitorial services.

2016 Annual Budget

Internal Service Funds

Facilities Maintenance Fund (518)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 65,930	\$ -	\$ 72,247	\$ 66,250	\$ (5,997)
Revenue and transfers-in					
Charges for services	\$ -	\$ -	\$ 565,268	\$ 607,600	\$ 42,332
Other miscellaneous revenue	287	-	-	-	-
Transfers-in	540,000	637,515	-	-	-
Total revenue and transfers-in	<u>\$ 540,287</u>	<u>\$ 637,515</u>	<u>\$ 565,268</u>	<u>\$ 607,600</u>	<u>\$ 42,332</u>
Total resources	<u>\$ 606,217</u>	<u>\$ 637,515</u>	<u>\$ 637,515</u>	<u>\$ 673,850</u>	<u>\$ 36,335</u>
Expenditures and transfers-out					
Salaries & wages	\$ 119,917	\$ 176,945	\$ 143,500	\$ 177,600	\$ 34,100
Personnel benefits	55,983	94,365	61,560	110,200	48,640
Supplies	30,460	29,350	29,350	24,550	(4,800)
Other services & charges	327,610	336,855	336,855	295,250	(41,605)
Total expenditures and transfers-out	<u>\$ 533,970</u>	<u>\$ 637,515</u>	<u>\$ 571,265</u>	<u>\$ 607,600</u>	<u>\$ 36,335</u>
Ending fund balance	<u>\$ 72,247</u>	<u>\$ -</u>	<u>\$ 66,250</u>	<u>\$ 66,250</u>	<u>\$ -</u>

Public Works - Facilities Maintenance Division

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 113,235	\$ 155,505	\$ 140,000	\$ 156,600	\$ 16,600
Part Time Employees	4,500	18,105	-	18,000	18,000
Acting Supervisor Pay	207	-	1,000	-	(1,000)
Overtime	633	2,335	500	1,000	500
Standby Pay	1,342	1,000	2,000	2,000	-
Total Salaries & Wages	\$ 119,917	\$ 176,945	\$ 143,500	\$ 177,600	\$ 34,100
Benefits	\$ 55,983	\$ 94,365	\$ 61,560	\$ 110,200	\$ 48,640
Total Benefits	\$ 55,983	\$ 94,365	\$ 61,560	\$ 110,200	\$ 48,640
Total Salaries & Benefits	\$ 175,900	\$ 271,310	\$ 205,060	\$ 287,800	\$ 82,740

Operating Expenses

Supplies

Operating Supplies - Lighthouse	\$ -	\$ 750	\$ 750	\$ 750	\$ -
Operating Supplies - Chamber of Commerce	-	100	100	100	-
Office Supplies	3,430	1,000	1,000	1,000	-
Operating Supplies	20,539	-	-	-	-
Clothing/Boots	1,934	2,500	2,500	2,500	-
Motor Fuel	3,475	3,500	3,500	1,700	(1,800)
Small Items of Equipment	310	1,400	1,400	1,400	-
Operating Supplies - PW Shops	-	1,400	1,400	1,400	-
Operating Supplies - City Hall	-	3,800	3,800	2,000	(1,800)
Operating Supplies - Rosehill	755	5,700	5,700	5,700	-
Operating Supplies - Police Dept	17	3,400	3,400	3,000	(400)
Operating Supplies - Fire Dept	-	5,800	5,800	5,000	(800)
Total Supplies	\$ 30,460	\$ 29,350	\$ 29,350	\$ 24,550	\$ (4,800)

Public Works - Facilities Maintenance Division (Continued)

	2014		2015		2015		2016		\$ Increase/ (Decrease)	
	Estimated	Actuals	Amended Budget	Estimated	Actuals	Budget	Budget			
Other Services & Charges										
Contract Services	\$	13,772	\$	-	\$	-	\$	-	\$	-
Cell Phone		429		1,500		1,500		500		(1,000)
Travel & Subsistence		-		2,250		2,250		500		(1,750)
Insurance		994		-		-		-		-
Natural Gas		5,068		-		-		-		-
Electricity		6,785		-		-		3,000		3,000
Sewer Service		5,378		-		-		-		-
Garbage Service		1,487		-		-		-		-
Water Service		2,194		-		-		-		-
Storm Drainage Chgs.		464		-		-		-		-
Alarm System		7,663		-		-		240		240
Bldg & Fixture M&R		17,822		-		-		-		-
Vehicle R&M		465		2,000		2,000		2,000		-
Training & Registration		33		3,500		3,500		3,500		-
Janitorial Service		26,655		-		-		-		-
Total Other Services & Charges	\$	89,209	\$	9,250	\$	9,250	\$	9,740	\$	490
Other Services & Charges - Chamber of Commerce										
Garbage Services - Chamber of Commerce	\$	223	\$	400	\$	400	\$	-	\$	(400)
Total Other Services & Charges - Chamber of Commerce	\$	223	\$	400	\$	400	\$	-	\$	(400)
Other Services & Charges - Lighthouse										
Contract Services - Lighthouse	\$	-	\$	1,500	\$	1,500	\$	1,500	\$	-
Work Equip & Machine Rental - Lighthouse		-		500		500		500		-
Natural Gas - Lighthouse		61		1,000		1,000		1,200		200
Electricity - Lighthouse		99		2,500		2,500		200		(2,300)
Sewer Service - Lighthouse		-		500		500		500		-
Water Service - Lighthouse		100		400		400		2,000		1,600
Storm Drainage Chgs. - Lighthouse		23		1,200		1,200		240		(960)
Alarm System - Lighthouse		-		2,500		2,500		30		(2,470)
Bldg & Fixture M&R - Lighthouse		5,625		4,000		4,000		4,000		-
Total Other Services & Charges - Lighthouse	\$	5,908	\$	14,100	\$	14,100	\$	10,170	\$	(3,930)

Public Works - Facilities Maintenance Division (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Other Services & Charges - PW Shops					
Work Equip & Machine Rental - PW Shops	\$ -	\$ 500	\$ 500	\$ 500	\$ -
Natural Gas - PW Shops	287	6,090	6,090	2,900	(3,190)
Electricity - PW Shops	64	8,535	8,535	3,500	(5,035)
Sewer Service - PW Shops	413	5,950	5,950	3,200	(2,750)
Water Service - PW Shops	133	2,000	2,000	1,200	(800)
Storm Drainage Chgs. - PW Shops	12	670	670	1,200	530
Alarm System - PW Shops	-	2,500	2,500	115	(2,385)
Bldg & Fixture M&R - PW Shops	1,622	15,000	15,000	15,000	-
Total Other Services & Charges - PW Shops	\$ 2,531	\$ 41,245	\$ 41,245	\$ 27,615	\$ (13,630)
Other Services & Charges - City Hall					
Contract Services - City Hall	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Work Equip & Machine Rental - City Hall	-	500	500	500	-
Electricity - City Hall	23,979	24,000	24,000	20,800	(3,200)
Sewer Service - City Hall	731	700	700	700	-
Water Service - City Hall	2,046	1,700	1,700	1,100	(600)
Storm Drainage Chgs. - City Hall	539	460	460	850	390
Alarm System - City Hall	-	2,500	2,500	-	(2,500)
Bldg & Fixture M&R - City Hall	18,417	17,000	17,000	17,000	-
Total Other Services & Charges - City Hall	\$ 45,712	\$ 51,860	\$ 51,860	\$ 45,950	\$ (5,910)
Other Services & Charges - Rosehill					
Natural Gas - Rosehill	\$ 59	\$ 2,540	\$ 2,540	\$ 2,500	\$ (40)
Electricity - Rosehill	1,438	35,000	35,000	26,000	(9,000)
Sewer Service - Rosehill	409	5,000	5,000	4,200	(800)
Water Service - Rosehill	198	3,500	3,500	2,200	(1,300)
Storm Drainage Chgs. - Rosehill	322	4,500	4,500	6,300	1,800
Alarm System - Rosehill	-	2,200	2,200	2,200	-
Bldg & Fixture M&R - Rosehill	26,395	17,000	17,000	17,000	-
Total Other Services & Charges - Rosehill	\$ 28,821	\$ 69,740	\$ 69,740	\$ 60,400	\$ (9,340)

Public Works - Facilities Maintenance Division (Continued)

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	\$ Increase/ (Decrease)
Other Services & Charges - Police Dept					
Contract Services - Police Dept	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Work Equip & Machine Rental - Police Dept	-	500	500	500	-
Natural Gas - Police Dept	7,101	4,500	4,500	6,400	1,900
Electricity - Police Dept	44,443	36,580	36,580	35,500	(1,080)
Sewer Service - Police Dept	5,724	6,000	6,000	3,400	(2,600)
Water Service - Police Dept	2,640	3,000	3,000	1,500	(1,500)
Storm Drainage Chgs. - Police Dept	5,474	5,370	5,370	8,275	2,905
Alarm System - Police Dept	-	2,500	2,500	2,200	(300)
Bldg & Fixture M&R - Police Dept	22,188	13,410	13,410	13,400	(10)
Total Other Services & Charges - Police Dept	\$ 87,570	\$ 72,860	\$ 72,860	\$ 72,175	\$ (685)
Other Services & Charges - Fire Dept					
Contract Services - Fire Dept	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Work Equip & Machine Rental - Fire Dept	-	500	500	500	-
Natural Gas - Fire Dept	7,820	7,600	7,600	6,400	(1,200)
Electricity - Fire Dept	15,250	17,860	17,860	15,900	(1,960)
Sewer Service - Fire Dept	9,686	8,550	8,550	7,500	(1,050)
Water Service - Fire Dept	5,408	5,000	5,000	4,200	(800)
Storm Drainage Chgs. - Fire Dept	3,214	3,390	3,390	2,700	(690)
Alarm System - Fire Dept	-	2,500	2,500	-	(2,500)
Bldg & Fixture M&R - Fire Dept	26,258	30,000	30,000	30,000	-
Total Other Services & Charges - Fire Dept	\$ 67,636	\$ 77,400	\$ 77,400	\$ 69,200	\$ (8,200)
Total Operating Expenses	\$ 358,070	\$ 366,205	\$ 366,205	\$ 319,800	\$ (46,405)
Total Public Works - Facilities Maintenance Division	\$ 533,970	\$ 637,515	\$ 571,265	\$ 607,600	\$ 36,335

FACILITY RENEWAL FUND

Purpose:

The Facilities Maintenance Fund provides for the maintenance of the City's 23 buildings including City Hall, two Fire Stations, the Police Station, Rosehill Community Center, three Public Works buildings, and other facilities. Expenditures are financed by an annual transfer from the General, EMS and Stormwater Funds.

Budget Highlights

In 2015, staff developed a Building Manager Program that reviewed facility maintenance requirements and developed a methodology that included the following elements: an analysis of the useful life of assets, using the 2012 Facility Inventory as a foundation; an annual material condition rating which is conducted by Public Works Facility staff, and a risk assessment priority code which is determined through an analysis by a cross functional team that assesses the facilities.

The budget includes the following Facility Maintenance new budget items:

- **Creation of Facility Renewal Fund**
- **Fire Station 25 Emergency Generator Replacement**
- **Police Department Gate and Motor Replacement**
- **Security Replacement and Improvements** at the public works building, police and fire stations

Facility Renewal Fund Capitalization

Brief Description:

New Item

Utilize excess general fund reserves to capitalize a Facility Renewal Fund.

Fund Name

General

Amount Requested

\$500,000

Nature of the expenditure? **One-Time**

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

In 2012, the City completed a Capital Facilities Plan that charted expected future expenditures to maintain, rehabilitate and renovate City buildings. This plan has not been funded in an ongoing manner, although some expenditures have been made for individual items. The City's General Fund contains over \$1 million in reserves in excess of the City Council's reserve policy of two months of operating expenses. The two-month reserve policy reflects best practice and would maintain the City's current AAA bond rating. By utilizing a portion of these excess reserves, the City can capitalize a Facility Renewal fund for future capital facility needs and put excess reserves to use on one-time activities.

Alternatives and Potential Costs

Eliminate the contribution to the Facility Renewal Fund and do not fund the facility renewal capital items.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Expenditure Account # & Title	Amount
Transfer to Facility Renewal Fund	\$500,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Excess General Fund Reserves	\$500,000
	\$ -
	\$ -
	\$ -

Department:	Executive
Division:	Executive
Prepared by:	Marko Liias, Policy Analyst



2016 Annual Budget

Fire Department Emergency Generator

Brief Description:

New Item

Generator, associated electrical wiring/circuit and harness replacement/upgrade required for MFD Station 25.

Fund Name

Facility Renewal

Amount Requested

\$100,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

MFD STA 25's Emergency Generator does not maintain the station's electrical load requirements during emergency operations. The generator is past its serviceable life and the electrical requirements of the station have increased since its initial installation. In the event of an emergency, the current generator can not meet the MFD STA 25's electrical requirements.

Alternatives and Potential Costs

Do not replace the generator and accept the risk associated with electrical requirements during an emergency situation.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Anticipated generator life expectancy is 15-20 years. Moving forward, contributions from the General Fund and EMS Fund could pay for future replacement.

Expenditure Account # & Title	Amount
Facility Renewal Fund	\$100,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
	\$ -
	\$ -
	\$ -
	\$ -

Department:	Fire
Division:	Fire - Administration
Prepared by:	MSD



2016 Annual Budget

Police Department Security Gate Replacement

Brief Description:

New Item

Replacement and improvement of Police Station gate motor and chain assembly.

**Fund Name
Facilities
Maintenance**

Amount Requested

\$15,000

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

MPD Security Gate motor and chain assembly are at the end of their servicable life. Numerous hours of PW time and funding have been spent trying to maintain this antiquated equipment. Additionally, when the gate fails in the open position, the public is able to access the MPD grounds during day/night hours of operation which is a security and emergency management concern.

Alternatives and Potential Costs

Do not replace the gate motor/chain assembly and accept the risk associated during an emergency situation.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Anticipated gate motor/chain assembly life expectancy is 10 years. Contributions from the General Fund or establishment of a Facility Renewal Fund could pay for future requirements/maintenance and upkeep.

Expenditure Account # & Title Amount

Facility Renewal Fund	\$ 15,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

	\$ -
	\$ -
	\$ -
	\$ -

Department:	Police
Division:	Police - Administration
Prepared by:	MSD



2016 Annual Budget

Security Replacement and Improvement

Brief Description:

New Item

Fire, Police and Public Works Departments proximity access key card security replacement and improvement.

Fund Name

Facility Renewal

Amount Requested

\$ 77,850

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

These security enhancements use the same proximity card access and key panels for facility egress/entry gates and doors as are currently installed at City Hall and Rosehill Community Center. The equipment in each building is at the end of their serviceable life and need to be replaced. Numerous hours by the PW/IT staff and funding have been spent trying to maintain this antiquated equipment.

Fire Department: Cost: \$24,750

Police Department: At the police station, a video system upgrade is also included to increase the monitoring capability of a variety of locations around the perimeter of the MPD facility and is a required force protection enhancement. Cost: \$39,600

Public Works: At Public Works, this project will also provide a video monitoring capability during off-duty hours to ensure the safety of all controlled equipment, vehicles and building security. Cost: \$ 13,500

Alternatives and Potential Costs

Do not replace the Security/Facility access equipment and accept the risk associated during an emergency situation. Maintenance and service needs will continue.

Identify Additional Related Revenue and Expenses and Whether One-Time or On-Going

Ongoing preventative maintenance will be required on an as needed basis. This system is exactly the same as the security system installed at CH and RHCC, thus will integrate all city security systems.

Expenditure Account # & Title Amount

Facility Renewal Fund (MFD STA 25)	\$ 13,500
Facility Renewal Fund (MFD STA 24)	\$ 11,250
Facility Renewal Fund (MPD)	\$ 39,600
Public Works	\$ 13,500

Revenue Account # & Title Amount

	\$ -
	\$ -
	\$ -
	\$ -

Department:	Fire, Police and Public Works
Division:	Administrative
Prepared by:	MSD



2016 Annual Budget

Facility Renewal Fund

	2014 Estimated Actuals	2015 Amended Budget	2015 Estimated Actuals	2016 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Investment interest	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers-in	-	-	-	500,000	500,000
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Total resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Expenditures and transfers-out					
Capital outlay	\$ -	\$ -	\$ -	\$ 142,850	\$ 142,850
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,850</u>	<u>\$ 142,850</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,150</u>	<u>\$ 357,150</u>

SUPPLEMENTAL INFORMATION

2016 Annual Budget

**City of Mukilteo, Washington
Annual Salary Position Matrix - 2016 Budget**

Group	Position Title	FTE	2014 FTEs	2015 FTEs	2016 FTEs	Pay Grade	2016 Annual Salary Range
NON-REPRESENTED	Management Services Director	100%	1.0	1.0	1.0	N148	112,363 - 116,953
	Fire Chief	100%	1.0	1.0	1.0	N130	96,465 - 117,254
	Police Chief	100%	1.0	1.0	1.0	N130	96,465 - 117,254
	Public Works Director	100%	1.0	1.0	1.0	N130	96,465 - 117,254
	Finance Director	100%	1.0	1.0	1.0	N124	90,873 - 110,457
	Planning & Comm Dev Director	100%	1.0	1.0	1.0	N124	90,873 - 110,457
	Asst Director of Planning & CD	100%	1.0	0.0	0.0	N112	80,649 - 98,030
	Assistant Fire Chief	100%	1.0	1.0	2.0	N120	87,329 - 106,149
	Police Commander	100%	1.0	1.0	1.0	N120	87,329 - 106,150
	Assistant City Engineer	100%	1.0	1.0	1.0	N120	87,329 - 106,151
	Planning Manager	100%	1.0	1.0	1.0	N112	80,649 - 98,030
	Recreation/Cultural Svcs Director	100%	1.0	1.0	1.0	N112	80,649 - 98,030
	Public Works Superintendent	100%	1.0	1.0	1.0	N103	73,744 - 89,636
	Capital Projects Engineer (Temp)	100%	0.0	0.0	1.0	N116	83,925 - 102,012
	Human Resource Manager	100%	1.0	1.0	1.0	N111	79,858 - 97,069
	I.T. Technology Manager	100%	0.0	0.0	0.0	N110	79-068 - 96,107
	Fire Marshal	100%	1.0	0.0	0.0	N103	73,744 - 89,636
	Accounting Manager	100%	1.0	1.0	1.0	N100	71,569 - 86,993
	Policy Analyst	100%	1.0	1.0	1.0	N95	56,735 - 68,962
	<u>GIS Coordinator</u>	100%	0.0	0.0	1.0	TBD	TBD
City Clerk	100%	1.0	1.0	1.0	N88	63,520 - 77,208	
Exec Assistant	100%	1.0	1.0	1.0	N88	63,520 - 77,209	
CLERICAL	Senior Planner	100%	0.0	0.0	1.0	C102	68,243 - 82,950
	Senior Engineer Technician	100%	1.0	1.0	1.0	C101	67,561 - 82,120
	<u>Surface Water Program Manager</u>	100%	0.0	0.0	1.0	TBD	TBD
	IT Systems Administrator	100%	1.0	1.0	1.0	C93	62,389 - 75,835
	Surface Water Technician	100%	1.0	1.0	1.0	C93	62,389 - 75,835
	Associate Planner	100%	2.0	2.0	2.0	C89	59,959 - 72,881
	Staff Accountant	100%	1.0	1.0	1.0	C89	59,959 - 72,881
	Computer Support Technician	100%	0.75	1.0	1.0	C60	44,897 - 54,573
	Building Inspector II	100%	1.0	1.0	1.0	C86	58,192 - 70,733
	Assistant Planner	100%	1.0	1.0	0.0	C85	57,613 - 70,028
	Permit Services Supervisor	100%	1.0	1.0	1.0	C85	57,613 - 70,028
	GIS/CAD Technician	100%	0.0	1.0	1.0	C73	51,124 - 62,010

Continued on following page

2016 Annual Budget

Continued from previous page

Group	Position Title	FTE	2014 FTEs	2015 FTEs	2016 FTEs	Pay Grade	2016 Annual Salary Range
CLERICAL	Senior Dept Assistant	100%	1.0	2.0	2.0	C67	48,155 - 58,533
	Accounting Technician	100%	3.0	3.0	3.0	C62	45,808 - 55,680
	Permit Services Assistant	100%	2.0	2.0	2.0	C62	45,808 - 55,680
	<u>Admin. Support Coordinator</u>	100%	0.0	0.0	1.0	C85	57,613 - 70,028
	<u>Admin. Support Technician</u>	100%	2.0	2.75	1.25	C62	45,808 - 55,680
	Recreation Coordinator	100%	1.0	1.0	1.00	C62	45,808 - 55,680
	Recreation Programmer	100%	1.0	0.6	0.75	C55	42,716 - 51,921
	Department Assistant - PT	50%	1.0	1.0	0.5	C55	\$20.54-\$24.96/hourly
	<u>Admin. Support Assistant</u>	50%	2.0	2.5	3.0	C43	\$18.23-\$22.15/hourly
POLICE SUPPORT	Office Supervisor	100%	1.0	1.0	1.0	C85	57,613 - 70,028
	Support Services Technician	100%	2.0	2.0	2.0	C62	45,808 - 55,680
	Community Services Officer	100%	1.0	3.0	3.0	C56	43,144 - 52,441
	Support Services Assistant	50%	0.5	1.0	1.0	C55	\$20.54-\$24.96/hourly
FIRE	Fire Captain	100%	6.0	6.0	6.0	F-1	82,974 - 91,749
	Fire Training Captain	100%	1.0	1.0	1.0	F-1	82,974 - 91,749
	Firefighter/Paramedic	100%	9.0	9.0	9.0	F2-1	70,147 - 87,760
	Firefighter	100%	9.0	9.0	9.0	F-2	65,040 - 79,782
POLICE	Police Sergeant	100%	5.0	5.0	5.0	P-1	89,132 - 93,859
	Crime Prevention Officer	100%	1.0	1.0	1.0	P-2	64,433 - 79,468
	Patrol Officer	100%	17.0	17.0	17.0	P-2	64,433 - 79,468
	Police Corporal	100%	1.0	1.0	1.0	P-2	64,433 - 79,468
	Police Detective	100%	3.0	3.0	3.0	P-2	64,433 - 79,468
PUBLIC WORKS	Lead Serviceworker	100%	4.0	5.0	5.0	C81	55,708 - 67,675
	Maintenance Lead Supervisor	100%	0.0	1.0	1.0	C100	66,904 - 81,322
	Maintenance Worker I	100%	0.0	1.0	3.0	C61	36,824
	Maintenance Worker II	100%	8.0	6.0	6.0	C64	47,068 - 57,166
	<u>Custodial Worker</u>	100%	0.0	1.5	1.5	TBD	TBD
	Park Attendant - Seasonal / PT	25%	1.0	1.0	1.0	C43	\$18.23-\$22.15/hourly
SUBTOTAL			111.3	117.4	123.00		

Continued on following page

2016 Annual Budget

Continued from previous page

Group	Position Title	FTE	2014 FTEs	2015 FTEs	2016 FTEs	Pay Grade	2016 Annual Salary Range
ELECTED:							
	Mayor		1.0	1.0	1.0		70,800
	Councilmembers		7.0	7.0	7.0		6,000 - 6,600
	TOTAL		119.3	125.4	131.0		

Group: indicates which collective bargaining group the position belongs to.

FTE: Full Time Equivalent, or the decimal equivalent of a full time position based on 2080 hours per year.

Underlined positions reflect what the City plans to present to the appropriate labor group for review and bargaining.

Changes in staffing levels from 2015 to 2016 are as follows:

- Recreation:** Modified for Reorganization
- Fire:** Added one Assistant Fire Chief
- Public Works:** Added one Capital Projects Engineer
 - Added 4.00 FTE for Storm Water
 - 1.00 Surface Water Program Manager
 - 1.00 GIS Coordinator
 - 2.00 Surface Water Maintenance Workers

CITY OF MUKILTEO
MUKILTEO, WASHINGTON
ORDINANCE NO. 1375

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON, ADOPTING THE 2016
MUNICIPAL BUDGET IN THE AMOUNT OF \$31,930,341.**

WHEREAS, Mayor's 2016 Preliminary Budget recommendation and Budget Message was presented to the City Council, and filed with the City Clerk for the purpose of presenting the 2016 Annual Budget; and

WHEREAS, the City Clerk provided sufficient copies of the Mayor's Preliminary Budget and Budget Message to meet the reasonable demands of taxpayers, and published and posted notice of filing and the availability of said Preliminary Budget together with the date of a public hearing for the purpose of fixing a Final Budget, all as required by law; and

WHEREAS, the City Council scheduled a hearing on the Preliminary Budget for the purpose of providing information regarding estimates and programs; and

WHEREAS, the City Council held Preliminary Budget public hearings on November 2, 9, 10, 16, 23 and 30, 2015, at which hearings all taxpayers were heard who appeared for or against any part of said budget; and

WHEREAS, the public hearing for the Final Budget started on November 30, 2015 and was continued on December 2, 7 and 10, 2015; and

WHEREAS, following the conclusion of said hearing, the City Council made adoptions and changes as it deemed necessary and proper.

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MUKILTEO, WASHINGTON DO
ORDAIN AS FOLLOWS:**

Section 1. Attached hereto and identified as Exhibit "A," in summary form, are the totals of estimated revenues and transfers in and appropriations for expenditures and transfers out for each separate Fund and the aggregate totals for all such Funds combined, and by this reference said Exhibit "A" is incorporated herein, and the same is hereby adopted in full.

Section 2. A complete copy of the 2016 Adopted Municipal Budget, together with a copy of this adopting ordinance shall be transmitted by the Finance Director to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

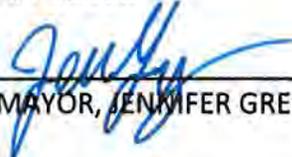
Section 3. Administrative Budget Adjustments. The Mayor and Management Services Director are authorized to transfer budgeted appropriations with any Fund when considered necessary for the conduct of City business and the provision of services to the public as long as the total appropriations of any Fund are not increased. Any budget adjustments that would increase the total appropriations of any Fund must be approved by the City Council by Ordinance as part of the budget amendment process. Budgeted appropriations are defined to include amounts budgeted for both expenditures and transfers to other Funds.

This section shall not be construed to authorize expenditures in excess of expenditure limits established by the City Council for the specific program or services.

Section 4. This ordinance shall take effect five (5) days after publication of the attached summary, which is hereby approved.

PASSED by the City Council and APPROVED by the Mayor this 10th day of December, 2015.

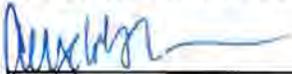
APPROVED


MAYOR, JENNIFER GREGERSON

ATTEST/AUTHENTICATED:


CITY CLERK, JANET KEEFE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

By: 
ANGELA SUMMERFIELD

FILED WITH THE CITY CLERK: **12-10-2015**
PASSED BY THE CITY COUNCIL: **12-10-2015**
PUBLISHED: **12-15-2015**
EFFECTIVE DATE: **12-15-2015**
ORDINANCE NO. **1375**

2016 Annual Budget

ORDINANCE NO. 1375

EXHIBIT "A"

BUDGET SUMMARY BY FUND

Fund Description	Revenues [A]	Transfers-in [B]	Total Sources [A + B]	Expenditures [C]	Transfers-out [D]	Total Uses [C + D]
General	\$ 13,798,672	\$ 229,967	\$ 14,028,639	\$ 13,533,836	\$ 994,085	\$ 14,527,921
City Reserve	-	-	-	-	-	-
Paine Field Emergency Reserve	-	-	-	-	-	-
LEOFF I Reserve	-	-	-	36,400	-	36,400
Health Insurance Administration	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Drug Enforcement	-	-	-	22,953	-	22,953
Street	490,100	336,040	826,140	826,140	-	826,140
Recreation & Cultural Services	682,480	108,045	790,525	790,525	-	790,525
Hotel/Motel Lodging Tax	251,250	-	251,250	317,950	-	317,950
Emergency Medical Services	2,366,700	-	2,366,700	2,264,399	102,301	2,366,700
Limited Tax General Obligation Bond	-	901,000	901,000	909,262	-	909,262
Park Acquisition & Development	15,000	-	15,000	30,300	-	30,300
Transportation Impact Fee	140,000	-	140,000	-	1,025,000	1,025,000
Real Estate Excise Tax I	700,000	-	700,000	-	831,623	831,623
Real Estate Excise Tax II	3,085,675	950,000	4,035,675	3,933,125	96,243	4,029,368
Municipal Facilities	-	-	-	-	-	-
Surface Water Management	4,267,100	-	4,267,100	4,447,459	325,800	4,773,259
Surface Water Reserve	-	300,000	300,000	-	-	-
Technology Replacement	24,500	50,000	74,500	111,000	-	111,000
Equipment Replacement Reserve	465,819	-	465,819	581,490	-	581,490
Facilities Maintenance	607,600	-	607,600	607,600	-	607,600
Facility Renewal	-	500,000	500,000	142,850	-	142,850
TOTALS	\$ 26,894,896	\$ 3,375,052	\$ 30,269,948	\$ 28,555,289	\$ 3,375,052	\$ 31,930,341