



2011 City of Mukilteo Annual Budget



City of Mukilteo, Washington

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2011 ANNUAL BUDGET

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*Cover design by Jennifer Gregerson,
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Richard Emery
Council President



Jennifer Gregerson
Council Vice President



Linda Grafer
Councilmember



Randy Lord
Councilmember



Kevin Stoltz
Councilmember



Howard T. Tinsley
Councilmember



Emily Vanderwielen
Councilmember

EXECUTIVE STAFF

City Administrator
City Clerk
Finance Director
Fire Chief
Planning & Community Development Director
Police Chief
Public Works Director
Recreation & Cultural Services Manager

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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**City of Mukilteo
Washington**

For the Fiscal Year Beginning

January 1, 2010

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented this Distinguished Budget Presentation Award to the City of Mukilteo, Washington for the Annual Budget beginning January 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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Mayor Joe Marine cuts the “ribbon” rose garland for the Rosehill Community Center grand opening celebration as Councilmembers and staff look on.

MAYOR'S 2011 BUDGET MESSAGE

November 02, 2010

Mukilteo City Council
Citizens of Mukilteo
Mukilteo Business Community

Reference: Transmittal of 2011 Preliminary Budget

Dear Council and Mukilteo Community:

I respectfully submit for your review and action the 2011 budget. This budget has been the most difficult that I have had to present. We are in times requiring difficult choices and sacrifices from residents, elected officials and loyal employees. The 2011 budget balances personnel cuts, salary freezes, change to a less expensive medical plan; and increased employee medical contributions, with prioritization of city services, disciplined adherence to the budget throughout 2011 and a request for a modest utility tax increase.

Fortunately, past Councils wisely reserved money and restrained spending to soften the affects of reductions in sales tax and development related revenues. I am very proud of our efforts over the past year to thoughtfully address our financial situation in each quarter and to move purposely in creating a sustainable Long Range Financial Plan that looks at not just 2011 but at the City in detail over the next 3 and 5 years. We have reason to be positive about our future and the ability to provide quality services. Recognizing what we have done well and our planning for the future we still must live within our means and adjust how we operate today.

My budget presentation rightfully begins with a heartfelt thank you to the community for passing the permanent Emergency Medical Services (EMS) Levy this year. The levy's passage is the ultimate demonstration of support of our professional emergency medical personnel and without the levy the City's budget would be completely different.

Encouraged by increases in restaurants and lodging sales, we approach the next three years with cautious optimism and a plan to not only survive but thrive. My Budget lays out my vision for achieving our immediate priorities and implementing our long-term goals beyond 2011 and celebrates the opening of the new Rosehill Community Center.

Budget Priorities

- Public Safety –Protection of Mukilteo residents from injury/harm/damages caused by crime or disaster is my highest priority. This budget prioritizes funding for police, fire, EMS and public works salaries with no reductions; restores last year's deferred police vehicle purchases; provides for lease of a new replacement police motorcycle; purchases a needed medical aid vehicle. For the first time ever, reserves funds for a new fire pumper truck and sets a schedule for replacement of all future pumpers. Replaces Fire

Marshal vehicle, replaces a 16 year old dump truck/sander and enhances the City's boom mower and makes new investments in emergency communication systems.

- **Infrastructure Preservation:** The 2011 budget prioritizes funding for road preservation committing \$433,000 for 5th St and Harbour Pointe - St. Andrews to SR 525 (S). We are partnering with the State for pedestrian improvements on Front Street, a left turn lane to 88th and repair of failing 61st Street.
- **Livability:** Just as public safety and modern infrastructure preserves our livability and investment in our community so also does the City's continuing efforts in:

Protection of Paine Field for Boeing and airplane manufacturing.

- Advocacy of Paine Field as a unique resource of national importance requiring protection and funding for airplane manufacturing;
- Insistence that commercial passenger aviation services not be encouraged at Paine Field; and
- Economic development partnerships with County, State, academic and private business to attract other aeronautic businesses, technical training and aeronautics engineering campus to Mukilteo and Paine Field; and

Long range planning, sign and code enforcement, gulch preservation and grant funded park development (such as Lighthouse Park Bandshell Lawn area; Japanese Gulch Fish Passage and boat launch dock replacement). The budget shifts some planning staff from development review (which is anticipated to be down another year) to stormwater planning and improvements and dedicates \$259,000 to replace the 61st St Culvert as well as dedicating \$235,000 to physical stormwater improvements within the Smuggler's Gulch watershed.

- **Rosehill:** Finally, this budget fulfills my promise to the community for a beautiful, within budget, multi-use, historically sensitive Community Center. The Center will be opened by February and it will be the social and recreational hub of our city. Community festivals, senior activities, arts and music events, educational and recreation classes, weddings and family gatherings will fill the new Center. Rosehill will continue the tradition of the two prior buildings by providing future generations with memories and community pride.

Budget Overview

Highlights of Funded Programs:

1. Full funding of our career fire and emergency medical services department.
2. Crime prevention program with opportunities for neighborhood involvement.
3. Completion of the new Rosehill Community Center.
4. Replaces medical aid car and Fire Marshal vehicle.
5. Sets aside funds for new fire pumper in 2012.
6. Makes first of two down payments to replace Fire Department's Self Contained Breathing Apparatus in 2012.
7. Enhances the emergency communications system for police and fire departments.
8. Continues investments to rebuild and maintain our street and stormwater systems.

Expenditure Reductions & Savings include:

1. No cost of living increases for all staff.
2. Increases employee medical plan contributions for employee and dependants.
3. Eliminates two development related positions: Staff Office Assistant in Community Development and Engineering Technician in Public Works.
4. Limits travel and training expenditures to mandatory or training required to maintain professional certifications.
5. Continues the 2010 budget that trimmed professional services expenditures to mandatory services such as auditor, project design services, comprehensive plan development, and training.

Taxes and Fees

My 2011 budget recognizes that the economy's recovery in 2010 is expected to continue slowly moving upward in 2011 requiring the City to continue to operate with lower sales tax revenues. We are experiencing growth in restaurant and retail sales, but are also continuing a decline in construction sales taxes. The budget includes little or no increases in utility tax receipts. Additionally, development related revenues are anticipated to decline 34% from 2010.

My budget includes the statutory 1% increase in general property taxes (\$ 45,000).

Budget Gap

In 2010, the City Council approved a formal Gap Closing Policy to ensure the City can sustain on-going operations. A "Gap" occurs when in any one year anticipated expenditures exceed anticipated revenues in any of the next three years. The 2010 budget has a 1.5 % gap which is bridged through use of reserves. (Under Washington State law a city must operate with a balanced budget where operating revenues and sources equal or exceed operating expenditures.).

The 2011 budget includes a 5.8 % gap (defined as severe) which requires a plan to reach a moderate gap within 24 months. The plan submitted with the budget includes a series of possible personnel reductions, spending cuts and revenue increases to reach a 4.9% gap by end of 2012 and a 2.99% gap by end of 2013. Under all Gap scenarios, the City's budget will be balanced according to Washington State law.

Reduction of Reserves

In accordance with the City's Fund Balance Reserve Policy, the 2011 (and preliminary plans for 2012 and 2013) budget reserves are being drawn down slowly to eventually arrive at a 16.67% reserve by 2015. The gradual draw down permits a measured response to declining revenues against minimum operational needs. At the end of 2011, the projected General Fund reserve will equal 32 % of expenditures, a decrease of 6% from the prior year. The General Fund Reserve continues to provide the City with a "safety net" to weather the continued economic downturn.

Economic Development

Economic Development continues to be my personal commitment and staff goal throughout 2011. Our efforts will continue to focus on four areas:

* Support of Boeing * Business retention * Business recruitment; and *Business expansion.

We have been active and have made some progress, but we need to and will do more. I have worked this past year with Mukilteo aeronautics businesses encouraging them, facilitating their interaction and cooperation with other industry members and supported Congressional initiatives to create new jobs and compete for federal contracts. Ultimately, as Mayor I have tried to make Mukilteo a favorable and attractive place for aeronautics businesses. I also continue to work with the Council and other Snohomish County cities to acknowledge the importance of Boeing and the aeronautics industry to our quality of life and our very existence as a region. I recommit myself and the City's energies to work tirelessly to maintain Paine Field for airplane manufacturing and will work to recruit suppliers and like minded aeronautics companies to the Mukilteo area.

I will also continue to encourage and support our restaurant and lodging businesses that have carried us through the past two years. Like the aeronautics businesses, I will help the restaurants and lodging businesses to work together for their mutual benefit and I will bring the City's resources (including lodging grants and legislative advocates) and contacts to encourage banks, landlords, Chamber of Commerce, regional economic development agencies, related industries and tourism promoters to help.

In 2011, the opening of Rosehill Community Center and its attraction of relatives, tourists and business visitors will provide an exciting opportunity and welcomed spark for increased business and for attracting new businesses to serve new visitors and shoppers. We will also work tirelessly toward the Tank Farm transfer and the more immediate development of a new National Oceanic Atmospheric Administration (NOAA) waterfront facility. The NOAA facility should be a state of the art facility that will provide professional and academic jobs; new advanced educational opportunities for our students and hopefully will provide unique educational/tourist opportunities to spark economic growth on our waterfront.

We will also continue using Washington Advocates to assist us in securing outside funding for our transportation and park development needs while also assisting us in securing the transfer of the Tank Farm and advocating for the NOAA facility.

The 2011 Budget

In 2010, total budgeted revenues were \$20.3 million and total budgeted expenditures were \$33 million.

In 2011, total estimated revenues are \$20.3 million (same as 2010) total estimated expenditures are \$25.2 million down \$7.8 million or 23% less than 2010.

(\$6.8 million was spent on Rosehill in 2010 and \$3.3 million is estimated to complete Rosehill in 2011). No capital expenditures are projected for 2012)

Proposed operating expenditures for 2011 total \$ 5 million or 7% less than 2010;
Capital improvements for 2011 are \$5.9 million or 57% less than 2010.



Keeping with the City's fiscally conservative approach, the budget includes a protected City Reserve of \$1,000,000 and an estimated ending General Fund balance of \$4,038,440.

Closing Comments

Thank you Councilmembers for committing so much of your time exploring and articulating the community's priorities during our Budget Work sessions and also throughout the year developing a Long Range Financial Plan.

This Budget is a team effort to craft a financial and operational plan to protect Mukilteo as a wonderful place to live and work. It is my top priority to keep our community safe, attractive to business and residents and make living in our community one of the best investments in the region. Thank you to staff for their hard work and dedication and especially for their financial sacrifices. Thank you citizens and businesses for your trust in the Council, Mayor and employees. Together, we will keep Mukilteo as a Top Ten City in the country.

Finally, 2010 will be the last budget for retiring Police Chief Michael Murphy. On behalf of the entire Mukilteo community I thank Chief Murphy and his wife Becky for 19 years of service to the City. The Department and the City are better and safer because of the Chief.

My staff and I look forward to working with the Council over the next several weeks, and responding to any budget related questions that may arise from you or interested citizens.

Thank You,

Joe Marine
Mayor



PRELIMINARY BUDGET DOCUMENT CHANGES

Preliminary Budget Book Page Number	Fund / Description	Cash Increase (Decrease)
GENERAL FUND		
49 & 51	Move Patrol Officer from Special Operations back to Patrol	\$0
New Item	Transfer to Paine Field Emergency Fund	(\$150,000)
New Item	Add Sustainability Project	(\$10,000)
New Item	Property on 3rd - get appraisal - commercial vs. residential	(\$4,000)
New Item	Olympic View School Pedestrian Crossing Safety Projects	(\$15,000)
7	Cut Lobbyist	\$30,000
32 & 146	Combine Cityviews Newsletter & Rec Guide	\$6,500
146	Cut one part-time Recreation Customer Service Clerk	\$12,000
New Item	Farmer's Market Traffic Enforcement	(\$3,600)
7	Reduce Executive Training Budget	\$1,000
100	Add back Hanging Flower Baskets	(\$10,000)
72	Move Part-time employee to EMS	\$24,500
77	Replace all SCBA's in 2011	(\$150,000)
87	Increase Contract Services for Building Official	(\$8,000)
	Net Decrease to General Fund Ending Cash	(\$276,600)
PAINE FIELD EMERGENCY FUND		
New Item	Transfer from General Fund	\$150,000
New Item	Increase Attorney Fees	(\$150,000)
	Net Decrease to Paine Field Emergency Fund Ending Cash	\$0
RECREATION & CULTURAL SERVICES FUND		
145	Reduce transfer from General Fund	(\$12,000)
146	Cut one part-time Recreation Customer Service Clerk	\$12,000
	Net Decrease to Recreation & Cultural Services Fund Ending Cash	\$0
EMERGENCY MEDICAL SERVICES FUND		
72	Move Part-time employee to EMS	(\$24,500)
	Net Decrease to EMS Fund Ending Cash	(\$24,500)
PARK ACQUISITION & DEVELOPMENT FUND		
New Item	Lighthouse Park Artwork not finished in 2010 - carryover	(\$11,000)
New Item	Increase Beginning Cash for art project not finished in 2010	\$11,000
	Net Change to Park Acq. & Dev. Fund Ending Cash	\$0
SURFACE WATER MANAGEMENT FUND		
174	Decrease grant revenues	(\$200,000)
174	Remove DP from budget	\$235,000
107/108	Increase Professional Services Expense for Wetland Mitigation	(\$24,000)
New Item	City Received Dept. Of Ecology Grant for \$23,000	\$0
	Net Increase to Surface Water Fund Ending Cash	\$11,000
EQUIPMENT REPLACEMENT FUND		
111	Add interfund loan repayment to budget	\$48,500
135	Increase Fire Marshal vehicle replacement cost	(\$4,000)
	Net Increase to Equipment Replacement Fund Ending Cash	\$44,500
	Net Increase (Decrease) All Funds	(\$245,600)



CITY OF MUKILTEO PROFILE

General Information

On January 22, 1855, a peace treaty was signed in Mukilteo between the Governor of Washington and 82 Native American leaders, representing 22 tribes. Several years later, in 1858, the Jacob D. Fowler family of Poughkeepsie, New York, established the first white settlement in Snohomish County on the northern point of Mukilteo. Mukilteo served as the first county seat of Snohomish County from 1861 until 1897. The City of Mukilteo, as we know it today, was incorporated May 8, 1947.

The City of Mukilteo is a scenic waterfront community on Puget Sound, located less than 25 miles north of downtown Seattle. The natural beauty of the Pacific Northwest is showcased in the many spectacular views of the Olympic Peninsula and Olympic Mountains to the west, Whidbey Island to the northwest, and the Cascade Mountains to the north and east.

Money magazine also credits Mukilteo's locale in its 2009 "100 Best Places to Live in America" ranking. Money magazine ranked Mukilteo as the tenth Best Place to Live in America, stating: "Mukilteo happens to be drop-dead gorgeous, with views of Puget Sound, the Olympic Mountains, and the Cascades. More reasons to love it: top-notch schools and low property taxes."

Mukilteo Lighthouse Park is the home of the historic Mukilteo Light Station. The park's beautiful beaches are popular for beach-combing, picnicking, scuba diving, crabbing, and provide boat-launch access as well. The former Washington State Park was deeded to the City in 2003. In 2004, the City adopted a Lighthouse Park Master Plan to make physical improvements to the approximately 14.4 acre site. Phase I of the Plan was completed in 2009, providing new restrooms and maintenance facilities, covered picnic shelters, a playground, fire pits, landscaping improvements, and parking areas. Phase II was completed in 2010, and includes improvements to the street adjacent to the Mukilteo Light Station, as well as restroom facilities and a performance platform.

The Mukilteo-to-Clinton (Whidbey Island) ferry service is one of Washington State Ferries' highest volume runs, carrying over 2.3 million vehicles, and over 4 million passengers every year. Sounder commuter rail service provides four daily round-trip trains from Mukilteo Station to King Street Station in Seattle.

While the City is known as a "bedroom community" it is also located at the northern end of the Technology Corridor which extends from Bellevue to Mukilteo and is the home of many professional, service and light industrial manufacturing businesses. The Boeing Company's largest manufacturing site is located just east of the City of Mukilteo, and houses production lines for the 747, 767, 777 and the new 787 Dreamliner. Boeing facilities located within the City of Mukilteo employ over 600 people.



Mukilteo received Standard & Poor's highest AAA credit rating for the City's 2009 \$12.585 million new Community Center limited-tax obligation bond issue. Standard & Poor's rationale for issuing their highest credit rating include:

- "What we consider to be very strong wealth and income levels;
- Maintenance of very strong unrestricted fund balances;
- Low-to-moderate debt burden with low carrying charges."

The City provides citizens a City Hall, Community Center, Police Station, two Fire Stations, and a Public Works Facility. In 2010 the City received a \$1 million grant for the purchase of 16.75 acres of open space in the Japanese Gulch area. The purchase brings City owned open space acreage up to 374.03 acres. The City also owns 57.5 acres of parks, and 83.6 acres of tideland.

The City celebrated the grand opening of the Community Center on February 5th 2011. The new Community Center offers beautiful views of Puget Sound, provides space for recreation classes, special events, meetings, senior room, exercise room, game room and relaxation. For more information regarding the new Community Center, visit the City's website at:
<http://www.ci.mukilteo.wa.us/Page.asp?NavID=145>

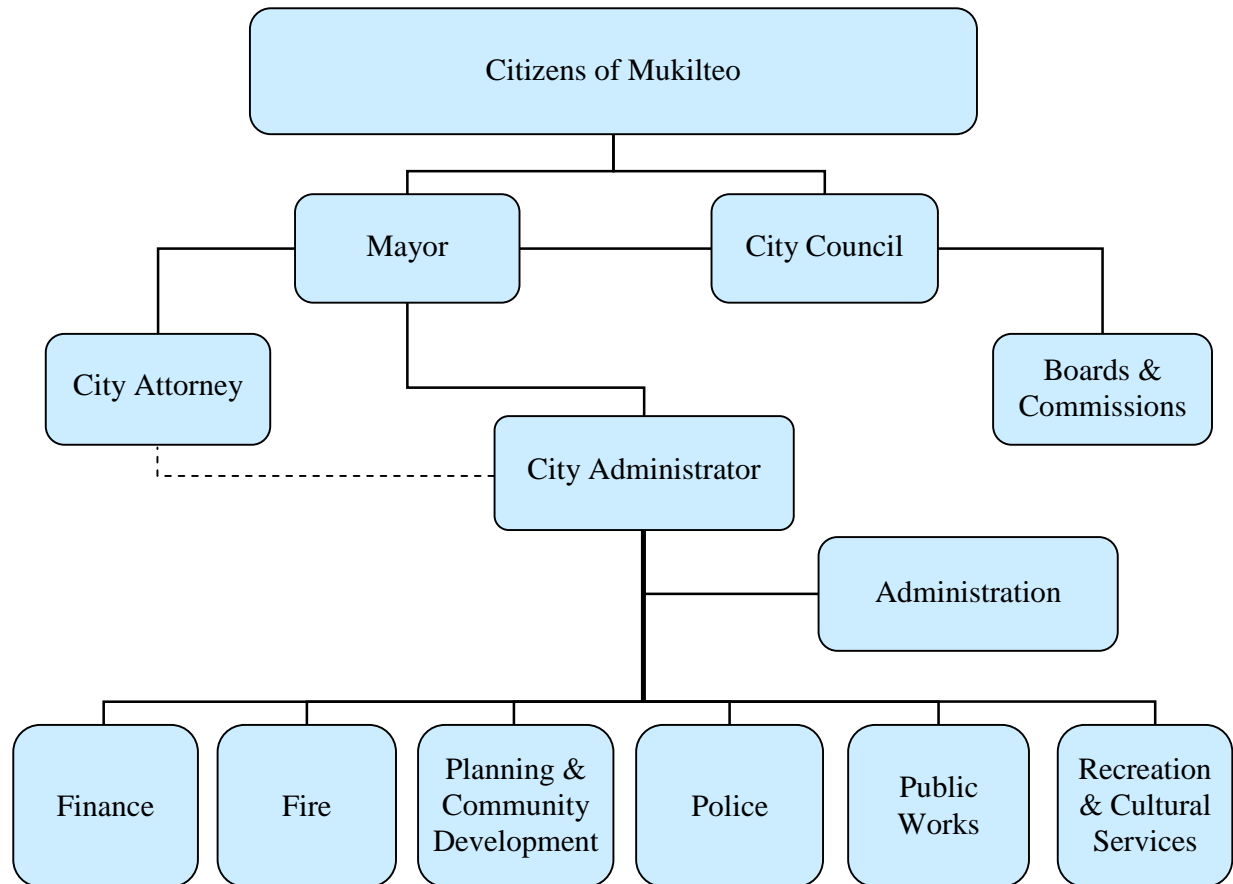
Form of Government

The City operates as a non-charter code city with a Mayor-Council form of government under the provisions of Revised Code of Washington (RCW) 35A et al. This form is commonly referred to as an "optional code city" that essentially enjoys all the rights and privileges granted to larger cities or charter cities. Legislative authority is vested in a seven member City Council. Council members are elected by position number to four-year overlapping terms. Three to four council members are up for election every two years. The Council is composed of a president and vice-president who are elected by the Council for a one-year term each.

The Mayor serves as the Chief Executive Officer and is elected to a four-year term by general election. The Mayor appoints the City Administrator, with confirmation by the Council. The City Administrator oversees all City operations and implements policy direction.



City of Mukilteo Organizational Structure



The municipal government consists of eight departments, some with multiple divisions. While multiple divisions may report to the same director, the department directors are selected by the Mayor and City Administrator and confirmed by the City Council. Department Directors report to the City Administrator.

The **Legislative Department** includes the City Council. It is responsible for establishing policy direction through adoption/approval of ordinances and resolutions.

The **Executive Department** is headed by the City Administrator, and consists of the Administration, Human Resources, and Legal divisions. The department provides overall management direction to the City by implementing policy direction. The Human Resources division provides support services through recruitment, selection and training of employees. The City contracts for legal services with an outside legal firm. This department is also responsible for the management of Community Services.



The **Finance Department** is responsible for accurate recording of all receipts and disbursements. The department issues bi-monthly payrolls; maintains a capital asset system; compiles the annual budget; and prepares the City's Annual Financial Report. This department is also responsible for all City-wide information technology (IT) needs and other governmental services. This department is headed by the Finance Director.

The **Fire Department** has two fire stations: one centrally located on 47th Pl W, and the other located near the waterfront at the north end of the City. The Fire Department includes five divisions: The Fire Administration division, headed by the Fire Chief and Assistant Fire Chief, provides direction to Department personnel in accordance with goals and objectives, oversees the operating budget, develops strategic planning, emergency management, and performs program documentation, processing and archiving services. The Fire Prevention division provides fire safety inspections, fire prevention education and other community services. The Training division is responsible for all aspects of training and safety. The Fire Suppression division renders fire suppression, hazardous material and technical rescue services to the community and local region. The Emergency Medical Services division provides advanced life support and basic life support services to the community with trained paramedics and emergency medical technicians.

The **Police Department** enforces local, State and Federal laws in addition to protecting citizens and their property. The Police Department is located in a separate facility on 47th Pl W. The department, headed by a Police Chief and assisted by a Commander, consists of five divisions. The Administration and Support Services division consists of records, evidence, customer service and clerical functions. The Patrol division performs uniformed patrol, traffic enforcement, arrest, and response to calls for assistance. The Special Operations division performs investigative services. The Crime Prevention division activities include media releases, Citizen Police Academies, coordinating the City's National Night Out Against Crime Event, and presentations to schools, civic clubs, block watch groups and homeowner associations. The Training division monitors training requirements and implements programs to assure that state requirements are met.

The **Planning and Community Development Department** consists of three divisions: Planning and Community Development, Permit Services and Building. The Planning and Community Development division is responsible for guiding the City's physical development by preparing long-range plans, reviewing and approving land use permits, drafting and processing municipal code amendments, manages the City's geographic information system (GIS), provide staffing support for Parks & Arts and Planning Commissions and enforcing land use regulations. The Permit Services division processes and issues permits, provides administrative support for both Planning and Community Development and Engineering staff, serves as the first point of public contact for telephone and visitors to City Hall, coordinates the parking stall rentals and handles cashing. The Building Division enforces the City's adopted building and mechanical codes by reviewing plans, approving building and mechanical permits and inspecting construction. The department is headed by the Planning and Community Development Director.

The **Public Works Department** is responsible for the planning, design, construction and maintenance of City owned infrastructure, facilities, buildings, streets, landscape and fleet. This



department also provides engineering services for design, review, and inspection of private development projects. The department is headed by the Public Works Director.

The **Recreation and Cultural Services Department** provides recreational opportunities to citizens through the Community Center and coordinates Lighthouse Park shelter rentals. The department is headed by the Recreation and Cultural Services Manager.



A pod of Orcas swim near Lighthouse Park during the grand opening celebration of Rosehill Community Center on February 5, 2011.

Photograph courtesy of Chris Larson

THE BUDGET PROCESS

Under RCW 35A.12, the Mayor is responsible for proposing an annual budget to the City Council. The City's budget year runs from January 1 to December 31.

The annual budget serves five essential purposes: 1) Legal compliance – sets forth expenditure limits by fund; 2) Financial Plan – projects revenues and expenditures for the ensuing year; 3) Policy Document – reflecting how approved city expenditures are consistent with overall city policies; 4) Management Tool – documenting service level commitments made by the City departments; and 5) Public Information Document – describes the City's financial condition, its service objectives for the budget year, and the funding sources available to meet the objectives.

To assure that the budget satisfies each essential purpose, the City follows an established process. The process involves the Mayor, City Council, City Administrator, Department Directors, and the public in deliberation periods and decision points. The Mayor and City Council discuss and designate budget priorities. Expenditure requests from operating departments and revenue projections for the entire City are reviewed and evaluated. The public participates through direct contact and in public hearings with the City Council, commissions and advisory boards.

A Baseline Budget approach is used to begin the budget development process. A Baseline Budget is the minimum budget needed to offer services to citizens, without cutting back on any services. The baseline is established by the Finance Department by utilizing the prior year amended budget less all one-time expenditures as identified during the prior year budget process. The baseline budgets include mandated increases. Mandated increases are costs that are out of Department control. Examples are salaries, benefits, and utilities.

Departments requesting funds for additional expenses are required to prepare a Decision Package. The Decision Package assists decision makers in understanding:

- What staff is requesting
- Why staff is requesting the item
- Alternatives, if applicable
- Source(s) of funding for the request

After baseline budgets and decision package requests are developed, a series of meetings are held to discuss each department's decision packages with the Mayor, City Administrator, and Finance Director.

In October of each year, the Mayor presents the Preliminary Budget to the City Council and the community. During October, November and December, a series of public hearings is held and the Council reviews and amends the budget as needed. Several changes were made to the 2011 proposed budget, which are listed on page vi (following the Mayor's Budget Message.) When the budget process is complete, the Council formally adopts revenue and expenditure actions to implement the final adopted budget. The City's budget calendar is presented on page 9.

Budget Execution/Amendments

The adopted budget is recorded in the City's accounting system in detailed expenditure and revenue accounts, which are monitored throughout the year. Monthly reports of the City's financial status are made to the Mayor, City Council, and City Administrator, and are posted on the Financial Reports section of the City's website: www.ci.mukilteo.wa.us.

The budget is amended quarterly, as needed. The Mayor and City Administrator are authorized to transfer budgeted amounts within any fund. However, revisions that alter the total expenditures or revenues of any fund must be approved by the City Council through a budget amendment ordinance.

Unused Appropriations

Unused appropriations lapse at year-end. If needed in the following year, they must be re-appropriated in the next year's operating budget.

Budgetary Basis

The budgetary basis refers to the form of accounting utilized throughout the budget process. The City prepares its budgets on a cash basis in accordance with State Law (Revised Code of Washington 35A.33). Using this basis, transactions are recognized only when cash is increased or decreased. This budget basis is consistent with generally accepted accounting principals (GAAP).

Calendar year budgets are adopted by the City Council for the general fund, special revenue funds, debt service funds, enterprise funds, internal service funds, and capital projects.

The financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting. For governmental type funds, revenues are recognized when susceptible to accrual; when they are measurable and available. Expenditures are recorded when the related debt is incurred, except for unmatured interest on general long term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. For Enterprise funds, the measurement focus emphasizes the determination of net income. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred.

Budget Development Calendar

	Item	Deadline
I.	Budget Committee (Mayor, City Administrator, Finance Director, Accounting Services Manager) meet to discuss budget plan.	March-April
	A. Review budget development calendar dates	
	B. Review baseline budget process & decision packages	
	C. Establish agenda & Council workshop schedule	
II.	Council Workshop - Budget Priority Setting & Long-range Financial Planning	May/June
III.	Base budget preparation	June/July
	A. Departmental expenses updated	
	1.) Mandatory (non-employee) cost increases added	
	2.) Year-end expense estimates submitted	
	3.) Decision packages submitted	
	B. Revenue projections - department revisions submitted	
	C. Employee salaries and benefits updated	
	D. Central service charges updated	
	E. Capital projects reviewed/updated	
	F. Staff request their respective Commissions to submit budget suggestions	
IV.	Budget instructions delivered to department directors	July
V.	Commission & committee budgets submitted	August
VI.	Council Workshop - internal service (IT, Facilities & Equipment) rates	August
VII.	Preliminary budget preparation	September
	A. Department director meetings with budget committee	
	B. Budget balancing	
VIII.	Mayor's Budget Address	October
	A. Preliminary budget presented to Council, citizens.	
IX.	Public Hearings & Budget Adoption	
	A. Public Hearing I	1st week in November
	B. Public Hearing II	2nd week in November
	C. Public Hearing III	3rd week in November
	D. Public Hearing IV	4th week in November
	E. Public Hearing & Adoption	4th week in November
X.	Property Tax Hearing & Adoption	November/December

Budget Calendar Summary

March/April – The Mayor meets with the City Administrator and Finance Director to provide overall budget priorities. The annual budget preparation calendar is presented to Council, Mayor and staff by the end of March.

May/June – The Council holds workshops to set budget priorities and review the Long-range Financial Plan.

June/July – The Finance Department develops the baseline budget and budget worksheets for distribution to Department Directors. The Finance Director distributes the budget instructions and forms along with the directions for the preliminary budget preparation.

July/August – The City Administrator meets with Department Directors to hear general departmental concerns, priorities and goals.

August/September – Departments develop and submit budgets and personnel information to the Finance Department. The Finance Department compiles the departments' requests for the Mayor and City Administrator's review.

September – The Mayor, City Administrator and Finance Director hold meetings with individual departments to review the budgets. Following the meetings, Mayor and City Administrator meet with the Finance Director to make final decisions, and the Finance Department prepares the preliminary budget document and supporting information for presentation by the Mayor to the City Council and to the public.

October – The Preliminary Budget is presented to the Council in October. RCW 35A.33.052 requires that the recommended preliminary budget be filed with the city clerk at least sixty days before the beginning of the city's next fiscal year, and that copies of the preliminary budget and budget message be made available to taxpayers not later than six weeks before the beginning of the city's next fiscal year.

November/December – the City Council holds budget work sessions to review and discuss the Mayor's Preliminary Budget proposal. Preliminary recommendations are developed and formal public hearings are held to allow the public to comment on the annual budget. After these hearings, the City Council may make amendments before adopting the budget.

December – The Council amends the budget as needed and formally adopts revenue and expenditure actions to implement the final adopted budget.

Quarterly review – The budget is reviewed after the close of each quarter throughout the budget year, and is amended as needed in April, July, October and December of the budget year.

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.

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 2011 adopted 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. Factors influencing revenue forecasts for the 2011 budget are addressed in further detail beginning on page 25.

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. Information regarding each fund is included in the "Funds by Fund Class" section that begins on page 57.

City of Mukilteo 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.

1) Operating Budgets¹ – Overall

- a) The budget should be a performance², 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.
- b) The Finance Director shall prepare and present the annual budget preparation calendar to Council, Mayor and staff by the end of March each year.
- c) 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.
- d) 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.
- e) 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.
- f) 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.

2) Fiscal Integrity

- a) 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.
- b) In years when City Council approves operating budgets with ongoing costs exceeding ongoing revenues, the City's "Gap Closing" Policy must be invoked.
- c) 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.³

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

²The City currently does not have a formal performance plan, even though the Budget Policy mentions that the City's Annual Budget should include one. The development of a "Performance Plan" will be a priority for completion during 2011.

³Carryover balances can only be calculated in years when revenues exceed expenditures & actual revenues exceed budgeted revenues.

- d) 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.
 - e) Mitigation fees shall be used only for the project or purpose for which they are intended.
 - f) The City will maintain a balanced budget which is defined as planned funds available equal planned expenditures and ending fund balance.
- 3) Revenues
- a) Generally revenues estimates shall not assume growth rates in excess of inflation⁴ 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.
 - b) Investment income earned shall be budgeted on the allocation methodology, i.e., the projected average monthly balance of each participating fund.
- 4) Internal Services Charges
- a) 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.
- 5) Reporting
- a) 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. (See monthly Fund Progress Report posted on City website.)
 - b) 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.
 - c) 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 (See the Capital Facilities Plan). 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.
- 6) Citizen Involvement
- a) Citizen involvement during the budget process shall be encouraged through public hearings, worksessions, website and surveys.
 - b) Involvement shall also be facilitated through Council appointed boards, commissions and committees that serve in an advisory capacity to the Council and staff.
- 7) Fees
- a) 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.
 - b) Fees may be less than 100% if other factors, e.g., market forces, competitive position, etc., need to be recognized.

⁴Consumer Price Index, Urban – Seattle average of June to June will be used as growth rate of inflation

8) Capital Budget – Fiscal Policies

- a) 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.)
- b) 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.
- c) 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%.
- d) 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:
 - 1) Impacts to other projects
 - 2) Funding sources
- e) Capital project proposals shall include all reasonably attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.
- f) 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 & Procedures⁵ as amounts greater than \$30,000 for single craft or trade and greater than \$50,000 for two or more crafts or trades.
- g) At the time of project award, each project shall have reasonable contingencies also budgeted:
 - i) 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.
 - ii) 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.

⁵Procurement Policies & Procedures can be found on the City's website: <http://www.ci.mukilteo.wa.us/files/doc-procurement-policy-finance.pdf>

- iii) 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.
 - h) Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
 - i) 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.
 - j) 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.
 - k) 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.
 - l) A capital project will not be budgeted unless there is a reasonable expectation that funding is available.
- 9) Debt Policies
- a) Debt will not be used for operating costs.
 - b) Whenever possible, the City shall identify alternative sources of funding and availability to minimize the use of debt financing.
 - c) Whenever possible, the City shall use special assessment, revenue or other self-supporting debt instead of general obligation debt.
 - d) 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.
 - e) Long-term general obligation debt will be issued⁶ 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.
 - f) The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.
 - g) 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.
 - h) 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%).

⁶In September 2009 the City sold \$12,585,000 in Long-Term General Obligation Bonds to fund construction costs for a new Community Center building. See page 73 for further information regarding debt service funds.

City of Mukilteo 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.

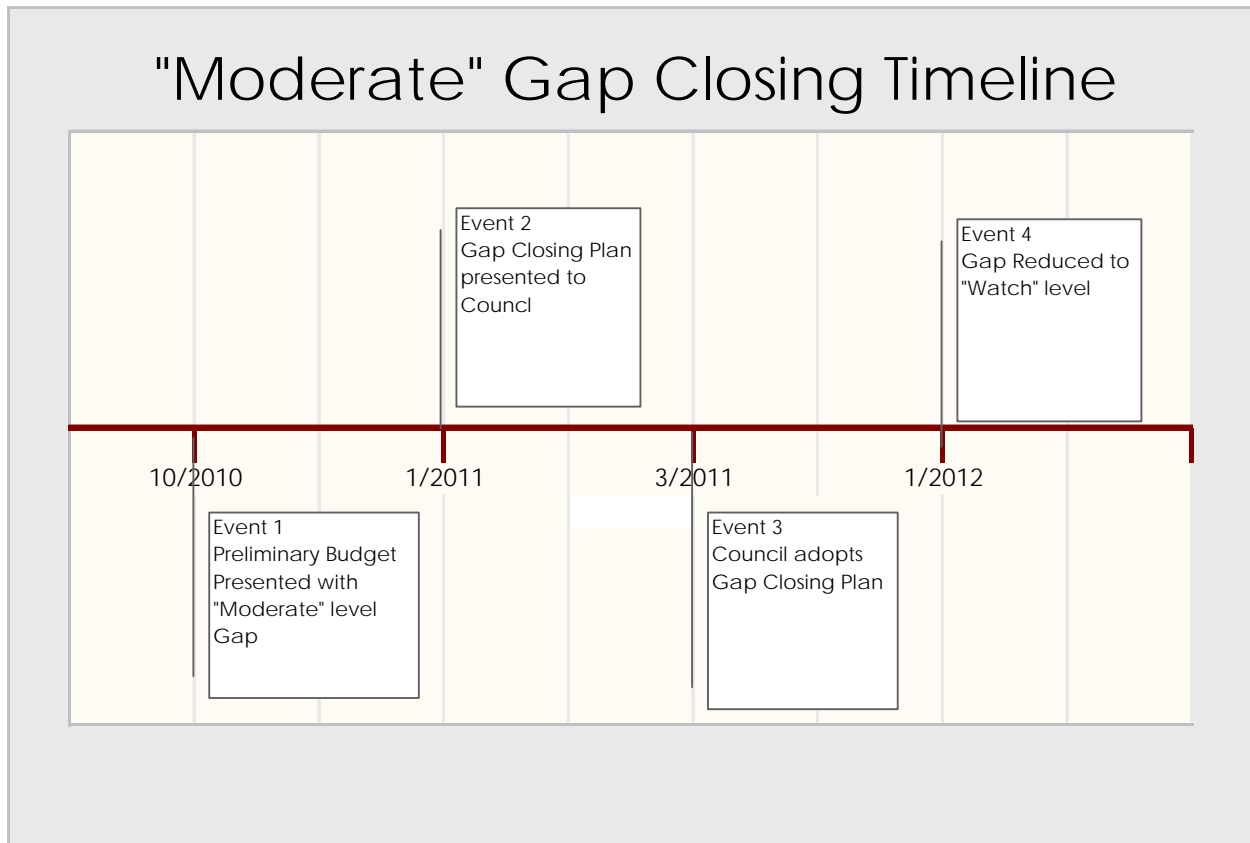
D. Gap Closing Strategy

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.

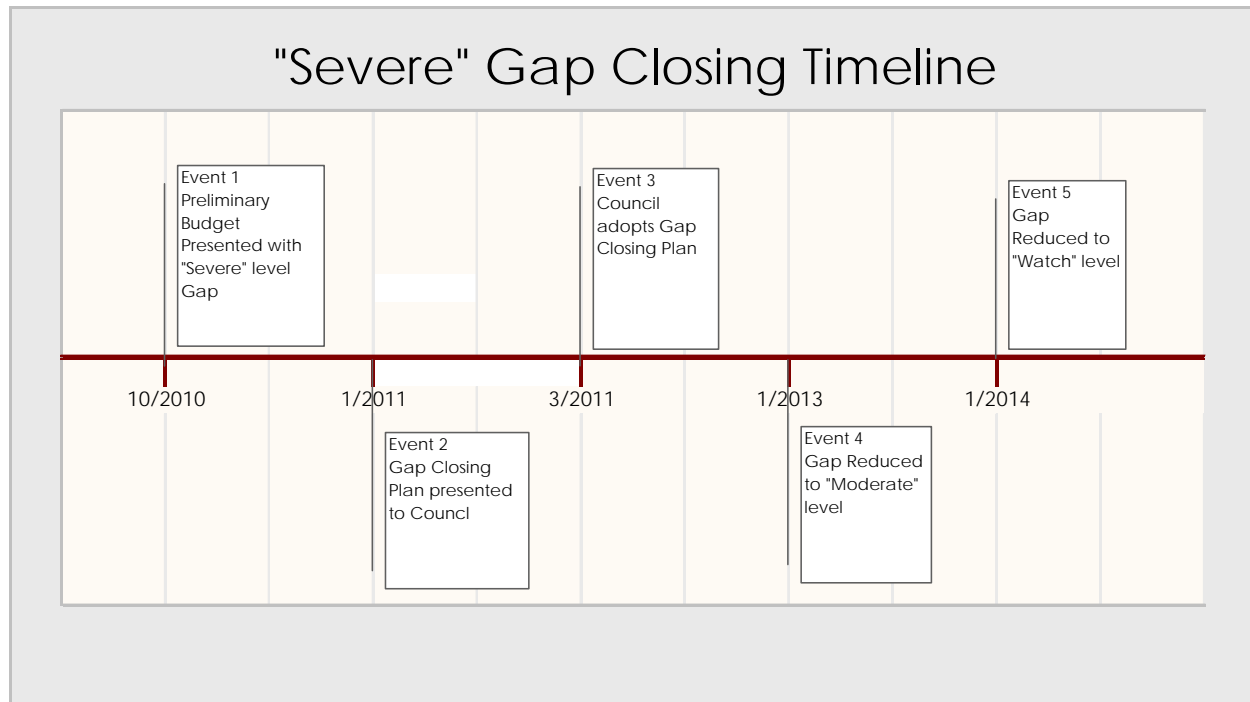
- Moderate – The Mayor or Mayor’s designee has to present a Gap Closing Plan to Council within three months of Finance Director’s initial Gap report indicating that a “Moderate” Gap is anticipated within one of the next three years. The plan must include details explaining how the City will move the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



- 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.

City of Mukilteo 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.

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 2011 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.

LONG-RANGE FINANCIAL PLAN DEVELOPMENT

What is a “Long-range Financial Plan?”

A Long-range Financial Plan (LRFP) provides a “road map” for where the City wants to go financially and how it plans to get there, by combining financial forecasting with financial strategizing. The LRFP is intended to serve as a tool to identify problems and opportunities, and to provide Council, citizens and staff with the insight required to address issues impacting the City’s financial condition. The City’s plan will have a multi-year planning horizon: with three to five years for projecting current operations and philosophically addressing issues beyond five years.

Why do we need a Long-range Financial Plan?

A Long-range Financial Plan is needed as a communication aide for citizens, staff and rating agencies. When Council and staff receive questions from constituents, the LRFP will help provide an answer that is factually supported and provides constituents with a consistent answer. The LRFP clarifies the City’s financial strategic intent and imposes discipline on decision makers by highlighting the cumulative effects of decisions.

Who Benefits From Having a Long-range Financial Plan?

- Citizens – Effective financial stewardship enhances the quality of life for a community – increasing the desirability of the community as a place to live.
- Council – Long-range financial plans offer guidance to new Council members. The plan also serves as an ongoing context for Council decisions, thereby providing consistency and quality control.
- Businesses looking to operate in the City – Long-range financial plans increase certainty for business decisions which in turn increases the desirability of the community as a place to locate.
- Department heads & staff – from knowing the City’s financial future is a priority with Council & Mayor.

How is the Long-range Financial Plan Developed?

The City Council sets financial goals & priorities with input from citizens. The LRFP Team relies on these goals & priorities to develop the LRFP, for Council to adopt. The development of a Long-range financial plan can be broken down into four major phases:

- 1) **The mobilization phase** puts in place the cornerstones for financial planning: resources to undertake planning, preliminary financial analysis, definition of the underlying purpose of the planning process, the City’s service-level preferences, financial policies, and the scope of the planning effort.
- 2) **The analysis phase** focuses on the City’s financial position, making long-term projections, and then analyzing the City’s probable future financial position.
- 3) **The decision phase** is where strategies, plans, and adjustments are created and agreed upon.
- 4) **The execution phase** carries the plan forward into action.

Who are the members of the Long-range Financial Planning Team?

The Core Team includes two City of Mukilteo Citizens, three City Council Members, the Mayor, the City Administrator and the Finance Director.

Long-range Financial Planning Team Members - 2011**Core Team**

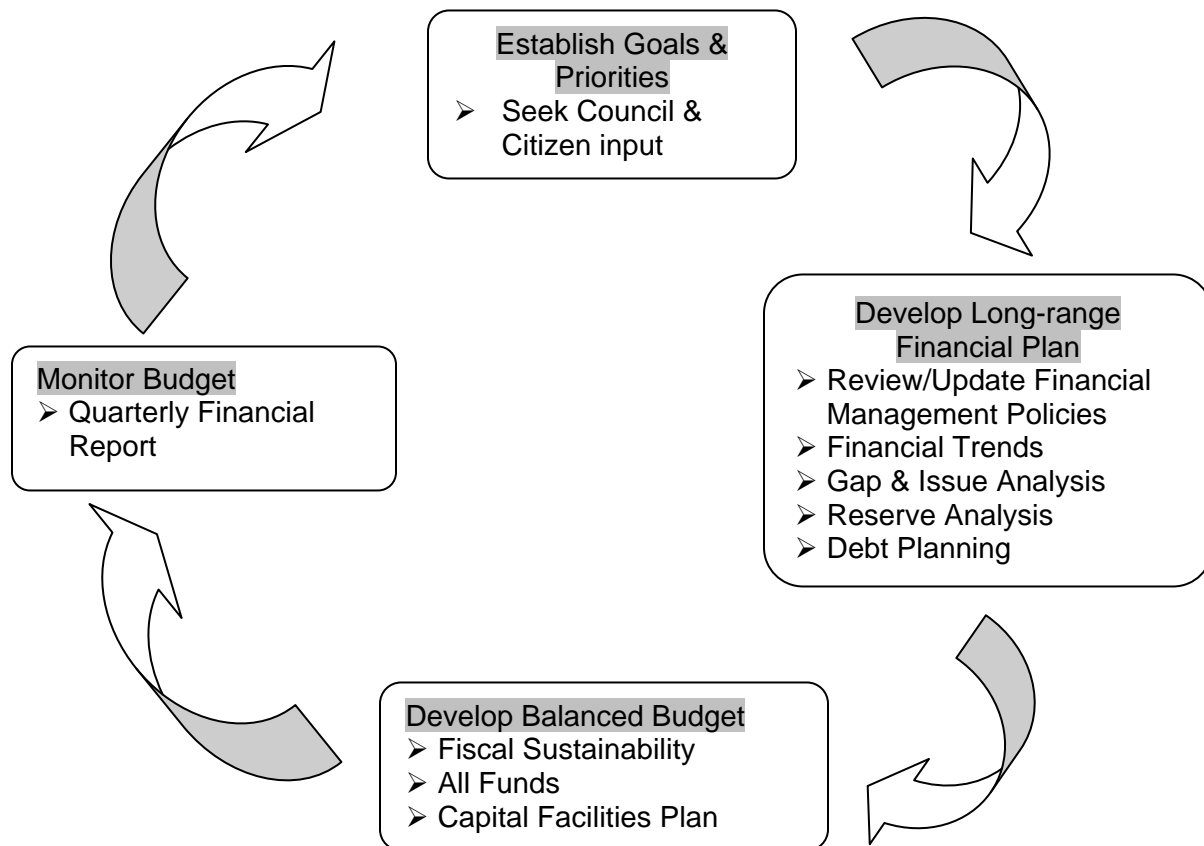
- Citizens
 - Luann Ferguson, CPA
 - Russell Rosendal
- Council
 - Richard Emery, Council President
 - Linda Grafer, Council Member
 - Randy Lord, Council Member
- Staff
 - Joe Marine, Mayor
 - Joe Hannan, City Administrator
 - Scott James, CPA, Finance Director & LRFP Team Chair

Capital Projects Team

The long-range plan must be related to other planning processes such as the Comprehensive Plan and the Capital Facilities Plan, a summary of which is included on page 179. The Capital Projects Team is responsible for drafting these plans and will help integrate these plans into the long-range plan.

- Staff
 - Heather McCartney, FAICP, Planning & Community Development Director
 - Larry Water, P.E., Public Works Director

Long-range Financial Plan Cycle



Current Issue and Objective

The Long-range Financial Planning team has identified the following item as the principal issue facing the City of Mukilteo in 2011:

Issue: Close the General Fund “Gap”

Background: For 2011, the General Fund Budget has the City spending \$963,200 or 8.2% more than it takes in revenues. The City’s recently adopted Gap Closing Policy, beginning on page 16, stipulates that when anticipated expenditures exceed anticipated revenues in any of the next three years, a plan of action must be taken to close the “gap.”

Objective: Implement corrective action minimizing impacts to both citizens and staff and position the General Fund to sustain on-going operations by bringing fiscal discipline to the table.

Financial Forecast

The Financial Forecast portion of the Long-range Financial Plan is currently in draft form and has not been presented to Council for their input or acceptance. The LRFP Team will present a draft Long-range Financial Plan to the Mukilteo City Council in May of 2011.

The objective of the Financial Forecast is to provide a summation of the City's Long-range Financial Planning "road map," by showing where the City expects to receive and spend General Fund money over the next four years. The Forecast will combine financial trends, assumptions and financial strategizing with the intent to provide a tool for decision makers to foresee problems and opportunities, and also to provide a basis for Council, citizens and staff to discuss policy.

As the plan continues to take shape, Council Members, Citizens and City staff members will be asked to contribute their perspectives on topics like infrastructure needs, land use and human resources. Once the LRFP is completed and adopted by the City Council, staff will utilize the LRFP as part of the budget development process and will provide the City Council with quarterly reports on progress.

For readers interested in obtaining the City financial forecast, we invite you to follow City Council meetings and subsequent action beginning in May 2011.

REVENUE TREND ANALYSIS AND ASSUMPTIONS

Objective

The purpose of the financial trend analysis and assumptions is to provide a tool to identify, and analyze the effects of, factors that have a potential impact on the City's financial health. The financial trend analysis focuses on the General Fund, the City's primary operating fund.

Background

Data used in developing this financial trend report is primarily drawn from the City's financial software and the City's Comprehensive Annual Financial Reports.

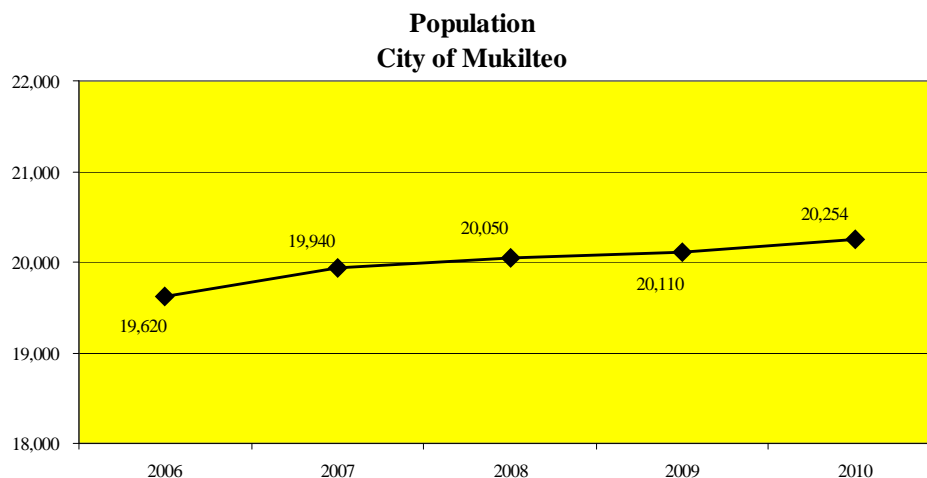
Financial Indicators and Related Factors include:

- 1) Population trend
- 2) Historical revenue and expenditures trends analysis
 - a) The types and amounts of General Fund revenues: Are they sufficient, and does the City have the right mix to support the demands as the City grows?
 - b) General Fund expenditure levels: Are these expenditures sufficient to provide the desired level of services currently and as the City continues to grow?
 - c) Operating surplus or deficit and the resulting impact upon the current City financial resources.

Executive Summary

The City's financial trends that follow provide City Council and management with insight into the overall financial position of the City's General Fund, the primary source of funds for City operations. This analysis makes it possible to identify specific areas where new policies should be implemented or existing ones revised.

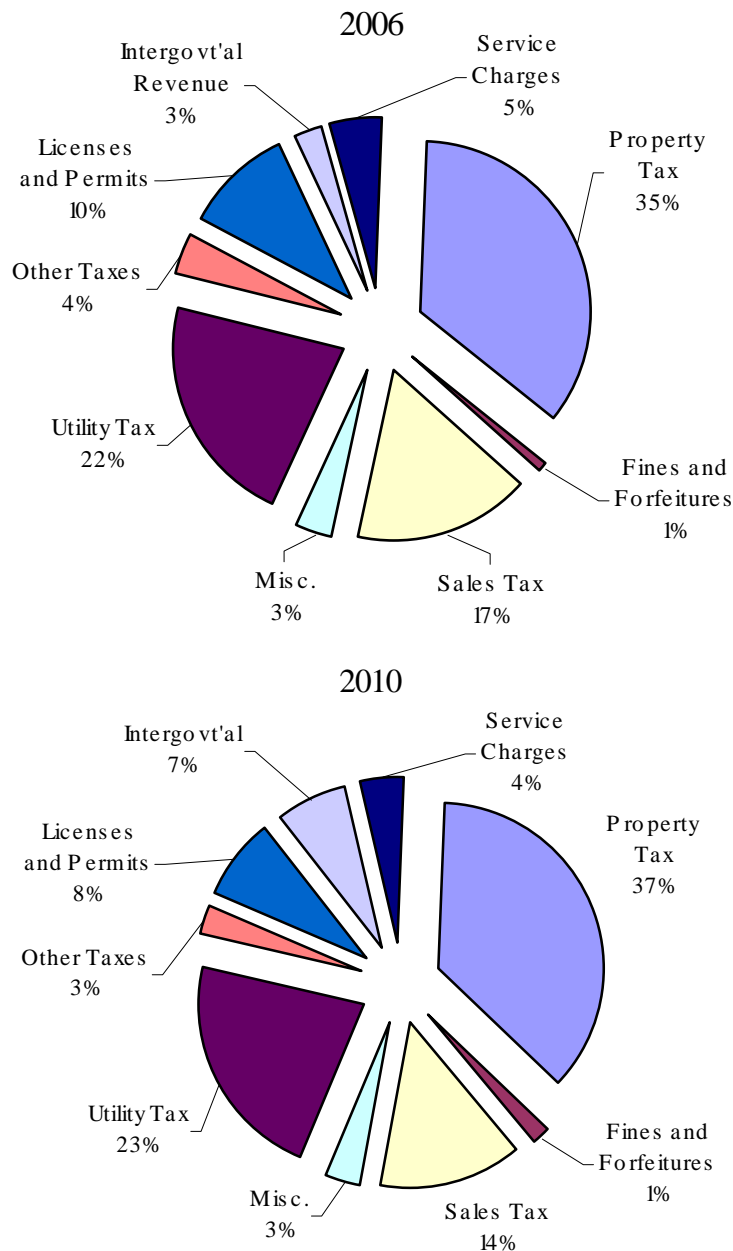
City of Mukilteo Population



Comments: The population for the City of Mukilteo has grown less than 4% over the past five years, or averaging less than 1% growth per year. This slow growth is a signal that City is nearing build out, which also signals that the City should plan for less development related revenues in future years.

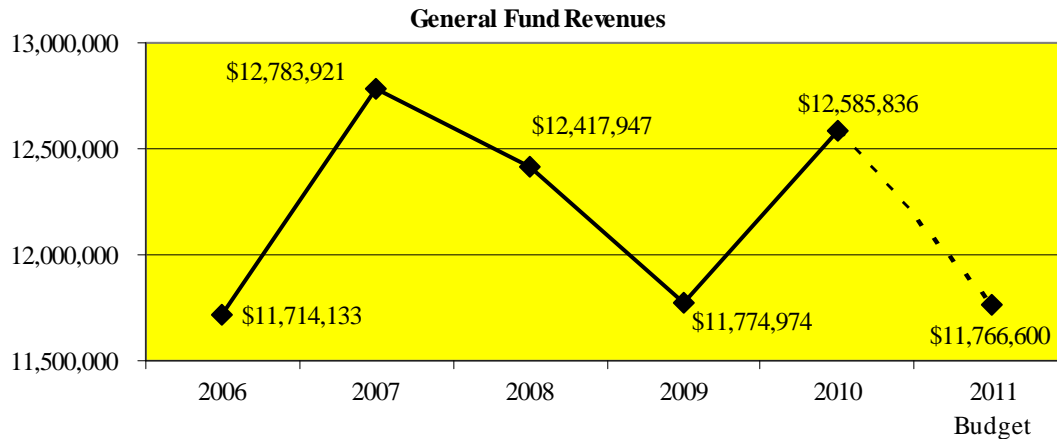
Revenue Trend Analysis

**Comparison of Revenues by Source
FY 2006 vs. FY 2010**

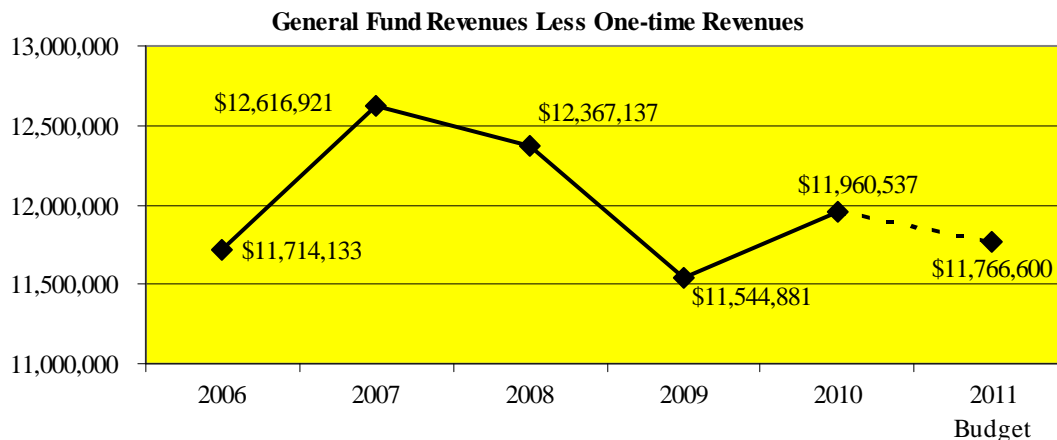


Comments: These charts compare actual General Fund revenue sources from last year to those five years ago. There has been little change in the revenue percentages by source. The current revenue mix has remained very stable over this five year comparison.

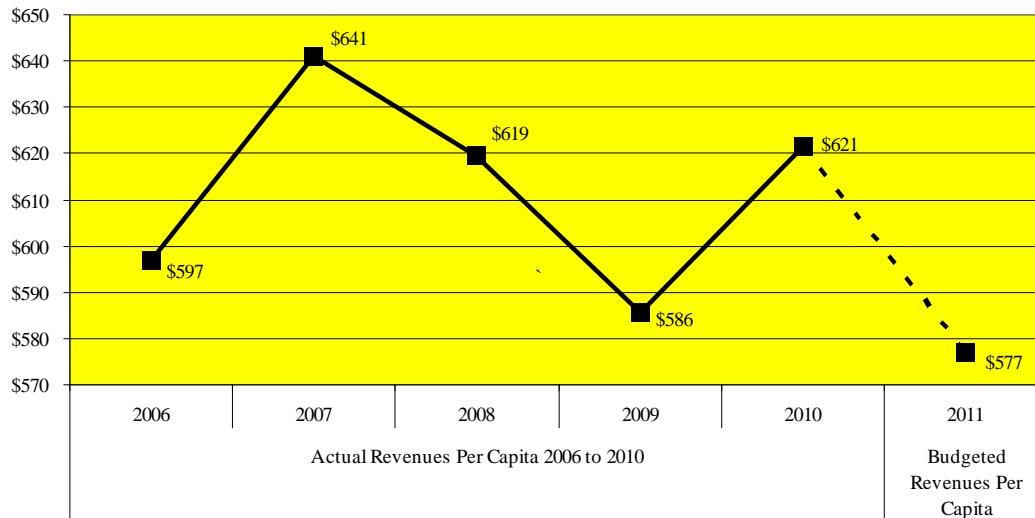
Revenues: The graph below would lead the reader to believe that the 2011 Budget is overtly conservative, since 2010 revenues exceeded those of 2008 and give the appearance that the General Fund revenue's two year skid has ended. However, the 2010 revenues include several unique sources that are truly "one-time" type of revenues and should be removed to give the reader a more accurate view of the City's revenue performance.



“One-time” Revenues: One-time revenues primarily consist of grants and reimbursements from other agencies. The chart below removes all such revenues for all years. In 2010, the City received \$763,299 in one-time revenues: \$292,506 from the Port of Everett to reimburse the City for the Quiet Zone expenses; \$138,000 in Property Taxes from a foreclosure settlement; \$131,958 from an Interfund transfer; \$127,835 from a Homeland Security Grant; and \$73,000 from Sales Taxes generated through City funded projects. These revenues are one-time revenues and will not be received again, thus they should be excluded from this comparison to give a more accurate perspective into the revenue health of the City.



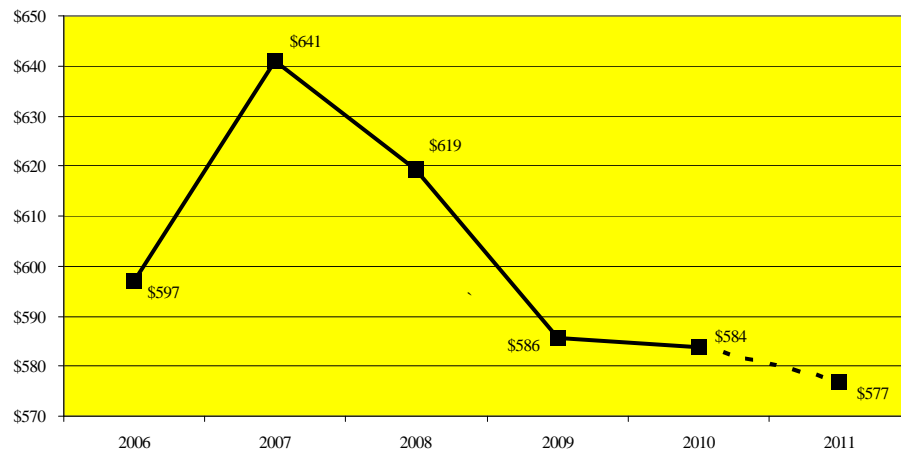
Revenues Per Capita



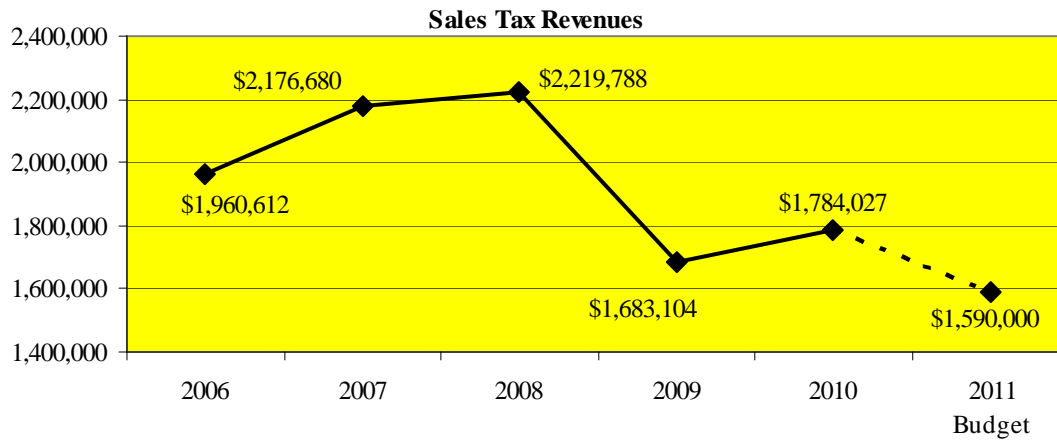
Comments: Anticipated 2011 revenues per capita decreased 10% from the City's 2007 revenue peak. The sharp upward tick for 2010 needs to be looked at closely to more fully understand why such a dramatic turn occurred during an economy that is gaining strength at a much lower pace than this graph appears to indicate. Below is a brief explanation for the reader to see that the large up tick is an aberration vs. a sustainable trend.

As stated above, in 2010, the City received \$763,299 in one-time revenues. These revenues are one-time type of revenues and should be excluded from this comparison to give the reader a more accurate perspective into the revenue health of the City.

Revenues Per Capita: Excluding One-Time Revenues

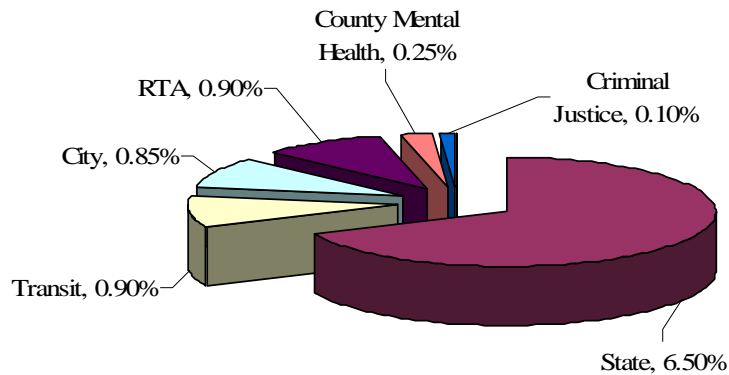


Sales Tax Revenues



Comments: 2010 Sales tax revenues grew 6% or \$101,000 over 2009. \$73,000 of this increase is attributed to City funded projects and an additional \$15,000 comes from a major construction project completed in 2010. The City is anticipating that 2011 sales tax revenues will decline an additional \$194,000 or 10% from 2010 levels primarily due to a drop in construction sales tax receipts.

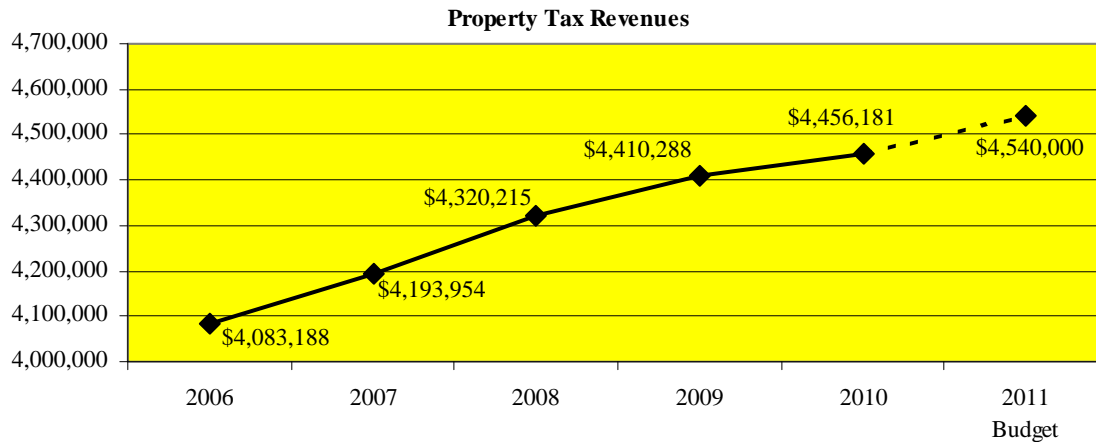
The chart below shows how the 9.5% Sales Tax collected on retail sales with the City of Mukilteo is distributed:



Property Tax Revenues

The City may levy up to \$3.375 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

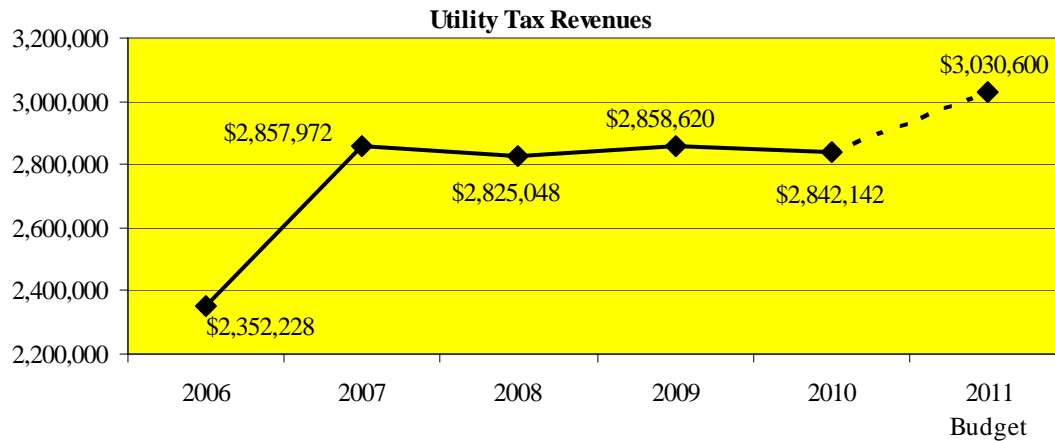
The Washington State Constitution limits the total regular property taxes to 1 percent (1%) of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed that amount, each is proportionally reduced until the total is at or below the 1 percent (1%) limit.



Comments: The City levied 1% property tax increases in 2006, 2009 and again in 2011, \$43,300, \$39,970 and \$44,823 respectively. Additionally, in 2010, the City received \$138,000 from settlement of a foreclosure. The remaining increases were due to new construction. With slowing population growth and a weak economy, future property tax revenues are anticipated to increase only 1.5% annually.

Additional information regarding property taxes is included in the discussion which begins on page 62.

Utility Tax Revenues



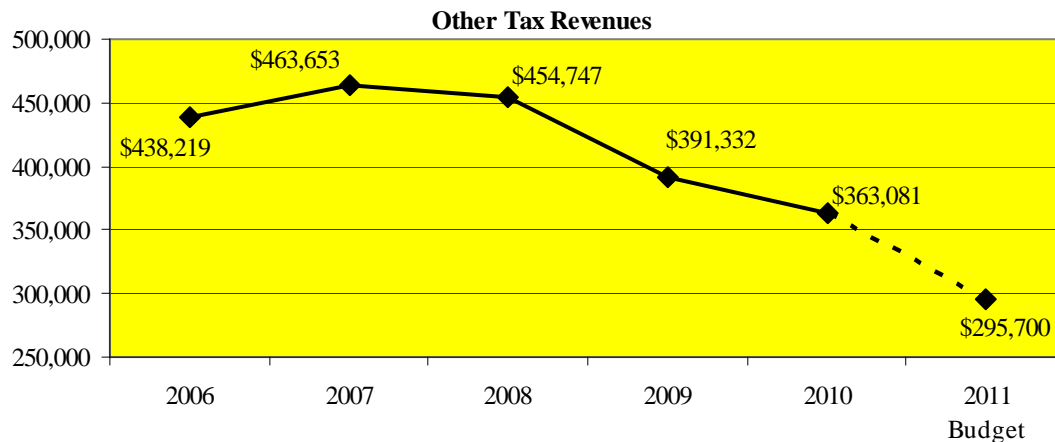
Comments: The City intends to levy a new 2% water and wastewater utility tax in 2011, accounting for the large spike above. Otherwise, utility taxes continue to be a very stable source of revenue for the City during recession and the ongoing recovery.

The chart below offers the reader tax receipts by utility for 2006 to 2010 and anticipated amounts for 2011.

Utilities Taxes						
	2006	2007	2008	2009	2010	2011
Natural Gas	\$296,982	\$505,412	\$494,342	\$519,460	\$472,331	\$500,000
Garbage	\$194,212	\$196,396	\$183,026	\$196,761	\$229,847	\$210,000
Cable	\$296,095	\$337,116	\$359,641	\$366,798	\$369,321	\$365,000
Telephone	\$787,778	\$913,667	\$915,020	\$900,725	\$887,324	\$900,000
Electricity	\$710,564	\$825,415	\$795,933	\$797,509	\$804,979	\$804,800
Water	\$0	\$0	\$0	\$0	\$0	\$77,300
Sewer	\$0	\$0	\$0	\$0	\$0	\$95,200
Storm Drainage	\$66,598	\$79,966	\$77,087	\$77,367	\$78,339	\$78,300
Total	\$2,352,228	\$2,857,972	\$2,825,048	\$2,858,620	\$2,842,142	\$3,030,600

Other Taxes

- Natural Gas Use
- Criminal Justice
- Admissions
- Parking
- Leasehold Excise
- Gambling



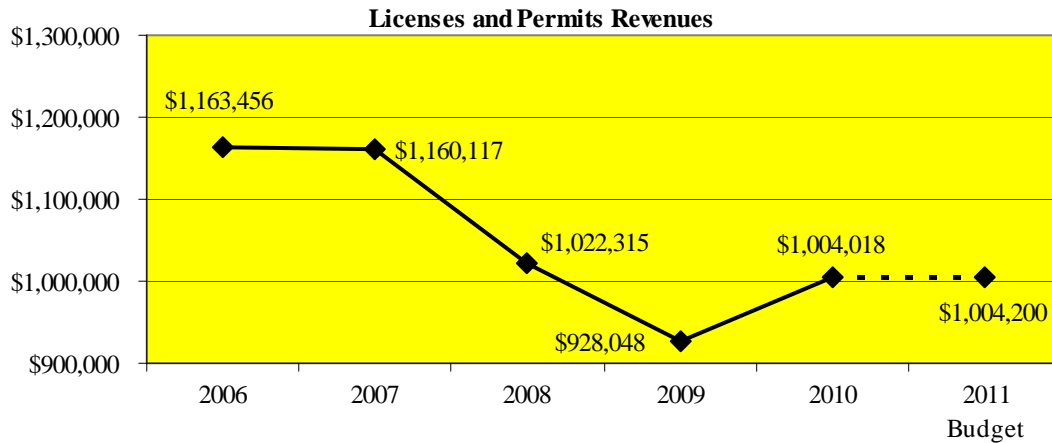
Comments: Both Criminal Justice Sales Tax and Admissions Tax tend to follow the economic ups and downs. Commercial Parking and Gambling taxes both experienced changes during this five year window:

- 1) Diamond Parking lost their contract in May of 2010 when the City took over leasing parking spaces within the City, which explains the drop in Commercial Parking Tax revenues in 2010.
- 2) Gambling taxes came from an establishment that was closed in 2008 to make way for the Washington State ferry lanes.

Other Taxes						
	2006	2007	2008	2009	2010	2011
Natural Gas Use	\$7,574	\$4,180	\$3,291	\$3,036	\$3,287	\$3,000
Criminal Justice	\$301,512	\$321,797	\$303,845	\$259,426	\$260,625	\$240,000
Admissions	\$67,357	\$69,727	\$63,485	\$55,548	\$54,966	\$52,600
Parking	\$52,408	\$57,355	\$76,161	\$68,986	\$38,854	\$0
Leasehold Excise	\$5,223	\$6,939	\$4,955	\$4,336	\$5,348	\$100
Gambling	\$4,146	\$3,654	\$3,010	\$0	\$0	\$0
Total	\$438,219	\$463,653	\$454,747	\$391,332	\$363,081	\$295,700

License and Permit Revenues

- Business Licenses
- Franchise Fees
- Building Permits
- Other Permits (Right-of-way, Signs, Dogs, Guns & Special Events)

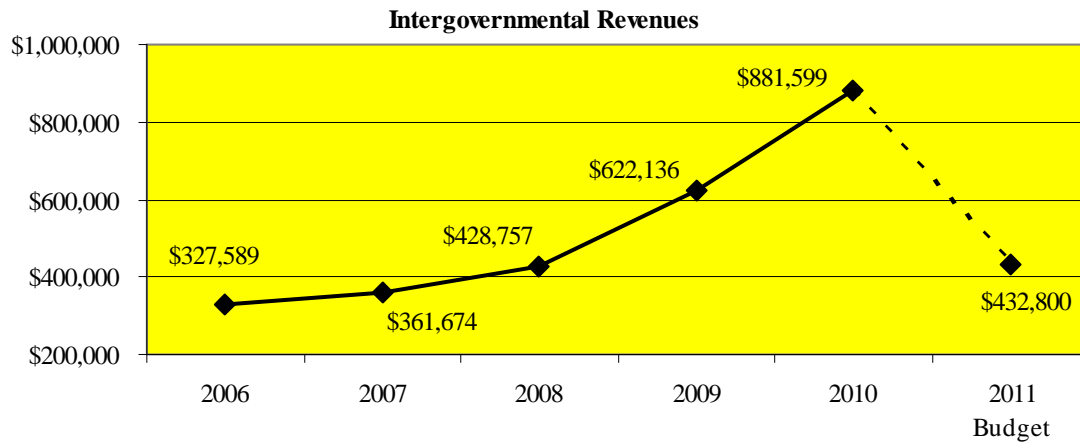


Comments: Declines in building permit revenues were the most significant factor for the drop in license and permit revenues. In 2010, the City implemented a new Garbage Administrative Fee, which generated \$148,000 in new revenues.

Licenses & Permit Revenues						
	2006	2007	2008	2009	2010	2011
Business License	\$323,694	\$418,654	\$380,704	\$434,059	\$352,979	\$346,500
Franchise Fees	\$225,283	\$263,938	\$285,951	\$298,753	\$471,343	\$539,500
Building Permits	\$562,227	\$424,010	\$285,577	\$151,363	\$145,977	\$87,900
Other Permits	\$52,251	\$53,516	\$70,083	\$43,872	\$33,718	\$30,300
Total	\$1,163,456	\$1,160,117	\$1,022,315	\$928,048	\$1,004,018	\$1,004,200

Intergovernmental Revenues

- Liquor Board Profits
- PUD Privilege Tax
- Liquor Excise Tax
- Grants & Interlocal Agreements
- Other

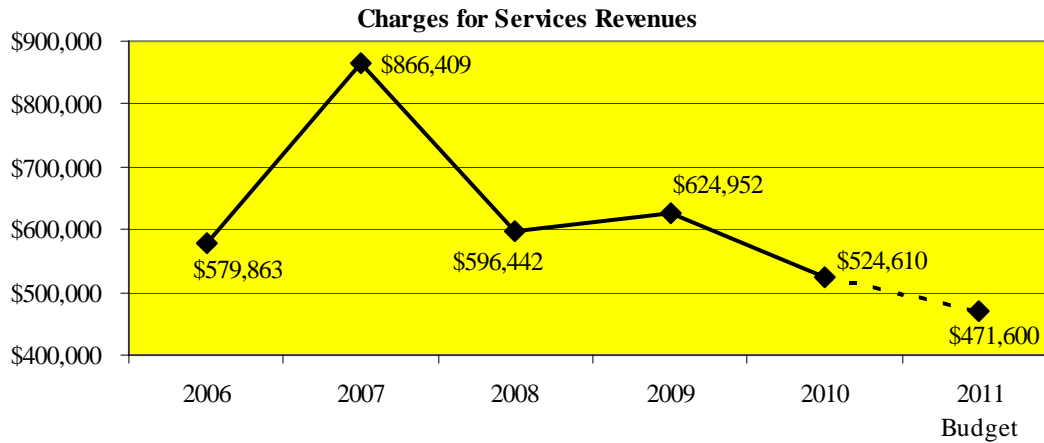


Comments: Some attention should be given to intergovernmental revenues as to the tendencies for depending on these revenues for ongoing operations. Over the past few years, the City has been very successful in garnering grants. However, as Federal and State agencies continue to struggle to balance their budgets, these sources of revenue will be increasingly competitive to receive.

Intergovernmental Revenues						
	2006	2007	2008	2009	2010	2011
Liquor Board Profits	\$125,609	\$188,717	\$157,698	\$137,964	\$160,862	\$142,000
PUD Privilege Tax	\$92,033	\$94,898	\$98,491	\$100,026	\$101,479	\$102,500
Liquor Excise Tax	\$83,025	\$44,195	\$73,047	\$97,979	\$99,648	\$105,200
Grants & Interlocal Agreements	\$4,505	\$10,091	\$73,451	\$257,830	\$486,356	\$46,800
Other	\$22,417	\$23,773	\$26,070	\$28,338	\$33,255	\$36,300
Total	\$327,589	\$361,674	\$428,757	\$622,136	\$881,599	\$432,800

Charges for Services Revenues

- Miscellaneous Services
- Ambulance Fees
- Development Revenues
- Overhead Cost Recovery



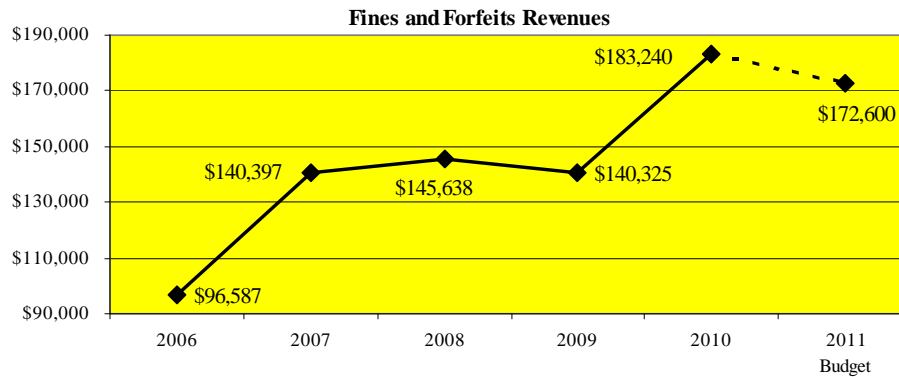
Comments: Two items of note: 1) Development Revenues tend to follow the economic ups and downs, and 2) Overhead Cost Recovery had a large increase in 2007 due to collecting both 2006 (\$167,000) and 2007 (\$167,000) Surface Water Fund overhead charges.

Additionally, as stated above, the slowing growth in the City's population signals that City is nearing build out, which also means that the City has to plan for less development related revenues in future years.

Charges for Services						
	2006	2007	2008	2009	2010	2011
Misc. Services	\$11,353	\$11,468	\$12,708	\$10,816	\$6,600	\$0
Ambulance Fees	\$130,105	\$171,996	\$147,610	\$191,243	\$195,012	\$173,000
Development Revenues	\$438,405	\$348,946	\$269,125	\$227,892	\$127,498	\$103,100
Overhead Cost Recovery	\$0	\$334,000	\$167,000	\$195,000	\$195,500	\$195,500
Total	\$579,863	\$866,409	\$596,442	\$624,952	\$524,610	\$471,600

Fines and Forfeitures Revenues

- Traffic Violations
- Parking Fines

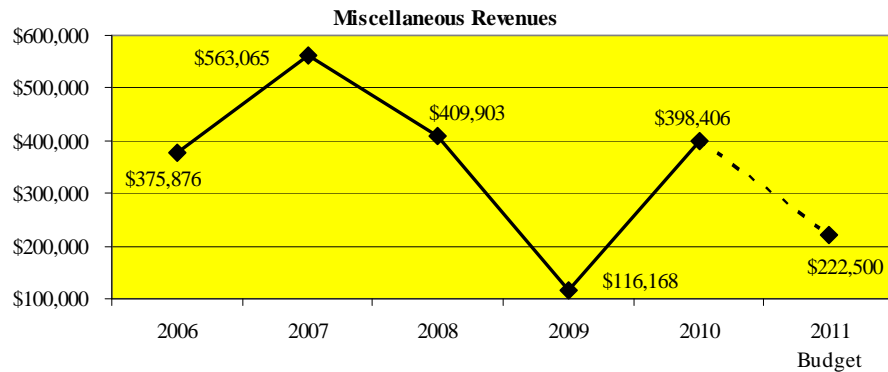


Comments: Overall, traffic and parking violations revenues have increased.

Fines & Forfeits						
	2006	2007	2008	2009	2010	2011
Traffic Violations	\$87,318	\$128,890	\$130,757	\$113,023	\$156,425	\$150,000
Parking & Non-Traffic Violations	\$9,269	\$11,507	\$14,881	\$27,302	\$26,815	\$22,600
Total	\$96,587	\$140,397	\$145,638	\$140,325	\$183,240	\$172,600

Miscellaneous Revenues

- Investment Interest
- Other Misc. Revenue



Comments: Interest earnings match declines in the economy.

Miscellaneous Revenues						
	2006	2007	2008	2009	2010	2011
Interest Earnings	\$348,533	\$438,303	\$235,716	\$69,309	\$22,254	\$16,500
Rental Income	\$2,164	\$0	\$2,433	\$14,084	\$191,970	\$195,500
Contributions, Surplus & Other	\$25,179	\$55,202	\$53,065	\$32,775	\$52,224	\$10,500
Transfers from Other Funds	\$0	\$69,559	\$118,689	\$0	\$131,958	\$0
Total	\$375,876	\$563,065	\$409,903	\$116,168	\$398,406	\$222,500

BUDGET SUMMARY – ALL FUNDS

Exhibit 1 lists projected 2011 beginning fund balances, revenues, expenditures and ending fund balances for each fund. (Significant changes in Ending Fund Balance are explained in footnote below.¹)

Exhibit 1: Budget Summary by Fund – All Funds

Fund Number	Fund Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	% Change ¹
009	LEOFF I Reserve	135,720	30,450	34,900	131,270	-3%
011	General	4,725,080	11,766,600	12,729,840	3,761,840	-20%
015	Paine Field Emergency Reserve Fund	26,240	150,000	176,240	0	-100%
111	Street	149,900	643,800	772,500	21,200	-86%
112	Arterial Street	160,470	399,900	545,000	15,370	-90%
114	Recreation & Cultural Services	48,310	543,800	590,680	1,430	-97%
116	Hotel/Motel Lodging Tax Fund	135,440	130,450	135,080	130,810	-3%
120	Technology Replacement	118,770	77,400	76,600	119,570	1%
125	City Reserve	1,000,000	0	0	1,000,000	0%
126	Emergency Medical Services	213,500	2,025,000	1,956,850	281,650	32%
141	Municipal Facilities	60	0	0	60	0%
275	LTGO Bond Fund 2009	7,370	1,081,780	909,350	179,800	2340%
322	Park Acquisition & Development	134,900	123,250	256,300	1,850	-99%
323	Transportation Impact Fee	48,860	25,340	0	74,200	52%
331	Real Estate Excise Tax I	5,314,830	333,100	879,500	4,768,430	-10%
332	Real Estate Excise Tax II	408,640	307,050	588,050	127,640	-69%
375	Community Center Project Fund	3,354,210	500	3,354,710	0	-100%
440	Surface Water Management	1,286,990	1,298,000	1,551,450	1,033,540	-20%
502	Health Insurance Administration	50,000	1,000	0	51,000	2%
510	Equipment Replacement Reserve	1,052,780	940,630	505,600	1,487,810	41%
516	Unemployment Compensation	40,490	0	0	40,490	0%
518	Facilities Maintenance	9,660	433,000	436,900	5,760	-40%
TOTALS		18,422,220	20,311,050	25,499,550	13,233,720	-28%

¹ Reasons for significant changes in ending fund balances of some funds are as follows:

- **General Fund** Ending Fund Balance continues to decline in 2011 as part of the City's planned spend down of reserves to offset the effects of the economic downturn with the intent of maintaining our core services provided to citizens. The projected Ending Fund Balance equals 30% of 2011 expenditures, exceeding the City's mandated Fund Balance Reserve Policy by nearly 15%.

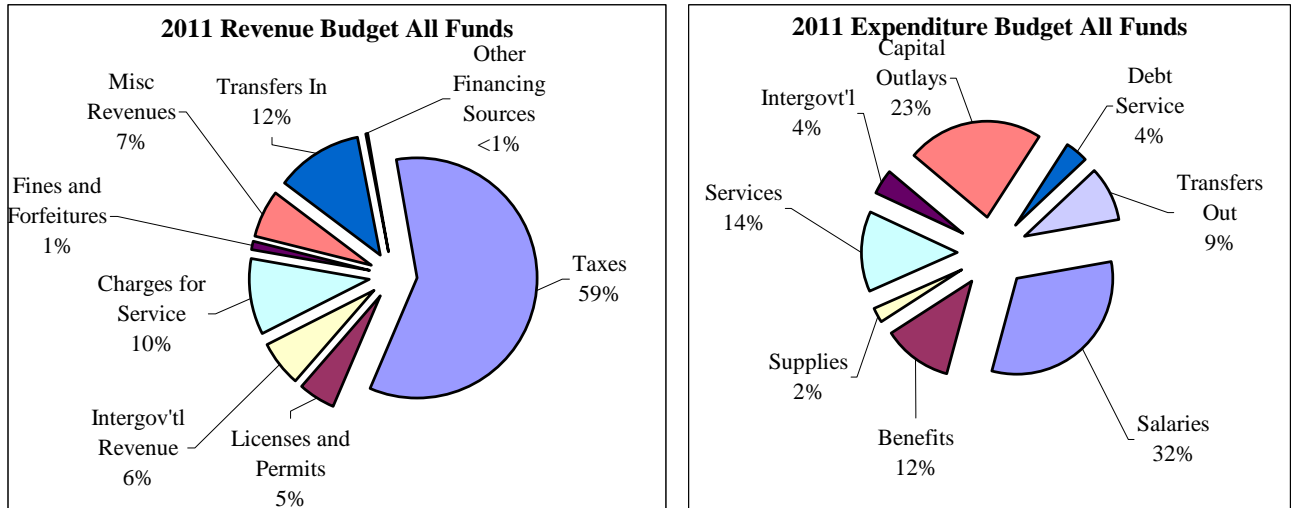
The General Fund anticipated expenditures exceed anticipated revenues by 8.2%, which places the General Fund in the "Severe" level according to the City's Gap Closing Policy, which begins on page 16. For readers interested in following the City's efforts to close the "Gap" are invited to follow City Council meetings and subsequent action beginning in March.

- **Paine Field Emergency Reserve Fund** is anticipating expending all available funds in 2011 as part of the City's effort to oppose commercial expansion of Paine Field.

- **Street Fund** Ending Fund Balance continues to decline in 2011 as part of the City's planned spend down of reserves to offset the effects of the economic downturn with the intent of maintaining our core services provided to citizens.
- **Arterial Street Fund** is paying for the 88th Street and State Route 525 improvements in 2011 that has been in the planning stages for two years.
- **Recreation & Cultural Services Fund** is used to pay for the City's Community Center operations. The City issued \$12.585 million in bonds to pay for the construction of a new Community Center, which had its grand opening on February 5th of this year. The new Community Center provides for expansion recreational opportunities. The 2011 Budget has this fund spending down its ending fund balance to help pay for these additional services and reduce the size of the 2011 operating transfer from the General Fund.
- **Emergency Medical Services Fund** accounts for the City's EMS property tax levy receipts. In 2010 Mukilteo citizens passed a new permanent levy of \$0.50 per thousand dollars of assessed property value. The passing of the levy allows this fund to save dollars for future purchases of new aid cars and paramedic units.
- **LTGO Bond Fund 2009** Ending Fund Balance increases in 2011 due to anticipated savings of \$176,000 from construction of the new Community Center being transferred from the Community Center Project Fund.
- **All 300 series Construction Funds** Ending Fund Balances are being spent down, with the exception of Fund #323, to complete capital projects. For 2011 Capital Projects Summary details see page 182.
- **Surface Water Management Fund** Ending Fund Balance is being spent down, to complete capital projects. For 2011 Capital Projects Summary details see page 182.
- **Equipment Replacement Reserve Fund** Ending Fund Balance increase is due to contributions from various departments toward scheduled equipment replacement. These transfers occur over several years, in anticipation of replacement related expenditures.
- **Facilities Maintenance Fund** The 2011 Budget has this fund spending down its ending fund balance to reduce the size of the 2011 operating transfer from the General Fund.

Exhibit 2 lists revenues, expenditures and fund balances for all funds. Total estimated revenues and operating transfers for 2011 are \$20,311,050 a decrease of \$148,918 over the 2010 amended budget.

Exhibit 2: Total Budgeted Revenues, Expenditures and Fund Balances – All Funds



Item	2009 Actual	2010 Budget	2011 Budget	\$ Change '11 - '10	% Change 11 - '10
Beginning Fund Balance	21,715,443	26,990,485	18,422,220	(8,568,265)	-31.75%
Revenues:					
Taxes	10,939,655	10,892,260	12,019,300	1,127,040	10.35%
Licenses and Permits	928,047	946,200	1,004,600	58,400	6.17%
Intergovernmental Revenue	1,894,350	3,265,949	1,242,650	(2,023,299)	-61.95%
Charges for Service	2,248,577	2,143,100	2,121,200	(21,900)	-1.02%
Fines and Forfeitures	140,325	177,100	172,600	(4,500)	-2.54%
Miscellaneous Revenues	779,740	464,661	1,352,820	888,159	191.14%
Transfers In	2,133,093	2,570,698	2,349,380	(221,318)	-8.61%
Other Financing Sources	13,299,195	-	48,500	48,500	0.00%
Total Revenues	32,362,982	20,459,968	20,311,050	(148,918)	-0.73%
Expenditures:					
Salaries	7,847,489	8,123,138	8,144,800	21,662	0.27%
Benefits	2,665,459	2,808,520	3,007,200	198,680	7.07%
Supplies	706,587	613,287	590,690	(22,597)	-3.68%
Services	3,165,102	2,978,754	3,476,450	497,696	16.71%
Intergovernmental	1,174,029	1,205,353	1,085,900	(119,453)	-9.91%
Capital Outlays	7,719,915	13,871,496	5,887,280	(7,984,216)	-57.56%
Debt Service	539,094	970,300	957,850	(12,450)	-1.28%
Transfer Out	2,133,093	2,704,193	2,349,380	(354,813)	-13.12%
Total Expenditures	\$25,950,768	\$33,275,041	\$25,499,550	(\$7,775,491)	-23.37%
Ending Fund Balance	\$28,127,657	\$14,175,412	\$13,233,720	(941,692)	-6.64%

Exhibit 3: Revenue Summary – All Funds

Fund No.	Fund Description	2009 Actual	2010 Budget	2011 Budget	\$ Change 11 - '10	% Change 11 - '10
009	LEOFF I Reserve	\$ 993	\$ 26,200	\$ 30,450	4,250	16.22%
011	General	11,774,974	12,030,526	11,766,600	(263,926)	-2.19%
015	Paine Field Emergency Reserve	0	0	150,000	150,000	0.00%
111	Street	803,163	650,500	643,800	(6,700)	-1.03%
112	Arterial Street	139,288	411,670	399,900	(11,770)	-2.86%
114	Recreation & Cultural Services	380,581	364,020	543,800	179,780	49.39%
116	Hotel/Motel Lodging Tax	438,357	134,500	130,450	(4,050)	-3.01%
120	Technology Replacement	52,276	76,000	77,400	1,400	1.84%
125	City Reserve	0	0	0	0	0.00%
126	Emergency Medical Services	1,460,482	1,607,000	2,025,000	418,000	26.01%
141	Municipal Facilities	16,758	440	0	(440)	-100.00%
142	Parks and Open Space	132,994	0	0	0	0.00%
275	LTGO Bond Fund	91,659	907,970	1,081,780	173,810	19.14%
322	Park Acquisition & Development	852,232	1,723,540	123,250	(1,600,290)	-92.85%
323	Transportation Impact Fee	51,824	20,120	25,340	5,220	25.94%
331	Real Estate Excise Tax I	836,094	413,533	333,100	(80,433)	-19.45%
332	Real Estate Excise Tax II	321,771	416,420	307,050	(109,370)	-26.26%
375	Community Center Project Fund	12,932,192	0	500	500	100.00%
440	Surface Water Management	1,333,999	1,266,799	1,298,000	31,201	2.46%
502	Health Insurance Administration	0	4,870	1,000	(3,870)	-79.47%
510	Equipment Replacement Reserve	353,345	15,860	940,630	924,770	5830.83%
516	Unemployment Compensation	0	0	0	0	0.00%
518	Facilities Maintenance	390,000	390,000	433,000	43,000	11.03%
	Totals	\$ 32,362,982	\$ 20,459,968	\$ 20,311,050	\$ (148,918)	-0.73%

Exhibit 4: Revenues by Fund Class – All Funds

		2009 Actual	2010 Budget	2011 Budget	% Change
General Fund					
<u>Taxes</u>					
011.311.100.00	Real & Personal Property Tax	4,410,288	4,475,660	4,540,000	1.44%
011.313.101.00	Retail Sales & Use Tax	1,683,104	1,537,500	1,590,000	3.41%
011.313.600.00	Propane Use Tax	3,036	4,000	3,000	-25.00%
011.313.710.00	Local Criminal Justice Tax	259,426	255,600	240,000	-6.10%
011.316.200.00	Admissions Tax	55,548	60,000	52,600	-12.33%
011.316.300.00	Commercial Parking Tax	68,986	50,000	0	-100.00%
011.316.xxx.00	Utility Taxes	2,858,620	2,927,000	3,030,600	3.54%
011.317.200.00	Leasehold Excise Tax	4,336	3,500	100	-97.14%
Total Taxes		9,343,345	9,313,260	9,456,300	1.54%
<u>Licenses & Permits</u>					
011.321.700.00	Special Event Permits	900	0	0	0.00%
011.321.910.00	Franchise Fees	298,753	280,000	305,000	8.93%
011.321.920.00	Garbage Administration Fee	0	190,000	234,500	23.42%
011.321.xxx.00	Business Licenses	434,059	353,000	346,500	-1.84%
011.322.101.02	Plumbing Permits	8,854	9,300	6,900	-25.81%
011.322.101.03	Mechanical Permits	12,358	10,100	10,200	0.99%
011.322.101.xx	Building Permits	130,151	62,000	70,800	14.19%
011.322.102.00	Sign Permits	6,248	5,000	3,900	-22.00%
011.322.103.00	Right of Way Permits	24,807	26,000	15,700	-39.62%
011.322.301.00	Dog Licenses	6,830	7,000	6,900	-1.43%
011.322.901.00	Gun Permits (City)	4,768	3,500	3,500	0.00%
011.322.902.00	Gun Permits (State)	319	300	300	0.00%
Total Licenses & Permits		928,048	946,200	1,004,200	6.13%
<u>Intergovernmental</u>					
011.331.166.07	Dept of Justice - Bulletproof Vest Program	2,633	0	0	0.00%
011.333.970.36	FEMA Disaster Assistance Grant	3,872	0	0	0.00%
011.333.970.42	Homeland Security Indirect ESCA Grant	13,535	13,600	13,600	0.00%
011.334.000.31	Secretary of State	0	10,000	0	-100.00%
011.334.018.00	State Military Department Grant	645	650	0	-100.00%
011.334.020.30	State Grant - Dept of Natural Resources	0	10,000	10,000	0.00%
011.334.030.10	State Grant - Dept Of Ecology	0	15,000	15,000	0.00%
011.334.035.00	Traffic Safety Commission Grant	5,325	1,700	1,500	-11.76%
011.334.040.20	State Grant - CTED	31,843	6,600	5,000	-24.24%
011.334.040.90	Pre-Hospital Grant	1,726	1,720	1,700	-1.16%
011.335.000.91	PUD Privilege Tax	100,026	98,000	102,500	4.59%
011.336.006.21	Criminal Justice - Population	4,324	4,000	4,500	12.50%
011.336.060.26	CJ - Special Programs	16,509	16,000	17,100	6.88%
011.336.060.51	DUI Cities	6,559	3,800	3,700	-2.63%
011.336.060.94	Liquor Excise Tax	97,979	92,000	105,200	14.35%
011.336.060.95	Liquor Board Profits	137,964	140,000	142,000	1.43%
011.337.200.00	Interlocal Agreement - Snohomish County	150,000	0	0	0.00%
011.337.300.00	King County WRIA I Grant	15,496	0	0	0.00%
011.337.400.00	Hotel/Motel Lodging Tax Grant	0	0	10,000	100.00%
011.338.000.22	Ferry Fire Svcs	946	1,890	1,000	-47.09%
011.385.000.00	Port of Everett Interlocal Agreement	32,755	292,506	0	-100.00%
Total Intergovernmental		622,135	707,466	432,800	-38.82%

Revenues by Fund Class – All Funds (continued)

		2009	2010	2011	
		Actual	Budget	Budget	% Change
<u>Charges for Services</u>					
011.341.053.00	Non Taxable Sales	2,919	1,000	1,000	0.00%
011.341.431.00	School Mitigation Admin Fee	1,719	1,400	1,000	-28.57%
011.341.990.00	Passport Fees	0	0	5,000	100.00%
011.342.100.00	Law Enforcement Services	2,124	1,900	1,200	-36.84%
011.342.361.00	Home Detention Application Fee	315	300	200	-33.33%
011.342.362.00	Home Detention Daily Fee	1,880	2,050	1,000	-51.22%
011.342.370.00	Fingerprinting Fees	1,664	1,500	1,500	0.00%
011.342.400.00	Protective Insp. Fees	150	100	100	0.00%
011.342.602.00	BLS - Non-Medicare	148,258	136,000	135,000	-0.74%
011.342.602.01	BLS - Medicare	42,985	47,000	38,000	-19.15%
011.342.901.00	Misc Security, Persons & Prop	1,914	1,700	1,700	0.00%
011.343.200.00	Engineering Fees & Charges	16,100	25,430	10,000	-60.68%
011.345.810.00	Zoning And Subdivision Fees	42,670	40,710	18,500	-54.56%
011.345.820.00	Hearing Examiner Fees	61,538	13,000	5,000	-61.54%
011.345.830.00	Plan Checking Fees	105,715	108,510	63,000	-41.94%
011.345.890.00	Reimbursable Development	0	5,000	0	-100.00%
011.346.900.00	Cobra Premium Payments	0	0	500	100.00%
011.348.950.00	Community Center Engineering Reimb.	0	18,000	0	-100.00%
011.349.180.00	Overhead Cost Recovery	195,000	195,500	195,500	0.00%
Total Charges for Services		624,952	599,100	478,200	-20.18%
<u>Fines & Forfeitures</u>					
011.350.100.00	Traffic Violations	113,023	150,000	150,000	0.00%
011.352.201.00	Civil Penalties	1,980	1,500	1,400	-6.67%
011.353.700.00	Non-Traffic Infraction Penalty	575	2,600	1,200	-53.85%
011.354.000.01	Parking Fines	24,747	23,000	20,000	-13.04%
Total Fines & Forfeitures		140,325	177,100	172,600	-2.54%
<u>Miscellaneous</u>					
011.361.110.00	Investment Interest	64,354	60,500	15,000	-75.21%
011.361.400.00	Sales Tax Interest	4,955	5,000	1,500	-70.00%
011.362.300.00	Parking Fees*	0	102,000	145,000	42.16%
011.362.301.00	Boat Launch Fees*	0	30,000	30,000	0.00%
011.362.501.00	Annual Boat Launch Permits*	0	6,500	5,000	-23.08%
011.362.600.00	Rentals & Leases	14,084	17,300	15,500	-10.40%
011.363.900.00	WCIA Insurance Recovery	13,085	0	0	0.00%
011.367.100.00	Contributions - Private Source	2,757	0	0	0.00%
011.368.901.00	Cable Subscriber Assessment	0	40,000	0	-100.00%
011.369.100.00	Sale of Surplus Property	1,401	0	0	0.00%
011.369.400.00	Judgements and Settlements	4,844	100	500	400.00%
011.369.901.00	Other Miscellaneous Revenue	10,688	21,000	10,000	-52.38%
011.397.100.00	Operating Transfers In	0	5,000	0	-100.00%
Total Miscellaneous		116,169	287,400	222,500	-22.58%
*Budgeted to the Parks & Open Space Fund prior to 2010.					
Total General Fund		11,774,974	12,030,526	11,766,600	-2.19%

Revenues by Fund Class – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<i>Other Governmental Funds</i>				
<u>LEOFF I RESERVE FUND</u>				
009.361.110.00 Investment Interest	993	1,200	450	-62.50%
009.397.100.00 Operating Transfers In	0	25,000	30,000	20.00%
Total LEOFF I Reserve Fund	993	26,200	30,450	16.22%
Total LEOFF I RESERVE FUND	993	26,200	30,450	16.22%
<u>PAINE FIELD EMERGENCY FUND</u>				
015.397.100.00 Operating Transfers In	0	0	150,000	100.00%
Total Paine Field Emergency Fund	0	0	150,000	100.00%
TOTAL PAINE FIELD EMERGENCY FUND	0	0	150,000	100.00%
Total Other Governmental Funds	993	26,200	180,450	588.74%
<i>Special Revenue Funds</i>				
<u>STREET FUND</u>				
111.336.000.87 Street Fuel Tax	297,213	300,000	300,000	0.00%
111.361.110.00 Investment Interest	951	500	200	-60.00%
111.397.100.00 Operating Transfers In	505,000	350,000	343,600	-1.83%
TOTAL STREET FUND	803,163	650,500	643,800	-1.03%
<u>ARTERIAL STREET FUND</u>				
112.334.000.00 WA State Grant	0	270,000	258,900	-4.11%
112.336.000.88 Arterial Street Fuel Tax	138,967	140,800	140,800	0.00%
112.361.110.00 Investment Interest	322	870	200	-77.01%
TOTAL ARTERIAL STREET FUND	139,288	411,670	399,900	-2.86%
<u>RECREATION & CULTURAL SERVICES FUND</u>				
114.321.700.00 Special Event Permits	0	0	400	100.00%
114.347.304.00 Rec Program Fees	61,334	71,000	130,000	83.10%
114.347.901.00 Off Hour Staffing Fees	2,260	1,500	12,000	700.00%
114.361.110.00 Investment Interest	448	600	0	-100.00%
114.362.401.00 Community Center Room Rental	9,751	6,000	134,700	2145.00%
114.362.501.00 Weight Room Fees	0	0	7,600	100.00%
114.362.501.01 Community Center Tenant Rent	39,835	42,060	0	-100.00%
114.362.502.00 Parking Rental - Long Term	35,418	0	11,700	100.00%
114.362.600.00 Picnic Shelter Rentals	0	0	11,000	100.00%
114.362.601.00 Light Station Wedding Rentals	0	0	1,400	100.00%
114.397.100.00 Operating Transfers In	231,535	242,860	235,000	-3.24%
TOTAL RECREATION & CULTURAL SERVICES FUND	380,581	364,020	543,800	49.39%
<u>HOTEL/MOTEL LODGING TAX FUND</u>				
116.313.300.00 Hotel/Motel Transient Tax	103,330	130,000	130,000	0.00%
116.361.110.00 Investment Interest	1,747	4,500	450	-90.00%
116.381.100.00 Interfund Loans Received	333,280	0	0	0.00%
TOTAL HOTEL/MOTEL LODGING TAX FUND	438,357	134,500	130,450	-3.01%

Revenues by Fund Class – All Funds (continued)

		2009 Actual	2010 Budget	2011 Budget	% Change
<u>TECHNOLOGY REPLACEMENT FUND</u>					
120.361.110.00	Investment Interest	1,351	1,000	400	-60.00%
120.369.901.00	Miscellaneous Revenue	802	0	0	0.00%
120.369.901.01	2% Admin Fee	124	0	2,000	100.00%
120.397.100.00	Operating Transfers In	50,000	75,000	75,000	0.00%
TOTAL TECHNOLOGY REPLACEMENT FUND		52,276	76,000	77,400	1.84%
<u>EMERGENCY MEDICAL SERVICES FUND</u>					
126.311.106.00	EMS Levy	876,699	849,000	1,833,000	115.90%
126.342.601.00	Ambulance Transport Fees	204,997	180,000	191,000	6.11%
126.361.110.00	Investment Interest	2,240	18,000	1,000	-94.44%
126.367.100.00	Contributions - Private Source	6,334	0	0	0.00%
126.369.901.00	Other Miscellaneous Revenue	462	0	0	0.00%
126.397.100.00	Operating Transfers In	369,750	560,000	0	-100.00%
TOTAL EMERGENCY MEDICAL SERVICES FUND		1,460,482	1,607,000	2,025,000	26.01%
<u>MUNICIPAL FACILITIES FUND</u>					
141.361.110.00	Investment Interest	689	440	0	-100.00%
141.397.100.00	Operating Transfers In	16,069	0	0	0.00%
TOTAL MUNICIPAL FACILITIES FUND		16,758	440	0	-100.00%
<u>PARKS AND OPEN SPACE FUND*</u>					
142.361.110.00	Investment Interest	666	0	0	0.00%
142.362.301.00	Boat Launch Revenue	51,182	0	0	0.00%
142.362.501.00	Annual Boat Launch Permits	6,785	0	0	0.00%
142.362.502.00	Lighthouse Park LT Parking	63,691	0	0	0.00%
142.362.600.00	Park Rentals	10,670	0	0	0.00%
TOTAL PARKS & OPEN SPACE FUND		132,994	0	0	0.00%
Total Special Revenue Funds		3,423,899	3,244,130	3,820,350	17.76%
<i>Debt Service Funds</i>					
<u>LTGO BOND FUND</u>					
275.361.110.00	Investment Interest	4	0	0	0.00%
275.391.100.00	G.O. Bond Proceeds	7,350	0	0	0.00%
275.397.100.00	Operating Transfers In	84,305	907,970	1,081,780	19.14%
TOTAL LTGO BOND FUND		91,659	907,970	1,081,780	19.14%
Total Debt Service Funds		91,659	907,970	1,081,780	19.14%

*The Parks and Open Space Fund was closed in 2009. The associated revenues and expenditures are now budgeted to the General Fund.

Revenues by Fund Class – All Funds (continued)

		2009 Actual	2010 Budget	2011 Budget	% Change
<i>Capital Projects Funds</i>					
<u>PARK ACQUISITION & DEVELOPMENT FUND</u>					
322.334.020.30	State Grant - Dept of Natural Resources	800,000	0	0	0.00%
322.334.020.41	Lighthouse Park Grant	0	403,000	0	-100.00%
322.334.020.70	RCO Grant - WWRP	0	1,279,850	0	-100.00%
322.334.020.71	LH Park RCO Bandshell Grant	0	0	87,150	100.00%
322.345.852.00	Park Mitigation Fees	51,198	40,000	35,000	-12.50%
322.361.110.00	Investment Interest	1,034	690	1,100	59.42%
TOTAL PARK ACQUISITION & DEVELOPMENT FUND		852,232	1,723,540	123,250	-92.85%
<u>TRANSPORTATION IMPACT FEES FUND</u>					
323.345.841.00	Street Mitigation Fees	48,750	20,000	25,000	25.00%
323.361.110.00	Investment Interest	3,074	120	340	183.33%
TOTAL TRANSPORTATION IMPACT FEES FUND		51,824	20,120	25,340	25.94%
<u>REAL ESTATE EXCISE TAX I FUND</u>					
331.317.340.00	Local Real Estate Excise Tax	308,140	300,000	300,000	0.00%
331.337.200.00	Interlocal Agreement - Snohomish County	0	21,000	0	-100.00%
331.338.950.00	Interlocal Agreement - Mukilteo Lane Project	0	35,833	0	-100.00%
331.361.110.00	Investment Interest	40,780	56,700	33,100	-41.62%
331.366.100.00	Interest/Interfund Loans	740	0	0	0.00%
331.397.100.00	Operating Transfers In	486,434	0	0	0.00%
TOTAL REAL ESTATE EXCISE TAX I FUND		836,094	413,533	333,100	-19.45%
<u>REAL ESTATE EXCISE TAX II FUND</u>					
332.317.340.00	Local Real Estate Excise Tax	308,140	300,000	300,000	0.00%
332.334.020.70	State Grant	0	108,000	0	-100.00%
332.361.110.00	Investment Interest	13,631	8,420	7,050	-16.27%
TOTAL REAL ESTATE EXCISE TAX II FUND		321,771	416,420	307,050	-26.26%
<u>COMMUNITY CENTER PROJECT FUND</u>					
375.361.110.00	Investment Interest	6,382	0	500	100.00%
375.391.100.00	G.O. Bond Proceeds	12,577,651	0	0	0.00%
375.392.000.00	Bond Premium	348,159	0	0	0.00%
TOTAL COMMUNITY CENTER PROJECT FUND		12,932,192	0	500	100.00%
Total Capital Projects Funds		14,994,112	2,573,613	789,240	-69.33%
<i>Enterprise Funds</i>					
<u>SURFACE WATER MANAGEMENT FUND</u>					
440.334.000.00	WA State Grants	68,789	0	23,000	100.00%
440.343.830.01	Storm Drainage Fees & Charges	1,255,085	1,231,500	1,250,000	1.50%
440.361.110.00	Investment Interest	10,125	25,000	25,000	0.00%
440.369.901.00	Other Miscellaneous Revenue	0	301	0	-100.00%
440.397.100.00	Operating Transfers In	0	9,998	0	-100.00%
TOTAL SURFACE WATER MANAGEMENT FUND		1,333,999	1,266,799	1,298,000	2.46%
Total Enterprise Funds		1,333,999	1,266,799	1,298,000	2.46%

Revenues by Fund Class – All Funds (continued)

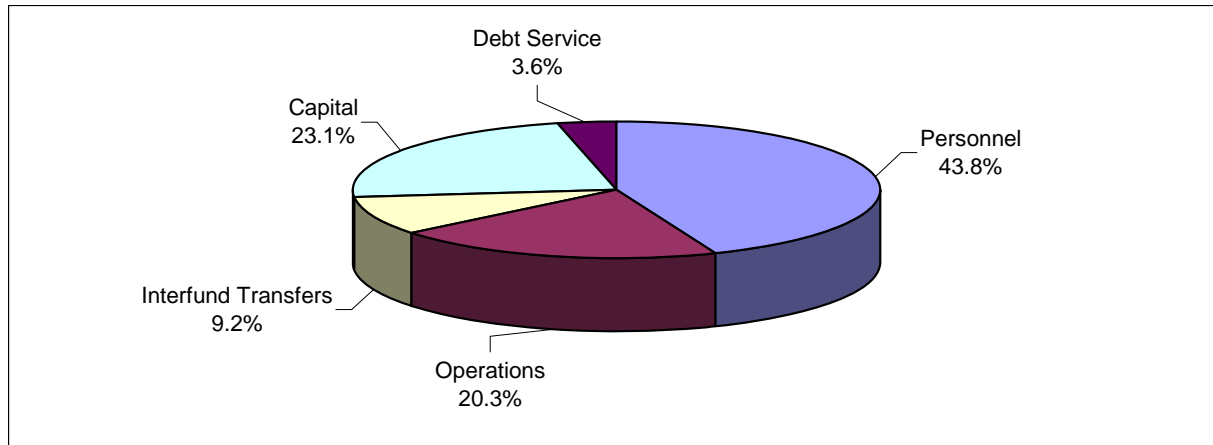
	2009 Actual	2010 Budget	2011 Budget	% Change
<i>Internal Service Funds</i>				
<u>HEALTH INSURANCE ADMINISTRATION FUND</u>				
502.397.100.00 Operating Transfers In	0	4,870	1,000	-79.47%
TOTAL HEALTH INSURANCE ADMINISTRATION FUND	0	4,870	1,000	-79.47%
<u>EQUIPMENT REPLACEMENT RESERVE FUND</u>				
510.365.902.00 Equipment Replacement Charge	340,155	15,860	885,400	5482.60%
510.361.110.00 Investment Interest	0	0	6,730	100.00%
510.366.100.00 Interest/Interfund Loans	0	0	3,500	100.00%
510.369.100.00 Sale of Surplus Property	13,190	0	0	0.00%
510.381.200.00 Interfund Loan Principal	0	0	45,000	100.00%
TOTAL EQUIPMENT REPLACEMENT RESERVE FUND	353,345	15,860	940,630	5830.83%
<u>FACILITIES MAINTENANCE FUND</u>				
518.397.100.00 Operating Transfers In	390,000	390,000	433,000	11.03%
TOTAL FACILITIES MAINTENANCE FUND	390,000	390,000	433,000	11.03%
Total Internal Service Funds	743,345	410,730	1,374,630	234.68%
Total All Funds	32,362,982	20,459,968	20,311,050	-0.73%

Exhibit 5: Expenditure Summary – All Funds

Fund No.	Fund Description	2009 Actual	2010 Budget	2011 Budget	\$ change 11 - '10	% Change 11 - '10
009	LEOFF I Reserve	\$ 26,192	\$ 31,000	\$ 34,900	\$ 3,900	12.58%
011	General	13,296,184	13,035,407	12,729,840	(305,567)	-2.34%
015	Paine Field Emergency Reserve	77,262	55,000	176,240	121,240	220.44%
111	Street	751,791	691,786	772,500	80,714	11.67%
112	Arterial Street	65,714	485,090	545,000	59,910	12.35%
114	Recreation & Cultural Services	351,391	383,900	590,680	206,780	53.86%
116	Hotel/Motel Lodging Tax	455,014	194,321	135,080	(59,241)	-30.49%
120	Technology Replacement	208,928	91,180	76,600	(14,580)	-15.99%
125	City Reserve	179,199	0	0	-	0.00%
126	Emergency Medical Services	1,644,024	1,648,425	1,956,850	308,425	18.71%
141	Municipal Facilities	0	50,000	0	(50,000)	-100.00%
142	Parks and Open Space	85,398	133,495	0	(133,495)	-100.00%
275	LTGO Bond Fund	84,301	907,960	909,350	1,390	0.15%
322	Park Acquisition & Development	421,293	1,788,120	256,300	(1,531,820)	-85.67%
323	Transportation Impact Fee	545,402	0	0	-	0.00%
331	Real Estate Excise Tax I	2,222,858	1,244,528	879,500	(365,028)	-29.33%
332	Real Estate Excise Tax II	976,069	1,394,930	588,050	(806,880)	-57.84%
375	Community Center Project Fund	2,791,601	8,901,750	3,354,710	(5,547,040)	-62.31%
440	Surface Water Management	941,010	1,799,189	1,551,450	(247,739)	-13.77%
502	Health Insurance Administration	0	0	0	-	0.00%
510	Equipment Replacement Reserve	373,644	2,000	505,600	503,600	25180.00%
516	Unemployment Compensation	0	0	0	-	0.00%
518	Facilities Maintenance	453,493	436,960	436,900	(60)	-0.01%
	Totals	\$ 25,950,768	\$ 33,275,041	\$ 25,499,550	\$ (7,775,491)	-23.37%

The 2011 expenditure budget for all funds totals \$25,499,550, a decrease of \$7,775,491 over the 2010 amended budget. Decreases are mainly attributable to reductions in budgeted expenditures for capital projects.

**Exhibit 6: Expenditure Summary by Major Component – All Funds
2011 Budget**



Department	Personnel	Operations	Interfund Transfers	Capital	Debt Service	Total Expenditures
Legislative	46,100	26,650				72,750
Executive	592,100	174,400				766,500
Legal		500,240				500,240
Finance	806,300	213,000		76,600		1,095,900
Non-Departmental	4,300	560,020	1,267,600			1,831,920
Police	3,441,200	938,500				4,379,700
Fire	3,212,400	886,400		352,400		4,451,200
Planning & Community Development	912,400	117,750				1,030,150
Public Works	1,779,300	1,549,700		521,600		3,850,600
Recreation & Cultural Services	370,400	220,280				590,680
Debt Service					909,350	909,350
Capital Projects		2,100	1,081,780	4,936,680		6,020,560
Total Operations	11,164,500	5,189,040	2,349,380	5,887,280	909,350	25,499,550
% of Total	43.8%	20.3%	9.2%	23.1%	3.6%	100.0%

Exhibit 6 represents the distribution of expenses by five major components, which include all appropriations (all Governmental and Enterprise funds) for the City:

- The **personnel services budget** consists of the salaries and fringe benefits for all the City's employees. The amount budgeted for personnel services is \$11,164,500.
- The **operating budget** finances the day-to-day provisions of the City, consisting of supplies, services and intergovernmental, and totals \$5,189,040.
- The **interfund transfers budget** of \$2,349,380 represents the amount of funds transferred from one fund to another.
- The **capital budget** funds the construction or improvement of City facilities and infrastructure and the purchase of various types of machinery and equipment. The capital projects budget totals \$5,887,280.
- The **debt service budget** is used to repay money borrowed by the City for capital improvements, and amounts to \$909,350.

Exhibit 7: Expenditures by Category – All Funds

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Salaries & Wages</u>				
1101 FULL TIME EMPLOYEES	7,059,852	7,410,170	7,429,600	0.26%
1102 PART TIME EMPLOYEES	258,758	195,958	221,400	12.98%
1105 VOLUNTEER FIREFIGHTERS	74,906	0	0	0.00%
1113 SPECIAL ASSIGNMENT PAY	49,500	35,900	35,900	0.00%
1114 EDUCATION PREMIUM PAY	52,263	56,090	57,200	1.98%
1115 ACTING SUPERVISOR PAY	7,087	9,760	9,400	-3.69%
1116 PARAMEDIC INCENTIVE	59,177	64,530	64,600	0.11%
1117 MERIT PAY	9,328	10,080	10,600	5.16%
1120 HOLIDAY BUY BACK	0	50,010	50,100	0.18%
1201 OVERTIME	251,865	278,640	254,000	-8.84%
1203 STANDBY PAY	24,753	12,000	12,000	0.00%
	7,847,489	8,123,138	8,144,800	0.27%
<u>Personnel Benefits</u>				
2101 FICA	457,407	475,650	476,800	0.24%
2102 LAW ENF. RETIREMENT SYSTEM	237,286	239,390	243,500	1.72%
2103 PERS	219,952	179,830	240,400	33.68%
2104 L&I	129,945	148,090	133,900	-9.58%
2105 MEDICAL BENEFITS	1,201,936	1,307,720	1,492,900	14.16%
2106 MEDICAL SAVINGS ACCOUNT	22,425	22,500	22,700	0.89%
2107 TEAMSTERS PENSION	49,635	40,180	47,600	18.47%
2109 UNEMPLOYMENT COMP.	11,368	50,940	38,200	-25.01%
2110 DEFERRED COMP	72,533	83,240	88,000	5.72%
2112 VEHICLE ALLOWANCE	13,200	13,200	13,200	0.00%
2113 DENTAL BENEFITS	148,079	121,140	124,400	2.69%
2114 VISION BENEFITS	24,410	37,010	38,000	2.67%
2115 LEOFF I MEDICAL PAYMENTS	510	3,000	3,700	23.33%
2116 VOLUNTEER FIREMENS PENSION	1,800	3,100	0	-100.00%
2119 LIFE INSURANCE	19,704	25,870	27,100	4.75%
2121 LONG TERM DISABILITY INSURANCE	22,075	26,560	28,700	8.06%
2125 CLOTHING ALLOWANCE	2,950	0	0	0.00%
2126 LEOFF I INS PREMIUMS	24,282	26,600	29,800	12.03%
2130 GENERAL EMPLOYEE BENEFITS	5,962	4,500	4,500	0.00%
	2,665,459	2,808,520	3,053,400	8.72%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Supplies</u>				
3101 OFFICE SUPPLIES	37,433	43,750	45,250	3.43%
3102 COMPUTER SUPPLIES	3,950	5,000	5,000	0.00%
3103 PURCHASE OF FORMS	2,000	2,700	2,700	0.00%
3104 REFERENCE MATERIAL	11,020	7,250	8,800	21.38%
3105 PAPER STOCK	6,014	6,500	6,600	1.54%
3108 PHOTO SUPPLIES	0	100	100	0.00%
3110 AMMUNITION	12,249	9,000	9,400	4.44%
3112 OPERATING SUPPLIES	81,403	113,230	110,300	-2.59%
3113 VEHICLE REPAIR TOOLS & EQUIPMENT	884	750	250	-66.67%
3115 SUPPLIES - TRAINING	14,368	8,500	8,000	-5.88%
3116 SUPPLIES - EMERGENCY MEDICAL SERVICES	38,099	37,500	37,500	0.00%
3124 CLOTHING/BOOTS	61,169	81,830	85,550	4.55%
3131 RADIO PARTS AND SUPPLIES	0	500	500	0.00%
3135 AGGREGATE	20,389	24,000	21,000	-12.50%
3138 BUILDING MAINTENANCE SUPPLIES	1,513	2,500	2,500	0.00%
3147 TRAFFIC CONTROL DEVICE SUPPLY	16,067	11,000	15,000	36.36%
3148 SIGNS	1,700	2,500	1,000	-60.00%
3155 LANDSCAPE MATERIALS	8,245	10,000	18,740	87.40%
3156 TREES AND SHRUBS	4,905	5,000	10,000	100.00%
3157 ANCILLARY MEETING COSTS	1,065	1,000	1,000	0.00%
3158 SOFTWARE	3,035	0	0	0.00%
3206 MOTOR FUEL	102,624	110,200	118,600	7.62%
3341 RESALE PURCHASES	0	50	0	-100.00%
3501 SMALL ITEMS OF EQUIPMENT	278,455	130,427	82,900	-36.44%
	706,587	613,287	590,690	-3.68%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Services</u>				
4101 BILLING SERVICES	17,350	15,000	15,000	0.00%
4102 CONSULTING SERVICES	32,903	54,590	13,500	-75.27%
4103 ENGINEERING & ARCHITECT SERVICES	23,790	25,000	15,000	-40.00%
4104 SPECIAL LEGAL SERVICES	32,434	37,450	36,000	-3.87%
4105 CITY ATTORNEY	130,220	105,000	110,000	4.76%
4106 OTHER PROFESSIONAL SERVICES	132,022	265,528	212,200	-20.08%
4107 STORM DRAINAGE UTILITY ENGINEERING	38,260	46,100	94,000	103.90%
4108 WSU BEACH WATCHERS	6,750	6,750	6,800	0.74%
4109 CITY ATTORNEY - OTHER SERVICES	136,638	123,000	220,240	79.06%
4111 HAZARDOUS MATERIALS TESTING	4,910	6,000	2,800	-53.33%
4115 CITY PROSECUTING ATTORNEY	49,440	43,000	43,000	0.00%
4125 CONTRACT SERVICES	119,985	62,000	53,000	-14.52%
4132 REIMBURSABLE CONSULTING	2,861	6,500	6,500	0.00%
4138 PUBLIC AFFAIRS & COMMUNITY OUTREACH	31,951	74,050	32,000	-56.79%
4140 YOUTH ADVISORY COUNCIL	5,123	1,000	1,000	0.00%
4162 ANNEXATION SERVICES	63,864	0	0	0.00%
4170 LOBBYIST SERVICES	96,545	65,000	60,000	-7.69%
4171 RECORDS SERVICES	186	11,500	1,000	-91.30%
4180 AWC WELLNESS PROGRAM	0	0	2,000	100.00%
	925,232	947,468	924,040	-2.47%
<u>Utilities</u>				
4201 TELEPHONE	115,939	62,747	55,800	-11.07%
4202 POSTAGE	18,861	24,250	18,050	-25.57%
4203 NEW WORLD PROJECT CONNECTIVITY	0	0	600	100.00%
4204 ON-LINE CHARGES	11,367	18,150	20,200	11.29%
4205 WEBSITE HOSTING	0	0	1,800	100.00%
4209 CELL PHONES & PAGERS	462	34,410	39,000	13.34%
4210 MDT CONNECTIVITY	0	0	5,400	100.00%
4701 NATURAL GAS	37,712	52,100	52,100	0.00%
4702 ELECTRICITY	92,217	96,000	96,000	0.00%
4703 SEWER SERVICE	39,947	62,000	66,500	7.26%
4704 GARBAGE SERVICES	33,638	27,000	26,000	-3.70%
4709 WATER SERVICE	28,705	22,720	22,500	-0.97%
4710 STORM DRAINAGE CHGS.	26,840	25,800	29,700	15.12%
4712 ALARM SYSTEM	18,469	7,500	15,000	100.00%
4713 ELECTRICITY STREET LIGHTS	108,836	95,000	95,000	0.00%
	532,993	527,677	543,650	3.03%
<u>Travel</u>				
4301 TRAVEL & SUBSISTENCE	43,573	35,750	36,550	2.24%
	43,573	35,750	36,550	2.24%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Advertising & Publishing</u>				
4401 CLASSIFIED ADVERTISING	2,687	2,500	2,000	-20.00%
4402 LEGAL PUBLICATIONS	7,090	6,850	4,400	-35.77%
4404 CITY NEWSLETTER	18,187	26,000	17,500	-32.69%
4405 PUBLICATION OF AGENDAS	2,839	3,300	3,300	0.00%
4406 ADVERTISING	1,828	2,300	13,900	504.35%
4407 COMMUNITY ADVERTISING	39,281	33,500	34,500	2.99%
4408 COMMUNITY ORGANIZATIONAL SUPPORT	95,058	141,800	101,800	-28.21%
	166,970	216,250	177,400	-17.97%
<u>Rentals</u>				
4501 LAND RENTAL	1,854	1,850	2,000	8.11%
4503 WORK EQUIPMENT & MACHINE RENTAL	15,281	15,500	20,500	32.26%
4504 OFFICE EQUIPMENT RENTAL	1,949	1,500	2,900	93.33%
4509 MOTOR POOL CHARGES	340,155	15,860	770,800	4760.03%
4512 CITY HALL RENT	10,441	0	0	0.00%
	369,680	34,710	796,200	2193.86%
<u>Insurance</u>				
4601 INSURANCE	183,763	218,260	182,060	-16.59%
	183,763	218,260	182,060	-16.59%
<u>Disposals</u>				
4705 HAZARDOUS WASTE DISPOSAL	31,428	36,500	14,500	-60.27%
4706 PUBLIC UTILITY SOLID WASTE	319	1,500	500	-66.67%
4722 BRUSH DISPOSAL	5,768	9,000	6,000	-33.33%
4723 LARGE ITEM PICKUP	31,860	35,000	22,000	-37.14%
4730 CONSTRUCTION DEBRIS DISPOSAL	2,164	3,000	3,000	0.00%
	71,539	85,000	46,000	-45.88%
<u>Repair & Maintenance</u>				
4801 OFFICE EQUIPMENT MAINTENANCE/REPAIR	10,870	4,000	17,500	337.50%
4807 COMMUNICATIONS EQUIP MAINT/REPAIR	10,894	11,650	18,500	58.80%
4808 BUILDING & FIXTURE MAINTENANCE/REPAIR	62,559	73,250	45,000	-38.57%
4815 WORK EQUIPMENT MAINTENANCE/REPAIR	29,307	57,050	63,600	11.48%
4816 OTHER MAINTENANCE & REPAIR	1,921	2,100	1,500	-28.57%
4817 COMPUTER SYSTEM MAINTENANCE	13,564	12,100	13,500	11.57%
4820 VEHICLE MAINTENANCE & REPAIR	127,781	124,030	119,200	-3.89%
4821 ACCOUNTING SYSTEM MAINTENANCE	30,292	38,700	57,900	49.61%
4822 eCITYGOV ALLIANCE CONTRACT	11,000	3,000	2,000	-33.33%
	298,188	325,880	338,700	3.93%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
Miscellaneous				
4902 ASSOCIATION DUES & MEMBERSHIPS	9,690	7,650	9,000	17.65%
4904 LAUNDRY SERVICES	16,354	21,050	16,550	-21.38%
4905 FILE, RECORDING FEES	305	500	700	40.00%
4907 FILM PROCESSING	0	100	100	0.00%
4909 PRINTING AND BINDING	3,072	5,750	6,900	20.00%
4911 CONTRACTUAL SERVICES	2,330	2,400	3,000	25.00%
4912 TRAINING & REGISTRATION	42,789	58,250	62,100	6.61%
4917 INVESTIGATION COSTS	2,712	3,910	4,300	9.97%
4921 PERMIT FEES	9,154	9,000	0	-100.00%
4922 HEARING EXAMINER	9,090	10,000	8,000	-20.00%
4924 JANITORIAL SERVICES	22,840	24,000	26,800	11.67%
4926 CITY CODE REVISION	3,143	3,000	3,000	0.00%
4927 MISCELLANEOUS	3,967	8,100	6,600	-18.52%
4928 VEHICLE EQUIPMENT REMOVAL	2,575	2,000	2,000	0.00%
4929 TAXES AND ASSESSMENTS	4,117	11,400	11,400	0.00%
4932 EMERGENCY MANAGEMENT MISC.	6,112	2,500	2,500	0.00%
4933 BANKING FEES	0	21,600	6,000	-72.22%
4935 BACKGROUND INVESTIGATIONS	0	500	0	-100.00%
4937 CONCEALED PISTOL LICENSE	5,158	5,000	5,000	0.00%
4940 VACTOR SERVICE	15,390	3,000	3,000	0.00%
4958 COMPREHENSIVE PLAN	21,830	51,600	26,000	-49.61%
4962 ADMIN CHARGE - COBRA NCAS	0	0	7,000	100.00%
4963 OFM ASSESSMENT FEE	1,400	1,400	1,400	0.00%
4990 COMPENSATION ADJUSTMENTS	760	0	0	0.00%
4991 RESERVE FOR ACCRUED LEAVE	0	25,000	25,000	0.00%
4997 RAILROAD QUIET ZONE CONTRACT	195,376	114,549	0	-100.00%
	378,164	392,259	236,350	-39.75%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Intergovernmental</u>				
5104 ALCOHOL PROGRAM	5,974	6,000	6,000	0.00%
5106 ELECTION SERVICES	12,694	32,500	15,000	-53.85%
5112 MUKILTEO WATER DISTRICT	26,930	30,000	30,000	0.00%
5114 HOME DETENTION	1,277	2,000	2,000	0.00%
5115 JAIL CONTRACT	96,995	95,000	95,000	0.00%
5116 EMERGENCY SERVICES	52,102	54,000	54,700	1.30%
5117 ANIMAL SHELTER	11,475	15,000	15,000	0.00%
5118 LANE STRIPING & MARKING	29,067	25,000	25,000	0.00%
5120 SNOHOMISH COUNTY - ILA	2,999	21,000	21,000	0.00%
5122 COMMUTE TRIP REDUCTION	0	1,000	1,000	0.00%
5123 NARCOTICS TASK FORCE	4,716	4,600	4,900	6.52%
5125 EVERETT DISTRICT COURT	82,112	100,000	90,000	-10.00%
5127 INTERLOCAL EXTRADITION	0	1,000	1,000	0.00%
5130 DISPATCH SERVICES	395,711	455,560	446,500	-1.99%
5132 ASSOC WASH CITIES	13,563	13,580	13,600	0.15%
5133 PUGET SOUND AIR POLLUTION	12,799	12,510	12,900	3.12%
5134 PUGET SOUND REGION COUNCIL	8,726	8,320	8,500	2.16%
5136 SNOHOMISH COUNTY TOMORROW	5,139	5,250	5,300	0.95%
5139 VOTER REGISTRATION	38,008	25,000	31,000	24.00%
5140 STATE AUDITOR AUDIT	62,406	40,000	40,000	0.00%
5142 PARAMEDIC SERVICES CONTRACT	198,689	0	0	0.00%
5143 WA ST PURCHASING COOP	3,000	1,000	1,000	0.00%
5146 NATIONAL LEAGUE OF CITIES	0	1,500	1,500	0.00%
5147 MINORITY & WOMEN'S BUSINESS	100	0	0	0.00%
5149 LYNNWOOD EMS CONTRACT	0	145,000	80,300	-44.62%
5151 SERS OPERATING ASSESSMENT	35,447	33,470	33,500	0.09%
5153 WRIA ILA	6,686	8,000	9,000	12.50%
5154 STREET LIGHT MAINTENANCE	6,205	14,000	14,000	0.00%
5155 REPAIRS IN ROW	100	2,130	1,100	-48.36%
5157 ROW VEG MAINTENANCE	594	2,000	2,000	0.00%
5165 SNOHOMISH COUNTY CITIES	0	100	100	0.00%
5169 DEPT OF ECOLOGY	38,929	0	10,000	100.00%
5170 REGIONAL SERVICE CONTRACTS SNO CO	995	0	0	0.00%
5199 MUKILTEO LANE WATER/SEWER	0	35,833	0	-100.00%
5301 TAXES AND ASSESSMENTS	20,590	15,000	15,000	0.00%
9918 OVERHEAD COSTS	195,000	195,500	195,500	0.00%
	1,369,028	1,400,853	1,281,400	-8.53%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
Capital Outlay				
6103 LAND PURCHASES	3,186,127	983,270	0	-100.00%
6201 PRELIMINARY DESIGN	219,072	0	0	0.00%
6202 DESIGN	12,214	0	0	0.00%
6203 CONSTRUCTION	190,978	1,470,000	472,300	-67.87%
6204 INSPECTION	0	429,850	0	-100.00%
6205 FENCING	0	28,750	21,000	-26.96%
6210 BUILDING IMPROVEMENTS	32,517	55,000	1,000	-98.18%
6250 VISITOR CENTER BUILDING	378,034	0	0	0.00%
6300 LH PARK COMMUTER LOT UPGRADES	0	38,000	0	-100.00%
6305 OLYMPIC VIEW SAFETY IMPROVEMENTS	0	0	15,000	100.00%
6306 LIGHTING SYSTEMS	0	5,000	5,000	0.00%
6308 ROADWAYS	165	0	0	0.00%
6336 SIGN WORK	3,645	8,000	8,100	1.25%
6355 BIG GULCH TRAIL GAP AREA PHASE I	0	27,000	0	-100.00%
6402 COMPUTER HARDWARE	143,912	105,930	76,600	-27.69%
6403 COMPUTER SOFTWARE	125,294	4,500	0	-100.00%
6404 OFFICE FURN. AND EQUIPMENT	37,918	0	0	0.00%
6407 OTHER MACHINERY & EQUIPMENT	61,274	60,400	364,400	503.31%
6408 VEHICULAR EQUIPMENT	37,789	0	503,600	100.00%
6502 LH PARK PHASE IV	0	30,000	0	-100.00%
6503 LIGHTHOUSE PARK PHASE II CONSTRUCTION	0	100,000	150,000	50.00%
6510 STREET RECONSTRUCTION PROJECT	5,862	339,155	0	-100.00%
6511 88TH STREET LEFT TURN LANE	24,103	37,200	0	-100.00%
6512 88TH STREET LEFT TURN LANE	0	372,800	475,000	27.41%
6520 STREET CONSTRUCTION	343,238	317,030	433,000	36.58%
6525 61st STREET REPAIRS/BETTERMENTS	0	0	85,000	100.00%
6534 CITY HALL DESIGN/CONST	328,670	0	0	0.00%
6538 COMMUNITY CENTER DESIGN/CONSTRUCTION	592,444	243,150	45,000	-81.49%
6539 COMMUNITY CENTER DESIGN	1,197,396	6,750,950	1,800,000	-73.34%
6540 PEDESTRIAN IMPROVEMENTS CONSTRUCTION	103,672	947,780	450,000	-52.52%
6541 COMMUNITY CENTER FF&E		698,720	637,280	-8.79%
6542 COMMUNITY CENTER ALT CONSTRUCTION	394,553	515,710	250,000	-51.52%
6545 JAPANESE GULCH FISH LADDER	39,754	303,301	85,000	-71.98%
6555 BIG GULCH TRAIL CONSTRUCTION	261,285	0	0	0.00%
6560 JAPANESE GULCH TRAIL CONSTRUCTION	0	0	10,000	100.00%
	7,719,916	13,871,496	5,887,280	-57.56%

Expenditures by Category – All Funds (continued)

	2009 Actual	2010 Budget	2011 Budget	% Change
<u>Debt Service</u>				
7165 BOND PRINCIPAL	0	455,000	470,000	3.30%
7850 INTERFUND LOANS	333,280	0	0	0.00%
7900 INTERFUND LOAN PRINCIPAL	0	62,340	45,000	-27.82%
8201 INTERFUND LOAN INTEREST	740	0	3,500	100.00%
8365 BOND INTEREST	84,301	452,960	439,350	-3.00%
8401 SERVICE FEES	120,773	0	0	0.00%
	539,094	970,300	957,850	-1.28%
<u>Interfund Transfers</u>				
5504 TRANSFER TO GENERAL FUND	0	138,495	0	-100.00%
5506 TRANSFER TO TECH REP FUND	50,000	75,000	75,000	0.00%
5508 TRANSFER TO EMERGENCY MEDICAL SVCS FUND	369,750	560,000	0	-100.00%
5511 TRANSFER TO PARKS ACQUISITION FUND	505,000	350,000	343,600	-1.83%
5515 TRANSFER TO MUNICIPAL FACILITIES FUND	16,069	0	0	0.00%
5517 TRANSFER TO COMMUNITY CENTER FUND	231,535	242,860	235,000	-3.24%
5518 TRANSFER TO FACILITIES MAINTENANCE FUND	390,000	390,000	433,000	11.03%
5522 TRANSFER TO REET I FUND	486,434	0	0	0.00%
5523 TRANSFER TO LEOFF I RESERVE FUND	0	25,000	30,000	20.00%
5525 TRANSFER TO PAINE FIELD EMERGENCY FUND	0	0	150,000	100.00%
5530 TRANSFER TO SELF INSURANCE FUND	0	4,870	1,000	-79.47%
5540 TRANSFER TO LTGO BOND FUND	84,305	907,970	1,081,780	19.14%
5580 TRANSFER TO SURFACE WATER FUND	0	9,998	0	-100.00%
5590 TRANSFER TO RESERVES	0	0	(46,200)	100.00%
	2,133,093	2,704,193	2,303,180	-14.83%
<u>TOTAL</u>	25,950,768	33,275,041	25,499,550	-23.37%

FUNDS BY FUND CLASS

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund equity, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The number of funds maintained by the City is consistent with legal and managerial requirements.

The following fund classes and individual funds are discussed in further detail in this section:

Governmental Funds

- General Fund
- LEOFF I Reserve Fund
- Paine Field Emergency Reserve Fund

Special Revenue Funds

- Street Fund
- Arterial Street Fund
- Recreation and Cultural Services Fund
- Hotel/Motel Lodging Tax Fund
- Technology Replacement Fund
- City Reserve Fund
- Emergency Medical Services Fund

Debt Service Funds

- LTGO Bond Fund

Capital Project Funds

- Municipal Facilities Fund
- Park Acquisition & Development Fund
- Transportation Impact Fee Fund
- Real Estate Excise Tax Funds
- Community Center Project Fund

Enterprise Funds

- Surface Water Management Fund

Internal Service Funds

- Health Insurance Administration Fund
- Equipment Replacement Fund
- Unemployment Compensation Fund
- Facilities Maintenance Fund

Fiduciary Funds

- Treasurer's Suspense Fund

The following is a summary of sources and uses by fund class for the entire City budget.

Sources of Funds include beginning fund balance reserves and anticipated current year revenues.

Uses of Funds include expenditures for operations, debt service, capital, and transfers to other funds.

Ending Fund Balance is the anticipated amount of funds projected to be remaining at year-end. This is followed by the anticipated percentage change in ending fund balance from the prior year.

Exhibit 8: Summary of Sources and Uses by Fund Class
2011 Budget

	General Fund	Other Governmental Funds	Special Revenue Funds	Debt Service Funds
SOURCES OF FUNDS				
BEGINNING FUND BALANCE	4,725,080	161,960	1,826,450	7,370
Revenues				
Taxes	9,456,300	0	1,963,000	0
Licenses and Permits	1,004,200	0	400	0
Intergovernmental Revenue	432,800	0	699,700	0
Charges for Service	478,200	0	333,000	0
Fines and Forfeitures	172,600	0	0	0
Miscellaneous Revenues	222,500	450	170,650	0
Interfund Transfers	0	180,000	653,600	1,081,780
Other Financing Sources	0	0	0	0
Total Revenues	11,766,600	180,450	3,820,350	1,081,780
TOTAL SOURCES OF FUNDS	16,491,680	342,410	5,646,800	1,089,150
USES OF FUNDS				
OPERATIONS				
Legislative	72,750	0	0	0
Executive	685,600	0	0	0
Human Resources	80,900	0	0	0
Legal Services	197,000	176,240	0	0
Judicial	127,000	0	0	0
Finance	691,000	0	0	0
Information Technology	328,300	0	0	0
Non-Departmental	394,340	34,900	135,080	0
Police	4,379,700	0	0	0
Fire	2,179,350	0	1,919,450	0
Planning & Community Development	1,030,150	0	0	0
Public Works	954,150	0	767,500	0
Recreation & Cultural Services	0	0	590,680	0
TOTAL OPERATIONS	11,120,240	211,140	3,412,710	0
DEBT SERVICE	0	0	0	909,350
TOTAL DEBT SERVICE	0	0	0	909,350
CAPITAL	342,000	0	664,000	0
TOTAL CAPITAL	342,000	0	664,000	0
OTHER USES				
Interfund Transfers	1,267,600	0	0	0
TOTAL OTHER USES	1,267,600	0	0	0
TOTAL USES OF FUNDS	12,729,840	211,140	4,076,710	909,350
ENDING FUND BALANCE	3,761,840	131,270	1,570,090	179,800
Fund Balance % Change 2010-2011 *	-20.39%	-18.95%	-14.04%	2339.62%

Continued on following page

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Summary of Sources and Uses by Fund Class
2011 Budget

	Capital Funds	Enterprise Funds	Internal Service Funds	Total Budgeted Funds
SOURCES OF FUNDS				
BEGINNING FUND BALANCE	9,261,440	1,286,990	1,152,930	18,422,220
Revenues				
Taxes	600,000	0	0	12,019,300
Licenses and Permits	0	0	0	1,004,600
Intergovernmental Revenue	87,150	23,000	0	1,242,650
Charges for Service	60,000	1,250,000	0	2,121,200
Fines and Forfeitures	0	0	0	172,600
Miscellaneous Revenues	42,090	25,000	892,130	1,352,820
Interfund Transfers	0	0	434,000	2,349,380
Other Financing Sources	0	0	48,500	48,500
	<u>789,240</u>	<u>1,298,000</u>	<u>1,374,630</u>	<u>20,311,050</u>
TOTAL SOURCES OF FUNDS	10,050,680	2,584,990	2,527,560	38,733,270
USES OF FUNDS				
OPERATIONS				
Legislative	0	0	0	72,750
Executive	0	0	0	685,600
Human Resources	0	0	0	80,900
Legal Services	0	0	0	373,240
Judicial	0	0	0	127,000
Finance	0	0	0	691,000
Information Technology	0	0	0	328,300
Non-Departmental	0	0	0	564,320
Police	0	0	0	4,379,700
Fire	0	0	0	4,098,800
Planning & Community Development	2,100	0	0	1,032,250
Public Works	0	1,169,450	437,900	3,329,000
Recreation & Cultural Services	0	0	0	590,680
TOTAL OPERATIONS	2,100	1,169,450	437,900	16,353,540
DEBT SERVICE	0	0	0	909,350
TOTAL DEBT SERVICE	0	0	0	909,350
CAPITAL	3,994,680	382,000	504,600	5,887,280
TOTAL CAPITAL	3,994,680	382,000	504,600	5,887,280
OTHER USES				
Interfund Transfers	1,081,780	0	0	2,349,380
TOTAL OTHER USES	1,081,780	0	0	2,349,380
TOTAL USES OF FUNDS	5,078,560	1,551,450	942,500	25,499,550
ENDING FUND BALANCE	4,972,120	1,033,540	1,585,060	13,233,720
Fund Balance % Change 2010-2011 *	-46.31%	-19.69%	37.48%	-28.16%

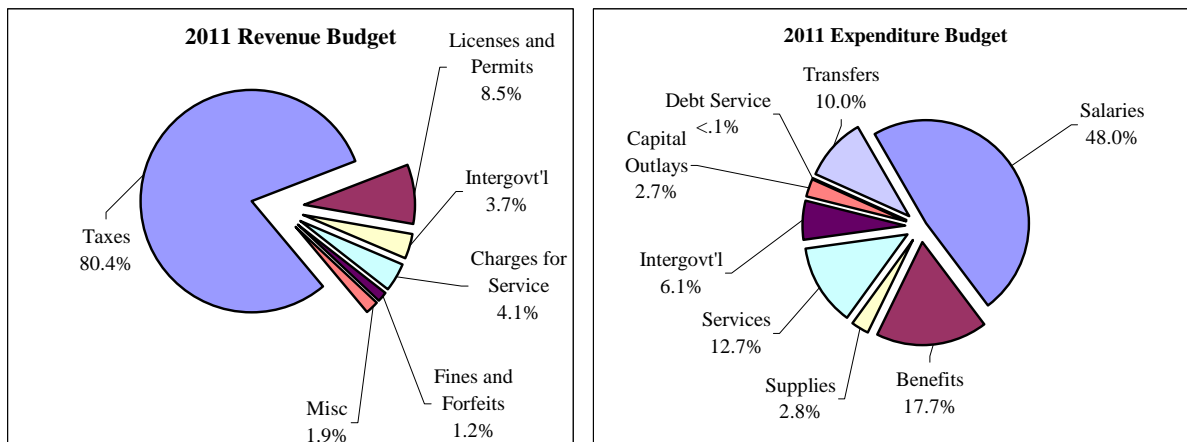
*Decreases in fund balances are due to reduced revenues related to the economic downturn, and expenditures for capital projects, including Community Center Facility construction, and Lighthouse Park construction.

GOVERNMENTAL FUNDS

General Fund

The General Fund is the primary operating fund of the City and is used to account for all financial activity not reflected in another fund. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police, fire, parks, economic development, engineering, general administration and any other activity for which a special revenue fund or enterprise fund has not been created. The General Fund is the largest fund and typically the fund of most interest and significance to citizens.

Exhibit 9: General Fund Revenues, Expenditures, and Fund Balance



Item	2009 Actual	2010 Budget	2011 Budget	\$ Change 11 - '10	% Change 11 - '10
Beginning Fund Balance	\$ 6,421,657	\$ 5,189,600	\$ 4,725,080	\$ (464,520)	-8.95%
Revenues:					
Taxes	9,343,346	9,313,260	9,456,300	143,040	1.54%
Licenses and Permits	928,048	946,200	1,004,200	58,000	6.13%
Intergovernmental Revenue	589,381	707,466	432,800	(274,666)	-38.82%
Charges for Service	624,952	599,100	478,200	(120,900)	-20.18%
Fines and Forfeitures	140,325	177,100	172,600	(4,500)	-2.54%
Miscellaneous Revenues	148,923	282,400	222,500	(59,900)	-21.21%
Transfers In	0	5,000	0	(5,000)	0.00%
Total Revenues	\$ 11,774,974	\$ 12,030,526	\$ 11,766,600	\$ (263,926)	-2.19%
Expenditures:					
Salaries	6,101,676	6,336,718	6,121,900	(214,818)	-3.39%
Benefits	2,058,636	2,176,440	2,280,800	104,360	4.79%
Supplies	393,343	385,147	356,590	(28,557)	-7.41%
Services	1,839,894	1,588,214	1,613,250	25,036	1.58%
Intergovernmental	766,304	802,910	742,300	(60,610)	-7.55%
Capital Outlays	573,977	88,250	342,000	253,750	287.54%
Debt Service	0	0	5,400	5,400	100.00%
Transfers Out	1,562,354	1,657,728	1,267,600	(390,128)	-23.53%
Total Expenditures	\$13,296,184	\$13,035,407	\$12,729,840	(\$305,567)	-2.34%
Ending Fund Balance	\$4,900,447	\$4,184,719	\$3,761,840	(\$422,879)	-10.11%

General Fund Revenues

The General Fund's major revenue categories are Taxes, Licenses and Permits, Intergovernmental Revenues, Fees for Service, Fines and Forfeitures and Other Miscellaneous Revenues. Taxes are the General Fund's largest revenue source, comprising 80% of total 2011 budgeted revenues. Tax revenues are generated from property taxes, sales tax, utility taxes and a few miscellaneous taxes.

Exhibit 10: General Fund Revenues – Major Revenue Sources

GENERAL FUND	2009 Actual	2010 Budget	2011 Budget	Budget \$ Change 2011 - 2010	Budget % Change 2011 - 2010	% of Total 2011 Revenue Budget
<u>Taxes</u>						
Property Taxes	\$ 4,410,288	\$ 4,475,660	\$ 4,540,000	\$ 64,340	1%	39%
Sales Tax	1,683,104	1,537,500	1,590,000	52,500	3%	14%
Utility Taxes	2,861,657	2,931,000	3,033,600	102,600	4%	26%
Other Taxes	388,296	369,100	292,700	(76,400)	-21%	2%
Total Taxes	\$ 9,343,345	\$ 9,313,260	\$ 9,456,300	\$ 143,040	2%	80%
<u>Licenses & Permits</u>						
Business Licenses	\$ 434,059	\$ 353,000	\$ 346,500	\$ (6,500)	-2%	3%
Building & Other Permits	493,989	593,200	657,700	64,500	11%	6%
Total Licenses & Permits	\$ 928,048	\$ 946,200	\$ 1,004,200	\$ 58,000	6%	9%
<u>Intergovernmental Revenues</u>						
Liquor Board Profits	\$ 137,964	\$ 140,000	\$ 142,000	\$ 2,000	1%	1%
Liquor Excise Tax	97,979	92,000	105,200	13,200	14%	1%
State Entitlements & Impact Payments	27,392	23,800	25,300	1,500	6%	<1%
Other Intergovernmental Revenue	358,800	451,666	160,300	(291,366)	-65%	1%
Total Intergovernmental Revenues	\$ 622,135	\$ 707,466	\$ 432,800	\$ (274,666)	-39%	4%
<u>Fees For Service</u>						
General Government	\$ 4,638	\$ 2,400	\$ 7,500	\$ 5,100	213%	<1%
Public Safety	199,291	190,550	178,700	(11,850)	-6%	2%
Utilities and Environment	16,100	25,430	10,000	(15,430)	-61%	<1%
Economic Environment	209,923	185,220	86,500	(98,720)	-53%	1%
Overhead Charge to Other Funds	195,000	195,500	195,500	0	0%	2%
Total Fees For Service	\$ 624,952	\$ 599,100	\$ 478,200	\$ (120,900)	-20%	4%
<u>Fines & Forfeitures</u>						
Fines & Forfeitures	\$ 140,325	\$ 177,100	\$ 172,600	\$ (4,500)	-3%	1%
Total Fines & Forfeitures	\$ 140,325	\$ 177,100	\$ 172,600	\$ (4,500)	-3%	1%
<u>Miscellaneous Revenues</u>						
Interest Earnings	\$ 69,309	\$ 65,500	\$ 16,500	\$ (49,000)	-75%	<1%
Other Miscellaneous Revenue	46,860	221,900	206,000	(15,900)	-7%	2%
Total Miscellaneous Revenues	\$ 116,169	\$ 287,400	\$ 222,500	\$ (64,900)	-23%	2%
Total General Fund	\$ 11,774,974	\$ 12,030,526	\$ 11,766,600	\$ (263,926)	-2%	100%

Exhibit 10 provides General Fund revenues by category for 2009 actual revenues, and a comparison of 2010 and 2011 budgeted revenues. General Fund budgeted revenues decreased 2% overall from 2010 to 2011, primarily due to Commercial Parking Tax of \$50,000 (categorized under "Other Taxes") being eliminated for 2011, reductions in budgeted "Fees for Service" revenues for development related activities, and a reduction in budgeted interest earnings.

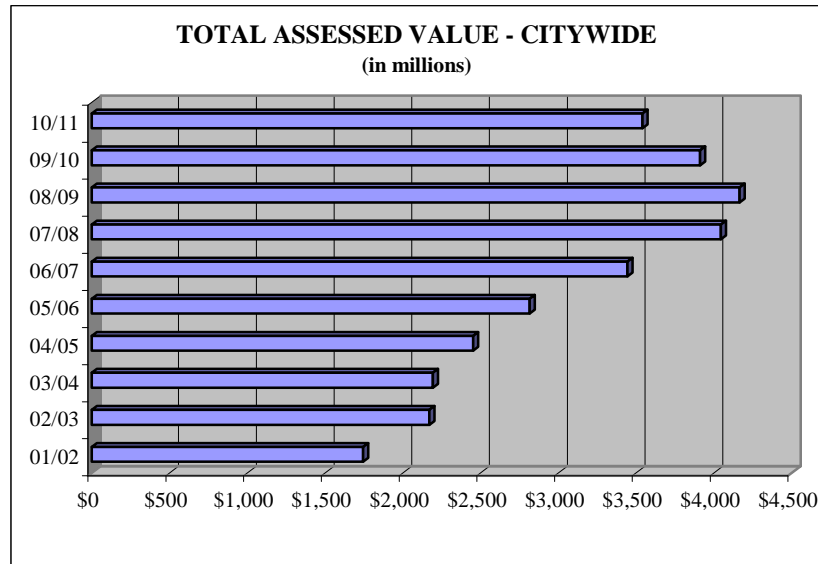
Property Taxes

Property taxes are the largest portion (39%) of budgeted General Fund revenues. Property taxes include amounts levied against all real, public utility and tangible personal assets located within the City. Taxes collected on real property in one calendar year are levied in the preceding calendar year on assessed values as of the levy date (January 1 of that preceding year.) The assessor sets the levy rate based on the City's budget request, the total assessed value of properties in the City, and any applicable limitations or other adjustments. Washington State law restricts taxing districts to a 1% monetary aggregate increase after adjustments for new construction. Increases exceeding 1% require a vote of the citizens. This law applies whether the real estate market and assessed values are increasing or decreasing. The 2011 budget includes the statutory 1% increase in general property taxes.

The Snohomish County Assessor's Office statistically updates all real property in Snohomish County to "true and fair market value" every year, and physically inspects each property at least once every six years. Because Washington State has a budget based property tax system instead of a rate-based system, when property values decrease for the taxing district the levy rates increase and when property values increase the levy rates decrease. However, the budget amount levied and collected by the taxing district does not fluctuate with property values. The Assessor's office annually redistributes the "share" of taxes levied against each property based upon the market value of the property. For more information on how property tax levies are calculated visit the Snohomish County Assessor's website at: <http://assessor.snoco.org/forms/levyclass.pdf>.

As represented in exhibit 11, the total assessed value of all properties in Mukilteo increased 103% from \$1.7 billion to \$3.5 billion between 2001 and 2010. This increase is partially attributed to increases in property values due to the nationwide real estate boom, and partially due to new construction. From 2009 to 2010, total assessed values decreased \$370 million (-9%), as compared to a decrease of \$254 million (-6%), the previous year, which reflects ongoing declines in the real estate market.

Exhibit 11: Total Assessed Value of Property in Mukilteo



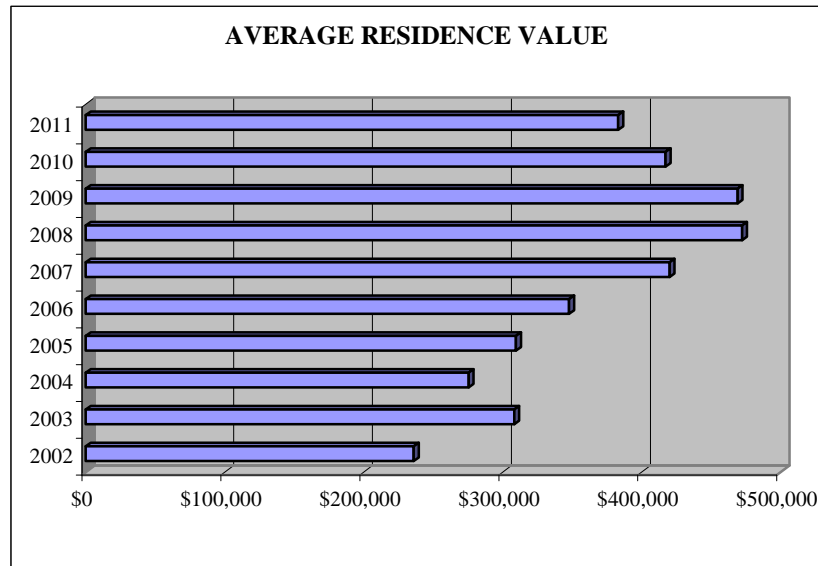
Levy Year/ Collection Year	Total Assessed Value (millions)	Annual Change in Assessed Value (millions)	Annual % Change in Assessed Value	Cumulative Change in Assessed Value Since 01/02 (millions)	Cumulative % Change in Assessed Value Since 01/02
01/02	\$ 1,744				
02/03	\$ 2,169	\$ 425	24%	\$ 425	24%
03/04	\$ 2,192	\$ 23	1%	\$ 448	26%
04/05	\$ 2,452	\$ 260	12%	\$ 708	41%
05/06	\$ 2,815	\$ 363	15%	\$ 1,071	61%
06/07	\$ 3,445	\$ 630	22%	\$ 1,701	98%
07/08	\$ 4,044	\$ 599	17%	\$ 2,300	132%
08/09	\$ 4,165	\$ 121	3%	\$ 2,421	139%
09/10	\$ 3,911	\$ (254)	-6%	\$ 2,167	124%
10/11	\$ 3,541	\$ (370)	-9%	\$ 1,797	103%

Source: Snohomish County Assessor's Annual Reports for Taxes

Average Residence Values

Exhibit 12 demonstrates that the average residence value in the City of Mukilteo increased 100% between 2002 through 2008, but has decreased by 19% between 2009 and 2011. The cumulative increase in average residence values since 2002 is 62%.

Exhibit 12: Value of Average Residence in Mukilteo



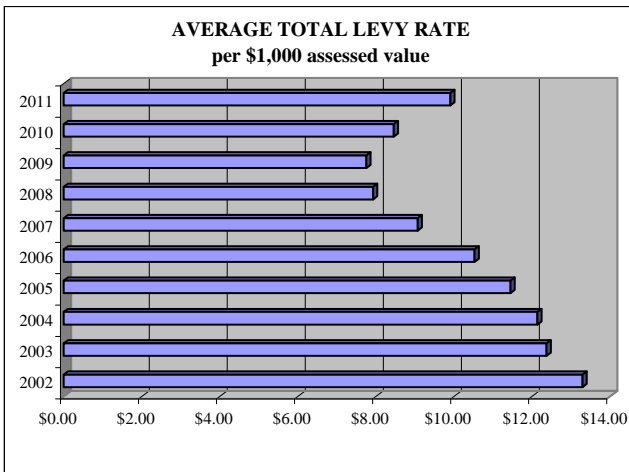
Year	Average Residence Value	Annual Change in Average Value	Annual % Change in Average Value	Cumulative Change in Average Value Since 2002	Cumulative % Change in Average Value Since 2002
2002	\$ 236,000				
2003	\$ 308,300	\$ 72,300	31%	\$ 72,300	31%
2004	\$ 275,400	\$ (32,900)	-11%	\$ 39,400	17%
2005	\$ 309,600	\$ 34,200	12%	\$ 73,600	31%
2006	\$ 347,700	\$ 38,100	12%	\$ 111,700	47%
2007	\$ 420,100	\$ 72,400	21%	\$ 184,100	78%
2008	\$ 472,300	\$ 52,200	12%	\$ 236,300	100%
2009	\$ 469,100	\$ (3,200)	-1%	\$ 233,100	99%
2010	\$ 417,300	\$ (51,800)	-11%	\$ 181,300	77%
2011	\$ 383,200	\$ (34,100)	-8%	\$ 147,200	62%

Source: Snohomish County Assessor's Annual Reports for Taxes

Average Total Property Tax Levy Rates

The average total property tax levy for a home in Mukilteo per \$1,000 assessed value has decreased overall from \$13.30 in 2002 to \$9.91 in 2011, as indicated in exhibit 13. However, the average annual levy rate increased 9% in 2010 and 17% in 2011. As noted previously, an increase in the dollar amount of the average total levy does not necessarily mean that the amount of taxes paid on an individual property will increase. The actual amount paid varies in relation to the property's assessed value in comparison to other properties in the taxing district, and the "share" of taxes allocated to the particular property.

Exhibit 13: Changes in Average Total Levy Rate



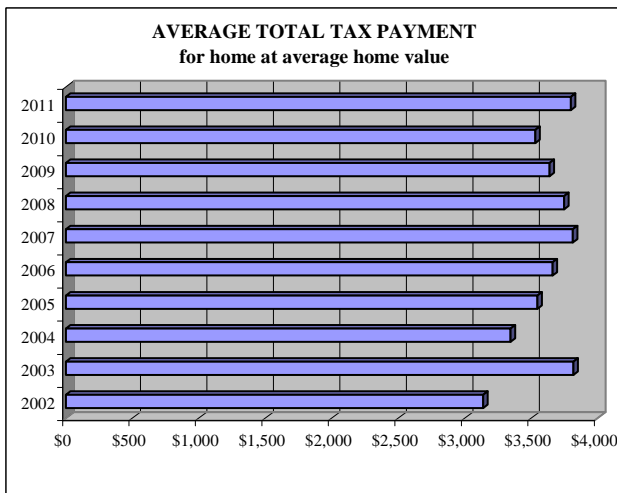
Year	Average Total Levy Rate	Annual Change in Average Levy Rate	Annual % Change in Average Levy Rate	Cumulative \$ Change in Average Levy Rate Since 2002	Cumulative % Change in Average Levy Rate Since 2002
2011	\$ 9.91	\$ 1.45	17.11%	\$ (3.39)	-25.49%
2010	\$ 8.46	\$ 0.70	9.09%	\$ (4.84)	-36.38%
2009	\$ 7.76	\$ (0.18)	-2.21%	\$ (5.54)	-41.68%
2008	\$ 7.93	\$ (1.14)	-12.59%	\$ (5.37)	-40.36%
2007	\$ 9.07	\$ (1.45)	-13.82%	\$ (4.22)	-31.76%
2006	\$ 10.53	\$ (0.92)	-8.05%	\$ (2.77)	-20.82%
2005	\$ 11.45	\$ (0.69)	-5.68%	\$ (1.85)	-13.89%
2004	\$ 12.14	\$ (0.24)	-1.93%	\$ (1.16)	-8.70%
2003	\$ 12.38	\$ (0.92)	-6.90%	\$ (0.92)	-6.90%
2002	\$ 13.30				

Source: Snohomish County Assessor's Annual Reports for Taxes

Average Total Property Tax Payment

The total property tax payment for an average valued home in Mukilteo has increased from \$3,138 in 2002 to \$3,797 in 2011, as indicated in exhibit 14. This includes levy amounts for the City, County, State, Port, Library, and School District.

Exhibit 14: Changes in Average Total Property Tax Payment



Year	Average Tax Payment	Annual Change in Average Tax Payment	Annual % Change in Average Tax Payment	Cumulative \$ Change in Average Tax Payment Since 2002	Cumulative % Change in Average Tax Payment Since 2002
2011	\$ 3,797	\$ 266.32	7.54%	\$ 658.57	20.99%
2010	\$ 3,530	\$ (107.69)	-2.96%	\$ 392.25	12.50%
2009	\$ 3,638	\$ (107.71)	-2.88%	\$ 499.94	15.93%
2008	\$ 3,746	\$ (65.98)	-1.73%	\$ 607.65	19.36%
2007	\$ 3,812	\$ 151.03	4.13%	\$ 673.63	21.47%
2006	\$ 3,661	\$ 115.64	3.26%	\$ 522.60	16.65%
2005	\$ 3,545	\$ 201.65	6.03%	\$ 406.96	12.97%
2004	\$ 3,343	\$ (473.05)	-12.40%	\$ 205.31	6.54%
2003	\$ 3,816	\$ 678.36	21.62%	\$ 678.36	21.62%
2002	\$ 3,138				

Source: Snohomish County Assessor's Annual Reports for Taxes

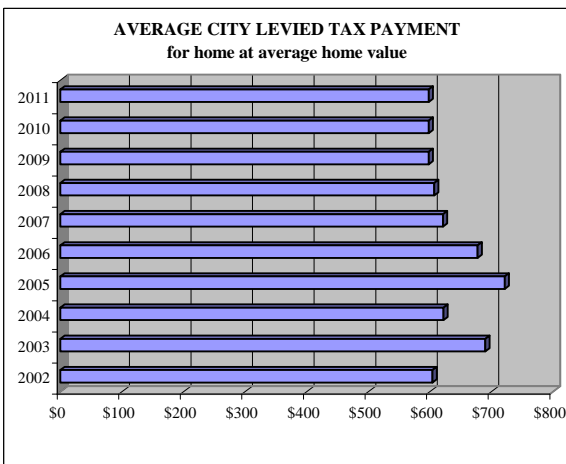
Average City Levied Property Tax

As represented in exhibit 15, the average property tax rate levied by the City has decreased by 30% between 2002 and 2011. The City levied tax payment for an average valued home has increased overall, from \$604 to \$686.

Exhibit 15: Average City Levied Property Tax Rates and Payments



Year	City Levied Property Tax Rate	Annual \$ Change in Average City Levied Rate	Annual % Change in Average City Levied Rate	Cumulative \$ Change in Average City Levied Rate	Cumulative % Change in Average City Levied Rate
2011	\$ 1.79	\$ 0.41	29.71%	\$ (0.77)	-30.08%
2010	\$ 1.38	\$ 0.10	7.81%	\$ (1.18)	-46.09%
2009	\$ 1.28	\$ (0.01)	-0.78%	\$ (1.28)	-50.00%
2008	\$ 1.29	\$ (0.19)	-12.84%	\$ (1.27)	-49.61%
2007	\$ 1.48	\$ (0.47)	-24.10%	\$ (1.08)	-42.19%
2006	\$ 1.95	\$ (0.38)	-16.31%	\$ (0.61)	-23.83%
2005	\$ 2.33	\$ 0.07	3.10%	\$ (0.23)	-8.98%
2004	\$ 2.26	\$ 0.02	0.89%	\$ (0.30)	-11.72%
2003	\$ 2.24	\$ (0.32)	-12.50%	\$ (0.32)	-12.50%
2002	\$ 2.56				



Year	Average Residence Value	Average City Levied Tax Payment	Annual \$ Change in Average City Levied Tax Payment	Annual % Change in Average City Levied Tax Payment	Cumulative \$ Change in Average City Levied Tax Payment	Cumulative % Change in Average City Levied Tax Payment
2011	\$ 383,200	\$ 686	\$ 110	19.09%	\$ 81.93	13.56%
2010	\$ 417,300	\$ 576	\$ (24)	-4.00%	\$ (28.00)	-4.64%
2009	\$ 469,100	\$ 600	\$ (9)	-1.48%	\$ (4.00)	-0.66%
2008	\$ 472,300	\$ 609	\$ (13)	-2.09%	\$ 5.00	0.83%
2007	\$ 420,100	\$ 622	\$ (56)	-8.26%	\$ 18.00	2.98%
2006	\$ 347,700	\$ 678	\$ (43)	-5.96%	\$ 74.00	12.25%
2005	\$ 309,600	\$ 721	\$ 99	15.92%	\$ 117.00	19.37%
2004	\$ 275,400	\$ 622	\$ (69)	-9.99%	\$ 18.00	2.98%
2003	\$ 308,300	\$ 691	\$ 87	14.40%	\$ 87.00	14.40%
2002	\$ 236,000	\$ 604				

Source: Snohomish County Assessor's Annual Reports for Taxes

Allocation of Property Tax Dollars

Property taxes are collected and distributed by Snohomish County to the various taxing authorities. Exhibit 16 visually demonstrates the allocation of collected property tax revenues for 2011:

Exhibit 16: Allocation of Property Tax Dollars

WHERE DO PROPERTY TAX DOLLARS GO?



In 2011, the City of Mukilteo will receive approximately 18.03 cents of each property tax dollar collected within the City. These property tax revenues are allocated to provide Emergency Medical Services (5.05 cents), and general City services (12.98 cents). The remaining 81.97 cents of each tax dollar collected is allocated to the State of Washington, Snohomish County, Port of Everett, Sno-Isle Regional Libraries, and the Mukilteo School District.

Property Taxes Rates by Tax Code Area

A Tax Code Area is a geographical area in which various taxing districts may assess taxes to sustain operations. Tax rates by area vary due to overlapping taxing districts that affect some geographical areas and not others, such as the Port of Everett. The City of Mukilteo includes three different Tax Code Areas – 667, 671 and 673. A property's Tax Code Area and rate are indicated on the annual Real Estate Tax statement from Snohomish County, as "Levy Code" and "Levy Rate."

Exhibit 17 shows the allocation of taxes in each of the City's three Tax Code Areas, as assessed by each taxing district. The assessed property tax rates for 2011 vary from a low of \$9.62 per thousand in TCA's 671 and 673 to a high of \$9.91 per thousand in TCA 667. The average assessed tax rate for all of Snohomish County is \$11.21 per thousand.

Exhibit 17: City of Mukilteo Property Tax Rates by Tax Code Area

(Per \$1,000 assessed valuation)

Calendar Year:	2009			2010			2011		
Tax Code Area (TCA) :	667	671	673	667	671	673	667	671	673
Taxing District:									
City - Emergency Medical Services	\$0.21	\$0.21	\$0.21	\$0.23	\$0.23	\$0.23	\$0.50	\$0.50	\$0.50
City - General	\$1.06	\$1.06	\$1.06	\$1.15	\$1.15	\$1.15	\$1.29	\$1.29	\$1.29
Subtotal - City Assessed Tax	\$1.28	\$1.28	\$1.28	\$1.38	\$1.38	\$1.38	\$1.79	\$1.79	\$1.79
Washington State	\$1.91	\$1.91	\$1.91	\$1.99	\$1.99	\$1.99	\$2.21	\$2.21	\$2.21
Snohomish County	\$0.72	\$0.72	\$0.72	\$0.78	\$0.78	\$0.78	\$0.87	\$0.87	\$0.87
Port of Everett	\$0.27			\$0.28			\$0.28		
Sno-Isle Regional Library	\$0.31	\$0.31	\$0.31	\$0.40	\$0.40	\$0.40	\$0.45	\$0.45	\$0.45
Mukilteo School District	\$3.27	\$3.27	\$3.27	\$3.62	\$3.62	\$3.62	\$4.31	\$4.31	\$4.31
Subtotal - District Assessed Tax	\$6.48	\$6.21	\$6.21	\$7.08	\$6.80	\$6.80	\$8.12	\$7.84	\$7.84
Total Assessed Tax by City TCA	\$7.76	\$7.49	\$7.49	\$8.46	\$8.18	\$8.18	\$9.91	\$9.62	\$9.62
Average Assessed Tax Rate for Snohomish County:	\$9.09			\$9.89			\$11.21		

Source: Snohomish County Assessor's Annual Reports for Taxes

Utility Taxes

Utility taxes are the second largest portion (26%) of General Fund revenues. Utility Taxes are levied upon the gross income of businesses providing utility services within the City. These utility services include natural gas, electricity, telephone, cable, garbage, and storm drainage.

Sales Taxes

Retail sales taxes are the third largest portion (14%) of General Fund revenues. Retail sales tax is charged on the sale of tangible personal property, and the sale of services such as installation, repair, cleaning, altering, improving, construction, and decorating. The sales tax rate in the City of Mukilteo is 9.5% in January 2011. This is comprised of a state sales tax of 6.5%, a Regional Transit Authority sales tax of .9%, Snohomish County Mental Health Tax of .1%, and the local tax rate of 2%. The City receives .85% sales tax on retail sales.

Licenses & Permits

Licenses & Permits include business license fees, franchise fees, building permits and other miscellaneous licenses and permits. The majority of the revenue in this category comes from permit fees related to new construction.

Exhibit 18: Construction Related Revenues

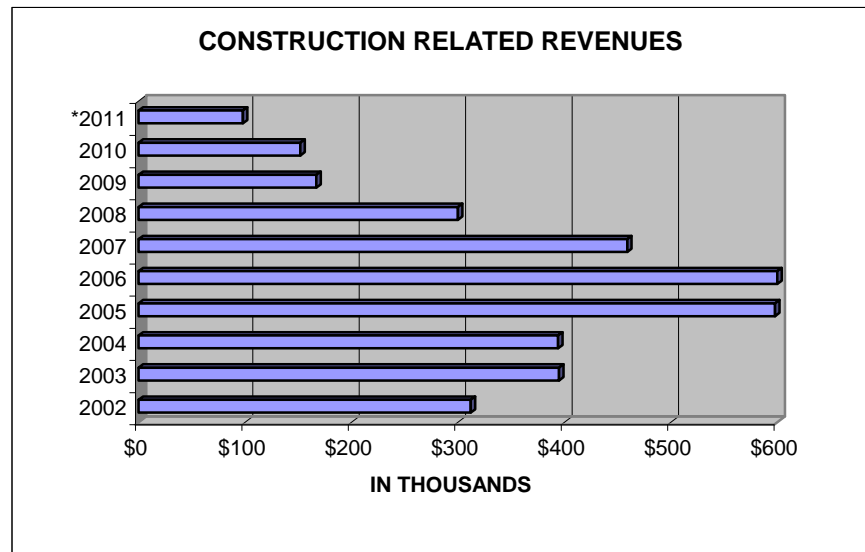


Exhibit 18 reflects actual combined revenues received for building permits, plumbing permits, mechanical permits and engineering fees, with the exception of 2011, which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales has caused a steady decline in these revenues from \$600,000 in 2006 to \$152,000 in 2010, and \$98,000 budgeted in 2011.

Intergovernmental revenues come from grants, state entitlements and state shared revenues.

State Shared Revenues

The primary allocation basis for other state revenue sharing for each city is the City's relative share of the state's population of all incorporated cities and towns. The Office of the State Treasurer collects, allocates, and distributes these funds.

Liquor Excise Tax & Liquor Board Profits

Liquor is sold only in Washington State liquor stores. State law provides that a share of the state collected profits and taxes are to be returned to the cities to help defray the costs of policing these stores. The City receives 28% of the liquor excise taxes collected within the City.

Fines & Forfeitures Revenues are derived primarily from traffic violations, and also include parking citations and miscellaneous.

Other Miscellaneous Revenues include sources such as investment income, contributions and revenues that do not fit in another category.

General Fund Expenditures

The General Fund expenditure budget for 2011 totals \$ 12,729,840, a decrease of 2.3% from 2010. Major expenditure categories include:

Personnel Services

Personnel services represent a significant portion of the total General Fund budget. In 2011 salaries and benefits (health, dental, vision, disability, life, retirement) account for \$8,402,700 or 66% of the total General Fund budget.

Operating Expenditures

Operating expenditures represent approximately 21% of the total General Fund budget for 2011. This includes a wide array of expenditures. Operating expenditures include all normal day-to-day expenditures (i.e., engineering services, custodial services, repair and maintenance, legal notices, equipment rental and repair, telephone and utility services, legal and accounting services, motor vehicle repair and maintenance, minor equipment, liability insurance, and miscellaneous supplies).

Capital Outlays

Capital outlays represent approximately 3% of the total General Fund budget for 2011. Capital outlays in the General Fund include items such as software, machinery and equipment, interpretive signage, and pavement improvements.

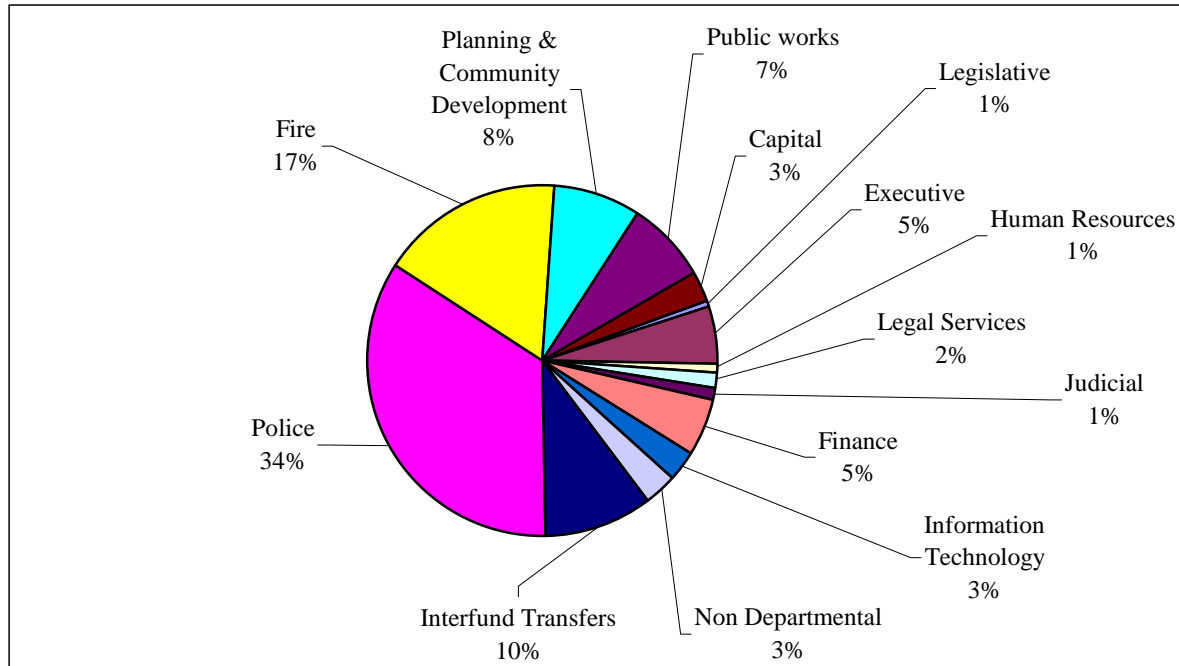
Interfund Transfers

Transfers are made from the General Fund to several other funds, which represent approximately 10% of the total General Fund budget:

• To Technology Replacement Fund	\$ 75,000
• To Street Fund	\$ 343,600
• To Recreation and Cultural Services Fund	\$ 235,000
• To Paine Field Emergency Fund	\$ 150,000
• To LEOFF I Reserve Fund	\$ 30,000
• To Self Insurance Reserve Fund	\$ 1,000
• To Facilities Maintenance Fund	<u>\$ 433,000</u>
Total Interfund Transfers	<u>\$ 1,267,600</u>

Exhibit 19 depicts the major departments or functions in the General Fund and the amount budgeted in those categories.

Exhibit 19: General Fund Expenditures Summary by Division



	2009 Actual	2010 Budget	2011 Budget	\$ Change '11-'10	% Change '11-'10
Legislative	\$85,365	\$73,158	\$72,750	(\$408)	-0.56%
Executive	671,045	710,190	685,600	(24,590)	-3.46%
Human Resources	51,757	78,850	80,900	2,050	2.60%
Legal Services	239,035	216,000	197,000	(19,000)	-8.80%
Judicial	114,546	138,450	127,000	(11,450)	-8.27%
Finance	762,330	667,690	691,000	23,310	3.49%
Information Technology	160,820	359,250	328,300	(30,950)	-8.62%
Non Departmental	487,662	457,710	394,340	(63,370)	-13.85%
Interfund Transfers	1,562,354	1,657,728	1,267,600	(390,128)	-23.53%
Police	4,083,614	4,142,195	4,379,700	237,505	5.73%
Fire	2,137,314	2,175,587	2,179,350	3,763	0.17%
Planning & Community Development	1,241,166	1,208,450	1,030,150	(178,300)	-14.75%
Public Works	1,159,061	1,104,149	954,150	(149,999)	-13.59%
Capital	540,115	46,000	342,000	296,000	643.48%
Totals	\$13,296,184	\$13,035,407	\$12,729,840	(\$305,567)	-2.34%

LEOFF I Reserve Fund

The LEOFF I Reserve Fund holds funds set aside to be used for the payment of medical premiums and medical expenses for LEOFF I retirees. A fund statement for the LEOFF I Reserve Fund is included on page 105.

Paine Field Emergency Fund

This fund receives all revenues from a funds transfer from the General Fund, and is used for the payment of legal or other costs deemed necessary by council as appropriate to oppose commercial expansion of Paine Field. A fund statement for the Paine Field Emergency Fund is included on page 90.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes or resources dedicated for specific purposes.

Street Fund

In addition to a transfer from the General Fund, this fund receives 68.14% of the Motor Vehicle Fuel Excise Tax (gas tax) received. These revenues are used for costs related to street maintenance. A fund statement for the Street Fund is included on page 157.

Arterial Street Fund

This fund receives 31.86% of the Motor Vehicle Fuel Excise Tax (gas tax), and may be used for the construction, improvement, chip sealing, seal-coating, and repair of arterial highways and city streets. A fund statement for the Arterial Street Fund is included on page 183.

Recreation and Cultural Services Center Fund

In addition to a transfer from the General Fund, this fund receives Community Center activities fees and rental revenues, and funds the expenditures for the operations and maintenance of the Community Center building and programs. A fund statement for the Recreation and Cultural Services Center Fund is included on page 173.

Hotel/Motel Lodging Tax Fund

This fund receives the 2% hotel/motel tax assessed on hotels/motels within the City. These funds are mandated to be used only for tourism promotion and operations and maintenance of tourism facilities in the City. A fund statement for the Hotel/Motel Lodging Tax Fund is included on page 103.

Technology Replacement Fund

This fund maintains a reserve for replacement of entity-wide computer hardware/software, telephone hardware or any other major technology need that arises in the future. Funding is provided through a transfer from the General Fund. A fund statement for the Technology Replacement Fund is included on page 98.

City Reserve Fund

This fund provides 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. A fund statement for the City Reserve Fund is included on page 91.

Emergency Medical Services Fund

In addition to a transfer from the General Fund, this fund receives the revenues from a voter approved tax levy to fund advanced life support (ALS) services. A fund statement for the Emergency Medical Services Fund is included on page 133.

Parks and Open Space Fund

In 2009 and previous years, this fund received revenues from the Lighthouse Park boat launch and long-term parking. This fund was discontinued in 2010, and the revenues and related expenses are now budgeted to the General Fund.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for bond proceeds and the subsequent payment of principal and interest.

Limited Tax General Obligation (LTGO) Bond Fund

The revenues from this fund come from transfers from Real Estate Excise Tax Funds, and are used to pay principal and interest on the \$12,585,000 in bonds issued in 2009 to construct a new Community Center. A fund statement for the Limited Tax General Obligation Bond Fund is included on page 177.

Per State law, the City may have a total general obligation debt outstanding of up to 2.5% of the assessed value for general purposes, 2.5% for utility purposes and 2.5% for open space/parks. Within the 2.5%, the City may have non-voted general obligation debt outstanding of up to 1.5% of assessed value. This non-voted debt includes limited tax general obligation bonds, conditional sales contracts and capital leases.

Exhibit 20: Computation of Legal Debt Capacity

Assessed Value	General	Utility	Parks and	Total Capacity
\$ 3,541,494,541	Obligation	Purposes	Open Space	
Non-Voted (1.5% AV) *	53,122,418			53,122,418
Maximum 2.5% AV	88,537,364	88,537,364	88,537,364	265,612,091
Statutory Debt Limit * (1.5% non-voted included in 2.5% limit)	88,537,364	88,537,364	88,537,364	265,612,091
Total Debt Outstanding (non-voted)	12,130,000	0	0	12,130,000
Less amount in Debt Service Funds	(21,698)	0	0	(21,698)
Net Debt Outstanding	12,108,302	0	0	12,108,302
Remaining Non-Voted Debt Capacity	41,014,116	0	0	41,014,116
Remaining Total Debt Capacity	76,429,062	88,537,364	88,537,364	253,503,789

* The 1.5 % non-voted amount is included in the 2.5% maximum of \$88,537,364.

Exhibit 20 indicates that the total legal debt capacity for the City is over \$265 million. In September 2009 the City issued \$12,585,000 in Long-Term General Obligation bonds to fund construction of a new Community Center. A few weeks prior to the bond sale, Standard &

Poor's boosted the city's credit rating to AAA, the highest rating obtainable. Because of the 3.54 percent annual interest rate the City received as a result of the boost in its bond rating, the bond interest expense incurred through 2029 will be approximately \$744,000 less than the City's original estimate. The bonds will be repaid with real-estate excise taxes, which the city receives from taxes collected by Snohomish County whenever property is sold.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City uses the Capital Project funds to ensure legal compliance with and financial management for various restricted revenues.

Municipal Facilities Fund

The revenues from this fund come from transfers from the General Fund and are used to construct City facilities. A fund statement for the Municipal Facilities Fund is included on page 183.

Parks Acquisition and Development Fund

This fund receives revenues from park mitigation fees and grants, and is used to fund the expenditures for park development. A fund statement for the Parks Acquisition and Development Fund is included on page 184.

Transportation Impact Fee Fund

Transportation Impact fees are authorized under the State Environmental Policy Act (SEPA) and the Growth Management Act (GMA) to help offset the cost of transportation capital facilities brought about by new growth and development. Impact fee revenues collected are used to design, engineer and construct transportation facilities that are consistent with the capital facilities and transportation elements of the Mukilteo comprehensive plan. A fund statement for the Transportation Impact Fee Fund is included on page 184.

Real Estate Excise Tax Funds

Real estate excise tax is collected on all sales of real estate within the city, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28 percent. Cities may levy an additional two separate quarter percent taxes. The City levies both the additional quarter percents. There are two components of Real Estate Excise Tax revenues:

Real Estate Excise Tax I Fund

Revenues generated may be used for any capital purpose identified in the current capital improvement plan for the purposes of planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement. These purposes may include: streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks planning, acquisition (building & land), construction, reconstruction, repair, replacement, rehabilitation, or improvement; recreational facilities; law enforcement facilities; fire protection facilities;

administrative and judicial facilities; trails; and libraries. A fund statement for the Real Estate Excise Tax I Fund is included on page 185.

Real Estate Excise Tax II Fund

Revenues generated may be used for street and park projects (with the exclusion of the acquisition of land.) A fund statement for the Real Estate Excise Tax II Fund is included on page 185.

Exhibit 21: Real Estate Excise Tax Revenues

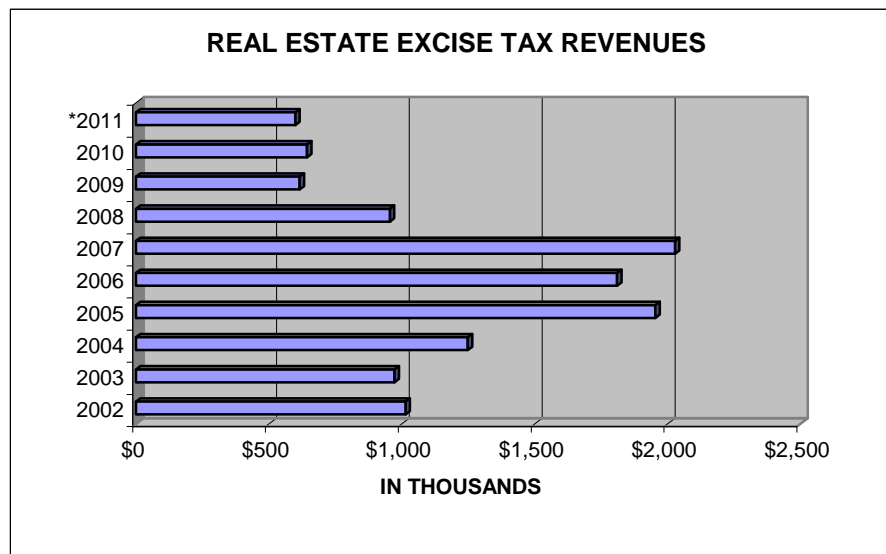


Exhibit 21 reflects actual Real Estate Excise Tax revenues received in both funds, with the exception of 2011 which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales has caused a steady decline in these revenues since 2007.

Community Center Project Fund

The proceeds from the 2009 sale of \$12,585,000 in Long-Term General Obligation bonds, and the expenditures incurred for construction of the new Community Center, are maintained in this fund. A fund statement for the Community Center Project Fund is included on page 186.

ENTERPRISE FUNDS

Enterprise funds are used to account for those operations that provide services to the general public for a fee. Under GASB Statement #34, enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria: (1) any activity that has issued debt backed solely by the fees and charges of the activity, (2) if the cost of providing the services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or (3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

Surface Water Management Fund

The revenue for this fund comes from user fees and is used for operations, maintenance and improvement of the City's storm drainage system. A fund statement for the Surface Water Management Fund is included on page 161.

Exhibit 22: Surface Water Utility Revenues

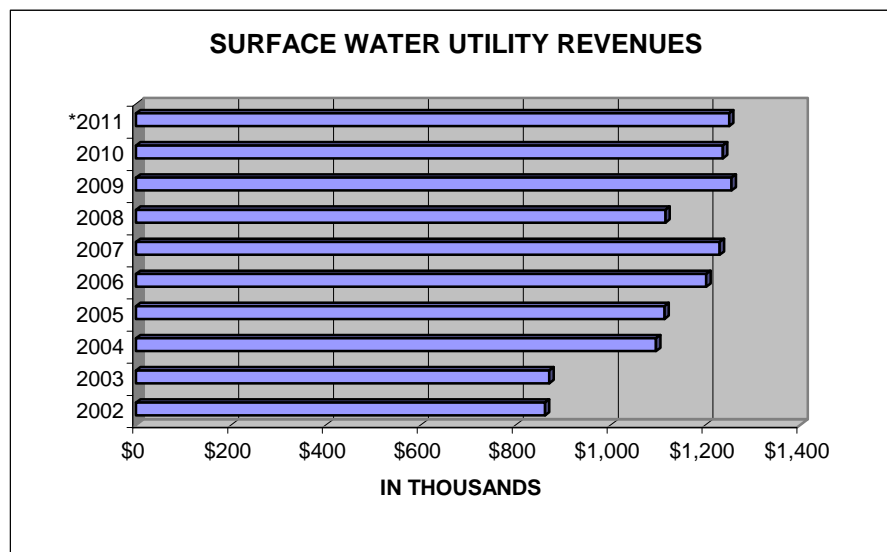


Exhibit 22 reflects actual revenues received for storm drainage fees, with the exception of 2011 which reflects budgeted amounts.

INTERNAL SERVICE FUNDS

Internal Service funds are used when a City provides services for other departments and charges the departments for those services. The revenue for these funds comes from transfers from other departments within the City.

Health Insurance Administration Reserve Fund

The City self-insures dental and vision benefits for City Employees. This fund maintains a reserve for these benefits, as required by state law. A fund statement for the Health Insurance Administration Reserve Fund is included on page 104.

Equipment Replacement Fund

The City maintains a detailed equipment replacement schedule for all capital equipment owned by the City. Departments are charged an annual fee that is set aside for the purpose of replacing capital equipment used by the department. A fund statement for the Equipment Replacement Fund is included on page 165.

Unemployment Compensation Reserve Fund

The City self-insures unemployment compensation benefits for City Employees. This fund maintains a reserve to protect against higher than anticipated employment compensation claims. A fund statement for the Unemployment Compensation Reserve Fund is included on page 106.

Facilities Maintenance Fund

This fund receives revenues from a funds transfer from the General Fund. This fund is used for expenses related to maintenance of City facilities. A fund statement for the Facilities Maintenance Fund is included on page 167.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include private-purpose trust funds, pension (and other employee benefit) trust funds, investment trust funds, and agency funds.

The City currently maintains one agency fund:

Treasurer's Suspense Fund

This fund is used to report assets which are held in an agency capacity for others, and therefore are not available to support City programs. This fund is reported in the Fiduciary Funds section of City's audited financial statements, but because it is not an appropriated fund it is not included in the City's budget.



Lighthouse Park Phase II improvements

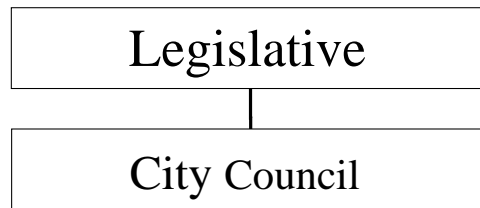


LEGISLATIVE DEPARTMENT

The Legislative Department includes the City Council. The City Council is responsible for establishing policy direction for the City through the adoption of laws, policies, procedures, and programs.

The City Council approves the City Budget, all ordinances, resolutions, contracts, fees, and programs. The City Council meets four times each month at regularly scheduled meetings and meets, as needed, to discuss special interest matters.

The City Council consists of seven members who serve four-year terms. Terms are staggered so that no more than four Councilmember positions are up for election at any one time.



LEGISLATIVE DEPARTMENT EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
City Council	\$85,365	\$73,158	\$72,750	-0.56%
TOTAL	\$85,365	\$73,158	\$72,750	-0.56%



City Council

PURPOSE

The City Council establishes policy direction for the City organization by adopting ordinances, resolutions, programs, priorities, and procedures.

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.

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	2010	2011
Councilmember	7	7
Total	7	7

PERFORMANCE INDICATORS

	2009	2010	2011
	Actual	Est.	Est.
Council Meetings	47	43	45
Formal Actions Taken	282	250	266
Ordinances Adopted	21	20	20
Resolutions Approved	32	33	32

2011 GOALS & OBJECTIVES

- To establish clear policy direction and priorities for City operations.
- To establish annual work plans for City commissions and boards.
- To protect the community against Paine Field Airport expansion.
- To pursue State and Federal legislation beneficial to Mukilteo.
- To pursue responsible development for the Mukilteo Landing Waterfront Development.
- To efficiently and effectively communicate with the public through Council Meetings, Chime-In Meetings, and public information programs.



CITY COUNCIL

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Part Time Employees	\$42,600	\$42,408	\$42,600	0.45%
	\$42,600	\$42,408	\$42,600	0.45%
PERSONNEL BENEFITS				
FICA	\$3,259	\$3,450	\$3,300	-4.35%
L&I	186	200	200	0.00%
	\$3,445	\$3,650	\$3,500	-4.11%
SUPPLIES				
Office Supplies	\$419	\$250	\$250	0.00%
Operating Supplies	94	200	200	0.00%
Ancillary Meeting Costs	222	500	500	0.00%
Small Items of Equipment	0	200	200	0.00%
	\$735	\$1,150	\$1,150	0.00%
OTHER SERVICES & CHARGES				
Other Professional Services	\$545	\$1,000	\$1,000	0.00%
Travel & Subsistence	22,065	9,800	9,800	0.00%
Legal Publications	1,712	1,500	1,000	-33.33%
Publication of Agendas	2,839	3,300	3,300	0.00%
Printing and Binding	227	350	400	14.29%
Training & Registration	8,054	7,000	7,000	0.00%
City Code Revision	3,143	3,000	3,000	0.00%
	\$38,585	\$25,950	\$25,500	-1.73%
TOTAL CITY COUNCIL	\$85,365	\$73,158	\$72,750	-0.56%



Lighthouse Park beach on a warm summer's day

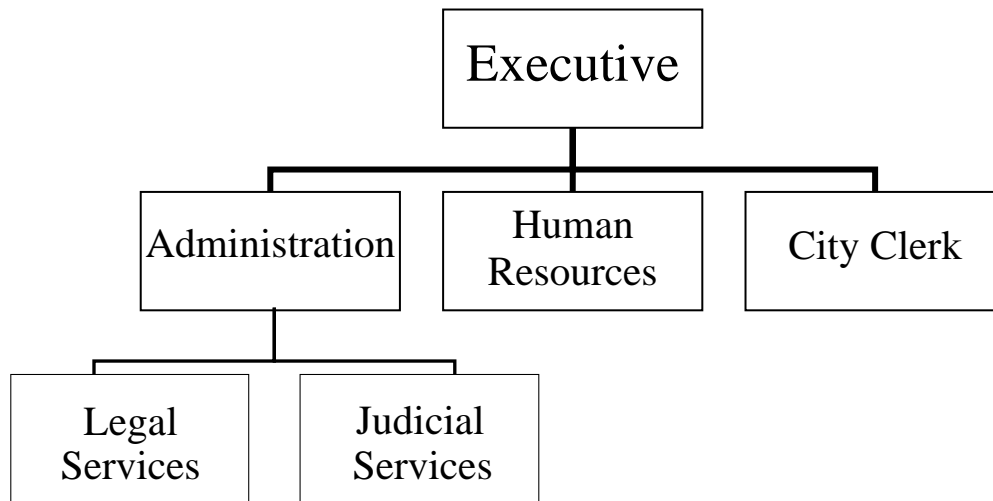


EXECUTIVE DEPARTMENT

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

The Department presents the annual budget, executes all City contracts, maintains the City's official public records, recruits new staff provides Risk Management services, and prepares analyses and reports as necessary to help optimize City operations and clarify policy direction.

The Executive Department consists of the Administration, Human Resources and City Clerk Divisions, which are described within this section.



EXECUTIVE DEPARTMENT EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Administration	\$671,045	\$709,790	\$685,600	-3.41%
Human Resources	51,757	78,850	80,900	2.60%
Legal Services	239,035	216,000	197,000	-8.80%
Judicial Services	114,546	138,450	127,000	-8.27%
Paine Field Emergency Fund	77,263	55,000	176,240	220.44%
City Reserve Fund	179,199	0	0	0.00%
TOTAL	\$1,332,845	\$1,198,090	\$1,266,740	5.73%

Administration

PURPOSE

The Administration Division manages and directs the operations of the City. The Mayor serves as the Chief Executive Officer and is elected to a four-year term. The Mayor appoints the City Administrator, with confirmation by the City Council.

The City Administrator oversees all City operations, implements policy direction established by the Mayor and City Council, manages the daily operations of the City, and establishes work plans for departments. Through department heads, the City Administrator coordinates operations, develops programs, evaluates performance, and manages activities to assure City services are effectively and efficiently provided.

The Administration Division is responsible for conducting economic development efforts including retention, recruitment, reinvestment and expansion of businesses.

The Division is accountable for advertising and maintaining all Boards, Commissions and Committees within the City.

This Division also maintains the City's official public records, coordinates and processes liability claims and lawsuits involving the City and monitors public information requests, maintains the City website and provides direct staff support to the Mayor and City Council.

This Division facilitates communications and public information activities to promote the City and inform City residents, including the City Views newsletter, press contact and press releases, customer service initiatives, web streaming and other activities.

POSITION SUMMARY

<u>Position Title</u>	<u>2010</u>	<u>2011</u>
Mayor	1	1
City Administrator	1	1
City Clerk	1	1
Executive/HR Assistant	1	1
Assistant to City Admin	1	1
Department Assistant	0.5	0.5
Total	5.5	5.5

PERFORMANCE INDICATORS

	<u>2009</u>	<u>2010</u>	<u>2011</u>
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Agenda Bills Presented	119	120	120
Public Records Requests	335	250	295
Claims Opened	9	8	9
Claims Closed	13	10	11
Incidents Reported	23	25	24

2011 GOALS & OBJECTIVES

- To continue activities to protect the community from commercial air service at Paine Field Airport.
- To continue expanding and diversifying communications and public information activities and initiatives to promote the City, including but not limited to the City newsletter, press contact, website, customer service initiatives and web-streaming and/or broadcasting.
- To develop and implement long-range financial and operational planning and stability.
- To facilitate the transfer of the Tank Farm and waterfront development, including the NOAA facility.
- Economic Development within the City.
- Japanese Gulch parks and open space development.

ADMINISTRATION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$333,773	\$423,290	\$409,100	-3.35%
Part Time Employees	50,892	21,960	23,000	4.74%
Special Assignment Pay	7,065	7,200	7,200	0.00%
Overtime	3,457	5,000	1,000	-80.00%
	\$395,187	\$457,450	\$440,300	-3.75%
PERSONNEL BENEFITS				
FICA	\$29,341	\$35,450	\$33,500	-5.50%
PERS	26,828	24,610	30,700	24.75%
L&I	1,520	1,690	1,600	-5.33%
Medical Benefits	55,470	61,100	67,600	10.64%
Dental Benefits	8,656	5,500	5,500	0.00%
Vision Benefits	1,184	1,680	1,700	1.19%
Unemployment Compensation	105	400	400	0.00%
Administrator Vehicle Allowance	6,000	6,000	6,000	0.00%
Life Insurance	1,054	1,540	1,500	-2.60%
Long Term Disability Insurance	2,335	3,410	3,300	-3.23%
	\$132,493	\$141,380	\$151,800	7.37%
SUPPLIES				
Office Supplies	\$4,943	\$6,000	\$3,000	-50.00%
Reference Materials	216	300	300	0.00%
Ancillary Meeting Costs	843	500	500	0.00%
Small Items of Equipment	1,296	1,000	1,000	0.00%
	\$7,298	\$7,800	\$4,800	-38.46%
OTHER SERVICES & CHARGES				
Consulting Services	\$14,527	\$6,960	\$5,000	-28.16%
Lobbyist Services	96,545	65,000	60,000	-7.69%
Appraisal Services	0	0	4,000	100.00%
Records Management	186	11,500	1,000	-91.30%
Telephone	8,098	1,900	1,900	0.00%
Cell Phone	0	2,100	2,100	100.00%
Postage	704	1,000	1,000	0.00%
Travel and Subsistence	9,959	9,000	9,000	0.00%
Assoc. Dues and Memberships	2,574	1,000	1,000	0.00%
Printing and Binding	126	200	200	100.00%
Training and Registration	3,323	4,500	3,500	-22.22%
Miscellaneous	25	0	0	0.00%
	\$136,067	\$103,160	\$88,700	-14.02%
TOTAL ADMINISTRATION	\$671,045	\$709,790	\$685,600	-3.41%

Human Resources

PURPOSE

The primary objective of the Human Resources Division is to attract and retain qualified, skilled professional staff, to provide superior service to the citizens of Mukilteo.

The City Administrator manages the division and the Executive Assistant to Administration is tasked with the overall responsibilities of the division.

Human Resources involves recruiting and selecting new employees; administering employee benefits, and updating the City's classification and compensation program; developing and implementing policies and procedures; and directing labor relations and negotiation efforts.

Additional areas of responsibilities are the Mukilteo LEOFF1 (Law Enforcement and Fire Fighters) Disability Board, Chief Examiner/Secretary for the Civil Service Commission; and staff support for the Salary Advisory Committee for the compensation of elected officials.

The Division handles informal and formal grievances, arbitration actions, represents the City in negotiations or actions with employee unions, and participates in negotiations of all labor contracts with the City's five union-represented employee groups.

The Division oversees a wellness program that focuses on the health of city employees.

Activities and resources are accessible through our healthcare administrator for people at all stages of wellness. The knowledge shared by a good Wellness

Program increases employee productivity with less sick days taken.

PERFORMANCE INDICATORS

	2009	2010	2011
	Actual	Est.	Est.
Position Recruitments	12	3	3
Applications Screened	635	572	500
Applicants Interviewed	210	17	250
Labor Contracts Settled	4	2	5
Background Verifications	12	15	3

2011 GOALS & OBJECTIVES

- To recruit and hire qualified candidates for position vacancies.
- To continue revising a comprehensive update of the City's Personnel Manual.
- To develop and update administrative guidelines and evaluations for personnel.
- To conduct a full review of employee benefit packages.
- To comply with state and federal employee regulations, providing updated material and programs for employees.
- The development of a year-round wellness program.
- To complete negotiations for labor agreements.

HUMAN RESOURCES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SUPPLIES				
Supplies	\$1,290	\$1,000	\$1,000	0.00%
Reference Material	287	500	500	0.00%
	<u>\$1,577</u>	<u>\$1,500</u>	<u>\$1,500</u>	<u>0.00%</u>
OTHER SERVICES & CHARGES				
Other Professional Services	\$39,167	\$35,000	\$35,000	0.00%
AWC Wellness Program	0	0	2,000	100.00%
Telephone	233	200	200	0.00%
Postage	84	250	300	20.00%
Travel and Subsistence	0	1,000	1,000	0.00%
Classified Advertising	2,614	2,000	2,000	0.00%
Assoc. Dues and Memberships	360	400	400	0.00%
Printing and Binding	0	500	500	0.00%
Training and Registration	6,926	13,000	13,000	0.00%
Miscellaneous	36	0	0	0.00%
Compensation Adjustments	760	0	0	0.00%
Reserve for Accrued Leave	0	25,000	25,000	0.00%
	<u>\$50,180</u>	<u>\$77,350</u>	<u>\$79,400</u>	<u>2.65%</u>
TOTAL HUMAN RESOURCES	\$51,757	\$78,850	\$80,900	2.60%

Legal Services

PURPOSE

The Legal Services Division provides two main types of legal services to the City: City Attorney services and City Prosecutor services.

City Attorney services include providing legal advice to the Mayor, City Council, City Commissions and Boards, and City Departments. The City Attorney prepares and/or reviews City ordinances, resolutions, and agreements; reviews and advises the City regarding new Federal and State legislation; and provides general and specific legal advice on all City matters. 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 are provided through contract with the law firm of Ogden Murphy and Wallace of Seattle.

City Prosecutor services include prosecution of civil or criminal matters related to violations of the Mukilteo Municipal Code. City Prosecutor services are provided through contract with a private attorney.

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Hours of Service			
City Attorney	750	1050	1000
City Prosecutor	300	500	400
Litigation Cases	6	6	6

2011 GOALS & OBJECTIVES

- Provide on-going legal advice covering City operations.
- Provide on-going prosecution services.

LEGAL SERVICES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
City Attorney	\$130,220	\$105,000	\$110,000	4.76%
City Attorney - Other Services	59,375	68,000	44,000	-35.29%
City Prosecuting Attorney	49,440	43,000	43,000	0.00%
TOTAL LEGAL SERVICES	\$239,035	\$216,000	\$197,000	-8.80%

Judicial Services

PURPOSE

The Judicial Division provides district 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 Snohomish County district court system.

In addition to district court functions, the Division includes costs to provide State-required defense of indigent defendants and payment of witness fees.

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Cases	90	270	200
Indigents Defended	82	156	120
Hours of Service	90	160	130

2011 GOALS & OBJECTIVES

- To continue to provide district court services.

JUDICIAL SERVICES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Indigent Defense Attorney	\$32,434	\$37,450	\$36,000	-3.87%
	\$32,434	\$37,450	\$36,000	-3.87%
INTERGOVERNMENTAL SVCS.				
Interlocal Extradition	\$0	\$1,000	\$1,000	0.00%
Everett District Court	82,112	100,000	90,000	-10.00%
	\$82,112	\$101,000	\$91,000	-9.90%
TOTAL JUDICIAL SERVICES	\$114,546	\$138,450	\$127,000	-8.27%

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 council as appropriate to oppose commercial expansion of Paine Field.

PAINE FIELD EMERGENCY FUND

Fund: Paine Field Emergency - 015

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$125,686	\$55,000	\$26,240	-52.29%
<u>Revenues</u>				
Transfers In	0	0	150,000	
Miscellaneous	0	0	0	0.00%
Total Revenues	0	0	150,000	0.00%
Total Resources	125,686	55,000	176,240	220.44%
<u>Expenditures</u>				
Other Services & Charges	77,263	55,000	176,240	220.44%
Total Expenditures	77,263	55,000	176,240	220.44%
Ending Fund Balance	\$48,423	\$0	\$0	0.00%

City Reserve Fund

PURPOSE

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 purpose of the City Reserve Fund is to maintain compliance with the City's Fund Balance Reserve Policy, which requires maintenance of a Contingency Fund with a 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 a landslide, earthquake or other natural disaster.

CITY RESERVE FUND				
Fund: City Reserve - 125				
	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	1,179,199	1,000,000	1,000,000	0.00%
Revenues				
Investment Interest	0	0	0	0.00%
Total Revenues	0	0	0	0.00%
Total Resources	1,179,199	1,000,000	1,000,000	0.00%
Expenditures				
Land Purchases	179,199	0	0	0.00%
Total Expenditures	179,199	0	0	0.00%
Ending Fund Balance	1,000,000	1,000,000	1,000,000	0.00%



Lighthouse Park Picnic Shelters

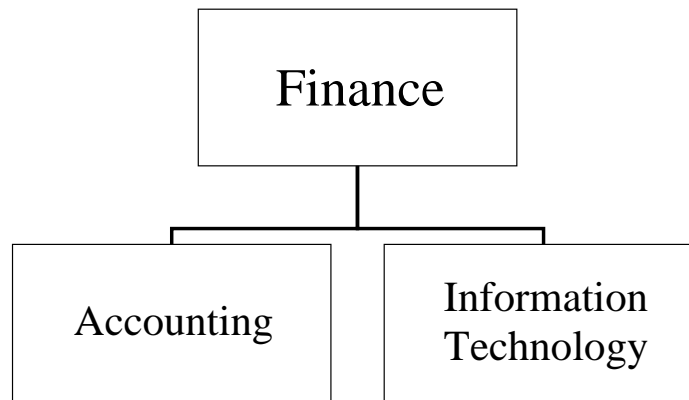


FINANCE DEPARTMENT

The Finance Department consists of the accounting and information technology services cost centers.

The accounting cost center includes payroll, business licensing, accounts receivable, accounts payable, cash management, prepares and monitors the City's budget and financial reports.

The information technology cost center manages and maintains the City's computer hardware, software, networks, applications and systems; ensures the backup, integrity and security of the computer data assets; and maintains equipment including telephone systems, copiers, and fax devices.



POSITION SUMMARY

<u>Position Title</u>	<u>2010</u>	<u>2011</u>
Finance Director	1	1
Accounting Services Manager	1	1
Staff Accountant	1	1
Accounting Technician	3	3
Information Technology Manager	1	1
Network Engineer	1	1
Total	8	8

FINANCE DEPARTMENT EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Accounting	\$762,330	\$667,690	\$691,000	3.49%
Information Technology	160,820	359,250	328,300	-8.62%
Technology Replacement	208,928	91,180	76,600	-15.99%
TOTAL	\$1,132,078	\$1,118,120	\$1,095,900	-1.99%



Accounting

PURPOSE

The Accounting Division fulfills all accounting/treasury functions, which include accounts payable, accounts receivable, payroll, cash management, auditing, job costing, investing, budgeting, and financial reporting. The department also issues all business and some specialty licensing, and provides purchasing services.

2010 ACCOMPLISHMENTS

- Completed the 2009 Comprehensive Annual Financial Report (CAFR) and submitted an application for the CAFR Award to the Government Finance Officers Association (GFOA).
- Received the 2010 Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Revised the City's business licensing structure to be more small-business friendly and to streamline processes.
- Implemented purchasing card program.
- Long-range Financial Planning began.
- The following policies were written by the Finance Department and adopted by the City Council:
 - Budget Policy
 - Gap Closing Policy

POSITION SUMMARY

<u>Position Title</u>	<u>2010</u>	<u>2011</u>
Finance Director	1	1
Accounting Services Manager	1	1
Staff Accountant	1	1
Accounting Technician	3	3
<u>Total</u>	<u>6</u>	<u>6</u>

2011 GOALS & OBJECTIVES

- Submit the 2011 budget document for the Government Finance Officers Association Distinguished Budget Presentation Award.
- Submit the 2010 Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association CAFR award.
- Implement Governmental Accounting Standards Board Statement # 54: Fund Balance Reporting and Governmental Fund Type Definitions.
- Complete Long-range Financial Plan.



ACCOUNTING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES*				
Full Time Employees	\$475,906	\$398,700	\$407,000	2.08%
Overtime	3,506	5,000	3,000	-40.00%
	<u>\$479,412</u>	<u>\$403,700</u>	<u>\$410,000</u>	<u>1.56%</u>
PERSONNEL BENEFITS*				
FICA	\$36,288	\$31,070	\$31,700	2.03%
PERS	31,003	21,560	28,500	32.19%
L&I	1,732	1,870	1,700	-9.09%
Medical Benefits	83,132	77,130	93,600	21.35%
Dental Benefits	12,914	6,880	7,800	13.37%
Vision Benefits	1,951	2,100	2,400	14.29%
Unemployment Comp.	0	700	600	-14.29%
Vehicle Allowance	2,400	2,400	2,400	0.00%
Life Insurance	1,284	1,350	1,400	3.70%
Long Term Disability Insurance	2,844	2,980	3,100	4.03%
	<u>\$173,548</u>	<u>\$148,040</u>	<u>\$173,200</u>	<u>17.00%</u>
SUPPLIES				
Office Supplies	\$4,715	\$3,000	\$3,000	0.00%
Purchase Of Forms	1,090	1,500	1,500	0.00%
Reference Material	247	400	400	0.00%
Motor Fuel	133	100	100	0.00%
Small Items of Equipment	109	300	300	0.00%
	<u>\$6,294</u>	<u>\$5,300</u>	<u>\$5,300</u>	<u>0.00%</u>
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$4,302	\$0	\$4,000	100.00%
Telephone	5,669	1,400	1,400	0.00%
Cell Phone	0	400	400	0.00%
Postage	3,337	3,300	3,300	0.00%
Travel & Subsistence	1,022	750	800	6.67%
Motor Pool Charges	3,240	0	4,400	100.00%
Vehicle R&M	1,141	500	500	0.00%
Accounting System Maint	30,292	34,000	32,900	-3.24%
Assoc. Dues & Memberships	390	450	500	11.11%
Printing And Binding	265	750	800	6.67%
Training & Registration Costs	2,168	1,500	1,500	0.00%
Miscellaneous	1,354	6,000	6,000	0.00%
Banking Fees	11,586	21,600	6,000	-72.22%
	<u>\$64,766</u>	<u>\$70,650</u>	<u>\$62,500</u>	<u>-11.54%</u>
INTERGOVERNMENTAL SVCS.				
State Auditor Audit	\$38,310	\$40,000	\$40,000	0.00%
	<u>\$38,310</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>0.00%</u>
TOTAL ACCOUNTING	\$762,330	\$667,690	\$691,000	3.49%

*IT support staff budget moved to IT department in 2010.

Information Technology

PURPOSE

The Information Technology (IT) Division administers the City's technology infrastructure. The core components of the technology infrastructure include: servers, routers, switches, telephone system, desktop workstations, laptops, printers, server based operating systems, server based back office software products, desktop operating systems as well as software utilized at the workstation level.

POSITION SUMMARY

<u>Position Title</u>	<u>2010</u>	<u>2011</u>
Information Technology Manager	1	1
Network Engineer	1	1
Total	2	2

2010 ACCOMPLISHMENTS

- Created documentation for help desk procedures with priority guidelines and service level understandings.
- Implemented the web interface portion of the help desk software.
- Installed an email archiving appliance that captures and records all email in, out and between City users.
- Installed a fiber line between the Police Station and Snohomish County.
- Purchased a Storage Area Network solution and introduced the primary storage device into the network.
- Drafted a 5 year strategic plan that will guide and direct future technology endeavors.
- Introduced virtualization into the network topology by utilizing virtualized Microsoft 2008 servers.
- Installed a Microsoft global patch and update server that provides us the ability to remotely and automatically update servers and computers.
- Installed an internet Web Filter/Monitoring appliance that helps defend us against infected web sites, provides the ability to restrict internet access and monitor use of the internet.
- Installed a Spam/Virus perimeter defense appliance that filters all email for spam and viruses in and out of the City.

2011 GOALS & OBJECTIVES

- Establish an IT charge back policy for 2012.
- Complete phase two of the Storage Area Network implementation which includes volume shadow copying and replication.
- Introduce a public wireless network to City Hall and the Emergency Operation Center.
- Further refine and expand the use of the Sharepoint intranet site.
- Introduce a new help desk software solution that includes an end user based password recovery module.
- Standardize Active Directory names and email addresses.
- Distribute new Symantec Anti-Virus v11 to all servers, laptops and desktops.
- Modify Council chambers including new computer or laptop devices for Council use.
- Roll out additional functionality of the Cisco Voice Over Internet Protocol phone system.
- Install an Intrusion Prevention Service.
- Perform New World public safety software testing with Radio IP connectivity.

INFORMATION TECHNOLOGY

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES*				
Full Time Employees	\$40,890	\$125,740	\$150,900	20.01%
Overtime	0	3,000	3,000	0.00%
	<u>\$40,890</u>	<u>\$128,740</u>	<u>\$153,900</u>	<u>19.54%</u>
PERSONNEL BENEFITS*				
FICA	\$3,152	\$9,620	\$11,800	22.66%
PERS	1,977	6,770	10,600	56.57%
L&I	137	620	600	-3.23%
Medical Benefits	9,626	29,620	39,600	33.69%
Dental Benefits	486	2,750	3,700	34.55%
Vision Benefits	250	840	1,100	30.95%
Unemployment Compensation	0	0	200	100.00%
Life Insurance	123	520	500	-3.85%
Long Term Disability Insurance	272	1,140	1,100	-3.51%
	<u>\$16,023</u>	<u>\$51,880</u>	<u>\$69,200</u>	<u>33.38%</u>
SUPPLIES				
Office Supplies	\$535	\$0	\$0	100.00%
Computer Supplies	3,065	5,000	5,000	0.00%
Reference Material	53	500	500	0.00%
Operating Supplies	250	1,000	1,000	0.00%
Small Items of Equipment	16,433	55,050	13,000	-76.39%
	<u>\$20,336</u>	<u>\$61,550</u>	<u>\$19,500</u>	<u>-68.32%</u>
OTHER SERVICES & CHARGES				
Other Professional Services	\$20,415	\$47,630	\$8,500	-82.15%
Telephone	17,490	2,700	1,400	-48.15%
Postage	0	100	100	0.00%
On-Line Charges	11,367	18,150	20,200	11.29%
Cell Phone	0	1,400	1,400	0.00%
Classified Advertising	0	500	0	-100.00%
Office Equipment M&R	10,870	0	500	100.00%
Communication Equipment R&M	9,865	11,150	18,500	65.92%
Computer System M&R	13,564	12,100	13,500	11.57%
Software Maintenance	0	0	17,500	100.00%
Printing And Binding	0	100	100	0.00%
Training & Registration	0	500	4,000	700.00%
	<u>\$83,571</u>	<u>\$94,330</u>	<u>\$85,700</u>	<u>-9.15%</u>
CAPITAL OUTLAY				
Computer Hardware	\$0	\$14,750	\$0	-100.00%
Other Machinery & Equipment	0	8,000	0	-100.00%
	<u>\$0</u>	<u>\$22,750</u>	<u>\$0</u>	<u>-200.00%</u>
TOTAL INFORMATION TECHNOLOGY	\$160,820	\$359,250	\$328,300	-8.62%

*IT staff salaries and benefits were included in the Accounting budget in 2009

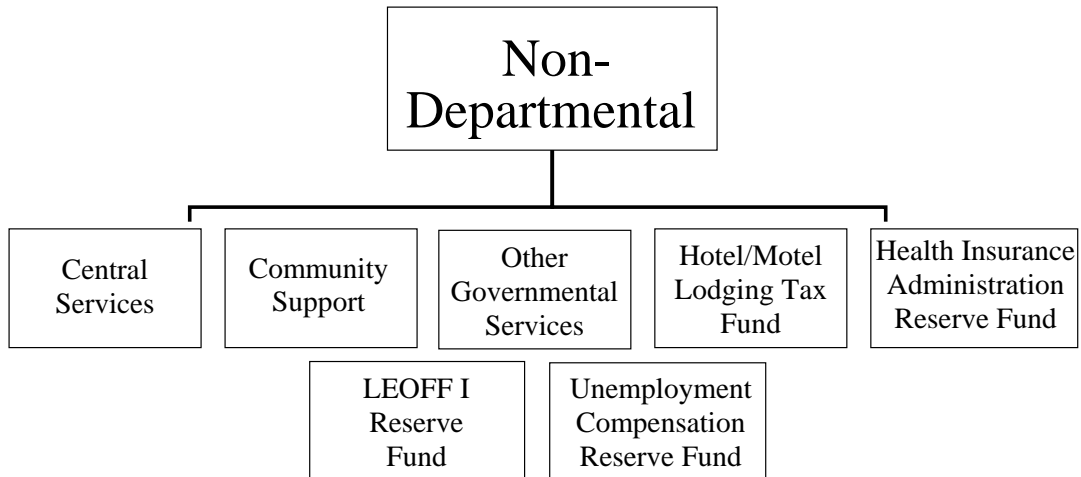
TECHNOLOGY REPLACEMENT FUND

Fund: Technology Replacement - 120

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	285,617	49,130	118,770	141.75%
Revenues				
Investment Interest	2,276	1,000	400	-60.00%
2% Admin Fee	0	0	2,000	100.00%
General Fund Subsidy	50,000	75,000	75,000	0.00%
Total Revenues	52,276	76,000	77,400	1.84%
Total Resources	337,893	125,130	196,170	56.77%
Expenditures				
Capital Outlays	208,928	91,180	76,600	-15.99%
Total Expenditures	208,928	91,180	76,600	-15.99%
Ending Fund Balance	128,965	33,950	119,570	252.19%

NON DEPARTMENTAL

The Non-Departmental division is used to segregate all costs not directly identifiable to department/division and that are either required by law and/or a service which is beneficial to all citizens.



NON DEPARTMENTAL EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Central Services	\$10,705	\$11,400	\$21,600	89.47%
Community Support	65,457	45,000	57,340	27.42%
Other Governmental Services	1,972,315	2,059,038	1,583,000	-23.12%
Hotel/Motel Lodging Tax	455,014	194,321	135,080	-30.49%
LEOFF I Reserve Fund	26,192	31,000	34,900	12.58%
TOTAL	\$2,518,978	\$2,329,359	\$1,810,320	-22.28%



Central Services

PURPOSE

The Central Services division includes costs that are not allocated to individual departments, such as copy paper and maintenance of shared office equipment.

CENTRAL SERVICES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SUPPLIES				
Paper Stock	\$6,014	\$6,500	\$6,000	-7.69%
Supplies	2,260	2,700	1,700	-37.04%
	<u>\$8,274</u>	<u>\$9,200</u>	<u>\$7,700</u>	<u>-16.30%</u>
OTHER SERVICES & CHARGES				
Postage	\$249	\$200	\$400	100.00%
Website Hosting	0	0	1,800	100.00%
Equipment Rental	1,415	1,000	2,000	100.00%
Equipment M&R	0	1,000	8,500	750.00%
Software System Maintenance	205	0	200	0.00%
Printing	562	0	1,000	0.00%
	<u>\$2,431</u>	<u>\$2,200</u>	<u>\$13,900</u>	<u>531.82%</u>
TOTAL CENTRAL SERVICES	\$10,705	\$11,400	\$21,600	89.47%



Community Support

PURPOSE

The Community Support division includes costs associated with conducting programs, services, events or activities that promote the City, community or outreach services to the residents and businesses of Mukilteo. The division also provides support for community groups, including Community Support Funding to promote tourism and economic development and for events such as the City co-sponsored Mukilteo Lighthouse Festival.

COMMUNITY SUPPORT

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SUPPLIES				
Landscape Materials (Lyons Garden)	\$0	\$0	\$8,740	100.00%
	\$0	\$0	\$8,740	100.00%
OTHER SERVICES & CHARGES				
Telephone for Historical Society @ the Lighthouse	\$0	\$0	\$1,200	100.00%
Sustainability Project	0	0	10,000	100.00%
Community Organizational Support	18,012	10,000	10,000	0.00%
Large Item Pickup	31,860	35,000	22,000	-37.14%
	\$49,872	\$45,000	\$43,200	-4.00%
CAPITAL OUTLAY				
Machinery and Equipment	\$15,586	\$0	\$0	0.00%
	\$15,586	\$0	\$0	0.00%
INTERFUND LOANS				
Interfund Loan Principal	\$0	\$0	\$5,000	100.00%
Interfund Loan Interest	0	0	400	100.00%
	\$0	\$0	\$5,400	100.00%
TOTAL COMMUNITY SUPPORT	\$65,458	\$45,000	\$57,340	27.42%



Other Governmental Services

PURPOSE

The Other Governmental Services division contains costs that are not particular to any one department or activity. The division includes costs for general city memberships in professional organizations or associations and may include other uses that are not technically expenditures but are uses of budgetary funds. These other uses of funds include such things as inter-fund loan repayments or transfers and contributions to other funds.

OTHER GOVERNMENTAL SERVICES				
Fund: General - 011				
	2009 Actual	2010 Budget	2011 Budget	% Change
PERSONNEL BENEFITS				
General Employee Benefits	\$5,962	\$4,500	\$4,500	0.00%
	\$5,962	\$4,500	\$4,500	0.00%
OTHER SERVICES & CHARGES				
Public Affairs & Community Outreach	\$31,951	\$74,050	\$32,000	-56.79%
City Newsletter	18,187	26,000	17,500	-32.69%
Youth Advisory Council	981	1,000	1,000	0.00%
Telephone	0	1,200	0	-100.00%
Insurance	183,763	128,300	132,000	2.88%
eCITYGOV Alliance Contract	11,000	3,000	2,000	-33.33%
Emergency Mgmt Miscellaneous	6,112	2,500	2,500	0.00%
COBRA Dental/Vision Claims	0	0	7,000	100.00%
	\$251,994	\$236,050	\$194,000	-17.81%
INTERGOVERNMENTAL SVCS.				
Alcohol Program	\$5,974	\$6,000	\$6,000	0.00%
Election Services	12,694	32,500	15,000	-53.85%
Emergency Services	52,102	54,000	54,700	1.30%
Commute Trip Reduction	0	1,000	1,000	0.00%
Association of Washington Cities	13,563	13,580	13,600	0.15%
Puget Sound Air Pollution	12,799	12,510	12,900	3.12%
Puget Sound Region Council	8,726	8,320	8,500	2.16%
Snohomish County Tomorrow	5,139	5,250	5,300	0.95%
Voter Registration	38,008	25,000	31,000	24.00%
WA St Purchasing Coop	3,000	1,000	1,000	0.00%
National League of Cities	0	1,500	1,500	0.00%
Snohomish County Cities	0	100	100	0.00%
Transfer to Technology Repl Fund	50,000	75,000	75,000	0.00%
Transfer to EMS Fund	369,750	560,000	0	-100.00%
Transfer to Street Fund	505,000	350,000	343,600	-1.83%
Transfer to Municipal Facility Fund	16,069	0	0	0.00%
Transfer to Community Center Fund	231,535	242,860	235,000	-3.24%
Transfer to Facilities Maint Fund	390,000	390,000	433,000	11.03%
Transfer to Health Insurance Admin Fund	0	4,870	1,000	-79.47%
Transfer to LEOFF I Reserve Fund	0	25,000	30,000	20.00%
Transfer to Paine Field Emergency Fund	0	0	150,000	100.00%
Transfer to Surface Water Fund	0	9,998	0	-100.00%
Transfer to Reserves	0	0	(33,700)	100.00%
	\$1,714,359	\$1,818,488	\$1,384,500	-23.87%
TOTAL OTHER GOVERNMENTAL SERVICES	\$1,972,315	\$2,059,038	\$1,583,000	-23.12%



Hotel/Motel Lodging Tax Fund

PURPOSE

This fund receives the 2% hotel/motel tax assessed on hotels/motels within the City. State of Washington RCW's restrict the use of the tax to fund tourism promotion and operations and/or maintenance of tourism facilities in the City.

The City has established a Lodging Tax Advisory Committee to advise Council on effective use of the fund's assets. Each year, the Committee solicits grant application to fund tourism promotional opportunities within the City. The applications are reviewed by the Lodging Tax Advisory Committee, who then present their recommendations to Council.

HOTEL/MOTEL LODGING TAX RESERVES

The City maintains a Hotel/Motel Lodging Tax Reserve within the Hotel/Motel Lodging Tax Fund in an amount equal to one prior year's revenues in ending fund balance. For example, the 2011 projected ending fund balance of \$130,810 exceeds the 2009 actual revenues of \$105,000 received into the fund.

HOTEL/MOTEL LODGING TAX FUND

Fund: Hotel/Motel Lodging Tax - 116

	2009	2010	2011	
	Actual	Budget	Budget	% Change
Beginning Fund Balance	\$224,623	\$168,400	\$135,440	-19.57%
<u>Revenues</u>				
Hotel/Motel Transient Tax	103,330	130,000	130,000	0.00%
Investment Interest	1,747	4,500	450	-90.00%
Interfund Loans	333,280	0	0	0.00%
Total Revenues	438,357	134,500	130,450	-3.01%
Total Resources	662,980	302,900	265,890	-12.22%
<u>Expenditures</u>				
Community Organizational Support	77,045	91,800	91,800	0.00%
Insurance	0	181	180	-0.55%
Capital Outlay	377,969	0	0	0.00%
Interfund Loan Payments	0	102,340	43,100	-57.89%
Total Expenditures	455,014	194,321	135,080	-30.49%
Ending Fund Balance	\$207,966	\$108,579	\$130,810	20.47%



Health Insurance Administration Reserve Fund

PURPOSE

The City of Mukilteo self-insures dental and vision benefits for City staff. In 2008 and prior years, all vision and dental expenses were budgeted to and paid from the Health Insurance Administration Fund. Beginning in 2009, dental and vision expenses are budgeted to and paid from each department budget, and only the reserve is maintained in this fund.

Per State of Washington Office of Financial Management guidelines, the City is required to maintain a reserve balance equal to or exceeding 16 weeks of budgeted self-insured expenses. The minimum reserve requirement for 2011 is \$50,831. The current reserve amount maintained is \$51,000.

HEALTH INSURANCE ADMINISTRATION RESERVE FUND

Fund: Health Insurance Administration Reserve - 502

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$45,126	\$45,126	\$50,000	10.80%
<u>Revenues</u>				
Interfund Transfers In	0	0	1,000	0.00%
Total Revenues	0	0	1,000	0.00%
Total Resources	45,126	45,126	51,000	13.02%
<u>Expenditures</u>				
Personnel Benefits	0	0	0	0.00%
Other Services & Charges	0	0	0	0.00%
Interfund Transfers Out	0	0	0	0.00%
Total Expenditures	0	0	0	0.00%
Ending Fund Balance	\$45,126	\$45,126	\$51,000	13.02%



LEOFF I Reserve Fund

PURPOSE

The purpose of the Law Enforcement Officer and Firefighter (LEOFF) I Reserve Fund is to set aside funds to be used for the payment of medical premiums and medical expenses for LEOFF I retirees.

This fund was established in 2008 to segregate funds designated as LEOFF I Reserve Funds that were previously included in the Health Insurance Administration Fund.

LEOFF I RESERVE FUND

Fund: LEOFF I Reserve - 009

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$166,700	\$142,060	\$135,720	-4.46%
<u>Revenues</u>				
Investment Interest	993	1,200	450	-62.50%
Operating Transfers In	0	25,000	30,000	20.00%
Total Revenues	993	26,200	30,450	16.22%
Total Resources	167,693	168,260	166,170	-1.24%
<u>Expenditures</u>				
Personnel Benefits	24,792	29,600	33,500	13.18%
Other Services & Charges	1,400	1,400	1,400	0.00%
Total Expenditures	26,192	31,000	34,900	12.58%
Ending Fund Balance	\$141,501	\$137,260	\$131,270	-4.36%



Unemployment Compensation Reserve Fund

PURPOSE

Unemployment Compensation Expenses are budgeted directly to each department beginning in 2009. The Unemployment Compensation Reserve Fund maintains a reserve balance to help offset higher than anticipated expenditures from unemployment claims processed against the City.

UNEMPLOYMENT COMPENSATION RESERVE FUND

Fund: Unemployment Compensation - 516

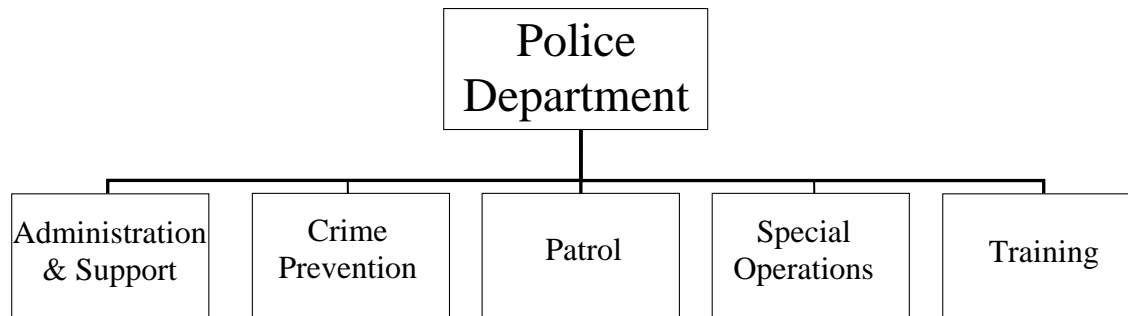
	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	40,488	40,488	40,490	0.00%
Revenues				
Unemployment Comp Charges	0	0	0	0.00%
Total Revenues	0	0	0	0.00%
Total Resources	40,488	40,488	40,490	0.00%
Expenditures				
Unemployment Compensation	0	0	0	0.00%
Total Expenditures	0	0	0	0.00%
Ending Fund Balance	40,488	40,488	40,490	0.00%



POLICE DEPARTMENT

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 five divisions: Administration and Support Services, Crime Prevention, Patrol, Training and Special Operations, as shown below.



<u>POSITION SUMMARY</u>		
Position Title	2010	2011
Police Chief	1	1
Commander	1	1
Sergeant (1=Detective Sgt.)	5	5
Detective	2	3
Crime Prevention Officer	1	1
Police Officer	18	17
Office Supervisor	1	1
Community Support Officer	1	1
Support Services Technician	2	2
Total	32	32

POLICE DEPARTMENT EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Administration & Support Services	\$ 1,270,835	\$ 1,207,575	\$ 1,230,100	1.87%
Crime Prevention	110,287	126,250	127,700	1.15%
Patrol	2,332,137	2,411,550	2,568,200	6.50%
Special Operations	355,290	370,100	426,900	15.35%
Training	15,065	26,720	26,800	0.30%
TOTAL	\$ 4,083,614	\$ 4,142,195	\$ 4,379,700	5.73%





Administration and Support Services

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: radio and emergency dispatch; 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.

<u>DIVISION POSITION SUMMARY</u>		
Position Title	2010	2011
Police Chief	1	1
Commander	1	1
Police Officer	1	1
Office Supervisor	1	1
Community Support Officer	1	1
Support Services Technician	2	2
Total	7	7

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Jail Detention			
No. Bookings	145	144	145
Housing Days	1,224	1,026	1,125
Electronic Home Detention			
No. Participants	5	9	7
Detention Days	49	84	67
Internal	1	2	2
Animal Complaints	442	487	506
Case Reports	2,122	2,361	2,597
Fingerprint Services	223	250	308
Infraction/Citations	3,965	3,154	3,785
Animal Licenses	250	275	300
Pistol Permits	191	170	190

2011 Goals & Objectives

- Hire new Police Chief.
- Carry out a complete evidence & property room inventory.
- Complete a comprehensive property & evidence room manual.
- Transition to New World CAD/RMS software.


POLICE - ADMINISTRATION & SUPPORT SERVICES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$478,113	\$486,900	\$489,000	0.43%
Special Assignment Pay	3,398	2,700	2,700	0.00%
Merit Pay	2,718	3,010	2,900	-3.65%
Overtime	2,048	6,000	6,000	0.00%
	<u>\$486,277</u>	<u>\$498,610</u>	<u>\$500,600</u>	<u>0.40%</u>
PERSONNEL BENEFITS				
FICA	\$36,029	\$38,540	\$38,100	-1.14%
Law Enf. Retirement System	15,282	15,050	15,000	-0.33%
PERS	13,390	11,470	15,000	30.78%
L&I	5,253	6,600	5,600	-15.15%
Medical Benefits	84,643	92,760	102,600	10.61%
Dental Benefits	9,124	7,790	7,800	0.13%
Vision Benefits	2,349	2,380	2,400	0.84%
Teamsters Pension	1,057	1,040	1,100	5.77%
Unemployment Comp.	0	700	700	0.00%
Life Insurance	1,301	1,650	1,700	3.03%
Long Term Disability Insurance	2,460	3,060	3,100	1.31%
Clothing Allowance	550	0	0	0.00%
	<u>\$171,438</u>	<u>\$181,040</u>	<u>\$193,100</u>	<u>6.66%</u>
SUPPLIES				
Supplies	\$11,854	\$13,750	\$13,800	0.36%
Reference Material	0	400	400	0.00%
Clothing/Boots	1,742	1,250	3,800	204.00%
Motor Fuel	3,600	4,050	4,100	1.23%
Small Items of Equipment	79,810	2,850	2,900	1.75%
	<u>\$97,006</u>	<u>\$22,300</u>	<u>\$25,000</u>	<u>12.11%</u>

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POLICE - ADMINISTRATION & SUPPORT SERVICES

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$264	\$600	\$600	0.00%
Telephone	29,617	19,025	15,900	-16.43%
Postage	2,018	3,000	3,000	0.00%
Cell Phones	0	9,500	10,600	11.58%
MDT Connectivity	0	0	1,400	100.00%
Travel & Subsistence	116	300	500	66.67%
Office Equipment Rental	535	500	900	80.00%
Motor Pool Charges	8,705	0	11,600	100.00%
Equipment M&R	1,057	3,350	3,400	1.49%
Vehicle R&M	1,364	2,000	2,000	0.00%
Association Dues & Memberships	955	900	1,100	22.22%
Printing And Binding	251	2,000	2,000	0.00%
Concealed Pistol License	5,158	5,000	5,000	0.00%
	<u>\$50,040</u>	<u>\$46,175</u>	<u>\$58,000</u>	<u>25.61%</u>
INTERGOVERNMENTAL SVCS.				
Home Detention	\$1,277	\$2,000	\$2,000	0.00%
Jail Contract	96,995	95,000	95,000	0.00%
Paws Animal Shelter	11,475	15,000	15,000	0.00%
NW Regional Drug Task Force and Sno. Co. Drug Task Force	4,716	4,600	4,900	6.52%
Dispatch Services	296,514	319,420	313,000	-2.01%
SERS Operating Assessment	24,458	23,430	23,500	0.30%
CAPITAL OUTLAY	<u>\$435,435</u>	<u>\$459,450</u>	<u>\$453,400</u>	<u>-1.32%</u>
Other Machinery & Equipment	\$30,639	\$0	\$0	0.00%
	<u>\$30,639</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL POLICE - ADMIN & SUPPORT	\$1,270,835	\$1,207,575	\$1,230,100	1.87%



Crime Prevention

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. In 2009, there were 9 Block Watch Groups and grew to 13 groups in 2010.

PERFORMANCE INDICATORS

Title	2009	2010	2011
	Actual	Estimate	Estimate
Volunteer Hours	0	100	200
Security Surveys	10	14	15
Presentations	25	30	35
Special Projects	5	10	10
Citizen Police Academics	1	2	2

2011 Goals & Objectives

- Continue building a strong Police Volunteer Program
- Hold National Night-Out Against Crime Event
- Conduct at least one Citizens' Police Academy
- Help establish new Block Watch groups

POSITION SUMMARY

Position Title	2010	2011
Crime Prevention Officer	1	1
Total	1	1


POLICE - CRIME PREVENTION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$69,319	\$75,240	\$71,700	-4.70%
Special Assignment Pay	3,398	0	0	0.00%
Education Premium Pay	2,718	3,010	2,900	-3.65%
Overtime	464	3,900	3,900	0.00%
	<u>\$75,899</u>	<u>\$82,150</u>	<u>\$78,500</u>	<u>-4.44%</u>
PERSONNEL BENEFITS				
FICA	\$5,541	\$6,030	\$6,000	-0.50%
Law Enf. Retirement System	4,060	4,130	4,100	-0.73%
L&I	1,201	1,790	1,500	-16.20%
Medical Benefits	14,656	15,000	16,800	12.00%
Dental Benefits	419	1,380	1,400	1.45%
Vision Benefits	51	420	400	-4.76%
Teamsters Pension	1,049	1,040	1,100	5.77%
Unemployment Comp.	0	100	100	0.00%
Life Insurance	190	260	300	15.38%
Clothing Allowance	600	0	0	0.00%
	<u>\$27,767</u>	<u>\$30,150</u>	<u>\$31,700</u>	<u>5.14%</u>
SUPPLIES				
Supplies	\$748	\$4,450	\$5,000	12.36%
Clothing/Boots	294	2,900	2,900	0.00%
Motor Fuel	2,138	2,000	2,000	0.00%
Small Items of Equipment	0	500	0	-100.00%
	<u>\$3,180</u>	<u>\$9,850</u>	<u>\$9,900</u>	<u>0.51%</u>
OTHER SERVICES & CHARGES				
Travel and Subsistence	\$0	\$1,900	\$2,400	26.32%
Motor Pool Charges	3,000	0	3,500	0.00%
Vehicle R&M	441	1,000	1,000	0.00%
Printing & Binding	0	700	700	0.00%
Background Investigation	0	500	0	-100.00%
	<u>\$3,441</u>	<u>\$4,100</u>	<u>\$7,600</u>	<u>85.37%</u>
TOTAL POLICE - CRIME PREVENTION	\$110,287	\$126,250	\$127,700	1.15%



Patrol

PURPOSE

The Patrol Division provides 24-hour per day active police patrol service to the community, and maintains at least three Commissioned Officers on duty at all times.

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.

The number of officers assigned to the Patrol Division is reduced to reflect a position that was transferred to the Special Operations Division.

<u>POSITION SUMMARY</u>		
Position Title	2010	2011
Sergeant	4	4
Police Officer	17	16
Total	21	20

PERFORMANCE INDICATORS

	2009	2010	2011
	Actual	Estimate	Estimate
Dispatched Events	12,755	12,999	13,260
Citations/Infractions	3,965	3,154	3,785
Case Reports	2,122	2,361	2,597
Average Response Time (Min)			
Emergency/Priority Calls	2.25	2.75	2.75
Non-Priority Calls	5.97	5.96	5.96

2011 Goals & Objectives

- Maintain minimum deployment of three patrol officers per shift
- Train one additional officer in advanced traffic procedures


POLICE - PATROL

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$1,438,253	\$1,516,850	\$1,526,800	0.66%
Special Assignment Pay	15,081	7,000	7,000	0.00%
Education Incentive	31,751	33,900	35,300	4.13%
Acting Supervisor Pay	0	1,000	600	-40.00%
Merit Pay	4,571	4,820	5,500	14.11%
Overtime	90,102	88,510	92,100	4.06%
	\$1,579,758	\$1,652,080	\$1,667,300	0.92%
PERSONNEL BENEFITS				
FICA	\$118,614	\$126,390	\$127,300	0.72%
Law Enf. Retirement System	84,204	86,570	87,200	0.73%
L&I	30,503	37,450	30,800	-17.76%
Medical Benefits	240,568	259,310	290,300	11.95%
Dental Benefits	31,712	24,290	24,300	0.04%
Vision Benefits	5,740	7,420	7,500	1.08%
Teamsters Pension	23,597	21,840	21,900	0.27%
Unemployment Comp.	0	23,540	23,600	0.25%
Life Insurance	3,865	5,230	5,600	7.07%
	\$538,803	\$592,040	\$618,500	4.47%
SUPPLIES				
Operating Supplies	\$709	\$1,880	\$1,900	1.06%
Clothing/Boots	12,842	32,400	32,400	0.00%
Motor Fuel	40,178	48,550	48,600	0.10%
Small Items of Equipment	7,136	6,000	6,000	0.00%
	60,865	88,830	88,900	0.08%
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$588	\$0	\$0	0.00%
Travel & Subsistence	302	500	500	0.00%
Equipment Lease	0	0	6,500	100.00%
Motor Pool Charges	119,570	0	111,400	0.00%
Equipment M&R	7,540	27,100	27,100	0.00%
Vehicle R&M	22,353	45,000	45,000	0.00%
Laundry Services	2,358	6,000	3,000	-50.00%
	\$152,711	\$78,600	\$193,500	146.18%
TOTAL POLICE - PATROL	\$2,332,137	\$2,411,550	\$2,568,200	6.50%



Special Operations

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.

The number of detectives is increased to reflect the transfer of one position from the Patrol Division to the Special Operations Division.

PERFORMANCE INDICATORS

Crime	2009	2010	2011
	Actual	Estimate	Estimate
Homicide	0	0	0
Rape	5	4	3
Robbery	6	5	5
Aggravated Assault	17	12	14
Burglary	133	133	133
Theft	371	430	450
Vehicle Theft	32	55	65
Total	564	639	670

2011 Goals & Objectives

- Conduct a testing and selection process to add one detective
- Continue participation in Regional Police Intelligence (RIG) Group
- Coordinate with the Crime Prevention Division on Crime Trend Analysis

POSITION SUMMARY

Position Title	2010	2011
Detective Sergeant	1	1
Detective	2	3
Total	3	4


POLICE - SPECIAL OPERATIONS

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$221,797	\$239,360	\$228,000	-4.75%
Special Assignment Pay	10,811	9,000	9,000	0.00%
Education Incentive	4,324	4,790	4,600	-3.97%
Merit Pay	2,039	2,250	2,200	-2.22%
Overtime	9,354	8,400	8,400	0.00%
	<u>\$248,325</u>	<u>\$263,800</u>	<u>\$252,200</u>	<u>-4.40%</u>
PERSONNEL BENEFITS				
FICA	\$18,821	\$20,180	\$19,300	-4.36%
Law Enf. Retirement System	13,222	13,820	13,200	-4.49%
L&I	4,358	5,350	4,400	-17.76%
Medical Benefits	39,988	40,550	45,600	12.45%
Dental Benefits	2,474	4,130	4,200	1.69%
Vision Benefits	660	1,260	1,300	3.17%
Teamsters Pension	3,227	3,120	3,200	2.56%
Unemployment Comp.	0	300	300	0.00%
Life Insurance	605	830	900	8.43%
Clothing Allowance	1,800	0	0	0.00%
	<u>\$85,155</u>	<u>\$89,540</u>	<u>\$92,400</u>	<u>3.19%</u>
SUPPLIES				
Photo Supplies	\$0	\$100	\$100	0.00%
Operating Supplies	59	950	1,000	5.26%
Clothing/Boots	411	400	400	0.00%
Motor Fuel	3,084	7,000	7,000	0.00%
Small Items Of Equipment	412	300	300	0.00%
	<u>\$3,966</u>	<u>\$8,750</u>	<u>\$8,800</u>	<u>0.57%</u>
OTHER SERVICES & CHARGES				
Travel & Subsistence	\$365	\$800	\$800	0.00%
Motor Pool Charges	13,530	0	65,100	0.00%
Equipment R&M	0	500	500	0.00%
Vehicle R&M	1,237	2,500	2,500	0.00%
Laundry Services	0	200	200	0.00%
Film Processing	0	100	100	0.00%
Investigation Costs	2,712	3,910	4,300	9.97%
	<u>\$17,844</u>	<u>\$8,010</u>	<u>\$73,500</u>	<u>817.60%</u>
TOTAL POLICE - SPECIAL OPERATIONS	\$355,290	\$370,100	\$426,900	15.35%



Training

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.

PERFORMANCE INDICATORS

Title	2009	2010	2011
	Actual	Estimate	Estimate
Training hours	2,218	2,200	2,500
Safety training hours	385	500	500
% of officers meeting min training hours	97	100	100

2011 Goals & Objectives

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


POLICE - TRAINING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Overtime	\$0	\$6,000	\$6,000	0.00%
	\$0	\$6,000	\$6,000	0.00%
BENEFITS				
FICA	\$0	\$460	\$500	100.00%
Law Enf. Retirement System	0	320	400	100.00%
	\$0	\$780	\$900	100.00%
SUPPLIES				
Ammunition	\$12,249	\$9,000	\$9,400	4.44%
Operating Supplies	591	0	0	
Small Items of Equipment	0	300	300	0.00%
	\$12,840	\$9,300	\$9,700	4.30%
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$500	\$2,490	\$2,500	0.40%
Travel & Subsistence	455	1,500	1,000	-33.33%
Training & Registration	1,270	6,650	6,700	0.75%
	\$2,225	\$10,640	\$10,200	-4.14%
TOTAL POLICE - TRAINING	\$15,065	\$26,720	\$26,800	0.30%

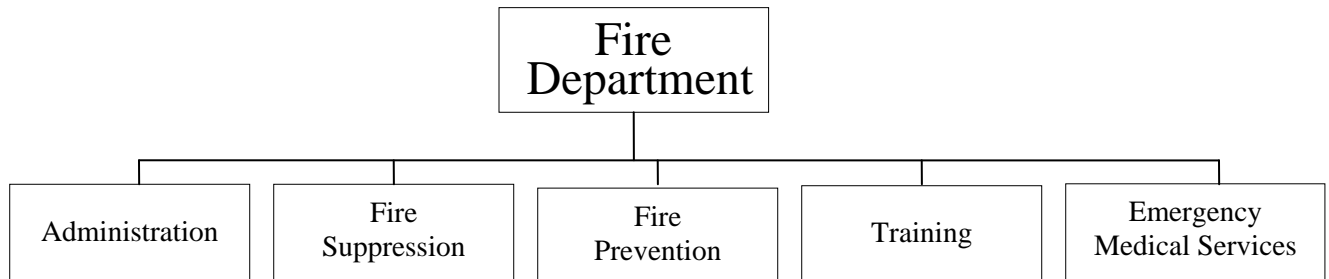


FIRE DEPARTMENT

The Fire Department protects lives and property by providing Fire Suppression, Technical Rescue, Hazardous Material responses and Emergency Medical Services to the community. The Department is staffed by 29.5 full-time and part-time personnel.

The Fire Department serves the City from two Fire Stations staffed by career personnel 24-hours per day, 365 days per year: Fire Station 24 (#1), located in the northern part of the City, and Fire Station 25 (#3), located in the central part of the City.

The Department is organized into five divisions:



POSITION SUMMARY

Position Title	2010	2011
Fire Chief	1	1
Assistant Fire Chief	1	1
Fire Marshal	1	1
Training Captain	1	1
Fire Captain	6	6
Firefighter	9	9
Firefighter/Paramedic	9	9
Senior Department Assistant	1	1
Department Assistant	0.5	0.5
Total	29.5	29.5

FIRE DEPARTMENT EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Administration and Support	\$315,965	\$300,730	\$300,600	-0.04%
Fire Suppression	1,547,235	1,591,697	1,921,150	20.70%
Fire Prevention	124,604	121,830	125,600	3.09%
Training	149,510	161,330	147,000	-8.88%
Emergency Medical Services	1,644,026	1,648,425	1,956,850	18.71%
TOTAL	\$3,781,340	\$3,824,012	\$4,451,200	16.40%

Fire Administration

PURPOSE

The Fire Administration division provides activities of a general nature up to oversight management of the Fire Department's five divisions and all personnel. This division provides direction to Department personnel in accordance with goals and objectives. This division oversees the operating budget, develops strategic planning and oversees disaster planning programs. All program documentation, processing and archiving is completed in this division.

POSITION SUMMARY

Position Title	2010	2011
Fire Chief	1	1
Assistant Fire Chief	1	1
Senior Department Assistant	1	1
Department Assistant	0.5	0.5
Total	3.5	3.5

2011 GOALS & OBJECTIVES

- Personnel records, Emergency Response Reports, Training Records, Fire Inspection Records, Public Education records and other correspondences will be processed, filed and archived within Washington State Record Keeping and Archiving criteria.
- Fire Department five divisions and their operating budgets will maintain a positive financial balance and expenditures will be accurately paid out.
- Facilities, vehicles and equipment will be maintained in a ready-use condition.
- Establish department Goals and Objectives.
- Oversee EMS Transportation program revenue.
- Oversee Fleet program: repairs, maintenance and replacement.

FIRE ADMINISTRATION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	199,163	195,900	197,100	0.61%
Part Time Employees	16,596	17,430	0	-100.00%
Overtime	281	300	300	0.00%
	<u>\$216,040</u>	<u>\$213,630</u>	<u>\$197,400</u>	<u>-7.60%</u>
PERSONNEL BENEFITS				
FICA	\$6,677	\$6,730	\$5,400	-19.76%
Law Enf. Retirement System	8,284	8,130	8,200	0.86%
PERS	3,909	3,100	2,900	-6.45%
L&I	2,794	3,500	2,800	-20.00%
Medical Benefits	30,812	34,520	38,100	10.37%
Dental Benefits	6,351	3,270	2,800	-14.37%
Vision Benefits	364	1,000	800	-20.00%
Unemployment Comp.	0	350	400	14.29%
Life Insurance	581	710	700	-1.41%
Long Term Disability Insurance	1,286	440	1,500	240.91%
	<u>\$61,058</u>	<u>\$61,750</u>	<u>\$63,600</u>	<u>3.00%</u>
SUPPLIES				
Office Supplies	\$1,725	\$2,000	\$2,000	0.00%
Purchase of Forms	452	500	500	0.00%
Supplies - Administration	328	300	300	0.00%
Clothing/Uniforms	2,130	2,600	2,600	0.00%
Motor Fuel	4,246	4,000	4,000	0.00%
Small Items of Equipment	1,080	500	500	0.00%
	<u>\$9,961</u>	<u>\$9,900</u>	<u>\$9,900</u>	<u>0.00%</u>
OTHER SERVICES & CHARGES				
Professional Services	\$100	\$500	\$500	0.00%
Telephone	5,295	2,400	2,400	0.00%
Cell Phone	0	1,400	1,400	0.00%
Postage	126	150	200	33.33%
Motor Pool Charges	12,175	0	14,200	0.00%
Equipment Maintenance & Repair	1,127	1,000	1,000	0.00%
Vehicle Maintenance & Repair	6,032	7,500	7,500	0.00%
Assoc. Dues & Memberships	3,095	1,500	1,500	0.00%
Laundry Services	956	1,000	1,000	0.00%
	<u>\$28,906</u>	<u>\$15,450</u>	<u>\$29,700</u>	<u>92.23%</u>
TOTAL FIRE ADMINISTRATION	\$315,965	\$300,730	\$300,600	-0.04%



The Fire Department in action

Fire Suppression

PURPOSE

The Fire Suppression Division renders Fire Suppression, Hazardous Material and Technical Rescue services to the community and local region from two staffed fire stations. The Division regularly trains and performs drills on a local and regional basis to maintain skills and improve services. The Fire Suppression Division operates one 95' Ladder Platform and three Fire Engines.

POSITION SUMMARY

Position Title	2010	2011
Fire Captains	6	6
Firefighters	9	9
	15	15

PERFORMANCE INDICATORS

Title	2009	2010	2011
	Actual	Estimate	Estimate
Fire Calls	352	381	390
Service Calls	73	85	80
Total Calls	425	466	470

Fire Unit on scene less than 5 minutes of dispatch 90% of the time	4.76 min	4.84 min	4.5 min
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2011 GOALS & OBJECTIVES

In 2008, the Fire Department established an emergency response time deployment standard, as required by a new state law.

The Department deployment standards are:

- Beginning the emergency response within 1 minute of being notified of a significant emergency structure fires. Achieve this response 90% of the time.
- First Engine Company arrives at the scene of a reported structure fire within 4 minutes of leaving the station. Achieve this response 90% of the time.
- Arrival of full first alarm assignment crews at the scene of a reported structure fire within 8 minutes of leaving the station. Achieve this response 90% of the time.
- Other deployment standards have been adopted for hazardous materials, aircraft emergencies, marine emergencies, and wildfires. However, these incidents do not occur frequently enough to accurately determine deployment and speed of response trends at this time.


FIRE SUPPRESSION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$916,808	\$972,370	\$988,600	1.67%
Part Time Employees	819	0	0	0.00%
Volunteer Firefighters	54,550	0	0	0.00%
Education Incentive	6,309	7,240	6,400	-11.60%
Acting Supervisor Pay	3,770	3,400	3,400	0.00%
Paramedic Incentive	14,794	16,130	16,200	0.43%
Holiday Buy Back	0	28,130	28,200	0.25%
Overtime	37,804	48,100	35,000	-27.23%
	\$1,034,854	\$1,075,370	\$1,077,800	0.23%
PERSONNEL BENEFITS				
FICA	\$19,107	\$14,950	\$15,700	5.02%
Law Enf. Retirement System	55,559	54,010	56,500	4.61%
PERS	68	0	0	0.00%
L&I	28,725	27,360	29,000	5.99%
Medical Benefits	138,099	150,150	182,300	21.41%
Dental Benefits	15,448	14,550	16,800	15.46%
Vision Benefits	3,080	4,450	5,100	14.61%
FF Med Savings Acct	12,094	12,150	12,200	0.41%
Unemployment Comp.	4	1,400	1,400	0.00%
Deferred Comp	38,470	44,210	46,300	4.73%
Volunteer Firemens Pension	1,800	3,100	0	-100.00%
Life Insurance	2,526	3,350	3,500	4.48%
Long Term Disability Insurance	4	0	0	0.00%
	\$314,984	\$329,680	\$368,800	11.87%
SUPPLIES				
Office Supplies	\$913	\$1,000	\$1,000	0.00%
Supplies - Fire Suppression	11,378	7,000	6,500	-7.14%
Clothing/Boots	23,899	25,000	24,800	-0.80%
Motor Fuel	5,484	5,000	7,000	40.00%
Small Items of Equipment	34,992	31,000	31,000	0.00%
	\$76,666	\$69,000	\$70,300	1.88%

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FIRE SUPPRESSION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Professional Services	\$3,955	\$3,705	\$600	-83.81%
Telephone	9,153	8,822	8,900	0.88%
Postage	6	50	100	100.00%
New World Connectivity	0	0	1,050	100.00%
Cell Phone and Pagers	0	4,220	4,200	-0.47%
Motor Pool Charges	9,450	0	0	0.00%
Equipment M&R	5,754	3,000	3,000	0.00%
Vehicle R&M	53,953	35,780	25,000	-30.13%
Assoc. Dues & Memberships	(920)	0	0	0.00%
Laundry Services	6,230	5,500	5,500	0.00%
	<u>\$87,581</u>	<u>\$61,077</u>	<u>\$48,350</u>	<u>-20.84%</u>
INTERGOVERNMENTAL SVCS.				
Dispatch Services	\$24,799	\$34,040	\$33,400	-1.88%
SERS Operating Assessment	8,351	7,530	7,500	-0.40%
	<u>\$33,150</u>	<u>\$41,570</u>	<u>\$40,900</u>	<u>-1.61%</u>
CAPITAL OUTLAY				
Other Machinery & Equipment	\$0	\$15,000	\$315,000	2000.00%
	<u>\$0</u>	<u>\$15,000</u>	<u>\$315,000</u>	<u>2000.00%</u>
TOTAL FIRE SUPPRESSION	\$1,547,235	\$1,591,697	\$1,921,150	20.70%



Fire Prevention

PURPOSE

The Fire Prevention division provides fire safety inspections, fire prevention education and other community services. This division oversees Public Education programs, station tours, safety education classes and CPR programs.

The Fire Marshal performs technical inspections of buildings and facilities to determine conformity with the city fire and building codes. This division also conducts education services for fire prevention methods and other prevention programs. This division determines cause and origin of fires and prepares case material for prosecution.

POSITION SUMMARY

Position Title	2010	2011
Fire Marshal	1	1
Total	1	1

PERFORMANCE INDICATORS

	2010 Est.	2011 Est.
Training/Service Hours		
Fire Safety Inspections & business data entry	600	500
Fire Safety/Prevention Education	600	400
Development Standards	-	300
Code compliance: Plan Checks & Field Inspections	600	500
Fire Permitting	150	200

2011 GOALS & OBJECTIVES

- Increase quality of business fire and life safety inspections.
- Increase quality of new and existing building code plan reviews.
- Increase participation in public education programs (CPR, Basic First Aid, emergency preparedness at home and business).
- Improve fire permitting and field inspection processes.
- Develop and implement Fire Code and City of Mukilteo Fire development standards.
- Enter and compile business and building complex data for business fire/safety pre-fire planning.
- Provide improved introduction and code compliance for new businesses.


FIRE PREVENTION

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$87,488	\$83,640	\$83,700	0.07%
Volunteer Firefighters	520	0	0	0.00%
Overtime	0	2,520	2,500	-0.79%
	\$88,008	\$86,160	\$86,200	0.05%
PERSONNEL BENEFITS				
FICA	\$1,308	\$1,250	\$1,200	-4.00%
Law Enf. Retirement System	4,473	4,510	4,400	-2.44%
L&I	1,659	2,030	1,700	-16.26%
Medical Benefits	13,526	15,410	13,700	-11.10%
Dental Benefits	873	1,380	900	-34.78%
Vision Benefits	51	420	300	-28.57%
Unemployment Comp.	0	100	100	0.00%
Life Insurance	230	280	300	7.14%
	\$22,120	\$25,380	\$22,600	-10.95%
SUPPLIES				
Office Supplies	\$272	\$500	\$500	0.00%
Reference Material	2,613	1,000	1,000	0.00%
Supplies - Fire Prevention	513	200	200	0.00%
Clothing/Uniforms	788	500	700	40.00%
Motor Fuel	1,646	1,400	1,400	0.00%
Small Items of Equipment	657	500	500	0.00%
	\$6,489	\$4,100	\$4,300	4.88%
OTHER SERVICES & CHARGES				
Professional Services	\$211	\$1,390	\$400	-71.22%
Telephone	1,120	600	600	0.00%
Cell Phone	0	700	700	0.00%
Motor Pool Charges	4,050	0	8,400	0.00%
Equipment Maintenance & Repair	56	100	100	0.00%
Vehicle Maintenance & Repair	1,626	2,500	1,500	-40.00%
Assoc. Dues & Memberships	250	300	300	0.00%
Laundry Services	674	600	500	-16.67%
	\$7,987	\$6,190	\$12,500	101.94%
TOTAL FIRE PREVENTION	\$124,604	\$121,830	\$125,600	3.09%



Training

PURPOSE

The Training division is responsible for all aspects of training and safety to include classes in tactics and strategy, fire suppression, emergency medical services, rescue and extrication, hazardous materials, disaster response, and leadership along with personnel management.

The Training Captain also serves as the department Safety Officer which encompasses emergency scene safety responsibilities, personnel health and safety in addition to non-emergency risk assessment and management.

POSITION SUMMARY

Position Title	2010	2011
Training Captain	1	1
Total	1	1

PERFORMANCE INDICATORS

	2010 Est.	2011 Est.
Training/Service Hours		
EMS (Advanced Life Support)	500	520
EMS (Basic Life Support)	1,638	1,080
Fire	1,512	1,872
Specialty (Haz-Mat)	364	172
Specialty (Technical Rescue)	272	200
Career and Rank Development	1,750	1,120
Physical Fitness/Wellness	-	1,095

2011 GOALS & OBJECTIVES

- Provide on-going training to meet State/Federal requirements and maintain job skills for all personnel.
- Maintain regional training activity with neighboring fire department jurisdictions and other Snohomish County Public Safety Agencies.
- Increase personnel knowledge and abilities to perform emergency services through contracted instructors and professional trainers.
- Quarterly reporting of training statistics and accomplishments.
- Implementation (phase II) of professional development plan for department members.
- Implement Joint Apprentice and Training Committee with all personnel.
- Implement New World Training to meet County Standards.


FIRE TRAINING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$47,893	\$49,470	\$49,500	0.06%
Education Premium Pay	472	500	1,000	100.00%
Overtime	39,403	47,200	38,100	-19.28%
	\$87,768	\$97,170	\$88,600	-8.82%
PERSONNEL BENEFITS				
FICA	\$767	\$1,410	\$1,300	-7.80%
Law Enf. Retirement System	2,852	5,090	4,700	-7.66%
L&I	1,005	1,210	1,300	7.44%
Medical Benefits	8,179	8,690	4,100	-52.82%
Dental Benefits	665	820	300	-63.41%
Vision Benefits	103	250	100	-60.00%
FF Med Savings Acct	540	540	600	11.11%
Unemployment Comp.	0	60	100	66.67%
Deferred Comp	1,542	2,220	2,300	3.60%
Life Insurance	132	170	200	17.65%
	\$15,785	\$20,460	\$15,000	-26.69%
SUPPLIES				
Office Supplies	\$409	\$500	\$500	0.00%
Purchase of Forms	106	100	100	0.00%
Reference Material	6,075	3,800	3,800	0.00%
Supplies - Training	2,150	1,000	1,000	0.00%
Clothing/Uniforms	1,400	500	500	0.00%
Small Items of Equipment	3,245	1,000	1,000	0.00%
	\$13,385	\$6,900	\$6,900	0.00%
OTHER SERVICES & CHARGES				
Professional Services	\$9,150	\$12,050	\$12,000	-0.41%
Telephone	859	600	600	0.00%
Cell Phone	0	700	700	100.00%
Travel & Subsistence Expense	6,710	7,000	7,000	0.00%
Equipment Maintenance & Repair	70	500	500	0.00%
Assoc. Dues & Memberships	100	50	100	100.00%
Laundry Services	200	550	300	-45.45%
Training & Registration	15,483	15,350	15,300	-0.33%
	\$32,572	\$36,800	\$36,500	-0.82%
TOTAL FIRE TRAINING	\$149,510	\$161,330	\$147,000	-8.88%



Emergency Medical Services

PURPOSE

The Emergency Medical Services (EMS) Division provides Advanced Life Support (ALS) and Basic Life Support (BLS) services to the community with trained Paramedics and Emergency Medical Technicians (EMT's). Both fire stations are cross-staffed with ambulance services.

The division provides paramedic ALS services through a contract with the City of Lynnwood. One ALS unit is staffed with two paramedic/firefighters 24/7 and responds from the City's main Fire Station, located on Harbour Pointe Blvd N at 47th Pl W.

POSITION SUMMARY

Position Title	2010	2011
Paramedic/Firefighter	9	9
Total	9	9

PERFORMANCE INDICATORS

Title	2009	2010	2011
	Actual	Estimate	Estimate
ALS Calls ¹	496	796	800
BLS Calls ²	679	631	700
Total Calls	1175	1427	1500

Fire Unit on scene less
than 5 minutes of dispatch
90% of the time

2009	2010	2011
4.52	4.31	4.5 min

¹ALS = Advanced Life Support

²BLS = Basic Life Support

2011 GOALS & OBJECTIVES

In 2008, the Fire Department established an emergency response time deployment standard, as required by a new state law.

The Department deployment standards are:

- Beginning the emergency response within 1 minute of being notified of a significant emergency (critical advanced life support medical emergencies). Achieve this response 90% of the time.
- First medical vehicle arrives at the scene of a reported critical advanced life support medical emergencies within 4 minutes of leaving the station. Achieve this response 90% of the time.
- Arrival of full first alarm assignment composed of basic life support and paramedic unit at the scene of a critical advanced life support medical emergency within 8 minutes of leaving the station. Achieve this response 90% of the time.
- Establish Quality Assurance (QA) program to the EMS Division through Medical Service Officer (MSO) oversight.


EMERGENCY MEDICAL SERVICES FUND

Fund: Emergency Medical Services - 126

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$395,605	\$189,180	\$213,500	12.86%
Revenues				
EMS Levy	877,226	849,000	1,833,000	115.90%
Charges for Services	213,729	180,000	191,000	6.11%
Investment Interest	2,240	18,000	1,000	-94.44%
Contributions - Private Source	6,334	0	0	0.00%
Miscellaneous Revenue	462	0	0	0.00%
Operating Transfers In	369,750	560,000	0	-100.00%
Total Revenues	1,469,741	1,607,000	2,025,000	26.01%
Total Resources	1,865,346	1,796,180	2,238,500	24.63%
Expenditures				
Salaries & Wages	917,823	959,170	985,500	2.75%
Personnel Benefits	263,909	278,290	306,900	10.28%
Supplies	94,889	62,700	64,700	3.19%
Other Services & Charges	86,311	61,255	384,150	527.13%
Intergovernmental Svcs.	275,724	249,610	178,200	-28.61%
Capital Outlay	5,369	37,400	37,400	0.00%
Total Expenditures	1,644,026	1,648,425	1,956,850	18.71%
Ending Fund Balance	\$221,320	\$147,755	\$281,650	90.62%



EMERGENCY MEDICAL SERVICES

Fund: Emergency Medical Services - 126

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$792,169	\$839,390	\$846,900	0.89%
Part Time Employees	5,805	5,810	24,200	316.52%
Volunteer Firefighters	19,836	0	0	0.00%
Education Premium Pay	6,688	6,650	7,000	5.26%
Acting Supervisor Pay	1,257	3,660	3,700	1.09%
Paramedic Incentive	44,383	48,400	48,400	0.00%
Holiday Buy Back	0	21,880	21,900	0.09%
Overtime	47,684	33,380	33,400	0.06%
	\$917,822	\$959,170	\$985,500	2.75%
PERSONNEL BENEFITS				
FICA	\$16,278	\$14,700	\$16,700	13.61%
Law Enf. Retirement System	49,350	47,760	49,800	4.27%
PERS	1,326	1,030	2,700	162.14%
L&I	24,336	24,110	24,500	1.62%
Medical Benefits	113,379	122,600	142,600	16.31%
Dental Benefits	12,480	12,980	12,200	-6.01%
Vision Benefits	1,825	3,960	3,800	-4.04%
FF Med Savings Acct	9,791	9,810	9,900	0.92%
Unemployment Comp.	1	1,350	1,400	3.70%
Deferred Comp	32,521	36,810	39,400	7.04%
Life Insurance	2,191	3,030	3,300	8.91%
Long Term Disability Insurance	430	150	600	300.00%
	\$263,908	\$278,290	\$306,900	10.28%
SUPPLIES				
Supplies	\$1,108	\$1,000	\$1,000	0.00%
Purchase of Forms	353	600	600	0.00%
Reference Material	0	1,000	1,000	0.00%
Supplies - Emg Medical Svc	38,098	37,500	37,500	0.00%
Clothing/Boots	7,286	5,000	5,000	0.00%
Motor Fuel	8,172	6,000	8,000	33.33%
Small Items of Equipment	39,874	11,600	11,600	0.00%
	\$94,891	\$62,700	\$64,700	3.19%

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EMERGENCY MEDICAL SERVICES

Fund: Emergency Medical Services - 126

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Billing Services	\$17,350	\$15,000	\$15,000	0.00%
Professional Services	8,200	6,640	5,600	-15.66%
Telephone	3,397	2,100	2,100	0.00%
New World Connectivity	0	0	350	100.00%
Cell Phone	0	4,230	6,400	51.30%
Motor Pool Charges	44,700	0	322,400	100.00%
Insurance	0	12,785	12,800	0.12%
Hazardous Waste Disposal	347	500	500	0.00%
Equipment R&M	481	1,000	1,000	0.00%
Vehicle Repair	8,899	15,000	15,000	0.00%
Laundry Services	2,938	4,000	3,000	-25.00%
	\$86,312	\$61,255	\$384,150	527.13%
INTERGOVERNMENTAL SVCS.				
Dispatch Services	\$74,398	\$102,100	\$100,100	-1.96%
Paramedic Services Contract	198,689	145,000	80,300	-44.62%
SERS Operating Assessment	2,637	2,510	2,500	-0.40%
Transfer to Reserves	0	0	(4,700)	100.00%
	\$275,724	\$249,610	\$178,200	-28.61%
CAPITAL OUTLAY				
Other Machinery & Equipment	\$5,369	\$37,400	\$37,400	0.00%
	\$5,369	\$37,400	\$37,400	0.00%
TOTAL EMERGENCY MEDICAL SERVICES	\$1,644,026	\$1,648,425	\$1,956,850	18.71%



The Japanese Gulch Fish Passage Project



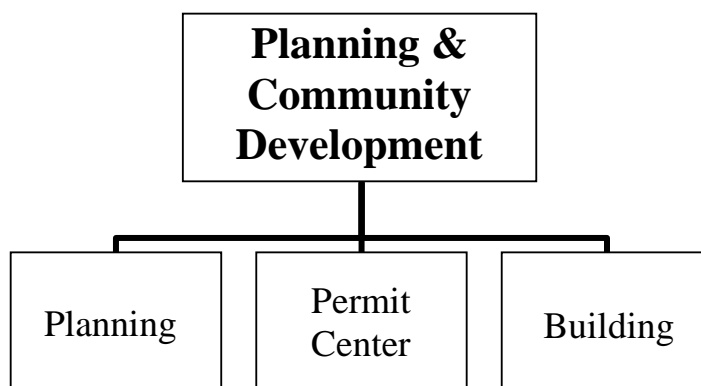
PLANNING & COMMUNITY DEVELOPMENT

The Planning and Community Development Department is responsible for developing long-range plans to help guide the City's physical development, as well as regulating land uses and administering the development process and assistance to the public regarding development regulations and information. Building is responsible for building plan review and inspections. The Permit Center supports planning, development and building activities, in addition supports Public Works engineering projects & their development review processes.

The Community Development Division is responsible for enforcing the City's land use and zoning regulations, reviewing all development proposals, investigating citizen complaints regarding violations of local land use regulations. The staff is also responsible for the Hearing Examiner. During 2007-2010 CD staff provided project management services and prepared permit applications and SEPA documentation for city park, trail and fish passage projects. In 2011 staff will continue to guide restoration and fish passage projects. In addition, the four staff in the CD division are being shifted from development review to portions of their jobs including long-range planning, stormwater NPDES II, forestry management tasks and development of the Japanese Gulch mitigation concept, and development of a Master Plan for Japanese Gulch park property, due to the downturn in the economy.

The Planning (long-range) Division staff is responsible for drafting new or revising codes, and leading the City's planning efforts required by the State's Growth Management Act as well as guiding economic development, including business retention, as well as safe guarding neighborhoods and overseeing waterfront redevelopment. The major efforts in 2011 include finalizing the Shoreline Master Plan under the SMP Grant, developing design standards and zoning for State Route 525 and Highway 99, creating a unified Development Code and to begin the update of the Park Plan along with preliminary design of Lighthouse Park Phase 4 in order to be positioned for the RCO State Grant application in 2012.

The Department provides extensive support to the City Council, and Planning Commission. In addition, support is provided to the Hearing Examiner, Council Sustainability Subcommittee and for waterfront redevelopment planning and projects. The Department is organized into three divisions as shown below.





PLANNING & COMMUNITY DEVELOPMENT

POSITION SUMMARY

Position Title	2010	2011
Planning Director	1	1
Assistant Director	1	1
Permit Services Supervisor	1	1
Permit Services Assistant	3	2
Senior Planner	1	1
Associate Planner	1	1
Assistant Planner	2	2
Intern	0.25	0.25
Building Official	1	1
Total	11.25	10.25

PLANNING & COMMUNITY DEVELOPMENT DEPT. EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Planning	\$903,620	\$732,940	\$630,800	-13.94%
Permit Center	320,443	340,610	269,750	-20.80%
Building	129,804	134,900	129,600	-3.93%
TOTAL	\$1,353,867	\$1,208,450	\$1,030,150	-14.75%

Planning

PURPOSE

The Planning Division provides comprehensive long range planning and the Community Development division provides current planning land use services to the City and its citizens while ensuring compliance with Federal, State, and local laws. It also reviews all land use applications acting as lead Project Manager to determine: impact on the environment, appropriate mitigation, and development alternatives to proposed uses or developments based on the City's Municipal Code. The CD division also provides land use code compliance.

The Department staff provides general assistance and staff support to City Council, Planning Commission, and Hearing Examiner. The Planning division support includes conducting general or specialized land use research; developing ordinances, policies and/or programs; facilitating large-scale or multi-agency development proposals.

The Department serves as the City's lead agency for the development of the Comprehensive Plan, Functional Plans and preparing the new Unified Development Code including the zoning code.

POSITION SUMMARY

Position Title	2010	2011
Planning Director	1	1
Assistant Director	1	1
Senior Planner	1	1
Associate Planner	1	1
Assistant Planner	2	2
Intern (Volunteer 2010 & 2011)	0.25	0.25
Total	6.25	6.25

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Plats & Short Plats*	4	0	1
Project Permits	5	3	4
SFR	24	30	15
Signs	22	12	15
Shoreline Permits	1	2	1
City Projects	5	3	1
Plans/Projects or Codes	6	6	5
Code Compliance	31	64	60
Grants	3	7	4

2011 GOALS & OBJECTIVES

- Evaluate/maintain/improve processing time 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 & incorporate changes into online permit process.
- Complete Public Process for Shoreline Management Program – Plan and Code with remaining \$ 20K from grant.
- Re-initiate effort to develop a Unified Development Code.
- Re-initiate sign code enforcement on public rights-of-way based upon revised code.
- Continue code compliance efforts primarily on complaint basis.
- Provide oversight & coordination of waterfront projects.
- Lead Japanese Gulch fish passage and Big Gulch Trail Gap projects.
- Lead development of Japanese Gulch & Precht Park Master Plan.


PLANNING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES*				
Full Time Employees	\$469,748	\$454,640	\$405,100	-10.90%
Overtime	4,902	3,500	3,500	0.00%
	<u>\$474,650</u>	<u>\$458,140</u>	<u>\$408,600</u>	<u>-10.81%</u>
PERSONNEL BENEFITS*				
FICA	\$35,913	\$35,230	\$31,200	-11.44%
PERS	31,970	24,450	28,200	15.34%
L&I	1,498	1,790	1,400	-21.79%
Medical Benefits	65,410	69,880	72,800	4.18%
Dental Benefits	8,130	7,220	6,600	-8.59%
Vision Benefits	1,272	2,200	2,000	-9.09%
Unemployment Comp.	4,218	600	600	0.00%
Vehicle Allowance	2,400	2,400	2,400	0.00%
Life Insurance	1,276	1,530	1,400	-8.50%
Long Term Disability Insurance	2,825	3,400	3,000	-11.76%
	<u>\$154,912</u>	<u>\$148,700</u>	<u>\$149,600</u>	<u>0.61%</u>
SUPPLIES				
Supplies	\$549	\$500	\$500	0.00%
Reference Material	11	50	100	100.00%
Operating Supplies	185	0	0	0.00%
Clothing/Boots	0	0	1,500	100.00%
Motor Fuel	281	300	300	0.00%
Resale Purchases	0	50	0	-100.00%
Small Items Of Equipment	885	300	300	0.00%
	<u>\$1,911</u>	<u>\$1,200</u>	<u>\$2,700</u>	<u>125.00%</u>

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PLANNING				
Fund: General - 011				
	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$23,587	\$20,000	\$0	-100.00%
Reimbursable Consulting	2,861	6,500	6,500	0.00%
ADU Ordinance Consulting Services	4,143	0	0	0.00%
Annexation Services	63,864	0	0	0.00%
Telephone	6,096	1,600	1,700	6.25%
Postage	11,756	14,000	7,000	-50.00%
Cell Phones	0	2,100	2,100	0.00%
Travel & Subsistence Expense	1,553	200	500	150.00%
Legal Publications	4,818	5,000	3,000	-40.00%
Motor Pool Charges	3,240	0	3,900	0.00%
Vehicle R&M	1,445	250	300	20.00%
Software Maintenance	0	4,700	4,700	0.00%
Assoc. Dues & Memberships	1,470	1,500	2,200	46.67%
File, Recording Fees	0	50	100	100.00%
Printing And Binding	244	400	400	0.00%
Training & Registration Costs	2,402	2,500	3,500	40.00%
Hearing Examiner	9,090	10,000	8,000	-20.00%
Miscellaneous	52	0	0	0.00%
Comprehensive Plan	21,830	51,600	26,000	-49.61%
	\$158,451	\$120,400	\$69,900	-41.94%
INTERGOVERNMENTAL SERVICES				
Regional Service Contracts Sno Co	\$995	\$0	\$0	0.00%
	\$995	\$0	\$0	0.00%
CAPITAL OUTLAY				
Computer Software	\$112,701	\$4,500	\$0	-100.00%
	\$112,701	\$4,500	\$0	-100.00%
TOTAL PLANNING	\$903,620	\$732,940	\$630,800	-13.94%

*A portion of salaries and benefits is budgeted to the Surface Water Management fund beginning in 2010.



Permit Center

PURPOSE

The Permit Center Division in the Planning and Community Development Department manages and operates the City Hall Information Desk and Permit Center; and provides clerical and support services to the Public Works, and Planning and Community Development Departments.

The Permit Center staff assists citizens and applicants with general zoning information; technical and general permit assistance; tracks all requests/applications; issues permits; serves as the City's central cashiering location; and provides initial contact over the counter and on the phone for City Hall.

Support services to administer and provide data input to the computerized on-line permit tracking system, and maintenance of data bases and reporting of development status; staff also prepares and distributes commission packets; public noticing; records management; information brochures; and assistance with department web page for meetings, notices and development project information.

POSITION SUMMARY

Position Title	2010	2011
Permit Services Supervisor	1	1
Permit Services Assistant	3	2
Total	4	3

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Packets Distributed	22	16	10
Land Use Permits	10	4	4
Building Permits	344	419	375
Engineering / ROW Permits	113	86	75
Fire Permits	10	50	45
Files Opened	479	467	425

2011 GOALS & OBJECTIVES

- Improve and maintain our strong customer services commitment.
- Expand and provide administrative function of electronic applications and project tracking software.
- Track/evaluate/improve processing time for permit issuance.
- Provide public information brochures, handouts and application packets.
- Maintain department webpage for notices, meeting dates and development projects.
- Continue records purging (file reduction) of obsolete records according to City & State retention schedules.


PERMIT CENTER

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$219,139	\$220,100	\$169,400	-23.03%
Acting Supervisor Pay	0	1,000	1,000	0.00%
Overtime	546	2,000	2,000	0.00%
	<u>\$219,685</u>	<u>\$223,100</u>	<u>\$172,400</u>	<u>-22.73%</u>
PERSONNEL BENEFITS				
FICA	\$16,493	\$16,990	\$13,100	-22.90%
PERS	14,937	11,790	12,000	1.78%
L&I	957	1,240	800	-35.48%
Medical Benefits	52,024	56,090	42,000	-25.12%
Dental Benefits	5,020	4,580	2,700	-41.05%
Vision Benefits	1,388	1,400	800	-42.86%
Unemployment Comp.	0	400	300	-25.00%
Life Insurance	607	740	600	-18.92%
Long Term Disability Insurance	1,345	1,630	1,300	-20.25%
	<u>\$92,771</u>	<u>\$94,860</u>	<u>\$73,600</u>	<u>-22.41%</u>
SUPPLIES				
Supplies	\$3,598	\$3,500	\$4,000	14.29%
Clothing	0	200	200	0.00%
Small Items of Equipment	885	0	0	0.00%
	<u>\$4,483</u>	<u>\$3,700</u>	<u>\$4,200</u>	<u>13.51%</u>
OTHER SERVICES & CHARGES				
Telephone	\$2,725	\$1,100	\$1,100	0.00%
Travel & Subsistence	443	200	250	25.00%
Permit Tracking Software	0	15,000	17,500	16.67%
Assoc. Dues & Memberships	35	50	100	100.00%
Printing And Binding	26	100	100	0.00%
Training & Registration	275	500	500	0.00%
Miscellaneous	0	2,000	0	-100.00%
	<u>\$3,504</u>	<u>\$18,950</u>	<u>\$19,550</u>	<u>3.17%</u>
TOTAL PERMIT CENTER	\$320,443	\$340,610	\$269,750	-20.80%



Building

PURPOSE

The Building division is organized as part of the Planning and Community Development Department.

The division protects the public health and safety by ensuring that all structures are built in accordance with adopted building codes. This activity is closely coordinated with the Fire Code and Fire Marshal. It also assigns all street addresses.

The division provides information to the public on building code requirements, reviews and approves building plans, and performs a complete range of building services including plan check review and inspection services for all required codes, including building, plumbing, mechanical, energy, barrier free, air quality, and building heights. The State of Washington conducts electrical system plan checks and inspections. The Fire Department Fire Marshal reviews all development projects for International Fire code compliance with the assistance of contracted staff.

The division also investigates complaints regarding illegal or unsafe structures and when necessary, initiates code enforcement orders against violators.

Division activities are partially funded through fees paid by private developers and residents.

During 2011, the division anticipates that it will issue permits for \$6-8,000,000 Assessed Value of new development, which will include commercial and industrial projects and 10-15 new single family homes.

POSITION SUMMARY

Position Title	2010	2011
Interim Building Official	1	1
Total	1	1

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Permits Issued	344	419	375
Site Inspections	1,750	655	500
Const. Value (million \$)	\$ 15	\$ 12	\$ 8
Revenue (thousand \$)	\$ 299	\$ 250	\$ 200

2011 GOALS & OBJECTIVES

- Utilize on-line electronic application submittals, permit issuance and inspections.
- Maintain permit flow / turn-around times.
- To maintain pro-active stance and oversight during the development of critical / difficult sites.
- To assist in the evaluation of building fees and to make adjustments based on actual/estimated cost of service.



BUILDING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$65,770	\$75,520	\$65,500	-13.27%
Special Assignment Pay	9,749	10,000	10,000	0.00%
	<u>\$75,519</u>	<u>\$85,520</u>	<u>\$75,500</u>	<u>-11.72%</u>
PERSONNEL BENEFITS				
FICA	\$5,522	\$5,780	\$5,800	0.35%
PERS	5,140	4,010	5,300	32.17%
L&I	1,513	1,990	1,700	-14.57%
Medical Benefits	14,477	15,510	17,100	10.25%
Dental Benefits	740	1,380	1,400	1.45%
Vision Benefits	842	420	400	-4.76%
Unemployment Comp.	0	100	100	0.00%
Life Insurance	182	250	300	20.00%
Long Term Disability Insurance	403	560	600	7.14%
	<u>\$28,819</u>	<u>\$30,000</u>	<u>\$32,700</u>	<u>9.00%</u>
SUPPLIES				
Supplies	\$305	\$0	\$0	0.00%
Reference Material	1,149	500	500	0.00%
Operating Supplies	0	500	700	40.00%
Clothing/Boots	380	200	400	100.00%
Motor Fuel	983	1,000	1,200	20.00%
Small Items of Equipment	544	200	200	0.00%
OTHER SERVICES & CHARGES	<u>\$3,361</u>	<u>\$2,400</u>	<u>\$3,000</u>	<u>25.00%</u>
Contract Services	\$14,413	\$12,000	\$10,000	-16.67%
Telephone	2,278	2,800	1,000	-64.29%
Postage	280	300	300	0.00%
Cellular Phones	0	0	500	100.00%
Travel & Subsistence	431	100	400	300.00%
Motor Pool Charges	3,240	0	4,000	0.00%
Vehicle R&M	152	600	600	0.00%
Assoc. Dues & Memberships	410	430	400	-6.98%
File, Recording Fees	0	50	200	300.00%
Printing and Binding	276	0	0	0.00%
Training & Registration Costs	625	700	1,000	42.86%
	<u>\$22,105</u>	<u>\$16,980</u>	<u>\$18,400</u>	<u>8.36%</u>
TOTAL BUILDING	\$129,804	\$134,900	\$129,600	-3.93%



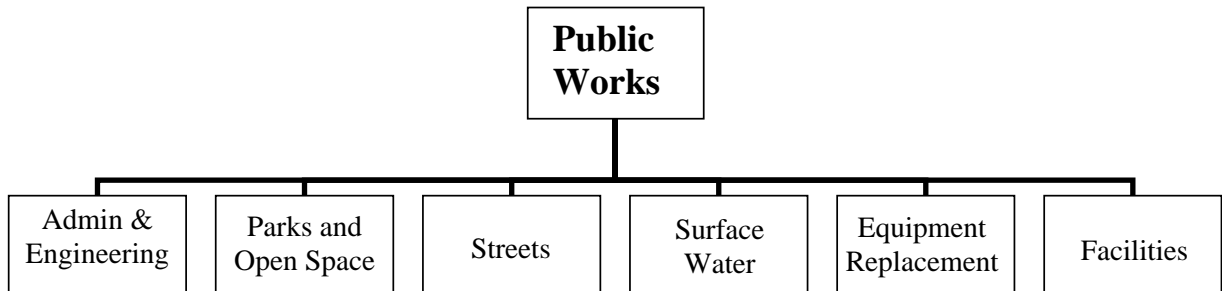
The old Rosehill Community Center building, formerly Rosehill School.

PUBLIC WORKS DEPARTMENT

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. This work takes place on or involves:

- 67 miles of streets
- Two traffic signals
- 35 miles of storm drains
- 499 acres of parklands and landscaped areas, including tidelands
- 75 vehicles and pieces of equipment – excluding police and fire (Equipment Rental)
- 16 municipal buildings – including 2 Fire Stations, a Police Station, the Public Works Shop, Old Public Works Shop, City Hall, the Light House buildings (4), Lighthouse Park (4), 92nd Street Park (1), and the Community Center.
- 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).

The Department is organized into six operating divisions as shown below:



PUBLIC WORKS DEPT. EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Administration & Engineering	\$592,322	\$457,899	\$246,650	-46.13%
Parks and Open Space	656,142	646,250	734,500	13.66%
Streets	751,902	691,786	772,500	11.67%
Surface Water	941,010	1,799,189	1,551,450	-13.77%
Equipment Replacement	40,364	2,000	501,600	24980.00%
Facilities Maintenance	453,493	436,960	436,900	-0.01%
TOTAL	\$3,435,233	\$4,034,084	\$4,243,600	5.19%

POSITION SUMMARY

Position Title	2010	2011
Public Works Director	1	1
Assistant City Engineer	1	1
Engineering Technician	2	1
Lead Serviceworker	4	4
Park/Utility Service Worker	8	8
Park Attendant (Seasonal)	1.5	1.5
Superintendent	1	1
Department Assistant	0.5	0.5
Total	19	18



Trail leading from 92nd Street Park into Big Gulch Trail

Administration and Engineering

PURPOSE

The Administration and Engineering Division of Public Works:

- Manages public works projects that maintain the City's capital assets or build new ones.
- 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.
- Oversees the operations and maintenance (O&M) divisions of public works (storm water, streets, parks, facilities, and equipment maintenance).
- Provides support to the Public Works O&M divisions, Community Development Department, the Police and Fire Departments and oversees the Public Works role as a first responder in the event of an emergency.
- Manage the City's right-of-way permit program.
- Manage the City's street light program through agreements for service with Snohomish County PUD and Snohomish County Public Works (for lights wholly owned by the City).
- Manages the City's traffic signals through a contract with the Snohomish County Public Works.
- Is responsible for the City's transportation plan and assists with the development of the City's Capital Improvement Program.

POSITION SUMMARY

Position Title	2010	2011
Public Works Director	1	1
Assistant City Engineer	1	1
Engineering Technician	2	1
Total	4	3

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Plat Reviews	4	0	1
Land Use Permits	10	4	4
ROW Permits	63	75	75
Engineering Permits	55	25	25
Capital Projects Managed	4	4	4
Capital Projects Constructed	4	4	4
Sign Permits	22	12	15
Traffic Studies (speed/count)	6	4	4
Engineering Studies/Design	3	2	2

2011 GOALS & OBJECTIVES

- Finish code updates/reviews: Storm water, grading and geological sensitive area regulations (carry over).
- Complete and initiate 2010 carry-over capital projects.
- Adopt sidewalk management code (carry over project from 2009-2010).
- 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.
- Continue with implementation the pavement management system program.
- Meet development review timeline goals.



PUBLIC WORKS - ADMINISTRATION AND ENGINEERING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$208,101	\$208,650	\$117,300	-43.78%
Part Time Employees	16,075	16,900	17,700	4.73%
Overtime	0	1,000	1,000	0.00%
	<u>\$224,176</u>	<u>\$226,550</u>	<u>\$136,000</u>	<u>-39.97%</u>
PERSONNEL BENEFITS				
FICA	\$16,830	\$17,330	\$10,300	-40.57%
PERS	15,229	12,000	9,400	-21.67%
L&I	778	960	500	-47.92%
Medical Benefits	29,781	31,580	24,000	-24.00%
Dental Benefits	2,557	2,770	1,600	-42.24%
Vision Benefits	217	850	500	-41.18%
Unemployment Comp.	0	330	300	-9.09%
Life Insurance	619	760	500	-34.21%
Long Term Disability Insurance	1,371	1,680	1,000	-40.48%
	<u>\$67,382</u>	<u>\$68,260</u>	<u>\$48,100</u>	<u>-29.53%</u>
SUPPLIES				
Office Supplies	\$92	\$400	\$400	0.00%
Reference Material	216	300	300	0.00%
Operating Supplies	117	200	200	0.00%
Clothing/Boots	0	200	100	-50.00%
Motor Fuel	599	600	700	16.67%
Small Items of Equipment	4,875	400	300	-25.00%
	<u>\$5,899</u>	<u>\$2,100</u>	<u>\$2,000</u>	<u>-4.76%</u>

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PUBLIC WORKS - ADMINISTRATION AND ENGINEERING

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Engineering & Architect Svcs	\$23,790	\$25,000	\$15,000	-40.00%
Other Professional Svcs.	17,927	12,500	5,000	-60.00%
Contract Services	35,626	0	0	0.00%
Telephone	6,870	1,400	1,500	7.14%
Postage	880	700	350	100.00%
Cell Phone	99	1,400	1,900	35.71%
Travel & Subsistence	26	500	900	80.00%
Legal Publications	269	350	400	14.29%
Motor Pool Charges	11,455	0	15,100	0.00%
Vehicle R&M	226	900	600	-33.33%
Equipment M&R	0	0	1,000	100.00%
Assoc. Dues & Memberships	571	600	700	16.67%
File, Recording Fees	305	400	400	0.00%
Printing And Binding	1,095	150	200	33.33%
Training & Registration Costs	250	2,410	2,400	-0.41%
Railroad Quiet Zone Contract	195,376	114,549	0	0.00%
	<u>\$294,765</u>	<u>\$160,859</u>	<u>\$45,450</u>	<u>-71.75%</u>
INTERGOVERNMENTAL SERVICES				
MRSC Small Works Roster	\$100	\$130	\$100	100.00%
	<u>\$100</u>	<u>\$130</u>	<u>\$100</u>	<u>100.00%</u>
CAPITAL				
Olympic View Safety Improvements	\$0	\$0	\$15,000	100.00%
	<u>\$0</u>	<u>\$0</u>	<u>\$15,000</u>	<u>100.00%</u>
TOTAL PUBLIC WORKS ADMIN & ENGINEERING	\$592,322	\$457,899	\$246,650	-46.13%



The Mukilteo Lighthouse, with new bandshell and restroom facilities



Parks and Open Space

PURPOSE

The Parks and Open Space Division maintains all of the City-owned parklands and landscaped areas. Maintenance and improvement activities take place on 499 acres of parks and open space, including seven municipal facility building sites (police station, two fire stations, City Hall, a building used by the Chamber of Commerce, the Community Center and the public works shop).

Maintenance activities include: mowing, fertilizing, pruning, weeding, planting of new plants, and 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 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.

POSITION SUMMARY

Position Title	2010	2011
Superintendent	0.2	0.2
Lead Serviceworker	1	1
Park/Utility Service Worker	4	4
Park Attendant (Seasonal)	1.5	1.5
Total	6.7	6.7

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
<u>Acreage</u>			
Parks	58	74	74
Open Space	357	357	357
Tidelands	84	84	84
Total Acreage	499	515	515
<u>Parks</u>			
Number of Parks	33	33	33
Recreation Trails	4	7	7
<u>Lighthouse Park</u>			
Hours Open to Public	5100	5100	5100
Hours Supervised	2500	2500	2500
<u>Landscape Maintenance</u>			
Sites Maintained	23	24	24
Acres Maintained	124	124.1	124.1
Acres Mowed	20	20	20
Trees Planted	10	10	10
Shrubs/Flowers	250	250	250

2011 GOALS & OBJECTIVES

- Preserve existing park assets with an emphasis on Light House Park and 92nd Street Park.


PARKS AND OPEN SPACE

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$269,581	\$281,040	\$272,900	-2.90%
Part Time Employees	47,747	47,100	47,100	0.00%
Acting Supervisor Pay	635	0	0	0.00%
Overtime	7,249	4,000	4,000	0.00%
Standby Pay	7,420	4,000	4,000	0.00%
	\$332,632	\$336,140	\$328,000	-2.42%
PERSONNEL BENEFITS				
FICA	\$25,064	\$25,710	\$25,100	-2.37%
PERS	19,178	15,350	22,800	48.53%
L&I	8,495	12,200	8,400	-31.15%
Medical Benefits	68,709	76,580	90,000	17.52%
Dental Benefits	7,906	6,600	7,500	13.64%
Vision Benefits	696	2,010	2,300	14.43%
Teamsters Pension	7,791	5,200	7,800	50.00%
Unemployment Comp.	7,041	7,660	500	-93.47%
Life Insurance	742	950	1,100	15.79%
Long Term Disability Insurance	1,643	2,090	2,500	19.62%
	\$147,265	\$154,350	\$168,000	8.84%
SUPPLIES				
Operating Supplies	\$22,980	\$29,100	\$28,600	-1.72%
Vehicle R&M Tools/Eq	128	250	0	-100.00%
Clothing/Boots	3,739	2,880	3,400	18.06%
Misc. Repair & Maint Supplies	1,493	2,500	2,500	0.00%
Signs	1,700	2,500	1,000	-60.00%
Landscape Materials	8,245	10,000	10,000	0.00%
Flower Basket Program	4,905	5,000	10,000	100.00%
Motor Fuel	5,305	5,000	6,000	20.00%
Small Items of Equipment	10,164	3,820	800	-79.06%
	\$58,659	\$61,050	\$62,300	2.05%

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PARKS AND OPEN SPACE

Fund: General - 011

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$9,405	\$12,000	\$12,000	0.00%
Telephone	4,296	2,400	2,400	0.00%
Cell Phone	199	3,170	3,000	100.00%
Travel & Subsistence	14	300	300	0.00%
Legal Publications	50	0	0	
Land Rental	1,854	1,850	2,000	100.00%
Work Equip & Machine Rental	1,817	2,500	2,500	0.00%
Motor Pool Charges	15,705	0	71,800	0.00%
Natural Gas	1,017	2,000	2,000	0.00%
Electricity	5,097	6,000	6,000	0.00%
Sewer Service	13,592	13,500	5,000	-62.96%
Garbage Services	18,239	15,000	15,000	0.00%
Water Service	16,248	12,000	12,000	0.00%
Storm Drainage Chgs.	13,710	12,000	12,000	0.00%
Equipment R&M	929	1,000	5,000	400.00%
Other Maintenance & Repair	5,192	1,200	600	-50.00%
Vehicle R&M	5,842	2,700	5,500	103.70%
Laundry Services	1,459	750	800	6.67%
Training & Registration Costs	479	1,340	1,300	-2.99%
HP Maintenance Assn Dues	2,442	5,000	5,000	0.00%
	\$117,586	\$94,710	\$164,200	73.37%
CAPITAL				
Machinery and Equipment	\$0	\$0	\$12,000	100.00%
	\$0	\$0	\$12,000	100.00%
TOTAL PARKS AND OPEN SPACE	\$656,142	\$646,250	\$734,500	13.66%



Streets

PURPOSE

The Streets Maintenance Division maintains the City's street system, (except for the pavement on SR 525 and 526), sidewalks, curbs, gutters, crosswalk flashers, signs, some vegetation in the right-of-ways and picks up and disposes of illegally dumped waste in the City.

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

Of the 13 signals in the City only two are owned and operated by the City, Washington State Department of Transportation owns the remainder, as well as the signage on SR 525/526.

POSITION SUMMARY

Position Title	2010	2011
Superintendent	0.3	0.3
Lead Serviceworker	1	1
Park/Utility Service Worker	2	2
Total	3.3	3.3

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Miles of Street	67	67	67
Traffic Signals	2	2	2
Street Lights*	80	80	80
Potholes Repaired	75	75	100
Tons of Asphalt Used	60	42	50
Lane Lines Painted (miles)	70	70	70
Streets Swept (miles)	450	600	600
Snow/Ice Removed (hours)	400	40	500
Painted Markings (sf)	8,000	10,000	10,000
Sidewalk Repaired (sf)	750	600	600
Signs Installed/Replaced	150	400	200
Sign Posts Installed/Repl.	125	125	125

*Work orders for repair processed.

2011 GOALS & OBJECTIVES

- Continue street sign replacement and repair program
- Prepare 3-5 miles of streets for chip seals.
- Manage contracts/agreements for street striping, vegetation control.
- Mow ROW shoulder vegetation a minimum of two times between late March and end of October.


STREETS FUND

Fund: Streets - 111

	2009	2010	2011	%
	Actual	Budget	Budget	Change
Beginning Fund Balance	\$77,015	\$189,710	\$149,900	-20.98%
Revenues				
Street Fuel Tax	276,723	300,000	300,000	0.00%
Investment Interest	951	500	200	-60.00%
Operating Transfers In	505,000	350,000	343,600	-1.83%
Total Revenues	782,674	650,500	643,800	-1.03%
Total Resources	859,689	840,210	793,700	-5.54%
Expenditures				
Salaries & Wages	265,123	267,840	269,100	0.47%
Personnel Benefits	100,145	98,910	109,800	11.01%
Supplies	66,307	55,200	73,600	33.33%
Other Services & Charges	284,461	221,836	275,400	24.15%
Intergovernmental Svcs.	35,866	43,000	39,600	-7.91%
Capital Outlay	0	5,000	5,000	0.00%
Total Expenditures	751,902	691,786	772,500	11.67%
Ending Fund Balance	\$107,787	\$148,424	\$21,200	-85.72%


STREETS

Fund: Streets - 111

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$259,392	\$259,540	\$260,800	0.49%
Acting Supervisor Pay	550	300	300	0.00%
Overtime	2,381	4,000	4,000	0.00%
Standby Pay	2,800	4,000	4,000	0.00%
	\$265,123	\$267,840	\$269,100	0.47%
PERSONNEL BENEFITS				
FICA	\$20,040	\$20,490	\$20,600	0.54%
PERS	18,044	14,000	18,700	33.57%
L&I	5,151	6,290	6,300	0.16%
Medical Benefits	43,234	46,490	51,500	10.78%
Dental Benefits	5,418	3,910	4,000	2.30%
Vision Benefits	1,137	1,200	1,200	0.00%
Teamsters Pension	4,828	3,120	4,700	50.64%
Unemployment Comp.	0	600	600	0.00%
Life Insurance	714	870	700	-19.54%
Long Term Disability Insurance	1,579	1,940	1,500	-22.68%
	\$100,145	\$98,910	\$109,800	11.01%
SUPPLIES				
Operating Supplies	\$12,262	\$13,000	\$23,000	76.92%
Clothing/Boots	3,331	4,200	3,200	-23.81%
Aggregate	18,532	14,000	14,000	0.00%
Traffic Control Device Supply	16,068	11,000	15,000	36.36%
Motor Fuel	15,521	12,000	14,000	16.67%
Small Items Of Equipment	593	1,000	4,400	340.00%
	\$66,307	\$55,200	\$73,600	33.33%

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STREETS				
Fund: Streets - 111				
	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Hazardous Materials Testing	\$1,920	\$2,000	\$1,000	-50.00%
Contract Services	53,118	50,000	30,000	-40.00%
Telephone	4,605	2,400	2,400	0.00%
Cell Phone	164	2,110	2,100	-0.47%
Travel & Subsistence	28	100	100	0.00%
Work Equip & Machine Rental	4,790	6,000	6,000	0.00%
Motor Pool Charges	72,235	0	85,500	100.00%
Insurance	0	26,526	26,600	0.28%
Hazardous Waste Disposal	9,790	20,000	6,000	-70.00%
Public Utility Solid Waste	319	1,000	500	-50.00%
Electricity Street Lights	108,836	95,000	95,000	0.00%
Brush Disposal	3,034	3,000	4,000	33.33%
Construction Debris Disposal	2,164	3,000	3,000	0.00%
Work Equipment M&R	10,444	4,000	4,000	0.00%
Vehicle R&M	10,624	5,000	7,500	50.00%
Laundry Services	1,335	1,200	1,200	0.00%
Training & Registration	1,055	500	500	0.00%
	\$284,461	\$221,836	\$275,400	24.15%
INTERGOVERNMENTAL SVCS.				
Lane Striping & Marking	\$29,067	\$25,000	\$25,000	0.00%
Street Light Maintenance	6,205	14,000	14,000	0.00%
Repairs in ROW	0	2,000	1,000	-50.00%
ROW Veg Maintenance	594	2,000	2,000	0.00%
Transfer to Reserves	0	0	(2,400)	100.00%
	\$35,866	\$43,000	\$39,600	-7.91%
CAPITAL OUTLAY				
Lighting Systems (Interlocal, PUD)	\$0	\$5,000	\$5,000	0.00%
	\$0	\$5,000	\$5,000	0.00%
TOTAL STREETS	\$751,902	\$691,786	\$772,500	11.67%



Surface Water Management

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). Stream corridors are observed for problems and where appropriate, and with the necessary State approvals, may do limited maintenance to prevent damage from flooding.

The Division develops solutions to small scale localized problems and constructs those improvements.

Street sweeping is paid for from this fund since the primary purpose of street cleaning is to reduce the amount of contamination (street contaminated sand, dirt, organic matter, and waste such as cigarette butts), getting into the City's streams. It also reduces the cost of keeping the stormwater catch basins cleaned since less material gets to them.

The Division and other related overhead costs are primarily funded by user charges. Billing services are provided through a contract with the Mukilteo Water and Sewer District. System customers are billed every two months.

POSITION SUMMARY

Position Title	2010	2011
Superintendent	0.2	0.2
Lead Serviceworker	1.5	1.5
Park/Utility Service Worker	3	3
Total	4.7	4.7

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Drainage Basins	13	13	13
Miles of Pipe	35	35	35
Miles of Ditches	10	10	10
Catch Basins	2,610	2,614	2,616
Catch Basins Cleaned	750	1,000	1,000
Detention Ponds	96	96	96
Ponds Cleaned	4	4	10

2011 GOALS & OBJECTIVES

- As part of the City's effort to implement Congress' mandated National Pollutant Discharge Elimination System (NPDES) Stormwater Program, three staff members are being partially shifted from the General Fund (50% of Associate Planner, 28% of Assistant City Engineer & 25% of Assistant Planning & Community Development Director.)
- Perform regular preventive maintenance of drainage system and detention ponds.
- Minor improvements to the City surface water collection, treatment and convenience system.

SURFACE WATER MANAGEMENT FUND

Fund: Surface Water Management - 440

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$1,289,277	\$1,786,030	\$1,286,990	-27.94%
Revenues				
Grants	68,790	0	200,000	100.00%
Storm Drainage Fees & Charges	1,255,085	1,250,000	1,250,000	0.00%
Investment Interest	10,125	25,000	25,000	0.00%
Interfund Transfers	0	9,998	0	-100.00%
Total Revenues	1,334,000	1,284,998	1,475,000	14.79%
Total Resources	2,623,277	3,071,028	2,761,990	-10.06%
Expenditures				
Salaries & Wages	341,084	347,750	430,300	23.74%
Personnel Benefits	137,460	135,760	179,900	32.51%
Supplies	34,974	57,240	40,600	-29.07%
Other Services & Charges	97,860	259,888	241,250	-7.17%
Intergovernmental Svcs.	96,134	79,000	81,900	3.67%
Capital Outlay	38,498	724,051	382,000	-47.24%
Payments For Svcs.	195,000	195,500	195,500	0.00%
Total Expenditures	941,010	1,799,189	1,551,450	-13.77%
Ending Fund Balance	\$1,682,267	\$1,271,839	\$1,210,540	-4.82%

SURFACE WATER MANAGEMENT

Fund: Surface Water Management - 440

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$318,186	\$332,800	\$416,600	25.18%
Part Time Employees	4,802	6,550	5,300	-19.08%
Acting Supervisor Pay	876	400	400	0.00%
Overtime	2,688	4,000	4,000	0.00%
Standby Pay	14,533	4,000	4,000	0.00%
	\$341,085	\$347,750	\$430,300	23.74%
PERSONNEL BENEFITS				
FICA	\$25,370	\$26,480	\$32,900	24.24%
PERS	22,558	18,380	30,000	63.22%
L&I	6,540	7,850	7,300	-7.01%
Medical Benefits	62,529	67,360	89,600	33.02%
Dental Benefits	10,996	6,080	7,400	21.71%
Vision Benefits	932	1,870	2,200	17.65%
Teamsters Pension	5,604	3,640	5,500	51.10%
Unemployment Comp.	0	450	500	11.11%
Life Insurance	912	1,140	1,400	22.81%
Long Term Disability Insurance	2,019	2,510	3,100	23.51%
	\$137,460	\$135,760	\$179,900	32.51%
SUPPLIES				
Office Supplies	\$0	\$500	\$200	-60.00%
Operating Supplies	16,415	30,000	18,000	-40.00%
Vehicle R&M Tools/Eq	756	500	250	-50.00%
Clothing/Boots	2,569	3,200	2,650	-17.19%
Radio Parts And Supplies	0	500	500	0.00%
Aggregate	1,857	10,000	7,000	-30.00%
Motor Fuel	5,760	5,000	7,000	40.00%
Small Items Of Equipment	7,616	7,540	5,000	-33.69%
	\$34,973	\$57,240	\$40,600	-29.07%

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SURFACE WATER MANAGEMENT

Fund: Surface Water Management - 440

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$9,074	\$147,500	\$125,000	-15.25%
Wetland Mitigation Svcs.	0	0	24,000	100.00%
Contract Services	0	0	10,000	100.00%
Hazardous Materials Testing	2,990	4,000	1,800	-55.00%
Telephone	3,597	4,300	2,700	-37.21%
Cell Phones	0	0	500	100.00%
Travel & Subsistence	14	200	200	0.00%
Legal Publications	46	0	0	0.00%
Work Equip & Machine Rental	2,783	4,000	4,000	0.00%
Motor Pool Charges	15,860	15,860	49,500	212.11%
Insurance	0	40,078	0	-100.00%
Hazardous Waste Disposal	21,291	16,000	8,000	-50.00%
Public Utility Solid Waste	0	500	0	-100.00%
Brush Disposal	2,734	6,000	2,000	-66.67%
Work Equipment M&R	1,849	500	500	0.00%
Vehicle R&M	12,392	2,700	4,000	48.15%
Laundry Services	205	1,250	1,050	-16.00%
Training & Registration	480	1,500	1,500	0.00%
Permit Fees	9,154	9,000	0	-100.00%
Taxes And Assessments	0	3,500	3,500	0.00%
Vactor Service/Rental	15,391	3,000	3,000	0.00%
	\$97,860	\$259,888	\$241,250	-7.17%
INTERGOVERNMENTAL SVCS.				
Mukilteo Water District	\$26,930	\$30,000	\$30,000	0.00%
Snohomish County ILA	2,999	21,000	21,000	0.00%
WRIA ILA	6,686	8,000	9,000	12.50%
Dept. of Ecology	38,929	0	10,000	100.00%
Taxes And Assessments	20,590	15,000	15,000	0.00%
Transfers Out	0	5,000	(3,100)	100.00%
	\$96,134	\$79,000	\$81,900	3.67%
PAYMENTS FOR SVCS.				
Overhead Costs	\$195,000	\$195,500	\$195,500	0.00%
	\$195,000	\$195,500	\$195,500	0.00%
CAPITAL OUTLAY				
Capital Outlay	\$38,498	\$724,051	\$382,000	-47.24%
	\$38,498	\$724,051	\$382,000	-47.24%
TOTAL SURFACE WATER MANAGEMENT	\$941,010	\$1,799,189	\$1,551,450	-13.77%

Equipment Replacement

DESCRIPTION

The Equipment Replacement Division of Public Works is responsible for the maintenance of public works vehicles and equipment and City Hall vehicles. The police department uses a private maintenance shop to service its vehicles while the fire department uses the Paine Field Fire Department (which doubles as a fire vehicle maintenance shop).

Since public works has no mechanic, vehicles are maintained through warranties, service via an agreement with Mukilteo School District mechanics. City maintenance workers also do some minor mechanics work.

Replacement of all vehicles goes through this public works division.

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.

POSITION SUMMARY

Position Title	2010	2011
Superintendent	0.20	0.20
Department Assistant	0.25	0.25
Total	0.45	0.45

2011 GOALS & OBJECTIVES

1. Maintain all equipment and vehicles such that (except police and fire):
 - a. Reliability is maximized
 - b. Life cycles are maximized
 - c. Costs are minimized.
2. Maintain and implement the equipment/ vehicle replacement schedule.
3. Evaluate the need for additional equipment in 2012.
 - a. Asphalt roller
 - b. U-Cart concrete cart.

EQUIPMENT REPLACEMENT FUND

Fund: Equipment Replacement - 510

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$1,072,419	\$1,038,920	\$1,052,780	1.33%
<u>Revenues</u>				
Miscellaneous	0	0	6,730	100.00%
Equipment Replacement Charge	353,345	15,860	885,400	5482.60%
Total Revenues	353,345	15,860	892,130	5525.03%
Total Resources	1,425,764	1,054,780	1,944,910	84.39%
<u>Expenditures</u>				
Vehicle Equip Removal	2,575	2,000	2,000	0.00%
Capital Outlay	37,789	0	499,600	100.00%
Total Expenditures	40,364	2,000	501,600	24980.00%
Loan to Hotel/Motel Fund	333,280	0	0	0.00%
Ending Fund Balance	\$1,052,120	\$1,052,780	\$1,443,310	37.10%

EQUIPMENT REPLACEMENT

Fund: Equipment Replacement - 510

	2009 Actual	2010 Budget	2011 Budget	% Change
Vehicle Eq Removal	2,575	2,000	2,000	0.00%
Vehicular Equipment	37,789	0	499,600	100.00%
TOTAL	40,364	2,000	501,600	24980.00%

Facilities Maintenance

DESCRIPTION

The Facilities Maintenance Division maintains 19 City buildings, including:

- City Hall
- Two Fire Department buildings
- The Police Department building
- Three Public Works Department buildings (new and old shops and equipment building)
- Community Center
- Four Lighthouse buildings
- Five buildings and structures at Lighthouse Park
- One building at the 92nd St. Park
- Mukilteo Visitor Center

Maintenance and operation activities include:

- Management of contracts for custodial service, HVAC service and security.
- Management of contracts for small capital improvements to buildings.
- Minor building repairs (electrical, plumbing, painting, locks, etc.)
- Minor interior remodeling.
- Recommending a Capital Facility Plan for these buildings.

POSITION SUMMARY

Position Title	2010	2011
Lead Serviceworker	0.50	0.50
Senior Park/Facility Attendant	0.8	1
Total	1.30	1.50

PERFORMANCE INDICATORS

	2009 Actual	2010 Est.	2011 Est.
Plumbing Repairs	10	15	10
Electrical Repairs	20	25	25
Painting (interior)	0	0	1
Painting (exterior)	0	1	1
Roof repairs	2	2	2
Security systems	1	3	3
Furniture Repairs	2	0	0
Interior remodels	0	1	0
Damage repair	25	50	50

2011 GOALS & OBJECTIVES

- Within one work day, respond to employee requests for building problems. Effect repairs in the shortest time possible, but based on priorities.
- Begin the process of developing a long range repair and replacement fund for high cost facilities items (roof replacements, HVAC replacements, carpet, etc.)
- Implement long and short range building maintenance practices that assure the highest practical level of asset protection and longevity for the City.
- Establish new maintenance service levels at the new Community Center.

FACILITIES MAINTENANCE FUND

Fund: Facilities Maintenance - 518

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Balance	98,506	69,260	9,660	-86.05%
<u>Revenues</u>				
Operating Transfers In	390,000	390,000	433,000	11.03%
Total Revenues	390,000	390,000	433,000	11.03%
Total Resources	488,506	459,260	442,660	-3.61%
<u>Expenditures</u>				
Salaries & Wages	69,632	71,490	81,100	13.44%
Personnel Benefits	24,350	22,620	29,000	28.21%
Supplies	36,213	46,400	39,500	-14.87%
Other Services & Charges	290,781	291,450	286,300	-1.77%
Capital Outlay	32,517	5,000	1,000	-80.00%
Total Expenditures	453,493	436,960	436,900	-0.01%
Ending Fund Balance	\$35,013	\$22,300	\$5,760	-74.17%

FACILITIES MAINTENANCE

Fund: Facilities Maintenance - 518

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$31,510	\$31,360	\$78,800	151.28%
Part Time Employees	38,123	37,800	0	-100.00%
Overtime	0	2,330	2,300	-1.29%
	\$69,633	\$71,490	\$81,100	13.44%
PERSONNEL BENEFITS				
FICA	\$5,234	\$5,470	\$6,200	13.35%
PERS	4,729	3,740	5,700	52.41%
L&I	1,004	1,250	1,100	-12.00%
Medical Benefits	8,904	9,270	11,700	26.21%
Dental Benefits	1,751	590	700	18.64%
Vision Benefits	81	180	200	11.11%
Teamsters Pension	2,039	1,180	2,300	94.92%
Unemployment Comp.	0	200	200	0.00%
Life Insurance	189	230	300	30.43%
Long Term Disability Insurance	419	510	600	17.65%
	\$24,350	\$22,620	\$29,000	28.21%
SUPPLIES				
Office Supplies	\$1,383	\$2,000	\$1,000	-50.00%
Operating Supplies	23,676	32,000	30,000	-6.25%
Clothing/Boots	359	400	500	25.00%
Building Maintenance Supplies	21	0	0	0.00%
Motor Fuel	5,409	8,000	7,000	-12.50%
Small Items of Equipment	5,364	4,000	1,000	-75.00%
	\$36,212	\$46,400	\$39,500	-14.87%

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FACILITIES MAINTENANCE

Fund: Facilities Maintenance - 518

	2009	2010	2011	
	Actual	Budget	Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Services	\$1,318	\$0	\$0	0.00%
Contract Services	16,900	0	3,000	100.00%
Cell Phone	0	530	500	-5.66%
City Hall Rent	14,441	0	0	0.00%
Insurance	0	450	500	11.11%
Natural Gas	19,323	28,100	28,100	0.00%
Electricity	79,003	82,000	82,000	0.00%
Sewer Service	19,520	40,500	53,500	32.10%
Garbage Services	11,567	12,000	11,000	-8.33%
Water Service	11,469	9,820	8,000	-18.53%
Storm Drainage Chgs.	9,266	9,900	9,900	0.00%
Alarm System	18,469	7,500	15,000	100.00%
Communications Equip M & R	1,029	500	0	-100.00%
Bldg & Fixture M&R	58,069	73,250	45,000	-38.57%
Work Equipment & Machine Rental	5,891	0	0	0.00%
Vehicle R&M	0	0	600	100.00%
Janitorial Services	22,841	24,000	26,800	11.67%
Taxes And Assessments	1,675	2,900	2,900	0.00%
Transfer to Reserves	0	0	(500)	100.00%
	\$290,781	\$291,450	\$286,300	-1.77%
CAPITAL OUTLAY				
Building Improvements	\$32,517	\$5,000	\$1,000	-80.00%
	\$32,517	\$5,000	\$1,000	-80.00%
TOTAL FACILITIES MAINTENANCE	\$453,493	\$436,960	\$436,900	-0.01%



Visitors enjoy the view from the patio during the grand opening celebration of the new Rosehill Community Center



RECREATION AND CULTURAL SERVICES

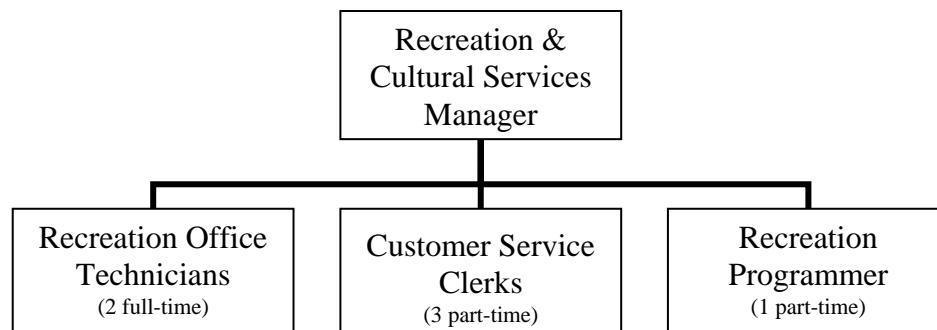
The Recreation and Cultural Services Department provides community recreational opportunities. The philosophy of the Recreation Department is to plan and coordinate quality programs as a direct facilitator, or in partnership with other groups and organizations that will aid in the pursuit of a full, balanced and meaningful program. The Department strives to provide our youth and teens with safe, rewarding activities and social experiences that will lead to positive lifestyle choices. For adults and senior adults, recreation activities are targeted at bringing people together through fitness and enrichment classes to help keep them physically and mentally active.

On February 5, 2011 the new Rosehill Community Center held its grand opening celebration. The new center provides opportunities for drop-in and programmed enrichment recreation activities for all ages. The active spaces within the community center such as the dance room and fitness center promote healthy lifestyles to our citizens. Additionally, the new community center offers amenities for rentals for special events and celebrations.

Year-round city sponsored and co-sponsored recreation/enrichment classes and special events are offered at the Rosehill Community Center and other community locations. A wide variety of activities are offered for all ages, seniors, adults, youth, and preschoolers.

The Rosehill Community Center also provides rental space to a private citizens, non-profit organizations, and businesses to hold special events, such as meetings, seminars, weddings, receptions, dances, fundraisers and special celebrations.

The mission of the Recreation and Cultural Services Department is to provide and facilitate safe, quality leisure services, programs, and facilities while preserving and enhancing natural resources and stimulating the economic vitality of the community.



RECREATION DEPT. EXPENDITURE SUMMARY	2009 Actuals	2010 Budget	2011 Budget	% Change
Recreation Department	\$352,723	\$384,300	\$590,680	53.70%
TOTAL	\$352,723	\$384,300	\$590,680	53.70%



Recreation & Cultural Services Department

PURPOSE

The Recreation and Cultural Services Department plays a major role in developing a sense of community and enhancing citizens' quality of life by providing recreational and social programs and special events.

POSITION SUMMARY

<u>Position Title</u>	<u>2010</u>	<u>2011</u>
Recreation Manager	1	1
Recreation Office Technician	1	2
Customer Service Clerk - PT	0	3
Recreation Programmer - PT	0	1
Total	2	7

<u>PERFORMANCE INDICATORS</u>	<u>2010</u> <u>Est.</u>	<u>2011</u> <u>Est.</u>
Total Leased Tenants	4	0
Recreation Program Offerings	182	220
Registration Transactions	1,296	2,000
City Co-Sponsored Events	9	6
Farmers Market, Open Mic Nights, Art Festival, Bluegrass Festival, Lighthouse Festival, Chamber Tree Lighting, Beach Expo, Holiday Art Mart, Treaty Observation Event.		
New Community Center Rentals	N/A	200
Wedding Circle Rentals	3	4
Picnic Shelter Rentals	191	200
Lightstation Grounds Rentals	7	10

2011 GOALS & OBJECTIVES

- Continue to coordinate the Special Event permit process for the City, networking with City Departments and outside organizations for safe and successful events.
- Continue to offer and research other programs and activities to add to the city recreation programming and events in a variety of mediums to a variety of age ranges.
- Continue to coordinate the picnic shelter and wedding circle rentals. Add the reservations and coordination of the Light Station wedding rentals.
- Work with ARC Architects, Allied Construction and City Departments to close out the contract on the new Rosehill Community Center.
- Continue to develop a marketing plan for the Recreation Department to bring more citizens to the community center to participate in activities, events and rentals.
- Coordinate with other organizations and agencies to utilize internal resources in creative ways to create additional recreational programs and community events through partnerships.
- Continue to act as city liaison and work with community groups (Arts Guild, Farmers Market, Chamber and Lighthouse Festival) to integrate event programming into the city recreation programming with co-sponsorships.
- Analyze fiscal constraints, needs and opportunities for providing financial support to our Recreation Department and the new Rosehill Community Center.
- Remain alert to trends in the area of facility management and program development in order to provide the most efficient and effective methods for operating the Rosehill Community Center and the Recreation Department.


RECREATION & CULTURAL SERVICES FUND

Fund: Recreation & Cultural Services - 114

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$35,208	\$48,130	\$48,310	0.37%
Revenues				
Rec Program Fees	58,959	45,000	130,000	188.89%
Off Hour Staffing Fees	2,260	1,500	12,000	700.00%
Special Event Permits	0	0	400	100.00%
Investment Interest	448	600	0	-100.00%
Community Center Room Rental	9,751	6,000	134,700	2145.00%
Weight Room Fees	0	0	7,600	100.00%
Community Center Tenant Rent	39,835	42,060	0	-100.00%
Parking Rental - Long Term	35,418	0	11,700	100.00%
Picnic Shelter Rental	0	0	11,000	100.00%
Light Station Wedding Rentals	0	0	1,400	100.00%
Operating Transfers In	231,535	242,860	235,000	-3.24%
Total Revenues	378,206	338,020	543,800	60.88%
Total Resources	413,414	386,150	592,110	53.34%
Expenditures				
Salaries & Wages	152,153	140,170	256,900	83.28%
Personnel Benefits	56,169	66,900	113,500	69.66%
Supplies	6,135	6,600	15,100	128.79%
Other Services & Charges	138,266	170,630	205,180	20.25%
Total Expenditures	352,723	384,300	590,680	53.70%
Ending Fund Balance	\$60,691	\$1,850	\$1,430	-22.70%


RECREATION & CULTURAL SERVICES

Fund: Recreation & Cultural Services - 114

	2009 Actual	2010 Budget	2011 Budget	% Change
SALARIES & WAGES				
Full Time Employees	\$142,066	\$139,670	\$194,900	39.54%
Part Time Employees	10,087	0	61,500	100.00%
Overtime	0	500	500	0.00%
	\$152,153	\$140,170	\$256,900	83.28%
PERSONNEL BENEFITS				
FICA	\$11,760	\$11,940	\$19,800	65.83%
PERS	9,665	7,570	17,900	136.46%
L&I	600	740	1,400	89.19%
Medical Benefits	25,881	28,120	57,300	103.77%
Dental Benefits	3,960	2,290	4,800	109.61%
Vision Benefits	238	700	1,500	114.29%
Teamsters Pension	442	0	0	0.00%
Unemployment Comp.	0	11,600	5,800	-50.00%
Vehicle Allowance	2,400	2,400	2,400	0.00%
Life Insurance	380	480	700	45.83%
Long Term Disability Insurance	841	1,060	1,900	79.25%
	\$56,167	\$66,900	\$113,500	69.66%
SUPPLIES				
Office Supplies	\$2,730	\$3,400	\$8,100	138.24%
Operating Supplies	1,931	1,700	4,000	135.29%
Clothing	0	0	500	100.00%
Motor Fuel	85	200	200	0.00%
Small Items of Equipment	1,389	1,300	2,300	76.92%
	\$6,135	\$6,600	\$15,100	128.79%

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RECREATION & CULTURAL SERVICES

Fund: Recreation & Cultural Services - 114

	2009 Actual	2010 Budget	2011 Budget	% Change
OTHER SERVICES & CHARGES				
Other Professional Svcs.	\$1,693	\$10,920	\$2,500	-77.11%
Instructor Professional Svcs.	38,260	46,100	70,000	51.84%
WSU Beach Watchers	6,750	6,750	6,800	0.74%
Telephone	4,543	5,800	6,400	10.34%
Postage	729	1,200	2,000	66.67%
Cell Phone	0	450	500	11.11%
Comcast	0	0	4,800	100.00%
Travel & Subsistence	69	100	1,100	1000.00%
Advertising	1,828	2,300	3,900	69.57%
Community Advertising - Rec Guide	39,281	33,500	34,500	2.99%
Activenet	0	3,000	1,500	-50.00%
Insurance	0	9,940	9,980	0.40%
Natural Gas	17,372	22,000	22,000	0.00%
Electricity	8,117	8,000	8,000	0.00%
Sewer Service	6,835	8,000	8,000	0.00%
Garbage Services	3,832	0	0	0.00%
Water Service	988	900	2,500	177.78%
Storm Drainage Chgs.	3,864	3,900	7,800	100.00%
Office Equipment M&R	0	3,000	8,500	183.33%
Other Maintenance & Repair	1,219	900	900	0.00%
Vehicle R&M	55	100	100	0.00%
Assoc. Dues & Memberships	401	470	700	48.94%
Printing & Binding	0	500	500	0.00%
Contractual Services	2,331	2,400	3,000	25.00%
Training & Registration	0	300	400	33.33%
Miscellaneous	101	100	600	500.00%
Transfer to Reserves	0	0	(1,800)	100.00%
	\$138,268	\$170,630	\$205,180	20.25%
TOTAL RECREATION & CULTURAL SERVICES	\$352,723	\$384,300	\$590,680	53.70%



Artist's rendering of Lighthouse Park Phase II.



DEBT SERVICE

Debt Service Funds are used to account for bond proceeds and the subsequent payment of principal and interest.

Limited Tax General Obligation Bond Fund (LTGO Bond Fund) is used to pay principal and interest on the \$12,585,000 in bonds issued in 2009 to construct a new Community Center.

LIMITED TAX GENERAL OBLIGATION BOND FUND

Fund: LTGO Bond Fund - 275

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	\$0	\$7,350	\$7,370	0.27%
<u>Revenues</u>				
Investment Interest	4	0	0	0.00%
G.O. Bond Proceeds	7,350	0	0	0.00%
Transfers In	84,305	907,970	1,081,780	19.14%
Total Revenues	91,659	907,970	1,081,780	19.14%
Total Resources	91,659	915,320	1,089,150	18.99%
<u>Expenditures</u>				
Bond Principal	0	455,000	470,000	3.30%
Bond Interest	84,302	452,960	439,350	-3.00%
Total Expenditures	84,302	907,960	909,350	0.15%
Ending Fund Balance	\$7,357	\$7,360	\$179,800	2342.93%



Artist's rendering of the new Rosehill Community Center

CAPITAL IMPROVEMENTS

The Capital Improvements portion of the budget includes costs to construct repairs or improvements to the City's long-term capital infrastructure systems or facilities. Capital Improvements include the construction of new, or the significant repair of: streets, parks, municipal buildings, or other facilities that are not classified as ongoing operating expenditures. Capital Improvements do not include minor repairs or improvements.

Capital Improvement expenditures are typically non-recurring, and budgets lapse at year end. On the following page is a summary of the 2011 Capital Improvement budget totaling \$4,938,780. On subsequent pages are descriptions of planned capital improvement projects. Estimated Project Costs include engineering design and construction costs. Not included in these figures are costs of in-house labor involved with coordinating, designing, managing, and/or inspecting the construction of the improvements.

The grand opening celebration of the new Rosehill Community Center was held on February 5, 2011. The facility offers beautiful views of Puget Sound, and has already proven to be a popular venue for upcoming weddings and other special occasions, recreation classes and meetings, as well as providing facilities for exercise and relaxation. The new facility is expected to impact both operating revenues and operating expenditures in nearly equal proportions. One full-time staff position and three part-time positions were added to the Recreation and Cultural Services Department, resulting in a 79% increase in personnel costs. However, the full-time staff position was filled through a transfer of staff from the Permit Center, which resulted in a 23% decrease in personnel costs in the Permit Center. Instructor fees expense is budgeted 52% higher than in 2010, in anticipation of expanded class offerings. Increased costs are offset by comparable increases in revenues from recreation program fees and room rentals.

Other capital expenditures are not expected to have a significant impact on ongoing operating costs.

Capital Facilities Plan Summary

The Capital Facilities Plan, adopted on December 17, 2009, provides the background and detailed accounting of the City's inventory of its existing capital facilities, documentation of Level of Service (LOS) standards, and development of revenue and cost-estimating models. For those interested, copies of the entire document are available on the City's website at www.ci.mukilteo.wa.us, or may be obtained by contacting the Planning and Community Development Department at 425-263-8000.

The City of Mukilteo's 2010-2015 Capital Facilities Plan (CFP) is an inventory of the City's existing capital facilities and a 6-year plan for construction of new capital facilities and renovation or major maintenance of existing facilities.

Projects are identified and separated into five categories:

- City Buildings
- Transportation
- Stormwater

- Parks & Recreation; and
- Habitat Management (a new category created this year).

The CFP is the basis for the Capital Facilities Element of the City's Comprehensive Plan, which is a mandatory element required by the State of Washington's Growth Management Act – Revised Code of Washington 36.70A.070(3). Among the Act's requirements for the Capital Facilities Element are that it cover a six-year time span and that it must balance – that is, revenue must be identified to cover the costs for all of the projects listed.

Given the current uncertain economic environment, it is difficult to accurately estimate project costs and project revenues beyond two years. Therefore, it is likely this 6-year plan is only accurate for the first two years. That is why, along with the fact new revenues have significantly declined, few projects are shown as being built during the years 2012-2015. An update of the CFP will thus be necessary in 2011- 2012, when hopefully the economic environment is more settled and predictable. If not, then the 2011- 2012 update may well have the same limitations as this version of the CFP.

The 2010-2015 CFP adds approaches that are new for the City. It includes annual programs intended to provide for the major maintenance of existing facilities. Also, funds are to be accumulated through the years in order to finance larger projects. In addition, only projects with an estimated cost above \$50,000 are included on project lists.

Several new policies are introduced to establish City priorities for choosing capital projects to be undertaken, including:

- **CF-8 (Capital Facilities Policy - 8)** Establishes the principle that because the uses of some revenue sources are restricted, projects shall only be prioritized with projects within their own category. It also establishes a finance-based methodology for prioritizing those projects that are within the same category.
- **CF-9** Elaborates on the prioritization process by establishing a prioritization methodology based on public safety, levels of service and other non-financial considerations.
- **CF-23** Establishes how pedestrian pathway/sidewalk projects should be prioritized in comparison to each other; and
- **CF-24** Establishes how bikeway projects should be prioritized.

Much of the data for this plan was developed in 2008 at a time when the expectation was that project costs would increase year-to-year. Therefore, the estimated project costs shown in Appendix E should only be considered to be "ballpark" estimates as it is impossible to know at this time if the existing favorable bidding climate will continue or, if as the economy improves, the bidding climate will return to what it was before 2008.

This CFP identifies a list of projects the City expects to construct in the next 20 years. The projects identified in the body of the CFP are those the City expects to construct in the next six

years. The City's priorities act as a sieve which resulted in the 6-year lists. If additional funds are identified, more projects will be able to move up to a 6-year list.

The key projects to be built in 2010-2015 include:

- New community center (including demolition of the existing building)
- Lighthouse Park Phase II (without a band shell/picnic shelter)
- SR525/88th St. SW intersection's left turn lanes
- Public Work's Facility Equipment Shed
- Mukilteo Lane slide repair
- Japanese Gulch Stream fish barrier removal and habitat restoration
- Big Gulch Trail Gap (2010 City budget includes the start of this project with a volunteer constructed portion. Because that portion of the project is less than \$50,000 it is not included on a 6-year project list. The larger project is included on the 20-year list and will be added to a 6-year list when funding becomes available.)

This CFP represents a significant step forward in the City's planning process for capital facilities. While its vision into the future is less focused after a couple of years, with the prioritization policies and comprehensive project lists the foundation has been laid to facilitate decision-making into the future.

The Capital Facilities Plan is used to determine which projects will be included in the annual capital budget and to anticipate future capital requirements. Approved projects for the 2011 budget year are shown in the Capital Improvements section of this budget.

Capital Equipment Acquisition

The City defines Capital Equipment as "equipment, machinery, vehicles, and tools, with a value of \$5,000 or more, having a useful life exceeding one year from the date of acquisition." Acquisition of additional capital equipment items needed is requested by Department Directors with their annual operating budget requests. These items, along with all other budget requests, are evaluated by the Mayor, City Administrator and Finance Director. The Mayor makes a recommendation to the City Council regarding these capital equipment requests in the preliminary budget. The approved budget items are included in the capital outlay section of each division budget.

The scheduled replacement of existing vehicles and equipment is managed through the Equipment Replacement Fund. Replacement and upgrades to technology and technology related equipment is managed through the Technology Replacement Fund. Monthly transfers are made into these funds over the projected life of each specific item of equipment so that there are adequate funds available to replace the equipment when scheduled.

**2011 CAPITAL PROJECTS SUMMARY**

<u>Fund & Account Number</u>	<u>Description</u>	<u>Amount</u>
General Fund - 011		
011.90.594.300.6305	Olympic View Safety Improvements	15,000
	Total	15,000
Arterial Street Fund - 112		
112.90.595.606.6520	Pavement Management Chip Seals - 5th Street	70,000
112.90.595.608.6512	88th Street/SR 525 Left Hand Turn Lane	475,000
	Total	545,000
Parks Acquisition & Development Fund - 322		
322.90.594.207.6203	Lighthouse Park Phase 2 Construction	190,300
322.90.594.207.6205	Lighthouse Park Berm Replanting	6,000
322.90.594.207.6503	South Side Dock Replacement	50,000
322.90.594.800.6560	Japanese Gulch Trail Construction	10,000
	Total	256,300
Real Estate Excise Tax Fund - 331		
331.90.594.207.3105	Interpretive Signage Plan - Supplies	600
331.90.594.207.4106	Interpretive Signage Plan - Professional Services	1,500
331.90.594.207.6336	Interpretive Signage Plan	8,100
331.90.594.207.6503	South Side Dock Replacement	30,000
	Total	40,200
Real Estate Excise Tax II Fund - 332		
332.90.594.207.6503	South Side Dock Replacement	70,000
332.90.594.345.6520	Pavement Management Chip Seals - HP Boulevard	363,000
332.90.595.345.6525	61st Street Failure Repair	85,000
	Total	518,000
Community Center Project Fund - 375		
375.90.594.196.6538	Community Center Design	45,000
375.90.594.196.6539	Community Center Construction	1,800,000
375.90.594.196.6540	Community Center Contingency	450,000
375.90.594.196.6541	Community Center FF&E	637,280
375.90.594.196.6542	Community Center Alternate Construction (Softcosts)	250,000
	Total	3,182,280
Surface Water Management - 440		
440.90.594.305.6203	Smuggler's Gulch Stormwater Construction	23,000
440.90.594.306.6203	61st Street Culvert Replacement	259,000
440.90.594.306.6205	Fence Replacement 108th St. & 53rd Ave. Pond	15,000
440.90.594.805.6545	Japanese Gulch Fish Passage Phase 3	85,000
	Total	382,000
Total Capital Projects		4,938,780

ARTERIAL STREET FUND

Fund: Arterial Street - 112

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	13,444	123,610	160,470	29.82%
Revenues				
Fuel Tax	129,387	140,800	140,800	0.00%
Grants	0	270,000	258,900	-4.11%
Investment Interest	322	870	200	-77.01%
Total Revenues	129,709	411,670	399,900	-2.86%
Total Resources	143,153	535,280	560,370	4.69%
Expenditures and Uses				
Capital Outlays	65,714	485,090	545,000	12.35%
Total Expenditures & Uses	65,714	485,090	545,000	12.35%
Ending Fund Balance	77,439	50,190	15,370	-69.38%

MUNICIPAL FACILITIES FUND

Fund: Municipal Facilities - 141

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	33,308	52,170	60	-99.88%
Revenues				
Investment Interest	689	440	0	-100.00%
General Fund Subsidy	16,069	0	0	0.00%
Total Revenues	16,758	440	0	-100.00%
Total Resources	50,066	52,610	60	-99.89%
Expenditures				
Capital Outlay	0	50,000	0	-100.00%
Total Expenditures	0	50,000	0	-100.00%
Ending Fund Balance	50,066	2,610	60	-97.70%

PARK ACQUISITION & DEVELOPMENT

Fund: Park Acquisition & Development - 322

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	(\$398,747)	\$92,490	\$134,900	45.85%
<u>Revenues</u>				
Grant Revenues	800,000	1,682,850	87,150	-94.82%
Park Mitigation Fees	51,198	40,000	35,000	-12.50%
Investment Interest	1,034	690	1,100	59.42%
Total Revenues	852,232	1,723,540	123,250	-92.85%
Total Resources	453,485	1,816,030	258,150	-85.78%
<u>Expenditures</u>				
Capital Outlay	420,554	1,788,120	256,300	-85.67%
Interfund Loan Repayment	740	0	0	0.00%
Total Expenditures	421,294	1,788,120	256,300	-85.67%
Ending Fund Balance	\$32,191	\$27,910	\$1,850	-93.37%

TRANSPORTATION IMPACT FEES FUND

Fund: Transportation Impact Fees - 323

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	521,713	26,480	48,860	84.52%
<u>Revenues</u>				
Street Mitigation Fees	48,750	20,000	25,000	25.00%
Investment Interest	3,074	120	340	183.33%
Total Revenues	51,824	20,120	25,340	25.94%
Total Resources	573,537	46,600	74,200	59.23%
<u>Expenditures</u>				
Capital Outlays	545,402	0	0	0.00%
Total Expenditures	545,402	0	0	0.00%
Ending Fund Balance	28,135	46,600	74,200	59.23%

REAL ESTATE EXCISE TAX FUND I

Fund: Real Estate Excise Tax I - 331

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	7,265,847	6,249,750	5,314,830	-14.96%
Revenues				
Real Estate Excise Tax	308,140	300,000	300,000	0.00%
Investment Interest	41,520	56,700	33,100	-41.62%
Total Revenues	349,660	356,700	333,100	-6.62%
Total Resources	7,615,507	6,606,450	5,647,930	-14.51%
Expenditures				
Capital Outlay	2,145,297	339,988	40,200	-88.18%
Transfer to LTGO Bond Fund	77,561	838,040	839,300	0.15%
Total Expenditures	2,222,858	1,178,028	879,500	-25.34%
Ending Fund Balance	5,392,649	5,428,422	4,768,430	-12.16%

REAL ESTATE EXCISE TAX FUND II

Fund: Real Estate Excise Tax II - 332

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	1,943,462	1,392,350	408,640	-70.65%
Revenues				
Real Estate Excise Tax	309,559	300,000	300,000	0.00%
Grants	0	108,000	0	-100.00%
Investment Interest	13,627	8,420	7,050	-16.27%
Total Revenues	323,186	416,420	307,050	-26.26%
Total Resources	2,266,648	1,808,770	715,690	-60.43%
Expenditures				
Capital Outlay	979,069	1,305,000	518,000	-60.31%
Transfer to LTGO Bond Fund	0	69,930	70,050	0.17%
Total Expenditures	979,069	1,374,930	588,050	-57.23%
Ending Fund Balance	1,287,579	433,840	127,640	-70.58%

COMMUNITY CENTER PROJECT FUND

Fund: Community Center Project - 375

	2009 Actual	2010 Budget	2011 Budget	% Change
Beginning Fund Balance	0	8,901,750	3,354,210	100.00%
Revenues				
G.O. Bond Proceeds	12,925,810	0	0	0.00%
Interest Earnings	6,382	0	500	100.00%
Total Revenues	12,932,192	0	500	100.00%
Total Resources	12,932,192	8,901,750	3,354,710	-62.31%
Expenditures				
Capital Outlay	2,184,394	8,901,750	3,182,280	-64.25%
Debt Service Costs	120,773	0	0	0.00%
Transfers Out	486,434	0	172,430	100.00%
Total Expenditures	2,791,601	8,901,750	3,354,710	-62.31%
Ending Fund Balance	10,140,591	0	0	0.00%

5		Lighthouse Park Berm Area Replanting												PK010002												\$		6,000	
		Replanting of the Lighthouse Park berm area to maintain the berm and eliminate invasive weeds.												Funding Source: Parks Acquisition and Development Fund 322.90.594.207.6205												\$		6,000	
		Cost Distribution:																											
		Construction												\$												6,000			
Project Schedule																													
		2011												2012															
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Construction																													

6		Lighthouse Park Phase 2 - Artwork and Bandshell Lighting												PK075501												\$		16,000	
		Continuation of Lighthouse Park Phase II project, including artwork and bandshell lighting.												Funding Source: Parks and Open Space Fund 322.90.594.207.6203 - Artwork \$ 11,000 322.90.594.207.6203 - Lighting \$ 5,000															
		Cost Distribution:																											
		Construction												\$												16,000			
Project Schedule																													
		2011												2012															
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Artwork Lighting																													

7		Lighthouse Park Phase 2B - Bandshell Lawn Area												PK075502												\$		174,300	
		Creation of a lawn seating area in front of the Lighthouse Park bandshell, for concerts and special events.												Funding Source: Parks and Open Space Fund 322.90.594.207.6203												\$		174,300	
		Cost Distribution:																											
		Construction												\$												174,300			
Project Schedule																													
		2011												2012															
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Construction																													

8		Japanese Gulch Trail Construction												PL85802												\$		10,000	
		A \$10,000 donation was presented to the City from Washington Federal for the future trail development for Japanese Gulch. The gift is to be used for trail and/or structure development.												Funding Source: Parks & Open Space Fund 322.90.594.800.6560												\$		10,000	
		Cost Distribution:																											
		Construction												\$												10,000			
Project Schedule																													
		2011												2012															
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Construction																													

9 Boat Dock Replacement		PK110001												\$ 150,000											
	Replacement of Lighthouse Park south side floating docks.												Funding Source: Parks & OS; REET Funds												
													322.90.594.207.6503 \$ 50,000												
													331.90.594.207.6503 \$ 30,000												
	332.90.594.207.6503 \$ 70,000																								
Cost Distribution:																									
Construction \$ 150,000																									
Project Schedule																									
Construction	2011												2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
10 Downtown Business Directional Signs		PL110002												\$ 7,500											
	Directional signs in the downtown business district to assist visitors to the Community Center and businesses.												Funding Source: Real Estate Excise Tax I Fund												
													331.90.594.207.3105 \$ 600												
													331.90.594.207.6336 \$ 6,900												
	Cost Distribution:																								
Supplies \$ 600																									
Construction \$ 6,900																									
Project Schedule																									
Construction	2011												2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
11 Interpretive Signs		PL110003												\$ 1,500											
	Additional interpretive signs as called out in the 2008 Interpretive Signage Plan.												Funding Source: Real Estate Excise Tax I Fund												
													331.90.594.207.4106 \$ 1,500												
	Cost Distribution:																								
Construction \$ 1,500																									
Project Schedule																									
Construction	2011												2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
12 Special Event Entrance Signs		PL110001												\$ 1,200											
	Installation of four permanent banner frames for special events banners.												Funding Source: Real Estate Excise Tax I Fund												
													331.90.594.207.6336 \$ 1,200												
	Cost Distribution:																								
Construction \$ 1,200																									
Project Schedule																									
Construction	2011												2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	



13 Community Center Facility													PW082205													\$ 3,182,280												
Completion of the new Community Center facility.													Funding Source: Community Center Proj Fund 375.90.594.196.65xx \$ 3,182,280																									
Cost Distribution:																																						
Design \$ 45,000																																						
FF&E \$ 637,280													Alternate Construction \$ 250,000																									
Construction \$ 1,800,000													Contingency \$ 450,000																									
Project Schedule																																						
2011													2012																									
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec																									
Construction																																						

14 Smuggler's Gulch Stormwater Project Design													Smuggler													\$ 23,000												
61st Street, Smuggler's Gulch culvert replacement design.													Funding Source: Real Estate Excise Tax II Fund 440.90.594.305.6203 \$ 23,000																									
Cost Distribution:																																						
Design \$ 23,000																																						
Project Schedule																																						
2011													2012																									
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec																									
Construction																																						

15 61st Street Culvert Replacement													SW073101													\$ 259,000												
Repair/replacement of the culvert at the bottom of Smuggler's Gulch, 61st Street.													Funding Source: Surface Water Mgmt Fund 440.90.594.306.6203 \$ 259,000																									
Cost Distribution:																																						
Construction \$ 259,000																																						
Project Schedule																																						
2011													2012																									
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec																									
Design																																						
Construction																																						

16 Fence Replacement 108th St. and 53rd Ave Pond													SW110001													\$ 15,000												
													Funding Source: Surface Water Mgmt Fund 440.90.594.306.6205 \$ 15,000																									
Cost Distribution:																																						
Construction \$ 15,000																																						
Project Schedule																																						
2010													2011																									
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec																									
Construction																																						

17 Japanese Gulch Fish Ladder													PL090005													\$ 85,000												
Japanese Gulch Stream has been culverted under 5th Street and then channelled into concrete flumes which prohibit the passage of fish. In the spring of 2009 the City and Paine Field entered into an interlocal agreement to improve fish passage in Japanese Gulch.													Funding Source: Surface Water Mgmt Fund 440.90.594.805.6545 \$ 85,000																									
Cost Distribution:																																						
Construction \$ 85,000																																						
Project Schedule																																						
2011													2012																									
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec																									
Design																																						
Construction																																						



SUPPLEMENTAL INFORMATION



City of Mukilteo Position Listing

Group	Position Title	FTE	2009 Staff	2009 FTE's	2010 Staff	2010 FTE's	2011 Staff	2011 FTE's	Pay Grade	2011 Annual Salary Range
NON-REPRESENTED	City Administrator	100%	1.0	1.0	1.0	1.0	1.0	1.0	By Contract	117,000
	Assistant to City Administrator	100%	1.0	1.0	1.0	1.0	1.0	1.0	N95	63,531 - 77,222
	Fire Chief	100%	1.0	1.0	1.0	1.0	1.0	1.0	N130	89,999 - 109,395
	Police Chief	100%	1.0	1.0	1.0	1.0	1.0	1.0	N130	89,999 - 109,395
	Public Works Director	100%	1.0	1.0	1.0	1.0	1.0	1.0	N130	89,999 - 109,395
	Finance Director	100%	1.0	1.0	1.0	1.0	1.0	1.0	N124	84,782 - 103,053
	Planning & Comm Dev Director	100%	1.0	1.0	1.0	1.0	1.0	1.0	N124	84,782 - 103,053
	Asst Director Planning & CD	100%	1.0	1.0	1.0	1.0	1.0	1.0	N123	83,952 - 102,044
	Assistant Fire Chief	100%	1.0	1.0	1.0	1.0	1.0	1.0	N120	81,475 - 99,033
	Police Commander	100%	1.0	1.0	1.0	1.0	1.0	1.0	N120	81,475 - 99,033
	Assistant City Engineer	100%	1.0	1.0	1.0	1.0	1.0	1.0	N112	75,243 - 91,459
	Recreation/Cultural Svcs Manager	100%	1.0	1.0	1.0	1.0	1.0	1.0	N112	75,243 - 91,459
	Public Works Superintendent	100%	1.0	1.0	1.0	1.0	1.0	1.0	N111	74,505 - 90,562
	I.T. Technology Manager	100%	1.0	1.0	1.0	1.0	1.0	1.0	N110	73,768 - 89,665
	Fire Marshall	100%	1.0	1.0	1.0	1.0	1.0	1.0	N103	68,801 - 83,628
	Accounting Services Manager	100%	1.0	1.0	1.0	1.0	1.0	1.0	N100	66,772 - 81,161
	City Clerk	100%	1.0	1.0	1.0	1.0	1.0	1.0	N88	59,262 - 72,033
	Exec Assistant/HR Assistant	100%	1.0	1.0	1.0	1.0	1.0	1.0	N88	59,262 - 72,033
CLERICAL	Customer Service Clerk - PT	50%	0.0	0.0	0.0	0.0	3.0	1.5	hourly	\$9-\$15/hourly
	Department Assistant	100%	1.0	1.0	1.0	1.0	0.0	0.0	C55	39,657 - 48,204
	Department Assistant - PT	50%	3.0	1.5	3.0	1.5	3.0	1.5	C55	39,657 - 48,204
	Recreation Programmer - PT	50%	0.0	0.0	0.0	0.0	1.0	0.5	C55	39,657 - 48,204
	Community Services Officer	100%	1.0	1.0	1.0	1.0	1.0	1.0	C56	40,055 - 48,686
	Support Services Technician	100%	2.0	2.0	2.0	2.0	2.0	2.0	C58	40,862 - 49,668
	Accounting Technician	100%	3.0	3.0	3.0	3.0	3.0	3.0	C62	42,528 - 51,693
	Permit Services Assistant	100%	3.0	3.0	3.0	3.0	2.0	2.0	C62	42,528 - 51,693
	Recreation Office Technician	100%	0.0	0.0	0.0	0.0	2.0	2.0	C62	42,528 - 51,693
	Senior Dept Assistant	100%	1.0	1.0	1.0	1.0	1.0	1.0	C67	44,707 - 54,342
	Office Supervisor	100%	1.0	1.0	1.0	1.0	1.0	1.0	C80	50,885 - 61,851
	Assistant Planner	100%	2.0	2.0	2.0	2.0	2.0	2.0	C85	53,487 - 65,014
	Permit Services Supervisor	100%	1.0	1.0	1.0	1.0	1.0	1.0	C85	53,487 - 65,014
	Building Inspector II	100%	1.0	1.0	1.0	1.0	1.0	1.0	C86	54,026 - 65,668
	Network Engineer	100%	0.0	0.0	1.0	1.0	1.0	1.0	C88	55,115 - 66,993
	Technology Analyst	100%	1.0	1.0	0.0	0.0	0.0	0.0	C88	55,115 - 66,993
	Associate Planner	100%	1.0	1.0	1.0	1.0	1.0	1.0	C89	55,666 - 67,663
	Staff Accountant	100%	1.0	1.0	1.0	1.0	1.0	1.0	C89	55,666 - 67,663
	Engineer Technician	100%	2.0	2.0	2.0	2.0	1.0	1.0	C93	57,922 - 70,404
	Senior Planner	100%	1.0	1.0	1.0	1.0	1.0	1.0	C102	63,357 - 77,010

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Group	POSITION TITLE	FTE	2009 Staff	2009 FTE's	2010 Staff	2010 FTE's	2011 Staff	2011 FTE's	Pay Grade	2011 Annual Salary Range
FIRE	Fire Captain	100%	6.0	6.0	6.0	6.0	6.0	6.0	F-1	75,276 - 82,452
	Fire Training Captain	100%	1.0	1.0	1.0	1.0	1.0	1.0	F-1	75,276 - 82,452
	Firefighter	100%	9.0	9.0	9.0	9.0	9.0	9.0	F-2	57,300 - 71,700
	Firefighter/Paramedic	100%	9.0	9.0	9.0	9.0	9.0	9.0	F-2	63,036 - 78,870
POLICE	Police Detective - Sergeant	100%	1.0	1.0	1.0	1.0	1.0	1.0	P-1	80,386 - 84,651
	Police Sergeant	100%	4.0	4.0	4.0	4.0	4.0	4.0	P-1	80,386 - 84,651
	Crime Prevention Officer	100%	1.0	1.0	1.0	1.0	1.0	1.0	P-2	55,440 - 71,656
	Patrol Officer	100%	18.0	18.0	18.0	18.0	18.0	18.0	P-2	55,440 - 71,656
	Police Corporal	100%	1.0	1.0	1.0	1.0	1.0	1.0	P-2	55,440 - 71,656
	Police Detective	100%	2.0	2.0	2.0	2.0	2.0	2.0	P-2	55,440 - 71,656
PUBLIC WORKS	Park Attendant - Seasonal/PT	25%	4.0	1.0	4.0	1.0	4.0	1.0	C43	35,374 - 42,964
	Parks/Facility Attendant - PT	20%	1.0	0.2	1.0	0.2	0.0	0.0	C43	35,374 - 42,964
	Facility Maintenance Service Worker	100%	0.0	0.0	0.0	0.0	1.0	1.0	C53	39,060 - 47,459
	Parks/Facility Attendant - PT	80%	1.0	0.8	1.0	0.8	0.0	0.0	C53	39,060 - 47,459
	Park/Utility Service Worker	100%	8.0	8.0	8.0	8.0	8.0	8.0	C64	43,581 - 52,961
	Lead Serviceworker	100%	4.0	4.0	4.0	4.0	4.0	4.0	C81	51,607 - 62,717
SUBTOTAL			113.0	107.5	113.0	107.5	115.0	108.5		
ELECTED:										
	Mayor		1.0	1.0	1.0	1.0	1.0	1.0		70,800
	Councilmembers		7.0	7.0	7.0	7.0	7.0	7.0		6,000 - 6,600
TOTAL			121.0	115.5	121.0	115.5	123.0	116.5		

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.

Changes in staffing levels from 2010 to 2011 are as follows:

Rosehill Community Center: added three part-time Customer Service Clerks, one part-time Recreation Programmer, one Recreation Office Technician, and reclassified one Department Assistant to Recreation Office Technician.

Public Works: eliminated one Engineering Technician position, and reclassified one part-time Parks/Facility Attendant position to a full-time Facility Maintenance Service Worker position.

Permit Center: eliminated one Permit Services Assistant position.



Major Employers

Name of Business	Type of Business	Number of Employees
Boeing Company	Aviation	657
Mukilteo School District	Education	482
Travis Industries	Fireplaces, stoves, inserts manufacturing	400
ElectroImpact Inc	Engineering Design	300
Senior Services of Snohomish County	Services to low income elderly and disabled persons	200
D3 Technologies Inc	Engineering and Drafting	174
Synrad Inc	Metal, Sealed CO2 Lasers and Accessories Mfg	130
KAAS Tailored	Furniture Mfg and Sales	126
Mukilteo YMCA	Recreation Programs	120
Diversified Industrial Services	Parts Assembly, Mailing, Janitorial Services	115
Ivars Mukilteo Landing	Restaurant	100

Principal Property Taxpayers

Name of Business	Type
Boeing Company	Aviation
RREEF America Reit II Corp	Multi-Family Dwelling
Legacy Partners Harbour Pointe LLC	Commercial
On The Green HP LLC	Multi-Family Dwelling
WiredZone Property LLP	Commercial
SVF Harbour Pointe Mukilteo LLC	Multi-Family Dwelling
SC Harbour Pointe Inc.	Retail Trade
Harbour Pointe Retirement	Retirement and Assisted Living
Essex Property Trust	Multi-Family Dwelling
Sterling Realty Organization	Commercial

The Community and Selected Data

The City of Mukilteo was incorporated on May 8, 1947, with a Mayor and City Council form of government. Located 25 miles north of Seattle, at the end of the technology corridor, Mukilteo offers numerous business opportunities while retaining its small-town waterfront charm. Mukilteo has extensive Puget Sound view property, quiet, planned residential neighborhoods, top quality schools, numerous fine restaurants, and waterfront recreational opportunities. The planned Mukilteo Landing waterfront development will provide a host of residential and business opportunities, while serving as a multi-modal hub for one of the State's busiest ferry routes and the Sound Transit rail station.

Miscellaneous Statistics and Information

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 Est.
General										
Area (square miles)	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Population	18,520	19,190	19,220	19,350	19,620	19,800	20,050	20,110	20,254	20,254
Per Capita Income	\$31,571	\$31,856	\$33,285	\$34,963	\$37,115	\$37,115	\$37,115	\$40,302	*	*
Unemployment Rate (Snohomish Co.)	7.0%	7.1%	5.8%	5.1%	4.6%	4.3%	5.4%	9.5%	9.8%	*
Median Age	36.5	36.5	36.5	39.3	39.3	39.3	39.3	40.1	*	*
School Enrollment (Mukilteo SD)	13,761	13,865	14,057	14,482	14,332	14,484	14,423	14,454	14,443	*
Number of City Employees	82	82	82.5	84.5	87.5	89.5	106	107	108.5	108.5
City Employees per 1,000 Population	4.4	4.3	4.3	4.4	4.5	4.5	5.3	5.3	5.4	5.4
Fire Protection										
Number of Fire Personnel	16	16	17	18	20	21	21.5	29.5	29.5	29.5
Number of Volunteer Firefighters	50	50	54	55	55	55	0	0	0	0
Number of Reserve Firefighters/EMS	0	0	0	0	0	0	37	22	0	0
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Responses (EMT/Fire)	1,500	1,635	1,590	1,742	1,876	1,769	1,600	1,894	1,888	1,900
Police Protection										
Number of Police Personnel	27	27	27	27	27	28	32	32	32	32
Number of Calls for Service	14,520	15,175	16,923	12,486	12,614	12,943	12,505	12,755	12,511	12,600
Animal Licenses	412	394	399	419	425	440	315	250	271	275
Parks and Recreation										
Total Acreage	414	431	433	433	433	433	499	499	515	515
Streets										
Miles of Paved Roadway	63	63	67	67	67	67	67	67	67	67
Miles of Unpaved Roadway	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Signalized Intersections	11	13	13	13	13	13	13	13	13	13
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Storm Water Management										
Linear Feet of Storm Water Pipes	166,000	172,402	174,000	178,125	179,520	179,520	184,800	185,020	188,070	188,570
Catch Basins	2,280	2,300	2,530	2,550	2,570	2,600	2,606	2,611	2,649	2,656

* New data not yet available.



A pod of Orcas joined the celebration of the grand opening of the new Rosehill Community Center

Photo courtesy of Chris Larson.



CITY OF MUKILTEO
MUKILTEO, WASHINGTON

ORDINANCE NO. 1263

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON,
ADOPTING THE 2011 MUNICIPAL BUDGET IN THE AMOUNT OF
\$25,499,550.**

WHEREAS, the Mayor presented his preliminary budget and the budget message to the City Council at a public hearing on November 1, 2010, and filed the preliminary budget with the City Clerk as his recommendation for the 2011 Municipal 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 a public hearing on November 1, 2010, which was on or before the first Monday of the next month preceding the beginning of the ensuing fiscal year, for the purpose of presenting the 2011 annual budget, at which hearing all taxpayers were heard who appeared for or against any part of said budget; and

WHEREAS, the public hearing was continued to November 8, 2010, to November 10, 2010, to November 17, 2010, November 22, 2010, and to December 6, 2010 at which time public testimony was closed, and deliberations began; 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 appropriations for each separate fund and the aggregate totals 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. The Finance Director is hereby authorized to include year-end actual cash balances in the final budget document as determined at the close of the current fiscal year.



Section 2. A complete copy of the 2011 Adopted Municipal Budget, together with a copy of this adopting ordinance shall be transmitted by the City Clerk to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 3. The City Council hereby adopts the 2011 personnel salary schedule as set forth on Exhibit "B".

Section 4. Administrative Budget Adjustments. The City Administrator and Mayor are authorized to transfer budgeted amounts between departments or line-items within any fund which are necessary for the conduct of city business and operations and providing service to the public. In the event certain restricted revenues exceed budget estimates, the City Administrator and Mayor are authorized to expend such funds for eligible expenditures in order to conserve General Fund monies.

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

Section 5. 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 6th day of December 2010.

APPROVED

MAYOR, JOE MARINE

ATTEST/AUTHENTICATED:

CITY CLERK, CHRISTINA J. BOUGHMAN

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

By: _____
ANGELA BELBECK

FILED WITH THE CITY CLERK: 12-06-10
PASSED BY THE CITY COUNCIL: 12-06-10
PUBLISHED: 12-11-10
EFFECTIVE DATE: 12-16-10
ORDINANCE NO. 1263

ORDINANCE NO. 1263 EXHIBIT "A"

Budget Summary by Fund

Fund Number	Fund Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
009	LEOFF I Reserve	135,720	30,450	34,900	131,270
011	General	4,725,080	11,766,600	12,729,840	3,761,840
015	Paine Field Emergency Reserve Fund	26,240	150,000	176,240	0
111	Street	149,900	643,800	772,500	21,200
112	Arterial Street	160,470	399,900	545,000	15,370
114	Recreation & Cultural Services	48,310	543,800	590,680	1,430
116	Hotel/Motel Lodging Tax Fund	135,440	130,450	135,080	130,810
120	Technology Replacement	118,770	77,400	76,600	119,570
125	City Reserve	1,000,000	0	0	1,000,000
126	Emergency Medical Services	213,500	2,025,000	1,956,850	281,650
141	Municipal Facilities	60	0	0	60
275	LTGO Bond Fund 2009	7,370	1,081,780	909,350	179,800
322	Park Acquisition & Development	134,900	123,250	256,300	1,850
323	Transportation Impact Fee	48,860	25,340	0	74,200
331	Real Estate Excise Tax I	5,314,830	333,100	879,500	4,768,430
332	Real Estate Excise Tax II	408,640	307,050	588,050	127,640
375	Community Center Project Fund	3,354,210	500	3,354,710	0
440	Surface Water Management	1,286,990	1,298,000	1,551,450	1,033,540
502	Health Insurance Administration	50,000	1,000	0	51,000
510	Equipment Replacement Reserve	1,052,780	940,630	505,600	1,487,810
516	Unemployment Compensation	40,490	0	0	40,490
518	Facilities Maintenance	9,660	433,000	436,900	5,760
TOTALS		18,422,220	20,311,050	25,499,550	13,233,720

Exhibit "B"

Law Enforcement Officers

Classification	Number of Positions	Pay Range
Police Sergeant	5.0	P1
Police Officer	21.0	P2
	26.0	

Monthly Rates of Pay

Pay Range	Step A 0 - 12 mo	Step B 13 - 24 mo	Step C 25 - 36 mo	Step D 37 - 48 mo	Step E 49+ mo
P1				6,698.83	7,054.21
P2	4,619.97	4,915.19	5,260.56	5,612.60	5,971.33

Note: Corporal, Administrative Coordinator, Detectives, Field Training Officer & Crime Prevention Officer all receive an additional 5%.

Additional:

2% of base salary for an associates degree

4% of base salary for a bachelor's degree

Merit Pay 1% for every 5 years of service (officers can only receive up to a maximum of 4% of additional pay)

Exhibit "B"

Fire Fighters

Classification	Number of Positions	Pay Range
Captain	7.0	F1
Fire Fighter	9.0	F2
Fire Fighter/Paramedic	9.0	F2*
	25.0	

Monthly Rates of Pay

Pay Range	Step A 0 - 12 mo	Step B 13 - 24 mo	Step C 25 - 36 mo	Step D 37 - 48 mo	Step E 49+ mo
<u>FIREFIGHTER</u>					
F1	6,214.14	6,572.25	6,871.37		
F2	4,775.49	5,077.71	5,373.72	5,681.12	5,975.06
<u>FIREFIGHTER/PARAMEDIC*</u>					
F2	4,775.49	5,077.71	5,373.72	5,681.12	5,975.06
8%	478.00	478.00	478.00	478.00	478.00
	5,253.49	5,555.71	5,851.72	6,159.12	6,453.06
F2	4,775.49	5,077.71	5,373.72	5,681.12	5,975.06
10%	597.51	597.51	597.51	597.51	597.51
	5,373.00	5,675.22	5,971.23	6,278.62	6,572.56

* Firefighter step E plus 8% for probationary employees
 Firefighter step E plus 10% for employees after probation

ADDITIONAL:

2% of base salary for an associates degree
 4% of base salary for a bachelor's degree

Exhibit "B"

Public Works Employees

Classification	Number of Positions	Pay Range
Facility/Park Attendant - PT	4	43
Facility Maintenance Serviceworker	1	53
Parks/Utility Serviceworker	8.0	64
Lead Serviceworker	4.0	81
	17.0	

Monthly Rates of Pay

Pay Range	Step A 0 - 6 mo	Step B 7 - 18 mo	Step C 19 - 30 mo	Step D 31 - 42 mo	Step E 43+ mo
43	\$2,947.87	\$3,094.48	\$3,248.59	\$3,410.19	\$3,580.35
53	\$3,255.01	\$3,417.68	\$3,587.84	\$3,766.56	\$3,954.92
64	\$3,631.72	\$3,813.09	\$4,003.52	\$4,203.47	\$4,413.43
81	\$4,300.59	\$4,515.40	\$4,740.95	\$4,977.77	\$5,226.44



Exhibit "B"

Office Clerical & Technical Employees

Classification	Number of Positions	Pay Range
Part-time Customer Service Clerk	3.0	\$9 - \$15/Hr
Department Assistant	1.5	55
Recreation Programmer	0.5	55
Accounting Technician	3.0	62
Permit Services Assistant	2.0	62
Recreation Office Technician	2.0	62
Sr. Department Assistant	1.0	67
Assistant Planner	2.0	85
Permit Services Supervisor	1.0	85
Building Inspector II	1.0	86
Network Engineer	1.0	88
Associate Planner	1.0	89
Staff Accountant	1.0	89
Engineer Technician	1.0	93
Sr. Planner	1.0	102
	<u>22.0</u>	

Monthly Rates of Pay

Pay Range	Step A 0 - 12 mo	Step B 13 - 24 mo	Step C 25 - 36 mo	Step D 37 - 48 mo	Step E 49+ mo
50	\$3,144.55	\$3,301.77	\$3,466.86	\$3,640.20	\$3,822.21
51	\$3,175.52	\$3,334.30	\$3,501.01	\$3,676.06	\$3,859.87
52	\$3,207.56	\$3,367.94	\$3,536.34	\$3,713.16	\$3,898.81
53	\$3,239.61	\$3,401.59	\$3,571.67	\$3,750.25	\$3,937.76
54	\$3,271.65	\$3,435.23	\$3,607.00	\$3,787.35	\$3,976.71
55	\$3,304.76	\$3,470.00	\$3,643.50	\$3,825.68	\$4,016.96
56	\$3,337.88	\$3,504.76	\$3,680.01	\$3,864.00	\$4,057.20
57	\$3,370.99	\$3,539.54	\$3,716.51	\$3,902.34	\$4,097.46
58	\$3,405.17	\$3,575.43	\$3,754.20	\$3,941.91	\$4,139.00
59	\$3,439.35	\$3,611.31	\$3,791.88	\$3,981.47	\$4,180.55
60	\$3,473.53	\$3,647.20	\$3,829.56	\$4,021.04	\$4,222.09
61	\$3,508.77	\$3,684.21	\$3,868.42	\$4,061.84	\$4,264.94
62	\$3,544.02	\$3,721.23	\$3,907.29	\$4,102.64	\$4,307.78
63	\$3,579.27	\$3,758.23	\$3,946.15	\$4,143.45	\$4,350.63
64	\$3,615.59	\$3,796.37	\$3,986.18	\$4,185.49	\$4,394.77
65	\$3,651.90	\$3,834.50	\$4,026.22	\$4,227.53	\$4,438.91

Exhibit "B"

Office Clerical & Technical Employees – continued
Monthly Rates of Pay

Pay Range	Step A 0 - 12 mo	Step B 13 - 24 mo	Step C 25 - 36 mo	Step D 37 - 48 mo	Step E 49+ mo
66	\$3,688.22	\$3,872.63	\$4,066.26	\$4,269.57	\$4,483.05
67	\$3,725.60	\$3,911.88	\$4,107.47	\$4,312.85	\$4,528.49
68	\$3,762.99	\$3,951.14	\$4,148.69	\$4,356.13	\$4,573.93
69	\$3,800.37	\$3,990.39	\$4,189.91	\$4,399.40	\$4,619.37
70	\$3,838.82	\$4,030.76	\$4,232.30	\$4,443.92	\$4,666.11
71	\$3,877.28	\$4,071.14	\$4,274.70	\$4,488.43	\$4,712.85
72	\$3,915.73	\$4,111.51	\$4,317.09	\$4,532.94	\$4,759.59
73	\$3,955.25	\$4,153.01	\$4,360.66	\$4,578.69	\$4,807.63
74	\$3,994.77	\$4,194.51	\$4,404.23	\$4,624.44	\$4,855.67
75	\$4,034.29	\$4,236.00	\$4,447.80	\$4,670.19	\$4,903.70
76	\$4,074.88	\$4,278.62	\$4,492.55	\$4,717.18	\$4,953.04
77	\$4,115.47	\$4,321.24	\$4,537.30	\$4,764.17	\$5,002.38
78	\$4,157.12	\$4,364.98	\$4,583.23	\$4,812.39	\$5,053.01
79	\$4,198.78	\$4,408.72	\$4,629.15	\$4,860.61	\$5,103.64
80	\$4,240.44	\$4,452.46	\$4,675.08	\$4,908.83	\$5,154.27
81	\$4,283.16	\$4,497.32	\$4,722.19	\$4,958.29	\$5,206.21
82	\$4,325.89	\$4,542.18	\$4,769.29	\$5,007.75	\$5,258.14
83	\$4,369.68	\$4,588.16	\$4,817.57	\$5,058.45	\$5,311.37
84	\$4,413.47	\$4,634.15	\$4,865.85	\$5,109.15	\$5,364.60
85	\$4,457.27	\$4,680.13	\$4,914.14	\$5,159.85	\$5,417.83
86	\$4,502.13	\$4,727.23	\$4,963.59	\$5,211.77	\$5,472.37
87	\$4,546.99	\$4,774.34	\$5,013.05	\$5,263.71	\$5,526.89
88	\$4,592.92	\$4,822.57	\$5,063.69	\$5,316.87	\$5,582.72
89	\$4,638.85	\$4,870.79	\$5,114.32	\$5,370.04	\$5,638.55
90	\$4,684.77	\$4,919.01	\$5,164.96	\$5,423.21	\$5,694.37
91	\$4,731.77	\$4,968.36	\$5,216.78	\$5,477.62	\$5,751.50
92	\$4,778.77	\$5,017.71	\$5,268.59	\$5,532.02	\$5,808.62
93	\$4,826.84	\$5,068.17	\$5,321.58	\$5,587.66	\$5,867.04
94	\$4,874.90	\$5,118.64	\$5,374.58	\$5,643.31	\$5,925.47
95	\$4,924.03	\$5,170.23	\$5,428.75	\$5,700.18	\$5,985.19
96	\$4,973.17	\$5,221.83	\$5,482.92	\$5,757.06	\$6,044.92
97	\$5,023.37	\$5,274.54	\$5,538.26	\$5,815.18	\$6,105.94
98	\$5,073.57	\$5,327.25	\$5,593.61	\$5,873.29	\$6,166.96
99	\$5,124.84	\$5,381.08	\$5,650.14	\$5,932.64	\$6,229.27
100	\$5,176.11	\$5,434.91	\$5,706.66	\$5,991.99	\$6,291.59
101	\$5,226.92	\$5,488.27	\$5,762.68	\$6,050.81	\$6,353.35
102	\$5,279.72	\$5,543.71	\$5,820.89	\$6,111.94	\$6,417.53

Exhibit "B"

Law Enforcement Support Employees

Classification	Number of Positions	Pay Range
Community Services Officer	1.0	56
Office Supervisor	1.0	80
Support Services Technician	2.0	58
	<u>4.0</u>	

Monthly Rates of Pay

Pay Range	Step A 0 - 6 mo	Step B 7 - 18 mo	Step C 19 - 30 mo	Step D 31 - 42 mo	Step E 43+ mo
50	\$3,144.55	\$3,301.77	\$3,466.86	\$3,640.20	\$3,822.21
51	\$3,175.52	\$3,334.30	\$3,501.01	\$3,676.06	\$3,859.87
52	\$3,207.56	\$3,367.94	\$3,536.34	\$3,713.16	\$3,898.81
53	\$3,239.61	\$3,401.59	\$3,571.67	\$3,750.25	\$3,937.76
54	\$3,271.65	\$3,435.23	\$3,607.00	\$3,787.35	\$3,976.71
55	\$3,304.76	\$3,470.00	\$3,643.50	\$3,825.68	\$4,016.96
56	\$3,337.88	\$3,504.76	\$3,680.01	\$3,864.00	\$4,057.20
57	\$3,370.99	\$3,539.54	\$3,716.51	\$3,902.34	\$4,097.46
58	\$3,405.17	\$3,575.43	\$3,754.20	\$3,941.91	\$4,139.00
59	\$3,439.35	\$3,611.31	\$3,791.88	\$3,981.47	\$4,180.55
60	\$3,473.53	\$3,647.20	\$3,829.56	\$4,021.04	\$4,222.09
61	\$3,508.77	\$3,684.21	\$3,868.42	\$4,061.84	\$4,264.94
62	\$3,544.02	\$3,721.23	\$3,907.29	\$4,102.64	\$4,307.78
63	\$3,579.27	\$3,758.23	\$3,946.15	\$4,143.45	\$4,350.63
64	\$3,615.59	\$3,796.37	\$3,986.18	\$4,185.49	\$4,394.77
65	\$3,651.90	\$3,834.50	\$4,026.22	\$4,227.53	\$4,438.91
66	\$3,688.22	\$3,872.63	\$4,066.26	\$4,269.57	\$4,483.05
67	\$3,725.60	\$3,911.88	\$4,107.47	\$4,312.85	\$4,528.49
68	\$3,762.99	\$3,951.14	\$4,148.69	\$4,356.13	\$4,573.93
69	\$3,800.37	\$3,990.39	\$4,189.91	\$4,399.40	\$4,619.37
70	\$3,838.82	\$4,030.76	\$4,232.30	\$4,443.92	\$4,666.11
71	\$3,877.28	\$4,071.14	\$4,274.70	\$4,488.43	\$4,712.85
72	\$3,915.73	\$4,111.51	\$4,317.09	\$4,532.94	\$4,759.59
73	\$3,955.25	\$4,153.01	\$4,360.66	\$4,578.69	\$4,807.63
74	\$3,994.77	\$4,194.51	\$4,404.23	\$4,624.44	\$4,855.67
75	\$4,034.29	\$4,236.00	\$4,447.80	\$4,670.19	\$4,903.70
76	\$4,074.88	\$4,278.62	\$4,492.55	\$4,717.18	\$4,953.04
77	\$4,115.47	\$4,321.24	\$4,537.30	\$4,764.17	\$5,002.38
78	\$4,157.12	\$4,364.98	\$4,583.23	\$4,812.39	\$5,053.01
79	\$4,198.78	\$4,408.72	\$4,629.15	\$4,860.61	\$5,103.64
80	\$4,240.44	\$4,452.46	\$4,675.08	\$4,908.83	\$5,154.27



Exhibit "B"

Non-Represented Employees

Classification	Number of Positions	Pay Range
City Clerk	1.0	88
Executive Assistant	1.0	88
Assistant to City Administrator	1.0	95
Accounting Services Manager	1.0	100
Fire Marshall	1.0	103
Information Technology Manager	1.0	110
Public Works Superintendent	1.0	111
Assistant City Engineer	1.0	112
Recreation & Cultural Director	1.0	112
Assistant Fire Chief	1.0	120
Police Commander	1.0	120
Assistant Planning Director	1.0	123
Planning Director	1.0	124
Finance Director	1.0	124
Fire Chief	1.0	130
Police Chief	1.0	130
Public Works Director	1.0	130
City Administrator	1.0	By contract
	18.0	

Exhibit "B"

Non-Represented Employees – continued

Monthly Rates of Pay

	Step A	Step B	Step C	Step D	Step E
Pay Range	0 - 12 mo	13 - 24 mo	25 - 36 mo	37 - 48 mo	49+ mo
88	4,938.48	5,185.40	5,444.67	5,716.91	6,002.75
89	4,987.89	5,237.28	5,499.15	5,774.10	6,062.81
90	5,037.29	5,289.16	5,553.62	5,831.30	6,122.86
91	5,087.80	5,342.19	5,609.30	5,889.76	6,184.25
92	5,138.30	5,395.22	5,664.98	5,948.23	6,245.64
93	5,189.91	5,449.40	5,721.87	6,007.96	6,308.36
94	5,242.61	5,504.74	5,779.97	6,068.97	6,372.42
95	5,294.21	5,558.92	5,836.87	6,128.71	6,435.14
96	5,348.01	5,615.41	5,896.18	6,190.99	6,500.54
97	5,400.71	5,670.74	5,954.28	6,251.99	6,564.59
98	5,454.51	5,727.23	6,013.59	6,314.27	6,629.99
99	5,509.40	5,784.87	6,074.12	6,377.82	6,696.71
100	5,564.30	5,842.51	6,134.64	6,441.37	6,763.44
101	5,620.29	5,901.31	6,196.37	6,506.19	6,831.50
102	5,676.29	5,960.10	6,258.11	6,571.01	6,899.56
103	5,733.38	6,020.05	6,321.05	6,637.10	6,968.96
104	5,790.47	6,080.00	6,384.00	6,703.20	7,038.36
105	5,848.66	6,141.10	6,448.15	6,770.56	7,109.09
106	5,906.85	6,202.20	6,512.31	6,837.92	7,179.82
107	5,966.14	6,264.45	6,577.67	6,906.55	7,251.88
108	6,025.43	6,326.70	6,643.04	6,975.19	7,323.95
109	6,085.81	6,390.11	6,709.61	7,045.09	7,397.35
110	6,147.30	6,454.66	6,777.40	7,116.27	7,472.08
111	6,208.78	6,519.22	6,845.18	7,187.44	7,546.81
112	6,270.27	6,583.78	6,912.97	7,258.62	7,621.55
113	6,332.85	6,649.49	6,981.97	7,331.06	7,697.62
114	6,396.53	6,716.35	7,052.17	7,404.78	7,775.02
115	6,460.21	6,783.22	7,122.38	7,478.50	7,852.42
116	6,524.99	6,851.24	7,193.80	7,553.49	7,931.16
117	6,589.76	6,919.25	7,265.21	7,628.48	8,009.90
118	6,655.64	6,988.42	7,337.84	7,704.73	8,089.97
119	6,722.61	7,058.74	7,411.68	7,782.27	8,171.38
120	6,789.59	7,129.07	7,485.52	7,859.80	8,252.79
121	6,857.66	7,200.54	7,560.57	7,938.60	8,335.53
122	6,926.83	7,273.17	7,636.83	8,018.67	8,419.60
123	6,996.00	7,345.80	7,713.09	8,098.74	8,503.68
124	7,065.17	7,418.43	7,789.35	8,178.81	8,587.75
125	7,136.53	7,493.36	7,868.03	8,261.43	8,674.50
126	7,207.90	7,568.29	7,946.71	8,344.04	8,761.24
127	7,279.26	7,643.23	8,025.39	8,426.66	8,847.99
128	7,352.82	7,720.47	8,106.49	8,511.81	8,937.40
129	7,426.38	7,797.70	8,187.59	8,596.97	9,026.82
130	7,499.95	7,874.94	8,268.69	8,682.13	9,116.23



SUMMARY OF ORINANCE NO 1263
of the City of Mukilteo, Washington

On December 6, 2010, the City Council of the City of Mukilteo, Washington, adopted Ordinance No. 1263 the main point of which may be summarized by its title as follows:

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON,
ADOPTING THE 2011 MUNICIPAL BUDGET IN THE AMOUNT OF
\$25,499,550.**

The 2011 Budget as Set Forth in Exhibit "A":

Budget Summary by Fund

Fund Number	Fund Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
009	LEOFF I Reserve	135,720	30,450	34,900	131,270
011	General	4,725,080	11,766,600	12,729,840	3,761,840
015	Paine Field Emergency Reserve Fund	26,240	150,000	176,240	0
111	Street	149,900	643,800	772,500	21,200
112	Arterial Street	160,470	399,900	545,000	15,370
114	Recreation & Cultural Services	48,310	543,800	590,680	1,430
116	Hotel/Motel Lodging Tax Fund	135,440	130,450	135,080	130,810
120	Technology Replacement	118,770	77,400	76,600	119,570
125	City Reserve	1,000,000	0	0	1,000,000
126	Emergency Medical Services	213,500	2,025,000	1,956,850	281,650
141	Municipal Facilities	60	0	0	60
275	LTGO Bond Fund 2009	7,370	1,081,780	909,350	179,800
322	Park Acquisition & Development	134,900	123,250	256,300	1,850
323	Transportation Impact Fee	48,860	25,340	0	74,200
331	Real Estate Excise Tax I	5,314,830	333,100	879,500	4,768,430
332	Real Estate Excise Tax II	408,640	307,050	588,050	127,640
375	Community Center Project Fund	3,354,210	500	3,354,710	0
440	Surface Water Management	1,286,990	1,298,000	1,551,450	1,033,540
502	Health Insurance Administration	50,000	1,000	0	51,000
510	Equipment Replacement Reserve	1,052,780	940,630	505,600	1,487,810
516	Unemployment Compensation	40,490	0	0	40,490
518	Facilities Maintenance	9,660	433,000	436,900	5,760
TOTALS		18,422,220	20,311,050	25,499,550	13,233,720

The full text of this ordinance will be mailed upon request.

APPROVED by the City Council on December 6, 2010.

CHRISTINA J. BOUGHMAN, CITY CLERK

GLOSSARY OF TERMS

ACCOUNTING SYSTEM The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL BASIS Refers to the accounting of revenues and expenditures on the basis of when they are incurred or committed, rather than when they are made or received.

ADOPTED As used in fund summaries, department and program summaries within the budget, represents the budgets as approved by Council.

ADOPTION A formal action taken by Council that sets the spending limits for the fiscal year.

ALS - Advanced Life Support - a higher level of emergency medical care, usually provided by emergency medical technicians or paramedics, which may include techniques such as IV therapy, intubation, or drug administration.

APPROPRIATION Legal authorization adopted annually, by the legislative body (City Council) to make expenditures and obligate money for specific purposes. An appropriation is limited in the amount and the period of time in which it may be expended.

APPROPRIATED BUDGET The expenditures authority created by the appropriation resolution/ordinance, which is signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized and executive changes.

ASSESSED VALUATION A determination of the value of real or personal property as a basis for levying taxes.

ASSET Resources owned or held by a government, which have monetary value.

AVAILABLE (UNDESIGNATED) FUND BALANCE Refers to funds remaining from the prior year that are available for appropriation and expenditure in the current year.

BASELINE BUDGET A Baseline Budget is each department's minimum budget needed to offer their services to citizens, without cutting back on any services.

BALANCED BUDGET A budget in which operating revenues equal or exceed operating expenses.

BARS Budgeting, Accounting and Reporting System. Refers to the accounting rules established by the State Auditor's office.

BEGINNING FUND BALANCE An account used to record estimated and actual resources available for expenditure in one fiscal year because of revenues collected in excess of the budget and/or under-expenditure of the prior years' budgets.

BENEFITS The City provided employee benefits such as retirement, worker's compensation, life insurance, medical insurance and dental insurance.

BLS Basic Life Support - emergency procedures needed to ensure a person's immediate survival, including CPR, control of bleeding, treatment of shock and poisoning, stabilization of injuries and/or wounds, and basic first aid.

BOND A certificate obligating the payment of a specified sum of money which includes the principal or face value, plus interest, to be computed at a specified rate on a specified date or dates in the future or the maturity date(s).

BUDGET A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed revenue, or means of financing the expenditures.

BUDGET CALENDAR The schedule of key dates or events, which the City follows in the preparation, adoption and administration of the budget.

BUDGETARY BASIS This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of two forms: cash or modified accrual

BUDGETARY CONTROL The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

BUDGET MESSAGE A written general dialogue of the budget, presented by the budget making authority. It provides Council with a general summary of the most important budget issues, changes from recent fiscal years and recommendations regarding the financial policy for the coming year.

CAPITAL ASSET Tangible assets having a life over one year obtained or controlled as a result of financial transactions, events or circumstances. Capital assets include buildings, equipment, improvements other than buildings and land.

CAPITAL IMPROVEMENT PLAN (CIP) A plan which prioritizes and schedules proposed capital construction projects and major equipment acquisition.

CAPITAL OUTLAY Expenditures resulting in the acquisition or addition to the government's general capital assets. These assets usually have a useful life of more than one year.

CAPITAL PROJECTS Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

CAPITAL PROJECT CONSTRUCTION FUNDS A type of fund that accounts for major general government construction projects financed by long-term general obligations or other financing.

CASH BASIS ACCOUNTING The method of accounting where revenues are recorded when received and expenditures are recorded when paid.

CHARTER CODE CITY A city having at least 10,000 residents that is run under an adopted charter or rules and regulations.

COMPREHENSIVE PLAN A plan required by the state for the future growth and development of the City.

COST-OF-LIVING ADJUSTMENT (COLA) An increase in salaries to offset the adverse effect of inflation on compensation.

COUNCILMANIC BONDS Intermediate to long-term debt instruments issued by City Council authorization. By state law, the maximum amount of councilmanic bonds that may be sold is equal to 1.5 percent of the City's assessed valuation.

DEBT SERVICE The process of accumulating resources for and making payment of long-term debt principal and interest.

DEBT SERVICE FUND A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEPARTMENT An organizational or budgetary unit. Each department serves a specific function as a distinct organizational unit of government, having budget accountability.

DEPRECIATION Consumption of the service life of capital assets, due to normal wear, deterioration, environmental elements, passage of time and obsolescence. The portion of the cost of a capital asset charged as an expense during a specified period based on service life of the asset and ultimately expending the entire cost of the asset.

DEVELOPMENT-RELATED FEES Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

DISTINGUISHED BUDGET PRESENTATION AWARD A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

EMS Emergency Medical Services - a network of services coordinated to provide aid and medical assistance involving personnel trained in the rescue, stabilization, transportation, and advanced treatment of traumatic or medical emergencies.

EMT Emergency Medical Technician - a person trained in and responsible for the administration of specialized emergency care and the transportation of victims of acute illness or injury to a medical facility in compliance with national standards developed by the U.S. Department of Transportation. In addition to basic life-support skills, the EMT is trained in extrication, operation of emergency vehicles, basic anatomy, basic assessment of injury or illness, triage, care for specific injuries and illnesses, environmental emergencies, childbirth, and transport of the patient.

ENTERPRISE FUNDS A type of proprietary fund that contains activities which are operated in a manner similar to private businesses. In Mukilteo, the only Enterprise Fund is the Surface Water Management Fund.

EXPENDITURE An outlay of current resources for goods and services. Expenditures reduce the remaining budget authorization (appropriation) available.

FUND Governmental accounting systems are organized and operated on a fund basis. A fund is an independent financial and accounting entity with a self-balancing set of accounts in which financial transactions relating to revenues, expenditures, assets and liabilities are recorded. Funds are established to account for the use of restricted revenue sources and to carry on specific activities or pursue specific objectives. Funds may be established by State constitution, State statute, or City ordinances.

FRANCHISE FEE A fee paid by public service businesses for the special privilege to use City streets, alleys and property in providing their services to the citizens of the community.

FULL TIME EQUIVALENT (FTE) A part-time position converted to the decimal equivalent of a full time position based on 2080 hours per year, or a full value of one full time position.

FUNCTION Activity, which is performed by one or more organizational units for the purpose of accomplishing a goal.

FUND An accounting entity having a set of self-balancing accounts and records for all financial transactions for specific activities or government functions in attaining certain objectives governed by special regulations, restrictions or limitations.

FUND BALANCE Generally thought of as fund equity. In the budget, part of fund balance may be designated and appropriated as a resource to support the fund expenditures.

GENERAL FUND The fund used to account for the receipt and expenditure of general governmental revenues such as taxes, fees for service and state-shared revenues that are not earmarked for specific functions. The General Fund accounts for services customarily provided by general purpose local governments, including fire and police protection, park and recreation facilities, land use planning and the administrative and support services associated with these activities.

GENERAL OBLIGATION BONDS Bonds for the payment of which the full faith and credit of the issuing government are pledged.

GFOA Government Finance Officers Association of the United States and Canada.

GOAL The end toward which an endeavor is directed. A City department may have several goals in the accomplishing of its mission

GRANTS A contribution of assets (usually cash) by one governmental unit or other organization to be used or spent for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the State and Federal governments.

IMPACT FEE Fees charged to developers or individuals to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

INTERFUND TRANSFERS Amounts transferred from one City fund to another.

INTERGOVERNMENTAL Referring to activities or transactions (contracts, grants, etc.) occurring between government jurisdictions (e.g., cities and counties) such as "intergovernmental revenue".

INTRAGOVERNMENTAL Referring to activities or transactions occurring within a single government jurisdiction.

INTERNAL SERVICE FUNDS A type of proprietary fund which accounts for the goods and services which are provided as internal services of the City; such as equipment rental.

LEEDS “Leadership in Energy and Environmental Design.” This is a “Green Building Rating System” utilized by the US Green Building Council’s certification program as a nationally accepted benchmark for the design, construction and operation of high performance green buildings.

LEOFF Law enforcement officers and firefighters retirement system.

LEVY To impose a tax, special assessment or service charge for the support of government activities. The total amount of taxes, special assessments or service charges imposed by a government. The term most commonly refers to the real and personal property tax levy.

LEVY RATE The rate at which taxes, special assessments or service charges are imposed. For example, the real and personal property tax levy is the rate at which property is taxed per \$1,000 assessed valuation.

LIABILITY Debt or other legal obligation arising out of transactions in the past that must be liquidated renewed or refunded at some future date. Does not include encumbrances.

LICENSES AND PERMITS Charges for the issuance of licenses and permits. Licenses are required by municipalities for selected trades, occupations and other activities for regulatory purposes. Permits are issued to aid regulation of new business activities.

LID Local Improvement District.

LINE-ITEM BUDGET A budget prepared along departmental lines that focuses on what is to be bought.

MISSION The overall purpose for which a unit of Government exists.

MODIFIED ACCRUAL ACCOUNTING The accrual basis of accounting adapted to the governmental fund type Spending Measurement Focus. Under it, revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the related fund liability is incurred except for: inventories, prepaid insurance, unpaid benefit amounts or principal and interest.

NOAA National Oceanic Atmospheric Administration.

NON-CHARTER CODE CITY A City, regardless of population, that has elected to not run a city charter.

NPDES National Pollutant Discharge Elimination System Stormwater Program which regulates stormwater discharges. This permitting mechanism is designed to prevent stormwater runoff from washing harmful pollutants into local surface waters such as streams, rivers, lakes or coastal waters.

OBJECT (OF EXPENDITURE) The budget accounting term for the previously used “line item budget” level. The lowest level of detail used in the budget to designate the item or service to be purchased or obtained as the result of an expenditure, e.g., postage, printing, etc.

OBJECTIVE In a budgetary context, an objective is some event, activity or opinion poll result, which can be evaluated to measure progress toward defined goals.

OPERATING BUDGET A budget which includes all expenditures and revenues expected to be made during a year for ongoing operations of a government entity. The operating budgets carry on the traditional services of a governmental entity. Such a budget generally excludes amounts budgeted for major capital projects.

OPERATING TRANSFER IN/OUT Specifically identifies the transfer of resources from one fund to another made to support the normal level of operations of the receiving fund.

OPTIONAL CODE CITY A City that runs under the optional state statute 35A, which does not require a charter for cities with a population of over 10,000.

ORDINANCE A law passed by the legislative authority of a local jurisdiction (city or county).

PERFORMANCE INDICATORS Measurable means of evaluating the effectiveness of a department or cost center in accomplishing its defined objectives.

PERS Public Employees Retirement System for the State of Washington.

PERSONNEL SERVICES Costs related to compensating employees, including wages, insurance, payroll taxes, retirement contributions, and allowances for clothing and automobiles.

PRELIMINARY BUDGET The recommended and unapproved City budget submitted to the City Council and public in October or November of each year.

PROPRIETARY FUND A fund used to account for operations that are financed and operating in a manner similar to business enterprises. Such a fund is established as a self-supporting operation with revenues provided principally from fees, charges or contracts for services.

RCO - The Washington State Recreation and Conservation Office is a small state agency that manages grant programs to create outdoor recreation opportunities, protect the state's wildlife habitat and farmland, and help return salmon from near extinction.

RCW – the Revised Code of Washington is the compilation of all permanent laws now in force.

REGULAR LEVY The portion of the property tax which supports the General Fund.

RESOLUTION A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

RESOURCES The dollars available for appropriation, including estimated revenues, interfund transfers and in some cases, a beginning fund balance.

REVENUE Income received by the City to support programs or services to the community. It includes such items as taxes, fees, user charges, grants, fines, forfeits, interest income and miscellaneous revenue.

RISK MANAGEMENT An organized attempt to protect a government’s assets against accidental loss in the most economical method.



SALARIES AND WAGES Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.

SEPA - State Environmental Policy Act - A state policy that requires state and local agencies to consider the likely environmental consequences of a proposal before approving or denying the proposal.

SMP - Shoreline Master Program. In December, 2003, the Department of Ecology adopted new Shoreline Master Program Guidelines. By 2014, towns, cities and counties in Washington must update their Shoreline Master Programs (SMPs) to be consistent with the new guidelines. Local master programs regulate new development and use of shorelines along rivers and larger streams, lakes over 20 acres, and marine waters within their jurisdictions.

SPECIAL ASSESSMENT A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

SPECIAL LEVY Separate property tax levies authorized by the voters for specific purposes.

SPECIAL REVENUE FUND A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TAXES Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property, such as special assessments.

TAX BASE The wealth of the community available to be taxed by various forms of City taxes. Commonly thought of as the assessed value of the community.

TRUST AND AGENCY FUNDS A type of fiduciary fund which accounts for funds held by the City as a trustee.

UNRESERVED FUND BALANCE Undesignated monies available for appropriations.

USER CHARGES The payment of a fee for direct receipt of a public service by the party who benefits from the service.

VoIP - Voice over Internet Protocol is a technology that allows voice calls using a broadband Internet connection instead of a regular (or analog) phone line.

WORKLOAD INDICATORS Specific quantitative measures of work performed within an activity or program (e.g., total miles of streets cleaned).