

# 2012 City of Mukilteo Annual Budget



**City of Mukilteo, Washington**  
11930 Cyrus Way  
Mukilteo, WA 98275  
(425) 263-8000  
Mayor Joe Marine  
City Administrator Joe Hannan  
Finance Director Scott James

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## ELECTED OFFICIALS 2012



Joe Marine  
Mayor



Richard Emery  
Council President



Jennifer Gregerson  
Council Vice President



Linda Grafer  
Councilmember



Randy Lord  
Councilmember



Steve Schmalz  
Councilmember



Kevin Stoltz  
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 Director

Joe Hannan  
Chris Boughman  
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Heather McCartney, FAICP  
Rex Caldwell  
Larry Waters, P.E.  
Jennifer Berner



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
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**City of Mukilteo**

**Washington**

For the Fiscal Year Beginning

**January 1, 2011**

*Linda C. Davison Jeffrey R. Egan*

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, 2011. 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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11930 Cyrus Way  
Mukilteo, WA 98275  
425-263-8000

## MAYOR'S 2012 BUDGET MESSAGE

November 2, 2011

Mukilteo City Council  
Citizens of Mukilteo  
Mukilteo Business Community

### Transmittal of 2012 Preliminary Budget

Dear Council and Mukilteo Community:

I respectfully submit for your review and action the 2012 budget.

In each of the last three years, I have said that “this budget is the most difficult one to prepare and present”. This is surely true of the 2012 budget. This budget is lean and mean and yet through the continuing hard work and dedication of our city employees and a commitment to public safety this budget will finance quality services to residents.

In September of this year Money Magazine named Mukilteo the 9<sup>th</sup> Best Place to Live in America. Like you I am very proud of our special recognition. We were the highest ranked city west of the Rockies and we were recognized for the natural beauty of our surroundings (they used our lighthouse as their website picture), our good schools, our beautiful new Rosehill Community Center and in part for the efforts of our city government. Despite the tough economic times, we have protected our environment, maintained our streets and public spaces, beautified our community and used our funds wisely to keep Mukilteo safe and sound. Today, I present a balanced budget that carefully and thoughtfully dedicates our scarce funds to protect our homes and citizens, maintain the valuable infrastructure we have invested in; protect our unique and special waterfront, gulches and open spaces and create an environment that will encourage and facilitate family wage paying businesses.

### Long Range Financial Plan

The past five years' economy has been difficult for all of us. We made major improvements in our police and fire services just as the economy began its slide. Fortunately we had a significant reserve that gave us time to prioritize our services and work to improve our Mukilteo economy. We spent more than we brought in and we used part of our reserves.

Three years ago, the City Council, staff, volunteers and I developed a long range financial plan and a transparent process of forecasting needs and resources for the next 3 to 5 years. We created a process where your City Council receives, considers and acts upon the finances of the City on a monthly basis. A conscious effort has been made to share financial information monthly through Council meetings, press coverage, Council meeting streaming and new this year will be an interactive website allowing detailed searches of city projects by neighborhood. Our financial planning has resulted in policies and practices to control spending and to consider financial implications of every project we undertake as a city. We have a specific, written plan and we are steadily moving to close the gap between revenue and expenditures. We have been rewarded for our efforts by Standard and Poor's awarding the City the AAA bond rating which translated into dramatically lower interest costs when we built Rosehill. The AAA rating contributed to our recognition as the 9<sup>th</sup> Best Place in America to Live which resulted in positive national

attention about Mukilteo as a desirable place to live and bring your business which translates into new business, new jobs and better demand for our homes. (For additional information see page 21.)

### Changing the way we do Business

We also aggressively directed your city staff to actively seek partnerships and outside grant opportunities to encourage others to invest in Mukilteo. We build and operate quality projects and those efforts are recognized and rewarded by others. We have received over \$ 6 million in outside grant funding over the past six years and those funds allow us to improve roads (\$1 million grant to fix Harbour Pointe) and offer amenities otherwise unavailable in this economy. We are being smarter with the resources and the employees' efforts.

Like other employers, we have had to ask our employees to do more with less. We require quality services and ask them to bring new money in to the City while also having to reduce 2 staff in 2011 and an additional position in 2012 and we have had to ask them to forgo cost of living increases for the past two years and again in 2012.

We have not been paralyzed by the economy and in fact took advantage of lower construction costs to build a much needed, energy efficient City Hall and a beautiful Rosehill Community Center that provides a modern activity center for recreation and an envious meeting place that serves as a business magnet that is contributing to increased sales tax revenues and modest small business growth in a time when other areas are losing business.

### 2012 Budget

Specifically this is what the budget includes:

#### Public Safety First:

\$220,000 is dedicated to Mukilteo's participation in a new countywide Police and Fire Communications System that will break through political and jurisdictional barriers to reduce costs, share resources, improve communication, and better serve all of us. Mukilteo will join with two 911 Centers and 52 public safety agencies in one coordinated effort.

\$630,000 (financed by an Interfund loan payable over 5 years) for a new fire pumper which will join a new, state of the art \$177,000 medical aid car that will join our emergency response team.

\$25,000 (first of three payments) to provide all of our professional paramedics and firefighters with personal protective clothing designed to protect them from serious injuries or illnesses resulting from contact with chemical, radiological, physical, electrical, mechanical or other hazards.

\$80,000 to complete design of the commuter and recreational bike path on SR 526 linking to Boeing. A completed design will make the City be more competitive when applying for construction grants.

#### Maintaining Our Public investment

\$150,000 to finance our efforts to Keep Paine Field dedicated and available for aeronautics and to keep commercial air service out.

\$350,000 for street pavement preservation. This is the sixth of a ten year plan to chip seal all of Mukilteo's 60 miles of streets. This year the Goat Trail area will be chip sealed to rejuvenate and protect our investment in safe streets.

\$130,000 (contingent on receipt of a \$65,000 grant) to install a sidewalk on 76<sup>th</sup> Street creating a safe walking path from home to school for our children.

#### Rosehill Bond Payments.

The third bond payment of \$905,000 paid with Real Estate Excise Tax funds, leaving \$3.7 million available to pay for future bond payments. The current budget, long range financial plan and my personal commitment remain steadfast: paying off Rosehill's bond will only use REET revenues and no General Fund (property tax) dollars.

#### Protecting Our Environment

\$522,000 (partially funded with an awarded grant funds) to complete improvements to the Big Gulch Trail resulting in a 2 mile looped trail through Big Gulch to 92<sup>nd</sup> St Park.

\$125,000 to finance 1-3 rain gardens or gravel galleries within the Smuggler's Gulch watershed (44<sup>th</sup> to the Speedway) to manage the stormwater and protect property and enhance the Gulch ecology.

\$250,000 to repair, replace and reinforce failing sidewalk, culverts and roads on 61<sup>st</sup> and 92<sup>nd</sup> Streets.

Dedicating City staff equipment and supplies to help volunteers finish and open the Mukilteo Dog Park in Japanese Gulch

Beyond the projects listed above, the budget provides funds for staff, equipment and supplies to provide the day to day quality services you expect. I have organized and guided City staff to use existing resources to encourage new and existing business expansion.

Specifically,

- Staff will continue to reach out and meet existing and potential businesses and facilitate their development permitting and help them resolve unintended roadblocks to their business success.
- We will continue to reach out specifically to aeronautics companies to help them expand in Mukilteo and to seek other companies that should be in Mukilteo.
- We will work in partnership with the Economic Alliance of Snohomish County to encourage and help business and this budget provides \$20,000 as a partner in aeronautics development;
- We will continue to fund the Mukilteo Chamber of Commerce efforts to help recruit and retain retail businesses in Mukilteo.
- I and the City Council will travel as much as need to Olympia to fight for legislation and programs that will help bring aeronautics jobs to Mukilteo and Paine Field area;
- This budget provides funds for Federal advocacy for Mukilteo projects that will facilitate the transfer of the tank farm and the development of an expanded modern NOAA facility with family wage jobs, education opportunities for our students and serves as a magnet for tourists.
- Staff will implement (a Council approved) parking management plan for Lighthouse Park and the Waterfront

- Staff will work to encourage use of available Rosehill meeting rooms to bring business gatherings to fill our hotels and bed and breakfast lodgings while also providing new customers for our restaurants which in turn will generate sales taxes to pay for basic public safety services.

### Taxes and Fees

My 2012 budget recognizes that the economy's recovery is expected to continue improving slowly. We are experiencing growth in restaurant and retail sales and significant increase in lodging tax revenues. Property values have declined by 9.4% (less than surrounding communities) which contributes to lower emergency medical levy revenues. The budget includes a request for a 2% utility tax on water and sewer services.

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 2011 budget had a 8.2 % 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 2012 budget includes a 3.35 % gap (defined as moderate) which requires a plan to reach a watch gap within 12 months.

### Reduction of Reserves

In accordance with the City's Fund Balance Reserve Policy, the 2012 (and preliminary plans for 2013 and 2014) 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 2012, the projected General Fund reserve will equal 31 % of expenditures. The General Fund Reserve continues to provide the City with a "safety net" to weather the continued economic downturn.

### The 2012 Budget

In 2011, total estimated revenues were \$20.3 million total estimated expenditures were \$25.2 million.

(\$6.8 million was spent on Rosehill in 2010 and \$3.3 million is estimated to complete Rosehill in 2011).

In 2012, total budgeted revenues are \$12.9 million and total budgeted expenditures are estimated at \$13.3 million.

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 \$4,100,000.

*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 like the past six budgets is a team effort to assemble a financial and operational plan to protect Mukilteo as a wonderful place to live and work. My top priority continues to be 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.

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**

<b>Budget Book Page Number</b>	<b>Description</b>	<b>Cash Increase (Decrease)</b>
<b>GENERAL FUND</b>		
Amended Item	Add 2% of Property Tax "Banked Capacity"	\$91,116
Amended Item	Reduce both Water & Sewer Utility Taxes from 2% to 1%	(\$89,300)
39	Reduce General Fund Transfer to Recreational & Cultural Services Fund	\$20,000
93	Remove Decision Package for New Fire Pumper Truck	\$96,000
New Item	Council Retreat	(\$5,000)
New Item	New World Equipment <sup>1</sup>	(\$14,320)
New Item	Sustainability	(\$10,000)
New Item	Increase Travel & Training	(\$4,000)
	Net Increase to General Fund Ending Cash	<u>\$84,496</u>
<b>RECREATION &amp; CULTURAL SERVICES FUND</b>		
147	Reduce General Fund Transfer to Recreation & Cultural Services Fund	(\$20,000)
	Net Decrease to Recreation & Cultural Services Fund Ending Cash	<u>(\$20,000)</u>
<b>TECHNOLOGY REPLACEMENT FUND</b>		
New Item	New World Equipment <sup>1</sup>	(\$38,812)
	Net Decrease to Technology Replacement Fund Ending Cash	<u>(\$38,812)</u>
<b>EMERGENCY MEDICAL SERVICES FUND</b>		
93	Remove Decision Package for New Fire Pumper Truck	\$32,000
New Item	New World Equipment <sup>1</sup>	(\$4,688)
	Net Increase in Emergency Medical Services Fund Ending Cash	<u>\$27,312</u>
<b>REAL ESTATE EXCISE TAX 1 FUND</b>		
183	Remove Capital Decision Package for New Park Clean Up	\$50,500
	Net Increase in Real Estate Excise Tax I Fund Ending Cash	<u>\$50,500</u>
<b>SURFACE WATER MANAGEMENT FUND</b>		
New Item	Water Shed project with \$75,000 DOE Grant	(\$25,000)
	Net Decrease in Surface Water Management Fund Ending Cash	<u>(\$25,000)</u>
<b>EQUIPMENT REPLACEMENT RESERVE FUND</b>		
93	Remove Decision Package for New Fire Pumper Truck Loan Repayment	(\$128,000)
	Net Decrease in Equipment Replacement Reserve Fund Ending Cash	<u>(\$128,000)</u>
<b>Net Increase (Decrease) All Funds</b>		<b><u>(\$49,504)</u></b>

<sup>1</sup> \$57,820 New World Equipment Decision Package is allocated to General, Technology & EMS Funds



## 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. Three 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 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 2011 “100 Best Places to Live in America” ranking. Money magazine ranked Mukilteo as the ninth Best Place to Live in America, stating: “As West Coast towns go, Mukilteo (pronounced MUCK-ill-TEE-oh) is in good economic shape. Bank-owned homes represent a small fraction of houses on the market, and area employers, including Boeing, are hiring again. It has affordable homes by Seattle standards, good schools, and a killer location right on Puget Sound. And the town is spending to beef up its attractions: A new 29,000-square-foot community center debuted in February, and historic Lighthouse Park recently got a makeover.”

Mukilteo Lighthouse Park is the home of the historic Mukilteo Light Station. The former US Coast Guard station was leased to the City in 2001 and the former Washington State Park was deeded to the City in 2003. The park’s beautiful beaches are popular for beach-combing, picnicking, scuba diving, crabbing, concerts and festivals, and provide boat-launch access as well. 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 2008, providing new restrooms and maintenance facilities, covered picnic shelters, a playground, fire pits, landscaping improvements, expanded parking area, and replacement of a backshore berm with native vegetation. Two grants were obtained and matched by City funds for these improvements. Phase II was completed in 2010, and includes accessibility improvements to the street adjacent to and into the Mukilteo Light Station, and a second restroom facility using a third grant and matching funds. The next phase in 2011 created a covered band shell and grass seating area for performances using a fourth grant. Later in 2011 a fifth grant was awarded for the boat launch float replacement and for paving the parking lot. Future phases are on hold until the WA State Ferries decides on the location of an improved terminal.

The Mukilteo-to-Clinton (Whidbey Island) ferry service is one of Washington State Ferries’ highest volume runs, carrying over 2 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 950 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;
- Good financial policies and practices; and
- 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. The City also owns 57.5 acres of parks, 374.03 acres of open space, and 83.6 acres of tideland.

The City celebrated the grand opening of the Community Center on February 5<sup>th</sup> 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>.

Additional miscellaneous statistics and information about the City can be found on pages 238 - 239.

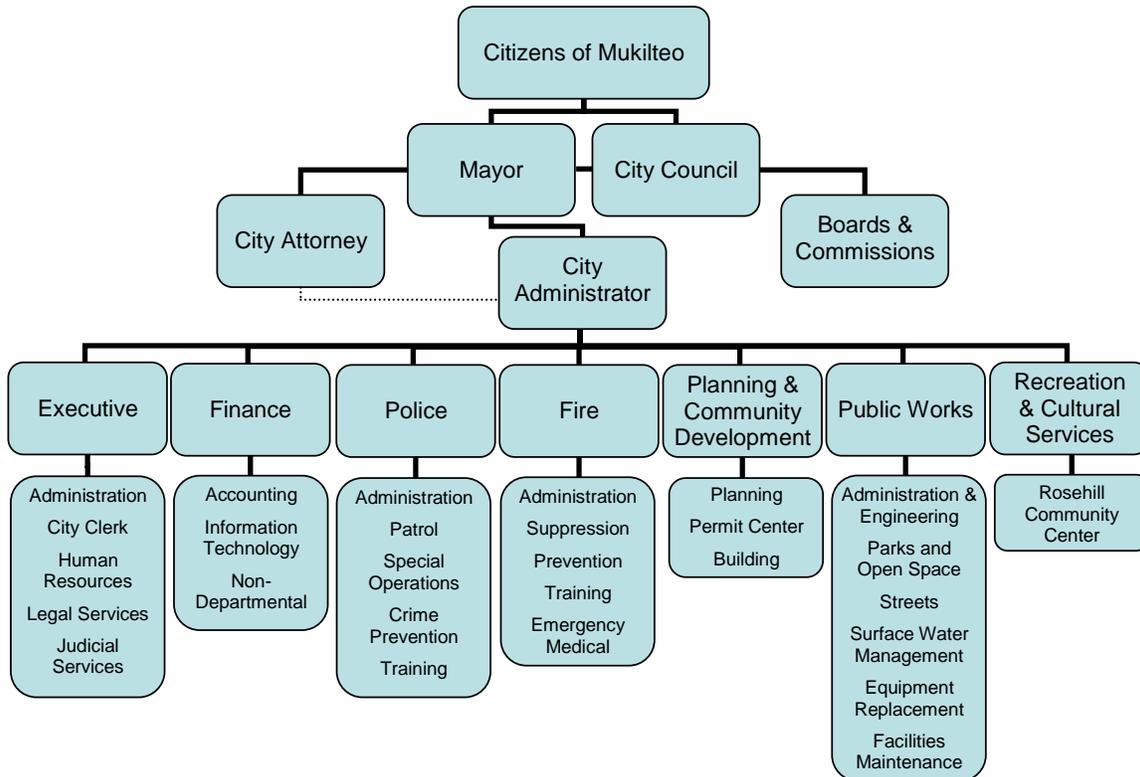
**Form of Government**

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.

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.

## City of Mukilteo Organizational Structure



The **City Council** 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, City Clerk, Human Resources, Legal and Judicial 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**, headed by the Finance Director, provides accountability for all public funds and assets. The department is responsible for accurate recording and reporting of all receipts and disbursements, maintaining capital asset records, preparing the annual budget, annual financial report, and long-range financial plan. This department is also responsible for all City-wide information technology (IT) needs and other governmental services.



The **Fire Department** has two fire stations: one centrally located on 47<sup>th</sup> 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.

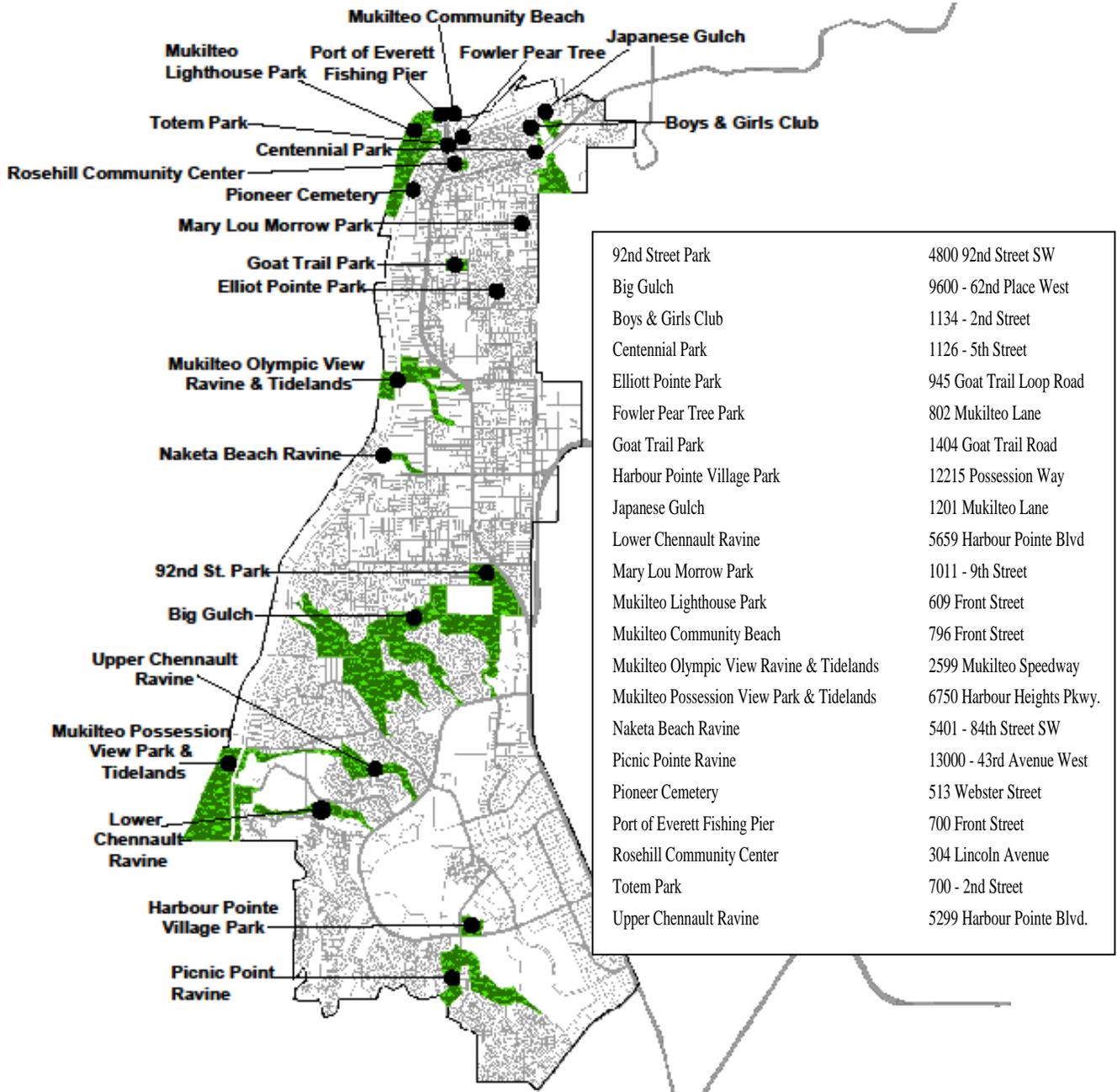
The **Police Department** enforces local, State and Federal laws in addition to protecting citizens and their property. The Police Department is located in a separate facility on 47<sup>th</sup> Pl W. The department, headed by a Police Chief and assisted by a Commander, consists of five divisions. The 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 cashiering. 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.

## City of Mukilteo Public Parks, Open Space and Recreational Facilities





Lighthouse Park and the Mukilteo/Clinton Ferry with Whidbey Island in the distance.

## 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 2012 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](http://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 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.	Baseline budget preparation	June/July
	A. Departmental budgets updated	
	B. Employee salaries and benefits updated	
	C. Central service charges updated	
IV.	Budget instructions & Council priorities delivered to department directors	July
	A. Staff request their respective Commissions to submit budget suggestions	
V.	Commission & committee budgets submitted	August
VI.	Council Workshop - internal service (IT, Facilities & Equipment) rates	August
VII.	Departments submit budget requests with departmental objectives	August/September
	A. Year-end expense estimates submitted	
	B. Decision packages submitted	
	C. Revenue projections - department revisions submitted	
VIII.	Preliminary budget preparation	September
	A. Department director meetings with budget committee	
	B. Budget balancing	
IX.	Mayor's Budget Address	October
	A. Preliminary budget presented to Council, citizens.	
X.	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
XI.	Property Tax Hearing & Adoption	November

## **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.

**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.

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## BUDGET AND FINANCIAL POLICIES

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

### **Balanced Budget**

A balanced budget is one where operating revenues and sources equal or exceed operating expenditures and uses. In compliance with state law, the City's 2012 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 2012 budget are addressed in further detail in the Long Range Financial Plan Financial Forecast section beginning on page 56.

### **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 99.

## 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 Budgets<sup>1</sup> – Overall

- a) The budget should be a performance<sup>2</sup>, 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.
- g) 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.<sup>3</sup>
- 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.

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

<sup>2</sup>The 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 2012.

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

- 3) Revenues
  - a) Generally revenues estimates shall not assume growth rates in excess of inflation<sup>4</sup> 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.
- 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.

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

- 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 & Procedures<sup>5</sup> 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.
    - 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.

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

- 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 issued<sup>6</sup> 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%).

<sup>6</sup>In 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 114 for further information regarding debt service funds.

## 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.

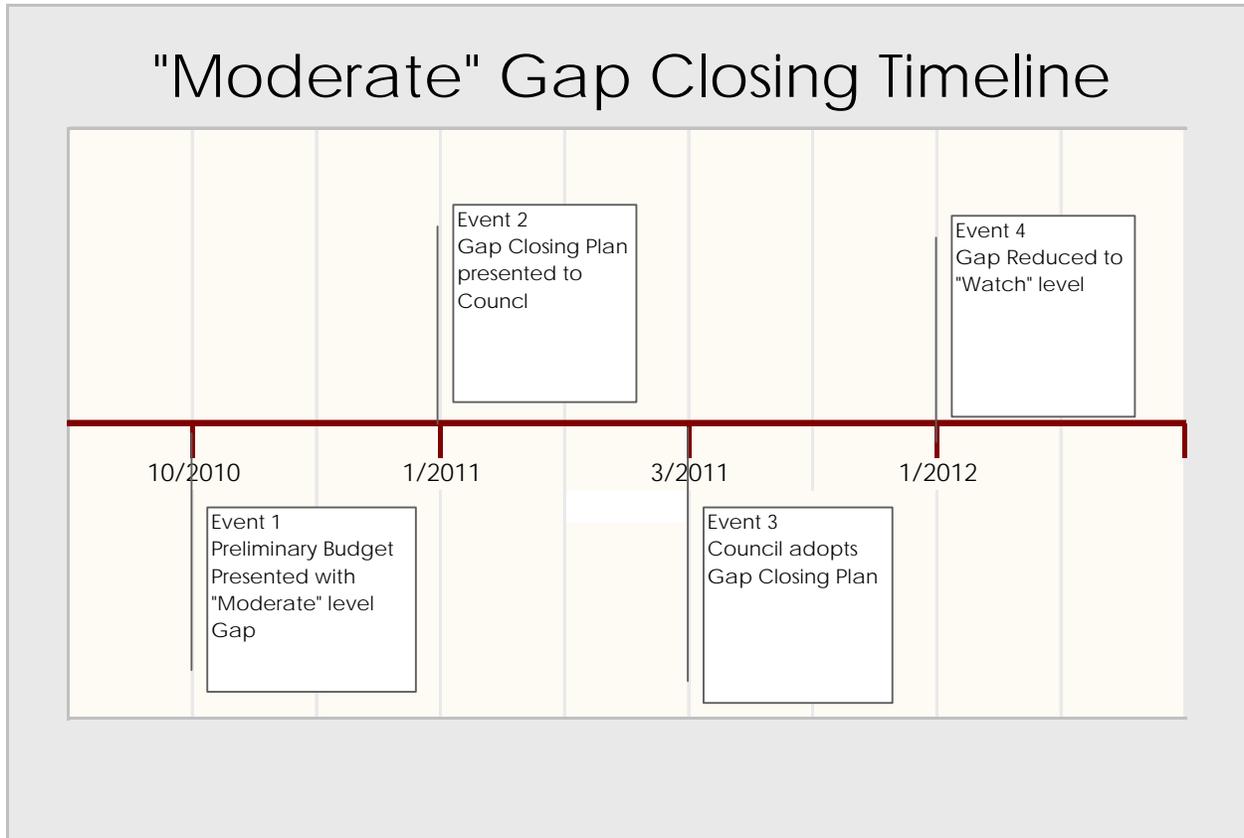
### **D. Gap Closing Strategy**

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.

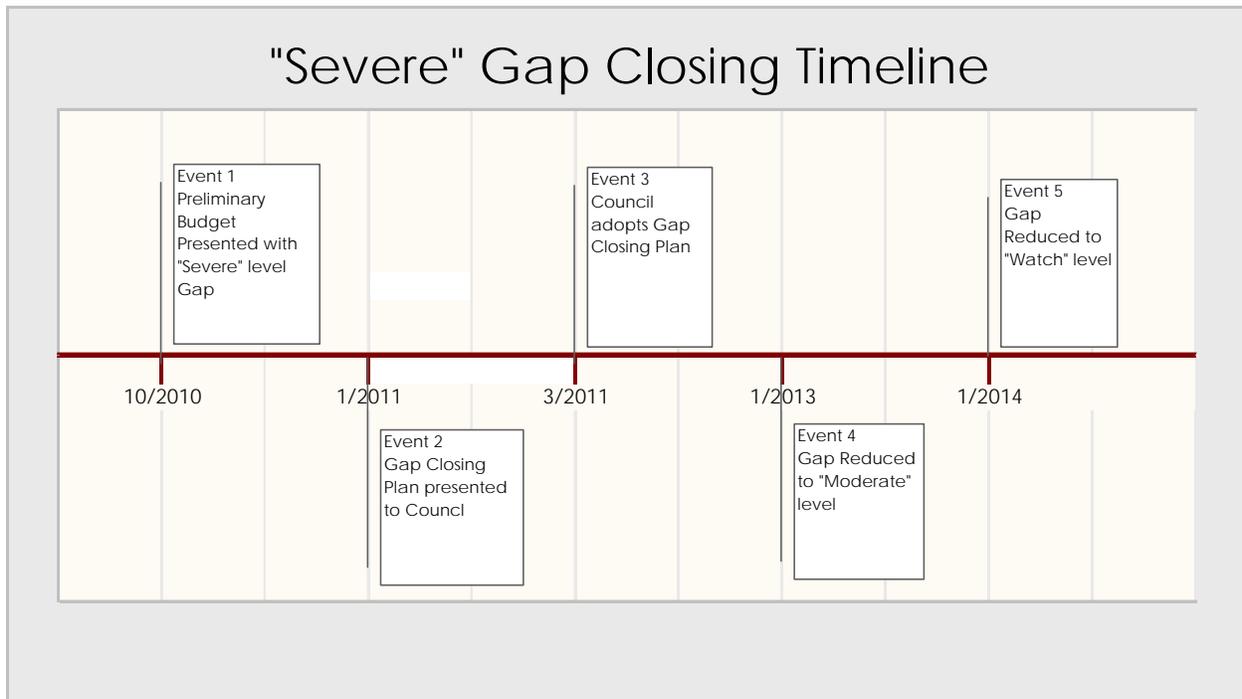
- Moderate – The Mayor or Mayor’s designee has to present a Gap Closing Plan to Council within three months of Finance Director’s initial Gap report indicating that a “Moderate” Gap is anticipated within one of the next three years. The plan must include details explaining how the City will move the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

## 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 received 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

### Executive Summary

The City's inaugural Long-Range Financial Plan (LRFP) covers the General Fund. The LRFP is a planning tool designed to assist the Mayor and City Council with their strategic decisions on the City's financial sustainability. The foundation of the LRFP is built from the Financial Trend Analysis, Financial Forecast and the City's financial policies.

The financial plan begins by reviewing the City's financial position utilizing a *Financial Trend Analysis* to examine five-year trend data. The analysis identifies specific areas where new policies should be implemented or if existing policies need revision. The analysis also acts as a guide to the budget development process to implement actions to reverse negative trends and improve the fiscal health of the City.

The results of the *Financial Forecast* indicate General Fund revenues are anticipated to steadily increase an average of 0.6% and expenditures are projected to increase at an average rate of 1.0% over the next 4 year period. In 2011 the General Fund ending fund balance equaled 36% of 2011 total expenditures and the 2014 ending fund balance is projected to equal 25% of 2014 expenditures.

The projected negative operating position is due to the slow economic recovery locally and nationally. Forecasted expenditures show an increase due to the assumptions built into the forecast to maintain the current level of services. In order to gain a positive operating position, operating expenditures must be reduced and/or new sources of revenue must be secured during the forecast period.

The *Gap Closing Policy* summarizes the City's General Fund's funding gap and makes recommendations for closing the "gap." The *Policy* identifies potential revenue enhancements for further consideration by City Council. Revenue enhancement opportunities include levying the annual 1% property tax increase, utilizing the City's "banked" property tax, and levying a water and sewer utility tax.

The 2011 Long Range Financial Plan shows that the City will be financially positioned to continue offering our current levels of services through 2014. Our reserve position continues to be strong with the City Reserve fully funded at \$1 million and the General Fund ending fund balance exceeding *City Fund Balance Policy* target balance of 16.67% by over 8% in 2014. The City's AAA bond rating from Standard & Poor's attests to our current excellent financial position which we will strive to maintain.

During 2012, the LRFP will be updated to include capital projects and the City's financial philosophy beyond the current projections.

## Long-range Financial Planning Team

### Core Team

- Citizens
  - Russell Rosendal
  - Ted Wheeler
  - Vic Bursell
- 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 & Long-range Financial Planning 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. The Capital Projects Team will assist in drafting these plans and will help integrate these plans into the long-range financial plan.

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

## 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.

## Issues & Objectives

The following is a list of Long-Range Financial Planning objectives:

### **Financial Trend Analysis**

*Objective:* Conduct an analysis of the City's fiscal health as part of the development of the City's Long-range Financial Plan. This analysis primarily focuses on the General Fund, the City's main operating fund.

### **Gap Closing Plan**

*Objective:* Write, implement and monitor the Gap Closing Plan to make sure that the City meets the financial demands of the community, while ensuring that future resources can sustain on-going operations.

### **Reserve Analysis**

*Objective:* Analyze and recommend appropriate levels of reserves to (a) to provide for the needs of each fund, (b) meet fund needs without unnecessarily obligating scarce dollar resources and (c) insure compliance with City financial policies and State, County and City Laws or Ordinances.

### **Financial Policy**

*Objective:* Review City financial policies to determine if new policies and changes, additions or deletions to current policies are necessary.

## **Potential/Future Issues**

The following are items that should be considered and incorporated in subsequent updates to the City's Long-Range Financial Plan:

### **Regional Fire Authority's Financial Impacts**

*Objective:* Study the financial impact of the City joining a Regional Fire Authority (RFA). A RFA would potentially combine fire and emergency medical services of the cities and fire districts listed below:

City of Brier	City of Mukilteo
City of Edmonds	Town of Woodway
City of Lynnwood	Fire District #1
City of Mill Creek	Fire District 7
City of Mountlake Terrace	

### **Capital Project Analysis**

*Objective:* Provide a summary of significant capital projects on the horizon as part of the continuing development of the City. This analysis will review the funding status of the existing projects as well as future projected funding sources, and attempt to determine the timing of the projects in connection with the City's current and future financial resources. The analysis will include Real Estate Excise Tax Fund's contribution to debt service payments for the New Community Center bonds. The analysis would also consider the funding requirements to maintain or redevelop the City's current infrastructure.

### **Rosehill Financial Operating Analysis**

*Objective:* Analyze the Community Center's financial performance and ability to provide funding to support the expanded community center operations and recommend General Fund funding level.

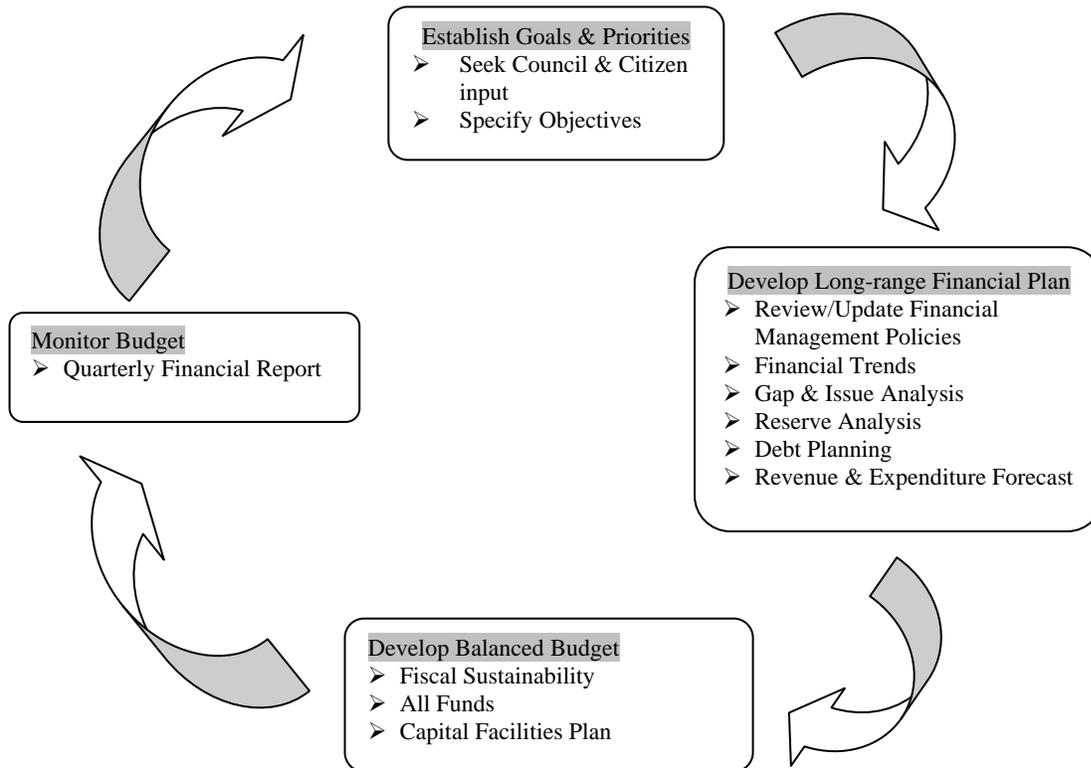
**Equipment Replacement**

*Objective:* (a) Conduct review of existing Replacement Schedule, (b) Create Replacement Policy

**Debt Analysis**

*Objective:* (a) Conduct a review of existing debt, (b) Review long-range financing guidelines, (c) Determine revenue sources for debt service and repayment, and (d) Recommend alternatives to fund major capital programs.

**Long-range Financial Plan Cycle**



***The LRFP is a Financial Strategic Plan***

The City of Mukilteo Long-range Financial Planning Team, at Council direction, is to prepare a comprehensive Long-range Financial Plan (LRFP). The LRFP is intended to serve as a tool, providing Council and citizens with the insight required to address issues impacting the City’s financial condition. The LRFP should consist of a complete financial plan with an issue and objectives section which provides supporting documents used in developing a strategic plan after a thorough analysis of all issues that impact the City’s financial condition.

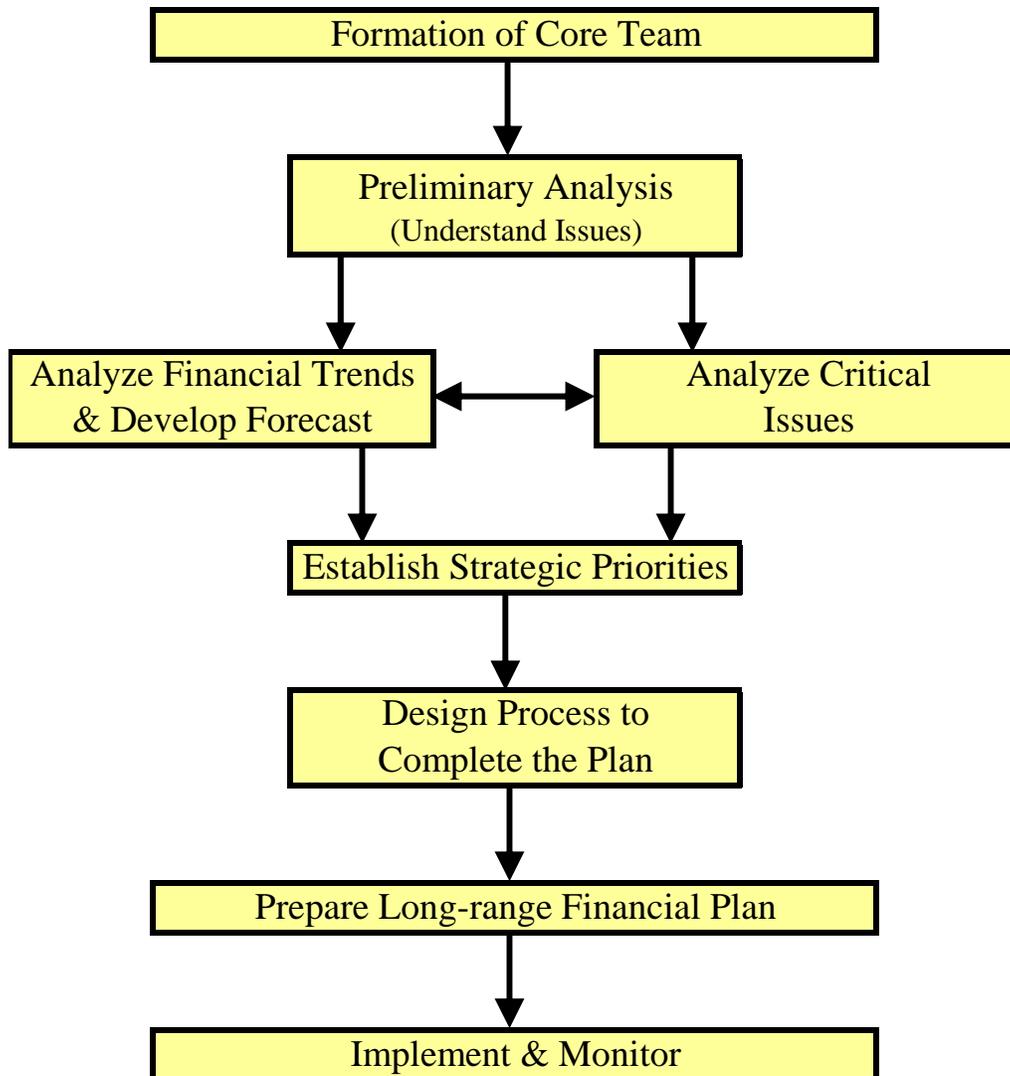
***Roles & Responsibilities:***

With input from citizens, City Council sets goals & priorities. Staff (1) relies on these goals & priorities to develop the LRFP, for Council to adopt; (2) utilizes the LRFP as part of the budget development process; (3) then provides Council semi-annual reports on progress.

## Long-range Financial Plan Development Process

The flow chart below graphically presents a development process the LRFP Team can follow.

### Planning Process



## Long-Range Financial Plan Review

This document represents the City’s inaugural Long-Range Financial Plan (LRFP). Each subsequent year hereafter, the LRFP will be reviewed twice a year and updated as necessary to keep the plan current and focused on financial and organizational issues facing the City.

The following list is intended to accomplish two purposes:

- 1) identify sections of the LRFP that should be updated every year; and
- 2) identify issues that should be considered during future LRFP updates.

<b>Financial Trend Analysis</b>	<b>Status</b>
Analyze financial trends and indicators impacting the City’s financial health. (Please note: The financial trend analysis that follows initially focuses on the City’s General Fund)	<i>Financial Trend Analysis</i> is complete
<b>Financial Forecast</b>	<b>Status</b>
To update the General Fund four-year financial forecast, incorporating adopted City fiscal policies, expenditure patterns, revenue trends, fund balances and other known financial impacts. (Please note: The financial forecast that follows initially focuses on the City’s General Fund)	<i>Financial Forecast</i> is complete
<b>Reserve Analysis</b>	<b>Status</b>
To analyze and recommend appropriate levels of reserves to (a) ensure that they are adequate to provide for the needs of each fund program; (b) meet program needs without unnecessarily obligating scarce dollar resources; and, (c) to ensure compliance with City fiscal policies and legal requirements by State, County or Local Ordinances.	<u>Contingency Fund</u> The City will maintain a Contingency Fund and shall maintain a reserve equal to \$1,000,000. <u>General Fund Operating Reserves</u> The City will maintain a cash flow reserve within the General Fund in an amount equal to two months of budgeted operating expenditures. <u>Hotel/Motel Lodging Tax Reserves</u> The City will maintain a cash flow reserve within the Hotel/Motel Lodging Tax Fund in an amount equal to one prior complete year’s revenues in ending fund balance. <u>Technology Replacement Reserves</u> The required level of reserve will equal each subsequent year’s scheduled replacement costs.

<b>Reserve Analysis, Continued</b>	<p><u>Health Self-Insured Administration Reserves</u> The City will maintain a reserve in an amount equal to 16 weeks of budgeted expenses.</p> <p><u>Equipment and Vehicle Replacement Reserves</u> The required level of reserve will equal each subsequent year's scheduled replacement costs.</p> <p><u>Surface Water Utility Fund Reserve</u> The City shall maintain an operating reserve within the Surface Water Utility Fund an amount equal to no less than 20% of budgeted operating revenues.</p>
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<b>Fiscal Policy</b>	<b>Status</b>
Review the City's adopted fiscal policies to determine if changes, additions, deletions or new policies are necessary.	<p>Adopted <u>General Budget Policy</u> on which staff develops budget recommendations and establishes funding priorities within the limited revenues the City has available to provide municipal services.</p> <p>Adopted <u>Gap Closing Policy</u>. 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.</p>

## Financial Trend Analysis

### Objective

The purpose of the financial trend analysis is to provide, City of Mukilteo residents, elected City Officials and Management, a tool to analyze indicators impacting the City’s financial health. Please note: The financial trend analysis that follows initially focuses on the City’s General Fund and subsequent Team meetings will expand the financial trend analysis to include the City’s remaining funds.

### 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:

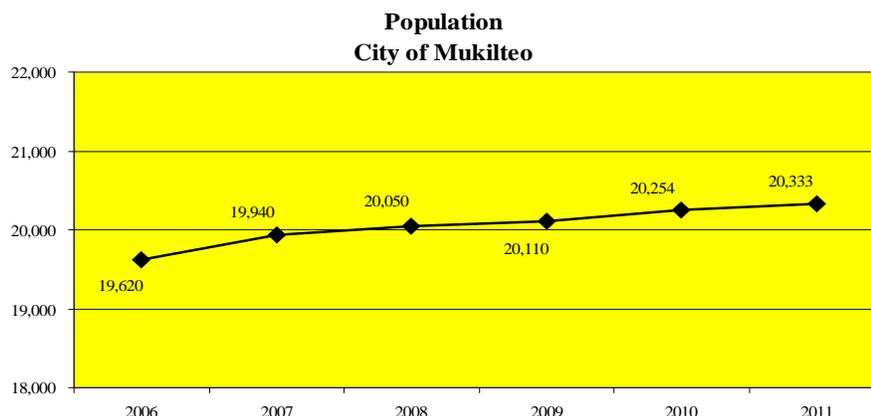
- 1) Population trend
- 2) Historical revenue and expenditures trends analysis
  - a) Examine the types and amounts of General Fund revenues. Are they sufficient and does the City have the right mix to support the demands as the City grows
  - b) Examine General Fund expenditure levels. Are these expenditures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

This report examines these trends and others to help us determine the current financial condition of the City of Mukilteo.

### 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.

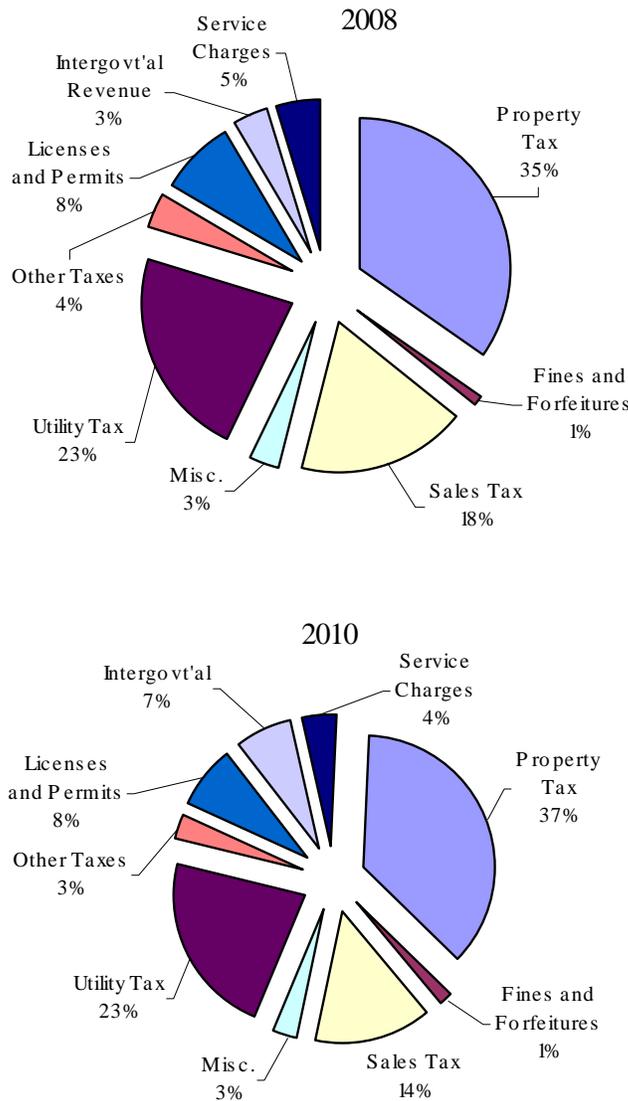
### City of Mukilteo Population



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. With the City nearing build out, this slow growth will be expected in the years to come, that also signals that the City should plan for less development related revenues in future years.

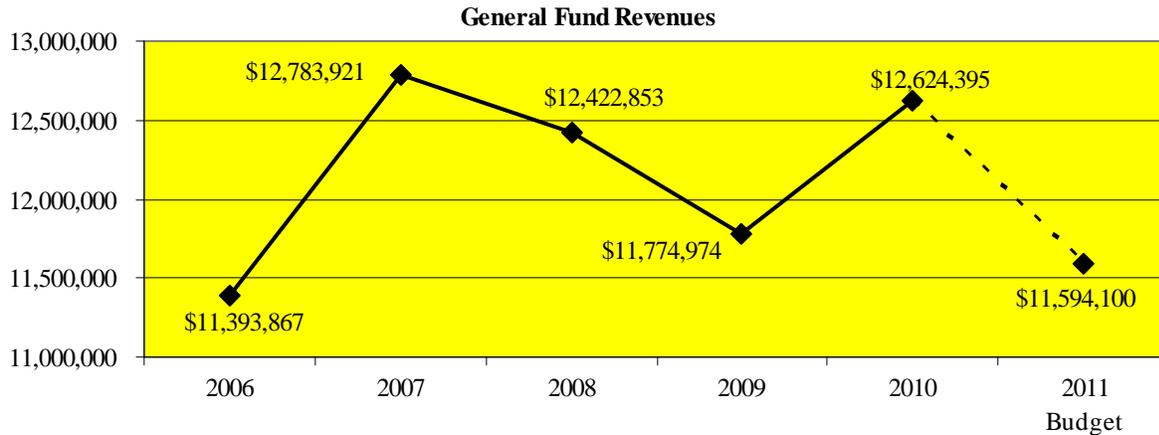
## Revenue Trend Analysis

**Comparison of Revenues by Source  
FY 2008 vs. FY 2010**

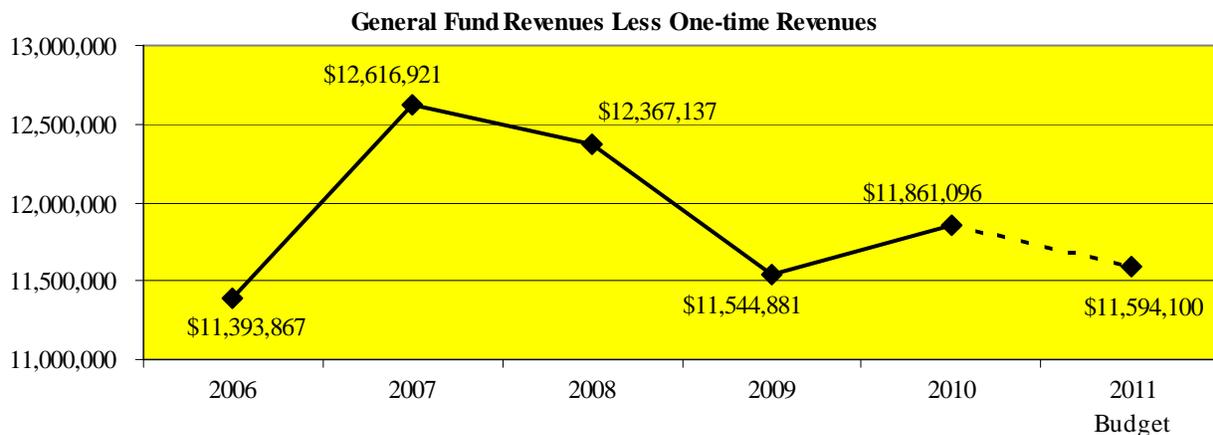


Comments: These charts show revenue categories as a percent of total revenues to give the reader information on movement of revenues between categories. Sales Tax and Intergovernmental revenues experienced the largest changes from 2008 to 2010. 2010 Sales Tax revenues declined \$508,000 as a result of the Great Recession and grant revenues increased \$462,000 helping Intergovernmental revenues grow 4% over 2008 levels. The other sources of revenues remained somewhat stable over this two year comparison.

**Revenues:** The graph below may lead the reader to believe that the 2011 Budget is overtly conservative, since 2010 revenues exceeded those of 2008 & 2009 and give the appearance that the General Fund revenue’s two year old skid has ended. However, the 2010 revenues include several unique sources that are “one-time” type of revenues and should be removed to give the reader a more accurate view of the City’s revenue performance.

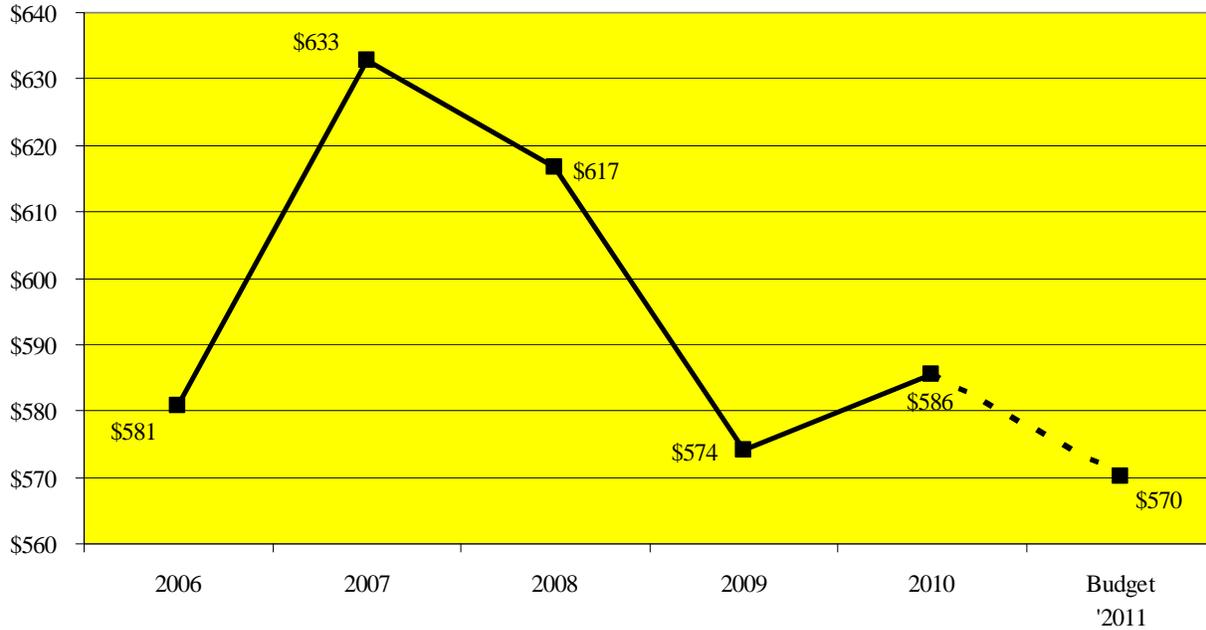


**“One-time” Revenues:** One-time revenues primarily consist of grants and reimbursement from other agencies. The chart below removes all such revenues for all years. In 2010, the City received \$763,299 in one-time revenues: \$292,506 from the Port of Everett to reimburse the City for the Quiet Zone expenses, \$127,835 from a Homeland Security Grant, \$138,000 in Property Taxes from a foreclosure settlement, \$131,958 from an Interfund transfer and \$73,000 from Sales Taxes generated through City funded projects. 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.



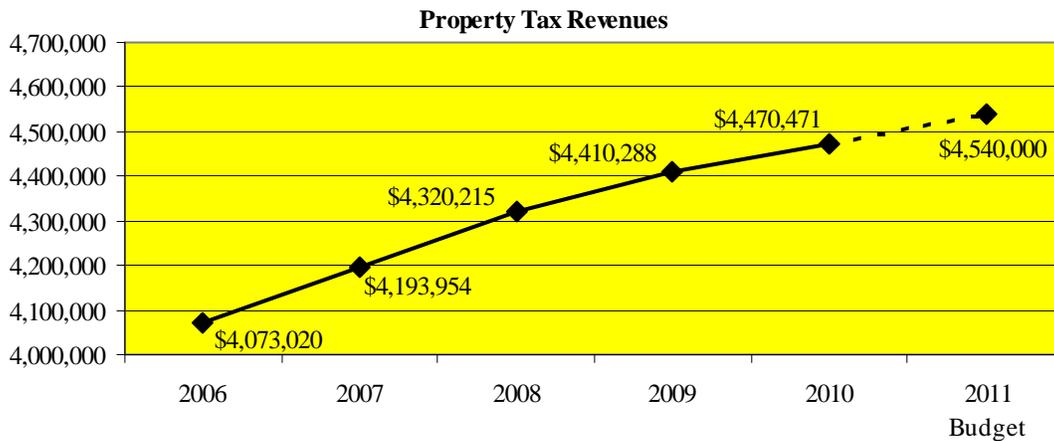
**Comments:** With the “one-time” revenues removed, 2010 revenues out-performed 2009 by 2.7% or \$316,000. The strong upward tick for 2010 needs to be looked at closely to more fully understand why such a dramatic turn occurred during an economy that is gaining strength at a much lower pace than this graph appears to indicate.

### Revenues Per Capita: Excluding One-Time Revenues



Comments: In 2008, development related revenues declined \$216,000 and interest earnings dropped \$202,000 from 2007 levels. 2009 Sales tax revenues decreased \$536,000 from 2008 levels. With “one-time” revenues removed, the dramatic declines of 2008 and 2009 ended and significantly increased in 2010.

### Property Tax Revenues



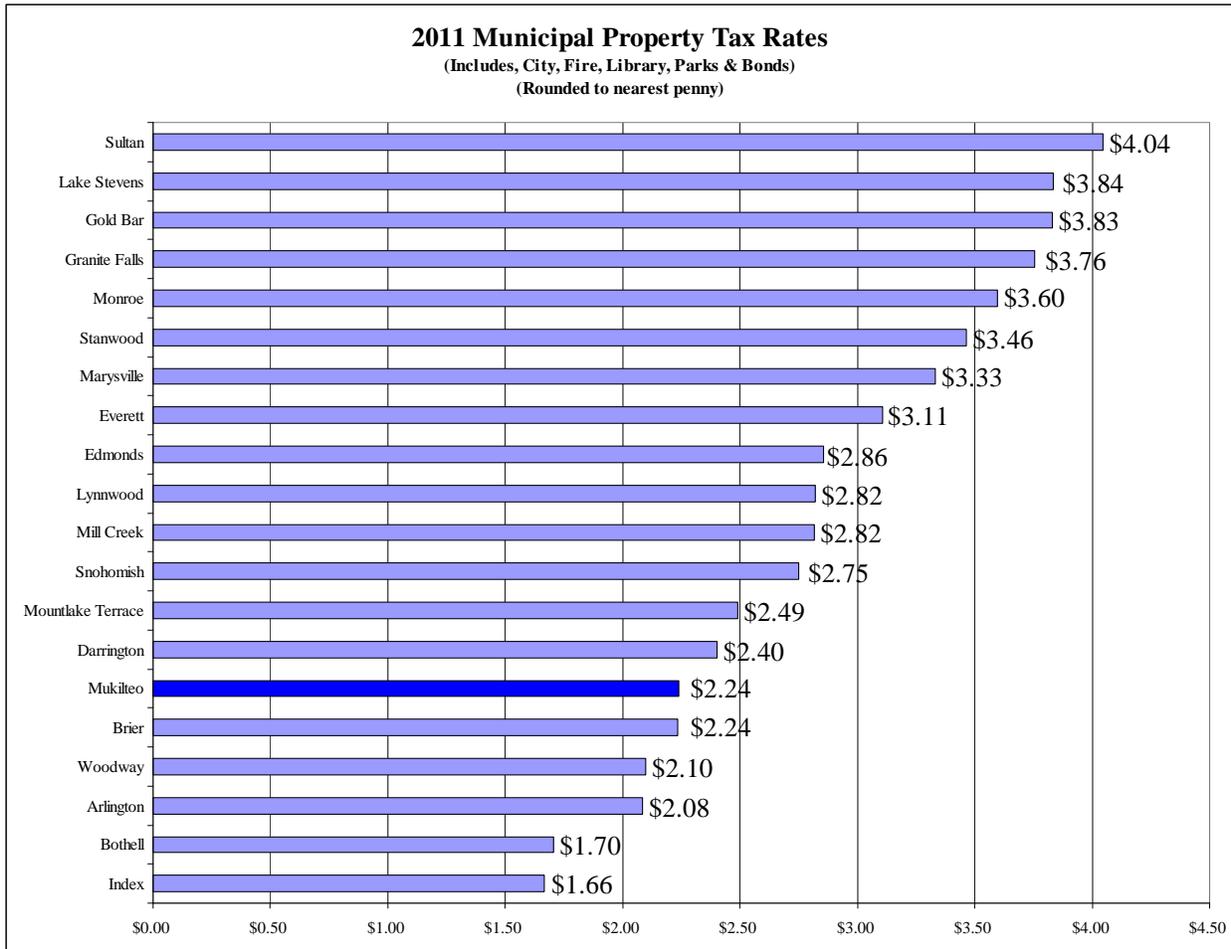
Comments: In 2010, the City received \$138,000 from settlement of a foreclosure. With this settlement removed from the total, the chart above gives the reader more accurate picture of real growth in property taxes.

With the exception of the City opting to take 1% property tax increases in 2006 for \$43,300, 2009 for \$43,364 and 2011 for \$44,800, the remaining increases were due to new construction.

**How does City of Mukilteo 2011 property tax rates compare to other cities in Snohomish County?**

We tie with Brier for fifth lowest in the County. The low property tax rate conveys that:

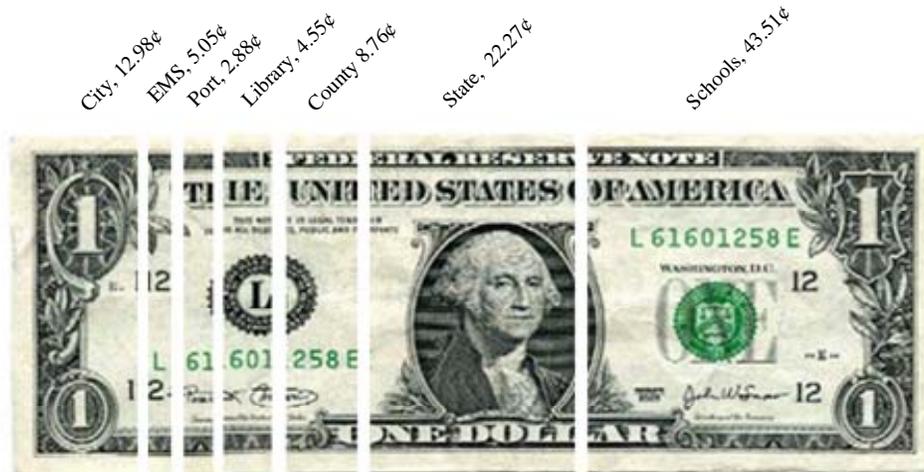
- Citizens are getting a bargain for living in Mukilteo
- Mayor, Council & staff are effectively managing City resources by keeping tax rates low



### Distribution of Property Tax Dollars

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

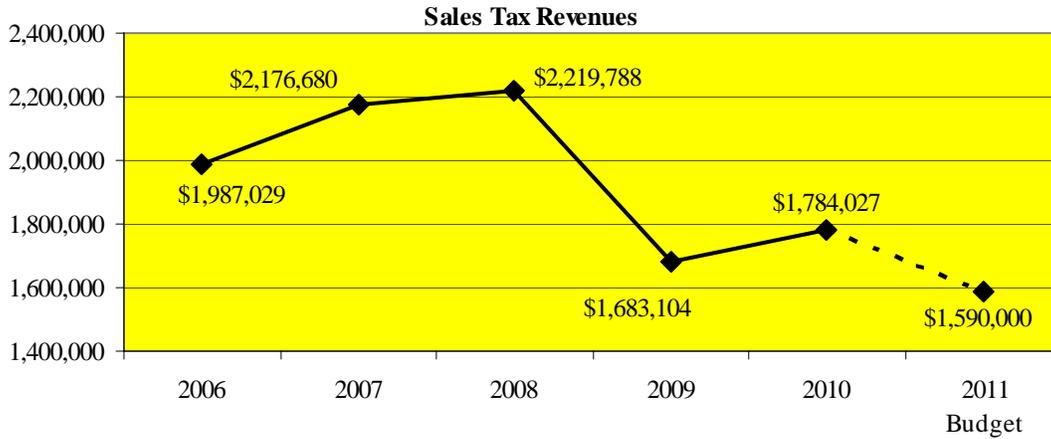
#### Where Do Property Tax Dollars Go?



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.

Source: Snohomish County Assessor's Annual Reports for Taxes

### Sales Tax Revenues



Comments: 2010 sales tax revenues increased 6% or \$100,923 over 2009 revenues. However, \$73,000 of this increase was attributed to sales tax collected from city funded construction projects.

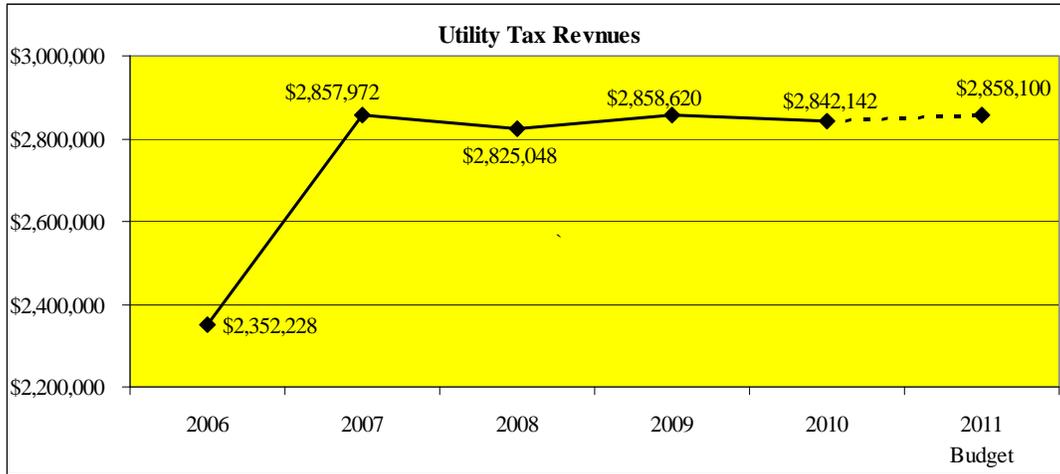
### Distribution of Sales Tax Dollars

Collected sales tax revenues are distributed to various taxing authorities. The graph below visually demonstrates the allocation of collected sales tax revenues for 2011:

#### Where Do Sales Tax Dollars Go?



### Utility Tax Revenues



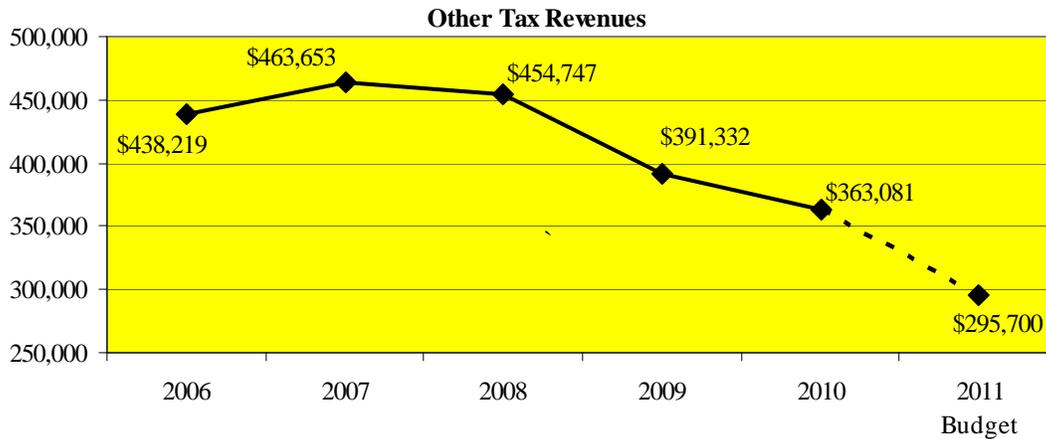
Comments: Utility taxes continue to be a very stable source of revenue for the City during recession and the ongoing recovery.

The chart below provides a breakout by utility to give you additional perspective of each utilities trend.

Utilities Taxes						
	2006	2007	2008	2009	2010	2011 Budget
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
Storm Drainage	\$66,598	\$79,966	\$77,087	\$77,367	\$78,339	\$78,300
<b>Total</b>	<b>\$2,352,228</b>	<b>\$2,857,972</b>	<b>\$2,825,048</b>	<b>\$2,858,620</b>	<b>\$2,842,142</b>	<b>\$2,858,100</b>

**Other Taxes**

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



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:

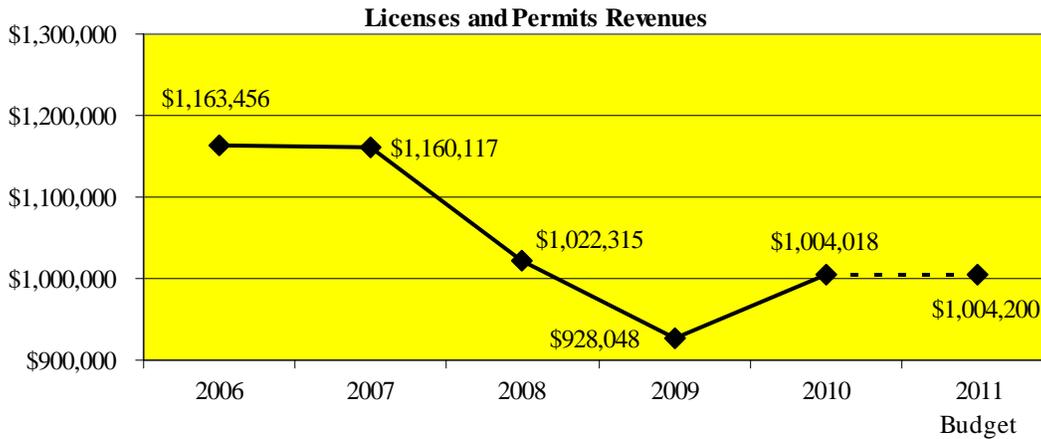
- 1) Diamond Parking lost their contract in May of 2010 when the City took over leasing parking spaces within the City, which explains the drop in parking revenues in 2010.
- 2) Gambling taxes came from an establishment that was closed in 2008 to make way for Washington State ferry lanes.

Other Taxes						
	2006	2007	2008	2009	2010	2011 Budget
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. It is anticipated that building permit revenues will not return to 2007 levels due to foreclosure inventories and the City nearing “build out.”

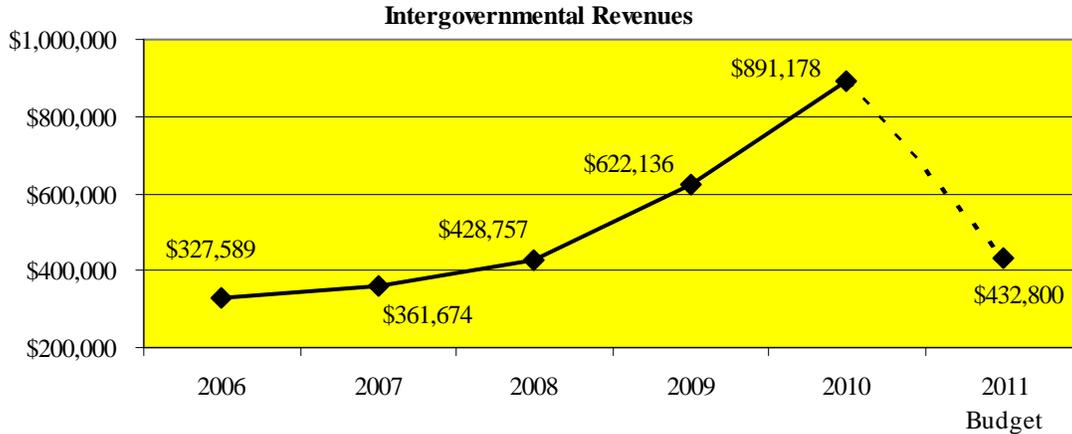
In 2008, City staff started a process of determining the costs of issuing permits and the related follow-up plan and building inspections.

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 Budget
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
<b>Total</b>	<b>\$1,163,456</b>	<b>\$1,160,117</b>	<b>\$1,022,315</b>	<b>\$928,048</b>	<b>\$1,004,018</b>	<b>\$1,004,200</b>

**Intergovernmental Revenues**

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



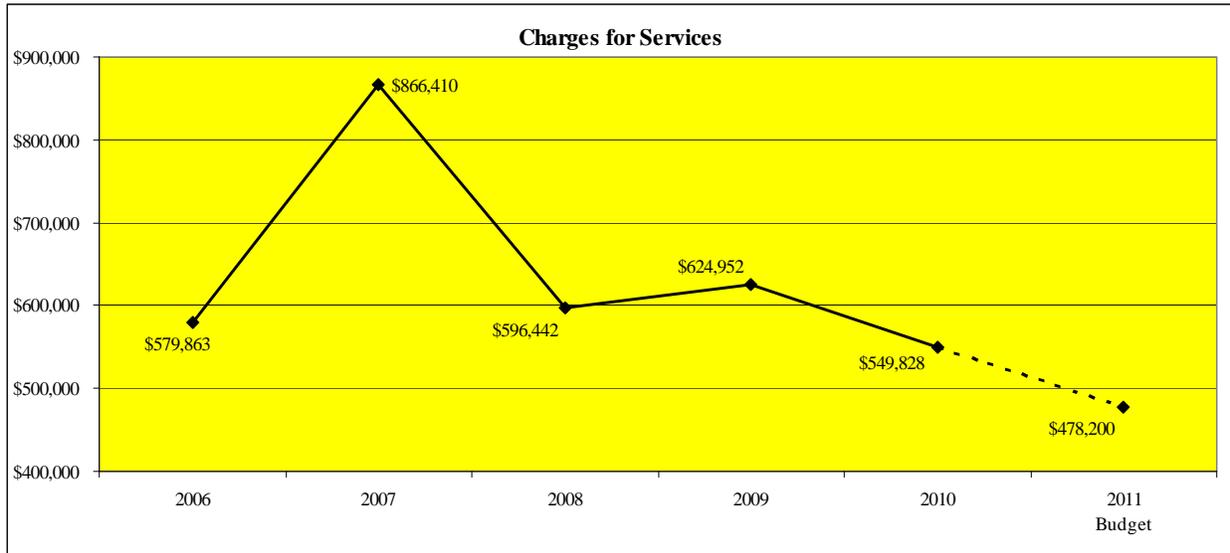
Comments: Some attention should be given to intergovernmental revenues as to the tendencies for depending on these revenues for ongoing operations. Over the past few years, the City has been very successful in garnering grants. However, as Federal and State agencies continue to struggle to balance their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

Specifically, the Washington State 2011 Legislative Session is considering adopting a budget that privatizes liquor sales. Currently, State liquor profits are shared with cities. The City’s 2011 budget includes \$140,000 in liquor profits, which may go away should the State privatize liquor sales.

Intergovernmental Revenues						
	2006	2007	2008	2009	2010	2011 Budget
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	\$495,934	\$46,800
Other	\$22,417	\$23,773	\$26,070	\$28,338	\$33,255	\$36,300
<b>Total</b>	<b>\$327,589</b>	<b>\$361,674</b>	<b>\$428,757</b>	<b>\$622,136</b>	<b>\$891,178</b>	<b>\$432,800</b>

### Charges for Services Revenues

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

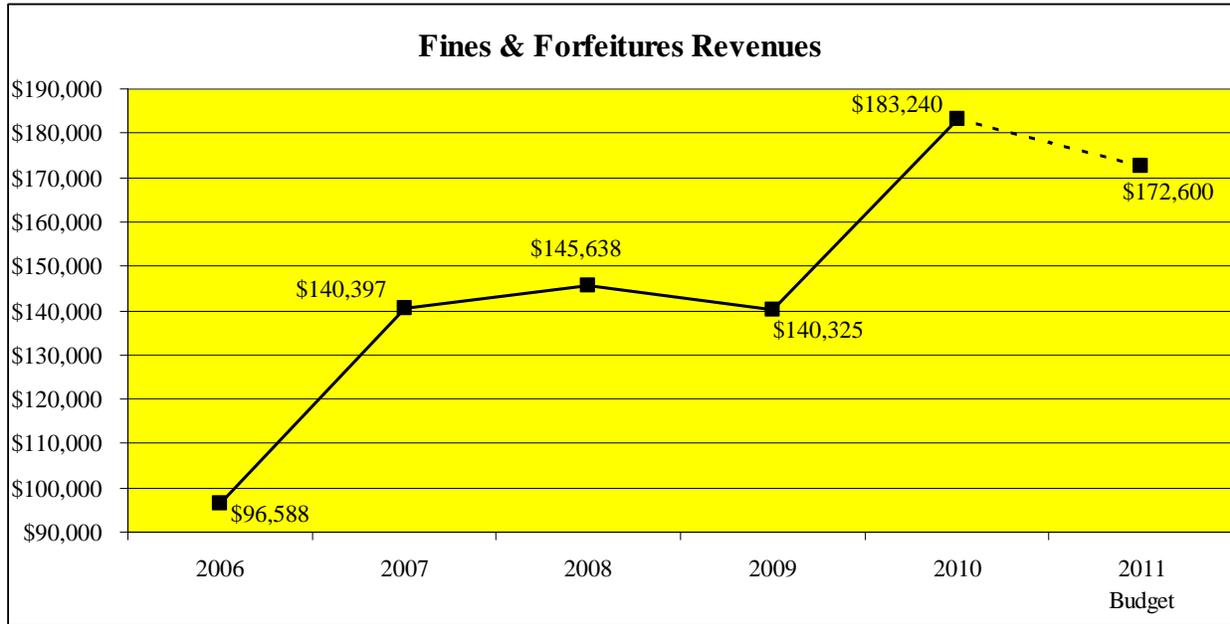


Comments: Three items of note: 1) Development Revenues tend to follow the economic ups and downs, 2) Overhead Cost Recovery had a large increase in 2007 due to collecting both 2006 (\$167,000) and 2007 (\$167,000) Surface Water Fund overhead charges, and 3) City laid off two employees in 2011 due to declines in development.

Charges for Services						
	2006	2007	2008	2009	2010	2011 Budget
Misc. Services	\$11,353	\$11,468	\$12,708	\$10,816	\$30,098	\$7,100
Ambulance Fees	\$130,105	\$171,996	\$147,610	\$191,243	\$196,732	\$173,000
Development Revenues	\$438,405	\$348,947	\$269,125	\$227,892	\$127,498	\$102,600
Overhead Cost Recovery	\$0	\$334,000	\$167,000	\$195,000	\$195,500	\$195,500
<b>Total</b>	<b>\$579,863</b>	<b>\$866,410</b>	<b>\$596,442</b>	<b>\$624,952</b>	<b>\$549,828</b>	<b>\$478,200</b>

**Fines and Forfeits Revenues**

- Traffic Violations
- Parking Fines

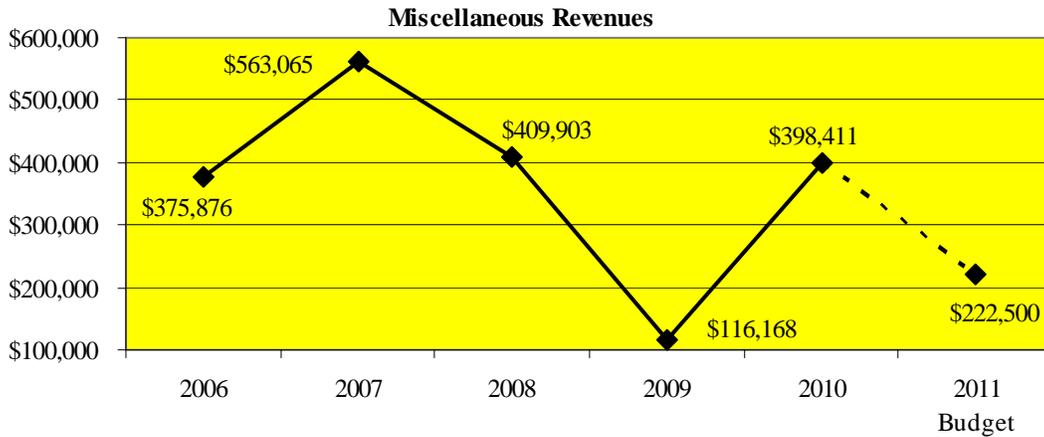


Comments: In 2010, the City increased enforcement which also increased traffic and parking violation revenues.

Fines & Forfeits						
	2006	2007	2008	2009	2010	2011 Budget
Traffic Violations	\$87,319	\$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
<b>Total</b>	<b>\$96,588</b>	<b>\$140,397</b>	<b>\$145,638</b>	<b>\$140,325</b>	<b>\$183,240</b>	<b>\$172,600</b>

**Miscellaneous Revenues**

- Interest Earnings
- Rental Income (Boat Launch, Parking & Cell Towers)
- Other Misc. Revenue (Contributions, Insurance Recovery, Sale of Surplus Property, Retributions & Miscellaneous)
- Transfers from Other Funds

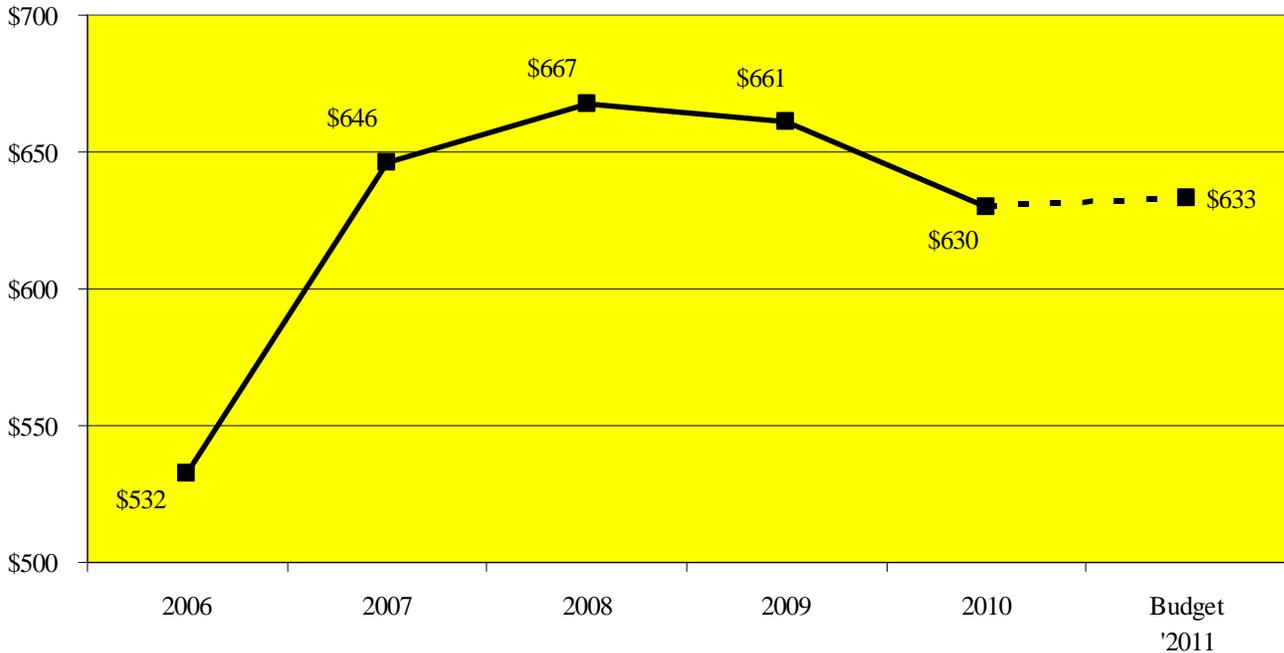


Comments: The City’s Miscellaneous Revenue category has experienced changes in how the City conducts business and also has been affected by the low investment interest rate environment.

- 1) The General Fund investment balance continues to dwindle as the City continues to spend more than it takes in combined with lower interest rates explains why interest earnings are declining.
- 2) In 2010, the City took over management of leasing parking spaces in the City from Diamond Parking.

Miscellaneous Revenues						
	2006	2007	2008	2009	2010	2011 Budget
Interest Earnings	\$348,533	\$438,303	\$235,716	\$69,309	\$22,259	\$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
<b>Total</b>	<b>\$375,876</b>	<b>\$563,065</b>	<b>\$409,903</b>	<b>\$116,168</b>	<b>\$398,411</b>	<b>\$222,500</b>

### Expenditures Per Capita



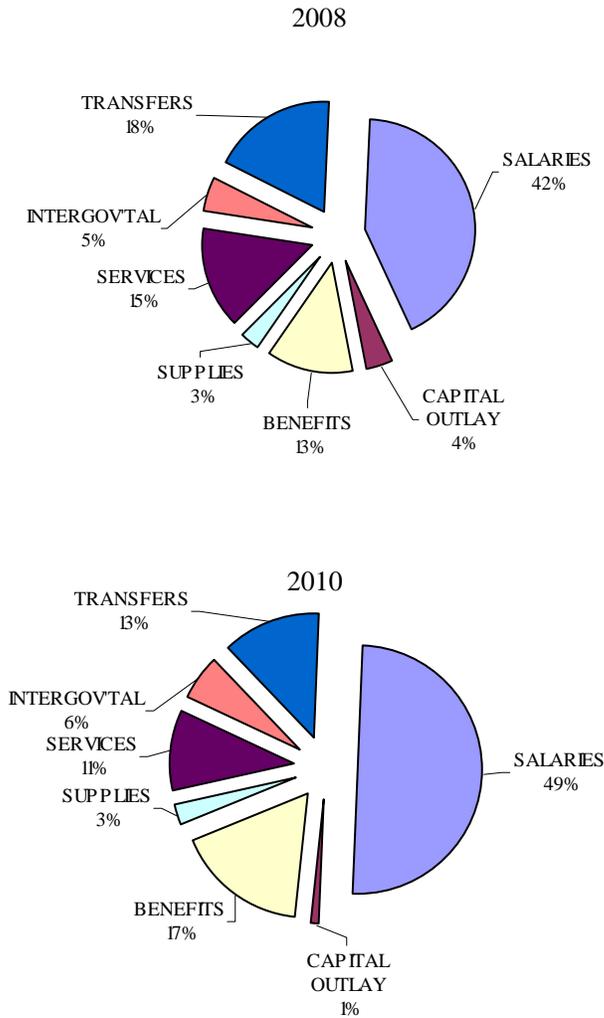
Comments: Expenditures per capita for the years 2006 through 2008 increased \$135 primarily because:

- 1) The City filled opened positions and hired several new positions as the chart below indicates, accounting for approximately \$1,860,000.
- 2) The City built and moved into their New City Hall, accounting for an additional \$430,000 in one-time expenditures.

Per capita expenditures peaked in 2008 at \$667, after which the City implemented a series of cost saving measures that included trimming budgets for supplies, services, capital outlays and operating transfers to other funds.

City of Mukilteo - New General Fund Supported Positions Hired 2006 - 2011							
Position	2006	2007	2008	2009	2010	2011	Total
Staff Accountant		1.0					1.0
Recreation & Cultural Svcs Manager		1.0					1.0
2 Part-time Department Assistant			1.0				1.0
Lead Serviceworker			1.0				1.0
Informational Technology Manager				1.0			1.0
Recreation Office Technician			1.0			1.0	2.0
4 Part-time Rec. Customer Service Clerk						2.0	2.0
Part-time Recreation Programmer						0.5	0.5
Subtotal Office/Clerical	-	2.0	3.0	1.0	-	3.5	9.5
Police Officer		1.0	2.0				3.0
Crime Prevention Officer			1.0				1.0
Subtotal Police	-	1.0	3.0	-			4.0
Part-time Fire Department Assistant			0.5				0.5
Firefighter			3.0				3.0
Firefighter/Paramedic	2.0	1.0	3.0				6.0
Fire Marshal			1.0				1.0
Training Captain (Fire)			1.0				1.0
Subtotal Fire	2.0	1.0	8.5	-			11.5
TOTAL	2.0	4.0	14.5	1.0	-	3.5	25.0

### Comparison of Expenditures by Category FY 2008 vs. FY 2010

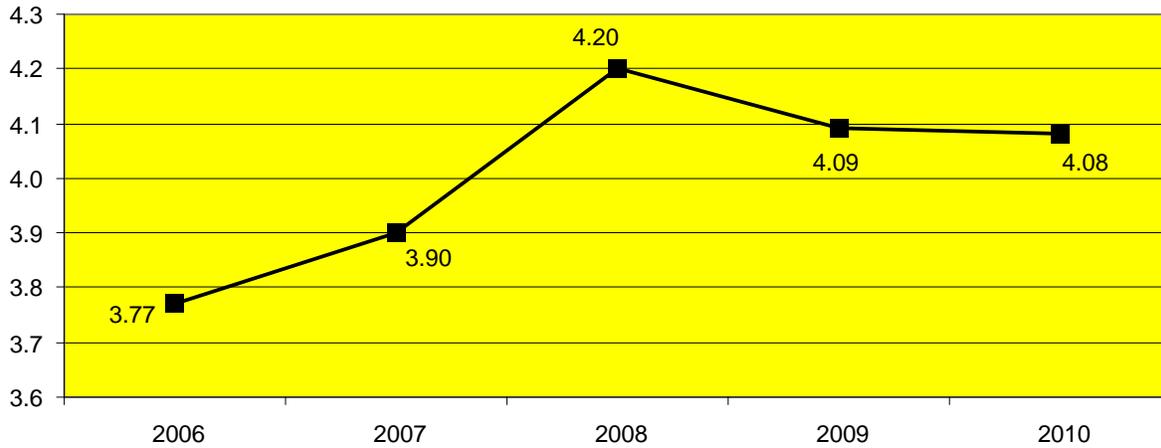


Comments: 2010 personnel costs increased 7% from 2008 levels, mostly because all the new hires were paid a full year in 2010 and also because of the one new employee added in 2009. Also, 2008 transfer included a \$1,002,000 transfer to capital projects whereas 2010 did not transfer funds to capital projects.

	2006	2007	2008	2009	2010	Budget '2011
Salaries	4,643,609	5,305,769	5,647,602	6,101,676	6,334,377	6,148,700
Benefits	1,429,600	1,656,851	1,686,186	2,058,636	2,170,897	2,280,800
Supplies	344,077	358,166	364,825	393,343	325,938	379,506
Services	1,752,544	2,454,225	2,006,156	1,839,894	1,386,272	1,655,577
Intergovernmental	643,865	855,577	717,733	766,304	735,235	742,300
Capital	144,355	179,502	517,085	573,977	145,477	390,500
Transfers	1,484,000	2,073,500	2,440,445	1,562,354	1,662,728	1,281,800
<b>Total</b>	<b>10,442,050</b>	<b>12,883,590</b>	<b>13,380,032</b>	<b>13,296,184</b>	<b>12,760,924</b>	<b>12,879,183</b>

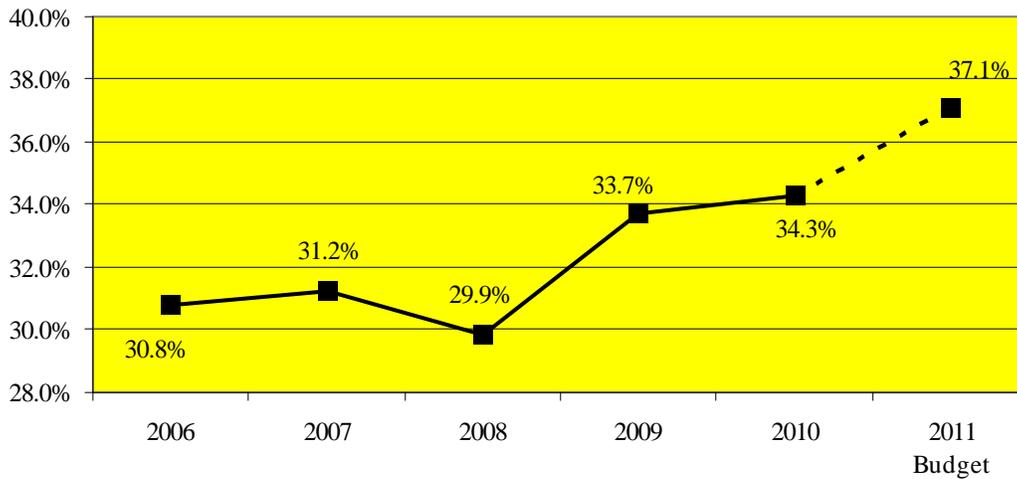
### Employees Per Capita

**Number of Employees per 1,000 of Population  
 General Fund**



### Fringe Benefits

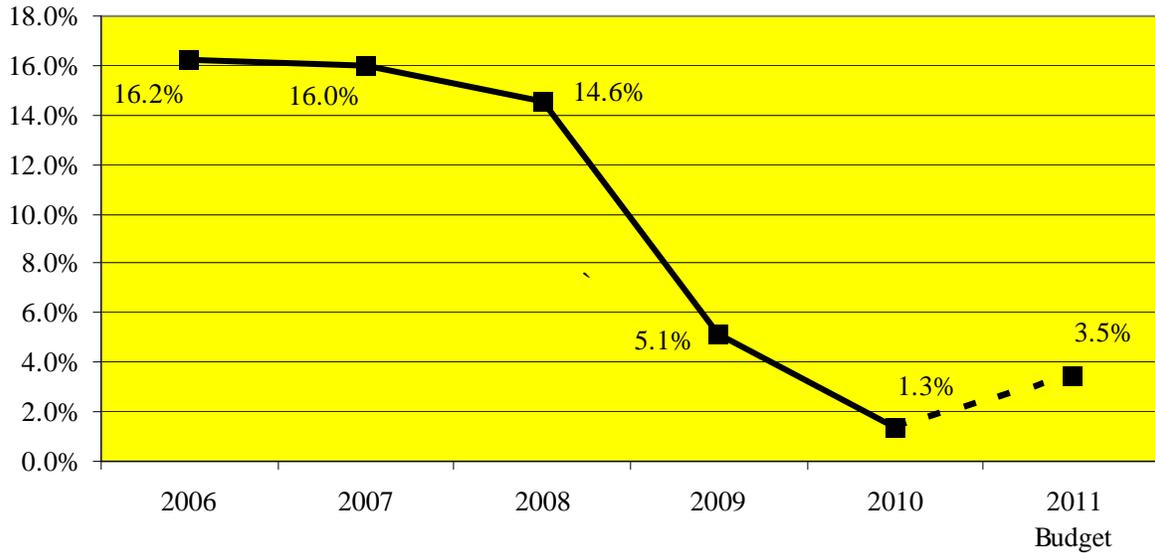
**Fringe Benefits as a Percentage of Salaries & Wages  
 General Fund**



Comments: Fringe benefits are steadily increasing as a percentage of staff salaries. How should the City look for avenues to slow future increases?

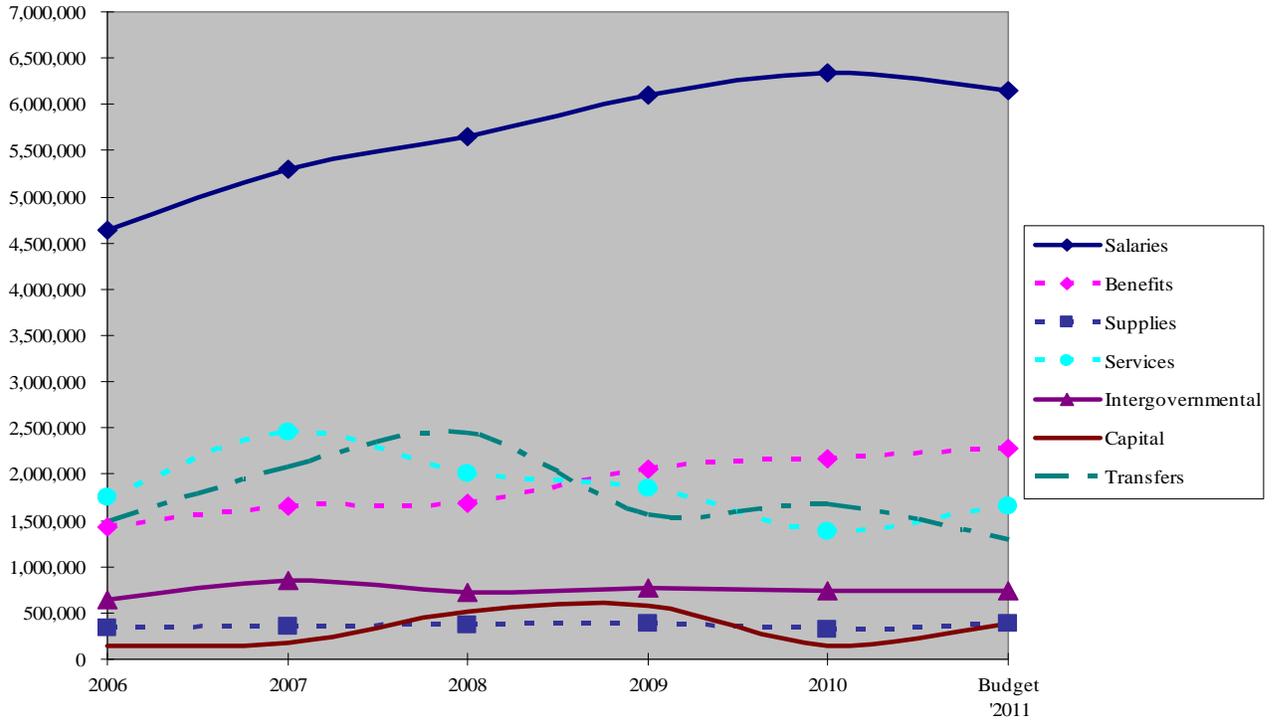
**Capital Outlays & Transfer to Capital Funds**

**Capital Outlay & Transfer to Capital Funds  
 as a Percentage of Operating Expenditures  
 General Fund**



Comments: In 2006, 2007 & 2008, the General Fund transferred \$1 million to capital funds, mainly for the construction of the City’s New City Hall. 2011 capitals outlays include \$300,000 for the Fire Department’s replacement breathing apparatus equipment for Firefighters.

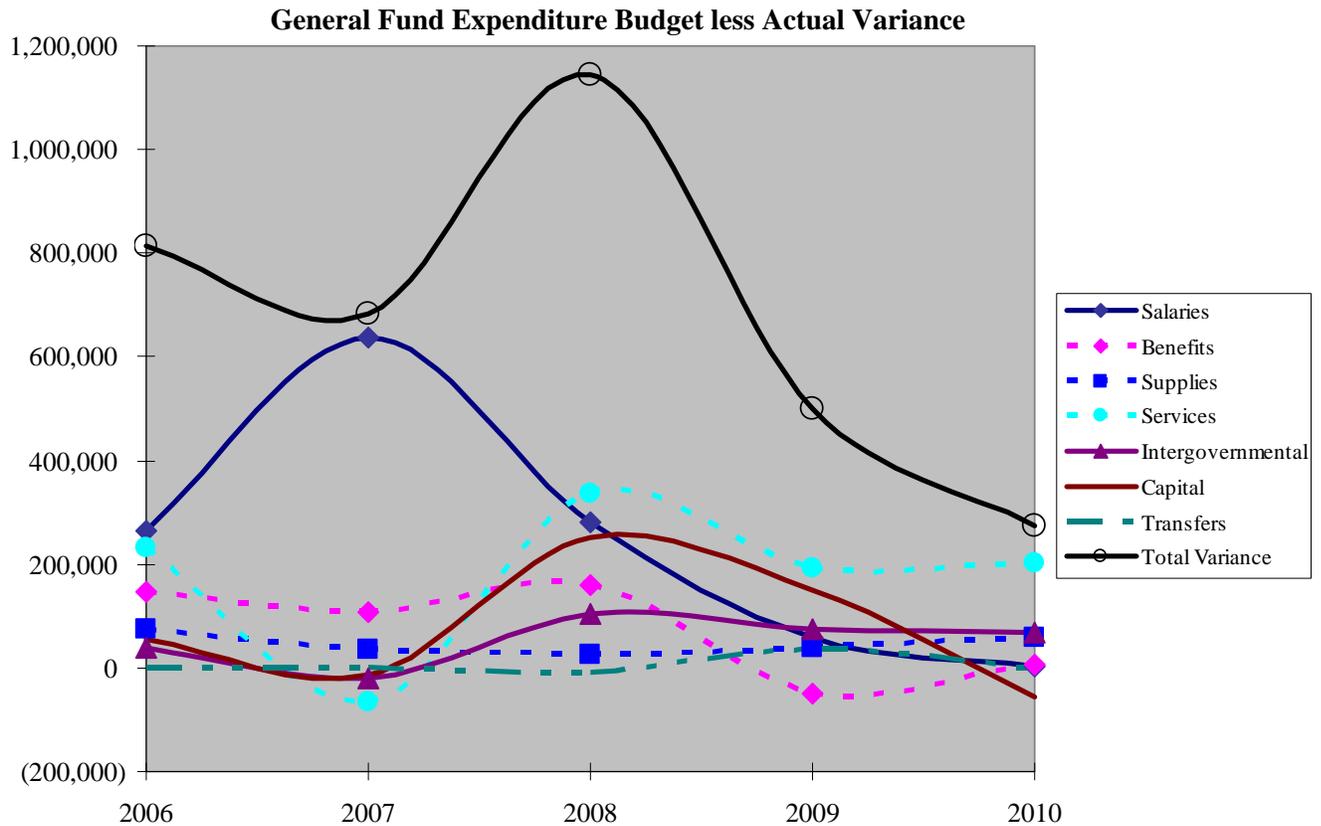
### General Fund Expenditures



Expense Category	2006	2007	2008	2009	2010	Budget '2011
Salaries	4,643,609	5,305,769	5,647,602	6,101,676	6,334,377	6,148,700
Benefits	1,429,600	1,656,851	1,686,186	2,058,636	2,170,897	2,280,800
Supplies	344,077	358,166	364,825	393,343	325,938	379,506
Services	1,752,544	2,454,225	2,006,156	1,839,894	1,386,272	1,655,577
Intergovernmental	643,865	855,577	717,733	766,304	735,235	742,300
Capital	144,355	179,502	517,085	573,977	145,477	390,500
Transfers	1,484,000	2,073,500	2,440,445	1,562,354	1,662,728	1,281,800
<b>Total</b>	<b>10,442,050</b>	<b>12,883,590</b>	<b>13,380,032</b>	<b>13,296,184</b>	<b>12,760,924</b>	<b>12,879,183</b>

### Expense Category as a Percent of Annual Expenditures

Expense Category	2006	2007	2008	2009	2010	Budget '2011
Salaries	44%	41%	42%	46%	50%	48%
Benefits	14%	13%	13%	15%	17%	18%
Supplies	3%	3%	3%	3%	3%	3%
Services	17%	19%	15%	14%	11%	13%
Intergovernmental	6%	7%	5%	6%	6%	6%
Capital	1%	1%	4%	4%	1%	3%
Transfers	14%	16%	18%	12%	13%	10%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

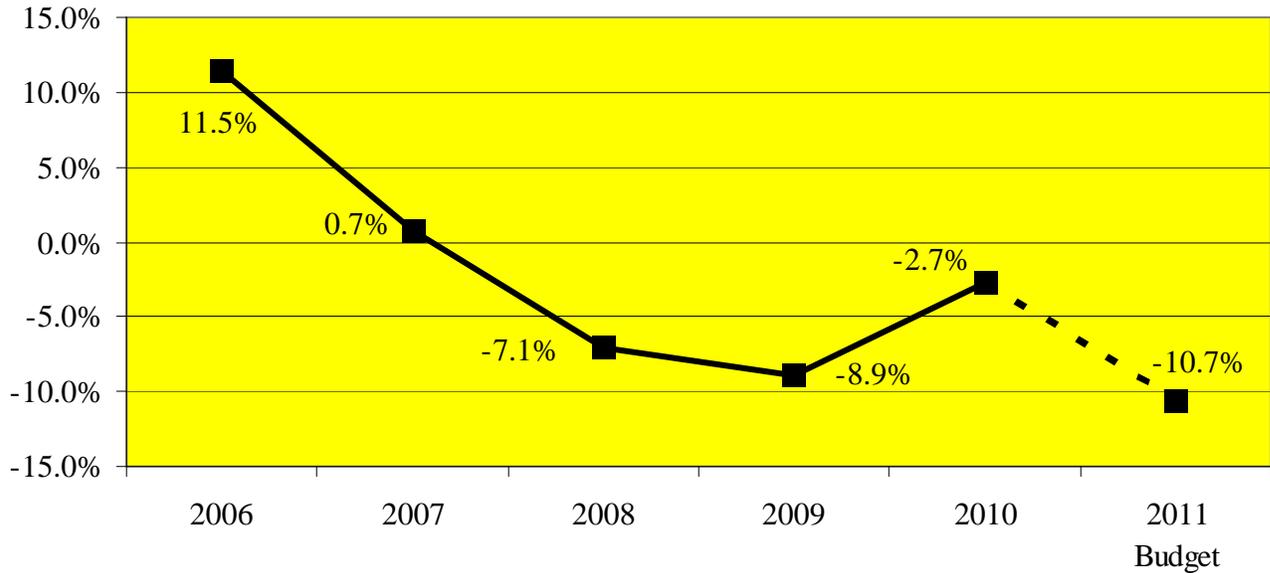


	2006	2007	2008	2009	2010
Salaries	\$264,829	\$636,671	\$279,357	\$59,604	\$2,341
Benefits	\$146,950	\$108,499	\$158,407	(\$48,256)	\$5,543
Supplies	\$75,823	\$37,134	\$26,136	\$40,366	\$59,209
Services	\$232,118	(\$66,525)	\$337,427	\$190,996	\$201,942
Intergovernmental	\$39,635	(\$19,777)	\$103,093	\$73,436	\$67,675
Capital	\$53,895	(\$13,275)	\$250,297	\$149,703	(\$57,227)
Transfers	\$0	\$0	(\$10,000)	\$33,931	(\$5,000)
<b>Total Variance</b>	<b>\$813,250</b>	<b>\$682,727</b>	<b>\$1,144,717</b>	<b>\$499,780</b>	<b>\$274,483</b>

Comments: Over the past five years, the City ended each year with an average of 5% of the budget unspent. Beginning in 2008 when the economy starting faltering, the City also pursued opportunities to slow expenditures, and ended the year with 8% of the budget unspent. In 2009, 4% and in 2010, 2% of the budgets were left unspent.

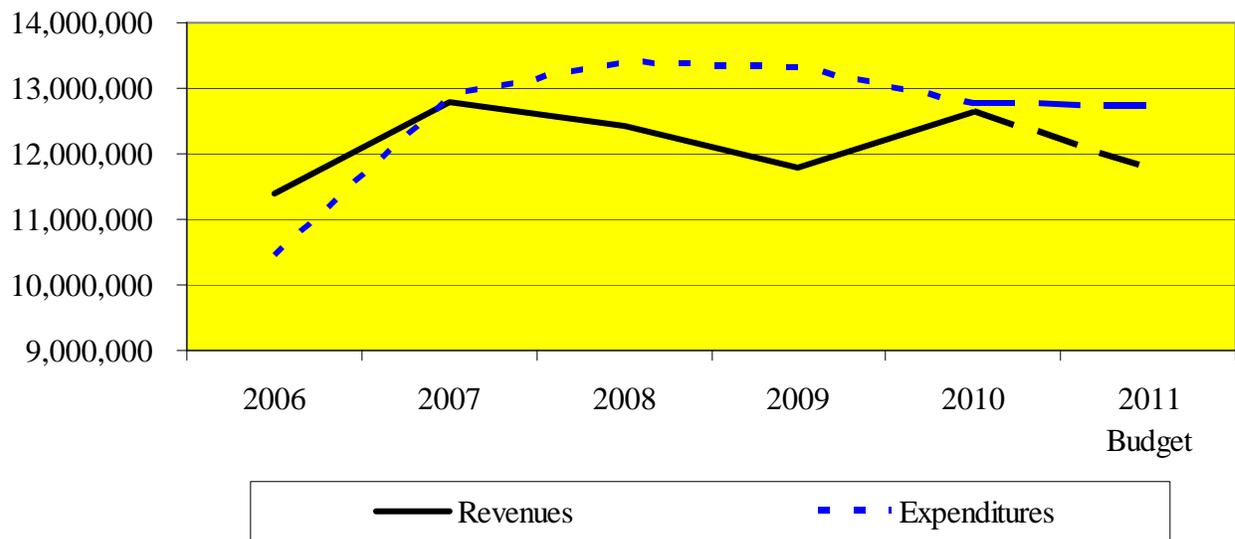
**Operating Position**

**Operating Surplus (Deficit)  
 As A Percentage of Operating Revenue  
 General Fund**



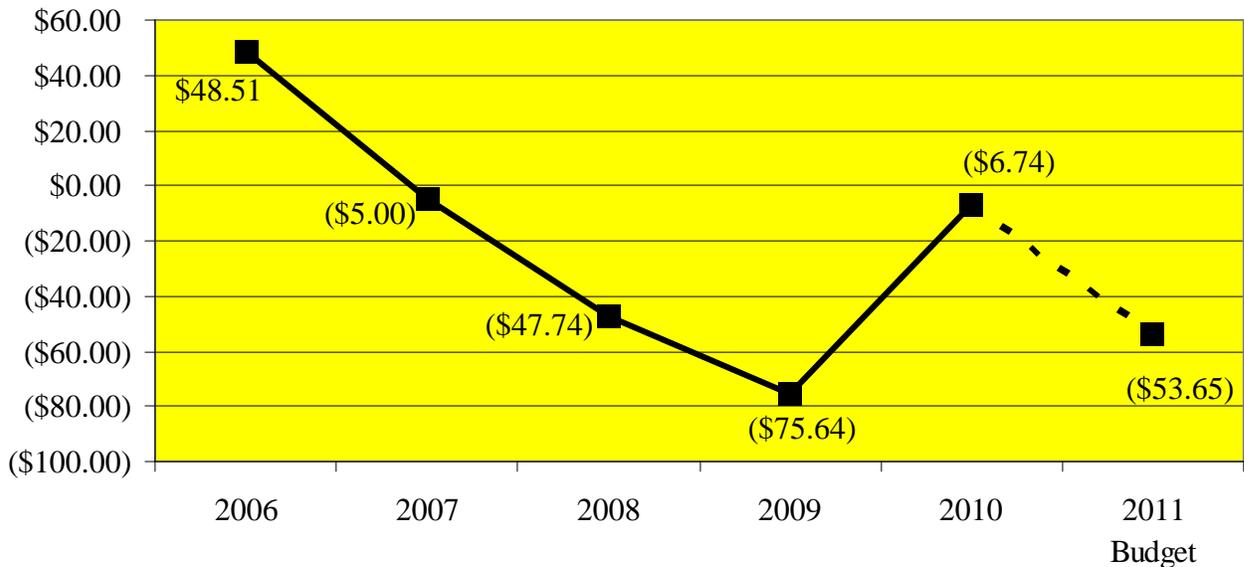
Comments: Each year since 2006 has seen the General Fund operate in the red, requiring the use of ending fund balance to make up for the revenue short fall.

**Operating Position  
 Revenue vs. Expenditures  
 General Fund**



Comments: The graph above shows the results of the City’s efforts to close the “gap.”

### Operating Surplus (Deficit) Per Capita



Comments: 2010 operating results showed an impressive rebound over 2009, where revenues increased \$849,000 and expenditures decreased by \$535,000. Even though the City laid off two employees in 2011, the operating deficit is expected to increase over 2010 levels as the personnel savings will not make up for revenues that continue to decline as the economy struggles to rebound. The goal is to bring the operating deficit/surplus to \$0.00.

#### Other Funds Supported by the General Fund

The General Fund financially supports five other funds described below:

- Law Enforcement Officers & Firefighters (LEOFF1) Retirement Reserve 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.
- 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.
- Recreation & Cultural Services Fund: In addition to a transfer from the General Fund, this fund receives Recreation and Cultural Services Center activities fees and rental revenues, and funds the expenditures for the operations and maintenance of the Recreation and Cultural Services Center building and programs.
- 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.
- Facilities Maintenance Fund: This fund receives revenues from a transfer from the General Fund. This fund is used for expenses related to maintenance of City facilities.

A fiscal analysis for each of these funds follows:



**009 - LEOFF I Reserve Fund**

The purpose of this fund is to set aside resources 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 fund 502 Self Insurance Health Benefit Reserve Fund.

**CITY OF MUKILTEO**  
**Law Enforcement Officers & Firefighters (LEOFF1) Retirement Reserve**  
**For Preliminary Fiscal Fund Analysis**

	<b>2008<sup>1</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Assumptions</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Est</b>	<b>Est</b>	<b>Est</b>	<b>Growth %</b>
Beginning Fund Balance	\$0	\$166,754	\$141,555	\$137,430	<i>(rounded to \$00's)</i>			
REVENUES								
Miscellaneous revenues	1,665	993	452	450	500	500	500	1.0%
<b>Total revenues</b>	<b>\$1,665</b>	<b>\$993</b>	<b>\$452</b>	<b>\$450</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>	
EXPENDITURES								
Personnel Benefits	\$26,136	\$26,192	\$29,577	34,900	36,000	37,000	38,000	3.0%
<b>Total expenditures</b>	<b>\$26,136</b>	<b>\$26,192</b>	<b>\$29,577</b>	<b>\$34,900</b>	<b>\$36,000</b>	<b>\$37,000</b>	<b>\$38,000</b>	
Operating Transfers In	191,225	0	25,000	30,000	30,000	35,000	35,000	
<b>Ending Fund Balance</b>	<b>\$166,754</b>	<b>\$141,555</b>	<b>\$137,430</b>	<b>\$132,980</b>	<b>\$127,480</b>	<b>\$125,980</b>	<b>\$123,480</b>	

<sup>1</sup>The LEOFF 1 Retirement Reserve Fund was created in 2008



**111 – Street Fund**

The Street Fund accounts for the administration, maintenance, minor construction and repair of the City’s roadways, traffic control devices, sidewalks, and roadsides.

Note: Prior to 2008, the majority of street maintenance expenditures were funded directly out of the General Fund. In 2008, all street maintenance expenditures were paid out of the Street Fund. This change was implemented to provide a clearer view of the City’s street maintenance costs.

**CITY OF MUKILTEO  
STREET FUND**

*For Preliminary Fiscal Fund Analysis*

	2008 Actual	2009 Actual	2010 Actual	2011 Est	2012 Est	2013 Est	2014 Est	Assumptions Growth %
Beginning Fund Balance	\$57,566	\$121,846	\$159,900	\$104,974	\$19,344	\$50,714	\$65,414	
<i>(rounded to \$00's)</i>								
REVENUES								
Motor Vehicle Fuel Tax	\$311,093	\$297,213	296,801	290,000	295,000	297,000	298,000	Flat to 2012
Interest Earnings	2,407	951	272	240	100	100	100	1.0%
<b>Total revenues</b>	<b>\$313,500</b>	<b>\$298,164</b>	<b>\$297,073</b>	<b>\$290,240</b>	<b>\$295,100</b>	<b>\$297,100</b>	<b>\$298,100</b>	
EXPENDITURES								
Personnel	\$343,371	\$365,267	\$364,705	\$370,660	\$375,000	\$386,300	\$397,900	3.0%
Supplies	75,880	66,181	\$77,565	\$75,880	\$70,700	\$71,400	\$72,100	1.0%
Services	251,495	212,243	\$220,448	\$229,320	\$206,070	\$200,000	\$200,000	Flat
Intergovernmental	45,078	35,866	\$25,583	40,610	42,000	40,000	40,000	Flat
Capital Outlays	8,445	0	3,202	0	5,000	5,000	5,000	Flat
Interfund Payments	71,260	72,235	0	85,500	49,960	69,700	71,800	Based on Schedule
<b>Total expenditures</b>	<b>\$795,529</b>	<b>\$751,792</b>	<b>\$691,503</b>	<b>\$801,970</b>	<b>\$748,730</b>	<b>\$772,400</b>	<b>\$786,800</b>	
<b>Income (Loss) Before Accruals</b>	<b>(\$482,029)</b>	<b>(\$453,628)</b>	<b>(\$394,430)</b>	<b>(\$511,730)</b>	<b>(\$453,630)</b>	<b>(\$475,300)</b>	<b>(\$488,700)</b>	
Accruals (Payments and receivables)	\$31,308	(\$13,348)	(\$10,496)	\$0	\$0	\$0	\$0	
Operating Transfers In	515,000	505,000	350,000	426,100	485,000	490,000	503,000	
<b>Ending Fund Balance</b>	<b>\$121,846</b>	<b>\$159,870</b>	<b>\$104,974</b>	<b>\$19,344</b>	<b>\$50,714</b>	<b>\$65,414</b>	<b>\$79,714</b>	

### 114 - Recreation & Cultural Services Fund

This fund accounts for the financial resources and expenditures that support the City's general recreation programs, classes and special events offered through the Rosehill Community Center. This includes revenues derived from rental space that is provided to a variety of private and community organizations that offer various courses to the community.

#### CITY OF MUKILTEO RECREATION & CULTURAL SERVICES FUND

##### For Preliminary Fiscal Fund Analysis

	2008 Actual	2009 Actual	2010 Actual	2011 Est	2012 Est	2013 Est	2014 Est	Assumptions Growth %
Beginning Fund Balance	\$18,100	\$59,215	\$72,650	\$112,306	<i>(rounded to \$00's)</i>			
REVENUES								
Recreation Program Fees	\$38,484	\$63,594	\$69,063	\$95,000	\$100,000	\$102,000	\$104,000	2.0%
Other Fees & Interest earnings	927	448	5,975	47,770	\$47,650	\$48,500	\$49,400	2.0%
Parking Fees	44,667	35,418	3,681	6,500	6,500	6,500	6,500	
Room Rental Fees	54,429	49,586	23,784	175,000	\$175,000	\$178,500	\$182,100	2.0%
<b>Total revenues</b>	<b>\$138,507</b>	<b>\$149,046</b>	<b>\$102,503</b>	<b>\$324,270</b>	<b>\$329,150</b>	<b>\$335,500</b>	<b>\$342,000</b>	
EXPENDITURES								
Personnel	\$223,619	\$208,320	\$196,591	\$340,540	\$362,600	\$373,500	\$384,700	3.0%
Supplies	8,544	6,135	5,504	12,000	\$15,100	\$15,300	\$15,500	1.0%
Professional Services	114,916	138,268	152,163	180,010	\$212,400	\$214,500	\$216,600	1.0%
<b>Total expenditures</b>	<b>\$351,052</b>	<b>\$352,723</b>	<b>\$354,258</b>	<b>\$532,550</b>	<b>\$590,100</b>	<b>\$603,300</b>	<b>\$616,800</b>	
<b>Income (Loss) Before Accruals</b>	<b>(\$212,545)</b>	<b>(\$203,677)</b>	<b>(\$251,755)</b>	<b>(\$208,280)</b>	<b>(\$260,950)</b>	<b>(\$267,800)</b>	<b>(\$274,800)</b>	
Accruals	\$20,745	(\$15,747)	\$48,551	\$0	\$0	\$0	\$0	
Operating Transfers In	232,915	231,535	242,860	242,300	225,000	265,000	270,000	
<b>Ending Fund Balance</b>	<b>\$59,215</b>	<b>\$71,326</b>	<b>\$112,306</b>	<b>\$146,326</b>	<b>\$110,380</b>	<b>\$107,580</b>	<b>\$102,780</b>	



**120 – Information Technology Fund**

The Information Technology Fund is used in the support of the City’s information processing and telecommunication functions and in replacing all City computers. The City’s Fund Balance Reserve Policy states: “The City will maintain 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 2010 equipment replacement costs are budgeted at \$75,000, the fund reserve balance must equal or exceed \$75,000. Contributions will be made through assessments to the each funds supply technology equipment.

***CITY OF MUKILTEO  
TECHNOLOGY REPLACEMENT FUND  
For Preliminary Fiscal Fund Analysis***

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Assumptions</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Est</b>	<b>Est</b>	<b>Est</b>	<b>Est</b>	<b>Growth %</b>
Beginning Fund Balance	\$321,812	\$299,677	\$128,965	\$143,067	<i>(rounded to \$00's)</i>			
<b>REVENUES</b>								
Miscellaneous revenues	\$9,111	\$2,276	7,087	5,100	5,200	5,300	5,400	1.0%
<b>Total revenues</b>	<b>\$9,111</b>	<b>\$2,276</b>	<b>\$7,087</b>	<b>\$5,100</b>	<b>\$5,200</b>	<b>\$5,300</b>	<b>\$5,400</b>	
<b>EXPENDITURES</b>								
Capital Outlays	\$81,246	\$222,988	67,985	76,600	85,700	116,850	91,200	
<b>Total expenditures</b>	<b>\$81,246</b>	<b>\$222,988</b>	<b>\$67,985</b>	<b>\$76,600</b>	<b>\$85,700</b>	<b>\$116,850</b>	<b>\$91,200</b>	
Operating Transfers In	50,000	50,000	75,000	75,000	75,000	80,000	90,000	
<b>Ending Fund Balance</b>	<b>\$299,677</b>	<b>\$128,965</b>	<b>\$143,067</b>	<b>\$146,567</b>	<b>\$141,070</b>	<b>\$109,520</b>	<b>\$113,720</b>	



**518 - Facilities Maintenance Fund**

The Facilities Maintenance Fund is used to pay for the maintenance, operation activities and utilities for the City’s buildings. Maintenance and operation activities may 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.), and minor interior remodeling.

**CITY OF MUKILTEO  
FACILITIES MAINTENANCE FUND  
For Preliminary Fiscal Fund Analysis**

	<b>2008<sup>1</sup> Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Est</b>	<b>2012 Est</b>	<b>2013 Est</b>	<b>2014 Est</b>	<b>Assumptions Growth %</b>
Beginning Fund Balance	\$0	\$124,291	\$50,642	\$67,448	<i>(rounded to \$00's)</i>			
REVENUES								
Miscellaneous	\$0	\$0	\$59	\$90	\$0	\$0	\$0	0.0%
<b>Total revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59</b>	<b>\$90</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
EXPENDITURES								
Personnel	\$33,864	\$93,982	93,248	\$100,300	\$116,400	\$119,900	\$123,500	3.0%
Supplies	24,728	36,213	\$28,296	\$35,040	\$39,500	\$39,900	\$40,300	1.0%
Services	211,318	290,781	253,170	\$231,020	\$279,940	\$282,700	\$285,500	1.0%
Capital Outlays	20,113	32,517	8,264	0	17,500	0	0	
<b>Total expenditures</b>	<b>\$290,023</b>	<b>\$453,493</b>	<b>\$382,978</b>	<b>\$366,360</b>	<b>\$453,340</b>	<b>\$442,500</b>	<b>\$449,300</b>	
<b>Income (Loss) Before Accruals</b>	<b>(\$290,023)</b>	<b>(\$453,493)</b>	<b>(\$382,919)</b>	<b>(\$366,270)</b>	<b>(\$453,340)</b>	<b>(\$442,500)</b>	<b>(\$449,300)</b>	
Accruals (Payments from customer and intergovernmental receivables)	\$25,784	(\$10,156)	\$9,725	\$0	\$0	\$0	\$0	
Operating Transfers In	\$388,530	\$390,000	\$390,000	\$422,000	\$400,000	\$435,000	\$440,000	
<b>Ending Fund Balance</b>	<b>\$124,291</b>	<b>\$50,642</b>	<b>\$67,448</b>	<b>\$123,178</b>	<b>\$69,840</b>	<b>\$62,340</b>	<b>\$53,040</b>	

<sup>1</sup>The Facilities Maintenance Fund was created in 2008

## Financial Forecast

### Objective

The Financial Forecast covers the period 2011 to 2014 and provides a summation of the City's Long-range Financial Planning "road map," by showing where the City is receiving and spending General Fund money. The Forecast combines financial trends, assumptions and financial strategizing with the intent of providing a tool for decision makers to foresee financial problems and opportunities, and also provide a basis for Council, citizens and staff to discuss financial policy.

### Summary

The Financial Forecast is needed as a communication aide for Mayor, Councilmembers, citizens, staff and rating agencies. For example, when Council and staff receive questions from constituents, the Forecast will:

- 1) Help provide an answer,
- 2) Provide a document to support the answer and;
- 3) Provide constituents a consistent answer. Also, a Forecast can be used as a tool to highlight significant issues or problems that must be addressed if goals are to be achieved.

The Financial Forecast provides a "bottom line" clarifying the City's financial strategic intent and imposes discipline on decision makers by magnifying the cumulative effects of decisions.

To compile the financial forecast for the General Fund, staff incorporates adopted City fiscal policies, expenditure patterns, revenue trends, fund balances and other known financial impacts. Future updates to the forecast should be presented to Council twice a year; 1) during the "Mid-year" Financial Update and 2) prior to annual budget deliberations.

General Fund revenues are anticipated to steadily increase an average of 0.6%<sup>1</sup> and expenditures are projected to increase at an average rate of 1.0% between 2011 and 2014. In 2010, General Fund ending fund balance equaled 39% of 2010 total expenditures and is projected to end 2014 at 25%.

The City has a few options to generate new revenues or to decrease expenditures.

Revenues options in this plan include levying an additional 1% property tax in each of the Gap Closing years, 2011 through 2014 and imposing 2% water and sewer utility tax in 2012 and an additional 1% in both 2013 and 2014. This plan includes personnel expense reductions in 2011 and 2012.

The City utilized an average rate of 0.7% increase for employee salaries and 4.1% for benefits. However, the City has not factored in Grants or their related expenditures as they are not yet known.

### Background and Discussion

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes administration, finance, police, fire, planning, community development, parks maintenance, public works administration and engineering. The forecast presented as part of the Long-range Financial Plan may not exactly match budgets that will be presented to City Council.

<sup>1</sup>This growth assumption is based on the inclusion of "one-time revenues, see page 31.

The financial forecast allows the City to determine how current spending plans will impact future budgets. For example, Council's priorities and Administration's recommendation for changes or enhancements to current service levels can be aligned with available funding or delayed until funding comes available.

This forecast looks out only to 2014. This limited time frame shows the General Fund with a "Gap" in each year of the forecast. The projected "Gaps" are not only sustainable but are recommended because:

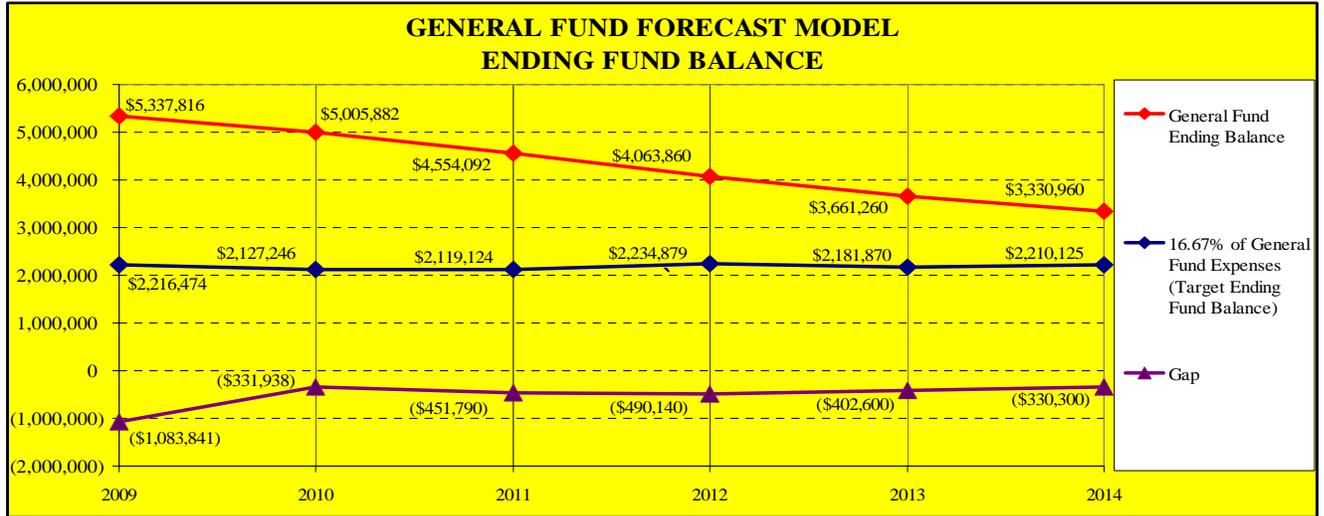
- 1) The General Fund's Ending Fund Balance is projected to equal 25% of 2014's expenditures, which exceeds the City's Fund Balance Policy by over 8%. This level of fund balance allows a cushion of time to see if the economy recovers at a greater rate than projected and also allows time to see if additional revenue enhancements and/or expenditure adjustments beyond the City's "Gap Closing Policy"<sup>1</sup> recommendations will be warranted;
- 2) Taking the "Gap" to zero is a goal which will be achieved in time. However, the forecast incorporates gradual revenue increases and utilizes expenditure reductions during the forecast period, to minimize tax impacts to citizens and the services they receive from the City.
- 3) Each year of the forecast has the General Fund spending more than it receives, which is consistent with the City's planned "spend down" of Ending Fund Balance. Managing the "spend down" of Ending Fund Balance, also contributes to minimizing impacts to citizens and to staff.

**The base forecast is developed** using the present level of services provided by the City. Inflation (CPI-U Seattle) and/or historical growth rates are used to predict expenditure patterns. Revenues are projected by trend or by specific circumstances that are certain to occur during the forecast period.

The forecast focuses on two critical elements, operating position and fund balances, to determine the fiscal health of the City.

**Operating position** – Based on expected expenditure and revenue trends, the financial forecast predicts a negative operating position in each year of the forecast. Results of the forecast with respect to operating position (operating revenues less operating expenditures revenues and expenditures) are shown in the following chart and tables.

<sup>1</sup>Mukilteo City Council adopted the "Gap" Closing Policy Resolution 2010-33 on September 27, 2010. For a copy of this policy go to: <http://www.ci.mukilteo.wa.us/files/doc-gap-closing-policy-finance.pdf>



	2009	2010	2011	2012	2013	2014
Operating revenues	11,774,974	12,624,395	12,260,410	12,916,450	12,686,000	12,927,800
Operating expenditures	13,296,184	12,760,922	12,712,200	13,406,590	13,088,600	13,258,100
Accruals	437,369	(195,411)	0	0	0	0
Projected Operating Surplus (Deficit)	(1,083,841)	(331,938)	(451,790)	(490,140)	(402,600)	(330,300)

The projected negative operating position is due to the slow economic recovery locally and nationally. Forecasted expenditures show an increase due to the assumptions built into the forecast to maintain the current level of services. In order to gain a positive operating position, operating expenditures must be reduced and/or new sources of revenue must be secured during the forecast period.

**Fund Balance** – The term “Fund Balance” used in the LRF should always be thought of as the collective total of cash and investments. The chart below illustrates projected fund balances in the General Fund for the 2012 Long-range Financial Plan forecast.

	2009	2010	2011	2012	2013	2014
Beginning Fund Balance	6,421,657	5,337,820	5,005,882	4,554,000	4,063,860	3,661,260
Operating revenues	11,774,974	12,624,395	12,260,410	12,916,450	12,686,000	12,927,800
Operating expenditures	13,296,184	12,760,922	12,712,200	13,406,590	13,088,600	13,258,100
Accruals	437,369	(195,411)	0	0	0	0
Ending Fund Balance	5,337,816	5,005,882	4,554,092	4,063,860	3,661,260	3,330,960

Ending Fund Balances are in a state of decline due to the cumulative effect of annual deficits ranging from \$451,790 in 2011 to \$330,300 in 2014. Operating deficits are caused by projected operating expenditures that are higher than operating revenues in each year of the forecast.

## Forecast Assumptions

Beyond the economic and growth/trend assumptions used in the forecast, information specific to Mukilteo is included in the forecast:

- Cost of living – Consumer Price Index, Urban – Seattle using an average of June to June as the growth rate of inflation. The CPI – U Seattle for June of 2011 is 3.2%.
- New positions – No new city positions will be added.
- The City will levy the optional 1% property tax in each year of the forecast and impose a 2% water and sewer utility tax in 2012 and increase an additional 1% in both 2013 and 2014.
- Capital Improvement Program – The initial Long-range Financial Plan focuses on the General Fund and does not include funding for new capital projects from the General Fund.
- Operating transfers to the Law Enforcement Officer & Firefighter I (LEOFF) Reserve Fund - The General Fund transfers \$30,000 to the LEOFF Fund for fiscal years (FY) 2011 & 2012, and transfers \$35,000 for the years 2013 & 2014, see page number 51.
- Operating transfers to the Street Fund - The General Fund transfer to the Street Fund for FY 2011 amounts to \$426,100. The forecast assumes that the transfer will increase to \$485,000 in 2012, as the Street Fund spent down reserves in 2011 and will increase to \$490,000 in 2013 and to \$503,000 in 2014, see page number 52.
- Operating transfers to the Community Center Fund - The General Fund transfer to the Community Center Fund for FY 2011 amounts to \$242,300. The forecast assumes that the transfer will increase to \$270,000 by 2014, see page number 53.
- Operating transfers to the Technology Replacement Fund - The General Fund transfers \$75,000 to the Technology Replacement Fund for years 2011 & 2012, \$80,000 for 2012 & \$90,000 for 2013, see page number 54.
- Operating transfers to the Municipal Facilities Maintenance Fund - The General Fund transfer to the Municipal Facilities Maintenance Fund for FY 2011 amounts to \$422,000. The forecast assumes that the transfer will increase to \$440,000 by 2014, see page number 55.
- Forecast Projections – Based on future budgetary expectations, revenues and expenditures have been shown to have marginal increases each year.

## Factors Not Included in the Forecast

- This forecast includes only the General Fund.
- No new or enhanced programs are included in the forecast.
- Declining property values potentially can affect funding of the City's Emergency Medical Services (EMS). This forecast does not anticipate assessed property values will decline to a point requiring funding from the General Fund.
- Annexation is not included in the forecast.

## Forecast Summary

Over the forecast period 2011 through 2014, City revenues are anticipated to grow by an annual average of 0.6% a year, compared to an average of 2.8% over the past five years. Property tax, the City's largest source of revenue, increases by \$236,700, of which \$53,700 comes from new construction and the remaining \$183,000 comes from annual 1% property tax increases.

### Forecast Results

The following model provides a review of actual revenues of the City for years indicated with details of each category and projected growth.

<b>GENERAL FUND FORECAST MODEL FOR 2012</b>						
ITEM	Actual 2009	Actual 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014
<b>Beginning Fund Balance</b>	<b>\$6,421,657</b>	<b>5,337,820</b>	<b>\$5,005,882</b>	<b>4,554,000</b>	<b>\$4,063,860</b>	<b>\$3,661,260</b>
<i>(rounded to \$00's)</i>						
<b>Revenue</b>						
<b>Taxes</b>	9,343,345	9,597,720	9,523,000	9,629,000	9,987,000	10,235,000
<b>Licenses &amp; Permits</b>	928,048	1,004,018	1,091,200	1,111,600	1,124,000	1,141,000
<b>Intergovernmental</b>	622,136	891,178	705,700	391,450	390,200	388,900
<b>Services</b>	624,952	549,828	474,200	490,650	502,500	509,900
<b>Fines &amp; Forfeitures</b>	140,325	183,240	210,300	212,000	214,000	216,000
<b>Miscellaneous</b>	116,168	266,453	256,010	253,500	240,300	241,000
<b>Transfers In</b>		131,958				
<b>Interfund Loan Proceeds</b>				472,500		
<b>Revenue Options Available:</b>						
<b>Levy 1% Property Tax Increase</b>				45,000	46,000	47,000
<b>"Banked" Property Tax</b>			-	-	-	-
<b>Water Utility Tax</b>			-	75,000	50,000	50,000
<b>Sewer Utility Tax</b>			-	102,750	69,000	69,000
<b>Lighthouse Park Parking Fees</b>				30,000	30,000	30,000
<b>Tank Farm Parking Revenues - Sound Transit &amp; In-kind</b>				103,000	33,000	
<b>Total Revenues</b>	<b>\$11,774,974</b>	<b>\$12,624,395</b>	<b>\$12,260,410</b>	<b>\$12,916,450</b>	<b>\$12,686,000</b>	<b>\$12,927,800</b>
<b>Expenditures</b>						
<b>Salaries</b>	6,101,676	6,334,377	6,167,610	6,244,650	6,331,000	6,457,600
<b>Benefits</b>	2,058,636	2,170,897	2,236,840	2,404,100	2,472,900	2,547,100
<b>Supplies</b>	393,343	325,938	348,300	400,200	406,200	412,300
<b>Services</b>	1,839,894	1,386,272	1,212,550	1,386,390	1,339,500	1,360,300
<b>Intergovernmental</b>	766,304	735,235	792,100	857,720	857,700	787,700
<b>Capital Outlay</b>	573,977	145,477	290,000	562,050	34,500	15,000
<b>Transfers</b>	1,562,354	1,662,726	1,351,400	1,235,300	1,312,000	1,345,000
<b>Equipment Replacement Contributions</b>			313,400	162,360	208,800	207,100
<b>Pumper #1 Five Year Lease</b>				96,000	96,000	96,000
<b>New World Implementation</b>				57,820	30,000	30,000
<b>Staff Reduction and/or Furlough</b>						
<b>Total Expenditures</b>	<b>13,296,184</b>	<b>12,760,922</b>	<b>12,712,200</b>	<b>13,406,590</b>	<b>13,088,600</b>	<b>13,258,100</b>
<b>Accruals</b>	<b>\$437,369</b>	<b>(\$195,411)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Reserve Balance Per Policy</b>		2,127,000	2,119,000	2,235,000	2,182,000	2,210,000
<b>Ending Fund Balance</b>	<b>5,337,816</b>	<b>2,878,882</b>	<b>2,435,092</b>	<b>1,828,860</b>	<b>1,479,260</b>	<b>1,120,960</b>
<b>Gap(Expenses \$'s over Revenues\$'s)</b>	<b>(1,083,841)</b>	<b>(331,938)</b>	<b>(451,790)</b>	<b>(490,140)</b>	<b>(402,600)</b>	<b>(330,300)</b>
<b>Reserve Balance Over (Short)</b>	<b>N/A</b>	<b>2,878,636</b>	<b>2,434,968</b>	<b>1,828,981</b>	<b>1,479,390</b>	<b>1,120,835</b>
<b>Levels of "Gap"</b>	<b>N/A</b>	<b>-1.08%</b>	<b>-3.68%</b>	<b>-3.79%</b>	<b>-3.17%</b>	<b>-2.55%</b>
<b>% of Expenditures covered by Ending Fund Balance</b>	<b>40%</b>	<b>39%</b>	<b>36%</b>	<b>30%</b>	<b>28%</b>	<b>25%</b>

### General Fund Revenue Growth

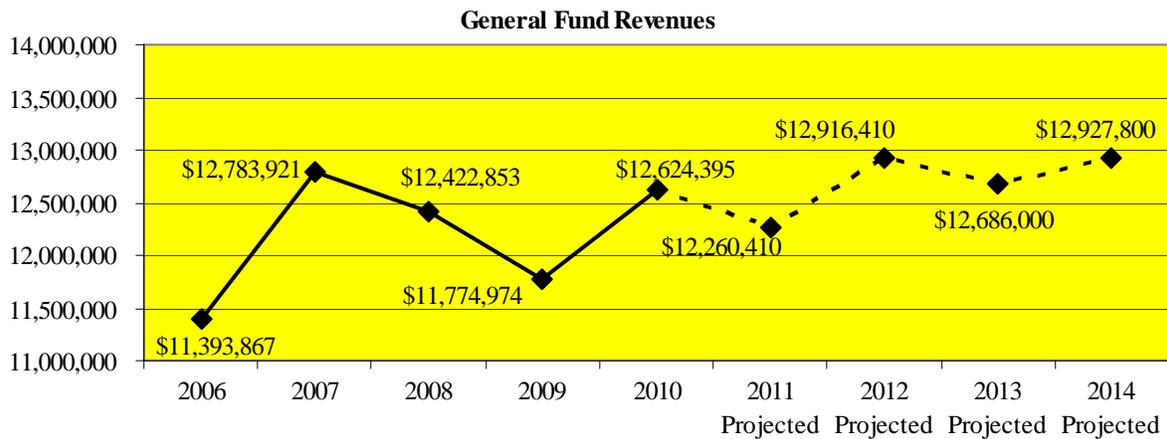
In each revenue and expenditure category an initial summary is provided with the following:

- 5 Year Average Historic Growth Rate – Each revenue category will include average annual rate of growth for the years 2006 to 2010.
- Projected Growth Rate – Each revenue category will also include a projected average annual rate of growth for years 2011 to 2014.
- Each revenue category shares an explanation of the assumptions behind the projections.

### General Fund Revenue Summary

2006 -2010 Average Annual Historic Growth Rate	2.8%
2011- 2014 Average Projected Growth Rate	0.6%

Over the forecast period, General Fund revenues are projected to increase at an average annual rate of 0.6% compared to a historical five year growth rate of 2.8%.



### Property Taxes

2006 -2010 Average Annual Historic Growth Rate	2.3%
2011- 2014 Average Projected Growth Rate	1.3%

### Assumptions & Explanation

As the local economy continues to recover, the City’s reliance on Property tax, the City’s single largest revenue source declines from 37.0% of total General Fund operating revenue in 2011 and to 36.6% by 2014. The historic growth rate of 2.3% is attributed primarily to new residential and commercial development (\$368,881) and due to the City opting to take 1% property tax increases in 2006 (\$43,300) and 2009 (\$43,364.) For the 2011, the City opted to levy an additional 1% property tax increase, which increases property tax by \$44,800.

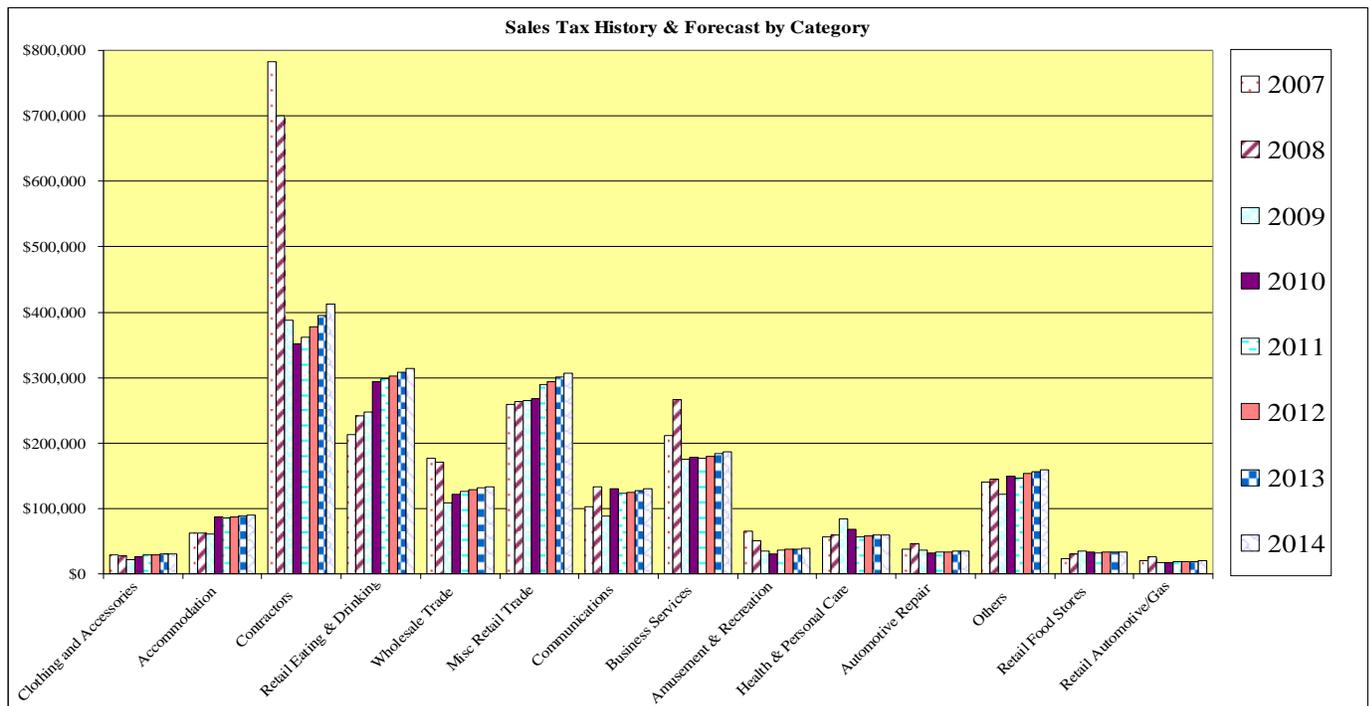
The City’s adopted a “Gap” Closing Plan includes levying a 1% property tax increase in each year of the forecast period. Levying 1% additional property tax each year is expected to generate \$45,000 in 2012, \$46,000 in 2013 and \$47,000 in 2014, with new construction adding \$53,900 in new revenues for the years 2011 to 2014.

<sup>1</sup>Source: Snohomish County Assessor’s Office



The chart below graphs actual sales tax revenues by category for the years 2007<sup>1</sup> to 2010 and forecast for the years 2011 to 2014. Contractors are experiencing the largest change in the group, which reflects the economic woes the country is experiencing and the sectors slow recovery. Accommodation, Eating & Drinking and the Miscellaneous Retail categories will continue to experience steady growth as Boeing also continues to add staff to meet their commitments. Forecast assumptions include the following:

- 2011 revenues will be higher than 2010, due to contractor, retail eating & drinking and miscellaneous retail categories exceeding last year.
- 2012 projects all categories increase an average of 1.5% with contractors providing an additional \$10,000 in sales tax revenues as the economy continues to recover and developers return to fill demand for more housing.
- 2013 projects all categories increase an average of 2.0% with contractors providing an additional \$10,000 in sales tax revenues as the economy continues to recover and developers return to fill demand for more housing.
- 2014 projects all categories increase 2.0% - and the local economy continues its slow recovery and provides additional jobs for the unemployed.



2006 sales tax data by category is unavailable

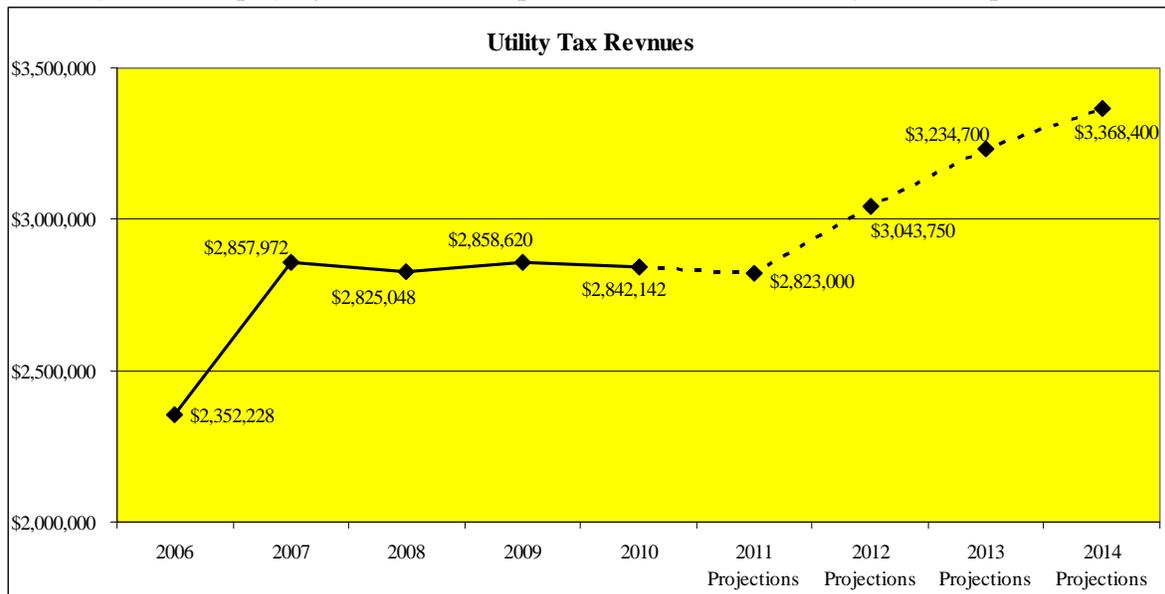
### Utility Taxes

2006 -2010 Average Annual Historic Growth Rate	3.5%
2011- 2014 Average Projected Growth Rate	4.4%

### Assumptions & Explanation

- As a rule, utility tax revenues growth will show only marginal gains over time from new construction. Also Natural Gas and Electricity utility tax revenues will vary from year to the next, due to changes in weather. Years that have cooler mean temperatures will also yield higher revenues and lower in the mild weather years. The projected growth rate of 4.4% exceeds normal growth patterns due to the addition of the new water and sewer utility taxes<sup>1</sup>. Otherwise, utility tax revenues are projected to grow half a percent per year to account for new construction of new housing & commercial buildings.

The chart below displays utility tax revenue history for the years 2007<sup>1</sup> to 2010 & forecast and is followed by a table displaying each of the components included in the utility tax assumption:



Utilities Taxes									
	2006	2007	2008	2009	2010	2011 Projections	2012 Projections	2013 Projections	2014 Projections
Natural Gas	\$296,982	\$505,412	\$494,342	\$519,460	\$472,331	\$503,000	\$503,000	\$503,000	\$506,000
Garbage	\$194,212	\$196,396	\$183,026	\$196,761	\$229,847	\$207,000	\$216,000	\$217,000	\$218,000
Cable	\$296,095	\$337,116	\$359,641	\$366,798	\$369,321	\$375,000	\$371,000	\$374,000	\$376,000
Telephone	\$787,778	\$913,667	\$915,020	\$900,725	\$887,324	\$860,000	\$894,000	\$898,500	\$903,000
Electricity	\$710,564	\$825,415	\$795,933	\$797,509	\$804,979	\$800,000	\$804,000	\$808,000	\$812,000
Water <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$150,000	\$200,000
Sewer <sup>1</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$102,750	\$206,000	\$275,000
Storm Drainage	\$66,598	\$79,966	\$77,087	\$77,367	\$78,339	\$78,000	\$78,000	\$78,200	\$78,400
<b>Total</b>	<b>\$2,352,228</b>	<b>\$2,857,972</b>	<b>\$2,825,048</b>	<b>\$2,858,620</b>	<b>\$2,842,142</b>	<b>\$2,823,000</b>	<b>\$3,043,750</b>	<b>\$3,234,700</b>	<b>\$3,368,400</b>
<b>% Change from Prior Year</b>	<b>-3.4%</b>	<b>21.5%</b>	<b>-1.2%</b>	<b>1.2%</b>	<b>-0.6%</b>	<b>-0.7%</b>	<b>7.8%</b>	<b>6.3%</b>	<b>4.1%</b>

<sup>1</sup>The City adopted a "Gap" Closing Plan, which includes levying both a Water and Sewer Utility Taxes. The Plan imposes a 3% water and sewer utility tax in 2012 and increases by 1% in 2013.

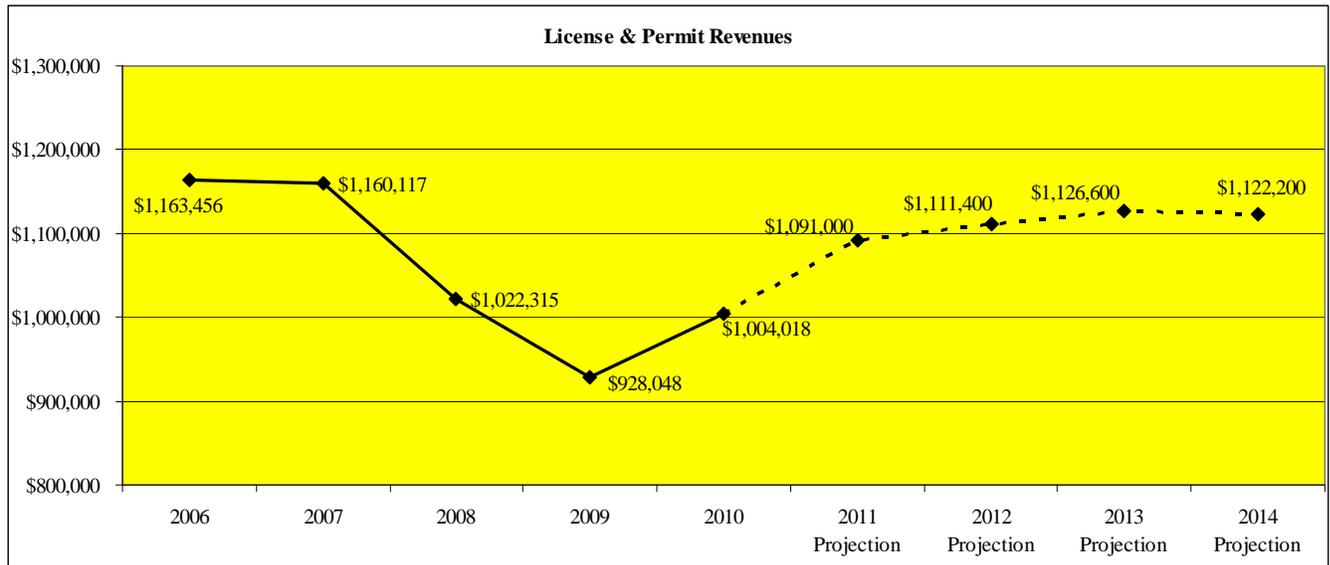


### License and Permit Revenue

2006 -2010 Average Annual Historic Growth Rate -4.6%  
 2011- 2014 Average Projected Growth Rate 3.2%

#### Assumptions & Explanation

License and permit revenues declined over the historic period by 4.6%. The license and permits category consists of business licenses, franchise fees, building permits and other miscellaneous permits. The projected growth rate for license and permits averages 3.2%. The chart below displays license & permit revenue history & forecast and is followed by a table displaying each of the components included in the assumption:



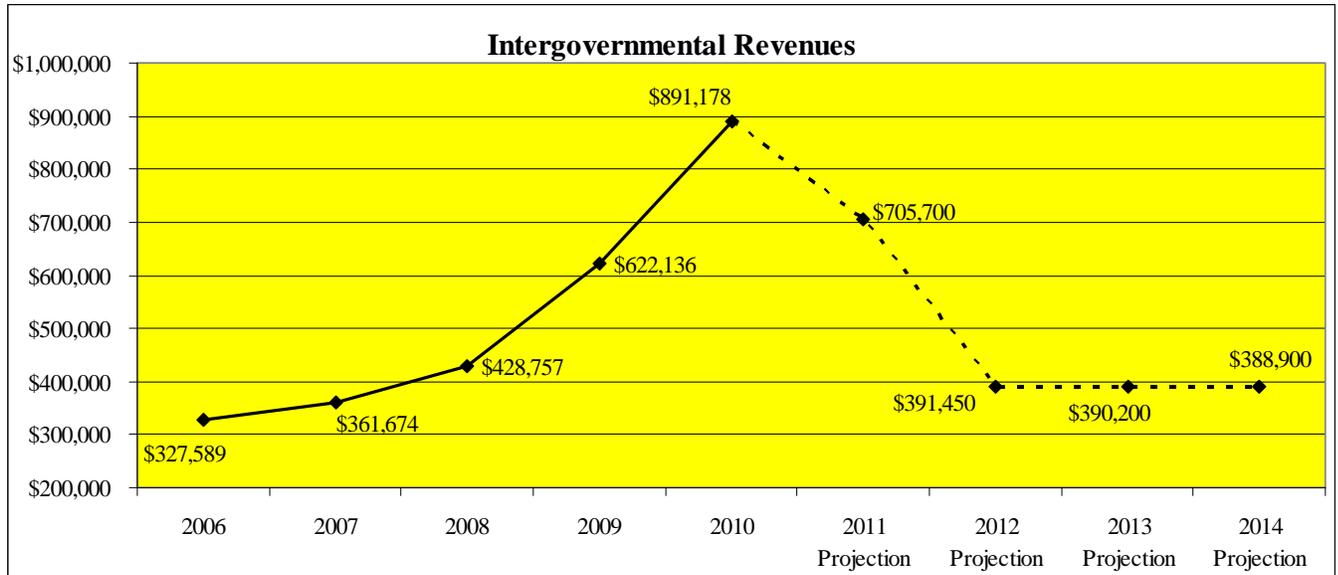
Licenses & Permit Revenues									
	2006	2007	2008	2009	2010	2011 Projection	2012 Projection	2013 Projection	2014 Projection
Business License	\$323,694	\$418,654	\$380,704	\$434,059	\$352,979	\$365,000	\$352,000	\$355,700	\$361,000
Franchise Fees <sup>1</sup>	\$225,283	\$263,938	\$285,951	\$298,753	\$471,343	\$542,000	\$571,000	\$575,500	\$557,000
Building Permits	\$562,227	\$424,010	\$285,577	\$151,363	\$145,977	\$134,000	\$138,000	\$145,200	\$152,500
Other Permits	\$52,251	\$53,516	\$70,083	\$43,872	\$33,718	\$50,000	\$50,400	\$50,200	\$51,700
<b>Total</b>	<b>\$1,163,456</b>	<b>\$1,160,117</b>	<b>\$1,022,315</b>	<b>\$928,048</b>	<b>\$1,004,018</b>	<b>\$1,091,000</b>	<b>\$1,111,400</b>	<b>\$1,126,600</b>	<b>\$1,122,200</b>

- Business License revenues are projected to grow by 1.5% to account for new businesses locating in Mukilteo.
- <sup>1</sup>Franchise Fees include cable franchise fees and garbage administration fees, are projected to grow half a percent per year to account for new construction of new housing & commercial buildings.
- Building Permits and Other Permits (Right-of-way, Signs, Dogs, Guns & Special Events) are projected to grow 10% in 2012, 10% in 2013 and 5% in 2014 reflecting the trend of permits issued by the City.

### Intergovernmental Revenue

2006 -2010 Average Annual Historic Growth Rate 23.5%  
 2011- 2014 Average Projected Growth Rate -16.5%

The primary intergovernmental revenues include liquor excise tax, liquor profits, PUD privilege taxes, and state & federal grants. The chart below displays intergovernmental revenue history & forecast and is followed by a table displaying each of the components included in the assumption:



Intergovernmental Revenues									
	2006	2007	2008	2009	2010	2011 Projection	2012 Projection	2013 Projection	2014 Projection
Liquor Board Profits	\$125,609	\$188,717	\$157,698	\$137,964	\$160,862	\$138,000	\$135,930	\$134,300	\$132,700
PUD Privilege Tax	\$92,033	\$94,898	\$98,491	\$100,026	\$101,479	\$100,450	\$103,500	\$104,500	\$105,500
Liquor Excise Tax	\$83,025	\$44,195	\$73,047	\$97,979	\$99,648	\$99,000	\$95,000	\$93,900	\$92,800
Grants & Interlocal Agreements	\$4,505	\$10,091	\$73,451	\$257,830	\$495,934	\$341,460	\$30,500	\$30,700	\$30,900
Other	\$22,417	\$23,773	\$26,070	\$28,338	\$33,255	\$26,790	\$26,520	\$26,800	\$27,000
<b>Total</b>	<b>\$327,589</b>	<b>\$361,674</b>	<b>\$428,757</b>	<b>\$622,136</b>	<b>\$891,178</b>	<b>\$705,700</b>	<b>\$391,450</b>	<b>\$390,200</b>	<b>\$388,900</b>

- Both Liquor Board Profits and Excise Tax forecasts are provided by the Washington State Liquor Control Board<sup>1</sup>. The Board predicts revenues to decline 1.7 percent in 2011 & 2013, and by 3.4 percent in 2012.
- Future PUD Privilege Tax revenues will continue to follow the past trend and increase 1 percent per year.

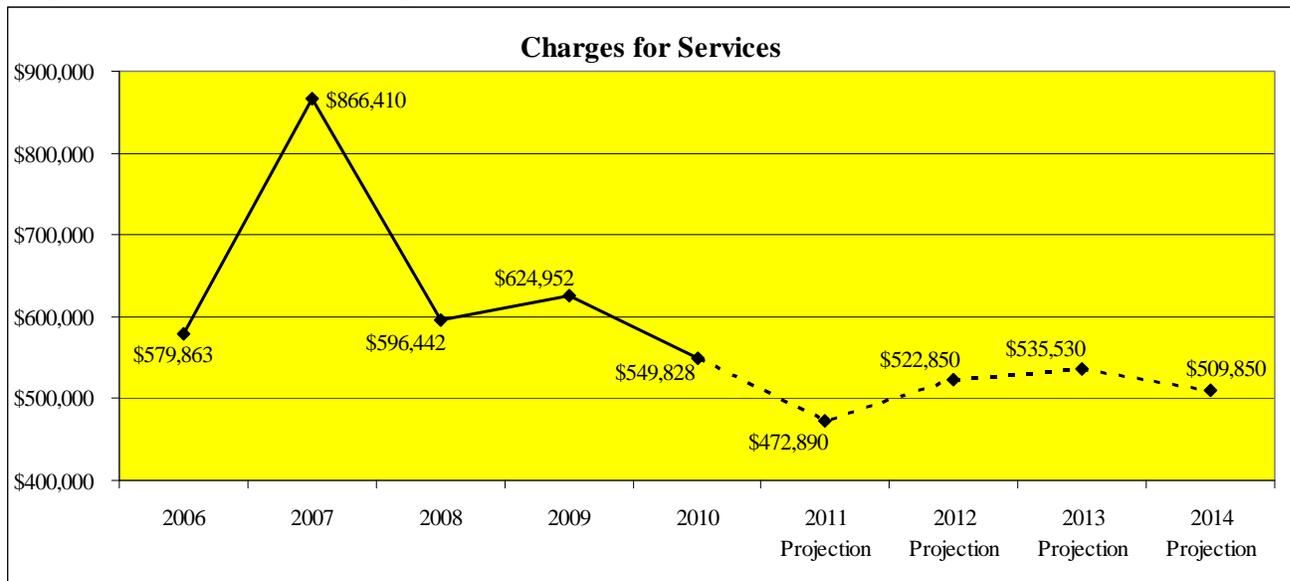
<sup>1</sup>Source: Municipal Research Services Center's [Budget Suggestions for 2012](#)

### Charges for Services

2006 -2010 Average Annual Historic Growth Rate -0.7%  
 2011- 2014 Average Projected Growth Rate -1.4%

Charges for Service are projected to decrease by 1.4% over the forecast period. This category includes a variety of fees charged for specific services provided by the City including development fees, and public safety fees. The projection includes two payments of \$33,000 from the United States Air Force as “In-kind” payments for police patrols of the tank farm property.

Historically, charges for services have decreased by an average of 0.7%. The chart below displays charges for services revenue history & forecast and is followed by a table displaying each of the components included in the assumption:

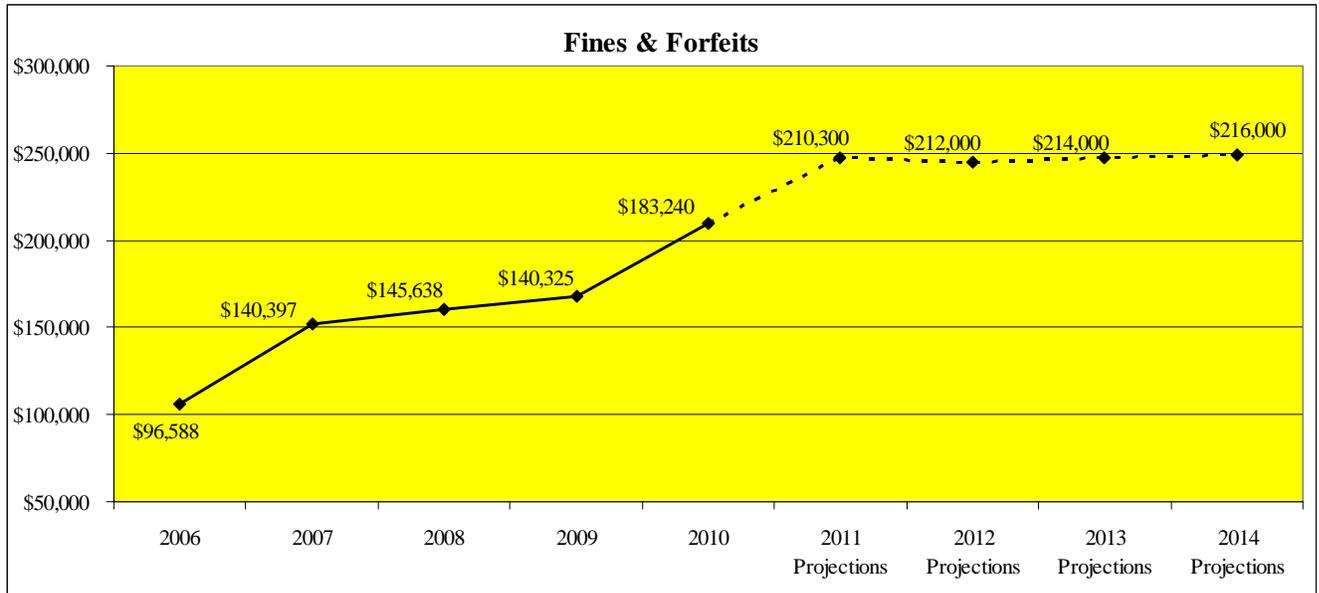


Charges for Services									
	2006	2007	2008	2009	2010	2011 Projection	2012 Projection	2013 Projection	2014 Projection
Misc. Services	\$11,353	\$11,468	\$12,708	\$10,816	\$30,098	\$6,710	\$39,000	\$39,000	\$6,000
Ambulance Fees	\$130,105	\$171,996	\$147,610	\$191,243	\$196,732	\$180,000	\$181,000	\$183,610	\$185,450
Development Revenues	\$438,405	\$348,947	\$269,125	\$227,892	\$127,498	\$90,980	\$107,350	\$117,420	\$122,900
Overhead Cost Recovery	\$0	\$334,000	\$167,000	\$195,000	\$195,500	\$195,200	\$195,500	\$195,500	\$195,500
<b>Total</b>	<b>\$579,863</b>	<b>\$866,410</b>	<b>\$596,442</b>	<b>\$624,952</b>	<b>\$549,828</b>	<b>\$472,890</b>	<b>\$522,850</b>	<b>\$535,530</b>	<b>\$509,850</b>

### Fines and Forfeits

2006 -2010 Average Annual Historic Growth Rate 16.1%  
 2011- 2014 Average Projected Growth Rate 1.7%

The Fines category consists of parking fines, traffic violations, and civil penalties. The projected growth rate is 1.7% whereas the historic rate is an average of 16.1%. The chart below displays fines and forfeits revenue history & forecast and is followed by a table displaying each of the components included in the assumption:

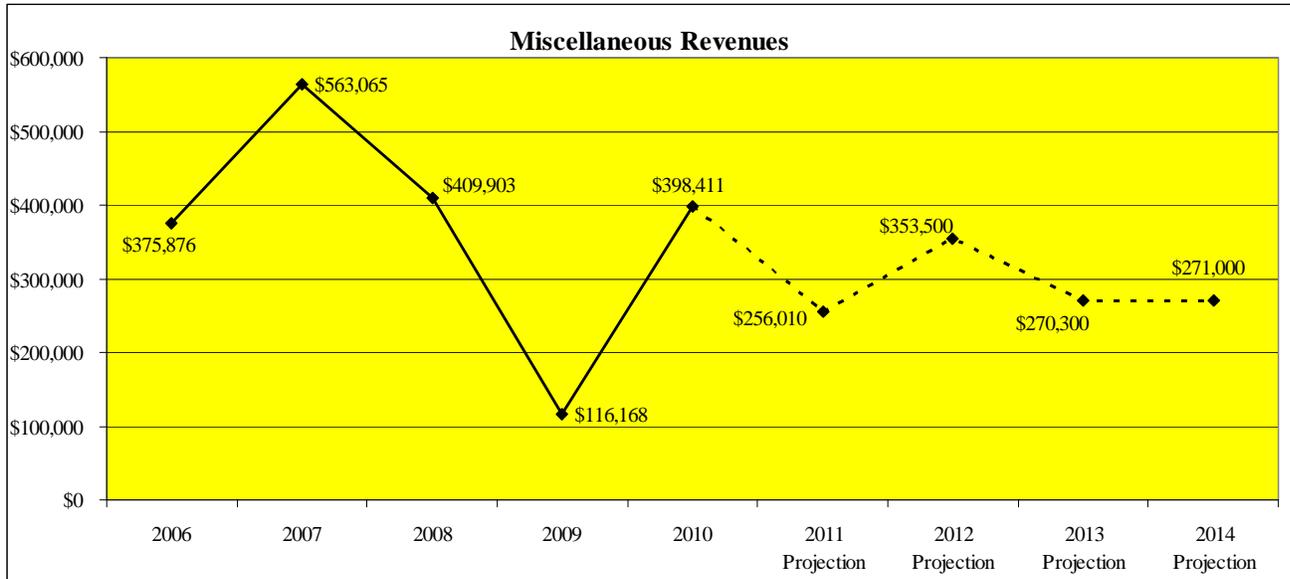


Fines & Forfeits									
	2006	2007	2008	2009	2010	2011 Projections	2012 Projections	2013 Projections	2014 Projections
Traffic Violations	\$87,319	\$128,890	\$130,757	\$113,023	\$156,425	\$173,000	\$179,000	\$180,800	\$182,600
Parking & Non-Traffic Violations	\$9,269	\$11,507	\$14,881	\$27,302	\$26,815	\$37,300	\$33,000	\$33,200	\$33,400
<b>Fines &amp; Forfeits</b>	<b>\$96,588</b>	<b>\$140,397</b>	<b>\$145,638</b>	<b>\$140,325</b>	<b>\$183,240</b>	<b>\$210,300</b>	<b>\$212,000</b>	<b>\$214,000</b>	<b>\$216,000</b>

### Miscellaneous Revenues

2006 -2010 Average Annual Historic Growth Rate 72.8%  
 2011- 2014 Average Projected Growth Rate -5.2%

This revenue group includes interest earnings and revenue from rental agreements and leases. We have experienced a historic growth rate of 72.8% but anticipate a decline in the growth rate of 5.2%.

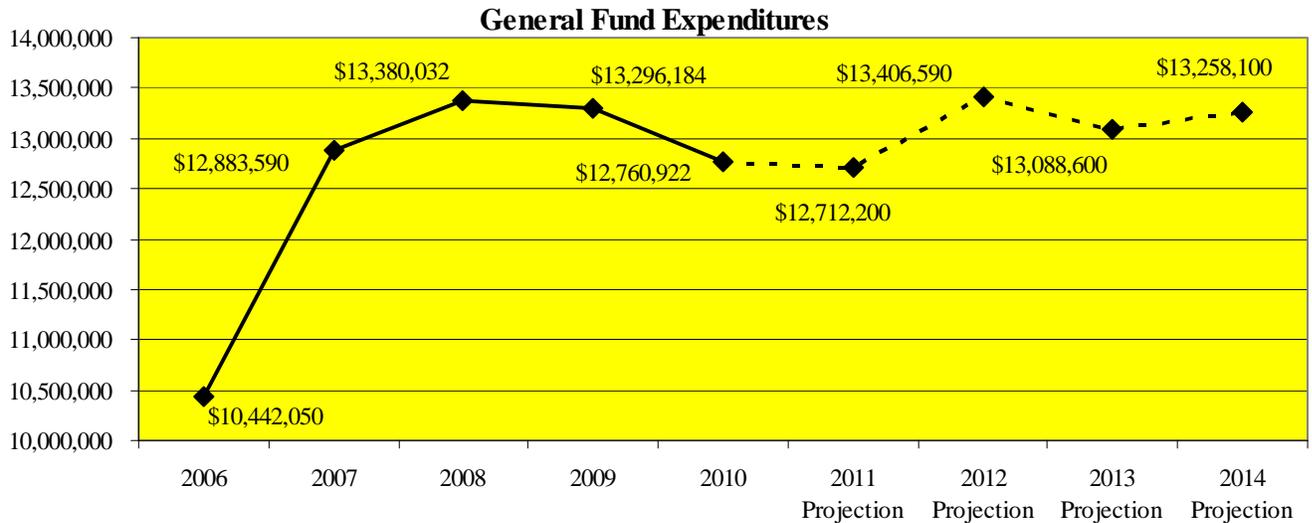


Miscellaneous Revenues									
	2006	2007	2008	2009	2010	2011 Projection	2012 Projection	2013 Projection	2014 Projection
Interest Earnings	\$348,533	\$438,303	\$235,716	\$69,309	\$22,259	\$15,000	\$14,400	\$11,000	\$10,000
Rental Income	\$2,164	\$0	\$2,433	\$14,084	\$191,970	\$213,310	\$314,900	\$246,500	\$248,200
Contributions, Surplus & Other	\$25,179	\$55,202	\$53,065	\$32,775	\$52,224	\$27,700	\$24,200	\$12,800	\$12,800
Transfers from Other Funds	\$0	\$69,559	\$118,689	\$0	\$131,958	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$375,876</b>	<b>\$563,065</b>	<b>\$409,903</b>	<b>\$116,168</b>	<b>\$398,411</b>	<b>\$256,010</b>	<b>\$353,500</b>	<b>\$270,300</b>	<b>\$271,000</b>

**General Fund Expenditures Summary**

2006 -2010 Average Annual Historic Growth Rate	5.7%
2011- 2014 Average Projected Growth Rate	1.0%

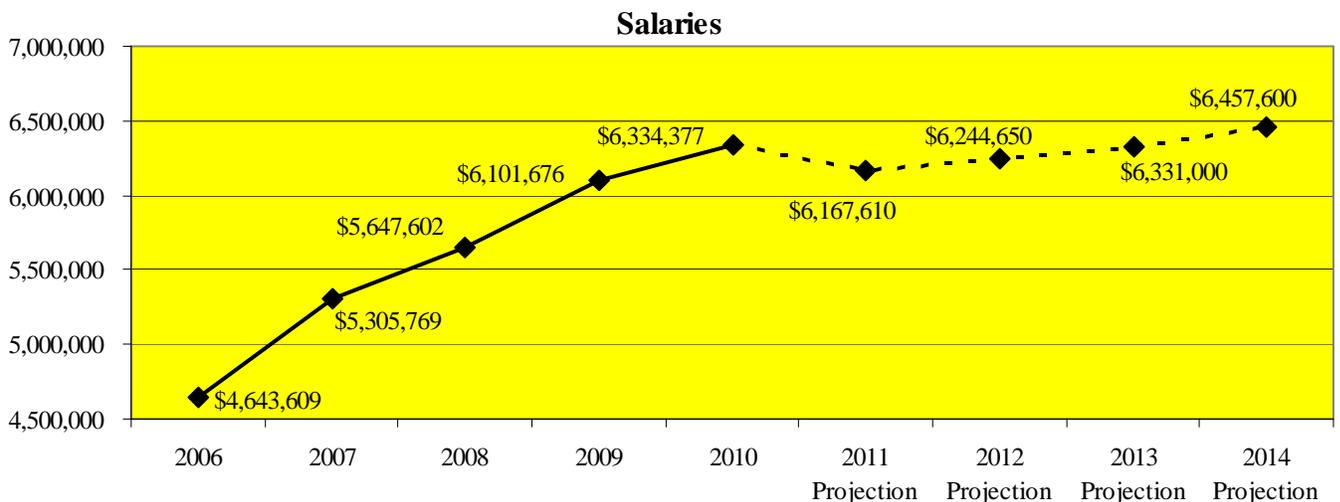
Expenditures are projected to increase at an average rate of 1.0%, as compared to an average of 5.7% over the past five years. The 4.7% difference is primarily due to Mayor’s initiative of having staff look for opportunities to decrease expenditures and laying off of two staff members in 2011 and one staff member in 2012.



**Salaries**

2006 -2010 Average Annual Historic Growth Rate	7.3%
2011- 2014 Average Projected Growth Rate	0.5%

The chart below displays expenditures for salaries and is followed by table that helps explain variance between the “historic growth” and the “projected growth” rates. Between 2006 and 2009, the City hired 20.5 positions; laid off two positions in 2011 and laid off one position in 2012.

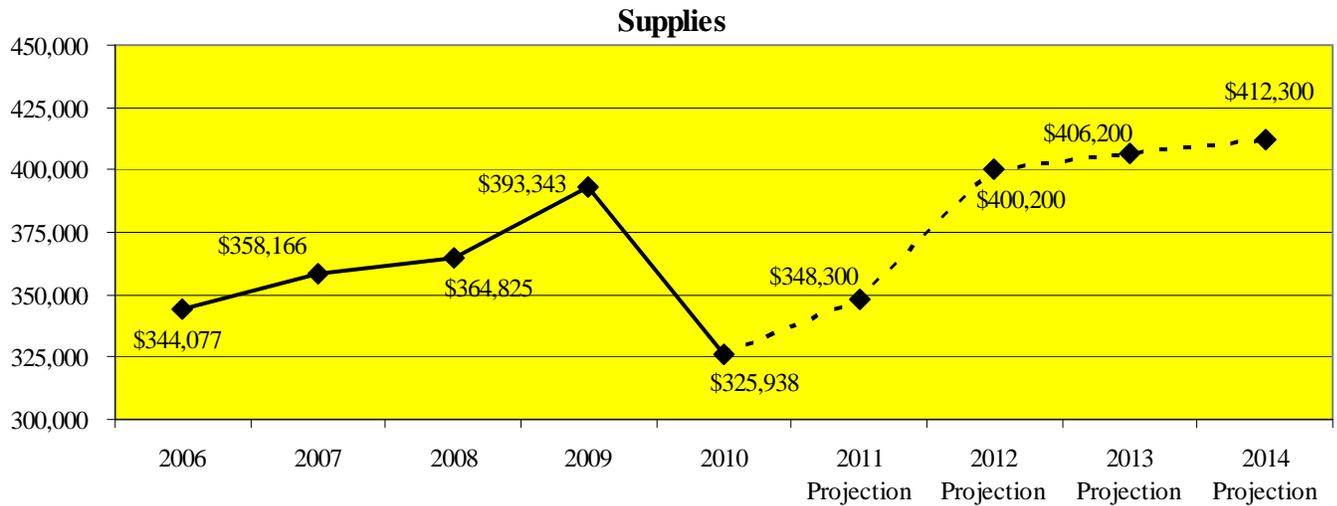




### Supplies

2006 -2010 Average Annual Historic Growth Rate	3.6%
2011- 2014 Average Projected Growth Rate	6.2%

Supplies historically increased 3.6%. However, the projected growth rate increases to 6.2% mainly due the Fire Department's three year program to replace fire fighter protective clothing at \$25,000 per year.

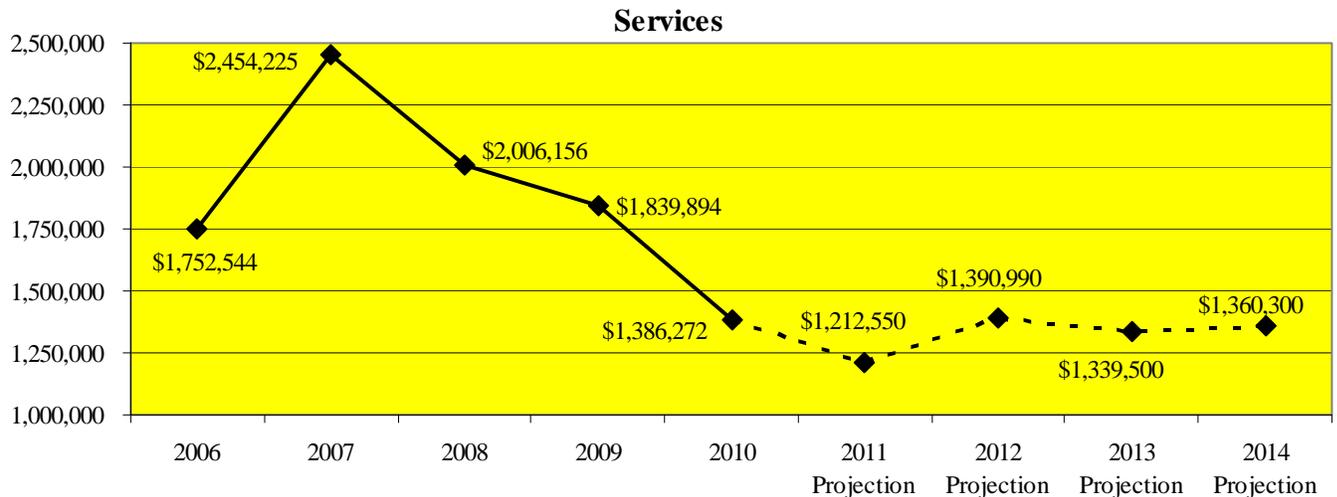


### Other Services and Charges

2006 -2010 Average Annual Historic Growth Rate	-2.0%
2011- 2014 Average Projected Growth Rate	0.0%

The City classifies items such as travel, training, equipment repair and maintenance, vehicle repair and maintenance, and professional services within this category. These expenditures fluctuate as grants/other capital projects present themselves.

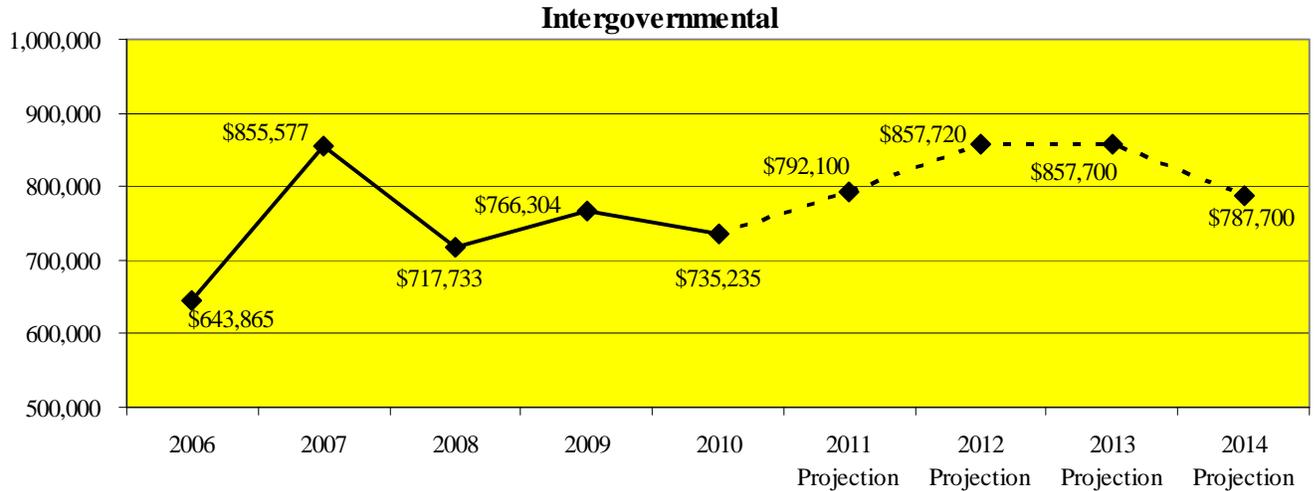
Due to the current economic conditions limited grant opportunities, the other services and charges category is projected to see no growth.



### Intergovernmental

2006 -2010 Average Annual Historic Growth Rate                   6.7%  
 2011- 2014 Average Projected Growth Rate                       2.0%

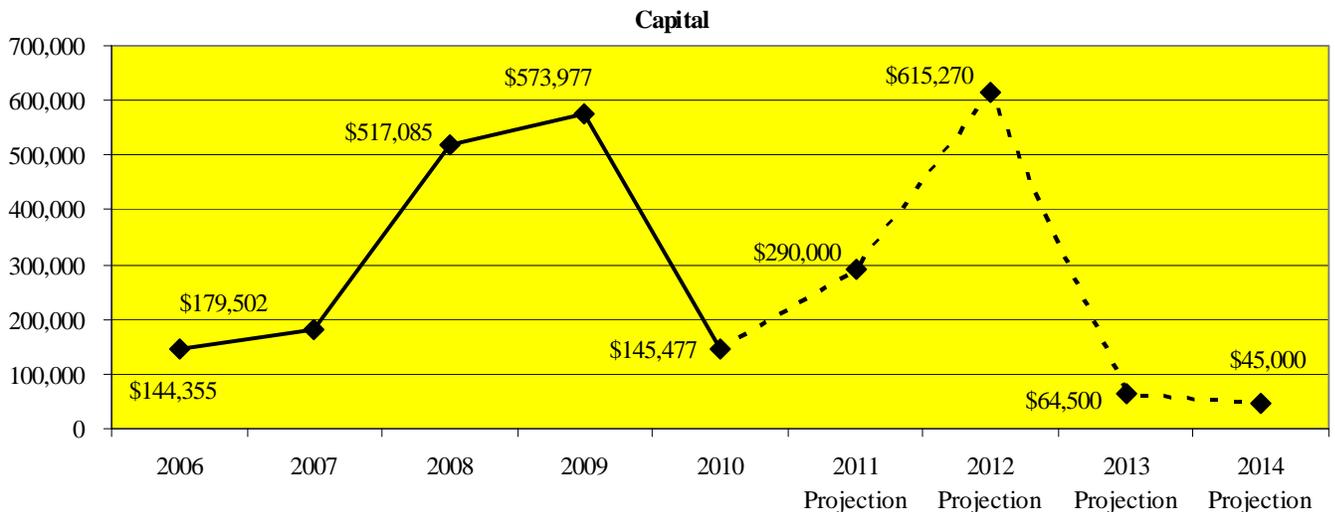
The City classifies overhead costs and interlocal agreements as intergovernmental. Although the historic growth rate averages to be 6.7%, the City is projecting 2% growth in this category for its financial forecast.



### Capital Outlay

2006 -2010 Average Annual Historic Growth Rate                   23.7%  
 2011- 2014 Average Projected Growth Rate                       22.9%

The historic growth rate of 23.7% includes expenditures of \$482,000 in 2008 & \$364,000 in 2009 for construction of City Hall. The projected growth rate includes 2011 expenditures of \$270,000 for the purchase of breathing apparatus devices for the Fire Department, and 2012 expenditures of \$472,500 for a Fire Pumper Truck and \$53,220 for New World equipment.



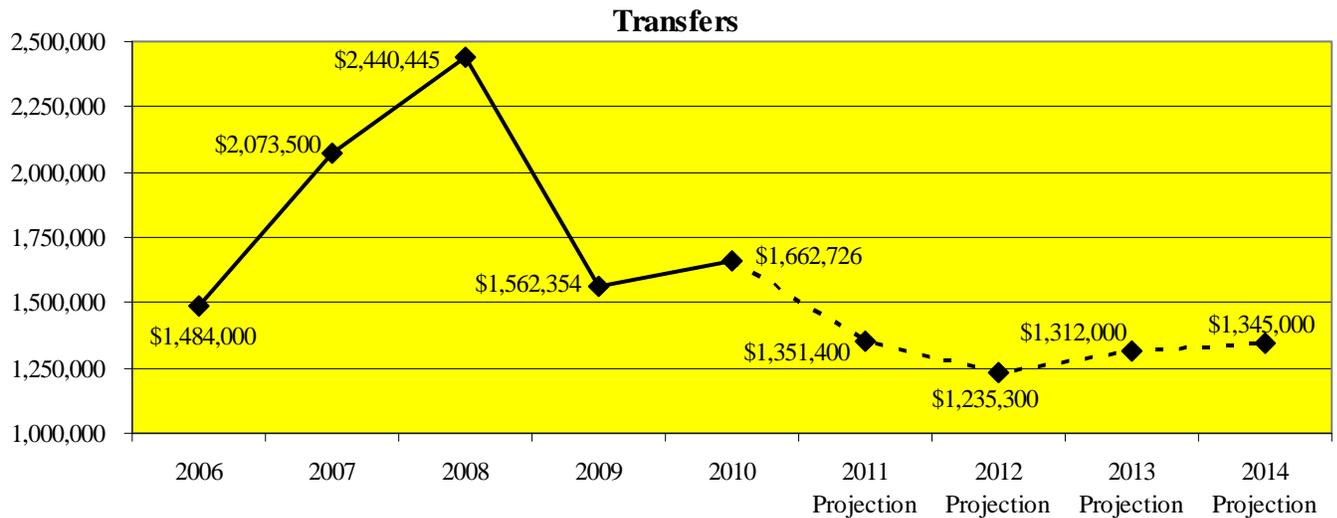
**Interfund Transfers**

2006 -2010 Average Annual Historic Growth Rate	8.1%
2011- 2014 Average Projected Growth Rate	-4.6%

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services in return. The City uses transfers to:

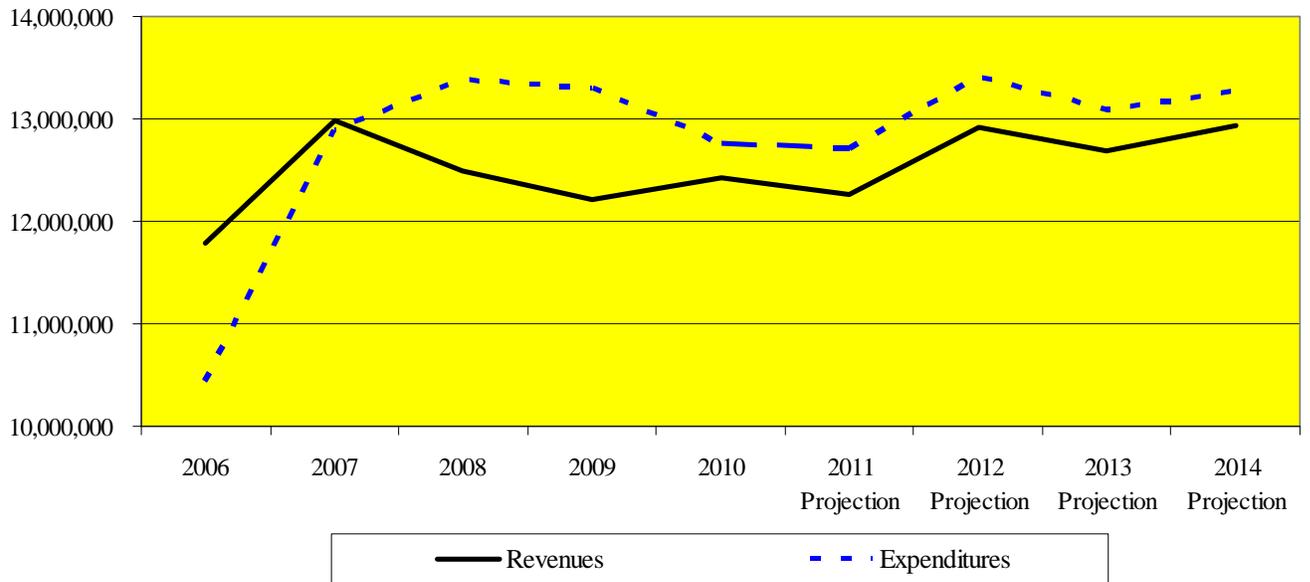
- Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them
- Move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due
- Use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Historic growth of interfund transfers is averaged 8.1%, however, the City projects an average decrease in transfers of -4.6% for future years.



## Financial Forecast Summary

The forecast shows a negative operating position in each year, with the 2010 General Fund ending fund balance totaling \$5 million or equaling 39% of 2010 expenditures and projects it to end 2014 at \$3.3 million or 25% of 2014 expenditures. The chart below graphs revenues vs. expenditures, with the “Gap” peaking in 2009 at 12.9% and declining to 2.55% in 2014.



## Reserve Analysis

### Objective

To analyze and recommend appropriate levels of reserves to (a) ensure that they are adequate to provide for the needs of each fund program, (b) meet program needs without unnecessarily obligating scarce dollar resources and (c) to ensure compliance with City fiscal policies and legal requirements by State, County and City of Mukilteo Ordinances.

### Background

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 balances 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's Fund Balance Reserve Policy addresses seven of the City's 22 funds.

### Summary

Sound accounting and budgeting practices require that each fund maintain a positive fund balance and the appropriate level of reserve as dictated by the City's *Fund Balance Reserve Policy*. As a matter of practice, the City's reserves should be reviewed annually as part of the bi-annual LRFPS update process.

The following table summarizes all the City's fund balances as of December 31, 2010.

**Reserve Analysis Table as of 12/31/2010**

Fund Description	Fund Balance	Policy Stipulated Reserve	Fund Balance Less Reserve	Comments	In Compliance With Reserve Policy
LEOFF I Reserve	\$137,430		\$137,430	Recommend fund balance of at least two years worth of expenses. Background: City is paying \$30,000/yr for a medical insurance policy for 2 people, ages 59 & 71, plus \$5,000/yr for other expenses. The policy costs are growing 8 to 10% per year	N/A
General	\$5,005,880	\$2,121,640	\$2,884,240	Fund Balance equals 39%, policy calls for 16.67%	Yes
Paine Field Emergency Reserve Fund	\$26,237		\$26,237	No policy needed for fund	N/A
Street	\$104,975		\$104,975	Recommend small balance - 5% -10% of primary revenue source	N/A
Arterial Street	\$155,522		\$155,522	Recommend fund balance of 5% -10% of primary revenue source for small emergencies only	N/A
Recreation & Cultural Services	\$112,306		\$112,306	No policy needed due to General Fund Operating Transfer	N/A
Hotel/Motel Lodging Tax Fund	\$172,461	\$105,000	\$67,461	Fund Balance exceeds policy	Yes
Technology Replacement	\$143,067	\$82,700	\$60,367	Fund Balance exceeds policy	Yes
City Reserve	\$1,000,000	\$1,000,000	\$0	Fund Balance matches policy	Yes
Emergency Medical Services	\$360,246		\$360,246	EMS Property Tax Levy is primary revenue that comes twice a year, May & November. Recommend two month's of expenditures as fund balance reserve	N/A
Municipal Facilities	\$170		\$170	No policy needed for project only fund	N/A
LTGO Bond Fund 2009	\$7,400		\$7,400	No policy for needed for debt service fund	N/A
Park Acquisition & Development	\$111,632		\$111,632	No policy needed for project only fund	N/A
Transportation Impact Fee	\$92,046		\$92,046	Mukilteo Municipal Code restricts use	N/A
Real Estate Excise Tax I	\$5,093,991		\$5,093,991	Keep \$2 million for emergencies	N/A
Real Estate Excise Tax II	\$366,566		\$366,566	No reserve needed - use REET 1	N/A
Community Center Project Fund	\$2,621,575		\$2,621,575	Project will be completed in 2011	N/A
Surface Water Management	\$1,555,850	\$250,000	\$1,305,850	Fund Balance exceeds policy	Yes
Health Insurance Administration	\$49,996	\$50,831	(\$835)	\$1,000 transferred into fund during 2011	Yes
Equipment Replacement Reserve	\$1,157,113	\$221,300	\$935,813	Fund Balance exceeds policy	Yes
Unemployment Compensation	\$40,488		\$40,488	Balance is adequate for now. City self-insures unemployment comp. & pays all claims out of each dept's budget	N/A
Facilities Maintenance	\$67,448		\$67,448	No policy needed due to General Fund Operating Transfer	N/A
	<b>\$18,382,399</b>	<b>\$3,831,471</b>	<b>\$14,550,928</b>		

## **Fiscal Policy**

### **Objective**

Review the City's adopted fiscal policies on an annual basis in order to determine appropriate changes, additions, deletions or if new policies are necessary.

### **Background**

Below is a review of the City Council's adopted fiscal policies. This review is performed in order to document proposed new policies identified through the preparation of the Long-Range Financial Plan. Additionally, as circumstances change, there is sometimes a need to modify existing fiscal policies.

### **Recommended Fiscal Policy Change**

The current **Gap Closing Policy** addresses situations where expenditures exceed revenues and calls for a tiered approach for addressing the "Gap", depending on the size of the "Gap". As the policy stands now, it lacks a plan for bringing the "Gap" to zero.

It is recommended that the Long-Range Financial Planning team bring a recommended revision to the current **Gap Closing Policy** for Council approval during the 2012 LRFP update.



## BUDGET SUMMARY – ALL FUNDS

Exhibit 1 lists projected 2012 beginning fund balances, revenues, expenditures and ending fund balances for each fund. (Significant changes in Ending Fund Balance are explained in footnote below.<sup>1</sup>)

**Exhibit 1: Budget Summary by Fund – All Funds**

Fund Number	Fund Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	% Change <sup>1</sup>
009	LEOFF I Reserve	134,220	30,300	37,200	127,320	-5%
011	General	4,468,000	12,445,766	12,793,590	4,120,176	-8%
012	City Reserve	1,000,000	0	0	1,000,000	0%
013	Health Insurance Reserve	51,000	15,300	0	66,300	30%
014	Unemployment Compensation Reserve	40,490	0	0	40,490	0%
015	Paine Field Emergency	157,220	0	156,240	980	-99%
104	Drug Enforcement	30,590	0	0	30,590	0%
111	Street	44,390	780,100	748,730	75,760	71%
112	Arterial Street	153,920	136,650	165,000	125,570	-18%
114	Recreation & Cultural Services	208,930	534,150	590,100	152,980	-27%
116	Hotel/Motel Lodging Tax	192,440	175,400	148,900	218,940	14%
120	Technology Replacement	160,150	80,200	124,512	115,838	-28%
126	Emergency Medical Services	390,260	1,849,200	1,904,528	334,932	-14%
275	LTGO Bond	7,160	905,310	905,650	6,820	-5%
322	Park Acquisition & Development	149,870	245,100	270,000	124,970	-17%
323	Transportation Impact Fee	131,880	98,700	100,000	130,580	-1%
331	Real Estate Excise Tax I	4,582,770	417,000	1,261,245	3,738,525	-18%
332	Real Estate Excise Tax II	296,290	415,500	424,800	286,990	-3%
341	Municipal Facilities	18,570	0	0	18,570	0%
375	Community Center Project	521,670	0	95,260	426,410	-18%
440	Surface Water Management	1,734,550	1,328,600	1,787,350	1,275,800	-26%
510	Equipment Replacement Reserve	1,614,470	513,990	175,100	1,953,360	21%
518	Facilities Maintenance	101,700	400,000	453,340	48,360	-52%
<b>TOTALS</b>		<b>16,190,540</b>	<b>20,371,266</b>	<b>22,141,545</b>	<b>14,420,261</b>	<b>-11%</b>

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

- General Fund** Ending Fund Balance continues to decline in 2012 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 32.2% of 2012 expenditures, exceeding the City’s mandated Fund Balance Reserve Policy by an additional 15.5%.

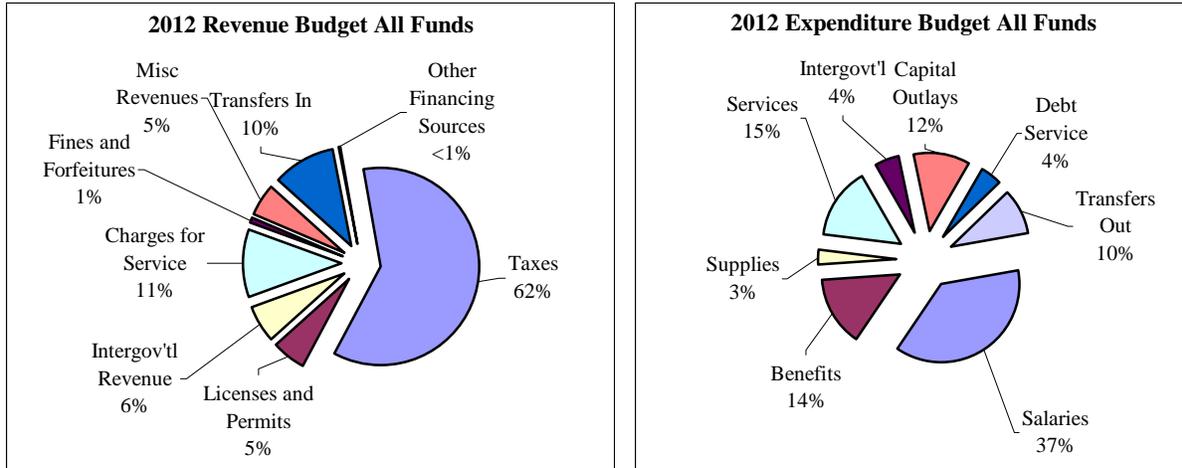
The General Fund anticipated expenditures exceed anticipated revenues by 2.8%, which places the General Fund in the “Watch” level according to the City’s Gap Closing Policy, which begins on page 16.

- Health Insurance Reserve Fund** is increased to meet state reserve requirements for self-insured dental and vision benefits.

- **Paine Field Emergency Fund** is anticipating expending all available funds in 2012 as part of the City's effort to oppose commercial expansion of Paine Field.
- **Street Fund** operating transfer from General Fund is increased in 2012 to provide a higher ending fund balance for cyclical maintenance projects.
- **Arterial Street Fund** pays for pavement improvements. 2012 expenditures require use of part of the fund balance.
- **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 celebrated its grand opening on February 5, 2011. The new Community Center expanded recreational opportunities and generated more revenue than anticipated in 2011, providing a higher than necessary ending fund balance. The 2012 Budget has this fund spending down its ending fund balance, which also reduces the required 2012 operating transfer from the General Fund.
- **Hotel/Motel Lodging Tax Fund** is required by the City's Fund Balance Reserve Policy to maintain one prior complete year's revenues in ending fund balance. 2011 revenues increased 23% over 2010 revenues. These additional funds will not be available for spending until 2013.
- **Technology Replacement Fund** is spending down fund balance that has been set aside to meet demands of the technology replacement schedule.
- **Emergency Medical Services Fund** accounts for the City's EMS property tax levy receipts. 2012 expenditures exceed revenues by 3%.
- **All 300 series Construction Funds** Ending Fund Balances are being spent down to complete capital projects. For 2012 Capital Projects Summary details see page 224.
- **Surface Water Management Fund** Ending Fund Balance is being spent down to complete capital projects. For 2012 Capital Projects Summary details see page 224.
- **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** 2011 expenditures came in \$48,000 under budget, leaving a higher than necessary ending fund balance. The 2012 Budget has this fund spending down its ending fund balance to reduce match Fund Balance Reserve Policy recommendations.

Exhibit 2 lists revenues, expenditures and fund balances for all funds. Estimated revenues decrease by \$524,335, and budgeted expenditures decrease by \$4,179,850, over the 2011 amended budget.

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



Item	2010 Actual	2011 Budget	2012 Budget	\$ Change '12 - '11	% Change '12 - '11
Beginning Fund Balance	28,047,787	18,422,220	16,190,540	(2,231,680)	-12.11%
<b>Revenues:</b>					
Taxes	11,275,781	12,176,800	12,335,566	158,766	1.30%
Licenses and Permits	1,004,018	1,004,600	1,111,900	107,300	10.68%
Intergovernmental Revenue	3,096,850	1,508,476	1,242,350	(266,126)	-17.64%
Charges for Service	2,194,294	2,093,000	2,259,200	166,200	7.94%
Fines and Forfeitures	183,240	205,600	212,000	6,400	3.11%
Miscellaneous Revenues	387,497	1,430,445	1,041,150	(389,295)	-27.21%
Transfers In	2,702,654	2,428,180	2,120,600	(307,580)	-12.67%
Other Financing Sources	-	48,500	48,500	-	0.00%
<b>Total Revenues</b>	<b>20,844,334</b>	<b>20,895,601</b>	<b>20,371,266</b>	<b>(524,335)</b>	<b>-2.51%</b>
<b>Expenditures:</b>					
Salaries	8,129,875	8,178,875	8,255,150	76,275	0.93%
Benefits	2,794,057	3,095,225	3,193,300	98,075	3.17%
Supplies	539,088	652,106	649,320	(2,786)	-0.43%
Services	2,724,915	3,575,877	3,263,760	(312,117)	-8.73%
Intergovernmental	1,039,346	1,099,700	1,128,710	29,010	2.64%
Capital Outlays	11,392,076	6,333,182	2,576,555	(3,756,627)	-59.32%
Debt Service	909,592	958,250	954,150	(4,100)	-0.43%
Transfer Out	2,702,654	2,428,180	2,120,600	(307,580)	-12.67%
<b>Total Expenditures</b>	<b>\$30,231,603</b>	<b>\$26,321,395</b>	<b>\$22,141,545</b>	<b>(\$4,179,850)</b>	<b>-15.88%</b>
<b>Ending Fund Balance</b>	<b>18,660,518</b>	<b>12,996,426</b>	<b>14,420,261</b>	<b>1,423,835</b>	<b>10.96%</b>

**Exhibit 3: Revenue Summary – All Funds**

Fund No.	Fund Description	2010 Actual	2011 Budget	2012 Budget	\$ Change 12 - '11	% Change 12 - '11
009	LEOFF I Reserve	\$ 25,452	\$ 30,450	\$ 30,300	(150)	-0.49%
011	General	12,624,395	11,972,851	12,445,766	472,915	3.95%
012	City Reserve	0	0	0	0	100.00%
013	Health Insurance Reserve	4,870	1,000	15,300	14,300	1430.00%
014	Unemployment Compensation Reserve	0	0	0	0	100.00%
015	Paine Field Emergency	501	150,000	0	(150,000)	-100.00%
104	Drug Enforcement	0	56,000	0	(56,000)	-100.00%
111	Street	647,074	726,300	780,100	53,800	7.41%
112	Arterial Street	180,234	399,900	136,650	(263,250)	-65.83%
114	Recreation & Cultural Services	345,363	552,100	534,150	(17,950)	-3.25%
116	Hotel/Motel Lodging Tax	145,846	130,450	175,400	44,950	34.46%
120	Technology Replacement	82,087	77,400	80,200	2,800	3.62%
126	Emergency Medical Services	1,692,493	2,025,000	1,849,200	(175,800)	-8.68%
275	LTGO Bond Fund	908,003	1,081,780	905,310	(176,470)	-16.31%
322	Park Acquisition & Development	1,610,812	298,250	245,100	(53,150)	-17.82%
323	Transportation Impact Fee	63,912	25,340	98,700	73,360	289.50%
331	Real Estate Excise Tax I	396,257	392,600	417,000	24,400	6.21%
332	Real Estate Excise Tax II	431,407	307,050	415,500	108,450	35.32%
341	Municipal Facilities	103	0	0	0	100.00%
375	Community Center Project Fund	21,794	500	0	(500)	-100.00%
440	Surface Water Management	1,252,248	1,306,000	1,328,600	22,600	1.73%
510	Equipment Replacement Reserve	21,426	940,630	513,990	(426,640)	-45.36%
518	Facilities Maintenance	390,059	422,000	400,000	(22,000)	-5.21%
	<b>Totals</b>	<b>\$ 20,844,336</b>	<b>\$ 20,895,601</b>	<b>\$ 20,371,266</b>	<b>\$ (524,335)</b>	<b>-2.51%</b>

Exhibit 3 lists revenues by fund. Total estimated revenues and operating transfers for 2012 are \$20,371,266 a decrease of \$524,335 over the 2011 amended budget, mainly due to reductions in operating transfers.



**Exhibit 4: Revenues by Fund Class – All Funds**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Change '12 - '11</b>	
<b>General Fund</b>					
<b>Taxes</b>					
011.311.100.00	Real & Personal Property Tax	4,608,471	4,540,000	4,693,116	153,116
011.313.101.00	Retail Sales & Use Tax	1,784,027	1,920,000	1,855,000	(65,000)
011.313.600.00	Propane Use Tax	3,287	3,000	6,500	3,500
011.313.710.00	Local Criminal Justice Tax	260,625	240,000	265,000	25,000
011.316.200.00	Admissions Tax	54,966	52,600	60,000	7,400
011.316.300.00	Commercial Parking Tax	38,854	0	15,500	15,500
011.316.xxx.00	Utility Taxes	2,842,143	2,858,100	2,954,450	96,350
011.317.200.00	Leasehold Excise Tax	5,348	100	4,000	3,900
<b>Total Taxes</b>		<b>9,597,721</b>	<b>9,613,800</b>	<b>9,853,566</b>	<b>239,766</b>
<b>Licenses &amp; Permits</b>					
011.321.700.00	Special Event Permits	375	0	200	200
011.321.910.00	Franchise Fees	323,297	305,000	330,000	25,000
011.321.920.00	Garbage Administration Fee	148,047	234,500	241,000	6,500
011.321.xxx.00	Business Licenses	352,979	346,500	352,000	5,500
011.322.101.02	Plumbing Permits	8,950	6,900	9,000	2,100
011.322.101.03	Mechanical Permits	14,284	10,200	14,000	3,800
011.322.101.xx	Building Permits	122,742	70,800	138,000	67,200
011.322.102.00	Sign Permits	3,303	3,900	5,000	1,100
011.322.103.00	Right of Way Permits	18,906	15,700	11,000	(4,700)
011.322.301.00	Dog Licenses	6,785	6,900	7,600	700
011.322.901.00	Gun Permits (City)	4,062	3,500	3,500	0
011.322.902.00	Gun Permits (State)	288	300	300	0
<b>Total Licenses &amp; Permits</b>		<b>1,004,018</b>	<b>1,004,200</b>	<b>1,111,600</b>	<b>107,400</b>
<b>Intergovernmental</b>					
011.331.166.07	Dept of Justice - Bulletproof Vest Prgrm.	0	3,416	0	(3,416)
011.331.970.78	Homeland Security Buffer Zone Prot. Grant	127,835	0	0	0
011.333.970.42	Homeland Security Indirect ESCA Grant	13,535	13,600	13,800	200
011.334.000.31	Secretary of State - Dept. of Archives	9,579	0	0	0
011.334.018.00	State Military Department Grant	100	0	0	0
011.334.020.30	State Grant - Dept of Natural Resources	0	10,000	0	(10,000)
011.334.030.10	State Grant - Dept of Ecology	40,269	15,000	15,000	0
011.334.035.00	Traffic Safety Commission Grant	9,924	21,410	0	(21,410)
011.334.040.20	State Grant - CTED	0	5,000	0	(5,000)
011.334.040.90	Pre-Hospital Grant	2,186	1,700	1,700	0
011.335.000.91	PUD Privilege Tax	101,479	102,500	103,500	1,000
011.336.006.21	Criminal Justice - Population	4,475	4,500	4,540	40
011.336.060.26	CJ - Special Programs	16,951	17,100	17,280	180
011.336.060.51	DUI Cities	3,728	3,700	3,700	0
011.336.060.94	Liquor Excise Tax	99,648	105,200	95,000	(10,200)
011.336.060.95	Liquor Board Profits	160,862	142,000	135,930	(6,070)
011.337.400.00	Hotel/Motel Lodging Tax Grant	0	10,000	0	(10,000)
011.338.000.22	Ferry Fire Svcs	946	1,000	1,000	0
011.338.130.00	Intergov Executive Boards & Committees	376	0	0	0
011.385.000.00	Interlocal Agreements	299,285	0	0	0
<b>Total Intergovernmental</b>		<b>891,177</b>	<b>456,126</b>	<b>391,450</b>	<b>(64,676)</b>



**Revenues by Fund Class – All Funds (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
<b><u>Charges for Services</u></b>				
011.341.053.00 Non Taxable Sales	2,056	1,000	1,000	0
011.341.431.00 School Mitigation Admin Fee	1,577	1,000	1,000	0
011.341.990.00 Passport Fees	0	5,000	0	(5,000)
011.342.100.00 Law Enforcement Services	2,206	1,200	1,200	0
011.342.100.10 Tank Farm Patrol	0	0	33,000	33,000
011.342.361.00 Home Detention Application Fee	320	200	200	0
011.342.362.00 Home Detention Daily Fee	1,365	1,000	1,000	0
011.342.370.00 Fingerprinting Fees	1,573	1,500	1,500	0
011.342.400.00 Protective Insp. Fees	80	100	100	0
011.342.602.00 BLS - Non-Medicare	157,842	135,000	136,350	1,350
011.342.602.01 BLS - Medicare	38,890	38,000	45,450	7,450
011.342.901.00 Misc Security, Persons & Prop	1,896	1,700	1,700	0
011.343.200.00 Engineering Fees & Charges	5,751	10,000	11,000	1,000
011.345.810.00 Zoning And Subdivision Fees	21,245	18,500	20,350	1,850
011.345.820.00 Hearing Examiner Fees	6,037	5,000	5,000	0
011.345.830.00 Plan Checking Fees	92,807	63,000	69,300	6,300
011.345.890.00 Reimbursable Development	0	0	0	0
011.346.900.00 Cobra Premium Payments	512	500	0	(500)
011.348.950.00 Community Center Engineering Reimb.	20,170	0	0	0
011.349.180.00 Overhead Cost Recovery	195,500	166,300	195,500	29,200
<b>Total Charges for Services</b>	<b>549,827</b>	<b>449,000</b>	<b>523,650</b>	<b>74,650</b>
<b><u>Fines &amp; Forfeitures</u></b>				
011.350.100.00 Traffic Violations	156,425	165,000	179,000	14,000
011.352.201.00 Civil Penalties	1,140	1,400	2,000	600
011.353.700.00 Non-Traffic Infraction Penalty	2,150	1,200	1,000	(200)
011.354.000.01 Parking Fines	23,525	38,000	30,000	(8,000)
<b>Total Fines &amp; Forfeitures</b>	<b>183,240</b>	<b>205,600</b>	<b>212,000</b>	<b>6,400</b>
<b><u>Miscellaneous</u></b>				
011.361.110.00 Investment Interest	19,602	15,000	14,400	(600)
011.361.400.00 Sales Tax Interest	2,657	1,500	1,300	(200)
011.362.300.10 LH Park Day Use Parking Fees	0	0	30,000	30,000
011.362.301.00 Boat Launch Fees	33,734	30,000	42,200	12,200
011.362.310.00 Parking - Joint Use Fees	0	20,875	0	(20,875)
011.362.500.00 Sound Transit Tank Farm Lease	0	0	70,000	70,000
011.362.501.00 Annual Boat Launch Permits	4,750	5,000	4,800	(200)
011.362.300.10 Parking Rental - Long Term	135,662	145,000	160,800	15,800
011.362.600.00 Lease - Cell Tower Land	17,909	15,500	7,100	(8,400)
011.363.900.00 WCIA Insurance Recovery	7,583	0	400	400
011.367.100.00 Contributions - Private Source	8,714	0	16,400	16,400
011.368.901.00 Cable Subscriber Assessment	0	0	0	0
011.369.100.00 Sale of Surplus Property	2,896	0	0	0
011.369.400.00 Judgements and Settlements	2,908	500	500	0
011.369.901.00 Other Miscellaneous Revenue	30,039	10,750	3,600	(7,150)
011.369.901.10 US Bank P-Card Rebates	0	0	2,000	2,000
011.397.100.00 Operating Transfers In	131,958	0	0	0
<b>Total Miscellaneous</b>	<b>398,413</b>	<b>244,125</b>	<b>353,500</b>	<b>109,375</b>
<b>Total General Fund</b>	<b>12,624,395</b>	<b>11,972,851</b>	<b>12,445,766</b>	<b>472,915</b>

**Revenues by Fund Class – All Funds (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
<b><u>LEOFF I RESERVE</u></b>				
009.361.110.00 Investment Interest	452	450	300	(150)
009.397.100.00 Operating Transfers In	25,000	30,000	30,000	0
<b>Total LEOFF I Reserve Fund</b>	<b>25,452</b>	<b>30,450</b>	<b>30,300</b>	<b>(150)</b>
<b>Total LEOFF I RESERVE</b>	<b>25,452</b>	<b>30,450</b>	<b>30,300</b>	<b>(150)</b>
<b><u>HEALTH INSURANCE RESERVE</u></b>				
013.397.100.00 Operating Transfers In	4,870	1,000	15,300	14,300
<b>TOTAL HEALTH INSURANCE RESERVE</b>	<b>4,870</b>	<b>1,000</b>	<b>15,300</b>	<b>14,300</b>
<b><u>PAINE FIELD EMERGENCY</u></b>				
015.369.901.00 Miscellaneous Revenue	501	0	0	0
015.397.100.00 Operating Transfers In	0	150,000	0	(150,000)
<b>Total Paine Field Emergency Fund</b>	<b>501</b>	<b>150,000</b>	<b>0</b>	<b>(150,000)</b>
<b>TOTAL PAINE FIELD EMERGENCY</b>	<b>501</b>	<b>150,000</b>	<b>0</b>	<b>(150,000)</b>
<b><i>Special Revenue Funds</i></b>				
<b><u>DRUG ENFORCEMENT FUND</u></b>				
104.369.301.00 Proceeds from Forfeited Property	0	56,000	0	(56,000)
<b>TOTAL DRUG ENFORCEMENT FUND</b>	<b>0</b>	<b>56,000</b>	<b>0</b>	<b>(56,000)</b>
<b><u>STREET FUND</u></b>				
111.336.000.87 Street Fuel Tax	296,803	300,000	295,000	(5,000)
111.361.110.00 Investment Interest	271	200	100	(100)
111.397.100.00 Operating Transfers In	350,000	426,100	485,000	58,900
<b>TOTAL STREET FUND</b>	<b>647,074</b>	<b>726,300</b>	<b>780,100</b>	<b>53,800</b>
<b><u>ARTERIAL STREET FUND</u></b>				
112.334.000.00 WA State Grant	41,042	258,900	0	(258,900)
112.336.000.88 Arterial Street Fuel Tax	138,914	140,800	136,400	(4,400)
112.361.110.00 Investment Interest	278	200	250	50
<b>TOTAL ARTERIAL STREET FUND</b>	<b>180,234</b>	<b>399,900</b>	<b>136,650</b>	<b>(263,250)</b>
<b><u>RECREATION &amp; CULTURAL SERVICES FUND</u></b>				
114.321.700.00 Special Event Permits	0	400	300	(100)
114.347.304.00 Rec Program Fees	69,063	130,000	100,000	(30,000)
114.347.401.00 Farmers Market Booth Fees	700	0	650	650
114.347.901.00 Off Hour Staffing Fees	1,280	12,000	14,500	2,500
114.347.905.00 Set Up/Clean Up Fees	0	0	11,000	11,000
114.347.920.00 Theater Technician Fees	0	1,000	1,000	0
114.361.110.00 Investment Interest	265	0	200	200
114.362.401.00 Community Center Room Rental	8,175	134,700	175,000	40,300
114.362.501.00 Weight Room Fees	0	7,600	4,000	(3,600)
114.362.501.01 Community Center Tenant Rent	22,950	0	0	0
114.362.502.00 Parking Rental - Long Term	0	11,700	6,500	(5,200)
114.362.600.00 Picnic Shelter Rentals	0	11,000	11,500	500
114.362.601.00 Light Station Wedding Rentals	70	1,400	4,500	3,100
114.397.100.00 Operating Transfers In	242,860	242,300	205,000	(37,300)
<b>TOTAL RECREATION &amp; CULTURAL SERVICES FUND</b>	<b>345,363</b>	<b>552,100</b>	<b>534,150</b>	<b>(17,950)</b>



**Revenues by Fund Class – All Funds (continued)**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Change '12 - '11</b>
<b><u>HOTEL/MOTEL LODGING TAX FUND</u></b>				
116.313.300.00 Hotel/Motel Transient Tax	140,154	130,000	170,000	40,000
116.361.110.00 Investment Interest	692	450	400	(50)
116.397.100.00 Operating Transfers In	5,000	0	5,000	5,000
<b>TOTAL HOTEL/MOTEL LODGING TAX FUND</b>	<b>145,846</b>	<b>130,450</b>	<b>175,400</b>	<b>44,950</b>
<b><u>TECHNOLOGY REPLACEMENT FUND</u></b>				
120.361.110.00 Investment Interest	428	400	200	(200)
120.369.901.00 Miscellaneous Revenue	835	0	0	0
120.369.901.01 2% Admin Fee	5,824	2,000	5,000	3,000
120.397.100.00 Operating Transfers In	75,000	75,000	75,000	0
<b>TOTAL TECHNOLOGY REPLACEMENT FUND</b>	<b>82,087</b>	<b>77,400</b>	<b>80,200</b>	<b>2,800</b>
<b><u>EMERGENCY MEDICAL SERVICES FUND</u></b>				
126.311.106.00 EMS Levy	894,068	1,833,000	1,612,000	(221,000)
126.342.601.00 Ambulance Transport Fees	235,976	191,000	234,800	43,800
126.361.110.00 Investment Interest	743	1,000	400	(600)
126.369.901.00 Other Miscellaneous Revenue	1,706	0	2,000	2,000
126.397.100.00 Operating Transfers In	560,000	0	0	0
<b>TOTAL EMERGENCY MEDICAL SERVICES FUND</b>	<b>1,692,493</b>	<b>2,025,000</b>	<b>1,849,200</b>	<b>(175,800)</b>
<b>Total Special Revenue Funds</b>	<b>3,093,097</b>	<b>3,967,150</b>	<b>3,555,700</b>	<b>(411,450)</b>
<b><i>Debt Service Funds</i></b>				
<b><u>LTGO BOND FUND</u></b>				
275.361.110.00 Investment Interest	33	0	10	10
275.391.100.00 G.O. Bond Proceeds	0	0	0	0
275.397.100.00 Operating Transfers In	907,970	1,081,780	905,300	(176,480)
<b>TOTAL LTGO BOND FUND</b>	<b>908,003</b>	<b>1,081,780</b>	<b>905,310</b>	<b>(176,470)</b>
<b>Total Debt Service Funds</b>	<b>908,003</b>	<b>1,081,780</b>	<b>905,310</b>	<b>(176,470)</b>
<b><i>Capital Projects Funds</i></b>				
<b><u>PARK ACQUISITION &amp; DEVELOPMENT FUND</u></b>				
322.334.020.30 State Grant - Dept of Natural Resources	0	0	0	0
322.334.020.41 Lighthouse Park Grant	403,000	0	0	0
322.334.020.70 RCO Grant - WWRP	975,000	175,000	220,000	45,000
322.334.020.71 LH Park RCO Bandshell Grant	186,169	87,150	0	(87,150)
322.345.852.00 Park Mitigation Fees	36,570	35,000	25,000	(10,000)
322.361.110.00 Investment Interest	73	1,100	100	(1,000)
322.367.100.00 Contributions - Private Source	10,000	0	0	0
<b>TOTAL PARK ACQUISITION &amp; DEVELOPMENT FUND</b>	<b>1,610,812</b>	<b>298,250</b>	<b>245,100</b>	<b>(53,150)</b>
<b><u>TRANSPORTATION IMPACT FEES FUND</u></b>				
323.345.841.00 Street Mitigation Fees	63,732	25,000	98,600	73,600
323.361.110.00 Investment Interest	180	340	100	(240)
<b>TOTAL TRANSPORTATION IMPACT FEES FUND</b>	<b>63,912</b>	<b>25,340</b>	<b>98,700</b>	<b>73,360</b>



**Revenues by Fund Class – All Funds (continued)**

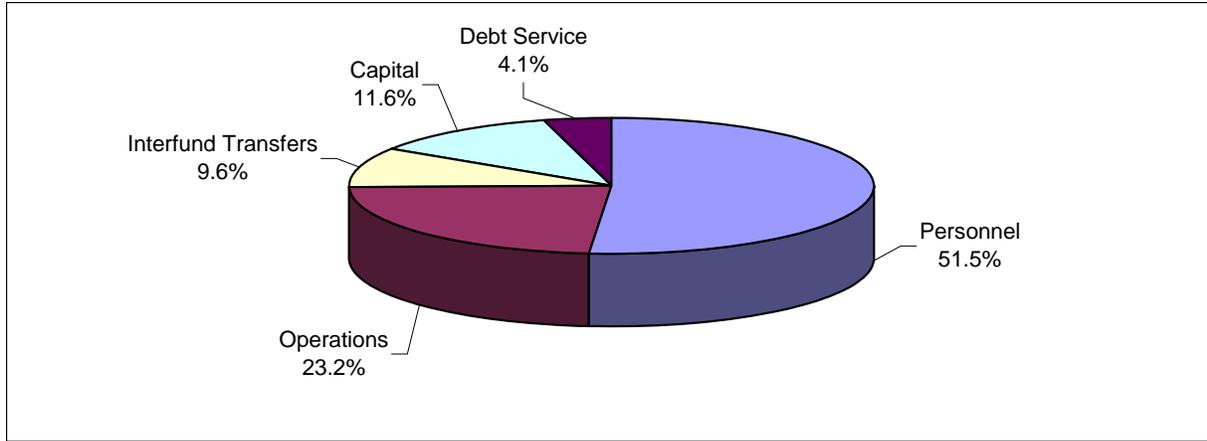
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Change '12 - '11</b>
<b><u>REAL ESTATE EXCISE TAX I FUND</u></b>				
331.317.340.00 Local Real Estate Excise Tax	321,919	300,000	350,000	50,000
331.333.811.28 US Dept. of Energy EEC Block Grant	0	59,500	59,500	0
331.337.200.00 Interlocal Agreement - Snohomish County	20,913	0	0	0
331.338.950.00 Interlocal Agreement - Mukilteo Lane Project	35,833	0	0	0
331.361.110.00 Investment Interest	17,592	33,100	7,500	(25,600)
<b>TOTAL REAL ESTATE EXCISE TAX I FUND</b>	<b>396,257</b>	<b>392,600</b>	<b>417,000</b>	<b>24,400</b>
<b><u>REAL ESTATE EXCISE TAX II FUND</u></b>				
332.317.340.00 Local Real Estate Excise Tax	321,919	300,000	350,000	50,000
332.334.020.71 RCO Bandshell Grant	108,000	0	0	0
332.334.030.60 WA State Dept of Transportation Grant	0	0	65,000	65,000
332.361.110.00 Investment Interest	1,488	7,050	500	(6,550)
<b>TOTAL REAL ESTATE EXCISE TAX II FUND</b>	<b>431,407</b>	<b>307,050</b>	<b>415,500</b>	<b>108,450</b>
<b><u>MUNICIPAL FACILITIES FUND</u></b>				
341.361.110.00 Investment Interest	103	0	0	0
341.397.100.00 Operating Transfers In	0	0	0	0
<b>TOTAL MUNICIPAL FACILITIES FUND</b>	<b>103</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>COMMUNITY CENTER PROJECT FUND</u></b>				
375.361.110.00 Investment Interest	21,794	500	0	(500)
375.391.100.00 G.O. Bond Proceeds	0	0	0	0
375.392.000.00 Bond Premium	0	0	0	0
<b>TOTAL COMMUNITY CENTER PROJECT FUND</b>	<b>21,794</b>	<b>500</b>	<b>0</b>	<b>(500)</b>
<b>Total Capital Projects Funds</b>	<b>2,524,285</b>	<b>1,023,740</b>	<b>1,176,300</b>	<b>152,560</b>
<b><i>Enterprise Funds</i></b>				
<b><u>SURFACE WATER MANAGEMENT FUND</u></b>				
440.334.000.00 WA State Grants	0	31,000	75,000	44,000
440.343.830.01 Storm Drainage Fees & Charges	1,237,147	1,250,000	1,250,000	0
440.361.110.00 Investment Interest	5,103	25,000	3,600	(21,400)
440.397.100.00 Operating Transfers In	9,998	0	0	0
<b>TOTAL SURFACE WATER MANAGEMENT FUND</b>	<b>1,252,248</b>	<b>1,306,000</b>	<b>1,328,600</b>	<b>22,600</b>
<b>Total Enterprise Funds</b>	<b>1,252,248</b>	<b>1,306,000</b>	<b>1,328,600</b>	<b>22,600</b>
<b><i>Internal Service Funds</i></b>				
<b><u>EQUIPMENT REPLACEMENT RESERVE FUND</u></b>				
510.365.902.00 Equipment Replacement Charge	15,860	885,400	457,820	(427,580)
510.361.110.00 Investment Interest	0	6,730	7,670	940
510.366.100.00 Interest/Interfund Loans	1,629	3,500	3,500	0
510.369.901.00 Other Miscellaneous Revenue	3,937	0	0	0
510.381.200.00 Interfund Loan Principal	0	45,000	45,000	0
<b>TOTAL EQUIPMENT REPLACEMENT RESERVE FUND</b>	<b>21,426</b>	<b>940,630</b>	<b>513,990</b>	<b>(426,640)</b>
<b><u>FACILITIES MAINTENANCE FUND</u></b>				
518.369.901.00 Other Miscellaneous Revenue	59	0	0	0
518.397.100.00 Operating Transfers In	390,000	422,000	400,000	(22,000)
<b>TOTAL FACILITIES MAINTENANCE FUND</b>	<b>390,059</b>	<b>422,000</b>	<b>400,000</b>	<b>(22,000)</b>
<b>Total Internal Service Funds</b>	<b>411,485</b>	<b>1,362,630</b>	<b>913,990</b>	<b>(448,640)</b>
<b>Total All Funds</b>	<b>20,844,336</b>	<b>20,895,601</b>	<b>20,371,266</b>	<b>(524,335)</b>

**Exhibit 5: Expenditure Summary – All Funds**

Fund No.	Fund Description	2010 Actual	2011 Budget	2012 Budget	\$ change 12 - '11	% Change 12 - '11
009	LEOFF I Reserve	\$ 29,577	\$ 34,900	\$ 37,200	\$ 2,300	6.59%
011	General	12,760,924	13,080,983	12,793,590	(287,393)	-2.20%
012	City Reserve	0	0	0	0	0.00%
013	Health Insurance Reserve	0	0	0	0	0.00%
014	Unemployment Compensation Reserve	0	0	0	0	0.00%
015	Paine Field Emergency	22,687	176,240	156,240	(20,000)	-11.35%
104	Drug Enforcement	0	30,200	0	(30,200)	-100.00%
111	Street	691,503	802,400	748,730	(53,670)	-6.69%
112	Arterial Street	111,731	545,000	165,000	(380,000)	-69.72%
114	Recreation & Cultural Services	354,258	598,980	590,100	(8,880)	-1.48%
116	Hotel/Motel Lodging Tax	91,951	148,780	148,900	120	0.08%
120	Technology Replacement	67,985	85,100	124,512	39,412	46.31%
126	Emergency Medical Services	1,594,079	1,974,850	1,904,528	(70,322)	-3.56%
275	LTGO Bond Fund	907,960	909,750	905,650	(4,100)	-0.45%
322	Park Acquisition & Development	1,657,602	431,300	270,000	(161,300)	-37.40%
323	Transportation Impact Fee	0	0	100,000	100,000	100.00%
331	Real Estate Excise Tax I	1,069,716	1,030,500	1,261,245	230,745	22.39%
332	Real Estate Excise Tax II	1,364,517	588,050	424,800	(163,250)	-27.76%
341	Municipal Facilities	50,000	0	0	0	0.00%
375	Community Center Project Fund	7,571,855	3,354,710	95,260	(3,259,450)	-97.16%
440	Surface Water Management	1,375,324	1,578,752	1,787,350	208,598	13.21%
510	Equipment Replacement Reserve	0	525,000	175,100	(349,900)	-66.65%
518	Facilities Maintenance	382,976	425,900	453,340	27,440	6.44%
	<b>Totals</b>	<b>\$ 30,104,645</b>	<b>\$ 26,321,395</b>	<b>\$ 22,141,545</b>	<b>\$ (4,179,850)</b>	<b>-15.88%</b>

Exhibit 5 lists expenditures by fund. The 2012 expenditure budget for all funds totals \$21,141,545, a decrease of \$4,179,850 over the 2011 amended budget. Decreases are mainly attributable to reductions in budgeted expenditures for capital projects.

**Exhibit 6: Expenditure Summary by Major Component – All Funds  
2012 Budget**



Department	Personnel	Operations	Interfund Transfers	Capital	Debt Service	Total Expenditures
Legislative	46,100	31,650				77,750
Executive	655,400	151,400				806,800
Legal		556,240				556,240
Finance	826,000	294,900		124,512		1,245,412
Non-Departmental		681,100	1,215,300			1,896,400
Police	3,538,750	869,750				4,408,500
Fire	3,337,400	837,350		57,088		4,231,838
Planning & Community Development	891,100	91,950				983,050
Public Works	1,737,800	1,400,250		195,600		3,333,650
Recreation & Cultural Services	362,600	227,500				590,100
Debt Service					905,650	905,650
Capital Projects		1,500	905,300	2,199,355		3,106,155
<b>Total Operations</b>	<b>11,395,150</b>	<b>5,143,590</b>	<b>2,120,600</b>	<b>2,576,555</b>	<b>905,650</b>	<b>22,141,545</b>
<b>% of Total</b>	<b>51.5%</b>	<b>23.2%</b>	<b>9.6%</b>	<b>11.6%</b>	<b>4.1%</b>	<b>100.0%</b>

Exhibit 6 represents the distribution of expenses by department 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 \$11,395,150.
- The **operating budget** finances the day-to-day provisions of the City, consisting of supplies, services and intergovernmental, and totals \$5,143,590.
- The **interfund transfers budget** of \$2,120,600 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 \$2,576,555.
- The **debt service budget** is used to repay money borrowed by the City for capital improvements, and amounts to \$905,650.

**Exhibit 7: Expenditures by Category – All Funds**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
<b><u>Salaries &amp; Wages</u></b>				
1101 FULL TIME EMPLOYEES	7,406,012	7,429,600	7,458,600	29,000
1102 PART TIME EMPLOYEES	203,161	227,675	229,900	2,225
1113 SPECIAL ASSIGNMENT PAY	56,744	35,900	52,050	16,150
1114 EDUCATION PREMIUM PAY	56,401	57,200	57,700	500
1115 ACTING SUPERVISOR PAY	7,441	9,400	9,400	-
1116 PARAMEDIC INCENTIVE	64,530	64,600	64,600	-
1117 MERIT PAY	10,667	10,600	11,400	800
1120 HOLIDAY BUY BACK	21,666	50,100	50,100	-
12xx OVERTIME	303,254	293,800	321,400	27,600
	<b>8,129,875</b>	<b>8,178,875</b>	<b>8,255,150</b>	<b>76,275</b>
<b><u>Personnel Benefits</u></b>				
2101 FICA	471,088	477,280	480,300	3,020
2102 LAW ENF. RETIREMENT SYSTEM	247,066	243,500	249,000	5,500
2103 PERS	177,161	240,805	243,000	2,195
2104 L&I	117,683	134,040	146,300	12,260
2105 MEDICAL BENEFITS	1,331,608	1,492,900	1,524,900	32,000
2106 MEDICAL SAVINGS ACCOUNT	22,500	22,700	22,700	-
2107 TEAMSTERS PENSION	48,724	47,600	47,600	-
2109 UNEMPLOYMENT COMPENSATION	26,378	38,200	38,200	-
2110 DEFERRED COMP	76,859	88,000	88,700	700
2112 VEHICLE ALLOWANCE	13,200	13,200	13,200	-
2113 DENTAL BENEFITS	158,676	172,000	185,200	13,200
2114 VISION BENEFITS	25,217	31,200	29,100	(2,100)
2115 LEOFF I MEDICAL PAYMENTS	1,642	3,700	4,000	300
2116 VOLUNTEER FIREMENS PENSION	1,080	0	0	-
2119 LIFE INSURANCE	20,834	27,100	27,000	(100)
2121 LONG TERM DISABILITY INSURANCE	22,879	28,700	28,100	(600)
2126 LEOFF I INS PREMIUMS	26,535	29,800	31,800	2,000
2130 GENERAL EMPLOYEE BENEFITS	4,927	4,500	4,500	-
2135 MEDICAL OPT-OUT INCENTIVE	0	0	16,700	16,700
2140 TUITION & EDUCATION BENEFITS	0	0	13,000	13,000
	<b>2,794,057</b>	<b>3,095,225</b>	<b>3,193,300</b>	<b>98,075</b>
<b><u>Supplies</u></b>				
3101 OFFICE SUPPLIES	34,441	45,250	45,550	300
3102 COMPUTER SUPPLIES	3,079	5,000	5,000	-
3103 PURCHASE OF FORMS	899	2,700	2,700	-
3104 REFERENCE MATERIAL	6,226	8,800	8,750	(50)
3105 PAPER STOCK	3,868	6,600	6,000	(600)
3108 PHOTO SUPPLIES	0	100	100	-
3110 AMMUNITION	9,512	9,400	11,900	2,500
3112 OPERATING SUPPLIES	81,334	115,000	100,800	(14,200)
3113 VEHICLE REPAIR TOOLS & EQUIPMENT	0	250	250	-
3115 SUPPLIES - TRAINING	8,699	8,000	8,000	-
3116 SUPPLIES - EMERGENCY MEDICAL SERVICES	33,535	37,500	37,500	-

**Expenditures by Category – All Funds (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
3124 CLOTHING/BOOTS	62,694	85,550	82,950	(2,600)
3131 RADIO PARTS AND SUPPLIES	0	500	500	-
3135 AGGREGATE	24,082	21,000	21,000	-
3138 BUILDING MAINTENANCE SUPPLIES	1,426	2,500	2,500	-
3147 TRAFFIC CONTROL DEVICE SUPPLY	19,237	15,000	15,000	-
3148 SIGNS	1,208	1,000	1,000	-
3155 LANDSCAPE MATERIALS	5,641	18,740	15,000	(3,740)
3156 TREES AND SHRUBS	2,592	10,000	10,000	-
3157 ANCILLARY MEETING COSTS	208	1,000	1,000	-
3160 COUNCIL RETREAT	0	0	5,000	5,000
3206 MOTOR FUEL	125,259	145,900	150,250	4,350
3501 SMALL ITEMS OF EQUIPMENT	115,149	112,316	118,570	6,254
	<b>539,088</b>	<b>652,106</b>	<b>649,320</b>	<b>(2,786)</b>
<b><u>Services</u></b>				
4101 BILLING SERVICES	18,142	15,000	15,000	-
4102 CONSULTING SERVICES	43,810	24,500	29,100	4,600
4103 ENGINEERING & ARCHITECT SERVICES	18,586	23,000	7,000	(16,000)
4104 SPECIAL LEGAL SERVICES	38,470	52,000	52,000	-
4105 CITY ATTORNEY	104,570	110,000	110,000	-
4106 OTHER PROFESSIONAL SERVICES	326,371	211,700	186,200	(25,500)
4107 STORM DRAINAGE UTILITY ENGINEERING	42,516	94,000	75,000	(19,000)
4108 WSU BEACH WATCHERS	6,750	6,800	6,800	-
4109 CITY ATTORNEY - OTHER SERVICES	95,974	222,740	200,240	(22,500)
4111 HAZARDOUS MATERIALS TESTING	2,022	2,800	2,800	-
4115 CITY PROSECUTING ATTORNEY	46,686	43,000	43,000	-
4125 CONTRACT SERVICES	44,596	53,000	46,500	(6,500)
4132 REIMBURSABLE CONSULTING	0	6,500	6,500	-
4136 APPRAISALS	0	8,000	0	(8,000)
4138 PUBLIC AFFAIRS & COMMUNITY OUTREACH	27,773	32,000	30,400	(1,600)
4140 YOUTH ADVISORY COUNCIL	437	1,000	1,000	-
4153 SURVEY SERVICES	0	5,000	0	(5,000)
4162 ANNEXATION SERVICES	4,089	0	0	-
4170 LOBBYIST SERVICES	91,171	60,000	60,000	-
4171 RECORDS SERVICES	9,939	1,000	1,000	-
4180 AWC WELLNESS PROGRAM	0	2,000	2,000	-
	<b>921,902</b>	<b>974,040</b>	<b>874,540</b>	<b>(99,500)</b>
<b><u>Communication</u></b>				
4201 TELEPHONE	58,282	55,800	55,500	(300)
4202 POSTAGE	13,676	18,050	16,350	(1,700)
4203 NEW WORLD PROJECT CONNECTIVITY	0	600	4,700	4,100
4204 ON-LINE CHARGES	16,060	21,300	21,300	-
4205 WEBSITE HOSTING	1,800	1,800	1,800	-
4206 SOFTWARE SUBSCRIPTION FEES	0	0	600	600
4209 CELL PHONE	32,500	39,000	37,700	(1,300)
4210 MDT CONNECTIVITY	0	5,400	9,900	4,500
	<b>122,317</b>	<b>141,950</b>	<b>147,850</b>	<b>5,900</b>

**Expenditures by Category – All Funds (continued)**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Change '12 - '11</b>
<b><u>Utilities</u></b>				
4701 NATURAL GAS	36,991	52,100	52,400	300
4702 ELECTRICITY	103,220	96,000	97,540	1,540
4703 SEWER SERVICE	53,044	66,500	66,500	-
4704 GARBAGE SERVICES	17,864	15,000	0	(15,000)
4709 WATER SERVICE	26,831	22,500	16,500	(6,000)
4710 STORM DRAINAGE CHGS.	26,761	29,700	29,700	-
4712 ALARM SYSTEM	18,799	15,000	15,000	-
4713 ELECTRICITY STREET LIGHTS	107,549	110,000	114,070	4,070
	<b>391,059</b>	<b>406,800</b>	<b>391,710</b>	<b>(15,090)</b>
<b><u>Travel</u></b>				
4301 TRAVEL & SUBSISTENCE	30,157	41,710	43,950	2,240
	<b>30,157</b>	<b>41,710</b>	<b>43,950</b>	<b>2,240</b>
<b><u>Advertising &amp; Publishing</u></b>				
4401 CLASSIFIED ADVERTISING	3,446	2,000	2,000	-
4402 LEGAL PUBLICATIONS	4,946	4,400	2,650	(1,750)
4404 CITY NEWSLETTER	16,724	17,500	17,500	-
4405 PUBLICATION OF AGENDAS	1,852	3,300	3,300	-
4406 ADVERTISING	2,238	13,900	13,900	-
4407 COMMUNITY ADVERTISING	21,132	34,500	34,500	-
4408 COMMUNITY ORGANIZATIONAL SUPPORT	97,437	115,500	110,000	(5,500)
	<b>147,776</b>	<b>191,100</b>	<b>183,850</b>	<b>(7,250)</b>
<b><u>Rentals and Leases</u></b>				
4501 LAND RENTAL	1,910	18,667	72,000	53,333
4503 WORK EQUIPMENT & MACHINE RENTAL	10,647	20,500	20,500	-
4504 OFFICE EQUIPMENT RENTAL	3,213	2,900	2,900	-
4509 MOTOR POOL CHARGES	15,860	770,800	457,820	(312,980)
4510 FIBER LEASE	0	0	54,250	54,250
	<b>31,630</b>	<b>812,867</b>	<b>607,470</b>	<b>(205,397)</b>
<b><u>Insurance</u></b>				
4601 INSURANCE	217,415	182,060	216,600	34,540
	<b>217,415</b>	<b>182,060</b>	<b>216,600</b>	<b>34,540</b>
<b><u>Disposals</u></b>				
4705 HAZARDOUS WASTE DISPOSAL	18,911	14,500	14,500	-
4706 PUBLIC UTILITY SOLID WASTE	177	500	500	-
4722 BRUSH DISPOSAL	4,269	6,000	6,000	-
4723 LARGE ITEM PICKUP	21,644	22,000	22,000	-
4730 CONSTRUCTION DEBRIS DISPOSAL	2,111	3,000	3,000	-
	<b>47,112</b>	<b>46,000</b>	<b>46,000</b>	<b>-</b>
<b><u>Repair &amp; Maintenance</u></b>				
4801 OFFICE EQUIPMENT MAINTENANCE/REPAIR	8,055	17,500	17,000	(500)
4807 COMMUNICATIONS EQUIP MAINT/REPAIR	8,309	18,500	14,340	(4,160)
4808 BUILDING & FIXTURE MAINTENANCE/REPAIR	37,440	45,000	45,000	-
4815 WORK EQUIPMENT MAINTENANCE/REPAIR	48,446	63,600	66,100	2,500
4816 OTHER MAINTENANCE & REPAIR	892	1,500	1,500	-
4817 COMPUTER SYSTEM MAINTENANCE	19,435	13,500	18,500	5,000
4820 VEHICLE MAINTENANCE & REPAIR	142,378	158,300	128,000	(30,300)
4821 ACCOUNTING SYSTEM MAINTENANCE	46,457	57,900	58,400	500
4822 eCITYGOV ALLIANCE CONTRACT	2,000	2,000	2,000	-
	<b>313,412</b>	<b>377,800</b>	<b>350,840</b>	<b>(26,960)</b>



**Expenditures by Category – All Funds (continued)**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Change '12 - '11</b>
<b><u>Miscellaneous</u></b>				
4902 ASSOCIATION DUES & MEMBERSHIPS	7,969	9,000	8,950	(50)
4903 SUBSCRIPTIONS	205	0	0	-
4904 LAUNDRY SERVICES	13,982	16,550	16,550	-
4905 FILE, RECORDING FEES	149	700	700	-
4907 FILM PROCESSING	0	100	100	-
4909 PRINTING AND BINDING	4,766	6,900	7,350	450
4911 CONTRACTUAL SERVICES	4,124	3,000	3,000	-
4912 TRAINING & REGISTRATION	47,192	62,100	51,500	(10,600)
4917 INVESTIGATION COSTS	3,803	4,300	6,300	2,000
4921 PERMIT FEES	9,608	0	14,000	14,000
4922 HEARING EXAMINER	6,178	8,000	8,000	-
4924 JANITORIAL SERVICES	23,886	26,800	27,500	700
4926 CITY CODE REVISION	4,396	3,000	3,000	-
4927 MISCELLANEOUS	12,534	2,000	1,400	(600)
4928 VEHICLE EQUIPMENT REMOVAL	0	2,000	2,000	-
4929 TAXES AND ASSESSMENTS	3,198	11,400	11,400	-
4931 BAD DEBT EXPENSE	332	0	0	-
4932 EMERGENCY MANAGEMENT MISC.	3,212	2,500	3,500	1,000
4933 BANKING FEES	9,027	9,500	9,500	-
4937 CONCEALED PISTOL LICENSE	3,729	5,000	5,000	-
4940 VACTOR SERVICE	15,522	3,000	22,000	19,000
4958 COMPREHENSIVE PLAN	15,569	26,000	300	(25,700)
4962 ADMIN CHARGE - COBRA NCAS	1,306	7,000	2,000	(5,000)
4963 OFM ASSESSMENT FEE	1,400	1,400	1,400	-
4991 RESERVE FOR ACCRUED LEAVE	0	25,000	0	(25,000)
4997 RAILROAD QUIET ZONE CONTRACT	114,549	0	0	-
	<b>306,635</b>	<b>235,250</b>	<b>205,450</b>	<b>(29,800)</b>
<b><u>Intergovernmental</u></b>				
5104 ALCOHOL PROGRAM	5,024	6,000	6,000	-
5106 ELECTION SERVICES	9,561	15,000	15,000	-
5112 MUKILTEO WATER DISTRICT	24,892	30,000	30,000	-
5114 HOME DETENTION	987	2,000	2,000	-
5115 JAIL CONTRACT	60,289	95,000	95,000	-
5116 EMERGENCY SERVICES	51,978	54,700	55,700	1,000
5117 ANIMAL SHELTER	11,154	15,000	15,000	-
5118 LANE STRIPING & MARKING	12,163	25,000	25,000	-
5120 SNOHOMISH COUNTY - ILA	0	21,000	2,000	(19,000)
5122 COMMUTE TRIP REDUCTION	0	1,000	1,000	-
5123 NARCOTICS TASK FORCE	4,819	4,900	5,050	150
5124 DAWSON PLACE CHILD INTERVIEW SPECIALIST	0	0	1,500	1,500
5125 EVERETT DISTRICT COURT	97,075	150,000	150,000	-
5127 INTERLOCAL EXTRADITION	0	1,000	1,000	-
5130 DISPATCH SERVICES	445,486	446,500	385,900	(60,600)
5132 ASSOC WASH CITIES	13,563	13,600	13,800	200
5133 PUGET SOUND AIR POLLUTION	12,513	12,900	12,400	(500)
5134 PUGET SOUND REGION COUNCIL	16,608	8,500	8,500	-
5135 SNOCOM NEW WORLD ASSESSMENT	0	0	55,760	55,760
5136 SNOHOMISH COUNTY TOMORROW	3,348	5,300	3,700	(1,600)
5139 VOTER REGISTRATION	30,741	31,000	31,000	-
5140 STATE AUDITOR AUDIT	37,887	40,000	42,600	2,600

**Expenditures by Category – All Funds (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
5143 WA ST PURCHASING COOP	0	1,000	1,000	-
5146 NATIONAL LEAGUE OF CITIES	0	1,500	1,500	-
5149 LYNNWOOD EMS CONTRACT	86,834	80,300	80,300	-
5151 SERS OPERATING ASSESSMENT	34,301	33,500	36,800	3,300
5153 WRIA ILA	6,873	9,000	9,000	-
5154 STREET LIGHT MAINTENANCE	9,028	14,000	14,000	-
5155 MRSC SMALL WORKS ROSTER FEE	4,492	1,100	1,100	-
5157 ROW VEG MAINTENANCE	0	2,000	2,000	-
5165 SNOHOMISH COUNTY CITIES	0	100	100	-
5169 DEPT OF ECOLOGY	0	10,000	10,000	-
5199 MUKILTEO LANE WATER/SEWER	35,833	0	0	-
5301 TAXES AND ASSESSMENTS	23,895	15,000	15,000	-
9918 OVERHEAD COSTS	195,500	166,300	195,500	29,200
	<b>1,234,844</b>	<b>1,312,200</b>	<b>1,324,210</b>	<b>12,010</b>

**Capital Outlay**

6100 TANK FARM IMPROVEMENTS	0	0	510,000	510,000
6103 LAND PURCHASES	983,269	0	0	-
6200 SIDEWALK CONSTRUCTION	0	0	130,000	130,000
6203 CONSTRUCTION	1,141,619	324,000	335,000	11,000
6204 INSPECTION	356,948	0	0	-
6205 FENCING	14,919	21,000	0	(21,000)
6206 LIGHTHOUSE PARK PHASE II B	0	174,300	0	(174,300)
6210 BUILDING IMPROVEMENTS	58,264	1,000	17,500	16,500
6300 LH PARK COMMUTER LOT UPGRADES	37,215	33,500	0	(33,500)
6305 OLYMPIC VIEW SAFETY IMPROVEMENTS	0	15,000	15,000	-
6306 LIGHTING SYSTEMS	3,202	0	5,000	5,000
6310 STORM DRAINS	0	0	43,000	43,000
6311 STREETS	0	0	25,000	25,000
6312 PATHS AND TRAILS	0	85,000	105,000	20,000
6313 DECANT STATION ROOF	0	0	35,000	35,000
6336 SIGN WORK	4,562	8,100	9,245	1,145
6340 TRAFFIC CONTROL EQUIPMENT	6,575	0	0	-
6355 BIG GULCH TRAIL GAP AREA PHASE I	4,944	0	0	-
6401 COMPUTER EQUIPMENT	0	0	76,000	76,000
6402 COMPUTER HARDWARE	75,917	85,100	135,500	50,400
6403 COMPUTER SOFTWARE	4,500	0	0	-
6407 OTHER MACHINERY & EQUIPMENT	114,021	379,400	52,400	(327,000)
6408 VEHICULAR EQUIPMENT	0	523,000	173,100	(349,900)
6502 LH PARK PHASE IV	30,000	0	0	-
6503 LIGHTHOUSE PARK PHASE II CONSTRUCTION	99,848	90,000	0	(90,000)
6510 STREET RECONSTRUCTION PROJECT	300,781	27,500	150,000	122,500
6512 88TH STREET LEFT TURN LANE	36,641	475,000	15,000	(460,000)
6520 STREET CONSTRUCTION	315,976	433,000	100,000	(333,000)
6523 STREET IMPRVMTS - PAVEMENT PRESERVATION	0	0	350,000	350,000
6525 61st STREET REPAIRS/BETTERMENTS	0	85,000	0	(85,000)
6530 BOAT LAUNCH PARKING LOT PAVING	0	235,000	0	(235,000)
6538 COMMUNITY CENTER DESIGN	241,438	45,000	0	(45,000)
6539 COMMUNITY CENTER CONSTRUCTION	6,699,198	1,800,000	0	(1,800,000)

**Expenditures by Category – All Funds (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>'12 - '11</b>
6540 PEDESTRIAN IMPROVEMENTS CONSTRUCTION	469,182	450,000	0	(450,000)
6541 COMMUNITY CENTER FF&E	125,201	637,280	0	(637,280)
6542 COMMUNITY CENTER ALT CONSTRUCTION	137,283	250,000	0	(250,000)
6543 COMMUNITY CENTER FIBER OPTIC LINE	0	0	114,810	114,810
6545 JAPANESE GULCH FISH LADDER	130,573	133,502	170,000	36,498
6560 JAPANESE GULCH TRAIL CONSTRUCTION	0	22,500	10,000	(12,500)
	<b>11,392,076</b>	<b>6,333,182</b>	<b>2,576,555</b>	<b>(3,756,627)</b>
<b><u>Debt Service</u></b>				
7165 BOND PRINCIPAL	455,000	470,000	480,000	10,000
7900 INTERFUND LOAN PRINCIPAL	0	45,000	45,000	-
8200 INTERFUND LOAN INTEREST	1,629	3,500	3,500	-
8365 BOND INTEREST	452,963	439,350	425,250	(14,100)
8901 SERVICE FEES	0	400	400	-
	<b>909,592</b>	<b>958,250</b>	<b>954,150</b>	<b>(4,100)</b>
<b><u>Interfund Transfers</u></b>				
5504 TRANSFER TO GENERAL FUND	131,958	0	0	-
5506 TRANSFER TO TECH REP FUND	75,000	75,000	75,000	-
5508 TRANSFER TO EMERGENCY MEDICAL SVCS FUND	560,000	0	0	-
5509 TRANSFER TO EQUIPMENT REPLACEMENT FUND	5,000	0	0	-
5511 TRANSFER TO STREET FUND	350,000	426,100	485,000	58,900
5515 TRANSFER TO MUNICIPAL FACILITIES FUND	0	0	0	-
5517 TRANSFER TO COMMUNITY CENTER FUND	242,860	242,300	205,000	(37,300)
5518 TRANSFER TO FACILITIES MAINTENANCE FUND	390,000	422,000	400,000	(22,000)
5523 TRANSFER TO LEOFF I RESERVE FUND	25,000	30,000	30,000	-
5524 TRANSFER TO HOTEL/MOTEL FUND	0	0	5,000	5,000
5525 TRANSFER TO PAINE FIELD EMERGENCY FUND	0	150,000	0	(150,000)
5530 TRANSFER TO SELF INSURANCE FUND	4,870	1,000	15,300	14,300
5540 TRANSFER TO LTGO BOND FUND	907,970	1,081,780	905,300	(176,480)
5580 TRANSFER TO SURFACE WATER FUND	9,998	0	0	-
5590 TRANSFER TO RESERVES	0	(46,200)	0	46,200
	<b>2,702,656</b>	<b>2,381,980</b>	<b>2,120,600</b>	<b>(261,380)</b>
<b><u>TOTAL</u></b>	<b>30,231,603</b>	<b>26,321,395</b>	<b>22,141,545</b>	<b>(4,179,850)</b>



View from Totem Park, at the corner of 2nd Street and the Mukilteo Speedway.

## 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
- City Reserve Fund
- Health Insurance Reserve Fund
- Unemployment Compensation Reserve Fund
- Paine Field Emergency Fund

### **Special Revenue Funds**

- Drug Enforcement Fund
- Street Fund
- Arterial Street Fund
- Recreation and Cultural Services Fund
- Hotel/Motel Lodging Tax Fund
- Technology Replacement 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**

- Equipment Replacement 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.

**Exhibit 8: Summary of Sources and Uses by Fund Class – 2012 Budget**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>
<b>SOURCES OF FUNDS</b>				
<b>BEGINNING FUND BALANCE</b>	<b>4,468,000</b>	<b>1,382,930</b>	<b>1,180,680</b>	<b>7,160</b>
Revenues				
Taxes	9,853,566	0	2,213,400	0
Licenses and Permits	1,111,600	0	300	0
Intergovernmental Revenue	391,450	0	0	0
Charges for Service	523,650	0	361,950	0
Fines and Forfeitures	212,000	0	0	0
Miscellaneous Revenues	353,500	300	210,050	10
Interfund Transfers	0	45,300	770,000	905,300
Other Financing Sources	0	0	0	0
Total Revenues	12,445,766	45,600	3,555,700	905,310
<b>TOTAL SOURCES OF FUNDS</b>	<b>16,913,766</b>	<b>1,428,530</b>	<b>4,736,380</b>	<b>912,470</b>
<b>USES OF FUNDS</b>				
<b>OPERATIONS</b>				
Legislative	77,750	0	0	0
Executive	698,200	0	0	0
Human Resources	108,600	0	0	0
Legal Services	197,000	156,240	0	0
Judicial	203,000	0	0	0
Finance	708,390	0	0	0
Information Technology	412,510	0	124,512	0
Non-Departmental	495,000	37,200	148,900	0
Police	4,408,500	0	0	0
Fire	2,327,310	0	1,904,528	0
Planning & Community Development	983,050	0	0	0
Public Works	884,430	0	748,730	0
Recreation & Cultural Services	0	0	590,100	0
<b>TOTAL OPERATIONS</b>	<b>11,503,740</b>	<b>193,440</b>	<b>3,516,770</b>	<b>0</b>
<b>DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>905,650</b>
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>905,650</b>
<b>CAPITAL</b>	<b>74,550</b>	<b>0</b>	<b>165,000</b>	<b>0</b>
<b>TOTAL CAPITAL</b>	<b>74,550</b>	<b>0</b>	<b>165,000</b>	<b>0</b>
<b>OTHER USES</b>				
Interfund Transfers	1,215,300	0	0	0
<b>TOTAL OTHER USES</b>	<b>1,215,300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USES OF FUNDS</b>	<b>12,793,590</b>	<b>193,440</b>	<b>3,681,770</b>	<b>905,650</b>
<b>ENDING FUND BALANCE</b>	<b>4,120,176</b>	<b>1,235,090</b>	<b>1,054,610</b>	<b>6,820</b>
<b>Fund Balance % Change 2011-2012 *</b>	<b>-7.78%</b>	<b>-10.69%</b>	<b>-10.68%</b>	<b>-4.75%</b>

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.

*Continued on following page*

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**Exhibit 8: Summary of Sources and Uses by Fund Class – 2012 Budget**

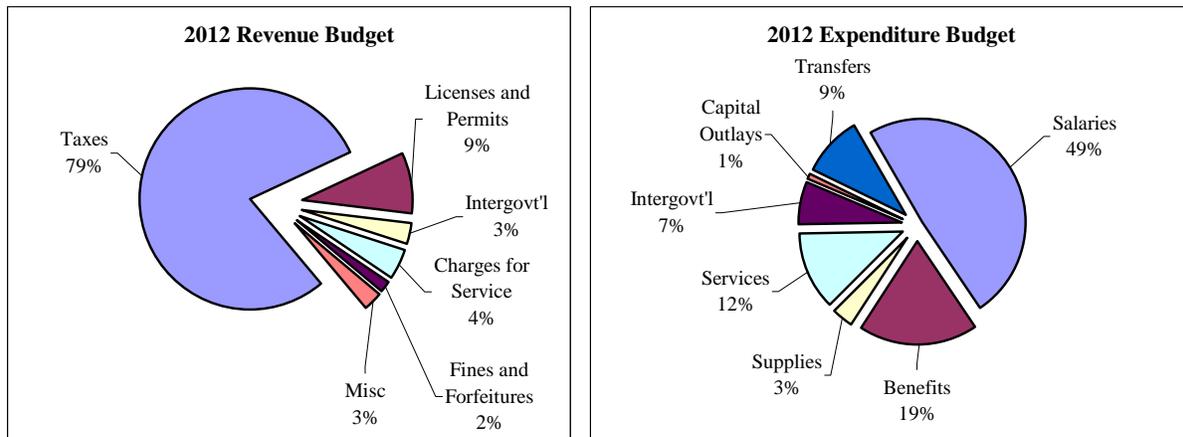
	<b>Capital Funds</b>	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Budgeted Funds</b>
<b>SOURCES OF FUNDS</b>				
<b>BEGINNING FUND BALANCE</b>	<b>5,701,050</b>	<b>1,734,550</b>	<b>1,716,170</b>	<b>16,190,540</b>
Revenues				
Taxes	700,000	0	0	12,766,966
Licenses and Permits	0	0	0	1,111,900
Intergovernmental Revenue	344,500	75,000	0	810,950
Charges for Service	123,600	1,250,000	0	2,259,200
Fines and Forfeitures	0	0	0	212,000
Miscellaneous Revenues	8,200	3,600	468,990	1,044,650
Interfund Transfers	0	0	400,000	2,120,600
Other Financing Sources	0	0	45,000	45,000
	<u>1,176,300</u>	<u>1,328,600</u>	<u>913,990</u>	<u>20,371,266</u>
<b>TOTAL SOURCES OF FUNDS</b>	<b>6,877,350</b>	<b>3,063,150</b>	<b>2,630,160</b>	<b>36,561,806</b>
<b>USES OF FUNDS</b>				
<b>OPERATIONS</b>				
Legislative	0	0	0	77,750
Executive	0	0	0	698,200
Human Resources	0	0	0	108,600
Legal Services	0	0	0	353,240
Judicial	0	0	0	203,000
Finance	0	0	0	708,390
Information Technology	0	0	0	537,022
Non-Departmental	0	0	0	681,100
Police	0	0	0	4,408,500
Fire	0	0	0	4,231,838
Planning & Community Development	0	0	0	983,050
Public Works	0	1,072,050	628,440	3,333,650
Recreation & Cultural Services	0	0	0	590,100
<b>TOTAL OPERATIONS</b>	<b>0</b>	<b>1,072,050</b>	<b>628,440</b>	<b>16,914,440</b>
<b>DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>905,650</b>
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>905,650</b>
<b>CAPITAL</b>	<b>1,246,005</b>	<b>715,300</b>	<b>0</b>	<b>2,200,855</b>
<b>TOTAL CAPITAL</b>	<b>1,246,005</b>	<b>715,300</b>	<b>0</b>	<b>2,200,855</b>
<b>OTHER USES</b>				
Interfund Transfers	905,300	0	0	2,120,600
<b>TOTAL OTHER USES</b>	<b>905,300</b>	<b>0</b>	<b>0</b>	<b>2,120,600</b>
<b>TOTAL USES OF FUNDS</b>	<b>2,151,305</b>	<b>1,787,350</b>	<b>628,440</b>	<b>22,141,545</b>
<b>ENDING FUND BALANCE</b>	<b>4,726,045</b>	<b>1,275,800</b>	<b>2,001,720</b>	<b>14,420,261</b>
<b>Fund Balance % Change 2011-2012 *</b>	<b>-17.10%</b>	<b>-26.45%</b>	<b>16.64%</b>	<b>-10.93%</b>

## GOVERNMENTAL FUNDS

### General Fund

The General Fund is the primary operating fund of the City. 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	2010 Actual	2011 Budget	2012 Budget	\$ Change 12 - '11	% Change 12 - '11
Beginning Fund Balance	\$ 6,421,657	\$ 4,725,080	\$ 4,468,000	\$ (257,080)	-5.44%
<b>Revenues:</b>					
Taxes	9,597,721	9,613,800	9,853,566	239,766	2.49%
Licenses and Permits	1,004,018	1,004,200	1,111,600	107,400	10.70%
Intergovernmental Revenue	891,178	456,126	391,450	(64,676)	-14.18%
Charges for Service	549,827	449,000	523,650	74,650	16.63%
Fines and Forfeitures	183,240	205,600	212,000	6,400	3.11%
Miscellaneous Revenues	266,453	244,125	353,500	109,375	44.80%
Transfers In	131,958	0	0	0	0.00%
<b>Total Revenues</b>	<b>\$ 12,624,395</b>	<b>\$ 11,972,851</b>	<b>\$ 12,445,766</b>	<b>\$ 472,915</b>	<b>3.95%</b>
<b>Expenditures:</b>					
Salaries	6,334,377	6,115,000	6,244,650	129,650	2.12%
Benefits	2,170,897	2,319,200	2,404,100	84,900	3.66%
Supplies	325,940	379,506	414,920	35,414	9.33%
Services	1,386,270	1,688,977	1,567,350	(121,627)	-7.20%
Intergovernmental	735,235	836,000	857,720	21,720	2.60%
Capital Outlays	145,477	390,500	89,550	(300,950)	-77.07%
Debt Service	0	5,400	0	(5,400)	100.00%
Transfers Out	1,662,728	1,346,400	1,215,300	(131,100)	-9.74%
<b>Total Expenditures</b>	<b>\$12,760,924</b>	<b>\$13,080,983</b>	<b>\$12,793,590</b>	<b>(\$287,393)</b>	<b>-2.20%</b>
<b>Ending Fund Balance</b>	<b>\$6,285,128</b>	<b>\$3,616,948</b>	<b>\$4,120,176</b>	<b>\$503,228</b>	<b>13.91%</b>

**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 79% of total 2012 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**

	2010 Actual	2011 Budget	2012 Budget	Budget \$ Change 2012 - 2011	Budget % Change 2012 - 2011	% of Total 2012 Revenue Budget
<b>GENERAL FUND</b>						
<b>Taxes</b>						
Property Taxes	\$ 4,608,471	\$ 4,540,000	\$ 4,693,116	\$ 153,116	3%	38%
Sales Tax	1,784,027	1,920,000	1,855,000	(65,000)	-3%	15%
Utility Taxes	2,845,429	2,861,100	2,960,950	99,850	3%	24%
Other Taxes	359,794	292,700	344,500	51,800	18%	3%
<b>Total Taxes</b>	<b>\$ 9,597,721</b>	<b>\$ 9,613,800</b>	<b>\$ 9,853,566</b>	<b>\$ 239,766</b>	<b>2%</b>	<b>79%</b>
<b>Licenses &amp; Permits</b>						
Business Licenses	352,979	346,500	\$ 352,000	\$ 5,500	2%	3%
Building & Other Permits	651,039	657,700	759,600	101,900	15%	6%
<b>Total Licenses &amp; Permits</b>	<b>\$ 1,004,018</b>	<b>\$ 1,004,200</b>	<b>\$ 1,111,600</b>	<b>\$ 107,400</b>	<b>11%</b>	<b>9%</b>
<b>Intergovernmental Revenues</b>						
Liquor Board Profits	160,861	142,000	\$ 135,930	\$ (6,070)	-4%	1%
Liquor Excise Tax	99,648	105,200	95,000	(10,200)	-10%	1%
State Entitlements & Impact Payments	25,154	25,300	25,520	220	1%	0%
Other Intergovernmental Revenue	605,515	183,626	135,000	(48,626)	-26%	1%
<b>Total Intergovernmental Revenues</b>	<b>\$ 891,178</b>	<b>\$ 456,126</b>	<b>\$ 391,450</b>	<b>\$ (64,676)</b>	<b>-14%</b>	<b>3%</b>
<b>Fees For Service</b>						
General Government	3,633	7,500	\$ 2,000	\$ (5,500)	-73%	0%
Public Safety	204,171	178,700	220,500	41,800	23%	2%
Utilities and Environment	5,751	10,000	11,000	1,000	10%	0%
Economic Environment	140,772	86,500	94,650	8,150	9%	1%
Overhead Charge to Other Funds	195,500	166,300	195,500	29,200	18%	2%
<b>Total Fees For Service</b>	<b>\$ 549,827</b>	<b>\$ 449,000</b>	<b>\$ 523,650</b>	<b>\$ 74,650</b>	<b>17%</b>	<b>4%</b>
<b>Fines &amp; Forfeitures</b>						
Fines & Forfeitures	183,240	205,600	\$ 212,000	\$ 6,400	3%	2%
<b>Total Fines &amp; Forfeitures</b>	<b>\$ 183,240</b>	<b>\$ 205,600</b>	<b>\$ 212,000</b>	<b>\$ 6,400</b>	<b>3%</b>	<b>2%</b>
<b>Miscellaneous Revenues</b>						
Interest Earnings	22,259	16,500	\$ 15,700	\$ (800)	-5%	0%
Other Miscellaneous Revenue	376,152	227,625	337,800	110,175	48%	3%
<b>Total Miscellaneous Revenues</b>	<b>\$ 398,411</b>	<b>\$ 244,125</b>	<b>\$ 353,500</b>	<b>\$ 109,375</b>	<b>45%</b>	<b>3%</b>
<b>Total General Fund</b>	<b>\$ 12,624,395</b>	<b>\$ 11,972,851</b>	<b>\$ 12,445,766</b>	<b>\$ 472,915</b>	<b>4%</b>	<b>100%</b>

Exhibit 10 provides General Fund revenues by category for 2010 actual revenues, and a comparison of 2011 and 2012 budgeted revenues. General Fund budgeted revenues increased 4% overall from 2011 to 2012, primarily due to anticipated increases in tax revenues and licenses and permits.

### **Property Taxes**

Property taxes are the largest portion (38%) 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.

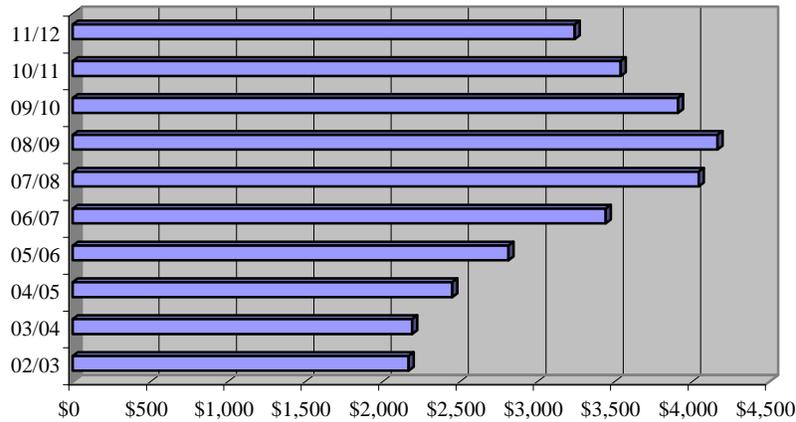
The Snohomish County Assessor's Office statistically updates all real property in Snohomish County to "true and fair market value" every year, and physically inspects each property at least once every six years. Because Washington State has a budget based property tax system instead of a rate-based system, 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>.

Washington State law restricts taxing districts to an annual 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. However, beginning in 1986, the Legislature allows local governments to levy less than the maximum increase in property taxes allowed under law without losing the ability to levy higher taxes later if necessary. This is referred to as "banked capacity." This provision encourages districts to levy only what they need, rather than the maximum allowable, without permanently losing some of their levying capacity. Voter approval is not needed to use banked capacity. Banked capacity is simply unused levy authority that is within the district's levy limit. The 2012 budget includes the statutory 1% increase in general property taxes, plus an additional 2% increase in banked capacity from previous years.

As represented in exhibit 11, the total assessed value of all properties in Mukilteo increased 49.5% from \$2.17 billion to \$3.24 billion between 2003 and 2011. 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 2011, total assessed values decreased \$922 million (22%), which reflects ongoing declines in the real estate market.

**Exhibit 11: Total Assessed Value of Property in Mukilteo**

**TOTAL ASSESSED VALUE - CITYWIDE**  
(in millions)



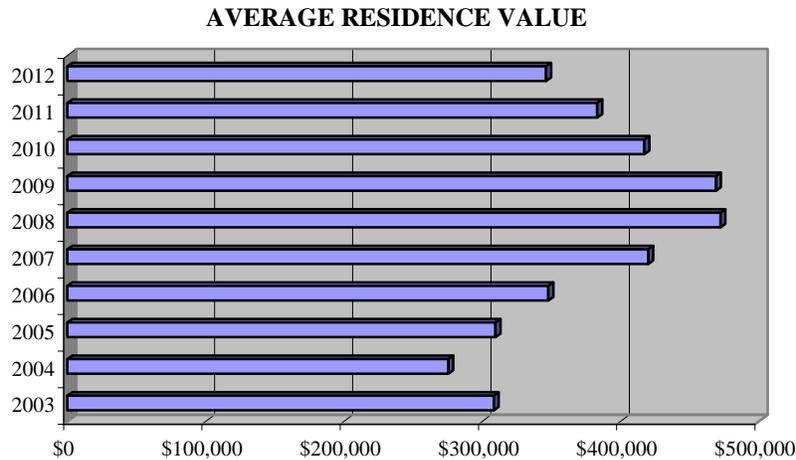
Levy Year/ Collection Year	Total Assessed Value (millions)	Annual Change in Assessed Value (millions)	Annual % Change in Assessed Value	Cumulative Change in Assessed Value Since 02/03 (millions)	Cumulative % Change in Assessed Value Since 02/03
02/03	\$ 2,169	\$ 425	24.4%		
03/04	\$ 2,192	\$ 23	1.1%	\$ 23	1.1%
04/05	\$ 2,452	\$ 260	11.9%	\$ 283	13.0%
05/06	\$ 2,815	\$ 363	14.8%	\$ 646	29.8%
06/07	\$ 3,445	\$ 630	22.4%	\$ 1,276	58.8%
07/08	\$ 4,044	\$ 599	17.4%	\$ 1,875	86.4%
08/09	\$ 4,165	\$ 121	3.0%	\$ 1,996	92.0%
09/10	\$ 3,911	\$ (254)	-6.1%	\$ 1,742	80.3%
10/11	\$ 3,541	\$ (370)	-8.9%	\$ 1,372	63.3%
11/12	\$ 3,243	\$ (298)	-7.6%	\$ 1,074	49.5%

Source: Snohomish County Assessor's Annual Reports for Taxes

### Average Residence Values

Exhibit 12 demonstrates that the average residence in the City of Mukilteo experienced an increase in value of 53.2% between 2003 and 2008, followed by steady decreases from 2009 to 2011, resulting in a net increase in value of 12.3% between 2003 and 2011.

### Exhibit 12: Value of Average Residence in Mukilteo



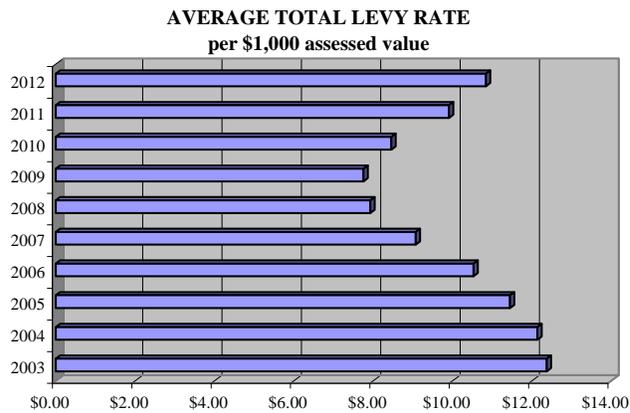
Year	Average Residence Value	Annual Change in Average Value	Annual % Change in Average Value	Cumulative Change in Average Value Since 2003	Cumulative % Change in Average Value Since 2003
2003	\$ 308,300	\$ 72,300	30.6%		
2004	\$ 275,400	\$ (32,900)	-10.7%	\$ (32,900)	-10.7%
2005	\$ 309,600	\$ 34,200	12.4%	\$ 1,300	0.4%
2006	\$ 347,700	\$ 38,100	12.3%	\$ 39,400	12.8%
2007	\$ 420,100	\$ 72,400	20.8%	\$ 111,800	36.3%
2008	\$ 472,300	\$ 52,200	12.4%	\$ 164,000	53.2%
2009	\$ 469,100	\$ (3,200)	-0.7%	\$ 160,800	52.2%
2010	\$ 417,300	\$ (51,800)	-11.0%	\$ 109,000	35.4%
2011	\$ 383,200	\$ (34,100)	-8.2%	\$ 74,900	24.3%
2012	\$ 346,200	\$ (37,000)	-9.7%	\$ 37,900	12.3%

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 \$12.38 in 2003 to \$10.84 in 2012, as indicated in exhibit 13. This includes levy amounts for the City, County, State, Port, Library, and School District. However, the average annual levy rate increased 9.4% in 2012 and 17.1% 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



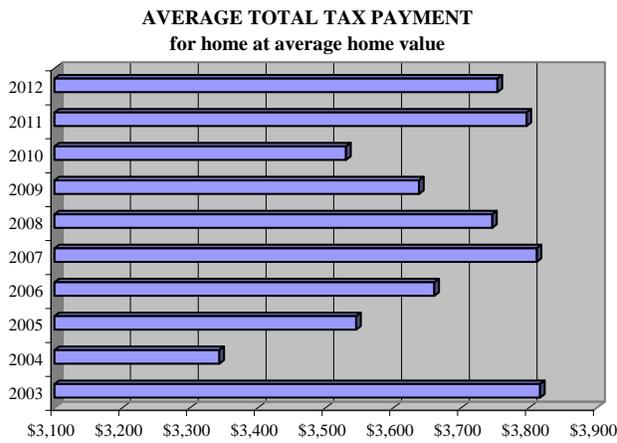
Source: Snohomish County Assessor's Annual Reports for Taxes

Year	Average Total Levy Rate	Annual Change in Average Levy Rate	Annual % Change in Average Levy Rate	Cumulative \$ Change in Average Levy Rate Since 2003	Cumulative % Change in Average Levy Rate Since 2003
2012	\$ 10.84	\$ 0.93	9.4%	\$ (1.54)	-12.4%
2011	\$ 9.91	\$ 1.45	17.1%	\$ (2.47)	-20.0%
2010	\$ 8.46	\$ 0.70	9.1%	\$ (3.92)	-31.7%
2009	\$ 7.76	\$ (0.18)	-2.2%	\$ (4.62)	-37.4%
2008	\$ 7.93	\$ (1.14)	-12.6%	\$ (4.45)	-35.9%
2007	\$ 9.07	\$ (1.45)	-13.8%	\$ (3.31)	-26.7%
2006	\$ 10.53	\$ (0.92)	-8.1%	\$ (1.85)	-15.0%
2005	\$ 11.45	\$ (0.69)	-5.7%	\$ (0.93)	-7.5%
2004	\$ 12.14	\$ (0.24)	-1.9%	\$ (0.24)	-1.9%
2003	\$ 12.38	\$ (0.92)	-6.9%		

### Average Total Property Tax Payment

The total property tax payment for an average valued home in Mukilteo has decreased from \$3,816 in 2003 to \$3,754 in 2011, as indicated in exhibit 14. This includes levy amounts for the City, County, State, Port, Library, and School District.

### Exhibit 14: Average Total Property Tax Payment



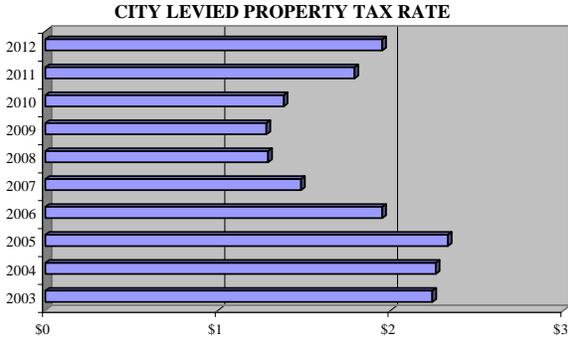
Source: Snohomish County Assessor's Annual Reports for Taxes

Year	Average Tax Payment	Annual Change in Average Tax Payment	Annual % Change in Average Tax Payment	Cumulative \$ Change in Average Tax Payment Since 2003	Cumulative % Change in Average Tax Payment Since 2003
2012	\$ 3,754	\$ (43.09)	1.13%	\$ (62.88)	-1.65%
2011	\$ 3,797	\$ 266.32	7.54%	\$ (19.79)	-0.52%
2010	\$ 3,530	\$ (107.69)	-2.96%	\$ (286.11)	-7.50%
2009	\$ 3,638	\$ (107.71)	-2.88%	\$ (178.42)	-4.68%
2008	\$ 3,746	\$ (65.98)	-1.73%	\$ (70.71)	-1.85%
2007	\$ 3,812	\$ 151.03	4.13%	\$ (4.73)	-0.12%
2006	\$ 3,661	\$ 115.64	3.26%	\$ (155.76)	-4.08%
2005	\$ 3,545	\$ 201.65	6.03%	\$ (271.40)	-7.11%
2004	\$ 3,343	\$ (473.05)	-12.40%	\$ (473.05)	-12.40%
2003	\$ 3,816				

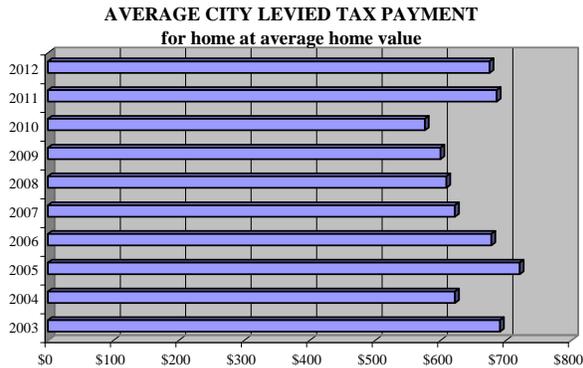
### Average City Levied Property Tax

As represented in exhibit 15, the average property tax rate levied by the City has decreased by 12.95% between 2003 and 2012. The City levied tax payment for an average valued home has decreased overall, from \$691 to \$675.

### 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
2012	\$ 1.95	\$ 0.16	8.94%	\$ (0.29)	-12.95%
2011	\$ 1.79	\$ 0.41	29.71%	\$ (0.45)	-20.09%
2010	\$ 1.38	\$ 0.10	7.81%	\$ (0.86)	-38.39%
2009	\$ 1.28	\$ (0.01)	-0.78%	\$ (0.96)	-42.86%
2008	\$ 1.29	\$ (0.19)	-12.84%	\$ (0.95)	-42.41%
2007	\$ 1.48	\$ (0.47)	-24.10%	\$ (0.76)	-33.93%
2006	\$ 1.95	\$ (0.38)	-16.31%	\$ (0.29)	-12.95%
2005	\$ 2.33	\$ 0.07	3.10%	\$ 0.09	4.02%
2004	\$ 2.26	\$ 0.02	0.89%	\$ 0.02	0.89%
2003	\$ 2.24	\$ (0.32)	-12.50%	\$ -	0.00%



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
2012	\$ 346,200	\$ 675	\$ (11)	-1.58%	\$ 53.09	8.54%
2011	\$ 383,200	\$ 686	\$ 110	19.09%	\$ 63.93	10.28%
2010	\$ 417,300	\$ 576	\$ (24)	-4.00%	\$ (46.00)	-7.40%
2009	\$ 469,100	\$ 600	\$ (9)	-1.48%	\$ (22.00)	-3.54%
2008	\$ 472,300	\$ 609	\$ (13)	-2.09%	\$ (13.00)	-2.09%
2007	\$ 420,100	\$ 622	\$ (56)	-8.26%	\$ -	0.00%
2006	\$ 347,700	\$ 678	\$ (43)	-5.96%	\$ 56.00	9.00%
2005	\$ 309,600	\$ 721	\$ 99	15.92%	\$ 99.00	15.92%
2004	\$ 275,400	\$ 622	\$ (69)	-9.99%	\$ -	0.00%
2003	\$ 308,300	\$ 691	\$ 87	14.40%	\$ 69.00	11.09%

Source: Snohomish County Assessor's Annual Reports for Taxes

### Property Taxes Rates by Tax Code Area

A Tax Code Area (TCA) 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 16 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 2012 vary from a low of \$10.50 per thousand in TCA’s 671 and 673 to a high of \$10.84 per thousand in TCA 667. The average assessed tax rate for all of Snohomish County is \$12.37 per thousand.

### Exhibit 16: City of Mukilteo Property Tax Rates by Tax Code Area

(Per \$1,000 assessed valuation)

Calendar Year: Tax Code Area (TCA) :	2010			2011			2012		
	667	671	673	667	671	673	667	671	673
Taxing District:									
City - Emergency Medical Services	\$0.23	\$0.23	\$0.23	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
City - General	\$1.15	\$1.15	\$1.15	\$1.29	\$1.29	\$1.29	\$1.45	\$1.45	\$1.45
<b>Subtotal - City Assessed Tax</b>	<b>\$1.38</b>	<b>\$1.38</b>	<b>\$1.38</b>	<b>\$1.79</b>	<b>\$1.79</b>	<b>\$1.79</b>	<b>\$1.95</b>	<b>\$1.95</b>	<b>\$1.95</b>
Washington State	\$1.99	\$1.99	\$1.99	\$2.21	\$2.21	\$2.21	\$2.38	\$2.38	\$2.38
Snohomish County	\$0.78	\$0.78	\$0.78	\$0.87	\$0.87	\$0.87	\$0.98	\$0.98	\$0.98
Port of Everett	\$0.28			\$0.28			\$0.35		
Sno-Isle Regional Library	\$0.40	\$0.40	\$0.40	\$0.45	\$0.45	\$0.45	\$0.50	\$0.50	\$0.50
Mukilteo School District	\$3.62	\$3.62	\$3.62	\$4.31	\$4.31	\$4.31	\$4.68	\$4.68	\$4.68
<b>Subtotal - District Assessed Tax</b>	<b>\$7.08</b>	<b>\$6.80</b>	<b>\$6.80</b>	<b>\$8.12</b>	<b>\$7.84</b>	<b>\$7.84</b>	<b>\$8.89</b>	<b>\$8.54</b>	<b>\$8.54</b>
<b>Total Assessed Tax by City TCA</b>	<b>\$8.46</b>	<b>\$8.18</b>	<b>\$8.18</b>	<b>\$9.91</b>	<b>\$9.62</b>	<b>\$9.62</b>	<b>\$10.84</b>	<b>\$10.50</b>	<b>\$10.50</b>
<b>Average Assessed Tax Rate for Snohomish County:</b>	<b>\$9.89</b>			<b>\$11.21</b>			<b>\$12.37</b>		

Source: Snohomish County Assessor’s Annual Reports for Taxes

### Utility Taxes

Utility taxes are the second largest portion (24%) 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 (15%) 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 2012. 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 17: Construction Related Revenues**

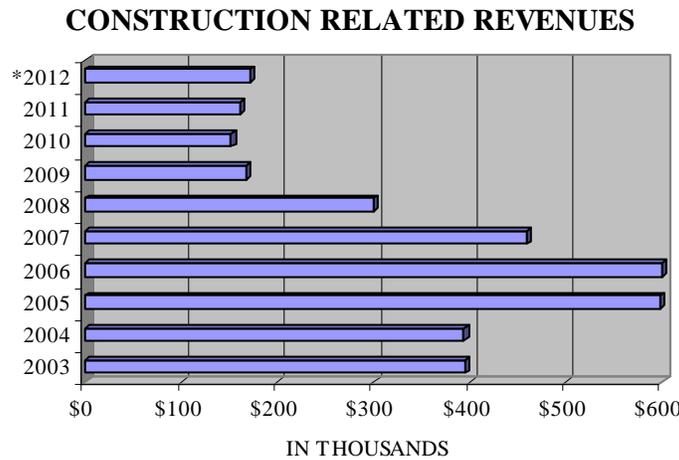


Exhibit 17 reflects actual combined revenues received for building permits, plumbing permits, mechanical permits and engineering fees, with the exception of 2012, which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales caused a steady decline in these revenues from 2006 to 2010, but slight improvement is reflected in 2011 actual and 2012 budget.

**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<sup>1</sup>**

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 include parking citations and miscellaneous citations.

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

<sup>1</sup>Washington State voters passed initiative 1183, which privatizes liquor sales beginning June 1, 2012. Financial impacts to the City are undetermined prior to printing this budget book.

## General Fund Expenditures

The General Fund expenditure budget for 2012 totals \$ 12,793,590, a decrease of 2.2% from the 2011 amended budget. Major expenditure categories include:

### Personnel Services

Personnel services represent a significant portion of the total General Fund budget. In 2012 salaries and benefits (health, dental, vision, disability, life, retirement) account for \$8,648,750 or 68% of the total General Fund budget.

### Operating Expenditures

Operating expenditures represent approximately 22% of the total General Fund budget for 2012. 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 less than 1% of the total General Fund budget for 2012. Capital outlays in the General Fund include items such as software, machinery and equipment, interpretive signage, and pavement improvements.

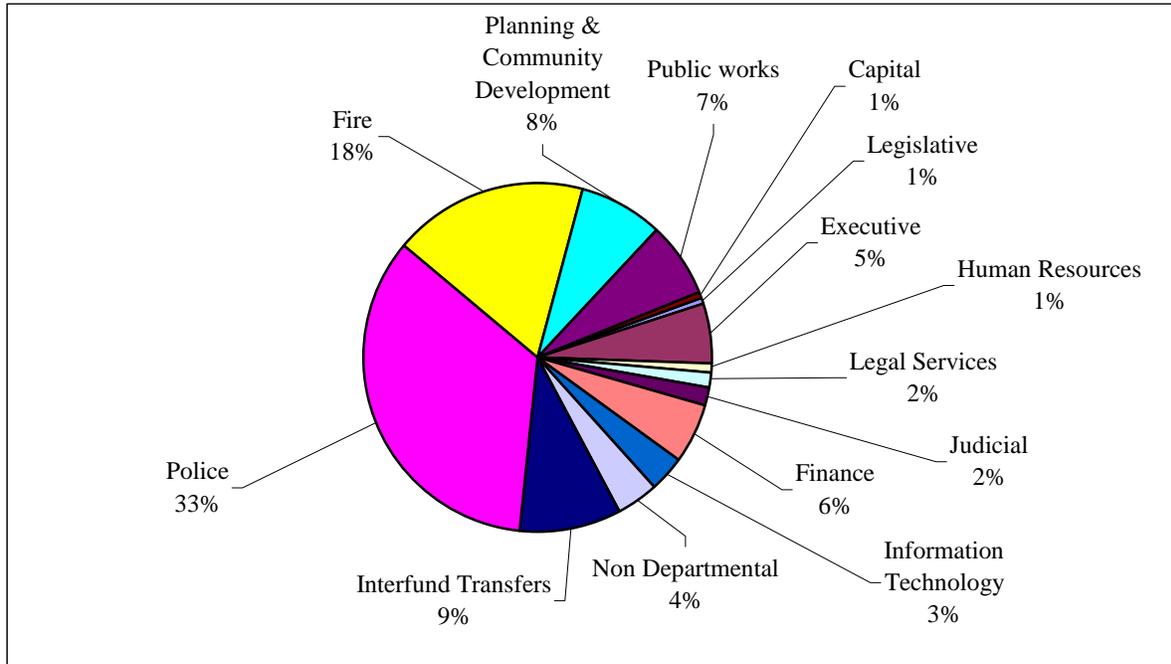
### Interfund Transfers

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	\$ 485,000
• To Recreation and Cultural Services Fund	\$ 205,000
• To Facilities Maintenance Fund	\$ 400,000
• To LEOFF I Reserve Fund	\$ 30,000
• To Hotel/Motel Lodging Tax Fund	\$ 5,000
• To Self Insurance Reserve Fund	\$ 15,300
Total Interfund Transfers	<u>\$ 1,215,300</u>

Exhibit 18 depicts the major departments or functions in the General Fund and the amount budgeted in those categories.

**Exhibit 18: General Fund Expenditures Summary by Division**



	2010 Actual	2011 Budget	2012 Budget	\$ Change '12-'11	% Change '12-'11
Legislative	\$61,899	\$72,750	\$77,750	\$5,000	6.87%
Executive	715,026	691,700	698,200	6,500	0.94%
Human Resources	46,604	110,100	108,600	(1,500)	-1.36%
Legal Services	224,543	197,000	197,000	0	0.00%
Judicial	135,545	203,000	203,000	0	0.00%
Finance	673,127	696,200	708,390	12,190	1.75%
Information Technology	327,211	339,400	412,510	73,110	21.54%
Non Departmental	373,518	457,707	495,000	37,293	8.15%
Interfund Transfers	1,662,728	1,312,700	1,215,300	(97,400)	-7.42%
Police	4,047,845	4,405,076	4,408,500	3,424	0.08%
Fire	2,141,844	2,203,850	2,327,310	123,460	5.60%
Planning & Community Development	1,127,027	1,033,250	983,050	(50,200)	-4.86%
Public Works	1,078,530	967,750	884,430	(83,320)	-8.61%
Capital	145,477	390,500	74,550	(315,950)	-80.91%
<b>Totals</b>	<b>\$12,760,924</b>	<b>\$13,080,983</b>	<b>\$12,793,590</b>	<b>(\$287,393)</b>	<b>-2.20%</b>

## OTHER GOVERNMENTAL FUNDS

Other Governmental Funds are used for funds that are reserved for specific purposes. These funds are included in the General Fund in the City's Comprehensive Annual Financial Report (CAFR).

### **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 144.

### **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 131.

### **Health Insurance 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 Reserve Fund is included on page 145.

### **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 146.

### **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 130.

## 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.

### **Drug Enforcement Fund**

This fund is specifically regulated under Washington State law RCW 69.50 which relates to seizures and forfeitures of illegal drug case proceeds. The fund may only be used for drug enforcement equipment, investigations, education or similar purposes as defined by state law. A portion of all monies forfeited is submitted to the State of Washington or federal agency as applicable. A fund statement for the Drug Enforcement Fund is included on page 162.

### **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 199.

**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 225.

**Recreation and Cultural Services 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 Fund is included on page 215.

**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 147.

**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 138.

**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 175.

**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 219.

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 19: Computation of Legal Debt Capacity**

Assessed Value \$ 3,242,759,403	General Obligation	Utility Purposes	Parks and Open Space	Total Capacity
Non-Voted (1.5% AV) *	48,641,391			48,641,391
Maximum 2.5% AV	81,068,985	81,068,985	81,068,985	243,206,955
<b>Statutory Debt Limit *</b> (1.5% non-voted included in 2.5% limit)	<b>81,068,985</b>	<b>81,068,985</b>	<b>81,068,985</b>	<b>243,206,955</b>
Total Debt Outstanding (non-voted)	11,660,000	0	0	11,660,000
Less amount in Debt Service Funds	(7,163)	0	0	(7,163)
<b>Net Debt Outstanding</b>	<b>11,652,837</b>	<b>0</b>	<b>0</b>	<b>11,652,837</b>
<b>Remaining Non-Voted Debt Capacity</b>	<b>36,988,554</b>	<b>0</b>	<b>0</b>	<b>36,988,554</b>
<b>Remaining Total Debt Capacity</b>	<b>69,416,148</b>	<b>81,068,985</b>	<b>81,068,985</b>	<b>231,554,118</b>

\* The 1.5 % non-voted amount is included in the 2.5% maximum of \$81,068,985.

Exhibit 19 indicates that the total legal debt capacity for the City is over \$243 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.

**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 225.

**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 226.

**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 226.

**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 227.

**Exhibit 20: Real Estate Excise Tax Revenues**

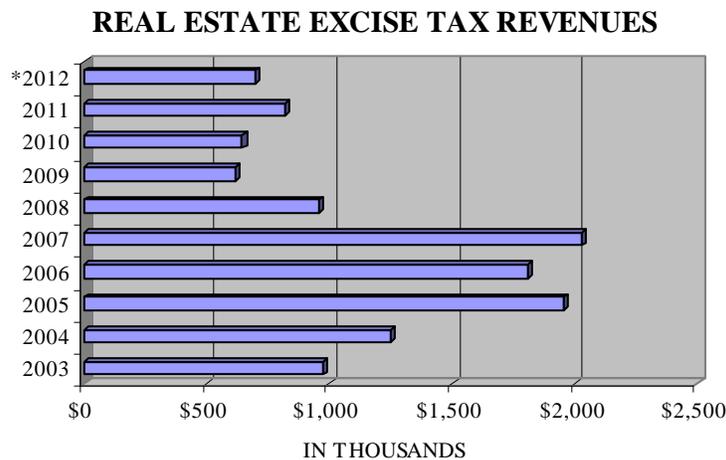


Exhibit 20 reflects actual Real Estate Excise Tax revenues received in both funds, with the exception of 2012 which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales caused a steady decline in these revenues from 2007 to 2009. A modest 5% increase was realized in 2010, followed by a 27% increase in 2011. The 2012 budget is conservatively estimated as mid-way between 2010 and 2011 actual 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 227.

**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 228.

## 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 203.

### Exhibit 21: Surface Water Utility Revenues

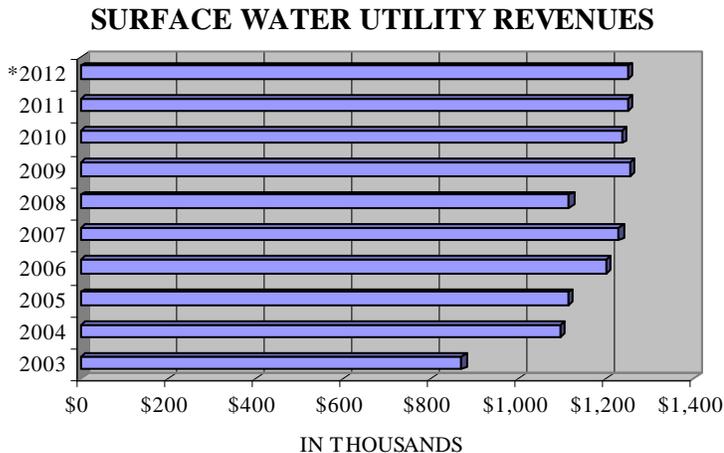


Exhibit 21 reflects actual revenues received for storm drainage fees, with the exception of 2012 which reflects budgeted amounts.

## 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.

### 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 207.

### 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 209.

**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.

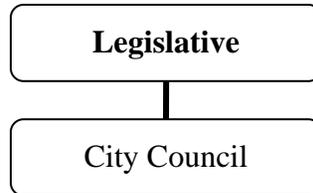


## LEGISLATIVE DEPARTMENT

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.



### POSITION SUMMARY

<u>Position Title</u>	<u>2011</u>	<u>2012</u>
Councilmember	7	7
<b>Total</b>	<b>7</b>	<b>7</b>

<b>LEGISLATIVE DEPARTMENT EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
City Council	\$61,900	\$72,750	\$77,750	\$5,000
<b>TOTAL</b>	<b>\$61,900</b>	<b>\$72,750</b>	<b>\$77,750</b>	<b>\$5,000</b>



## 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.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Council Meetings	44	41	42
Formal Actions Taken	282	225	255
Ordinances Adopted	28	25	27
Resolutions Approved	38	20	29

**2012 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

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Part Time Employees	42,600	42,600	42,600	0
	42,600	42,600	42,600	0
<b>PERSONNEL BENEFITS</b>				
FICA	3,259	3,300	3,300	0
L&I	183	200	200	0
	3,442	3,500	3,500	0
<b>SUPPLIES</b>				
Office Supplies	167	250	250	0
Operating Supplies	0	200	200	0
Ancillary Meeting Costs	0	500	500	0
Council Retreat	0	0	5,000	5,000
Small Items of Equipment	0	200	200	0
	167	1,150	6,150	5,000
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	51	1,000	1,000	0
Travel & Subsistence Expense	4,710	9,800	9,800	0
Legal Publications	1,799	1,000	1,000	0
Publication of Agendas	1,852	3,300	3,300	0
Printing and Binding	0	400	400	0
Training & Registration	2,883	7,000	7,000	0
City Code Revision	4,396	3,000	3,000	0
	15,691	25,500	25,500	0
<b>TOTAL CITY COUNCIL</b>	<b>\$61,900</b>	<b>\$72,750</b>	<b>\$77,750</b>	<b>\$5,000</b>



The Mukilteo Ferry Terminal, Ivar's Restaurant and Silver Cloud Inn.

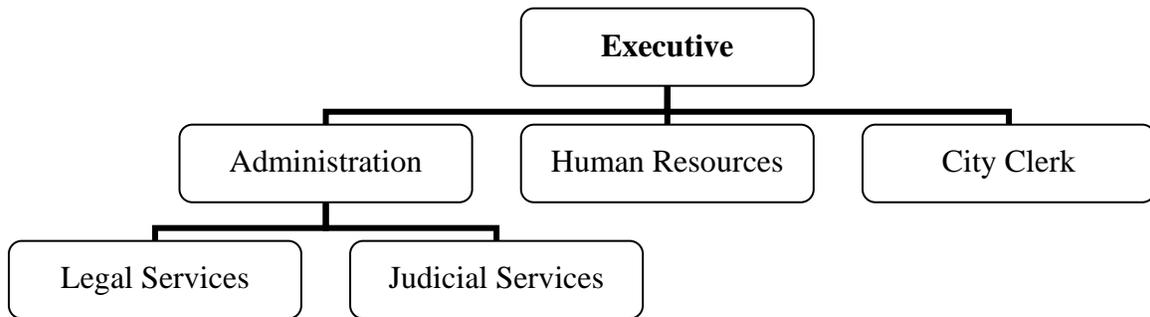


## EXECUTIVE DEPARTMENT

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 prepares and recommends an annual budget, executes all City contracts, maintains the City’s official public records, provides Risk Management services, and prepares analyses and reports as necessary to help optimize City operations and clarify policy direction.

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



**POSITION SUMMARY**

<b>Position Title</b>	<b>2011</b>	<b>2012</b>
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
<b>Total</b>	<b>5.5</b>	<b>5.5</b>

<b>EXECUTIVE DEPARTMENT EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Administration	\$714,814	\$685,200	\$698,200	\$13,000
Human Resources	46,605	110,100	108,600	(1,500)
Legal Services	224,543	197,000	197,000	0
Judicial Services	135,545	127,000	203,000	76,000
Paine Field Emergency Fund	22,687	176,240	156,240	(20,000)
<b>TOTAL</b>	<b>\$1,144,194</b>	<b>\$1,295,540</b>	<b>\$1,363,040</b>	<b>\$67,500</b>



## 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.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Agenda Bills Presented	123	110	115
Public Records Requests	280	224	250
Claims Opened	9	12	10
Claims Closed	11	11	10
Incidents Reported	28	18	23

**2012 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 continue 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.
- To continue to promote and pursue Economic Development within the City.
- Japanese Gulch parks and open space master planning and development.



<b>ADMINISTRATION</b>
-----------------------

Fund: General - 011

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	412,507	409,100	409,100	0
Part Time Employees	22,622	23,000	24,100	1,100
Special Assignment Pay	7,203	7,200	7,200	0
Acting Supervisor Pay	504	0	0	0
Overtime	600	1,000	1,000	0
	443,436	440,300	441,400	1,100
<b>PERSONNEL BENEFITS</b>				
FICA	33,667	33,500	33,200	(300)
PERS	23,370	30,700	31,600	900
L&I	1,294	1,600	1,800	200
Medical Benefits	61,465	67,600	70,800	3,200
Administrator Vehicle Allowance	6,000	6,000	6,000	0
Dental Benefits	8,227	5,500	10,000	4,500
Vision Benefits	1,787	1,700	1,100	(600)
Life Insurance	1,210	1,500	1,500	0
Long Term Disability Insurance	2,681	3,300	3,300	0
	139,701	151,400	159,300	7,900
<b>SUPPLIES</b>				
Office Supplies	2,900	3,000	3,000	0
Reference Material	318	300	300	0
Ancillary Meeting Costs	208	500	500	0
Small Items of Equipment	1,271	1,000	1,000	0
	4,697	4,800	4,800	0
<b>OTHER SERVICES &amp; CHARGES</b>				
Consulting Services	5,632	5,000	5,000	0
Other Professional Services	4,000	4,000	4,000	0
Lobbyist Services	91,171	60,000	60,000	0
Records Services	9,939	1,000	1,000	0
Telephone	1,796	1,900	1,900	0
Postage	371	1,000	1,000	0
Cell Phone	2,247	2,100	2,100	0
Travel & Subsistence Expense	7,860	9,000	11,000	2,000
Association Dues & Memberships	690	1,000	1,000	0
Printing and Binding	0	200	200	0
Training & Registration Costs	3,274	3,500	5,500	2,000
	126,980	88,700	92,700	4,000
<b>TOTAL ADMINISTRATION</b>	<b>\$714,814</b>	<b>\$685,200</b>	<b>\$698,200</b>	<b>\$13,000</b>



## 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 is increase employee productivity with less sick days taken.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Position Recruitments	9	11	10
Applications Screened	507	500	500
Applicants Interviewed	25	30	20
Labor Contracts Negotiated	3	5	0
Labor Contracts Settled	3	5	0

**2012 GOALS & OBJECTIVES**

- To recruit and hire qualified candidates for position vacancies.
- Ongoing review and/or updates to the City's Personnel Manual.
- To develop and update administrative guidelines and evaluations for personnel.
- To conduct ongoing review of employee benefit packages.
- To comply with state and federal employee regulations, providing updated material and programs for employees.
- Annual update of a year-round wellness program.
- To complete negotiations for labor agreements.



<b>HUMAN RESOURCES</b>
------------------------

Fund: General - 011

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>PERSONNEL BENEFITS</b>				
Unemployment Compensation*	0	29,200	29,700	500
Tuition & Education	16,681	13,000	13,000	0
	16,681	42,200	42,700	500
<b>SUPPLIES</b>				
Office Supplies	1,121	1,000	1,000	0
Reference Material	197	500	500	0
	1,318	1,500	1,500	0
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	23,991	35,000	33,000	(2,000)
AWC Wellness Program	0	2,000	2,000	0
Telephone	165	200	200	0
Postage	178	300	300	0
Travel & Subsistence	179	1,000	1,000	0
Classified Advertising	2,987	2,000	2,000	0
Association Dues & Memberships	560	400	400	0
Printing and Binding	546	500	500	0
Reserve for Accrued Leave	0	25,000	25,000	0
	28,606	66,400	64,400	(2,000)
<b>TOTAL HUMAN RESOURCES</b>	<b>\$46,605</b>	<b>\$110,100</b>	<b>\$108,600</b>	<b>(\$1,500)</b>

\*All General Fund unemployment compensation expense is budgeted in Human Resources for 2012. Actual expenses will be paid from the applicable department budgets as needed, and the appropriate budget will be transferred from Human Resources.



## 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**

	2010 Actual	2011 Est.	2012 Est.
Hours of Service			
City Attorney	1050	900	1000
City Prosecutor	500	300	400
Litigation Cases	6	5	5

**2012 GOALS & OBJECTIVES**

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

<b>LEGAL SERVICES</b>
-----------------------

Fund: General - 011

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>OTHER SERVICES AND CHARGES</b>				
011.15.515.200.4105 City Attorney	104,570	110,000	110,000	0
011.15.515.200.4109 City Attorney Other Services	73,287	44,000	44,000	0
011.15.515.200.4115 City Prosecuting Attorney	46,686	43,000	43,000	0
<b>TOTAL LEGAL SERVICES</b>	<b>\$224,543</b>	<b>\$197,000</b>	<b>\$197,000</b>	<b>\$0</b>



## 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**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Cases	270	230	240
Indigents Defended	156	120	130
Hours of Service	160	130	140

**2012 GOALS & OBJECTIVES**

- To continue to provide district court services.

**JUDICIAL SERVICES**

Fund: General - 011

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Increase/ (Decrease)</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	
<b>OTHER SERVICES &amp; CHARGES</b>				
Indigent Defense Attorney	38,470	36,000	52,000	16,000
	38,470	36,000	52,000	16,000
<b>INTERGOVERNMENTAL SERVICES</b>				
Interlocal Extradition	0	1,000	1,000	0
Everett District Court	97,075	90,000	150,000	60,000
	97,075	91,000	151,000	60,000
<b>TOTAL JUDICIAL SERVICES</b>	<b>\$135,545</b>	<b>\$127,000</b>	<b>\$203,000</b>	<b>\$76,000</b>



## Paine Field Emergency Fund

### PURPOSE

The purpose of the Paine Field Emergency 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.

<b>PAIN FIELD EMERGENCY FUND</b>				
Fund: Paine Field Emergency - 015				
	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>OTHER SERVICES AND CHARGES</b>				
Legal Services	22,687	176,240	156,240	(20,000)
<b>TOTAL PAINE FIELD EMERGENCY FUND</b>	<b>\$22,687</b>	<b>\$176,240</b>	<b>\$156,240</b>	<b>(\$20,000)</b>

<b>PAIN FIELD EMERGENCY FUND - 015</b>				
	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
Beginning Fund Balance	\$48,423	\$26,240	\$156,240	\$130,000
Revenues				
Miscellaneous	501	0	0	0
Transfers In	0	150,000	0	(150,000)
Total Revenues	501	150,000	0	(150,000)
<b>Total Resources</b>	<b>48,924</b>	<b>176,240</b>	<b>156,240</b>	<b>(20,000)</b>
Expenditures				
Other Services & Charges	22,687	176,240	136,240	(40,000)
Intergovernmental	0	0	20,000	20,000
<b>Total Expenditures</b>	<b>22,687</b>	<b>176,240</b>	<b>156,240</b>	<b>(20,000)</b>
<b>Ending Fund Balance</b>	<b>\$26,237</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## 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.

<b>CITY RESERVE FUND - 012</b>				
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>
Revenues				
	0	0	0	0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Resources</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>
Expenditures				
	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>



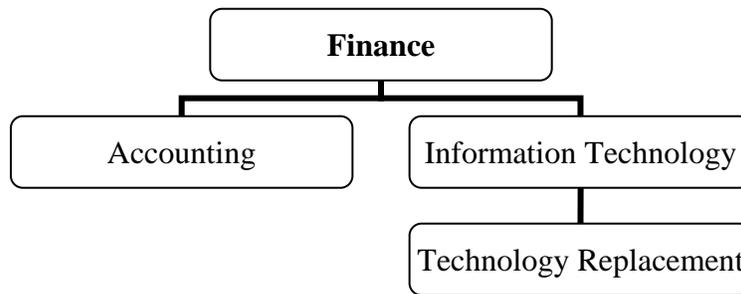


## FINANCE DEPARTMENT

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

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

The information technology division 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**

<b>Position Title</b>	<b>2011</b>	<b>2012</b>
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
<b>Total</b>	<b>8</b>	<b>8</b>

<b>FINANCE DEPARTMENT EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Accounting	\$673,127	\$690,400	\$708,390	\$17,990
Information Technology	342,428	339,100	412,510	73,410
Technology Replacement	67,985	85,100	124,512	39,412
<b>TOTAL</b>	<b>\$1,083,540</b>	<b>\$1,114,600</b>	<b>\$1,245,412</b>	<b>\$130,812</b>



## 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.

### **2011 ACCOMPLISHMENTS**

- Completed the 2010 Comprehensive Annual Financial Report (CAFR) and submitted an application for the CAFR Award to the Government Finance Officers Association (GFOA).
- Received the 2011 Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Implemented Governmental Accounting Standards Board Statement # 54: Fund Balance Reporting and Governmental Fund Type Definitions.

### **2012 GOALS & OBJECTIVES**

- Implement new business licensing software.
- Submit the 2012 budget document for the Government Finance Officers Association Distinguished Budget Presentation Award.
- Submit the 2011 Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association CAFR award.
- Complete Long-range Financial Plan.



**ACCOUNTING**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	400,107	407,000	407,000	0
Overtime	932	3,000	3,000	0
	<u>401,039</u>	<u>410,000</u>	<u>410,000</u>	<u>0</u>
<b>PERSONNEL BENEFITS</b>				
FICA	30,422	31,700	31,400	(300)
PERS	21,295	28,500	29,500	1,000
L&I	1,397	1,700	1,800	100
Medical Benefits	85,134	93,600	99,800	6,200
Unemployment Compensation	1,948	0	0	0
Vehicle Allowance	2,400	2,400	2,400	0
Dental Benefits	9,241	7,800	14,900	7,100
Vision Benefits	1,101	2,400	2,000	(400)
Life Insurance	1,156	1,400	1,400	0
Long Term Disability Insurance	2,559	3,100	3,000	(100)
Medical Opt-Out Incentive	0	0	3,200	3,200
	<u>156,653</u>	<u>172,600</u>	<u>189,400</u>	<u>16,800</u>
<b>SUPPLIES</b>				
Office Supplies	2,744	3,000	3,000	0
Purchase of Forms	342	1,500	1,500	0
Reference Material	113	400	400	0
Motor Fuel	210	100	300	200
Small Items of Equipment	712	300	300	0
	<u>4,121</u>	<u>5,300</u>	<u>5,500</u>	<u>200</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	12,646	4,000	4,000	0
Telephone	1,437	1,400	1,500	100
Postage	3,014	3,300	3,600	300
Payflow Processing Fees	0	1,100	1,100	0
Software Subscription Fees	0	0	600	600
Cell Phone	319	400	400	0
Travel & Subsistence	1,317	800	800	0
Motor Pool Charges	0	4,400	2,390	(2,010)
Office Equipment M&R	219	0	0	0
Vehicle R&M	0	500	500	0
Accounting System Maintenance	30,544	32,900	32,900	0
Assoc. Dues & Memberships	208	500	500	0
Subscriptions	205	0	0	0
Printing and Binding	95	800	800	0
Training & Registration Costs	2,050	1,500	1,500	0
Miscellaneous	760	1,400	800	(600)
Banking Fees	20,613	9,500	9,500	0
	<u>73,427</u>	<u>62,500</u>	<u>60,890</u>	<u>(1,610)</u>
<b>INTERGOVERNMENTAL SERVICES</b>				
State Auditor Audit	37,887	40,000	42,600	2,600
	<u>37,887</u>	<u>40,000</u>	<u>42,600</u>	<u>2,600</u>
<b>TOTAL ACCOUNTING</b>	<b>\$673,127</b>	<b>\$690,400</b>	<b>\$708,390</b>	<b>\$17,990</b>



## Information Technology

### PURPOSE

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

IT strives to provide an infrastructure that is reliable and secure. IT is responsible for the replication, integrity and backup of the city's data.

IT provides all internal technology support including server infrastructure, networking operations, helpdesk support, as well as the configuration, installation and maintenance for each device and application.

IT coordinates with emergency 911 services to maintain accurate dispatch/records.

IT is responsible for centralized technology review and purchasing to assist in achieving city goals.

IT maintains awareness of current and upcoming technologies and performs analysis of new technologies to make recommendations to the city. IT is currently in the process of determining how to be a greener department. IT is developing an all-encompassing virtualization strategy that would provide the City increased data security, decreased electricity usage and costs and decreased expenditures for servers and desktop hardware.

### 2011 ACCOMPLISHMENTS

- Introduced an application level firewall device for increased perimeter security.
- Introduced Virtualization to the server infrastructure by creating virtual machines for several support based servers.
- Introduced a core gig backbone for Servers at City Hall.
- Performed technology work at the new Rosehill Community Center to not only get the new facility operating on time but also introduced new technologies such as public wireless and digital media projection.
- Developed a 5 year IT Strategic Plan

### 2012 GOALS AND OBJECTIVES

- Going "Green"
- City Wide Fiber
- High Speed Internet
- Server Virtualization
- Virtual Desktop Infrastructure Pilot
- New World Public Safety Software
- Shared Help Desk Support
- Exchange Server 2010
- Office 2010



**INFORMATION TECHNOLOGY**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	124,354	150,900	153,900	3,000
Overtime	2,128	3,000	3,000	0
	<u>126,482</u>	<u>153,900</u>	<u>156,900</u>	<u>3,000</u>
<b>PERSONNEL BENEFITS</b>				
FICA	9,616	11,800	12,000	200
PERS	6,520	10,600	11,300	700
L&I	420	600	600	0
Medical Benefits	29,596	39,600	40,000	400
Dental Benefits	2,052	3,700	3,200	(500)
Vision Benefits	293	1,100	900	(200)
Life Insurance	347	500	500	0
Long Term Disability Insurance	769	1,100	1,200	100
	<u>49,613</u>	<u>69,000</u>	<u>69,700</u>	<u>700</u>
<b>SUPPLIES</b>				
Computer Supplies	3,140	5,000	5,000	0
Reference Material	33	500	500	0
Operating Supplies	363	1,000	1,000	0
Small Items of Equipment	50,820	13,000	22,720	9,720
	<u>54,356</u>	<u>19,500</u>	<u>29,220</u>	<u>9,720</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Consulting Services	38,178	19,500	24,100	4,600
Other Professional Services	0	0	300	300
Telephone	2,212	1,400	1,400	0
Postage	63	100	100	0
On-Line Charges	16,060	20,200	20,200	0
Cell Phone	1,518	1,400	1,400	0
Travel & Subsistence	0	0	500	500
Fiber Lease	0	0	54,250	54,250
Classified Advertising	459	0	0	0
Office Equipment M&R	0	500	0	(500)
Communication Equipment M&R	8,309	18,500	14,340	(4,160)
Computer System M&R	19,435	13,500	18,500	5,000
Software Maintenance	10,011	17,500	17,500	0
Printing And Binding	0	100	100	0
Training & Registration	516	4,000	4,000	0
	<u>96,761</u>	<u>96,700</u>	<u>156,690</u>	<u>59,990</u>
<b>CAPITAL OUTLAY</b>				
Computer Hardware	7,932	0	0	0
Other Machinery & Equipment	7,284	0	0	0
	<u>15,216</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>\$342,428</b>	<b>\$339,100</b>	<b>\$412,510</b>	<b>\$73,410</b>



**TECHNOLOGY REPLACEMENT FUND - 120**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$128,965</b>	<b>\$118,770</b>	<b>\$146,570</b>	<b>\$27,800</b>
Revenues				
Investment Interest	428	400	200	(200)
2% Admin Fee	5,824	2,000	5,000	3,000
Miscellaneous	835	0	0	0
Operating Transfers In	75,000	75,000	75,000	0
<b>Total Revenues</b>	<b>82,087</b>	<b>77,400</b>	<b>80,200</b>	<b>2,800</b>
<b>Total Resources</b>	<b>211,052</b>	<b>196,170</b>	<b>226,770</b>	<b>30,600</b>
Expenditures				
Capital Outlay	67,985	85,100	124,512	39,412
<b>Total Expenditures</b>	<b>67,985</b>	<b>85,100</b>	<b>124,512</b>	<b>39,412</b>
<b>Ending Fund Balance</b>	<b>\$143,067</b>	<b>\$111,070</b>	<b>\$102,258</b>	<b>(\$8,812)</b>

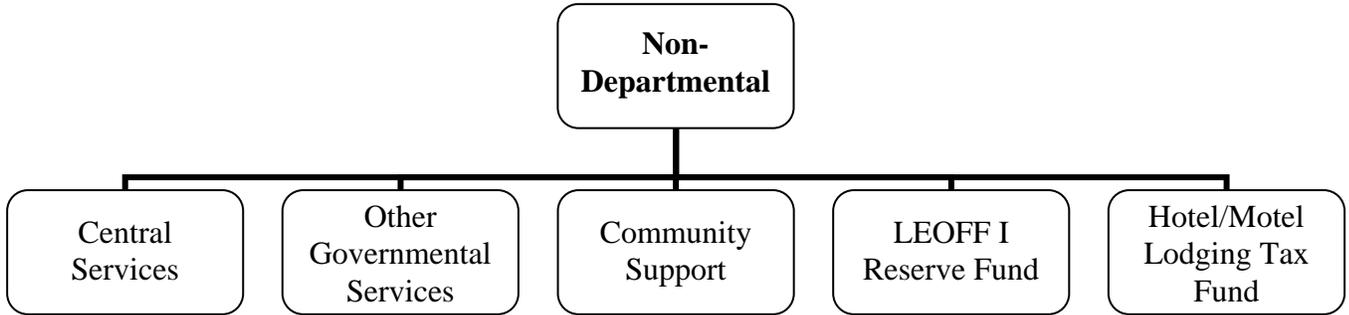
**TECHNOLOGY REPLACEMENT**

Fund: Technology Replacement - 120

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>CAPITAL OUTLAYS</b>				
Computer Hardware	67,985	85,100	124,512	39,412
<b>TOTAL TECHNOLOGY REPLACEMENT</b>	<b>\$67,985</b>	<b>\$85,100</b>	<b>\$124,512</b>	<b>\$39,412</b>

## 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.



<b>NON DEPARTMENTAL EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Central Services	\$16,721	\$21,600	\$21,600	\$0
Other Governmental Services	1,968,174	1,642,867	1,668,000	25,133
Community Support	46,350	69,440	60,700	(8,740)
LEOFF I Reserve Fund	29,577	34,900	37,200	2,300
Hotel/Motel Lodging Tax	91,950	135,080	148,900	13,820
<b>TOTAL</b>	<b>\$2,152,772</b>	<b>\$1,903,887</b>	<b>\$1,936,400</b>	<b>\$32,513</b>



## 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.

<b>CENTRAL SERVICES</b>				
Fund: General - 011				
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SUPPLIES</b>				
Paper Stock	3,735	6,000	6,000	0
Operating Supplies	350	1,700	1,700	0
	<u>4,085</u>	<u>7,700</u>	<u>7,700</u>	<u>0</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Postage	(61)	400	400	0
Website Hosting	1,800	1,800	1,800	0
Office Equipment Rental	2,308	2,000	2,000	0
Office Equipment M&R	6,710	8,500	8,500	0
Software System Maintenance	200	200	200	0
City Letterhead and Envelopes	1,679	1,000	1,000	0
	<u>12,636</u>	<u>13,900</u>	<u>13,900</u>	<u>0</u>
<b>TOTAL CENTRAL SERVICES</b>	<b>\$16,721</b>	<b>\$21,600</b>	<b>\$21,600</b>	<b>\$0</b>



## 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

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>PERSONNEL BENEFITS</b>				
General Employee Benefits	4,927	4,500	4,500	0
	4,927	4,500	4,500	0
<b>OTHER SERVICES &amp; CHARGES</b>				
Public Affairs & Community Outreach	27,773	32,000	32,000	0
Youth Advisory Council	437	1,000	1,000	0
Travel and Subsistence	0	0	1,000	1,000
Insurance	127,455	132,000	134,000	2,000
eCITYGOV Alliance Contract	2,000	2,000	2,000	0
Training and Registration	0	0	600	600
Emergency Management Miscellaneous	3,212	2,500	3,500	1,000
COBRA Dental/Vision Claims	1,306	7,000	2,000	(5,000)
Appraisals	0	8,000	0	(8,000)
Survey Services	0	5,000	0	(5,000)
Land Rental	0	16,667	70,000	53,333
Miscellaneous - Permitting and Tax	0	0	14,000	14,000
	162,183	206,167	260,100	53,933
<b>INTERGOVERNMENTAL SERVICES</b>				
Alcohol Program	5,024	6,000	6,000	0
Election Services	9,561	15,000	15,000	0
Emergency Services	51,978	54,700	55,700	1,000
Commute Trip Reduction	0	1,000	1,000	0
Association of Washington Cities	13,563	13,600	13,800	200
Puget Sound Air Pollution	12,513	12,900	12,400	(500)
Puget Sound Region Council	16,608	8,500	8,500	0
Snohomish County Tomorrow	3,348	5,300	2,100	(3,200)
Voter Registration	30,741	31,000	31,000	0
WA State Purchasing Coop	0	1,000	1,000	0
National League of Cities	0	1,500	1,500	0
Snohomish County Cities	0	100	100	0
	143,336	150,600	148,100	(2,500)

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>TRANSFERS</b>				
Transfer to Technology Replacement Fund	75,000	75,000	75,000	0
Transfer to Emergency Medical Svcs Fund	560,000	0	0	0
Transfer to Street Fund	350,000	356,100	485,000	128,900
Transfer to Recreation & Cultural Svcs Fund	242,860	242,300	205,000	(37,300)
Transfer to Facilities Maintenance Fund	390,000	422,000	400,000	(22,000)
Transfer to LEOFF I Reserve Fund	25,000	30,000	30,000	0
Transfer to Hotel/Motel Fund	0	5,000	5,000	0
Transfer to Paine Field Emergency Fund	0	150,000	0	(150,000)
Transfer to Self Insurance Fund	4,870	1,000	15,300	14,300
Transfer to Surface Water Fund	9,998	0	0	0
Transfer to Reserves	0	(33,300)	0	33,300
	<b>1,657,728</b>	<b>1,248,100</b>	<b>1,215,300</b>	<b>(32,800)</b>
<b>CAPITAL OUTLAY</b>				
Land Improvements	0	33,500	40,000	6,500
	<b>0</b>	<b>33,500</b>	<b>40,000</b>	<b>6,500</b>
<b>TOTAL OTHER GOVERNMENTAL SVCS</b>	<b>\$1,968,174</b>	<b>\$1,642,867</b>	<b>\$1,668,000</b>	<b>\$25,133</b>



## 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

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
Landscape Materials	0	8,740	0	(8,740)
Telephone	684	1,200	1,200	0
City Newsletter	16,725	17,500	17,500	0
Sustainability Project	0	10,000	10,000	0
Community Organizational Support	7,297	10,000	10,000	0
Large Item Pickup	21,644	22,000	22,000	0
<b>TOTAL COMMUNITY SUPPORT</b>	<b>\$46,350</b>	<b>\$69,440</b>	<b>\$60,700</b>	<b>(\$8,740)</b>



## LEOFF I Reserve Fund

### PURPOSE

The purpose of the 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.

### LEOFF I RESERVE FUND - 009

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>Beginning Fund Balance</b>	<b>\$141,501</b>	<b>\$135,720</b>	<b>\$133,460</b>	<b>(\$2,260)</b>
Revenues				
Investment Interest	452	450	300	(150)
Operating Transfers In	25,000	30,000	30,000	0
Total Revenues	25,452	30,450	30,300	(150)
<b>Total Resources</b>	<b>166,953</b>	<b>166,170</b>	<b>163,760</b>	<b>(2,410)</b>
Expenditures				
Personnel Benefits	28,177	33,500	35,800	2,300
Other Services & Charges	1,400	1,400	1,400	0
<b>Total Expenditures</b>	<b>29,577</b>	<b>34,900</b>	<b>37,200</b>	<b>2,300</b>
<b>Ending Fund Balance</b>	<b>\$137,375</b>	<b>\$131,270</b>	<b>\$126,560</b>	<b>(\$4,710)</b>

### LEOFF I RESERVE

Fund: LEOFF I Reserve - 009

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
LEOFF I Medical Payments	1,642	3,700	4,000	300
LEOFF I Insurance Premiums	26,535	29,800	31,800	2,000
OFM Assessment Fee	1,400	1,400	1,400	0
<b>TOTAL LEOFF I RESERVE</b>	<b>\$29,577</b>	<b>\$34,900</b>	<b>\$37,200</b>	<b>\$2,300</b>



## Health Insurance Reserve Fund

### PURPOSE

The City of Mukilteo self-insures dental and vision benefits for City staff. Per State of Washington Office of Financial Management guidelines, the City is required to maintain a reserve balance equal to or exceeding 16 weeks of budgeted self-insured expenses. The minimum reserve requirement for 2012 is \$66,215. The current reserve amount maintained is \$66,300.

### HEALTH INSURANCE RESERVE FUND - 013

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>Beginning Fund Balance</b>	<b>\$45,126</b>	<b>\$50,000</b>	<b>\$51,000</b>	<b>\$1,000</b>
Revenues				
Interfund Transfers In	4,870	1,000	15,300	14,300
Total Revenues	4,870	1,000	15,300	14,300
<b>Total Resources</b>	<b>49,996</b>	<b>51,000</b>	<b>66,300</b>	<b>15,300</b>
Expenditures				
	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$49,996</b>	<b>\$51,000</b>	<b>\$66,300</b>	<b>\$15,300</b>



## Unemployment Compensation Reserve Fund

**PURPOSE**

The Unemployment Compensation Reserve Fund maintains a reserve balance to help offset unexpected expenditures from unemployment claims processed against the City.

<b>UNEMPLOYMENT COMPENSATION RESERVE FUND - 014</b>
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	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>Beginning Fund Balance</b>	<b>\$40,490</b>	<b>\$40,490</b>	<b>\$40,490</b>	<b>\$0</b>
Revenues				
	0	0	0	0
Total Revenues	0	0	0	0
<b>Total Resources</b>	<b>40,490</b>	<b>40,490</b>	<b>40,490</b>	<b>0</b>
Expenditures				
	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$40,490</b>	<b>\$40,490</b>	<b>\$40,490</b>	<b>\$0</b>



## Hotel/Motel Lodging Tax Fund

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 applications 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 will maintain a Hotel/Motel Lodging Tax Reserve of allocating grants to fund tourism promotional opportunities within the City. The 2012 Budget will maintain a cash flow reserve within the Hotel/Motel Lodging Tax Fund in an amount equal to one prior complete year's revenues in ending fund balance.

<b>HOTEL/MOTEL LODGING TAX FUND - 116</b>				
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>(\$125,314)</b>	<b>\$135,440</b>	<b>\$194,930</b>	<b>\$59,490</b>
Revenues				
Hotel/Motel Transient Tax	140,154	130,000	170,000	40,000
Investment Interest	692	450	400	(50)
Transfers In	5,000	0	5,000	5,000
<b>Total Revenues</b>	<b>145,846</b>	<b>130,450</b>	<b>175,400</b>	<b>44,950</b>
<b>Total Resources</b>	<b>20,532</b>	<b>265,890</b>	<b>370,330</b>	<b>104,440</b>
Expenditures				
Community Organizational Support	90,140	91,800	100,000	8,200
Insurance	181	180	400	220
Interfund Loan Payments	1,629	43,100	48,500	5,400
<b>Total Expenditures</b>	<b>91,950</b>	<b>135,080</b>	<b>148,900</b>	<b>13,820</b>
<b>Ending Fund Balance</b>	<b>(\$71,417)</b>	<b>\$130,810</b>	<b>\$221,430</b>	<b>\$90,620</b>



**HOTEL/MOTEL LODGING TAX**

Fund: Hotel/Motel Lodging Tax - 116

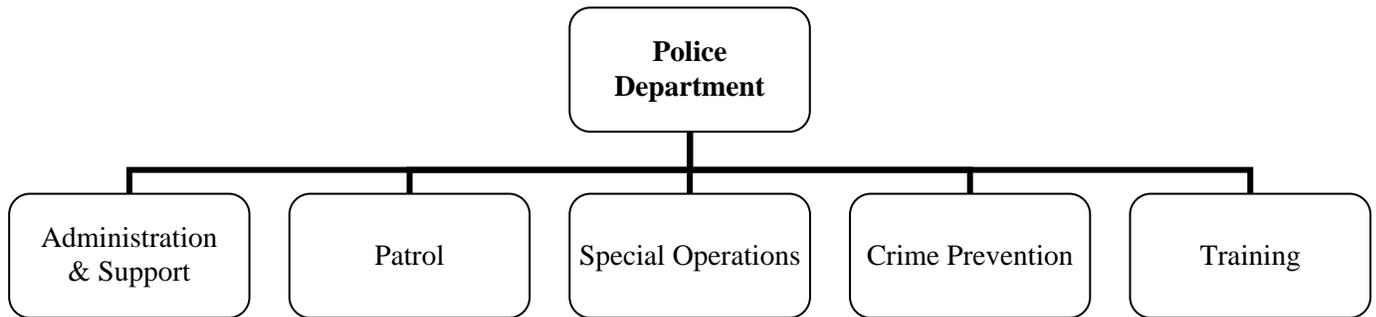
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Community Organizational Support	90,140	91,800	100,000	8,200
Insurance	181	180	400	220
Interfund Loan Principal	0	40,000	45,000	5,000
Interfund Loan Interest	1,629	3,100	3,500	400
<b>TOTAL HOTEL/MOTEL LODGING TAX</b>	<b>\$91,950</b>	<b>\$135,080</b>	<b>\$148,900</b>	<b>\$13,820</b>



## 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 six divisions: Administration and Support Services, Crime Prevention, Patrol, Training, Special Operations, and Drug Enforcement, as shown below.



### POSITION SUMMARY

<u>Position Title</u>	<u>2011</u>	<u>2012</u>
Police Chief	1	1
Commander	1	1
Sergeant (1=Detective Sgt.)	5	5
Detective	3	3
Crime Prevention Officer	1	1
Police Officer	17	17
Office Supervisor	1	1
Community Support Officer	1	1
Support Services Technician	2	2
<b>Total</b>	<b>32</b>	<b>32</b>

<b>POLICE DEPARTMENT EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Administration & Support Services	\$1,156,478	\$1,234,416	\$1,264,380	\$29,964
Patrol	2,377,063	2,574,600	2,554,800	(19,800)
Special Operations	367,599	427,300	390,250	(37,050)
Crime Prevention	123,841	127,600	136,970	9,370
Training	28,631	28,460	62,100	33,640
Drug Enforcement Fund	0	24,000	0	(24,000)
<b>TOTAL</b>	<b>\$4,053,612</b>	<b>\$4,416,376</b>	<b>\$4,408,500</b>	<b>(\$7,876)</b>



Mukilteo Police Department  
10500 47<sup>th</sup> Place W.  
Mukilteo, WA 98275  
425-263-8100



## 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.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Jail Detention			
No. Bookings	118	144	145
Housing Days	777	1,026	1,125
Electronic Home Detention			
No. Participants	13	9	7
Detention Days	125	84	67
Internal	2	2	2
Animal Complaints	414	487	506
Case Reports	2,256	2,361	2,597
Fingerprint Services	189	250	308
Infraction/Citations	2,845	4,562	4,600
Animal Licenses	271	275	300
Pistol Permits	153	170	190

**2011 ACCOMPLISHMENTS**

- Hired new Police Chief.
- Conducted comprehensive department review and evidence management process study with outside agency assistance.
- Received grants totaling over \$20,000 for traffic safety and equipment procurement.
- Implemented infraction fee cost recovery
- Contracted collections company to recover outstanding fines and fees.

**2012 GOALS & OBJECTIVES**

- Carry out a complete evidence & property room inventory.
- Complete a comprehensive property & evidence room manual.
- Transition to New World CAD/RMS software.
- Complete policy manual rewrite and training for all staff.
- Prepare and publish strategic plan.



<b>POLICE - ADMINISTRATION &amp; SUPPORT SERVICES</b>
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Fund: General - 011

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	483,550	489,000	490,000	1,000
Special Assignment Pay	6,563	2,700	3,600	900
Merit Pay	2,866	2,900	2,900	0
Overtime	2,083	5,000	5,000	0
Off Duty Overtime	0	1,000	1,000	0
	495,062	500,600	502,500	1,900
<b>PERSONNEL BENEFITS</b>				
FICA	37,258	38,100	38,300	200
Law Enforcement Retirement System	15,248	15,000	15,000	0
PERS	10,836	15,000	15,700	700
L&I	4,358	5,600	5,800	200
Medical Benefits	90,479	102,600	106,400	3,800
Teamsters Pension	1,044	1,100	1,100	0
Dental Benefits	9,385	7,800	13,400	5,600
Vision Benefits	2,495	2,400	1,500	(900)
Life Insurance	1,323	1,700	1,700	0
Long Term Disability Insurance	2,497	3,100	3,100	0
	174,923	192,400	202,000	9,600
<b>SUPPLIES</b>				
Office Supplies	12,228	13,800	13,800	0
Reference Material	493	400	400	0
Clothing/Boots	819	3,800	1,300	(2,500)
Motor Fuel	3,815	4,700	4,700	0
Small Items of Equipment	6,990	7,316	2,900	(4,416)
	24,345	30,016	23,100	(6,916)

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	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	1,403	600	1,300	700
Telephone	18,702	15,900	15,900	0
Postage	2,038	3,000	3,000	0
Cell Phones	9,876	10,600	10,600	0
MDT Connectivity	0	600	5,100	4,500
Travel & Subsistence	105	500	500	0
Office Equipment Rental	906	900	900	0
Motor Pool Charges	0	11,600	3,210	(8,390)
Equipment R&M	2,507	3,400	3,400	0
Vehicle R&M	463	2,000	2,450	450
Software Maintenance	0	800	800	0
Association Dues & Memberships	740	1,100	1,100	0
Printing and Binding	1,485	2,000	2,000	0
Concealed Pistol License	3,729	5,000	5,000	0
	41,954	58,000	55,260	(2,740)
<b>INTERGOVERNMENTAL SERVICES</b>				
Home Detention	987	2,000	2,000	0
Jail Contract	60,289	95,000	95,000	0
PAWS Animal Shelter	11,154	15,000	15,000	0
Narcotics Task Force	4,819	4,900	5,050	150
Dispatch Services	312,359	313,000	294,700	(18,300)
Snocom New World Assessment	0	0	42,570	42,570
Dawsons Place Child Advocacy Center	0	0	1,500	1,500
SERS Operating Assessment	24,011	23,500	25,700	2,200
	413,619	453,400	481,520	28,120
<b>CAPITAL OUTLAY</b>				
Traffic Control Equipment	6,575	0	0	0
	6,575	0	0	0
<b>TOTAL POLICE ADMINISTRATION</b>	<b>\$1,156,478</b>	<b>\$1,234,416</b>	<b>\$1,264,380</b>	<b>\$29,964</b>



## 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, which grew to 20 groups in 2011.

**PERFORMANCE INDICATORS**

Title	2010	2011	2012
	Actual	Est.	Est.
Volunteer Hours	0	100	200
Security Surveys	10	14	15
Presentations	25	30	35
Special Projects	5	10	10

**2011 ACCOMPLISHMENTS**

- Selected and trained ten volunteers including a volunteer Chaplain Program
- Provided training to School District employees on gang and drug awareness
- Built Block Watch to a total of 20 groups
- Officer Kang received the American Society for Industrial Security (ASIS) award for Law Enforcement Excellence in Community Relations

**2012 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
- Participate in 2012 Chief for a Day
- Work with Mukilteo School District on safety issues

**CRIME PREVENTION**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	71,656	71,700	71,700	0
Special Assignment Pay	3,583	0	3,600	3,600
Education Premium Pay	2,866	2,900	2,900	0
Overtime	3,757	3,900	3,900	0
	<u>81,862</u>	<u>78,500</u>	<u>82,100</u>	<u>3,600</u>
<b>PERSONNEL BENEFITS</b>				
FICA	5,930	6,000	6,300	300
Law Enforcement Retirement System	4,290	4,100	4,300	200
L&I	1,117	1,500	1,500	0
Medical Benefits	15,861	16,800	20,300	3,500
Teamsters Pension	1,091	1,100	1,100	0
Dental Benefits	1,779	1,400	2,700	1,300
Vision Benefits	440	400	700	300
Life Insurance	209	300	300	0
	<u>30,717</u>	<u>31,600</u>	<u>37,200</u>	<u>5,600</u>
<b>SUPPLIES</b>				
Office Supplies	2,018	5,000	5,450	450
Clothing/Boots	2,766	2,900	3,350	450
Motor Fuel	2,366	2,000	2,000	0
Small Items of Equipment	430	0	0	0
	<u>7,580</u>	<u>9,900</u>	<u>10,800</u>	<u>900</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Travel & Subsistence	1,844	2,400	2,850	450
Motor Pool Charges	0	3,500	1,870	(1,630)
Vehicle R&M	1,605	1,000	1,000	0
Printing and Binding	233	700	1,150	450
	<u>3,682</u>	<u>7,600</u>	<u>6,870</u>	<u>(730)</u>
<b>TOTAL CRIME PREVENTION</b>	<b>\$123,841</b>	<b>\$127,600</b>	<b>\$136,970</b>	<b>\$9,370</b>



## 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.

**2011 ACCOMPLISHMENTS**

- Increased traffic enforcement to address safety issues
- Participated in regional Target Zero Team DUI emphasis task force efforts
- Conducted training with Mukilteo School District for DUI and Pedestrian safety
- Train additional officer in advanced traffic procedures

**2012 GOALS & OBJECTIVES**

- Maintain minimum deployment of three patrol officers per shift
- Train additional officer in advanced traffic procedures
- Continue training and transition to SECTOR for collision and infraction reporting
- Train New World Systems records management when instituted

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
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



**PATROL**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	1,529,409	1,526,800	1,545,700	18,900
Special Assignment Pay	18,119	7,000	16,250	9,250
Education Incentive	34,609	35,300	35,700	400
Acting Supervisor Pay	203	600	600	0
Merit Pay	5,651	5,500	6,300	800
Overtime	753	18,700	1,000	(17,700)
Off Duty Overtime	1,258	2,900	900	(2,000)
Overtime Holiday	56,640	34,800	36,500	1,700
Overtime - Conferences/Training/Education	494	900	900	0
Overtime - Shift Cover	8,083	17,000	17,000	0
Overtime - Call Back	1,035	4,800	4,800	0
Overtime - Staff Meetings	0	4,500	4,500	0
Overtime - Court Appearance	1,437	3,500	3,500	0
Overtime - Investigation/Review/Inspection	507	700	700	0
Overtime - Public Education Activities	0	300	300	0
Overtime - Shift Extension	16,347	18,400	18,400	0
Overtime - Special Events	7,424	3,600	4,000	400
	<b>1,681,969</b>	<b>1,685,300</b>	<b>1,697,050</b>	<b>11,750</b>
<b>PERSONNEL BENEFITS</b>				
FICA	126,722	127,300	129,700	2,400
Law Enforcement Retirement System	88,100	87,200	88,800	1,600
L&I	27,126	30,800	32,000	1,200
Medical Benefits	264,412	290,300	322,100	31,800
Teamsters Pension	22,573	21,900	21,900	0
Unemployment Compensation	11,485	0	0	0
Dental Benefits	28,284	24,300	25,000	700
Vision Benefits	4,002	7,500	5,400	(2,100)
Life Insurance	4,174	5,600	5,700	100
	<b>576,878</b>	<b>594,900</b>	<b>630,600</b>	<b>35,700</b>
<b>SUPPLIES</b>				
Operating Supplies	1,638	1,900	2,350	450
Clothing/Boots	16,905	32,400	32,400	0
Motor Fuel	47,393	60,600	60,600	0
Small Items of Equipment	6,555	6,000	6,450	450
	<b>72,491</b>	<b>100,900</b>	<b>101,800</b>	<b>900</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Travel & Subsistence	569	500	950	450
Work Equip & Machine Rental	0	6,500	6,500	0
Motor Pool Charges	0	111,400	42,800	(68,600)
Equipment R&M	6,480	27,100	27,100	0
Vehicle R&M	37,267	45,000	45,000	0
Laundry Services	1,409	3,000	3,000	0
	<b>45,725</b>	<b>193,500</b>	<b>125,350</b>	<b>(68,150)</b>
<b>TOTAL PATROL</b>	<b>\$2,377,063</b>	<b>\$2,574,600</b>	<b>\$2,554,800</b>	<b>(\$19,800)</b>



## 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.

- Continued participation in Regional Police Intelligence (RIG) Group
- Coordinated with the Crime Prevention Division on Crime Trend Analysis using Burglary Mapping to investigate crimes
- Participated in three Snohomish Multiple Agency Response Team callouts and 24 hours of SMART training

**2012 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

**PERFORMANCE INDICATORS**

Crime	2010	2011	2012
	Actual	Est.	Est
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 ACCOMPLISHMENTS**

**SPECIAL OPERATIONS**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	229,489	228,000	228,000	0
Special Assignment Pay	11,426	9,000	11,400	2,400
Education Incentive	4,559	4,600	4,600	0
Merit Pay	2,150	2,200	2,200	0
Overtime - Shift Cover	4,600	4,000	4,000	0
Overtime - Staff Meetings	0	100	100	0
Overtime - Court Appearance	624	300	300	0
Overtime - Investigation/Review/Inspection	7,516	3,000	3,000	0
Overtime - Special Events	1,646	1,000	1,000	0
	<u>262,010</u>	<u>252,200</u>	<u>254,600</u>	<u>2,400</u>
<b>PERSONNEL BENEFITS</b>				
FICA	19,753	19,300	19,500	200
Law Enforcement Retirement System	13,693	13,200	13,400	200
L&I	3,980	4,400	4,600	200
Medical Benefits	43,170	45,600	46,600	1,000
Teamsters Pension	3,268	3,200	3,200	0
Dental Benefits	7,717	4,200	8,400	4,200
Vision Benefits	867	1,300	900	(400)
Life Insurance	636	900	900	0
	<u>93,084</u>	<u>92,100</u>	<u>97,500</u>	<u>5,400</u>
<b>SUPPLIES</b>				
Photo Supplies	0	100	100	0
Operating Supplies	0	1,000	1,000	0
Clothing/Boots	737	400	400	0
Motor Fuel	6,174	7,700	8,150	450
Small Items of Equipment	66	300	300	0
	<u>6,977</u>	<u>9,500</u>	<u>9,950</u>	<u>450</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Travel & Subsistence	241	800	800	0
Motor Pool Charges	0	65,100	17,350	(47,750)
Equipment M&R	0	500	500	0
Vehicle R&M	1,484	2,500	2,950	450
Laundry Services	0	200	200	0
Film Processing	0	100	100	0
Investigation Costs	3,803	4,300	6,300	2,000
	<u>5,528</u>	<u>73,500</u>	<u>28,200</u>	<u>(45,300)</u>
<b>TOTAL SPECIAL OPERATIONS</b>	<b>\$367,599</b>	<b>\$427,300</b>	<b>\$390,250</b>	<b>(\$37,050)</b>



## 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**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Training hours	2,223	2,500	3,000
Safety training hours	772	500	800
% of officers meeting min training hours	96	100	100

**2011 ACCOMPLISHMENTS**

- Increased overall training for staff
- Performed two range qualifications for commissioned staff increasing firearm safety
- Successfully met all RCW training hour requirements for commissioned staff

**2012 GOALS & OBJECTIVES**

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



<b>POLICE TRAINING</b>
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Fund: General - 011

	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>SALARIES &amp; WAGES</b>				
Overtime	12,169	6,000	9,000	3,000
New World Overtime	0	0	22,000	22,000
FICA	585	500	2,300	1,800
Law Enforcement Retirement System	406	400	1,900	1,500
	13,160	6,900	35,200	28,300
<b>SUPPLIES</b>				
Ammunition	9,512	9,400	11,900	2,500
Small Items of Equipment	161	300	300	0
	9,673	9,700	12,200	2,500
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	711	2,500	4,500	2,000
Travel & Subsistence	949	2,660	3,500	840
Training & Registration	4,138	6,700	6,700	0
	5,798	11,860	14,700	2,840
<b>TOTAL POLICE TRAINING</b>	<b>\$28,631</b>	<b>\$28,460</b>	<b>\$62,100</b>	<b>\$33,640</b>



## Drug Enforcement Fund

**PURPOSE**

This fund was created in 2011, and is specifically regulated under Washington State law RCW 69.50 which relates to seizures and forfeitures of illegal drug case proceeds. The fund may only be used for drug enforcement equipment, investigations, education or similar purposes as defined by state law. A portion of all monies forfeited is submitted to the State of Washington or federal agency as applicable.

**2011 ACCOMPLISHMENTS**

- Successfully created this fund.
- MPD held four forfeiture hearings in 2011 resulting in 100% findings for the City.
- Removed monies held in evidence for deposit to fund.
- MPD had three cases resulting in seizures for 2011.
- Fund money was used to purchase equipment for the PD to include 22 Tasers and associated material.
- Fund money was used to pay a portion of a physical safety barrier in the PD lobby and for a comprehensive study of PD functions.

**2012 GOALS & OBJECTIVES**

- Continue to investigate drug cases.
- Continue to comply with RCW 69.50 as the law relates to seizures and forfeitures.

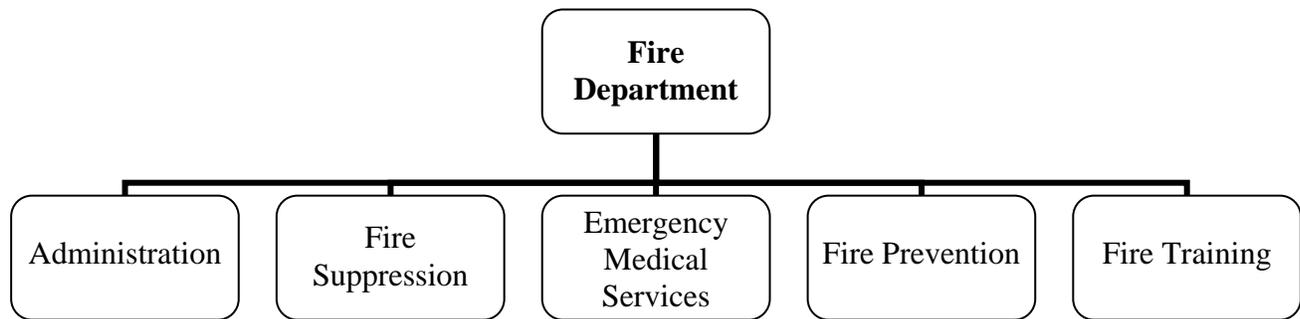
<b>DRUG ENFORCEMENT FUND - 104</b>				
	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>Beginning Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,400</b>	<b>\$34,400</b>
Revenues				
Proceeds from forfeited property	0	56,000	0	(56,000)
Total Revenues	0	56,000	0	(56,000)
<b>Total Resources</b>	<b>0</b>	<b>56,000</b>	<b>34,400</b>	<b>(21,600)</b>
Expenditures				
Operating Supplies	0	2,000	0	(2,000)
Small Items of Equipment	0	20,000	0	(20,000)
Other Professional Services	0	2,000	0	(2,000)
Total Expenditures	<b>0</b>	<b>24,000</b>	<b>0</b>	<b>(24,000)</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$32,000</b>	<b>\$34,400</b>	<b>\$2,400</b>

## FIRE DEPARTMENT

The Fire Department protects lives and property by providing Fire Prevention, 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

<u>Position Title</u>	<u>2011</u>	<u>2012</u>
Fire Chief	1	1
Assistant Fire Chief	1	1
Fire Marshall	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
<b>Total</b>	<b>29.5</b>	<b>29.5</b>

<b>FIRE DEPARTMENT</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Increase/</b>
<b>EXPENDITURE SUMMARY</b>	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>	<b>(Decrease)</b>
Administration and Support	\$303,931	\$302,700	\$343,600	\$40,900
Fire Suppression	1,587,775	1,936,250	1,691,250	(245,000)
Fire Prevention	121,494	126,100	128,060	1,960
Training	128,652	146,900	164,400	17,500
Emergency Medical Services	1,594,078	1,962,650	1,904,528	(58,122)
<b>TOTAL</b>	<b>\$3,735,930</b>	<b>\$4,474,600</b>	<b>\$4,231,838</b>	<b>(\$242,762)</b>

## Fire Administration

### PURPOSE

The Fire Administration division oversees activities of a general nature as approved through council action and in addition provides 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 manages the operating budget, develops strategic planning and directs disaster planning along with implementing programs. All divisions' documentation, processing and archiving is completed in this division.

### 2011 ACCOMPLISHMENTS

- Personnel records were updated, archived and historical records, if legally approved, recycled.
- Vehicle replacement schedule followed with one vehicle being a benevolent donation to another fire department.
- Maintained fiscal solvency with a balanced year-end operating budget.
- Awarded grant from Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS) "Assistance to Firefighters for \$190,260.
- Awarded grant from Department of Health for EMS services for \$1,738.
- Awarded Hazardous Materials response reimbursement \$ 910.24.

### 2012 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 Emergency Medical Services Transportation program revenue.
- Oversee Vehicle Fleet program of: repairs, maintenance and replacement.

**FIRE ADMINISTRATION & SUPPORT**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	201,429	197,100	197,100	0
Part Time Employees	18,002	0	0	0
Overtime	818	300	300	0
	<u>220,249</u>	<u>197,400</u>	<u>197,400</u>	<u>0</u>
<b>PERSONNEL BENEFITS</b>				
FICA	6,853	5,400	5,400	0
Law Enforcement Retirement System	8,191	8,200	8,200	0
PERS	3,176	2,900	3,000	100
L&I	2,570	2,800	3,100	300
Medical Benefits	34,630	38,100	40,400	2,300
Dental Benefits	6,483	2,800	9,000	6,200
Vision Benefits	449	800	700	(100)
Life Insurance	602	700	700	0
Long Term Disability Insurance	1,334	1,500	1,500	0
	<u>64,288</u>	<u>63,200</u>	<u>72,000</u>	<u>8,800</u>
<b>SUPPLIES</b>				
Office Supplies	1,723	2,000	2,000	0
Purchase of Forms	456	500	500	0
Supplies	341	300	300	0
Clothing/Boots	649	2,600	2,600	0
Motor Fuel	5,376	6,500	6,500	0
Small Items of Equipment	559	500	500	0
	<u>9,104</u>	<u>12,400</u>	<u>12,400</u>	<u>0</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	50	500	500	0
Telephone	2,504	2,400	2,400	0
Postage	309	200	200	0
Cell Phone	1,639	1,400	1,400	0
Motor Pool Charges	0	14,200	46,300	32,100
Work Equipment M&R	1,139	1,000	1,000	0
Vehicle R&M	1,881	7,500	7,500	0
Association Dues & Memberships	1,929	1,500	1,500	0
Laundry Services	839	1,000	1,000	0
	<u>10,290</u>	<u>29,700</u>	<u>61,800</u>	<u>32,100</u>
<b>TOTAL FIRE ADMIN &amp; SUPPORT</b>	<b>\$303,931</b>	<b>\$302,700</b>	<b>\$343,600</b>	<b>\$40,900</b>



**Mukilteo Fire Department**

Fire Station #3  
10400 47<sup>th</sup> Place W.  
Mukilteo, WA 98275  
425-263-8150

## 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 three Fire Engines.

### PERFORMANCE INDICATORS

	2010 Actual	2011 Est.	2012 Est.
Fire Calls	498	390	400
Service Calls	53	80	80
Total Calls	551	470	480
Fire Unit on scene less than 5 minutes of dispatch 90% of the time	4.60 min	4.5 min	4.5 min

### 2011 ACCOMPLISHMENTS

- Continued to respond with personnel and specialized equipment to emergency incidents.
- Continued to respond with mutual aid and automatic aid to neighboring fire departments.

### 2012 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.



<b>FIRE SUPPRESSION</b>
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Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	976,907	988,600	1,009,600	21,000
Education Incentive	6,444	6,400	6,400	0
Acting Supervisor Pay	3,735	3,400	3,400	0
Paramedic Incentive	16,133	16,200	16,200	0
Holiday Buy Back	13,458	28,200	28,200	0
Overtime	55,652	35,000	35,000	0
	1,072,329	1,077,800	1,098,800	21,000
<b>PERSONNEL BENEFITS</b>				
FICA	16,151	15,700	16,000	300
Law Enforcement Retirement System	59,620	56,500	57,600	1,100
L&I	26,472	29,000	32,400	3,400
Medical Benefits	160,555	182,300	200,500	18,200
Medical Savings Acct	12,150	12,200	12,200	0
Deferred Compensation	39,644	46,300	47,300	1,000
Dental Benefits	21,412	16,800	23,200	6,400
Vision Benefits	2,002	5,100	2,000	(3,100)
Life Insurance	2,733	3,500	3,600	100
	340,739	367,400	394,800	27,400
<b>SUPPLIES</b>				
Office Supplies	998	1,000	1,000	0
Operating Supplies	6,637	6,500	6,500	0
Clothing/Boots	22,867	24,800	24,800	0
Motor Fuel	6,907	8,500	8,500	0
Small Items of Equipment	17,939	31,000	56,000	25,000
	55,348	71,800	96,800	25,000

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Professional Services	4,404	600	600	0
Telephone	8,888	8,900	8,900	0
Postage	190	100	100	0
New World Project Connectivity	0	450	3,550	3,100
Cell Phones & Pagers	3,239	4,200	4,200	0
Equipment R&M	4,306	3,000	3,000	0
Vehicle R&M	49,588	25,000	25,000	0
Software Maintenance	0	600	600	0
Laundry Services	5,525	5,500	5,500	0
	<b>76,140</b>	<b>48,350</b>	<b>51,450</b>	<b>3,100</b>
<b>INTERGOVERNMENTAL SERVICES</b>				
SNOCOM Dispatch Services	35,501	33,400	22,800	(10,600)
SNOCOM New World Assessment	0	0	3,300	3,300
SERS Operating Assessment	7,718	7,500	8,300	800
	<b>43,219</b>	<b>40,900</b>	<b>34,400</b>	<b>(6,500)</b>
<b>CAPITAL OUTLAYS</b>				
Other Machinery & Equipment	0	330,000	15,000	(315,000)
	<b>0</b>	<b>330,000</b>	<b>15,000</b>	<b>(315,000)</b>
<b>TOTAL FIRE SUPPRESSION</b>	<b>\$1,587,775</b>	<b>\$1,936,250</b>	<b>\$1,691,250</b>	<b>(\$245,000)</b>



## 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. In addition, this division provides oversight to the “Fire Corps” program.

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.

### PERFORMANCE INDICATORS

	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Fire Safety Inspections & business data entry	600	610	500
Fire Safety/Prevention Education	600	600	400
Development Standards	0	200	300
Code compliance: Plan Checks & Field Inspections	600	500	500
Fire Permitting	150	200	200

### 2011 ACCOMPLISHMENTS

- Performed an annual business fire and life safety inspection to all licensed Mukilteo businesses.
- Investigated arson fires and determined cause & origin.
- Updated the local Fire Code to the most contemporary edition.
- Activated the “Fire Corps” program and implemented the Bicycle Helmet Safety program along with the Child Car Seat program.
- Participated in the annual Smoke Detector replacement program and installed detectors in low-income housing units.

### 2012 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

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	87,488	83,700	83,700	0
Overtime	2,632	2,500	2,500	0
	<u>90,120</u>	<u>86,200</u>	<u>86,200</u>	<u>0</u>
<b>PERSONNEL BENEFITS</b>				
FICA	1,269	1,200	1,300	100
Law Enforcement Retirement System	4,382	4,400	4,400	0
L&I	1,472	1,700	2,000	300
Medical Benefits	12,425	13,700	13,800	100
Dental Benefits	1,043	900	800	(100)
Vision Benefits	557	300	300	0
Life Insurance	234	300	300	0
	<u>21,382</u>	<u>22,500</u>	<u>22,900</u>	<u>400</u>
<b>SUPPLIES</b>				
Office Supplies	484	500	500	0
Reference Material	1,621	1,000	1,000	0
Operating Supplies	1,410	200	200	0
Clothing/Boots	242	700	700	0
Motor Fuel	1,416	2,000	2,000	0
Small Items of Equipment	262	500	500	0
	<u>5,435</u>	<u>4,900</u>	<u>4,900</u>	<u>0</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	1,463	400	400	0
Telephone	557	600	600	0
Cell Phone	681	700	700	0
Motor Pool Charges	0	8,400	9,960	1,560
Work Equipment M&R	0	100	100	0
Vehicle R&M	884	1,500	1,500	0
Association Dues & Memberships	295	300	300	0
Laundry Services	677	500	500	0
	<u>4,557</u>	<u>12,500</u>	<u>14,060</u>	<u>1,560</u>
<b>TOTAL FIRE PREVENTION</b>	<b>\$121,494</b>	<b>\$126,100</b>	<b>\$128,060</b>	<b>\$1,960</b>



# Training

**PURPOSE**

The Training division is responsible for all aspects of training, education 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.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Training/Service Hours			
EMS (Advanced Life Support)	500	520	550
EMS (Basic Life Support)	1,638	1,080	1,100
Fire	1,512	1,872	2,000
Specialty (Haz-Mat)	364	172	175
Specialty (Technical Rescue)	272	200	250
Career and Rank Advancement	1,750	1,120	1,500
Physical Fitness/Wellness	-	1,095	1,100

**2011 ACCOMPLISHMENTS**

- Maintained training for all department members commensurate with duties.
- Activated Joint Apprentice program with line duty members.
- Maintained joint training programs with neighboring fire departments.
- Hosted over twenty-two (22) regional classes/drills/programs.

**2012 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 III) 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

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	49,474	49,500	49,500	0
Education Premium Pay	990	1,000	1,000	0
Overtime	28,577	38,100	54,600	16,500
	<u>79,041</u>	<u>88,600</u>	<u>105,100</u>	<u>16,500</u>
<b>PERSONNEL BENEFITS</b>				
FICA	833	1,300	1,300	0
Law Enforcement Retirement System	3,027	4,700	4,700	0
L&I	878	1,300	1,500	200
Medical Benefits	3,720	4,100	4,500	400
Medical Savings Account	540	600	600	0
Deferred Compensation	2,197	2,300	2,300	0
Dental Benefits	648	300	700	400
Vision Benefits	192	100	100	0
Life Insurance	139	200	200	0
	<u>12,174</u>	<u>14,900</u>	<u>15,900</u>	<u>1,000</u>
<b>SUPPLIES</b>				
Office Supplies	500	500	500	0
Purchase of Forms	29	100	100	0
Reference Material	2,055	3,800	3,800	0
Operating Supplies	310	1,000	1,000	0
Clothing/Boots	619	500	500	0
Small Items of Equipment	1,220	1,000	1,000	0
	<u>4,733</u>	<u>6,900</u>	<u>6,900</u>	<u>0</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	8,945	8,500	12,000	3,500
Telephone	557	600	600	0
Cell Phone	397	700	700	0
Travel & Subsistence	10,357	10,500	7,000	(3,500)
Work Equipment M&R	0	500	500	0
Assoc. Dues & Memberships	25	100	100	0
Laundry Services	242	300	300	0
Training & Registration	12,181	15,300	15,300	0
Miscellaneous	0	0	0	0
	<u>32,704</u>	<u>36,500</u>	<u>36,500</u>	<u>0</u>
<b>TOTAL FIRE TRAINING</b>	<b>\$128,652</b>	<b>\$146,900</b>	<b>\$164,400</b>	<b>\$17,500</b>



## 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.

**PERFORMANCE INDICATORS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
ALS Calls*	593	600	620
BLS Calls**	753	750	780
Total Calls	1346	1350	1400
 Fire Unit on scene less than 5 minutes of dispatch 90% of the time	 4.60 min	 4.5 min	 4.5 min

\*ALS = Advanced Life Support

\*\*BLS = Basic Life Support

**2011 ACCOMPLISHMENTS**

- Continued to respond to Basic Life Support and Advanced Life Support emergency medical calls.
- Continued to respond to mutual aid and automatic aid emergency medical calls with neighboring fire departments.

**2012 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.



<b>EMERGENCY MEDICAL SERVICES FUND - 126</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Increase/ (Decrease)</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	
<b>Beginning Fund Balance</b>	<b>\$212,062</b>	<b>\$213,500</b>	<b>\$381,360</b>	<b>\$167,860</b>
<b>Revenues</b>				
EMS Levy	894,068	1,833,000	1,612,000	(221,000)
Charges for Services	235,976	191,000	234,800	43,800
Investment Interest	743	1,000	400	(600)
Miscellaneous Revenue	1,706	0	2,000	2,000
Operating Transfers/Interfund Loans	560,000	0	0	0
<b>Total Revenues</b>	<b>1,692,493</b>	<b>2,025,000</b>	<b>1,849,200</b>	<b>(175,800)</b>
<b>Total Resources</b>	<b>1,904,555</b>	<b>2,238,500</b>	<b>2,230,560</b>	<b>(7,940)</b>
<b>Expenditures</b>				
Salaries & Wages	963,397	985,500	1,016,500	31,000
Personnel Benefits	279,147	302,200	327,800	25,600
Supplies	67,711	70,500	70,500	0
Other Services & Charges	67,461	384,150	286,250	(97,900)
Intergovernmental Svcs.	187,033	182,900	161,390	(21,510)
Capital Outlay	29,329	37,400	42,088	4,688
<b>Total Expenditures</b>	<b>1,594,079</b>	<b>1,962,650</b>	<b>1,904,528</b>	<b>(58,122)</b>
<b>Ending Fund Balance</b>	<b>\$310,476</b>	<b>\$275,850</b>	<b>\$326,032</b>	<b>\$50,182</b>



**EMERGENCY MEDICAL SERVICES**

Fund: Emergency Medical Services - 126

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	841,517	846,900	864,300	17,400
Part Time Employees	6,001	24,200	24,200	0
Education Premium Pay	6,934	7,000	7,100	100
Acting Supervisor Pay	1,245	3,700	3,700	0
Paramedic Incentive	48,397	48,400	48,400	0
Holiday Buy Back	8,208	21,900	21,900	0
Overtime	51,096	33,400	46,900	13,500
	<b>963,398</b>	<b>985,500</b>	<b>1,016,500</b>	<b>31,000</b>
<b>PERSONNEL BENEFITS</b>				
FICA	15,673	16,700	17,000	300
Law Enforcement Retirement System	51,188	49,800	50,700	900
PERS	1,059	2,700	2,700	0
L&I	22,069	24,500	27,400	2,900
Medical Benefits	124,415	137,900	151,600	13,700
FF Medical Savings Acct	9,810	9,900	9,900	0
Unemployment Comp.	0	1,400	1,400	0
Deferred Comp	35,019	39,400	39,100	(300)
Dental Benefits	15,920	12,200	21,400	9,200
Vision Benefits	1,183	3,800	2,700	(1,100)
Life Insurance	2,366	3,300	3,200	(100)
Long Term Disability Insurance	445	600	700	100
	<b>279,147</b>	<b>302,200</b>	<b>327,800</b>	<b>25,600</b>
<b>SUPPLIES</b>				
Office Supplies	880	1,000	1,000	0
Purchase of Forms	71	600	600	0
Reference Material	270	1,000	1,000	0
Supplies	33,535	37,500	37,500	0
Clothing/Boots	6,645	5,000	5,000	0
Motor Fuel	10,536	13,800	13,800	0
Small Items of Equipment	15,774	11,600	11,600	0
	<b>67,711</b>	<b>70,500</b>	<b>70,500</b>	<b>0</b>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Insurance	12,785	12,800	15,600	2,800
Billing Services	18,474	15,000	15,000	0
Professional Services	6,840	5,600	5,600	0
Telephone	2,226	2,100	2,100	0
New World Project Connectivity	0	150	1,150	1,000
Cell Phone	2,684	6,400	6,400	0
Motor Pool Charges	0	322,400	220,700	(101,700)
Hazardous Waste Disposal	107	500	500	0
Work Equipment M&R	394	1,000	1,000	0
Vehicle R&M	21,697	15,000	15,000	0
Software Maintenance	0	200	200	0
Laundry Services	2,253	3,000	3,000	0
	67,460	384,150	286,250	(97,900)
<b>INTERGOVERNMENTAL SERVICES</b>				
SNOCOM Dispatch Services	97,626	100,100	68,400	(31,700)
SNOCOM New World Assessment	0	0	9,890	9,890
Lynnwood EMS Contract	86,834	80,300	80,300	0
SERS Operating Assessment	2,573	2,500	2,800	300
	187,033	182,900	161,390	(21,510)
<b>CAPITAL OUTLAYS</b>				
Other Machinery & Equipment	29,329	37,400	42,088	4,688
	29,329	37,400	42,088	4,688
<b>TOTAL EMERGENCY MEDICAL SVCS</b>	<b>\$1,594,078</b>	<b>\$1,962,650</b>	<b>\$1,904,528</b>	<b>(\$58,122)</b>



The City of Mukilteo fire training tower is used by various agencies, including Snohomish County and Everett Community College.



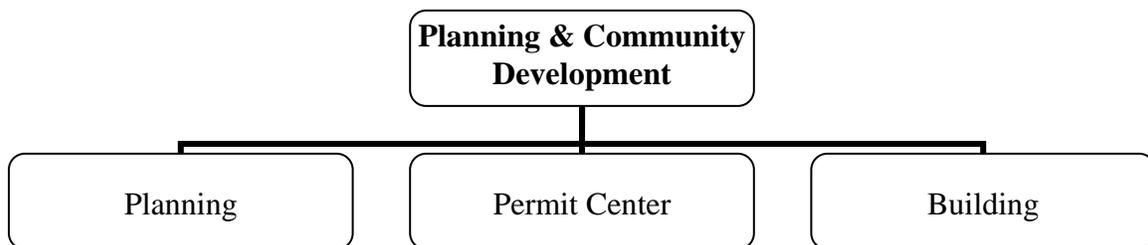
## PLANNING & COMMUNITY DEVELOPMENT

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. In addition, the department provides assistance to the public regarding development regulations and information. The Building Division is responsible for building plan review and inspections. The Permit Center Division supports planning, development and building activities, as well as two commissions. It also supports Public Works engineering projects & their development review processes.

Community Development is responsible for enforcing the City's land use and zoning regulations, reviewing all development proposals and investigating citizen complaints regarding violations of local land use regulations. The staff is also responsible for supporting the Hearing Examiner. During 2007-2011 CD staff provided project management services and prepared permit applications and SEPA documentation for city park, trail and fish passage projects. In 2012 staff will continue to guide restoration and fish passage projects. In addition, the 3.5 staff in CD can now only handle development review, code enforcement and limited capital project management. To this end, staff will be involved in the Big Gulch Gap Trail project construction and a grant application to RCO for land acquisition in Japanese Gulch.

The long-range Planning staff is responsible for drafting code amendments to revise existing code and to create new codes and leading the City's planning efforts required by the State's Growth Management Act. They also help guide economic development, including business retention. In addition, the staff works to safe guard neighborhoods and oversee waterfront redevelopment. The major efforts in 2012 include multiple code amendments, pre-zoning code development for State Route 525 and Highway 99, creating a unified Development Code and updating the Park Plan.

The Department provides extensive support to the City Council, Council Sustainability Subcommittee, 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.





**POSITION SUMMARY**

<b>Position Title</b>	<b>2011</b>	<b>2012</b>
Planning Director	1	1
Assistant Director	1	1
Permit Services Supervisor	1	1
Permit Services Assistant	2	2
Senior Planner	1	1
Associate Planner	1	1
Assistant Planner	2	1
Building Official	1	1
<b>Total</b>	<b>10</b>	<b>9</b>

<b>PLANNING &amp; COMMUNITY DEVELOPMENT DEPT. EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Planning	\$669,499	\$630,200	\$570,440	(\$59,760)
Permit Center	337,771	269,450	274,400	4,950
Building	124,260	129,500	138,210	8,710
<b>TOTAL</b>	<b>\$1,131,530</b>	<b>\$1,029,150</b>	<b>\$983,050</b>	<b>(\$46,100)</b>



## 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, Sustainability Council Subcommittee, 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.

### PERFORMANCE INDICATORS

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Est.</u>	<u>2012</u> <u>Est.</u>
Plats & Short Plats	0	0	1
Project Permits Submitted	3	4	4
SFR	27	18	15
Signs	27	15	15
Shoreline Permits	2	1	1
City Projects	4	5	4
Plans/Projects or Codes	10	15	9
Code Compliance	55	55	55
Grants	7	4	1

### 2012 GOALS & OBJECTIVES

- 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.
- Re-visit sign code – address changes for signs in the public rights-of-way and community events.
- Continue code compliance efforts primarily on complaint basis.
- Provide oversight & coordination of waterfront projects.
- Lead Big Gulch Trail Gap and support Japanese Gulch volunteer projects.
- Re-initiate effort to develop a Unified Development Code, as staffing allows.
- Manage Code and Comprehensive Plan amendments.



**PLANNING**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES*</b>				
Full Time Employees	461,173	405,100	389,200	(15,900)
Overtime	4,762	3,500	3,500	0
	<u>465,935</u>	<u>408,600</u>	<u>392,700</u>	<u>(15,900)</u>
<b>PERSONNEL BENEFITS*</b>				
FICA	35,840	31,200	29,800	(1,400)
PERS	24,735	28,200	28,100	(100)
L&I	1,432	1,400	1,400	0
Medical Benefits	71,062	72,800	55,800	(17,000)
Unemployment Compensation	1,948	0	0	0
Vehicle Allowance	2,400	2,400	2,400	0
Dental Benefits	6,779	6,600	9,500	2,900
Vision Benefits	2,082	2,000	1,500	(500)
Life Insurance	1,291	1,400	1,300	(100)
Long Term Disability Insurance	2,858	3,000	2,900	(100)
Medical Opt-Out Incentive	0	0	4,200	4,200
	<u>150,427</u>	<u>149,000</u>	<u>136,900</u>	<u>(12,100)</u>
<b>SUPPLIES</b>				
Office Supplies	242	500	500	0
Reference Material	0	100	50	(50)
Operating Supplies	0	0	50	50
Clothing/Boots	296	1,500	500	(1,000)
Motor Fuel	318	300	400	100
Small Items of Equipment	338	300	300	0
	<u>1,194</u>	<u>2,700</u>	<u>1,800</u>	<u>(900)</u>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Reimbursable Consulting	0	6,500	6,500	0
Annexation Services	4,089	0	0	0
Telephone	1,616	1,700	1,700	0
Postage	6,309	7,000	5,000	(2,000)
Cell Phones	836	2,100	700	(1,400)
Travel & Subsistence	515	500	1,000	500
Legal Publications	2,960	3,000	1,000	(2,000)
Motor Pool Charges	0	3,900	3,140	(760)
Vehicle R&M	632	300	300	0
Software Maintance	4,703	4,700	5,200	500
Association Dues & Memberships	1,905	2,200	2,200	0
File, Recording Fees	0	100	100	0
Printing and Binding	524	400	400	0
Training & Registration Costs	1,499	3,500	3,500	0
Hearing Examiner	6,178	8,000	8,000	0
Miscellaneous	108	0	0	0
Comprehensive Plan	15,569	26,000	300	(25,700)
	47,443	69,900	39,040	(30,860)
<b>CAPITAL OUTLAY</b>				
Computer Software	4,500	0	0	0
	4,500	0	0	0
<b>TOTAL PLANNING</b>	<b>\$669,499</b>	<b>\$630,200</b>	<b>\$570,440</b>	<b>(\$59,760)</b>

\*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 assist 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.

### PERFORMANCE INDICATORS

	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Est.</b>	<b>Est.</b>
Packets Distributed	17	19	19
Land Use Permits	5	4	4
Building Permits Submitted	347	350	350
Engineering/ROW Permits	92	60	60
Fire Permits	43	40	40
Files Opened	544	550	550

### 2012 GOALS & OBJECTIVES

- Improve and maintain our strong customer services commitment.
- Expand and provide administrative function of electronic applications and project tracking and Capital Facilities 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, as staffing allows.

**PERMIT CENTER**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	220,094	169,400	168,400	(1,000)
Acting Supervisor Pay	0	1,000	1,000	0
Overtime	494	2,000	2,000	0
	<u>220,588</u>	<u>172,400</u>	<u>171,400</u>	<u>(1,000)</u>
<b>PERSONNEL BENEFITS</b>				
FICA	16,529	13,100	13,100	0
PERS	11,713	12,000	12,400	400
L&I	962	800	900	100
Medical Benefits	56,220	42,000	42,500	500
Dental Benefits	5,449	2,700	5,200	2,500
Vision Benefits	937	800	1,200	400
Life Insurance	616	600	600	0
Long Term Disability Insurance	1,364	1,300	1,300	0
	<u>93,790</u>	<u>73,300</u>	<u>77,200</u>	<u>3,900</u>
<b>SUPPLIES</b>				
Office Supplies	4,527	4,000	4,000	0
Clothing/Boots	0	200	0	(200)
	<u>4,527</u>	<u>4,200</u>	<u>4,000</u>	<u>(200)</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Telephone	1,077	1,100	1,100	0
Postage	9	0	0	0
Travel & Subsistence	312	250	250	0
Equipment M&R	17,000	17,500	20,000	2,500
Association Dues & Memberships	60	100	50	(50)
Printing and Binding	56	100	100	0
Training & Registration	352	500	300	(200)
	<u>18,866</u>	<u>19,550</u>	<u>21,800</u>	<u>2,250</u>
<b>TOTAL PERMIT CENTER</b>	<b>\$337,771</b>	<b>\$269,450</b>	<b>\$274,400</b>	<b>\$4,950</b>

## 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 Marshall. 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 Marshall 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 2012, 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.

### PERFORMANCE INDICATORS

	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Permits Issued	334	340	340
Site Inspections	415	450	450
Const. Value (million \$)	\$ 15	\$ 21	\$ 18
Revenue (thousand \$)	\$ 297	\$ 211	\$ 211

### 2012 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

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	65,669	65,500	65,500	0
Special Assignment Pay	9,850	10,000	10,000	0
	<u>75,519</u>	<u>75,500</u>	<u>75,500</u>	<u>0</u>
<b>PERSONNEL BENEFITS</b>				
FICA	5,490	5,800	5,800	0
PERS	4,010	5,300	5,500	200
L&I	1,346	1,700	1,800	100
Medical Benefits	15,565	17,100	20,200	3,100
Dental Benefits	4,148	1,400	2,500	1,100
Vision Benefits	514	400	700	300
Life Insurance	184	300	300	0
Long Term Disability Insurance	407	600	600	0
	<u>31,664</u>	<u>32,600</u>	<u>37,400</u>	<u>4,800</u>
<b>SUPPLIES</b>				
Reference Material	757	500	500	0
Operating Supplies	337	700	700	0
Clothing/Boots	198	400	400	0
Motor Fuel	1,285	1,200	1,200	0
Small Items of Equipment	41	200	200	0
	<u>2,618</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Contract Services	11,505	10,000	10,000	0
Telephone	539	1,000	600	(400)
Postage	164	300	300	0
Cellular Phones	494	500	500	0
Travel & Subsistence	0	400	400	0
Motor Pool Charges	0	4,000	8,510	4,510
Vehicle R&M	1,116	600	400	(200)
Association Dues & Memberships	390	400	400	0
File, Recording Fees	81	200	200	0
Training & Registration Costs	170	1,000	1,000	0
	<u>14,459</u>	<u>18,400</u>	<u>22,310</u>	<u>3,910</u>
<b>TOTAL BUILDING</b>	<b>\$124,260</b>	<b>\$129,500</b>	<b>\$138,210</b>	<b>\$8,710</b>

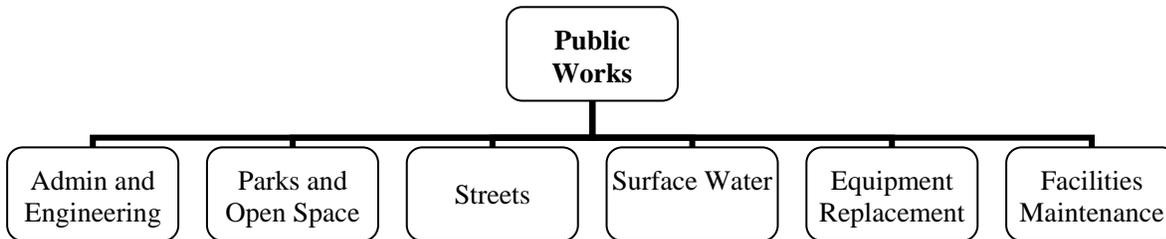


## PUBLIC WORKS DEPARTMENT

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 and school zone flashers
- 35 miles of storm drains
- 499 acres of parklands and landscaped areas, including tidelands
- 75 vehicles and pieces of equipment – excluding police and fire vehicles
- 22 municipal buildings – including two Fire Stations, a Police Station, three Public Works buildings, City Hall, the Light House buildings (4), Lighthouse Park (6), 92<sup>nd</sup> Street Park (1), the new Community Center, the Boys and Girls Club building in Old Town, one house on property owned by the City, and the Chamber of Commerce property.
- 1,486 Street lights (City owned: 310; PUD owned: 1,176) The City monitors the operation of all street lights.

The Department is organized into six divisions as shown below:



### POSITION SUMMARY

<u>Position Title</u>	<u>2011</u>	<u>2012</u>
Public Works Director	1	1
Assistant City Engineer	1	1
Engineering Technician	1	1
Lead Serviceworker	4	4
Park/Utility Service Worker	8	8
Park Attendant	1.5	1.5
Superintendent	1	1
Department Assistant	0.5	0.5
<b>Total</b>	<b>18</b>	<b>18</b>

<b>PUBLIC WORKS DEPT.</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>\$ Increase/</b>
<b>EXPENDITURE SUMMARY</b>	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>	<b>(Decrease)</b>
Administration & Engineering	\$438,228	\$231,350	\$217,270	(\$14,080)
Parks and Open Space	640,304	743,900	667,160	(76,740)
Streets	691,503	800,000	748,730	(51,270)
Surface Water	1,370,328	1,599,952	1,787,350	187,398
Equipment Replacement	0	525,000	175,100	(349,900)
Facilities Maintenance	382,980	425,900	453,340	27,440
<b>TOTAL</b>	<b>\$3,523,343</b>	<b>\$4,326,102</b>	<b>\$4,048,950</b>	<b>(\$277,152)</b>



City of Mukilteo Public Works  
4206 78<sup>th</sup> Street SW  
Mukilteo, WA 98275  
425-263-8170

## 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, 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 and school zone flashers 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.

### PERFORMANCE INDICATORS

	2010	2011	2012
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
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	14	12
Capital Projects Constructed	4	9	9
Sign Permits	22	12	15
Traffic Studies (speed/count)	6	4	4
Engineering Studies/Design	3	0	0

### 2011 ACCOMPLISHMENTS

- Completed 3 miles of street preservation (chip seals).
- Recoated several cul-de-sacs in the Chennault Beach area.
- Completed the new Community Center.
- Completed Phase II and IIB of the Light House Park project.
- Completed 88<sup>th</sup> St. left hand turn lane project.
- Purchased the second set of replacement docks for Light House Park.
- Installed a new fence on a stormwater detention pond.
- Completed supplemental planting of berms at Light House Park (joint proj. with Community Development).
- Installed the radar speed indicator signs on 5<sup>th</sup> and SR 525.

### 2012 GOALS & OBJECTIVES

- Finish code updates/reviews: Storm water, grading and geological sensitive area regulations (carry over, again).
- Complete and initiate 2011 carry-over capital projects.
- Continue work to adopt sidewalk management code.
- Continue updating the GIS system to include all City assets (streets, storm water, parks, 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 & ENGINEERING**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	202,028	117,300	120,900	3,600
Part Time Employees	16,817	17,700	18,600	900
Overtime	25	1,000	1,000	0
	<u>218,870</u>	<u>136,000</u>	<u>140,500</u>	<u>4,500</u>
<b>PERSONNEL BENEFITS</b>				
FICA	16,528	10,300	10,700	400
PERS	11,517	9,400	10,100	700
L&I	724	500	700	200
Medical Benefits	29,508	24,000	19,200	(4,800)
Dental Benefits	2,365	1,600	1,900	300
Vision Benefits	222	500	200	(300)
Life Insurance	588	500	500	0
Long Term Disability Insurance	1,301	1,000	1,000	0
Medical Opt-Out Incentive	0	0	1,000	1,000
	<u>62,753</u>	<u>47,800</u>	<u>45,300</u>	<u>(2,500)</u>
<b>SUPPLIES</b>				
Office Supplies	92	400	250	(150)
Reference Material	337	300	300	0
Operating Supplies	9	200	200	0
Clothing/Boots	153	100	250	150
Motor Fuel	1,086	700	700	0
Small Items of Equipment	331	300	300	0
	<u>2,008</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Engineering & Architect Services	18,586	15,000	7,000	(8,000)
Other Professional Services	12,634	5,000	3,000	(2,000)
Telephone	1,437	1,500	1,500	0
Postage	151	350	350	0
Cell Phone	2,567	1,900	2,000	100
Travel & Subsistence	902	900	900	0
Legal Publications	187	400	400	0
Motor Pool Charges	0	15,100	8,520	(6,580)
Vehicle R&M	301	600	1,000	400
Software Maintenance & Subscriptions	998	1,000	1,000	0
Association Dues & Memberships	706	700	700	0
File, Recording Fees	68	400	400	0
Printing And Binding	45	200	200	0
Training & Registration Costs	1,366	2,400	2,400	0
Railroad Quiet Zone Contract	114,549	0	0	0
	154,497	45,450	29,370	(16,080)
<b>INTERGOVERNMENTAL SERVICES</b>				
MRSC Small Works Roster Fee	100	100	100	0
	100	100	100	0
<b>TOTAL PW ADMIN &amp; ENGINEERING</b>	<b>\$438,228</b>	<b>\$231,350</b>	<b>\$217,270</b>	<b>(\$14,080)</b>





## 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, Mukilteo Visitor Center, Rosehill Community Center and the public works shop).

Maintenance activities include: mowing, fertilizing, pruning, weeding, planting of new plants, spraying of herbicides and insecticides, daily cleaning of park and landscaped areas (at Lighthouse Park and 92<sup>nd</sup> 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.

### 2011 ACCOMPLISHMENTS

Since additional work was added to the parks crew without additional staff (the Big Gulch trail, new community center, Light House Park phase II and IIB, and the Peterson property on Beverly Park Road), service levels dropped on minor parks, to some extent on 92nd Street Park and some facilities grounds care.

### 2012 GOALS & OBJECTIVES

Preserve existing park assets with an emphasis on Light House Park and 92<sup>nd</sup> Street Park and lay out a plan for how to bring back up the level of service at all facilities.

### PERFORMANCE INDICATORS

	2010 <u>Actual</u>	2011 <u>Est.</u>	2012 <u>Est.</u>
<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	5,100	5,100	5,100
Hours Supervised	2,500	2,500	2,500
<u>Landscape Maintenance</u>			
Sites Maintained	23	24	24
Acres Maintained	124.0	125.3	125.3
Acres Mowed	20	21	21
Trees Planted	10	10	10
Shrubs/Flowers	250	250	250



**PARKS AND OPEN SPACE**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	279,414	272,900	280,800	7,900
Part Time Employees	52,277	47,100	47,100	0
Standby Pay	6,804	4,000	4,000	0
Overtime	6,607	12,800	4,000	(8,800)
	<u>345,102</u>	<u>336,800</u>	<u>335,900</u>	<u>(900)</u>
<b>PERSONNEL BENEFITS</b>				
FICA	25,928	25,100	25,700	600
PERS	15,549	22,800	21,000	(1,800)
L&I	7,861	8,400	9,100	700
Medical Benefits	80,844	90,000	87,300	(2,700)
Teamsters Pension	8,105	7,800	7,800	0
Unemployment Compensation*	8,071	500	0	(500)
Dental Benefits	9,909	7,500	13,700	6,200
Vision Benefits	3,258	2,300	3,700	1,400
Life Insurance	783	1,100	1,100	0
Long Term Disability Insurance	1,734	2,500	2,500	0
Medical Opt-Out Incentive	0	0	200	200
	<u>162,042</u>	<u>168,000</u>	<u>172,100</u>	<u>4,100</u>
<b>SUPPLIES</b>				
Operating Supplies	23,958	28,600	28,600	0
Clothing/Boots	3,395	3,400	3,900	500
Building Maintenance Supplies	1,426	2,500	2,500	0
Signs	1,208	1,000	1,000	0
Landscape Materials	5,641	10,000	15,000	5,000
Flower Basket Program	2,592	10,000	10,000	0
Motor Fuel	6,709	6,600	7,200	600
Small Items of Equipment	6,235	800	2,200	1,400
	<u>51,164</u>	<u>62,900</u>	<u>70,400</u>	<u>7,500</u>



	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>OTHER SERVICES &amp; CHARGES</b>				0
Other Professional Services	5,845	12,000	12,000	0
Telephone	2,343	2,400	2,400	0
Cell Phone	2,387	3,000	3,000	0
Travel & Subsistence	0	300	300	0
Legal Publications	0	0	250	250
Land Rental	1,910	2,000	2,000	0
Work Equipment & Machine Rental	1,545	2,500	2,500	0
Motor Pool Charges	0	71,800	18,310	(53,490)
Natural Gas	1,259	2,000	2,300	300
Electricity	5,495	6,000	4,500	(1,500)
Sewer Service	8,371	5,000	5,000	0
Garbage Services	9,153	15,000	0	(15,000)
Water Service	16,258	12,000	6,000	(6,000)
Storm Drainage Charges	13,710	12,000	12,000	0
Equipment R&M	4,562	5,000	5,000	0
Other Maintenance & Repair	763	600	600	0
Vehicle R&M	4,698	5,500	5,500	0
Laundry Services	841	800	800	0
Training & Registration Costs	424	1,300	1,300	0
HP Maintenance Association Dues	2,432	5,000	5,000	0
	81,996	164,200	88,760	(75,440)
<b>CAPITAL OUTLAY</b>				
Other Machinery & Equipment	0	12,000	0	(12,000)
	0	12,000	0	(12,000)
<b>TOTAL PARKS &amp; OPEN SPACE</b>	<b>\$640,304</b>	<b>\$743,900</b>	<b>\$667,160</b>	<b>(\$76,740)</b>

\*Unemployment compensation is now budgeted in Human Resources



## 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 and school zone 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.

### PERFORMANCE INDICATORS

	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Miles of Street	67	67	67
Traffic Signals	2	2	2
Street Lights*	80	80	80
Potholes Repaired	75	100	100
Tons of Asphalt Used	42	200	50
Lane Lines Painted (miles)	70	70	70
Streets Swept (miles)	600	500	600
Snow/Ice Removed (hours)	40	300	500
Painted Markings (sf)	10,000	10,000	10,000
Sidewalk Repaired (sf)	600	300	600
Signs Installed/Replaced	400	200	200
Sign Posts Installed/Repl.	125	100	125
Miles of ROW mowed.	40	40	40

\* work orders for repair processed.

### 2011 ACCOMPLISHMENTS

- Completed preparing pavement areas for the 2011 chip seal program.
- Sprayed sidewalks/curbs for weeds/grasses.
- Began the installation of a gravel shoulder on Cyrus Way south of Harbour Pointe Blvd to provide pedestrian walking space out of the traffic lane.
- Installed radar speed detector signs.
- Secured the street and retaining wall failures on 61st Place West.
- Replaced root damaged asphalt walkway sections on Harbour Pointe Blvd. between Kamiak High School and the middle school.

### 2012 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.



**STREET FUND - 111**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$128,387</b>	<b>\$149,900</b>	<b>\$19,350</b>	<b>(\$130,550)</b>
Revenues				
Street Fuel Tax	296,803	300,000	295,000	(5,000)
Miscellaneous	272	200	100	(100)
Operating Transfers In	350,000	356,100	485,000	128,900
<b>Total Revenues</b>	<b>647,074</b>	<b>656,300</b>	<b>780,100</b>	<b>123,800</b>
<b>Total Resources</b>	<b>775,462</b>	<b>806,200</b>	<b>799,450</b>	<b>(6,750)</b>
Expenditures				
Salaries & Wages	266,659	269,100	266,400	(2,700)
Personnel Benefits	98,046	107,400	108,600	1,200
Supplies	77,565	81,600	70,700	(10,900)
Other Services & Charges	220,448	299,900	256,030	(43,870)
Intergovernmental Svcs.	25,583	42,000	42,000	0
Capital Outlay	3,202	0	5,000	5,000
<b>Total Expenditures</b>	<b>691,503</b>	<b>800,000</b>	<b>748,730</b>	<b>(51,270)</b>
<b>Ending Fund Balance</b>	<b>\$83,959</b>	<b>\$6,200</b>	<b>\$50,720</b>	<b>\$44,520</b>



**STREETS**

Fund: Streets - 111

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	261,967	260,800	258,100	(2,700)
Acting Supervisor Pay	327	300	300	0
Standby Pay	2,940	4,000	4,000	0
Overtime	1,425	4,000	4,000	0
	<u>266,659</u>	<u>269,100</u>	<u>266,400</u>	<u>(2,700)</u>
<b>PERSONNEL BENEFITS</b>				
FICA	20,236	20,600	20,500	(100)
PERS	14,129	18,700	19,300	600
L&I	4,787	5,600	6,000	400
Medical Benefits	46,777	49,100	45,200	(3,900)
Teamsters Pension	4,825	4,700	4,700	0
Unemployment Compensation	0	600	600	0
Dental Benefits	4,319	4,000	6,400	2,400
Vision Benefits	627	1,200	800	(400)
Life Insurance	730	900	900	0
Long Term Disability Insurance	1,617	2,000	2,000	0
Medical Opt-Out Incentive	0	0	2,200	2,200
	<u>98,046</u>	<u>107,400</u>	<u>108,600</u>	<u>1,200</u>
<b>SUPPLIES</b>				
Operating Supplies	17,543	23,000	18,000	(5,000)
Clothing/Boots	3,250	3,200	3,200	0
Aggregate	16,665	14,000	14,000	0
Traffic Control Device Supply	19,237	15,000	15,000	0
Motor Fuel	19,421	17,000	17,000	0
Small Items of Equipment	1,450	9,400	3,500	(5,900)
	<u>77,565</u>	<u>81,600</u>	<u>70,700</u>	<u>(10,900)</u>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Hazardous Materials Testing	253	1,000	0	(1,000)
Contract Services	33,091	30,000	30,000	0
Telephone	2,343	2,400	2,400	0
Cell Phone	1,574	2,100	2,100	0
Travel & Subsistence	69	100	100	0
Work Equip & Machine Rental	7,084	6,000	6,000	0
Motor Pool Charges	0	85,500	49,960	(35,540)
Insurance	26,526	26,600	26,600	0
Hazardous Waste Disposal	13,130	6,000	600	(5,400)
Public Utility Solid Waste	177	500	500	0
Electricity Street Lights	107,549	110,000	114,070	4,070
Brush Disposal	4,269	4,000	4,000	0
Construction Debris Disposal	2,111	3,000	3,000	0
Equipment R&M	11,041	4,000	4,000	0
Vehicle R&M	9,767	17,000	11,000	(6,000)
Laundry Services	1,140	1,200	1,200	0
Training & Registration	324	500	500	0
	220,448	299,900	256,030	(43,870)
<b>INTERGOVERNMENTAL SERVICES</b>				
Lane Striping & Marking	12,163	25,000	25,000	0
Street Light Maintenance	9,028	14,000	14,000	0
Repairs In ROW	4,392	1,000	1,000	0
ROW Vegetation Maintenance	0	2,000	2,000	0
	25,583	42,000	42,000	0
<b>CAPITAL OUTLAYS</b>				
Lighting Systems	3,202	0	5,000	5,000
	3,202	0	5,000	5,000
<b>TOTAL STREETS</b>	<b>\$691,503</b>	<b>\$800,000</b>	<b>\$748,730</b>	<b>(\$51,270)</b>



## 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. However, for legal reasons, most of the ravines must remain “hands off”, or “leave in a natural state.”

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 litter such as cigarette butts), getting into the City’s streams and ponds. It also reduces the cost of keeping the stormwater catch basins clean since less material gets into 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.

### PERFORMANCE INDICATORS

	2010 Actual	2011 Est.	2012 Est.
Drainage Basins	13	13	13
Miles of Pipe	35	35	35
Miles of Ditches	10	10	10
Catch Basins	2,614	2,614	2,616
Catch Basins Cleaned	1,000	500	1,000
Detention Ponds	96	96	96
Ponds Cleaned	4	11	4

### 2011 ACCOMPLISHMENTS

- Corrected ground water problem on Mukilteo Lane in front of the new Japanese Gulch trail.
- Cleaned out several large detention ponds that had not been maintained in years.
- Fixed several small drainage issues by installing new pipe.
- Assisted with the Japanese Gulch fish passage work.
- Kept our streets reasonably well swept.

### 2012 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.

<b>SURFACE WATER MANAGEMENT FUND - 440</b>				
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$1,640,671</b>	<b>\$1,286,990</b>	<b>\$1,664,340</b>	<b>\$377,350</b>
Revenues				
Grants	0	23,000	75,000	52,000
Storm Drainage Fees & Charges	1,237,147	1,250,000	1,250,000	0
Investment Interest	5,103	25,000	3,600	(21,400)
Interfund Transfers	9,998	0	0	0
<b>Total Revenues</b>	<b>1,252,248</b>	<b>1,298,000</b>	<b>1,328,600</b>	<b>30,600</b>
<b>Total Resources</b>	<b>2,892,919</b>	<b>2,584,990</b>	<b>2,992,940</b>	<b>407,950</b>
Expenditures				
Salaries & Wages	355,532	430,300	382,700	(47,600)
Personnel Benefits	137,862	179,900	169,900	(10,000)
Supplies	34,075	40,600	38,600	(2,000)
Other Services & Charges	335,496	241,250	219,350	(21,900)
Intergovernmental Svcs.	55,660	81,900	66,000	(15,900)
Capital Outlay	256,203	430,502	715,300	284,798
Payments For Svcs.	195,500	195,500	195,500	0
<b>Total Expenditures</b>	<b>1,370,328</b>	<b>1,599,952</b>	<b>1,787,350</b>	<b>187,398</b>
<b>Ending Fund Balance</b>	<b>\$1,522,590</b>	<b>\$985,038</b>	<b>\$1,205,590</b>	<b>\$220,552</b>

**SURFACE WATER MANAGEMENT**

Fund: Surface Water Management - 440

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	336,879	416,600	368,800	(47,800)
Part Time Employees	6,692	5,300	5,500	200
Acting Supervisor Pay	1,315	400	400	0
Standby Pay	7,056	4,000	4,000	0
Overtime	3,590	4,000	4,000	0
	<u>355,532</u>	<u>430,300</u>	<u>382,700</u>	<u>(47,600)</u>
<b>PERSONNEL BENEFITS</b>				
FICA	26,466	32,900	29,300	(3,600)
PERS	18,108	30,000	28,000	(2,000)
L&I	5,657	7,300	7,600	300
Medical Benefits	67,928	86,500	82,000	(4,500)
Teamsters Pension	5,680	5,500	5,500	0
Unemployment Compensation	0	500	500	0
Dental Benefits	9,087	7,400	8,400	1,000
Vision Benefits	1,999	2,200	1,700	(500)
Life Insurance	914	1,400	1,300	(100)
Long Term Disability Insurance	2,023	3,100	2,800	(300)
Medical Opt-Out Incentive	0	0	2,800	2,800
	<u>137,862</u>	<u>176,800</u>	<u>169,900</u>	<u>(6,900)</u>
<b>SUPPLIES</b>				
Office Supplies	6	200	200	0
Operating Supplies	12,885	18,000	13,000	(5,000)
Vehicle R&M Tools/Equipment	0	250	250	0
Clothing/Boots	2,649	2,650	2,650	0
Radio Parts and Supplies	0	500	500	0
Aggregate	7,417	7,000	7,000	0
Motor Fuel	7,483	7,000	10,000	3,000
Small Items of Equipment	3,635	5,000	5,000	0
	<u>34,075</u>	<u>40,600</u>	<u>38,600</u>	<u>(2,000)</u>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	228,603	125,000	100,000	(25,000)
Wetland Mitigation Services	0	24,000	5,000	(19,000)
Hazardous Materials Testing	1,920	1,800	2,800	1,000
Contract Services	0	10,000	3,500	(6,500)
Telephone	2,343	2,700	2,700	0
Cell Phones	1,207	500	500	0
Travel & Subsistence	14	200	200	0
Work Equip & Machine Rental	1,744	4,000	4,000	0

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Motor Pool Charges	15,860	49,500	24,800	(24,700)
Insurance	40,078	0	23,900	23,900
Hazardous Waste Disposal	5,674	8,000	13,400	5,400
Brush Disposal	0	2,000	2,000	0
Equipment R&M	1,018	500	500	0
Vehicle R&M	9,513	4,000	8,000	4,000
Laundry Services	1,057	1,050	1,050	0
Training & Registration	1,335	1,500	1,500	0
Permit Fees	9,608	0	0	0
Taxes And Assessments	0	3,500	3,500	0
Vactor Service	15,522	3,000	22,000	19,000
	<b>335,496</b>	<b>241,250</b>	<b>219,350</b>	<b>(21,900)</b>
<b>INTERGOVERNMENTAL SVCS</b>				
Mukilteo Water District	24,892	30,000	30,000	0
Snohomish County - ILA	0	21,000	2,000	(19,000)
WRIA ILA	6,873	9,000	9,000	0
Dept of Ecology	0	10,000	10,000	0
Taxes and Assessments	23,895	15,000	15,000	0
	<b>55,660</b>	<b>85,000</b>	<b>66,000</b>	<b>(19,000)</b>
<b>CAPITAL OUTLAYS</b>				
LH Park Phase II Construction	99,848	0	0	0
Smuggler's Gulch Stormwater	0	23,000	125,000	102,000
61st Street Culvert Replacement	5,919	259,000	210,000	(49,000)
Fence Replacement	14,919	15,000	0	(15,000)
Big Gulch Trail Gap Area	4,944	0	0	0
Japanese Gulch Fish Ladder	130,573	133,502	170,000	36,498
GPS Field Equipment	0	0	6,300	6,300
GIS System	0	0	76,000	76,000
2nd Street Storm System Realignment	0	0	43,000	43,000
Naketa Beach Area Storm Pipe Extension	0	0	25,000	25,000
63rd Street Slide Repair	0	0	25,000	25,000
Decant Station Cover	0	0	35,000	35,000
	<b>256,203</b>	<b>430,502</b>	<b>715,300</b>	<b>284,798</b>
<b>PAYMENT FOR SERVICES</b>				
Overhead Costs	195,500	195,500	195,500	0
	<b>195,500</b>	<b>195,500</b>	<b>195,500</b>	<b>0</b>
<b>TOTAL SURFACE WATER MGMT</b>	<b>\$1,370,328</b>	<b>\$1,599,952</b>	<b>\$1,787,350</b>	<b>\$187,398</b>

## Equipment Replacement

### PURPOSE

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).

The majority of City vehicles are maintained through warranties or Mukilteo School District mechanics. City staff provide only minor maintenance work.

Replacement of all vehicles goes through this public works division.

Monies expended in this Division are derived from equipment replacement charges that are made over the useful life of the related vehicle or heavy equipment.

### 2011 ACCOMPLISHMENTS

- Purchased and received all equipment slated for replacement in 2011.

### 2012 GOALS & OBJECTIVES

- Maintain all equipment and vehicles (except police and fire) such that:
  - a. Reliability is maximized
  - b. Life cycles are maximized
  - c. Costs are minimized.
- Maintain and implement the equipment/vehicle replacement schedule.
- Evaluate the need for a City-employed mechanic, enhanced shop and equipment.

**EQUIPMENT REPLACEMENT FUND - 510**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$1,034,976</b>	<b>\$1,052,780</b>	<b>\$1,458,140</b>	<b>\$405,360</b>
<b>Revenues</b>				
Miscellaneous	5,566	6,730	7,670	940
Equipment Replacement Charge	15,860	885,400	457,820	(427,580)
<b>Total Revenues</b>	<b>21,426</b>	<b>892,130</b>	<b>465,490</b>	<b>(426,640)</b>
Interfund Loan Repayments	0	48,500	48,500	0
<b>Total Resources</b>	<b>1,056,402</b>	<b>1,993,410</b>	<b>1,972,130</b>	<b>(21,280)</b>
<b>Expenditures</b>				
Vehicle Equip Removal	0	2,000	2,000	0
Capital Outlay	0	523,000	173,100	(349,900)
<b>Total Expenditures</b>	<b>0</b>	<b>525,000</b>	<b>175,100</b>	<b>(349,900)</b>
Interfund Loans	333,280	0	0	0
<b>Ending Fund Balance</b>	<b>\$723,122</b>	<b>\$1,468,410</b>	<b>\$1,797,030</b>	<b>\$328,620</b>

**EQUIPMENT REPLACEMENT**

Fund: Equipment Replacement - 510

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Vehicle Equipment Removal	0	2,000	2,000	0
	0	2,000	2,000	0
<b>CAPITAL OUTLAYS</b>				
Vehicular Equipment	0	523,000	173,100	(349,900)
	0	523,000	173,100	(349,900)
<b>TOTAL EQUIPMENT REPLACEMENT</b>	<b>\$0</b>	<b>\$525,000</b>	<b>\$175,100</b>	<b>(\$349,900)</b>

## Facilities Maintenance

### PURPOSE

The Facilities Maintenance Division maintains  
23 City buildings, including:

- City Hall
- Two Fire Department buildings
- The Police Department building
- Three Public Works Department buildings
- Community Center
- Four Lighthouse buildings
- Six buildings and structures at Lighthouse Park
- One building at the 92<sup>nd</sup> St. Park
- Mukilteo Visitor Center
- Vacant home on Beverly Park Rd property.
- The Boys and Girls Club building.

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.

### PERFORMANCE INDICATORS

	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Plumbing Repairs	15	20	10
Electrical Repairs	25	15	25
Painting (interior)	0	1	1
Painting (exterior)	1	0	1
Roof repairs	2	0	2
Security systems	3	1	3
Furniture Repairs	0	1	0
Interior remodels	1	0	0
Damage repair	50	100	50

### 2012 GOALS & OBJECTIVES

- Within one work day, respond to employee requests for building problems. Effect repairs in the shortest time possible, 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 - 518**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Beginning Balance	\$50,642	\$9,660	\$123,180	\$113,520
Revenues				
Miscellaneous	59	0	0	0
Operating Transfers In	390,000	422,000	400,000	(22,000)
Total Revenues	390,059	422,000	400,000	(22,000)
<b>Total Resources</b>	<b>440,700</b>	<b>431,660</b>	<b>523,180</b>	<b>91,520</b>
Expenditures				
Salaries & Wages	69,901	81,100	81,700	600
Personnel Benefits	23,347	28,500	34,700	6,200
Supplies	28,295	39,500	39,500	0
Other Services & Charges	253,173	275,800	279,940	4,140
Capital Outlay	8,264	1,000	17,500	16,500
<b>Total Expenditures</b>	<b>382,980</b>	<b>425,900</b>	<b>453,340</b>	<b>27,440</b>
<b>Ending Fund Balance</b>	<b>\$57,721</b>	<b>\$5,760</b>	<b>\$69,840</b>	<b>\$64,080</b>

**FACILITIES MAINTENANCE**

Fund: Facilities Maintenance - 518

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	31,489	78,800	79,400	600
Part Time Employees	38,151	0	0	0
Overtime	261	2,300	2,300	0
	<u>69,901</u>	<u>81,100</u>	<u>81,700</u>	<u>600</u>
<b>PERSONNEL BENEFITS</b>				
FICA	5,238	6,200	6,300	100
PERS	3,712	5,700	5,900	200
L&I	934	1,100	2,600	1,500
Medical Benefits	9,160	11,200	14,500	3,300
Teamsters Pension	2,046	2,300	2,300	0
Unemployment Compensation	0	200	200	0
Dental Benefits	1,381	700	1,800	1,100
Vision Benefits	259	200	200	0
Life Insurance	192	300	300	0
Long Term Disability Insurance	425	600	600	0
	<u>23,347</u>	<u>28,500</u>	<u>34,700</u>	<u>6,200</u>
<b>SUPPLIES</b>				
Office Supplies	735	1,000	1,000	0
Operating Supplies	21,930	30,000	30,000	0
Clothing/Boots	505	500	500	0
Motor Fuel	4,764	7,000	7,000	0
Small Items of Equipment	361	1,000	1,000	0
	<u>28,295</u>	<u>39,500</u>	<u>39,500</u>	<u>0</u>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Contract Services	0	3,000	3,000	0
Cell Phone	397	500	500	0
Insurance	450	500	700	200
Natural Gas	18,569	28,100	28,100	0
Electricity	86,100	82,000	85,040	3,040
Sewer Service	40,904	53,500	53,500	0
Garbage Services	5,791	0	0	0
Water Service	9,459	8,000	8,000	0
Storm Drainage Charges	9,187	9,900	9,900	0
Alarm System	18,799	15,000	15,000	0
Bldg & Fixture M&R	37,440	45,000	45,000	0
Vehicle R&M	1,425	600	800	200
Janitorial Services	23,886	26,800	27,500	700
Taxes And Assessments	766	2,900	2,900	0
	253,173	275,800	279,940	4,140
<b>CAPITAL OUTLAYS</b>				
Building Improvements	8,264	1,000	17,500	16,500
	8,264	1,000	17,500	16,500
<b>TOTAL FACILITIES MAINTENANCE</b>	<b>\$382,980</b>	<b>\$425,900</b>	<b>\$453,340</b>	<b>\$27,440</b>



View of Puget Sound and the south point of Whidbey Island from the top of St. Andrews Drive.



## RECREATION AND CULTURAL SERVICES

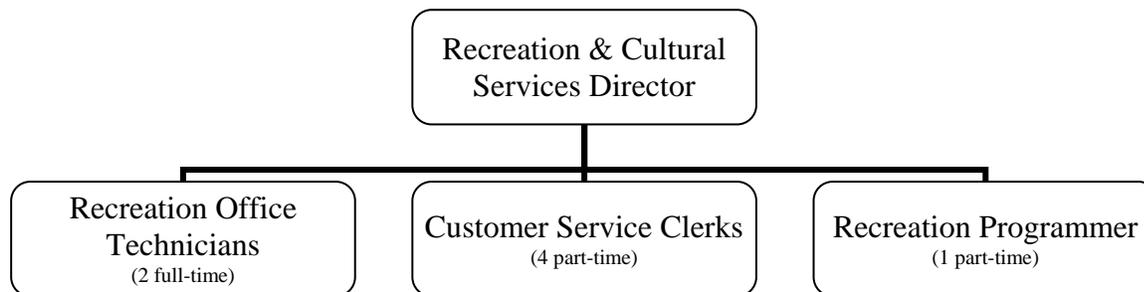
The Recreation and Cultural Services Department provides community recreation, enrichment and wellness opportunities. The philosophy of the Recreation Department is to plan and coordinate quality programs as a direct facilitator or in partnership with other groups and organizations that will aid in the 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 City held the grand opening celebration for the Rosehill Community Center. 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, game room and fitness center promote healthy lifestyles. The variety of rooms available for rentals provides citizens with a location to hold events, meetings, and celebrations.

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

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.

The department is staffed as follows:



**POSITION SUMMARY**

<b>Position Title</b>	<b>2011</b>	<b>2012</b>
Recreation & Cultural Services Director	1.00	1.00
Office Technician	2.00	2.00
Customer Service Clerk - (4 PT 50%)	2.00	2.00
Recreation Programmer (PT 50%)	0.50	0.50
<b>Total</b>	<b>5.50</b>	<b>5.50</b>

<b>RECREATION DEPT. EXPENDITURE SUMMARY</b>	<b>2010 Actuals</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
Recreation Department	\$354,468	\$597,980	\$590,100	(\$7,880)
<b>TOTAL</b>	<b>\$354,468</b>	<b>\$597,980</b>	<b>\$590,100</b>	<b>(\$7,880)</b>



## 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.

**PERFORMANCE INDICATORS**

	2010	2011	2012
	Actual	Est.	Est.
<b>Recreation Program Offerings</b>	238	240	250
<b>Registration Transactions</b>	1,695	3,760	4,000
<b>City Co-Sponsored Events</b>	8	6	8
<small>(Farmers Market, Open Mic Nights, Art Walks, Bluegrass Festival, Lighthouse Festival, Tree Lighting, Emergency Preparedness Event, Holiday Art Mart, Waterfront Art Festival.)</small>			
<b>Community Center Rentals</b>	N/A	263	278
<b>Wedding Circle Rentals</b>	4	10	10
<b>Picnic Shelter Rentals</b>	158	160	160
<b>Lightstation Grounds Rentals</b>	7	20	20

**2011 ACCOMPLISHMENTS**

- Hired and trained full-time and part-time staff for the RHCC.
- Furnished the RHCC
- Planned and implemented the Grand Opening event for the RHCC
- Prepared three Recreation Guides in combination with the City Views
- Developed processes and procedures for the front desk operations at the RHCC
- Trained staff on all the equipment/technical operations of the RHCC
- Planned and coordinated city special events, and assisted with co-sponsored events

**2012 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 grounds rentals.
- Develop and implement a marketing plan for the Recreation Department to bring customers 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 recreation programs and community events through partnerships.
- Act as city liaison and work with community groups such as the 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 the Recreation Department and the 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 recreation programming.



**RECREATION & CULTURAL SERVICES FUND - 114**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$72,656</b>	<b>\$48,310</b>	<b>\$146,330</b>	<b>\$98,020</b>
<b>Revenues</b>				
Rec Program Fees	68,300	130,000	100,000	(30,000)
Farmers Market Booth Fees	700	0	650	650
Off Hour Staffing Fees	1,280	12,000	14,500	2,500
Set Up/Clean Up Fees	0	0	11,000	11,000
Theater Technician Fees	0	0	1,000	1,000
Special Event Permits	0	400	300	(100)
Investment Interest	265	0	200	200
Community Center Room Rental	8,175	134,700	175,000	40,300
Weight Room Fees	0	7,600	4,000	(3,600)
Community Center Tenant Rent	23,714	0	0	0
Parking Rental - Long Term	0	11,700	6,500	(5,200)
Picnic Shelter Rental	0	11,000	11,500	500
Light Station Wedding Rentals	70	1,400	4,500	3,100
Operating Transfers In	242,860	242,300	205,000	(37,300)
<b>Total Revenues</b>	<b>345,363</b>	<b>551,100</b>	<b>534,150</b>	<b>(16,950)</b>
<b>Total Resources</b>	<b>418,019</b>	<b>599,410</b>	<b>680,480</b>	<b>81,070</b>
<b>Expenditures</b>				
Salaries & Wages	140,010	261,375	263,200	1,825
Personnel Benefits	56,581	114,525	99,400	(15,125)
Supplies	5,505	15,100	15,100	0
Other Services & Charges	152,373	206,980	212,400	5,420
<b>Total Expenditures</b>	<b>354,468</b>	<b>597,980</b>	<b>590,100</b>	<b>(7,880)</b>
<b>Ending Fund Balance</b>	<b>\$63,550</b>	<b>\$1,430</b>	<b>\$90,380</b>	<b>\$88,950</b>



**RECREATION & CULTURAL SERVICES**

Fund: General - 011

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>SALARIES &amp; WAGES</b>				
Full Time Employees	139,662	194,900	194,900	0
Part Time Employees	0	67,775	67,800	25
Overtime	348	500	500	0
	<u>140,010</u>	<u>263,175</u>	<u>263,200</u>	<u>25</u>
<b>PERSONNEL BENEFITS</b>				
FICA	10,843	20,280	20,100	(180)
PERS	7,435	18,305	18,900	595
L&I	511	1,540	1,500	(40)
Medical Benefits	28,209	55,500	41,400	(14,100)
Unemployment Compensation	2,926	5,800	5,800	0
Vehicle Allowance	2,400	2,400	2,400	0
Dental Benefits	3,048	4,800	3,100	(1,700)
Vision Benefits	(48)	1,500	800	(700)
Life Insurance	391	700	700	0
Long Term Disability Insurance	866	1,900	1,600	(300)
Medical Opt-Out Incentive	0	0	3,100	3,100
	<u>56,581</u>	<u>112,725</u>	<u>99,400</u>	<u>(13,325)</u>
<b>SUPPLIES</b>				
Office Supplies	3,049	8,100	8,100	0
Operating Supplies	2,456	4,000	4,000	0
Clothing/Boots	0	500	500	0
Motor Fuel	0	200	200	0
Small Items of Equipment	0	2,300	2,300	0
	<u>5,505</u>	<u>15,100</u>	<u>15,100</u>	<u>0</u>

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	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>OTHER SERVICES &amp; CHARGES</b>				
Other Professional Services	14,529	2,500	2,500	0
Instructors Professional Services	42,516	70,000	70,000	0
WSU Beach Watchers	6,750	6,800	6,800	0
Telephone	6,859	6,400	6,400	0
Postage	941	2,000	2,000	0
Cell Phone	440	500	500	0
Comcast	0	4,800	4,800	0
Travel & Subsistence	215	1,100	1,100	0
Advertising	2,238	3,900	3,900	0
Community Advertising - Recreation Guide	21,132	34,500	34,500	0
Work Equipment & Machine Rental	274	1,500	1,500	0
Insurance	9,940	9,980	15,400	5,420
Natural Gas	17,163	22,000	22,000	0
Electricity	11,625	8,000	8,000	0
Sewer Service	3,770	8,000	8,000	0
Garbage Services	2,921	0	0	0
Water Service	1,114	2,500	2,500	0
Storm Drainage Charges	3,864	7,800	7,800	0
Office Equipment M&R	1,126	8,500	8,500	0
Other Maintenance & Repair	129	900	900	0
Vehicle R&M	59	100	100	0
Association Dues & Memberships	461	700	700	0
Printing and Binding	103	500	500	0
Contractual Services	4,124	3,000	3,000	0
Training & Registration	0	400	400	0
Miscellaneous	80	600	600	0
	<b>152,373</b>	<b>206,980</b>	<b>212,400</b>	<b>5,420</b>
<b>TOTAL RECREATION &amp; CULTURAL SVCS</b>	<b>\$354,468</b>	<b>\$597,980</b>	<b>\$590,100</b>	<b>(\$7,880)</b>



**Rosehill Community Center**

304 Lincoln Avenue  
Mukilteo, WA 98275  
425-263-8180



## DEBT SERVICE

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

The **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.

<b>LIMITED TAX GENERAL OBLIGATION BOND FUND - 275</b>				
	2010 Actual	2011 Budget	2012 Budget	\$ Increase/ (Decrease)
<b>Beginning Fund Balance</b>	<b>\$7,357</b>	<b>\$7,370</b>	<b>\$7,120</b>	<b>(\$250)</b>
Revenues				
Investment Interest	33	0	10	10
Transfers In	907,970	1,081,780	905,300	(176,480)
<b>Total Revenues</b>	<b>908,003</b>	<b>1,081,780</b>	<b>905,310</b>	<b>(176,470)</b>
<b>Total Resources</b>	<b>915,360</b>	<b>1,089,150</b>	<b>912,430</b>	<b>(176,720)</b>
Expenditures				
Administration Fee	0	400	400	0
Bond Principal	455,000	470,000	480,000	10,000
Bond Interest	452,960	439,350	425,250	(14,100)
<b>Total Expenditures</b>	<b>907,960</b>	<b>909,750</b>	<b>905,650</b>	<b>(4,100)</b>
<b>Ending Fund Balance</b>	<b>\$7,400</b>	<b>\$179,400</b>	<b>\$6,780</b>	<b>(\$172,620)</b>



View to the south from the beach at Lighthouse Park.

## 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 page 224 is a summary of the 2012 Capital Improvement budget totaling \$2,200,855. 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 notable projects completed in 2011 are:

- SR525 and 88<sup>th</sup> Street left turn lanes
- Right turn lane at SR525 to Front Street
- Lighthouse Park bandshell seating area
- Mukilteo lane slide repair

### 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](http://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 2014- 2015, when hopefully the economic environment is more settled and predictable. If not, then the 2014- 2015 update may well have the same limitations as this version of the CFP.

The City has been a partner in developing new CFP software to provide more information that is accessible via the City website.

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 2012-2015 include:

- 61st Place Retaining Wall Repair/Culvert Replacement
- Big Gulch Trail Gap Area
- Japanese Gulch Phase III
- Pavement Improvements - Goat Trail
- Smuggler's Gulch LID Retrofit Test Case
- SR 526 Bike/Pedestrian Path to Boeing

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 2012 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.



**2012 CAPITAL PROJECTS SUMMARY**

<u>Fund &amp; Account Number</u>	<u>Description</u>	<u>Amount</u>
<b>General Fund</b>		
011.90.594.300.6305	Pedestrian Safety Project - Radar Signs	15,000
011.90.594.650.6100	Tank Farm Improvements*	40,000
011.90.594.196.6543	Community Center Fiber Optic Line	19,550
		<u>74,550</u>
<b>Arterial Street Fund</b>		
112.90.595.608.6512	88th Street Left Turn Lane	15,000
112.90.595.345.6523	Pavement Improvements - Goat Trail	150,000
		<u>165,000</u>
<b>Park Acquisition &amp; Development Fund</b>		
322.90.595.100.6100	Park Street Bulkhead Phase I Engineering	10,000
322.90.594.800.6560	Japanese Gulch Trail Construction - Donation	10,000
322.90.595.620.6100	Big Gulch Trail Gap Area	250,000
		<u>270,000</u>
<b>Transportation Impact Fee Fund</b>		
323.90.595.345.6520	Binding Site Plan for Harbour Reach Drive Extension	100,000
		<u>100,000</u>
<b>Real Estate Excise Tax I Fund</b>		
331.90.595.650.6312	SR 526 Bike/Ped Path to Boeing	80,000
331.90.594.207.6336	Special Event Entrance Signs	2,245
331.90.594.207.4106	Interpretive Signs	1,500
331.90.595.605.6510	61st Place Retaining Wall Repair	150,000
331.90.594.207.6336	Downtown Business Directional Signs	7,000
331.90.595.620.6100	Big Gulch Trail Gap Area	185,000
		<u>425,745</u>
<b>Real Estate Excise Tax II Fund</b>		
332.90.595.345.6523	Pavement Improvements - Goat Trail	200,000
332.90.595.610.6100	92nd Street Sidewalk Repair	25,000
332.90.595.610.6200	76th Street Sidewalk	130,000
		<u>355,000</u>
<b>Community Center Project Fund</b>		
375.90.594.196.6543	Fiber Optic Cable	95,260
		<u>95,260</u>
<b>Surface Water Management Fund</b>		
440.90.594.305.6203	Smuggler's Gulch LID Retrofit Test Case	125,000
440.90.594.392.6310	2nd Street Culvert/Stream Alignment Correction	43,000
440.90.594.306.6203	61st Street Culvert Replacement	210,000
440.90.594.392.6310	63rd Street Slide Repair	25,000
440.90.594.392.6310	Decant Station Roof	35,000
440.90.594.805.6545	Japanese Gulch Phase III	170,000
440.90.594.380.6402	GPS Field Equipment	6,300
440.90.594.380.6401	GIS System, System Evaluations	76,000
440.90.594.392.6310	Storm Drain Pipe Extension	25,000
		<u>715,300</u>
<b>Total All Funds</b>		<u><u>2,200,855</u></u>

\*This project was cancelled in January 2012 due to higher than anticipated costs and lack of funding.

**ARTERIAL STREET FUND - 112**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$87,598</b>	<b>\$160,470</b>	<b>\$155,812</b>	<b>(\$4,658)</b>
Revenues				
Arterial Street Fuel Tax	138,914	140,800	136,400	(4,400)
Grant Revenue	41,042	258,900	0	(258,900)
Investment Interest	278	200	250	50
<b>Total Revenues</b>	<b>180,234</b>	<b>399,900</b>	<b>136,650</b>	<b>(263,250)</b>
<b>Total Resources</b>	<b>267,833</b>	<b>560,370</b>	<b>292,462</b>	<b>(267,908)</b>
Expenditures				
Capital Outlay	111,731	545,000	165,000	(380,000)
<b>Total Expenditures</b>	<b>111,731</b>	<b>545,000</b>	<b>165,000</b>	<b>(380,000)</b>
<b>Ending Fund Balance</b>	<b>\$156,102</b>	<b>\$15,370</b>	<b>\$127,462</b>	<b>\$112,092</b>

**PARK ACQUISITION & DEVELOPMENT FUND - 322**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$91,890</b>	<b>\$134,900</b>	<b>\$186,880</b>	<b>\$51,980</b>
Revenues				
Grant Revenues	1,564,170	262,150	220,000	(42,150)
Park Mitigation Fees	36,570	35,000	25,000	(10,000)
Investment Interest	73	1,100	100	(1,000)
Contributions - Private Source	10,000	0	0	0
<b>Total Revenues</b>	<b>1,610,812</b>	<b>298,250</b>	<b>245,100</b>	<b>(53,150)</b>
<b>Total Resources</b>	<b>1,702,703</b>	<b>433,150</b>	<b>431,980</b>	<b>(1,170)</b>
Expenditures				
Capital Outlay	1,657,602	431,300	270,000	(161,300)
<b>Total Expenditures</b>	<b>1,657,602</b>	<b>431,300</b>	<b>270,000</b>	<b>(161,300)</b>
<b>Ending Fund Balance</b>	<b>\$45,101</b>	<b>\$1,850</b>	<b>\$161,980</b>	<b>\$160,130</b>

**TRANSPORTATION IMPACT FEE FUND - 323**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$28,736</b>	<b>\$48,860</b>	<b>\$131,870</b>	<b>\$83,010</b>
Revenues				
Street Mitigation Fees	63,731	25,000	98,600	73,600
Investment Interest	180	340	100	(240)
<b>Total Revenues</b>	<b>63,912</b>	<b>25,340</b>	<b>98,700</b>	<b>73,360</b>
<b>Total Resources</b>	<b>92,648</b>	<b>74,200</b>	<b>230,570</b>	<b>156,370</b>
Expenditures				
Capital Outlay	0	0	100,000	100,000
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>
<b>Ending Fund Balance</b>	<b>\$92,648</b>	<b>\$74,200</b>	<b>\$130,570</b>	<b>\$56,370</b>

**REAL ESTATE EXCISE TAX I FUND - 331**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$5,879,083</b>	<b>\$5,314,830</b>	<b>\$4,642,760</b>	<b>(\$672,070)</b>
Revenues				
Local Real Estate Excise Tax	321,919	300,000	350,000	50,000
Intergovernmental	56,746	59,500	59,500	0
Investment Interest	17,592	33,100	7,500	(25,600)
<b>Total Revenues</b>	<b>396,257</b>	<b>392,600</b>	<b>417,000</b>	<b>24,400</b>
<b>Total Resources</b>	<b>6,275,340</b>	<b>5,707,430</b>	<b>5,059,760</b>	<b>(647,670)</b>
Expenditures				
Supplies	0	600	0	(600)
Services and Charges	35,833	1,500	1,500	0
Transfer to LTGO Bond Fund	838,040	839,300	835,500	(3,800)
Capital Outlay	195,843	149,100	424,245	275,145
<b>Total Expenditures</b>	<b>1,069,716</b>	<b>990,500</b>	<b>1,261,245</b>	<b>270,745</b>
<b>Ending Fund Balance</b>	<b>\$5,205,624</b>	<b>\$4,716,930</b>	<b>\$3,798,515</b>	<b>(\$918,415)</b>

**REAL ESTATE EXCISE TAX II FUND - 332**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$1,392,745</b>	<b>\$408,640</b>	<b>\$213,750</b>	<b>(\$194,890)</b>
Revenues				
Local Real Estate Excise Tax	321,919	300,000	350,000	50,000
Grants	108,000	0	65,000	65,000
Investment Interest	1,488	7,050	500	(6,550)
<b>Total Revenues</b>	<b>431,407</b>	<b>307,050</b>	<b>415,500</b>	<b>108,450</b>
<b>Total Resources</b>	<b>1,824,153</b>	<b>715,690</b>	<b>629,250</b>	<b>(86,440)</b>
Expenditures				
Capital Outlay	1,294,587	518,000	355,000	(163,000)
Transfer to LTGO Bond Fund	69,930	70,050	69,800	(250)
<b>Total Expenditures</b>	<b>1,364,517</b>	<b>588,050</b>	<b>424,800</b>	<b>(163,250)</b>
<b>Ending Fund Balance</b>	<b>\$459,636</b>	<b>\$127,640</b>	<b>\$204,450</b>	<b>\$76,810</b>

**MUNICIPAL FACILITIES FUND - 341**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$50,066</b>	<b>\$60</b>	<b>\$170</b>	<b>\$110</b>
Revenues				
Investment Interest	103	0	0	0
<b>Total Revenues</b>	<b>103</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Resources</b>	<b>50,170</b>	<b>60</b>	<b>170</b>	<b>110</b>
Expenditures				
Capital Outlay	50,000	0	0	0
<b>Total Expenditures</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$170</b>	<b>\$60</b>	<b>\$170</b>	<b>\$110</b>



<b>COMMUNITY CENTER PROJECT FUND - 375</b>				
	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Increase/ (Decrease)</b>
<b>Beginning Fund Balance</b>	<b>\$10,161,244</b>	<b>\$3,354,210</b>	<b>\$543,362</b>	<b>(\$2,810,848)</b>
Revenues				
Interest Earnings	21,793	500	0	(500)
Total Revenues	21,793	500	0	(500)
<b>Total Resources</b>	<b>10,183,037</b>	<b>3,354,710</b>	<b>543,362</b>	<b>(2,811,348)</b>
Expenditures				
Capital Outlay	7,571,855	3,182,280	95,260	(3,087,020)
Transfers Out	0	172,430	0	(172,430)
<b>Total Expenditures</b>	<b>7,571,855</b>	<b>3,354,710</b>	<b>95,260</b>	<b>(3,259,450)</b>
<b>Ending Fund Balance</b>	<b>\$2,611,182</b>	<b>\$0</b>	<b>\$448,102</b>	<b>\$448,102</b>

The following charts highlight each capital project budgeted for 2012, including a brief description of the project(s), funding source(s), amount budgeted, and the estimated project schedule.

<b>1 Olympic View Safety Improvements</b>		<b>Olympic</b>	<b>\$ 15,000</b>																					
	Installation of radar signs on the Mukilteo Speedway in front of Olympic View Middle School.	<u>Funding Source: General Fund</u>																						
		011.90.594.300.6305	\$ 15,000																					
<u>Cost Distribution:</u>																								
	Construction	\$	15,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
	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																								
<b>2 Community Center to City Hall Fiber Installation</b>		<b>PW082205</b>	<b>\$ 114,810</b>																					
	Installation of fiber optic line from Rosehill Community Center to City Hall, and from the Mukilteo Speedway to the Police Department.	<u>Funding Source: General Fund and Community Center Project Fund</u>																						
		011.90.594.196.6543	\$ 19,550																					
		375.90.594.196.6543	\$ 95,260																					
<u>Cost Distribution:</u>																								
	Construction	\$	114,810																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
	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																								
<b>3 88th Street Left Turn Lane</b>		<b>PW090002</b>	<b>\$ 15,000</b>																					
	Change striping due to new WSDOT standards.	<u>Funding Source: Arterial Street Fund</u>																						
		112.90.595.608.6512	\$ 15,000																					
<u>Cost Distribution:</u>																								
	Construction	\$	15,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
	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																								
<b>4 Pavement Improvements - Goat Trail</b>		<b>ST120001</b>	<b>\$ 350,000</b>																					
	Pavement Improvements - Goat Trail	<u>Funding Source: Arterial Street Fund and Real Estate Excise Tax II Fund</u>																						
		112.90.595.345.6523	\$ 150,000																					
		332.90.594.345.6523	\$ 200,000																					
<u>Cost Distribution:</u>																								
	Design	\$	85,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
	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																								
<b>5 Park Street Bulkhead</b>			<b>\$ 10,000</b>																					
	Engineering evaluation of the bulkhead at the north end of Park Street to determine the cost to design a replacement and the potential cost of replacement.	<u>Funding Source: Parks Acquisition and Development Fund</u>																						
		322.90.595.100.6100	\$ 10,000																					
<u>Cost Distribution:</u>																								
	Evaluation & Design	\$	10,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Evaluation & Design																								

<b>6</b>	<b>Japanese Gulch Trail Construction</b>													<b>PL085802</b>	<b>\$ 10,000</b>									
	Trail construction within Japanese Gulch.													<u>Funding Source: Parks Acquisition and Development Fund</u> 322.90.594.800.6560                      \$                      10,000										
	<u>Cost Distribution:</u>																							
	Construction                      \$                      10,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>7</b>	<b>Big Gulch Trail Gap Area</b>													<b>PL090002</b>	<b>\$ 435,000</b>									
	Construction of a 3,400 linear foot nature trail in the western end of Big Gulch. The trail will generally be a 3-4 foot wide, soft-surface nature trail on City-owned land in Big Gulch. The trail will be aligned to minimize impact to wetlands and avoid any stream crossings.													<u>Funding Source: Parks Acquisition and Development Fund, REET I Fund</u> 322.90.595.620.6100                      \$                      250,000 331.90.595.620.6100                      \$                      185,000										
	<u>Cost Distribution:</u>																							
	Construction                      \$                      435,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>8</b>	<b>Binding Site Plan for Harbour Reach Drive Extension</b>													<b>PW081108</b>	<b>\$ 100,000</b>									
	Prepare a binding site plan for the property on Beverly Park Road so that the ROW for Harbour Reach Drive extension can be segmented out and the rest of the property be made available for sale.													<u>Funding Source: Transportation Impact Fee Fund</u> 323.90.595.345.6520                      \$                      100,000										
	<u>Cost Distribution:</u>																							
	Design                      \$                      100,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Design	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>9</b>	<b>SR 526 Bike/Pedestrian Path to Boeing</b>													<b>bikepath</b>	<b>\$ 80,000</b>									
	Design a combination bike and pedestrian path along the north side of SR 526 from 84th out to the Boeing exit ring road. Design would include a gate that would restrict access to the Boeing site to Boeing employees. Until an underpass (of SR 526) is built the path would be posted Boeing Employee's Only (past 40th).													<u>Funding Source: REET I Fund</u> 331.90.595.650.6312                      \$                      80,000										
	<u>Cost Distribution:</u>																							
	Design                      \$                      80,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Design	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>10</b>	<b>Special Event Entrance Signs</b>													<b>PL110001</b>	<b>\$ 2,245</b>									
	Installation of permanent banner structures for banners for City-sponsored special events. Three sites have been identified for greater coverage in 2012: 84th & SR 526; the westside of SR 525 & 5th Street; and the eastside of Harbour Pointe Blvd N. & SR 525.													<u>Funding Source: Real Estate Excise Tax I Fund</u> 331.90.594.207.6336                      \$                      2,245										
	<u>Cost Distribution:</u>																							
	Construction                      \$                      2,245																							
<b>Project Schedule - Special Event Entrance Signs</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec



<b>11 Interpretive Signs</b>		<b>PL110003</b>	<b>\$ 1,500</b>																						
In 2008 the City adopted an Interpretive Signage Plan to help promote the history of Mukilteo. Some of the proposed signs have been delayed due to scheduling conflicts with NOAA and the Tulalip Tribes, so there are still several signs that need to be finished.		Funding Source: Real Estate Excise Tax I Fund 331.90.594.207.4106 \$ 1,500																							
<b>Cost Distribution:</b>		Construction \$ 1,500																							
<b>Project Schedule - Interpretive Signs</b>																									
		<b>2012</b>												<b>2013</b>											
		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																									
<b>12 Repair Failing Retaining Wall on 61st Place W.</b>		<b>ST110003</b>	<b>\$ 150,000</b>																						
A retaining wall, installed about 12 years ago is failing - the ground under the wall is moving and taking the pilings with it. Design is underway to propose a fix so that we don't lose the existing wall and then the road.		Funding Source: REET I Fund 331.90.595.605.6510 \$ 150,000																							
<b>Cost Distribution:</b>		Construction \$ 150,000																							
<b>Project Schedule</b>																									
		<b>2011</b>												<b>2012</b>											
		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																									
		PENDING FUNDING APPROVAL																							
<b>13 Downtown Business Directional Signs</b>		<b>PL110002</b>	<b>\$ 7,000</b>																						
Installation of a directional sign at 3rd St and SR 525 (Totem Park), and a pathfinder sign at 5th & Lincoln Street.		Funding Source: Real Estate Excise Tax I Fund 331.90.594.207.6336 \$ 7,000																							
<b>Cost Distribution:</b>		Construction \$ 7,000																							
<b>Project Schedule - Downtown Business Directional Signs</b>																									
		<b>2012</b>												<b>2013</b>											
		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																									
<b>14 92nd Street Sidewalk Repair</b>		<b>PW120001</b>	<b>\$ 25,000</b>																						
Repair the sidewalk in the 5700 block of 92nd St. where it is slowly sinking down the bank into the gulch.		Funding Source: Real Estate Excise Tax II Fund 332.90.595.610.6100 \$ 25,000																							
<b>Cost Distribution:</b>		Construction \$ 25,000																							
<b>Project Schedule</b>																									
		<b>2012</b>												<b>2013</b>											
		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																									
<b>15 76th Street Sidewalk</b>		<b>PW120002</b>	<b>\$ 130,000</b>																						
Construct a sidewalk with curb, gutter and drainage, on 76th Street from 44th Ave. to 46th Ave.		Funding Source: Real Estate Excise Tax II Fund 332.90.595.610.6200 \$ 130,000																							
<b>Cost Distribution:</b>		Construction \$ 130,000																							
<b>Project Schedule</b>																									
		<b>2012</b>												<b>2013</b>											
		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																									
		PENDING GRANT APPROVAL																							

<b>16</b>	<b>Smuggler's Gulch LID Retrofit Test Case</b>	<b>Smuggler</b>	<b>\$ 125,000</b>																					
	Design and install a Low Impact Development surface water management system test case in upper Smuggler's Gulch.	Funding Source: Surface Water Mgmt Fund 440.90.594.305.6203 \$ 125,000																						
	<b>Cost Distribution:</b>																							
	Construction \$ 125,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

<b>17</b>	<b>2nd Street Culvert/Stream Alignment Correction</b>	<b>SW120002</b>	<b>\$ 43,000</b>																					
	The 2nd Street culvert will be extended and a 45 degree bend installed, to stop the erosion of the adjacent property.	Funding Source: Surface Water Mgmt Fund 440.90.594.392.6310 \$ 43,000																						
	<b>Cost Distribution:</b>																							
	Construction \$ 43,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Design Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

<b>18</b>	<b>61st Street Culvert Replacement</b>	<b>SW073101</b>	<b>\$ 210,000</b>																					
	Repair/replacement of the culvert at the bottom of Smuggler's Gulch, 61st Place.	Funding Source: Surface Water Mgmt Fund 440.90.594.306.6203 \$ 210,000																						
	<b>Cost Distribution:</b>																							
	Construction \$ 210,000																							
<b>Project Schedule</b>																								
	<b>2011</b>												<b>2012</b>											
Design Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

<b>19</b>	<b>63rd Street Slide Repair</b>	<b>SW120003</b>	<b>\$ 25,000</b>																					
	A slide occurred off the end of 63rd above the Mukilteo Water and Wastewater Districts sewer plant. The slide took out the sewer plant power line and put at risk the District's sewer line and the City's storm drain line. We have agreed to share in the cost of securing the utilities in the slide area.	Funding Source: Surface Water Mgmt Fund 440.90.594.392.6311 \$ 25,000																						
	<b>Cost Distribution:</b>																							
	Construction \$ 25,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

<b>20</b>	<b>Decant Station Roof</b>	<b>SW120005</b>	<b>\$ 35,000</b>																					
	Cover the decant station with a simple three sided and roofed structure.	Funding Source: Surface Water Mgmt Fund 440.90.594.392.6313 \$ 35,000																						
	<b>Cost Distribution:</b>																							
	Construction \$ 35,000																							
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

<b>21</b>	<b>Japanese Gulch Fish Passage Project - Phase 3 Stream Relocation</b>	<b>PL090005</b>	<b>\$ 170,000</b>																					
	Japanese Gulch Fish Passage Project stream relocation.	Funding Source: Surface Water Mgmt Fund																						
		440.90.594.805.6545	\$ 170,000																					
	<b>Cost Distribution:</b>																							
	Construction	\$	170,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>22</b>	<b>GIS System, System Evaluation</b>	<b>SW120001</b>	<b>\$ 76,000</b>																					
	Continuation of efforts to create a GIS asset management system.	Funding Source: Surface Water Mgmt Fund																						
		440.90.594.380.6401	\$ 76,000																					
	<b>Cost Distribution:</b>																							
	Software	\$	76,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Software	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>23</b>	<b>GPS Field Equipment</b>	<b>SW120006</b>	<b>\$ 6,300</b>																					
	Purchase of a combination GPS/Tablet computer that will allow staff to field collect location and system data for input into our Stormwater system GIS.	Funding Source: Surface Water Mgmt Fund																						
		440.90.594.380.6402	\$ 6,300																					
	<b>Cost Distribution:</b>																							
	Equipment	\$	6,300																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Equipment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>24</b>	<b>Naketa Beach Area Storm Pipe Extension</b>		<b>\$ 25,000</b>																					
	Extend a storm drain pipe that currently discharges part way down a small ravine on the bluff causing erosion and possibly leading to increased instability of the adjacent bluff area. The pipe will be extended down to the culvert that runs under the BNSF RR.	Funding Source: Surface Water Mgmt Fund																						
		440.90.594.392.6310	\$ 25,000																					
	<b>Cost Distribution:</b>																							
	Construction	\$	25,000																					
<b>Project Schedule</b>																								
	<b>2012</b>												<b>2013</b>											
Construction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec



The Mukilteo Community Garden provides space for personal gardens, as well as designated space to benefit the local food bank.



## **SUPPLEMENTAL INFORMATION**

**City of Mukilteo Position Listing**

Group	Position Title	FTE	2010 Staff	2010 FTE's	2011 Staff	2011 FTE's	2012 Staff	2012 FTE's	Pay Grade	2012 Annual Salary Range
<b>NON-REPRESENTED</b>	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 of 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 Director	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
<b>CLERICAL</b>	Customer Service Clerk - PT	50%	0.0	0.0	4.0	2.0	4.0	2.0	hourly	\$9-\$15/hourly
	Department Assistant	100%	1.0	1.0	0.0	0.0	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	1.0	0.5	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	2.0	2.0	2.0	2.0	C62	42,528 - 51,693
	Recreation Office Technician	100%	0.0	0.0	2.0	2.0	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	1.0	1.0	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%	1.0	1.0	1.0	1.0	1.0	1.0	C88	55,115 - 66,993
	Technology Analyst	100%	0.0	0.0	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	1.0	1.0	1.0	1.0	C101	62,723 - 76,240
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	2010 Staff	2010 FTE's	2011 Staff	2011 FTE's	2012 Staff	2012 FTE's	Pay Grade	2012 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	0.0	0.0	0.0	0.0	C43	35,374 - 42,964
	Facility Maintenance Service Worker	100%	0.0	0.0	1.0	1.0	1.0	1.0	C53	39,060 - 47,459
	Parks/Facility Attendant - PT	80%	1.0	0.8	0.0	0.0	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
<b>SUBTOTAL</b>			<b>113.0</b>	<b>107.5</b>	<b>116.0</b>	<b>109.0</b>	<b>115.0</b>	<b>108.0</b>		
<b>ELECTED:</b>										
	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
<b>TOTAL</b>			<b>121.0</b>	<b>115.5</b>	<b>124.0</b>	<b>117.0</b>	<b>123.0</b>	<b>116.0</b>		

**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 2011 to 2012 are as follows:**

**Planning & Community Development:** eliminated one Assistant Planner position.



## Major Employers

Name of Business	Type of Business	Number of Employees
Boeing Company	Aviation	951
Mukilteo School District	Education	539
Travis Industries	Fireplaces, stoves, inserts manufacturing	400
ElectroImpact Inc	Engineering Design	367
D3 Technologies Inc	Engineering and Drafting	246
Senior Services of Snohomish County	Services to low income elderly and disabled persons	200
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
Travis Business Park LLC	Manufacturing
RREEF America Reit II Corp	Multi-Family Dwelling
WiredZone Property LLP	Commercial
Legacy Partners Harbour Pointe LLC	Commercial
On The Green HP LLC	Multi-Family Dwelling
SVF Harbour Pointe Mukilteo LLC	Multi-Family Dwelling
SC Harbour Pointe Inc.	Retail Trade
Essex Property Trust	Multi-Family Dwelling
Sterling Realty Organization	Commercial
ElectroImpact Inc.	Manufacturing

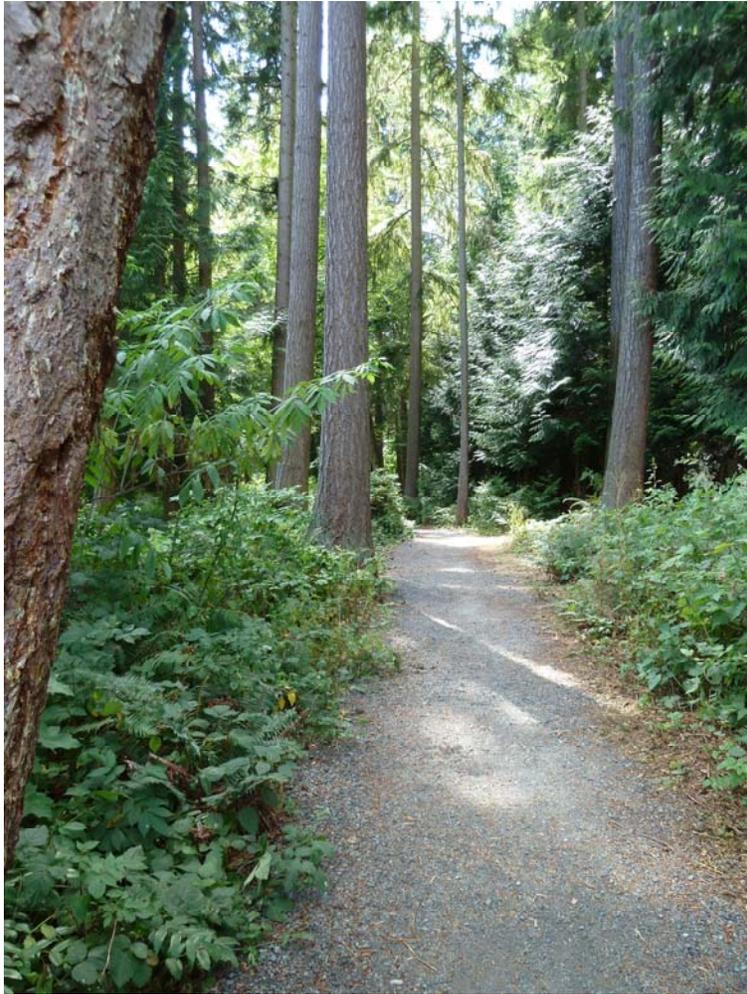


## The Community and Selected Data

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Est.
<b>General</b>										
Area (square miles)	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Population	19,190	19,220	19,350	19,620	19,800	20,050	20,110	20,254	20,254	20,254
Per Capita Income	\$31,856	\$33,285	\$34,963	\$37,115	\$37,115	\$37,115	\$40,302	\$39,399	\$39,399	\$39,399
Unemployment Rate (Avg. - Snohomish Co.)	7.1%	5.8%	5.1%	4.6%	4.3%	5.4%	9.5%	9.8%	9.5%	9.5%
Median Age	36.5	36.5	39.3	39.3	39.3	39.3	40.1	41.8	41.8	41.8
School Enrollment (Mukilteo SD)	13,865	14,057	14,482	14,332	14,484	14,423	14,454	14,443	14,895	14,895
Number of City Employees (FTE)	82.0	82.5	84.5	88.5	92.5	106.0	106.0	107.5	109.0	108.0
City Employees per 1,000 Population	4.3	4.3	4.4	4.5	4.7	5.3	5.3	5.3	5.4	5.3
<b>Fire Protection</b>										
Number of Fire Personnel	16	17	18	20	21	21.5	29.5	29.5	29.5	29.5
Number of Volunteer Firefighters	50	54	55	55	55	0	0	0	0	0
Number of Reserve Firefighters/EMS	0	0	0	0	0	37	22	0	0	0
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Responses (EMT/Fire)	1,635	1,590	1,742	1,876	1,769	1,600	1,894	1,888	1,820	1,880
<b>Police Protection</b>										
Number of Police Personnel	27	27	27	27	28	32	32	32	32	32
Number of Calls for Service	15,175	16,923	12,486	12,614	12,943	12,505	12,755	12,511	12,600	12,600
Animal Licenses	394	399	419	425	440	315	250	271	275	300
<b>Parks and Recreation</b>										
Total Acreage	431	433	433	433	433	499	499	515	515	515
<b>Streets</b>										
Miles of Paved Roadway	63	67	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	13	13	13	13	13	13	13	13	13	13
Traffic Signals	2	2	2	2	2	2	2	2	2	2
<b>Storm Water Management</b>										
Linear Feet of Storm Water Pipes	172,402	174,000	178,125	179,520	179,520	184,800	185,020	188,070	188,570	188,570
Catch Basins	2,300	2,530	2,550	2,570	2,600	2,606	2,611	2,649	2,656	2,656



Walking trail at 92<sup>nd</sup> Street Park



CITY OF MUKILTEO  
MUKILTEO, WASHINGTON

**ORDINANCE NO. 1291**

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON,  
ADOPTING THE 2012 MUNICIPAL BUDGET IN THE AMOUNT OF  
\$22,141,545.**

**WHEREAS**, Mayor’s 2012 Preliminary Budget recommendation and Budget Message was presented to the City Council, and filed with the City Clerk on November 2, 2011, 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 2012 Annual Budget; and

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

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

**WHEREAS**, the City Council held a public hearing on November 7, 2011, 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 14, 2011, to November 15, 2011, to November 21, 2011, to November 22, 2011, and to November 28, 2011 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 2012 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 2012 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 5<sup>th</sup> day of December 2011.

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:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO. 1291



**ORDINANCE NO. 1291**

**EXHIBIT "A"**

**BUDGET SUMMARY BY FUND**

<b>Fund Number</b>	<b>Fund Description</b>	<b>Beginning Fund Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Fund Balance</b>
009	LEOFF I Reserve	\$133,460	\$30,300	\$37,200	\$126,560
011	General	4,554,100	12,445,766	12,793,590	4,206,276
012	City Reserve	1,000,000	0	0	1,000,000
013	Health Insurance Administration	51,000	15,300	0	66,300
014	Unemployment Compensation	40,490	0	0	40,490
015	Paine Field Emergency Reserve	156,240	0	156,240	0
104	Drug Enforcement	34,400	0	0	34,400
111	Street	19,350	780,100	748,730	50,720
112	Arterial Street	155,812	136,650	165,000	127,462
114	Recreation & Cultural Services	146,330	534,150	590,100	90,380
116	Hotel/Motel Lodging Tax	194,930	175,400	148,900	221,430
120	Technology Replacement	146,570	80,200	124,512	102,258
126	Emergency Medical Services	381,360	1,849,200	1,904,528	326,032
275	LTGO Bond	7,120	905,310	905,650	6,780
322	Park Acquisition & Development	186,880	245,100	270,000	161,980
323	Transportation Impact Fee	131,870	98,700	100,000	130,570
331	Real Estate Excise Tax I	4,642,760	417,000	1,261,245	3,798,515
332	Real Estate Excise Tax II	213,750	415,500	424,800	204,450
341	Municipal Facilities	170	0	0	170
375	Community Center Project	543,362	0	95,260	448,102
440	Surface Water Management	1,664,340	1,328,600	1,787,350	1,205,590
510	Equipment Replacement Reserve	1,458,140	513,990	175,100	1,797,030
518	Facilities Maintenance	123,180	400,000	453,340	69,840
<b>TOTALS</b>		<b>\$15,985,614</b>	<b>\$20,371,266</b>	<b>\$22,141,545</b>	<b>\$14,215,335</b>

Exhibit "B"

Law Enforcement Officers

Classification	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 associate's 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*
	<u>25.0</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
<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%	<u>478.00</u>	<u>478.00</u>	<u>478.00</u>	<u>478.00</u>	<u>478.00</u>
	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%	<u>597.51</u>	<u>597.51</u>	<u>597.51</u>	<u>597.51</u>	<u>597.51</u>
	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	64
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
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	4.0	\$9 - \$15/Hr
Part-time Department Assistant	3.0	55
Part-time Recreation Programmer	1.0	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	1.0	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
Sr. Engineering Technician	1.0	101
Sr. Planner	1.0	102
	24.0	

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
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	Step B	Step C	Step D	Step E
	0 - 12 mo	13 - 24 mo	25 - 36 mo	37 - 48 mo	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
	4.0	

**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
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 Services Director	1.0	112
Assistant Fire Chief	1.0	120
Police Commander	1.0	120
Asst. Dir. of Planning & Community Dev.	1.0	123
Director of Planning & Community Dev.	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**

Pay Range	Step A	Step B	Step C	Step D	Step E
	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 1291**  
of the City of Mukilteo, Washington

On December 5, 2011, the City Council of the City of Mukilteo, Washington, adopted Ordinance No. 1291 the main point of which may be summarized by its title as follows:

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON,  
ADOPTING THE 2012 MUNICIPAL BUDGET IN THE AMOUNT OF  
\$22,141,545.**

The 2012 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	\$133,460	\$30,300	\$37,200	\$126,560
011	General	4,554,100	12,445,766	12,793,590	4,206,276
012	City Reserve	1,000,000	0	0	1,000,000
013	Health Insurance Administration	51,000	15,300	0	66,300
014	Unemployment Compensation	40,490	0	0	40,490
015	Paine Field Emergency Reserve	156,240	0	156,240	0
104	Drug Enforcement	34,400	0	0	34,400
111	Street	19,350	780,100	748,730	50,720
112	Arterial Street	155,812	136,650	165,000	127,462
114	Recreation & Cultural Services	146,330	534,150	590,100	90,380
116	Hotel/Motel Lodging Tax	194,930	175,400	148,900	221,430
120	Technology Replacement	146,570	80,200	124,512	102,258
126	Emergency Medical Services	381,360	1,849,200	1,904,528	326,032
275	LTGO Bond	7,120	905,310	905,650	6,780
322	Park Acquisition & Development	186,880	245,100	270,000	161,980
323	Transportation Impact Fee	131,870	98,700	100,000	130,570
331	Real Estate Excise Tax I	4,642,760	417,000	1,261,245	3,798,515
332	Real Estate Excise Tax II	213,750	415,500	424,800	204,450
341	Municipal Facilities	170	0	0	170
375	Community Center Project	543,362	0	95,260	448,102
440	Surface Water Management	1,664,340	1,328,600	1,787,350	1,205,590
510	Equipment Replacement Reserve	1,458,140	513,990	175,100	1,797,030
518	Facilities Maintenance	123,180	400,000	453,340	69,840
<b>TOTALS</b>		<b>\$15,985,614</b>	<b>\$20,371,266</b>	<b>\$22,141,545</b>	<b>\$14,215,335</b>

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

APPROVED by the City Council on December 5, 2011.

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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.

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

**BANKED CAPACITY** A taxing authority's ability to levy less than the maximum increase in property taxes allowed under law without losing the ability to levy higher taxes later if necessary. The unused capacity is "banked" for potential levy in later years.

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

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

**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.

**CPA** Certified Public Accountant.

**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.

**FAICP** Fellow of the American Institute of Certified Planners. Fellowship is granted to planners who are members of AICP and have achieved excellence in: professional practice; teaching and mentoring; research; public/community service; and leadership.

**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).

**PE** Certified Professional Engineer.

**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).