

2013 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

PREPARED BY THE FINANCE DEPARTMENT

Scott James, CPA
Finance Director

Carl Grimes
Accounting Manager

Joyce Hill
Staff Accountant

Wanda Locke
Accounting Technician

Debbie Engnes
Accounting Technician

Carmen Roberts
Accounting Technician

ELECTED OFFICIALS 2013



Joe Marine
Mayor



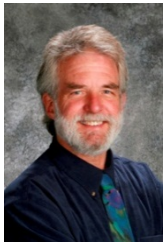
Randy Lord
Council President



Linda Grafer
Council Vice President



Jennifer Gregerson
Councilmember



Richard Emery
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
Scott James, CPA
Mike Springer
Heather McCartney, FAICP
Rex Caldwell
Larry Waters, PE
Jennifer Berner



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Mukilteo

Washington

For the Fiscal Year Beginning

January 1, 2012

Christopher P. Morrell

President

Jeffrey R. Egan

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, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



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MAYOR'S 2013 BUDGET MESSAGE

October 29, 2012

Mukilteo City Council
Citizens of Mukilteo
Mukilteo Business Community

Transmittal of 2013 Preliminary Budget

Dear Council and Mukilteo Community:

I respectfully submit for your review and action the 2013 budget. I am pleased to present a balanced budget that is cautiously optimistic about our local economy: a budget that thoughtfully and carefully allocates each dollar.

2013 Budget

Public Safety – Our First and Foremost Priority:

Police:

\$ 275,477 for four new replacement police cars and addition of half time Police Records Clerk;

Fire:

\$ 1,320,000 for two replacement fire trucks
\$ 150,000 replacing 3 Jaws of Life rescue tools
\$ 92,300 replacing fire radios
\$ 90,000 replacing a worn out air compressor for firefighter air tanks

Police and Fire:

\$178,120 for modular computer terminals in vehicles, and training and software for Mukilteo's participation in an area wide New World dispatch and records system. They deserve no less and it is a wise investment.

Investing and maintaining our infrastructure

\$117,000 to finance our efforts to prevent commercial air service from negatively affecting aerospace manufacturing at Paine Field. The City is dedicated to working to preserve this national treasure and regional economic engine for aerospace manufacturing. The City Council and I are undivided in our appreciation of the importance of doing everything in our power to insure the infrastructure necessary to support the manufacture of the world's finest aircraft at Paine Field for this year and the next fifty years.



\$445,000 for street pavement preservation. This will be our seventh year of a ten year plan to chip seal all of Mukilteo's 60 miles of streets. This year the Old Town area will be chip sealed to rejuvenate and protect our investment in safe streets.

\$115,000 (contingent on a partial grant) to install a sidewalk on 76th Street creating a safe walking path from home to school for our children.

\$225,500 in the form of two design grants received by the City for designing a pedestrian/bicycle path to Boeing and to link Mukilteo with commuting and recreational bicycling networks throughout the Puget Sound. Final design will make us competitive for construction grants.

Rosehill.

The fourth bond payment of \$906,000 will be paid with Real Estate Excise Tax funds. The proposed budget also recommends dedicating the receipts from the sale of a vacant city lot to a future Rosehill mortgage payment. My personal commitment remains firm that the City will pay off Rosehill's bond with only REET revenues and no General Fund (property tax) dollars.

With the continuing success of recreation programs and room rentals, revenues are projected to increase and accordingly the amount of funds transferred from the General Fund is reduced to \$150,000.

Protecting Our Environment

\$928,000 from grants to finance rain gardens or gravel galleries within the Smuggler's Gulch watershed (44th to the Speedway) to manage stormwater, protect property, and enhance the Gulch ecology.

\$230,000 to repair the shoreline bulkhead at the end of Park Avenue.

\$235,000 to replace and reinforce failing sidewalks, culverts and roads on 61st and 92nd Streets.

Year of the Waterfront

We have worked tirelessly and cooperatively on the transfer of the Federal tank farm. 2013 will be the "Year of the Mukilteo Waterfront" when the tank farm is finally transferred (after 12 years) and we will begin to enjoy the economic, recreation and cultural benefits of an invigorated waterfront. We will see new construction jobs, receive construction sales taxes, and commuters will benefit from a new Sounder Station. We will see the protection of existing family wage jobs and continued environmental protection services of NOAA when they become land owners. We will work tirelessly advocating for NOAA and have reason to be optimistic about their continued presence and expansion.

We are equally optimistic about realizing a pedestrian bridge access to the waterfront that will provide all residents a safe path to the Sounder Station, waterfront shops, Lighthouse Park, Ferry terminal (new and old) and waterfront promenade. I look forward to a continuing partnership

with Sound Transit for a parking structure. We will work hard to grow other partnerships that can solve access and parking challenges of the waterfront.

I am excited about our potential tribal partnerships (particularly with the Tulalip Nation) that will honor Mukilteo's historical and cultural place while also capitalizing on recreational and tourism possibilities from a reclaimed and accessible waterfront.

City Staff

My optimism would not be possible without the sacrifices, commitment and creativity of city staff as well as the dedication, sacrifices and initiative of residents. Our city staff is generally leaner (per capita) than other surrounding communities. I expect and we expect more with less and city staff has stepped up to the challenges. They have performed consistently in routine and emergency situations with professionalism and personal commitment. Thank you. This budget includes a modest pay increase that for most employees is their first in 4 years.

City Volunteers Stepping Up to Make the Difference

Thank you also to residents from many parts of the community who have stepped up particularly for the past three years. Tremendous individual efforts like Sally Osborne's to conceive, organize and guide construction of a needed dog park are remarkable. Of course, she didn't do it alone as attested by the groups recognized at the Park opening. Individuals and local groups' passions and persistence make things happen in Mukilteo. There are many other examples of people stepping up including the Historical Society and Garden Club's protection of the Fowler Pear Tree or the Community Garden Group who keep producing and helping neighbors where our city government just can't. Emergency preparedness volunteers in partnership with our emergency responders have been priceless. Park and Arts Commissioners starting up the public art gallery as well as bringing theater back to Mukilteo deserve shout outs. Boy Scouts improving park trails and building entrance structures and Japanese Gulch trail volunteers building new trails have exceeded all expectations. They all have made Mukilteo a more beautiful and livable place over the past several years. Volunteers help because they can and because they (we) love this place.

Taxes and Fees

My 2013 budget is cautiously optimistic that the economy's recovery will continue. We are experiencing growth in restaurant and retail sales and significant increases in lodging tax revenues. Property values have declined by 2.8% (less than surrounding communities) which contributes to lower emergency medical levy revenues.

My budget includes the statutory 1% increase in general property taxes (\$ 47,100).

Liquor Revenues

Our efforts to finance our basic local services and participate in regional economic improvement have been hampered by the slow recovery, but also by state cutbacks including the loss of liquor



sale revenues, which historically helped to fund vital public safety services. We adjusted and we will survive.

Budget Gap

I am pleased to present a budget that lowers the gap between revenues and expenditures to 2.74% from 3.1% in last year's presented budget. We still have to incorporate the work of the Long Range Planning Committee into our month to month financial discipline, but we are making steady progress. With a continually improving economy and continuing financial discipline, we will soon eliminate our gap.

Reduction of Reserves

In accordance with the City's Fund Balance Reserve Policy, the 2013 reserves are being drawn down slowly to eventually arrive at a 16.67% of expenditures. The gradual draw down permits a measured response to declining revenues against minimum operational needs. At the end of 2013, the projected General Fund reserve will equal 29% of expenditures. The General Fund Reserve continues to provide the City with a "safety net" to weather the slow economic recovery.

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 \$3,700,000.

Closing Comments

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

This Budget mirrors my past seven budgets as a team effort to present a financial and operational plan to protect Mukilteo as a wonderful place to live and work. I do not apologize and I never tire of bragging about Mukilteo as the 9th Best small City in the United States. We have a great place to live, we respect our stewardship, and I have tried to present a budget that furthers our efforts.

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



CHANGES FROM PRELIMINARY BUDGET

| | Cash Increase [Decrease] |
|--|-----------------------------|
| Reduce Lobbyist Services | \$20,000 |
| \$10,000 Transfer from Drug Enforcement Fund | |
| for Youth Substance Abuse Prevention ¹ | \$0 |
| Reduce transfer to Recreation & Cultural Services Fund | \$50,000 |
| Additional contribution to Equipment Replacement Fund | (\$32,473) |
| Impacts to General Fund Ending Cash | \$37,527 |
| | |
| \$10,000 Transfer to General Fund | |
| for Youth Substance Abuse Prevention | (\$10,000) |
| Impacts to Drug Enforcement Fund Ending Cash | (\$10,000) |
| | |
| Reduce transfer to Recreation & Cultural Services Fund | (\$50,000) |
| Impacts to Recreation & Cultural Services Fund Ending Cash | (\$50,000) |
| | |
| Additional contribution to Equipment Replacement Fund | (\$13,954) |
| Impacts to Emergency Medical Services Fund Ending Cash | (\$13,954) |
| | |
| Reduce Byers Park Expense | |
| Japanese Gulch | \$5,000 |
| Impacts to Park Acquisition & Development Fund Ending Cash | \$5,000 |
| | |
| Reduce Transfer to Bond Fund | \$183,000 |
| Impacts to Municipal Facilities Fund Ending Cash | \$183,000 |
| | |
| Reduce Transfer to Bond Fund | (\$183,000) |
| Reduce REET 1 Transfer for Community Center Construction savings to LTGO | \$391,520 |
| Impacts to LTGO Bond Fund Ending Cash | \$208,520 |
| | |
| Reduce REET 1 Transfer for Community Center Construction savings to LTGO | (\$391,520) |
| Remove Shared Use Path | |
| Impacts to Real Estate Excise Tax 1 Ending Cash | (\$391,520) |
| | |
| Park Street Bulkhead Phase 1 | \$130,000 |
| Impacts to Real Estate Excise Tax 2 Ending Cash | \$130,000 |

¹ Transfer to General Fund [Police Department] from Drug Enforcement Fund



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, an increase of one from 2009's tenth position. Money stated: "As West Coast towns go, Mukilteo (pronounced MUCK-uhl-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.

An important recreational trend is the demand for trails and walkways. In 2012, Mukilteo had over three miles of trails, with Big Gulch trail comprising 2 miles. Marked bicycle routes along two of the City's busiest streets account for some four miles.

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 1,400 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:

- 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 74 acres of parks, 357 acres of open space, and 84 acres of tideland.

Additional miscellaneous statistics and information about the City can be found on page 251.

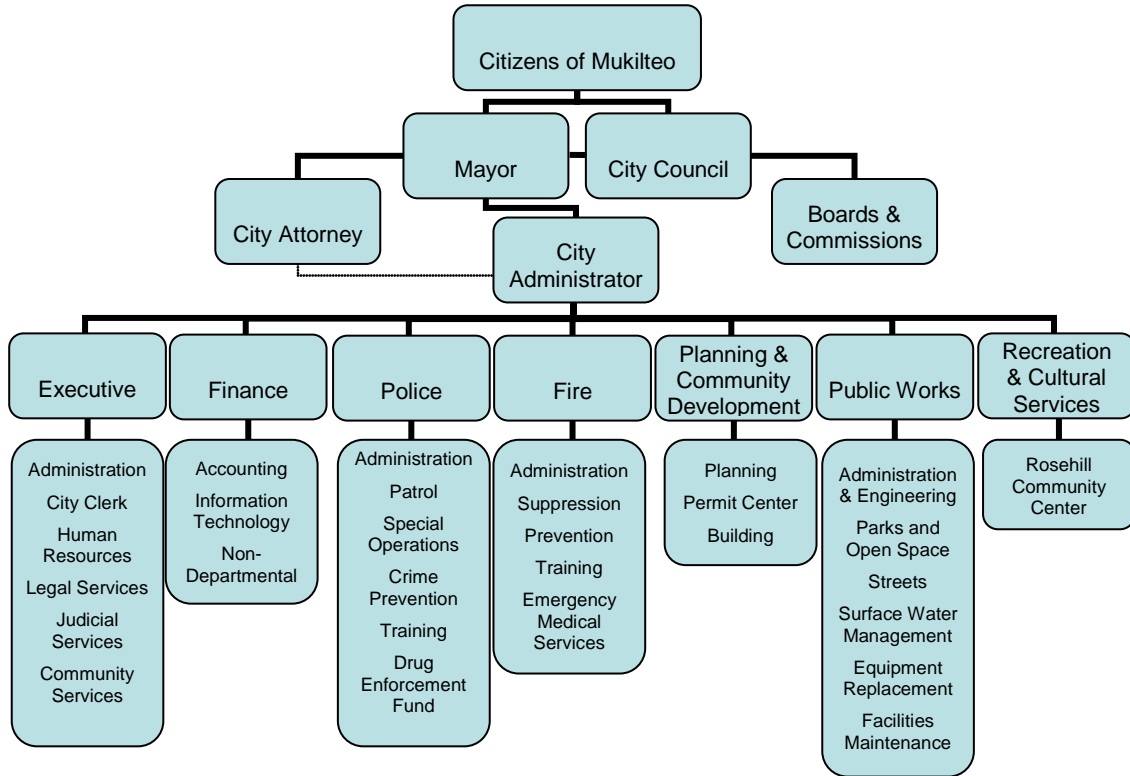
Form of Government

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

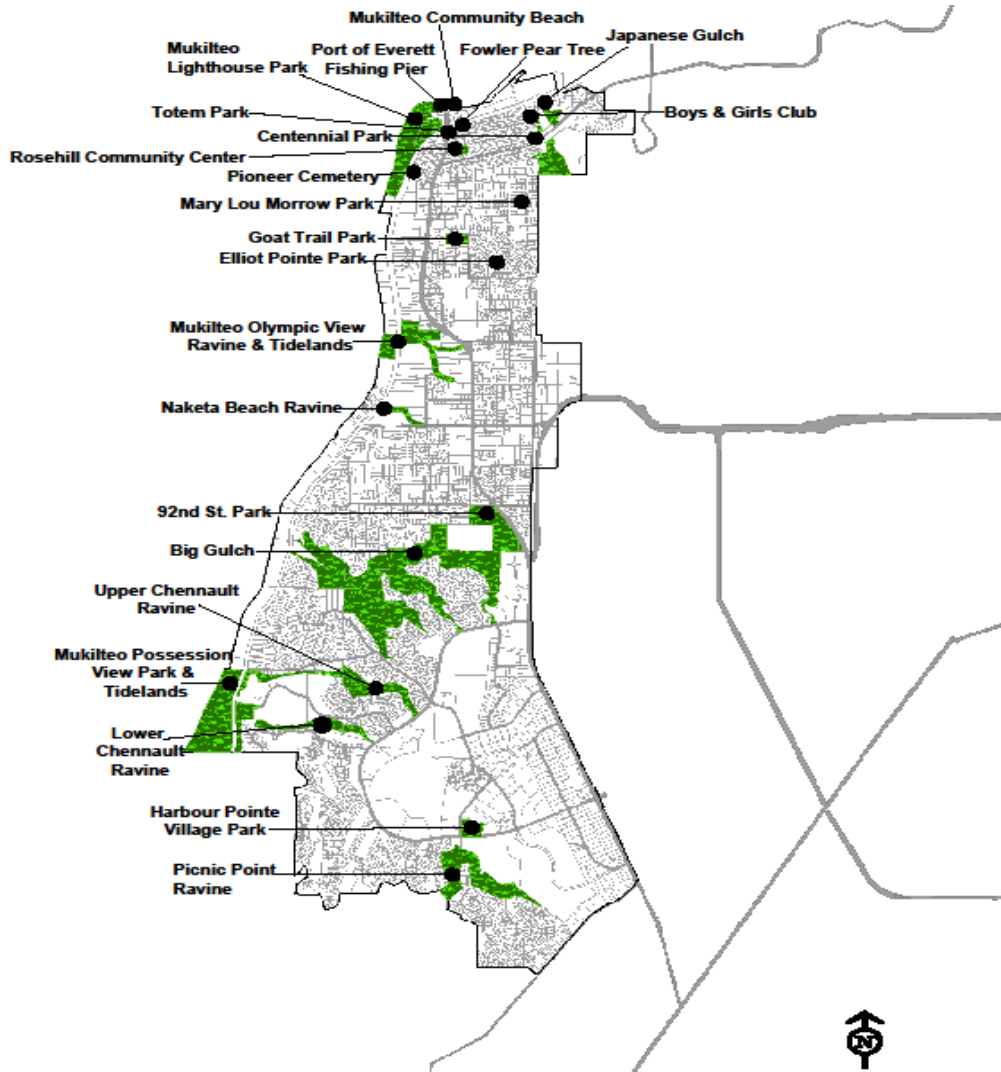
The **Police Department** enforces local, State and Federal laws in addition to protecting citizens and their property. The Police Department is located in a separate facility on 47th Place West. The department, headed by a Police Chief and assisted by a Commander, consists of five divisions. The Administration 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 Planning and Community Development Department also provides staff to work with the Planning Commission. 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, landscaping, fleet, and for management of the Stormwater fund. 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 special events. The department is headed by the Recreation and Cultural Services Director.

Public Parks, Open Space and Recreational Facilities



| | | | |
|------------------------------------|--|--|----------------------------|
| 92nd Street Park | 4800 92nd Street SW | Mukilteo Lighthouse Park | 609 Front Street |
| Big Gulch | 9600 - 62nd Place West | Mukilteo Community Beach | 796 Front Street |
| Boys & Girls Club | 1134 - 2nd Street | Mukilteo Olympic View Ravine & Tidlands | 2599 Mukilteo Speedway |
| Centennial Park | 1126 - 5th Street | Mukilteo Possession View Park & Tidlands | 6750 Harbour Heights Pkwy. |
| Elliott Pointe Park | 945 Goat Trail Loop Road | Naketa Beach Ravine | 5401 - 84th Street SW |
| Fowler Pear Tree Park | 802 Mukilteo Lane | Picnic Pointe Ravine | 13000 - 43rd Avenue West |
| Goat Trail Park | 1404 Goat Trail Road | Pioneer Cemetery | 513 Webster Street |
| Harbour Pointe Village Park | 12215 Possession Way | Port of Everett Fishing Pier | 700 Front Street |
| Japanese Gulch [includes Dog Park] | 1201 Mukilteo Lane | Rosehill Community Center | 304 Lincoln Avenue |
| Lower Chennault Ravine | 5659 Harbour Pointe Blvd | Totem Park | 700 - 2nd Street |
| Mary Lou Morrow Park | 1011 - 9th Street | Upper Chennault Ravine | 5299 Harbour Pointe Blvd. |
| Byers Family Park | Highway 525 and 4 th Street | | |



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 2013 proposed budget, which are listed on page 6 (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 15.

Budget Execution/Amendments

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



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

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 2013 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 2013 budget are addressed in further detail in the Long Range Financial Plan Financial Forecast section beginning on page 64.

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 113.

Budget Policy

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

1) Operating Budgets¹ – Overall

- a) The budget should be a performance², financing and spending plan agreed to by the City Council and Mayor. It should contain information and data regarding expected revenues, expected expenditures and expected performance.
- b) The Finance Director shall prepare and present the annual budget preparation calendar to Council, Mayor and staff by the end of March each year.
- c) Annually, the Mayor will prepare and refine written policies and goals to guide the preparation of performance, financing and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.
- d) As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association: public policies, and Long-Range Financial Plan.
- e) The City's annual budget presentation should display the City's service/delivery performance plan in a Council Constituent-friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of the City operations. The City will also prepare the line item format materials for those who wish to review that information.
- f) Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.
- 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.³
- 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.

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

²The City currently does not have a formal performance plan, even though the Budget Policy mentions that the City's Annual Budget should include one. The development of a "Performance Plan" will be a priority for completion during 2014.

³Carryover 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 inflation⁴ and scheduled rate increases. Actual revenues that are over estimates will be recognized through budgetary adjustments only after it takes place. This minimizes the likelihood of either a reduction in force or service level in the event revenues would be less than anticipated.
- b) Investment income earned shall be budgeted on the allocation methodology, i.e., the projected average monthly balance of each participating fund.

4) Internal Services Charges

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

5) Reporting

- a) A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. (See monthly Fund Progress Report posted on City website – www.ci.mukilteo.wa.us)
- 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 the Long-Range Financial Planning Committee, and 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, while 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.

⁴Consumer 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:
 - i) Impacts to other projects
 - ii) Funding sources
 - e) Capital project proposals shall include all reasonably attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.
 - f) Major changes in project cost must be presented to the City Council for review and approval. Major changes are defined per City's Procurement Policies & Procedures⁵ as amounts greater than \$30,000 for single craft or trade and greater than \$50,000 for two or more crafts or trades.
 - g) At the time of project award, each project shall have reasonable contingencies also budgeted:
 - i) The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of contract as otherwise determined by the City Council.
 - ii) Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
 - 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.

⁵Procurement 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 issued⁶ when necessary to acquire land and/or fixed assets, based upon the City's ability to pay. Long-term general obligation debt will be limited to those capital projects that cannot be financed from existing revenues and only when there is an existing or near-term need for the acquisition or project. The acquisition or project should also be integrated with the City's Long-range Financial Plan and the Capital Facilities Plan.
- f) The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.
- g) Current revenues or ending fund balance shall be set aside to pay for the subsequent two year's debt service payments. This is intended to immunize the City's bondholders from any short-term volatility in revenues.
- h) The City shall establish affordability guidelines in order to preserve credit quality. One such guideline, which may be suspended for emergency purposes or unusual circumstances, is as follows: Debt service as a percent of the City's operating budget should not exceed ten percent (10%).

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

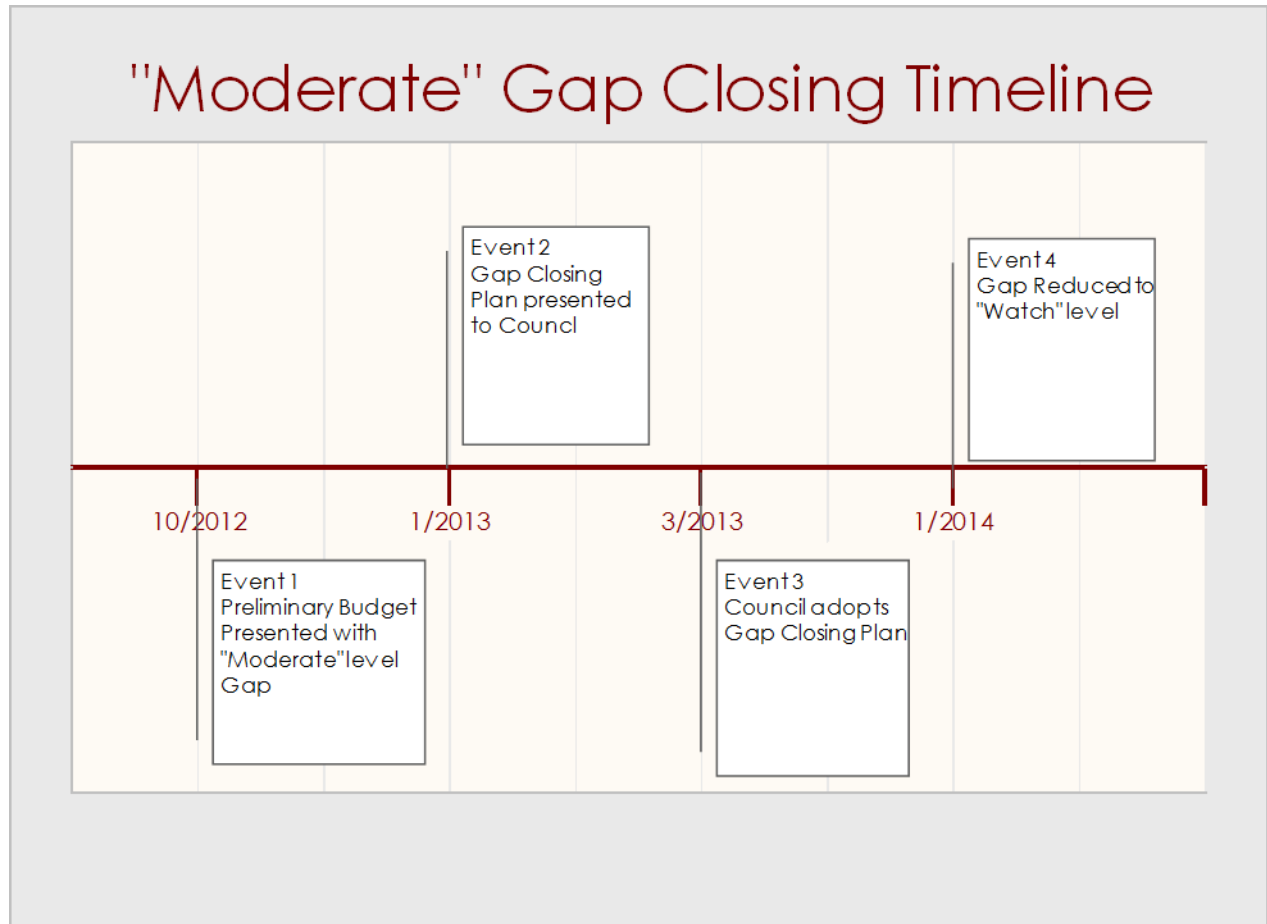
D. Gap Closing Strategy

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.

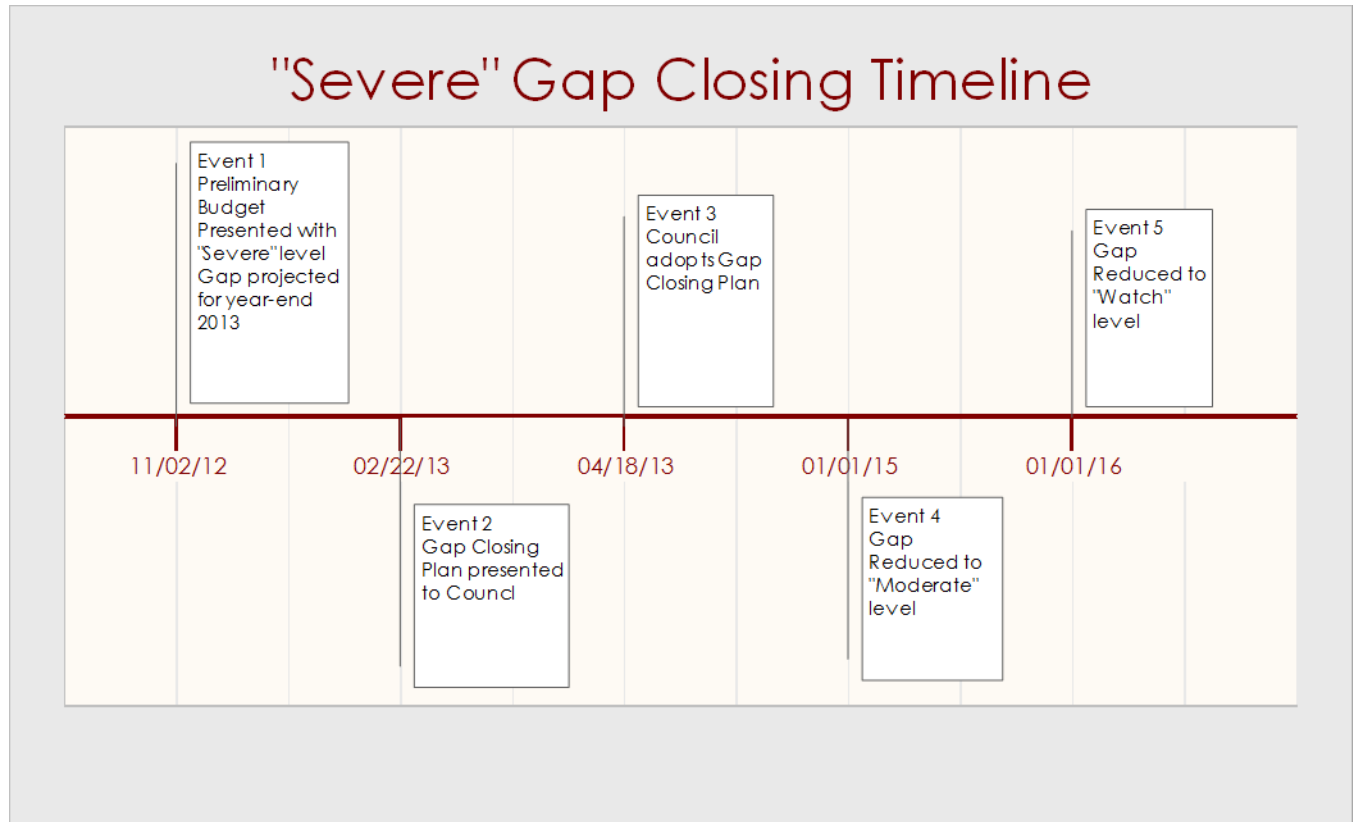
- Moderate – The Mayor or Mayor’s designee has to present a Gap Closing Plan to Council within three months of Finance Director’s initial Gap report indicating that a “Moderate” Gap is anticipated within one of the next three years. The plan must include details explaining how the City will move the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

Technology Replacement Reserves: The City maintains a Technology Replacement Reserve for replacement of entity-wide computer hardware, software, or telephone equipment identified in the City's Technology Replacement listing. The required level of reserve will equal each year's scheduled replacement costs. For example, if the 2011 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000.

Health Self-Insured Administration Reserves: The City maintains a Health Self-Insured Administration Reserve to provide Washington State mandated reserves for the City's self-insured dental and vision benefits for City Employees. The City maintains a reserve equal to 16 weeks of budgeted expense as required by Washington State's Office of Financial Management. The City reviews the required reserve level annually and adjusts it to meet the State's requirements (Washington Administrative Code, WAC 82.60).

Equipment and Vehicle Replacement Reserves: The City maintains fully funded reserve for the replacement of vehicles and equipment identified on the City's equipment replacement listing. The

required level of reserve equals each year's scheduled replacement costs. For example, if the 2011 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000. Contributions are made through assessments to the using funds and are maintained on a per asset basis.

Surface Water Utility Fund Reserves: The City maintains an operating reserve within the Surface Water Utility Fund of an amount equal to no less than 20% of budgeted operating revenues.

Long-Range Financial Plan

Executive Summary

The City's General Fund Long-Range Financial Plan (LRFP) is a planning tool designed to assist 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 1.3% and expenditures are projected to increase at an average rate of 0.9% over the 5 year period. In 2011 the General Fund ending fund balance equaled 35% of 2011 total expenditures and the 2016 ending fund balance is projected to equal 21% of 2016 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 increasing existing water and sewer utility franchise fees.

The 2012 Long Range Financial Plan shows that the City will be financially positioned to continue offering our current levels of services through 2016. 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 4.7% in 2016. The City's AAA bond rating from Standard & Poor's attests to our current excellent financial position which we will strive to maintain.

Long-Range Financial Planning Team

Core Team

- Citizens¹
 - Ted Wheeler
 - Rick Passovoy
 - Robert Leach
- 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

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

¹The City acknowledges the following Citizen Volunteers that served on the Long-Range Financial Planning Team in the past:

William Cooper
Luann Ferguson
Russell Rosendal
Vic Bursell
Thank-you!

Long-Range Financial Plan Development

Background

The City of Mukilteo staff began discussing the merits of developing a Long-Range Financial Plan with elected officials in July of 2009. During the discussion, staff presented information covering:

- What is a “Long-Range Financial Plan?”
- Why do “We” need a Financial Plan?

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 by combining financial forecasting with financial strategizing and can be used to identify problems, opportunities, and provide an avenue for Council, citizens and staff to discuss policy.

The City’s plan will have a multi-year planning horizon: with three to five years for projecting current operations and philosophically addresses issues beyond five years.

Why do “We” need a 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: 1) help provide an answer, 2) provide a document to support the answer and 3) provide constituents a consistent answer. Also, a financial plan can be used as a tool to highlight significant issues or problems that must be addressed if goals are to be achieved.

The LRFP clarifies the City’s financial strategic intent and imposes discipline on decision makers by magnifying the cumulative effects of decisions.

Long-Range Financial Planning Process

The City’s inaugural LRFP Team began work in February of 2010 and periodically shared updated drafts of the plan with elected officials to seek input and direction. The LRFP Team used the Planning Process flow chart (see chart on page 33) as a project work guide while drafting and updating the Plan.

Issues & Objectives

Financial Trend Analysis – updated annually

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.

Reserve Analysis – updated annually

Objective

Analyze and recommend appropriate levels of reserves to (a) 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 – updated annually

Objective

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

Gap Closing Plan – updated quarterly

Objective

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

Potential/Future Issues

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

Capital Project Analysis

Objective

Provide 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 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.

Equipment Replacement

Objective

(a) Conduct review of existing Replacement Schedule, (b) Review life expectancy with an eye for implementing a plan to limit replacement and unscheduled maintenance costs, (c) Create Replacement Policy

Technology Replacement

Objective

(a) Conduct review of existing Replacement Schedule, (b) Review life expectancy with an eye for implementing a plan to limit replacement and unscheduled maintenance costs, (c) Create Replacement Policy

Facility Maintenance

Objective

Conduct analysis of funding requirements to maintain or redevelop the City's current facilities.

Departmental Operating Analysis

Objective

Analyze each City Department's financial performance and ability to provide funding to support their respective services and recommend General Fund funding levels.

Review Alternative Sources of Funding for City Expenditures

Objective

Conduct a review of existing revenue streams available to fund expenditures

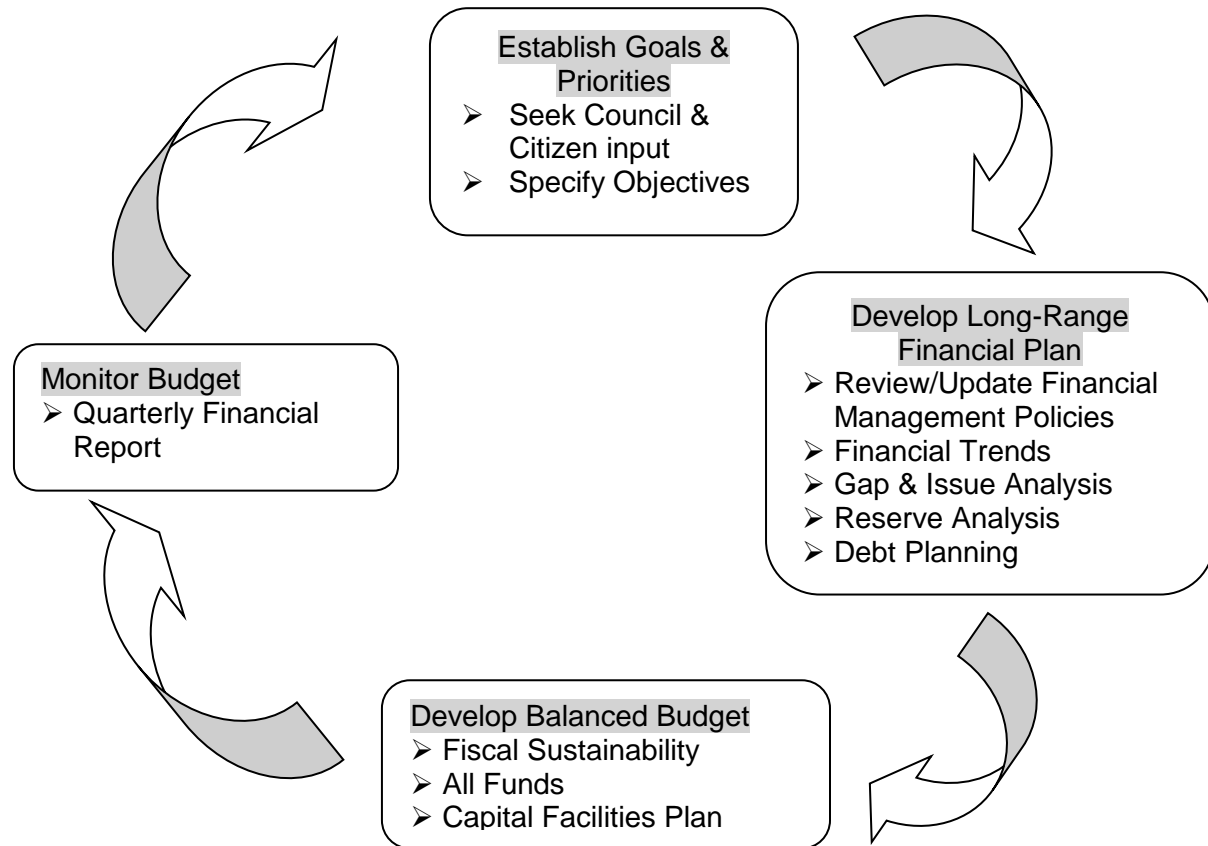
- Use of Real Estate Excise Tax 2 Funds for Street Maintenance. (See Long-Range Financial Plan Appendix: Exhibit 1 HB 1953 for details.)
- Use of "Banked Capacity"
- Local Improvement Districts/Development
- Transportation Benefit District
- Vendors in Parks
- Grants
- Parking Authority

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.

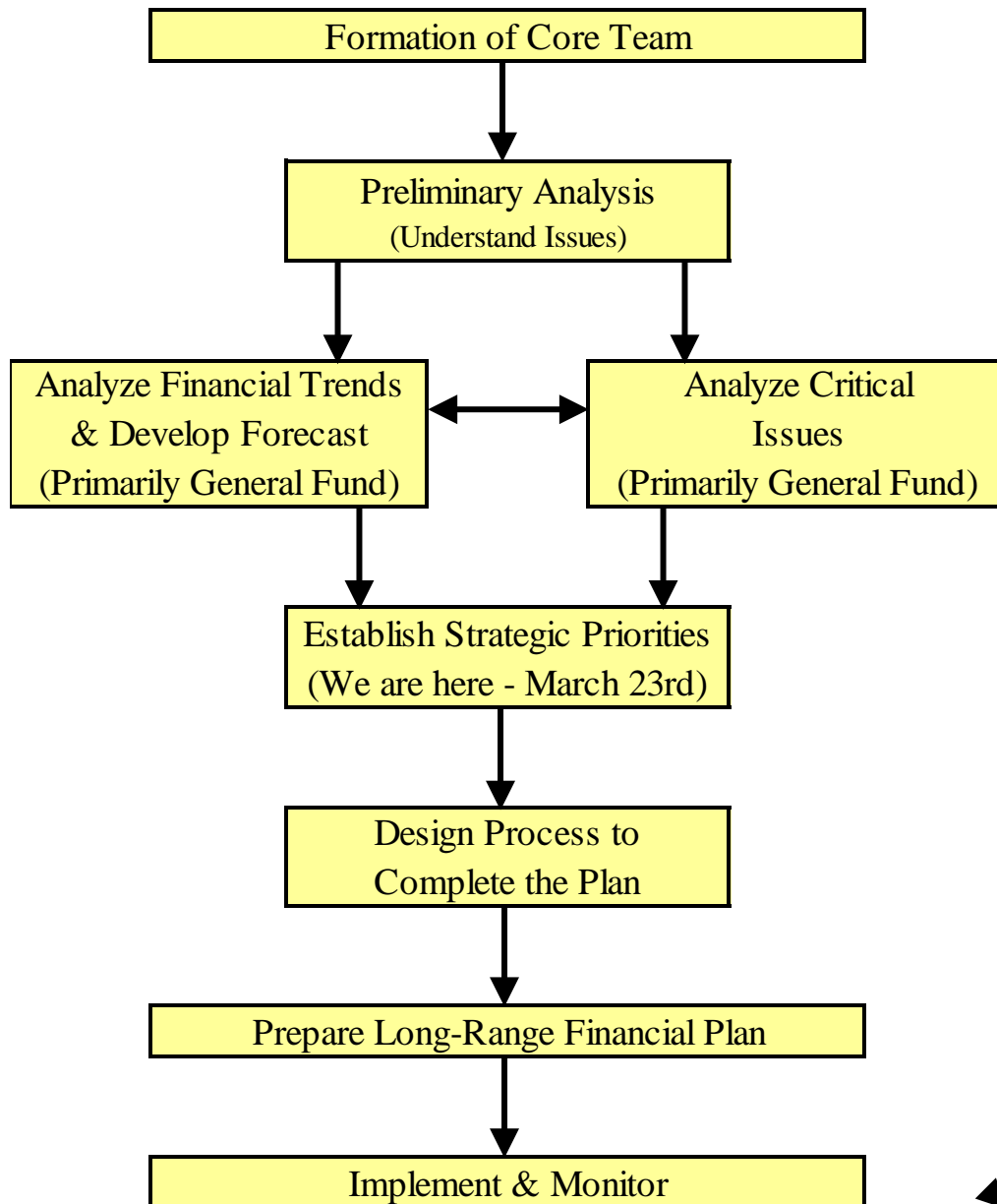
Roles & Responsibilities

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 first Long-Range Financial Plan (LRFP). Each subsequent year hereafter, the LRFP should 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 of issues is intended to accomplish two purposes:

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

| Financial Trend Analysis | Status |
|---|---|
| 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>2012 Financial Trend Analysis</i> is complete |
| Financial Forecast | Status |
| 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>2012 to 2016 Financial Forecast</i> is being updated |
| Reserve Analysis | Status |
| 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. | <p><u>Contingency Fund</u> The City will maintain a Contingency Fund and shall maintain a reserve equal to \$1,000,000.</p> <p><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.</p> <p><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.</p> <p><u>Technology Replacement Reserves</u> The required level of reserve will equal each subsequent year's scheduled replacement costs.</p> |

| | |
|--|---|
| Reserve Analysis, Continued | <p><u>Health Self-Insured Administration Reserves</u> The City will maintain a reserve in an amount equal to 16 weeks of budgeted.</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> |
| Fiscal Policy Review the City's adopted fiscal policies to determine if changes, additions, deletions or new policies are necessary. | Status <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> <p>Proposed amendment to the <u>Gap Closing Policy</u> adds a fourth level of discipline to for guiding how the General Fund can be taken to zero, as the current Gap Closing Policy does not.</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 include the financial trend analysis on 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:

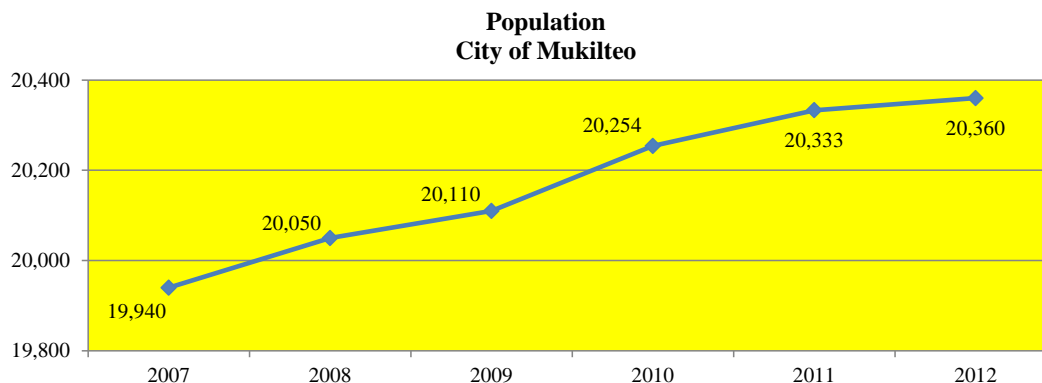
- 1) Population trend
- 2) Historical revenue and expenditures trends analysis
 - a) Examine the types and amounts of General Fund revenues. Are they sufficient and does the City have the right mix to support the demands as the City grows
 - b) Examine General Fund expenditure levels. Are these expenditures 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

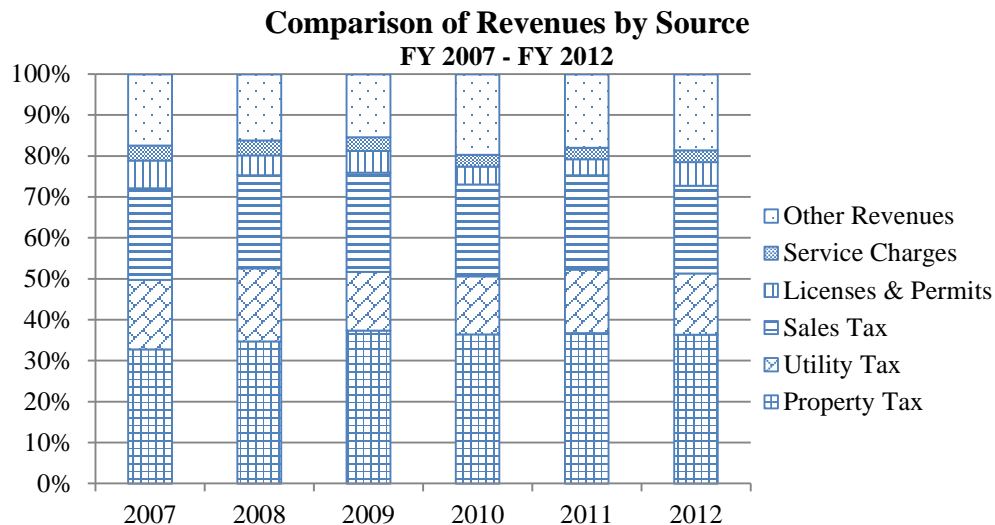
The City's financial trends that follow provide City Council and Management with insight into the overall financial position of the City's General Fund, the primary source of funds for City operations. This analysis makes it possible to identify specific areas where new policies should be implemented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

City of Mukilteo Population



Comments: The population for the City of Mukilteo has grown 2% in the past five years, or less than 0.5% 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

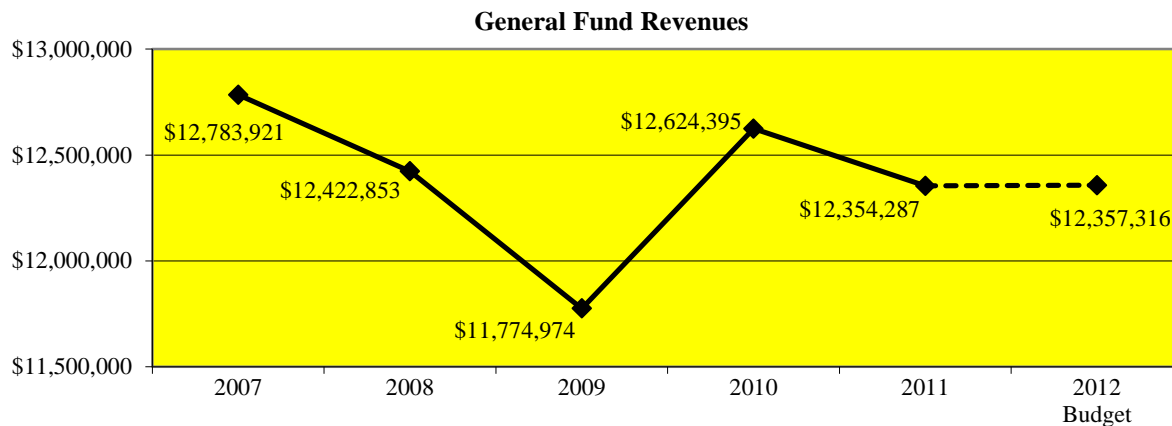


(Other Revenues includes Intergovernmental, Fines & Forfeitures, Other Taxes, and Miscellaneous)

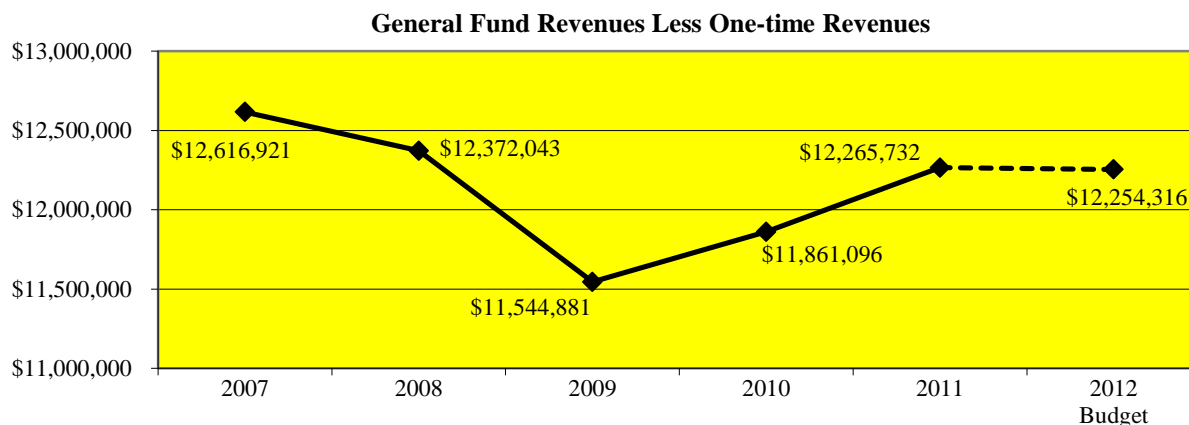
Comments: These two charts show revenue categories to give the reader information on movement of revenues between categories and the degree of dependency on each source of revenue to sustain operations. Economic conditions dependent License & Permit and Sales Tax revenues experienced increases from 2009 to 2011 as the local economy continues its rebound from the Great Recession. Dependency on the City's largest source of revenues, Property Tax, decreased from 2009 to 2011. The other sources of revenues remained stable over this two year comparison.

| Revenues | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Property Tax | \$ 4,193,954 | \$ 4,320,215 | \$ 4,410,288 | \$ 4,608,471 | \$ 4,541,800 | \$ 4,693,116 |
| Utility Tax | \$ 2,857,972 | \$ 2,825,048 | \$ 2,858,620 | \$ 2,842,141 | \$ 2,850,357 | \$ 2,866,000 |
| Sales Tax | \$ 2,176,680 | \$ 2,219,788 | \$ 1,683,104 | \$ 1,784,027 | \$ 1,917,395 | \$ 1,855,000 |
| Licenses & Permits | \$ 1,160,117 | \$ 1,022,315 | \$ 928,048 | \$ 1,004,018 | \$ 1,163,036 | \$ 1,111,600 |
| Service Charges | \$ 866,410 | \$ 596,442 | \$ 624,952 | \$ 549,827 | \$ 482,355 | \$ 523,650 |
| Misc. | \$ 563,065 | \$ 409,903 | \$ 116,168 | \$ 398,411 | \$ 291,328 | \$ 353,500 |
| Other Taxes | \$ 463,653 | \$ 454,747 | \$ 391,332 | \$ 363,082 | \$ 343,599 | \$ 351,000 |
| Intergovt'al Revenue | \$ 361,674 | \$ 428,757 | \$ 622,136 | \$ 891,178 | \$ 549,490 | \$ 391,450 |
| Fines & Forfeitures | \$ 140,397 | \$ 145,638 | \$ 140,325 | \$ 183,240 | \$ 214,927 | \$ 212,000 |
| Total | \$ 12,783,921 | \$ 12,422,853 | \$ 11,774,974 | \$ 12,624,394 | \$ 12,354,287 | \$ 12,357,316 |

Revenues: The graph below gives a wider perspective from pre-Great Recession crash through the current year budget. However, the graph may lead the reader to believe that City revenues continue to remain unstable due the significant swings in revenues since 2007. Judging 2010 to the pre-economic revenues of 2007 also would tend to indicate that the General Fund revenue's two year old skid ended. However, each year include several unique sources of revenues that are truly "one-time" type of revenues and should be removed to give the reader a more accurate view of the City's on-going revenue performance.

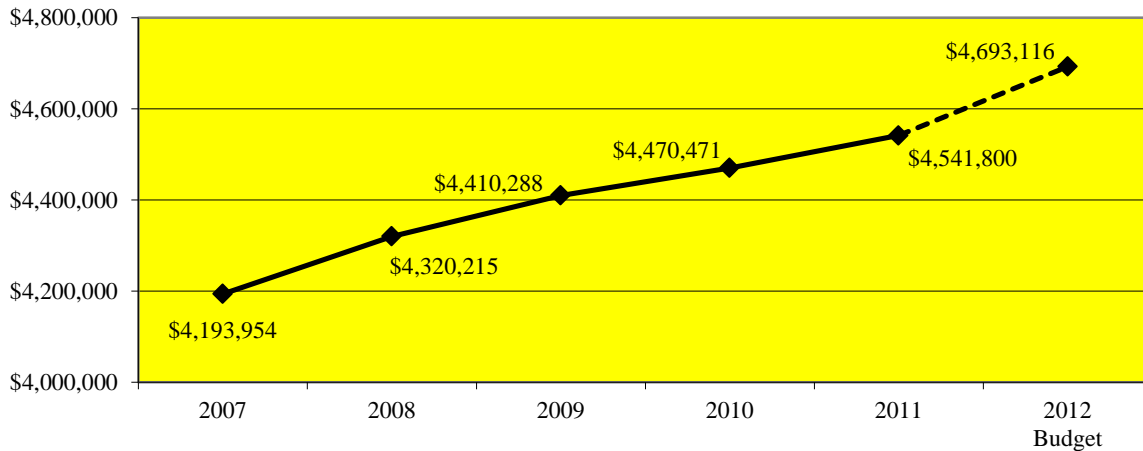


"One-time" Revenues: One-time revenues primarily consist of grants and reimbursements from other agencies. The chart below removes all such revenues for all years and gives the reader a more accurate perspective into the on-going revenue health of the City. For a list of one-time revenues, please refer to the chart in the Long-Range Financial Plan Appendix: Exhibit 2.



Comments: With the "one-time" revenues removed, 2010 revenues out-performed 2009 by 2.7% or \$316,000 and 2011 out-performed 2010 by \$404,000 or 3.4%. The upward ticks for 2010 and continued increase in 2011 are a strong indicator that the City's on-going revenue streams are indeed on the path to recovery. However, with anticipated 2012 revenues still \$362,000 below the revenue high watermark of 2007 shows the General Fund is still not out of the woods and that the City's on-going revenue streams needs to be monitored to see if the higher revenue performance of 2010 and 2011 is sustainable.

Property Tax Revenues

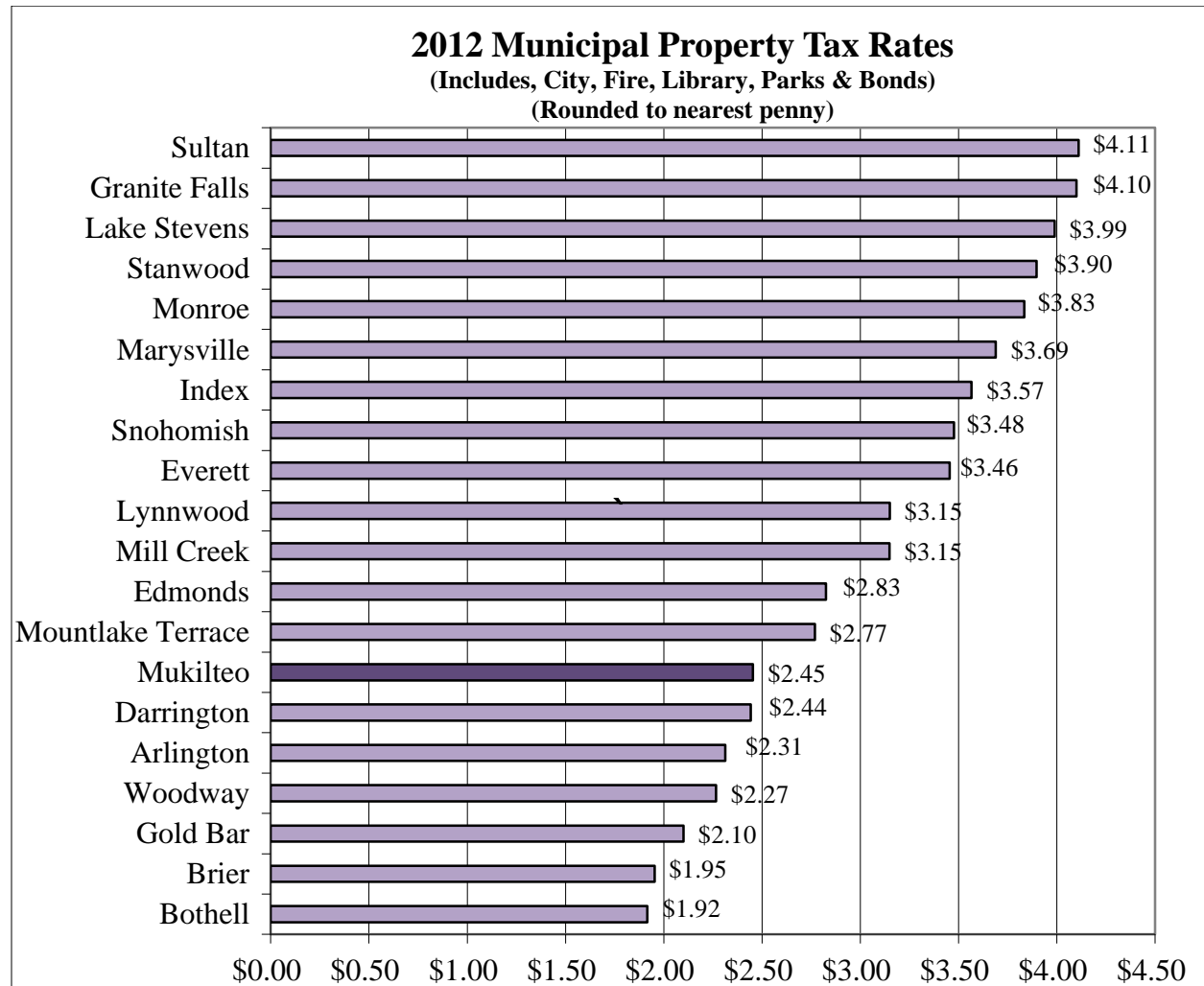


Comments: With the exception of the City opting to take 1% property tax increases in 2009 for \$43,364, 2011 for \$44,800, and 3% in 2012 for \$136,674 the remaining increases of \$274,324 were due to new construction.

In 2010, the City received a property tax payment of \$138,000 for back taxes. With this back tax payment removed from the total, the chart above gives the reader a more accurate picture of real growth in property taxes.

How do City of Mukilteo 2012 property tax rates compare to other cities in Snohomish County?
 Our City comes in seventh 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 Taxes

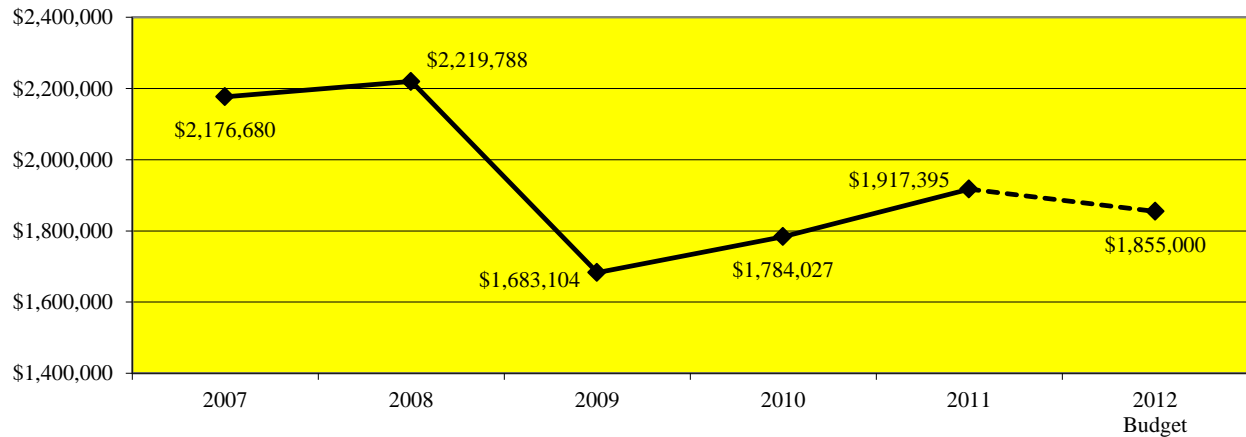
Property taxes collected by Snohomish County are distributed to various taxing authorities. The graph below visually demonstrates the allocation of collected property tax revenues for 2012:

WHERE DO PROPERTY TAX DOLLARS GO?



In 2012, the City of Mukilteo will receive approximately 18 cents of each property tax dollar collected within the City. These property tax revenues are allocated to provide Emergency Medical Services (4.6 cents), and general City services (13.4 cents). The remaining 82 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

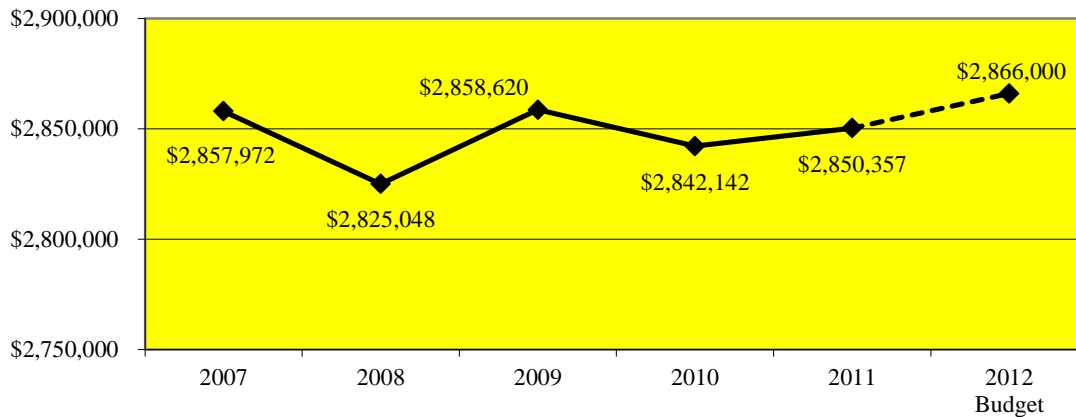
Comments: 2011 sales tax revenues increased 7.5% or \$133,368 over 2010 revenues, and 2010 sales tax revenues had increased 6% or \$100,923, over 2009. Although sales tax revenues have increased since 2009, 2012 revenues are anticipated to come in over \$364,000 lower than 2008 levels.

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 2012:

Where Do Sales Tax Dollars Go?

Utility Tax Revenues



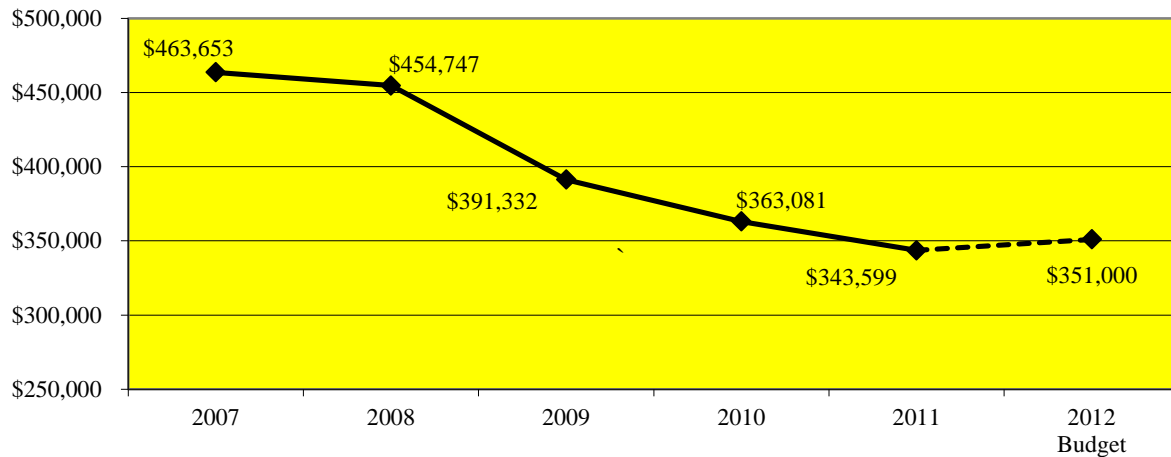
Comments: Utility taxes continue to be a very stable source of revenue for the City during recession and the on-going recovery. Side note: The City was anticipating the implementation of a new Water and Sewer Utility tax on the Water and Sewer Districts operating in the City for 2012. During the course of negotiating agreements with the Districts, the City will begin collection of franchise fees in 2013 and will be recorded in the ***License and Permit Revenue*** category.

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

| Utility Taxes | | | | | | |
|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Natural Gas | \$505,412 | \$494,342 | \$519,460 | \$472,331 | \$469,128 | \$503,000 |
| Garbage | \$196,396 | \$183,026 | \$196,761 | \$229,847 | \$212,578 | \$216,000 |
| Cable | \$337,116 | \$359,641 | \$366,798 | \$369,321 | \$444,922 | \$371,000 |
| Telephone | \$913,667 | \$915,020 | \$900,725 | \$887,324 | \$840,662 | \$894,000 |
| Electricity | \$825,415 | \$795,933 | \$797,509 | \$804,979 | \$805,057 | \$804,000 |
| Storm Drainage | \$79,966 | \$77,087 | \$77,367 | \$78,339 | \$78,010 | \$78,000 |
| Total | \$2,857,972 | \$2,825,048 | \$2,858,620 | \$2,842,142 | \$2,850,357 | \$2,866,000 |

Other Tax Revenues

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



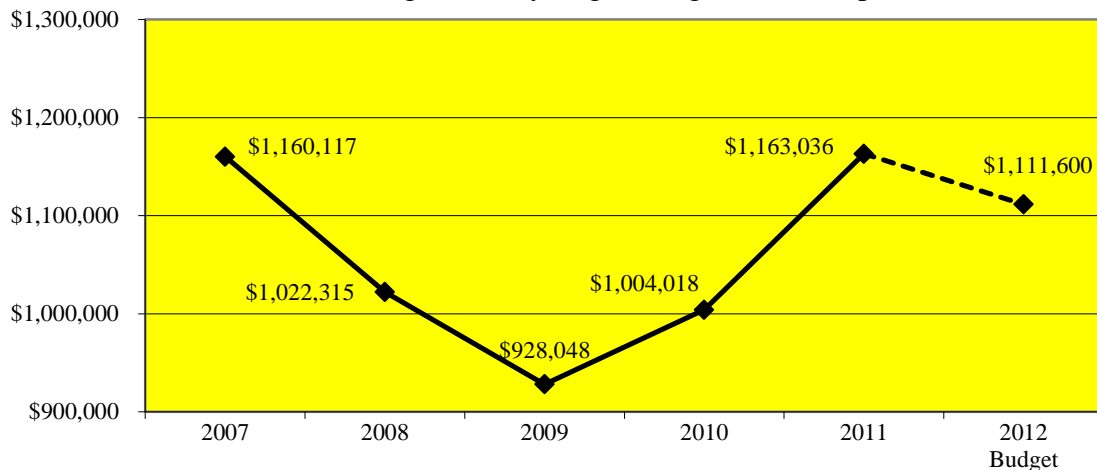
Both Criminal Justice Sales Tax and Admissions Tax tend to follow the economic ups and downs. Commercial Parking and Gambling taxes both experienced changes during this five year window:

- 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. Parking revenues collected by the City are now being recorded in the *Miscellaneous Revenues* category as Rental Income.
- 2) Gambling taxes came from an establishment that was closed in 2008 to make way for Washington State ferry lanes.

| Other Taxes | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Natural Gas Use | \$4,180 | \$3,291 | \$3,036 | \$3,287 | \$6,231 | \$6,500 |
| Criminal Justice | \$321,797 | \$303,845 | \$259,426 | \$260,625 | \$260,173 | \$265,000 |
| Admissions | \$69,727 | \$63,485 | \$55,548 | \$54,966 | \$60,016 | \$60,000 |
| Parking | \$57,355 | \$76,161 | \$68,986 | \$38,854 | \$7,773 | \$15,500 |
| Leasehold Excise | \$6,939 | \$4,955 | \$4,336 | \$5,348 | \$9,406 | \$4,000 |
| Gambling | \$3,654 | \$3,010 | \$0 | \$0 | \$0 | \$0 |
| Total | \$463,653 | \$454,747 | \$391,332 | \$363,081 | \$343,599 | \$351,000 |

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.”

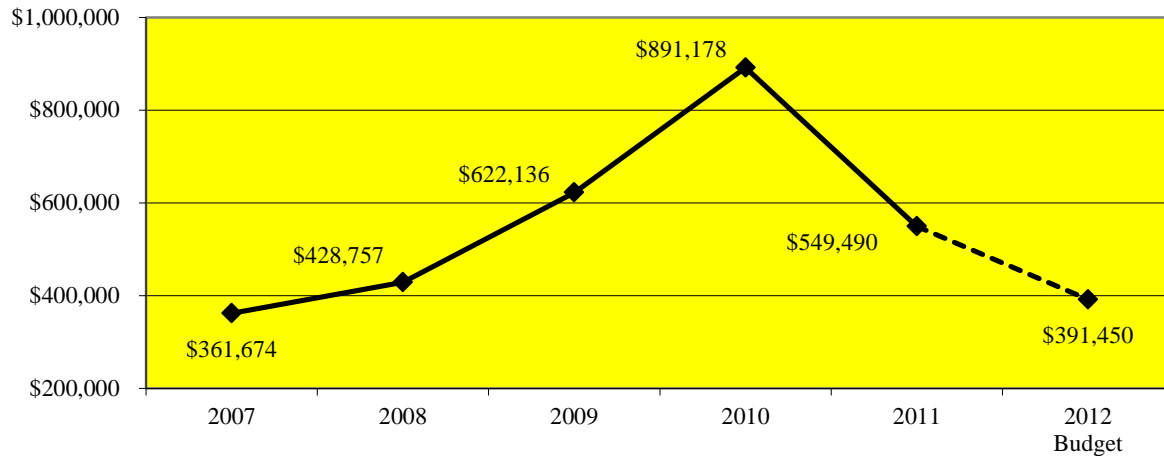
In 2008, City staff started a process of implementing a “cost recovery” driver fee schedule for issuing permits and the related building inspections.

During 2010, the City implemented a new Garbage Administrative Fee, which generated \$148,000 in new revenues and in 2011, the first full year to collect the new fee totaling \$219,651.

| Licenses & Permit Revenues | | | | | | |
|----------------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Business License | \$418,654 | \$380,704 | \$434,059 | \$352,979 | \$423,963 | \$352,000 |
| Franchise Fees | \$263,938 | \$285,951 | \$298,753 | \$471,343 | \$550,572 | \$571,000 |
| Building Permits | \$424,010 | \$285,577 | \$151,363 | \$145,977 | \$155,612 | \$161,000 |
| Other Permits | \$53,516 | \$70,083 | \$43,872 | \$33,718 | \$32,889 | \$27,600 |
| Total | \$1,160,117 | \$1,022,315 | \$928,048 | \$1,004,018 | \$1,163,036 | \$1,111,600 |

Intergovernmental Revenues

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



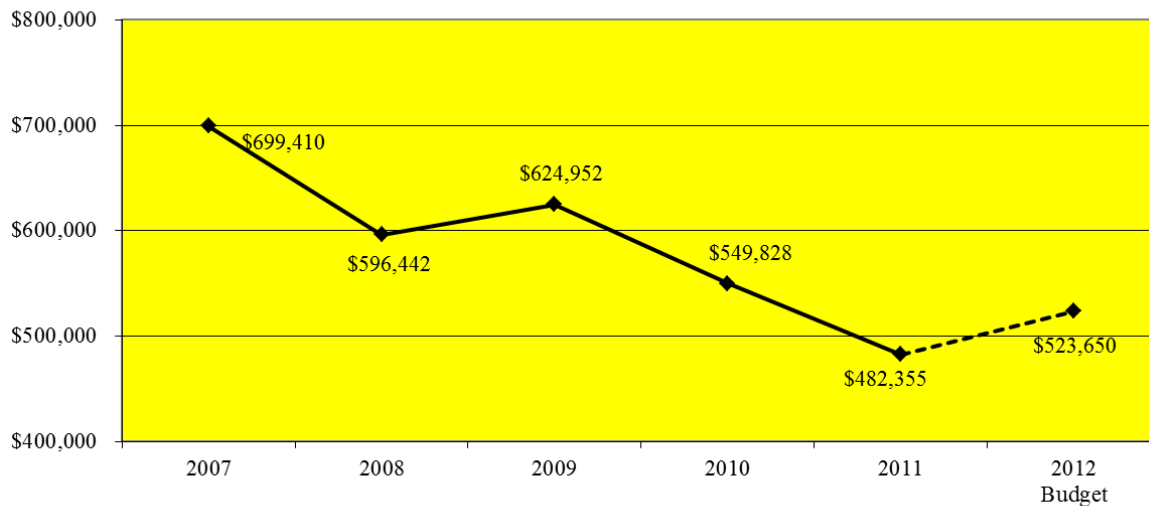
Comments: Caution should be used when considering intergovernmental revenues as to not becoming dependent on these revenues for on-going operations. Over the past few years, the City has been very successful in garnering grants. However, as Federal and State agencies continue to struggle to balance their budgets, these sources of revenue will be increasingly competitive to receive.

Specifically, the Washington State 2012 Legislative Session has adopted a plan that privatizes liquor sales. This new plan reduces 2012 liquor revenues by \$45,530.

| Intergovernmental Revenues | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Liquor Board Profits | \$188,717 | \$157,698 | \$137,964 | \$160,862 | \$141,173 | \$135,930 |
| PUD Privilege Tax | \$94,898 | \$98,491 | \$100,026 | \$101,479 | \$100,446 | \$103,500 |
| Liquor Excise Tax | \$44,195 | \$73,047 | \$97,979 | \$99,648 | \$99,235 | \$95,000 |
| Grants & Interlocal Agreements | \$10,091 | \$73,451 | \$257,830 | \$495,934 | \$171,313 | \$30,500 |
| Other | \$23,773 | \$26,070 | \$28,338 | \$33,255 | \$37,323 | \$26,520 |
| Total | \$361,674 | \$428,757 | \$622,136 | \$891,178 | \$549,490 | \$391,450 |

Charges for Services Revenues

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

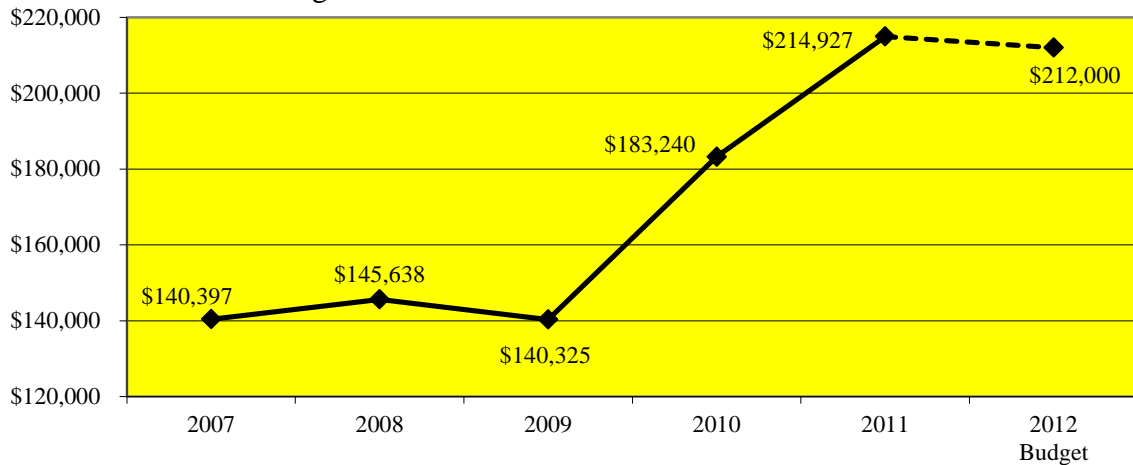


Comments: Development Revenues are the most volatile of these revenues, as they tend to follow the economic ups and downs. In 2007, the Overhead Cost Recovery from the Surface Water Fund collected \$167,000 for 2006 and \$167,000 for 2007 for overhead charges. The 2006 charge has been excluded from these charts to give the reader a more accurate view of this revenue source.

| Charges for Services | | | | | | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Misc. Services | \$11,468 | \$12,708 | \$10,816 | \$30,098 | \$10,376 | \$39,600 |
| Ambulance Fees | \$171,996 | \$147,610 | \$191,243 | \$196,732 | \$208,421 | \$181,800 |
| Development Revenues | \$348,947 | \$269,125 | \$227,892 | \$127,498 | \$97,258 | \$106,750 |
| Overhead Cost Recovery | \$167,000 | \$167,000 | \$195,000 | \$195,500 | \$166,300 | \$195,500 |
| Total | \$699,410 | \$596,442 | \$624,952 | \$549,828 | \$482,355 | \$523,650 |

Fines and Forfeits Revenues

- Traffic Violations
- Parking Fines

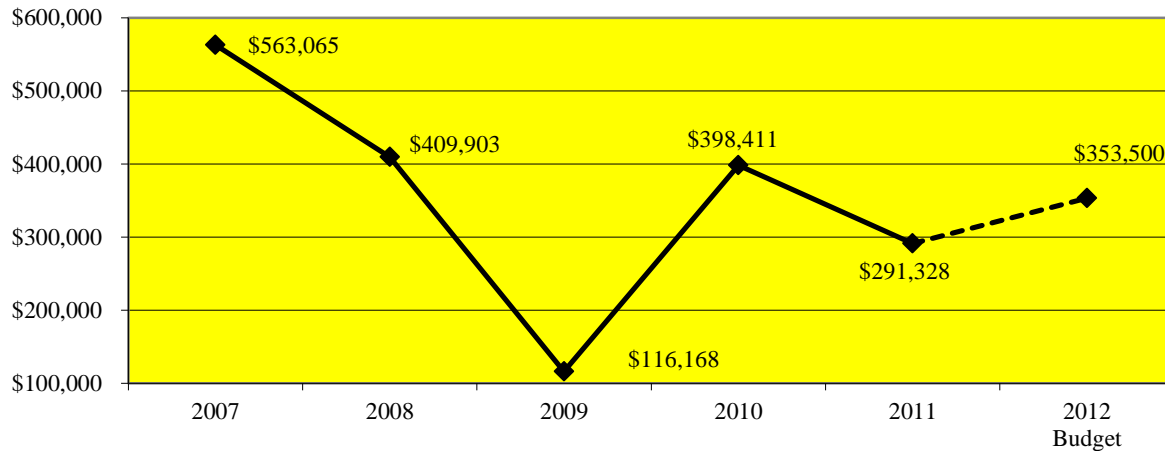


Comments: In 2010, the City increased enforcement which also increased traffic and parking violation revenues. In 2011 parking fines were increased for the first time in 16 years from \$20 to \$40 and the Prosecutor's office has begun taking on a much more active role in limiting number of cases being dismissed.

| Fines & Forfeits | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Traffic Violations | \$128,890 | \$130,757 | \$113,023 | \$156,425 | \$173,384 | \$179,000 |
| Parking & Non-Traffic Violations | \$11,507 | \$14,881 | \$27,302 | \$26,815 | \$41,543 | \$33,000 |
| Total | \$140,397 | \$145,638 | \$140,325 | \$183,240 | \$214,927 | \$212,000 |

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

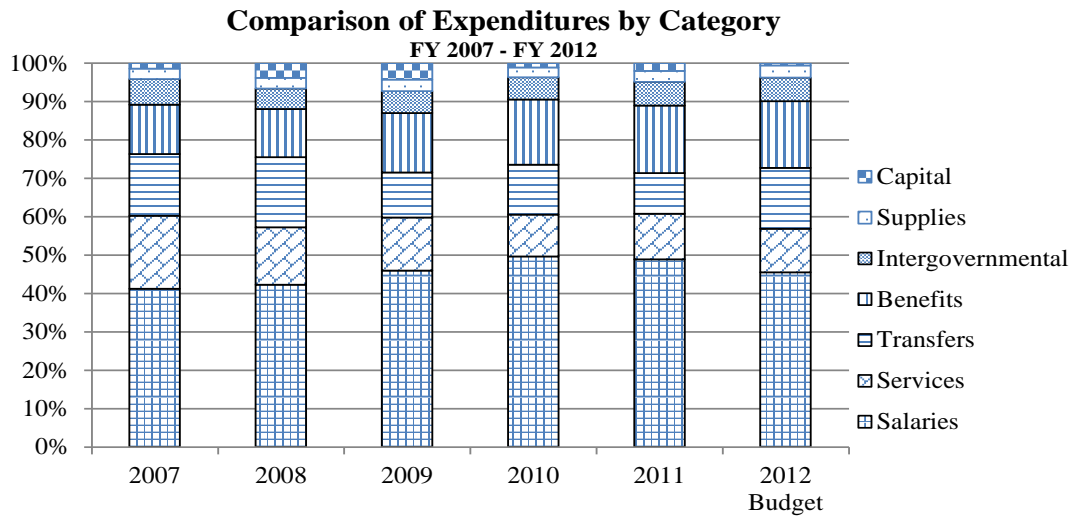


Comments: The City's Miscellaneous Revenue category has experienced changes in how the City conducts business and also has been affected by the low investment interest rate environment.

- 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 rental income parking spaces in the City from Diamond Parking.

| Miscellaneous Revenues | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget |
| Interest Earnings | \$438,303 | \$235,716 | \$69,309 | \$22,259 | \$17,673 | \$15,700 |
| Rental Income | \$0 | \$2,433 | \$14,084 | \$191,970 | \$224,274 | \$314,900 |
| Contributions, Surplus & Other | \$55,202 | \$53,065 | \$32,775 | \$52,224 | \$49,381 | \$22,900 |
| Transfers from Other Funds | \$69,559 | \$118,689 | \$0 | \$131,958 | \$0 | \$0 |
| Total | \$563,065 | \$409,903 | \$116,168 | \$398,411 | \$291,328 | \$353,500 |

Expenditure Trend Analysis



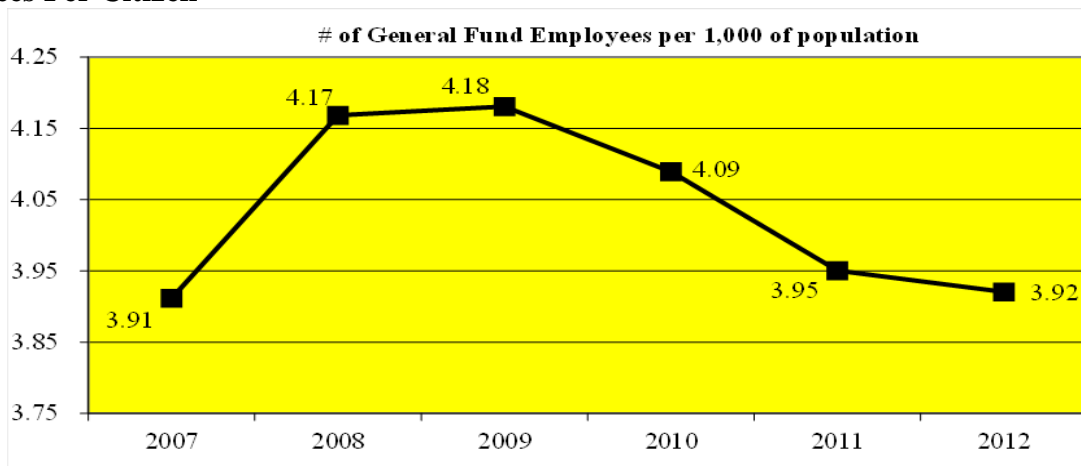
Comments: Expenditures from 2007 through 2008 primarily increased because:

- 1) The City added 4 new staff positions, accounting for approximately \$425,000.
- 2) The General Fund contributed \$305,000 towards the construction of New City Hall.

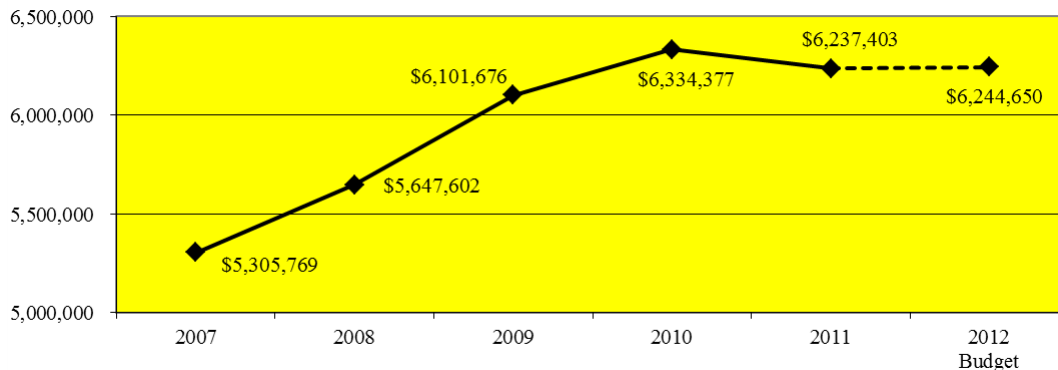
2010 expenditures decreased from 2009 levels primarily due to budgetary savings measures that were implemented in 2010. Expenditures were reduced in 2011 mainly due to laying off two employees (\$201,000). Expenditures were kept in check due to an additional position being eliminated in 2012, reducing expenditures by \$83,800. The chart below tracks number of City employees per 1,000 of Mukilteo population.

| | 2007 | 2008 | 2009 | 2010 | 2011 | Budget 2012 |
|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Salaries | \$ 5,305,769 | \$ 5,647,602 | \$ 6,101,676 | \$ 6,334,377 | \$ 6,237,403 | \$ 6,244,650 |
| Services | \$ 2,454,225 | \$ 2,006,156 | \$ 1,839,894 | \$ 1,386,272 | \$ 1,519,162 | \$ 1,567,350 |
| Transfers | \$ 2,073,500 | \$ 2,440,445 | \$ 1,562,354 | \$ 1,662,728 | \$ 1,351,800 | \$ 1,215,300 |
| Benefits | \$ 1,656,851 | \$ 1,686,186 | \$ 2,058,636 | \$ 2,170,897 | \$ 2,246,167 | \$ 2,404,100 |
| Intergovernmental | \$ 855,577 | \$ 717,733 | \$ 766,304 | \$ 735,235 | \$ 790,622 | \$ 857,720 |
| Supplies | \$ 358,166 | \$ 364,825 | \$ 393,343 | \$ 325,938 | \$ 362,599 | \$ 414,920 |
| Capital | \$ 179,502 | \$ 517,085 | \$ 573,977 | \$ 145,477 | \$ 262,665 | \$ 89,550 |
| Total | \$ 12,883,590 | \$ 13,380,032 | \$ 13,296,184 | \$ 12,760,924 | \$ 12,770,418 | \$ 12,793,590 |

Employees Per Citizen



Salaries



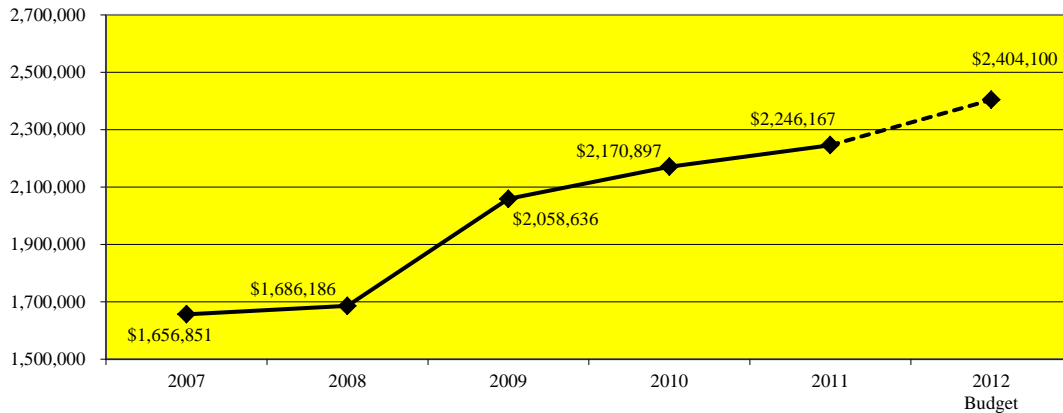
Comments: The chart below shows added or eliminated positions from 2007 through 2012 and helps explain changes in salary and benefits expenditures. One of the primary goals of the Mayor and Council is “To Keep our City Safe.” This goal was addressed in part through staffing:

- 1) The City’s philosophy on staffing our Fire Department has shifted over the past several years from a hybrid volunteer/career based dept. to one that is wholly career professionals, which accounts for 9.5 new hires since 2007.
- 2) 4 new positions were added to the Police Department: 3 officers were added to help in patrolling our streets and a new Crime Prevention Officer to facilitate community partnerships through community educations and outreach programs such as Block Watch and National Night out.

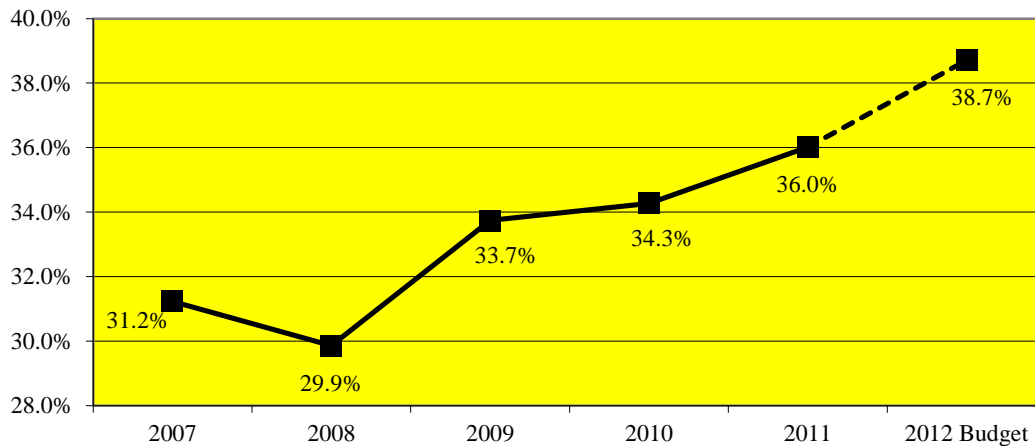
Another goal of Mayor and Council is keeping a sustainable budget for City operations. Like the majority of local governments nationwide, Mukilteo was not immune from the economic effects of the Great Recession, and like many other communities, we also had to lay off staff. In 2011 the City laid off two employees saving approximately \$172,700, and an additional position was eliminated in 2012, reducing expenditures by \$83,800.

| General Fund Supported Positions Added (Eliminated) 2007 - 2012 | | | | | | | |
|---|------------|-------------|------------|----------|------------|--------------|-------------|
| Position | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
| Staff Accountant | 1.0 | | | | | | 1.0 |
| Recreation & Cultural Arts Mgr | 1.0 | | | | | | 1.0 |
| 2 Part-time Department Assistant | | 1.0 | | | | | 1.0 |
| Lead Serviceworker | | 1.0 | | | | | 1.0 |
| Informational Technology Mgr | | | 1.0 | | | | 1.0 |
| Recreation Office Technical | | | | | 1.0 | | 1.0 |
| 4 Part-time Rec. Customer Service Clerk | | | | | 2.0 | | 2.0 |
| Part-time Recreation Programmer | | | | | 0.5 | | 0.5 |
| Permit Services Assistant | | | | | (1.0) | | (1.0) |
| Engineering Technician | | | | | (1.0) | | (1.0) |
| Assistant Planner | | | | | | (1.0) | (1.0) |
| Subtotal Office/Clerical | 2.0 | 2.0 | 1.0 | - | 1.5 | (1.0) | 5.5 |
| 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 | 1.0 | 3.0 | | | | | 4.0 |
| Fire Marshal | | 1.0 | | | | | 1.0 |
| Training Captain (Fire) | | 1.0 | | | | | 1.0 |
| Subtotal Fire | 1.0 | 8.5 | - | - | - | - | 9.5 |
| TOTAL | 4.0 | 13.5 | 1.0 | - | 1.5 | (1.0) | 19.0 |

Benefits

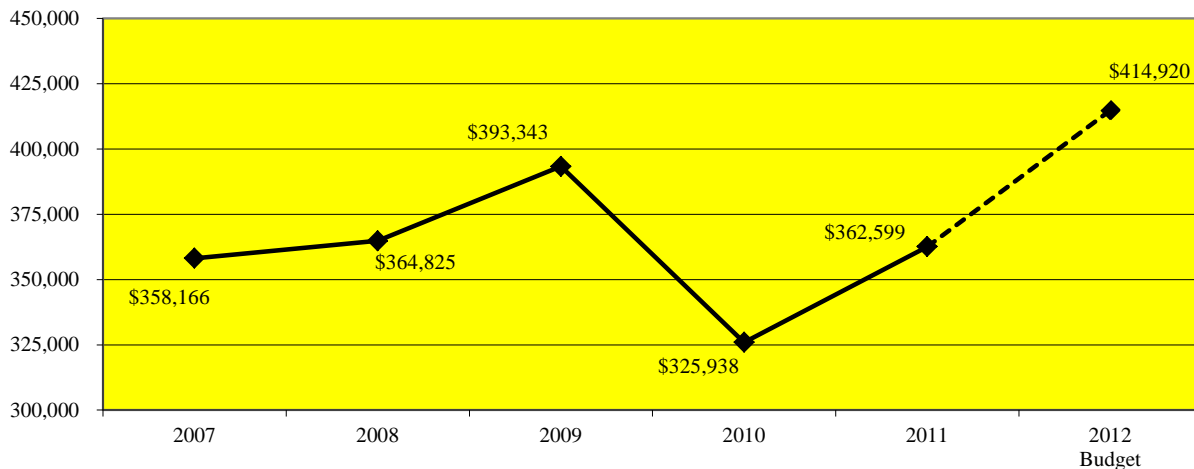


Benefits as a Percentage of Salaries & Wages General Fund



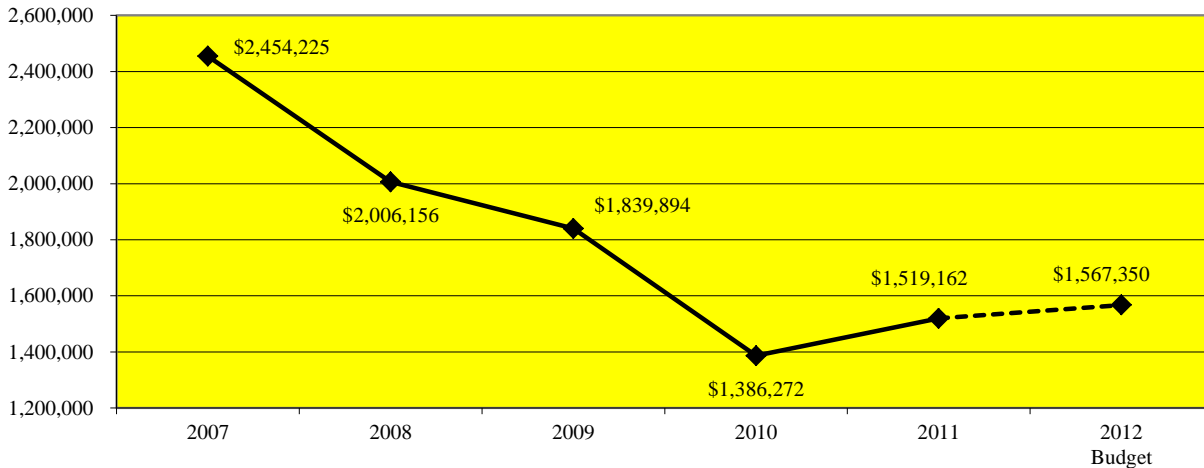
Comments: Benefits primarily include medical, dental & vision insurance, retirement and labor industry contributions. Benefits steadily increase as a percentage of staff salaries, and should be looked at for avenues to slow future increases.

Supplies



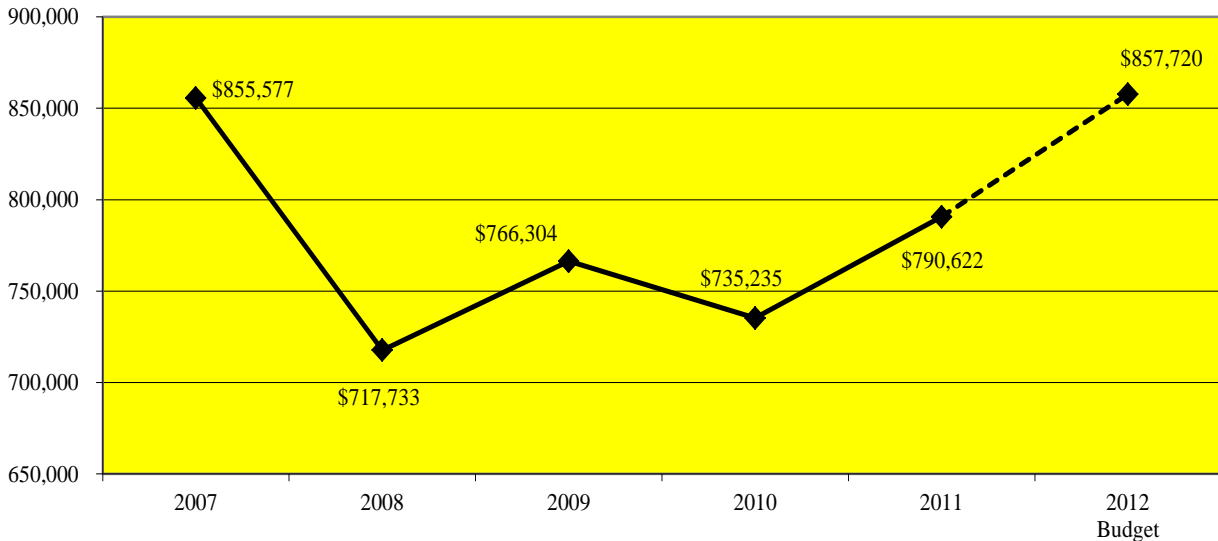
Comments: 2010 budget savings initiatives combined to trim budgets over \$53,000. 2012 increases are due to increases for: Council Retreat \$5,000, New World small equipment \$10,000, Fire Department protective clothing \$25,000 and Parks Department supplies for landscape materials and small tool replacements.

Services



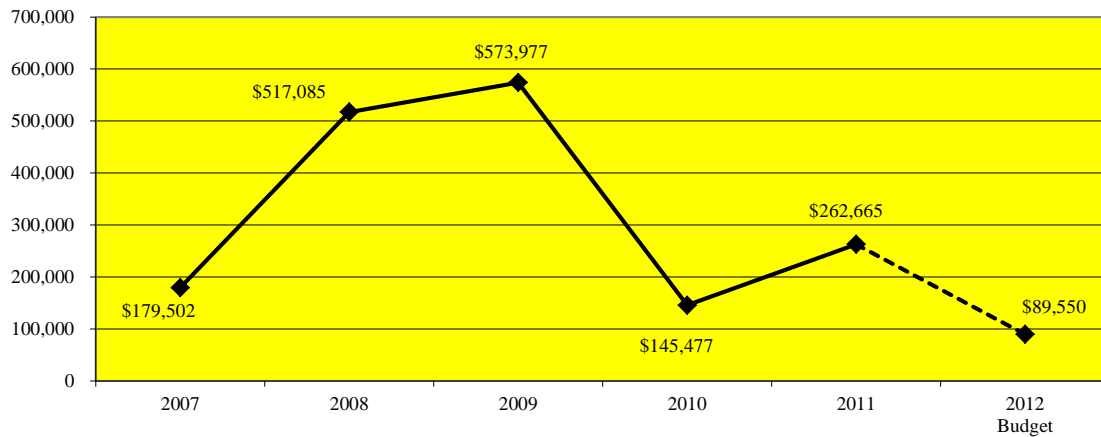
Comments: Services has been the source of the majority of budgetary savings since 2007. Savings reduced outlays for professional services in each year and in 2010, the City cut \$313,000 of General Fund contributions to the Equipment Replacement Fund.

Intergovernmental



Comments: 2012 increases are primarily due to increasing assessments for police and fire dispatch and emergency radio services.

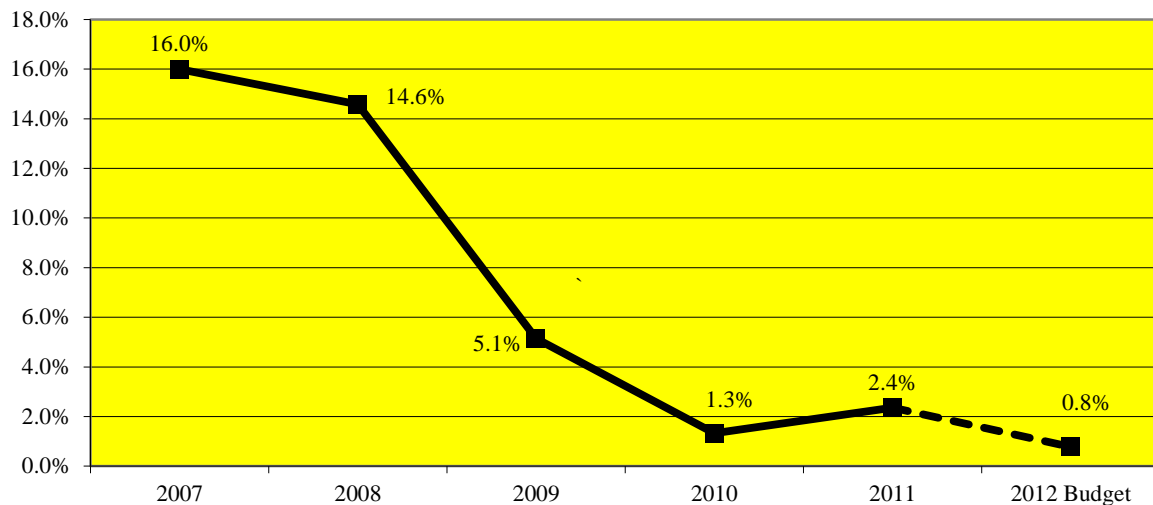
Capital



Comments: 2008 capital expenditures included \$305,000 to help pay towards the construction of City Hall and 2009 included another \$364,000 for the construction project. 2011 capital outlays increased by \$250,000 for replacement of breathing apparatus equipment for Firefighters.

Capital Outlays & Transfer to Capital Funds

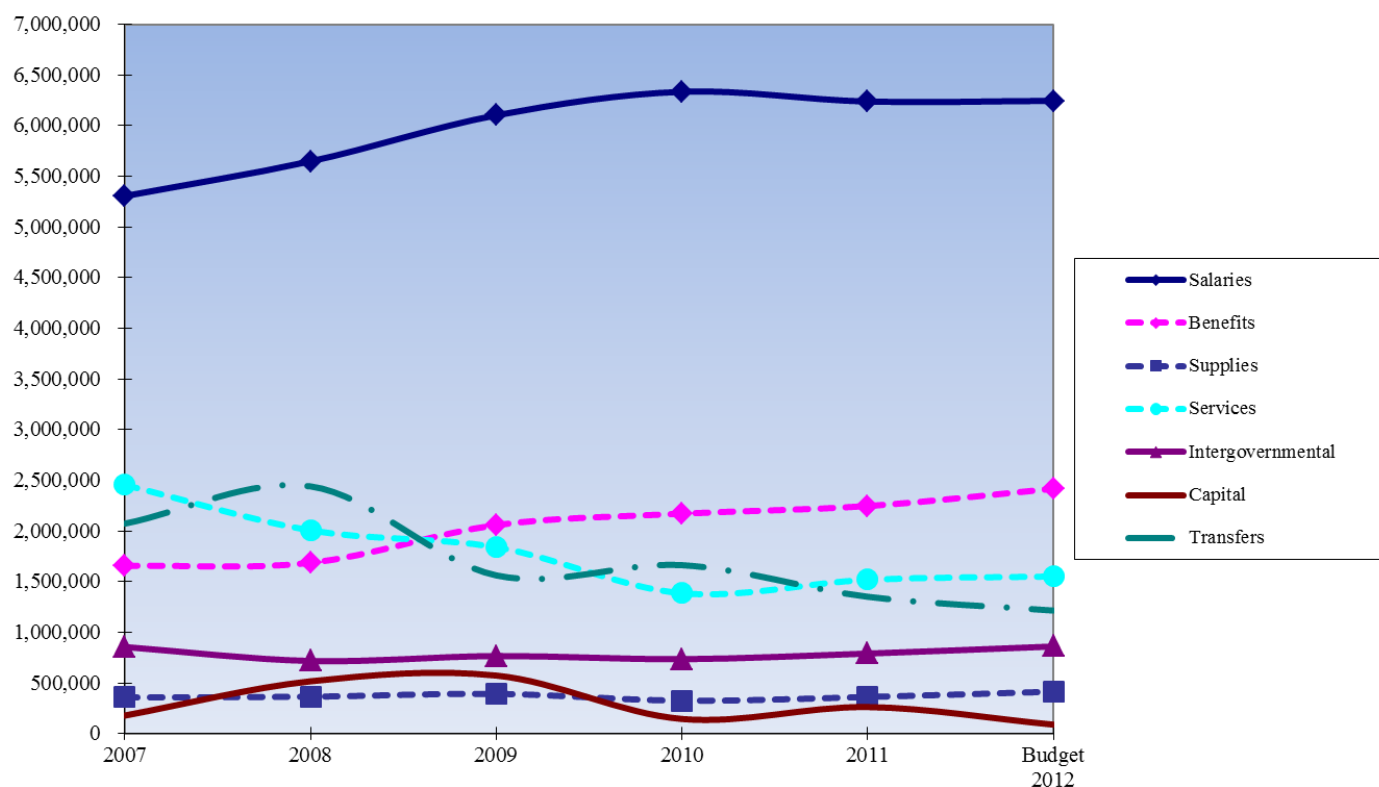
CAPITAL OUTLAY & TRANSFER TO CAPITAL FUNDS As a Percentage of Operating Expenditures General Fund



Development of Long-Range Capital Maintenance Plan

The City has commissioned a study to examine City facilities to identify facility maintenance needs and create a recommended replacement schedule with estimated costs. This schedule will be delivered to the City during Spring 2013.

General Fund Expenditures

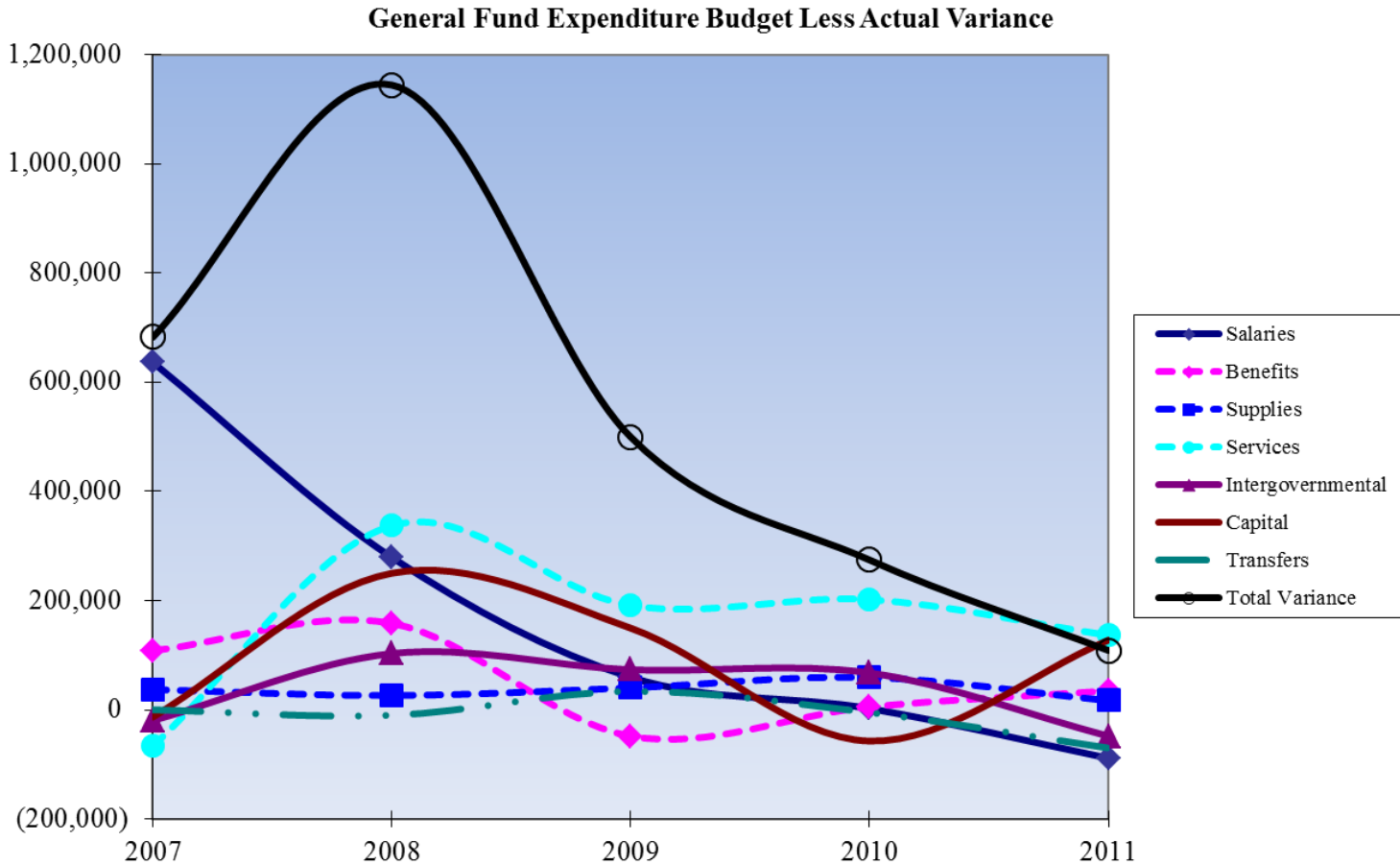


| | 2007 | 2008 | 2009 | 2010 | 2011 | Budget 2012 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries | 5,305,769 | 5,647,602 | 6,101,676 | 6,334,377 | 6,237,403 | 6,244,650 |
| Benefits | 1,656,851 | 1,686,186 | 2,058,636 | 2,170,897 | 2,246,167 | 2,404,100 |
| Supplies | 358,166 | 364,825 | 393,343 | 325,938 | 362,599 | 414,920 |
| Services | 2,454,225 | 2,006,156 | 1,839,894 | 1,386,272 | 1,519,162 | 1,567,350 |
| Intergovernmental | 855,577 | 717,733 | 766,304 | 735,235 | 790,622 | 857,720 |
| Capital | 179,502 | 517,085 | 573,977 | 145,477 | 262,665 | 89,550 |
| Transfers | 2,073,500 | 2,440,445 | 1,562,354 | 1,662,728 | 1,351,800 | 1,215,300 |
| Total | 12,883,590 | 13,380,032 | 13,296,184 | 12,760,924 | 12,770,418 | 12,793,590 |

Expenditure Categories as Percent of Total Expenditures

| | 2007 | 2008 | 2009 | 2010 | 2011 | Budget 2012 |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Salaries | 41% | 42% | 46% | 50% | 49% | 49% |
| Benefits | 13% | 13% | 15% | 17% | 18% | 19% |
| Supplies | 3% | 3% | 3% | 3% | 3% | 3% |
| Services | 19% | 15% | 14% | 11% | 12% | 12% |
| Intergovernmental | 7% | 5% | 6% | 6% | 6% | 7% |
| Capital | 1% | 4% | 4% | 1% | 2% | 1% |
| Transfers | 16% | 18% | 12% | 13% | 11% | 9% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Comment: In 2007, personnel costs accounted for 54% of expenditures, increasing to 67% in 2011.

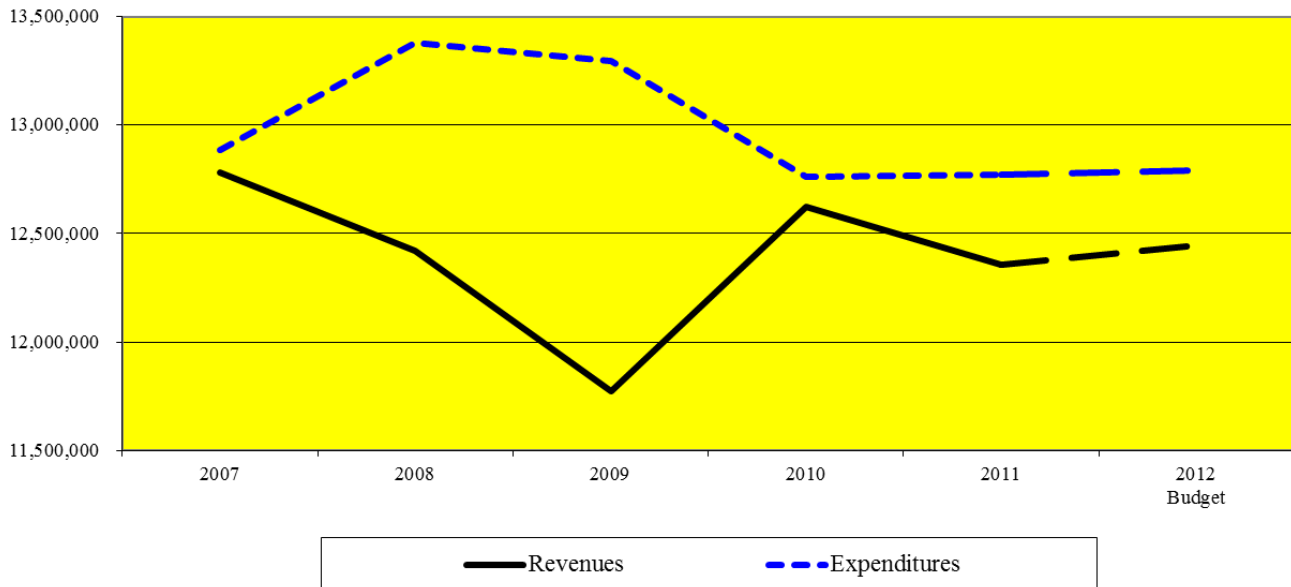


| | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|------------------|--------------------|------------------|------------------|------------------|
| Salaries | \$636,671 | \$279,357 | \$59,604 | \$2,341 | (\$88,703) |
| Benefits | \$108,499 | \$158,407 | (\$48,256) | \$5,543 | \$34,633 |
| Supplies | \$37,134 | \$26,136 | \$40,367 | \$59,209 | \$16,907 |
| Services | (\$66,525) | \$337,427 | \$190,994 | \$201,942 | \$136,415 |
| Intergovernmental | (\$19,777) | \$103,093 | \$73,436 | \$67,675 | (\$48,322) |
| Capital | (\$13,275) | \$250,297 | \$149,703 | (\$57,227) | \$127,835 |
| Transfers | \$0 | (\$10,000) | \$33,931 | (\$5,000) | (\$70,000) |
| Total Variance | \$682,727 | \$1,144,717 | \$499,779 | \$274,483 | \$108,765 |

Comments: Over the past five years, the City ended each year with an average of 3.9% of the budget not spent. 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%, 2010, 2% and in 2011, 1% of the budgets were left unspent.

Operating Position

OPERATING POSITION
Revenue vs. Expenditures
General Fund



Comments: Each year since 2007 has seen the General Fund operate in the red, requiring the use of ending cash to make up the revenue short fall. 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 gap increased over 2010 levels as the personnel savings did not make up for revenues that continued to decline as the economy struggled to rebound. Again as an effort to keep the Gap in check, the City eliminated one additional position for 2012.

In 2010, the City adopted a “Gap Closing Policy. The Gap Closing Policy is a policy that brings fiscal discipline to the table. If the City wishes to spend more money than it brings in, thus creating a “Gap,” the policy imposes discipline via three levels based on how much the City wishes to overspend. These levels are:

- Watch – Gap is 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

The “discipline” for each level is:

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

- 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 that 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 Levels of “Gap” history since 2010 is as follows:

- 2010 ended the year with a 1.08% Gap,
- 2011 ended the year with a 3.37% Gap, and
- 2012’s Budget was adopted with a projected Gap of 2.79%

Each of these years ended with a Gap. The goal of Mayor and Council is to ultimately reduce the Gap to zero and they have issued a request to the LRFP Team to address this issue. In response, the LRFP Team drafted a proposed amendment to the Gap Closing Policy that adds a fourth level of discipline.

Briefly, the proposed amendment comes into effect when the Mayor or Mayor’s designee has to present a Gap Closing Plan to Council indicates the General Fund’s current year-end anticipated fund balance will equal or fall below 20% of budgeted expenditures, triggering a “Must Close” Gap discipline. The “Must Close” Gap discipline requires that Administration present a plan to Council explaining how the City will move the Gap from a “Must Close” level into a “Watch” level within the next twenty-four months.

Lastly, Council must adopt this Gap Closing Plan within two months after receipt of the Plan.

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 is listed on the following pages:



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 two LEOFF 1 retirees.

CITY OF MUKILTEO

Law Enforcement Officers & Firefighters (LEOFF1) Retirement Reserve

For Preliminary Fiscal Fund Analysis

| | <u>2009 Actual</u> | <u>2010 Actual</u> | <u>2011 Actual</u> | <u>2012 Est</u> | <u>2013 Budget</u> | <u>2014 Projected</u> | <u>2015 Projected</u> | <u>2016 Projected</u> | Assumptions Growth % |
|------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Beginning Cash Balance | \$166,754 | \$141,555 | \$135,720 | \$132,508 | \$126,220 | \$111,720 | \$110,620 | \$112,820 | |
| REVENUES | | | | | | | | | |
| Miscellaneous revenues | 993 | 452 | 258 | 300 | 200 | 200 | 200 | 200 | Flat |
| Total revenues | \$993 | \$452 | \$258 | \$300 | \$200 | \$200 | \$200 | \$200 | |
| EXPENDITURES | | | | | | | | | |
| Personnel Benefits | \$26,192 | \$29,577 | 33,470 | 37,200 | 39,700 | 41,300 | 43,000 | 44,700 | 4.0% |
| Total expenditures | \$26,192 | \$29,577 | \$33,470 | \$37,200 | \$39,700 | \$41,300 | \$43,000 | \$44,700 | |
| Operating Transfers In | 0 | 25,000 | 30,000 | 30,000 | 25,000 | 40,000 | 45,000 | 45,000 | |
| Ending Cash Balance | <u>\$141,555</u> | <u>\$137,430</u> | <u>\$132,508</u> | <u>\$125,608</u> | <u>\$111,720</u> | <u>\$110,620</u> | <u>\$112,820</u> | <u>\$113,320</u> | |



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.

CITY OF MUKILTEO

STREET FUND

For Preliminary Fiscal Fund Analysis

| | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Est | 2013 Budget | 2014 Projected | 2015 Projected | 2016 Projected | Assumptions Growth % |
|--------------------------------------|------------------------|------------------------|------------------------|---------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| Beginning Cash Balance | \$121,846 | \$159,900 | \$104,974 | \$44,394 | \$95,605 | \$78,665 | \$67,315 | \$49,465 | |
| REVENUES | | | | | | | | | |
| Motor Vehicle Fuel Tax | \$297,213 | 296,801 | 289,272 | 290,350 | 291,800 | 293,300 | 294,800 | 296,300 | 0.50% |
| Commercial Parking Tax | - | - | - | 42,500 | 42,500 | 42,500 | 42,500 | 42,500 | Flat |
| Interest Earnings & Grants | 951 | 272 | 226 | 13,071 | 100 | 100 | 100 | 100 | Flat |
| Total revenues | \$298,164 | \$297,073 | \$289,498 | \$345,921 | \$334,400 | \$335,900 | \$337,400 | \$338,900 | |
| EXPENDITURES | | | | | | | | | |
| Personnel | \$365,267 | \$364,705 | \$371,070 | \$375,280 | \$371,290 | \$378,700 | \$386,000 | \$394,000 | 2.0% |
| Supplies | 66,181 | \$77,565 | \$75,093 | \$80,120 | \$74,100 | \$74,800 | \$75,500 | \$76,300 | 1.0% |
| Services | 284,478 | \$220,448 | \$303,650 | \$241,810 | \$282,750 | \$285,550 | \$285,550 | \$285,550 | Flat |
| Intergovernmental | 35,866 | \$25,583 | 40,440 | 40,000 | 54,000 | 54,000 | 54,000 | 54,000 | Flat |
| Capital Outlays | - | 3,202 | - | - | - | - | - | - | Flat |
| Total expenditures | \$751,792 | \$691,503 | \$790,253 | \$737,210 | \$782,140 | \$793,050 | \$801,050 | \$809,850 | |
| Income (Loss) Before Accruals | (\$453,628) | (\$394,430) | (\$500,755) | (\$391,289) | (\$447,740) | (\$457,150) | (\$463,650) | (\$470,950) | |
| Accruals (Payments and receivables) | (\$13,348) | (\$10,496) | \$14,075 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Operating Transfers In | 505,000 | 350,000 | 426,100 | 442,500 | 430,800 | 445,800 | 445,800 | 460,800 | |
| Ending Cash Balance | \$159,870 | \$104,974 | \$44,394 | \$95,605 | \$78,665 | \$67,315 | \$49,465 | \$39,315 | |



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***

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Assumptions |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Est | Budget | Projected | Projected | Projected | Growth % |
| Beginning Cash Balance | \$59,215 | \$71,326 | \$110,976 | \$208,932 | \$245,307 | \$189,517 | \$147,167 | \$118,117 | |
| REVENUES | | | | | | | | | |
| Recreation Program Fees | \$63,594 | \$71,336 | \$108,760 | \$120,000 | \$130,000 | \$131,300 | \$132,600 | \$133,900 | 1.0% |
| Other Fees & Interest earnings | 448 | 5,975 | 53,316 | \$31,310 | \$31,350 | \$31,600 | \$31,900 | \$32,200 | 1.0% |
| Parking Fees | 35,418 | 3,681 | 6,495 | 11,250 | 11,250 | 11,250 | 11,250 | 11,250 | Flat |
| Room Rental Fees | 49,586 | 23,784 | 213,276 | \$280,125 | \$305,810 | \$307,300 | \$308,800 | \$310,300 | 0.5% |
| Total revenues | \$149,046 | \$104,776 | \$381,847 | \$442,685 | \$478,410 | \$481,450 | \$484,550 | \$487,650 | |
| EXPENDITURES | | | | | | | | | |
| Personnel | \$208,320 | \$196,591 | \$349,983 | \$405,300 | \$412,790 | \$421,000 | \$429,400 | \$438,000 | 2.0% |
| Supplies | 6,135 | 5,504 | 13,616 | \$13,310 | \$15,100 | \$15,200 | \$15,300 | \$15,400 | 0.5% |
| Professional Services | 138,268 | 152,163 | 196,404 | \$222,100 | \$256,310 | \$257,600 | \$258,900 | \$260,200 | 0.5% |
| Total expenditures | \$352,723 | \$354,258 | \$560,003 | \$640,710 | \$684,200 | \$693,800 | \$703,600 | \$713,600 | |
| Income (Loss) Before Accruals | (\$203,677) | (\$249,482) | (\$178,156) | (\$198,025) | (\$205,790) | (\$212,350) | (\$219,050) | (\$225,950) | |
| Accruals | (\$15,747) | \$46,272 | \$33,812 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Operating Transfers In | 231,535 | 242,860 | 242,300 | 234,400 | 150,000 | 170,000 | 190,000 | 190,000 | |
| Ending Cash Balance | \$71,326 | \$110,976 | \$208,932 | \$245,307 | \$189,517 | \$147,167 | \$118,117 | \$82,167 | |

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.

TECHNOLOGY REPLACEMENT FUND

For Preliminary Fiscal Fund Analysis

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Assumptions |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| | Actual | Actual | Actual | Est | Budget | Projected | Projected | Projected | Growth % |
| Beginning Cash Balance | \$299,677 | \$128,965 | \$143,067 | \$141,117 | \$99,477 | \$70,027 | \$86,127 | \$92,227 | |
| REVENUES | | | | | | | | | |
| Miscellaneous revenues | \$2,276 | 7,087 | 5,565 | 7,500 | 6,200 | 6,100 | 6,100 | 6,100 | 1.0% |
| Total revenues | \$2,276 | \$7,087 | \$5,565 | \$7,500 | \$6,200 | \$6,100 | \$6,100 | \$6,100 | |
| EXPENDITURES | | | | | | | | | |
| Equipment Outlays | \$222,988 | 67,985 | 82,515 | 124,140 | 205,650 | 70,000 | 90,000 | 90,000 | |
| Total expenditures | \$222,988 | \$67,985 | \$82,515 | \$124,140 | \$205,650 | \$70,000 | \$90,000 | \$90,000 | |
| Operating Transfers In | 50,000 | 75,000 | 75,000 | 75,000 | 170,000 | 80,000 | 90,000 | 85,000 | |
| Ending Cash Balance | \$128,965 | \$143,067 | \$141,117 | \$99,477 | \$70,027 | \$86,127 | \$92,227 | \$93,327 | |



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*

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Assumptions |
|--|---------------|---------------|---------------|-------------|---------------|------------------|------------------|------------------|--------------------|
| | Actual | Actual | Actual | Est | Budget | Projected | Projected | Projected | Growth % |
| Beginning Cash Balance | \$124,291 | \$50,642 | \$67,448 | \$101,777 | \$122,794 | \$75,034 | \$42,834 | \$46,134 | |
| REVENUES | | | | | | | | | |
| Miscellaneous | \$0 | \$59 | \$86 | \$38,797 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Total revenues | \$0 | \$59 | \$86 | \$38,797 | \$0 | \$0 | \$0 | \$0 | |
| EXPENDITURES | | | | | | | | | |
| Personnel | \$93,982 | 93,248 | \$99,706 | \$119,040 | \$137,670 | \$140,400 | \$143,200 | \$146,100 | 2.0% |
| Supplies | 36,213 | \$28,296 | \$30,676 | \$34,240 | \$40,300 | \$40,500 | \$40,700 | \$40,900 | 0.5% |
| Services | 290,781 | 253,170 | \$243,750 | \$227,500 | \$302,290 | \$303,800 | \$305,300 | \$306,800 | 0.5% |
| Capital Outlays | 32,517 | 8,264 | 2,190 | 37,000 | 17,500 | 17,500 | 17,500 | 17,500 | |
| Total expenditures | \$453,493 | \$382,978 | \$376,322 | \$417,780 | \$497,760 | \$502,200 | \$506,700 | \$511,300 | |
| Income (Loss) Before Accruals | (\$453,493) | (\$382,919) | (\$376,236) | (\$378,983) | (\$497,760) | (\$502,200) | (\$506,700) | (\$511,300) | |
| Accruals (Payments from customers and receivables) | (\$10,156) | \$9,725 | (\$11,435) | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Operating Transfers In | \$390,000 | \$390,000 | \$422,000 | \$400,000 | \$450,000 | \$470,000 | \$510,000 | \$515,000 | |
| Ending Cash Balance | \$50,642 | \$67,448 | \$101,777 | \$122,794 | \$75,034 | \$42,834 | \$46,134 | \$49,834 | |

Financial Forecast

Objective

The Financial Forecast covers the periods 2012 to 2016 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 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) during the annual budget deliberations.

General Fund revenues are anticipated to steadily increase an average of 1.3%¹ and expenditures are projected to increase at an average rate of 0.9% between 2012 and 2016. In 2011, General Fund ending fund balance equaled 29% of 2012 total expenditures and is projected to end 2016 at 21%.

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 and imposing 1% water and sewer utility franchise fee in each of the Gap Closing years, 2013 through 2016.

The City utilized an average rate of 1.3% increase for employee salaries and 3.7% for benefits. However, the City has not factored in Grants or their related capital 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 and community development, parks maintenance, and 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.

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.

¹This growth assumption is based on the inclusion of "one-time" revenues, see page 38 above.

This forecast looks out only to 2016. 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:

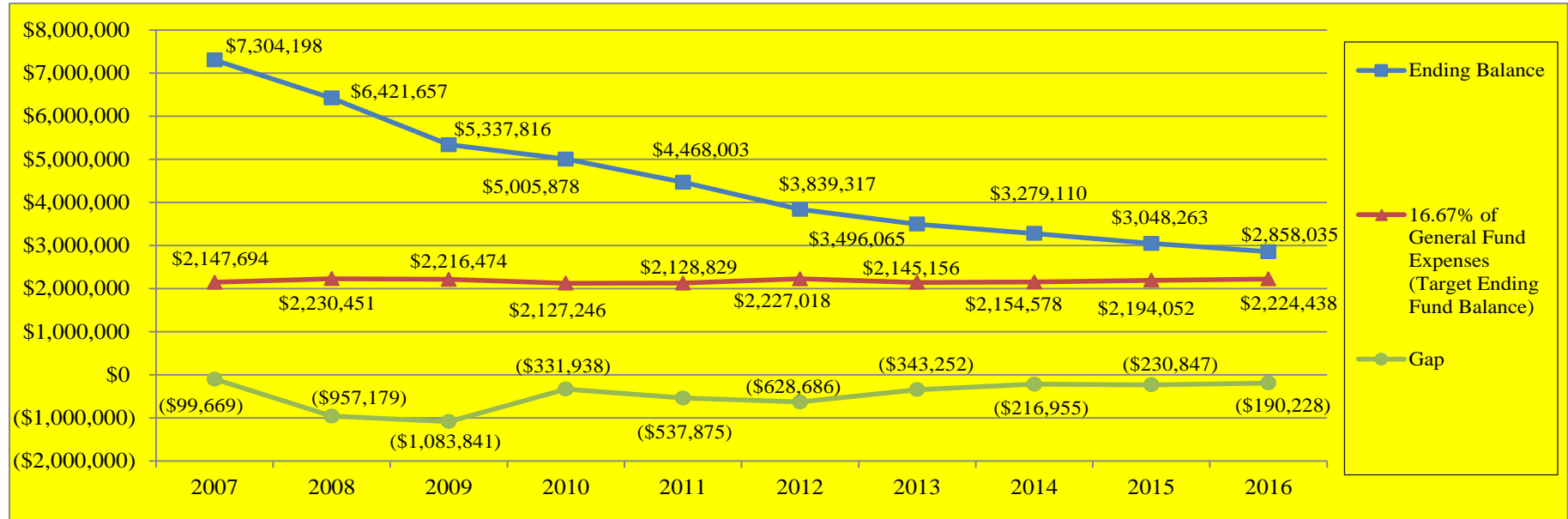
- 1) The General Fund’s Ending Fund Balance is projected to equal 21% of 2016’s expenditures, which exceeds the City’s Fund Balance Policy by approximately 5%. This level of fund balance allows a cushion of time to see if the economy continues recovering as anticipated and also allows time to see if additional revenue enhancements and/or expenditure adjustments 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 has utilized expenditure reductions 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) are shown in the following chart and tables.

GENERAL FUND FORECAST MODEL ENDING FUND BALANCE



| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|
| Operating Revenues | 12,783,921 | 12,422,853 | 11,774,974 | 12,624,395 | 12,354,287 | 12,730,750 | 12,525,110 | 12,707,930 | 12,930,830 | 13,153,730 |
| Operating Expenditures | 12,883,590 | 13,380,032 | 13,296,184 | 12,760,922 | 12,770,418 | 13,359,436 | 12,868,362 | 12,924,885 | 13,161,677 | 13,343,958 |
| Surplus (Deficit) | (99,669) | (957,179) | (1,083,841) | (331,938) | (537,875) | (628,686) | (343,252) | (216,955) | (230,847) | (190,228) |

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 LRFP 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.

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Beginning Fund Balance | 7,211,297 | 7,304,198 | 6,421,657 | 5,337,816 | 5,005,878 | 4,468,003 | 3,839,317 | 3,496,065 | 3,279,110 | 3,048,263 |
| Operating Revenues | 12,783,921 | 12,422,853 | 11,774,974 | 12,624,395 | 12,354,287 | 12,730,750 | 12,525,110 | 12,707,930 | 12,930,830 | 13,153,730 |
| Operating Expenditures | 12,883,590 | 13,380,032 | 13,296,184 | 12,760,922 | 12,770,418 | 13,359,436 | 12,868,362 | 12,924,885 | 13,161,677 | 13,343,958 |
| Ending Fund Balance | 7,304,198 | 6,421,657 | 5,337,816 | 5,005,878 | 4,468,003 | 3,839,317 | 3,496,065 | 3,279,110 | 3,048,263 | 2,858,035 |



| GENERAL FUND FORECAST MODEL FOR 2013 | | | | | | | | | | |
|---|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ITEM | Actual 2007 | Actual 2008 | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Projected 2013 | Projected 2014 | Projected 2015 | Projected 2016 |
| Beginning Fund Balance | \$7,211,297 | \$7,304,198 | \$6,421,657 | \$5,337,816 | \$5,005,878 | \$4,468,003 | \$3,839,317 | \$3,496,065 | \$3,279,110 | \$3,048,263 |
| Revenue | | | | | | | | | | |
| Taxes | 9,692,258 | 9,819,798 | 9,343,345 | 9,597,720 | 9,653,151 | 9,803,800 | 9,979,200 | 10,063,000 | 10,161,500 | 10,261,900 |
| Licenses & Permits | 1,160,117 | 1,022,315 | 928,048 | 1,004,018 | 1,163,036 | 1,207,900 | 1,260,800 | 1,262,900 | 1,383,400 | 1,504,000 |
| Intergovernmental | 361,674 | 428,757 | 622,136 | 891,178 | 549,490 | 643,600 | 370,660 | 347,280 | 347,680 | 348,080 |
| Services | 866,410 | 596,442 | 624,952 | 549,828 | 482,355 | 678,800 | 492,900 | 491,300 | 493,300 | 495,300 |
| Fines & Forfeitures | 140,397 | 145,638 | 140,325 | 183,240 | 214,927 | 173,700 | 189,100 | 190,900 | 192,700 | 194,500 |
| Miscellaneous | 493,505 | 291,214 | 116,168 | 266,453 | 291,328 | 222,950 | 185,350 | 186,350 | 185,350 | 182,350 |
| Transfers | 69,560 | 118,689 | | 131,958 | | | | | | |
| Revenue Options Available: | | | | | | | | | | |
| Levy 1% Property Tax Increase | | | | | | | 47,100 | 47,700 | 48,400 | 49,100 |
| Water Utility Franchise Fee | | | | | | | | 49,800 | 49,800 | 49,800 |
| Sewer Utility Franchise Fee | | | | | | | | 68,700 | 68,700 | 68,700 |
| Total Revenues | \$12,783,921 | \$12,422,853 | \$11,774,974 | \$12,624,395 | \$12,354,287 | \$12,730,750 | \$12,525,110 | \$12,707,930 | \$12,930,830 | \$13,153,730 |
| Expenditures | | | | | | | | | | |
| Salaries | 5,305,769 | 5,647,602 | 6,101,676 | 6,334,377 | 6,237,403 | 6,125,296 | 6,249,285 | 6,297,000 | 6,370,400 | 6,442,000 |
| Benefits | 1,656,851 | 1,686,186 | 2,058,636 | 2,170,897 | 2,246,167 | 2,257,626 | 2,391,062 | 2,460,185 | 2,534,377 | 2,610,658 |
| Supplies | 358,166 | 364,825 | 393,343 | 325,938 | 362,599 | 323,932 | 417,380 | 410,100 | 412,200 | 414,300 |
| Services | 2,454,225 | 2,006,156 | 1,839,894 | 1,386,272 | 1,519,162 | 1,534,639 | 1,700,710 | 1,709,700 | 1,726,800 | 1,744,100 |
| Intergovernmental | 855,577 | 717,733 | 766,304 | 735,235 | 791,022 | 811,903 | 852,125 | 837,100 | 837,100 | 837,100 |
| Capital Outlay | 179,502 | 517,085 | 573,977 | 145,477 | 262,665 | 118,665 | 32,000 | - | - | - |
| Transfers | 2,073,500 | 2,440,445 | 1,562,354 | 1,662,726 | 1,351,400 | 2,187,375 | 1,225,800 | 1,210,800 | 1,280,800 | 1,295,800 |
| Total Expenditures | \$12,883,590 | \$13,380,032 | \$13,296,184 | \$12,760,922 | \$12,770,418 | \$13,359,436 | \$12,868,362 | \$12,924,885 | \$13,161,677 | \$13,343,958 |
| Accruals | \$192,570 | \$74,638 | \$437,369 | (\$195,411) | (\$121,744) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve Balance Per Policy | | | | \$2,127,000 | \$2,129,000 | \$2,227,000 | \$2,145,000 | \$2,155,000 | \$2,194,000 | \$2,224,000 |
| Ending Fund Balance | \$7,304,198 | \$6,421,657 | \$5,337,816 | \$2,878,878 | \$2,339,003 | \$1,612,317 | \$1,351,065 | \$1,124,110 | \$854,263 | \$634,035 |
| Gap(Expenses \$'s over Revenues\$'s) | (\$99,669) | (\$957,179) | (\$1,083,841) | (\$331,938) | (\$537,875) | (\$628,686) | (\$343,252) | (\$216,955) | (\$230,847) | (\$190,228) |
| Reserve Balance Over (Short) | \$7,304,198 | \$6,421,657 | \$5,337,816 | \$2,878,632 | \$2,339,174 | \$1,612,299 | \$1,350,909 | \$1,124,531 | \$854,211 | \$633,597 |
| Levels of "Gap" | -0.78% | -7.70% | -12.92% | -1.08% | -3.37% | -4.94% | -2.74% | -1.71% | -1.79% | -1.45% |
| % of Expenditures covered by Ending Fund Balance | 57.1% | 52% | 40% | 39% | 35% | 29% | 27% | 25% | 23% | 21% |

Ending Fund Balances are in a state of decline due to the cumulative effect of annual deficits ranging from \$628,686 in 2012 and declining to \$190,228 in 2016. 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 2012 is 2.7%.
- New positions – New half-time position is anticipated to be added in the Police Department in 2013.
- The City will levy the optional 1% property tax and impose a 1% water and sewer utility franchise fee in each year of the forecast.
- Capital Improvement Program – The initial phase of Long-Range Financial Plan development 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 – operating transfers range from \$25,000 to \$45,000 during the forecast period, see page number 59 for details.
- Operating transfers to the Street Fund - Operating transfers range from \$430,800 to \$460,800 during the forecast period, see page number 60 for details.
- Operating transfers to the Community Center Fund - The General Fund transfer to the Community Center Fund for FY 2012 amounts to \$205,000. The forecast assumes that the transfer will decrease to \$190,000 by 2016, see page number 61.
- Operating transfers to the Technology Replacement Fund - The General Fund transfers \$75,000 to the Technology Replacement Fund for years 2012, \$170,000 for 2013, \$80,000 for 2014, \$90,000 for 2015 & \$85,000 for 2016, see page number 62.
- Operating transfers to the Municipal Facilities Maintenance Fund - The General Fund transfer to the Municipal Facilities Maintenance Fund for FY 2012 amounts to \$400,000. The forecast assumes that the transfer will increase to \$515,000 by 2016, see page number 63.
- 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 2012 through 2016, City revenues are anticipated to grow by an annual average of 0.8% a year, compared to an average decrease of 0.7% over the past five years. Property tax, the City's largest source of revenue, increases from the end of 2011 to 2016 by \$413,274, of which \$84,300 comes from new construction and the remaining \$328,274 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.

General Fund Revenue Growth

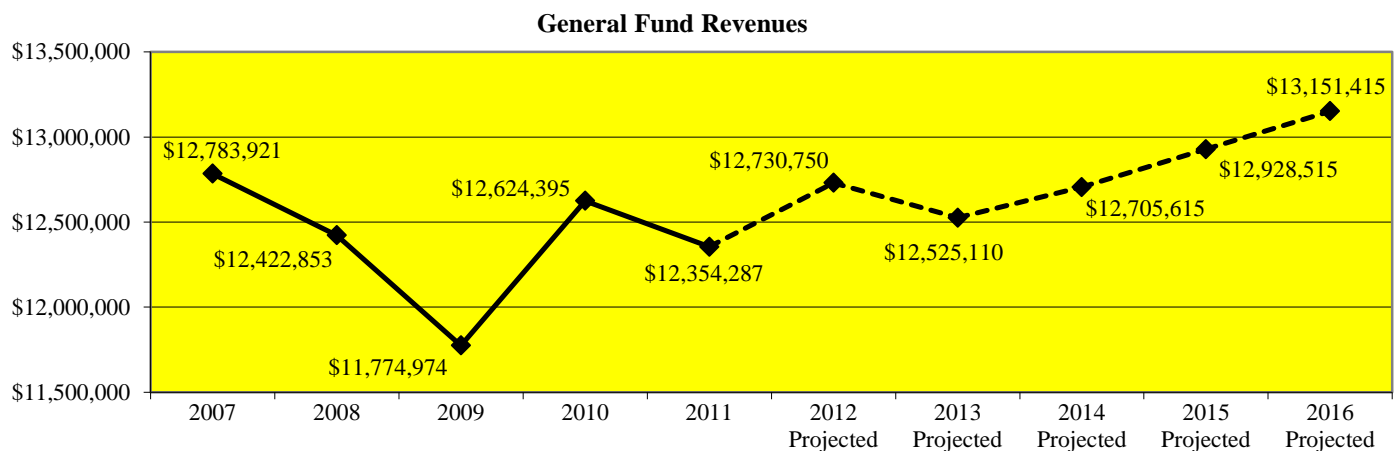
In each revenue and expenditure category an initial summary is provided with the following:

- Average Historic Growth Rate – Each revenue category will include average annual rate of growth for the years 2007 to 2011.
- Projected Growth Rate – Each revenue category will also include a projected average annual rate of growth for years 2012 to 2016.
- Each revenue category shares an explanation of the assumptions behind the projections.

General Fund Revenue Summary

| | |
|--|-------|
| 2007 -2011 Average Annual Historic Growth Rate | -0.9% |
| 2012- 2016 Average Projected Growth Rate | 0.8% |

Over the forecast period, General Fund revenues are projected to increase at an average annual rate of 0.8% compared to the 0.7% declines experience during historical period.



Property Taxes

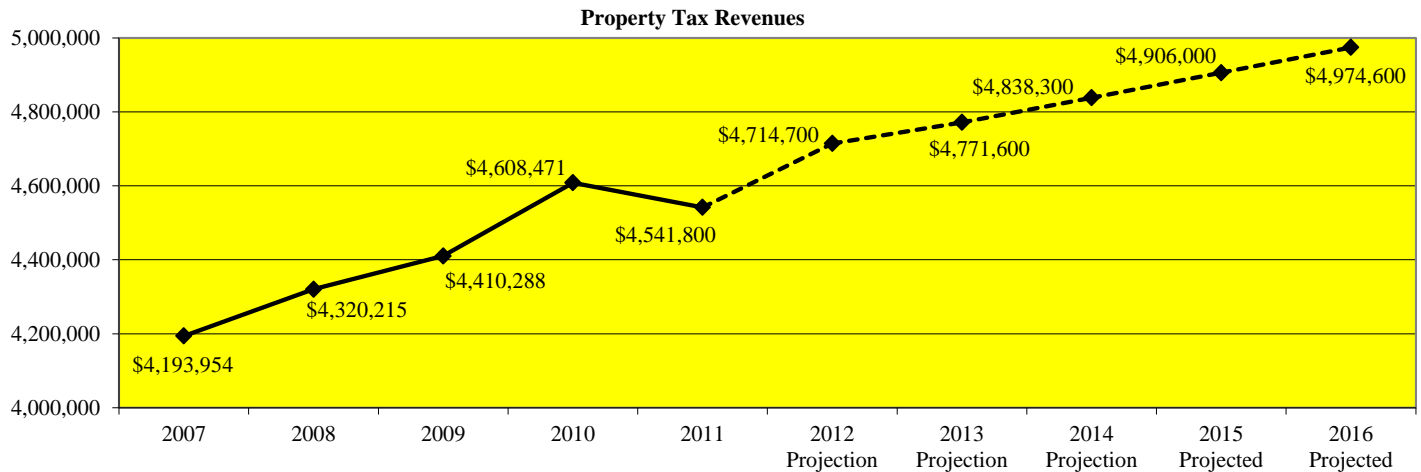
| | |
|--|------|
| 2007 -2011 Average Annual Historic Growth Rate | 2.0% |
| 2012- 2016 Average Projected Growth Rate | 1.4% |

Assumptions & Explanation

As the local economy continues to recover, the City's reliance on Property tax, the City's single largest revenue source increases from 37.0% of total General Fund operating revenue in 2012 and to 37.8% by 2016. The historic growth rate of 2.0% is attributed primarily to new residential and commercial development (\$301,156) and due to the City opting to take 1% property tax increases in 2009 (\$43,364), 1% in 2011 (\$44,800) and 3% in 2012 (\$136,674.).

The City's adopted "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 \$47,100 in 2013, \$47,700 in 2014, \$48,400 in 2015 and \$49,100 in 2016, with new construction adding \$84,300 in new revenues for the years 2012 to 2016.

The chart below displays property tax revenue history and forecast, and is followed by a table displaying each of the components included in the property tax assumption:



| Property Tax Revenues | | | | | | | | | | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Regular Tax Collections | \$4,088,155 | \$4,240,468 | \$4,310,051 | \$4,562,194 | \$4,484,540 | \$4,561,326 | \$4,714,700 | \$4,771,600 | \$4,838,300 | \$4,906,000 |
| New Construction | \$105,799 | \$79,747 | \$56,873 | \$46,277 | \$12,460 | \$16,700 | \$9,800 | \$19,000 | \$19,300 | \$19,500 |
| Levy Increase | \$0 | \$0 | \$43,364 | \$0 | \$44,800 | \$136,674 | \$47,100 | \$47,700 | \$48,400 | \$49,100 |
| Total | \$4,193,954 | \$4,320,215 | \$4,410,288 | \$4,608,471 | \$4,541,800 | \$4,714,700 | \$4,771,600 | \$4,838,300 | \$4,906,000 | \$4,974,600 |

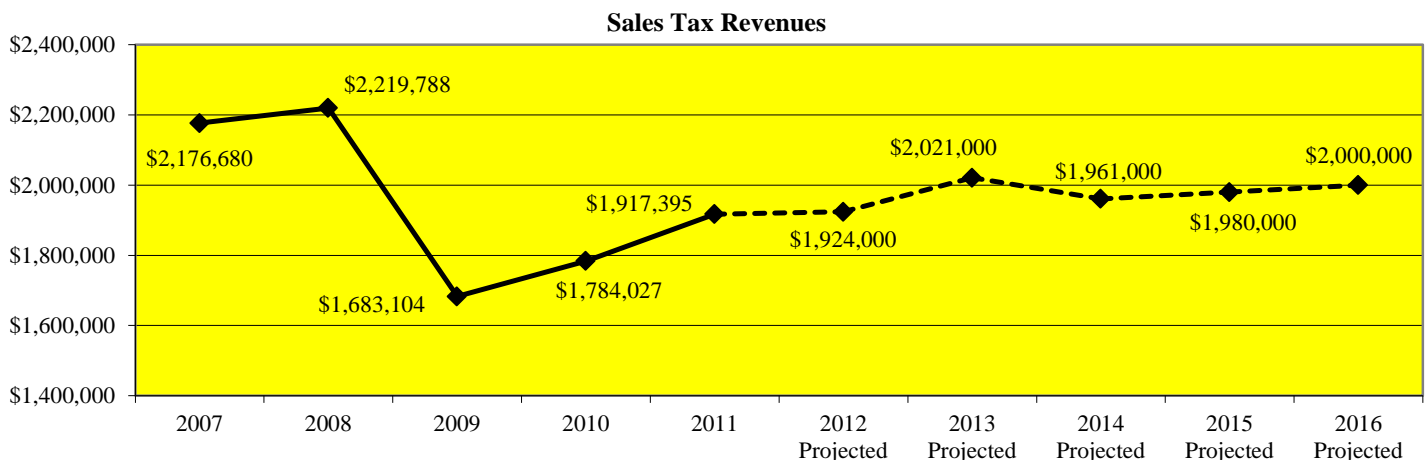
Sales Taxes

2007 -2011 Average Annual Historic Growth Rate -3.1%

2012- 2016 Average Projected Growth Rate 1.0%

Assumptions & Explanation

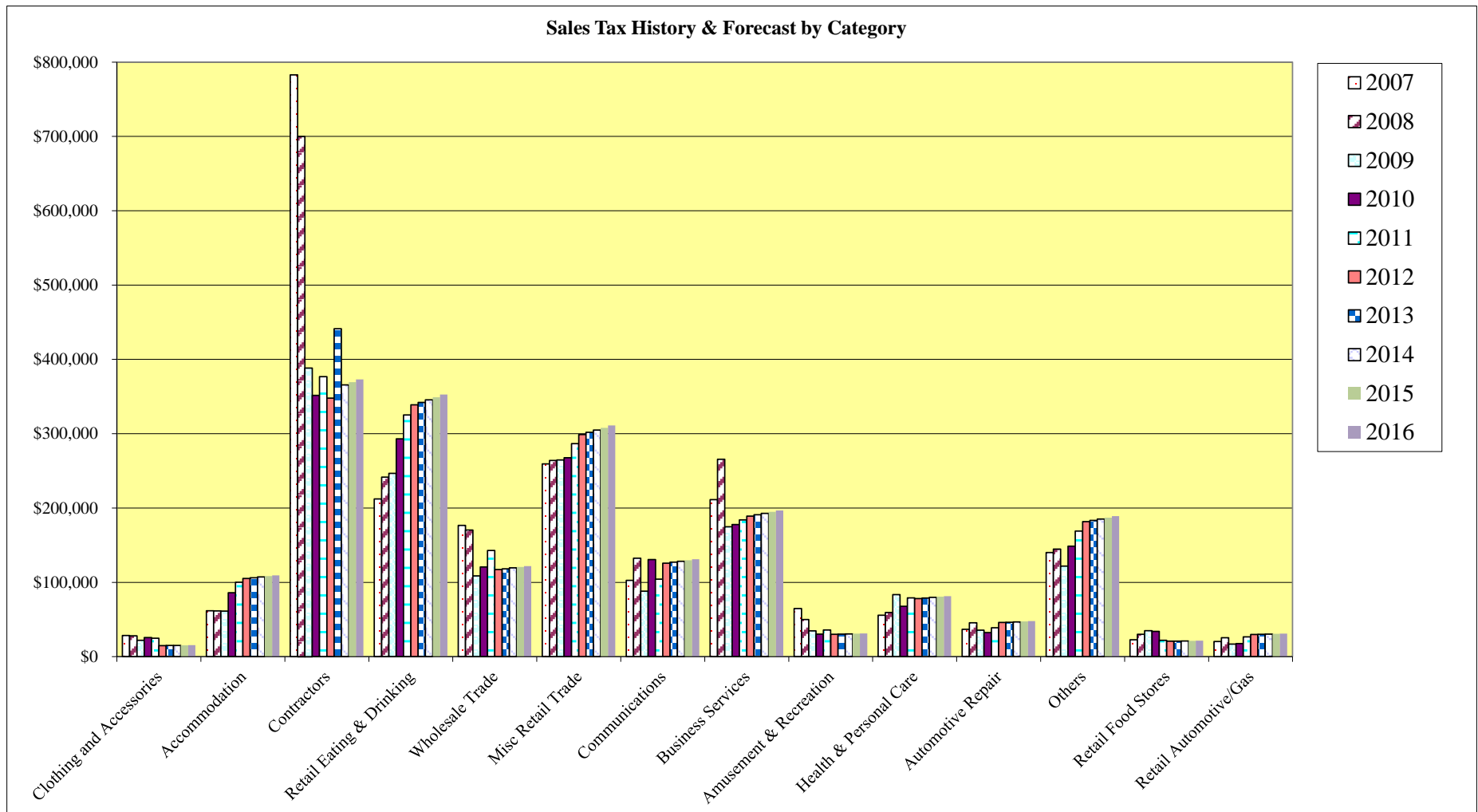
The 2.2% drop in sales tax revenue over the last five years results primarily from the 24.2% decline in FY 2009 due to the economic malaise that affected the entire nation. The chart below displays sales tax revenue history and forecast:





The chart on the next page graphs actual sales tax revenues by category for the years 2007 to 2011 and forecast for the years 2012 to 2016. 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:

- 2012 projects sales tax revenues to increase 0.3% over 2011, with Miscellaneous Retail Trade providing an additional \$12,200 in sales tax revenues as the economy continues to recover as patrons disposable income increases.
- 2013 projects all categories increase an average of 5.7% with contractors providing an additional \$93,500 in sales tax revenues as Boeing builds the new Dreamlifter station off of State Route 526.
- 2014 projects all categories decrease of 2.9% as the one-time sales tax bump in 2013 is removed from 2014 projections.
- 2015 and 2016 projects sales tax revenues increase 1.0%.



Utility Taxes

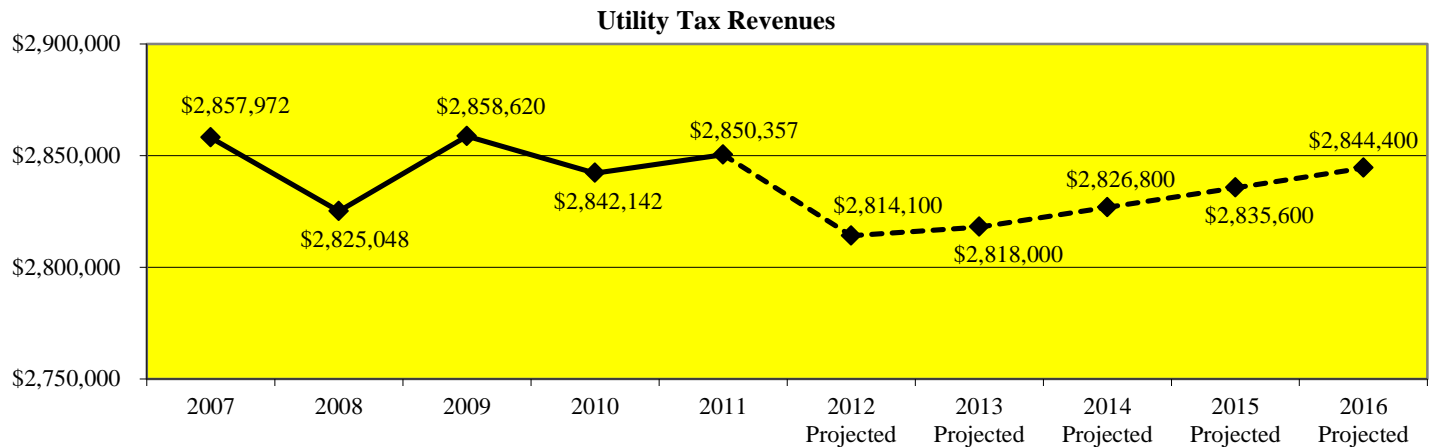
| | |
|--|-------|
| 2007 -2011 Average Annual Historic Growth Rate | -0.1% |
| 2012- 2016 Average Projected Growth Rate | 0.3% |

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 year 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 0.3% accommodates the normal growth patterns anticipated from new construction and rate increases.

The chart below displays utility tax revenue history for the years 2007 to 2011 & forecast and is followed by a table displaying each of the components included in the utility tax assumption:



| Utilities Taxes | | | | | | | | | | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Natural Gas | \$505,412 | \$494,342 | \$519,460 | \$472,331 | \$469,128 | \$473,000 | \$473,000 | \$475,400 | \$477,800 | \$480,200 |
| Garbage | \$196,396 | \$183,026 | \$196,761 | \$229,847 | \$212,578 | \$215,000 | \$213,600 | \$214,700 | \$215,800 | \$216,900 |
| Cable | \$337,116 | \$359,641 | \$366,798 | \$369,321 | \$444,922 | \$394,000 | \$395,000 | \$396,000 | \$397,000 | \$398,000 |
| Telephone | \$913,667 | \$915,020 | \$900,725 | \$887,324 | \$840,662 | \$845,000 | \$847,100 | \$849,200 | \$851,300 | \$853,400 |
| Electricity | \$825,415 | \$795,933 | \$797,509 | \$804,979 | \$805,057 | \$809,100 | \$811,100 | \$813,100 | \$815,100 | \$817,100 |
| Storm Drainage | \$79,966 | \$77,087 | \$77,367 | \$78,339 | \$78,010 | \$78,000 | \$78,200 | \$78,400 | \$78,600 | \$78,800 |
| Total | \$2,857,972 | \$2,825,048 | \$2,858,620 | \$2,842,142 | \$2,850,357 | \$2,814,100 | \$2,818,000 | \$2,826,800 | \$2,835,600 | \$2,844,400 |
| % Change from Prior Year | 21.5% | -1.2% | 1.2% | -0.6% | 0.3% | -1.3% | 0.1% | 0.3% | 0.3% | 0.3% |

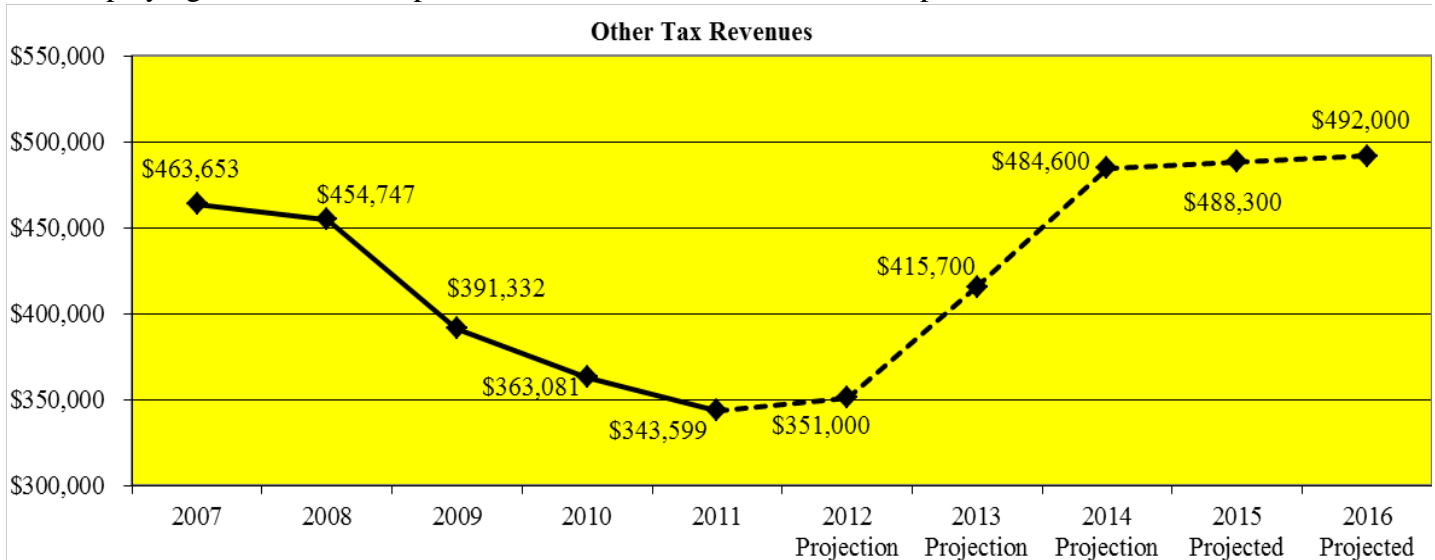
Other Taxes

| | |
|--|-------|
| 2007 -2011 Average Annual Historic Growth Rate | -7.2% |
| 2012- 2016 Average Projected Growth Rate | 8.8% |

Assumptions & Explanation

- The other tax revenue tends to follow the economic ups and downs with two exceptions. Commercial Parking and Gambling tax revenues. The City took over leasing of parking spaces within Lighthouse Park (the largest source of parking tax revenue.) Additionally, since 2008 there are no gambling operations in the City.

The chart below displays other tax revenue history for the years 2007 to 2011 & forecast and is followed by a table displaying each of the components included in the other tax assumption:



| Other Taxes | | | | | | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Budget | 2013 Projected | 2014 Projected | 2015 Projected | 2016 Projected |
| Natural Gas Use ¹ | \$4,180 | \$3,291 | \$3,036 | \$3,287 | \$6,231 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Criminal Justice | \$321,797 | \$303,845 | \$259,426 | \$260,625 | \$260,173 | \$267,000 | \$269,900 | \$267,200 | \$269,900 | \$272,600 |
| Admissions | \$69,727 | \$63,485 | \$55,548 | \$54,966 | \$60,016 | \$72,000 | \$63,000 | \$63,600 | \$64,200 | \$64,800 |
| Parking ² | \$57,355 | \$76,161 | \$68,986 | \$38,854 | \$7,773 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Leasehold Excise | \$6,939 | \$4,955 | \$4,336 | \$5,348 | \$9,406 | \$12,000 | \$82,800 | \$153,800 | \$154,200 | \$154,600 |
| Gambling ³ | \$3,654 | \$3,010 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$463,653 | \$454,747 | \$391,332 | \$363,081 | \$343,599 | \$351,000 | \$415,700 | \$484,600 | \$488,300 | \$492,000 |

¹Washington State Court of Appeals re-defined brokered natural gas use. This tax is not allowable after 2011.

²The City took over leasing of parking spaces in Lighthouse Park in 2011, reducing Parking Tax revenues.

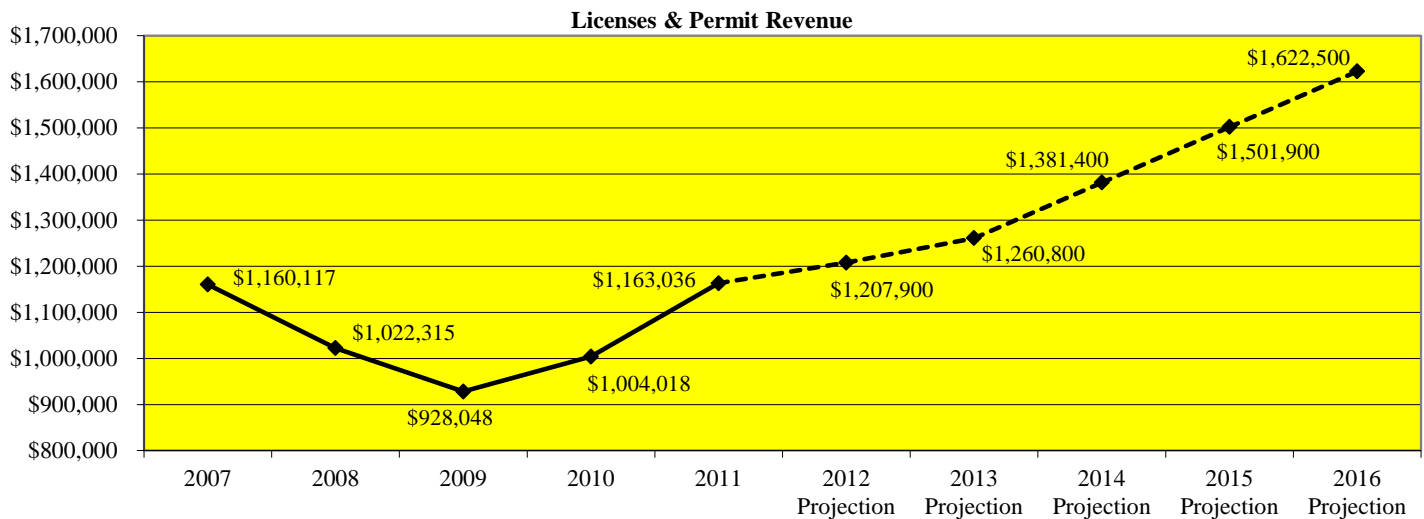
³There has been no Gambling operations within the City since 2008

License and Permit Revenue

| | |
|--|------|
| 2007 -2011 Average Annual Historic Growth Rate | 0.1% |
| 2012- 2016 Average Projected Growth Rate | 7.7% |

Assumptions & Explanation

License and permit revenues increased slightly during the historic period by 0.7%. 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 of 7.7% exceeds normal growth patterns due to the addition of the new water and sewer franchise fees¹. 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 | | | | | | | | | | |
|-----------------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Business License | \$418,654 | \$380,704 | \$434,059 | \$352,979 | \$423,963 | \$417,500 | \$416,500 | \$416,500 | \$416,500 | \$416,500 |
| Franchise Fees ¹ | \$263,938 | \$285,951 | \$298,753 | \$471,343 | \$550,572 | \$552,500 | \$677,500 | \$798,000 | \$918,400 | \$1,038,800 |
| Building Permits | \$424,010 | \$285,577 | \$151,363 | \$145,977 | \$155,613 | \$207,000 | \$140,100 | \$140,100 | \$140,100 | \$140,100 |
| Other Permits | \$53,516 | \$70,083 | \$43,872 | \$33,718 | \$32,888 | \$30,900 | \$26,700 | \$26,800 | \$26,900 | \$27,100 |
| Total | \$1,160,117 | \$1,022,315 | \$928,048 | \$1,004,018 | \$1,163,036 | \$1,207,900 | \$1,260,800 | \$1,381,400 | \$1,501,900 | \$1,622,500 |

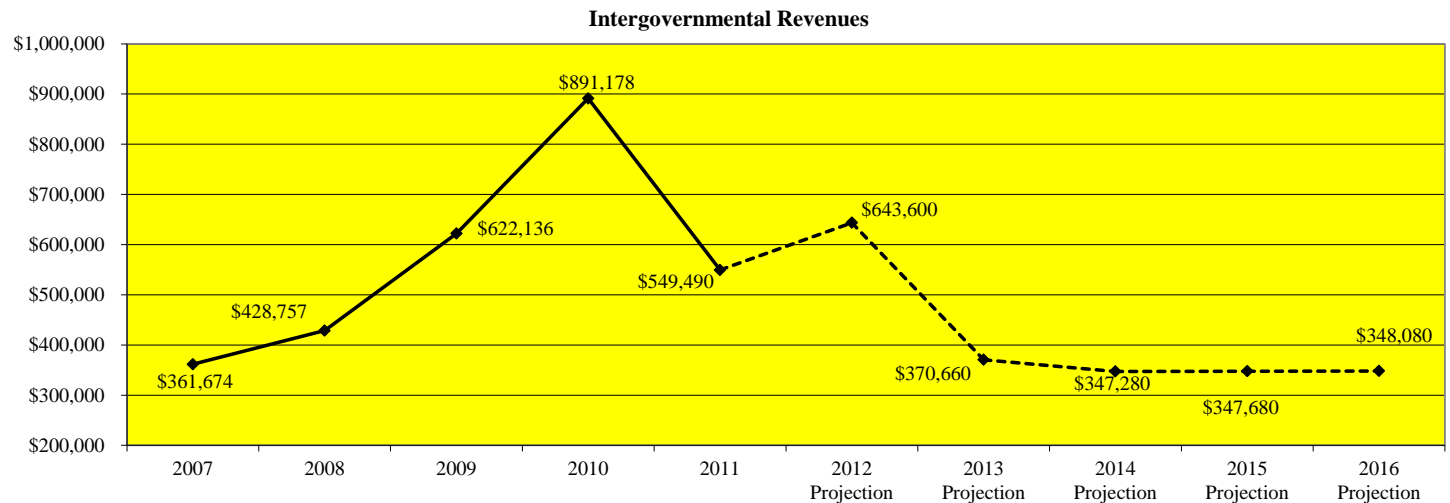
- Business License revenues are projected to growth by 1.6% to account for new businesses locating in Mukilteo.
- ¹Franchise Fees include cable franchise fees are projected to grow one quarter of one percent per year and garbage administration fees are projected to grow half a percent per year to account for new construction of new housing & commercial buildings.
The new 1% water and sewer franchise fee levy is implemented in 2013 and is increased 1% in each year of the projection to total 4% by 2016. These new fees account for the majority of the 17.2% projected growth in franchise fees.
- Building Permits and Other Permits (Right-of-way, Signs, Dogs, Guns & Special Events) are projected to decrease 3% during the forecast period.

¹The City adopted a "Gap" Closing Plan, which includes the creation of both a Water and Sewer Utility Franchise Fee.

Intergovernmental Revenue

2007 -2011 Average Annual Historic Growth Rate 11.0%
2012- 2016 Average Projected Growth Rate -14.2%

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 | | | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Liquor Board Profits | \$188,717 | \$157,698 | \$137,964 | \$160,862 | \$141,173 | \$203,200 | \$182,600 | \$182,600 | \$182,600 | \$182,600 |
| PUD Privilege Tax | \$94,898 | \$98,491 | \$100,026 | \$101,479 | \$100,446 | \$101,000 | \$101,300 | \$101,600 | \$101,900 | \$102,200 |
| Liquor Excise Tax | \$44,195 | \$73,047 | \$97,979 | \$99,648 | \$99,235 | \$74,500 | \$30,780 | \$12,000 | \$12,000 | \$12,000 |
| Grants & Interlocal Agreements | \$10,091 | \$73,451 | \$257,830 | \$495,934 | \$171,313 | \$237,800 | \$30,200 | \$25,200 | \$25,200 | \$25,200 |
| Other | \$23,773 | \$26,070 | \$28,338 | \$33,255 | \$37,323 | \$27,100 | \$25,780 | \$25,880 | \$25,980 | \$26,080 |
| Total | \$361,674 | \$428,757 | \$622,136 | \$891,178 | \$549,490 | \$643,600 | \$370,660 | \$347,280 | \$347,680 | \$348,080 |

- Both Liquor Board Profits and Excise Tax forecasts are provided by the Washington State Liquor Control Board¹. With the passage of ESHB 2823, the legislature will, beginning in October 2012, divert all the liquor excise tax revenue revenues that would normally have been distributed to cities to the State General Fund for one year. The impacts of this new legislation on city revenues are:
 - 2012 Liquor Excise tax loss is estimated at \$53,895, from 2011 levels
 - 2013 Liquor Excise tax loss is estimated at \$63,268, from 2011 levels
 - 2014, 2015 and 2016 the annual Liquor Excise tax loss is estimated at \$37,492, from 2011 levels.
- Future PUD Privilege Tax revenues will continue to follow the past trend and increase 1 percent per year.

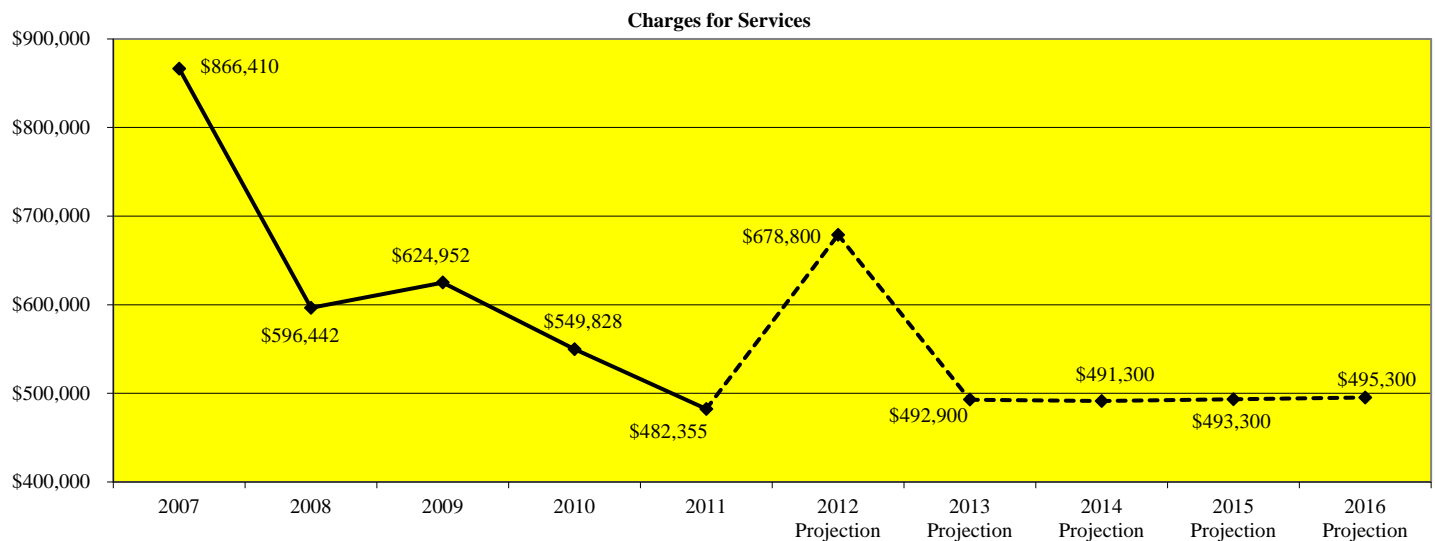
¹Source: Municipal Research Services Center's Budget Suggestions for 2013

Charges for Services

| | |
|--|--------|
| 2007 -2011 Average Annual Historic Growth Rate | -13.6% |
| 2012- 2016 Average Projected Growth Rate | -7.6% |

Charges for Service are projected to decrease by 6.7% 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.

Historically, charges for services have decreased by an average of 12.7%. 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:



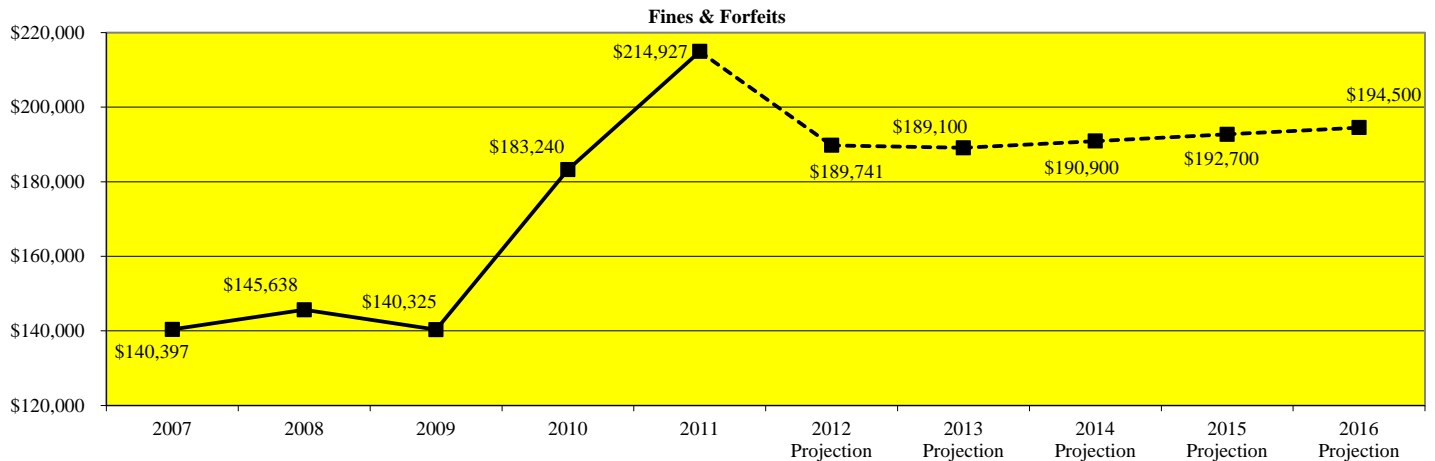
| Charges for Services | | | | | | | | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Misc. Services | \$11,468 | \$12,708 | \$10,816 | \$30,098 | \$10,376 | \$13,300 | \$20,500 | \$20,500 | \$20,500 | \$20,500 |
| Ambulance Fees | \$171,996 | \$147,610 | \$191,243 | \$196,732 | \$208,421 | \$189,000 | \$194,000 | \$196,000 | \$198,000 | \$200,000 |
| Development Related Fees | \$348,947 | \$269,125 | \$227,892 | \$127,498 | \$97,258 | \$161,700 | \$84,800 | \$84,800 | \$84,800 | \$84,800 |
| Overhead Cost Recovery | \$334,000 | \$167,000 | \$195,000 | \$195,500 | \$166,300 | \$314,800 | \$193,600 | \$190,000 | \$190,000 | \$190,000 |
| Total | \$866,410 | \$596,442 | \$624,952 | \$549,828 | \$482,355 | \$678,800 | \$492,900 | \$491,300 | \$493,300 | \$495,300 |

Fines and Forfeits

2007 -2011 Average Annual Historic Growth Rate 11.2%

2012- 2016 Average Projected Growth Rate 2.9%

The Fines category consists of parking fines, traffic violations, and civil penalties. The projected growth rate is 2.9% whereas the historic rate is an average of 12.0%. 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:



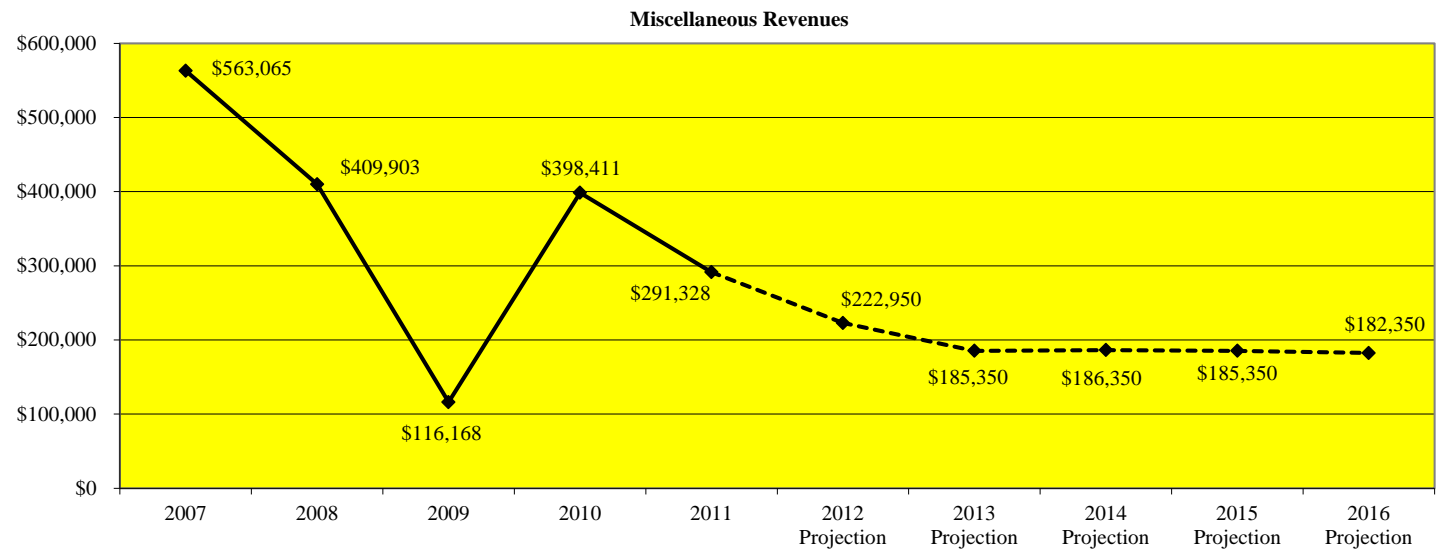
| Fines & Forfeits | | | | | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Traffic Violations | \$128,890 | \$130,757 | \$113,023 | \$156,425 | \$173,384 | \$150,000 | \$165,000 | \$166,700 | \$168,400 | \$170,100 |
| Parking & Non-Traffic Violations | \$11,507 | \$14,881 | \$27,302 | \$26,815 | \$41,543 | \$23,700 | \$24,100 | \$24,200 | \$24,300 | \$24,400 |
| Fines & Forfeits | \$140,397 | \$145,638 | \$140,325 | \$183,240 | \$214,927 | \$173,700 | \$189,100 | \$190,900 | \$192,700 | \$194,500 |

Miscellaneous Revenues

2007 -2011 Average Annual Historic Growth Rate -15.2%

2012- 2016 Average Projected Growth Rate -4.9%

This revenue group includes interest earnings and revenue from rental agreements and leases. We have experienced an average annual decrease of 15.2% and expect a continued annual decline of 4.9%.



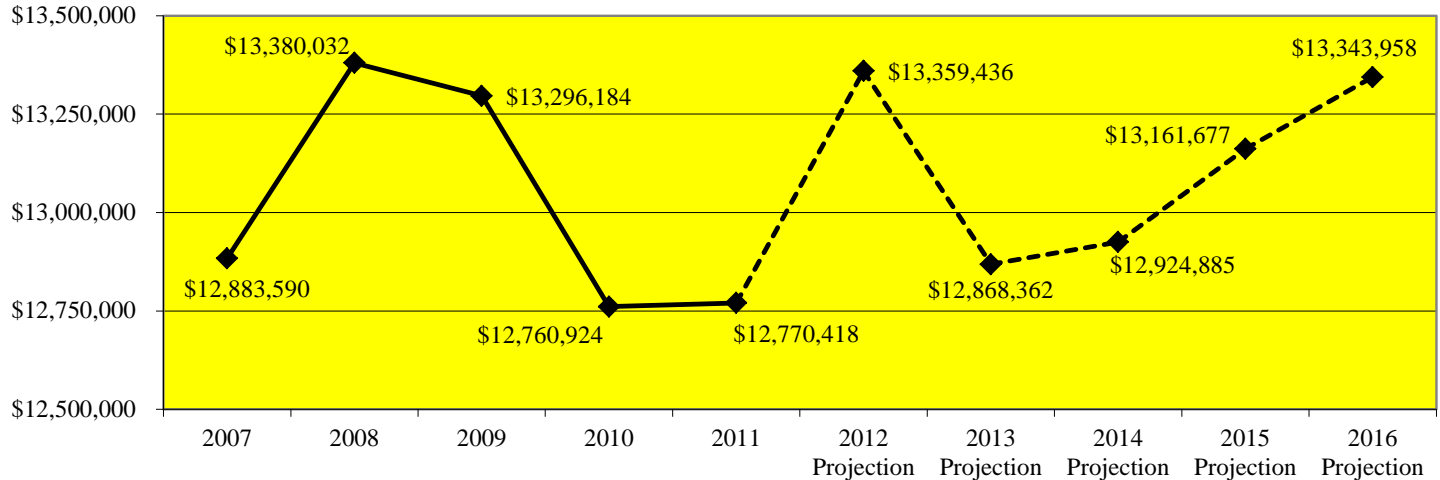
| Miscellaneous Revenues | | | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 Projection | 2013 Projection | 2014 Projection | 2015 Projection | 2016 Projection |
| Interest Earnings | \$438,303 | \$235,716 | \$69,309 | \$22,259 | \$17,673 | \$15,800 | \$11,800 | \$10,800 | \$9,800 | \$8,800 |
| Rental Income | \$0 | \$2,433 | \$14,084 | \$191,970 | \$224,274 | \$168,550 | \$164,050 | \$166,050 | \$166,050 | \$164,050 |
| Contributions, Surplus & Other | \$55,202 | \$53,065 | \$32,775 | \$52,224 | \$49,381 | \$38,600 | \$9,500 | \$9,500 | \$9,500 | \$9,500 |
| Transfers from Other Funds | \$69,559 | \$118,689 | \$0 | \$131,958 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$563,065 | \$409,903 | \$116,168 | \$398,411 | \$291,328 | \$222,950 | \$185,350 | \$186,350 | \$185,350 | \$182,350 |

General Fund Expenditures Summary

| | |
|--|-------|
| 2007 -2011 Average Annual Historic Growth Rate | -0.2% |
| 2012- 2016 Average Projected Growth Rate | 0.0% |

Expenditures are projected to remain flat, as compared to an average decline of 0.2% over the past five years. The decline was 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.

General Fund Expenditures

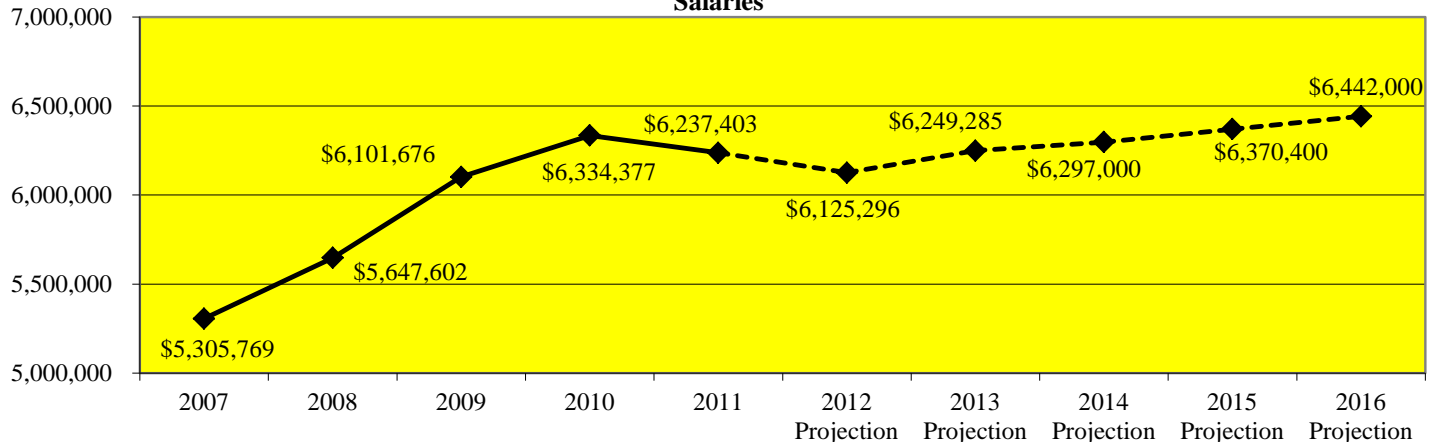


Salaries

| | |
|--|------|
| 2007 -2011 Average Annual Historic Growth Rate | 4.1% |
| 2012- 2016 Average Projected Growth Rate | 1.3% |

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. The table below details new hires and staff reductions for positions that receive support from the General Fund between 2007 and 2012. The City hired 13.5 position for public safety, and 8.5 positions for general services. Also, the City laid off two general service positions in 2011 and laid off one position in 2012.

Salaries



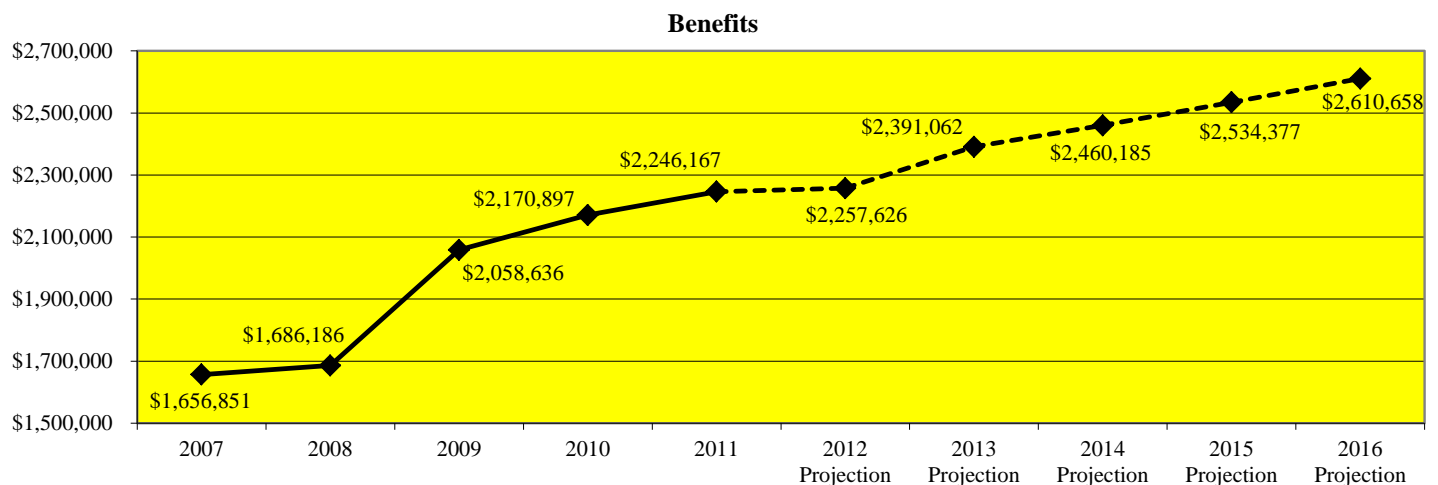


| General Fund Supported Positions Added (Eliminated) 2007 - 2012 | | | | | | | |
|---|------|------|------|------|-------|-------|-------|
| Position | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
| Staff Accountant | 1.0 | | | | | | 1.0 |
| Recreation & Cultural Arts Mgr | 1.0 | | | | | | 1.0 |
| 2 Part-time Department Assistant | | 1.0 | | | | | 1.0 |
| Lead Serviceworker | | 1.0 | | | | | 1.0 |
| Informational Technology Mgr | | | 1.0 | | | | 1.0 |
| Recreation Office Technical | | | | | 1.0 | | 1.0 |
| 4 Part-time Rec. Customer Service Clerk | | | | | 2.0 | | 2.0 |
| Part-time Recreation Programmer | | | | | 0.5 | | 0.5 |
| Permit Services Assistant | | | | | (1.0) | | (1.0) |
| Engineering Technician | | | | | (1.0) | | (1.0) |
| Assistant Planner | | | | | | (1.0) | (1.0) |
| Subtotal Office/Clerical | 2.0 | 2.0 | 1.0 | - | 1.5 | (1.0) | 5.5 |
| 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 | 1.0 | 3.0 | | | | | 4.0 |
| Fire Marshal | | 1.0 | | | | | 1.0 |
| Training Captain (Fire) | | 1.0 | | | | | 1.0 |
| Subtotal Fire | 1.0 | 8.5 | - | - | - | - | 9.5 |
| TOTAL | 4.0 | 13.5 | 1.0 | - | 1.5 | (1.0) | 19.0 |

Benefits

| | |
|--|------|
| 2007 -2011 Average Annual Historic Growth Rate | 7.9% |
| 2012- 2016 Average Projected Growth Rate | 3.7% |

The table above helps explain why there is a large variance between the “historic growth” and the “projected growth” rates.

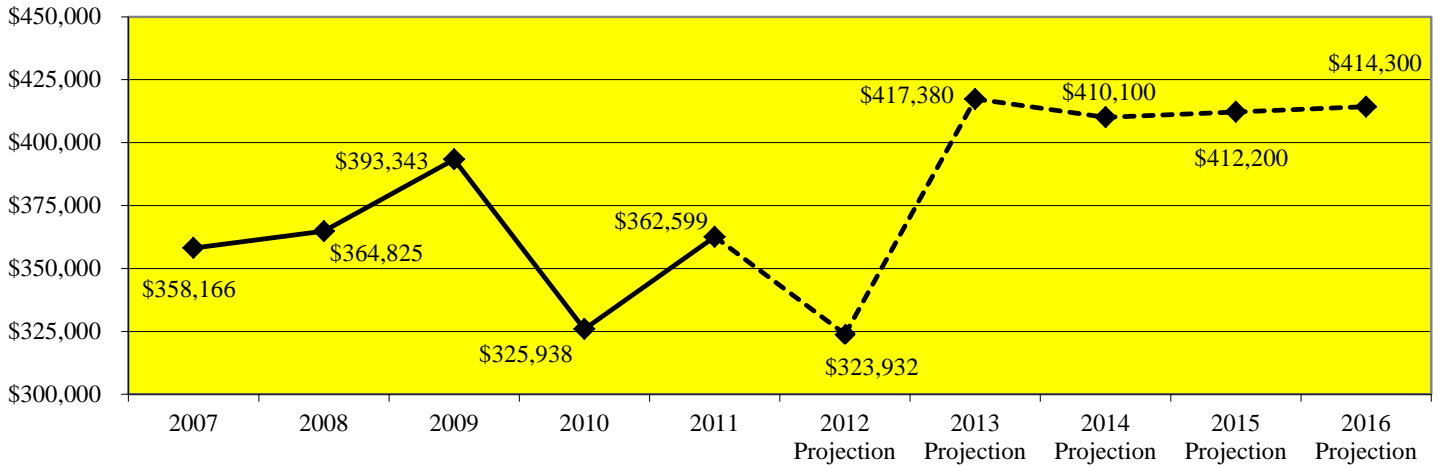


Supplies

| | |
|--|------|
| 2007 -2011 Average Annual Historic Growth Rate | 0.3% |
| 2012- 2016 Average Projected Growth Rate | 6.3% |

Supplies historically increased 0.3%. However, the projected growth rate increases to 6.3%.

Supplies



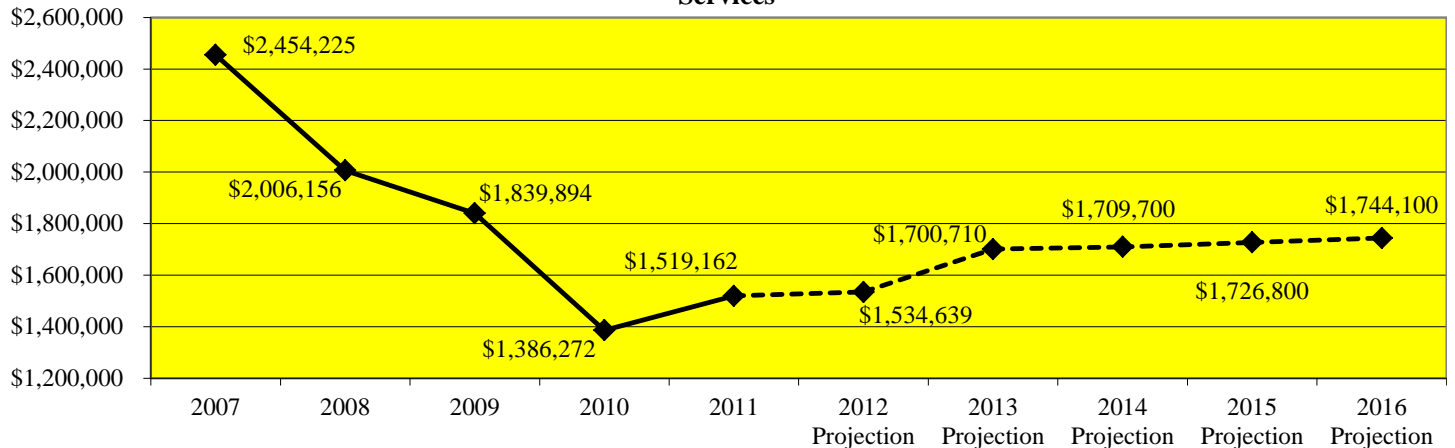
Other Services and Charges

| | |
|--|--------|
| 2007 -2011 Average Annual Historic Growth Rate | -11.3% |
| 2012- 2016 Average Projected Growth Rate | 3.3% |

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/or 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.

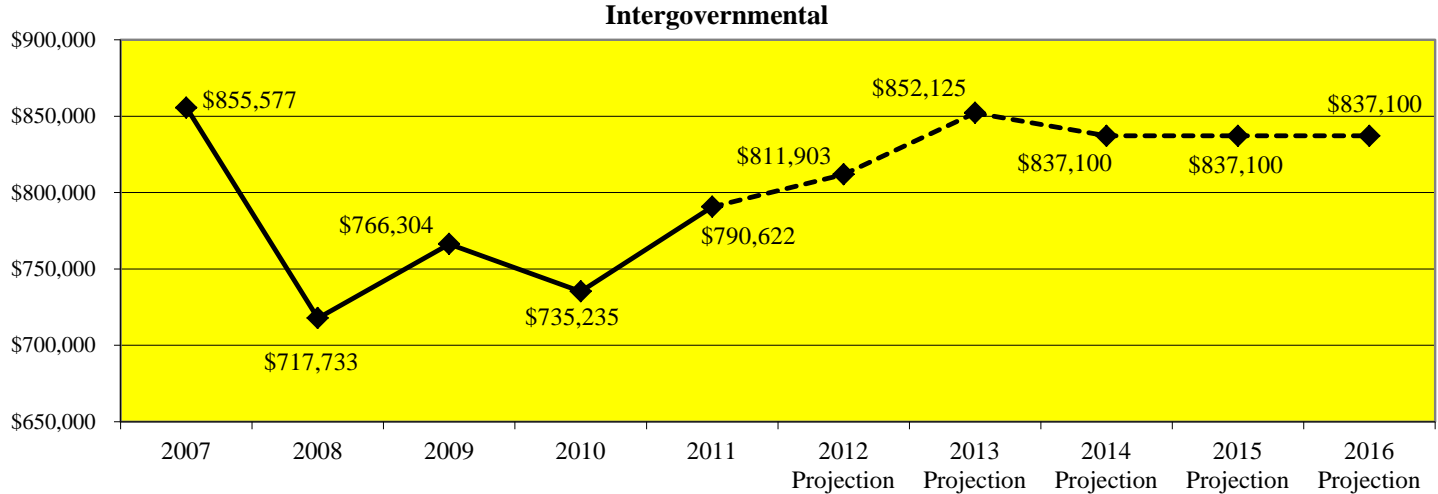
Services



Intergovernmental

| | |
|--|-------|
| 2007 -2011 Average Annual Historic Growth Rate | -2.0% |
| 2012- 2016 Average Projected Growth Rate | 0.8% |

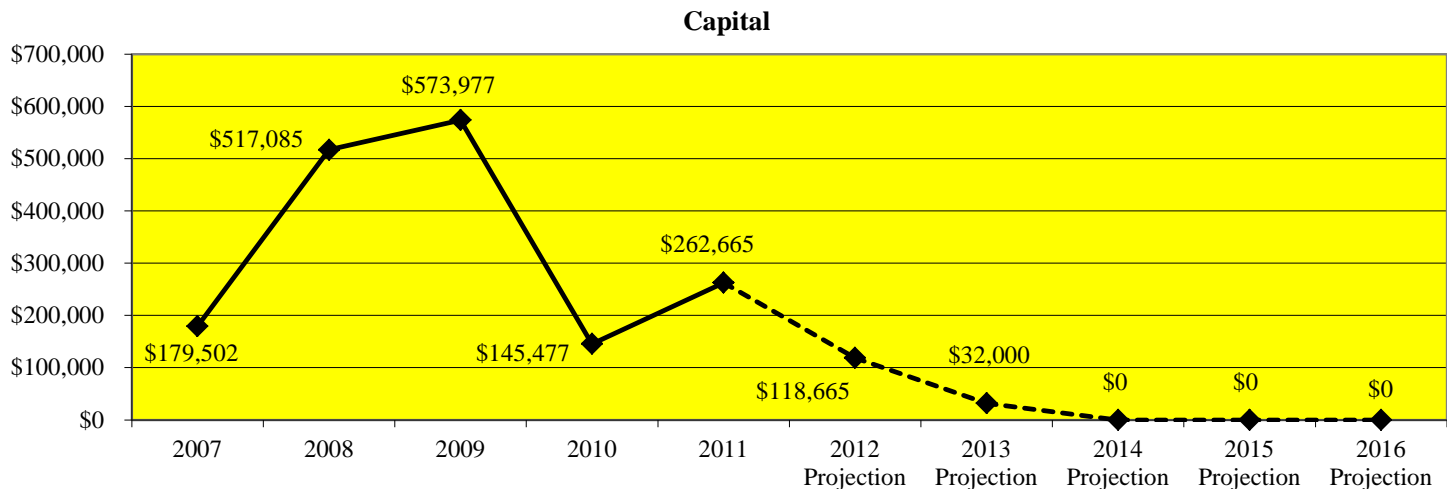
The City classifies payments to other governments and interlocal agreements as intergovernmental expenditures. Although the historic growth rate averages to decline by 2.0%, the City projects small growth in this category for its financial forecast.



Capital Outlay

| | |
|--|--------|
| 2007 -2011 Average Annual Historic Growth Rate | 10.0% |
| 2012- 2016 Average Projected Growth Rate | 100.0% |

The historic growth rate of 10.0% includes 2008 expenditures of \$305,000 to help pay towards the construction of City Hall and in 2009 an additional \$364,000 for the City Hall project. 2011 capital outlays increased by \$251,000 for the Fire Department's replacement breathing apparatus equipment for Firefighters.



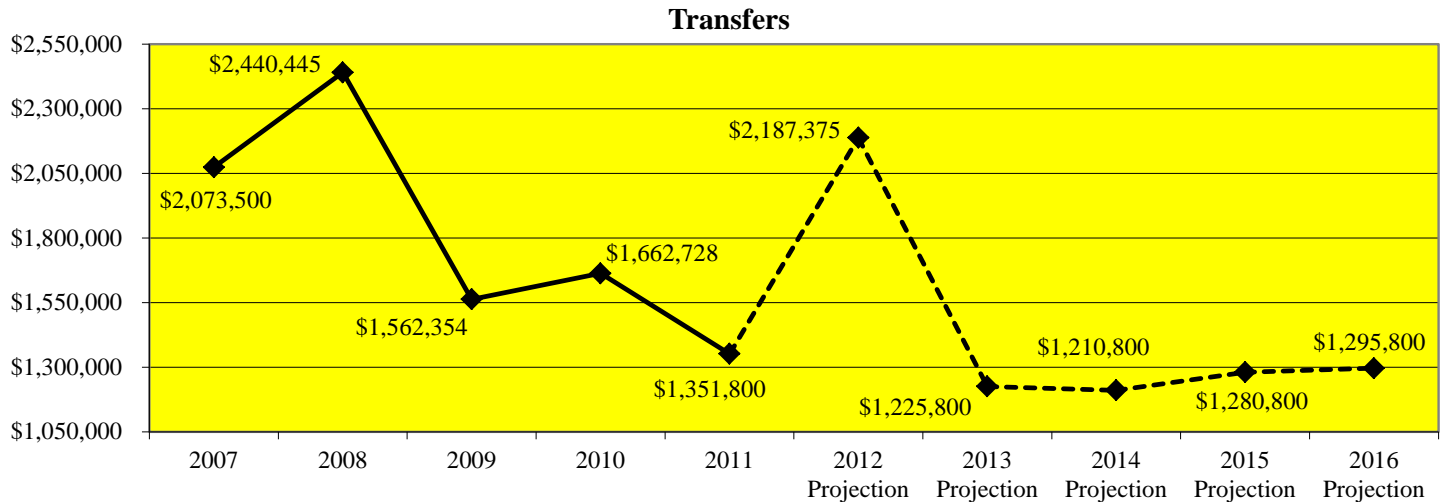
Interfund Transfers

| | |
|--|--------|
| 2007 -2011 Average Annual Historic Growth Rate | -10.1% |
| 2012- 2016 Average Projected Growth Rate | -12.3% |

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

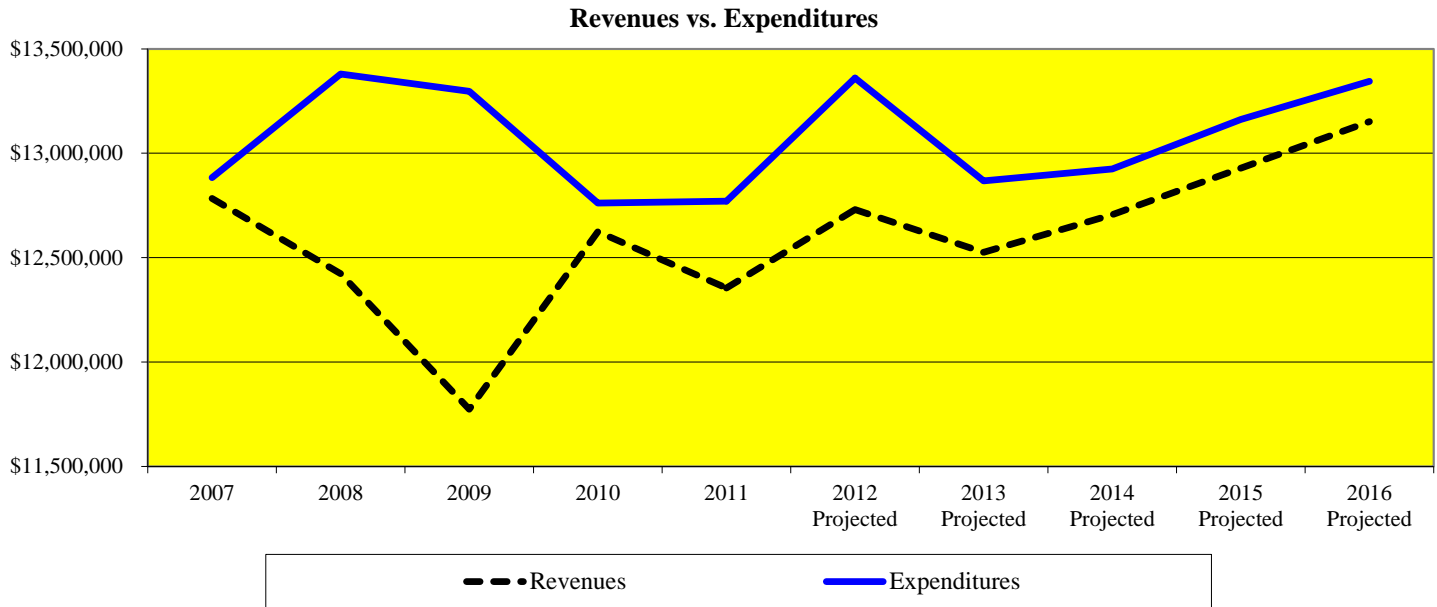
- Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them
- Move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due
- Use unrestricted revenues 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 decreased an averaged 10.1% per year. The City projects an average decrease in transfers of -12.3% for future years.



Financial Forecast Summary

The forecast shows the 2011 General Fund ending fund balance totaling \$4.47 million or equaling 35% of 2011 expenditures and projects it to end 2016 at \$2.86 million or 21% of 2016 expenditures. The chart below graphs revenues vs. expenditures, with the “Gap” peaking in 2009 at 12.9% and declining to 1.45% in 2016.



However, the forecast shows a negative operating position in each year of the forecast.

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 twenty two 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 LRFP update process.

The table on the next page summarizes all the City's fund balances as of December 31, 2011.



Reserve Analysis Table as of 12/31/2011

| Fund Description | Fund Balance | Policy Stipulated Reserve | Fund Balance Less Reserve | Comments | In Compliance With Reserve Policy |
|------------------------------------|---------------------|---------------------------|---------------------------|---|-----------------------------------|
| LEOFF I Reserve | \$134,218 | | \$134,218 | 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 60 & 72, plus \$5,000/yr for other expenses. The policy costs are growing 4 to 6% per year | N/A |
| General | \$4,465,652 | \$2,129,000 | \$2,336,652 | Fund Balance equals 35%, policy calls for 16.67% | Yes |
| Paine Field Emergency Reserve Fund | \$157,217 | | \$157,217 | No policy needed for fund | N/A |
| Drug Enforcement Fund | \$30,595 | | \$30,595 | No policy needed for fund | N/A |
| Street | \$44,405 | | \$44,405 | Recommend small balance - 5% -10% of primary revenue source | N/A |
| Arterial Street | \$153,919 | | \$153,919 | Recommend fund balance of 5% -10% of primary revenue source for small emergencies only | N/A |
| Recreation & Cultural Services | \$208,932 | | \$208,932 | No policy needed due to General Fund Operating Transfer | N/A |
| Hotel/Motel Lodging Tax Fund | \$192,437 | \$140,154 | \$52,283 | Fund Balance exceeds policy | Yes |
| Technology Replacement | \$160,154 | \$124,512 | \$35,642 | Fund Balance exceeds policy | Yes |
| City Reserve | \$1,000,000 | \$1,000,000 | \$0 | Fund Balance matches policy | Yes |
| Emergency Medical Services | \$391,169 | | \$391,169 | 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 |
| LTGO Bond Fund 2009 | \$7,163 | | \$7,163 | No policy for needed for debt service fund | N/A |
| Park Acquisition & Development | \$6,828 | | \$6,828 | No policy needed for project only fund | N/A |
| Transportation Impact Fee | \$131,883 | | \$131,883 | Mukilteo Municipal Code restricts use | N/A |
| Real Estate Excise Tax I | \$4,582,770 | | \$4,582,770 | Recommend keeping \$2 million for emergencies | N/A |
| Real Estate Excise Tax II | \$296,286 | | \$296,286 | No reserve needed - use REET 1 | N/A |
| Municipal Facilities | \$18,570 | | \$18,570 | No policy needed for project only fund | N/A |
| Community Center Project Fund | \$495,658 | | \$495,658 | Project will be completed in 2011 | N/A |
| Surface Water Management | \$1,734,548 | \$250,000 | \$1,484,548 | Fund Balance exceeds policy | Yes |
| Health Insurance Administration | \$50,996 | \$50,831 | \$165 | \$15,300 transferred into fund during 2012 | Yes |
| Equipment Replacement Reserve | \$1,613,537 | \$175,100 | \$1,438,437 | 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 | \$101,777 | | \$101,777 | No policy needed due to General Fund Operating Transfer | N/A |
| | \$16,019,202 | \$3,869,597 | \$12,149,605 | | |



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 2013 LRFP update.

J u l y 2 0 1 1

Real Estate Excise Tax (REET) Flexibility - HB 1953



Local real estate excise tax funds can now be used to operate and maintain existing capital facilities

With the passage of **HB 1953**, effective July 22, 2011, at least some local REET funds can be used to operate and maintain capital facilities. The provisions of **HB 1953** will expire on December 31, 2016.

How is the use of REET restricted?

Before enactment of **HB 1953**, both REET 1 and 2 could be used only for the “planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement” of capital projects.

The specific types of projects that are REET-eligible are summarized in the table on the reverse. As the table shows, REET 2 is restricted to fewer types of projects. Since the restrictions for REET 1 and 2 are not the same, cities and counties that levy both must track these revenues separately.

How does the enactment of HB 1953 change the restrictions on the expenditure of REET?

Cities have more flexibility in how they use REET funds. For both REET 1 and REET 2, a city or county may use the greater of \$100,000 or 35 percent of available REET funds annually, but not to exceed \$1 million per year, for the operation and maintenance (O&M) of existing capital facilities. See examples in table below.

What is REET?

The real estate excise tax (REET) is a tax on the sale of real estate, usually paid by the seller. Cities, towns, and counties use the tax to fund capital projects.

The state levies this tax at the rate of 1.28 percent. REET is collected by county treasurers and distributed to the state and the appropriate local government.

In 1982, cities and counties were authorized to impose an additional 0.25 percent to finance capital improvements (RCW 82.46.010(2)). This is commonly referred to as REET 1. Of our 281 cities, 256 reported imposing REET 1.

In 1990, the Legislature authorized cities and counties planning under the Growth Management Act to impose an additional 0.25 percent REET to finance capital projects specified in the capital facilities element of a comprehensive plan (RCW 82.46.035(2)). This is commonly known as REET 2. Of the 221 cities eligible for REET 2, 166 have reported imposing it.

| Examples | REET 1 | | REET 2 | | Total REET eligible for O&M |
|----------|-----------------------------|--|-----------------------------|--|-----------------------------|
| | Collections and/or reserves | Eligible for O&M* | Collections and/or reserves | Eligible for O&M* | |
| City A | \$45,000 | \$45,000 | \$0 | \$0 | \$45,000 |
| City B | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$200,000 |
| City C | \$500,000 | \$175,000 (\$500,000 X 35%) | \$500,000 | \$175,000 (\$500,000 X 35%) | \$350,000 |
| City D | \$1,200,000 | \$420,000 (\$1,200,000 X 35%) | \$1,200,000 | \$420,000 (\$1,200,000 X 35%) | \$840,000 |
| City E | \$3,500,000 | \$1,000,000 (\$3,500,000 X 35% = \$1,225,000 but the max allowed is \$1,000,000) | \$3,500,000 | \$1,000,000 (\$3,500,000 X 35% = \$1,225,000 but the max allowed is \$1,000,000) | \$2,000,000 |

*O&M expenditures restricted to capital facility types as summarized in table on reverse.

continued

What if a city or county currently has REET funds in a reserve account?

A city or county may use their reserve REET funds according to the **HB 1953** formula.

Can REET funds be used for debt service payments?

Only counties are eligible to use REET funds for debt service payments.

Real Estate Excise Tax (REET) allowable expenditures

| Project types | REET 1 Authorized for all cities/counties* | REET 2 Authorized for GMA planning cities/counties only* |
|---------------------------------------|---|---|
| Streets, roadways, highways | Yes | Yes |
| Sidewalks | Yes | Yes |
| Street lighting | Yes | Yes |
| Traffic signals | Yes | Yes |
| Bridges | Yes | Yes |
| Domestic water systems | Yes | Yes |
| Stormwater and sanitary sewer | Yes | Yes |
| Parks | Yes | Yes (no land acquisition) |
| Recreational facilities | Yes | No |
| Law enforcement facilities | Yes | No |
| Fire protection facilities | Yes | No |
| Trails | Yes | No |
| Libraries | Yes | No |
| Administrative or judicial facilities | Yes | No |

*Restrictions for capital investments: Under REET 1, the requirement that projects fit within the eligible project types AND be listed in the capital facilities plan element of their comprehensive plan applies only to cities fully planning under GMA with a population over 5,000. Under REET 2, the requirement applies to cities of all sizes.

AWC contacts

Ashley Probart
ashleyp@awcnet.org

Dave Catterson
davec@awcnet.org



1076 Franklin St SE
Olympia, WA 98501
www.awcnet.org

ONE-TIME REVENUES

| | | |
|---|----------------|--|
| | 2012 | |
| Homeland Grant | 187,501 | |
| FEMA Grant | 36,444 | |
| Sale of Liquor Stores Distribution(appox) | <u>41,000</u> | |
| 2012 | 264,945 | |
| | 2011 | |
| Homeland Grant | 66,165 | |
| FEMA Grant | <u>22,390</u> | |
| 2011 | 88,555 | |
| | 2010 | |
| Port of Everett ILA for Quiet Zone Reimburseent | 292,506 | |
| Homeland Security Grant | 127,835 | |
| Interfund Transfer | 131,958 | |
| Property Tax Back Payment | 138,000 | |
| Sales Tax Revenue from City Funded Projects | <u>73,000</u> | |
| 2010 | 763,299 | |
| | 2009 | |
| CTED | 31,843 | |
| Sno County ILA | 150,000 | |
| WRIA | 15,495 | |
| Port of Everett ILA | <u>32,755</u> | |
| 2009 | 230,093 | |
| | 2008 | |
| FEMA | 32,060 | |
| CTED | <u>18,750</u> | |
| 2008 | 50,810 | |
| | 2007 | |
| 2006 Overhead charge paid in 2007 | <u>167,000</u> | |
| 2007 | 167,000 | |



BUDGET SUMMARY – ALL FUNDS

Exhibit 1 lists projected 2013 beginning fund balances, revenues, expenditures and ending fund balances for each fund. (Significant changes in Ending Fund Balance are explained in footnote below.¹)

Exhibit 1: Budget Summary by Fund – All Funds

| Fund Number | Fund Description | Beginning Fund Balance | Revenues | Expenditures | Ending Fund Balance | % Change |
|---------------|-----------------------------------|------------------------|-------------------|-------------------|---------------------|-------------|
| 009 | LEOFF I Reserve | 126,220 | 25,200 | 39,700 | 111,720 | -11% |
| 011 | General | 3,839,317 | 12,535,110 | 12,840,835 | 3,533,592 | -8% |
| 012 | City Reserve | 1,000,000 | 0 | 0 | 1,000,000 | 0% |
| 013 | Health Insurance Reserve | 66,296 | 0 | 0 | 66,296 | 0% |
| 014 | Unemployment Compensation Reserve | 40,490 | 0 | 0 | 40,490 | 0% |
| 015 | Paine Field Emergency | 117,217 | 0 | 117,000 | 217 | -100% |
| 104 | Drug Enforcement | 22,614 | 20 | 10,000 | 12,634 | -44% |
| 111 | Street | 95,605 | 765,200 | 782,140 | 78,665 | -18% |
| 112 | Arterial Street | 123,958 | 131,670 | 150,000 | 105,628 | -15% |
| 114 | Recreation & Cultural Services | 245,807 | 578,410 | 684,200 | 140,017 | -43% |
| 116 | Hotel/Motel Lodging Tax | 182,326 | 180,200 | 185,500 | 177,026 | -3% |
| 120 | Technology Replacement | 99,480 | 176,200 | 205,650 | 70,030 | -30% |
| 126 | Emergency Medical Services | 362,512 | 1,816,420 | 1,896,858 | 282,074 | -22% |
| 275 | LTGO Bond | 398,480 | 514,340 | 906,220 | 6,600 | -98% |
| 322 | Park Acquisition & Development | 131,051 | 30,200 | 61,000 | 100,251 | -24% |
| 323 | Transportation Impact Fee | 226,803 | 120,170 | 250,000 | 96,973 | -57% |
| 331 | Real Estate Excise Tax I | 4,341,836 | 858,805 | 848,530 | 4,352,111 | 0% |
| 332 | Real Estate Excise Tax II | 314,520 | 419,405 | 584,800 | 149,125 | -53% |
| 341 | Municipal Facilities | 183,690 | 276 | 0 | 183,966 | 0% |
| 375 | Community Center Project | 0 | 0 | 0 | 0 | 0% |
| 440 | Surface Water Management | 1,414,460 | 1,980,070 | 2,647,030 | 747,500 | -47% |
| 510 | Equipment Replacement Reserve | 2,639,615 | 627,937 | 1,892,300 | 1,375,252 | -48% |
| 518 | Facilities Maintenance | 121,160 | 450,000 | 497,760 | 73,400 | -39% |
| TOTALS | | 16,093,457 | 21,209,633 | 24,599,523 | 12,703,567 | -21% |

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

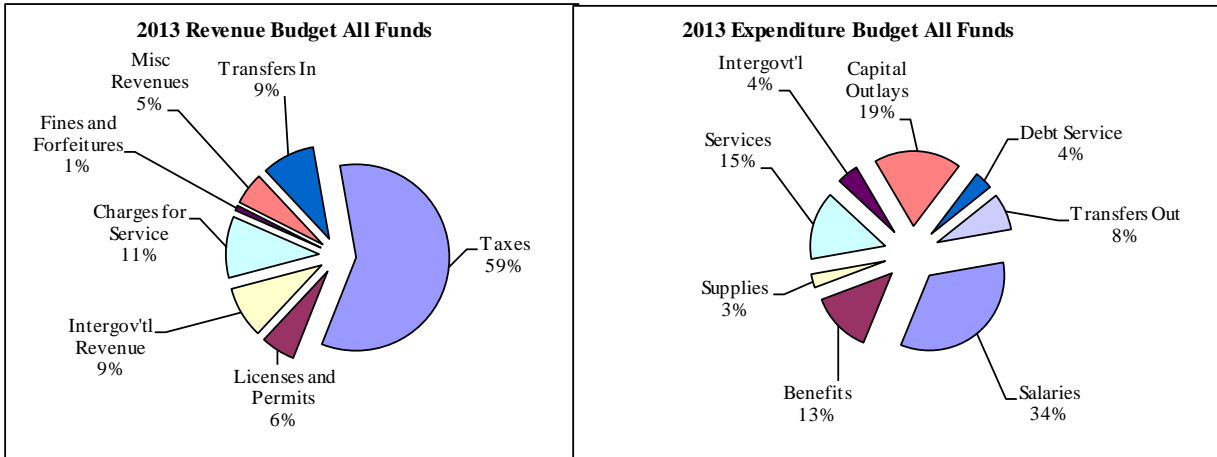
- **LEOFF I Reserve Fund** 2013 Ending Fund Balance declines due to a reduction in the interfund transfer from the General Fund from amounts transferred in previous years.
- **General Fund** Ending Fund Balance continues to decline in 2013 as part of the City's planned spend down of reserves to offset the effects of the economic downturn with the intent of maintaining our core services provided to citizens. The projected Ending Fund Balance equals 27.5% of 2013 expenditures, exceeding the City's mandated Fund Balance Reserve Policy by an additional 10.8%.

The General Fund anticipated expenditures exceed anticipated revenues by 2.4%, which places the General Fund in the "Watch" level according to the City's Gap Closing Policy, which begins on page 22.

- **Paine Field Emergency Fund** is anticipating expending the majority of available funds in 2013 as part of the City's effort to oppose commercial expansion of Paine Field.
- **Drug Enforcement Fund** is providing funding for youth substance abuse prevention. As a general rule, the City will not budget seizure and forfeiture revenues prior to court rulings on the disposition from illegal drug case proceeds.
- **Street Fund** operating transfer from General Fund is decreased in 2013, lowering ending fund balance for 2013.
- **Arterial Street Fund** pays for pavement improvements. 2013 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 Community Center continues to expand recreational opportunities and the City anticipates the Center will generate more revenue in 2013, however, the additional revenues will not offset a \$134,400 operating transfer reduction from the General Fund.
- **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. 2013 expenditures exceed revenues by 14%.
- **All 300 series Construction Funds** Ending Fund Balances are being spent down to complete capital projects. For 2013 Capital Projects Summary details see page 235.
- **Surface Water Management Fund** Ending Fund Balance is being spent down to complete capital projects.
- **Equipment Replacement Reserve Fund** Ending Fund Balance decrease is due to the scheduled purchase of two fire pumper trucks.
- **Facilities Maintenance Fund** the 2013 Budget has this fund spending \$47,000 more than it is receiving in 2013.

Exhibit 2 lists revenues, expenditures and fund balances for all funds. Budgeted revenues decrease by \$2,791,246, and budgeted expenditures decrease by \$1,779,811, from the 2012 amended budget.

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



| Item | 2011 Actual | 2012 Budget | 2013 Budget | Budget \$ Change 2013 - 2012 | Budget % Change 2013 - 2012 |
|----------------------------|----------------------|----------------------|----------------------|---------------------------------|--------------------------------|
| Beginning Fund Balance | \$ 18,422,555 | \$ 16,190,540 | \$ 16,093,457 | \$ (97,083) | -0.60% |
| Revenues: | | | | | |
| Taxes | 12,402,418 | 12,247,416 | 12,469,570 | 222,154 | 1.81% |
| Licenses and Permits | 1,163,311 | 1,111,900 | 1,261,300 | 149,400 | 13.44% |
| Intergovernmental Revenue | 1,616,420 | 3,398,090 | 1,895,730 | (1,502,360) | -44.21% |
| Charges for Service | 2,191,561 | 2,407,800 | 2,259,850 | (147,950) | -6.14% |
| Fines and Forfeitures | 214,927 | 212,000 | 189,100 | (22,900) | -10.80% |
| Miscellaneous Revenues | 1,406,100 | 1,079,930 | 1,183,953 | 104,023 | 9.63% |
| Transfers In | 2,261,150 | 3,543,743 | 1,950,130 | (1,593,613) | -44.97% |
| Total Revenues | \$ 21,255,887 | \$ 24,000,879 | \$ 21,209,633 | \$ (2,791,246) | -11.63% |
| Expenditures: | | | | | |
| Salaries | \$ 8,235,331 | \$ 8,382,910 | \$ 8,354,545 | \$ (28,365) | -0.34% |
| Benefits | 2,970,187 | 3,201,250 | 3,221,622 | 20,372 | 0.64% |
| Supplies | 637,417 | 678,610 | 722,570 | 43,960 | 6.48% |
| Services | 3,176,328 | 3,486,850 | 3,613,377 | 126,527 | 3.63% |
| Intergovernmental | 1,074,304 | 1,130,310 | 1,138,229 | 7,919 | 0.70% |
| Capital Outlays | 4,170,208 | 4,966,911 | 4,622,830 | (344,081) | -6.93% |
| Debt Service | 910,170 | 1,018,150 | 976,220 | (41,930) | -4.12% |
| Transfer Out | 2,261,150 | 3,514,343 | 1,950,130 | (1,564,213) | -44.51% |
| Total Expenditures | \$23,435,095 | \$26,379,334 | \$24,599,523 | (\$1,779,811) | -6.75% |
| | | | | | |
| Ending Fund Balance | \$ 16,243,347 | \$ 13,812,085 | \$ 12,703,567 | \$ (1,108,518) | -8.03% |

Exhibit 3: Revenue Summary – All Funds

| Fund No. | Fund Description | 2011 Actual | 2012 Budget | 2013 Budget | Budget \$ Change 2013 - 2012 | Budget % Change 2013 - 2012 |
|----------|---------------------------------|----------------------|----------------------|----------------------|------------------------------|-----------------------------|
| 009 | LEOFF I Reserve | \$ 30,260 | \$ 30,300 | \$ 25,200 | \$ (5,100) | -16.83% |
| 011 | General | 12,354,287 | 12,402,606 | 12,535,110 | 132,504 | 1.07% |
| 012 | City Reserve | 0 | 0 | 0 | 0 | 0.00% |
| 013 | Health Insurance Administration | 1,000 | 15,300 | 0 | (15,300) | -100.00% |
| 014 | Unemployment Compensation | 0 | 0 | 0 | 0 | 0.00% |
| 015 | Paine Field Emergency Reserve | 150,000 | 0 | 0 | 0 | 0.00% |
| 104 | Drug Enforcement | 58,426 | 0 | 20 | 20 | 100.00% |
| 111 | Street | 715,598 | 780,100 | 765,200 | (14,900) | -1.91% |
| 112 | Arterial Street | 389,510 | 136,650 | 131,670 | (4,980) | -3.64% |
| 114 | Recreation & Cultural Services | 624,147 | 603,360 | 578,410 | (24,950) | -4.14% |
| 116 | Hotel/Motel Lodging Tax | 185,874 | 175,400 | 180,200 | 4,800 | 2.74% |
| 120 | Technology Replacement | 80,565 | 80,200 | 176,200 | 96,000 | 119.70% |
| 126 | Emergency Medical Services | 2,011,385 | 1,849,200 | 1,816,420 | (32,780) | -1.77% |
| 275 | LTGO Bond Fund | 909,376 | 1,299,978 | 514,340 | (785,638) | -60.43% |
| 322 | Park Acquisition & Development | 286,852 | 245,100 | 30,200 | (214,900) | -87.68% |
| 323 | Transportation Impact Fee | 39,837 | 98,700 | 120,170 | 21,470 | 21.75% |
| 331 | Real Estate Excise Tax I | 420,088 | 2,437,000 | 858,805 | (1,578,195) | -64.76% |
| 332 | Real Estate Excise Tax II | 418,335 | 415,500 | 419,405 | 3,905 | 0.94% |
| 341 | Municipal Facilities | 0 | 0 | 276 | 276 | 0.00% |
| 375 | Community Center Project Fund | 2,169 | 0 | 0 | 0 | 0.00% |
| 440 | Surface Water Management | 1,382,522 | 1,379,490 | 1,980,070 | 600,580 | 43.54% |
| 510 | Equipment Replacement Reserve | 773,570 | 1,592,565 | 627,937 | (964,628) | -60.57% |
| 518 | Facilities Maintenance | 422,086 | 459,430 | 450,000 | (9,430) | -2.05% |
| | Totals | \$ 21,255,887 | \$ 24,000,879 | \$ 21,209,633 | \$ (2,791,246) | -11.63% |

Exhibit 3 lists revenues by fund. Total budgeted revenues and operating transfers for 2013 are \$21,209,633, a decrease of \$2,791,246 from the 2012 amended budget, primarily the result of reductions in grant revenues and operating transfers between funds.

Exhibit 4: Revenues by Fund Class – All Funds

| | | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|--------------------------------------|---|----------------|----------------|----------------|------------------------|
| General Fund | | | | | |
| <u>Taxes</u> | | | | | |
| 011.311.100.00 | Real & Personal Property Tax | 4,541,800 | 4,693,116 | 4,771,600 | 78,484 |
| 011.313.101.00 | Retail Sales & Use Tax | 1,917,395 | 1,855,000 | 2,021,000 | 166,000 |
| 011.313.600.00 | Propane Use Tax | 6,231 | 6,500 | 0 | (6,500) |
| 011.313.710.00 | Local Criminal Justice Tax | 260,173 | 265,000 | 269,900 | 4,900 |
| 011.316.200.00 | Admissions Tax | 60,016 | 60,000 | 63,000 | 3,000 |
| 011.316.300.00 | Commercial Parking Tax | 7,773 | 0 | 0 | 0 |
| 011.316.xxx.00 | Utility Taxes | 2,850,357 | 2,866,300 | 2,818,000 | (48,300) |
| 011.317.200.00 | Leasehold Excise Tax | 9,406 | 4,000 | 82,800 | 78,800 |
| Total Taxes | | 9,653,151 | 9,749,916 | 10,026,300 | 276,384 |
| <u>Licenses & Permits</u> | | | | | |
| 011.321.700.00 | Special Event Permits | 175 | 200 | 0 | (200) |
| 011.321.910.00 | Franchise Fees | 330,921 | 330,000 | 338,300 | 8,300 |
| 011.321.920.00 | Garbage Administration Fee | 219,651 | 241,000 | 220,700 | (20,300) |
| 011.321.930.00 | Water Utility Franchise Fee | 0 | 0 | 49,800 | 49,800 |
| 011.321.940.00 | Sewer Utility Franchise Fee | 0 | 0 | 68,700 | 68,700 |
| 011.321.xxx.00 | Business Licenses | 423,963 | 352,000 | 416,500 | 64,500 |
| 011.322.101.02 | Plumbing Permits | 7,241 | 9,000 | 7,500 | (1,500) |
| 011.322.101.03 | Mechanical Permits | 12,111 | 14,000 | 12,600 | (1,400) |
| 011.322.101.00 | Building Permits | 136,260 | 138,000 | 120,000 | (18,000) |
| 011.322.102.00 | Sign Permits | 3,475 | 5,000 | 4,500 | (500) |
| 011.322.103.00 | Right of Way Permits | 9,594 | 11,000 | 9,800 | (1,200) |
| 011.322.104.00 | Vacation of Right of Way | 7,000 | 0 | 0 | 0 |
| 011.322.301.00 | Dog Licenses | 7,650 | 7,600 | 7,600 | 0 |
| 011.322.802.00 | Sign Impound Fees | 25 | 0 | 0 | 0 |
| 011.322.901.00 | Gun Permits (City) | 4,758 | 3,500 | 4,700 | 1,200 |
| 011.322.902.00 | Gun Permits (State) | 212 | 300 | 100 | (200) |
| Total Licenses & Permits | | 1,163,036 | 1,111,600 | 1,260,800 | 149,200 |
| <u>Intergovernmental</u> | | | | | |
| 011.331.166.07 | Dept of Justice - Bulletproof Vest Prgrm. | 3,416 | 0 | 0 | 0 |
| 011.331.970.78 | Homeland Security Buffer Zone Prot. Grant | 66,165 | 0 | 0 | 0 |
| 011.333.042.81 | Dept of Commerce - ARRA VIA ILA W/EVT | 2,672 | 0 | 0 | 0 |
| 011.333.206.00 | Dept of Transportation Highway Safety | 922 | 0 | 0 | 0 |
| 011.333.970.36 | FEMA Disaster Assistant Grant | 22,390 | 0 | 0 | 0 |
| 011.333.970.42 | Homeland Security Indirect ESCA Grant | 13,535 | 13,800 | 13,600 | (200) |
| 011.334.020.30 | State Grant - Dept of Natural Resources | 9,744 | 0 | 0 | 0 |
| 011.334.030.10 | State Grant - Dept of Ecology | 19,731 | 15,000 | 0 | (15,000) |
| 011.334.030.11 | DOE Grant | 7,450 | 0 | 0 | 0 |
| 011.334.035.00 | Traffic Safety Commission Grant | 21,182 | 29,810 | 5,000 | (24,810) |
| 011.334.040.90 | Pre-Hospital Grant | 1,738 | 1,700 | 1,600 | (100) |
| 011.335.000.91 | PUD Privilege Tax | 100,446 | 103,500 | 101,300 | (2,200) |
| 011.336.006.21 | Criminal Justice - Population | 4,490 | 4,540 | 4,390 | (150) |
| 011.336.060.26 | CJ - Special Programs | 16,950 | 17,280 | 16,690 | (590) |
| 011.336.060.51 | DUI Cities | 4,269 | 3,700 | 3,700 | 0 |
| 011.336.060.90 | Reimburse Fire Fighter Volunteers | 360 | 0 | 0 | 0 |
| 011.336.060.94 | Liquor Excise Tax | 99,235 | 95,000 | 30,780 | (64,220) |
| 011.336.060.95 | Liquor Board Profits | 141,173 | 135,930 | 182,600 | 46,670 |
| 011.337.400.00 | Hotel/Motel Lodging Tax Grant | 10,000 | 0 | 10,000 | 10,000 |
| 011.338.000.22 | Ferry Fire Svcs | 946 | 1,000 | 1,000 | 0 |
| 011.338.130.00 | Intergov Executive Boards & Committees | 309 | 0 | 0 | 0 |
| 011.385.000.00 | Port of Everett ILA | 2,367 | 0 | 0 | 0 |
| Total Intergovernmental | | 549,490 | 421,260 | 370,660 | (50,600) |

| | | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|---------------------------------------|--------------------------------|-------------------|-------------------|-------------------|------------------------|
| <u>Charges for Services</u> | | | | | |
| 011.341.053.00 | Non Taxable Sales | 1,752 | 1,000 | 1,000 | 0 |
| 011.341.431.00 | School Mitigation Admin Fee | 576 | 1,000 | 1,000 | 0 |
| 011.342.100.00 | Law Enforcement Services | 1,535 | 1,200 | 2,000 | 800 |
| 011.342.361.00 | Home Detention Application Fee | 168 | 200 | 200 | 0 |
| 011.342.362.00 | Home Detention Daily Fee | 1,919 | 1,000 | 4,500 | 3,500 |
| 011.342.370.00 | Fingerprinting Fees | 1,692 | 1,500 | 1,000 | (500) |
| 011.342.400.00 | Protective Insp. Fees | 135 | 100 | 100 | 0 |
| 011.342.500.00 | Emergency Cost Recovery Fee | 910 | 0 | 10,000 | 10,000 |
| 011.342.602.00 | BLS - Non-Medicare | 157,111 | 136,350 | 147,000 | 10,650 |
| 011.342.602.01 | BLS - Medicare | 51,310 | 45,450 | 47,000 | 1,550 |
| 011.342.901.00 | Misc Security, Persons & Prop | 1,827 | 1,700 | 1,800 | 100 |
| 011.343.200.00 | Engineering Fees & Charges | 6,737 | 11,000 | 6,700 | (4,300) |
| 011.345.810.00 | Zoning And Subdivision Fees | 24,901 | 20,350 | 15,000 | (5,350) |
| 011.345.820.00 | Hearing Examiner Fees | 2,500 | 5,000 | 0 | (5,000) |
| 011.345.830.00 | Plan Checking Fees | 62,409 | 69,300 | 62,000 | (7,300) |
| 011.346.900.00 | Cobra Premium Payments | 573 | 0 | 0 | 0 |
| 011.349.180.00 | Overhead Cost Recovery | 166,300 | 357,100 | 193,600 | (163,500) |
| Total Charges for Services | | 482,355 | 652,250 | 492,900 | (159,350) |
| <u>Fines & Forfeitures</u> | | | | | |
| 011.350.100.00 | Traffic Violations | 173,384 | 179,000 | 165,000 | (14,000) |
| 011.352.201.00 | Civil Penalties | 1,650 | 2,000 | 1,000 | (1,000) |
| 011.353.700.00 | Non-Traffic Infraction Penalty | 951 | 1,000 | 1,000 | 0 |
| 011.354.000.01 | Parking Fines | 38,942 | 30,000 | 22,100 | (7,900) |
| Total Fines & Forfeitures | | 214,927 | 212,000 | 189,100 | (22,900) |
| <u>Miscellaneous</u> | | | | | |
| 011.361.110.00 | Investment Interest | 16,239 | 14,400 | 11,000 | (3,400) |
| 011.361.400.00 | Sales Tax Interest | 1,405 | 1,300 | 800 | (500) |
| 011.362.301.00 | Boat Launch Fees | 43,166 | 42,200 | 38,000 | (4,200) |
| 011.362.501.00 | Annual Boat Launch Permits | 4,715 | 4,800 | 4,800 | 0 |
| 011.362.300.10 | Parking Rental - Long Term | 155,599 | 160,800 | 116,250 | (44,550) |
| 011.362.600.00 | Lease - Cell Tower Land | 20,794 | 7,100 | 5,000 | (2,100) |
| 011.363.900.00 | WCIA Insurance Recovery | 18,975 | 400 | 0 | (400) |
| 011.366.100.00 | Interfund Loan Interest | 28 | 0 | 0 | 0 |
| 011.367.100.00 | Contributions - Private Source | 18,200 | 18,480 | 1,200 | (17,280) |
| 011.367.115.00 | Donations - Police | 100 | 0 | 0 | 0 |
| 011.369.100.00 | Sale of Surplus Property | 3,196 | 0 | 0 | 0 |
| 011.369.200.00 | Sale of Unclaimed Property | 689 | 0 | 0 | 0 |
| 011.369.400.00 | Judgements and Settlements | 333 | 500 | 300 | (200) |
| 011.369.901.00 | Other Miscellaneous Revenue | 6,274 | 3,600 | 6,000 | 2,400 |
| 011.369.901.10 | US Bank P-Card Rebates | 1,616 | 2,000 | 2,000 | 0 |
| 011.397.100.00 | Operating Transfers In | 0 | 0 | 10,000 | 10,000 |
| Total Miscellaneous | | 291,329 | 255,580 | 195,350 | (60,230) |
| Total General Fund | | 12,354,287 | 12,402,606 | 12,535,110 | 132,504 |



| Revenue Estimates by Fund Class - All Funds - (continued) | | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|---|----------------------------------|----------------|----------------|----------------|------------------------|
| <u>LEOFF I RESERVE</u> | | | | | |
| 009.361.110.00 | Investment Interest | 260 | 300 | 200 | (100) |
| 009.397.100.00 | Operating Transfers In | 30,000 | 30,000 | 25,000 | (5,000) |
| Total LEOFF I Reserve Fund | | 30,260 | 30,300 | 25,200 | (5,100) |
| Total LEOFF I RESERVE | | 30,260 | 30,300 | 25,200 | (5,100) |
| <u>HEALTH INSURANCE RESERVE</u> | | | | | |
| 013.397.100.00 | Operating Transfers In | 1,000 | 15,300 | 0 | (15,300) |
| TOTAL HEALTH INSURANCE RESERVE | | 1,000 | 15,300 | 0 | (15,300) |
| <u>PAINE FIELD EMERGENCY</u> | | | | | |
| 015.369.901.00 | Miscellaneous Revenue | 0 | 0 | 0 | 0 |
| 015.397.100.00 | Operating Transfers In | 150,000 | 0 | 0 | 0 |
| Total Paine Field Emergency Fund | | 150,000 | 0 | 0 | 0 |
| TOTAL PAINE FIELD EMERGENCY | | 150,000 | 0 | 0 | 0 |
| <i>Special Revenue Funds</i> | | | | | |
| <u>DRUG ENFORCEMENT FUND</u> | | | | | |
| 104.361.110.00 | Investment Interest | 24 | 0 | 20 | 20 |
| 104.369.301.00 | Proceeds from Forfeited Property | 58,402 | 0 | 0 | 0 |
| TOTAL DRUG ENFORCEMENT FUND | | 58,426 | 0 | 20 | 20 |
| <u>STREET FUND</u> | | | | | |
| 111.316.300.00 | Commercial Parking Tax | 0 | 15,500 | 42,500 | 27,000 |
| 111.334.030.11 | DOE Grant | 161 | 0 | 0 | 0 |
| 111.336.000.87 | Street Fuel Tax | 289,272 | 295,000 | 291,800 | (3,200) |
| 111.361.110.00 | Investment Interest | 65 | 100 | 100 | 0 |
| 111.397.100.00 | Operating Transfers In | 426,100 | 469,500 | 430,800 | (38,700) |
| TOTAL STREET FUND | | 715,598 | 780,100 | 765,200 | (14,900) |
| <u>ARTERIAL STREET FUND</u> | | | | | |
| 112.334.000.00 | WA State Grant | 253,958 | 0 | 0 | 0 |
| 112.336.000.88 | Arterial Street Fuel Tax | 135,254 | 136,400 | 131,300 | (5,100) |
| 112.361.110.00 | Investment Interest | 298 | 250 | 370 | 120 |
| TOTAL ARTERIAL STREET FUND | | 389,510 | 136,650 | 131,670 | (4,980) |
| <u>RECREATION & CULTURAL SERVICES FUND</u> | | | | | |
| 114.321.700.00 | Special Event Permits | 275 | 300 | 500 | 200 |
| 114.347.304.00 | Rec Program Fees | 108,760 | 120,000 | 130,000 | 10,000 |
| 114.347.401.00 | Farmers Market Booth Fees | 693 | 650 | 650 | 0 |
| 114.347.901.00 | Off Hour Staffing Fees | 15,620 | 14,500 | 0 | (14,500) |
| 114.347.905.00 | Set Up/Clean Up Fees | 11,360 | 11,000 | 0 | (11,000) |
| 114.347.920.00 | Theater Technician Fees | 900 | 1,000 | 1,500 | 500 |
| 114.361.110.00 | Investment Interest | 238 | 200 | 200 | 0 |
| 114.362.401.00 | Community Center Room Rental | 213,276 | 191,310 | 305,810 | 114,500 |
| 114.362.406.00 | RHCC Outdoor Rentals | 0 | 3,500 | 4,500 | 1,000 |
| 114.362.501.00 | Weight Room Fees | 5,315 | 4,000 | 8,000 | 4,000 |
| 114.362.502.00 | Parking Rental - Long Term | 7,320 | 6,500 | 11,250 | 4,750 |
| 114.362.600.00 | Picnic Shelter Rentals | 11,595 | 11,500 | 11,500 | 0 |
| 114.362.601.00 | Light Station Wedding Rentals | 6,495 | 4,500 | 4,500 | 0 |
| 114.397.100.00 | Operating Transfers In | 242,300 | 234,400 | 100,000 | (134,400) |
| TOTAL RECREATION & CULTURAL SERVICES FUND | | 624,147 | 603,360 | 578,410 | (24,950) |

Revenue Estimates by Fund Class - All Funds - (continued)

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|--|------------------------|------------------------|------------------------|--------------------------------|
| <u>HOTEL/MOTEL LODGING TAX FUND</u> | | | | |
| 116.313.300.00 Hotel/Motel Transient Tax | 180,038 | 170,000 | 180,000 | 10,000 |
| 116.361.110.00 Investment Interest | 436 | 400 | 200 | (200) |
| 116.397.100.00 Operating Transfers In | 5,400 | 5,000 | 0 | (5,000) |
| TOTAL HOTEL/MOTEL LODGING TAX FUND | 185,874 | 175,400 | 180,200 | 4,800 |

TECHNOLOGY REPLACEMENT FUND

| | | | | |
|--|---------------|---------------|----------------|---------------|
| 120.361.110.00 Investment Interest | 289 | 200 | 0 | (200) |
| 120.369.901.01 2% Admin Fee | 5,276 | 5,000 | 6,200 | 1,200 |
| 120.397.100.00 Operating Transfers In | 75,000 | 75,000 | 170,000 | 95,000 |
| TOTAL TECHNOLOGY REPLACEMENT FUND | 80,565 | 80,200 | 176,200 | 96,000 |

EMERGENCY MEDICAL SERVICES FUND

| | | | | |
|--|------------------|------------------|------------------|-----------------|
| 126.311.106.00 EMS Levy | 1,748,610 | 1,612,000 | 1,579,220 | (32,780) |
| 126.342.601.00 Ambulance Transport Fees | 254,392 | 234,800 | 234,800 | 0 |
| 126.361.110.00 Investment Interest | 383 | 400 | 200 | (200) |
| 126.369.100.00 Sale of Surplus Property | 6,000 | 0 | 0 | 0 |
| 126.369.901.00 Other Miscellaneous Revenue | 2,000 | 2,000 | 2,200 | 200 |
| TOTAL EMERGENCY MEDICAL SERVICES FUND | 2,011,385 | 1,849,200 | 1,816,420 | (32,780) |

| | | | | |
|------------------------------------|------------------|------------------|------------------|---------------|
| Total Special Revenue Funds | 4,065,505 | 3,624,910 | 3,648,120 | 23,210 |
|------------------------------------|------------------|------------------|------------------|---------------|

Debt Service Funds

LTGO BOND FUND

| | | | | |
|---------------------------------------|----------------|------------------|----------------|------------------|
| 275.361.110.00 Investment Interest | 26 | 10 | 10 | 0 |
| 275.397.100.00 Operating Transfers In | 909,350 | 1,299,968 | 514,330 | (785,638) |
| TOTAL LTGO BOND FUND | 909,376 | 1,299,978 | 514,340 | (785,638) |

| | | | | |
|---------------------------------|----------------|------------------|----------------|------------------|
| Total Debt Service Funds | 909,376 | 1,299,978 | 514,340 | (785,638) |
|---------------------------------|----------------|------------------|----------------|------------------|

Capital Projects Funds

PARK ACQUISITION & DEVELOPMENT FUND

| | | | | |
|--|----------------|----------------|---------------|------------------|
| 322.334.020.70 RCO Grant - WWRP | 157,500 | 220,000 | 0 | (220,000) |
| 322.334.020.71 LH Park RCO Bandshell Grant | 99,972 | 0 | 0 | 0 |
| 322.345.852.00 Park Mitigation Fees | 29,256 | 25,000 | 30,000 | 5,000 |
| 322.361.110.00 Investment Interest | 124 | 100 | 200 | 100 |
| TOTAL PARK ACQUISITION & DEVELOPMENT FUND | 286,852 | 245,100 | 30,200 | (214,900) |

TRANSPORTATION IMPACT FEES FUND

| | | | | |
|--|---------------|---------------|----------------|---------------|
| 323.345.841.00 Street Mitigation Fees | 39,617 | 98,600 | 120,000 | 21,400 |
| 323.361.110.00 Investment Interest | 220 | 100 | 170 | 70 |
| TOTAL TRANSPORTATION IMPACT FEES FUND | 39,837 | 98,700 | 120,170 | 21,470 |

| Revenue Estimates by Fund Class - All Funds - (continued) | | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|---|--|------------------|------------------|------------------|------------------------|
| REAL ESTATE EXCISE TAX I FUND | | | | | |
| 331.317.340.00 | Local Real Estate Excise Tax | 410,309 | 350,000 | 320,775 | (29,225) |
| 331.333.000.00 | FEMA Grant | 0 | 0 | 82,500 | 82,500 |
| 331.333.202.05 | Dept of Transportation Bike-Ped Path Grant | 0 | 0 | 195,000 | 195,000 |
| 331.333.811.28 | US Dept. of Energy EEC Block Grant | 0 | 59,500 | 0 | (59,500) |
| 331.334.020.72 | RCO State Grant | 0 | 1,900,000 | 0 | (1,900,000) |
| 331.337.200.00 | Interlocal Agreement - Snohomish County | 0 | 120,000 | 0 | (120,000) |
| 331.338.950.00 | Interlocal Agreement - Mukilteo Lane Project | 0 | 0 | 0 | 0 |
| 331.361.110.00 | Investment Interest | 9,779 | 7,500 | 7,030 | (470) |
| 331.369.901.10 | PUD Lighting Rebate | 0 | 0 | 3,500 | 3,500 |
| 331.397.100.00 | Operating Transfers In | 0 | 0 | 250,000 | 250,000 |
| TOTAL REAL ESTATE EXCISE TAX I FUND | | 420,088 | 2,437,000 | 858,805 | (1,578,195) |
| REAL ESTATE EXCISE TAX II FUND | | | | | |
| 332.317.340.00 | Local Real Estate Excise Tax | 410,309 | 350,000 | 320,775 | (29,225) |
| 332.334.030.60 | WA State Dept of Transportation Grant | 0 | 65,000 | 98,000 | 33,000 |
| 332.361.110.00 | Investment Interest | 676 | 500 | 630 | 130 |
| 332.369.901.00 | Miscellaneous Revenue | 7,350 | 0 | 0 | 0 |
| TOTAL REAL ESTATE EXCISE TAX II FUND | | 418,335 | 415,500 | 419,405 | 3,905 |
| MUNICIPAL FACILITIES FUND | | | | | |
| 341.361.110.00 | Investment Interest | 0 | 0 | 276 | 276 |
| 341.397.100.00 | Operating Transfers In | 0 | 0 | 0 | 0 |
| TOTAL MUNICIPAL FACILITIES FUND | | 0 | 0 | 276 | 276 |
| COMMUNITY CENTER PROJECT FUND | | | | | |
| 375.361.110.00 | Investment Interest | 2,037 | 0 | 0 | 0 |
| 375.369.901.00 | Miscellaneous Revenue | 132 | 0 | 0 | 0 |
| TOTAL COMMUNITY CENTER PROJECT FUND | | 2,169 | 0 | 0 | 0 |
| Total Capital Projects Funds | | 1,167,281 | 3,196,300 | 1,428,856 | (1,767,444) |
| Enterprise Funds | | | | | |
| SURFACE WATER MANAGEMENT FUND | | | | | |
| 440.334.000.00 | WA State Grants | 130,813 | 125,000 | 726,470 | 601,470 |
| 440.343.830.01 | Storm Drainage Fees & Charges | 1,248,608 | 1,250,000 | 1,250,000 | 0 |
| 440.361.110.00 | Investment Interest | 3,101 | 3,600 | 3,600 | 0 |
| 440.367.120.00 | Contributions | 0 | 890 | 0 | (890) |
| TOTAL SURFACE WATER MANAGEMENT FUND | | 1,382,522 | 1,379,490 | 1,980,070 | 600,580 |
| Total Enterprise Funds | | 1,382,522 | 1,379,490 | 1,980,070 | 600,580 |


Revenues by Fund Class – All Funds (continued)

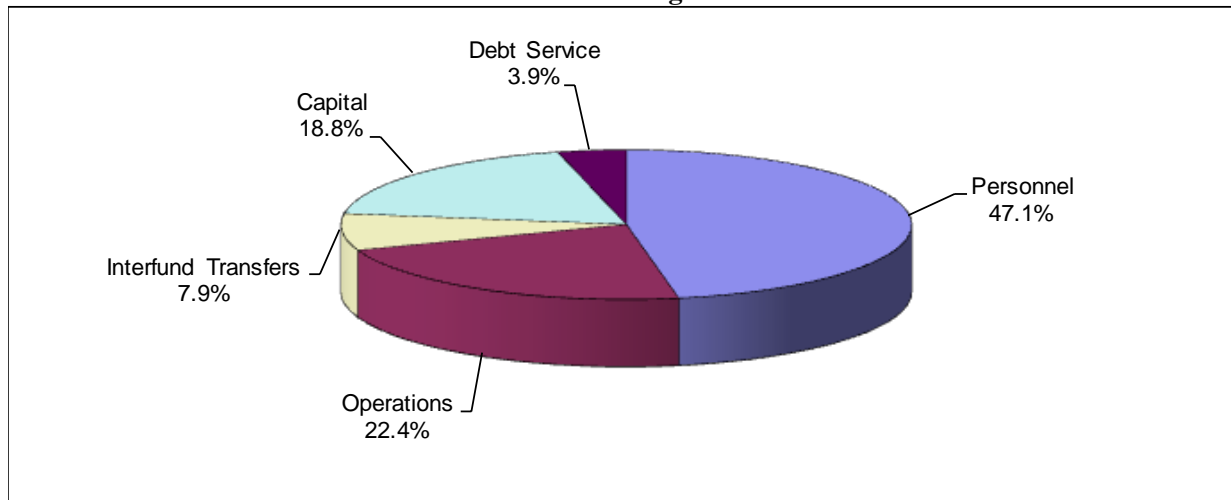
| <i>Internal Service Funds</i> | | | | | |
|--|------------------------------|-------------------|-------------------|-------------------|--------------------|
| <u>EQUIPMENT REPLACEMENT RESERVE FUND</u> | | | | | |
| 510.365.902.00 | Equipment Replacement Charge | 770,800 | 457,820 | 617,877 | 160,057 |
| 510.361.110.00 | Investment Interest | 2,394 | 7,670 | 9,660 | 1,990 |
| 510.366.100.00 | Interest/Interfund Loans | 376 | 3,500 | 400 | (3,100) |
| 510.381.200.00 | Interfund Loan Principal | 0 | 109,000 | 0 | (109,000) |
| 510.397.100.00 | Operating Transfers In | 0 | 1,014,575 | 0 | (1,014,575) |
| TOTAL EQUIPMENT REPLACEMENT RESERVE FUND | | 773,570 | 1,592,565 | 627,937 | (964,628) |
| <u>FACILITIES MAINTENANCE FUND</u> | | | | | |
| 518.333.811.28 | EEC Block Grant | 0 | 13,000 | 0 | (13,000) |
| 518.339.281.12 | ARRA Funds | 0 | 42,930 | 0 | (42,930) |
| 518.369.901.10 | PUD Rebate | 0 | 3,500 | 0 | (3,500) |
| 518.369.901.00 | Other Miscellaneous Revenue | 86 | 0 | 0 | 0 |
| 518.397.100.00 | Operating Transfers In | 422,000 | 400,000 | 450,000 | 50,000 |
| TOTAL FACILITIES MAINTENANCE FUND | | 422,086 | 459,430 | 450,000 | (9,430) |
| Total Internal Service Funds | | 1,195,656 | 2,051,995 | 1,077,937 | (974,058) |
| Total All Funds | | 21,255,887 | 24,000,879 | 21,209,633 | (2,791,246) |

Exhibit 5: Expenditure Summary – All Funds

| Fund No. | Fund Description | 2011 Actual | 2012 Budget | 2013 Budget | \$ change 13 - '12 | % Change 13 - '12 |
|----------|-----------------------------------|----------------------|----------------------|----------------------|-----------------------|-------------------|
| 009 | LEOFF I Reserve | \$ 33,470 | \$ 37,200 | \$ 39,700 | \$ 2,500 | 6.72% |
| 011 | General | 12,770,418 | 13,912,655 | 12,840,835 | (1,071,820) | -7.70% |
| 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 | 19,020 | 156,240 | 117,000 | (39,240) | -25.12% |
| 104 | Drug Enforcement | 27,832 | 8,000 | 10,000 | 2,000 | 25.00% |
| 111 | Street | 790,253 | 748,730 | 782,140 | 33,410 | 4.46% |
| 112 | Arterial Street | 391,113 | 167,586 | 150,000 | (17,586) | -10.49% |
| 114 | Recreation & Cultural Services | 560,002 | 659,310 | 684,200 | 24,890 | 3.78% |
| 116 | Hotel/Motel Lodging Tax | 105,553 | 212,900 | 185,500 | (27,400) | -12.87% |
| 120 | Technology Replacement | 82,515 | 124,512 | 205,650 | 81,138 | 65.16% |
| 126 | Emergency Medical Services | 1,941,923 | 1,929,788 | 1,896,858 | (32,930) | -1.71% |
| 275 | LTGO Bond Fund | 909,613 | 905,650 | 906,220 | 570 | 0.06% |
| 322 | Park Acquisition & Development | 375,258 | 270,000 | 61,000 | (209,000) | -77.41% |
| 323 | Transportation Impact Fee | 0 | 116,000 | 250,000 | 134,000 | 100.00% |
| 331 | Real Estate Excise Tax I | 936,187 | 3,281,245 | 848,530 | (2,432,715) | -74.14% |
| 332 | Real Estate Excise Tax II | 478,103 | 449,300 | 584,800 | 135,500 | 30.16% |
| 341 | Municipal Facilities | 0 | 0 | 0 | 0 | 0.00% |
| 375 | Community Center Project Fund | 2,097,040 | 493,708 | 0 | (493,708) | -100.00% |
| 440 | Surface Water Management | 1,174,052 | 2,039,640 | 2,647,030 | 607,390 | 29.78% |
| 510 | Equipment Replacement Reserve | 366,422 | 354,100 | 1,892,300 | 1,538,200 | 434.40% |
| 518 | Facilities Maintenance | 376,322 | 512,770 | 497,760 | (15,010) | -2.93% |
| | Totals | \$ 23,435,095 | \$ 26,379,334 | \$ 24,599,523 | \$ (1,779,811) | -6.75% |

Exhibit 5 lists expenditures by fund. The 2013 expenditure budget for all funds totals \$24,599,523, a decrease of \$1,779,811 from the 2012 amended budget. Decreases are mainly attributable to reductions in budgeted expenditures for capital projects.

Exhibit 6: Expenditure Summary by Major Component – All Funds
2013 Budget



| Department | Personnel | Operations | Interfund Transfers | Capital | Debt Service | Total Expenditures |
|----------------------------------|------------|------------|---------------------|-----------|--------------|--------------------|
| Legislative | 46,100 | 31,650 | | | | 77,750 |
| Executive | 661,650 | 130,900 | | | | 792,550 |
| Legal | | 524,000 | | | | 524,000 |
| Finance | 666,870 | 389,710 | | 168,550 | | 1,225,130 |
| Non-Departmental | 4,500 | 576,570 | 1,175,800 | | 45,000 | 1,801,870 |
| Police | 3,701,827 | 964,898 | 10,000 | | | 4,676,725 |
| Fire | 3,350,260 | 890,488 | | 61,980 | | 4,302,728 |
| Planning & Community Development | 904,900 | 82,680 | | | | 987,580 |
| Public Works | 1,827,270 | 1,635,370 | | 3,263,800 | | 6,726,440 |
| Recreation & Cultural Services | 412,790 | 271,410 | | | | 684,200 |
| Debt Service | | | | | 906,220 | 906,220 |
| Capital | | 1,500 | 764,330 | 1,128,500 | | 1,894,330 |
| Total Operations | 11,576,167 | 5,499,176 | 1,950,130 | 4,622,830 | 951,220 | 24,599,523 |
| % of Total | 47.1% | 22.4% | 7.9% | 18.8% | 3.9% | 100.0% |

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 \$11,576,167.
- The **operating budget** finances the day-to-day provisions of the City, consisting of supplies, services and intergovernmental, and totals \$5,499,176.
- The **interfund transfers budget** of \$1,950,130 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 \$4,622,830.
- The **debt service budget** is used to repay money borrowed by the City for capital improvements, and amounts to \$951,220.

Exhibit 7: Expenditures by Category – All Funds

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|-------------------------------------|----------------|----------------|----------------|------------------------|
| <u>Salaries & Wages</u> | | | | |
| 1101 FULL TIME EMPLOYEES | 7,459,282 | 7,479,400 | 7,595,295 | 115,895 |
| 1102 PART TIME EMPLOYEES | 225,005 | 229,900 | 219,820 | (10,080) |
| 1113 SPECIAL ASSIGNMENT PAY | 53,232 | 52,050 | 44,360 | (7,690) |
| 1114 EDUCATION PREMIUM PAY | 57,244 | 57,700 | 61,750 | 4,050 |
| 1115 ACTING SUPERVISOR PAY | 6,768 | 9,400 | 9,545 | 145 |
| 1116 PARAMEDIC INCENTIVE | 64,530 | 64,600 | 65,490 | 890 |
| 1117 MERIT PAY | 11,000 | 11,400 | 13,700 | 2,300 |
| 1120 FIRE - HOLIDAY BUY BACK | 24,664 | 50,100 | 50,780 | 680 |
| 12xx OVERTIME | 333,607 | 428,360 | 293,805 | (134,555) |
| | 8,235,331 | 8,382,910 | 8,354,545 | (28,365) |
| <u>Personnel Benefits</u> | | | | |
| 2101 FICA | 478,244 | 489,250 | 487,914 | (1,336) |
| 2102 LAW ENF. RETIREMENT SYSTEM | 250,838 | 261,000 | 254,255 | (6,745) |
| 2103 PERS | 211,016 | 243,000 | 247,199 | 4,199 |
| 2104 L&I | 128,048 | 146,300 | 147,504 | 1,204 |
| 2105 MEDICAL BENEFITS | 1,444,317 | 1,524,900 | 1,563,896 | 38,996 |
| 2106 MEDICAL SAVINGS ACCOUNT | 22,500 | 22,700 | 22,510 | (190) |
| 2107 TEAMSTERS PENSION | 43,784 | 47,600 | 47,430 | (170) |
| 2109 UNEMPLOYMENT COMP. | 5,610 | 38,200 | 33,600 | (4,600) |
| 2110 DEFERRED COMP | 76,791 | 88,700 | 89,840 | 1,140 |
| 2112 VEHICLE ALLOWANCE | 13,200 | 13,200 | 13,200 | - |
| 2113 DENTAL BENEFITS | 171,867 | 185,200 | 169,977 | (15,223) |
| 2114 VISION BENEFITS | 25,516 | 29,100 | 31,885 | 2,785 |
| 2115 LEOFF I MEDICAL PAYMENTS | 3,625 | 4,000 | 4,200 | 200 |
| 2119 LIFE INSURANCE | 21,141 | 27,000 | 27,382 | 382 |
| 2121 LONG TERM DISABILITY INSURANCE | 23,150 | 28,100 | 28,430 | 330 |
| 2126 LEOFF I INS PREMIUMS | 29,145 | 31,800 | 34,000 | 2,200 |
| 2130 GENERAL EMPLOYEE BENEFITS | 5,219 | 4,500 | 4,500 | - |
| 2135 MEDICAL OPT-OUT INCENTIVE | 16,175 | 16,700 | 13,900 | (2,800) |
| | 2,970,187 | 3,201,250 | 3,221,622 | 20,372 |
| <u>Supplies</u> | | | | |
| 3101 OFFICE SUPPLIES | 43,102 | 45,550 | 53,550 | 8,000 |
| 3102 COMPUTER SUPPLIES | 3,734 | 5,000 | 5,000 | - |
| 3103 PURCHASE OF FORMS | 1,714 | 2,700 | 2,000 | (700) |
| 3104 REFERENCE MATERIAL | 6,993 | 7,750 | 8,750 | 1,000 |
| 3105 PAPER STOCK | 2,791 | 6,000 | 6,000 | - |
| 3108 PHOTO SUPPLIES | - | 100 | 100 | - |
| 3110 AMMUNITION | 9,122 | 11,900 | 11,900 | - |
| 3112 OPERATING SUPPLIES | 76,445 | 109,980 | 93,500 | (16,480) |
| 3113 VEHICLE REPAIR TOOLS & EQ | 147 | 250 | 250 | - |
| 3115 SUPPLIES - TRAINING | 9,304 | 8,000 | 9,000 | 1,000 |
| 3116 SUPPLIES - EMG MEDICAL SVC | 26,006 | 37,500 | 27,500 | (10,000) |

Expenditures by Category – All Funds (continued)

| | 2011 | 2012 | 2013 | \$ Change |
|------------------------------------|----------------|----------------|----------------|------------------|
| | Actual | Budget | Budget | '13 - '12 |
| 3124 CHEMICALS | 73,023 | 82,950 | 83,350 | 400 |
| 3131 RADIO PARTS AND SUPPLIES | - | 500 | 500 | - |
| 3135 AGGREGATE | 21,989 | 21,000 | 19,000 | (2,000) |
| 3138 BUILDING MAINTENANCE SUPPLIES | 244 | 2,500 | 2,500 | - |
| 3147 TRAFFIC CONTROL DEVICE SUPPLY | 17,415 | 15,000 | 15,000 | - |
| 3148 SIGNS | 576 | 1,000 | 1,000 | - |
| 3155 LANDSCAPE MATERIALS | 6,033 | 15,000 | 15,000 | - |
| 3156 TREES AND SHRUBS | 3,807 | 10,000 | 6,000 | (4,000) |
| 3157 ANCILLARY MEETING COSTS | 255 | 1,000 | 1,000 | - |
| 3160 MEETING SUPPLIES | - | 5,000 | 5,000 | - |
| 3206 MOTOR FUEL | 155,620 | 150,250 | 157,600 | 7,350 |
| 3501 COMPUTER EQUIPMENT | 179,095 | 134,680 | 194,070 | 59,390 |
| 3510 STREET LIGHTING EQUIPMENT | - | 5,000 | 5,000 | - |
| | 637,417 | 678,610 | 722,570 | 43,960 |

Services

| | | | | |
|--|----------------|----------------|------------------|----------------|
| 4101 BILLING SERVICES | 17,940 | 15,000 | 15,000 | - |
| 4102 CONSULTING SERVICES | 22,244 | 33,100 | 98,000 | 64,900 |
| 4103 ENGINEERING & ARCHITECT SVCS | 7,930 | 6,750 | 7,000 | 250 |
| 4104 SPECIAL LEGAL SERVICES | 52,204 | 52,000 | 52,000 | - |
| 4105 CITY ATTORNEY | 95,217 | 110,000 | 110,000 | - |
| 4106 OTHER PROFESSIONAL SVCS. | 154,711 | 197,495 | 334,375 | 136,880 |
| 4107 STORM DR. UTILITY ENGINEERING | 81,088 | 95,000 | 85,000 | (10,000) |
| 4108 WSU BEACH WATCHERS - PROF SERVICES | 6,800 | 6,800 | 6,800 | - |
| 4109 CITY ATTY. OTHER SVCS. | 67,555 | 200,240 | 164,350 | (35,890) |
| 4111 HAZARDOUS MATERIALS TESTING | 3,950 | 2,800 | 2,800 | - |
| 4115 CITY PROSECUTING ATTORNEY | 52,451 | 43,000 | 50,000 | 7,000 |
| 4125 FINAL ASSESSMENT ROLL | 35,834 | 46,500 | 47,500 | 1,000 |
| 4132 REIMBURSABLE CONSULTING | 2,351 | 6,500 | 6,500 | - |
| 4136 APPRAISALS | 8,400 | - | - | - |
| 4138 PUBLIC AFFAIRS & COMMUNITY OUTREACH | 30,191 | 28,800 | 28,800 | - |
| 4140 YOUTH ADVISORY COUNCIL | 1,211 | 1,000 | 1,000 | - |
| 4153 BRIDGE INSPECTIONS | 1,500 | - | - | - |
| 4170 LOBBYIST SERVICES | 61,419 | 60,000 | 40,000 | (20,000) |
| 4171 RECORDS SERVICES | 284 | 1,000 | 1,000 | - |
| 4175 REIMBURSEABLE COPIES | - | - | 500 | 500 |
| 4180 AWC WELLNESS PROGRAM | 1,976 | 4,080 | 2,000 | (2,080) |
| 4190 DATA RECOVERY | - | 42,000 | - | (42,000) |
| | 705,256 | 952,065 | 1,052,625 | 100,560 |

Communication

| | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| 4201 TELEPHONE | 55,231 | 55,500 | 52,000 | (3,500) |
| 4202 POSTAGE | 15,362 | 16,350 | 15,350 | (1,000) |
| 4203 NEW WORLD PROJECT CONNECTIVITY | 81 | 9,800 | 6,000 | (3,800) |
| 4204 ON-LINE CHARGES | 21,527 | 21,300 | 15,400 | (5,900) |
| 4205 WEB SITE HOSTING | 1,800 | 1,800 | 1,800 | - |
| 4206 SOFTWARE SUBSCRIPTION FEES | - | 600 | - | (600) |
| 4209 CELL PHONE | 32,113 | 37,700 | 35,400 | (2,300) |
| 4210 MDT CONNECTIVITY | 4,245 | 4,800 | 13,200 | 8,400 |
| | 130,360 | 147,850 | 139,150 | (8,700) |

Expenditures by Category – All Funds (continued)

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|--|------------------------|------------------------|------------------------|--------------------------------|
| <u>Utilities</u> | | | | |
| 4701 NATURAL GAS | 24,410 | 34,330 | 33,465 | (865) |
| 4702 ELECTRICITY | 108,473 | 115,630 | 114,560 | (1,070) |
| 4703 SEWER SERVICE | 32,045 | 66,500 | 79,490 | 12,990 |
| 4704 GARBAGE SERVICES | (1,607) | - | - | - |
| 4709 WATER SERVICE | 30,993 | 16,490 | 24,720 | 8,230 |
| 4710 STORM DRAINAGE CHGS. | 26,882 | 29,690 | 29,690 | - |
| 4712 ALARM SYSTEM | 17,311 | 15,000 | 22,200 | 7,200 |
| 4713 ELECTRICITY STREET LIGHTS | 115,831 | 114,070 | 114,070 | - |
| | 354,338 | 391,710 | 418,195 | 26,485 |
| <u>Travel</u> | | | | |
| 4301 TRAVEL & SUBSISTENCE | 40,437 | 48,950 | 56,050 | 7,100 |
| | 40,437 | 48,950 | 56,050 | 7,100 |
| <u>Advertising & Publishing</u> | | | | |
| 4401 CLASSIFIED ADVERTISING | 34 | 2,000 | 2,000 | - |
| 4402 LEGAL PUBLICATIONS | 3,788 | 2,650 | 4,650 | 2,000 |
| 4404 CITY NEWSLETTER | 19,493 | 17,500 | 17,500 | - |
| 4405 PUBLICATION OF AGENDAS | 2,243 | 3,300 | 3,300 | - |
| 4406 ADVERTISING | 3,737 | 13,900 | 13,900 | - |
| 4407 COMMUNITY ADVERTISING | 31,565 | 34,500 | 34,500 | - |
| 4408 COMMUNITY ORGANIZATIONAL SUPPORT | 104,999 | 113,000 | 150,000 | 37,000 |
| | 165,859 | 186,850 | 225,850 | 39,000 |
| <u>Rentals and Leases</u> | | | | |
| 4501 LAND RENTAL | 1,967 | 2,000 | 2,000 | - |
| 4503 WORK EQUIP & MACHINE RENTAL | 9,696 | 20,500 | 20,500 | - |
| 4504 OFFICE EQUIPMENT RENTAL | 2,111 | 2,900 | 2,900 | - |
| 4508 SHORT-TERM FACILITY/FIELD RENTAL | 842 | - | 300 | 300 |
| 4509 MOTOR POOL CHARGES | 770,800 | 457,820 | 617,867 | 160,047 |
| 4510 CIVIL SERVICE TEST RENTAL | - | 54,250 | 8,340 | (45,910) |
| | 785,416 | 537,470 | 651,907 | 114,437 |
| <u>Insurance</u> | | | | |
| 4601 INSURANCE | 218,508 | 216,600 | 253,380 | 36,780 |
| | 218,508 | 216,600 | 253,380 | 36,780 |
| <u>Disposals</u> | | | | |
| 4705 HAZARDOUS WASTE DISPOSAL | 23,433 | 14,500 | 31,100 | 16,600 |
| 4706 PUBLIC UTILITY SOLID WASTE | 472 | 500 | 500 | - |
| 4722 BRUSH DISPOSAL | 4,210 | 6,000 | 6,000 | - |
| 4723 LARGE ITEM PICKUP | 22,809 | 22,000 | 22,000 | - |
| 4730 CONSTRUCTION DEBRIS DISPOSAL | 2,670 | 3,000 | 3,000 | - |
| | 53,594 | 46,000 | 62,600 | 16,600 |

Expenditures by Category – All Funds (continued)

Repair & Maintenance

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|---------------------------------|------------------------|------------------------|------------------------|--------------------------------|
| 4801 OFFICE EQUIPMENT M&R | 13,069 | 17,000 | 17,000 | - |
| 4807 COMMUNICATIONS EQUIP M & R | 9,759 | 14,340 | 10,000 | (4,340) |
| 4808 BLDG & FIXTURE M&R | 69,606 | 45,000 | 55,000 | 10,000 |
| 4815 WORK EQUIPMENT M&R | 57,258 | 66,100 | 66,350 | 250 |
| 4816 OTHER MAINTENANCE & REPAIR | 709 | 1,500 | 1,500 | - |
| 4817 COMPUTER SYSTEM MAINT | 14,773 | 18,500 | 28,740 | 10,240 |
| 4820 VEHICLE R&M | 162,526 | 149,415 | 134,300 | (15,115) |
| 4821 ACCOUNTING SYSTEM MAINT | 54,924 | 60,950 | 61,450 | 500 |
| 4822 eCITYGOV ALLIANCE CONTRACT | 2,000 | 2,000 | 2,200 | 200 |
| | 384,623 | 374,805 | 376,540 | 1,735 |

Miscellaneous

| | | | | |
|--------------------------------|----------------|----------------|----------------|-----------------|
| 4902 ASSOC. DUES & MEMBERSHIPS | 8,433 | 8,950 | 8,930 | (20) |
| 4904 LAUNDRY SERVICES | 13,704 | 16,550 | 16,850 | 300 |
| 4905 FILE, RECORDING FEES | 267 | 700 | 700 | - |
| 4907 FILM PROCESSING | - | 100 | 100 | - |
| 4909 PRINTING AND BINDING | 5,025 | 7,350 | 7,350 | - |
| 4911 CONTRACTURAL SERVICES | 13,452 | 18,000 | 15,000 | (3,000) |
| 4912 TRAINING & REGISTRATION | 56,650 | 49,500 | 60,000 | 10,500 |
| 4917 INVESTIGATION COSTS | 5,240 | 6,300 | 6,300 | - |
| 4922 HEARING EXAMINER | 3,743 | 8,000 | 6,000 | (2,000) |
| 4924 JANITORIAL SERVICES | 24,606 | 27,500 | 28,000 | 500 |
| 4926 CITY CODE REVISION | 2,779 | 13,000 | 3,000 | (10,000) |
| 4927 MISCELLANEOUS | 1,417 | 14,400 | 1,400 | (13,000) |
| 4928 VEHICLE EQ REMOVAL | 1,048 | 2,000 | 2,000 | - |
| 4929 TAXES AND ASSESSMENTS | 3,198 | 11,400 | 11,400 | - |
| 4932 EMERGENCY MGMNT MISC | 2,573 | 3,500 | 3,500 | - |
| 4933 BANKING FEES | 6,887 | 9,500 | 9,500 | - |
| 4937 CONCEALED PISTOL LICENSE | 4,309 | 5,000 | 6,250 | 1,250 |
| 4940 VACTOR SERVICE | 16,203 | 22,000 | 22,000 | - |
| 4958 COMPREHENSIVE PLAN | 194 | 300 | 300 | - |
| 4962 ADMIN CHARGE - COBRA NCAS | 1,212 | 2,000 | 2,000 | - |
| 4963 OFM ASSMT FEE | 700 | 1,400 | 1,500 | 100 |
| | 171,638 | 227,450 | 212,080 | (15,370) |

Expenditures by Category – All Funds (continued)

Intergovernmental

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|--|------------------------|------------------------|------------------------|--------------------------------|
| 5104 ALCOHOL PROGRAM | 4,917 | 6,000 | 6,000 | - |
| 5106 ELECTION SERVICES | 4,272 | 15,000 | 30,000 | 15,000 |
| 5112 MUKILTEO WATER DISTRICT | 24,755 | 30,000 | 30,000 | - |
| 5114 HOME DETENTION | 931 | 2,000 | 2,000 | - |
| 5115 JAIL CONTRACT | 66,701 | 95,000 | 85,000 | (10,000) |
| 5116 EMERGENCY SERVICES | 52,811 | 55,700 | 55,700 | - |
| 5117 EVERETT ANIMAL SHELTER | 12,847 | 15,000 | 15,000 | - |
| 5118 LANE STRIPING & MARKING | 26,748 | 25,000 | 32,000 | 7,000 |
| 5120 SNOHOMISH COUNTY - ILA | - | 2,000 | 2,000 | - |
| 5122 COMMUTE TRIP REDUCTION | - | 1,000 | 1,000 | - |
| 5123 NARCOTICS TASK FORCE | 4,926 | 5,050 | 5,050 | - |
| 5124 DAWSON PLACE CHILD INTERVIEW SPECIALIST | - | 1,500 | 1,500 | - |
| 5125 EVERETT DISTRICT COURT | 148,250 | 150,000 | 150,000 | - |
| 5127 INTERLOCAL EXTRADITION | - | 1,000 | 1,000 | - |
| 5130 DISPATCH SERVICES | 446,457 | 385,900 | 382,784 | (3,116) |
| 5132 ASSOC WASH CITIES | 13,632 | 13,800 | 13,800 | - |
| 5133 PUGET SOUND AIR POLLUTION | 12,885 | 12,400 | 12,500 | 100 |
| 5134 PUGET SOUND REGION COUNCIL | 8,259 | 8,500 | 8,500 | - |
| 5135 HUMAN SERVICES COUNCIL | - | 55,760 | 35,592 | (20,168) |
| 5136 SNOHOMISH COUNTY TOMORROW | 3,322 | 5,300 | 5,300 | - |
| 5139 VOTER REGISTRATION | 32,826 | 31,000 | 31,000 | - |
| 5140 STATE AUDITOR AUDIT | 40,038 | 42,600 | 42,600 | - |
| 5143 WA ST PURCHASING COOP | - | 1,000 | 1,000 | - |
| 5146 NATIONAL LEAGUE OF CITIES | 1,489 | 1,500 | 1,500 | - |
| 5147 MINORITY & WOMAN'S BUSINESS | 150 | - | - | - |
| 5149 LYNNWOOD EMS CONTRACT | 78,667 | 80,300 | 80,300 | - |
| 5151 SERS OPERATING ASSESSMENT | 36,681 | 36,800 | 49,153 | 12,353 |
| 5153 WRIA ILA | 6,965 | 9,000 | 9,000 | - |
| 5154 STREET LIGHT MAINTENANCE | 13,086 | 14,000 | 19,000 | 5,000 |
| 5155 MRSC SMALL WORKS ROSTER FEE | 100 | 1,100 | 1,100 | - |
| 5157 ROW VEG MAINTENANCE | 606 | 2,000 | 2,000 | - |
| 5165 SNOHOMISH COUNTY CITIES | 100 | 100 | 100 | - |
| 5169 DEPT OF ECOLOGY | 10,010 | 10,000 | 10,500 | 500 |
| 5180 INTERJURISDICTIONAL HOUSING PROGRAM | - | - | 1,250 | 1,250 |
| 5301 TAXES AND ASSESSMENTS | 21,874 | 15,000 | 15,000 | - |
| 9918 OVERHEAD COSTS | 166,300 | 357,100 | 190,000 | (167,100) |
| | 1,240,604 | 1,487,410 | 1,328,229 | (159,181) |

Expenditures by Category – All Funds (continued)

Capital Outlay

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|---|------------------------|------------------------|------------------------|--------------------------------|
| 6100 TANK FARM IMPROVEMENTS | - | 470,000 | - | (470,000) |
| 6101 PARK STREET BULKHEAD IMPROVEMENTS | - | - | 100,000 | 100,000 |
| 6103 LAND PURCHASES | - | 1,900,000 | - | (1,900,000) |
| 6203 CONSTRUCTION | 58,949 | 354,015 | - | (354,015) |
| 6205 LH PARK BERM AREA FENCING | 8,601 | - | - | - |
| 6206 LIGHTHOUSE PARK PHASE 2B | 138,984 | - | - | - |
| 6110 FENCE REPLACEMENT | - | - | 16,000 | 16,000 |
| 6113 BYERS FAMILY MARINE VIEW PARK | - | - | 25,000 | 25,000 |
| 6114 92ND STREET PARK RETROFIT | - | - | 50,000 | 50,000 |
| 6200 SIDEWALK CONSTRUCTION | - | 130,000 | 140,000 | 10,000 |
| 6203 STORMWATER CONSTRUCTION | - | - | 1,138,000 | 1,138,000 |
| 6210 BUILDING IMPROVEMENTS | 4,928 | 111,930 | 52,500 | (59,430) |
| 6211 COUNCIL CHAMBER RENOVATIONS | - | - | 7,500 | 7,500 |
| 6301 PEDESTRIAN BRIDGES | - | 150,000 | 15,000 | (135,000) |
| 6305 OLYMPIC VIEW SAFETY IMPROVEMENTS | 52 | 23,000 | - | (23,000) |
| 6310 STORM DRAINS | - | 62,800 | 30,000 | (32,800) |
| 6311 STREETS | - | 25,000 | - | (25,000) |
| 6312 PATHS AND TRAILS | - | 105,000 | 265,500 | 160,500 |
| 6313 WATER AND SEWER SYSTEMS | - | 20,000 | 83,000 | 63,000 |
| 6319 SCHOOL ZONE FLASHERS | - | - | 15,000 | 15,000 |
| 6324 47TH PL W & HP BLVD CROSSWALK FLASHERS | - | - | 12,000 | 12,000 |
| 6329 LIGHTING RETROFIT | - | - | 15,000 | 15,000 |
| 6332 PEDESTRIAN IMPROVEMENTS | - | 6,250 | - | (6,250) |
| 6336 SIGN WORK | 6,812 | 9,245 | - | (9,245) |
| 6401 COMPUTER EQUIPMENT UPGRADE | - | 76,000 | - | (76,000) |
| 6402 COMPUTER HARDWARE | 63,650 | 185,500 | 176,130 | (9,370) |
| 6403 COMPUTER SOFTWARE | - | - | 17,000 | 17,000 |
| 6407 OTHER MACHINERY & EQUIPMENT | 272,599 | 52,400 | 37,400 | (15,000) |
| 6408 VEHICULAR EQUIPMENT | 361,132 | 352,100 | 1,890,300 | 1,538,200 |
| 6503 LIGHTHOUSE PARK PHASE 2 | 95,121 | - | - | - |
| 6510 STREET RECONSTRUCTION PROJECT | 30,241 | 150,000 | 82,500 | (67,500) |
| 6512 88TH ST/ SR525 LEFTHAND TURN LANE CONSTR | 303,839 | 17,586 | - | (17,586) |
| 6520 STREET CONSTRUCTION | 354,860 | 116,000 | 445,000 | 329,000 |
| 6523 STREET IMPRVS - PAVEMENT PRESERVATION | - | 350,000 | - | (350,000) |
| 6525 61st STREET REPAIRS/BETTERMENTS | 38,556 | - | - | - |
| 6530 BOAT LAUNCH PARKING LOT PAVING | 261,786 | - | - | - |
| 6538 COMMUNITY CENTER CONST DESIGN | 44,509 | - | - | - |
| 6539 COMMUNITY CENTER DESIGN | 1,490,178 | - | - | - |
| 6540 PEDESTRIAN IMPROVEMENTS CONSTRUCTION | 124,887 | - | - | - |
| 6541 COMMUNITY CENTER FF&E | 336,403 | - | - | - |
| 6542 COMMUNITY CENTER ALTERNATE CONSTRUCTION | 101,064 | - | - | - |
| 6543 FIBER OPTIC LINE | - | 119,195 | - | (119,195) |
| 6545 JAPANESE GULCH FISH LADDER | 62,130 | 170,890 | - | (170,890) |
| 6560 JAPANESE GULCH TRAIL CONSTRUCTION | 10,929 | 10,000 | 10,000 | - |
| | 4,170,208 | 4,966,911 | 4,622,830 | (344,081) |

Expenditures by Category – All Funds (continued)

Debt Service

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13 - '12 |
|--------------------------------------|------------------------|------------------------|------------------------|--------------------------------|
| 7165 BOND PRINCIPAL | 470,000 | 480,000 | 495,000 | 15,000 |
| 7900 INTERFUND LOAN | | 109,000 | 45,000 | (64,000) |
| 8200 INTERFUND LOAN INTEREST EXPENSE | 558 | 3,500 | - | (3,500) |
| 8365 BOND INTEREST | 439,313 | 425,250 | 410,820 | (14,430) |
| 8901 SERVICE FEES | 300 | 400 | 400 | - |
| | 910,170 | 1,018,150 | 951,220 | (66,930) |

Interfund Transfers

| | | | | |
|--|-----------|-----------|-----------|-------------|
| 5504 TRANSFER TO GENERAL FUND | - | - | 10,000 | 10,000 |
| 5506 TRANSFER TO TECH REP FUND | 75,000 | 75,000 | 170,000 | 95,000 |
| 5509 TRANSFER TO EQUIPMENT RENTAL | - | 1,014,575 | - | (1,014,575) |
| 5511 TRANSFER TO FUND 322 | 426,100 | 469,500 | 430,800 | (38,700) |
| 5517 COMMUNITY CENTER | 242,300 | 205,000 | 100,000 | (105,000) |
| 5518 TRANSFER TO FACILITIES MAINT FUND | 422,000 | 400,000 | 450,000 | 50,000 |
| 5523 TRANSFER TO LEOFF I FUND | 30,000 | 30,000 | 25,000 | (5,000) |
| 5524 TRANSFER TO HOTEL/MOTEL FUND | 5,400 | 5,000 | - | (5,000) |
| 5525 TRANSFER TO PAINE FIELD EMERGENCY FUND | 150,000 | - | - | - |
| 5530 TRANSFER TO SELF INSURANCE RESERVE FUND | 1,000 | 15,300 | - | (15,300) |
| 5540 TRANSFER TO LTGO BOND FUND | 909,350 | 1,299,968 | 764,330 | (535,638) |
| | 2,261,150 | 3,514,343 | 1,950,130 | (1,564,213) |

TOTAL

| | | | |
|------------|------------|------------|-------------|
| 23,435,095 | 26,379,334 | 24,599,523 | (1,779,811) |
|------------|------------|------------|-------------|



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 – 2013 Budget

| | General Fund | Other Governmental Funds | Special Revenue Funds | Debt Service Funds |
|--|-------------------|--------------------------------|-----------------------------|--------------------------|
| SOURCES OF FUNDS | | | | |
| BEGINNING FUND BALANCE | 3,839,317 | 1,350,223 | 1,132,302 | 398,480 |
| Revenues | | | | |
| Taxes | 10,026,300 | - | 1,801,720 | - |
| Licenses and Permits | 1,260,800 | - | 500 | - |
| Intergovernmental Revenue | 370,660 | - | 423,100 | - |
| Charges for Service | 492,900 | - | 366,950 | - |
| Fines and Forfeitures | 189,100 | - | - | - |
| Miscellaneous Revenues | 185,350 | 200 | 355,050 | 10 |
| Interfund Transfers | 10,000 | 25,000 | 700,800 | 514,330 |
| Other Financing Sources | - | - | - | - |
| Total Revenues | 12,535,110 | 25,200 | 3,648,120 | 514,340 |
| TOTAL SOURCES OF FUNDS | 16,374,427 | 1,375,423 | 4,780,422 | 912,820 |
| USES OF FUNDS | | | | |
| OPERATIONS | | | | |
| Legislative | 77,750 | - | - | - |
| Executive | 684,190 | - | - | - |
| Human Resources | 108,360 | - | - | - |
| Legal Services | 203,000 | 117,000 | - | - |
| Judicial | 204,000 | - | - | - |
| Finance | 716,320 | - | - | - |
| Information Technology | 286,160 | - | 54,100 | - |
| Non-Departmental | 440,570 | - | 115,500 | - |
| Police | 4,627,025 | 39,700 | - | - |
| Fire | 2,405,870 | - | 1,834,878 | - |
| Planning & Community Development | 987,580 | - | - | - |
| Public Works | 892,210 | - | 782,140 | - |
| Recreation & Cultural Services | - | - | 684,200 | - |
| TOTAL OPERATIONS | 11,633,035 | 156,700 | 3,470,818 | - |
| DEBT SERVICE | - | - | 70,000 | 906,220 |
| TOTAL DEBT SERVICE | - | - | - | 906,220 |
| CAPITAL | 32,000 | - | 363,530 | - |
| TOTAL CAPITAL | 32,000 | - | 363,530 | - |
| OTHER USES | | | | |
| Interfund Transfers | 1,175,800 | - | 10,000 | - |
| TOTAL OTHER USES | 1,175,800 | - | 10,000 | - |
| TOTAL USES OF FUNDS | 12,840,835 | 156,700 | 3,844,348 | 906,220 |
| ENDING FUND BALANCE | 3,533,592 | 1,218,723 | 936,074 | 6,600 |
| Fund Balance % Change 2012-2013 | -7.96% | -9.74% | -17.33% | -98.34% |

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

*Continued from previous page***Exhibit 8: Summary of Sources and Uses by Fund Class – 2013 Budget**

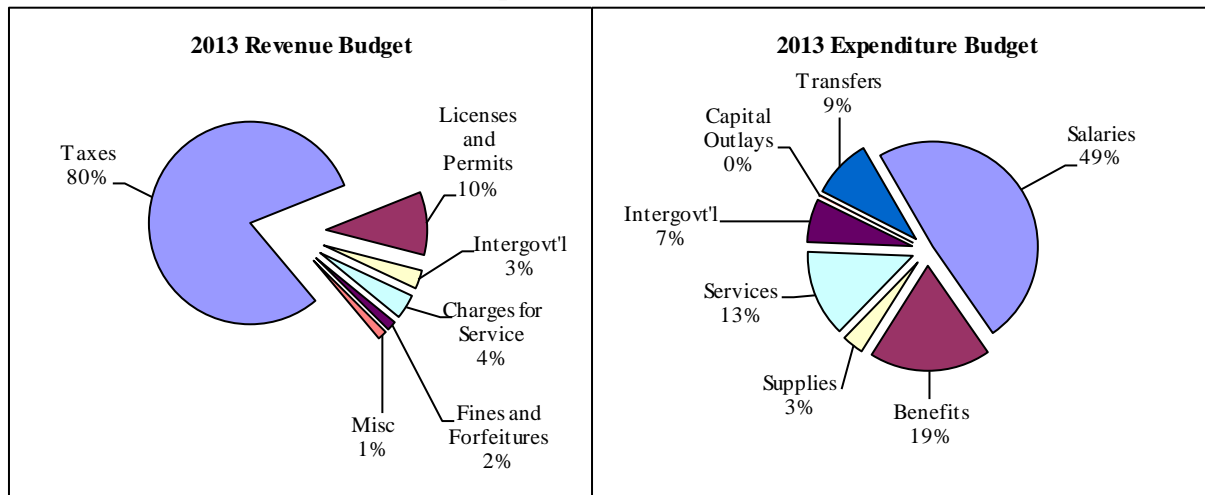
| | Capital | Funds | Enterprise Funds | Internal Service Funds | Total Budgeted Funds |
|--|------------------|---------|------------------|------------------------|----------------------|
| SOURCES OF FUNDS | | | | | |
| BEGINNING FUND BALANCE | 5,197,900 | | 1,414,460 | 2,760,775 | 16,093,457 |
| Revenues | | | | | |
| Taxes | | 641,550 | - | - | 12,469,570 |
| Licenses and Permits | | - | - | - | 1,261,300 |
| Intergovernmental Revenue | | 375,500 | 726,470 | - | 1,895,730 |
| Charges for Service | | 150,000 | 1,250,000 | - | 2,259,850 |
| Fines and Forfeitures | | - | - | - | 189,100 |
| Miscellaneous Revenues | | 11,806 | 3,600 | 627,937 | 1,183,953 |
| Interfund Transfers | | 250,000 | - | 450,000 | 1,950,130 |
| Other Financing Sources | | - | - | - | - |
| | 1,428,856 | | 1,980,070 | 1,077,937 | 21,209,633 |
| TOTAL SOURCES OF FUNDS | 6,626,756 | | 3,394,530 | 3,838,712 | 37,303,090 |
| USES OF FUNDS | | | | | |
| OPERATIONS | | | | | |
| Legislative | - | - | - | - | 77,750 |
| Executive | - | - | - | - | 684,190 |
| Human Resources | - | - | - | - | 108,360 |
| Legal Services | - | - | - | - | 320,000 |
| Judicial | - | - | - | - | 204,000 |
| Finance | - | - | - | - | 716,320 |
| Information Technology | - | - | - | - | 340,260 |
| Non-Departmental | - | - | - | - | 556,070 |
| Police | - | - | - | - | 4,666,725 |
| Fire | - | - | - | - | 4,240,748 |
| Planning & Community Development | - | - | - | - | 987,580 |
| Public Works | 1,500 | | 1,306,030 | 482,260 | 3,464,140 |
| Recreation & Cultural Services | - | - | - | - | 684,200 |
| TOTAL OPERATIONS | 1,500 | | 1,306,030 | 482,260 | 17,050,343 |
| DEBT SERVICE | - | - | - | - | 976,220 |
| TOTAL DEBT SERVICE | - | - | - | - | 976,220 |
| CAPITAL | 978,500 | | 1,341,000 | 1,907,800 | 4,622,830 |
| TOTAL CAPITAL | 978,500 | | 1,341,000 | 1,907,800 | 4,622,830 |
| OTHER USES | | | | | |
| Interfund Transfers | 764,330 | | - | - | 1,950,130 |
| TOTAL OTHER USES | 764,330 | | - | - | 1,950,130 |
| TOTAL USES OF FUNDS | 1,744,330 | | 2,647,030 | 2,390,060 | 24,599,523 |
| ENDING FUND BALANCE | 4,882,426 | | 747,500 | 1,448,652 | 12,703,567 |
| Fund Balance % Change 2012-2013 | -6.07% | | -47.15% | -47.53% | -21.06% |

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 | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change 13 - '12 | % Change 13 - '12 |
|----------------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|
| Beginning Fund Balance | \$ 5,005,878 | \$ 4,468,000 | \$ 3,839,317 | \$ (628,683) | -14.07% |
| Revenues: | | | | | |
| Taxes | 9,653,151 | 9,749,916 | 10,026,300 | 276,384 | 2.83% |
| Licenses and Permits | 1,163,036 | 1,111,600 | 1,260,800 | 149,200 | 13.42% |
| Intergovernmental Revenue | 549,490 | 421,260 | 370,660 | (50,600) | -12.01% |
| Charges for Service | 482,355 | 652,250 | 492,900 | (159,350) | -24.43% |
| Fines and Forfeitures | 214,927 | 212,000 | 189,100 | (22,900) | -10.80% |
| Miscellaneous Revenues | 291,328 | 255,580 | 185,350 | (70,230) | -27.48% |
| Interfund Transfer | - | - | 10,000 | 10,000 | 0.00% |
| Total Revenues | \$ 12,354,287 | \$ 12,402,606 | \$ 12,535,110 | \$ 132,504 | 1.07% |
| Expenditures: | | | | | |
| Salaries | 6,237,403 | 6,329,620 | 6,249,285 | (80,335) | -1.27% |
| Benefits | 2,246,167 | 2,414,360 | 2,391,062 | (23,298) | -0.96% |
| Supplies | 362,599 | 430,030 | 427,380 | (2,650) | -0.62% |
| Services | 1,519,162 | 1,574,430 | 1,712,383 | 137,953 | 8.76% |
| Intergovernmental | 790,622 | 887,920 | 852,925 | (34,995) | -3.94% |
| Capital Outlays | 262,665 | 88,920 | 32,000 | (56,920) | -64.01% |
| Transfers Out | 1,351,800 | 2,187,375 | 1,175,800 | (1,011,575) | -46.25% |
| Total Expenditures | \$ 12,770,418 | \$ 13,912,655 | \$ 12,840,835 | \$ (\$1,071,820) | -7.70% |
| Ending Fund Balance | \$ 4,589,747 | \$ 2,957,951 | \$ 3,533,592 | \$ 575,641 | 19.46% |

General Fund Revenues

The General Fund's major revenue categories are Taxes, Licenses and Permits, Intergovernmental Revenues, Fees for Service, Fines and Forfeitures, and Other Miscellaneous Revenues. Taxes are the General Fund's largest revenue source, comprising 80% of total 2013 budgeted revenues. Tax revenues are generated from property taxes, sales tax, utility taxes and a few miscellaneous taxes.

Exhibit 10: General Fund Revenues – Major Revenue Sources

| GENERAL FUND | 2011 Actual | 2012 Budget | 2013 Budget | Budget \$ Change 2013 - 2012 | Budget % Change 2013 - 2012 | % of Total 2013 Revenue Budget |
|--|----------------------|----------------------|----------------------|------------------------------------|-----------------------------------|--------------------------------------|
| <u>Taxes</u> | | | | | | |
| Property Taxes | \$ 4,541,800 | \$ 4,693,116 | \$ 4,771,600 | \$ 78,484 | 2% | 38% |
| Sales Tax | 1,917,395 | 1,855,000 | 2,021,000 | 166,000 | 9% | 16% |
| Utility Taxes | 2,850,357 | 2,866,300 | 2,818,000 | (48,300) | -2% | 22% |
| Other Taxes | 343,599 | 335,500 | 415,700 | 80,200 | 24% | 3% |
| Total Taxes | \$ 9,653,151 | \$ 9,749,916 | \$ 10,026,300 | \$ 276,384 | 3% | 80% |
| <u>Licenses & Permits</u> | | | | | | |
| Business Licenses | 423,963 | 352,000 | \$ 416,500 | \$ 64,500 | 18% | 3% |
| Building & Other Permits | 739,073 | 759,600 | 844,300 | 84,700 | 11% | 7% |
| Total Licenses & Permits | \$ 1,163,036 | \$ 1,111,600 | \$ 1,260,800 | \$ 149,200 | 13% | 10% |
| <u>Intergovernmental Revenues</u> | | | | | | |
| Liquor Board Profits | 141,173 | 135,930 | \$ 182,600 | \$ 46,670 | 34% | 1% |
| Liquor Excise Tax | 99,235 | 95,000 | 30,780 | (64,220) | -68% | 0% |
| Grants | 168,945 | 60,310 | 20,200 | (40,110) | -67% | 0% |
| Other Intergovernmental | 140,137 | 130,020 | 137,080 | 7,060 | 5% | 1% |
| Total Intergovernmental Revenues | \$ 549,490 | \$ 421,260 | \$ 370,660 | \$ (50,600) | -12% | 3% |
| <u>Fees For Service</u> | | | | | | |
| Internal Charges | 166,300 | 357,100 | \$ 193,600 | \$ (163,500) | -46% | 2% |
| Engineering Services | 6,737 | 11,000 | 6,700 | (4,300) | -39% | 0% |
| Plan Check Fees | 62,409 | 69,300 | 62,000 | (7,300) | -11% | 0% |
| Zoning & Subdivision Fees | 24,901 | 20,350 | 15,000 | (5,350) | -26% | 0% |
| Ambulance Basic Life Support | 208,421 | 181,800 | 194,000 | 12,200 | 7% | 2% |
| Other Charges for Services | 13,587 | 12,700 | 21,600 | 8,900 | 70% | 0% |
| Total Fees For Service | \$ 482,355 | \$ 652,250 | \$ 492,900 | \$ (159,350) | -24% | 4% |
| <u>Fines & Forfeitures</u> | | | | | | |
| Fines & Forfeitures | 214,927 | 212,000 | \$ 189,100 | \$ (22,900) | -11% | 2% |
| Total Fines & Forfeitures | \$ 214,927 | \$ 212,000 | \$ 189,100 | \$ (22,900) | -11% | 2% |
| <u>Miscellaneous Revenues</u> | | | | | | |
| Interest Earnings & Misc. | 291,328 | 255,580 | \$ 185,350 | \$ (70,230) | -27% | 1% |
| Operating Transfer In | 0 | 0 | \$ 10,000 | \$ 10,000 | 100% | 0% |
| Total Miscellaneous Revenues | \$ 291,328 | \$ 255,580 | \$ 195,350 | \$ (60,230) | -24% | 2% |
| Total General Fund | \$ 12,354,287 | \$ 12,402,606 | \$ 12,535,110 | \$ 132,504 | 1% | 100% |

Exhibit 10 provides General Fund revenues by category for 2011 actual revenues, and a comparison of 2012 and 2013 budgeted revenues. General Fund budgeted revenues increased 3% overall from 2012 to 2013, 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.

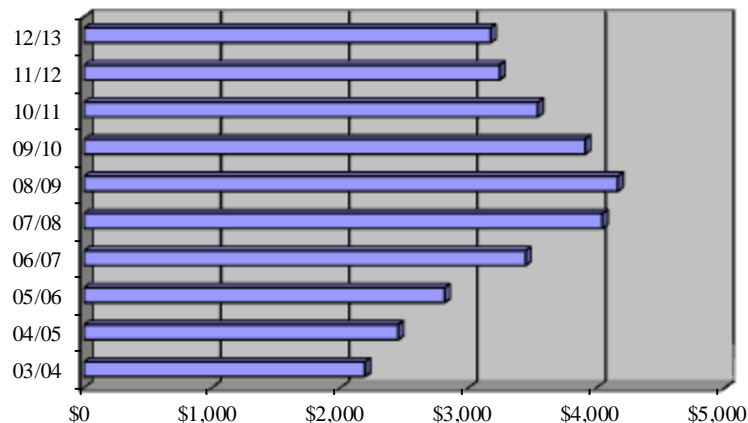
The Snohomish County Assessor's Office statistically updates all real property in Snohomish County to "true and fair market value" every year, and physically inspects each property at least once every six years. Because Washington State has a budget-based property tax system instead of a rate-based system, 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 2013 budget includes the statutory 1% increase in general property taxes.

Exhibit 11 represents the total assessed value of all properties in Mukilteo increased 44.7% from \$2.19 billion to \$3.17 billion between 2004 and 2013. 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 2013, total assessed values decreased \$993 million (24%), which reflects on-going declines in the real estate market.

Exhibit 11: Total Assessed Value of Property in Mukilteo

TOTAL ASSESSED VALUE - CITYWIDE
(in millions)



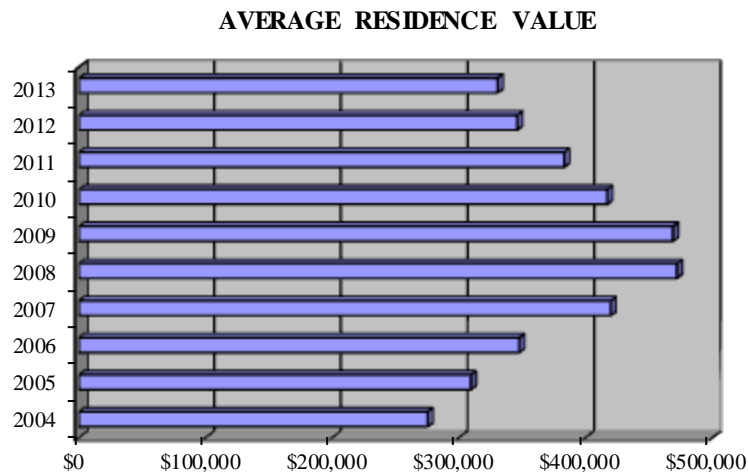
| Levy Year/ Collection Year | Total Assessed Value (millions) | Annual Change in Assessed Value (millions) | Annual % Change in Assessed Value | Cumulative Change in Assessed Value Since 03/04 (millions) | Cumulative % Change in Assessed Value Since 03/04 |
|----------------------------------|--|--|--|---|---|
| 03/04 | \$ 2,192 | \$ 23 | 1.1% | | |
| 04/05 | \$ 2,452 | \$ 260 | 11.9% | \$ 260 | 11.9% |
| 05/06 | \$ 2,815 | \$ 363 | 14.8% | \$ 623 | 28.4% |
| 06/07 | \$ 3,445 | \$ 630 | 22.4% | \$ 1,253 | 57.2% |
| 07/08 | \$ 4,044 | \$ 599 | 17.4% | \$ 1,852 | 84.5% |
| 08/09 | \$ 4,165 | \$ 121 | 3.0% | \$ 1,973 | 90.0% |
| 09/10 | \$ 3,911 | \$ (254) | -6.1% | \$ 1,719 | 78.4% |
| 10/11 | \$ 3,541 | \$ (370) | -8.9% | \$ 1,349 | 61.5% |
| 11/12 | \$ 3,243 | \$ (298) | -7.6% | \$ 1,051 | 47.9% |
| 12/13 | \$ 3,172 | \$ (71) | -2.0% | \$ 980 | 44.7% |

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 71.5% between 2004 and 2008, followed by decreases from 2009 to 2013, resulting in a net increase in value of 20.1% between 2004 and 2013.

Exhibit 12: Value of Average Residence in Mukilteo



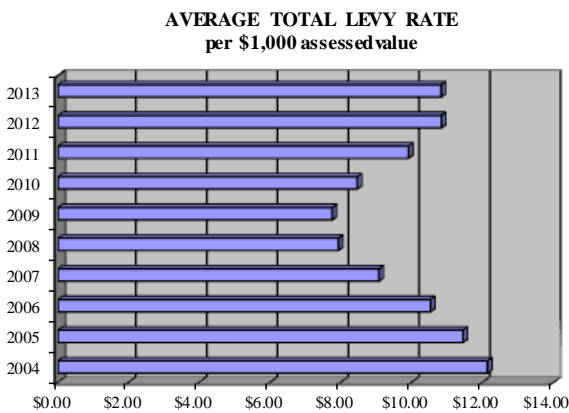
| Year | Average Residence Value | Annual Change in Average Value | Annual % Change in Average Value | Cumulative Change in Average Value Since 2004 | Cumulative % Change in Average Value Since 2004 |
|------|-------------------------|--------------------------------|----------------------------------|---|---|
| 2004 | \$ 275,400 | \$ (32,900) | -10.7% | | |
| 2005 | \$ 309,600 | \$ 34,200 | 12.4% | \$ 34,200 | 12.4% |
| 2006 | \$ 347,700 | \$ 38,100 | 12.3% | \$ 72,300 | 26.3% |
| 2007 | \$ 420,100 | \$ 72,400 | 20.8% | \$ 144,700 | 52.5% |
| 2008 | \$ 472,300 | \$ 52,200 | 12.4% | \$ 196,900 | 71.5% |
| 2009 | \$ 469,100 | \$ (3,200) | -0.7% | \$ 193,700 | 70.3% |
| 2010 | \$ 417,300 | \$ (51,800) | -11.0% | \$ 141,900 | 51.5% |
| 2011 | \$ 383,200 | \$ (34,100) | -8.2% | \$ 107,800 | 39.1% |
| 2012 | \$ 346,200 | \$ (37,000) | -9.7% | \$ 70,800 | 25.7% |
| 2013 | \$ 330,700 | \$ (15,500) | -4.5% | \$ 55,300 | 20.1% |

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 \$12.14 in 2004 to \$10.83 in 2013, as indicated in exhibit 13. This includes levy amounts for the City, County, State, Port, Library, and School District. The average annual levy rate decreased 0.1% in 2013. As noted previously, an increase in the dollar amount of the average total levy does not necessarily mean that the amount of taxes paid on an individual property will increase. The actual amount paid varies in relation to the property's assessed value in comparison to other properties in the taxing district, and the "share" of taxes allocated to the particular property.

Exhibit 13: Changes in Average Total Levy Rate



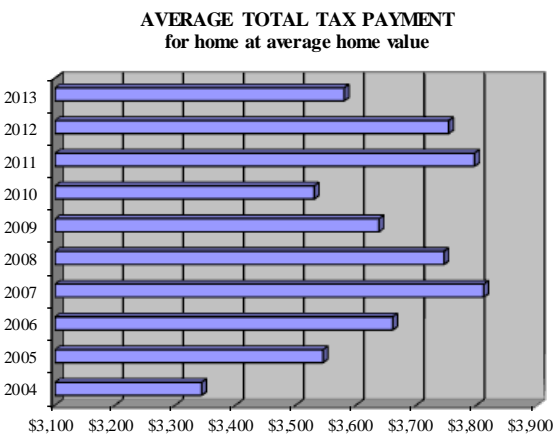
| Year | Average Total Levy Rate | Annual Change in Average Levy Rate | Annual % Change in Average Levy Rate | Cumulative \$ Change in Average Levy Rate Since 2004 | Cumulative % Change in Average Levy Rate Since 2004 |
|------|-------------------------|------------------------------------|--------------------------------------|--|---|
| 2013 | \$ 10.83 | \$ (0.01) | -0.1% | \$ (1.31) | -10.79% |
| 2012 | \$ 10.84 | \$ 0.93 | 9.4% | \$ (1.30) | -10.7% |
| 2011 | \$ 9.91 | \$ 1.45 | 17.1% | \$ (2.23) | -18.4% |
| 2010 | \$ 8.46 | \$ 0.70 | 9.1% | \$ (3.68) | -30.3% |
| 2009 | \$ 7.76 | \$ (0.18) | -2.2% | \$ (4.38) | -36.1% |
| 2008 | \$ 7.93 | \$ (1.14) | -12.6% | \$ (4.21) | -34.7% |
| 2007 | \$ 9.07 | \$ (1.45) | -13.8% | \$ (3.07) | -25.3% |
| 2006 | \$ 10.53 | \$ (0.92) | -8.1% | \$ (1.61) | -13.3% |
| 2005 | \$ 11.45 | \$ (0.69) | -5.7% | \$ (0.69) | -5.7% |
| 2004 | \$ 12.14 | \$ (0.24) | -1.9% | | |

Source: Snohomish County Assessor's Annual Reports for Taxes

Average Total Property Tax Payment

The total property tax payment for an average valued home in Mukilteo has increased from \$3,343 in 2004 to \$3,580 in 2013, 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



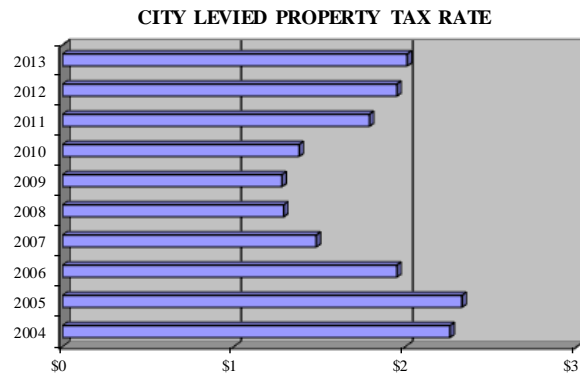
| Year | Average Tax Payment | Annual Change in Average Tax Payment | Annual % Change in Average Tax Payment | Cumulative \$ Change in Average Tax Payment Since 2003 | Cumulative % Change in Average Tax Payment Since 2003 |
|------|---------------------|--------------------------------------|--|--|---|
| 2013 | \$ 3,580 | \$ (173.50) | -4.62% | \$ 236.67 | 7.08% |
| 2012 | \$ 3,754 | \$ (43.09) | -1.13% | \$ 410.17 | 12.27% |
| 2011 | \$ 3,797 | \$ 266.32 | 7.54% | \$ 453.26 | 13.56% |
| 2010 | \$ 3,530 | \$ (107.69) | -2.96% | \$ 186.94 | 5.59% |
| 2009 | \$ 3,638 | \$ (107.71) | -2.88% | \$ 294.63 | 8.81% |
| 2008 | \$ 3,746 | \$ (65.98) | -1.73% | \$ 402.34 | 12.03% |
| 2007 | \$ 3,812 | \$ 151.03 | 4.13% | \$ 468.32 | 14.01% |
| 2006 | \$ 3,661 | \$ 115.64 | 3.26% | \$ 317.29 | 9.49% |
| 2005 | \$ 3,545 | \$ 201.65 | 6.03% | \$ 201.65 | 6.03% |
| 2004 | \$ 3,343 | \$ (473.05) | -12.40% | | |

Source: Snohomish County Assessor's Annual Reports for Taxes

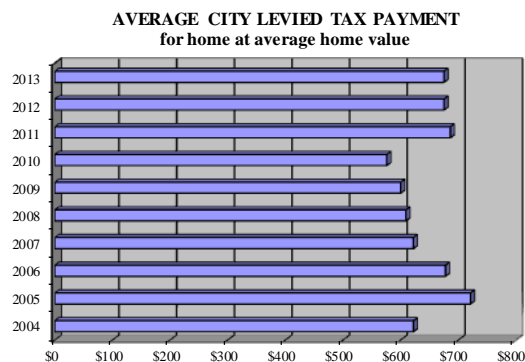
Average City Levied Property Tax

As represented in exhibit 15, the average property tax rate levied by the City has decreased by 11.06% between 2004 and 2013. The City levied tax payment for an average valued home has increased overall, from \$622 to \$665.

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 |
|------|-------------------------------|--|---|--|---|
| 2013 | \$ 2.01 | \$ 0.06 | 3.08% | \$ (0.25) | -11.06% |
| 2012 | \$ 1.95 | \$ 0.16 | 8.94% | \$ (0.31) | -13.72% |
| 2011 | \$ 1.79 | \$ 0.41 | 29.71% | \$ (0.47) | -20.80% |
| 2010 | \$ 1.38 | \$ 0.10 | 7.81% | \$ (0.88) | -38.94% |
| 2009 | \$ 1.28 | \$ (0.01) | -0.78% | \$ (0.98) | -43.36% |
| 2008 | \$ 1.29 | \$ (0.19) | -12.84% | \$ (0.97) | -42.92% |
| 2007 | \$ 1.48 | \$ (0.47) | -24.10% | \$ (0.78) | -34.51% |
| 2006 | \$ 1.95 | \$ (0.38) | -16.31% | \$ (0.31) | -13.72% |
| 2005 | \$ 2.33 | \$ 0.07 | 3.10% | \$ 0.07 | 3.10% |
| 2004 | \$ 2.26 | \$ 0.02 | 89.00% | | |



| 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 |
|------|-------------------------|---------------------------------|---|--|---|--|
| 2013 | \$ 330,700 | \$ 665 | \$ (10) | -1.54% | \$ 42.71 | 6.87% |
| 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 | \$ 622 | 0.00% | | |

Source: Snohomish County Assessor's Annual Reports for Taxes

Utility Taxes

Utility taxes are the second largest portion (22%) 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 (16%) 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. As of January 2013, the sales tax rate in the City of Mukilteo is 9.5%. This is comprised of a State Sales Tax of 6.5%, a Regional Transit Authority sales Tax of 0.9%, Snohomish County Mental Health Tax of 0.1%, and the Local Tax of 2.0%. The City receives 0.85% 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 16: License & Permit Revenues

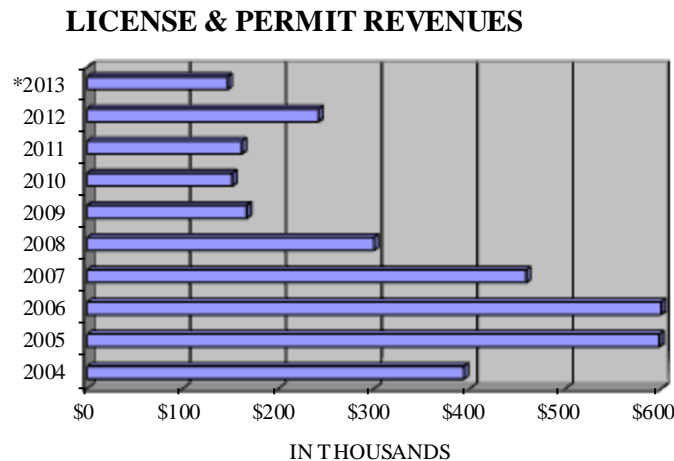


Exhibit 16 reflects actual combined revenues received for building permits, plumbing permits, mechanical permits and engineering fees, with the exception of 2013, which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales caused a steady decline in these revenues from 2006 to 2010. 2011 and 2012 show improvement while *2013 budgeted revenues reflect a conservative estimate.

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

Washington State voters passed initiative 1183, which privatized liquor sales beginning June 1, 2012. The financial effect to the City is likely to be a reduction of \$64,220 in liquor tax and profit revenues from 2012 to 2013

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.

General Fund Expenditures

The General Fund expenditure budget for 2013 totals \$ 12,840,835, a decrease of 7.7% from the 2012 amended budget. Major expenditure categories include:

Personnel Services

Personnel services represent a significant portion of the total General Fund budget. In 2013 salaries and benefits (health, dental, vision, disability, life, retirement) account for \$8,640,347 or 67% of the total General Fund budget.

Operating Expenditures

Operating expenditures represent approximately 23% of the total General Fund budget for 2013. 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 2013. Capital outlays in the General Fund include items such as software, machinery and equipment, interpretive signage, and pavement improvements.

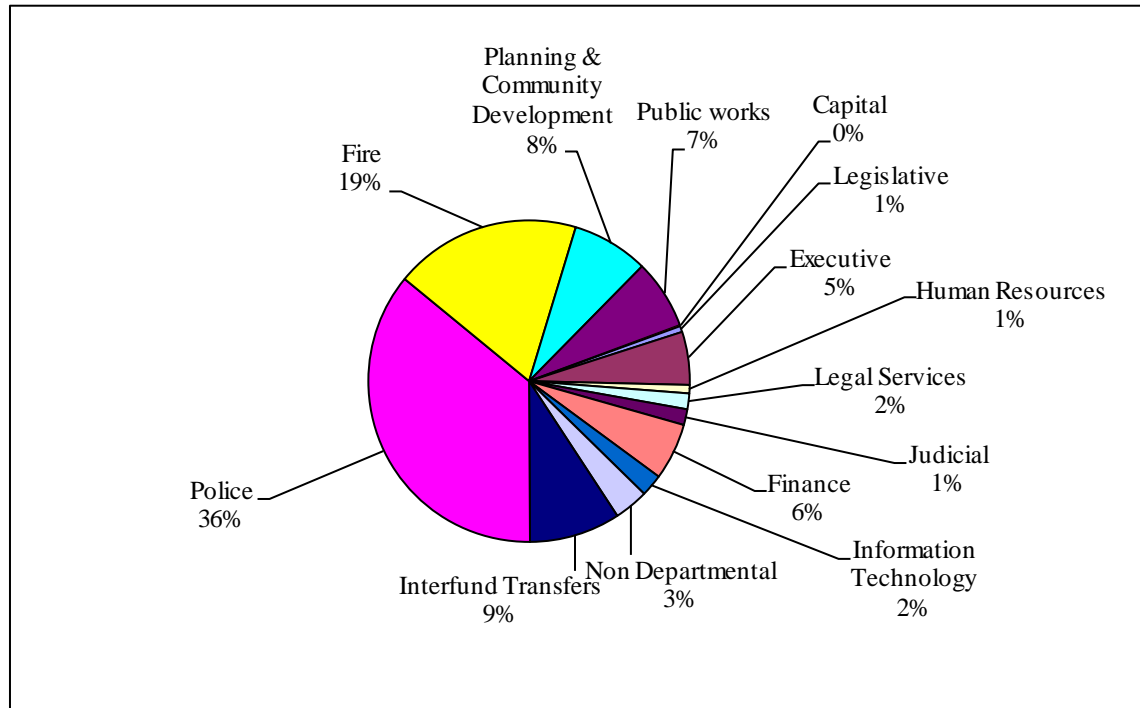
Interfund Transfers

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 | \$ 170,000 |
| • To Street Fund | \$ 430,800 |
| • To Recreation and Cultural Services Fund | \$ 100,000 |
| • To Facilities Maintenance Fund | \$ 450,000 |
| • To LEOFF I Reserve Fund | \$ 25,000 |
| Total Interfund Transfers | <u>\$ 1,175,800</u> |

Exhibit 17 depicts the major departments or functions in the General Fund and the amount budgeted in those categories.

Exhibit 17: General Fund Expenditures Summary by Division



| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Change '13-'12 | % Change '13-'12 |
|----------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Legislative | \$64,870 | \$87,750 | \$77,750 | (\$10,000) | -11.40% |
| Executive | 678,539 | 700,950 | 684,190 | (16,760) | -2.39% |
| Human Resources | 88,263 | 110,680 | 108,360 | (2,320) | -2.10% |
| Legal Services | 192,616 | 197,000 | 204,000 | 7,000 | 3.55% |
| Judicial | 200,453 | 203,000 | 203,000 | 0 | 0.00% |
| Finance | 679,945 | 720,640 | 716,320 | (4,320) | -0.60% |
| Information Technology | 336,570 | 457,060 | 286,160 | (170,900) | -37.39% |
| Non Departmental | 387,838 | 414,000 | 440,570 | 26,570 | 6.42% |
| Interfund Transfers | 1,351,800 | 2,214,375 | 1,175,800 | (1,038,575) | -46.90% |
| Police | 4,421,134 | 4,482,325 | 4,627,025 | 144,700 | 3.23% |
| Fire | 2,227,185 | 2,386,240 | 2,405,870 | 19,630 | 0.82% |
| Planning & Community Development | 965,843 | 983,050 | 987,580 | 4,530 | 0.46% |
| Public Works Administration | 912,697 | 881,665 | 892,210 | 10,545 | 1.20% |
| Capital | 262,665 | 73,920 | 32,000 | (41,920) | -56.71% |
| Totals | \$12,770,418 | \$13,912,655 | \$12,840,835 | (\$1,071,820) | -7.70% |

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 158.

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 145.

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 159.

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 160.

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 144.

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 175.

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 213.

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 238.

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 229.

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 161.

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 152.

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 189.

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 233.

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 18: Computation of Legal Debt Capacity

| Assessed Value \$ 3,173,293,219 | General Obligation | Utility Purposes | Parks and Open Space | Total Capacity |
|--|-------------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Non-Voted (1.5% AV) * | 47,599,398 | | | 47,599,398 |
| Maximum 2.5% AV | 79,332,330 | 79,332,330 | 79,332,330 | 237,996,991 |
| Statutory Debt Limit * (1.5% non-voted included in 2.5% limit) | 79,332,330 | 79,332,330 | 79,332,330 | 237,996,991 |
| Total Debt Outstanding (non-voted) | 11,180,000 | 0 | 0 | 11,180,000 |
| Less amount in Debt Service Funds | (398,668) | 0 | 0 | (398,668) |
| Net Debt Outstanding | 10,781,332 | 0 | 0 | 10,781,332 |
| Remaining Non-Voted Debt Capacity | 36,818,066 | 0 | 0 | 36,818,066 |
| Remaining Total Debt Capacity | 68,550,998 | 79,332,330 | 79,332,330 | 227,215,659 |

* The 1.5 % non-voted amount is included in the 2.5% maximum of \$79,332,330.

Exhibit 18 indicates that the total legal debt capacity for the City is over \$237 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 238.

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 239.

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 239.

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 240.

Exhibit 19: Real Estate Excise Tax Revenues

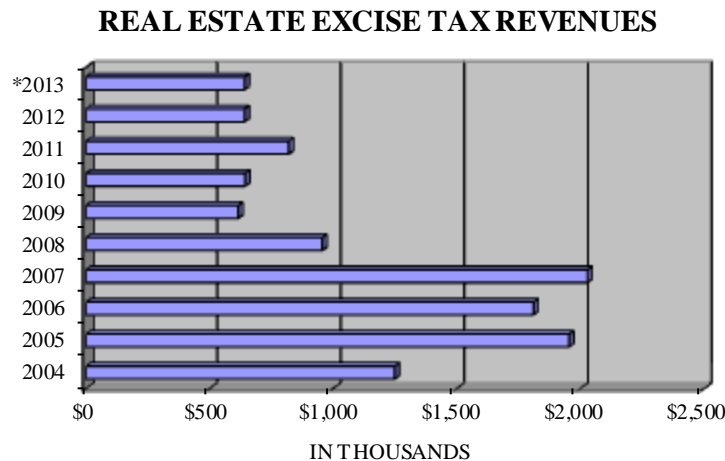


Exhibit 19 reflects actual Real Estate Excise Tax revenues received in both funds, with the exception of 2013 which reflects budgeted amounts. The nationwide decline in real estate values and resulting sales caused a steady decline in these revenues from 2007 to 2009. A modest 5% increase was realized in 2010, followed by a 27% increase in 2011. The 2013 budget is conservatively estimated as mid-way between 2010 and 2012 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 240.

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 241.

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 217.

Exhibit 20: Surface Water Utility Revenues

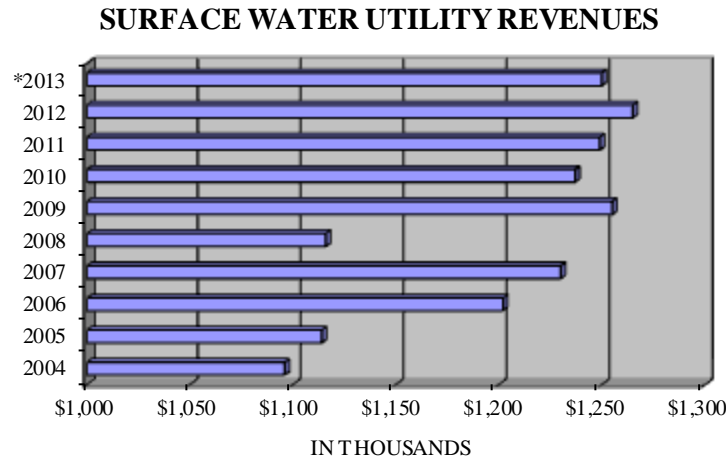


Exhibit 20 reflects actual revenues received for storm drainage fees, with the exception of 2013 which reflects budgeted amounts.

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 221.

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 223.

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.

Legislative

|

City
Council

POSITION SUMMARY

| Position Title | 2012 | 2013 |
|----------------|------------|------------|
| Councilmember | 7.0 | 7.0 |
| Total | 7.0 | 7.0 |

| LEGISLATIVE DEPARTMENT EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|-----------------|-----------------|-----------------|----------------------------|
| City Council | \$64,870 | \$87,750 | \$77,750 | (\$10,000) |
| TOTAL | \$64,870 | \$87,750 | \$77,750 | (\$10,000) |

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

| | 2011 | 2012 | 2013 |
|----------------------|--------|--------|------|
| | Actual | Actual | Est. |
| Council Meetings | 43 | 43 | 43 |
| Formal Actions Taken | 240 | 240 | 244 |
| Ordinances Adopted | 20 | 29 | 23 |
| Resolutions Approved | 19 | 19 | 18 |

2013 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

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Part Time Employees | 42,600 | 42,600 | 42,600 | 0 |
| | 42,600 | 42,600 | 42,600 | 0 |
| PERSONNEL BENEFITS | | | | |
| FICA | 3,259 | 3,300 | 3,300 | 0 |
| L&I | 192 | 200 | 200 | 0 |
| | 3,451 | 3,500 | 3,500 | 0 |
| SUPPLIES | | | | |
| Office Supplies | 389 | 250 | 250 | 0 |
| Operating Supplies | 0 | 200 | 200 | 0 |
| Ancillary Meeting Costs | 0 | 500 | 500 | 0 |
| Council Retreat | 0 | 5,000 | 5,000 | 0 |
| Small Items of Equipment | 0 | 200 | 200 | 0 |
| | 389 | 6,150 | 6,150 | 0 |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 0 | 1,000 | 1,000 | 0 |
| Travel & Subsistence Expense | 8,258 | 9,800 | 9,800 | 0 |
| Legal Publications | 1,567 | 1,000 | 1,000 | 0 |
| Publication of Agendas | 2,243 | 3,300 | 3,300 | 0 |
| Printing and Binding | 0 | 400 | 400 | 0 |
| Training & Registration | 3,584 | 7,000 | 7,000 | 0 |
| City Code Revision | 2,779 | 13,000 | 3,000 | (10,000) |
| | 18,431 | 35,500 | 25,500 | (10,000) |
| TOTAL CITY COUNCIL | \$64,870 | \$87,750 | \$77,750 | (\$10,000) |

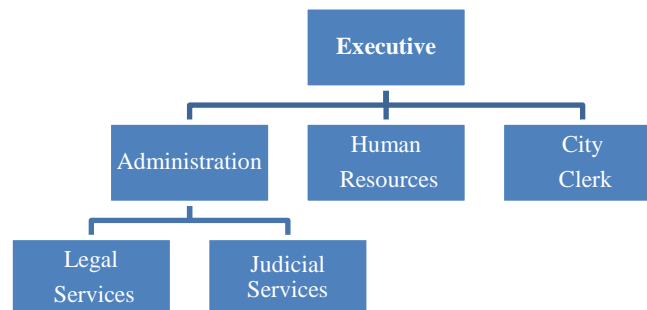


EXECUTIVE DEPARTMENT

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

| Position Title | 2012 | 2013 |
|-------------------------|------------|------------|
| Mayor | 1.0 | 1.0 |
| City Administrator | 1.0 | 1.0 |
| City Clerk | 1.0 | 1.0 |
| Executive/HR Assistant | 1.0 | 1.0 |
| Assistant to City Admin | 1.0 | 1.0 |
| Department Assistant | 0.5 | 0.5 |
| Total | 5.5 | 5.5 |

| EXECUTIVE DEPARTMENT EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|--------------------|--------------------|--------------------|----------------------------|
| Administration | \$678,539 | \$700,950 | \$684,190 | (\$16,760) |
| Human Resources | 88,263 | 110,680 | 108,360 | (2,320) |
| Legal Services | 192,616 | 197,000 | 204,000 | 7,000 |
| Judicial Services | 200,453 | 203,000 | 203,000 | 0 |
| Paine Field Emergency Fund | 19,020 | 156,240 | 117,000 | (39,240) |
| TOTAL | \$1,178,891 | \$1,367,870 | \$1,316,550 | (\$51,320) |

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

| | 2011 | 2012 | 2013 |
|-------------------------|--------|--------|------|
| | Actual | Actual | Est. |
| Agenda Bills Presented | 109 | 118 | 113 |
| Public Records Requests | 214 | 260 | 237 |
| Claims Opened | 19 | 16 | 17 |
| Claims Closed | 12 | 17 | 13 |
| Incidents Reported | 27 | 38 | 30 |

2013 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.

ADMINISTRATION

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 412,512 | 409,100 | 412,410 | 3,310 |
| Part Time Employees | 23,013 | 24,100 | 24,460 | 360 |
| Special Assignment Pay | 7,203 | 7,200 | 7,310 | 110 |
| Overtime | 788 | 1,000 | 1,000 | 0 |
| | <u>443,516</u> | <u>441,400</u> | <u>445,180</u> | <u>3,780</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 33,177 | 33,200 | 33,420 | 220 |
| PERS | 27,519 | 31,600 | 31,670 | 70 |
| L&I | 1,412 | 1,800 | 1,650 | (150) |
| Medical Benefits | 64,482 | 70,800 | 70,700 | (100) |
| Administrator Vehicle Allowance | 6,000 | 6,000 | 6,000 | 0 |
| Dental Benefits | 11,711 | 10,000 | 12,000 | 2,000 |
| Vision Benefits | 2,144 | 1,100 | 1,600 | 500 |
| Life Insurance | 1,211 | 1,500 | 1,550 | 50 |
| Long Term Disability Insurance | 2,682 | 3,300 | 3,420 | 120 |
| | <u>150,337</u> | <u>159,300</u> | <u>162,010</u> | <u>2,710</u> |
| SUPPLIES | | | | |
| Office Supplies | 2,068 | 3,000 | 3,000 | 0 |
| Reference Material | 24 | 300 | 300 | 0 |
| Ancillary Meeting Costs | 255 | 500 | 500 | 0 |
| Small Items of Equipment | 1,173 | 1,000 | 1,000 | 0 |
| | <u>3,520</u> | <u>4,800</u> | <u>4,800</u> | <u>0</u> |
| OTHER SERVICES & CHARGES | | | | |
| Consulting Services | 150 | 9,000 | 5,000 | (4,000) |
| Other Professional Services | 1,278 | 4,000 | 4,000 | 0 |
| Lobbyist Services | 61,419 | 60,000 | 40,000 | (20,000) |
| Records Services | 284 | 1,000 | 1,000 | 0 |
| Telephone | 1,813 | 1,900 | 1,400 | (500) |
| Postage | 797 | 1,000 | 1,000 | 0 |
| Cell Phone | 2,732 | 2,100 | 2,100 | 0 |
| Travel & Subsistence Expense | 8,322 | 9,750 | 11,000 | 1,250 |
| Association Dues & Memberships | 748 | 1,000 | 1,000 | 0 |
| Printing and Binding | 0 | 200 | 200 | 0 |
| Training & Registration Costs | 3,623 | 5,500 | 5,500 | 0 |
| | <u>81,165</u> | <u>95,450</u> | <u>72,200</u> | <u>(23,250)</u> |
| TOTAL ADMINISTRATION | \$678,539 | \$700,950 | \$684,190 | (\$16,760) |

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 results in increased employee productivity with fewer sick days taken.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|----------------------------|--------|------|------|
| | Actual | Est. | Est. |
| Position Recruitments | 3 | 13 | 10 |
| Applications Screened | 500 | 472 | 500 |
| Applicants Interviewed | 250 | 35 | 40 |
| Labor Contracts Negotiated | 5 | 4 | 5 |
| Labor Contracts Settled | 3 | 13 | 10 |

2013 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.

HUMAN RESOURCES

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|-----------------|------------------|------------------|----------------------------|
| SALARIES & WAGES | | | | |
| Accrued Leave Cash Out | 16,605 | 23,000 | 23,000 | 0 |
| | 16,605 | 23,000 | 23,000 | 0 |
| PERSONNEL BENEFITS | | | | |
| Accrued Leave Cash Out FICA | 1,270 | 2,000 | 1,760 | (240) |
| Unemployment Compensation | 0 | 29,700 | 29,700 | 0 |
| | 1,270 | 31,700 | 31,460 | (240) |
| SUPPLIES | | | | |
| Office Supplies | 1,548 | 1,000 | 1,000 | 0 |
| Reference Material | 31 | 500 | 500 | 0 |
| | 1,579 | 1,500 | 1,500 | 0 |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 51,584 | 33,000 | 33,000 | 0 |
| AWC Wellness Program | 1,976 | 4,080 | 2,000 | (2,080) |
| Telephone | 181 | 200 | 200 | 0 |
| Postage | 51 | 300 | 300 | 0 |
| Travel & Subsistence | 11 | 1,000 | 1,000 | 0 |
| Classified Advertising | 34 | 2,000 | 2,000 | 0 |
| Association Dues & Memberships | 380 | 400 | 400 | 0 |
| Training & Registration | 14,592 | 13,500 | 13,500 | 0 |
| | 68,810 | 54,480 | 52,400 | (2,080) |
| TOTAL HUMAN RESOURCES | \$88,264 | \$110,680 | \$108,360 | (\$2,320) |

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

| | 2011 Actual | 2012 Est. | 2013 Est. |
|-------------------|----------------|--------------|--------------|
| Hours of Service: | | | |
| City Attorney | 900 | 900 | 1000 |
| City Prosecutor | 300 | 300 | 350 |
| Litigation Cases | 5 | 5 | 6 |

2013 GOALS & OBJECTIVES

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

LEGAL SERVICES

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-----------------------------------|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES AND CHARGES | | | | |
| City Attorney | 95,217 | 110,000 | 110,000 | 0 |
| City Attorney Other Services | 44,948 | 44,000 | 44,000 | 0 |
| City Prosecuting Attorney | 52,451 | 43,000 | 50,000 | 7,000 |
| TOTAL LEGAL SERVICES | \$192,616 | \$197,000 | \$204,000 | \$7,000 |

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.

2013 GOALS & OBJECTIVES

- To continue to provide district court services.

JUDICIAL SERVICES

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Indigent Defense Attorney | 52,204 | 52,000 | 52,000 | 0 |
| | 52,204 | 52,000 | 52,000 | 0 |
| INTERGOVERNMENTAL SERVICES | | | | |
| Interlocal Extradition | 0 | 1,000 | 1,000 | 0 |
| Everett District Court | 148,250 | 150,000 | 150,000 | 0 |
| | 148,250 | 151,000 | 151,000 | 0 |
| TOTAL JUDICIAL SERVICES | \$200,453 | \$203,000 | \$203,000 | \$0 |

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.

| PAINE FIELD EMERGENCY FUND - 015 | | | | |
|---|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$26,240 | \$157,220 | \$117,217 | (\$40,003) |
| Revenues | | | | |
| Miscellaneous | 0 | 0 | 0 | 0 |
| Transfers In | 150,000 | 0 | 0 | 0 |
| Total Revenues | 150,000 | 0 | 0 | 0 |
| Total Resources | 176,240 | 157,220 | 117,217 | (40,003) |
| Expenditures | | | | |
| Other Services & Charges | 19,020 | 156,240 | 117,000 | (39,240) |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Total Expenditures | 19,020 | 156,240 | 117,000 | (39,240) |
| Ending Fund Balance | \$157,220 | \$980 | \$217 | (\$763) |

City Reserve Fund

PURPOSE

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

Maintenance of fund balance for each accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

The purpose of the City Reserve Fund is to maintain compliance with the City's Fund Balance Reserve Policy, which requires maintenance of a Contingency Fund with a reserve equal to \$1,000,000 to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of a landslide, earthquake or other natural disaster.

| CITY RESERVE FUND - 012 | | | | |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$0 |
| Revenues | | | | |
| | 0 | 0 | 0 | 0 |
| Total Revenues | 0 | 0 | 0 | 0 |
| Total Resources | 1,000,000 | 1,000,000 | 1,000,000 | 0 |
| Expenditures | | | | |
| | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Ending Fund Balance | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$0 |



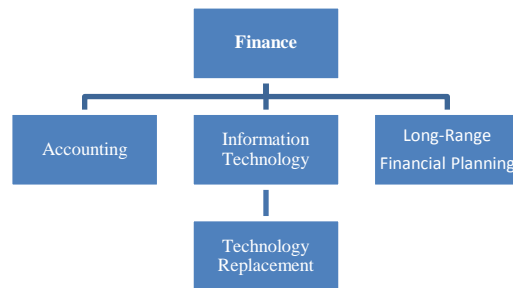
Lighthouse Park

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

| Position Title | 2012 | 2013 |
|--------------------------------|------------|------------|
| Finance Director | 1.0 | 1.0 |
| Accounting Manager | 1.0 | 1.0 |
| Staff Accountant | 1.0 | 1.0 |
| Accounting Technician | 3.0 | 3.0 |
| Information Technology Manager | 1.0 | 0.0 |
| Network Engineer | 1.0 | 0.0 |
| Desktop Support Specialist | 0.0 | 1.0 |
| Total | 8.0 | 7.0 |

| FINANCE DEPARTMENT EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|--------------------|--------------------|--------------------|----------------------------|
| Accounting | \$679,945 | \$720,640 | \$733,320 | \$12,680 |
| Information Technology | 336,570 | 457,060 | 286,160 | (170,900) |
| Technology Replacement | 85,100 | 124,512 | 205,650 | 81,138 |
| TOTAL | \$1,101,616 | \$1,302,212 | \$1,225,130 | (\$77,082) |



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.

2012 ACCOMPLISHMENTS

- Completed the 2011 Comprehensive Annual Financial Report (CAFR) and submitted an application for the CAFR award to the Government Finance Officers Association (GFOA).
- Received the 2012 Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Implemented Governmental Accounting Standards Board (GASB) Statement #54: Fund Balance Reporting and Governmental Fund Type Definitions.

2013 GOALS & OBJECTIVES

- Implement new business licensing software.
- Submit the 2013 budget document for the Government Finance Officers Association Distinguished Budget Presentation Award.
- Submit the 2012 Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association CAFR award.
- Continue Long-Range Financial Plan.

ACCOUNTING

Fund: General - 011

| | 2011 | 2012 | 2013 | \$ Increase/ |
|--------------------------------|---------|---------|---------|--------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 406,957 | 407,000 | 409,130 | 2,130 |
| Overtime | 701 | 3,000 | 3,000 | 0 |
| | 407,658 | 410,000 | 412,130 | 2,130 |
| PERSONNEL BENEFITS | | | | |
| FICA | 31,271 | 31,400 | 31,530 | 130 |
| PERS | 25,478 | 29,500 | 29,430 | (70) |
| L&I | 1,511 | 1,800 | 1,800 | 0 |
| Medical Benefits | 86,738 | 99,800 | 102,600 | 2,800 |
| Vehicle Allowance | 2,400 | 2,400 | 2,400 | 0 |
| Dental Benefits | 12,820 | 14,900 | 10,000 | (4,900) |
| Vision Benefits | 899 | 2,000 | 1,500 | (500) |
| Life Insurance | 1,284 | 1,400 | 1,400 | 0 |
| Long Term Disability Insurance | 2,844 | 3,000 | 3,050 | 50 |
| Medical Opt-Out Incentive | 2,982 | 3,200 | 0 | (3,200) |
| | 168,227 | 189,400 | 183,710 | (5,690) |

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ACCOUNTING

Fund: General - 011

| | 2011 | 2012 | 2013 | \$ Increase/ |
|-------------------------------------|------------------|------------------|------------------|-----------------|
| SUPPLIES | | | | |
| Office Supplies | 3,015 | 3,000 | 3,000 | 0 |
| Purchase of Forms | 953 | 1,500 | 1,500 | 0 |
| Reference Material | 244 | 400 | 400 | 0 |
| Motor Fuel | 292 | 300 | 300 | 0 |
| Small Items of Equipment | 428 | 300 | 300 | 0 |
| | 4,931 | 5,500 | 5,500 | 0 |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 3,934 | 15,000 | 15,000 | 0 |
| Telephone | 1,450 | 1,500 | 1,100 | (400) |
| Postage | 3,377 | 3,600 | 3,600 | 0 |
| Payflow Processing Fees | 336 | 1,100 | 1,100 | 0 |
| Software Subscription Fees | 0 | 600 | 0 | (600) |
| Cell Phone | 270 | 400 | 400 | 0 |
| Travel & Subsistence | 1,252 | 2,050 | 1,300 | (750) |
| Legal Publications | 98 | 0 | 0 | 0 |
| Motor Pool Charges | 4,400 | 2,390 | 2,380 | (10) |
| Office Equipment M&R | 1,960 | 0 | 0 | 0 |
| Vehicle R&M | 0 | 500 | 500 | 0 |
| Accounting System Maintenance | 31,568 | 32,900 | 33,400 | 500 |
| Assoc. Dues & Memberships | 430 | 500 | 500 | 0 |
| Printing and Binding | 0 | 800 | 800 | 0 |
| Training & Registration Costs | 2,340 | 1,500 | 2,000 | 500 |
| Miscellaneous | 790 | 800 | 800 | 0 |
| Banking Fees | 6,887 | 9,500 | 9,500 | 0 |
| | 59,090 | 73,140 | 72,380 | (760) |
| INTERGOVERNMENTAL SERVICES | | | | |
| State Auditor Audit | 40,038 | 42,600 | 42,600 | 0 |
| | 40,038 | 42,600 | 42,600 | 0 |
| CAPITAL OUTLAY | | | | |
| Computer Software | 0 | 0 | 17,000 | 17,000 |
| | 0 | 0 | 17,000 | 17,000 |
| TOTAL ACCOUNTING | \$679,945 | \$720,640 | \$733,320 | \$12,680 |

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.

2012 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.

2013 GOALS AND OBJECTIVES

- Complete installation of City Wide Fiber
- High Speed Internet
- Server Virtualization
- Virtual Desktop Infrastructure Pilot
- New World Public Safety Software
- Shared Help Desk Support
- Exchange Server 2010 upgrade
- Implement Business Continuity and Disaster Recovery plan



INFORMATION TECHNOLOGY

Fund: General - 011

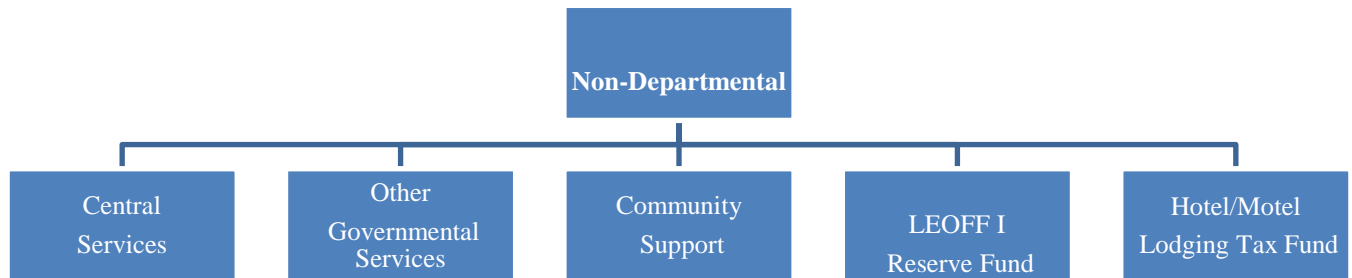
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 151,004 | 153,900 | 50,580 | (103,320) |
| Overtime | 2,660 | 3,000 | 3,000 | 0 |
| | 153,664 | 156,900 | 53,580 | (103,320) |
| PERSONNEL BENEFITS | | | | |
| FICA | 11,529 | 12,000 | 4,100 | (7,900) |
| PERS | 9,620 | 11,300 | 3,760 | (7,540) |
| L&I | 497 | 600 | 300 | (300) |
| Medical Benefits | 38,281 | 40,000 | 7,710 | (32,290) |
| Dental Benefits | 2,906 | 3,200 | 820 | (2,380) |
| Vision Benefits | 481 | 900 | 210 | (690) |
| Life Insurance | 421 | 500 | 170 | (330) |
| Long Term Disability Insurance | 933 | 1,200 | 380 | (820) |
| | 64,669 | 69,700 | 17,450 | (52,250) |
| SUPPLIES | | | | |
| Computer Supplies | 3,734 | 5,000 | 5,000 | 0 |
| Reference Material | 451 | 500 | 500 | 0 |
| Operating Supplies | 505 | 1,000 | 1,000 | 0 |
| Small Items of Equipment | 18,914 | 22,720 | 15,500 | (7,220) |
| | 23,604 | 29,220 | 22,000 | (7,220) |
| OTHER SERVICES & CHARGES | | | | |
| Consulting Services | 22,094 | 24,100 | 93,000 | 68,900 |
| Other Professional Services | 0 | 300 | 11,100 | 10,800 |
| Data Recovery | 0 | 42,000 | 0 | (42,000) |
| Telephone | 1,329 | 1,400 | 1,200 | (200) |
| Postage | 0 | 100 | 100 | 0 |
| On-Line Charges | 21,191 | 20,200 | 14,300 | (5,900) |
| Cell Phone | 1,675 | 1,400 | 1,200 | (200) |
| Travel & Subsistence | 507 | 500 | 1,000 | 500 |
| Fiber Lease | 0 | 54,250 | 8,340 | (45,910) |
| Communication Equipment M&R | 9,759 | 14,340 | 10,000 | (4,340) |
| Computer System M&R | 14,773 | 18,500 | 28,740 | 10,240 |
| Software Maintenance | 17,101 | 20,050 | 20,050 | 0 |
| Printing And Binding | 0 | 100 | 100 | 0 |
| Training & Registration | 6,206 | 4,000 | 4,000 | 0 |
| | 94,634 | 201,240 | 193,130 | (8,110) |
| TOTAL INFORMATION TECHNOLOGY | \$336,570 | \$457,060 | \$286,160 | (\$170,900) |


TECHNOLOGY REPLACEMENT FUND - 120

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$143,067 | \$138,532 | \$99,480 | (\$39,052) |
| Revenues | | | | |
| Investment Interest | 289 | 200 | 0 | (200) |
| 2% Admin Fee | 5,276 | 5,000 | 6,200 | 1,200 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| Operating Transfers In | 75,000 | 75,000 | 170,000 | 95,000 |
| Total Revenues | 80,565 | 80,200 | 176,200 | 96,000 |
| Total Resources | 223,632 | 218,732 | 275,680 | 56,948 |
| Expenditures | | | | |
| Equipment | 0 | 0 | 54,100 | 54,100 |
| Capital Outlay | 85,100 | 124,512 | 151,550 | 27,038 |
| Total Expenditures | 85,100 | 124,512 | 205,650 | 81,138 |
| Ending Fund Balance | \$138,532 | \$94,220 | \$70,030 | (\$24,190) |

NON DEPARTMENTAL

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



| NON DEPARTMENTAL EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|--------------------|--------------------|--------------------|----------------------------|
| Central Services | \$13,671 | \$21,600 | \$21,600 | \$0 |
| Other Governmental Services | 1,673,764 | 2,543,075 | 1,535,270 | (1,007,805) |
| Community Support | 42,302 | 63,700 | 59,500 | (4,200) |
| LEOFF I Reserve Fund | 33,470 | 37,200 | 39,700 | 2,500 |
| Hotel/Motel Lodging Tax | 105,552 | 212,900 | 185,500 | (27,400) |
| TOTAL | \$1,868,759 | \$2,878,475 | \$1,841,570 | (\$1,036,905) |



Central Services

PURPOSE

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

CENTRAL SERVICES

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SUPPLIES | | | | |
| Paper Stock | 2,791 | 6,000 | 6,000 | 0 |
| Operating Supplies | 1,147 | 1,700 | 1,700 | 0 |
| | 3,938 | 7,700 | 7,700 | 0 |
| OTHER SERVICES & CHARGES | | | | |
| Postage | 190 | 400 | 400 | 0 |
| Website Hosting | 1,800 | 1,800 | 1,800 | 0 |
| Office Equipment Rental | 1,395 | 2,000 | 2,000 | 0 |
| Office Equipment M&R | 6,029 | 8,500 | 8,500 | 0 |
| Software System Maintenance | 0 | 200 | 200 | 0 |
| City Letterhead and Envelopes | 319 | 1,000 | 1,000 | 0 |
| | 9,733 | 13,900 | 13,900 | 0 |
| TOTAL CENTRAL SERVICES | \$13,671 | \$21,600 | \$21,600 | \$0 |

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

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| PERSONNEL BENEFITS | | | | |
| General Employee Benefits | 5,219 | 4,500 | 4,500 | 0 |
| | 5,219 | 4,500 | 4,500 | 0 |
| OTHER SERVICES & CHARGES | | | | |
| Public Affairs & Community Outreach | 30,191 | 28,800 | 28,800 | 0 |
| Youth Advisory Council | 1,211 | 1,000 | 1,000 | 0 |
| Travel & Subsistence | 0 | 1,000 | 1,000 | 0 |
| Insurance | 144,893 | 134,000 | 148,220 | 14,220 |
| eCITYGOV Alliance Contract | 2,000 | 2,000 | 2,200 | 200 |
| Training & Registration | 0 | 600 | 600 | 0 |
| Emergency Management Miscellaneous | 2,573 | 3,500 | 3,500 | 0 |
| COBRA Dental/Vision Claims | 1,212 | 2,000 | 2,000 | 0 |
| | 182,081 | 172,900 | 187,320 | 14,420 |
| INTERGOVERNMENTAL SERVICES | | | | |
| Alcohol Program | 4,917 | 6,000 | 6,000 | 0 |
| Election Services | 4,272 | 15,000 | 30,000 | 15,000 |
| Emergency Services | 52,811 | 55,700 | 55,700 | 0 |
| Commute Trip Reduction | 0 | 1,000 | 1,000 | 0 |
| Association of Washington Cities | 13,632 | 13,800 | 13,800 | 0 |
| Puget Sound Air Pollution | 12,885 | 12,400 | 12,500 | 100 |
| Puget Sound Region Council | 8,259 | 8,500 | 8,500 | 0 |
| Snohomish County Tomorrow | 3,322 | 5,300 | 5,300 | 0 |
| Voter Registration | 32,826 | 31,000 | 31,000 | 0 |
| WA State Purchasing Coop | 0 | 1,000 | 1,000 | 0 |
| National League of Cities | 1,489 | 1,500 | 1,500 | 0 |
| Minority & Women's Business | 150 | 0 | 0 | 0 |
| Snohomish County Cities | 100 | 100 | 100 | 0 |
| Interjurisdictional Housing Program | 0 | 0 | 1,250 | 1,250 |
| | 134,664 | 151,300 | 167,650 | 16,350 |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|------------------------|------------------------|------------------------|------------------------------------|
| TRANSFERS | | | | |
| Transfer to Technology Replacement Fund | 75,000 | 75,000 | 170,000 | 95,000 |
| Transfer to Equipment Rental | 0 | 1,014,575 | 0 | (1,014,575) |
| Transfer to Street Fund | 426,100 | 469,500 | 430,800 | (38,700) |
| Transfer to Recreation & Cultural Svcs Fund | 242,300 | 205,000 | 100,000 | (105,000) |
| Transfer to Facilities Maintenance Fund | 422,000 | 400,000 | 450,000 | 50,000 |
| Transfer to LEOFF I Reserve Fund | 30,000 | 30,000 | 25,000 | (5,000) |
| Transfer to Hotel/Motel Fund | 5,400 | 5,000 | 0 | (5,000) |
| Transfer to Paine Field Emergency Fund | 150,000 | 0 | 0 | 0 |
| Transfer to Self Insurance Fund | 1,000 | 15,300 | 0 | (15,300) |
| | <u>1,351,800</u> | <u>2,214,375</u> | <u>1,175,800</u> | <u>(1,038,575)</u> |
| TOTAL OTHER GOVERNMENTAL SVCS | \$1,673,764 | \$2,543,075 | \$1,535,270 | (\$1,007,805) |

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

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|----------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Telephone | 0 | 1,200 | 0 | (1,200) |
| City Newsletter | 19,493 | 17,500 | 17,500 | 0 |
| Sustainability Project | 0 | 10,000 | 10,000 | 0 |
| Community Organizational Support | 0 | 13,000 | 10,000 | (3,000) |
| Large Item Pickup | 22,809 | 22,000 | 22,000 | 0 |
| TOTAL COMMUNITY SUPPORT | \$42,302 | \$63,700 | \$59,500 | (\$4,200) |

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 | | | | |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$137,430 | \$134,219 | \$126,220 | (\$7,999) |
| Revenues | | | | |
| Investment Interest | 258 | 300 | 200 | (100) |
| Operating Transfers In | 30,000 | 30,000 | 25,000 | (5,000) |
| Total Revenues | 30,258 | 30,300 | 25,200 | (5,100) |
| Total Resources | 167,688 | 164,519 | 151,420 | (13,099) |
| Expenditures | | | | |
| LEOFF I Medical Payments | 3,625 | 4,000 | 4,200 | 200 |
| LEOFF I Insurance Premiums | 29,145 | 31,800 | 34,000 | 2,200 |
| OFM Assessment Fee | 700 | 1,400 | 1,500 | 100 |
| Total Expenditures | 33,470 | 37,200 | 39,700 | 2,500 |
| Ending Fund Balance | \$134,219 | \$127,319 | \$111,720 | (\$15,599) |

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 2013 is \$62,111. The current reserve amount maintained is \$66,296.

| HEALTH INSURANCE RESERVE FUND - 013 | | | | |
|--|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$49,996 | \$50,996 | \$66,296 | \$15,300 |
| Revenues | | | | |
| Interfund Transfers In | 1,000 | 15,300 | 0 | (15,300) |
| Total Revenues | 1,000 | 15,300 | 0 | (15,300) |
| Total Resources | 50,996 | 66,296 | 66,296 | 0 |
| Expenditures | | | | |
| | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Ending Fund Balance | \$50,996 | \$66,296 | \$66,296 | \$0 |

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.

| UNEMPLOYMENT COMPENSATION RESERVE FUND - 014 | | | | |
|---|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$40,490 | \$40,490 | \$40,490 | \$0 |
| Revenues | | | | |
| | 0 | 0 | 0 | 0 |
| Total Revenues | 0 | 0 | 0 | 0 |
| Total Resources | 40,490 | 40,490 | 40,490 | 0 |
| Expenditures | | | | 0 |
| | 0 | 0 | 0 | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Ending Fund Balance | \$40,490 | \$40,490 | \$40,490 | \$0 |

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 2013 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.

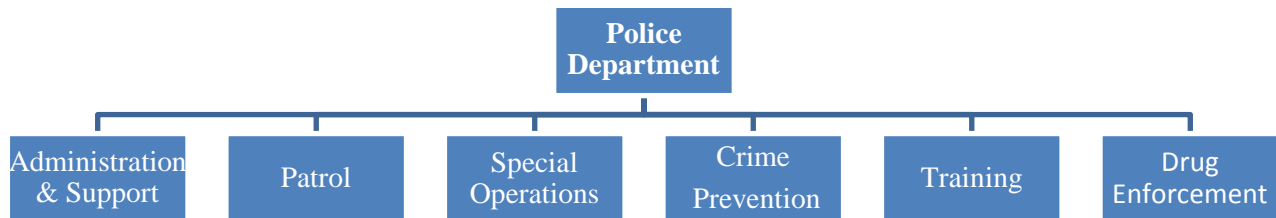
| HOTEL/MOTEL LODGING TAX FUND - 116 | | | | |
|---|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$172,461 | \$192,440 | \$182,326 | (\$10,114) |
| Revenues | | | | |
| Hotel/Motel Transient Tax | 180,038 | 170,000 | 180,000 | 10,000 |
| Investment Interest | 436 | 400 | 200 | (200) |
| Transfers In | 5,400 | 5,000 | 0 | (5,000) |
| Total Revenues | 185,874 | 175,400 | 180,200 | 4,800 |
| Total Resources | 358,335 | 367,840 | 362,526 | (5,314) |
| Expenditures | | | | |
| Community Organizational Support | 104,999 | 100,000 | 140,000 | 40,000 |
| Insurance | 178 | 400 | 500 | 100 |
| Interfund Loan Payments | 376 | 112,500 | 45,000 | (67,500) |
| Total Expenditures | 105,552 | 212,900 | 185,500 | (27,400) |
| Ending Fund Balance | \$252,783 | \$154,940 | \$177,026 | \$22,086 |



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, Patrol, Special Operations, Crime Prevention, Training, and Drug Enforcement, as shown below.



POSITION SUMMARY

| Position Title | 2012 | 2013 |
|-----------------------------|-------------|-------------|
| Police Chief | 1.0 | 1.0 |
| Commander | 1.0 | 1.0 |
| Sergeant (1=Detective Sgt.) | 5.0 | 5.0 |
| Detective | 3.0 | 3.0 |
| Crime Prevention Officer | 1.0 | 1.0 |
| Police Officer | 17.0 | 17.0 |
| Office Supervisor | 1.0 | 1.0 |
| Community Support Officer | 1.0 | 1.0 |
| Support Services Technician | 2.0 | 2.5 |
| Total | 32.0 | 32.5 |

| POLICE DEPARTMENT EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--|--------------------|--------------------|--------------------|----------------------------|
| Administration & Support Services | \$1,198,149 | \$1,281,490 | \$1,300,865 | \$19,375 |
| Patrol | 2,614,369 | 2,611,378 | 2,713,620 | 102,242 |
| Special Operations | 447,444 | 390,250 | 395,830 | 5,580 |
| Crime Prevention | 135,172 | 137,107 | 149,610 | 12,503 |
| Training | 26,168 | 62,100 | 67,100 | 5,000 |
| Drug Enforcement Fund | 27,832 | 8,000 | 10,000 | 2,000 |
| TOTAL | \$4,449,134 | \$4,490,325 | \$4,637,025 | \$146,700 |



Mukilteo Police Department
10500 47th 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

| | 2011 | 2012 | 2013 |
|---------------------------|--------|-------|-------|
| | Actual | Est. | Est. |
| Jail Detention | | | |
| No. Bookings | 214 | 145 | 145 |
| Housing Days | 1,164 | 1,000 | 1,000 |
| Electronic Home Detention | | | |
| No. Participants | 9 | 13 | 15 |
| Detention Days | 84 | 239 | 250 |
| Internal | 1 | 1 | 1 |
| Animal Complaints | 424 | 475 | 475 |
| Case Reports | 2,376 | 2,000 | 2,000 |
| Fingerprint Services | 271 | 308 | 308 |
| Infraction/Citations | 4,483 | 3,800 | 4,000 |
| Animal Licenses | 311 | 300 | 300 |
| Pistol Permits | 178 | 230 | 230 |

2012 ACCOMPLISHMENTS

- Completed integration and training of SECTOR electronic citation management.
- 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.
- Developed and implemented records files retention, disposal and storage program.
- Completed comprehensive surplus disposal project using college intern program assistance.

2013 GOALS & OBJECTIVES

- Carry out a complete evidence & property room inventory.
- Transition to New World property RMS.
- Hire half-time FTE in Support Services.
- Complete policy manual rewrite and training for all staff.
- Prepare and publish strategic plan.

POLICE - ADMINISTRATION & SUPPORT SERVICES

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 485,176 | 490,000 | 514,350 | 24,350 |
| Special Assignment Pay | 4,263 | 3,600 | 3,600 | 0 |
| Acting Supervisor | 172 | 0 | 0 | 0 |
| Merit Pay | 2,150 | 2,900 | 1,500 | (1,400) |
| Overtime | 6,229 | 6,000 | 5,625 | (375) |
| | <u>497,990</u> | <u>502,500</u> | <u>525,075</u> | <u>22,575</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 37,309 | 38,300 | 40,754 | 2,454 |
| Law Enforcement Retirement System | 15,071 | 15,000 | 15,995 | 995 |
| PERS | 13,211 | 15,700 | 16,549 | 849 |
| L&I | 5,204 | 5,800 | 6,189 | 389 |
| Medical Benefits | 96,882 | 106,400 | 112,506 | 6,106 |
| Teamsters Pension | 1,060 | 1,100 | 1,120 | 20 |
| Dental Benefits | 14,651 | 13,400 | 12,267 | (1,133) |
| Vision Benefits | 1,095 | 1,500 | 1,850 | 350 |
| Life Insurance | 1,357 | 1,700 | 1,762 | 62 |
| Long Term Disability Insurance | 2,543 | 3,100 | 3,310 | 210 |
| | <u>188,382</u> | <u>202,000</u> | <u>212,302</u> | <u>10,302</u> |
| SUPPLIES | | | | |
| Office Supplies | 13,157 | 13,800 | 13,800 | 0 |
| Reference Material | 87 | 400 | 400 | 0 |
| Operating Supplies | 234 | 0 | 0 | 0 |
| Clothing/Boots | 4,695 | 1,300 | 1,600 | 300 |
| Motor Fuel | 5,024 | 4,700 | 4,700 | 0 |
| Small Items of Equipment | 2,507 | 19,010 | 9,675 | (9,335) |
| | <u>25,704</u> | <u>39,210</u> | <u>30,175</u> | <u>(9,035)</u> |

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Continued from previous page

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|--------------------|--------------------|--------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 3,686 | 1,300 | 6,800 | 5,500 |
| Telephone | 18,552 | 15,900 | 15,900 | 0 |
| Postage | 2,969 | 3,000 | 3,000 | 0 |
| New World Project Connectivity | 0 | 5,100 | 0 | (5,100) |
| Cell Phones | 9,677 | 10,600 | 10,600 | 0 |
| MDT Connectivity | 0 | 0 | 8,400 | 8,400 |
| Travel & Subsistence | 1,333 | 500 | 500 | 0 |
| Office Equipment Rental | 715 | 900 | 900 | 0 |
| Motor Pool Charges | 11,600 | 3,210 | 7,690 | 4,480 |
| Equipment R&M | 1,336 | 3,400 | 3,400 | 0 |
| Vehicle R&M | 2,974 | 3,450 | 2,450 | (1,000) |
| Software Maintenance | 220 | 800 | 800 | 0 |
| Association Dues & Memberships | 1,110 | 1,100 | 1,100 | 0 |
| Printing and Binding | 3,991 | 2,000 | 2,000 | 0 |
| Concealed Pistol License | 4,309 | 5,000 | 6,250 | 1,250 |
| | 62,472 | 56,260 | 69,790 | 13,530 |
| INTERGOVERNMENTAL SERVICES | | | | 0 |
| Home Detention | 931 | 2,000 | 2,000 | 0 |
| Jail Contract | 66,701 | 95,000 | 85,000 | (10,000) |
| PAWS Animal Shelter | 12,847 | 15,000 | 15,000 | 0 |
| Narcotics Task Force | 4,926 | 5,050 | 5,050 | 0 |
| Dawson Place Child Interview Specialist | 0 | 1,500 | 1,500 | 0 |
| Dispatch Services | 312,520 | 294,700 | 290,533 | (4,167) |
| Snocom New World Assessment | 0 | 42,570 | 27,086 | (15,484) |
| SERS Operating Assessment | 25,677 | 25,700 | 37,354 | 11,654 |
| | 423,601 | 481,520 | 463,523 | (17,997) |
| CAPITAL OUTLAY | | | | |
| Traffic Control Equipment | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| TOTAL POLICE ADMINISTRATION | \$1,198,149 | \$1,281,490 | \$1,300,865 | \$19,375 |

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 2011, there were 20 Block Watch Groups, which grew to 28 groups in 2012.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|------------------|---------------|-------------|-------------|
| | Actual | Est. | Est. |
| Volunteer Hours | 435 | 450 | 500 |
| Security Surveys | 14 | 6 | 15 |
| Presentations | 16 | 14 | 20 |
| Special Projects | 10 | 10 | 10 |
| False Alarms | 617 | 561 | 540 |

2012 ACCOMPLISHMENTS

- Continued training and building volunteer program members.
- Held two Citizen's Academy presentations.
- Provided training to School District employees on active incident management.
- Built Block Watch to a total of 28 groups.
- Trained volunteer program member to assist with False Alarm Program management.
- Participated in 2012 Chief for a Day.

2013 GOALS & OBJECTIVES

- Continue building a strong Police Volunteer Program adding at least 5 new members
- Hold National Night-Out Against Crime Event
- Conduct at least one Citizens' Police Academy
- Help establish new Block Watch groups
- Work with Mukilteo School District on safety issues

CRIME PREVENTION

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 71,656 | 71,700 | 72,750 | 1,050 |
| Special Assignment Pay | 3,583 | 3,600 | 3,650 | 50 |
| Education Premium Pay | 2,866 | 2,900 | 2,900 | 0 |
| Overtime | 5,146 | 3,900 | 3,900 | 0 |
| | <u>83,251</u> | <u>82,100</u> | <u>83,200</u> | <u>1,100</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 5,770 | 6,300 | 6,400 | 100 |
| Law Enforcement Retirement System | 4,234 | 4,300 | 4,400 | 100 |
| L&I | 1,142 | 1,500 | 1,500 | 0 |
| Medical Benefits | 19,793 | 20,300 | 20,950 | 650 |
| Teamsters Pension | 1,042 | 1,100 | 1,050 | (50) |
| Dental Benefits | 2,535 | 2,700 | 2,500 | (200) |
| Vision Benefits | 441 | 700 | 450 | (250) |
| Life Insurance | 203 | 300 | 300 | 0 |
| | <u>35,158</u> | <u>37,200</u> | <u>37,550</u> | <u>350</u> |
| SUPPLIES | | | | |
| Office Supplies | 6,225 | 5,450 | 15,450 | 10,000 |
| Clothing/Boots | 2,377 | 3,350 | 3,350 | 0 |
| Motor Fuel | 1,348 | 2,000 | 2,000 | 0 |
| Small Items of Equipment | 219 | 0 | 0 | 0 |
| | <u>10,169</u> | <u>10,800</u> | <u>20,800</u> | <u>10,000</u> |
| OTHER SERVICES & CHARGES | | | | |
| Travel & Subsistence | 1,956 | 2,850 | 2,850 | 0 |
| Short-Term Facility Rental | 504 | 0 | 0 | 0 |
| Motor Pool Charges | 3,500 | 1,870 | 3,060 | 1,190 |
| Vehicle R&M | 634 | 1,137 | 1,000 | (137) |
| Printing and Binding | 0 | 1,150 | 1,150 | 0 |
| | <u>6,594</u> | <u>7,007</u> | <u>8,060</u> | <u>1,053</u> |
| TOTAL CRIME PREVENTION | \$135,172 | \$137,107 | \$149,610 | \$12,503 |

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.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|-----------------------|--------|-------|-------|
| | Actual | Est. | Est. |
| Citations/Infractions | 4,483 | 3,800 | 3,800 |
| Case Reports | 2,376 | 2,000 | 2,000 |

2012 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
- Completed training for several new instructor positions

2013 GOALS & OBJECTIVES

- Maintain minimum deployment of three patrol officers per shift
- Train additional officer in advanced traffic procedures
- Train New World Systems records management when instituted
- Complete updated training manual and train staff

PATROL

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 1,545,487 | 1,545,700 | 1,580,500 | 34,800 |
| Special Assignment Pay | 16,907 | 16,250 | 18,200 | 1,950 |
| Education Incentive | 35,385 | 35,700 | 39,650 | 3,950 |
| Acting Supervisor Pay | 34 | 600 | 600 | 0 |
| Merit Pay | 6,641 | 6,300 | 10,000 | 3,700 |
| Overtime | 117,167 | 126,200 | 92,100 | (34,100) |
| | <u>1,721,621</u> | <u>1,730,750</u> | <u>1,741,050</u> | <u>10,300</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 130,601 | 131,230 | 133,200 | 1,970 |
| Law Enforcement Retirement System | 90,862 | 89,870 | 91,250 | 1,380 |
| L&I | 28,583 | 32,000 | 32,000 | 0 |
| Medical Benefits | 310,380 | 322,100 | 350,900 | 28,800 |
| Teamsters Pension | 20,138 | 21,900 | 21,850 | (50) |
| Dental Benefits | 26,768 | 25,000 | 30,400 | 5,400 |
| Vision Benefits | 5,045 | 5,400 | 6,400 | 1,000 |
| Life Insurance | 4,276 | 5,700 | 5,850 | 150 |
| | <u>616,653</u> | <u>633,200</u> | <u>671,850</u> | <u>38,650</u> |
| SUPPLIES | | | | |
| Operating Supplies | 1,756 | 2,350 | 2,350 | 0 |
| Clothing/Boots | 27,606 | 32,400 | 32,400 | 0 |
| Motor Fuel | 62,529 | 60,600 | 60,600 | 0 |
| Small Items of Equipment | 14,739 | 6,450 | 6,450 | 0 |
| | <u>106,629</u> | <u>101,800</u> | <u>101,800</u> | <u>0</u> |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 66 | 0 | 0 | 0 |
| Travel & Subsistence | 1,116 | 950 | 950 | 0 |
| Work Equip & Machine Rental | 207 | 6,500 | 6,500 | 0 |
| Motor Pool Charges | 111,400 | 42,800 | 116,370 | 73,570 |
| Equipment R&M | 12,996 | 27,100 | 27,100 | 0 |
| Vehicle R&M | 41,898 | 65,278 | 45,000 | (20,278) |
| Laundry Services | 1,782 | 3,000 | 3,000 | 0 |
| | <u>169,466</u> | <u>145,628</u> | <u>198,920</u> | <u>53,292</u> |
| TOTAL PATROL | \$2,614,369 | \$2,611,378 | \$2,713,620 | \$102,242 |

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.

2012 ACCOMPLISHMENTS

- 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
- Tested and selected new Detective

2013 GOALS & OBJECTIVES

- Fully staff Special Operations positions
- Continue participation in Regional Police Intelligence (RIG) Group
- Provide additional support and training to Patrol

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|--------------------|---------------|-------------|-------------|
| | Actual | Est. | Est. |
| Homicide | - | - | - |
| Rape | 2 | 2 | 2 |
| Robbery | 5 | 5 | 5 |
| Aggravated Assault | 5 | 10 | 10 |
| Burglary | 123 | 125 | 125 |
| Theft | 345 | 300 | 300 |
| Vehicle Theft | 33 | 35 | 35 |
| Total | 513 | 477 | 477 |

SPECIAL OPERATIONS

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 230,265 | 228,000 | 231,450 | 3,450 |
| Special Assignment Pay | 11,426 | 11,400 | 11,600 | 200 |
| Education Incentive | 4,559 | 4,600 | 4,650 | 50 |
| Merit Pay | 2,209 | 2,200 | 2,200 | 0 |
| Overtime | 20,067 | 8,400 | 8,400 | 0 |
| | <u>268,527</u> | <u>254,600</u> | <u>258,300</u> | <u>3,700</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 20,275 | 19,500 | 19,750 | 250 |
| Law Enforcement Retirement System | 14,007 | 13,400 | 13,550 | 150 |
| L&I | 4,229 | 4,600 | 4,600 | 0 |
| Medical Benefits | 45,690 | 46,600 | 49,600 | 3,000 |
| Teamsters Pension | 2,848 | 3,200 | 3,100 | (100) |
| Dental Benefits | 7,669 | 8,400 | 6,800 | (1,600) |
| Vision Benefits | 516 | 900 | 1,000 | 100 |
| Life Insurance | 638 | 900 | 900 | 0 |
| | <u>95,873</u> | <u>97,500</u> | <u>99,300</u> | <u>1,800</u> |
| SUPPLIES | | | | |
| Photo Supplies | 0 | 100 | 100 | 0 |
| Operating Supplies | 817 | 1,000 | 1,000 | 0 |
| Clothing/Boots | 263 | 400 | 400 | 0 |
| Motor Fuel | 7,644 | 8,150 | 8,150 | 0 |
| Small Items of Equipment | 174 | 300 | 300 | 0 |
| | <u>8,897</u> | <u>9,950</u> | <u>9,950</u> | <u>0</u> |
| OTHER SERVICES & CHARGES | | | | |
| Travel & Subsistence | 139 | 800 | 800 | 0 |
| Motor Pool Charges | 65,100 | 17,350 | 17,430 | 80 |
| Equipment M&R | 200 | 500 | 500 | 0 |
| Vehicle R&M | 3,469 | 2,950 | 2,950 | 0 |
| Laundry Services | 0 | 200 | 200 | 0 |
| Film Processing | 0 | 100 | 100 | 0 |
| Investigation Costs | 5,240 | 6,300 | 6,300 | 0 |
| | <u>74,148</u> | <u>28,200</u> | <u>28,280</u> | <u>80</u> |
| TOTAL SPECIAL OPERATIONS | \$447,444 | \$390,250 | \$395,830 | \$5,580 |

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

| | 2011 | 2012 | 2013 |
|--|---------|--------|---------|
| | Actual | Est. | Est. |
| Training hours | 2,967 | 2,400 | 2,600 |
| Safety training hours | 654 | 600 | 600 |
| % of officers meeting min. training hours | 100 | 93 | 100 |

2012 ACCOMPLISHMENTS

- Increased overall training for non-commissioned staff
- Performed two range qualifications for commissioned staff increasing firearm safety
- Completed Firearms Simulator decision making training for all commissioned staff
- Integrated Defensive Tactics and Firearms into Scenario Based Training
- Successfully met all RCW training hour requirements for commissioned staff (with exception of those on prolonged leave)

2013 GOALS & OBJECTIVES

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

POLICE TRAINING

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & BENEFITS | | | | |
| Overtime | 6,432 | 9,000 | 9,000 | 0 |
| New World Overtime | 0 | 22,000 | 22,000 | 0 |
| FICA | 0 | 2,300 | 2,370 | 70 |
| Law Enforcement Retirement System | 0 | 1,900 | 1,630 | (270) |
| | <u>6,432</u> | <u>35,200</u> | <u>35,000</u> | <u>(200)</u> |
| SUPPLIES | | | | |
| Ammunition | 9,122 | 11,900 | 11,900 | 0 |
| Small Items of Equipment | 85 | 300 | 300 | 0 |
| | <u>9,207</u> | <u>12,200</u> | <u>12,200</u> | <u>0</u> |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 0 | 4,500 | 5,300 | 800 |
| Travel & Subsistence | 3,499 | 3,500 | 7,900 | 4,400 |
| Training & Registration | 7,030 | 6,700 | 6,700 | 0 |
| | <u>10,529</u> | <u>14,700</u> | <u>19,900</u> | <u>5,200</u> |
| TOTAL POLICE TRAINING | \$26,168 | \$62,100 | \$67,100 | \$5,000 |

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.

2012 ACCOMPLISHMENTS

- Purchased a ballistic shield with rifle round protection for use in drug cases.
- Installed bullet resistant glass in PD lobby.
- Purchased equipment for Property Room (currency counter/scale).
- Used fund for overtime for 2 DEA prescription drug drop offs for destruction events.

2013 GOALS & OBJECTIVES

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

| DRUG ENFORCEMENT FUND - 104 | | | | |
|----------------------------------|-----------------|-----------------|-----------------|----------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$0 | \$30,594 | \$22,614 | (\$7,980) |
| Revenues | | | | |
| Investment Interest | 24 | 0 | 20 | 20 |
| Proceeds from forfeited property | 58,402 | 0 | 0 | 0 |
| Total Revenues | 58,426 | 0 | 20 | 20 |
| Total Resources | 58,426 | 30,594 | 22,634 | (7,960) |
| Expenditures | | | | |
| Drug Enforcement Overtime | 269 | 0 | 0 | 0 |
| Operating Supplies | 92 | 8,000 | 0 | (8,000) |
| Small Items of Equipment | 21,774 | 0 | 0 | 0 |
| Other Professional Services | 2,960 | 0 | 0 | 0 |
| Building Improvements | 2,738 | 0 | 0 | 0 |
| Transfers to General Fund | 0 | 0 | 10,000 | 10,000 |
| Total Expenditures | 27,832 | 8,000 | 10,000 | 2,000 |
| Ending Fund Balance | \$30,594 | \$22,594 | \$12,634 | (\$9,960) |

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

| Position Title | 2012 | 2013 |
|-----------------------------|-------------|-------------|
| Fire Chief | 1.0 | 1.0 |
| Assistant Fire Chief | 1.0 | 1.0 |
| Fire Marshall | 1.0 | 1.0 |
| Training Captain | 1.0 | 1.0 |
| Fire Captain | 6.0 | 6.0 |
| Firefighter | 9.0 | 9.0 |
| Firefighter/Paramedic | 9.0 | 9.0 |
| Senior Department Assistant | 1.0 | 1.0 |
| Department Assistant | 0.5 | 0.5 |
| Total | 29.5 | 29.5 |

| FIRE DEPARTMENT EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--|--------------------|--------------------|--------------------|----------------------------|
| Administration and Support | \$302,795 | \$343,600 | \$304,605 | (\$38,995) |
| Fire Suppression | 1,667,742 | 1,735,180 | 1,825,345 | 90,165 |
| Fire Prevention | 127,290 | 128,060 | 128,480 | 420 |
| Training | 129,359 | 164,400 | 147,440 | (16,960) |
| Emergency Medical Services | 1,941,923 | 1,929,788 | 1,896,858 | (32,930) |
| TOTAL | \$4,169,109 | \$4,301,028 | \$4,302,728 | \$1,700 |

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.

2012 ACCOMPLISHMENTS

- Personnel records were updated, archived and historical records, if legally approved, recycled.
- Vehicle replacement schedule followed with one vehicle being donated to another fire department.
- Maintained fiscal solvency with a balanced year-end operating budget.
- Completed all requirements of an 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.

2013 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.
- Continue to develop and implement 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

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 200,864 | 197,100 | 200,000 | 2,900 |
| Part Time Employees | (782) | 0 | 0 | 0 |
| Overtime | 250 | 300 | 300 | 0 |
| | <u>200,332</u> | <u>197,400</u> | <u>200,300</u> | <u>2,900</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 5,328 | 5,400 | 5,490 | 90 |
| Law Enforcement Retirement System | 8,191 | 8,200 | 8,310 | 110 |
| PERS | 2,520 | 3,000 | 3,010 | 10 |
| L&I | 2,682 | 3,100 | 3,110 | 10 |
| Medical Benefits | 36,232 | 40,400 | 39,750 | (650) |
| Dental Benefits | 7,166 | 9,000 | 4,710 | (4,290) |
| Vision Benefits | 480 | 700 | 800 | 100 |
| Life Insurance | 550 | 700 | 670 | (30) |
| Long Term Disability Insurance | 1,217 | 1,500 | 1,490 | (10) |
| | <u>64,366</u> | <u>72,000</u> | <u>67,340</u> | <u>(4,660)</u> |
| SUPPLIES | | | | |
| Office Supplies | 1,788 | 2,000 | 2,000 | 0 |
| Purchase of Forms | 610 | 500 | 500 | 0 |
| Supplies | 487 | 300 | 300 | 0 |
| Clothing/Boots | 584 | 2,600 | 2,600 | 0 |
| Motor Fuel | 7,512 | 6,500 | 6,500 | 0 |
| Small Items of Equipment | 233 | 500 | 3,125 | 2,625 |
| | <u>11,215</u> | <u>12,400</u> | <u>15,025</u> | <u>2,625</u> |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 500 | 500 | 3,000 | 2,500 |
| Telephone | 2,520 | 2,400 | 2,400 | 0 |
| Postage | 515 | 200 | 200 | 0 |
| Cell Phone | 1,821 | 1,400 | 1,400 | 0 |
| Travel & Subsistence | 49 | 0 | 0 | 0 |
| Motor Pool Charges | 14,200 | 46,300 | 3,940 | (42,360) |
| Work Equipment M&R | 1,271 | 1,000 | 1,000 | 0 |
| Vehicle R&M | 2,529 | 7,500 | 7,500 | 0 |
| Association Dues & Memberships | 1,854 | 1,500 | 1,500 | 0 |
| Laundry Services | 1,229 | 1,000 | 1,000 | 0 |
| Training & Registration | 395 | 0 | 0 | 0 |
| | <u>26,882</u> | <u>61,800</u> | <u>21,940</u> | <u>(39,860)</u> |
| TOTAL FIRE ADMIN & SUPPORT | \$302,795 | \$343,600 | \$304,605 | (\$38,995) |



Mukilteo Fire Department
Fire Station #3
10400 47th 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 has three Fire Engines.

PERFORMANCE INDICATORS

| | 2011 Actual | 2012 Est. | 2013 Est. |
|---------------|----------------|--------------|--------------|
| Fire Calls | 608 | 400 | 600 |
| Service Calls | 91 | 80 | 90 |
| Total Calls | 699 | 480 | 690 |

| | | | |
|--|-----|-----|-----|
| Fire Unit on scene less than 5 minutes of dispatch 90% of the time (Minutes) | 4.2 | 4.5 | 4.5 |
|--|-----|-----|-----|

2012 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.

2013 GOALS & OBJECTIVES

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

The Department deployment standards are:

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

FIRE SUPPRESSION

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 988,632 | 1,009,600 | 1,024,670 | 15,070 |
| Education Incentive | 6,386 | 6,400 | 6,460 | 60 |
| Acting Supervisor Pay | 3,720 | 3,400 | 3,450 | 50 |
| Paramedic Incentive | 16,133 | 16,200 | 16,370 | 170 |
| Holiday Buy Back | 15,258 | 28,200 | 28,550 | 350 |
| Overtime | 73,892 | 86,270 | 35,000 | (51,270) |
| | <u>1,104,021</u> | <u>1,150,070</u> | <u>1,114,500</u> | <u>(35,570)</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 16,406 | 16,000 | 16,160 | 160 |
| Law Enforcement Retirement System | 59,482 | 65,260 | 58,400 | (6,860) |
| L&I | 28,951 | 32,400 | 32,360 | (40) |
| Medical Benefits | 181,179 | 200,500 | 210,420 | 9,920 |
| Medical Savings Acct | 12,150 | 12,200 | 12,150 | (50) |
| Deferred Compensation | 39,290 | 47,300 | 47,930 | 630 |
| Dental Benefits | 21,458 | 23,200 | 19,700 | (3,500) |
| Vision Benefits | 2,316 | 2,000 | 3,150 | 1,150 |
| Life Insurance | 2,781 | 3,600 | 3,630 | 30 |
| | <u>364,012</u> | <u>402,460</u> | <u>403,900</u> | <u>1,440</u> |
| SUPPLIES | | | | |
| Office Supplies | 1,006 | 1,000 | 1,000 | 0 |
| Operating Supplies | 7,418 | 6,500 | 6,500 | 0 |
| Clothing/Boots | 15,866 | 24,800 | 24,800 | 0 |
| Motor Fuel | 8,601 | 8,500 | 8,500 | 0 |
| Small Items of Equipment | 54,774 | 56,000 | 56,000 | 0 |
| | <u>87,664</u> | <u>96,800</u> | <u>96,800</u> | <u>0</u> |

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Continued from previous page

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|--------------------|--------------------|--------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Professional Services | 553 | 600 | 600 | 0 |
| Telephone | 7,391 | 8,900 | 8,900 | 0 |
| Postage | 0 | 100 | 100 | 0 |
| New World Project Connectivity | 81 | 3,550 | 1,500 | (2,050) |
| Cell Phones & Pagers | 2,487 | 4,200 | 4,200 | 0 |
| Equipment Replacement Charge | 0 | 0 | 132,693 | 132,693 |
| Equipment R&M | 10,159 | 3,000 | 3,000 | 0 |
| Vehicle R&M | 43,314 | 25,000 | 25,000 | 0 |
| Software Maintenance | 0 | 600 | 600 | 0 |
| Laundry Services | 4,091 | 5,500 | 5,500 | 0 |
| | 68,075 | 51,450 | 182,093 | 130,643 |
| INTERGOVERNMENTAL SERVICES | | | | |
| SNOCOM Dispatch Services | 35,717 | 22,800 | 22,967 | 167 |
| SNOCOM New World Assessment | 0 | 3,300 | 2,136 | (1,164) |
| SERS Operating Assessment | 8,253 | 8,300 | 2,949 | (5,351) |
| | 43,970 | 34,400 | 28,052 | (6,348) |
| TOTAL FIRE SUPPRESSION | \$1,667,742 | \$1,735,180 | \$1,825,345 | \$90,165 |

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

| | 2011 | 2012 | 2013 |
|------------------------------------|--------|------|------|
| | Actual | Est. | Est. |
| Fire & Life Safety Inspections | 600 | 600 | 800 |
| Plan Review | 60 | 60 | 100 |
| Technical Fire System Inspections | 150 | 150 | 200 |
| Fire Investigations | 70 | 70 | 80 |
| Public Education | 200 | 200 | 150 |
| Code Interpretations & Enforcement | 400 | 400 | 500 |
| Confidence Testing Review | 200 | 200 | 200 |
| Fire Alarm Review | 40 | 40 | 40 |

2012 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.

2013 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

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 85,984 | 83,700 | 84,880 | 1,180 |
| Overtime | 2,783 | 2,500 | 5,500 | 3,000 |
| | 88,767 | 86,200 | 90,380 | 4,180 |
| PERSONNEL BENEFITS | | | | |
| FICA | 1,234 | 1,300 | 1,310 | 10 |
| Law Enforcement Retirement System | 4,382 | 4,400 | 4,740 | 340 |
| L&I | 1,563 | 2,000 | 1,930 | (70) |
| Medical Benefits | 12,799 | 13,800 | 14,310 | 510 |
| Dental Benefits | 826 | 800 | 1,240 | 440 |
| Vision Benefits | 41 | 300 | 150 | (150) |
| Life Insurance | 234 | 300 | 290 | (10) |
| | 21,079 | 22,900 | 23,970 | 1,070 |
| SUPPLIES | | | | |
| Office Supplies | 287 | 500 | 500 | 0 |
| Reference Material | 833 | 1,000 | 1,000 | 0 |
| Operating Supplies | 1,286 | 200 | 1,200 | 1,000 |
| Clothing/Boots | 333 | 700 | 700 | 0 |
| Motor Fuel | 2,091 | 2,000 | 2,000 | 0 |
| Small Items of Equipment | 0 | 500 | 500 | 0 |
| | 4,829 | 4,900 | 5,900 | 1,000 |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 504 | 400 | 400 | 0 |
| Telephone | 560 | 600 | 600 | 0 |
| Cell Phone | 728 | 700 | 700 | 0 |
| Motor Pool Charges | 8,400 | 9,960 | 4,130 | (5,830) |
| Work Equipment M&R | 753 | 100 | 100 | 0 |
| Vehicle R&M | 891 | 1,500 | 1,500 | 0 |
| Association Dues & Memberships | 75 | 300 | 300 | 0 |
| Laundry Services | 704 | 500 | 500 | 0 |
| | 12,615 | 14,060 | 8,230 | (5,830) |
| TOTAL FIRE PREVENTION | \$127,290 | \$128,060 | \$128,480 | \$420 |

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

| | 2011 | 2012 | 2013 |
|------------------------------|--------|-------|-------|
| | Actual | Est. | Est. |
| Training/Service Hours: | | | |
| EMS (Advanced Life Support) | 630 | 550 | 630 |
| EMS (Basic Life Support) | 972 | 1,100 | 972 |
| Fire | 1,773 | 2,000 | 1,950 |
| Specialty (Technical Rescue) | 192 | 250 | 192 |
| Career & Rank Advancement | 1,048 | 1,500 | 1,500 |
| Physical Fitness/Wellness | 1,460 | 1,100 | 1,500 |

2012 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 thirty (30) Snohomish County regional classes/drills/programs.

2013 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.
- Continue to develop a professional training plan for department members.
- Continue to implement New World training to meet County standards.

FIRE TRAINING

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 49,474 | 49,500 | 50,220 | 720 |
| Education Premium Pay | 990 | 1,000 | 1,000 | 0 |
| Overtime | 26,544 | 54,600 | 38,100 | (16,500) |
| | <u>77,007</u> | <u>105,100</u> | <u>89,320</u> | <u>(15,780)</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 792 | 1,300 | 1,300 | 0 |
| Law Enforcement Retirement System | 2,932 | 4,700 | 4,680 | (20) |
| L&I | 934 | 1,500 | 1,450 | (50) |
| Medical Benefits | 4,161 | 4,500 | 4,650 | 150 |
| Medical Savings Account | 540 | 600 | 550 | (50) |
| Deferred Compensation | 2,196 | 2,300 | 2,270 | (30) |
| Dental Benefits | 535 | 700 | 620 | (80) |
| Vision Benefits | 60 | 100 | 100 | 0 |
| Life Insurance | 139 | 200 | 200 | 0 |
| | <u>12,289</u> | <u>15,900</u> | <u>15,820</u> | <u>(80)</u> |
| SUPPLIES | | | | |
| Office Supplies | 436 | 500 | 500 | 0 |
| Purchase of Forms | 0 | 100 | 0 | (100) |
| Reference Material | 4,094 | 2,800 | 2,800 | 0 |
| Operating Supplies | 113 | 1,000 | 1,000 | 0 |
| Clothing/Boots | 668 | 500 | 500 | 0 |
| Small Items of Equipment | 197 | 1,000 | 1,000 | 0 |
| | <u>5,507</u> | <u>5,900</u> | <u>5,800</u> | <u>(100)</u> |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 8,020 | 10,000 | 12,000 | 2,000 |
| Telephone | 560 | 600 | 600 | 0 |
| Cell Phone | 368 | 700 | 700 | 0 |
| Travel & Subsistence | 10,592 | 12,000 | 12,000 | 0 |
| Work Equipment M&R | 0 | 500 | 500 | 0 |
| Assoc. Dues & Memberships | 75 | 100 | 100 | 0 |
| Laundry Services | 267 | 300 | 300 | 0 |
| Training & Registration | 14,669 | 13,300 | 10,300 | (3,000) |
| Miscellaneous | 4 | 0 | 0 | 0 |
| | <u>34,555</u> | <u>37,500</u> | <u>36,500</u> | <u>(1,000)</u> |
| TOTAL FIRE TRAINING | \$129,359 | \$164,400 | \$147,440 | (\$16,960) |

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

| | 2011 | 2012 | 2013 |
|-------------|--------|-------|-------|
| | Actual | Est. | Est. |
| ALS Calls* | 702 | 620 | 700 |
| BLS Calls** | 776 | 780 | 780 |
| Total Calls | 1,478 | 1,400 | 1,480 |

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

4.2 4.5 4.5

*ALS - Advanced Life Support

**BLS - Basic Life Support

2012 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.

2013 GOALS & OBJECTIVES

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

The Department deployment standards are:

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


EMERGENCY MEDICAL SERVICES FUND - 126

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$360,246 | \$390,260 | \$362,512 | (\$27,748) |
| Revenues | | | | |
| EMS Levy | 1,748,610 | 1,612,000 | 1,579,220 | (32,780) |
| Charges for Services | 254,392 | 234,800 | 234,800 | 0 |
| Investment Interest | 383 | 400 | 200 | (200) |
| Miscellaneous Revenue | 8,000 | 2,000 | 2,200 | 200 |
| Total Revenues | 2,011,385 | 1,849,200 | 1,816,420 | (32,780) |
| Total Resources | 2,371,631 | 2,239,460 | 2,178,932 | (60,528) |
| Salaries & Wages | 974,375 | 1,038,490 | 1,017,240 | (21,250) |
| Personnel Benefits | 299,066 | 331,070 | 327,490 | (3,580) |
| Supplies | 79,756 | 70,500 | 75,390 | 4,890 |
| Other Services & Charges | 399,101 | 286,250 | 249,954 | (36,296) |
| Intergovernmental Svcs. | 179,638 | 161,390 | 164,804 | 3,414 |
| Capital Outlay | 9,986 | 42,088 | 61,980 | 19,892 |
| Total Expenditures | 1,941,923 | 1,929,788 | 1,896,858 | (32,930) |
| Ending Fund Balance | \$429,708 | \$309,672 | \$282,074 | (\$27,598) |

EMERGENCY MEDICAL SERVICES

Fund: Emergency Medical Services - 126

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 854,477 | 864,300 | 877,180 | 12,880 |
| Part Time Employees | 24,446 | 24,200 | 24,460 | 260 |
| Education Premium Pay | 7,058 | 7,100 | 7,090 | (10) |
| Acting Supervisor Pay | 1,396 | 3,700 | 3,760 | 60 |
| Paramedic Incentive | 48,397 | 48,400 | 49,120 | 720 |
| Holiday Buy Back | 9,407 | 21,900 | 22,230 | 330 |
| Overtime | 29,195 | 68,890 | 33,400 | (35,490) |
| | <u>974,375</u> | <u>1,038,490</u> | <u>1,017,240</u> | <u>(21,250)</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 17,219 | 17,000 | 17,130 | 130 |
| LEOFF | 51,677 | 53,970 | 51,300 | (2,670) |
| PERS | 2,407 | 2,700 | 2,760 | 60 |
| L&I | 24,383 | 27,400 | 27,310 | (90) |
| Medical Benefits | 138,595 | 151,600 | 157,350 | 5,750 |
| FF Medical Savings Acct | 9,810 | 9,900 | 9,810 | (90) |
| Unemployment Comp. | 0 | 1,400 | 0 | (1,400) |
| Deferred Comp | 35,304 | 39,100 | 39,640 | 540 |
| Dental Benefits | 15,257 | 21,400 | 16,020 | (5,380) |
| Vision Benefits | 1,392 | 2,700 | 2,170 | (530) |
| Life Insurance | 2,461 | 3,200 | 3,320 | 120 |
| Long Term Disability Insurance | 562 | 700 | 680 | (20) |
| | <u>299,066</u> | <u>331,070</u> | <u>327,490</u> | <u>(3,580)</u> |
| SUPPLIES | | | | |
| Office Supplies | 1,198 | 1,000 | 1,000 | 0 |
| Purchase of Forms | 151 | 600 | 0 | (600) |
| Reference Material | 964 | 1,000 | 1,000 | 0 |
| Supplies | 26,006 | 37,500 | 27,500 | (10,000) |
| Clothing/Boots | 8,601 | 5,000 | 5,000 | 0 |
| Motor Fuel | 14,857 | 13,800 | 13,800 | 0 |
| Small Items of Equipment | 27,980 | 11,600 | 27,090 | 15,490 |
| | <u>79,756</u> | <u>70,500</u> | <u>75,390</u> | <u>4,890</u> |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|--------------------|--------------------|--------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Insurance | 16,589 | 15,600 | 17,100 | 1,500 |
| Billing Services | 17,940 | 15,000 | 15,000 | 0 |
| Professional Services | 13,751 | 5,600 | 15,100 | 9,500 |
| Telephone | 2,240 | 2,100 | 2,100 | 0 |
| New World Project Connectivity | 0 | 1,150 | 4,500 | 3,350 |
| Cell Phone | 3,368 | 6,400 | 6,400 | 0 |
| Motor Pool Charges | 322,400 | 220,700 | 170,054 | (50,646) |
| Hazardous Waste Disposal | 0 | 500 | 500 | 0 |
| Work Equipment M&R | 697 | 1,000 | 1,000 | 0 |
| Vehicle R&M | 19,686 | 15,000 | 15,000 | 0 |
| Interfund Loan Interest Expense | 25 | 0 | 0 | 0 |
| Software Maintenance | 0 | 200 | 200 | 0 |
| Laundry Services | 2,406 | 3,000 | 3,000 | 0 |
| | 399,101 | 286,250 | 249,954 | (36,296) |
| INTERGOVERNMENTAL SERVICES | | | | |
| SNOCOM Dispatch Services | 98,221 | 68,400 | 69,284 | 884 |
| SNOCOM New World Assessment | 0 | 9,890 | 6,370 | (3,520) |
| Lynnwood EMS Contract | 78,667 | 80,300 | 80,300 | 0 |
| SERS Operating Assessment | 2,751 | 2,800 | 8,850 | 6,050 |
| | 179,638 | 161,390 | 164,804 | 3,414 |
| CAPITAL OUTLAYS | | | | |
| Other Machinery & Equipment | 9,986 | 42,088 | 61,980 | 19,892 |
| | 9,986 | 42,088 | 61,980 | 19,892 |
| TOTAL EMERGENCY MEDICAL SVCS | \$1,941,923 | \$1,929,788 | \$1,896,858 | (\$32,930) |



The City of Mukilteo fire training tower.

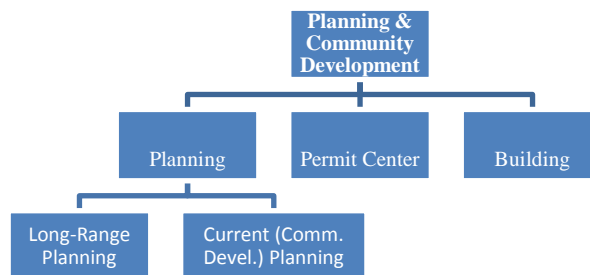
PLANNING & COMMUNITY DEVELOPMENT

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, project management/co-management on capital projects, grant application & administration, and providing the public with development regulations and information assistance. Building is responsible for building plan review and inspections. The Permit Center supports planning, development and building activities, in addition to also supporting Public Works engineering development review processes and capital project bid processes.

The Community Development Division is responsible for enforcing the City's land use and zoning regulations, reviewing all development proposals, investigating citizen complaints regarding violations of local land use regulations. The staff is also responsible for the Hearing Examiner. During 2007-2012 CD staff provided project management services and prepared permit applications and SEPA documentation for city park, trail and fish passage projects. In 2013 staff will continue to apply for grants and guide permits for the waterfront projects such as, interim parking and the pedestrian-bike bridge. In addition, the Assistant Director has added stormwater NPDES II, forestry management tasks and the wetland mitigation program. Development review is again increasing, keeping staff busy.

The Planning (long-range) Division staff is responsible for drafting new or revising codes, and leading the City's planning efforts required by the State's Growth Management Act as well as guiding economic development, including business retention, as well as safe guarding neighborhoods and overseeing waterfront redevelopment. The major efforts in 2013 include updating the Waterfront Vision, Inter-jurisdictional housing, land availability, population and employment projections, waterfront project coordination, and overseeing a DNR street tree inventory and plan preparation.

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





POSITION SUMMARY

| Position Title | 2012 | 2013 |
|----------------------------|-------------|-------------|
| Planning Director | 1.0 | 1.0 |
| Assistant Director | 1.0 | 1.0 |
| Permit Services Supervisor | 1.0 | 1.0 |
| Permit Services Assistant | 2.0 | 2.0 |
| Senior Planner | 1.0 | 1.0 |
| Associate Planner | 2.0 | 2.0 |
| Building Official | 1.0 | 1.0 |
| Total | 9.0 | 9.0 |

| PLANNING & COMMUNITY DEVELOPMENT DEPT. EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|-------------------------|------------------------|------------------------|------------------------------------|
| Planning | \$578,064 | \$570,440 | \$582,020 | \$11,580 |
| Permit Center | 262,988 | 274,400 | 278,130 | 3,730 |
| Building | 124,791 | 138,210 | 127,430 | (10,780) |
| TOTAL | \$965,842 | \$983,050 | \$987,580 | \$4,530 |

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

| | 2011 | 2012 | 2013 |
|---------------------------|--------|------|------|
| | Actual | Est. | Est. |
| Plats & Short Plats | 1 | 0 | 0 |
| Project Permits Submitted | 10 | 8 | 8 |
| Single Family Review | 15 | 42 | 40 |
| Sign Application | 18 | 20 | 18 |
| Shoreline Permits | 1 | 1 | 0 |
| City Projects | 5 | 6 | 5 |
| Plans/Projects or Codes | 5 | 6 | 5 |
| Code Compliance | 53 | 40 | 40 |
| Grants | 1 | 4 | 2 |

2013 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.
- Continue code compliance efforts primarily on complaint basis.
- Provide oversight & coordination of waterfront projects.
- Lead Pedestrian-Bike Bridge project
- Lead Interim Parking Lease
- Lead Beyer Property Park Master Plan
- Continue inter-jurisdictional coordination on land use and housing.
- Amend or develop new codes.
- Continue staff support for Planning Commission, Hearing Examiner, and Sustainability Committee.



PLANNING

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES* | | | | |
| Full Time Employees | 401,926 | 389,200 | 395,100 | 5,900 |
| Overtime | 4,831 | 3,500 | 3,500 | 0 |
| | 406,757 | 392,700 | 398,600 | 5,900 |
| PERSONNEL BENEFITS* | | | | |
| FICA | 30,831 | 29,800 | 30,500 | 700 |
| PERS | 25,005 | 28,100 | 28,740 | 640 |
| L&I | 1,244 | 1,400 | 1,420 | 20 |
| Medical Benefits | 56,296 | 55,800 | 60,750 | 4,950 |
| Vehicle Allowance | 2,400 | 2,400 | 2,400 | 0 |
| Dental Benefits | 7,887 | 9,500 | 8,110 | (1,390) |
| Vision Benefits | 1,478 | 1,500 | 1,650 | 150 |
| Life Insurance | 1,104 | 1,300 | 1,330 | 30 |
| Long Term Disability Insurance | 2,445 | 2,900 | 2,940 | 40 |
| Medical Opt-Out Incentive | 4,443 | 4,200 | 4,200 | 0 |
| | 133,134 | 136,900 | 142,040 | 5,140 |
| SUPPLIES | | | | |
| Office Supplies | 463 | 500 | 500 | 0 |
| Reference Material | 54 | 50 | 50 | 0 |
| Operating Supplies | 109 | 50 | 50 | 0 |
| Clothing/Boots | 801 | 500 | 200 | (300) |
| Motor Fuel | 387 | 400 | 400 | 0 |
| Small Items of Equipment | 0 | 300 | 100 | (200) |
| | 1,814 | 1,800 | 1,300 | (500) |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 2,689 | 0 | 0 | 0 |
| Reimbursable Consulting | 2,351 | 6,500 | 6,500 | 0 |
| Reimbursable Copies | 0 | 0 | 500 | 500 |
| Telephone | 1,631 | 1,700 | 1,400 | (300) |
| Postage | 5,410 | 5,000 | 4,000 | (1,000) |
| Cell Phones | 927 | 700 | 400 | (300) |
| Travel & Subsistence | 2,583 | 1,000 | 2,700 | 1,700 |
| Legal Publications | 1,793 | 1,000 | 3,000 | 2,000 |
| Motor Pool Charges | 3,900 | 3,140 | 3,780 | 640 |
| Vehicle R&M | 1,055 | 300 | 300 | 0 |
| Software Maintance | 5,147 | 5,200 | 5,200 | 0 |
| Association Dues & Memberships | 2,102 | 2,200 | 2,000 | (200) |
| File, Recording Fees | 0 | 100 | 100 | 0 |
| Printing and Binding | 109 | 400 | 400 | 0 |
| Training & Registration Costs | 2,725 | 3,500 | 3,500 | 0 |
| Hearing Examiner | 3,743 | 8,000 | 6,000 | (2,000) |
| Miscellaneous | 0 | 0 | 0 | 0 |
| Comprehensive Plan | 194 | 300 | 300 | 0 |
| | 36,360 | 39,040 | 40,080 | 1,040 |
| TOTAL PLANNING | \$578,064 | \$570,440 | \$582,020 | \$11,580 |

*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

| | 2011 | 2012 | 2013 |
|--------------------------|---------------|-------------|-------------|
| | Actual | Est. | Est. |
| Land Use Permits | 10 | 8 | 8 |
| Packets Distributed | 19 | 23 | 24 |
| Fire Permits | 10 | 9 | 9 |
| Building Permits | 336 | 350 | 330 |
| Right-of-Way/Engineering | 74 | 90 | 80 |
| Files Opened | 599 | 650 | 625 |

2013 GOALS & OBJECTIVES

- Improve and maintain our strong customer services commitment.
- 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. Also scan documents/maps if new larger format equipment is purchased
- Provide staff to assist Parks & Arts, and Planning Commissions..

PERMIT CENTER

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 168,401 | 168,400 | 170,930 | 2,530 |
| Acting Supervisor Pay | 0 | 1,000 | 1,020 | 20 |
| Overtime | 158 | 2,000 | 2,000 | 0 |
| | <u>168,559</u> | <u>171,400</u> | <u>173,950</u> | <u>2,550</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 12,729 | 13,100 | 13,300 | 200 |
| PERS | 10,533 | 12,400 | 12,540 | 140 |
| L&I | 767 | 900 | 900 | 0 |
| Medical Benefits | 42,168 | 42,500 | 44,100 | 1,600 |
| Dental Benefits | 3,490 | 5,200 | 4,330 | (870) |
| Vision Benefits | 1,537 | 1,200 | 1,250 | 50 |
| Life Insurance | 470 | 600 | 600 | 0 |
| Long Term Disability Insurance | 1,041 | 1,300 | 1,300 | 0 |
| | <u>72,736</u> | <u>77,200</u> | <u>78,320</u> | <u>1,120</u> |
| SUPPLIES | | | | |
| Office Supplies | 3,697 | 4,000 | 4,000 | 0 |
| | <u>3,697</u> | <u>4,000</u> | <u>4,000</u> | <u>0</u> |
| OTHER SERVICES & CHARGES | | | | |
| Telephone | 1,088 | 1,100 | 1,100 | 0 |
| Travel & Subsistence | 0 | 250 | 250 | 0 |
| Equipment M&R | 16,699 | 20,000 | 20,000 | 0 |
| Association Dues & Memberships | 105 | 50 | 110 | 60 |
| Printing and Binding | 105 | 100 | 100 | 0 |
| Training & Registration | 0 | 300 | 300 | 0 |
| | <u>17,996</u> | <u>21,800</u> | <u>21,860</u> | <u>60</u> |
| TOTAL PERMIT CENTER | \$262,988 | \$274,400 | \$278,130 | \$3,730 |

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 2013, the division anticipates that it will issue permits for \$18,000,000 Assessed Value (AV) of new development, which includes commercial, industrial, and mixed-use projects, and new single family homes.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|---------------------------|---------------|-------------|-------------|
| | Actual | Est. | Est. |
| Permits Issued | 336 | 350 | 350 |
| Site Inspections | 988 | 1,050 | 1,050 |
| Const. Value (million \$) | \$ 17 | \$ 22 | \$ 22 |
| Revenue (thousand \$) | \$ 285 | \$ 300 | \$ 300 |

2013 GOALS & OBJECTIVES

- Utilize on-line electronic application submittals, permit issuance and inspections.
- Maintain permit flow / turn-around times.
- Maintain pro-active stance and oversight during the development of critical / difficult sites.
- Issue right-of-way permits in conjunction with PW Engineering, as it was shifted over in 2011.
- Assist in the evaluation of building fees and to make adjustments based on actual/estimated cost of service.

BUILDING

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 65,669 | 65,500 | 76,650 | 11,150 |
| Special Assignment Pay | 9,850 | 10,000 | 0 | (10,000) |
| | <u>75,519</u> | <u>75,500</u> | <u>76,650</u> | <u>1,150</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 5,554 | 5,800 | 5,870 | 70 |
| PERS | 4,720 | 5,500 | 5,530 | 30 |
| L&I | 1,411 | 1,800 | 1,800 | 0 |
| Medical Benefits | 20,440 | 20,200 | 18,120 | (2,080) |
| Dental Benefits | 1,795 | 2,500 | 2,500 | 0 |
| Vision Benefits | 1,216 | 700 | 620 | (80) |
| Life Insurance | 184 | 300 | 300 | 0 |
| Long Term Disability Insurance | 407 | 600 | 600 | 0 |
| | <u>35,726</u> | <u>37,400</u> | <u>35,340</u> | <u>(2,060)</u> |
| SUPPLIES | | | | |
| Reference Material | 0 | 500 | 1,500 | 1,000 |
| Operating Supplies | 410 | 700 | 400 | (300) |
| Clothing/Boots | 386 | 400 | 400 | 0 |
| Motor Fuel | 1,147 | 1,200 | 800 | (400) |
| Small Items of Equipment | 90 | 200 | 200 | 0 |
| | <u>2,033</u> | <u>3,000</u> | <u>3,300</u> | <u>300</u> |
| OTHER SERVICES & CHARGES | | | | |
| Contract Services | 5,490 | 10,000 | 5,000 | (5,000) |
| Telephone | 544 | 600 | 600 | 0 |
| Postage | 397 | 300 | 300 | 0 |
| Cellular Phones | 490 | 500 | 500 | 0 |
| Travel & Subsistence | 0 | 400 | 400 | 0 |
| Motor Pool Charges | 4,000 | 8,510 | 3,420 | (5,090) |
| Vehicle R&M | 55 | 400 | 200 | (200) |
| Association Dues & Memberships | 385 | 400 | 520 | 120 |
| File, Recording Fees | 0 | 200 | 200 | 0 |
| Printing & Binding | 16 | 0 | 0 | 0 |
| Training & Registration Costs | 135 | 1,000 | 1,000 | 0 |
| | <u>11,512</u> | <u>22,310</u> | <u>12,140</u> | <u>(10,170)</u> |
| TOTAL BUILDING | \$124,791 | \$138,210 | \$127,430 | (\$10,780) |



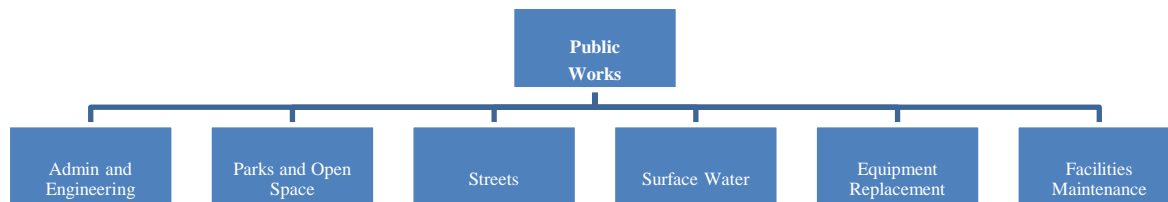
Picnic shelters at Lighthouse Park

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
- 23 municipal buildings – including two Fire Stations, a Police Station, three Public Works buildings, City Hall, the Light House buildings (4), Lighthouse Park (6), 92nd Street Park (1), the new Community Center, the Boys and Girls Club building in Old Town, two houses on property owned by the City, and the Chamber of Commerce property. This is an increase of 7 structures in the last two years, with no additional staff.
- 1,486 Street lights (City owned: 310; PUD owned: 1,176) The City monitors the operation of all street lights, regardless of ownership.

The Department is organized into six divisions as shown below:



POSITION SUMMARY

| Position Title | 2012 | 2013 |
|-------------------------------|-------------|-------------|
| Public Works Director | 1.0 | 1.0 |
| Assistant City Engineer | 1.0 | 1.0 |
| Senior Engineering Technician | 1.0 | 1.0 |
| Engineering Technician | 0.0 | 1.0 |
| Lead Serviceworker | 5.0 | 6.0 |
| Park/Utility Service Worker | 9.0 | 8.0 |
| Park Attendant | 1.5 | 1.5 |
| Superintendent | 1.0 | 1.0 |
| Department Assistant | 0.5 | 0.5 |
| Total | 20.0 | 21.0 |

| PUBLIC WORKS DEPT. EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|--------------------|--------------------|--------------------|----------------------------|
| Administration & Engineering | \$226,552 | \$217,020 | \$222,600 | \$5,580 |
| Parks and Open Space | 697,222 | 664,645 | 669,610 | 4,965 |
| Streets | 790,253 | 748,730 | 782,140 | 33,410 |
| Surface Water | 1,174,052 | 2,039,640 | 2,647,030 | 607,390 |
| Equipment Replacement | 366,422 | 354,100 | 1,892,300 | 1,538,200 |
| Facilities Maintenance | 376,322 | 512,770 | 497,760 | (15,010) |
| TOTAL | \$3,630,824 | \$4,536,905 | \$6,711,440 | \$2,174,535 |



City of Mukilteo Public Works
4206 78th 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 rights-of-way.
- 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.

- 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 88th St. left hand turn lane project.
- Built the second set of docks for Light House Park.
- Installed a new fence on a stormwater detention pond.
- Completed supplemental planting of berms at Light House Park (joint project with Community Development).
- Installed the radar speed indicator signs on 5th and SR 525.

2013 GOALS & OBJECTIVES

- Finish code updates/reviews: Storm water, grading and geological sensitive area regulations.
- 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 of the pavement management system program.
- Meet development review timeline goals.
- Complete Big Gulch Trail.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|-------------------------------|--------|------|------|
| | Actual | Est. | Est. |
| Plat Reviews | 1 | 0 | 0 |
| Land Use Permits | 10 | 8 | 8 |
| ROW Permits | 57 | 75 | 75 |
| Engineering Permits | 11 | 35 | 35 |
| Capital Projects Managed | 9 | 10 | 12 |
| Capital Projects Constructed | 9 | 9 | 10 |
| Sign Permits | 18 | 20 | 18 |
| Traffic Studies (speed/count) | 4 | 4 | 4 |
| Engineering Studies/Design | 10 | 11 | 10 |

2012 ACCOMPLISHMENTS



PUBLIC WORKS ADMINISTRATION & ENGINEERING

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 122,474 | 120,900 | 125,010 | 4,110 |
| Part Time Employees | 17,612 | 18,600 | 18,840 | 240 |
| Overtime | 406 | 1,000 | 1,000 | 0 |
| | 140,492 | 140,500 | 144,850 | 4,350 |
| PERSONNEL BENEFITS | | | | |
| FICA | 10,662 | 10,700 | 11,080 | 380 |
| PERS | 8,808 | 10,100 | 10,450 | 350 |
| L&I | 473 | 700 | 670 | (30) |
| Medical Benefits | 18,392 | 19,200 | 12,900 | (6,300) |
| Unemployment Comp | 0 | 0 | 3,500 | 3,500 |
| Dental Benefits | 1,349 | 1,900 | 1,420 | (480) |
| Vision Benefits | 584 | 200 | 610 | 410 |
| Life Insurance | 380 | 500 | 480 | (20) |
| Long Term Disability Insurance | 841 | 1,000 | 1,070 | 70 |
| Medical Opt-Out Incentive | 947 | 1,000 | 1,000 | 0 |
| | 42,435 | 45,300 | 43,180 | (2,120) |
| SUPPLIES | | | | |
| Office Supplies | 187 | 250 | 250 | 0 |
| Reference Material | 211 | 300 | 300 | 0 |
| Operating Supplies | 464 | 200 | 200 | 0 |
| Clothing/Boots | 318 | 250 | 250 | 0 |
| Motor Fuel | 1,007 | 700 | 1,000 | 300 |
| Small Items of Equipment | 269 | 300 | 300 | 0 |
| | 2,456 | 2,000 | 2,300 | 300 |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|------------------------|------------------------|------------------------|------------------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Engineering & Architect Services | 7,930 | 6,750 | 7,000 | 250 |
| Other Professional Services | 0 | 3,000 | 3,000 | 0 |
| Telephone | 1,328 | 1,500 | 1,500 | 0 |
| Postage | 368 | 350 | 350 | 0 |
| Cell Phone | 1,829 | 2,000 | 2,000 | 0 |
| Travel & Subsistence | 216 | 900 | 900 | 0 |
| Legal Publications | 88 | 400 | 400 | 0 |
| Motor Pool Charges | 15,100 | 8,520 | 11,320 | 2,800 |
| Vehicle R&M | 1,156 | 1,000 | 1,000 | 0 |
| Software Maintenance & Subscriptions | 889 | 1,000 | 1,000 | 0 |
| Association Dues & Memberships | 516 | 700 | 700 | 0 |
| File, Recording Fees | 267 | 400 | 400 | 0 |
| Printing And Binding | 0 | 200 | 200 | 0 |
| Training & Registration Costs | 137 | 2,400 | 2,400 | 0 |
| | 29,824 | 29,120 | 32,170 | 3,050 |
| INTERGOVERNMENTAL SERVICES | | | | |
| MRSC Small Works Roster Fee | 100 | 100 | 100 | 0 |
| | 100 | 100 | 100 | 0 |
| CAPITAL OUTLAY | | | | |
| Other Machinery & Equipment | 11,244 | 0 | 0 | 0 |
| | 11,244 | 0 | 0 | 0 |
| TOTAL PW ADMIN & ENGINEERING | \$226,552 | \$217,020 | \$222,600 | \$5,580 |



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 92nd St. Park) and maintaining of park structures including benches and tables.

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

2012 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.

2013 GOALS & OBJECTIVES

- Preserve existing park assets with an emphasis on Light House Park and 92nd Street Park.
- Evaluate and prioritize maintenance levels of service required at all parks.

PERFORMANCE INDICATORS

| | 2011 Actual | 2012 Est. | 2013 Est. |
|------------------------------|----------------|--------------|--------------|
| <u>Acreage</u> | | | |
| Parks | 74.3 | 74.3 | 74.3 |
| Open Space | 357 | 357 | 357 |
| Tidelands | 84 | 84 | 84 |
| Total Acreage | 515 | 515 | 515 |
| <u>Parks</u> | | | |
| Number of Parks | 34 | 34 | 34 |
| Recreation Trails | 7 | 7 | 5 |
| <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 | 24 | 24 | 24 |
| Acres Maintained | 125.3 | 125.3 | 125.3 |
| Acres Mowed | 21 | 21 | 21 |
| Trees Planted | 10 | 10 | 2 |
| Shrubs/Flowers | 250 | 250 | 150 |

PARKS AND OPEN SPACE

Fund: General - 011

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 275,183 | 280,800 | 289,750 | 8,950 |
| Part Time Employees | 49,217 | 47,100 | 47,810 | 710 |
| Acting Supervisor Pay | 22 | 0 | 0 | 0 |
| Standby Pay | 6,244 | 4,000 | 4,060 | 60 |
| Overtime | 3,420 | 4,000 | 4,000 | 0 |
| | <u>334,085</u> | <u>335,900</u> | <u>345,620</u> | <u>9,720</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 25,152 | 25,700 | 26,420 | 720 |
| PERS | 17,872 | 21,000 | 24,880 | 3,880 |
| L&I | 7,986 | 9,100 | 8,950 | (150) |
| Medical Benefits | 89,564 | 87,300 | 66,900 | (20,400) |
| Teamsters Pension | 7,475 | 7,800 | 7,800 | 0 |
| Unemployment Compensation | 5,610 | 0 | 0 | 0 |
| Dental Benefits | 12,805 | 13,700 | 11,600 | (2,100) |
| Vision Benefits | 2,008 | 3,700 | 3,130 | (570) |
| Life Insurance | 774 | 1,100 | 1,130 | 30 |
| Long Term Disability Insurance | 1,714 | 2,500 | 2,510 | 10 |
| Medical Opt-Out Incentive | 190 | 200 | 200 | 0 |
| | <u>171,150</u> | <u>172,100</u> | <u>153,520</u> | <u>(18,580)</u> |
| SUPPLIES | | | | |
| Operating Supplies | 19,950 | 28,600 | 28,600 | 0 |
| Vehicle R&M Tools | 147 | 0 | 0 | 0 |
| Clothing/Boots | 5,156 | 3,900 | 3,900 | 0 |
| Building Maintenance Supplies | 244 | 2,500 | 2,500 | 0 |
| Signs | 576 | 1,000 | 1,000 | 0 |
| Landscape Materials | 6,033 | 15,000 | 15,000 | 0 |
| Flower Basket Program | 3,807 | 10,000 | 6,000 | (4,000) |
| Motor Fuel | 8,176 | 7,200 | 7,650 | 450 |
| Small Items of Equipment | 728 | 2,200 | 5,730 | 3,530 |
| | <u>44,818</u> | <u>70,400</u> | <u>70,380</u> | <u>(20)</u> |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | 0 |
| Other Professional Services | 5,091 | 9,485 | 6,000 | (3,485) |
| Telephone | 2,352 | 2,400 | 2,400 | 0 |
| Cell Phone | 2,244 | 3,000 | 2,000 | (1,000) |
| Travel & Subsistence | 84 | 300 | 300 | 0 |
| Legal Publications | 242 | 250 | 250 | 0 |
| Land Rental | 1,967 | 2,000 | 2,000 | 0 |
| Work Equipment & Machine Rental | 3,326 | 2,500 | 2,000 | (500) |
| Motor Pool Charges | 71,800 | 18,310 | 28,520 | 10,210 |
| Natural Gas | 1,853 | 2,300 | 2,560 | 260 |
| Electricity | 4,191 | 4,500 | 4,500 | 0 |
| Sewer Service | 9,243 | 5,000 | 9,800 | 4,800 |
| Water Service | 16,331 | 6,000 | 11,760 | 5,760 |
| Storm Drainage Charges | 13,875 | 12,000 | 12,000 | 0 |
| Equipment R&M | 2,588 | 5,000 | 5,000 | 0 |
| Other Maintenance & Repair | 0 | 600 | 600 | 0 |
| Vehicle R&M | 8,193 | 5,500 | 3,000 | (2,500) |
| Laundry Services | 1,101 | 800 | 1,100 | 300 |
| Training & Registration Costs | 257 | 1,300 | 1,300 | 0 |
| HP Maintenance Association Dues | 2,432 | 5,000 | 5,000 | 0 |
| | 147,169 | 86,245 | 100,090 | 13,845 |
| CAPITAL OUTLAY | | | | |
| Other Machinery & Equipment | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| TOTAL PARKS & OPEN SPACE | \$697,222 | \$664,645 | \$669,610 | \$4,965 |

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

| | 2011 | 2012 | 2013 |
|----------------------------|--------|--------|--------|
| | Actual | Est. | Est. |
| Miles of Street | 67 | 67 | 67 |
| Traffic Signals | 2 | 2 | 2 |
| Street Lights* | 80 | 80 | 80 |
| Potholes Repaired | 100 | 100 | 50 |
| Tons of Asphalt Used | 200 | 50 | 150 |
| Lane Lines Painted (miles) | 70 | 70 | 67 |
| Streets Swept (miles) | 500 | 600 | 1,000 |
| Snow/Ice Removed (hours) | 300 | 500 | 300 |
| Painted Markings (sf) | 10,000 | 10,000 | 10,000 |
| Sidewalk Repaired (sf) | 300 | 600 | 1,200 |
| Signs Installed/Replaced | 200 | 200 | 85 |
| Sign Posts Installed/Repl. | 100 | 125 | 75 |
| Miles of ROW mowed. | 40 | 40 | 40 |

* work orders for repair processed.

2012 ACCOMPLISHMENTS

- Completed preparing pavement areas for the 2012 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 Harbour Pointe Middle School.

2013 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 | | | | |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$104,975 | \$44,390 | \$95,605 | \$51,215 |
| Revenues | | | | |
| Street Fuel Tax | 289,272 | 295,000 | 291,800 | (3,200) |
| Commercial Parking Tax | 0 | 15,500 | 42,500 | 27,000 |
| Miscellaneous | 226 | 100 | 100 | 0 |
| Operating Transfers In | 426,100 | 469,500 | 430,800 | (38,700) |
| Total Revenues | 715,598 | 780,100 | 765,200 | (14,900) |
| Total Resources | 820,573 | 824,490 | 860,805 | 36,315 |
| Expenditures | | | | |
| Salaries & Wages | 267,641 | 266,400 | 262,570 | (3,830) |
| Personnel Benefits | 103,429 | 108,600 | 108,720 | 120 |
| Supplies | 75,093 | 75,700 | 74,100 | (1,600) |
| Other Services & Charges | 303,650 | 256,030 | 282,750 | 26,720 |
| Intergovernmental Svcs. | 40,440 | 42,000 | 54,000 | 12,000 |
| Total Expenditures | 790,253 | 748,730 | 782,140 | 33,410 |
| Ending Fund Balance | \$30,320 | \$75,760 | \$78,665 | \$2,905 |



STREETS

Fund: Streets - 111

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 257,370 | 258,100 | 254,145 | (3,955) |
| Acting Supervisor Pay | 361 | 300 | 305 | 5 |
| Standby Pay | 3,192 | 4,000 | 4,060 | 60 |
| Overtime | 6,718 | 4,000 | 4,060 | 60 |
| | 267,641 | 266,400 | 262,570 | (3,830) |
| PERSONNEL BENEFITS | | | | |
| FICA | 20,316 | 20,500 | 20,080 | (420) |
| PERS | 16,708 | 19,300 | 18,960 | (340) |
| L&I | 5,138 | 6,000 | 6,000 | 0 |
| Medical Benefits | 45,467 | 45,200 | 46,920 | 1,720 |
| Teamsters Pension | 4,413 | 4,700 | 4,700 | 0 |
| Unemployment Compensation | 0 | 600 | 0 | (600) |
| Dental Benefits | 5,500 | 6,400 | 5,700 | (700) |
| Vision Benefits | 1,577 | 800 | 1,250 | 450 |
| Life Insurance | 722 | 900 | 910 | 10 |
| Long Term Disability Insurance | 1,599 | 2,000 | 2,000 | 0 |
| Medical Opt-Out Incentive | 1,989 | 2,200 | 2,200 | 0 |
| | 103,429 | 108,600 | 108,720 | 120 |
| SUPPLIES | | | | |
| Operating Supplies | 9,504 | 18,000 | 12,000 | (6,000) |
| Clothing/Boots | 3,084 | 3,200 | 3,200 | 0 |
| Aggregate | 17,357 | 14,000 | 14,000 | 0 |
| Traffic Control Device Supply | 17,416 | 15,000 | 15,000 | 0 |
| Motor Fuel | 22,210 | 17,000 | 22,000 | 5,000 |
| Small Items of Equipment | 5,524 | 3,500 | 2,900 | (600) |
| Street Lighting Equipment | 0 | 5,000 | 5,000 | 0 |
| | 75,093 | 75,700 | 74,100 | (1,600) |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 165 | 0 | 0 | 0 |
| Hazardous Materials Testing | 1,250 | 0 | 0 | 0 |
| Contract Services | 30,079 | 30,000 | 30,000 | 0 |
| Telephone | 2,352 | 2,400 | 2,400 | 0 |
| Cell Phone | 1,541 | 2,100 | 1,300 | (800) |
| Travel & Subsistence | 3 | 100 | 100 | 0 |
| Work Equip & Machine Rental | 2,906 | 6,000 | 6,000 | 0 |
| Motor Pool Charges | 85,500 | 49,960 | 73,000 | 23,040 |
| Insurance | 27,617 | 26,600 | 28,080 | 1,480 |
| Hazardous Waste Disposal | 20 | 600 | 600 | 0 |
| Public Utility Solid Waste | 472 | 500 | 500 | 0 |
| Electricity Street Lights | 115,831 | 114,070 | 114,070 | 0 |
| Brush Disposal | 1,952 | 4,000 | 4,000 | 0 |
| Construction Debris Disposal | 2,670 | 3,000 | 3,000 | 0 |
| Equipment R&M | 4,889 | 4,000 | 3,000 | (1,000) |
| Vehicle R&M | 24,869 | 11,000 | 15,000 | 4,000 |
| Laundry Services | 1,084 | 1,200 | 1,200 | 0 |
| Training & Registration | 452 | 500 | 500 | 0 |
| | 303,651 | 256,030 | 282,750 | 26,720 |
| INTERGOVERNMENTAL SERVICES | | | | 0 |
| Lane Striping & Marking | 26,748 | 25,000 | 32,000 | 7,000 |
| Street Light Maintenance | 13,086 | 14,000 | 19,000 | 5,000 |
| Repairs In ROW | 0 | 1,000 | 1,000 | 0 |
| ROW Vegetation Maintenance | 606 | 2,000 | 2,000 | 0 |
| | 40,440 | 42,000 | 54,000 | 12,000 |
| CAPITAL OUTLAYS | | | | |
| Lighting Systems | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| TOTAL STREETS | \$790,253 | \$748,730 | \$782,140 | \$33,410 |

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

| | 2011 Actual | 2012 Est. | 2013 Est. |
|----------------------|----------------|--------------|--------------|
| Drainage Basins | 13 | 13 | 13 |
| Miles of Pipe | 35 | 35 | 35 |
| Miles of Ditches | 10 | 10 | 10 |
| Catch Basins | 2,614 | 2,616 | 2,616 |
| Catch Basins Cleaned | 500 | 1,000 | 600 |
| Detention Ponds | 96 | 96 | 34 |
| Ponds Cleaned | 11 | 4 | 7 |

2012 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 well swept.

2013 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 (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 conveyance system.
- Stormwater Comprehensive Plan update.

| SURFACE WATER MANAGEMENT FUND - 440 | | | | |
|--|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$1,555,850 | \$1,734,550 | \$1,414,460 | (\$320,090) |
| Revenues | | | | |
| Grants | 130,813 | 125,000 | 726,470 | 601,470 |
| Storm Drainage Fees & Charges | 1,248,608 | 1,250,000 | 1,250,000 | 0 |
| Investment Interest | 3,080 | 3,600 | 3,600 | 0 |
| Other Miscellaneous Revenues | 21 | 890 | 0 | (890) |
| Total Revenues | 1,382,522 | 1,379,490 | 1,980,070 | 600,580 |
| Total Resources | 2,938,372 | 3,114,040 | 3,394,530 | 280,490 |
| Expenditures | | | | |
| Salaries & Wages | 425,611 | 382,700 | 438,370 | 55,670 |
| Personnel Benefits | 169,099 | 169,900 | 192,770 | 22,870 |
| Supplies | 30,704 | 38,600 | 36,200 | (2,400) |
| Other Services & Charges | 217,904 | 219,350 | 382,190 | 162,840 |
| Intergovernmental Svcs. | 63,604 | 66,000 | 66,500 | 500 |
| Capital Outlay | 100,830 | 805,990 | 1,341,000 | 535,010 |
| Overhead Costs | 166,300 | 357,100 | 190,000 | (167,100) |
| Total Expenditures | 1,174,052 | 2,039,640 | 2,647,030 | 607,390 |
| Ending Fund Balance | \$1,764,320 | \$1,074,400 | \$747,500 | (\$326,900) |

SURFACE WATER MANAGEMENT

Fund: Surface Water Management - 440

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 403,294 | 368,800 | 424,330 | 55,530 |
| Part Time Employees | 5,261 | 5,500 | 5,630 | 130 |
| Acting Supervisor Pay | 1,063 | 400 | 410 | 10 |
| Standby Pay | 7,056 | 4,000 | 4,000 | 0 |
| Overtime | 8,938 | 4,000 | 4,000 | 0 |
| | <u>425,611</u> | <u>382,700</u> | <u>438,370</u> | <u>55,670</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 32,156 | 29,300 | 33,110 | 3,810 |
| PERS | 26,117 | 28,000 | 31,210 | 3,210 |
| L&I | 6,617 | 7,600 | 9,100 | 1,500 |
| Medical Benefits | 83,606 | 82,000 | 93,170 | 11,170 |
| Teamsters Pension | 4,855 | 5,500 | 5,460 | (40) |
| Unemployment Compensation | 0 | 500 | 400 | (100) |
| Dental Benefits | 7,796 | 8,400 | 10,400 | 2,000 |
| Vision Benefits | 1,707 | 1,700 | 2,420 | 720 |
| Life Insurance | 1,122 | 1,300 | 1,480 | 180 |
| Long Term Disability Insurance | 2,483 | 2,800 | 3,220 | 420 |
| Medical Opt-Out Incentive | 2,642 | 2,800 | 2,800 | 0 |
| | <u>169,099</u> | <u>169,900</u> | <u>192,770</u> | <u>22,870</u> |
| SUPPLIES | | | | |
| Office Supplies | 0 | 200 | 200 | 0 |
| Operating Supplies | 9,849 | 13,000 | 10,000 | (3,000) |
| Vehicle R&M Tools/Equipment | 0 | 250 | 250 | 0 |
| Clothing/Boots | 1,754 | 2,650 | 2,250 | (400) |
| Radio Parts and Supplies | 0 | 500 | 500 | 0 |
| Aggregate | 4,632 | 7,000 | 5,000 | (2,000) |
| Motor Fuel | 10,633 | 10,000 | 12,000 | 2,000 |
| Small Items of Equipment | 3,836 | 5,000 | 6,000 | 1,000 |
| | <u>30,704</u> | <u>38,600</u> | <u>36,200</u> | <u>(2,400)</u> |
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 58,222 | 100,000 | 204,000 | 104,000 |
| Wetland Mitigation Services | 14,842 | 5,000 | 5,000 | 0 |
| City Attorney - Other Services | 952 | 0 | 3,350 | 3,350 |
| Hazardous Materials Testing | 2,700 | 2,800 | 2,800 | 0 |
| Contract Services | 235 | 3,500 | 3,500 | 0 |
| Telephone | 2,352 | 2,700 | 2,700 | 0 |
| Cell Phones | 1,134 | 500 | 500 | 0 |
| Travel & Subsistence | 84 | 200 | 200 | 0 |
| Work Equip & Machine Rental | 1,957 | 4,000 | 4,000 | 0 |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--|--------------------|--------------------|--------------------|----------------------------|
| Motor Pool Charges | 49,500 | 24,800 | 40,080 | 15,280 |
| Insurance | 26,407 | 23,900 | 41,260 | 17,360 |
| Hazardous Waste Disposal | 23,413 | 13,400 | 30,000 | 16,600 |
| Brush Disposal | 2,258 | 2,000 | 2,000 | 0 |
| Equipment R&M | 5,670 | 500 | 1,750 | 1,250 |
| Vehicle R&M | 10,721 | 8,000 | 13,000 | 5,000 |
| Laundry Services | 1,039 | 1,050 | 1,050 | 0 |
| Training & Registration | 214 | 1,500 | 1,500 | 0 |
| Taxes And Assessments | 0 | 3,500 | 3,500 | 0 |
| Vactor Service | 16,203 | 22,000 | 22,000 | 0 |
| | 217,904 | 219,350 | 382,190 | 162,840 |
| INTERGOVERNMENTAL SVCS | | | | |
| Mukilteo Water District | 24,755 | 30,000 | 30,000 | 0 |
| Snohomish County - ILA | 0 | 2,000 | 2,000 | 0 |
| WRIA ILA | 6,965 | 9,000 | 9,000 | 0 |
| Dept of Ecology | 10,010 | 10,000 | 10,500 | 500 |
| Taxes and Assessments | 21,874 | 15,000 | 15,000 | 0 |
| | 63,604 | 66,000 | 66,500 | 500 |
| CAPITAL OUTLAYS | | | | |
| 92nd Street Park Retrofit | 0 | 0 | 30,000 | 30,000 |
| Smuggler's Gulch Stormwater | 341 | 125,000 | 928,000 | 803,000 |
| 61st Street Culvert Replacement | 29,758 | 210,000 | 210,000 | 0 |
| Fence Replacement | 8,601 | 0 | 0 | 0 |
| Lamar Drive Storm Drain Improvement | 0 | 19,800 | 0 | (19,800) |
| Computer Equipment Upgrade - GIS Sys | 0 | 76,000 | 0 | (76,000) |
| Computer Hardware | 0 | 56,300 | 0 | (56,300) |
| Building Improvements | 0 | 35,000 | 35,000 | 0 |
| Storm Drains | 0 | 43,000 | 30,000 | (13,000) |
| Japanese Gulch Fish Ladder | 62,130 | 170,890 | 0 | (170,890) |
| Naketa Beach Area Storm Pipe Extension | 0 | 25,000 | 25,000 | 0 |
| 63rd Street Slide Repair | 0 | 25,000 | 0 | (25,000) |
| Decant Vault | 0 | 20,000 | 83,000 | 63,000 |
| | 100,830 | 805,990 | 1,341,000 | 535,010 |
| PAYMENT FOR SERVICES | | | | |
| Overhead Costs | 166,300 | 357,100 | 190,000 | (167,100) |
| | 166,300 | 357,100 | 190,000 | (167,100) |
| TOTAL SURFACE WATER MGMT | \$1,174,052 | \$2,039,640 | \$2,647,030 | \$607,390 |

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).

Since Public Works has no mechanic, vehicles are maintained through warranties and service via an agreement with Mukilteo School District mechanics. City staff provides only minor maintenance work.

Replacement of all vehicles is handled by the Public Works Department.

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

2012 ACCOMPLISHMENTS

- Purchased and received all equipment slated for replacement in 2012.

2013 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, including an enhanced shop and equipment.

EQUIPMENT REPLACEMENT FUND - 510

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$1,157,113 | \$1,614,470 | \$2,639,615 | \$1,025,145 |
| Revenues | | | | |
| Miscellaneous | 2,770 | 0 | 0 | 0 |
| Investment Interest | 0 | 7,670 | 10,060 | 2,390 |
| Interfund Loan Interest | 0 | 3,500 | 0 | (3,500) |
| Operating Transfers In | 0 | 1,014,575 | 0 | (1,014,575) |
| Equipment Replacement Charge | 770,800 | 457,820 | 617,877 | 160,057 |
| Total Revenues | 773,570 | 1,483,565 | 627,937 | (855,628) |
| Interfund Loan Repayments | 0 | 109,000 | 0 | (109,000) |
| Total Resources | 1,930,683 | 3,207,035 | 3,267,552 | 60,517 |
| Expenditures | | | | |
| Vehicle Equip Removal | 1,048 | 2,000 | 2,000 | 0 |
| Equipment | 4,243 | 0 | 0 | 0 |
| Capital Outlay | 361,132 | 352,100 | 1,890,300 | 1,538,200 |
| Total Expenditures | 366,422 | 354,100 | 1,892,300 | 1,538,200 |
| Ending Fund Balance | \$1,564,261 | \$2,852,935 | \$1,375,252 | (\$1,477,683) |

Facilities Maintenance

PURPOSE

The Facilities Maintenance Division maintains
22 City buildings, including:

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

| | 2011 | 2012 | 2013 |
|---------------------|--------|------|------|
| | Actual | Est. | Est. |
| Plumbing Repairs | 20 | 10 | 10 |
| Electrical Repairs | 15 | 25 | 20 |
| Painting (interior) | 1 | 1 | 2 |
| Painting (exterior) | 0 | 1 | 2 |
| Roof repairs | 0 | 2 | 0 |
| Security systems | 1 | 3 | 1 |
| Furniture Repairs | 1 | 0 | 1 |
| Interior remodels | 0 | 0 | 10 |
| Damage repair | 100 | 50 | 35 |

2013 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 | | | | |
|--|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Balance | \$67,448 | \$101,700 | \$121,160 | \$19,460 |
| Revenues | | | | |
| Miscellaneous | 86 | 3,500 | 0 | (3,500) |
| Grant Revenue | 0 | 13,000 | 0 | (13,000) |
| ARRA Funds | 0 | 42,930 | 0 | (42,930) |
| Operating Transfers In | 422,000 | 400,000 | 450,000 | 50,000 |
| Total Revenues | 422,086 | 459,430 | 450,000 | (9,430) |
| Total Resources | 489,534 | 561,130 | 571,160 | 10,030 |
| Expenditures | | | | |
| Salaries & Wages | 70,026 | 81,700 | 87,890 | 6,190 |
| Personnel Benefits | 29,680 | 34,700 | 49,780 | 15,080 |
| Supplies | 30,676 | 39,500 | 40,300 | 800 |
| Other Services & Charges | 243,752 | 279,940 | 302,290 | 22,350 |
| Capital Outlay | 2,190 | 76,930 | 17,500 | (59,430) |
| Total Expenditures | 376,322 | 512,770 | 497,760 | (15,010) |
| Ending Fund Balance | \$113,212 | \$48,360 | \$73,400 | \$25,040 |

FACILITIES MAINTENANCE

Fund: Facilities Maintenance - 518

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 70,026 | 79,400 | 85,590 | 6,190 |
| Part Time Employees | 0 | 0 | 0 | 0 |
| Overtime | 0 | 2,300 | 2,300 | 0 |
| | <u>70,026</u> | <u>81,700</u> | <u>87,890</u> | <u>6,190</u> |
| PERSONNEL BENEFITS | | | | |
| FICA | 5,376 | 6,300 | 6,730 | 430 |
| PERS | 4,271 | 5,900 | 6,340 | 440 |
| L&I | 1,618 | 2,600 | 2,620 | 20 |
| Medical Benefits | 13,566 | 14,500 | 28,300 | 13,800 |
| Teamsters Pension | 1,954 | 2,300 | 2,350 | 50 |
| Unemployment Compensation | 0 | 200 | 0 | (200) |
| Dental Benefits | 2,184 | 1,800 | 2,320 | 520 |
| Vision Benefits | 61 | 200 | 160 | (40) |
| Life Insurance | 202 | 300 | 300 | 0 |
| Long Term Disability Insurance | 448 | 600 | 660 | 60 |
| | <u>29,680</u> | <u>34,700</u> | <u>49,780</u> | <u>15,080</u> |
| SUPPLIES | | | | |
| Office Supplies | 681 | 1,000 | 1,000 | 0 |
| Operating Supplies | 26,053 | 30,000 | 30,000 | 0 |
| Clothing/Boots | 532 | 500 | 1,300 | 800 |
| Motor Fuel | 2,164 | 7,000 | 7,000 | 0 |
| Small Items of Equipment | 1,138 | 1,000 | 1,000 | 0 |
| Operating Supplies - Rosehill | 107 | 0 | 0 | 0 |
| | <u>30,676</u> | <u>39,500</u> | <u>40,300</u> | <u>800</u> |

Continued on next page

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------------|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Contract Services | 30 | 3,000 | 9,000 | 6,000 |
| Cell Phone | 379 | 500 | 500 | 0 |
| Travel & Subsistence | 50 | 0 | 0 | 0 |
| Work Equip & Machine Rental | 0 | 0 | 500 | 500 |
| Insurance | 652 | 700 | 440 | (260) |
| Natural Gas | 6,958 | (66,800) | 9,940 | 76,740 |
| Electricity | 6,096 | 85,040 | 8,310 | (76,730) |
| Sewer Service | 5,111 | 15,400 | 15,550 | 150 |
| Garbage Services | (1,607) | 0 | 0 | 0 |
| Water Service | 1,913 | 1,980 | 2,000 | 20 |
| Storm Drainage Charges | 468 | 670 | 670 | 0 |
| Alarm System | 12,510 | 15,000 | 20,000 | 5,000 |
| Bldg & Fixture M&R | 59,040 | 18,320 | 26,090 | 7,770 |
| Vehicle R&M | 1,055 | 800 | 800 | 0 |
| Janitorial Services | 24,606 | 27,500 | 28,000 | 500 |
| Taxes And Assessments | 766 | 2,900 | 2,900 | 0 |
| Electricity - City Hall | 22,313 | 23,740 | 23,740 | 0 |
| Sewer Service - City Hall | 404 | 1,460 | 1,470 | 10 |
| Water Service - City Hall | 1,569 | 1,450 | 1,460 | 10 |
| Storm Drainage Charges - City Hall | 433 | 460 | 460 | 0 |
| Alarm System - City Hall | 642 | 0 | 0 | 0 |
| Bldg & Fixture M&R - City Hall | 4,357 | 4,710 | 4,140 | (570) |
| Bldg & Fixture M&R - Rosehill | 196 | 0 | 5,470 | 5,470 |
| Natural Gas - Police | 4,142 | 4,960 | 4,970 | 10 |
| Electricity - Police | 32,669 | 0 | 35,620 | 35,620 |
| Sewer Service - Police | 5,278 | 11,870 | 11,980 | 110 |
| Water Service - Police | 2,135 | 1,220 | 1,230 | 10 |
| Storm Drainage Charges - Police | 5,053 | 5,370 | 5,370 | 0 |
| Alarm System - Police | 1,548 | 0 | 0 | 0 |
| Bldg & Fixture M&R - Police | 1,954 | 8,440 | 7,410 | (1,030) |
| Natural Gas - Fire | 9,865 | 13,210 | 13,220 | 10 |
| Electricity - Fire | 13,549 | 53,010 | 17,390 | (35,620) |
| Sewer Service - Fire | 7,880 | 24,770 | 25,010 | 240 |
| Water Service - Fire | 4,097 | 3,340 | 3,370 | 30 |
| Storm Drainage Charges - Fire | 3,190 | 3,390 | 3,390 | 0 |
| Alarm System - Fire | 390 | 0 | 0 | 0 |
| Bldg & Fixture M&R - Fire | 4,059 | 13,530 | 11,890 | (1,640) |
| | 243,751 | 279,940 | 302,290 | 22,350 |
| CAPITAL OUTLAYS | | | | |
| Building Improvements | 2,190 | 76,930 | 17,500 | (59,430) |
| | 2,190 | 76,930 | 17,500 | (59,430) |
| TOTAL FACILITIES MAINTENANCE | \$376,322 | \$512,770 | \$497,760 | (\$15,010) |



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

RECREATION AND CULTURAL SERVICES

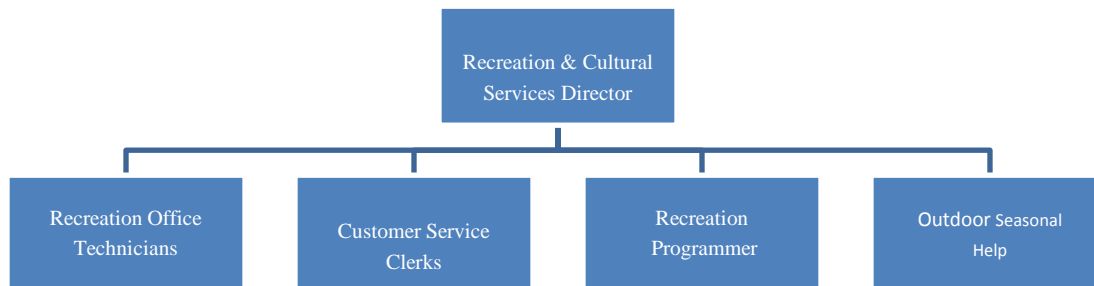
The Recreation and Cultural Services Department provides community recreation, enrichment and wellness opportunities. The philosophy of the Recreation Department is to plan and coordinate quality programs as a direct facilitator or in partnership with other groups and organizations that will aid in the 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

| Position Title | 2012 | 2013 |
|---------------------------------------|------------|------------|
| Recreation Director | 1.0 | 1.0 |
| Office Technician | 2.0 | 2.0 |
| Customer Service Clerk - (4 PT @ 50%) | 2.0 | 2.0 |
| Recreation Programmer | 1.0 | 1.0 |
| Outdoor Seasonal Event Monitors | 0.5 | 0.5 |
| Total | 6.5 | 6.5 |

| RECREATION DEPT. EXPENDITURE SUMMARY | 2011 Actuals | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|------------------|------------------|------------------|----------------------------|
| Recreation Department | \$560,002 | \$659,310 | \$684,200 | \$24,890 |
| TOTAL | \$560,002 | \$659,310 | \$684,200 | \$24,890 |

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.

- Planned and coordinated city special events, and assisted with co-sponsored events.
- Developed and launched a Facebook page for the Rosehill Community Center.
- Processed 25 special event applications for the City of Mukilteo.

PERFORMANCE INDICATORS

| | 2011 | 2012 | 2013 |
|------------------------------|--------|-------|-------|
| | Actual | Est. | Est. |
| Recreation Program Offerings | 319 | 382 | 400 |
| Registration Transactions | 4,389 | 4,433 | 4,500 |
| City Co-Sponsored Events* | 6 | 6 | 6 |
| Community Center Rentals | 256 | 405 | 400 |
| Wedding Circle Rentals | 10 | 11 | 10 |
| Picnic Shelter Rentals | 175 | 180 | 175 |
| Lightstation Grounds Rentals | 19 | 25 | 22 |

*Co-Sponsored Events for 2012 Include:

Farmers Market, Lighthouse Festival, Tree Lighting, Holiday Art Mart, Waterfront Art Festival, Kamiak Performing Arts Spring Showcase

2012 ACCOMPLISHMENTS

- Held first Lottery for the Point Elliott Room on Sunday, April 1, 2012. Twelve dates were booked.
- Held a Chamber after Hours event on April 12, 2012 with about 80 people in attendance and Wii bowling.
- Implemented the Art Gallery program at the Rosehill Community Center with 4 different shows being hung in 2012.
- Prepared three Recreation Guides in combination with the City Views.
- Held 2 outdoor movies in August on the plaza at the Rosehill Community Center.
- Held 3 free Summer Brown Bag Lunch concerts and 2 free Music on the Plaza events in the evening.
- The Recreation Department sponsored 4 free community events at the Rosehill Community Center in 2012, (Valentine Dance, Touch A Truck, Boo Bash, and Community Garage Sale).
- Staff partnered with Chamber and Lighthouse Festival Committees to coordinate Lighthouse Festival events.

2013 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 new programs and activities to add to the City recreation programming and events in a variety of mediums to a variety of ages.
- Research, plan and implement specific programming for the older adult population.
- Develop and implement a marketing plan for the Recreation Department to bring customers to the Community Center to participate in activities, events and rentals.
- Through collaboration with Theatre Groups, further develop the performing arts components into the Community Center use.
- 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 to provide the most efficient and effective methods of operation.

| RECREATION & CULTURAL SERVICES FUND - 114 | | | | |
|--|------------------------|------------------------|------------------------|------------------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$112,306 | \$208,930 | \$245,807 | \$36,877 |
| Revenues | | | | |
| Rec Program Fees | 108,760 | 120,000 | 130,000 | 10,000 |
| Farmers Market Booth Fees | 693 | 650 | 650 | 0 |
| Event Monitor Fees | 0 | 14,500 | 0 | (14,500) |
| Off Hour Staffing Fees | 15,620 | 0 | 0 | 0 |
| Set Up/Clean Up Fees | 11,360 | 11,000 | 0 | (11,000) |
| Theater Technician Fees | 900 | 1,000 | 1,500 | 500 |
| Special Event Permits | 275 | 300 | 500 | 200 |
| Investment Interest | 303 | 200 | 200 | 0 |
| Community Center Room Rental | 213,276 | 191,310 | 305,810 | 114,500 |
| Outdoor Rental | 0 | 3,500 | 4,500 | 1,000 |
| Weight Room Fees | 5,315 | 4,000 | 8,000 | 4,000 |
| Miscellaneous Revenue | (65) | 0 | 0 | 0 |
| Parking Rental - Long Term | 7,320 | 6,500 | 11,250 | 4,750 |
| Picnic Shelter Rental | 11,595 | 11,500 | 11,500 | 0 |
| Light Station Wedding Rentals | 6,495 | 4,500 | 4,500 | 0 |
| Operating Transfers In | 242,300 | 234,400 | 100,000 | (134,400) |
| Total Revenues | 624,147 | 603,360 | 578,410 | (24,950) |
| Total Resources | 736,453 | 812,290 | 824,217 | 11,927 |
| Expenditures | | | | |
| Salaries & Wages | 260,008 | 284,000 | 299,190 | 15,190 |
| Personnel Benefits | 89,976 | 106,820 | 113,600 | 6,780 |
| Supplies | 13,616 | 16,280 | 15,100 | (1,180) |
| Other Services & Charges | 196,404 | 252,210 | 256,310 | 4,100 |
| Total Expenditures | 560,002 | 659,310 | 684,200 | 24,890 |
| Ending Fund Balance | \$176,451 | \$152,980 | \$140,017 | (\$12,963) |

RECREATION & CULTURAL SERVICES

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|--------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| SALARIES & WAGES | | | | |
| Full Time Employees | 195,846 | 215,700 | 242,670 | 26,970 |
| Part Time Employees | 63,640 | 67,800 | 56,020 | (11,780) |
| Overtime | 521 | 500 | 500 | 0 |
| | 260,008 | 284,000 | 299,190 | 15,190 |
| PERSONNEL BENEFITS | | | | |
| FICA | 20,028 | 27,520 | 22,850 | (4,670) |
| PERS | 16,227 | 18,900 | 21,370 | 2,470 |
| L&I | 1,509 | 1,500 | 1,645 | 145 |
| Medical Benefits | 39,606 | 41,400 | 51,290 | 9,890 |
| Unemployment Compensation | 0 | 5,800 | 0 | (5,800) |
| Vehicle Allowance | 2,400 | 2,400 | 2,400 | 0 |
| Dental Benefits | 4,760 | 3,100 | 6,520 | 3,420 |
| Vision Benefits | 441 | 800 | 1,415 | 615 |
| Life Insurance | 629 | 700 | 810 | 110 |
| Long Term Disability Insurance | 1,393 | 1,600 | 1,800 | 200 |
| Medical Opt-Out Incentive | 2,982 | 3,100 | 3,500 | 400 |
| | 89,976 | 106,820 | 113,600 | 6,780 |
| SUPPLIES | | | | |
| Office Supplies | 6,957 | 8,100 | 6,100 | (2,000) |
| Operating Supplies | 5,451 | 5,180 | 6,000 | 820 |
| Clothing/Boots | 0 | 500 | 500 | 0 |
| Motor Fuel | 0 | 200 | 200 | 0 |
| Small Items of Equipment | 1,208 | 2,300 | 2,300 | 0 |
| | 13,616 | 16,280 | 15,100 | (1,180) |

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| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---|------------------|------------------|------------------|----------------------------|
| OTHER SERVICES & CHARGES | | | | |
| Other Professional Services | 3,166 | 7,310 | 12,575 | 5,265 |
| Instructors Professional Services | 66,246 | 90,000 | 80,000 | (10,000) |
| WSU Beach Watchers | 6,800 | 6,800 | 6,800 | 0 |
| Telephone | 6,990 | 6,400 | 5,500 | (900) |
| Postage | 1,287 | 2,000 | 2,000 | 0 |
| Cell Phone | 444 | 500 | 500 | 0 |
| Comcast | 4,245 | 4,800 | 4,800 | 0 |
| Travel & Subsistence | 384 | 1,100 | 1,100 | 0 |
| Advertising | 3,737 | 3,900 | 3,900 | 0 |
| Community Advertising - Recreation Guide | 31,565 | 34,500 | 34,500 | 0 |
| Work Equipment & Machine Rental | 1,301 | 1,500 | 1,500 | 0 |
| Short-Term Facility/Field Rental | 338 | 0 | 300 | 300 |
| Insurance | 2,172 | 15,400 | 17,780 | 2,380 |
| Natural Gas | 1,591 | 5,000 | 2,775 | (2,225) |
| Electricity | 29,656 | 25,000 | 25,000 | 0 |
| Sewer Service | 4,128 | 8,000 | 15,680 | 7,680 |
| Water Service | 4,948 | 2,500 | 4,900 | 2,400 |
| Storm Drainage Charges | 3,864 | 7,800 | 7,800 | 0 |
| Alarm System | 2,221 | 0 | 2,200 | 2,200 |
| Office Equipment M&R | 5,080 | 8,500 | 8,500 | 0 |
| Other Maintenance & Repair | 709 | 900 | 900 | 0 |
| Vehicle R&M | 27 | 100 | 100 | 0 |
| Association Dues & Memberships | 653 | 700 | 700 | 0 |
| Printing and Binding | 485 | 500 | 500 | 0 |
| Contractual Services | 13,452 | 18,000 | 15,000 | (3,000) |
| Training & Registration | 334 | 400 | 400 | 0 |
| Miscellaneous | 582 | 600 | 600 | 0 |
| | 196,405 | 252,210 | 256,310 | 4,100 |
| TOTAL RECREATION & CULTURAL SVCS | \$560,002 | \$659,310 | \$684,200 | \$24,890 |



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.

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:

- 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."

In 2009, the City issued a 20 year **Limited Tax General Obligation (LTGO) Bond** to construct a new community center. The LTGO Bond was issued for \$12,585,000 and matures in 2029.

| LIMITED TAX GENERAL OBLIGATION BOND FUND - 275 | | | | |
|--|----------------|------------------|------------------|----------------------------|
| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
| Beginning Fund Balance | \$7,400 | \$7,160 | \$398,480 | \$391,320 |
| Revenues | | | | |
| Investment Interest | 23 | 10 | 10 | 0 |
| Bond Proceeds | 3 | 0 | 0 | 0 |
| Transfers In | 909,350 | 1,299,968 | 514,330 | (785,638) |
| Total Revenues | 909,376 | 1,299,978 | 514,340 | (785,638) |
| Total Resources | 916,776 | 1,307,138 | 912,820 | (394,318) |
| Expenditures | | | | |
| Administration Fee | 300 | 400 | 400 | 0 |
| Bond Principal | 470,000 | 480,000 | 495,000 | 15,000 |
| Bond Interest | 439,313 | 425,250 | 410,820 | (14,430) |
| Total Expenditures | 909,613 | 905,650 | 906,220 | 570 |
| Ending Fund Balance | \$7,164 | \$401,488 | \$6,600 | (\$394,888) |



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 237 is a summary of the 2013 Capital Improvement budget totaling \$2,486,000. On subsequent pages are descriptions of planned capital improvement projects. Estimated Project Costs include engineering design and construction costs, as well as an estimate of on-going expenses where applicable. 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 2012 are:

- Japanese Gulch Phase III – Fish Passage
- Pavement Improvements – Goat Trail neighborhood
- Earth Mother Sculpture
- Fiber Optic Connection Between City Buildings
- Lighting Upgrades

Capital Facilities Plan Summary

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

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

Projects are identified and separated into five categories:

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

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

Given the current uncertain economic environment, it is difficult to accurately estimate project costs and project revenues beyond two years. Therefore, it is likely this 6-year plan is only accurate for the first two years. That is why, along with the fact new revenues have significantly declined, few projects are shown as being built during the years 2012-2015. An update of the CFP will thus be necessary in 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.

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.

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 2013 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.

Key projects included in the 2013 Capital Plan are listed on the following page.



2013 CAPITAL PROJECTS SUMMARY BY FUND

| Project Description | General | Arterial Street | Parks Acquisition | REET I | REET II | Surface Water | Project Total | Project Grants |
|--------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| Pedestrian Overpass | \$ 15,000 | | | | | | \$ 15,000 | \$ - |
| Chip Seal | | \$ 150,000 | | | \$ 295,000 | | \$ 445,000 | \$ - |
| Fence at Pioneer Cemetery | | | \$ 16,000 | | | | \$ 16,000 | \$ - |
| Byers Family Park | | | \$ 25,000 | | | | \$ 25,000 | \$ 10,000 |
| 92nd Street Park Retrofit | | | \$ 10,000 | | \$ 10,000 | \$ 30,000 | \$ 50,000 | \$ - |
| Japanese Gulch | | | \$ 10,000 | | | | \$ 10,000 | \$ - |
| Interpretive Signs | | | | \$ 1,500 | | | \$ 1,500 | \$ - |
| Park Street Bulkhead | | | | \$ 30,000 | \$ 70,000 | | \$ 100,000 | \$ - |
| Council Chambers Renovations | | | | \$ 7,500 | | | \$ 7,500 | \$ - |
| 61st Place Retaining Wall | | | | \$ 82,500 | | | \$ 82,500 | \$ 72,188 |
| School Crosswalk Flasher | | | | \$ 12,000 | | | \$ 12,000 | \$ - |
| Lighting Retrofit | | | | \$ 15,000 | | | \$ 15,000 | \$ 3,500 |
| School Zone Flashers | | | | \$ 15,000 | | | \$ 15,000 | \$ - |
| 3rd and Lincoln Streetlight | | | | \$ 15,000 | | | \$ 15,000 | \$ - |
| Shared-use Path to Everett | | | | \$ 225,500 | | | \$ 225,500 | \$ 195,000 |
| 92nd Street Sidewalk Repair | | | | | \$ 25,000 | | \$ 25,000 | \$ - |
| 76th Street Sidewalk | | | | | \$ 115,000 | | \$ 115,000 | \$ 98,000 |
| Smugglers Gulch Stormwater | | | | | | \$ 928,000 | \$ 928,000 | \$ 600,000 |
| 61st Place Culvert Replacement | | | | | | \$ 210,000 | \$ 210,000 | \$ - |
| Decant Station Roof | | | | | | \$ 35,000 | \$ 35,000 | \$ - |
| Decant Vault | | | | | | \$ 83,000 | \$ 83,000 | \$ - |
| 2nd Street Storm Realignment | | | | | | \$ 30,000 | \$ 30,000 | \$ - |
| Naketa Beach Storm Extension | | | | | | \$ 25,000 | \$ 25,000 | \$ - |
| TOTALS | \$ 15,000 | \$ 150,000 | \$ 61,000 | \$ 404,000 | \$ 515,000 | \$ 1,341,000 | \$ 2,486,000 | \$ 978,688 |



ARTERIAL STREET FUND - 112

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------|------------------|------------------|----------------------------|
| Beginning Fund Balance | \$155,522 | \$153,920 | \$123,958 | (\$29,962) |
| Revenues | | | | |
| Arterial Street Fuel Tax | 135,254 | 136,400 | 131,300 | (5,100) |
| Grant Revenue | 253,958 | 0 | 0 | 0 |
| Investment Interest | 298 | 250 | 370 | 120 |
| Total Revenues | 389,510 | 136,650 | 131,670 | (4,980) |
| Total Resources | 545,032 | 290,570 | 255,628 | (34,942) |
| Expenditures | | | | |
| Capital Outlay | 391,113 | 167,586 | 150,000 | (17,586) |
| Total Expenditures | 391,113 | 167,586 | 150,000 | (17,586) |
| Ending Fund Balance | \$153,919 | \$122,984 | \$105,628 | (\$17,356) |

PARK ACQUISITION & DEVELOPMENT FUND - 322

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|---------------------------------|------------------|------------------|------------------|----------------------------|
| Beginning Fund Balance | \$111,632 | \$149,870 | \$131,051 | (\$18,819) |
| Revenues | | | | |
| Grant Revenues | 257,472 | 220,000 | 0 | (220,000) |
| Park Mitigation Fees | 29,256 | 25,000 | 30,000 | 5,000 |
| Investment Interest | 125 | 100 | 200 | 100 |
| Total Revenues | 286,852 | 245,100 | 30,200 | (214,900) |
| Total Resources | 398,484 | 394,970 | 161,251 | (233,719) |
| Expenditures | | | | |
| Interfund Loan Interest Expense | 154 | 0 | 0 | 0 |
| Capital Outlay | 375,104 | 270,000 | 61,000 | (209,000) |
| Total Expenditures | 375,258 | 270,000 | 61,000 | (209,000) |
| Ending Fund Balance | \$23,226 | \$124,970 | \$100,251 | (\$24,719) |

**TRANSPORTATION IMPACT FEE FUND - 323**

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$92,046 | \$131,880 | \$226,803 | \$94,923 |
| Revenues | | | | |
| Street Mitigation Fees | 39,617 | 98,600 | 120,000 | 21,400 |
| Investment Interest | 220 | 100 | 170 | 70 |
| Total Revenues | 39,837 | 98,700 | 120,170 | 21,470 |
| Total Resources | 131,883 | 230,580 | 346,973 | 116,393 |
| Expenditures | | | | |
| Transfer to LTGO Bond Fund | 0 | 0 | 250,000 | 250,000 |
| Capital Outlay | 0 | 116,000 | 0 | (116,000) |
| Total Expenditures | 0 | 116,000 | 250,000 | 134,000 |
| Ending Fund Balance | \$131,883 | \$114,580 | \$96,973 | (\$17,607) |

REAL ESTATE EXCISE TAX I FUND - 331

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$5,093,991 | \$4,582,770 | \$4,341,836 | (\$240,934) |
| Revenues | | | | |
| Local Real Estate Excise Tax | 410,309 | 350,000 | 320,775 | (29,225) |
| Grant Revenues | 0 | 1,959,500 | 277,500 | (1,682,000) |
| ILA Revenue | 0 | 120,000 | 0 | (120,000) |
| Investment Interest | 9,626 | 7,500 | 7,030 | (470) |
| Operating Transfers In | 0 | 0 | 250,000 | 250,000 |
| PUD Lighting Rebate | 0 | 0 | 3,500 | 3,500 |
| Interest on Interfund Loans | 154 | 0 | 0 | 0 |
| Total Revenues | 420,088 | 2,437,000 | 858,805 | (1,578,195) |
| Total Resources | 5,514,079 | 7,019,770 | 5,200,641 | (1,819,129) |
| Expenditures | | | | |
| Services and Charges | 1,177 | 1,500 | 1,500 | 0 |
| Transfer to LTGO Bond Fund | 839,300 | 835,500 | 444,530 | (390,970) |
| Capital Outlay | 95,710 | 2,444,245 | 402,500 | (2,041,745) |
| Total Expenditures | 936,186 | 3,281,245 | 848,530 | (2,432,715) |
| Ending Fund Balance | \$4,577,893 | \$3,738,525 | \$4,352,111 | \$613,586 |


REAL ESTATE EXCISE TAX II FUND - 332

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$366,566 | \$296,290 | \$314,520 | \$18,230 |
| Revenues | | | | |
| Local Real Estate Excise Tax | 300,000 | 350,000 | 320,775 | (29,225) |
| Grants | 0 | 65,000 | 98,000 | 33,000 |
| Investment Interest | 7,050 | 500 | 630 | 130 |
| Total Revenues | 307,050 | 415,500 | 419,405 | 3,905 |
| Total Resources | 673,616 | 711,790 | 733,925 | 22,135 |
| Expenditures | | | | |
| Capital Outlay | 518,000 | 379,500 | 515,000 | 135,500 |
| Transfer to LTGO Bond Fund | 70,050 | 69,800 | 69,800 | 0 |
| Total Expenditures | 588,050 | 449,300 | 584,800 | 135,500 |
| Ending Fund Balance | \$85,566 | \$262,490 | \$149,125 | (\$113,365) |

MUNICIPAL FACILITIES FUND - 341

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$170 | \$18,570 | \$183,690 | \$165,120 |
| Revenues | | | | |
| Investment Interest | 0 | 0 | 276 | 276 |
| Total Revenues | 0 | 0 | 276 | 276 |
| Total Resources | 170 | 18,570 | 183,966 | 165,396 |
| Expenditures | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Ending Fund Balance | \$170 | \$18,570 | \$183,966 | \$165,396 |


COMMUNITY CENTER PROJECT FUND - 375

| | 2011 Actual | 2012 Budget | 2013 Budget | \$ Increase/ (Decrease) |
|-------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| Beginning Fund Balance | \$2,621,575 | \$493,708 | \$0 | (\$493,708) |
| Revenues | | | | |
| Interest Earnings | 2,169 | 0 | 0 | 0 |
| Total Revenues | 2,169 | 0 | 0 | 0 |
| Total Resources | 2,623,744 | 493,708 | 0 | (493,708) |
| Expenditures | | | | |
| Capital Outlay | 2,097,040 | 99,040 | 0 | (99,040) |
| Transfers Out | 0 | 394,668 | 0 | (394,668) |
| Total Expenditures | 2,097,040 | 493,708 | 0 | (493,708) |
| Ending Fund Balance | \$526,704 | \$0 | \$0 | \$0 |

The following charts highlight each capital project budgeted for 2013, including a brief description of the project(s), funding source(s), amount budgeted, estimated on-going expenditures if applicable and the estimated project schedule.

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|---|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|---|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|---|
| 1 | | Pedestrian Bike Bridge | | | | | | | | | | | | ST130005.6206230 | | | | | | \$ | 15,000 | | | | |
| | Mukilteo Multimodal Pedestrian-Bike bridge to Sound Transit Park & Ride | | | | | | | | | | | | | Funding Source: General Fund 011.90.595.620.6230 | | | | | | \$ | 15,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | D | D | D | D | D | D | D | D | D | D | D | D | D | D | D | D | D | C | C | C | C | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | | Annual Chip Seal | | | | | | | | | | | | ST130001.6066520 | | | | | | \$ | 445,000 | | | | |
| | | | | | | | | | | | | | | Funding Source: Arterial Street & REET II Funds 112.90.595.606.6520 | | | | | | \$ | 150,000 | | | | |
| | | | | | | | | | | | | | | 332.90.595.606.6520 | | | | | | \$ | 295,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | | | | | | | | | C | C | | | | | | | | | | | | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | | Japanese Gulch Trail Construction | | | | | | | | | | | | PL85802.332656c | | | | | | \$ | 10,000 | | | | |
| | | | | | | | | | | | | | | Funding Source: Park Acq & Dev Fund 322.90.594.800.6560 | | | | | | \$ | 10,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | | | | | | C | C | C | C | | | | | | | | | | | | | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | | 92nd Street Park Retrofit | | | | | | | | | | | | PK130001.6066520 | | | | | | \$ | 50,000 | | | | |
| | | | | | | | | | | | | | | Funding Source: Park Acq & Dev, REET II, SWM Funds 322.90.594.310.6114 | | | | | | \$ | 10,000 | | | | |
| | | | | | | | | | | | | | | 332.90.594.310.6114 | | | | | | \$ | 10,000 | | | | |
| | | | | | | | | | | | | | | 440.90.594.310.6114 | | | | | | \$ | 30,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | | | | | D | D | | | C | C | | | | | | | | | | | | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | | Byers Family Marine View Park | | | | | | | | | | | | PK130002.3106113 | | | | | | \$ | 25,000 | | | | |
| | | | | | | | | | | | | | | Funding Source: Park Acq & Dev Fund 322.90.594.310.6113 | | | | | | \$ | 25,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | | | | | | | | | | C | | | | | | | | | | | | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | | Replacement Fence at Pioneer Cemetary | | | | | | | | | | | | PW130001.3106110 | | | | | | \$ | 16,000 | | | | |
| | | | | | | | | | | | | | | Funding Source: Park Acq & Dev Fund 322.90.594.310.6110 | | | | | | \$ | 16,000 | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| | | | | | | C | | | | | | | | | | | | | | | | | | | |
| On-Going Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|------|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|--|------------------|--|--|--|--|--|--|--|--|--|--|--|-----------|--|
| 7 | | Interpretive Signage | | | | | | | | | | | | PL110003.3314106 | | | | | | | | | | | | \$ 1,500 | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.594.207.4106 | | | | | | | | | | | | \$ 1,500 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | D | D | D | D | D | D | D | D | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | 61st Place Retaining Wall Failure | | ST10003.6056510 | | | | | | | | | | | | \$ 82,500 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.595.605.6510 | | | | | | | | | | | | \$ 82,500 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | | | | | | D | D | | | | | | | C | C | C | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | 47th Place West & HP Blvd Crosswalk Flashers | | ST10002.6406324 | | | | | | | | | | | | \$ 12,000 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.595.640.6324 | | | | | | | | | | | | \$ 12,000 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | C | | | | | | D | D | | | | | | | C | C | C | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | Council Chamber Renovations | | FC130001.3206211 | | | | | | | | | | | | \$ 7,500 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.594.320.6211 | | | | | | | | | | | | \$ 7,500 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | | | Lighting Retrofit | | ST30003.6306329 | | | | | | | | | | | | \$ 15,000 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.595.630.6329 | | | | | | | | | | | | \$ 15,000 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | | C | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | | | | | | | | | | | | School Zone Flashers | | PE130002.6406319 | | | | | | | | | | | | \$ 15,000 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.594.640.6319 | | | | | | | | | | | | \$ 15,000 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | | | C | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | | | | | | | 3rd & Lincoln Street Light Replacement | | ST130004.6306301 | | | | | | | | | | | | \$ 15,000 | |
| | | | | | | | | | | | | | | Funding Source: Real Estate Excise Tax I Fund 331.90.594.640.6319 | | | | | | | | | | | | \$ 15,000 | | | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | | | | | | | | | | |
| | | | | | | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|------|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----------|--|
| 21 | | Decant Vault | | | | | | | | | | | | SW 120005.3926313 | | | | | | | | | | | | \$ 83,000 | |
| | | | | | | | | | | | | | | <u>Funding Source: Surface Water Management Fund</u> 440.90.594.392.6213 \$ 83,000 | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | |
| | D | D | D | | | | C | C | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|------|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----------|--|
| 22 | | 2nd Street Storm System Realignment | | | | | | | | | | | | SW 120002.3926310 | | | | | | | | | | | | \$ 30,000 | |
| | | | | | | | | | | | | | | <u>Funding Source: Surface Water Management Fund</u> 440.90.594.392.6210 \$ 30,000 | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | |
| | | | | | | | | C | C | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|------|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----------|--|
| 23 | | Naketa Beach Area Storm Extension | | | | | | | | | | | | SW 120004.3926312 | | | | | | | | | | | | \$ 25,000 | |
| | | | | | | | | | | | | | | <u>Funding Source: Surface Water Management Fund</u> 440.90.594.392.6312 \$ 25,000 | | | | | | | | | | | | | |
| Project Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design - Const On-Going Expense | 2013 | | | | | | | | | | | | 2014 | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | |
| | | | | | | | | | C | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



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
Annual Salary Position Matrix - 2013 Budget

| Group | Position Title | FTE | 2011 Staff | 2011 FTEs | 2012 Staff | 2012 FTEs | 2013 Staff | 2013 FTEs | Pay Grade | 2013 Annual Salary Range |
|-----------------|-----------------------------------|------|------------|-----------|------------|-----------|------------|-----------|-------------|--------------------------|
| NON-REPRESENTED | City Administrator | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | By Contract | 118,755 |
| | Fire Chief | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N130 | 91,349 - 111,036 |
| | Police Chief | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N130 | 91,349 - 111,036 |
| | Public Works Director | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N130 | 91,349 - 111,036 |
| | Finance Director | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N124 | 86,054 - 104,600 |
| | Planning & Comm Dev Director | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N124 | 86,054 - 104,600 |
| | Asst Director of Planning & CD | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N123 | 85,211 - 103,575 |
| | Assistant Fire Chief | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N120 | 82,697 - 100,520 |
| | Police Commander | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N120 | 82,697 - 100,520 |
| | Assistant City Engineer | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N112 | 76,372 - 92,830 |
| | Recreation/Cultural Svcs Director | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N112 | 76,372 - 92,830 |
| | Public Works Superintendent | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N111 | 75,623 - 91,920 |
| | I.T. Technology Manager | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0 | N110 | 74,874 - 91,010 |
| | Fire Marshall | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N103 | 69,833 - 84,882 |
| | Accounting Services Manager | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N100 | 67,773 - 82,379 |
| | Assistant to City Administrator | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N95 | 64,483 - 78,380 |
| | City Clerk | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N88 | 60,151 - 73,114 |
| | Exec Assistant/HR Assistant | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | N88 | 60,151 - 73,114 |
| CLERICAL | Senior Planner | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C102 | 64,307 - 78,165 |
| | Senior Engineer Technician | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C101 | 63,664 - 77,384 |
| | Surface Water Technician | 100% | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 | C93 | 58,791 - 71,461 |
| | Associate Planner | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C89 | 56,501 - 68,678 |
| | Staff Accountant | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C89 | 56,501 - 68,678 |
| | Network Engineer | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0 | C88 | 55,942 - 67,998 |
| | Building Inspector II | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C86 | 54,836 - 66,654 |
| | Assistant Planner | 100% | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | C85 | 54,290 - 65,990 |
| | Permit Services Supervisor | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C85 | 54,290 - 65,990 |
| | IT Desk Support | 100% | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 | C73 | 48,175 - 58,557 |
| | Senior Dept Assistant | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C67 | 45,378 - 55,157 |
| | Accounting Technician | 100% | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | C62 | 43,166 - 52,470 |
| | Permit Services Assistant | 100% | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | C62 | 43,166 - 52,470 |
| | Recreation Office Technician | 100% | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | C62 | 43,166 - 52,470 |
| | Recreation Programmer | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C55 | 40,252 - 48,927 |
| | Department Assistant - PT | 50% | 3.0 | 1.5 | 3.0 | 1.5 | 3.0 | 1.5 | C55 | \$19.35-\$23.52/hourly |
| | Customer Service Clerk - PT | 50% | 4.0 | 2.0 | 4.0 | 2.0 | 4.0 | 2.0 | C43 | \$12.17-\$14.80/hourly |
| POLICE SUPPORT | Office Supervisor | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C85 | 54,290 - 65,990 |
| | Support Services Technician | 100% | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | C62 | 43,166 - 52,470 |
| | Community Services Officer | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C56 | 40,655 - 49,417 |
| | Support Services Assistant - PT | 50% | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.5 | C55 | \$19.35-\$23.52/hourly |

Continued on following page

Continued from previous page

| Group | Position Title | FTE | 2011 Staff | 2011 FTEs | 2012 Staff | 2012 FTEs | 2013 Staff | 2013 FTEs | Pay Grade | 2013 Annual Salary Range |
|--------------|-------------------------------------|------|------------|-----------|------------|-----------|------------|-----------|-----------|--------------------------|
| FIRE | Fire Captain | 100% | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | F-1 | 74,570 - 82,456 |
| | Fire Training Captain | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | F-1 | 74,570 - 82,456 |
| | Firefighter/Paramedic | 100% | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | F2-1 | 64,476 - 78,871 |
| | Firefighter | 100% | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | F-2 | 57,306 - 71,701 |
| POLICE | Police Sergeant | 100% | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | P-1 | 81,607 - 85,937 |
| | Crime Prevention Officer | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | P-2 | 56,287 - 72,746 |
| | Patrol Officer | 100% | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | P-2 | 56,287 - 72,746 |
| | Police Corporal | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | P-2 | 56,287 - 72,746 |
| | Police Detective | 100% | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | P-2 | 56,287 - 72,746 |
| PUBLIC WORKS | Lead Serviceworker | 100% | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | C81 | 44,234 - 53,756 |
| | Facility Maintenance Service Worker | 100% | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | C64 | 44,234 - 53,756 |
| | Park/Utility Service Worker | 100% | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | C64 | 44,234 - 53,756 |
| | Park Attendant - Seasonal / PT | 25% | 4.0 | 1.0 | 4.0 | 1.0 | 4.0 | 1.0 | C43 | \$12.17-\$14.80/hourly |
| SUBTOTAL | | | 116.0 | 109.5 | 115.0 | 108.5 | 116.0 | 109.0 | | |
| ELECTED: | | | | | | | | | | |
| | Mayor | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | | 70,800 |
| | Councilmembers | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | | 6,000 - 6,600 |
| TOTAL | | | 124.0 | 117.5 | 123.0 | 116.5 | 124.0 | 117.0 | | |

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

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

Changes in staffing levels from 2012 to 2013 are as follows:

IT: Reduced one IT Manager and one Network Engineer, added one IT Desk Support Technician

Public Works: Added one Surface Water Technician

Police: Added one 0.5 FTE Support Services Assistant



Major Employers

| Name of Business | Type of Business | Employees |
|--|--|-----------|
| The Boeing Company | Aerospace/General Office | 1,398 |
| Travis Industries | Manufacturer - Fireplaces, Stoves, Inserts | 400 |
| Electroimpact Inc | Engineering Manufacture Design | 367 |
| D3 Technologies Inc | Engineering And Drafting | 228 |
| Senior Services Of Shohomish County | Services Provided To Low Income Elderly And Disabled Persons | 200 |
| Synrad Inc | Metal, Sealed Co2 Lasers And Accessories Mfg | 130 |
| Kaasco Inc DbA Kaas Tailored | Furniture (Custom Upholstered) Mfg & Sales | 126 |
| Phoenix Central Laboratory For Veterinarians | Diagnostic Laboratory Testing Of Veterinary Samples | 125 |
| Mukilteo Family YMCA Branch | Recreation Programs - Adult/Youth | 120 |
| Diversified Industrial Svcs | Parts Assembly, Mailing, Pkg, Janitorial Svcs | 103 |
| Ivars Mukilteo Landing | Restaurant | 100 |
| Pacific Pride Seafood Co | Seafood Distribution | 95 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| General | | | | | | | | | | |
| Area (square miles) | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 |
| Population | 19,220 | 19,350 | 19,620 | 19,800 | 20,050 | 20,110 | 20,254 | 20,289 | 20,324 | 20,360 |
| Per Capita Income: U.S. Census | \$33,285 | \$34,963 | \$37,115 | \$37,115 | \$37,115 | \$40,302 | \$40,469 | \$41,342 | \$42,215 | \$43,087 |
| Unemployment Rate (Avg. - Snohomish Co.) | 5.8% | 5.1% | 4.6% | 4.3% | 5.4% | 9.5% | 9.8% | 9.5% | 8.4% | 6.7% |
| Median Age | 36.5 | 39.3 | 39.3 | 39.3 | 39.3 | 40.1 | 41.8 | 41.8 | 41.8 | 41.8 |
| School Enrollment (Mukilteo SD) | 14,057 | 14,136 | 14,090 | 14,234 | 14,202 | 14,255 | 14,196 | 14,392 | 14,575 | 14,634 |
| Number of City Employees (FTE) | 82.5 | 84.5 | 88.5 | 92.5 | 106.0 | 106.0 | 107.5 | 109.5 | 108.5 | 109.0 |
| City Employees per 1,000 Population | 4.3 | 4.4 | 4.5 | 4.7 | 5.3 | 5.3 | 5.3 | 5.4 | 5.3 | 5.4 |
| Fire Protection | | | | | | | | | | |
| Number of Fire Personnel | 17 | 18 | 20 | 21 | 21.5 | 29.5 | 29.5 | 29.5 | 29.5 | 29.5 |
| Number of Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Responses (EMT/Fire) | 1,590 | 1,742 | 1,876 | 1,769 | 1,600 | 1,894 | 1,888 | 1,820 | 1,880 | 2,170 |
| Police Protection | | | | | | | | | | |
| Number of Police Personnel | 27 | 27 | 27 | 28 | 32 | 32 | 32 | 32 | 32 | 32.5 |
| Number of Calls for Service | 16,923 | 12,486 | 12,614 | 12,943 | 12,505 | 12,755 | 12,511 | 15,128 | 13,733 | 14,400 |
| Animal Licenses | 399 | 419 | 425 | 440 | 315 | 250 | 271 | 275 | 300 | 290 |
| Parks and Recreation | | | | | | | | | | |
| Total Acreage | 433 | 433 | 433 | 433 | 499 | 499 | 515 | 515 | 515 | 670 |
| Streets | | | | | | | | | | |
| Miles of Paved Roadway | 67 | 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 |
| Storm Water Management | | | | | | | | | | |
| Linear Feet of Storm Water Pipes | 174,000 | 178,125 | 179,520 | 179,520 | 184,800 | 185,020 | 188,070 | 188,570 | 188,570 | 188,570 |
| Catch Basins | 2,530 | 2,743 | 2,955 | 3,168 | 3,381 | 3,593 | 3,806 | 4,019 | 4,231 | 4,444 |



Walking trail at 92nd Street Park



CITY OF MUKILTEO
MUKILTEO, WASHINGTON
ORDINANCE NO. 1324

**AN ORDINANCE OF THE CITY OF MUKILTEO, WASHINGTON, ADOPTING THE 2013
MUNICIPAL BUDGET IN THE AMOUNT OF \$24,599,523.**

WHEREAS, Mayor's 2013 Preliminary Budget recommendation and Budget Message was presented to the City Council, and filed with the City Clerk on October 31, 2012, 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 2013 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 October 29, 2012, 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 12, 2012, to November 13, 2012, to November 19, 2012, to November 20, 2012, and to November 26, 2012 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 2013 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 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 26th day of November 2012.

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. 1324



ORDINANCE NO. 1324

EXHIBIT "A"

| Budget Summary by Fund | | | | | |
|-------------------------------|------------------------------------|-------------------------------|----------------------|----------------------|----------------------------|
| Fund Number | Fund Description | Beginning Fund Balance | Revenues | Expenditures | Ending Fund Balance |
| 009 | LEOFF I Reserve | \$ 126,220 | \$ 25,200 | \$ 39,700 | \$ 111,720 |
| 011 | General | 3,839,317 | 12,535,110 | 12,840,835 | 3,533,592 |
| 012 | City Reserve | 1,000,000 | 0 | 0 | 1,000,000 |
| 013 | Health Insurance Administration | 66,296 | 0 | 0 | 66,296 |
| 014 | Unemployment Compensation | 40,490 | 0 | 0 | 40,490 |
| 015 | Paine Field Emergency Reserve Fund | 117,217 | 0 | 117,000 | 217 |
| 104 | Drug Enforcement Fund | 22,614 | 20 | 10,000 | 12,634 |
| 111 | Street | 95,605 | 765,200 | 782,140 | 78,665 |
| 112 | Arterial Street | 123,958 | 131,670 | 150,000 | 105,628 |
| 114 | Recreation & Cultural Services | 245,807 | 578,410 | 684,200 | 140,017 |
| 116 | Hotel/Motel Lodging Tax Fund | 182,326 | 180,200 | 185,500 | 177,026 |
| 120 | Technology Replacement | 99,480 | 176,200 | 205,650 | 70,030 |
| 126 | Emergency Medical Services | 362,512 | 1,816,420 | 1,896,858 | 282,074 |
| 275 | LTGO Bond Fund 2009 | 398,480 | 514,340 | 906,220 | 6,600 |
| 322 | Park Acquisition & Development | 131,051 | 30,200 | 61,000 | 100,251 |
| 323 | Transportation Impact Fee | 226,803 | 120,170 | 250,000 | 96,973 |
| 331 | Real Estate Excise Tax I | 4,341,836 | 858,805 | 848,530 | 4,352,111 |
| 332 | Real Estate Excise Tax II | 314,520 | 419,405 | 584,800 | 149,125 |
| 341 | Municipal Facilities | 183,690 | 276 | 0 | 183,966 |
| 375 | Community Center Project Fund | 0 | 0 | 0 | 0 |
| 440 | Surface Water Management | 1,414,460 | 1,980,070 | 2,647,030 | 747,500 |
| 510 | Equipment Replacement Reserve | 2,639,615 | 627,937 | 1,892,300 | 1,375,252 |
| 518 | Facilities Maintenance | 121,160 | 450,000 | 497,760 | 73,400 |
| TOTALS | | \$ 16,093,457 | \$ 21,209,633 | \$ 24,599,523 | \$ 12,703,567 |



GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOND A certificate obligating the payment of a specified sum of money which includes the principal or face value, plus interest, to

be computed at a specified rate on a specified date or dates in the future or the maturity date(s).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTERFUND TRANSFERS Amounts transferred from one City fund to another.

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

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

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

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

LEOFF Law enforcement officers and firefighters retirement system.

LEVY To impose a tax, special assessment or service charge for the support of government activities. The total amount of taxes,



special assessments or service charges imposed by a government. The term most commonly refers to the real and personal property tax levy.

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

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

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

LID Local Improvement District.

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

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

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

NOAA National Oceanic Atmospheric Administration.

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

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

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

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

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

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

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

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

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

PERS Public Employees Retirement System for the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

SMP - Shoreline Master Program. In December, 2003, the Department of Ecology adopted new Shoreline Master Program Guidelines. By 2014, towns, cities and counties in Washington must update their Shoreline Master Programs (SMPs) to be



consistent with the new guidelines. Local master programs regulate new development and use of shorelines along rivers and larger streams, lakes over 20 acres, and marine waters within their jurisdictions.

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

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

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

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

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

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

UNRESERVED FUND BALANCE Undesignated monies available for appropriations.

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

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

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