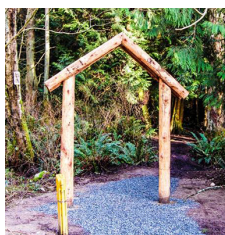


2017 CITY OF MUKILTEO Preliminary ANNUAL BUDGET



MAYOR JENNIFER GREGERSON
MANAGEMENT SERVICES DIRECTOR CHRIS PHILLIPS

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



PRINCIPAL CITY OFFICIALS

ELECTED OFFICIALS 2016



Jennifer Gregerson
Mayor



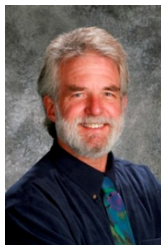
Bob Champion
Council President



Steve Schmalz
Council Vice President



Christine Cook
Councilmember



Richard Emery
Councilmember



Randy Lord
Councilmember



Ted Wheeler
Councilmember



Scott Whelpley
Councilmember

EXECUTIVE STAFF

Management Services Director
Finance Director
Planning & Community Development Director
Police Chief, Interim
Fire Chief
Public Works Director
Recreation & Cultural Services Director

Chris Phillips
Doug Volesky
Patricia Love
Cheol Kang
Chris Alexander
Rob McGaughey
Jennifer Berner



CITY ORGANIZATION STRUCTURE FOR CITY BUDGET

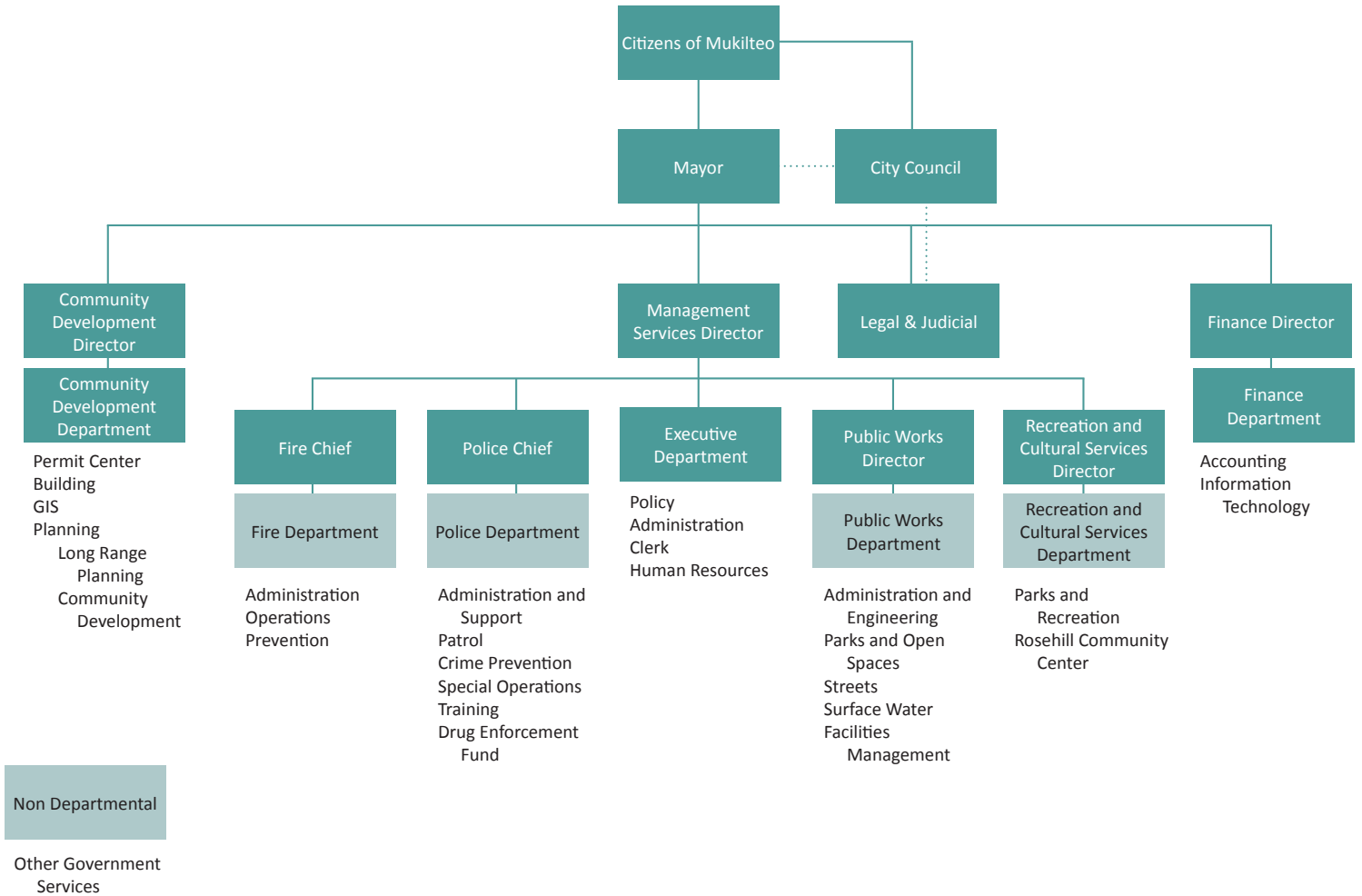


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MAYOR'S 2017 BUDGET MESSAGE

October 3, 2016

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

Dear Council President Champion and Members of the City Council:

In preparing this 2017 Preliminary Budget for your review and consideration, I was guided by the firm and abiding belief that our budget is more than simply a book of numbers, it is an expression of our values as a community. The choices we make will influence the lives of our residents, the success our businesses and the world we leave to the next generation.

On July 30th, our City was changed forever. We lost three beautiful young people—Anna Bui, Jordan Ebner and Jake Long. In the months since that tragic night, we have seen our community come together to comfort one another, mourn and grieve together, and rally around our resolve to be Mukilteo Strong.

We are Mukilteo Strong. While this budget has several key priorities that I will share with you, more than any I have presented this one has an overriding priority: rebuilding our sense of community, commemorating those we have lost, and working together to confront violence and spread compassion.

Invest in prevention and support. Our budget includes funding for public outreach and community support to implement the work of the Mukilteo Strong Alliance and help confront the challenges of mental health and violence in our community. This budget also includes expanded funding for our domestic violence coordinator to provide more resources and support for victims in Mukilteo.

Remember those we have lost. Our community has lost too many young lives to violence, suicide and substance abuse. Our budget includes funding to design and plan a permanent place to reflect and remember those we have lost and also to find peace and resolve to make our community better in their memory.

Improve our community-school partnership. Over the last few years, our Crime Prevention Officer has built strong and meaningful partnerships with our schools, this budget builds on that work by funding a full-time School Resource Officer. I also want to express my appreciation to the Council for your support for this program and approval to start the program this year, to ensure that we have a full-time officer for the entire 2016-2017 school year.

Create more recreation opportunities for teens. One of the messages I have heard loud and clear from parents and youth in our community is that kids often feel isolated, marginalized and like they don't belong. City government cannot solve this problem alone, but we can find new and better ways to bring our teens together in positive, constructive ways to create community. Our budget includes funding for more school-based recreation programming to continue partnering to open school facilities to the whole community.

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This work will take more than one year and will require more resources than City government alone can muster, but this budget takes the first steps. Beyond this important work, our budget builds on past priorities and continues to meet several benchmarks I have set for the City. I remain committed to my vision for Mukilteo: A sustainable, well-run city with safe, strong neighborhoods.

Our budget is balanced. Every budget I have presented has balanced our revenues and expenditures and this budget continues my commitment to sound financial decision-making.

Align services with priorities. City revenues continue to grow at a slower rate than our costs, so balancing our budget has required some tough choices to align our services with our priorities. I have worked with our budget team and department directors to examine every line item in this budget for efficiencies. Our largest proposed reduction is in the cost of medical, dental and vision benefits for our employees, where I am proposing that we shift to a lower cost set of plans that still retains similar levels of coverage.

Prepare for a rainy day. This budget continues my commitment to fully funding our City Reserve Fund at \$1 million. Because of prudent management in the past, we continue to maintain General Fund reserves far in excess of the two months required by City policy. During 2017, I intend to work with you to identify appropriate one-time uses for these excess reserves, to make the best use of these public funds.

Empower our employees to serve. We are fortunate to have an incredible team of city employees who serve our community. Unfortunately, a recently completed salary survey shows that many of our employees are not being paid commensurate to their contributions, which dampens morale and leads to turnover that delays our progress. Our budget includes cost of living increases for all employees, and it also funds targeted salary increases for some non-represented positions as recommended by the salary survey.

Look forward to the future. I am grateful to the Council for reconstituting the Long-Range Financial Committee, we must work together to plan a sustainable path forward for our community. This budget continues our partnership with the University of Washington to identify economic development opportunities, and I have also included funding to plan important projects for our waterfront redevelopment and update our citywide Park Plan.

New resources to preserve core services. In the first two budgets I proposed, I asked us to take a break from tax increases and live within our means. For two years, we have not raised taxes to support our city services although I have been clear this is not a long-term strategy. This budget proposes raising our property tax by one percent, a modest increase to ensure that our revenues better match the rising costs of providing core services. I will also ask for small adjustments to our fees and charges to ensure that everyone who uses City services contributes to help pay for them.

Invest in our community. Our budget continues our recent investments in our streets and sidewalks, stormwater system, and takes steps forward to implement our vision for the Waterfront and Japanese Gulch. We continue the important work of planning our new Harbour Reach Drive extension, a critical new connector that will bring all of South Mukilteo closer together.

There is much more to this budget proposal than can be described in one message, but I wanted to share some of the key priorities I considered as I worked to prepare it. I am proud that we have created the most open and transparent budget process in our City's history. I am delivering this proposal to you a month sooner than required by law, and we have shared drafts and elements of the budget with Council committees beginning in August. Your questions and input have helped me craft this proposal and I look

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forward to our continued work to finalize and adopt the budget.

As always, I am grateful to our department directors, the Finance Department staff and our budget team for all their work in crafting this budget proposal. They have worked together to develop options and recommendations as I crafted my proposal, which have been critical to final product I am delivering to you.

I also look forward to public feedback on our budget. Later this week, I will host my third annual Budget Town Hall, which will be a great opportunity to hear from our community about our priorities for the coming year.

Every day, I am reminded that serving as Mayor is the best job I have ever had. I am so honored to have the opportunity to lead our community, and it is privilege to serve with you. Thank you for your hard work and commitment to the highest ideals of public service.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Gregerson". The signature is fluid and cursive, with the first name "Jennifer" being more prominent than the last name "Gregerson".

Jennifer Gregerson
Mayor

BUDGET BUILDING PROCESS

This section is intended to briefly discuss the process behind the creation of the 2017 Final Budget.

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

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

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

In addition to the Baseline Budget process, the City also utilizes New Budget Items (NBIs). NBIs are prepared to identify the nature and cost of requested additions to the Baseline Budget that have a significant cost. These additional expenditure requests typically result from identified needs to maintain basic operations as well as improvements to or enhancements of operations.

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

In addition to NBIs for operating expenditures, the budget process also utilizes NBIs for capital purposes such as capital projects or the purchase of equipment. In addition to the information provided for NBIs related to operating expenditures noted above, capital NBIs identify the impact on operating expenditures, whether previous approval has been received from the City Council, the amount previously approved, dollar amount requested for 2017, and estimates of the cost of future related requests. For example, a new capital project may require a multi-year process to complete. The initial amount needed will be budgeted in 2017 and additional amounts needed to complete the project will be budgeted in future fiscal years. The NBI identifies the total estimated cost of a project together with alternatives and additional related revenue, if any.

In regards to capital projects approved by the City Council in prior fiscal years, the 2017 Preliminary Budget no longer includes NBIs requesting the City Council to reapprove the

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unspent balances for these capital projects. Unspent budgets for specific capital projects will be “carried forward” to subsequent fiscal years until the projects are completed. At that time, the remaining budget for any completed projects will be cancelled. This simplifies the budget process for capital projects.

The City implemented an updated Internal Cost Allocation Plan (CAP) with this budget. This CAP identifies the costs of indirect services provided by the City’s central service departments based on actual expenditures for the year ended December 31, 2015. A CAP establishes a fair and equitable methodology for identifying and allocating indirect costs to benefiting activities. It can be a valuable tool in establishing fees designed to recover total costs of a program; recovering indirect costs associated with local, state, and federal grants; reimbursing costs associated with providing support services to restricted funds such as enterprise and other special revenue funds; and many other financial analyses. This plan will be updated annually.

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

BUDGET AND FINANCIAL POLICIES

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

BALANCED BUDGET

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

BUDGET RESOURCES

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

REVENUE ESTIMATION

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

LEGAL COMPLIANCE AND FINANCIAL MANAGEMENT – FUND ACCOUNTING

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

BUDGET POLICY

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

Operating Budgets¹ – Overall

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

Fiscal Integrity

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

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

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

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Revenues

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

Internal Services Charges

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

Reporting

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

Citizen Involvement

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

Fees

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

Capital Budget – Fiscal Policies

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

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

Debt Policies

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

GAP CLOSING POLICY

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

A. Purpose

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

The intent of the Gap Closing Policy is to:

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

B. Implementation

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

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

C. Gap Reporting

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

D. Gap Closing Strategy

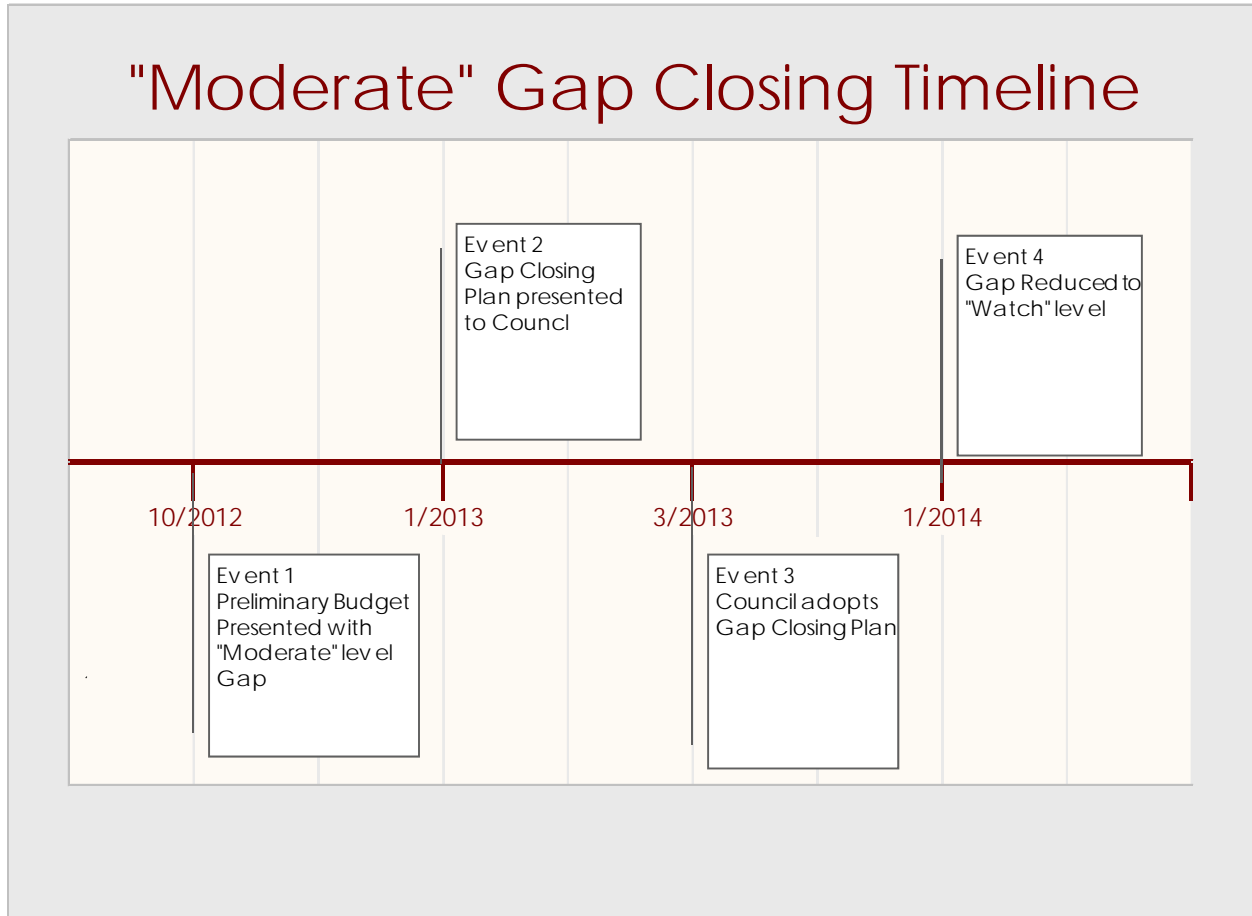
The severity of the Gap will dictate how to address the Gap.

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

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

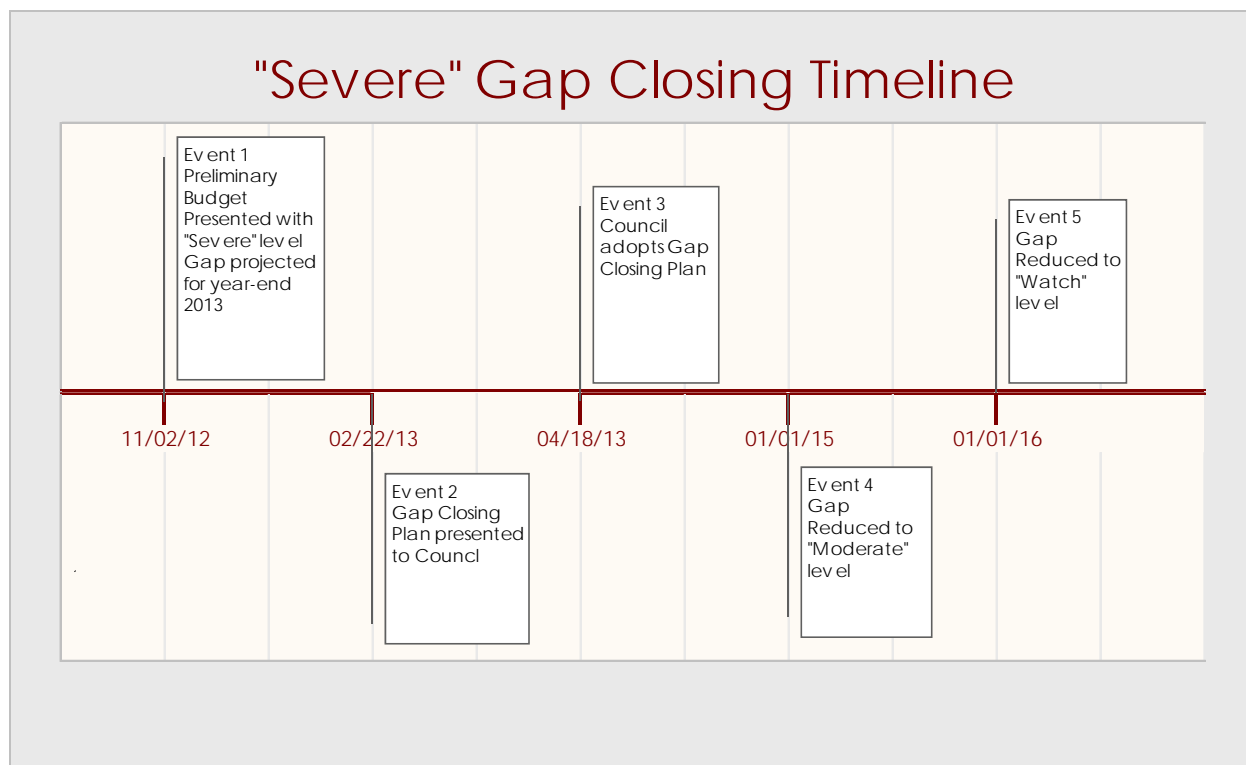
The timeline for closing the "Moderate" level gap could look like the following chart:



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

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



E. Mayor's Recommended Gap Closing Plan

Gap Closing Plan must include:

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

FUND BALANCE RESERVE POLICY

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

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

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

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

- **Contingency Fund Reserves:** The City maintains a Contingency Fund reserve equal to \$1,000,000 to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of landslides, earthquake or other natural disaster.
- **General Fund Operating Reserves:** The City maintains a General Fund Operating Reserve to provide for adequate cash flow, budget contingencies, and insurance reserves. The cash flow reserve within the General Fund is an amount equal to two months of budgeted operating expenditures.
- **Hotel/Motel Lodging Tax Reserves:** The City maintains a Hotel/Motel Lodging Tax Reserve in an amount equal to one prior complete year's revenues in ending fund balance. (For example, the 2015 budgeted expenditures cannot exceed the 2013 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 2015 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000.

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- **Health Self-Insured Administration Reserves:** The City maintains a Health Self-Insured Administration Reserve to provide Washington State mandated reserves for the City's self-insured dental and vision benefits for City Employees. The City maintains a reserve equal to 16 weeks of budgeted expense as required by Washington State's Office of Financial Management. The City reviews the required reserve level annually and adjusts it to meet the State's requirements (Washington Administrative Code, WAC 82.60).
- **Equipment and Vehicle Replacement Reserves:** The City maintains fully funded reserve for the replacement of vehicles and equipment identified on the City's equipment replacement listing. The required level of reserve equals each year's scheduled replacement costs. For example, if the 2015 equipment replacement costs are budgeted at \$100,000, the fund reserve balance must equal or exceed \$100,000. Contributions are made through assessments to the using funds and are maintained on a per asset basis.
- **Surface Water Utility Fund Reserves:** The City maintains an operating reserve within the Surface Water Utility Fund of an amount equal to no less than 20% of budgeted operating revenues.

EXPLANATION OF BUDGET EXHIBITS

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

- **BUDGET SUMMARY BY FUND** (Exhibit 1) - Provides a recap for each of the City's twenty-three budgeted Funds of estimated beginning fund balance, revenues and transfers in which constitute total sources, expenditures and transfers out which constitute total uses, and projected ending fund balance as of the end of 2017.
- **REVENUE AND EXPENDITURE SUMMARY ALL FUNDS** (Exhibit 2) – Provides the following revenue and expenditure information for each Fund: 2015 actual amounts, 2016 amended Budget, 2016 estimates, the 2017 Budget, and two columns reflecting the dollar and percentage changes comparing the 2016 amended Budget to the 2017 Budget. Transfers in and out are excluded as they do not constitute revenues or expenditures.
- **TOTAL REVENUES AND EXPENDITURES FOR ALL FUNDS** (Exhibit 3) – Provides 2017 revenue and expenditure information for all Funds by categories of revenues and expenditures together with actual amounts for 2015, amended Budget for 2016 and 2016 estimates, and two columns reflecting the dollar and percentage changes comparing the 2016 amended Budget to the 2017 Budget.
- **GENERAL FUND REVENUES AND EXPENDITURES** (Exhibit 4) – Provides similar information as Exhibit 3 for the General Fund only.
- **GENERAL FUND EXPENDITURES** (Exhibit 5) – Provides additional 2017 General Fund expenditure information by Division and Department. Please note that the Emergency Medical Services Fund (EMS) is excluded from this chart as EMS is a Fund separate from the General Fund. Also excluded is expenditure information for separate operating Funds administered by the Public Works Department: Street Fund, Surface Water Management Fund, and Facilities Maintenance Fund.
- **OPERATING EXPENDITURES FOR ALL FUNDS** (Exhibit 6) – Provides a breakdown of operating expenditures for the General Fund, EMS Fund, Street Fund, Surface Water Management Fund, Facilities Maintenance Fund, and the Recreation & Cultural Services Fund.
- **GENERAL FUND REVENUE SUMMARY** (Exhibit 7) – Provides a further breakdown of the General Fund's various revenue categories.
- **2017 TOP 10 GENERAL FUND REVENUES** (Exhibit 8) – Provides information on the most significant General Fund revenue sources accounting for 81.9% of General Fund revenue
- **TRANSFERS BETWEEN FUNDS** (Exhibit 9) – Provides detailed information on transfers between Funds. Transfers in and out are not considered revenues and expenditures for budget and accounting purposes.
- **2017 NEW BUDGET ITEMS** (Exhibit 10) – Provides a list of NBIs included in budget.
- **CAPITAL PROJECT CARRY FORWARDS** (Exhibit 11) – Provides a list of capital projects budgeted in previous years, estimated expenditures in 2016, and estimated amounts to be carried forward to 2017.

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EXHIBIT 1 - BUDGET SUMMARY BY FUND

Fund Description	Beginning Fund Balance	Revenues [A]	Transfers-in [B]	Total Sources [A + B]	Expenditures [C]	Transfers-out [D]	Total Uses [C + D]	Ending Fund Balance
General	\$ 4,162,831	\$ 14,212,823	\$ 220,010	\$ 14,432,833	\$ 13,540,095	\$ 892,738	\$ 14,432,833	\$ 4,162,831
City Reserve	1,000,000	-	-	-	-	-	-	1,000,000
Paine Field Emergency Reserve	-	-	-	-	-	-	-	-
LEOFF I Reserve	7,230	-	35,000	35,000	37,400	-	37,400	4,830
Health Insurance Administration	-	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-
Drug Enforcement	26,079	-	-	-	24,000	-	24,000	2,079
Street	-	535,607	256,738	792,345	792,345	-	792,345	-
Recreation & Cultural Services	-	624,070	193,950	818,020	818,020	-	818,020	-
Hotel/Motel Lodging Tax	246,540	241,250	-	241,250	317,100	-	317,100	170,690
Emergency Medical Services	-	2,385,400	117,542	2,502,942	2,502,942	-	2,502,942	-
Limited Tax General Obligation Bond	997	-	907,913	907,913	907,913	-	907,913	997
Park Acquisition & Development	244,844	9,752	-	9,752	7,200	-	7,200	247,396
Transportation Impact Fee	419,335	40,000	-	40,000	-	-	-	459,335
Real Estate Excise Tax I	2,631,284	700,000	-	700,000	-	839,819	839,819	2,491,465
Real Estate Excise Tax II	2,718,846	3,969,665	-	3,969,665	6,609,650	68,094	6,677,744	10,767
Municipal Facilities	220,010	-	-	-	-	220,010	220,010	-
Surface Water Management	961,791	2,821,520	-	2,821,520	3,069,584	11,488	3,081,072	702,239
Surface Water Reserve	300,000	-	-	-	-	-	-	300,000
Technology Replacement	22,889	24,500	64,000	88,500	111,000	-	111,000	389
Equipment Replacement Reserve	2,054,850	164,200	-	164,200	611,240	-	611,240	1,607,810
Facilities Maintenance	(14,619)	653,708	-	653,708	637,260	5,834	643,094	(4,005)
Facility Renewal	357,150	22,000	242,830	264,830	162,640	-	162,640	459,340
TOTALS	\$ 15,360,055	\$ 26,404,495	\$ 2,037,983	\$ 28,442,478	\$ 30,148,389	\$ 2,037,983	\$ 32,186,372	\$ 11,616,162

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

Fund Description	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Budget \$ Change 2017 - 2016	Budget % Change 2017 - 2016
General	\$ 13,268,079	\$ 13,804,672	\$ 13,779,672	\$ 14,212,823	\$ 408,151	2.96%
City Reserve	42,259	-	-	-	-	-
Paine Field Emergency Reserve	-	-	-	-	-	-
LEOFF I Reserve	-	-	-	-	-	-
Health Insurance Administration	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Drug Enforcement	19,043	-	1,587	-	-	-
Street	507,705	490,100	508,000	535,607	45,507	9.29%
Recreation & Cultural Services	563,254	682,480	617,450	624,070	(58,410)	-8.56%
Hotel/Motel Lodging Tax	256,723	251,250	246,250	241,250	(10,000)	-3.98%
Emergency Medical Services	2,292,630	2,366,700	2,301,290	2,385,400	18,700	0.79%
Limited Tax General Obligation Bond	-	-	-	-	-	-
Park Acquisition & Development	47,804	15,000	24,294	9,752	(5,248)	-34.99%
Transportation Impact Fee	1,199,166	140,000	50,000	40,000	(100,000)	-71.43%
Real Estate Excise Tax I	740,413	700,000	1,011,050	700,000	-	0.00%
Real Estate Excise Tax II	716,954	3,085,675	1,633,275	3,969,665	883,990	28.65%
Municipal Facilities	-	-	-	-	-	-
Surface Water Management	1,715,051	3,323,111	2,367,184	2,821,520	(501,591)	-15.09%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	13,626	24,500	24,500	24,500	-	0.00%
Equipment Replacement Reserve	274,635	626,819	604,619	164,200	(462,619)	-73.80%
Facilities Maintenance	(25,823)	-	565,268	653,708	653,708	-
Facility Renewal	-	-	-	22,000	22,000	-
Totals	\$ 21,631,519	\$ 25,510,307	\$ 23,734,439	\$ 26,404,495	\$ 894,188	3.51%

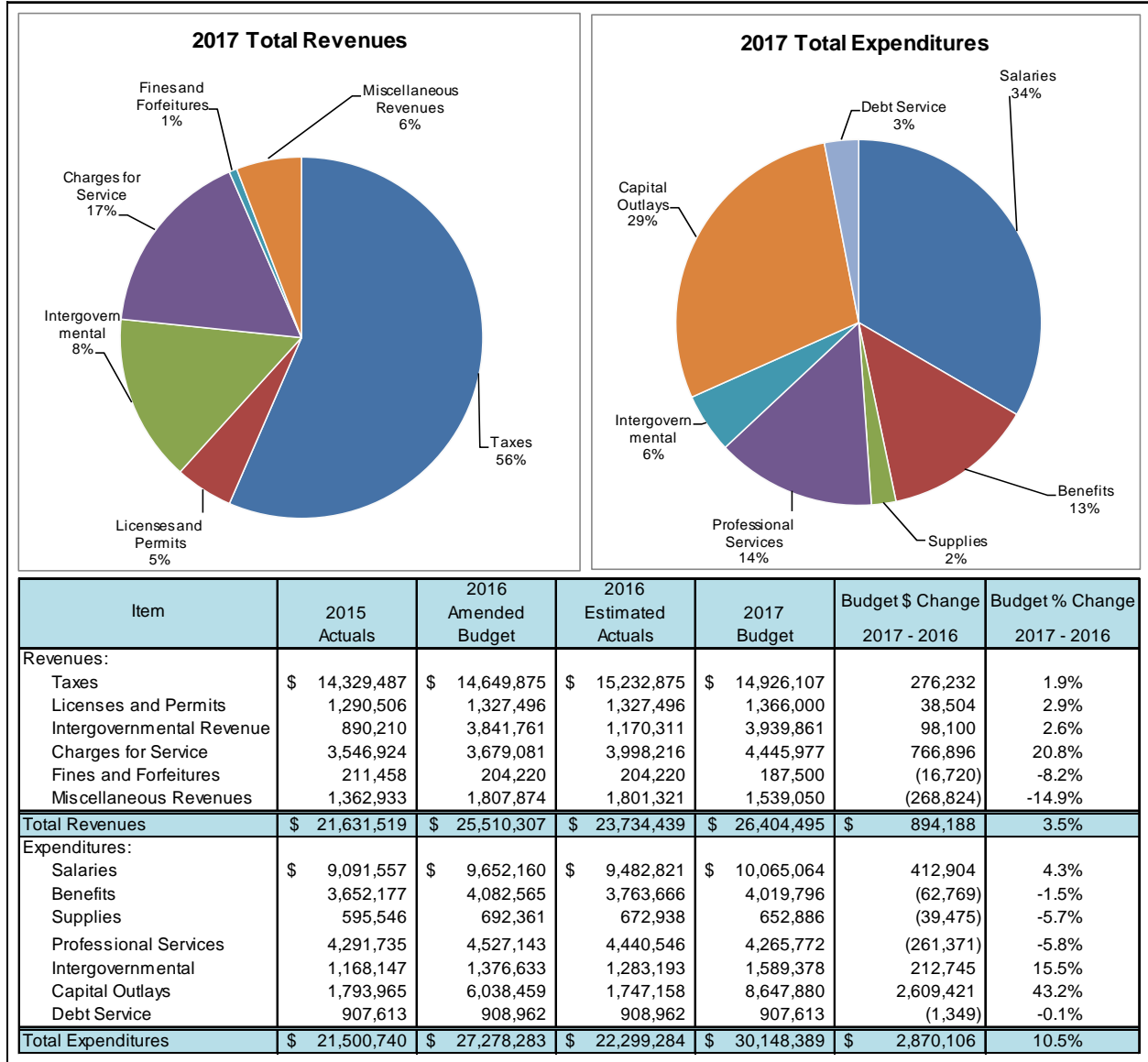
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EXHIBIT 2 – EXPENDITURE SUMMARY ALL FUNDS (excludes Transfers-out)

Fund Description	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Budget \$ Change	Budget % Change
					2017 - 2016	2017 - 2016
General	\$ 13,023,907	\$ 13,533,336	\$ 13,064,516	\$ 13,540,095	\$ 6,759	0.0%
City Reserve	115,037	-	-	-	-	-
Paine Field Emergency Reserve	54,157	-	-	-	-	-
LEOFF I Reserve	37,711	36,400	37,100	37,400	1,000	2.7%
Health Insurance Administration	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Drug Enforcement	14,079	22,953	8,330	24,000	1,047	4.6%
Street	846,632	826,140	813,279	792,345	(33,795)	-4.1%
Recreation & Cultural Services	721,089	790,525	714,138	818,020	27,495	3.5%
Hotel/Motel Lodging Tax	212,282	317,950	317,950	317,100	(850)	-0.3%
Emergency Medical Services	2,015,830	2,264,399	2,323,370	2,502,942	238,543	10.5%
Limited Tax General Obligation Bond	907,613	909,262	909,262	907,913	(1,349)	-0.1%
Park Acquisition & Development	9,000	30,300	8,100	7,200	(23,100)	-76.2%
Transportation Impact Fee	16,862	-	-	-	-	-
Real Estate Excise Tax I	70,892	-	12,000	-	-	-
Real Estate Excise Tax II	698,572	3,933,125	522,855	6,609,650	2,676,525	68.1%
Municipal Facilities	-	-	-	-	-	-
Surface Water Management	1,533,359	3,009,953	1,995,911	3,069,584	59,631	2.0%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	105,104	111,000	110,963	111,000	-	0.0%
Equipment Replacement Reserve	433,517	742,490	743,390	611,240	(131,250)	-17.7%
Facilities Maintenance	685,098	607,600	575,270	637,260	29,660	4.9%
Facility Renewal	-	142,850	142,850	162,640	19,790	13.9%
Totals	\$ 21,500,740	\$ 27,278,283	\$ 22,299,284	\$ 30,148,389	\$ 2,870,106	10.5%

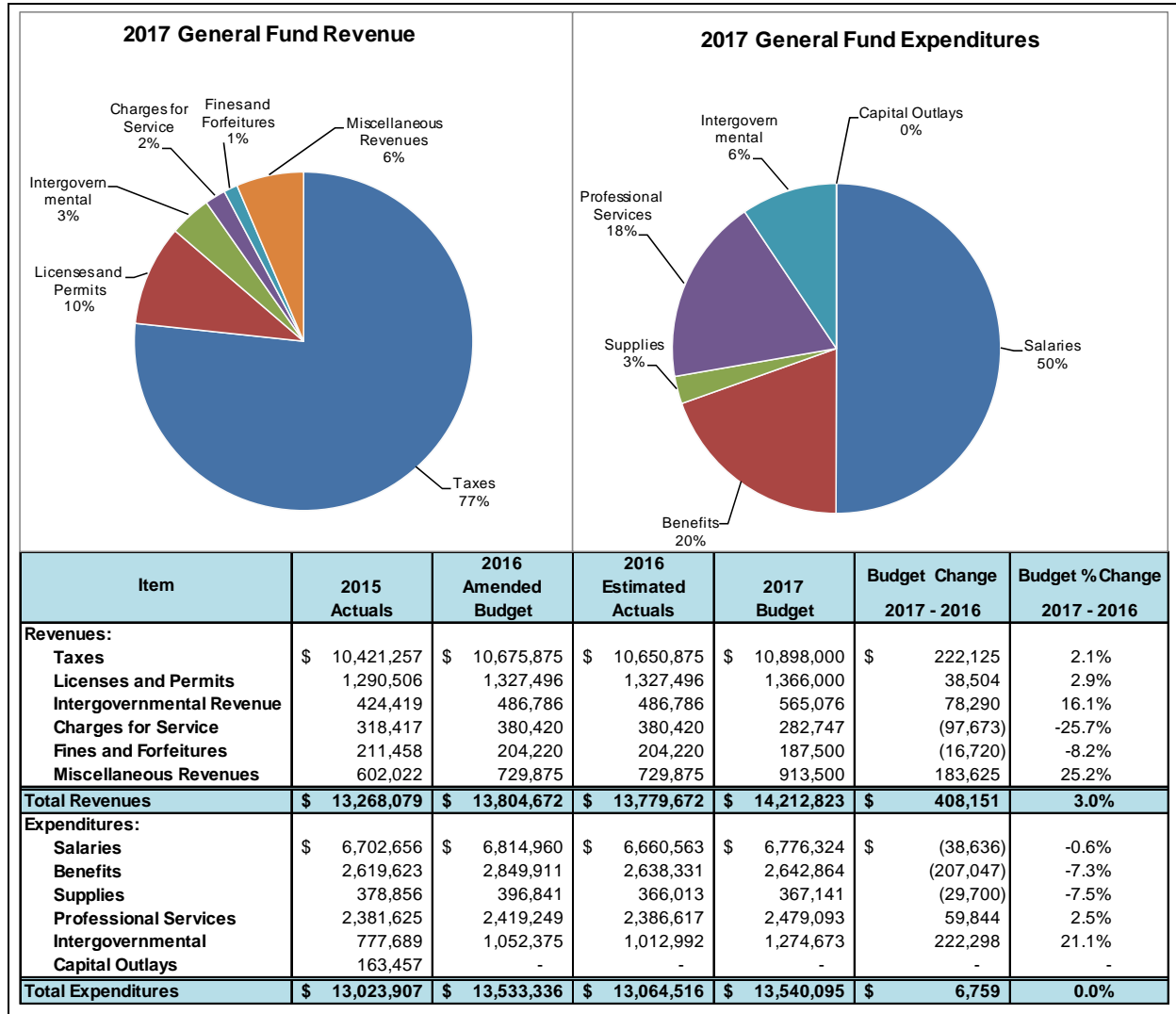
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EXHIBIT 3 – TOTAL REVENUES AND EXPENDITURES FOR ALL FUNDS



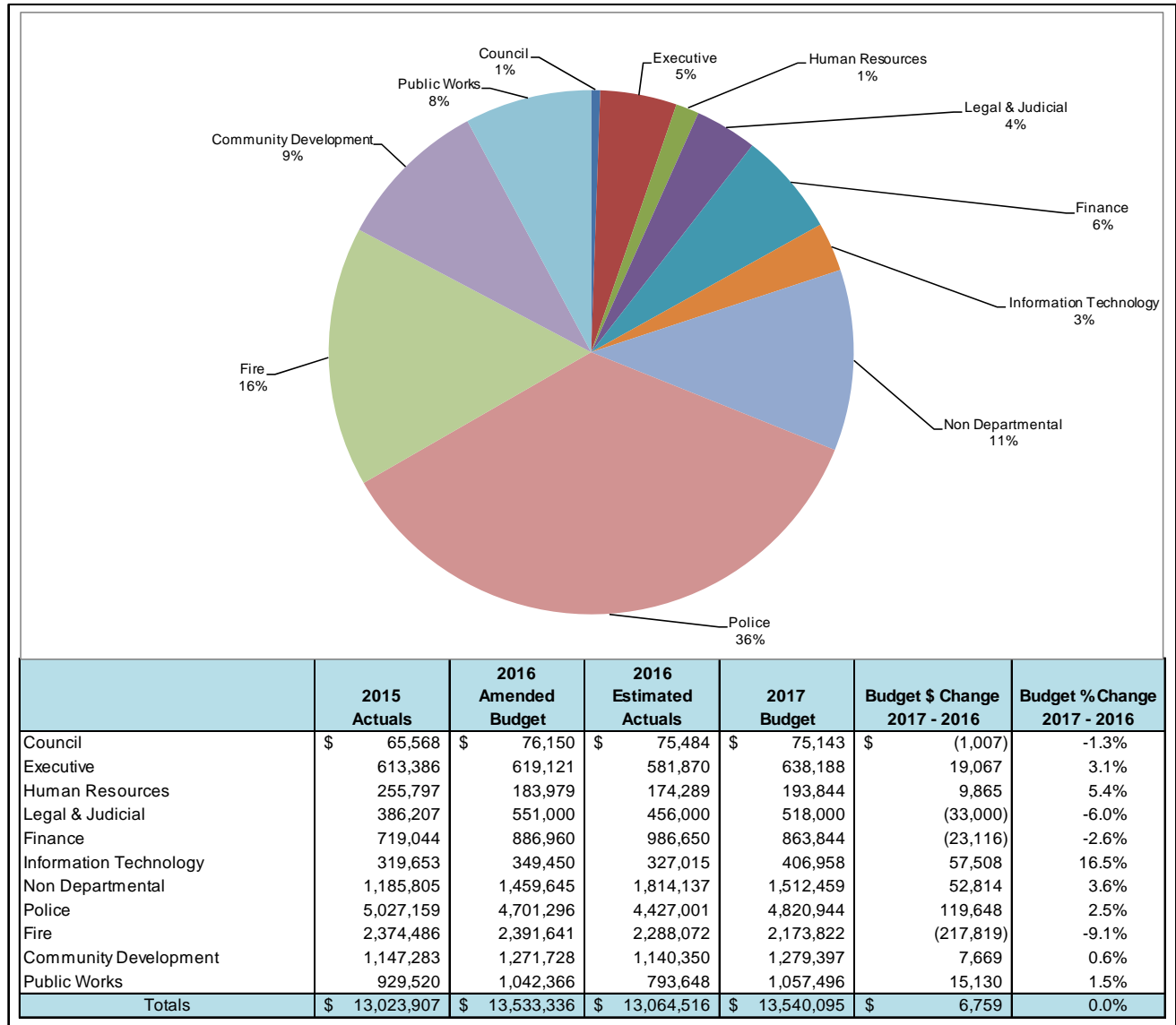
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EXHIBIT 4 – GENERAL FUND REVENUES AND EXPENDITURES



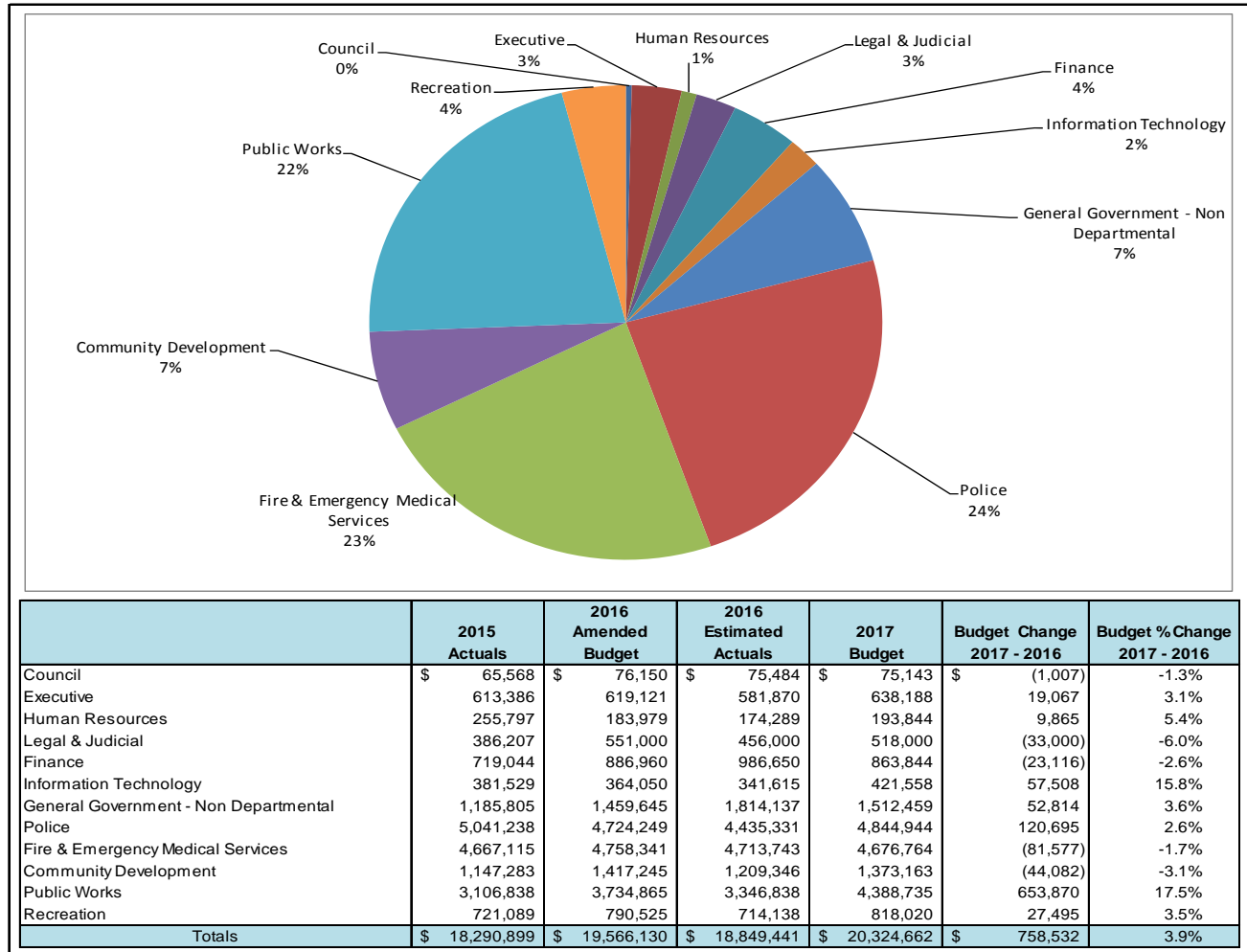
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EXHIBIT 5 – GENERAL FUND EXPENDITURES



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



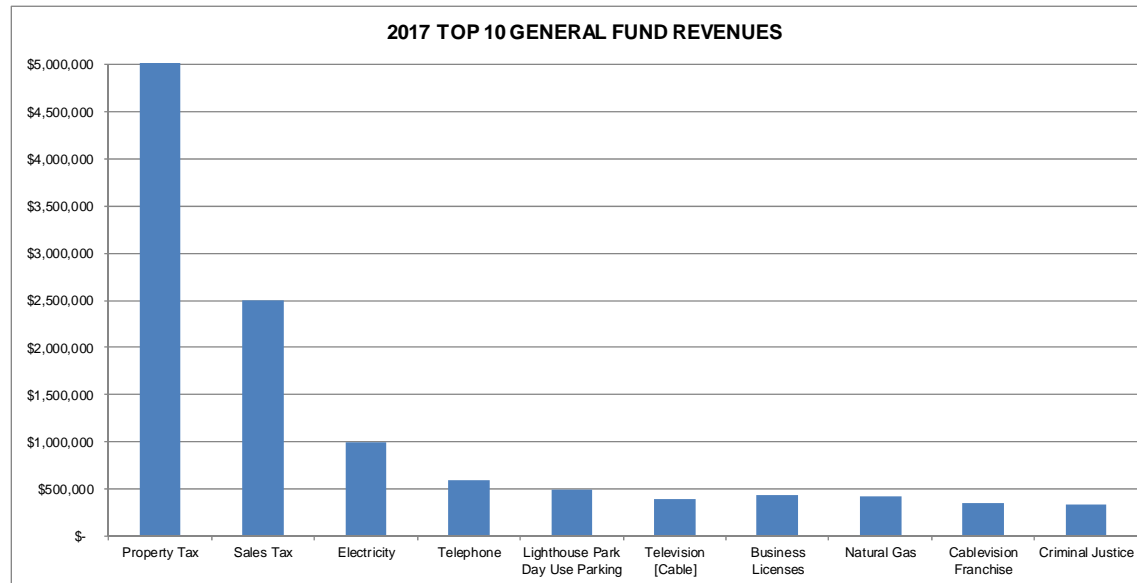
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EXHIBIT 7 – GENERAL FUND REVENUE SUMMARY

GENERAL FUND	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Change Budget - Actual 2017 - 2016	% Change Budget - Actual 2017 - 2016
<u>TAXES</u>						
Property Taxes	\$ 4,880,801	\$ 4,940,000	\$ 4,940,000	\$ 5,050,000	\$ 110,000	2.2%
Sales Tax	2,397,827	2,500,000	2,500,000	2,500,000	-	-
Utility Taxes	2,670,583	2,760,257	2,760,257	2,850,000	89,743	3.3%
Other Taxes	472,046	475,618	450,618	498,000	22,382	4.7%
Total Taxes	10,421,257	10,675,875	10,650,875	10,898,000	222,125	2.1%
<u>LICENSES & PERMITS</u>						
Business Licenses	415,423	448,000	448,000	433,000	(15,000)	-3.3%
Franchise Fees	703,464	697,192	697,192	722,000	24,808	3.6%
Building & Other Permits	171,619	182,304	182,304	211,000	28,696	15.7%
Total Licenses & Permits	1,290,506	1,327,496	1,327,496	1,366,000	38,504	2.9%
<u>INTERGOVERNMENTAL REVENUES</u>						
Liquor Board Profits	179,978	179,949	179,949	178,042	(1,907)	-1.1%
Liquor Excise Tax	67,849	92,587	92,587	98,397	5,810	6.3%
PUD Privilege Tax	111,266	109,000	109,000	115,000	6,000	5.5%
Other Intergovernmental Revenue	65,326	105,250	105,250	173,637	68,387	65.0%
Total Intergovernmental Revenues	424,419	486,786	486,786	565,076	78,290	16.1%
<u>CHARGES FOR SERVICE</u>						
Ambulance Fees	(36,553)	-	-	-	-	-
Development Revenues	142,422	108,050	108,050	129,200	21,150	19.6%
Overhead Cost Recovery	190,000	250,000	250,000	133,027	(116,973)	-46.8%
Miscellaneous Services	22,548	22,370	22,370	24,820	2,450	11.0%
Total Charges For Service	318,417	380,420	380,420	287,047	(93,373)	-24.5%
<u>FINES & FORFEITURES</u>						
Traffic Violations	139,941	123,220	123,220	79,700	(43,520)	-35.3%
Parking Fines	70,692	80,000	80,000	86,500	6,500	8.1%
Other Fines	825	1,000	1,000	21,300	20,300	2030.0%
Total Fines & Forfeitures	211,458	204,220	204,220	187,500	(16,720)	-8.2%
<u>MISCELLANEOUS REVENUES</u>						
Parking & Boat Launch Fees	466,006	661,975	681,975	710,000	48,025	7.3%
Rental Income	7,550	20,000	-	15,000	(5,000)	-25.0%
Interest Income	77,479	20,500	20,500	61,200	40,700	198.5%
Other Miscellaneous Revenue	50,986	27,400	27,400	123,000	95,600	348.9%
Total Miscellaneous Revenues	602,022	729,875	729,875	909,200	179,325	24.6%
Total General Fund	\$ 13,268,079	\$ 13,804,672	\$ 13,779,672	\$ 14,212,823	\$ 408,151	3.0%

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EXHIBIT 8 – 2017 TOP 10 GENERAL FUND REVENUES



Top 10 General Fund Revenues	2016 Budget	2016 Estimated Actuals	2017 Budget	2017 Budget % of Total Revenues	2017 Budget to 2016 Actual Growth
Property Tax	\$ 4,940,000	\$ 4,940,000	\$ 5,050,000	35.5%	2.2%
Sales Tax	2,500,000	2,500,000	2,500,000	17.6%	0.0%
Electricity	926,733	926,733	1,000,000	7.0%	7.9%
Telephone	615,000	615,000	600,000	4.2%	-2.4%
Lighthouse Park Day Use Parking	477,575	477,575	500,000	3.5%	4.7%
Television [Cable]	400,000	400,000	400,000	2.8%	0.0%
Business Licenses	448,000	448,000	433,000	3.0%	-3.3%
Natural Gas	424,200	424,200	425,000	3.0%	0.2%
Cablevision Franchise	354,712	354,712	355,000	2.5%	0.1%
Criminal Justice	294,118	294,118	340,000	2.4%	15.6%
Total Top 10 General Fund Revenues	11,380,338	11,380,338	11,603,000	81.6%	2.0%
Remaining General Fund Revenues	2,424,334	2,399,334	2,609,823	18.4%	8.8%
Total General Fund Revenues	\$ 13,804,672	\$ 13,779,672	\$ 14,212,823	100%	3.1%

all totals and calculations exclude transfers in

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EXHIBIT 9 – TRANSFERS BETWEEN FUNDS

Fund Receiving Transfer	General	REET I	REET II	Municipal Facilities	Surface Water Management	Facility Maintenance	Total Transfers-in by Fund
General Fund	\$ -	\$ -	\$ -	\$ 220,010	\$ -	\$ -	\$ 220,010
LEOFF 1	35,000	-	-	-	-	-	35,000
Street	256,738	-	-	-	-	-	256,738
Recreation & Cultural Services	193,950	-	-	-	-	-	193,950
Emergency Medical Services	117,542	-	-	-	-	-	117,542
Limited Tax General Obligation Bond	-	839,819	68,094	-	-	-	907,913
Technology Replacement	64,000	-	-	-	-	-	64,000
Facility Renewal	225,508	-	-	-	11,488	5,834	242,830
Total Transfers-out by Fund	\$ 892,738	\$ 839,819	\$ 68,094	\$ 220,010	\$ 11,488	\$ 5,834	\$ 2,037,983

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EXHIBIT 10 – 2017 NEW BUDGET ITEMS

Page Number	Department	Description	Council Discussion	New Revenue	Fund					Cost to Fund
					General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Internal Service Funds	
61	Fire	Ladder Truck and Incident Command Services ILA	Fin 7/12, Fin 9/13, C 9/19		216,042					216,042
77	Community Development	Waterfront Redevelopment	Fin 9/13, C 9/19	100,000	100,000					-
51	Police	School Resource Officer	Fin 9/13, C 8/15, C 9/19	91,230	121,640					30,410
108	Recreation and Cultural Services	Park Plan Update	Fin 9/13, C 9/19		50,000					50,000
19	All	Implementation Salary Survey	Fin 9/13, C 9/19		31,870	10,538		2,878		45,286
175	Public Works	Lighthouse Park Quarters Buildings Preservation		42,500					42,500	-
130	Public Works	2017 ADA Upgrades	Fin 6/7, C 8/1				50,000			50,000
131	Public Works	Annual Bike Path Construction Program	Fin 6/7, C 8/1 On-going				50,000			50,000
132	Public Works	Annual Sidewalk Construction Program	Fin 6/7, C 8/1 On-going				50,000			50,000
133	Public Works	2017 Pedestrian Activated Crosswalk Lighting Program	Fin 6/7, C 8/1				35,000			35,000
134	Public Works	Traffic Calming	Fin 6/7, C 8/1				25,000			25,000
135	Public Works	SR 526 Shared Use Path - Right-of-Way Acquisition	Fin 6/7, C 8/1	69,500			69,500			-
136	Public Works	2017 Annual Street Preservation	Fin 6/7, C 8/1 On-going				900,000			900,000
137	Public Works	City Hall Parking Lot Repairs	Fin 6/7, C 8/1				75,000			75,000
138	Public Works	Harbour Pointe Blvd Widening (Construction)	Fin 6/7, C 8/1	804,615			1,341,025			536,410
139	Public Works	Harbour Reach Drive Extension Engineering Services	Fin 6/7, C 8/1	900,000			900,000			-
141	Public Works	Japanese Gulch Creek Daylighting - Phase 1 Design	Fin 6/7, C 8/1	212,500			250,000			37,500
142	Public Works	Japanese Gulch Wayfinding	Fin 6/7, C 8/1	8,000			8,000			-
143	Public Works	Peace Park - Design & Development	LRFP 9/21				50,000			50,000

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EXHIBIT 10 – 2017 NEW BUDGET ITEMS (Continued)

Page Number	Department	Description	Council Discussion	New Revenue	Fund					Cost to Fund
					General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Internal Service Funds	
140	Public Works	92nd Street Guardrail	LRFP 9/21				25,000			25,000
151	Surface Water	61st Place Culvert Replacement	Fin 6/7, C 8/1					120,000		120,000
152	Surface Water	Decant Facility - Design	Fin 6/7, C 8/1					110,000		110,000
153	Surface Water	Feasibility Study Centralized Strom Drainage - Bluff Properties	Infra 7/20, C 8/1	46,900				93,800		46,900
165	Police	2 Police Vehicles	Fin 8/9, C 9/6						112,890	112,890
166	Public Works	Public Works Equipment Trailers							25,000	25,000
167	Public Works	Public Works Mini-Excavator	Fin 8/9, C 9/6						95,000	95,000
168	Public Works	Public Works Scissor Lift	Fin 8/9, C 9/6						24,000	24,000
169	Fire	Ambulance	Fin 8/9, C 9/6						288,850	288,850
170	Fire	Fire Department LUCAS Chest Compression Systems	Fin 8/9, C 9/6						40,000	40,000
171	Fire	Fire Department Thermal Imaging Cameras	Fin 8/9, C 9/6						25,500	25,500
182	Fire	MFD Station 24 emergency generator, associated wiring	Fin 8/9, C 9/6						50,000	50,000
183	Public Works	Public Works training and meeting space renovation	Fin 8/9, C 9/6						30,000	30,000
184	Recreation and Cultural Services	Rosehill Community Center Security Camera Installation	Fin 8/9, C 9/6						6,240	6,240
185	Recreation and Cultural Services	Rosehill Community Center Point Elliott Room floor replacement	Fin 8/9, C 9/6	22,000					55,000	33,000
186	Recreation and Cultural Services	Rosehill Community Center computer & sound system tech replacement	Fin 8/9, C 9/6						21,400	21,400
Totals				\$ 2,297,245	\$ 519,552	\$ 10,538	\$ 3,828,525	\$ 326,678	\$ 816,380	\$ 3,204,428

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EXHIBIT 11 – CAPITAL PROJECT CARRY FORWARDS

Capital Projects Carried Forward	Description	Prior Budgeted Amount	2016 Estimated Actuals	2017 Carry Forward
REET II	Annual Bike Path Construction 2014	\$ 25,000	\$ -	\$ 25,000
REET II	Annual Bike Path Construction 2016	50,000	-	50,000
REET II	SR 526 Shared Use Path	292,880	175,000	117,880
REET II	Annual ROW ADA Improvements (i.e. Transition Plan)	50,000	15,000	35,000
REET II	Annual Sidewalk Construction 2014 & 2015	125,000	58,000	67,000
REET II	Annual Sidewalk Construction 2016	50,000	-	50,000
REET II	Annual Traffic Calming Program	25,000	14,000	11,000
REET II	Harbour Point Blvd & 5th Street Pavement Preservation	747,000	15,000	86,000
REET II	Harbour Reach Drive Extension	1,060,120	450,000	610,120
REET II	2015 Pavement Preservation	200,000	155,000	45,000
REET II	Mukilteo B&G Club Ballfields	1,275,000	-	1,275,000
REET II	Tank Farm Site Remediation	242,500	-	242,500
REET II	Harbour Point Blvd Widening	308,625	142,000	166,625
Total REET II		4,451,125	1,024,000	2,781,125
Surface Water Management	61st Place Culvert	262,500	74,000	188,500
Surface Water Management	61st Place Retaining Wall Repairs	1,009,950	300,000	709,950
Surface Water Management	Naketa Beach Storm Pipe Repairs	333,500	300,000	33,500
Total Surface Water Management		1,605,950	674,000	931,950
Total Capital Projects Carried Forward		\$ 6,057,075	\$ 1,698,000	\$ 3,713,075

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GENERAL FUND

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 4,384,148	\$ 4,097,420	\$ 4,158,384	\$ 4,162,831	\$ 4,447
Revenue and transfers-in					
Taxes	\$ 10,421,257	\$ 10,675,875	\$ 10,650,875	\$ 10,898,000	222,125
Licenses & permits	1,290,506	1,327,496	1,327,496	1,366,000	38,504
Intergovernmental revenue	424,419	486,786	486,786	565,076	78,290
Charges for services	318,417	380,420	380,420	282,747	(97,673)
Fines and forfeitures	211,458	204,220	204,220	187,500	(16,720)
Other miscellaneous revenue	602,022	729,875	729,875	913,500	183,625
Transfers-in	402,071	229,967	229,967	220,010	(9,957)
Total revenue and transfers-in	<u>\$ 13,670,150</u>	<u>\$ 14,034,639</u>	<u>\$ 14,009,639</u>	<u>\$ 14,432,833</u>	<u>\$ 398,194</u>
Total resources	<u>\$ 18,054,298</u>	<u>\$ 18,132,059</u>	<u>\$ 18,168,023</u>	<u>\$ 18,595,664</u>	<u>\$ 402,641</u>
Expenditures and transfers-out					
Council	\$ 65,568	\$ 76,150	\$ 75,484	\$ 75,143	\$ (1,007)
Executive					
Judicial	386,207	551,000	456,000	518,000	(33,000)
Executive	613,386	619,121	581,870	638,188	19,067
Human Resources	255,797	183,979	174,289	193,844	9,865
Finance & IT					
Accounting	719,044	886,960	986,650	863,844	(23,116)
Information Technology	319,653	349,450	327,015	406,958	57,508
Community Development					
Permits	277,887	311,050	260,150	280,236	(30,814)
Planning	740,021	736,472	667,300	774,788	38,316
Building	129,376	131,800	133,580	133,128	1,328
GIS	-	92,406	79,320	91,245	(1,161)
Public Works					
Administration	271,143	414,951	301,630	458,517	43,566
Parks	658,377	627,415	492,018	598,979	(28,436)
Police					
Administration	1,461,512	1,100,515	1,045,201	1,099,783	(732)
Patrol	2,590,987	2,658,250	2,678,612	2,665,469	7,219
Special Operations	479,376	537,900	385,000	647,843	109,943
Crime Prevention	130,128	141,540	143,270	155,148	13,608
Rangers	313,926	209,241	125,968	192,744	(16,497)
Training	51,230	53,850	48,950	59,957	6,107
Fire					
Administration	338,040	247,257	193,090	243,515	(3,742)
Operations	1,853,355	1,983,500	1,947,497	1,763,440	(220,060)
Prevention	56,958	14,204	44,618	17,500	3,296
Training	126,132	146,680	102,867	149,367	2,687
Other governmental	1,185,805	1,459,645	1,814,137	1,512,459	52,814
Transfers-out	872,007	1,319,885	940,676	892,738	(427,147)
Total expenditures and transfers-out	<u>\$ 13,895,914</u>	<u>\$ 14,853,221</u>	<u>\$ 14,005,192</u>	<u>\$ 14,432,833</u>	<u>\$ (420,388)</u>
Ending fund balance	<u>\$ 4,158,384</u>	<u>\$ 3,278,838</u>	<u>\$ 4,162,831</u>	<u>\$ 4,162,831</u>	<u>\$ -</u>
Revenue/Expense Difference \$	\$ (225,764)	\$ (818,582)	\$ 4,447	\$ -	\$ 818,582
Revenue/Expense Difference %	-1.62%	-5.51%	0.03%	0.00%	
% of Fund Balance Reserve	29.93%	22.07%	29.72%	28.84%	

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

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

Position Summary:

Position Title	2016	2017
Councilmember	7.0	7.0
Total	7.0	7.0

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Council	\$ 65,568	\$ 76,150	\$ 75,484	\$ 75,143	\$ (1,007)
Total Departmental Summary	\$ 65,568	\$ 76,150	\$ 75,484	\$ 75,143	\$ (1,007)

Budget Highlights

- A reduction in IT and Software Maintenance due to one-time purchases in 2016. Future maintenance costs will be located in the Information Technology budget.

2016 Annual Budget Legislative Department

City Council

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Part Time Employees	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ -
Total Salaries & Wages	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ -
Benefits					
	\$ 3,472	\$ 3,600	\$ 3,490	\$ 3,493	\$ (107)
Total Benefits	\$ 3,472	\$ 3,600	\$ 3,490	\$ 3,493	\$ (107)
Total Salaries & Benefits	\$ 46,072	\$ 46,200	\$ 46,090	\$ 46,093	\$ (107)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 117	\$ 1,250	\$ 600	\$ 750	\$ (500)
Meeting Costs & Council Retreat	756	500	1,254	1,200	700
Total Supplies	\$ 874	\$ 1,750	\$ 1,854	\$ 1,950	\$ 200
Other Services & Charges					
Travel & Subsistence Expense	\$ 8,633	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
Cell Phone	-	2,000	1,130	2,000	-
Legal Publications	1,908	1,200	1,850	2,100	900
Publication of Agendas	3,410	3,000	3,400	3,500	500
Training & Registration Costs	2,590	3,000	3,150	3,000	-
IT and Software Maintenance	-	2,000	2,000	-	(2,000)
City Code Revision	2,081	3,000	2,010	2,500	(500)
Total Other Services & Charges	\$ 18,622	\$ 28,200	\$ 27,540	\$ 27,100	\$ (1,100)
Total Operating Expenses	\$ 19,496	\$ 29,950	\$ 29,394	\$ 29,050	\$ (900)
Total City Council	\$ 65,568	\$ 76,150	\$ 75,484	\$ 75,143	\$ (1,007)

EXECUTIVE DEPARTMENT

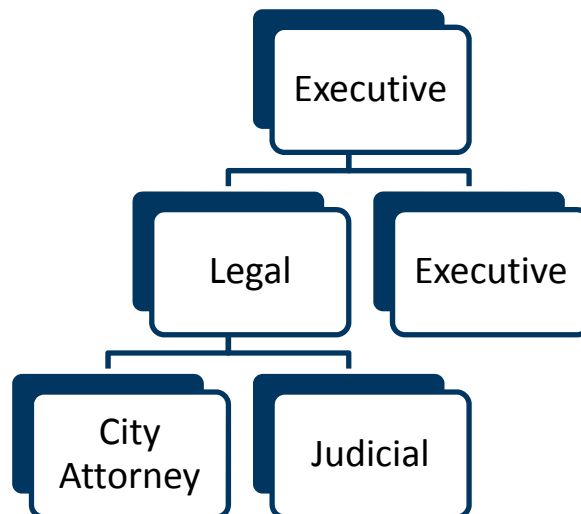
Purpose:

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

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

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Mayor	1.0	1.0
Management Services Director	1.0	1.0
City Clerk	1.0	1.0
Human Resources Manager	1.0	1.0
Executive Assistant	1.0	1.0
Policy Analyst	1.0	1.0
Department Assistant	0.5	0.5
Total	6.5	6.5

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Executive	\$ 613,386	\$ 619,121	\$ 581,870	\$ 638,188	\$ 19,067
Human Resources	\$ 255,797	\$ 183,979	\$ 174,289	\$ 193,844	\$ 9,865
Judicial	\$ 386,207	\$ 551,000	\$ 456,000	\$ 518,000	\$ (33,000)
Total Departmental Summary	\$ 1,255,389	\$ 1,354,100	\$ 1,212,159	\$ 1,350,032	\$ (4,068)

Budget Highlights

- Adjustments to pay ranges in the amount of \$45,286 are recommended using salary survey analysis of job descriptions, roles, responsibilities, reporting structure, and ability to recruit and retain employees. Individual budget adjustments have been made in each of the appropriate department budgets.

Implementation of Salary Survey

Brief Description:

Discussed with Finance
Committee and City
Council

Using salary survey analysis of job descriptions, roles, responsibilities,
reporting structure, and ability to recruit and retain employees,
adjustments to pay ranges are recommended

Fund Name

Various

Amount Requested

\$ 45,286

Nature of the expenditure?

Ongoing

Any Additional

**Revenue? If Yes,
Identify Below**

No

Expenditure Purpose and Justification

Using salary survey data, adjustments are recommended for non-represented employees. Policy priorities used for this recommendation:

- adjust pay scales to median, based on top end of range
- consider size of department and specific responsibilities for positions
- reduce 2016 impact by shifting employees to new step closest to current wage.
- adjust from median where responsibilities or duties are different from comparable agencies

Recommendations

Move Management Services Director to 160
Move Finance, Public Works, Planning Director to 145
Move Police Chief, Fire Chief to 146
Move Parks, Recreation & Cultural Services Director to 138 (not as close to median, but logical for scope of duties)
Move Assistant Fire Chief and Police Commander to 131
Move Assistant City Engineer to 129 (based on scope of responsibilities)
Move HR Manager to 118
Move Public Works Superintendent to 111
Move Policy Analyst to 101
Move City Clerk to 108
No adjustments to Planning Manager, Surface Water Programs Manager, Accounting Manager, Executive Assistant,
Administrative Support Coordinator (Rosehill) or Capital Projects Engineer. Some already at median, others new positions that
have been recently assessed

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Assuming retention of all current staff and prospective step increases, the current wage structure results in approximately \$15-20,000 in increases each year. Assuming retention of all current staff and prospective step increases under this model, the difference in increases in future years above each prior year (all funds):

2018: \$70,200

2019: \$61,800

2020: \$56,900

2021: \$27,100

Expenditure Account # & Title Amount

General Fund	\$ 31,870
Surface Water	\$ 2,878
Emergency Medical Services Fund	\$ 1,621
Streets	\$ 2,488
Recreation Fund	\$ 6,429

Revenue Account # & Title Amount

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

Department:	Various
Division:	Various
Prepared by:	Jennifer Gregerson, Mayor



EXECUTIVE

Purpose:

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

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

2016 Accomplishments:

- Fully implemented an Employee Recognition Program
- Established and facilitated the Facility Renewal, Facility Management and Environmental, and Building Manager Programs
- Updated and instituted the Emergency Operations Standard Operating Procedure
- Completed an Energy Audit and Facility Baseline
- Organized the first every Energy Star City-wide Challenge that enhanced employee energy conservation efforts and reduced overall energy use
- Facilitated the Wise Investments in Transportation Taskforce
- Conducted a preliminary analysis of Phase 1 annexation
- Instituted an Employee Safety Table Top and Emergency Drill initiative
- Created and facilitated the Director and Supervisor Leadership Forum
- Conducted outreach to young women in the community to explore careers in aerospace through the inaugural Cool Girls in Aerospace program

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 93% of the total expenditure budget.

2017 Annual Budget

Executive Department

Executive

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 403,513	\$ 398,128	\$ 380,590	\$ 430,431	\$ 32,303
Part Time Employees	33,362	26,100	25,680	26,478	378
Total Salaries & Wages	\$ 436,875	\$ 424,228	\$ 406,270	\$ 456,909	\$ 32,681
Benefits					
Total Benefits	\$ 132,898	\$ 153,093	\$ 134,860	\$ 136,129	\$ (16,964)
Total Salaries & Benefits	\$ 569,773	\$ 577,321	\$ 541,130	\$ 593,038	\$ 15,717
<u>Operating Expenses</u>					
Supplies					
Total Supplies	\$ 7,077	\$ 8,000	\$ 8,300	\$ 8,000	\$ -
Other Services & Charges					
Consulting Services	\$ 8,605	\$ 5,000	\$ 5,000	\$ 6,000	\$ 1,000
Other Professional Services	10,143	12,100	11,900	12,500	400
Communication Expenses	2,274	2,200	2,290	2,400	200
Travel & Subsistence Expense	8,822	8,000	8,000	8,500	500
Assoc. Dues & Memberships	430	500	1,250	1,250	750
Training & Registration Costs	6,262	6,000	4,000	6,500	500
Total Other Services & Charges	\$ 36,536	\$ 33,800	\$ 32,440	\$ 37,150	\$ 3,350
Total Operating Expenses	\$ 43,613	\$ 41,800	\$ 40,740	\$ 45,150	\$ 3,350
Total Executive	\$ 613,386	\$ 619,121	\$ 581,870	\$ 638,188	\$ 19,067

Human Resources

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 87,805	\$ 94,372	\$ 96,300	\$ 100,988	\$ 6,616
Total Salaries & Wages	\$ 87,805	\$ 94,372	\$ 96,300	\$ 100,988	\$ 6,616
Benefits					
	\$ 65,909	\$ 37,207	\$ 35,519	\$ 37,856	\$ 649
Total Benefits	\$ 65,909	\$ 37,207	\$ 35,519	\$ 37,856	\$ 649
Total Salaries & Benefits	\$ 153,714	\$ 131,579	\$ 131,819	\$ 138,844	\$ 7,265
<u>Operating Expenses</u>					
Supplies					
	\$ 933	\$ -	\$ -	\$ -	\$ -
Total Supplies	\$ 933	\$ -	\$ -	\$ -	\$ -
Other Services & Charges					
Other Professional Services	\$ 88,746	\$ 30,000	\$ 30,060	\$ 30,000	\$ -
AWC Wellness Program	2,999	2,500	2,500	4,200	1,700
Communication Expenses	589	900	610	800	(100)
Travel & Subsistence Expense	1,336	2,000	1,500	2,000	-
Classified Advertising	150	500	500	500	-
Assoc. Dues & Memberships	390	500	400	500	-
Training & Registration	6,044	1,000	1,000	1,000	-
Tuition Reimbursement	-	15,000	5,000	15,000	-
Admin Fee - FSA	895	-	900	1,000	1,000
Total Other Services & Charges	\$ 101,150	\$ 52,400	\$ 42,470	\$ 55,000	\$ 2,600
Total Operating Expenses	\$ 102,083	\$ 52,400	\$ 42,470	\$ 55,000	\$ 2,600
Total Human Resources	\$ 255,797	\$ 183,979	\$ 174,289	\$ 193,844	\$ 9,865

LEGAL & JUDICIAL

Purpose:

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

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

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

2016 Accomplishments:

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

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- No new budget items are included in the requested expenditure.
- Compared to the 2016 budget, expenditures are decreasing approximately 6% in this division due to an estimated reduction in fees for the Paine Field Legal Defense and intergovernmental services with the Everett District Court.
- Other adjustments include combining most of the services in the City Attorney Other Services account with the City Attorney account.
- The Prosecuting Attorney line item is increased to reflect the costs of the new contract for services approved by the City Council.

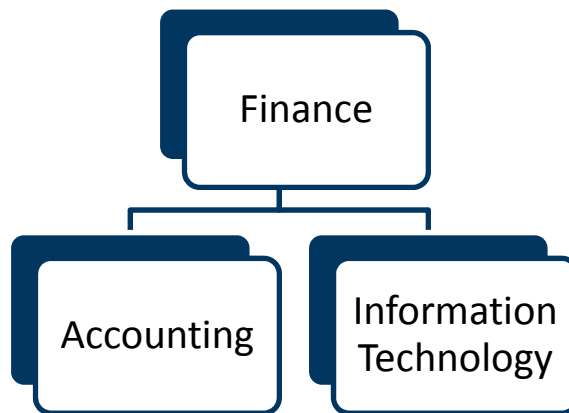
Judicial Services

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Operating Expenses</u>					
Other Services & Charges					
Indigent Defense Attorney	\$ 115,038	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
City Attorney	118,716	110,000	115,000	148,000	38,000
City Attorney Other Services	18,439	50,000	26,000	10,000	(40,000)
Labor Negotiations	-	30,000	30,000	30,000	-
City Prosecuting Attorney	64,485	60,000	65,000	100,000	40,000
Paine Field Legal Defense	-	100,000	50,000	50,000	(50,000)
Total Other Services & Charges	\$ 316,678	\$ 450,000	\$ 386,000	\$ 438,000	\$ (12,000)
Intergovernmental Services					
Interlocal Extradition	\$ -	\$ 1,000	\$ -	\$ -	\$ (1,000)
Everett District Court	69,528	100,000	70,000	80,000	(20,000)
Total Intergovernmental Services	\$ 69,528	\$ 101,000	\$ 70,000	\$ 80,000	\$ (21,000)
Total Operating Expenses	\$ 386,207	\$ 551,000	\$ 456,000	\$ 518,000	\$ (33,000)
Total Judicial Services	\$ 386,207	\$ 551,000	\$ 456,000	\$ 518,000	\$ (33,000)

FINANCE

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Finance Director	1.0	1.0
Accounting Manager	1.0	1.0
Staff Accountant	1.0	1.0
Accounting Technician	3.0	3.0
I.T. Systems Administrator	1.0	1.0
Computer Support Technician	1.0	1.0
Total	8.0	8.0

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Finance	\$ 719,044	\$ 886,960	\$ 986,650	\$ 863,844	\$ (23,116)
Information Technology	\$ 319,653	\$ 349,450	\$ 327,015	\$ 406,958	\$ 57,508
Total Departmental Summary	\$ 1,038,697	\$ 1,236,410	\$ 1,313,665	\$ 1,270,802	\$ 34,392

New Budget Item Summary

- There are no new budget items for Finance in 2017.

ACCOUNTING DIVISION

Purpose:

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

2016 Accomplishments:

- Completed 2014 and 2015 Washington State Financial and Accountability Audits
- Developed new detailed monthly revenue and expense reports for Council and City Management and made improvements to the 2017 Budget Process, making the process more efficient and transparent
- Developed and instituted the cash receipting process via SmartGov for all City Hall departments, EMS, Rosehill Community Center and the Parking Programs, as well as the Police Department
- Streamlined the Traffic Violation Bureau (TVB) reconciliation and payment process, saving the City over \$20,000 in 2015 alone
- Developed and instituted an investment portfolio, increasing interest revenue up to \$40,000 per year
- Developed and instituted a Cost Allocation Plan (CAP) for 2017
- Began the process to refund the 2009 Rosehill bond, potentially saving the City over \$500,000 over the life of the bond
- Reinstated the City's Long Range Financial Planning process
- Created a Financial SharePoint site where all Financial information is stored
- Implemented on-line time sheets which makes the timekeeping process more efficient and reduces paper usage
- Streamlined benefit processing thru the City's payroll system
- Implemented new processes and procedures as well as making changes to the payroll system to meet the regulations for the IRS Affordable Care Act
- Automated the 401K, HSA and Deferred Comp calculations for the Fire Department
- The entire Finance department participated in the Seatbelt pledge

2017 Goals & Objectives

- Finalize the City's Long Range Financial Plan
- Evaluate, update and implement the Finance Department standard operating procedures, policies and internal controls
- Evaluate the funding procedures for the Capital Equipment Replacement Fund
- Develop a funding strategy for the Facility Renewal Capital Plan
- Prepare for the 2016 Washington State Financial and Accountability Audits
- Evaluate all revenue sources to ensure accurate data and collection procedures including the revenues received from the Mukilteo Waste Water District
- Develop a City-wide Capital Improvement Plan (CIP)

Budget Highlights

- The 2017 budget for the Accounting Division reflects no change in staffing levels.
- No new budget items are included in the requested expenditure.
- Salary and benefit costs comprise approximately 76% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are decreasing approximately 3% in this division due mainly to more appropriately allocating IT maintenance costs for the City's accounting system to the IT Division by a total of \$38,000.
- The Finance Division is also estimating an increase in parking merchant fees by approximately \$27,000.

2017 Annual Budget

Finance Department

Finance Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 387,458	\$ 433,900	\$ 450,000	\$ 445,922	\$ 12,022
Special Assignment Pay	2,345	-	-	-	-
Overtime	801	1,500	500	2,000	500
Total Salaries & Wages	\$ 390,604	\$ 435,400	\$ 450,500	\$ 447,922	\$ 12,522
Benefits	\$ 182,748	\$ 229,800	\$ 236,130	\$ 212,292	\$ (17,508)
Total Benefits	\$ 182,748	\$ 229,800	\$ 236,130	\$ 212,292	\$ (17,508)
Total Salaries & Benefits	\$ 573,352	\$ 665,200	\$ 686,630	\$ 660,214	\$ (4,986)
<u>Operating Expenses</u>					
Supplies	\$ 2,475	\$ 3,650	\$ 3,710	\$ 2,650	\$ (1,000)
Total Supplies	\$ 2,475	\$ 3,650	\$ 3,710	\$ 2,650	\$ (1,000)
Other Services & Charges					
Other Professional Services	\$ 21,583	\$ 26,500	\$ 25,520	\$ 23,410	\$ (3,090)
Communication Expenses	4,476	4,600	4,120	4,100	(500)
Travel & Subsistence	702	1,000	750	750	(250)
Equipment Replacement Charges	-	-	-	-	-
Accounting System Maintenance	37,789	38,000	42,000	-	(38,000)
Training, Registration & Dues	2,102	5,000	1,020	2,500	(2,500)
Banking Fees	54,107	33,010	72,900	60,220	27,210
Total Other Services & Charges	\$ 120,760	\$ 108,110	\$ 146,310	\$ 90,980	\$ (17,130)
Intergovernmental Services					
State Auditor Audit	\$ 22,457	\$ 110,000	\$ 150,000	\$ 110,000	\$ -
Total Other Services & Charges	\$ 22,457	\$ 110,000	\$ 150,000	\$ 110,000	\$ -
Total Operating Expenses	\$ 145,691	\$ 221,760	\$ 300,020	\$ 203,630	\$ (18,130)
Total Accounting Division	\$ 719,044	\$ 886,960	\$ 986,650	\$ 863,844	\$ (23,116)

INFORMATION TECHNOLOGY DIVISION

Purpose:

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

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

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

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

The IT Division continues to focus upon business continuity and disaster recovery as a primary goal for the City and its infrastructure. Over the course of 2016, the City has continued to explore options area of business continuity and the continuation of services in the face of a catastrophic event. The City has successfully deployed and maintained a disaster recovery site in Eastern Washington, and has continued to take steps to harden the internal infrastructure and its ability to stay viable during a catastrophic event.

2016 Accomplishments:

- Continued to support the Public Safety department and the New World System for both Police and Fire
- Deployed business continuity infrastructure at Public Safety that has allowed the city to improve its backup and disaster recovery systems. Replaced aged servers with virtual servers for both the Police and Fire Departments.
- Began the design of the SharePoint sites for the both City Hall and the Public Safety departments.
- Continued upgrades to virtualized platforms with the replacement of server and storage infrastructure.
- Upgraded aging laptops with Surface Pro 4's and began the deployment of Windows 10.

2017 Goals & Objectives

- Begin the analysis of telephony systems and the replacement of the phone system, which includes the upgrade of network switches across the city infrastructure
- Continue the deployment of Windows 10 operating system across the city devices and SharePoint, preparation for Office 365, and upgrades to servers, workstations, and communication systems.
- Continue focus on network security, data integrity and training of staff and end users.

Budget Highlights

- The 2017 budget for the IT Division reflects no change in staffing levels.
- No new budget items are included in the requested expenditure.
- Salary and benefit costs comprise approximately 42% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are increasing approximately 14% in this division mainly due to more appropriately allocating IT maintenance costs from the Permitting and Finance Divisions to the IT Division in an amount of \$60,000.
- Expenditures are also increasing due to software maintenance fees related to Microsoft Office 365 migration.
- The 2017 IT Budget continues to operationalize the 6-year IT plan and incorporates a variety of elements that include upgrading, extending or replacing required equipment based upon its useful life; Council Chamber sound, video and workstation upgrades; extending the Microsoft Enterprise Agreement which expands the City's server capacity and provides for a seamless transition to Office 365 in 2018; and a variety of telephony, network and data security initiatives.

Information Technology Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 113,870	\$ 122,300	\$ 115,550	\$ 125,054	\$ 2,754
Overtime	556	2,000	210	2,000	-
Total Salaries & Wages	\$ 114,425	\$ 124,300	\$ 115,760	\$ 127,054	\$ 2,754
Benefits	\$ 54,543	\$ 61,800	\$ 48,490	\$ 43,354	\$ (18,446)
Total Benefits	\$ 54,543	\$ 61,800	\$ 48,490	\$ 43,354	\$ (18,446)
Total Salaries & Benefits	\$ 168,969	\$ 186,100	\$ 164,250	\$ 170,408	\$ (15,692)
<u>Operating Expenses</u>					
Supplies	\$ 9,332	\$ 14,250	\$ 14,000	\$ 15,750	\$ 1,500
Total Supplies	\$ 9,332	\$ 14,250	\$ 14,000	\$ 15,750	\$ 1,500
Other Services & Charges					
Consulting Services	\$ 47,518	\$ 45,200	\$ 42,500	\$ 35,000	\$ (10,200)
Communication Expenses	20,909	23,550	24,840	26,650	3,100
Travel & Subsistence Expense	1,360	2,500	1,100	3,000	500
Computer System Maintenance	40,228	44,250	44,250	49,000	4,750
Software Maintenance	22,799	25,700	25,700	96,500	70,800
Training, Registration & Dues	3,428	3,150	6,375	5,150	2,000
Offsite Data Storage	5,110	4,750	4,000	5,500	750
Total Other Services & Charges	\$ 141,352	\$ 149,100	\$ 148,765	\$ 220,800	\$ 71,700
Total Operating Expenses	\$ 150,685	\$ 163,350	\$ 162,765	\$ 236,550	\$ 73,200
Total Information Technology	\$ 319,653	\$ 349,450	\$ 327,015	\$ 406,958	\$ 57,508

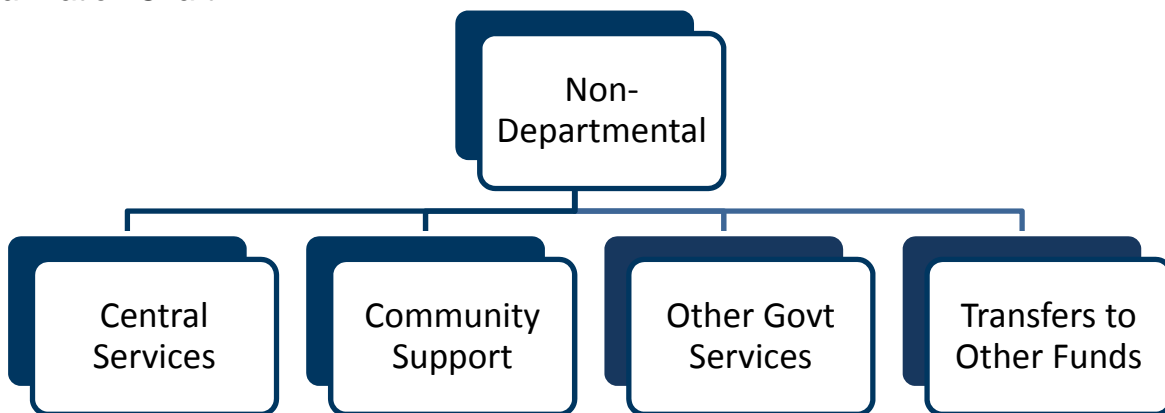
NON-DEPARTMENTAL

Purpose:

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

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

Organization Chart:



Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Governmental	\$ 1,185,805	\$ 1,459,645	\$ 1,814,137	\$ 1,512,459	\$ 52,814
Transfers	\$ 712,394	\$ 994,085	\$ 940,676	\$ 892,738	\$ (101,347)
Total Departmental Summary	\$ 1,898,199	\$ 2,453,730	\$ 2,754,813	\$ 2,405,197	\$ (48,533)

Budget Highlights

- The 2017 budget does not reflect any change in staffing levels, and no new budget items.
- Like in 2016, a 3.5% vacancy savings reduction was applied to salaries and benefits expenses. This will once again more closely align budgeted numbers to actual expenditures in these categories. This reduction equates to approximately \$345,000.
- Election Services has increased by \$5,000 due to an election year.
- The City is also budgeting up to \$10,000 from the 30% Marijuana Excise Tax to the Snohomish County Health District.
- New World has been combined with SNOCOM – 911 Dispatch, so you will see a corresponding decrease and increase in those line items. These budget items, along with SERS, are actual budgeted costs.

2017 Annual Budget

Non-Departmental

Non Departmental - Other Governmental Services

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages	\$ -	\$ (259,000)	\$ -	\$ (273,000)	\$ (14,000)
Total Salaries & Wages	\$ -	\$ (259,000)	\$ -	\$ (273,000)	\$ (14,000)
Benefits	\$ 31,634	\$ (84,905)	\$ 35,790	\$ (72,405)	\$ 12,500
Total Benefits	\$ 31,634	\$ (84,905)	\$ 35,790	\$ (72,405)	\$ 12,500
Total Salaries & Benefits	\$ 31,634	\$ (343,905)	\$ 35,790	\$ (345,405)	\$ (1,500)
<u>Operating Expenses</u>					
Supplies					
Paper Stock	\$ 6,437	\$ 5,000	\$ 2,110	\$ 5,000	\$ -
Operating Supplies	644	1,000	1,980	5,000	4,000
Total Supplies	\$ 7,081	\$ 6,000	\$ 4,090	\$ 10,000	\$ 4,000
Other Services & Charges					
Admin Charge - TPA	\$ 80	\$ -	\$ -	\$ -	\$ -
Postage	-	350	450	350	-
Website Hosting - Archive	1,800	2,000	2,000	2,000	-
Office Equipment Rental	1,460	2,000	40	2,000	-
Office Equipment M&R	17,466	8,000	10,900	8,000	-
City Letterhead & Envelopes	1,007	1,200	1,200	1,200	-
Public Affairs & Community Outreach	27,794	20,000	20,000	20,000	-
Youth Advisory Council	1,021	1,000	1,000	1,000	-
Travel & Subsistence	486	2,500	2,500	2,500	-
Equipment Replacement Charges	642,603	-	-	-	-
Insurance	146,520	301,400	295,095	315,000	13,600
Vehicle R&M	111,418	93,250	83,820	93,250	-
ECityGov Alliance Contract	-	2,500	-	-	(2,500)
Training & Registration	1,563	2,500	1,000	2,500	-
Emergency Mgmt Misc	5,110	3,500	4,560	5,000	1,500
City Newsletter	15,695	-	-	-	-
Community Support Grants	8,264	10,000	10,000	10,000	-
Parks Special Projects	3,668	5,000	5,000	17,000	12,000
Large Item Pickup	32,974	40,000	40,000	40,000	-
Municipal Facilities Charge	-	607,600	608,390	595,078	(12,522)
Total Other Services & Charges	\$ 1,018,926	\$ 1,102,800	\$ 1,085,955	\$ 1,114,878	\$ 12,078
Total Operating Expenses	\$ 1,026,007	\$ 1,108,800	\$ 1,090,045	\$ 1,124,878	\$ 16,078

Non Departmental - Other Governmental Services (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Alcohol Program	\$ 6,068	\$ 6,000	\$ 6,100	\$ 6,000	\$ -
Election Services	17,537	15,000	15,000	20,000	5,000
Emergency Services	53,333	30,000	26,160	30,000	-
Commute Trip Reduction	759	5,000	5,000	5,000	-
Assoc Wash Cities	14,102	14,500	14,493	14,702	202
Puget Sound Clean Air Agency	16,175	18,500	18,402	18,600	100
Puget Sound Region Council	8,349	8,500	8,500	8,500	-
Snohomish County Tomorrow	3,662	4,000	3,736	4,000	-
Voter Registration	-	30,000	28,397	30,000	-
WA ST Purchasing COOP	-	1,000	-	-	(1,000)
National League of Cities	1,861	2,000	1,861	2,000	-
Economic Alliance - Snohomish County	5,000	2,500	2,500	2,500	-
Minority & Woman's Business	-	-	100	100	100
Snohomish County Cities	100	200	200	200	-
Snohomish County Health District	-	-	-	10,000	10,000
Interjurisdictional Housing Program	1,218	1,250	1,809	1,900	650
SNOCOM - Dispatch	-	451,500	451,430	522,198	70,698
New World	-	49,800	49,780	-	(49,800)
SERS	-	55,000	54,834	57,286	2,286
Total Intergovernmental Services	\$ 128,163	\$ 694,750	\$ 688,302	\$ 732,986	\$ 38,236
Total Intergovernmental Services	\$ 128,163	\$ 694,750	\$ 688,302	\$ 732,986	\$ 38,236
Total Non Departmental - Other Governmental Services	\$ 1,185,805	\$ 1,459,645	\$ 1,814,137	\$ 1,512,459	\$ 52,814

TRANSFERS TO OTHER FUNDS

Purpose:

General Fund transfers to other City funds are not considered expenditures for budgeting and financial reporting purposes. The General Fund has budgeted transfers to six City funds: LEOFF 1 Fund, Street Fund, Recreation & Cultural Services Fund, Emergency Medical Services Fund, Technology Replacement Fund, and Facility Renewal Fund.

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

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

The transfer to the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF 1) Reserve Fund is intended to set aside resources for future funding requirements.

Budget Highlights

- Includes in 2017 a general fund transfer to the Facility Renewal Fund based on internal cost allocation plan (CAP).
- The increase in the transfer to Recreation & Cultural Services is due mainly to an increase of \$50,000 for the Park Plan Update new budget item located in that budget.

New Budget Item Summary

- None

Non Departmental - Transfers-out

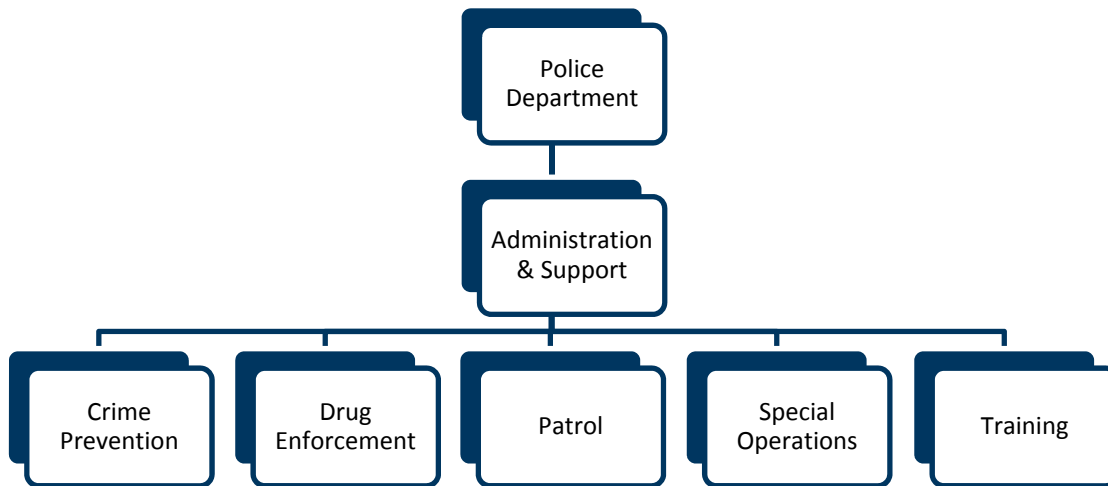
	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Transfers-out</u>					
Street	\$ 270,969	\$ 336,040	\$ 304,718	\$ 256,738	\$ (47,980)
Facility Renewal	-	500,000	500,000	225,508	(274,492)
Paine Field Reserve	65,640	-	-	-	-
Emergency Medical Services	-	-	-	117,542	117,542
City Reserve	217,949	-	-	-	-
LEOFF 1 Reserve	-	-	-	35,000	35,000
Technology Replacement	-	50,000	50,000	64,000	14,000
Recreation & Cultural Services	157,835	108,045	85,958	193,950	107,992
Total Transfers-out	\$ 712,394	\$ 994,085	\$ 940,676	\$ 892,738	\$ (101,347)

POLICE DEPARTMENT

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

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Police Chief	1.0	1.0
Commander	1.0	1.0
Sergeant	4.0	4.0
Detective Sergeant	1.0	1.0
Detective	3.0	3.0
Crime Prevention Officer	1.0	1.0
Police Officer	17.0	18.0
Office Supervisor	1.0	1.0
Community Support Officer	3.0	3.0
Support Services Technician	2.0	2.0
Department Assistant	1.0	1.0
Total	35.0	36.0

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Police Department					
Administration	\$ 1,461,512	\$ 1,100,515	\$ 1,045,201	\$ 1,099,783	\$ (732)
Patrol	2,590,987	2,658,250	2,678,612	2,665,469	7,219
Special Operations	479,376	537,900	385,000	647,843	109,943
Crime Prevention	130,128	141,540	143,270	155,148	13,608
Rangers	313,926	209,241	125,968	192,744	(16,497)
Training	51,230	53,850	48,950	59,957	6,107
Drug Enforcement	14,079	22,953	8,330	24,000	1,047
Total Departmental Summary	\$ 5,041,238	\$ 4,724,249	\$ 4,435,331	\$ 4,844,944	\$ 120,695

New Budget Item Summary

- School Resource Officer – The six schools that reside within the boundary of the City of Mukilteo have been without a dedicated School Resource Officer (SRO) for the past two decades. This position provides one full-time SRO that would be stationed at Kamiak High School and also be able to respond to calls for service at all six public schools within the City limits of Mukilteo. The SRO would patrol assigned areas and facilities during school hours and during District sponsored events as needed, to deter and help address issues that affect the safety and wellbeing of students, staff, and other community members. The SRO will serve as a positive resource for students, parents and staff and will be available to teach/assist with selected curricula as appropriate.

ADMINISTRATION AND SUPPORT SERVICES DIVISION

Purpose:

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

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

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

2016 Accomplishments:

- Hired a new Support Services Supervisor
- Transitioned from hand written receipting of payments to computer based SmartGov. receipt system
- Changed from Uniformed Crime Report (UCR) to more detailed National Incident Base Reporting System (NIBRS)
- Streamlined workflow for New World report writing and records management system
- Commenced transfer of evidence room temporary storage back into main evidence room

2017 Goals & Objectives

- Complete the transfer of evidence from temporary storage back into the main evidence room
- Complete audit of evidence room and barcode all evidence while doing so
- Update Evidence Manual
- Update the standard operating procedure (SOP) manual for the records division
- Purge records that are beyond retention requirements

Budget Highlights

- The 2017 budget for the Administration and Support Services Division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Compared to the 2016 budget, overall expenditures are staying the same.
- Salary and benefit costs comprise approximately 79% of the total expenditure budget.
- The Rangers Division has a reduction of \$14,450 in the Other Professional Services category due to moving maintenance of parking meters to the IT Division and Loomis Armored car service to the Financial Division budgets.

Police Department - Administration & Support Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 593,625	\$ 583,800	\$ 581,720	\$ 602,196	\$ 18,396
Special Assignment Pay	3,408	4,000	3,970	4,053	53
Education Premium Pay	3,912	3,200	3,180	3,242	42
Acting Supervisor Pay	95	-	-	-	-
Merit/Longevity Pay	1,027	800	790	811	11
Overtime	9,167	5,700	4,730	5,814	114
Total Salaries & Wages	\$ 611,233	\$ 597,500	\$ 594,390	\$ 616,116	\$ 18,616
Benefits	\$ 230,577	\$ 250,540	\$ 253,230	\$ 251,292	\$ 752
Total Benefits	\$ 230,577	\$ 250,540	\$ 253,230	\$ 251,292	\$ 752
Total Salaries & Benefits	\$ 841,810	\$ 848,040	\$ 847,620	\$ 867,408	\$ 19,368
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 14,018	\$ 13,800	\$ 10,440	\$ 12,000	\$ (1,800)
Reference Material	91	500	-	-	(500)
Clothing/Boots	1,281	3,500	3,500	3,500	-
Motor Fuel	5,215	7,400	3,630	6,000	(1,400)
Small Items of Equipment	5,345	8,000	13,000	3,000	(5,000)
Total Supplies	\$ 25,950	\$ 33,200	\$ 30,570	\$ 24,500	\$ (8,700)

Police Department - Administration & Support Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 12,182	\$ 21,240	\$ 21,240	\$ 16,040	\$ (5,200)
Telephone	15,652	15,900	13,410	15,900	-
Postage	3,490	3,000	1,210	3,000	-
New World Project Connectivity	7,429	5,500	5,030	5,500	-
Cell Phones	11,749	10,600	7,680	9,000	(1,600)
Travel & Subsistence	670	2,000	1,130	2,000	-
Office Equipment Rental	751	900	380	900	-
Equipment R&M	909	3,400	-	2,000	(1,400)
Software Maintenance & Support	761	810	761	810	-
Assoc.Dues & Memberships	975	1,100	1,160	1,100	-
Printing & Binding	4,127	2,000	970	2,000	-
Domestic Violence Services	1,231	-	1,050	7,800	7,800
Concealed Pistol License	6,828	6,300	8,420	6,300	-
Total Other Services & Charges	\$ 66,754	\$ 72,750	\$ 62,441	\$ 72,350	\$ (400)
Total Operating Expenses	\$ 92,704	\$ 105,950	\$ 93,011	\$ 96,850	\$ (9,100)
Intergovernmental Services					
Home Detention	\$ 2,871	\$ 2,525	\$ 1,000	\$ 2,525	\$ -
Jail	124,104	130,000	86,570	120,000	(10,000)
Animal Shelter Fees	13,150	14,000	17,000	13,000	(1,000)
Dispatch Services	323,328	-	-	-	-
Human Services Council	26,811	-	-	-	-
SERS Operating Assessment	36,734	-	-	-	-
Total Intergovernmental Services	\$ 526,998	\$ 146,525	\$ 104,570	\$ 135,525	\$ (11,000)
Total Intergovernmental Services	\$ 526,998	\$ 146,525	\$ 104,570	\$ 135,525	\$ (11,000)
Total Police Department - Administration & Support Division	\$ 1,461,512	\$ 1,100,515	\$ 1,045,201	\$ 1,099,783	\$ (732)

2017 Annual Budget

Police Department

Police Department - Rangers Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 52,978	\$ 99,900	\$ 50,180	\$ 98,247	\$ (1,653)
Overtime	639	1,000	-	3,060	2,060
Total Salaries & Wages	\$ 53,617	\$ 100,900	\$ 50,180	\$ 101,307	\$ 407
Benefits					
	\$ 32,681	\$ 62,400	\$ 31,790	\$ 60,946	\$ (1,454)
Total Benefits	\$ 32,681	\$ 62,400	\$ 31,790	\$ 60,946	\$ (1,454)
Total Salaries & Benefits	\$ 86,298	\$ 163,300	\$ 81,970	\$ 162,253	\$ (1,047)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 703	\$ 2,604	\$ 1,750	\$ 2,604	-
Operating Supplies	33,809	17,287	13,500	17,287	-
Clothing/Boots	8,075	4,000	4,000	2,500	(1,500)
Motor Fuel	-	2,600	-	2,600	-
Small Items of Equipment	2,355	4,000	4,000	4,000	-
Total Supplies	\$ 44,943	\$ 30,491	\$ 23,250	\$ 28,991	\$ (1,500)
Other Services & Charges					
Other Professional Services	\$ 14,778	\$ 14,450	\$ 15,278	\$ -	\$ (14,450)
Postage	-	-	3,870	500	500
Cell Phone	957	1,000	900	1,000	-
Travel & Subsistence	2,022	-	-	-	-
Training & Registration	375	-	-	-	-
Miscellaneous	1,095	-	700	-	-
Total Other Services & Charges	\$ 19,227	\$ 15,450	\$ 20,748	\$ 1,500	\$ (13,950)
Total Operating Expenses	\$ 64,171	\$ 45,941	\$ 43,998	\$ 30,491	\$ (15,450)
Capital Outlay					
Downtown Paid Parking Program	\$ 163,457	\$ -	\$ -	\$ -	-
Total Capital Outlay	\$ 163,457	\$ -	\$ -	\$ -	-
Total Police Department - Rangers Division	\$ 313,926	\$ 209,241	\$ 125,968	\$ 192,744	\$ (16,497)

CRIME PREVENTION DIVISION

Purpose:

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

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

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

2016 Accomplishments:

- Continued training and building volunteer program. Added eight volunteers and one police chaplain.
- Organized one Women's Self-Defense workshop with 25 attendees
- Held one Citizen's Academy presentation for 14 participants
- Held four Crime Prevention workshops for the general public focusing on Heroin and Drug Abuse, Youth Health and Fitness, Drug Forum (Drug Task Force), and Teen Suicide
- Attended the Mental Health and Wellness Fair and conducted a Gun Safety Presentation
- Conducted a Drug Presentation to the Parent U Organization (8th Grade Parents)
- Conducted two "Coffee with a Cop" community outreach events
- Continued working with the MSD and Fire Department to conduct city emergency incident training and emergency drills
- Addressed the Kamiak Senior Class regarding DUI and safe driving
- Conducted regular meetings with Police Volunteers and supervised the House Watch Program, the Community Outreach Booth at Farmer's Market, and other volunteer activities
- Conducted "Cops and Kids" Safety Day at Mukilteo Elementary School
- Conducted a Community Scam and Identity Theft Presentation hosted by the Harbour Pointe Senior Living Facility

2017 Goals & Objectives

- Continue building a strong Police Volunteer Program by adding new members
- Hold National Night-Out Against Crime Event, at least one Citizens' Police Academy, at least one "Shred It Mukilteo" event (residents can shred documents containing sensitive information to combat identity theft), community outreach events involving Gun Safety, Drug Awareness, Teen Issues, Identity Theft, and other community concerns, launch an annual Junior Mukilteo Police Academy (one-week course to connect with Teens and address youth issues)
- Help establish new Block Watch groups and conduct quarterly meetings with Block Watch Captains to keep them engaged, informed about crime trends, and discuss neighborhood safety
- Continue attending Homeless Outreach Alliance meetings to address alternatives and provide resources for homeless members of the community

Budget Highlights

- The 2017 budget for the Crime Prevention Division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Salary and benefit costs comprises approximately 87%
- This budget does include a \$5,000 increase to Public Affairs & Community Outreach to provide more resources and support for victims in Mukilteo.

2017 Annual Budget

Police Department

Police Department - Crime Prevention Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 78,788	\$ 79,500	\$ 86,090	\$ 85,138	\$ 5,638
Special Assignment Pay	3,894	4,000	3,160	4,053	53
Education Premium Pay	3,116	3,200	3,420	3,242	42
Merit/Longevity Pay	779	800	1,320	-	(800)
Overtime Pay	1,794	4,000	1,290	-	(4,000)
Overtime - Special Events	2,861	-	-	-	-
Total Salaries & Wages	\$ 91,232	\$ 91,500	\$ 95,280	\$ 92,433	\$ 933
Benefits	\$ 31,902	\$ 34,140	\$ 33,500	\$ 42,465	\$ 8,325
Total Benefits	\$ 31,902	\$ 34,140	\$ 33,500	\$ 42,465	\$ 8,325
Total Salaries & Benefits	\$ 123,134	\$ 125,640	\$ 128,780	\$ 134,898	\$ 9,258
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 4,330	\$ 5,000	\$ 4,500	\$ 5,000	\$ -
Clothing/Boots	351	3,400	3,000	3,000	(400)
Motor Fuel	826	1,000	490	750	(250)
Total Supplies	\$ 5,506	\$ 9,400	\$ 7,990	\$ 8,750	\$ (650)
Other Services & Charges					
Travel & Subsistence	\$ 858	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Equipment Replacement Charges	-	-	-	-	-
Vehicle R&M	-	-	-	-	-
Printing & Binding	629	1,000	1,000	1,000	-
Public Affairs & Community Outreach	-	4,000	4,000	9,000	5,000
Total Other Services & Charges	\$ 1,488	\$ 6,500	\$ 6,500	\$ 11,500	\$ 5,000
Total Operating Expenses	\$ 6,994	\$ 15,900	\$ 14,490	\$ 20,250	\$ 4,350
Total Police Department - Crime Prevention Division	\$ 130,128	\$ 141,540	\$ 143,270	\$ 155,148	\$ 13,608

PATROL DIVISION

Purpose:

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

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

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

2016 Accomplishments:

- Conducted additional squad level defensive tactics/firearms training
- Recertified our Master level Defensive Tactics Instructor
- One Officer contributed 280 hours with the Violent Offender Task Force (VOTF)
- One Officer continued to participate on North Sound Metro SWAT Team; participated in five separate SWAT callouts supporting partner agencies
- Three Officers continued participation on the Allied Law Enforcement Riot Team (ALERT) Team; participated in two regional deployments
- Complete full implementation of New World Systems records management and mobile report writing program

2017 Goals & Objectives

- Train additional officers in defensive tactics
- Complete updated manual and train staff
- Continue directed patrols and emphasis for deterrence and community problem solving

Budget Highlights

- The 2017 budget for the Patrol Division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Salary and benefit costs comprise approximately 97% of the total expenditure budget.

Police Department - Patrol Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,565,099	\$ 1,613,700	\$ 1,653,270	\$ 1,643,705	\$ 30,005
Special Assignment Pay	18,488	15,900	18,430	16,212	312
Education Incentive Pay	35,461	38,000	37,190	38,427	427
Merit/Longevity Pay	26,252	30,600	28,070	29,305	(1,295)
Overtime Pay	138,127	91,000	109,000	92,820	1,820
Overtime - Special Events	9,436	12,000	4,090	12,240	240
Total Salaries & Wages	\$ 1,792,864	\$ 1,801,200	\$ 1,850,050	\$ 1,832,709	\$ 31,509
Benefits	\$ 697,369	\$ 747,900	\$ 759,380	\$ 739,860	\$ (8,040)
Total Benefits	\$ 697,369	\$ 747,900	\$ 759,380	\$ 739,860	\$ (8,040)
Total Salaries & Benefits	\$ 2,490,233	\$ 2,549,100	\$ 2,609,430	\$ 2,572,569	\$ 23,469
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 703	\$ 2,400	\$ 200	\$ 2,400	\$ -
Clothing/Boots	16,078	30,000	20,000	20,000	(10,000)
Motor Fuel	33,050	45,000	19,960	35,000	(10,000)
Small Items of Equipment	32,469	7,000	11,422	17,000	10,000
Total Supplies	\$ 82,300	\$ 84,400	\$ 51,582	\$ 74,400	\$ (10,000)
Other Services & Charges					
Travel & Subsistence	\$ 1,096	\$ 2,250	\$ 1,100	\$ 2,000	\$ (250)
Equipment R&M	15,805	20,000	15,000	15,000	(5,000)
Laundry Services	1,553	2,500	1,500	1,500	(1,000)
Total Other Services & Charges	\$ 18,454	\$ 24,750	\$ 17,600	\$ 18,500	\$ 900
Total Operating Expenses	\$ 100,754	\$ 109,150	\$ 69,182	\$ 92,900	\$ (16,250)
Total Police Department - Patrol Division	\$ 2,590,987	\$ 2,658,250	\$ 2,678,612	\$ 2,665,469	\$ 7,219

SPECIAL OPERATIONS DIVISION

Purpose:

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

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

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

2016 Accomplishments:

- Continued participation in Regional Police Intelligence (RIG) Group
- One detective continued to participate on the Snohomish Multi Agency Response Team (SMART) Team
- Detective continued to participate on the Child Abduction Response Team (CART)
- Selected a new Special Operations Sergeant, Crime Prevention Officer, and School Resource Officer
- Coordinated with Crime Prevention Officer on Crime Trend Analysis using burglary location maps to investigate incidents.

2017 Goals & Objectives

- Perform proactive operations as time allows
- Continue participation in RIG, SMART, and CART Teams
- Provide additional support and training to Patrol
- Increase training for investigators

Budget Highlights

- The 2017 budget for the Special Operations Division reflects an increase for one new budget item:
 - School Resource Officer. This position is fully funded for \$121,640 which will be offset with funding of \$91,230 received, per contract, from the Mukilteo School District.
- Salary and benefit costs comprise approximately 98% of the total expenditure budget.

School Resource Officer**Brief Description:**

New Item

Staff a full-time School Resource Officer available to all of the schools within the City limits of Mukilteo. The SRO would serve as a safety expert, problem solver, educator, and liaison to community resources for students and staff.

Fund Name**General****Amount Requested****\$ 121,640**Nature of the expenditure? **Ongoing**

Any Additional Revenue? If Yes, Identify Below

Yes**Expenditure Purpose and Justification**

The six schools that reside within the boundary of the City of Mukilteo have been without a dedicated School Resource Officer (SRO) for the past two decades. This position would provide one full-time SRO that would be stationed at Kamiak High School and also be able to respond to calls for service at all six schools within the City limits of Mukilteo. The SRO would patrol assigned areas and facilities during school hours and during District sponsored events as needed, to deter and help address issues that affect the safety and wellbeing of students, staff, and other community members. The SRO will serve as a positive resource for students, parents and staff and will be available to teach/assist with selected curricula as appropriate. The Mukilteo School District will be paying 75% of the salary and benefits for this position.

Alternatives and Potential Costs

Alternative 1) Not provide enhanced services for the schools and children in the community.

Identify Ongoing Operating and Maintenance Life Cycle Expenses**Expenditure Account # & Title Amount**

011.21.521.230.1xxx	\$ 121,640
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

Mukilteo School District Contract 75% of costs	\$ 91,230
	\$ -
	\$ -
	\$ -

Department:	Police
Division:	Special Operations
Prepared by:	Cheol Kang, Interim Police Chief



Police Department - Special Operations Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 281,244	\$ 332,300	\$ 231,470	\$ 460,549	\$ 128,249
Special Assignment Pay	14,510	16,600	12,530	12,159	(4,441)
Education Incentive Pay	8,406	10,100	6,550	10,314	214
Merit/Longevity Pay	3,946	4,100	3,280	6,114	2,014
Overtime Pay	19,035	-	5,610	-	-
Overtime - Shift Cover	5,821	3,500	2,060	8,670	5,170
Total Salaries & Wages	\$ 332,961	\$ 366,600	\$ 261,500	\$ 497,806	\$ 131,206
Benefits	\$ 131,479	\$ 153,700	\$ 111,410	\$ 136,937	\$ (16,763)
Total Benefits	\$ 131,479	\$ 153,700	\$ 111,410	\$ 136,937	\$ (16,763)
Total Salaries & Benefits	\$ 464,440	\$ 520,300	\$ 372,910	\$ 634,743	\$ 114,443
Operating Expenses					
Supplies					
Operating Supplies	\$ 470	\$ 1,000	\$ 1,000	\$ 500	\$ (500)
Clothing/Boots	1,687	1,900	1,500	1,900	-
Motor Fuel	3,382	6,500	2,060	2,500	(4,000)
Small Items of Equipment	1,375	500	180	500	-
Total Supplies	\$ 6,913	\$ 9,900	\$ 4,740	\$ 5,400	\$ (4,500)
Other Services & Charges					
Travel & Subsistence	\$ 219	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Equipment R&M	514	500	350	500	-
Laundry Services	-	200	-	200	-
Investigation Costs	7,288	5,000	5,000	5,000	-
Total Other Services & Charges	\$ 8,022	\$ 7,700	\$ 7,350	\$ 7,700	\$ -
Total Operating Expenses	\$ 14,936	\$ 17,600	\$ 12,090	\$ 13,100	\$ (4,500)
Total Police Department - Special Operations Division	\$ 479,376	\$ 537,900	\$ 385,000	\$ 647,843	\$ 109,943

TRAINING DIVISION

Purpose:

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

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

2016 Accomplishments:

- Conducted dynamic Defense Tactics training for all commissioned personnel
- Performed two range qualifications for commissioned staff increasing firearm safety incorporating use of force review and scenario based training methods.
- Hired and trained one lateral police officer
- Successfully met all RCW training hour requirements for commissioned staff per Criminal Justice Training Commission standards
- Developed a squad level training plan for commissioned staff members

2017 Goals & Objectives

- Assure minimum required training hours are met
- Meet standards for safety training requirement
- Continue developing staff members for their respective roles in the organization
- Develop a succession plan for career development and potential promotions

Budget Highlights

- The 2017 budget for the Training Division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Salary and benefit costs comprise approximately 86% of the total expenditure budget.

Police Department - Training Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Overtime	\$ 18,123	\$ 18,000	\$ 16,750	\$ 24,480	\$ 6,480
OT - New World Systems Training	3,931	-	-	-	-
Total Salaries & Wages	\$ 22,055	\$ 18,000	\$ 16,750	\$ 24,480	\$ 6,480
Benefits					
	\$ -	\$ 3,150	\$ -	\$ 3,277	\$ 127
Total Benefits	\$ -	\$ 3,150	\$ -	\$ 3,277	\$ 127
Total Salaries & Benefits	\$ 22,055	\$ 21,150	\$ 16,750	\$ 27,757	\$ 6,607
<u>Operating Expenses</u>					
Supplies					
Ammunition	\$ 12,260	\$ 12,900	\$ 12,900	\$ 12,900	\$ -
Small Items of Equipment	1,115	2,800	2,800	2,800	-
Total Supplies	\$ 13,374	\$ 15,700	\$ 15,700	\$ 15,700	\$ -
Other Services & Charges					
Other Professional Services	\$ 5,443	\$ 5,500	\$ 5,500	\$ 5,500	\$ -
Travel & Subsistence	4,445	5,000	4,500	4,500	(500)
Training & Registration	5,912	6,500	6,500	6,500	-
Total Other Services & Charges	\$ 15,800	\$ 17,000	\$ 16,500	\$ 16,500	\$ (500)
Total Operating Expenses	\$ 29,175	\$ 32,700	\$ 32,200	\$ 32,200	\$ (500)
Total Police Department - Training Division	\$ 51,230	\$ 53,850	\$ 48,950	\$ 59,957	\$ 6,107

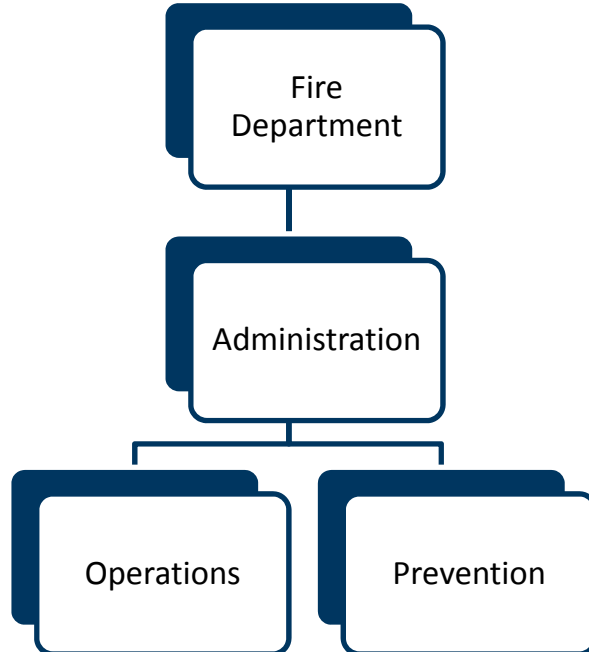
FIRE DEPARTMENT

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

The Fire Chief is the administrative head of the department. In 2016, the authorized strength of 29 personnel responds from two stations, Station 24 in Old Town and Station 25 in Harbour Pointe. Each station has three personnel on duty around the clock. Those personnel staff a fire engine or an ambulance, depending on the emergency. In addition to the Fire Chief, 2016 administrative staff positions include an Assistant Chief, a Fire Marshal, a Senior Administrative Assistant, and a Training Captain. The Fire Marshal position was filled in August. For the first part of the year, a contract Fire Marshal was available twenty hours per week to handle fire prevention responsibilities.

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Fire Chief	1.0	1.0
Assistant Fire Chief	1.0	1.0
Fire Marshal	1.0	1.0
Training Captain	1.0	1.0
Fire Captain	6.0	6.0
Firefighter/EMT	9.0	9.0
Firefighter/Paramedic	9.0	9.0
Senior Department Assistant	1.0	1.0
Total	29	29

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Fire Department					
Fire					
Administration	\$ 338,040	\$ 247,257	\$ 193,090	\$ 243,515	\$ (3,742)
Operations and Training	1,979,487	2,130,180	2,050,364	1,912,807	(217,373)
Prevention	56,958	14,204	44,618	17,500	3,296
EMS	2,292,630	2,366,700	2,425,671	2,502,942	136,242
Total Departmental Summary	\$ 4,667,115	\$ 4,758,341	\$ 4,713,743	\$ 4,676,764	\$ (81,577)

New Budget Item Summary

- Inter-local agreement with Fire District 1 for ladder truck and incident command services.
- The following items are not included in the Fire Department's budget, but are included in the Equipment Replacement Reserve Fund:
 - Purchase of an ambulance to replace a 2007 unit.
 - Thermal Imaging Cameras to replace three units more than a decade old. The new units are smaller, lighter, and have better sensitivity and screen resolution for locating victims in low-light conditions.
 - LUCAS Chest Compression Systems for both ambulances, which allow staff to provide consistent chest compressions continuously to a cardiac arrest victim.
- Generator and infrastructure replacement at Fire Station 24 to insure the station's electrical load requirements are met during emergency operations, funded through Facility Renewal Fund.

ADMINISTRATION DIVISION

Purpose:

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

2016 Accomplishments:

- Station maintenance work included painting, carpet, window repair, and landscaping.
- Work done to comply with WAC 296-305 Safety Standards for Firefighters.
- Quartermaster system for uniform replacement implemented.
- City staff attended emergency management classes including damage assessment, community points of distribution, and emergency operations center management in conjunction with Snohomish County Department of Emergency Management.
- Steps taken to initiate a wellness/fitness program consistent with NFPA 1500.
- Performance metrics established.
- Website updated with safety information and monthly performance metrics.
- Vehicle exhaust system replaced at both stations.
- New inter-local agreement for ladder truck and incident command services negotiated.

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for this division reflects no change in the number of positions.
- The budget includes no new budget items.
- Salary and benefit costs comprise approximately 86% of the total expenditure budget.

Fire Department - Administration

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 174,186	\$ 152,762	\$ 121,379	\$ 157,389	\$ 4,627
Overtime	140	300	-	306	6
Total Salaries & Wages	\$ 174,326	\$ 153,062	\$ 121,379	\$ 157,695	\$ 4,633
Benefits					
	\$ 58,572	\$ 53,995	\$ 38,894	\$ 52,470	\$ (1,525)
Total Benefits	\$ 58,572	\$ 53,995	\$ 38,894	\$ 52,470	\$ (1,525)
Total Salaries & Benefits	\$ 232,898	\$ 207,057	\$ 160,273	\$ 210,165	\$ 3,108
Operating Expenses					
Supplies					
Office Supplies	\$ 1,009	\$ 1,600	\$ 1,600	\$ 1,500	\$ (100)
Purchase of Forms	590	500	500	350	(150)
Supplies - Administration	9,885	300	300	300	-
Clothing/Boots	2,630	2,100	2,100	2,000	(100)
Motor Fuel	4,806	5,000	3,446	4,500	(500)
Small Items of Equipment	282	200	200	200	-
Total Supplies	\$ 19,202	\$ 9,700	\$ 8,146	\$ 8,850	\$ (850)
Other Services & Charges					
Other Professional Services	\$ 80,602	\$ 25,000	\$ 19,000	\$ 19,000	\$ (6,000)
Communications Expense	2,852	2,600	2,771	2,600	-
Assoc. Dues & Memberships	1,965	2,500	2,500	2,500	-
Laundry Services	520	400	400	400	-
Total Other Services & Charges	\$ 85,940	\$ 30,500	\$ 24,671	\$ 24,500	\$ (6,000)
Total Operating Expenses	\$ 105,142	\$ 40,200	\$ 32,817	\$ 33,350	\$ (6,850)
Total Fire Department - Administration	\$ 338,040	\$ 247,257	\$ 193,090	\$ 243,515	\$ (3,742)

OPERATIONS DIVISION

Purpose:

Fire Operations is responsible for the emergency and non-emergency services provided to the community. Under the direction of the Assistant Chief, the division provides fire suppression, basic and advanced emergency medical services, hazardous materials, and technical rescue services to the City. Personnel participate in local and regional training to maintain skills and enhance the response to emergencies in conjunction with regional partners. The department also utilizes classroom and computer-based training, evolutions, and multi-company operation drills to maintain and enhance skills. The Training Captain also serves as the department's Safety Officer with responsibilities for emergency scene safety as well as personnel health and safety and risk management.

2016 Accomplishments:

- Split deployment of paramedic personnel to increase advanced life support availability in the City utilizing existing resources.
- Took delivery of a new ambulance specifically designed for the department's deployment that is safer for patients and personnel.
- Two new fire engines were placed in service.
- Equipment standardization was done on three fire engines, two primary and one reserve.
- Provided training to meet requirements and maintain job skills, and maintain regional training activity with neighboring fire departments, including participation in multi-company operations drills at the state fire academy.

2017 Goals & Objectives

- Equipment standardization on all three ambulances, two primary and one reserve.
- Take delivery of an ambulance specifically designed for the department's deployment that is safer for patients and personnel.
- With new equipment and training, reduce back injuries by ten percent.
- Work within the parameters of an inter-local agreement to manage EMS program changes that are influenced externally.
- Revamp the recruit training program to provide consistent, appropriate training.
- Develop a monthly practical evolution training schedule.
- Continue to assist new and existing employees in completing the Joint Apprentice Training Committee (JATC) program requirements for Journeyman Firefighter.

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- The budget includes one new budget item:
 - Ladder Truck and Incident Command Services ILA for a total of \$216,042.
- Salary and benefit costs comprise approximately 81% of the total expenditure budget.
- Included in this budget was a significant decrease in Salary and Benefits. This is due to a change in percentage of time allocated between the General Fund and the Emergency Medical Services (EMS). The percent allocation changed from 75% GF, 25% EMS to 42% GF, 58% EMS. This change is consistent with the ratio of Fire and EMS volumes. The

offsetting increase is included in the EMS budget. This allocation will be closely monitored annually with the internal cost allocation plan process.

- An increase in budget for training classes was included to strengthen knowledge, skills and abilities.

Ladder Truck and Incident Command Services ILA

Brief Description:

Discussed at Council Meeting 9/6/16 and by Public Safety Committee throughout the year.

Inter-local agreement for ladder truck and incident command services

Fund Name

General

Amount Requested

\$ 216,042

Nature of the expenditure?

Ongoing

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

No

Expenditure Purpose and Justification

Negotiated agreement with Fire District 1 to provide ladder truck response and incident command services for the Mukilteo Fire Department. The ladder truck provides above and below grade rescue as well as aerial hose stream capability to major fires. Incident command services are utilized on any multi-unit response and are key to firefighter safety and accountability. This is effective January 1, 2017 and replaces an existing ILA which expires at the end of 2016. The cost indicated is for 2017. The ILA includes the mechanism for changes in cost on an annual basis. This is a five year agreement with the opportunity for extension.

Alternatives and Potential Costs

The alternative is for the Fire Department to purchase a ladder truck (estimated \$850,000 one time cost) and increase the minimum staffing at Station 25 to four personnel (estimated \$875,000 annual cost in salaries and benefits).

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Costs for maintenance of the ladder truck is included in the cost proposal from Fire District 1.

Expenditure Account # & Title	Amount
011.22.594.220.6408	\$ 216,042
	\$ -
	\$ -
	\$ -

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

Department:	Fire Department
Division:	Operations
Prepared by:	Chris Alexander, Fire Chief



2017 Annual Budget

Fire Department

Fire Department - Operations & Training

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,094,655	\$ 1,205,100	\$ 1,054,053	\$ 881,902	\$ (323,198)
Education Incentive	8,782	9,900	18,359	7,238	(2,662)
Special Assignment Pay	2,699	2,000	1,960	2,004	4
Acting Supervisor Pay	3,429	3,900	2,409	3,850	(50)
Paramedic Incentive	16,752	21,900	15,958	30,157	8,257
Merit/Longevity Pay	24,870	25,300	25,543	16,902	(8,398)
Fire - Holiday Buy Back	40,410	29,000	38,840	29,000	-
Overtime	166,619	172,000	301,143	170,360	(1,640)
Total Salaries & Wages	\$ 1,358,216	\$ 1,469,100	\$ 1,458,265	\$ 1,141,413	\$ (327,687)
Benefits	\$ 438,129	\$ 505,260	\$ 423,743	\$ 398,682	\$ (106,578)
Total Benefits	\$ 438,129	\$ 505,260	\$ 423,743	\$ 398,682	\$ (106,578)
Total Salaries & Benefits	\$ 1,796,345	\$ 1,974,360	\$ 1,882,008	\$ 1,540,095	\$ (434,265)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 1,231	\$ 1,000	\$ 1,000	\$ 850	\$ (150)
Reference Material	1,117	1,500	1,500	1,500	-
Supplies - Fire Suppression	21,980	7,500	7,500	7,500	-
Supplies - Fire Training	923	1,500	1,500	1,300	(200)
Clothing/Boots	43,302	26,000	26,000	25,850	(150)
Motor Fuel	5,670	6,000	3,700	5,500	(500)
Small Items of Equipment	18,974	57,000	82,500	56,850	(150)
Total Supplies	\$ 93,196	\$ 100,500	\$ 123,700	\$ 99,350	\$ (1,150)
Other Services & Charges					
Professional Services	\$ 13,549	\$ 17,000	\$ 6,900	\$ 14,500	\$ (2,500)
Communications Expense	9,286	5,870	7,830	5,870	-
Equipment & Vehicle R&M	945	3,500	1,550	3,000	(500)
Travel & Subsistence	10,111	14,000	12,835	16,000	2,000
Software Maintenance	-	600	600	600	-
Assoc. Dues & Memberships	100	350	350	350	-
Training & Registration	16,414	14,000	14,219	17,000	3,000
Laundry Services	8,998	-	372	-	-
Total Other Services & Charges	\$ 59,403	\$ 55,320	\$ 44,656	\$ 57,320	\$ 2,000
Intergovernmental Services					
Ladder Truck Contract	\$ -	\$ -	\$ -	\$ 216,042	\$ 216,042
Dispatch Services	25,526	-	-	-	-
Human Services Council	2,117	-	-	-	-
SERS Operating Assessment	2,900	-	-	-	-
Total Intergovernmental Services	\$ 30,543	\$ -	\$ -	\$ 216,042	\$ 216,042
Total Operating Expenses	\$ 183,142	\$ 155,820	\$ 168,356	\$ 372,712	\$ 216,892
Total Fire Department - Operations & Training	\$ 1,979,487	\$ 2,130,180	\$ 2,050,364	\$ 1,912,807	\$ (217,373)

PREVENTION DIVISION

Purpose:

Fire Prevention is responsible for all prevention, training, safety, and community education efforts in the department. Under the direction of the Fire Marshal, the division oversees fire safety inspections, public education programs, and special events planning. The Fire Marshal is also responsible for the application of the fire code to new and existing structures.

2016 Accomplishments:

- Full-time Fire Marshal position filled from within the department.
- Made refinements in the online program to track life safety system inspections in the City.
- Compliance testing of life safety systems metric established.
- Completed 425 technical inspections.
- Completed 105 plans reviews and 25 new business license inspections.
- Prevention outreach efforts increased including home safety and emergency preparedness presentations to civil organizations, homeowners associations, and seniors, in addition to ongoing programs for children. Public Education programs reached over 3,500 adults and children.

2017 Goals & Objectives

- Ensure annual inspections are completed on commercial occupancies in the City.
- Raise the department's visibility to the community through a robust public education program including fire safety, injury prevention, and disaster resilience.
- Implement a prevention program in the schools.
- Reinstitute the Safe Place program at both fire stations.
- Continue fire pre-plan development and entry into mobile computers for field use.
- Develop a Fire Prevention Community Risk Reduction reference guide.

Budget Highlights

- The 2017 budget for the Prevention Division reflects no changes in personnel.
- The only increase included in the budget was for overtime for Public Education Activities.

2017 Annual Budget

Fire Department

Fire Department - Prevention

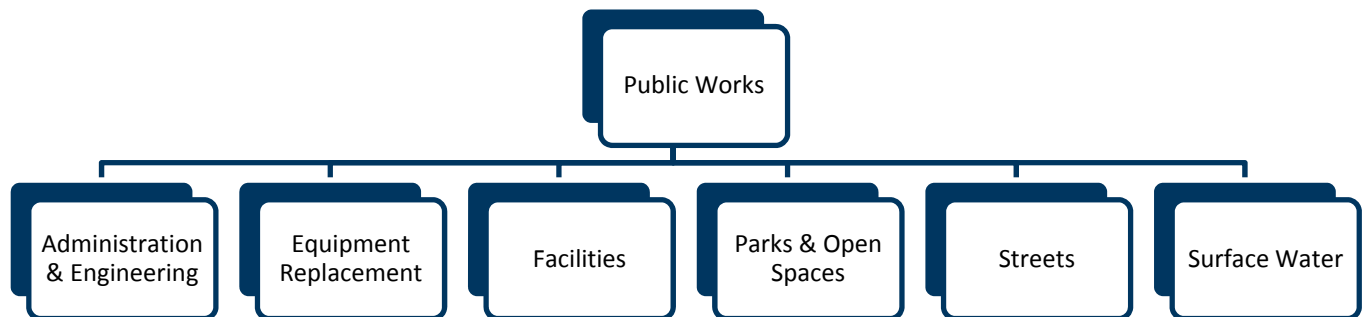
	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ -	\$ -	\$ -	\$ -
Overtime - Public Education Activities	-	-	3,939	4,000	4,000
Total Salaries & Wages	\$ -	\$ -	\$ 3,939	\$ 4,000	\$ 4,000
Benefits					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Total Salaries & Benefits	\$ -	\$ -	\$ 3,939	\$ 4,000	\$ 4,000
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 352	\$ 1,000	\$ 1,000	\$ 800	\$ (200)
Reference Material	-	1,000	1,000	1,000	-
Supplies - Fire Prevention	1,189	3,000	3,000	2,800	(200)
Clothing/Boots	302	750	750	700	(50)
Motor Fuel	188	1,000	655	850	(150)
Small Items of Equipment	138	500	500	400	(100)
Total Supplies	\$ 2,170	\$ 7,250	\$ 6,905	\$ 6,550	\$ (700)
Other Services & Charges					
Other Professional Services	\$ 53,819	\$ 5,000	\$ 31,820	\$ 5,000	\$ -
Communications Expense	969	1,050	1,050	1,050	-
Equipment & Vehicle R&M	-	404	404	400	(4)
Assoc. Dues & Memberships	-	500	500	500	-
Laundry Services	-	-	-	-	-
Total Other Services & Charges	\$ 54,788	\$ 6,954	\$ 33,774	\$ 6,950	\$ (4)
Total Operating Expenses	\$ 56,958	\$ 14,204	\$ 40,679	\$ 13,500	\$ (704)
Total Fire Department - Prevention	\$ 56,958	\$ 14,204	\$ 44,618	\$ 17,500	\$ 3,296

PUBLIC WORKS

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

- 67 centerline miles of City streets and State highways, 45 miles of sidewalks, 6.8 miles of bike lanes
- Two traffic signals and 22 school zone flashers and 3 rectangular rapid flashing beacons (RRFB's)
- 35 miles of storm drains, 65 miles of ditches, 4842 catch basins and 120 public detention pond facilities
- 620 acres of parklands and landscaped areas, including tidelands
- 75 vehicles and pieces of equipment – excluding police and fire
- 23 municipal buildings – including two Fire Stations, a Police Station, three Public Works buildings, City Hall, the four Lighthouse buildings, Lighthouse Park (6), 92nd Street Park (1), Rosehill Community Center, the Boys and Girls Club building in Old Town, and the Chamber of Commerce facility
- 1,486 Street lights (City owned: 310; PUD owned: 1,176). The City monitors the operation of all street lights, regardless of ownership (PUD or City).

Organization Chart:



Position Summary:

Position Title	2016	2017
Public Works Director	1.0	1.0
Assistant City Engineer	1.0	1.0
Surface Water Programs Manager	1.0	1.0
Capital Projects Engineer	1.0	1.0
Senior Engineering Technician	1.0	1.0
Surface Water Technician	1.0	1.0
Superintendent	1.0	1.0
Lead Supervisor	1.0	1.0
Maintenance Lead	5.0	5.0
Maintenance Worker II	6.0	6.0
Maintenance Worker I	3.0	3.0
Custodial Worker	1.5	1.5
Senior Department Assistant	1.0	1.0
Total	24.5	24.5

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Public Works					
Administration	\$ 271,143	\$ 414,951	\$ 301,630	\$ 458,517	\$ 43,566
Parks	658,377	627,415	492,018	598,979	(28,436)
Streets	846,632	826,140	813,279	792,345	(33,795)
Surface Water	1,692,972	3,335,753	2,321,711	2,987,306	(348,447)
Facilities Maintenance	657,858	607,600	575,270	643,094	35,494
Total Departmental Summary	\$ 4,126,983	\$ 5,811,859	\$ 4,503,908	\$ 5,480,241	\$ (331,618)

New Budget Item Summary

- No new budget items.

ADMINISTRATION AND ENGINEERING DIVISION

Purpose:

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

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

2016 Accomplishments:

- Started the preliminary engineering and design of Harbour Reach Drive Extension
- Added bike lanes to Harbour Pointe Boulevard
- Continued implementation of the NPDES Phase II permit requirements
- Completely revamped the City's Development Standards and Municipal Code to include Low Impact Development Design and to make it easier for the public to know our process and standards for development
- Continued the City-wide GIS inventory of public Right-of-Way as part of the City's ADA Transition Plan self-assessment
- Updated the 6-year Transportation Improvement Plan and the citywide Pavement Management Plan
- Designed the Harbour Pointe Boulevard Widening Project and the 61st Retaining Wall Repairs Project
- Constructed the Naketa Beach Storm Drainage Project
- Implemented the City's Traffic Calming Strategy and conducted 16 speed studies
- Completed the Fire Station Facility Renewal Project and Fire Station Exhaust System Project, 2015 ADA Curb Ramp Project, 2015 BWC Overlay and Curb Ramp Project, Lighthouse Park Tide Gate Project

2017 Goals & Objectives

- Commence the final design phase of the Harbour Reach Drive Extension project and get it ready to construct in 2018
- Develop a Comprehensive Asset Management Program for the City
- Should the Council establish a Transportation Benefit District, staff and support the TBD in funding the City's Pavement Preservation and Active Transportation Programs
- Update the newly revamped City Development Standards with new standard details and forms to accompany the Standards for public use
- Update the Traffic Calming Program to make process more effective and efficient
- Continue updating the GIS system to include all City assets (streets, storm water, parks, and buildings)
- Continue implementation of the NPDES Phase II permit requirements
- Complete the ADA Transition plan for Public Rights-of-Way, complete the 2017 Pavement Preservation Project, 2017 Facility Renewal Project, 61st Place W Retaining Wall Repairs Project and begin the construction phase of the Harbour Pointe Boulevard SW Widening Project

Budget Highlights

- The 2017 budget for Administration & Engineering reflects no change in staffing levels.
- Salary and benefit costs comprise of approximately 92% of the total expenditure budget.
- Compared to the 2106 budget, expenditures are increasing approximately 10.5% due mainly to an increase in Salaries and Benefits which also includes a full year of the Capital Project Manager and a reallocation of certain positions to better reflect workload.

Public Works - Administration & Engineering Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 144,732	\$ 246,200	\$ 180,830	\$ 294,504	\$ 48,304
Part Time Employees	7,684	-	-	-	-
Overtime	94	1,000	-	1,000	-
Total Salaries & Wages	\$ 152,509	\$ 247,200	\$ 180,830	\$ 295,504	\$ 48,304
Benefits	\$ 73,936	\$ 125,956	\$ 84,780	\$ 125,588	\$ (368)
Total Benefits	\$ 73,936	\$ 125,956	\$ 84,780	\$ 125,588	\$ (368)
Total Salaries & Benefits	\$ 226,445	\$ 373,156	\$ 265,610	\$ 421,092	\$ 47,936
<u>Operating Expenses</u>					
Supplies	\$ 5,717	\$ 7,950	\$ 8,220	\$ 5,350	\$ (2,600)
Total Supplies	\$ 5,717	\$ 7,950	\$ 8,220	\$ 5,350	\$ (2,600)
Other Services & Charges					
Engineering & Architect Services	\$ 9,809	\$ 10,000	\$ 8,000	\$ 8,000	\$ (2,000)
Other Professional Services	13,156	5,500	5,300	4,900	(600)
Communications Expense	4,158	3,850	2,390	2,500	(1,350)
Travel & Subsistence	2,138	1,500	1,500	1,500	-
Computer System Maint & Subscriptions	6,256	8,695	6,540	8,695	-
Assoc. Dues & Memberships	796	900	900	1,260	360
File, Recording Fees	-	400	400	400	-
Printing & Binding	104	500	250	500	-
Training & Registration Costs	2,563	2,400	2,400	4,200	1,800
Total Other Services & Charges	\$ 38,980	\$ 33,745	\$ 27,680	\$ 31,955	\$ (1,790)
Intergovernmental Services					
MRSC Small Works Roster Fee	\$ -	\$ 100	\$ 120	\$ 120	\$ 20
Total Intergovernmental Services	\$ -	\$ 100	\$ 120	\$ 120	\$ 20
Total Operating Expenses	\$ 44,698	\$ 41,795	\$ 36,020	\$ 37,425	\$ (4,370)
Total Public Works - Admin & Engineering Division	\$ 271,143	\$ 414,951	\$ 301,630	\$ 458,517	\$ 43,566

PARKS AND OPEN SPACE DIVISION

Purpose:

The Parks and Open Space Division maintains all City-owned parklands, landscaped areas and building grounds. Maintenance and improvement activities take place on 620 acres of parks and open space, including seven municipal facilities with grounds (Police Station, Fire Stations 24 & 25, City Hall, the Chamber of Commerce building, Rosehill Community Center and the Public Works Shop).

Year-round maintenance activities include: mowing, fertilizing, pruning, weeding, planting, spraying of herbicides and insecticides, daily cleaning of park and landscaped areas (at Lighthouse Park and 92nd St. Park) and maintaining of park structures including restrooms, play structures, picnic shelters, barbecue grills, fire pits, benches and tables.

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

2016 Accomplishments:

- Preserved existing park assets with an emphasis on Lighthouse Park, Rosehill Community Center, and 92nd St Park
- Maintained the level of service to all areas
- Cleaned up storm debris from several severe windstorms

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for Parks and Open Space reflects no change in staffing levels.
- Salary and benefit costs comprise approximately 80% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are decreasing almost 5% due to a reallocation of certain positions to better reflect workload.

Public Works - Parks Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 256,063	\$ 259,600	\$ 196,480	\$ 253,758	\$ (5,842)
Part Time Employees	42,898	55,000	30,900	55,000	-
Acting Supervisor Pay	7,898	7,000	1,040	7,000	-
Overtime	10,551	7,000	1,360	2,000	(5,000)
Standby Pay	8,850	7,000	6,300	7,000	-
Total Salaries & Wages	\$ 326,260	\$ 335,600	\$ 236,080	\$ 324,758	\$ (10,842)
Benefits	\$ 160,086	\$ 173,515	\$ 114,620	\$ 155,421	\$ (18,094)
Total Benefits	\$ 160,086	\$ 173,515	\$ 114,620	\$ 155,421	\$ (18,094)
Total Salaries & Benefits	\$ 486,346	\$ 509,115	\$ 350,700	\$ 480,179	\$ (28,936)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 218	\$ 250	\$ 250	\$ 250	\$ -
Operating Supplies	28,647	24,000	24,000	24,000	-
Clothing/Boots	3,680	5,500	5,500	4,500	(1,000)
Building Maintenance Supplies	1,045	2,500	2,000	2,000	(500)
Signs	1,078	1,000	1,000	1,000	-
Landscape Materials	2,401	3,000	4,000	3,000	-
Flower Basket Program	-	1,000	1,120	1,000	-
Motor Fuel	4,327	3,000	3,540	3,000	-
Small Items of Equipment	2,083	5,000	5,000	3,500	(1,500)
Total Supplies	\$ 43,480	\$ 45,250	\$ 46,410	\$ 42,250	\$ (3,000)

Public Works - Parks Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 28,464	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Telephone	824	1,200	1,200	900	(300)
Cell Phone	4,291	3,000	3,050	3,000	-
Travel & Subsistence Expense	53	2,000	1,810	1,800	(200)
Land Rental	2,214	2,150	2,288	2,150	-
Work Equip & Machine Rental	9,999	5,000	5,000	5,000	-
Electricity	5,156	5,680	3,960	5,680	-
Sewer Service	11,634	6,620	6,640	6,620	-
Garbage Service	665	1,000	1,560	1,000	-
Water Service	12,629	5,100	5,540	5,100	-
Storm Drainage Charges	12,235	20,000	19,790	20,000	-
Brush Disposal	3,339	1,000	2,680	1,000	-
Equipment R&M	14,651	5,000	15,000	10,000	5,000
Other Maintenance & Repair	12,603	3,100	13,000	3,100	-
Dog Park Maintenance	1,437	1,400	1,200	1,000	(400)
Laundry Service	1,278	1,300	1,190	1,200	(100)
Training & Registration Costs	3,644	2,500	4,000	2,500	-
HP Maintenance Assn Dues	3,437	5,000	5,000	4,500	(500)
Total Other Services & Charges	\$ 128,552	\$ 73,050	\$ 94,908	\$ 76,550	\$ 3,500
Total Operating Expenses	\$ 172,032	\$ 118,300	\$ 141,318	\$ 118,800	\$ 500
Total Public Works - Parks Division	\$ 658,377	\$ 627,415	\$ 492,018	\$ 598,979	\$ (28,436)

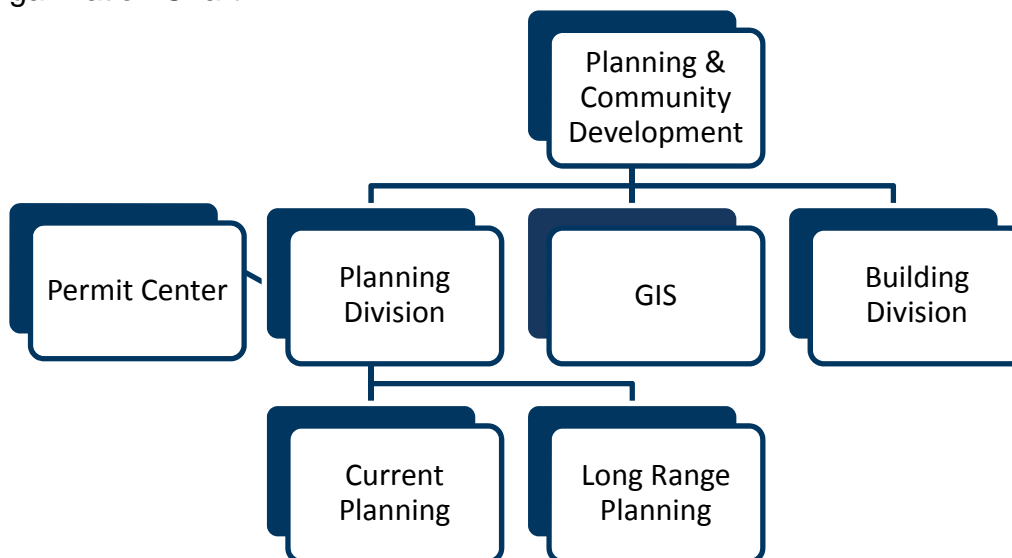
PLANNING & COMMUNITY DEVELOPMENT

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

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

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Community Development Director	1.0	1.0
Planning Manager	1.0	1.0
Senior Planner	1.0	1.0
Associate Planner	2.0	2.0
Permit Services Supervisor	1.0	1.0
Permit Services Assistant	2.0	2.0
Building Official	1.0	1.0
GIS Coordinator	1.0	1.0
GIS Technician	1.0	1.0
Total	11	11

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Community Development					
Permits	\$ 277,887	\$ 311,050	\$ 260,150	\$ 280,236	\$ (30,814)
Planning	740,021	736,472	667,300	774,788	38,316
Building	129,376	131,800	133,580	133,128	1,328
GIS - General Fund	-	92,406	79,320	91,245	(1,161)
GIS - Surface Water Fund	-	145,517	68,996	93,766	(51,751)
Total Departmental Summary	\$ 1,147,283	\$ 1,417,245	\$ 1,209,346	\$ 1,373,163	\$ (44,082)

2017 Goals & Objectives

- The 2017 budget for the Planning and Community Development Department maintains the existing staffing levels.
- Salary and benefit costs comprise almost 87% of the total expenditure budget.
- Major projects for 2017 include: Washington State Ferry's Shoreline Permit Conditions Compliance, Waterfront Promenade and Japanese Gulch Creek design, and the NOAA Development Agreement.

New Budget Item Summary

- **Waterfront Promenade Design:** The City's waterfront will be undergoing significant changes in the next few years. The Waterfront Master Plan envisions a 15-foot wide promenade along the entire waterfront with viewpoints and shoreline access to the beach. In 2016 conceptual planning designs were prepared. This request will progress those concept plans through 60% engineering design and permitting, preparing the City for future grant funding opportunities in 2018. The \$100,000 cost is fully matched with a grant from the Port of Everett.

PLANNING DIVISION

Purpose:

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

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

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

2016 Accomplishments:

- Completed, in partnership with the Recreation Department, the Japanese Gulch Master Planning process.
- Prepared the BTW - By the Way Active Transportation Plan which included several public open houses, neighborhood meetings, and review by the Planning Commission. The final plan is anticipated to be adopted by the City Council in early 2017.
- Conducted two land use appeal hearings.
- Staffed the Hearing Examiner meetings, Planning Commission, Council Land Use and Economic Development committee. Provided staff support to the Parks and Arts Commission as needed.
- Provided on-going project review of the Washington State Ferry Multimodal project, the NOAA redevelopment project and continued to meet with the Mukilteo Tank Farm Coordination Group monthly.
- Processed four Code Amendments: mitigation impact fee code update, 2015 building code updates, Low Impact Development (LID) code amendment, and state mandated changes to the marijuana code.
- Processed nearly 100 permit applications.

2017 Goals & Objectives

- Re-evaluate the City's permit processing times for development applications to improve customer service and timeliness.
- Provide oversight & coordination of waterfront projects.
- Lead the redevelopment efforts on the Tank Farm.
- Finalize the adoption of the Active Transportation Plan.
- Partner with the Recreation Department to update the Park Plan.
- Continue staff support for Planning Commission, Hearing Examiner & Council Land Use and Economic Development committee.

Budget Highlights

- The budget includes one requested new budget item:
 - Waterfront Redevelopment. Progress the Waterfront Promenade and Japanese Gulch Creek Daylighting project from conceptual design to 60% engineering design and through the permitting process. Funding for this work would come from a grant from the Port of Everett.
- Salary and benefit costs comprise 80% of the total expenditure budget.
- Compared to the 2016 budget, expenditures have increased approximately 5% in this division due to salary and benefit costs and the professional services request to continue moving the waterfront development plans forward.

Waterfront Redevelopment

Brief Description:

New Item

Waterfront Redevelopment Planning and Design

Fund Name

General

Amount Requested

\$ 100,000

Nature of the expenditure?

One-Time

Any Additional
Revenue? If Yes,
Identify Below

Yes

Expenditure Purpose and Justification

The Planning Department continues to work on several multi-year planning and design projects; including the Downtown Waterfront Development. In 2017, the department plans to continue with the work that was accomplished in 2016.

Waterfront Development: In 2016 concept plans were prepared for the waterfront promenade and Japanese Gulch Creek daylighting projects. This work included working with permitting agencies, the Parks and Arts Commission and local Tribes. In 2017 we would like to progress these plans to 60% design which will prepare us for the 2018 Recreation and Conservation Office (RCO) grant cycle. This grant cycle would allow for construction in 2019-20.

The proposed budget for this work would come from a grant from the Port of Everett.

Alternatives and Potential Costs

If the Port of Everett Grants is not obtained the waterfront development design will be delayed and phased over time resulting in missing the 2018 RCO grant cycle till 2020.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

This funding request is for design and permitting; maintenance and operations will be covered by Public Works Crews starting in 2020 / 2021. The Downtown Waterfront Master Plan identified 1.5 additional FTE's as part of the build out of the Master Plan. Paid parking fees could be used to cover this additional cost.

Expenditure Account # & Title	Amount
011.58.558.600.4106	\$ 100,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Port of Everett Grant	\$100,000
	\$ -
	\$ -
	\$ -

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



Planning Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 458,146	\$ 430,515	\$ 393,260	\$ 437,775	\$ 7,260
Overtime	2,556	5,700	3,940	9,425	3,725
Total Salaries & Wages	\$ 460,701	\$ 436,215	\$ 397,200	\$ 447,200	\$ 10,985
Benefits	\$ 176,599	\$ 176,697	\$ 158,170	\$ 171,528	\$ (5,169)
Total Benefits	\$ 176,599	\$ 176,697	\$ 158,170	\$ 171,528	\$ (5,169)
Total Salaries & Benefits	\$ 637,301	\$ 612,912	\$ 555,370	\$ 618,728	\$ 5,816
<u>Operating Expenses</u>					
Supplies	\$ 1,900	\$ 1,850	\$ 1,220	\$ 1,850	\$ -
Total Supplies	\$ 1,900	\$ 1,850	\$ 1,220	\$ 1,850	\$ -
Other Services & Charges					
Other Professional Services	\$ 57,916	\$ 81,600	\$ 81,500	\$ 120,600	\$ 39,000
Reimbursable Consulting	21	6,500	4,800	5,000	(1,500)
Reimbursable Copies	197	500	1,170	1,000	500
Communication Expense	4,606	4,710	4,940	4,710	-
Travel & Subsistence Expense	2,071	2,500	2,500	2,500	-
Legal Publications	3,284	3,400	2,400	3,400	-
Assoc. Dues & Memberships	2,770	2,500	2,500	2,500	-
Training & Registration Costs	4,030	4,500	4,500	4,500	-
Hearing Examiner	25,926	15,500	6,400	10,000	(5,500)
Total Other Services & Charges	\$ 100,821	\$ 121,710	\$ 110,710	\$ 154,210	\$ 32,500
Total Operating Expenses	\$ 102,720	\$ 123,560	\$ 111,930	\$ 156,060	\$ 32,500
Total Planning Division	\$ 740,021	\$ 736,472	\$ 667,300	\$ 774,788	\$ 38,316

PERMIT CENTER DIVISION

Purpose:

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

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

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

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

2016 Accomplishments:

- Issued nearly 600 permits.
- Responded to over 5,000 phone calls.
- Provided customer support to over 4,000 walk-in customers at the front counter.
- Continued to manage parking pass programs.

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- There are no new budget items for this division.
- Salary and benefit costs comprise 98% of the total expenditure budget.
- Compared to the 2016 budget, expenditures have decreased by nearly 10% due to shifting the permit tracking software maintenance costs to the IT Department.

Permit Center Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 163,495	\$ 181,400	\$ 152,250	\$ 175,726	\$ (5,674)
Overtime	10,919	10,800	7,050	15,757	4,957
Total Salaries & Wages	\$ 174,415	\$ 192,200	\$ 159,300	\$ 191,483	\$ (717)
Benefits	\$ 79,725	\$ 95,840	\$ 75,945	\$ 82,703	\$ (13,137)
Total Benefits	\$ 79,725	\$ 95,840	\$ 75,945	\$ 82,703	\$ (13,137)
Total Salaries & Benefits	\$ 254,140	\$ 288,040	\$ 235,245	\$ 274,186	\$ (13,854)
<u>Operating Expenses</u>					
Supplies	\$ 3,102	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Total Supplies	\$ 3,102	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Other Services & Charges					
Communication Expense	\$ 758	\$ 700	\$ 540	\$ 700	\$ -
Travel & Subsistence	195	600	500	600	-
Equipment M&R	19,436	17,000	19,215	-	(17,000)
Training, Registration & Dues	255	710	650	750	40
Total Other Services & Charges	\$ 20,645	\$ 19,010	\$ 20,905	\$ 2,050	\$ (16,960)
Total Operating Expenses	\$ 23,747	\$ 23,010	\$ 24,905	\$ 6,050	\$ (16,960)
Total Permit Center Division	\$ 277,887	\$ 311,050	\$ 260,150	\$ 280,236	\$ (30,814)

BUILDING DIVISION

Purpose:

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

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

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

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

2016 Accomplishments:

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

2017 Goals & Objectives

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

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- There are no new budget items for this division.
- Salary and benefit costs comprise 92% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are increasing approximately 1.2% in this division due to increased salary and benefits.

Building Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 69,554	\$ 70,700	\$ 70,730	\$ 82,970	\$ 12,270
Special Assignment Pay	10,402	10,600	10,610	-	(10,600)
Total Salaries & Wages	\$ 79,956	\$ 81,300	\$ 81,340	\$ 82,970	\$ 1,670
Benefits					
	\$ 37,363	\$ 38,900	\$ 44,130	\$ 39,208	\$ 308
Total Benefits	\$ 37,363	\$ 38,900	\$ 44,130	\$ 39,208	\$ 308
Total Salaries & Benefits	\$ 117,319	\$ 120,200	\$ 125,470	\$ 122,178	\$ 1,978
<u>Operating Expenses</u>					
Supplies					
	\$ 3,330	\$ 3,400	\$ 1,526	\$ 2,350	\$ (1,050)
Total Supplies	\$ 3,330	\$ 3,400	\$ 1,526	\$ 2,350	\$ (1,050)
Other Services & Charges					
Contract Services	\$ 6,260	\$ 5,000	\$ 4,000	\$ 5,000	\$ -
Communication Expense	1,299	1,750	750	1,450	(300)
Travel & Subsistence Expense	195	250	504	500	250
Assoc. Dues & Memberships	398	400	455	500	100
Training & Registration	575	600	875	950	350
Printing & Binding	-	200	-	200	-
Total Other Services & Charges	\$ 8,727	\$ 8,200	\$ 6,584	\$ 8,600	\$ 400
Total Operating Expenses	\$ 12,057	\$ 11,600	\$ 8,110	\$ 10,950	\$ (650)
Total Building Division	\$ 129,376	\$ 131,800	\$ 133,580	\$ 133,128	\$ 1,328

GIS DIVISION

Purpose:

GIS is a software-driven tool which allows the City to publish maps, identify coordinates, manage assets, analyze infrastructure needs and gaps, and create 3-D graphics. GIS is utilized extensively by internal City users and beginning in 2017, will be utilized by the public as a mode of communication and outreach. The GIS Division is responsible for providing the following mapping services:

- Supports the stormwater utility (in order to meet NPDES Permit requirements);
- Support Public Works to do georeferenced asset inventories of city assets and to manage those assets and to meet federal ADA, street signage, and other requirements;
- Makes GIS mapping available to all city staff without having to have GIS software and training, and
- Provides online GIS maps to the public through the city's website.

2016 Accomplishments:

- Incorporated 3D GIS modeling into the GIS program.
- Upgraded to cloud-based software platform for stormwater facility data collection and provided training to staff.
- Supported various Public Works ArcPad and Collector field data collection projects.
- Provided widespread mapping support for multiple large scale planning and engineering projects, including the BTW Plan, Japanese Gulch Master Plan, and Waterfront Master Plan.
- Implemented geoprocessing scripts to automate repetitive, semi-regular tasks and database backups.
- Created an internal City GIS User Group to provide vision and needs for the GIS program.
- Filled the GIS Coordinator and GIS Technician positions.

2017 Goals & Objectives

- Deploy web map and data portal to the public.
- Improve metadata to improve data reliability and to allow more appropriate data sharing.
- Upgrade geodatabases to allow multi-user editing and versioning
- Conduct a citywide GIS needs assessment and create a 5-year GIS strategic plan.
- Update reference maps, including orthoimagery displays and city basemaps, for all city departments.

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- The GIS Division is funded from both the General Fund and Surface Water Fund, which are reflected in this budget.
- There are no new budget items for this division.
- Salary and benefit costs comprise 93% of the total expenditure budget.
- Compared to the 2016 budget, expenditures have decreased by approximately 22% because the start-up costs (software and office space) for this division were completed in 2016.

GIS Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ 150,363	\$ 56,870	\$ 129,142	\$ (21,221)
Total Salaries & Wages	\$ -	\$ 150,363	\$ 56,870	\$ 129,142	\$ (21,221)
Benefits					
Total Benefits	\$ -	\$ 68,060	\$ 19,290	\$ 43,769	\$ (24,291)
Total Salaries & Benefits	\$ -	\$ 218,423	\$ 76,160	\$ 172,911	\$ (45,512)
<u>Operating Expenses</u>					
Supplies	\$ -	\$ 13,200	\$ 27,691	\$ 3,000	\$ (10,200)
Total Supplies	\$ -	\$ 13,200	\$ 27,691	\$ 3,000	\$ (10,200)
Other Services & Charges					
Other Professional Services	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
GIS Software & Maintenance	-	-	40,000	-	-
Communication Expense	-	800	255	800	-
Travel & Subsistence	-	3,000	3,000	3,000	-
Assoc. Dues & Memberships	-	600	50	600	-
Printing & Binding	-	1,000	-	1,000	-
Training & Registration Costs	-	900	1,160	1,200	300
Total Other Services & Charges	\$ -	\$ 6,300	\$ 44,465	\$ 9,100	\$ 2,800
Total Operating Expenses	\$ -	\$ 19,500	\$ 72,156	\$ 12,100	\$ (7,400)
Total GIS Division	\$ -	\$ 237,923	\$ 148,316	\$ 185,011	\$ (52,912)

GIS Division (General Fund)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ 62,683	\$ 42,650	\$ 63,977	\$ 1,294
Total Salaries & Wages	\$ -	\$ 62,683	\$ 42,650	\$ 63,977	\$ 1,294
Benefits					
	\$ -	\$ 27,323	\$ 14,460	\$ 21,768	\$ (5,555)
Total Benefits	\$ -	\$ 27,323	\$ 14,460	\$ 21,768	\$ (5,555)
Total Salaries & Benefits	\$ -	\$ 90,006	\$ 57,110	\$ 85,745	\$ (4,261)
<u>Operating Expenses</u>					
Supplies					
	\$ -	\$ 200	\$ 100	\$ 500	\$ 300
Total Supplies	\$ -	\$ 200	\$ 100	\$ 500	\$ 300
Other Services & Charges					
Other Professional Services	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
GIS Software & Maintenance	-	-	20,000	-	-
Communication Expense	-	100	-	100	-
Travel & Subsistence	-	1,500	1,500	1,500	-
Assoc. Dues & Memberships	-	300	50	300	-
Printing & Binding	-	-	-	-	-
Training & Registration Costs	-	300	560	600	300
Total Other Services & Charges	\$ -	\$ 2,200	\$ 22,110	\$ 5,000	\$ 2,800
Total Operating Expenses	\$ -	\$ 2,400	\$ 22,210	\$ 5,500	\$ 3,100
Total GIS Division (General Fund)	\$ -	\$ 92,406	\$ 79,320	\$ 91,245	\$ (1,161)

GIS Division (Surface Water Fund)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ 87,680	\$ 14,220	\$ 65,165	\$ (22,515)
Total Salaries & Wages	\$ -	\$ 87,680	\$ 14,220	\$ 65,165	\$ (22,515)
Benefits					
	\$ -	\$ 40,737	\$ 4,830	\$ 22,001	\$ (18,736)
Total Benefits	\$ -	\$ 40,737	\$ 4,830	\$ 22,001	\$ (18,736)
Total Salaries & Benefits	\$ -	\$ 128,417	\$ 19,050	\$ 87,166	\$ (41,251)
<u>Operating Expenses</u>					
Supplies	\$ -	\$ 13,000	\$ 27,591	\$ 2,500	\$ (10,500)
Total Supplies	\$ -	\$ 13,000	\$ 27,591	\$ 2,500	\$ (10,500)
Other Services & Charges					
Other Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
GIS Software & Maintenance	-	-	20,000	-	-
Communication Expense	-	700	255	700	-
Travel & Subsistence	-	1,500	1,500	1,500	-
Assoc. Dues & Memberships	-	300	-	300	-
Printing & Binding	-	1,000	-	1,000	-
Training & Registration Costs	-	600	600	600	-
Total Other Services & Charges	\$ -	\$ 4,100	\$ 22,355	\$ 4,100	\$ -
Total Operating Expenses	\$ -	\$ 17,100	\$ 49,946	\$ 6,600	\$ (10,500)
Total GIS Division (Surface Water Fund)	\$ -	\$ 145,517	\$ 68,996	\$ 93,766	\$ (51,751)

RESERVE FUNDS

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

CITY RESERVE FUND

Purpose:

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

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

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

Budget Highlights

- This budget continues to fully fund the City Reserve Fund at \$1 million.

City Reserve Fund (012)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 695,216	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Revenue and transfers-in					
Insurance reimbursement	\$ 42,259	\$ -	\$ -	\$ -	\$ -
Transfers-in	377,562	-	-	-	-
Total revenue and transfers-in	<u>\$ 419,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 1,115,037</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>
Expenditures and transfers-out					
Emergency projects	\$ 115,037	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	<u>\$ 115,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

PAINE FIELD EMERGENCY RESERVE FUND

Purpose:

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

Budget Highlights

- The 2015 Budget included the closure of the Paine Field Emergency Reserve Fund and transfer of the associated activities to the Legal division to improve transparency of the City's overall legal costs.

Paine Field Emergency Reserve Fund (015)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ (11,483)	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Transfers-in	\$ 65,640	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	<u>\$ 65,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 54,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures and transfers-out					
Professional services	\$ 54,157	\$ -	\$ -	\$ -	\$ -
Interfund loan interest	-	-	-	-	-
Transfers-out	-	-	-	-	-
Total expenditures and transfers-out	<u>\$ 54,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Purpose:

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

Budget Highlights

- The 2017 Budget includes a transfer in from the General Fund of \$35,000 to fund anticipated 2017 expenditures.

Law Enforcement Officers' and Firefighters' Retirement System (LEOFF 1) Reserve Fund (009)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 107,205	\$ 63,842	\$ 44,330	\$ 7,230	\$ (37,100)
Revenue and transfers-in					
Transfers-in	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Total resources	\$ 107,205	\$ 63,842	\$ 44,330	\$ 42,230	\$ (2,100)
Expenditures and transfers-out					
Personnel benefits	\$ 36,311	\$ 35,000	\$ 35,700	\$ 36,000	\$ 1,000
OFM assessment fee	1,400	1,400	1,400	1,400	-
Transfers-out	25,164	-	-	-	-
Total expenditures and transfers-out	\$ 62,875	\$ 36,400	\$ 37,100	\$ 37,400	\$ 1,000
Ending fund balance	\$ 44,330	\$ 27,442	\$ 7,230	\$ 4,830	\$ (22,612)

HEALTH INSURANCE RESERVE FUND

Purpose:

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

Budget Highlights

- The 2015 Budget included the closure of the Health Insurance Reserve Fund and transfer of the associated activities to the General Fund.

Health Insurance Reserve Fund (013)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 67,296	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 67,296	\$ -	\$ -	\$ -	\$ -
Expenditures and transfers-out					
Transfers-out	\$ 67,296	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	\$ 67,296	\$ -	\$ -	\$ -	\$ -
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

UNEMPLOYMENT COMPENSATION RESERVE FUND

Purpose:

The Unemployment Compensation Reserve Fund sets aside funds to be used for the payment of unemployment claims submitted to the City for payment. The City's historical practice has been to charge any claims to Funds other than this Fund. Staff is not aware of any State requirement to maintain this Fund.

Budget Highlights

- The 2015 Budget included the closure of the Unemployment Compensation Reserve Fund and transfer of the associated activities to the General Fund.

Unemployment Compensation Reserve Fund (014)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 40,488	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 40,488	\$ -	\$ -	\$ -	\$ -
Expenditures and transfers-out					
Transfers-out	\$ 40,488	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	\$ 40,488	\$ -	\$ -	\$ -	\$ -
Ending fund balance	-	-	-	-	-

SPECIAL REVENUE FUNDS

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

STREET FUND

Purpose:

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

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

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

There are 13 traffic signals with in the City of Mukilteo, 2 are owned by the City. Washington State Department of Transportation owns the remaining 11 traffic signals, as well as the traffic signage on SR 525 and SR 526.

2016 Accomplishments:

- Installed radar speed signs on 44th Avenue West, 48th Avenue West and St. Andrews Drive as well as using pavement markings on Chennault Beach Road
- Installed Rapid Flashing Beacons for the crosswalk on 70th Street SW at Lumley Avenue
- Continued to implemented the City's retro-reflectivity monitoring program and continue street sign replacement and repair program
- Manage contracts/agreements for street striping, vegetation control
- Pavement patching on 59th Ave. W, 61st Ave. W, 92nd Ave. W, 95th Pl. SW, 50th Pl. W, 97th St. SW 92nd St. SW, and St. Andrews Dr., and crack sealed 6 streets

2017 Goals & Objectives

- Prepare a GIS inventory of all City owned street signs
- Inventory street infrastructure for the City Asset Management Program

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- The budget includes no new budget items.
- Salary and benefit costs comprise approximately 58% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are decreasing in all areas by just over 4%.

2017 Annual Budget

Special Revenue Funds

Street Fund (111)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 68,519	\$ -	\$ 561	\$ -	\$ (561)
Revenue and transfers-in					
Commercial parking tax	\$ 42,446	\$ 40,000	\$ 50,000	\$ 55,000	\$ 15,000
Street fuel tax	436,506	450,000	453,000	480,607	30,607
Other charges for services	-	-	5,000	-	-
Investment interest	-	100	-	-	(100)
Other miscellaneous revenue	28,752	-	-	-	-
Transfers-in	270,969	336,040	304,718	256,738	(79,302)
Total revenue and transfers-in	<u>\$ 778,674</u>	<u>\$ 826,140</u>	<u>\$ 812,718</u>	<u>\$ 792,345</u>	<u>\$ (33,795)</u>
Total resources	<u>\$ 847,193</u>	<u>\$ 826,140</u>	<u>\$ 813,279</u>	<u>\$ 792,345</u>	<u>\$ (34,356)</u>
Expenditures and transfers-out					
Salaries & wages	\$ 297,536	\$ 316,300	\$ 305,230	\$ 304,355	\$ (11,945)
Personnel benefits	159,444	160,000	153,920	151,800	(8,200)
Supplies	56,505	63,600	61,730	56,500	(7,100)
Other services & charges	252,296	226,240	232,399	219,690	(6,550)
Intergovernmental services	74,560	54,000	54,000	54,000	-
Capital outlay	6,291	6,000	6,000	6,000	-
Total expenditures and transfers-out	<u>\$ 846,632</u>	<u>\$ 826,140</u>	<u>\$ 813,279</u>	<u>\$ 792,345</u>	<u>\$ (33,795)</u>
Ending fund balance	<u>\$ 561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Public Works - Streets Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 285,612	\$ 301,800	\$ 297,860	\$ 289,855	\$ (11,945)
Overtime	5,064	6,000	3,410	6,000	-
Acting Supervisor Pay	3,620	4,500	780	4,500	-
Standby Pay	3,240	4,000	3,180	4,000	-
Total Salaries & Wages	\$ 297,536	\$ 316,300	\$ 305,230	\$ 304,355	\$ (11,945)
Benefits	\$ 159,444	\$ 160,000	\$ 153,920	\$ 151,800	\$ (8,200)
Total Benefits	\$ 159,444	\$ 160,000	\$ 153,920	\$ 151,800	\$ (8,200)
Total Salaries & Benefits	\$ 456,980	\$ 476,300	\$ 459,150	\$ 456,155	\$ (20,145)
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 12,661	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Clothing/Boots	3,116	3,000	3,000	3,000	-
Aggregate	1,781	7,000	7,000	4,500	(2,500)
Traffic Control Device Supply	26,623	30,000	30,000	28,000	(2,000)
Motor Fuel	8,429	8,600	7,130	7,000	(1,600)
Small Items of Equipment	1,801	5,000	5,100	5,000	-
Street Lighting Equipment	2,092	4,000	3,500	3,000	(1,000)
Total Supplies	\$ 56,505	\$ 63,600	\$ 61,730	\$ 56,500	\$ (7,100)

Public Works - Streets Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Equipment Replacement Charges	\$ 50,913	\$ 67,890	\$ 67,890	\$ 67,890	\$ -
Contract Services	29,974	30,000	37,990	30,000	-
Telephone	824	820	700	800	(20)
Cell Phone	1,788	1,500	1,500	1,500	-
Travel & Subsistence	178	1,200	1,200	1,200	-
Work Equip & Machine Rental	4,457	2,000	5,000	2,000	-
Insurance	42,402	-	-	-	-
Electricity Street Lights	107,610	98,530	90,999	92,000	(6,530)
Construction Debris Disposal	-	1,000	1,000	1,000	-
Equipment R&M	4,520	8,000	8,000	8,000	-
Vehicle R&M	6,268	12,000	14,930	12,000	-
Laundry Services	1,278	1,300	1,190	1,300	-
Training & Registration	2,084	2,000	2,000	2,000	-
Total Other Services & Charges	\$ 252,296	\$ 226,240	\$ 232,399	\$ 219,690	\$ (6,550)
Total Operating Expenses	\$ 308,800	\$ 289,840	\$ 294,129	\$ 276,190	\$ (13,650)

Intergovernmental Services

Intergovernmental Services

Lane Striping & Marking	\$ 25,044	\$ 29,000	\$ 29,000	\$ 29,000	\$ -
Street Light Maintenance	48,057	22,000	22,000	22,000	-
Repairs in Row	1,459	1,000	1,000	1,000	-
Row Veg Maintenance	-	2,000	2,000	2,000	-
Total Intergovernmental Services	\$ 74,560	\$ 54,000	\$ 54,000	\$ 54,000	\$ -
Total Intergovernmental Services	\$ 74,560	\$ 54,000	\$ 54,000	\$ 54,000	\$ -

Public Works - Streets Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Capital</u>					
Capital Outlay					
Other Machinery & Equipment	\$ 6,291	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Total Capital Outlay	\$ 6,291	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Total Capital	\$ 6,291	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Total Public Works - Streets Division	\$ 846,632	\$ 826,140	\$ 813,279	\$ 792,345	\$ (33,795)

RECREATION & CULTURAL SERVICES

Purpose:

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

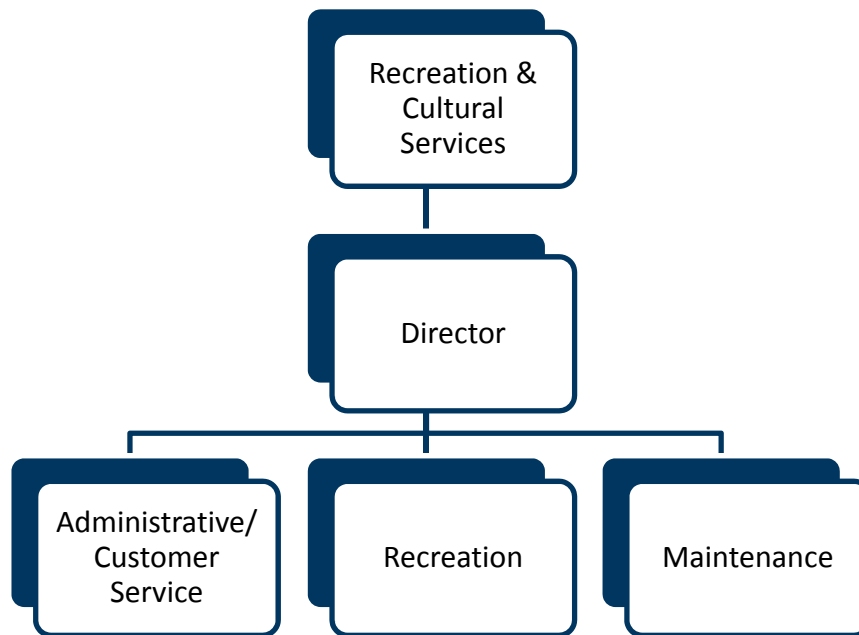
From preschoolers to older adults the Recreation and Cultural Services Department provides numerous benefits to the participants and the community. Individual benefits include improved fitness levels, development of physical/social skills, reduction in stress, and increased self-esteem/self-reliance.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

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

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

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

Organization Chart:



Position Summary:

Position Title	2016	2017
Recreation & Cultural Services Director	1.0	1.0
Facility Maintenance Worker	1.0	1.0
Recreation Coordinator	1.0	1.0
Recreation Programmer	0.7	0.7
Office Technician	1.75	1.75
Administrative Support Coordinator	1.0	1.0
Customer Service Clerk	2.5	2.5
Total	8.95	8.95

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Recreation	721,089	790,525	714,138	818,020	\$ 27,495
Total Departmental Summary	\$ 721,089	\$ 790,525	\$ 714,138	\$ 818,020	\$ 27,495

2016 Accomplishments:

- In support of the Arts, held four Gallery Openings in the first quarter featuring Mukilteo School District art students', proposed a One Percent for the Arts Ordinance to the Parks and Arts Commission, held three Shakespeare in the Park events and one theatre production, Boeing, Boeing in the Point Elliott Room.
- In support of connecting families and building community spirit, offered 15 free community events at the Rosehill Community Center in 2016. Approximately 7,000 people attended these events. Offered 20 summer camps serving 201 children.
- In support of a healthy and active community, coordinated the First Annual Table Tennis Tournament at Rosehill Community Center, offered free community wellness program, Stand-Up Paddleboarding and Yoga Paddleboarding classes at Kamiak High School's pool serving 121 participants, partnered with EarthCorps to develop the first Mukilteo Park Stewardship Program to the community with 6 Stewards completing the program and later offered 3 Park Work Party events to help preserve our parks. Coordinated with Police Department Park Rangers to provide 6 Hiking 101 classes with 23 participants and 12 Guided Trail Hikes in Japanese Gulch and Big Gulch with 80 participants.
- Coordinated with 7 community groups on co-sponsored events.
- Tracked overnight stays at Mukilteo hotels generated from rentals at the Rosehill Community Center. Generated more than 500 overnight stays.
- After two years of working with the Mukilteo community, completed and approved the Japanese Gulch Master Plan.
- Partnered with the Mukilteo Senior Association and Snohomish County on a grant to offer expanded senior program offerings to the Mukilteo senior community.
- Coordinated with Beach Watchers to offer 10 free educational sessions at low tide on the beach at Lighthouse Park.
- Reorganized the staffing at Rosehill Community Center, promoted a staff member to the new Administrative Assistant Coordinator position.

2017 Goals & Objectives

- Develop a free community program to promote community wellness utilizing a facility at one of the local schools.
- Grow the volunteer stewardship program to include the Big Gulch Park and hold another Stewardship training to recruit a new group of Park Stewards.
- Continue examining and implementing recreation program offerings, in consultation with the Rosehill Board, as well as other community and non-profit organizations.
- Research and implement marketing techniques to achieve greater participation in programs and rentals.
- Develop a marketing strategy to fund the Recreation Class Scholarship Program.
- Analyze staffing models with Rosehill Board for Recreation Department including Rosehill Community Center operations.

Budget Highlights

- The 2017 budget for the Recreation Department reflects a focus on offering free community programming for all age groups, balanced with paid programs and rentals.
- The budget includes a grant request for Hotel/Motel Lodging Tax Fund dollars for a \$30,000 transfer to provide for additional staff time to continue to support and build the rental market for the Rosehill Community Center.

- The budget includes one requested new budget item:
 - Park Plan Update. The City is required to update the Park Plan element of the Comprehensive Plan by 2018. Staff will work with a consultant to conduct the extensive work needed to update the data and vision in the plan, conducting reviews of the plan with the Parks and Arts Commission leading to final adoption by the City Council.
- Salary and benefit costs comprise 69% of the total expenditure budget.
- Compared to the 2016 budget, the Recreation and Cultural Services Department expenditures have increased approximately 3.5%. This increase is due mainly to the Park Plan Update NBI.
- Lastly, the budgeted 2017 operating transfer from the General Fund is \$193,950. This is the amount necessary in order that revenues and transfers equal expenditures leaving the projected fund balance at the end of 2017 at \$0.

Park Plan Update

Brief Description:

New Item

Parks, Open Space, Recreation Arts Plan Update Required in order to
be eligible for future grants

Fund Name**General****Amount Requested****\$ 50,000****Nature of the expenditure?****One-Time****Any Additional****Revenue? If Yes,****Identify Below****No****Expenditure Purpose and Justification**

To comply with the Washington State Growth Management Act, a Parks, Open Space, Recreation, and Arts Plan (Park Plan) must be updated to reflect the goals and policies adopted in the most recently adopted City of Mukilteo Comprehensive Plan. The last Park Plan was approved in 2012 and needs to be updated by 2018 to stay in compliance. The Park Plan is a useful tool to articulate the open space and recreational policies presented in the Comprehensive Plan and to help set priorities. The Park Plan also provides the foundation that establishes the capital budget and allocates funds to complete the proposed projects. The proposed money is needed to secure a consultant to work with staff to update the plan to include inventorying the Parks, Open Space, Recreational, Arts and Cultural Facilities, develop a present and future demand analysis, review funding maintenance and operations, and conducting a community survey.

Alternatives and Potential Costs

The Washington State Recreation and Conservation Office (RCO) requires all jurisdictions in the state to have an approved Park Plan to apply for parks acquisition and development funding. If the City does not have an approved plan meeting RCO guidelines, the City will not be eligible for funding. Staff is proposing to update the Parks Plan in 2017/2018 to be eligible for the 2018 RCO funding cycle.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

N/A

Expenditure Account # & Title	Amount
114.71.576.900.4106	\$ 50,000
	\$ -
	\$ -
	\$ -

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

Department:	Recreation and Cultural Services Dept.
Division:	Planning
Prepared by:	Jennifer Berner, Recreation Director and Patricia Love, Planning Director



Recreation & Cultural Services (114)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Grants	\$ 30,000	\$ 39,300	\$ 39,300	\$ 40,670	\$ 1,370
Recreation program fees	103,965	150,000	105,000	105,000	(45,000)
Alcohol use fee	14,810	10,000	15,000	15,000	5,000
Other charges for services	4,244	3,550	3,550	3,550	-
Community center room rentals	366,601	430,000	405,000	410,000	(20,000)
Outdoor community center rentals	2,400	6,000	6,000	6,000	-
Weight room rentals	11,595	11,000	12,000	12,000	1,000
Picnic shelter rentals	10,990	12,700	12,700	12,700	-
Light Station rentals	2,100	3,500	2,250	2,500	(1,000)
Parking space rentals	8,701	10,080	10,300	10,300	220
Investment interest	-	800	800	800	-
Sponsorships	2,850	5,500	5,500	5,500	-
Other miscellaneous revenue	4,998	50	50	50	-
Transfers-in	157,835	108,045	96,688	193,950	85,905
Total revenue and transfers-in	<u>\$ 721,089</u>	<u>\$ 790,525</u>	<u>\$ 714,138</u>	<u>\$ 818,020</u>	<u>\$ 27,495</u>
Total resources	<u>\$ 721,089</u>	<u>\$ 790,525</u>	<u>\$ 714,138</u>	<u>\$ 818,020</u>	<u>\$ 27,495</u>
Expenditures and transfers-out					
Salaries & wages	373,746	407,900	371,760	417,370	9,470
Personnel benefits	133,616	149,000	140,760	148,660	(340)
Supplies	15,869	20,375	17,690	21,600	1,225
Other services & charges	197,859	213,250	183,928	230,390	17,140
Total expenditures and transfers-out	<u>\$ 721,089</u>	<u>\$ 790,525</u>	<u>\$ 714,138</u>	<u>\$ 818,020</u>	<u>\$ 27,495</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Recreation Department

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 245,877	\$ 212,900	\$ 242,530	\$ 273,605	\$ 60,705
Part Time Employees	127,397	194,500	125,940	143,265	(51,235)
Overtime	471	500	3,290	500	-
Total Salaries & Wages	\$ 373,746	\$ 407,900	\$ 371,760	\$ 417,370	\$ 9,470
Benefits					
	\$ 133,616	\$ 149,000	\$ 140,760	\$ 148,660	\$ (340)
Total Benefits	\$ 133,616	\$ 149,000	\$ 140,760	\$ 148,660	\$ (340)
Total Salaries & Benefits	\$ 507,361	\$ 556,900	\$ 512,520	\$ 566,030	\$ 9,130
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 3,703	\$ 5,000	\$ 4,000	\$ 4,500	\$ (500)
Operating Supplies	7,402	10,885	9,200	10,100	(785)
Small Items of Equip and Misc.	4,764	4,490	4,490	7,000	2,510
Total Supplies	\$ 15,869	\$ 20,375	\$ 17,690	\$ 21,600	\$ 1,225

Recreation Department (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 27,089	\$ 8,700	\$ 8,700	\$ 7,250	\$ (1,450)
Park Plan Professional Services	-	-	-	50,000	50,000
Instructors Professional Services	65,610	97,000	67,000	65,000	(32,000)
WSU Beach Watchers - Other Prof Services	7,500	7,500	7,500	7,500	-
Communication Expense	12,030	13,040	12,876	13,340	300
Travel & Subsistence Expense	205	1,800	600	1,800	-
Advertising	3,185	4,600	4,600	4,600	-
Community Advertising - Recreation Guide	23,314	26,000	25,554	26,000	-
Work Equip & Machine Rental	-	1,600	1,600	1,600	-
Short-Term Facility/Field Rental	514	5,000	4,000	5,000	-
Insurance	18,235	-	-	-	-
Office Equipment M&R	4,661	6,400	6,000	6,400	-
Other Maintenance & Repair	725	1,000	335	1,200	200
Assoc. Dues & Memberships	358	700	569	600	(100)
Printing and Binding	898	2,710	2,710	3,000	290
Contractual Services	32,728	34,000	39,000	34,500	500
Training & Registration	552	2,600	2,600	2,600	-
Miscellaneous	257	600	284	-	(600)
Total Other Services & Charges	\$ 197,859	\$ 213,250	\$ 183,928	\$ 230,390	\$ 17,140
Total Operating Expenses	\$ 213,728	\$ 233,625	\$ 201,618	\$ 251,990	\$ 18,365
Total Recreation Department	\$ 721,089	\$ 790,525	\$ 714,138	\$ 818,020	\$ 27,495

HOTEL/MOTEL LODGING TAX FUND

Purpose:

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

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

Budget Highlights

- Hotel/Motel tax revenue is projected to be \$240,000 in 2017. This is a decrease of \$10,000 from the 2016 budget.
- All expenditures from this fund are dependent on recommendations from the Lodging Tax Committee.
- Assuming approval of several City grant applications to the Committee, budgeted expenditures are \$317,100 for 2017. The City portion include:
 - \$30,000 for Community Center Staffing
 - \$23,500 for Lighthouse Festival Overtime
 - \$10,670 for Rosehill Marketing
 - \$42,500 for exterior painting at the Lighthouse
 - \$22,000 for Pointe Elliott room upgrades at the Community Center to replace flooring
 - \$8,000 for Japanese Gulch wayfinding signage.
- The projected 2017 ending fund balance is \$170,690.

Hotel/Motel Lodging Tax Fund (116)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 273,798	\$ 189,605	✓ \$ 318,240	✓ \$ 246,540	✓ \$ (71,700)
Revenue and transfers-in					
Hotel/motel transient tax	\$ 256,723	\$ 250,000	\$ 245,000	✓ \$ 240,000	✓ \$ (10,000)
Investment interest	-	1,250	1,250	✓ 1,250	✓ -
Total revenue and transfers-in	✓ \$ 256,723	✓ \$ 251,250	✓ \$ 246,250	✓ \$ 241,250	✓ \$ (10,000)
Total resources	✓ \$ 530,521	✓ \$ 440,855	✓ \$ 564,490	✓ \$ 487,790	✓ \$ (81,700)
Expenditures and transfers-out					
Community organization support	\$ 212,087	\$ 317,950	\$ 317,950	✓ \$ 317,100	✓ \$ (850)
Insurance	195	-	-	✓ -	✓ -
Total expenditures and transfers-out	✓ \$ 212,282	✓ \$ 317,950	✓ \$ 317,950	✓ \$ 317,100	✓ \$ (850)
Ending fund balance	✓ \$ 318,240	✓ \$ 122,905	✓ \$ 246,540	✓ \$ 170,690	✓ \$ 47,785

EMERGENCY MEDICAL SERVICES

Purpose:

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

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

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

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Salary and benefit costs comprise approximately 89% of the total expenditure budget.
- Included in this budget was a significant increase in Salary and Benefits. This is due to a change in percentage of time allocated between the General Fund and the Emergency Medical Services (EMS). The percent allocation changed from 75% GF, 25% EMS to 42% GF, 58% EMS. This change is consistent with the ratio of Fire and EMS volumes. The offsetting increase is included in the Fire Department budget. This allocation will be closely monitored annually with the internal cost allocation plan process.
- This fund is required to have a \$0 ending fund balance at the end of the year and since revenues are not adequate to cover planned expenditures; this budget includes a transfer-in from the General Fund of \$117,542.

Emergency Medical Services Fund (126)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
EMS Levy	\$ 1,792,391	\$ 1,834,000	\$ 1,834,000	\$ 1,852,500	\$ 18,500
Charges for Services	500,031	532,500	467,000	532,700	200
Investment interest	(57)	200	26	200	-
Other miscellaneous revenue	264	-	264	-	-
Transfers-in	-	-	124,381	117,542	117,542
Total revenue and transfers-in	<u>\$ 2,292,630</u>	<u>\$ 2,366,700</u>	<u>\$ 2,425,671</u>	<u>\$ 2,502,942</u>	<u>\$ 136,242</u>
Total resources	<u>\$ 2,292,630</u>	<u>\$ 2,366,700</u>	<u>\$ 2,425,671</u>	<u>\$ 2,502,942</u>	<u>\$ 136,242</u>
Expenditures and transfers-out					
Salaries & wages	\$ 1,137,198	\$ 1,282,623	\$ 1,377,528	\$ 1,631,489	\$ 348,866
Personnel benefits	419,490	434,047	410,365	603,766	169,719
Supplies	62,445	88,500	95,400	88,750	250
Other services & charges	210,152	349,229	349,461	69,437	(279,792)
Intergovernmental services	186,545	110,000	90,616	109,500	(500)
Transfers-out	276,800	102,301	102,301	-	(102,301)
Total expenditures and transfers-out	<u>\$ 2,292,630</u>	<u>\$ 2,366,700</u>	<u>\$ 2,425,671</u>	<u>\$ 2,502,942</u>	<u>\$ 136,242</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2017 Annual Budget

Special Revenue Funds

Fire Department - Emergency Medical Services

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 906,616	\$ 1,081,613	\$ 1,008,009	\$ 1,434,920	\$ 353,307
Part Time Employees	4,062	-	-	-	-
Special Assignment Pay	1,799	2,710	2,706	2,767	57
Education Premium Pay	7,655	7,000	16,359	9,990	2,990
Acting Supervisor Pay	1,716	3,900	2,102	3,925	25
Paramedic Incentive Pay	50,255	49,900	47,876	41,646	(8,254)
Merit/Longevity Pay	13,180	14,400	15,228	23,341	8,941
Fire - Holiday Buy Back	29,109	23,100	23,100	23,100	-
Overtime	122,806	100,000	262,148	91,800	(8,200)
Total Salaries & Wages	\$ 1,137,198	\$ 1,282,623	\$ 1,377,528	\$ 1,631,489	\$ 348,866
Benefits	\$ 419,490	\$ 434,047	\$ 410,365	\$ 603,766	\$ 169,719
Total Benefits	\$ 419,490	\$ 434,047	\$ 410,365	\$ 603,766	\$ 169,719
Total Salaries & Benefits	\$ 1,556,688	\$ 1,716,670	\$ 1,787,893	\$ 2,235,255	\$ 518,585
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 500	\$ 500	\$ 500	\$ 450	\$ (50)
Reference Material	-	1,000	1,000	800	(200)
Supplies - Training	-	2,000	2,000	1,500	(500)
Supplies - EMG Medical Services	30,963	30,000	40,000	35,000	5,000
Clothing/Boots	12,425	14,000	14,000	12,000	(2,000)
Motor Fuel	9,819	10,000	6,900	8,000	(2,000)
Small Items of Equipment	8,738	31,000	31,000	31,000	-
Total Supplies	\$ 62,445	\$ 88,500	\$ 95,400	\$ 88,750	\$ 250
Other Services & Charges					
Billing Services	\$ 28,852	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
Professional Services	12,905	16,000	16,000	15,000	(1,000)
Communication Expense	3,801	3,100	3,260	3,000	(100)
Equipment Replacement Charges	132,642	278,629	278,629	(63)	(278,692)
Insurance	11,745	-	-	-	-
Hazardous Waste Disposal	-	500	500	500	-
Equipment & Vehicle R&M	18,344	16,000	16,000	16,000	-
Laundry Services	1,863	-	72	-	-
Total Other Services & Charges	\$ 210,152	\$ 349,229	\$ 349,461	\$ 69,437	\$ (279,792)

Fire Department - Emergency Medical Services (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Intergovernmental Services					
Lynnwood EMS Contract	\$ 186,545	\$ 110,000	\$ 90,616	\$ 109,500	\$ (500)
Total Intergovernmental Services	\$ 186,545	\$ 110,000	\$ 90,616	\$ 109,500	\$ (500)
Total Operating Expenses	\$ 459,142	\$ 547,729	\$ 535,477	\$ 267,687	\$ (280,042)
<u>Non-Operating Expenses</u>					
Transfers-out	\$ 276,800	\$ 102,301	\$ 102,301	\$ -	\$ (102,301)
Total Transfers-out	\$ 276,800	\$ 102,301	\$ 102,301	\$ -	\$ (102,301)
Total Non-Operating Expenses	\$ 276,800	\$ 102,301	\$ 102,301	\$ -	\$ (102,301)
Total Fire Department - Emergency Medical Services	\$ 2,292,630	\$ 2,366,700	\$ 2,425,671	\$ 2,502,942	\$ 136,242

DRUG ENFORCEMENT

Purpose:

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

2016 Accomplishments:

- MPD participated in two separate Drug Marketing Interdiction events working in conjunction with the Snohomish County Regional Narcotics Task Force
- Continued funding one SWAT officer position (North Sound Metro SWAT Team) with funds from this division

2017 Goals & Objectives

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

Budget Highlights

- The budget does not include any new budget items.
- \$5,000 of the Drug Enforcement Fund will pay for overtime from Detectives in the Special Operations Division investigating drug related cases.
- No incoming revenue has been budgeted for 2017. Any proceeds from forfeited property will be deposited in this fund.

2017 Annual Budget

Special Revenue Funds

Drug Enforcement Fund (104)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 27,858	\$ 34,662	\$ 32,822	\$ 26,079	\$ (8,583)
Revenue and transfers-in					
Other miscellaneous revenue	\$ 19,043	\$ -	\$ 1,587	\$ -	\$ -
Total revenue and transfers-in	<u>\$ 19,043</u>	<u>\$ -</u>	<u>\$ 1,587</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 46,901</u>	<u>\$ 34,662</u>	<u>\$ 34,409</u>	<u>\$ 26,079</u>	<u>\$ (8,583)</u>
Expenditures and transfers-out					
Overtime	\$ -	\$ -	\$ 830	\$ 6,000	\$ 6,000
Supplies	\$ 8,656	\$ 7,500	\$ 7,500	7,500	-
Public affairs	-	5,000	-	-	(5,000)
Special operations	5,423	5,000	-	5,000	-
Narcotics task force	-	5,453	-	5,500	47
Total expenditures and transfers-out	<u>\$ 14,079</u>	<u>\$ 22,953</u>	<u>\$ 8,330</u>	<u>\$ 24,000</u>	<u>\$ 1,047</u>
Ending fund balance	<u>\$ 32,822</u>	<u>\$ 11,709</u>	<u>\$ 26,079</u>	<u>\$ 2,079</u>	<u>\$ (9,630)</u>

DEBT SERVICE FUNDS

- Limited Tax General Obligation Bond

LIMITED TAX GENERAL OBLIGATION BOND FUND

Purpose:

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

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

Budget Highlights

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

2016 Annual Budget

Debt Service Funds

Limited Tax General Obligation Bond Fund (275)

	2015	2016	2016	2017	
	Actuals	Amended Budget	Estimated Actuals	Budget	Increase/ (Decrease)
Beginning fund balance	\$ 8,958	\$ 8,656.00	\$ 9,259	\$ 997	\$ (7,659)
Revenue and transfers-in					
Transfers-in	\$ 907,913	\$ 901,000	\$ 901,000	\$ 907,913	\$ 6,913
Total revenue and transfers-in	\$ 907,913	\$ 901,000	\$ 901,000	\$ 907,913	\$ 6,913
Total resources	\$ 916,871	\$ 909,656	\$ 910,259	\$ 908,910	\$ (746)
Expenditures and transfers-out					
Administration fee	\$ -	\$ 300	\$ 300	\$ 300	\$ -
Bond principal	525,000	545,000	545,000	560,000	15,000
Bond interest	382,613	363,962	363,962	347,613	(16,349)
Total expenditures and transfers-out	\$ 907,613	\$ 909,262	\$ 909,262	\$ 907,913	\$ (1,349)
Ending fund balance	\$ 9,259	\$ 394	\$ 997	\$ 997	\$ -

CAPITAL PROJECTS FUNDS

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

PARK ACQUISITION & DEVELOPMENT FUND

Purpose:

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

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

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

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

Budget Highlights

- 2017 budgeted amount of interest on the interfund loan is \$7,200. The entire loan was recorded as an expenditure in 2014 with a related intergovernmental liability in this fund. An annual amount of \$30,000 is recorded each year to reduce the interfund loan principal balance.

Park Acquisition & Development Fund (322)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 189,846	\$ 33,357	\$ 228,650	\$ 244,844	\$ 211,487
Revenue and transfers-in					
Park mitigation fees	\$ 47,804	\$ 15,000	\$ 24,294	\$ 9,752	\$ (5,248)
Total revenue and transfers-in	<u>\$ 47,804</u>	<u>\$ 15,000</u>	<u>\$ 24,294</u>	<u>\$ 9,752</u>	<u>\$ (5,248)</u>
Total resources	<u>\$ 237,650</u>	<u>\$ 48,357</u>	<u>\$ 252,944</u>	<u>\$ 254,596</u>	<u>\$ 206,239</u>
Expenditures and transfers-out					
Interfund loan repayment	\$ -	\$ 30,000	\$ -	\$ -	\$ (30,000)
Interfund loan interest	9,000	300	8,100	7,200	6,900
Total expenditures and transfers-out	<u>\$ 9,000</u>	<u>\$ 30,300</u>	<u>\$ 8,100</u>	<u>\$ 7,200</u>	<u>\$ (23,100)</u>
Ending fund balance	<u><u>\$ 228,650</u></u>	<u><u>\$ 18,057</u></u>	<u><u>\$ 244,844</u></u>	<u><u>\$ 247,396</u></u>	<u><u>\$ 229,339</u></u>

TRANSPORTATION IMPACT FEE FUND

Purpose:

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

Budget Highlights

- The primary revenue for this fund is street mitigation fees which are projected to decrease down to \$40,000 based on 2016 actual revenues received.
- No budgeted expenditures are planned for this fund in 2017. Included in the 2016 budget, \$950,000 in impact fee funds was allocated to be spent on the Harbour Reach Drive Extension project, to begin preliminary design efforts, ensuring the City is ready when State Connecting Washington funds are available in 2017.

Transportation Impact Fee Fund (323)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 212,031	\$ 1,397,150	\$ 1,394,335	\$ 419,335	\$ (977,815)
Revenue and transfers-in					
Street mitigation fees	\$ 1,199,166	\$ 140,000	\$ 50,000	\$ 40,000	\$ (100,000)
Total revenue and transfers-in	<u>\$ 1,199,166</u>	<u>\$ 140,000</u>	<u>\$ 50,000</u>	<u>\$ 40,000</u>	<u>\$ (100,000)</u>
Total resources	<u>\$ 1,411,197</u>	<u>\$ 1,537,150</u>	<u>\$ 1,444,335</u>	<u>\$ 459,335</u>	<u>\$ (1,077,815)</u>
Expenditures and transfers-out					
Capital outlay	\$ 16,862	\$ -	\$ -	\$ -	\$ -
Transfers-out	-	1,025,000	1,025,000	-	(1,025,000)
Total expenditures and transfers-out	<u>\$ 16,862</u>	<u>\$ 1,025,000</u>	<u>\$ 1,025,000</u>	<u>\$ -</u>	<u>\$ (1,025,000)</u>
Ending fund balance	<u>\$ 1,394,335</u>	<u>\$ 512,150</u>	<u>\$ 419,335</u>	<u>\$ 459,335</u>	<u>\$ (52,815)</u>

REAL ESTATE EXCISE (REET) I & II FUNDS

Purpose:

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

Budget Highlights for Both Funds

- REET I & II revenue for 2017 is estimated to total \$1.4M and is allocated equally between both Funds.
- The REET I will transfer the LTGO Debt Service Fund the amount needed to fund the annual debt service payments for the 2009 bond issue used to construct the Rosehill Community Center.
- Fund balances at the end of 2016 are projected to be \$2,491,465 for the REET I Fund.
- Fund balances at the end of 2016 are projected to be \$10,767 for the REET II Fund.
- The \$10,767 projection is based on a \$900K Annual Street Preservation budget being fully funded with REET II funds. Discussions between the City and Council are on-going to decide upon appropriate funding.
- REET II includes \$3,828,525 in new capital budget items (listed below) and \$2,781,125 in carry-forward projects (listed in Exhibit 11 on page 13).

New Budget Item Summary

Transportation Projects

- **2017 ADA Upgrades:** Upgrade curbs ramps that have been identified in the City's ADA Transition Plan to be upgraded to comply with the 2010 ADA Guidelines. This will be an on-going effort until all of the City's 1,187 curb ramps are in compliance.
- **Annual Bike Path Construction Program:** Construct bike path projects that are identified in the City's Bike-Transit-Walk plan.
- **Annual Sidewalk Construction Program:** Construct sidewalk projects that are identified in the City's Bike-Transit-Walking plan. In 2018 the City will have the opportunity to close the gap in the sidewalk on the south side of Harbour Pointe Blvd.
- **2017 Pedestrian Activated Crosswalk Lighting Program:** Install Pedestrian Activated Solar Powered crosswalk flashing light systems.
- **Traffic Calming:** This continues to fund the City's Traffic Calming program that was adopted by Council Resolution 2015-07.
- **SR 526 Shared Use Path:** Right-of-Way to construct this project will be acquired along SR 526 and Airport Way during this phase of the project.
- **2017 Annual Street Preservation:** This sets aside additional funding for the City's Pavement Preservation Plan and address streets that have been identified for a variety of overlay options.
- **City Hall Parking Lot Repairs:** The concrete surface in the City Hall parking lot is raveling in numerous places, creating safety concerns. The worst places are the entrance and the

drive aisles. The project will remove the areas that are raveling and replace with in-kind material.

- **Harbour Point Blvd Widening:** This funds the construction phase of Harbour Pointe Blvd Widening project. We anticipate going to bid in early 2017 and having the project completed by late fall 2017.
- **Harbour Reach Drive Extension:** This will fund the final engineering and design of the project that will result in having bid-ready documents. It is anticipated that this project phase will take 18 to 24 months to complete, ensuring the City is ready in time for State funding availability in July 2017.
- **Guardrail on 92nd Street:** Install guardrail above the soldier pile wall on 92nd Street.

Park Projects

- **Japanese Gulch Creek Daylighting:** The proposed project is for preliminary design and permitting to daylight and restores the mouth of Japanese Gulch Creek and creates a pocket estuary to transition the creek to the beach as envisioned in the Downtown Waterfront Master Plan.
- **Japanese Gulch Wayfinding:** Finding your way while hiking in Japanese Gulch is an issue due to the lack of wayfinding signage. As more people are drawn to use Japanese Gulch it is important that they don't have anxiety about using the trail system; we want the experience to be positive and enjoyable.
- **Peace Park – Design & Development:** The design and development of a Mukilteo Peace Park.

2017 ADA Upgrades

Brief Description: Previously Discussed by Council	Replace curb ramps that have been prioritized for replacement in the City's' Public Right Of Way ADA Transition Plan	Dept Ranking Recommendation <div style="border: 1px solid black; padding: 2px; text-align: center;">Mandatory</div> Fund Name <div style="border: 1px solid black; padding: 2px; text-align: center;">REET II</div>
Amount Requested <div style="border: 1px solid black; padding: 2px;"> \$ 50,000 </div>	Nature of the expenditure? <div style="border: 1px solid black; padding: 2px;">Ongoing</div>	Any Additional Revenue? If Yes, Identify Below <div style="border: 1px solid black; padding: 2px;">No</div>

Expenditure Purpose and Justification

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

The City has a federal mandate via the Department of Justice to repair or replace all ramps that do not comply with the 2010 ADA regulations. Since it will be too costly to address all of the non-compliant curb ramps in one year the DOJ is allowing municipalities to replace non-compliant curb ramps as prioritized in a PROW ADA Transition plan.

This will be an ongoing effort until all of the City curb ramps are compliant with the 2010 ADA Standard.

Alternatives and Potential Costs

None

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

Expenditure Account # & Title	Amount
332.90.595.610.6309	\$ 50,000
	\$ -
	\$ -
	\$ -

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

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director



Annual Bike Path Construction Program

Brief Description:

Previously Discussed,
Ongoing Program

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

Fund Name

REET II

Amount Requested

\$ 50,000

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

Any Additional
Revenue? If Yes,
Identify Below

No

Expenditure Purpose and Justification

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

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Expenditure Account # & Title	Amount
332.90.595.305.6318	\$ 50,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Streets
Prepared by:	Rob McGaughey, Public Works Director



Annual Sidewalk Construction Program

Brief Description:

Previously Discussed,
Ongoing Program

The design and construction of new sidewalk amenities for the enhancement of the City's non-motorized system. Candidate projects under this program will be selected using the City's adopted BTW Plan.

Fund Name

REET II

Amount Requested

\$ 50,000

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

Any Additional
Revenue? If Yes,
Identify Below

No

Expenditure Purpose and Justification

Sidewalks provide connectivity throughout the City and allow pedestrians to safely travel between locations. The purpose of annually allocating REET II funds for sidewalk construction is to build a reserve to construct sidewalk projects that have been identified in the City's Bike and Walking Transportation (BTW) Plan. Sidewalk construction projects cost between \$195,000 and \$3.1 million, therefore, it will take several years to accumulate sufficient funds to construct a project. Staff will continue efforts to identify grant-matching opportunities for these projects.

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Expenditure Account # & Title	Amount
332.90.595.610.6309	\$ 50,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Streets
Prepared by:	Rob McGaughey, Public Works Director



2017 Pedestrian-Activated Crosswalk Lighting Program

Brief Description:

New Item

Install Pedestrian Activated Solar Powered crosswalk flashing light systems at Goat Trail Road & SR 525, Harbor Heights Pkwy & 58th Ave W, 48th Ave W & 71st Pl SW, and Chennault Beach Road & 56th Ave W

Fund Name

REET II

Amount Requested
\$ 35,000
Nature of the expenditure?

One-Time

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

No

Expenditure Purpose and Justification

This request will allow the installation of a pedestrian activated crosswalk flashing lights at four locations.

Pedestrians crossing SR 525 at Goat Trail Road are challenged due to the high volume of traffic on SR 525. Pedestrians cross SR 525 at Goat Trail Road to utilize the Community Transit bus stop in the west side of SR 525. The pedestrian activated flashing light system will make crossing SR 525 at this location safer for pedestrians.

The City has also received a number of requests via the Traffic Calming Program for pedestrian lights on Harbour Heights Pkwy at 58th Ave W for people crossing Harbour Heights Pkwy to access Harbour Heights Park.

Pedestrian activated lights have also been requested by residents at the intersection of 48th Ave W. and 71st Place SW and the intersection of Chennault Beach Road and 56th Ave W. By adding a pedestrian activated crosswalk flashing light at these locations, drivers would become more aware of pedestrians. This request is consistent with the City's efforts to improve pedestrian safety.

Alternatives and Potential Costs
Identify Ongoing Operating and Maintenance Life Cycle Expenses

Expenditure Account # & Title	Amount
332.90.595.640.6320	\$ 35,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Streets
Prepared by:	Rob McGaughey, Public Works Director



Traffic Calming**Brief Description:**Previously Discussed,
Ongoing Program

2017 Traffic Calming measures

Fund Name**REET II****Amount Requested****\$ 25,000**Nature of the expenditure? **One-Time**Any Additional
Revenue? If Yes,
Identify Below**No****Expenditure Purpose and Justification**

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

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Expenditure Account # & Title	Amount
332.90.595.640.6363	\$ 25,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Streets
Prepared by:	Rob McGaughey, Public Works Director



SR 526 Shared Use Path - Right-of-Way Acquisition**Brief Description:**Previously Discussed by
Council

Acquisition of project right-of-way

Fund Name**REET II****Amount Requested****\$ 69,500****Nature of the expenditure?****One-Time****Any Additional
Revenue? If Yes,
Identify Below****Yes****Expenditure Purpose and Justification**

This project acquires the right-of-way necessary to construct the SR 526 Shared Use Path. This phase of the project is funded by a CMAQ grant and with matching funds from Snohomish County.

This phase allows the project to continue moving forward as possible funding matches are considered.

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Expenditure Account # & Title	Amount
332.90.595.200.6102	\$ 69,500
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
CMAQ Grant	\$ 60,000
Snohomish County	\$ 9,500
	\$ -
	\$ -

Department:	Public Works
Division:	
Prepared by:	Rob McGaughey, Public Works Director



2017 Annual Street Preservation

Brief Description:

Discussed at Finance
Committee

Preservation of roadway surface with various pavement preservation techniques

Fund Name

REET II

Amount Requested

\$ 900,000

Nature of the expenditure? **Ongoing**

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

Yes

Expenditure Purpose and Justification

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

Based on the Pavement Preservation Program and Wise Investments in Transportation Taskforce recommendations, this proposal includes full funding of the preservation need. The total preservation investment is \$900,000, including the City match on the Harbour Pointe Blvd Widening Project.

Alternatives and Potential Costs

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

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

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

Expenditure Account # & Title	Amount
332.38.541.300.4880	\$900,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
To Be Determined by Council	\$ -
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director



City Hall Parking Lot Repairs

Brief Description:

New Item

Repair or replace concrete panels in the City Hall parking lot that are raveling (degrading) with in-kind material

Fund Name**REET II****Amount Requested****\$ 75,000****Nature of the expenditure?****One-Time****Any Additional
Revenue? If Yes,
Identify Below****No****Expenditure Purpose and Justification**

The concrete surface in the City Hall parking lot is raveling (degrading) in several places. The worst areas are the drive aisle and main driveway. This project will replace the concrete panels at the main drive way and saw-cut and patch smaller areas with in-kind concrete material to prevent further raveling.

Alternatives and Potential Costs

The parking lot surface continues to ravel, and will likely end up being more costly to repair.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Expenditure Account # & Title	Amount
REET II	\$ 75,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Maintenance
Prepared by:	Rob McGaughey, Public Works Director



Harbour Pointe Blvd. Widening - Construction

Brief Description:Previously Discussed by
Council

Construction phase for Harbour Point Blvd Widening project

Fund Name

REET II

Amount Requested

\$ 1,341,025

Nature of the expenditure?

One-Time

Any Additional
Revenue? If Yes,
Identify Below

Yes

Expenditure Purpose and Justification

The first phase in the Harbour Pointe Boulevard Widening project, engineering services, was approved by Council in the 2016 budget. The project is funded in part by a Transportation Improvement Board (TIB) Grant. This budget item funds the construction phase of this project. The project will add left turn lanes at the Harbour Pointe Blvd and Cyrus Way intersection in an effort to alleviate potential collisions at this intersection. In addition, minor improvements will be made to the intersection of SR 525 and Harbour Pointe Blvd. The City will have a 40% grant match of \$536,410 in this construction phase.

This project will complete a missing bike/pedestrian segment by constructing a shared use path on the south side of Harbour Pointe Blvd from Cyrus Way to SR 525, and will upgrade the ADA curb ramps at the Harbour Pointe Blvd. and Cyrus Way intersection. Completing this missing segment of the shared use path has been identified as a priority project the City's Bike Transit Walking Plan.

Alternatives and Potential Costs

In 2016, staff applied for a Puget Sound Regional Council Surface Transportation Program (STP) grant for the amount of \$719,000. Although the project did not receive funding, it remains on the project contingency list in the event additional unused STP funds become available through PSRC. The Governor's Staff, WSDOT and PSRC are currently deciding how to use the unexpended STP funds. Our project design and right-of-way acquisition is moving forward assuming these funds will not be available.

Identify Ongoing Operating and Maintenance Life Cycle Expenses**Expenditure Account # & Title Amount**

332.90.595.300.6311	\$ 1,341,025
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

TIB Grant (State funding - 332.334.038.00)	\$ 804,615
REET II	\$ 536,410

Department:	Public Works
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director



Harbour Reach Drive Extension Engineering Services

Brief Description:Previously Discussed by
Council

Harbour Reach Drive Extension Engineering Services
to prepare final plans, specifications and engineering cost estimate for
construction

Fund Name

REET II

Amount Requested**\$ 900,000**Nature of the expenditure? **One-Time**Any Additional
Revenue? If Yes,
Identify Below**Yes****Expenditure Purpose and Justification**

The Harbour Reach Drive Extension project received \$15,100,000 of State Connection Washington Funds (CWA) to design and construct this project. The City has also received \$1,000,000 from Paine Field in traffic impact mitigation fees that have been dedicated to this project. \$10M from State CWA funding is scheduled to be available to the City in July 2017. The Engineering Services contract for this project will provide construction documents that are bid ready and include the following services; prepare geometric design of the roadway; geotechnical engineering; environmental permitting; structural engineering and design of retaining walls and bridge structures; preparation of engineer's cost estimate; preparation of specifications and special provisions for contract documents.

Alternatives and Potential Costs

None

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

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

Expenditure Account # & Title	Amount
332.90.595.101.4103	\$ 900,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
State CWA Funds	\$900,000
	\$ -
	\$ -
	\$ -

Department:	PW
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director



Guardrail on 92nd Street**Brief Description:**

New Item

Install guardrail above the soldier pile wall on 92nd Street

Fund Name**REET II****Amount Requested****\$ 25,000**Nature of the expenditure? **One-Time**Any Additional
Revenue? If Yes,
Identify Below**No****No****Expenditure Purpose and Justification**

In 2013 a soldier pile retaining wall was constructed to repair a landslide on 92nd Street. The piles for the retaining wall are lower than the street grade. A traffic curb was added later in an effort to provide a low cost traffic barrier to the sharp drop off.

Residents in the neighborhood are still concerned about the sharp drop off and have requested the City add additional safety features to this section of the road.

Alternatives and Potential Costs**Identify Ongoing Operating and Maintenance Life Cycle Expenses**

Expenditure Account # & Title	Amount
332.90.595.610.6100	\$ 25,000
	\$ -
	\$ -
	\$ -

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

Department:	Public Works
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director

2017 BUDGET

Japanese Gulch Creek Daylighting - Phase 1 Design

Brief Description: Preliminary design and permitting to daylight and restore the mouth of Japanese Gulch Creek and create a pocket estuary.

New Item

**Dept Ranking
Recommendation**

1

Fund Name

REET II

Amount Requested

\$ 250,000

Nature of the expenditure? One-Time

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

Yes

Expenditure Purpose and Justification

The proposed project is for preliminary design and permitting to daylight and restore the mouth of Japanese Gulch Creek and create a pocket estuary to transition the creek to the beach as envisioned in the Downtown Waterfront Master Plan. Design funds will be used for site investigation analysis, preliminary design, and permit applications. Funding will come from two sources: Salmon Recovery Funding Board (SRFB) and REET II funds as follows: SRFB Request: \$212,500 & City REET Match Match: \$37,500. The City is also seeking funding from the Department of Defense or Department of Commerce for planning assistance to cover the final design work which will prepare the City to apply for RCO construction funds in 2018.

Alternatives and Potential Costs

Delay implementation of the Downtown Waterfront Master Plan. If the SRFB or DOD grants are not secured, future construction of this project will be delayed. However, this phase of design is still valuable and necessary.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

This funding request is for design and permitting; maintenance and operations will be covered by Public Works Crews starting in 2019 / 2020. The Downtown Waterfront Master Plan identified 1.5 additional FTE's as part of the build out of the Master Plan. Paid parking fees were to be used to cover this additional cost.

Expenditure Account # & Title Amount

332.90.594.580.6302	\$ 250,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

SRFB Grant	\$ 212,500
	\$ -
	\$ -
	\$ -

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



Japanese Gulch Wayfinding

Brief Description:

New Item

**Dept Ranking
Recommendation**

1

Japanese Gulch Wayfinding signage

Fund Name

Hotel / Motel

Amount Requested

\$ 8,000

Nature of the expenditure?

One-Time

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

Yes

Expenditure Purpose and Justification

As identified in the Japanese Gulch Master plan process, finding your way while hiking in Japanese Gulch is an issue due to the lack of wayfinding signage. As more people are drawn to use Japanese Gulch it is important that they don't have anxiety about using the trail system, we want the experience to be positive and enjoyable. Japanese Gulch has many miles of trails, wayfinding signs are important for users as well as for first responders. Wayfinding signs would include mile marker posts with names of trails and arrows to key locations, i.e. parking lots, trailhead entrances, and sights of interest, Trailhead Kiosks (76th Street Trailhead & Mt. Baker Crossing) with a large map of the park outlining the trails and smaller signs with maps of the park trails at 3 locations within the park. Project will include: GIS Staff time to determine location of mile markers posts, identify 911 Mapping, create open source data sharing of trail data (allows users to access park maps on their own device); Delineation of wetlands; add plexiglass at the Dog Park kiosk; three large maps at kiosks; three smaller kiosks with plexiglass covers to hold trail maps; three smaller trail maps; mile marker posts with metal trail marker signs installed throughout the Gulch; other signage at trails; four parks rules signs; various Mukilteo Park Signs. Development of a Japanese Gulch map brochure and an overall City parks map/brochure that can be placed at Chamber Office, hotels, businesses, Community Center and City Hall.

Alternatives and Potential Costs

Some of the wayfinding signage projects can be done by Eagle Scout projects and community volunteers. Many times an Eagle Scout project can cover some of the costs associated with a project, but will need some assistance with purchasing supplies. Volunteer projects help with installation costs, however the supplies for the projects will need to be purchased. Staff will submit a Lodging Tax Grant for this project which may all or part of the funding.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

The wayfinding posts and kiosks have a life span of 15-20 years. Ongoing maintenance will include graffiti removal and repairing any damage to the kiosks or posts.

Expenditure Account # & Title Amount

332.90.594.750.6301	\$ 8,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

Lodging Tax Grant 332.337.400.00	\$ 8,000
(Comm. Org. Support 116.19.557.200.4408)	
	\$ -
	\$ -

Department:	Public Works / Recreation & Cultural Services
Division:	Parks
Prepared by:	Jennifer Berner, Recreation & Cultural Services Director



Peace Park - Design & Development

Brief Description:

New Item

Design and development of a Mukilteo Peace Park

**Dept Ranking
Recommendation**

1

**Fund Name
Real Estate Excise
Tax II****Amount Requested****\$ 50,000****Nature of the expenditure?**

One-Time

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

No

Expenditure Purpose and Justification

This past summer the Mukilteo community suffered the loss of three recent Kamiak High School graduates by a senseless act of violence. As a memorial to these young people, their families and to assist in healing our community, the City is proposing to design and develop a Peace Park to honor their memory. The proposed project is for design and development of a "pocket park" within one of the City's existing parks or properties. The design will be determined through a public outreach effort supported by the Mukilteo Parks and Arts Commission. Funding will come from two sources: staff support and REET II funds. The intent is to work with a local artist and have the memorial in place by the end of 2017.

Alternatives and Potential Costs

Continue to support the community through the Mukilteo Strong initiative, but delay any permanent memorial or commemoration.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Ongoing maintenance should be low as the memorial or commemoration will be placed in an existing public park or facility that is currently being maintained by the City's Public Works crews.

Expenditure Account # & Title

332.58.558.600.4106	\$ 50,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title

REET II	\$ 50,000
	\$ -
Total	\$ 50,000

Department:	Executive
Division:	Mayor's Office
Prepared by:	Jennifer Gregerson, Mayor



2017 BUDGET

2017 Annual Budget

Capital Projects Funds

Real Estate Excise (REET) I Fund (331)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 2,632,269	\$ 3,210,326	\$ 2,463,857	\$2,631,284	\$ (579,042)
Revenue and transfers-in					
Real estate excise tax	\$ 690,082	\$ 700,000	\$ 1,000,000	\$ 700,000	\$ -
Grants	50,392	-	11,000	-	-
Investment interest	(61)	-	50	-	-
Total revenue and transfers-in	<u>\$ 740,413</u>	<u>\$ 700,000</u>	<u>\$ 1,011,050</u>	<u>\$ 700,000</u>	<u>\$ -</u>
Total resources	<u>\$ 3,372,682</u>	<u>\$ 3,910,326</u>	<u>\$ 3,474,907</u>	<u>\$3,331,284</u>	<u>\$ (579,042)</u>
Expenditures and transfers-out					
Capital outlay	\$ 70,892	\$ -	\$ 12,000	\$ -	\$ -
Transfers-out	837,933	831,623	831,623	839,819	8,196
Total expenditures and transfers-out	<u>\$ 908,825</u>	<u>\$ 831,623</u>	<u>\$ 843,623</u>	<u>\$ 839,819</u>	<u>\$ 8,196</u>
Ending fund balance	<u>\$ 2,463,857</u>	<u>\$ 3,078,703</u>	<u>\$ 2,631,284</u>	<u>\$2,491,465</u>	<u>\$ (587,238)</u>

2017 Annual Budget

Capital Projects Funds

Real Estate Excise (REET) II Fund (332)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 792,834	\$ 981,365	\$ 741,236	\$2,718,846	\$ 1,737,481
Revenue and transfers-in					
Real estate excise tax	\$ 690,082	\$ 700,000	\$ 1,000,000	\$ 700,000	\$ -
Grants	15,269	2,385,675	633,225	3,269,615	883,940
PUD Rebate	11,664	-	-	-	-
Investment interest	(61)	-	50	50	50
Transfers-in	-	950,000	950,000	-	(950,000)
Total revenue and transfers-in	<u>\$ 716,954</u>	<u>\$ 4,035,675</u>	<u>\$ 2,583,275</u>	<u>\$3,969,665</u>	<u>\$ (66,010)</u>
Total resources	<u>\$ 1,509,788</u>	<u>\$ 5,017,040</u>	<u>\$ 3,324,511</u>	<u>\$6,688,511</u>	<u>\$ 1,671,471</u>
Expenditures and transfers-out					
Professional services	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Capital outlay	698,572	3,913,125	502,855	6,609,650	2,696,525
Transfers-out	69,980	96,243	82,810	68,094	(28,149)
Total expenditures and transfers-out	<u>\$ 768,552</u>	<u>\$ 4,029,368</u>	<u>\$ 605,665</u>	<u>\$6,677,744</u>	<u>\$ 2,648,376</u>
Ending fund balance	<u>\$ 741,236</u>	<u>\$ 987,672</u>	<u>\$ 2,718,846</u>	<u>\$ 10,767</u>	<u>\$ (976,905)</u>

MUNICIPAL FACILITIES FUND

Purpose:

The purpose of this Fund is to account for transfers from the General Fund to be used to construct City facilities. The fund has had no activity for several years and has been carrying a fund balance of \$220,010. This budget proposes transferring the fund balance back into the General Fund and close this fund.

Budget Highlights

- Transfer fund balance to General Fund.

Municipal Facilities Fund (341)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 220,010	\$ -	\$ 220,010	\$ 220,010	\$ 220,010
Revenue and transfers-in					
Investment Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 220,010</u>	<u>\$ -</u>	<u>\$ 220,010</u>	<u>\$ 220,010</u>	<u>\$ 220,010</u>
Expenditures and transfers-out					
Transfers-out		\$ -	\$ -	\$ 220,010	\$ 220,010
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,010</u>	<u>\$ 220,010</u>
Ending fund balance	<u>\$ 220,010</u>	<u>\$ -</u>	<u>\$ 220,010</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUNDS

- Surface Water Management
- Surface Water Reserve

SURFACE WATER UTILITY

Purpose:

The Surface Water Management Division of Public Works provides surface/storm water control for the community through the maintenance of the City's drainage system (pipes, ditches, culverts, catch basins, detention facilities). The Surface Water Division's primary focus is to implement the performance measures contained in the City's Comprehensive Surface Water Management Plan. These performance measures address operations and engineering services associated with maintaining the City's stormwater system, meeting NPDES permit requirements, providing engineering services for development projects, and providing technical assistance to City residents. Street sweeping and catch basin cleaning are two maintenance activities paid for from this fund that help improve water quality by reducing the amount of contamination (street contaminated sand, dirt, organic matter, and litter), getting into the City's streams and the Puget Sound. Technical assistance to property owners regarding drainage problems is also provided with this funding.

2016 Accomplishments:

- Complied with NPDES Phase II requirements
- Completed required code update to incorporate low impact development practices and techniques into all types of development situations
- Created and filled new Surface Water Program Manager position and 1 FTE equivalent in GIS
- Hired two new crew members
- Purchased a Vactor truck to help implement the NPDES permit requirements
- Trained stormwater staff in illicit discharge identification
- Fixed several small drainage issues by installing new pipe and catch basins
- Street sweeper cleaned streets to 1040 hours during the year
- Maintained 2.1 miles of ditch
- Installed tide gate at Lighthouse Park
- Responded to more than 125 service requests
- Installed 300 storm drain markers with clean water messaging

2017 Goals & Objectives

- Design a Decant Facility to remove sediment from saturated soils generated from catch basin cleaning
- Complete inspection and cleaning of all city owned catch basins by August 2017 (as required by the NPDES Permit)
- Re-evaluate upcoming stormwater utility needs and capacity, in light of anticipated NPDES Permit requirements
- Record street sweeping efforts utilizing GPS/GIS in lane miles per year, identify which streets are swept and the frequency
- Implement Outreach goals required under NPDES Permit, related to efforts in 2016's Yard Care study

Budget Highlights

- The 2017 budget for Surface Water Utility reflects no change in staffing levels.
- Salary and benefit costs comprise approximately 34% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are decreasing by nearly \$350,000. This is due mainly to:
 - Overhead Costs to the General Fund have decreased by \$116,973 due to a better allocation of expenditures based on the internal cost allocation plan.
 - There was a one-time transfer of \$300,000 in the 2016 budget to establish the Surface Water Reserve Fund.
- This budget also includes an \$11,488 transfer to the Facility Renewal Fund based on the internal cost allocation plan.
- This budget includes three new budget items:
 - 61st Place Culvert Replacement.
 - Decant Facility.
 - Feasibility Study for Centralized Storm Drainage Facilities Bluff Properties.
- Budget information is also presented in this section for the GIS Division (Surface Water Fund) for reference. It was previously discussed in the Planning Department section.
- There will not be a transfer into the Surface Water Reserve Fund in 2017. It maintains a \$300,000 ending fund balance.

Expenditure Summary:

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Surface Water Fund					
Public Works	\$ 1,692,972	\$ 3,335,753	\$ 2,321,711	\$ 2,987,306	\$ (348,447)
GIS	-	145,517	68,996	93,766	(51,751)
Total Departmental Summary	\$ 1,692,972	\$ 3,481,270	\$ 2,390,707	\$ 3,081,072	\$ (400,198)

New Budget Item Summary

Surface Water Projects

- **61st Place Culvert Replacement:** During the design, unanticipated factors were encountered such as very poor soils, and Washington Department of Fish and Wildlife along with the Tulalip Tribes' requests for fish habitat improvements to the stream channel and culvert have increased the project scope.
- **Decant Facility:** This project will engineer and design a decant station that removes liquid waste from material vactored from catch basins, pipe cleaning, and pond dredging - operations performed by the City's Surface Water Crew. This facility is an integral part of the City's future ability to comply with the NPDES Phase II requirements.
- **Feasibility Study Centralized Storm Drainage – Bluff Properties:** Conduct a study to determine the feasibility of collecting surface water from developed properties along the Puget Sound Bluff in Mukilteo into a conveyance pipe to prevent free flow of surface water over the bluff, thus mitigating surficial landslides.

61st Place Culvert Replacement

Brief Description:Previously Discussed by
Council

Replace the culvert under 61st Place West that conveys water through
Smuggler's Gulch Creek

Fund Name**Surface Water****Amount Requested****\$ 120,000****Nature of the expenditure?****One-Time**Any Additional
Revenue? If Yes,
Identify Below**No****Expenditure Purpose and Justification**

In 2014, the City committed to improving the existing culvert located under 61st Place West as part of a legal settlement. During the design, unanticipated factors were encountered that resulted in additional work necessary to be performed by the City's design consultant including additional structural design to accommodate very poor soils and design coordination and alternatives analyses with Washington Department of Fish and Wildlife and the Tulalip Tribes. As a result, additional funds are needed to complete the project based on current construction cost estimates. The construction will include pin piles and gabion basket retaining walls to support the culvert in the poor soils, improvements to the stream channel immediately downstream of the culvert and resurfacing of 61st Place West at the location of the culvert.

Alternatives and Potential Costs

If the project doesn't get permitted and constructed there is the potential for the lawsuit to be reopened and a new settlement would have to be negotiated and agreed upon.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

The pavement at the location of the culvert is in very poor condition and requires frequent maintenance by City crews. Replacement of the existing culvert with a larger sized culvert will significantly reduce the chances of future blockages of the culvert.

Expenditure Account # & Title

440.90.594.306.6203	\$ 120,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title**Amount**

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

Department:	Public Works
Division:	Surface Water
Prepared by:	Rob McGaughey, Public Works Director



Decant Facility - Design

Brief Description:

New Item

Design of a new Decant Facility, to be constructed in 2018.

Fund Name**Surface Water****Amount Requested****\$ 110,000****Nature of the expenditure?****One-Time****Any Additional
Revenue? If Yes,
Identify Below****No****Expenditure Purpose and Justification**

The City accumulates 500 to 1,000 cubic yards of saturated soil material from maintenance of the City's surface water system annually. The material collected from these catch basins, ponds and ditches are saturated and need to be dewatered in a decant facility in order to separate the solid material from the liquid waste. The City's existing decant facility is undersized and discharges to an existing stormwater pond. To allow the discharge to the stormwater pond the material entering the facility is required to be tested for contaminants. If the material does not meet the testing requirements, it has to be hauled off to a regional decant facility located in Snohomish, which can take over an hour round trip. This project will design a new decant facility that will be able to accommodate larger loads of material, provide covered areas for the decanted material and will discharge into the sanitary sewer system. In 2017, City will pursue future grant opportunities with the Department of Ecology to fund the construction phase of this project. If grant funding is unavailable, staff will seek construction funding in the 2018 budget process.

Alternatives and Potential Costs

Hauling material to the regional decant facility in Snohomish decreases efficiency and production of the storm water crew and increases costs for material haul and disposal. Discharging contaminated water into the City's existing system exposes the City to possible fines from the Department of Ecology.

Identify Ongoing Operating and Maintenance Life Cycle Expenses**Expenditure Account # & Title**

440.90.594.392.6313	\$ 110,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title

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

Department:

Public Works

Division:

Engineering

Prepared by:

Rob McGaughey, Public Works Director



Feasibility Study for Centralized Storm Drainage Facilities Bluff Properties

Brief Description:

Project NBI presented to Infrastructure Committee July 20, 2016

Conduct a study to determine the feasibility of collecting surface water from developed properties along the Puget Sound Bluff in Mukilteo into a conveyance pipe to prevent free flow of surface water over the bluff, thus mitigating surficial landslides.

Fund Name

Surface Water

Amount Requested

\$ 93,800

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

Yes

Expenditure Purpose and Justification

The City will hire a consultant to investigate the feasibility of a surface water collection system to mitigate the free flow of surface water over the bluffs from Smugglers Gulch area southward to the City limits. This is a project that is identified in the City's Comprehensive Surface Water Management Plan. Partnership with WSDOT makes this a timely project to pursue in 2017, and is contingent on that state funding.

The purpose of this project is to mitigate landslides by gathering and collecting surface water from roof and yard drains from properties that are along the Puget Sound Bluff in Mukilteo. The project will also consolidate surface water drain lines coming from these properties into a single pipe that can be visually inspected and maintained by the City. WSDOT Rail Division is interested in partnering with the City of Mukilteo in an effort to mitigate landslides that cause rail closure and interrupts the Amtrak schedule.

Alternatives and Potential Costs

This study is contingent on WSDOT's participation of partially funding the project up to the amount of \$46,900.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

The constructed surface water conveyance system will become part of the city's stormwater system and, therefore will require periodic inspection and maintenance.

Expenditure Account # & Title	Amount
440.38.558.600.4106	\$ 93,800
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Surface Water Fund	\$ 46,900
WSDOT Connecting Washington Account	\$ 46,900
	\$ -
	\$ -

Department:	Public Works
Division:	Engineering
Prepared by:	Rob McGaughey, Public Works Director



Surface Water Management Fund (440)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 894,239	\$ 812,351	\$ 916,318	\$ 961,791	\$ 149,440
Revenue and transfers-in					
Grants	\$ 364,990	\$ 900,000	\$ -	\$ -	\$ (900,000)
Interlocal agreement	5,141	-	-	-	-
Storm drainage fees & charges	1,344,861	2,423,111	2,358,184	2,821,520	398,409
Investment interest	60	-	-	-	-
Other miscellaneous revenue	-	-	9,000	-	-
Total revenue and transfers-in	<u>\$ 1,715,051</u>	<u>\$ 3,323,111</u>	<u>\$ 2,367,184</u>	<u>\$ 2,821,520</u>	<u>\$ (501,591)</u>
Total resources	<u>\$ 2,609,290</u>	<u>\$ 4,135,462</u>	<u>\$ 3,283,502</u>	<u>\$ 3,783,311</u>	<u>\$ (352,151)</u>
Expenditures and transfers-out					
Salaries & wages	\$ 453,748	\$ 652,777	\$ 621,120	747,142	\$ 94,365
Personnel benefits	218,584	344,407	313,790	343,580	(827)
Supplies	35,380	76,395	76,395	69,395	(7,000)
Other services & charges	324,336	429,275	367,121	480,985	51,710
City overhead charge	190,000	250,000	250,000	133,027	(116,973)
Intergovernmental services	114,930	119,505	117,485	133,505	14,000
Capital outlay	196,381	1,137,594	250,000	1,161,950	24,356
Transfers-out	159,613	325,800	325,800	11,488	(314,312)
Total expenditures and transfers-out	<u>\$ 1,692,972</u>	<u>\$ 3,335,753</u>	<u>\$ 2,321,711</u>	<u>\$ 3,081,072</u>	<u>\$ (254,681)</u>
Ending fund balance	<u>\$ 916,318</u>	<u>\$ 799,709</u>	<u>\$ 961,791</u>	<u>\$ 702,239</u>	<u>\$ (97,470)</u>

Public Works - Surface Water Maintenance

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 439,045	\$ 609,777	\$ 590,120	\$ 629,177	\$ 19,400
Part Time Employees	-	30,000	6,400	30,000	-
Overtime	9,852	8,000	15,030	15,500	7,500
Acting Supervisor Pay	891	1,000	3,450	2,100	1,100
Standby Pay	3,960	4,000	6,120	5,200	1,200
Total Salaries & Wages	\$ 453,748	\$ 652,777	\$ 621,120	\$ 681,977	\$ 29,200
Benefits	\$ 218,584	\$ 344,407	\$ 313,790	\$ 321,579	\$ (22,828)
Total Benefits	\$ 218,584	\$ 344,407	\$ 313,790	\$ 321,579	\$ (22,828)
Total Salaries & Benefits	\$ 672,333	\$ 997,184	\$ 934,910	\$ 1,003,556	\$ 6,372
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 52	\$ 13,000	\$ 13,000	\$ 2,500	\$ (10,500)
Reference Material	925	1,500	1,500	700	(800)
Operating Supplies	9,149	10,900	10,900	12,100	1,200
Vehicle R&M Tools/EQ	-	1,250	1,250	1,250	-
Clothing/Boots	2,963	7,600	7,600	8,200	600
Aggregate	184	12,185	12,185	12,185	-
Motor Fuel	10,273	17,000	17,000	17,000	-
Small Items of Equipment	11,833	12,960	12,960	12,960	-
Total Supplies	\$ 35,380	\$ 76,395	\$ 76,395	\$ 66,895	\$ (9,500)

Public Works - Surface Water Maintenance (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Facilities Maintenance Charge - CAP	-	-	-	16,130	16,130
Other Professional Services	117,264	75,000	19,260	71,900	(3,100)
City Atty. Other Services	6,621	-	-	-	-
Hazardous Waste Testing	780	5,680	5,680	5,680	-
Contract Services	1,975	4,470	4,470	4,470	-
Telephone	824	1,010	1,010	1,010	-
Postage	-	-	-	700	700
Cell Phones	1,344	3,260	3,260	3,260	-
Assoc. Dues & Memberships	-	-	-	180	-
Travel & Subsistence	406	4,500	4,500	4,900	400
Legal Publications	-	600	670	600	-
Work Equip & Machine Rental	11,410	10,000	50,000	10,000	-
Equipment Replacement Charges	36,080	161,000	89,000	89,000	(72,000)
Insurance	37,606	-	-	-	-
Hazardous Waste Disposal	60,293	42,800	42,800	42,800	-
Brush Disposal	-	7,900	7,900	7,900	-
Equipment R&M	3,726	21,250	21,250	21,250	-
Vehicle R&M	14,821	67,150	67,150	67,150	-
Computer System Maint & Subscriptions	-	2,500	2,500	2,500	-
Laundry Services	1,278	1,680	1,190	1,680	-
Training & Registration	3,519	5,475	5,475	6,975	1,500
Education & Outreach	7,125	15,000	15,000	15,000	-
Vactor Service	19,265	-	26,006	10,000	10,000
Other Professional Services	-	-	-	93,800	93,800
Total Other Services & Charges	\$ 324,336	\$ 429,275	\$ 367,121	\$ 476,885	\$ 47,610
Total Operating Expenses	\$ 359,715	\$ 505,670	\$ 443,516	\$ 543,780	\$ 38,110

Public Works - Surface Water Maintenance (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Mukilteo Water District	\$ 61,891	\$ 51,520	\$ 51,520	\$ 65,520	\$ 14,000
Snohomish County - ILA	1,749	2,020	-	2,020	-
WRIA ILA	9,989	11,900	11,900	11,900	-
Dept of Ecology	20,164	27,335	27,335	27,335	-
Taxes & Assessments	21,138	26,730	26,730	26,730	-
Total Intergovernmental Services	\$ 114,930	\$ 119,505	\$ 117,485	\$ 133,505	\$ 14,000
Total Intergovernmental Services	\$ 114,930	\$ 119,505	\$ 117,485	\$ 133,505	\$ 14,000
<u>Payments for Services</u>					
Payments for Services					
Overhead Costs	\$ 190,000	\$ 250,000	\$ 250,000	\$ 133,027	\$ (116,973)
Total Payments for Services	\$ 190,000	\$ 250,000	\$ 250,000	\$ 133,027	\$ (116,973)
Total Payments for Services	\$ 190,000	\$ 250,000	\$ 250,000	\$ 133,027	\$ (116,973)
<u>Capital Outlay</u>					
Capital Outlay	\$ 196,381	\$ 1,137,594	\$ 250,000	\$ 1,161,950	\$ 24,356
Total Capital Outlay	\$ 196,381	\$ 1,137,594	\$ 250,000	\$ 1,161,950	\$ 24,356
Total Capital Outlay	\$ 196,381	\$ 1,137,594	\$ 250,000	\$ 1,161,950	\$ 24,356
<u>Transfers-out</u>					
Transfers-out	\$ 159,613	\$ 325,800	\$ 325,800	\$ 11,488	\$ (314,312)
Total Transfers-out	\$ 159,613	\$ 325,800	\$ 325,800	\$ 11,488	\$ (314,312)
Total Transfers-out	\$ 159,613	\$ 325,800	\$ 325,800	\$ 11,488	\$ (314,312)
Total Public Works - Surface Water Maintenance	\$ 1,692,972	\$ 3,335,753	\$ 2,321,711	\$ 2,987,306	\$ (348,447)

GIS Division (Surface Water Fund)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ 87,680	\$ 14,220	\$ 65,165	\$ (22,515)
Total Salaries & Wages	\$ -	\$ 87,680	\$ 14,220	\$ 65,165	\$ (22,515)
Benefits	\$ -	\$ 40,737	\$ 4,830	\$ 22,001	\$ (18,736)
Total Benefits	\$ -	\$ 40,737	\$ 4,830	\$ 22,001	\$ (18,736)
Total Salaries & Benefits	\$ -	\$ 128,417	\$ 19,050	\$ 87,166	\$ (41,251)
<u>Operating Expenses</u>					
Supplies	\$ -	\$ 13,000	\$ 27,591	\$ 2,500	\$ (10,500)
Total Supplies	\$ -	\$ 13,000	\$ 27,591	\$ 2,500	\$ (10,500)
Other Services & Charges					
Other Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
GIS Software & Maintenance	-	-	20,000	-	-
Communication Expense	-	700	255	700	-
Travel & Subsistence	-	1,500	1,500	1,500	-
Assoc. Dues & Memberships	-	300	-	300	-
Printing & Binding	-	1,000	-	1,000	-
Training & Registration Costs	-	600	600	600	-
Total Other Services & Charges	\$ -	\$ 4,100	\$ 22,355	\$ 4,100	\$ -
Total Operating Expenses	\$ -	\$ 17,100	\$ 49,946	\$ 6,600	\$ (10,500)
Total GIS Division (Surface Water Fund)	\$ -	\$ 145,517	\$ 68,996	\$ 93,766	\$ (51,751)

Surface Water Reserve Fund (445)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
Revenue and transfers-in					
Transfers-in	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Total revenue and transfers-in	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Total resources	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Expenditures and transfers-out					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending fund balance	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -

INTERNAL SERVICE FUNDS

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

TECHNOLOGY REPLACEMENT FUND

Purpose:

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

Budget Highlights

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

2017 Annual Budget

Internal Service Funds

Technology Replacement Fund (120)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 150,830	\$ 137,031	\$ 59,353	\$ 22,889	\$ (114,142)
Revenue and transfers-in					
5% Administrative fee	\$ 13,626	\$ 24,500	\$ 24,500	\$ 24,500	\$ -
Transfers-in	-	50,000	50,000	64,000	14,000
Total revenue and transfers-in	<u>\$ 13,626</u>	<u>\$ 74,500</u>	<u>\$ 74,500</u>	<u>\$ 88,500</u>	<u>\$ 14,000</u>
Total resources	<u>\$ 164,456</u>	<u>\$ 211,531</u>	<u>\$ 133,853</u>	<u>\$ 111,389</u>	<u>\$ (100,142)</u>
Expenditures and transfers-out					
Small items of equipment	\$ 7,340	\$ 14,600	\$ 20,000	\$ 14,600	\$ -
Capital outlay	97,763	96,400	90,963	96,400	-
Total expenditures and transfers-out	<u>\$ 105,104</u>	<u>\$ 111,000</u>	<u>\$ 110,963</u>	<u>\$ 111,000</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 59,353</u>	<u>\$ 100,531</u>	<u>\$ 22,889</u>	<u>\$ 389</u>	<u>\$ (100,142)</u>

EQUIPMENT REPLACEMENT RESERVE FUND

Purpose:

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

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 maintenance shop.

Since Public Works has no mechanic, vehicles are maintained through warranties, service via an agreement with a local repair shop and on minor things, the City maintenance workers do some mechanics work.

Replacement of all vehicles is managed by this division.

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

2016 Accomplishments:

- Developed a vehicle maintenance tracking system to insure that maintenance is performed in a timely manner
- Update the equipment inventory and replacement schedule
- Develop an equipment maintenance tracking system using CAMS to minimize repair costs and maintain optimal operational efficiency
- Replaced 2 Police Patrol cars with new Ford Explorers
- Replaced EMS Medic Ambulance
- Purchase a used Bucket Truck, new ½ Pickup and Utility Van

2017 Goals & Objectives

- Update the equipment inventory and replacement schedule
- Continue to research cost efficient ways of maintaining the City's vehicles and equipment through the use of regional partnerships
- Purchase mini-Excavator with trailer, Dump Trailer, and enclosed Paint Trailer
- Maintain all city owned equipment and vehicles such that reliability and life cycles are maximized

Budget Highlights

- Staff reviews the equipment replacement schedule to determine if the equipment & vehicle inventory list is current, that estimated useful lives are appropriate, and that the amount of revenue generated from equipment replacement charges is appropriate to meet the City's long-term replacement needs.
- The ending fund balance for this fund is projected to be at \$1,607,810 at the end of 2017.

New Budget Item Summary

- The following vehicles are recommended for replacement:
 - Replace two Police Patrol vehicles
 - Purchase of Utility Trailers
 - Purchase Mini Excavator with attachments
 - Replace the scissor lift at Rosehill
 - Replace the EMS Medic Ambulance
 - Purchase two LUCAS chest compressions systems for EMS Ambulance
 - Purchase three thermal imaging cameras

Police Department Vehicle Replacement Request

Brief Description:

New Item

Replace two patrol vehicles that have reached their industry/city recommended standard service life.

Meets Council's Guidelines

Yes

Amount Requested

\$ 112,890

Nature of the expenditure?

One-Time

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

To replace 2 police patrol vehicles that have reached their industry standard service life and have met the criteria established in the Council approved Capital Asset: Vehicle and Equipment Replacement program. The mission vehicles will be repurposed within the police department.

Alternatives and Potential Costs

Do not replace, which will increase maintenance costs and negatively impact the police department's ability to maintain mission ready vehicles responsible for response to 911 calls for service.

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

Expenditure Account # & Title Amount

510.21.594.210.6408	\$ 112,890
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

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

Department:	Police
Division:	Police - Patrol
Prepared by:	Cheol Kang, Interim Police Chief



Utility Trailers

Brief Description:

New Item

Purchase of utility equipment trailer for the mini-excavator and attachments, utility dump trailer and a paint trailer to efficiently and effectively meet routine planned and emergent equipment mission requirements to jobsites, or to transport debris to public collection points.

Meets Council's Guidelines

Yes

Fund Name

**Equipment
Replacement
Reserve**

Amount Requested

\$ 25,000

Nature of the expenditure?

One-Time

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

No

Expenditure Purpose and Justification

The purchase of the utility equipment trailer, utility dump trailer and paint trailer will efficiently and effectively transport the mini-excavator and attachments, paint equipment and assist in hauling debris to & from jobsites, and the public works facility. The original utility dump and paint trailers were purchased in 1997, have been maintained past their expected service life and have served the city well, but are now in need of replacement. Additionally, the utility equipment trailer will provide added haul capability and flexibility to the Public Works Department to move other large equipment items to jobsites that now requires hiring a contractor, leasing or renting of a large trailer to meet Public Works daily mission requirements.

Alternatives and Potential Costs

Contract, rent or lease a utility equipment trailer to transport the mini-excavator and attachments to meet the numerous Public Works mission requirements. Continue to maintain functionally obsolete utility haul and paint trailers that were originally purchased in 1997.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Utility trailers have a life expectancy of 10-12 years, however, the City has a robust preventative maintenance program that will extend the life expectancy to 15-20 years.

Expenditure Account # & Title	Amount
510.38.594.480.6408	
Medium Utility Trailer	\$ 15,500
Paint Trailer	\$ 3,500
Utility Dump Trailer	\$ 6,000

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

Department:	Public Works
Division:	Operations
Prepared by:	Rob McGaughey, Public Works Director



Mini Excavator with Attachments**Brief Description:**

New Item

Purchase of a pre-owned mini excavator with attachments.

**Meets Council's
Guidelines****Yes****Fund Name****Equipment
Replacement
Reserve****Amount Requested****\$ 95,000****Nature of the expenditure?** **One-Time****Any Additional
Revenue? If Yes,
Identify Below****No****Expenditure Purpose and Justification**

Purchasing a mini excavator will allow the operations division to efficiently schedule ongoing maintenance and reconstruction projects. Proposed uses include: ADA ramp construction, storm water drainage repairs, sidewalk panel replacement, detention/retention pond mowing and silt removal. Purchasing additional attachments including a compactor, thumb, brush hog, hydraulic hammer and grading bucket will allow for use by all divisions of public works. The work plan for 2017 anticipates that this piece of equipment will be used a minimum of two days each week.

Alternatives and Potential Costs

Rental costs for the excavator alone exceed \$300 per day/\$1185 week. Extra charges would apply for the various attachments needed (if available). Based on the projected work plan for 2017, the anticipated rental costs for 2017 would exceed \$31,000 for the excavator alone. All rental fees would be paid from the General Fund, Street Fund and Surface Water Fund.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Ongoing costs will be driven by weekly inspections. With an aggressive maintenance program, maintenance costs are anticipated to be minimal. Costs will be expended from the annual Equipment Repair and Maintenance budget. This excavator has a estimated useful life of 6 years. However, with proper maintenance we can extend the useful life of this piece of equipment.

Expenditure Account # & Title	Amount
510.38.594.480.6408	\$ 95,000
	\$ -
	\$ -
	\$ -

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

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



Scissor Lift**Brief Description:**

New Item

Replacement of scissor lift used for maintenance and service operations at Rosehill and other city facilities.

Meets Council's Guidelines**Yes****Fund Name****Equipment Replacement Reserve****Amount Requested****\$ 24,000****Nature of the expenditure?****One-Time****Any Additional Revenue? If Yes, Identify Below****No****Expenditure Purpose and Justification**

The current Scissor Lift was purchased when RHCC opened 5 years ago. Due to its age, it is no longer reliable and when it does operate is cumbersome to use within the center. The lift has repeatedly experienced multiple maintenance issues and has been serviced multiple times due to battery charging problems that have been unable to be resolved causing intermittent use. The Rosehill Community Center has high ceilings in the upstairs rooms which require a lift to change lights, pull balloons from the ceiling and dust the fixtures.

A new scissor lift could also assist with routine maintenance at other buildings in the City. The lift is utilized to clean interior windows, change a variety of hard to reach lighting fixtures, conduct routine/preventative maintenance of interior ceilings, decorate facilities during various festival and holidays, and adjust stage lighting for a variety of community recreation and private programs.

Alternatives and Potential Costs

Do not purchase the new Scissor Lift or rent/lease. Cost benefit analysis does not support the rent or lease option.

Leasing a scissor lift costs \$8,376.00 per year. Purchasing a new scissor lift \$24,000. This equates to an annual cost of \$4,000 per year over the life expectancy (6 years) of the lift.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Ongoing costs would be any maintenance issues that staff could not fix. Life Cycle - 7 to 10 years.

Expenditure Account # & Title	Amount
510.38.594.480.6408	\$ 24,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
General Fund	\$ 24,000
	\$ -
	\$ -
	\$ -

Department:	Recreation and Public Works
Division:	Maintenance
Prepared by:	Jennifer Berner, Recreation Director and Rick Hill, Public Works



Ambulance**Brief Description:**

New Item

**Meets Council's
Guidelines****Yes**

Replace 2007 functionally obsolete ambulance

Fund Name**Equipment
Replacement
Reserve****Amount Requested****\$ 288,850****Nature of the expenditure?****One-Time****Any Additional
Revenue? If Yes,
Identify Below****No****Expenditure Purpose and Justification**

Current safety standards for personnel operating in the patient compartment of an ambulance dictate that all providers remain seated and secured and all medical equipment be secured during transport. The ambulance being replaced will be ten years old in 2017, does not meet these safety standards, and cannot be retrofitted cost effectively to meet the standards. It is currently the department's third out unit, responding as an Aid unit from Station 25 when staffing allows, as well as filling in for a primary unit when the primary unit is down for maintenance. Tentative delivery is 200 days from the date the contract is signed. The ambulance will be purchased through a cooperative bid and be similar in configuration to the unit purchased in 2016 for maximum operational effectiveness.

Delay purchase. Continue to operate the older vehicle increases the City's risk and maintenance expenses.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Annual preventative maintenance costs managed within the fire department budget. Expected ten year life cycle.

Expenditure Account # & Title Amount

510.38.594.220.6408	\$ 288,850
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

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

Department:	Fire
Division:	EMS
Prepared by:	Chris Alexander, Fire Chief



LUCAS Chest Compression Systems

Brief Description:

New Item

Purchase two new LUCAS Chest Compression Systems, a mechanical chest compression system, which is able to deliver consistent, quality chest compressions without interruptions due to fatigue.

Meets Council's Guidelines

Yes

Fund Name

**Equipment
Replacement
Reserve**

Amount Requested

\$ 40,000

Nature of the expenditure?

One-Time

Any Additional

**Revenue? If Yes,
Identify Below**

No

Expenditure Purpose and Justification

Response to a patient in cardiac arrest is a personnel-intensive effort. Chest compressions, airway management, medication administration, defibrillation, patient history, documentation, movement of the patient to the ambulance, and transport are all vital to the survival of the viable patient. Data shows that early, consistent, uninterrupted chest compressions play a key role in getting oxygen to the brain and vital organs until a regular heart beat can be re-established. Current practice is to start manual chest compressions at a rate of 100/minute as soon as possible and minimize interruptions. This is personnel-intensive due to the fatigue factor in delivering quality compressions. Every time personnel change, perfusion drops and must be re-established with the next rescuer. A mechanical chest compression system, when applied early in the resuscitation, is able to deliver consistent, quality compressions without interruptions due to fatigue. These systems can continue compressions while other tasks like moving the patient to the ambulance are done. During transport, the personnel and patient are safely restrained while the device continues to deliver compressions. Funding request is for two units, one for each ambulance.

Alternatives and Potential Costs

Continue to perform manual compressions on-scene and while standing in the moving ambulance during transport.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Annual preventative maintenance costs managed within the fire department budget. Expected seven year life cycle.

Expenditure Account # & Title	Amount
510.38.594.220.6408	\$ 40,000
	\$ -
	\$ -
	\$ -

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

Department:	Fire
Division:	EMS
Prepared by:	Chris Alexander, Fire Chief



Thermal Imaging Cameras

Brief Description:

New Item

**Meets Council's
Guidelines****Yes**

Replace (3) 2003 thermal imaging cameras for the fire department used for fires, motor vehicle incidents and water rescues.

Fund Name

**Equipment
Replacement
Reserve**

Amount Requested

\$ 25,500

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

Thermal Imaging Cameras (TIC) are a tool which allows firefighters to seek out victims using heat imaging. This lifesaving technology is useful not only in a fire where there is little to no visibility, but also at car crashes when victims cannot be located, and in shallow water to check for drowning victims. In addition, the fire department regularly uses these devices to check for fire extension inside walls and voids, minimizing the damage from opening these spaces unnecessarily. These cameras are on all fire and EMS vehicles. The fire department is replacing three TICs dating back to 2003. The replacement devices will be lighter and smaller with better sensitivity and screen resolution.

Alternatives and Potential Costs

Do not purchase and use existing older thermal imaging cameras.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

There are no ongoing costs unless broken and each unit requires a \$150 battery replacement approximately every 3 years.

Expenditure Account # & Title	Amount
510.38.594.220.6408	\$ 25,500
	\$ -
	\$ -
	\$ -

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

Department:	Fire
Division:	Suppression
Prepared by:	Brian McMahan, Assistant Fire Chief



Equipment Replacement Reserve Fund (510)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	✓ \$ 2,352,503	\$ 2,141,676	✓ \$ 2,193,621	✓ \$ 2,054,850	✓ \$ (86,826)
Revenue and transfers-in					
Interfund loan interest	\$ 9,000	\$ 300	\$ 8,100	\$ 7,200	✓ \$ 6,900
Interfund loan repayment	-	30,000	-	✓ -	✓ (30,000)
Equipment replacement charges	219,635	✓ 596,519	596,519	✓ 157,000	✓ (439,519)
Other miscellaneous revenue	46,000	-	-	✓ -	✓ -
Total revenue and transfers-in	<u>\$ 274,635</u>	<u>\$ 626,819</u>	<u>\$ 604,619</u>	<u>\$ 164,200</u>	<u>\$ (462,619)</u>
Total resources	<u>\$ 2,627,138</u>	<u>\$ 2,768,495</u>	<u>\$ 2,798,240</u>	<u>\$ 2,219,050</u>	<u>\$ (549,445)</u>
Expenditures and transfers-out					
Vehicle equipment removal	✓ \$ 4,808	\$ -	\$ 900	\$ -	✓ \$ -
Capital outlay	✓ 428,709	✓ 742,490	742,490	✓ 611,240	✓ (131,250)
Total expenditures and transfers-out	<u>\$ 433,517</u>	<u>\$ 742,490</u>	<u>\$ 743,390</u>	<u>\$ 611,240</u>	<u>\$ (131,250)</u>
Ending fund balance	<u>\$ 2,193,621</u>	<u>\$ 2,026,005</u>	<u>\$ 2,054,850</u>	<u>\$ 1,607,810</u>	<u>✓ \$ (418,195)</u>

FACILITIES MAINTENANCE FUND

Purpose:

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

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

The 23 City buildings include:

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

2016 Accomplishments:

- Conducted an energy audit of the "Big" 6 City facilities (City Hall, Police, FS 24 & 25, PW, RHCC)
- Began retrofit at Rosehill Community Center with LED lighting
- New windows in the Lighthouse building
- Replaced one furnace in Lighthouse Quarters building
- Replaced door locks with electronic card-lock system on Fire Stations 24 & 25 and the Public Works Building
- Streamlined the service request process with online "Fix it" form
- Converted all building cleaning and operating supplies to "green" products
- Completed over 500 service requests

2017 Goals & Objectives

- Centralize the purchasing of maintenance supplies for all city facilities.
- Continue developing a long range repair and replacement fund for high cost facilities items.
- Continue implementing short range building maintenance practices that assure the highest practical level of asset protection and longevity for the City.

Budget Highlights

- The 2017 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 43% of the total expenditure budget.
- Compared to the 2016 budget, expenditures are increasing approximately 6%. This is due mainly to the new budget item.
- The budget includes one new budget item:
 - Lighthouse Park Quarters Buildings Preservation – This is for exterior painting of Quarters A & B Buildings at Lighthouse Park.

Lighthouse Park Quarters Buildings Preservation

Brief Description:

New Item

Exterior painting of Quarters A & B Buildings

Fund Name**Hotel / Motel****Amount Requested****\$ 42,500**Nature of the expenditure? **One-Time**Any Additional
Revenue? If Yes,
Identify Below**No****Expenditure Purpose and Justification**

Quarters A & B Buildings were last painted in 2006. Due to the harsh marine environment and the age of the buildings it is time to paint again. New paint will keep the Quarters Building from experiencing additional weather damage and incurring increased costs for repairs.

The scope of work will include:

- 1.) Surface preparation, cleaning, removal of loosened, flaking and otherwise unsound substrate material on the exterior surfaces of Quarters A & B building
- 2.) Priming all bare wood and other surfaces with primer colored to match the final coat on the exterior surfaces of Quarters A & B building
- 3.) Caulking and filling areas as necessary
- 4.) Areas of damaged and soft wood will be replaced
- 5.) Finish coat paint colors will match the existing buildings

Alternatives and Potential Costs

The Lodging Tax grant requires 25% match. The City's match will be completed through in-kind costs for staff to develop bid documents, administer the construction contract and inspection.

Identify Ongoing Operating and Maintenance Life Cycle Expenses**Expenditure Account # & Title Amount**

518.38.539.197.4125	\$ 42,500
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

Lodging Tax Grant 518.337.400.00	\$ 42,500
(Comm. Org. Support 116.19.557.200.4408)	
	\$ -
	\$ -

Department:	Public Works
Division:	Maintenance
Prepared by:	Rob McGaughey, Public Works Director

**2017 BUDGET**

2017 Annual Budget

Internal Service Funds

Facilities Maintenance Fund (518)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 37,819	\$ -	\$ (4,617)	\$ (14,619)	\$ (14,619)
Revenue and transfers-in					
Grants	\$ -	\$ -	\$ -	\$ 42,500	\$ 42,500
Charges for services	-	-	565,268	611,208	611,208
Other miscellaneous revenue	(25,823)	-	-	-	-
Transfers-in	668,485	637,515	-	-	(637,515)
Total revenue and transfers-in	<u>\$ 642,663</u>	<u>\$ 637,515</u>	<u>\$ 565,268</u>	<u>653,708</u>	<u>16,193</u>
Total resources	<u>\$ 680,482</u>	<u>\$ 637,515</u>	<u>\$ 560,651</u>	<u>\$ 639,089</u>	<u>\$ 1,574</u>
Expenditures and transfers-out					
Salaries & wages	\$ 126,673	\$ 177,600	\$ 145,790	\$ 182,384	\$ 4,784
Personnel benefits	65,110	110,200	70,800	93,126	(17,074)
Supplies	30,495	24,550	28,210	27,400	2,850
Other services & charges	462,820	295,250	330,470	334,350	39,100
Transfers-out	-	-	-	5,834	5,834
Total expenditures and transfers-out	<u>\$ 685,098</u>	<u>\$ 607,600</u>	<u>\$ 575,270</u>	<u>\$ 643,094</u>	<u>\$ 35,494</u>
Ending fund balance	<u>\$ (4,617)</u>	<u>\$ 29,915</u>	<u>\$ (14,619)</u>	<u>\$ (4,005)</u>	<u>\$ (33,920)</u>

Public Works - Facilities Maintenance Division

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 121,253	\$ 156,600	\$ 129,020	\$ 161,884	\$ 5,284
Part Time Employees	-	18,000	9,500	18,000	-
Acting Supervisor Pay	2,913	-	3,130	-	-
Overtime	347	1,000	-	500	(500)
Standby Pay	2,160	2,000	4,140	2,000	-
Total Salaries & Wages	\$ 126,673	\$ 177,600	\$ 145,790	\$ 182,384	\$ 4,784
Benefits	\$ 65,110	\$ 110,200	\$ 70,800	\$ 93,126	\$ (17,074)
Total Benefits	\$ 65,110	\$ 110,200	\$ 70,800	\$ 93,126	\$ (17,074)
Total Salaries & Benefits	\$ 191,783	\$ 287,800	\$ 216,590	\$ 275,510	\$ (12,290)

Operating Expenses

Supplies					
Operating Supplies - Lighthouse	\$ 1,322	\$ 750	\$ 700	\$ 700	\$ (50)
Operating Supplies - Chamber of Commerce	232	100	20	100	-
Office Supplies	1,884	1,000	350	500	(500)
Operating Supplies	149	-	240	250	250
Clothing/Boots	722	2,500	2,500	2,500	-
Motor Fuel	1,533	1,700	1,080	1,350	(350)
Small Items of Equipment	1,269	1,400	2,000	2,000	600
Operating Supplies - PW Shops	2,896	1,400	4,410	3,500	2,100
Operating Supplies - City Hall	1,429	2,000	1,850	2,000	-
Operating Supplies - Rosehill	14,272	5,700	8,920	9,000	3,300
Operating Supplies - Police Dept	1,869	3,000	3,080	2,500	(500)
Operating Supplies - Fire Dept	2,918	5,000	3,060	3,000	(2,000)
Total Supplies	\$ 30,495	\$ 24,550	\$ 28,210	\$ 27,400	\$ 2,850

Public Works - Facilities Maintenance Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Contract Services	\$ 30	\$ -	\$ -	\$ -	\$ -
Cell Phone	567	500	370	400	(100)
Travel & Subsistence	1,392	500	500	500	-
Insurance	1,042	-	-	-	-
Natural Gas	1,176	-	390	-	-
Electricity	2,834	3,000	-	-	(3,000)
Sewer Service	4,191	-	5,360	-	-
Water Service	1,883	-	2,640	-	-
Storm Drainage Chgs.	275	-	850	-	-
Alarm System	139	240	-	240	-
Vehicle R&M	3,249	2,000	2,000	2,000	-
Training & Registration	3,780	3,500	3,500	3,500	-
Janitorial Service	34,756	-	35,840	-	-
Total Other Services & Charges	\$ 55,315	\$ 9,740	\$ 51,450	\$ 6,640	\$ (3,100)
Other Services & Charges - Lighthouse					
Contract Services - Lighthouse	\$ 520	\$ 1,500	\$ -	\$ 43,250	\$ 41,750
Work Equip & Machine Rental - Lighthouse	-	500	-	300	(200)
Natural Gas - Lighthouse	1,282	1,200	1,370	1,400	200
Electricity - Lighthouse	114	200	20	200	-
Sewer Service - Lighthouse	142	500	-	500	-
Water Service - Lighthouse	5,805	2,000	2,180	2,000	-
Storm Drainage Chgs. - Lighthouse	1,727	240	420	240	-
Alarm System - Lighthouse	544	30	-	30	-
Bldg & Fixture M&R - Lighthouse	13,848	4,000	5,000	4,000	-
Total Other Services & Charges - Lighthouse	\$ 23,984	\$ 10,170	\$ 8,990	\$ 51,920	\$ 41,750

2017 Annual Budget

Internal Service Funds

Public Works - Facilities Maintenance Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges - PW Shops					
Work Equip & Machine Rental - PW Shops	\$ 47	\$ 500	\$ 500	\$ 500	-
Natural Gas - PW Shops	3,608	2,900	3,310	3,400	500
Electricity - PW Shops	4,873	3,500	4,990	4,900	1,400
Sewer Service - PW Shops	2,546	3,200	480	2,500	(700)
Water Service - PW Shops	1,159	1,200	180	1,200	-
Storm Drainage Chgs. - PW Shops	169	1,200	90	1,200	-
Alarm System - PW Shops	90	115	-	115	-
Bldg & Fixture M&R - PW Shops	17,394	15,000	15,000	14,000	(1,000)
Total Other Services & Charges - PW Shops	\$ 29,885	\$ 27,615	\$ 24,550	\$ 27,815	\$ 200
Other Services & Charges - City Hall					
Contract Services - City Hall	\$ 6,240	\$ 5,000	\$ 5,000	\$ 5,000	-
Work Equip & Machine Rental - City Hall	-	500	-	500	-
Electricity - City Hall	23,260	20,800	18,680	20,800	-
Sewer Service - City Hall	723	700	670	700	-
Water Service - City Hall	1,718	1,100	1,600	1,600	500
Storm Drainage Chgs. - City Hall	526	850	700	850	-
Alarm System - City Hall	-	-	-	-	-
Bldg & Fixture M&R - City Hall	21,576	17,000	23,210	17,000	-
Total Other Services & Charges - City Hall	\$ 54,043	\$ 45,950	\$ 49,860	\$ 46,450	\$ 500
Other Services & Charges - Rosehill					
Contracted Services - Rosehill	\$ 2,195	-	\$ 8,860	-	-
Natural Gas - Rosehill	2,381	2,500	1,660	2,500	-
Electricity - Rosehill	28,856	26,000	22,800	24,000	(2,000)
Sewer Service - Rosehill	5,088	4,200	4,290	4,200	-
Water Service - Rosehill	4,730	2,200	2,540	2,200	-
Storm Drainage Chgs. - Rosehill	4,008	6,300	6,300	6,300	-
Alarm System - Rosehill	-	2,200	-	2,200	-
Bldg & Fixture M&R - Rosehill	34,762	17,000	17,000	17,000	-
Janitorial Services - Rosehill	1,080	-	-	-	-
Total Other Services & Charges - Rosehill	\$ 83,099	\$ 60,400	\$ 63,450	\$ 58,400	\$ (2,000)

2017 Annual Budget

Internal Service Funds

Public Works - Facilities Maintenance Division (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges - Police Dept					
Contract Services - Police Dept	\$ -	\$ 1,000	\$ -	\$ 750	\$ (250)
Work Equip & Machine Rental - Police Dept	852	500	-	500	-
Natural Gas - Police Dept	6,266	6,400	8,390	8,400	2,000
Electricity - Police Dept	42,229	35,500	27,660	35,500	-
Sewer Service - Police Dept	7,077	3,400	3,440	3,400	-
Water Service - Police Dept	3,575	1,500	1,730	1,500	-
Storm Drainage Chgs. - Police Dept	5,240	8,275	7,580	8,275	-
Alarm System - Police Dept	2,396	2,200	6,750	2,200	-
Bldg & Fixture M&R - Police Dept	36,177	13,400	13,400	13,400	-
Total Other Services & Charges - Police Dept	\$ 103,812	\$ 72,175	\$ 68,950	\$ 73,925	\$ 1,750
Other Services & Charges - Fire Dept					
Contract Services - Fire Dept	\$ 2,007	\$ 2,000	\$ -	\$ 2,000	\$ -
Work Equip & Machine Rental - Fire Dept	-	500	-	500	-
Natural Gas - Fire Dept	6,053	6,400	5,410	6,400	-
Electricity - Fire Dept	14,055	15,900	11,660	15,900	-
Sewer Service - Fire Dept	8,841	7,500	7,550	7,500	-
Water Service - Fire Dept	5,555	4,200	3,810	4,200	-
Storm Drainage Chgs. - Fire Dept	3,309	2,700	4,790	2,700	-
Bldg & Fixture M&R - Fire Dept	45,625	30,000	30,000	30,000	-
Total Other Services & Charges - Fire Dept	\$ 85,444	\$ 69,200	\$ 63,220	\$ 69,200	\$ -
Transfers-out					
Transfers-out	\$ -	\$ -	\$ -	\$ 5,834	\$ 5,834
Total Transfers-out	\$ -	\$ -	\$ -	\$ 5,834	\$ 5,834
Total Transfers-out	\$ -	\$ -	\$ -	\$ 5,834	\$ 5,834
Total Operating Expenses	\$ 466,075	\$ 319,800	\$ 358,680	\$ 367,584	\$ 47,784
Total Public Works - Facilities Maintenance Division	\$ 657,858	\$ 607,600	\$ 575,270	\$ 643,094	\$ 35,494

FACILITY RENEWAL FUND

Purpose:

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

Budget Highlights

- The City continues to follow the Building Manager Program which was developed in 2015 that established the Facility Renewal Fund.
- This program reviews facility maintenance requirements and develops a methodology that includes the following elements:
 - An analysis of the useful life of assets, using the 2012 Facility Inventory as a foundation;
 - An annual material condition rating which is conducted by Public Works Facility staff;
 - A risk assessment priority code which is determined through an analysis by a cross-functional team that assesses the facilities.
- This budget includes a transfer-in from the General Fund for \$242,830 based on the internal cost allocation plan.
- 2017 Capital outlays (NBIs) are budgeted at a total of \$162,640, projecting an ending fund balance of \$459,340.

New Budget Item Summary

- This budget includes five new budget items:
 - Fire Station 24 Emergency Generator Replacement
 - Public Works Shop improvements
 - Additional security cameras at Rosehill Community Center
 - Pt. Elliot Room floor replacement
 - Pt. Elliot Room technology upgrade

Fire Department Emergency Generator**Brief Description:**

New Item

Generator, associated electrical wiring/circuit and harness replacement/upgrade required for MFD Station 24

Meets Council's Guidelines

Yes

Fund Name

Facility Renewal

Amount Requested

\$ 50,000

Nature of the expenditure? One-Time**Any Additional** No

Revenue? If Yes, Identify Below

Expenditure Purpose and Justification

MFD STA 24's Emergency Generator does not maintain the station's electrical load requirements during emergency operations. The generator is past its serviceable life and the electrical requirements of the station have increased since the installation in the volunteer station. In the event of an emergency, the current generator cannot meet MFD STA 24's electrical requirements.

Alternatives and Potential Costs

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

Identify Ongoing Operating and Maintenance Life Cycle Expenses

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

Expenditure Account # & Title	Amount
520.38.594.220.6210	\$ 50,000
	\$ -
	\$ -
	\$ -

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

Department:	Fire
Division:	Fire-Administration
Prepared by:	Chris Alexander, Fire Chief



Public Works Shop Improvements

Brief Description:

New Item

Renovate Public Works Shop to create training and meeting room space.

**Meets Council's
Guidelines**

Yes

Fund Name

Facility Renewal

Amount Requested**\$ 30,000****Nature of the expenditure?**

One-Time

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

No

Expenditure Purpose and Justification

The Public Works Facility does not have a training room large enough to accommodate the current staff and desires to remodel the 2nd floor in order to meet the departmental staff training/meeting requirements. Improvements include: Electrical, Information Technology, and HVAC improvements; room reconfiguration to include door & window installation; and furniture requirements. These improvements will allow a flexible training/meeting space for the entire PW Department of 23 staff, including all seasonal employees. The current training/meeting area is located in the front lobby of the PW Facility which comfortably seats 10-12 staff members. Monthly Staff/Daily meetings are standing room affairs. Currently large PW Staff training opportunities are conducted at City Hall or RHCC which requires/wastes a large amount of staff time.

Alternatives and Potential Costs

Continue to hold Public Works staff meetings and training sessions at City Hall or RHCC. Staff estimates that each meeting conducted at City Hall or RHCC results in approximately 30-60 minutes of lost time and productivity.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Normal building operations and maintenance costs. Very minimal increases in the operating budget will occur as this area currently exists in an unimproved state.

Expenditure Account # & Title	Amount
520.38.594.480.6210	\$ 30,000
	\$ -
	\$ -
	\$ -

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

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



Additional Security Cameras at RHCC

Brief Description:

New Item

**Meets Council's
Guidelines**

Yes

Purchase and installation of three additional security cameras at RHCC

Fund Name

Facility Renewal

Amount Requested**\$ 6,240****Nature of the expenditure?**

One-Time

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

No

Expenditure Purpose and Justification

Additional cameras are needed at RHCC to assist staff in monitoring the facility for staff safety. The additional camera locations include:

(A.) One camera to view the front lobby by the front desk. Currently there are no cameras that capture any activity at the front desk. There have been incidents that have occurred at the front desk where having the incident on camera would have been helpful. The addition of the camera helps staff feel safe in the facility especially in the late evening hours.

(B.) One camera to view the downstairs hallway with the Dance, Art and Fitness Room. Staff asked to have this camera installed as many times in the evening people loiter at the end of the hallway. This will increase staff situational awareness when securing the facility.

(C.) One camera to view the Rosehill Room due to increased use, and to increase the situational awareness of staff during facility use and closing.

Finally, additional cameras help staff feel safe and can monitor the activity within the facility.

Alternatives and Potential Costs

Fund no cameras, or 1 or 2 cameras. Face potential risks from lack of camera coverage within Rosehill. Increased costs from defending claims over incidents not captured on camera.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

SecurePro offers over the phone technical support at no additional cost. A SecurePro staff member will need to come out and fix a camera or the network if something is not operating correctly.

Expenditure Account # & Title Amount

520.38.594.140.6210	\$ 6,240
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

General Fund 520.397.100.00	\$ 6,240
(011.19.597.200.5519)	\$ -
	\$ -
	\$ -

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



Point Elliott Room Floor Replacement

Brief Description:

New Item

**Meets Council's
Guidelines**

Yes

Replace the flooring in the Point Elliott Room

Fund Name

Facility Renewal

Amount Requested

\$ 55,000

Nature of the expenditure?

One-Time

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

Yes

Expenditure Purpose and Justification

In 2011, the Point Elliot Room floor was constructed in the following manner: a concrete base, next, a rubber mat, and finally plank flooring. Due to the heavy equipment movement across the floor (racks of table, chairs, and sound equipment) on a regular basis has created a trip/safety hazard by the raised plank flooring corners to renters, residents and staff. In 2015, a temporary fix was installed at RHCC to address the emergent trip/safety hazard, however, many areas are deteriorating and are in need of a permanent fix. By replacing the flooring, RHCC will maintain the ability to host large events. The Point Elliott Room has many rentals that directly relate to overnight stays in hotels (i.e. weddings, conventions). Staff will pursue money from the Lodging Tax Grant process to pay for all or part of the floor replacement. The new flooring will not have a pad between the concrete and the flooring so this issue will not reoccur.

Alternatives and Potential Costs

Staff has received an estimate of \$55,000 to take out the old flooring and install new flooring. The only alternative is to close the room for use if the flooring becomes a risk management safety hazard liability. The temporary fix that was used is not an option that can be used throughout the room as it includes installing carpet not floor tiles. This was only used in the one section of flooring that transitions from the storage closet with the tables and chairs to to the Point Elliott Room.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

The ongoing maintenance includes the community center's normal floor maintenance. No special/additional maintenance costs are associated with the new flooring.

Expenditure Account # & Title	Amount
520.38.594.140.6210	\$ 55,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Lodging Tax Grant 520.337.400.00	\$ 22,000
(Comm. Org. Support 116.19.557.200.4408)	
	\$ -
	\$ -

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



RHCC- Pt. Elliott Room Technology Upgrade**Brief Description:**

New Item

Replace computer and sound system technology originally installed in 2011.

**Meets Council's
Guidelines****Yes****Fund Name****Facility Renewal****Amount Requested****\$ 21,400****Nature of the expenditure?****One-Time****Any Additional
Revenue? If Yes,
Identify Below****No****Expenditure Purpose and Justification**

The Point Elliott Room computer and sound system technology has become obsolete and is incompatible with the latest Microsoft and IT applications and needs to be upgraded from VGA to HDMI. VGA technology is not compatible with the new laptop and projector connections. Staff has been forced to implement a variety of work-arounds over the last year, however, they have become unreliable and do not work with all presentations.

This request will integrate all sound requirements through one centrally controlled system for use throughout the entire Rosehill speaker system. Additionally, a new transmitter and receiver is required to convert signals from HDMI to CAT-5 to the DVI projector input. Finally, a centralized touch screen control system is required in order to integrate all audio visual requirements.

Staff consulted with outside audio-visual experts to develop this proposal, and validated that proposal with City IT staff.

Alternatives and Potential Costs

Stay with the existing system and continue to find different work-arounds, requiring additional staff time. There is a potential for lost revenue in the future for users seeking a more advanced technology system for events, meetings and programs.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

There are no additional on-going maintenance costs. The estimate includes staff training on the new technology, one year customer care program that includes full system warranty coverage with two preventative maintenance visits per year and 24/7 technical help desk support.

Expenditure Account # & Title Amount

520.38.594.140.6210	\$ 21,400
	\$ -
	\$ -
	\$ -

Revenue Account # & Title Amount

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

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



2017 Annual Budget

Internal Service Funds

Facility Renewal Fund (520)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ 357,150	\$ 357,150
Revenue and transfers-in					
Grants	\$ -	\$ -	\$ -	\$ 22,000	\$ 22,000
Transfers-in	-	500,000	500,000	242,830	(257,170)
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 264,830</u>	<u>\$ (235,170)</u>
Total resources	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 621,980</u>	<u>\$ 121,980</u>
Expenditures and transfers-out					
Capital outlay	\$ -	\$ 142,850	\$ 142,850	\$ 162,640	\$ 19,790
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ 142,850</u>	<u>\$ 142,850</u>	<u>\$ 162,640</u>	<u>\$ 19,790</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 357,150</u>	<u>\$ 357,150</u>	<u>\$ 459,340</u>	<u>\$ 102,190</u>